



House of the Federation

SENATE SECRETARIAT

**REPORT OF THE
SENATE STANDING COMMITTEE ON INTERIOR**

(REPORT NO. 13)

**“THE REAL ESTATE (REGULATION AND DEVELOPMENT)
BILL, 2017”**

PRESENTED BY

**SENATOR A. RHMAN MALIK
Chairman
Standing Committee on Interior**

SENATE SECRETARIAT

REPORT OF SENATE STANDING COMMITTEE ON INTERIOR ON "THE REAL ESTATE (REGULATION AND DEVELOPMENT) BILL, 2017" MOVED BY SENATOR MOHSIN AZIZ.

I, Chairman of Senate Standing Committee on Interior, have the Honour to present report on the Bill "The Real Estate (Regulation and Development) Bill, 2017" introduced by Senator Mohsin Aziz referred to the Committee on 09-10-2018.

2. The Bill, upon introduction in the Senate, was referred to the Standing Committee for consideration and report back to the House.

3. The composition of the Standing Committee on Interior is as under: -

i.	Senator A. Rehman Malik	Chairman
ii.	Senator Kalsoom Parveen	Member
iii.	Senator Muhammad Javed Abbasi	Member
iv.	Senator Chaudhary Tanvir Khan	Member
v.	Senator Muhammad Asad Ali Khan Junejo	Member
vi.	Senator Rana Maqbool Ahmad	Member
vii.	Senator Muhammad Talha Mehmood	Member
viii.	Senator Farooq Hamid Naek	Member
ix.	Senator Syed Shibli Faraz	Member
x.	Senator Haji Momin Khan Afridi	Member
xi.	Senator Muhammad Ateeq Shaikh	Member
xii.	Senator Kauda Babur	Member
xiii.	Senator Sardar Muhammad Shafiq Tareen	Member
xiv.	Minister for Interior	Ex-Officio Member

4. The Committee considered and discussed the Bill in its meetings held on 29th January, 2019 and 22nd February, 2019. The following Members of the committee and Mover of the Bill attended the meetings: -

i.	Senator Abdul Rehman Malik	Chairman
ii.	Senator Muhammad Javed Abbasi	Member
iii.	Senator Mian Muhammad Ateeq Shaikh	Member
iv.	Senator Muhammad Asad Ali Khan Junejo	Member
v.	Senator Sardar Muhammad Shafiq Tareen	Member
vi.	Senator Shehzad Waseem	Member
vii.	Senator Haji Momin Khan Afridi	Member
viii.	Senator Kauda Babar	Member
ix.	Senator Mohsin Aziz	Mover

5. Senator Mohsin Aziz briefed the Committee on the salient features of the Bill. The Mover stated that keeping in view the consistent varying trends and fluctuations in the Real Estate market of Pakistan, there is a dire need to establish a Real Estate Regulatory Authority in order to regulate and promote the real estate sector in Pakistan. The Bill will also protect the interest of consumers and ensure smooth sale of plots and real estate projects in an efficient and transparent manner. In addition, it will give the consumers a speedy dispute redressal of their complaints through establishing an adjudication mechanism and also establishing the Appellate Tribunal for hearing appeals against the orders or directions Real Estate Regulatory Authority.

6. The Committee considered the Bill in its meeting held on 29th January, 2019. The Ministry of Interior, CDA and MCI expressed their serious reservations on the Bill.

7. The Chairman Committee nominated Senator Muhammad Javed Abbasi as Coordinator to discuss the Bill with all stakeholders and present the Bill which should be acceptable to them. Senator Muhammad Javed Abbasi held extensive meetings with all stakeholders, made certain amendments and presented the Bill for consideration of the Committee. The Committee held a threadbare discussion on various aspects of the Bill with particular reference to the reservations of all stakeholders.

8. Senator Mian Muhammad Ateeq Shaikh pointed out that the DHA has been developed in Rawalpindi and Islamabad as well. He was of the view that the DHA phase which falls in the jurisdiction of Rawalpindi should be barred to use the word "Islamabad" with it. However the DHA phase in the jurisdiction of Islamabad can use the word "Islamabad" with it.

9. The Chairman Committee directed the Ministry of Interior that there should be clear bifurcation of the DHA phases in Rawalpindi and Islamabad while making Rules after passage of the Bill.

10. In view of the above, the Committee recommends that "The Real Estate (Regulation and Development) Bill" as ^{amended} reported by the Committee, may be passed by the Senate. (Copy of the Bill reported by the Committee is at Annexure-A and Copy presented in Senate is at Annexure-B).


(TANVIR AHMED)
D.G./Secretary Committee


(SENATOR A. REHMAN MALIK)
Chairman Committee

[AS REPORTED BY THE COMMITTEE]

A

BILL

To establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and for matters connected therewith

Whereas it is expedient to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to protect the interest of buyers in the real estate sector by ensuring that the sale and purchase of plot, apartment or building, as the case may be, or sale of real estate project, to the buyer by a developer or owner holding title by himself or through a company or an agent is by an efficient and transparent manner and to regulate mega projects in the real estate sector by any developer and provide a mechanism for speedy dispute redressed by establishing an Appellate Tribunal to hear appeals from the decisions, directions or orders of the Real Estate Regulatory Authority and the recommendations of the inquiry officer and for matters connected therewith or incidental thereto follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Islamabad Real Estate (Regulation and Development) Act, 2018.

(2) It extends to the Islamabad Capitol Territory.

(3) It shall come into force at once.

2. Definition.—In this Act, unless the context otherwise requires,—

(a) "Authority" means the Islamabad Real Estate Regulatory Authority established under this Act.

(b) "Appraisal or inquiry officer" means the inquiry officer appointed by the Authority or the Appellate Tribunal under this Act;

(c) "Advertisement" means any document by the developer or his authorized agent described or issued as advertisement through any medium and includes any notice, circular or other documents or publicity in any form, informing persons about a real estate property or real estate project, or offering for sale of a plot, building or apartment or inviting persons to purchase in any manner such plot, building or apartment or to make advances or deposits for such purposes;

(d) "allottee" in relation to a real estate project or a real estate holding, means the person to whom a plot, apartment or building, as the case may be, has been sold (whether as freehold or leasehold which is not less than thirty three years) by way of a sale, transfer or otherwise or transferred by the developer having sale of real estate rights given to him by the owner of the real estate, and includes the person who subsequently acquires the said allotment but does not include a person to whom such plot, apartment or building, as the case may be, is given on rent;

(e) "Agreement for sale" means an agreement entered into between the developer and the allottee to sell and to purchase the property respectively;

(f) "apartment" whether called block, chamber, dwelling unit, flat, office, showroom, shop, godown, premises, suit, tenement, unit or by any other name, means a separate and self-contained part of any immovable property, including one or more rooms or enclosed spaces, located on one or more floors or any part thereof, in a building or on a plot of land, used or intended to be used for any residential or commercial use such as residence, office, shop, showroom or godown or for carrying on any business, occupation, profession or trade, or for any other type of use ancillary to the purpose specified;

(g) "Appellate Tribunal" means the Real Estate Appellate Tribunal established under this Act;

(h) "Government" means the Federal Government.

(i) Ministry means the Ministry of Interior, Government of Pakistan.

(j) "architect" means a person registered as an architect under the provisions of the Pakistan Council of Architects and Town Planners Act 1983;

(k) "building" includes any structure or erection or part of a structure or erection which is intended to be used for residential, commercial or for the purpose of any business, occupation, profession or trade, or for any other related purposes;

(l) "carpet area" means the net usable floor area of an apartment, excluding the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area and exclusive open terrace area, but includes the area covered by the internal partition walls of the apartment.

Explanation.—For the purpose of this clause, the expression "exclusive balcony or verandah area" means the area of the balcony or verandah, as the case may be, which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee; and "exclusive open terrace area" means the area of open terrace which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee;

(m) "Chairperson" means the Chairperson of the Real Estate Regulatory Authority appointed under this Act;

(n) "commencement certificate" means the commencement certificate or the building permit or the construction permit, by whatever name called issued by the an authority empowered by law or the owner if so permitted by law to allow or permit the developer to begin development works on an immovable property, as per the sanctioned plan approved and issued an authority empowered by law;

(o) "common areas" mean—

(i) the entire land for the real estate project even when the project is developed in phases and registration under this Act is sought for only a phase out of the entire land;

(ii) the stair cases, lifts, staircase and lift lobbies, fire escapes, and common entrances and exits of buildings;

(iii) the common basements, terraces, parks, play areas; open parking areas and common storage spaces;

(iv) the premises for the lodging of persons employed for the management of the property including accommodation for watch and ward staffs or for the lodging and offices of community service personnel;

(v) Installations of central services such as electricity, gas, water and sanitation, air-conditioning, system for water conservation and renewable energy and incinerating;

(vi) the water tanks, sumps, motors, fans, compressors, ducts and all apparatus connected with installations for common use;

(vii) all community and commercial facilities as provided in the real estate project;

(viii) all other portion of the project necessary or convenient for its maintenance, safety, etc., and in common use;

(p) "company" means a company incorporated and registered under the Companies Act, 2017 to develop and construct real estate projects.

(q) "corporation" means a corporation established by or under any Federal Act or Provincial Act;

(r) "development authority" means any public authority established by the Government in this behalf under any law for the time being in force;

(s) "completion certificate" means the completion certificate, or such other certificate, by whatever name called, issued by the an authority empowered by law certifying that the real estate project has been developed according to the sanctioned plan, layout plan and specifications, as approved by the an authority empowered by law under the local laws;

(t) "day" means the working day, in the concerned Province or Federal territory, as the case may be, notified by the Federal Government from time to time;

(u) "Land owner " means any local authority or the Capital development Authority created or established under any law for the time being in force by the Federal Government holding a land lawfully which can be sold to the public or a lawful owner of the land having authority over land under its jurisdiction to sell it, and has powers to give permission for development of such immovable property to a developer

(v) "development" with its grammatical variations and cognate expressions, means carrying out the development of immovable property, engineering or other operations in, on, over or under the land or the making of any material change in any immovable property or land and includes re-development;

(w) "development works" means the external development works and internal development works on immovable property;

(x) "engineer" means a person who is registered as an engineer with the Pakistan Engineering Council.;

(y) "estimated cost of real estate project" means the total cost involved in developing the real estate project and includes the land cost, taxes, development and other charges;

(z) "external development works" includes roads and road systems landscaping, water supply, sewerage and drainage systems, electricity supply transformer, sub-station, solid waste management and disposal or any other work which may have to be executed in the periphery of, or outside, a project for its benefit, as may be provided under the local laws;

(za) "family" includes husband, wife, minor son and unmarried daughter, father or mother wholly dependent on a person;

(zb) "garage" means a place within a project having a roof and walls on three sides for parking any vehicle, but does not include an unenclosed or uncovered parking space such as open parking areas;

(zc) "immovable property" includes land, buildings, rights of ways, lights or any other benefit arising out of land and things attached to the earth or permanently fastened to anything which is attached to the earth, but not standing timber, standing crops or grass;

(zd) "interest" means the rates of interest payable by the developer or the allottee, as the case may be.

Explanation.—For the purpose of this clause—

(i) the rate of interest chargeable from the allottee by the developer, in case of default in the payment scheme agreed upon in the agreement, shall be

