

[AS PASSED BY THE SENATE

A

Bill

to regulate the ownership and management of condominiums in Islamabad Capital Territory

WHEREAS it is expedient to provide for the ownership of an individual unit in a condominium complex and of an undivided interest in the common areas and facilities appurtenant to such unit and to make such unit and interest heritable and transferable and for matters connected therewith or incidental thereto;

And WHEREAS to provide provision for association of owners which shall be responsible to maintain, manage and administer the affairs of the condominium complex in the manner and for the purposes hereinafter appearing:

It is hereby enacted as follows:-

CHAPTER I PRELIMINARY

1. Short title, extent, commencement and application. - (1) This Act shall be called the Islamabad Capital Territory Condominium (Ownership and Management) Act, 2026.

(2) It shall extend to the whole of the Islamabad Capital Territory.

(3) It shall come into force at once.

(4) It shall apply to the condominium complex and every unit therein.

2. Definitions.-In this Act, unless the context otherwise requires,-

(a) "Association of Owners" means association of all unit owners in a condominium complex constituted under section 8 of this Act;

(b) "Authority" means a local government or any other agency having jurisdiction over the property, accord approvals thereto with respect to map, construction and plan thereof or have jurisdiction over the condominium complex under any law for the time being in force;

(c) "common areas and facilities" mean any, or all, areas or facilities of the condominium complex other than a unit;

(ca) "Condominium" means a housing unit that is individually owned and situated within a shared building;

(d) "condominium complex" means a building or group of buildings containing individually-owned units with shared common areas, used for residential or ancillary purposes as approved by the Authority and collectively managed by an Association of Owners, under this Act;

(e) "Deed of Ownership" means the Deed of Ownership referred to in section 6;

(f) "prescribe" means prescribed by rules made under this Act;

(g) "promoter" means the authority, person, company or other legal entity responsible for constructing or owning a condominium complex, as applicable;

(h) "Regulator" means a person appointed or designated under section 12;

(i) "sub-lessee" means a person to whom a promoter grants a sub-lease for a unit in a multi-story building, registered with the Authority;

(j) "unit" means a part of condominium complex intended for any type of independent use including for residential purpose or as may be specified by the Authority; and

(k) "unit owner" means the person or persons owning a unit and an undivided interest in the common areas and specified facilities appurtenant to such unit.

CHAPTER II

OWNERSHIP AND TRANSFERABILITY OF UNITS

3. **Ownership of units.**-(1) Upon the commencement of this Act, any unit sold or transferred by the promoter shall confer exclusive rights of ownership and possession to the transferee.

(2) Every person who becomes entitled to the exclusive ownership and possession of a unit under sub-section (1) shall be entitled to such percentage of undivided interest in the common areas and facilities as may be specified in the Deed of Ownership.

(3) The percentage of the undivided interest in the common areas and facilities shall remain appurtenant to the unit and shall automatically transfer or encumber with the unit, regardless of whether expressly referenced in the conveyance or instrument.

4. **Unit to be heritable and transferable.** -Subject to this Act, each unit and its appurtenant undivided interest in the common areas and facilities shall constitute heritable and transferable immovable property under applicable law for the time being in force. The unit owner may transfer the unit along with its corresponding interest in the common areas and facilities

5. **Provision for property on lease hold.** -(1) Where the promoter has constructed condominium complex on lease hold property, such promoter shall execute sub-leases in respect of each unit of condominium complex, in accordance with the conditions of the lease agreement and shall draw separate deeds of sub-lease in respect of such property in favour of each sub-lessee. He shall,-

(a) in case of a condominium complex constructed before the commencement of this Act, within six months from such commencement; or

(b) in case of a condominium complex constructed after the commencement of this Act, within three months from the date on which the possession of any unit in such condominium complex is delivered to him:

Provided that no sub-lease in respect of any property shall be executed except on the same terms and conditions on which the lease, in respect of the property, has been granted by the Authority and no additional terms and conditions shall be imposed by the promoter except with the previous approval of the respective authority.

(2) The promoter shall file and register deed of sub-lease in respect of each unit with the Authority, and deliver to the concerned sub-lessee a certified copy of deed of sub-lease.

(3) Whenever a further transfer of any unit, takes place, by way of sub-lease, the transferor shall do so in accordance with the procedure laid down by the Authority.

(4) The promoter in respect of property on lease hold shall transfer the lease hold rights of the property to the Association of Owners upon handing over fifty percent of possession of units to sub-lessee. The Association of Owners shall, as lessee, be entitled to extend the lease, in addition to its other rights under this Act, from the relevant authority or person as and when required.

(5) Every promoter shall, for leases granted immediately before commencement of this Act, renew, if needed, and transfer such lease of property of condominium complex to the respective Association of Owners within one year from the commencement of this Act.

CHAPTER III

DEED OF OWNERSHIP AND ITS REGISTRATION

6. **Contents of Deed of Ownership.**-(1) Whenever any sale or other transfer of any unit is made, the promoter shall,-

(a) in the case of sale or transfer made after the commencement of this Act, within three months from the date of such sale or transfer; or

(b) in the case of sale or other transfer made before the commencement of this Act, within six months from the date of such commencement, execute a Deed of Ownership containing, inter alia particulars of prospective unit owner, land, property, description of unit and common areas and facilities, value of property, value of unit being transferred, and unit percentage that will be transferred to the prospective unit owner.

(2) The promoter shall,-

(a) file and register in the office of the Authority each Deed of Ownership; and

(b) deliver to the concerned transferee a certified copy of each Deed of Ownership so registered under clause (a).

(3) Whenever a further transfer of any unit or succession thereof takes place, whether by sale, gift or otherwise, the transfer shall be made in the prescribed procedure laid down by the Authority.

(4) The provisions of this section shall be in addition to and not in derogation of any provisions of any other law, for the time being in force, relating to the transfer of immovable property.

7. **Ownership of condominium complex in case of destruction.**-(1) In case of destruction of whole, or any part of the condominium complex, the Association of Owners shall repair the same in a reasonable time. In case of natural calamity or an act of terrorism, if the Association of Owners determine the damage to be repairable, for any reason whatsoever, in that event-

(a) the condominium complex shall be deemed to be owned in common by the unit owners;

(b) each unit owner shall retain an undivided interest in the common area and facilities equal in percentage to that owner's previously held undivided interest in such common areas and facilities; and

(c) the condominium complex shall be subject to an action for partition at the behest of any Unit Owner. In such event, the net proceeds of the sale, together with any net proceeds from insurance on the condominium complex, shall be treated as a single fund. This fund shall be distributed among all Unit Owners in proportion to their respective undivided interests in the condominium complex, after settlement of all liabilities attributable to it or otherwise.

(2) In case the Association of Owners is not yet constituted, the promoter shall be responsible for restoring or repairing the condominium complex in case of destruction.

CHAPTER IV

ASSOCIATION OF OWNERS FOR THE REGULATION OF THE AFFAIRS

8. **Association of Owners and other provisions relating thereto.**-(1) There shall be an Association of Owners for the administration of the affairs of the condominium complex and the property appertaining thereto and for the management of common areas and facilities.
- (2) The regulator shall, within six months from handing over possession of fifty percent of the units, hold an election to constitute Association of Owners. Until such Association of Owners is constituted, in accordance with the provisions of this Act, the promoter shall remain responsible for maintenance of the condominium complex.
- (3) The Association of Owners shall be elected by all unit owner and sub-lessee.
- (4) Notwithstanding the numbers of units held under the ownership of unit owner and sub-lessee, each shall have only one vote.
- (5) The Association of Owners shall be responsible for general administration and management of the property and common areas and facilities.
- (6) The Association of Owners shall be comprised of minimum of five members to be elected by the unit owners and sub-lessee.
- (7) The tenure of the Association of Owners shall be three years. The unit owners and sub-lessee may dissolve the Association of Owners, before expiry of its term, through a simple majority resolution, and elect a new Association of Owners.
- (8) The Association of Owners shall hold meeting at least once in quarter, the quorum for which shall be at least three.
- (9) Every Association of Owners shall be cited as the Association of Owners of the respective condominium complex and shall have a registered address.
- (10) Every Association of Owners shall be a body corporate capable of suing and be sued and shall have perpetual succession and a common seal.
9. **Functions and duties of the Association of Owners.** -The Association of Owners shall perform the following functions and duties, namely:-
- (a) issue code of conduct for the unit owners or sub-lessee;
 - (b) maintain the condominium complex itself or through a maintenance company;
 - (c) supervise, manage, operate and maintain all the common areas, facilities and utility system;
 - (d) determine and collect contributions from the unit owner or its representative;
 - (e) establish its management fund and deposit the contributions therein;
 - (f) provide no objection certificate in case of transfer of unit under sections 6 and 7;
 - (g) ensure that the relevant bye-laws issued by the Authority regarding land use and building bye-laws are adhered to; and
 - (h) do all things reasonably necessary for the performance of its duties under this Act or any other law for the time being in force.
10. **Insurance and rebuilding.** - The Association of Owners shall insure the entire condominium complex against the risk of fire, civil commotion, riots, earthquake, bomb blast and the premium paid thereon shall be paid by unit owners.

CHAPTER V

REMEDY AND ENFORCEMENT

11. **Complaint.**- Where an Association of Owners contravene any provision of this Act, or does not comply with any requirement of, or not performing duties under this Act, any unit owner or sub-lessee of respective condominium complex or any other person aggrieved, may file complaint with the Regulator for taking appropriate action and making appropriate orders.
12. **Appointment of the regulator.**- The Federal Government may appoint or designate an existing body as a regulator for performing functions as regulator in the prescribed manner.
13. **Power of the regulator.** - The regulator may exercise all or any of the following powers, namely:-
- (a) require the promoter or Association of Owners to produce any book, register, document or other record relating to the construction or maintenance of the respective condominium complex for inspection;
 - (b) enter condominium complex for examining common property and facilities or any part thereof;
 - (c) require the promoter, unit owner, sub-lessee, Association of Owners to undertake such measures, as it deems fit, to ensure cleanliness sanitization and maintenance to the satisfaction of the regulator; or
 - (d) do all things necessary for the performance of its duties under this Act and rules made thereunder.
14. **Dispute resolution.** (1) The Association of Owners shall establish a fair, reasonable, and expeditious dispute resolution mechanism in the prescribed manner, to resolve disputes among unit owners or between the Association of Owners and unit owners.
- (2) In case the parties fail to reach a settlement, as a result of dispute resolution, the aggrieved party shall file a representation to the Regulator, on which decision of the Regulator shall be final.
15. **Power to make rules.** -The Federal Government may, by notification in the official Gazette, make rules to carry out the provisions of this Act.
16. **Relation with other laws.**- The provisions of this Act shall be in addition to and not in derogation to any other law for the time being in force.

Statement of Objects and Reasons

The Islamabad Capital Territory ICT lacks a legal frame work for shared property ownership and management in multi-unit buildings. The proposed Bill aims to regulate condominium ownership, transfer, and collective maintenance to ensure orderly urban development and protection of the owner's rights. The objective of the Bill is to provide a comprehensive legal mechanism for: individual ownership of condominium units, shared rights in common areas, establishment of Association of Owners for collective management, and creation of a regulatory and dispute resolution framework.

It shall extend to the entire ICT and applies to all condominium complexes and units. The enactment of this Bill will formulize condominium ownership structures, enhance governance of shared properties, ensure accountability in management and align ICT's housing regulation with modern urban property practices



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