105334 - If the land does not sell, is zakah due on it?

the question

I have bought some land, intending to sell it when its value increases. But its value decreased and it did not sell, it remained in my possession for 10 years and its value did not increase, should I pay Zakah on it?.

Detailed answer

Praise be to Allah.

Land that is bought with the intention of selling it after a while when prices have increased is subject to zakah, because it comes under the heading of trade goods.

The value of trade goods should be worked out at the end of the year based on the current market price, regardless of the price for which they were bought, and zakah must be paid. The rate of zakah is one quarter of one tenth.

See the answer to question no. 38886.

Shaykh Ibn ‘Uthaymeen (may Allah have mercy on him) was asked: I have a piece of land and I am waiting for the prices of land to go up so that I can sell it, and it has been several years. Should I pay zakah on it?

He replied: If a person buys land to make a profit then the land does not sell and becomes cheaper, and he keeps it until the price goes up, then he must pay zakah on it every year, because it comes under the heading of trade goods. If he does not have anything with which to pay the zakah, and he cannot find a buyer, then he should work out its price at the time when zakah becomes obligatory and work out its zakah, and in the following year he should work out the zakah on its value, then in the third year and so on. Then whenever he sells it he should pay the total

amount of zakah that he had calculated. End quote.

Majmoo’ al-Fataawa (18/225).

He was also asked about a person who bought some land with the aim of trading in it, but it remained in his possession for a number of years. Does he have to pay zakah on it?

He replied: If a person buys land for trading, then he has to pay zakah every year, whether the value increases or decreases, and whether it sells quickly or it does not sell. He should work out its value every year at the current market price, then if he has money he should pay its zakah from the money that he has, and if he does not have any money he should work out the zakah for each year, and when he sells it he should pay the zakah for the past years. End quote from Liqa’ al-Baab al-Shahri (15/12).

And Allah knows best.