34802 - There is no zakaah on land if one does not intend to sell it

the question

A man owns a piece of land and does not currently intend to sell it. It is in a commercial area. He intends to build on it in the future so that he can make money from it. Does he have to pay zakaah on it?.

Detailed answer

Praise be to Allah.

There is no zakaah due on this land, because zakaah is only due on land if its owner intends to sell it.

If you build on it and make money from it, then you will have to pay zakaah on the money that you get from it, if it reaches the minimum threshold (nisaab) and one full hijri year has passed.

Shaykh Ibn ‘Uthaymeen was asked: is any zakaah due on land that has been prepared for dwellings in the future?

He replied:

There is no zakaah due on it if it has been prepared for dwellings or for any other use, until one full hijri year has passed since any income was derived from it.

And he also said:

Land which you have bought to live on or to rent out is not subject to zakaah even if you keep it for a number of years, because the land on which zakaah is due is that which a person prepares to sell in order to make money. But as for that which a person prepares for his own needs or to make use of it, there is no zakaah due on it, as is the case with all trade goods. Based on this you do not

have to pay any zakaah for this land. And Allaah is the Source of strength.

Fataawa Manaar al-Islam, 1/298, 299

And Allaah knows best.