Khums on Extra House - 17 /Jan/ 2022

Question: If a person hands over his dilapidated house to someone to build several apartments on the land and receives two apartments in compensation for the house; Does the extra apartment that is not for personal use liable to khums?

Answer: If you intended to earn profit (sell the extra apartment) and the customer is available to buy it, you must pay khums on the profit after deducting inflation. But if you did not intend to sell it and only wanted to rent it out, it is not subject to khums before you sell it. After the sale, the increase in its price (after deducting the principal and the inflation) will be considered as the income of the year of sale.