40354 - Selling a grant before taking possession of it

the question

Is it permissible to sell the number of a land grant given by the state? Please note that the land has not been handed over yet, and the person does not know when the handover will be completed; he has only been given a number by the municipality in which it gives the date of application and the number of the application or the grant. He has sold this number to another person and has taken the money on the basis that on the appointed date for the handover he will go back to the municipality and complete the handover procedure, or he will give the buyer authority (power of attorney) to complete the procedures and transfer the land to his name after that.

Detailed answer

This transaction is not permissible, because this comes under the heading of gharar (ambiguity, uncertainty), and selling that which one does not have. The Prophet (peace and blessings of Allaah be upon him) said: “Do not sell that which you do not have.” Narrated by al-Tirmidhi, 1322; classed as saheeh by al-Albaani in Irwa’ al-Ghaleel, 1292.

Moreover the value of this land may fluctuate with time, so this transaction involves ambiguity and uncertainty.

And this number is simply a promise which has not yet become the possession of the one who has the paper or number, so how can it be permissible for him to sell it? The Prophet (peace and blessings of Allaah be upon him) forbade selling that which a person does not possess. Moreover, he does not know where the land is located. It may be in an area where the price of land is high, or it may be on the edge of town, or outside the town in an undesirable location. And he does not know whether it is in the middle of a residential area or on the edge; on a main street or a back street; whether there is one street, or two or three? All of these factors will affect the value of the land and people’s interest in it.

Based on this, it is not permissible to sell the paper with the number on it, the details of which he knows nothing about. Rather the owner of the document should wait until he gets the land and the grant is executed in reality, and he gets the deed to the land which proves that he owns it and defines its location and size. Then after that he can sell it if he wants to.

And Allaah is the Source of strength.