

## **CHAPTER – 5**

### **PUBLIC SALE PROJECTS**

#### **<sup>1</sup>[5-1. No Objection Certificates for Sale of Units in Buildings**

All buildings having more than three units (residential, commercial, amenities) to be constructed for onward transfer of title in piece meal (in form of sub lease) are bound to obtain NOC for sale from the Authority in accordance with these regulations.]

#### **<sup>2</sup>[5-1.1. Application for NOC**

Owner/Co-owner of the plot or his registered attorney having valid builder license in his name and having an agreement of construction with a contractor as define in clause 4-18.1 shall furnish the requisite documents and particulars in form (DNP-1) as appended to these regulation duly signed by all concerned.]

#### **5-1.2. Contractor All Risk Insurance Policy**

The <sup>3</sup>[Builder] shall also submit Contractor All Risk Insurance Policy ("CAR Insurance Policy") from the Insurance Companies approved by the Authority in respect of the project under clause 12

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<sup>1</sup>Regulation 5-1 substituted by the Karachi Building and Town Planning Regulations (Amendment) 2016, Karachi the 11th August, 2016, the Sindh Govt. Gaz., Pt. I, P. No. 438, dt. October 6, 2016.

<sup>2</sup>Regulation 5-1.1. substituted by the Karachi Building and Town Planning Regulations (Amendment) 2019, Notification No. Chief Executive/ SBCA 2019/03, dt. 13th June, 2019.

<sup>3</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

(7) of Ordinance. The said "CAR Insurance Policy" shall also cover the losses arising out of defects in design or due to earthquake and shall be valid upto 12 months of maintenance period after issuance of Occupancy Certificate or physical handing over of possession which ever is later.

**5-1.3. Undertaking of the <sup>1</sup>[Builder]  
/Professional.**

The <sup>1</sup>[Builder] and his Architect/Engineers shall submit the undertaking along with the Form DNP-1. The undertaking of the <sup>1</sup>[Builder] shall be on stamp paper in accordance with format specified in Form DNP-1, (Annexure(I) while the builder shall submit undertaking in accordance with the format specified in Form DNP-1, Annexure-2.

The undertaking of Architect/Engineer shall be in accordance with the format as provided in ZP-2 form.

**<sup>2</sup>[5-1.4. Determination of Price  
and Cost Estimate.**

A builder shall submit the selling price of various units for registration purpose with detailed specifications, work Programme and Total Price Estimate of project showing Cost of land and Cost of construction as specified in form DNP-1 Annexure (3) & (4) respectively. Bill of quantities will be required to be submitted where demanded

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Regulation 5-1.4. substituted by the Karachi Building and Town Planning Regulation (Amendment) 2017, Notification No. Chief Executive/SBCA 2017/19, dt. 28th Aug., 2017, the Sindh Govt. Gaz., Pt. I, P. No. 813, dt. Aug. 31, 2017.

unit price by the builder is irrational and needs justification.]

**<sup>1</sup>[5-1.5. Fee for NOC**

A builder shall pay to the Authority Scrutiny Fee for issuance of No Objection Certificate for Sale & Advertisement as per approved fee Schedule along with Advertisement charges for publication of public notice in leading newspapers regarding salient features of each public sale project including name of project, plot No., Builder's name, office address, names of Architect and Engineer, Nos. of floors, Nos. and size of shops/flats/duplex/bungalows/offices, date of completion and unit prices with schedule of payment along with advice to execute an agreement with the builder on stamp paper Public Notice should be published by Public Relation Deptt. SBCA within 15 days from issuance of NOC. Public Notice shall also be uploaded on SBCA's website immediately for information to general public.]

**5-1.6. Security Deposit.**

**<sup>2</sup>[5-1.6.1. The Builder shall deposit a security, in the form of a bank guarantee/cash deposit/ABAD guarantee equalling 1% of the cost of Construction to be held in a separate account which shall be utilized as defined in clause 5-1.6.3. In addition, in case of delay in completion of the project, where such delay has not been condoned as per clause 5-1.18., deduction**

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<sup>1</sup>Regulation 5-1.5. substituted by the Karachi Building and Town Planning Regulation (Amendment) 2017, Notification No. Chief Executive/SBCA 2017/19, dt. 28th Aug., 2017, the Sindh Govt. Gaz., Pt. I, P. No. 813, dt. Aug. 31, 2017.

<sup>2</sup>Clause 5-1.6.1 substituted, *ibid.*

from the security deposit shall be made in proportion to the extent of the delay. This amount or lesser amount shall be refunded on the successful completion of the project and after approval of completion plan, obtaining the occupancy certificate and the expiry of the maintenance period as enunciated in the NOC granted by the Authority. In case of allottee's complaints against the Builder the Authority shall decide whether to accept or not ABAD guarantee.

ABAD guarantee will be submitted on stamp Paper as per the format duly approved by the Authority along with post dated cheques of amount equivalent to 1% security Deposit in the name of the Authority. If the builder fails to applied completion certificate or NOC for Extension in time on or before proposed date of completion mentioned in sale NOC, Authority will en cash the post dated cheques submitted by builder through ABAD.]

\*[5-1.6.2. The 1% security deposit will be paid in two (2) equal instalments as under :

- (i) At the time of collection of the NOC for sale.
- (ii) On the approval but before collection of plinth certificate.]

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\*Clause 5-1.6.2 substituted by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

5-1.6.3 Authority shall have the right to utilise the Security Deposit to remedy any fault/defect in the construction of the building after receiving complaints/notice and if the \*[Builder] fails to rectify the same by himself or violation of any condition of the NOC granted by the Authority that come to light at the time of the completion of the project or in case the \*[Builder] fails to comply with any of the following : -

- (a) to construct the building in accordance with the design specifications agreed with the purchaser and approved by the Authority;
- (b) to complete the building on time as per terms of agreement with the purchaser and/or as provided in these Regulations or Ordinance amended up-to-date;
- (c) to provide services as per agreement with purchaser;
- (d) to obtain Occupancy Certificate from the Authority.
- (e) If \*[Builder] is found to be indulging in or involved in any un-lawful activities pertaining to the project.
- (f) To rectify defects after occupation, if the Developer fails to act, as per

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\*Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

Clause 5-1.6.4, (provided the Authority is satisfied that the Developer is at fault) and that such a matter has not arisen due to misuse, mischief of the allottees and is subject to normal wear & tear.

5-1.6.4 Any such defect or violation shall have to be made good by the <sup>1</sup>[Builder] at their own cost and risk and the cash security deposit, shall not absolve the <sup>1</sup>[Builder] of his responsibility to the project as per condition of NOC and the agreement made with the allottee or as enunciated in clause No. 5-1.7.4.

5-1.6.5 This security deposit shall not, in any way, prejudice the Authority's rights under these Regulations to initiate any other proceedings or action in the event of violation of any of these Regulations.

<sup>2</sup>[5-1.6.6 The deposit shall be released to the Builder after one year of obtaining Occupancy Certificate and after handing over maintenance of project to the Residents Cooperative Society of the Project duly registered under Sindh Cooperative Societies Act, 1925.]

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Substituted by the Karachi Building and Town Planning Regulation (Amendments) 2007, Karachi the 14th November, 2007, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 21, dt. November 26, 2010.

**5-1.7. Application Form for Allotment**

After the receipt of No Objection Certificate from the Authority the \*[Builder] shall get filled an application form specified as Form DNP-1 Annexure-5, from a person intending to book a unit in the project.

**5-1.8. Execution of Sub-lease**

A unit shall be offered for sale on cash/cash-cum-loan basis as per Schedule of Payment described in Form DNP-1 Annexure-6. Sub-lease shall be executed as per sale and allotment conditions, in favour of allottee, before delivering the possession of the unit. The allottee shall own the building structure of his unit and shall proportionately share the price/rent of land of the unit with other allottees of the project.

**5-1.9. Confirmation of Allotment**

The allocation of the unit shall be confirmed by the \*[Builder] through an Allotment letter to the allottees as specified in Form DNP-1 Annexure-7, within 15 days of booking. The allotment letter shall specify the unit number, floor, floor area of the unit, general facilities, fittings and fixtures with their make and material, the total price of the unit and details of other charges together with the key plan of unit in line with key plan approved by the Authority at the time of NOC.

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\*Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

**<sup>1</sup>[5-1.10. Agreement between  
Builder and Allottee**

Within 30 days of booking of the unit and before issuance of Allocation letter by the Builder, both the Builder and the allottee will execute an agreement as specified in Form DNP-3 in pursuance of Section 12 (4) of SBCO. The agreement will be got countersigned/witnessed by the ABAD within 15 days otherwise Builder will not be allowed to collect further payment/instalments as per the approved schedule of payment.

In case of non-execution of Agreement between Builder and Allottee, KBCA will not act as an Arbitrator in any dispute between the Builder and Allottee.]

**5-1.11. Payment of Instalment**

**<sup>2</sup>[5-1.11.1. The payment of instalments shall be made by the allottee strictly according to the Schedule of Payment approved by KBCA (Form DNP-1 Annexure-6) attached to the Agreement.**

In case of default in more than one installment builder will issue a 30 days notice by registered A/D or registered Courier Service on the last given address of the allottee and if the allottee fails to make payment within the said period

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<sup>1</sup>Regulation 5-1.10 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

<sup>2</sup>Regulation 5-1.11.1 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2007, Karachi the 14th November, 2007, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 21, dt. November 26, 2010.

final notice shall be issued extending the period up to another 15 days. Copy of Final Notice should be endorsed to the Authority if the allottee fails to respond to the final notice and does not approach to the Authority within 15 days time, the Authority will allow the builder to issue Cancellation Notice to the allottee with copy endorsed to the Authority and shall also publish the Cancellation Notice in the weekend edition two leading newspapers (Urdu & English) in the classified advertisement section in a bold format under the heading of cancellation of unit. However builder will not rebook the unit up to 30 days of publication of Public Notice.]

5-1.11.2. In response to the above cancellation notice, if the allottee intends to continue the booking, the <sup>1</sup>[Builder] shall restore the allotment, after receipt of pending payment and charging the mark-up on the prevailing Bank rate for the period of delay on unpaid instalment.

<sup>2</sup>[5-1.11.3. If no response to the Authority is received from the allottee during the said period, the cancellation of the unit shall be confirmed by the Authority and intimated to the Builder. In case the cancellation is made before the execution of

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Regulation 5-1.11.3 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

agreement, the builder shall refund the total amount paid till date by the allottee within 30 days. However, if the agreement has been executed, 15% of the paid amount shall be retained by the builder and rest within six (6) months time with post dated cheques will be refunded.]

- 5-1.11.4. In spite of failure to make payment of instalments in time, if the \*[Builder] does not resort to cancellation as provided in these Regulations, the \*[Builder] may or may not charge markup on the unpaid instalments at the prevailing bank rate and the allottee shall be informed accordingly.

#### **5-1.12. Loan Component**

- 5-1.12.1. The \*[Builder] may arrange the availability of loan, if the project proposed contains a loan component as mentioned in the Schedule of Payment (Form Annexure-6).

If the loan is refused or reduced due to any reason whatsoever by the loan giving agency, the allottee shall pay the loan amount from his own resources. However extra time of at least six months shall be given to allottee to pay the loan component to the \*[Builder].

- 5-1.12.2. The allottee must complete all documentation for lease and loan within 120 days

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\*Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

of booking as written in the agreement and a reminder shall be issued by the <sup>1</sup>[Builder]. The repayment of the loan instalments shall be made by the allottee/borrower to the loaning agency as and when it falls due as per rules of the relevant agency. The allottee/borrower will abide by the arrangements of loan and will follow rules and regulations and orders and instructions of the loaning agency.

**<sup>2</sup>[5-1.13. Documentation and Connection  
& Meter Charges**

Documentation charges for sub-lease and loan, and external service connection charges for gas, electricity, sewage and water shall be clearly mentioned in the schedule of payment and agreement between the builder and allottee at the time of booking. This amount should be paid at the time of deposit of challan. In case any allottee fails to make this payment he shall pay mark up on the amount at the prevailing Bank rate.]

**5-1.14. Minor Changes**

The building shall be constructed by the <sup>1</sup>[Builder] strictly according to the approved building plans and specifications. However minor changes, if any, within the unit in plan or specification may be made by mutual arrangement between <sup>1</sup>[Builder]

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Regulation 5-1.13 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

and allottee subject to the conditions that these do not contravene any of the Regulations and provided that such changes do not effect the structural stability of the building and do not usurp the right of the other allottees.

**5-1.15. Clearance of Dues for Execution of Sub-lease**

The sub-lease of the unit shall be executed in favour of the allottee before handing over the possession of the unit, provided the allottee has made payment of outstanding amount up to that time.

**5-1.16. Timely Completion of the Project**

The <sup>1</sup>[Builder] shall maintain steady progress of work irrespective of the situation of payment by the individual allottees and availability of loan by the loan-giving agency. The <sup>1</sup>[Builder] shall, if needed, fulfill the obligation of the timely completion of the project by arranging the deficit finances from his own resources. The <sup>1</sup>[Builder] shall inform the allottees every three months regarding progress of the project.

**<sup>2</sup>[5-1.17. Withdrawal of Allotment**

The allottee if he/she so wishes can withdraw his/her allotment of the unit by surrendering the original letter of allocation/allotment to the com-

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Regulation 5-1.17 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

pany and in this event the Builder will refund to the allottee the amount deposited till that time. In case the cancellation is made before allotment the Builder shall refund total amount paid by the allottee till cancellation within 30 days. However, after the allotment of unit 25% of the amount paid that far, for the unit, shall be retained by the Builder and the rest of the amount shall be refunded within 12 months time with post dated cheques.]

**<sup>1</sup>[5-1.18. Extension in Date  
of Completion**

If the builder fails to complete the project within specified time, application for extension in time of completion (not more than five years) will be submitted on prescribed application form along with list of allottees of booked units, site progress report duly verified by Architect/Engineer and Concerned Town, SBCA.

Authority will invite "No Objection" through public notice published in leading news paper in Urdu and English for which Advertisement charges to be paid by the builder as prescribed by the Authority along with scrutiny fee for extension in time as per fee schedule before extension is granted by the Authority.]

**<sup>2</sup>[5-1.19. Sublet & Transfer of Allotment**

Before the approval of the completion plan and

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<sup>1</sup>Regulation 5-1.18. substituted by the Karachi Building and Town Planning Regulation (Amendment) 2017, Notification No. Chief Executive/SBCA 2017/19, dt. 28th Aug., 2017, the Sindh Govt. Gaz., Pt. I, P. No. 813, dt. Aug. 31, 2017.

<sup>2</sup>Regulation 5-1.19 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

occupancy certificate by KBCA, the allottee can sublet, transfer or sell his unit to any one with prior written permission of the builder who shall allow such transfer on receipt of all outstanding dues up to that time and a transfer fee of 2% of the total price of the unit. After obtaining occupancy certificate from KBCA and handing over possession to the allottee, sale purchase of the unit will be made through registered Sale Deed thereafter the purchaser will obtain NOC from the Authority for transfer/mutation of the unit through the concerned land controlling agencies such as Revenue Group of Office of CDGK. *i.e.*]

**5-1.20. Physical Possession and  
Care-taking Charges**

5-1.20.1. The <sup>1</sup>[Builder] shall, after obtaining Occupancy Certificate from the Authority, which shall include the provision of electric, gas, water and sewerage services, issue intimation letters to the allottees. The allottee shall take over possession of the unit within 30 days of receipt of such letter from the builder. In case of delay the <sup>1</sup>[Builder] shall charge per month as specified in the agreement from the allottee for care taking of the unit in good condition.

<sup>2</sup>[5-1.20.2. In case of occupancy/completion certificate is issued by the Authority on the

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Sub-regulation 5-1.20.2 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

basis of clause No. 3-2.15.3. The operation and maintenance of generator will be in a manner that 20% will be born by the builder and 60% by the occupied units and 20% by the unoccupied units this arrangement is seized after the commissioning the utilities by the utilities agencies.]

**5-1.21. Delay in Completion and Compensation for Period of Delay**

The <sup>1</sup>[Builder] shall complete the project and hand over physical possession of the unit complete in all respect to the allottee by the time specified by the Authority. In case of delay in handing over possession, the <sup>1</sup>[Builder] shall pay mark-up to the allottee at the rate of prevailing banks rate on the total amount paid, for the period of delay calculated from the completion time specified by the Authority or extension made thereof.

**<sup>2</sup>[5-1.22. Abandonment of the Project**

If, for any reason, the project is abandoned by the Builder, the Builder will refund the total amount received from the purchaser with mark up at the present bank rate on the same, for the whole period of retention of the money, along with an additional compensatory amount equal to 10% of the amount received from the allottee up-to-date against the booked unit, within 60 days of the

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Regulation 5-1.22 substituted by the Karachi Building and Town Planning Regulation (Amendments-II) 2009, Karachi the 24th June, 2009, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 39, dt. November 26, 2010.

publishing of the public notice A5 size in Urdu and English newspapers in accordance with the specimen approved by the Authority. Authority will declared the project abandonment on payment of prescribed fee as per Schedule-A.]

**5-1.23. Defect Liability**

The <sup>1</sup>[Builder] shall assume Defect Liability of the unit for a period of 12 months in respect of structure and six months in respect of fixture from the date of offering possession of the unit after obtaining Occupancy Certificate, and all defects shall be rectified to the satisfaction of the as per provisions of the Ordinance amended as amended from time to time.

**5-1.24. Sale or Transfer of the Project**

No <sup>1</sup>[Builder] shall sell or transfer the whole project to any one for sale, or transfer the units of the project to the general public, unless prior intimation to the Authority is given and No Objection from the <sup>2</sup>/<sub>3</sub> rd majority of the allottees is obtained.

The new <sup>1</sup>[Builder] shall assume all responsibility and liabilities of the agreement made between outgoing <sup>1</sup>[Builder] and allottees, in addition the new <sup>1</sup>[Builder] must get the previous NOC issued by the Authority revised/revalidated in his favour.

**<sup>2</sup>[5-1.25. Formation of Co-operative Societies  
for Maintenance of Buildings.**

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Regulation 5-1.25 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2007, Karachi the 14th November, 2007, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 21, dt. November 26, 2010.

- 5-1.25.1 The maintenance of the services and amenities at a public sale project will be finally looked after by the allottees/residents who shall form a Cooperative Society under the Sindh Co-operative Societies Act, 1925. Builder shall transfer the rights of easement appurtenances and other common rights to the cooperative society on the closing day of one year of obtaining occupancy certificate from the Authority.
- \*[5-1.25.2 The maintenance of the project after obtaining occupancy certificate from the Authority will be the responsibility of the builder who can charge appropriate maintenance charges from the allottees/residents with mutual consent till such time the maintenance of the project is taken up by the Registered Residents Co-op. Society.]
- 5-1.25.3 The residents, Co-operative Society will maintain the project through a maintenance company having registration with the Authority. The maintenance contract will be signed on annual basis and will cover complete maintenance of the project including maintenance of lifts, generators, pumps/motors, face lifting, compound lights/stair lights, security guards, cleaning/sweeping, white wash /paint and maintenance of amenities, etc.
- 5-1.25.4 The Authority on the request of the

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\*Sub-regulation 5-1.25.2 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

residents, co-operative society shall inspect the project to ascertain the maintenance work by the Regd. Maintenance Company and in case dissatisfaction may cancel the license/registration of the company.

- 5-1.25.5 The license/registration of maintenance company will be renewed annually on the basis of their satisfactorily performance; to be ascertained by KBCA.]

**\*[5-1.26. Settlement of Disputes .**

- (a) All disputes between the Builder and allottees shall be referred to the Authority. Authority will decide/resolve the complaint/dispute in accordance with the agreement executed between the builder and allottees as per the Model Agreement of SBCA duly counter signed by ABAD as well as terms & Conditions of Sale NOC, approved building plan and provisions of KB & TPR-2002. However in case of reciprocated consent on some issues between complainant and builder amicable settlement may be made.

- (b) **Public Hearing Committee : -**

Complaints/Disputes between the builder and allottees may also be filed before public hearing committee constituted under section 10-A of SBCO 1979-82.]

### 5-1.27. Instructions of the Authority

Besides the above Regulations, the orders and instructions of the Authority in accordance with these Regulations issued from time to time in this regard shall be followed strictly.

### <sup>1</sup>[5-1.28. Revised Sale NOC :

After issuance of NOC of Sale & Advertisement to a Public Sale project wherever there is a change or revision in the status of project, owner or builder including title of land, revision of building plan change in the name of builder/project revision in unit price, number of floors, covered area of units etc, owner/builder shall have to obtain revised NOC for Sale and Advertisement accordingly.

Authority will invite "no objection" through display advertisement of two leading circulated newspapers in Urdu & English for which Advertisement charges will be paid by the builder along with Revised NOC Scrutiny Fee as prescribed in Fee Schedule.]

### 5-2. No Objection Certificates for Sale of Plots in Public Sale Projects.

#### <sup>2</sup>[5-2.1. Application For NOC

Owner/Co-owner of land having valid Developer license in his name and having an agreement for

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<sup>1</sup>Regulation 5-1.28. inserted by the Karachi Building and Town Planning Regulation (Amendment) 2017, Notification No. Chief Executive/SBCA 2017/19, dt. 28th Aug., 2017, the Sindh Govt. Gaz., Pt. I, P. No. 813, dt. Aug. 31, 2017.

<sup>2</sup>Regulation 5-2.1. substituted, *ibid.*

development with a constructor duly registered with PEC in required category shall furnish the requisite documents and particulars as in form (DNP-2) as append to these regulations duly signed by all concerned.]

**<sup>1</sup>[5-2.2. Undertakings of Developers and Professionals :**

The developers and his town planner/Engineer shall submit the undertaking in accordance with format specified in form DNP-2 (Annexure 8) and as provided in form ZP-3.]

**<sup>2</sup>[5-2.3. Selling Price of Plots with Work Programme :**

The Developers shall submit unit price of different categories of plots for registration purpose along with detail price estimate of project clearly specifying cost of land, water supply system, sewerage disposal, electricity supply, road network, parks/ play ground, Refusel disposal etc. Bill of quantities will also be required where unit price demanded is irrational and needs justification.]

**<sup>3</sup>[5-2.4. Fee for NOC :**

A Developer shall pay to the Authority Scrutiny Fee for issuance of No Objection Certificate for Sale & Advertisement as prescribed in fee schedule (5A) along with Advertisement Charges for publication of Public Notice in leading newspapers regarding

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<sup>1</sup>Regulation 5-2.2. substituted by the Karachi Building and Town Planning Regulation (Amendment) 2017, Notification No. Chief Executive/SBCA 2017/19, dt. 28th Aug., 2017, the Sindh Govt. Gaz., Pt. I, P. No. 813, dt. Aug. 31, 2017.

<sup>2</sup>Regulation 5-2.3. substituted, *ibid.*

<sup>3</sup>Regulation 5-2.4. substituted, *ibid.*

salient features of each public sale project including name of project location, developer's name, office address, name of Town Planner, nos. and size of plots offered for Sale, detail of mortgaged plots, date of completion and selling price with schedule of payment and advice for execution of Agreement between Developer and allottee on stamp paper.

Public Notice should be published by Public Relation Department SBCA within 15 days from issuance of NOC Public Notice shall also be uploaded on SBCA website immediately for information to general public.]

#### **5-2.5. Security Deposit**

\*[5-2.5.1. Developer shall mortgage 15% plots in favor of the approving Authority under section 5 of SBCO 1979 as Security Deposit. In case of delay in completion of project where such delay has not been condoned as per clause 5-2.16. All mortgaged plots or part thereof may be utilized by the Authority to remedy the default.

These mortgaged plots or part thereof shall be released on successful completion of the project and after obtaining completion certificate from concerned Development Agency and expiry of maintenance period as enunciated in the NOC for sale & Advertisement granted by the Authority.]

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\*Clause 5-2.5.1. substituted by the Karachi Building and Town Planning Regulation (Amendment) 2017, Notification No. Chief Executive/SBCA 2017/19, dt. 28th Aug., 2017, the Sindh Govt. Gaz., Pt. I, P. No. 813, dt. Aug. 31, 2017.

<sup>1</sup>[5-2.5.2' \* \* \* \* \* ]

5-2.5.3 Authority shall have the right to utilise the Security Deposit to remedy any fault/defect in the development works or violation of any condition of the NOC granted by the Authority that come to light at the time of the completion of the project or in case the <sup>2</sup>[Builder] fails to comply with any of the following : -

- (a) to develop the township in accordance with the design specifications agreed with the purchaser and approved by the Authority;
- (b) to complete the development on time as per terms of agreement with the purchaser and/or as provided in these Regulations or Ordinance amended up-to-date;
- (c) to provide services as per agreement with purchaser;
- (d) to obtain Occupancy Certificate from the Authority.
- (e) If <sup>2</sup>[Builder] is found to be indulging in or involved in any un-lawful development/construction activities pertaining to the project.

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<sup>1</sup>Clause 5-2.5.2 deleted by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Substituted, *ibid*, for the word "Developer".

(f) To rectify defects after occupation if the \*[Builder] failed to act, as per Clause 5-2.5.4, provided the Authority is satisfied that the \*[Builder] is at fault and that such a matter has not arisen due to misuse, mischief or subject to normal wear & tear.

5-2.5.4 Any such defect or violation shall have to be made good by the \*[Builder] at their own cost and risk and the cash security deposit, shall not absolve the \*[Builder] of his responsibility to the project as per condition of NOC and the agreement made with the allottee or as enunciated in clause No. 5-2.5.4.

5-2.5.5 This security deposit shall not, in any way, prejudice the Authority's rights under these Regulations to initiate any other proceedings including prosecution or any other action in the event of violation of any of these Regulations.

5-2.5.6 The deposit shall be released to the \*[Builder] after one year of obtaining Occupancy Certificate but after meeting all \*[Builder's] liabilities as cleared by the Committee defined in Clause 5-2.26.

#### **5-2.6. Application Form for Allotment**

After the receipt of No Objection Certificate from the Authority, the \*[Builder] shall get filled an

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\*Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

application form specified as Form DNP-2 Annexure-12, from a person intending to book a plot in the project. Together with the allotment letter, the allottee shall be provided not only the site plan of his allotted plot but also and invariably an approved layout plan of the entire scheme showing the location and area of his plot together with location and list of all amenity plots with their dimensions and area.

**5-2.7. Execution of Sub-Lease**

A plot shall be offered for sale as per schedule of payment described in Form DNP-2 Annexure-13 and by virtue of sale, lease shall be executed as per sale or lease conditions by the \*[Builder] in favour of allottee before delivering the possession of the plot.

**5-2.8. Price of the plot**

5-2.8.1 The price of the plot shall not be increased or escalated by the \*[Builder] without approval of the Authority under Clause 13(1) of the Ordinance. The \*[Builder] while fixing the price of plot shall take into account the escalation anticipated during the declared development period. The grant of any extension in the time of completion of the development by the Authority shall not entitle the builder to any escalation of cost over the initially fixed cost of the plot.

5-2.8.2 If the allottee refuse to agree with the

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\*Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

escalation in price granted by the Authority, the <sup>1</sup>[Builder] shall refund the amount deposited along with the mark-up at the prevailing rate of profit of the average of three Scheduled Banks for the period extending for the date of first payment by the allottee to the date of refund by a <sup>1</sup>[Builder]. This amount shall be paid within 60 days as per banking principle.

### **5-2.9. Confirmation of Allotment**

The allocation of the plot shall be confirmed by the <sup>1</sup>[Builder] through an Allotment Letter to the allottee as specified in Form DNP-2 Annexure-14, within 15 days of booking. The allotment letter shall specify the Plot Number, Sector or Block, general facilities, the total price of the plot and details of other charges. If the allotment letter is not given within 15 days than the <sup>1</sup>[Builder] shall pay mark-up to the allottees at the prevailing bank rate.

### **<sup>2</sup>[5-2.10. Agreement between Developer and Allottee**

Within 30 days of booking of the plot and before issuance of Allocation letter by the Developer, both the Developer and the allottee will execute an agreement as specified in Form DNP-3 in pursuance of Section 5 (4) of SBCO. The agreement will be got countersigned/witnessed by the ABAD

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Regulation 5-2.10 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

within 15 days otherwise Developer will not be allowed to collect further payment/instalments as per the approved schedule of payment.

In case of non-execution of Agreement between Developer and Allottee, SBCA will not act as an Arbitrator in any dispute between the Builder and Allottee.]

### **5-2.11. Payment of Instalment**

\*[5-2.11.1. The payment of instalments shall be made by the allottee strictly according to the schedule of payment approved by KBCA (Form DNP-1 Annexure-6) attached to Agreement.

In case of default in more than one instalment developer will issue a 30 days notice by registered A/D or registered Courier Service on the last given address of the allottee and if the allottee fails to make payment within the said period final notice shall be issued extending the period up to another 15 days. Copy of Final Notice should be endorsed to the Authority if the allottee fails to respond to the final notice and does not approach to the Authority within 15 days time, the Authority will allow the developer to issue Cancellation Notice to the allottee with copy endorsed to the Authority and shall also publish the Cancellation Notice in the weekend edition two leading newspapers (Urdu & English) in the classified advertisement section in a

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\*Sub-regulation 5-2.11.1. substituted by the Karachi Building and Town Planning Regulation (Amendments) 2007, Karachi the 14th November, 2007, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 21, dt. November 26, 2010.

bold format under the heading of cancellation of unit. However developer will not rebook the unit up to 30 days of publication of Public Notice.]

5-2.11.2. If, in response to the above cancellation notice the allottee intends to continue the booking, the <sup>1</sup>[Builder] shall restore the allotment, after receipt of pending payment and charging the mark-up on the prevailing Bank rate for the period of delay on unpaid instalment.

<sup>2</sup>[5-2.11.3. If no response to the Authority is received from the allottee during the said period, the cancellation of the unit shall be confirmed by the Authority and intimated to the Developer. In case the cancellation is made before the execution of agreement, the developer shall refund the total amount paid till date by the allottee within 30 days. However, if the agreement has been executed, 15% of the paid amount shall be retained by the Developer and rest within six (6) months' time with post-dated cheques will be refunded.]

### <sup>3</sup>[5-2.12. Documentation and Connection & Meter Charges

Documentation charges for sub-lease and loan,

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Sub-regulation 5-2.11.3 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

<sup>3</sup>Regulation 5-2.12 substituted, *ibid*.

and external service connection charges for gas, electricity, sewage and water shall be clearly mentioned in the schedule of payment and agreement between the developer and allottee at the time of booking. This amount should be paid at the time of deposit of challan. In case any allottee fails to make this payment he shall pay mark up on the amount at the prevailing Bank rate.]

**5-2.13. Clearance of Dues for Execution of Sub-Lease**

The sub-lease of the plot shall be executed in favour of the allottee before handing over the possession of the plot provided the allottee has made payment of all outstanding amounts due up to that time.

**5-2.14. Timely Completion of the Project**

The <sup>1</sup>[Builder] shall maintain steady progress of work irrespective of the situation of payment by the individual allottees and fulfil the obligation of the timely completion of the project, even by arranging the required funds from his own resources.

**<sup>2</sup>[5-2.15. Withdrawal of Allotment**

The allottee if he/she so wishes can withdraw his/her allotment of the unit by surrendering the original letter of allocation/allotment to the com-

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Regulation 5-2.15 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

pany and in this event the Developer will refund to the allottee the amount deposited till that time. In case the cancellation is made before allotment the Developer shall refund total amount paid by the allottee till cancellation within 30 days. However, after the allotment of unit 25% of the amount paid that far, for the unit, shall be retained by the Developer and the rest of the amount shall be refunded within 12 months' time with post-dated cheques.]

### **<sup>1</sup>[5-2.16. Extension in Date of Completion**

If the developer fails to complete the development of project within specified time, application for extension in time of completion (not more than five years) will be submitted on prescribed Application form along with list of allottees of booked plots, site progress report duly verified by Town Planner and Concerned Town of SBCA.

Authority will invite "No objection" through public notice published in leading newspaper in Urdu and English for which Advertisement charges to be paid by the builder as prescribed by the Authority along with scrutiny fee for extension in time as per fee schedule before extension is granted by the Authority.]

### **<sup>2</sup>[5-2.17. Sublet & Transfer of Allotment**

Before the approval of the completion certificate by

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<sup>1</sup>Regulation 5-2.16. substituted by the Karachi Building and Town Planning Regulation (Amendment) 2017, Notification No. Chief Executive/SBCA 2017/19, dt. 28th Aug., 2017, the Sindh Govt. Gaz., Pt. I, P. No. 813, dt. Aug. 31, 2017.

<sup>2</sup>Regulation 5-2.17 substituted by the Karachi Building and Town Planning Regulation (Amendments) 2011, Karachi the 20th September, 2011, the Sindh Govt. Gaz., Extr., Pt. I, P. No. 94, dt. March 28, 2013.

the concerned Agency, the allottee can sublet, transfer or sell his unit to any one with prior written permission of the developer who shall allow such transfer on receipt of all outstanding dues up to that time and a transfer fee of 2% of the total price of the unit. After obtaining completion certificate from concerned Agency and handing over possession to the allottee, sale purchase of the unit will be made through registered Sale Deed thereafter the purchaser will obtain NOC from the Authority for transfer/mutation of the unit through the concerned land controlling agencies such as Revenue Group of Office of CDGK. *i.e.*]

**5-2.18. Physical Possession & Caretaking Charges**

The \*[Builder], after obtaining Completion Certificate from the Authority, which shall include the provision of Water and Sewerage Services, shall issue intimation to the allottee. The allottee shall take over possession of the plot within 15 days of receipt of such letter from the \*[Builder]. In case of delay the \*[Builder] shall charge an amount as specified in agreement per month from the allottee for caretaking of the plot in good condition.

**5-2.19. Delay in Completion and Compensation for period of delay**

The \*[Builder] shall complete the project and, after obtaining Completion Certificate, hand over physical possession of the plot complete in all respect to the allottee, by the time specified by the Authority. In case of delay in handing over the possession, the \*[Builder] shall pay mark-up to the allottee at

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\*Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

prevailing Bank rate on the total amount paid, for the period of delay, from the time specified or extension made thereof by the.

**5-2.20. Development of Scheme**

The \*[Builder] shall develop the area by providing water supply system, sewage disposal system, storm water drainage system, roads and walkways, refuse collection depots, and parks and play grounds. The \*[Builder] shall initiate the process for the arrangement of bulk supply of electricity and gas for the concerned development scheme/area.

**5-2.21. Abandonment of the Project**

If, for any reason, the project is abandoned by the \*[Builder], the \*[Builder] will refund the total amount received from the purchaser with mark up at the prevailing bank rate for the same, for the whole period of retention of the money, along with an additional compensatory amount equal to 5% of the amount received from the allottee up-to-date against the booked plot, within 60 days of the announcement to the effect of the abandonment of the project.

**5-2.22. Defect Liability**

The \*[Builder] shall assume Defect Liability of the plot and external services provided for a period of 12 months from the date of offering possession of the plot after obtaining Completion Certificate, and all defects shall be rectified to the satisfaction of the Authority as per provision of Ordinance as amended from time to time.

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\*Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

**5-2.23. Use of Amenity Spaces**

Amenity spaces in the project shall neither be converted nor mis-utilized, but will be used exclusively for the benefits of the residents of the project as per approved Master/Layout Plan.

5-2.23.1. The <sup>1</sup>[Builder] shall ensure the development of all Amenity plots by the time 50% of the cost of the allotted plots have been received from the allottee before demanding any further payments from the allottee. Development of the amenity plot shall be certified by the Authority before allowing the developer to demand any further instalment/payment.

**<sup>2</sup>[5-2.24. Formation of Residents Co-op Society  
for Maintenance of Infrastructure.**

The maintenance of the services, amenities and infrastructure developed in the scheme will be finally looked after by the allottees who would form a Co-op Society duly registered under Sindh Co-op Societies Act, 1925 to handle the affairs of the project through a Registered Maintenance Company. The rights of easement, appurtenances and other common rights shall be transferred to residents Co-op Society.

The provisions contained in sub-section 5-1.25 shall *mutatis mutandis* be complied with by the

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<sup>1</sup>Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

<sup>2</sup>Regulation 5-2.24. substituted by the Karachi Building and Town Planning Regulation (Amendment) 2017, Notification No. Chief Executive/SBCA 2017/19, dt. 28th Aug., 2017, the Sindh Govt. Gaz., Pt. I, P. No. 813, dt. Aug. 31, 2017.

developer as well as allottees in respect of open plots having schemes.]

#### **5-2.25. Sale or Transfer of the Project**

No \*[Builder] shall sell or transfer the whole project to any one for sale or transfer the plots of the project if any to the general public unless prior intimation to the Authority is given and No Objection from the  $\frac{2}{3}$  rd of allottees is obtained. The new \*[Builder] shall obtain revised/revalidated NOC from the Authority in his favour before taking the work of development in hand or offering for sale the remaining numbers of plots to the general public. In addition, the new \*[Builder] shall assume all responsibility and liabilities of the agreement made between outgoing \*[Builder] and allottees.

#### **5-2.26. Settlement of Disputes**

All disputes of the \*[Builder] and allottee shall be referred to the Authority. Any appeal against the decision made by the authorised officer of the Authority may be filed before the Chief Controller of Buildings and thereafter any further appeal shall be made to an Appeal Committee consisting of the Chief Executive of the Authority, Chairman PEC or his representative, Chairman PCATP or his representative, one representative of Association of Builders & Developers (ABAD) and the representative of the concerned Authority. The decision of this Committee shall be final and irrevocable.

#### **5-2.27. Instructions of the Authority**

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\*Substituted for the word "Developer" by the Karachi Building and Town Planning Regulation (Amendment) 2005, Karachi the 4th August, 2005, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 32, dt. September 5, 2008.

Besides the above regulations, the orders and instructions of the Authority issued from time to time in this regard as per the Regulations shall be followed strictly.

- <sup>1</sup>[5-2.28. Developer seeking NOC for Sale and Advertisement for the housing scheme (open plots) outside planned schemes of KDA/MDA/LDA having no integrated utility infrastructure shall furnish NOC of utility agencies, the concerned agencies must assure the availability of the services before the completion date of the project.]

<sup>2</sup>[5-2.29. Revised Sale NOC :

After issuance of NOC for Sale & Advertisement to a public sale project wherever there is a change or revision in the status of project or developer including title of land revision of layout plan, change in the name of project/developer, revision in unit selling price, no. and size of plot etc, owner/developer shall have to obtain Revised NOC for Sale & Advertisement accordingly.

Authority will invite "No Objection" through public notice published in leading newspapers in Urdu and English for which Advertisement charges to be paid by the developer as prescribed by the Authority along with Revised NOC Scrutiny Fee as per fee schedule.]

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<sup>1</sup>Regulation 5-2.28 inserted by the Karachi Building and Town Planning Regulation (Amendments) 2006, the Sindh Govt. Gaz., Extr., Pt. IA, P. No. 18, dt. November 26, 2010.

<sup>2</sup>Regulation 5-2.29. added by the Karachi Building and Town Planning Regulation (Amendment) 2017, Notification No. Chief Executive/SBCA 2017/19, dt. 28th Aug., 2017, the Sindh Govt. Gaz., Pt. I, P. No. 813, dt. Aug. 31, 2017.