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Bill

*to establish the Federal Government Real Estate Management Authority*

WHEREAS it is expedient to establish the Federal Government Real Estate Management Authority to effectively manage and utilize real estate of the Federal Government through attracting private investment from inland and abroad and to undertake special projects, if and when desired by the Government in collaboration with private investors, local or foreign, and in so doing to generate revenue, facilitate job creation, develop Pakistan's human resources, enhance exports, bolster economic growth and improve service delivery to the people and for the matters ancillary thereto and connect therewith;

It is hereby enacted as follows: -

**1. Short title, application and commencement.**— (1) This Act shall be called the Federal Government Real Estate Management Authority Act, 2026.

(2) It shall apply to Government's real estate properties wherever may be situated.

(3) It shall come into force at once.

**2. Definitions.**— In this Act, unless there is anything repugnant in the subject or context, -

- (a) "real estate" means commercial or potentially commercial immovable property, including land and structures built thereon owned by the Government or any of its ministries, divisions, attached departments, subordinate offices or any entity under the control of the Government, whether currently un-utilized or used for any purpose whatsoever, but does not include public infrastructure or property being used for public purpose;
- (b) "Authority" means the Federal Government Real Estate Management Authority established under this Act;
- (c) "Board" means the Board of Governors constituted under this Act;
- (d) "Chairperson" means the Chairperson of the Board;
- (e) "consultancy services" means services requiring adequate technical, financial or intellectual expertise in undertaking

specific assignment, Investment or Project and may include—

- (i) advisory and review services;
  - (ii) pre-investment or feasibility studies;
  - (iii) construction supervision;
  - (iv) management and related services;
  - (v) other technical services or special studies; and
  - (vi) design and surveys and investigations;
- (f) "Development Plan" means a comprehensive document outlining the details and design of development of real estate, and any other matters pertaining thereto;
- (g) "Director General" means Director General of the Authority appointed by the Federal Government and includes any person performing the functions of the Director General;
- (h) "Division Concerned" means the division to which business of this Act stands allocated;
- (i) "emergency" means operational emergency to be declared as such by the Authority;
- (j) "execution agreement" means a document mentioning details, terms and conditions agreed between the Authority and Project Executor for implementing the Project in line with provisions of this Act;
- (k) "finance" shall have the same meaning as assigned thereto in the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001);
- (l) "financial institution" shall have the same meaning as assigned thereto in the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001);
- (m) "Fund" means the Authority Fund created under this Act;
- (n) "Government" means the Federal Government;
- (o) "Investment" means any transaction between the Authority and a Project Executor for implementing the Project and any other arrangements made for maximizing commercial, social and strategic potential of real estate in line with provisions of this Act;

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- (p) "Master Plan" means an overarching planning document providing conceptual, spatial, landscape, design and infrastructure layout for the development of real estate;
- (q) "prescribed" means prescribed by rules or regulations made under this Act;
- (r) "project" means an undertaking by the Authority to utilize the real estate for any purpose in line with provisions of this Act and includes any project handed over by the Government to the Authority for any purpose in line with provisions of this Act;
- (s) "Project Executer" means any person or entity whether public or private participating in a Project;
- (t) "regulations" means regulations made under this Act;
- (u) "rules" means rules made under this Act;
- (v) "Transferred Real Estate" means any real estate approved by the Government on its own accord or on recommendations of the Authority to be transferred to the Authority; and
- (w) "Un-Solicited proposal" means any proposal which is not submitted in response to any procurement request, however is aligned with the mission and objectives of the procuring agency and is subject to competitive selection process by soliciting counter proposals through public tendering.

**3. Establishment of the Authority.**—(1) The Government shall, by notification in official Gazette establish the Federal Government Real Estate Management Authority.

(2) The Authority shall be a body corporate having perpetual succession and a common seal with power and functions to acquire, hold and utilize real estate as per provisions of this Act and may sue and be sued in the said name.

(3) The headquarters of the Authority shall be at Islamabad and it may, with the prior approval of the Government, set up as many offices all over the country as, when and where required.

(4) The Government may transfer any of its real estate to the Authority and upon such transfer this Act shall exclusively apply to the Transferred Real Estate.

(5) The Government may assign to the Authority any Project involving private Investment in any form whatsoever and at any stage of Project lifecycle.

**4. Director General.**— (1) There shall be a Director General of the Authority who shall be appointed by the Prime Minister in such manner and on such terms and conditions as may be prescribed by rules.

(2) The Director General shall, subject to the provisions of this Act, hold office for a term of three years and may based on satisfactory performance be re-appointed for an additional term of three years.

**5. Functions and powers of the Director General.**— The Director General shall be the chief executive and principal accounting officer of the Authority responsible for the management, administration and operations of the Authority and subject to the provisions of this Act shall exercise all powers and perform all functions of the Authority in accordance with the provisions of this Act and rules made thereunder.

**6. Powers and functions of the Authority.**— (1) The Authority shall have the power to—

- (i) create or cause to create a database of real estate owned by various Government entities;
- (ii) recommend to the Government such real estate to be transferred to the Authority for Investment;
- (iii) take possession of any real estate transferred to the Authority;
- (iv) undertake all legal measures to secure real estate handed over to the Authority;
- (v) identify Government real estate suitable for the development of Projects;
- (vi) carry out marketing and promotion of the real estate in the prescribed manner;
- (vii) assess, evaluate and approve transaction structures in the prescribed manner for offering the real estate for Projects;
- (viii) approve in the prescribed manner proposals for development of Projects including Unsolicited Proposals subject to provisions of the applicable laws;
- (ix) accept, develop and offer Projects for Investments;
- (x) develop Projects for implementation by the Authority;
- (xi) lease, purchase, procure, exchange, mortgage, rent out or otherwise utilize any Transferred Real Estate;
- (xii) select investors in accordance with prescribed procedures;

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- (xiii) enter into Investment agreements through lease, rental, partnerships or public private partnership, joint-ventures or any other suitable mode;
  - (xiv) responsible where applicable for implementation, contract enforcement, contract management and operations of development Projects undertaken;
  - (xv) prepare mechanisms for supervision and monitoring of Projects and carry out operations and oversee monitoring and evaluation of Projects against set milestones, targets and outcomes;
  - (xvi) recommend to the Federal and such other Governments in respect of formulation of policies, making laws and taking actions to enhance the Investment potential of real estate;
  - (xvii) undertake or cause studies, surveys, experiments or research to be undertaken or contribute towards the cost of any such studies, surveys, experiments or research, to be undertaken by any other entity, public or private for the development of real estate;
  - (xviii) prepare, amend and approve Development Plans, Master Plans or site plans of any real estate including, spatial or town planning, infrastructure development, land use and building control regulations in consonance with the existing building and town-planning regulatory dispensation;
  - (xix) prepare for approval of the Government draft rules in respect of procedures for approving Project Proposals;
  - (xx) subject to applicable laws, engage third-party consultants, panels, evaluators, etc. for the purpose of evaluating Project proposals;
  - (xxi) appoint in prescribed manner legal experts, contract management specialists, procurement specialists and other kinds of experts to represent the Authority in litigation, contract negotiations, contract management, procurement, etc;
  - (xxii) approve organogram, job descriptions, human resource polices and prepare draft regulations for approval in accordance with the provisions of this Act in respect of terms and conditions of employment of all employees of the Authority;

- (xxiii) create, abolish, re-designate, down-grade or up-grade posts and oversee the performance of employees of the Authority;
- (xxiv) take disciplinary action against employees in the prescribed manner;
- (xxv) receive such payments from the investors as contained in the approved agreements and in the prescribed manner and subject to the applicable laws to share such parts of the payments received by it with Government or owner organization as may be approved by the Board;
- (xxvi) coordinate with ministries, divisions, attached departments, subordinate offices or agencies or bodies at the Federal and such other Governments level for the achievement of the objectives of this Act;
- (xxvii) establish as many committees, as considered necessary or expedient and determine the membership and terms of reference of such committee to assist and advise in relation to the exercise of its powers and performance of its functions under this Act;
- (xxviii) seek loans, grants or debt with the approval of the Government;
- (xxix) in the prescribed manner provide and release receipts, guarantees, indemnity bonds, cheques and enter into contracts, deeds, instruments, arrangements, joint ventures and agreements or grant concessions to any person or entity for preparation, planning, development, execution, implementation and maintenance of Projects for carrying out the purposes of this Act;
- (xxx) cancel or re-plan any Project or part thereof;
- (xxxi) subject to applicable laws, setup companies, trusts, societies, associations, joint ventures whether contractual or incorporated or other vehicles for the purpose of carrying out objectives of this Act and allowing private shareholding in their entities;
- (xxxii) seek any record of real estate from any Government entity including but not limited to any ministry, division, attached department, subordinate office, autonomous body, body corporate or public sector organization, etc.

and the entity shall be bound to provide the same within timelines specified by the Authority;

(xxxiii) recommend to competent authority initiating of disciplinary action against any Government employees found intentionally withholding information sought by the Authority or providing false or misleading information to the Authority; and

(xxxiv) perform ancillary powers and functions as may be prescribed by rules.

(2) All Investments by the Authority shall be made with approval of the Board in accordance with prescribed procedure and subject to the Public Finance Management Act, 2019.

(3) Within ninety days of the notification of the Board of Governors, the Authority shall identify properties of the Government for assigning by the Government to the Authority for Project development and other activities in accordance with the provisions of this Act.

**7. Board.**— (1) The Government shall, by notification in the official Gazette, constitute the Board of Governors of the Authority comprising the following members, namely: —

S. No.	Membership	Status
(1)	(2)	(3)
1.	Minister- in-Charge of the division concerned and where the Prime Minister is in charge of the Division concerned, the Federal Minister, Minister of State or Advisor nominated by the Prime Minister;	<i>Chairperson</i>
2.	Secretary of the division concerned;	<i>Member</i>
3.	Director General of the Authority;	<i>Member</i>
4.	four independent members to be appointed by the Government from private sector well known for their integrity and having sufficient expertise of relevant fields;	<i>Members</i>
5.	four ex-officio members not below BPS-20 and equivalent appointed by the Prime Minister.	<i>Members</i>

(2) Independent members shall be appointed for a term of three years in such manner and on such terms and conditions as may be prescribed by rules.

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(3) There shall be a secretary of the Board who shall be appointed by the Chairperson in such manner and on such terms and conditions as may be prescribed by regulations.

(4) The Government may, by notification in the official Gazette, increase or decrease the number of members of the Board so that the maximum number of members does not exceed fifteen.

(5) The Board may co-opt any person without voting right to attend any meeting or deliberations of the Board for assisting it in respect of any agenda requiring expert opinion in his field.

(6) The Board shall consider agenda before it by—

- (a) discussion at a meeting of the Board; or
- (b) circulation amongst members of the Board; or
- (c) discussion at a meeting of a committee of the Board, which shall make its recommendations for ratification by the Board unless the Board has authorized otherwise.

(7) The Board shall meet in the prescribed manner as and when required. The secretary of the Board may on directions of the Chairperson obtain approval of any decision through circulation among members of the Board.

(8) The meetings of the Board shall be presided over by the Chairperson and in his absence, the secretary of the Division Concerned shall chair the meeting.

(9) The quorum for a meeting of the Board shall be one-third of the total membership of the Board and decisions of the Board shall be made with majority of total present members of the Board, a fraction shall be rounded as one.

**8. Power and functions of the Board.**— (1) The general administration and superintendence of the Authority and its affairs shall vest in the Board which shall exercise its powers and perform its functions in accordance with the provisions of this Act and the rules and regulations made thereunder.

(2) Without prejudice to the generality of the powers given in subsection (1), the Board shall exercise powers and perform functions, *inter alia*, to—

- (a) approve strategies and Development Plans for the Authority;
- (b) approve Project proposals before execution;
- (c) approve award of contracts for Projects;
- (d) in the prescribed manner, accept and approve Project including Unsolicited Proposals;

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- (e) recommend to the Government the raising of debts;
  - (f) recommend to the Government real estate of ministries, divisions, attached departments, subordinates offices and other organizations, etc. to be transferred to the Authority;
  - (g) recommend to the Government mortgage against real estate;
  - (h) establish as many committees, as the Board considers necessary or expedient and determine the membership and terms of reference of such committees to assist and advise in relation to the exercise of its powers and performance of its functions under this Act; and
  - (i) establish and maintain strategic direction of the Authority;

(3) The Board shall, in discharge of its functions, be guided on questions of policy by such directions as the Government may give from time to time and if any question arises as to whether any matter is a matter of policy or not, the decision of the Government in respect thereof shall be final.

**9. Appointment of employees, etc.**— The Authority may appoint such employees, experts, consultants, advisers, etc. in the manner and on such terms and conditions as may be prescribed by regulations.

**10. Director General, employees, etc. to be public servants.** — The Director General, employees, experts, consultants, advisers, etc. of the Authority shall, when acting or purporting to act in pursuance of any of the provisions of this Act, be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1860).

**11. Indemnity.**— No suit, prosecution or other legal proceedings shall lie against the Director General, employees, experts and consultants of the Authority, in respect of anything which is done or intended to be done in good faith under this Act or rules or regulations made thereunder.

**12. Delegation of powers.**— The Authority may, by general or special order and subject to such conditions as it may think fit to impose, delegate to the Director General, a member or an officer of the Authority, all or any of its powers or functions under this Act.

**13. Fund.**— (1) There shall be a Fund known as the Authority Fund which shall vest in the Authority and shall be utilized by the Authority to meet its expenses and charges properly incurred in connection with its powers and functions under this Act.

(2) The Authority shall have the power to take decision for utilization of funds for maximizing commercial, social and strategic potential of real estate.

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(3) The Authority shall meet its expenditure from the revenue raised by it and in case of shortfall that shall be met by the Government either through grant or loan.

(4) The Fund shall consist of —

- (a) moneys, funds, loans or grants by the Government, Provincial Governments, local Governments or any donor agencies;
- (b) grants and loans negotiated and raised or otherwise obtained by the Authority in accordance with the applicable laws;
- (c) fee, charges, rentals, etc. and other money received or collected by the Authority;
- (d) income from mortgage, lease, etc.;
- (e) funds from bonds, sukuk and other forms of finances obtained on the basis of participation term certificate, real estate Investment trusts, *musharika* certificates and any other financial or debt instruments or securities issued by the Authority;
- (f) proceeds of any investments made by the Authority which are not required for immediate use; and
- (g) all other sums received by the Authority.

(5) At the end of each financial year, the books of accounts and balance sheet of the Authority shall be prepared and business plan for the next financial year shall be finalized and approved by the Board in accordance with the applicable laws.

**14. Bank accounts.**— The Authority may open and maintain its bank accounts in any scheduled banks or financial institutions within the framework of the prescribed rules and in accordance with the applicable laws.

**15. Budget and accounts.**— (1) The Director General shall, in respect of each financial year, cause to prepare a statement of the estimated receipts and expenditure, including the revised and estimated budgets and requirement of grant or loan from the Government for next financial year for consideration and approval of the Board.

(2) The accounts of the Authority shall be maintained in such manner as may be prescribed in accordance with Articles 169 and 170 of the Constitution.

**16. Audit.**— (1) The Authority shall cause to be carried out audit of its accounts by the Auditor General of Pakistan in accordance with Articles 169 and 170 of the Constitution.

(2) Subject to sub-section (1), the Authority shall appoint a firm of chartered accountants, which is placed in category "A" by the State Bank of Pakistan, for the annual audit of the accounts of the Authority.

(3) The Director General shall cause the audited financial statements to be placed before the Board for its approval.

(4) A copy of the audit report shall be sent through the Division Concerned to the Government along with the comments of the Authority as also to Auditor General of Pakistan.

(5) The Authority shall take the requisite steps for the rectification of any objection raised by the Auditor General of Pakistan and the firm of chartered accountants appointed under sub-section (2).

**17. Legal and transitory provisions.**— (1) All litigation with respect to the real estate transferred to the Authority shall be deemed to have been transferred to the Authority on the date the Authority takes possession of the real estate.

(2) The Authority shall have power to approve institution, commencement, prosecution, defence, compromise and all actions and settlement of any disputes, suits and legal proceedings whether civil or criminal before any court, tribunal, administrative body or authority.

**18. Duty to assist the Authority.**— The Authority may in the performance of its functions seek assistance of any office, authority or agency working under the Government, a Provincial Government or a Local Government and such office, authority or agency shall comply with the directions of the Authority.

**19. Authentication of instruments of the Authority.**— All orders, decisions and other instruments of the Authority shall be authenticated by the signature of the Director General or any other officer of the Authority authorized by the Director General in the prescribed manner.

**20. Annual report.**— (1) The Authority shall, within three months of the end of each financial year, submit to the Board an annual report for placement before the Government through the Division Concerned.

(2) The annual report under sub-section (1) shall consist of—

- (a) the statement of accounts and audit reports of the Authority;
- (b) a comprehensive statement of the work and activities of the Authority carried out during the preceding financial year and its proposed Projects;

- (c) proposed business plans; and
- (d) such other matters as may be prescribed by rules or as the Authority may consider appropriate.

**21. Ejection of un-authorized occupants.**— Subject to the provision of an opportunity of hearing to the person concerned, the Director General or any officer of the Authority authorized by the Director General may summarily eject any person in un-authorized occupation of any real estate transferred to the Authority and may for such ejection use such force as may be necessary. All authorities of the Federal, Provincial or local Government shall provide full assistance if and when requested by the Authority to do so.

**22. Removal of building, etc, erected or used in contravention of this Act.**— (1) If any property is used in contravention of the provisions of this Act or of any rules, regulations, orders, etc. made thereunder, the Director General or any officer of the Authority authorized by him in this behalf may by order in writing require the owner, occupier, user or person in control of such property to remove, demolish or alter the property or to use it in such manner so as to bring such structure, construction or use in accordance with the said provisions of this Act or of any rules, regulations, orders, etc. made thereunder.

(2) If an illegal structure is built or existing structure is tampered with or damaged or altered with regard to any property, the responsible person or entity shall rectify it at his or its own risk and cost. In case of non-compliance, the Authority shall carry out required function and, in such case, the responsible person or entity shall be liable to bear all expenses incurred. In case the responsible person or entity is not in a position to bear the cost, it shall be recovered as arrears of land revenue or any other revenue collection process in place.

**23. Removal of difficulty.**— If a difficulty arises in giving effect to any provision of this Act, the Government may make such order, by notification in the official Gazette, not inconsistent with the provisions of this Act for the purpose of removing the difficulty:

Provided that the power under this section shall not be exercisable after two years of the commencement of this Act.

**24. Power to make rules.**— The Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act, in respect of external matters of the Authority or where any provision of this Act so provides.

**25. Power to make regulations.**— The Authority may, by notification in the official Gazette and with the approval of the Government, make regulations for its internal working, terms and conditions of service of its employees and where any provision of this Act so provides, which shall

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not be inconsistent with the provisions of this Act or the rules made thereunder so as to carrying out of the purposes of this Act.

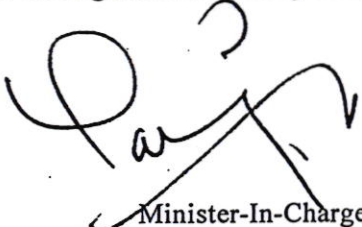
**26. Overriding effect.**— The provisions of this Act shall to the extent of domain of the Authority have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

### STATEMENT OF OBJECTS AND REASONS

Federal Government owns a vast tract of urban and rural property throughout the length and breadth of the country. These immovable commercial properties including land and structures built thereon are owned, operated and managed by the Federal Ministries, Divisions and organizations under their control. Many of these lands have gained in value over time due to expansion of urban areas and growth of commercial activities. However, most of government, entities have not been able to manage these real estate optimally. In fact, these are beset with multiple problems like encroachments, illegal occupation, etc. Despite government directions, most of the government real estate are not being utilized in an economically viable manner. In various cases, even the superior courts have issued similar directions.

2. There have been several unsuccessful attempts in the past to make use of some of the properties for generating optimum economic returns. Managing real estate, especially land, is a specialized function. None of the existing government organizations have the exclusive mandate and capacity to perform this function in a manner where these properties generate valuable returns for the economy. Such functions are required to be performed by a dedicated professional agency / organization. It is therefore proposed that a new organization, Federal Government Real Estate Management Authority may be established to own, manage or lease properties of the Federal Government as approved by the Federal Government.

3. The Bill titled "Federal Government Real Estate Management Authority Bill, 2026" has been designed to achieve the above stated objective.



Minister-In-Charge