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### Agreeing with a contractor to build and be paid after a while

The first question of Fatwa no. (2573):

**Q 1: A shaykh was asked about a man who wanted to build a house. The man agreed with a contractor, who stipulated that if he pays the price immediately in cash, it will cost a certain sum of money, and if he paid it in installments or at a later time, the sum of money will increase. He said that this is permissible. When some people objected and said that this is considered legalizing Riba (usury) in the name of a sale, he replied that this is not considered Riba according to the Shafi'y Madh-hab (School of Jurisprudence). If it had been Riba, none of the four Imams (initiators of Schools of Jurisprudence) would have accepted it.**

**A:** It is permissible for a Muslim to agree with a contractor to build a house for 500,000 Riyals, for instance, which are paid in a fixed number of installments. If he pays the money in cash, it will be only 400,000 Riyals. This is not considered Riba; it is a form of sale on credit. It is permissible to sell cloth for ten Riyals on credit while it is worth nine Riyals only in cash. However, both parties should not part until they have agreed on the method of payment; whether it is less in cash or more in credit.

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May Allah grant us success! May peace and blessings be upon our Prophet Muhammad, his family and Companions!

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