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## Inside Qartaba Homes' unravelling interest-free sharia development scheme

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A western Sydney property development company that offered a halal-friendly “interest-free housing solution” has left hundreds of Muslim families facing ruin amid allegations that it mortgaged its own mosque in breach of sharia law.

The developer, Qartaba Homes, spruiked its interest-free solution as motivated by Islamic anti-interest sharia laws, but has since gone into administration.

The victims are mostly Muslim families from Pakistan who came to Australia to start a life and buy a home but have seen their lands possessed and sold at auction.

Qartaba and its sister company Hume Homes are run by Wajahat Rana, Khurram Jawaid and Kashif Aziz. Since 2012, Qartaba has sold lots off the plan in western Sydney, Melbourne's eastern suburbs, and southern Queensland.

It promoted itself as Australia's “interest-free halal answer” to the housing market's “fluctuating interest rates”, primarily targeting Muslim families.

Qartaba would buy land before selling it to customers off the plan per lot. Customers would pay a deposit for the land, before then paying monthly or quarterly development costs or land payments, which would be interest free.

Qartaba even named streets after Pakistan's major cities, such as Lahore St and Karachi St.

Customers who bought land a decade ago, and paid development costs, are still waiting for ownership of the property. Some are waiting for construction to start.

Others have had their lots sold off, auctioned by creditors who possessed the land after Qartaba failed to pay its debt.

In many cases, Qartaba had mortgaged the land to secure those loans, without notifying customers, who – speaking on the condition of anonymity – alleged it was so that it could borrow and build more. Some have claimed incompetence.

Others have alleged criminality, and that emails and phone calls go unanswered to directors who don't answer the door at their Riverstone office.

The directors are prominent in the community and were board members of the Islamic Forum for Australian Muslims – Mr Aziz was recently its vice-president – and at its 2023 convention Qartaba was a “silver sponsor”.

One person with knowledge of the situation said Qartaba's rapid expansion had been akin to “Icarus flying too close to the sun”.

Qartaba's Riverstone Masjid is going under the hammer, leaving the community furious at the mortgaging of the mosque, which is against sharia law. It was shut and possessed in April by a creditor, from whom Qartaba took out a \$1.7m loan on the property, and put up for sale for \$2m as a “timeless heritage homestead”, although its fate remains unclear.

The community was crowd-funding to buy it back and The Australian understands that the creditor remained in negotiations with a party who'd retain the property as a mosque, although there are multiple caveats on the property, which places a freeze on any new owner registering it.

## Left in the dark

Qartaba and Hume Homes took out mortgages on large amounts of its land across the east coast, after it had been sold as lots to customers.

Creditors, which across the two companies total almost 30, have since come circling, repossessing the mortgaged land and auctioning it off to recover what's owed. Customers have seen land they bought years prior sold off.

Others have attempted to put a caveat on the land, but that hasn't been able to stop the sell-off.

They allege they've been left in the dark by the developer, were not told the land had been mortgaged, and had to find out for themselves that lots they'd bought were being sold.

Some of Qartaba's land in Tarneit in Victoria has already been auctioned off by creditors, and at plots in Schofields, Austral, Riverstone and Werrington County in NSW, and other sites in Victoria and Queensland.

One lender, Balanced Securities Limited, run by former top lawyer David Geer, appointed an external administrator to Qartaba in April, which had not paid back in full the mortgage it took out to borrow across four blocks of land in Tarneit, which have since been put up for sale by the creditor.

In 2018, Qartaba took out a \$34.6m loan from Balanced Securities, with an interest rate of up to 19.95 per cent.

According to the Australian Securities & Investments Commission, creditors have securities on all of the two companies' present and future properties. In some of those agreements, the companies borrowed in the millions each time, with one mortgage signed in late 2023 including up to a 26 per cent interest rate. In multiple sites, creditors have possessed mortgaged lands as the two companies failed to pay what they borrowed.

In May and June, at least 30 plots of Qartaba's NSW land were sold at auction, many of which customers had signed and paid contracts on years prior.

Last week, the mortgagee also exercised its power of sale of Qartaba's two sites across 149 and 161 Riverstone Rd, NSW, which sold for \$5.6m and \$2.65m respectively.

At the same auction, Qartaba's 30 Kelly St, Austral, sold for \$14.7m while its land at 2 John Oxley Ave was for sale at \$2.5m.

In Victoria, 137 lots at Qartaba's 120 Bodycoats Rd are up for sale, with one customer who purchased in mid-2018 saying they feared they could lose both their land and likely the money they put into it.

## **'Complete loss'**

Hundreds of customers have enlisted legal representation to help salvage what's left, and those who sought retrospective financial advice have been met with damning news. One solicitor called Qartaba's contracts the "most unsatisfactory" they'd seen, calling the documents "extremely unfair" and that the negative implications fell heavily onto the customer.

An accountant told a customer investments with Qartaba were a "complete loss at this stage", while crisis meetings have been held with state and federal MPs.

In June, NSW Fair Trading Commissioner Natasha Mann said the watchdog was "concerned" about the issues being raised about Qartaba and was "making inquiries".

## **Dither and delay**

Sister company Hume Homes sold its off-the-plan contracts at 71 and 121-123 Boundary Rd, Box Hill, in southwest Sydney, between 2014 and 2016. At 121-123, a single lot cost about \$150,000 for the land, and settlement should have been end-2019, but the land remains a patch of shrubbery.

A development application was submitted to Hills Shire Council in August 2016, approved two years later in mid-2018, before Hume Homes lodged a construction certificate application in November 2020, which was approved in June 2023. Council blamed the delay on planning issues by Hume Homes and said the same problems held up the next phase of the planning process.

The development cost per lot for customers was about \$110,000, which was divided into monthly or quarterly interest-free payments. Any additional cost sought should

have been paid on settlement.

But citing an “unusual increase in cost of living” in 2023, Hume Homes asked each customer to pay an additional \$25,000 for unspecified “development charges”.

## ‘Negative propaganda’

The company has claimed it’s a victim of “unethical behaviour and negative propaganda” originating from WhatsApp groups.

Membership of those groups, however, are in the hundreds. All are customers, who Qartaba has blamed for approaching councils directly, claiming it has resulted in investors pulling funds.

“This negative campaign has affected our business resulting in lesser interest by investors (and) many pulling their investments,” a Qartaba statement claimed.

“Civil contractors and consultants working on our projects get alarmed. Some have ceased work on our projects and a few have refused to bid for (new) projects.”

The directors failed to respond to questions from The Australian.

*Do you know more? Email [alexi.demetriadi@news.com.au](mailto:alexi.demetriadi@news.com.au) in the strictest confidence*



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TRENDING





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