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Islamabad Ministry Seeks Approval for Rent Ceiling Hike

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ISLAMABAD, The Ministry of Housing and Works has submitted a proposal to the Finance Division seeking an upward revision in the rental ceiling for federal government employees. The request comes after four years without an adjustment, despite a sharp rise in housing costs.

According to officials, the ministry forwarded the summary nearly three weeks ago. The proposal is based on findings from the Pakistan Bureau of Statistics, which documented substantial increases in rent across urban centers.

A spokesperson for the ministry confirmed that approval from the Finance Division is still pending. “The response is yet to be received from the finance ministry,” the official told the Associated Press of Pakistan on Monday.

The spokesperson emphasized that Minister for Housing and Works, Riaz Hussain Pirzada, remains committed to addressing housing challenges faced by government workers. The

minister has reportedly prioritized measures to provide relief to employees dealing with rising living expenses.

If approved, the revised ceilings would allow federal employees to claim higher allowances for rented accommodations, easing pressure on those living in Islamabad and other major cities where housing markets have become increasingly unaffordable.

The ministry argues that stagnant ceiling rates have left employees struggling to keep pace with escalating rents, forcing many to compromise on living conditions. By linking the revision to official data, the government aims to align allowances with market realities.

The proposal comes at a time when Pakistan's public sector employees face mounting financial strain, with inflation driving up household costs across the board. Housing expenses remain one of the largest burdens, particularly for mid-level and junior officers who rely heavily on rental allowances.

Officials suggest the Finance Division's decision will be pivotal in determining whether government employees receive the relief they have awaited since the last adjustment.

The issue has drawn attention in Islamabad, where rising property prices and rental demand continue to outpace salaries and allowances. Approval of the proposal would signal an acknowledgment of these pressures, while further delays may intensify frustration among employees.

Housing analysts note that the federal government has traditionally reviewed rental ceilings every few years but cite the recent four-year gap as unusually long. The delay, coupled with economic uncertainty, has amplified concerns among civil servants.

Minister Pirzada has also hinted at exploring long-term housing solutions, including expansion of government housing schemes and new development projects, though such plans remain at the initial stage.

For now, federal employees await the Finance Division's response, which will decide whether relief comes in the form of higher rental allowances or whether the status quo continues despite rising costs.