



Consumer Legal Protection in Landed House Transactions: Buyers' Rights and Developers' Obligation

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Abstract

Purpose: This research aims to analyze the clarity of information and legality of property certification, in this case, landed houses, and the accuracy in delivery time plays a role in providing protection for consumers in buying and selling landed houses.

Research Methodology: The methodology used is literature study and analysis of regulations in force in Indonesia, namely Law no. 8 of 1999, Law no. 1 of 2011, Law no. 5 of 1960 and the Civil Code.

Results: The research results show that clarity of information regarding house specifications and legality of the property, as well as accuracy in the delivery time of the landed house, provide legal protection for consumers. In addition, clear certification, such as a Certificate of Ownership, is very important to ensure legal certainty for consumers.

Conclusions: In landed house sales and purchase transactions, transformational legal frameworks and clear property certification significantly protect consumer rights. Developers' obligations to provide accurate information, comply with promised specifications, and deliver land certificates on time are essential. Consumer rights are safeguarded when legal protections are clear and enforced, reducing potential disputes.

Limitations: This study focuses on literature review and legal analysis within Indonesia, which may limit generalizability to other countries or contexts with different property and consumer protection laws.

Contributions: The study provides insights into integrating multiple legal frameworks to ensure consumer protection in landed house transactions, emphasizing developer obligations and consumers' rights. It offers practical guidance for policymakers and legal practitioners in the property sector.

Keywords: *Buying and Selling Landed Houses, Clarity of Information, Consumer Protection, Consumer Rights, Property Certification*

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1. Introduction

In the sale and purchase transaction of a landed house, the legal relationship between the consumer and the developer (developer) is a very important aspect. The developer acts as the product provider (landed house), while the consumer is the party who buys and receives the product. This relationship is regulated by several legal instruments, such as Law No. 8 of 1999 concerning Consumer Protection, Law

No. 1 of 2011 concerning Housing and Settlement Areas, and other regulations governing developer responsibilities and consumer rights.

Landed house buying and selling transactions in Indonesia are often the subject of consumer complaints, especially regarding the clarity of information submitted by the developer and property certification status. Consumers are often faced with conditions where the information provided regarding the condition of the house or the legal status of the property is not completely clear, which can be detrimental. In this context, strong regulations and the implementation of effective consumer protection measures are needed to maintain a balance of rights between developers and buyers (Palmer et al., 2018).

Other research related to legal protection for consumers was conducted by Anis and Anwar (2017), in his research entitled Consumer Protection in Home Ownership from Irresponsible Developers in Makassar City. This research was conducted in Makassar and highlights consumer legal protection in cases of developer default in house-buying and selling transactions. Consumers are protected by Law No. 8 of 1999 concerning Consumer Protection, especially when developers fail to fulfill agreements. This research concludes that consumers have the right to demand compensation through both litigation and non-litigation (Anis & Anwar, 2017). Apituley et al. (2024) researched Consumer Legal Protection against Developer Defaults in Home Ownership Credit Sale and Purchase Agreements in Property Businesses in Lex Privatum. Of these three studies, there are differences with my research in that I put more emphasis on aspects of consumer protection in landed house buying and selling transactions based on relevant regulations such as the Consumer Protection Law and the Housing and Settlement Area Law, providing a more thorough and comprehensive view of the relationship between consumers and developers in sales and purchase transactions for landed houses, both in terms of delays in delivery, changes to house specifications, and the legality of certification. focuses more on general consumer protection in landed house transactions between consumers and developers. This involves analyzing the developer's obligations under the law and consumer rights. The two previous studies tended to examine specific issues, such as developer default or the land certification process in certain contexts, such as Home Ownership Credit or Sale and Purchase Agreements, and focused on more specific dispute resolution mechanisms.

Landed house buying and selling transactions involve complex legal aspects because they involve property ownership, which is protected by law (Mutha et al., 2022; Sanjaya et al., 2023). Consumers who buy landed houses often face various legal risks, ranging from unclear information provided by the developer to problematic property certification status (Hill & Sharma, 2020). Therefore, consumer protection in buying and selling landed houses is crucial to ensure that buyers' rights are protected (Ryan-Collins, 2021; Tukur et al., 2019). This study examines consumer protection from a legal perspective, especially in the context of Law No. 8 of 1999 concerning Consumer Protection and Law No. 5 of 1960 concerning Basic Regulations on Agrarian Principles, as well as other related regulations.

The main problems that often arise in consumer-developer relationships include delays in handing over property, changes to house specifications, and land and building legality issues. This study focuses on the legal obligations that developers must fulfill as well as the rights that consumers have at each stage of the sale and purchase transaction of landed houses. Therefore, the research problem is as follows: "How is the clarity of information and legality of property certification, in this case, landed houses, and the accuracy of delivery time? play a role in providing protection for consumers in buying and selling landed houses?" This study aims to analyze the clarity of information and legality of property certification, in this case landed houses, and the accuracy in delivery time plays a role in providing legal protection for consumers in buying and selling landed houses.

The novelty of this research is the use of a combination of legal frameworks, namely, Law no. 8 of 1999 concerning Consumer Protection and Law no. 1 of 2011 ("Undang-Undang Perumahan Dan

Kawasan Pemukiman”, 2011) concerning Housing and Settlement Areas and Law. No. 5 of 1960 (“Undang-Undang Tentang Peraturan Dasar Pokok-Pokok Agraria”, 1960) concerning Basic Regulations on Agrarian Principles. Previous research may only emphasize one of these laws, but this study links them in an integrated manner to discuss the rights and obligations of both parties as a whole. Thus, the novelty of this research lies in its comprehensive and theoretical approach, as well as a broader multivariable discussion compared to previous studies, which tend to focus on specific issues in house buying and selling disputes. 2011

2. Literature Review

2.1 Legal Framework for Consumer Protection

Consumer protection in property transactions is governed by multiple regulations in Indonesia, including Law No. 8 of 1999 on Consumer Protection, Law No. 1 of 2011 on Housing and Settlement Areas, and Law No. 5 of 1960 on Agrarian Principles. These laws define the obligations of developers and safeguard consumers’ rights regarding accurate information, property specifications, and timely delivery of certificates (Ahmadun et al., 2023; Diep & Huy, 2022). The legal framework ensures that consumers can demand compliance, file complaints, or seek compensation in cases of developer negligence. The integration of these laws provides a comprehensive approach to protecting buyers from fraudulent or irresponsible practices (Cauffman & Goanta, 2021; Durovic & Willett, 2023). Understanding and applying these regulations allows consumers to make informed decisions, while guiding developers to operate within legal obligations (Pradanna et al., 2024).

2.2 Clarity of Information in Property Transactions

Clear and accurate information from developers is critical to protect consumers. Information includes house specifications, land size, physical condition, and public facilities. Lack of clarity can result in consumer losses and disputes (Mulyati et al., 2023; Natonis, 2023). Legal provisions require developers to provide truthful and transparent information in verbal, written, and electronic forms to prevent misunderstandings or misinformation (Ahmadun et al., 2023). Ensuring information clarity contributes to informed decision-making and reduces potential legal conflicts. It also strengthens trust between buyers and developers, facilitating smoother transactions (Aprilyani et al., 2023).

2.3 Property Certification and Legal Certainty

Property certification, especially the Ownership Rights Certificate (SHM), guarantees legal ownership and protects buyers from disputes or third-party claims. Without valid certification, consumers risk legal issues regarding land claims, mortgages, or illegal ownership transfers. Developers must provide proper certification before or at the time of property delivery (Howells, 2020; Orentlicher, 2021). Legal obligations enforce that consumers have the right to file claims or seek cancellation if certification is delayed or invalid. Proper certification ensures transparency, legal certainty, and consumer protection in property markets (Kabdiyono & Akbar, 2021; Putri et al., 2023).

2.4 Timely Delivery and Developer Obligations

Delays in delivering property or changes to house specifications are common issues in landed house transactions. Legal provisions hold developers accountable for timely handover, adherence to promised specifications, and compliance with agreed contractual terms (Felzmann et al., 2019; Sekotibo, 2021). Consumers can seek legal remedies through litigation, arbitration, or mediation if developers fail to meet obligations. Enforcing these obligations reduces disputes and protects consumers from financial and legal losses (Oktavia et al., 2023; Syahril & Sudono, 2021).

2.5 Internal and External Legal Protection

External legal protection comes from state regulations and enforcement, including administrative and criminal sanctions. Internal legal protection arises from balanced contracts that fairly define the rights and obligations of both parties (Marditia et al., 2022; Navisa et al., 2019). Combining both ensures a comprehensive system to protect consumer rights, prevent exploitation, and encourage responsible developer practices (Magno & Lestari, 2023; Susanto et al., 2023). Effective legal protection balances power between consumers and developers, minimizes disputes, and fosters trust in property markets. This dual approach strengthens both legal compliance and consumer confidence (Supeno, 2023; Tukur et al., 2019).

3. Methodology

This research is legal research that focuses on legal studies of positive law. The problem approach used is the philosophical, statutory, and conceptual approaches. The legal materials used in this study are primary legal materials in the form of laws and regulations relating to research problems and secondary legal materials, namely legal materials that provide explanations of primary legal materials, such as legal books, journals relating to the problem (Marzuki, 2009)

The analysis of legal materials is carried out by first identifying the collected legal materials, then describing them, and systematizing them based on legal scientific theories and legal concepts, principles, or principles of law. The analysis uses descriptive analysis, which is based on legal reasoning (legal reasoning), legal interpretation (legal interpretation), and legal argumentation (legal argumentation) in a coherent manner. Furthermore, conclusions are drawn using the deductive method of thinking, namely, concluding the results of research from things that are general to specific things.

4. Results and Discussion

4.1 The Right to Information in Landed House Transactions

Another issue is the right to information. This right to information is very important because inadequate information conveyed to consumers can also be a form of product defect, namely, defective instructions. The right to clear and correct information is intended so that consumers can obtain a correct picture of a product, because with this information, consumers can choose the product they want/suit their needs and avoid losses due to errors in product use. This information can be conveyed either verbally or in writing, either by the developer or through print media, brochures, and electronic media. Correct, clear, and honest information regarding the conditions and guarantees of goods and/or services can significantly impact increasing consumer efficiency in choosing products and increasing their loyalty to certain products, thus providing benefits for both parties.

Unclear information that is often conveyed by developers can cause problems for consumers. For example, information regarding the size of the building, the physical condition of the house, and public facilities around the location is often different from reality. This can be considered a violation of consumer rights, as regulated by the Consumer Protection Law.

4.2 Delays in Handing Over Landed Houses

Another common issue is delays in handing over landed houses by developers. In this case, consumers are often at a disadvantage because they have made payments, but the house has not been delivered according to the schedule. Delays in delivery can also be caused by various factors, such as problems with licensing, developer financial problems, or other technical obstacles. To protect consumers, Article 45 of Law No. 8 of 1999 concerning Consumer Protection gives consumers the right to resolve disputes through available mechanisms, such as mediation, arbitration, or litigation.

Another problem is changing the specifications of the house from what was previously promised by the developer, which is another problem that often causes disputes. Developers sometimes make changes to designs, building materials, or sizes without the consent of consumers. This violates Article 4 letter c of Law No. 8 of 1999, which requires business actors to provide correct, clear, and honest information to consumers. If the specifications of the house delivered do not match the initial agreement, the consumer has the right to demand that the developer repair or compensate for the changes.

4.3 Property Certification and Consumer Protection

Property certification, especially regarding land and building ownership status, plays an important role in providing legal certainty to buyers of property. Without a valid certificate, consumers are at risk of facing legal problems in the future, such as claims of ownership by third parties or other legal issues. The Ownership Rights Certificate (SHM) is the highest certification that gives full rights to the landowner, and this certificate must be available before the transaction is carried out.

Problems related to land certification are serious issues in property transactions. Developers who sell property without clear certification or property that is in dispute can legally harm consumers. Therefore, consumers must ensure that the property they purchase has a valid certification before carrying out the transaction. If the developer fails to hand over the land certificate after payment has been made in full, consumers can file a lawsuit to demand the certificate or request cancellation of the transaction and a refund (Tukur et al., 2019).

Land certificates are the main guarantee for consumer protection in buying and selling transactions of landed houses. The Basic Agrarian Law emphasizes that without a valid certificate, ownership of land and buildings on it can be questioned and potentially face legal action. Therefore, before making a transaction, consumers must check the authenticity of the certificate and ensure that the property to be purchased is not disputed or mortgaged. In the event that the developer offers a home that does not yet have full certification (for example, the certificate is still in process), consumers should be careful and ask for a written guarantee from the developer to ensure that the property will be certified soon, without any legal problems (Tukur et al., 2019).

4.4 Legal Protection in Sale and Purchase Transactions of Landed Houses

The development of the property industry in Indonesia is increasingly rapid, especially in terms of sales and purchase transactions for landed houses. However, behind this growth, there are several challenges that consumers often face when interacting with developers. In this context, legal protection for consumers is a very important issue, considering the many cases in which consumer rights are ignored or violated by irresponsible developers. This can include defaults such as delays in handing over the house, building specifications that do not comply with the agreement, and land certification issues (Tukur et al., 2019).

To overcome this problem, the government has issued several important regulations aimed at protecting consumers, such as Law No. 8 of 1999 concerning Consumer Protection and Law No. 1 of 2011 (“Undang-Undang Perumahan Dan Kawasan Pemukiman”, 2011) concerning Housing and Settlement Areas. These two laws provide a strong legal basis to ensure that consumers obtain their rights at every stage of the sale and purchase transaction of a house. However, in practice, implementing this legal protection still faces various challenges, both in terms of implementing regulations and developer compliance with the applicable regulations.

The legal protection provided by the state is an external form of legal protection. External legal protection comes from the authorities through regulations in the form of laws and regulations. Legal protection is prepared by legislators to anticipate injustice experienced by one of the parties to the contract and exploitation carried out by one party who has a superior bargaining position to the other party (Isnaeni,

2017).

Legal protection to protect the interests of the parties, which is built on the basis of an agreement, outlined in the contract clauses, is internal legal protection. Internal legal protection can be created if the parties have a balanced bargaining position. A balanced bargaining position of the parties can properly protect the interests of the parties and give birth to a healthy contract. The parties to the contract have built internal legal protection that was created by themselves based on the agreement (Isnaeni, 2017).

5. Conclusions

In sales and purchase transactions for landed houses, the legal relationship between consumers and developers is strictly regulated by Law no. 8 of 1999 concerning Consumer Protection, Law no. 1 of 2011 concerning Housing and Settlement Areas, Law no. 5 of 1960 concerning the Basic Agrarian Law, and the Civil Code. Developers have a legal obligation to provide clear information, provide property with promised specifications, and hand over houses and land certificates on time. Consumers, on the other hand, have the right to obtain correct information, legal protection, and delivery of the house according to the agreement. Clear and effective legal protection will improve the balance between the rights and obligations of both parties and reduce the potential for disputes in buying and selling transactions.

Legal protection that comes from the state is legal protection through regulations in the form of laws and regulations. Legislators prepare legal protection to anticipate injustice. If a developer is proven to have violated consumer rights, the Consumer Protection Law gives the government the authority to impose administrative sanctions or criminal sanctions, including fines and imprisonment, on those who violate. This legal protection aims to ensure that consumer rights are protected throughout the process of buying and selling landed houses so that consumers are not harmed by irresponsible developer practices.

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Author Contributions

S conceptualized the study and coordinated research design. NH collected and analyzed the literature and regulations. S and DC reviewed legal frameworks, synthesized findings, and prepared the manuscript. All authors reviewed and approved the final version of the article.

Conflicts of Interest

The authors declare that there is no conflict of interest regarding the publication of this study. This research was conducted independently, and no financial or personal relationships influenced the results or interpretation of the findings.

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