



Consumer Protection for Housing Developers' Non-Performance: A Study of the Alam Asri Bangka Belitung Housing Unit Sale and Purchase Agreement

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Abstract

This study examines consumer protection and legal remedies arising from a housing developer's non-performance under the sale and purchase agreement for residential units in Alam Asri Housing Estate, Bangka Belitung. The research employed a normative legal design using statutory and case approaches, supported by primary, secondary, and tertiary legal materials and a supplementary interview with a housing-unit owner. The materials were analyzed qualitatively through descriptive legal analysis. The findings indicate that the developer's failure to provide the promised municipal water connection, paved access road, drainage, green or recreational space, and prayer facility reflected discrepancies between contractual commitments and the performance received by consumers. Such non-performance may give rise to contractual liability, consumer-protection responsibility, and obligations under housing regulation. Consumers are entitled to preventive protection through government guidance, supervision, accurate disclosure, and consumer education, as well as repressive protection through demands for performance, compensation, mediation, and litigation. Proven expenditures for water pipes, pumps, and labor may constitute recoverable material losses when causally connected to the developer's failure to perform. The study concludes that effective consumer protection requires consistent contractual enforcement, stronger regulatory supervision, transparent housing information, and accessible dispute-resolution mechanisms capable of ensuring developer accountability.

Keywords: Breach of Contract, Consumer Protection, Housing Developer, Legal Remedies, Sale and Purchase Agreement.



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INTRODUCTION

Rapid expansion of residential development in Indonesia has intensified the legal significance of housing transactions because the purchase of a home establishes not only an economic exchange but also a continuing contractual relationship between consumers and developers. Purchasers commonly rely on representations concerning building specifications, infrastructure, public facilities, completion schedules, and supporting services when deciding whether to enter into a housing transaction. Disputes emerge when the housing unit or associated facilities delivered by the developer materially differ from what was promised, creating questions concerning contractual performance and the scope of consumer remedies. Developer responsibility for residential units that do not correspond with agreed specifications has been identified as a recurring consumer-protection problem in Indonesian housing transactions (Aman, 2025). Similar concerns arise in subsidized housing arrangements, where binding sale and purchase agreements play an important role in defining the obligations that developers owe to consumers before the property is fully transferred (Aminullah, 2026). These conditions demonstrate that housing consumers face legal risks not only from defective construction but also from incomplete infrastructure, delayed fulfillment, and failure to deliver contractual facilities. Protection of purchasers therefore requires a legal framework capable of connecting contractual commitments with enforceable obligations and effective remedies when developers fail to perform.

Recent legal scholarship has increasingly examined developer default through the combined lenses of contractual validity, consumer rights, and liability for non-performance. Studies of property transactions show that the legal force of preliminary sale and purchase agreements becomes particularly significant when developers fail to complete or deliver obligations expressly undertaken toward purchasers (Haryadi et al., 2026). Research on housing developer defaults also emphasizes that

consumer protection must extend beyond formal contractual recognition and provide meaningful remedies when promised performance is not realized (Hadiati et al., 2022). Another strand of literature focuses on liability arising from binding sale and purchase agreements, especially where developers have accepted payment but fail to fulfill obligations concerning the property or related facilities. Developer accountability in such transactions has been linked to the need to enforce the obligations contained in binding sale and purchase agreements rather than treating those instruments as merely preliminary arrangements without practical consequences (Ratna & Djajaputra, 2024). Scholarship on developer default in flat-purchase agreements similarly places consumer protection at the center of the contractual relationship where performance failures affect the purchaser's ability to obtain the property as promised (Ramadani et al., 2024). These studies collectively establish a state of the art in which contractual enforceability, developer responsibility, and consumer remedies are treated as interconnected legal concerns rather than isolated issues.

A persistent doctrinal and contextual gap remains in explaining how multiple unfulfilled housing obligations should be legally assessed when they arise within one specific residential project. Existing research has addressed developer default, defective specifications, and consumer protection, but it has often examined these issues through generalized property disputes rather than through a detailed reconstruction of the contractual commitments surrounding one housing estate. Analysis of equitable consumer protection in developer default cases demonstrates the importance of examining the substantive fairness of remedies available to purchasers, particularly where contractual performance has already become problematic (Arrasyid & Utama, 2025). Research on pre-project selling further shows that completion guarantees and preventive safeguards are relevant where consumers assume risks before housing projects and supporting facilities are fully delivered (Mubarrak & Saputra, 2025). The Alam Asri Housing Estate dispute presents a more specific configuration because the alleged non-performance concerns several promised facilities, including paved access roads, drinking-water installations, drainage, green open space, and a prayer facility. The legal problem therefore extends beyond a single defective unit and requires assessment of whether the developer's broader commitments concerning the residential environment formed enforceable obligations under the sale and purchase relationship. This gap justifies a focused examination of how promised specifications and supporting facilities should be classified, enforced, and remedied when a developer fails to perform them within a particular housing transaction.

Practical consequences arising from unresolved developer non-performance extend beyond contractual inconvenience because purchasers may continue bearing financial obligations while receiving a residential product that does not correspond with the conditions represented at the time of sale. Inadequate roads, drainage, water services, and shared facilities may affect the usability and economic value of housing while simultaneously generating uncertainty regarding the scope of the developer's continuing responsibility. Indonesian private-law doctrine distinguishes compensation for breach of contract from compensation associated with unlawful acts, making the legal characterization of the developer's conduct essential for identifying the appropriate remedial pathway (Apriani, 2021). Property-related consumer disputes also demonstrate that effective legal protection depends on whether purchasers can translate contractual and statutory rights into enforceable claims against developers who fail to perform their obligations (Winarto & Suryoutomo, 2024). Weak enforcement may place consumers in a vulnerable position where legal rights formally exist but practical recovery depends on negotiation, litigation, or other dispute-resolution mechanisms that may require additional cost and time. A precise legal assessment is therefore needed to determine which obligations arise directly from the housing agreement, which duties originate from consumer-protection norms, and what remedies may be pursued when those obligations remain unfulfilled. Clarification of these issues is necessary to prevent developer liability from becoming either excessively broad or unduly narrow in disputes involving incomplete residential development.

Alam Asri Housing Estate provides a concrete setting for examining the interaction between contractual obligations, consumer rights, and developer accountability in a housing sale-and-purchase relationship. The reported dispute concerns not merely dissatisfaction with the physical condition of a housing unit but alleged failure to provide several facilities and specifications represented as part of the residential project. Such a case requires analysis of whether those representations formed legally binding obligations and whether their non-fulfillment constitutes contractual default capable of giving rise to consumer remedies. The doctrinal position established by recent housing-consumer studies

supports treating developer obligations as enforceable where they are incorporated into the contractual relationship or form part of the representations relied upon by purchasers. Consumer protection analysis of subsidized housing agreements reinforces the need to examine the purchaser's legal position before and after contractual performance becomes disputed (Aminullah, 2026). Research on developer responsibility for housing that does not conform to promised specifications likewise demonstrates the relevance of linking contractual representations with the actual condition delivered to consumers (Aman, 2025). The novelty of the present analysis lies in integrating promised housing specifications, supporting facilities, contractual non-performance, and available legal remedies within a single case-specific examination of the Alam Asri Bangka Belitung housing transaction.

Accordingly, the present inquiry aims to analyze the legal protection available to purchasers of housing units in Alam Asri Housing Estate, Bangka Belitung, when the developer allegedly fails to perform obligations established through the sale and purchase relationship. Its first objective is to identify the contractual commitments concerning housing specifications, infrastructure, and supporting facilities and to determine their legal relevance to the developer's performance obligations. Its second objective is to examine whether the alleged failure to provide those commitments can be characterized as contractual non-performance under the applicable private-law framework. The analysis also evaluates the preventive and repressive forms of consumer protection available when contractual promises concerning residential development remain unfulfilled. Particular attention is directed to the relationship between the developer's contractual duties, the purchaser's statutory rights, and the remedies that may be pursued through available dispute-resolution mechanisms. At the theoretical level, the inquiry seeks to clarify how housing-specific contractual obligations interact with consumer-protection principles when performance failures extend beyond the physical housing unit to supporting infrastructure and shared facilities. At the practical level, the analysis is intended to provide a structured legal basis for determining developer responsibility and identifying remedies capable of protecting purchasers whose contractual expectations have not been fulfilled.

RESEARCH METHODS

Legal norms governing housing transactions served as the principal analytical basis within a normative legal research design, supplemented by a limited empirical element derived from a supporting interview (Ishaq, 2017). The statutory approach was applied to examine the Indonesian Civil Code, Law Number 8 of 1999 concerning Consumer Protection, Law Number 1 of 2011 concerning Housing and Settlement Areas, and other provisions relevant to obligations arising from housing transactions. A case approach was employed to examine the legal and factual configuration of the Alam Asri Housing Estate dispute in Bangka Belitung, particularly the relationship between the developer's promised obligations and the performance received by consumers. Doctrinal examination of legislation, legal concepts, and concrete legal issues provided the framework for interpreting the applicable rules governing the dispute (Marzuki, 2008). Primary legal materials consisted of the relevant statutory provisions and contractual materials available in relation to the housing transaction, while secondary materials comprised books and scholarly articles concerning contract law, consumer protection, housing transactions, developer liability, and non-performance. The assessment of developer default was supported by legal scholarship addressing consumer protection where housing developers fail to perform obligations owed to purchasers (Hadiati et al., 2022). Tertiary legal materials were used only as supporting references for clarifying legal terminology and organizing the interpretation of the primary and secondary materials.

Documentary sources were obtained through library research, while an interview with Susilawati, an owner of an Alam Asri housing unit, provided supplementary factual information concerning the disputed transaction and the developer's reported performance. The interview was treated solely as supporting material and was not used as a separate survey dataset or as a basis for statistical or population-level inference. No sampling scheme, questionnaire, experimental treatment, quantitative measurement, or statistical procedure was identified in the available methodological information, and none was introduced into the research design. Qualitative descriptive legal analysis was conducted by relating the housing agreement and available factual information to the legal rules governing contractual rights and obligations in private transactions (Haryanto, 2012). Consumer-protection implications were examined by assessing whether the developer's alleged conduct corresponded with legal responsibilities recognized in housing sale and purchase relationships and with

the protection afforded to housing consumers (Aminullah, 2026). The analysis further distinguished contractual non-performance from other possible grounds of civil liability so that compensation and remedial consequences could be evaluated consistently with the doctrinal distinction between breach of contract and unlawful acts (Apriani, 2021). Analytical rigor was maintained by interpreting the supporting interview information together with the contractual and statutory materials rather than treating the interview as independently determinative of the legal conclusions.

RESULTS AND DISCUSSION

Contractual Obligations and Legal Characterization of the Developer's Non-Performance

The legal relationship examined in the Alam Asri Housing Estate dispute originated from a 2016 transaction between Sugeng Widodo as the consumer and Gennies Indrarosso, Arna Listyawati, and Teja Laksana as the developers. The contractual object consisted of land and a residential house valued at IDR 110,000,000, with the transfer recorded in Sale and Purchase Deed (Akta Jual Beli or AJB) Number 257/2016 before Land Deed Official Astri Widyastuti, S.H., M.Kn. Under Article 1457 of the Indonesian Civil Code, a sale and purchase creates reciprocal obligations in which one party undertakes to transfer an object while the other undertakes to pay the agreed price. The contractual structure consequently placed the developer under an obligation to deliver the house and associated commitments while requiring the consumer to perform the agreed payment obligation. The reciprocal nature of such obligations is consistent with the doctrinal conception of contractual bonds as legal relationships that create enforceable rights and duties between contracting parties (Satrio, 2001). Housing transactions differ from ordinary spot transactions because performance often extends beyond the transfer of title to include construction quality, specifications, infrastructure, and facilities represented during the sale process. The legal characterization of the Alam Asri transaction must therefore begin with the content of the contractual relationship rather than with the subsequent dispute alone.

The validity of the Alam Asri transaction may be tested against the four requirements established by Article 1320 of the Indonesian Civil Code, namely consent, legal capacity, a specific object, and a lawful cause. Consent was evidenced by the execution of AJB Number 257/2016 and the booking-payment receipt of IDR 5,000,000, which indicated the parties' agreement to proceed with the residential transaction. Legal capacity was reflected in the identities of the contracting parties as recorded in the deed, while the specific object consisted of the identified house and land together with the specifications represented for the housing unit. The consumer's principal obligation was payment of the agreed IDR 110,000,000 price, whereas the developer's performance was connected with the construction and delivery of the house in accordance with the contractual and promotional representations. No information contained in the available materials indicates that the contractual purpose itself conflicted with law, public order, or morality, allowing the lawful-cause requirement to be treated as satisfied. Once these validity requirements were fulfilled, Article 1338 paragraph (1) of the Civil Code gave the agreement binding force upon the parties, a principle also relevant to contemporary analysis of developer default in preliminary property agreements (Haryadi et al., 2026).

The binding force of the agreement did not terminate with execution of the AJB because the developer remained responsible for performing obligations associated with the residential product promised to the consumer. Contractual performance in housing transactions must be assessed not only through formal transfer documentation but also through the extent to which the delivered property corresponds with the specifications, facilities, and conditions represented as part of the transaction. The available materials indicate that the Alam Asri brochure formed part of the factual basis upon which the consumer understood the characteristics of the housing product, including supporting facilities attached to the residential development. Failure to deliver material elements represented at the time of sale may therefore affect the conformity between promised performance and actual performance even when the transfer document itself has been formally executed. Legal scholarship on property transactions similarly treats fulfillment of obligations contained in binding sale and purchase arrangements as central to determining developer liability when the promised performance is not realized (Ratna & Djajaputra, 2024). The contractual inquiry must consequently distinguish between completion of the formal conveyancing process and fulfillment of the substantive obligations that induced the consumer to enter into the agreement. This distinction is particularly important where the

price has been paid and ownership documentation exists, but supporting specifications and facilities remain materially incomplete.

The factual information obtained from Susilawati indicates a substantial discrepancy between the facilities represented at the beginning of the transaction and the conditions subsequently experienced by residents of Alam Asri Housing Estate. Municipal drinking-water installation was not provided, requiring residents of approximately 15 to 20 houses to depend on three drilled wells and to arrange their own water-distribution connections. A paved main road, drainage facilities, a children's playground or green open space, and a prayer facility were also reported as unavailable despite having been represented as part of the residential development (S. Susilawati, personal communication, February 22, 2024). The main access road was additionally reported to be located on land owned by another party, creating a further issue concerning the security and usability of residential access. Consumer complaints were reportedly followed by assurances that corrective measures would be undertaken, yet the promised improvements were not implemented and contact with the developer subsequently became difficult. These facts require legal assessment because developer non-performance is established not by consumer dissatisfaction alone but by demonstrating a legally relevant divergence between an enforceable obligation and the performance actually delivered.

Table 1. Comparison Between Promised Performance and Reported Conditions in Alam Asri Housing Estate

Promised/Represented Element	Reported Condition	Relevant Legal Basis	Potential Legal Characterization
Residential house and land	Transferred through AJB No. 257/2016	Articles 1320, 1338, and 1457 Civil Code	Principal sale and purchase obligation formally established
Municipal drinking-water installation	Not provided; residents relied on drilled wells	Contractual obligations; consumer protection principles	Possible non-performance
Paved main access road	Not provided; access road reportedly located on third-party land	Article 134 Law No. 1 of 2011	Potential failure to comply with promised infrastructure
Drainage	Not constructed	Article 134 Law No. 1 of 2011	Potential non-compliance with housing requirements
Green open space/playground	Not provided	Contractual/promotional representation	Possible failure to fulfill represented facilities
Prayer facility	Not provided	Contractual/promotional representation	Possible contractual discrepancy
Project development	Approximately 15–20 houses reportedly constructed	Housing regulatory framework	Relevant to assessment of project performance

The comparison presented in Table 1 demonstrates that the dispute involves more than a single defect in the physical construction of one housing unit because several promised elements of the residential environment were reportedly absent. Article 134 of Law Number 1 of 2011 concerning Housing and Settlement Areas prohibits housing development that fails to comply with stipulated criteria, specifications, infrastructure, facilities, and public utilities. This statutory framework gives legal significance to infrastructure and facility commitments that might otherwise be treated merely as promotional matters when they form part of the characteristics offered to consumers. Recent research on developer responsibility similarly recognizes that discrepancies between promised housing specifications and actual delivery may trigger legal accountability where consumers receive property that does not correspond with agreed or represented conditions (Aman, 2025). The statutory prohibition strengthens the interpretation that a developer's obligations may arise simultaneously from the private agreement and from mandatory housing regulation. The absence of water infrastructure, drainage, access facilities, green space, and a prayer facility must therefore be assessed against both the

contractual representations and the regulatory standards applicable to housing development. Such dual legal foundations prevent the developer's responsibility from being reduced solely to the text of the deed where mandatory statutory obligations independently regulate the quality and completeness of residential development.

The available facts also support examination of the developer's conduct through the doctrinal elements of breach of contract rather than merely through regulatory non-compliance. A valid agreement existed, identifiable obligations were attached to the residential transaction, and the reported conditions indicate that several represented commitments were not performed despite consumer complaints. Indonesian contract doctrine recognizes non-performance where a debtor fails to perform an obligation, performs it improperly, performs it late, or acts contrary to what was promised, depending on the particular content of the obligation (Purba, 2022). The Alam Asri facts most closely concern alleged failure to provide promised facilities and infrastructure rather than delayed performance of an obligation that was ultimately completed. Continued failure to respond effectively to consumer demands strengthens the relevance of default analysis because the factual record indicates no meaningful corrective performance after the discrepancies were communicated. The legal characterization nevertheless depends on establishing that each disputed facility was legally incorporated into the developer's obligation through the agreement, brochure, representations, or applicable housing regulation.

The consequences of the alleged non-performance extend to financial losses incurred by consumers in addressing deficiencies that should have been resolved through the promised residential infrastructure. The available information records expenditure for water pipes, pumps, and labor needed to establish an independent water connection because the represented municipal water service was not available. Article 1243 of the Indonesian Civil Code provides a basis for compensation where a debtor remains negligent in performing an obligation after the conditions for default have been satisfied. Indonesian scholarship distinguishes compensation arising from contractual breach from compensation based on unlawful acts, requiring the legal source of the obligation and the character of the violation to be identified before the appropriate remedial framework is applied (Apriani, 2021). Concerns associated with the absence of supporting facilities and uncertainty surrounding the access road may also produce practical or non-material disadvantages, but their recoverability must be assessed according to the legal basis and proof applicable to the claim. The existence of losses cannot by itself establish contractual liability because the claimant must still connect the loss to an obligation owed by the developer and to the developer's failure to perform that obligation. This causal structure is important for separating legally compensable consequences from general dissatisfaction with the condition of the housing estate.

The contractual and statutory analysis supports characterizing the reported conduct as potential developer non-performance where the unfulfilled facilities can be demonstrated to form part of binding contractual or regulatory obligations. The validity of AJB Number 257/2016 establishes the contractual relationship, while Article 1338 paragraph (1) requires the parties to respect obligations validly undertaken through their agreement. Housing-consumer scholarship further indicates that developer default may engage consumer protection where a purchaser has performed payment obligations but the residential product or supporting commitments are not delivered as promised (Hadiati et al., 2022). Article 134 of Law Number 1 of 2011 adds a regulatory dimension by requiring conformity between residential development and applicable criteria, specifications, infrastructure, facilities, and public utilities. The reported absence of multiple promised facilities therefore cannot be treated merely as a matter of commercial preference if those facilities formed part of the agreed or legally required performance. The Alam Asri dispute consequently presents a layered form of non-performance in which contractual duties and statutory housing obligations may operate simultaneously as the legal basis for developer accountability.

Consumer Protection and Developer Liability in the Alam Asri Housing Transaction

Consumer protection in the Alam Asri Housing Estate dispute must be examined from the legal status of the parties because the developer acts as a business actor while the purchaser occupies the position of a consumer within the housing transaction. Law Number 8 of 1999 concerning Consumer Protection defines business actors broadly enough to include individuals or business entities conducting commercial activities within Indonesian territory, while consumers are persons who use goods or services for their own interests rather than for resale. This classification places the developer within a

statutory framework that supplements the obligations arising from the sale and purchase agreement. The legal relationship is consequently governed not only by the principle of contractual binding force under the Civil Code but also by mandatory consumer-protection norms designed to address disparities in information and bargaining position. Housing transactions are particularly susceptible to such disparities because consumers often make purchasing decisions based on specifications, facilities, brochures, project representations, and promises that cannot be fully verified before construction or delivery is completed (Aminullah, 2026). The consumer status of the Alam Asri purchasers therefore provides an additional legal basis for evaluating whether the developer's conduct violated rights that exist independently of the contractual remedies available for non-performance.

The statutory rights afforded to housing purchasers are directly relevant when the delivered residential product or its supporting facilities differ from representations made during the transaction. Article 4 of Law Number 8 of 1999 recognizes, among other interests, the consumer's right to correct, clear, and honest information concerning the condition and guarantee of goods or services and the right to compensation where the goods or services received do not correspond with the agreement. These rights are paired with the obligations of business actors under Article 7, including the duties to act in good faith, provide accurate information, treat consumers properly, and provide compensation or replacement where the goods or services supplied are inconsistent with the contractual arrangement. The reported absence of municipal water installation, drainage, a paved road, green open space, and a prayer facility therefore raises a consumer-protection question extending beyond the physical completion of the house itself. Legal responsibility may arise where the developer's representations concerning the residential environment materially influenced the purchaser's decision and subsequently proved inconsistent with the actual conditions delivered. Research on housing developer liability similarly identifies nonconformity between promised specifications and delivered property as a basis for consumer claims where the purchaser receives a residential product that differs from the agreed characteristics (Aman, 2025). The statutory duties imposed on business actors accordingly provide a legal standard against which the developer's performance can be measured independently from the private terms contained in the AJB.

Contractual duties and statutory consumer obligations operate concurrently rather than as mutually exclusive sources of liability in residential property transactions. Article 1338 paragraph (1) of the Civil Code gives binding force to agreements lawfully concluded by the parties, while consumer-protection legislation imposes additional mandatory duties that cannot be displaced merely because a written sale and purchase agreement has been executed. The developer must therefore fulfill the obligations specifically undertaken in the agreement while simultaneously complying with statutory standards concerning information, good faith, quality, compensation, and consumer rights. Scholarly analysis of problematic property transactions has similarly emphasized that developer responsibility may originate from both contractual obligations and broader consumer-protection standards when performance fails to correspond with agreed expectations (Quintarti et al., 2025). This dual source of responsibility is particularly relevant in the Alam Asri case because several disputed facilities were allegedly represented as components of the housing project rather than as unrelated amenities. A juridical assessment must determine whether each representation formed part of the enforceable contractual bargain, constituted information protected under consumer legislation, or was independently required under housing regulation.

The consumer's position becomes more vulnerable where important information concerning infrastructure, land status, and project completion remains controlled predominantly by the developer. Purchasers generally depend on developers for information regarding technical specifications, access roads, public utilities, shared facilities, land arrangements, and completion schedules because those matters may not be independently verifiable at the time the transaction is concluded. The reported status of the Alam Asri access road on land owned by another party illustrates the legal significance of information that may affect the practical use and security of the purchased residence. Consumer-protection scholarship has emphasized that equitable protection in property transactions requires attention to informational asymmetry and the substantive capacity of consumers to enforce commitments made by developers (Arrasyid & Utama, 2025). Preventive legal protection is therefore relevant before losses materialize because transparent disclosure, accurate project information, regulatory supervision, and enforceable contractual documentation can reduce the risk of disputes. The same preventive logic also supports closer scrutiny of housing projects marketed before all

infrastructure and facilities have been completed, where purchasers may assume substantial performance risks during the development period (Mubarrak & Saputra, 2025). The Alam Asri dispute demonstrates why consumer protection cannot rely exclusively on remedies after default has occurred but must also address the conditions under which housing products are promoted, documented, and delivered.

Table 2. Legal Framework of Consumer Protection and Developer Responsibility in the Alam Asri Housing Transaction

Legal Protection Element	Legal Basis	Consumer Interest Protected	Corresponding Developer Responsibility
Right to accurate information	Article 4 Law No. 8 of 1999	Knowledge of housing condition, specifications, and facilities	Provide correct, clear, and honest information
Business actor's good faith	Article 7 Law No. 8 of 1999	Fair contractual treatment	Perform transaction and obligations in good faith
Compensation for nonconformity	Articles 7 and 19 Law No. 8 of 1999	Recovery for losses caused by nonconforming goods/services	Provide compensation, replacement, or other legally recognized redress
Housing conformity	Article 134 Law No. 1 of 2011	Delivery of promised housing criteria and facilities	Construct housing according to agreed specifications, infrastructure, facilities, and utilities
Government guidance	Article 29 Law No. 8 of 1999	Development of effective consumer protection	Compliance with consumer-protection policy and guidance
Government supervision	Article 30 Law No. 8 of 1999	Prevention and detection of violations	Submit business conduct to applicable supervision
Consumer dispute resolution	Article 45 Law No. 8 of 1999	Access to remedies after rights are violated	Respond to claims through legally available mechanisms
Regulatory accountability	Law No. 1 of 2011 and Law No. 8 of 1999	Compliance with housing and consumer standards	Bear applicable consequences for proven violations

The framework presented in Table 2 demonstrates that preventive protection is not limited to contractual drafting because consumer law assigns public authorities a role in guidance and supervision. Article 29 of Law Number 8 of 1999 places responsibility on the government for fostering consumer protection, while Article 30 provides a basis for supervision over the implementation of consumer protection by government, society, and consumer-protection institutions within their respective functions. Such provisions are relevant to housing development because many consumer losses become difficult to remedy after construction deficiencies and incomplete infrastructure have persisted for an extended period. Legal scholarship has similarly recognized the importance of institutional protection where consumers possess less information and weaker bargaining positions than business actors responsible for supplying the promised goods or services (Sofyan et al., 2023). Preventive measures may include monitoring compliance with housing standards, ensuring that project information is accurate, and strengthening consumer understanding of contractual rights before payment and transfer occur. The preventive function of consumer law therefore operates as a complement to private contractual enforcement rather than as a substitute for it.

Repressive protection becomes necessary once the consumer's contractual and statutory rights have already been impaired and voluntary corrective performance has not occurred. Article 45 paragraph (1) of Law Number 8 of 1999 permits consumers who suffer losses to pursue dispute resolution through institutions assigned to settle consumer disputes or through courts within the general

judicial system. Article 19 of the same law further establishes business-actor responsibility for providing compensation for damage, pollution, or consumer losses resulting from goods or services produced or traded, subject to the legal requirements applicable to the particular claim. In the Alam Asri dispute, repeated complaints and the reported absence of corrective action indicate that preventive expectations did not develop into effective remedial performance. Studies concerning developer defaults in property transactions likewise emphasize that legal protection becomes meaningful only when purchasers possess enforceable mechanisms for obtaining performance, compensation, or dispute resolution after contractual commitments have been breached (Ramadani et al., 2024). Repressive protection may therefore include a demand for performance, compensation for proven losses, non-litigation settlement, or judicial proceedings depending on the legal basis and evidentiary support available. The choice of remedy must remain connected to the character of the violated obligation rather than treating every housing dispute as requiring an identical form of relief.

Housing-specific regulation provides an additional layer of responsibility because Article 134 of Law Number 1 of 2011 prohibits the development of housing that does not comply with the criteria, specifications, requirements, infrastructure, facilities, and public utilities that have been agreed. This provision is directly relevant to the Alam Asri allegations concerning water infrastructure, drainage, access roads, green space, and a prayer facility because those elements relate to the broader quality and completeness of the residential project. The statute also provides a regulatory enforcement structure through its sanction provisions, which demonstrates that conformity with promised housing conditions is not exclusively a matter of private contractual preference. Research on consumer protection in housing transactions confirms that developer obligations should be assessed together with sector-specific housing regulation where the disputed performance concerns infrastructure or facilities forming part of the project offered to purchasers (Hadiati et al., 2022). The potential applicability of Article 62 of Law Number 8 of 1999 and the sanction provisions contained in Law Number 1 of 2011 must nevertheless depend on proof that the statutory elements of the relevant violation have been satisfied. Civil non-performance should not automatically be transformed into criminal or administrative liability without establishing the separate requirements governing each form of legal responsibility.

Developer accountability in the Alam Asri transaction can consequently be understood as layered responsibility arising from contract law, consumer-protection law, and housing regulation. Contract law determines whether the developer failed to perform obligations that became binding through the agreement, while consumer law evaluates whether the purchaser's statutory rights to information, conformity, good faith, and compensation were impaired. Housing regulation separately establishes mandatory standards relating to specifications, infrastructure, facilities, and public utilities that residential development must satisfy. Recent comparative housing scholarship similarly indicates that meaningful buyer protection requires integration between contractual safeguards and regulatory mechanisms rather than reliance on a single source of legal protection (Rasul & Ahmed, 2025). These legal regimes may operate simultaneously, although the consequences attached to each depend on the specific facts and legal elements proven in the dispute. The reported Alam Asri conditions therefore require differentiated assessment of contractual default, statutory consumer infringement, and regulatory non-compliance instead of collapsing all alleged violations into a single legal category. Such differentiation provides a clearer foundation for identifying which rights were violated, which obligations were breached, and which remedies may legitimately be pursued by the affected consumers.

Compensation and Legal Remedies Available to Consumers for Developer Non-Performance

Compensation constitutes a central consequence of contractual non-performance when the creditor suffers a legally recognizable loss because the debtor fails to fulfill an obligation. In Indonesian private law, Article 1243 of the Civil Code provides the principal basis for claiming costs, losses, and interest where the debtor remains negligent after being required to perform. The provision links compensation to the existence of a valid obligation, non-performance attributable to the debtor, default, loss, and a causal relationship between the breach and the resulting damage. Contractual compensation should therefore be distinguished from damages based on an unlawful act because each legal basis requires a different juridical construction and evidentiary foundation. Indonesian doctrine recognizes that breach-of-contract damages arise from obligations previously created by agreement, whereas unlawful-act damages originate from a violation of a general legal duty (Apriani, 2021). The Alam Asri dispute must accordingly identify each loss claimed by consumers and connect it with a specific

contractual or statutory obligation that the developer failed to perform. A structured assessment of compensation prevents the recovery process from becoming detached from the legal source of the developer's responsibility.

Articles 1243, 1244, and 1246 of the Civil Code provide a more detailed framework for determining the scope of contractual compensation. Article 1244 addresses liability where non-performance cannot be justified by an unforeseeable event or circumstances beyond the debtor's responsibility, while Article 1246 classifies recoverable damages into costs, losses, and interest. These provisions require the court to examine not merely whether the developer failed to perform but also whether the claimed financial consequences resulted directly from that failure. Fuady explains that contractual liability requires a connection between the violated obligation and the economic consequences for the creditor, preventing speculative losses from being treated as automatically compensable (Fuady, 2014). The developer may avoid liability only where the requirements for an excusing circumstance can be established under the applicable rules, rather than merely asserting that performance was difficult or incomplete. The compensation framework consequently demands proof of default, causation, and the measurable effect of the developer's failure on the consumer.

The factual circumstances of Alam Asri indicate several categories of material loss that may be assessed under the contractual compensation framework. Residents reportedly purchased water pipes, pumps, and paid labor costs to establish independent connections to drilled wells because the promised municipal drinking-water installation was not provided. Such expenditures represent direct out-of-pocket costs that can be linked to the absence of infrastructure represented as part of the housing development. The absence of paved access, drainage, playground or green space, and a prayer facility may also affect the economic utility and marketability of the housing units, although any claimed diminution in value would require adequate proof. Scholarly analysis of damages distinguishes clearly ascertainable material losses from non-material losses whose valuation and legal basis demand greater judicial scrutiny (Mantili, 2019). Consumer inconvenience, uncertainty regarding access-road status, and prolonged inability to obtain corrective action may possess practical significance but do not automatically produce a compensable monetary amount under a contractual claim. Each category of alleged loss must therefore be supported by evidence demonstrating both its existence and its causal relationship with the developer's non-performance.

A further distinction is required between material and non-material damages because the available remedies differ according to the legal characterization of the claim. Material losses ordinarily include expenses actually incurred, property diminution, and other measurable financial consequences resulting from the breach. Non-material loss concerns harm that is not readily quantified in economic terms, such as distress, inconvenience, or impairment of non-pecuniary interests. Indonesian legal scholarship has emphasized that contractual damages and damages arising from unlawful acts should not be merged without examining the separate normative basis applicable to each claim (Slamet, 2013). In the Alam Asri dispute, the expenditure for water infrastructure presents a clearer contractual compensation claim than generalized anxiety arising from incomplete facilities or uncertain access. A consumer seeking non-material damages would need to establish an appropriate legal basis and supporting evidence rather than assuming that every inconvenience caused by breach is compensable. The distinction is important for ensuring that the requested remedy corresponds with the legal nature of the proven loss.

Table 3. Classification of Consumer Losses and Available Legal Remedies in the Alam Asri Housing Dispute

Consumer Loss or Problem	Legal Characterization	Principal Legal Basis	Potential Remedy
Cost of water pipes	Direct material loss	Articles 1243 and 1246 Civil Code	Compensation/reimbursement
Cost of water pumps	Direct material loss	Articles 1243 and 1246 Civil Code	Compensation/reimbursement
Labor cost for independent water connection	Consequential material expense	Article 1246 Civil Code	Reimbursement

Absence of municipal water service	Contractual performance	non-	Civil Code; Law No. 8 of 1999	Performance and/or compensation
Absence of promised road, drainage, park, and prayer facility	Incomplete contractual/regulatory performance		Article 134 Law No. 1 of 2011	Corrective performance and/or damages
Concern regarding access-road status	Potential material/legal uncertainty	non-	Depends on proven legal basis	Judicially assessed remedy
Failure to respond to complaints	Continuing performance	non-	Contractual and consumer-protection framework	Demand, mediation, or litigation
Unresolved dispute	Consumer dispute requiring adjudication		Article 45 Law No. 8 of 1999	Non-litigation settlement or court action

Non-litigation mechanisms provide an initial avenue for resolving the dispute without immediately transferring the conflict to formal adjudication. Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution recognizes mechanisms such as negotiation, mediation, conciliation, and arbitration for resolving civil disputes outside ordinary court proceedings. Negotiation permits the parties to formulate a settlement directly, while mediation introduces a neutral third party to facilitate agreement without imposing a binding determination. Conciliation allows a third party to formulate or recommend a proposed settlement, whereas arbitration results in a binding decision issued by an agreed adjudicator within the scope permitted by the parties' arbitration arrangement. Indonesian literature on alternative dispute resolution emphasizes that negotiation and mediation may preserve communication and allow parties to design remedies that are more flexible than conventional court judgments (Jayadi, 2023). Arbitration and mediation nevertheless operate through different legal consequences because arbitration produces an adjudicative award, while mediation depends on voluntary agreement unless the settlement is formalized through the applicable legal mechanism. In the Alam Asri dispute, non-litigation processes remain legally relevant only if the developer can be contacted and demonstrates sufficient willingness to participate in a meaningful resolution.

Mediation may be particularly suitable as an initial remedial mechanism where consumers primarily seek corrective performance, reimbursement, or an agreed completion of outstanding facilities. A mediated settlement could address practical obligations such as water infrastructure, drainage, road improvements, facility completion, payment schedules, or compensation without requiring the court to formulate technical project arrangements. The effectiveness of mediation, however, depends on the parties' willingness to negotiate in good faith and to comply with the commitments incorporated into the settlement. Soemartono notes that mediation and other consensual mechanisms are valuable where the parties seek a negotiated resolution while avoiding the procedural burden associated with formal litigation (Soemartono, 2006). The reported difficulty in contacting the developer after repeated complaints may reduce the practical effectiveness of consensual settlement if the business actor refuses to participate or cannot be reached. Non-litigation remedies should therefore be understood as available options rather than mandatory stages that prevent consumers from seeking judicial protection where voluntary settlement fails.

Litigation becomes relevant when consensual mechanisms do not produce an enforceable settlement or when the developer continues to deny or neglect the asserted obligations. Article 45 paragraph (1) of Law Number 8 of 1999 permits consumers suffering losses to pursue dispute settlement through the competent consumer-dispute institution or through courts within the general judicial system. A breach-of-contract action must clearly identify the parties, explain the contractual relationship, specify the obligations allegedly violated, establish the resulting losses, and formulate relief corresponding with the legal basis of the claim. Civil procedural doctrine requires the factual basis and the prayer for relief to be sufficiently clear so that the defendant understands the allegations and the court can determine the scope of adjudication (Haryanto, 2012). The available materials identify the Sungailiat District Court as the agreed forum under Article 7 of AJB Number 257/2016, providing a contractual basis for determining relative jurisdiction. Consumers may seek performance, compensation, termination where legally justified, or a combination of remedies to the extent permitted

by the applicable contractual and statutory rules. Litigation therefore supplies coercive legal authority when voluntary compliance cannot be obtained through direct demands or negotiated settlement.

The remedial structure available to Alam Asri consumers should be understood as a sequence of legally differentiated options rather than as a single predetermined route. Consumers may first demand fulfillment of contractual obligations and reimbursement of proven expenses, followed by negotiation or mediation where communication with the developer remains possible. Alternative dispute resolution remains valuable because it can accommodate practical housing solutions that may be difficult to formulate through a conventional damages judgment, while litigation provides enforceability when voluntary settlement is unavailable (Rosita, 2017). Judicial proceedings become particularly significant where the developer no longer demonstrates good faith, ignores repeated complaints, or contests responsibility for the promised facilities. Comparative scholarship on buyer protection in property transactions also supports the availability of layered remedies combining contractual safeguards, compensation, and formal dispute resolution where developer non-performance places purchasers at continuing risk (Taha & Al-Salihi, 2026). The appropriate remedy must nevertheless correspond with the nature of the violated obligation, the evidence of loss, and the relief that can realistically restore the consumer's legal position. The Alam Asri dispute therefore illustrates that effective consumer protection depends not merely on recognizing developer default but on translating that finding into a coherent remedial pathway capable of producing performance, compensation, or an enforceable judicial outcome.

CONCLUSION

The legal relationship between consumers and the developer of Alam Asri Housing Estate was established through a valid sale and purchase transaction governed by the Indonesian Civil Code and supported by consumer-protection and housing regulations. The developer was obligated not only to transfer the house and land but also to fulfill the specifications, infrastructure, and supporting facilities represented as part of the residential project. The reported absence of the municipal water connection, paved access road, drainage, green or recreational space, and prayer facility demonstrated a material discrepancy between the promised performance and the conditions received by consumers. Such deficiencies may be characterized as contractual non-performance when the relevant obligations can be established through the agreement, promotional representations, or mandatory housing requirements. The developer's responsibility consequently extends beyond private contractual liability because Law Number 8 of 1999 concerning Consumer Protection and Law Number 1 of 2011 concerning Housing and Settlement Areas also establish duties concerning accurate information, conformity of housing development, and consumer redress. Consumers who incurred expenses for water pipes, pumps, and labor as a consequence of the unavailable water infrastructure may seek compensation for proven material losses that are causally connected to the developer's failure to perform. The Alam Asri dispute consequently demonstrates that developer accountability must be assessed through the combined operation of contractual obligations, statutory consumer rights, and mandatory housing-development standards.

Legal protection available to Alam Asri consumers encompasses preventive and repressive mechanisms that correspond to different stages of the dispute. Preventive protection includes government guidance, supervision, accurate disclosure of housing specifications, and stronger consumer understanding of contractual documents before residential transactions are completed. Repressive protection becomes relevant after non-performance has occurred and may involve demands for corrective performance, reimbursement of proven expenses, negotiation, mediation, or other legally available dispute-resolution mechanisms. Mediation may provide an initial avenue for reaching a practical settlement concerning outstanding facilities or compensation, while litigation becomes appropriate when the developer cannot be contacted, refuses to negotiate in good faith, or continues to disregard contractual obligations. A breach-of-contract action before the Sungailiat District Court may provide an enforceable remedy where the requirements concerning default, loss, causation, and jurisdiction are established through sufficient evidence. Consumers should carefully compare promotional representations, technical specifications, public facilities, and contractual provisions before completing a housing transaction, while regulatory authorities should strengthen supervision of developer compliance with residential development obligations. More consistent enforcement, clearer

contractual documentation, and stronger consumer legal awareness are necessary to reduce comparable disputes and improve accountability in housing development.

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