

Legal Issues in Small-Scale Land Procurement for Low-Cost Rental Apartments in Jakarta

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ABSTRACT

This study critically explores the planning and preparatory stages of small-scale land procurement for low-cost rental apartments (Rusunawa) in Jakarta, Indonesia. Although the legal framework under Law No. 2 of 2012, as amended by Law No. 11 of 2020 and Law No. 6 of 2023, regulates land procurement for public purposes, significant gaps remain for projects involving less than 5 hectares. Using a qualitative approach, the research applies focus group discussions and in-depth interviews with government officials, developers, and community representatives to identify challenges in practice. The findings highlight three persistent problems: the absence of technical guidelines following the revocation of Jakarta's gubernatorial regulation, frequent delays in compensation payments, and additional informal requirements that often trigger disputes. Moreover, inconsistencies between fair and market land values, combined with procedural ambiguities, exacerbate conflicts and delay implementation. The study concludes that establishing a standardized operating procedure (SOP) and service level agreement (SLA) is essential to ensure transparent, effective, and legally compliant processes. Practical recommendations are proposed to assist the Jakarta Provincial Government and other metropolitan areas in formulating actionable SOPs, thereby reducing legal uncertainties and supporting the long-term sustainability of public housing development for low-income communities.

Keywords: Land Procurement; Legal Issues; Low-Cost Housing.

INTRODUCTION

Land constitutes a fundamental resource in both national and regional development, as virtually all infrastructure projects depend on its availability. Accordingly, the central and local governments bear the responsibility of securing land to support development objectives and to promote public welfare. The state is also the largest and strongest provider of land for capital investment in the country. Therefore, the availability of legal land that complies with legal provisions is crucial to the success of development, particularly in the provision of housing and settlements in urban areas such as the Special Region of Jakarta.

However, land procurement practices in the field often lead to conflicts between individuals, community groups, corporations, and the government. These conflicts are often triggered by land scarcity, overlapping ownership, unclear land status, and delays in compensation payments. Legal facts show that land procurement cases often end up in court. Based on data from the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency, between 2016 and 2021, there were 1,262 rulings related to land procurement for public purposes. In addition, there were more than 7 million rulings on compensation consignment cases, with a peak of 855,919

cases in 2020. These figures demonstrate the high intensity of conflicts and legal issues arising from land procurement practices in Indonesia.

In the case of the Special Region of Jakarta, the need to acquire land for the construction of low-cost rental apartments (called 'Rusunawa' in Indonesian) is becoming increasingly urgent due to rapid urbanization and a growing population. The Special Region of Jakarta faces serious problems in the form of limited land, population density, and a housing backlog for low-income communities. The presence of public housing presents a strategic solution because it enables the provision of adequate housing amidst limited urban land availability. For the Provincial Government of Jakarta, the provision of Rusunawa is not only social in nature, but also related to spatial planning, urbanization control, and the fulfillment of constitutional mandates regarding the right to decent housing. Therefore, the success of Rusunawa development is largely determined by the smoothness of the land procurement process, especially in the early stages of planning and preparation.

However, legal regulations related to small-scale land procurement are still minimal. Normatively, land procurement has been regulated through Law Number 2 of 2012 concerning Land Procurement for Public Interest, which was later amended and supplemented by Law Number 11 of 2020 and Law Number 6 of 2023 concerning the Job Creation. The technical implementation is further regulated through Government Regulation No. 19 of 2021 in conjunction with Government Regulation No. 39 of 2023 and Minister of Agrarian Affairs and Spatial Planning/National Land Agency Regulation No. 19 of 2021. However, specific regulations regarding small-scale land procurement (< 5 Ha) are very limited, consisting of only a few articles, and have only recently been confirmed through the addition of Article 19A of Law No. 6 of 2023, which opens up the option of direct land procurement. This legal vacuum became even more apparent after Jakarta Governor Regulation No. 82 of 2017, which had previously served as a guideline, was revoked through Governor Regulation No. 46 of 2024, on the grounds that the governor did not have the authority to regulate land procurement. As a result, until now, the Jakarta Provincial Government has not had clear technical guidelines for implementing small-scale land procurement for the construction of Rusunawa.

This situation has a direct impact on land procurement planning and preparation practices. Based on the results of the FGD and interviews, various obstacles were identified, such as slow compensation payments by Regional Finance Management Agency (called "BPKD" in Indonesian) up to years after the release of rights was signed, additional requirements in the form of land certificates and dispute-free letters that were not in accordance with the law, and significant differences between the market value and fair value of land that had the potential to cause new disputes. In fact, delays in compensation frequently generate discontent among landowners, particularly when their civil rights are restricted by land freezing measures following location determination. This condition confirms that without clear SOPs, planning, and preparation for small-scale land procurement has the potential to hamper the construction of Rusunawa and increase the risk of legal conflicts.

Based on the explanation above, the purpose of this research is to conduct an in-depth analysis of the planning and preparation of small-scale land procurement for the construction of low-cost apartments in Jakarta Province, highlighting regulatory constraints, technical aspects, and legal practices in the field. This research is expected to contribute academically in the form of a legal study that enriches the literature on small-scale land procurement, while also offering practical recommendations for the Jakarta Provincial Government in formulating clearer, more measurable, and accountable SOPs for land procurement.

METHODS

The method used by the Author is the sociological legal research method. According to Bambang Waluyo, sociological legal research is a research to examine the applicable legal provisions and the reality that happens within a community. The data collected are primary data in the form of systematic interviews from the main actor, in Jakarta Officer at the Jakarta Province Office, the Jakarta Land Office, the Ministry of Agrarian and Zoning/National Land Agency, the Public Notary, Land Deed Officers, people in slum areas, and other key informants. In addition to the primary data, the Author collected secondary data, namely primary legal material in the form of positive laws and regulations in Indonesia, secondary legal material consisting of scientific articles, journals, and tertiary legal materials consisting of the Bahasa Indonesia Dictionary (KBBI/Kamus Besar Bahasa Indonesia), Black's Law Dictionary. The data is processed and analyzed qualitatively, namely formulating the truth based on the opinions of legal experts, doctrines, control theories, or from the formulation of legal norms, so that a comprehensive conclusion can be drawn to describe the truth of the law as it is.

RESULT AND DISCUSSION

Land Procurement Planning

Land procurement planning is a crucial initial stage in the overall process of acquiring land for public development purposes. At this stage, agencies requiring land are required to prepare planning documents based on spatial plans and development priorities as outlined in development planning documents, including medium-term plans, strategic plans, and agency work plans. The plan must include the purpose and objectives of the development, the suitability of land use, development priorities, the location and area of the land, the land status, the implementation period, and an estimate of the land value and the form of compensation planned. This document is prepared through a feasibility study involving socio-economic surveys, location assessments, cost-benefit analysis, land price estimates, and potential environmental and social impacts, thereby becoming the basis for decision-making by the Governor. After the documents are submitted, the Governor must form a Planning Team within five working days to carry out initial data collection, public consultation, and prepare for the location determination.

The initial data collection process is crucial to identify all parties with rights to land, including private landholders, management landholders, waqf landholders, indigenous communities, and parties controlling state land in good faith. These objects here are not limited to land, but also include buildings, plants, and other objects attached to the land. This initial mapping is intended to prevent disputes in the future, especially in small-scale land procurement, which differs from large-scale procurement. Land procurement for national strategic programs is usually preceded by clear location data and indicative maps, while small-scale land procurement often arises due to direct offers from the community to the local government.

In the field of the Jakarta Special Region, land procurement planning faces several fundamental problems. One of the most prominent is the delay in compensation payments after the signing of the release of a land rights letter (called "SPH" in Indonesian). Interviews with the West Jakarta Land Office show that these payment delays can last between one and three years, causing unrest among the community. Based on the results of the Focus Group Discussion (FGD) I had with the East and North Jakarta Land Office (October 1, 2024), it was found that in addition to late payments, another obstacle arose from the additional requirements imposed by the BPKD Jakarta. The BPKD requires that the land to be acquired must be certified and accompanied by a letter of no dispute. However, according to the provisions on land procurement, the object of procurement does not always have to be certified land; old proof of procurement or basic ownership documents are still legally valid.

Another issue that often causes problems is the use of consignment or compensation deposit mechanisms in court. Although regulated in Supreme Court Regulation No. 2 of 2021, consignment practices rarely run smoothly in small-scale land procurement. The community tends to reject this mechanism because they consider it detrimental, while government agencies do not have a strong basis for enforcing its implementation.

Budget planning is also an important aspect that is often overlooked. Budget readiness must be ensured from the outset so that payments can be made on time once the SPH is signed. In addition, it is necessary to consider the risk of a gap in value between the fair value and market value of land. Fair value is usually calculated using an accounting approach based on estimated general prices in a particular region, while market value reflects the actual transaction price agreed upon by the seller and buyer under normal conditions. When there is a significant difference, land procurement is prone to rejection or even disputes. If the government pays too little, landowners refuse; on the other hand, if the government pays above market value, there is a risk of allegations of corruption.

Therefore, the involvement of the land office from the outset is very important. The land office has the authority to ensure the certainty of land area, the legal status of ownership, and to provide data on land value zones and land documents. Department of Public Housing and Settlement Areas in Jakarta Province (called "DPRKP Jakarta" in Indonesian) itself has attempted to minimize this risk by conducting an internal survey beforehand. The survey includes checking the status of the land, its suitability for spatial planning, and verification through the BHUMI ATR/BPN portal. Offers from the public are only accepted if submitted directly by the legal owner. The results of the survey are then consulted with the land office, zonation and public work agency, and regional asset management agency (called "BPAD" in Indonesian) to obtain additional data.

If identification and inventory are carried out independently, the DPRKP needs to form a Survey and Planning Team. This team has the important responsibility of collecting administrative and land data that is fast, accurate, clean, and clear, both physically and legally. The data collected is recorded in a minimum planning document for a small scale, known as the Minimum DPPT. In addition, the team is also tasked with conducting preliminary surveys and ensuring that the budget is available and that compensation payments are ready when the SPH is implemented.

The results of this team's work became the basis for policy decisions made by leaders. First, whether land procurement would be carried out directly without determining the location or through location determination. Second, whether the DPPT would be prepared independently by the DPRKP or with the involvement of consultants. Third, providing guidance on mitigation and advocacy if the land to be acquired has technical or administrative problems. If, during the process, land procurement requires location determination, the Survey and Planning Team will transform into the DPPT Preparation Team, which is officially known as the Land

Procurement Planning Team. On the other hand, if location determination is not necessary, the team can propose the formation of a Land Purchase Team or a Land Exchange Team, so that the process can continue through a sale and purchase or exchange mechanism. In practice, land purchases are generally carried out by the Commitment Making Officer (called “PPK”), accompanied by his staff, both structural and non-structural. However, in the future, it would be more appropriate if land purchases were institutionalized in a Purchasing Team or Exchange Team chaired by the PPK on an ad hoc basis. With this mechanism, decision-making would be carried out collectively, transparently, and accountably.

The survey then became the basis for the feasibility study. In the context of apartment building construction, the DPRKP set a minimum land area requirement of 5,000 m² with a regular shape. The final output of the planning stage is the Land Procurement Planning Document (called DPPT). For small-scale land procurements, the Ministry of Agrarian and Zoning/National Land Agency (called “ATR/BPN”) encourages the use of a minimal DPPT, which is a document that contains only essential data but is sufficient to ensure legal and administrative certainty.

A case in Kediri Region shows that weak planning can lead to deadlock. Lack of coordination with the community and rejection of compensation values caused the business-to-business process to stall. Meanwhile, the case of land procurement in Rorotan, North Jakarta, serves as another important lesson. Local Government Corporate of Jakarta made payments without involving KJPP and without proper verification by the land office, resulting in overpayments above fair market value and problematic land values. Both cases emphasize that valid, legal, and legitimate planning documents are an absolute requirement.

In practice, the SIDLACOM (Survey, Inventory, Design, Land Procurement, Construction, and Monitoring) method is an important reference for maintaining planning integration. SIDLACOM emphasizes that the process must begin with careful surveying and inventory, followed by technical design, land procurement, construction, and monitoring. This method ensures that planning is not only an administrative form, but also comprehensive in technical, social, and legal aspects.

Land procurement planning can be understood not merely as an administrative stage, but also as a legal and social mitigation strategy. Obstacles such as late payments, additional requirements that do not comply with regulations, and the risk of value gaps must be anticipated through careful budgeting and inter-agency coordination. Involving the land office from the outset, using DPPT minimally for small scales, and applying the SIDLACOM method are strategic steps to ensure legal certainty, accelerate development, and protect the interests of the community. The experiences from the Kediri and Rorotan cases are valuable lessons that weaknesses in planning can have fatal consequences, so this stage must be placed as a top priority in every land procurement for public interests.

Small-Scale Land Procurement Preparation Stage.

The preparatory stage in small-scale land procurement plays an important role as a bridge between planning and implementation of land procurement by the Regional Office of ATR/BPN or the Land Office. At this stage, the DPRKP Jakarta is given the discretion to form a land procurement team, which may be named the Land Purchase Team or the Exchange Team, with the head of the team being the Commitment Making Officer (PPK). Team members are drawn from civil servants in the Housing Financing and Partnership Division, assisted by other relevant internal and external civil servants from the DPRKP. The freedom to choose nomenclature is at the discretion of the agency requiring the land, as there are no specific binding rules in laws or government regulations.

If, in practice, the mechanism for direct land procurement, whether through sale and purchase or exchange, fails to be implemented, the process can still be continued through the determination of the location by the Governor of Jakarta or the Mayor. However, small-scale land procurement with location determination must still be accompanied by planning documents and Land Procurement Planning Documents (called “DPPT”) as described in the sub-chapter on land procurement planning. After the location designation is issued, a land freezing policy applies, which prohibits the transfer of land rights in that location to third parties, except to the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN). Notaries and PPATs are also prohibited from making deeds of transfer of rights. This policy is regulated in Law Number 2 of 2012 to prevent land speculation and land mafia practices that often hinder the inhibitive progress of development.

Land procurement preparations can be carried out in two ways: without location determination or with location determination. The fundamental difference is illustrated in Figure 1, which shows that without location determination, land procurement can be carried out by the DPRKP and its team, while with location determination, the Governor's Preparation Team must be involved, and coordination with ATR/BPN is required.

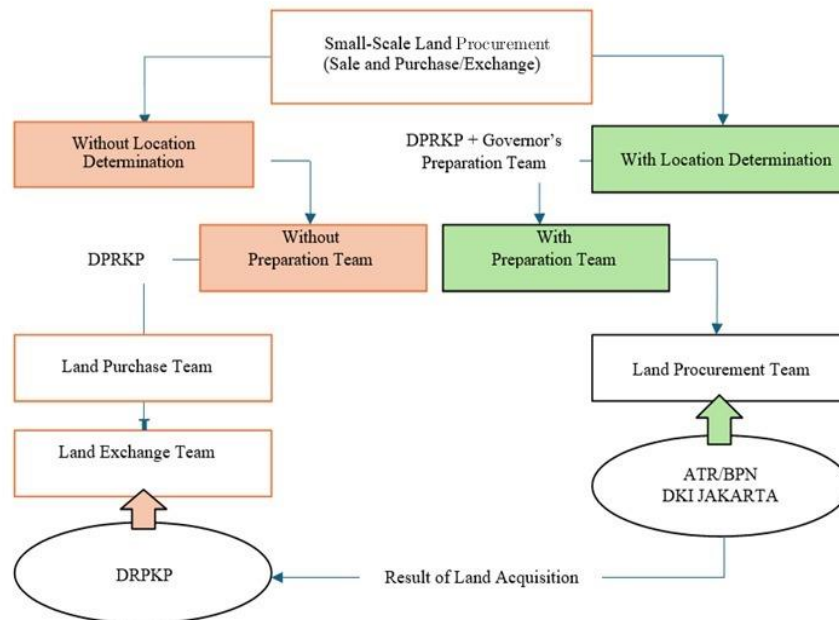


Figure 1 Comparison of Land Procurement with Location Determination and Without Location Determination

The land procurement mechanism without location determination is applied if the land to be acquired has an area of no more than 5 hectares. The basis for this statement is Article 19A of Law Number 6 of 2023 in conjunction with Government Regulation Number 19 of 2021 and Government Regulation Number 39 of 2023, as well as Regulation of the Minister of Agrarian Affairs and Spatial Planning/National Land Agency Number 19 of 2021. Preparations are carried out by the Survey and Planning Team to compile the DPPT. The results of the DPPT can also be used as an attachment to the location determination application if land procurement phasing is required.

To maintain data validity, the Head of DPRKP or designated officials may form a Pre-Land Procurement Assistance Team (non-formal and internal) to assist with initial data collection. The data collected by the Assistance Team is then subjected to legal due diligence by the Survey and Planning Team before being declared clean and clear. The results of verification and validation, including assessments from the KJPP, become the main material for the Purchasing Team or Exchange Team to conduct deliberations with the entitled parties.

This assistance team has an initial technical function, namely, to identify the location of problematic land and compile official memos and reports. These reports are verified to determine whether or not they meet the requirements of the regulations. If they meet the requirements, the Head of the DPRKP can issue an official order for the team to begin land procurement immediately.

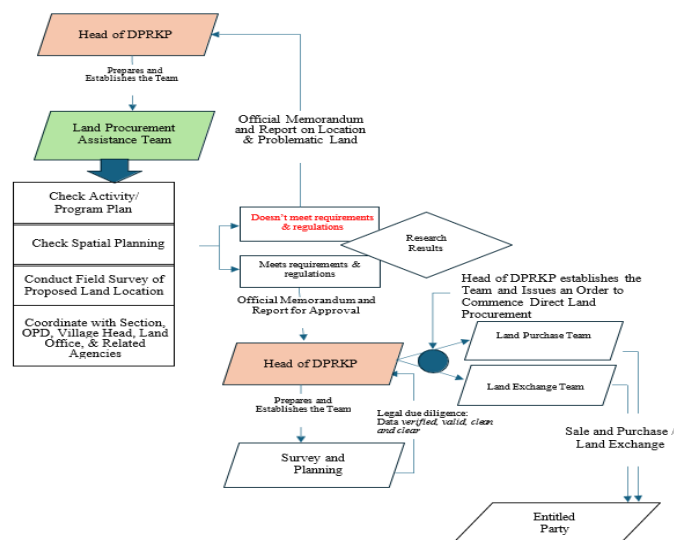


Figure 2. Assistance Team at The Pre-Land Procurement Planning Process, as Required

In addition, the Survey and Planning Team also carries out technical activities, including: (a) checking activity/program plans, (b) checking spatial planning, (c) conducting field surveys of potential land locations, and (d) coordinating with sections, OPDs, village heads, the Land Office, and related agencies. This series of activities ensures that the subject and object data recorded in the DPPT are truly valid and accountable.

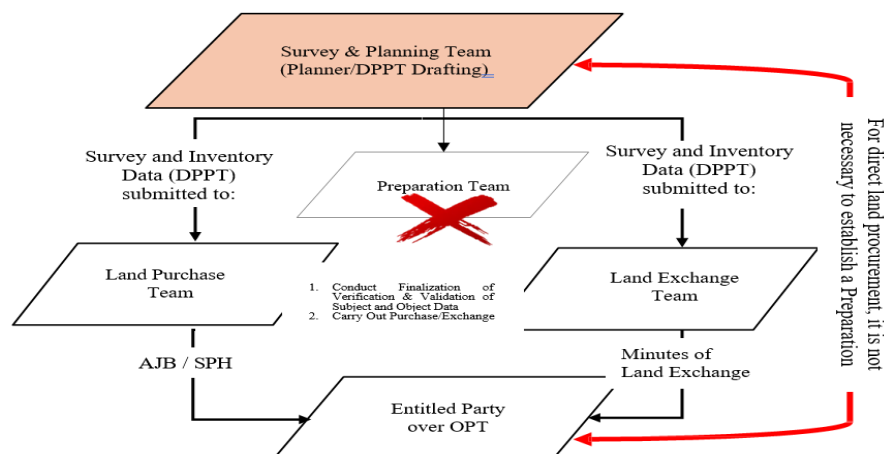


Figure 3 Land Purchase/Exchange Flow Without Land Procurement Preparation Team

The picture below is a simulation illustration of the number of land parcels in an area of 5 hectares in Jakarta. The simulation shows that even though it is classified as small-scale, an area of 5 hectares can consist of many land parcels, which emphasizes the importance of accuracy in verifying both the subject and object of the land.

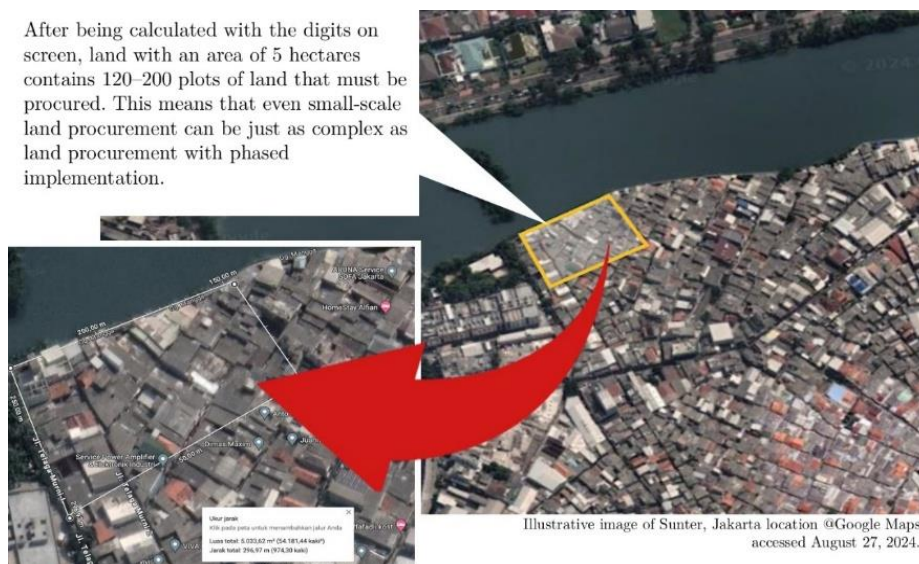


Figure 4 Simulative Illustration of the Number of Land Parcels in a 5 Hectare Land

If direct land procurement is unsuccessful due to community resistance or other technical reasons, procurement can still proceed through location determination. In this case, the DPPT, accompanied by a feasibility study prepared by the Survey and Planning Team (mutatis mutandis becoming the Drafting Team), can be used as an attachment to the location determination request submitted by the Head of the DPRKP to the Governor or Mayor.

The DPPT is verified by a Verification Team formed by the governor to assess its completeness and suitability. If it is declared complete, the results are recorded in a verification sheet as stipulated in Articles 33–34 of Regulation of the Minister of Agrarian Affairs and Spatial Planning/National Land Agency Number 19 of 2021, followed by the formation of a Preparation Team. If the DPPT material is incomplete or more than two years have passed since it was established, it will be returned.

The Preparation Team shall be formed no later than 5 days after the governor receives the DPPT from the Head of the DPRKP. The composition of this team is determined in a fixed form, involving elements of the provincial government, regency/city government, relevant regional apparatus, sub-district heads, village

heads/chiefs, and other technical agencies. Once effectively formed, the Preparation Team carries out preparatory tasks, including public consultation. This consultation must be completed within 60 days of the signing of the provisional list of subjects and objects of land procurement.

Public consultation materials shall at least include: (a) the purpose and objectives of the development plan, (b) the stages and duration of land procurement, (c) the role of land appraisers, (d) incentive for affected people, (e) objects and subject to compensation, (f) option of compensation, and (g) the rights and obligations of the affected parties. The results of the consultation shall be recorded in a Memorandum of Understanding in the standard format as set out in Appendix XX of Regulation of the Minister of Agrarian Affairs and Spatial Planning/National Land Agency Number 19 of 2021.

The next step is the determination of the location by the governor. The application must be submitted no later than 5 days after the consultation, and the decision must be issued no later than 14 days after receipt. The determination is valid for 3 years and can be extended once for 1 year, in the format specified in Appendix XXIV of Regulation of the Minister of Agrarian Affairs and Spatial Planning/National Land Agency Number 19 of 2021. The decision on the location determination is announced to the public through print media and the official websites of the provincial and district/city governments, in accordance with Appendix XXVI of Regulation of the Minister of Agrarian Affairs and Spatial Planning/National Land Agency Number 19 of 2021.

The announcement shall be made no later than 2 days after the decision is issued, with the following minimum information: decision number and date, location map, purpose of development, location and area of land, and estimated time frame for land procurement and development.

If the duties of the Provincial Preparation Team are delegated to the Mayor/Regent, the delegation must be stipulated in a Governor Decree. The Mayor/Regent must form a Preparation Team no later than 5 days after receiving the delegation. Its implementation applies *mutatis mutandis* to the Provincial Preparation Team, including the authority to determine the location after considering input from the Head of the Land Office.

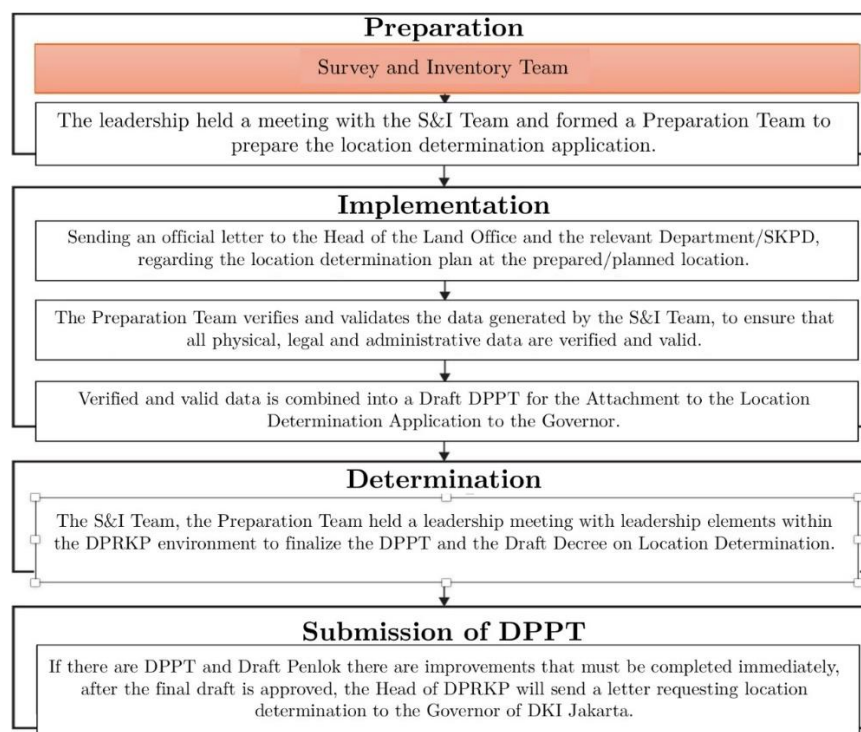


Figure 5. General Stage of Land Procurement in the Central Government

Preparation for Managing Social Impacts in Land Procurement

Land procurement law is based on the principle that compensation is provided to anyone who has suffered actual losses as a result of land procurement for public development, including people affected by socio-community impacts. If not managed effectively, land procurement can become a significant obstacle to a country's socioeconomic development. For the affected society, social impact mitigation measures are provided, which are defined as addressing social issues through compensation payments in the context of relocating people who occupy land to be used for national development. The communities in question are residents who occupy state-owned land or land owned by the government, local governments, state-owned enterprises, or local government-owned enterprises.

People affected by procurement do not have the right to compensation, but are only entitled to assistance,

provided they meet the following criteria:

1. Possess an identity card or official residence certificate issued by the local sub-district office.
2. Do not have rights to the land they occupy (not the owner of the land);
3. Proven to have control of the land by fulfilling the following requirements:
 - Have physically controlled and utilized the land continuously for at least 10 (ten) years; and
 - Possess and utilize the land in good faith, openly, without dispute, and recognized and justified by the owner of the land rights and/or the local village head.

The stages of determining the affected people and those entitled to compensation in the form of money or relocation include:

1. Preparation;
2. Data Collection, Verification, and Validation;
3. Appointment of Assessors;
4. Provision of compensation or relocation
5. Deposit of compensation money; and
6. Documentation and administration.

Compensation is provided in the form of monetary compensation or relocation, the amount of which is determined by a land appraiser. This mechanism is divided into two clusters, which are:

1. Landowner or Holder of Land Rights, but the Land is lost. (in accordance with Presidential Regulation No. 27/2023), with the following provisions:
 - a. Land Rights Holders who do not use their priority rights to reconstruct or reclaim their land;
 - b. Must have an identity card or proof of residence certified by the local sub-district office or competent authority;
 - c. If a legal entity, must have a legal entity establishment deed certified by the Ministry of Law and Human Rights.
2. Physical Possessors, but not Landowners (do not have land rights certificates or land ownership documents), with the following conditions:
 - a. Have physically possessed the land continuously for at least 10 years;
 - b. Have identity or residency documents that are certified by the sub-district;
 - c. Their physical control has never been disputed/litigated by any party

In their implementation, the process of preparation and execution of impact management is documented through surveys, inventories, and administrative records, as shown in the preparation and documentation process flow of the preparation team below.

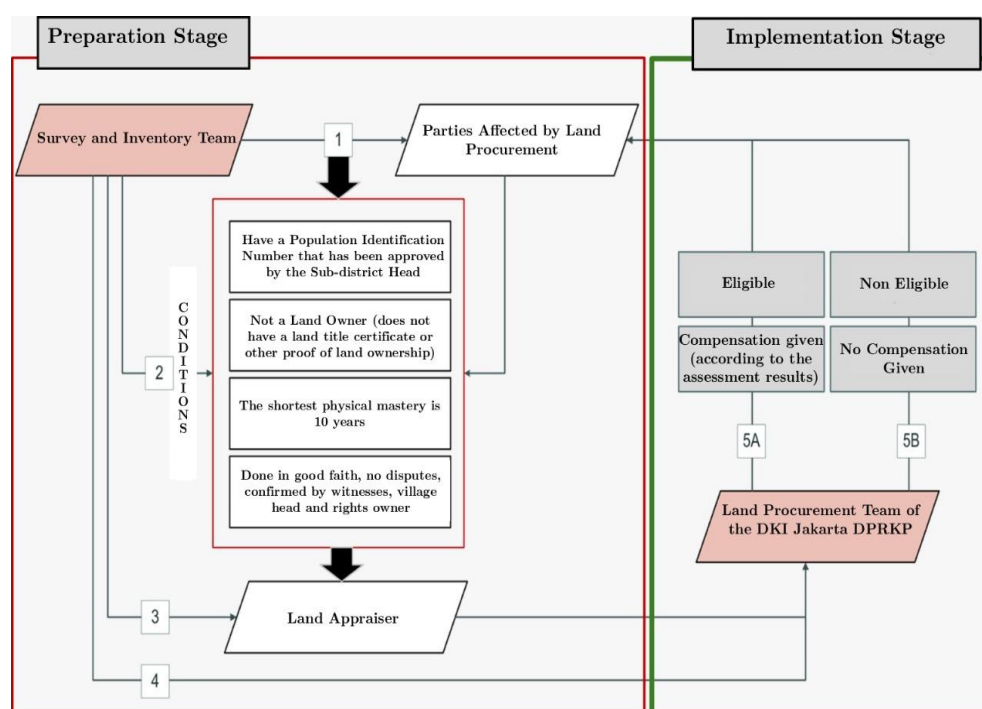


Figure 8. Flow of Preparation for Handling Affected People by Land Procurement Teams

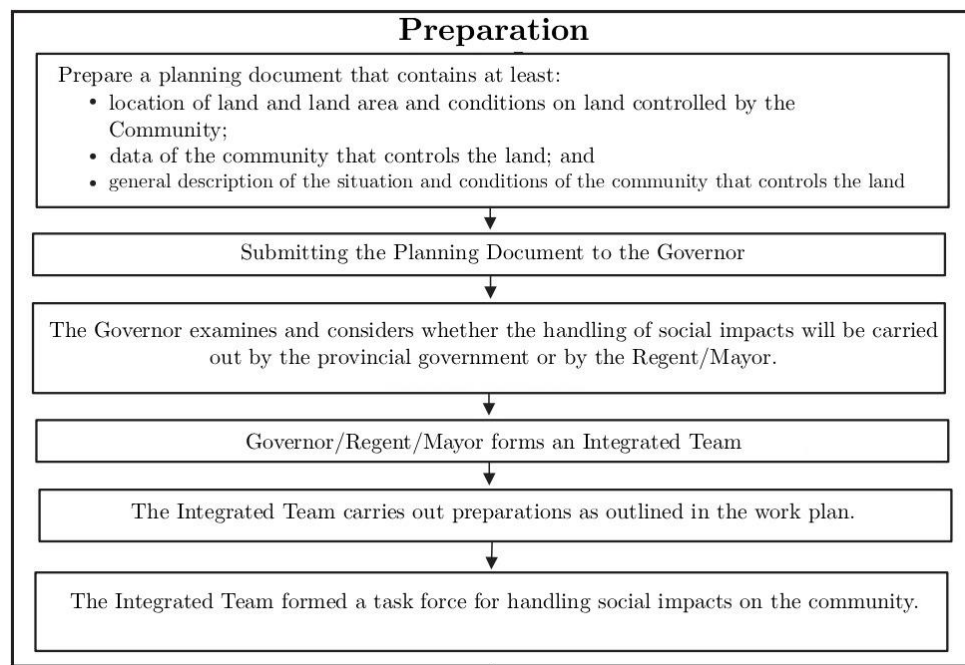


Figure 9. The Preparation Team Survey of Data Documentation and Inventory: The Impact of Land Procurement

Compensation

A fundamental problem in land procurement is the amount of compensation, which is often considered inadequate by the entitled parties. This situation gives rise to various objections and appeals, which ultimately slow down the process of government project development. In Indonesia, Nigeria, and India, this phenomenon has become a crucial issue because the public believes that land procurement is often carried out using disproportionate compensation mechanisms. If compensation is not provided, it can lead to serious risks such as loss of land rights, homelessness, and social marginalization. Comparative studies from various countries provide an overview of the variety of compensation methods that can be used as learning materials. For example, in Trinidad and Tobago, compensation payments are only made after government projects are completed, which has implications for the certainty of community rights. Meanwhile, in Slovenia, the compensation mechanism is more transparent because it refers to market forces using three approaches, namely the cost approach, the income approach, and the sales comparison approach. A different practice is applied in Mali, where the government compares the reference value with the market value to reach an agreement that is beneficial to both parties. A more complex compensation model can be seen in Nanjing, China, where the government provides compensation not only in monetary form but also through property exchanges based on the size of the land acquired. In Vietnam, the government emphasizes the Land for Land approach, which involves replacing land with land, based on the wishes of the landowner.

In Indonesia, compensation calculations are generally based on market value, although this approach rarely incorporates the concept of highest and best use (HBU). In fact, the application of the HBU concept is very important to ensure that the value given truly reflects the optimal potential of the land being released, while minimizing potential objections from owners. Land valuation is also influenced by various variables such as road access width, traffic intensity, supporting facilities around the location, the quality of buildings standing on the land, and the potential loss of income caused by population relocation. In order for this process to be fair, there needs to be a real, open, and widely accessible property price list, which should be compiled with the involvement of the government and the affected communities.

The legal basis for compensation for losses is regulated in Law No. 2 of 2012 concerning Land Procurement for Development for Public Interest in conjunction with Law No. 6 of 2023 concerning the Job Creation. Both regulations emphasize that compensation is determined based on the value set by an independent appraiser. In addition to the provisions of the law, appraisers are also required to comply with the ethics code of the Indonesian Land Appraiser (called “KPI”) and Indonesian Appraisal Standards (called “SPI”). One relevant standard, SPI 306, serves as a guideline in determining the Fair Replacement Value (FRV). The components calculated in the FRV include the highest and best use value, premiums for residential occupancy or change of profession, relocation costs, taxes, permits, waiting period compensation, and residual land losses and other physical damage that may arise.

As it evolved, SPI 306 was later updated to SPI 204 in 2024. In the latest standard, compensation assessments are divided into two main categories, namely physical losses and non-physical losses. Physical losses include land, space above and below ground, buildings, plants, and other objects attached to the land. Meanwhile, non-physical losses include losses due to job or business loss, career change, transaction costs, waiting period compensation, residual land losses, other physical damage, and emotional losses known as solatium.

The concept of solatium itself is explained in SPI 204 Article 5.9 as compensation for emotional losses experienced by landowners, particularly residential landowners, as a result of the release of rights. Indonesian Assessment Guidelines 04 (called PPI 04) provide technical details regarding the criteria and amount of solatium, with the limitation that this compensation only applies to residential landowners. Thus, land use determines the difference in the amount of compensation: residential properties receive a solatium component, while land used for business activities will include a business or income loss component.

This entire mechanism shows that compensation for land procurement is not merely a nominal calculation, but rather a policy instrument that must be designed to be fair, transparent, and accountable. If the assessment process is carried out without clear standards, there is potential for data manipulation by both private appraisers and landowners, which could result in losses for the state. Therefore, standards such as SPI 204 and professional appraisal ethics guidelines are fundamental elements in ensuring that the principles of fairness and legal certainty are realized in every land procurement.

Service Level Agreement (SLA) for Land Procurement for Public Interest with an Area of Less than 5 Hectares

Land procurement for infrastructure development is a crucial process that must be carried out transparently, fairly, and efficiently. Well-managed land procurement will support the achievement of sustainable development while improving the welfare of the community. In the context of land with an area of less than 5 hectares, the procurement mechanism is relatively simpler than that for large-scale projects. Nevertheless, compliance with applicable laws and standards remains a key requirement to avoid legal issues in the future.

A Service Level Agreement (SLA) is a formal agreement between a service provider (in this case, land) and a service user that clearly defines the main aspects of the service, including quality standards, availability levels, and the division of responsibilities that must be fulfilled by each party. In this context, the SLA is formulated to establish service standards that must be met in each stage of small-scale land procurement with the aim of ensuring that the entire process runs efficiently, transparently, and in accordance with the provisions of laws and regulations. Furthermore, the SLA also serves as an instrument to minimize potential conflicts and disputes. With this service agreement in place, it is hoped that all parties involved can work together harmoniously to produce an optimal procurement process.

The scope of the SLA covers all stages of land procurement, from planning, preparation, implementation, to delivery of results. The SLA applies to government agencies, state institutions, and state-owned and regional enterprises tasked with acquiring land for public purposes. Projects covered include the construction of roads, bridges, schools, hospitals, and other public facilities that require land with an area of less than 5 hectares. In practice, even though the scale of the land is relatively small, complexities still arise, making this service standard necessary as an operational guideline.

The parties involved in the SLA include government agencies, landowners or entitled parties, affected communities, and third parties that provide assessment, legal consultation, and technical support services. The roles of each party have been clearly defined to prevent overlapping of authority. Good cooperation among the parties is crucial to the successful implementation of land procurement.

The definition in the SLA emphasizes that land procurement is the provision of land by providing fair compensation to the entitled parties. Public interest is defined as the interests of the nation, state, and community as realized by the government for the greatest prosperity of the people. The agencies that require land are state institutions or state/regional legal entities mandated by the government to carry out infrastructure development.

In terms of services, the SLA regulates several important aspects. First, the land identification process is carried out by collecting data on the location, area, and legal status of the land. This step ensures that the acquired land is free from disputes. Second, land appraisal is carried out in accordance with Indonesian Appraisal Standards (SPI), considering fair market value, emotional losses, and other compensation. Appraisals can only be carried out by competent independent appraisers. Third, negotiations and payments are carried out based on the principles of transparency and fairness, so that landowners receive compensation that is commensurate with the value of their property.

The service standards set out in the SLA include: (1) a maximum response time of five working days to any request for information or action; (2) a maximum completion time of six months from commencement for the procurement process; and (3) service quality that must comply with laws and regulations and professional ethical standards. Ensuring these time standards are met is important to avoid project delays and additional costs.

In terms of planning, agencies requiring land are obliged to prepare a Land Procurement Planning Document (DPPT) with the involvement of relevant technical agencies and professionals. During the preparation stage, the DPPT is refined and followed by the implementation of land procurement, which in small-scale cases is carried out directly by the land user agency, while phased land procurement is carried out by the Ministry of Agrarian Affairs and Spatial Planning/BPN. The handover of results is realized with the issuance of a land title certificate in the name of the Provincial Government of Jakarta in a clean and clear condition.

The SLA also stipulates the responsibilities of each party. Government agencies are responsible for planning, coordination, assessment, negotiation, and compensation payments. Landowners are required to provide ownership documents and participate in the negotiation process. Parties are entitled to compensation based on the assessment results and have the right to file objections if they disagree. As for third parties, such as appraisal consultants and legal advisors, they are required to work independently and comply with professional standards. In a dispute resolution, the SLA stipulates three mechanisms. First, mediation is an initial effort involving a neutral third party. Second, arbitration, whose decisions are final and binding if mediation fails to reach an agreement. Third, litigation through the courts, either the State Administrative Court for location determination claims or the District Court for disputes over the amount of compensation.

To maintain compliance, periodic evaluations are conducted by government agencies together with third parties. The results of the evaluation are compiled in a report containing findings, recommendations, and follow-up improvements. This report must be submitted to all parties involved as a form of accountability. The SLA is valid upon signing and can be renewed as needed and in accordance with applicable regulatory changes. Any changes to the SLA must be mutually agreed upon and set forth in writing to ensure legal certainty and fairness. As an operational document, the SLA also requires the preparation of supporting documents, including land identification forms, land assessment reports, agreements between agencies and owners, and a final land procurement report. This documentation serves as administrative evidence and a means of public accountability.

CONCLUSION

The process of land procurement for public interest development, particularly in urban areas like Jakarta, is a complex and multifaceted endeavor. Including the provision of affordable rental housing (in Indonesian, call it *Rusunawa*) for low-income communities is a pressing need in Jakarta, where land scarcity, unaffordable land prices, and high population density exacerbate housing shortages. The success of *Rusunawa* projects hinges on efficient land procurement processes, which are often marred by legal and administrative obstacles. Conflicts over land ownership, delays in compensation payments, discrepancies between market and fair land values, and regulatory voids for small-scale procurements are some of the significant hurdles identified.

The existing legal framework, including Law No. 2 of 2012 concerning Land Procurement for Public Purposes, Law No. 6 of 2023 concerning the Job Creation, and their implementing regulations, has not sufficiently addressed the technical guidelines needed for small-scale land procurement. The revocation of Jakarta Governor Regulation No. 82 of 2017, which previously provided guidance, has left a regulatory vacuum, complicating the procurement process for projects under 5 hectares. This gap underscores the need for clear, transparent, and accountable Standard Operating Procedures (SOPs) to prevent legal conflicts and expedite the realization of *Rusunawa* developments.

The juridical research methodology employed in this study, including empiric–normative juridical approaches, qualitative analysis through literature reviews, Focus Group Discussions (FGDs), and stakeholder interviews, has highlighted the necessity for well-defined SOPs. These procedures ensure legal certainty, efficiency, effectiveness, and fairness in the land procurement process. The study's theoretical contributions enrich the legal literature on small-scale land procurement, while its practical recommendations, such as the implementation of a Service Level Agreement (SLA), offer actionable solutions to improve the process. The planning stage of land procurement is crucial, requiring comprehensive documentation that aligns with spatial plans and development priorities. This stage involves feasibility studies, socio-economic surveys, location assessments, cost-benefit analyses, and environmental and social impact evaluations. The formation of a Planning Team by the Governor is essential to carry out initial data collection, public consultations, and location determinations.

The preparation stage bridges planning and execution, with the establishment of a Land Purchase or Land Exchange Team led by a Project Officer, in Indonesian, popularly known as the Commitment Making Office or PPK. This stage involves meticulous data validation, legal due diligence, and coordination with relevant agencies to ensure that the land is free from disputes and ready for procurement. The use of minimal DPPT (Land Procurement Planning Documents) for small-scale projects is recommended to streamline the process while maintaining legal and administrative integrity.

The novelty of the study, such in the importance of addressing social impacts on affected communities. Providing fair compensation and managing social displacement are critical to maintaining public trust and support for development projects. The principles of transparency, accountability, and public involvement are paramount in both direct procurement and location determination processes. Mainly, providing a mechanism for resolving land occupation and land ownership disputes as part of comprehensive, legal, and humane land procurement. In a short conclusion, the successful implementation of small-scale land procurement for public interest development in Jakarta requires a robust legal framework, clear SOPs, and Service Level Agreement (SLA), and effective stakeholder collaboration. By addressing regulatory gaps and adopting best practices, the government can enhance the efficiency and fairness of land procurement processes, ultimately contributing to sustainable urban development and improved living conditions for low-income residents.

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