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## From Ground to Sky: Legal Review of Flat Development in Cirebon under Apartment Law

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#### **Abstract**

Technological developments and rapid population growth are driving the need for adequate housing, especially in increasingly dense urban areas. In efforts to realize a just and prosperous society, the construction of flats is a strategic solution that can address the challenges of limited land and the increasing demand for housing in urban areas. Demographic projections indicate that by 2030, approximately 70% of Indonesia's population will live in urban areas, making the provision of flats an unavoidable urgency. Cirebon City, as a strategic city located on the main connecting route to Java Island, is experiencing rapid development in various sectors, including infrastructure and spatial planning. With a population of 343,497 and a density of 9,194 people/km<sup>2</sup> in 2021, pressure on space is increasing, demanding efficient vertical housing planning. The construction and expansion of flats in Cirebon City not only plays a role in meeting housing needs but also supports the existence of public spaces, social interaction, and ecological balance. Therefore, spatial management strategies and the

development of vertical housing are crucial aspects in responding to the dynamics of urbanization in Cirebon City

### **Keywords**

Flats, Cirebon City, Development, Construction, Utilization.

### A. Introduction

The development of technology within society also contributes to an increasingly rapid population growth rate. The vision of a just and prosperous society goes beyond merely fulfilling basic needs such as clothing, food, and shelter; its essence lies in the active collaboration of all elements of society in formulating future aspirations and jointly striving towards them. In this context, the construction of apartment housing becomes a strategic solution, especially in urban areas experiencing significant population density. The urgency of apartment housing programs in urban areas is becoming stronger, considering demographic projections showing that by 2030, the majority of Indonesia's population, estimated at around 70%, will reside in urban areas. Consequently, the availability of apartment housing becomes crucial to address housing density issues in cities. As a result, the state bears a fundamental responsibility to guarantee the fulfillment of citizens' rights to decent and affordable housing, as an integral part of social welfare.1

Fundamentally, housing and residential areas are basic necessities for human existence, significantly influencing the formation of a nation's character. Dwellings and settlements do not merely function as shelter facilities, but more importantly, they represent a stage for individuals to organize communal life and solidify their identity. Housing construction is a critical component in area development strategies, encompassing various demographic aspects and having a strong correlation with economic growth and social order to strengthen national resilience. According to Ismail Saleh's perspective,

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urban areas, as centers of growth dynamics, evolution, transformation, and diverse social, economic, cultural, governmental, political activities, as well as defense and security, hold a highly strategic position within the state order. The limited area available for settlements forces a large portion of the urban population to inhabit dwellings that are inadequate or substandard, leading to an increase in areas considered slums, comprehensively triggering risks to public tranquility and safety. The high urban population density motivates the Local Government to strive to fulfill the community's housing needs through the construction of apartment housing. Realizing the need for housing through the construction and development of apartment housing becomes one of the solutions, considering the limited space in urban areas.<sup>2</sup>

The concept of apartment housing development emerges as a strategic solution to overcome the increasingly limited land availability in urban areas, while the number of inhabitants continues to experience significant growth. This condition causes the available land to be insufficient to meet housing needs with traditional horizontal development models, such as landed houses. Therefore, vertical housing development through the apartment concept allows for more efficient space utilization by stacking housing units vertically upwards, thereby accommodating more inhabitants within limited land areas. Consequently, apartments become an appropriate alternative in overcoming the problem of land limitations while simultaneously addressing the need for decent and affordable housing in densely populated urban areas.<sup>3</sup>

Generally, the community chooses to buy apartment housing for economic reasons, where the offered price is relatively more affordable compared to conventional landed houses. In addition, apartment housing also offers various facilities that have been provided completely and integratedly within it, thus providing comfort and

<sup>&</sup>lt;sup>2</sup> Ibid.

Ibrahim, H., Hendri, H., & Aprita, S. (2024). Application of the Principle of Justice for Consumers Who Cannot File for Bankruptcy and PKPU against Apartment or Apartment Housing Developers regarding the Supreme Court of the Republic of Indonesia Circular Letter (SEMA) Number 3 of 2023. *Jurnal Kepastian Hukum dan Keadilan*, 6(2), 138-157.

convenience for its residents. Generally, apartment housing is a collection of housing units consisting of several rooms, usually arranged on a single floor within a larger multi-story building. Each housing unit is typically already equipped with basic facilities such as a kitchen and bathroom that meet the standard needs of residents. According to Article 1 of Law Number 20 of 2011 concerning Apartment Housing, apartment housing is defined as a multi-story building constructed within an organized environment, divided into parts arranged functionally both horizontally and vertically. Each part or apartment unit constitutes a separate entity yet remains part of the overall building. Each unit can be owned and used separately by its residents or owners. Apartment housing as a dwelling is equipped with adequate standard parts, daily necessities, and shared land that is part of the environment, which must be managed collectively by all owners and residents to maintain the continuity of function and comfort of the dwelling place.<sup>4</sup>

According to Manurung, in city planning, the creation of quality urban environments is influenced by various factors. These factors include functional aspects such as land use, city arrangement, environmental conditions, and the city's visual aesthetics, as well as more abstract aspects, namely the city's unique character. From a functional perspective, the city must be able to clearly and orderly establish the function of each area. The division of functions and land use significantly affects the quality of life and activities throughout the city. Furthermore, structural factors related to city planning based on the figure-ground concept or the balance between open space and buildings play an important role in harmoniously arranging the layout and proportion of space.<sup>5</sup>

Based on Indonesian population data, the population continues to increase from 272,682.5 thousand people in mid-2021, to 275,773.8 thousand people in 2022, and is projected to reach 278,692.2 thousand people in 2023. The continuously progressive increase in population

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triggers a reduction in the availability of areas for construction, which has implications for a sharp increase in land commodity prices. To overcome this condition, regional authorities need to provide alternative housing options through property development ideas, both horizontally and vertically, commonly referred to as apartment housing. Consequently, the demand for apartment housing in the current era is escalating, especially in urban centers, considering its function as one of the essential primary human needs, namely shelter. On the other hand, apartment housing units also have the potential as an attractive investment vehicle. This phenomenon makes the property sector, particularly the residential sub-sector in the form of apartment housing areas, have a prospect that will never die over time.

According to the provisions of Article 1 Number 10 of Law Number 20 of 2011 concerning Apartment Housing, the term commercial apartment housing is generally known to the public as an apartment. Nevertheless, in legislation, the officially used term is apartment housing. The Government plays an important role in regulating various aspects related to apartment housing, from the building permit process, land procurement, ownership rights arrangements, to the formation and management of resident organizations. This entire process is usually initiated by developers as the main actors in the property industry. Developers are entities engaged in housing development activities, settlement areas, or apartment housing, and bear full responsibility for the planning, implementation of construction, and marketing of the property products they produce. In practice, when marketing to consumers, developers often collaborate with third parties such as real estate agents or professional marketing personnel, who are tasked with offering housing units to the community. One marketing strategy frequently used by developers is the pre-project selling method, which involves selling units before the physical project begins construction.<sup>6</sup>

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Marbun, L. D., Ginting, B., & Sukarja, D. (2023). Legal Liability of Apartment Housing Developers in Purchase Commitment Agreements Without a Certificate of Fitness for Function to Consumers Based on Positive Indonesian Law. *Recht Studiosum Law Review*, 2(2), 63-80.

This strategy provides developers with opportunities to obtain initial funding from consumers, which is then used to support the project construction process. In this scheme, developers usually offer apartment units through property exhibitions, online promotions, and the presentation of visual materials such as building mock-ups, interior design illustrations, and informative brochures showcasing the project's advantages. Interested prospective buyers will be invited to sign a reservation letter as a statement of interest in the offered unit. Additionally, they are also required to make an initial payment, which can be in the form of a booking fee or a down payment (DP). This initial transaction is binding to a limited extent and serves as the basis for developers to draft a further purchase agreement once the project enters the construction phase or approaches completion. This marketing model has become a commonly adopted pattern in the sale of apartment housing or apartments in Indonesia, as it is considered effective for attracting consumers from the project's early stages. However, on the other hand, this scheme also demands clear regulations and legal protection for consumers to prevent them from being disadvantaged if the project experiences delays or fails to be realized.<sup>7</sup>

Legal research is a scientific process aimed at understanding, analyzing, and solving legal problems. By using systematic methods, legal researchers explore legal facts, analyze applicable legal rules, and seek relevant solutions to answer the legal questions posed. This research uses a method focused on analyzing and delving into the currently applicable legal regulations, namely the normative juridical approach method. The literature study method also becomes a data collection technique involving the review and analysis of various written sources, where researchers examine documents such as legislation and relevant legal journals. By using this method, abstract legal norms can be applied to specific cases, aiming to find out and analyze regarding the development of apartment housing in the Tiga Berlian Pegambiran area of Cirebon city from the perspective of apartment law in Indonesia.

<sup>7</sup> Ibid.

# B. Strategic Position of Cirebon City and Its Impact on Apartment Housing Demand

Rapid economic growth in Cirebon City has made this city an attraction for communities from surrounding areas, such as Cirebon Regency, Kuningan, Indramayu, and Majalengka. As the center of economic and business activities in northeastern West Iava, Cirebon City offers various business opportunities and jobs that attract the interest of newcomers to come, settle, and seek a better living. This urbanization phenomenon causes a significant increase in the population, which in turn triggers a surge in demand for housing and settlement facilities. However, the limited land in the city center becomes the main challenge in providing decent housing. The space available for housing development is increasingly narrow, while land prices in strategic areas are experiencing a sharp increase in line with increasing needs. This condition forces many communities, especially those from the lower-middle economic class, to seek housing in suburban areas or outside the city center. The impact of this phenomenon is not only limited to social aspects, but also affects mobility efficiency. Communities living in remote areas must travel further and spend more time to reach their workplace, most of which are located in the city center. Besides wasting time, this condition also increases the burden of daily transportation costs. The disparity between the location of residence and the center of economic activity shows the need for more adaptive spatial policies and the development of affordable housing that is evenly distributed, so that economic growth can be enjoyed inclusively by all levels of society.8

Due to its strategic position, Cirebon City has developed into one of the progressive cities in West Java, with a continuously increasing growth rate in various sectors, including the economy, infrastructure, and spatial planning. Its location on the main connecting route between Jakarta and Surabaya, as well as being a gateway to Central Java and eastern West Java, makes Cirebon highly accessible and attractive for investment as well as community mobility. This condition also

Available online at https://journal.unnes.ac.id/journals/jal/index

<sup>&</sup>lt;sup>8</sup> Agustine, R. (2022, November). Integrated Apartment Housing Development Area Tiga Berlian Pegambiran Cirebon City. In *Majalengka Technology Seminar* (STIMA) (Vol. 6, pp. 154-161).

encourages the increasing need for public spaces that can support the quality of life of city residents. Based on 2021 data, the population of Cirebon City reached 343,497 people with a population density rate of 9,194 people per square kilometer, indicating high pressure on space and the need for efficient land management. Therefore, the development of public open spaces becomes very important to balance the rapid city growth, provide social interaction spaces, and support ecological balance and the comfort of the urban environment.<sup>9</sup>

## C. Legal Framework for the Utilization and Management of Apartment Housing

In the legal system applicable in Indonesia, regulations regarding the construction, utilization, and management of apartment housing are specifically regulated through Law Number 20 of 2011 concerning Apartment Housing. This law provides a solid legal basis regarding individual ownership of apartment housing units, control over shared parts such as public facilities and environmental infrastructure, as well as technical provisions regarding management and administration by residents or developers. Within these provisions, there is an explicit obligation for developers to provide at least twenty percent of the total commercial apartment housing floor area to be allocated as public apartment housing, intended for low-income communities. This obligation is explicitly stated in Article 16 and serves as a tangible contribution from the private sector in supporting the fulfillment of the right to decent and affordable housing.

However, when this regulation is implemented in the field, legal problems that are quite complex often arise, especially during the transition period of management responsibility from the developer to the Association of Owners and Residents of Apartment Housing Units (PPPSRS). This transition period often becomes a source of conflict due to the lack of legally established PPPSRS, lack of understanding among residents regarding their rights and obligations, or because the developer still dominates the management unilaterally. This situation creates a

Rahayu, S., & Purnama, I. (2022). Characteristics of Suitable Housing Environment in The Pecinan Area of Cirebon City. *Jurnal Arsitektur*, 14(2), 62-67.

temporary legal vacuum that potentially harms the residents of apartment housing units and raises uncertainty in the management of shared facilities. In the context of apartment housing management transition, the role of the Association of Owners and Residents of Apartment Housing Units (PPPSRS) becomes very important as a legal body representing the collective interests of owners and residents.

Based on the provisions of Articles 75 to 79 of Law Number 20 of 2011, PPPSRS is tasked with managing shared parts, shared assets, and shared land, and serves as a legal entity responsible for collective decision-making regarding the management and maintenance of apartment housing. Unfortunately, in practice, the establishment of PPPSRS often encounters administrative or substantive obstacles. One of the main causes is the minimal socialization from the developer or the government to the residents regarding the urgency and benefits of establishing PPPSRS. Furthermore, there are also cases where developers deliberately delay the formation or ratification of PPPSRS in order to maintain control over the management of shared facilities and collection of fees from residents, which eventually leads to legal uncertainty and legal disputes. In an article entitled "The Role of PPPSRS for Legal Certainty" published by Legal Literacy (2021), it is stated that without the presence of a legally established PPPSRS, the legality of apartment housing management becomes weak, and there is no strong legal basis for residents to demand transparency, accountability, or participation in decision-making. Therefore, the state, through the local government, has a strategic role in facilitating and accelerating the formation of PPPSRS, including providing legal and administrative assistance to ensure that residents' rights are protected. Furthermore, according to a report from Hukumonline (2021) in the article "Developer Obligations in the Transition Period," it is explained that until PPPSRS is formed, the developer has a legal obligation to continue managing the shared parts professionally and transparently. Developers are not allowed to use the transition period as a loophole to impose excessive fees or take unilateral actions that disadvantage residents. These provisions indicate that although the management is temporary, the principle of consumer protection still applies and is protected by law. In Cirebon City, this issue becomes

increasingly relevant alongside the increasing construction of apartment housing as a solution to land limitations and rapid population growth. Although apartment housing construction shows a positive trend, from a legal and institutional perspective, systematic improvements are still needed so that the principles of vertical housing governance can run fairly and sustainably. Integration between national regulations, regional policies, and the active role of the community is needed to ensure that the utilization of apartment housing is not merely the physical building, but also reflects legal certainty, consumer protection, and the sustainability of the urban environment.<sup>10</sup>

### D. Juridical Challenges During the Management Transition Period

The transition period of management from the developer to the Association of Owners and Residents of Apartment Housing Units (PPPSRS) is a very important and determining stage for the legal and administrative sustainability of apartment housing management. During this period, the developer still bears the legal responsibility to maintain and manage shared facilities, including maintaining cleanliness, security, and infrastructure maintenance. In addition, developers are not allowed to collect additional fees that do not comply with the provisions in the purchase agreement, in order to prevent fee collection practices that disadvantage residents. In Cirebon City, this transition period often presents its own challenges.<sup>11</sup>

Many developers still control the management of apartment housing even though the units have started to be occupied, so the formation of PPPSRS is often delayed. This is caused by the low legal awareness of residents and the lack of socialization regarding their rights in apartment housing management. The dominance of developers during the unit construction and marketing process also makes it

Zachman, N., & Fauzia, N. (2021). The Existence of the Association of Owners and Residents of Apartment Housing Units (PPPSRS) in the Authority of Managing Rental Apartment Housing. Wajah Hukum, 5(1), 409-417.

Izzattisselim, A. (2019). Legal Certainty for Apartment Housing Unit Residents Through the Formation of the Association of Owners and Residents of Apartment Housing Units. *Law Review*, 347-368.

difficult for residents to unite and form an official organization with legal legitimacy. This condition creates legal uncertainty that impacts the sustainability of shared facility management, such as security, facility maintenance, and administrative management. As a result, residents in several apartment housing complexes in Cirebon City have to bear the burden of non-transparent costs and sometimes feel they are not receiving adequate service. To overcome this problem, the Cirebon City Government, together with the Department of Housing and Settlement Areas, has begun to implement legal education and assistance programs for apartment housing residents. This program aims to increase understanding of the importance of forming PPPSRS and residents' rights so that the management transition process runs smoothly and in accordance with applicable laws and regulations. In addition, the local government encourages the active role of the community in supervision and participation in apartment housing management, so that a more transparent, fair, and sustainable vertical housing governance is created. Therefore, although there are still challenges in implementing the apartment housing management transition period in Cirebon City, collaborative steps between the government, developers, and residents become the key to creating legal certainty and comfort for all parties involved.12

## E. Planning and Implementation of Construction in Cirebon City

Cirebon City, as one of the developing cities in northeastern West Java Province, shows a significant population growth trend accompanied by a fairly rapid urbanization rate. This development directly impacts the increasing need for adequate housing amid land limitations and rising land selling prices, especially in the city center. This phenomenon puts pressure on the availability of housing space, especially for low-income communities (LIC), who find it increasingly difficult to access decent housing at affordable prices. In this context, vertical housing such as Own Simple Apartment Housing (Rusunami)

<sup>&</sup>lt;sup>12</sup> *Ibid*.

becomes a strategic alternative solution to address the challenges of land limitations and housing accessibility in densely populated urban areas.<sup>13</sup>

The idea of building Rusunami in Cirebon City is strengthened bv research conducted by Anthony Pranata Irawan, comprehensively designed the apartment housing concept with a sustainable architectural approach. In his research, Irawan not only responded to technical issues related to design and space limitations, but also paid attention to the social, cultural, and ecological aspects inherent in the Cirebon City community. The developed concept includes energy efficiency, environmentally friendly water management, provision of green open spaces, and flexible and adaptive modular designs. This approach is intended so that Rusunami is not only a shortterm solution to the settlement crisis, but also becomes a sustainable future housing model that is inclusive and in accordance with the local character of the Cirebon community. Thus, the construction of Rusunami functions not only as a technical response to housing needs, but also becomes an integral part of the city's spatial planning strategy and the improvement of the quality of life of the urban community in Cirebon City. Collaboration between the local government, developers, and the community becomes the key to realizing this concept effectively and sustainably.14

#### F. Conclusion

The construction of apartment housing in Cirebon City is a strategic response to the challenges of urbanization, rapid population growth, and land limitations in urban areas. Cirebon City, which occupies a strategic position as a regional economic growth center in northeastern West Java, faces enormous pressure in providing decent housing, especially for low-income communities. In facing these conditions, apartment housing, particularly the Own Simple Apartment Housing (Rusunami) type, is considered an efficient, affordable, and long-term relevant solution. From a legal perspective, the development

<sup>&</sup>lt;sup>13</sup> Irawan, A. P. (2019). Conceptual Foundation for Planning and Architectural Design of Own Simple Apartment Housing in Cirebon City (Doctoral Dissertation, UAJY).

<sup>&</sup>lt;sup>14</sup> *Ibid*.

of apartment housing has been regulated in Law Number 20 of 2011, which provides a juridical basis regarding ownership rights, shared facility management, and developer obligations.

However, field practices show that there are still many challenges, especially during the management transition period from the developer to the Association of Owners and Residents of Apartment Housing Units (PPPSRS). Minimal socialization, weak legal awareness of residents, and developer dominance in management become sources of conflict and legal uncertainty. Research by Anthony Pranata Irawan provides a significant contribution in designing a sustainable Rusunami concept that not only considers space efficiency, but also pays attention to social, cultural, and environmental aspects. With a sustainable architectural approach, the construction of apartment housing is expected to not merely address short-term needs, but also create future housing that is inclusive and in harmony with local characteristics. With collaboration between the local government, developers, and the community, the construction of apartment housing in Cirebon City has great potential to become a model for fair, decent, and sustainable urban housing provision. Legal certainty, transparent management, and active participation of all parties become important foundations in realizing quality vertical housing governance in the era of modern urbanization.

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