

Warranty Liability for Residential Defects at Meugah Property: A Sale Contract and Khiyār Analysis

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Abstract

This article examines warranty liability for post-handover residential defects at Meugah Property through the perspectives of Islamic sale contracts, khiyār, and Indonesian consumer protection law. The study employs a qualitative socio-legal case-study approach based on interviews with the developer, homeowners, and a construction worker, supported by doctrinal analysis of sale-contract principles and consumer remedies. The findings show that Meugah Property provides a repair warranty of approximately three to six months, but the warranty is predominantly communicated orally and is not set out with sufficient detail in the written sale agreement. Homeowners reported defects including cracked walls, detached floor tiles, damaged ceilings, and rainwater seepage. Where defects arise during the warranty period, responsibility is channelled back to the developer because the original builder's construction engagement has already ended. This arrangement creates evidentiary uncertainty over the scope, duration, covered defects, materials, and repair obligations. The article argues that the central legal problem is not merely the calculation of physical loss but the absence of a sufficiently documented defect-liability mechanism. From an Islamic commercial-law perspective, the principles of khiyār, disclosure, consent, and avoidance of harm support a written warranty clause that clearly

defines latent and visible defects, the repair period, inspection procedure, allocation of labour and material costs, and available remedies. The study concludes that formalizing these terms would strengthen consumer protection and reduce disputes while preserving the validity and fairness of the underlying sale.

KEYWORDS: consumer protection; housing warranty; khiyār; sale contract; latent defects; Meugah Property

Introduction

Housing is both a basic human need and a high-value consumer transaction. In residential development, the buyer typically relies on the developer's representations concerning design, structural quality, building materials, and post-handover services. A warranty therefore performs more than a marketing function: it allocates responsibility for defects discovered after delivery and provides a practical mechanism through which the buyer can demand repair or another appropriate remedy.¹

The source study focuses on Meugah Property, a housing development consisting of twelve units, with each house described as type 36 on approximately 114 square metres of land. Interviews with the developer indicate that the written sale documentation specifies the house and land price, technical specifications, payment system, and construction schedule, but does not clearly regulate the detailed warranty mechanism. Instead, the repair warranty is largely communicated orally and generally lasts for three to six months after the purchase or handover.²

This informal arrangement becomes problematic when defects emerge only after occupation. Homeowners interviewed in the original study reported cracked walls, detached ceramic tiles, damaged ceilings, and water seepage during rain. Some owners also stated that the original builders were no longer available after completion of construction, so any warranty repair had to be coordinated again through the developer. The result is uncertainty about who must inspect the defect, who bears labour and material costs,

¹Subekti, *Hukum Perjanjian* (Jakarta: Inter Media, 2000), 299.

²Interview with Hendra, representative of Meugah Property, December 20, 2023.

which types of damage are covered, and how quickly repairs must be undertaken.³

The original manuscript frames this issue mainly as a question of calculating losses arising from warranty-period damage. The present revision sharpens the legal problem. Before loss can be calculated, the parties must first know what constitutes a covered defect, what warranty period applies, what remedy is available, and what evidence is required. The absence of a detailed written warranty clause therefore constitutes the central contractual weakness.

Islamic commercial law provides an additional normative lens through the concept of *khiyār*, which protects genuine consent and allows a party, in appropriate circumstances, to reconsider a transaction when the goods delivered do not conform to the agreed condition or contain relevant defects. Classical and contemporary *fiqh* literature treats sale as a transfer of ownership founded on mutual consent, lawful subject matter, and sufficient knowledge of the object of sale. In the housing context, these principles support transparency about quality and meaningful remedies for defects.⁴

Indonesian consumer-protection law also places responsibility on business actors for losses caused by goods or services they produce or trade. The original study specifically refers to Articles 4, 7, and 19 of Law No. 8 of 1999 on Consumer Protection as a statutory basis for balancing consumer rights and business obligations. Against this background, the article asks: (1) how is the post-purchase warranty implemented at Meugah Property; (2) how are repair responsibility and loss allocated when residential defects arise; and (3) how should the practice be evaluated under sale-contract principles, *khiyār*, and consumer protection law?⁵

³Interviews with Sayuti, homeowner, December 22, 2023; Mahmud, homeowner, December 23, 2023; and Dian, homeowner, January 3, 2024.

⁴Hendi Suhendi, *Fiqh Muamalah* (Jakarta: RajaGrafindo Persada, 2013), 67; Mardani, *Fiqh Ekonomi Syariah* (Jakarta: Kencana, 2013), 101.

⁵Republic of Indonesia, Law No. 8 of 1999 on Consumer Protection, arts. 4, 7, and 19.

Research Method

This research uses a qualitative socio-legal case-study design. The normative dimension examines Islamic sale-contract principles, particularly the role of *khiyār* as a mechanism for protecting consent and responding to defects, together with relevant Indonesian consumer-protection rules. The empirical dimension examines the implementation of the warranty system at Meugah Property through field interviews and documentary information.⁶

The principal interview evidence in the source manuscript comes from Hendra, representing the developer, interviewed on 20 December 2023; homeowners Sayuti and Mahmud, interviewed on 22 and 23 December 2023; homeowner Dian, interviewed on 3 January 2024; and Abdullah, a construction worker, interviewed on 2 January 2024. The data are analyzed by reconstructing the actual warranty practice, identifying the allocation of responsibility when defects occur, and comparing those practices with the normative requirements of contractual clarity, consumer protection, and *khiyār*.⁷

Because the research concerns one housing project and relies on a limited number of interviews, the findings are not statistically generalizable to the Indonesian property sector. Their value lies instead in providing a focused account of how an informal warranty arrangement can generate recurring legal uncertainty in residential transactions.

The Warranty Arrangement at Meugah Property

The empirical evidence indicates that Meugah Property offers post-purchase repair protection for approximately three to six months. The written sales arrangement records core transaction matters such as price, specifications, payment, and construction schedule, yet the source study reports that the warranty itself is not described in sufficient written detail.

⁶Rifa'i Abubakar, *Pengantar Metodologi Penelitian* (Yogyakarta: Press Sunan Kalijaga, 2021), 2.

⁷Field interviews reported in the source manuscript: Hendra (December 20, 2023), Sayuti (December 22, 2023), Mahmud (December 23, 2023), Dian (January 3, 2024), and Abdullah (January 2, 2024).

This distinction is important because a general promise to repair is materially different from a clause that defines covered defects, exclusions, inspection procedures, time limits, and cost allocation.⁸

The developer's position is that defects appearing within the agreed warranty period can be reported for inspection and repair. However, the original construction workers are not necessarily retained after the houses are completed. Abdullah explained that the builder's task was limited to constructing the house until completion under the work arrangement with the developer. As a result, when defects arise later, the developer may need to locate and pay another worker to perform repairs.⁹

Defects Reported by Homeowners and the Allocation of Repair Costs

The homeowners' accounts show that the relevant defects are not merely cosmetic. The source records cracked walls, detached floor tiles, damaged ceilings, and rainwater seepage, all of which may affect habitability and the buyer's expectation that the delivered house conforms to the promised quality. The study further reports that, where the warranty period has already expired, a claim may be refused and the owner may have to bear the repair cost personally.¹⁰

A second issue concerns materials. One homeowner reported that where the buyer requests different materials from those provided by the developer, additional material costs may be borne by the owner, while the developer may cover only labour. This arrangement is commercially understandable, but it should be expressed in writing because otherwise a dispute may arise over whether a replacement constitutes warranty performance or an optional upgrade requested by the buyer.

⁸Interview with Hendra, representative of Meugah Property, December 20, 2023.

⁹Interview with Abdullah, construction worker, January 2, 2024.

¹⁰Interview with Dian, homeowner, January 3, 2024; see also homeowner accounts summarized in the source manuscript.

Table 1. Contractual risks in the reported Meugah Property warranty practice and recommended clarifications.

Issue	Reported Practice	Legal Risk	Recommended Clause
Warranty period	Approximately 3–6 months, mainly communicated orally	Dispute over commencement and expiry	Specify start date, duration, and extension rules
Covered defects	Physical defects addressed case by case	Uncertainty over what is covered	List structural, finishing, plumbing, leakage, and excluded defects
Repair labour	Developer may need to appoint a new worker	Delay and responsibility disputes	Set a response and completion timeframe
Materials	Developer materials covered; upgrades may require owner contribution	Dispute over standard repair versus upgrade	Define standard replacement and optional upgrades
Evidence/inspection	Developer checks the reported damage	No clear evidentiary procedure	Provide inspection, written record, photographs, and acceptance process

In Islamic commercial law, a valid sale requires competent parties, a lawful and sufficiently known object of sale, and an expression of mutual agreement. The normative purpose is not exhausted by formal consent at the moment of signing. Where material qualities of the object differ from what was represented or where a relevant defect was not reasonably apparent, the buyer's consent may no longer reflect the factual condition of the object.¹¹

The concept of khiyār is therefore relevant, but the article should distinguish the forms of khiyār more carefully than the original manuscript. A pre-agreed period in which the parties retain a contractual option resembles khiyār al-shart, whereas a remedy triggered by a defect is more closely associated with khiyār al-ʿayb. In the present case, the warranty period

¹¹Imam Mustofa, *Fiqh Muamalah Kontemporer* (Jakarta: RajaGrafindo Persada, 2016); Sayyid Sabiq, *Fiqh Sunnah*, vol. 12 (Bandung: Al-Ma'arif, 1987), 43.

has features of a contractual repair period, while hidden or serious defects implicate the broader fiqh principle that a buyer should not be compelled to retain an object materially inconsistent with the agreed quality.

Accordingly, the most defensible reform is not simply to insert the phrase *khiyār al-sharṭ* into the contract. The contract should specify the buyer's substantive options when a covered defect is established: repair within a reasonable period, replacement of defective components, an agreed price adjustment where repair is impossible or disproportionate, and, for fundamental non-conformity, a termination remedy where legally justified. This makes the Islamic-law analysis operational rather than merely terminological.

Consumer Protection and Developer Responsibility

The Indonesian consumer-protection framework reinforces the need for clear post-sale obligations. The source manuscript relies on the reciprocal relationship between consumer rights and business-actor duties under Law No. 8 of 1999 and on Article 19 concerning compensation for consumer loss caused by goods or services. In a residential transaction, this framework supports accountability where defects are attributable to construction quality, materials, or non-conformity with the promised specification.¹²

At the same time, not every post-handover deterioration should automatically be treated as developer liability. A legally sound warranty must distinguish construction defects from damage caused by misuse, unauthorized alterations, lack of normal maintenance, or external events. This distinction protects both parties: consumers receive an enforceable remedy for genuine defects, while developers are not made responsible for damage outside the contractual and causal scope of the warranty.

The original manuscript discusses compensation and refers to a general percentage-based calculation in an insurance-related context. That proposition is not sufficiently connected to the Meugah Property field

¹²Janus Sidabalok, *Hukum Perlindungan Konsumen di Indonesia*, 3rd ed. (Bandung: Citra Aditya Bakti, 2019), 73; Republic of Indonesia, Law No. 8 of 1999 on Consumer Protection, art. 19.

evidence and should not be treated as the operative method of calculating residential warranty loss. In this case, a more defensible measure is defect-specific and evidence-based: the reasonable cost of restoring the house to the agreed specification, including necessary labour and standard materials, subject to proof of causation and the warranty terms.

This approach also aligns better with the nature of the seller's promised performance. If the developer undertakes to deliver a house meeting specified quality standards, the primary warranty remedy should normally be rectification. Monetary compensation becomes relevant where repair is not performed, cannot adequately restore conformity, or the consumer has incurred reasonable costs because the responsible party failed to act. The assessment should therefore begin with documented defects, inspection results, repair quotations, receipts, and the causal connection between the defect and the developer's performance.

An oral warranty is not necessarily devoid of legal effect, but it creates substantial evidentiary weakness. The parties may disagree about the promised duration, the start of the warranty period, the types of defects covered, whether materials are included, and the procedure for submitting a claim. In a high-value transaction such as the sale of a house, these uncertainties can become disproportionate to the simplicity of reducing the warranty to writing.

A written clause would also improve internal accountability between the developer and contractors. The source study notes that the developer may itself suffer loss when construction work is poor and the original worker is no longer available. A properly drafted developer-contractor agreement can therefore complement the consumer warranty by creating back-to-back responsibility for defective workmanship, inspection, and remedial work.

Conclusion

The Meugah Property case demonstrates that the primary weakness of the existing post-purchase warranty is not the absence of any repair commitment, but the lack of a sufficiently detailed written defect-liability mechanism. The developer reportedly provides a three-to-six-month repair period, yet homeowners described recurring defects and uncertainty about

repair personnel, materials, and responsibility after handover. Because the warranty is largely communicated orally, both consumers and the developer face avoidable evidentiary and financial risk.

From the perspective of Islamic sale law, *khiyār* provides an important framework for protecting meaningful consent when the delivered house does not conform to agreed quality or contains material defects. The analysis is strongest when it distinguishes a contractual option period from defect-based remedies and translates those principles into concrete contractual rights. From the perspective of Indonesian consumer protection, the developer should remain accountable for defects attributable to the quality of the goods and services supplied, while exclusions should be limited to damage that is genuinely outside the developer's responsibility.

The article therefore recommends a written warranty annex to every housing sale agreement. At minimum, it should specify the warranty period and commencement date, covered and excluded defects, inspection procedure, repair deadlines, labour and material responsibility, treatment of buyer-requested upgrades, documentation requirements, escalation procedures, and available remedies. Loss should be assessed on the basis of the reasonable and documented cost of restoring the property to the agreed specification, rather than by an abstract percentage not grounded in the actual defect. Such formalization would improve contractual certainty, consumer protection, and the fairness of residential sale transactions.

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