

ANALYSIS OF FACTORS DETERMINING LAND REGISTRATION COSTS AND THEIR IMPACT ON AFFORDABILITY FOR LOW-INCOME COMMUNITIES

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Abstract

This study aims to analyse the factors that determine land registration costs and their impact on the affordability of registration services for low-income communities in Indonesia. The method used is a literature review, examining regulations, scientific studies, policy reports, and documentation related to land administration and registration costs. The results of the study show that land registration costs are influenced by national regulations, technical measurement costs, complex bureaucracy, and the existence of unofficial fees that increase the burden on the community. High costs and complicated procedures are major obstacles for low-income communities in obtaining land certificates, thereby negatively impacting their access to legal certainty, asset protection, and economic opportunities. This study recommends the need for simplified procedures, cost transparency, supervision of illegal levies, as well as subsidies and the use of digital technology to improve the affordability of land services for the poor.

Keywords: Land Registration Fees, Affordability, Low-Income Communities, Land Certificates, Land Policy, Illegal Levies.

Introduction

Land is a resource of strategic value in human life, not only from an economic perspective but also from a social and political perspective. Land ownership is often the basis for livelihoods, both in terms of meeting housing needs and as a productive asset to improve family welfare (Detik.com, 2025). In the context of national development, land is also an important factor in investment, infrastructure development, and urban and rural development. Therefore, legal certainty regarding land rights is an urgent and non-negotiable requirement, because only with strong legality can a person have legal protection for their assets (Kusuma, 2019b).

In Indonesia, the land law system is comprehensively regulated in the Basic Agrarian Law (UUPA) No. 5 of 1960, which affirms the rights of the people to land and their obligations. Land registration is positioned as an important instrument to provide legal certainty for land rights holders. The Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN) is authorised to carry out land administration tasks, including the land registration process. However, despite clear regulations, implementation in the field faces various challenges related to costs, procedures, and the affordability of land registration services (, 2020b).

One of the crucial issues in land registration practices is the high costs that must be borne by the community. These costs include several components, ranging from

measurement costs, document certification, data processing, to the issuance of certificates as proof of ownership. In addition, in some cases, there are still additional costs or unofficial fees that cause the actual cost of land registration to be much higher than that stipulated in the regulations. This has a direct impact on low-income communities, who are most vulnerable and in need of legal protection for their land (Manik, 2017b).

The government has actually sought a solution through various programmes, such as the Complete Systematic Land Registration (PTSL) programme, which has been implemented in recent years. This programme aims to accelerate land certification by waiving or minimising costs for the community. However, the reality on the ground shows that there are still obstacles related to the effectiveness of the programme, cost transparency, and the distribution of benefits to the poor. Thus, there is a gap between the idealism of the policy and its implementation, which has not yet fully reached low-income communities (Karimah, 2024b).

Land registration fees have become unaffordable for the lower-middle class, not only because of the nominal amount set by the government, but also because of structural and cultural factors that exacerbate the situation. Structurally, regulations are often not accompanied by strict supervision, creating opportunities for additional costs at the implementation level (Mujiburohman, 2022b). Culturally, some members of the community have limited information and legal literacy, so they do not fully understand official procedures and tend to rely on intermediaries, which actually increases the cost burden. This shows that the issue of land registration costs must be understood holistically, not only from a nominal perspective but also from a policy, social, and institutional perspective (Manthovani, 2021b).

In the context of sustainable development, access to land law services should be one of the indicators of successful social development. Land services, particularly land certification, are a gateway for the community to access other public services. With land certificates, communities can more easily obtain financing from financial institutions, reduce the risk of losing land due to disputes, and have legal certainty over their property. Therefore, high land registration costs will have a domino effect on the limited access of poor communities to improve their standard of living (Wicaksono, 2020b).

A number of previous studies have examined the costs of land certification from the perspectives of public policy, administrative effectiveness, and fairness towards the poor. Several studies have pointed to problems in the cost structure, limited subsidies, and weak supervision, which create opportunities for illegal levies (Indrayati, 2021). There are also studies that highlight the social impact of not owning a land certificate, such as low economic mobility, the emergence of social conflicts, and a weak bargaining position in the land market. This confirms that the issue of land registration costs cannot be viewed solely as a financial problem, but also as a social problem with broad implications (Pamitri, 2022b).

The phenomenon of low-income communities being unable to afford land registration costs is actually in line with the broader issue of economic inequality. Amidst rising land prices due to urbanisation and development needs, poor communities are increasingly marginalised in terms of access to agricultural assets. Land certification costs, which may seem small to the middle class, can be a major obstacle for the poor. This exacerbates the cycle of poverty because they have no legal basis for their most valuable asset, namely land (Manik, 2017a) .

The issue of land registration fees also reflects an imbalance in the implementation of public policy. Regulations often emphasise procedural aspects and state revenue (through non-tax state revenue), while social justice aspects have not received sufficient attention. In fact, the 1945 Constitution and the Basic Agrarian Law clearly state that land use must be oriented towards the greatest possible prosperity for the people. The limited access of poor communities to land certificates clearly contradicts this spirit, necessitating a critical analysis of the factors determining land registration costs and their impact on economically disadvantaged groups.

Research Method

This research method uses a descriptive qualitative approach with literature review techniques, namely examining various written sources such as books, scientific journal articles, research reports, policy documents, and regulations related to land registration and administrative costs. The research procedure was carried out through the stages of identifying relevant literature, selecting sources based on credibility and relevance to the topic, followed by content analysis to find patterns, themes, and factors determining land registration costs (Eliyah & Aslan, 2025) . Furthermore, the results of the study were critically interpreted to reveal the impact of these costs on affordability for low-income communities, so that the research produced a theoretical understanding and provided input for policy improvements (Cronin et al., 2008) .

Results and Discussion

Determinants of Land Registration Costs

Land registration fees can be described as an accumulation of various administrative, technical, and social components. Administratively, these fees usually include rates set by the government for land registration services, most of which are regulated by Government Regulations (PP) and Ministerial Regulations of the Ministry of Agrarian Affairs/Land () (Butarbutar, 2023) . These cost components include application registration, land measurement, document verification, and certificate issuance. The amount of these administrative costs forms the basic foundation that requires clarity in regulations so that they do not become an excessive burden on the community (Primastya, 2020a) .

In addition to the official rates set, technical costs are also a major factor in determining the total cost of land registration. These technical costs are usually related to land measurement and mapping activities carried out by field surveyors. In terms of human resources and equipment used, these activities require time, energy and technology, resulting in costs that cannot be ignored. The use of modern technology, such as drones for surveying, can affect these costs, either reducing or increasing initial expenditures (Mutakin, 2021b).

Geographical and topographical factors of the land location also play an important role in influencing the amount of registration costs. Areas with difficult terrain, such as mountains, remote areas, or hilly land, tend to require more time and effort in measurement. These conditions automatically increase the technical costs that must be paid by the applicant. Conversely, urban areas with easy access and complete infrastructure can reduce costs due to relatively quick and efficient survey processes (Fitriya, 2018b).

The bureaucracy at the level of land administration often contributes significantly to the increase in land registration costs. Complicated procedures, numerous document requirements, and lengthy processes often result in additional costs for the public. For example, the cost of processing supporting documents or the cost of processing outside the official channels, which creates the potential for illegal fees (*pungli*). This worsens the affordability of costs for low-income groups (Rosmidah, 2023).

Illegal levies or unofficial fees are a determining factor in the complex and difficult-to-eliminate cost of land registration. In some areas, this practice has become a phenomenon in its own right, significantly increasing the economic burden on the community. These levies can occur due to weak supervision by the relevant authorities, a lack of transparency in the registration process, and collusion between bureaucrats and certain individuals. The impact is very negative because it creates injustice and reduces public trust in land institutions (R).

National regulations underpinning the land registration fee system are also a decisive variable. The government attempts to set an upper limit on fees so as not to burden the public, but in practice, the application of this rule varies considerably in the field. Sometimes these regulations are difficult for the general public to access or are not implemented consistently across regions. These regional policy differences cause significant disparities in the fees that people have to pay, even though the legal basis is the same (Salma, 2024b).

Non-tax State Revenue (PNBP) is one of the main components in the land registration fee structure that must be paid by applicants. PNBP is a contribution to the state for services provided in land administration. Although most of these fees are official and transparent, in some cases the payment of PNBP causes confusion among

the public due to a lack of socialisation and understanding regarding the mechanism and benefits of using these funds (Y .

Socio-cultural factors also play an indirect role in determining land registration costs. For example, in some customary areas or traditional communities, land registration procedures may be subject to rights recognition mechanisms that differ from the national legal system. This situation requires special assistance and adaptation of administrative processes, which can potentially increase costs by slowing down and complicating procedures (Fitriya, 2018a) .

The lack of transparency regarding information is another issue that can drive up land registration costs. When the public does not receive clear information about official procedures and fees, they are vulnerable to using the services of intermediaries or third parties who charge additional fees. This situation prolongs the payment process and increases the total costs that must be incurred. Therefore, transparency and access to information are crucial aspects in controlling costs (Pamitri, 2022a) .

The capacity and quality of human resources in the land office are also significant factors that affect the cost and duration of the registration process. Untrained personnel, a lack of understanding of the latest regulations, and administrative inefficiencies can slow down services, leading to indirect cost increases, such as transportation costs and additional living expenses for applicants (Mutakin, 2021a) .

In recent years, the Comprehensive Systematic Land Registration (PTSL) programme initiated by the government has sought to reduce land registration costs through mass registration mechanisms and administrative cost cuts. This programme officially provides convenience and subsidies to the community, especially in villages and disadvantaged areas. However, the effectiveness of this programme still faces challenges because not all regions receive equal services, and unexpected costs still arise in the field due to bureaucratic factors and illegal fees (R .

The application of information technology in the land sector is a new factor that can affect land registration costs. The digitisation of administrative processes and online database systems not only increases transparency but also reduces the need for physical documents and service time. However, on the other hand, uneven digital infrastructure across Indonesia has led to disparities in costs and access, especially in remote areas that are not yet covered by adequate internet networks (Manthovani, 2021a) .

The community participation approach in the land registration process also has a financial impact on costs. Community involvement in verification and socialisation can accelerate and simplify the process, thereby reducing the costs incurred. Conversely, lack of community involvement or lack of understanding of the registration process has the potential to cause administrative errors that lead to repetition of procedures and increased costs (SMERU Research .

Local political factors and power dynamics also cannot be separated from cost considerations. Strong patronage politics in the land bureaucracy of certain regions can result in unfair and non-transparent cost structures. Practices such as these make administrative costs an unreasonable burden on the community and exacerbate inequalities in access to legal certainty over land (Wicaksono, 2020a).

Macroeconomic conditions, including inflation and rising fuel and building material prices, also affect land registration costs. Increases in the cost of living and operating costs create pressure on land administration service fees. If not anticipated by appropriate policies, these increases will place an even greater burden on the community, especially those who are economically weak and vulnerable (Mujiburohman, 2022a).

Finally, integration and synchronisation between various agencies involved in the land registration process is a factor that supports successful cost control. Inconsistent data between agencies or overlapping administrative processes can lead to duplication of work and increase unnecessary costs. Therefore, an electronically connected and integrated land system is an important solution to reduce costs while speeding up services for the community.

Impact on Affordability for Low-Income Communities

Affordability is a concept that refers to the ability of the community to access a service or product without experiencing serious economic hardship. In the context of land registration services, affordability means that the community, especially those with low incomes, are able to pay the registration fees without having to sacrifice other basic needs. High land registration fees are a major obstacle for low-income communities in obtaining legal certainty over the land they own or occupy (Kusuma, 2019a).

Low-income communities generally have limited incomes, making them highly vulnerable to additional costs that must be paid in a lump sum, such as land registration fees. When these costs are considered expensive, they tend to delay or even ignore the registration process. As a result, much of the land is uncertified or not officially registered, increasing the risk of disputes and loss of valuable assets. This situation is a serious problem that has long-term implications for their economic and social security (Kompas.com, 2022).

The absence of land certificates places low-income communities in a vulnerable position in legal and social contexts. Without valid proof of ownership, they are susceptible to eviction, forced dispossession, or land grabbing by other parties with greater power. This situation limits their ability to use land as capital or collateral in accessing financial services such as business loans, which are essential for improving their standard of living. The impact of these limitations is not only individual, but also hinders the development of the local community at large (Liputan6.com, 2016).

The affordability of land registration also has implications for socioeconomic inequality. Higher-income groups tend to have easier access to land certificates because they are better able to bear the costs and administrative processes. Conversely, the poor are left behind, reinforcing the gap in asset ownership and economic opportunities. This inequality widens the social divide in society and hinders efforts to achieve social justice and equitable development (Karimah, 2024a). In addition to direct costs, the complex and bureaucratic land registration process also exacerbates affordability constraints. Poor communities, who often have low levels of education and legal literacy, find it difficult to understand the necessary procedures, so they need assistance or third-party services. This adds to the burden of unofficial costs and prolongs the processing time, both of which ultimately reduce the willingness and ability of communities to legally register their land (Salma, 2024a).

Inaccurate service timing is also a factor that affects affordability. Lengthy processes result in the public having to incur unexpected additional costs, such as transportation costs, accommodation if they have to visit the land office repeatedly, or other living expenses. Often, low-income communities do not have the economic flexibility to cope with these temporary additional costs, thereby reducing overall affordability (Sugiyanto, 2008).

Government programmes such as the Complete Systematic Land Registration (PTSL) are one of the efforts to improve the affordability of land registration services for the poor. Through this programme, land registration costs can be significantly reduced and the process is greatly assisted to speed up the issuance of certificates. However, although this programme has provided convenience, its impact is still limited due to imbalances in implementation between regions and the existence of additional costs that arise in practice in the field (Kusuma, 2019b). The social impact of this limited accessibility is also very complex and wide-ranging. The inability to obtain land certificates can trigger social instability, the emergence of horizontal conflicts between residents, and a decline in the sense of security and trust in the legal system. This further exacerbates the vulnerability of low-income communities who are already struggling with economic and social uncertainty (Primastya, 2020b).

From a microeconomic perspective, limited access to land certificates hinders the economic mobility of poor communities. Uncertified land cannot be used as collateral to obtain business capital, making it difficult for residents to develop their businesses. This results in economic stagnation and perpetuates the cycle of intergenerational poverty. Thus, the affordability of land registration is one of the key factors for the economic empowerment of the lower classes (Manik, 2017b).

Another negative impact that has emerged is the psychological and social effect on low-income communities. The high costs and complicated procedures cause stress and frustration, leading to a sense of hopelessness regarding access to land rights. This sense of injustice triggers apathy or even resistance towards the existing system, which

results in weak participation and trust in the government and land agencies (Karimah, 2024b).

In the medium to long term, limited access to land registration has a domino effect on sustainable development. Without legal certainty over land, land use planning becomes difficult and the risk of agrarian conflicts increases. This can hamper infrastructure development, investment, and the effective delivery of public services in poor areas. The sustainability of socio-economic development requires limits on land registration costs so that they do not become a barrier to people's rational access to their rights (Mujiburohman, 2022b).

Government policies that are responsive to affordability must specifically accommodate the conditions of poor and vulnerable communities. Cost subsidies, simplified procedures, and the provision of training or legal assistance are some of the key strategies that can be implemented to increase access to land registration services. The involvement of local governments, civil society organisations, and the private sector also adds value to improving the effectiveness of affordability programmes (Manthovani, 2021b).

Transparency in determining costs and utilising land registration funds is also an important factor in ensuring that the public understands and accepts the costs they incur. Public oversight mechanisms and complaint systems must be implemented consistently to curb illegal fees that burden the poor. Information disclosure will build trust and reduce access inequality, which has been a major challenge (Wicaksono, 2020b).

Information technology, which has begun to be applied in the land registration process, can also be an important medium in increasing accessibility. Online registration systems can minimise travel costs and speed up administrative processes. However, the government must also ensure that poor communities have access to and the ability to utilise this technology so as not to create a digital divide that would actually worsen accessibility (Indrayati, 2021).

Overall, the affordability of land registration for low-income communities is not merely a financial issue, but a multidimensional problem related to regulation, bureaucracy, education, and technological advancement. Therefore, effective solutions must be comprehensive and integrated, involving various stakeholders and focusing on the needs and capabilities of the most vulnerable communities so that land services can become a real instrument in reducing poverty and promoting social justice.

Conclusion

Land registration costs are determined by various factors, including regulatory aspects, administrative and technical costs, geographical conditions, and bureaucratic dynamics at the field level. In addition, the existence of unofficial or illegal fees adds to the cost burden that must be borne by the community. The lack of transparency of

information and the low capacity of human resources in land institutions also increase the variability and potential for cost increases in various regions, so that this cost system is still not fully transparent and efficient.

The impact of high land registration costs is keenly felt by low-income communities with limited purchasing power. The high costs and complexity of the process have led to low rates of land certificate ownership among this group, weakening their legal position and increasing the risk of asset loss, as well as hindering access to financial resources. This inequality of access directly exacerbates socio-economic disparities and hinders efforts towards equitable sustainable development.

Therefore, comprehensive policy interventions that favour the poor are needed, such as simplifying registration procedures, increasing transparency, strengthening supervision of illegal levies, and providing subsidies for land registration fees. In addition, the use of information technology and capacity building in the land sector are also very important to reduce costs and speed up the service process. With these measures, the affordability of land registration services for low-income communities can be improved, thereby supporting social justice and economic empowerment of the community.

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