

## THE REALITY OF SHOP RENTAL PRICES AND TENANTS' INCOME CAPACITY IN *IJĀRAH 'ALĀ AL-MANĀFI'* AGREEMENTS IN BANDA ACEH

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### Abstract

This study aims to analyse the reality of shop rental pricing and its suitability to tenants' income capacity from the perspective of *ijārah 'ala al-manāfi'* contracts in Banda Aceh City. The practice of renting shops in strategic locations has led to a significant upward trend in rental prices, often set unilaterally, creating an imbalance between rental costs and the sustainability of tenants' businesses. This study is an empirical legal study that uses a case study and a conceptual approach. Data was obtained through interviews with tenants and shop owners directly involved in rental practices, supported by a review of relevant fiqh muamalah literature. The results show that shop rental prices in Banda Aceh are generally determined by location and market demand, but are often set without a clear written contract specifying the terms and mechanism for rent increases. Rent increases were found to be unilateral and disproportionate to tenants' income capacity, causing an imbalance between rental costs and business profits. This practice contributes to the decline in tenants' business stability, hindering long-term planning and increasing the risk of losses and business relocation. This study concludes that shop rental practices in Banda Aceh are not yet fully in accordance with the principles of *ijārah 'ala al-manāfi'*, particularly those related to willingness (*tarāḍin*), fairness, transparency, and benefit. There is a need to formulate clearer and fairer rental agreements so that the mechanism for determining rental prices does not disadvantage either party and is in line with the principles of Islamic economic law.

**Keywords:** Banda Aceh, Islamic Economic Law, *Ijarah Al-Manafi*, and Income Capacity

## Abstrak

Penelitian ini mengkaji validitas perjanjian kerja yang didasarkan pada kesepakatan lisan dari perspektif *ijarah al-'amal*, suatu bentuk perjanjian kerja dalam hukum Islam. Di sektor informal, hubungan kerja sering kali dibentuk secara lisan, berdasarkan kepercayaan dan adat istiadat masyarakat, meskipun hal ini menimbulkan masalah hukum terkait bukti dan kejelasan hak serta kewajiban para pihak. Penelitian ini menggunakan metode yuridis normatif dengan pendekatan konseptual, mengacu pada tinjauan literatur fiqh klasik dan kontemporer, Al-Qur'an, hadis, serta undang-undang dan peraturan ketenagakerjaan. Hasil penelitian menunjukkan bahwa Islam memperbolehkan perjanjian kerja lisan asalkan perjanjian tersebut memenuhi syarat-syarat berikut: adanya pihak-pihak yang berkontrak, objek pekerjaan yang jelas, imbalan yang diketahui, dan kesediaan kedua belah pihak. Namun, perjanjian lisan yang mengandung unsur *gharar* (ketidakpastian) atau *zulm* (ketidakadilan) dapat membuat kontrak menjadi tidak sah berdasarkan prinsip moral dan hukum. Hadis Nabi Muhammad SAW yang melarang jual beli yang mengandung *gharar*, menekankan pentingnya kejelasan dalam setiap kontrak. Dalam konteks kontemporer, meskipun perjanjian lisan tetap sah berdasarkan prinsip *ijarah al-'amal*, catatan tertulis sangat dianjurkan untuk mencegah sengketa dan melindungi hak-hak pekerja. Oleh karena itu, konsep *ijarah al-'amal* memberikan legitimasi hukum bagi perjanjian lisan dan menekankan pentingnya keadilan, kejujuran, dan transparansi dalam hubungan kerja modern.

**Kata kunci:** Banda Aceh, Hukum Ekonomi Islam, *Ijarah al-manafi*, dan Perjanjian Kerja

## INTRODUCTION

Economic development in Banda Aceh shows significant dynamics, marked by the proliferation of various commodities offered by business actors. The business sector continues to grow, despite fluctuations caused by restrictions on social interaction during the COVID-19 pandemic from 2019 to 2022. This phenomenon, coupled with the rapid growth of online shopping, has fundamentally changed the market landscape, especially the pricing mechanisms and the actual prices of various trade commodities.<sup>1</sup>

In strategic business locations in Banda Aceh, business competition tends to be intense. This condition directly affects the high prices of land, buildings, and business premises, such as shop houses, mall lots, and kiosks. Business actors are faced with the necessity to allocate large budgets to own or rent business premises,

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<sup>1</sup> Mikhral Rinaldi, "Macroeconomic Development in Aceh Province During the Covid-19 Pandemic," *At-Tasyri': Scientific Journal of Muamalah Study Programme* 12, no. 2 (2020): 177–190.

even at high prices. This situation requires business actors to develop careful business strategies in their *business plans* so that every capital expenditure can be recovered in a relatively short time, reaching the break-even point to generate significant business profits.<sup>2</sup>

The *Ijarah ala al-manafi* contract is, in theory, a contract that allows the use of facilities by the *mu'jir* (owner/lessor) to the *musta'jir* (user). In this contract, the *musta'jir* has the freedom to use the facilities in accordance with the agreement, with the obligation to pay the rental fees (*ujrah*) in accordance with the established payment system. After the contract is concluded, the *mu'jir* is obliged to hand over the rental object (*ma'jur*) to the *musta'jir*. Upon handover, the *musta'jir* is also obliged to pay the rent. This contract is a manifestation of social welfare, enabling businesses that use objects to generate unlimited profits, depending on the object and its management. (Almirah)

Economic limitations often drive people to seek housing, either as a place to live or as a source of livelihood, without owning it. In Islam, this concept is known as *ijarah' ala al-manafi'* or leasing. This contract allows the utilisation of property, with the owner receiving substantial compensation, while also serving as a form of social solidarity that helps those in need. Another party can obtain the benefits of the property, and the property can be reclaimed for certain good reasons.<sup>3</sup>

Shafi'i scholars view *ijarah' ala al-manafi'* as a concept of agreement between two parties to obtain benefits from goods or services. The intended benefit must be specific, permissible, and exploitable with clear compensation. *Ijarah' ala al-manafi'* is a form of benefit contract that contains an agreement between both parties to obtain benefits from an item as a transaction for a specific intended benefit, which is permissible, and the object may be exploited with specific compensation.<sup>4</sup>

The implementation of leasing must be in accordance with the basic principles of Islamic law, which emphasise fairness, honesty, transparency, mutual benefit, and the prohibition of harm. These Sharia principles should serve as the basis for transactions, ensuring the objectives of such activities are achieved: the benefit of both parties and the avoidance of disputes that damage relations between

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<sup>2</sup> Nurul Fadilah Aswar et al., "Training on Business Plan Development and Market Analysis for MSME Actors," *Paramacitra: Community Service Journal* 2, no. 2 (2025): 201–207.

<sup>3</sup> Ramadani Lalu Ahmad, "Implementation of Assets in Contracts (Assets as Property Rights and as Business Objects)," *Iqtishaduna* 9, no. 2 (2018): 100–109.

<sup>4</sup> Siti Nurma Ayu and Dwi Yuni Erlina, "Ijarah Contracts and Wadi'ah Contracts," *Jurnal Keadaban* 3, no. 2 (2021): 13–25.

them. Specifically, in Islamic finance, *ujrah* refers to payments or compensation for the use of another party's capital or assets.<sup>5</sup>

Based on positive law in Chapter VII of Book III of the Civil Code, which regulates lease agreements, including Articles 1548-1600 on Leasing. Leasing has legal standing under Article 1548 of the Civil Code, which defines it as an agreement by which one party commits to providing the other party with access to goods for a certain period of time in exchange for payment of a fee, which is then fulfilled.<sup>6</sup>

In lease agreements, the lessee first inspects the condition of the property or building to be leased. Then, both parties agree on the price and other terms and conditions. The rental price of a building is influenced by factors such as its condition and size, demand, supply, and location. A strategic location and adequate suitability tend to increase the rental price. For tenants, a strategic location is an important indicator of success, as easy access can attract many visitors and help the business grow. The building's suitability also affects tenants' comfort and safety. A strategic location and a livable building are factors that increase demand, which, in turn, raises rental prices.<sup>7</sup>

The average business focus of shop tenants in Banda Aceh includes wholesale or retail sales of FMCG (*Fast-Moving Consumer Goods*) products, mobile phone counters and accessories, and coffee shops or cafes. Shop rental prices vary depending on the level of activity in the area, such as proximity to schools, Islamic boarding schools, central markets, or main city roads. In this study, the author interviewed one mobile phone shop that experienced a significant increase in rent in just one year, UJ Cellular in Peuniti, Lueng Bata district, Banda Aceh, which initially had a rent of IDR 45,000,000 in the first year, with a 1-year lease agreement that was extended periodically. However, in the second year, the rent increased to Rp. 50,000,000.<sup>8</sup>

This unilateral rent increase made it difficult for several traders to grow their businesses, as they had to adjust the prices of their merchandise to cover operational expenses or annual rental costs. This happened at Galery Servis atau

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<sup>5</sup> B Baihaqi, "The Implementation of Car Rental Agreements from a Sharia Economic Perspective," *Journal of Sharia Economics and Islamic Business* 2, no. 1 (2023): 1–9.

<sup>6</sup> R. Subekti, *Civil Law Code* (Jakarta: Pradya Paramita, 2009). p. 350.

<sup>7</sup> Hasim Ujung, Lolonta Gabriella E Purba and Mahmud Siregar, "Cancellation of Land and Shop Rental Agreements Without a Term in Relation to the Sale of Rental Objects by the Owner (Case Study of Decision Number 362/Pdt.G/2013/PN.Mdn)," *Yustitia Journal* 10, no. 2 (2024): 290–310.

<sup>8</sup> Interview with Andirwan, UJ Cellular merchant, on 10 February 2025 in Peuniti, Baiturrahman District, Banda Aceh City.

Aksesoris, a 5 x 3 metre wooden-walled shop in Iemasen, Ulee Kareng District, Banda Aceh, where the rent increased from Rp11,000,000 to Rp15,000,000 due to business competition and negotiations between new and existing tenants.<sup>9</sup>

The author also found that in several other shops, including wholesale and retail shops, there is often no clear shop rental contract at the outset. Generally, the rental price agreement applies for the first year and will subsequently be increased periodically in accordance with the initial agreement. As was the case at the Sinar Abadi Wholesale Shop in Lhong Raya, Banda Raya District, the initial rental price was IDR 25,000,000, but later increased to IDR 30,000,000. This situation makes it difficult for traders to plan for their businesses' future. It even threatens their relationships with business partners such as FMCG companies or cigarette distributors, as the cost of goods competes with annual shop rental expenses.<sup>10</sup>

The rent increase has burdened tenants, forcing them to increase their capital and causing an imbalance between income and annual operational costs. This situation shows that uncontrolled, unilateral rent increases can have a negative impact, especially on new or limited-capital businesses. With increased rental costs, many tenants have to adjust their business strategies, such as raising selling prices, reducing labour, or cutting other operational costs.

Drastic rent increases can cause businesses to relocate. Many traders choose to move to more affordable locations, even though they have to build a customer base from scratch, which affects their stability and competitiveness. Business partners, such as suppliers of FMCG products or cigarettes, feel other impacts. With increased operational costs, traders find it difficult to pay trade debts or meet large purchase commitments, disrupting relationships and reducing trust between partners.<sup>11</sup>

Economic instability in Banda Aceh has triggered income disparities among shop tenants. Despite operating in the same sector, there are striking differences in income, influenced by business location, shop type, and community purchasing power. Shops in strategic locations tend to have higher incomes than shops in remote locations. Differences in purchasing power in various regions also affect income levels, making location and local market conditions crucial to business sustainability. Declining shop income, coupled with high annual shop rental rates,

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<sup>9</sup> Interview with Ratu Kharisa, a service/accessories gallery merchant, on 11 February 2025 in Iemasen, Ulee Kareng District, Banda Aceh City.

<sup>10</sup> Interview with Muhammad Akbar, a merchant at Grosir Sinar Abadi on 11 February 2025 in Lhong Raya, Banda Raya District, Banda Aceh City.

<sup>11</sup> Maryam, Febianus Heatubun, and Lucia K Rahaded, "The Influence of Business Location on Sales Volume in the Mutiara Hati Manokwari Photocopy Business," *Economics and Digital Business Review* 6, no. 2 (2025): 1521–1528.

will result in losses for tenants. The worst-case scenario is that tenants will have to switch to businesses that require less capital and relatively fewer workers, or even face bankruptcy if their income cannot cover operational costs.

The phenomenon of business relocation, business instability, and disruption of relationships between traders and business partners due to rising rental prices aligns with Jamaluddin's study on the elasticity of *ijarah* contracts from the perspectives of *fiqh muamalah* and Islamic economics. Jamaluddin emphasises that *ijarah* contracts are inherently flexible and adaptable to changing economic conditions. However, this flexibility is still constrained by the principles of fairness, mutual consent (*tarāḍin*), clarity of benefits, and mutual interests. The unilateral determination of *ujrah* without regard to the tenant's ability is potentially liable to deviate from the purpose of the *ijarah* contract as a *muamalah* instrument oriented towards social balance and justice. These conceptual findings provide an important basis for this study to assess the suitability of increasing shop rental prices in Banda Aceh in accordance with the principles of the *ijarah' ala al-manfa'ah* contract.<sup>12</sup>

Based on the author's explanation above, this study has the urgency to examine in greater depth the reality of shop rental cost determination and its suitability to tenants' income capacity. The imbalance between rental prices and tenants' income has the potential to cause injustice in the implementation of the *ijarah' ala al-manfa'ah* contract, particularly in terms of willingness (*tarāḍin*), benefit, and the sustainability of the tenant's business. This research is important for obtaining an empirical picture of shop rental practices in Banda Aceh and for assessing their compatibility with the principles of justice in Islamic economic law.

## RESEARCH METHOD

This research is empirical legal research that aims to examine the application and reality of the implementation of *ijārah 'ala al-manāfi'* contracts in shop rental practices in the city of Banda Aceh. Empirical legal research examines how legal provisions and *fiqh muamalah* principles are applied in practice, particularly regarding the mechanisms for determining rental prices and their suitability to the tenant's income capacity. The approaches used in this study are *the case and conceptual approaches*. The case approach is used to analyse in depth real events or cases that occur in the field, such as increases in shop rental prices experienced by tenants in several business locations in Banda Aceh. These cases serve as a basis for understanding the pattern of rental rate setting, the form of the agreement between

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<sup>12</sup> Jamaluddin Jamaluddin, "The Elasticity of the Al-Ijarah Contract (Leasing) in Fiqh Muamalah from an Islamic Economic Perspective," *Jurnal At-Tamwil: Kajian Ekonomi Syariah* 1, no. 1 (2019): 17–31, <https://doi.org/10.33367/at.v1i1.737>.

owners and tenants, and the impact on the sustainability of tenants' businesses. Meanwhile, the conceptual approach was used to examine the basic concepts in fiqh muamalah ( ), particularly the *ijārah 'ala al-manāfi'* contract, including the pillars and conditions of the contract, the principles of justice, willingness (*tarāḍin*), public interest, and the prohibition of *gharar*, which are then used as analytical tools for rental practices found in the field. The data sources in this study consist of primary and secondary data. Primary data was obtained through interviews with informants selected *purposively*, namely shop tenants and shop owners who were directly involved in rental practices and experienced or set rent increases. The criteria for informants included shop tenants who had been in business for at least 1 year, shop owners or managers who set rental rates, and parties who understood the leasing mechanisms at the research location. Secondary data was obtained from fiqh muamalah literature, laws and regulations, scientific journals, books, and other supporting documents. Data collection techniques included interviews, field observations, and document analysis. The collected data were analysed descriptively and analytically by describing the empirical facts found in shop rental cases in Banda Aceh, then analysed using the concept of akad *ijārah 'ala al-manāfi'* and the principles of Islamic economic law. The analysis results were used to conclude the compatibility of shop rental practices with the Islamic values of justice and benefit.<sup>13</sup>

## RESULTS AND DISCUSSION

### A. The Concept of *Ijārah' Ala Al-Manāfi'* Contract in Fiqh Muamalah

The *ijārah' ala al-manāfi'* contract is a form of muamalah transaction that has an important position in Islamic fiqh, especially in the context of leasing. Etymologically, *ijārah* comes from the word *al-ajru*, which means wage, compensation, or reward. In Sharia terminology, *ijārah* can be interpreted as a transaction for a benefit that is permissible to exchange for a specified reward. In a more specific sense, *ijārah' ala al-manāfi'* is a lease agreement where the object is the use of an item (physical asset) for a certain period of time, not the substance or ownership of the item itself, with compensation or rent (*ujrah*) agreed upon by both parties.<sup>14</sup>

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<sup>13</sup> Sugiyono, *Educational Research Methods: Quantitative, Qualitative, and R&D Approaches* (Bandung: Alfabeta, 2017). pp. 41-47.

<sup>14</sup> Mila Sartika and Hendri Hermawan Adinugraha, "Implementation of *Ijārah* and *Imbt* at Bank Bri Syariah Yogyakarta Branch," *Economica: Journal of Islamic Economics* 7, no. 1 (2016): 97-116.

The legal basis for *ijārah' ala al-manāfi'* is found in primary sources of Sharia law, namely the Qur'an and Sunnah, and is supported by *ijma'* (consensus of scholars) and *qiyas* (analogy). The existence of this contract demonstrates the flexibility of Islamic law in accommodating the transactional needs of society to fulfil their daily needs. In the Qur'an, although there are no verses that explicitly mention the term *ijārah*, several verses provide a general basis for commercial transactions and the right to mutual benefit in exchanges.<sup>15</sup> One of the verses of the Qur'an that is often used as a basis is the word of Allah SWT in Surah Al-Baqarah, verse 275:

*"Those who consume (transact with) usury cannot stand, except as one stands whom Satan is beating into insanity. That is because they say, 'Trade is like usury.' But Allah has permitted trade and forbidden usury. Whoever receives a warning from his Lord (regarding usury) and then stops, what he has already earned is his, and his case is with Allah. But whoever returns to it, they are the inhabitants of the Fire. They will abide therein forever."* (Q.S Al-Baqarah: 275).

The hadith of the Prophet Muhammad SAW reinforces the permissibility of the *ijārah* contract. One of them is the hadith narrated by Ibn Majah: *"Give a worker his wages before his sweat dries."* (HR. Ibn Majah).

The pillars and conditions of the *ijārah' ala al-manāfi'* contract are essential to ensure the validity and legality of the transaction. The pillars that must be fulfilled ( ) include: first, the two contracting parties (*'aqidain*), namely *the mu'jir* (owner of the benefit/lessor) and *the musta'jir* (lessee/user of the benefit). Second, *ma'qud' alaih* (the object of the contract), namely the benefits of the goods to be leased and *\*ujrah\** (rent). Third, *sighat (ijab and qabul)*, namely the declaration of intent from both parties to enter into a lease transaction.<sup>16</sup>

The conditions for this contract to be valid include that the parties be legally competent (*mukallaf*), i.e., of sound mind and mature, and that they be free to choose without coercion. The object of the contract, i.e., the benefit of the goods, must be clear, specific, assessable, and usable in a sharia-compliant manner (not for unlawful purposes). The benefit must also be transferable and not consumed when

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<sup>15</sup> Dyah Ayu Sekar Sukmaningrum and Muhammad Yazid, "Analysis of Ijarah Contracts in the Practice of Financial Institution Financing Products in Indonesia," *Al Fiddhoh: Journal of Banking, Insurance, and Finance* 3, no. 2 (2022): 81-97.

<sup>16</sup> Kusyana Kusyana and Romlah Romlah, "Analysis of the Pillars and Requirements of Ijarah in Multiservice Sharia Financing at Sharia Banks," *Tasyri': Journal of Muamalah and Sharia Economics* 4, no. 1 (2022): 1-10.



used. Meanwhile, *the ujarah* (rental price) must also be clear, specific in amount, and agreed upon by both parties. *The sighat* (ijab and qabul) must be carried out clearly and explicitly, indicating the willingness of both parties.<sup>17</sup>

The views of the fuqaha (jurists) on the *ijārah' ala al-manāfi'* contract show a consensus on its permissibility, although there are differences in detail in some aspects. Scholars from the four main schools of thought, Hanafi, Maliki, Shafi'i, and Hanbali, broadly agree that *ijārah* is a valid contract and is necessary in muamalah (transactions). The differences generally revolve around definitions, minor conditions, and specific legal implications. For example, Hanafi scholars define *ijārah* as a contract of ownership of benefits in exchange for compensation. In contrast, Shafi'i scholars emphasise that *ijārah* is a contract of exchange of certain benefits that can be utilised and are permissible, with clear compensation.<sup>18</sup>

The aspects of rental rates and operational costs are crucial elements in the *ijārah' ala al-manāfi'* contract. *The ujarah* must be clearly defined, agreed upon at the beginning of the contract, and not gharar (unclear), which could lead to disputes. *The ujarah* can be determined based on the period of time, the benefits obtained, or a combination of both. Fiqh muamalah emphasises the importance of fairness in determining *the ujarah*, so that no party feels aggrieved. The operational and maintenance costs of the leased object must also be clearly stipulated in the contract. In general, the costs of basic maintenance and repairs that are not the result of negligence on the part of the lessee are the responsibility of *the mu'jir*. In contrast, the daily operational costs directly related to the musta'jir's use are the musta'jir's responsibility, but these can be negotiated and agreed upon at the beginning of the contract.<sup>19</sup>

The termination of an *ijārah' ala al-manāfi'* contract is also regulated in fiqh. The contract may terminate for several reasons, including the expiry of the agreed lease period, damage to the leased object that renders it unusable, or the death of one of the parties if the contract is closely related to that party's existence. In many cases, the *ijārah* contract is not terminated due to death and can be continued by the heirs. Both parties may terminate the contract by mutual agreement (*iqālah*), or

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<sup>17</sup> *Ibid.*, 5–7.

<sup>18</sup> Neni Hardiati, Fitriani, and Tia Kusmawati, "Ijarah Contracts from the Perspective of Fuqaha and Their Relevance to Economic Development," *Socius: Journal of Social Sciences Research* 1, no. 9 (2024): 187–196.

<sup>19</sup> Rosalia A Mar'atusholihah and Muhammad Alfian Riza Ali, "Implementation of Ijarah Contracts in Fair Tourism Car Rental Businesses from an Islamic Economic Perspective," *Indonesia Economic Journal* 1, no. 2 (2025): 1821–1828.

under certain conditions, one party may cancel the contract if there is a breach of terms or a defect in the leased object that was not mentioned at the outset.<sup>20</sup>

Based on the above description, *ijārah' ala al-manāfi'* provides a comprehensive and fair framework for rental transactions, emphasizing clarity, agreement, and compliance with sharia principles. This is a solid foundation for evaluating the reality of shop rental practices in Banda Aceh, ensuring that such transactions are legally valid and in accordance with Islamic ethics and values.

## **B. Analysis of Tenants' Income Capacity and Mechanisms for Setting Shop Rental Rates in Banda Aceh**

The earning capacity of shop tenants in Banda Aceh is a crucial variable, heavily influenced by various economic and social factors. The local economic structure, dominated by trade and services, creates diverse income dynamics among business actors. The main factors that influence tenants' earning capacity include the type of business operated, the strategic location of the shop, and the purchasing power of the community around the commercial area. For example, shops selling *Fast-Moving Consumer Goods (FMCG)* or *mobile phone counters* in crowded centres have a higher income potential than service shops in less crowded locations.<sup>21</sup>

The type of business plays an important role in determining income levels. Retail businesses that sell daily necessities or fast-moving products tend to have more stable cash flow than businesses that offer specific goods or services with limited market share. In addition, the business model affects the income structure and profit margins. Wholesale businesses may have high sales volumes but lower margins per unit, while retail businesses may be the opposite. Diversifying the products and services offered can also strengthen the tenant's income position.<sup>22</sup>

Store location is one of the most dominant factors directly correlated with revenue potential. Stores located in strategic areas such as near schools, Islamic boarding schools, central markets, or main roads in Banda Aceh inherently attract more customer traffic. This high *foot traffic* has the potential to increase sales volume and tenant revenue. Conversely, a less strategic location can result in low visitor

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<sup>20</sup> Wahyu Nusantara Illahi S and Muhammad Taufiq, "A Review of Ijarah Contracts on Breach of Contract in Indekost Rentals for Final Year Female Students at UIN Bukittinggi," *Journal of Business and Management (JURBISMAN)* 1, no. 1 (2023): 197–212.

<sup>21</sup> Husni Abdul Jalil, "Nazhir's Ability to Realise Productive Waqf in Aceh City," *Dusturiyah: Journal of Islamic Law, Legislation and Social Institutions* 14, no. 1 (2024): 157.

<sup>22</sup> Librina Tria Putri, "Analysis of the Role of Home Businesses (Online Businesses) in Increasing the Income of the Community in Bangkinang City, Kampar Regency, Riau Province," *Journal of Business Studies* 2, no. 1 (2016): 1–14.

numbers and negatively impact business turnover, even posing a risk of significant losses.<sup>23</sup>

The purchasing power of the community around the shop location is also an important determinant. Areas with higher per capita income or demographics that match the target market of a particular business will support the tenant's earning capacity. Macroeconomic fluctuations, such as inflation, directly affect this purchasing power. Data from *the Banda Aceh Consumer Price Index (CPI)*, which shows an average of 101,160 for housing and rent from January 2023 to April 2025, indicates inflationary pressures that could erode people's purchasing power and, in turn, reduce tenants' potential real income.<sup>24</sup>

The condition of the building and available facilities also affect the rental price. Well-maintained, modern shop buildings with complete supporting facilities will command higher rental prices. Conversely, shops in poor condition or with damage will have lower rental prices, although the cost of repairs may then become a burden in negotiations between owners and tenants. High demand in prime locations also drives significant increases in rental prices.

Several cases in Banda Aceh highlight the imbalance between rent increases and tenants' income capacity. An example is UJ Celluler in Peuniti, Lueng Bata District. In the first year, the rent was set at IDR 45,000,000, and in the second year, it increased to IDR 50,000,000. This increase, which exceeded 11%, directly reduced profit margins and forced business owners to reset their product pricing strategies, potentially eroding their competitiveness or profitability.

A similar case occurred at a service/accessory's gallery shop in Iemasen, Ulee Kareng District. This 5 x 3 metre shop saw its rent increase from IDR 11,000,000 to IDR 15,000,000. This increase of more than 36% was explained by business competition and negotiations between new and existing tenants. This phenomenon indicates that shop owners tend to take advantage of market dynamics and high demand to sharply raise rents without adequately considering tenants' financial capabilities.

Findings at the Sinar Abadi Wholesale Store in Lhong Raya, Banda Raya District, reveal a worrying pattern: the absence of clear shop rental contracts or transparent agreements on rental price increases at the outset. The initial rental price agreement of IDR 25,000,000 then increased to IDR 30,000,000 the following

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<sup>23</sup> Kadek Mery Chelviani, Ary Meitriana Made, and Akhmad Haris Iyus, "Analysis of Factors Affecting the Selection of Modern Store Locations in Buleleng District," *Jurnal Pendidikan Ekonomi Undiksha* 9, no. 2 (2017): 257–266.

<sup>24</sup> Sri Hasnanda and Ratna Ratna, "The Generalised Autoregressive Conditional Heteroscedasticity Model Application on Inflation and Consumers Price Index in Aceh," *Journal of Malikussaleh Public Economics* 3, no. 1 (2020): 8–16.

year. This practice creates uncertainty for traders, complicates long-term business planning, and can damage relationships with business partners, as the cost of goods competes with unexpected annual rental costs.

The impact of these uncontrolled rent increases is very detrimental to tenants. The drastic rent increase forces them to raise capital, creating an imbalance between income and operating costs. For businesses with limited capital or those just starting, this situation can trigger a financial crisis. They are forced to adjust their business strategies, such as raising selling prices, reducing labour, or cutting other operational costs, all of which can affect service quality or market competitiveness.<sup>25</sup>

Significant rent increases may prompt tenants to look for other, more affordable locations. Although this may be a solution, relocating means rebuilding a customer base from scratch, which requires a considerable investment of time and resources. This can disrupt business stability and hinder the growth of small and medium-sized enterprises. In fact, year-on-year inflation in Banda Aceh, which has eroded people's purchasing power, has further exacerbated the situation for tenants, as their income has been eroded while rental costs continue to rise.<sup>26</sup>

The income gap among shop tenants is a serious problem. Even though they operate in the same sector, there are striking differences in income due to location, shop type, and purchasing power. Shops in strategic locations are certainly more advantaged, while shops in remote locations have to struggle harder. The inability of tenants' income to cover rising rental costs can lead to losses, even bankruptcy, or force them to switch to businesses with lower capital requirements that do not require a physical location.<sup>27</sup>

This analysis shows that the mechanism for setting shop rental rates in Banda Aceh often fails to account for tenants' rights to fairness and sustainability. The lack of transparency, unilateral price increases, and the absence of clear contracts create an unstable business environment, especially for small and medium-sized enterprises. This creates an urgency to evaluate shop rental practices from the perspective of *ijārah' ala al-manāfi'* contracts to find solutions that are more equitable and in line with sharia principles.

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<sup>25</sup> Jefri Alzamzami and Leli Joko Suryono, "The Implementation of Apartment Rental Agreements and Their Legal Consequences in the Event of Default," *Media of Law and Sharia* 2, no. 3 (2021): 238-253.

<sup>26</sup> *Ibid.*, 241-250.

<sup>27</sup> Umami Maulinda Sari et al., "The Dynamics of Socio-Economic Inequality in Urban Areas: A Case Study of Simpang Baru Village, Pekanbaru City," *Didaktik* 11, no. 4 (2025): 217-231.

### C. Review of the *Ijārah' Ala Al-Manāfi'* Contract on Shop Rental Mechanisms in Banda Aceh

A review of the *ijārah' ala al-manāfi'* contract in relation to the reality of shop rental rates in Banda Aceh reveals a discrepancy between Sharia principles and field practices. The *ijārah* contract emphasises the principles of fairness, honesty, transparency, and mutual benefit (*a win-win solution*) for the *mu'jir* (owner) and the *musta'jir* (tenant). Several rental pricing practices in Banda Aceh, such as unilateral price increases and the absence of clear contracts, may violate, or at least undermine, the essence of these sharia principles.<sup>28</sup>

From the perspective of the *ijārah' ala al-manāfi'* contract, the determination of *ujrah* (rental price) must be based on a clear and voluntary agreement by both parties at the beginning of the contract. The principle of *'an taradin minkum* (mutual consent) is the foundation of transactions in Islam. The rent increases at UJ Cellular and the service/accessories gallery, which were implemented significantly after the first year or due to third-party offers, indicate that the pricing did not always reflect a fair and transparent agreement from the outset. Although the owner has the right to determine the rental price, unpredictable increases or the absence of a clear mechanism in the initial contract can cause losses for the tenant, which is contrary to the spirit of mutual benefit.<sup>29</sup>

The principles and conditions of *ijārah* contracts also require clarity regarding the object of benefit (*ma'jur*) and *ujrah* (rental price). Uncertainty in determining the rental price at the beginning of the contract, as in the case of Grosir Sinar Abadi, where price increases occurred without an explicit contractual basis, can be categorised as *gharar* (uncertainty). *Gharar* in muamalah transactions is prohibited because it has the potential to cause disputes and losses for one of the parties. The absence of a detailed written contract regarding the mechanism for rent increases or the duration of the lease, as is often the case, weakens the contract and opens the door to unilateral practices detrimental to tenants.<sup>30</sup>

Fuqaha, despite differences in detail, generally agree that *ujrah* must be known and agreed upon in advance. In the context of shop leasing, all components of the rental price, including potential future increases, should ideally be outlined,

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<sup>28</sup> Dinda Urim Naviva and Binti Nur Asiyah, "The Phenomenon of Determining Ujrah in Rice Field Rentals to Improve Farmers' Welfare from an Islamic Perspective," *KEADABAN: Journal of Social and Humanities* 4, no. 1 (2022): 9–32.

<sup>29</sup> Nurul Kasanah and Muhamad Mustaqim, "The Relevance of Dsn-Mui Fatwa in the Practice of Multiservice Financing Ijarah Contracts," *ISLAMICONOMIC: Journal of Islamic Economics* 11, no. 1 (2020): 93–108.

<sup>30</sup> Ai Anisa and Orina Pujastuti, "The Concept of Ijarah Law in Islamic Muamalah: An Analysis of Principles, Pillars, and Applications," *Lex Aeterna Law Journal* 2, no. 2 (2024): 75–81.

or at least agreed in principle, in the contract. If rent increases occur suddenly or disproportionately to the tenant's income capacity, this can be considered a practice that is not in line with *the maslahah* (public interest) and *mafsadah* (harm) emphasised by scholars, particularly the Hanafi school of thought, in the perspective of *Maṣlaḥah Mursalah* mentioned in the literature review. Changes in rental prices that are detrimental to tenants can cause *harm* to the sustainability of their businesses.<sup>31</sup>

The aspects of rental rates and operational costs in *ijārah' ala al-manāfi'* also require balance. Fiqh muamalah emphasises that the operational and maintenance costs of the leased object must be allocated fairly. If the rent increase burdens the tenant to the point that it reduces their ability to manage operational costs or even reach the break-even point, this indicates an injustice in the distribution of burdens. Rent increases that do not account for the tenant's income effectively transfer the owner's business risk to the tenant, contrary to the principle of fair risk-sharing in Islamic economics.<sup>32</sup>

In the context of the termination of an *ijārah* contract, fiqh requires clarity regarding the term. The practice of leasing in Banda Aceh, which often only agrees to an annual rent and then periodically increases prices without a clear contract, creates uncertainty about the lease term. Although there is the possibility of extension, this uncertainty can disrupt the tenant's long-term business planning. The principle of legal certainty in contracts is very important to protect the rights and obligations of both parties.<sup>33</sup>

The discrepancy between reality and Sharia principles is also evident in the socio-economic impact. Inflation and declining purchasing power in Banda Aceh have worsened the conditions of tenants faced with rent increases. In Islam, the purpose of muamalah is to promote social good and justice and to avoid disputes. Excessive, non-transparent rent increases can widen the income gap, increase the risk of bankruptcy for small businesses, and ultimately create socio-economic instability within the business community.<sup>34</sup>

This review shows that although the concept of *ijārah' ala al-manāfi'* is highly relevant and provides a fair framework, its implementation in Banda Aceh's Banda

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<sup>31</sup> H Ahmad Lutfi and Efriandi, "Wages (Ujrah) in the Perspective of Islamic Law," *Aktualita* 13, no. 2 (2023): 33–51.

<sup>32</sup> Mar'ie Muhamad et al., "Legal Aspects of Ijarah and IMBT Financing Between Fiqh and Banking Application," *Media Hukum Indonesia* 3, no. 2 (2025): 815–823.

<sup>33</sup> Diky Faqih Maulana, "Analysis of Ijarah Contracts in Sharia Banking Practice," *Muslim Heritage* 6, no. 1 (2021): 180–197.

<sup>34</sup> Inngamul Wafi et al., "The Impact of Sharia Economics Implementation on the Financial Performance of Islamic Banks in Indonesia," *Labatila* 8, no. 2 (2024): 143–159.

Aceh Special Administrative Region still requires adjustment. Existing rental pricing practices are often driven by market mechanisms that tend to be competitive and ignore distributive justice and tenants' financial capacity. The lack of clear regulations or guidelines from local governments or relevant authorities also contributes to this imbalance.

Based on this review, efforts are needed to more substantially integrate the values of *ijārah' ala al-manāfi* into shop rental practices in Banda Aceh. This involves educating owners and tenants about sharia principles, drafting more transparent and fair contracts, and possibly implementing policy interventions to ensure that rent pricing does not cause disproportionate losses for small- and medium-sized businesses. Rental practices can be more in line with the Sharia objective of creating mutual benefit.

## CONCLUSION

Based on the analysis above, rapid business development in Banda Aceh, coupled with fierce competition in strategic locations, has led to a significant increase in property rental prices. This situation is exacerbated by the practice of setting rental prices that are often unilateral, lack transparency, and do not adequately consider tenants' financial capabilities, as evidenced by the cases of UJ Cellular, Galery Servis/ Aksesoris, and Grosir Sinar Abadi. This drastic increase in rental prices has had a negative impact, including pressure on tenants' incomes, an imbalance between operational costs and profitability, the risk of bankruptcy, and uncertainty in long-term business planning. The mechanism for determining shop rental rates in Banda Aceh is generally dynamic and often non-transparent, which is often a source of problems for tenants. Various factors are considered by owners when determining rental prices, including the building's condition and size, market property values, and supply and demand. A strategic location and the building's adequate physical suitability significantly contribute to high rental prices. This mechanism often fails to fairly account for tenants' actual income capacity. An analysis of the concept of *ijārah' ala al-manāfi* shows that these practices often contradict the principles of justice, honesty, transparency, and mutual benefit that are at the core of Islamic muamalah fiqh. The lack of clarity in contracts, the absence of an agreed-upon price increase mechanism at the outset, and the disregard for *the tenant's maslahah* ( ) indicate a gap between Sharia idealism and economic reality. It is recommended that shop owners (*mu'jir*) and tenants (*musta'jir*) draw up a detailed written lease agreement from the outset, particularly regarding the amount of *ujrah*, the lease term, and the mechanism for rent increases

in subsequent periods. The determination of the rental price should take into account the principles of fairness, the tenant's income capacity, and business sustainability, as contained in the values of the *ijārah 'ala al-manāfi'* contract.

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