

MARKETBEATS

-1.8%
GROSS RENT GROWTH
(YoY)

19.8%
VACANCY RATE
(2018)

191K sqm
NEW COMPLETIONS
(1H 2018)

BE
WHAT'S
NEXT

HIGHLIGHTS

Economy Remains Stable

The second quarter GDP growth was in line with Bank Indonesia's full year growth projection, reaching 5.1% of the forecasted 5.1% - 5.5% range. The stock market composite index decreased 6.3% during the quarter, closing at 5,799 on June 29th. Rupiah depreciated by 1.6% to 13,987 per 1US\$ QoQ in the second quarter of 2018. Whilst inflation for the first 6 months reached 3.12% (compared to 4.37% in the same period last year).

Demand Growth Stabilizes

The first half of 2018 has seen vacancy level at 19.8% with a 1.5% increase HoH, due to newly completed projects that entered Non-CBD office market. Leasing activities remain stable with net absorption of office space recorded at 91,594 sqm (-2.0% HoH) for the first six months of 2018. Office inquiries remain strong, which mainly come from IT-related industries for relocation and expansion purposes.

Competitive Rentals

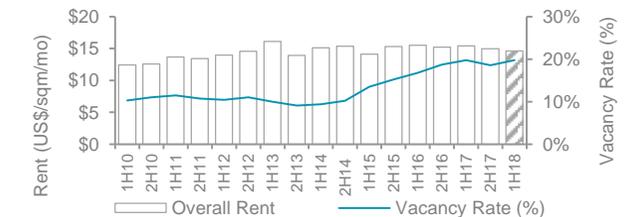
Pressure on rental rate continues as the average NON-CBD Office rental rate declined steadily to Rp. 201,731 (-0.6 HoH, -1.8 YoY). Due to a number of new supplies in NON-CBD area, landlords will need to be cautious in adjusting their rental rates.

ECONOMIC INDICATORS

	2Q 18	2Q 17	12-months Forecast
GDP Growth	5.1%	5.1%	▲
Inflation Rate (YTD)	3.12%	4.37%	■
Central Bank Rate	5.25%	4.75%	▲

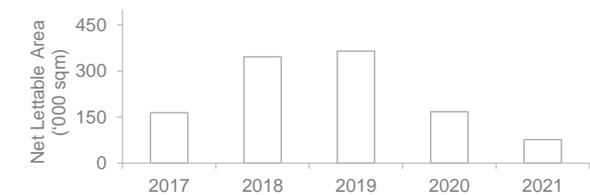
Source: Central Statistic Bureau & Central Bank of Indonesia

NON-CBD OVERALL RENT & VACANCY RATE



Source: Cushman & Wakefield Research 2018

NON-CBD SUPPLY PIPELINE



Source: Cushman & Wakefield Research 2018

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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQM)	EFFECTIVE GROSS RENT		
				Rp/SQM/MO	US\$/SQM/MO	EUR/SQM/MO
South Jakarta	1,754,503	19.1%	216,757	Rp. 217,000.00	US\$15.51	€13.35
West Jakarta	858,134	23.6%	59,500	Rp. 202,857.00	US\$15.23	€13.11
Central Jakarta	361,544	32.9%	293,003	Rp. 213,000.00	US\$14.50	€12.48
North Jakarta	243,467	10.9%	159,622	Rp. 204,833.00	US\$14.64	€12.61
East Jakarta	1,754,503	19.1%	35,586	Rp. 142,000.00	US\$10.15	€8.74
NON-CBD JAKARTA - TOTAL	4,202,702	19.8%	764,468	Rp. 201,731	US\$14.42	€12.41
Class A	1,505,775	36.0%	616,179	Rp. 246,100.00	US\$17.59	€15.15
Class B	1,227,000	9.9%	148,289	Rp. 207,591.00	US\$14.84	€12.77
Class C	1,469,927	11.4%	-	Rp. 172,500.00	US\$12.33	€10.62

Rental rates reflect Gross US\$/sqm/month
 US\$1.00 = Rp13,987; €1.00 = Rp16,250

KEY LEASING TRANSACTION 1H 2018

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
One Bel Park – Admiralty Office Tower	South Jakarta	Bukalapak	10,000	Expansion

PROJECT COMPLETIONS & UNDER CONSTRUCTION IN 2018

PROPERTY	SUBMARKET	TYPE OF TRANSACTION	SQM	COMPLETION DATE
Yodya Office	East	Owner Occupied & Strata-title	9,264	1Q 2018
Zuria Tower	South	Lease	6,585	1Q 2018
One Bel Park - Admiralty Office Tower	South	Lease	17,800	2Q 2018
Ciputra International Office Tower III	West	Strata-title	51,322	2Q 2018
MNC Tower II	Central	Lease	28,992	2Q 2018
Midpoint Office	Central	Strata & Lease	37,000	2Q 2018
Gold Coast Office - Eiffel Tower	North	Strata	40,000	2Q 2018
PIK Signature Offices (Phase I - 3 Towers)	North	Strata-title	15,750	3Q 2018
Arcade Tower B	North	Strata-title	16,600	4Q 2018
Arcade Tower A	North	Strata-title	27,250	4Q 2018
Arkadia Office Park Tower G	South	Lease	38,800	4Q 2018
Citra Tower 1	Central	Strata-title	41,000	4Q 2018
Waskita Rajawali Tower	East	Owner Occupied & Lease	16,266	4Q 2018

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