

# MARKETBEATS

**1.2%**

GROSS RENT GROWTH (YOY)

**18.5%**

VACANCY RATE (2018)

**40K sqm**

NEW COMPLETIONS (2H 2018)

## WHAT'S NEXT

## HIGHLIGHTS

### Economy Remains Stable

Gross Domestic Product (GDP) is expected to reach 5.1% for full year 2018. The Rupiah experienced a slight appreciation of 3.0% QoQ to Rp.14,372 per US\$ 1.00, whilst YoY inflation reached 3.23%, slightly lower than the 3.61% rate in 2017. The stock market saw an increase of 1.88% during the last quarter of 2018, with the composite index closing at 6,089 on December 17.

### Higher Net Take-up year on year

The non-CBD office market continued to experience a modest level of take-up, with some 84,625 sqm absorbed during the second half of 2018, bringing the full year net take-up to 173,303 sqm (+19% YoY). The IT related sectors remain the main demand generators through expansion and relocation. As the rental in CBD area dropped further, the CBD area absorbed portion of the demand from the central part of non-CBD area.

### Rental Stabilized

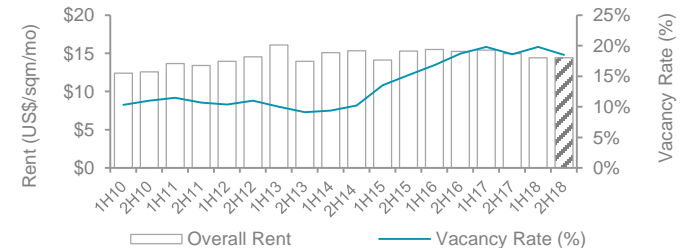
With the rising demand of technology firm towards non-CBD area, especially in the south and west area, the rental price stabilized. The average non-CBD office rental spike slightly by 1.2% to Rp. 209,077 (0.1% HoH, 1.2% YoY). With the increase in supply pipeline coming in 2019, the rental is expected to be under pressure next year as occupiers will take advantage from the market condition.

### ECONOMIC INDICATORS

	Q4 18	Q4 17	12-month Forecast
GDP Growth	5.10%	5.17%	—
Inflation (YoY)	3.23%	3.61%	—
Central Bank Rate	6.00%	4.25%	▲

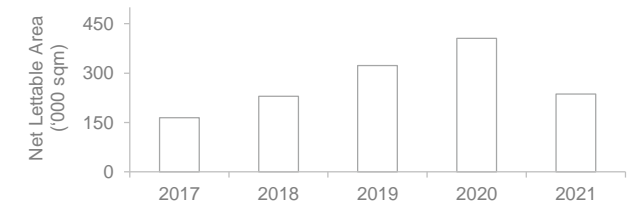
Source: Cushman & Wakefield Indonesia Research, June 2018

### NON-CBD OVERALL RENT & VACANCY RATE



Source: Cushman & Wakefield Research 2018

### NON-CBD SUPPLY PIPELINE



A Cushman & Wakefield Research Publication

DATA INTO ACTION

## Arief Rahardjo

Director, Research Indonesia  
Indonesia Stock Exchange Building  
Tower 2, 15/F  
Jl. Jendral Sudirman Kav. 52-53,  
Jakarta, 12190  
Tel: +62 2550 9500  
arief.rahardjo@cushwake.com

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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	17.8%	216,757	Rp. 217,313	US\$15.12	€13.28
West Jakarta	874,834	20.0%	42,500	Rp. 240,800	US\$16.75	€14.72
Central Jakarta	1,068,783	16.2%	420,503	Rp. 219,286	US\$15.26	€13.40
North Jakarta	352,844	30.0%	227,572	Rp. 206,667	US\$14.38	€12.63
East Jakarta	294,128	13.3%	58,266	Rp. 145,000	US\$10.09	€8.86
<b>NON-CBD JAKARTA - TOTAL</b>	<b>4,345,092</b>	<b>18.5%</b>	<b>965,598</b>	<b>Rp. 209,100</b>	<b>US\$14.55</b>	<b>€12.78</b>
Class A	1,327,907	34.3%	766,679	Rp. 249,100	US\$17.33	€15.22
Class B	979,449	10.3%	198,919	Rp. 219,023	US\$15.24	€13.39
Class C	2,038,036	11.5%	-	Rp. 174,167	US\$12.12	€10.64

Rental rates reflect Gross US\$/sqm/month  
US\$1.00 = Rp14,372; €1.00 = Rp16,363

## KEY LEASING TRANSACTION 2H 2018

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
South Quarter	South Jakarta	Bukalapak	5,000	Relocation
Cibis 9	South Jakarta	Epson	2,000	Relocation

## PROJECT COMPLETIONS & UNDER CONSTRUCTION IN 2018

PROPERTY	SUBMARKET	TYPE OF TRANSACTIONS	SQM	COMPLETION DATE
Yodya Office	East	Owner Occupied & Strata-title	9,264	1Q 2018
Zuria Tower	South	Lease	6,584.	1Q 2018
One Belpark - 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
Indomobil Tower	East	Owner Occupy & Lease	18,661	3Q 2018
JIEP Financial Tower	East	Lease	2,000	3Q 2018
PIK Signature Offices - Burza Tower	North	Owner Occupied & Lease	4,700	4Q 2018
Wisma 81 TOTO Office Building	West	Owner Occupied	17,000	4Q 2018