

MARKETBEATS



-0.1%
RENT GROWTH QoQ

26.9%
VACANCY RATE

181k sq.m
NEW COMPLETIONS

WHAT'S NEXT

HIGHLIGHTS

Steady growth at lower range

GDP growth in the second quarter of 2019 is expected to be within the lower range of the Bank Indonesia's growth projection of 5.1% - 5.3% YoY. The Rupiah was relatively stable during the quarter at Rp14,171 per 1US\$ (+0.2% QoQ), whilst inflation for the first 6 months is forecasted at 3.26% YoY (compared to 3.12% in the same period last year). The stock market composite index decreased 6.3% during the quarter, closing at 6,315 on June 21st.

More projects entered the market

5 new projects were completed during the quarter, totaling 181,000 sq.m. But with total net take-up of 65,800 sq.m. over the same period, this further reduced the average occupancy rate to 73.13% at the end of June (lower than the 75.47% recorded in the same period of 2018).

Average rentals unchanged

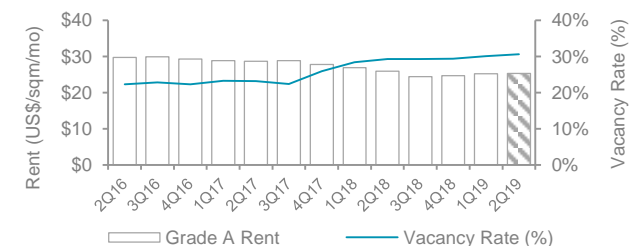
The average gross rental for all quality grades in US dollar terms remained relatively stable over the 3 months to the end of June, at US\$21.10 per sq.m. per month. Rentals are however expected to decrease further, with the overall vacancy expected to worsen over the balance of this year due to additional new supply completions, before returning to a lower supply pipeline outlook going into 2020 and beyond.

ECONOMIC INDICATORS

	Q2 19	Q2 18	12-month Forecast
GDP Growth	5.00%	5.10%	—
Inflation (YoY)	3.26%	3.12%	—
Central Bank Rate	6.00%	4.25%	▲

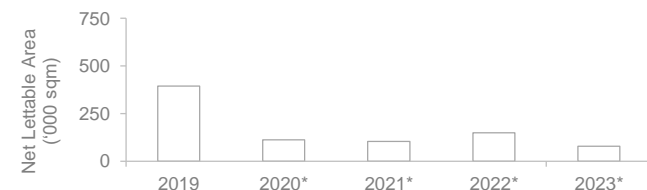
Source: Cushman & Wakefield Indonesia Research, June 2019

GRADE A CBD RENT & VACANCY RATE



Source: Cushman & Wakefield Indonesia Research, June 2019

GRADE A CBD SUPPLY PIPELINE



Source: Cushman & Wakefield Indonesia Research, June 2019

*) Weighted

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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQM)	GRADE A EFFECTIVE RENT		
				RP/SQM/MO	US\$/SQM/MO	EUR/SQM/MO
Sudirman	2,668,900	30.9%	99,000	Rp.394,000	\$27.80	€24.59
Kuningan	1,666,900	23.4%	185,000	Rp.303,200	\$21.40	€18.93
Gatot Subroto	1,139,300	33.1%	-	Rp.320,900	\$22.64	€20.03
Thamrin	480,750	10.8%	239,700	Rp.366,100	\$25.83	€22.85
Satrio – Mas Mansyur	614,864	27.7%	100,000	Rp.262,250	\$18.51	€16.37
Others (Senayan etc)	279,175	9.1%	-	Rp.473,500	\$33.41	€29.55
CBD JAKARTA ALL GRADE TOTAL	6,849,089	26.9%	623,700	Rp.359,150	\$25.34	€22.42
Class A	4,629,364	30.6%	601,200	Rp.359,150	\$25.34	€22.42
Class B	1,241,375	23.6%	22,500	Rp.253,800	\$17.91	€15.84
Class C	979,150	13.3%	-	Rp.220,700	\$15.56	€13.77

^Rental rates reflect Gross US\$ sqm/month
US\$/Rp = 14,171; €/Rp = 16,030

KEY LEASING TRANSACTIONS Q2 2019

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
PCP Tower	Sudirman	LG Electronics	1,500	Relocation
Menara Jamsostek	Gatot Subroto	SOE	3,000	Relocation
Menara Jamsostek	Gatot Subroto	Hyundai	2,000	Relocation
Menara Rajawali	Kuningan	Pharmacy	1,200	Relocation
Menara Bidakara 1	Gatot Subroto	Government Board	2,500	Relocation
Menara Dea	Kuningan	Fintec	2,000	Relocation
Menara Prima	Kuningan	Fintec	1,300	Relocation

SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION DATE
World Capital Tower	Kuningan	N/A	75,000	Q3-2019
Thamrin Nine Phase 2 Tower 1	Thamrin	N/A	86,000	Q4-2019
RDTX Place (Chitaland Tower)	Satrio	N/A	100,000	Q1-2020
Gedung Indonesia 1 (North & South)	Thamrin	China Sonangol	132,500	Q4-2020
Mori Tower	Sudirman	Mori	99,000	Q1-2021
Daswin Project	Kuningan	N/A	70,000	Q1-2021

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