

MARKETBEATS

-0.5%
AVERAGE RENTAL
GROWTH (YoY)

47.1%
VACANCY RATE
(Q2 2019)

139,389 units
TOTAL COMPLETIONS
(YTD)

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.

Slowing Down Market Demand

The serviced apartment sub sector experienced a 1.4% q-o-q occupancy decrease to 73.9% in Q2 2019 due to slow demand from short stay guests during the holiday season and also the presidential election. However, demand from long stay tenants were relatively stable. In the purpose-built rental apartment sub-sector, demand enquiries decreased due to tough competition from condominium-for-lease units which offered more flexible rental terms. Expiration of existing lease contracts from the last quarter were also observed to continue in this quarter with no significant new lease contracts identified. Overall occupancy of the purpose-built rental apartment sub-sector decreased by 3.7% to 65.8% during the review quarter.

Stable Rental Rate

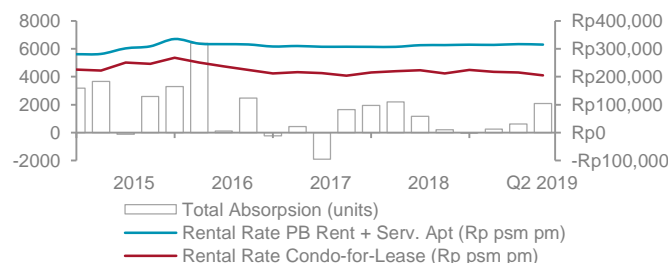
Overall rental rates of purpose-built rental apartment and serviced apartment sub-sectors remained unchanged at Rp 243,616 and Rp 385,818 per sqm per month following slow market demand. The average rental rate of Condominium-for-Lease units declined to Rp 204,577 per square meter, due to the large supply in this sub-sector. Rental rates through 2019 are projected to be relatively stable.

ECONOMIC INDICATORS

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

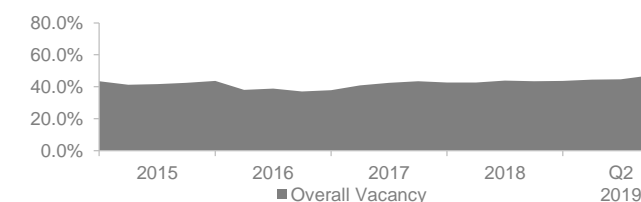
Source: Cushman & Wakefield Indonesia Research, June 2019

OVERALL NET ABSORPTION / RENTAL



Source: Cushman & Wakefield Indonesia Research, June 2019

OVERALL VACANCY



Source: Cushman & Wakefield Indonesia Research, June 2019

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SUBMARKET	CUMULATIVE SUPPLY (UNITS)	VACANCY RATE	EFFECTIVE RENT		
			RP/SM/MO	US\$/SM/MO	EUR/SM/MO
Purpose-Built Rental Apartment	2,731	34.2%	Rp 243,616	US\$17.19	€15.20
Serviced Apartment	5,239	26.1%	Rp 385,818	US\$27.57	€24.07
Condominium-for-Lease	131,419	48.2%	Rp 204,577	US\$14.44	€12.76
TOTAL	139,389	47.1%	Rp 278,004	US\$19.73	€17.34

Rental rates reflect gross US\$ psm / month
US\$/Rp = 14,171; €/Rp = 16,030

SIGNIFICANT UNDER CONSTRUCTION PROJECTS IN Q2 2019

PROPERTY	ADRESS	SEGMENT	TOTAL UNIT	COMPLETION SCHEDULE
Somerset Kencana	Jl. Sultan Iskandar Muda	Upper-Middle	150	Q3-Q4 2019
TOTAL			150	

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