

# MARKETBEATS

**4.92%**  
PRICE GROWTH  
YOY

**94.0%**  
SALES RATE  
H1 2019

**3,701 UNITS**  
NEW LAUNCH  
H1 2019



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.

### Challenging semester

The first half of 2019 has been a challenging semester for the landed residential market due to the presidential elections in April 2019. The overall Greater Jakarta landed residential market showed a significant decline, reflected by the drop of the average monthly take-up in unit and value. The average number of housing units transacted decreased by about 3.4 units to 22.9 units per month per estate, and the take-up value during the review period decreased by approximately IDR 33.7 billion per estate or a 11.9% drop from the previous semester's figure.

### 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%	▲

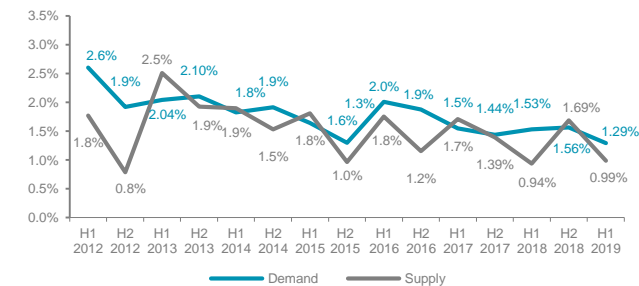
Source: Central Statistic Bureau & Central Bank of Indonesia

### MARKET INDICATOR

	H2 18	H1 19	12-Month Forecast
Overall Sales Rate	93.9%	94.0%	—
Avg. Monthly Take-Up Unit per estates (units)	26.3	22.9	▲
Avg. Monthly Take-Up Value per estates (IDR in Billion)	38.2	33.7	▲

Source: Cushman & Wakefield Indonesia Research, June 2019

### SUPPLY-DEMAND GROWTH



Source: Cushman & Wakefield Indonesia Research, June 2019

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By performance, although Tangerang experienced a take-up drop of about 4.3 (-9.7 YoY) units per month compared to that in the last semester, it still had the highest average monthly take-up in the Greater Jakarta Area of about 27.7 units per month with an average value of IDR51.7 billion per month.

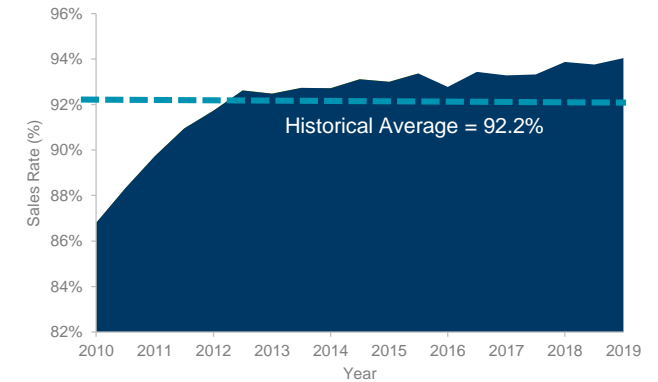
In the first half of 2019, the majority of the housing unit transactions in the Greater Jakarta area were dominated by middle segment houses, about 36.5% of the total transactions, followed by lower-middle segment houses with a 27.8% share. By area, this middle segment transactions contributed the most in Bekasi by about 51% of the total transactions, meanwhile Tangerang contributed the most in lower-middle segment transactions at 35.6% of the total transaction.

Transacted unit is still dominated by end-user buyers of about 75% with the most preferred housing units priced at IDR1.1 to 1.5 billion, with building sizes ranging from 55 to 116 square meters (sq.m.) and land sizes between 60 to 105 sq.m.

In terms of method of payment, although the prime lending rate from Bank Indonesia has reached 6% since November 2018, mortgage was still the most preferred method of payment for transactions recorded in the Greater Jakarta area, of 78% in this semester, followed by 13% installment and 10% hard cash. Easier terms of payment offered by developers such as lower DP requirement and DP installments up to 12-18x remain attractive to buyers.

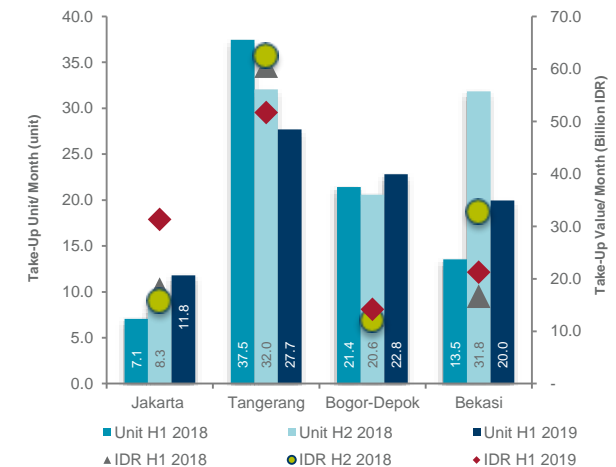
Overall housing price increased in the first semester of 2019 compared to that in the previous year. Average sales price in the Greater Jakarta in H1 2019 was IDR11,029,042, grew by 4.92% YoY.

**OVERALL SALES RATE**



Source: Cushman & Wakefield Indonesia Research, June 2019

**TAKE-UP UNIT AND VALUE**



Source: Cushman & Wakefield Indonesia Research, June 2019

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## Postpone in launches

During the first semester of 2019, 3,701 housing units had been launched, reflecting a drop of 40% compared to the supply in the last semester. Most of the developers postponed launching of their product due to political and security uncertainty towards the announcement of presidential election in mid April 2019. Buyers tend to manage their spending priorities to Eid Al-Fitr and new school academic admission instead of buying a new house. Developers focus on selling their ready stock houses to reduce their holding cost by offering easier payment term. Most of the supply came from the lower-middle to middle segment developments (16.4%), followed by lower to lower-middle segments (13.6%).

## Outlook

The new regulation to relax the Loan To Value (LTV) and Financing to Value (FTV) ratios of mortgage transactions on 1st of August 2018 that allows buying house with 0% DP, was not really applied for various reasons. Most developers still required the minimum DP of 5% with installment facilities as purchase commitment. Prospective customers applying for 0% DP with the banks, turned out don't have ability to pay the monthly installment. The high prime lending rate from Bank Indonesia of 6%, most buyers who are eligible for mortgage also prefer higher DP to reduce monthly installment amount.

The Greater Jakarta landed residential market is expected to improve in the second half of 2019. Some developers have prepared new product to be launched in the second half of 2019 when political situation is expected to calm down.

In terms of unit supply, lower-middle and middle segment developments are expected to continue dominating the supply in second half of 2019, with housing price ranging from 900 million to 1,5 billion IDR per unit as the young couples and end-user buyers will still dominate the demand.

SUBMARKET	PLANNED AREA (HA)	DEVELOPED AREA (HA)	SUPPLY (UNITS)	DEMAND (UNITS)	SALES RATE	AVG LAND PRICE (IDR PSM)
Jakarta	1,060	761	24,325	20,966	86.2%	14,451,786
Tangerang	23,468	9,373	183,379	177,455	96.8%	13,091,329
Bogor - Depok	8,570	4,032	83,894	74,843	89.2%	6,672,983
Bekasi	11,822	5,132	87,364	83,143	95.2%	9,900,070
<b>Greater Jakarta</b>	<b>44,920</b>	<b>19,298</b>	<b>378,962</b>	<b>356,406</b>	<b>94.05%</b>	<b>11,029,042</b>

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**NEW SUPPLY DURING H1 2019**

ESTATE	CLUSTER	MAIN TARGET	UNITS
<b>JAKARTA</b>			
Asya Jakarta	Toba Lake Villa (Phase 1)	UP	22
Jakarta Garden City	La Seine (phase 1)	MI to UP	48
	Mahakam (Phase 2)	UM	108
<b>BEKASI</b>			
Kota Harapan Indah	Lavesh (Phase 2)	MI to UP	235
Summarecon Bekasi	Olive Residence @The Orchard (Phase 2)	MI to UM	81
	Srimaya Residence (Cluster Candani)	LO	289
<b>BOGOR-DEPOK</b>			
Citra Grand CBD	Grandbury	UM to UP	81
	Areca 3	LM	100
CitraLand Cibubur	The New Attleya	LO to LM	100
	Sweet Hortensia	LO to LM	381
Citra Indah	Bukit Tulip (Phase 1)	LO	114
	Bukit Sakura	LO to LM	342
Citra Gran	Clover Garden (Phase 2)	MI	81

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Our market area coverage includes (1) North Jakarta; (2) Central Jakarta; (3) East Jakarta; (4) West Jakarta; (5) South Jakarta; (6) Bekasi Municipality; (7) Bekasi Regency; (8) Tangerang Municipality; (9) South Tangerang Municipality; (10) Tangerang Regency; (11) Depok Municipality; (12) Bogor Municipality; and (13) Bogor Regency.

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<b>TANGERANG</b>			
Alam Sutera	Sutera Narada	UP	32
	U-Ville (Phase 1)	LM to MI	80
Bintaro Jaya	Discovery Alluvia (Valea)	UM	20
	U-House	LM to MI	143
BSD city	The Kazumi @ The Zora	UP	75
	Caelus (Phase II)	UP	75
Pantai Indah Kapuk 2	Manhattan	UP	225
Paramount Serpong	Corral @ Malibu Village	LM to MI	160
	Padova @ Milano Vilalage	LM	199
Serpong Jaya	The Symphony	LM to MI	200
Summarecon Serpong	Martinez @ Symphonia	LM to MI	339
	Verdi @Symphonia (extend)	MI	64
Suvarna Sutera	Bahana @ Suvarna Sari (Phase 2)	MI	37
	Bianca @ Suvarna Padma (Phase 2)	LM to MI	70

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