

YoY Chg 12-Mo. Forecast

**-3.5%**  
ARR Growth



**40.6%**  
Vacancy Rate



**689 rooms**  
Total Completions



Source: Cushman & Wakefield Indonesia

### SUPPLY: Hotel Chain Dominated New Supply

Additional supply of 689 hotel rooms, comprising 201 rooms of 3-star and 488 rooms of 5-star, was recorded in this review quarter, cumulating the total supply of hotel rooms in Jakarta to around 40,900 rooms. In Jakarta, where the main target market are business travelers, composition of 4-star hotel dominates the supply by 41%, whilst 3-star, 5-star, and luxury hotels take 29%, 20%, and 10% respectively. The net supply came from new developed projects and re-operation of recently acquired existing hotel.

### DEMAND: Lower Occupancy than in Last Year

After the several unsatisfactory phenomenon in first semester of 2019, even though the market has been healthier by 22% in the second semester, the overall YTD occupancy is still lower compared to that in the previous year. The average occupancy of hotel rooms in Jakarta, across all sub markets, decreased except for the 3-star hotel. The 4-star hotels experienced the worst impact from the 2019's condition, since the target market of this hotel segment is not only from FIT but also corporates and government and the occupancy of 4-star hotel had the biggest reduction during the review quarter at 4.4%.

As of December 2019, hotel occupancy of 3-star, 4-star, 5-star, and luxury hotels stood at 58.8% (0.6% YoY), 61.4% (-4.4% YoY), 56.1% (-1.8% YoY) and 59.5% (-1.0% YoY) respectively.

### PRICING: Room Rates Lowered to Increase Occupancy

Overall, Average Room Rate (ARR) of hotel in Jakarta increased by 1% HoH, still relatively lower than that in the previous year of 4%. The Average Room Rate as of December 2019: 3-star @Rp.444,000 (-4.6% YoY), 4-star @Rp.763,300 (-2.8% YoY), 5-star @Rp.1,566,000 (-0.6% YoY) and Luxury @ Rp.2,136,500 (-5.2% YoY). In order to boost the occupancy, hoteliers lower the hotel room rate with the expectation of increasing occupancy rate.

In line with the country economic outlook, the hotel performance is projected to remain relatively stable in the upcoming year, with steady occupancy and stable room rate.

### INDONESIA ECONOMIC INDICATORS Q4 2019

YoY Chg 12-Mo. Forecast

**5.0%**  
GDP Growth



**2.72%**  
Consumer Spending Growth

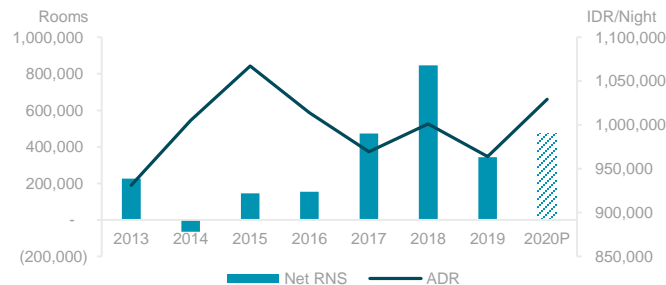


**5.0%**  
Central Bank Rate

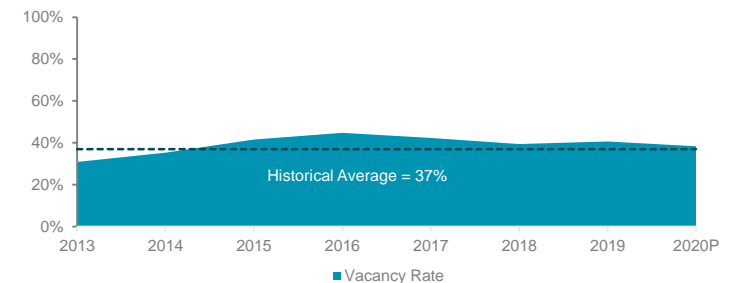


Source: Central Bank and Census Bureau

### OVERALL NETT ABSORPTION & ARR



### OVERALL VACANCY





## SIGNIFICANT PROJECTS COMPLETION H2 2019

PROPERTY	ADDRESS	SEGMENT	TOTAL UNITS
Hotel Dafam Jaksa	Jl. Jaksa	3-star	104
Hotel Des Indes Menteng	Jl. HOS. Cokroaminoto No.84	3-star	97
Swissotel PIK	PIK Avenue	5-star	412
Goodrich Suites, ARTOTEL Portfolio	Jl. Pangeran Antasari No.60	5-star	76
<b>TOTAL</b>			<b>689</b>

**ARIEF RAHARDJO***Director, Strategic Consulting*+62 21 2550 9500 / [arief.rahardjo@ap.cushwake.com](mailto:arief.rahardjo@ap.cushwake.com)**REYNALD PRASETYA***Analyst, Strategic Consulting*+62 21 2550 9500 / [reynald.prasetya@cushwake.com](mailto:reynald.prasetya@cushwake.com)[cushmanwakefield.com](http://cushmanwakefield.com)**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

©2020 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.