



## Industrial Q4 2019



Source: Cushman and Wakefield Indonesia

INDONESIA ECONOMIC INDICATORS  
Q4 2019

Source: Central Bank and Census Bureau

**SUPPLY: Only Minor Expansion of existing project**

No new supply entered the market during the fourth quarter 2019, and only a small expansion in Tangerang added 14,684 hectares of industrial land to the total supply in Greater Jakarta area. Supply become an issue to the existing industrial estates players in Bekasi since there is few remaining land supply for business development, causing net take up become relatively stagnant. As the result, inquiries for alternative locations towards more eastern areas such as Karawang, Purwakarta and further to Subang, were observed during the review quarter.

**DEMAND: Strong Take-Up from Eastern Corridors**

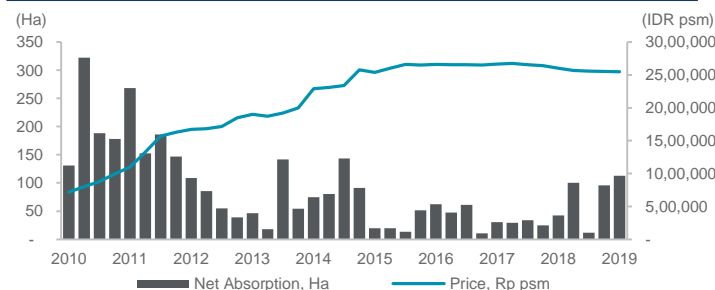
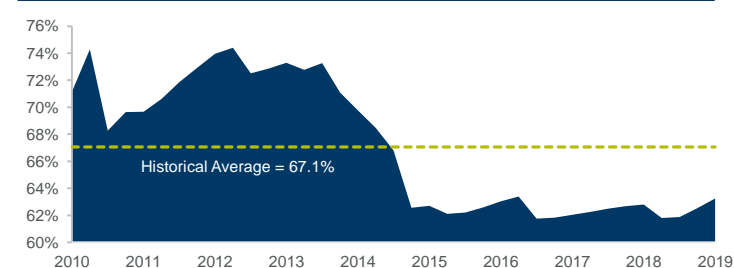
Eastern Corridors with the net take-up of 103.8 Ha, contributed most or 91.8% to the total net absorption of 113 hectares during the review quarter. Major demand in this quarter was dominated by foreign industrialists especially Asian companies from Korea, China and Japan.

The cumulative sales rate as of Q4 2019 was recorded at 63.3%, increased 1.13% from that in the previous quarter. In 2019, the industrial market remained active with most inquiries coming from logistic companies. Other industries such as automotive, F&B, textile, chemical, manufacturing industries also contributed to the net absorption.

**PRICING: Asking Land Prices Remained Stable**

As of December 2019, the average land price was relatively stable at Rp. 2.550.000 per sqm, which was a slight decrease by just 0.20% QoQ and 2.12% YoY, due mainly to the currency exchange rate between Rp and USD. As supply become rare in Bekasi, Tangerang and Bogor area, land prices offered in these areas were relatively higher than those in Karawang, Purwakarta and Serang. Industrial estates in eastern corridors will be supported by the newly completed infrastructure of elevated Jakarta-Cikampek (Japek II) toll road and the future development of Patimban Deep Sea Port.

Considering the 2019's good result, industrial estates players are putting hopeful expectation in 2020. Inquiries for prepared industrial land from both local and foreign industrialists are expected to be active, but asking price is projected to remain stable. Only few expansions will cumulate to the land inventory and industrial developers will still focus on their remaining land.

**NET ABSORPTION & LAND PRICE****OVERALL SALES RATE**



## MARKET STATISTICS

SUBMARKET	INVENTORY (HA)	CURRENT QTR OVERALL NET ABSORPTION(HA)	YTD OVERALL NET ABSORPTION (HA)	OVERALL SALES RATE (%)	OVERALL AVG LAND PRICE (IDR/SQM)*
Jakarta	1,089	0.0	0.0	86.5%	5,750,000*
Tangerang	772	1.4	5.8	67.5%	2,600,000
Bekasi	5,096	94.9	141.5	76.1%	2,465,000
Karawang & Purwakarta	4,579	8.9	43.4	52.1%	1,910,000
Serang	3,095	7.9	130.5	48.9%	1,675,000
Bogor	80	0.0	0.0	84.8%	2,000,000
GREATER JAKARTA TOTALS	14,684	113.01	321.2	63.3%	2,550,000

\* Secondary Market Price

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