

GREATER JAKARTA

Landed Residential H2 2019

4.42%
Price Growth YoY



94.54%
Sales Rate H2 2019



3,826
New Launched H2 2019



Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q4 2019

5.0%
GDP Growth



2.72%
Inflation Rate



5.0%
Central Bank Rate



Source: Central Bank and Census Bureau

DEMAND: Healthy Growth after the Challenging Semester

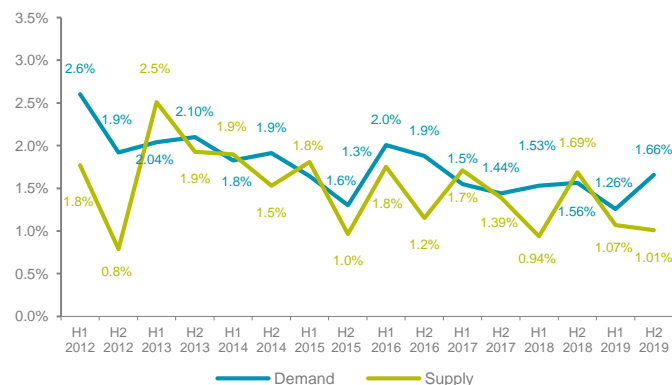
The overall Greater Jakarta landed residential market started to see a healthy growth in the second semester of 2019. Recovering from the challenging first semester due to the tight political atmosphere, the demand showed a positive trend. The average number of housing units transacted increased to 28.9 units per month per estate, rising by about 6.6 units from previous semester's average. The average monthly take-up value also improved to approximately IDR 43.1 billion per estate, with the total take-up value rising by 32.7% from the previous semester.

Tangerang continued to be the most active submarket for landed residential market in Greater Jakarta area in terms of both supply and demand. The area has an average monthly take-up of 41.5 units per month per estate, a significant increase of 13.7 units per estate from the previous semester's figure. The average transaction value in this area reached IDR 72.4 billion per month per estate.

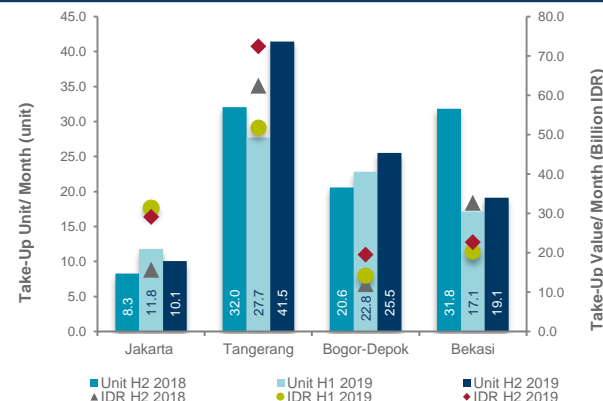
In the overall Greater Jakarta market, the middle segment houses remained to contribute to the highest proportion of housing transactions in the second half of 2019, even increased in share to 45.8%. In this segment, the most coveted units were priced at IDR 1.1 to 1.7 billion with building size ranging from 52 to 77 square meters (sq.m.) and land size between 55 to 90 square meters (sq.m.). Yet again, the lower-middle segment houses followed at the second place although with a slightly decreasing share to 26.7%. Jakarta saw a shift of trend in this period compared to the previous semester with middle segment housing dominating the demand by 55%, while although the same segment housing still dominated the transaction in Bekasi, lower-middle housing segment had seen a rise in sales to 25% in the area. In general, buyers profile stayed similar to in the previous semester, with end-users outnumbered the investors in transactions by 73%.

Regarding payment options, mortgage still topped the preference of buyers' methods of payment, reached up to 76% of sales. This figure had not seen a significant increase despite the drop of prime lending bank rate during the review period. Since most of the customers were young families looking for their first house, mortgage payment turned to be one affordable option compared to the other two alternatives. Cash installments was the second preferred method by 13%, followed by hard cash by 12%.

SUPPLY DEMAND GROWTH



TAKE-UP UNIT AND VALUE



GREATER JAKARTA

Landed Residential H2 2019

4.42%
Price Growth YoYYoY
Chg12-Mo.
Forecast94.54%
Sales Rate H2 20193,826
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Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS
Q4 20195.0%
GDP GrowthYoY
Chg12-Mo.
Forecast2.72%
Inflation Rate5.0%
Central Bank Rate

Source: Central Bank and Census Bureau

SUPPLY: Relatively Stable Supply

In this semester, supply was relatively stable compared to in the previous semester, with a slight drop in growth, reaching 1.01%. During this semester, a total of 3,826 new units were launched, with Tangerang continued to provide the majority of supply proportion by about 72% of the total net supply. A new estate, Citra Sentul Raya, added up the new landed residential supply targeting lower-middle to middle housing segments. The estate added 493 units to the Bogor-Depok submarket supply from the 3 newly launched clusters that have been sold out. In Tangerang area, BSD City launched a total of 1,179 units in this semester. 69% of these supplies were compact fully furnished houses. These lower-middle to middle segment houses were also sold out in a short marketing period.

Many developers were focusing on selling their ready stock and the remaining previously-launched units to cover their holding cost. Catering the ongoing demand, most of the supply came from the middle segment housing by 25.8%, followed by lower-middle segment housing by 20.7% from all total new units. Similar to in the previous semester, housing sales in the Greater Jakarta area continued to increase to 94.54% during the review semester. The average land selling price also rose to IDR 11,210,557 per square meter, a positive growth by 1.6% HoH.

OUTLOOK

After more than 1 year of Central Bank of Indonesia's regulation on the Loan To Value (LTV) and Financing To Value (FTV) ratios of mortgage transaction, which allows purchasing first house with 0% DP, the policy has not been quite effective, partly due to the minimum limit of DP set by developers. Similar reasons underlay the ineffectiveness of the latest relaxation of LTV and FTV in mortgage, which become effective since December 2019, with intention to boost the credits for second-and-more house transaction. In general, the minimum of 5% DP was required even for the purchase of first houses, making second-and-more house credits to set a higher DP limit. Furthermore, as the majority of customers were young couples looking for their first home, the latest LTV and FTV relaxation had, at the first place, only affected fewer market share of the potential house buyers.

The overall Greater Jakarta landed residential market is expected to improve in 2020. Some developers have prepared new products to be launched in the following year, yet the release period and unit types will be depending on their market performance in the first quarter of 2020. Most supplies will still come from the lower-middle and middle segment developments as a large potential demand is projected to still covet these two segments, which targeted millennials and young families with house prices in the range of IDR 900 million to 1.5 billion per unit.

SUBMARKET SUMMARY

SUBMARKET	PLANNED AREA (HA)	DEVELOPED AREA (HA)	SUPPLY (UNITS)	DEMAND (UNITS)	SALES RATE	AVG LAND PRICE (IDR PSM)
Jakarta	1,060	761	24,664	21,208	86.0%	14,537,957
Tangerang	23,468	9,373	186,440	180,937	97.0%	13,562,264
Bogor - Depok	9,570	4,132	84,387	76,220	90.3%	6,750,063
Bekasi	11,822	5,132	87,607	83,828	95.7%	9,991,945
Greater Jakarta	45,920	19,398	383,098	362,192	94.54%	11,210,557

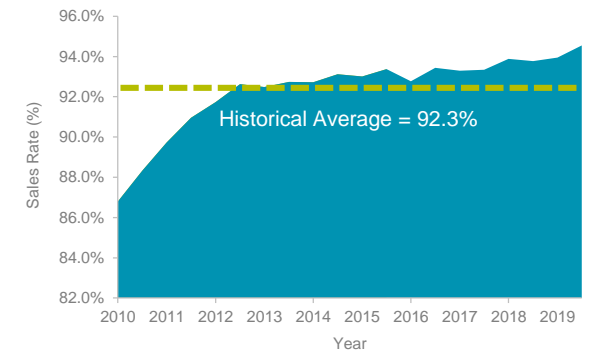
*Cushman & Wakefield's landed residential market analysis only focuses on actively marketed residential estates within the Greater Jakarta area. Those selected residential estates are considered as "major developments" with minimum development area of 30 hectares. Estates specializing in Healthy Simple Housing (Rumah Sederhana Sehat/ RSH) are excluded from the analysis.

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.

NEWLY LAUNCHED PROJECTS H2 2019

ESTATE	CLUSTER	MAIN TARGET	UNITS
JAKARTA			
Asya Jakarta	Maninjau (Phase 1)	UP	80
	Matana (Phase 2)	UP	118
Metland Menteng (with Keppel Land)	The Wisteria @ Cakung (Phase 1)	MI to UP	141
TANGERANG			
Alam Sutera	Sutera Victoria (Phase 4)	UP	31
	Fleek Hauz	LM to MI	295
	Fleek Hauz R	LM to MI	255
	Aure and Amata @ The Mozia	UM to UP	100
BSD City	Aure Avenue and Amata Avenue @ The Mozia	UM to UP	80
	ImajiHaus @ Greenwich Park (Phase 1)	MI	260
	Savia Park @ Nusaloka	LM to UM	81
	Provence Suites	MI	108
Pantai Indah Kapuk 2	Denver	UM to UP	169
Bintaro Jaya	Discovery Amore	UP	140
Citra Raya	Certara Park @ Lugano Lake Park	LM	270
Lavon Swan City 2	Citrine	MI	103
Paramount Serpong	Pavia @ Amarillo Village (Phase 1)	LM	190
	Granada @ Alicante Village	UM to UP	150
Metland Puri	Clematis	MI	55
Summarecon Serpong	Agnesi @ Symphonia (Phase 1)	MI	300
	Flamingo (Phase 2)	UM to UP	50
Suvarna Sutera	Giri (Phase 2)	MI to UM	114
BEKASI			
Summarecon Bekasi	Olive Residence @ The Orchard (Phase 2)	LM to MI	113
	Morizen (Phase 1)	UP	130
BOGOR-DEPOK			
Citra Sentul Raya	Danube	LM	160
	Thames	MI	162
	Seine	LM	171

OVERALL SALES RATE

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