

YoY Chg 12-Mo. Forecast

**-15.6%**  
ARR Growth



**65.4%**  
Vacancy Rate



**276 rooms**  
Total Completions



Source: Cushman & Wakefield Indonesia

## INDONESIA ECONOMIC INDICATORS Q2 2020

YoY Chg 12-Mo. Forecast

**-4.3%**  
GDP Growth in 2020



**1.96%**  
Inflation Rate



**4.25%**  
Central Bank Rate



Source: Central Bank and Census Bureau

### SUPPLY: New Supply Delivery, Despite Some Temporary Closures

The tourism & hospitality sector has unsurprisingly been one of the hardest hit by the COVID-19 pandemic. All hotel classes have been affected by the regional lockdown and travel restrictions, with a number of hotels having suspended their operations entirely or even temporarily become accommodation for frontline healthcare workers. There were however, two new hotel completions in the first semester of 2020 (one 3-star and one 4-star) comprising 276 hotel rooms, and bringing the total Jakarta room inventory to 41,176.

### DEMAND: Hotel Occupancy Hit its Lowest Level

Since the declaration of a nationwide pandemic in mid-March, hotel occupancy in Jakarta has been in 'free-fall', hitting its lowest point of below 20% in April. 4 and 5-star hotels saw the biggest declines due to their heavy reliance on business travelers and Meetings, Incentives, Conferencing, and Exhibitions (MICE).

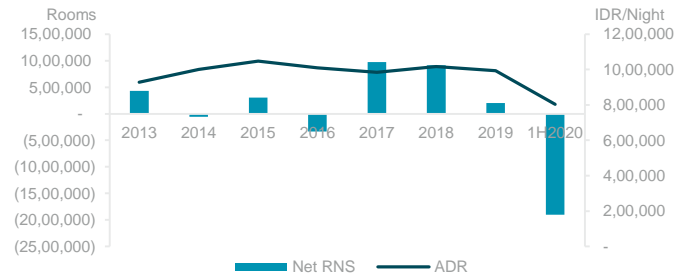
Although some improvement in occupancy was seen following the easing of the large-scale social restrictions ("PSBB") in Jakarta at the end of the second quarter, hoteliers are yet to see any stabilizing of the situation. The luxury hotel sector in particular has not witnessed any uptick at all, given the limitations on mobility for both business and leisure purposes, as well as the general health and safety concerns in the face of the worsening pandemic. As of June 2020, hotel occupancy of the 5-star and luxury hotels stood at only 27.6% (-47.6% YoY) and 27.3% (-48.0% YoY) respectively, whilst the 3-star and 4-star sectors had fared slightly better at 35.8% (-32.3% YoY), 37.1% (-33.3% YoY) respectively.

### PRICING: Room Rates Contracted

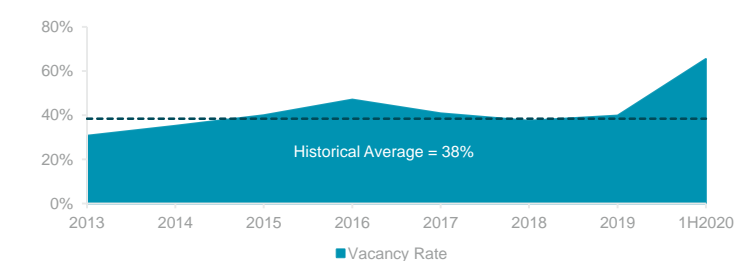
Over the first 6 months of 2020, the Average Daily Rate (ADR) of hotels in Jakarta decreasing by 19% HoH. By star-rating, Average Room Rates as of the end of June 2020 were: 3-star: Rp.408,000 (-9.4% YoY); 4-star: Rp.688,000 (-11.6% YoY); 5-star: Rp.1,449,000 (-17.2% YoY); and Luxury: Rp.1,899,000 (-8.5% YoY).

In order to supplement their declining revenues, many Jakarta hotels offered creative promotions, from food deliveries during the Ramadhan fasting-month, to "book-now-stay-later" deals and until such time as domestic travel restrictions and prohibitions on international travelers entering the country are lifted, the hotel market will remain in its current depressed condition.

### OVERALL NET ABSORPTION & ADR



### OVERALL VACANCY



**SIGNIFICANT PROJECTS COMPLETION H1 2020**

PROPERTY	ADDRESS	SEGMENT	TOTAL UNITS
Aloft Simatupang	Jl. TB Simatupang No. 8	4-star	180
Hotel NEO Puri Indah	Jl. Kembangan Raya No.8	3-star	96
<b>TOTAL</b>			<b>276</b>

**TEMPORARILY CONVERTED HOTELS DURING COVID-19 PANDEMIC**

PROPERTY	ADDRESS	SEGMENT	TOTAL UNITS
The Media Hotel & Towers	Jl. Gunung Sahari	5-star	350
Grand Cempaka Hotel Business	Jl. Letjen Suprpto	4-star	220
Novotel Hotel Cikini	Jl. Cikini Raya	4-star	245
Mercure Hotel Cikini	Jl. Cikini Raya	4-star	197
Swiss Belhotel Pondok Indah	Jl. Metro Pondok Indah Sector 2	4-star	159
ibis Styles Jakarta Sunter	Jl. Gaya Motor I	3-star	145
ibis Senen Hotel	Jl. Kramat Raya	3-star	155
d'Arcici Hotel Plumpang	Jl. Plumpang Semper	3-star	75
d'Arcici Hotel Sunter	Jl. Sunter Permai Raya	3-star	123
d'Arcici Alhijra Hotel Cempaka Putih	Jl. Letjend Suprpto	3-star	76

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