



Source: Cushman and Wakefield Indonesia

## INDONESIA ECONOMIC INDICATORS Q2 2020



Source: Central Bank and Census Bureau

### SUPPLY: No New Supply YTD 2020

With the onset of the coronavirus pandemic in March, no new supply was brought to the market in the review quarter, such that cumulative supply in the Greater Jakarta area remained unchanged at 14,990 hectares. As the land bank in the Greater Jakarta become more limited, future development of industrial estates has more potential to expand to eastern corridor of the Greater Jakarta such as Karawang, Purwakarta and further to Subang, in line with the development of supporting facilities that are also occurring around the area. However, due to COVID-19 spread prevention, the ongoing expansion in Subang has to hold their construction activities, which might cause the opening delay until the earliest in the late 2020.

### DEMAND: Positive Demand Recorded but Lower than the Previous Quarter

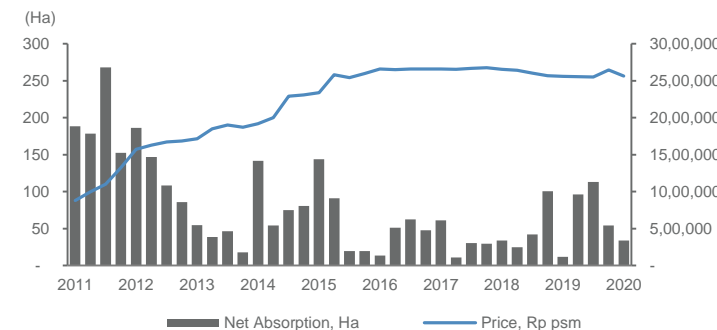
34 hectares of demand in the Greater Jakarta area was recorded in the quarter, all within estates in the eastern corridor. Whilst the industrial sector is one which has been least impacted by COVID-19 (as evidenced by the positive take-up during the quarter), this net absorption was still down by 37.5% over the first three months of the year.

As businesses & consumers adapted to the 'new normal' lifestyle and buying patterns under COVID, new inquiries were seen coming from those industry sectors related consumer goods, e-commerce, logistics and data centers. A number of ongoing transactions however, particularly from international investors, were suspended or even cancelled in the near-term due to the local lockdowns and overseas travel restrictions being applied within most countries within the APAC region and this is likely to remain the same until after the easing or final suspension of the large-scale social restrictions ("PSBB") in Jakarta and for inbound travel.

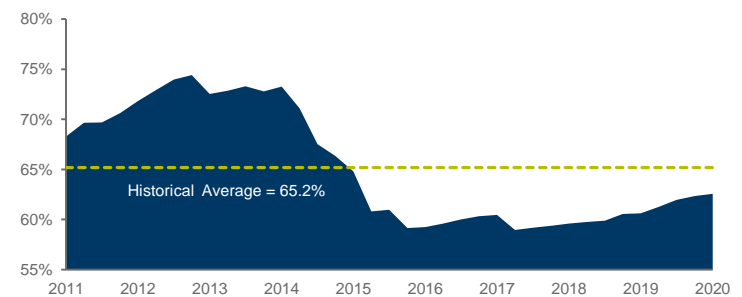
### PRICING: Estates Endeavour to Hold Land Prices at the Same Level

The average price for industrial land decreased by -3.13% QoQ to Rp. 2,565,000 per square meter from the previous quarter. This decrement occurred in accordance with Indonesian Rupiah exchange rate that also strengthened against US Dollar in this quarter. During this challenging time, estates endeavour to hold land price at the same level so then it can be appetizing for investors. Furthermore, in order to engage the potential buyer this time, industrialist have to be more active in promoting their estates.

### 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	784	0.0	0.0	67.5%	2,600,000
Bekasi	5,056	19.0	52.5	77.2%	2,475,000
Karawang & Purwakarta	4,885	15.0	15.0	49.2%	1,955,000
Serang	3,095	0.0	20.8	49.5%	1,675,000
Bogor	80	0.0	0.0	84.8%	2,000,000
<b>GREATER JAKARTA TOTALS</b>	<b>14,990</b>	<b>34.0</b>	<b>88.3</b>	<b>62.6%</b>	<b>2,565,000</b>

\* Secondary Market Price

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