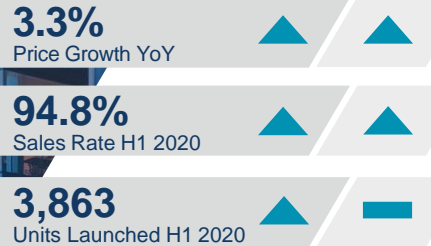


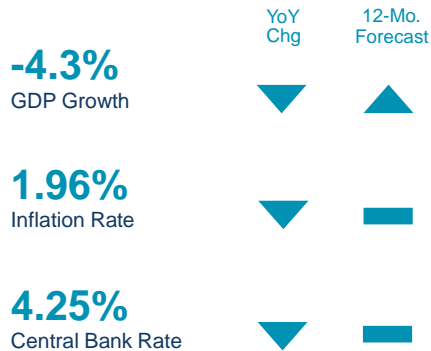
# GREATER JAKARTA

## Landed Residential H1 2020



Source: Cushman & Wakefield Indonesia Research

### INDONESIA ECONOMIC INDICATORS Q2 2020



Source: Central Bank and Census Bureau

### DEMAND: Overall Demand Fell Despite Rise in Ready Stock Housing Inquiries

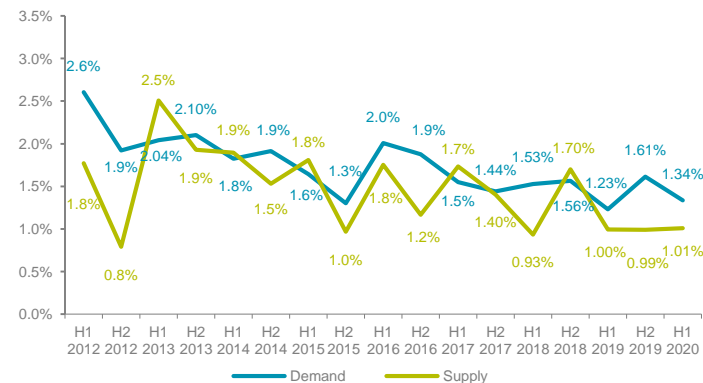
Sales in the Greater Jakarta Landed Residential market came under pressure in the first half of 2020 following from the outbreak of COVID-19. Demand trended downwards, as reflected by the decline in the average number of housing units transacted per month per estate, decreasing by 5.7 units (or 20% HoH) to 22.4 units per month. The average monthly take-up or sales value also declined to Rp. 28.6 billion per estate (-24.9% from the previous semester's figure). The majority of sales which did occur, were recorded prior to the outbreak in mid-March, with Tangerang remaining as the most active submarket with average take-up of 30.5 units per month per estate and average sales value of Rp. 44.8 billion per month per estate.

Stricter lending standards and mortgage rules also contributed to the decline in demand. Following the onset of the pandemic, an increase in the minimum down payment (DP) requirement to 10-20% (for first mortgage applications) was seen coming from several banks, whilst others who were focused on restructuring existing mortgage debts, limited application acceptance for new mortgages. Despite this, mortgages still remained the most preferred purchase option for buyers, comprising some 71% of total sales, followed by cash installment by 20% of buyers and 'hard cash' by the remaining 9%. More flexible payment terms were also offered by some developers, such as extended DP and cash installment plans to help alleviate some of the burden to consumers.

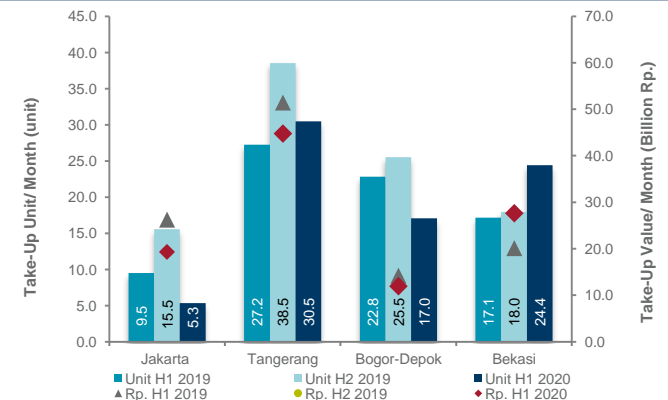
The Middle housing segment contributed the highest share of transactions in Greater Jakarta during the review period, at 34.9%. Within this market segment, the unit-type most preferred was priced between Rp. 1.1 to 1.6 billion, with building size ranging from 52 to 126 sqm on a land size of 55 to 105 sqm. The Lower-middle segment placed second with a 29% share of total sales. Despite recording the smallest proportion of transactions, the Lower segment housing saw an increase of 5.7% from the previous semester to 10.5%, evidence of the growing demand preference during the reviewed semester for houses in this price segment.

End-users (owner-occupiers) continued to represent the majority (at 72%) of house buyers in the Greater Jakarta area. This property sector remains dominated by singles and young families looking for their first home. And despite the decline in overall demand, enquiries for ready-for-occupation housing rose as the pandemic continued, with buyers seeking to avoid paying monthly purchase installments as well as continued rental, whilst waiting for completion of their new house.

### SUPPLY DEMAND GROWTH



### TAKE-UP UNIT AND VALUE



## GREATER JAKARTA

Landed Residential H1 2020

3.3%

Price Growth YoY

YoY  
Chg12-Mo.  
Forecast

94.8%

Sales Rate H1 2020



3,863

Units Launched H1 2020



Source: Cushman &amp; Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS  
Q2 2020

-4.3%

GDP Growth

YoY  
Chg12-Mo.  
Forecast

1.96%

Inflation Rate



4.25%

Central Bank Rate



Source: Central Bank and Census Bureau

SUPPLY: New Launches Fell Dramatically in the 2<sup>nd</sup> Quarter

Following improving demand in the second half of 2019, developers optimistically launched a large number of new projects in the first quarter of 2020, but this was dramatically curtailed after March following the outbreak of COVID-19 and government-imposed large-scale social restrictions (“PSBB”). Of the new supply launched to the market in the review period, 87% (of 3,863 the units) came between January and March, with Tangerang constituting the majority of this at 67% and the Lower-middle segment dominating, with a 28% share.

Notwithstanding thus, overall sales prices still rose during the semester by 3.3% YoY, whilst the average selling price of land also increased to Rp. 11,346,686 per sqm (+1.4% HoH). To balance this continuing rise in house prices, developers focused efforts to support housing affordability. In BSD City and Grand Wisata for example, they launched, fully-furnished ‘compact’ houses (on land plots of only 4 to 5 metres in width) targeted at the Lower-middle to Middle market segments. Other estates were also seen subdividing unsold land plots into smaller unit types to be able to offer a more affordable lump-sum price per unit.

## OUTLOOK

The impact of the regulations on the Loan To Value (LTV) and Financing To Value (FTV) ratios of mortgage transactions by Indonesia’s Central Bank (which allows 0% DP on mortgage applications for the first house), remains very limited. Since the start of the pandemic, some banks decided to enforce higher DP’s, even for first time mortgage applications, as mentioned earlier. Others actively held-back from accepting new applications for second (and more) mortgages. As a result, the effectiveness of the latest additional LTV and FTV regulation (5% LTV and FTV ratio relaxation for second-and-more housing mortgages), effective since December 2019, will likely not be seen until after the COVID-19 pandemic.

The Greater Jakarta Landed Residential market is expected to see some modest improvement heading into 2021, with developers ready with new product launches but currently maintaining a close watch on the market conditions, sales performance, and government measures and certain estates have even been preparing marketing incentives linked to the COVID-19 protocols or work-from-home policy, such as provision of a dedicated workspace inside the house. The Lower-middle and Middle segment houses (including in particular the ready stock units), are expected to remain attractive, especially for the end-user market over the balance of the year.

## SUBMARKET SUMMARY

SUBMARKET	PLANNED AREA (HA)	DEVELOPED AREA (HA)	SUPPLY (UNITS)	DEMAND (UNITS)	SALES RATE	AVG LAND PRICE (RP./SQM)
Jakarta	1,060	772	24,741	21,412	86.5%	14,682,986
Tangerang	25,344	9,392	188,777	183,211	97.1%	13,584,422
Bogor - Depok	9,580	4,176	84,805	77,345	91.2%	6,943,665
Bekasi	11,822	5,157	88,492	84,805	95.8%	10,175,673
<b>Greater Jakarta</b>	<b>47,806</b>	<b>19,497</b>	<b>386,815</b>	<b>366,772</b>	<b>94.8%</b>	<b>11,346,686</b>

\*Cushman & Wakefield’s landed residential market analysis focuses on actively marketed residential estates within the Greater Jakarta area. Those selected residential estates are considered as “major developments” comprising a minimum 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.

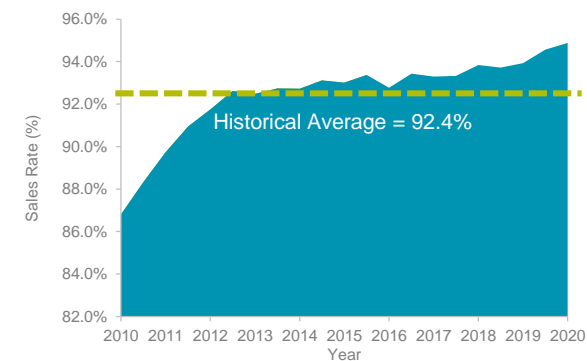
## GREATER JAKARTA

## Landed Residential H1 2020

## NEWLY LAUNCHED PROJECTS H1 2020

ESTATE	CLUSTER	MAIN TARGET	UNITS
<b>JAKARTA</b>			
Asya Jakarta	Maninjau (Phase 2)	UP	77
<b>TANGERANG</b>			
Alam Sutera	Sutera Tiara (Phase 2)	UP	15
	Sutera Feronia Park (Phase 2)	UP	5
Lavon Swan City 2	Scarlet (Phase 2)	UM	181
	Alabama	LM to UM	415
Pantai Indah Kapuk 2	Baltimore (Phase 1-2)	LM to UM	253
	California	LM to UM	338
	Dallas (Phase 1)	LM to UP	149
Bintaro Jaya	U-Ville (Phase 2)	LM to MI	149
	Zena @ The Mozia	MI	147
BSD City	InspiraHaus @ Tabebuya	LM	223
	InspiraHaus R @ Tabebuya	LM	208
	InvensiHaus @ Tabebuya	MI	100
	InvensiHaus R @ Tabebuya	MI	178
Citra Raya	Aglio @ Carona Park	LO	5
Suvarna Sutera	Dakota (Phase 1)	MI to UM	217
Summarecon Serpong	Alloggio (Ext.)	UM	15
<b>BEKASI</b>			
Kota Delta Mas (with Panahome Deltamas)	Asa @ Savasa (Phase 2)	UM	13
	Silvercreek @ Waterfront Estate	LM to MI	440
Lippo Cikarang	Riverside @ Waterfront Estate		
Kota Jababeka	Sevilla Townhouse @ Sport City (Phase 3)	LM	36
Grand Wisata	O2 Essential Home	LM	234
Summarecon Bekasi	Morizen (Phase 2)	UP	30
<b>BOGOR-DEPOK</b>			
CitraLand Cibubur	New Attaleya (Ext.)	LM	44
	New Areca (Ext.)	LM	88
Citra Gran	Clover Garden (Phase 3)	UM	10
Harvest City	Sweet Hortensia (Phase 2)	LO	28
Citra Sentul Raya	Orinoco	LM	265

## OVERALL SALES RATE

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