

YoY Chg 12-Mo. Forecast

-6.8%
Average Rental Growth

43.4%
Vacancy Rate

143,661 units
YTD Total Completions

Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q2 2020

YoY Chg 12-Mo. Forecast

-4.3%
GDP Growth

1.96%
Inflation Rate

4.25%
Central Bank Rate

Source: Central Bank and Census Bureau

SUPPLY: No New Supply During the Quarter

No new Serviced Apartment or Purpose-built Rental Apartment projects were completed during the review quarter. Several new Serviced Apartments, such as Intercontinental Residence Pondok Indah, Somerset Kencana and Somerset Sudirman which had planned to become operational in Q3 and Q4 2020, are now expected to delay their start dates due to the ongoing COVID-19 situation.

DEMAND: Demand Continued to Fall

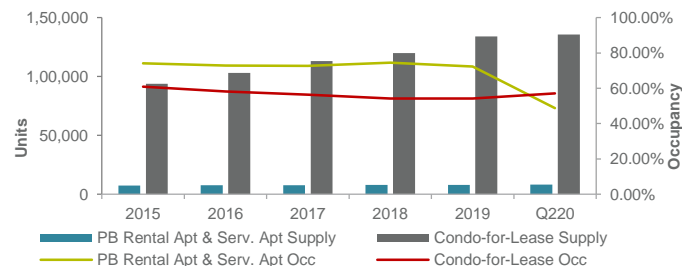
The pandemic hit demand in the Serviced Apartment sub-sector hard during the review quarter, falling 17.7% QoQ and reducing overall occupancy of this sub-sector to 43.2%. Serviced Apartment operators struggled for new demand inquiries as some new leasing enquiries from expatriates were postponed or canceled due to the implementation of travel restrictions to Indonesia, as well as other existing expatriate tenants being sent home as their companies put operations on hold during the pandemic. The lowest level of serviced apartment occupancy was recorded in April and May, but some limited new demand from short stay guests (for 'staycation' or business-related) begin to appear in June, as local travel & work restrictions were eased. This short stay guest demand is expected to continue, which should lead to higher occupancy for this sub-sector in the coming quarters.

Similarly, Purpose-built Rental Apartments were also impacted by the non-renewal of lease contracts and postponement of new leasing deals. Occupancy rate was recorded at 59.8% at the end of the review period (-4.3% compared to the last quarter). Some of the Purpose-built Rental Apartment projects were able to maintain higher occupancy, due to their longer term contracts (of more than 1 year). As such, occupancy for this sub-sector is projected to remain relatively stable over the balance of the year.

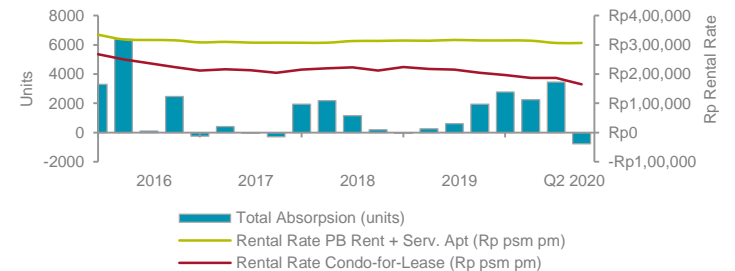
PRICING: Rents Remain Under Pressure

The average rental rate of the Purpose-built Rental Apartment and Serviced Apartment sub-sectors remained relatively unchanged during the second quarter of 2020 (largely due to little transaction evidence), at Rp. 241,550 and Rp. 370,431 per square metre per month respectively. But in the Condominium-for-lease sub-sector however, average rentals saw a 11.3% quarterly decrease (to Rp. 165,509 per sqm pm), coming for the high levels of available units competing for the limited demand, with individual owners prepared to accept much lower rental rates during the pandemic. This is expected to continue through to the end of the year, with rentals remaining under downwards pressure.

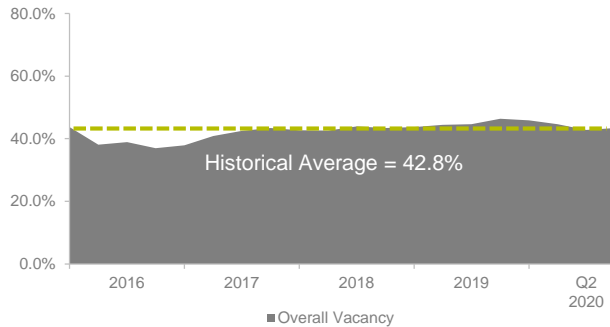
CUMULATIVE SUPPLY / OCCUPANCY



NET ABSORPTION / RENTAL



OVERALL VACANCY RATE



MARKET STATISTICS

| SUB MARKET | CUMULATIVE SUPPLY (UNITS) | VACANCY RATE | AVERAGE RENT | | |
|---|---------------------------|--------------|--------------------|------------------|---------------|
| | | | RP/SM/MO | US\$/SM/MO | EUR/SM/MO |
| Purpose-Built Rental Apartments (Jakarta) | 2,731 | 40.2% | Rp. 241,550 | US\$16.94 | €15.08 |
| Serviced Apartments (Jakarta) | 5,390 | 56.8% | Rp. 370,431 | US\$26.35 | €23.12 |
| Condominiums-for-Lease (Greater Jakarta) | 135,540 | 43.0% | Rp. 165,509 | US\$11.61 | €11.65 |
| TOTAL | 143,661 | 43.4% | Rp. 259,163 | US\$18.30 | €16.18 |

Rental rates reflect gross rents
 US\$/Rp = 14,261; €/Rp = 16,021

SIGNIFICANT UNDER CONSTRUCTION PROJECTS Q2 2020

| PROPERTY | DISTRICT | SEGMENT | APPROX UNITS | COMPLETION SCHEDULE |
|---|--------------|--------------|--------------|---------------------|
| Somerset Kencana | Pondok Indah | Upper-Middle | 150 | 2020 |
| Intercontinental Residence Pondok Indah | Pondok Indah | Upper | 170 | 2020 |
| Somerset Sudirman | Sudirman | Upper-Middle | 176 | 2020 |
| TOTAL | | | 496 | |

NEWLY COMPLETED PROJECTS Q2 2020

| PROPERTY | DISTRICT | SEGMENT | APPROX UNITS | OPERATION SCHEDULE |
|----------|----------|---------|--------------|--------------------|
| - | - | - | - | - |

ARIEF RAHARDJO

Director, Strategic Consulting

+62 21 2550 9500 / Arief.rahardjo@cushwake.com

HANDY CAHYADI

Senior Manager, Strategic Consulting

+62 21 2550 9500 / Handy.cahyadi@cushwake.com

cushmanwakefield.com

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