

YoY Chg 12-Mo. Forecast

**-6.9%**  
Average Rental Growth

**45.3%**  
Vacancy Rate

**152,125 units**  
YTD Total Completions

Source: Cushman & Wakefield Indonesia Research

## INDONESIA ECONOMIC INDICATORS Q3 2020

YoY Chg 12-Mo. Forecast

**-2.0%**  
GDP Growth

**1.42%**  
Inflation Rate

**4.00%**  
Central Bank Rate

Source: Central Bank and Census Bureau

### SUPPLY: Only Serviced Apartment Supply Added During the Quarter

One new Serviced Apartment project entered the overall Jakarta Rental Apartment market during the third quarter of 2020. The Intercontinental Residence Jakarta Pondok Indah, located in Jl. Metro Pondok Indah, added 193 units to Jakarta's Serviced Apartment existing supply (of 5,390 units) and brought the total supply of Rental Apartments (all sub-sectors) to 152,125 units as of end of September. Several under construction Serviced Apartments projects, such as Somerset Kencana and Somerset Sudirman which were previously expected to commence operations by the end of 2020, will likely be delayed due to the continuing COVID-19 pandemic.

### DEMAND: Short-Stay Demand Helped to Maintain Occupancy

No demand from expatriate tenants was recorded during the review quarter, given the continuing inbound travel restrictions to Indonesia. This also applied to expiring lease contracts were not renewed, as some expatriates returned to their home countries and due to some companies putting operations on hold during the pandemic.

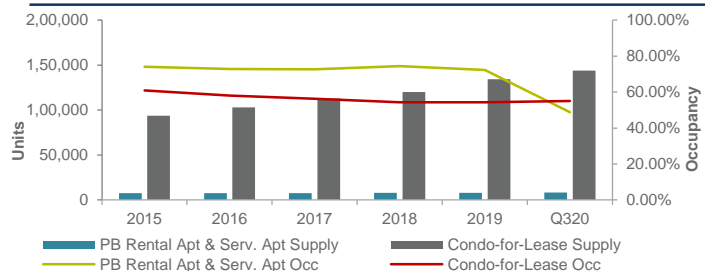
The easing of large-scale social restrictions ("PSBB") in July and August did lead to a slight increase in Serviced Apartment occupancy (to 43.4%), with demand from short-stay guests (mostly locals) for weekend "staycations", despite the additional supply during the quarter. If the gradual opening of the economy and businesses in Jakarta continues, this short-stay guest demand can be expected to lead to better occupancy of this sub-sector in the coming quarters.

Though Purpose-built Rental Apartments were similarly impacted by the non-renewal of lease contracts and postponement of new leasing deals during the quarter, the overall Occupancy rate was able to be maintained at 59.7%, due in large to longer-term leases entered into prior to the pandemic. Occupancy for this sub-sector is projected to remain relatively unchanged over the balance of the year. In contrast however, the Condominium-for-lease sub-sector experienced a sharper occupancy decline of 2.0% QoQ, to 55%, even though on a YoY basis this remained higher than the occupancy level in the same period of 2019.

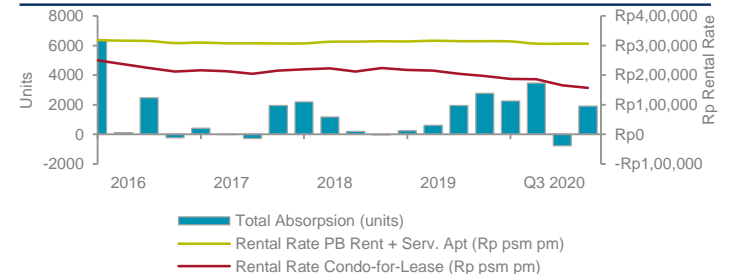
### PRICING: Rents Remained Under Pressure

Despite the fluctuation of the Rupiah against US Dollar during the third quarter, average rentals for Purpose-built Rental Apartments and Serviced Apartments remained relatively unchanged at Rp. 241,550 and Rp. 370,431 per sqm per month respectively. The decline in Condominium-for-lease occupancy however, caused the average rental rate to drop by 5.2% QoQ to Rp. 156,973 per sqm per month, as individual unit owners were prepared to accept much lower rates in the face of the ongoing pandemic. Overall, rentals are expected to continue to remain under downwards pressure over the balance of the year.

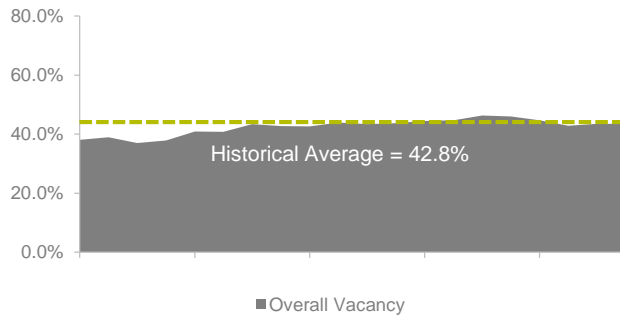
### CUMULATIVE SUPPLY / OCCUPANCY



### 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	40.3%	Rp. 241,550	US\$16.23	€13.85
Serviced Apartments (Jakarta)	5,583	56.6%	Rp. 370,431	US\$25.46	€21.23
Condominiums-for-Lease (Greater Jakarta)	143,811	45.0%	Rp. 156,973	US\$10.55	€9.00
<b>TOTAL</b>	<b>152,125</b>	<b>45.3%</b>	<b>Rp. 256,318</b>	<b>US\$17.42</b>	<b>€14.69</b>

Rental rates reflect gross rents  
US\$/Rp = 14,880; €/Rp = 17,445

## SIGNIFICANT UNDER CONSTRUCTION PROJECTS Q3 2020

PROPERTY	DISTRICT	SEGMENT	APPROX UNITS	COMPLETION SCHEDULE
Somerset Kencana	Pondok Indah	Upper-Middle	150	2020
Somerset Sudirman	Sudirman	Upper-Middle	176	2020
<b>TOTAL</b>			<b>326</b>	

## NEWLY COMPLETED PROJECTS Q3 2020

PROPERTY	DISTRICT	SEGMENT	APPROX UNITS	OPERATION SCHEDULE
Intercontinental Residence Jakarta Pondok Indah	Pondok Indah	Upper	193	September 2020
<b>TOTAL</b>			<b>193</b>	

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