

JAKARTA

Retail Q3 2020



ECONOMIC INDICATORS
Q3 2020



Source: Central Bank and Census Bureau

SUPPLY: Three New Retail Centers Opened Following the Easing of Large-Scale Social Restrictions

Following the easing of the large scale social restriction (PSBB) period, 3 retail centers which were previously scheduled for opening in the first half of 2020, commenced operations, namely Green Sedayu Mall, Wang Plaza located in West Jakarta and Senayan Park in Central Jakarta. The completion of these centers added approximately 47,800 sqm of retail space to the market.

But the subsequent increase in COVID-19 cases by mid September, led to the Jakarta Governor’s decision to reinstate the PSBB restrictions in the capital city, bringing with it, further negative impacts to retailers who had just begun to enjoy some slight recovery of their businesses during the transitional PSBB period. Although shopping malls have been allowed to remain open in this second transitional phase of PSBB, dine-in guest numbers in restaurants remains restricted, which continues to impact the overall mall footfall significantly.

DEMAND: Occupancy Rates Fell Further as the Pandemic Continued

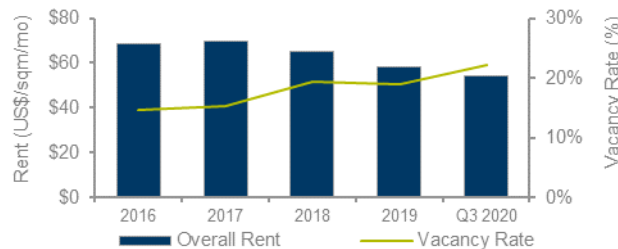
With no in-premises dining allowed during the second phase of PSBB, a number of landlords initiated creative ways to provide safe dining spaces, such as a drive-in dining experience, where they allocated some of the parking lots within the mall into a drive-in dining area, allowing guests to enjoy food conveniently from their own vehicles. Despite the various strategies and initiatives to maintain foot traffic and generate sales turnover within the malls, an overall drop in the occupancy rate was inevitable and average occupancies in the market decreased by 1.7% from the previous quarter, to reach 77.8% by the end of September.

The closure of Parkson in Lippo Mall Puri (their last branch in Jakarta) evidenced the challenges faced by fashion retailers during this pandemic, especially department stores. All of the difficulties faced by shopping mall tenants during the pandemic (including the declining mall traffic and Government-imposed restrictions), caused some retailers to seek alternatives to sustaining their businesses, such as opening stand-alone outlets within local commercial neighborhoods. Jl. Senopati area (in the CBD Jakarta) and Golf Island (Pantai Indah Kapuk) are locations which have experienced growing popularity as dining destinations since the onset of the transitional PSBB.

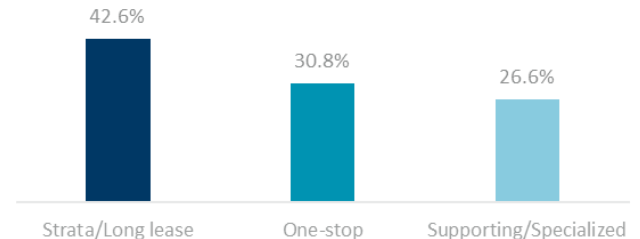
PRICING: No Price Movement for 2 Consecutive Quarters

Average rental and service charge levels remained unchanged for 2 consecutive quarters, reflecting the market the timeline since the first PSBB restrictions were imposed in Jakarta. Mall landlords remained willing to review individual tenant’s pandemic-circumstances on a case-by-case basis with most being granted some form of rental abatement or an agreed payment deferment. This situation is expected to continue over the balance of the year and into 2021, or at least until the pandemic situation shows signs of stabilizing.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

SUBMARKET	INVENTORY (SQ.M.)	VACANCY RATE	PRIME RETAIL UNIT BASE RENT		
			RP/SQM/MO	US\$/SF/MO	EUR/SQM/MO
Primary Location	1,299,000	21.4%	Rp. 984,500	US\$ 6.15	€ 56.43
Secondary Location	3,267,000	22.5%	Rp. 681,400	US\$ 4.25	€ 39.06
OVERALL JAKARTA RETAIL TOTAL	4,566,000	22.2%	Rp. 807,700	US\$ 5.04	€ 46.30

DEFINITIONS:

The Primary retail location is defined as the major retail precinct that includes Kota, Pasar Baru, Blok M and the CBD area (capturing the areas of Sudirman, Thamrin, Rasuna Said and corridor of Jl. KH. Mas Mansyur - Jl. Prof. Dr. Satrio). The Secondary retail location covers all other areas outside the above Primary retail areas of Jakarta.

KEY LEASE TRANSACTIONS 2Q 2020

PROPERTY	DISTRICT	TENANT	SQM
Green Sedayu Mall	West Jakarta	Farmers Market	2,000
Mall Taman Angrek	West Jakarta	KKV	1,000
Central Park Mall	West Jakarta	Foek Lam	600
Wang Plaza	West Jakarta	Farmers Market	500
Grand Indonesia	CBD Jakarta	Fogo Brazilian Bbq	250
Central Park Mall	West Jakarta	Kappa Sushi	200
Central Park Mall	West Jakarta	Sushi Go	130

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS DURING 2Q 2020

PROPERTY	DISTRICT	SIZE (SQM)	OPENING DATE
Green Sedayu Mall	West Jakarta	11,000	July 2020
Senayan Park	Central Jakarta	33,000	August 2020
Wang Plaza	West Jakarta	3,800	September 2020

SIGNIFICANT UNDER-CONSTRUCTION PROJECT

PROPERTY	DISTRICT	APPROX SIZE (SQM)	COMPLETION DATE
ASHTA @ District 8	CBD Jakarta	15,000	2020
Lippo Mall East Side @ Holland Village	Central Jakarta	50,000	2021
Aeon Mall Southgate @ Tanjung Barat	South Jakarta	35,000	2021
Pondok Indah Mall 3	South Jakarta	55,000	2021

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