

DEBOTABEK

Retail H2 2020

0.3%
Base Rent Growth

YoY Chg
12-Mo. Forecast



21.5%
Vacancy Rate



138,500 sqm
YTD New Completions



ECONOMIC INDICATORS H2 2020

-1.5%
GDP Growth

YoY Chg
12-Mo. Forecast



1.6%
Inflation Rate



3.75%
Central Bank Rate



Source: Central Bank and Census Bureau

SUPPLY: Despite the Outbreak, High Annual Supply Was Seen in H2 2020

Closing the year of 2020, the Debotabek retail market recorded the addition of four new retail centers. Three of those new retail supplies commenced operation in July (after the loosening of PSBB regulation) namely The Park Sawangan, Mall Ciputra Citra Raya, and Ararasa Mall, whilst AEON Mall Sentul City opened its door to public in October 2020. The completion of these four new retail centers, added approximately 138,500 sqm of retail space to the Debotabek market.

Unlike in Jakarta, where most of the 2020 projected supplies have been postponed to 2021, a total additional of 6 new projects in Debotabek area in 2020 is superficially seen as Debotabek areas are more undeterred by the pandemic impact. Over 120,000 sqm of retail space is expected to enter the Debotabek retail market by 2021. Should all these proposed new centers meet their completion schedules, the total supply will reach 2,767,600 sqm by the end of 2021.

DEMAND: H&M Continued Its Consistent Store Expansion

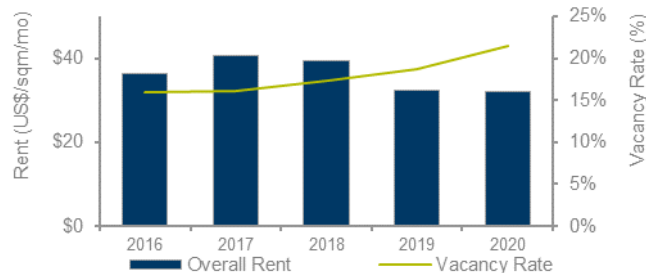
The impact of the outbreak and the modest occupancy rates of newly completed retail centers in Debotabek area have brought down the occupancy rate in Debotabek area to 78.5%, a decrease by 2.8% since in the last year. Similarly to in Jakarta, the traffic has started to pick up at malls across Debotabek area, even though it has not returned to the pre-pandemic level yet. To prevent spike in COVID-19 cases, the local government imposed stricter restrictions ahead of year-end holidays, including limitation of the operation hours of shopping malls, which made the regular peak of retail business during the year-end holiday, not happen in 2020.

Along with the entry of new supply, Debotabek area saw an addition of Matahari Department Store and Lulu Hypermarket, with the opening of Matahari Department store in The Park Sawangan and Mall Ciputra Citra Raya, and Lulu Hypermarket in Galleria Mall Vivo Sentul and The Park Sawangan. H&M, one of the largest fast fashion retailers, continue its consistent store expansion with the opening of 5 new stores in Debotabek area within the semester.

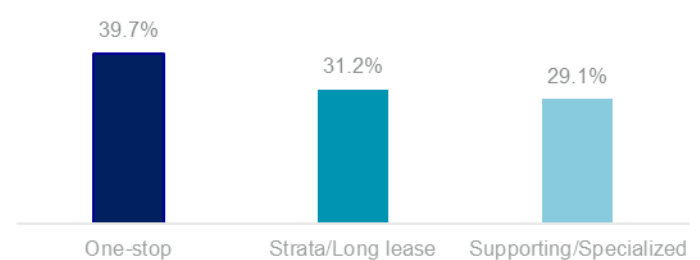
PRICING: Rents are Expected to Remain The Same Until 2021

Average base rental rate of Debotabek retail space remained unchanged from that in the last semester or 0.3% increase year-on-year, standing at Rp 451,800/sqm/mo, for specialty retail space on the GF. Service charge also remained unchanged from that in the last semester or 2.9% increase year-on-year, landing itself at Rp133,500/sqm/mo. The review of individual tenant's pandemic-circumstances on a case-by-case basis is still in forced and Landlords in Debotabek Retail Centers have foreseen that neither rental rate nor service charge will experience an increase in 2021, or at least until COVID-19 can be contained within the region.

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
Depok	304,600	16.2%			
Bogor	517,700	22.9%	Rp 502,500	US\$ 3.30	€ 29.22
Tangerang	1,118,700	23.1%	Rp 464,286	US\$ 3.05	€ 26.99
Bekasi	670,600	20.3%	Rp 403,333	US\$ 2.65	€ 23.45
OVERALL DEBOTABEK RETAIL TOTAL	2,647,600	21.5%	Rp 451,800	US\$ 2.97	€ 26.27

KEY LEASE TRANSACTIONS 2H 2020

PROPERTY	DISTRICT	TENANT	SQM
The Park Sawangan	Depok	Matahari Department Store	7,000
Mall Ciputra Citra Raya	Tangerang	Matahari Department Store	6,500
Galleria Mall Vivo Sentul	Bogor	Lulu Hypermarket	6,500
The Park Sawangan	Depok	Lulu Hypermarket	6,200
Summarecon Mall Serpong	Tangerang	H&M	4,600
Summarecon Mall Bekasi	Bekasi	H&M	4,600

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS DURING 2H 2020

PROPERTY	DISTRICT	SIZE (SQM)	OPENING DATE
The Park Sawangan	Depok	36,000	July 2020
Mall Ciputra Citra Raya	Tangerang	26,000	July 2020
Ararasa Mall	Tangerang	6,500	July 2020
Aeon Mall Sentul City	Bogor	70,000	October 2020

SIGNIFICANT UNDER-CONSTRUCTION PROJECT

PROPERTY	DISTRICT	APPROX SIZE (SQM)	COMPLETION DATE
Paradise Walk Serpong	Tangerang	23,000	2021
GreenWalk Mall	Bekasi	10,000	2021
Living World Kota Wisata	Bogor	90,000	2022

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