

GREATER JAKARTA

Landed Residential H2 2020

2.91%
Price Growth



94.5%
Sales Rate H2 2020



7,538
New Launches H2 2020



Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q4 2020

-1.5%
GDP Growth



1.6%
Inflation Rate



3.75%
Central Bank Rate



Source: Central Bank and Census Bureau

DEMAND: Improving Demand Following The “New Normal” Phase

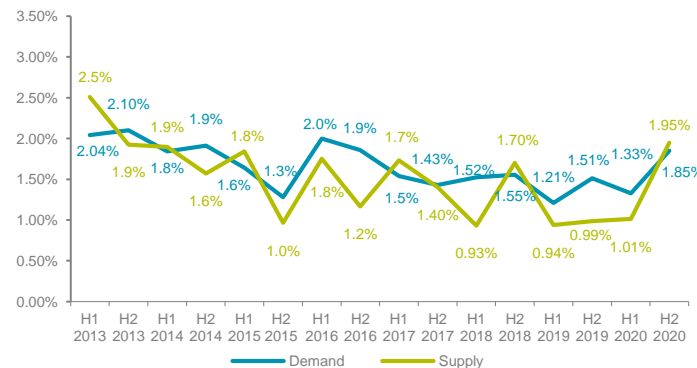
As the large-scale social restrictions in Greater Jakarta area was eased and the nation entered the “new normal” phase from mid-2020, housing transaction has started to rebound significantly. The overall improvement was reflected in the average number of units transacted at 30.5 units per month per estate, a rise of 30% HoH, indicating strong market demand. The average sales value was recorded at around Rp 39 Billion per month per estate (+8% YoY). As for submarket performance, Tangerang remained the most active submarket with average take-up of 40.7 units per month per estate, followed by Bekasi with average take-up of around 34 units per month per estate.

The take-up boost during the review semester was partly contributed by three newly launched estates (in Bogor, Tangerang, and Bekasi, respectively) during the second half of 2020. As for the buyer profile, market activities were strongly driven by end-users, making 75% share of buyers’ ratio, who are taking the advantage of the low housing price growth and marketing gimmicks offered during the pandemic to purchase their first home.

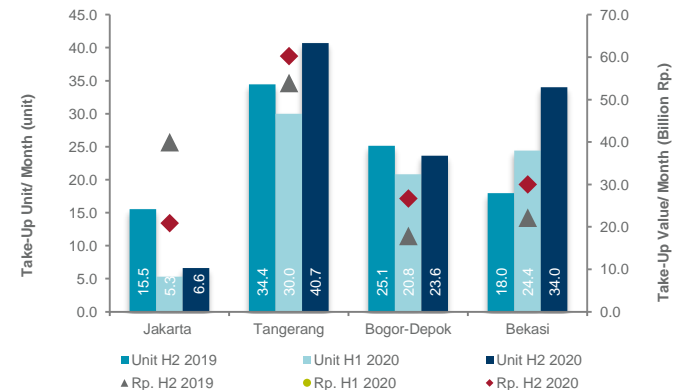
The implementation of stricter mortgage rules since the onset of the pandemic were still observed in most banks. However, some banks have lowered their minimum Down Payment (DP) requirement to 5% for first mortgage, while some others maintain a minimum of 10-20% DP requirement. Mortgage rejection rate remains relatively high, compared to pre-pandemic period, during this semester, partly due to banks’ handling of ongoing credit restructuring and more selective process of approving new loans. Despite the condition, mortgage remains as the most preferred payment term during the second half of 2020 with 73% share, followed by cash installment and hard cash at 15% and 12%, respectively. Developers are also offering more flexible payment terms such as prolonged cash installment and DP installment period to attract prospective buyers.

The Middle segment housing remains the most coveted price segment in Greater Jakarta area, with transactions within this segment contributed around 33.8% to the total sold units in H2 2020, followed by the Lower-middle segment by approximately 27.6%. The two segments are considered the most sought-after by singles and young families looking for home to be occupied, as they made the most of the buyer profile. While enquiries for ready-for-occupation housing was higher during the pandemic period, pre-sale housing demand remains high during the review period.

SUPPLY DEMAND GROWTH



TAKE-UP UNIT AND VALUE



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YoY Chg ▲ 12-Mo. Forecast ▲

94.5%
Sales Rate H2 2020

YoY Chg ▲ 12-Mo. Forecast ▲

7,538
New Launches H2 2020

YoY Chg ▲ 12-Mo. Forecast ▼

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INDONESIA ECONOMIC INDICATORS
Q4 2020

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Source: Central Bank and Census Bureau

SUPPLY: New Launches Soar Amidst The Ongoing Pandemic

In light of the improving overall market activities since the commencement of “new normal” phase around mid-2020, developers have since launched a considerable amount of new supply in the second semester of 2020. A total of 7,538 units were launched in H2 2020, the highest net supply recorded since H1 2013. Most of these new launches were in the Tangerang submarket (around 56%) whilst the Lower-Middle to Middle segment dominating the supply at 25% of overall Greater Jakarta new housing supply. During this semester, three new estates were launched: Summarecon Bogor in Bogor, Daisan Swan City in Tangerang and Tera Damai in Bekasi, contributing a total of 1,737 newly launched units.

The challenges brought by the pandemic have affected the landed residential market, as reflected in the modest price growth. By December 2020, sales price growth is recorded at approximately 2.9% YoY, whilst average land price in Greater Jakarta area only increased by 1.1% HoH to Rp 11,467,956 per sqm. Developers were keeping a conservative price growth to keep their products affordable and attractive to prospective buyers, while offering other marketing gimmicks such as provision of free administration fees.

OUTLOOK

As banks were still careful of approving new mortgage credits and taking risks, the latest Central Bank of Indonesia’s Loan To Value (LTV) and Financing To Value (FTV) regulations, which allows 0% DP for first mortgage applications and 5% LTV and FTV ratio relaxation for second-and-more housing mortgages, have not been seen applied by many banks. Thus, the benefit of the regulation, which was effective since December 2019, will likely not be seen until the end of the pandemic. However, the Central Bank’s reduction of credit interest reference rate to 3.75% in the last two months of 2020 is likely to bring down the mortgage interest rate. The policy is expected to lead a gradual improvement of demand, whilst banking sector is adjusting to accommodate this new policy.

The plan of vaccine rollout in 2021 is expected to light up market sentiments. However, price growth is forecasted to remain conservative in the next semester, as developers continue to ensure product’s affordability to end-users who make the majority of the buyers. As people are navigating through the transitional period in 2021, the Lower-middle to Middle market segments may still be the most active segments, and house types which offer alternative layout with work or study room to support the current Work-From-Home lifestyle will be a favorable option to potential buyers.

SUBMARKET SUMMARY

SUBMARKET	PLANNED AREA (HA)	DEVELOPED AREA (HA)	SUPPLY (UNITS)	DEMAND (UNITS)	SALES RATE	AVG LAND PRICE (IDR PS/M)
Jakarta	1,130	774	24,856	21,571	86.8%	14,859,008
Tangerang	25,372	9,522	193,015	186,180	96.5%	13,695,093
Bogor - Depok	10,070	4,231	85,954	78,635	91.5%	7,076,998
Bekasi	11,922	5,163	90,585	86,438	95.4%	10,240,723
Greater Jakarta	48,494	19,690	394,410	372,823	94.53%	11,467,956

*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.

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NEWLY LAUNCHED PROJECTS H2 2020

ESTATE	CLUSTER	MAIN TARGET	UNITS
JAKARTA			
Citra Garden City	Cemara House	MI	30
Asya	Sentarum (Phase 1)	UM to UP	70
TANGERANG			
Alam Sutera	Sutera Winona (Phase 1)	UP	140
Paramount Serpong	Nara Village	UM	128
	Agnesi @ Symphonia (Phase 2)	MI	18
Summarecon Serpong	Mozart @ Symphonia (Phase 2)	UP	47
	Baroni @ Symphonia (Phase 1)	MI to UM	160
	Avante	LM	129
Citra Raya	Viale	LM	89
	Academia Residence (Phase 1)	MI	64
	Pavilion Residence (Phase 1)	LM to MI	61
Citra Raya JV Mitsui Fudosan	Neo Pine Tree @ Ecopolis (Phase 1)	LM to MI	62
	Fountain @ Ecopolis (Phase 1)	MI to UP	38
Lippo Village	Cendana Spring @ Cendana Homes	LM	67
	Cendana Place @ Cendana Homes	LM	27
	Cendana View @ Cendana Homes	LM	76
	Cendana Hills @ Cendana Homes	LM	148
	Cendana Peak	LM	311
Suvarna Sutera	Alam Signature @ Jati (Phase 1)	MI to UM	144
	Catrina @ Padma (Phase 1)	LM to MI	295
Serpong Jaya	The Symphony (Phase 1)	LM to MI	65
Daisan Swan City (with Mitsubishi Estate Residence)	Osaka	LM to MI	394
	Tokyo (Phase 1)	UM	67
	Fuji (Phase 1)	UP	34
Metland Puri	Amethyst	MI	16
	Freja House	MI	108
	Freja Suites	MI	150
BSD City	ImpresaHaus @ Tabebuya	MI	128
	ImpresaHaus R @ Tabebuya	MI	122

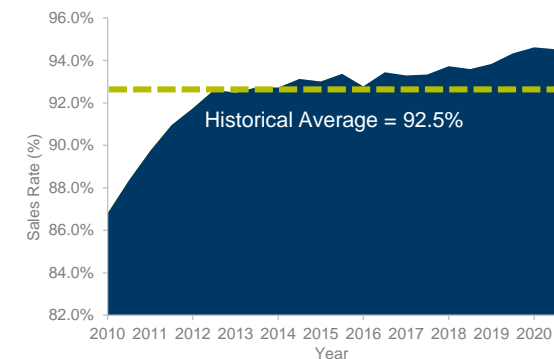
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ESTATE	CLUSTER	MAIN TARGET	UNITS
TANGERANG			
Pantai Indah Kapuk 2	Pantai Bukit Villa	UP	171
	Bukit Danau Indah	UP	195
	Dallas (Phase 2)	MI to UP	110
	Simprug Village	UP	85
	Florida (Phase 1)	MI to UP	284
	Georgia	UM to UP	263
BEKASI			
Kota Harapan Indah	Arum @ Taman Sari	MI	19
Kota Harapan Indah JV Nishitetsu Group	Asera Nishi	MI to UM	397
Tera Damai	Astama	LO	316
	Branta	LO	367
Summarecon Bekasi JV Sumitomo Forestry	Morizen (Phase 3)	UP	6
Summarecon Bekasi	Magenta Residence @ The Orchard (Phase 1)	LM to MI	123
Lippo Cikarang	Travertine @ Waterfront Estate	LM to MI	446
Grand Wisata	O2+ Urban Pop	LM to MI	83
	Monte Torena	LM to MI	111
Kota Jababeka	Rotterdam @ Sport City	LO to LM	169
	Wimbledon @ Sport City (Phase 1)	LM	56
BOGOR-DEPOK			
Bukit Golf Riverside	Neo Emerald (Phase 1)	UM	10
	The Agathis Golf Residence (Phase 1)	UP	159
Summarecon Bogor	The Mahogany Island	MI	79
	The Mahogany Residence	MI to UM	321
Citra Sentul Raya	Rhine (Phase 1)	LM to MI	188
	Tiber (Phase 1)	UM to UP	27
Harvest City	Salvia	LM	18
CitraGrand CBD	Calathea (Phase 1)	LM to MI	79
Citra Gran	Clover Garden (Phase 4)	UM	18
	Danehill	MI to UP	98
Kota Wisata	Miami	MI to UP	152

OVERALL SALES RATE

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