

YoY Chg 12-Mo. Forecast

-6.4%
Average Rental Growth



46.0%
Vacancy Rate



155,012 units
YTD Total Completions



Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q4 2020

YoY Chg 12-Mo. Forecast

-1.5%
GDP Growth



1.6%
Inflation Rate



3.75%
Central Bank Rate



Source: Central Bank and Census Bureau

SUPPLY: No New Serviced Apartment Supply

No new Purpose-Built Rental Apartment and Serviced Apartment projects were identified during Q4 2020. Several under construction Serviced Apartment projects, such as Somerset Kencana and Somerset Sudirman which were initially expected to commence operations by the end of 2020, have been delayed due to the continuing COVID-19 pandemic. About 5 identified Serviced Apartment projects (Somerset Kencana, Somerset Sudirman, Citadines Gatot Subroto, Citadines Sudirman, and Ascott Menteng) with total supply of 832 units are expected to enter the market in 2021.

DEMAND: Short-Stay Demand Helped to Balance Occupancy Rate

No new demand from expatriate tenants was recorded during the review quarter, given the continuing inbound travel restrictions to Indonesia. Purpose-built Rental Apartments sub-sector was impacted by the non-renewal of lease contracts and postponement of new leasing deals during the review quarter. Occupancy was recorded at 59.4%, a 6.7% decrease compared to the last year's figure.

In Serviced Apartment sub-sector, demand inquiries from short-stay guests for weekend "staycation" significantly increased the occupancy rate by 4.0% QoQ to 47.4% during the review quarter, despite the increasing number of new confirmed COVID-19 cases. Compared to the last year's figure, however, the occupancy rate still reflected about 28.2% occupancy decrease. 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.

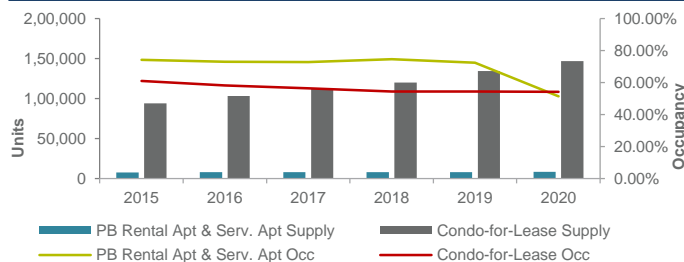
On the other side, the Condominium-for-lease sub-sector experienced occupancy decline of 0.8% QoQ, to 54.2%, due to the addition units from the newly completed condominium projects during the review quarter. This figure reflected 0.1% occupancy decrease compared to the same period of 2019.

PRICING: Rents Remained Under Pressure

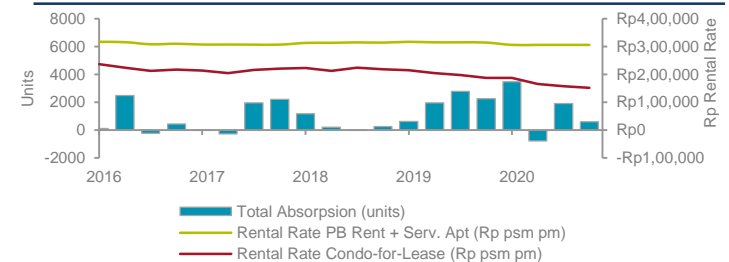
Despite the fluctuation of the Rupiah against US Dollar during the third quarter, average rentals of Purpose-built Rental Apartments and Serviced Apartments remained relatively unchanged at Rp. 241,550 and Rp. 370,431 per sqm per month respectively. Rental rate discounts, subject to negotiation, were still offered by most Serviced Apartment projects to attract new demand (especially from the short-stay guests), to maintain occupancy rate from the expired lease contracts during the pandemic period.

The decline in Condominium-for-lease occupancy however, caused the average rental rate to drop by 3.9% QoQ to Rp. 150,891 per sqm per month, as individual unit owners were prepared to accept much lower rates in the face of the ongoing pandemic. Overall, the average rental rate for rental apartment sector is projected to remain stable in 2021 when the market is expected to recover.

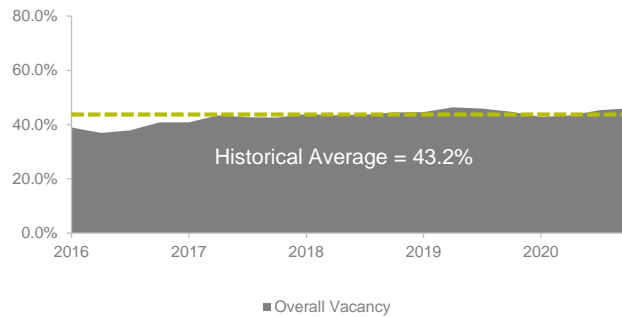
CUMULATIVE SUPPLY / OCCUPANCY



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	40.6%	Rp. 241,550	US\$17.07	€14.04
Serviced Apartments (Jakarta)	5,583	52.6%	Rp. 370,431	US\$26.18	€21.54
Condominiums-for-Lease (Greater Jakarta)	146,698	45.8%	Rp. 150,891	US\$10.66	€8.77
TOTAL	155,012	46.0%	Rp. 254,291	US\$17.97	€14.79

Rental rates reflect gross rents
US\$/Rp = 14,152; €/Rp = 17,199

SIGNIFICANT UNDER CONSTRUCTION PROJECTS Q4 2020

PROPERTY	DISTRICT	SEGMENT	APPROX UNITS	COMPLETION SCHEDULE
Somerset Kencana	Pondok Indah	Upper-Middle	150	2021
Somerset Sudirman	Sudirman	Upper-Middle	176	2021
Citadines Sudirman	Sudirman	Upper-Middle	253	2021
Citadines Gatot Subroto	Gatot Subroto	Upper-Middle	102	2021
Ascott Menteng	Menteng	Upper	151	2021
TOTAL			832	

NEWLY COMPLETED PROJECTS Q4 2020

PROPERTY	DISTRICT	SEGMENT	APPROX UNITS	OPERATION SCHEDULE
-			-	
			-	

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