

YoY Chg 12-Mo. Forecast

-7.3%
Rp. Gross Rent Growth



29.0%
Vacancy Rate



73k Sqm
YTD New Completions



Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q1 2020

YoY Chg 12-Mo. Forecast

-1.0%
GDP Growth



1.4%
Inflation Rate



3.50%
Central Bank Rate



Source: Central Bank and Census Bureau

SUPPLY: A new project entered the market

A new office project, namely Trinity Tower (previously named Daswin Project) in Kuningan of 73,000 sqm, entered the CBD office market during the first quarter of 2021 and add the total stock of CBD Jakarta Office to about 7.1 million sqm. This year, a total of 262,500 sqm of proposed office supply is projected to enter the market and all are of Grade-A buildings.

DEMAND: Average occupancy decreased further

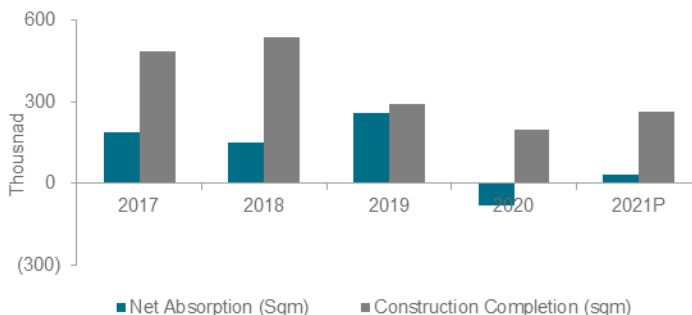
Even though the market has shown improvement activities and increased inquiries, new leasing deals remained relatively soft during the first quarter 2021. Some office downsizings and even office closures still occurred in the first quarter 2021, bringing the quarterly net take-up of the market to negative 32,300 sqm. The average occupancy rate of the CBD office market decreased further to 71.0% by the end of March 2021. The ongoing covid-19 pandemic and continuation of social restriction in Jakarta have been slowing down overall business performance and dipping the office demand and transaction activities to the lowest level.

PRICING: Pressure on rental rate continues

Rupiah rental rates decreased further during the reviewed quarter, inline with the weak demand and the falling occupancy level of the market. Many landlords granted rent reductions or delay payments to retain existing tenants in the buildings. By the end of March, the average CBD gross rental stood at Rp.277,000 per sqm per month (a decrease of 7.3% YoY). In US dollar terms, the figure was US\$19.06 per sqm per month, a decrease of 4.0% YoY.

With the soft business outlook and expected continuous impact of the pandemic until the vaccination program reaches majority of the target, a trend towards lower office cost locations, premises downsizing within the CBD office market may still be expected in the second quarter 2021. Similarly, gross rental rates are projected to further decrease with the anticipated weak demand.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & GROSS RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SqM)	SUBLET VACANT (SqM)	DIRECT VACANT (SqM)	OVERALL VACANCY RATE	CURRENT QTR NET ABSORPTION (SqM)	OVERALL NET ABSORPTION (SqM)	YTD OVERALL NET ABSORPTION (SqM)	UNDER CNSTR (SqM)	AVG GROSS RENT (GRADE A) (US\$/SqM/Month)*
Sudirman	2,724,300	0	820,300	30.1%	-55,700	-55,700	-55,700	99,000	\$25.09
Kuningan	1,714,400	0	570,200	33.3%	-22,700	-22,700	-22,700	40,000	\$19.21
Gatot Subroto	1,159,800	0	347,500	30.0%	4,900	4,900	4,900	50,000	\$19.85
Thamrin	509,500	0	83,100	16.3%	270	270	270	273,700	\$23.84
Satrio – Mas Mansyur	713,400	0	199,200	27.9%	40,100	40,100	40,100	-	\$17.35
Others (Senayan ,etc)	276,600	0	38,900	14.1%	794	794	794	-	\$31.22
CBD TOTALS	7,098,000	0	2,059,200	29.0%	-32,335	-32,335	-32,335	462,700	\$19.06
GRADE A ONLY TOTALS	4,875,900	0	1,474,800	30.2%	-12,000	-12,000	-12,000	462,700	\$22.94

*Rental rates reflect Gross Rental including Service Charge

Exchange rate 1Q21: Rp.14,536 / US\$1.00

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
THE Tower	Gatot Subroto	Life Insurance	4,500	Relocation
-RDTX Place	Satrio	Oil & Gas	5,000	New

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE\$/ PSF
-	-	-	-	-

SIGNIFICANT UNDER-CONSTRUCTION PROJECTS IN 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION
Thamrin Nine Phase 2 Tower 1	Thamrin	-	86,000	Q2-2021
Thamrin Nine Phase 2 Tower 2	Thamrin	-	56,500	Q3-2021
BRI Tower	G. Subroto	Bank BRI	50,000	Q3-2021
Mori Tower	Sudirman	Mori	99,000	Q1-2022
Gedung Indonesia 1 (North & South)	Thamrin	China Sonangol	131,200	Q3-2022
Rajawali Place	Kuningan	-	40,000	Q3-2022
Sarinah Office Tower 2	Thamrin	-	68,000	Q2-2023

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