

-4.7%
Rp. Gross Rent Growth

YoY Chg
12-Mo. Forecast



29.4%
Vacancy Rate



73k Sqm
YTD New Completions



Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q2 2020

-1.0%
GDP Growth

YoY Chg
12-Mo. Forecast



1.4%
Inflation Rate



3.50%
Central Bank Rate



Source: Central Bank and Census Bureau

SUPPLY: Delayed construction completion

No new additional office space was recorded during the second quarter 2021, as some projects experienced slowing construction progress due to both Ramadhan – Eid-Fitr festive and the pandemic. The nearest project completion is expected to come from The Autograph Tower of 86,000 sqm, which will enter the CBD office market in third quarter 2021. This year, a total of 206,000 sqm of proposed office supply is projected to enter the market and will add the total stock of Jakarta CBD office to about 7.2 million sqm.

DEMAND: Leasing activities remained weak

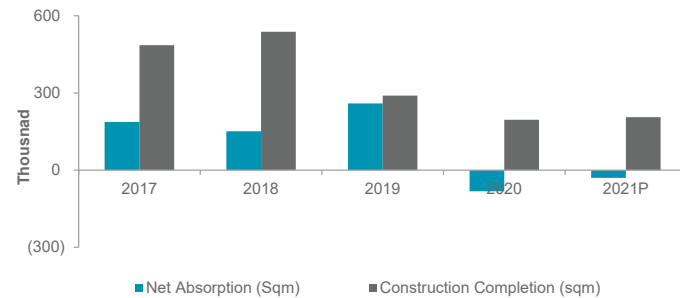
Leasing deals remained relatively soft particularly during April and May due to Ramadhan and Eid-Fitr festive. Many inspections, fit-out activities and transaction deals were put on hold and progress slowly during the festive months. Some positive signs of leasing activities were observed in early June with completion of several major deals. However, the surge of Covid-19 cases in late June hampered the positive market trend back to soft mode, with pending of the on-going leasing transactions. Some office downsizings and even office closures continued in the second quarter 2021, bringing the quarterly net take-up of the market to negative 24,000 sqm. The average occupancy rate of the CBD office market decreased further to 70.6% by the end of June 2021.

PRICING: More Pressure on rental rate

Rupiah rental rates decreased further during the second quarter, inline with the weak demand and the decreasing occupancy level of the market. By the end of June, the average CBD gross rental stood at Rp.274,100 per sqm per month (a decrease of 4.7% YoY). In US dollar terms, the figure was US\$18.88 per sqm per month, a decrease of 6.3% YoY.

The worsening covid-19 pandemic and tightening of social restriction in Jakarta have been slowing down overall business performance and dipping the office demand and transaction activities to the lowest level. With the soft business outlook and expected continuous negative impact of the pandemic on the overall economy, a trend towards lower office accommodation cost, premises downsizing within the CBD office market may still be expected in the third 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 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	839,000	30.1%	-18,800	-67,400	99,000	\$24.87
Kuningan	1,714,400	0	578,500	33.3%	-8,300	-31,200	40,000	\$19.10
Gatot Subroto	1,159,800	0	355,500	30.0%	-8,000	-8,800	50,000	\$19.87
Thamrin	509,500	0	81,000	16.3%	2,100	2,400	273,700	\$23.87
Satrio – Mas Mansyur	713,400	0	183,900	27.9%	15,400	55,500	-	\$17.38
Others (Senayan ,etc)	276,600	0	45,300	14.1%	-6,400	-6,800	-	\$31.23
CBD TOTALS	7,098,000	0	2,083,200	29.3%	-24,000	-56,300	462,700	\$18.88
GRADE A ONLY TOTALS	4,875,900	0	1,489,000	30.5%	-11,500	-23,500	462,700	\$22.81

*Rental rates reflect Gross Rental including Service Charge

Exchange rate 2Q21: Rp.14,516 / US\$1.00

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
-	-	-	-	-

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021

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

SIGNIFICANT UNDER-CONSTRUCTION PROJECTS IN 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION
The Autograph Tower	Thamrin	-	86,000	Q3-2021
BRI Tower	G. Subroto	Bank BRI	50,000	Q3-2021
Mori Tower	Sudirman	Mori	99,000	Q1-2022
Luminary Tower	Thamrin	-	56,500	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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