

-4.3%

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 Q3 2021

3.5%

GDP Growth

YoY Chg



12-Mo. Forecast



1.6%

Inflation Rate



3.50%

Central Bank Rate



Source: Central Bank and Census Bureau

SUPPLY: No New Supply

No new supply of office space was recorded during the third quarter 2021 due to the slow construction progress of several projects with advanced construction stage. The nearest project completion is expected to come from Menara BRI of 50,000 sqm, which will enter the CBD office market in mid of fourth quarter 2021. The total proposed office supply expected to enter the market in 2021 is about 206,000 sqm.

DEMAND: Softening market contraction

Leasing activities remained relatively soft during third quarter 2021. Tenant movement mostly came from relocations from older buildings to the newly completed office buildings, without space expansions. However, the trend of market contraction seemed to improve during the reviewed quarter as indicated by lower negative net-take-up of -4,200 sqm (compared to -24,000 sqm in the previous quarter), which may be a positive sign of market recovery in the near terms. The average occupancy rate of the CBD office market was relatively stable at 70.6% by the end of September 2021.

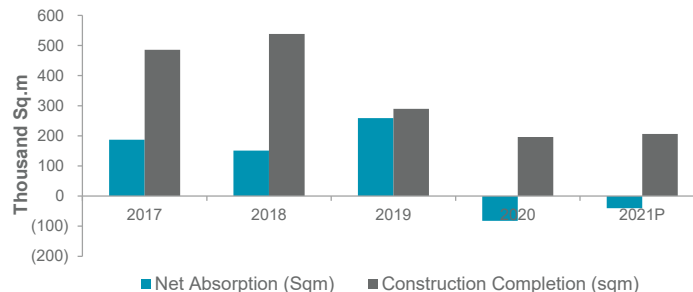
PRICING: Pressure on rental rate continued

Rupiah base rental rates decreased further by -2.3% QoQ to IDR 180,500 per sqm per month inline with the continuing weak demand of the market, whilst in US Dollar equivalent, it was relatively stable due to the significant strengthening of the Rupiah (by +1.4%) during the reviewed quarter. Meanwhile, service charges remained unchanged over the third quarter 2021.

With the ongoing recovery of office and social activities in Jakarta following the significant drop of new Covid-19 cases and improving of overall pandemic situation in the country, the trend of market contraction is expected to end soon.

Rentals, however, will remain under downwards pressure as vacancies will continue to rise until mid 2022 due to completion of some large new office projects in Sudirman and Thamrin area.

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	844,600	30.1%	-14,200	-81,600	-81,600	99,000	\$24.60
Kuningan	1,714,400	0	569,000	33.2%	9,100	-22,100	-22,100	40,000	\$19.37
Gatot Subroto	1,159,800	0	357,800	30.9%	1,900	-6,900	-6,900	50,000	\$19.53
Thamrin	509,500	0	82,000	16.1%	-1,250	1,100	1,100	273,700	\$24.03
Satrio – Mas Mansyur	713,400	0	181,300	25.4%	2,050	57,500	57,500	-	\$17.27
Others (Senayan ,etc)	276,600	0	47,900	17.3%	-1,800	-8,700	-8,700	-	\$30.34
CBD TOTALS	7,098,000	0	2,082,600	29.3%	-4,200	-60,700	-60,700	462,700	\$18.85
GRADE A ONLY TOTALS	4,875,900	0	1,485,800	30.5%	600	-22,400	-22,400	462,700	\$22.70

*Rental rates reflect Gross Rental including Service Charge

Exchange rate 3Q21: Rp.14,314 / US\$1.00

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Gedung BEI	Sudirman	Stock Trading	1,500	New Tenant
Binakarsa	Kuningan	Medical Lab	1,200	New Tenant

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 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	Q4-2021
Menara BRI	G. Subroto	Bank BRI	50,000	Q4-2021
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

ARIEF RAHARDJO

Director, Strategic Consulting

+62 21 2550 9500 / Arief.rahardjo@cushwake.com

NURDIN SETYAWAN

Associate Director, Strategic Consulting

+62 21 2550 9500 / Nurdin.setyawan@cushwake.com

cushmanwakefield.com

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