



Source: Cushman & Wakefield Indonesia Research

## INDONESIA ECONOMIC INDICATORS Q4 2021



Source: Central Bank and Census Bureau

### SUPPLY: One project completed in Q4

One newly completed office project, namely Menara BRlliant of 45,000 sqm entered the CBD office market during the fourth quarter of 2021. A total of about 118,000 sqm new office space has entered the market during 2021, which lower than that was recorded in the previous year of about 196,000 sqm. The proposed supply set to enter the market in 2022 is projected at approximately 225,000 sqm from 3 projects.

### DEMAND: Market contraction ended

Some large leasing transactions were recorded during the fourth quarter of 2021 such as in MSIG Tower of about 15,000 sqm by online education institution, in Medialand Tower by a logistics company of 5,500 sqm and in Capital Place of 4,000 sqm by Nokia. Overall, improving trends in both inquiries and transactions from those in 2021 were observed throughout the year, with demand coming mostly from tenants looking for office relocations and consolidations for 2022 and beyond.

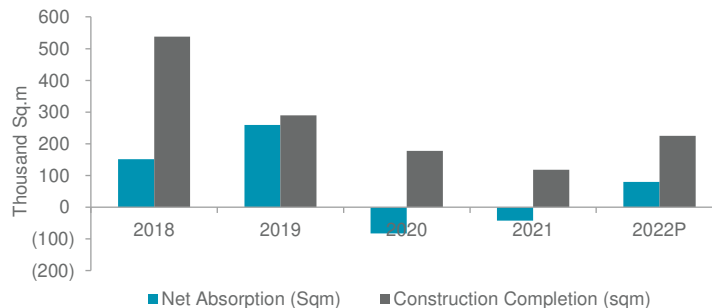
After six consecutive quarters of market contraction trend, the Jakarta CBD office market recorded its first positive quarterly net-take-up of 17,900 sqm in the fourth quarter of 2021, indicating a very positive sign for market recovery in the near terms. The average occupancy rate of the CBD office market, however, decreased by 0.2% to 70.4% by the end of December 2021, due mostly to the large additional supply.

### PRICING: Rental decreased further

Base rental rate in Rupiah decreased further by 3.0% QoQ in the fourth quarter of 2021, inline with weak demand and decreasing average occupancy of the market. By the end of December 2021, the average base rental in Rupiah term stood at Rp 175,100 per sqm per month (a decrease of 9.1% YoY), whilst in US Dollar equivalent, it stood at US\$12.3 per sqm per month (a decrease of 9.6% YoY). Meanwhile, service charges remained relatively unchanged over the fourth quarter of 2021.

With the ongoing improvement of office market in Jakarta CBD area following the stronger economic performance of the country, the trend of positive net take-up is expected to continue in the coming quarters. Rentals, however, will remain stagnant as vacancies will remain high as completion of large office projects in Sudirman, Thamrin and Kuningan area in year 2022 may not be followed by the same level of 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	843,600	31.0%	2,500	-79,000	241,500		\$23.95
Kuningan	1,714,400	0	541,300	31.6%	42,800	20,700	40,000		\$19.47
Gatot Subroto	1,204,800	0	403,200	33.5%	1,200	-5,800	-		\$20.09
Thamrin	509,600	0	95,400	18.7%	-27,800	-26,600	131,200		\$22.76
Satrio – Mas Mansyur	713,400	0	176,900	24.8%	4,900	62,400	-		\$17.02
Others (Senayan ,etc)	276,600	0	54,000	19.5%	-5,700	-14,300	-		\$26.38
<b>CBD TOTALS</b>	<b>7,143,100</b>	<b>0</b>	<b>2,114,400</b>	<b>29.64%</b>	<b>17,900</b>	<b>-42,600</b>	<b>412,700</b>		<b>\$18.59</b>
<b>GRADE A ONLY TOTALS</b>	<b>4,920,900</b>	<b>0</b>	<b>1,507,800</b>	<b>30.6%</b>	<b>23,000</b>	<b>80</b>	<b>412,700</b>		<b>\$22.21</b>

\*Rental rates reflect Gross Rental including Service Charge

Exchange rate 4Q21: Rp.14,235 / US\$1.00

## KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
MSIG Tower	Sudirman	Education	15,000	New Tenant
Medialand Tower	Kuningan	Logistics	5,500	New Tenant
Capital Place	Gatot Subroto	Telecommunication	4,000	Relocation

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE/\$PSF
Office One	Kuningan	PNM	16,000	
-	-	-	-	-

## SIGNIFICANT UNDER-CONSTRUCTION PROJECTS IN 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION
Autograph Tower	Sudirman	-	86,000	Q1-2022
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	Q4-2022
Luminary Tower	Thamrin	-	56,500	Q1-2023

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