

YoY Chg 12-Mo. Forecast

-1.7%
ARR Growth



52.1%
Vacancy Rate



544 rooms
Total Completions



Source: Cushman & Wakefield Indonesia

SUPPLY: 3 Hotels start operating in the 2nd semester of 2021

In the second semester of 2021, three major hotels of 4-star, 5-star and luxury hotels start operation in CBD and West Jakarta, adding 544 rooms to the supply. With the supply increase of 1.3% YoY, the total cumulative room supply in Jakarta stood at 41,724 hotel rooms. In line with the enactment of the Covid-19 Task Force regulation, travelers from abroad must undergo quarantine and to facilitate this, many 2-star to luxury hotels in Jakarta provide quarantine facilities which availability can be seen on the Quarantine Hotel Jakarta website. Future hotel supply will still be delayed pending the recovery of market conditions.

DEMAND: Average occupancy rates experienced annual increase of 12% to 17%

After being sluggish since the declaration of national covid-19 pandemic in March 2020, the ease of PPKM (public activity restriction) level and decrease of total Covid-19 positive cases have improved the average monthly occupancy rate in December 2021 to 76%, far exceeded the average occupancy rate in the same month of 2019 of 61%. In addition to the increasing meeting activities from both corporations and government, the increase in occupancy rate in the last few months of 2021 seems to have also been contributed by hotel rooms occupied for quarantine of travelers who have just arrived from overseas, even though the number of International and domestic travelers are still limited. The total passenger arrivals at Soekarno-Hatta International Airport during 2021 still experienced a decline of 65.4% and 7.6% from that in 2019 and 2020 respectively.

Average occupancy rates of 3-star, 4-star, 5-star and luxury segment experienced annual increase of 12% to 17% to 53.6%, 52.4%, 48.7% and 44.4% respectively in 2021.

ADR: Depressed Room Rates continued

Despite the general improving performance of the market in 2021, hotel room rates continued to be under pressure. Average Daily Rate (ADR) of hotels in Jakarta is 1.7% lower than that in the previous year, YTD. The remained limited foreign business travelers made 4-star and 5-star hotels experience the most decline in ADR. Average Daily Rates in 2021: 3-star: Rp. 364,297 (3.0% YoY); 4-star: Rp. 550,121 (-5.3% YoY); 5-star: Rp. 990,170 (-5.4% YoY); and Luxury: Rp. 1,536,053 (2.7% YoY).

ECONOMIC INDICATORS Q4 2021

YoY Chg 12-Mo. Forecast

3.7%
GDP Growth



1.8%
Inflation Rate

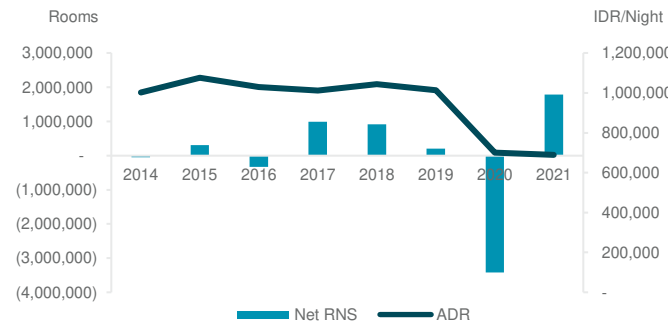


3.50%
Central Bank Rate

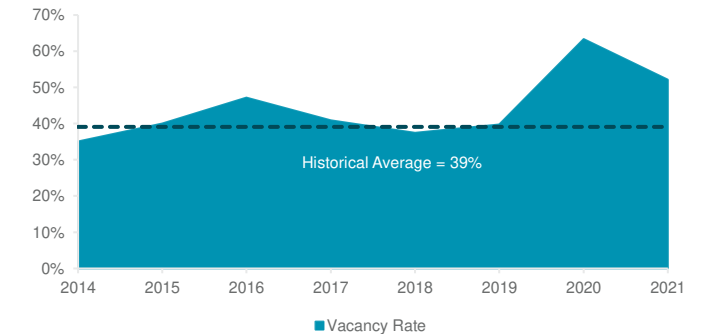


Source: Central Bank and Census Bureau

OVERALL NET ABSORPTION & ADR



OVERALL VACANCY



SIGNIFICANT PROJECTS COMPLETION H2 2021

PROPERTY	ADDRESS	SEGMENT	TOTAL UNITS
Hilton Garden Inn Jakarta Taman Palem	Jl Taman Palem Lestari Blok B13 No1 Cengkareng, Jakarta	4-star	168
The Orient Jakarta	Jl. Jend. Sudirman No.kav 36, Tanah Abang, Jakarta	5-Star	153
The Langham Jakarta	District 8 SCBD, Lot 28, SCBD, Kebayoran Baru, Jakarta	Luury	223
TOTAL			544

OUTLOOK: Omicron will slow down the pace of market recovery

While the hotel market in the second half of 2021 provides sustainable growth, the increase in Omicron Covid-19 cases in Jakarta which reached 6,000 cases per day by the end of January 2022 is likely to slow down the pace of hotel performance recovery, at least throughout the first half of 2022.

In addition, there are still restrictions on international flights entering Indonesia and Jakarta in accordance with official regulations from IATA and the Immigration Office, making the demand for hotel rooms, especially upscale to luxury hotel segments still soft and suppressing ADR growth.

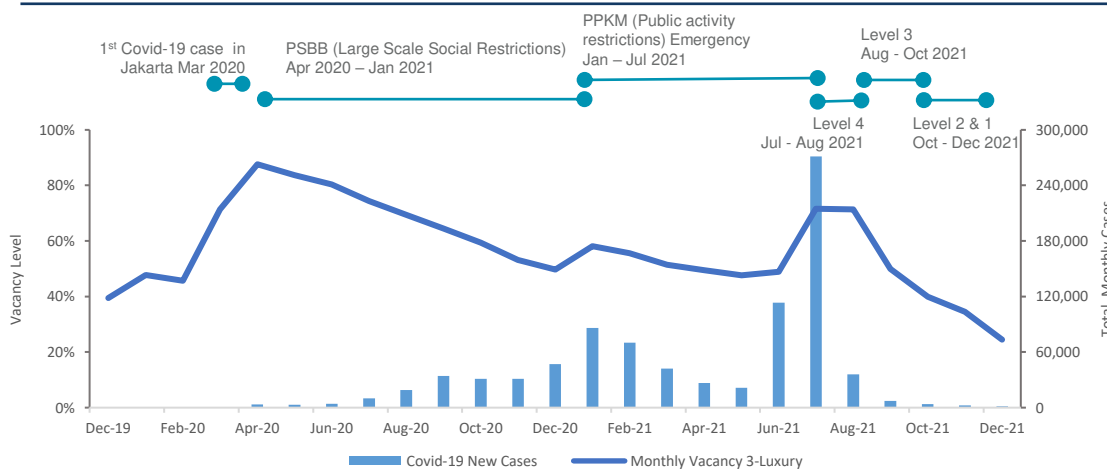
With the pandemic situation still continuing and complying with the Covid-19 Task Force regulation, hotel operators will determine marketing strategies that can increase RevPAR while still prioritizing health protocols for guests staying at their hotels.

ARIEF RAHARDJO

Director, Strategic Consulting

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

JAKARTA HOTEL MONTHLY VACANCY



Source: Cushman & Wakefield, STR Global, Covid-19 Monitoring Data – DKI Jakarta

cushmanwakefield.com

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.