

Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q1 2022



Source: Central Bank and Census Bureau

SUPPLY: No project completion in Q1

No new additional office space was recorded during the first quarter 2021, as some projects experienced delaying completion date. The nearest project completion is expected to come from The Autograph Tower of 86,000 sqm, which will enter the CBD office market in early third quarter 2022. This year, a total of 225,000 sqm of proposed office supply is projected to enter the market and will add the total stock of Jakarta CBD office to about 7.3 million sqm.

DEMAND: Demand recovery continued

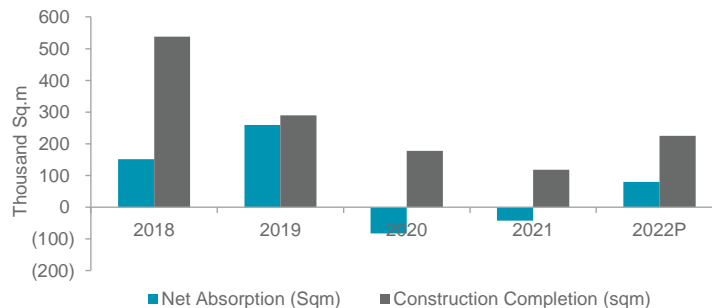
Positive sign of demand recovery continued as indicated by the positive net take-up of 17,800 sqm is recorded during the first three months of 2022. a significant portion of this take-up was contributed by owner occupation in a new completed office building: Menara BRllian on Jl. Jendral Gatot Subroto. Some large leasing transactions were also recorded during the first quarter of 2022 such as in Gama Tower of about 12,000 sqm by banking institution for their office expansion. The average occupancy rate of the CBD office market, increased by 0.2% to 70.6% by the end of March 2022.

PRICING: Rental remained under pressure

Despite the ongoing market recovery, rentals is still under pressure due to tough competition of the existing office buildings in both attracting and retaining tenants. Base rental rate in Rupiah decreased by 1.3% QoQ in the first quarter of 2022 and stood at Rp 172,900 per sqm per month (a decrease of 7.8% YoY), whilst in US Dollar equivalent, it stood at US\$12.05 per sqm per month, a decrease of 2.1% QoQ (or a decrease 6.7% YoY). Meanwhile, service charges remained relatively stable over the first quarter of 2022.

Inline with the ongoing economic and business recovery, improving trends in both inquiries and transactions is expected to continue in next quarters, with demand coming mostly from tenants looking for office relocations and consolidations for 2022 and beyond. Rentals, however, will remain under pressure as vacancies will remain high as completion of large office projects in Sudirman, Thamrin and Kuningan area in second semester 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	852,200	31.3%	-8,600	-8,600	-8,600	241,500	\$23.43
Kuningan	1,714,400	0	537,300	31.3%	4,060	4,060	4,060	40,000	\$19.03
Gatot Subroto	1,204,800	0	374,200	31.1%	29,000	29,000	29,000	-	\$20.00
Thamrin	509,600	0	101,350	19.9%	-5,960	-5,960	-5,960	131,200	\$22.57
Satrio – Mas Mansyur	713,400	0	174,900	24.5%	2,000	2,000	2,000	-	\$16.52
Others (Senayan ,etc)	276,600	0	56,800	20.5%	-2,700	-2,700	-2,700	-	\$26.31
CBD TOTALS	7,143,100	0	2,096,750	29.4%	17,800	17,800	17,800	412,700	\$18.29
GRADE A ONLY TOTALS	4,920,900	0	1,480,600	30.1%	27,200	27,200	27,200	412,700	\$21.78

*Rental rates reflect Gross Rental including Service Charge

Exchange rate 1Q22: Rp.14,358 / US\$1.00

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Gama Tower	Kuningan	Banking	12,000	Expansion
South Quarter	TB Simatupang	Grab	12,000	Relocation

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

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

SIGNIFICANT UNDER-CONSTRUCTION PROJECTS IN 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION
Autograph Tower	Sudirman	-	86,000	Q3-2022
Mori Tower	Sudirman	Mori	99,000	Q3-2022
Rajawali Place	Kuningan	-	40,000	Q4-2022
Luminary Tower	Thamrin	-	56,500	Q1-2023
Gedung Indonesia 1 (North & South)	Thamrin	China Sonangol	131,200	Q3-2024

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