

GREATER JAKARTA

Landed Residential H1 2023

4.49%
Price Growth



94.29%
Sales Rate H1 2023



4,445
New Launches H1 2023



Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q1 2023

5.03%
GDP Growth



3.52%
Inflation Rate



5.75%
Central Bank Rate



Source: Central Bank and Census Bureau

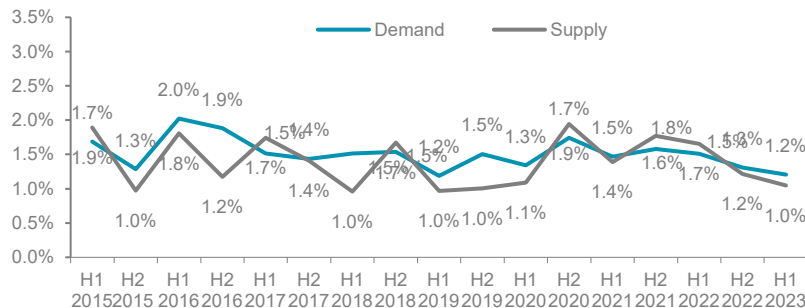
DEMAND: Stable Purchasing Power of the Market

Following the government's official removal of activity restrictions across all regions of Indonesia by the end of 2022, the first half of 2023 has witnessed a sustained enhancement in market confidence towards landed residential products. Although the Middle segment maintains its dominant position in terms of demand, accounting for approximately 26% of the total demand, the Upper segment continues to exhibit improving demand, representing around 23.9% of the total units sold. Notably, a significant portion of the demand stems from end-users, constituting approximately 77% of the buyers – this buyer group comprises a blend of first-time homeowners and more established families seeking larger residences to accommodate their growing requirements.

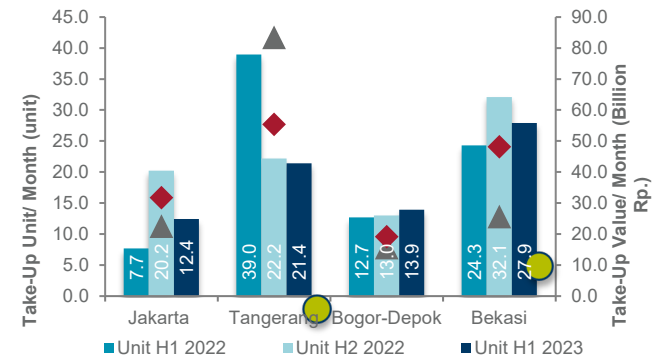
The Greater Jakarta area exhibited an average monthly take-up rate of 20.1 units per estate during H1 2023, representing a year-on-year decrease of 20.5%. This figure corresponds to an average absorption value of Rp 41.8 billion per estate per month. Although this value reflects an 8% year-on-year decline compared to the previous year, it remains relatively consistent with the previous semester (+4% HoH), indicating promising purchasing power within the market. The average transaction value per unit stands at approximately Rp 2.08 billion, showing a 15.6% increase compared to the first half of 2022. Notably, Bekasi maintained its position with the highest average absorption rate per estate, recording an average of 27.9 units per month, followed by Tangerang with approximately 21.4 units per estate per month.

Despite the expiration of the Government's Value Added Tax (VAT) incentives program in September 2022, developers in the landed residential sector remain actively engaged and are expected to persist in launching new products due to the sustained strong demand they are experiencing. Beginning in January 2023, the Central Bank initiated a series of increases in its average interest reference rate and maintained this rate up until June 2023, with the objective of managing inflationary pressures. Despite this, the average prime mortgage lending rates offered by banks have remained relatively stable. Many banks have continued to ease their mortgage regulations, while developers actively introduced competitive payment methods such as down payment installment programs and express mortgages. Mortgages have remained the preferred payment method this first half of 2023, accounting for 74.1% of transactions, followed by cash installments at 15.2% and hard cash payments at 10%.

SUPPLY DEMAND GROWTH



TAKE-UP UNIT AND VALUE



GREATER JAKARTA

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4.49%
Price GrowthYoY
Chg12-Mo.
Forecast94.29%
Sales Rate H1 20234,445
New Launches H1 2023

Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS
Q1 20235.03%
GDP GrowthYoY
Chg12-Mo.
Forecast3.52%
Inflation Rate5.75%
Central Bank Rate

Source: Central Bank and Census Bureau

SUPPLY: Tangerang Dominates New Supply

The supply of landed residential units remained relatively stable during H1 2023. The market witnessed a total of 4,445 units of additional supply. Tangerang area dominates the new supply with a big portion of 51%, followed by Bogor and Depok of 22%. The Upper segment units dominated the new supply this semester with 34.3% of the total supply, followed by the Middle segment of 27.3%. However, the rate of new launches slowed down compared to in the previous period by -11.1%, resulting in a somewhat balanced supply-demand dynamic. Developers continues to showcase their confidence in the market by introducing higher-end products in various estates, which signifies their optimism on the overall market confidence and potential.

As of June 2023, the average land price in Greater Jakarta was reported at approximately Rp 12,428,000 per sqm, signifying a 1.9% growth since the last semester. The gradual impact of inflation on construction and building materials has been seen on the increase of sales price. The progress made in transportation infrastructure also contributed to the upward trajectory of land prices. Consequently, the year-on-year average sales price has experienced a notable increase of 4.49%.

OUTLOOK

Despite the forecast of a challenging global economic landscape in 2023, which may instill a sense of caution among developers and investors regarding their development plans, developers in the landed residential sector maintain a notable level of optimism for the upcoming semester. This positive outlook is primarily driven by the fact that the majority of house buyers are end-users and first-time homeowners who are motivated by primary housing needs – their continued demand for houses contributes to the developers' confidence of the market.

The escalation of development costs driven by inflation, along with advancements in infrastructure facilities within the Greater Jakarta, is anticipated to contribute to a subsequent rise in land prices in the affected regions. Moreover, the average sales price is expected to continue growing throughout the rest of 2023. The Central Bank's initiation to increase the reference rate during H1 2023 may prompt banks to gradually raise their mortgage interest rates for the remaining duration of the year and as mortgage payment remains the most favorable term of payment, this projected increase in interest rate is expected to impact demand.

SUBMARKET SUMMARY

SUBMARKET	PLANNED AREA (HA)	DEVELOPED AREA (HA)	SUPPLY (UNITS)	DEMAND (UNITS)	SALES RATE	AVG LAND PRICE (IDR PSM)
Jakarta	1,144	771	26,335	22,873	86.9%	15,668,969
Tangerang	26,022	9,825	210,626	200,049	95.0%	15,072,832
Bogor - Depok	10,372	4,278	88,637	82,076	92.6%	8,243,410
Bekasi	13,235	5,444	95,759	92,811	96.9%	10,729,739
Greater Jakarta	50,773	20,319	421,357	397,810	94.41%	12,428,737

*Cushman & Wakefield's landed residential market analysis focuses on actively marketed residential estates within the Greater Jakarta area. Those selected residential estates are considered as "major developments" comprising a minimum of 30 hectares. Estates specializing in Healthy Simple Housing (Rumah Sederhana Sehat/ RSH) are excluded from the analysis.

Our market area coverage includes (1) North Jakarta; (2) Central Jakarta; (3) East Jakarta; (4) West Jakarta; (5) South Jakarta; (6) Bekasi Municipality; (7) Bekasi Regency; (8) Tangerang Municipality; (9) South Tangerang Municipality; (10) Tangerang Regency; (11) Depok Municipality; (12) Bogor Municipality; and (13) Bogor Regency.

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NEWLY LAUNCHED PROJECTS H1 2023

ESTATE	CLUSTER	MAIN TARGET	UNITS
JAKARTA			
Citra Garden City	Citra Lake Villa	UP	28
Jakarta Garden City	The Essence @ Zebrina	UM	46
	The Essence @ Alamanda	UM	50
Metland Menteng	Grand Jura 88	UP	60
TANGERANG			
BSD City	Welton @ Hiera (Phase 1)	UP	82
	Layton @ Nava Park (Phase 1)	UP	40
	Enchante Residence (Phase 3)	UP	22
	Namee @ Eonna (Phase 1)	UP	18
	Tanakayu Vasya (Phase 1)	UP	43
Summarecon Serpong	Strozzi @ Symphonia	UP	76
	Casa Montana (Phase 1)	LM to MI	53
Pantai Indah Kapuk 2	Pasadena Hills (Phase 2)	MI	98
	Bukit Nirmala (Phase 3)	UP	65
	Permata Golf Residence 1 (Phase 1)	UP	139
	Permata Golf Residence 2 (Phase 1)	UP	214
Citra Garden Serpong	Chloe	LM to MI	163
	Belle Fleur (Phase 1)	LM	41
	Aeris (Phase 1)	UP	28
	Diandre (Phase 1)	LM to MI	184
Citra Raya	Le Sentier @ Lausanne Park (Phase 1)	UM to UP	73
	Varenna (Phase 1)	LM to MI	189
	Caslano Park (Phase 2)	LM	82
	Fountain Signature (Phase 2)	UP	41
Giantara Serpong City	Neo Pine Tree @ Ecopolis (Phase 4)	MI	170
	Nerin @ Astera (Phase 1)	MI	125
	Suvarna Sutera	Basanta (Phase 1)	MI
Kota Modern (Modernland)	Modern Waterfront	UM	80
	Cendana Essence (Phase 2)	LM	150
Lippo Village	The Colony @ Himalaya	UM	43
	Cendana Gard'N Vista (Phase 1)	LM	93
	Nordic @ Kebayoran Harmony (Phase 1)	MI	66
Bintaro Jaya	Emerald Home (Phase 1)	UP	14
	Navia @ Kebayoran Piazza	UM	32

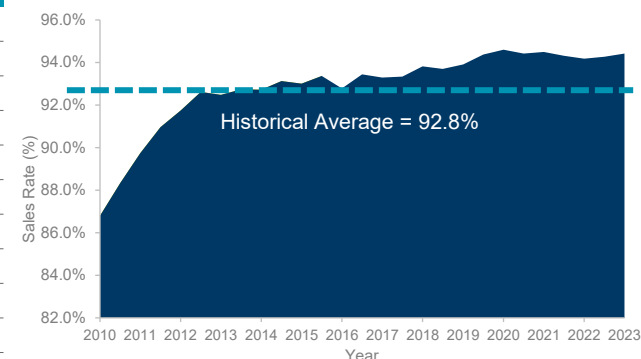
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ESTATE	CLUSTER	MAIN TARGET	UNITS
TANGERANG			
	Matera Residences	UP	82
	Fresco Parade @ Virginia (Phase 1)	LM	53
Paramount Serpong	Fresco Parade @ Arcadia (Phase1)	MI	17
	Fresco Parade @ Trimezia (Phase 1)	UP	18
	Fresco Parade @ British (Phase 1)	UM to UP	21
BEKASI			
Grand Wisata	Tanamas	MI to UM	99
Jababeka Residence	Paradiso Golf Villas (Phase 2)	UP	101
Kota Delta Mas	De Silva (Phase 1)	LM	65
BOGOR-DEPOK			
Harvest City	Neo Salvia	LM	37
Citra Sentul Raya	Danube Highland (Phase 1)	MI	173
Citra Gran CBD	Brunnera (Phase 2)	MI	38
Kota Wisata	Vermont	UM to UP	27
Citraland Cibubur	Montana	LM to MI	327
	Centronnia (ext.)	UM to UP	90
Sentul City	Spring Valley (Phase 2)	UM	21
	Spring @ Parkville	LM to MI	172
	Lake Vista (Phase 2)	UP	97
Shila at Sawangan	Laguna (Phase 2)	UM	118

OVERALL SALES RATE

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