

GREATER JAKARTA

Landed Residential H1 2024

YoY Chg 12-Mo. Forecast

1.82%
Price Growth



94.48%
Sales Rate H1 2024



2,979
New Launches H1 2024



Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q2 2024

YoY Chg 12-Mo. Forecast

5.1%
GDP Growth



2.51%
Inflation Rate



6.25%
Central Bank Rate



Source: Central Bank and Census Bureau

SUPPLY: Focus on Selling of Ready Stock Units

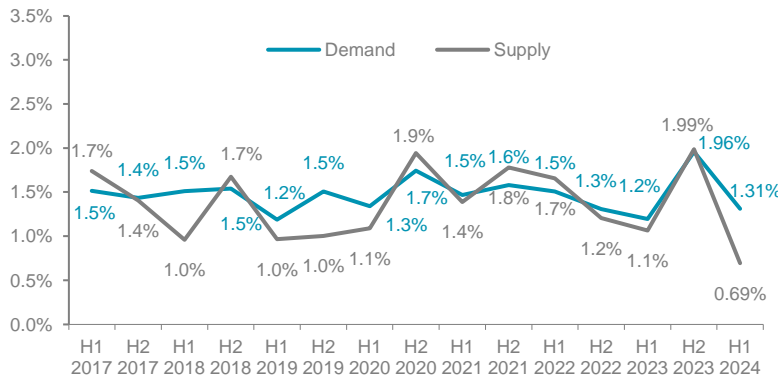
In the first half of 2024, less supply of newly launched products than that seen in the second half of 2023 was observed with a total of 2,979 units introduced in both the Greater Jakarta and Karawang areas. Supply in Tangerang continued to dominate the market, accounting for 59% of the new supply, and followed by Bekasi at 22%.

Upper segment units continued to represent the majority of new supply this semester, accounting for 38.3% of the total, while the Middle segment followed closely with a 24.3% share. The dominant of upper segment new supply reflects the strong market optimism on this segment which has been observed since the previous semester. As of June 2024, the average land price in the Greater Jakarta area stood at approximately Rp 12,540,852 per sqm, showing a year-on-year increase of 0.9%. Notably, advancements in various transportation infrastructure have contributed to the rising land prices along the surrounding corridors.

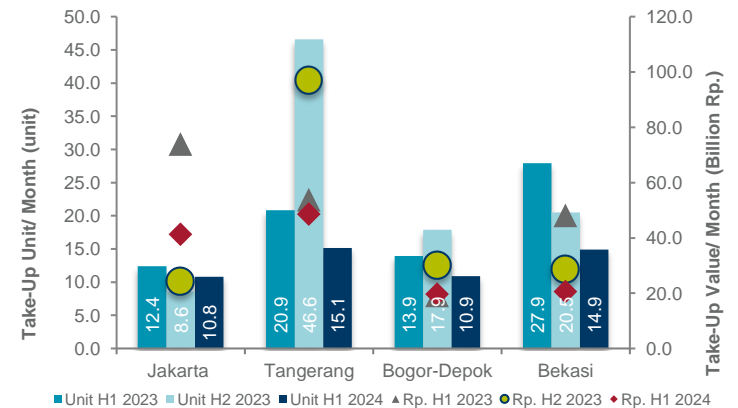
The end of the government's full VAT exemption incentives for the purchase of new homes under IDR 5 billion in June 2024, was also observed as the other contributor to the lower new supply during the review semester. From July to December 2024, the incentive will be reduced to 50% VAT discount. To be qualified for this tax incentive program, developers are focusing on selling their ready-stock units or launching units that can be handed over before June 2024.

In April 2024, Bank of Indonesia raised its benchmark interest rate to 6.25% which is expected to affect and lead to the increase of the average prime mortgage lending rates provided by banks. To address this, banks and developers may introduce more competitive payment options, such as down payment installment programs or express mortgages. Up until the first half of 2024, mortgages remained as the most preferred payment method, accounting for 74% of transactions, followed by cash installments at 17% and hard cash payments at 9%.

SUPPLY DEMAND GROWTH



TAKE-UP UNIT AND VALUE



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DEMAND: Steadily Improved

Throughout the first half of 2024, market demand rate for landed residential properties steadily improved with the middle segment led the demand, representing about 29.5% of the total demand, followed closely by the upper segment and the upper middle segment which accounted for 25.8% and 25.5% of the total units sold, respectively. Notably, a significant portion of this demand (79% of buyers) came from end-users, comprising a mix of first-time homeowners and established families looking for larger houses to meet their growing needs.

The average monthly absorption rate per estate was 13.6 units, representing a year-on-year decline of 30.5%, with average absorption value per estate standing at Rp 33.3 billion per month. The decline, however, does not necessarily indicate a decline of the market purchasing power as less supply than in the last year was offered during the review semester and some estates have observed to launch new large clusters in the upcoming semesters. The average transaction value per unit rose to around Rp 2.45 billion, an 18.4% increase compared to the first half of 2023, signifying a growing demand for higher segment products. Tangerang led with the highest average absorption rate per estate, averaging at 15 units per month, followed by Bekasi of 14 units per month.

OUTLOOK

Digital technology is on the rise, with virtual immersive experiences becoming a new marketing feature that allows consumers to explore the units they are interested in from their own monitors. Several developers who have adopted this feature reported positive outcomes, noting an increase in sales driven by higher conversion rates. Additionally, e-certificates for houses are reportedly in progress and the local government starts to educate developers about this new initiative.

Despite the reduction of VAT incentive to 50% which will effectively affect sales of ready stock units, developers are expected to remain active in launching new products in response to the steadily improved demand. With the market optimism and the government's various incentives to boost demand, developers will continue offering a range of promotional strategies to drive sales throughout 2024.

SUBMARKET SUMMARY

SUBMARKET	PLANNED AREA (HA)	DEVELOPED AREA (HA)	SUPPLY (UNITS)	DEMAND (UNITS)	SALES RATE	AVG LAND PRICE (IDR PSM)
Jakarta	1,144	785	26,914	23,339	86.7%	15,897,722
Tangerang	26,629	9,907	218,490	207,325	94.9%	14,824,395
Bogor - Depok	10,782	4,352	90,203	84,105	93.2%	8,613,831
Bekasi	13,235	5,472	97,117	94,016	96.8%	10,827,460
Karawang	207	53	2,368	2,074	87.6%	6,704,300*
Greater Jakarta	51,790	20,516	432,724	408,786	94.47%	12,540,852

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; and we recently added *(14) Karawang for the supply demand analysis, but not yet for the average land price as the price is still lower than the average Greater Jakarta area.

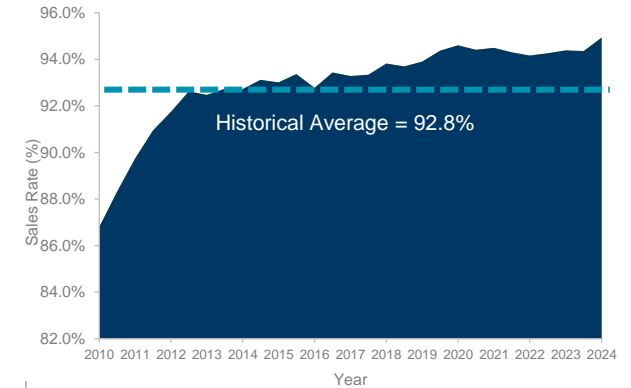
NEWLY LAUNCHED PROJECTS IN H1 2024

ESTATE	CLUSTER	MAIN TARGET	UNITS
JAKARTA			
Citra Garden City	Lavia (Phase 1)	UP	83
	Forris Private (Phase 2)	UM to UP	14
TANGERANG			
Alam Sutera	Cassia Ayodhya (Phase 1)	UM	71
Bintaro Jaya	Discovery Azzura	UP	73
BSD City	Tresor	UP	61
	Adora @ Terravia (Phase 2)	UM to UP	39
Citra Garden Serpong	Elaia (Phase 1)	MI to UM	357
	Diandre (Phase 3)	LM to MI	26
	Belle Fleur (Phase 3)	LM	37
Citra Raya	L'Orient @ Lausanne Park (Phase 1)	LM to MI	44
	Varenna (Phase 3)	LM to MI	27
	Caslano Park (Phase 4)	LM	77
	Neo Pine Tree @ Ecopolis (Phase 5)	MI	28
Giantara Serpong City	Plato @ Ecopolis	MI	12
	Khione (Phase 1)	UP	47
	Nerin @ Astera (Phase 3)	MI	37
Metland Puri	Azalea Lite @ Clematis	UM	44
	Victoria Residence (Phase 1)	UP	68
Pantai Indah Kapuk 2	Okinawa Residences (Phase 2)	UP	40
	Permata Golf Residence 1 (Phase 2)	UP	72
	Kapitan 1 @ Kampoeng Bagan (Phase 1)	UP	183
Suvarna Sutera	Agra @ Cemara (Phase 1)	MI	82
	Ardea @ The Spring	UP	32
Summarecon Serpong	Strozzi @ Symphonia (Phase 3)	UM	111
	Heron (Phase 2)	UP	125
	Leonora (Phase 2)	UM	41
Paramount Serpong	Matera Residences (Phase 3)	UP	10

NEWLY LAUNCHED PROJECTS IN H1 2024

ESTATE	CLUSTER	MAIN TARGET	UNITS
BEKASI			
Grand Wisata	Yara @ Kaia (Phase 1)	UP	53
	XYZ Neo	LO	46
	XYZ Blu	LO	106
	XYZ Cazia	LO	58
	XYZ CBD	LO	78
Summarecon Bekasi	Mulberry Residence @ The Orchard (Phase 4)	UM	35
Summarecon Crown Gading	Viola Residence (Phase 2)	MI	266
BOGOR-DEPOK			
Citra City Sentul	Corvina (Phase 1)	LM to UM	180
Citra Gran	Glenview (Phase 1)	UP	77
Shila at Sawangan	Hannam	UP	110
KARAWANG			
Parkland Podomoro	Emory (Phase 2)	MI	21
Rolling Hills Karawang	Artzy Hauz (Phase 2)	LO	57
	Canton Hills One (Phase 2)	MI	35
Summarecon Emerald Karawang	Verena Homes (Phase 2)	MI	16

OVERALL SALES RATE



ARIEF RAHARDJO

Director, Strategic Consulting

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

RANI HARYANTININGRUM

Analyst, Strategic Consulting

+62 21 2550 9411 / rani.haryantiningrum@cushwake.com

cushmanwakefield.com

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