MARKETBEAT

GREATER JAKARTA

Landed Residential H2 2023

CUSHMAN & WAKEFIELD

	YoY Chg	12-Mo. Forecast
1.86% Price Growth	▲	▲
94.35% Sales Rate H2 2023	▬	▲
9,019 New Launches H2 2023	▲	▲

Source: Cushman & Wakefield Indonesia Research

INDONESIA ECONOMIC INDICATORS Q4 2023

	YoY Chg	12-Mo. Forecast
5.0% GDP Growth	▬	▬
2.61% Inflation Rate	▼	▲
6.0% Central Bank Rate	▲	▼

Source: Central Bank and Census Bureau

DEMAND: Improved Market Confidence

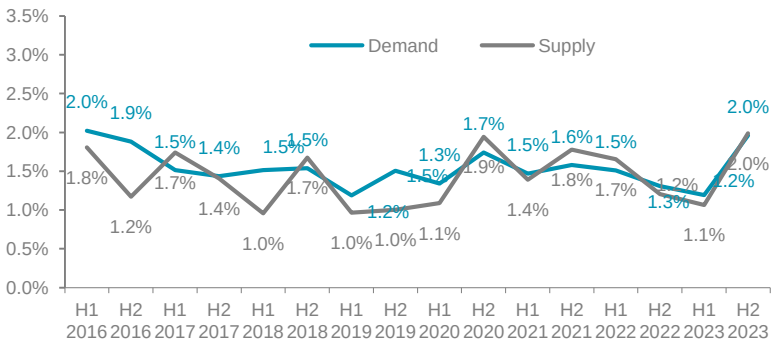
A consistent improvement of market confidence towards landed residential products was observed throughout the second half of 2023. Middle segment remained at the forefront of demand, accounting for approximately 33.8% of the total demand, while the Upper segment followed closely, contributing 26.5% to the total units sold during the review semester. Notably, a substantial portion of this demand came from end-users (78% of the buyers) which included a mix of first-time homeowners and more established families seeking larger residences to accommodate their expanding needs.

An average monthly take-up rate of 27.4 units per estate was recorded in the second half of 2023, reflecting a year-on-year rise of 26.4% This figure corresponds to an average absorption value of Rp 55.3 billion per estate per month, a 37% rise from that in the preceding year, which signified a favorable increase in market purchasing power for landed residential products. The average transaction value per unit was around Rp 2.02 bullion, indicating an 8.4% increase compared to in the second half of 2022. Tangerang recorded the highest average absorption rate per estate, registering an average of 40 units per month, while Bekasi followed with 20.5 units per month.

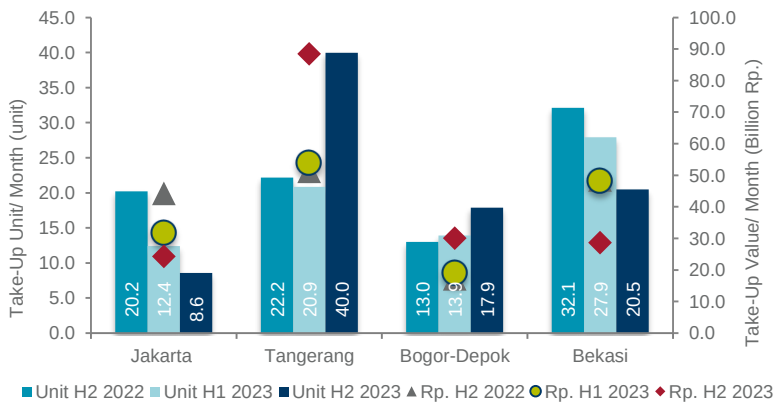
In late November 2023, the government provided incentives for full VAT exemption for the purchase of new homes under IDR 5 billion with maximum taxed value of IDR 2 billion, which is applicable until June 2024. From July to December 2024, the VAT incentive will be reduced to 50% VAT discount. Moreover, in November 2023, Bank of Indonesia opted to maintain the benchmark interest rate at 7% to manage inflation in 2024. Developers perceive this increase as reasonably moderate, with no excessive impact on mortgage rates (KPR).

The average prime mortgage lending rates provided by banks have been relatively steady throughout 2023. Numerous banks have also relaxed their mortgage regulations and developers have proactively introduced competitive payment options such as down payment installment programs and express mortgages. Mortgages remained as the favored payment method in the second half of 2023, making up 73% of transactions, trailed by cash installments at 18%, and hard cash payments at 10%.

SUPPLY DEMAND GROWTH



TAKE-UP UNIT AND VALUE





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Source: Central Bank and Census Bureau

SUPPLY: Tangerang Continued to Record the Highest New Supply

While the cumulative supply of landed residential remained stable throughout 2023, a significant supply growth was observed in the second semester compared to that in the first half of 2023. A total of 9,019 units were introduced the market, spanning both in the Greater Jakarta area and Karawang area. Tangerang continued to dominate the new supply, holding a substantial share of 65%, with new estates such as CitraGarden Bintaro and Park Serpong, followed by Bogor-Depok area with a combined percentage of 14%.

Upper segment units remained as the majority new supply during the review semester with 27.5% share of the total supply, while the Middle segment followed closely with a share of 25.9%. Developers' confidence in offering high-end houses which was observed in the previous semester continued, reflecting the market optimism. The Greater Jakarta average land price was recorded at around Rp 12,438,119 per sqm as per December 2023, indicating a YoY increase of 1.6%. Various transportation infrastructure advancement were observed to lead to the increase of land price surrounding the affected corridors.

OUTLOOK

The overall Greater Jakarta landed residential market is expected to improve in 2024. Several developers are gearing up to launch new products in the following year. The majority of the supply is expected to come from the Middle segment houses, targeting millennials and young families as well as the Upper segment houses, targeting more mature families.

Inflation that affects construction costs and the continuous infrastructure advancements in Greater Jakarta, including projects such as MRT, LRT, and toll road expansions which lead to land price increment, is anticipated to further increase the average selling prices of houses in 2024. Nevertheless, developers are expected to remain active in launching new products in response to the sustained demand. Despite the market optimism and government's offered of various incentives to boost demand, developers will continue with offering of various promotional strategies to drive sales.

SUBMARKET SUMMARY

SUBMARKET	PLANNED AREA (HA)	DEVELOPED AREA (HA)	SUPPLY (UNITS)	DEMAND (UNITS)	SALES RATE	AVG LAND PRICE (IDR PSM)
Jakarta	1,144	781	26,817	23,079	86.1%	15,767,804
Tangerang	26,609	9,786	216,689	205,689	94.9%	14,655,368
Bogor - Depok	10,772	4,323	89,836	83,365	92.8%	8,537,374
Bekasi	13,235	5,454	96,475	93,409	96.8%	10,791,931
Greater Jakarta	**51,760**	**20,343**	**429,817**	**405,543**	**94.35%**	**12,438,119**

**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. We analyzed Karawang area for the new supply but not for the average land prices.



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NEWLY LAUNCHED PROJECTS H2 2023

ESTATE	CLUSTER	MAIN TARGET	UNITS
JAKARTA			
Jakarta Garden City	Vastu	UP	388
CitraGarden City	Forris Private (Phase 1)	UM to UP	60
Metland Menteng	Costaria	UP	24
TANGERANG			
Alam Sutera	The Gramercy (Phase 1)	UP	45
Ammaia Ecoforest	Lavatera (Phase 1)	UM to UP	136
BSD City	New Alesha @ Vanya Park	MI	12
	Adora @ Terravia	UM	72
	Excelia (Phase 1)	MI to UM	36
	Namee @ Eonna (Phase 2)	UP	15
	Welton @ Hiera (Phase 2)	UP	162
	Layton @ Nava Park (Phase 3)	UP	65
	Tanakayu Vasya (Phase 2)	UP	52
Bintaro Jaya	Botanica Aralia (Phase 1)	UP	75
	Emerald Home (Phase 2)	UM	25
	Nordic @ Kebayoran Harmony (Phase 2)	UM to UP	28
	Dharmawangsa Home (Phase 2)	UP	86
CitraGarden Bintaro	Alstonia (Phase 1)	MI to UP	344
	Bischofia (Phase 1)	MI to UP	212
CitraGarden Serpong	Aeris (Phase 2)	UP	477
	Belle Fleur (Phase 2)	LM	432
	Diandre (Phase 2)	LM to MI	111
Citra Raya	Caslano Park (Phase 3)		29
	Varenna (Phase 2)	MI	32
Giantara Serpong City	Nerin @ Astera (Phase 2)	UM	59
Lippo Village	Cendana Gard'N Vista Serene	MI to UM	68
Metland Puri	New Orchid	UM	5
Summarecon Serpong	Strozzi @ Symphonia (Phase 2)	UM	26
Suvarna Sutera	Meranti @ Padi Golf Estate (Phase 2)	UM to UP	91

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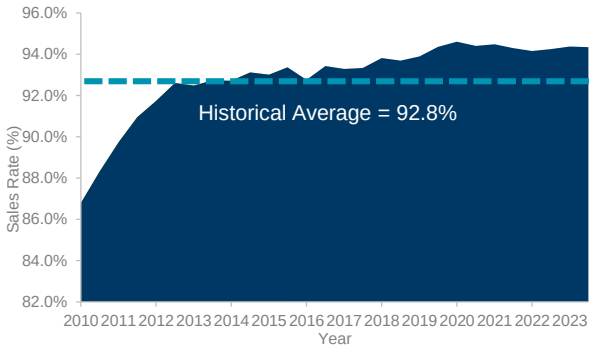
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NEWLY LAUNCHED PROJECTS H2 2023

ESTATE	CLUSTER	MAIN TARGET	UNITS
TANGERANG			
Pantai Indah Kapuk 2	Permata Golf Residence 3 (Phase 1)	UP	8
	Peninsula Residences (Phase 1)	UP	97
	Ilona @ Pasadena Hills	UP	85
	Casa Montana (Phase 2)	MI	280
	Pasadena Hills (Phase 3)	UP	14
	Villa Pasir Putih 5 (Phase 5)	UP	8
	Villa Pasir Putih 6 (Phase 4)	UP	18
Paramount Serpong	Matera Residences (Phase 2)	UP	14
Park Serpong	Cityzen Hills (Phase 1)	MI	589
	XYZ Cove	LO to LM	737
	Cityzen Park North	LM to MI	106
	XYZ Flo (Phase 1)	LO to LM	489
	XYZ Trail (Phase 1)	LO to LM	734
BEKASI			
Lippo Cikarang	Cendana Spark (Phase 1 ext.)	LM to MI	175
	Cendana Spark (Phase 2) / Cendana Spark North	LM to MI	368
	The Colony @ Waterfront Estate (Phase 1)	UM	30
Grand Wisata	Levante @ Klasika (Phase 1)	MI	180
Summarecon Crown Gading	Viola Residence (Phase 1)	MI	105
BOGOR-DEPOK			
Citra City Sentul	Chardonnay (Phase 1)	MI	437
	Reina Sofia (Phase 1)	UM to UP	142
	Golf Horizon Residence (Phase 1)	UP	46
Metland Transyogi	Ivory	MI	57
Sentul City	Spring Residence @ Spring City (Phase 1)	LM to UM	286
Summarecon Bogor	The Alderwood Residence	UM to UP	277
	The Maple Residence (Phase 1)	UP	47
KARAWANG			
Parkland Podomoro	Evergreen (Phase 1)	UM to UP	153
	Emory (Phase 1)	MI to UM	195
Rolling Hills Karawang	Artzy Hauz (Phase 1)	LO	175

OVERALL SALES RATE



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About Cushman & Wakefield

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