MARKETBEAT

JAKARTA

Hotel H2 2023

CUSHMAN & WAKEFIELD

	YoY Chg	12-Mo. Forecast
17.7% ARR Growth	▲	▲
35.4% Vacancy Rate	▼	▼
0 rooms Total Completions	▼	▲

Source: Cushman & Wakefield Indonesia

ECONOMIC INDICATORS Q4 2023

	YoY Chg	12-Mo. Forecast
5.0% GDP Growth	–	–
2.61% Inflation Rate	▼	▲
6.00% Central Bank Rate	▲	▼

Source: Central Bank and Census Bureau

SUPPLY: No Additional Rooms in 2023

Slowing down of construction progress of several hotel projects continued and most completion time of the proposed hotels are rescheduled to 2024. The total cumulative supply of 3-star to luxury hotel rooms as per end of 2023 was recorded at 42,922 rooms.

Approximately 1,066 hotel rooms in Central Jakarta and the CBD area are scheduled to operate in 2024 with the following star rating distribution: 24% of 3-Star, 61% of 4-Star, and 15% of 5-Star respectively.

.DEMAND: The increase in MICE activities Led to Demand Increase of Hotel Rooms

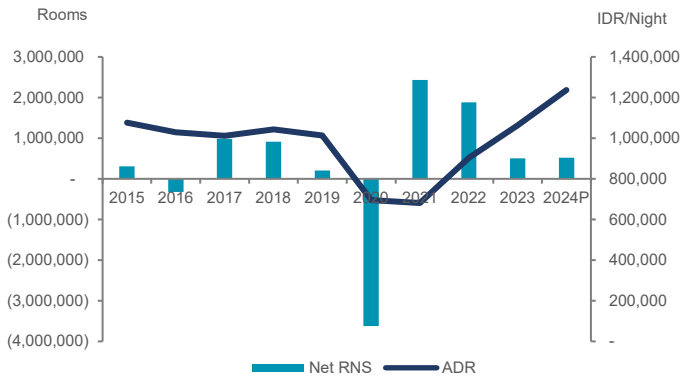
PT Angkasa Pura II (Persero) as the operator of Soekarno-Hatta International Airport recorded the number of passenger movements during the Christmas 2023 and New Year 2024 period at 2.62 million people (YoY +13%). It is estimated that the target total passenger arrivals in 2023 of 23 million passengers will be achieved. The positive growth in the number of visitors to Jakarta was also led by the more active MICE activities in Jakarta.

The increase in MICE activities such as Government / BUMN / corporate institution meetings (KTT ASEAN 2023), international music concerts (WestLife, Blackpink, Java Jazz Festival, We The Fest, ColdPlay), sporting events (Indonesia Masters 2023, Jakarta E-Prix, Indonesia Terbuka 2023, FIBA World Cup 2023, U-17 FIFA World Cup 2023) and exhibitions have led to the increased demand for hotel rooms in Jakarta

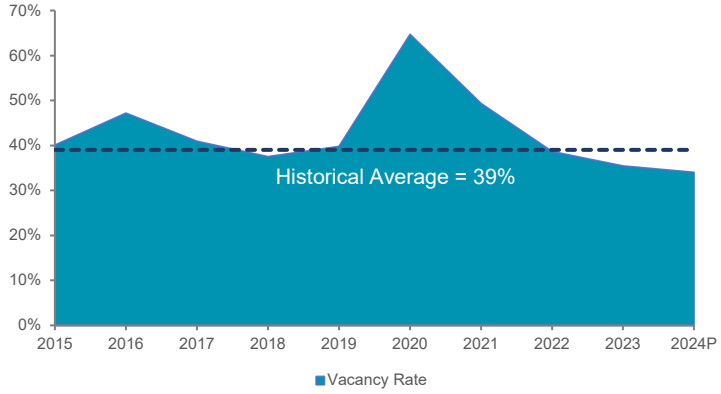
Room vacancy rates continued to decline to 33.0%, 36.4%, 33.9%, 40.3% for 3, 4, 5 and Luxury star hotels, respectively.

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OVERALL NET ABSORPTION & ADR



OVERALL VACANCY





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SIGNIFICANT PROPOSED PROJECTS 2024

PROPERTY	ADDRESS	SEGMENT	TOTAL ROOMS	OPERATION
Sam Ratulangi Menteng Boutique	Jl. Dr. Sam Ratulangi, Menteng	Midscale	120	2024
BW Express Hotel Tanah Abang	Jl. H. Hasbi No.1, Tanah Abang	Midscale	138	2024
25Hours Oddbird Hotel	District 8, SCBD Lot 28, Jl. Jend. Sudirman kav 52-53	Upscale	210	2024
Movenpick Hotel Jakarta City Centre	Jl. Pecenongan No.7-17	Upscale	256	2024
Park Royal Hotel	Thamrin Nine Complex, Tanah Abang	Upscale	185	2024
Pan Pacific Jakarta	Thamrin Nine Complex, Tanah Abang	Upper Upscale	157	2024

ADR: ADR has returned to pre-pandemic levels

The average room rate (ADR / night) at the end of 2023 was recorded at: 3 stars - Rp. 460,570 (13% YoY); 4 Star - Rp. 816,320 (16% YoY); 5 Star - Rp. 1,791,130 (20% YoY); and Luxury - Rp. 2,253,460 (12.5% YoY) respectively. Room rates (ADR / night) have returned to the 2019 pre-pandemic levels.

OUTLOOK: Inbound market will improve gradually in 2024

According to Airports Council International (ACI), the year 2024 is expected to be a milestone for global passenger traffic recovery to reach 9.4 billion passengers, surpassing that in year 2019. Even though the Asia-Pacific region is expected to have substantial jump of passenger traffic in 2023 along with the opening of the Chinese outbound travel, the inbound passenger arrivals is expected to improve in slower pace and gradually in 2024 in response to the remained challenges in overseas tourism and looming economic concerns.

The overall room vacancy rate is expected to improve in the 2024, to certain extent, as the impact of the political activities over the year to 33.8%.

Positive growth in room rate (ADR / night) is expected to continue in line with the increase in room demand and is projected to reach about 16% in 2024

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About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2022, the firm reported revenue of $10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more. For additional information, visit www.cushmanwakefield.com

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