

72.9%
STABLE AVERAGE
TOTAL OCCUPANCY

3.1%
AVERAGE INCREASE IN GROSS
RENTAL APARTMENT
IN U.S DOLLAR TERMS

1,417
UPCOMING NEW SUPPLY (UNITS)
IN THE PIPELINE (2020-2023)

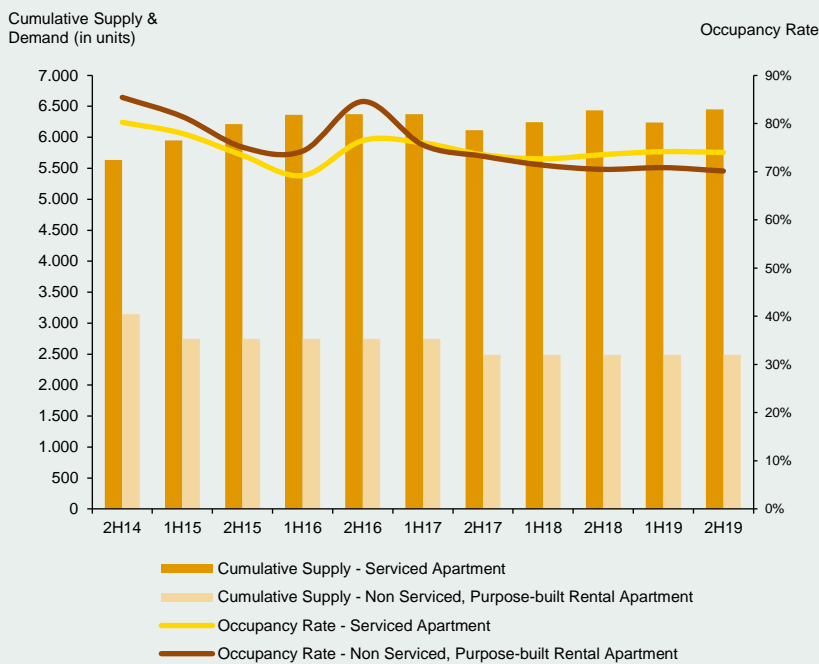


Jakarta Rental Apartment

2H 2019

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Fig 1. Jakarta Rental Apartment Market Supply & Demand



“There have been indications of a change in trend from a long-term to a short-term demand”

Jakarta Rental Apartment Update

The supply of rental apartments in Jakarta has been limited after the global financial crisis in 2009. With only one additional serviced rental apartment of Crowne Plaza Jakarta Residences, the total cumulative supply for both serviced and purpose-built rental apartments as of the second half of 2019 increased slightly by 2.5% to 8,939 units. For the serviced rental apartments, 69.0% of the supply remained in the CBD area with 62.9% of such units located in South Jakarta.

The overall occupancy rate has been relatively stable since the first half of 2018 within the range of 72% to 73% across the serviced and purpose-built rental apartments submarkets in CBD and prime non-CBD areas as of the second half of 2019.

There were nine new projects in the pipeline, totaling 1,417 units that will enter the market during the period of 2020-2023. All of the proposed projects will be managed by international operators that will create more competition in the short to medium term.

Fig 2. Jakarta Rental Apartment Market Highlights

Total existing supply	8,939 units
- Serviced apartments	6,451 units
- Non serviced, purpose-built rental apartments	2,488 units
Physical occupancy rate	72.9%
- Serviced apartments	74.0%
- Non serviced, purpose-built rental apartments	70.2%
Overall vacant units	2,420 units

The average gross rental for serviced apartments in the CBD showed a slight decrease of 1.00% (YoY) in Rupiah terms to Rp373,547 per square meter per month and an increase of 3.1% (YoY) in U.S Dollar terms to \$28.14 per square meter per month, respectively.

For the prime non-CBD area, the average gross rental for serviced apartments also showed a slight decrease in Rupiah terms of 1.59% (YoY) to Rp287,910 per square meter per month and a slight increase of 0.04% (YoY) in US Dollar terms to \$21.53 per square meter per month, respectively.

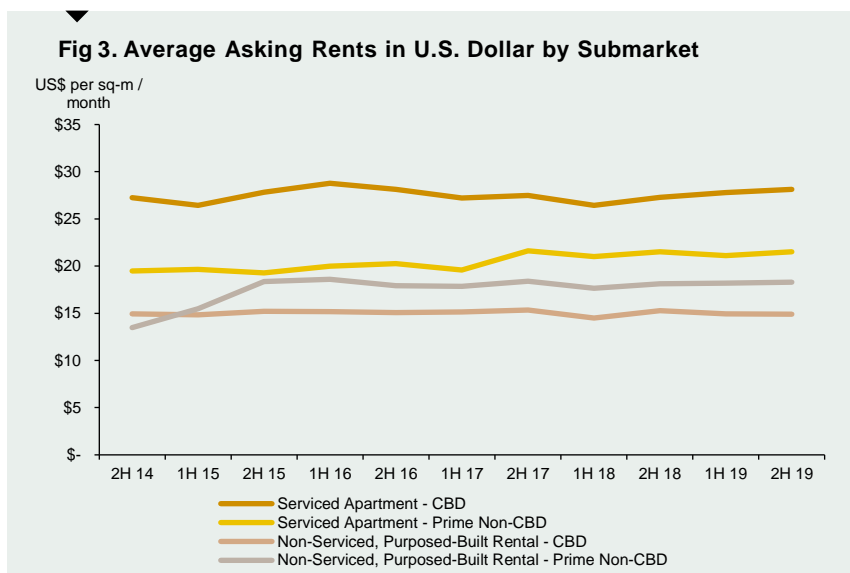


Fig 4. Future Supply (2020-2023)

Est. Completion Year	Projected Units
2020	504
2021	565
2022	180
2023	168
Est. Supply 2020 – 2023	1,417

Short-term lease accommodation demand remains a favorable contributor to the performance of serviced apartments within the CBD area. Intense competitions are expected not only to come from star-rated hotels and strata-titled condominiums, but also from the Co-living space which has started to grow in popularity following the development of co-working, placing further pressure on occupancy rates and rental rates.

Note: pledges made after publication of manifestos are included where possible

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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