

42%
EXISTING
SUPPLY DOMINATED
BY MIDDLE SEGMENT

44,865
UNITS OF NEW SUPPLY
IN THE PIPELINE IN THE
PERIOD OF (2021-2024)

-7.43%
AVERAGE PRICE
DECREASE (YOY)
IN THE CBD AREA

57.7%
AVERAGE
PRE-SALES RATE TO
PROPOSED SUPPLY



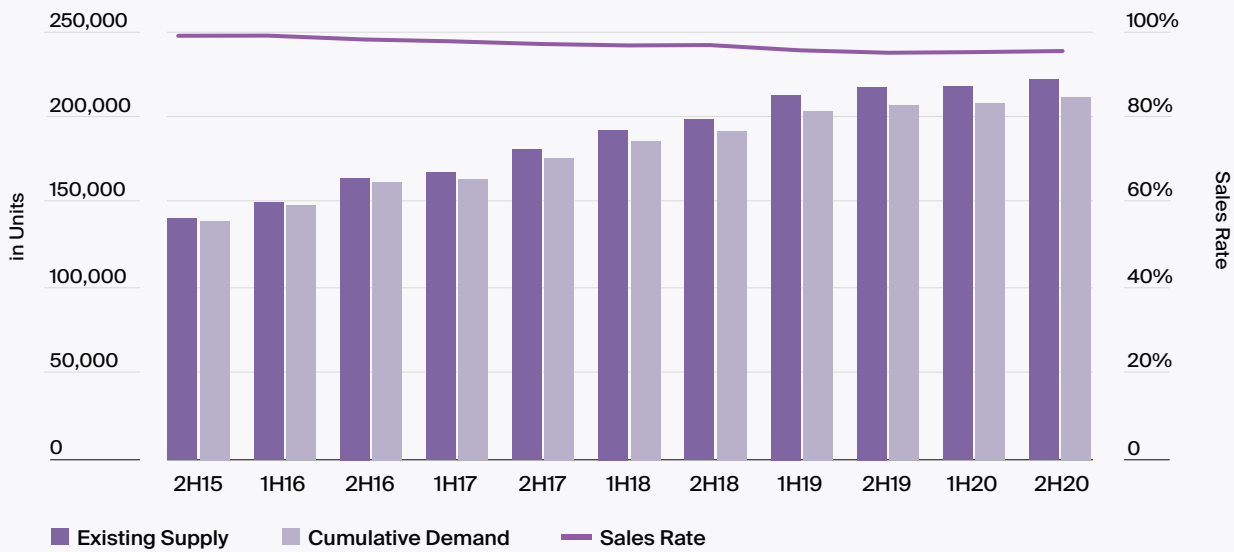
Jakarta Condominium Market Overview

knightrfrank.co.id/research

2H 2020

Fig 1: Jakarta Condominium - Supply, Demand and Sales Rate

2H 2015 - 2H 2020



Source: Knight Frank Research

◆◆
“The Jakarta Condominium market continued its slowest pace since 2014, dampened by the economic downturn and presidential elections, with the pandemic as a major negative impact in 2020. Connectivity infrastructure and price affordability remain the key focus on user demand in 2021.”
 ◆◆

Jakarta Condominium Update

With the steady decrease in added new supply over the past four years, the cumulative total supply increased only slightly by 1.9% from the previous year to 221,691 units, representing an additional supply of 3,846 units in 2020. Existing supply remained dominated by the middle segment at 41.6% and the bulk of existing condominium stock was located in South Jakarta (29.6%) and a limited number in East Jakarta (11.4%).

As of the second half of 2020, the market experienced a slow pre-sales rate, recording at 57.7% and a substantial drop in the number of newly launched projects of only four projects during 2020. Activities in the market recovered slightly during the last three months of 2020 after lockdown measures were eased. Demand has hit an all-time low since 2014, representing only 4,551 units in 2020. Developers were concentrating on selling the remaining existing unsold inventory with additional discounts, longer payment terms and other incentives to attract potential end-user buyers, while also looking for opportunities in new growth areas and focusing on increasing their financial liquidity. With the delays on project completions and handover schedules during the lockdown period, these projects are expected to be delivered next year.

Fig 2: Existing Supply by Segmentation

Contribution percentage

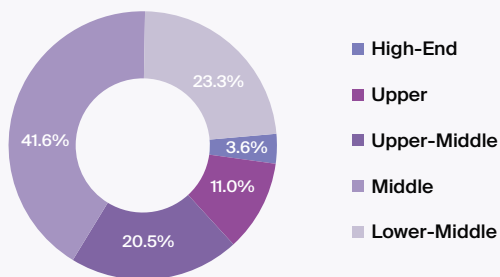


Fig 3: Future Supply by Area

Contribution percentage

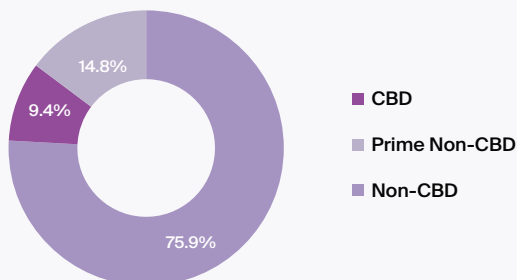
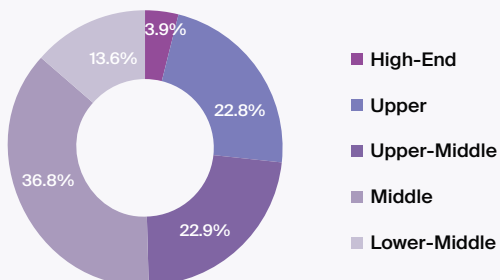


Fig 4: Future Supply by Segmentation

Contribution percentage



New supply in the pipeline during 2021 to 2024 was recorded at 44,865 units, representing approximately 20% of the existing stock. 76% of the total new supply located in the Non-CBD area while West and South Jakarta contributed to the highest share with 21% and 37%, respectively.

Average sales prices in Rupiah terms decreased by 5.2% (YoY) to Rp35.6 million per square meter and decreased by 6.6% (YoY) in U.S. Dollar terms to \$2,512 per square meter due to the Rupiah depreciation against U.S. Dollar.

Despite the unfavorable Jakarta condominium market condition, several key factors such as the vaccination program rollout, implementing regulations of the Omnibus Law related to property regulation reforms, lower interest rates, LTV relaxations are expected to bolster demand in the near future.

◆◆
“With plenty of options available, potential buyers continued to search for ready-to-move units rather than off-plan units to avoid the risk of construction delay and having certainty on quality with real experience. This trend will continue in 2021”
 ◆◆

Fig 5: Jakarta Condominium Market Highlights

2H 2020

Total Existing Supply in Units	221,691
Sales Rate of Existing Supply	95.3%
Existing Unsold Units	10,471
Proposed Supply 2021 - 2024	44,865
Pre-Sales Rate of Proposed Supply	57.7%

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

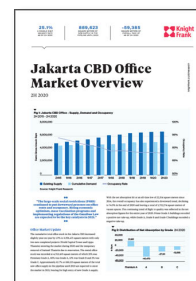
We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



Research

Syarifah Syaukat
 Senior Research Advisor
 +62 21 570 7170
syarifah@id.knightfrank.com

Recent Publications



Jakarta CBD Office Market Overview 2H 2020

Knight Frank Research Reports are available at knightfrank.com/research



Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: © Knight Frank LLP 2019. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.