

**41%**  
EXISTING  
SUPPLY DOMINATED  
BY MIDDLE SEGMENT

**36,271**  
UNITS OF NEW SUPPLY  
IN THE PIPELINE IN THE  
PERIOD OF (2022-2025)

**-8.6%**  
AVERAGE PRICE  
DECREASE (YOY)  
IN THE CBD AREA

**65.4%**  
AVERAGE  
PRE-SALES RATE TO  
PROPOSED SUPPLY



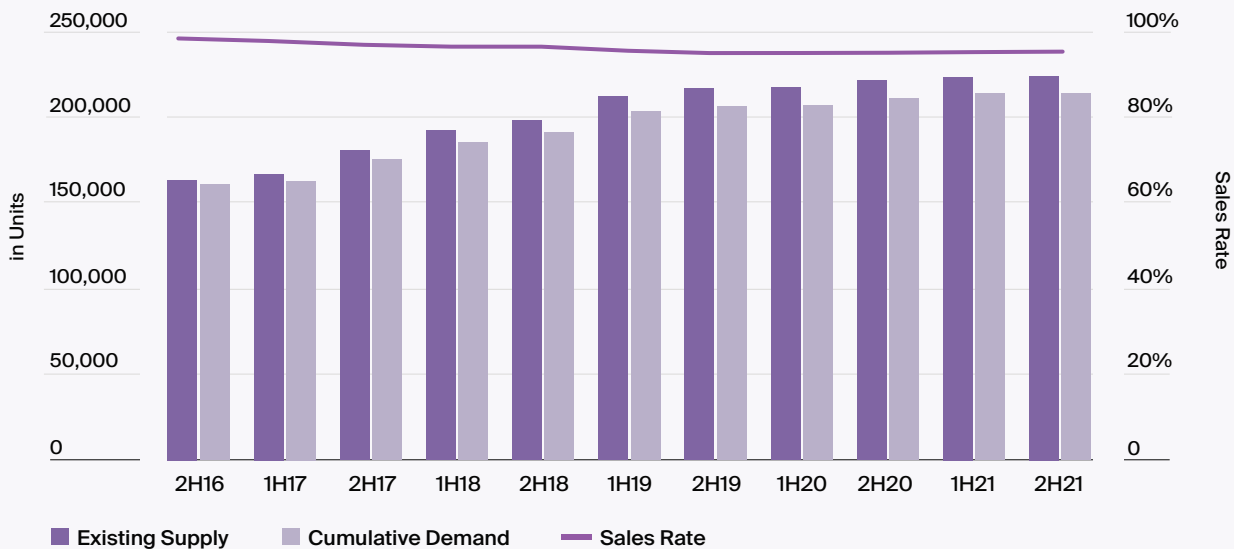
# Jakarta Condominium Market Overview

knightrfrank.co.id/research

2H 2021

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

2H 2016 - 2H 2021



Source: Knight Frank Research

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**The Jakarta Condominium market experienced a slight pre-sales improvement in the second half of 2021, but the overall sentiment remained weak. New virus variants and supply glut continue to weigh heavily on the recovery in the short term.**  
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## Jakarta Condominium Update

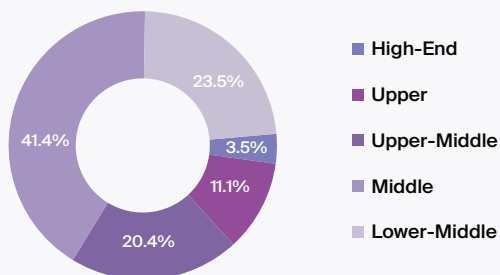
With the record low added new supply of condominium units, the cumulative total supply increased only slightly by 0.9% from the end of 2020 to 225,563 units, representing an additional supply of 3,872 units in the second half of 2021. Existing supply remained dominated by the middle segment at 41.3% and the bulk of existing condominium stock was located in South Jakarta (29.7%) and a limited number in East Jakarta (11.4%).

As of the second half of 2021, the market recorded a pre-sales rate of 65.4%, a slight increase from 62.5% in the previous period and developers only launched five new projects during 2021. Activities in the Jakarta condominium market remained insignificant although the government waived value-added taxes on new landed houses and apartments (purchased between March 1st and December 31st 2021) priced below Rp2 billion and reduced by half for properties priced between Rp2 billion to Rp5 billion to increase property investments. Demand has also remained an all-time low since 2014, representing only 4,213 units in 2021 as compared to 4,795 units in the previous year.

New supply in the pipeline during the period of 2022 to 2025 was recorded at 36,271 units, representing approximately 16% of the existing stock. 93% of the total new supply will be located in the Non-CBD area

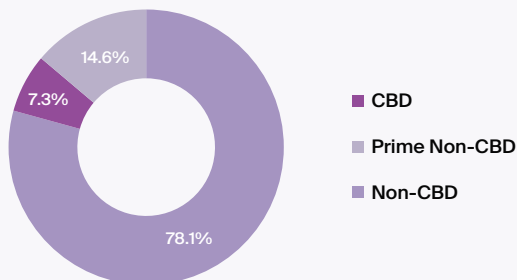
**Fig 2: Existing Supply by Segmentation**

Contribution percentage



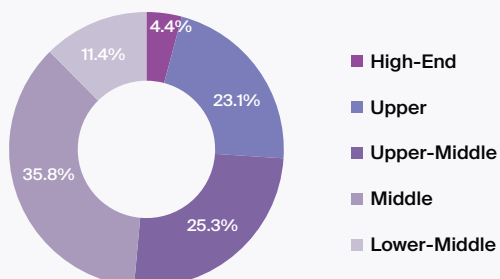
**Fig 3: Future Supply by Area**

Contribution percentage



**Fig 4: Future Supply by Segmentation**

Contribution percentage



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

while East and South Jakarta contributed to the highest share with 29% and 41%, respectively.

Average sales prices in Rupiah terms decreased by 5.1% (yoy) to Rp33.8 million per square meter and decreased by 6.1% (yoy) in U.S. Dollar terms to \$2,358 per square meter partially due to the Rupiah depreciation against U.S. Dollar.

Once the pandemic situation is under control and mobility restrictions are relaxed, it is expected project completions and handover schedules to resume progressively in parallel with improving buying sentiments. Faster vaccination program rollouts and extended government tax incentives such as the waiver of VAT are dependent upon to support demand in the near term. Developers are expected to remain temporarily on a wait-and-see approach to launch new high-rise projects in Jakarta until a clear sign of recovery and most of them still focus on middle-to-lower landed and low-rise residential projects in the outskirts due to lower land prices and availability of developable land banks.

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**Amidst the uncertainty, developers with strategic locations along the transport network line are expected to gain more confidence to launch new Transit-Oriented Development (TOD) projects with aims to attract higher demand.**  
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**Fig 5: Jakarta Condominium Market Highlights**

2H 2021

Total Existing Supply in Units	225,662
Sales Rate of Existing Supply	95.6%
Existing Unsold Units	9,818
Proposed Supply 2021 - 2024	36,271
Pre-Sales Rate of Proposed Supply	65.4%

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**

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