

66.39%

STABLE AVERAGE
LAND SALES RATE
AS OF 2H-2021

BEKASI-KARAWANG

RECORDED AS THE LARGEST
SHARE OF EXISTING INDUSTRIAL
LAND SUPPLY

AUTOMOTIVE-
RELATED SECTOR

REMAINED THE TOP KEY DEMAND DRIVER

226

HECTARES OF
OVERALL LAND NET SALES
ACTIVITY AS OF 2H-2021



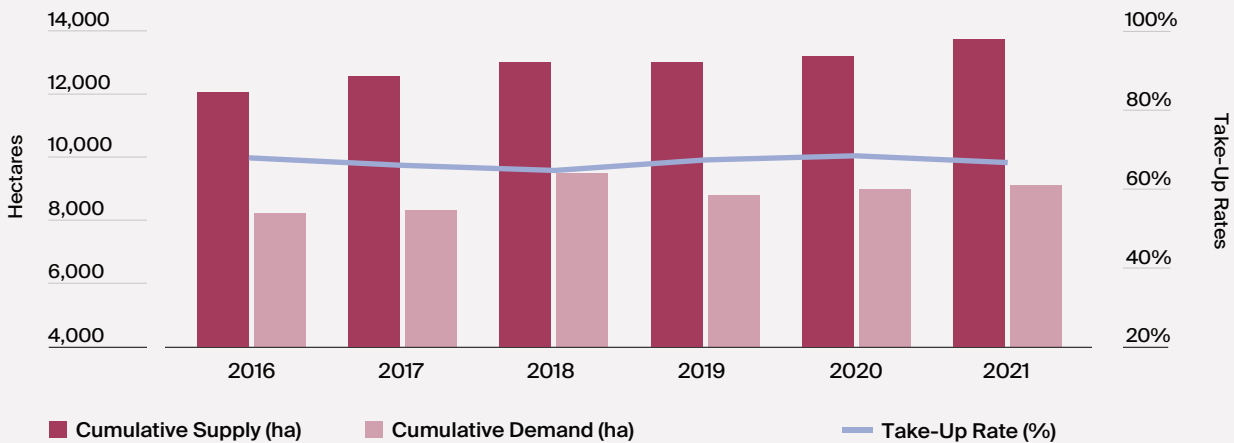
knightrfrank.co.id/research

Industrial Market Overview

2H 2021

Fig 1: Industrial Market - Supply, Demand and Take-Up Rate

2016 - 2021



Source: Knight Frank Research

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“Data center and high-tech automotive-related (Electric Vehicle (EV) and EV battery) continued to be the major sources of demand in 2021. Developers are expected to focus on continuing their expansion plans, yet at a slower pace.”
 ◆◆

Industrial Market Update

With greater optimism and in anticipation of future rising inquiries, the cumulative total supply in the Greater Jakarta area increased by 4.1% (yoy), recording at 13,711 hectares in the second half of 2021. Combined, Bekasi and Karawang remained as the largest allocation of existing industrial land supply at 72%.

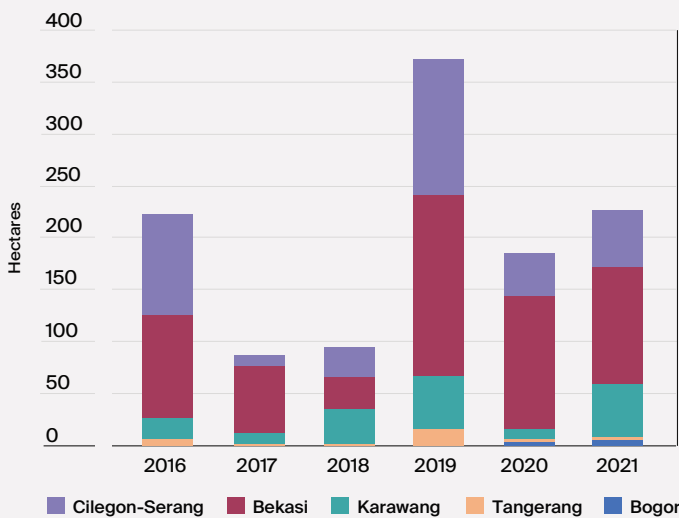
Meanwhile, Bogor accounted as the smallest share of existing industrial land supply only at 1.0%.

After facing a significant slowdown in the end of 2020 due to lockdowns and the economic downturn, the industrial land sales activity in the Greater Jakarta area managed to recover and maintain its upbeat in 2021, generating 226 hectares or 22% higher than the previous year’s total absorption of 186 hectares.

Automotive-related industries remained the important driver for industrial land sales in 2021, followed by Data Center, Chemicals, Logistics and Warehousing industries. The majority of land transactions by high-tech Automotive-related and Data Center industries took place in Bekasi and Karawang while Chemicals and Food industry took place in Serang-Cilegon and Tangerang, respectively.

Fig 2: Industrial Market - Annual Absorption by Submarket

2016 - 2021



Top foreign buyers for industrial land in the Greater Jakarta area included multinational corporations from Japan, South Korea, United States and China. Once the pandemic is contained and border restrictions are lifted, demand coming from local and particularly foreign companies are expected to gradually resume their expansion plans after putting it on hold temporarily.

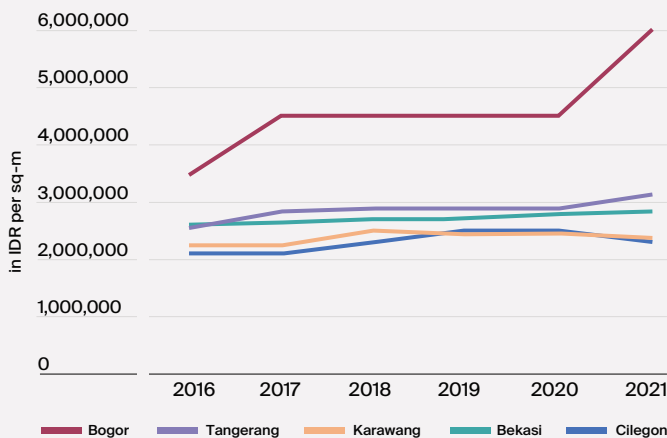
In the second half of 2021, the overall asking land prices increased by 10.6% (yoy) to Rp3.3 million. In terms of industrial maintenance costs, the overall service charges posted a stable movement at Rp1,094 per sq-m per month.

Several resilient businesses of the industrial sector such as Food-related, Fast Moving Consumer Good (FMCG), Pharmaceuticals, Cold Storage, Renewable Energy remain in demand as they have experienced a lesser impact from the pandemic crisis. Land prices in industrial estates with favorable locations, land shortage and additional inquiries in the pipeline are expected to lead higher increments while others will compete on prices and provide flexible incentives and services to attract potential buyers.

Following the new transport infrastructure development pattern such as the upcoming Jakarta – Cikampek II South Toll Road, Jakarta – Bandung high-speed railway and Patimban seaport, the market is expected to see additional establishments of industrial areas in the near future.

Fig 3: Industrial Market - Land Price by Submarket (IDR)

2016 - 2021



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“New infrastructure projects will potentially encourage new businesses and developers to establish new industrial estates. And the Omnibus Law will encourage and attract new foreign companies to invest in Indonesia in the long-run”
 ◆◆

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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