

42%
EXISTING
SUPPLY DOMINATED
BY MIDDLE SEGMENT

26,723
UNITS OF NEW SUPPLY
IN THE PIPELINE IN THE
PERIOD OF 2H 2022-2025

-5.5%
AVERAGE PRICE
DECREASE (YOY)
IN THE CBD AREA

65.5%
AVERAGE
PRE-SALES RATE TO
PROPOSED SUPPLY



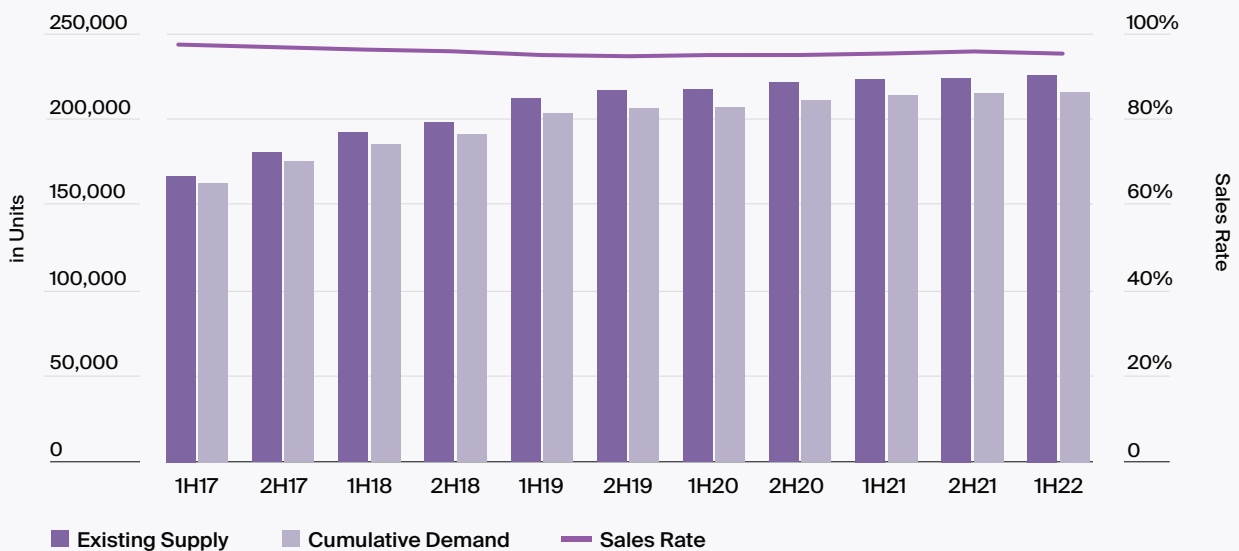
Jakarta Condominium Market Overview

knightrank.co.id/research

1H 2022

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

1H 2017 - 1H 2022



Source: Knight Frank Research

◆◆
“The pre-sales rate in the first half of 2022 was registered flat, with the market expected to remain sluggish despite increased activities and the extended VAT waiver.

Excess supply, increased cost of construction and potential rising interest rates may impede the recovery and affect the confidence in the post-pandemic period.



Jakarta Condominium Update

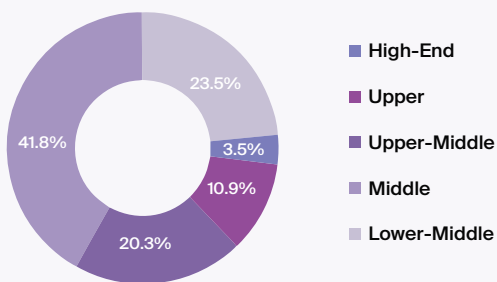
With the low added new supply of condominium units, the cumulative total supply increased only slightly by 0.8% from the end of 2021 to 226,761 units, representing an additional supply of 1,735 units in the first half of 2022. Existing supply remained dominated by the middle segment at 41.8% and the bulk of existing condominium stock was located in South Jakarta (29.9%) and a limited number in East Jakarta (11.4%).

As of the first half of 2022, the market posted a relatively flat pre-sales rate of 65.5%, a very minimal increase from 65.4% in the previous period. Despite the pandemic situation under control and mobility restrictions relaxed, only two developers gained confidence to launch new projects (Kizo Residence - Fatmawati and Okura Residence - Gatot Subroto) during the first half of 2022. Demand has also witnessed an all-time low, representing only 914 units in the first half of 2022 as compared to 4,890 units in the previous year of 2021.

New supply in the pipeline during the period of 2H 2022 to 2025 was recorded at 32,723 units, representing approximately 14% of the existing stock. 81% of the total new supply will be located in the Non-CBD area while East and North Jakarta contributed to the highest share with 28% and 35%, respectively.

Fig 2: Existing Supply by Segmentation

Contribution percentage

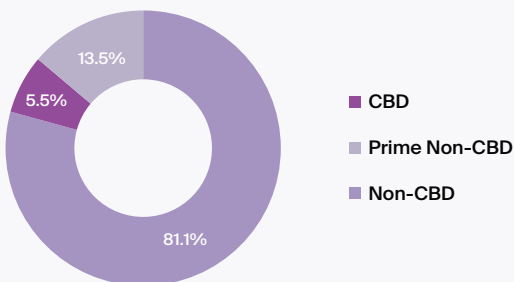


Average sales prices in Rupiah terms decreased by 6.3% (yoy) to Rp32.5 million per square meter and decreased by 7.6% (yoy) in U.S. Dollar terms to \$2,203 per square meter partially due to the Rupiah depreciation against U.S. Dollar.

Developers will remain cautious to launch new high-rise projects in Jakarta until a clear sign of recovery. Most of them will still focus on bringing their under-construction projects to successful completion and selling the remaining unsold units to increase confidence in the market. As buying sentiments improve, developers are expected to gradually resume postponed project completions and handover schedules.

Fig 3: Future Supply by Area

Contribution percentage



◆◆
“In the face of a low rental and weak price appreciation, the primary market also encounters a strong competition from secondary offerings, providing more attractive pricing and benefits”.
 ◆◆

Fig 4: Future Supply by Segmentation

Contribution percentage

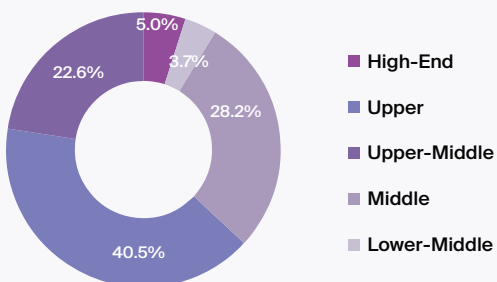


Fig 5: Jakarta Condominium Market Highlights

1H 2022

| | |
|-----------------------------------|---------|
| Total Existing Supply in Units | 226,761 |
| Sales Rate of Existing Supply | 95.8% |
| Existing Unsold Units | 9,494 |
| Proposed Supply 2022 - 2025 | 32,723 |
| Pre-Sales Rate of Proposed Supply | 65.5% |

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



Industrial Market Overview
 1H 2022

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.

