

Apartment Market Overview

H2 2022

The bi-yearly Jakarta condominium market overview analyzes latest development trends, provides insights and tracks market dynamics of all strata apartment or condominium buildings located in Jakarta.

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Jakarta Strata Apartment Market Update

- Demand for strata condominiums in Jakarta remained weak despite the re-opening, with potential buyers—especially investors—still cautious about buying. Concerns over supply glut, rising cost of construction and higher interest rates continue to weigh on sentiment.

Jakarta

40%

Of existing supply led by middle segment

29,627

Units of new supply in the pipeline in the period 2023 - 2026

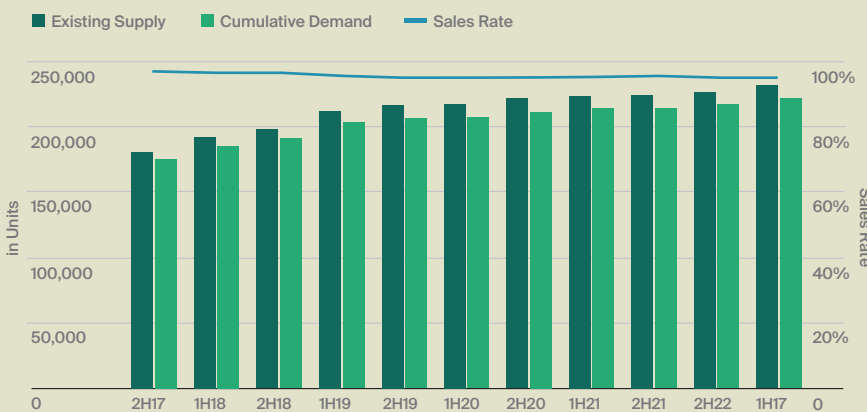
-2.0%

Overall average asking price decrease (YOY)

64.1%

Average pre-sales rate to proposed new projects

Fig 1: Jakarta Retail Market - Supply, Demand and Occupancy H2 2022



Source: Knight Frank Research

The cumulative total supply increased by 2.7% to 232,976 units as the market witnessed a completion of 13 towers coming from nine projects, totaling 6,222 units during the second half of 2022. Existing supply remained dominated by the middle segment at 41.6% and the bulk of existing condominium stock was located in South Jakarta (30%) and a limited number in East Jakarta (12%).

As of the second half of 2022, the market posted a stable pre-sales rate of 64.1%, a relatively small increase from 63.9% in the previous period. Demand pace has shown a slight improvement, recording a total of 6,689 units in 2022 as compared to 4,890 units in the previous year of 2021. However, the market saw only one new re-launch proposed project named Antasari Place during the second half of 2022 despite the re-opening and resurgent business activities.

New supply in the pipeline during the period of 2023 to 2026 was reported at 29,627 units, representing approximately 13% of the existing stock. 92% of the total new supply will be located in the Non-CBD area while South and North Jakarta contributed to the largest share with 37% and 32%, respectively.

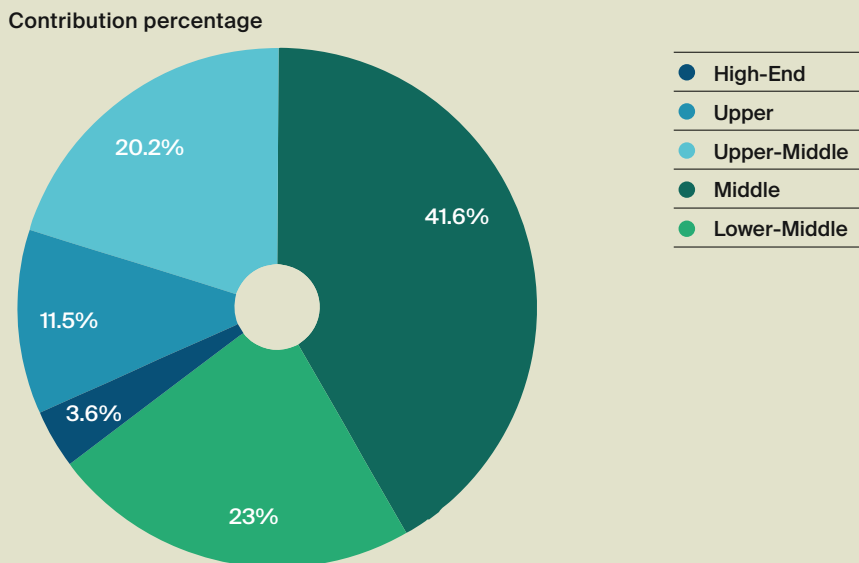
Facing higher construction costs and a prolonged slowdown, asking sales prices are likely to remain flat or experience a gradual increase to stay viable from the viewpoint of demand level and operating margin.

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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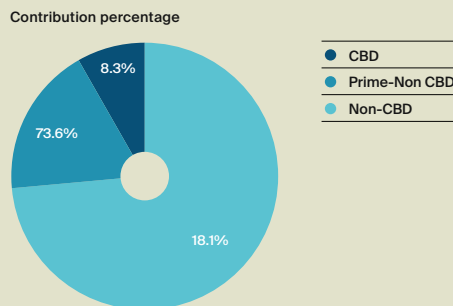
Fig 2: Existing Supply by Segmentation



Source: Knight Frank Research

Overall average sales prices in Rupiah terms decreased by 2.0% (yoy) to Rp36.8 million per square meter and decreased by 7.4% (yoy) in U.S. Dollar terms to \$2,341 per square meter partially due to the Rupiah depreciation against the U.S. Dollar.

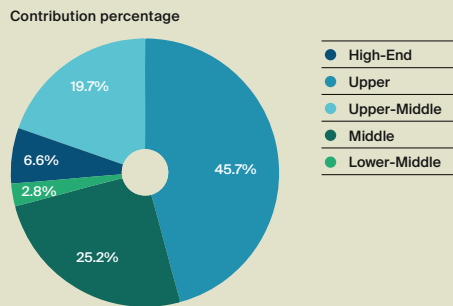
Fig 3: Future supply by area



Source: Knight Frank Research

Given the unfavorable market condition and anticipated 2024 general election, developers are expected to continue concentrating on clearing their ready-to-move-in inventory before assessing the potential to launch new high-rise projects. As buying sentiments gradually improve and developers resuming construction activities, postponed project completions and handover schedules in 2022 are expected to be delivered in 2023. The primary market will still encounter a strong competition from secondary offerings, providing more attractive pricing and benefits.

Fig 4: Future Supply by Segmentation



Source: Knight Frank Research

Fig 5: Jakarta Condominium Market Highlight 2H 2022

Total Existing Supply in Units	232,976
Sales Rate of Existing Supply	95.7%
Existing Unsold Units	9,934
Proposed Supply 2021 - 2024	29,627
Pre-Sales Rate of Proposed Supply	64.1%

Source: Knight Frank Research