

CBD JAKARTA OFFICE

Economic Indicators

	2015	2016	2017F
GDP Growth	4.8%	5.0%	5.0 – 5.4%
Inflation Rate	5.0%	3.5%	4.0 – 5.0%
Central Bank Rate	7.5%	*4.75%	*4.75%

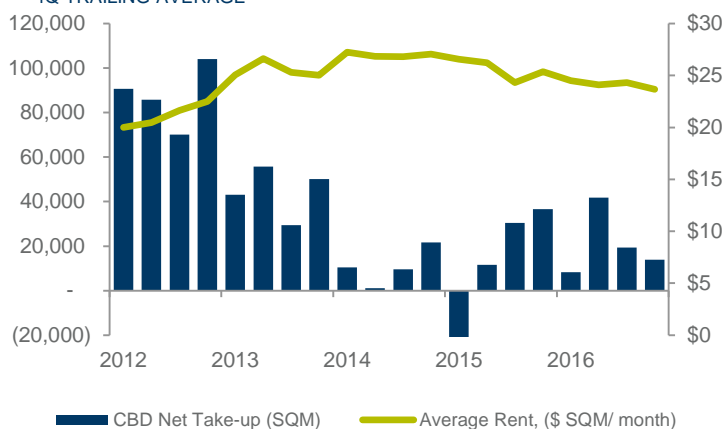
*Bank of Indonesia 7-Day Reverse Repo Rate, effective from 19th August 2016

Market Indicators

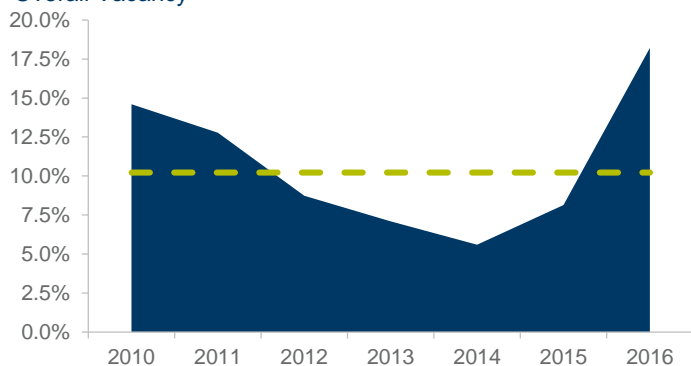
	Q4 15	Q4 16	12-Month Forecast
Overall Vacancy	14.60%	18.20%	▲
Net Absorption (Sqm)	12,850	13,900	▲
Under Construction (Sqm)	1,916k	1,634k	▼
Overall Average Rent (Sqm pm)	\$25.36	\$23.67	▼

Net Absorption/Asking Rent

4Q TRAILING AVERAGE



Overall Vacancy



Economy

Gross Domestic Product (GDP) is expected to reach 5.0% (YoY) by the end of 2016, a slight increase from 4.8% (YoY) one year ago. The Central Bank of Indonesia (Bank Indonesia) predicts GDP to grow in the range of 5.0% to 5.4% next year, influenced by robust consumption and investment, as well as improvements in the country's export commodity prices. Rupiah experienced further depreciation to Rp.13,464 per US\$ 1.00. Year-on-Year inflation reached 3.5%, lower than the 5.0% inflation rate in the same period last year. The stock market composite index closed at 5,042 on December 22nd 2016.

Market Overview

Inquiries and leasing transaction deals, mostly from small tenants of below 200 sqm remained active during the fourth quarter of 2016. Two large leasing transactions were recorded during the review quarter: 13,500 sqm office space in Ciputra World 2 on Jl. Prof. DR Satrio and about 3,500 sqm in BTPN Tower in Mega Kuningan Complex for company relocations.

A net take-up of 13,900 sq.m. was recorded during the fourth quarter of 2016, and the whole 2016's net take-up reached 83,300 sqm. Average occupancy rate fell further to 81.8% (a decrease from 85.4% in the the previous year), due mostly to the large additional supply over year 2016 of 332,000 sqm.

No additional supply entered the CBD office market during the fourth quarter of 2016. The total cumulative supply stood at 5.57 million sq.m. Several buildings that were supposed to complete within this quarter were delayed to first quarter 2017. Total proposed office supply that will enter the market in 2017 is projected at about 588,100 sqm and 93% of those new supply is Grade-A building.

Rental rate in Rupiah remained stable in the fourth quarter of 2016. By the end of December 2016, the average CBD Jakarta office gross rental in Rupiah term stood at Rp 318,600 per square meter per month (+0.2% QoQ). Over 2016, however, average CBD rental rates in Rupiah term and US Dollar term have decreased by 7.8% and 6.7%, respectively.

Outlook

Taking account the large number of office building completions during 2017, vacancy rate is projected to rise further as total demand will not likely be as high as the new supply. Rental rates are projected to remain under pressure, particularly in Grade-A sub-market.

During this 'tenants' market', small to medium occupiers are expected to continue taking advantage from market condition and will be actively seeking better quality premises with attractive rental rates, mainly for office relocation and consolidation.

MARKETBEAT

Office Snapshot Q4 2016

CBD Jakarta, Indonesia



SUBMARKET	TOTAL BLDGS	INVENTORY (SQM)	SUBLET VACANT (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	CURRENT NET ABSORPTION (SQM)	YTD NET ABSORPTION (SQM)	UNDER CNSTR (SQM)	AVERAGE ASKING RENT (ALL CLASSES)*	AVERAGE ASKING RENT (CLASS A)*
Sudirman	54	2,041,050	0	346,869	16.99%	-2,229	6,141	831,000	\$26.32	\$30.03
Kuningan	62	1,381,800	0	225,978	16.35%	14,068	38,483	311,600	\$19.85	\$23.08
Gatot Subroto	28	960,500	0	337,545	35.14%	-3,742	32,898	208,200	\$15.31	\$32.68
Thamrin	17	469,350	0	36,463	7.77%	8,258	9,578	108,500	\$25.35	\$28.12
Satrio – Mas Mansyur	9	441,164	0	53,920	12.22%	-1,250	-1,140	175,000	\$23.60	\$23.90
Others (Senayan etc)	12	276,625	0	12,951	4.68%	-1,208	-2,692	-	\$27.74	\$39.80
CBD JAKARTA TOTALS	182	5,570,489	0	1,013,726	18.2%	13,897	83,268	1,634,300	\$23.67	\$29.28

*Rental rates reflect Gross US\$psqm/month

SUMMARY BY CLASS	TOTAL BLDGS	INVENTORY (SQM)	SUBLET VACANT	DIRECT VACANT (SQM)	VACANCY RATE	CURRENT NET ABSORPTION (SQM)	YTD NET ABSORPTION (SQM)	UNDER CNSTR (SQM)	AVERAGE ASKING RENT OVERALL*	AVERAGE ASKING RENT DIRECT*
Class A	67	3,480,889	N/A	776,172	22.30%	19,766	141,603	1,536,800	\$29.28	\$29.28
Class B	48	1,180,500	N/A	147,557	12.50%	-4,492	-21,557	97,500	\$21.37	\$21.37
Class C	67	909,100	N/A	89,997	9.90%	-1,377	-36,778	0	\$17.68	\$17.68

Key Lease Transactions Q4 2016

PROPERTY	SQM	TENANT	TRANSACTION TYPE	SUBMARKET
BTPN Tower	3,500	Foreign Banking	Relocation	Kuningan
Ciputra world Tower 2 (Proposed)	13,500	E-Commerce	Relocation	Satrio

Key Sales Transactions Q4 2016

PROPERTY	SQM	SELLER/BUYER	PRICE	SUBMARKET
Sopo Del Tower B	1,700	N/A	NA	Kuningan

Significant Projects Completion Q4 2016

PROPERTY	SQM	ANCHOR TENANT	SUBMARKET	COMPLETION DATE
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

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Arief Rahardjo

Director
 Research & Advisory
 Indonesia
 Tel: +62 21 2550 9500
 Fax: +62 21 25503501
arief.rahardjo@cushwake.com