

JAKARTA CBD RETAIL MARKETBEAT

DECEMBER 2017


2.7%
**BASE RENT GROWTH
(YoY)**
15.2%
**VACANCY RATE
(Q4 2017)**
133,700 SQM.
**NEW COMPLETIONS
(2017)**

HIGHLIGHTS

Domestic economy remains robust

Full-year GDP growth was forecast to reach 5.1% in 2017. The rupiah depreciated 2.3% against the US dollar to IDR13,555 in the fourth quarter, to end 0.7% down year-on-year (YoY). Year-to-date inflation reached 2.87% at the end of November, slightly higher than the 2.59% recorded in the same period in 2016. In contrast, the stock market was up 3.0% in the last quarter, with the composite index closing at 6,035 on December 8.

Department store closures

The closure of several department stores in Jakarta – including the Matahari at Mal Taman Anggrek, Debenhams at Senayan City and Lotus in Thamrin – in the fourth quarter of 2017 highlighted the challenges faced by retailers. However, some food and beverage (F&B) retailers continued to open outlets as consumer demand for F&B was strong compared with fashion and electronics. In December, the former Pusat Grosir Jatinegara opened as the new Cityplaza Jatinegara retail center, bringing a fresh mall concept to the area.

Rental rates unchanged in quarter

Average rental rates and service charges were unchanged quarter-on-quarter (QoQ) in the Jakarta retail market. Average rental rates remained at IRP782,800 per square meter per month (/sq.m./mo), while service charges were unchanged at IRP163,400/sq.m./mo.

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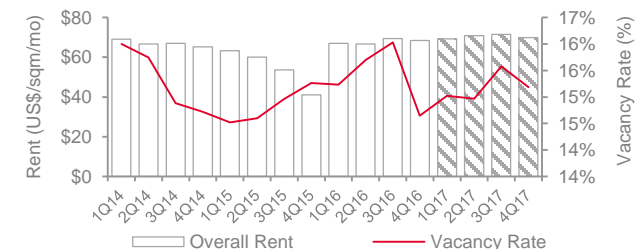
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ECONOMIC INDICATORS

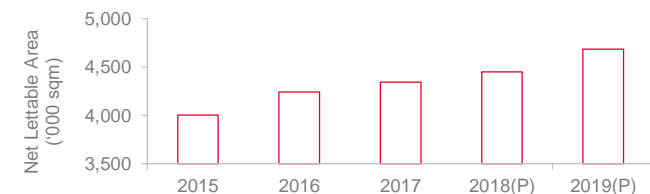
	Q4 17	Q4 16	12-months Forecast
GDP Growth	5.1%	5.0%	▲
Inflation Rate (YTD)	2.87%	2.59%	▼
Central Bank Rate	4.25%	4.75%	■

Source: Central Statistic Bureau & Central Bank of Indonesia

JAKARTA PRIME UNIT OVERALL RENT AND VACANCY RATE



JAKARTA CUMULATIVE SUPPLY



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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	PRIME RETAIL UNIT BASE RENT		
			RP/SQM/MO	US\$/SF/MO	EUR/SQM/MO
Primary Location	1,188,200	14.0%	Rp953,500	US\$6.50	€59.90
Secondary Location	3,157,400	15.6%	Rp660,900	US\$4.50	€41.50
OVERALL JAKARTA RETAIL TOTAL	4,345,600	15.2%	Rp782,800	US\$5.40	€49.20

DEFINITIONS:

The primary retail location is defined as major retail precinct that includes Kota, Pasar Baru, Blok M and CBD area (capturing the areas of Sudirman, Thamrin, Rasuna Said and corridor of Jl. KH. Mas Mansyur - Jl. Prof. Dr. Satrio). The secondary retail location covers all other areas outside the above retail areas in Jakarta.

SIGNIFICANT CONSTRUCTION COMPLETION DURING 4Q 2017

PROPERTY	DISTRICT	SIZE (SQM)	OPENING DATE
CityPlaza Jatinegara	East Jakarta	15,000	December 2017
Senen Jaya Blok 3	Central Jakarta	13,200	December 2017

SIGNIFICANT LEASE TRANSACTION DURING 4Q 2017

PROPERTY	DISTRICT	TENANT	SQM
CityPlaza Jatinegara	East Jakarta	Ramayana Prime	8,353
Grand Indonesia	CBD Jakarta	Foodprint	1,100
Mal Ciputra	West Jakarta	MR.D.I.Y.	660
Mal Puri Indah	West Jakarta	Miniso	400
Grand Indonesia	CBD Jakarta	Planet Sports	350
Emporium Pluit Mall	North Jakarta	Miniso	270
Plaza Senayan	CBD Jakarta	Miniso	250

SIGNIFICANT UNDER-CONSTRUCTION PROJECT

PROPERTY	DISTRICT	APPROX SIZE (SQM)	COMPLETION DATE
Lippo Plaza Mampang	South Jakarta	9,423	2018
Harco Mangga Besar	Central Jakarta	7,000	2018
New Harco Glodok	West Jakarta	60,000	2018
Pondok Indah Mall 3	South Jakarta	55,000	2019
Aeon Mall Southgate @Tanjung Barat	South Jakarta	35,000	2019