JAKARTA CBD OFFICE

DECEMBER 2018

MARKETBEATS

-10.3%	25.7%	78k sqm
Rent Growth Y-o-Y	Vacancy Rate	New Completions

WHAT'S NEXT

HIGHLIGHTS

Economy Remains Stable

Gross Domestic Product (GDP) is expected to reach 5.1% for full year 2018. The Rupiah experienced a slight appreciation of 3.0% QoQ to Rp.14,372 per US$ 1.00, whilst YoY inflation reached 3.23%, slightly lower than the 3.61% rate in 2017. The stock market saw an increase of 1.88% during the last quarter of 2018, with the composite index closing at 6,089 on December 17.

Huge Annual Supply

Net take-up of 53,200 sqm was recorded during the last quarter of the year, with some 150,800 sqm of absorption for the whole of 2018. Average occupancy fell further to settle at 74.3% by year end (a decline from 78.5% in the previous year), driven by the significant additional supply of 538,000 sqm delivered during the year. This new supply is the second largest annual figure seen in the Jakarta CBD office market (after the 557,000 sqm recorded in 2015).

Rental Decreased Further

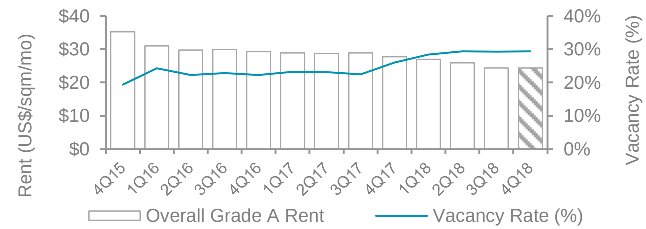
Average rentals in USD terms decreased further during the quarter and overall by about 10.3% on a year-on-year basis to reach US$20.16 per sqm per month. During this ongoing 'tenant favorable' market, occupiers are expected to continue to actively seek better quality premises with attractive rental rates, for relocation and consolidation.

ECONOMIC INDICATORS

	Q4 18	Q4 17	12-month Forecast
GDP Growth	5.10%	5.17%	—
Inflation (YoY)	3.23%	3.61%	—
Central Bank Rate	6.00%	4.25%	▲

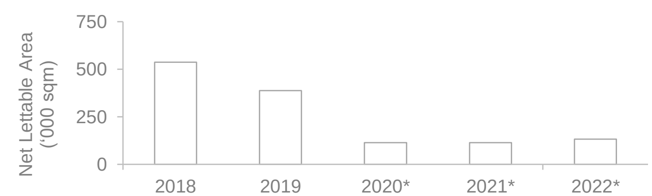
Source: Cushman & Wakefield Indonesia Research, December 2018

GRADE A CBD OVERALL RENT & VACANCY RATE



Source: Cushman & Wakefield Indonesia Research, December 2018

GRADE A CBD SUPPLY PIPELINE



Source: Cushman & Wakefield Indonesia Research, December 2018
**) Weighted*

A Cushman & Wakefield Research Publication

DATA INTO ACTION

JAKARTA CBD OFFICE MARKETBEATS DECEMBER 2018

CUSHMAN & WAKEFIELD

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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQM)	GRADE A EFFECTIVE RENT		
				Rp/SQM/MO	US$/SQM/MO	EUR/SQM/MO
Sudirman	2,595,050	28.7%	167,500	Rp360,200	$25.06	€22.01
Kuningan	1,561,400	24.7%	264,500	Rp309,600	$21.54	€18.92
Gatot Subroto	1,148,150	33.4%	-	Rp406,200	$28.26	€24.82
Thamrin	469,350	11.3%	240,971	Rp362,000	$25.19	€22.12
Satrio – Mas Mansyur	534,664	20.0%	100,000	Rp267,300	$18.60	€16.34
Others (Senayan etc)	276,625	5.5%	83,000	Rp478,700	$33.31	€29.25
CBD JAKARTA ALL GRADE TOTAL	**6,585,239**	**25.7%**	**855,971**	**Rp.355,400**	**$24.73**	**€21.72**
Class A	4,504,639	29.39%	798,971	Rp.355,400	$24.73	€21.72
Class B	1,180,500	20.26%	57,000	Rp.254,000	$17.68	€15.53
Class C	900,100	14.15%	-	Rp.229,500	$15.97	€14.03

^Rental rates reflect Gross US$ sqm/month
US$/Rp = 14,372; €/Rp = 16,363

KEY LEASING& SALES TRANSACTIONS Q4 2018

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
SopoDel	Kuningan	Oil & Gas Co.	20,000	Relocation
Millenium Centennial Center	Sudirman	Adira Finance	16,000	Relocation
Gamma Tower	Kuningan	Grab	12,000	Relocation
Lippo Kuningan	Kuningan	Ovo (Fin-Tech)	10,000	Expansion
Graha Aktiva	Kuningan	E-Commerce	2,000	Relocation

SIGNIFICANT PROJECTS UNDER CONSTRUCTION IN 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION DATE
Office One	Kuningan	N/A	17,000	Q1-2019
Millenium Centennial Center	Sudirman	Adira Finance	100,000	Q1-2019
Unity Square	Others	N/A	83,000	Q1-2019
World Capital Tower	Kuningan	N/A	75,000	Q2-2019
Sudirman 7.8	Sudirman	N/A	50,000	Q2-2019
Thamrin Nine Phase 2 Tower 1	Thamrin	N/A	86,000	Q3-2019
Chitaland Tower	Satrio	N/A	100,000	Q1-2020
Gedung Indonesia 1 (North & South)	Thamrin	China Sonangol	132,471	Q1-2020

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