



# Property

## MARKET OVERVIEW

1<sup>st</sup> Quarter 2019

Prepared by

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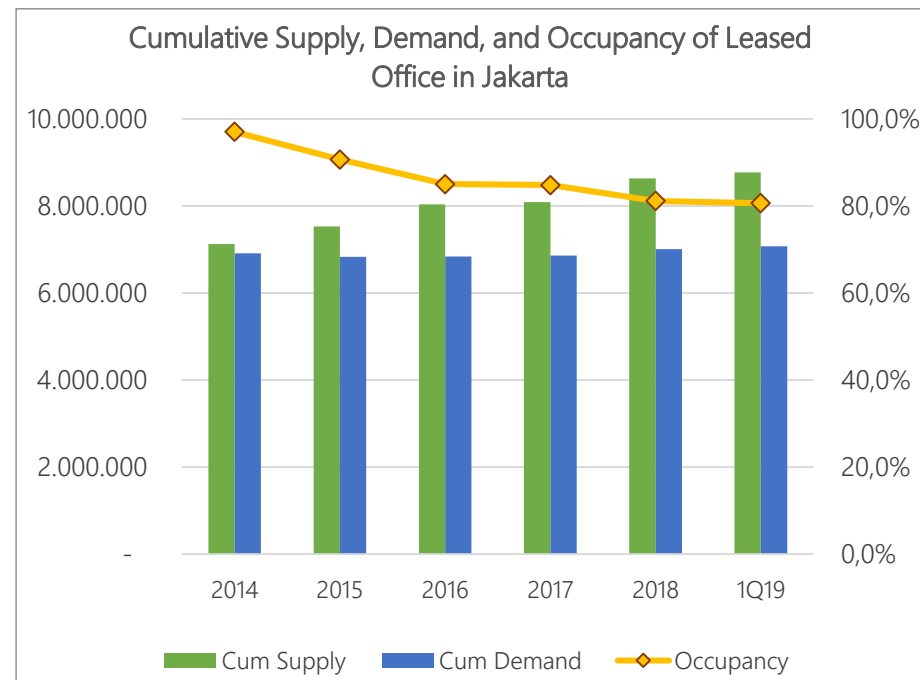
# **OFFICE** Market

# Jakarta Leased Office Market

MARKET INDICATORS	1Q 2019	4Q 2018	1Q 2018	Q o Q	Y o Y
Cumulative Supply (sqm)	8.774.889	8.636.582	8.453.076	1,60%	▲ 3,81%
New Supply (sqm)	138.307	0	361.000	-	▼ -61,69%
Net Demand (sqm)	66.884	-4.560	39.549	1566,77%	▲ 69,12%
Cumulative Demand (sqm)	7.079.976	7.013.092	6.905.478	0,95%	▲ 2,53%
Occupancy	80,68%	81,20%	81,69%	-0,52%	▼ -1,01%
Vacant (sqm)	1.694.914	1.623.491	1.547.598	4,40%	▲ 9,52%
Rental (IDR/sqm/month)	204.369	208.389	218.202	-1,93%	▼ -6,34%

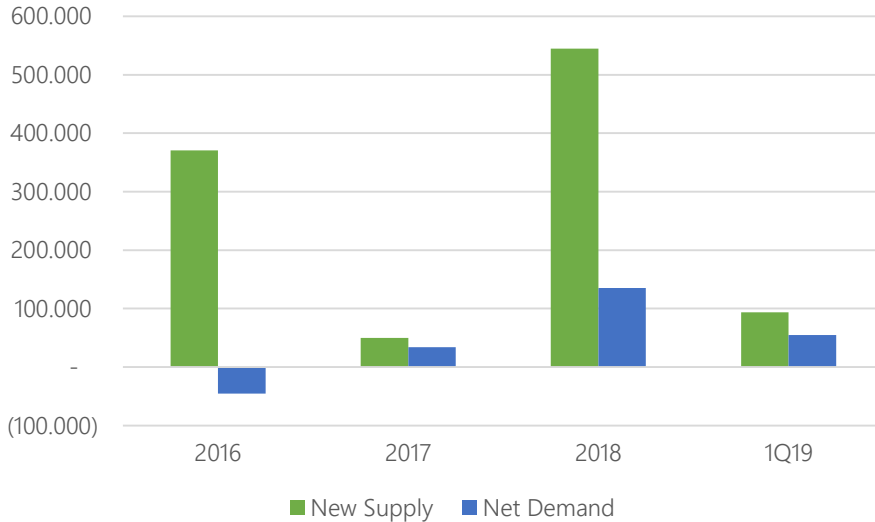
Source : Coldwell Banker Commercial, Strategic Advisory, April 2019

- Positive sentiments in the leased office market along with optimism for the projections of the Indonesian economy which has grown above 5.0%
- There was two buildings as new additional supply entered the Jakarta office market during 1Q19
- Additional new supply came from Grade A buildings in CBD (Sudirman corridor) and Outside CBD (TB Simatupang corridor)
- Demand was mostly generated by tech firms, such as fintech, e-commerce, application, and expansion of co-working space
- Rental still received more pressure in the current market



# Jakarta Leased Office Market continued

New Supply and Net Demand of Leased Office in CBD Area

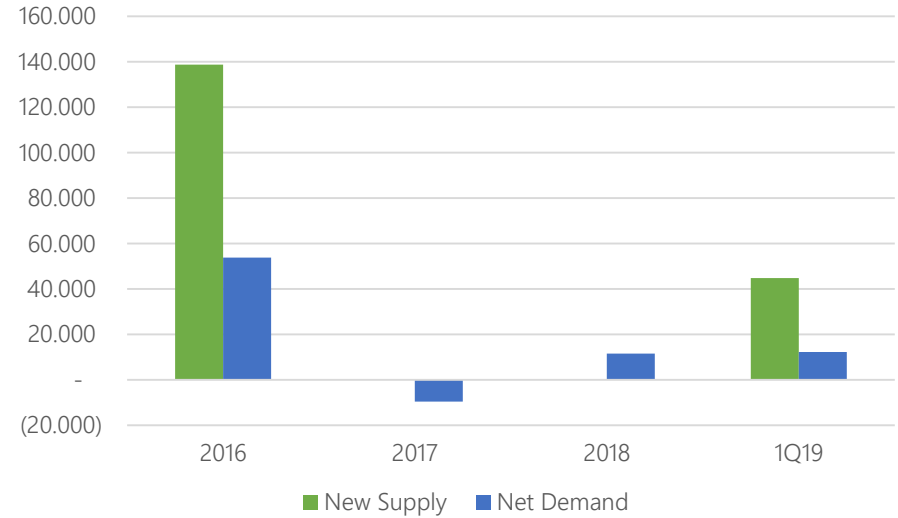


Source : Coldwell Banker Commercial, Strategic Advisory, April 2019

## CBD Area

- Cumulative supply recorded at 5.68 million sqm, contributed by Grade A (56%), Grade B (32%), and Grade C (12%)
- Cumulative supply increased by 1.7% (QoQ) derived by new office building in Sudirman street.
- Quarterly net take up recorded around 54,000 sqm, as cumulative demand increased by 1.3%
- Occupancy level of office in CBD recorded at 77.7%
- Most of transactions were concluded in new office buildings Grade A due to the current condition is still in the form of "supply driven"

New Supply and Net Demand of Leased Office in Outside CBD Area



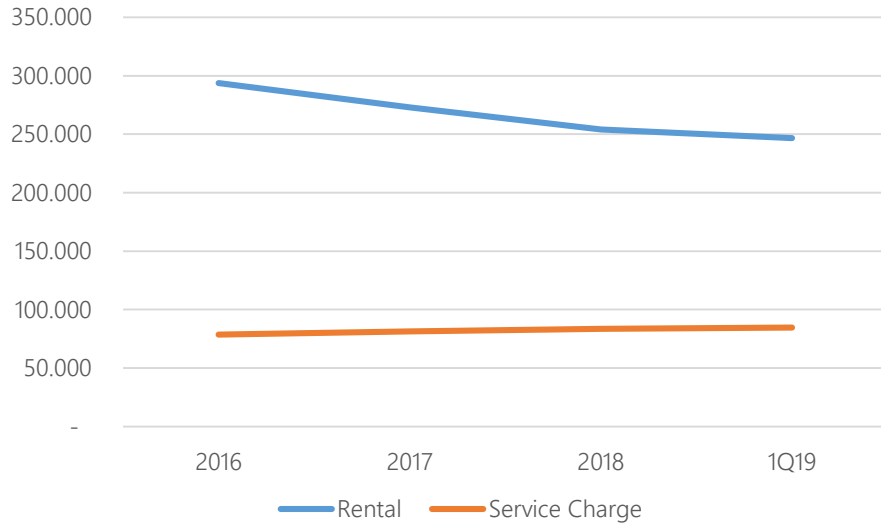
Source : Coldwell Banker Commercial, Strategic Advisory, April 2019

## Outside CBD Area

- Cumulative supply recorded at 3.09 million sqm, mostly in South Jakarta (50%), followed Central Jakarta (22%), West Jakarta (18%), East Jakarta (6%), and North Jakarta (4%)
- Cumulative supply increased by 1.5% (QoQ), additional supply came from new building in South Jakarta.
- Some office buildings will be rescheduled for completion in the next quarter, such as The Sima, Midpoint Place, etc.
- Occupancy level of office in Outside CBD recorded at 86.3%
- Quarterly net take up recorded around 12,183 sqm, as cumulative demand increased by 0.5%

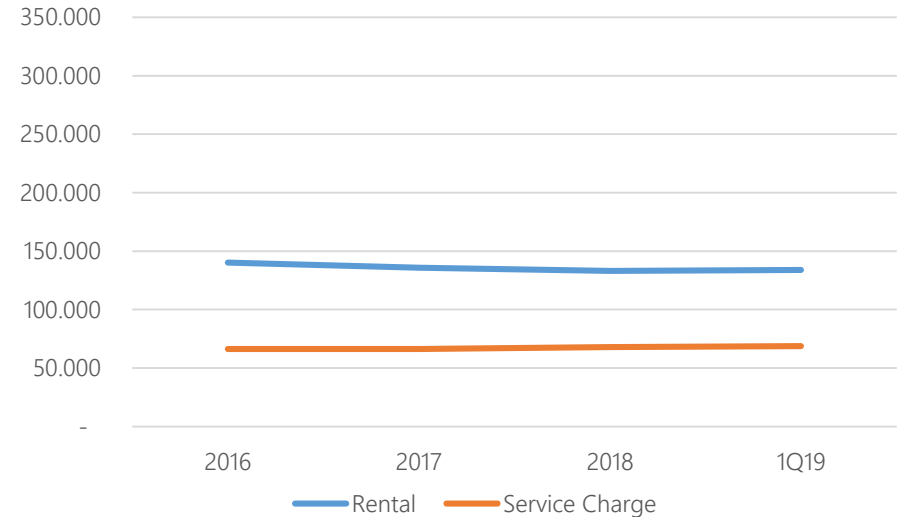
# Jakarta Leased Office Market continued

Average Rental and Service Charge of Leased Office in CBD Area



Source : Coldwell Banker Commercial, Strategic Advisory, April 2019

Average Rental and Service Charge of Leased Office in Outside CBD Area



Source : Coldwell Banker Commercial, Strategic Advisory, April 2019

- Several projects in leased office sector continued to adjust the rental to a lower level, led average rent in this quarter is the lowest compared to recent years, most of projects maintain a similar level from previous year.
- Market conditions present as opportunity for tenants, they have a chance to ask the rental to lower level.
- Rental in CBD decreased by 2.9% during the first quarter achieving IDR 246,700,- per sqm per month, whilst rental in Outside CBD remained stagnant.
- Average rent of Grade A office was recorded at IDR 307,000 then Grade B at IDR 190,000 per sqm per month.
- Reasonable rental rate, location, and higher quality of space are tenant's consideration to upgrade their premises to newer offices.
- Rental in CBD Area still tended to be more negotiable, mainly in new office.
- In several projects, service charges have increased slightly by 1.2%, due to operational cost such as for electricity, water, etc.

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**THANK YOU**