

MARKET SUMMARY	Jakarta CBD Office		Jakarta Retail		Jakarta Condominium		Jakarta Rental Apartment		Jabotabek Residential	
	Q1/2008	QoQ	Q1/2008	QoQ	Q1/2008	QoQ	Q1/2008	QoQ	Q1/2008	QoQ
Cumulative Supply	3,613,500	▲	2,856,500	▲	60,313	▲	33,916	▲	334,607	▲
New Supply	151,400	▲	14,400	▼	3,418	▲	2,744	▲	6,610	▲
Cumulative Demand	3,169,800	▲	2,258,600	▲	57,440	▲	22,977	▲	270,755	▲
Occupancy Rate	87.7%	▲	79.1%	▲	62 %	▼	67.7%	▼	76.8%	▼
Net Take-up	135,500	▲	51,600	▼	3,714	▲	1,277	▲	4,623	▼
Rental/Price (Rp psm)	150,800	▲	737,700	▲	12.17mn	=	129,754	▼	-	-

* Projection figures
Source: Procon Indah Research, March 2008



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Supply

All property sectors recorded new additional stocks during the first quarter of 2008. With the completion of four new office buildings, three of which are considered as Grade A, with a total of 151,400 sq.m, the CBD office market continued to its upward trend, supported by demand both in existing buildings and pre-commitment deals. In contrary, the Jakarta Retail market rose insignificantly in supply, with only one project in North Jakarta, namely Pluit Junction completed during the quarter. The condominium market continued to add new supply of 3,418 units, some of which have been converted to the leasing market and counted as new supply in the rental apartment market. Combined with two newly completed serviced-apartment projects in CBD, Shangri-La Residence and Oakwood Premier Cozmo, a total of 2,744 units have been added to the rental apartment market. A newly launched prominent residential project in North Jakarta namely Jakarta Garden City with a planned area of 270 hectares has been added to Procon Indah's basket, which results to total cumulative planned area of 41,188 hectares.

Demand

Another record-breaking in office market, a 135,500-sq.m of quarterly net take-up in Jakarta CBD hits the highest level since crisis. Occupancy in most sectors were relatively stable, with office sector remained high at 87%, whilst in retail sector, with limited new supply during the quarter, overall occupancy has increased to 79% from 77% in the previous quarter. The high overall sales rate of existing condominium projects at 95.2%, was not followed with the occupancy rate in both strata-title condominium and rental apartment, which only achieved at around 62% and 69%, respectively.

Rental & Price

Anticipating a tough competition and quite number of future supply in general property market, rentals and prices are relatively stable. In the office sector, rents strengthened by a further 3.1 per cent to an average of US\$16.36 psm pm, due to high occupancy and strong pre-commitment in several premium buildings, while in the majority of buildings seemed to be holding steady. With significant numbers of new upper segment retail centre, competition was relatively tougher and landlords continued to offer longer rent-free period and other incentives, in order to attract more tenants, especially for those who can attract consistently large crowd to their projects. During the last 12 months, average price in the condominium market has experienced a stagnancy are relatively stable,

Outlook

Indicated by healthy demand during 2007 and strong pre-commitment rate in a number of proposed projects, office sector will continue to grow at its healthy level this year. In the shorter term, demand in the CBD area is expected to remain firm with few new completions. A substantial supply of retail space in the pipeline, coupled with the government plan to increase fuel price as well as increasing construction costs may have had a negative impact on market sentiment. A tough competition year in this sector will continue, with landlord seems to continue offer competitive package and incentives such as longer grace period for rent free in new projects. On the other hand, the condominium-for-lease market is expected to be active, and contribute the majority of leasing demand, due to its more competitive rental. However, in view of the massive supply coming to the market, the short to medium term outlook showed that both in condominium and rental apartment markets, vacancy will continue to rise and put downward pressure on prices and rents.

CBD office market continued to its upward trend, with 151,400-sq.m of new supply completed during the quarter

One major residential project in North Jakarta, Jakarta Garden City has been launched to the market

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In general property market, rentals and prices are relatively stable.