

MARKET SUMMARY <i>(as at December 2007)</i>	Jakarta Office		Jadebotabek Retail		Rental Apartment		Condominium		Residential		Industrial		Hotel	
	2007H2	YoY	2007H2	YoY	2007Q4	YoY	2007Q4	YoY	2007H2	YoY	2007Q4	YoY	2007H2	YoY
Cumulative Supply	5,646,892	▲	3,945,237	▲	31,204	▲	56,840	▲	327,997	▲	7,551	▲	22,734	▼
New Supply	147,310	▲	275,393		1,941	▲	1,862	▲	8,033	▼	240	▲	60	▲
Cumulative Demand	5,025,886	▲	3,077,117	▲	21,690	▲	53,828	▲	265,380	▲	5,477	▲	N.A	N.A
Occupancy Rate	89%	▲	78%	▼	69.5%	▼	62.7%	▼	77.2%	▼	72.5%	▼	63.8%	▲
Net Take Up	177,306	▲	201,134	▲	1,516	▼	3,009	▲	14,958	▲	26.17	▼	14,196	▼
Rental/ Price Rp/month	121,865	▲	489,236	▲	147,600	N.A	12.16 mn	▲	-	▲	410,286	▲	486,085	▼

Source: Procon Indah Research, December 2007

All property sectors recorded additional new supply during the fourth quarter 2007. Six new office buildings were completed in CBD and Outside the CBD areas, whilst in retail sector, additional supply came from the completion of Pacific Place and 3 other retail centres in Jadebotabek area. Rental apartments continued to receive new supply from the offering of strata-title units into the secondary leasing market. The condominium market remained very active and had recorded the highest annual new supply since ever, with the marketing of pre-sales projects continued in this sector. In industrial sector, new supply came from Serang and Tangerang areas whilst residential market which was in the up trend has gradually increased in developed area as a result of new clusters launched.

On demand side the office sector repeatedly set new records, high on quarterly net take up for the past 10 years. The figure was 18% higher than the previous quarter and double take-up from the same period last year. Relocation and expansion of office space continued to dominate office demand, especially in the newer buildings, whilst in outside CBD area, TB Simatupang area still dominated the relocation activity from CBD area. In contrast, the low physical occupancy of the strata-title retail centers caused the overall occupancy level of the retail sector remained low and continued its declining trend since the past 3 years. The average occupancy level of rental apartments had decreased, due to un-ready to be occupied units in the condominium-for-lease as well as lower net take up in the purpose-built apartment. Following to its highest annual new supply, the yearly net take up of condominium units has recorded the highest since ever. The quarterly net take-up was recorded unchanged in industrial sector compared to previous quarter. In residential market, significant increase shown in average monthly take up, most notably in Tangerang, as preferable area with better infrastructures (road access and various transportation systems).

With the exception of residential market, rental rates and sales prices were generally remained stable across the market during the review quarter. Slight changes recorded in office, retail and industrial sectors

mainly due to the Rupiah's depreciation of about 3% over the review quarter. Following to its high demand supported by affordable housing loan interest rate, has brought effect to the land price increment.

Outlook

The outlook for property business over 2008 will be very much dependent on the economic stabilization in response to the upcoming election in 2009 and some challenges in the global economy. However, we also expect that the overall property market in Jakarta will expand more aggressively after the 2009 election, along with acceleration in economic growth after the election year.

Steady demand in office market is expected to continue derive from expansion and relocation of the existing companies and not merely from new office establishment, however, with strong pre-commitment rate in a number of proposed project office sector will continue to grow at its healthy level next year. In contrast, after a tough competition year in retail sector, there are still significant numbers of project proposed for completion in 2008 hence, competition in this sector will be a lot tougher. Given the declining interest rate, we expect to increase the buyer affordability both in high rise and landed residential, thus higher take up could be achieved in next year. In industrial sector, the anticipated modest demand level, industrial estate market prospect is forecasted to remain soft in 2008.

Gross rental in leasing markets are estimated to increase at moderate level, mainly due to the regular adjustment on service charge in every beginning of the year. However, office buildings with high occupancy levels and competitive rental rates are likely to be able to increase rentals at a faster rate than buildings with low occupancy levels. Strong competition from condominiums for lease will prevent rentals of purpose-built rental apartments and serviced apartments to increase. As market activity is likely to continue improving in the short to medium term, house package prices within residential estates are projected to increase accordingly.



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All sectors recorded additional new supply during the quarter

Office sector continued its further growth

Rental rates and sales prices for all sectors were relatively stable.

Continue stable economy is expected to increase demand in property sector