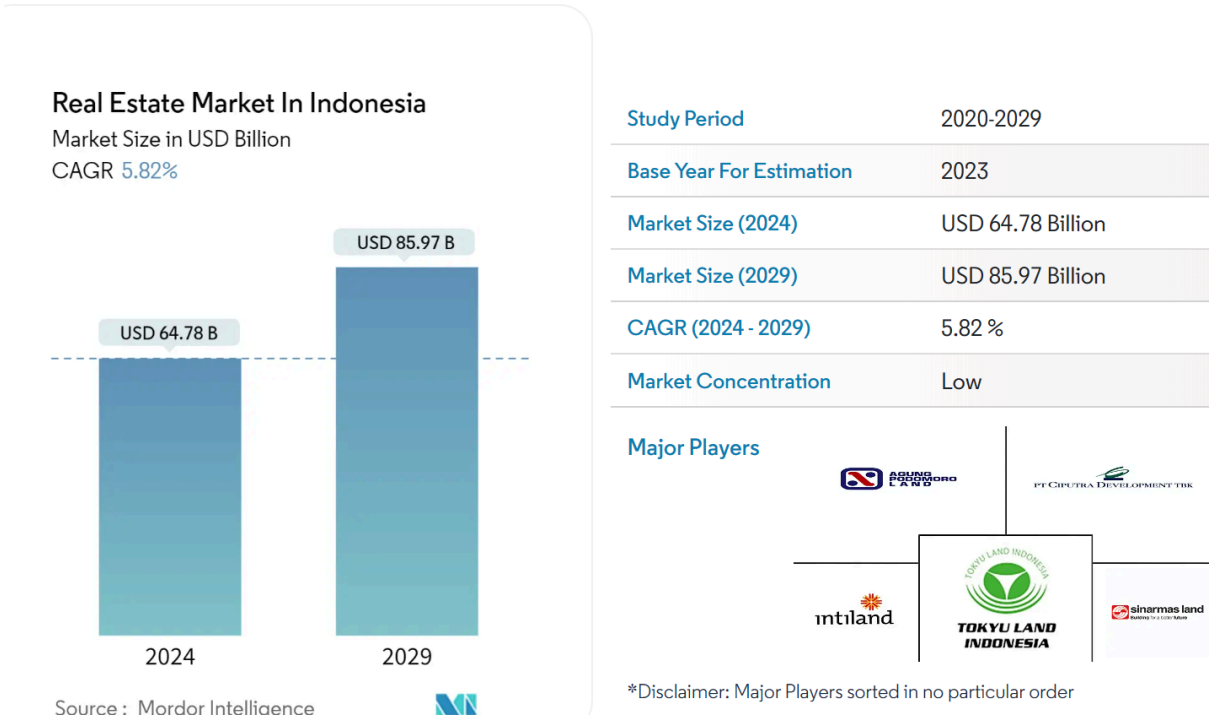
Indonesia Real Estate Market Analysis

An in-depth analysis of the real estate market in Indonesia reveals that the market size, which is projected to be USD 64.78 billion in 2024, is expected to escalate to USD 85.97 billion by 2029. This growth represents a Compound Annual Growth Rate (CAGR) of 5.82% during the forecast period from 2024 to 2029.

Over the past 15 years, Indonesia has made significant improvements in its macroeconomic and structural policies. With a robust and stable growth rate, Indonesia's economy is rapidly catching up with other countries in the region, thereby enabling the country to concentrate on its development agenda.

The real estate market in Indonesia, one of the strongest sectors in the region, is experiencing a surge in property prices and demand due to rapid population growth and high urbanization rates. Notably, the real estate sector in Indonesia was one of the few sectors that remained largely unaffected by the COVID-19 crisis.



Picture 1 Indonesia Real Estate Market Size (Mordon Intellegence)

According to official figures from Statistics Indonesia, the Gross Domestic Product (GDP) derived from real estate activities in Indonesia reached IDR 468.22 trillion (USD 29.85 Trillion) in 2021. There has been a gradual increase in the Indonesian GDP derived from real estate activities since 2014.

The growth of the real estate market during the forecast period is anticipated to be enhanced by affordable housing projects in Indonesia. These projects are supported by the government, foreign investors, and associations such as the World Bank.

The Indonesian government has introduced the 'One Million Houses' (OMH) program, which aims to construct at least 1 million units per year. As per the Ministry of Public Works and Public Housing (PUPR), about 312,290 housing units were recorded under the One Million Houses program until the end of May 2021.

With an improving economy that stimulates growth, the first wave of Property Technology (Proptech) in Indonesia began with an increased demand for homes from the middle-class populace. The Proptech segment, which focuses on selling, purchasing, and leasing through search portal firms, is gaining popularity.

In 2022, the country's most immediate challenge was to overcome the economic, social, and public health effects of the post-COVID-19 pandemic. The unemployment rate, which had risen substantially from 5.2% in 2019 to 7.1% in 2020, has since decreased to 6.6% in 2021, 5.86% in 2022, and is projected to further decrease to 5.32% in 2023.

Jakarta is progressively establishing itself as a leading rental market.

During the 3rd quarter of 2023, serviced apartments in Jakarta demonstrated a consistent improvement in the average occupancy rate. This improvement is a reflection of the resumption of normal business activities following the complete lifting of restrictions, and an increased demand from expatriates, particularly from Asian countries such as Japan, South Korea, and India.

As of the Q3 2023, the occupancy rate witnessed an increase of approximately 3.5% quarter-over-quarter, reaching 60.5%. In terms of rental rates, all serviced apartments in the Central Business District (CBD) area managed to maintain their rates steady. However, the introduction of new serviced apartment projects, namely Citadines Gatot Subroto and Grand Mansion Menteng by The Crest Collection, led to an increase in rents in the non-CBD area. Consequently, the average rental rate was recorded at IDR 445,986/sq m/month (USD 28.85) in the CBD and IDR 410,707/sq m/month (USD 26.57) in South Jakarta, which includes non-prime areas.



Source: Bank Indonesia

Picture 2 Average Rental Yield in Jakarta, In %, Indonesia, September 2022

Looking ahead, experts anticipate an increment in the average rental rate due to the upcoming introduction of new upscale serviced apartment projects, which are expected to offer higher rental rates compared to the current market. This information is sourced from Mordor Intelligence's report on the real estate market in Indonesia.

Indonesia Real Estate Market Leaders

The real estate industry in Indonesia, encompassing both residential and commercial sectors, is characterized by intense competition and fragmentation. Despite these challenges, the market holds promising potential for growth during the forecast period. The heightened competition among market participants is influencing selling prices and land prices, which is subsequently leading to an oversupply in the market.

Key players in the Indonesian real estate market include Agung Podomoro Land, Sinar Mas Land, Ciptura Group, and Tokyu Land Indonesia. These players are not only significant contributors to the market but are also adapting to technological advancements. This adaptation is primarily driven by the increasing internet penetration and the expansion of e-commerce, which are reshaping the dynamics of the real estate industry. This information is sourced from Mordor Intelligence's report on the real estate market in Indonesia.

You can access the full data set by visiting the provided link:

https://drive.google.com/drive/folders/1PaTwpOMlKy00ucWGjpEVssBEbPALEv_Y?usp=drive_link

Source : **Indonesia Real Estate Market Outlook - Analysis & Report (mordorintelligence.com)**

Properties and Real Estate Public Company in Indonesia

In an effort to simplify the process for investors to scrutinize shares, each company that intends to list its shares on the Indonesia Stock Exchange (IDX) will be categorized into one of three distinct trading boards. This categorization is based on the current status and condition of the company.

At present, the IDX operates three trading boards: the Main Board, the Development Board, and the Acceleration Board. The Main Board is populated by issuers that are of a large scale and have demonstrated a solid track record.

The Development Board is designated for companies that have not yet fulfilled the criteria to be listed on the Main Board, but show promising prospects for future growth and development. On the other hand, the Acceleration Board is intended for small to medium-sized companies or startups. The primary objective for these companies is to secure funding through the capital market.

Similar to other sectors, shares in the property and real estate business sector are also classified into the Main Board, Development Board, and Acceleration Board. This

classification allows for a more organized and efficient analysis of companies within the sector.

You can access the full data set by visiting the provided link:

https://docs.google.com/spreadsheets/d/1haZhrN-ErOnuLaQWJDCKXYA5jAz5YvFD/edit?usp=sharing&ouid=108734839508559572147&rtpof=true&sd=true

People we can contact to, in order to dive in property insight and partnership

https://docs.google.com/spreadsheets/d/1VKAfEbFhET8Xz7acJn3HXCcNYZlsdJB_P_JEB1FuAUE/edit?usp=sharing

To Fully Understand Property and Real Estate Market Insight

https://drive.google.com/drive/folders/1LOSr7jUD2dTdmqMCZfsNI83o5hVruA8L?usp=drive_link

Audax Services

Industry
- Corporate
  - Control System
  - Security System
  - Audio Visual System
  - Commercial Cleaning System
- Real Estate
  - LED Display
  - Projection Mapping
  - Touch Screen Panel
  - Physical Scale Model
  - Augmented Reality Content
  - Digital Sales Kit
  - 3D Rendering
- Commercial
  - LED Standee
  - Digital Kiosk
  - Digital Signage
  - Customizable LED
  - Broadcasting Software
- Hospitality
  - Content Management Centre
  - LED Display & Signage
- Experiential Centre
  - Interaction Content Creation
  - Projection Mapping

Hardware

- LED Display
- Projection Mapping
- Digital Kiosk
- Conferencing Panel
- Digital Signage
- Light Box

Architectural Visualization
- 3D Rendering
- 3D Animation
- Augmented Reality
  - Exterior 3D Unit
  - Interior 3D Unit
- Virtual Reality
  - iPad Virtual Walkthrough
  - HTC Vive Virtual Reality
- Digital Sales Kit
  - 360 Drone Virtual Tour
  - 3D Modelling
  - Information Hub
  - Media Gallery
- Digital Brochure
- Physical Scale Model
- Drone Photography

List of developers in Indonesia (181 developers)
Daftar Developer Perumahan di Indonesia | Rumah123