



Rumah.com Indonesia Property Market Index

Q4 2021



PropertyGuru

Despite the economic bottleneck occasioned by the pandemic-linked PPKM restrictions this quarter, the property market seems to be moving in the direction of recovery, together with the economy as a whole. The Rumah.com Indonesia Property Market Index (RIPMI) for Q3 2021 shows an increase in the average selling price for all types of homes. New buying incentives on offer from local governments are also motivating buyers to look for their dream home sooner rather than later.



114.8 (1.8%)

Q4 2021 Price Index



191.1 (9.58%)

Q4 2021 Supply Index

Property developers are optimistic. In terms of supply, after slowing down to let the market absorb existing stock, suppliers are now replenishing the landed houses and apartments available on the market. Meanwhile, buyers no longer have qualms about purchasing property located at greater distances from city centers, with the upside being the promise of a less congested lifestyle. Hence, the property market in the metropolitan areas seems to be seeking a new equilibrium, adjusting to changing consumer preferences as the pandemic begins to subside.



Rumah.com Indonesia Property Market Index shows an increase in property prices, which includes apartments. Property developers have taken the cue and begun to add supply.



After having skyrocketed in the previous quarter, housing prices are on a more modest trajectory this quarter. Home prices up by just 1.81% over the previous quarter.

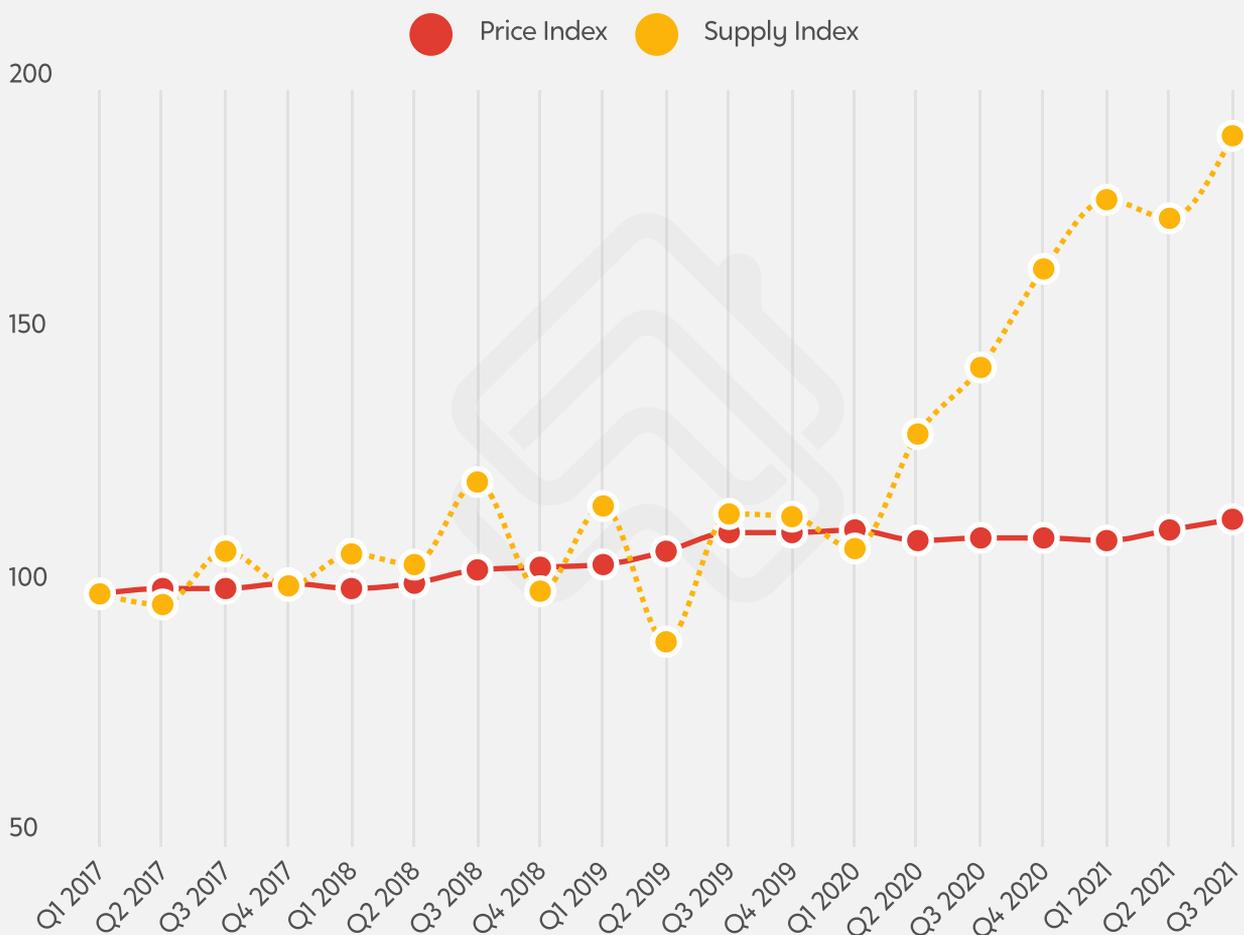


Among other locales, Banten Province was the hottest local market, driven by property prices in Tangerang City which rose 17.04% over the past 12 months.

Rumah.com Indonesia Property Market Index Q4 2021

Property price and supply analysis

Rumah.com Indonesia Property Market Index Q4 2021



Source: Rumah.com

The Rumah.com Indonesia Property Market Index for the third quarter of 2021 rested at 114.8, an increase of 1.80%, quarter on quarter. Property price growth had slowed somewhat compared to Q2 2021, with 2.24%. Housing prices rose by 1.81% and apartments by 0.84%, quarter on quarter. Meanwhile, year on year, the residential housing market as a whole was up 3.24%, with houses rising by 4.39% and apartments falling by 2.57%.

The slower growth in housing prices appeared linked to greater supply of housing on the market during 3Q 2021. Resting at 191.1, the Rumah.com supply index rose by 9.58% quarter on quarter. By contrast, in the previous quarter, supply fell by 2.13%. The new units on the market for 3Q may be broken down into houses, where supply rose by 9.44%, and apartments, up by 7.31%, quarter on quarter. The greater supply appeared linked to more activity in the national economy generally, as well as special incentives put in place by the government to benefit the property sector.

Impact of emergency covid restrictions on national economy

The Government predicted that, as of Q3 2021, annual economic growth would be 4-5% -- slower than for Q2, with 7.07%. The most likely reason for the slowdown is the public health protocols that were implemented on an emergency basis in July (PPKM Darurat). Aside from holding down property prices, the restrictions also held back online search activity at Rumah.com. The search index was down 3.87% for the quarter with the biggest drop-off seen in the under-Rp 1 billion bracket. For Q2, 57% of all search activity fell within this this range. By Q3, however, this figure had dropped to 48%.

Extension of Zero-Percent Down Payment, plus BPHTB leniency from regions

Setelah sebelumnya insentif diskon Pajak Penambahan Nilai (PPN) properti diperpanjang hingga Desember 2021, kini kebijakan uang muka alias down payment (DP) nol persen diteruskan sampai Desember 2022 berdasarkan ketetapan Bank Indonesia atas relaksasi rasio Loan to Value/Financing to Value (LTV/FTV) untuk kredit properti. Sementara itu, suku bunga BI 7DRR per Oktober 2021 masih menempati angka 3,5 persen. Di sisi lain, sejumlah pemerintah daerah memberlakukan insentif tambahan berupa diskon Bea Perolehan Hak atas Tanah dan Bangunan atau BPHTB. Kebijakan ini di antaranya berlaku di DKI Jakarta, Kota Tangerang, dan Kota Bogor dengan persentase dan rentang waktu yang berbeda-beda.

District Roundups

Banten and West Java solid, West Jakarta

The greatest price gains over the reporting period were in areas clustered around Greater Jakarta in the provinces of Banten (3.07%), West Java (2.30%) and DKI Jakarta (1.81%). With annual price gains of 17.04% accompanied by a 39.93% increase in supply, the city of Tangerang, in Banten, was the leader. Middle class families looking for houses in the Rp 300-750 million range seem to be keen on Tangerang. Unfortunately, search activity there fell by 11.02% for the quarter.

Bogor is an area of perennial interest for homebuyers. While search activity was dropping off elsewhere, in this locale the indicators were up by 20% for the quarter. This may be driven by prices which have been stable here for two quarters in a row, creating a good buying opportunity, especially for investors. Meanwhile, supply in Bogor proper has been rising in tandem with the increased demand.

West Jakarta was the only sector of the Jakarta special administrative region where prices fell during Q3 2021. This is in contrast to the previous quarter when price growth for West Jakarta was better than for any of the other four municipalities. The potential for greater growth in West Jakarta is clear, however. The dip appears to be driven by a 11.81% increase in new supply compared to the previous quarter. Although search activity for this area dropped by 4.53% for the quarter, fully 10% of searches conducted by users of Rumah.com targeted properties in West Jakarta.

Tangerang City, Banten

Showed prospects



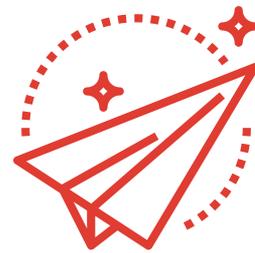
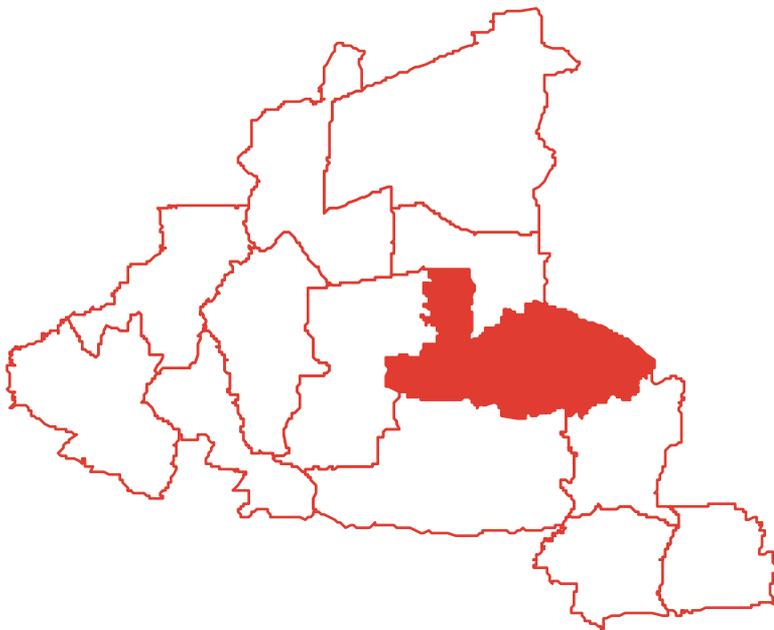
↑ 4.27%

Tangerang leading Banten in price growth quarterly



↑ 6,72%

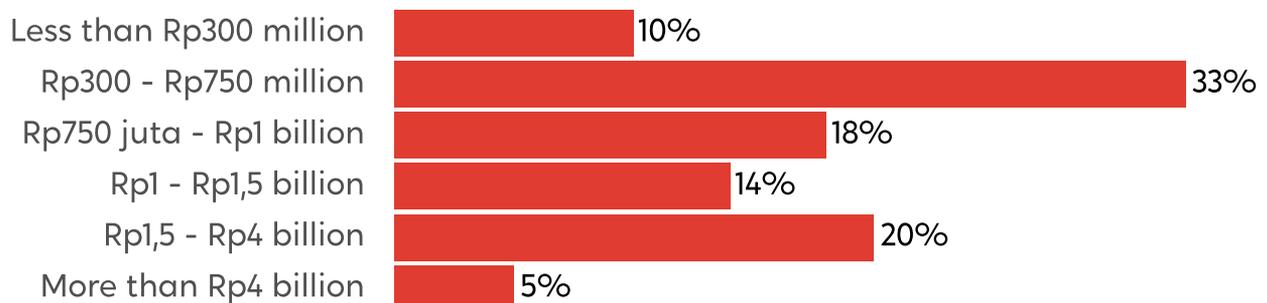
Property supply up for the quarter



29%

Impressive annual price gain for Tangerang's Cipondoh District

Homes priced at under 1 billion become biggest search target -- especially the Rp 300-750 million range



Bogor City, West Java

Demand increased



↑ 21.84%

attracts most search activity for Greater Jakarta region quarterly



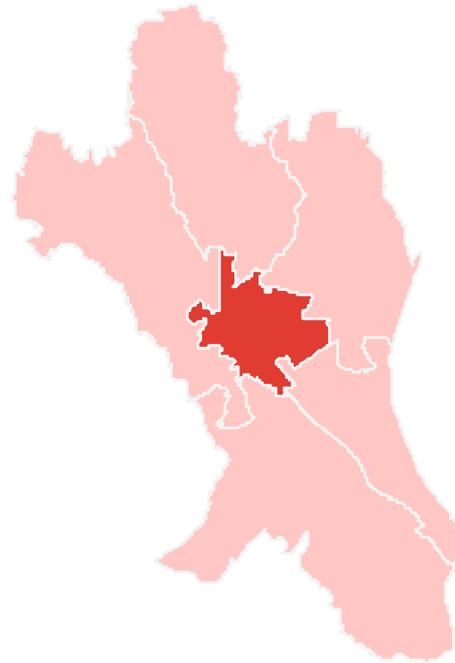
↑ 0.04%

Prices flat



↑ 10.83%

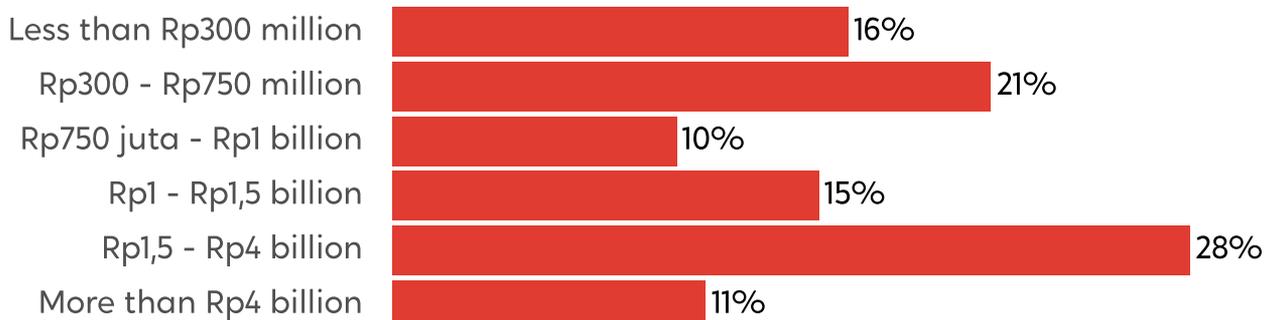
But supply growing quickly



↑ 16%

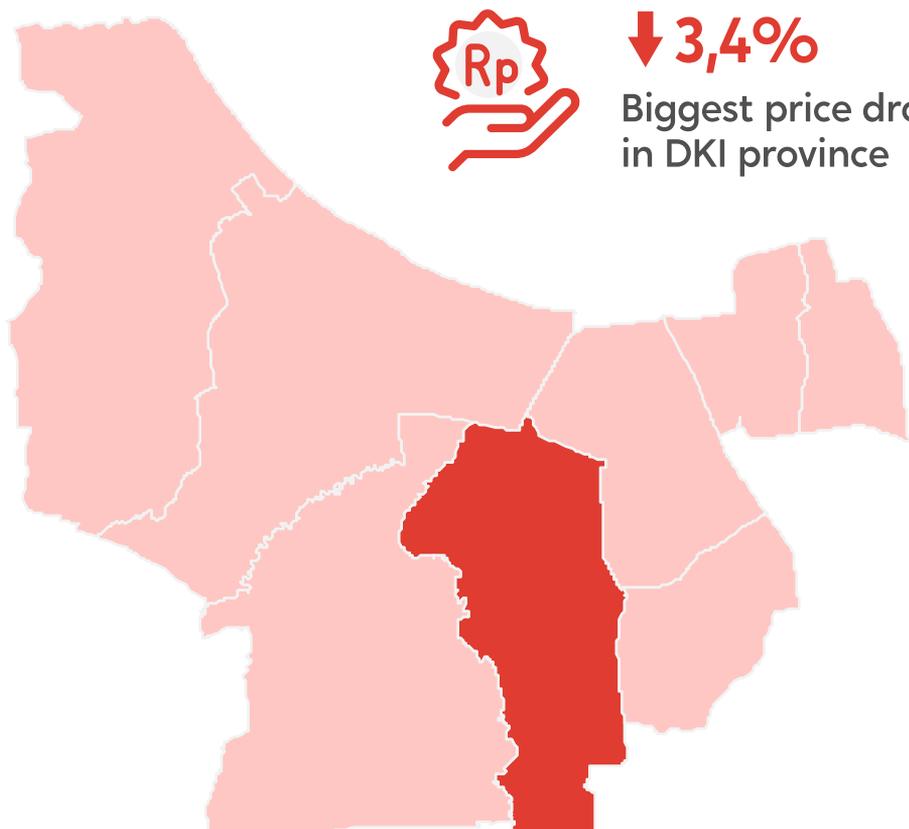
District with fastest price growth is Central Bogor

Properties in Rp 1 billion-and-over range predominate, with 28% of searches going up to Rp 4 billion



West Jakarta, DKI Jakarta

Most corrected



↓ 3,4%

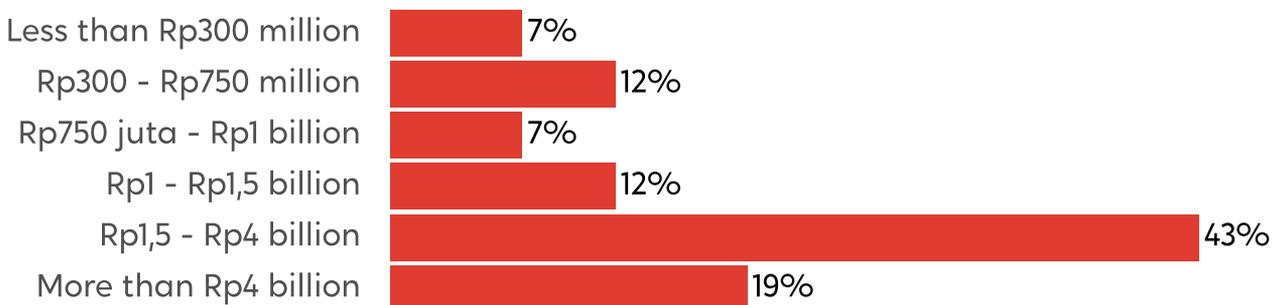
Biggest price drop
in DKI province



↑ 4%

Kebon Jeruk as district
with greatest price gains

Search trends reflect high demand for homes in the Rp 1.5 -4 billion price range



Conclusion

RIPMI data for the third quarter of 2021 shows a significant increase in property prices, together with a significant increase in available units in the market. Still, sentiment was affected somewhat by the extenuating circumstances surrounding COVID-19. The Emergency PPKM restrictions in effect temporarily from July to counteract Delta are seen to have potentially hurt the buying power of low-mid range homebuyers. This is seen in the drop-off of online search activity, particularly in the under-Rp1 billion bracket.

Tangerang City and Bogor City, as well as West Jakarta in DKI Jakarta, host some of the most promising real estate opportunities in the near term. Year-on-year price growth was highest in Tangerang. Many property shoppers limited themselves to options in the under-Rp 750 million category. Aesthetically pleasing and cooler than nearby Jakarta, Bogor never loses its luster. Yet, upper-range homebuyers are more active than ever here, so others may be getting priced out. West Jakarta is particularly attractive to buyers at this time, due to a price lag that will be, in all likelihood, merely temporary.

“

The growth in housing supply is seen linked to various incentives on the part of the central and regional governments. For example, concessions on land transfer duties, available at the local level in some locales, seem to have spurred developers to put more homes on the market. Meanwhile, with mortgage rates at five year lows, even though prices are now beginning to tick upwards again, it's fair to call it a "buyer's market" at present.

—
Marine Novita

Country Manager,
Rumah.com

”

About This Report

Purchasing a house can be the most difficult, and may be the most expensive, decision in your life. In deciding to buy a house, the most important thing is obtaining complete information so you can make a decision confidently.

Rumah.com wants to help the residential hunters by making the process more transparent. We created Rumah.com Property Index to help Indonesian better understand the dynamic of the property market. The buyers can get information about prices that make sense according to the market sentiment.

As a leader in the Indonesia property market, Rumah.com processes a lot of property data on a daily basis. Therefore, we can present a thorough information for Indonesians who currently seek residences.

Methodology

Using various statistical techniques, data from over 400,000 listings of residential property on Rumah.com are compiled and analyzed to show the pricing dynamic from the supply side. Rumah.com Property Index shows the seller optimism and indicates the expected price level from the residential suppliers in the market, both developers or individual sellers.

The short-term increase in the Index shows a trend in sentiment. In the long-term, the Index indicates the stages of the ongoing property cycle.

Rumah.com Indonesia Property Market Index is made based on the price level in Q1 2017. Meaning, the compiled price levels are denominated as 100 in Q1 2017, and pricing in the next quarter will be related with the price level in Q1 2017.

We provide the price level with supply volume information based on the property listing in Rumah.com. The supply volume includes primary and resale/secondary properties in the Indonesia market.

PropertyGuru Group

REG PropertyGuruGroup.com | AsiaPropertyAwards.com | AsiaRealEstateSummit.com

SG PropertyGuru.com.sg | CommercialGuru.com.sg

MY PropertyGuru.com.my | iProperty.com.my

ID Rumah.com | RumahDijual.com

TH DDproperty.com | thinkofliving.com

VN Batdongsan.com.vn

Contact

For more additional information for media and press, or to find out more about Rumah.com Property Index, please contact: mediaenquiry@rumah.com.

Disclaimer

This publication has been prepared for general guidance in the property market, but does not constitute professional advice. We keep trying to maintain accuracy and completeness in delivering information. However, we suggest you to not act based on the published index without professional advice. No warranty (express or implied) given in this publication. Therefore, Rumah.com or PropertyGuru Group do not accept any responsibility and consequence from decisions taken based on this information.

Tentang Rumah.com

Rumah.com is a leading property portal in Indonesia and a part of PropertyGuru Group, a leading property technology company in Asia. PropertyGuru Group is the favorite destination for 23 million residential seekers in Singapore, Malaysia, Indonesia, Thailand, and Vietnam. As a part of the Group, Rumah.com helps property hunters in Indonesia by providing wide-range of relevant choices, thorough information, and solutions for making confident decisions.

Rumah.com launched in 2011 and revolutionized Indonesia property market by making it transparent and accessible online. PropertyGuru Group launched in 2007 and keeps growing from the biggest property media to a rapidly growing technology company. The company is proud with its strong portfolios, from the No.1 portal company, award-winning mobile application FastKey; the best platform to empower developers' sales, and a number of renown property activities such as awards, events, and publications, in 11 countries in Asia

For more information, visit Rumah.com; linkedin.com/company/rumah-com