

The Colliers logo is centered at the top of the slide. It consists of the word "Colliers" in a white, sans-serif font, positioned above a horizontal bar with a color gradient from yellow to red. The background of the entire slide is a dark blue with a pattern of vertical bars of varying heights and shades of blue, creating a bar chart effect.

Colliers

COLLIERS WEBINAR

MAXIMIZING PROPERTY
OPPORTUNITIES:

H2 2024 MARKET UPDATE
AND 2025 OUTLOOK

WEDNESDAY, 11 DECEMBER 2024

3PM - FINISH

SPEAKERS



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SECTOR

Investment

Prime Lending and Cap Rates in APAC countries

Prime Lending Rates (%)

	2024
 Australia	3.10
 China	3.10
 Hong Kong	5.00
 India	8.85 – 10.10
 Indonesia	7.78
 Japan	1.50
 Malaysia	5.20
 Philippines	7.99
 Singapore	5.50
 South Korea	4.62
 Thailand	7.00
 Vietnam	9.32

Source: ChatGPT 4.0

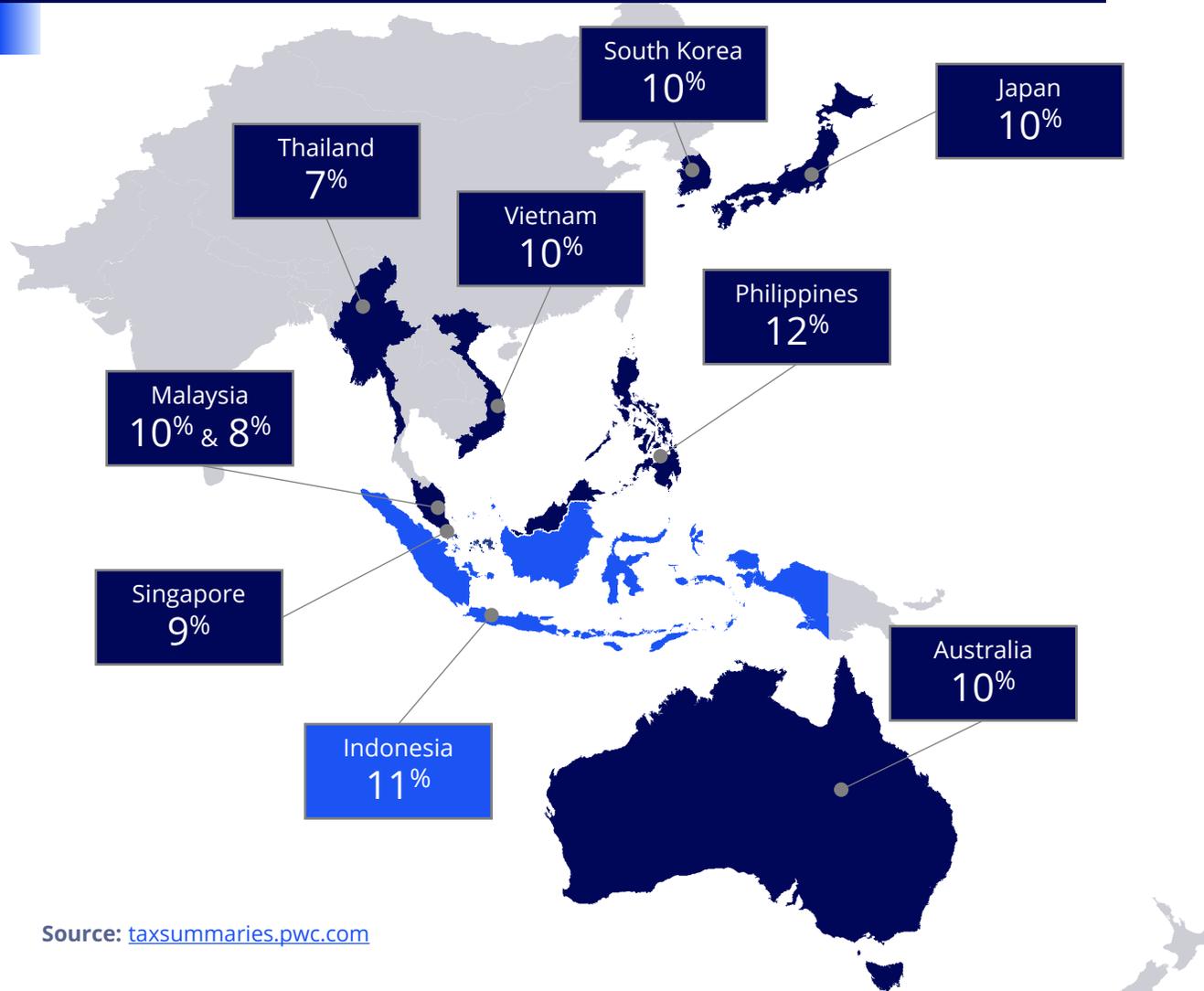
Cap Rates Q3 2024 (%)

	Office	Industrial
 Australia	5.37 – 8.50	5.12 – 7.00
 China	5.25 – 6.50	5.25 – 6.50
 Hong Kong	3.00 – 4.00	2.85 – 4.00
 India	7.50 – 8.75	7.00 – 8.00
 Indonesia	6.00 – 7.00	7.00 – 9.00
 Japan	2.70 – 3.90	3.50 – 4.50
 Philippines	5.00 – 6.00	8.00 – 9.00
 Singapore	3.00 – 3.50	5.25 – 6.25
 South Korea	3.50 – 4.50	5.50 – 6.00
 Thailand	5.25 – 5.75	8.47 – 8.91

Source: [Colliers APAC Cap Rates Report Q3 2024](#)

Indonesia's planned VAT increase to 12% may only apply to luxury goods

Value-Added Tax (VAT) rates in APAC countries



Source: taxsummaries.pwc.com



Indonesian government plans to raise VAT from 11% to 12% as per January 1st, 2025.



The objective of a tax amnesty is to generate more revenue.

BPHTB and PPN (16%)

- The BPHTB exemption is limited to Low-Income Communities (MBR) with house prices under IDR 180 million.
- Developers building homes for Low-Income Communities are exempt from the Building Permit Fee (IMB), now called PBG.
- BPHTB remains applicable for houses outside the MBR category.

According to Hashim Djojohadikusumo, Head of the Housing Task Force, the government will remove:

- 11% Value Added Tax (VAT)
- 5% Land and Building Acquisition Fee (BPHTB) from the cost of houses.

Source: bisnis.com

Several impacts on the property sector:

1. Increased Affordability
2. Boost in Housing Demand
3. Support for Government Housing Programs
4. Economic Stimulus
5. Positive Social Impact

Sources: voi.idcnbcindonesia, mediaindonesia

Tariff on goods imported from China to the U.S.



New tariffs on a range of Chinese goods

The proposed Restoring Trade Fairness Act would end China's PNTR status, causing a rise in tariffs on Chinese imports to the U.S..



Kompas.com / Money / Business

Trump Effect, Indonesia Flooded with Chinese Investors

Kompas.com - 12/03/2024, 22:47 WIB

Trump's Threat

Previously reported, Trump had announced that he would impose a 25 percent tariff on goods from Mexico and Canada and an additional 10 percent tariff on China after being inaugurated as US president.

Source: money.kompas.com

"After Trump was last elected as US president, frankly there were a lot of requests from Chinese companies to meet with the Ministry of Industry. We suspect they think it is better to move their industries to countries in the



Opportunities for Indonesia's market

- Increased export opportunities
- Investment inflows
- Strengthened bilateral ties

Tariffs and import restrictions on imported goods to Indonesia



Indonesia control imports from China

Would impose an import tariff of up to 200 percent on a range of Chinese goods.

Source: thediplomat.com

Tariffs and Import Restrictions:

- **Hefty Tariffs on Chinese Goods:** In July 2024, Indonesia announced import tariffs ranging from 100% to 200% on various Chinese-made products, including footwear, clothing, textiles, cosmetics, and ceramics. This measure seeks to protect local micro, small, and medium enterprises (MSMEs) from an influx of low-cost imports. THE DIPLOMAT
- **Ban on Non-Compliant Tech Products:** In November 2024, the Indonesian government banned sales of Apple's iPhone 16 and Google's Pixel phones due to their failure to meet the requirement that 40% of product components be sourced locally. This policy aims to encourage foreign tech companies to invest in local manufacturing and sourcing. FINANCIAL TIMES

Sources: thediplomat.com, ft.com

Strong sectors in 2025



Industrial & Logistics



Data Centers



Landed Housing



Retail



Hotels



Office



Apartments



Senior Living



Land



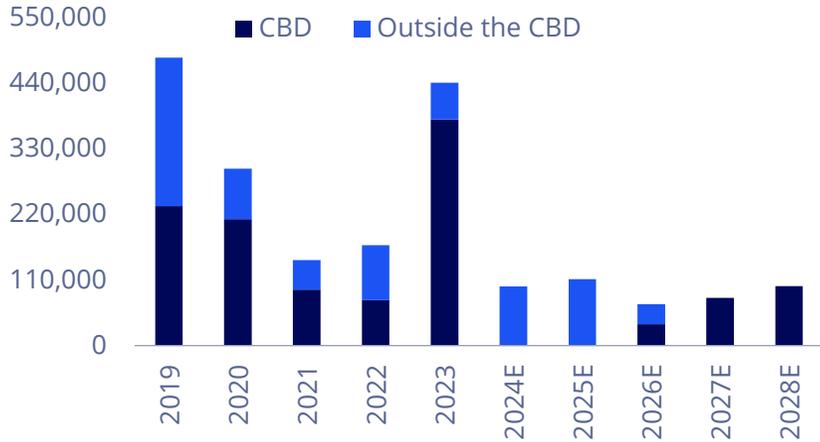
SECTOR

Office

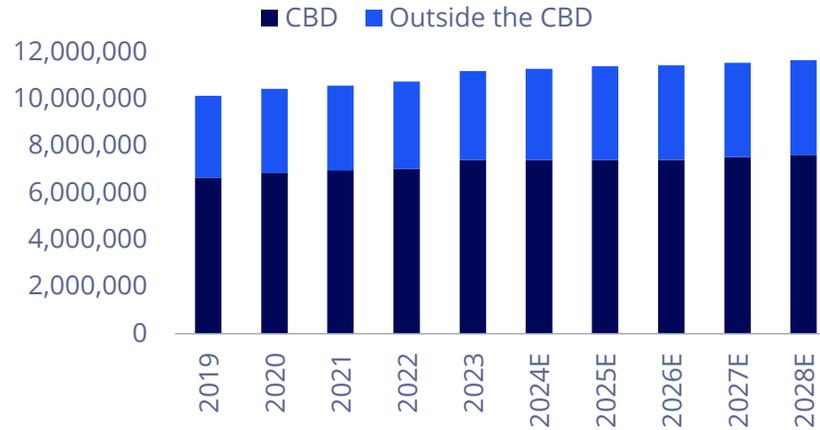
Market update

New space will be limited until 2026

Annual Supply



Cumulative Supply



Cumulative Supply as of Q3 2024



The cumulative supply in Jakarta was recorded at around 11 million sq m in Q3 2024, with nearly 70% located in the CBD.



Additional supply in 2024 has significantly declined. Total supply in Jakarta grew by less than 2% compared to 2023.



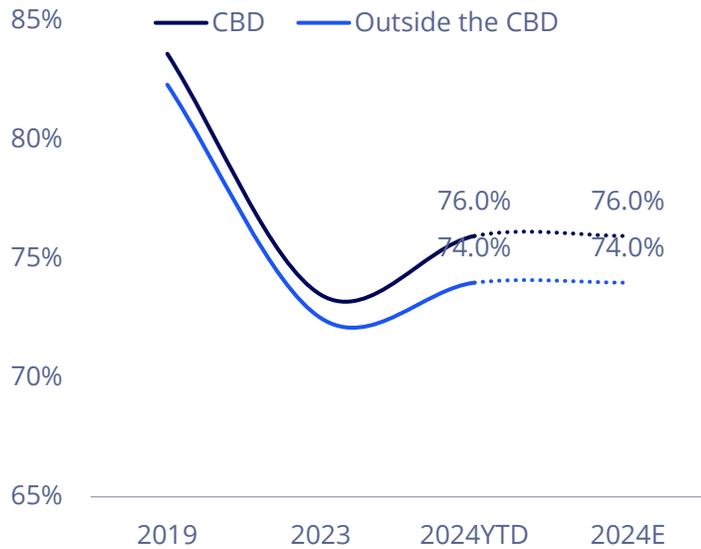
Additional supply is expected to remain limited until 2026, with most of it coming from buildings outside the CBD.



New supply in the CBD is anticipated to emerge after 2025.

Office demand gradually strengthening

Occupancy Rate



Occupancy in CBD



Occupancy in outside CBD



Occupancy rate in Q3 2024 compared to Q2 2024: stable in the CBD; declined outside the CBD.



The market remains tenant-driven, with building owners still required to be flexible in rental pricing packages.



Office space demand in 2024 is expected to be higher than in 2023.

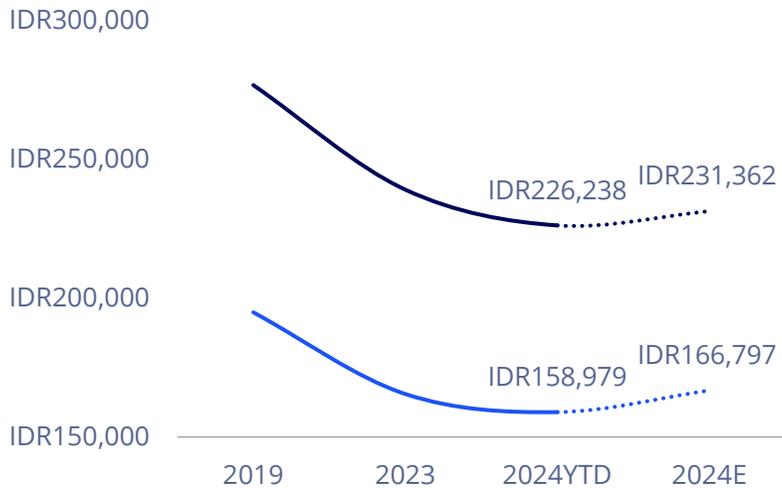


Occupancy rate is expected to continue growing with limited additional supply.

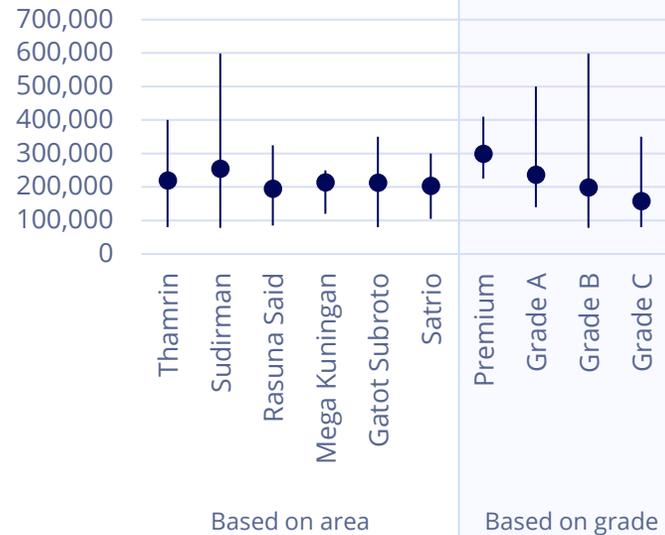
Rental rate adjustments are now being considered

Asking Base Rents

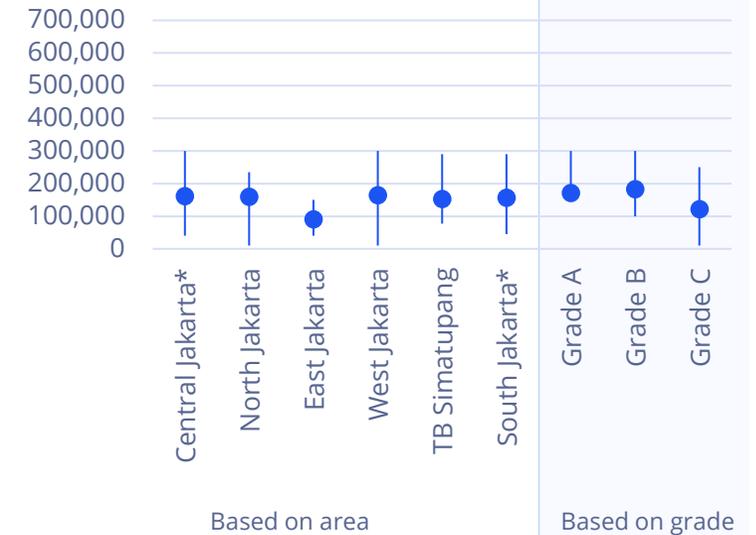
— CBD — Outside the CBD



The CBD Asking Base Rents Based on Region and Building Grade



The non-CBD Asking Base Rents Based on Region and Building Grade



Base rental rates have remained relatively stable over the past three months (QoQ).



Building owners continue to offer attractive leasing packages to boost occupancy.



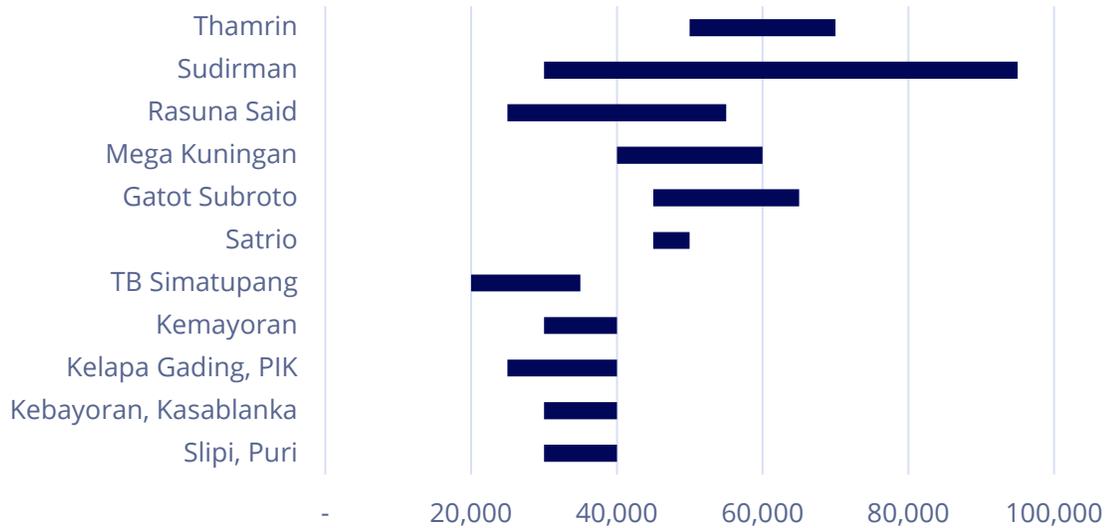
Opportunities persist for tenants to relocate to higher-quality buildings.



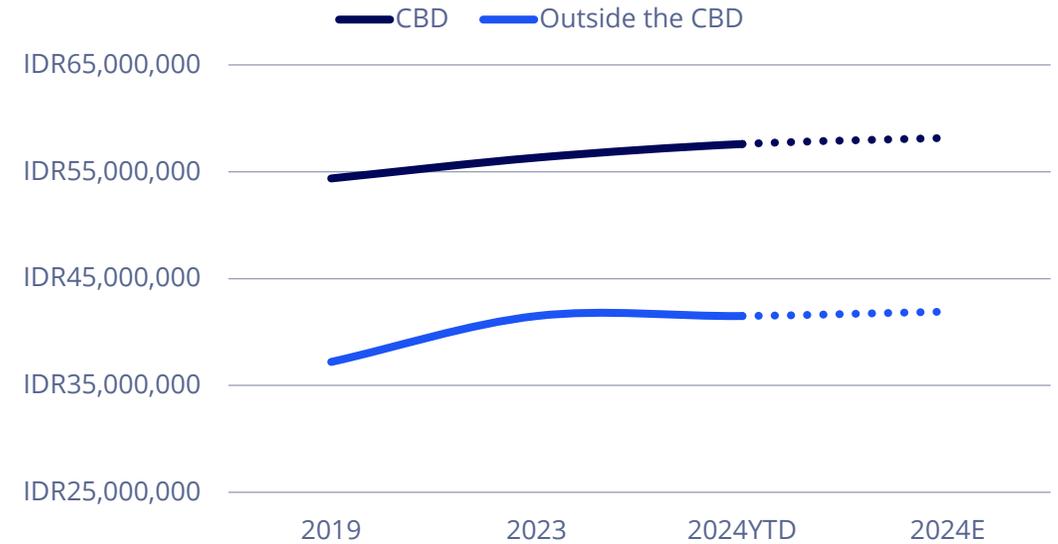
Adjustments to base rates by building owners are expected to continue.

Sale prices remain stable despite limited transactions

Prices Range of Strata-title Office Building (in thousand)



Asking Prices



Sale prices remain relatively stable, with the market heavily reliant on secondary pricing.



Limited transaction volumes are expected to keep building sale prices restrained.



Most potential new buyers are still in the exploration phase.

Insights



Office Remains Positive

The office market remains positive especially after the inauguration of Indonesia's new president.



Increase Companies Confidence

Economic stability has increased companies' confidence to proceed with their relocation or expansion plans.



Office Space Inquiries

There has been a rise in office space inquiries in Q4 2024 compared to the previous quarter.

Insights



Tenants Market

The market continues to favor tenants.



Office Space in CBD

The demand for office space in the CBD area is aiding the recovery of the office market.



Lease Period

The typical office lease period remains stable for three to five years.

Opportunities

Landlords



International Investors

If Indonesia's GDP reaches the government's target of 8% next year, it could boost office demand, particularly from international investors.



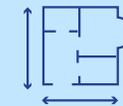
Chinese Companies

With potential significant foreign investment flowing into Indonesia, especially from China, the office market is positively impacted.



Flexibility

Landlords continue to be flexible and accommodative with tenant requirements.



Fit-outs

The trend of office spaces with fit-outs remains appealing to occupiers.

Opportunities

Occupiers



Green Building Certification

Landlords understand the significance of obtaining green building certification for their office properties.



Strong Bargaining Power

Tenants continue to have strong bargaining power in the current tenant's market.



CAPEX

More landlords are prepared to offer fit-out allowances, amortized over the lease term, to enable tenants to move without incurring CAPEX.

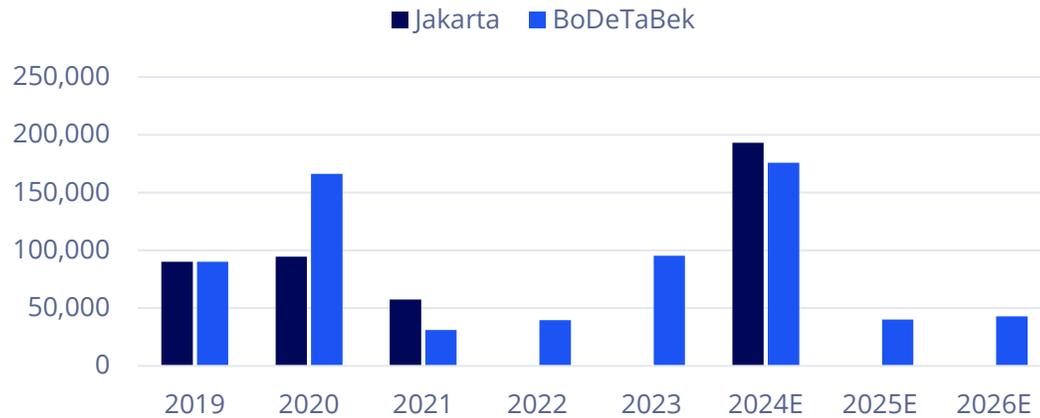


SECTOR

Retail

The construction of new malls and renovations continues to progress

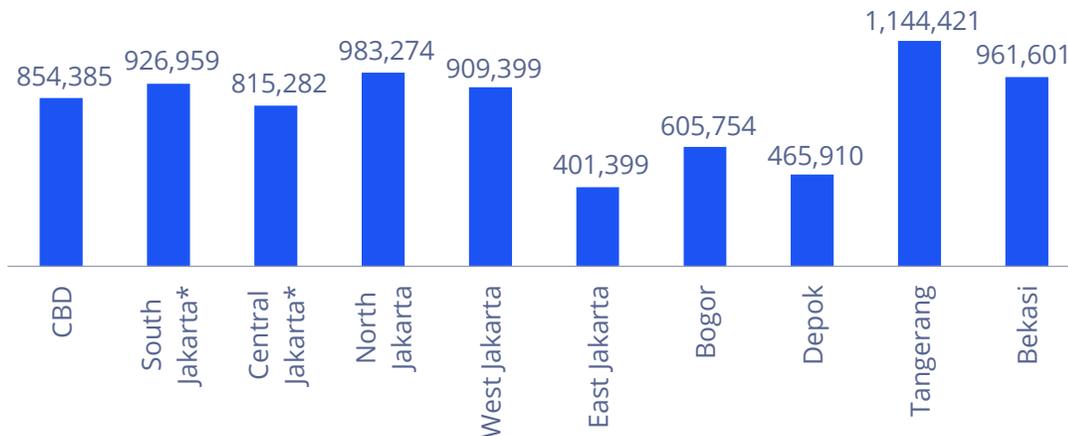
Annual Supply (sq m)



Total Supply Based on Classes (sq m)



Cumulative Supply as of Q3 2024



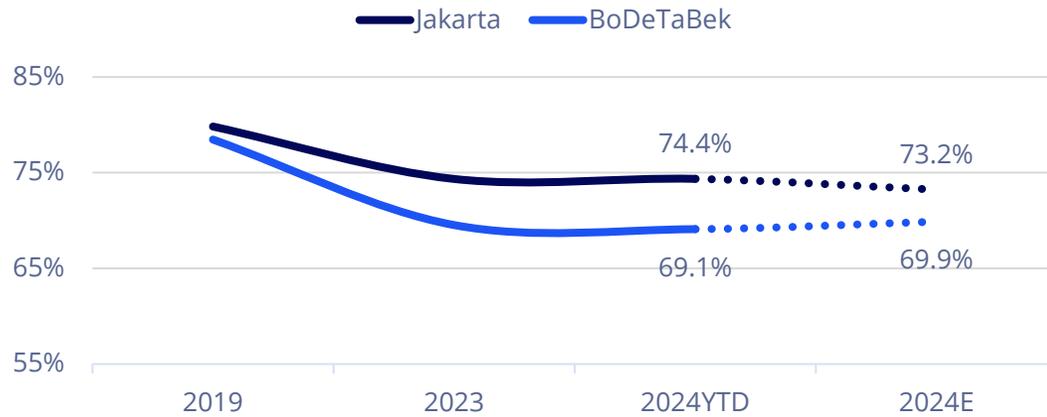
Jakarta's total supply reaches 4.89 million sq m, while Bodotabek hits 3.18 million sq m.



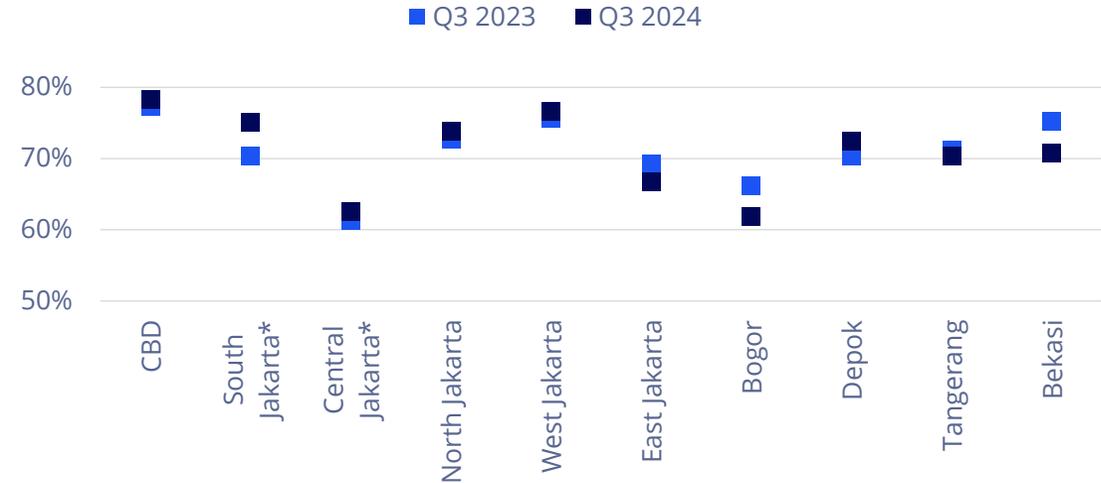
Mall construction continues, with new openings in Q4 2024: Agora Lifestyle Center and Puri Indah Park in Jakarta, and Pakuwon Mall in Bekasi.

The growth of occupancy rates is being hindered by the influx of new malls

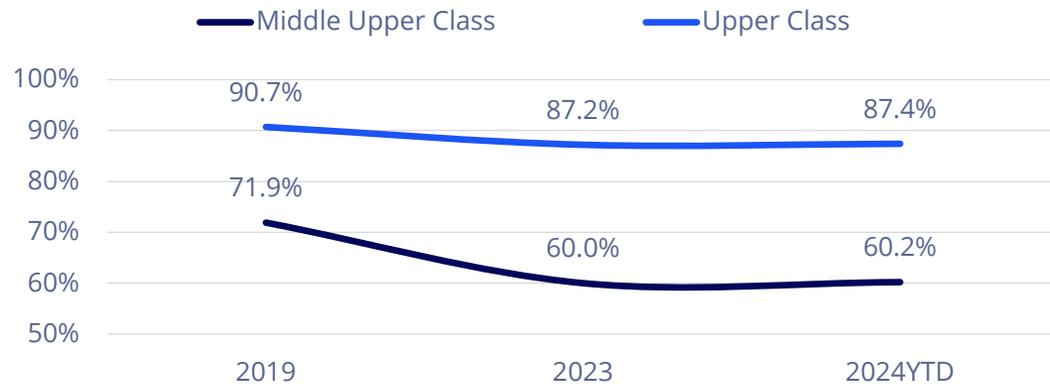
Occupancy Rates



Occupancy Rates in JaBoDeTaBek



Occupancy Rates by Class in Jakarta



Some stores are requesting relocations to larger units due to rebranding efforts.



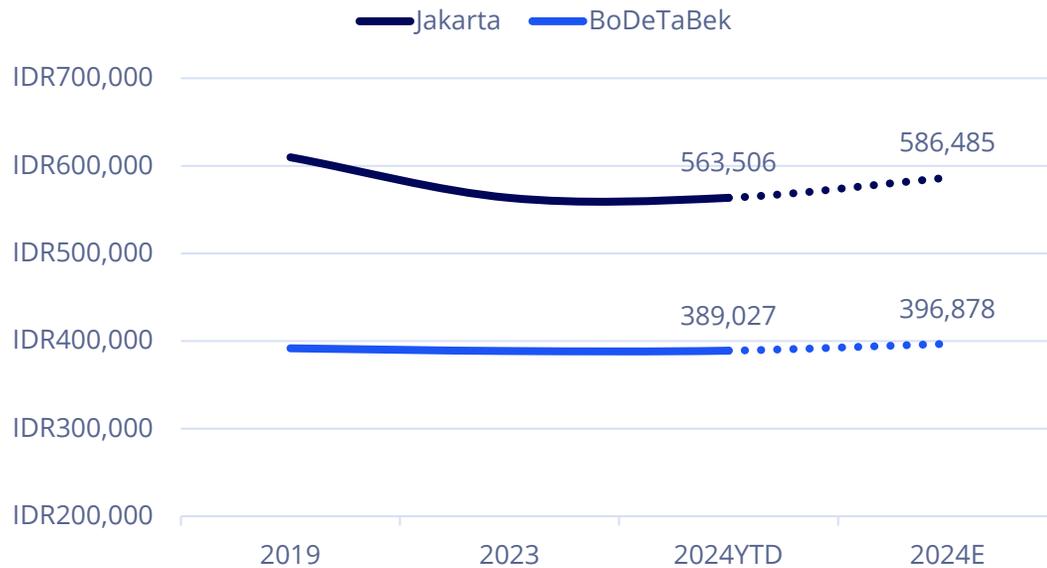
The rise of new malls is expected to pressure occupancy rates toward the end of 2024 and into 2025.



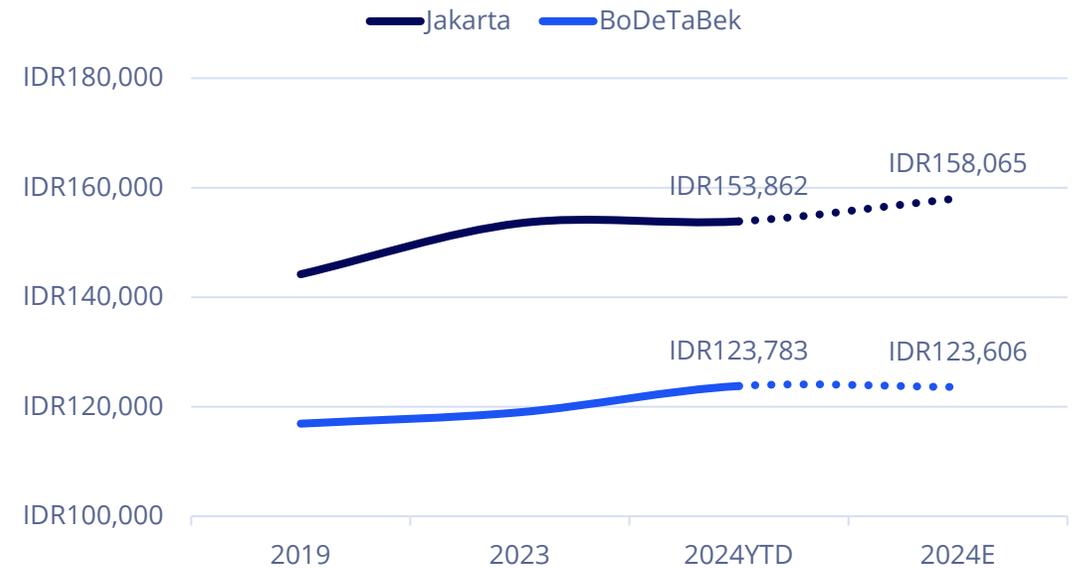
Several international retailers, including PopMart, NITORI, Boulder Planet, and Aland, are opening their first stores in Indonesia.

Retail performance improves, rental rate will adjust

Asking Base Rents



Maintenance Costs



Rental costs (base rent and maintenance fees) remain unchanged for now.



Some malls are offering cooperation and relief to retailers facing weak sales performance.



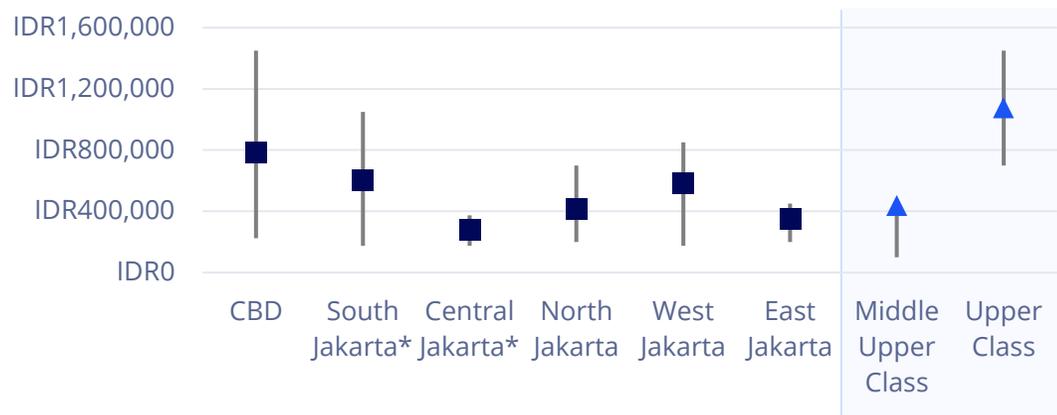
Rent is expected to rise in malls that can maintain strong occupancy rates.



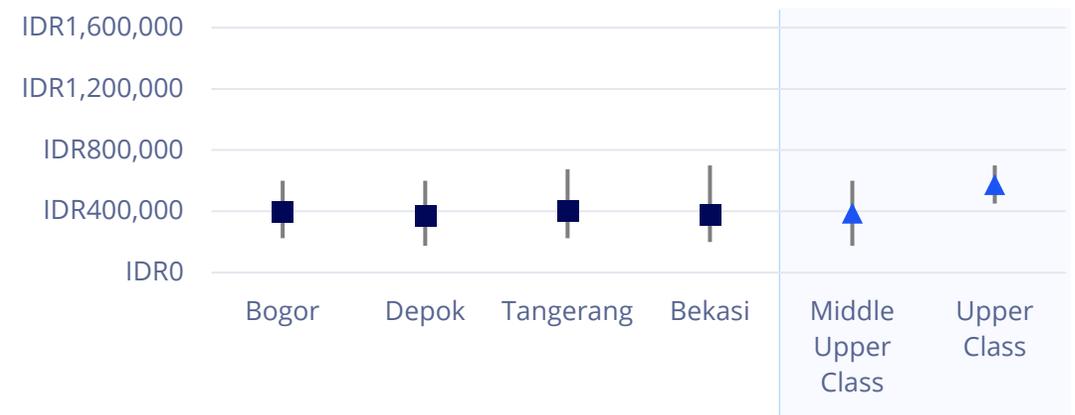
Maintenance fees are likely to adjust based on external factors such as inflation, electricity costs, and regional minimum wages (UMR).

The range of mall rental costs in Q3 2024

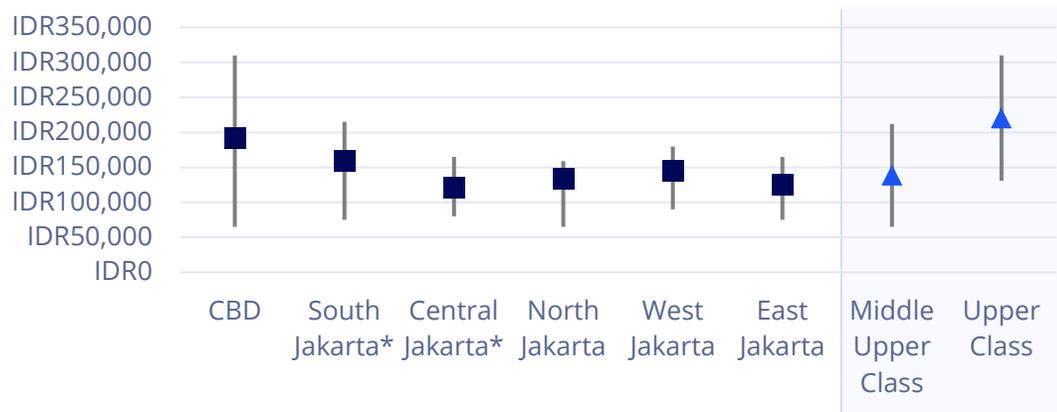
Asking Base Rents in Jakarta



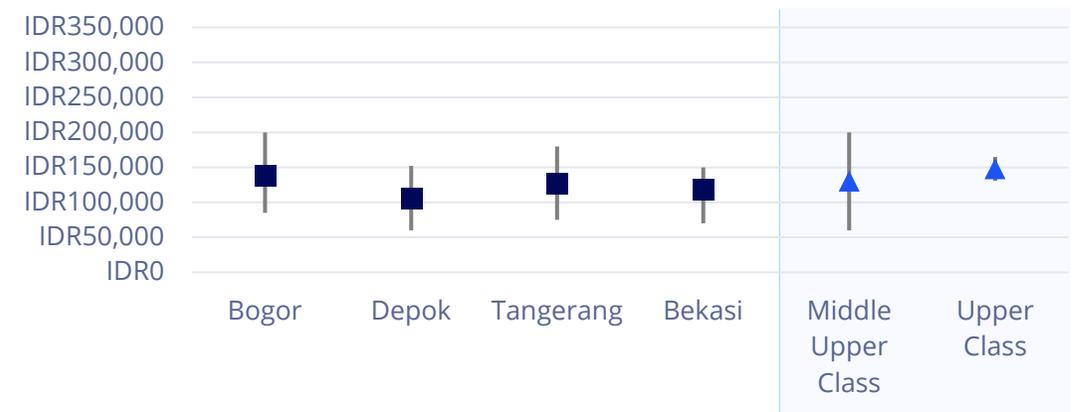
Asking Base Rents in BoDeTaBek



Maintenance Costs in Jakarta



Maintenance Costs in BoDeTaBek

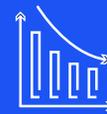


Insights

Plan for VAT to increase to 12%



Indonesia one of the countries with the highest VAT rates in Southeast Asia.



Retail sales are experiencing a slowdown in Q4 2024, and an increase in VAT will diminish consumers' purchasing power, potentially leading to a further decline in retail sales nationwide.



Retailers indicate that the burden will eventually be felt by consumers.



Retail, wholesale, and SMEs, significant contributors to Indonesia's GDP, are critically requesting a postponement of the increase.

Insights



Retailers expanding

Despite the slow growth in sales, retailers are still interested in opening new stores.



Strong F&B demand

The strongest demand has come from the F&B and entertainment sectors.



Lifestyle & Entertainment

The trend of shopping malls is slowly shifting towards lifestyle and entertainment malls.

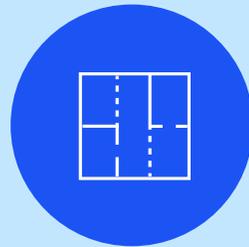


Premium Malls in high demand

Vacancy rates in premium shopping malls remain at pre-COVID levels, but middle-grade malls continue to struggle.

Opportunities

Landlords



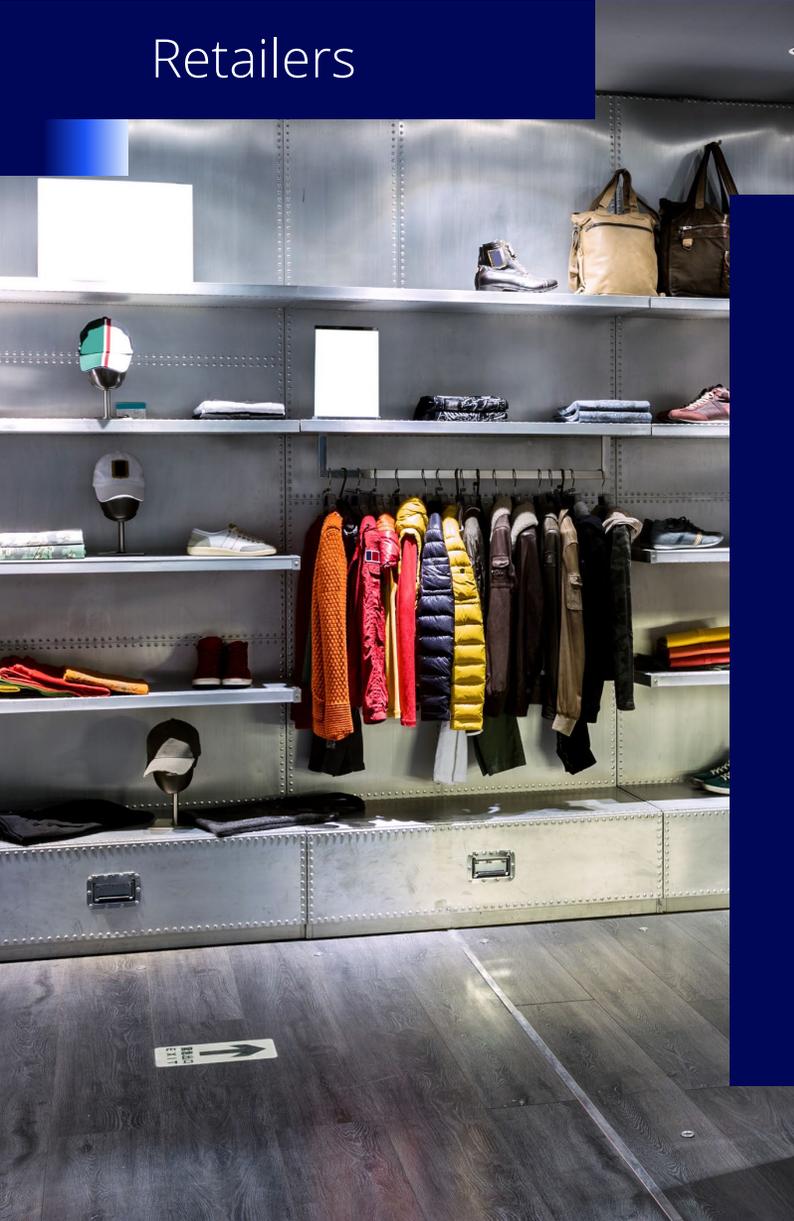
Review the mall layout and invest in upgrades to improve the ambience and customer experience.



Outdoor space, open indoor space, natural light and greenery are popular among consumers.

Opportunities

Retailers



Leveraging pop-up stores as an effective strategy for brand activation and customer engagement.



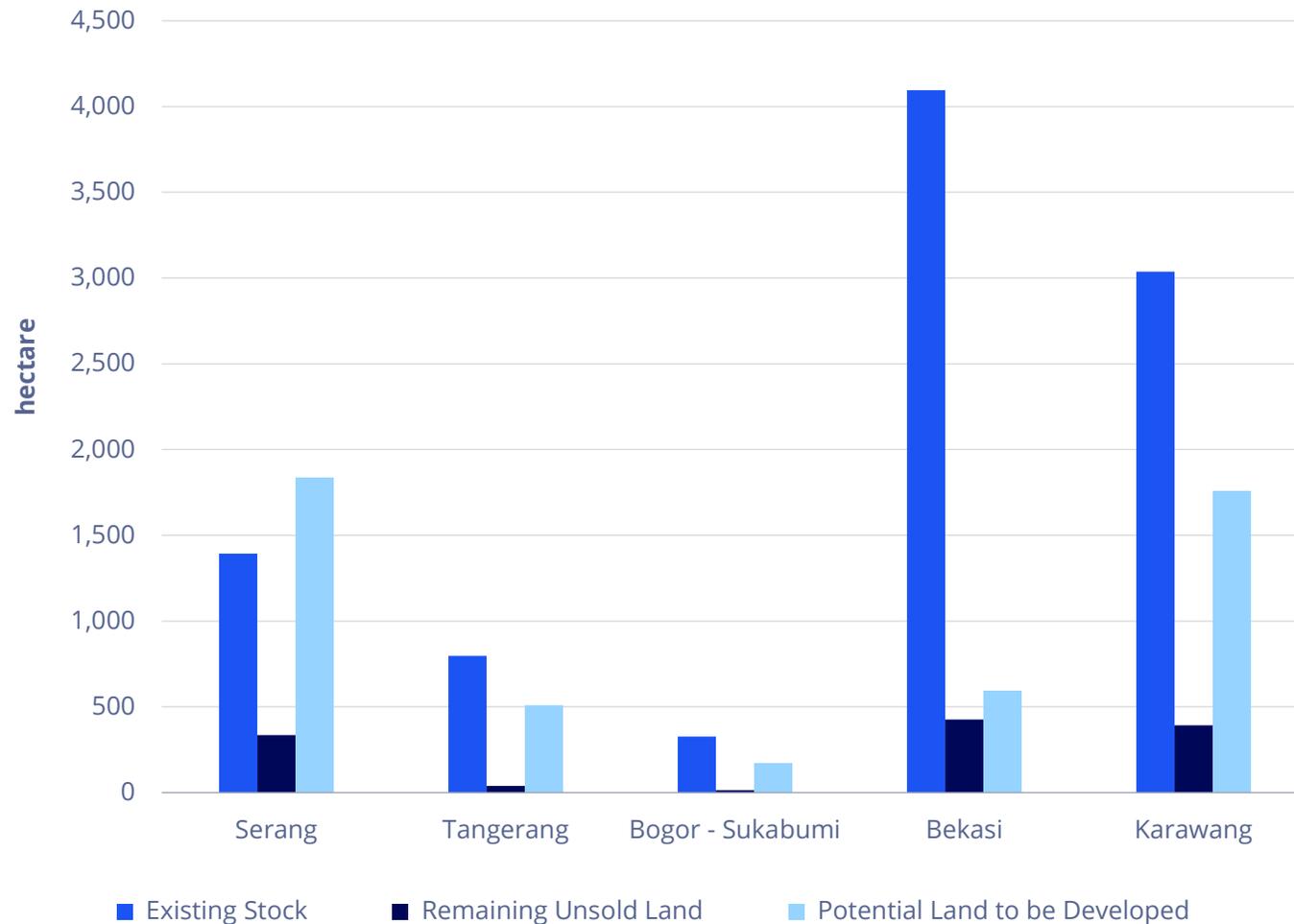
Limited space availability in premium malls could open-up opportunities in other locations.



SECTOR

Industrial

Growing demand for industrial land in newer regions as supply shrinks elsewhere



Bekasi and Karawang are Greater Jakarta's top industrial zones, with Bekasi playing a key role in the region's growth as the first industrial hub.



Land is scarce in Bekasi and Karawang, especially in estates like Jababeka, Bekasi Fajar, and MM2100, limiting further development.



Karawang's newer parks, such as Artha Industrial Hill and Karawang New Industrial City, have ample land reserves, while Serang also offers significant land banks.



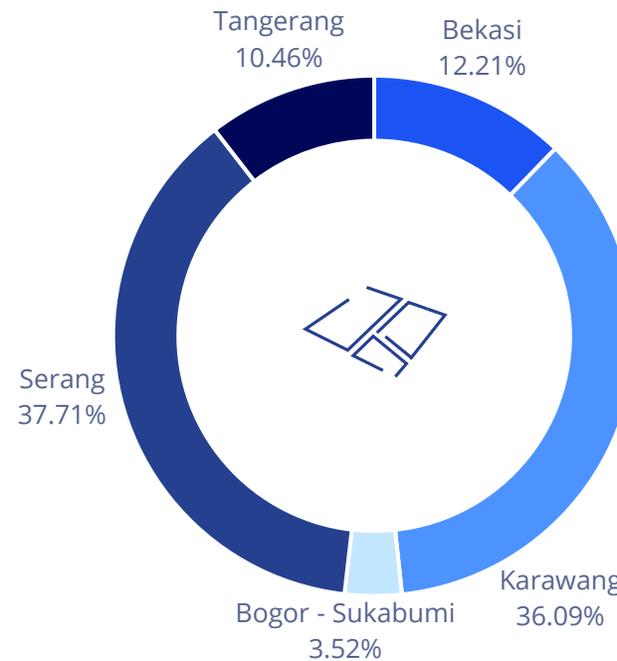
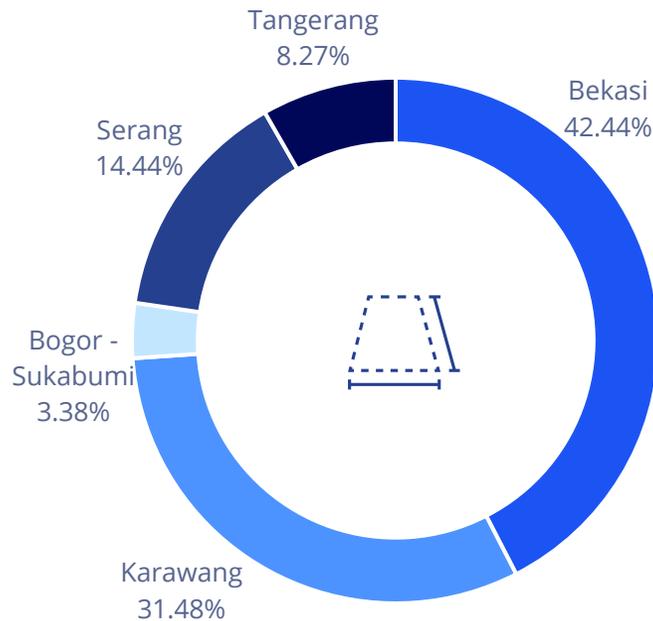
Bogor remains mostly residential, with little industrial activity.



Tangerang lacks sufficient land for large-scale industrial projects.

**Existing Stock
(Q3 2024)**

**Potential land to be developed
(Q3 2024)**



Largest Land Stock

Karawang remains the area with the largest land reserves in Greater Jakarta, particularly in industrial zones undergoing expansion.



Impact of Patimban Port Development

The construction of Patimban Port has spurred the emergence of new industrial zones, especially in Subang.



Subang Industrial Areas

- **Subang Smartpolitan:** Still has significant land reserves for industrial development.
- **Jatiluhur Area:** Hosts operational industrial zones and plans for further industrial expansion.

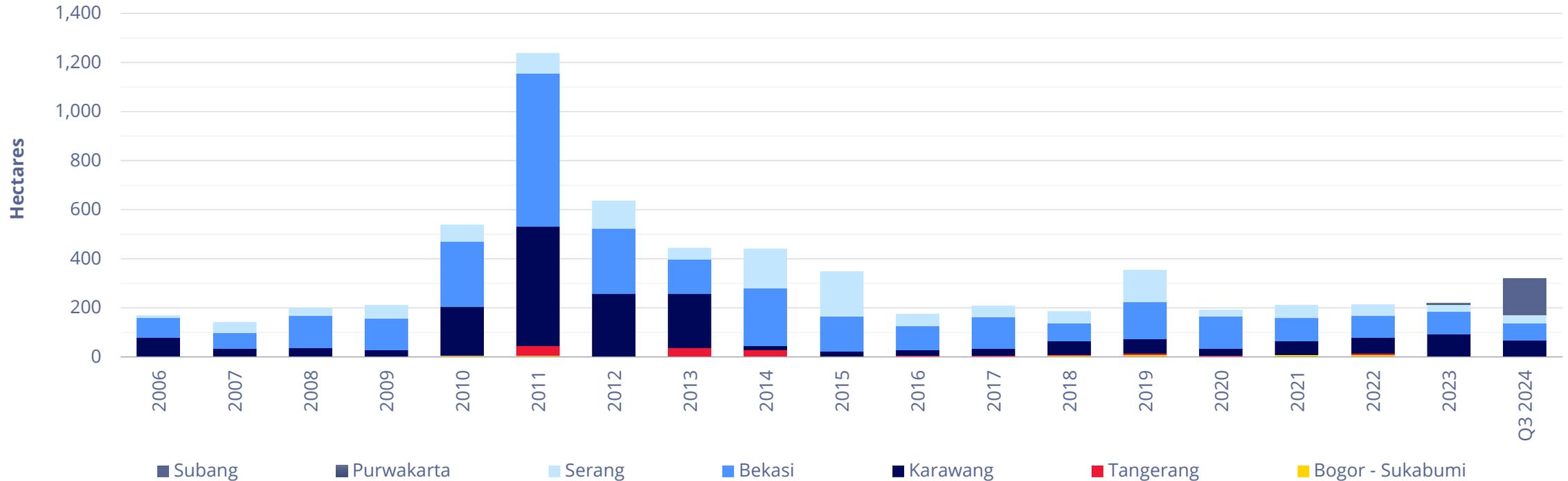


Infrastructure Utilization

Industrial development in Subang capitalizes on the improved infrastructure surrounding Patimban Port.

Market update

Land sales in 2024 YTD set a record since 2020



Industrial land sales in 2024 surpassed 2023 and set a record since 2020.

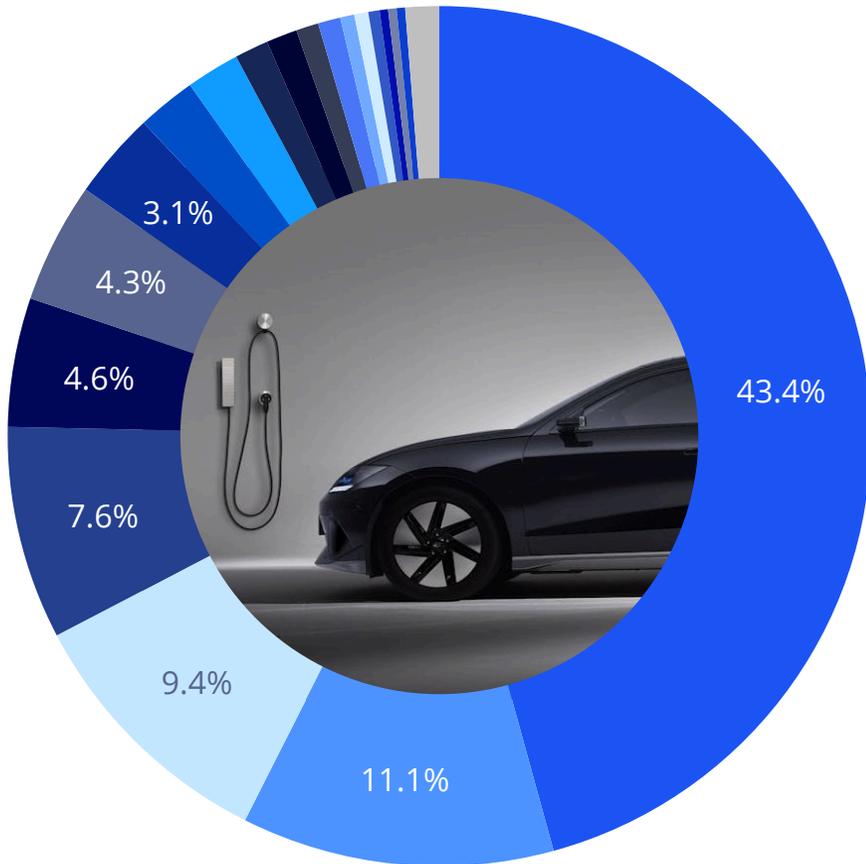


Land absorption reached 320 hectares YTD in 2024, compared to a 200-hectare annual average from 2020-2023.



Signals a robust recovery and transformative growth in the industrial sector.

A strong performance driven by the EV sector and diverse industry growth



● Electric vehicle	43.40%
● Data centre	11.10%
● Automotive	9.40%
● Building material	7.60%
● Electronics	4.60%
● Consumer goods	4.30%
● Home appliances	3.10%
● Plastics	2.10%
● Logistics/warehousing	1.90%
● Textiles	1.20%
● Food	1.10%
● Oil & gas related	0.80%
● Construction/engineering	0.80%
● Furniture	0.50%
● Cosmetics	0.50%
● Heavy equipment	0.40%
● Chemicals	0.30%
● Packaging	0.30%
● Machinery	0.30%
● Others	1.20%



Key contributors include battery production and other EV-related industries.



Karawang emerged as a hotspot for EV and traditional automotive companies.



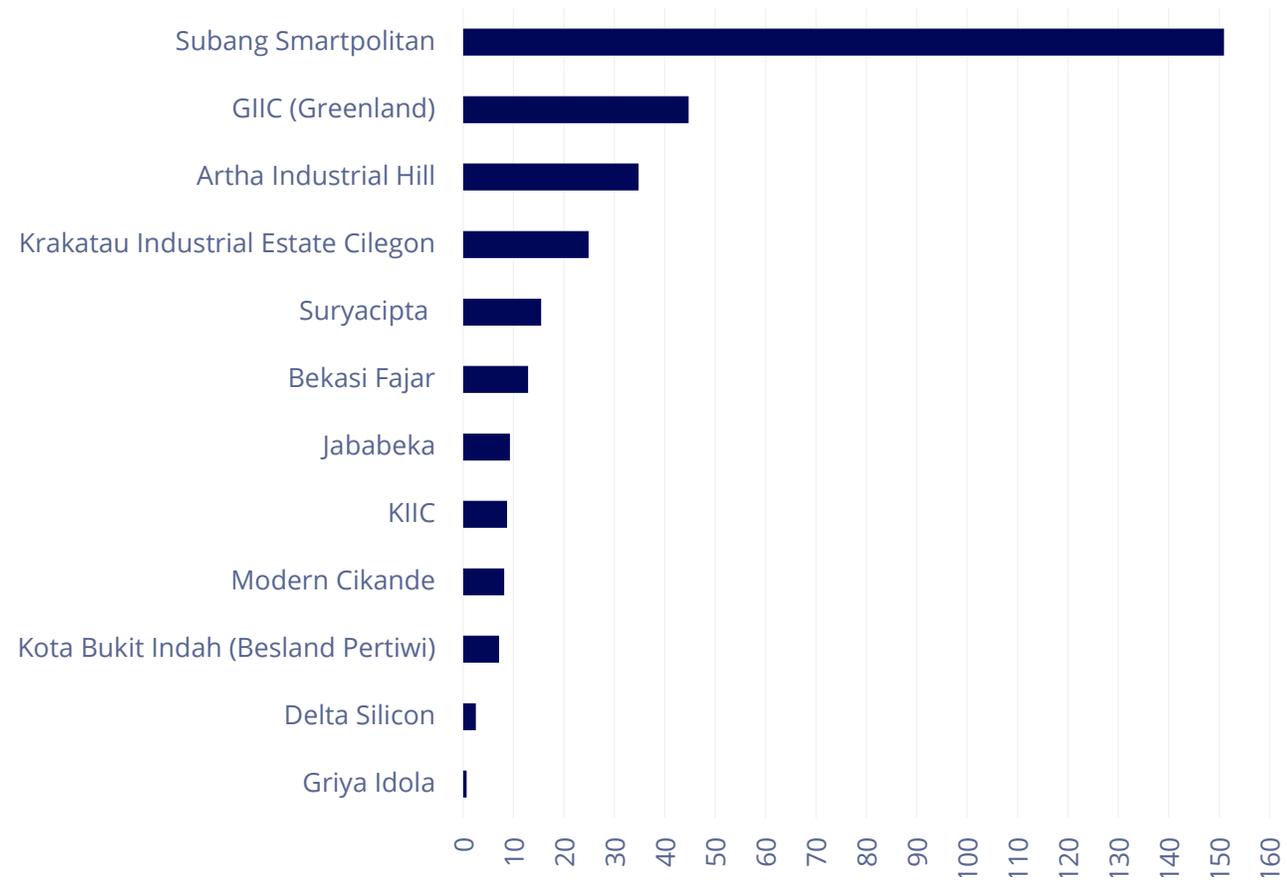
Contributions from building materials, FMCG, F&B, electronics, and pharmaceuticals.



Data center demand declined, with purchases down to 35.6 hectares by Q3 2024 (compared to 67.4 hectares in 2023).

Land absorption in each industrial estate

Total Land Transaction in 2024 YTD

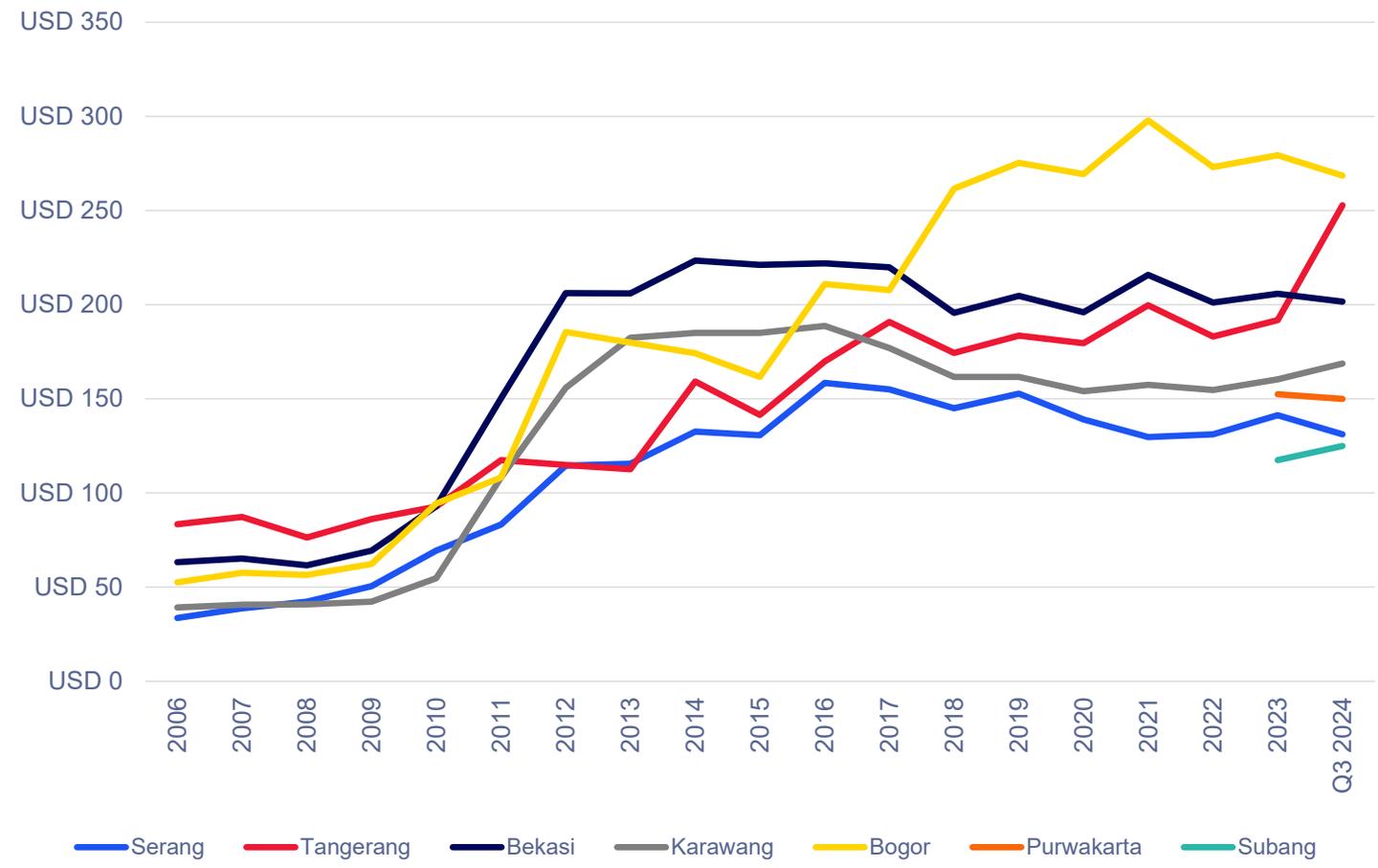


Total Land Transaction During Q3 2024



Rising land prices fueled by demand, competition and scarcity

Average Land Prices



- Regional performance, market dynamics, and macroeconomic factors influence industrial land prices in the Greater Jakarta area.
- Prices have risen steadily to align with surrounding market rates.
- Karawang: Price increases are driven by consistent sales performance across multiple estates.
- Bekasi: Some estates are adjusting pricing to stay competitive with neighboring regions.
- Limited land availability in one of industrial estate in Tangerang has caused sharp price increases, from IDR 6 million to IDR 7 million per square meter.

Insights

Active Market



After many companies remained in a wait-and-see mode during Q3 2024, the market became more active in Q4 2024.



Chinese companies are some of the most active in seeking property or land in Indonesia.

Insights



Active Industries

The industries currently in active search are:

- Cosmetics
- Food and Beverage (F&B)
- EV Battery
- Electronics
- Healthcare
- Petrochemicals



Performance Outlook

The projection for 2025 is more positive due to increased certainty, especially following the presidential and government elections in 2024.



Insights



Industrial Estate and Infrastructure

Highly sought-after locations in Indonesia include:

- West Java
- Central Java
- East Java

Insights



Several toll and industrial estate developments making progress

-  Toll Cikampek – Patimban: expected to be completed in 2025
-  The Jakarta - Cikampek II South Toll Section II and Section III: expected completed by 2025

Insights



Patimban Port Development



Source: Keputusan Menteri Perhubungan Republik Indonesia No. KM 34 Tahun 2024

Development status

- ▶ Currently, the development is moving into Phase 1-2 with completion anticipated by 2025.
- ▶ The container terminal is still scheduled to commence operations in 2026.

Insights



Special Economic Zones (SEZ)

- The government is also providing support by designating SEZ for various industries.
- This initiative aims to attract investors, particularly foreign investors, to the Indonesian market.



New Designated SEZ

The government has designated six areas:

- Four located in Java
- Two in Kalimantan.

Opportunities

Landlords



High Demand

The projected surge in demand for land and property is expected to be high in the coming year.



Expedite Current Development

As medium to large industrial land (5 hectares and above) becomes scarce, landlords should expedite their development projects



Market Prices

Given the competitive market prices, it is recommended to set attractive prices to draw in tenants.



New Industries Entering

There are more new industries entering the market compared to existing companies seeking to expand their operations.

Opportunities

Tenants



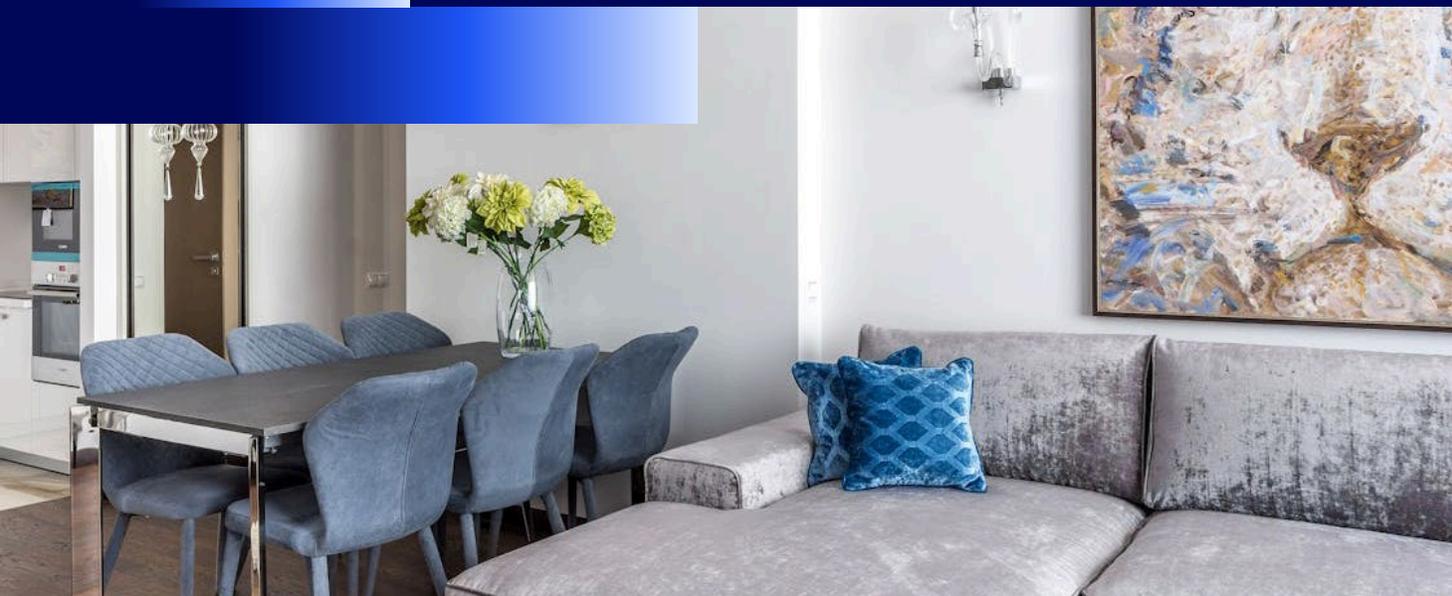
Right Momentum

This is an opportune moment to enter the Indonesian market before rates go up.



Renting to Owning

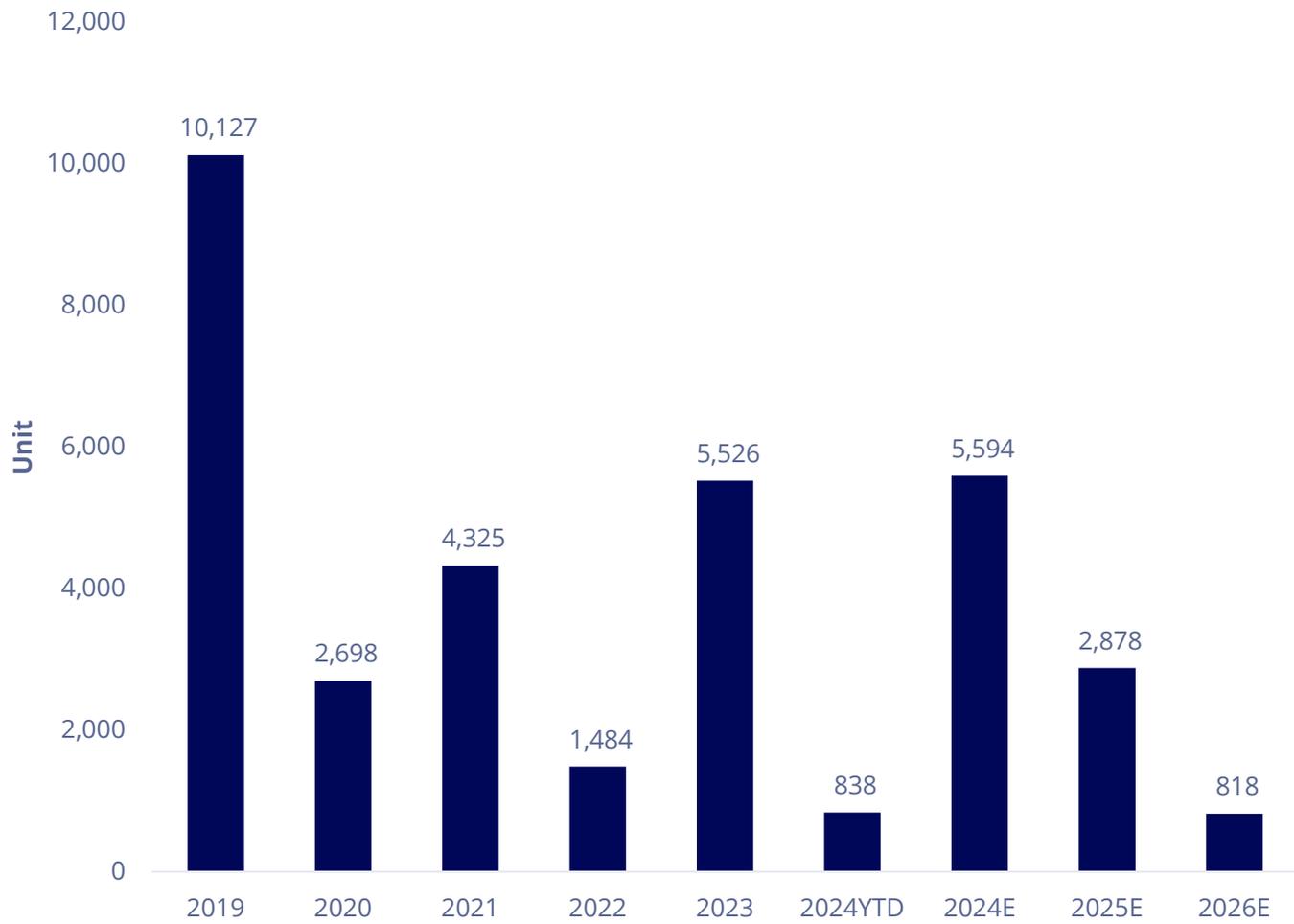
- Companies might start with renting factories.
- If the market and business thrive over the years, they can proceed to invest in purchasing land or property.



SECTOR

Residential

South Jakarta welcomes two new projects



No new apartments were completed, keeping total supply at 226,815 units.



Two new projects in Tebet, South Jakarta—LRT City - Tebet (Tower Lotus) and Edensuite Casablanca—were introduced, adding a total of 434 units.



Nine projects (4,756 units) are expected to be completed in Q4 2024, with most slated for December 2024.



Cumulative supply in 2024 is projected to rise by 2.5% compared to 2023.

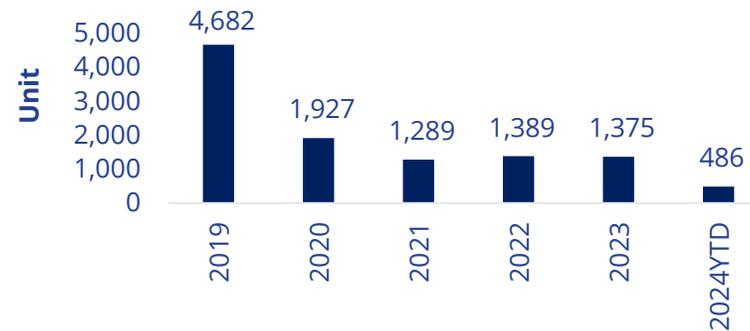
Market update

Two stimuli: the continuation of 100% VAT subsidies (PPN DTP) and interest rate cuts

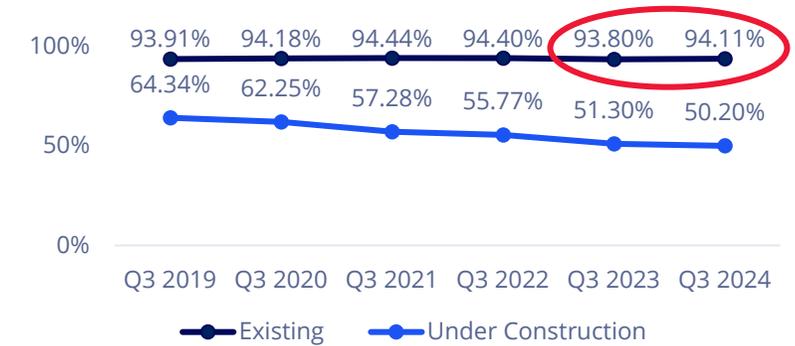
Strata-title Apartment

- A total of 156 units were sold in Q3 2024, predominantly from operational projects.
- Buyers of completed units utilized mortgage facilities (KPA).
- Jakarta's apartment market is expected to see positive growth by late 2024 and early 2025, driven by limited supply and end-user buyers.
- Apartment prices in Jakarta remain stable at IDR 35.7 million/sq m.
- Developers are actively offering marketing gimmicks to attract potential buyers.

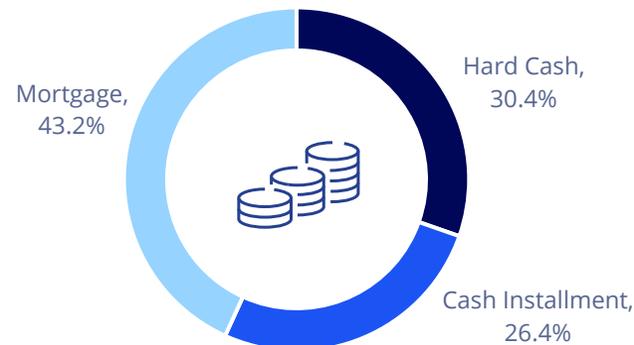
Apartment Units Absorption



Take-Up Rate of Strata-title Apartment



Payment Methods



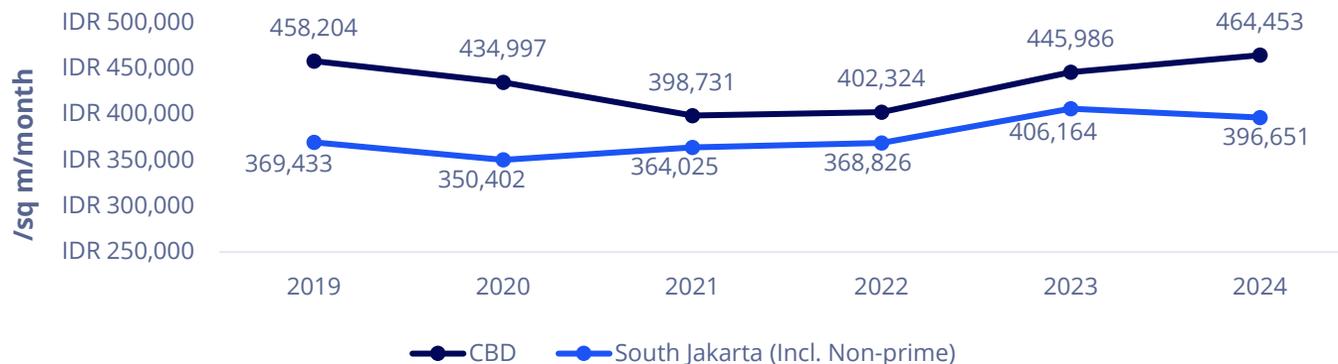
Buyers' Profile



Serviced Apartment Occupancy Rate



Serviced Apartment Average Rents



With the operation of a new apartment, cumulative supply reached 7,222 units, up 2% QoQ.



Occupancy rates stood at 61.6%, with 2-BR units being the most popular. While Q3 occupancy rates improved compared to Q2, the average rate dropped slightly due to the addition of one operational apartment.



Three projects totaling 571 units are expected to become operational by 2025.



Rental prices in non-CBD areas declined to IDR 396,651/sq m/month as new apartments offered promotional rates.



Serviced apartments hold long-term potential, driven by foreign investment and demand from the middle class.

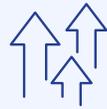
Insights

Several noteworthy trends



Focus on End-Users and Strategic Concepts

Developers are increasingly targeting end-users rather than investors, particularly in the upper-middle and luxury segments.



High Demand for Ready-Stock Apartments

Absorption rates for ready-stock units have been significantly high in recent years.



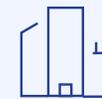
Government Incentives

Incentives such as the VAT exemption for units priced below IDR 2 billion have enhanced the appeal of apartments in this price range. The relaxation of property ownership regulations for expatriates has opened new opportunities.



Pressure from Oversupply

Intense competition between primary units and secondary units is driving prices down, with discounts for secondary units reaching up to 30%.

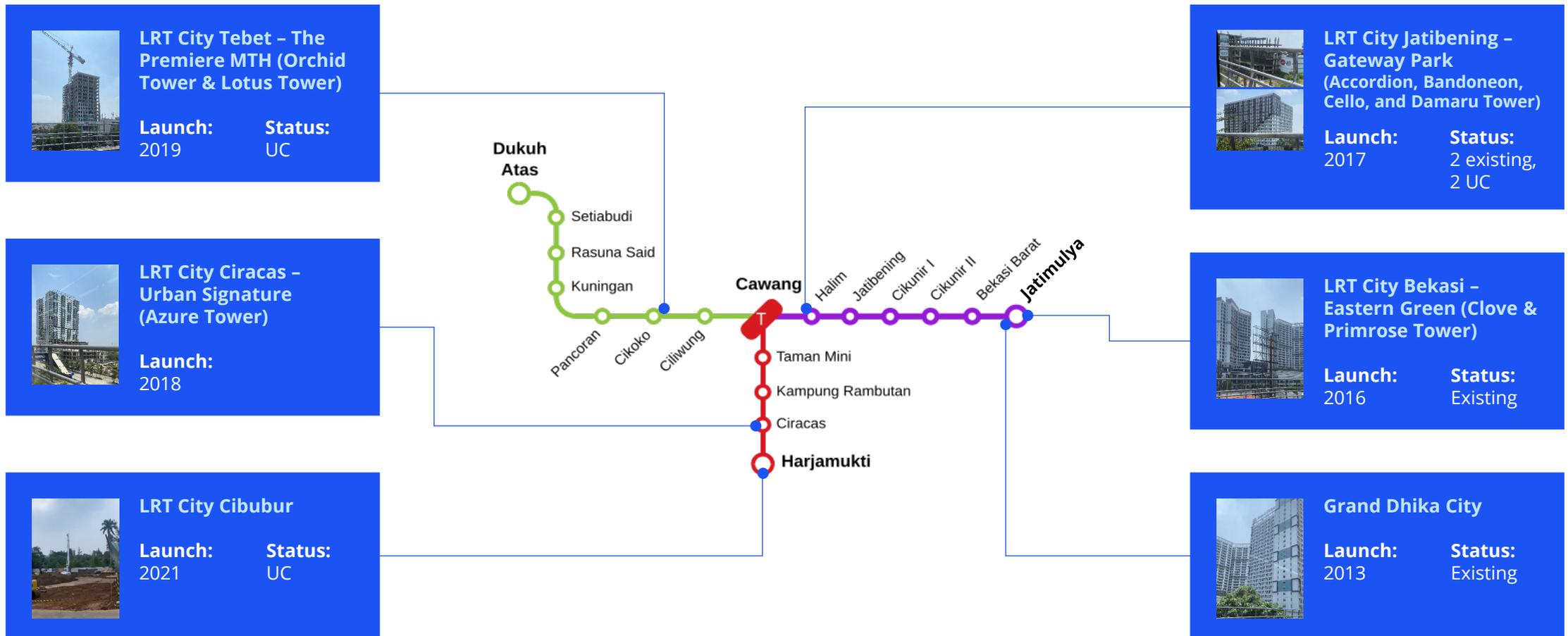


Trends in Concept and Location

Mixed-use or branded residence apartments offering premium facilities are highly favoured, particularly by upper-class consumers. In Jakarta's outskirts, niche markets such as senior housing and student housing continue to garner interest.

Opportunities

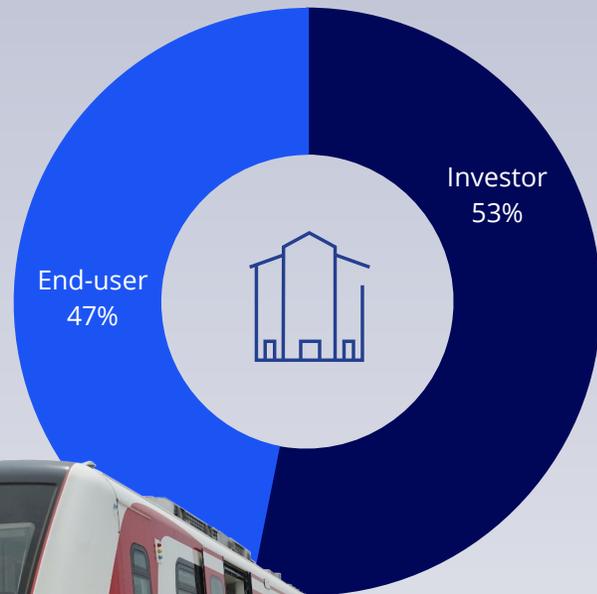
The current condition of apartments along the operational LRT route



Opportunities

Current condition of apartments along the existing LRT line

Buyer Profile for Apartments along the LRT Line



Most projects remain in progress, with many new towers expected in the future.



Despite relatively affordable prices (IDR 500 million – IDR 1 billion), demand remains low among consumers.



The majority of apartment buyers are investors.



Apartment prices along the LRT line increased by 1.2% (YoY), outperforming the average for commercial apartments in Jakarta (0.3% YoY).



Developers are advised to maintain progress and enhance facilities to build consumer confidence in their projects.

Opportunities

For Developers



Strategic Segment Focus

- Ready-Stock Apartments: Developers can leverage the strong demand for move-in-ready units, which consistently demonstrate higher absorption rates compared to those under construction.
- Affordable Price Segments: Units priced below IDR 2 billion are bolstered by VAT exemptions, making this an attractive market for price-sensitive buyers.



Transit-Oriented Development (TOD)

Apartments located near public transportation hubs such as MRT, LRT, or commuter train lines (KRL) are gaining popularity due to their convenience and faster potential for property value appreciation.



Optimizing the Secondary Market

With secondary market prices up to 30% lower, developers can implement buy-back programs or offer renovations to enhance the competitiveness of older units.



Innovative Payment Schemes

Flexible payment plans, including interest-free instalments or additional incentives for buyers, can serve as a catalyst for demand in a sluggish market.

Opportunities

For Buyers



Taking Advantage of Competitive Prices

The current market presents a favourable “time to buy,” with more accessible price-to-income ratios and stable apartment prices.



Tax Incentives

The VAT exemption (PPN DTP) available until the end of 2024 provides a significant opportunity for purchasing units priced below IDR 2 billion without additional tax burdens.



Potential Appreciation in Strategic Locations

Investing in apartments near public transportation or in emerging areas such as Jakarta’s eastern corridor can yield long-term property value gains. Ensuring that the developer is committed to project completion is crucial.



Opportunities in the Secondary Market

Substantial discounts in the secondary market enable buyers to acquire premium units in prime locations at significantly lower prices.

Insights

Expatriate Housing



Perform consistently

The expatriate housing market maintains steady performance.



New government

The expatriate housing market remains unaffected despite the change in Indonesia's government.

The development in Ibu Kota Nusantara has had no impact on the expatriate housing market.

Insights

Expatriate Housing



Expatriates arriving solo

There has been a decrease in the number of expatriates bringing their families compared to 2023, with most now arriving alone or single.



Serviced apartment

Expatriates show a higher preference for apartments over landed housing, particularly serviced apartments.



Insights

Rental rates

Landlord confidence

Since the expatriate housing market performance is stable, landlords are quite confident in increasing the rental rates.

Rental rates increasing

Rental rates are anticipated to rise more moderately than they have over the past two years.

Lease periods

The lease periods remain the same compared to 2023:

- One year for apartments
- Two years for landed housing

Opportunities



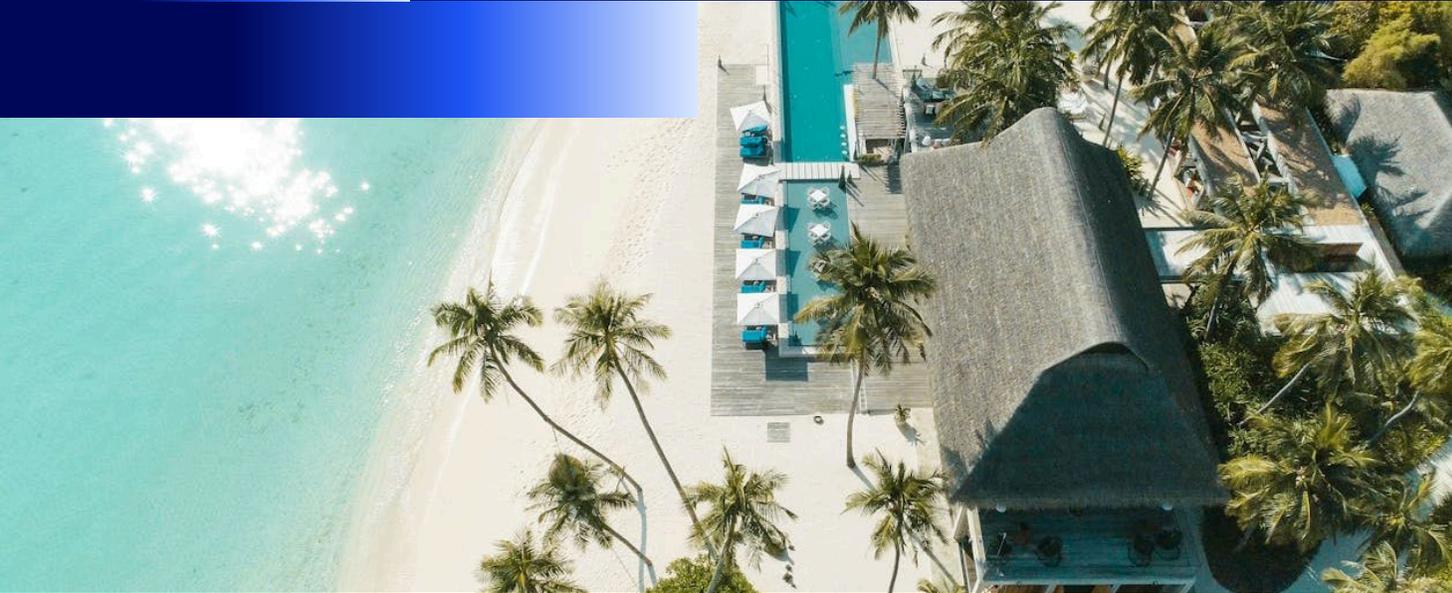
Houses Will Continue to be Leased

With businesses focused on Jakarta and positive investment conditions, landlords are confident their houses will continue to be leased by expatriates.



Attractive Rental Rates

Given the preference of expatriates for serviced apartments, landlords could offer attractive rental rates.

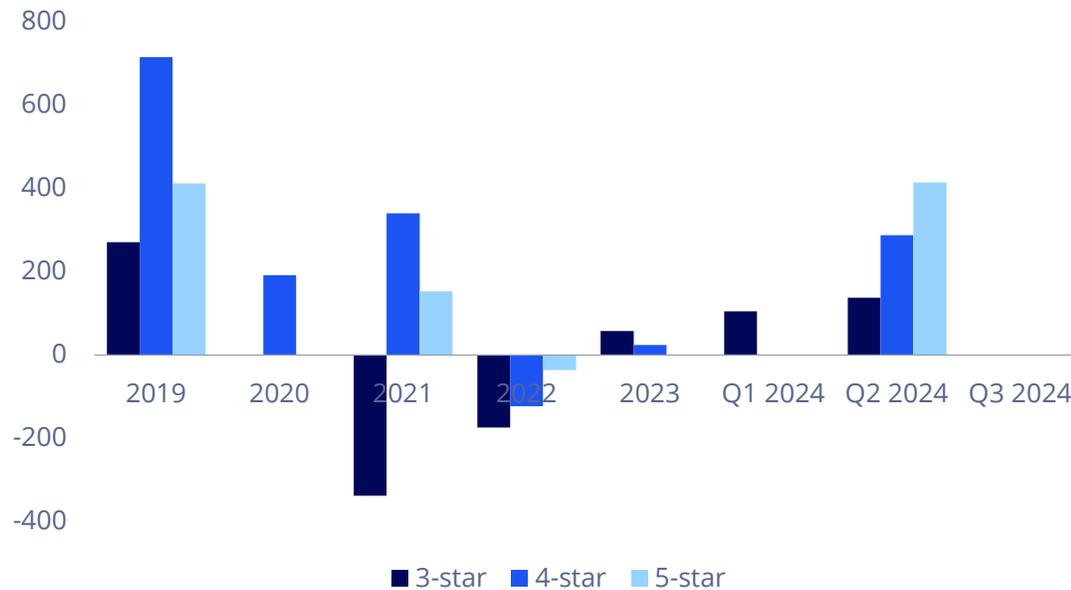


SECTOR

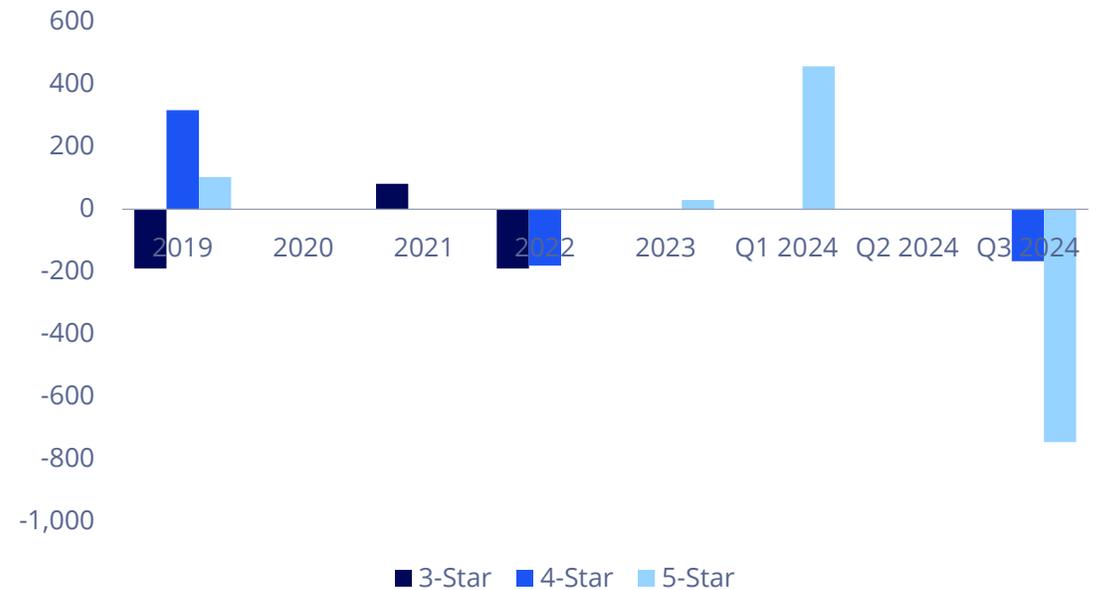
Hospitality

Bali and Jakarta: without new supply during Q3

Hotel Supply in Jakarta



Hotel Supply in Bali



No new supply in Jakarta and Bali in Q3 2024.



Bali saw a decrease in supply due to hotel rebranding and renovations.



New hotels in Jakarta and Bali are primarily five-star establishments.



In Jakarta, the city center remains the preferred location for new hotels, while in Bali, development is shifting towards Ubud, Uluwatu, and Canggu, moving away from the southern part of the island.

Jakarta: Top performance in 2024

Annual Average Occupancy Rates (AOR)



Source: STR - Colliers Indonesia - Research

Monthly AOR



Source: STR - Colliers Indonesia - Research



The highest performance of 2024 occurred in July and August.



A significant number of corporate and government events took place in Q3.



Numerous offline events, including exhibitions, festivals, and concerts, were held in Q3, particularly with international artists, boosting hotel occupancy rates.



Performance is expected to decline in Q4, as business activities decrease, especially in December, leading up to the Christmas and New Year holidays.

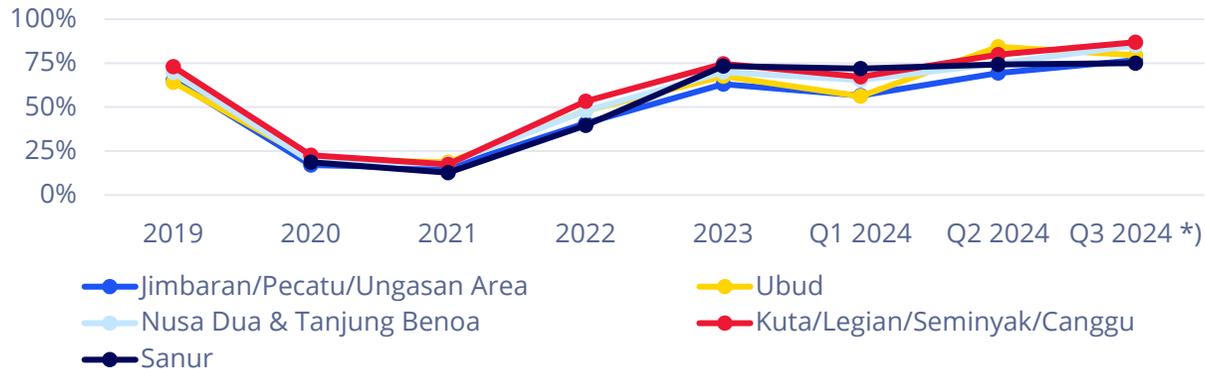
Bali: Tourism increases, AOR rises

Monthly AOR



Source: STR

AOR based on Regions



Source: STR



Hotel occupancy in Bali continues to rise.



Kuta/Legian/Seminyak/Canggu remain popular areas for tourists, but the Nusa Dua/Tanjung Benoa region saw increased occupancy in Q3, driven by international MICE events.



School holidays for domestic tourists and summer breaks for other countries positively impacted tourism, leading to more visitors to Bali.

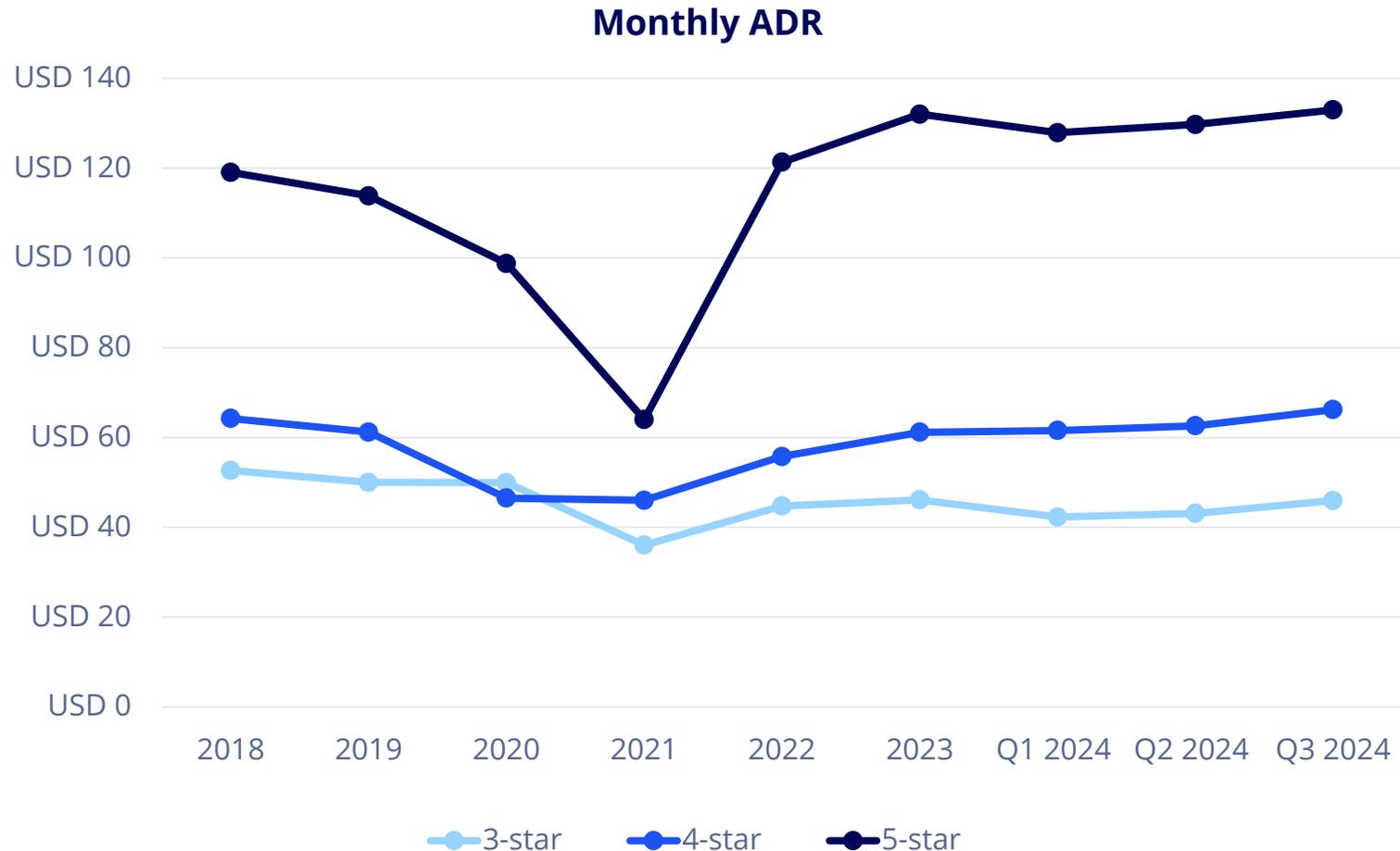


A slight decline in occupancy is expected in Q4, particularly in October and November, as both domestic and international holiday seasons wind down. However, a surge is anticipated in December with the holiday season approaching.



Overall, Bali's hotel performance in 2024 is expected to outperform the previous year.

Jakarta: ADR gradually continues to increase



In addition to high levels of government and corporate activities, the surge in offline events (such as music concerts) in Jakarta, alongside the transition to a new government, has been leveraged for party activities like national congresses.



Hotels located near event venues have benefitted, often becoming the preferred choice for event participants.



Monthly ADR (Average Daily Rate) is expected to decline in Q4, following occupancy trends.

Source: STR

Bali: ADR increases in line with improved AOR

Monthly ADR



Source: STR

Number of Tourists



Source: STR

- 

The number of both domestic and international arrivals continues to rise, with offline activities also increasing. This has positively impacted both AOR (Average Occupancy Rate) and ADR (Average Daily Rate).
- 

School holidays and summer breaks in various countries have provided a boost to Bali's tourism sector.
- 

Similar to occupancy rates, the average rates are expected to slightly decline in Q4, especially in October and November, as domestic and international holiday seasons come to an end. However, a surge is expected in December, particularly with the Christmas and New Year holidays approaching.
- 

The trend of increasing foreign arrivals continues. By August 2024, arrivals have surpassed last year's numbers by 20.4%, and it is expected that foreign visitor numbers will exceed 2023 levels.

*) Until August 2024

Notable trends in Q3 in Jakarta and Bali



Hotel occupancy in Jakarta and Bali rose in Q3 2024: Both cities saw an increase in hotel bookings.



Offline non-MICE events in Jakarta helped drive hotel performance, with various exhibitions and cultural activities attracting visitors.



Tourist arrivals in Bali grew, boosted by the holiday season during Q3.



Political events ahead of the presidential inauguration in October positively affected Jakarta's hotel sector, as political parties held national congresses and coordination meetings, increasing hotel demand.



Political issue

After much uncertainty in H1 2024, especially due to political factors, hospitality activities are now beginning to pick up.



MICE activity

Government spending has been tightened, especially for MICE activities, with more selective approval for necessary external events.



Preparing market shifting

Shifting the market to a new segment should happen quickly, requiring more carefully curated hospitality business projections.

Opportunities



Curated Hospitality

For a better-curated hospitality business, the role of asset management is important.



Asset Management

Hospitality businesses should adopt asset management practices to avoid disruptions to fixed costs.



Investment

Explore new segments and invest in concepts or hospitality sectors with future potential.

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