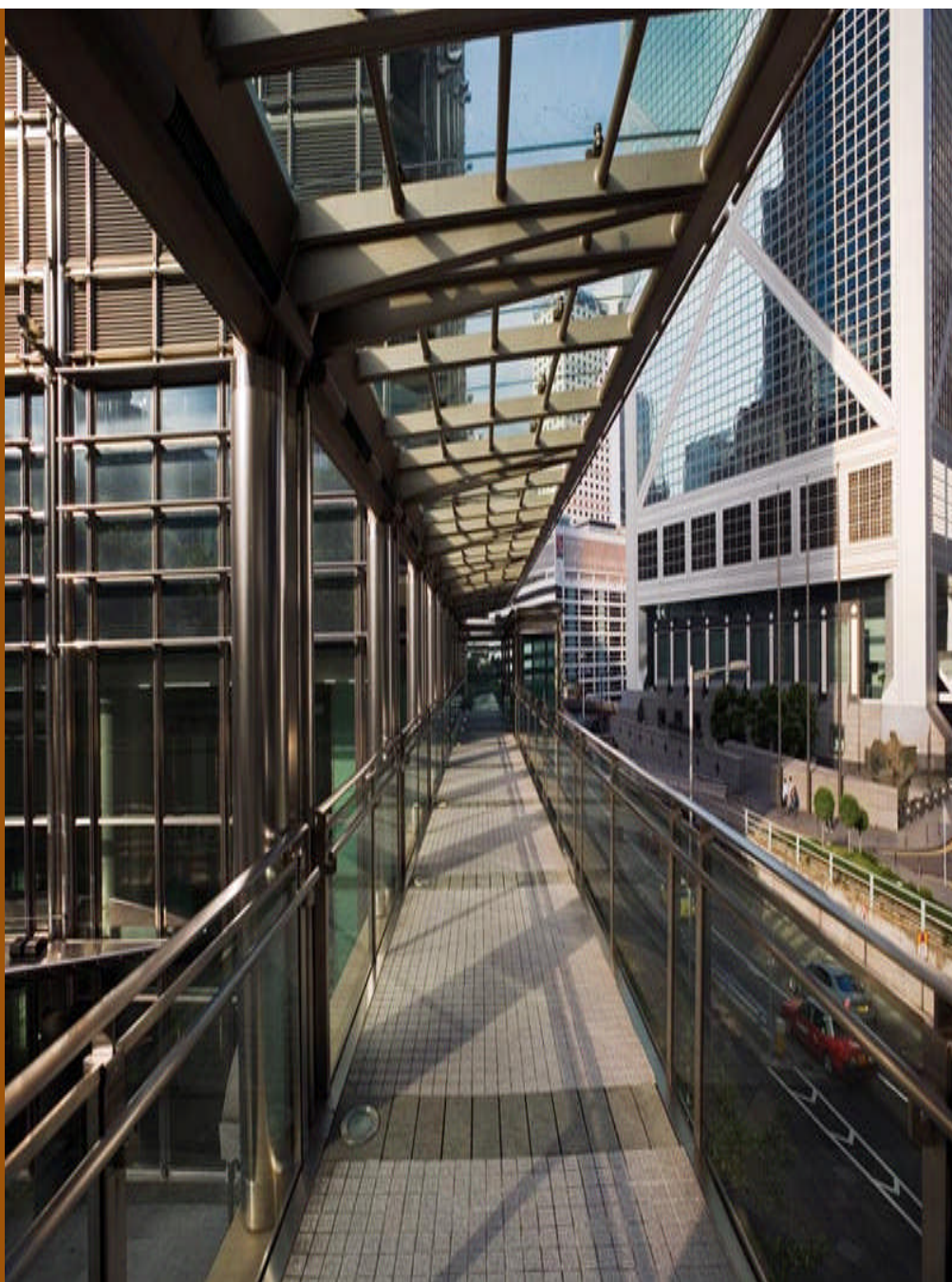


Jakarta Property Trends



TRENDS SUMMARY

- Office:** Demand for office space in South Jakarta, such as on Jl. Simatupang and in neighboring areas, continues to increase from companies that do not require a CBD location.
- Retail:** In spite of generally high lease occupancies, landlords are still pegging US\$ rents at lower IDR rates. This is a practice initiated almost ten years ago during the monetary crisis to accommodate retailers.
- Apartment:** Since the monetary crisis until now, occupancies of both for lease and strata units continue to remain below industry standard levels.
- Hotel:** Hotel occupancies, room rates and RevPAR continue to improve. This trend, coupled with slowing new supply, bodes well for an eventual recovery to pre-crisis performance levels.

economic overview



Inflation during 3Q07 was 2.28% compared to 1.16% in the same quarter last year. 3Q07 monthly inflation was at 0.72%, 0.75% and 0.80% in July, August and September, respectively. As of September, Year on Year inflation was 6.95% in 2007 compared to 14.55% the previous year.

The quarterly average exchange rate was Rp9,246:US\$1.00; weakening from Rp8,973:US\$1.00 in 2Q07. The one-month Bank Indonesia Certificate (SBI) rate remained at 8.25% on 10 October 2007 since 11 July 2007 and was at 10.75% on 11 October 2006. The Jakarta Composite Index closed at 2,359 on 28 September 2007, compared to 2,139 on 29 June 2007 and 1,535 on 29 September 2006.

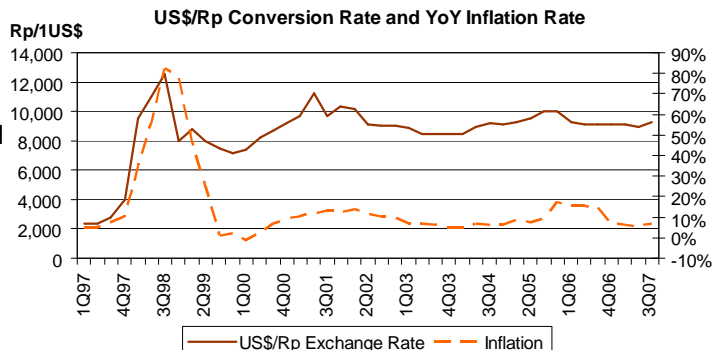
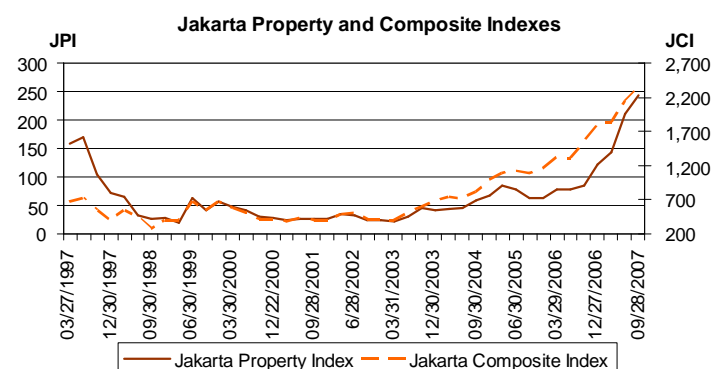
During the period January – August 2007, Approved Domestic and Foreign Direct Investment was about Rp146.0 trillion and US\$31.3 billion, an increase of 50.9% and 259.8% respectively from the same period last year.

During the same period, Realised Domestic and Foreign Direct Investment was about Rp32.1 trillion and US\$8.1 billion, an increase of 171.9% and 106.8% respectively from the same period last year.

The value of exports and imports from January to September 2007 increased by 12.9% and 17.4% compared to the same period last year to US\$83.0 billion and US\$53.7 billion, respectively.

GDP growth increased by 3.9% compared to the previous quarter and increased by 6.5% compared to the same quarter last year.

During this quarter, the Indonesia Business Index was 112.58 compared to 110.96 in the previous quarter and is expected to be 116.20 next quarter (Index 100 = no changes compared to the previous quarter).



office



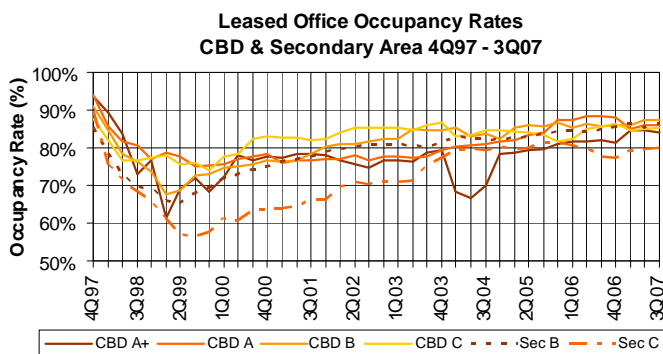
Supply

There was a new supply of about 49,500 m² from the completion of Senayan City Office and Wisma 76 (converted from Wisma Calindra apartment) in the secondary area during 3Q07. Office stock increased to approximately 4.64 million m².

Buildings currently under construction in the CBD include: Sentral Senayan II, Menara Satrio, Grand Indonesia, Pacific Place and The East.

Demand / Occupancy

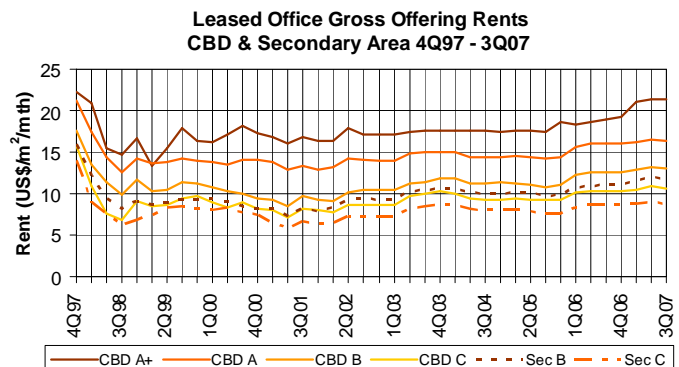
Overall, occupancy of office buildings in Jakarta increased during this quarter to 85.9%. Occupancy rates increased to 86.2% in the CBD and 85.3% in the secondary area. Total vacant space decreased to approximately 646,000 m².



Occupancy rates for the various office grades in the CBD were 84.0%, 86.1%, 87.4% and 85.4% for Grades A+, A, B and C, respectively. In the secondary area, occupancy was 86.3% and 79.9% in Grades B and C.

Rents

Most CBD Grade A+ transacted gross rents generally remained in the range of US\$17.00 - US\$19.00/m²/mth. For other grades, most transactions were still in Rupiah: Grade A Rp130,000–Rp145,000/m²/mth; Grade B Rp100,000–Rp125,000; and Grade C Rp80,000–Rp95,000.



Secondary area Grade A transacted gross rents ranged from US\$15.00 – US\$17.00; Grade B from Rp75,000–Rp100,000/m²/mth and Grade C from Rp65,000–Rp70,000.

Service charges (within gross rents) for the CBD ranged from Rp30,000–Rp70,000/m²/mth and, for secondary areas, Rp25,000–Rp60,000. The broad ranges are due, in part, to the inclusion/exclusion of tenant electricity charges.

Trends

Demand for office space in South Jakarta, such as on Jl. Simatupang and in neighboring areas, continues to increase from companies that do not require a CBD location. Rents and demand continue to increase, but not yet to the pre-crisis levels of 1996.

retail



Supply

There was a new supply of about 6,000 m² from the operation of Pusat Grosir Cililitan 2 (strata) during 3Q07. Total Jakarta leased stock remained at approximately 1.53 million m² and strata title stock increased to 1.20 million m², respectively. Bodetabek leased stock increased to approximately 510,000 m² and strata title stock remained at 371,000 m².

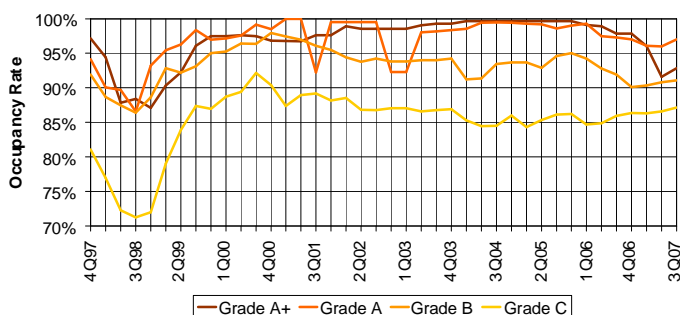
Subject to timely completion, new supply up to 2009 is estimated at about 1.1 million m². A partial list of future supply includes: Mall of Indonesia, Kemang Village, Kota Casablanca, Grand Indonesia and Pacific Place.

Demand / Occupancy

Jabodetabek for leased shopping centre occupancy rates increased to 92.3% in this quarter. Jakarta occupancy increased to 92.2% and Bodetabek increased to 92.9%.

Occupancies were 96.0%, 91.1%, 87.1% and 91.9% for Grades A+/A, B, C and D respectively in Jakarta.

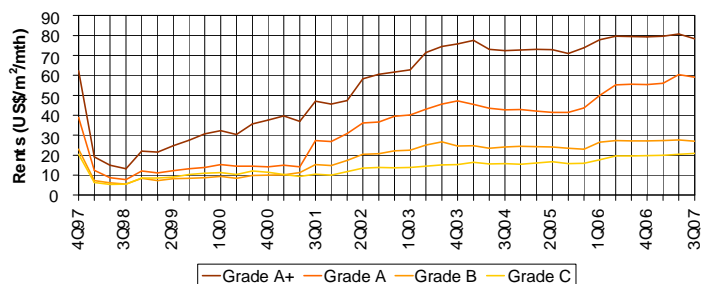
For Lease Shopping Centre Occupancy Rates
4Q97 - 3Q07



Rent

Overall, offering effective rents decreased, but fixed exchange rates increased in Jakarta and Bodetabek compared to the previous quarter.

For Lease Shopping Centre US\$ Offering Effective
'Typical Floor' Rent (excludes Ground Floor and Anchor Tenants)
4Q97 - 3Q07



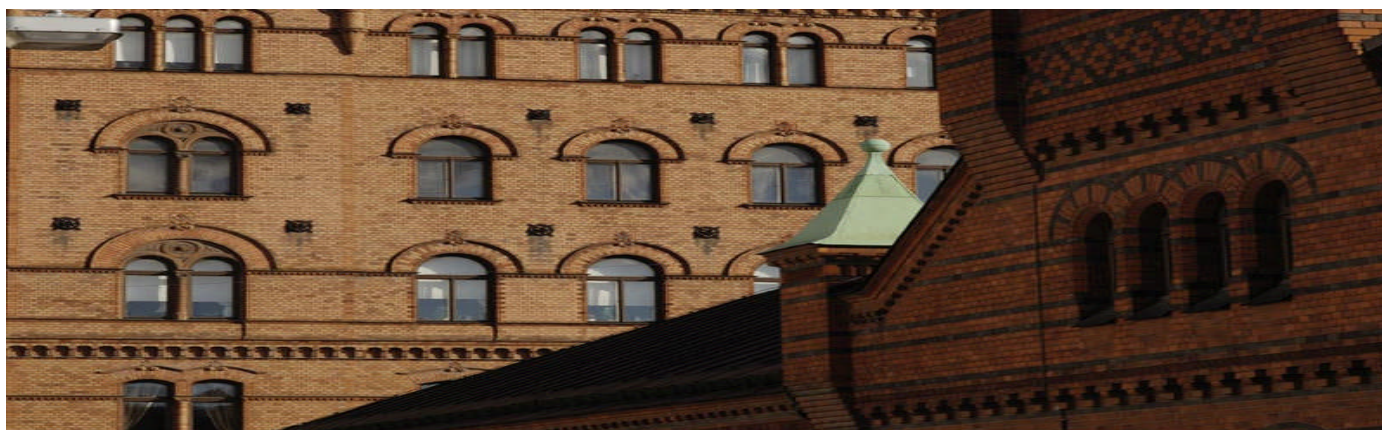
Offering effective rents for typical floors decreased to US\$40.60/m²/mth in Jakarta and US\$19.40/m²/mth in the Bodetabek area. The 3Q07 fixed exchange rates generally ranged between Rp9,000 (Grade A+) and Rp5,000 (Grade C) across Jabodetabek. Offering contract service charges remained at the range of US\$7.00 to US\$14.50/m²/mth for Jadebotabek. Strata title kiosk units and long lease prices generally range from Rp30 million/m² to Rp250 million/m².

Trends

In spite of generally high lease occupancies, landlords are still pegging US\$ rents at lower IDR rates. This is a practice initiated almost ten years ago during the monetary crisis to accommodate retailers.

The apparent endless new supply of retail space, especially kiosks, continues to threaten the mid to long term outlook of the retail sector.

apartment



Supply

There was a new supply of approximately 2,250 strata title units from the operation of The 18th Residence Taman Rasuna South Tower and Senayan City in the CBD, and City Resort Residences, Serpong Town Square and Teluk Intan Tower Topaz in the secondary area.

The total stock of apartments increased to about 15,100 units in the CBD and 38,220 units in the secondary area. Leased (non strata title) and serviced apartments account for about 5,640 units (48% CBD and 52% secondary) and strata title approximately 47,680 units (26% CBD and 74% secondary).

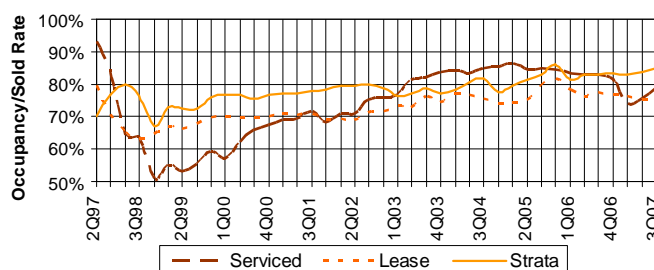
New supply up to 2009 is estimated at about 40,000 units. A partial list of future supply includes: Shangri-la Residences, Hollywood Residences, Oakwook Premier and Kemang Village Condominium.

Occupancy / Sold Rate

Overall occupancy of leased/serviced apartments of all grades increased in the CBD and secondary areas by 1.9% and 1.5%, respectively.

The average leased/serviced apartment occupancy was about 77.3% in the CBD and 73.9% in secondary areas. In the strata market, 84.7% of the CBD supply (current stock and projects under construction/launched) and 88.6% in secondary areas was stated by developers as sold. The occupancy rate of the current stock was 66% and 70%, respectively.

CBD Average Occupancy & Sold Rates
2Q97 to 3Q07

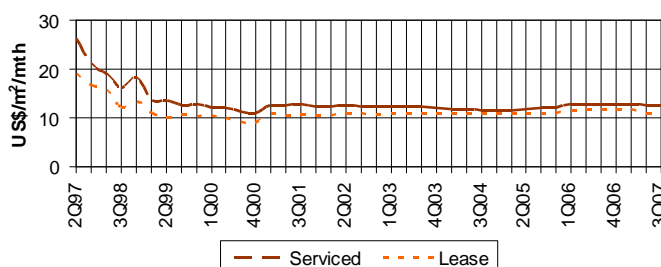


Rent / Prices

On average, rents for leased/serviced apartments remained the same in the CBD and decreased in the secondary areas compared to the previous quarter. Strata apartment offering prices decreased in the CBD and in the secondary areas each by 1.0%.

Average 3Q07 transaction base rents for CBD Upper and Middle Grade leased apartments were US\$13.30 and US\$8.00 respectively and for serviced apartments were US\$15.70 and US\$9.20 respectively. Average service charges were around US\$3.20 and US\$1.60 for leased apartments and US\$4.70 and US\$3.80 for serviced apartments. Average transaction prices for strata title apartments were US\$1,840/m² for Upper and effectively US\$1,020/m² for Middle Grade apartments.

CBD Average Base Rents
2Q97 to 3Q07



apartment



Trends

Since the monetary crisis until now, occupancies of both for lease and strata units continue to remain below industry standard levels.

The amount of new strata title supply completed during the next few years will test the depth of the investor market.

hotel



Supply

There was no new supply during 3Q07. Jakarta hotel supply remained at 22,188 rooms, consisting of 8,910 5-star, 8,009 4-star and 5,269 3-star rooms.

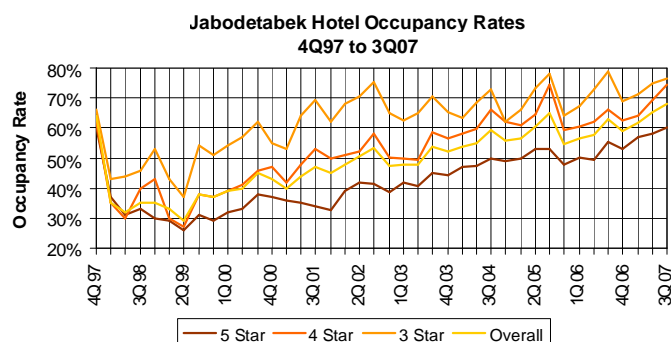
New hotels under development include: Ritz Carlton Pacific Place and Hotel Indonesia - Kempinski.

Bodetabek hotel supply remained at approximately 1,030 rooms, consisting of 370 5-star, 490 4-star and 170 3-star rooms. Overall, Jadebotabek hotel supply was 23,327 rooms.

Demand / Occupancy

Overall, occupancy increased by 3.0% to 68.2% from the previous quarter. The changes were 1.9%, 5.0% and 1.6% for 5-star, 4-star and 3-star hotels. The occupancies were 60.1%, 74.4% and 76.4%, respectively.

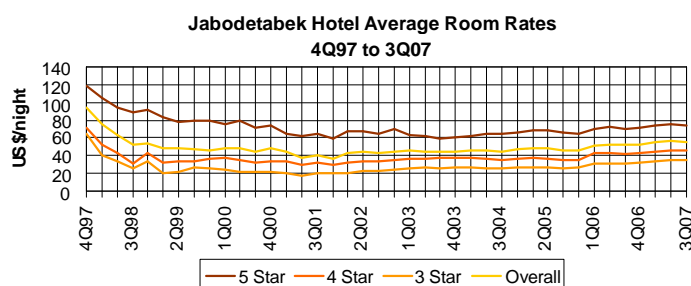
Compared to the same quarter last year, the changes were 4.8%, 8.2% and -2.4% for 5-star, 4-star and 3-star hotels, respectively. Overall same quarter year on year occupancy increased by 5.2%.



Room Rates

The overall rate decreased from the previous quarter by 2.3% to US\$54.80 per night. The changes were -3.3%, -0.7% and -1.5% for 5-star, 4-star and 3-star hotels. US\$ room rates were US\$73.50, US\$45.20 and US\$34.40 per night, respectively.

Compared to the same quarter last year, room rates changed by 4.1% for 5-star, 7.0% for 4-star and 9.7% for 3-star hotels. Overall, room rates increased by 5.6%.



Revenue Per Available Room

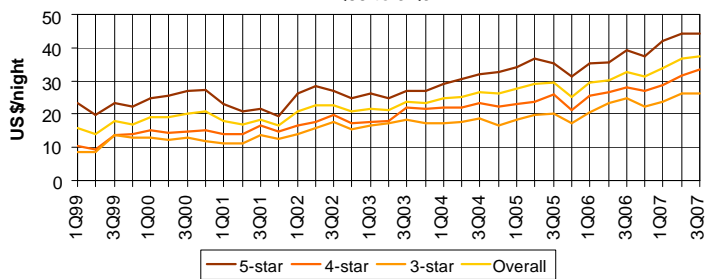
Overall RevPAR this quarter was US\$37.40 per night or about 2.3% higher than the previous quarter. Compared to the previous quarter, all-star hotel categories RevPAR increased, except 5-star hotels. The changes were 0.0%, 6.4% and 0.6% for 5-star, 4-star and 3-star hotels. RevPAR was US\$44.20, US\$33.70 and US\$26.30 per night, respectively.

Compared to the same quarter last year, RevPAR changed by 13.1%, 19.6% and 6.3% for each star-category and 14.1% overall.

hotel



Jabodetabek Hotel RevPAR
1Q99 to 3Q07



Trends

Hotel occupancies, room rates and RevPAR continue to improve. This trend, coupled with slowing new supply, bodes well for an eventual recovery to pre-crisis performance levels.

ABBREVIATIONS

PwC	: PricewaterhouseCoopers
CBD	: Central Business District
Jadebotabek	: includes Jakarta, Depok, Bogor, Tangerang and Bekasi
Debotabek	: includes Depok, Bogor, Tangerang and Bekasi
GDP	: Gross Domestic Product
E	: estimated
m ²	: square metres
/m ² /mth	: per square metre per month
s-g area	: semi-gross area
pa	: per annum
3Q07	: 3 rd Quarter 2007 (each quarter abbreviated similarly)
s/c	: service charge
US\$: US dollar
Rp.	: Rupiah

DEFINITIONS

General

Central Business District	: bounded by Jl Sudirman, Jl Rasuna Said and Jl Gatot Subroto (the 'Golden Triangle' of Jakarta)
Secondary area	: area outside the CBD
Net area	: space occupied solely by tenant (or available for the tenant's sole use)
Semi-gross area	: net area plus proportion of common space
Rents and service charge	: are stated per m ² according to the relevant basis of lease in each sector (such as on s-g area for offices, see below)

Sectors

Offices

Grade A+	: A high quality and well maintained office building located in CBD area, generally more than 20,000m ²
Grade A	: A standard quality office building, generally more than 20,000 m ²
Grade B	: A medium quality office building, generally 6,000 –20,000 m ²
Grade C	: A low quality office building, generally less than 6,000 m ² and usually more than 20 years old

Retail (Shopping centres)

Grade A+	: High specification with quality finishes, located in prime CBD area, generally more than 40,000 m ² . Mainly upper class retailers and international department stores
Grade A	: Modern specification with quality finishes located in CBD and secondary area, generally more than 40,000m ² . Mainly middle to upper class retailers and international department stores

Grade B	: Medium specification of generally more than 20,000 m ² . Mainly middle class local retailers and department stores
Grade C	: Basic to medium quality building generally less than 20,000m ²
Basis of lease	: Retail units are let on a net area basis

Hotels

Star Categorization: The 5, 4 and 3 categories used in our survey are in accordance with the Government licenses awarded to each individual hotel

Apartment

Upper Grade	: High specification building with larger units (3BR>150 m ²), and range of sport and leisure activities
Middle Grade	: Medium specification building with smaller units (3BR<150 m ²), and standard sports facilities
Basis of lease	: Apartments are let on a net area basis
Apartment size surveyed	: Average base rents and service charge are derived from rentals of three-bedroom units
Sold Unit	: A unit is considered <i>sold</i> after a deposit has been paid

Jakarta Property Trends

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