

Jakarta Property Trends



TRENDS SUMMARY

- Office:** Demand for office space during 2007 was the strongest since 1996 - 1997 resulting in the highest occupancies since the same period.
- Retail:** As forecasted, the retail market is over-supplied with even more space planned for completion during 2008 - 2009. Rents are expected to decline until the balance of supply and demand adjusts.
- Apartment:** The seemingly endless supply of new strata title units continues to exacerbate the current over supply condition. However, the relatively strong demand for lower priced units is encouraging.
- Hotel:** Hotel performance was mixed during the quarter with occupancy levels still below industry standards. The limited amount of new hotel completions gives some hope that this sector's performance may improve over the mid term.

economic overview



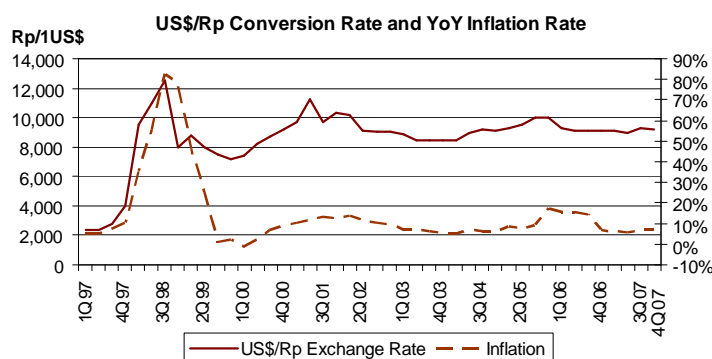
Inflation during 4Q07 was 2.09% compared to 2.44% in the same quarter last year. 4Q07 monthly inflation was at 0.79%, 0.18% and 1.10% in October, November and December, respectively. As of December, Year on Year inflation was 6.59% in 2007 compared to 6.60% the previous year.

The quarterly average exchange rate was Rp9,234:US\$1.00 strengthening from Rp9,246:US\$1.00 in 3Q07. The one-month Bank Indonesia Certificate (SBI) rate decreased to 8.00% on 2 January 2008 from 8.25% on 10 October 2007 and was at 9.75% on 3 January 2007. The Jakarta Composite Index closed at 2,746 on 28 December 2007, compared to 2,359 on 28 September 2007 and 1,803 on 27 December 2006.

During the period January – December 2007, Approved Domestic and Foreign Direct Investment was about Rp188.9 trillion and US\$40.1 billion, an increase of 16.0% and 156.4% respectively from the same period last year.

During the same period, Realised Domestic and Foreign Direct Investment was about Rp34.9 trillion and US\$10.3 billion, an increase of 67.8% and 73.2% respectively from the same period last year.

The value of exports and imports from January to December 2007 increased by 13.1% and 21.8% compared to the same period last year to US\$114.0 billion and US\$74.4 billion, respectively.



GDP growth decreased by 2.1% compared to the previous quarter and increased by 6.3% compared to the same quarter last year. Overall, 2007 GDP grew by 6.3% compared to 2006.

During this quarter, the Indonesia Business Index was 112.25 compared to 112.58 in the previous quarter and is expected to be 114.84 next quarter (Index 100 = no changes compared to the previous quarter).

office



Supply

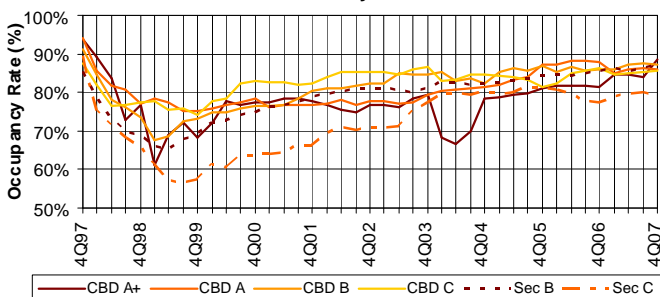
There was a new supply of about 161,000 m² from the completion of Menara Prima, The East, One Pacific Place and Menara Satrio in the CBD during 4Q07. Office stock increased to approximately 4.81 million m².

Buildings currently under construction in the CBD include: Sentral Senayan II, Menara BCA, Plaza Tower and Menara Palma.

Demand / Occupancy

Overall, occupancy of office buildings in Jakarta increased during this quarter to 86.6%. Occupancy rates increased to 86.7% in the CBD and 86.2% in the secondary area. Total vacant space decreased to approximately 645,000 m².

Leased Office Occupancy Rates
CBD & Secondary Area 4Q97 - 4Q07

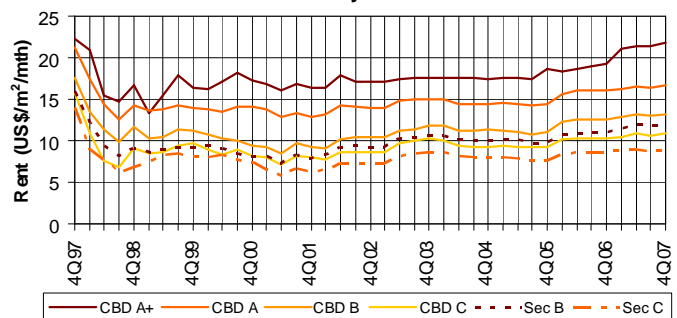


Occupancy rates for the various office grades in the CBD were 88.6%, 85.9%, 87.3% and 85.8% for Grades A+, A, B and C, respectively. In the secondary area, occupancy was 87.7% and 79.4% in Grades B and C.

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.

Leased Office Gross Offering Rents
CBD & Secondary Area 4Q97 - 4Q07



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 during 2007 was the strongest since 1996 - 1997 resulting in the highest occupancies since the same period. However, rents are still far below the 1996 - 1997 period. Large tenants are still able to negotiate very competitive rates.

While demand continues to improve, more buildings will be completed over the next few years which will test the strength of the market.

retail



Supply

There was a new supply of about 250,000 m² from the operation of Grand Indonesia Shopping Town, Pacific Place Mall and Plaza Pondok Gede 2 during 4Q07. Total Jakarta leased stock increased to approximately 1.74 million m² and strata title stock remained at 1.20 million m², respectively. Bodetabek leased stock increased to approximately 550,000 m² and strata title stock remained at 371,000 m².

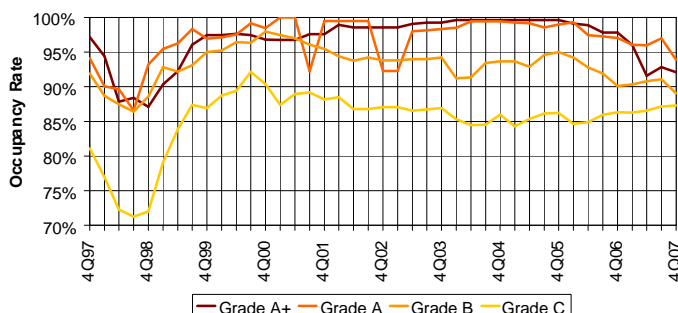
Subject to timely completion, new supply up to 2009 is estimated at about one million m². A partial list of future supply includes: Mall of Indonesia, Kemang Village and Kota Casablanca.

Demand / Occupancy

Jabodetabek for leased shopping centre occupancy rates decreased to 91.4% in this quarter. Jakarta and Bodetabek occupancy decreased to 91.1% and 92.7%, respectively.

Occupancies were 93.4%, 89.1%, 87.3% and 92.4% for Grades A+/A, B, C and D respectively in Jakarta.

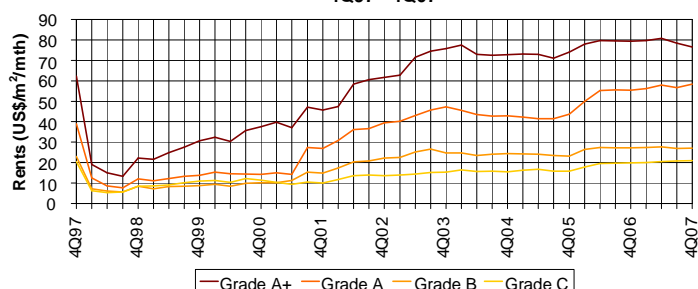
For Lease Shopping Centre Occupancy Rates
4Q97 - 4Q07



Rent

Overall, offering effective rents and 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 - 4Q07



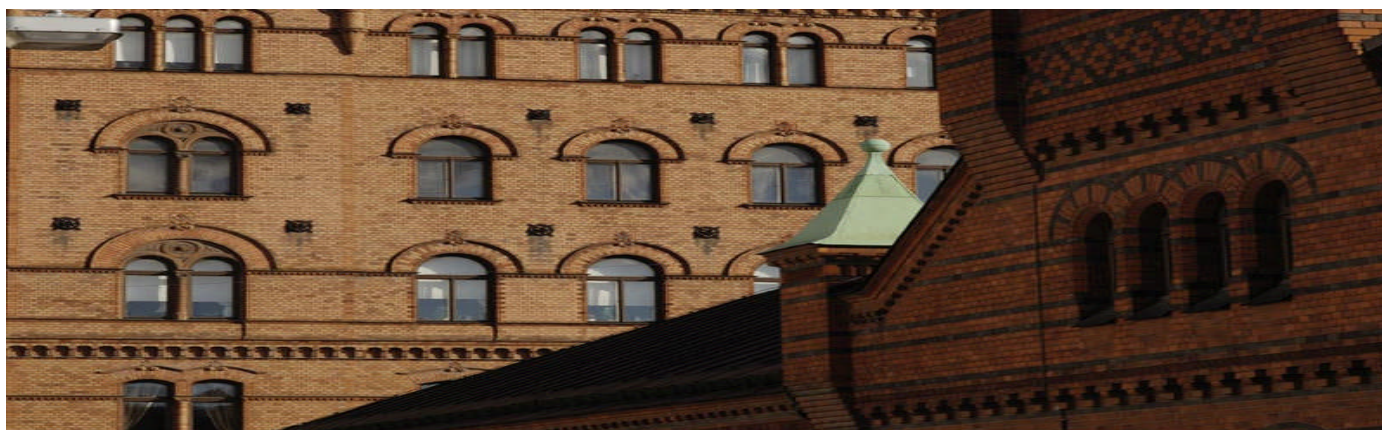
Offering effective rents for typical floors increased to US\$44.20/m²/mth in Jakarta and US\$19.60/m²/mth in the Bodetabek area. The 4Q07 fixed exchange rates generally ranged between Rp9,000 (Grade A+) and Rp5,000 (Grade C) across Jabodetabek. Offering contract service charges remained at the range 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

As forecasted, the retail market is over-supplied with even more space planned for completion during 2008 - 2009.

Rents are expected to decline until the balance of supply and demand adjusts.

apartment



Supply

There was a new supply of approximately 4,400 strata title and serviced units from the operation of Pacific Place Residences, The Residences at The Ritz-Carlton Jakarta, Oakwood Premier Cozmo and The 18th Residence Taman Rasuna North Tower in the CBD, and Hampton's Park Tower A & B, Senayan Residence Tower 3, Gading Resort City Home and French Walk Nice Garden and Lyon Garden in the secondary area.

The total stock of apartments increased to about 16,000 units in the CBD and 41,700 units in the secondary area. Leased (non strata title) and serviced apartments account for about 5,780 units (50% CBD and 50% secondary) and strata title approximately 51,920 units (25% CBD and 75% secondary).

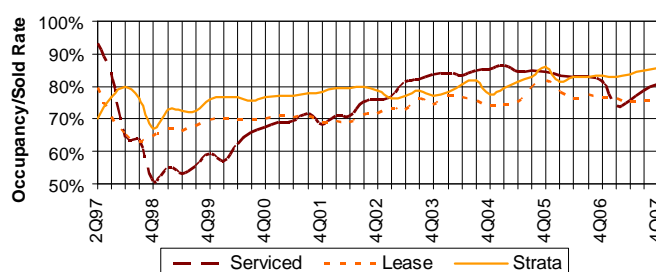
New supply up to 2010 is estimated at about 34,000 units. A partial list of future supply includes: Shangri-la Residences, The Kempinski Residences, The Grand Hyatt Residences and Kemang Village Condominium.

Occupancy / Sold Rate

Overall occupancy of leased/serviced apartments of all grades increased in the CBD and decreased in the secondary areas by 0.9% and 0.7%, respectively.

The average leased/serviced apartment occupancy was about 78.2% in the CBD and 73.2% in secondary areas. In the strata market, 85.8% of the CBD supply (current stock and projects under construction/launched) and 89.1% in secondary areas was stated by developers as sold. The occupancy rate of the current stock was 67% and 70%, respectively.

CBD Average Occupancy & Sold Rates
2Q97 to 4Q07

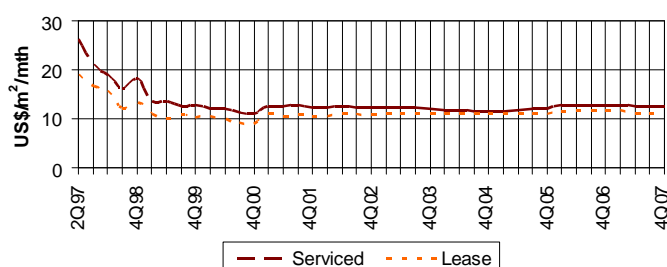


Rent / Prices

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

Average 4Q07 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\$9.40 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\$1,870/m² for Upper and effectively US\$1,030/m² for Middle Grade apartments.

CBD Average Base Rents
2Q97 to 4Q07



apartment



Trends

Occupancy levels and overall demand for lease units continues to be weak. It is likely that this trend will continue for some time.

The seemingly endless supply of new strata title units continues to exacerbate the current over supply condition. However, the relatively strong demand for lower priced units is encouraging.

hotel



Supply

There was a new supply of 62 rooms during 4Q07 from the operation of The Ritz-Carlton Jakarta, Pacific Place. Mandarin Hotel was closed for renovation in this quarter. Jakarta hotel supply decreased to 21,857 rooms, consisting of 8,579 5-star, 8,009 4-star and 5,269 3-star rooms.

New hotels under development include: Hotel Indonesia - Kempinski.

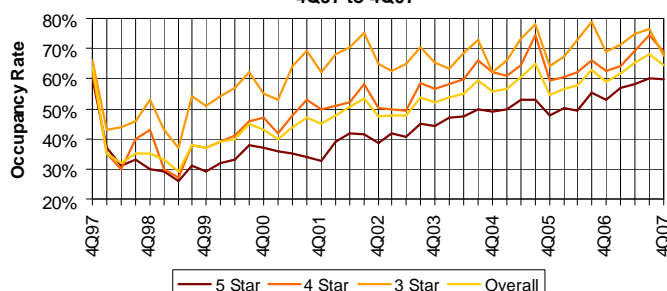
Bodetabek hotel supply remained at approximately 1,030 rooms, consisting of 370 5-star, 490 4-star and 170 3-star rooms. Overall, Jabodetabek hotel supply was 23,327 rooms.

Demand / Occupancy

Overall, occupancy decreased by 3.6% to 64.7% from the previous quarter. The changes were -0.6%, -5.6% and -7.7% for 5-star, 4-star and 3-star hotels. The occupancies were 59.6%, 69.0% and 68.8%, respectively.

Compared to the same quarter last year, the changes were 6.8%, 6.6% and 0.1% for 5-star, 4-star and 3-star hotels, respectively. Overall same quarter year on year occupancy increased by 5.8%.

Jabodetabek Hotel Occupancy Rates
4Q97 to 4Q07

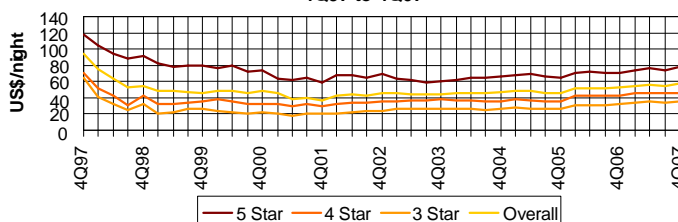


Room Rates

The overall rate increased from the previous quarter by 4.5% to US\$57.30 per night. The changes were 5.4%, 1.4% and 2.3% for 5-star, 4-star and 3-star hotels. US\$ room rates were US\$77.50, US\$45.90 and US\$35.20 per night, respectively.

Compared to the same quarter last year, room rates changed by 9.1% for 5-star, 6.4% for 4-star and 9.3% for 3-star hotels. Overall, room rates increased by 8.6%.

Jabodetabek Hotel Average Room Rates
4Q97 to 4Q07



Revenue Per Available Room

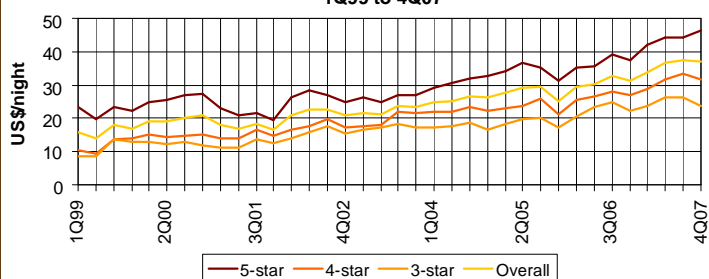
Overall RevPAR this quarter was US\$37.10 per night or about 1.0% lower than the previous quarter. Compared to the previous quarter, all-star hotel categories RevPAR decreased, except 5-star hotels. The changes were 4.4%, -6.3% and -8.0% for 5-star, 4-star and 3-star hotels. RevPAR was US\$46.10, US\$31.70 and US\$24.20 per night, respectively.

Compared to the same quarter last year, RevPAR changed by 23.1%, 17.1% and 8.8% for each star-category and 18.9% overall.

hotel



Jabodetabek Hotel RevPAR
1Q99 to 4Q07



Trends

Hotel performance was mixed during the quarter with occupancy levels still below industry standards. The limited amount of new hotel completions gives some hope that this sector's performance may improve over the mid term.

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 |
| 4Q07 | : 4 th 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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