

EVALUATING REAL ESTATE MARKET IN JAKARTA

Kenly Muliana Pamadi

Program Studi Pendidikan Profesi, Pasca Sarjana, Universitas Andalas

E-mail: kenly.muliana.pamadi@gmail.com

ABSTRACT

This report aims to evaluate the potential of developing or investing in direct real estate sector in Jakarta. In doing so, firstly, it presents some of the macroeconomic indicators of Indonesia and Jakarta which serve as the foundations for deeper property market analysis. Secondly, it examines the real estate market in Jakarta – the supply and demand, occupancy, price or rent, and future market outlook. The asset class discussed in this report is limited to high-rise residential, CBD and non-CBD office, as well as retail. Thirdly, it describes the institutional or political framework on foreign property development or investment in Indonesia which is increasingly opened to international players but still constrained to certain limitations. This report subsequently analyses the strength, weakness, opportunity, and threat (SWOT) of real estate development or investment in Jakarta. Other crucial topics such as the national capital relocation from Jakarta to East Kalimantan and the issue of recent coronavirus pandemic (COVID-19) and its effect to global recession are also considered. Finally, this report is concluded by presenting the key insights on the subject, including an increasingly popular notion in Transit Oriented Development (TOD) in Jakarta.

Keyword: Real Estate, Residential, Office, Retail

1. INTRODUCTION

Indonesia is a trans-continental archipelago country in South East Asia (SEA) that stretches over 1.9 million square kilometres of land with more than 17,000 islands, 300 native ethnic and linguistic groups, and a total population of around 273 million as of March 2020 – which makes it the fourth most populous country on earth, after China, India and the United States (US). Currently, 56.4% of Indonesian live in an urban area, including in the capital city of Indonesia, Jakarta. Figure 1 shows Indonesian rapid urbanization since 1955.

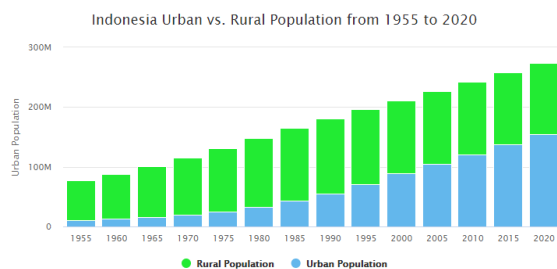
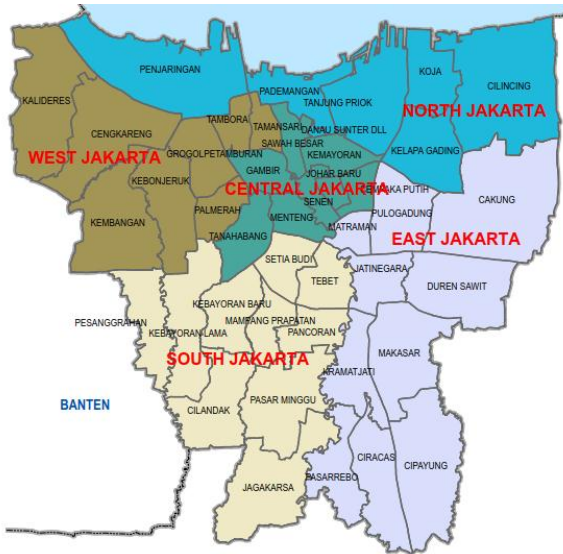


Figure 1. Urban vs rural population in Indonesia

Today, more than 10 million people live in Jakarta, which makes it as not only the largest city in the country but also in the entire SEA. Furthermore, it is one of the fastest-growing cities with a population density of 15,342 people per square kilometre (see Figure 2). Jakarta itself consists of five administrative municipalities, namely: North, South, East, West and Central Jakarta (see Figure 3). The official metropolitan area, known as Jabodetabek (Jakarta-Bogor-Depok-Tangerang-Bekasi), is the third largest in the world and its suburbs extend even further.



Figure 2. Population density map of Indonesia



City/regency	Area (km ²)	Total population (2010 Census)	Total population (2014) ^[5]	Population density (per km ²) in 2010	Population density (per km ²) in 2014
South Jakarta	141.27	2,057,080	2,164,070	14,561	15,319
East Jakarta	188.03	2,687,027	2,817,994	14,290	14,987
Central Jakarta	48.13	898,883	910,381	18,676	18,915
West Jakarta	129.54	2,278,825	2,430,410	17,592	18,762
North Jakarta	146.66	1,645,312	1,729,444	11,219	11,792

Figure 3: Jakarta's administrative municipalities map and details

Therefore, Indonesia as a whole and Jakarta in particular contain a massive consumer force which forms a potentially huge market for a whole range of products and services. This force has been the driver of national economy and the trigger of rising domestic and foreign investment, including in real estate sector.

2. LITERATURE REVIEW

2.1 GROSS DOMESTIC PRODUCT (GDP)

After the peak in 2010, Indonesia's GDP growth started to decline between 2011 to 2015 amid country's economic slowdown and remained at approximately 5% since then (see Figure 4). While a consistent annual expansion of 5% is fairly good in today's low-growth environment and is competitive with other SEA countries (see Figure 5), Indonesian government still persists to enhance the national economy even further. For instance, Bank Indonesia (BI) has cut interest rates by 125 basis points and eased lending rules since mid-2019. In addition, President Jokowi, who began his second term in October 2019, has also structured his cabinet and economic policy packages to place a special emphasis on creating a more conducive environment for both domestic and foreign investment. However, recent global

developments such as slowing international trade, stagnant household consumption growth and COVID-19 situation have led to Indonesia's weakest GDP growth in 3 years with just 4.97% in Q4 2019.

Jakarta individually has performed better than the national average with GDP growth hovering around 6% over the last few years (see Figure 4). Information-communication technology and corporate services have shown the fastest expansion in 2019 with 11.6% and 11.2% growth rate respectively. Meanwhile, real estate sector has been advancing steadily around 6% and contributing consistently to 6-7% of the total GDP.

Forecasts for Indonesia's and Jakarta's economy are positive with modest economic growth in the short run before accelerating more rapidly after 2020. Figure 4 shows a forecast by International Monetary Fund (IMF).

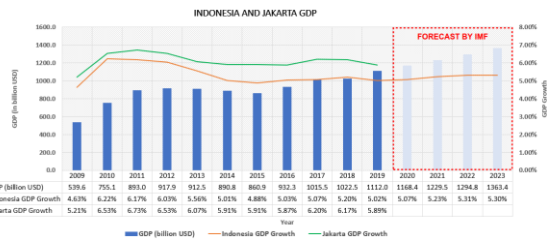


Figure 4: Indonesia's and Jakarta's GDP

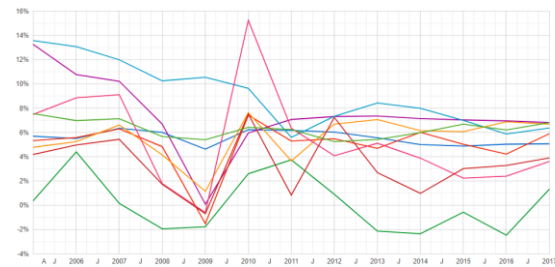


Figure 5: GDP growth rate comparison among SEA countries

2.2 POPULATION

It is important to know the characteristics of a country's demographics in order to understand its economy. This is especially true for Indonesia where household consumption accounts for 55-58% of the total GDP. Some statistics of Indonesia's and Jakarta's population are as follow:

As mentioned in section 1, Indonesia have more than 273 million people with around 10 million reside in Jakarta, making it the most populated city in SEA today. This certainly creates a huge market pool for investors to tap into. The total number and growth of population in Indonesia and Jakarta are shown in Figure 6 and 7 respectively

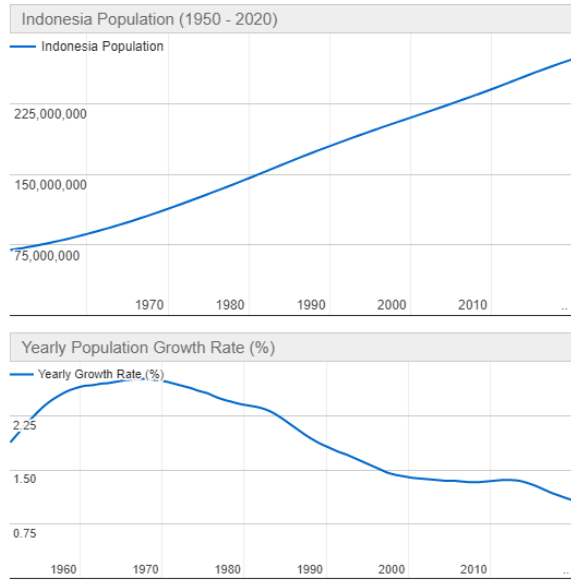


Figure 6: Indonesia's population and population growth rate

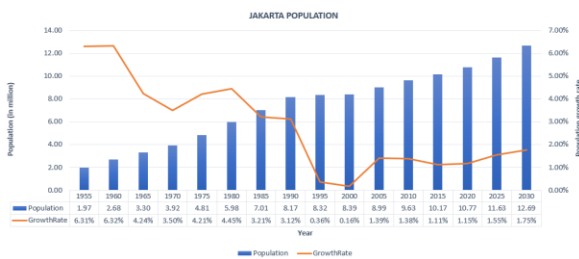


Figure 7: Jakarta's population and population growth rate

Indonesia is dominated by a young population with a median age of 28.6 years. Figure 8 shows Indonesia's population pyramid in 2020. Likewise, Jakarta has a very young demographic composition: 39% are below 20 years old, 42% are between 20 and 35 years old, 15% are between 35 and 50, and only 4% are over 50

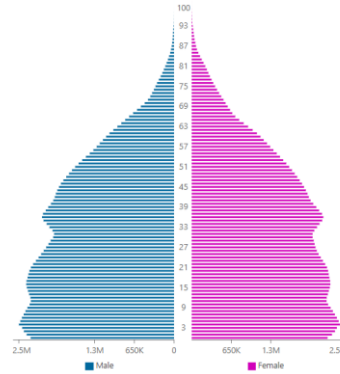


Figure 8: Indonesia's population pyramid in 2020

Currently, about 67.6% of Indonesian are in productive age (15-64 years old) and hence can function as the engine of the national economy. This number is expected to rise to 70% by 2030

Around 7 million Indonesian join the middle-class segment every year. The number of people in this class is expected to double by 2030 which creates a great potential for economic expansion

2.3 CURRENT ACCOUNT BALANCE, TRADE SURPLUS, EXPORT AND IMPORT

The current account balance is the broadest measure of a country's international trade. Although countries with a current account deficit (CAD) are more vulnerable to capital outflows when there is a global economic turmoil, a negative balance is not necessarily bad when it is used for productive investment purposes such as industrial and infrastructure development like in Indonesia.

Indonesia started to post a CAD in Q4 2011, and it has remained in deficit ever since (see Figure 9). However, the deficit has steadily sustained with a contracting oil and gas trade deficit as imports declined, stable non-oil and gas trade surplus, and a narrowed primary income deficit. Indonesia's CAD compressed slightly from 2.98% of GDP in 2018 to 2.72% of GDP in 2019. Generally, a CAD at a maximum of 3% of GDP is considered sustainable (Indonesia-investments, 2020). As for Jakarta, the import level has always been higher than its export but within a healthy level. This is expected because the consumption level in the central hub of business and trade activity of the country is definitely high. Details

of Indonesia's and Jakarta's trade balance, export and import level can be seen in Figure 10 and 11 respectively.



Figure 9: Indonesia's current account balance as a percentage of nominal GDP

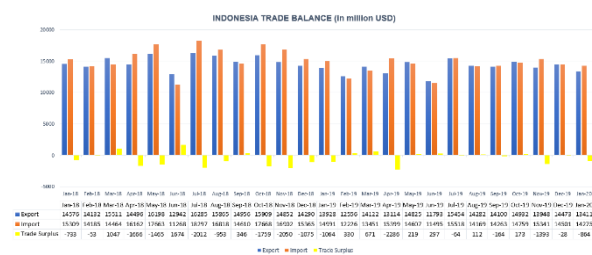


Figure 10: Indonesia's trade balance, export and import

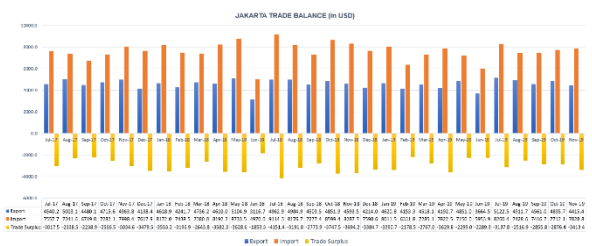


Figure 11: Jakarta's trade balance, export and import

2.4 INFLATION RATE AND BENCHMARK INTEREST RATE

Traditionally, inflation rate in Indonesia was volatile and deviated largely from BI's projection which led to a higher borrowing costs as compared to other emerging markets. However, after Indonesia's subsidized fuel price reform in 2013-2015, one could see a steadier inflation rate of 2-4% in recent years. Similar level of inflation can be seen locally in Jakarta. In 2019, Indonesia's and Jakarta's inflation rate stood at 2.82% and 3.23% respectively (see Figure 12 and 13).



Figure 12: Indonesia's inflation rate

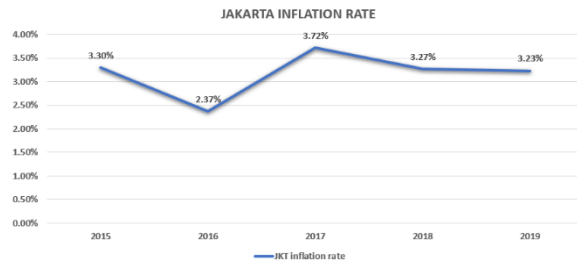


Figure 13: Jakarta's inflation rate

When inflation targets are not met, BI reacted accordingly with its monetary policy by adjusting its benchmark interest rate in order to ensure local currency (Indonesian Rupiah, IDR) stability. Currently, with stabilizing rupiah, relatively low inflation rate at 2.68% in Jan 2020 and national CAD under control, BI has lowered down its benchmark rate from 6% to 4.75% in order to encourage more economic activity (see Figure 14).



Figure 14: Indonesia's benchmark interest rate (by BI)

2.5 FOREIGN DIRECT INVESTMENT (FDI)

FDI flows into Indonesia have grown and their base has been expanding consistently over the last few years (see Figure 15). Recent FDI rise is attributed to deregulation, law enforcement and business certainty, interest rate tax cuts for exporters, energy tariffs cuts for labour-intensive

industries, tax incentives for investment in special economic zones and lowered tax rates on property acquired by local REIT. In 2019, Indonesia gained USD 28.2 billion of FDI, a 6.4% y-o-y increase. China, Hong Kong and Singapore were the top sources of investment. Base metal, utilities, mining, and real estate sectors were the biggest beneficiaries. Jakarta alone has consistently contributed to more than 10% of the national FDI which indicates the extensive investment opportunities in the city. Having said that, according to the latest ASEAN investment report (2019), Indonesia still fails to draw a fair share of the foreign investment dollars flowing into SEA (see Figure 16). A number of reasons that discourage investors to invest in Indonesia will be elaborated further in section 4.5.2.

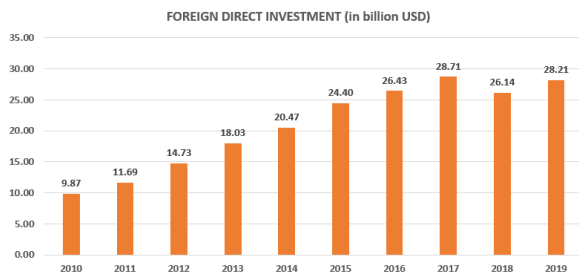


Figure 15: Indonesia's FDI

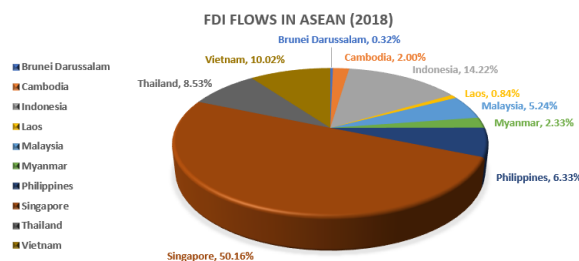


Figure 16: FDI flows into ASEAN (2018)

2.6 PUBLIC DEBT

Indonesia's public debt has improved since the Asian financial crisis in late 1990s. It declines from over 150% of GDP in 1998 to around 30% in 2019 (see Figure 17). This recovery is particularly due to the prudent fiscal policy approach of the Indonesian government and compliance with fiscal rules that set limits on the upper level of debt. This number represents a healthy condition as compared to many developed countries that are currently in trouble

to ease public debt. Figure 18 shows SEA countries' national debt to its GDP.

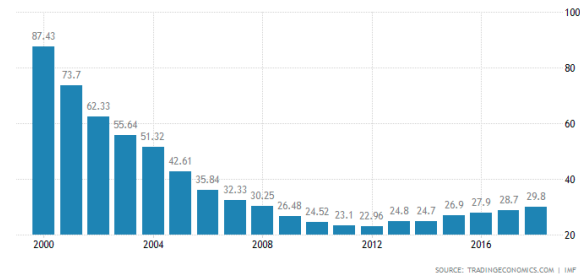


Figure 17: Indonesia's public debt as percentage of GDP

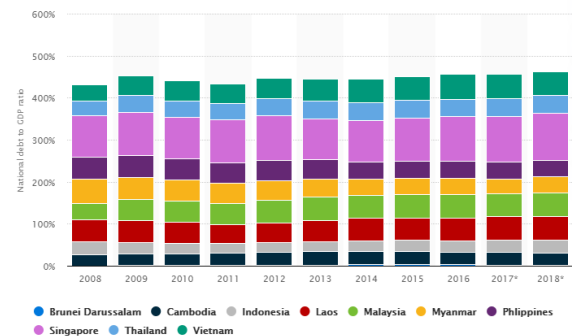


Figure 18: SEA countries' national debt as percentage of GDP

2.7 INTERNATIONAL RESERVES

Foreign exchange reserve is essential in managing volatile capital flows and providing a safeguard against possible external shocks.. Indonesia's foreign reserves have been increasing quickly from USD 51.6 billion in 2008 to USD 129.2 billion in December 2019, the highest level in 22 months (see Figure 19). The current reserve level is enough to support 7.6 months of import which is above the international adequacy standards of about 3 months.



Figure 19: Indonesia's foreign exchange reserves

3. METHOD

Methods used in this study are literature review, observation, and desktop review

4. RESULT AND DISCUSSION

4.1 RESIDENTIAL (APARTMENT)

4.1.1 SUPPLY AND DEMAND

The high-rise residential market in Jakarta has been dormant since 2016. The recorded sales in the last four years barely reach 5,000 units annually, much less than 2013-2014 period when the sales could hit 20,000 units in a year (see Figure 20). One underlying reason of the soft demand in recent years is affordability issue. Rapid price hike from 2011 to 2014 led to an all-time high per sqm prices and relatively unaffordable for many. Indonesian Finance Minister Sri Mulyani Indrawati (2017) said that only 40% of families could afford to buy houses, another 40% could only buy with government subsidies and the remaining 20% could not afford to buy without significant assistance from the government.

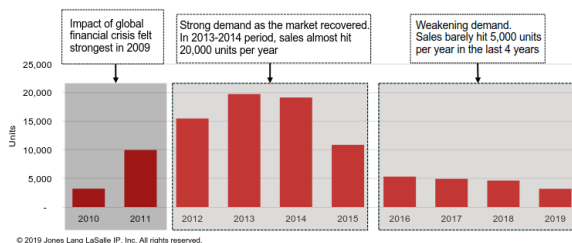


Figure 20: Annual apartment sales in Jakarta

From the supply side, the overall apartment supply rose by 4.8% to 211,944 units in 2019. The location of new apartments has been shifting away from the CBD to a less crowded area at South and East Jakarta (see Figure 21). The supply level has been dampened recently due to the weak demand which may cause financial issue and thus delaying the project delivery. Recent survey by Colliers found that 6,052 units from the total projected supply in 2019 will be shifted to 2020 or 2021. Subsequently, the limited supply also leads to the contraction in sales, making it even more dormant. Although developers have been offering smaller units to lower the price and giving various discounts or



incentives to clear the unsold units, much cheaper prices in secondary market or a more affordable landed residences sometimes draw the buyers away from primary apartment units.

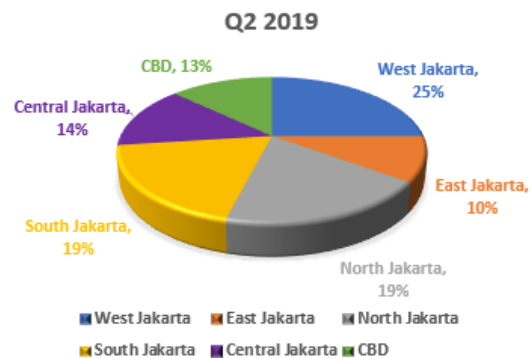


Figure 21: Apartment distribution in Jakarta by location

4.1.2 OCCUPANCY AND PRICE

The take-up rate for both existing project and project under construction have been relatively stagnant (see Figure 22). In Q4 2019, the overall absorption rate remained at 87.2%, only a slight increase of 0.3% y-o-y, leaving around 27,000 unoccupied units from the total stock.

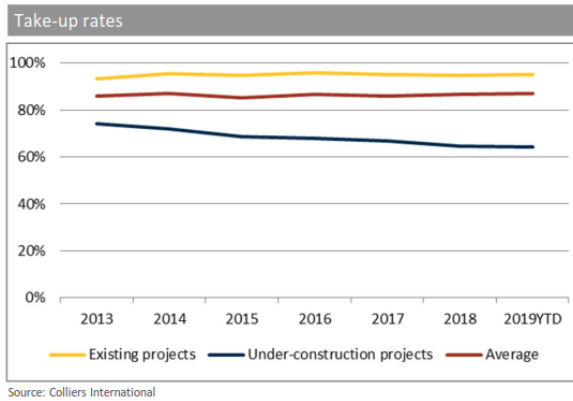


Figure 22: Apartment take-up rate of existing project and project under construction in Jakarta

As a result of soft demand, few supplies and a stagnant take-up rate, the asking price across all segment has been flat (see Figure 23). The average asking price only rose slightly by 2.9% y-o-y to IDR 34.8 million (USD 2,219) per sqm in Q4 2019. This is mainly due to investors' strong interest at sites nearby the newly completed MRT and upcoming LRT.

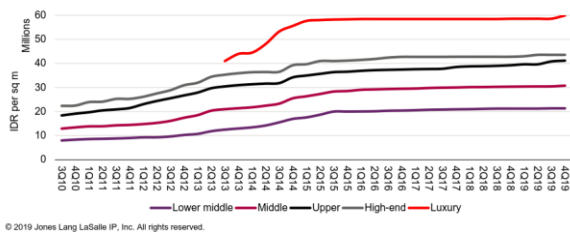
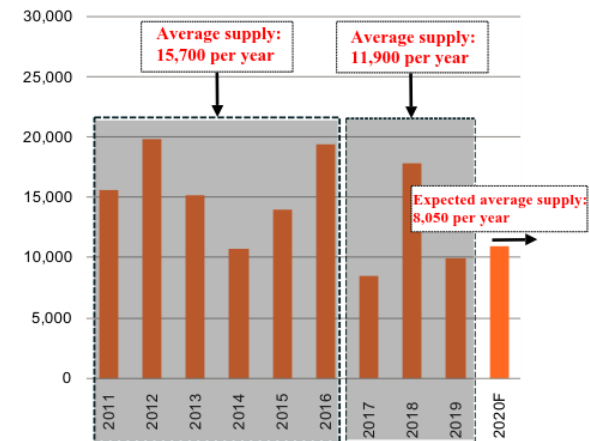


Figure 23: Apartment price across segments in Jakarta

4.1.3 MARKET OUTLOOK

In the next 5 years, there will be an average of 8,050 new apartment units per year in Jakarta, lower than its historical average (see Figure 24). A list of the upcoming apartment projects in Jakarta and its location distribution can be seen in Figure 25 respectively.

Annual Supply from 2011 – 2020F



Source: Colliers International Indonesia - Research

Figure 24: Annual apartment supply in Jakarta

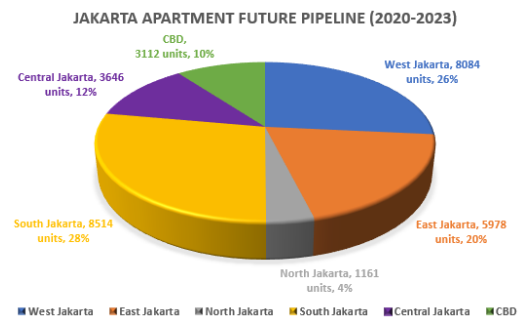


Figure 25: Future apartment pipeline in Jakarta by location

Meanwhile, the Indonesian government has been trying to boost the residential market. For instance, the Ministry of Finance (MoF) rolled out a new regulation on luxury tax which raises the price threshold of the tax object from IDR10 billion (USD 637,500) to IDR30 billion (USD 1.9 million) (for buyer) and reduces the luxury tax rate from 5% to 1% (for seller). This reduces the amount of leviable tax quite significantly. At the same time, BI also cuts its benchmark interest rate (as explained in section 2.4) and eases LTV rules by adding 5% from the current limit (see Figure 26). However, the residential market still needs more time to see the effectiveness of these regulations. A more fundamental issue today is the provision of easy access to affordable funding and the capability to pay instalment (Colliers, 2019).



Figure 26: LTV relaxation by BI and its impact to credit growth

On another note, the ongoing trade war and COVID-19 outbreak are pushing the global economy to the brink of recession and causing investors to be very cautious in making decision. On that basis, sales growth of apartments in Jakarta are expected to move in the same direction. Take up rate could still contract by 1-2% and price could inflate slightly by 1-2% at best in 2020. However, as the worldwide dreary condition comes to an end, Indonesia's economy will also recover and yield momentum for a resurrection in the property market.

4.2 OFFICE

Office development in Jakarta is concentrated in its CBD area, or widely known as the golden triangle of Jakarta. It includes areas such as Sudirman, Kuningan, Gatot Subroto and Thamrin (see Figure 27). As time goes by, office spaces also spread out to non-CBD area in different parts of Jakarta.

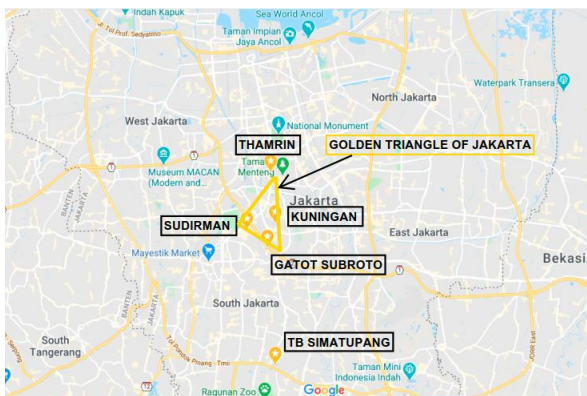


Figure 27: CBD areas in Jakarta

4.2.1 SUPPLY AND DEMAND

Office supply in Jakarta, both in CBD and non-CBD area, have increased significantly since the wave of supply beginning in 2015 (see Figure 28 and 29 respectively). In 2019, the supply has been relatively moderate with a total completion of 360,000 sqm and 160,000 sqm of space in CBD and non-CBD respectively. It brings the existing office stock to 6.66 million sqm in CBD and 3.49 million sqm in non-CBD. Cumulative office supply can be seen in Figure 30.

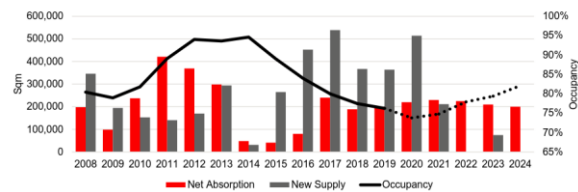


Figure 28: Net absorption, new supply and occupancy rate of office space in Jakarta CBD

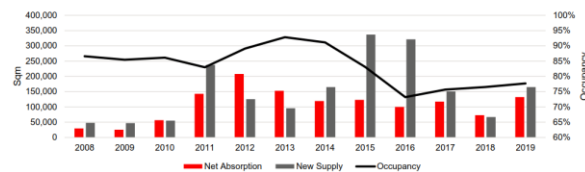
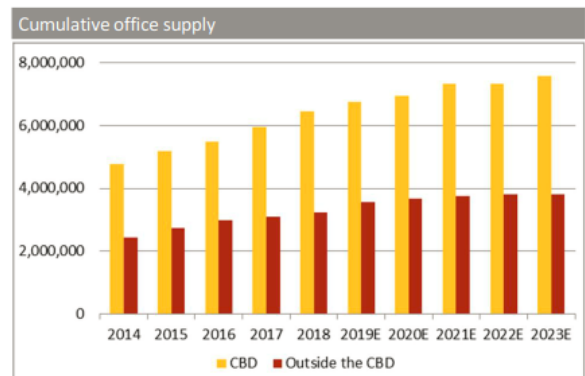


Figure 29: Net absorption, new supply and occupancy rate of office space in Jakarta non-CBD area



Source: Colliers International

Figure 30: Cumulative office supply in Jakarta CBD and non-CBD

Meanwhile, office space demand in Jakarta remains strong. In 2017-2019 period, the net absorption in CBD reached 200,000 sqm annually as compared to 50,000 sqm absorption per year in 2014-2016 period (see Figure 27). Likewise, non-CBD demand performed well even in 2015 and 2016 when CBD demand was weak. In 2019, the non-CBD office recorded a

net absorption of more than 125,000 sqm which is 73% more y-o-y and the highest since 2013. Recent completion of a couple of grade A quality office and improved connectivity via the MRT have further increased the attractiveness of areas outside CBD. Technology and flexible space providers have been the most active in the market nowadays, picking up the slack left by the downsizing in oil, gas, and mining sectors after commodity prices fell in 2015.

4.2.2 OCCUPANCY AND RENT

A huge influx of office space since 2015 has affected the occupancy rate badly. At the end of 2014, only 5% of office space was unoccupied, but it has now escalated to about 20%. This trend can be observed in both CBD and non-CBD offices (see Figure 31 and 32).

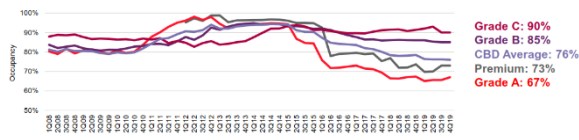


Figure 31: Office occupancy rate across various segments in Jakarta CBD

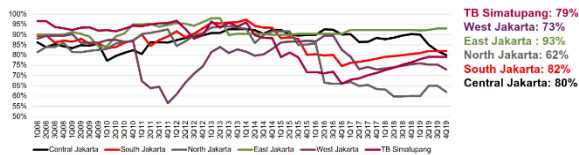
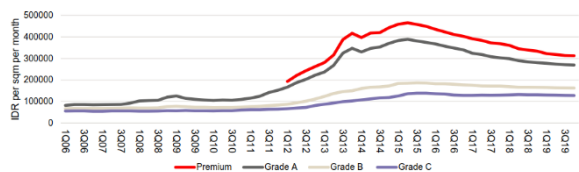


Figure 32: Office occupancy rate across various segments in Jakarta non-CBD

On the back of huge supply volume, rents have also fallen every quarter since mid-2015 by approximately 30% from peak to trough (see Figure 33). In extremely well-located buildings, however, some landlords have been able to hold the rents steady or even moderately increase them. Rents outside of the CBD have also compressed substantially in recent years with a relatively high vacancy rate (see Figure 34). In 2019, CBD office rent declined by 2.7% y-o-y while non-CBD office rent recorded a slight



increase of 1.9% y-o-y.

Figure 33: Office space rent across various segments in Jakarta CBD

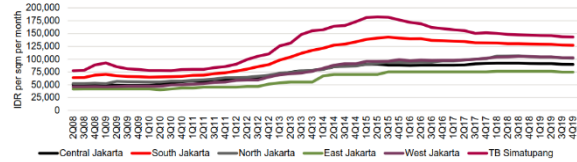


Figure 34: Office space rent across various segments in Jakarta non-CBD

4.2.3 MARKET OUTLOOK

In 2020, the office market supply remains moderately high in expectation (see Figure 28). Therefore, occupancy rate and price are expected to bottom out. With this tenant-favourable market, occupiers are expected to take advantage by looking for a better-quality premise with attractive rental rates. However, the office market supply is likely to drop with an average of just 80,000 sqm per year between 2021 and 2023. As such, the occupancy rate is expected to rebound and subsequently improve the rent moderately (see Figure 35). CBD and South Jakarta still house most of the office space pipeline (see Figure 36)

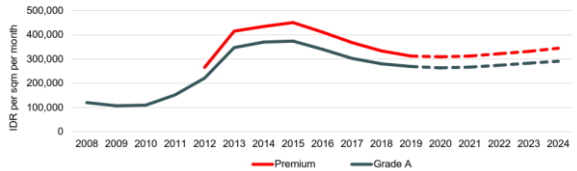


Figure 35: Office space rent expectation in CBD

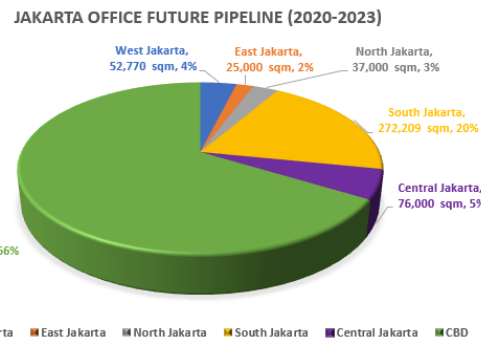


Figure 36: Future office pipeline in Jakarta by location

Meanwhile, office demand is anticipated to remain strong over the next few years with

technology and flexible workspace companies continue being the two driving demands. Furthermore, the MRT and LRT that will connect South Jakarta to the city centre have generated a buzz.

Having said that, Jakarta office market needs to be aware of the forces that may inhibit its advancement. Challenges such as stagnant exports volume, uncertainty surrounding the US-China trade war and weak global growth would reduce business activities and indirectly impact the property sector, specifically making it difficult for office demand to recover quickly.

4.3 RETAIL

As the hub of business and trade in Indonesia, Jakarta is a launch pad for major local retailers and international players to establish their business in SEA's biggest market. Over the past decades, shopping centres in Jakarta have evolved with improving quality and amenities. However, technology and innovation in combination with the dynamic shift in urban lifestyles and the rise of millennials have changed the retail landscape even faster.

4.3.1 SUPPLY AND DEMAND

The retail market in Jakarta has remained extremely **stable** over the past few years with limited new supply and healthy occupancy level. The lack of supply in Jakarta is primarily due to the mall moratoriums which was implemented in 2011 and extended in 2013. The moratoriums basically limit retail space developments as it was deemed to tax the city's infrastructure and adversely affect the quality of life in the city. Research shows that retail supply only grew at 90,000 sqm a year from 2013 onwards, a significant drop from 2005-2013 period that can reach 160,000 sqm annually. As of Q4 2019, there were 4.74 million sqm cumulative supply of retail in Jakarta, up 1.9% y-o-y (see Figure 37)

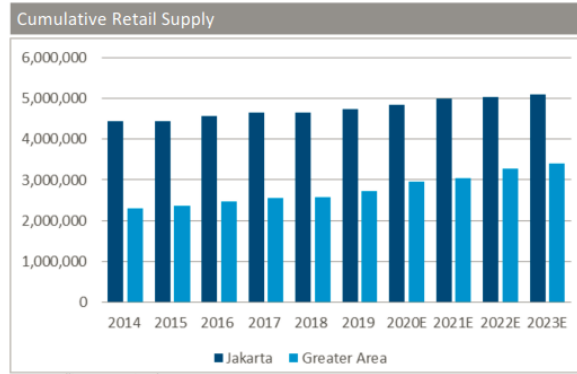


Figure 37: Cumulative supply of retail space in Jakarta and greater Jakarta

With decreasing available space, the net absorption is also much lower in recent years as compared to period prior to 2014 (see Figure 38). F&B, entertainment, fast fashion, supermarket and grocery stores are the major tenants today, taking some of the space vacated by department stores which appear to be a dying retail format in Jakarta.

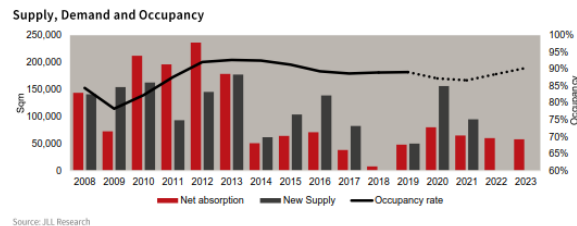


Figure 38: Net absorption, new supply and occupancy rate of retail space in Jakarta

4.3.2 OCCUPANCY AND RENT

Upper-class shopping centres continue to propel Jakarta's overall retail performance with a relatively **stable** occupancy of above 90%. Meanwhile, the performance of middle and mid-low-class shopping centres dropped by around 2% q-o-q and stood at 76.6% and 69.7% respectively in Q4 2019

Given the lack of new supply, rents have increased moderately. In prime malls, at least, few landlords face compelling vacancy pressure which drive the rents upwards. In 2019, the rent increased by approximately 3% y-o-y (see Figure 39).

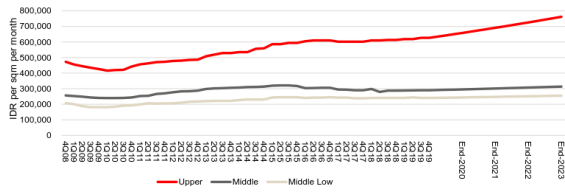


Figure 39: Retail rental rate in Jakarta

4.3.3 MARKET OUTLOOK

Retail space development nowadays is more consumer-driven than ever whereby it needs to quickly adapt to the rapidly changing retail landscape. For instance, one could observe the shift in buyer preference from an actual physical store to digital shops (Colliers, 2019). To accommodate this market, digital transformation involving modern technologies and social media are playing an important role in making the shopping experience as easy and personalised as possible. Moreover, Indonesian consumers are now more attracted into experience than commodity (Savills, 2019). A shopping centre is no longer merely a commercial facility where retailers display and sell products, but a place for community where people can enjoy spending their time with fusion of entertainment and common space. In addition, the grab-and-go concept is likely to become a trend in the retail industry, particularly in view of the future integrated transportation system that shall give rise to TOD.

Having said that, retailers are still concerned about the current situation where profit margin squeezed amid softening demand and increasing operating cost. The outlook in the near future is still the same - moderate vacancy rate and lack of supply are likely to persist and support rental growth. There is a possibility for occupancy to slightly decrease (before recovering subsequently) and rent to rise 4-4.5% primarily because new malls usually charge higher rents. Future retail pipeline in Jakarta for the next three years are mainly in Central (40%), West (32%) and South Jakarta (25%) as shown in Figure 40

JAKARTA RETAIL FUTURE PIPELINE (2020-2023)

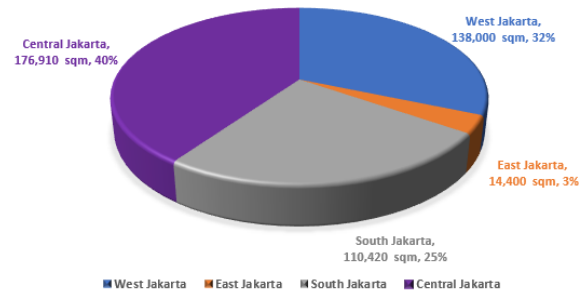


Figure 40: Future retail pipeline in Jakarta by location

4.4 INSTITUTIONAL OR POLITICAL FRAMEWORK ON FOREIGN PROPERTY DEVELOPMENT OR INVESTMENT IN INDONESIA

Understanding the institutional or political framework of a country's foreign property regulations is an essential component before embarking on the development or investment journey in that country. Previously, Indonesian law had a very restricted access for foreign individuals or companies to own, develop or invest in Indonesian property. However, in 2015, the Indonesian government set forth a new regulation on foreign property ownership to support Indonesia's domestic economic growth and attract foreign investors. The new set of regulation is Government Regulation No.103 of 2015 on Ownership of Dwelling of Residency House by Foreigner Domicile in Indonesia which is further supported by the Ministry of Land Regulation No. 29 of 2016 on Procedure for Granting, Releasing, or Transferring Land Rights over Residential Houses to Foreign Nationals in Indonesia.

Prior to examining foreign property ownership in Indonesia, one should understand the three most relevant rights on the subject, namely:

Right to Own (Hak Milik): Right to Own is a freehold title that can only be held by Indonesian citizens. This title gives a right to the owner to use the land in any way, except capitalizing on the natural resources under the land

Right to Use (Hak Pakai): Right to Use is the right to use and/or to collect the product from land as far as it is not conflicting with the spirit and the provision of the law. The right is valid for an initial period of not longer than 30 years and

can be extended twice by not longer than 20 years and a further 30 years. As long as the property is not part of a government subsidised housing, individual foreigners are allowed to invest in commercial and residential real estate under this right

Right to Build (Hak Guna Bangunan): Right to Build is the right to build and to own buildings on land which is not one's property for a period of not longer than 30 years and can be extended by a period of not longer than 20 years. In other words, the owner is given the right to develop the land for a limited period of time. Developers usually hold this title when undergoing a construction or development of a property. This title can only be held by Indonesians or limited liability company established under the laws of Indonesia, be it local or foreign company (also known as PT. PMA).

Under the new regulations, Indonesian government allows foreigners who work or reside legally in Indonesia to own houses or apartments in the country under the right to use. Although some foreigners insist to buy a land or property under the right to own through Indonesian nominee structure, the safest way for a foreigner to invest in Indonesia's property is still to do it through a PT. PMA. PT. PMA who is a property developer may buy a land in Indonesia to develop the property under right to build and subsequently sell it to a local or foreign buyer. After selling the units, the right to build can be kept or can be upgraded / downgraded to right to own / use for local / foreigner buyer respectively. Some limitations when foreigners own a property in Indonesia are as follow:

Foreigners must maintain their stay permit visa during the course of property ownership period

The foreigner must release or transfer the right of use to another person who meets all requirements to own property in Indonesia (Indonesian or foreigner) within one year after his or her departure from Indonesia

There is a fixed minimum price for a property bought by foreigners based on region. For apartment in Jakarta, the limit is IDR 3 billion (USD 190,000)

Foreigners and their families are only allowed to have a maximum of one property

The property is capped to a maximum of 2,000 sqm land size

The property can only be mortgaged in a bank or Indonesian financial institution

4.5 SWOT ANALYSIS on DEVELOPING OR INVESTING IN DIRECT REAL ESTATE SECTOR IN JAKARTA

4.5.1 STRENGTH

As highlighted in section 2.2, Jakarta has an opportune demographics with substantial amount of population, dominated by young people, largely in productive age, and many are joining the middle class segment every year. Such strong demographics are not only boosting the economy of the city and the country but also attracting both domestic and foreign property developers to meet the extensive need for space

As an indirect consequence of the point above, coupled with the fact that Jakarta is the capital city of Indonesia where the central hub of business, trade, finance and government functions are, this city has always been the first choice when companies, local or international, want to expand their footprint in Indonesia. This certainly results in an immense derived demand

Indonesia has a relatively positive economic environment such as **stable** GDP growth amid today's slow global economy, steady low inflation rate, sustainable CAD, contracting public debt, as well as rising FDI and international reserves. These are favourable macroeconomic indicators for real estate development or investment which are striving for a sustainable growth

Jakarta's rental yield is moderate to attractive, especially for the high-end apartments. Although it has decreased due to significant price hike in recent years, the gross rental yield still ranges from 5.2% to 7.7%

4.5.2 WEAKNESS

Political or legal issue has always been one of the most fundamental problems that discourage investors to invest in Indonesia. The matters vary from complex legalities, red tape (bureaucracy) issue, widespread corruption and weak coordination between central and regional government institutions. As such, legal certainty

and government's policies have always been precarious. Demonstration is not an unusual sight in Jakarta

OECD's 2019 review cites Indonesia as one of the most restrictive countries in a number of benchmarks, including ceilings on foreign ownership, approval procedures, restrictions on key foreign personnel, and other rules ranging from land ownership to corporate structure. That is why deregulation has been one of the most prioritized agenda of President Jokowi

With a large population and lack of quality infrastructure, Jakarta is plagued by overcrowding city problem such as bad traffic congestion, dreadful air pollution, flash flood almost every other year, black out, electricity and water supply cut-off, etc. Moreover, Jakarta is struggling under a huge environmental burden including the lack of clean water which leads to excessive underground water extraction and eventually sink the city at a rate of 10-20 cm per year. Coupled with climate change issue, Jakarta is one of the fastest sinking cities in the world

Despite a high rental yield, Indonesia has a relatively high tax rate and transaction cost which depress investment. The base transaction cost (excluding luxury tax, withholding tax, value added tax, annual property tax and capital gains tax) is already 16.7-17.7%.

4.5.3 OPPORTUNITY

The first phase of Jakarta MRT that connects South and Central Jakarta has recently started operation in April 2019. In the next few years, the subsequent phases of MRT and LRT development are going to follow which will further improve the connectivity between the hotspots and enhance the accessibility to different areas across Jakarta. Figure 41 shows the MRT and LRT future integrated network. From urban planning and real estate point of view, this will stimulate the growth of TOD as well as grab-and-go concept that can enhance the value of public transportation hub even wider by connecting it to residential areas, offices and shopping malls.

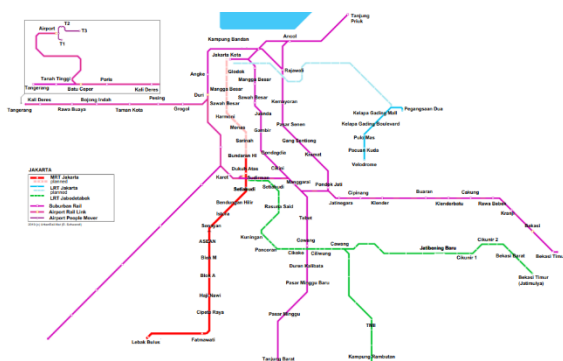


Figure 41: Jakarta MRT and LRT future integrated network

Indonesian government has recently rolled out several appealing measures to advance the national economy and bring investors into the country. For instance, BI has cut its interest rate and eased LTV rules to make houses more affordable. MoF has also reduced the levy on luxury tax which greatly affect property sector. Furthermore, President Jokowi has released a series of supportive economic policy packages as described in section 2.1 and 2.5. Although the effect may not be immediate, such policies will be a pull factor for investors, developers and consumers to participate in the market

4.5.4 THREAT

Jakarta is located in Java island which sits right on top of the Ring of Fire, an area with a high degree of tectonic activity (see Figure 42). As such, Jakarta has to constantly cope with the risk of volcanic eruptions, earthquakes, floods and tsunamis which could resulted in thousands of fatalities and destructive effects on the land, real estate and infrastructure, thus incurring bizarre economic costs. In fact, the threat of natural disasters is one of the reasons why the capital city of Indonesia is going to be relocated from Java island to Kalimantan

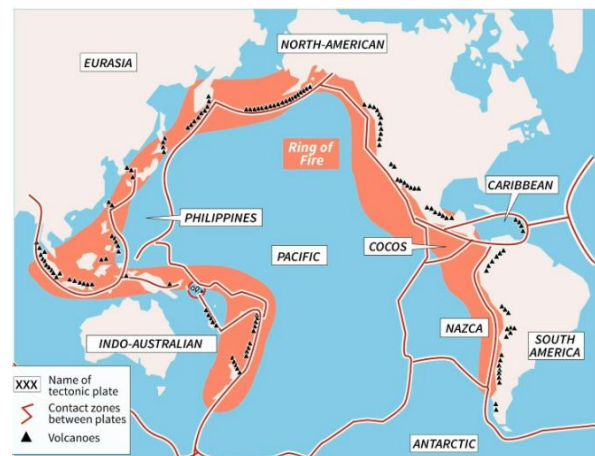


Figure 42: The Ring of Fire

The impact of COVID-19 to the real estate market in Jakarta has been moderate. The most significant impact is currently felt by the retail and hospitality sector because they are heavily reliant on tourism. Meanwhile, the impact of the virus to Jakarta's residential market has been minimal as sales are less dependent on foreign

buyers. However, property viewing has declined by 80% and the total transaction until mid-March 2020 is only 15% of the previous month's transaction. The impact on the office market and construction pipeline have also been limited thus far. However, supply chain and logistics issues arising from a disruption in manufacturing and transport in China could hamper the construction progress. Having said that, it is important to note that the pandemic situation is still evolving very rapidly with positive case in Indonesia has just emerged in early March 2020 and has yet to peak. A global economic recession is also now all but guaranteed in 2020 as the rapid spread of COVID-19 outside China results in unprecedented containment measures and a rising number of businesses in crisis (Tan, 2020). More details on the worldwide impact of COVID-19 will be discussed in section 4.6.2.

4.6 OTHER ISSUES

4.6.1 THE RELOCATION OF CAPITAL CITY OF INDONESIA

In August 2019, President Jokowi announced a plan to move the national capital from Jakarta (on the island of Java) to Penajam Paser Utara and Kutai Kartanegara (on the island of Borneo / Kalimantan). If the \$32.7billion plan receives parliamentary approval, construction could begin as soon as 2020, with a view to a physical relocation of government functions by 2024. The shift presents an opportunity to let Jakarta grow sustainably and relieve it from the overcrowding problem and overwhelming environmental burdens that have been plaguing the city for decades.

Although Jakarta will no longer be the capital city of Indonesia, it will still be the focal point of business, trade and economy of the country. On that basis, land and residential prices are unlikely to be negatively affected by the move. While some office demand will shift to the new capital, the relocation of government function will provide more opportunities for developers or investors to cooperate with the government in utilising the assets left at the prime area of Jakarta for a greater and more profitable use under different collaboration schemes. Alternatively, Indonesian government may monetize these assets which worth IDR 1,123 trillion (USD 79 billion) as of 2018.

4.6.2 COVID-19 AND GLOBAL RECESSION

A recent outbreak of novel coronavirus, COVID-19, has pushed the global economy to the brink of recession. The virus, which has now been declared as a global pandemic by World Health Organization (WHO), has spread in 188 countries, infected more than 300,000 people worldwide and caused more than 13,000 deaths as of mid-March. The scene in Indonesia is also evolving rapidly. Just in a span of three weeks from its first positive case on 2nd March, Indonesia already has more than 500 cases and 40 fatalities with majority of the cases are in Jakarta.

Cities around the world has locked themselves down, closed schools and retail stores, cancelled major sporting, cultural and business events, banned incoming and outgoing travels, and shut part of its economy and supply chain in order to fight further spread of the virus. The current situation has called for a coronavirus-driven recession in 2020 that could mean lost jobs, income and wealth for billions of people. China is already on course for what could be its first quarterly contraction in decades. Bloomberg Economics model also suggests a 53% probability that the 11-year expansion in the US will end within a year. The economies of Japan, Germany, France and Italy were already shrinking even before the virus outbreak, and the UK is wobbling amid Brexit uncertainty (Curran and Jamrisko, 2020). Major equity indices such as S&P 500, Dow Jones, Nasdaq-100, Nikkei 225 and FTSE 100, have fallen miserably by 28-33% in just a month. Furthermore, analysts said that today's pandemic is hammering the economy in complicated ways that could be even more difficult to combat.

Despite a powerful package that was being announced by the US Federal Reserve System (FED) recently (including slashed its interest to near zero and provided an additional of USD 700 billion in bond purchases), there are limits to what central banks can do in such extraordinary situation where news have been unrelentingly bleak and people are barricading themselves at home. At this stage, a global economic recession is virtually certain. Nonetheless, FED's action will still lessen the chances of a financial

catastrophe on top of the economic and human damage brought by the virus.

5. CONCLUSION AND SUGGESTION

Based on the facts presented above, Jakarta is indeed a challenging city to be penetrated. However, one must not overlook the huge potential market and massive opportunity that the city could offer, be it in residential, office and retail market.

In residential market, sales have been dormant, supply has been limited and occupancy has been stagnant recently, but rental yield remains attractive for investors. More opportunity is coming from developing a smaller and cheaper unit as well as affordable housing. However, it will still be a challenging task for private developers considering the land scarcity and the existing competition from secondary market and landed housing. Government interventions in affordable funding and lending easement are vital.

In office market, the demand has grown much stronger in recent years with technology and co-working companies being the major drivers. Although it might not be wise to develop more office space in the short run considering the ample supply pipeline in 2020, developers and investors can be more hopeful from 2021 onwards when the supply grows thinner. The phased relocation of Indonesia's capital city will also release some office space in the CBD area, up for various collaboration schemes. Furthermore, the completion of MRT and LRT will increase the appeal of area outside CBD.

In retail market, upper-class shopping malls continue to sustain the overall performance of retail market in Jakarta in the middle of evolving retail trends and technology advancement. In view of the limited permission of stand-alone mall development, podium retailing seems to be a prominent approach in Jakarta. It has evolved from just a simple and basic scheme decades ago to an advance and complete retail offering. Nevertheless, it is important for retailers across all segment to keep up with the latest market movements in order to arrange a good tenant mix and create a holistic retail experience that would bring tenants and crowds into the mall.

A rising concept that encompasses the current property market condition in Jakarta is a TOD-based planning, which is an urban development that maximizes the amount of residential, business and leisure space within walking distance of public transport. One research investigated the potential for TOD along the Jakarta MRT corridor and found that 3 out of 13 existing stations have a high suitability for such development, namely Istora, Dukuh Atas, and Senayan Station (see Figure 43). Subsequently, the research defines strategies for TOD improvement based on each station's characteristics. Having said that, the implementation of TOD must be supported by the government especially in terms of the development policy as well as the business model between the government, operators, and the private sector to assure the operations. Beyond that, Indonesian government also plays a very crucial role in creating a conducive environment for real estate development / investment and opening up its border to international players.

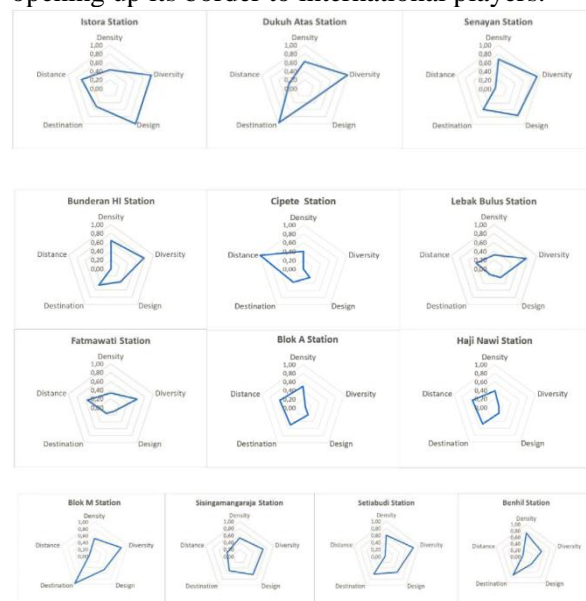


Figure 43: TOD indicators along 13 completed MRT stations in Jakarta

Overall, the property market in Jakarta is expected to be slow-moving in the short run amid sluggish global economic outlook. However, analysts are positive that the global and local economy will recover, property market cycle will rebound and thus giving a new breath of life into the real estate industry in Jakarta.

REFERENCES

- Akhlas, A. (2020, January 8). Indonesia's foreign exchange reserves soar to 22-month high in December. Retrieved March 2020, from <https://www.thejakartapost.com/news/2020/01/08/indonesias-foreign-exchange-reserves-soar-to-22-month-high-in-december.html>
- BKPM. (n.d.). Foreign Direct Investment. Retrieved March 2020, from <https://www2.bkpm.go.id/en/statistic/foreign-direct-investment-fdi>
- BKPM Japan. (n.d.). Retrieved March 2020, from <http://www.bkpm-jpn.com/en/land-ownership/>
- Borneo Post Online. (2018, January 26). Volcanos, earthquakes: Is the 'Ring of Fire' alight? Retrieved from <https://www.theborneopost.com/2018/01/26/volcanos-earthquakes-is-the-ring-of-fire-alight/>
- BPS Provinsi DKI Jakarta. (2020, February 28). Distribusi PDRB Provinsi DKI Jakarta Atas Dasar Harga Berlaku Menurut Lapangan Usaha 2008-2019 (Persen). Retrieved March 2020, from <https://jakarta.bps.go.id/dynamic/2018/08/29/38/distribusi-pdrb-provinsi-dki-jakarta-atas-dasar-harga-berlaku-menurut-lapangan-usaha-2008-2019-persen-.html>
- BPS Provinsi DKI Jakarta. (2020, January 28). Inflasi Bulanan Provinsi DKI Jakarta Menurut Kategori, 2015-2019. Retrieved March 2020, from <https://jakarta.bps.go.id/dynamic/2017/11/17/10/inflasi-bulanan-provinsi-dki-jakarta-menurut-kategori-2015-2019.html>
- BPS Provinsi DKI Jakarta. (2020, February 28). Laju Pertumbuhan PDRB Provinsi DKI Jakarta Atas Dasar Harga Konstan 2010 Menurut Lapangan Usaha 2009-2019. Retrieved March 2020, from <https://jakarta.bps.go.id/dynamic/2018/08/29/39/laju-pertumbuhan-pdrb-provinsi-dki-jakarta-menurut-lapangan-usaha-2009-2018.html>
- BPS Provinsi DKI Jakarta. (2020, January 14). Perkembangan Ekspor Impor DKI Jakarta 2017-2019. Retrieved March 2020, from <https://jakarta.bps.go.id/dynamic/2018/04/02/28/perkembangan-ekspor-impor-dki-jakarta-2017-2019.html>
- Budhiman, I. (2020, March 15). Imbas Corona, Pencarian dan Transaksi Properti Secara Daring Menurun: Ekonomi. Retrieved March 2020, from <https://ekonomi.bisnis.com/read/20200315/47/1213454/imb-imb-corona-pencarian-dan-transaksi-properti-secara-daring-menurun>
- Budhiman, I. (2020, March 3). Ini Dampak Virus Corona di Sektor Properti: Ekonomi. Retrieved March 2020, from <https://ekonomi.bisnis.com/read/20200303/47/1208564/ini-dampak-virus-corona-di-sektor-properti>
- Budiati, W., et.al. (2018). Determining the Potential for Transit Oriented Development along the MRT Jakarta Corridor. Retrieved March 2020, from https://www.researchgate.net/publication/325517815_Determining_the_potential_for_Transit_Oriented_Development_along_the_MRT_Jakarta_corridor
- CBRE. (2020, March). Potential Impacts of Covid-19 on EMEA Real Estate. Retrieved March 2020, from <https://www.cbre.com/research-and-reports/Covid-19-implications-for-real-estate>
- CEIC. (2019, December 1). Indonesia Current Account Balance: % of GDP [1990 - 2020] [Data & Charts]. Retrieved March 2020, from <https://www.ceicdata.com/en/indicator/indonesia/current-account-balance--of-nominal-gdp>
- CEIC. (2019, December 1). Indonesia Forecast: Real GDP Growth [1980 - 2020] [Data & Charts]. Retrieved March 2020, from <https://www.ceicdata.com/en/indicator/indonesia/forecast-real-gdp-growth>
- CEIC. (2019, December 1). Indonesia Real GDP Growth [1994 - 2020] [Data & Charts]. Retrieved March 2020, from

- <https://www.ceicdata.com/en/indicator/indonesia/real-gdp-growth>
- CNBC. (2020, February 5). Indonesia's growth in the 4th quarter slows to weakest in 3 years. Retrieved March 2020, from <https://www.cnbc.com/2020/02/05/indonesia-economy-q4-gdp-growth-slows-to-weakest-in-3-years.html>
- Colliers International. (2019, February 25). *Colliers Quarterly Jakarta Q4 2019*. Retrieved March 2020, from <https://www.colliers.com/en-gb/indonesia/insights/researchlibrary>
- Colliers International. (2019, December 17). *Colliers Quarterly Jakarta Q3 2019*. Retrieved March 2020, from <https://www.colliers.com/en-gb/indonesia/insights/researchlibrary>
- Colliers International. (2017). *Colliers Quarterly Jakarta Q4 2017*. Retrieved March 2020, from <https://www.colliers.com/-/media/files/marketresearch/apac/indonesia/q4-2017-colliersquarterly-jakarta.pdf?la=en-gb>
- Colliers International. (2016). *Colliers Quarterly Jakarta Q4 2016*. Retrieved March 2020, from <https://www.colliers.com/-/media/files/marketresearch/apac/indonesia/q4-2016-colliersquarterly-jakarta-final.pdf?la=en-gb>
- Colliers International. (2012). *Colliers Quarterly Jakarta Q4 2012*. Retrieved March 2020, from <https://www.colliers.com/-/media/files/marketresearch/apac/indonesia/colliers%20market%20report%20q%202012.pdf>
- Curran, E. and Jamrisko, M. (2020, March 12) Global Recession Risk Spikes as World Powers Down, Markets Slump. Retrieved March 2020, from <https://www.bloomberg.com/news/articles/2020-03-12/world-economy-powering-down-daily-makes-recession-more-likely>
- David Lynch, H. L. (2020, March 14). With unprecedented force and speed, a global recession is likely taking hold. Retrieved March 2020, from <https://www.washingtonpost.com/business/2020/03/14/recession-economy-coronavirus-jobs/>
- Djono, A. (2019, November 8). Indonesia's Current Account Deficit Narrows in Third Quarter. Retrieved March 2020, from <https://jakartaglobe.id/business/indonesia-s-current-account-deficit-narrows-in-third-quarter>
- Febyolla. (2019, March 3). Demographic Bonus: Threat or Opportunity? Retrieved March 2020, from <https://feb.ugm.ac.id/en/news/2625-demographic-bonus-threat-or-opportunity>
- Gaffar, A. (2019, December 18). Can a Foreigner Buy Property in Indonesia? Retrieved March 2020, from <https://indonesiaexpat.biz/business-property/foreigner-owning-property-indonesia/>
- Global Business Guide Indonesia (n.d.). Indonesia Low-Cost Housing Opportunities. (n.d.). Retrieved March 2020, from http://www.gbgingonesia.com/en/property/article/2014/mass_housing_plan_spells_massive_opportunity.php
- Global Property Guide. (2018, October 19). Buying costs are very high in Indonesia. Retrieved March 2020, from <https://www.globalpropertyguide.com/Asia/Indonesia/Buying-Guide>
- Global Property Guide. (2019, March 6). Indonesia: Bali booms, Jakarta stable. Retrieved from <https://www.globalpropertyguide.com/Asia/Indonesia/Price-History>
- Global Property Guide. (2019, July 14). Jakarta's rental yields are moderate to attractive. Retrieved from <https://www.globalpropertyguide.com/Asia/Indonesia/Rental-Yields>
- Greenlees, D.,(2019, December 12). Unlocking foreign investment will drive Indonesia's economy. Retrieved March 2020, from <https://www.aspistrategist.org.au/unlocking-foreign-investment-will-drive-indonesias-economy/>

- Indonesia-Investments. (2018, May 7). Gross Domestic Product of Indonesia. Retrieved March 2020, from <https://www.indonesia-investments.com/finance/macroeconomic-indicators/gross-domestic-product-of-indonesia/item253>
- Indonesia-Investments. (2017, September 5). Population of Indonesia. Retrieved March 2020, from <https://www.indonesia-investments.com/culture/population/item67>
- Indonesia-Investments. (n.d.). Current Account Balance. Retrieved March 2020, from <https://www.indonesia-investments.com/finance/macroeconomic-indicators/gross-domestic-product-of-indonesia/item253>
- Indonesia-Investments. (2018, November 10). Inflation in Indonesia (Consumer Price Index). Retrieved March 2020, from <https://www.indonesia-investments.com/finance/macroeconomic-indicators/inflation-in-indonesia/item254>
- Indonesia-Investments. (2018, May 7). Public Debt of Indonesia. Retrieved March 2020, from <https://www.indonesia-investments.com/finance/macroeconomic-indicators/public-debt/item283>
- Indonesia-Investments. (2016, December 28). Exchange Rate Indonesian Rupiah (IDR) and Foreign Exchange Reserves. Retrieved March 2020, from <https://www.indonesia-investments.com/finance/macroeconomic-indicators/gross-domestic-product-of-indonesia/item253>
- Indonesia-Investments. (n.d.). Risks of Investing in Indonesia. Retrieved March 2020, from <https://www.indonesia-investments.com/business/risks/item76>
- Indonesia-Investments. (2017, January 12). Poverty in Indonesia. Retrieved March 2020, from <https://www.indonesia-investments.com/finance/macroeconomic-indicators/poverty/item301>
- Jakarta Post. (2017, Maret 28). Only 40 percent of Indonesians can afford to buy a house: Sri Mulyani. Retrieved March 2020, from <https://www.thejakartapost.com/news/2017/03/28/only-40-percent-of-indonesians-can-afford-to-buy-a-house-sri-mulyani.html>
- Jakarta Urban Rail. (n.d.). Retrieved March 2020, from <http://www.urbanrail.net/as/id/jaka/jakarta.htm>
- JLL Indonesia. (2019). *Jakarta Property Market Review Q4 2019*.
- JLL Indonesia. (2019). *Jakarta Property Market Review Q3 2019*. Retrieved March 2020 from <https://www.jll.co.id/en/trends-and-insights/research/jakarta-property-market-review-q3-2019>
- Karim, Y. (2019, September 11). Indonesia Moves Its Capital City. Retrieved March 2020, from <http://www.jllapsites.com/research/indonesia-moves-capital-city/>
- Kirchenbauer, R (2019, February 10). Investing in Indonesia Property: The Ultimate Guide. Retrieved March 2020, from <https://www.investasian.com/2017/06/18/invest-indonesia-property/>
- Media, T. (n.d.). Inflation Indonesia 2019. Retrieved March 2020, from <https://www.inflation.eu/inflation-rates/indonesia/historic-inflation/cpi-inflation-indonesia-2019.aspx>
- Ministry of State Secretariat. (2015, December 22). Government Regulation No.103 of 2015 on Ownership of Dwelling of Residency House by Foreigner Domicile. Retrieved March 2020, from <https://www.atrbpn.go.id/Publikasi/Peraturan-Perundangan/Peraturan-Pemerintah/peraturan-pemerintah-republik-indonesia-nomor-103-tahun-2015-61369>
- Muffett, T. (2017, July 28). 7 reasons why the Jakarta property market is almost on the upswing. Retrieved March 2020, from <https://www.retalkasia.com/blog/trent-muffett-savills-indonesia/7-reasons-why->

- [jakarta-property-market-almost-upswing/jakarta](#)
- Negara, S. D. (2020, February 8). Commentary: Jokowi needs to do better in making economics his priority for Indonesia. Retrieved March 2020, from <https://www.channelnewsasia.com/news/commentary/jokowi-success-indonesia-economics-12405182>
- Nordea. (2020, March). Foreign direct investment (FDI) in Indonesia. Retrieved March 2020, from <https://www.nordeatrade.com/en/explore-new-market/indonesia/investment>
- OCHA. (2013, January 20). Indonesia: Administrative Map DKI Jakarta - Sub-District (as of 20 Jan 2013) - Indonesia. Retrieved March 2020, from <https://reliefweb.int/map/indonesia/indonesia-administrative-map-dki-jakarta-sub-district-20-jan-2013>
- Oxford Business Group. (2015, August 20). Tempering retail: A moratorium on the construction of malls in Jakarta has split opinion. Retrieved March 2020, from <https://oxfordbusinessgroup.com/analysis/tempering-retail-moratorium-construction-malls-jakarta-has-split-opinion>
- Phillips, M., & Smialek, J. (2020, March 16). Markets Plunge as a Global Recession Appears Almost Inevitable. Retrieved March 2020, from <https://www.nytimes.com/2020/03/16/business/stock-market-coronavirus-federal-reserve.html>
- Plecher, H. (2019, December 6). ASEAN countries - national debt in relation to GDP 2008-2018. Retrieved March 2020, from <https://www.statista.com/statistics/804337/national-debt-of-the-asean-countries-in-relation-to-gross-domestic-product-gdp/>
- President of Indonesia. (1960, September 24). Act no. 5 of 1960 concerning Basic Regulations on Agrarian Principles. Retrieved March 2020, from <https://spi.or.id/wp-content/uploads/2014/11/UNDANG-UNDANG-No-5-Tahun-1960-1.pdf>
- Reuters. (2020, February 10). Indonesia Q4 current account deficit widens to 2.84%. Retrieved March 2020, from <https://www.reuters.com/article/indonesia-economy-currentaccount/indonesia-q4-current-account-deficit-widens-to-284-idUSJ9N29C00X>
- Savills World Research. (2019, Jan). *Market Trends: Jakarta Retail Evolution*.
- Sohlberg, M., Patel, P. (2019, December 17). Buying Property in Indonesia: The Definitive Guide. Retrieved March 2020, from <https://www.asiapropertyhq.com/buying-property-indonesia/>
- Tan, S. (2020, March 18). Global recession seen as certain in 2020 as Covid-19 ravages Europe, US. Retrieved March 2020, from <https://www.scmp.com/economy/global-economy/article/3075817/coronavirus-global-recession-2020-now-seen-guaranteed>
- Tarmizi, H. (2018, March 5). Commentary: Are we heading toward demographic bonus or disaster? Retrieved March 2020, from <https://www.thejakartapost.com/academia/2018/03/05/commentary-are-we-heading-toward-demographic-bonus-or-disaster.html>
- The Ministry of Agrarian Affairs and Spatial Planning. (2016, September 19). Ministry of Land Regulation No. 29 of 2016 on Procedure for Granting, Releasing, or Transferring Land Rights over Residential Houses to Foreign Nationals. Retrieved March 2020, from <https://www.atrbpn.go.id/Publikasi/Peraturan-Perundangan/Peraturan-Menteri-ATR-Kepala-BPN/peraturan-menteri-agraria-dan-tata-ruang-kepala-badan-pertanahan-nasional-republik-indonesia-nomor-29-tahun-2016-64642>
- Trading Economics. (n.d.). Indonesia Imports. Retrieved March 2020, from <https://tradingeconomics.com/indonesia/imports>

- Trading Economics. (n.d.). Indonesia Inflation Rate. Retrieved March 2020, from <https://tradingeconomics.com/indonesia/inflation-cpi>
- Trading Economics. (n.d.). Indonesia Interest Rate. Retrieved March 2020, from <https://tradingeconomics.com/indonesia/interest-rate>
- Trading Economics. (n.d.). Indonesia Foreign Direct Investment. Retrieved March 2020, from <https://tradingeconomics.com/indonesia/foreign-direct-investment>
- Trading Economics. (n.d.). Indonesia Government Debt to GDP. Retrieved March 2020, from <https://tradingeconomics.com/indonesia/government-debt-to-gdp>
- Trading Economics. (n.d.). Indonesia Foreign Exchange Reserves. Retrieved March 2020, from <https://tradingeconomics.com/indonesia/foreign-exchange-reserves>
- UNCTAD. (2019, October). ASEAN Investment Report 2019 – FDI in Services: Focus on Health Care. Retrieved March 2020, from <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2568>
- Winck, B. (2020, March 13). JPMorgan officially calls for a coronavirus-driven recession to rock the US and Europe by July. Retrieved March 2020, from <https://www.businessinsider.sg/coronavirus-fuel-recession-forecast-us-europe-economic-july-market-jpmorgan-2020-3?r=US&IR=T>
- WITS. (n.d.). Indonesia Trade Summary. Retrieved March 2020, from <https://wits.worldbank.org/CountryProfile/en/Country/IDN/Year/2018/SummaryText>
- World Bank. (2018, July 6). GDP growth rate. Retrieved March 2020, from https://www.google.com/publicdata/expire?ds=d5bncppjof8f9_&met_y=ny_gdp_mktp_kd_zg&idim=country:IDN:MYS:PHL&hl=en&dl=en#!ctype=l&strail=false&bcs=d&nselm=h&met_y=ny_gdp_mktp_kd_zg&scale_y=lin&ind_y=false&rdim=region&idim=country:IDN:MYS:PHL:BRN:KHM:MMR:SGP:VNM:THA&fdim=region&tstart=1109952000000&tend=1488643200000&hl=en_US&dl=en&ind=false
- World Population Review. (2020, February 18). Indonesia Population 2020. Retrieved March 2020, from <http://worldpopulationreview.com/countries/indonesia-population/>
- World Population Review. (2020, February 18). Jakarta Population 2020. Retrieved March 2020, from <http://worldpopulationreview.com/world-cities/jakarta-population/#undefined>
- Worldometer. (n.d.). Indonesia Population. Retrieved March 2020, from <https://www.worldometers.info/world-population/indonesia-population/>
- Worldometer. (n.d.). Coronavirus Cases. Retrieved March 2020, from <https://www.worldometers.info/coronavirus/>