



## Economy

### October's Inflation to Decelerate

Bisnis Indonesia – October 27, 2011

Jakarta – This month's inflation may reach lower level as gold price slumps yet it won't lead to deflation. The data from Bank Mandiri's Head of Economist Destry Damayanti shows that October's inflation would arrive at 0.04%. Gold price slumped 7%, while IDR slipped 1% only. Thus, year-on-year inflation is estimated around 4.6%.

### Government Ensures No Fuel Price Hike in 2012

Bisnis Indonesia – October 26, 2011

Jakarta – Government will dismiss the clause regulating subsidized fuel price adjustment in 2012 state budget merely to prevent any fuel hike. Government and House's Budgeting Committee have agreed next year's subsidized fuel volume at a total of 40 million kilo liter.

### Investment Realization Rises 15% in Q3-2011

Bisnis Indonesia – October 21, 2011

Jakarta – Investment Coordinating Board records investment realization in the third quarter this year reached IDR65.4 trillion, an increase of 15.3% from the earlier year period. Total investment in January-September period was IDR181 trillion, completing 75.4% of this year's target of IDR240 trillion. Foreign investment stayed dominating with IDR46.4 trillion in 3Q/2011, while domestic investment was IDR19 trillion. Investors from Singapore recorded US\$3.22 billion, accounting 22.4% of total foreign investment.

### Number of Poor Indonesians Down

The Jakarta Globe – October 21, 2011

Jakarta – According to the Central Bureau of Statistics data showed that the number of Indonesians living below the poverty line fell from 39 million people, or 17.8 per cent of the population, in 2006, to 30 million, or 12.5 per cent, this year. This drop occurred even as the government raised the official poverty line to 233,740 rupiah (S\$33) per person per month, from 152,847 rupiah five years ago.

### IFC Downgrades Indonesia's Rank in Doing Business

Bisnis Indonesia – October 21, 2011

Jakarta – Indonesia rank in International Finance Corporation's Ease of Doing Business 2012 has been downgraded to 129th from 183 countries surveyed. According to International Finance Corporation (IFC) in the report entitled 'Doing Business 2012: Doing Business in a More Transparent World', the downgrade was because several indicators used as assessment basis were declining.



## General

### **Wika Starts JORR – W2 North Construction**

Indonesia Finance Today – October 24, 2011

Jakarta – PT Wijaya Karya Tbk (WIKA) started the development of the Jakarta Outer Ring Road (JORR) W2 section I, which is the Kebun Jeruk-Ulujami section, on October 21. The contract value of the project is Rp178 billion (US\$ 20.11 million). The JORR W2 North toll road will be constructed in four sections. Construction work for the toll road will take 18 months targeted for completion in the second quarter of 2013.

### **Inner Ring Roads in Jakarta Lack Investors' Interest**

Bisnis Indonesia – October 20, 2011

Jakarta – The prequalification of six inner-city ring road projects in Jakarta worth IDR40.02 trillion attracted less investor. Of 30 companies that participated in the prequalification, only two consortiums returned the prequalification documents. Thus, the bid has to be rescheduled. Both consortiums are PT Nusantara Infrastructure and a consortium of locally owned enterprise (BUMD) PT Jakarta Tollroad Development.

### **UAE Companies to Invest \$10 Billion in Indonesia Next Year**

The Jakarta Globe – October 19, 2011

Jakarta – The United Arab Emirates plans to invest up to \$10 billion in various mining and infrastructure projects here next year. For instance, Abu Dhabi Investment Authority expressed interest in an alumina smelter plant in West Kalimantan. The total investment for the smelter project is estimated at \$4.5 billion.

### **Indonesian Wealth Rises 30.43%, Beats Global Growth; CS Reports**

Bisnis Indonesia – October 19, 2011

Jakarta – Indonesian wealth increased by 30.43% or US\$420 billion to US\$1.8 trillion in the first half of this year, two-fold bigger than global wealth growth; Credit Suisse AG reports. The global wealth rose by 14% to US\$231 trillion driven by strong contribution from emerging economies, including Indonesia as one of the top 20 contributors. Since 2010, Asia Pacific has been contributing 54% of global wealth.

### **Toshiba Plans \$39 Million Factory in East Jakarta**

The Jakarta Globe – October 18, 2011

Jakarta – Toshiba Home Appliances, a local subsidiary of Toshiba of Japan, is planning to build a 3 billion yen (\$39 million) washing machine factory in Jakarta this year. It will start construction on the 18,000-square-meter plant next month adjacent to the site of its LCD TV production facility in East Jakarta Industrial Park, with the project completion done by the middle of next year. Production will begin by the end of 2012.



## Property

### **Complete Business Line, Surya Semesta Prospects Positive**

Indonesia Finance Today – October 31, 2011

Jakarta – PT Surya Semesta Internusa Tbk (SSIA) has quadrupled its net profit to Rp183.1 billion in the third quarter of 2011. This is because the company has a complete business line – from construction services to property business, which includes industrial land sales, property lease, and hotel business.

### **MAPI to Acquire 5 New Brands in 2012**

Kontan – October 31, 2011

Jakarta – PT Mitra Adiperkasa Tbk (MAPI) plans to acquire additional five new brands in 2012 with a capital expenditure of approximately Rp550 billion. The majority of them will be in fashion brands. Until September 2011, MAPI has done acquisition of seven new brands such as Payless ShoeSource, Stradivarius, Bershka, HE Mango, Pancora, Max&Co, BCBG Maxzria.

### **Lippo Karawaci Starts Selling Premium Office space in West Jakarta**

The Jakarta Post – October 27, 2011

Jakarta – PT Lippo Karawaci Tbk has started selling its premium office space at its Lippo Office Tower in West Jakarta. The grade A office tower (strata-title) tower is part of the St. Moritz Penthouses & Residences project. The project will be the first office tower to be built together or just below the JW Marriot Hotel West Jakarta St. Moritz.

### **Summarecon Inaugurates its Modern Concept Mall Extension in Serpong**

Kontan – October 27, 2011

Jakarta – The extension of Summarecon Serpong Mall (SMS2) was opened on October 17<sup>th</sup> in South Tangerang. The 60,000 sq-m extension mall is part of the Summarecon Serpong mall stage 1 bringing the total area up to 110,000 sq-m. The occupancy on the extension mall has reached 87% with 180 retail brands renting out at the SMS2 including Centro Dept. Store, Timezone and Eat & Eat.

### **Wahanaartha Group Expands into Hotel Business**

Kontan – October 26, 2011

Jakarta – Wahanaartha Group plans to expand its venture to hotel business outside of its core business of primary distributor of Honda Motorcycle. It joins hand with PT Grahawita Santika, the operator Amaris hotel and Santika hotel networks. It plans to build 10 new 3-star rated budget hotels until year 2015 with an investment cost of Rp25 billion to Rp50 billion per hotel unit on a land area from 2,200 sq-m to 3,000 sq-m.



## **Alam Sutera Revises Sales Target to Rp2.5 Trillion**

Indonesia Finance Today – October 25, 2011

Jakarta – PT Alam Sutera Realty Tbk (ASRI) revised the sales target for this year to Rp2.5 trillion (US\$ 282.5 million). This is the second adjustment after the sales target was raised from Rp1.7 trillion to Rp2.2 trillion, then pre-sales totaling Rp2.32 trillion in September 2011. With the achievement at the end of September 2011, the company projects sales for this year to reach Rp2.5 trillion.

## **Ciputra, Starwood to Open 5-Star Hotel in Jakarta by 2015**

The Jakarta Globe – October 25, 2011

Jakarta – Ciputra Property, through its subsidiary Sarananeka Indahpancar, signed a contract with New York-based international hotel chain Starwood Hotels and Resorts Worldwide to manage a five-star hotel that will operate in 2015. Starwood will manage a 300 guest-room hotel called W Jakarta through its hotel chain brand, W Hotels Worldwide, for 25 years. Ciputra will spend Rp1 trillion (\$113 million) on the hotel with the construction starting in 2013 and for completion in 2015.

## **Metland's Condotel Sales in Bali Reach Rp90 Billion**

Indonesia Finance Today – October 21, 2011

Jakarta – PT Metropolitan Land Tbk (MTLA) or Metland generated pre-sales of around Rp90 billion (US\$10.17 million) from the condominium hotel (condotel) project in Seminyak, Bali. The project is targeted for completion by late next year. Of the total of 152 units being marketed, 108 units are already sold while 30 units will be leased. The Rp88 billion condotel will be managed under the Horison network.

## **Metropolitan Kentjana Builds Office Building in Pondok Indah**

Indonesia Finance Today – October 21, 2011

Jakarta – PT Metropolitan Kentjana Tbk (MKPI) has conducted a topping off of Wisma Pondok Indah 3, an office building for lease, targeted to operate in May 2012. This project is an investment of Rp350 billion (US\$39.55 million) to Rp400 billion (US\$45.2 million). Handover is scheduled to be conducted starting in February 2012. The office building consists of 21 floors with total area of 36,000 sq-m.

## **Rahmat Gobel and Hary Tanoë Joins Hand to Build Lombok Tourism**

DetikFinance.com – October 21, 2011

Jakarta – Several national businessmen including Rahmat Gobel and Hary Tanoesoedibjo who are doing joint venture to build a Mandalika Lombok project with an investment cost up to Rp27 Trillion. Besides the state-owned corporations, there are three private corporations that have been granted for land development permits including PT Gobel International, PT Global Land Development owned by Hary Tanoesoedibjo, PT Canvas Development sdn. bhd owned by Rajawali Group with each granted to develop about 350 hectares, 400 hectares and 100 hectares, respectively.



## **Intiland Launches 6 New Projects in Surabaya**

Vivanews.com – October 21, 2011

Jakarta – PT Intiland Development Tbk plans to develop its new projects in the Surabaya area in line with its strategic corporate action to strengthen its business growth. Majority of the six new projects are already in the construction stage to include Spazio, Graha Natura, Sumatra 36 Apartment, Ngoro Industrial Park 2, National Hospital and Brantas mixed-use project.

## **Agung Podomoro to Buy Rp150 Billion Stake in Tiara**

The Jakarta Globe – October 19, 2011

Jakarta – Agung Podomoro signed a sale and purchase agreement to buy 99.9 percent of Tiara Metropolitan Indah for Rp150 billion (\$17 million). Trihatma Haliman, president director of Agung Podomoro, said that demand for property development in big cities like Jakarta would continue to increase in the coming years.

## **Max One Targets Developing Five Hotels Yearly**

Indonesia Finance Today – October 19, 2011

Jakarta – The Hotel management company, Milestone Pacific Hotel Group (MPHG), plans to expand its Hotel Max One business network to several areas in Java and Bali next year. The company targets the development of a minimum of five hotels in Indonesia each year, with investment per hotel of around Rp40 billion (US\$ 4.52 million). Four hotels will be constructed in Jakarta, Malang and Bali next year. The company will also build a condotel which will be managed by Max One network.

## **BSD City Launches New Cluster in de Park Area**

Indonesia Finance Today – October 19, 2011

Jakarta – PT Bumi Serpong Damai Tbk (BSDE) launched a new luxury residential cluster in the de Park area of BSD City with a total of 90 units. It offers houses with the "Airy House" concept or a tropical architectural style with a layout that uses cross-ventilation. House prices start at Rp4.5 billion (US\$ 508,500) with the hand-over of houses targeted for April 2013.

## **Aston International Opens a New Hotel in Bintan**

Okezone.com – October 18, 2011

Jakarta – Aston International just announced a new opening of its 4-star rated Aston Tanjung Pinang Hotel & Conference Center. The new hotel is located on Adisucipto Street, not far from the Bintan Airport and government offices. It offers 162 rooms equipped with meeting facilities, swimming pools, gyms, restaurants and conference rooms.

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**Knight Frank**

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## About Knight Frank in Indonesia

Knight Frank has strengthened its Indonesian presence with collaboration with PT. Willson Properti Advisindo, Indonesia. A strong track record of impressive local and regional MCN clients has already been built since its establishment. Knight Frank in Indonesia is part of Knight Frank Newmark, an integrated global property advisory firm, which has a powerful network of over 243 offices in more than 43 countries across six continents in established and emerging property markets.

Our clients have access to the most up-to-date intelligence on local, national and regional residential and commercial property markets worldwide. This information coupled with the experience and expertise of Knight Frank's professionals, enable us to help our clients achieve their property aims.

We assist the creators, owners and users of property to enhance the value of their residential and commercial spaces as investments, and as effective and attractive places in which to live, work and play.

## OUR SERVICE RANGE



### Consultancy & Research

Market and feasibility studies, highest and best use studies, site research, township service charge/maintenance cost studies, market repositioning analysis, strategic portfolio review, investment strategy and due diligence, value enhancement strategy.



### Valuation Advisory

Valuation of all property types throughout Indonesia for mortgage, financial reporting, acquisition & disposal, insurance and loan workout. Valuation is an important element in IPO and REIT listing, mergers & acquisitions, corporate restructuring & Investment decision.



### Investment Sales

Assist in the acquisition and disposal of all types of investment grade real estate, which include entire residential, office, retail and industrial properties or part thereof, hotels, golf courses, luxury bungalows as well as development land. Provide advice on acquisition and divestment strategies to help optimize returns and values.



### Residential Project Sales and Leasing

Project consultancy, marketing and sales of new local and overseas residential developments. Our experienced marketing team will tap on innovative ideas, good understanding of the local market & property trends, and capitalize on its strong networking to ensure successful project launches.



### Commercial Sales and Leasing

Advisory and tenant representation services for offices investors and occupiers. Corporate consultancy and advisory services on an organisation's occupation needs. Creation and implementation of marketing strategies for new commercial projects.



### Property Management and Building Engineering Services

Asset and Property Management Services (Asset Management, Facility/ Property Management & Consultancy, Marketing Communication, Technical Building Due Diligence), Engineering Support Services (M&E Design Review, M&E Audit, M&E Maintenance Management, Energy Audit, Energy Management, Testing & Commissioning).

