

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
43.0% Vacancy Rate	▲	▼
-1,666 Net Absorption, units	▲	▲
1,136,415 ADR IDR / Night	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
4.7% Indonesia GDP Growth	▼	▼
1.87% Indonesia Inflation Rate	▼	▲
5.25% Indonesia Central Bank Rate	▼	▼

Source: Central Bank and Census Bureau

SUPPLY: A TOTAL OF 159 NEW HOTEL ROOMS OPERATED IN H1 2025

Two new hotels commenced operation in the first semester of 2025. d'primahotel PIK Jakarta (Midscale) at Jl Pantai Indah Utara 2 and ARTOTEL Hub Simpang Temu (Upper Midscale) at Jl. Juanda Jakarta in January and May 2025.

The cumulative total supply of midscale to luxury hotel rooms until the end of semester 1 of 2025 was recorded at 44,016 rooms with the following room supply distribution: 3-star of 27.2%, 4-star of 41.6%, 5-star of 20.1%, and Luxury of 11.1% respectively.

DEMAND: ROOM ABSORPTION DURING 1H2025 DECREASED 4.0% YOY

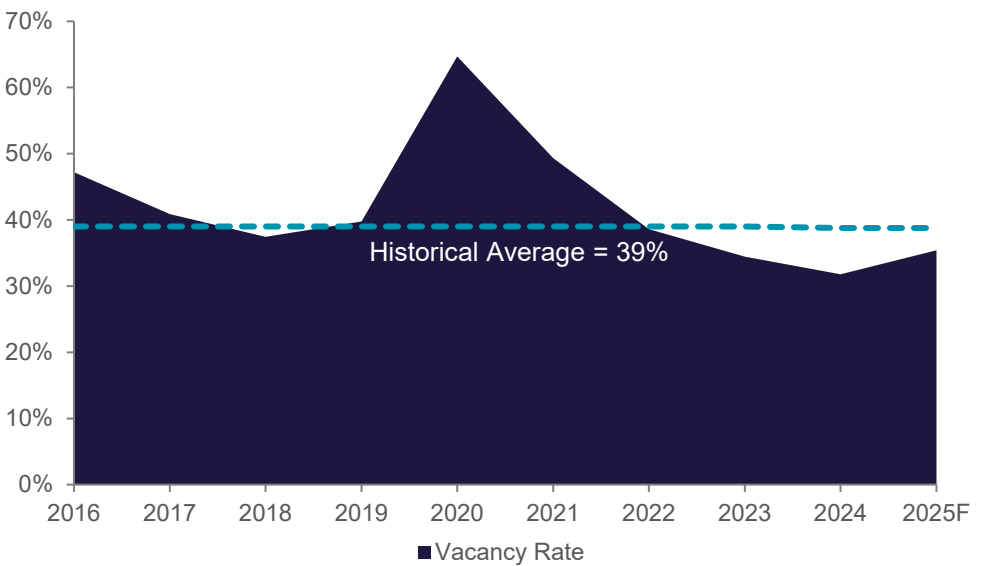
Government budget efficiency measures, particularly those focused on restricting business travel and official events, have negatively impacted demand for rooms and meeting space, particularly in the market with heavy reliance on government-related activities, such as Jakarta.

In addition, many long weekends such as in January (Isra Miraj, Chinese New Year), March (Nyepi and Eid al-Fitr), April (Easter), May (Waisak and Ascension Day) and June (Eid al-Adha and Islamic New Year) resulted in many Jakarta residents traveling outside Jakarta which caused further reduction of meeting activities at hotels on weekdays of those weeks.

OVERALL NET ABSORPTION & ADR



OVERALL VACANCY



KEY PROJECTS UNDER CONSTRUCTION 2025

PROPERTY	LOCATION	SEGMENTATION	ROOMS	COMPLETION
Mercure Daan Mogot	Daan Mogot	Upper Midscale	190	2025
ParkRoyal Jakarta	Thamrin	Upscale	162	2025
Marriott Gelora Jakarta	Palmerah	Luxury	300	2026
MaxOne Hotel Wahid Hasyim	Wahid Hasyim	Midscale	110	2026
Fairfield By Marriot Jakarta S. Parman	Slipi	Upper Midscale	250	2027
Andaz Jakarta	Thamrin	Upscale	198	2028

YTD June 2025 occupancy rates reached 57.0%, reflecting a 4.0% decline in total room absorption compared to YTD June 2024. The occupancy level by hotel category were recorded at: 3-star (midscale) hotels at 56.0%, 4-star (upper midscale) hotels at 58.4%, 5-star (upscale & upper upscale) hotels at 59.0%, and luxury hotels at 54.7% respectively.

The biggest decline in occupancy rates occurred in 4-star hotels, where most 4-star hotels with many MICE facilities are highly dependent on meeting activities from government institutions and state-owned enterprises. The smallest decline was in the luxury segment, which mostly targets upper segment individual, business travelers, corporate and social private events.

ADR: ADR TREND WAS RELATIVELY STABLE DURING 1ST HALF 2025

Although the decline in demand for rooms and meeting space will put pressure on occupancy rates and average daily rates (ADR), ADR of each segment still shows growth: The YTD June 2025 average room rates (ADR/night) were respectively recorded at: 3 stars - Rp. 490,800 (1.1% YoY); 4 Star - Rp. 856,980 (4.5% YoY); 5 Star - Rp. 1,864,400 (4.5% YoY); and Luxury - Rp. 2,448,420 (5.8% YoY).

OUTLOOK: MARKET WILL IMPROVE GRADUALLY IN 2025

Jakarta’s hotel market is expected to improve gradually, despite challenges such as government budget efficiency policies and the global trade war.

In response to the government budget efficiency, hotel operators in Jakarta are focusing on market diversification, product and service innovation. Hotels that previously focused on guests from government institutions and state-owned enterprises are now enhancing their services and products to attract guests from private companies, professional associations, communities, and political parties.

The Jakarta Provincial Government will provide tax incentives to hotel operators in the capital city in the form of a 50% discount for the first two months, followed by a 20% discount thereafter. This is part of the government’s fiscal incentives to encourage the recovery of the hotel sector and tax compliance. The impact of such initiatives are expected to gradually improve the overall market performance.

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