

RESIDENTIAL PROPERTY PRICE SURVEY FOR PRIMARY HOUSE



Quarter I-2024

Residential Property Prices Continue to Rise

Price Index

The latest Residential Property Price Survey conducted by Bank Indonesia in the first quarter of 2024 confirms that the upward residential property price trend is continuing, as reflected by higher 1.89% (yoy) growth of the Residential Property Price Index (RPPI) in the reporting period from 1.74% (yoy) in the fourth quarter of 2023.

Sales

Residential property sales recorded impressive 31.16% (yoy) growth in the reporting period, up significantly from 3.37% (yoy) in the previous quarter, driven by broad-based gains across all residential property types.

Financing

Based on the sources of finance, the latest Residential Property Price Survey also shows that most developers continued relying on non-bank financing in the form of internal funds for residential property development, dominating 72.93% of total capital in the first quarter of 2024. On the consumer side, housing loans disbursed by the banking industry remain the preferred source of financing residential property purchases, accounting for 76.25% of total financing in the reporting period.

Residential Property Prices in the First Quarter of 2024

The Residential Property Price Index (RPPI) increased in the first quarter of 2024.

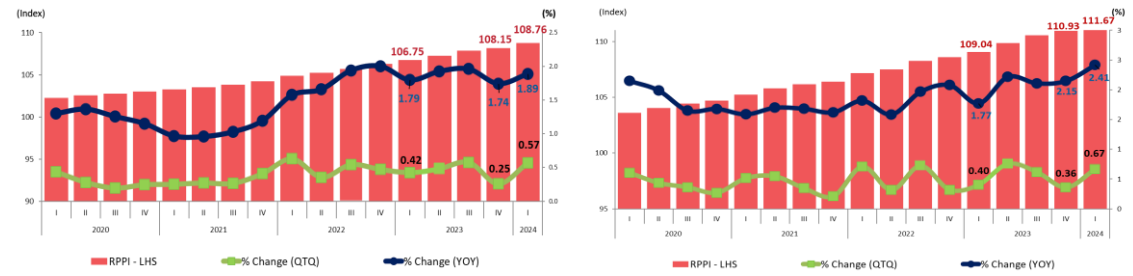
The latest Residential Property Price Survey conducted by Bank Indonesia in the first quarter of 2024 indicates that the upward trend of residential property prices in the primary market persisted in the reporting period, as reflected by an uptick in annual growth of the Residential Property Price Index (RPPI) to 1.89% (yoy) from 1.74% (yoy) in the fourth quarter of 2023 (Graph 1). Respondents confirmed the main RPPI driver in the reporting period was growth in the prices of small residential properties, which increased 2.41% (yoy) after growing 2.15% (yoy) in the fourth quarter of 2023 (Graph 2). Meanwhile, the prices of medium and large residences also continued climbing in the first quarter of 2024, growing 1.60% (yoy) and 1.53% (yoy) respectively, despite moderating from 1.87% (yoy) and 1.58% (yoy) in the previous period (Graph 4).

Regionally, of the 18 surveyed cities, respondents in nine reported a higher RPPI index in the first quarter of 2024, with moderation confirmed in eight other cities and a decline in just one of the cities. The largest increases in residential property prices in the first quarter of 2024 were primarily reported by respondents in Samarinda (2.45% yoy), Pontianak (4.68% yoy), and Denpasar (1.48% yoy), with moderation dominant in Bandar Lampung (0.10% yoy), Surabaya (0.34% yoy), and Balikpapan (0.48% yoy), as well as a contraction in Pekanbaru (-0.13% yoy) (Graph 5).

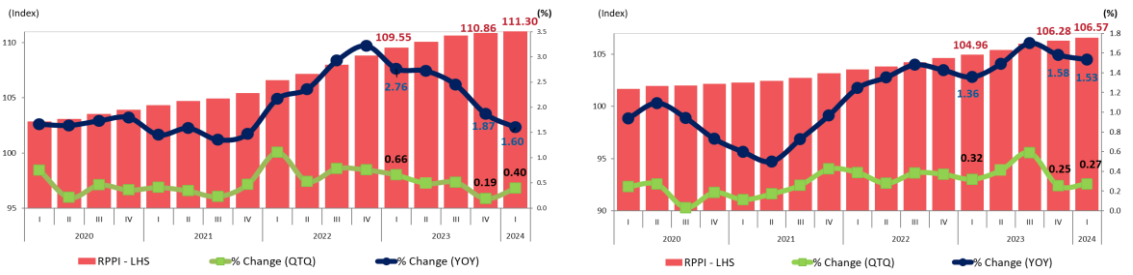
On a quarterly basis, growth of residential property prices in the primary market accelerated to 0.57% (qtq) in the first quarter of 2024, up from 0.25% (qtq) in the previous period (Graph 1).

Faster quarterly growth of residential property prices was driven by all residential property types, led by small houses. The prices of small, medium, and large residences grew 0.67% (qtq), 0.40% (qtq) and 0.27% (qtq) respectively in the first quarter of 2024, increasing from 0.36% (qtq), 0.19% (qtq) and 0.25% (qtq) in the fourth quarter of 2023 (Graphs 2, 3 and 4). Regionally, quarterly gains in the RPPI index were predominantly reported by respondents in Samarinda (2.18% qtq), Denpasar (1.07% qtq) and Surabaya (0.25% qtq) (Table 3).

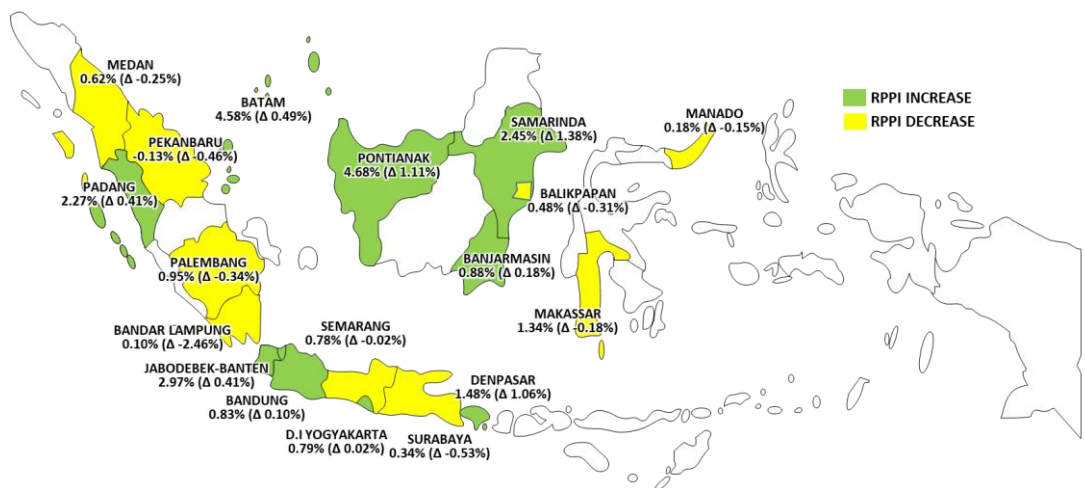
Graph 1 Residential Property Price Index (RPPI) **Graph 2** Residential Property Price Index (RPPI) of Small House



Graph 3 Residential Property Price Index (RPPI) of Medium House **Graph 4** Residential Property Price Index (RPPI) of Large Houses

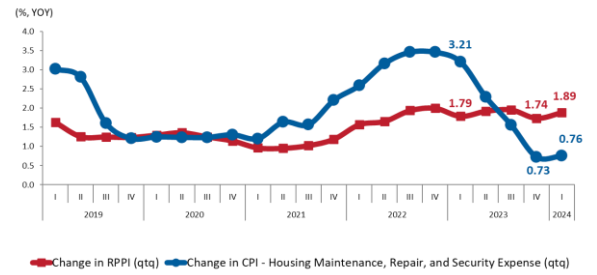


Graph 5 Annual Residential Property Prices Increase in First Quarter 2024 by Region (% yoy)



According to the survey respondents, rising residential property prices in the first quarter of 2024 were influenced by higher prices of building materials, as reflected in a build-up of inflationary pressures on the maintenance, repair and security cost component of the Consumer Price Index (CPI) in March 2024 to 1.89% (yoy) from 1.74% (yoy) in the fourth quarter of 2023 (Graph 6). In addition, residential property prices also increased on the back of higher demand, as indicated by a sharp increase in residential property sales in the reporting period).

Graph 6 RPPI and the Housing Maintenance, Repair, and Security Expenses Component of CPI (% , yoy)



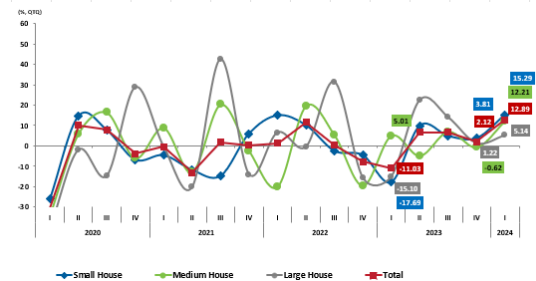
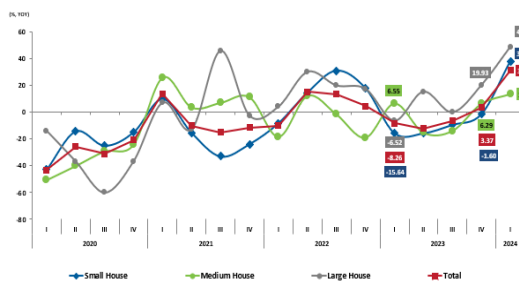
Residential Property Sales in the First Quarter of 2024

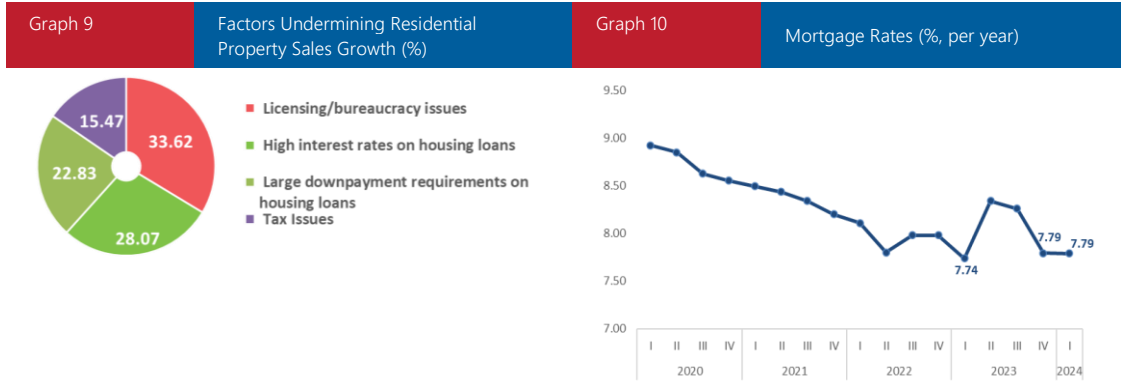
Residential property sales in the primary market experienced a significant increase in the first quarter of 2024.

Residential property sales in the primary market experienced a significant annual increase in the first quarter of 2024. Residential property sales in the first quarter of 2024 increased significantly by 31.16% (yoy), up from 3.37% (yoy) in the previous period, with broad-based gains reported across all residential property types. Sales of small, medium, and large houses grew 37.84% (yoy), 13.57% (yoy) and 48.51% (yoy) respectively in the reporting period (Graph 7). Based on information from the respondents, the main driver of increasing sales in the reporting period was the opening of new projects that successfully piqued consumer interest. Notwithstanding, the respondents also cited several factors constraining residential property sales in the primary market as follows: (i) higher prices of building materials (37.55%), (ii) licensing issues (23.70%), (iii) lending rates on housing loans (21.43%), and (iv) large down payment requirements on housing loan applications (17.31%) (Graph 9).

Higher annual residential property sales in the primary market were supported by solid quarterly sales performance in the reporting period, with growth accelerating to 12.89% (qtq) from 2.12% (qtq) in the fourth quarter of 2023. The quarterly gains were supported by broad-based growth across all residential property types, including small (15.29% qtq), medium (12.21% qtq), and large (5.14% qtq) houses (Graph 8).

Graph 7 Property Sales Growth (% , yoy) **Graph 8** Property Sales Quarterly Growth (% , qtq)



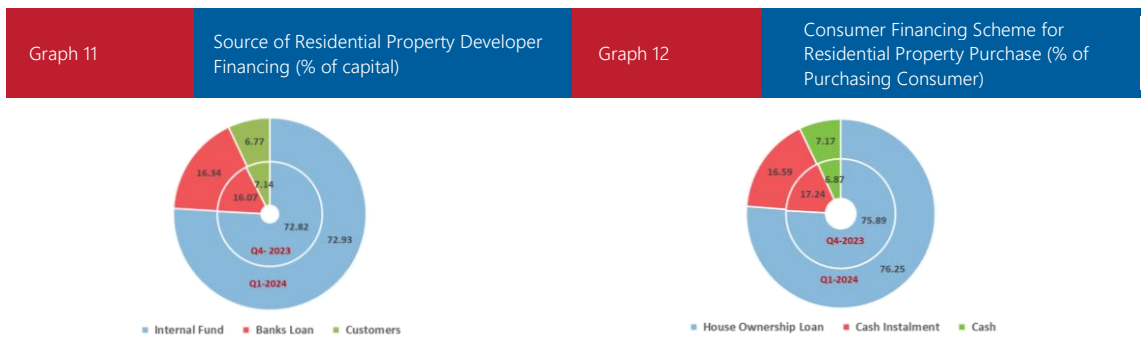


Residential Property Financing

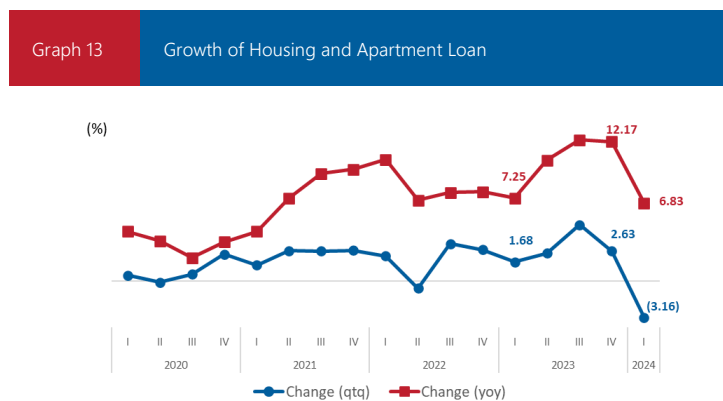
Property developers continued to rely on internal funds, while most consumers favoured housing loans.

In the first quarter of 2024, property developers continued to rely on internal funds as the primary source of residential property development, accounting for 72.93% of total capital, followed by bank loans (16.34%) and consumer payments (6.77%) (Graph 11).

On the consumer side, housing loans remains the preferred form of financing for residential property purchases, dominating 76.25% of the total, followed by cash instalments (16.59%) and cash (7.17%) (Graph 12). Such conditions made housing loans the preferred form of financing for residential property purchases in the primary market (76.25%).



Annually, the total value of housing and apartment loans disbursed by the banking industry increased 6.83% (yoy) in the first quarter of 2024, moderating from 12.17% (yoy) in the previous period. Moderating annual growth of housing and apartment loans in the first quarter of 2024 was attributable to declining loan disbursements over the past three months (-3.16% qttq) (Graph 13).



Source: Source: Monthly Report of Commercial

APPENDIX

Table 1 National Residential Property Price Index First Quarter 2024 (2018=100)

(Base year 2018 = 100)																									
TYPE	2018				2019				RPPH 2020				2021				2022				2023				2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	T
SMALL	98.81	99.89	100.51	100.79	101.41	102.01	102.72	102.97	103.59	104.04	104.42	104.70	105.23	105.81	106.17	106.39	107.14	107.48	108.26	108.60	109.04	109.86	110.54	110.93	111.67
MEDIUM	99.12	99.96	100.33	100.59	101.17	101.41	101.78	102.08	102.85	103.07	103.54	103.91	104.34	104.70	104.94	105.44	106.60	107.17	108.01	108.83	109.55	110.08	110.65	110.86	111.30
LARGE	99.53	99.87	100.09	100.51	100.73	100.85	101.03	101.43	101.68	101.95	101.98	102.17	102.28	102.46	102.72	103.15	103.55	103.84	104.24	104.62	104.96	105.39	106.01	106.28	106.57
TOTAL	99.32	99.90	100.21	100.57	100.94	101.16	101.46	101.82	102.26	102.54	102.74	102.99	103.24	103.52	103.79	104.21	104.87	105.23	105.80	106.30	106.75	107.26	107.87	108.15	108.76

Table 2

Residential Property Price Index by Region First Quarter 2024 (2018=100)

(Base year 2018 = 100)

No.	CITY	TYPE	RPPI								
			2022				2023				2024
			QI	QII	QIII	QIV	QI	QII	QIII	QIV	I
1	BANDUNG	SMALL	108.66	108.96	110.82	111.21	112.29	112.29	113.42	113.46	114.56
		MEDIUM	107.36	108.47	108.70	109.36	109.52	109.78	110.02	110.04	110.28
		LARGE	104.36	104.36	104.98	105.12	105.12	105.12	105.36	105.40	105.58
		TOTAL	106.16	106.57	107.30	107.65	107.91	107.99	108.40	108.43	108.81
2	BANDAR LAMPUNG	SMALL	100.41	102.68	101.87	101.87	102.23	102.23	102.23	102.78	102.94
		MEDIUM	100.80	101.37	102.91	102.91	105.39	105.45	105.45	105.45	105.45
		LARGE	101.07	101.07	102.44	102.44	105.44	105.44	105.44	105.44	105.44
		TOTAL	100.95	101.37	102.52	102.52	105.06	105.08	105.08	105.15	105.17
3	BANJARMASIN	SMALL	112.66	113.52	113.92	114.02	114.02	114.04	114.35	115.63	116.59
		MEDIUM	101.82	101.84	101.91	101.91	102.18	102.18	102.23	102.26	102.28
		LARGE	99.52	99.52	99.52	99.52	99.52	99.52	99.52	99.53	99.53
		TOTAL	105.40	105.71	105.88	105.92	106.06	106.06	106.20	106.66	106.99
4	DENPASAR	SMALL	101.93	101.85	102.17	102.26	102.30	102.59	103.18	103.18	104.10
		MEDIUM	102.27	102.32	102.76	102.81	102.84	102.85	103.01	103.01	105.02
		LARGE	102.60	102.05	102.03	102.03	102.03	102.03	102.37	102.37	103.13
		TOTAL	102.37	102.08	102.24	102.28	102.29	102.36	102.71	102.71	103.81
5	PALEMBANG	SMALL	105.52	105.52	106.27	106.33	106.33	106.33	106.33	107.38	107.80
		MEDIUM	103.30	104.18	104.64	105.03	105.16	105.30	105.44	106.14	106.15
		LARGE	103.15	103.91	104.30	104.85	106.54	106.96	106.96	107.08	107.14
		TOTAL	103.77	104.43	104.94	105.29	105.77	105.94	106.01	106.65	106.77
6	SEMARANG	SMALL	105.19	105.54	105.66	105.80	106.08	106.36	106.19	106.37	106.50
		MEDIUM	102.90	103.09	103.66	103.68	103.72	103.76	104.77	104.82	104.95
		LARGE	101.93	102.07	102.25	102.56	102.75	102.95	102.90	103.30	103.47
		TOTAL	102.77	102.95	103.23	103.43	103.60	103.76	103.99	104.25	104.40
7	YOGYAKARTA	SMALL	108.13	107.76	111.65	110.39	110.33	110.51	110.59	111.59	115.78
		MEDIUM	108.94	108.84	110.80	111.33	111.98	111.83	111.64	111.64	111.69
		LARGE	107.04	108.67	110.02	111.04	111.65	111.80	112.21	112.22	112.07
		TOTAL	107.93	108.62	110.57	111.08	111.61	111.65	111.78	111.93	112.49
8	PADANG	SMALL	107.51	107.53	107.74	107.99	108.00	108.52	109.41	111.29	112.84
		MEDIUM	105.22	105.36	106.26	106.43	106.43	106.43	109.40	109.40	109.61
		LARGE	101.40	101.01	101.12	101.12	101.32	101.11	101.05	100.75	100.75
		TOTAL	104.63	104.56	105.02	105.15	105.22	105.29	106.69	107.10	107.61
9	MEDAN	SMALL	128.55	128.55	130.27	132.70	132.70	132.70	132.70	132.70	132.70
		MEDIUM	109.95	111.32	111.71	111.71	111.71	112.25	113.49	113.49	113.49
		LARGE	108.22	108.69	109.96	110.09	110.55	110.59	110.85	110.89	110.92
		TOTAL	111.08	111.73	112.83	113.17	113.46	113.63	114.12	114.14	114.16
10	MAKASSAR	SMALL	106.37	106.45	107.03	107.15	107.62	107.82	108.01	108.20	108.68
		MEDIUM	106.75	107.04	107.91	108.04	108.59	109.01	109.43	109.96	110.20
		LARGE	105.37	105.94	106.39	106.85	107.18	107.72	108.26	108.53	108.71
		TOTAL	106.27	106.59	107.26	107.49	107.95	108.35	108.75	109.12	109.41
11	MANADO	SMALL	118.43	118.43	122.06	122.18	122.18	122.30	122.30	124.32	124.32
		MEDIUM	109.78	109.79	108.97	109.26	109.77	109.79	109.79	109.95	109.97
		LARGE	111.86	112.90	112.88	112.32	112.02	111.67	111.67	111.71	111.58
		TOTAL	111.89	112.31	112.43	112.36	112.48	112.36	112.36	112.72	112.68
12	SURABAYA	SMALL	106.78	107.45	108.24	108.90	108.85	109.41	109.48	109.72	109.78
		MEDIUM	106.40	106.95	107.58	107.98	108.81	109.24	109.62	109.56	109.91
		LARGE	105.53	105.67	105.98	106.02	106.94	106.51	106.99	106.79	107.06
		TOTAL	105.80	106.05	106.46	106.61	107.45	107.25	107.68	107.54	107.82
13	PONTIANAK	SMALL	109.33	111.63	111.96	112.02	112.08	112.29	113.47	114.33	115.14
		MEDIUM	106.76	107.78	108.18	108.02	107.86	108.33	109.30	112.97	112.49
		LARGE	105.52	106.11	106.37	107.54	108.72	107.54	112.99	111.95	115.34
		TOTAL	107.22	108.51	108.84	109.24	109.64	109.43	112.10	113.14	114.50
14	BATAM	SMALL	101.44	101.74	102.66	103.48	103.45	114.36	114.77	115.52	117.77
		MEDIUM	103.97	102.85	101.75	102.48	102.88	105.97	106.33	107.24	108.05
		LARGE	96.51	101.37	101.37	101.37	102.12	101.67	101.83	101.83	102.52
		TOTAL	100.13	102.06	101.84	102.26	102.74	105.70	105.98	106.44	107.45
15	BALIKPAPAN	SMALL	106.01	105.83	105.83	106.86	109.60	109.59	110.50	111.53	111.99
		MEDIUM	103.55	103.95	103.95	105.23	105.30	105.06	104.68	104.36	104.79
		LARGE	97.30	97.44	97.18	98.62	98.62	98.75	99.15	99.29	99.36
		TOTAL	102.30	102.50	102.42	103.69	104.34	104.26	104.40	104.51	104.84
16	JABODEBEK-BANTEN	SMALL	106.55	106.90	107.55	107.82	108.24	109.09	109.95	110.36	111.04
		MEDIUM	107.19	107.79	108.86	110.06	110.96	111.70	112.44	112.70	113.25
		LARGE	102.88	103.15	103.48	104.01	104.14	104.93	105.72	106.17	106.49
		TOTAL	104.41	104.77	105.32	105.98	106.33	107.12	107.90	108.70	109.50
17	PEKANBARU	SMALL	111.26	111.26	111.26	111.26	112.09	112.09	112.92	112.92	112.92
		MEDIUM	108.48	109.04	111.84	112.17	113.46	112.06	112.83	112.98	112.98
		LARGE	107.32	108.53	113.10	113.57	111.99	111.99	112.29	112.31	112.31
		TOTAL	108.45	109.13	112.13	112.46	112.98	112.07	112.73	112.83	112.83
18	SAMARINDA	SMALL	102.54	102.88	104.09	104.09	105.89	106.34	106.34	106.66	111.74
		MEDIUM	101.13	101.44	102.13	102.13	103.39	103.39	103.39	103.68	104.87
		LARGE	108.98	108.43	107.92	107.92	107.92	107.92	107.92	107.92	109.43
		TOTAL	105.04	104.98	105.27	105.27	106.11	106.22	106.22	106.39	108.71
COMPOSITE OF 18 CITIES	SMALL	107.14	107.48	108.26	108.60	109.04	109.86	110.54	110.93	111.67	
	MEDIUM	106.60	107.17	108.01	108.83	109.55	110.08	110.65	110.86	111.30	
	LARGE	103.55	103.84	104.24	104.62	104.96	105.39	106.01	106.28	106.57	
	TOTAL	104.87	105.23	105.80	106.30	106.75	107.26	107.87	108.15	108.76	

METHODOLOGY

The Residential Property Price Survey is conducted on a quarterly basis with a sample of major developers in 16 cities, namely Jabodebek and Banten, Bandung, Surabaya, Semarang, Yogyakarta, Manado, Makassar, Denpasar, Pontianak, Banjarmasin, Bandar Lampung, Palembang, Padang, Medan, Batam, and Balikpapan. In the first quarter 2018 survey, there were an additional 2 cities namely Pekanbaru and Samarinda, bringing the total cities surveyed to 18 cities. Data collection is conducted face to face covering residential sale price, residential unit built and sold in the corresponding quarter, as well as expected residential sale price in the following quarter. Since the first quarter of 2018, the method of calculating residential property sales was changed from accumulated sales to sales during the quarter under survey. Furthermore, the base year was changed from 2002 = 100 to 2018 = 100 in quarter III-2022. In addition, there is an adjustment to the weight calculation method where the weight calculation is based on the value of the mortgage collateral at the bank.