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FARPOINT Property Outlook 2017: A Challenging Year for the Property Sector in Indonesia

Views on the Potential of the Property Industry in Connection with Indonesia's Challenging Investment Climate As Assessed by Industry and Economy Practitioners

Jakarta, March 15, 2017 - The property sector in Indonesia is projected to move towards a positive direction and has become the most attractive investment sector for investors. Although in recent years the sector has seen many challenges, it is believed that 2017 will be the right time to invest. FARPOINT, a real estate developer a subsidiary of Gunung Sewu Group, sees substantial growth in the property market, particularly with apartments in the CBD area of Jakarta. This view is presented in "Property Outlook 2017: The Confidence in Residential" organized by FARPOINT at VERDE Apartment Club Lounge which presented keynote speakers; Jusup Halimi, Chief Executive Officer of FARPOINT and Agung Prabowo, Head of Investment Banking, UBS Investment Bank Indonesia.

A Challenging year for The Property Sector and FARPOINT's Optimism

The property sector will see significant improvements in 2017 than last year. This belief is supported by the number of FARPOINT owned units purchased in the first two months of this year. The year 2017 will be a good time to start investing in the property sector as the property prices will continue to increase over time due to the construction costs that is also rapidly increasing.

VERDE, a condominium owned by FARPOINT, was well received by the market. This is shown by more than 90% level of occupancy in which 50/50 of the purchase objective of VERDE was as investment or owner occupied. The success experienced by VERDE encouraged FARPOINT to develop VERDE Two, which is currently under construction at full speed.

"With the "Think Beyond" philosophy, FARPOINT is committed to present and manage establishments with high quality and design standards. "We are currently focusing on building premium residential, office, and mixed-used buildings. Despite of the current economic challenges, we are still confident that we can provide high quality property that is more than just a building or space; instead, we are here to build a property according to the market need, which is high quality and valuable," explained Jusup Halimi, Chief Executive Officer of FARPOINT.

Jusup added, *“The various projects that are currently underway, such as VERDE Two and Sequis Tower, are expected to be the manifestation of FARPOINT and Gunung Sewu Group’s optimism about the growth of the property sector in Indonesia. We believe that the need for an international standard property projects is also one of the interesting factor and is also a sign of growth of international business in Indonesia. We want to be part of that growth, and we believe that the positive impact will not only bring the property sector into a more positive direction, but is expected to have a positive effect on other sectors as well.”*

The Property Market is Projected to Move Towards A Positive Direction

The national economic growth has become one of the strong factors behind the Indonesian property market conditions, with a surge in demand and supported by the higher consumer confidence. In the Indonesian real estate market, Jakarta - Bogor - Depok - Bekasi (JaBoDeBek) has become the largest segment in terms of regional contribution and revenue in the Indonesian real estate market as a whole.

Agung Prabowo, Head of Investment Banking, UBS Investment Bank Indonesia, expressed, *“We see that the property sector is moving towards a positive direction, regardless of the challenges ahead. This sector has become the pocket of earnings growth in the market. This is despite the ongoing fiscal consolidation in 2017 that can pose a threat to the current consensus earnings growth expectation at 17% year-on-year.”*

The positive sentiment is also shown by the market practitioners seen through the shifting market segmentation, where the market is built from high demand before investors determine the construction of a project. The macroeconomic growth as Gross Domestic Product (GDP) per capita, purchasing power and consumer confidence in choosing the company that developed and became an important factor for the residential sector growth which is expected to expand rapidly in the upcoming years.

Indonesia has become one of the attractive business centers for the multinational companies to develop its business in the Southeast Asia and Jakarta has become the major investment destination for the domestic investors. The city is mainly dominated by luxury apartments are that is attractive for the elite class residents with the increasing investor confidence which also encourages the real estate market.

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About FARPOINT

FARPOINT is an Indonesian real estate developer that delivers and manages distinctive properties of high quality standard and design. It is the wholly owned subsidiary of Gunung Sewu Group, a respected and well-established business group in Indonesia. Embracing the vision of “To be a trusted real estate company with passionate employees delivering innovative products and quality experience, creating value for stakeholders”, FARPOINT is backed by more than 30 years of solid experience in the development and asset management of residential, commercial, hospitality and retail properties.

FARPOINT’s project has received the following international awards:

- MIPIM (*Le marché international des professionnels de l'immobilier*) Award Asia Pacific 2013 as The Best Futura Project for **Sequis Tower**, an international Grade A office building.
- The 2014-2015 Asia Pacific Property Awards in Residential High-rise Architecture category for **VERDE Two**.
- MIPIM Award Asia Pacific 2014 as The Best Futura Project for **The Hundred**, an integrated mixed-used development in Mega Kuningan.
- Greenship Gold Level by Green Building Council Indonesia for **Sequis Center** in 2015.
- Indonesia Property Awards 2015 as the Best Office Architectural Design for **Sequis Tower**.
- South East Asia Property Awards 2015 as the Best Office Architectural Design for **Sequis Tower**.
- Properti Indonesia Award 2016 as the *The Well Designed Office Project in Jakarta* for **Sequis Tower**.
- REI Property Awards 2016 Gold Winner, Residential (High Rise) Category for **VERDE**.
- Greenship Gold Level by Green Building Council Indonesia for **Menteng Regency** in 2016.

To learn more about FARPOINT, visit the website at www.farpoint.co.id.

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