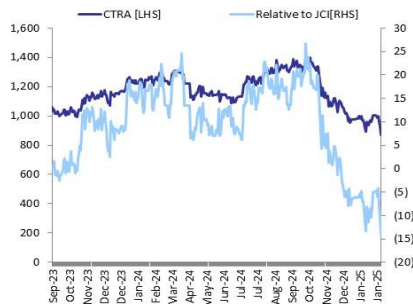


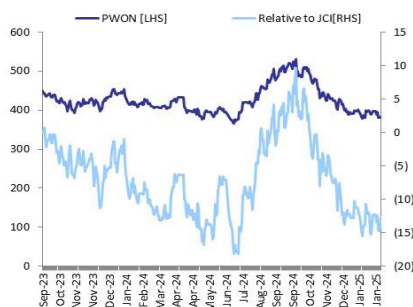
Overweight

(Maintained)

CTRA relative to JCI Index



PWON relative to JCI Index



Source: Bloomberg

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Property - Overall

KTA from Meeting with JLL: Landed-Houses, Retails, and Industrial Estate as Growth Proxy

- As affordability remains a key challenge for Indonesia’s housing end-users, we prefer exposure to companies with Rp1-5bn landed products.
- JLL expects the retail market to maintain stable occupancy and rental rate growth amid active tenant expansion in limited space supply.
- Chinese EV dominates Industrial Estate inquiries. Maintain OW rating on the Property and Industrial Estate sector. Top Picks: CTRA and SSIA.

Greater Jakarta Landed Housing: Affordability and Access as Key Attractor

JLL sees the landed housing market in Greater Jakarta remaining healthy, with a high sales rate of 87% in FY24, and expects sales to remain stable in FY25, driven by the continuation of the VAT incentive program. Affordability remains a key focus, with products priced <Rp2bn continuing to dominate, accounting for nearly 80% of units sold. Projects developed by reputable names and offering affordable prices, flexible payment terms, or proximity to public transport should sustain positive market responses.

Retail: Limited Supply Giving Landlords Leverage to Increase Rents

The retail market in greater Jakarta has seen a stable occupancy rate of around 90%, with stable rental rate growth of ~3% expected to continue in FY25, given the limited space supply amid active expansion from tenants particularly in prime malls.

Industrial Estate: EV Industry Remains Key Catalyst

JLL noted rising inquiries from Chinese companies for industrial land, with domination from automotive companies, particularly EV Players, and data centers. According to JLL, VinFast have completed the transaction for land purchase in Southern Subang for 180ha (vs. BYD’s 108ha) (**Exhibit 18**), with facility expected to be completed by 4Q25 to qualify for tax exemptions. JLL noted that while EV manufacturers occupy higher land area (>100ha) compared to non-EV (30-50ha), usually it already includes end-to-end manufacturing facilities (vs. non-EV which could attract three related manufacturers).

Maintain OW; Landed-Houses, Retail, Industrial Estate as Growth Proxy

We maintain OW rating on the sector both for property developers and industrial estate. As we identified that affordability is the key obstacle for Indonesian end-users driven demand, we favor developers with majority of their portfolios comprising Rp1-5bn landed houses. Mitigating risks of weak pre-sales, we also favor those with strong retail portfolios as the healthiest investment-property options. Our pecking order remains CTRA> PWON> SMRA> BSDE. Meanwhile, for industrial estate, despite potential lower demand from EV-related components, the entrance of VinFast to Subang proved that the area remains most appealing to set EV facilities, considering its proximity to Greater Jakarta as key market, better availability of land vs. Cikarang, and future infra of Patimban Seaport. We prefer SSIA over DMAS given its higher landbank in Subang, supported by strong recurring revenue.

Company	Ticker	Rec	Target Price (Rp)	Market Cap. (RpBn)	P/E (x)		P/BV (x)		ROE (%) 2026F
					2025F	2026F	2025F	2026F	
Ciputra Development	CTRA IJ	BUY	1,700	16,126.1	7.2	6.1	0.7	0.6	10.7
Pakuwon Jati	PWON IJ	BUY	640	18,330.6	7.8	8.3	0.8	0.8	9.6
Summarecon Agung	SMRA IJ	BUY	800	6,933.6	8.1	8.8	0.6	0.6	6.7
Bumi Serpong Damai	BSDE IJ	BUY	1,550	19,265.9	4.9	5.1	0.4	0.4	8.1
Surya Semesta Internusa	SSIA IJ	BUY	1,300	4,517.0	15.4	10.3	1.0	0.9	9.3
Puradelta Lestari	DMAS IJ	BUY	190	6,651.3	4.4	4.1	0.9	0.9	21.4

KTA from meeting with JLL: Landed-Houses, Retails, and Industrial Estate as Growth Proxy

Condominium: Subdued Performance due to Election; Buyers Continue to Prefer Ready-Stock Option

Overall, 2024 experienced subdued performance in Jakarta's condominium sector, primarily due to buyer hesitation during the election year. Buyers in the high-rise residential market are predominantly upper-middle and luxury-segment end-users who prefer ready-stock strata-title units, indicating their preference for the legality and certainty of the project. Meanwhile, apartments priced below Rp2bn are attracting interest due to VAT incentives.

Office: "Flight-to-Quality" Persist

The main trend among companies as office occupiers continues to prioritize cost savings and implement hybrid workplace strategies, leading to reduced space consumption. The generally lower absorption of new space supply has narrowed the CBD office pricing gap with non-CBD areas compared to historical levels. As a result, occupiers are increasingly attracted to better locations or higher-quality buildings to maximize the value of their office space budget amid the hybrid working trend. Higher bargaining power should rest on Grade-A office building providers. Despite relatively higher-grade of office portfolios, listed developers under our coverage have minimal contributions from office rent to revenue (PWON: ~6%, CTRA: 1%, SMRA: 1%, BSDE: ~3%).

Hotels: Potential Challenges from Gov't MICE Budget Cuts

While the current state of the hotel industry remains positive, recent government initiatives to cut spending on MICE (Meetings, Incentives, Conferences, and Exhibitions) in hotels could pose risks to FY25F growth.

According to the Indonesian Hotel and Restaurant Association (PHRI), a similar policy implemented in 1Q15 significantly reduced occupancy rates. For five-star hotels, the market share of government-related guests is approximately 10–15%, while for three- and four-star hotels, it reaches 30–40% and can rise to as high as 70% in Eastern Indonesia.

We believe that the impact on listed developers should not be too severe, as most of their portfolios consist of four-star hotels or higher, with the following contributions:

- PWON: Networks of FourPoints, Sheraton, Westin, and Marriott in Jakarta, Surabaya, Jogja, and Bali, contributing 20% to total revenue.
- CTRA: Ciputra World Jakarta & Surabaya, Ciputra Hotel Jakarta & Semarang, and the chain of budget hotels CitraDream, contributing 6% to total revenue.
- SMRA: Harris Hotel Kelapa Gading & Bekasi, Pop! Kelapa Gading, and Movenpick Bali, contributing 4% to total revenue.
- BSDE: Room Inc Semarang, contributing less than 1% to total revenue.

Potential impact from 3mn. Housing Program

Regarding the 3mn housing program, JLL's historical check shows that there has been no disruption in landed house demand in urban areas, as most buyers prefer landed properties, whereas government-provided housing in urban areas will most likely be high-rise. Additionally, the target market for this program differs from those purchasing landed homes.

Assigning Scorecard of Catalysts

We assigned a scorecard based on the catalysts and risks associated with the [FY25F outlook](#) for Indonesia's property market to determine the top-performing developer stocks. Scores range from 1 to 4, with 4 indicating the highest competitive position in a specific aspect and 1 indicating the lowest. Several metrics were measured based on the latest marketing sales achievements. While we acknowledge that metrics such as pricing mix, payment profile, product mix, location, and VAT product contributions to presales may fluctuate over the next 1–2 years, we believe that the latest achievements already reflect each company's marketing strategy to effectively monetize their asset values.

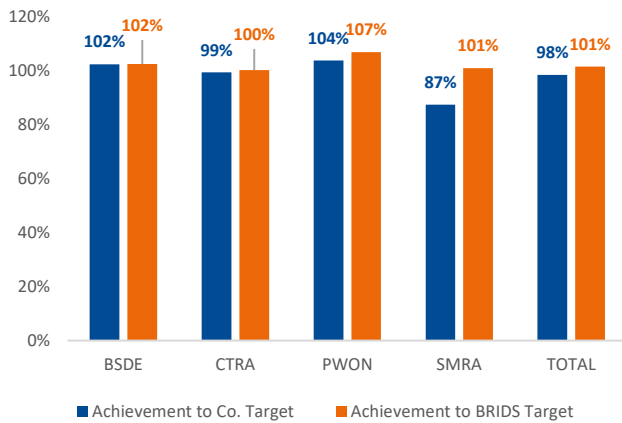
Our top pick is CTRA, as it ranks highest across all metrics, followed by PWON, SMRA, and BSDE. We continue to prefer PWON over SMRA despite their tied scores, appreciating PWON's strong recurring revenue growth, with a 10% CAGR projected between FY24F and FY29F, driven by its mall expansion pipeline. This pipeline has the potential to deliver higher ROE levels in the future. Additionally, despite its product mix being dominated by high-rise residential, we value PWON's development concepts, which incorporate a one-stop living approach through mixed-use facilities. PWON possesses the key characteristics of a winning high-rise developer.

Exhibit 1. Property Developers Scorecard of Catalysts

Perspective	Metrics to See	CTRA	SMRA	BSDE	PWON
Aspired Pricing Range of End-Users as Demand Driver	Rp1-5bn Product Contribution	4	4	2	3
Tapping the Customer Base who utilize Wider Mortgage Access	Mortgage Payment Term	3	2	4	2
Location within Indo Major Cities	High Greater Jakarta Presence but Overall Well-Diversified Location (Max 50% Greater Jakarta is Ideal, to avoid overconcentration risks)	4	3	2	1
Managing Risks of Discontinued Gov't Incentives	Moderate Contribution of VAT pre-sales (30% contribution is ideal), yet Marketing Sales remain beating Target, Higher Number of Product Launchings	4	1	3	2
Best Product Mix	Prefer Landed Houses, second choice on One-stop Living High-Rise	4	3	2	2
Healthy Recurring Revenue to Mitigate Weak Pre-sales	Strong Retail Portfolios	2	3	1	4
Potential for Premium Valuation	Strategy to Improve ROE	4	1	2	3
Total Points		25	17	16	17
Stock Pick Order		CTRA --> PWON --> SMRA --> BSDE			

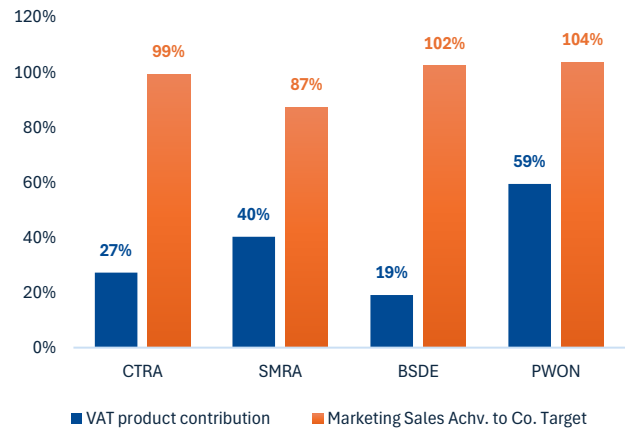
Source: Company, BRIDS Estimates

Exhibit 2. Aggregate FY24 Marketing Sales Achievement



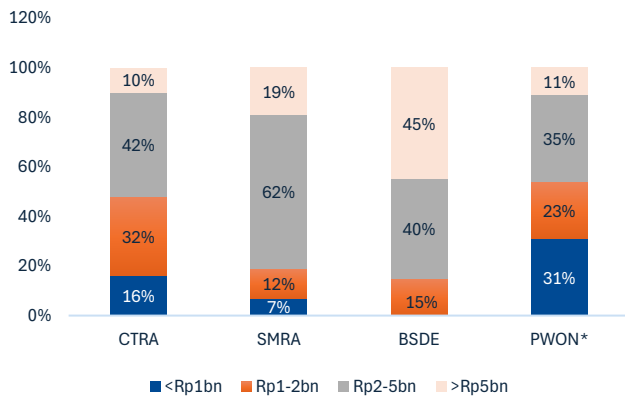
Source: Company, BRIDS

Exhibit 3. VAT Portion of FY24 Marketing Sales



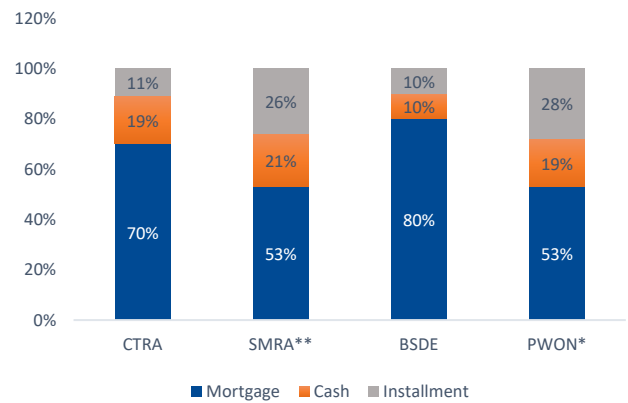
Source: Company, BRIDS

Exhibit 4. 9M24 Marketing Sales Pricing Mix



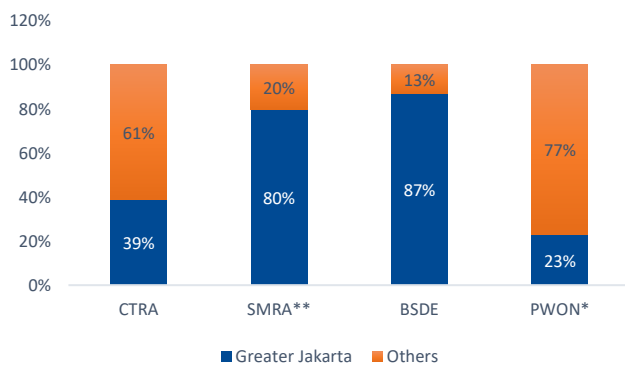
Source: Company. *PWON using FY24 Data

Exhibit 5. 9M24 Marketing Sales Payment Profile



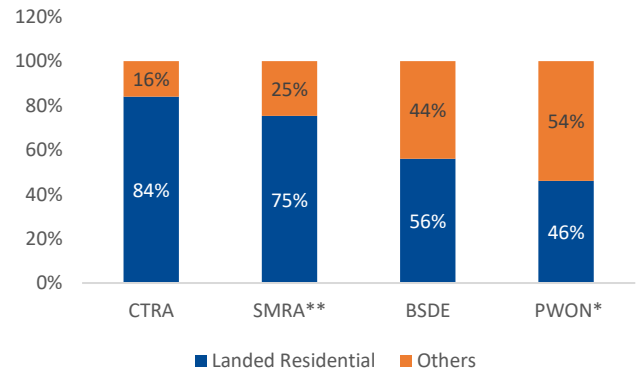
Source: Company. *PWON using FY24 Data, **SMRA using 11M24 Data

Exhibit 6. 9M24 Marketing Sales Location Concentration



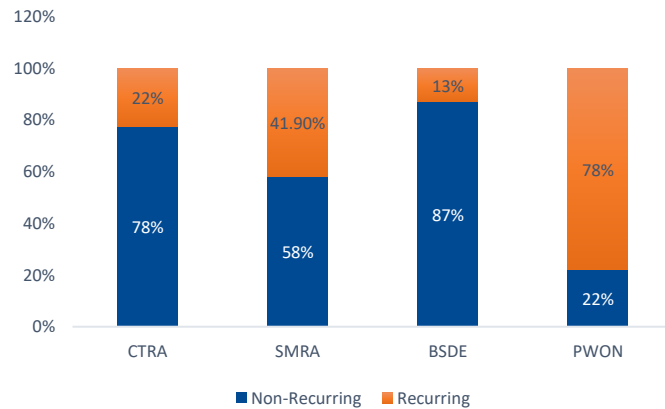
Source: Company. *PWON using FY24 Data, **SMRA using 11M24 Data

Exhibit 7. 9M24 Marketing Sales Product Mix



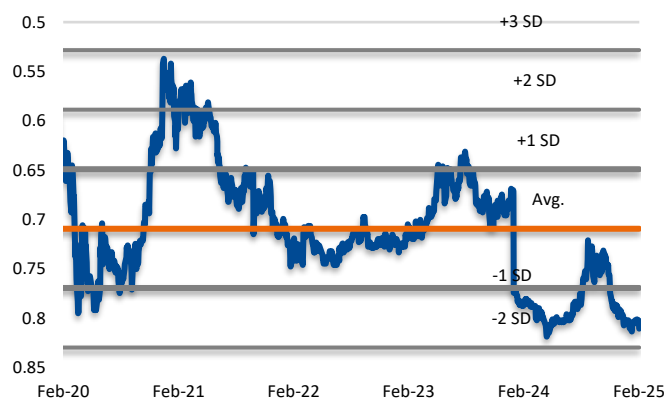
Source: Company. *PWON using FY24 Data, **SMRA using 11M24 Data

Exhibit 8. FY25F Revenue Contribution



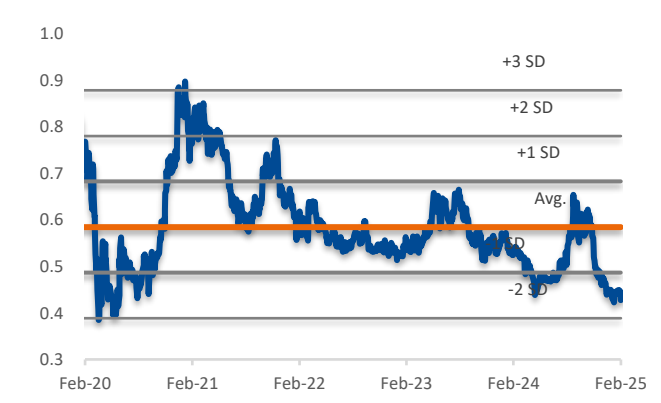
Source: Company. *PWON using FY24 Data, **SMRA using 11M24 Data

Exhibit 9. Discount to RNAV Band Chart (5-year) - BSDE



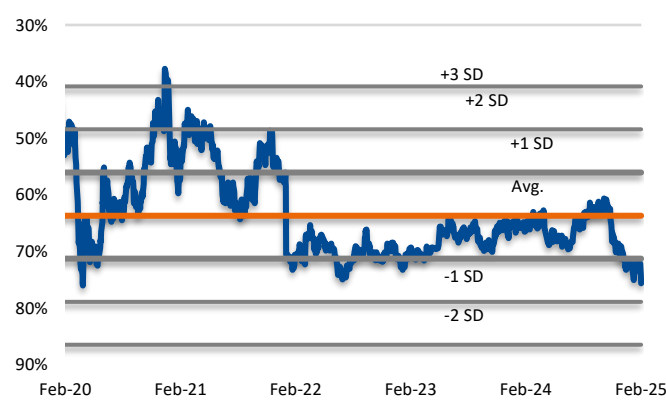
Source: Company, BRIDS Estimates

Exhibit 10. Forward 12M PBV Band Chart (5-year) - BSDE



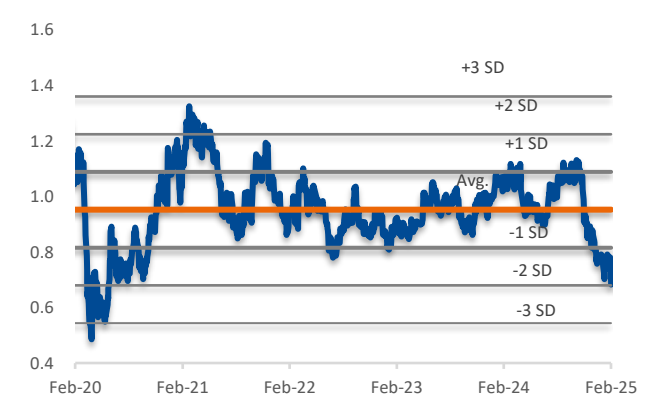
Source: Company, BRIDS Estimates

Exhibit 11. Discount to RNAV Band Chart (5-year) - CTRA



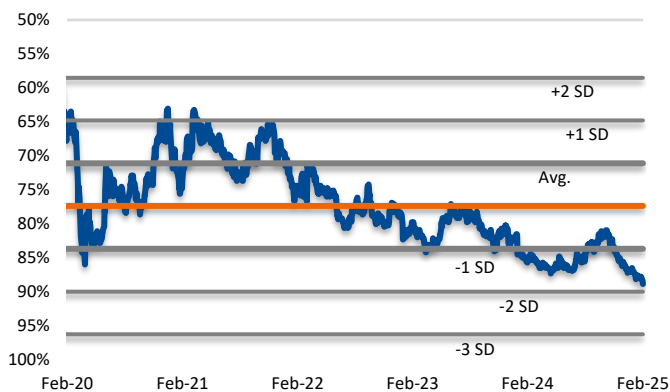
Source: Company, BRIDS Estimates

Exhibit 12. Forward 12M PBV Band Chart (5-year) - CTRA



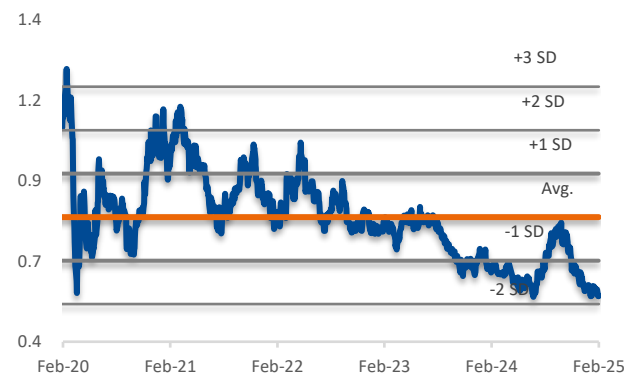
Source: Company, BRIDS Estimates

Exhibit 13. Discount to RNAV Band Chart (5-year) - SMRA



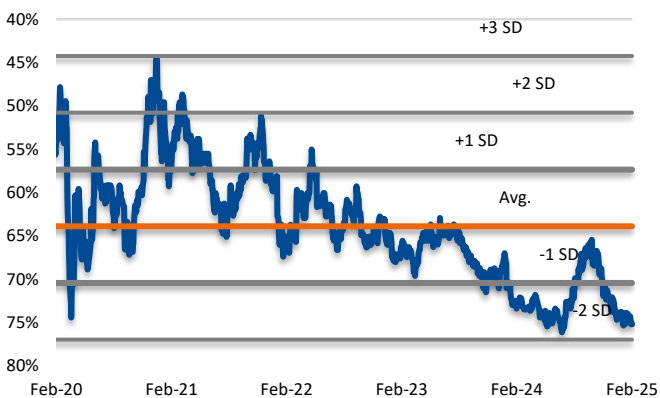
Source: Company, BRIDS Estimates

Exhibit 14. Forward 12M PBV Band Chart (5-year) - SMRA



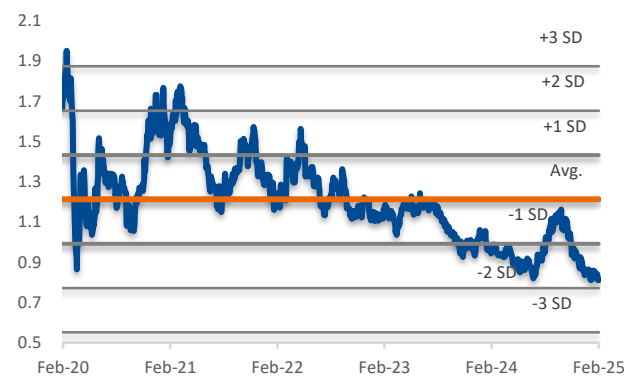
Source: Company, BRIDS Estimates

Exhibit 15. Discount to RNAV Band Chart (5-year) - PWON



Source: Company, BRIDS Estimates

Exhibit 16. Forward 12M PBV Band Chart (5-year) - PWON



Source: Company, BRIDS Estimates

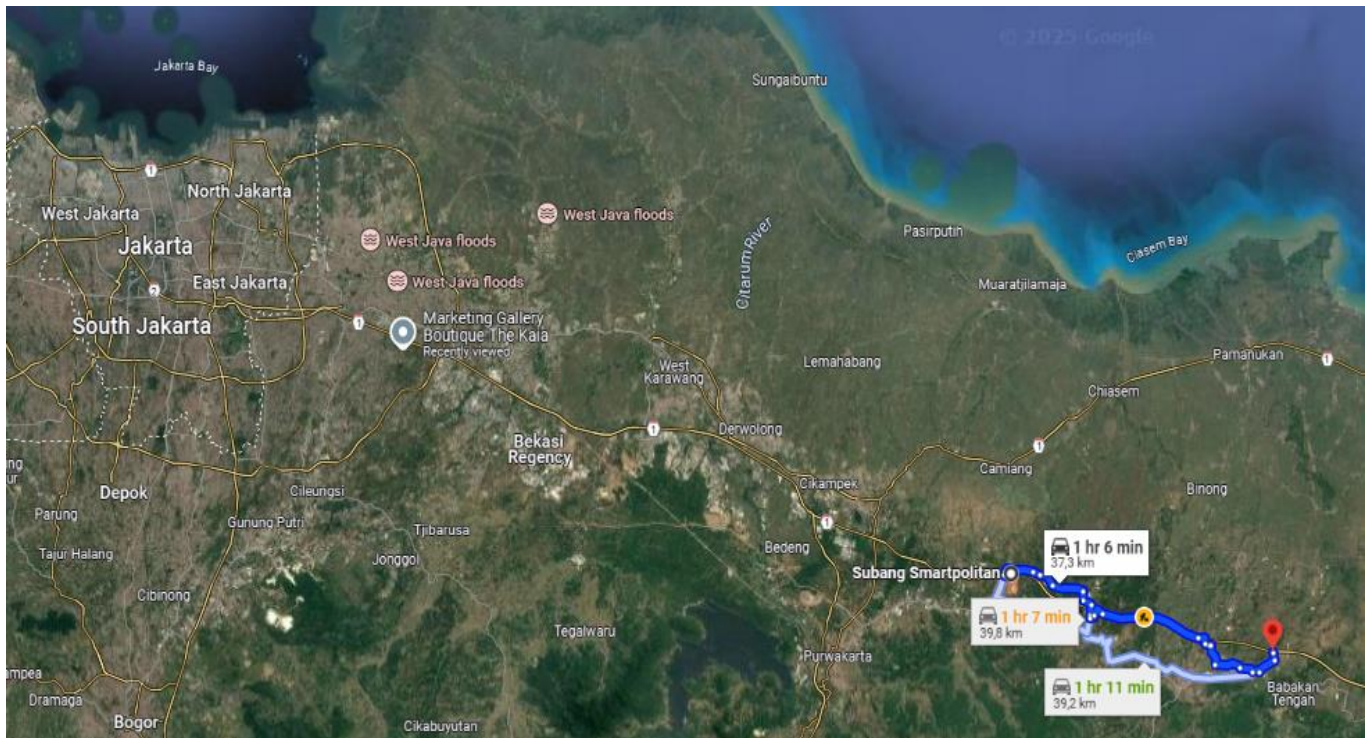
Exhibit 17. Peers Comparison

Company	Revenue (Rpbn)			Net Profit (Rpbn)			Net Profit Growth (%)			ROE (%)			Net Debt (Cash)		
	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F
CTRA	9,966	10,977	11,797	1,967	2,257	2,636	6.6	14.7	16.8	9.4	10.0	10.7	-14%	-22%	-29%
BSDE	13,545	14,777	13,796	3,861	3,924	3,760	98.5	1.6	(4.2)	10.0	9.2	8.1	2%	-7%	-13%
PWON	6,370	6,938	6,678	2,154	2,360	2,218	2.3	9.6	(6.0)	10.8	11.0	9.6	-8%	-11%	-12%
SMRA	9,660	7,329	7,380	1,203	853	792	57.0	(29.1)	(7.1)	11.6	7.6	6.7	33%	33%	33%
DMAS	2,162	2,190	2,315	1,402	1,498	1,605	15.9	6.9	7.12	21.3	20.4	21.4	-42%	-42%	-42%
SSIA	6,071	6,117	6,890	289	294	438	63.9	1.5	48.99	7.0	6.7	9.3	-22%	-8%	-8%
Average							40.7	0.9	9.3	11.7	10.8	11.0	-8%	-9%	-12%
Growth Aggr.	19%	1%	1%	35%	3%	2%									

Company	P/E (x)			P/BV (x)			Mkt. Sales (Rpbn)			Price/Mkt. Sales			Disc.to RNAV		
	24F	25F	26F	24F	25F	26F	24F	25F	26F	24F	25F	26F	Current	Avg.5-Yr.	Diff.%
CTRA	8.2	7.2	6.1	0.7	0.7	0.6	11,013	11,515	12,038	1.5	1.4	1.3	76%	64%	12%
BSDE	5.0	4.9	5.1	0.5	0.4	0.4	9,495	9,690	8,691	2.0	2.0	2.2	81%	71%	10%
PWON	8.5	7.8	8.3	0.9	0.8	0.8	1,456	1,535	1,312	12.6	11.9	14.0	75%	64%	11%
SMRA	5.8	8.1	8.8	0.6	0.6	0.6	4,333	4,543	4,765	1.6	1.5	1.5	89%	77%	11%
DMAS	4.7	4.4	4.1	0.9	0.9	0.9	1,831	2,038	2,267	3.6	3.3	2.9	79%	69%	10%
SSIA	15.6	15.4	10.3	1.0	1.0	0.9	2,000	1,806	1,916	2.3	2.5	2.4	79%	79%	0%
Average	8.0	8.0	7.1	0.8	0.7	0.7	5,022	5,188	5,165	3.9	3.8	4.0	80%	71%	9%
Median	7.0	7.5	7.2	0.7	0.6	0.6	6,914	7,117	6,728	1.8	1.8	1.8	78%	67%	11%
Growth Aggr.							8%	3%	0%						

Source: Bloomberg, BRIDS Estimates

Exhibit 18. VinFast Subang Location Estimates (around 37km from SSIA’s Smartpolitan Site).



Source: Google Maps

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BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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