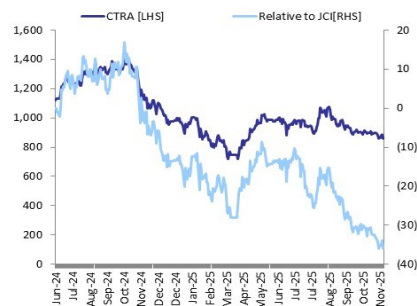


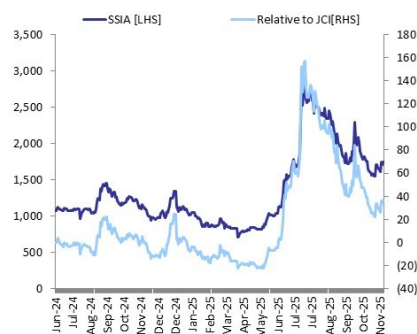
Overweight

(Maintained)

CTRA relative to JCI Index



SSIA relative to JCI Index



Source: Bloomberg

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Property

FY26 Outlook: Premium Residentials to Lead; Industrial Remains Pipeline-Driven

- **Residentials:** Expect demand to shift to >Rp5bn segment, revising our pecking order to CTRA> BSDE> SMRA> PWON.
- **Industrials:** With weak FDI catalysts, land sales hinge on company pipelines; SSIA remains better positioned than DMAS.
- **Maintain OW** as valuations stay deeply discounted despite improving fundamentals. **Top Picks CTRA and SSIA.**

Residentials: Strength Shifting Toward >Rp5bn Segment

Our latest discussion with developers revealed that demand, which was previously driven by entry-level upper-middle class buyers in the Rp1–5bn segment (FY23/24: 69%/68% contr. to pre-sales), has started to slow (9M25: 66%), while the >Rp5bn market strengthened (FY23/ 24/ 9M25: 23%/20%/29%). Developers plan to focus FY26 launches on this segment. This occurs despite the VAT incentives extension to [FY27](#), which continues to support affordability, as reflected in rising pre-sales contribution (FY23/24/9M25: 5%/28%/33%). We remain positive on the policy extension supporting FY26F/ 27F pre-sales outlook (+4/4%yoy vs. FY23/24/25 at +9/+4/-3%), alongside liquidity injection, which historically moves in-line with pre-sales (**Exhibit 3**). Beyond macro factors, we continue to view sector re-rating still hinges on policy-rate direction. Nevertheless, for residential developer’s stock picking, we now assign heavier weighting to the >Rp5bn pricing mix in our catalysts scorecard, to capture purchasing-power shifts and future product launching strategies, hence we revise our pecking order from CTRA> PWON> SMRA> BSDE to CTRA> BSDE> SMRA> PWON (**Exhibit 1**). **Risks:** rising NPL in 21-70sqm houses, though contribution to pre-sales remains small (~<5%).

Industrial Estate: Less FDI Catalysts, Company’s Pipeline as Key Driver

With no recovery in FDI catalysts (i.e, improving talent competitiveness, legal certainty, fraud handling, incompetent taxes rate (ID/TH/VN/SG 22/20/20/17%, only PH/MY higher at 25%/24%), we see no industry-wide driver, despite the China+1 Trend. Major land sales from global manufacturers which could draw multiple related tenants will depend on each company’s pipeline and competitive positioning. We prefer [SSIA \(Buy, TP Rp2,050\)](#) over DMAS (U/R, TP Rp190), given its intact LT story of EV-hub potential, ample low-cost labor (909k workers, UMR Rp3.5mn/ mo, ~37% below Karawang/ Bekasi), direct access to Jakarta market from Cipali-Patimban toll, resilient non-land business (~34% of gross profit), and larger Subang landbank (~1,500ha vs. DMAS at ~120ha) which position it to capture bulk sales. Risk: toll-road delays, competition with Kendal/Batang.

Maintain OW; CTRA and SSIA as Top Picks

More stable FY26 residential pre-sales should come from developers with an upper-class pricing mix, while industrial estate will hinge on each asset’s proposition. We maintain OW as valuations remain at steep discounts to its five-year average despite improving ROE, pre-sales, and B/S quality (**Exhibit 8**). Current valuations also offer a better entry point vs. our Sep25 call, when we flagged ST selling risks from peaking local-fund positions and fading rate-cut expectations (-8% sector perf. since Sep25). **Risks: smaller FY26 rate-cut (50bps vs. 125bps in FY25), dampening sector sentiment.**

Company	Ticker	Rec	Target	Market	P/E (x)		P/BV (x)		ROE (%)
			Price (Rp)	Cap. (Rp bn)	2025F	2026F	2025F	2026F	2025F
Ciputra Development	CTRA IJ	BUY	1,600	16,033.4	6.9	6.5	0.7	0.6	10.0
Pakuwon Jati	PWON IJ	BUY	640	17,337.5	8.0	8.3	0.8	0.7	9.0
Summarecon Agung	SMRA IJ	BUY	800	6,438.3	5.6	6.1	0.5	0.5	8.6
Bumi Serpong Damai	BSDE IJ	BUY	1,450	20,006.9	7.8	7.1	0.5	0.4	6.2
Surya Semesta Internusa	SSIA IJ	BUY	2,050	8,210.7	40.9	28.5	1.6	1.6	5.6

FY26 Outlook: Premium Residentials to Lead, Industrial Stays Pipeline-Driven

Property Developers Scorecard of Catalysts

We assigned a scorecard based on the catalysts and risks associated with the FY26F 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 (9M25). 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.

- **>Rp5bn product mixes:** BSDE/ SMRA/ PWON/ CTRA at 55%/ 27%/ 17%/ 16% respectively.
- **Mortgage payment term:** CTRA/ BSDE/ PWON/ SMRA at 71%/ 70%/ 63%/ 38% respectively.
- **Geographical Mix:** CTRA at ideal 50% Greater Jakarta mixes (score:4), BSDE overconcentrated in Greater Jakarta but at smaller portion compared to SMRA. We assign BSDE/SMRA a score of 3/2 in these aspects. Meanwhile, PWON were overconcentrated in Surabaya area (score:1).
- **Less Dependent on VAT Incentives/Pre-Sales Still Beating Target:** BSDE Low VAT/ In-Line Target (score: 4), CTRA Modest VAT/ Slightly Below Target (3), SMRA High VAT/ In-Line Target (2), PWON High VAT/Below Target (1). See (Exhibit 13) for numbers breakdown.
- **Landed House Product Mixes:** CTRA/ SMRA/ BSDE/ PWON at 88%/ 70%/ 44%/ 41% respectively.
- **Strong Recurring Revenue Portfolios:** FY26F revenue contribution, PWON/ SMRA/ CTRA/ BSDE: 80%/ 43%/ 23%/ 21%.
- **Strategy to Improve ROE:** CTRA through JO Project (score: 4), PWON through NLA expansion (3), BSDE through foreign developers JV though contribution relatively small (2).

Exhibit 1. Property Developers Scorecard of Catalysts

Perspective	Metrics to See	Wgt.	Score				Wgt'd Score			
			CTRA	SMRA	BSDE	PWON	CTRA	SMRA	BSDE	PWON
Tapping the Upper-Class Market with Stronger Purchasing Power	>Rp5bn Product Contribution	20%	1	3	4	2	0.2	0.6	0.8	0.4
Tapping the Customer Base who utilize Wider Mortgage Access	Mortgage Payment Term	13%	4	1	3	2	0.5	0.1	0.4	0.3
Location within Indo Major Cities	High Greater Jakarta Presence but Overall Well-Diversified Location (Max 50% Greater Jakarta is Ideal, to avoid overconcentration risks)	13%	4	2	3	1	0.5	0.3	0.4	0.1
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	13%	3	2	4	1	0.4	0.3	0.5	0.1
Best Product Mix	Prefer Landed Houses	13%	4	3	2	1	0.5	0.4	0.3	0.1
Healthy Recurring Revenue to Mitigate Weak Pre-sales	Strong Retail Portfolios	13%	2	3	1	4	0.3	0.4	0.1	0.5
Potential for Premium Valuation	Strategy to Improve ROE	13%	4	1	2	3	0.5	0.1	0.3	0.4
Total Points		100%	22	15	19	14	3.0	2.2	2.8	2.0

Source: BRIDS Estimates

Exhibit 2. VAT Discount Scheme According to PMK No.60/2025

VAT Scheme According to PMK No.16/2025

100% VAT Discount is given to the first Rp2bn of property values; with maximum selling price of Rp5bn

Example 1

House Price (up to Rp2bn)	2,000,000,000
Initial VAT (11% x House Price)	220,000,000
VAT Borne by the Gov't (11% x 100% x Rp2bn)	220,000,000
Remaining VAT to be Paid by Buyer	-
Effective Discount on VAT	0%

Example 2

House Price (Rp2bn-Rp5bn)	3,000,000,000
Initial VAT (11% x House Price)	330,000,000
VAT Borne by the Gov't (11% x 100% x Rp2bn)	220,000,000
Remaining VAT to be Paid by Buyer	110,000,000
Effective Discount on VAT	-67%

Other Requirements;

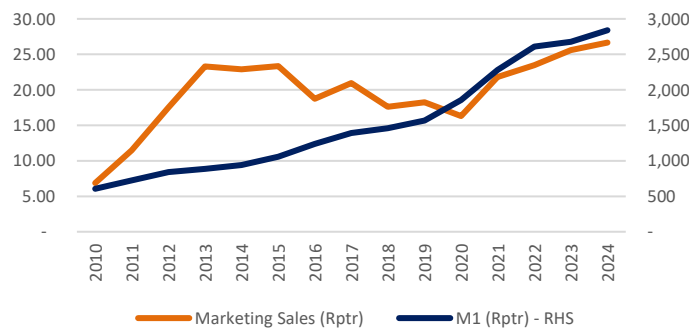
- Only valid for a newly built and ready-to-occupy houses
- Granted for houses that have never undergone an ownership transfer before
- Each individual is entitled to receive the incentive for only one unit of landed house or apartment.
- Houses must be listed in the gov't portal, together with the documentation of handover proof

Historical Development;

Exemption	Period
100%	Nov23-Jun24
50%	Jul24-Aug24
100%	Sep24-Dec24
100%	Jan25-Jun25
50%	Jun25-Jul25
100%	Jul25-Dec25

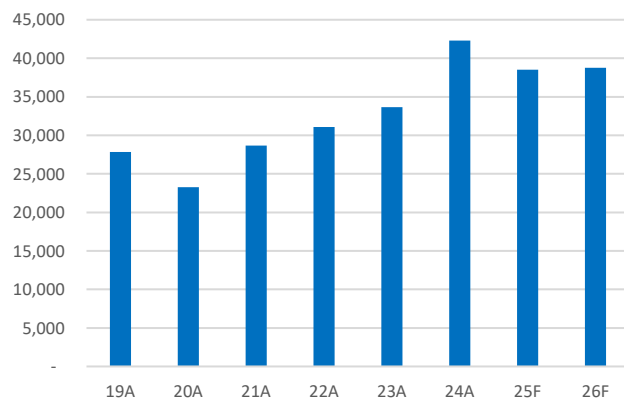
Source: PMK 60/2025, BRIDS

Exhibit 3. M1 vs. Marketing Sales(FY10-19 CAGR of M1/Marketing Sales Similar at 11%, FY19-24 at 11%/13%)



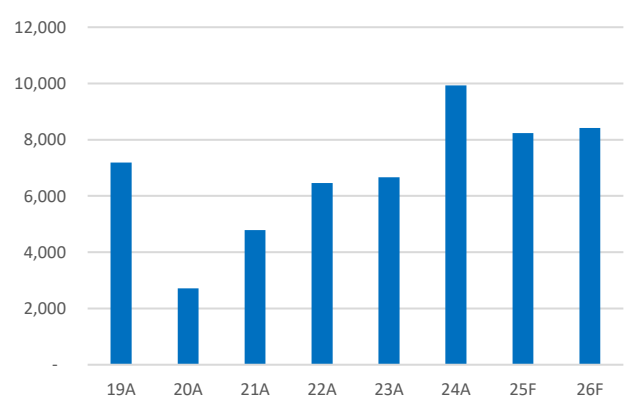
Source: BRIDS Estimates

Exhibit 4. Aggregate Developers Revenue (Rpbn)



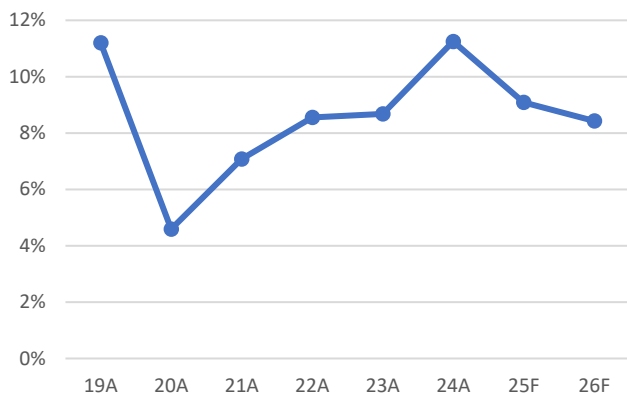
Source: Company, BRIDS

Exhibit 5. Aggregate Developers Net Profit (Rpbn)



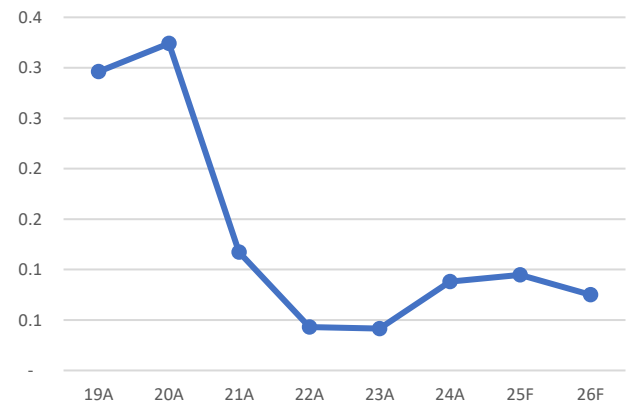
Source: Company, BRIDS

Exhibit 6. Average Developers ROE (%)



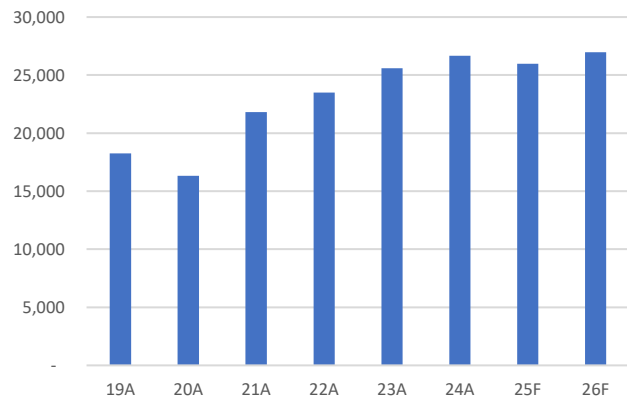
Source: Company, BRIDS

Exhibit 7. Aggregate Net Debt (Cash) (x)



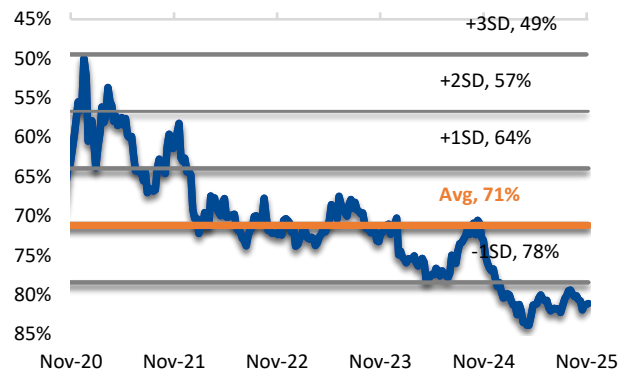
Source: Company, BRIDS

Exhibit 8. Aggregate Marketing Sales (Rpbn)



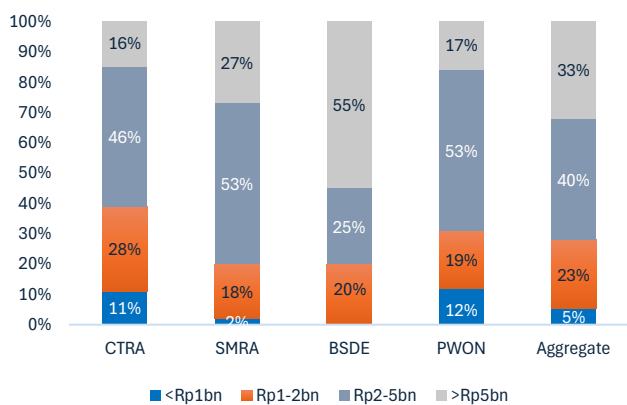
Source: Company, BRIDS

Exhibit 9. Sectoral Disc. to RNAV (%)



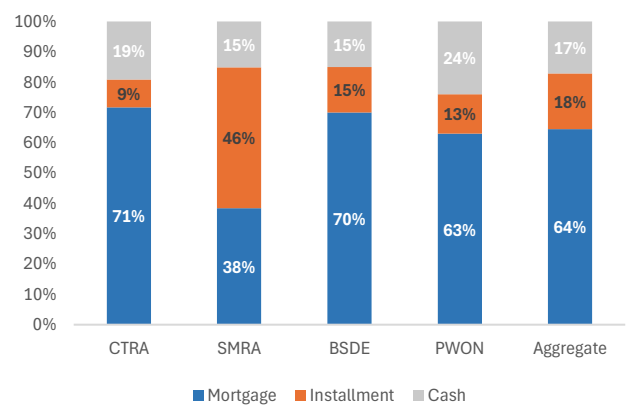
Source: Company, BRIDS

Exhibit 10. 9M25 Marketing Sales Pricing Mix



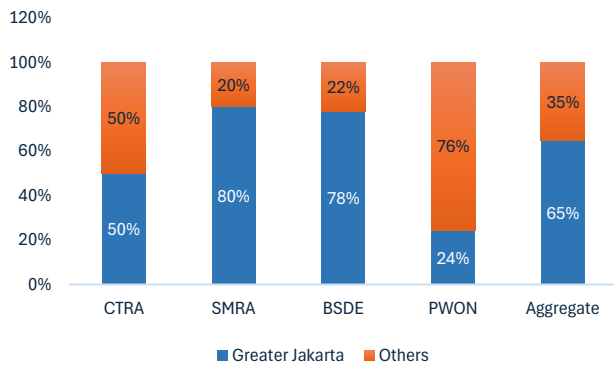
Source: Company, BRIDS

Exhibit 11. 9M25 Marketing Sales Payment Profile



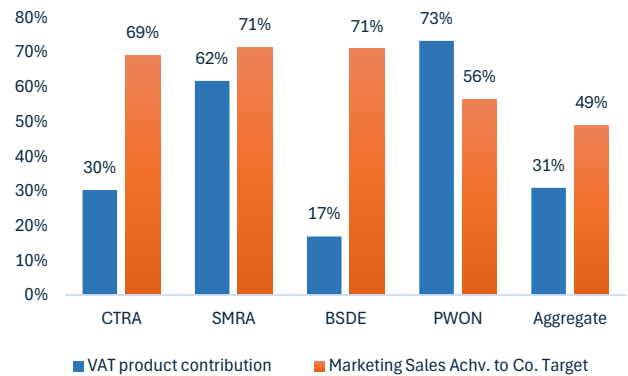
Source: Company, BRIDS

Exhibit 12. 9M25 Marketing Sales Location Concentration



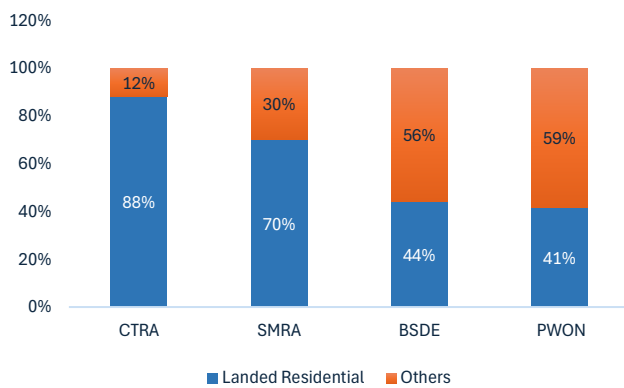
Source: Company, BRIDS

Exhibit 13. VAT Contribution to Marketing Sales



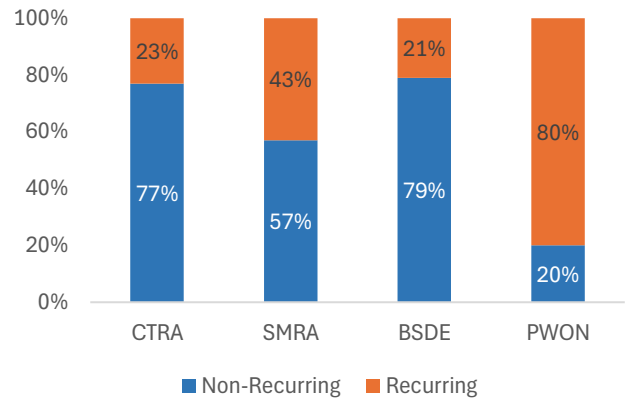
Source: Company, BRIDS

Exhibit 14. 9M25 Marketing Sales Product Mix



Source: Company, BRIDS

Exhibit 15. FY26F Revenue Contribution



Source: Company, BRIDS

Exhibit 16. Local Domestic Fund Positioning



Source: KSEI, BRIDS

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INVESTMENT RATING

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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