

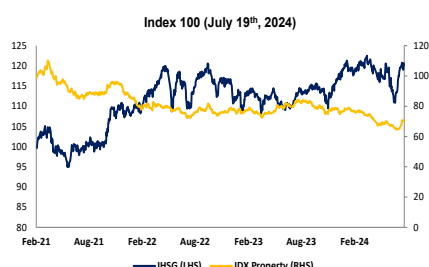


Overweight

Index (Jul 19 th , 24)	640
Number of companies	93
Market Cap	227.66 T
52w Lo/Hi	588/710
6 Months Changes	-8.91%
YTD Changes	-10.42%

Source : IDX | Phintraco Sekuritas Research
as of Jul 7th, 2024

IHSG vs IDX Property



Source : IDX

Stock	Fair Value	Potential Upside
BSDE	1300	+25.00%
CTRA	1390	+9.88%
SMRA	705	+24.78%

as of July 19th, 2024

Top 5 Market Cap in Property Sectors	Tn IDR
Metropolitan Kentjana Tbk.	25.36
Ciputra Development Tbk.	21.59
Bumi Serpong Damai Tbk.	20.34
Pakuwon Jati Tbk.	18.11
Summarecon Agung Tbk	8.75

Source :IDX | as of July 5th, 2024

Research Analyst

Nurwachidah

+62 21 255 6138 Ext. 8302

nurwachidah@phintracosekuritas.com

Property Sector: Properties & Real Estate

Marketing Sales Resilience in 2024

After the election is over, property sales have the potential to increase.

During the election period, consumers tend to postpone home purchases; for example, in 2Q19, where the 2019 election was held in July, residential property sales in 2Q19 decreased (-15.90% QoQ) compared to growth in 1Q19 of 23.77% qoq. Then residential property sales in 3Q14 also experienced a slowdown in growth to 33.69% qoq compared to 2Q14 (figure 1). Thus, residential property sales have the potential to be better in 2H24 compared to 1H24. Apart from that, based on PUPR ministry data, the ratio of livable house ownership in Indonesia will only be 57.31% in 2023. However, this figure is higher than the achievement in 2019, which was 56.51%.

Property Vs. Interest Rates. During the high interest rates in 2023, Home Ownership Credit (KPR) financing will still record growth, although limited. KPR in FY23 grew 10.24% yoy compared to FY22. Meanwhile, in February 2024, KPR was recorded to grow by 13.01% yoy. Regarding asset quality, Non-Performing Loans (NPL) in the property sector in FY23 were relatively stable, with an average NPL of 2.4% of total KPR. Meanwhile, NPL in March 2024 will be 2.5% of total KPR. These two things reflect the resilience of the property market amidst conditions of high interest rates.

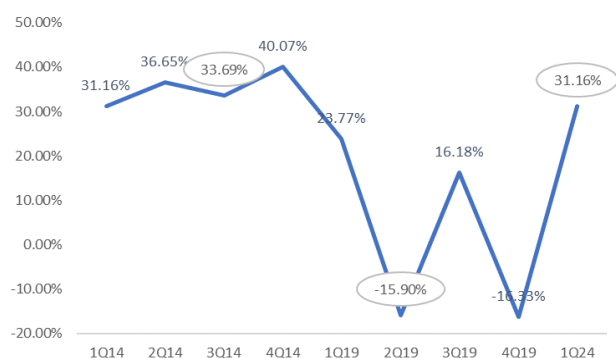
VAT incentives. The Government will continue the VAT incentives program until 2024. This program is an incentive provided by the Government, which will cover 100% VAT on house purchases from November 2023 to June 2024 and house purchases from July–December 2024, covered by 50%. The VAT incentives covered applies to house prices of IDR 2-IDR 5 billion, so it will be more profitable for property company with more portfolios priced at IDR 2-IDR 5 billion and ready to be handed over in 2024.

The trend of increasing property prices and recurring income. The Residential Property Price Index (IHPR) released by Bank Indonesia in 1Q24 increased to 108.76, growing 1.89% yoy. The increase in small property prices of +2.15% yoy supported this growth. This increase in IHPR has also continued the upward trend in the last six years. Apart from that, the number of holidays and collective leave in 2024 has the potential to increase the recurring income of company in the property sector in line with the high mobility of society.

Most property company are still recording marketing sales growth, which aligns with each company's FY24F targets. BSDE recorded marketing sales growth of 1% yoy to IDR 4.84 trillion in 6M24, equivalent to 51% of the FY24F target. The BSD City project still supports marketing sales at BSDE. CTRA recorded marketing sales of IDR 6.08 trillion in 6M24 (54.77% of FY24F marketing sales target). Meanwhile, SMRA recorded marketing sales of IDR 1.70 trillion (+6.25% yoy) in 6M24. House sales in Greater Jakarta (83%) and at prices of IDR 2-5 billion (73%) still dominate the acquisition.

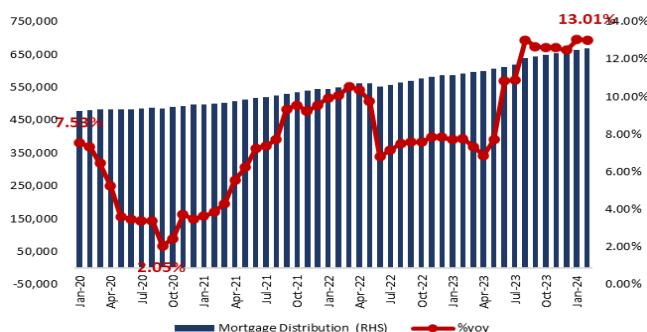
With the various catalysts above, as well as the performance of each issuer in the property sector, we make our top picks BSDE, with a potential fair value of IDR 1300 ([full report](#)), CTRA, with a potential fair value of IDR 1390 ([full report](#)), and SMRA, with a potential fair value of IDR 705 ([full report](#)).

Figure 1. Property Sales Growth and Pemilu



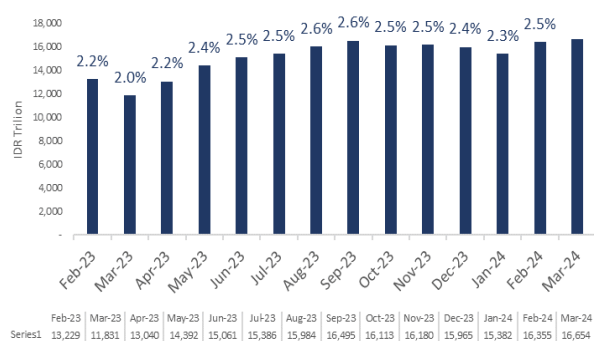
Source : BI | Phintraco Sekuritas Research

Figure 2. Mortgage Distribution (IDR Billion)



Source : OJK | Phintraco Sekuritas Research

Figure 3. Persentase NPL to Total Mortgage Loan



Source : OJK | Phintraco Sekuritas Research

Figure 4. Indonesia House Price Index

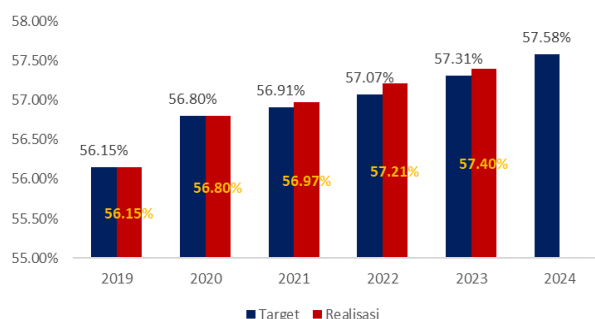


Source : BI | Phintraco Sekuritas Research

Home Ownership Backlog in Indonesia

Ownership of livable houses in Indonesia is still relatively small. The ratio of habitable home ownership in Indonesia has only experienced limited growth over the last five years. This is also in line with the growth target for that year. Interestingly, during the pandemic (2020), there was still an increase in the homeownership ratio in Indonesia by 115 bps yoy to 56.80% yoy. The latest data (2023) shows that the ratio of livable home ownership in Indonesia has only reached 57.31%, although this figure has continued to increase in the last five years. This is in line with the achievements of various programs provided by the government, such as the One Million Houses Program (OMH).

Figure 5. Indonesia Home Ownership Ratio



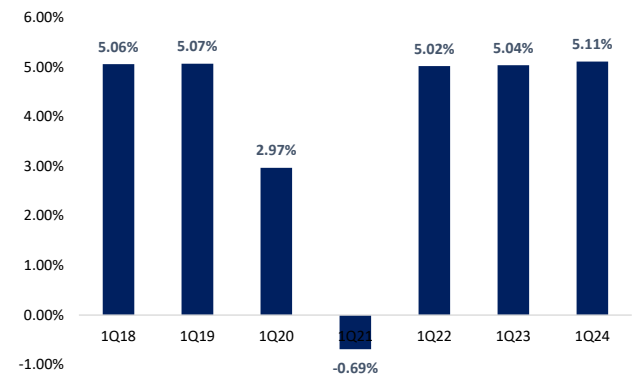
Source : Kementerian PUPR | Phintraco Sekuritas Research

Most backlogs occur in urban areas, and most Uninhabitable Houses (RTLH) occur in rural areas. The high backlog and RTLH in Indonesia are still driven by several factors, such as Limited availability of land in urban areas, Increasing the number of households classified as Low-Income Communities (MBR), Low funding for the housing sector from the government and private industry; There are obstacles for developers when building MBR houses due to incompatibility between one regulation and another.

Restoring the quality of economic growth after the pandemic

Indonesia continues to show growth in its macroeconomic conditions. Indonesia's GDP has continued to increase in the last three years. However, in 1Q20 and 1Q21, there was a slowdown in GDP, and in 1Q21, there was a contraction due to the Covid-19 pandemic. 1Q24 Indonesia's GDP grew 139 bps yoy from 5.04% yoy in 1Q23 to 5.11% yoy in 1Q24. The property and real estate sector contributed 7.34% to 1Q24 GDP. The contribution of the property and real estate sector continues to show growth from 1Q18 to 1Q24 with a CAGR of 10%. Apart from that, the unemployment rate in Indonesia is also on a downward trend. It is lower than the pre-covid level (4.82% yoy in Feb-24 versus 5.01% yoy in Feb-19), and the Gini ratio in Mar-24 was 0.329 versus 0.382 yoy in Mar-24. 19. This condition shows that the recovery of the quality of post-pandemic growth supports the recovery of economic development. This condition supports the potential to increase the ability of Indonesian people to meet their residential needs.

Figure 6. PDB Indonesia

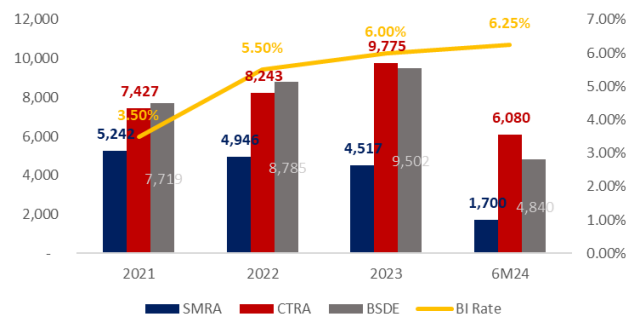


Source : BPS | Phintraco Sekuritas Research

Marketing Sales Growth Trend

The development of infrastructure and government support to encourage stability and economic growth in Indonesia have increased marketing sales of property company yearly. Marketing sales of three property company with large market caps have grown in the last three years. Even though the BI rate (2021-2023) has increased, marketing sales growth remains maintained.

Figure 7. Marketing Sales



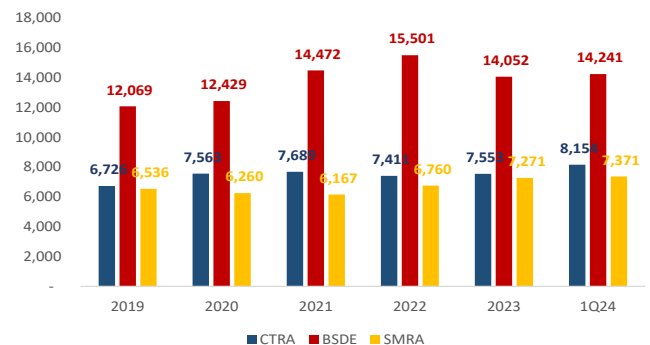
Source : Company | Phintraco Sekuritas Research

CTRA posted the highest marketing sales growth, reaching double digits (+10.99% yoy in FY22 and +18.59% yoy in FY23). A geographically diversified product portfolio contributed to this gain. By diversifying its portfolio, CTRA can minimize concentrated risk and optimize its growth. After CTRA, BSDE also recorded high marketing sales growth (+13.81% yoy in FY22 and +8.16% yoy in FY23).

Stable Land Bank

The majority of property company have succeeded in maintaining the Land Bank optimally. This can be seen from the stable number of land banks in the last 5 years. In 1Q24, BSDE and SMRA maintained limited land bank growth of 1% qoq, while CTRA showed quite significant land bank growth (+8% qoq). Property company are making various efforts to maintain this stability, such as looking for new strategic locations by expanding to big cities in Indonesia and developing new projects through joint operation schemes. The solid condition of the land bank of each property issuer can support providing sustainability and business continuity for each issuer in the future.

Figure 8. Land Bank (In Trillion)



Source : Company | Phintraco Sekuritas Research

Financial Summary

(in Billion Rupiah)

Financial Performance		FY21	FY22	FY23	3M24	FY24F	FY25F
Revenue	BSDE	7,665	10,235	11,539	3,774	11,712	11,993
	CTRA	9,730	9,127	9,245	2,316	10,106	11,047
	SMRA	5,568	5,719	6,659	2,134	7,321	7,760
COGS	BSDE	(2,915)	(3,409)	(5,127)	(1,124)	(4,007)	(4,104)
	CTRA	(4,890)	(4,559)	(4,686)	(1,138)	(5,038)	(5,507)
	SMRA	(2,974)	(2,720)	(3,299)	(1,034)	(3,552)	(3,765)
Net Income	BSDE	1,539	2,657	2,259	1,540	3,164	3,240
	CTRA	2,088	2,002	1,909	528	2,029	2,415
	SMRA	550	772	1,058	446	1,082	1,147
Asset	BSDE	61,470	64,999	66,828	67,624	68,997	7,250
	CTRA	40,668	42,033	44,115	45,064	46,195	48,427
	SMRA	26,050	28,432	31,168	31,835	30,423	32,112
Liabilitas	BSDE	25,576	26,954	25,626	24,905	25,357	25,323
	CTRA	21,274	21,018	21,490	22,004	21,586	21,659
	SMRA	14,819	16,684	18,865	19,108	17,090	17,689
Ekuitas	BSDE	35,894	38,045	41,202	42,718	43,610	47,150
	CTRA	19,394	21,015	22,625	23,061	24,608	26,768
	SMRA	11,230	11,750	12,303	12,727	13,332	14,423

Source : Company | Phintraco Sekuritas Research

Financial Ratio		FY21	FY22	FY23	3M24	FY24F	FY25F
Current Ratio (X)	BSDE	2.59	2.62	2.47	2.41	2.60	2.78
	CTRA	2.06	2.27	2.50	2.24	2.57	2.73
	SMRA	2.42	1.91	1.73	1.69	1.84	1.86
NPM	BSDE	20.11%	25.96%	19.58%	40.81%	27.01%	27.01%
	CTRA	21.46%	21.94%	20.65%	22.78%	21.86%	21.86%
	SMRA	9.87%	13.49%	15.88%	20.89%	14.77%	14.77%
ROA	BSDE	2.19%	3.74%	2.91%	2.13%	3.87%	3.77%
	CTRA	4.40%	4.43%	4.18%	1.07%	4.40%	4.59%
	SMRA	1.24%	2.20%	2.46%	1.39%	2.63%	2.64%
ROE	BSDE	3.76%	6.40%	4.72%	3.36%	6.12%	5.79%
	CTRA	9.23%	8.86%	8.16%	2.10%	8.27%	8.31%
	SMRA	2.88%	5.32%	6.23%	3.47%	6.00%	5.87%
DER	BSDE	4.86%	12.64%	18.99%	19.66%	19.28%	17.41%
	CTRA	43.99%	40.00%	34.39%	33.42%	32.46%	29.96%
	SMRA	50.90%	45.17%	50.48%	52.54%	48.22%	44.57%
PER (X)	BSDE	13.89	7.33	10.12	12.78	8.70	8.49
	CTRA	10.00	10.00	13.00	14.39	13.00	12.00
	SMRA	25.06	12.93	8.97	4.95	8.08	7.63
PBV (X)	BSDE	0.60	0.51	0.55	0.46	0.63	0.58
	CTRA	1.07	0.96	1.11	1.21	2.75%	2.52%
	SMRA	1.23	0.85	0.77	0.69	0.66	0.61

Source : Company | Phintraco Sekuritas Research



PHINTRACO SEKURITAS

Rating for Sectors :

Overweight : The sector is expected to do better than the market.

Equal Weight : The sector is expected to do an average performance compared to the market.

Underweight : The sector is expected to do worse than the market.

PHINTRACO SEKURITAS

Kantor Cabang & Mitra GI BEI



DISCLAIMER : The information on this document is provided for information purpose only, It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any trading or investment strategy, nor does it constitute any prediction of likely future movement in prices, Users of this document should seek advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to on this document and should understand that statements regarding future prospects may not be realized, Opinion, Projections and estimates are subject to change without notice, Phintraco Sekuritas is not an investment adviser, and is not purporting to provide you with investment advice, Phintraco Sekuritas accepts no liability whatsoever for any direct or consequential loss arising from the use of this report or its contents, This report may not be reproduced, distributed or published by any recipient for any purpose.