

Property Price Indicators in Indonesia: Measurement & Recent Developments

Bank Indonesia – Tokyo, February 2026



Indonesia's Property Price Condition

Why This Matters?

Monetary Policy Transmission

Assets prices drive consumption and investment channels

Financial Stability

Critical for monitoring collateral values and banking sector risk

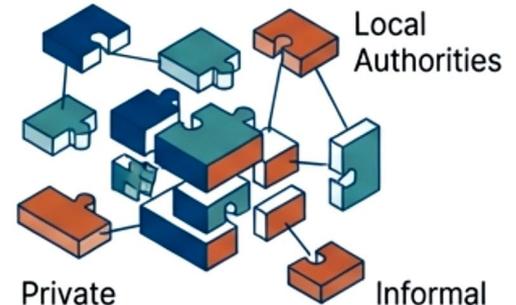
Balance Sheets

Tracking household wealth and corporate leverage

The core problem: Limited Administrative Data



Centralized Transaction Data



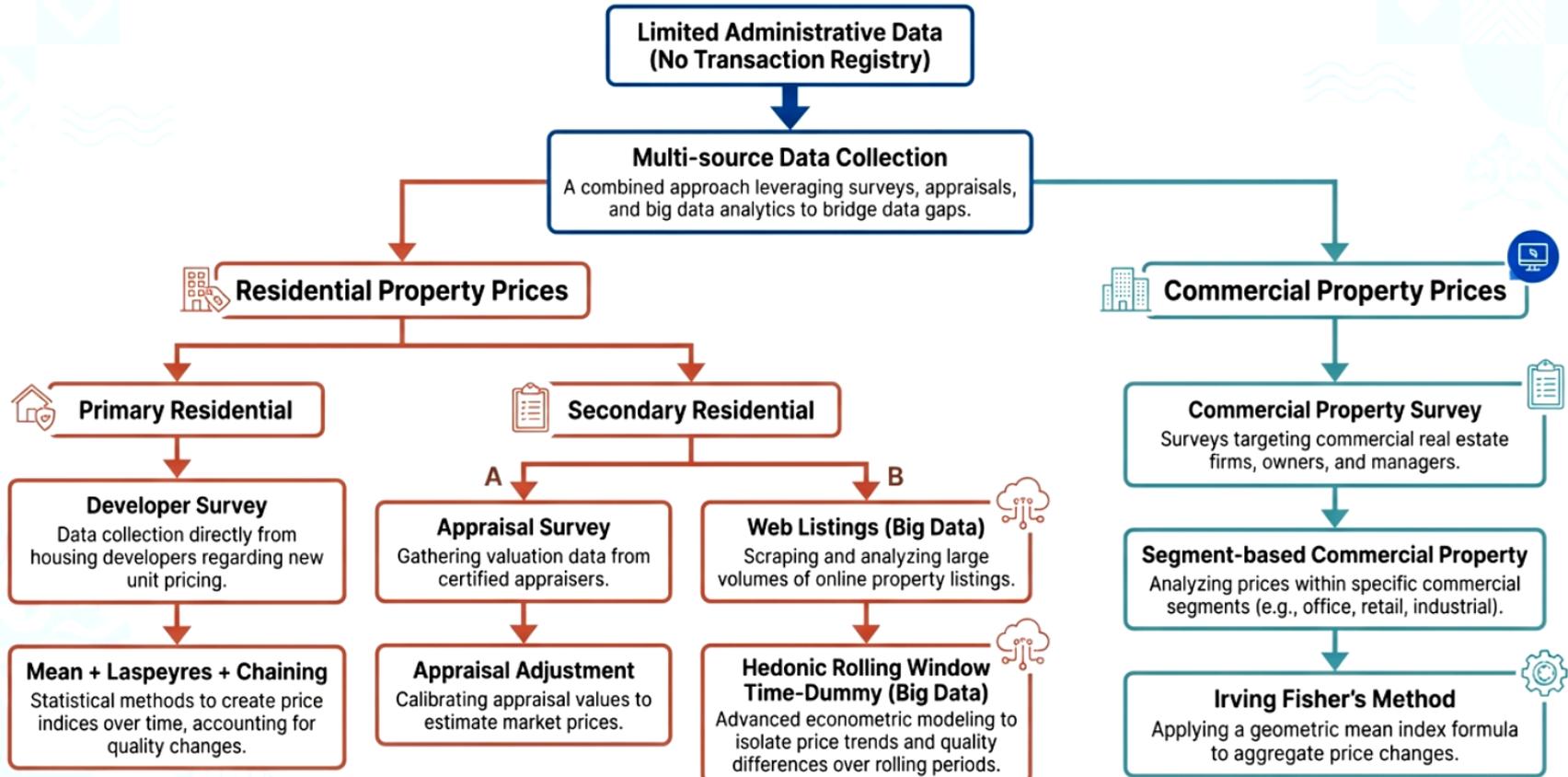
Private Notaries

Informal Channels

Unlike economies with comprehensive registries, Indonesia operates with:

- Limited administrative transaction data
- Data is fragmented across local authorities, private notaries, and informal channels
- No centralized national transaction registry

A Multi-Source Framework in Property Price Index



Four Complementary Indicators



1. Primary RPPI (The Anchor)

Tracks new housing supply via Quarterly Developer Surveys.

Scope: 18 major urban regions (80% of consumption).

Method: Stratified by house size (Small, Medium, Large).



2. Secondary Appraisal RPPI (The Benchmark)

Tracks resale asset value via Professional Appraisers.

Scope: 10 major cities, ~580 observations.

Method: Comparative analysis adjusting for location & condition.



3. Secondary Big Data RPPI (The Signal)

Tracks market sentiment via Online Listings.

Scope: 12 cities, ~40,000 listings/month.

Method: Hedonic Rolling Window Time Dummy (High frequency).



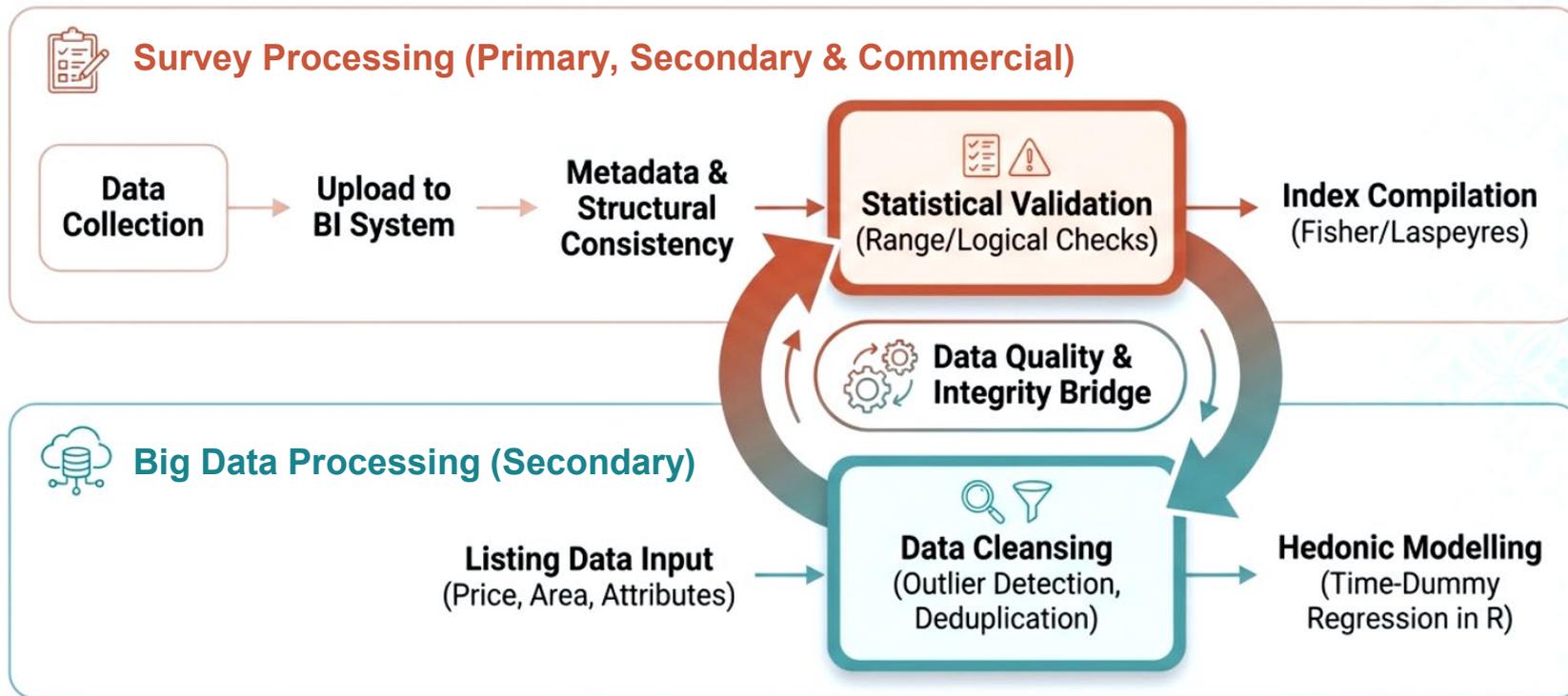
4. Commercial CPPI (The Business Cycle)

Tracks commercial assets via Commercial Survey.

Scope: 11 cities (Offices, Retail, Hotels).

Method: Fisher Index captures segment dynamics.

Data Processing: From Raw Inputs to Official Statistics



Residential Use Case: Primary RPPI

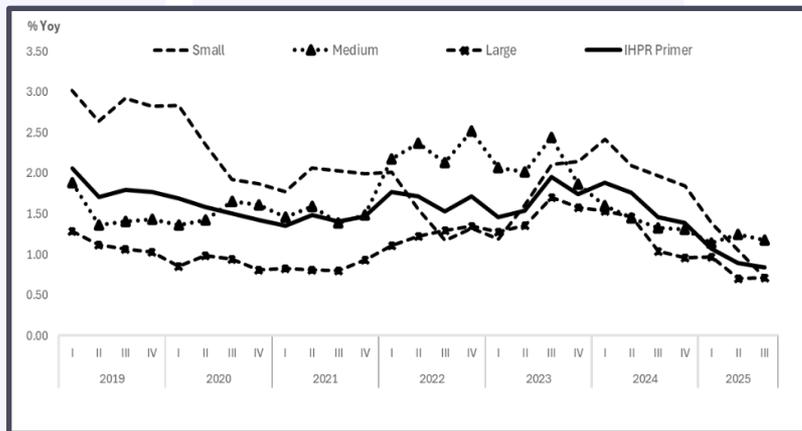


Insight: Price Rigidity

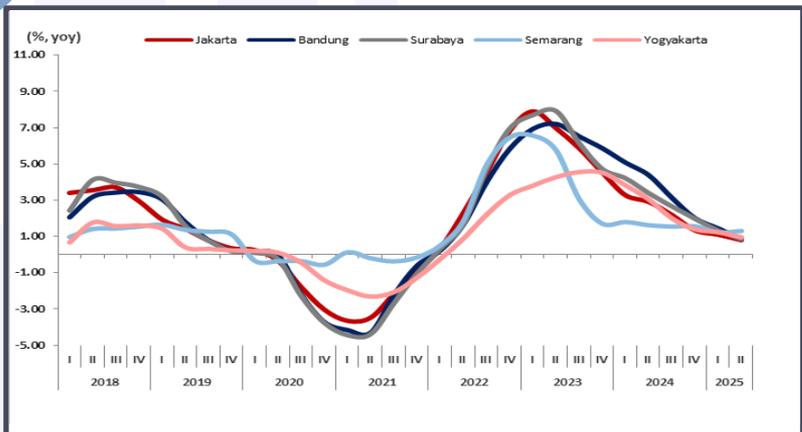
Despite demand fluctuations, Primary RPPI remains stable. Developers prefer to maintain list price rather than discount.

Primary RPPI Provides

A stable indicator of residential price development, but is less responsive to short-term demand–supply fluctuations, highlighting the importance of complementary volume-based indicators.



Residential Use Case: Secondary Appraisal-Based

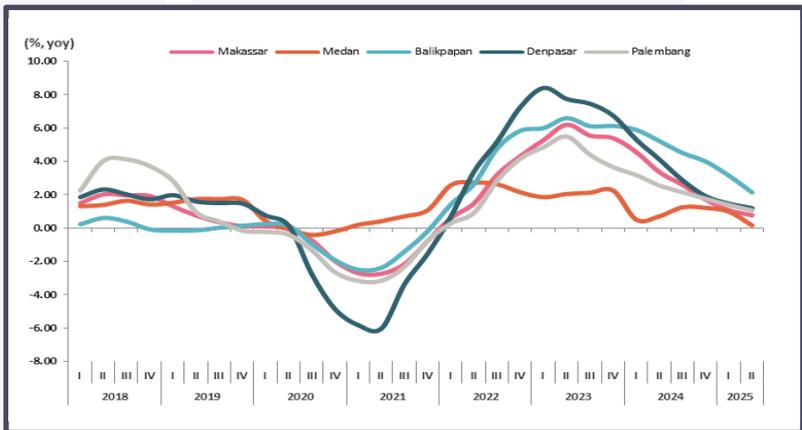


Co-movement with primary RPPI

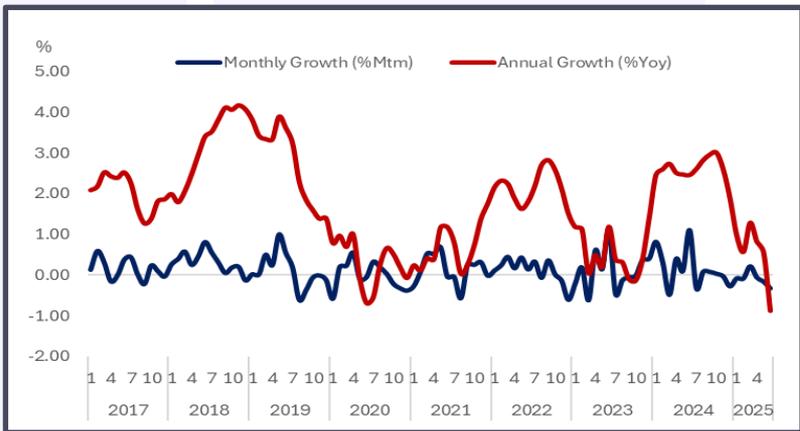
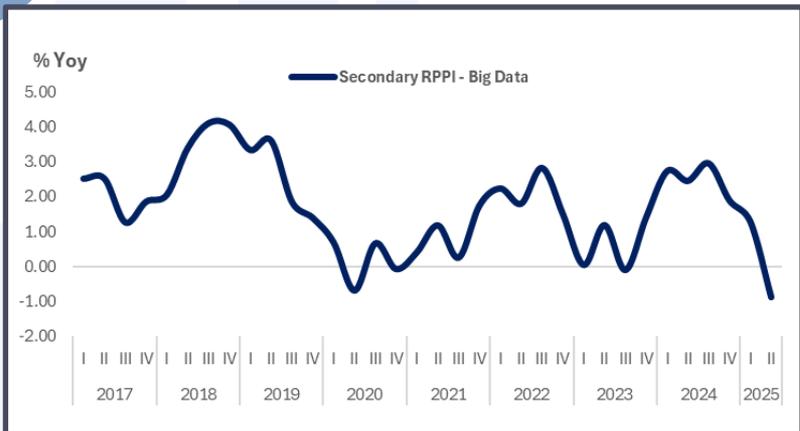
Secondary RPPI broadly mirrors price patterns in the primary market, indicating similar underlying residential price dynamics across segments.

Higher cyclical sensitivity

Secondary RPPI is more responsive to economic downturns, capturing price adjustments during periods of weakening demand, including the COVID-19 slowdown.



Residential Use Case: Secondary Big Data based



Co-movement with primary RPPI

Big data RPPI broadly aligns with price movements in both primary RPPI and appraisal-based secondary RPPI, indicating similar underlying housing market dynamics.

Higher short-term sensitivity

Big data RPPI exhibits higher variability and more frequent short-term price changes, including earlier price adjustments during economic slowdowns, reflecting ongoing price discovery and demand-side adjustment mechanisms.

Monitoring value

Big data RPPI provides timely signals of short-term price adjustments and potential turning points.

Commercial Use Case



- **Sale and lease markets show a clear divergence.** Sale prices remained broadly flat, including during the COVID-19 shock, indicating strong price rigidity, while lease prices declined sharply during the pandemic and subsequently rebounded as economic activity recovered.
- **This divergence reflects different adjustment speeds,** with lease markets responding more quickly to changes in business conditions and acting as a key transmission channel for economic shocks and recoveries.
- Within Bank Indonesia’s monitoring framework, **the CPPI complements residential indicators by capturing business-cycle-sensitive price adjustments.**

Lesson Learnt: Designing for Limited Administrative Data



Design for limitation

Without a registry data, using survey with purposive sampling to ensure consistency, even if it limits total coverage



Benchmark & Signal

Combine the stability of surveys (benchmarks) with the speed of Big Data (signals). Use the right tools for the right horizon



Divergence as Diagnostics

Do not fear conflicting data points. A drop in Big Data while surveys remain flat indicates a sentiment shock before a structural correction



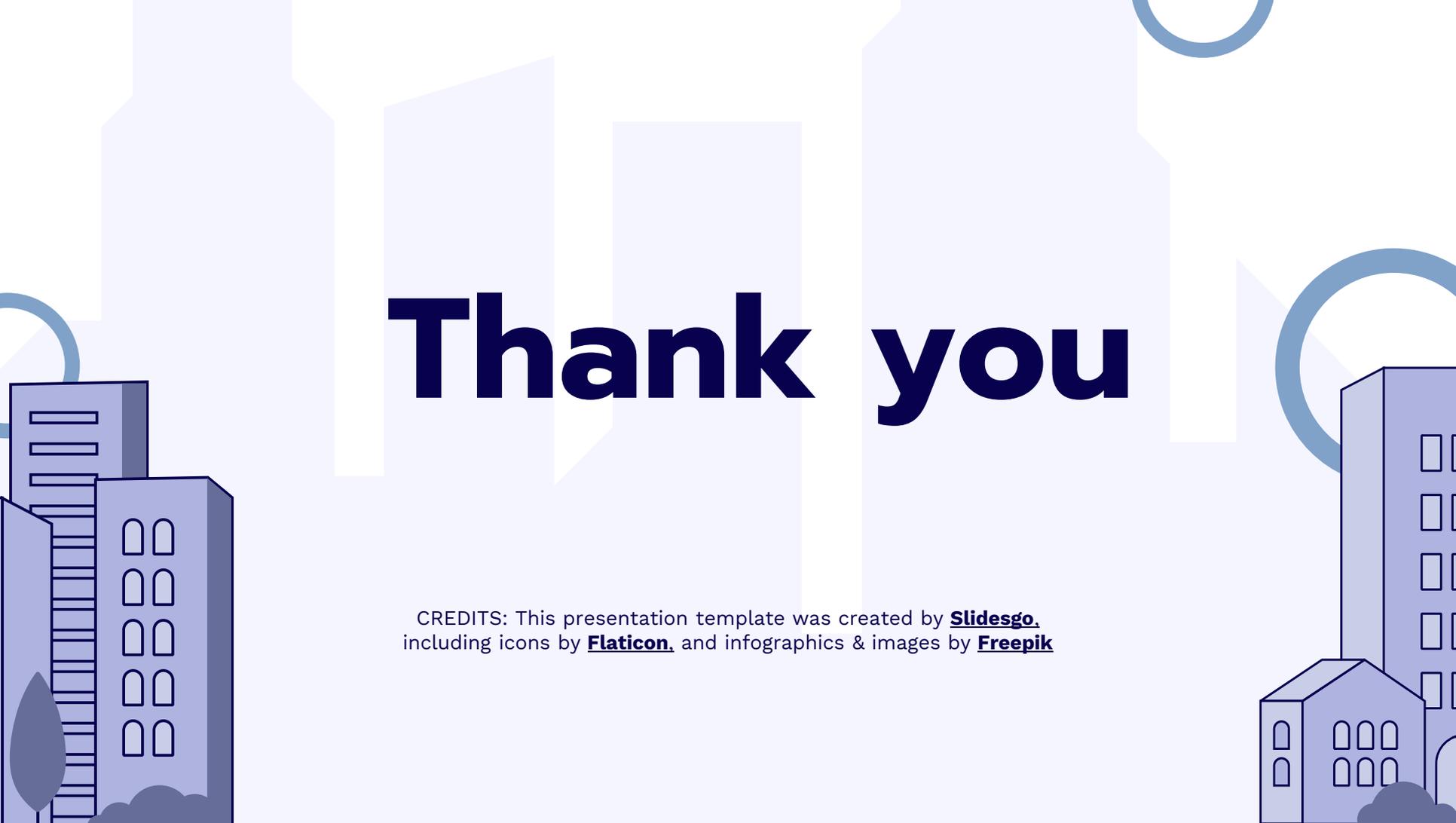
Integration

Survey provides the “Price” (quality); Big Data provides the “Timing” (speed). They are complementary, not substitutes

Conclusion



- Bank Indonesia built a multi-source property prices monitoring system to overcome limited administrative transaction data
- No single index is perfect: Primary, Appraisal, Big data, and Commercial indices must be used together via 'Cross indicator triangulations'
- This framework provides the necessary inputs for monetary policy and macroprudential assessments in a complex emerging market



Thank you

CREDITS: This presentation template was created by [Slidesgo](#), including icons by [Flaticon](#), and infographics & images by [Freepik](#)

Data and Report Availability

To facilitate external use of Indonesia's property price indicators, Bank Indonesia regularly publishes detailed survey results and analytical reports on its official website. The primary residential property price indicators derived from the *Survei Harga Properti Residensial (SHPR) Primer* are disseminated through the quarterly Residential Property Survey reports, while commercial property price indicators compiled from the *Survei Perkembangan Properti Komersial (PPKom)* are published in the quarterly Commercial Property Survey reports.

The most recent publications are available at:

Residential Property Survey – Primary (Q4 2025):

https://www.bi.go.id/en/publikasi/laporan/Pages/SHPR_Tw_IV_2025.aspx

Commercial Property Survey (Q4 2025):

https://www.bi.go.id/en/publikasi/laporan/Pages/PPKom_Triwulan_IV_2025.aspx