

EXECUTIVE SUMMARY

The housing industry in Jakarta has grown rapidly in the past decade, along with high population growth. This business plan is developing an affordable green living residence in Jakarta, CEO Residence. This project proposed based on the fact that the demand toward a green living residence is high due to the rise of the middle-class productive generation of millennials in Jakarta. They yearn for a place to live that meets their basic needs, not necessarily on a large area of land. The CEO Residence is strategically located and has easy access to transportation and public services, but still comes with low maintenance costs and is environmentally friendly.

This business plan targets the middle-upper class productive generation of millennials within 25 years old until 40 years old, either single or just starting their new family, with the income of 10 million until 15 million Rupiahs per month per person. The market targets do not limit on the West Jakarta only, since the project's strategic location enables an accessible route toward another part of Jakarta as well. This residence will be built above 18 ha of land. The Modern Contemporary Scandinavians design of each unit of 5-meter x 14-meter with 2 bedrooms, 2 bathrooms, and a carport on 12 ha of effective land with the price around 950 million Rupiahs. The rest of the 6 ha of land will be used for infrastructure, green areas, public facilities, and social facilities.

Based on the BPS 2018 data, 34,91 % of the young generation in Jakarta living in rent houses and 11 % of young men and 9,82 % of women lives in hardly worthy house. Based on the Indonesian Bank's (BI) survey of consumers 2019, there is an increasing index of consumer's expectation from 151,2 in November to 152,7 in December. It implies that consumers believe in the increase of the incomes in the next 6 months. The same survey also shows the highest index of income expectation per group of age happen to the age group of 20-30 years old. For this reason, this business plan chooses the group of young millennials family at the age range of 25-40 years old as the market target. This business plan will use literature reviews, interviewing the business actors of residence developer as well as questionnaire for other selected respondents. This questionnaire will make use of the Monkey Survey facility.

In planning this business project, it is necessary to consider both internal and external factors that could influence the success of this project. The rivalry among the

existing firms is a high priority, as well as the slow industry growth and the high cost of the fixed cost. The threat of new entrants, bargaining power of buyer, threat of substitute products, bargaining power of suppliers are indicated mostly as medium. Based on those indications, it is concluded that the CEO Residence's level of competitiveness against developer companies around West Jakarta is still in the middle category. Thus, it is decided that this business plan is an initial project of PT. CEO Development.

The strategic group analysis shows that competitors are in the Differentiation group for a radius of less than 5 KM and the Overall Cost Leadership group for a radius of 5 KM - 10 KM and 10 KM - 15 KM. The project that we present winning the Focus Differentiation for its strategic location in the heart of the business, namely Puri area, where it is very attractive to property investors. This is the most crucial factor which competitors hardly get. We are optimistic about targeting end users to stay at CEO Residence, with very affordable prices, starting from Rp. 950 million with easy down payment and various type of installment method for a two-story house in a beautiful and green area. The CEO Residence offer different facilities compare to other property developer which is serviced residence, such as concierge facilities, housekeeping, handyman, self storage and laundry room.

There are three probabilities of moderate-type firm earnings consideration. The most likely scenario shows the payback occurs in the 4th year and 6.79 month, where the 6th year NPV is IDR 186,428,757,000 with an IRR rate of 40 % and a WACC of 16.16 %. For the optimistic scenario shows the payback occurs in the 3rd year and 9.08 months, where the 6th year NPV is IDR 226,209,107,000 with an IRR rate of 43% % and a WACC of 16.16 %. And for the pessimistic scenario shows the payback occurs in the 5th year and 2.04 months, where the 6th year NPV is IDR 41,720,039,000 with an IRR rate of 24 % and a WACC of 16.16 %.

Through providing a new and innovative value proposition with highly profitable business opportunities, CEO Residence will provide enjoyable residence for every valued resident as well as vastly rewarding investment for valuable investors and promising profitable short-term payback period for PT. CEO Development to maintain sustainability in this disruptive and challenging time.