Dynamics Of Land Value Change : A Case Of Pantai Mutiara, Jakarta

Juntrisnawati Loi¹; Nurahma Tresani²; Nasiruddin Mahmud³
¹Student; Master Program in Urban and Regional Planning, Faculty of Engineering; Tarumanagara University, Jakarta
²-³Lecturer; Master Program in Urban and Regional Planning, Faculty of Engineering; Tarumanagara University, Jakarta

*juntrisloi@yahoo.com

Abstract. City continues to experience physical development as indicated by the increasing number of built up areas and increasing land requirements. Physically, land is an asset that has limitations and cannot grow, for example through reclamation efforts. Land is not only a wealth-creating resource for sustenance but also the basic resource requirement for all development. Pantai Mutiara area is a coastal reclamation area intended for residential functions. The development of the Pantai Mutiara Area reclamation project from the beginning of the development to the present has had an impact on the increase in the land value in the area, especially the land value that has marinas and docks. The dynamics of land values changes are still unpredictable especially because the determinants of land value itself are not just something real like accessibility, location, etc., but there are also determinants of land value such as macroeconomic conditions (gross domestic product, economic growth, Indonesian Rupiah exchange rates and currency conversion).

Keywords : Land Value, Land Value Change, Macroeconomic, Reclamation.

1. Introduction

The development of new land on a large scale in addition to providing benefits for the development of the land itself will also lead to an increase in land value. The land development will cause land use value to increase due to increased intensity of activities at the location. As land values increase, land prices, which reflect land values, also increase. One of the land developments through the reclamation effort that is considered successful is the development of the Pantai Mutiara Area located in Pluit Village, Penjaringan District, North Jakarta. Pantai Mutiara has now turned into a luxury area that has high value because it is close to airport access, settlements that have access to the sea (waterfront city), and an artificial environment that is designed with the concept of middle and upper dwellings. At present Pantai Mutiara is an elite residential area developed since 1980 as a continuation of the beach reclamation project in the Pluit area, North Jakarta. During this high economic growth time, the conventional belief was that land values should soar with increasing demand and decreasing vacancies. Conversely, anticipation of these values is problematic since spatial factors are often influential ones along with other characteristics of land. This research was conducted with the aim to determine the dynamics of land value changes in Pantai Mutiara and the factors that influence it.

2. Methodology

The method used is quantitative from the results of interviews with the sale value of land in the study area through data from the Pantai Mutiara developer. The research method is descriptive of the dynamics of the development of land value development of the land reclaimed Pantai
Mutiara. Where land value data will be presented using graphs. After knowing the dynamics of land value, then we can find out the factors causing the dynamics of land prices.

3. Results and discussion

It can be marked from these figures that land prices from three regions (*daratan, marina kecil* and *marina besar*), change at about the same rate. After 2005, there was a huge revolution in the value of land in Pantai Mutiara. In 2011-2015 the price of land has remained double the previous price, and in 2017-2019 the value of land is stagnant and tends to decrease.

Graph 1. Trend Of Land Value Change

This section will explain the development of land values that occur in Pantai Mutiara. In explaining the development of this land value, there is some information, that is:

1. Land reclamation to create new housing areas and real estate properties in Pantai Mutiara
2. Land value data used in the analysis was obtained from interviews with Pantai Mutiara, so land price data is an estimate.
3. Land values are classified into 3 regions with different land prices. The division of the area is largely distinguished by location factors, namely its location on the mainland, and has a small or large marina and others.
4. In the analysis of land values divided into five categories divided into five years.

In 1995-1999 land prices tended to be homogeneous in each classification in the sense that there were no large differences and regular price increases and no decreases. In 1998 an economic crisis occurred where these conditions did not affect the value of land marketed by developers. On the contrary, the value of land continues to increase even though the sales are decreasing due to the 1998 economic crisis. If it is related to the law of supply demand, this is not
appropriate, because demand is declining due to economic conditions at the time not because of market needs, therefore even though demand decreases but land values continue to rise.

In 2000-2010 land values continued to rise, with steady and not so high increases.

In 2011-2015 the value of land doubled from the previous value, this was influenced by the condition of property in Indonesia that year was good. If we flashback, the property sector growth has reached its peak in 2011-2013. Year This has become an advantageous period for business people in the property sector. Not only property in urban areas, but property in various regions can reach benefit. The benefits are inseparable from a number of things.

- First, Indonesia population has experienced a significant increase in income from 2011-2013. Inevitably, it helps boost the income of people who have Middle Income status, including Indonesia. In the same year, GDP per capita for Indonesia first broke through USD 3000 / year. With the increasing number of middle class population, the purchasing power of the community has also increased significantly, thus encouraging the property sector to grow as well.

- Second, the economic growth rate is quite high at around 6.8%. The level of economic growth at that time was quite high including when compared to economic growth in 2018 which was 5.29%. High economic growth greatly affected the property sector at that time, with the increasing market demand for property needs.

- Third, the Rupiah exchange rate is still stable at Rp. 9,000 to Rp. 10,000. The strengthening of the rupiah at that time was a distinct advantage for the property sector. With a stable exchange rate, business people also get certainty in their property business. People also get certainty in their business, so they are more willing to make decisions in taking property.

Around the year 2014-2016 is slow Down Phase of Property. Unfortunately the peak of the triumph of the property sector began to fade. Around 2014-2016, the property sector has slowly declined. Starting from the tightening of property loans, and the government's policy of issuing high loan to value / LTV ratios, property players, especially speculators must be extra careful. LTV is set at a maximum of 70%, when giving credit. So the buyer must give down payment of at least 30% of the price of the house. Of course it's quite burdensome for the people, especially for those who just bought their first house. The decline in the property sector was also increasingly depressed because economic growth continued to decline, until it reached the lowest economic growth of 4.8% in 2015. In addition, the Rupiah exchange rate also weakened from Rp 11,000 / USD to Rp 14,000, -an / USD. These things made the growth of the property sector quite flat, as a result of the enactment of tightening property / LTV loans at the time. Even so, property prices in general are still rising although not as sharp as property prices in 2012-13.

The land value pantai mutiara in 2015-2017 stagnant and decreased in value in 2018-2019 due to declining demand. Even though the value of land has decreased, the demand value has also continued to decline and not increase.

4. Conclusion
Furthermore, this study found that macroeconomic and property conditions and government policies have more influence on the dynamics of land values compared to the presence of factors such as accessibility and others in the pearl coast region. Besides that, it is found that the
condition of the land value on Pantai Mutiara is not in accordance with the law of supply and demand, where the increase and decrease in the value of the land on Pantai Mutiara is sometimes inversely proportional to the existing demand.

5. References
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