

PROPERTY SECTOR: Surviving On Stimulus, Not Strength

Published on 06 November 2025

1. Mixed performance: Marketing Sales CTRA, PANI, PWON 👍 versus MTLA & BSDE 👎

The Q3 2025 trend shows fragmentation in the property sector. **CTRA, PANI, and PWON** recorded profit growth not due to new sales surges, but from revenue recognition of old projects ready for handover and cost efficiency. CTRA booked net profit growth of +27.6% YoY with improving margins, while PWON sustained earnings through recurring income from malls and hotels despite relatively flat marketing sales. PANI posted the most aggressive growth, with 9M25 revenue soaring +48.3% YoY to Rp 3.1 trillion and net profit rising +62.6% YoY to Rp 791 billion, driven by the PIK 2 area development that significantly contributed to group cash flow and equity.

Conversely, **MTLA and BSDE** still reported strong marketing sales (MTLA ~Rp 1.35 trillion; BSDE 9M25 Rp 7.1 trillion ≈ 71% of target), yet their net profits were under pressure. BSDE, for example, saw a -49.6% YoY decline in profit due to handover delays, lower construction margins, and rising interest expenses. This phenomenon highlights the fundamental gap between booking performance and financial performance: high new sales do not necessarily translate into reported profits if revenue recognition has not yet occurred.

The question now is, is this sector fundamentally strong, or merely sustaining performance through old backlog and temporary efficiency? If new sales fail to penetrate the new pipeline soon, the risk of earnings stagnation in 2026 could emerge faster than expected.

2. Outlook & Catalysts for late 2025 & 2026:

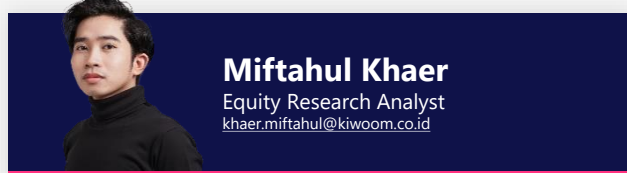
The extension of the VAT subsidy (PPN DTP) until December 31, 2027, prolongs the tailwind for the mid-range landed housing segment, but also reveals a reality: Consumer purchasing power has yet to recover strongly enough to sustain the market without fiscal stimulus. The government has chosen to maintain policy-driven demand to keep construction and handover activities alive.

On the positive side, this move gives developers more time to clear their backlog and adjust product strategies. However, the critical side is that reliance on stimulus signals a fragile recovery. Home purchases—high-cost and non-essential products—remain constrained by living cost pressures and slow wage growth.

With domestic interest rates likely to decline in 2026 and stimulus still active, developers with portfolios of landed houses under Rp 2 billion and ready-for-handover backlog will show stable performance. But to attract the upper segment, developers must innovate in *value creation*: Exclusive project concepts, global collaborations, and premium lifestyle narratives—rather than relying solely on VAT discounts (*hence, the true champion in this class remains PIK2*).

📌 *In conclusion, 2026 is not a year of euphoria, but a year of filtration:* Those who can survive will be the ones innovating through business models and product strategies, not merely relying on government incentives.

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