CHAPTER 6

APPRAISAL OF ON-GOING URBAN RENEWAL – KEBON KACANG

6.1 OUTLINE OF PROJECT

6.1.1 General

The Government of Indonesia, being aware of the aggravated housing problem particularly in the capital city of Jakarta as a result of the ever-increasing migration from rural to urban, has accordingly launched several programmes aimed at improving the urban housing situation.

In parallel with the Kampung Improvement Programmes which are mainly to improve the infrastructure and living environment of existing Kampungs, the Government has recently formulated a comprehensive urban renewal programme aiming to provide the inhabitants with a completely renewed and improved housing environment at their original place of residence.

Since 1981, Kebon Kacang Urban Renewal Housing Project has been implemented as the very first comprehensive urban renewal project in Indonesia. It is initiated by the Directorate General of Capita Karya and executed by PERUM PERUMNAS, a body established in 1974.

The outline of the Project is as follows:

(1) Number of units :

21 sq.m.	368 units	
42 sq.m.	160 units	
51 sq.m.	72 units	
	600 units:	residential flats
21 sq.m.	32 units:	vendor stalls
9 sq.m.	32 units:	small shops
Total	664 units in 8 twin blocks	

(2) Structure : Permanent

(3) Site Location : Central Jakarta district, along Jl. M.H. Thamrin, ten-lane boulevard lined with international hotels & offices.

(4) Area : 18,208 sq.m.

(5) Conditions before implementation:

— Houses :
266 units of permanent structures
153 units of semi-permanent structures
367 units of moderate structure
10 units of temporary structures
average loor space: 20 sq.m.
average number of occupants: 6 persons per house

— Public buildings :
2 mosques
1 office
2 restaurants/cafes
3 small shops

— Number of inhabitants :
736 families consisting of
357 land and house owners,
30 house owners,
77 monthly renters,
44 yearly renters,
228 free lodgers

— Residents & *Occupantions* :
50% independent, small scale enterprise owners
25% *labourers (daily/weekly/non-permanent)*
15% employees at private enterprises
5% government employees (incl. armed forces and retired persons)
5% others

(6) Temporary Housing (for inhabitants who wished to be resettled in the new dwellings):

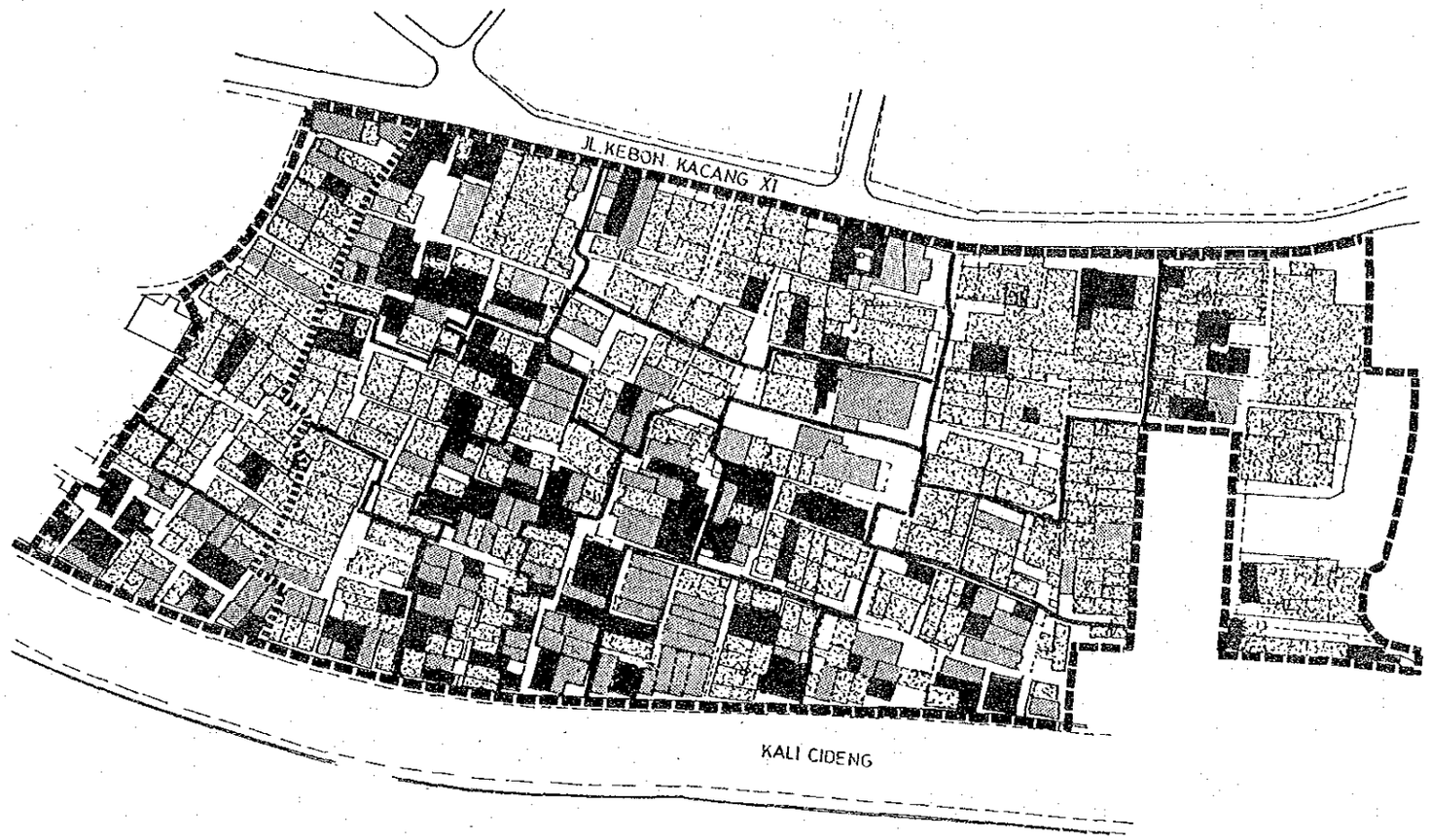
134 families at Thamrin and Kebon Melati
26 families at PERUM PERUMNAS walk-up flats
2 families at other places
162 families

(7) Inhabitants who are resettled in other PERUM PERUMNAS sites:

18 families at Bekasi
98 families at Tangerang
81 families at Depok
3 families at Tanah Abang wal-up falts
200 familes

(8) Inhabitants who have chosen to live elsewhere: 374 familes

The Project Map is shown in Fig. 6–1 and Fig. 6–2.

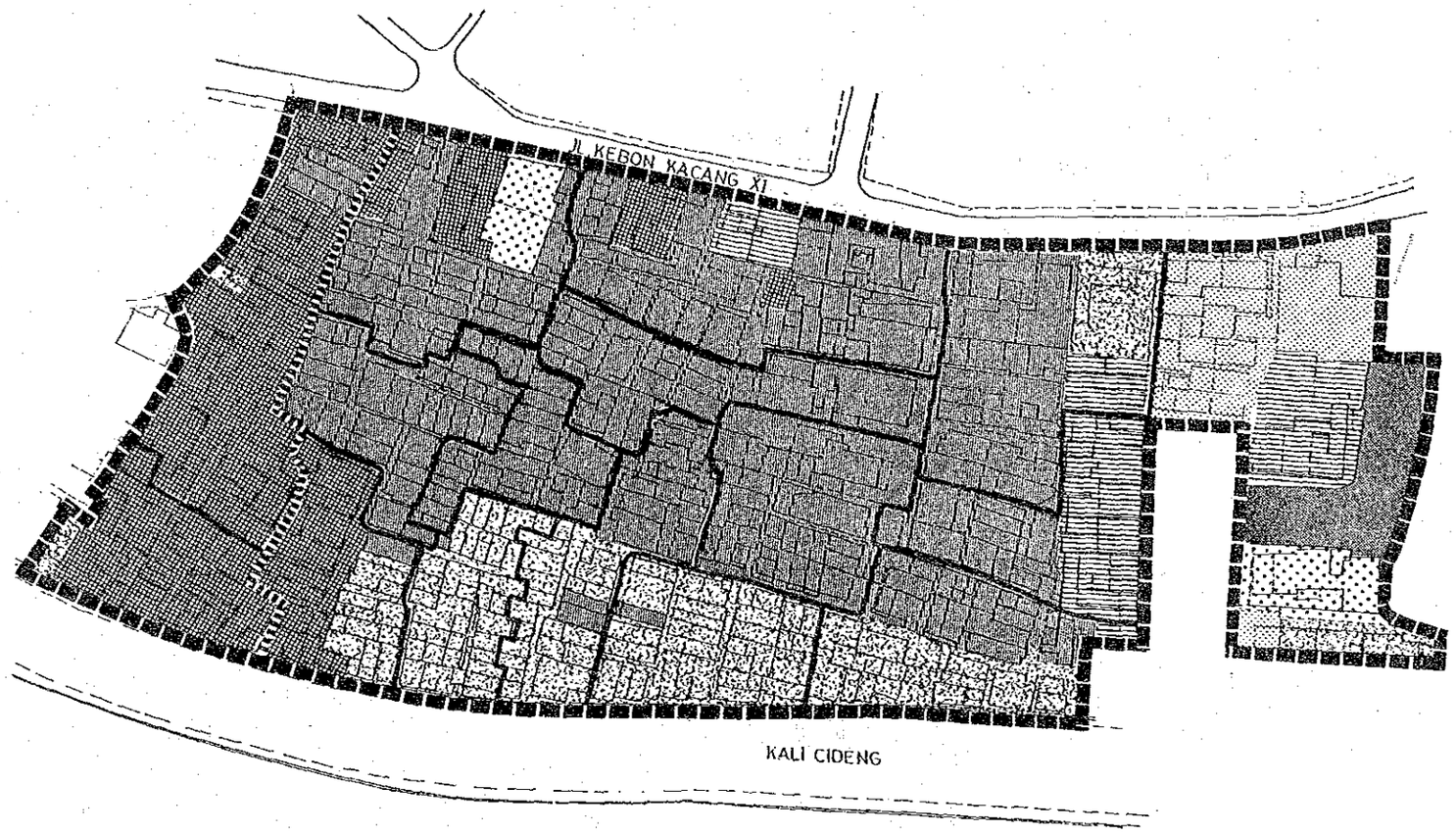


Legend:

- Boundary of Urban Renewal Project
- Boundary of R.W.
- Boundary of R.T.
- permanent House
- Semi Permanent House
- Temporary House

0 10 20 50 M

Fig. 6–1 KEBON KACANG RENEWAL PROJECT BEFORE THE RENEWAL

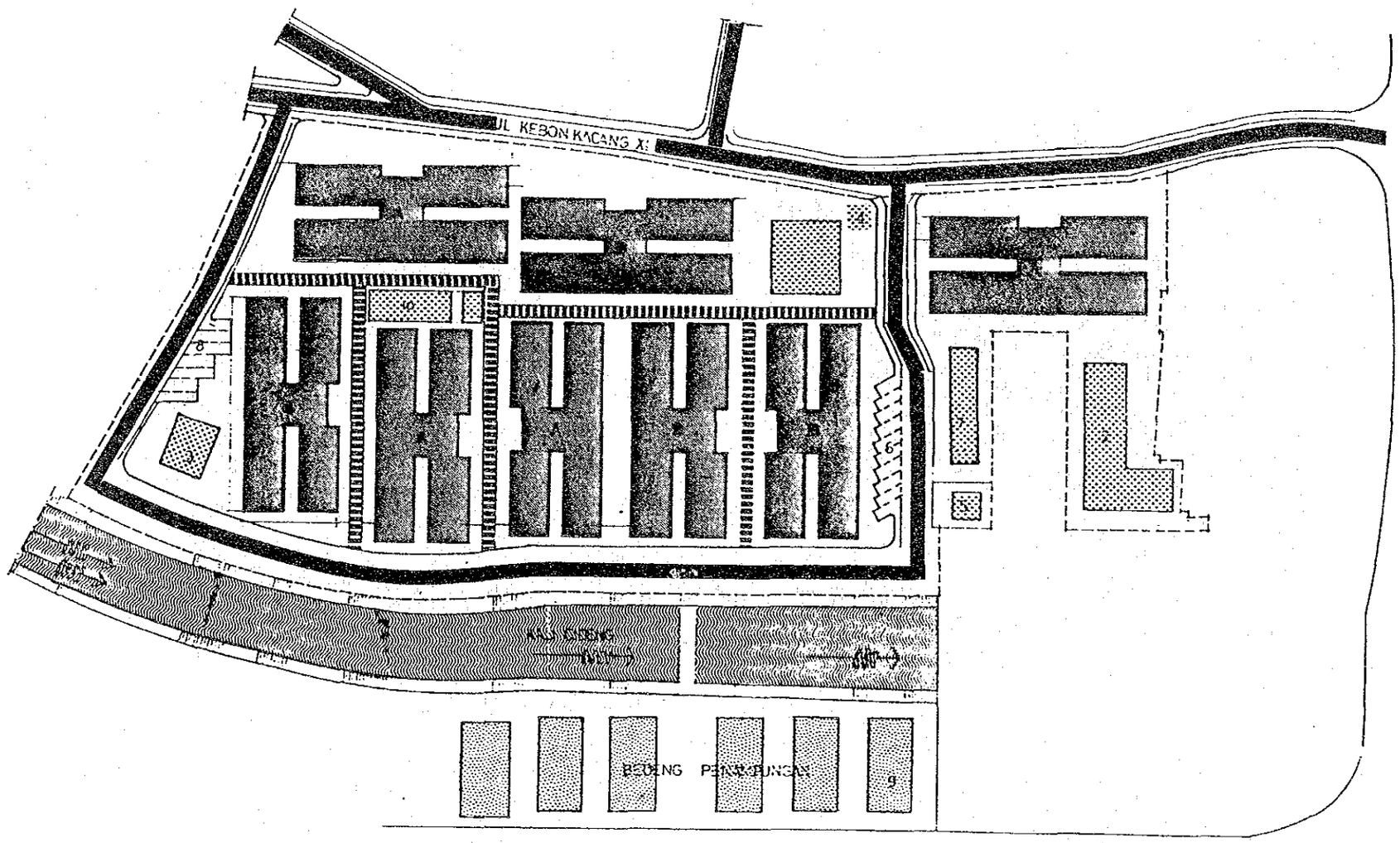


Legend :

- Boundary of Urban Renewal Project
- Boundary of R.W.
- Boundary of R.T.
- Hak Milik
- Verponding Indonesia
- Hak Guna Bangunan
- Hak Pakai
- Hak Sewa
- Hak Sewa
- Garapan

0 10 20 40 60M

Fig. 6–2 MAP OF LAND OWNERSHIP IN KEBON KACANG



Legend:

- Urban Renewal Project boundary
- Walk Up Flat
- Facility Bld.
- Foot Path

1. Multipurpose Building
2. Elementary School Bld.
3. Mosque Building
4. Security Post
5. Electrical Box
6. Retail Area (Kaki Lima)
7. Shops Building
8. Parking Area
9. Temporary Recev.Houses
10. Water Pump House

A. Concrete Structure
Type : F.21 & F.42

B. Steel Structure
Type : F.21

C. Steel Structure
Type : F.21, F.42, FV51

0 10 20 50 M

Fig. 6–3 KEBON KACANG RENEWAL PROJECT PROPOSED RENEWAL LAYOUT

6.1.2 Land Acquisition

Land Acquisition

The land acquisition was made by the Location Team and the Land Acquisition Committee.

Land Compensation

The total amount of land compensation for the area of about 18,208 sq.m. was agreed by the PERUM PERUMNAS with a letter No. DIRUT/1061/KPTS/21/81 dated Nov. 23, 1981 based on the itemized compensation ratios/amounts which were determined by the Decision of DKI Jakarta Governor No. 903, 1981 dated Sept. 3, 1981 referring to the regulations concerned such as the Decisions of DKI Jakarta Governor No. 11/3/14/1972 dated Feb. 2, 19–72 and No. 755, 1981 dated July 18, 1981 in particular, etc.

6.1.3 Procedural Records

Time Schedule:

May – September, 1981	:	fortnightly technical meetings at PERUM PERUMNAS to discuss preparatory work
Middle of September, 1981	:	face to face meeting between the inhabitants and people from the Government (including PERUM PERUMNAS)
October – November, 1981	:	construction of temporary housing
November 8, 1981	:	agreement on amount of reimbursement
January – March, 1981	:	demolishment of existing houses
March 13, 1982	:	official start of construction
June, 1982	:	first foundation-pile driving
End of October, 1982	:	one twin block scheduled for completion
September, 1983	:	completion of the whole project

Fig. 6–4 shows the process of execution, Fig. 6–5 shows the moving process of the people and Fig. 6–6 shows the organization and work plan of the Urban Renewal Project in Kebon Kacang.

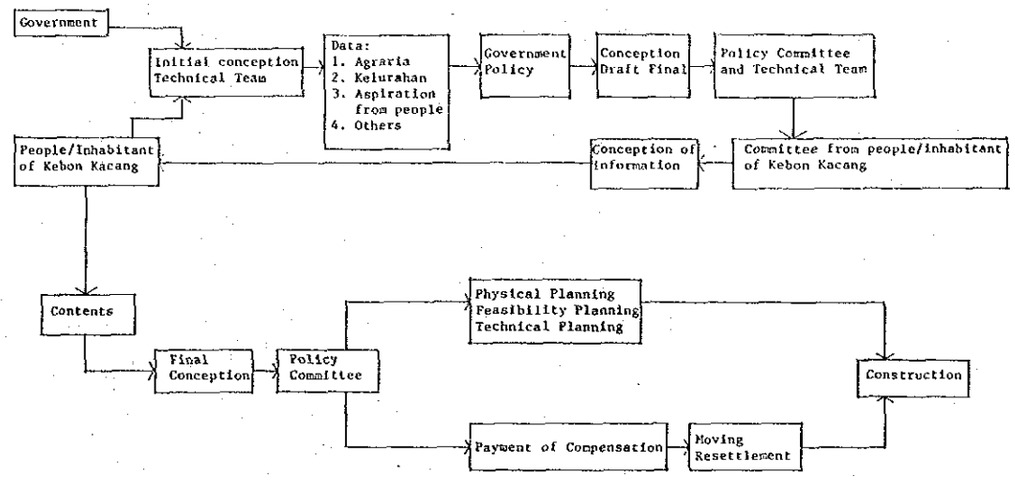


Fig. 6–4 PROCESS OF THE URBAN RENEWAL PROJECT IN KEBON KACANG

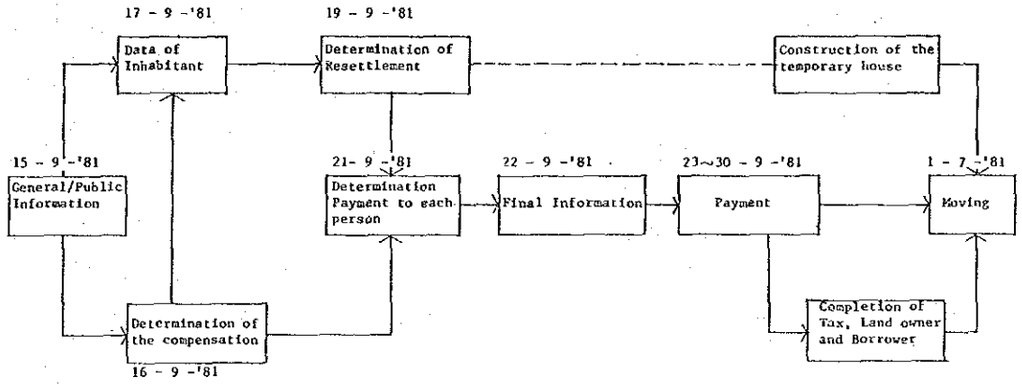


Fig. 6–5 MOVING PROCESS OF THE INHABITANTS IN KEBON KACANG

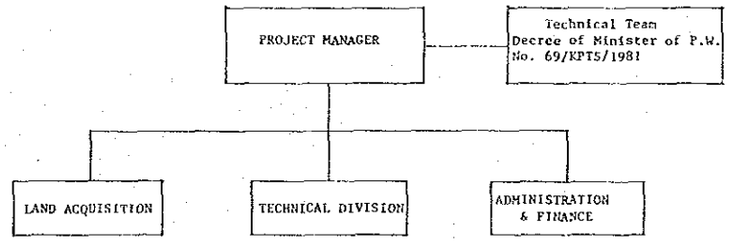


Fig. 6–6 ORGANIZATION OF THE URBAN RENEWAL PROJECT IN KEBON KACANG

6.2 SOCIO-ECONOMIC APPARAISAL

6.2.1 Project Funds

According to the feasibility study on the project by PERUM PERUMNAS, financial situation of the project is summarized as shown in Table 6–7.

Table 6–7 FINANCIAL SITUATION OF THE PROJECT AT KEBON KACANG

Recapitulation of Project Cost

1.	Land Acquisition Cost	1,159,292,455
2.	Sub-total Planning Cost	33,786,800
3.	Sub-total Available Land Cost	376,318,500
4.	Sub-total Story House + Store House Costs	2,273,318,850
5.	Sub-total Environmental Facilities Costs	–
6.	Total Physical Contingency	352,967,625
7.	Total Price Contingency	–
8.	Total Cost of Building	4,195,684,230
9.	Total Interest of Production Cost	108,243,405
10.	Total Cost of Overhead	81,182,554
11.	Total Cost of Investment Allocation	27,060,851
12.	Total Cost of Building Construction Guarantee	40,327,257
13.	Total Exploitation Cost	–
14.	Total Cost of Right of Building	–
15.	Total Project Cost	4,452,498,297

Estimated Sales and Rental Revenue

1.	Story House Type 21 for Sale:	276 Units	414,000,000
2.	Story House Type 42 for Sale:	120 Units	420,000,000
3.	Story House Type 51 for Sale:	54 Units	367,200,000
	(Sub-total of Sale Revenue		: 1,201,200,000)
4.	Rental Story House Type 21:	92 Units	268,292,000
5.	Rental Story House Type 42:	40 Units	273,600,000
6.	Rental Story House Type 51:	18 Units	236,520,000
7.	Rental Public Building Facility		7,200,000
8.	Rental Commercial Building Facility		208,800,000
9.	Rental Service Building Unit		5,400,000
	(Sub-total of Rental Revenue		: 999,792,000)
	Total of Sales & Rental Revenue		2,200,992,000

As seen from the Table, the rate of the anticipated revenue to the total project cost, so-called cost recovery rate, is about 50 percent and the remaining 50 percent is marked as "non recovered" and is eventually an encumbrance on the state funds. The revenue includes the rental charges and sales value of the houses and facilities.

This project is the first urban renewal housing project in Indonesia and the initiation of the project was dominated by the Government need to clear the poor-standard Kampung adjacent to the CBD, rather than a financial feasibility study including a legitimate argument for the introduction of public funds. A "slum-clearance project" normally requires massive public funds or government subsidy and this is also the case in Japan. The public interests to be accrued by its implementation should therefore be assured.

6.2.2 Comparison of the Project with Similar Projects in Japan (Residential Area Improvement Project)

The Residential Area Improvement Project in Japan aims at improving the living environments of high-density, poor-standard urban housing area by means of "scrap and re-build". The principle aim of the project is to provide decent housing stock that meets the national minimum standards for the healthy, cultural life of the nation. The implementation body of the project is the local governments responsible for the living environment of the citizen. The rates of the central government subsidy to the project cost, are 2/3 for the costs of building construction, land preparation and project administration/management, and 1/2 for the costs of temporary housing and demolition of inadequate houses. The newly-built housing is owned by the local government and rented preferentially to the inhabitants who originally lived in the project site. From the viewpoint of the national economy, the project contributes towards supplying decent housing stock which can be considered as a social capital. Unlike the case of the sale of new houses, these houses are rented and do not belong to the particular group of people involved.

Although the subsidy rate of the Kebon Kacang Project cannot be simply compared with the case in Japan, as mentioned above, the rate itself is almost the same as that in Japan. It might be said that government subsidy of 50% is not "extreme" for this sort of slum clearance project.

6.2.3 Selection of the Project Site

In light of the necessity for a large input of public funds or government subsidy, particular attention should be given to selecting the sites for such slum-clearance type of projects in connection with the public interests to be developed by the pro-

jects. Sites with high-density, poor-standard houses create sanitary and moral problems, and result in degradation of the living environment. A vicious circle develops and often results in the illegal occupation of public spaces. These symptoms should be recognized as social problems and this makes the projects deserve to be implemented for the sake of elimination of such social injustice.

From these aspects, two points require to be clarified in respect to the site selection. First, was there no other appropriate site for implementation, and secondly, was there no other potential development that yielded more effective use of the land. It is necessary to consider the locational advantages of the site which is just adjacent to the CBD.

6.2.4 Response of the Inhabitants

Of the inhabitants acknowledged as the residents before implementation of the project, abou 20 percent preferred to resettle in the newly-built flats, 30 percent preferred to live in another suburban housing complex of PERUM PERUMNAS, and the remaining 50 percent settled themselves somewhere else. Their settlement patterns are predominantly characterized by their social classes rather than the amounts paid for compensation. Under the circumstances that the life in flats have not yet been socially accepted, it is considered that many inhabitants declined to be resettled in the new flats mainly because they considered that the flats did not suit their traditional life and work modes. In this context the system of compensation did not contribute much towards inducing the inhabitants to resettle in the new flats.

6.2.5 Land Acquisition

It is a suprising success that despite the existence of about 380 inhabitants who held the right of land use, all the land was acquired within a year. This is far better than the schedule for land acquisition normally feasible in Japan. However, in consideration of the fact that the resettlement rate is fairly low (about 20 percent), it may be queried whether the inhabitants understood and gave their full consent to the aims of the project. As far as the primary aims of this sort of project are to improve the living environment for the benefits of the inhabitants, more efforts could possibly have been made to convince the inhabitants of the aims of the project. In this regard, approximately 2/3 of the amount paid for compensation is regarded as a "capital gain" from the ownership of land and therefore the use of compensation as an inducement to obtain the inhabitants' consent is not desirable if an objective is to increase the resettlement rate. Incidentally, in Japan such capital gain is subject to taxation, even from land acquired for public projects.

6.2.6 Others

- The right to be granted to the inhabitants after renewal should be examined in view of the possibility of granting the right of residence rather than the right of property.
- The follow-up or appraisal of the results of the project is very essential since this project is the first project of this sort and has the role of an experimental project. The following are the results of such follow-up studies carried out by the Study Team. Table 6–8 shows the distribution of compensation paid to those who were not using their land. Table 6–9 shows the characteristics of the inhabitants' resettlement.

Table 6–8 (1) DISTRIBUTION OF COMPENSATION BY OWNING STATUS

Status	Persons		Compensation		Compensation per capita
	Persons	%	Rp. 1000.-	%	Rp. 1000.-
Owner of both land and buildings	372	50.5	1,304,240	89.3	3,506
Owner of land	7	1.0	19.480	1.3	2.783
Owner of buildings	23	3.1	15.240	1.0	663
Renter on a long-term contract basis	79	10.7	102.310	7.0	1.295
Temporary renter	246	33.4	16.450	1.1	67
Others	9	1.3	3.080	0.3	342
Total	736	100.0	1,460,800	100.0	1.985

Table 6–8 (2) COMPENSATION PAID TO THOSE WHO WERE NOT LIVING IN THE SITE

Land use pattern	Persons		Land Area		Compensation	
	Persons	%	m2	%	Rp. 1000.-	%
Land owners who rented builings on long-term contract	29	7.7	3,484	19.1	110,260	11.3
Other absentee land owners	12	3.2	397	2.2	18,780	1.9
TOTAL	41	10.8	3,881	21.3	129,040	13.2
Total of Land Owners	379	100.0	18,200	100.0	979,340	100.0

Table 6–9 CHARACTERISTICS OF THE INHABITANTS' RESETTLEMENT

Pattern	Mean amount of compensation received	Mean income level	Mean household structure
Resettled in F 21 Kebon Kacang	795,200	55,900	4.2
Resettled in F 42 Kebon Kacang	1,765,100	85,840	4.7
Resettled in F 51 Kebon Kacang	4,315,700	173,390	5.6
Average	2,199,800	104,960	4.8
Resettled in P.P Suburban Housing Complex	1,808,800	63,200	5.3
Others	1,889,700	51,420	4.6
Grand Average	1,984,800	78,570	4.8

6.3 APPRAISAL FROM URBAN FUNCTIONAL ASPECTS

From the planning aspect, the development potentials which exist or may exist in a proposed area for urban renewal, should be carefully examined taking into consideration the following points.

- What are the present activities in and around the proposed area?
- What are the likely future activities in and around the proposed area?
- What are the predominant urban functions around the proposed area and how they will influence the proposed area?

As shown in Fig. 6–10, the site of Kebon Kacang Project is located adjacent to the CBD (Jl. Thamrin) to the east, the commercial district to the north and the urban residential area to the west, and predominantly influenced by the CBD. Under the circumstances, if the site were left as it was, it would be sooner or later incorporated in the CBD, although there is a natural boundary of a canal between the CBD and the site.

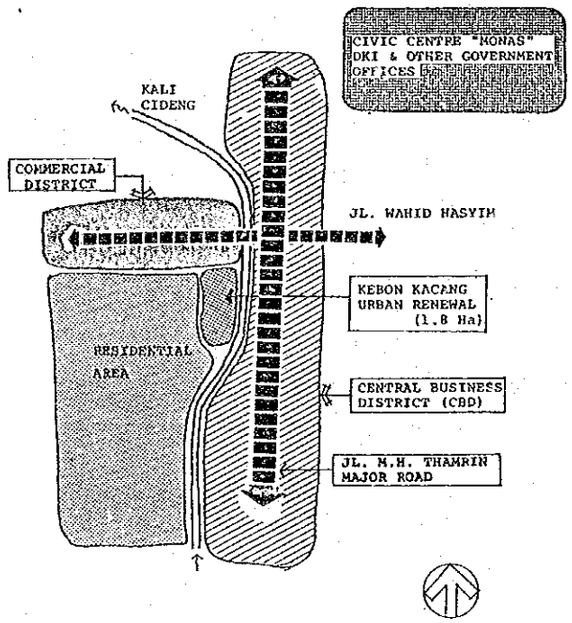


Fig. 6–10 CITY FUNCTION CHARACTERISTICS SURROUNDING KEBON KACANG URBAN RENEWAL PROJECT

On the other hand, if considerations had been given to the evaluation of alternative development potentials, there would have been the three different alternatives as shown in Fig. 6–11.

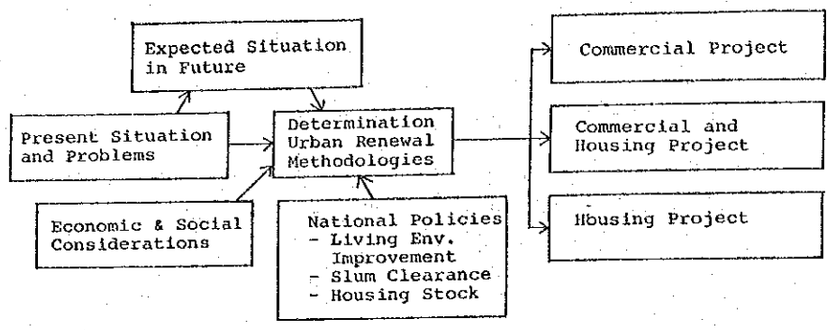


Fig. 6–11 FLOW OF URBAN RENEWAL METHODOLOGIES

On the contrary, the Government's desire to clear the extremely low standard of housing and living environments of the site, was supposed to work as a decisive factor in determining the ultimate development, resulting in the housing renewal project. However, as roughly evaluated in Table 6–12, there could have been another feasible alternative of commercial-cum-housing development with employment of high-rise shophouse buildings for effective land-use, which might have made the financial situation of the project easier.

Table 6–12 EVALUATION OF URBAN RENEWAL IN KEBON KACANG

Alternatives	Consistency with City Functions	Economic Consideration	National Policies	Comments
Commercial Project	○	○	×	The most feasible project but no National policy consideration
Commercial, Housing Project	○	○	o	The most applicable project taking account of National policies.
Housing Project	o	×	○	The best Solution taking into consideration national policies, but no economic consideration.

Legend: ○ : Greatly meeting
o : Meeting
× : Not meeting

6.4 APPRAISAL OF THE ARCHITECTURAL ASPECTS

6.4.1 Wide Gallery

The Study Team understands that the final design of the block plans was selected because:

- Continuity of living style in former kampung area will be maintained with the gallery stimulating intimate social contacts.
- Combination of two F 21 Type units into one F 42 units is possible in future.

Both reasons are important, but by providing a comparatively wide gallery (1.5 M width), the efficiency (Floor Area for Private Use/Total Area) becomes lowered to 78%. This is less than the target efficiency of 86–91% for walk-up flats given in Pedoman Teknik Perencanaan Perumahan Flat dan Maisonette (Technical Guidelines for Flat and Maisonette), Directorate General of Cipta Karya, 1981.

The examination on whether or not the above idea is successful, including whether or not the necessary cost for providing the wide gallery should have been spent on providing larger units, can only be carried out later, after the flats have been occupied.

6.4.2 Alternative Idea for Individual Toilet/Bathroom

Before the realized plan had been fixed, nine alternatives of block plans and layouts were compared, three of which were with communal toilets/bathrooms.

Between the communal toilets/bathrooms and an individual toilet/bathroom as realized, the alternative of sharing a toilet/bathroom amongst two, three or four families might have been another solution for the following reasons:

- It would have decreased the construction cost.
- It would make the future combination easier.
- The toilet/bathroom would be maintained in a better way than in the case of communal toilets/bathrooms.

The possibility of difficult human relationship arising amongst families sharing the toilet/bathroom should be considered, in this case.

A unit plan of this idea is shown in Chapter 5.5.

6.4.3 Larger Bedroom in F 42 and F 51 Types

Considering the first two above and the increased structural strength required if the balcony is used as part of the room, the larger bedroom in F 42 and F 51 Types might be re-considered in future projects.

Ventilation

The window facing the balcony in the larger bedroom in F 42 and F 51 Types, will have sufficient water-proofing, since the windows on the edge of the wall will have eaves above them. However, if the window is located in the outside wall this will result in better ventilation and lighting. A window in the outside wall will require a large head casing to prevent rainwater entering the building.

Beam in Rooms

Since a part of the room is on the cantilever part, a beam is seen from the room. This will make residents feel uneasy.

6.4.4 Aesthetic Aspect

Block plans and unit plans are shown in Fig. 6–13 and Fig. 6–14 respectively.

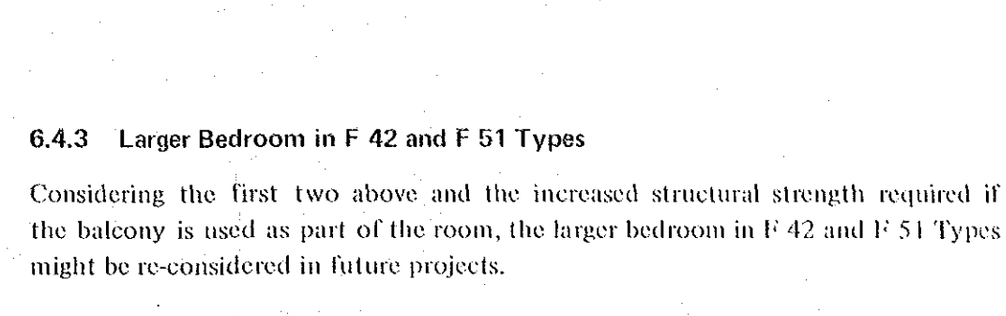


Fig. 6–13 BLOCK PLANS

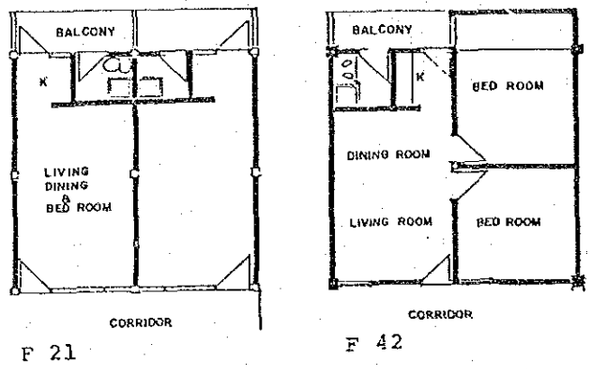


Fig. 6–14 UNIT PLANS

Due to the dense layout of housing blocks, the housing complex as a whole gives rather crowded impression but the painting of the sides of housing blocks with different light colours is helping to soften the gloomy appearance particularly when looking from Tl. Thamrin.

6.5 APPRAISAL OF THE ENGINEERING ASPECTS

In the search for economy, the structural design was subject to detailed and extensive study before the start of construction. However, there are some points that may need further consideration for the improvement of future similar projects.

6.5.1 Steel Structure (S-structure) and Reinforced Concrete Structure (RC-structure)

The contract system adopted by PERUM PERUMNAS was the so-called turn-key basis, and the structure system and construction method/materials were proposed by the contractors. Handara Graha Company proposed a conventional RC-structure together with an alternative proposal based on changing the spanning from 3 m to 6 m in both directions. Pudjiadi & Sons Company proposed a light steel structure.

The RC-structure was constructed without major changes to the original drawings but the S-structure required major modifications to the column system and its related structural systems such as connection details between the beam and column. These modifications are shown in Table 6–15. The RC-structure has not many technical problems except some detailing points which could be improved, e.g. the beam section is so small for its reinforcement (pt $>$ 2%) that the covering thickness of concrete becomes insufficient and this may affect the durability. Major technical problems of the S-structure are as follows:

Strength of column-to-beam connection (rigit-frame connection) as shown in Fig. 6–16.

- Field fillet welding has been used instead of butt welding even though the connection is subject to tensile stress. The strength of the joint is unreliable if welding penetration to the steel plate is insufficient.
- No diaphragm has been provided and this results in reduction of the rigidity of the joint.
- Cantilever beam is connected to the column with the combined use of bolts and welding. The bolts are not high-tension bolts able to transmit stresses and therefore the welding may be mainly subject to stresses. In conflict to the detail provided at site, this joint was structurally calculated as a bolted connection.

Durability of structure

The fire-proofing details are shown in Fig. 6–17. The material for fire proofing is mortar on wire mesh, and the construction method is plastering by hand. The reliability and workability of this system is considered less effective as compared to the mortar-asbestos spray method commonly used in Japan. The mortar must also work as a rust retarder, because no rust-proof painting was applied.

Table 6–15 MEMBER LIST OF RC AND S-STRUCTURE

	RC-Structure (F 21)		S-Structure (F 42/F 51)	
	Proposed	Implemented	Proposed	Implemented
Span	6 M & 6 M	←	3 M & 3 M	←
Column	400 B X 400 H	←	Reinforce concrete 2 CNP- 200 X 75 X 20 X 3.2	WF - 248.124 45.7
Beam	300 B X 500 H	←	WF - 199.99 45.7	←
Slub	100 with drop	100 Flat	90 t = 0.78	90
Roof	Timber truss	←	Timber truss	Light steel
Foundation	Direct Foundation	RC-Pile *1 40 x 40 cm L = 14-20 M	Direct Foundation	Strauz Pile 30 ϕ (cm) *2 L = 46 m
Amount of materials	*3 concrete 0.27 m3/m2		Concrete 0.16 m3/m2 *4 Steel 24Kg/m2	

*1 Bearing pile *2 Friction pile

*3 Total concrete volume/Total floor area

*4 Total steel weight/Total floor area

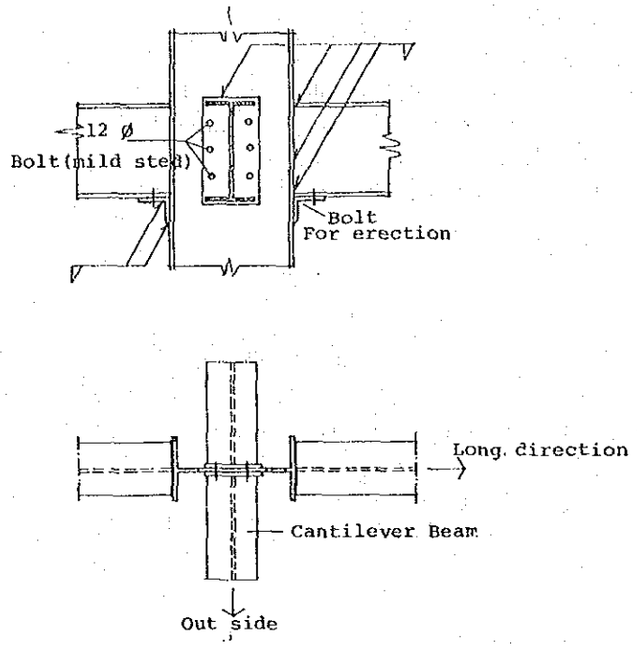


Fig. 6–16 TYPICAL CONNECTION OF EXTERNAL COLUMN AND BEAM

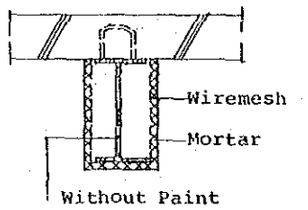


Fig. 6–17 DETAIL OF FIRE PROOFING

In comparison between the RC-structure and S-structure, the cost efficiency should be discussed in terms of strength, durability and reliability. As shown on Fig. 6–18, despite the different structure systems, the total construction cost and the cost of the main structure is the same for bot systems. Although the cost component of the main structure is fairly high (over 50%), the volume and amount of structural materials is very small as shown in Table 6–15.

As a conclusion, it can be said that the RC-structure may be more cost efficient than the S-structure since the strength, durability and reliability of the RC-structure are superior to those of the S-structure.

6.5.2 Foundation

The subsoil conditions at the site of Kebon Kacang are regarded as alluvial deposits having a bearing capacity of 2–4 tons/m² at a depth of 1.5 m. PERUM PERUMNAS usually uses direct foundation only on supporting soil having a bearing capacity of more than 5 tons/m².

In this project, both the RC-structure and S-structure were designed to use pile foundation due to the weights of the buildings which are 4.9 tons/m² in the RC-structure and 3.1 tons/m² in the S-structure (weight = total weight/1st floor area). More specifically, a bearing pile foundation was chosen for the RC-structure. A friction pile (struz pile) plus direct foundation (raft foundation) for the S-structure may settle, while there is no such risk in the case of a bearing pile foundation. (ultimate settlement of friction pile foundation is estimated to be about 10 cm). The cost of the foundation remains the same for both types resulting in the higher cost efficiency of bearing pile foundation. The three meters spanning is one of the reasons why the cost of the friction pile foundation does not become low. There should have been the soil investigation prior to determination of spanning.

In this project, PERUM PERUMNAS placed an order to the contractors on October, 1981, and soil investigations were performed in February – March, 1982. The reason for this unusual procedure is that because this is an urban renewal project, soil investigations had to be performed after demolition of the existing houses which was carried out in January – March, 1982.

6.5.3 Building Elements

Concrete Hollow Block

Concrete hollow blocks, which are fairly heavy, were produced at site. The details of he concrete hollow block wall are shown in Fig. 6–19. In the wall some horizontal reinforcement was provided but there is little vertical reinforcement. According to the planning guideline in Indonesia*1, a wall can be constructed up to the area of 5 to 15 m² (depending on its shape) without the need for reinforcement.

However, there is a danger of the external wall of concrete hollow blocks, collapsing in the event of an earthquake. In August 1981 DPMB*2 studied the use of artificial light-weight aggregate (ALWA) concrete panel in place of ordinary concrete hollow block wall. This study reported that a weight saving of 30% and cost saving of 12% could be attained in the case of RC-structure with direct foundation. Regrettably, this ALWA panel was not use in this project because the ALWA production site is far from Jakarta (Cilacap and Cibadac) and resultant transportation cost is very high. Panelization of wall may contribute towards shortening construction time as well as improvement of reliability.

*1: Source – Buke Pedoman Perencanaan untul Struktur Beton Bertulang biasa dan Struktur Tembok Bertulang untu Gedung 1981.
*2: Direktorat Penyelidikan Masalah Bangunan (Directorate of Building Resource)

Water-proof Quality of Bathroom

Flat concrete slab was adopted for ease of construction and as a result, water proofing relies solely on the quality of water-proofing material. Improvement will be needed in designing water-proof details for future development.

Sound-proof Quality of Concrete Hollow Block Wall

A lack of sound-proof is anticipated particularly at the top floor where the block wall does not penetrait the ceiling.

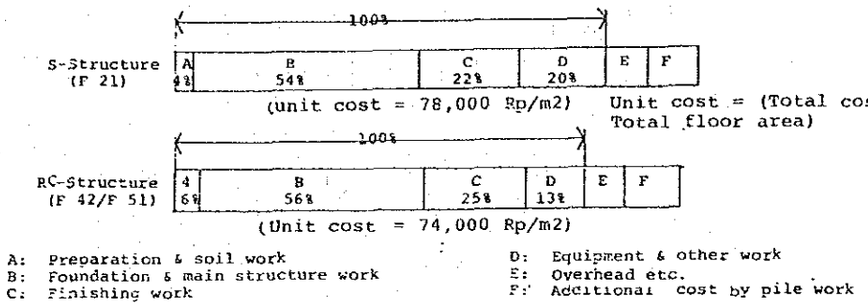


Fig. 6–18 COMPARISON OF THE COSTS OF STEEL STRUCTURE AND RC STRUCTURE

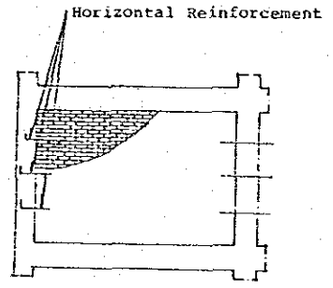


Fig. 6–19 DETAIL OF CONCRETE HOLLOW BLOCK

6.6 COMPARISON WITH RIGHT CONVERSION METHOD

6.6.1 Aim of The Cost Study

A case study is made here to compare the differences between the conventional method (purchase-of-land method) used for the Project and the proposed right conversion method, in terms of the implementation costs and the unit floor cost.

The aim of the case study is to make clear the advantages of the right conversion method.

6.6.2 Differences Between the Two Methods

Table 6–20 shows the differences between the purchase-of-land method and the right conversion method.

Table 6–20 DIFFERENCES BETWEEN THE "PURCHASE-OF-LAND" AND "RIGHT CONVERSION" METHODS

Item	Purchase-of land method	Right conversion method
Compensation for land	Paid to all the inhabitants	Paid only to those who dislocate to other places
Compensation for building	Paid to all the inhibitants	Paid only to those who dislocate to other places
Cost for temporary removal	Paid to all the inhabitants	Paid to all the inhabitants
Planning cost		Additionally required for planning the right conversion
Other costs such as construction cost, land preparation cost, temporary housing cost, administrative and operational costs, interests, contingency, etc., remain the same.		
Subsidy	Subsidize the sales price of the units for resettlers	Subsidize the costs for certain items at certain rate
Defrayment	None	Costs for improvement of public facilities are paid by the respective management agencies (road, park, etc.)

6.6.3 General Conditions for Financial Calculation

The implementation costs involved in the purchase-of-land method were based on the latest data sourced by PERUM PERMNAS.

The following are the input data for calculation of the implementation costs to be involved in the case of the right conversion method.

- Number of dwelling units before the renewal : 736 units
- Resettlement rate : 35% (256 units)
  dislocation rate : 78% (480 units)
- Unit land price : Rp.100,000 per sq.m. on Hak Milik
- Compensation cost for unit land area : Rp.56,900 per sq.m. on the average
- Amount of compensation for buildings : Rp.32,000 per sq.m. on the average
- Amount of compensation for temporary removal : Rp.65,000 per unit
- Average building construction cost : Rp.77,000 per sq.m.*
- Average construction cost for on-site infrastructure: Rp.60,800 per sq.m.*
- Average construction cost for off-site infrastructure : Case A–Rp.45,600 per sq.m. Case B–Rp.72,800 per sq.m.
- Preparation of temporary housing : Rp.544,000 per unit* (350 units)
- Overhead*
- Investment allocation*
- Contingency*
- Interest*

(* Costs actually incurrent by PERUM PERUMNAS)

6.6.4 Implementation Cost and Unit Floor Cost by Purchase-of-land Method

Recapitulation of project cost

	Unit: 1,000 Rp.
– Land Acquisition Cost	1,545,142
– Sub-total Planning Cost	24,565
– Sub-total Infrastructure Construction Cost	973,768
– Sub-total Storey House + Store House Costs	1,789,208
– Sub-total Environmental Facilities Costs	–
– Total Physical Contingency – Total Price Contingency	75,070
– Total Cost of Building	4,407,753
– Total Interest of Production Cost	113,522
– Total Cost of Overhead	71,565
– Total Cost of Investment Allocation	28,626
– Total Cost of Building Construction Guarantee	36,858
– Total Exploitation Cost	33,884
– Total Cost of Right of Building	–
Total Project Cost	4,692,208

Sales Price of Units, Floor Cost and Subsidy

Table 6–21 SALES PRICE OF UNITS, FLOOR COST AND SUBSIDY

		Unit	Cost		Sales price		Subsidy		
			/Unit	Total (A)	/Unit	Total	/Unit	Total (B)	B/A
			x1000Rp	x mil.Rp	x1000Rp.	x mil.Rp.	x1000Rp	x.mil.Rp.	%
Units for resettlers	F.21	204	5,438	1,109.3	1,500 (71.4 / m2)	306.0	-3,938	- 803.3	72.4
	F.42	36	10,876	391.5	3,500 (83.3 / m2)	126.0	-7,376	- 265.5	67.8
	F.53	16	13.207	211.3	6,800 (128.3 /m2)	108.8	-6,407	- 102.5	48.5
		256							
Units for sale (residual floor)	F.21	164	5,438	891.8	5,438 (259.0 /m2)	891.8	0	0	0
	F.42	124	10.876	1,348.6	10.876 (259.0 /m2)	1,348.6	0	0	0
	F.53	56	13.207	739.6	13.207 (249.2 /m2)	739.6	0	0	0
		344							
Social facility		(400)	146	0	0	0	0	0	0
Additional residual floor space		0	146	0	146	0		0	
Buildings for services		0	291	0	0	0		0	
Total		600		4,692.2		3,520.8		-1,171.4	25.0

Appraisal of Implementation Cost

– The subsidized rate of the sales price of the dwelling units for resettlers accounts for 50%–70% and the same rate of the implementation cost accounts for 25%. The rate 25% was resulted from the low resettlement rate of 35%. If the resettlement rate became higher, the subsidized rate would become higher jeopardizing the feasibility of the Project.

– The sales price of the dwelling units for purchasers appears to be a bit expensive. Taking the Tanah Abang Project for instance, the sales price of Type – 36 sq.m. is Rp.4.5 – 6.0 million. Although the Project is located just adjacent to Jl. M.H. Thamrin, the sales price of Rp.10 million for Type – 42 sq.m. appears to be a bit expensive, when considering the quality of the units and the lower living environments as well, and thus the marketability is apprehended.

6.6.5 Comparison Between The Purchase-of-land and The Right Conversion Methods

Assumptions for Calculation by Right Conversion Method

(1) Construction of public facilities eligible for defrayment

The construction costs for on-site roads (3,700 m^2) and community facilities (2,250 m^2), as shown in Fig. 6–22, are assumed to be recovered in the form of the defrayment from the respective management agencies. More specifically, an implementation body can receive the defrayment equivalent to the estimated cost for land acquisition as a residual net income since other costs have to be paid to other parties (e.g. contractors).

(2) Productivity ratio by floor and unit type

– Productivity ratios are assumed to be 100 : 110 : 130 corresponding to the unit type of F-21, F-42 and F-53.

– Productivity ratios by floor are assumed to be 100 (1st floor), 92 (2nd floor), 83 (3rd floor), and 75 (4th floor), referring to the data in the case of Tanah Abang Project.

(3) Sales price of residual floor

– The sales price of Rp.250,000 per sq.m. actually fixed for the Project, is adopted as the maximum price. For the resettlers, different sales prices are employed to favour them with lower sales prices.

– The productivity ratios by floor and unit type are assumed to be the same as the above.

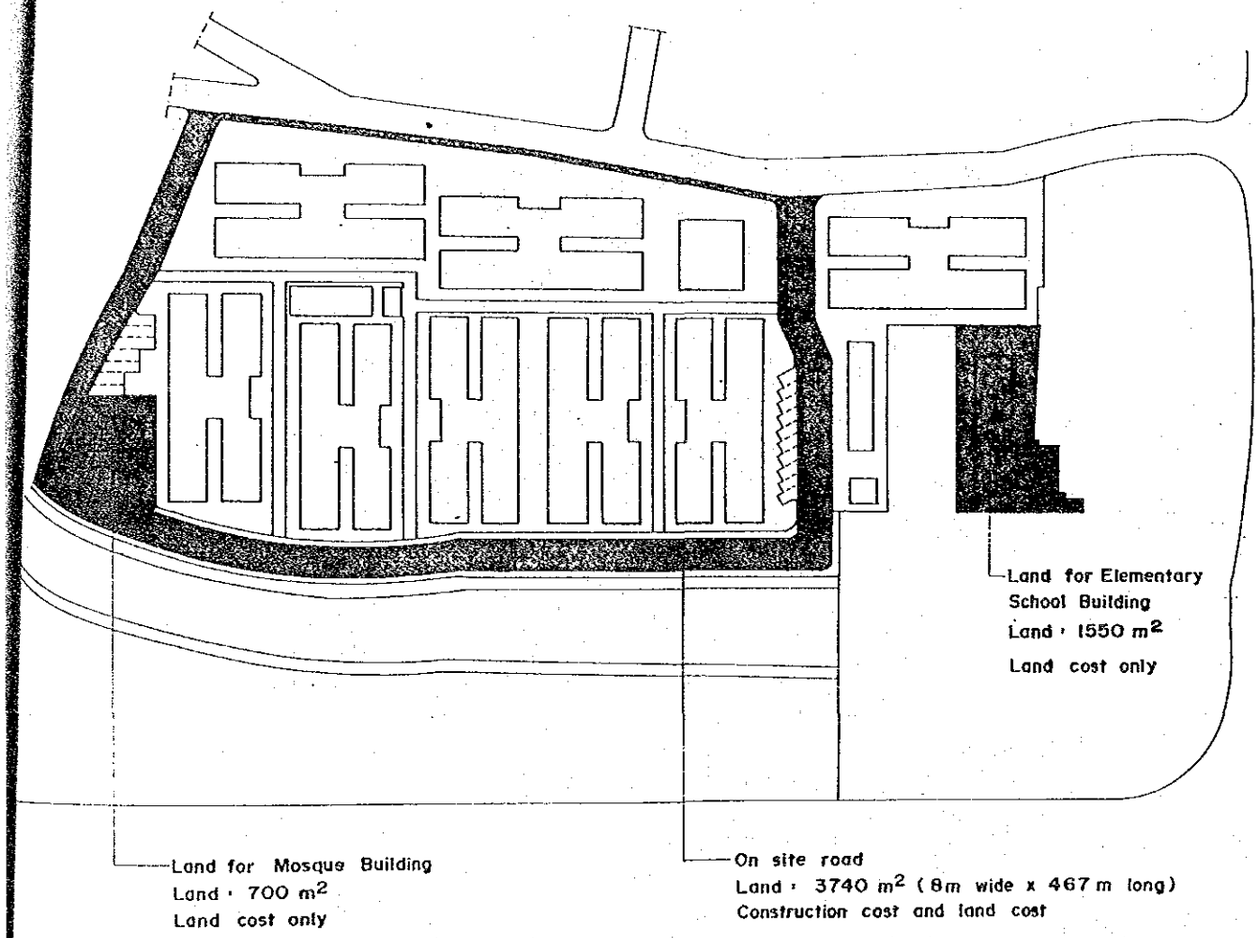


Fig. 6–22 PUBLIC FACILITIES COVERED BY THE DEFRAYMENT

Comparison

The following tables show the comparison between the right conversion method and the purchase-of-land method. The detail calculation is attached as Appendix.

Table 6–23 COMPARISON OF IMPLEMENTATION COST

Item	Right conversion method x 1000 Rp.	Purchase-of-land method	x 1000 Rp.
(a) Planning cost	90,619	Planning cost	33,787
(b) Compensation cost	1,028,360	Land acquisition cost	1,545,142
(c) Land preparation	120,998	Infrastructure	
(d) Construction	2,424,200	Construction cost	973,768
(e) Maintenance	190,400	Storey house + store construction	1,789,208
Sub-total	2,735,598	Sub-total	2,762,976
(f) Overhead	133,331	Overhead	71,565
		Investment allocation	28,626
		Exploitation cost	33,884
		Sub-total	134,075
(g) Contingency	75,150	Contingency	75,070
(h) Interest, etc.	149,284	Interest of production cost	113,522
		Guarantee	36,858
		Sub-total	151,380
TOTAL	4,212,340	TOTAL	4,692,208

Table 6–24 COMPARISON OF PROJECT REVENUE

(Unit: Mill.Rp.)

Right conversion method		Purchase-of-land method	
Item	Amount	Item	Amount
Sales of residual floor	2,664.1 (63%)	Sales of floor	3,520.8 (75%)
Subsidy	1,135.9 (27%)	Subsidy	1,171.4 (25%)
Payment	412.3 (10%)		
Total	4,212.3 (100%)	Total	4,692.2 (100%)

Table 6–25 OVERALL COMPARISON BETWEEN THE PURCHASE-OF-LAND METHOD AND THE RIGHT CONVERSION METHOD

Unit : x 1000 Rp.

		Right conversion method				Purchase-of-land method			
		F.21	F.42	F.53	Sub-total	F.21	F.42	F.53	Sub-total
Right conversion amount	Inhabitants		527,971		(55%)				
	State		433,560		(45%)				
	Total		961,531		(100%)				
Unit floor price	For inhabitants/State	127.6	140.6	165.8		71.4	83.3	128.3	
	For sale	215.6	237.2	280.3		259.0	259.0	249.2	
Unit price	For inhabitants/State	2680	5905	8787		1500	3500	6800	
	For sale	4528	9962	14856		5438	10876	13207	
Floor area	Entitled floor for inhabitants	4,314 m2				6,665 m2			
	For state	3,529 m2				–			
	Sub-total	7,843 m2 (301 units)				6,665 m2 (256 units)			
	Residual floor for sale	10,277 m2				11,620 m2			
	Total	18,120 m2				18,285 m2			

Results of Comparison

- The implementation cost involved in the right conversion method is lower than that involved in the purchase-of-land method, due to non-payment for compensation to resettlers.
- The subsidy amounts to Rp.1,135 million and accounts for 27% of the implementation cost, almost equivalent to the case of the purchase-of-land method.
- The defrayment is effectively used in the case of the right conversion method because the total defrayment that amounts to Rp.412 million (10% of the implementation cost) can be paid by the managing agencies responsible for the public facilities.
- The entitled floor (resettlers plus state) produced is 7,573 m^2 (about 301 units), or 1.20 times the land area before the renewal (part of the land area resided by the resettlers – 6,300 m^2)*1 ; or 1.47 times the floor area before the renewal (part of the floor area used by the resettlers – 5,152 m^2)*2 in the right conversion method.
- The entitled floor can be divided into the resettlers' 4,314 m^2 and the state's 3,259 m^2, in proportion to their respective rights before the renewal (in the right conversion method).
- Whereas, in the purchase-of-land method, the entitled floor allocated to the resettlers is 6,665 m^2 (256 units), and this means the difference (6,665 – 4,314 = 2,351 m^2) is regarded as a grant from the state to the resettlers.
- The remaining entitled floor of 908 m^2*3 can be additionally owned by the state for public use in the right conversion method.

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1. Pokok-pokok Rencana Kelayakan Proyek
2. Daftar Usulan Calon Penghuni PERUM PERUMNAS
3. The Account Book in the Branch III
4. Perincian Penerimaan Titipan Uang Muka Penjualan Rumah.
5. Pekaksanaan Pekerjaan Pembangunan 4 Twin Block Rumah Susun/Flat Type F 42/F51 Dilokasi Proyek PERUM PERUMNAS Kebon Kacant Jakarta (Contract Document of Kebon Kacang Project F42/F51 Type).
6. Pelaksanaan Pekerjaan Pembangunan Rumah Susuan/Flat Sebanyak 3 Twin Block Rumah Type F21 dan 1 Twin Block Type F21–F42/F51 Dilokasi Proyek PERUM PERUMNAS Peremajaan Kota Kebon Kacant Jakarta. (Contruct Document of Kebon Kacang Project – F21 & F21–F42/F51 Type).
7. Laporan Hasil Penyelidikan Tanah Proyek PERUMNAS Jalan Kebon Kacang (Soil Investigation Data of Kebon Kacang).
8. Drawings of Kebon Kacang Project.

*1: Land area = 18,000 m^2 x 0.35 (Resettlement ratio) = 6,300 m^2

*2: Floor area = 14,720 m^2 x 0.35 (Resettlement ratio) = 5,152 m^2

*3: 7,573 – 6,665 = 908 m^2

CHAPTER 7

FORECAST OF FUTURE DEMAND

7.1 FUTURE DEMAND FOR COMMERCIAL FLOOR SPACE

7.1.1 Method of Forecast of Future Demand

There are many methods to forecast for future demand, such as a computer-used simulation, trade area analysis, etc. In Jakarta, there appears to be little commercial statistical data and as such a simple model may be useful. Although the data obtained are few and of limited nature, they are used for the trade area analysis model.

The general flow chart of the trade area analysis model is shown in Fig. 7-1.

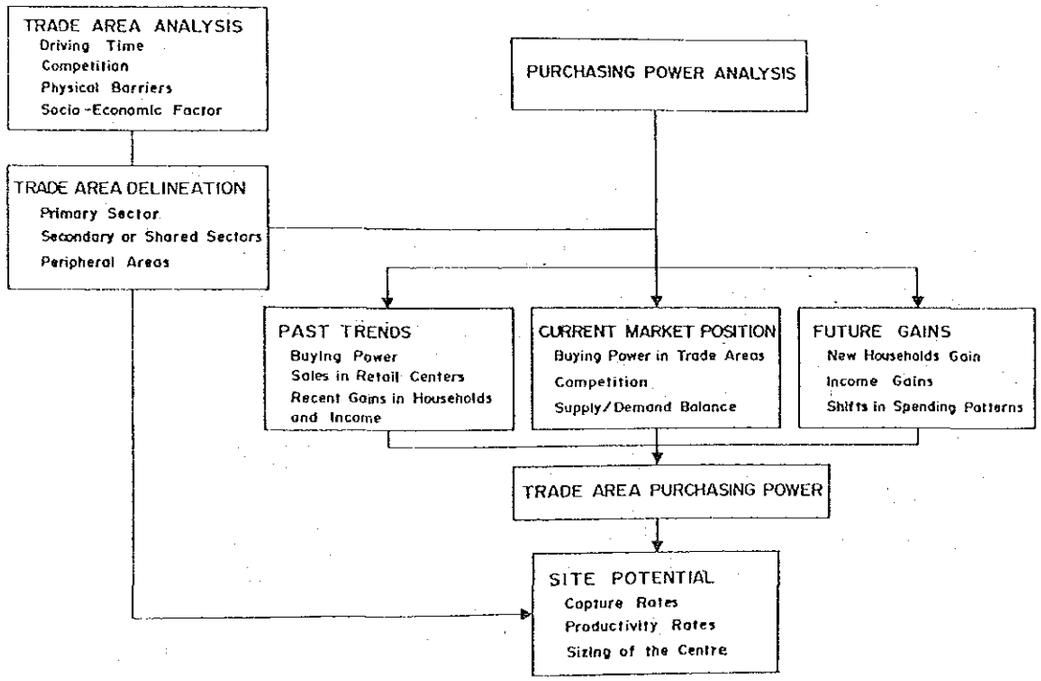


Fig. 7-1 GENERAL FLOW CHART OF TRADE AREA ANLAYSIS MODEL

7.1.2 Trade Area

Public markets in DKI Jakarta are shown in Fig. 7–2.

The primary trade area is composed of the near-by walk-in area plus the area which has no daily convenience commercial facilities closer than the planning area. The primary trade area of the new commercial development is decided primarily by walk-in area and considering the equidistance area amongst all the markets around the developing site.

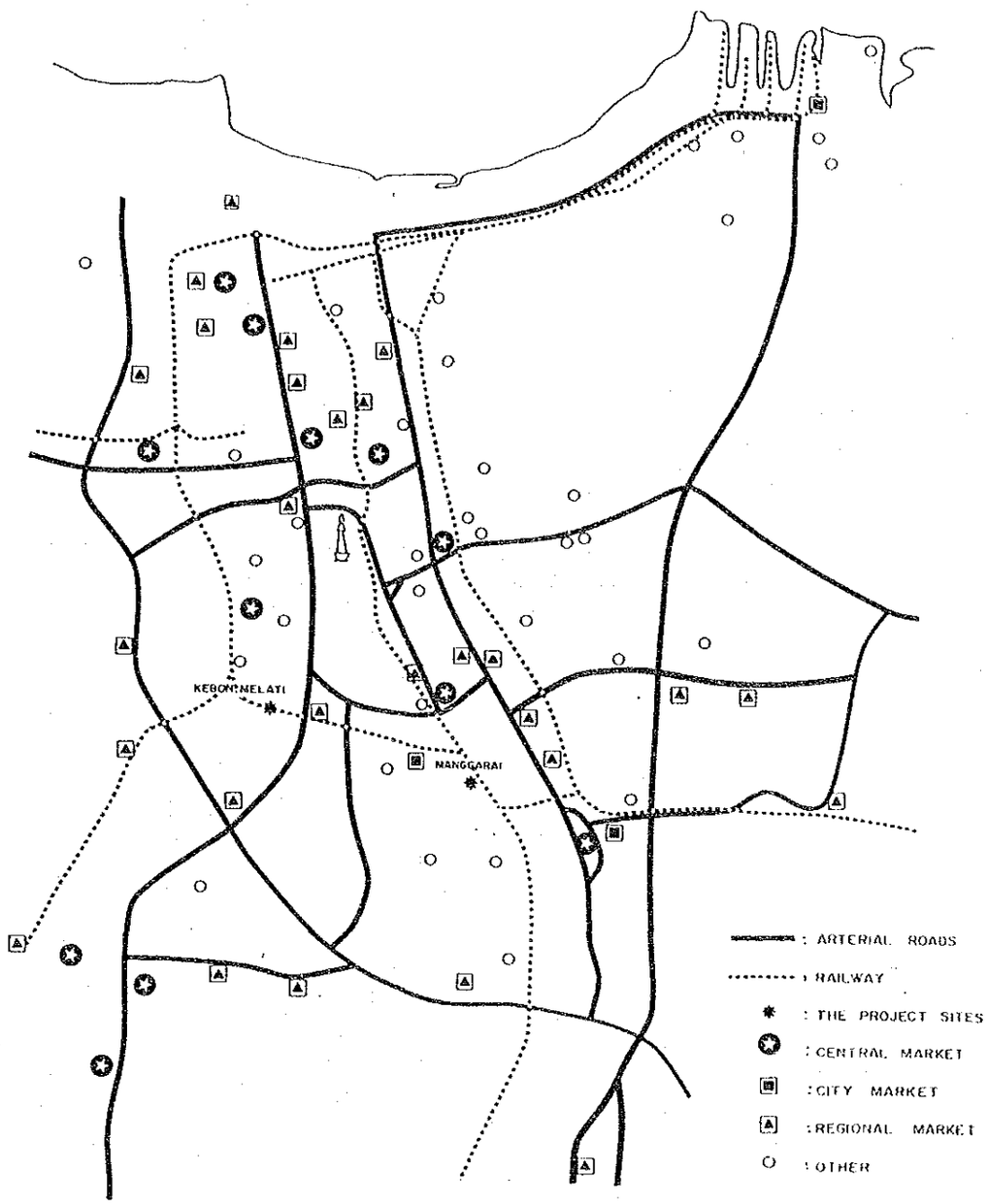


Fig. 7-2 LOCATION OF PUBLIC MARKETS IN JAKARTA

The secondary trade area is the area which may have local convenience stores but no stores stocking important shopping goods. It may have some of those stores, but they would be less conveniently accessible than the development site. The secondary

trade area of new commercial development is determined by the equidistant boundary between the central and city markets.

The tertiary trade area is the broadest area from which customers may be drawn because of easier access, greater parking convenience, and better merchandise, even though other shopping goods stores or general merchandise stores may be available within the territory.

7.1.3 Sales Potential

Buying Power

According to "Cost of Living Survey, Jakarta, 1977/1978 (Central Statistic Office, Nov. 1980)", average family consumption expenditure per capita is as shown in Table 7-3.

Table 7-3 AVERAGE MONTHLY FAMILY CONSUMPTION EXPENDITURE PER CAPITA

(Rp.)

Food	Housing	Clothing	Other Goods and Services	Total
5,030	3,452	1,267	2,782	12,531

1977/1978 Jakarta

Average monthly consumption expenditure for general merchandise, become to Rp. 7,320 in 19771978. The general consumer price index in Jakarta is 197.40 (April 1977 – March 1978 = 100), therefore average monthly per-capita consumption expenditure for general merchandise is estimated as Rp. 14,500.

Amongst these amounts, food, clothing and part of other goods and services are consumed in commercial facilities. Medical care, education and transportation are included in the category of other goods and services, and amount to 65%, hence 35% of other goods and services, or Rp. 1,023 was consumed through general merchandise.

Estimate of Value of Sales

Sales amount of the new commercial development site is estimated by the following formula.

Sales Amount = Population in trade area
× per capita consumption for general merchandise
× attractive ratio

Demand Forecast of Commercial Floor Space

Required commercial floor space which can sell the estimated sales amount is calculated by the following formula.

Commercial floor space = Sales Amount
÷ Average sales per unit floor area

In Jakarta, there is littele commercial statistical data. The results surveyed by interviews with shop owners are shown in Table 7-4. The average monthly sales amount per 1 sq.m. of floor area is approximately Rp. 100,100.

7.1.4 Rental Price and Sales Price of Commercial Floor Space

In Jakarta, almost all the shopping centres and commercial buildings are rented to tenants. As the result of the survey at shops (see Table 7-4), in Pasar Jatinegara which has low-class shopping facilities, the monthly rental price including cleaning fee and other management fees is Rp. 3,200 – 4,000 per sq.m., and in Pasar Senen which has low/middle class shopping facilities, the monthly rental price is Rp. 2,000 – 3,000 per sq.m., and in the case of sales, the floor price is Rp. 208,000 per sq.m., which was the contracted price in 1974.

Since the lease period in Pasar Senen is 10 years, the rental price will be revised next year. Usually, a lease period is for 3 years and the ental price is increased by 15% when the contract is renewed. In this situation the present rental value in Pasar Senen is estimated as Rp. 3,000 – 4,500 per month sq.m.

Table 7-4 RESULTS OF HEARING SURVEY AT SHOPS

No.	Location	Goods	No. of Workers	Floor Area	Rental Price	Management Fee	Sales Amount	Net Price
1.	Pasar Jatinegara 2F	Foods & Daily Goods	2	13 m^2	Rp. 42,000/month		2,000,000 – 2,500,000	Rp.300,000/month
2.	Pasar Jatinegara	Toys & Baby Goods	3	40 m^2	Self own	Rp.2,500/month for cleaning	3,000,000 – 5,000,000	20% of sales
3.	Pasar Jatinegara 1F	Clothes	2	12 m^2	Rp.47,500/month		1,500,000 – 2,000,000	Rp.200,000/month
4.	Pasar Senen 1F	Clothes	12	20 m^2	Rp. 40,000/month	Rp.100,000/month	3,000,000 – 4,000,000	Rp.1,000,000/month
5.	Pasar Senen 1F	Daily Goods	20	108 m^2	Rp.4,000,000/year	Rp.175,000/month	4,000,000 – 5,000,000	Rp.1,200,000–1,750,000/mouth
6.	Pasar Senen Block III 1f	Cereals	3	12 m^2	Price (year 1974) Rp.2,500,000		4,200,000	Rp.200,000/month
7.	Gajah Mada Plaza 3F	Jewelry & Gifts	6	20 m^2	Rp.600,000/month		4,000,000	?
8.	Gajah Mada Plaza 2F	Watches & Clocks	7	20 m^2	?	?	?	?
9.	Gajah Mada Plaza 4F	Shoes		18 m^2	US$ 24,000/5-years	?	?	?

Average Sales Amount per 1 m^2 Floor Area: Rp. 100,000/m^2.

According to the regulation of DKI Jakarta, the license fee for 2 years is Rp. 12,000 – 35,000 per sq.m. in the central market, and the daily rental price including management fee is Rp. 40 – 130. Assuming that a half of daily fee is for management, monthly price becomes Rp. 1,000 – 3,500 per sq.m.

Considering the results of the survey and DKI Jakarta standard, the monthly rental price of low-class commercial is determined as Rp. 3,000 per sq.m. For a high class shopping centre, Table 7-5 shows the rental for Ratu Plaza and Gajah Mada Plaza.

Table 7-5 MONTHLY RENTAL PRICE OF EXISTING SHOPPING CENTRES

Shopping Centre	Floor	Monthly Rental Price per sq.m.
Ratu Plaza	1 F	US$ 40 - 45
	2 - 4 F	US$ 35 - 40
Gajah Mada Plaza	1 F	US$ 32 - 35
	2 F	US$ 25 - 30
	3 F	US$ 15 - 20

In both shopping centres, the floor rental price differes by floor. The new commercial development site is located near the railway station front and bus terminal. Commercial potential is expected to be near the same level as presently exists in the central area. The monthly rental price of high-class shopping area is expected to be US$20 – 25 sq.m., which is equivalent to Rp. 20,000 – 25,000 per sq.m. at the prevailing exchange rate.

When considering the sale of floor space, the sales price must be calculated as the "net present value" of the total revenue from the rent. Generally in Jakarta, rental price is revised 6 years after the contract (rental price remains the same level within first 5 years), and thereafter the rental price is revised every 3 years. When revised rental price is normally increased about 30%.

Interest rate of a bank savings account is 18% per annum, and interest of loan from a bank is usually more than 20%. Therefore, the discount rate for tenants or a management body of commercial floor space is required to be 20% per annum. With this condition, the net present value of the monthly revenue of Rp. 1 becomes Rp. 75 for a period of 20 years. This means the sales prices of commercial floor become Rp. 225,000 per sq.m. for low/middle class, Rp. 1,500,000 – 1,875,000 per sq.m. for high class.

7.2 FUTURE DEMAND OF BUSINESS FLOOR SPACE

7.2.1 Method of Demand Forecast

The general flow chartt for demand forecast of business office floor space is as shown in Fig. 7.6.

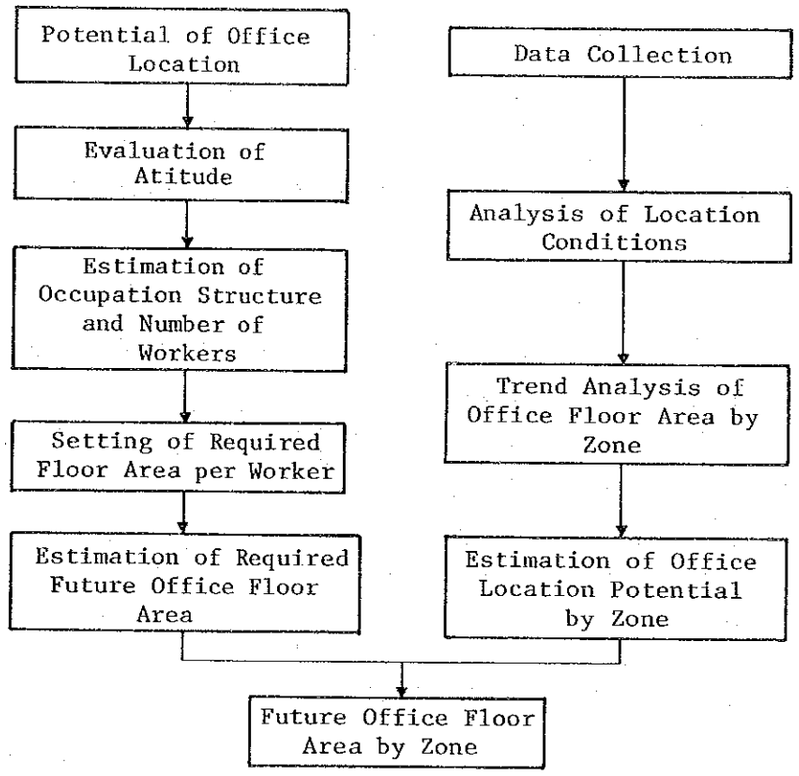


Fig. 7-6 GENERAL FLOW CHART OF BUSINESS FLOOR DEMAND FORECAST

In Jakarta, there is little statistical data useful for analysis. Therefore, it may not be wise to forecast for future trends through quantitative analysis based on present data.

In the light of this, the future demand forecast of business floor space is analysed by using a qualitative method which is mainly concerned with future development.

7.2.2 Location of Office Buildings in Jakarta

Existing office buildings in Jakarta are located as shown in Fig. 7-8. More than half of existing office buildings are located along main roads, such as Jl. M.H. Thamrin

and J1. Jendral Sudirman. In Addition many new buildings are now being constructed, and most of them are located along by J1. Jendral Sudirman, J1. Gatot Subroto and J1. Rasuna Said.

7.2.3 Rental Price and Sales Price of Office Floor

The rental price of existing office floor is shown in Table 7-7. The lowest monthly rental fee is US$6 per sq.m. at Kota Mas and the highest is US$22 per sq.m. at Ratu Plaza.

The average monthly rental fee in whole Jakarta is US$15 per sq.m., whilst in J1. M.H. Thamrin and J1. Jendral Sudirman US$17 sq.m., that is US$2 higher than that in the whole of Jakarta. The average monthly rental fee in other areas is US$12 per sq.m., US$3 lower than the Jakarta average.

The marketability of the office floor space in Manggarai and Kebon Melati is expected to grow to the same level as at present in the whole of Jakarta. The monthly rental fee in Manggarai and Kebon Melati is thus assumed to be US$15 per sq.m., which is equivalent to Rp. 15,000 per sq.m. at the prevailing exchange rate.

With the same conditions as those of commercial floor space, the sales price of office floor space becomes Rp. 1,125,000 per sq.m.

Table 7–7 LIST OF OFFICE BUILDING IN JAKARTA

No.	Name	Address	Rent US$/m^2 month
1.	Jayakarta Tower	J1. Hayam Wuruk	10
2.	Wisma Hayam Wuruk	J1. Hayam Wuruk	20
3.	Gedung Jaya	J1. MH. Thamrin	14.5
4.	Skyline Building	J1. MH. Thamrin	17
5.	Sarinah	J1. MH. Thamrin	12.5
6.	Wisma Nusantara	J1. MH. Thamrin	13
7.	Gedung Artha Loka	J1. Jend. Sudirman	20
8.	Wisma Metropolitan	J1. Jend. Sudirman	14.5
9.	Wisma Harapan	J1. Jend. Sudirman	20
10.	Widjojo Center	J1. Jend. Sudirman	21
11.	Ratu Plaza	J1. Jend. Sudirman	22
12.	Arjuna Plaza	J1. S. Parman	10
13.	Wisma Patra Jasa	J1. Gatot Subroto	20
14.	Setiabudi Building	J1. Rasuna Said	11
15.	Cilandak Commercial Estate	Cilandak Pasar Minggu	9.5
16.	Arta Mas	J. A. Yani	6

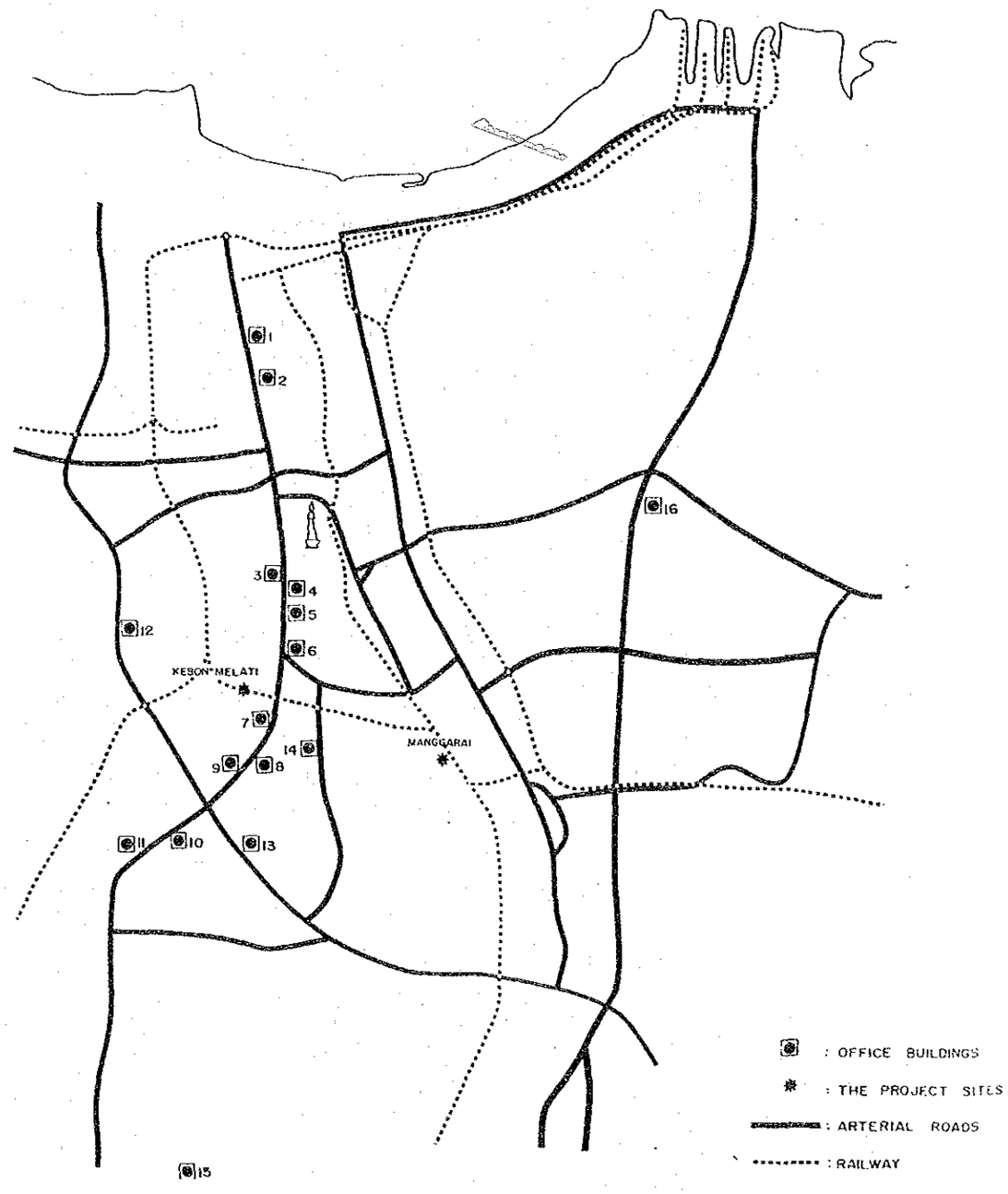


Fig. 7–8 LOCATION OF OFFICE BUILDINGS IN JAKARTA

7.3 FUTURE DEMAND OF HOTEL ACCOMMODATION

7.3.1 Method of Demand Forecast

The general flow chart for demand forecast of hotel accommodation is as shown in Fig. 7-9.

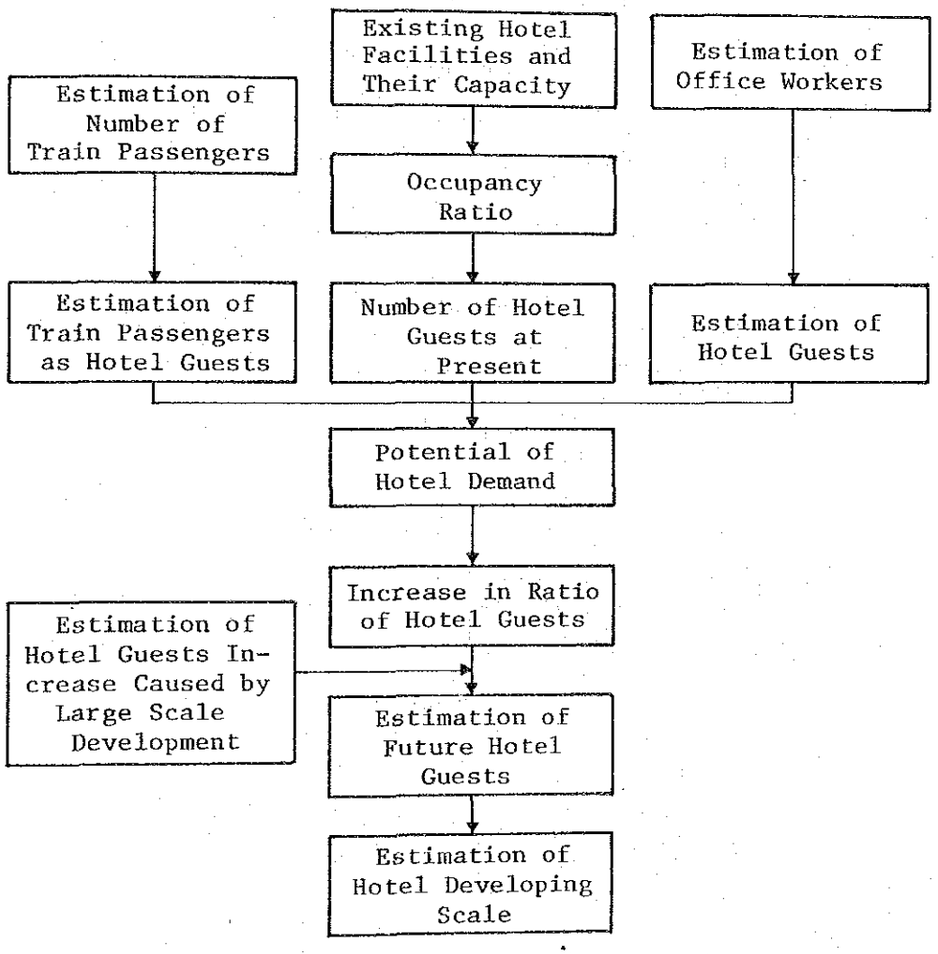


Fig. 7–9 GENERAL FLOW CHART OF HOTEL DEMAND FORECAST

In Jakarta, there is little data concerning hotel availability. The future Manggarai renewal area will have good potential for hotel development because Manggarai station is planned to be improved as a terminal for long-distance trains. The demand for hotel accommodation in Manggarai will be qualitatively estimated.

7.3.2 Location of Hotels in Jakarta

Existing hotels in Jakarta are located as shown in Fig. 7-11. All the five-star and four-star hotels are located around the national monument and the area along by the main roads such as Jl. M.H. Thamrin and Jl. Jendral Sudirman. Other hotels are mostly located in the old centre called Kota, Kebayoran Baru which has recently been developed, the newly developed resort area called Ancol, and the area near the domestic airport and others.

7.3.3 Sales Price of Hotel Floor

The grade of hotels in the renewal area is preferred to be three-star. The room rates of existing hotels are as shown in Table 7-12 and the average is as shown in Table 7-10.

Table 7–10 AVERAGE ROOM RATE

Grade	Single	Double	Suite
3 star	$ 44.5	$ 52.6	$ 94.3
2 star	$ 18.4	$ 24.4	$ 34.6

(Excluding 10% of service charge and 11% of Government Tax)

The grade of hotel to be developed in the urban renewal area is assumed to be in between the higher class of three-star or lower two-star class with the result that the room rate is estimated to Rp. 35,000 ($35) for single and Rp. 40,000 ($40) for doule.

The present occupancy rate of hotel rooms in Jakarta is 80%. Using this occupancy rate, monthly revenue from one bedroom is calculated as Rp. 1,016.400 for single through Rp. 1,161,600 for double, including tax and service charge. Assuming that single and double occupancy rates are same, the average monthly revenue from one bedroom becomes Rp. 1,089,000. As the annexed facilities such as restaurant, shopping facilities and so on, normally produce the same revenue as the bedrooms, the hotel monthly revenue is estimates as Rp. 2,178,000 per one bedroom. If the profitability is 40%, the monthly profit becomes Rp. 871,200 per one bedroom.

Since this grade of hotel usually requires 60 sq.m. per one room including incidental facilities, the total monthly revenue per 1 sq.m. of hotel floor becomes to Rp. 14,500.

With the same conditions as those of commercial and office floor, the sales price of hotel floor space becomes Rp. 1,089,000 per sq.m.

Table 7–12 ROOM RATES OF EXISTING TWO-STAR AND THREE STAR HOTELS

Name	Grade	Single		Double		Suites	
		Lower Quality	Higher Quality	Lower Quality	Higher Quality	Lower Quality	Higher Quality
City	3	$ 28	$ 34	$ 34	$ 40	$ 70	$ 75
Garden	3	$ 39.93		$ 47.19		$ 62.92	
Orchid Palace	3	$ 62	$ 67	$ 67	$ 72	$ 200	$ 250
Jayakarta Tower	3	$ 48	$ 58	$ 55	$ 65	$ 85	
Kartika Plaza	3	$ 37	$ 50	$ 37	$ 60	$ 100	$ 150
Kemang	3	$ 42		$ 48		$ 60	$ 70
Sabang Metropolitan	3	$ 29	$ 33	$ 37	$ 40	$ 60	
Putry Duyung	3	$ 66		$ 98		$ 65	$ 151
Wisata Int.	3	$ 20	$ 40	$ 25	$ 27.6	$ 42	$ 48
Asoka	2	$ 20	$ 25	$ 25	$ 29	$ 40	
Monas	2	$ 15	$ 17	$ 18	$ 22	-	
Transaera	2	$ 27.5		$ 35.8		$ 40.5	
Marco Polo	2	$ 24	$ 28	$ 30		$ 34	
Interhouse	2	$ 22	$ 24	$ 26	$ 36	$ 36	$ 40
Surya	2	$ 16		$ 23		-	
Sabang Palace	2	$ 7	$ 17	$ 18	$ 24	-	
Jakarta	2	$ 13.6	$ 16	$ 15.2	$ 20	$ 24.8	
Menteng	2	$ 22		$ 26		-	
Golf Court	2	$ 14		$ 20		-	
Airport Int.	2	$ 10	$ 12	$ 14	$ 16	-	
Asri	2	$ 16		$ 26		$ 30	
Metropole	2	$ 19		$ 25		-	

Note : All rates exluding 10% service charge and 11% Government Tax.

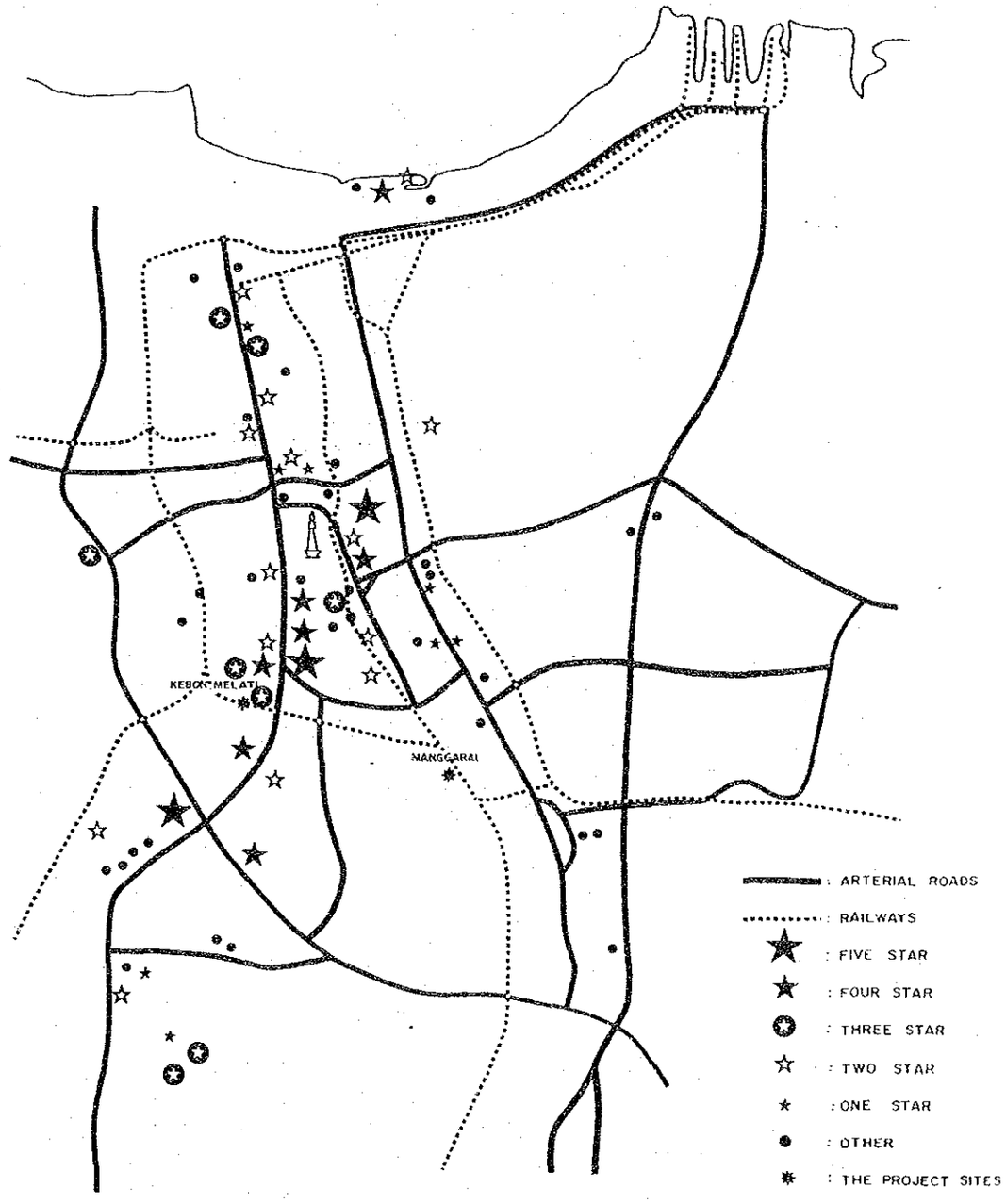


Fig. 7–11 LOCATION OF HOTELS IN JAKARTA

7.4 FUTURE DEMAND FOR HOUSING

7.4.1 Concepts on Housing Demand

Breakdown of Housing Demand

The housing demand in urban renewal projects can be broken down as follows.

- Housing demand
  - Internal demand for rehousing the people involved in the site (resettlers)
  - External demand
    - Demand on private housing
      - Recent Jakarta trends suggest that for middle or high-class housing may be predominant
    - Demand on public housing
      - Housing for the people affected by public projects
      - Housing for the people dislocated by other urban renewal projects
      - Housing for the low or moderate-income group of the people who need public housing

Housing Demand in Manggarai

The housing demand for resettlement can be evaluated through the flow diagram shown in Fig. 7–13.

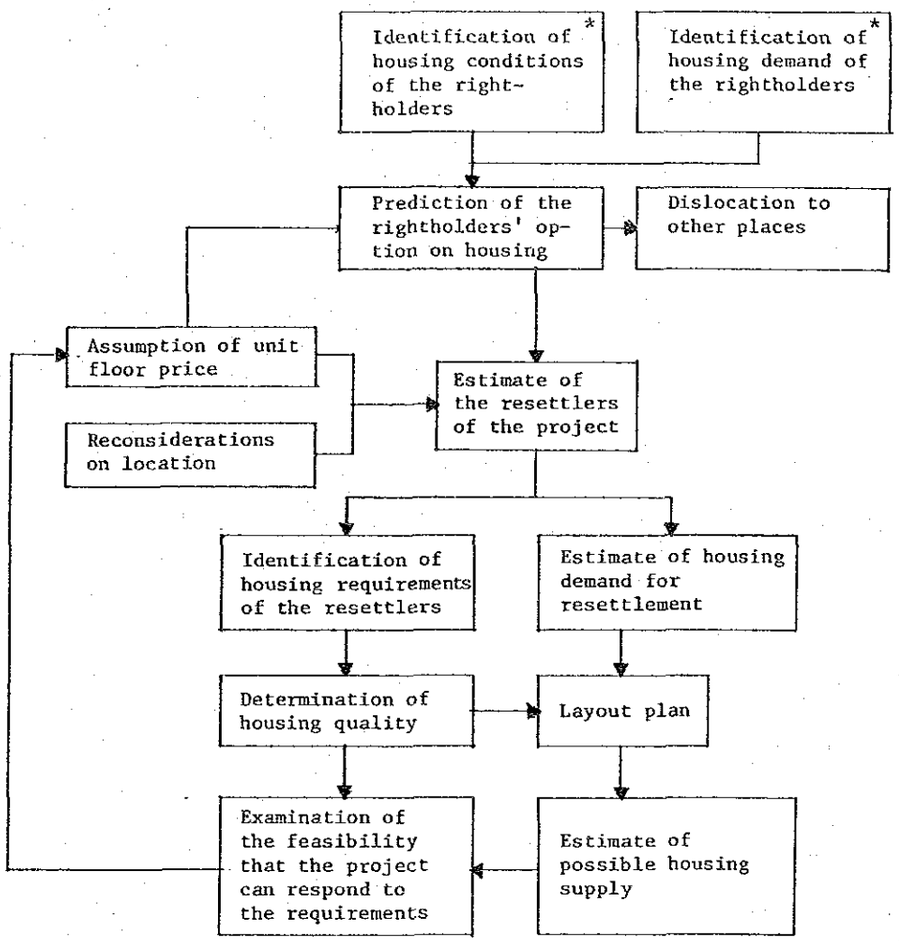


Fig. 7–13 FLOW CHART OF EVALUATING HOUSING DEMAND FOR RESETTLEMENT

The housing demand for resettlers can be forecasted by considering the following conditions that may be their major concerns.

- Unit for price
- Quality of housing particularly in terms of flood area
- Living environment
- Preference over the mid or high-rise flats.

In reality, these conditions cannot fully meet the right-holders' requirements and certain percentage of the rightholders will be dislocated to other places. (This dislocation rate is assumed as 25% in the financial analysis in Volume II and III).

In this study, the planning concept is that the number of units should not be less than the existing units, taking into consideration the possible case of a unit-to-unit replacement. However, considering the fact that in several cases two or more householders are sharing one unit, the number of housing units required should be based on the number of the existing householders by discounting the estimated number of those who will dislocate somewhere else.

In the case of dislocation of the rightholders, although not preferred it may be possible to allocate proportional floor space for public housing.

7.4.2 Examples of Housing Price and Rent

Examples of prevailing housing price and rent are as shown in Table 7-14.

Table 7-14 PREVAILING HOUSING PRICE AND RENT

Implementation Body (1)	Project Site (2)	Unit Type (3)	Sales Price per Unit (4)	Sales Price per m^2 (5)	Rent/ month (6)	Construction Cost/ Unit (7)	Remarks (8)
PUBLIC SECTOR (PERUM PERUMNAS)	KEBON KACANG (Jakarta)	F 21	Rp. mil Rp. 1,500	71	-	Rp. 5,438	for re-settlers
		F 42	3,500	83	-	10,876	
		F 53	6,800	128	-	13,207	
		F 21	5,438	259	-		
		F 42	10,876	259	-		
		F 53	13,207	249	-		
	TANAH ABANG (Jakarta)	F 36	(1F) 5,988	166	-	5,207	
			(2F) 5,467	152	-		
			(3F) 4,947	137	-		
			(4F) 4,425	123	-		
	SARI-JADI (Bandung)	F 36	(1F) 4,327	120	-	3,763	
			(4F) 3,199	89	-		
		F 54	(1F) 6,491	120	-	5,644	
			(4F) 4,797	89	-		
	PALEM-BANG	F 21	3,800	181	-	4,485	Under Construction
		F 36	6,800	189	-	8,236	
		F 54	10,200	189	-	11,570	
PRIVATE SECTOR	SUNTER JAYA (Row house, northern part of Jakarta)	$90m^2$	21,418	238		lot area 153 m^2	
		$72m^2$	17,098	238		lot area 122 m^2	
	BINTARO JAYA (Row house, southern part of Jakarta)	$84m^2$	21,800	260		lot area 120 m^2	
		$95m^2$	25,675	273		lot area 135 m^2	
		$101m^2$	31,650	313		lot area 180 m^2	
		$96m^2$	37,500	390		lot area 250 m^2	
	RUTU PLAZA APART-MENT (High-rise apartment)	$325m^2$	(169,750)	(522)	$2,500/ month	20% for 20 years with 6-year grace increased 30% every 3 years	
		$125m^2$	(119,000)	(952)	$1,700/ month		

7.5 FUTURE DEMAND OF COMMUNITY FACILITIES

7.5.1 Flow of Demand Forecast

The flow of demand forecast is as shown in Fig. 7-15.

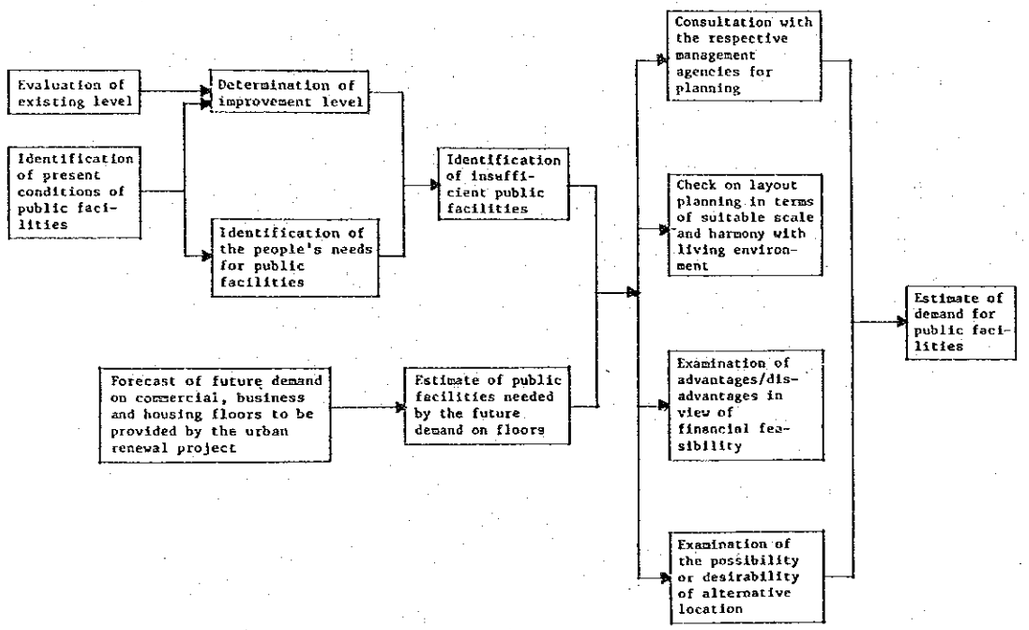


Fig. 7–15 FLOW CHART OF DEMAND FORECAST OF COMMUNITY FACILITIES

7.5.2 Standard of Community Facilities

Standards of community facilities in Cipta Karya, DKI Jakarta and PERUM PERUMNAS are as shown in Table 7–16, 7–17 and 7–18.

Table 7–16 STANDARD OF COMMUNITY FACILITIES OF CIPTA KARYA

Supporting Population	250	1,000	1,600	2,500	5,000	6,000
Playground (Tampat Bermain)	0.025 ha					
Kiosk (Warung)	0.01					
Sub-total	0.035					
Kindergarten (STK)		0.08				
Elementary School (SD)			0.24			
Shop (Pertokoan)				0.12		
Small Mosque (Langgar)				0.03		
Garden & Sportsfield (Taman & Tampat Bermain)				0.125		
Security Box, Meeting Hall, Mail Box (Pos Hansip, Balai Pertemuan, Bis Surat)				0.03		
Public Parking & Toilet (Parkir Umum & MCK)				0.01		
Sub-total				0.315		
Practicing Doctor (Praktek Dokter)					0.015	
Junior High School (SLP)						0.27
Branch Health Clinic (Puskesmas Pembantu)						0.05
Sub-total						0.32

Source: Technical Guidelines for Flat and Maisonette (Cipta Karya)

Facilities with supporting population up to 6000 are tabulized.

Table 7–17 STANDARD OF COMMUNITY FACILITIES OF DKI JAKARTA

Supporting Population	750	1,500	2,500	3,000	5,000
Kindergarten (TK)	0,05 ha				
Elementary School (SD)		0.15–0.3			
Small Shop (Pertokoan Kecil)			0.12		
Meeting Hall (Balai Pertemuan)				0.036–0.072	
Security Box, Warga Hall, Mail Box (Pos Hansip, Balai Warga, Bis Surat)				0.03	
Public Parking & Toilet (Parkir Umum & MCK)				0.01	
Deep Well				0.03	
Neighbourhood Park (Taman Lingkungan)				0.15	
Basketball Court (Lap.Basket)				*	
Volleyball Court (Lap.Volley)				*	
Badminton Court (Lap.Badminton)				*	
Health Clinic (Pos Kesehatan) (Balai Pengobatan)				0.03	
Small Mosque (Langgar)				0.03 –0.25	
Sub-total				0.316–0.572	
Practicing Doctor (Praktek Dokter)					*

Source: Sector Report on Public Facilities (DKI)

Facilities with supporting population up to 5000 are tabulized.

Table 7–18 STANDARD OF COMMUNITY FACILITIES IN PERUM PERUMNAS

Supporting Households	300	6-700	12-1,500	3,000	6,000	12,000
Playground (Tempat bermain)	0.1[ha]	0.2	0.4	1.0	2.0	4.0
Kiosk & Small Mosque (Warung & Langgar)	0.05	0.1	0.2	0.5	1.0	2.0
Kinder garten & Policlinic (STK & Polilelinik)	0.1	0.1	0.2	1.0	2.0	4.0
Elementary School (SD)		0.3	0.5	1.0	2.0	4.0
Garden & Sports Field (Taman & Olah raga)		0.2	0.3	0.6	1.2	2.4
Shops & Market (Toko-toko & Pasar)		0.1	0.2	0.4	0.8	1.6
Other Facilities (Facilitas lainnya)			0.2	0.4	0.8	1.6
Junior High School (SMP)				0.5	1.0	2.0
Soccar field (Lap. sepak bola)				0.8	1.5	3.0
Market & Large Shop (Pasar & Pertokoan)				0.5	1.2	2.0
Mosque & Other Facilities (Mesjid & Fas. lainnya)				0.3	0.5	2.0
Senior High School (SMA)					0.8	2.0
Industry and Institute (Industry & Inst.)					1.2	7.4
Town Centre (Pusat Kota)						4.0
Total	0.25	1.0	2.0	7.0	16.0	42.0

Source: PERUM PERUMNAS Guidelines for Community Structure and facilities.

Table 7–19 COMMUNITY FACILITIES ACTUALLY PROVIDED IN TANAH ABANG AND KEBON KACANG

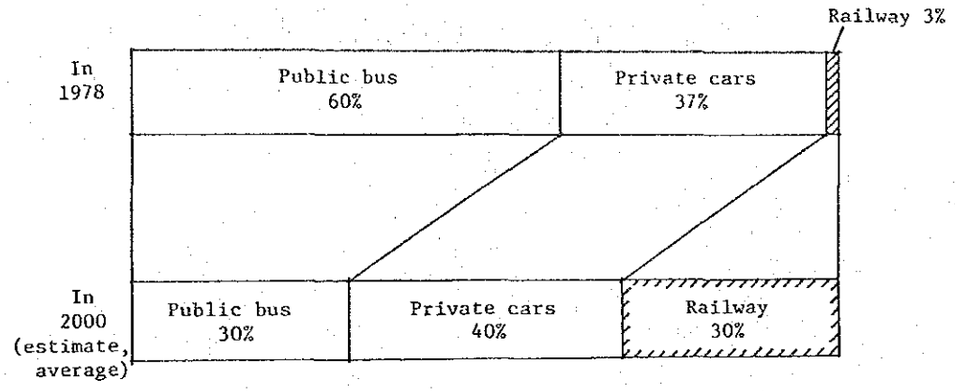
	TANAH ABANG 960 (4 Ha)		KEBON KACANG 600 (1.8 Ha)	
	PERUMNAS	Plan	PERUMNAS	Plan
Playground	0.3 Ha	0.23	0.2	0.03
Garden and sports field	0.4		0.2	
Kiosk	0.15	0.09	0.1	0.03
Shop	0.25		0.2	
Kindergarten	0.15	0.05	0.1	
Elementary School	0.4		0.3	0.12
Small mosque				0.01
Security box, Mail box Meeting hall		0.08		
Open galley				0.06
Total	1.65	0.45	1.1	0.25

Table 7–19 shows the list of community facilities actually provided in Tanah Abang and Kebon Kacang Projects. As shown in the Table, the community facilities actually provided is much less than the criteria of PERUM PERUMNAS.

7.6 FUTURE RAILWAYS PASSENGERS AND STATION PLAZA

7.6.1 Railway Passengers in the Year of 2000

Another JICA study team made a comprehensive railway study in the JABOTABEK area and prepared a report in February 1981. They expected that the present share of the railway transportation would increase ten times by the year 2000.



Source: JICA report in February 1981 and DKI's estimate in JMDP April 1983.

Fig. 7–20 TRIP DISTRIBUTION ON JABOTABEK AREA (Based on Number of Passengers)

If PJKA will improve the existing slow and small capacity transportation system into a modern mass-transit system, they will require a high level of investment, and this will inevitably take some time.

However, for planning of the station plaza, the above estimate will be used for projection of railway passengers.

7.6.2 Estimate of the Area of Station Plaza

The process flow of the estimate is shown in Fig. 7-21.

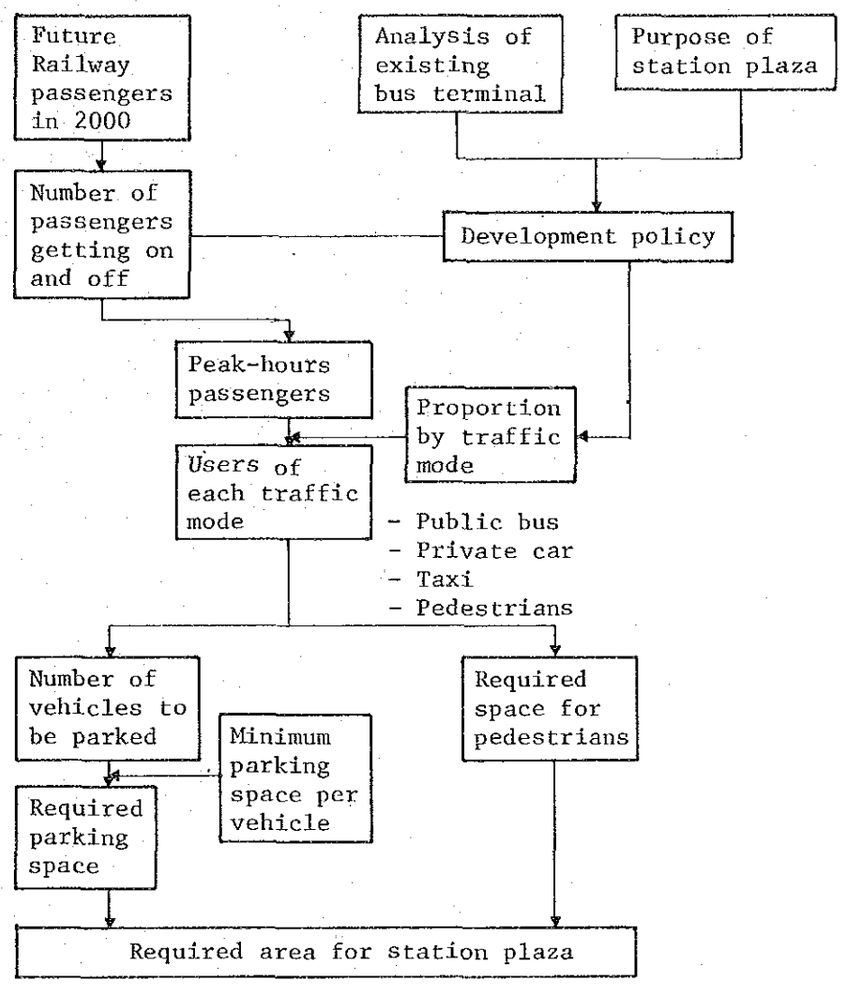


Fig. 7–21 FLOW CHART FOR PRELIMINARY DESIGN OF THE STATION PLAZA

APPENDICES

MINUTES OF THE MEETING
ON
URBAN RENEWAL HOUSING PROJECT
IN JAKARTA
THE REPUBLIC OF INDONESIA

The Japanese Study Team and Advisory Committee, organized by the Japan International Cooperation Agency (JICA), arrived in Jakarta on July, 1982. Prior to the commencement of the Study on the Project, the Study Team had a meeting with the Technical Team organized by the Government of Indonesia on 17 July, 1982 at the office of Perum Perumnas, where the contents of the Inception Report were discussed and agreed upon between the Study Team and the Technical Team with the following modifications. Attendants at the meeting are lsited in Attachment A.

1. The F/S Site shall be provisionally determined as 10 to 20 percent of the Study Area and shall be ultimately proposed as a result of the study in Stage 1.

2. For earlier commencement of land acquisition, the F/S Site shall be determined as early stage as possible, but not before the approval by the Coordination Committee organized by the Government of Indonesia on the "Structure Plan" for the Study Area formulated through the study in Stage 1.

3. The F/S Site shall be selected on the basis of the criteria that will be established in the form of quantitative analysis rather than qualitative evaluation.

4. The Study Team will start the substantial work from 26 July, 1982 together with full-time counterpart staffs.

5. The request for collecting the data and information will be made later by listing up their specific sources.

6. Evaluation and analysis of on-going projects shall be carried out as part of the analysis of present conditions and idendification of problems.

7. Socio-economic surveys in Stage 2 shall include those for tenure and tenancy, and land-price mechanism.

8. The "Implementation Program" to be formulated in Stage 2 shall include the information and guidelines for conducting land acquisition.

9. The basic concept for urban renewal housing system will be formulated through analytical evaluation of the physical and socio-economical surveys results.

10. The "Structure Plan" shall be basically written statements along with pictorial presentations of urban renewal without having a "scale" like drawings.

11. The "Structure Plan" will include the land use plan for the Study Area formulated through evaluation of the local characteristics of the Study Area and examination of the consistency with the regional land use plan of D.K.I. Jakarta.

12. The "Organization Chart" for performing the Study shall be as shown in Attachment B.

13. The staffs listed in Attachment C will be assigned as counterparts either on a full-time or part-time basis.

14. The Study Team will be provided with office space in the Directorate of Housing (Perumahan). Perumahan will provide office furniture but not office equipment like typewriters and air-conditioners. The Study Team can also use the meeting room of the Tanah Abang flats.

15. JICA will provide the Study Team with two micro-buses, three sets of drafting instruments, and one set of micro-computer.

16. At the request of the Government of Indonesia, the Study Team will, within the capacity of a JICA's technical study team, assist in preparing the project proposal to be submitted to international lending agencies.

17. In addition to the monthly meeting, the Technical Team meeting will be assembled at the request of the Study Team.

18. The Government of Indonesia will issue a "Letter of Introduction" to the Study Team to authorize it as the official study team of the Government.

Itaru MAE
Study Team Leader,
Japan International Cooperation Agency

Ir. Suyono M.Sc.,
Director,
Directorate of Housing,
Directorate General Cipta Karya
Ministry of Public Works

Attachment A

ATTENDANTS

Date: 17 July, 1982

Place: Operation Room, Perum. Perumnas.

Technical Team and Counterpart Staffs

Ir. Suyono	Director, Directorate of Housing, Cipta Karya
Ir. Dudy Sugoto	Head of General Planning Division, Directorate of Planning, Perum. Perumnas.
Ir. Marwan	Directorate of Construction, Perum. Perumnas.
Ir. Syahrul	Dit. Jen. PUOD
Ir. Darmanto	DPU - DKI
Ir. Tosin SD.	Sub. Directorate of Urban Housing, Directorate of Housing
Ir. Kandar T.	Director, City Planning Department, DKI Jakarta
Ir. Rai P.	Head of Division, City Planning Department, DKI Jakarta
Ir. Witjaksono	Bureau of Regional Development

JICA Team

Mr. H. Suzumura	JICA's Advisory Committee
Mr. Y. Yamada	JICA's Advisory Committee
Mr. R. Goto	Representative, JICA Jakarta Office
Mr. H. Yokobori	JICA's Housing Expert
Mr. S. Mukunoki	JICA's Housing Expert
Mr. I. Mae	JICA's Study Team (Leader)
Mr. M. Ishizaka	JICA's Study Team (Planner)

Attachment B

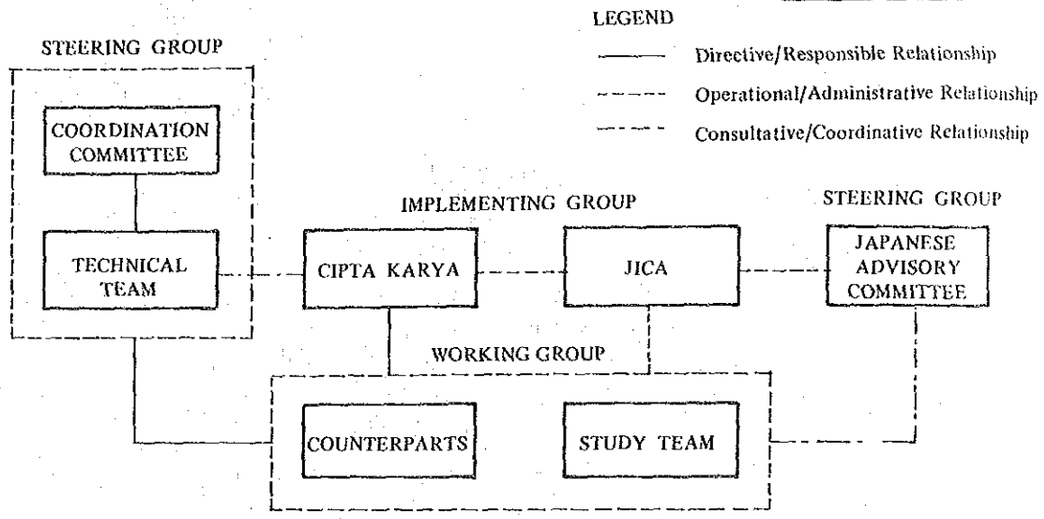


Fig. 2 ORGANIZATION CHART

Attachment C

COUNTERPARTS

Full-time Counterparts

Ir. Moegiyono BAE	Project Manager to Kebon Kacang
Ir. Ario Saputro	Civil Engineer
Ir. Agus Harjanto	Planner
Drs. Sambungan Batu Baru	Economist
Ir. Nasrudin	Civil Engineer
Ir. Budi Prayitno	Architect

Part-time Counterparts

Ir. Marwan	Construction
Drs. Hidayat	Estate Management
Ir. Budi Sugiarto	Feasibility Study
Ir. Harsono	Land Acquisition
Ir. Sumuyup	Engineering Design
Ir. Witjaksono	Development Coordination
Ir. Rai	City Planning
Drs. Sukardi SH.	Land Acquisition
Ir. Tosin	Architect

MINUTES OF MEETING
ON
URBAN RENEWAL HOUSING PROJECT IN JAKARTA
THE REPUBLIC OF INDONESIA

On the occasion of the visit of the JICA's Mission made up of the members of the Study Team and the Advisory Committee for initiating the Stage-II Study, a meeting was held on June 8, 1983 at the office of the Director General Cipta Karya, with the attendance of the Representatives of the Coordination Committee and the Steering Committee of the Government of Indonesia. This Minutes is the summary of the discussions made at the Meeting.

1. The Indonesian side stated that the Interim Report submitted by the JICA's Study Team was accepted by the Steering Committee and based on the alternative sites for feasibility study recommended in the Interim Report, the Steering Committee chose the sites of Alternative 2 in K-bon Melati and of Alternative 3 in Manggarai.

   The Indonesian side further explained the reasons why the sites were chosen, which are, among others, the necessity for providing decent housing stock to the residents at affordable prices, and the least financial involvement at the initial stage.

2. The Japanese side replied that although the sites chosen by the Indonesian side should be honoured, the Japanese side is desirous to propose a modification to the site chosen in Manggarai, which is to adopt as site only the northern half of Alternative 3 and instead to include the study on a station-front plaza development together with commercial development.

   The Japanese side explained that although the modification might cause a bit increase in the initial investment, it would be contributory towards enhancement of the economic benefits and giving preferable impacts on the future redevelopment of the area as a sub-centre of the city.

3. The Indonesian side commented that the proposal for modification would be rather difficult to accept, since the decision of Alternative 3 was made by the Coordination Committee, which is the highest decision-making institution of the Government of Indonesia, and that by this reason the additional study of Alternative 2, leaving Alternative 3 unchanged, is preferred.

4. The Japanese side understood the difficulty of such modification and accepted that the eastern half of Alternative 2 should be additionally studied.

5. The Indonesian side requested that the possibility of obtaining financial assistance from the international lending agencies, would be taken into consideration in the Stage-II Study. The Japanese side recognised the request.

6. The Japanese side stated that the physical inventory survey is very much essential for successful completion of the Stage-II Study, since the basic planning on the urban renewal projects in the sites should base on the results of the survey. The Japanese side requested the adequate cooperation of the Indonesian side in carrying out the survey.

7. The Indonesian side replied that an official permission is needed for the survey and DKI Jakarta is now in process of issuing a Decree which officially designates the study area in Manggarai and Kebon Melati as an "Urban Renewal Area", and that upon issuance of this decree DKI Jakarta would make all the necessary arrangements for carrying out the survey.

8. The Japanese side commented that in relation to the survey it should be noted that for preparing the basic planning on the urban renewal projects, primary objective of the survey is to collect reasonably accurate information on the land and housing conditions and the conditions of land and housing ownership preferably on a house-by-house basis, and therefore after the ultimate decision on the actualisation of the project, more accurate inventory survey would again become necessary.

9. The Japanese side explained that the Stage-II Study in Jakarta would be completed by the middle of september, 1983 with the submittion of Progress Report No. 2; thereafter within a month time a Draft Final Report would be prepared in Japan; the Draft Final Report would be submitted and explained by the JICA's Study Team sometime in the middle of October; and then finally a Final Report would be submitted by the end of this year, incorporating the comments on the Draft Final Report of the Indonesian side.

9/6/'83

Itaru MAE Leader of the Study Team Japan International Cooperation Agency	Ir. Djuwanda Djoekardi Director, Directorate of Housing Directorate General Cipta Karya Ministry of Public Works

Attachment A: The sites for feasibility study agreed by the Meeting
Attachment B: List of the attendants

LIST OF THE ATTENDANTS

The Indonesian side:

1.	Ir. Soenarjono Darnoedjo	: Director General of Cipta Karya
2.	Ir. Suwarno Prawirasumantri	: President Director of Perum Perumnas
3.	Ir. Djuwanda Djoekardi	: Director of Perumahan
4.	Ir. Wahjudi Subagio	: Chief of Planning Division of Perumahan

The Japanese side:

1.	Toshinori NOZU	: Advisor Ministry of Construction
2.	Keiji SATO	: Advisor Ministry of Construction
3.	Nobuo KIMURA	: Coordinator Japan International Cooperation Agency (JICA)
4.	Itaru MAE	: Leader of JICA Study Team

JICA Jakarta Office and JICA housing experts:

1.	Masayoshi ENOMOTO	: Deputy resident representative JICA Jakarta office
2.	Hiromichi TANAKA	: JICA housing expert
3.	Yoshinobu HIRANO	: JICA housing expert

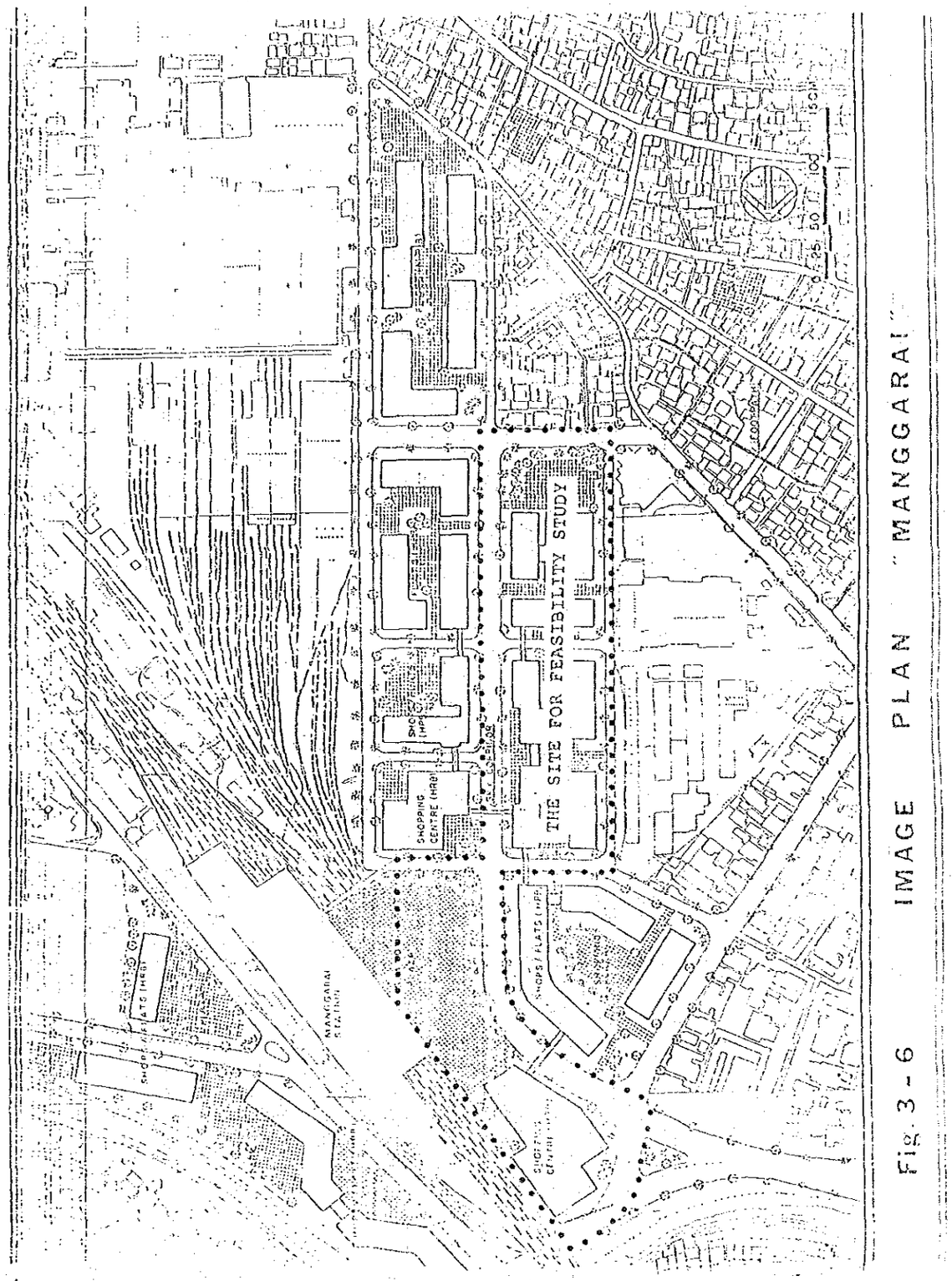


Fig. 3-6 IMAGE PLAN "MANGGARAI"

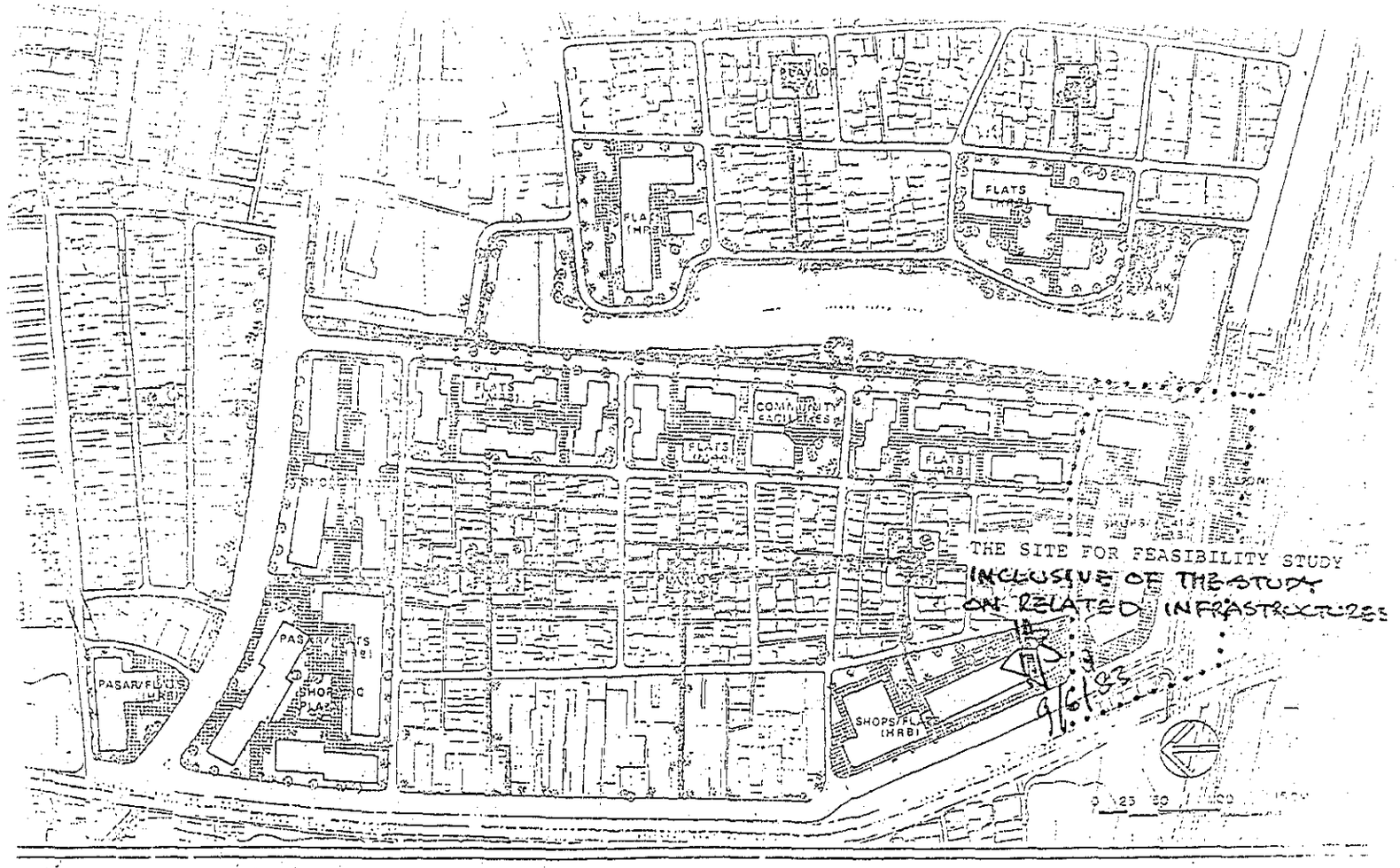


Fig. 3 - 6 IMAGE PLAN "KEBON MELATI"

MINUTES OF MEETING
ON
URBAN RENEWAL HOUSING PROJECT
IN JAKARTA
THE REPUBLIC OF INDONESIA

On the occasion of the visit of the members of the Japanese Advisory Committee, a meeting was held on August 18, 1983 to discuss the progress made by the JICA's Study Team for the Urban Renewal Housing Project in Jakarta (KTA-40), at the office of the Director General Cipta Karya, with the attendance of the representatives of the Coordination Committee and the Steering Committee of the Government of Indonesia, as listed in Attachment "A". This is a summary of the points discussed in successive order.

1. The Japanese side made briefs on the "preliminary urban renewal plans" prepared by the Study Team, the major points of which are as follows:

   (a) As pointed out in the previous Interim Report, care should be directed to the following two aspects; firstly, urban renewal housing projects in Jakarta must be comprehensive planned to include the projects for (i) the improvement of poor standard housing from the standpoint of social welfare, (ii) a sufficiently wide urban renewal area in order to be closely linked with other major development programmes of urban infrastructures, (iii) the improvement and revitalization of urban functions to be designed in harmony with city planning in terms of preferred land use; and secondly, following the government guidelines, urban renewal housing projects in Jakarta must be oriented to cater for the low-income group of the urban population and at the same time tailored to be principally self-financing or financially independent from the government funding.

   The preliminary urban renewal plans for the project in Manggarai was explained subsequently:

   (b) To avoid extreme physical and financial implications by implementing a large-scale package at once, the project in Manggarai should be implemented on a stage basis, i.e. Section I (first-stage implementation) includes the northern part of the intended housing development, development of the station front plaza together with access road and development of commercial buildings in front of the station-front plaza; and subsequently, Section II (second-stage implementation) includes the southern part of the remaining housing development plus development of commercial/office buildings just adjacent to the north of the station-front plaza (please see Attachment "B").

   (c) As for the improvement of related infrastructures, it is proposed to expand the existing railway viaduct to allow 4-lane major arterial road, and to construct a new bridge over the Kali Ciliwung to enable smooth connection to Jalan Tambak.

   (d) As a result of a financial pro forma analysis, balance between costs and revenues will be attained by adopting so-called "right conversion system" and "cross-subsidization" between revenue-producing developments and low-cost housing development. To achieve the cross-subsidization, it is essential to adopt high "productivity ratio" against the floor of such revenue-producing developments as compared with that of housing floor; the difference between the two will amount to 15-20 times approximately. Consequently, the unit lease price of the floor of commercial/office buildings will be $20-30 per sq. meter per month, which is equivalent to the unit sales price of Rp.1-1.5 million per sq. meter, against the 20-year installment with 23 percent of annual interest.

2. The Indonesian side questioned that no payment for compensation may not be customarily accepted by the low-educated, low-income people, because they tend to place credibility only on monetary compensation due to their feeling of being exploited by public projects. The Indonesian side also mentioned that the people involved should be free to choose whether to stay or move out and the decision should be left optional to them, and if they choose to stay, then part of the compensation due to them may be deposited in turn for a new house, and the full compensation method can be applied only to the people who wish to move out without being resettled.

   In reply to this question, the Japanese side mentioned that if the right conversion is accepted and legally assured by the government in accordance with pre-determined procedures and if such procedures be properly convinced to the people, there might be no claim on the part of the people against the non-compensation to their rights before renewal.

3. The Japanese side explained that if the housing floor is allocated to resettlers in proportion to their rights before renewal, they can get only small floor by which a better and healthier life cannot be feasible; therefore, a sort of "relievable measures"

to increase their entitled floor must be taken and for this purpose, one of the recommendable alternatives is to release the PJKA's land as the state land and convey it to the poeple at the subsidized price by installment with subsidized interest.

The Indonesian side mentioned that it may be appropriate that although the right conversion system assures the equivalent exchange of land, there is a certain difference between the building values before and after the renewal; therefore, part of the construction cost of buildings should be recovered by the people.

4. The Japanese side explained that the Japanese side is very much keen to actualize the project in recognition that the project will be a pilot project to present an excellent precedent for conducting the right conversion system, construction of high-rise (8-storey) flats, etc. for future implementation of urban renewal projects in Jakarta. In this context, the Japanese side wondered whether Cipta Karya will give high priority to the project and make financial arrangements for earlier implementation of the project.

   The Indonesian side replied that will be discussed within the Coordination Committee among the ministers concerned and the governor of DKI Jakarta.

   After discussion, it was decided that the Study Team must be ready for explanation to the Coordination Committee and the Steering Committee around the middle of September.

5. The Indonesian side explained that the government recently achieved a consensus among the agencies concerned regarding the land consolidation in urban area aimed at enabling effective land use and for this purpose, comprehensive measures will be taken including taxation, land acquisition system, and land readjustment technique, etc.

6. The Japanese side gave briefs on the preliminary urban renewal plans over the site in Kebon Melati, stating that the basic concepts for planning will remain the same as that in Manggarai.

   The Indonesian side commented that a sort of "housing cooperation" made up by the people involved, may be an alternative implementation body to initiate and implement the project with the finance from private banks.

7. The Japanese side asked if the Study Team is able to proceed with the Study towards preparation of Progress Report No. 2 on the basis of the right conversion system and other assumptions as described in the discussion materials, although studies will be made for thinkable alternative methods and systems.

   The Indonesian side agreed on this respect and requested that for ready understanding, comparative studies between the new and conventional systems will be desired.

Itaru MAE
Leader of the Study Team
Japan International
Cooperation Agency

Ir. Djuwanda Djoekardi
Director,
Directorate of Housing
Directorate General Cipta Karya
Ministry of Public Works

Yoshio KIDO
Chairman of the Japanese
Advisory Committee

Attachment "A"

LIST OF THE ATTENDANTS

The Indonesian side:

1.	Ir. Soenarjono Darnoedjo	:	Director General of Cipta Karya
2.	Ir. Suwarno Prawirasumantri	:	President Director of Perum Perumnas
3.	Ir. Djuwanda Djoekardi	:	Director of Perumahan
4.	Ir. Wahjudi Subagio	:	Chief of Planning Division of Perumahan

The Japanese side

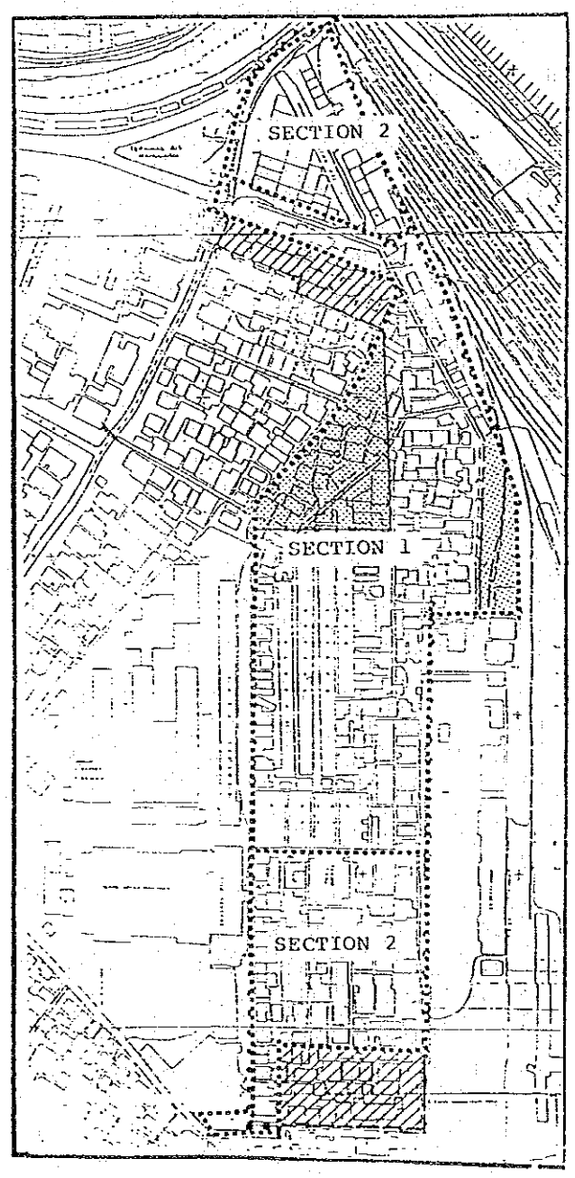
1.	Yoshio KIDO	:	Chairman of the Advisory Committee Japan Housing and Urban Development Corporation
2.	Yukihito AOYAGI	:	Member of the Advisory Committee Japan Housing and Urban Development Corporation
3.	Akio ISHIZUKA	:	Coordinator Japan International Cooperation Agency
4.	Itaru MAE	:	Leader of the JICA Study Team

JICA Jakarta Office and JICA housing experts:

1.	Masayoshi ENOMOTO	:	Deputy resident representative JICA Jakarta office
2.	Hiromichi TANAKA	:	JICA housing expert
3.	Yoshinobu HIRANO	:	JICA housing expert

Attachment "B"

URBAN RENEWAL HOUSING PROJECT



DISCUSSION MATERIALS

MANGGARAI

JICA STUDY TEAM

6, AUG., 1983

: Area increased

: Area decreased

MINUTES OF MEETINGS
ON URBAN RENEWAL HOUSING PROJECT IN JAKARTA
THE REPUBLIC OF INDONESIA

A joint meeting with the Steering Committee and Technical Team of the Government of Indonesia, was held on November 8, 1983 to discuss the draft final report on the Urban Renewal Housing Project in Jakarta (KTA - 40) prepared by the JICA Study Team, at the conference room of the Directorate General Cipta Karya, with the attendance of the representatives of the Committee and the Team, the Leader of the Study Team and his staff, and the Japanese Housing Experts.

Following the meeting, on the occasion of the visit of the Chairman of the Japanese Advisory Committee, another meeting was held on November 10, 1983 to confirm the receipt of the draft final report, at the same conference room, with the attendants as listed in the Attachment.

The both meetings were presided by the Director General Cipta Karya, Ir. Soenarjono Danoedjo. This is a summary of the points discussed at the meetings, particularly related to the draft final report.

1. The Japanese side explained that although the JICA Study Team received the comments on the previous progress report No. 2, of which contents mostly remained the same as those of the draft final report, from DKI Jakarta, PERUM PERUMNAS and Directorate Perumahan, they included many items to which the JICA Study Team is not able to respond in its capacity or the items which should be handled within the administration of the Government; therefore, the Study Team will selectively respond to the comments to incorporate in the final report, for example, supplementary analyses on the financial feasibility, considerations on the organization for implementing the project, management of commercial buildings after renewal, etc.

2. The Indonesian side acknowledged the receipt of the draft final report and principally accepted the report with the notes that;

   - As described in the report, a final renewal plan and programme will be provided at the subsequent stage after the Government's decision on the initiation of the project, which will include, but not limited to, refined physical inventory, identification of potential tenant and demand, development of preliminary design, refined rights conversion plan, public relations with inhabitants, etc., as the beginning part of the actual implementation of the project;
   - However, the final report shall cover the supplementary studies on the financial sensitivity analyses changing the funding conditions; the preparatory activities which shall be taken by the Government prior to the substantial commencement of the project; and the organization for implementing the project, in general and in particular, the implementation body, taking into consideration the possible joint operation between the central and local governments.

3. The Indonesian side, based on the report, placed priority on the implementation of the project in Manggarai, but the ultimate decision on whether it is to be implemented or not, shall be subject to the acceptance by the Coordination Committee.

4. The Japanese side mentioned that in consideration of the importance of urban renewal to solve the problem of human settlement in urban areas, it is hoped for the project to be actualised in the near future.

5. The Indonesian side mentioned that a "land consolidation" problem in urban areas is drawing an increase in the Government attention to cope with the rapid growth of urban population, and along this line urban renewal must be encouraged from now on.

   The Indonesian side also mentioned that the Government will continue to necessitate the Japanese expertise in the field of urban renewal, and upon approval by the Coordination Committee the Government will request the assistance in the "Enginering Services" to the Government of Japan on a 1984/1985 OECF basis.

6. The Japanese side, at the request of the Indonesian side, agreed to hand over the following equipment used by the Study Team.

   - Two micro-buses
   - One set of micro-computer
   - Three sets of drafting equipment

7. The Japanese side explained that the final report will be forwarded to the Government in January 1984.

Itaru MAE
Leader of the Study Team
Japan International
Cooperation Agency

Yoshio KIDO
Chairman of the Japanese
Advisory Committee

Ir. Djuwanda Djoekardi
Director,
Directorate of Housing
Directorate General Cipta Karya
Ministry of Public Works

LIST OF THE ATTENDANTS

The Indonesian side :

1. Ir. Soenarjono Darnoedjo	:	Director General of Cipta Karya
2. Ir. Djuwanda Djoekardi	:	Director of Perumahan
3. Ir. Saleh Amiruddin	:	Director of Planning PERUM PERUMNAS

The Japanese side :

1. Yoshio KIDO	:	Chairman of the Advisory Committee, Japan Housing and Urban Development Corporation
2. Nobuo KIMURA	:	Coordinator, Japan International Cooperation Agency
3. Itaru MAE	:	Leader of the JICA Study Team
4. Takahashi INOUE	:	Member of the JICA Study Team

JICA Jakarta Office and JICA housing experts :

1. Masayoshi ENOMOTO	:	Deputy resident representative JICA Jakarta office
2. Hiromichi TANAKA	:	JICA housing expert
3. Yoshinobu HIRANO	:	JICA housing expert