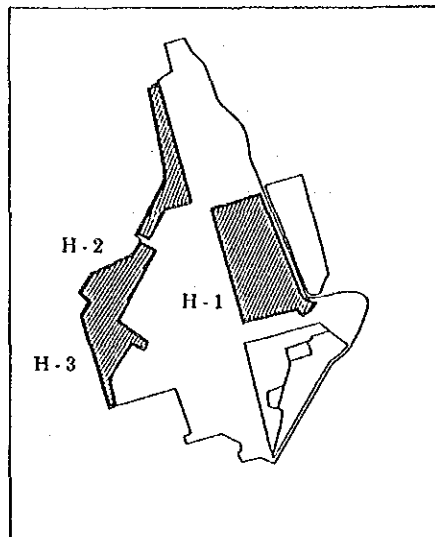


2. HOUSING DEVELOPMENT BY PRIVATE SECTOR

2.1 ALLOCATION

Planned allocation of housing in Sub Zone (1) is indicated below.

<u>Location</u>	<u>Class</u>	<u>No. of Houses</u>
H-1	High	876
	Middle	2,176
H-2	Middle	2,350
H-3	High	980
Total	High	1,856
	Middle	4,526



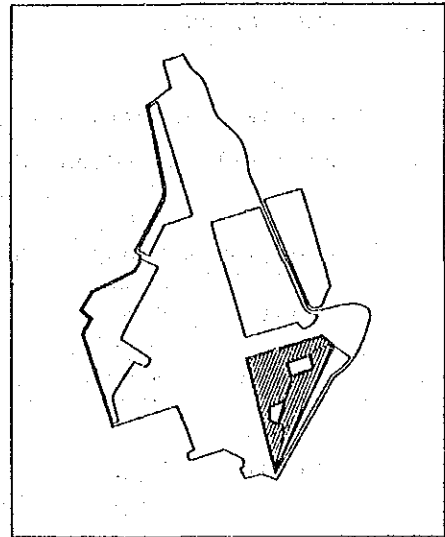
2.2 DEVELOPMENT STRATEGY

- 1) Flat houses of high and middle classes are not yet common in Indonesia and so their marketability is not known. Therefore, developers prefer to sell single or 2 storey houses with land. However, in order to promote flat houses development, KCIU shall try to induce companies to provide flats as their staff housing. Young people employed in or near Zone 1 may prefer to live in those modern urban multi-storey houses.
- 2) Size of selling land and development unit shall be considered from the following aspects:
 - Administrative and social unit, namely RT (50 houses) and RW (1,000-1,250 houses), to form a community.
 - Criteria of providing neighborhood facilities, so that developer is responsible for providing some of the facilities.
 - Infrastructure especially recommended unit sewage system for 1 or 2 RW units size.
- 3) The development shall be in stages. KCIU shall constantly review the development plans and programmes together with the developers. Particularly, market demand shall be continuously analyzed for improving and up-dating the development. Strict review of developers' proposals is recommended to control density and ensure environment protection.

3. HOUSING DEVELOPMENT BY PERUMNAS

3.1 GENERAL

Perumnas shall develop approx. 6,000 housing units on a land area of 30 ha. within Zone 3 which consists of 19.8 ha. of vacant area and 10.2 ha. of built-up area. KCIU shall provide an area of 30 ha. on the conditions that the price is Rp. 2,000/m² and built-up area should be cleared by KCIU. Zone 3 is principally for low income group housing development.



3.2 HOUSING TYPE ALLOCATION

Housing type allocation shall be determined in consideration of the following aspects.

- 1) The development shall be mainly for low income group.
- 2) In order to obtain certain profit (seed capital), the development shall include some middle and upper middle classes housing.
- 3) All house buildings are 4 stories and some are 8 stories for the promotion of urban housing and effective land use.
- 4) Adequate density shall be considered on the basis of (1) population density, (2) floor area ratio (FAR) and (3) building coverage ratio (BCR).

Class	Type of Unit	Max. FAR	Population Density
Upper middle	F-70 (60,90,100)	1.3	400 - 800
Middle	F-36 (45,54)	0.9	700 - 1,000
Low	F-18 (21,24,27)	0.7	1,100 - 1,500

PROPOSED ALLOCATION

Class	House Type	No. of Storey	No. of Unit	FAR	BCR (%)
Upper middle	F-70	8	120	1.12	14.0
	F-70	4	780	0.87	21.9
Middle	F-54	4	750	0.81	20.3
	F-36	4	750	0.58	14.4
Low	F-27	4	1,100	0.67	16.8
	F-18	4	2,500	0.50	12.6
				6,000	0.68 16.8

3.2 FINANCIAL STUDY

3.2.1 Sales Price and Affordability

Sales prices of F-18, F-27 and F-36, determined by BTN standard under the decree of the Minister of Housing on April 20, 1989, are as shown below. The monthly installment payment shall be 25% of the monthly income, shown in the Income Class Column, for each type respectively.

Type	Sales Price	Down	Payment	Interest	Installment Monthly Payment	Income Class (25%)
F-18	Rp. 6,400	10%	Rp. 640	12% 20 years	64.262	257.047
F-27	8,100	20	1,620	16 20	91.080	364,321
F-36	10,600	20	2,120	16 20	119.191	476.765

(Unit is Rp. 1,000)

Cross subsidy, especially for such low income group whose monthly income is less than Rp. 250,000, shall be considered particularly those in Zone 4 while maximum profit shall be obtained from F-54 and F-70.

3.2.2 Cash Flow Chart

The chart of below is calculated on the basis of the following conditions.

- 1) Land price in Rp. 2,000/m².
- 2) The deficit is fully covered by Perumnas.
- 3) All housing units shall be sold out immediately after the completion of the construction during the development period of 7 years.
- 4) Profit of F-70 and F-54 is 20% of the sales price.
- 5) Sales price of F-36, F-27 and F-18 is BTN standard.
- 6) Subsidy is given for 600 units of F-18 for Zone 4 inhabitants.

HOUSE TYPE	DISTRIB. RATIO	NO. OF HOUSE	SELLING PRICE (1)	TOTAL SALES	COST per UNIT	TOTAL COST	PROFIT per UNIT	TOTAL PROFIT
F70(8ST.)	2.00	120	34,840	4,181	27,872	3,345	6,968	836
F70(4ST.)	13.00	780	28,346	22,110	22,677	17,688	5,669	4,422
F54	12.50	750	19,075	14,306	15,260	11,445	3,815	2,861
F36	12.50	750	10,600	7,950	10,597	7,948	3	2
F27	15.83	950	8,100	7,695	8,118	7,712	-18	-17
F27(SUB.)	2.50	150	8,100	1,215	8,118	1,218	-18	-3
F18	31.67	1,900	6,400	12,160	5,576	10,594	824	1,566
F18(SUB.)	10.00	600	5,576	3,346	5,576	3,346	0	0
TOTAL	100.00	6,000	---	72,963	---	63,295	---	9,667
UNIT	(%)	(NO)	(RP1000)	(RP.MIL)	(RP1000)	(RP.MIL)	(RP1000)	(RP.MIL)

4. INTEGRATED DEVELOPMENT AND RENEWAL

4.1 SEED CAPITAL

In addition to the seed capital, namely KCIU Fund, Perumnas will be able to gain approx. Rp. 10 billion when all housing units are totally and immediately sold out, as shown in the previous page. This profit shall be the seed capital for the next development to be implemented by Perumnas outside Zone 3.

In case Perumnas acquires land with conditions similar to Case Study Site C or Case Study Site F shown in Chapter IV herein, an area of approximately 10 ha. excluding roads and public spaces can be acquired and cleared by this Rp. 10 billion.

However this process cannot be repeated more than a few times, as each time the area of acquirable land will be reduced.

4.2 COMBINED PROJECT

This is an exercise in which Perumnas develops Zone 3 housing together with (1) housing renewal and (2) commercial renewal, both in Zone 5.

4.2.1 Zone 3 Housing Development and Zone 5 Housing Renewal

Inhabitants of sites with condition similar to Site C or Site F can receive compensation from Perumnas which could be used as down payment to buy housing units in Zone 3. The cleared site can be developed by Perumnas.

Condition of Site C: (Average per house)	- Building floor area	80 m ²
	- Site area	110 m ²
	- Compensation	Rp. 8,428,000.-
	- Monthly income	Rp. 160,000.-
	- Land price/m ²	Rp. 30,000.-
F-36 in Zone 3	: - Selling price	Rp. 10,600,000.-
	- Down payment	Rp. 8,256,000.-
	- Installment	Rp. 2,344,000.-
	(20 years, 18% of interest)	
	- Monthly amount of Repayment	Rp. 39,946.-

Inhabitant can resettle in Zone 3 Perumnas housing and pay Rp. 32,946.- monthly (20.6% of income) while Perumnas can obtain cleared land of 110 m², but the land price has become equivalent to Rp. 80,227/m² instead of the original Rp. 30,000/m². So the development in Site C shall be based on this land price on which Perumnas can not afford to develop low income group housing.

4.2.2 Zone 3 Housing Development and Zone 5 Commercial Renewal

Inhabitants of 43 houses in Site D described in Chapter IV herein can resettle in Zone 3 Perumnas housing units, and Perumnas shall develop commercial buildings in the cleared Site D.

- Total project cost is Rp. 23.7 billion which includes new buildings of 28,800 m² in Site D and 43 housing units in Zone 3.
- The basis of the calculation is that Perumnas has its own capital and there is no loan involved. Perumnas will have no profit after the renewal.
- Salable floor area is 19,540 m² (60% of total bldg. floor) and it shall be sold for approx. Rp. 1.2 million/m² to meet the project cost.
- There is approx. Rp. 175 million of cross subsidy for 43 housing units (average Rp. 4 million/housing unit)

4.3 OTHER CONSIDERATIONS

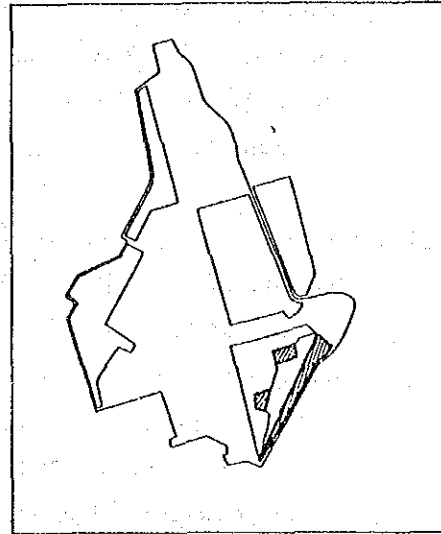
In addition to the consideration of the strategy for integrated development of Zone 1 and urban housing renewal in Zone 5 described in Chapter II, Section 4.2 and Chapter III, Section 4.2, there is a consideration to reinforce the strategy. This reinforcement shall be through the provision of temporary accommodations in Zone 3 for renewal projects in Zone 5. Transition Houses described in Chapter IV, Section 3.2 will probably not be used by the inhabitants of Zone 4 for more than a few years. They will be dislocated from the Transition House after improving job skills, securing jobs and increasing income within a few years. Vacant Transition Houses can be used in the same manner by inhabitants involved in other renewal projects in Zone 5. Also Perumnas shall consider rental houses in Zone 3 to temporarily accommodate inhabitants involved in renewal projects in Zone 5.

5. HOUSING RENEWAL IN ZONE 4

It is assumed that approx. 4,000 families/3,200 houses are living in Zone 4 including the west part beyond the north-south ex-runway.

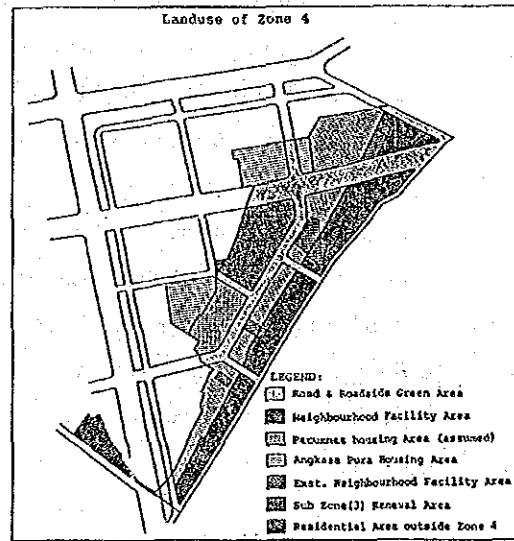
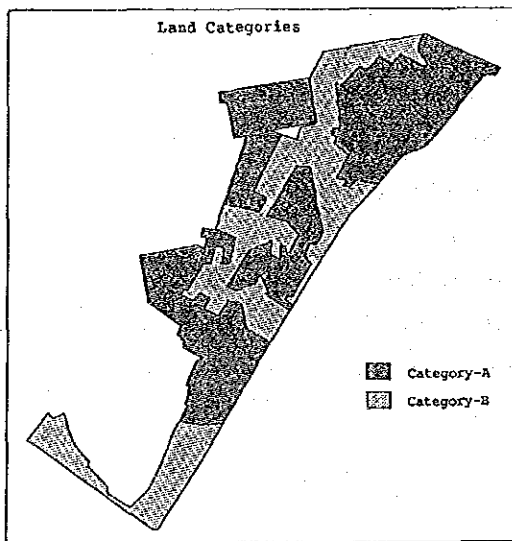
There are two categories of land ownership.

Category A covers inhabitants mostly living outside state owned land, and Category B are those inhabitants belonging to mostly very low income group and illegally occupying state owned land.



Category A: 759 houses on 10.59 ha. shall be demolished because of the total Zone 3 development, and 92 houses on 1.28 ha. shall be demolished for environment improvement. 368 houses are preserved, 258 houses are built, 203 houses are relocated into Perumnas housing. 390 houses are dislocated outside Zone 3.

Category B: 1,577 houses on 8.69 ha. shall be demolished because of the total Zone 3 development, 642 houses on 3.54 ha. shall also be demolished. 646 houses (Transition Houses) are built, 547 houses are relocated into Perumnas housing, and 1,016 houses are dislocated outside Zone 3.



6. SPECIFIC INFRASTRUCTURE RECOMMENDATION

All infrastructure in Zone 1 shall be developed in the conventional way, but sewage system is specifically recommended in this Study.

The Master Plan for Jakarta Sewage and Sanitation Project made in 1977 recommended that public trunk sewer be installed along J. R.E. Martadinata, which is the north boundary road of Kemayoran Complex, for collecting sewage from Sunter and Kemayoran. However, at present an authorized implementation schedule of such plan does not exist, and its implementation may come after the completion of Kamayoran Complex development. Therefore, sewerage system of Kemayoran Complex has to be developed as a private system for the time being and this study is made on such basis. If the development programme of public sewerage system is drastically advanced by the Government in the very near future, a part of sewerage system of Kemayoran Complex to be developed in the later phase may be involved in the public sewerage system.

As for sewage treatment type for Kemayoran Complex, a dozen compact type sewage treatment plants (one plant per block) are recommendable and more realistic rather than one large-scale type because they can be constructed in accordance with the building development schedule and there is more flexibility toward the variation of urban planning during the course of the 10-years Kemayoran Complex development.

7. NEIGHBORHOOD FACILITY

7.1 GENERAL CONSIDERATION

There is a large gap between planning criteria for providing neighborhood facilities issued by the public sectors (Public Facility Standard-Dinas Taka Kota DKI Jakarta, DJCK and BTN) and the actual situation which shows a big shortage of facilities and not satisfying the needs of inhabitants. The table of the next page shows the proposed number of facilities in Zone 2 on the basis of standard modified from the public sectors standards for rather realistic solution.

7.2 ALLOCATION OF FACILITIES IN ZONE 2

7.2.1 Required No. of Facilities

	SUB ZONE (1)			ZONE 3	TOTAL
	H-1	H-2	H-3	H-4	
Play Ground	16	8	7	33	64
Kindergarten	22	12	10	45	89
Primary School	10	5	5	22	32
Junior High School	1	1	1	2	5
Senior High School	1	1	-	1	3
Public Health Center	1	1	-	1	3
Maternity Hospital	1	1	-	1	3
Hospital (Type c)	1	1	-	1	3
Lurah Office	1	1	-	1	3
Police Office	1	1	-	1	3
Sub Post Office	1	1	-	1	3
Fire Brigade	1	1	-	1	3
Cultural Hall	1	1	-	1	3
Multipurpose Hall	1	1	-	1	3
Kelurahan Mosque	1	1	-	1	4
Sports Field	1	1	-	1	3

7.2.2 Size and Cost of Facilities

	SPACE DEMAND M ²		UNIT COST/M ²		TOTAL COST PER FACILITY
	BLDG. FL.	SITE	BLDG.	SITE	
Play Ground	-	300	-	15	4,500
Kindergarten	240	300	178	20	52,464
Primary School	1,200	1,800	224	20	344,560
Junior High School	1,700	2,400	224	20	484,960
Senior High School	1,900	2,400	224	20	538,720
Public Health Center	200	300	224	20	57,760
Maternity Hospital	1,000	1,800	224	20	292,800
Hospital (Type C)	200	210	224	20	55,960
Lurah Office	200	600	224	20	140,400
Police Post	100	180	178	15	22,560
Sub Post Office	100	180	178	15	22,560
Fire Brigade	100	180	178	15	22,560
Cultural Hall	250	300	250	20	78,000
Multipurpose Hall	250	300	250	20	78,000
Kelurahan Mosque	150	600	178	20	41,040
Sports field	50	2,040	178	15	40,530

(Unit x Rp. 1,000)

Note: Land/site is provided by KCIU.

8. HOUSING UNIT CATALOGUE

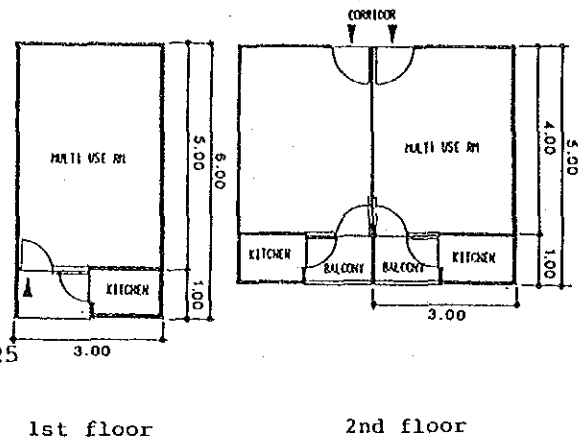
HOUSING TYPE : F.Ic.03.2.18/15

1. NAME OF DEVELOPMENT :
CIPINANG

2. DEVELOPER : SARANA JAYA

3. No.of Floors : 2 storey

4. Actual Floor Area of Unit 18.00,17.25
(including Balcony) 15.00



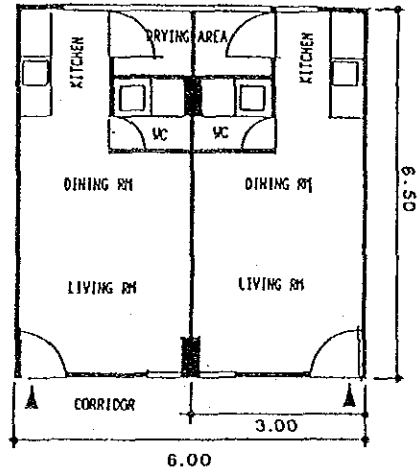
HOUSING TYPE : F.H.05.4.18

1. NAME OF DEVELOPMENT :
PENJARINGAN

2. DEVELOPER : SARANA JAYA

3. No.of Floors : 4 storey

4. Actual Floor Area of Unit 19.50
(including Balcony)



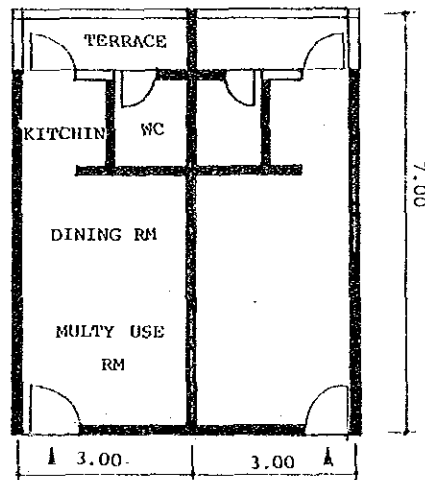
HOUSING TYPE : F.Hc.01.4.21

1. NAME OF DEVELOPMENT :
KEBON KACANG

2. DEVELOPER : Perumnas

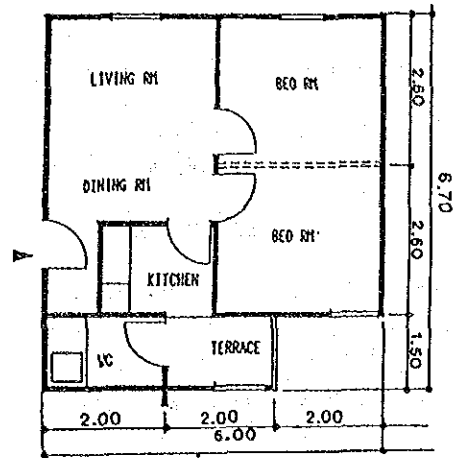
3. No.of Floors : 4 storey

4. Actual Floor Area of Unit 21.00
(including Balcony)



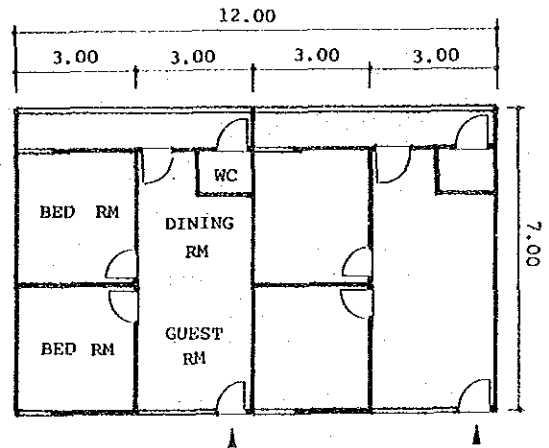
HOUSING TYPE : F.C.01.4.36

1. NAME OF DEVELOPMENT :
TANAH ABANG (NOT EXECUTED)
2. DEVELOPER : Perumnas
3. No.of Floors : 4 storey
4. Actual Floor Area of Unit 37.20
(including Balcony)



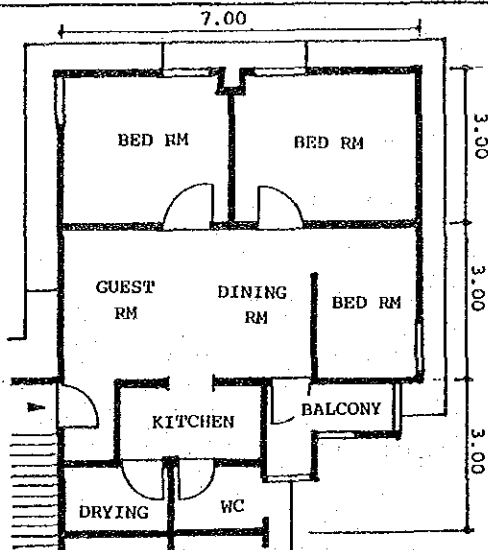
HOUSING TYPE : F.H.04.8.21/45

1. NAME OF DEVELOPMENT :
KEBON KACANG
2. DEVELOPER : PERUMNAS
3. No.of Floors : 8 storey
4. Actual Floor Area of Unit 21.90,43.80
(including Baicony)

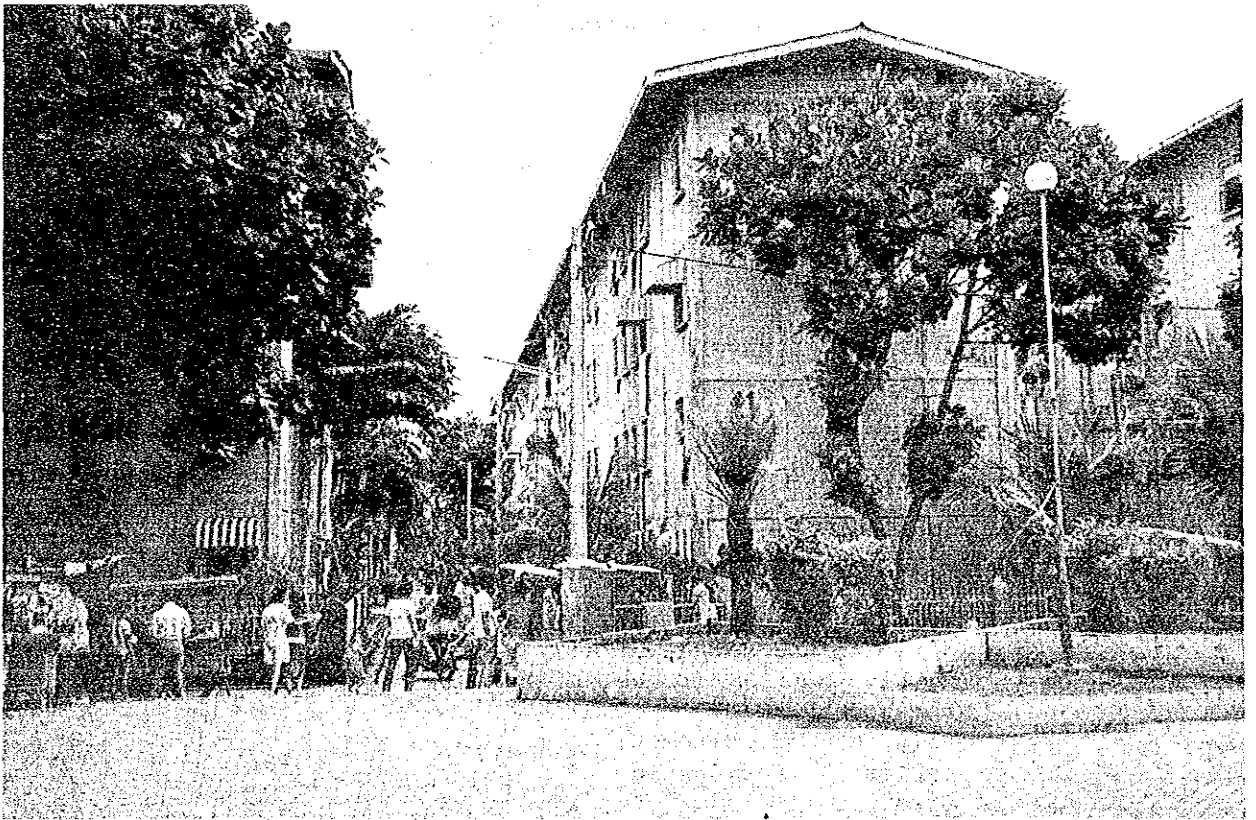


HOUSING TYPE : F.C.03.4.54

1. NAME OF DEVELOPMENT :
KLENDER
2. DEVELOPER : Perumnas
3. No.of Floors : 4 storey
4. Actual Floor Area of Unit 57.24
(including Balcony)



CHAPTER IV
URBAN HOUSING RENEWAL AT CASE STUDY
AND PRIORITY SITES



1. SELECTION OF CASE STUDY SITE AND PRIORITY SITE

1.1 OBJECTIVES

Urban housing renewal studies in 6 Case Study Sites and 2 Priority Sites (selected from among the Case Study Sites) shall be carried out for the purpose of; (1) setting up renewal strategy of Zones 4 and 5, and (2) developing methodology of renewal.

1.2 SELECTION OF 6 CASE STUDY SITES

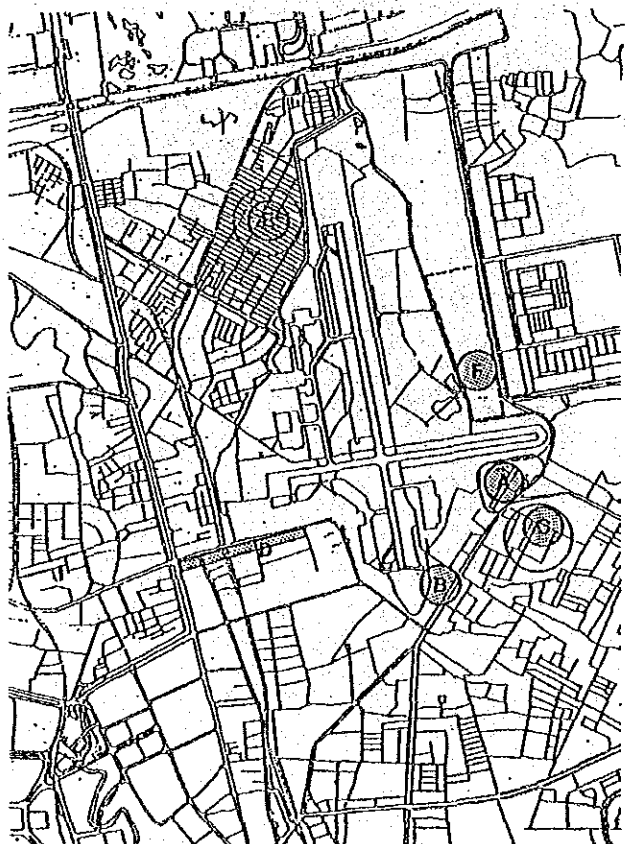
The basic criteria upon which the six case study sites were selected are as follow:

1) The site should typify the existing conditions in Zones 4 and 5 taking into consideration direct or indirect impacts of Zone 1 on both zones.

2) The site should be as much as possible common to any other place in Jakarta or other big cities in Indonesia.

3) The site should be selected in accordance with the indications for tentative classification shown in the Scope of Work of April 14, 1988.

Selected Sites are:
Site A and Site B: within Zone 4 to be renewed by KCIU.
Site C and Site E: typical residential area.
Site D: along the road, where commercial use potential is high.
Site F: housing sprawl area affecting Zone 2.



1.3 SELECTION OF 2 PRIORITY SITES

The two priority sites were selected as a result of discussion between the Study Team and Technical Committee (August 10, 1989, September 5, 1989) and Steering Committee (September 10, 1989), and the following considerations:

Site B: The renewal shall be inevitably carried out by KCIU and the studied method and implementation program will be actually used.

Site D: A method prevailing in Japan shall be experimentally applied, despite the unsuitable existing conditions, for stimulating methodology development.

Selection of Priority Site, Comparison of Study Theme

THEME OF THE STUDY	ZONE 4		ZONE 5			
	SITE A	SITE B	SITE C	SITE D	SITE E	SITE F
The renewal of this site including surroundings shall be urgently implemented in relation with the ex-airport development. There is high possibility to apply the study results to the actual implementation immediately after the Study.	⊙	⊙	○	⊙	○	⊙
	KCIU	KCIU, NGO INHABITANTS COMMUNITY	INHABITANTS COMMUNITY	PRIVATE & PUBLIC SECTOR	PUBLIC SECTOR & INHABITANTS	PRIVATE & PUBLIC SECTOR
In order to stimulate the methodology development, established methods particularly in Japan are applied to the study although various conditions are different between Indonesia and Japan.	○	○	⊙	⊙	⊙	⊙
	—	—	HOUSING BETTERMENT PROJECT	URBAN RENEWAL PROJECT	HOUSING BETTERMENT PROJECT	LAND RE- ADJUSTMENT PROJECT
It aims at finding out a solution for the social problem seen in big cities. The problem concerns those low income people who have weak land tenure and unstable jobs and are residing in areas involved in urban development/renewal.	○	⊙	○	⊙	○	⊙
	PROJECT COST	PROJECT COST	COMPENSA- TION	CROSS SUBSIDY	SUBSIDY & COMPENSA- TION	CROSS SUBSIDY
Community participation is one of the most important aspects in urban housing renewal. The trial of the study is to enhance motivation and/or active participation of community/inhabitants for urban housing renewal.	○	⊙	⊙	⊙	⊙	○
	INITIATIVE OF KCIU	GUIDANCE BY NGO	MOTIVATION OF INHABITANTS	INITIATIVE OF PRIVATE SECTOR	MOTIVATION OF DKI & INHABITANTS	INITIATIVE OF PRIVATE & PUBLIC SECTOR
Discussion was made with Technical Committee on the Priority Sites selection on August 10, 1989, and the decision was confirmed with Steering Committee on October 10, 1989.	○	⊙	⊙	⊙	○	⊙
		PRIORITY SITE		PRIORITY SITE		

2. FRAMEWORK OF THE CASE STUDY

2.1 LEGISLATIVE FRAMEWORK

The urban renewal study is in compliance with the following legislative framework.

- 1) Land Tenure : Agrarian Law No. 5 of the year 1960
- 2) Compensation : Decree of the Governor of DKI Jakarta No. DA 11/3/14/1972
- 3) Multi-storey Housing Law (Condominium Law): Law of the Republic of Indonesia No. 16, year of 1985
- 4) Urban Planning : District Plan Regulation: DKI Jakarta No. 4 of the year 1975. Also DKI Jakarta Master Plan 2005 is referred to in the study.
- 5) Urban Renewal Law: There is no statute concerning urban renewal law or regulation. Attempts are made to apply "Right Conversion" and "Land Readjustment" of Japan to the Study.

2.2 INSTITUTIONAL FRAMEWORK

There are several potential organizations which may become executing bodies for urban housing renewal. Any of central and local government agencies, Perumnas, Sarana Jaya, private enterprises and cooperatives established by the private sector and/or inhabitants may be considered. In the case of Zone 4 and Zone 5 renewal emphasis is to be made on KCIU, DKI Jakarta Municipality and cooperatives of inhabitants by enhancing participation of community inevitably assisted by NGO. The study attempts to expand their capacity and suggest the institutional development to support them.

2.3 FINANCIAL FRAMEWORK

There are various sources of funds related to housing development and urban improvement such as BTN loans for low and middle income group housing, Papan Sujatera for middle and upper income group housing, DKI Jakarta Municipality for development budget for new urban structure and housing, and Community Development Fund of BPD relating to KIP and DJCK (Perusahaan).

It is recommended to establish a funding organization to provide subsidy which is vital for urban renewal projects. The financial framework of this study is based on the suggested KCIU Fund described in Chapter II particularly for supporting low income group housing and the development budget of DKI Jakarta Municipality.

2.4 COMPENSATION MODEL

The Governor of DKI Jakarta has issued a decree stipulating that the amount of compensation shall be assessed by a committee (Team 9) assigned by the Governor. The assessment must follow (1) survey of existing conditions, and (2) negotiation with owner or renter. Land rights shown in the study are according to surveys actually conducted on every Case Study and Priority Sites.

2.4.1 Compensation for Land

$$\text{LAND COMPENSATION} = \frac{\text{Lot Size} \times \text{Unit Land Value} \times \text{Percentage of Right}}{\text{Physical Survey} \quad \text{Refer to IPEDA and market price} \quad \text{Decree of Governor}}$$

* Land rights shall be referred to BPN and survey.

2.4.2 Compensation for Building

$$\text{BLDG. COMPENSATION} = \text{Base Value} \times \text{Floor Area} \times \text{Depreciation} \times \text{Life Years}$$

* Structure	Durability	Base Value per m ²	Depreciation per Year	Life Years
Permanent	50 years	Rp. 150,000	2%	varied
Semi-Permanent	25	120,000	4	
Ordinary	10	100,000	10	
Temporary	10	50,000	10	



SITE A (CASE STUDY SITE)

ADDRESS:
RT 009/0010
RW 09
Kel. Kebon Kosong
Kec. Kemayoran
Jakarta Pusat

SITE AREA : 15,581 m²
POPULATION : 692 p.
NO. OF HOUSES: 76



SITE B (PRIORITY SITE)

ADDRESS:
RT 0014/0015/0016
RW 04
Kel. Kebon Kosong
Kec. Kemayoran
Jakarta Pusat

SITE AREA : 4,581 m²
POPULATION : 736 p.
NO. OF HOUSES: 106



SITE C (CASE STUDY SITE)

ADDRESS:
RT 006/008
RW 01
Kel. Serdang
Kec. Kemayoran
Jakarta Pusat

SITE AREA : 14,121 m²
POPULATION : 536 p.
NO. OF HOUSES: 77



SITE D (PRIORITY SITE)

ADDRESS:
RT 004/005
RW 002
Kel. Gunung Sahari Selatan
Kec. Kemayoran
Jakarta Pusat

SITE AREA : 11,500 m²
POPULATION : 298 p.
NO. OF HOUSES: 43



SITE E (CASE STUDY SITE)

ADDRESS:
RT 0012/0013
RW 003
Kel. Pademangan Timur
Kec. Penjaringan
Jakarta Utara

SITE AREA : 17,676 m²
POPULATION : 513 p.
NO. OF HOUSES: 88



SITE F (CASE STUDY SITE)

ADDRESS:
RT 007/008
RW 05
Kel. Sunter Agung
Kec. Tanjung Priok
Jakarta Utara

SITE AREA : 9,000 m²
POPULATION : 382 p.
NO. OF HOUSES: 70
PLANNED AREA : 17.85 ha.

3. RENEWAL PLAN OF EACH CASE STUDY AND PRIORITY SITE

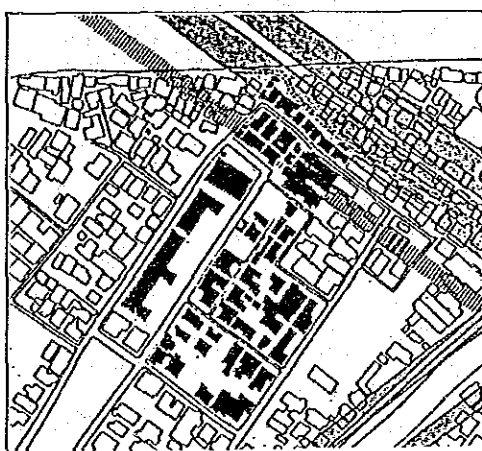
3.1 SITE A (CASE STUDY SITE)

3.1.1 General Description



KCIU is the responsible executing body for financing and implementing the renewal of Site A and surroundings in Zone 4. The renewal of Site A is planned in such a manner as to maintain the main spatial structure and fairly good buildings, and improve the environment by providing open spaces, landscaping, etc. Inferior houses shall be demolished for providing sites for such open spaces and new houses. The new houses will accommodate the inhabitants of the houses which are to be demolished as well as inhabitants relocated from where roads and public facilities will be provided as parts of Zone 3 total development. The renewal should be well coordinated by DKI Jakarta Municipality, and assisted by NGO.

3.1.2 Existing Conditions

Population density/ha.	444
House density/ha.	48
Bldg. coverage ratio (%)	61
Floor area ratio (%)	65
Land ownership (%)	
a Hak Milik	26
b Others	29
c Tidak Jelas	45
Bldg. ownership (%)	
a Own house	52
b Rental and others	48
Land price (Rp.)(%)	
a less than 66,000	0
b 66,000-129,000	100
c more than 129,000	0
Income/household (Rp./month)	
a less than 100,000	68
b 100,000-300,000	29
c more than 300,000	3



LEGEND :

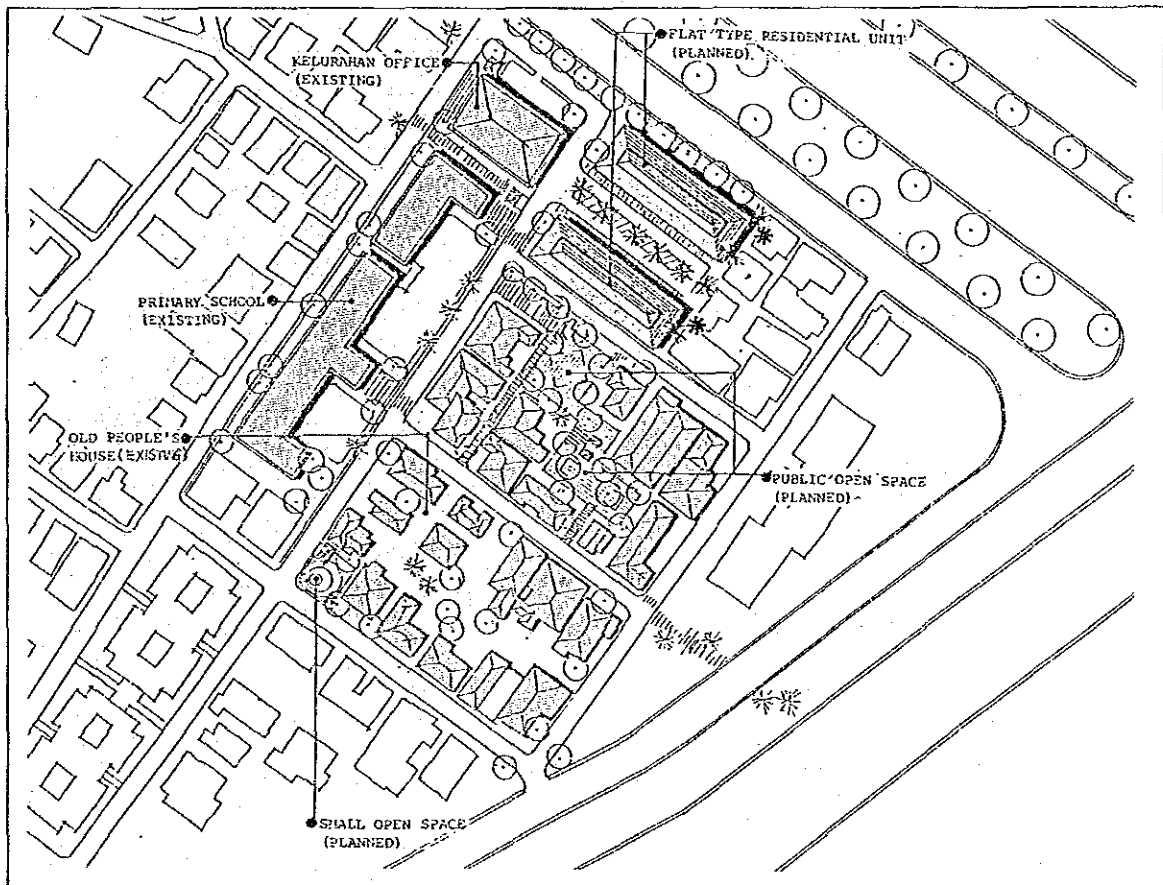
-  PLANNED NEW ROAD BY KCIU
-  HOUSES IN THE CASE STUDY AREA

3.1.3 Physical Plan

- 1) No. of houses to be demolished
 - because of road: 57 units
 - for environment improvement : 14 units
- 2) No. of houses to be built
(4 storey flats)
 - F-18 56 units
 - F-36 26 units
- 3) Public open space to be provided
1,000 m²
 - * No. of houses to be preserved
19 units
 - * New population density
416/ha.

3.1.4 Project Cost and Source of Fund

1) Project cost (x Rp. 1,000)	
- Compensation	291,302
- Demolition	3,730
- Construction	466,560
- Temporary house	97,764
- Other costs	1,800
Total	859,356
2) Source of fund (x Rp. 1,000)	
- Compensation	266,615
- Inhabitant's own capital	115,168
- KCIU capital	477,573
Total	859,356



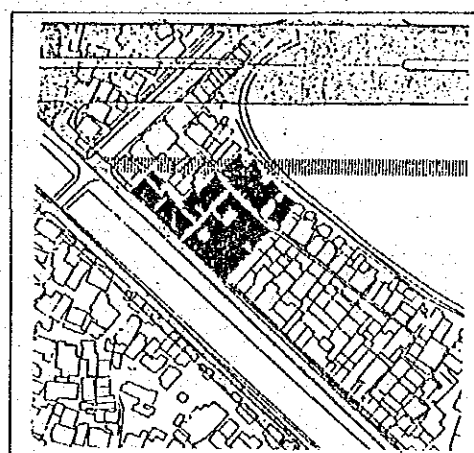
3.2 SITE B (CASE STUDY AND PRIORITY SITE)

3.2.1 General Description



KCIU is the responsible executing body for the renewal of Site B and its surrounding where there are approximately 2,000 illegal houses. The basic policy is to demolish all those inferior houses but not to evacuate and render homeless some certain very low income inhabitants as was the practice in many cases when and where certain large scale urban development projects were implemented. Those inhabitants being eligible according to certain criteria can relocate to "Transition Houses". They are provided with vocational training facilities and programmes arranged by KCIU, in cooperation with those developers and contractors who are concerned with Zone 1 development. DKI Jakarta Municipality, NGO and BLKI will play important roles to assist KCIU and the inhabitants' of the community.

3.2.2 Existing Conditions

Population density/ha.	1,748
House density/ha.	250
Bldg. coverage ratio (%)	74
Floor area ratio (%)	125
Land ownership	
a Tanah Garapan	25
b Tanah Negara	42
c Others	33
Bldg. ownership (%)	
a Own house	81
b Rental and others	19
Land price (Rp.)(%)	
a more than	84
b 66,000-129,000	7
c more than 129,000	7
Income/household	
(Rp./month)	
a less than 100,000	68
b 100,000-300,000	29
c more than 300,000	3

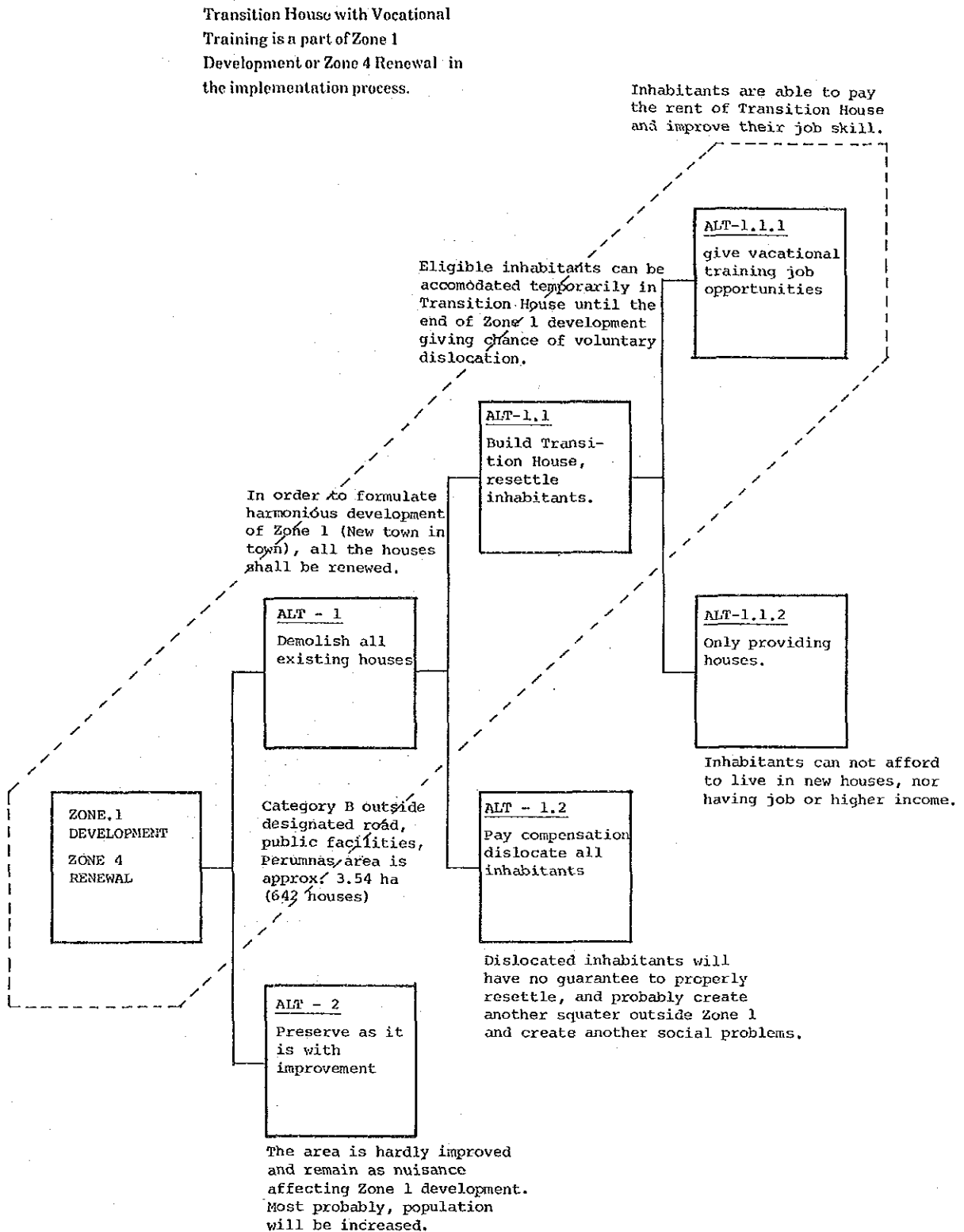


LEGEND 1

-  PLANNED NEW ROAD BY KCIU
-  HOUSES IN THE CASE STUDY AREA

3.2.3 Selection of Alternative Renewal Strategies

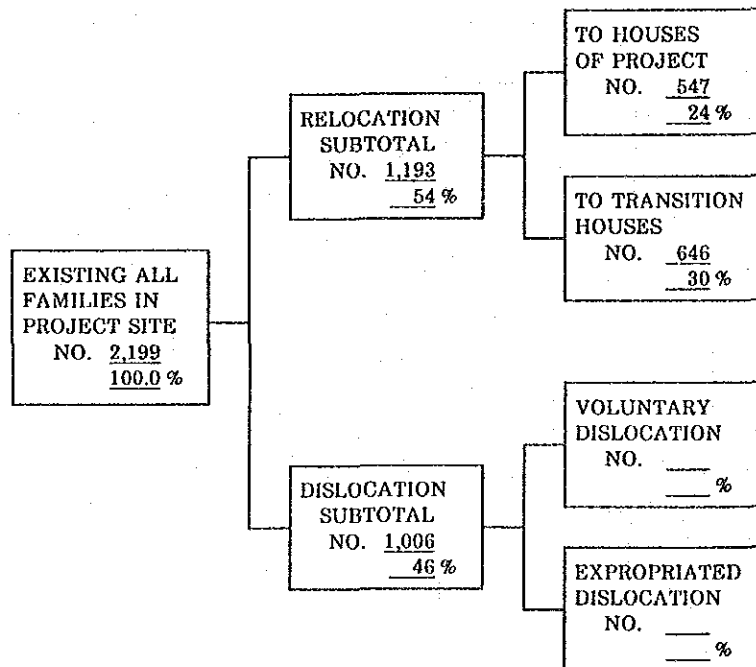
Level-1	Level-2	Level-3	Level-4
Zone 1 Development	Category B Demolish or Preserve	Relocate or Dislocate	Affordable or not



3.2.4 Classification of Resettlement

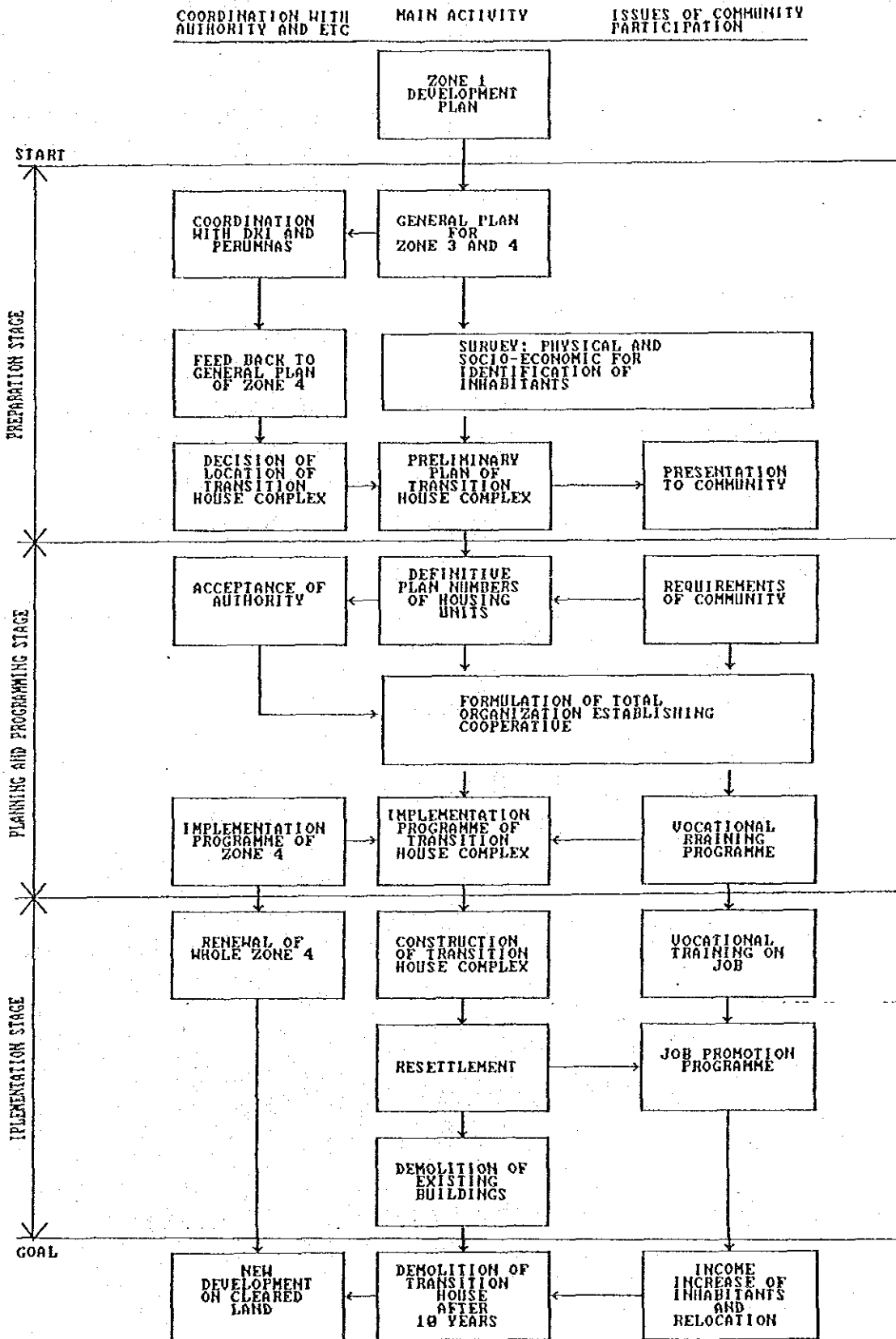
Inhabitants of Category B in Zone 4 are to be classified into four groups.

- 1) Those inhabitants who can afford to resettle in Sub Zone 1 or Perumnas housing upon receiving compensation.
- 2) Those inhabitants who are eligible to resettle temporarily in Transition Houses.
- 3) Those inhabitants who wish to dislocate from the site disregarding whether they can afford to get better houses or not.
- 4) Those inhabitants who do not wish to dislocate but not eligible to resettle in Transition Houses.



3.2.5 General Activity Flow

The renewal is implemented as shown in this activity flow.

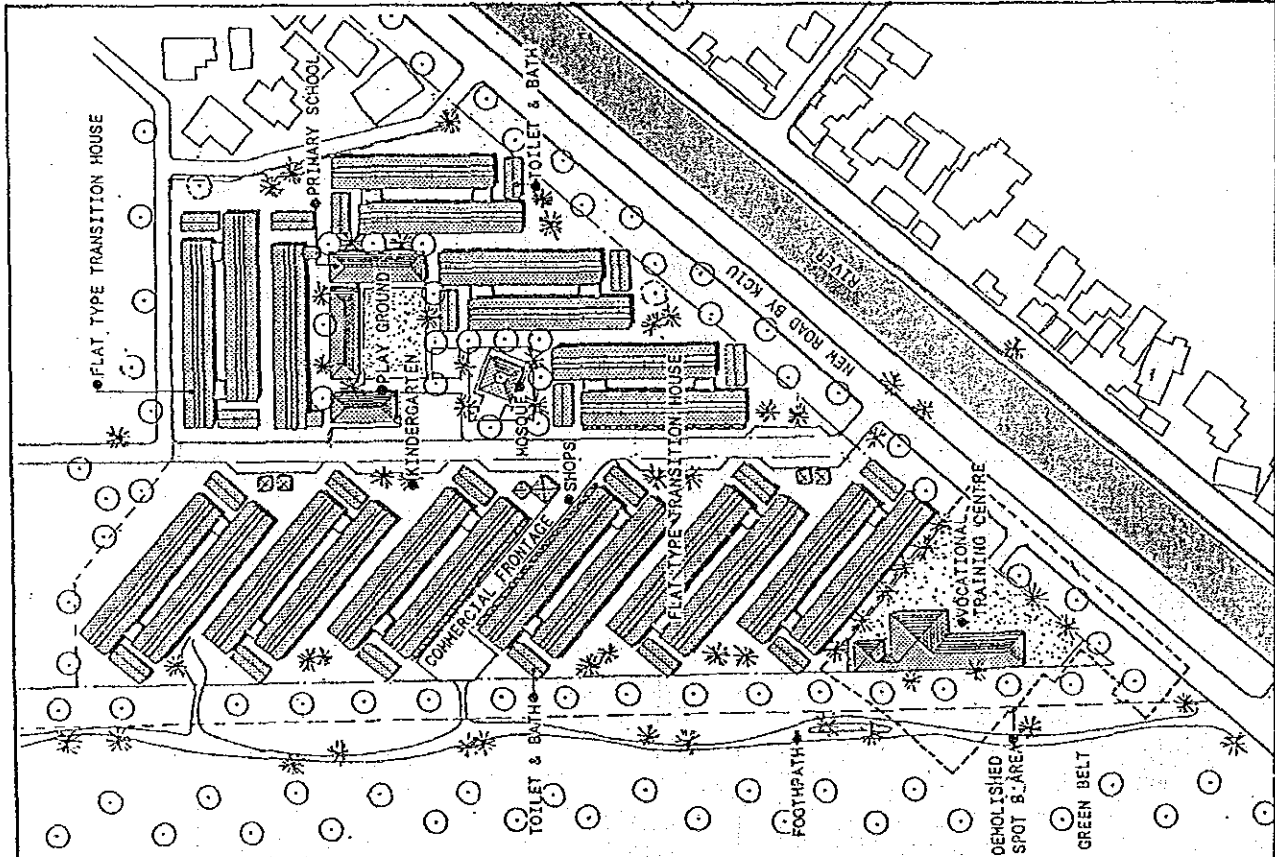


3.2.6 Physical Plan

- 1) Project Site: 3.5 ha.
- 2) Transition House 15,480 m²
(2 storey buildings)
F-21: 536 units
F-30: 110 units
Total 646 units
* 10% of total units shall be shops combined with housing units.
* Toilet, shower & washing buildings 22 units in total
- 3) Vocational Training Center, 500 m²
- 4) Neighborhood Facility
 - Kindergarten 200 m²
 - Primary school (DKI) 700 m²
 - Musholah 100 m²
- 5) Public Open Space 500 m²
* New population 966 p/ha.
density

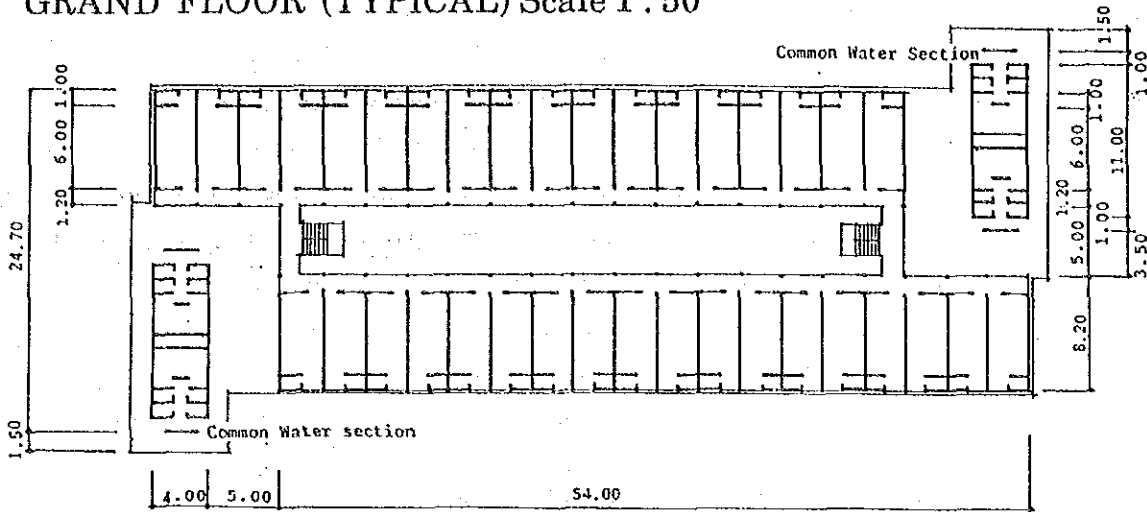
3.2.7 Project Cost and Revenue

- 1) Project Cost (x Rp. 1,000)
 - Demolition 77,440
 - House construction 1,640,400
 - Public facilities construction 145,000
 - Compensation 2,330,277
 - Infrastructure 107,810
 - Other costs 428,641
 - Maintenance and training 1,717,700
 - Total 6,447,268
- 2) Revenue
 - Rent during 10 years
Total Rp. 1,940 million
 - Selling land in year 2000
Total Rp. 42,988 million
- 3) Profit in year 2000
Total Rp. 38,480 million

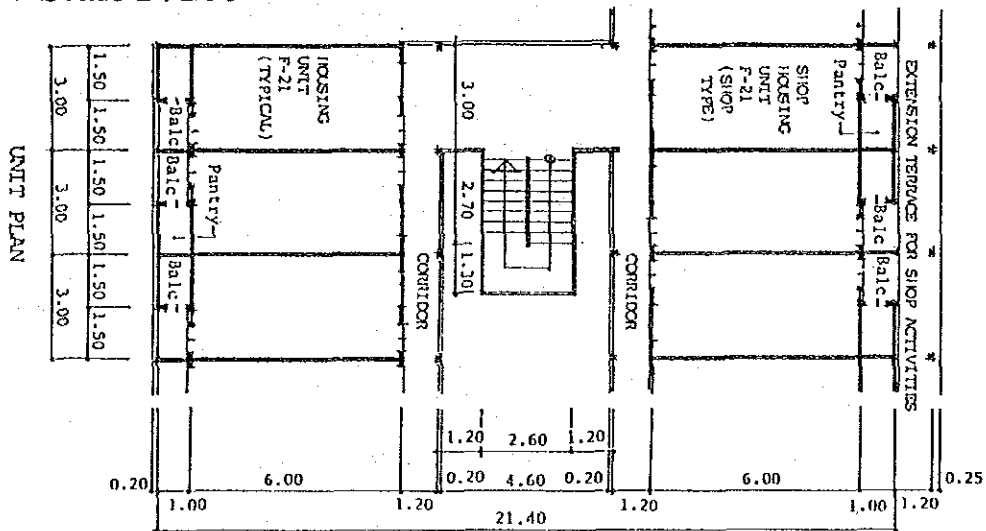


3.2.8 Building Plan of Transition House (F-21 Type)

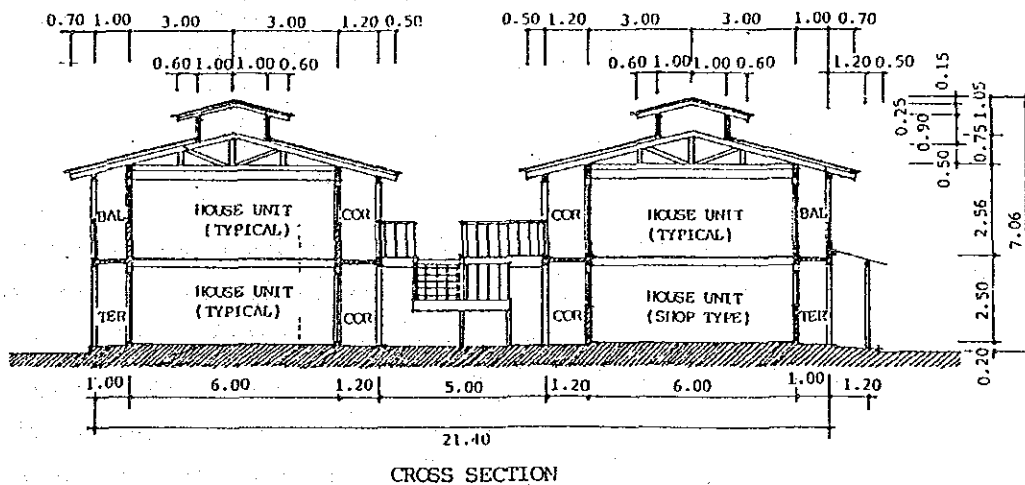
GRAND FLOOR (TYPICAL) Scale 1 : 50



PLAN Scale 1 : 200



CROSS SECTION Scale 1 : 200



3.2.9 Socio-economic Impact

1) Table of Socio-economic Impact by Renewal Components

Main components of renewal in Site B are transition houses and a vocational training center. The following table shows type of impact by these components.

	Transition House	Training Center
Economic Impact	<p>Increment of social Capital Stock</p> <p>Improved allocation of resources</p> <p>Improvement in local finance</p> <p>Betterment of income Distribution</p>	
Social Impact		Development of Human Resources
Physical Impact (Facilities)	<p>Upgrading of Housing Environment</p> <p>Disaster Prevention</p>	
Environmental Impact	Improvement of Urban Sanitary System	

2) Among the above listed items, the following are especially noted to specify the characteristics of Site B renewal.

(1) Development of human resources

Vocational training center is introduced in Priority Site B. The center aims to offer training programs for formal jobs for the inhabitants temporarily living in the transition houses. The inhabitants may enjoy many positive effects from this system such as (a) grading up of individual skills for obtaining formal jobs; (b)

stimulating the desire to work; (c) prompting the conscious of independence after their removal; (d) increasing the potential and therefore opportunity to get formal work; (e) increasing the possibility to earn larger income.

In the absence of this center, low income people or people belonging to the informal sector would remain part of the low wage and low productivity labor force.

(2) Betterment of income distribution

According to the results of the Socio-Economic Survey on Zones 4 & 5 conducted in December 1988, the monthly income bracket of less than Rp. 100,000 per household shares about 60 percent in the total. Thus, income distribution curve here is much skewed to the lower side although the curve is not so different from that of DKI Jakarta.

Through vocational training in the center, however, residents (workers) here can be integrated into the formal labor market and can obtain better wages. Average minimum wages in 1987 by economic sector are shown below. As these figures show, workers who are in the formal sector can obtain about Rp. 100,000 per month or more. Therefore, it will be possible for residents who join the training program to obtain such wages. Consequently, their average monthly income will increase, and the income distribution can be improved. Number of beneficiaries (trainees) amounts to 3,200 according to rough calculation. (One person from each household x 646 units x 5 (every two years for 10 years).)

Manufacturing	98,627	(Rp./month)
Construction	96,356	
Trade/bank/insurance	159,142	
<u>Transportation</u>	<u>115,509</u>	

Source: Ministry of Manpower

3.3 SITE C (CASE STUDY SITE)

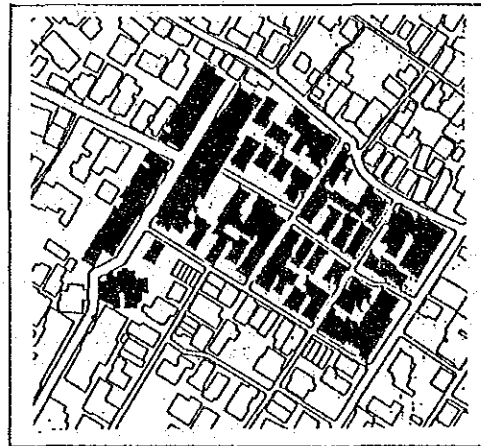
3.3.1 General Description

The direct motive of Site C renewal is widening of the road at the east end by DKI Jakarta Municipality for the purpose of smoother traffic flow and intensive land use. Seizing this opportunity, two major improvements are planned based on the interests of the community and its inhabitants. One is further widening a 2.5 meter road at present connected to the above-mentioned road in order to enable emergency vehicles to access all houses in the site. The other is the reconstruction of some houses which will be partially demolished due to road widening projects.

Cost recovery is planned by providing additional salable housing units, in line with DKI Jakarta Municipality's policy to increase population in the area.

3.3.2 Existing Conditions

Population density/ha.	380
House density/ha.	55
Bldg. coverage ratio (%)	65
Floor area ratio (%)	68
Land ownership (%)	
a Hak Milik	26
b Hak Guna Bangunan	43
c Others	31
Bldg. ownership (%)	
a Own house	69
b Rental and others	31
Land price (Rp.)(%)	
a less than 66,000	100
b 66,000-129,000	0
c more than 129,000	0
Income/household (Rp./month)	
a less than 100,000	42
b 100,000-300,000	40
c more than 300,000	18



LEGEND :

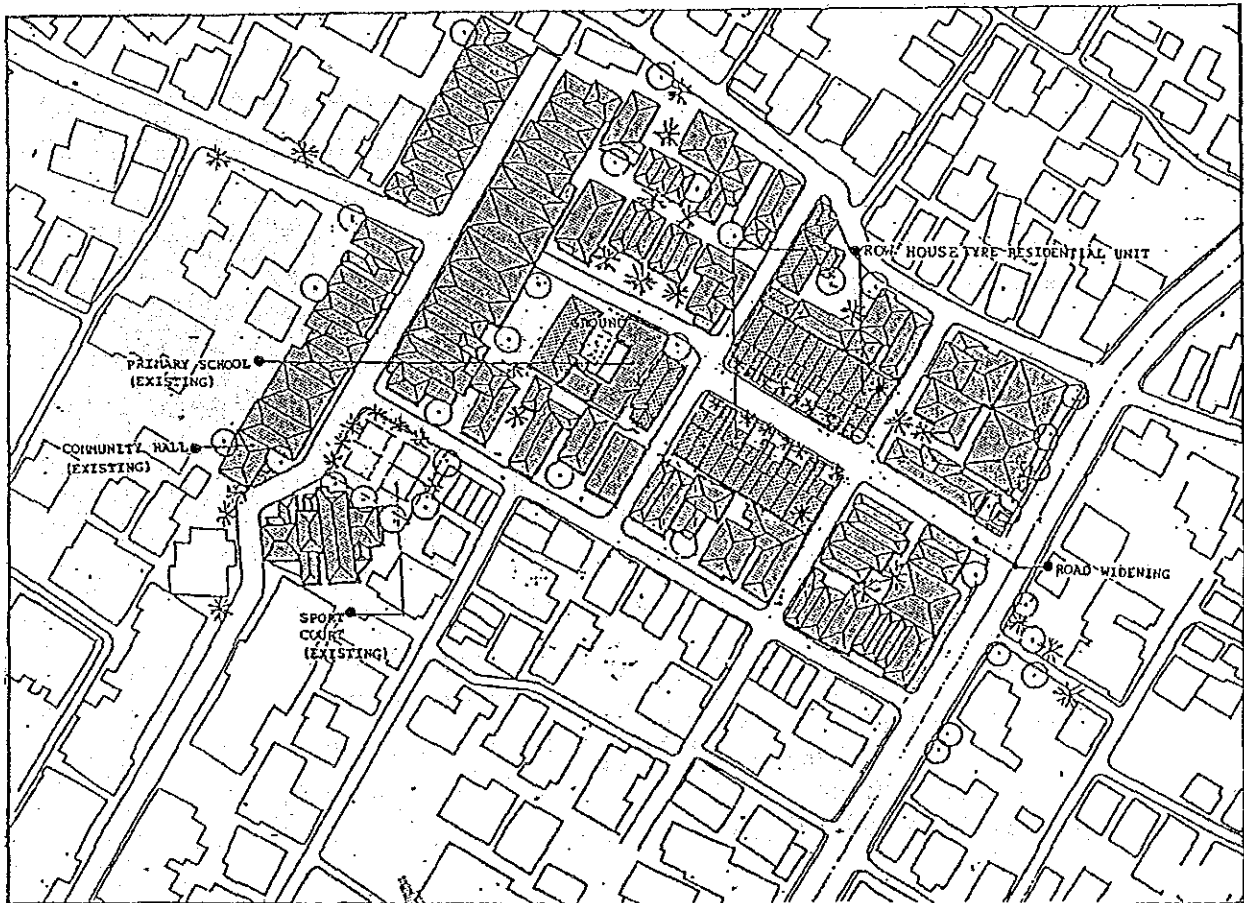
■ HOUSES IN THE CASE STUDY AREA

3.3.3 Physical Plan

- 1) Direct renewal area 1,520 m²
- 2) No. of houses to be demolished
12 units
- 3) No. of houses to be built
(2 storey row houses)
 - F-45 8 units
 - F-70 16 units
 Total 24 units
 * 12 units are for sale.
- 4) Widening road, public works
 - Jl. Taruna 10 m wide
 - Small street 4 m wide
 New
 * Population density 438 p/ha.

3.3.4 Project Cost and Source of Fund

1) Project Cost	
- Demolition	5,810
- House construction	296,000
- Land development	4,560
- Temporary house	1,800
- Others	41,813
- Interest	18,417
Total	368,400
2) Source of Fund	
- Compensation	67,485
- Inhabitant's own capital	43,024
- Selling houses	229,400
- Subsidy	25,547
Total	368,400



3.4 SITE D (CASE STUDY AND PRIORITY SITE)

3.4.1 General Description

Jl. Angkasa will connect the commercial/business center in Zone 1 and the major road Jl. Gunung Sahari which extends to Senen commercial center. Therefore an area like Site D has a high potential for commercial use.

This renewal plan of Site D will hopefully be a model for future similar renewal projects of commercial and housing complexes along such roads offering high potential elsewhere in Jakarta or other big cities. The renewal method applied to this Site D is "Urban Renewal Project" and its key point is "Right Conversion" which is practiced in Japan.

The aim of introducing this method is to stimulate methodology development of urban renewal in Indonesia.

3.4.2 Existing Conditions

(Residential area only)

Population density/ha.	259
House density/ha.	39
Bldg. coverage ratio (%)	62
Floor area ratio (%)	79
Land ownership (%)	
a Hak Milik	5
b Tanah Negara	47
c Others	48
Bldg. ownership (%)	
a Own house	54
b Rental and others	46
Land price (Rp.)(%)	
a less than 66,000	0
b 66,000-129,000	67
c more than 129,000	33
Income/household (Rp./month)	
a less than 100,000	44
b 100,000-300,000	44
c more than 300,000	12



LEGEND : ■ HOUSES IN THE CASE STUDY AREA

3.4.3 Consideration of Method Applicability in Indonesia

1) Economic Constraints

In general, urban economic activities in Indonesia are not as high as those in Japan thereby bringing about the following situation:

- (1) Low intensive land use, low density of built-up area, and low rate of mixed use which needs reorganization.
- (2) Low land price and comparatively high building construction cost.
- (3) Low value of right holder's assets, which translates into difficulties when applying right conversion to obtain sufficient floor area of new built buildings.

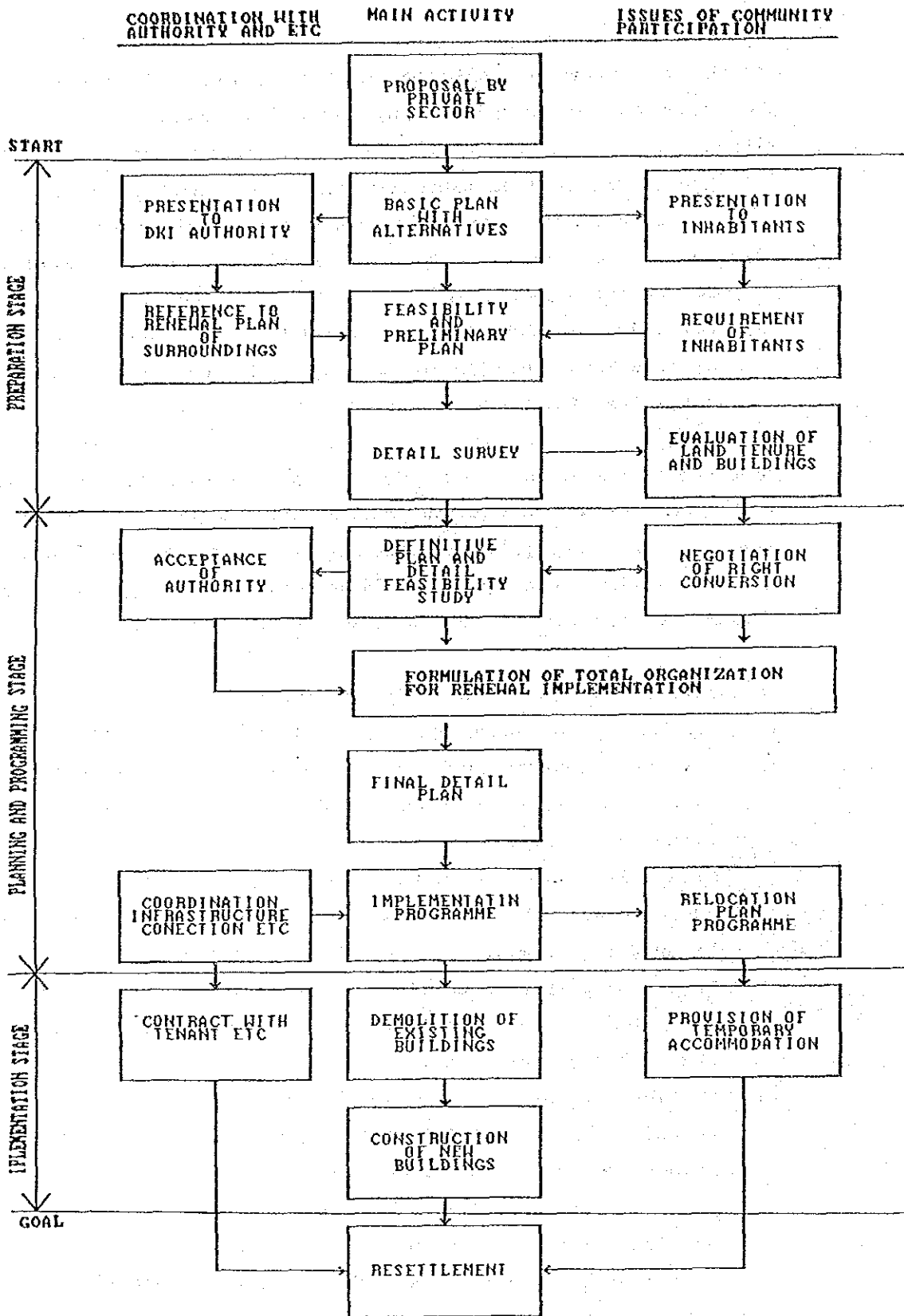
From the economic point of view it is therefore too early to apply the right conversion method at present in Jakarta. However, the land price in the central part of Jakarta has already reached some Rp. 2 million, making the application of this method possible in the not too distant future.

2) Legislative and Institutional Opportunities

The application of this method, in terms of legislative and institutional aspects may be possible by enhancing and adjusting existing activities concerning housing development and living environment improvement.

- (1) Organizing an executing body by strengthening the cooperative which is common in Indonesia, to have an organization similar to the KUMIAI of Japan.
- (2) Land tenure after renewal is not a critical problem due to the existence of established Land Consolidation systems and the Condominium Law.
- (3) Subsidy is one of the most needed elements for urban renewal. In this study, KCIU (central government) and DKI Jakarta Municipality (local government) are considered to provide subsidy for the renewal, although further examination on this subject is required. Subsidy is not a donation but rather it is disbursed for the benefit of the public sector for which governments are responsible.

3.4.4 General Activity Flow

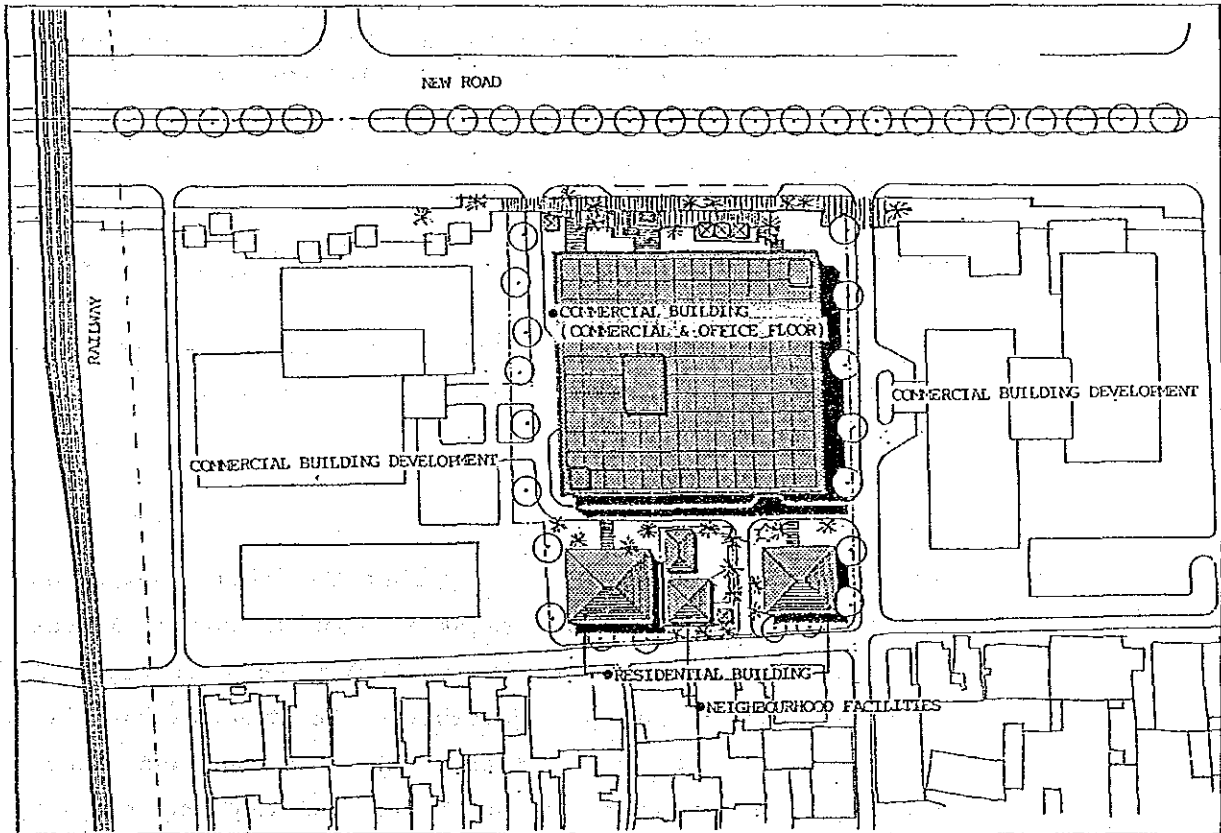


3.4.5 Physical Plan

- 1) Net renewal site 8,750 m²
- 2) Houses to be demolished 43 units
- 3) Houses to be built 2,580 m²
(4 storey, 2 buildings)
 - F-21 11 units
 - F-36 16
 - F-54 8
 - F-100 8
- Total 43 units
- 4) Commercial, office floor (6 storey, 1 basement for parking) 28,400 m²
- 5) Neighborhood Facility
 - Kindergarten 150 m²
 - Multi purpose 250 m²
- 6) Landscaping area 3,830 m²

3.4.6 Project Cost and Source of Fund

- 1) Project cost (x Rp. million)
 - Construction cost 19,083
 - Other cost 2,590
 - Interest 7,023
 - Total 28,696
- 2) Source of fund (x Rp. million)
 - Sales revenue of reserved floor 26,529
 - Subsidy 2,167
 - Total 28,696
- * Value of new house floor is Rp. 310,000/m².
- * Sales price of commercial floor should be approx. Rp. 2.0 million/m².



3.4.7 Socio-economic Impact

1) Table of Socio-economic Impact by Renewal Components

Major components of renewal in Site D are a commercial & office building, a residential building and neighborhood facilities. The following table shows the impacts expected from these components. Impact is classified into four systems.

	Commercial, Office & Residential Building	Neighborhood Facilities
Economic Impact	Increment of social capital stock Improved allocation of resources Improvement in local finance	Increment of social capital stock
Social Impact	Continuity of community	Continuity of community
Physical Impact (Facilities)	Upgrading of housing environment	Upgrading of housing environment Disaster Prevention
Environment Impact	Improvement of urban sanitary system	

2) Among the above listed items, the following are especially noted to specify the characteristics of Site D renewal.

(1) Improved allocation of resources

The urban renewal in Site D applies the right-conversion method. That is, previous right on land and/or buildings are converted to certain floors of renewed buildings. A part of the buildings constructed in the project is granted to the rightful person on the one hand and excess floors are reserved to be sold for meeting the project expenses on the other hand.

In this study present land price of Site D is estimated at Rp. 400,000 per square meter for road side and Rp. 162,000 for residential area. Land price after right conversion is assumed to reach Rp. 400,000 for all the project area. Therefore, this result shows that land will be effectively utilized as an economic resources and allocated in a more favourable manner after the project.

(2) Improvement in local finance

As stated in sub-section 3.1, increase of land price and tenure regularization for settlers, as effects produced by the renewal can increase the tax revenue collected by the local government. In Site D this principle is realized. The present land and property tax (PBB) system derives from a 1985 decree.

PBB is designed as a 0.5 percent tax on the assessed value, which is within the range of 20 and 100 percent of the market value. If this rate is set at 60 percent, 0.3 percent of the market values of land is levied. $(0.05 \times 0.6 \times 1.0 = 0.003)$

The renewal area in Site D covers 8,750 square meters. If the levied area is assumed to be 8,000 square meters, the total PBB for land amounts to approximately Rp. 10 million according to the tax rate and land price discussed above.

(3) Continuity of the community

Basically it is planned to reaccommodate all the original inhabitants without removal. The pre-renewal community can be continuously maintained. From a social outlook there is significant merit in this method for maintaining a stable society.

3.5 SITE E (CASE STUDY SITE)

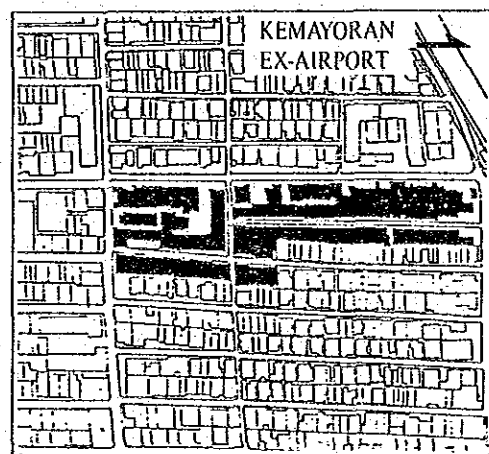
3.5.1 General Description

Kelurahan Pademangan Barat where this Site E is located has no sufficient open spaces nor by-ways and the situation is dangerous under the continuing threat of fire.

DKI Jakarta Municipality is concerned with resolving this type of problem. It is financially difficult at present but there should be certain measures to be considered for future application. Another motivation for this renewal is the desire of some inhabitants to rebuild their own houses and the need for financial aid. This provision of aid can be provided by DKI Jakarta Municipality on conditions of; (1) new houses should be fireproof, (2) increase of housing stock, and (3) prevention of urban disaster. The inhabitants shall establish a Cooperative guided by DKI Jakarta Municipality and NGO.

3.5.2 Existing Conditions

Population density/ha.	290
House density/ha.	50
Bldg. coverage ratio (%)	72
Floor area ratio (%)	102
Land ownership (%)	
a Hak Milik	24
b Hak Guna Bangunan	16
c Others	60
Bldg. ownership (%)	
a Own house	68
b Rental and others	32
Land price (Rp.)(%)	
a less than 66,000	0
b 66,000-129,000	100
c more than 129,000	0
Income/household (Rp./month)	
a less than 100,000	22
b 100,000-300,000	70
c more than 300,000	8



LEGEND :
 ■ HOUSES IN THE CASE STUDY AREA

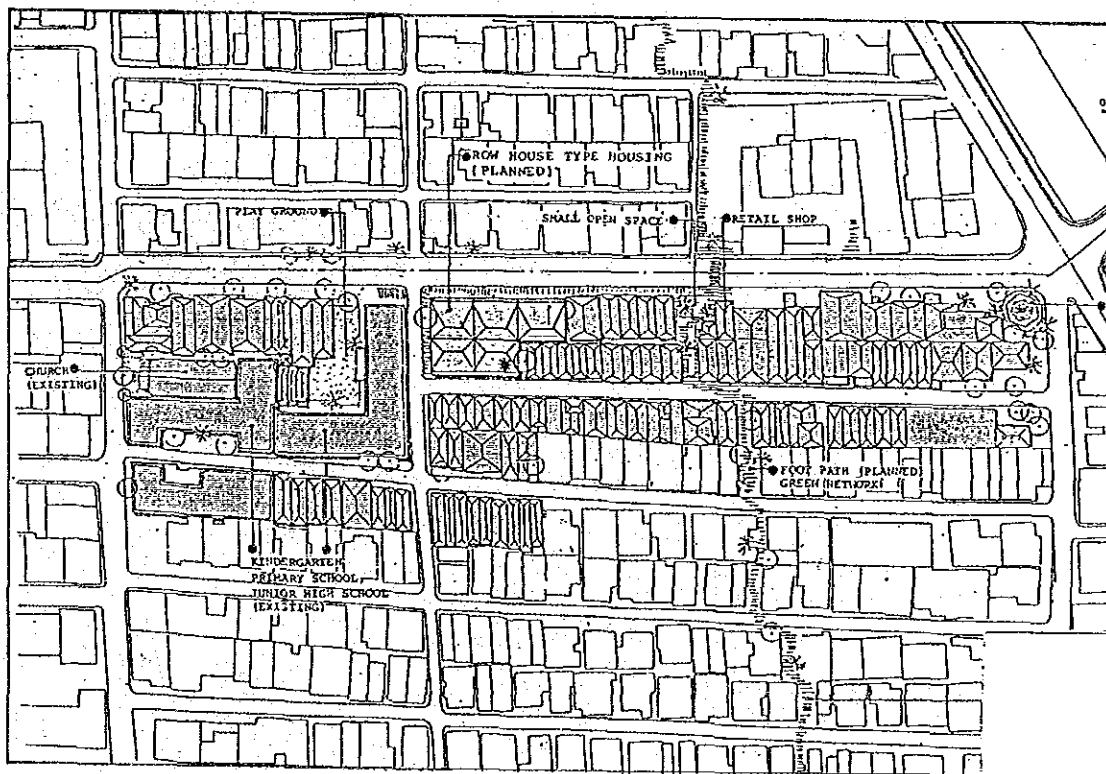
3.5.3 Physical Plan

- 1) Direct renewal area 1,545 m²
- 2) No. of houses to be demolished
 - because of foot path 3 units
 - inhabitant's will 3 units
 - * 2 garage buildings are demolished.
- 3) No. of houses to be built (2 storey row houses)
 - F-54 12 units
 - F-100 4 units
 - Total 16 units
 - * 10 units are for sale.
- 4) Foot path construction, Public works.
 - * New population density 320 p/ha.

3.5.4 Project Cost and Source of Fund for Cooperative House

1) Project cost (x Rp. 1,000)	
- Demolition	4,100
- House construction	209,600
- Site preparation	4,020
- Other cost	29,540
- Interest	22,253
Total	269,513
2) Source of fund (x Rp. 1,000)	
- Selling houses	181,660
- Resettlers' own capital	41,661
- Cooperative members' own capital	46,192
Total	269,513
* Public work project cost	

Rp. 77,546,000



3.6 SITE F (CASE STUDY SITE)

3.6.1 General Description

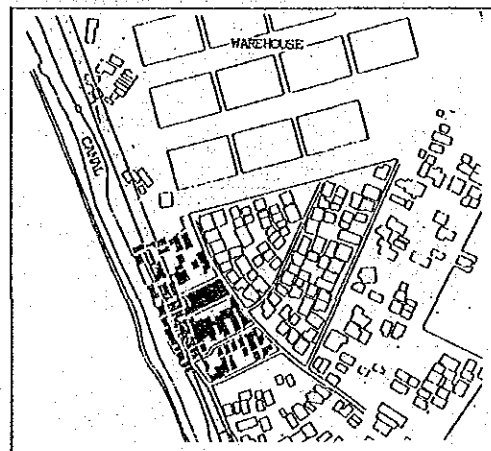
Site F and the whole surrounding area is located in between Zone 2 of high and middle class housing development and Sunter real estate. The area has a large vacant space and a sprawl of rather inferior houses. If the area remains as it is, more sprawl is expected which will adversely affect both Zone 2 development and Sunter real estate.

The method applied to this renewal study for 17.85 ha. of the area including Site F is the "Land Consolidation" method currently being experimentally established in Indonesia or "Land Readjustment Project" (KUKAKU SEIRI) used in Japan and adjusted to the situation of Indonesia.

3.6.2 Existing Conditions

(Site F only)

Population density/ha.	424
House density/ha.	78
Bldg. coverage ratio (%)	62
Floor area ratio (%)	68
Land ownership (%)	
a Hak Milik	64
b Others	7
c Tidak Jelas	29
Bldg. ownership (%)	
a Own house	70
b Rental and others	30
Land price (Rp.)(%)	
a less than 66,000	100
b 66,000-129,000	0
c more than 129,000	0
Income/household (Rp./month)	
a less than 100,000	64
b 100,000-300,000	26
c more than 300,000	10



LEGEND :

■ HOUSES IN THE CASE STUDY AREA

3.6.3 Experimental Implementation

Judging from the situation of the area, there is a great opportunity to realize this renewal experimentally using this Land Readjustment method. DKI Jakarta Municipality, private developers, housing cooperation, KCIU and inhabitants' community should organize an executing body guided by DJCK. Methodology development is expected in the field in the course of actual planning and implementation.

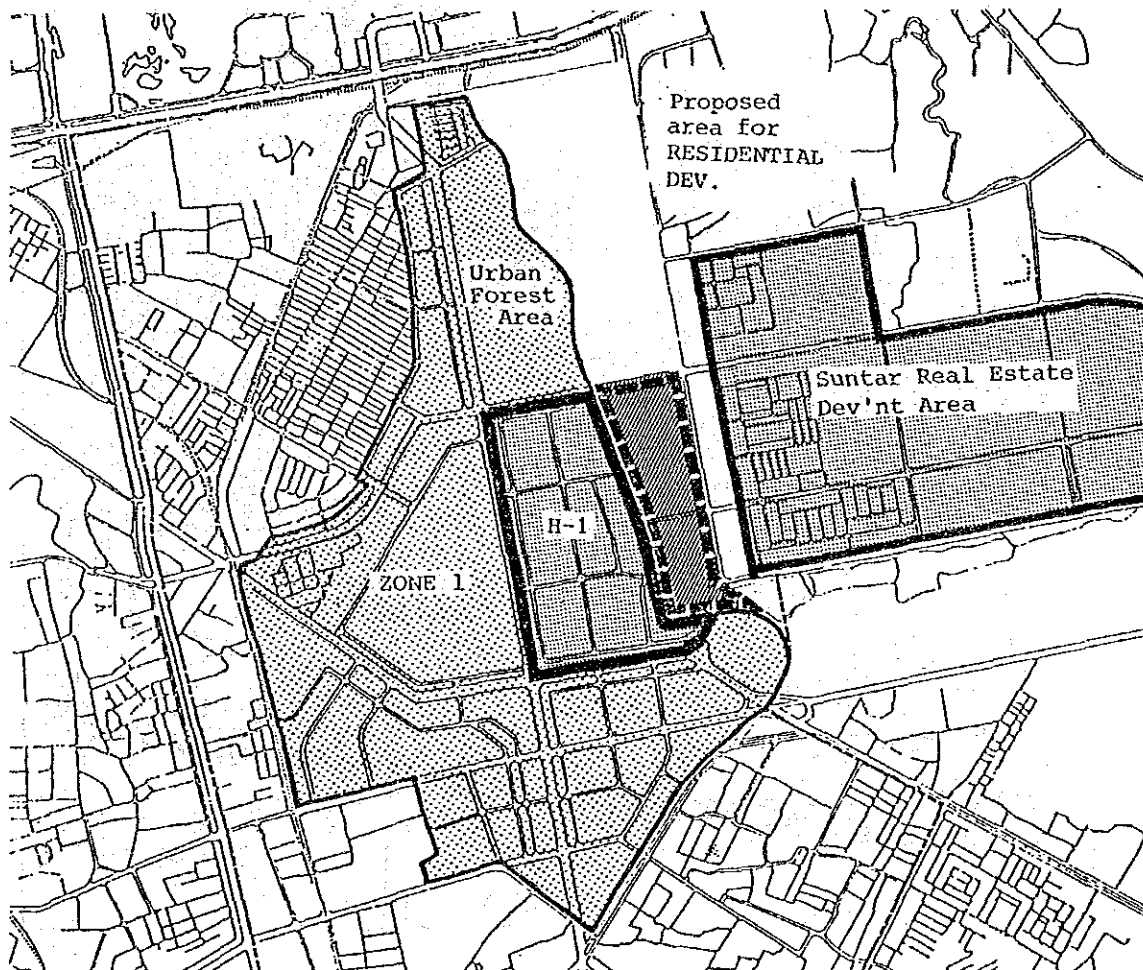
3.6.4 Physical Plan

1) Existing Conditions

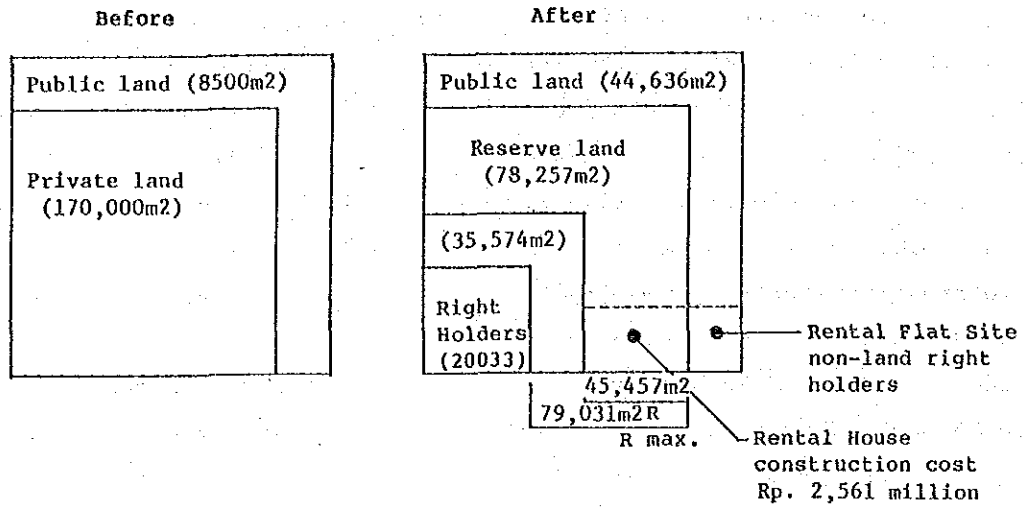
- Renewal area	17.85 ha.
- Public land	8,500 m ²
- Private land	17,000 m ²
- No. of houses	538

2) After Renewal

- Public land	44,636 m ²
- Reserved land	78,257 m ²
- Preserved houses	108
- Housing site	18,000 m ²
- Developed houses	302
- Public facilities at developed housing site	
* Kindergarten	100 m ²
* Primary school	600 m ²
* Musholah	50 m ²

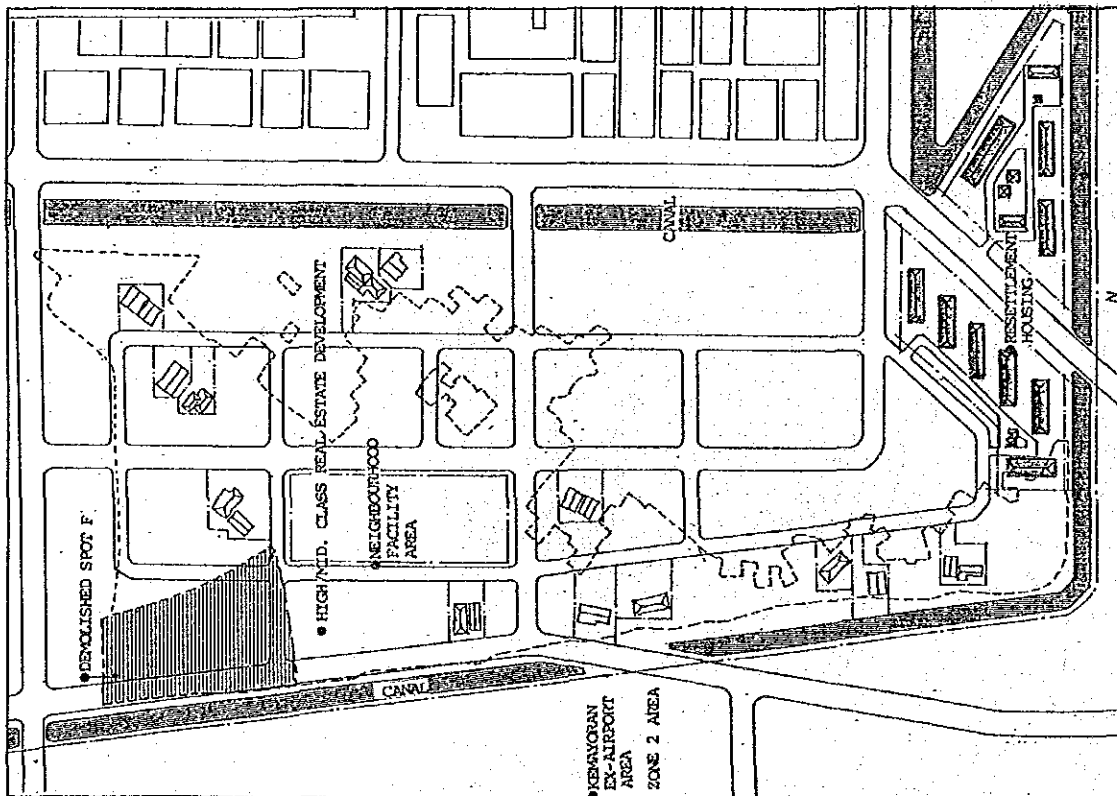


3.6.5 Land Area and Project Cost in Land Readjustment



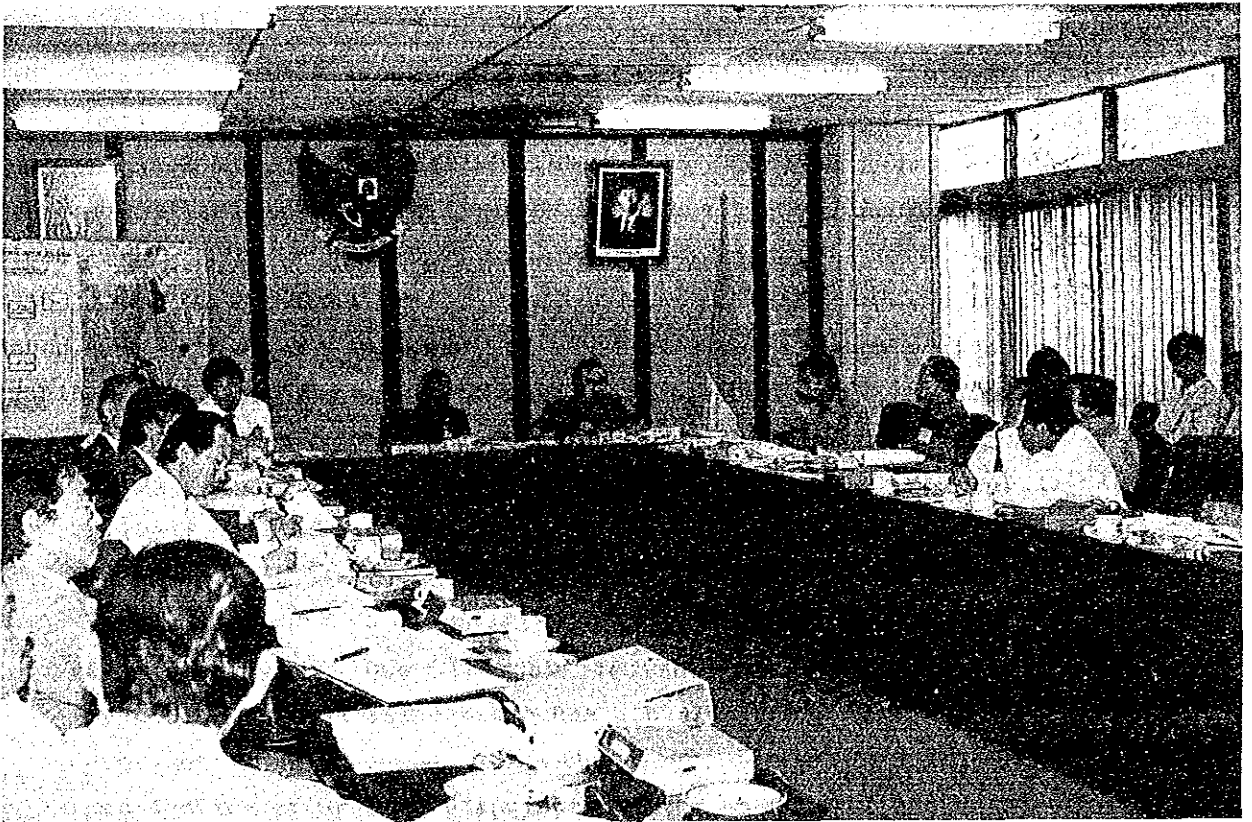
Project cost

Land Development	Rp. 3,958 million
Housing Construction	Rp. 2,561 million
Total	Rp. 6,519 million



CHAPTER V

CONCLUSION AND RECOMMENDATION



1. CONCLUSION

1.1 GENERAL SITUATION AT PRESENT

The urban renewal is required to utilize land effectively to realize densely built up area, however, the need of such effective use is still generally premature in Indonesia especially due to financial constraints. Land price/construction cost, compensation/price of house, and income/loan repayment are not favorably balanced. In this regard, Zone 1 development offers an enormous opportunity to experiment on urban renewal projects including housing, and it can be realized since the public sector has the potential to develop legislative and institutional aspects through enhancement of existing activities concerned with urban renewal and improvement.

1.2 NECESSITY OF INTEGRAL FEED BACK

The nature of either planning or implementation of urban renewal is significantly different from that of infrastructure development or the like. It involves socio-economic aspects to a large degree, and renewal itself should proceed on the basis of "Consent" of all parties concerned. This Study is concerned only with urban housing both in Zone 2 development and Zone 5, and further coordination with other sectors directly and indirectly concerned with urban renewal is necessary.

1.3 INTEGRATED DEVELOPMENT AND RENEWAL

Integrated development of Zone 1 and renewal of Zone 5 is considered in three levels and one special case.

- 1) Zone 1 and Zone 5 in general.
- 2) KCIU Fund generated by Zone 1 development and low income group housing renewal in Zone 5. Some 20,000 housing units will be additionally provided if conditions are as studied.

3) Zone 3 development and Zone 5 renewal by Perumnas.

An area of 10 ha. can be acquired after Zone 3 development if conditions are as studied. Combined development of housing in Zone 3 and commercial facilities development in Zone 5 is feasible.

4) Special case of Zone F renewal.

2. RECOMMENDATION

2.1 ZONE 2 DEVELOPMENT

One of DJCK's follow up activities is to continue further coordination with (1) KCIU on housing development by private sector, (2) Perumnas on Zone 3 housing, and (3) DKI Jakarta Municipality and other parties concerned with neighborhood facilities development, on the basis of systems, guidelines and considerations examined in this Study. The coordination should continue up to implementation by each executing body of its respective task.

2.2 UTILIZING OPPORTUNITY BROUGHT BY ZONE 1 DEVELOPMENT

It has been repeatedly emphasized that Zone 1 development will have a considerable direct impact Zone 5. This opportunity should be positively utilized for urban housing renewal for which methods are studied at the 6 Case Study Sites. In this sense, it is recommended that Zone F pilot project be planned by DJCK, DKI Jakarta Municipality, KCIU and others as an experiment which provides many lessons on methodology development for practical realization of urban housing renewal.

2.3 SUBSIDY

Urban renewal projects do not only benefit the private sector and inhabitants but also contribute to the welfare of the public

sector. Projects should satisfy mutual interest. And therefore it is natural that the public sector should provide subsidy. Application of a method of urban renewal in Japan is an application of subsidy for a renewal project. Strictly speaking, there is no successful urban renewal without subsidy.

KCIU Fund is essential for urban renewal projects which particularly involve low income group in Zone 5. Through the establishment and execution of this subsidy, methodology of urban housing renewal will be practically developed. And it influences other public sectors to consider other types of subsidies.

2.4 INSTITUTIONAL DEVELOPMENT

DJCK should conduct institutional development for urban housing renewal. The Secretariat to KCMB is probably the most appropriate organization to coordinate all relevant parties concerned especially to urban renewal in Zone 5 and the institutional development may be undertaken through actually committed, planned or proposed projects. The development will be further generalized to apply to projects in other areas in Jakarta or other cities.

2.5 COMMUNITY PARTICIPATION

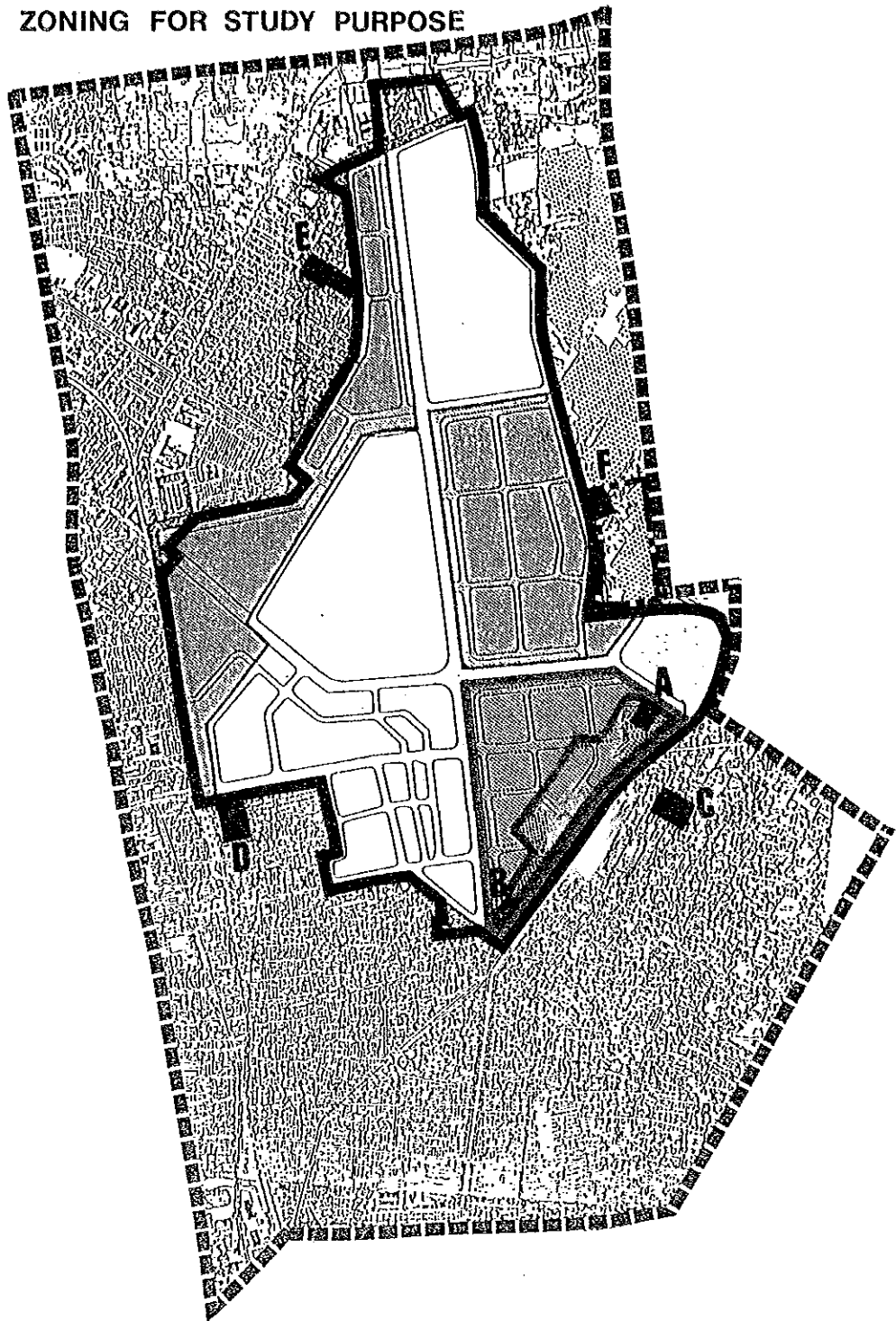
One of the most important factors for successful urban renewal is the participation of inhabitants who are mostly weak economically. Successful KIP implementation provides enormous lessons on how to enlighten inhabitants and enhance their potentiality to participate in improvement of living environment. It should be extended to participation in urban housing renewal through the joint efforts of all parties concerned to this beneficial Zone 1 development and Zone 5 renewal.







Moreover Zone 5 renewal will be implemented by formulating small scale projects which should be strategically located in Zone 5 under the guidance of the public sectors. The projects will stimulate inhabitants of the neighboring areas to renew or improve their own houses and environment.

2.6 PROSPERITY

In general, it can be said that urban renewal is a rather new activity in Indonesia mainly because some conditions make the needs still premature. However, certain remarkable efforts to cope with the situations can be observed in the activities of various agencies and institutions, and many organizations concerned as well. It is hoped that this Study conducted on the opportunities of Zone 1 development is one of the major milestones to develop further comprehensive urban renewal methodology.

ZONING FOR STUDY PURPOSE



-  ZONE 5 : Vicinity of Kemayoran ex-airport area
-  ZONE 1 : Airport Site
-  ZONE 2 : Housing and Neighbourhood Facility
-  ZONE 3 : Perumnas Housing Area
-  ZONE 4 : Built up Area in Zone 3
-  Case Study Site

Zoning for the Study Area

JICA