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PRACTICAL GUIDANCE AND IMPLICATION OF PLANNING REGULATION IN VALUATION

Case Study : Jakarta Province Detailed Spatial Plan

Prepared for 26th AVA Congress
Singapore, November 2024

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BACKGROUND



Availability

RDTRs are not publicly available and mostly only the academic text of the regulation is available, instead of the technical material.



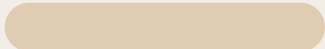
Partial

The published content is limited to zoning or land use information, as it is made to be integrated with OSS related to application process of Conformity of Space Utilization Activities (KKPR)



Change

Spatial plan regulation is mandated to be reviewed every 5 years, and it is very likely that there will be changes in terms of structure and substances to the plan



WHY JAKARTA?

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TOP 3

The 3rd province that received the most foreign investment in property sector

LEADING

Being one of the first RDTRs and the revised regulations have been released

ADVANCE

Has its own website with various features



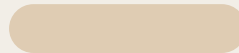
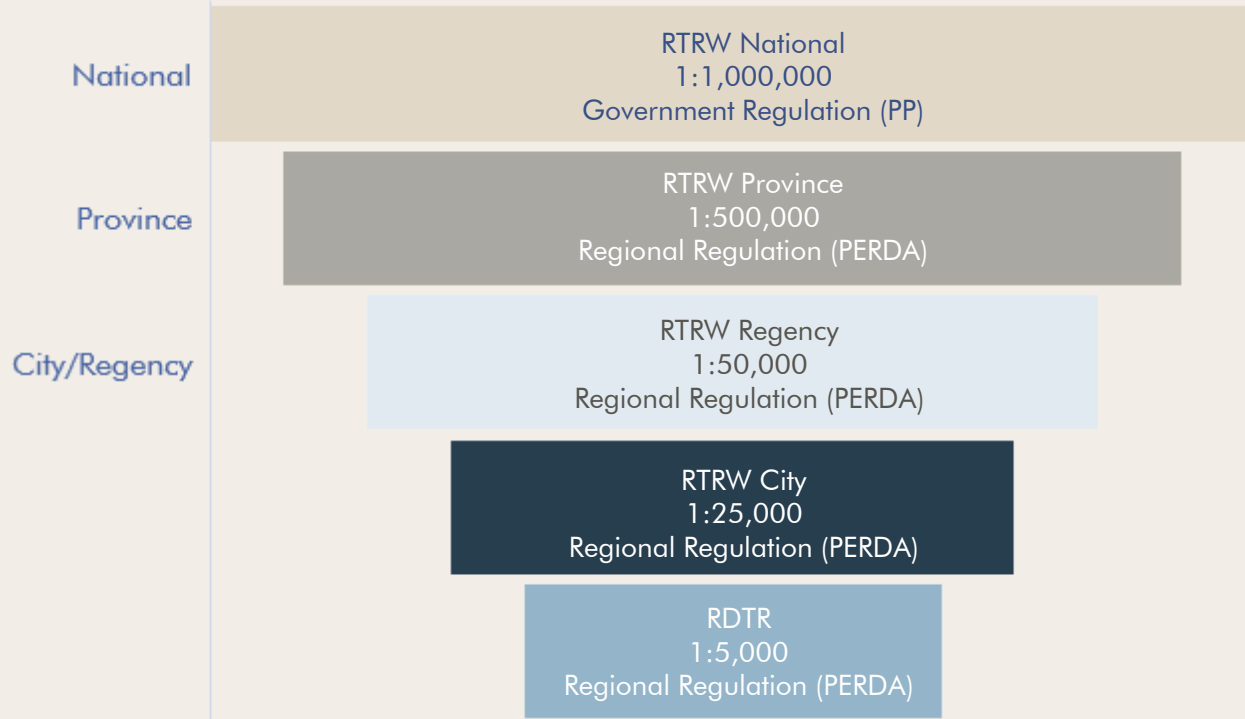


OVERVIEW OF PLANNING REGULATION

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01

Hierarchy Of Spatial Plan Regulation





Mandatory Substances



1	2	3	4	5
The Planning Purpose	Spatial Structure Plan	Spatial Pattern Plan	Land Use Provisions	Zoning Regulation
The measurable values and/or qualities to be achieved in accordance with the planning directions	City center development plan, transportation network and infrastructure plan	Zoning distribution plan that will be arranged according to its intended function	Indications of WP development programs within 5 (five) years planning period	Basic rules and/or zoning regulation techniques

Source : Ministry of Agrarian Affairs and Spatial Planning, 2023

Useful Sources

Status of spatial plan across region in Indonesia :

<https://tataruang.atrbpn.go.id/protaru/>

Interactive spatial plan map :

<https://gistaruarbpn.go.id/rtronline/>

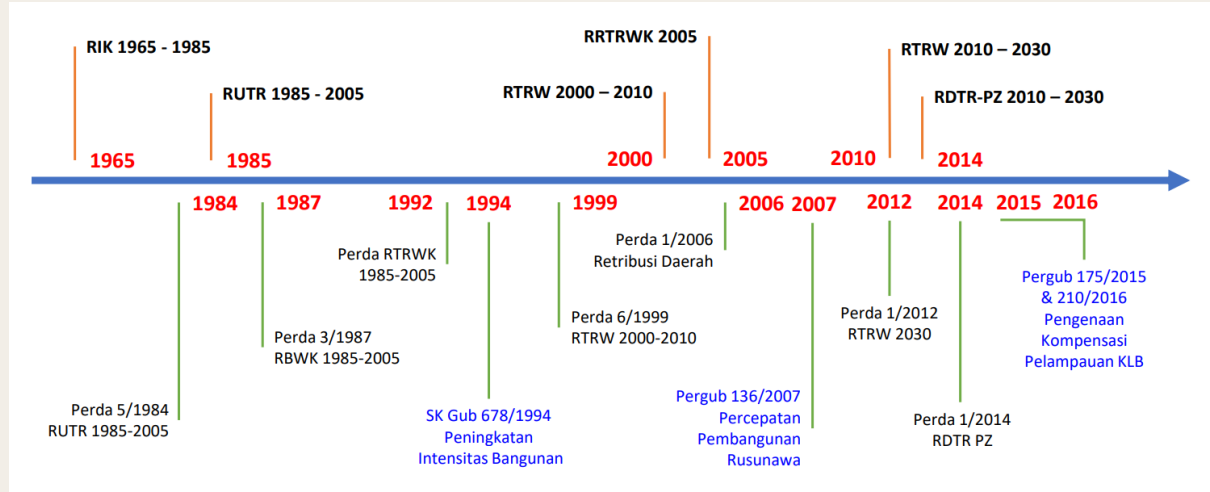
Land area and ownership verification :

<https://bhumi.atrbpn.go.id/>





DKI Jakarta Spatial Plan Overview



Source : Herlambang, Tarumanegara University, 2022

The latest version of Jakarta spatial plan is Governor Regulation No. 31 Year 2022 which revoked the previous law of Regional Regulation No. 1 Year 2014 regarding Detailed Spatial Planning and Zoning Regulations. It is effectively in force since 14 November 2022. The plan can be accessed publicly through website <https://jakartasatu.jakarta.go.id/> which provide a geospatial content, including the past RDTR or RTRW.



The latest RDTR consists of 10 (ten) chapters and over two hundred clauses. As explained in the previous chapter, following are the substances that must be considered for valuation :

Substances	Chapter	Notable Clauses	Appendix
Spatial Pattern Plan	V	Zoning and permissible land use	VII, VIII
Zoning Regulation	VII, divided into 2 (two) parts :		
	- Basic Rules	Development intensity and land utilization variance	X, XI
	- Zoning Control Techniques	Incentives and disincentives	XIX

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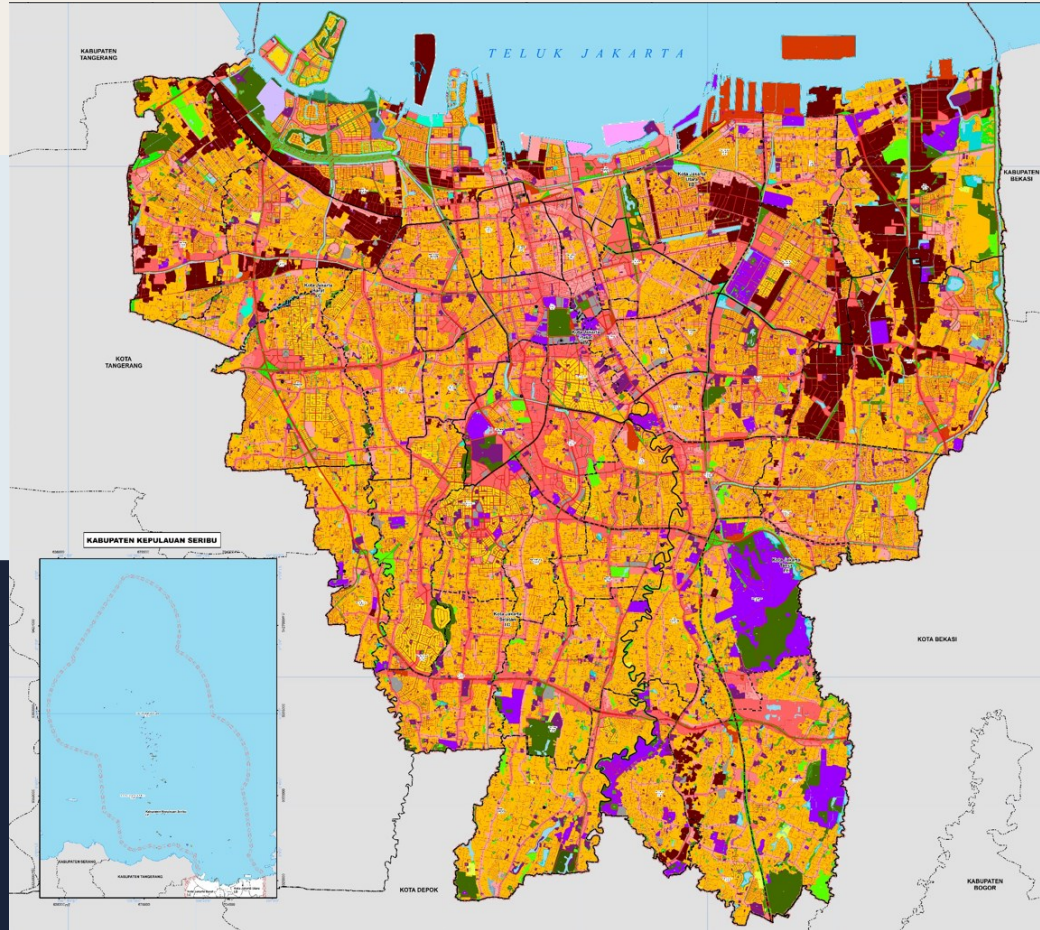


LAND USE

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02

DKI Jakarta Spatial Pattern Plan



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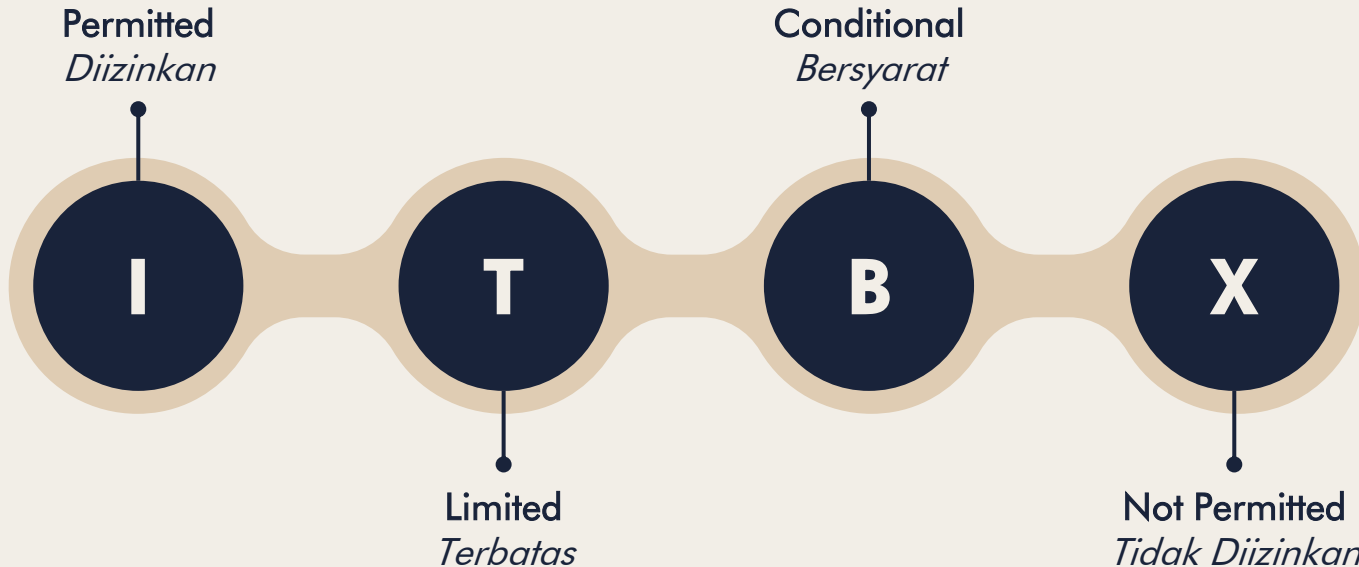
BJ	P	IK	PTL
Roadway	Agriculture	Fishery	Power Plant
KPI	R	SPU	
Industrial Area	Residential	Public Facilities	
K	KT	TR	
Trade and Service	Office	Transportation	
HK	W	HP	
Defense and Security	Tourism	Production Forest	

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Categories Based On Building Function

One thing that needs to be further considered regarding land use is the ITBX table on appendix X of the regulation. The table states whether a building function is permitted on other functions zone marked with the following code :

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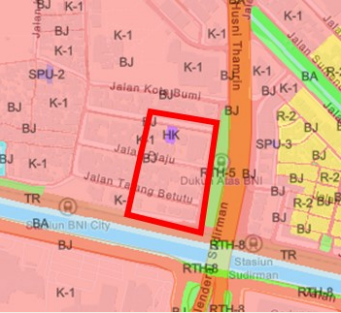
ITBX Table Summary

Business Sector	Activities/Land Use	R	K	KT	KPI
Residential	Landed House	I	I	B14	I
	Apartment	B10, T6	B10, T6	B10, B14	B10, T6
	Multi Family Flat	I	I	B14	I
Business	Office and Professional Business	B1, B2, B3	I	I	I
	Big Store	X	I	X	I
	Store and Minimarket	B1, B2, B4	I	I	I
	Hypermarket, Shopping Center	X	I	X	I
	Multipurpose Building	B1, B2, B4	I	I	I
	Showroom	X	I	X	I
	Sport Center	B1, B2, B4	I	I	I
	Cinema	X	I	X	I
	Restaurant	B2, B3	I	I	I
	Warehouses	X	B5	B5	I
	Hotel	X	I	B14	B3
	Condotel, Apatel, Serviced Apartment	X	I	B14	B3
	Tourist Lodge	B1, B2, B4	I	X	I
	Agriculture and Plantation	I	I	I	I
	Exhibition	B1, B2, B3	I	I	I
Data Center	T5	I	I	I	
Socio-Cultural	Terminal or Station	B3	I	I	B3
	Recreational Park	B2, B3	I	I	I
	Elementary and High School	B2	T4	I	I
	Higher Education	B2, B4	T4	I	I
	Hospital	B2, B3	T4	I	I
	Clinic	B2, B3	I	I	I

Takeaway



Identify the permissible land use to RDTR which has smaller scale level, rather than on RTRW, as long as the RDTR referred is the latest regulation considering that the plan is mandatory to be updated every 5 years.



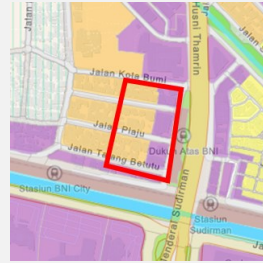
Perda 1/2012
RTRW 2011 - 2030

Perda 1/2014
RDTR

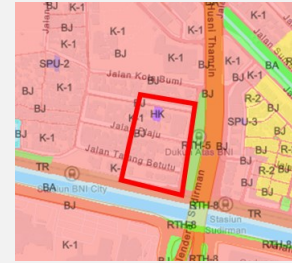
Pergub 31/2022
RDTR



Residential Zone



Mixed Use and Office Zone



Trade and Service Zone

Implication on valuation

When a change in spatial plan results in a change in activities permitted on the land, it will certainly affect the benefits that can be received. For example, when conducting an HBU analysis, a designation with a higher strata use will have more options and therefore potentially have a premium.

Key Takeaway

When conducting HBU analysis, valuer should also analyze the other permissible uses based on the ITBX table, especially in the areas that are in the transition process or experienced a rapid development. Valuer should check the conformity of the current use with the surrounding environment.



Based on observations along Jalan Pedurenan Mesjid Raya, recent developments are dominated by commercial properties, such as shophouses, hotels, sports facilities, etc. The land price on this road is already on higher side and not affordable as a house.

Implication on valuation

Valuer should also consider other permitted uses in the current zone and it is recommended to do high level financial analysis to check the feasibility of each alternative uses, as well as checking the land price using land residual method.



DEVELOPMENT INTENSITY

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03

Zone	Code	KDB (Max)	KLB (Max)	KTB (Max)	KDH (Min)
Roadway	BJ	0	0	0	0
Agriculture	P	10%	0.2	10%	null
Fishery	IK	null	null	null	null
Power Plant	PTL	null	null	null	null
Industrial Area	KPI	55%	3	60%	20%
Residential	R (1 Lantai)	100%	2	100%	0
	R (4 Lantai)	90%	3.6	90%	0
Public Facilities	SPU	60%	3-5	60%	20%
Trade and Service	K	55%	LP Performance	60%	20%
Office	KT	60%	6	60%	20%
Transportation	TR	null	null	null	null
Defense and Security	HK	null	null	null	null
Tourism	W	null	null	null	null

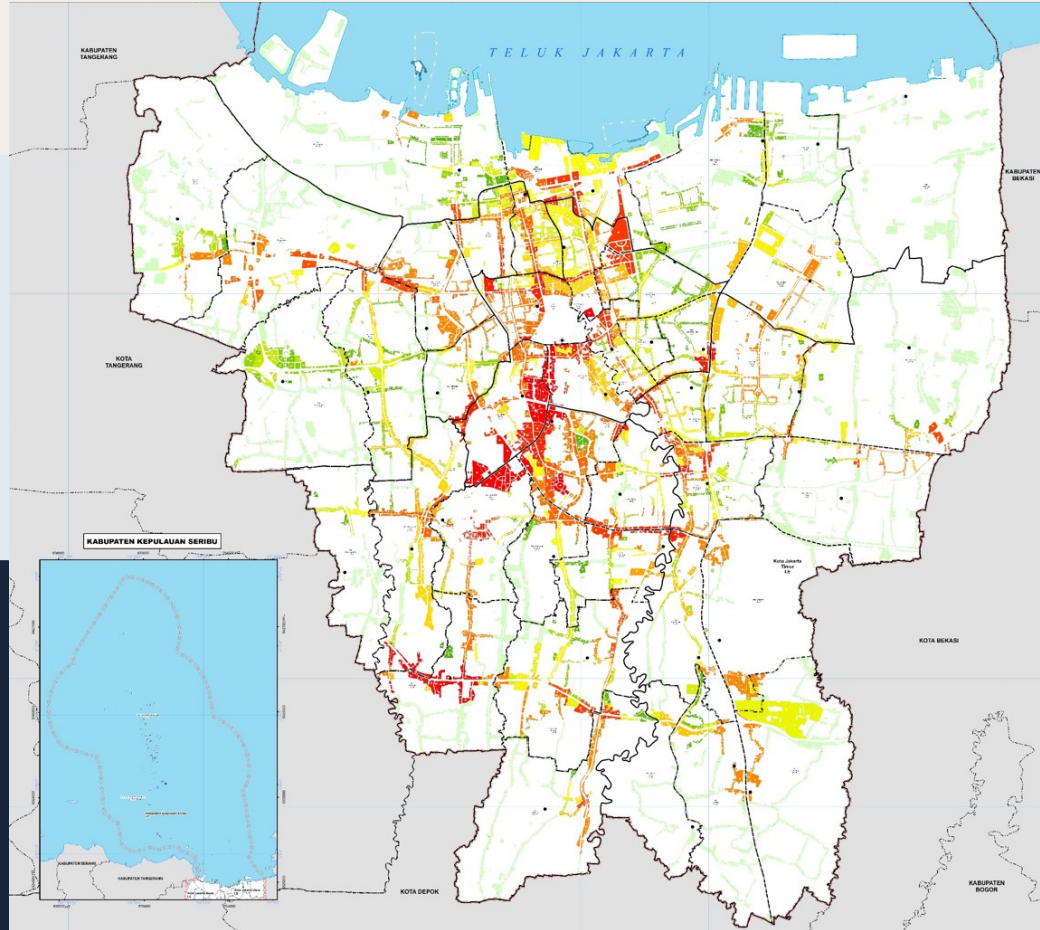
*null : adjusted to the space requirements for activities and land use organized by the Government or Regional Owned Enterprises (BUMD) for the purpose of public interest.





KLB for Trade and Service Zone

In the latest revision of DKI Jakarta RDTR, the most significant change is for Trade and Service Zone, where the KLB for each plot is given by considering the public infrastructure and facilities that have been built and the service level radius.



Key Takeaway



Implication on valuation

Study on New York City on 2018 by Byunggeor Moon show that FAR regulation is said to be stringent when the unregulated profit-maximizing FAR (free market FAR, red) is significantly higher than the maximum-allowed FAR. Therefore, in the case of Jakarta, further research is needed regarding the impact of changes on land values, because what needs to be considered is whether the market will utilize the additional KLB and whether the market can absorb the supply from the 'extra' development.

KLB for Apartment

Generally, apartment development is permitted to be built in any zone, however the intensity parameters are vary based on the distance to mass public transportation transit points, namely KRL, MRT, LRT and BRT (main lines only, not feeder lines). This provisions can be seen in Appendix XV in the regulation.

Radius (m)	KDB	KLB	KDH	KTB
< 800	55%	11	20%	60%
800 – 1,200	55%	7	20%	60%
> 1,200				
Rental, Special Purpose and State Apartment	55%	6	20%	60%
Commercial Apartments	55%	4.5	20%	60%

- Given that high KLB, the entire building must be allocated for apartment, where the supporting function could only be accounted for maximum 25% of the total building area.
- Commercial apartment development has another provision which require the developer to provide public flats with an area of at least 20% of the proposed total floor area.

Implication on valuation

Valuer should incorporate the costs of public apartment obligation in the construction cost.



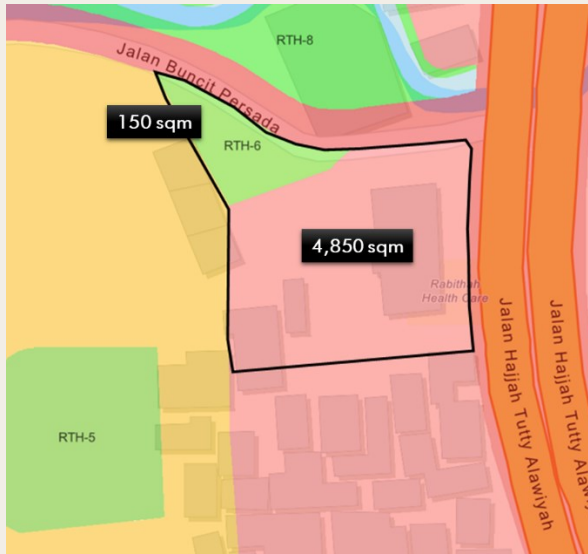
LAND UTILIZATION VARIANCE

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04

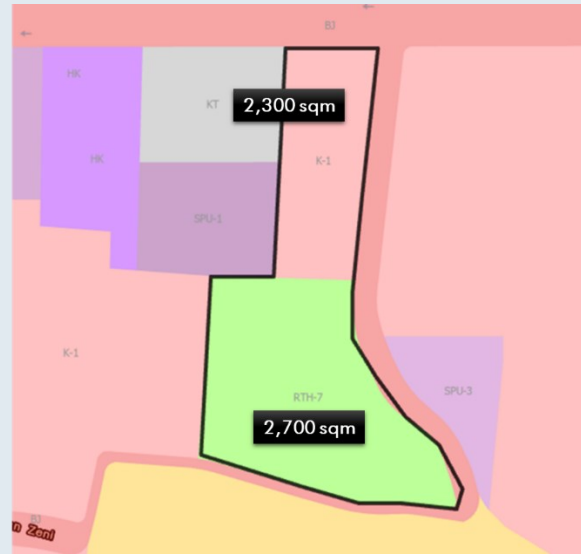
Consist of 2 or More Zones

	Land Use	KDB	KLB	KDH
Without Green Zone	Following the highest strata Sub-Zone	Proportional	Proportional	Following the highest strata Sub-Zone
With Green Zone - <20% from total land area	Following the highest strata Sub-Zone	Proportional, exclude Green Zone	100% land area	Following the highest strata Sub-Zone
- >20% from total land area	Following the highest strata Sub-Zone	30% Green Zone as is, 70% Green Zone could be utilized	100% land area	Following the highest strata Sub-Zone



Land A

$$\begin{aligned}
 \text{Maximum KDB} &= (\text{Land Area}_{\text{RTH}} \times \text{KDB}_{\text{RTH}}) + (\text{Land Area}_{\text{K1}} \times \text{KDB}_{\text{K1}}) \\
 &= (150 \times 10\%) + (4,850 \times 55\%) \\
 &= 15 + 2,667.5 \\
 &= 2,683.5
 \end{aligned}$$



Land B

$$\begin{aligned}
 \text{Maximum KDB} &= (\text{Land Area}_{\text{RTH}} \times \text{KDB}_{\text{RTH}} \times 70\%) + (\text{Land Area}_{\text{K1}} \times \text{KDB}_{\text{K1}}) \\
 &= (2,700 \times 10\% \times 70\%) + (2,300 \times 55\%) \\
 &= 189 + 1,265 \\
 &= 1,454
 \end{aligned}$$





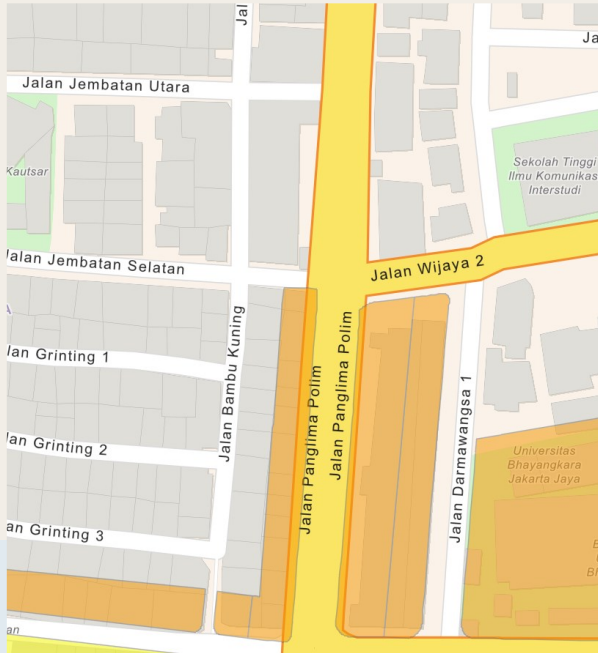
Implication on valuation

Valuer must delineate the zone of the Subject Property, as well as all of the comparable. If 2 or more zones are obtained, Valuer must measure the area of each zone to be able to calculate the KDB and KLB limitation.

$$\begin{aligned}
 \text{Maximum KDB} &= (\text{Land Area}_{R1} \times \text{KDB}_{R1}) + (\text{Land Area}_{K1} \times \text{KDB}_{K1}) \\
 &= (1,500 \times 40\%) + (900 \times 55\%) \\
 &= 600 + 495 \\
 &= 1,095 \text{ sqm}
 \end{aligned}$$

$$\begin{aligned}
 \text{Maximum KLB} &= (\text{Land Area}_{R1} \times \text{KLB}_{R1}) + (\text{Land Area}_{K1} \times \text{KLB}_{K1}) \\
 &= (1,500 \times 1.6) + (900 \times 5.4) \\
 &= 2,400 + 4,815 \\
 &= 7,215 \text{ sqm}
 \end{aligned}$$

ZONING CONTROL TECHNIQUES



Control Index is one of the key variables to determine the maximum plot ratio that could be given to a Commercial Zone. To be noted that when the site is located where there is no control index, it means that this particular plot cannot apply extra plot ratio beyond what has been set.

RECOMMENDATION

- The guidelines should be updated if there is a revision or review.
- This guidelines can be applied with case studies in other cities.
- More case studies will help Valuers to have a better understanding of the significance of each substances.
- There needs to be a study that quantifies each implication to produce a benchmark that can be used generally.

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References

Law Number 26 of 2007 regarding Spatial Planning

DKI Jakarta Governor Regulation No. 31 Year 2022 regarding Detailed Spatial Plan

Government Regulation No. 21 of 2021 regarding Organization of Spatial Planning

Herlambang, Suryono. (2022). Hirarki Perencanaan Kota di Indonesia. Magister Teknik Perencanaan, Jurusan Arsitektur dan Perencanaan, Universitas Tarumanegara.

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Wendy Steele & Kristian J. Ruming. (2012). Flexibility versus Certainty: Unsettling the Land-use Planning Shibboleth in Australia, Planning Practice & Research.

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THANK YOU

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