



Valuation Industry in Time of Covid-19 Pandemic: Case Study of Bali, Indonesia

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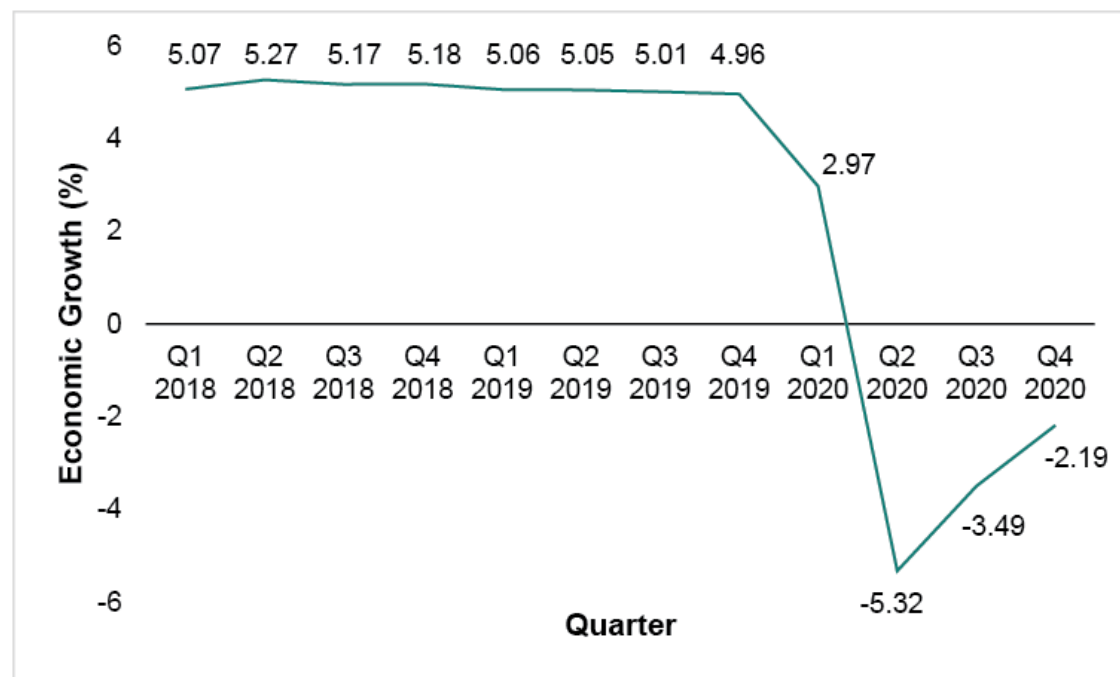


Bali Overview

Pre and Post Pandemic Situation

National Economy

Indonesia Economic Growth and GDP Changes



2019 -2020 GDP Changes per Industry Sector

-22%	Transport and storage
-14%	Mining and quarrying
-10%	Accommodation and food service activities
-3%	Business services
-3%	Wholesale and retail trades
-3%	Electricity, gas supply
-3%	Construction
-2%	Other services activities
-2%	Manufacturing
1%	Public administration and defence
3%	Real estate activities
4%	Financial and insurance services
5%	Agriculture, forestry, and fishery
5%	Education
5%	Water supply, sewerage, waste management
11%	Information and communication
15%	Human health and social work activities

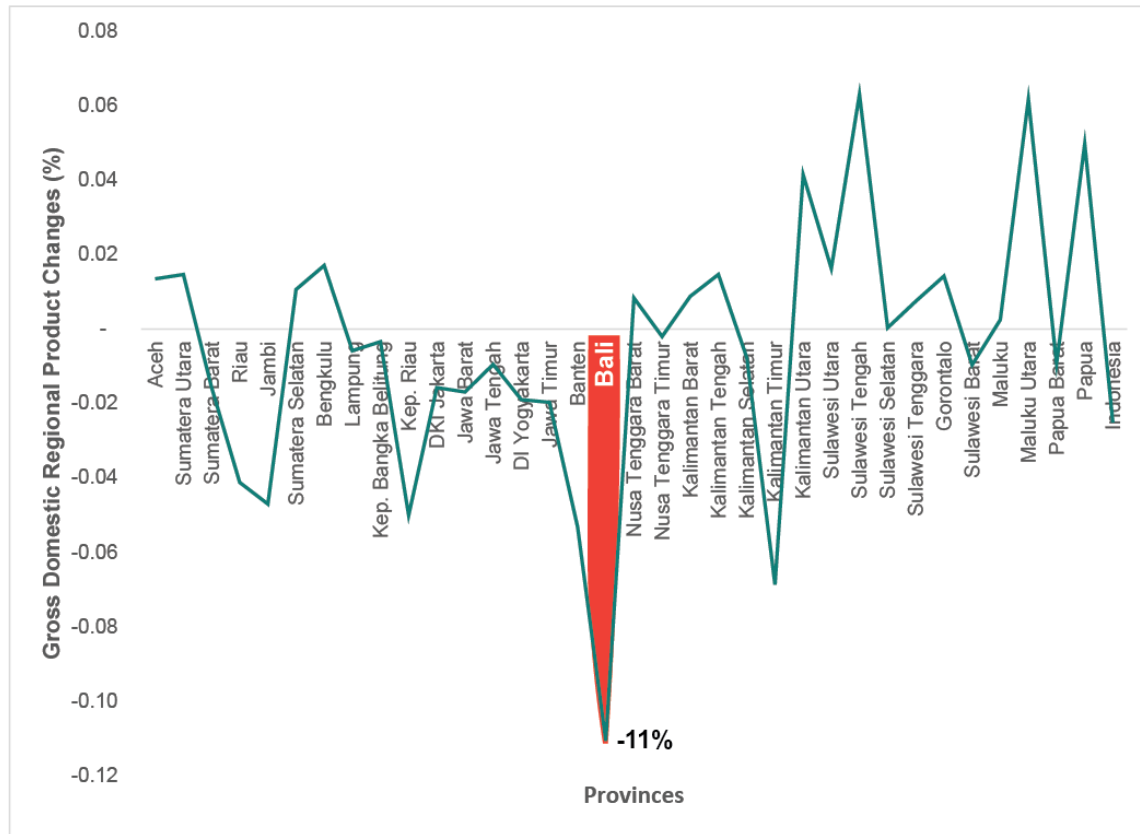
2018-2020 Indonesia Quarterly Economic Growth



Why Bali?

Bali Economy

Bali Economic Growth and GDP Changes 2020



Indonesia 2019 -2020 Provincial GDP Changes

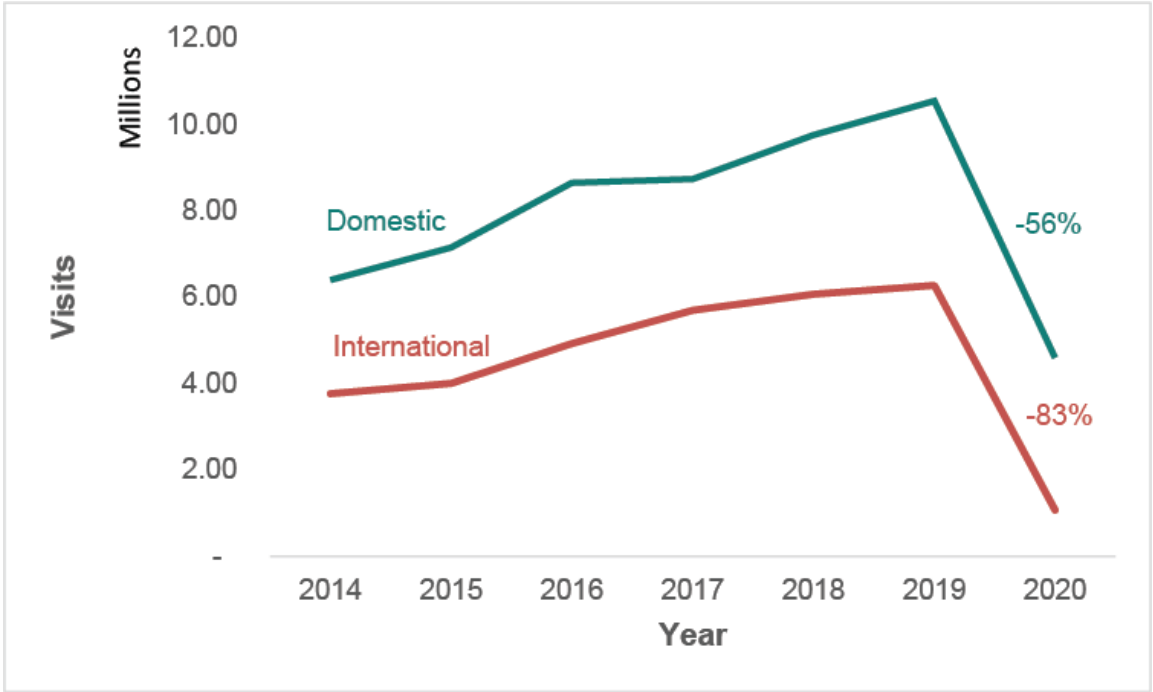
2019 -2020 GDP Changes per Industry Sector

-36%	Transport and storage
-30%	Accommodation and food service activities
-16%	Electricity, gas supply
-6%	Wholesale and retail trades
-5%	Manufacturing
-5%	Financial and insurance services
-5%	Other services activities
-3%	Mining and quarrying
-2%	Business services
-1%	Construction
0%	Agriculture, forestry, and fishery
0%	Water supply, sewerage, waste management
2%	Real estate activities
2%	Education
3%	Public administration and defence
6%	Human health and social work activities
7%	Information and communication

Contributing Factors

Contributing Factors to Bali's Economy Severity

The Trend of Tourist Visits to Bali 2014-2020



Global and national restrictions



Bali dependence on tourism



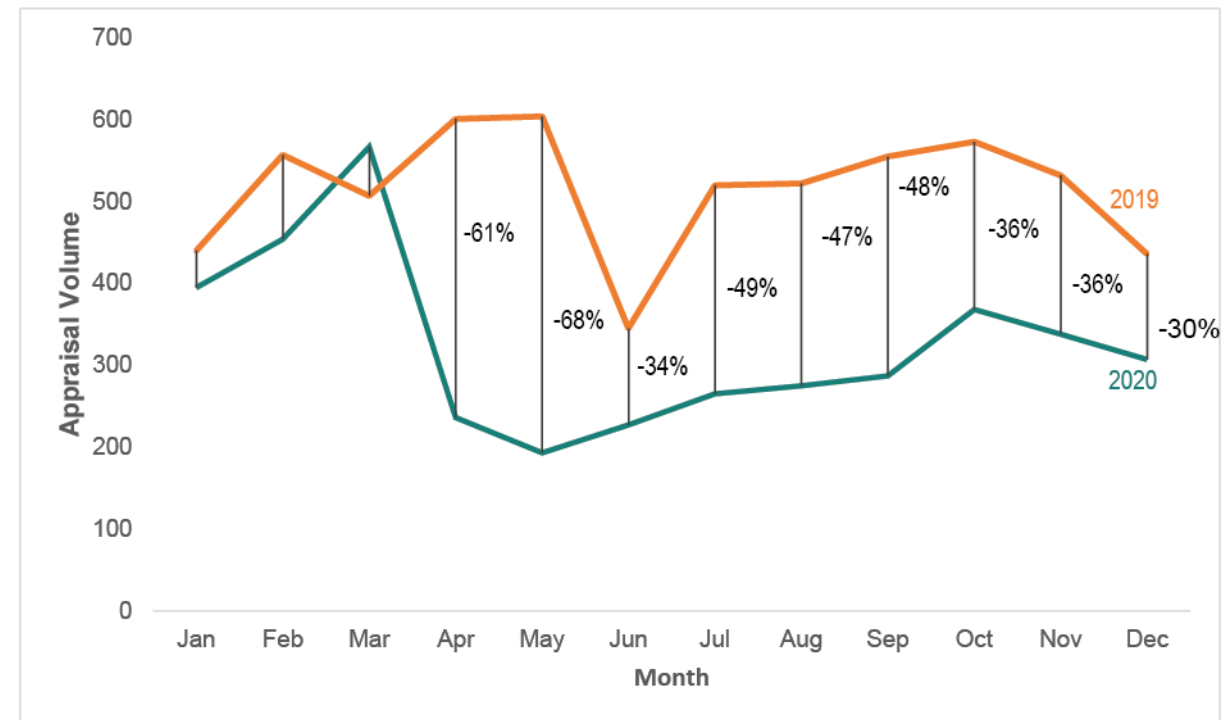
Bali geographical factors

Valuation Industry

Bali's valuation industry in time of pandemic



Bali's Monthly Appraisal Volume in 2020

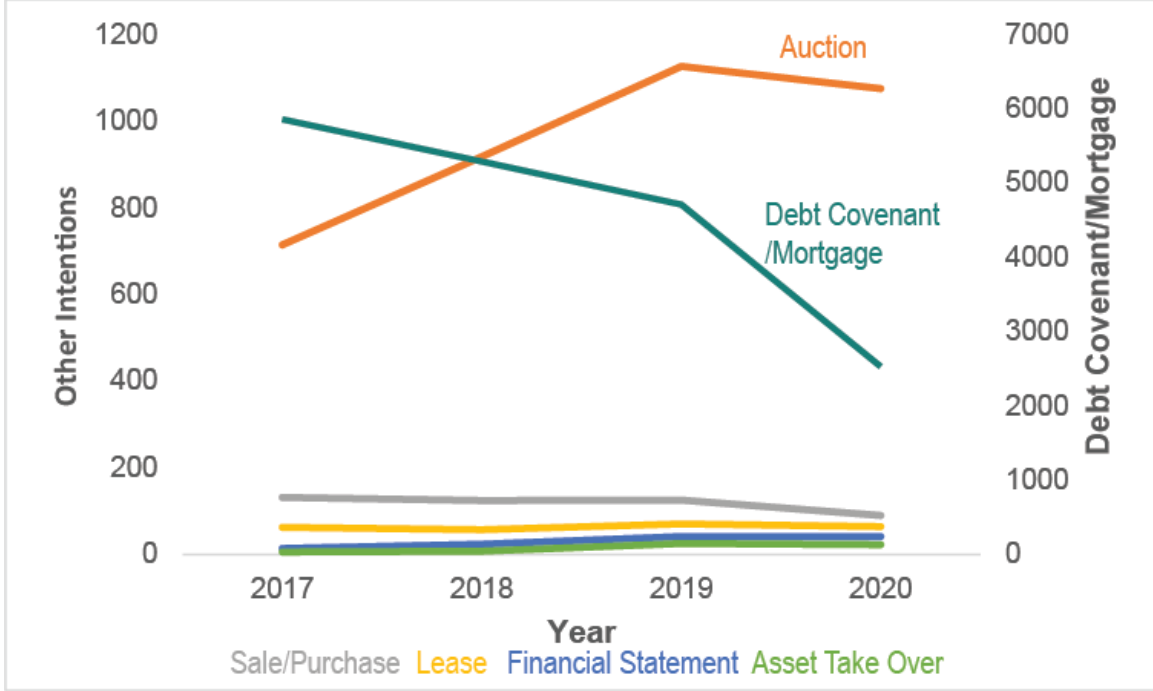
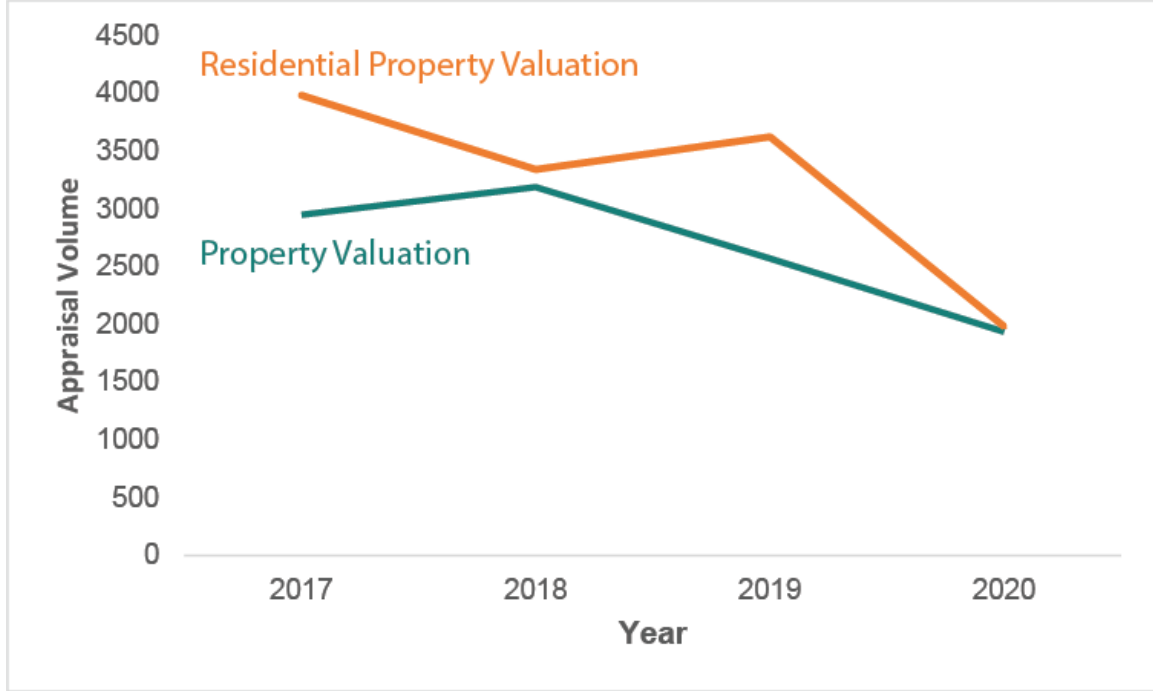


The Trend of Appraisal Volume and Income

Appraisal Volume

Detail of 2020 appraisal volume classification

Trend of Appraisal Volume By Service Classification



Trend of Appraisal Volume By Valuation Intention

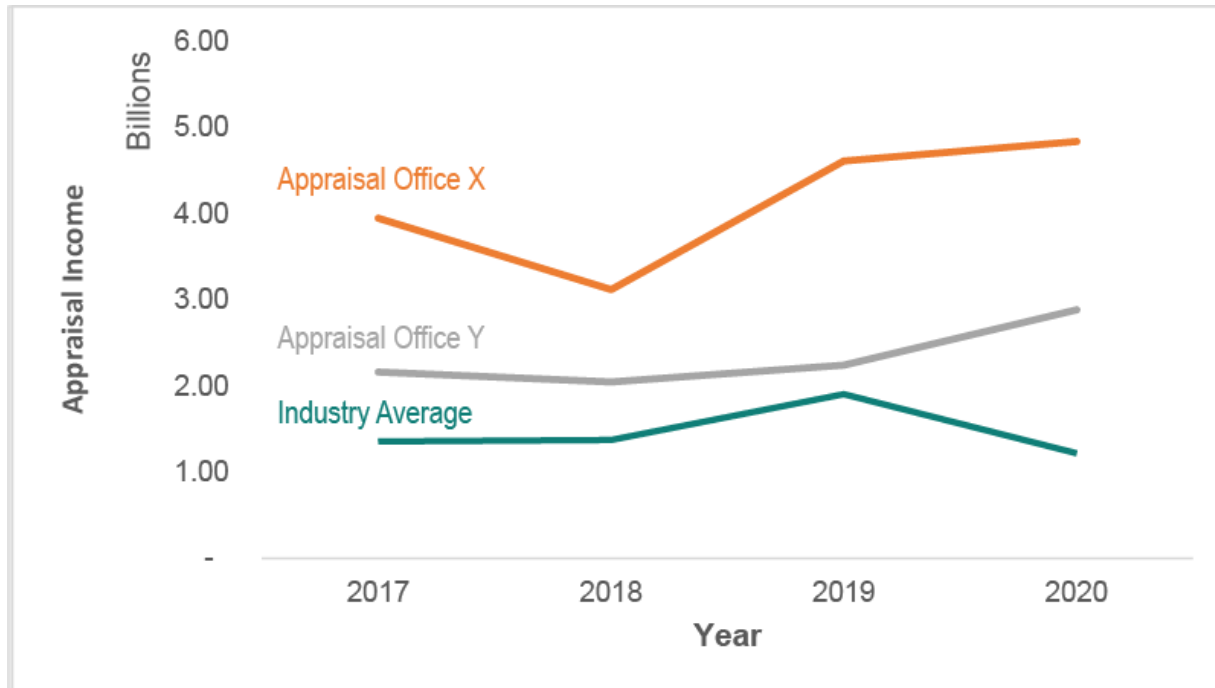
Attributes	2020	2021
Employee rationalization	42.9% of Appraisal Offices: 10-25% 57.1% of Appraisal Offices: < 10%	26.7% of Appraisal Offices hire new employees
Appraisal volume decrease	46.7% of Appraisal Offices: 25-50% 33.3% of Appraisal Offices: > 50%	41.6% of Appraisal Offices: < 30% 29.7% of Appraisal Offices: > 30%
Discount fee	66.7% of Appraisal Offices: 10-15%	66.7% of Appraisal Offices: 10-15%

Appraisal Offices

Employment, appraisal volume, discount fee

Identified Resilience

Resilient appraisal offices and sources of resilience



Office networking

- International networking
- Branch and home office networking

Diversification strategy

- Appraisal Intended Use-based Diversification
- Property Type-based Diversification

Entrepreneurship

- Good communication skills
- Service Excellence
- Risk management skills
- Catching opportunity skills

Identified 2020 Appraisal Office Income Anomalies

Requirements for Resilience

- Upgrade hard competency
- Upgrade soft competency
- Upgrade appraisal qualifications

Lesson Learned

- Appraisal manages to survive during a challenging situation by having particular features
- Applying international valuation standards is beneficial in expanding national appraisal market share

Lesson Learned

Requirement for resilience and lesson learned



- Covid has caused a contraction in the Indonesian economy, and Bali particularly.
- Appraisers in Bali experienced a decrease in the appraisal volume and income
- Bali's valuation industry has a high dependence on the banking sector
- Several appraisal offices survived the situation due to several sources of resilience
- Appraisal office resilience primarily depends on its hard and soft competency

Concluding Remarks





Thank You

The 23rd Asian Valuers Association 2021