CBRE

Strengthening Fundamentals Underpin Non-CBD Office Market Performance

▲ 73.3
Occupancy Rate (%)

▼ 12,900
Net Absorption (sqm)

▲ 112,900
Avg. Rent (Rp/sqm/mth)

Executive Summary

- Supply was constrained, with no new completions in this quarter, keeping total stock stable at approximately 3.4 million sqm, while a thin development pipeline, continues to support market fundamentals.
- Demand remained positive, with approximately 12,900 sqm of net absorption driven primarily by new office set-ups, led by the education sector, while occupancy improved from 72.9% to 73.3%, indicating a gradual strengthening of market fundamentals despite softer take-up.
- Rental growth was modest but positive, increasing 0.2% q-o-q to Rp112,900 per sqm per month, supported by stronger Grade A performance. Furthermore, a constrained supply pipeline and improving demand are expected to drive further occupancy gains and steady rental growth.

Table 1. Jakarta Non-CBD Office Market Statistics

Municipality	Total Stock (sqm)	Occupancy (%)	Rent (Rp/sqm/mth)
Central Jakarta	0.60 million	64.3	93,500
West Jakarta	0.53 million	75.8	115,200
East Jakarta	0.05 million	81.9	86,000
North Jakarta	0.68 million	71.6	107,600
South Jakarta	1.56 million	76.4	124,000

Source: CBRE Research

Supply

The Non-CBD office market recorded no new supply in Q2 2026, keeping total stock unchanged at approx. 3.4 million sqm. The development pipeline remains limited, with Arumaya Office Tower in TB Simatupang scheduled for completion in the second half of the year and currently the only notable addition expected in the near term. Existing stock continues to be dominated by Grade B buildings, which account for around 48% of total supply. In comparison, Grade A offices represent only 24% of total inventory, underscoring the relatively limited availability of premium space outside the CBD.

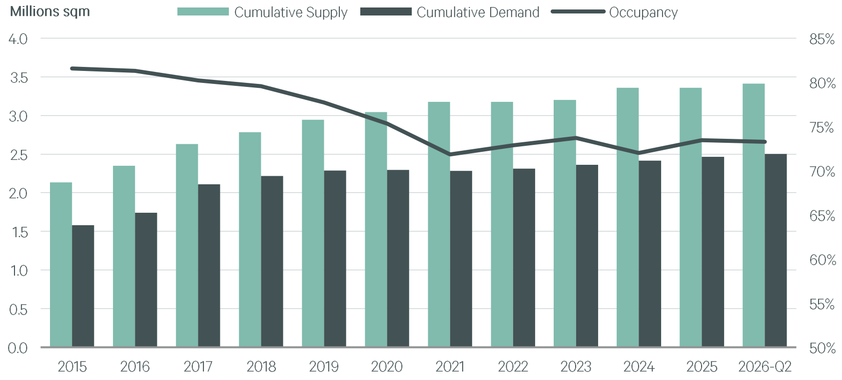
On the development front, market activity remains subdued, with no confirmed office projects scheduled to commence construction beyond 2026. This cautious approach by developers reflects measured occupier demand and a focus on absorbing existing vacancies before launching new projects. As a result, supply-side pressure is expected to remain manageable, providing greater support to market fundamentals over the medium term.

Demand

Demand continued to improve although the pace of absorption moderated, with net take-up reaching approx. 12,900 sqm during the quarter. Leasing activity was largely driven by new office set-ups, supported by competitive occupancy costs and improving business confidence. The education sector emerged as the most active source of demand, accounting for the largest share of leasing transactions in this period. Other occupiers also remained active, particularly those seeking flexible and cost-efficient office solutions outside the CBD.

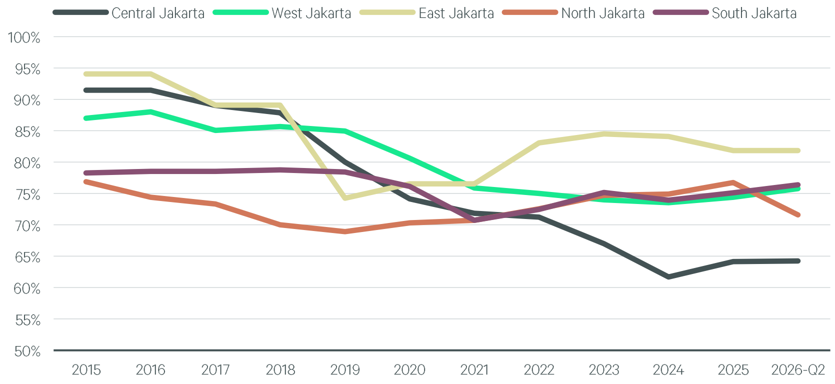
Despite softer absorption compared with previous periods, market fundamentals strengthened modestly, with the overall occupancy rate increasing from 72.9% to 73.3%. The improvement in occupancy highlights the market's steady recovery trajectory and suggests that tenant demand remains sufficiently robust to gradually absorb existing vacancies across major Non-CBD office submarkets.

Figure 1. Non-CBD Cumulative Supply-Demand-Occupancy



Source: CBRE Research

Figure 2. Non-CBD Occupancy By Area



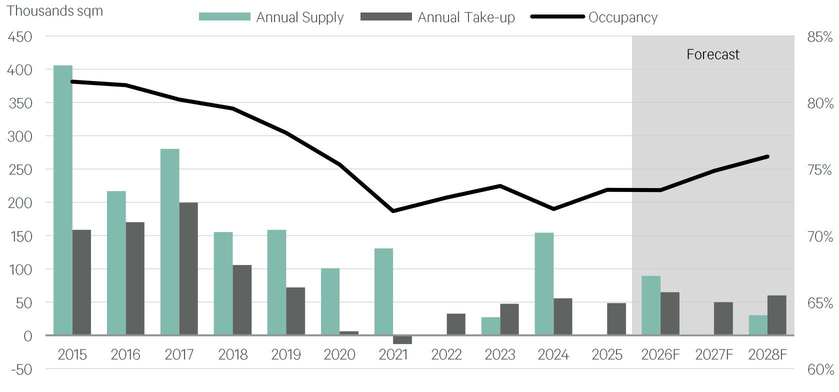
Source: CBRE Research

Rent

The Non-CBD office market continued to exhibit rental stability in Q2 2026, with the average rent edging-up by 0.2% q-o-q to Rp112,900 per sqm per month. The modest uplift reflects landlords' ability to maintain pricing amid gradually improving demand and stable market conditions. Grade A buildings outperformed the broader market, with 1.0% q-o-q growth from the previous quarter.

Furthermore, rental levels continued to vary significantly across submarkets. South Jakarta remained the most expensive Non-CBD office location, particularly TB Simatupang, where average rents exceeded Rp130k per sqm per month, underpinned by strong accessibility, an established business ecosystem, and a concentration of quality office developments. By contrast, East Jakarta remained the most affordable market, with average rents of only Rp86k per sqm per month, reflecting its relatively larger supply of lower-grade stock and more price-sensitive tenant profile.

Figure 3. Non-CBD Office Annual Supply-Demand-Occupancy | Forecast



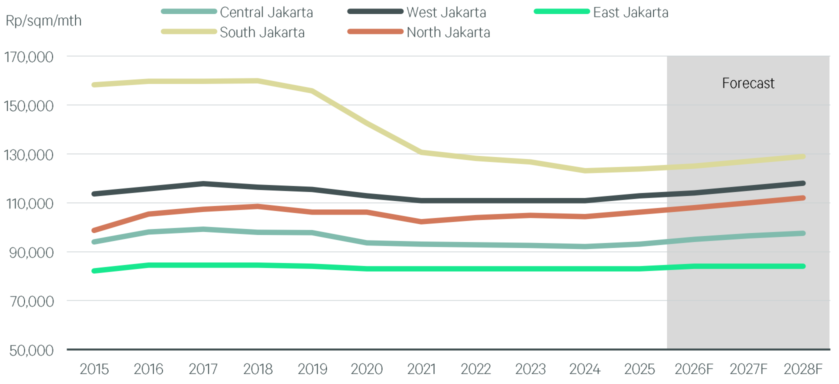
Source: CBRE Research

Outlook

The market is expected to enter a period of improving equilibrium, supported by a highly constrained supply pipeline and gradually strengthening occupier demand. Arumaya in TB Simatupang, represents the only near-term addition to stock, while the absence of confirmed projects beyond 2026 points to a prolonged period of limited new supply. This is expected to reduce competitive pressure among landlords and facilitate the absorption of existing vacant space.

On the demand side, leasing activity should continue to be supported by new business formations, operational decentralization, and occupiers seeking more cost-efficient alternatives to the CBD. Consequently, overall occupancy is projected to improve steadily, potentially reaching around 76% by 2028. Rental growth is also expected to strengthen gradually, with average rents forecast to increase by approximately 2% per annum over the next three years.

Figure 4. Non-CBD Office Rent Growth By Area | Forecast



Source: CBRE Research

Jakarta Non-CBD Map

Definitions

Jakarta Non-CBD area refers to the clusters of commercial office developments located outside the city's designated Central Business District (Golden Triangle Zone i.e., Sudirman, Thamrin, Kuningan, Gatot Subroto), where includes emerging business corridors like West and East Primary Centers as well as South Jakarta periphery of TB Simatupang and Pantai Indah Kapuk. These non-core submarkets are characterized by more decentralized land-use patterns, lower-density commercial zoning, and a broader mix of office typologies ranging from Grade C to better quality Grade A buildings, to business parks and mixed-use complexes. Functionally, Non-CBD areas serve as strategic alternatives for occupiers seeking cost-efficient rental structures, proximity to industrial or residential catchments, and improved accessibility via Jakarta's expanding transport infrastructure, while still offering modern building specifications and operational efficiencies aligned with contemporary corporate real estate standards.

CBRE's market report evaluates existing single-tenant and multi-tenant office buildings in the region with a minimum size of approximately 5,000 sqm, excluding those that are owner-occupied. Our classification framework applies a structured grading system that considers key factors such as location, building size, floor plate, overall building quality, available facilities and amenities, and management standards. Based on these criteria, all buildings in our surveyed stock are categorized into three grades: Grade A, Grade B, and Grade C.

Contact

Anton Sitorus
Senior Director
Head of Research & Consulting
Anton.Sitorus@cbre.com

Giovanny Pratama
Assistant Manager
Research & Consulting
Giovanny.Pratama@cbre.com