Demand Resilience Reinforces Non-CBD Office Market Stability

▼ 73.2
Occupancy Rate (%)

▲ 21,700
Net Absorption (sqm)

▲ 113,900
Avg. Rent (Rp/sqm/mth)

Executive Summary

- Supply expanded following the delivery of Arumaya Office Tower in TB Simatupang, lifting total inventory to roughly 3.45 million sqm. Notwithstanding this completion, upcoming development activity remains relatively restrained, which should reinforce market conditions and mitigate longer-term supply-side pressure.
- Occupier activity continued at a solid pace, with net take-up totaling approximately 21,700 sqm during the quarter. Leasing demand was largely generated by the FMCG, government-linked, and oil & gas sectors, while the market continued attracting cost-conscious occupiers relocating from CBD.
- Headline rents rose by 0.9% q-o-q to Rp113,900 per sqm per month, underpinned by stronger leasing performance within Grade A assets and ongoing tenant preference for higher-quality office accommodation.

Table 1. Jakarta Non-CBD Office Market Statistics

Municipality	Total Stock (sqm)	Occupancy (%)	Rent (Rp/sqm/mth)
Central Jakarta	0.60 million	64.4	93,700
West Jakarta	0.53 million	76.5	116,900
East Jakarta	0.04 million	81.9	86,000
North Jakarta	0.68 million	71.7	111,200
South Jakarta	1.59 million	75.8	124,400

Source: CBRE Research

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Supply

The completion of Arumaya Office Tower in TB Simatupang during the quarter expanded total office inventory to approximately 3.45 million sqm. The market composition continues to be dominated by Grade B assets, which account for approximately 47% of existing stock. In contrast, Grade A buildings represent only around 25% of total inventory, highlighting the relatively limited supply of premium office accommodation within Jakarta Non-CBD office market.

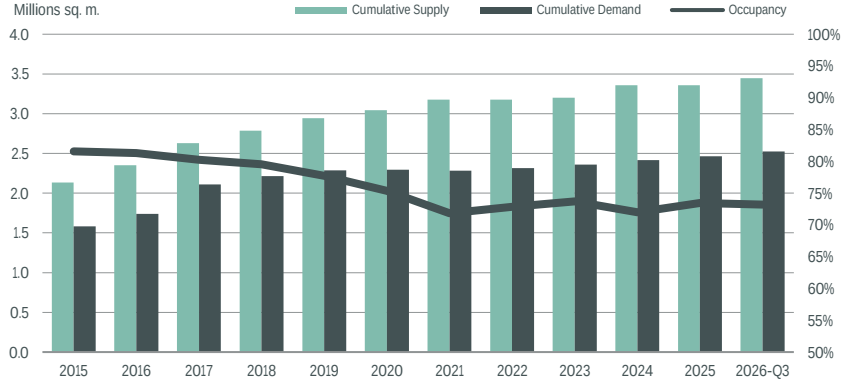
Development activity remains constrained, with no major office projects currently scheduled to commence construction beyond 2026. Following the delivery of Arumaya, the supply pipeline is expected to remain modest, resulting in reduced competitive pressure from new completions. This restrained development outlook should provide the market with additional capacity to absorb existing vacancies, support occupancy improvement, and contribute to the gradual strengthening of market fundamentals over the medium term.

Demand

Demand remained robust during the quarter, with net absorption reaching approximately 21,700 sqm. Leasing activity was primarily driven by new office establishments and led by occupiers from the FMCG, government-related, and oil & gas sectors, while ongoing decentralization strategies and cost optimization initiatives continued to attract tenants to Non-CBD locations.

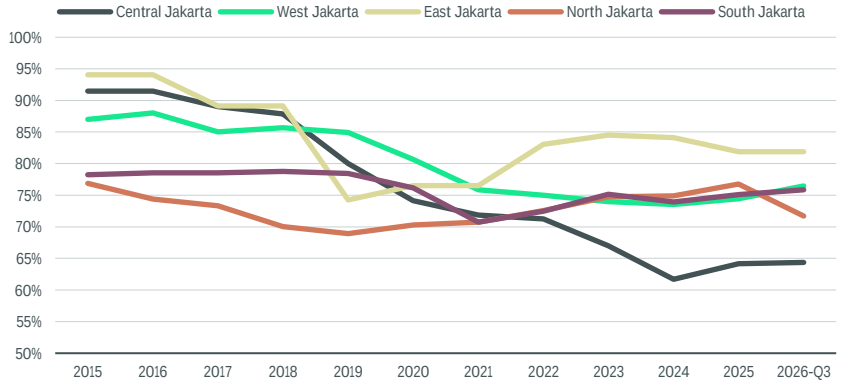
Market occupancy remained largely stable at approximately 73.2%. The ability of the market to absorb additional supply without a meaningful decline in occupancy highlights the resilience of underlying demand. This performance reflects continued tenant preference for cost-efficient office solutions, particularly within well-located assets offering quality specifications and accessibility advantages. As a result, the Non-CBD market continues to demonstrate stable leasing fundamentals despite ongoing changes in occupier requirements and workplace strategies.

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



Source: CBRE Research

Figure 2. Non-CBD Occupancy By Area



Source: CBRE Research

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Rent

The market recorded further improvement during the quarter, with average rents increasing by 0.9% q-o-q to Rp113,900 per sqm per month. Grade A buildings remained the strongest-performing segment, registering rental growth of 1.8% q-o-q, reflecting tenants' ongoing preference for modern buildings offering superior specifications, efficiency, and workplace amenities.

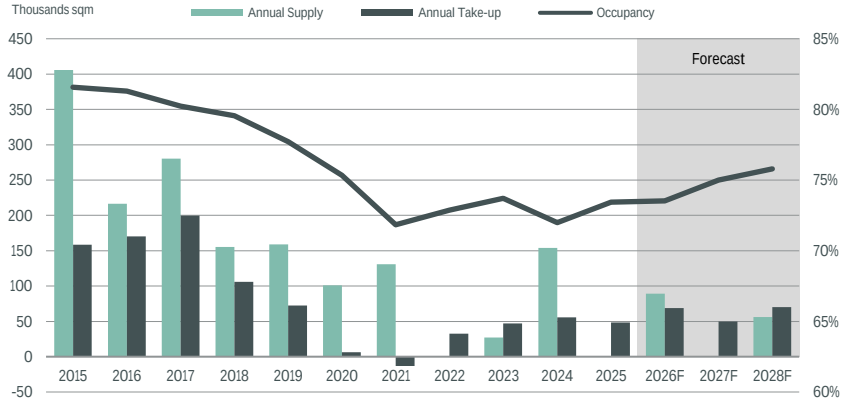
By area, rental performance remained uneven, reflecting differences in asset quality, tenant profile, and market positioning. South Jakarta, particularly the TB Simatupang corridor, continued to command the highest rental levels, supported by its mature office environment and concentration of institutional-grade developments. Meanwhile, East Jakarta remained the most price-competitive submarket, attracting occupiers focused on occupancy cost management. The variation in rental performance across locations underscores the increasingly quality-driven nature of leasing demand, with well-positioned assets continuing to outperform the broader market.

Outlook

The Non-CBD market is projected to maintain healthy fundamentals over the medium term, supported by sustained occupier requirements and a restrained development pipeline. No major office deliveries are currently expected beyond 2026, limiting incremental supply and creating more favorable conditions for the gradual absorption of existing vacant space.

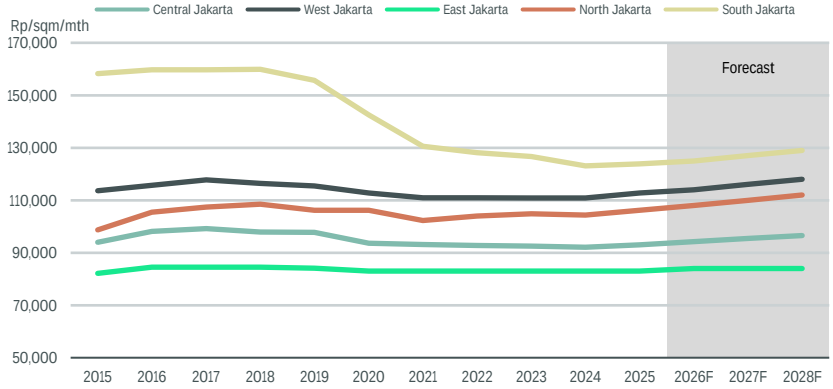
Occupier activity is anticipated to remain driven by corporate expansion, workplace decentralization initiatives, and continued demand for cost-effective office accommodation. Preference for high-quality office environments is also expected to underpin stronger leasing performance among modern and well-managed assets. As supply growth remains limited and demand conditions stay constructive, occupancy rates are forecast to trend upward gradually, while rental values are expected to record moderate growth across the Non-CBD office market.

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



Source: CBRE Research

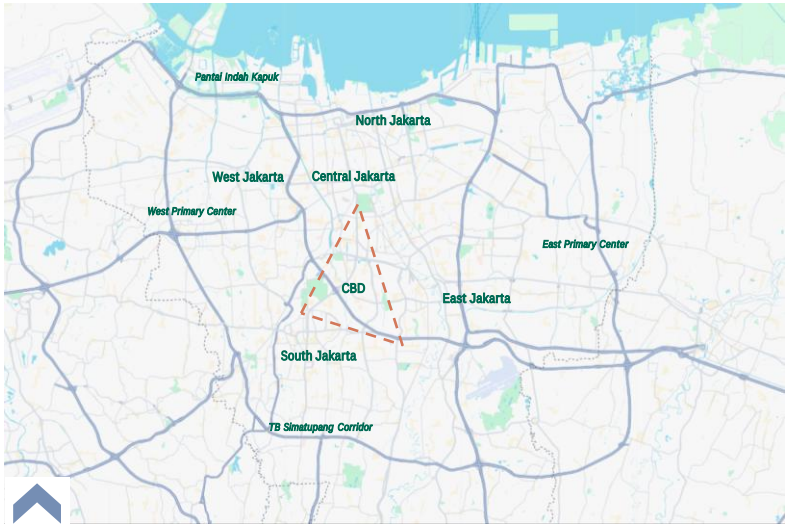
Figure 4. Non-CBD Rent Growth By Grade Forecast



Source: CBRE Research

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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

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