CBRE

Demand Momentum Builds, Setting Stage for Market Rebound

▲ 73.4
Occupancy Rate (%)

▲ 18,530
Net Absorption (sqm)

▲ 112,090
Avg. Rent (Rp/sqm/mth)

Executive Summary

- Non-CBD office market remained supply-constrained in 2025, with total inventory holding steady at around 3.36 million sqm. Landlords continued to focus on retaining occupancies and mitigating vacancy risks.
- Despite the stagnant supply environment, demand showed notable improvement. Net take-up in Q4 2025 surged by 132% q-o-q, driven by leasing activity from the energy, technology, and education sectors, alongside healthy enquiry levels for relocations into newer, better-equipped buildings.
- Demand is expected to remain positive, keeping overall occupancy around 73% in 2026 before gradually rising to about 75% by 2028 as absorption outpaces new completions. On this basis, rents are projected to grow steadily at around 2% annually over the next three years.

Table 1. Jakarta Non-CBD Office Market Statistics

Municipality	Total Stock (sqm)	Occupancy (%)	Rent (Rp/sqm/mth)
Central Jakarta	0.60 million	64.2	93,030
West Jakarta	0.53 million	74.4	112,830
East Jakarta	0.05 million	81.9	83,000
North Jakarta	0.62 million	76.8	106,200
South Jakarta	1.56 million	75.1	123,830

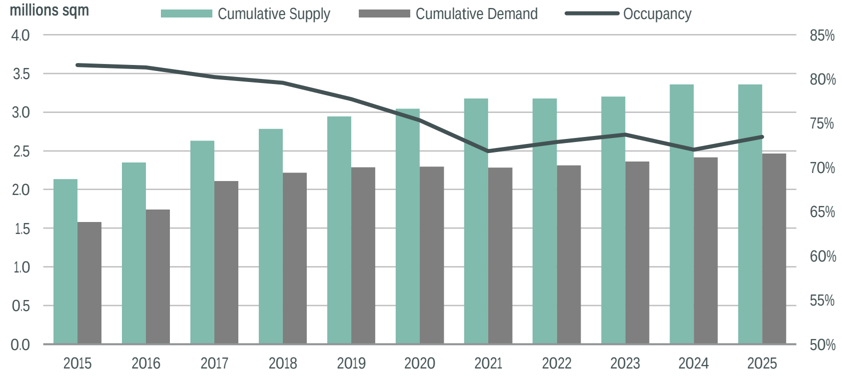
Source: CBRE Research, Q4 2025

Supply

No new project completions were recorded in Q4 2025, extending the absence of additional supply throughout the entire year. This lack of new stock signals a continued recalibration by developers, who have shifted from expansion to consolidation strategies in response to muted demand and prolonged market uncertainty following the covid-19 pandemic.

The prioritization of occupancy retention within existing assets reflects a broader defensive posture, as landlords seek to manage vacancy risks and stabilize revenue streams amid challenging leasing conditions. As a result of this supply-side restraint, Jakarta's Non-CBD office inventory remained unchanged at approximately 3.36 million sqm by year-end 2025, underscoring the market's current stagnation and the cautious approach taken by developers before re-entering a more expansionary cycle.

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



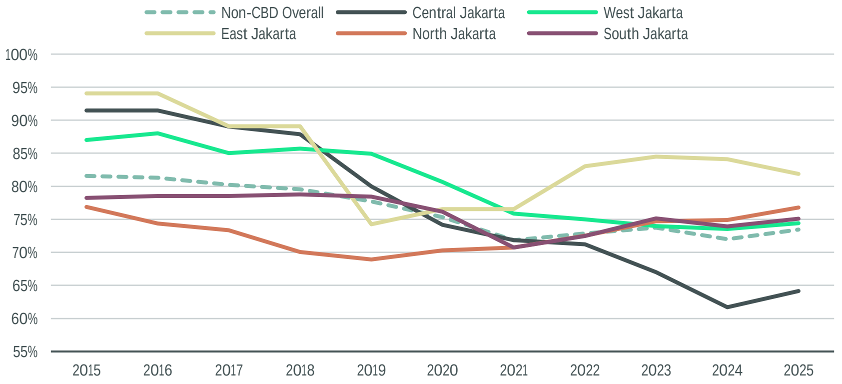
Source: CBRE Research, Q4 2025

Demand

Although new supply has remained largely stagnant, demand in Non-CBD is charting a different path. Strengthening business confidence continued to support demand, with Q4 2025 net take-up rising by 132% q-o-q. Leasing activity during the quarter was primarily driven by occupiers from the energy, technology, and education sectors, reflecting a diversified base of demand. In addition to new setups across various industries, enquiry levels for relocations remained healthy, particularly among tenants seeking newer buildings with upgraded facilities and enhanced amenities.

The improvement in net take-up translated into a rise in overall occupancy, which reached approximately 73.4% by end-2025. At the submarket level, North Jakarta recorded notable gains, with occupancy increasing to 76.8%, followed closely by South Jakarta at 75.1%. East Jakarta continued to register the highest occupancy rate—around 81.9%—supported by its relatively limited supply base.

Figure 2. Non-CBD Occupancy By Area



Source: CBRE Research, Q4 2025

Rent

Occupancy improvements have begun to translate into firmer rental dynamics, signalling a gradual recovery in underlying demand. By end-2025, overall rents in Non-CBD increased by 2.4% y-o-y, lifting the average rent to approx. IDR 112,090 per sqm per month. This growth, while modest, reflects a shift from the previously stagnant rental environment, suggesting that landlords have regained some pricing power as vacancy pressures ease.

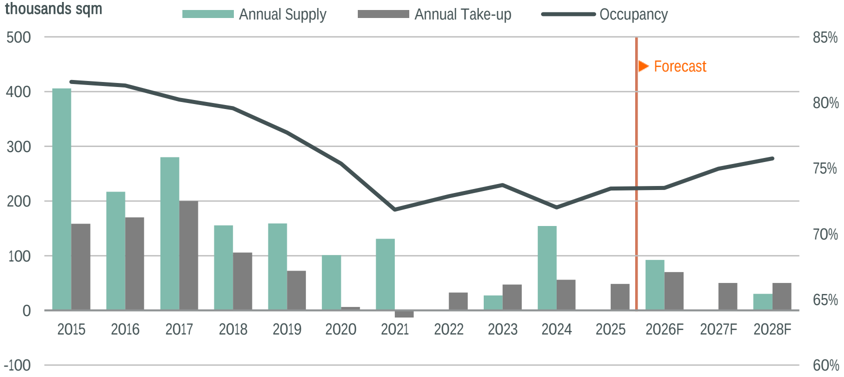
Comparatively, Grade B buildings posted the strongest gains at around 3.0% y-o-y, indicating that mid-tier assets are currently benefiting the most from occupier flight-to-value strategies. Meanwhile, Grade A buildings saw a more moderate rental uplift of 1.2% y-o-y, implying that premium assets may still be contending with supply overhangs or more selective tenant requirements. Overall, the Non-CBD market shows early signs of stabilization, but rental growth remains highly segmented, driven by differences in building quality, tenant expectations, and the competitive positioning of each grade.

Outlook

Approx. 92,000 sqm of new office supply is expected to enter Non-CBD market in 2026. Despite this upcoming influx, demand dynamics are projected to remain positive, supported by improving business sentiment and ongoing occupier re-alignments.

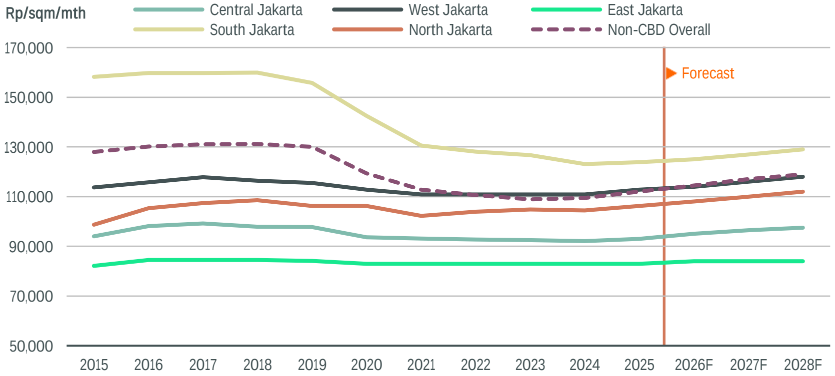
On the demand side, net absorption is anticipated to strengthen further. However, with the additional supply coming online, overall occupancy is projected to hover around 73% in 2026 before gradually improving. By 2028, occupancy levels are expected to rise to around 75%, as cumulative demand growth is forecast to outpace new supply additions over that period. Against this backdrop, rents are projected to record steady upward movement, by roughly 2% per annum over the next three years. Certain submarkets are also expected to see rents surpassing pre-COVID levels, driven by tightening availability in well-performing assets and heightened competition for quality space.

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



Source: CBRE Research, Q4 2025

Figure 4. Non-CBD Rent Growth Forecast By Area



Source: CBRE Research, Q4 2025

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 zones (i.e. Sudirman, Thamrin, Kuningan, and Gatot Subroto), where includes emerging business corridors like West and East Jakarta Primary Centers as well as South Jakarta periphery of TB Simatupang. 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
+62 815 8133 733
anton.sitorus@cbre.com

Vania Andini
Assistant Manager
Research & Consulting
+62 811 9503 001
vania.andini@cbre.com