

VIEWPOINT
INDONESIA

Adaptive Spaces

Jakarta's Experience-Led Transformation

CBRE RESEARCH
MAY 2026



Executive Summary

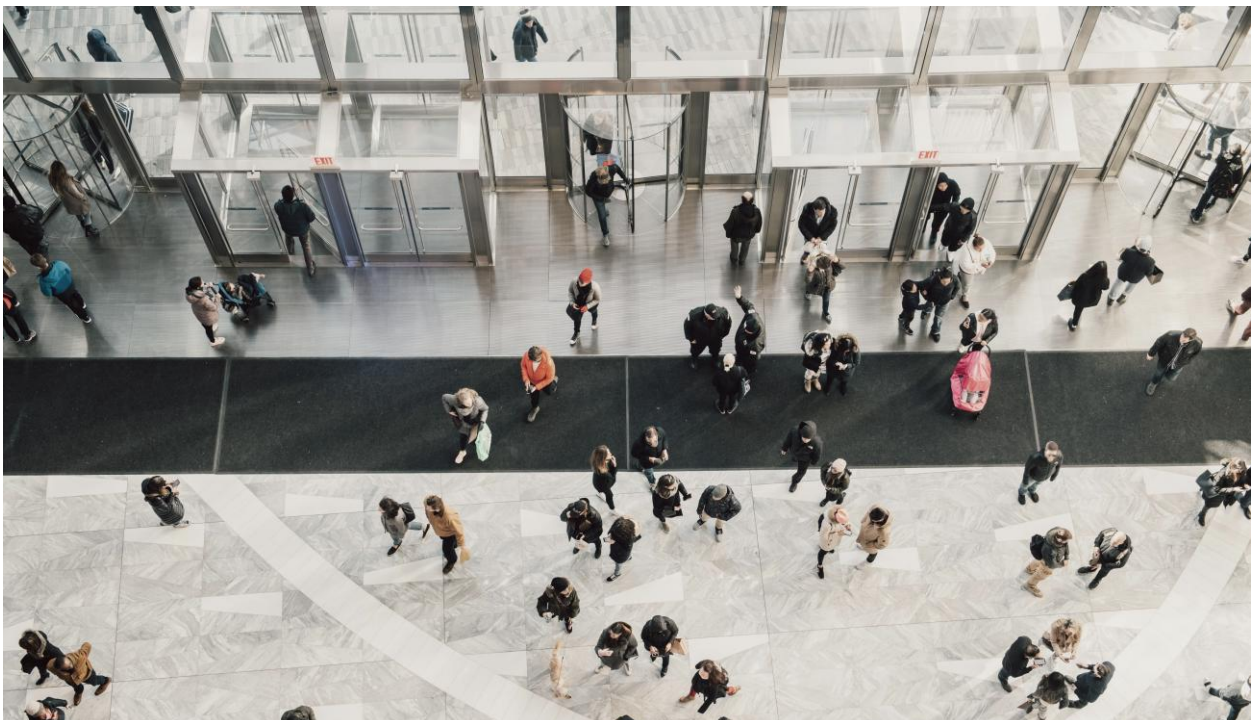
Jakarta's retail market remains structurally resilient, underpinned by strong fundamentals and its position as Indonesia's dominant consumption hub. While broader purchasing power shows signs of moderation, high-end malls continue to outperform, sustaining occupancy above 95% and reinforcing a clear bifurcation in market performance.

The sector is undergoing a decisive shift from transaction-led retail to experience-driven ecosystems. Shopping malls are no longer just places to shop—they are evolving into integrated lifestyle destinations, anchored by immersive environments, curated programming, and socially shareable experiences that align with post-pandemic consumer priorities.

“Retailtainment” and F&B are now the primary engines of footfall. From interactive installations and pop-up activations to experiential dining and concept-driven stores, malls are increasingly defined by their ability to deliver engagement beyond traditional retail. At the same time, international and emerging brands are entering the market with design-led, experiential formats, repositioning stores as brand destinations rather than points of sale.

In this environment, developers are shifting focus from expansion to asset reinvention. Strategies center on tenant remixing, physical repositioning, and active programming—increasing exposure to lifestyle, wellness, and entertainment categories while continuously refreshing the customer experience to defend relevance and capture demand.

Despite rising competition, space constraints for large-format tenants, and increasing operating costs, the outlook remains positive. Future growth will be led by hyper-experiential formats, premium F&B expansion, and wellness-driven concepts, as Jakarta's malls continue to transform into dynamic, experience-led ecosystems.



From Traditional To Modern Retailing

Indonesia's retail sector continues to demonstrate strong resilience, underpinned by favorable structural fundamentals and stable macroeconomic conditions. Sustained population growth, coupled with consistent GDP expansion across key industries, is steadily strengthening Indonesia's consumer base and reinforcing purchasing power across income segments.

As the population continues to expand and urbanize (see Figure 1), a growing middle class with rising disposable income is driving higher consumption levels and spending patterns beyond basic necessities into diversifying discretionary categories such as fashion, dining, and lifestyle services.

At the same time, economic growth across sectors such as manufacturing, services, and digital industries (see Figure 2) is supporting job creation and income stability, which in turn enhances consumer confidence and willingness to spend (see Figure 3). Together, these trends create a virtuous cycle where stronger household incomes and expanding demographic demand underpin sustained, long-term growth in retail goods and services, positioning the sector for continued expansion despite evolving market dynamics. These fundamentals create a solid foundation for the sector, positioning Indonesia as one of the most attractive consumer markets in Southeast Asia.

Within this context, shopping malls have evolved beyond traditional retail venues to become central pillars of urban life. In cities such as Jakarta, malls serve as integrated lifestyle destinations—combining retail, dining, entertainment, and social spaces in one environment. This multifunctional role has helped malls remain relevant despite shifting consumer behaviors, as they increasingly cater to experiential and community-driven needs rather than purely transactional shopping.

Looking ahead, the sector is undergoing a clear transformation toward a more experience-driven ecosystem. Retail operators and developers are reimagining spaces to prioritize engagement, personalization, and immersive experiences, aligning with the preferences of a younger, digitally connected population. As a result, the future of Jakarta's retail landscape will be defined not just by what consumers buy, but by how they interact, socialize, and create meaningful experiences within these environments.

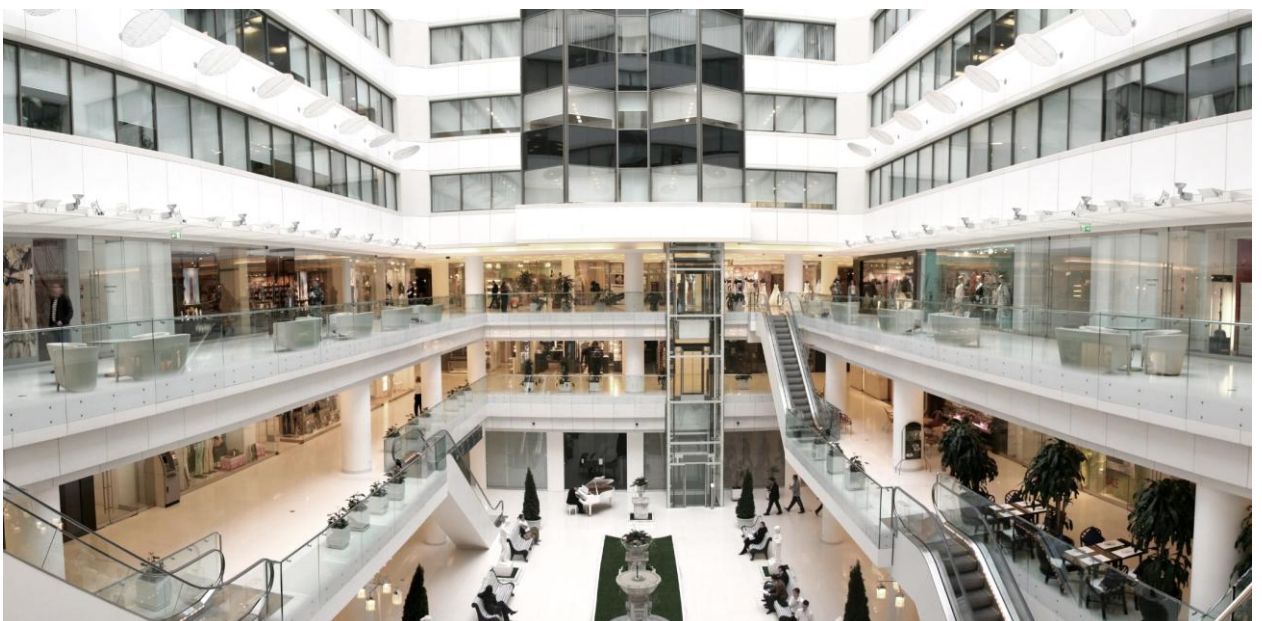
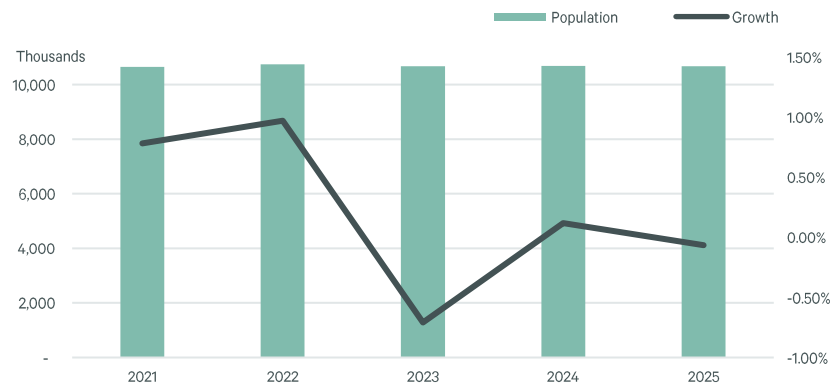


Figure 1: Population Growth of Jakarta



Source: BPS SUPAS

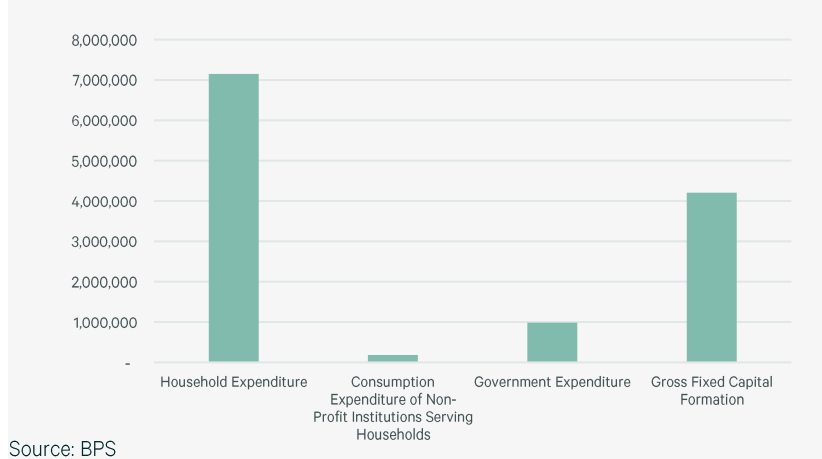
Population of Jakarta in millions (2025)

10.7

Indonesia GDP Growth (2025)

5.1%

Figure 2: Gross Domestic Product Based on Expenditure (2025)

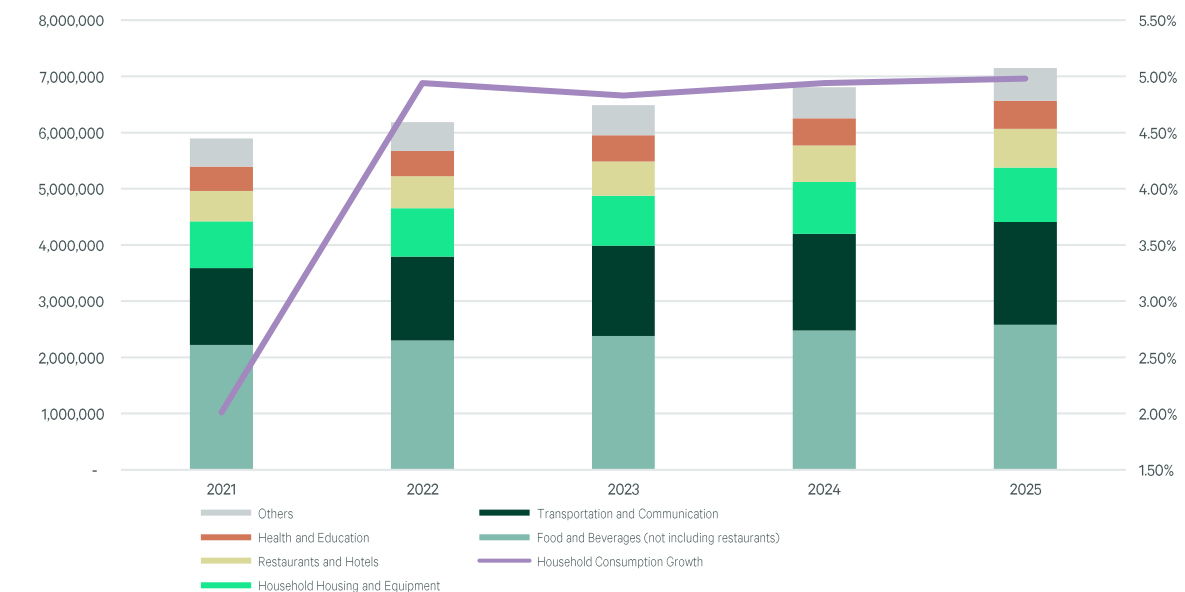


Source: BPS

Household Consumption Expenditure (2025)

53.9%

Figure 3: Household Consumption Growth

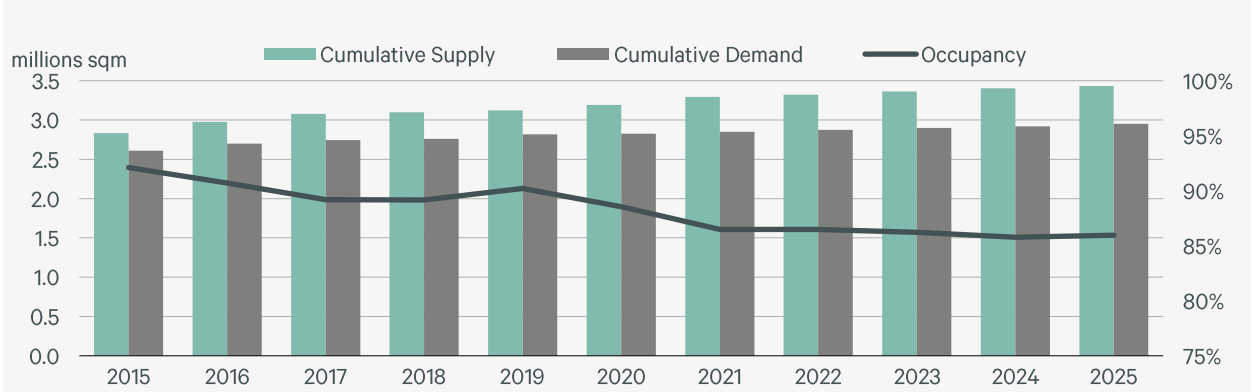


Source: BPS

Supply-Demand & Rent Dynamic

The current market landscape is characterized by a stable supply and a measured approach to new development. Recent trends show minimal new construction, with developers primarily focusing on the expansion, renovation, or upgrading of existing properties to enhance customer experience. This controlled supply environment helps maintain steady vacancy rates across Jakarta's retail centers. Rental movements remain a critical indicator of market health as malls adapt to new consumer demands. While prime assets continue to attract international brands with experiential concepts, the market faces specific operational cost pressures.

Figure 4: Cumulative Supply, Cumulative Demand, Occupancy

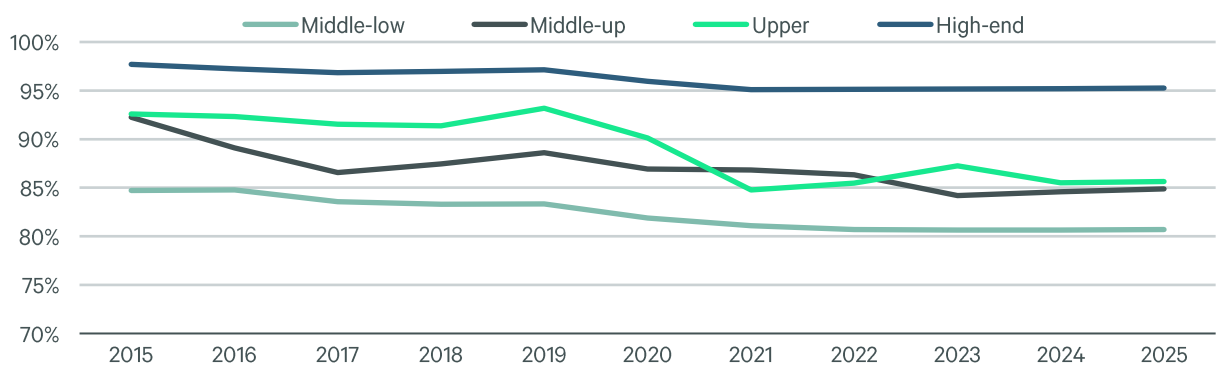


Source: CBRE Research, 2025

Shopping Mall Performances

While Jakarta's shopping malls maintain a healthy average occupancy rate of 85%, a clear performance gap exists between market tiers. High-end malls continue to record the highest occupancy levels, often exceeding 95%, supported by a diverse mix of local and international brands that generally cater to consumers with stronger purchasing capacity. These top-tier venues are bolstered by a curated tenant mix—focusing on premium and experiential retail—that is naturally more resilient to e-commerce disruption. In contrast, other shopping malls face a more gradual recovery, reflecting differing leasing dynamics across the market.

Figure 5: Occupancy Rate Across Shopping Malls



Source: CBRE Research, 2025

Enhancing Mall Performances

Beyond leasing outcomes, well-performing malls often demonstrate relatively stable occupancy levels, supported by greater flexibility in how space is allocated and programmed. Incremental adjustments to tenant mix and common areas have enabled these assets to accommodate a wider range of dining, leisure, and non-retail uses, helping maintain space utilization over time. This broader functional role allows malls to remain relevant as venues for social interaction and everyday activities alongside their traditional retail function, contributing to more consistent occupancy and ongoing tenant interest.

Selected Malls	Developer	Adaptive Mall Strategy
Pondok Indah Mall	Pondok Indah Group	Tenant remixing to keep pace with trends, supported by event activations across the atrium, halls, and pop-up spaces for brands and seasonal events.
Central Park	Hankyu Hanshin (prev. Agung Podomoro Land)	Event activations in the atrium and outdoor spaces in collaboration with brands and seasonal events.
Grand Indonesia	Djarum Group	Tenant remixing to stay aligned with evolving trends, with optional use of common areas for brand activations.
Kota Kasablanka	Pakuwon	Activations in common areas, atriums, and halls during seasonal events and brand campaigns.
Summarecon Mall Kelapa Gading	Summarecon	Tenant remixing to stay aligned with local demand, supported by activations in common areas and atriums during seasonal events and brand campaigns.

Source: CBRE Research, 2025



Retailers Trends Before & After Pandemic

	Pre-COVID		Post-COVID	
	Tenants	Activities / Experience	Tenants	Activities / Experience
Middle-low	Local mom and pops store, local chained stores	Shopping	Local mom and pops store, local chained stores	Shopping
Middle-up	Local food brands, local fashion brands, and supermarket	Shopping and dining	Local food brands, local fashion brands, supermarket, pharmacy & beauty retailers, variety stores	Shopping, entertainment, dining
Upper	Pharmacy brands, entertainment for all ages, dining, fast fashion brands, milk tea brands (local and international)	Shopping, dining, event activation, entertainment for all ages	Pharmacy and beauty brands, variety stores, toy stores, increased entertainment for kids, local and international franchises with increased in Chinese tea brands, beauty stores, increase athleisure brands	Shopping, dining, event activation, increase entertainment for younger audiences, beauty treatments
High-end	Mostly focused on luxury fashion brands and premium dining with lack of entertainment facilities	Shopping, dining and meeting	Increased amount of beauty brands, international fashion brands, niche luxury brands, local premium brands and entertainment focused on younger children	Shopping, dining, meeting, entertainment for kids, personalized beauty treatments and products by luxury beauty brands

Source: CBRE Research, 2025

Shopping malls have traditionally served multiple functions as social spaces, lifestyle centres, entertainment venues, and food destinations, with main focus on their core transaction role. In recent years, particularly following the COVID-19 period, many malls have gradually shifted toward a more leisure-oriented positioning, as consumer behavior has evolved toward spending more time outside the home and engaging in activities beyond purely transactional shopping. This shift has increased demand for immersive experiences, curated and event-led environments, socially shareable spaces, and wellness-related offerings, reinforcing the mall’s role as a place for social interaction, recreation, and everyday lifestyle activities.

In response to these changing expectations, the concept of “retailtainment” has become increasingly prominent. Retailtainment blends traditional retail with immersive, interactive, and differentiated experiences designed to encourage longer visits and broader engagement. In practice, this often includes a higher proportion of entertainment tenants that provide indoor amusement for both adult and younger audiences, ranging from physical activity-based attractions to wellness-oriented offerings. Beyond permanent tenants, engagement is also driven through developer-led activations such as pop-up exhibitions in auditoriums or common areas, collaborations with existing or prospective tenants, seasonal events during periods such as Christmas or Eid, and the introduction of gaming or interactive zones. Increasingly, malls are also being positioned as storytelling spaces, where curated environments, thematic installations, and brand-driven narratives shape a more cohesive and memorable visitor journey. Collectively, these initiatives support footfall generation while strengthening the mall’s positioning as a multifunctional leisure and social destination.

Reflecting these shifts in consumer preferences, mall owners are increasingly adopting renovation and rebranding strategies to enhance customer experience and defend their competitive positioning. Several established malls, including Lippo Mall Nusantara and Gajah Mada Plaza, have undertaken upgrades to their tenant mix, layouts, and design in order to retain their core catchment, attract new visitors, and better align with evolving lifestyle and experiential retail expectations.

On the tenant side, while entertainment operators targeting young-to-adult audiences have continued to emerge post-pandemic, F&B remains a primary demand driver. To stay competitive, many operators are introducing more experiential concepts—featuring distinctive interiors, interactive formats, and visually engaging presentations. As a result, F&B tenants play an increasingly important role in supporting footfall and enhancing overall mall vitality.

This evolution, alongside broader market trends, has also supported demand from international brands. Many high-demand global retailers are entering or expanding within the market with design-focused, experience-oriented store concepts, repositioning their physical presence as brand destinations rather than purely transactional spaces.

Retailers with Notable Recent Expansion

Retailers	Country of Origin	New Store Openings*	Products	Unique Experiential Selling Point
Teazzi	Taiwan	45	Beverage	Collaborations with various brands providing unique taste
Sociolla	Indonesia	31	Beauty	Unique interior design , brand activation through events, “try me” area that is free to try
Watsons	Hong Kong	30	Beauty & Pharmacy	Brand activation through events, “try me” area, make up artists in some stores to try on
OH!Some & KKV	Singapore / China	22	Variety Stores	Unique interior design and brand collaboration that are social media worthy
Chagee	China	21	Beverage	Unique design branding, social media activation with blind box concept on opening day
Gaga	Thailand	17	Collectibles	Blind box experience.
Sancha	Indonesia	17	Beverage	Unique design branding
Playtopia	Indoneisa	15	Entertainment	Unique interior design and brand collaboration that are social media worthy

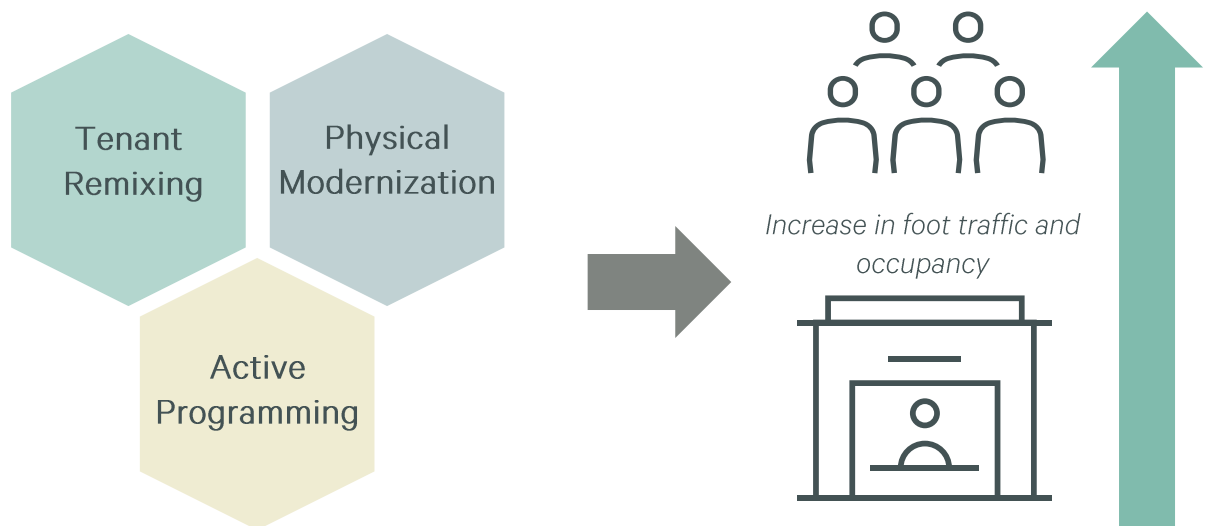
*) Estimated number of stores open in Jakarta – past 3-5 years

Source: CBRE Research, 2025

Guidebook for Experiential Retail

Revitalization of Mall

To maintain market competitiveness, developers are increasingly evaluating tenant remixing strategies that reflect broader shifts in consumer spending. This transition involves diversifying the traditional retail mix—historically dominated by apparel—to include a higher proportion of F&B, lifestyle, and entertainment operators. Central to this approach is a growing emphasis on entertainment-led tenants that offer more engaging concepts. Unlike traditional cinemas or arcades, these operators often incorporate immersive elements such as social venues, indoor sports, and interactive “edutainment” centres. Designed to appeal to a broad range of age groups, these spaces provide shared experiences for both children and adults, contributing to longer dwell times and broader catchment appeal.



Emerging trends also point to a gradual increase in sports-oriented concepts—such as fitness studios and recreational facilities—as well as beverage-focused tenants, including specialty coffee and grab-and-go drink formats. These categories reflect evolving consumption patterns centred on wellness, convenience, and social interaction, with F&B continuing to play an important role in supporting footfall. In this context, developers are encouraged to remain responsive to changing trends, ensuring that tenant strategies evolve alongside market preferences. Collectively, these adjustments are contributing to the gradual repositioning of shopping malls as more diversified destinations that accommodate retail, dining, and leisure functions.

From a physical standpoint, the modernization of facades and interior spaces continues to play a role in maintaining a property's overall market appeal. Structural and aesthetic upgrades help align the environment with evolving expectations, particularly among younger consumers who tend to value well-designed and visually engaging spaces. These enhancements may also support the brand positioning of international tenants while complementing traditional retail functions. Current initiatives by developers include integrating LED displays into facades for increased visibility, incorporating tiered social seating, and developing flexible outdoor areas that can accommodate events and respond to changing lifestyle preferences. In parallel, enhancement efforts are gradually extending to improving visitor comfort and inclusivity, such as expanding pet-friendly areas and upgrading family-oriented facilities—including children's restrooms and nursing rooms—to create a more accommodating environment. Overall, these enhancements can contribute to longer visits and support the mall's role as a more accessible, community-oriented destination.

Increasing the frequency of event programming can help support more consistent foot traffic. By utilising common areas for curated activations, pop-up installations, and community events, developers are able to introduce a more varied experience that may encourage repeat visits. This approach tends to be more effective when aligned with major seasonal periods, such as Eid, Christmas, and Chinese New Year, as well as through collaborations with event organizers like Brightspot Market and JKTGO. The incorporation of artistic and visually engaging elements has also become more common, as these features can enhance social media visibility and support organic sharing among visitors, potentially contributing to broader awareness of the mall. When integrated with anchor entertainment offerings, these initiatives may also contribute to the mall's role as a social and cultural focal point within the community.

Ultimately, integrating tenant diversification, physical upgrades, and active programming can support long-term asset resilience. By evolving alongside consumer expectations, shopping malls are gradually shifting from traditional retail centres into more integrated lifestyle destinations that extend beyond transactional functions. This approach can help sustain foot traffic while supporting brand affinity and community engagement. In an increasingly digital environment, these physical spaces continue to offer forms of social interaction and sensory experiences that are less easily replicated online.

Tenant Remixing



Ashta, curate their tenancy in response to the current matcha craze



Plaza Senayan, build Marygold Market in order to cater demand for local brands



FX, did a tenancy remixing in order to cater the wellness demand from active users of GBK

Physical Modernization



Puri Indah Mall 2 design incorporates open retail spaces catering to pet-friendly needs.



Gafoy, previously La Piazza rebranded its design in order to keep up to the trend.



Lippo Mall Nusantara, built a permanent installation to honor heroes

Active Programming



Senayan City Unique decorations activated every seasonal activities



Plaza Senayan, utilize its outdoor area for social media worthy decoration



Central Park, utilize its outdoor area for launching of movies with lavish decoration that is social media worthy







Source: The Matcha Tokyo, Puri Indah Mall, Gafoy, Central Park, Plaza Senayan, FX, CBRE Research

Tenant Providing Unique Experience

Beyond establishing entertainment-led anchors to drive initial footfall, developers are increasingly focused on curating a selection of lifestyle and emerging brands that offer differentiated retail formats. This strategy prioritizes tenants that provide a specific value proposition, whether through specialized store design, exclusive product ranges, or in-store activations. By partnering with brands that utilize physical outlets as comprehensive brand platforms rather than traditional points of sale, developers can maintain a relevant commercial environment that aligns with modern consumer behavior and spending patterns.

In line with this curation strategy, non-entertainment tenants—including F&B and traditional retail—are evolving to provide more distinctive physical experiences. Many brands are shifting away from purely transactional formats toward "destination" stores that feature high-concept interiors, interactive product showrooms, and social media worthy aesthetics. By integrating these design-focused concepts, developers can offer a curated environment where shopping and dining feel like a lifestyle event. This approach appeals directly to consumers who value visual atmosphere and social engagement, ensuring that even routine retail visits provide a level of sensory experience that cannot be matched by e-commerce.

To further complement these permanent installations, developers and tenants are increasingly utilizing pop-up strategies as a high-impact, low-risk pathway to test new markets and product lines. By leveraging flexible short-term spaces, tenants can launch exclusive activations or seasonal collections without the overhead of a long-term lease. These temporary installations serve as powerful marketing tools, creating a sense of urgency that drives immediate customer engagement. This agile retail model allows brands to gather real-time consumer data and establish a physical presence in premium locations, effectively bridging the gap between digital discovery and physical purchase.

Entertainment Tenants			
	<i>Playtopia Lippo Mall Puri, has one of the most unique indoor go kart experience</i>	<i>Nickelodeon Playtime, located in SPARK became the first Nickelodeon theme park in SEA</i>	<i>House of Padel in Agora, cater the current padel trend right at the city center</i>
Non-entertainment Tenants			
	<i>Willson in Mall of Indonesia has experience center that allows buyer to feel firsthand the racket</i>	<i>Pop Mart relies on its blind box concept and distinctive characters to generate excitement</i>	<i>Monster Curry's product features large portion of curry that is social media worthy</i>

Source: 360 Karting, Nickelodeon Playtime, Agora, POP Mart, Monster Curry, CBRE Research

Challenges and Constraints

- **Limited Supply for New Entrants.**

A key challenge in the current market is the limited availability of suitable space for experiential and entertainment-led tenants. Unlike traditional retailers, these operators require large, contiguous areas that are often scarce in high-performing malls with already high occupancy rates. This constraint reduces opportunities for new large-scale entrants and may slow tenant mix refreshment.

- **Intensifying Market Competition**

Developers are also facing increased competition as more malls adopt similar “lifestyle hub” strategies. As differentiation narrows, securing exclusive or first-to-market brands has become more competitive. Simply offering a mix of F&B and entertainment is no longer sufficient, requiring continuous refinement of value propositions mid growing physical and digital alternatives.

- **Rapidly Evolving Consumer Trends**

The pace of changing consumer preferences adds further complexity, as F&B and lifestyle trends shift quickly. Developers need to regularly adjust tenant mix, design, and programming to remain relevant, often requiring ongoing investment and active asset management to keep up with evolving market demand.



Going Forward

The retail outlook is increasingly shaped by a growing emphasis on experiential formats, particularly among prime malls that are evolving into more comprehensive lifestyle hubs. This shift is supported by international and emerging brands entering the market with more design-led store concepts that place greater focus on storytelling and community engagement. Alongside these, the expansion of wellness and sports-oriented tenants with interactive formats reflects broader changes in consumer preferences, contributing to the mall's role as a destination for social and recreational activities

At the same time, new supply remains relatively limited, as developers continue to prioritise the expansion and upgrading of existing assets. Rather than undertaking large-scale greenfield developments, landlords are focusing on repositioning current properties to better accommodate experiential tenants and evolving brand requirements. This approach allows developers to enhance competitiveness while managing development risks and costs, supporting the longer-term relevance of well-located assets in an increasingly experience-driven retail landscape.

Entertainment retailer openings since 2020

100+

Estimated increase in foot traffic in selected malls during event activation

± 15%



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