REPORT

# Q1 2026
# Jakarta Office Market Outlook

CBRE RESEARCH | INDONESIA

# Key Trends

### Shift Toward Higher-Grade Offices Stays Strong

Occupiers are increasingly seeking modern, better quality office buildings, often with green certifications and better amenities.

### Cost Management is Tenant Priority

More businesses are prioritizing cost-effective rent packages, thus consider rightsizing, downsizing or relocating their workplace.

### Growing Preference for Flexible Lease

Companies are increasingly seeking greater agility and manage their costs more efficiently with shorter and flexible leases or other incentives.

### Manufacturing, Tech & Energy Sectors

The manufacturing, technology and energy sectors currently account for a significant portion of office space demand.

### Limited Supply Sustains Occupancy

With a constrained pipeline of new developments, the market had witnessed improvements in occupancy and accordingly rents in better quality buildings.

01

# Economy

## GDP Growth Reached 5.61%, the Highest Level Since 2021

Indonesia's GDP growth has strengthened since the post-pandemic recovery, reaching 5.61%, the highest level since the rebound in 2021. Manufacturing remains the largest contributor to GDP at around 19%, followed by trade and agriculture. On the expenditure side, domestic consumption continues to dominate, accounting for over half of GDP, while government consumption recorded the strongest year-on-year growth, supported by spending on the Free Nutritious Meal (MBG) program and Eid-related holiday allowances.

## Rupiah Continue to Weakens

The exchange rate has continued to decline amid heightened global geopolitical tensions, which have increased uncertainty in international financial markets. These conditions have contributed to more cautious global capital flows and greater volatility in emerging market currencies, including the rupiah. As a result, the rupiah has remained under pressure during periods of elevated global risk.

Figure 1. Economic Growth

National GDP Growth

**Source:** BPS


Figure 2. Rupiah Exchange Rate

IDR/USD

**Source:** BI


Figure 3. Inflation

CPI Growth

**Source:** BPS

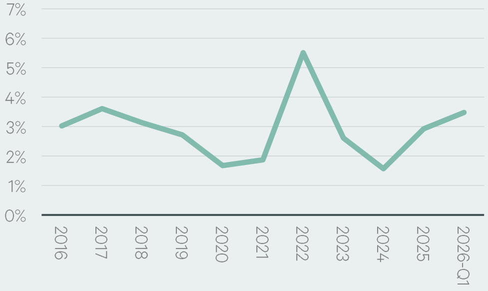
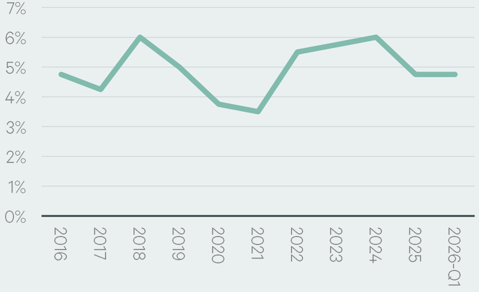



Figure 4. Interest Rate

BI 7-day Reverse Repo Rate

**Source:** BI



## FDI Outperforms DDI Early in 2026

Following the divergence observed in 2025, when domestic direct investment (DDI) outperformed foreign direct investment (FDI), early signs in 2026 suggest a recovery in FDI sentiment. In the first quarter of 2026, FDI slightly exceeded DDI, reaching USD 15.14 billion compared to USD 15.08 billion. Although the gap remains minimal, it indicates a modest rebound in foreign investor confidence. On a year-on-year basis, FDI grew by 8.5%, outpacing DDI growth of 6%. Notably, Singapore accounted for around 30% of total FDI in Q1 2026, maintaining its position as Indonesia's leading source of foreign investment.

## Property Sectors Remained Resilient

While the manufacturing sector continued to dominate FDI in the first quarter of 2026, the property sector—comprising housing, industrial estates, and office buildings—also demonstrated notable resilience, ranking among the top five performing sectors during the period. The sector recorded a strong 32% quarter-on-quarter growth and a 24% year-on-year increase, reaching USD 2.9 billion in Q1 2026. This performance suggests that investor sentiment toward the property sector remains positive, supported by ongoing urban development, sustained demand for industrial and logistics-related real estate, and gradual improvements in commercial property activity, positioning the sector as an important complementary contributor to Indonesia's overall FDI inflows.

Figure 5. Foreign Direct Investment & Domestic Direct Investment
Investment Growth (USD Million)

**Source:** BKPM

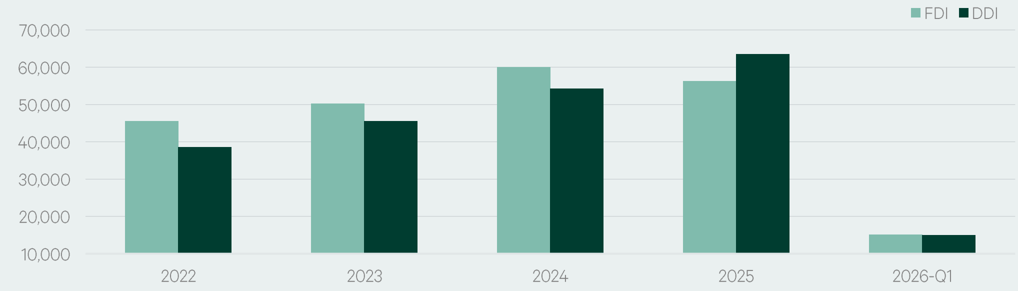



Figure 6. Top 5 Country of Origins
Investor country of origins (USD Million)

**Source:** BKPM

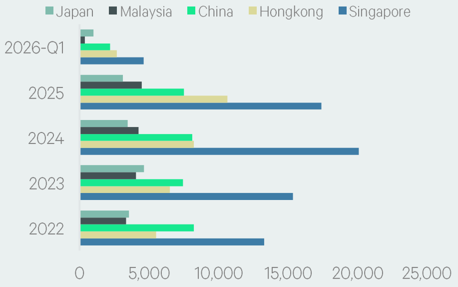
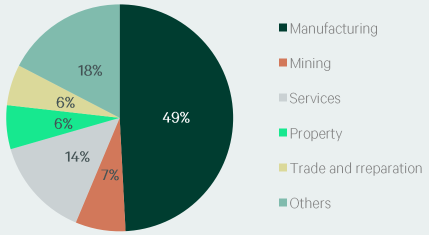



Figure 7. FDI Top Industries
Top five industries by sectors

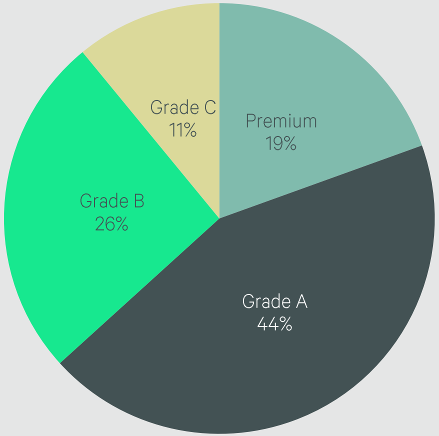
**Source:** BKPM



02

# CBD Office

# Market Snapshot Q1 2026




TOTAL CBD OFFICE STOCK
7.11 mil sqm

NET TAKE-UP
21,300 sqm
(Q1 2026)

FUTURE SUPPLY
188,000 sqm
(2026 – 2029)

**OCCUPANCY**

| | 4Q 2025 | | 1Q 2026 |
|---|---|---|---|
| **CBD Overall** | **75.8%** | ↑ | **76.1%** |
| Premium Grade | 75.2% | ↑ | 75.5% |
| Grade A | 76.8% | ↑ | 77.1% |
| Grade B | 78.3% | ↑ | 78. 5% |
| Grade C | 66.7% | ↑ | 67.6% |

**RENT**

| (Rp/sqm/month) | 4Q 2025 | | 1Q 2026 |
|---|---|---|---|
| **CBD Overall** | **170,850** | ↑ | **171,600** |
| Premium Grade | 258,000 | → | 258,000 |
| Grade A | 204,530 | ↑ | 206,040 |
| Grade B | 164,490 | ↑ | 165,150 |
| Grade C | 105,000 | ↑ | 105,320 |

**Source:** CBRE Research

## Supply

- No new supply entered the market in Q1 2026, extending a period of limited development activity observed over the past four years. Meanwhile, only 2 projects—Two Sudirman and Indonesia One—remain under construction within the CBD.
- With no new completions during the quarter, total CBD office stock remained stable at approximately 7.11 million sqm as of the end of Q1 2026..

## Demand

- Demand continued to show gradual improvement, primarily driven by occupiers relocating to higher-quality buildings. Net take-up totaled approx. 21,300 sqm in Q1 2026, indicating a positive, albeit moderate, absorption compared to previous quarters.
- Reflecting this steady demand, overall occupancy levels in the CBD edged up slightly from 75.8% to 76.1% by the end of Q1 2026. While the increase is marginal, it signals continued stabilization in market fundamentals, supported by limited new supply and ongoing tenant movement into higher-grade buildings.

## Rent

- Average office rents registered a modest uptick of around 0.4% q-o-q, reaching approx. Rp 171,600 per sqm per month by end-1Q26. The strongest growth was seen in Grade A assets, where rents increased by about 0.7% over the same period.
- This divergence highlights the ongoing flight-to-quality trend, with corporate occupiers increasingly gravitating toward premium office spaces offering superior facilities and prime locations, enabling top-tier buildings to better sustain and capture rental growth.

Figure 8. CBD Office Cumulative Supply-Demand-Occupancy

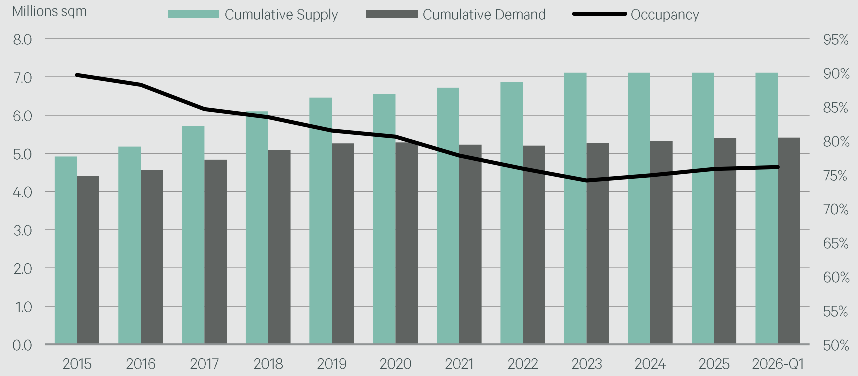
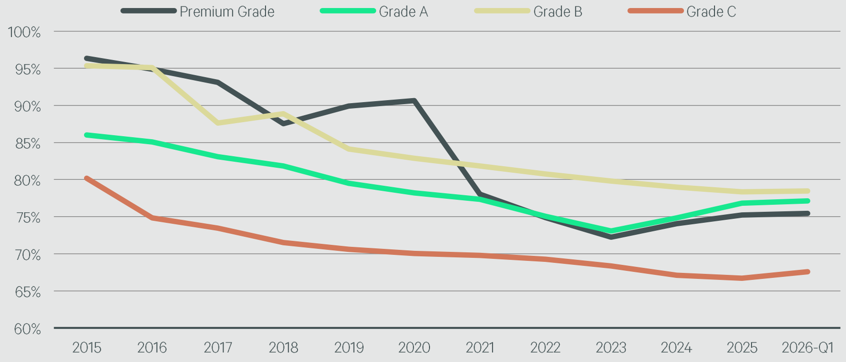



Figure 9. CBD Office Occupancy By Grade




**Source:** CBRE Research

## Outlook

The CBD office market is expected to continue its gradual path toward stabilization over the coming quarters, supported by a combination of limited new supply and steady, albeit selective, tenant demand. With a constrained development pipeline—below 200,000 sqm over the next 2-3 years—supply-side pressures are likely to stay manageable. On the demand side, occupancy levels are expected to improve gradually, with overall CBD occupancy projected to reach approximately 78% in the near to medium term. Relocations and portfolio optimization will remain the primary drivers of leasing activity, while expansion demand is expected to recover more gradually in line with broader economic confidence. Rental performance is also expected to trend upward, albeit at a measured pace. Average rents across the CBD are forecast to grow by around 2%–3% per annum, supported by improving occupancy and limited new competition.

Figure 10. CBD Office Annual Supply-Demand-Occupancy | Forecast

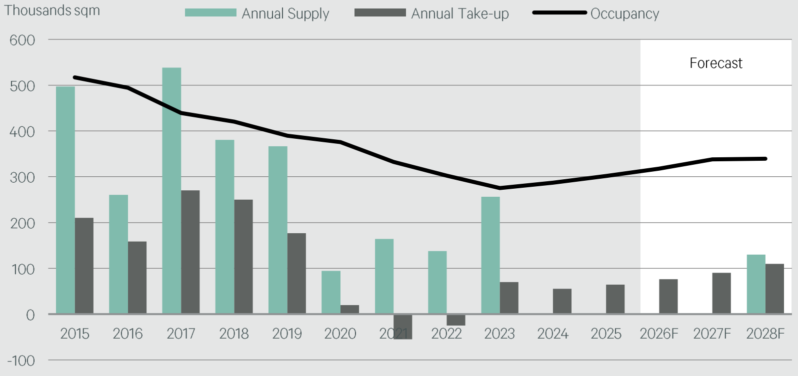
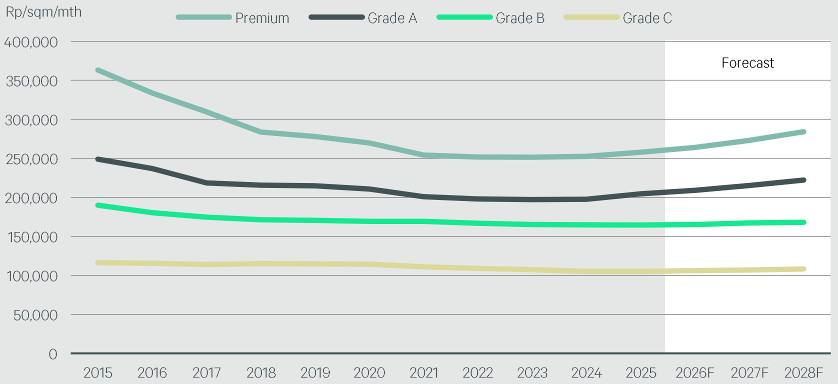



Figure 11. CBD Office Rent Growth By Grade | Forecast

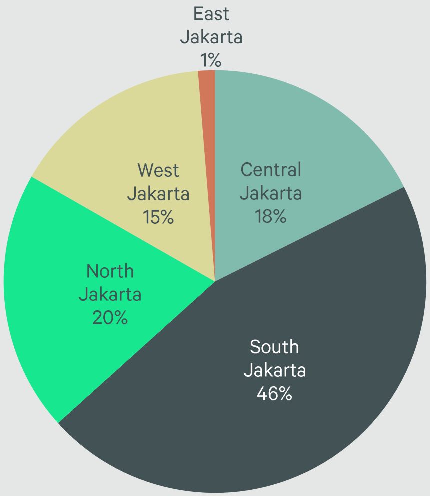



**Source:** CBRE Research

03

# Non-CBD Office

# Market Snapshot Q1 2026




TOTAL NON-CBD OFFICE STOCK
3.41 mil sqm

NET TAKE-UP OF
22,750 sqm
(Q1 2026)

FUTURE SUPPLY
119,300 sqm
(2026 – 2028)

**OCCUPANCY**

| | 4Q 2025 | | 1Q 2026 |
|---|---|---|---|
| **Non-CBD Overall** | **73.4%** | ↓ | **72.9%** |
| Central Jakarta | 64.2% | → | 64.2% |
| West Jakarta | 74.4% | ↑ | 75.5% |
| East Jakarta | 81.9% | → | 81.9% |
| North Jakarta | 76.8% | ↓ | 71.3% |
| South Jakarta | 75.1% | ↑ | 75.8% |

**RENT**

| (Rp/sqm/month) | 4Q 2025 | | 1Q 2026 |
|---|---|---|---|
| **Non-CBD Overall** | **112,086** | ↑ | **112,700** |
| Central Jakarta | 93,030 | ↑ | 93,180 |
| West Jakarta | 112,826 | ↑ | 114,570 |
| East Jakarta | 83,000 | ↑ | 86,000 |
| North Jakarta | 106,200 | ↑ | 107,200 |
| South Jakarta | 123,831 | ↑ | 124,030 |

**Source:** CBRE Research

## Supply

- New supply in the market remained limited, with only one notable completion during the period. ADR Office Tower in Pantai Indah Kapuk, North Jakarta, was delivered, adding approx. 56,000 sqm of Grade A office space to the market.
- This completion reflects a gradual re-emergence of development activity in select Non-CBD submarkets that continue to show strong locational appeal and tenant demand. As a result, total stock increased to around 3.41 million sqm by end-1Q26.

## Demand

- Leasing demand continued to strengthen in Q1 2026, with enquiry levels showing a positive upward trend. Total net absorption reached approx. 22,800 sqm during the quarter, reflecting steady take-up despite broader market caution.
- Despite the positive absorption, overall occupancy softened slightly to 72.9%, largely due to the impact of newly completed supply. Nevertheless, the growing volume of leasing enquiries and increased presence of new market entrants suggest that underlying demand remains healthy, with potential for occupancy to recover as the newly added space is gradually absorbed.

## Rent

- Rental performance showed continued improvement, in line with strengthening demand conditions. Average rents increased by circa 0.5% q-o-q to around Rp 112,700 per sqm per month, albeit at a slightly slower pace compared to the previous quarters.
- The more moderated growth reflects a market that is gradually stabilizing, where landlords remain cautious but increasingly confident in implementing modest rental adjustments as leasing activity improves..

Figure 12. Non-CBD Office Cumulative Supply-Demand-Occupancy

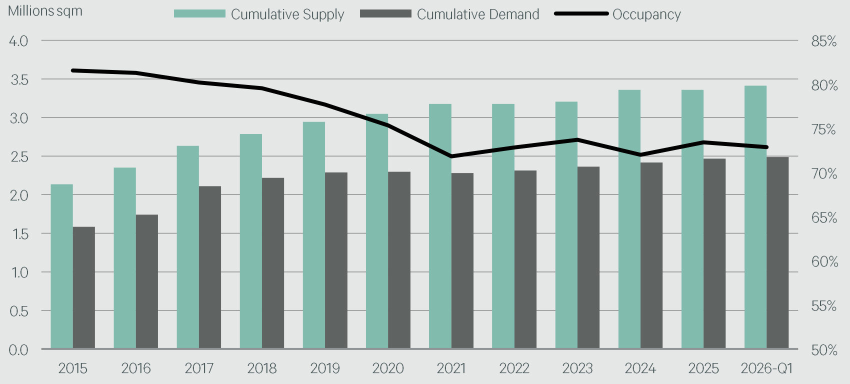
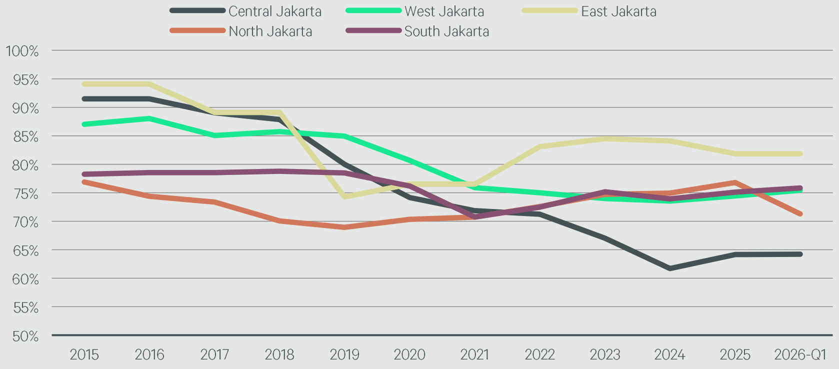



Figure 13. Non-CBD Office Occupancy By Area




**Source:** CBRE Research

## Outlook

The market is expected to see limited new supply in the near term, supporting a more balanced outlook. In 2026, only one additional project—Arumaya in TB Simatupang,—is scheduled for completion. Beyond this, no definitive projects are currently observed through to 2028, highlighting a notably thin development pipeline. On the demand side, leasing activity is projected to maintain a positive trajectory, supported by new business formations and ongoing decentralization trends. Occupancy levels are expected to improve steadily to around 76% by 2028, and rental performance is also anticipated to strengthen in tandem. While South Jakarta will remain the dominant Non-CBD office location, increasing competition is expected from West and North Jakarta, which are gaining traction due to improving infrastructure and access, potentially reshaping tenant preferences over time..

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

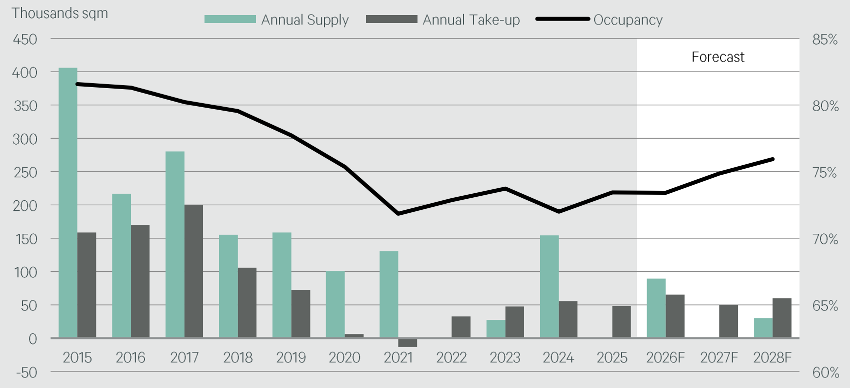
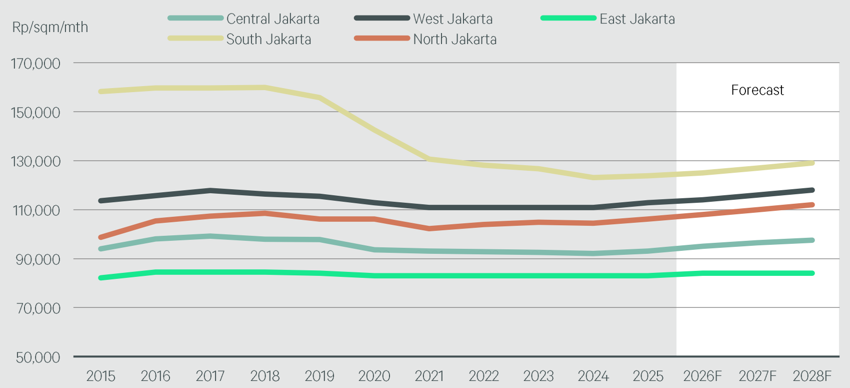



Figure 4. Non-CBD Office Rent Growth By Area | Forecast




**Source:** CBRE Research

# Thank you

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