Flight-to-Quality Drives Steady Improvement in CBD Office Fundamentals

▲ 76.7
Occupancy Rate (%)

▲ 22,800
Net Absorption (sqm)

▲ 172,500
Avg. Rent (Rp/sqm/mth)

Executive Summary

- No new supply throughout the quarter, while development activity was limited to just two ongoing projects. As a result, CBD inventory held steady at approximately 7.11 million sqm, maintaining favorable supply-demand dynamics across the market.
- Leasing activity sustained its upward momentum, generating 22,800 sqm of net absorption, predominantly from newly established occupiers. Technology, Banking, Government-Linked, and Retail sectors led market activity, pushing overall occupancy marginally higher to 76.7%.
- Office leasing metrics remained firm during Q3 2026, with average asking rents unchanged at Rp172,500 per sqm per month. Top-tier Premium Grade and Grade A assets continued to attract demand, underscoring occupiers' preference for higher-quality space. The market is anticipated to gain further traction, supported by scarce new supply, improving space utilization, and gradual rental uplift.

Table 1. Jakarta CBD Office Market Statistics

Grade	Total Stock (sqm)	Occupancy (%)	Rent (Rp/sqm/mth)
Premium	1.39 million	76.3	261,500
Grade A	3.11 million	77.9	208,019
Grade B	1.83 million	78.6	165,514
Grade C	0.78 million	67.6	104,787

Source: CBRE Research

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Supply

The CBD office market continued to experience extremely limited supply growth. This extends the market's extended cycle of constrained construction activity, given that virtually no meaningful office inventory has entered the market since 2023. The lack of new deliveries highlights a measured stance among developers, who remain focused on reducing available space within existing assets instead of pursuing substantial new developments.

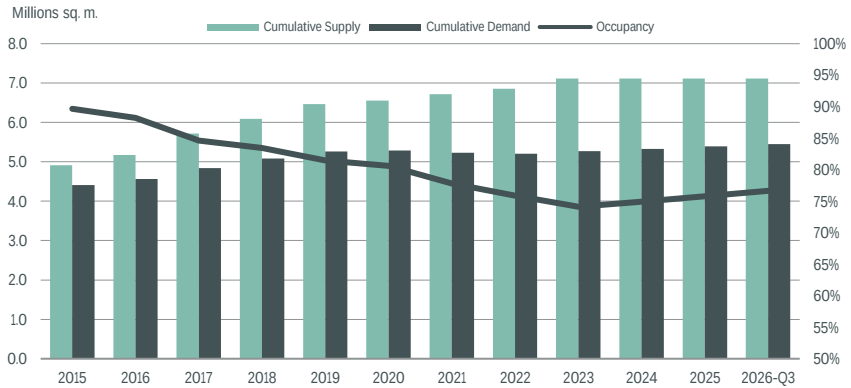
Over the medium term, future supply additions are expected to remain highly restricted. At present, construction is ongoing at only two prominent developments: Two Sudirman and Indonesia One. Aside from these schemes, no major office projects are advancing through active development stages, reinforcing a muted outlook for upcoming stock growth. Such constrained future supply could progressively improve leasing fundamentals by easing landlord competition and creating opportunities for aging assets to implement refurbishment programs and strengthen market positioning.

Demand

Demand momentum remained healthy, with net absorption totaling approximately 22,800 sqm, a 43% increase q-o-q. Transaction activity was largely generated by business expansions and workplace relocations. Across occupier segments, financial institutions, technology firms, retailers, and public-sector-related organizations accounted for the bulk of leasing requirements. Overall market performance strengthened modestly, as occupancy increased from 76.3% to 76.7% during the period.

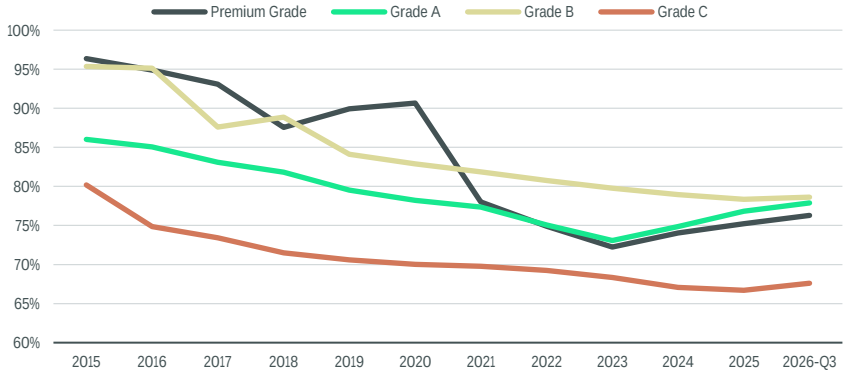
While leasing volumes advanced at a steady rather than accelerated pace, tenant requirements continued to demonstrate stability, especially within top-tier assets featuring contemporary building standards, greater efficiency, and superior employee amenities. The ongoing preference for quality workspace continued to benefit Premium and Grade A properties. Demand for fully fitted premises also remained elevated, enabling occupiers to minimize initial investment costs and shorten move-in schedules.

Figure 1. CBD Cumulative Supply-Demand-Occupancy



Source: CBRE Research

Figure 2. CBD Occupancy By Grade



Source: CBRE Research

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Rent

Rents remained firm throughout Q3 2026, underpinned by consistent occupier activity. The market average held at Rp172,500 per sqm per month, underscoring the sector's capacity to sustain pricing benchmarks despite tenants continuing to exercise considerable bargaining leverage.

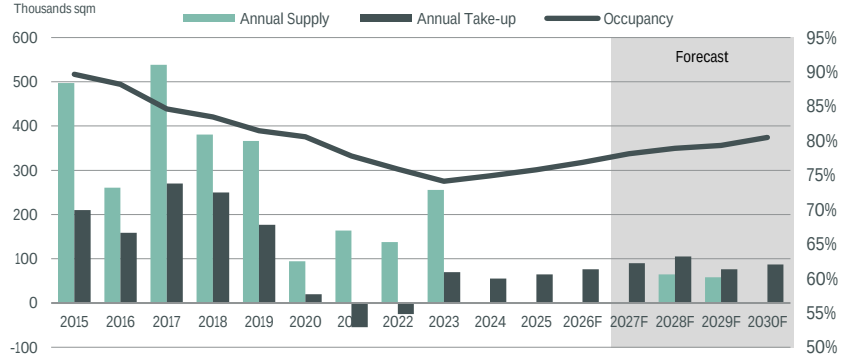
Results diverged between asset categories, with Premium Grade and Grade A properties achieving rental increases, while Grade B assets posted modest gains as several aging properties completed refurbishment programs. Meanwhile, Grade C stock recorded weaker rental performance, with owners encountering heightened competitive pressures and continuing to provide incentives aimed at securing and retaining occupiers. The growing disparity between asset classes reflects a more segmented marketplace. Modernized and strategically positioned buildings continue generating leasing interest and reinforcing rental growth, whereas aging and less attractive assets face ongoing pressure to provide concessions and implement capital improvement programs to preserve competitiveness.

Outlook

Against this backdrop, the CBD office market is projected to maintain a steady course toward equilibrium, aided by a subdued supply outlook and resilient occupier demand. With fewer than 150,000 sqm of additional office stock anticipated for delivery within the next two to three years, market absorption should comfortably accommodate new completions, enabling supply-demand conditions to tighten gradually.

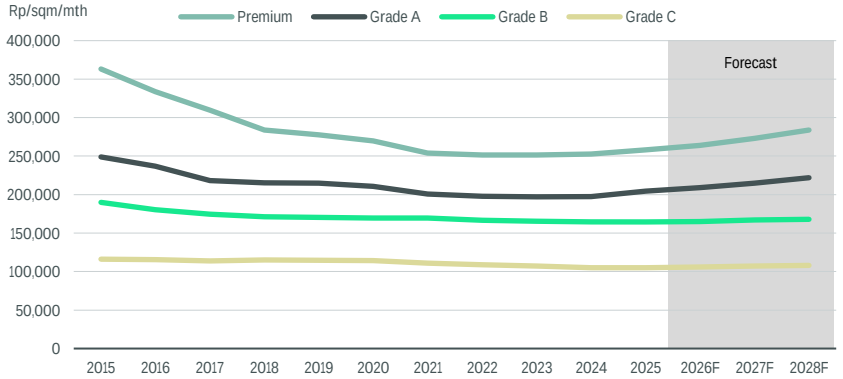
Over the forecast period, occupancy is expected to trend upward, potentially reaching around 78% as available space continues to be absorbed by the market. Demand is likely to be led by corporate relocations and workplace consolidation initiatives. By comparison, expansion-led requirements are anticipated to remain relatively measured amid prevailing macroeconomic uncertainties and evolving business confidence. Consequently, rental indicators should continue strengthening, supported by rising occupancy levels and a notably restricted development pipeline.

Figure 3. CBD Annual Supply-Demand-Occupancy Forecast



Source: CBRE Research

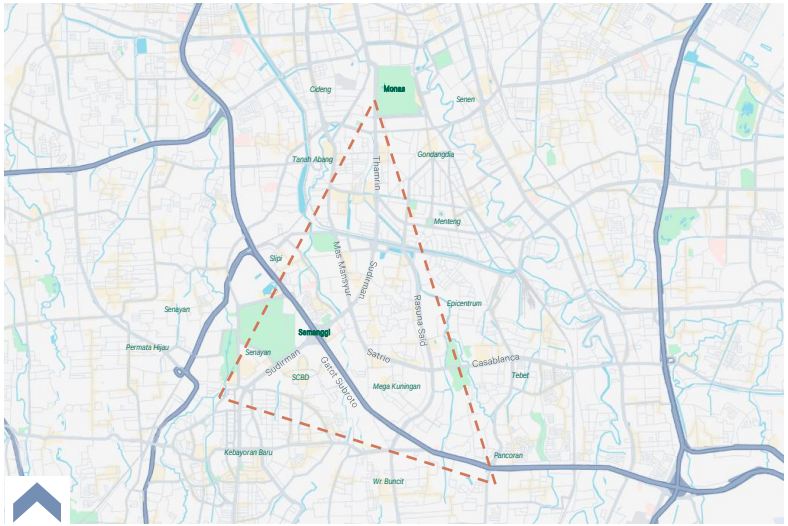
Figure 4. CBD Office Rent Growth By Grade | Forecast



Source: CBRE Research

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Jakarta CBD Map



Definitions

The Jakarta Central Business District (CBD)—widely known as the Golden Triangle—is a roughly triangular, high-density commercial zone stretching from Central to South Jakarta, bounded by the major corridors of Sudirman-Thamrin, Rasuna Said, and Gatot Subroto (incl. inner corridor of Mas Mansyur-Satrio-Casablanca). Recognized as the city's downtown, it concentrates Jakarta's tallest skyscrapers, multinational corporate offices, embassies, luxury hotels, and major superblocks such as SCBD, Mega Kuningan, and Rasuna Epicentrum, making it Indonesia's most prestigious economic hub.

CBRE's market report evaluates existing single-tenant and multi-tenant office buildings in the Jakarta CBD 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, efficiency ratio, overall building quality, available facilities and amenities, and management standards. Based on these criteria, all buildings in our surveyed stock are categorized into four grades: Premium, Grade A, Grade B, and Grade C.

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