RETAIL SERVICES FORECAST REPORT

Measured and selective expansion driving sustainable retail growth

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Insights & recommendations

The retail market in Greater Jakarta is showing both challenges and resilience. Food & beverage, entertainment, sports activewear, and beauty products are performing well. Fashion faces strong pressure due to rising competition from online SMEs and changing consumer habits, particularly among Gen Z, who prefer shopping online and tend to allocate spending more selectively toward experiences rather than large-ticket purchases. Gen Z remains a key contributor to mall footfall; however, their spending patterns are cautious and focused on affordable, value-driven products.

Retailers are responding by changing their expansion strategies. Many prefer smaller, more efficient stores, shorter leases of 1–2 years and closing underperforming outlets to optimize their locations. International brands entering Indonesia now use data-driven strategies and deep market research to match their target customers with the right malls, allowing them to choose locations more precisely and confidently. Mall events, pop-ups, and exhibitions remain crucial for driving traffic, even though spending often concentrates around event areas rather than regular stores. Brand uniqueness and product quality are becoming increasingly important for retailers to stay competitive. Overall, the market is challenging but shows resilience in sectors that adapt to new consumer behaviours, digital ecosystems, and cost-conscious strategies.

		Q1 2026 vs Q4 2025	Full Year 2026	Avg. 2026-2029 / End 2029
Demand	Growth is driven by F&B and lifestyle tenants, while many retailers prioritize efficiency and smaller formats, focusing on store quality over quantity.	1.1% ↑ 47,055 m²	2.8% ↑ 119,541 m²	2.4% ↑ 109,532 m²
Supply	Although retail performance, particularly in the upper class, remains strong, developers remain cautious, preferring to rejuvenate and maximize existing assets rather than introducing new shopping centers.	0.9% ↑ 52,044 m²	1.6% ↑ 96,044 m²	0.6% ↑ 51,511 m²
Rent	The opportunity for rent increases is imminent, especially for well-performing shopping centers. Others are still struggling to maintain competitive rental packages.	0.9% ↑ IDR 482,261	1.2% ↑ IDR 483,544	1.9% ↑ IDR 512,120
Vacancy	Remains stable, supported by ongoing leasing, though lower-grade malls still face slower absorption.	-0.2% ↓ 28.4%	-0.8% ↓ 27.8%	-1.3% ↓ 23.9%
Service Charge	Landlords are expected to keep service charges relatively stable, with gradual increases carefully despite rising operating costs.	1.5% ↑ IDR 147,206	3.0% ↑ IDR 149,385	3.0% ↑ IDR 163,237

Source: Colliers. Note: IDR16,853 = 1 USD. 1 square m = 10.76 square ft.

Supply trends: Renovation and rejuvenation, experiential retail

As a core platform for consumer Engagement, physical retail is where brands come to life, experiences are felt firsthand, and spending decisions drive businesses forward. In Jakarta, a developer captured the Q1 2026 holiday momentum with the opening of Pondok Indah Mall Phase 5 (PIM 5), a long-awaited addition to one of the city's most prominent shopping malls. This extension arrives with a comparatively smaller total leasable space than its previous phases. Until Q1 2026, Jakarta's total retail supply is noted approximately 4.9 million m^2 as of Q1 2026. With pipeline activity remaining selective, two new malls are currently under construction and set to add to this number.

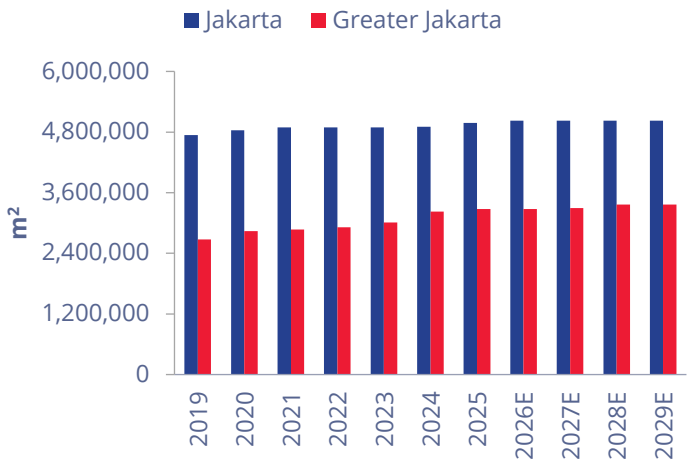
Greater Jakarta also saw a new mall expansion in Q1 2026, bringing total retail supply to around 3.3 million m^2. Summarecon Mall Bekasi Phase 2 opened to complement the existing mall, featuring a rooftop sports center, thus strengthens its role as one of the main shopping hubs in Bekasi city.

Beyond new openings, renovation continues to be a go-to strategy for mall owners seeking to breathe new life into their assets, with the goal of restoring performance to its prime. Rebranding efforts have become increasingly common moves, as well as undertake partial physical upgrades which remain imperative to keep the space fresh, ensuring the mall experience continues to meet today's visitors' expectations.

Mall expansions are becoming more strategic, particularly in areas such as Tangerang, where developers are enhancing leasable areas to improve tenant mix and overall attractiveness. At the same time, there is a growing emphasis on integrating outdoor and semi-open spaces as well as lifestyle and sports-related facilities.

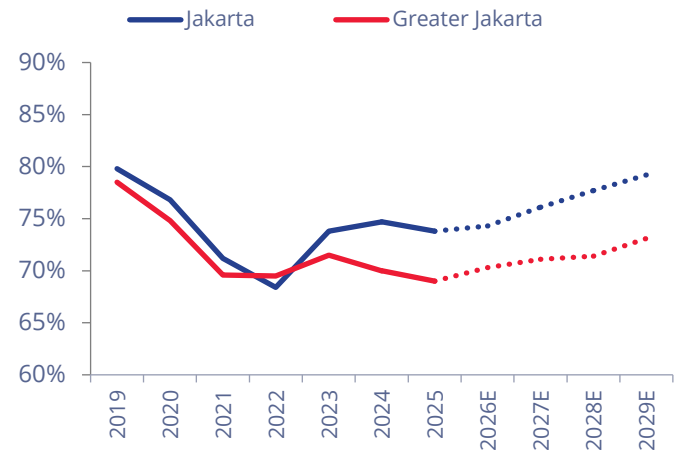
This reflects a broader shift in consumer behavior: malls are no longer viewed solely as shopping destinations, but as lifestyle hubs where visitors can socialize, stay active, and enjoy experiences that cannot be replicated online.

Cumulative supply



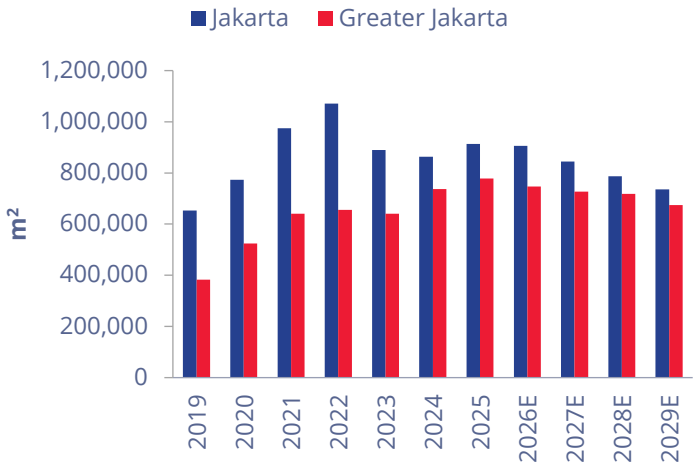
Source: Colliers

Occupancy rate



Source: Colliers

Vacant space



Source: Colliers

Selective Expansion with Focus on Quality

Retail activity across Jakarta and Greater area entered 2026 with strong head start, driven by a full calendar of events during Q1, including New Year, Chinese New Year, and the lead-up to Ramadan. Mall operators actively used events, atrium installations, brand activations, and store openings to attract visitors and increase engagement. As of Q1 2026, average occupancy in Jakarta registered steadily to around 73%. However, Premium and Middle-Upper malls in Jakarta continued to outperform with average occupancy hover around 90%.

Demand in these segments remains strong, with tenant inquiries consistently exceeding available space. Premium malls have also strengthened their position as the main entry point for international luxury brands, making them the top choice for brands seeking strong visibility and high-spending customers. Additionally, middle-upper malls are strengthening their appeal as shoppers' top destinations, driven by a well-curated and diverse tenancy mix that offers a wide range of choices, resulting in them attracting all kinds of shoppers and keep people coming back regularly.

Meanwhile, Greater area documented average occupancy of nearly 70% as of Q1 2026. **Retail expansion activity in Greater Jakarta overall remains active but more cautious and selective. Instead of rapid expansion, most retailers are focusing on efficiency and smarter growth**. Many prefer **smaller store formats**, shorter lease terms, and high traffic locations.

From Japan, China, and Malaysia—are increasingly leveraging data analytics, and market insights, to guide physical store expansion. These brands are also strategically managing store locations to avoid cannibalization.

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International brands—particularly from Japan, China, and Malaysia are increasingly leveraging data analytics, including online sales performance and market insights, to guide physical stores expansion. These brands are also strategically managing store locations to avoid cannibalization. At the same time, tenants are optimizing their portfolios by closing underperforming stores and relocating to stronger-performing malls. This reflects a broader shift toward more disciplined and calculated expansion strategies.

Based on business sector, F&B remains one of the most dynamic sectors, especially specialty coffee and tea brands that offer unique and tasteful experience such as authentic matcha or artisanal coffee. These brands are popular among younger consumers because they combine product quality with social and lifestyle experiences, such as comfortable spaces for social interactions. Sportswear is also expanding, supported by a growing interest in health and active lifestyles in urban areas. Brands may open their new outlet with more attractive and fresher concept. For example, MR DIY at Summarecon Mall Bekasi 2 has introduced a flagship store that offers a different shopping experience compared to their usual stores.

However, certain fashion brands face strong pressure due to competition from online platforms and local SMEs offering more affordable and well-quality items. This shift is driven largely by Gen Z consumers, who dominate mall traffic but tend to spend selectively, focusing more on experiences and affordable purchases. Essential and value-for-money categories remain more preferred, showing that shoppers are becoming more price-sensitive

Looking ahead, retail market is expected to remain stable but quite competitive. Occupancy in Jakarta expected to recover and reached around 74% until end of 2026. However, rising living costs, global economic uncertainty, and operational pressures are pushing both consumers and retailers to be more cautious. As a result, success in the market will depend on brand positioning, items quality and differentiation, and the ability to adapt to changing consumer behaviour. Malls may need to continue focusing on **experience-driven concepts, curated tenant mixes, and regular events** to maintain traffic. At the same time, retailers that can combine online and offline strategies, operate efficiently, and respond quickly to trends will be better positioned to sustain performance. Overall, the market is not weak, but it is becoming more selective, where only the most adaptive, efficient, and experience-driven concepts will continue to grow.

Occupancy costs: Gradual increase in prime assets

Average base rent in Jakarta showed a minor increase in Q1 2026, reached around IDR 572,000, experienced increase compared to previous quarter. This growth, although modest, signals that landlords, particularly in **well-performing malls, remained confident in their pricing power**. Increase is mainly supported by resilient demand in top-tier malls, where occupancy remains high and tenant inquiries continue to exceed available space. In this segment, landlords are selectively pushing rents upward, especially for high-traffic units and prime locations within the mall.

Meanwhile, average rents in Greater area remained stable at around IDR 386,000. Most landlords prioritize maintaining occupancy levels over rental increases. Demand in this area remain present but more price-sensitive, especially for certain malls with

vacancy still limiting landlords' ability to hit for rent increase. As a result, rental movement remains relatively modest, highlighting the widening gap in performance between sought-after malls compared to those who are still stabilize their performance.

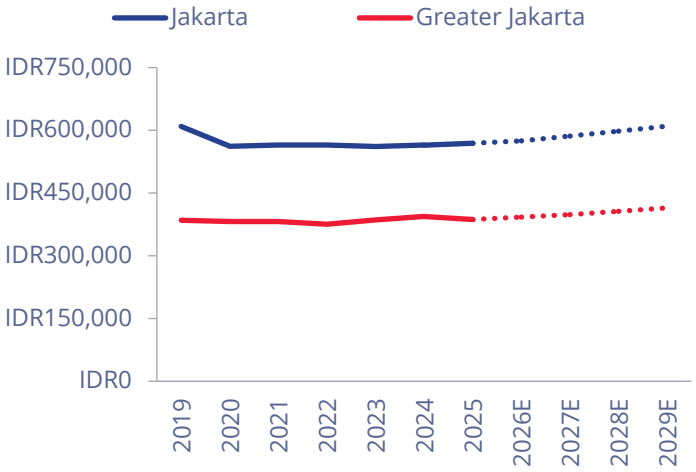
Service charges in Jakarta increased to around IDR 162,000 in Q1 2026, mainly driven by higher-grade malls such as Premium and Middle-Upper segments, where service charges average closer to IDR 195,000. This indicates that the overall increase is largely supported by top-tier malls, which continue to invest more in building quality, facilities, and tenant experience.

Meanwhile, service charges in Greater Jakarta remained stable at around IDR 132,000. This reflects a more balanced approach by mall operators, who are more careful in adjusting costs due to higher tenant price sensitivity and stronger competition, prioritizing occupancy stability over aggressive cost increases.

Overall, occupancy costs are gradually increasing, even though many retailers are still facing pressure on sales and profit. This shows a clear shift in the market, where operating costs in malls continue to rise, especially in better-performing malls that invest more in quality and experience. At the same time, demand is still selective, and consumer spending remains careful, making it harder for some tenants to absorb higher costs.

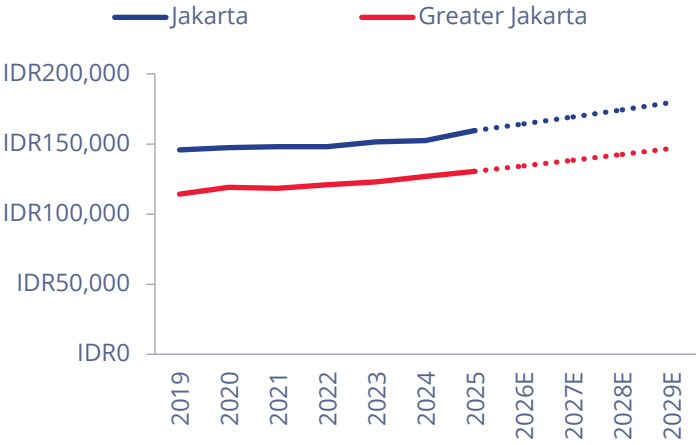
As a result, retailers are becoming more focused on efficiency by choosing smaller store formats, shorter lease terms, and locations with stronger traffic and better performance. Landlords, on the other hand, are starting to push rents and service charges more confidently in high-performing malls, while malls in secondary areas need to stay competitive to retain tenants. This creates a more divided market, where stronger malls can sustain higher occupancy costs, while others may in the struggle areas.

The average rent at specialty store (/m²/month)



Source: Colliers

Service charge (/m²/month)



Source: Colliers

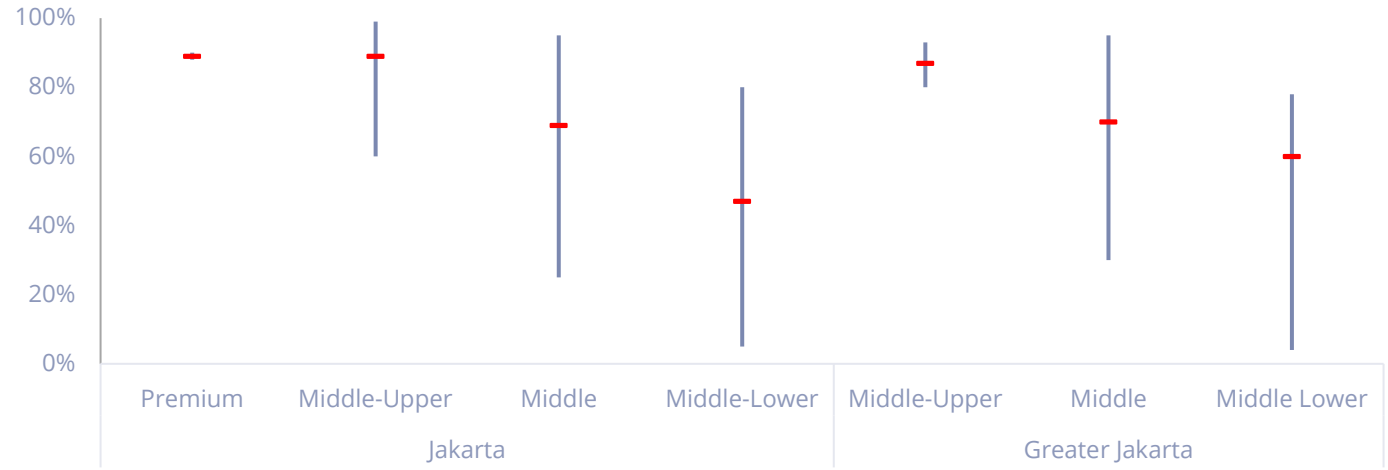
Appendix

Under-construction projects

	Location	Region	Developer	NLA (m^2)	Projected Completion
Jakarta					
Lippo Mall East Side (Holland Village)	Cempaka Putih	Central Jakarta	Lippo Karawaci Tbk	44,000	2026
Shopping mall at Two Sudirman	CBD Sudirman	Central Jakarta	Mitsubishi Estate & Taspen Properti	19,000	2028
Greater Jakarta Area					
The Hudson Square @Manhattan District	Serpong	Tangerang	Paramount Land	21,000	2027
Living World PIK 2	Pantai Indah Kapuk	Tangerang Regency	Kawan Lama	70,000	2028

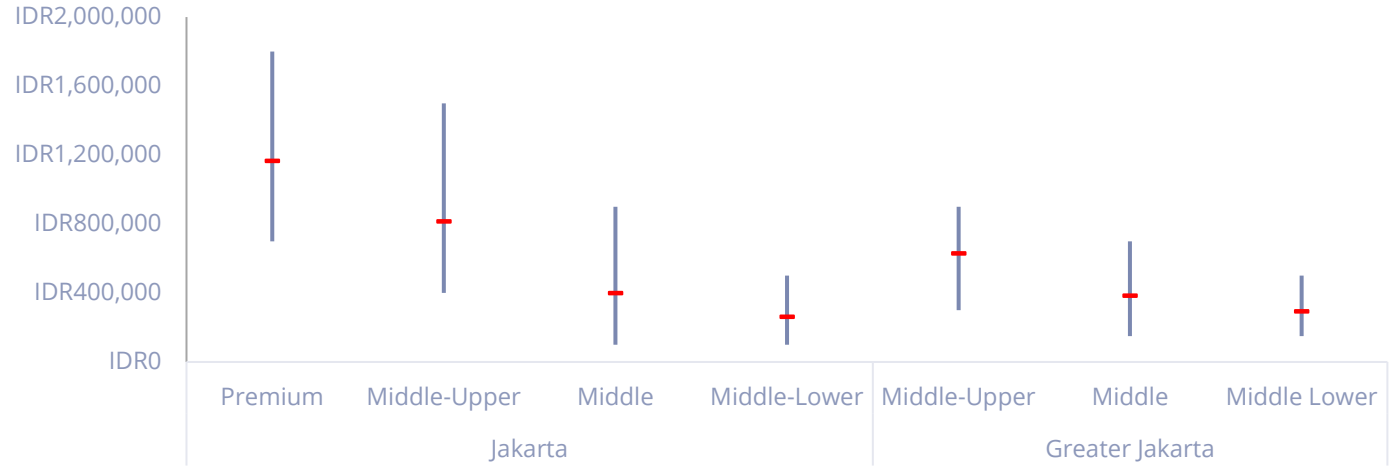
Source: Colliers

Range of occupancy by grade



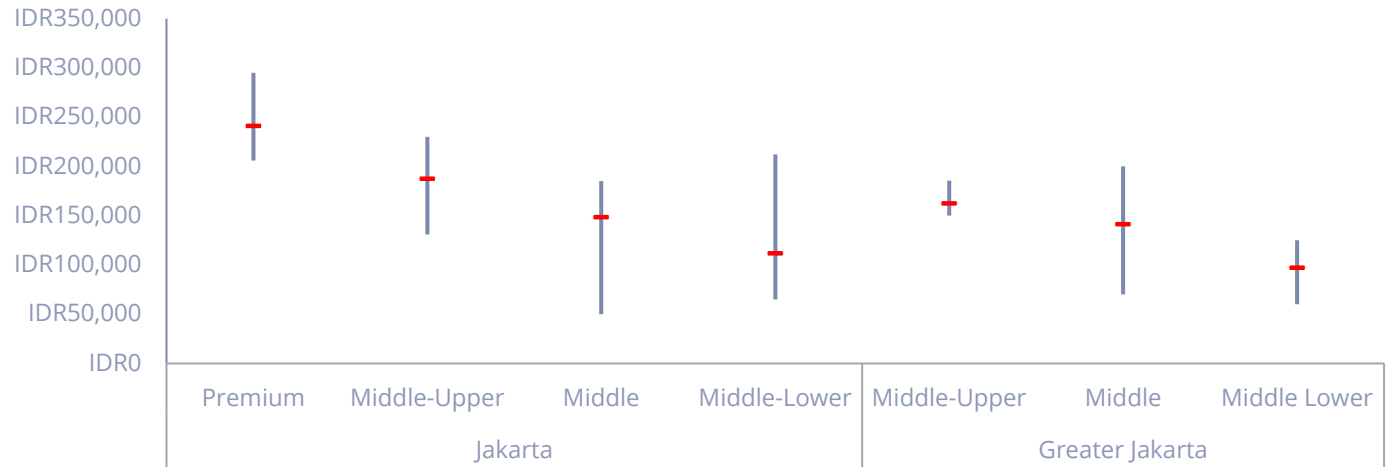
Source: Colliers

Asking base rent at specialty store by Grade(/m²/month)



Source: Colliers

Service charge Grade(/m²/month)



Source: Colliers

Selected stores opening during Q1 2026

Retailer	Shopping mall	Location
Food & Beverage		
HATOYA Kyoto Harlan Coffee	Lippo Mall Puri	West Jakarta
Luli Tea	Central Park 2	West Jakarta
Kurasu Hikiniku to Kome	Pondok Indah Mall 5	South Jakarta
Tempura Yamaya	Pondok Indah Mall 2	South Jakarta

continued

Retailer	Shopping mall	Location
		continuation
Laderach	Plaza Indonesia	CBD, Central Jakarta
Burger & Lobster		
Bobae Korean Noodle	Kuningan City	CBD, South Jakarta
Blanco Court	Pacific Place	CBD, South Jakarta
Kakineko	AEON Mall BSD	Tangerang
Sizzling Hotspot by Haidilao	Supermal Karawaci	Tangerang
Fashion & Apparel		
Gentlewoman	Summarecon Mall Kelapa Gading 3	North Jakarta
Hollister	Pondok Indah Mall 1	South Jakarta
Ferragamo	Senayan City	CBD, Central Jakarta
Longchamp		
Golden Goose	Plaza Senayan	CBD, Central Jakarta
TOD'S	Plaza Indonesia	CBD, Central Jakarta
Beauty & Wellness		
LOEWE Perfumes	Plaza Indonesia	CBD, Central Jakarta
	Pondok Indah Mall 3	South Jakarta
Byredo	Plaza Indonesia	CBD, Central Jakarta
		continued

Retailer	Shopping mall	Location

continuation

Sports & Athleisure		
Sports Direct	Summarecon Mall Bekasi 2	Bekasi
XTEP	Central Park	West Jakarta
Variety Goods		
TOP TOY	Grand Indonesia	CBD, Central Jakarta
	Pakuwon Mall Bekasi	Bekasi
Sanfu	Gandaria City	South Jakarta
	AEON Mall Tanjung Barat	
Electronics, Tech & Home		
MR DIY	Summarecon Mall Bekasi 2	Bekasi
Watch and Jewelry		
Grand Seiko	Pacific Place	CBD, South Jakarta

Selected upcoming new stores in 2026

Retailer	Shopping mall	Location
Food & Beverage		
Auntea Jenny	Emporium Pluit Mall	North Jakarta
ZUS Coffee	Puri Indah Mall	West Jakarta
Myeongryun Jinsa Galbi	Mall Taman Anggrek	West Jakarta
The Pizza Company	Summarecon Mall Bekasi 2	Bekasi
Tiong Bahru Bakery	Summarecon Mall Kelapa Gading 3	North Jakarta
Fashion and Apparel		
COS	Plaza Indonesia	CBD, Central Jakarta
Roger Vivier		
Marimekko	Plaza Senayan	CBD, Central Jakarta
UNIQLO	Plaza Indonesia	CBD, Central Jakarta
Xexymix	ASHTA District 8	CBD, South Jakarta
Santoni	Plaza Indonesia	Central Jakarta
Beauty and Wellness		
Amouage	Plaza Indonesia	CBD, Central Jakarta
Creed		
Maison Francis Kurkdjian		

continued

Retailer	Shopping mall	Location

continuation

Sports and Athleisure		
Sports Direct	The Park Pejaten	South Jakarta
XTEP	Pondok Indah Mall	South Jakarta
Decathlon	Supermal Karawaci	Tangerang
Variety Goods		
MINISO Friends	Summarecon Mall Bekasi	Bekasi
KKV	Grand Metropolitan Bekasi	Bekasi
	Mal Artha Gading	North Jakarta
Entertainment & Family Lifestyle		
Space & Time Cube	Mall Taman Anggrek	West Jakarta

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