OFFICE SERVICES FORECAST REPORT

Operational Efficiency and Flexibility Reshape Jakarta Office Demand

Quarterly | Jakarta | July 2026

Insights & recommendations

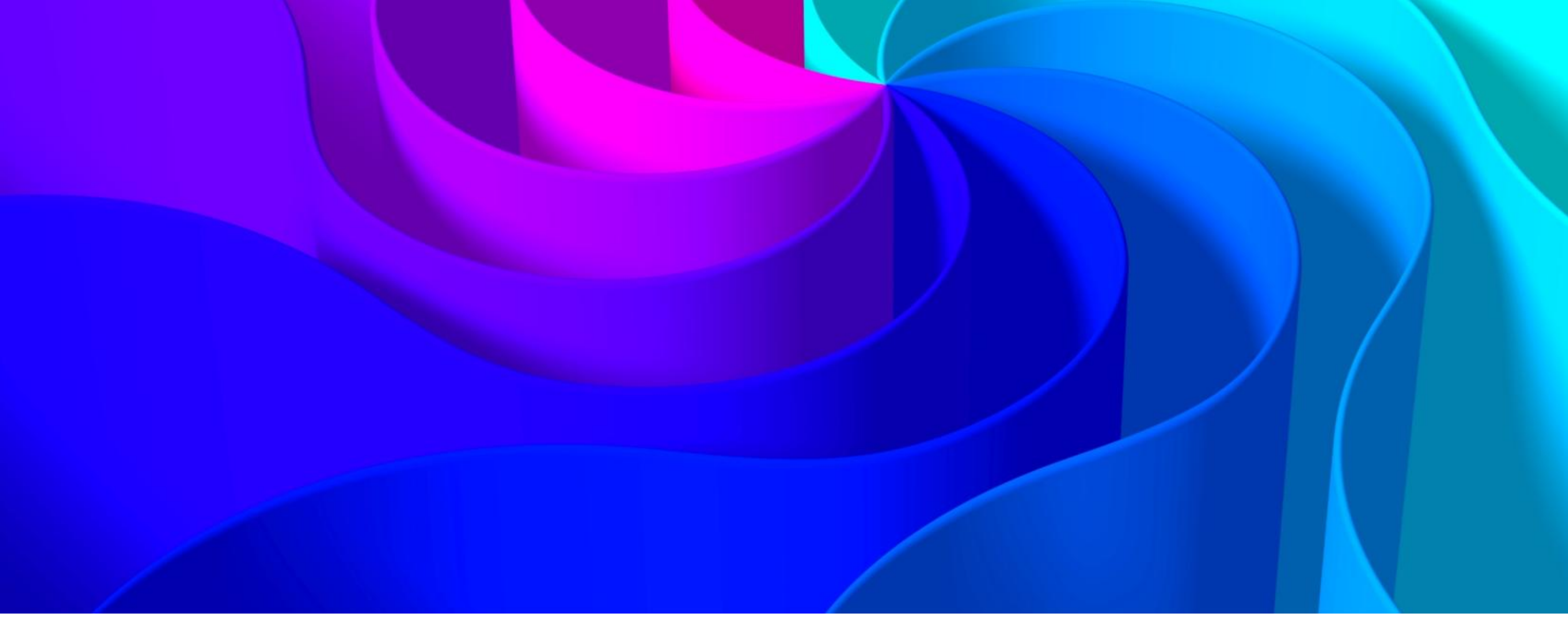
Jakarta's office market entered Q2 2026 with gradual improvement in leasing activity, although the recovery remains selective and is still largely driven by relocation, upgrading and rightsizing rather than broad-based expansion. Limited new supply has helped stabilise the market, while a vacancy overhang of around 3 million m^2 continues to keep landlords flexible in negotiations. In this tenant-driven environment, occupiers are prioritising operational efficiency, cost control and workplace readiness more than ever.

Tenant requirements are becoming more specific. Ready-to-occupy, semi-fitted or fully furnished spaces are increasingly preferred because they reduce CAPEX, shorten approval processes and enable faster relocation. Transit connectivity, particularly proximity to MRT and LRT stations, has also become a core selection factor. For multinational occupiers, green building certification is moving from a value-added feature to a corporate requirement, driven by head office ESG policies.

Landlords should respond by offering more tenant-centric leasing solutions, including fitted space options, flexible lease structures, rent-free periods, fit-out allowances and expansion or contraction options. Rather than competing solely through lower headline rents, owners should focus on reducing occupiers' total relocation friction and improving operational certainty.

For older office buildings, the most realistic strategy is asset upgrading rather than redevelopment. Renovation of lobbies, lifts, toilets, building systems, indoor air quality and green certification will be critical to retaining and attracting occupiers. Buildings that align with tenant expectations for efficiency, flexibility, accessibility and sustainability are expected to recover faster than assets that remain dependent on price discounts alone.

		Q2 2026 vs Q1 2026	Full Year 2026	Avg. 2026-2029 / End 2029
Demand	Logistics, FinTech, and energy sectors continue to anchor leasing momentum. Near public-transit buildings (MRT/LRT) expected to capture fastest tenant absorption.	0.4% ↑ 34,027 m^2	2.3% ↑ 187,535 m^2	2.2% ↑ 187,277 m^2
Supply	Developers are maintaining strict pipeline restraint. Ground-up high-rise constructions remain rare, with capital shifting toward transit-friendly renovations.	0.2% ↑ 23,543 m^2	1% ↑ 110,999 m^2	0.4% ↑ 51,750 m^2



		Q2 2026 vs Q1 2026	Full Year 2026	Avg. 2026-2029 / End 2029
Rent	Average rents forecasted experiencing 3-4% growth per year during 2026-2029. The forecast is relatively moderate to maintain a balance with the absorption spaces.	0.1% ↑ IDR 193,905	3.7% ↑ IDR 200,458	3.4% ↑ IDR 221,617
Vacancy	Demand for high-end (Premium and Grade A) office spaces keep strengthening and drive the average occupancy rate back to the 80% imminent.	-0.1% ↓ 26.7%	-0.9% ↓ 25.8%	-1.4% ↓ 21.6%
Selling Price	Investors favour to hold back while awaits leasing strengthened momentum. Market for sales requires steep flexibility to attract prospective buyers.	0% ↕ IDR 46.2mio	-6.1% ↓ IDR 46.5mio	1.5% ↑ IDR 48.6mio

Source: Colliers. Note: 1 USD = IDR 17,529. 1 square m = 10.76 square ft.

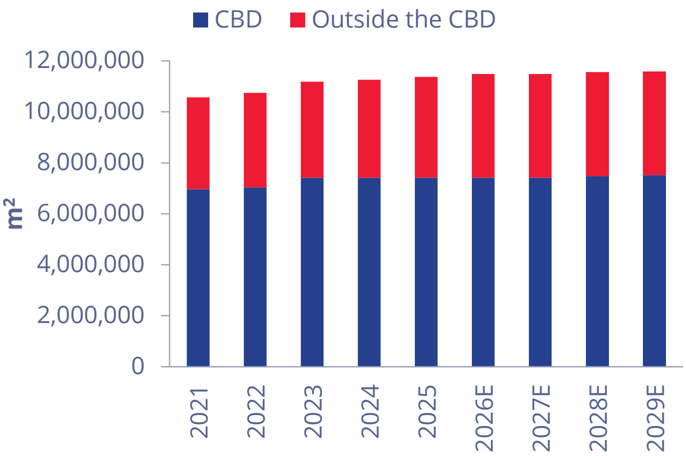
Pipeline restraint supports market recovery as owners focus on asset upgrading

CBD office supply remained unchanged at approximately 7.4 million m² as of Q2 2026, with no new building completions recorded during the quarter. Future additions are expected to remain limited, with Two Sudirman and Indonesia 1 North Tower scheduled for completion in 2028 and 2029, respectively.

Outside the CBD, total office supply increased to approximately 4.0 million m² following the completion of two office buildings in West and South Jakarta. Looking ahead, only around 50,000 m² remains in the pipeline for the rest of 2026, represented primarily by Arumaya Financial Center in TB Simatupang.

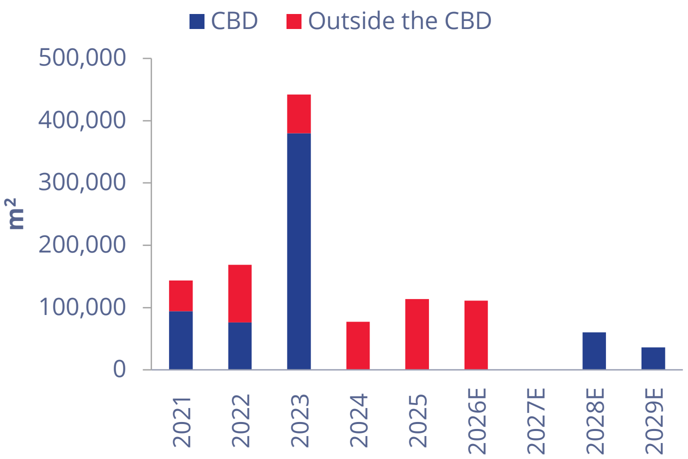
This reflects a clear shift towards supply discipline across Jakarta's office market. Rather than launching speculative office developments, developers are increasingly prioritising asset repositioning, refurbishment and transit-oriented upgrades to enhance the competitiveness of existing buildings. Limited future supply should allow the market to gradually absorb existing vacancies while reducing additional competitive pressure.

Cumulative supply



Source: Colliers

Annual supply



Source: Colliers

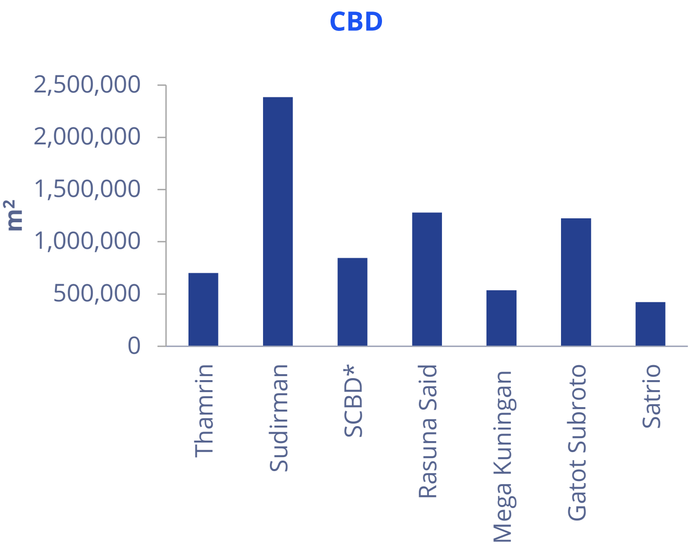
Vacancy overhang keeps landlords flexible amid gradual recovery

Jakarta still carries a sizeable vacancy overhang, with approximately 3 million m^2 of unabsorbed office space, nearly 60% of which is located in the CBD. Although net absorption improved during H1 2026, the level of available space continues to support a tenant-driven market and encourages landlords to adjust leasing strategies to match changing occupier requirements.

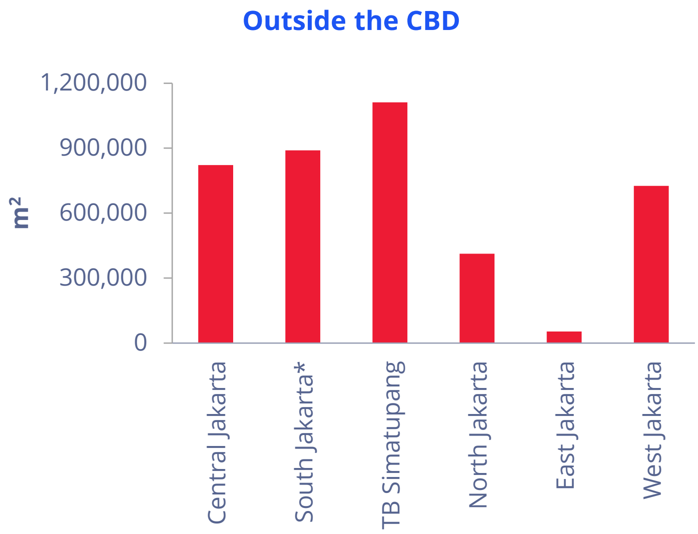
In this environment, developing new office towers remains difficult to justify unless supported by captive demand or a highly differentiated positioning. Existing owners are therefore better positioned to focus on asset enhancement, including lobby upgrades, lift modernisation, toilet refurbishment, façade improvement, indoor air quality, building systems and green certification. These improvements are increasingly necessary to compete for corporate tenants that are upgrading to more efficient and employee-friendly workplaces.

The current supply freeze provides existing landlords with a window to reposition assets before the next supply cycle emerges. However, buildings that delay upgrades may face a longer recovery period, particularly as occupiers increasingly favour offices that support workplace convenience, ESG commitments and employee retention.

Existing supply by sub-market/area as of Q2 2026



Source: Colliers
**) SCBD: Sudirman Central Business District*



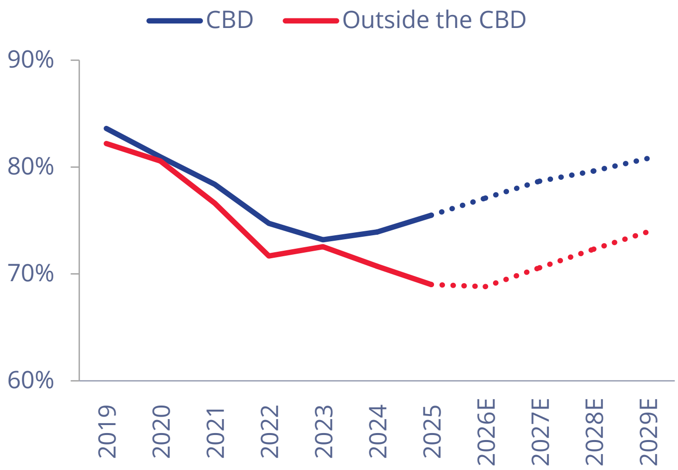
Source: Colliers
**) South Jakarta: excluding TB Simatupang area*

Quality-led relocations support demand recovery

Jakarta's office market continued to recover gradually in Q2 2026, with average CBD occupancy rising to around 76%, while occupancy outside the CBD remained lower at nearly 70%. The improvement reflects occupiers that had spent much of the previous year evaluating relocation options and have now begun executing leasing decisions. Combined with limited future supply, this trend is expected to gradually rebalance the market, with CBD occupancy forecast to reach 77% by end-2026 and 80%–81% by 2029, although still below pre-pandemic levels.

For lease buildings remain more attractive to corporate occupiers than strata-title buildings because a single landlord can provide greater flexibility in pricing, lease terms, fit-out support and negotiation structure. Outside the CBD, both for lease and strata-title office buildings remain below 70% occupancy, reflecting a slower and more selective recovery.

Occupancy



Source: Colliers

By grade, Premium offices remain the strongest-performing segment in the CBD, with occupancy of around 83%, supported by corporate relocations into higher-quality buildings. CBD Grade A offices recorded a mild increase to around 77%, while Grade A buildings outside the CBD remained lower at around 68%. This gap highlights that building quality alone is not sufficient; location, accessibility and surrounding business ecosystem continue to matter.

Performance varies across CBD submarkets. Sudirman recorded the highest occupancy at around 78%, supported by premium infrastructure and strong corporate appeal. Mega Kuningan remained the weakest-performing submarket, with occupancy around 60%, reflecting slower absorption and ongoing challenges related to traffic congestion and accessibility.

Thamrin emerged as one of the strongest-performing submarkets in H1 2026, supported by MRT access, high-grade buildings and leasing activity from energy, logistics and technology companies. Outside the CBD, South Jakarta, particularly TB Simatupang, remained relatively resilient with occupancy around 76%, supported by competitive occupancy costs, toll connectivity and demand from cost-sensitive occupiers.

A closer look at vacancy distribution shows where future relocation opportunities are likely to emerge. CBD vacant space stood at approximately 1.76 million m^2 in Q2 2026. Premium buildings accounted for less than 10% of total CBD vacancy, indicating continued preference for top-quality space, while Grade A buildings accounted for nearly half of CBD vacancy due to large supply additions in recent years.

Within Grade A CBD buildings, Sudirman appears to have the largest volume of vacant space in absolute terms. However, relative to its total supply, only around 18% of Grade A space in Sudirman remains vacant. Mega Kuningan records a much higher vacancy rate of around 40%, indicating greater leasing pressure.

Outside the CBD, vacant office space totalled approximately 1.2 million m^2. Grade B buildings contributed around half of this vacancy, reflecting their dominant share of supply and a slower pace of tenant absorption. The addition of newer Grade B projects has also added to the available space.

Overall, demand is improving, but the recovery remains more visible in relocation activity than in new market expansion. New entrants, including several foreign companies, are active but typically require smaller spaces of around 100-500 m^2. As a result, these requirements help improve leasing activity but are not yet large enough to materially reduce the overall vacancy overhang in the short term.

Beyond the pace of leasing activity, tenant decision-making is also undergoing a structural shift. Corporate relocations are no longer driven primarily by rental cost, but increasingly by operational efficiency, workplace readiness, accessibility and ESG compliance. Consequently, buildings offering fitted offices, superior public transport connectivity and green building certification are capturing a disproportionate share of leasing activity despite maintaining premium rental levels. This suggests that future market recovery is likely to be led by assets that minimise relocation costs while enhancing operational certainty and employee experience, rather than those competing on price alone.

This indicates that Jakarta's office recovery is becoming increasingly quality-driven rather than price-driven, with well-positioned, operationally efficient and sustainable buildings expected to outperform the broader market over the coming years

Operational efficiency and flexibility become the new occupier priorities

Transit proximity has evolved from a premium feature into a core operational requirement. CBD buildings located within walking distance of MRT or LRT stations continue to outperform the broader market, with average occupancy approaching 80%. For modern occupiers, access to public transportation is increasingly linked to employee convenience, productivity and workplace attractiveness rather than merely location prestige.

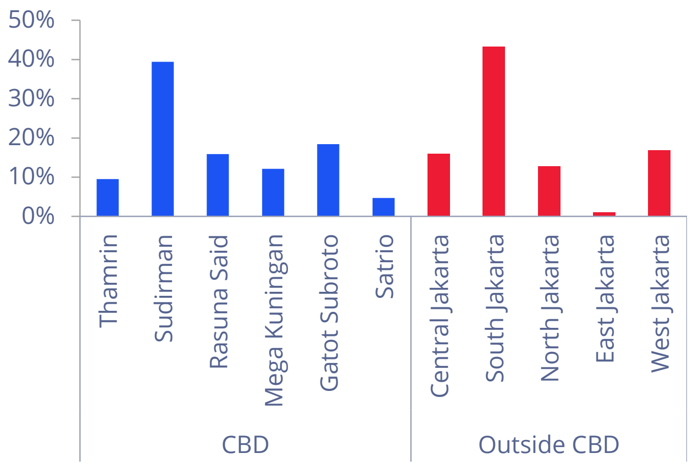
This shift is also visible outside the CBD, where corridors with existing or planned mass transit connectivity continue to attract occupier interest. Relocations are increasingly influenced by the need to balance rental cost, employee accessibility and operational efficiency. In several recent cases, companies moved to buildings with stronger transit access while also reducing or optimising their occupied space.

Another major occupier preference is the growing demand for ready-to-occupy office space. Semi-fitted, fully fitted and fully furnished spaces are increasingly sought after because they reduce CAPEX, shorten internal approval processes and allow companies to move faster. In a cost-conscious environment, many tenants prefer spaces that can be occupied with minimal additional investment rather than starting from bare shell condition.

Landlords are beginning to respond by preserving usable fit-outs from previous tenants, offering fitted handover conditions, or funding fit-out works and amortising the cost into the rental package. Lease flexibility is also becoming more important, including shorter lease terms, renewal flexibility and options to expand or reduce space. For multinational tenants, green building certification is increasingly non-negotiable due to head office ESG requirements, reinforcing the competitive advantage of certified and well-managed buildings

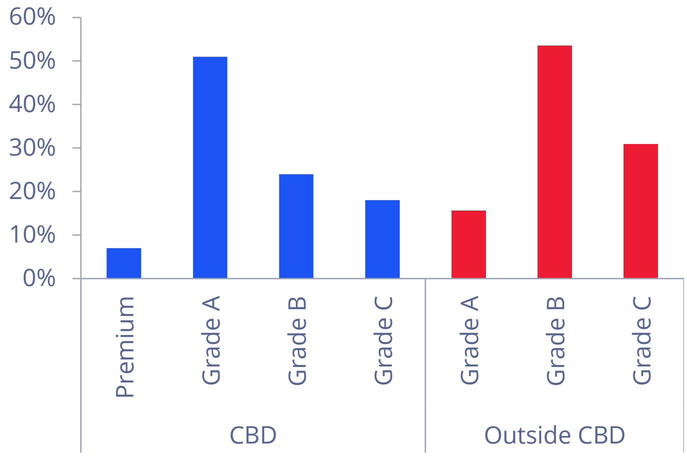
Vacancy space

by area



Source: Colliers

by building grade



Source: Colliers

Rents recover at a measured pace as landlords compete through incentives

The average CBD asking base rent stood at approximately IDR 218,000 per m² per month in Q2 2026, registering modest growth compared with Q1 2026. Outside the CBD, average rents softened slightly to around IDR 168,000 per m² per month, although prime decentralised corridors such as TB Simatupang remained resilient at close to IDR 180,000 per m² per month.

CBD rents are expected to increase gradually, reaching approximately IDR 245,000 by 2029. However, these levels remain below the pre-pandemic average, indicating that Jakarta is still in a tenant-friendly pricing cycle. Outside the CBD, rents are expected to grow at a more moderate pace of around 2%-3% annually between 2026 and 2029.

Premium buildings continue to command the strongest pricing power, with average rents of around IDR 347,000 per m² per month, effectively returning to pre-pandemic levels. Most Premium CBD buildings now quote above IDR 300,000 per m² per month. Grade A CBD buildings recorded a more gradual recovery at around IDR 234,000, while Grade A buildings outside the CBD averaged around IDR 211,000 as they continue competing with CBD assets for corporate occupiers.

Although headline rents are gradually improving, effective rents remain shaped by landlord incentives. Rather than reducing asking rents significantly, many landlords prefer to maintain headline rates while offering rent-free periods, extended fit-out periods, fit-out contributions and other commercial incentives. This strategy helps landlords protect asset value while giving tenants a lower effective occupancy cost.

Rent-free periods can range from several months to as much as 12 months for larger or strategic tenants, depending on lease term, tenant profile and transaction size. Extended fit-out periods are also increasingly used to improve deal economics. These incentives remain an important tool for closing transactions in a market where tenants have multiple relocation options and strong negotiating leverage.

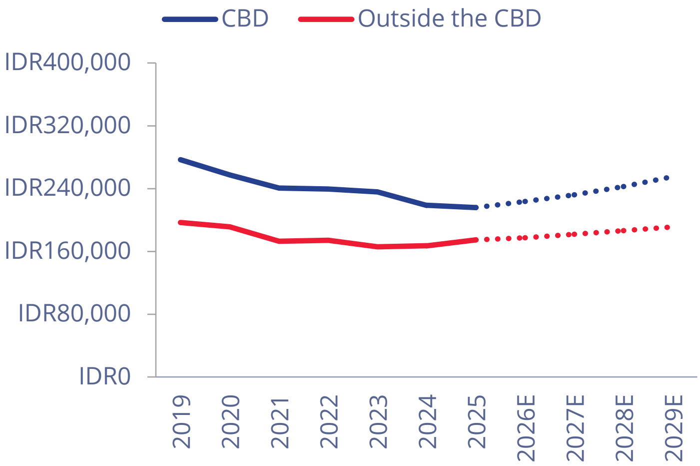
Service charges remained broadly stable in Q2 2026. In the CBD, average service charges were approximately IDR 86,000 per m^2 per month, while outside the CBD rates averaged around IDR 62,000. For-lease buildings generally command higher service charges than strata-title properties due to differences in specifications, facility standards, maintenance requirements and management quality.

Looking ahead, service charges are expected to increase gradually at around 3% annually during 2026-2029, driven by routine operational costs, utilities and facility maintenance. Corporate occupiers should factor these predictable adjustments into long-term occupancy budgeting, particularly when comparing headline rents with total occupancy costs.

This pricing environment continues to encourage corporate relocations and office upgrades. Rather than expanding their office footprint, many occupiers are taking advantage of competitive leasing terms to relocate into newer, higher-quality buildings while maintaining overall occupancy costs within existing budgets.

In today's market, rental cost has become only one component of the overall occupancy decision. Occupiers are increasingly evaluating total occupancy cost, relocation speed, workplace readiness, transport accessibility, ESG compliance and leasing flexibility. Consequently, buildings that reduce operational friction and accelerate business continuity are expected to outperform those competing primarily through rental discounts.

The average rent YoY (m^2/month)



Source: Colliers

Strata-title sales remain quiet amid limited transaction activity

The strata-title office market remains subdued, with limited transaction activity and no meaningful new supply. Average asking prices in the CBD and outside the CBD remained broadly stable at approximately IDR 57 million and IDR 34 million per m^2, respectively. SCBD remains the most premium strata-title office market, with average asking prices around IDR 82 million per m^2 due to limited supply and its established market position.

Outside the CBD, asking prices generally remain within the IDR 20 million to IDR 40 million per m^2 range. Established areas such as South and North Jakarta continue to maintain relatively stable price

levels, supported by accessibility and existing tenant bases. However, buyer activity remains cautious amid economic and policy uncertainty.

Price stability reflects the preference of most owners to hold assets rather than accept lower prices. With limited developer-owned stock available, activity remains concentrated in the secondary market. Investors are becoming more selective and generally prioritise assets with stronger rental potential, better building quality and clearer long-term value preservation prospects

Outlook: Recovery is improving, but remains tenant-led

Jakarta office demand is expected to continue improving gradually through the remainder of 2026, supported by corporate relocations, upgrading activity and selective new demand from logistics, energy, fintech and foreign companies. However, the market is not yet in a broad-based recovery phase. Most transactions are still driven by relocation, rightsizing and quality upgrading rather than large-scale expansion, while new entrants generally require smaller spaces.

The next phase of recovery will therefore favour buildings that align with occupier priorities: ready-to-occupy space, flexible lease structures, public transport access, green certification and efficient total occupancy cost. Landlords that respond to these requirements are likely to capture a larger share of demand and shorten vacancy periods.

Colliers Perspective: Tenant priorities are shifting from rental cost alone to operational efficiency, flexibility and workplace readiness. In this market, the winning office assets will not necessarily be those offering the lowest headline rents, but those that reduce occupiers' relocation friction and support long-term workplace performance.

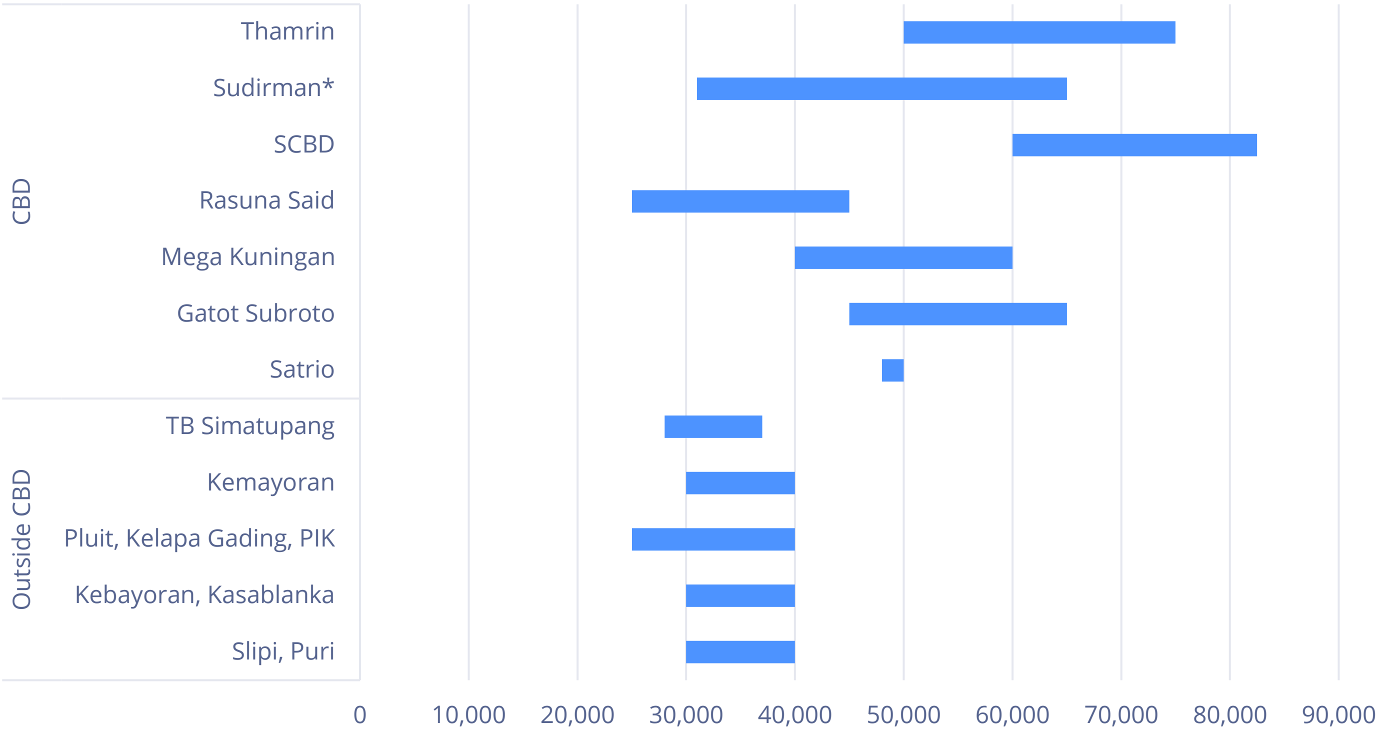
Appendix

Under construction projects

Project Name	Location	Developer	SGA (m2)	Marketing Scheme
CBD				
2028				
Two Sudirman	Sudirman	Taspen and Mitsubishi Estate	60,000	For Lease
2029				
Indonesia-1 North Tower	Thamrin	Media Group	36,000	For Lease
Outside the CBD				
2026				
Arumaya Financial Center	TB Simatupang, South Jakarta	Astra Property	33,485	For Lease

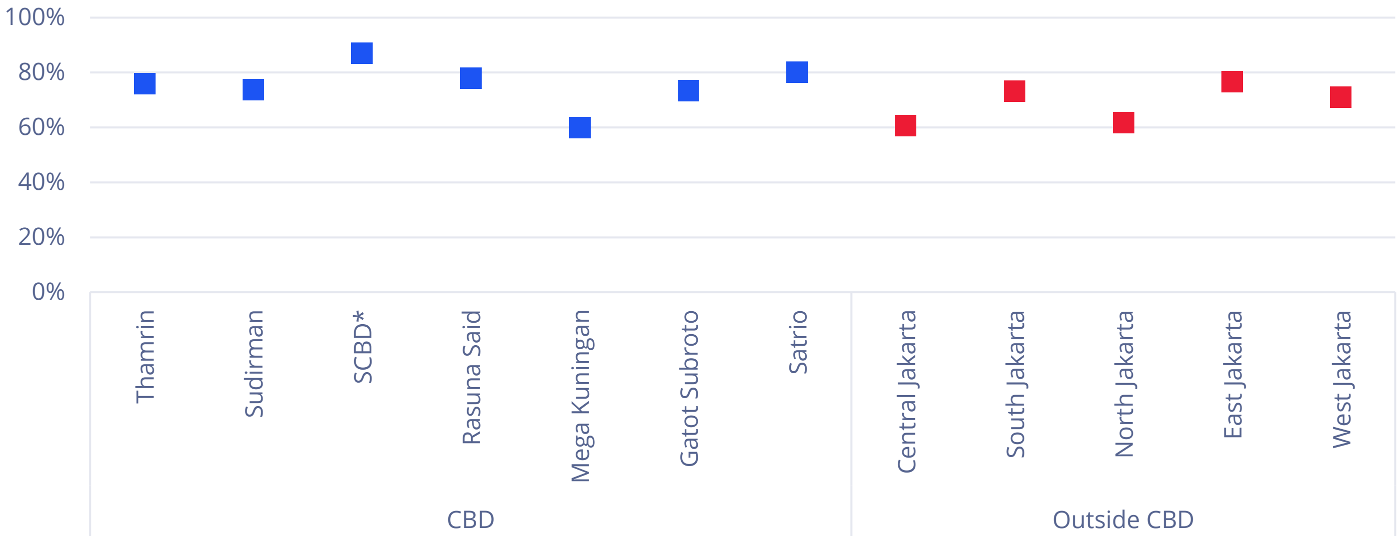
Source: Colliers

Range of Asking Selling Price Strata-Title Office (IDR thousand/m²)



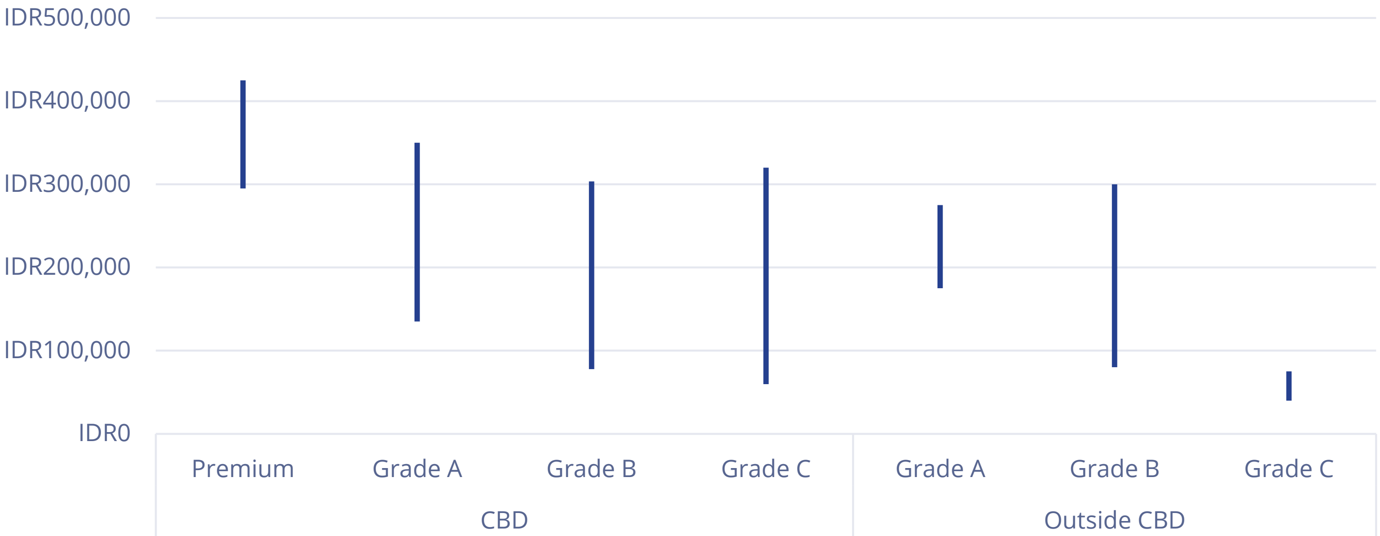
Source: Colliers
**) excluding SCBD area*

Occupancy rate



Source: Colliers
**) SCBD: Sudirman Central Business District*

Asking for base rent



Source: Colliers

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