QUANTUM
INDONESIA

August 2025 Report

MONTHLY MARKET UPDATE

An update on current market trends, identifying and analysing rapidly growing segments, emerging opportunities, and consumer demands to help stakeholders make informed decisions.

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EXECUTIVE SUMMARY

Indonesia's economy remains resilient in the face of global economic challenges. The construction sector is experiencing mixed activities, with some segments showing positive trends while others face challenges.

Residential Sector: The landed house market continues to be the primary driver, in contrast to the apartment market, which has seen slow movement for several years. Numerous major property developers are focusing on the middle to high segment, with a fairly strong demand for subsidized affordable housing.

Industrial Sector: It has maintained steady growth, primarily driven by Chinese investment over several consecutive years, with a particular emphasis on the downstream processing of natural resources. Furthermore, the ongoing relocation of various industrial sectors has given rise to fast-growing industrial zones and Special Economic Zones (SEZs).

Data Centre Sector: Asia's role as a global data centre hub, is driven by the rapid growth of its digital economies. The most reliable data centre locations have been identified as being centred in the Jakarta city centre, the industrial zones in Cikarang and the digital park in Batam.

Healthcare Industry: Driven by increased demand for healthcare services and investments from major hospital chains, the expansion will entail the addition of beds and facilities, with a particular focus on secondary cities. This will extend the sector's reach beyond downtown areas and high-end residences.

Energy Sector: There has been a marked scale-up investment and viable new projects in renewable energy. The primary focus will be an emphasis on the development of geothermal and solar power plants, as these are projected to dominate the upcoming installed capacity.

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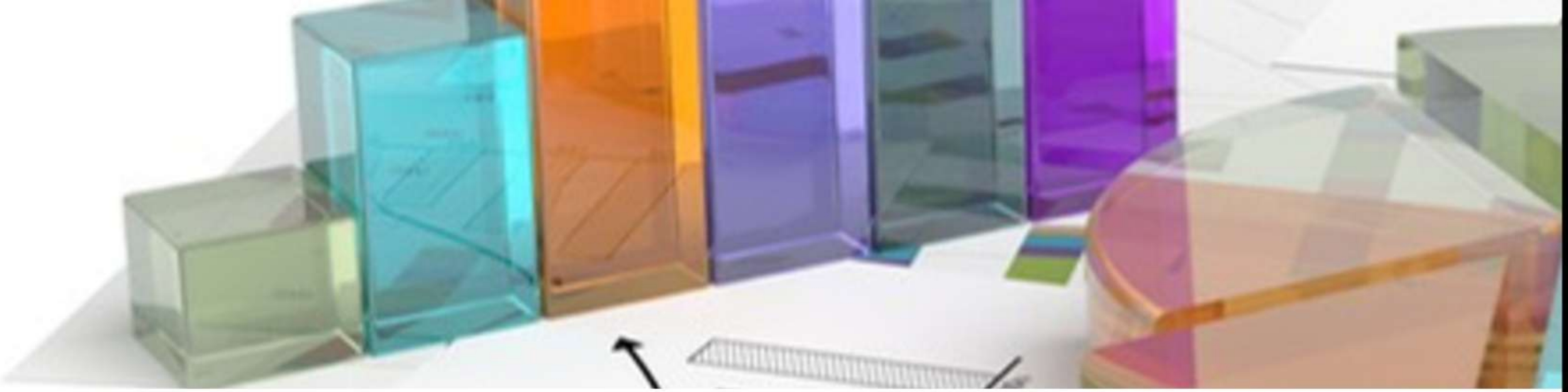

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A clear view of Indonesia's economic pulse tracking shifts in growth, spending, and investment behaviour. This section outlines the macro forces shaping risk, opportunity, and the pace of real development across sectors.

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The commercial real estate is shifting fast, driven by demand in healthcare, data infrastructure, and decentralised workspaces. Developers and investors are repositioning assets to match new population patterns, emerging growth centres, and changing business needs.

KEY ECONOMIC HIGHLIGHTS

Indonesia's economy remains resilient amid worsening global conditions. Its Gross Domestic Product (GDP) grew at 4.9% year-on-year in Q1 2025, slightly lower than previous post-pandemic quarters.

Domestic demand was impacted by reduced government consumption and lower investment. Budget efficiency measures led to a contraction in public consumption, while investment in construction and manufacturing sectors dipped due to investors' concerns over domestic and global policy uncertainty. (*World Bank, June 2025, Indonesia Economic Prospects, People-First Housing: A Roadmap from Homes to Jobs to Prosperity in Indonesia*)

Indonesia's economy is grappling with structural challenges, including declining purchasing power, a shrinking middle class, and seasonal growth factors diminishing in effectiveness, which could hinder future growth. External pressures, particularly from a potential trade war, further complicate the economic landscape. (*LPEM FEB UI publication report, Indonesia Economic Outlook Q2-2025 "Entering Growth Below 5"*)

The majority of sectors demonstrated slower growth rates, thereby emphasizing a widespread moderation across economic activities. A similar deceleration was observed in the construction sector, which accounted for 10.1% of GDP. This shift indicates a transition from large-scale infrastructure projects to those deemed as high-priority initiatives by the current government.

Indonesia's economy is in dire need of growth engine revitalization and structural transformation, as the signs of declining productivity are becoming more obvious in various sectors of the economy. The national economy is currently experiencing a period of transition, during which the private sector plays a pivotal role in shaping economic activities.

RESIDENTIAL SECTOR ANALYSIS

The focus is on the Greater Jakarta market. In this region, Quantum Indonesia has estimated that the construction value of the new project pipelines in the design stage and under construction, from the beginning of the year until July 2025, is expected to reach Rp26.33 trillion.

RESIDENTIAL SECTOR ANALYSIS

The new government has made a bold move to address the nation's longstanding housing backlog, a problem that has left millions of Indonesians, primarily low-income households (MBR), struggling to find affordable homes.

The government's strategic objective is to develop 2 million vertical residences and 1 million landed residences on an annual basis. While it is to be commended, resolving the housing backlog requires a multifaceted policy approach that addresses both supply and demand. This includes increased public housing construction, innovative financing solutions, and streamlining land acquisition processes.

The residential mortgage (KPR) growth generally indicates an expansion of the housing market and an increase in demand for home ownership. The growth of KPR values was recorded at 9.13%, slowing down compared to 13.91% in the same period of 2024. (*Bank Indonesia, The Residential Property Price Survey in the Primary Market for Q1 2025*). A series of government policies that have been in place aimed at addressing the housing backlog are a subsidized mortgage financing scheme known as the Housing Financing Liquidity Facility (FLPP) and value-added tax (VAT) incentives.

The focus is on the Greater Jakarta market. In this region, Quantum Indonesia has estimated that the construction value of the new project pipelines in the design stage and under construction, from the beginning of the year until July 2025, is expected to reach Rp26.33 trillion. The residential categories comprise landed houses, apartments, and rusunawa (low-cost rental apartments).

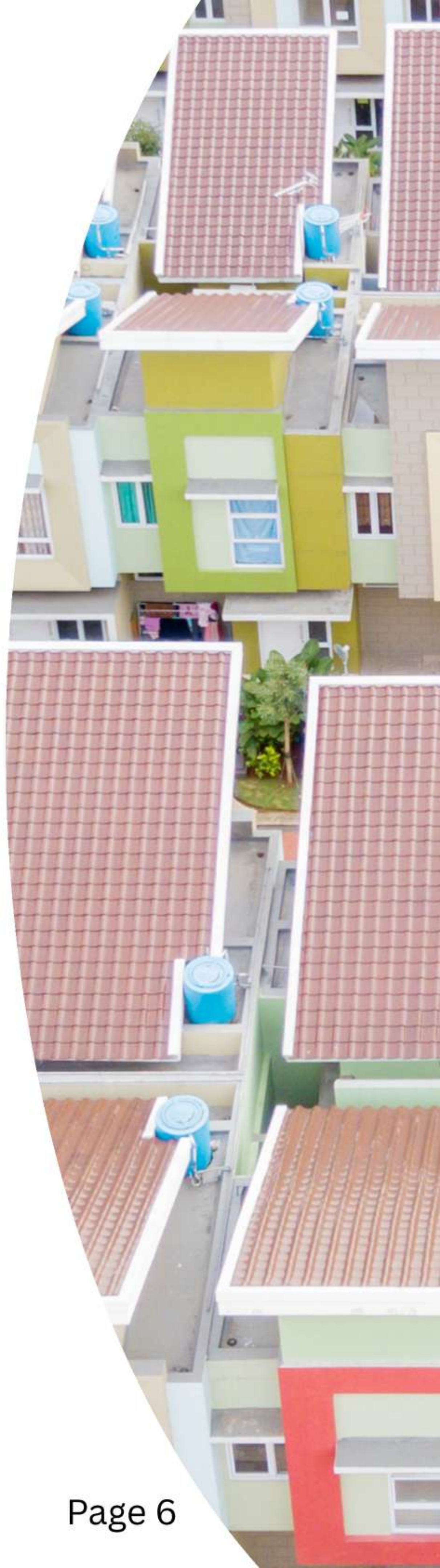
Meanwhile, the construction value in the western suburbs of Jakarta during the study period is projected to reach Rp11.76 trillion, representing the largest contribution of around 44.67% to the region's total value. The western suburbs of Jakarta consist of the Tangerang Regency, South Tangerang City and Tangerang City.

The implementation of the policy on the VAT exemption for residential property purchases is expected to have a negligible effect on the increase in apartment sales. However, it is reasonable to hypothesise that the policy will have a significant effect on the maintenance of sales of landed houses.

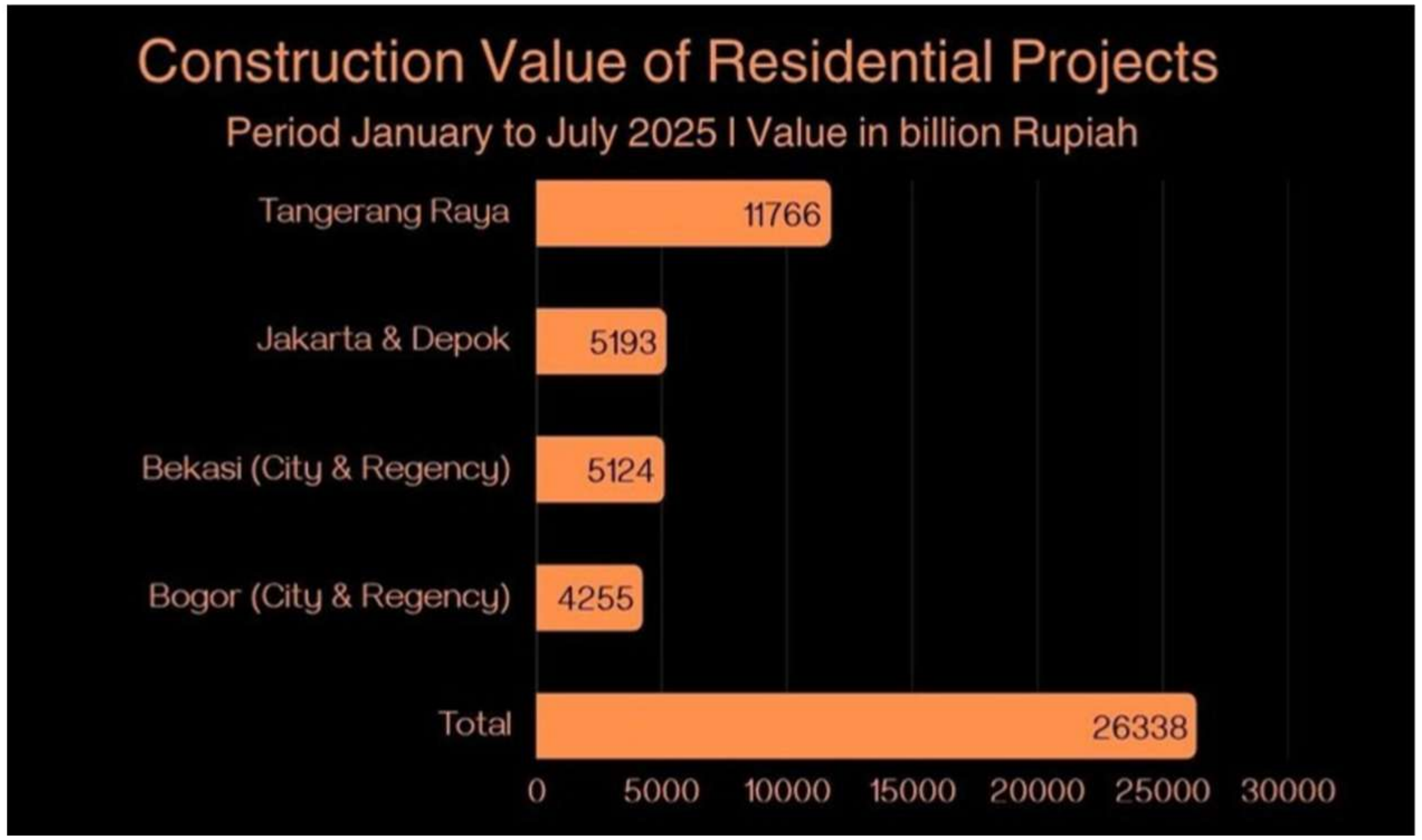
In relation to this market trend, property developers are progressively allocating their resources towards the construction of landed house properties, as opposed to the development of new apartment buildings.

The apartment market is set to remain slow paced until mid-2025, with a lack of new apartment launches and a limited pipeline of upcoming projects over the coming years. Property developers focus their sales efforts on existing units to benefit from the VAT incentive. This incentive is designed to boost the take-up rate in the apartment market, with particular emphasis on units that are under construction and completed units.

The Jakarta administration plans to construct and revitalise a series of flats and complexes across nine sites, primarily located in North Jakarta. The aim is to address the capital's housing backlog, with a focus on ensuring that the projects are easily accessible and located near economic hubs to attract tenants.

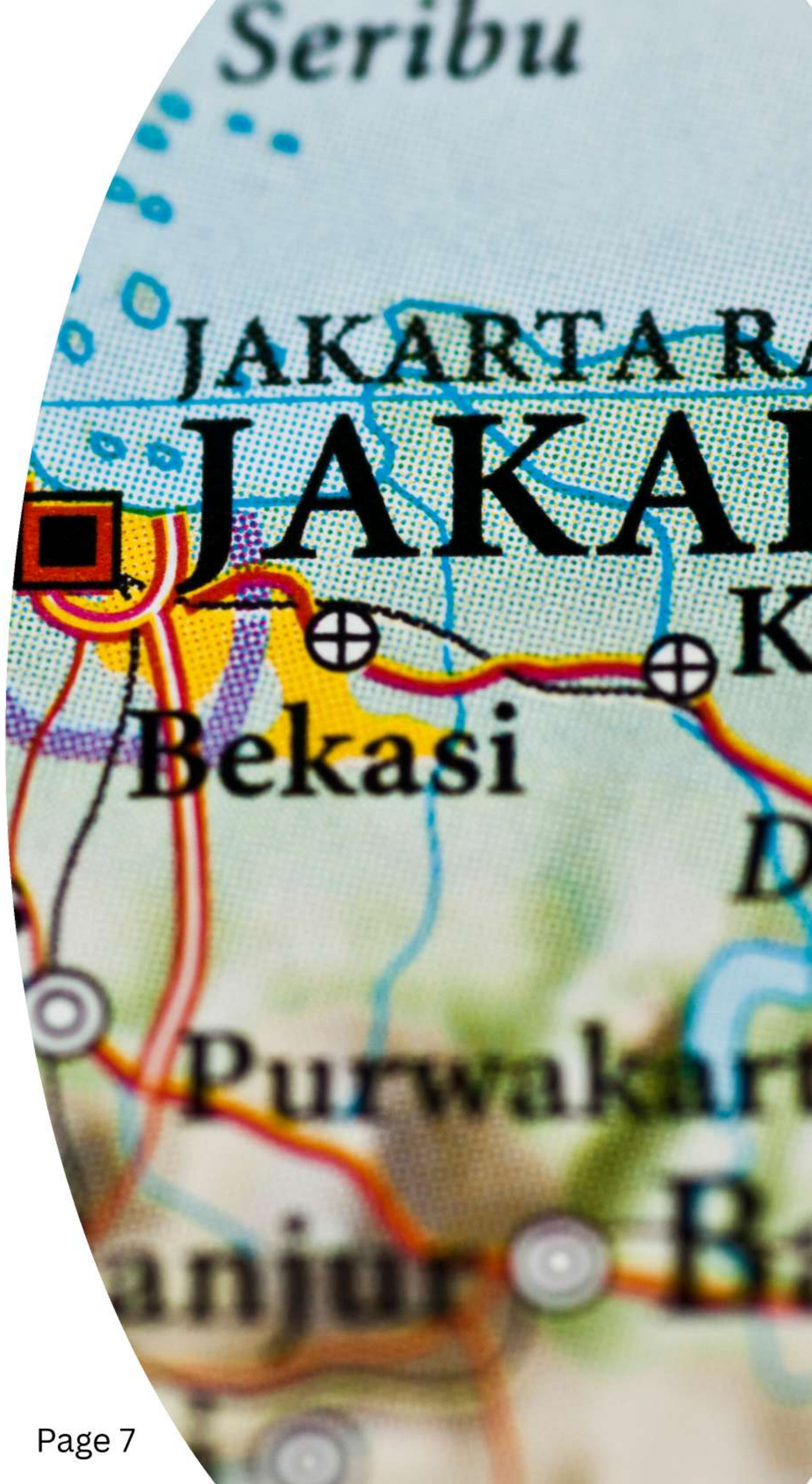


RESIDENTIAL SECTOR ANALYSIS



Market Drivers and Development Patterns

- Landed housing is driving demand. Developers are scaling back apartments. The western suburbs of Jakarta, particularly in the Tangerang Regency, dominate new housing launches.
- Rp14.56 trillion pipeline (design and under construction) in Greater Jakarta.
- Bekasi and Bogor corridors are expanding due to toll road access and commuter line connections.
- Affordable housing push: FLPP and VAT incentives are sustaining lower-end sales. KPR growth at 9.13%, signaling moderate absorption.
- The major property developers are acquiring land at scale in satellite towns to secure future inventory.



RESIDENTIAL SECTOR ANALYSIS

Conversely, the landed housing market is thriving with a more extensive selection for prospective buyers and numerous new development opportunities. The accelerated development of new townships by property developers in suburban areas has resulted in significant urban expansion on the outskirts of Jakarta.

In recent years, real estate developers have increasingly pursued deals with a wider array of partners. A strategic partnership is of crucial importance in enabling a company to enter new markets successfully and creating long-term growth.

Property developers in the satellite cities in the vicinity of Jakarta have acquired large-scale land holdings in order to ensure the availability of sites for future development.

Furthermore, the land bank has the potential to enhance diverse property portfolios, catering towards wider segments, as well as allowing for flexible and strategic development based on market conditions.

in the western suburbs of Jakarta, the Tangerang Regency is poised to emerge as a dominant role in the property market. A fundamental aspect underpinning the sustainable growth in the region is the existence of urban-scale housing complexes, including BSD City, Summarecon Serpong, Paramount Land, Alam Sutera, PIK 2, and various medium-scale housing complexes.

Sinarmas Land continues to prioritise the development of premium residential clusters in the West BSD area, as outlined below: Elyon at Eonna BSD, Armont Residence BSD, Belova Primes & Adora Luxe at Terravia BSD and Wynyard at Hiera BSD.

Meanwhile, property developer PT Summarecon Agung Tbk has recently begun to develop a new housing estate in the Curug area, on a land area of 109 hectares, known as Summarecon Tangerang. The development is now entering its third cluster, designated as the Rona Homes Cluster, following the success of the two previous clusters.

In the northern part of the Tangerang Regency, property developer Agung Sedayu Group is undertaking a major development project at PIK 2, which encompasses a substantial 6,600 hectares of landbank. PIK 2 features a multitude of landed house clusters, which are planned to undergo further expansion, thereby providing a wide array of residential options, from mid-range to high-end luxury properties.

The Tangerang City and South Tangerang City, which is adjacent to Jakarta, has undergone significant development over a considerable period, leading to its transformation into a mature property market, with limited undeveloped land remaining. In the context of the area's increasing constraints, many developers are undertaking initiatives focusing on premium housing.

RESIDENTIAL SECTOR ANALYSIS

in the southern suburbs of Jakarta, many property developers prefer to develop numerous housing residences in Bogor Regency, with a particular focus on those situated adjacent to BSD City. These locations are spread across Gunung Sindur, Rumpin, Parung Panjang and Tenjo.

Another factor that will further strengthen the growth of this area is its location along the Tanah Abang–Maja KRL commuter line. The majority of residential properties within the area are mid-scale and small-scale housing.

In the heart of Bogor Regency, extending along the Jagorawi Toll Road, this area is the most advanced and continues to experience development.

A number of leading developers are currently building housing complexes in Sentul area. The following are some of the notable developments in the Sentul City area: Citra City Sentul, Citra Mansion Golf Residence, Sequoia Hills Sentul, Orchard Riviera Sentul, and many more.

Concurrently, a marked similarity exists between the demographic profiles of the cities of Bogor and Depok, characterised by high population density and a scarcity of available land for housing development.

In the eastern suburbs of Jakarta, the Bekasi Regency covers a vast geographical area with economic activity concentrated in the central and southern parts of the region.

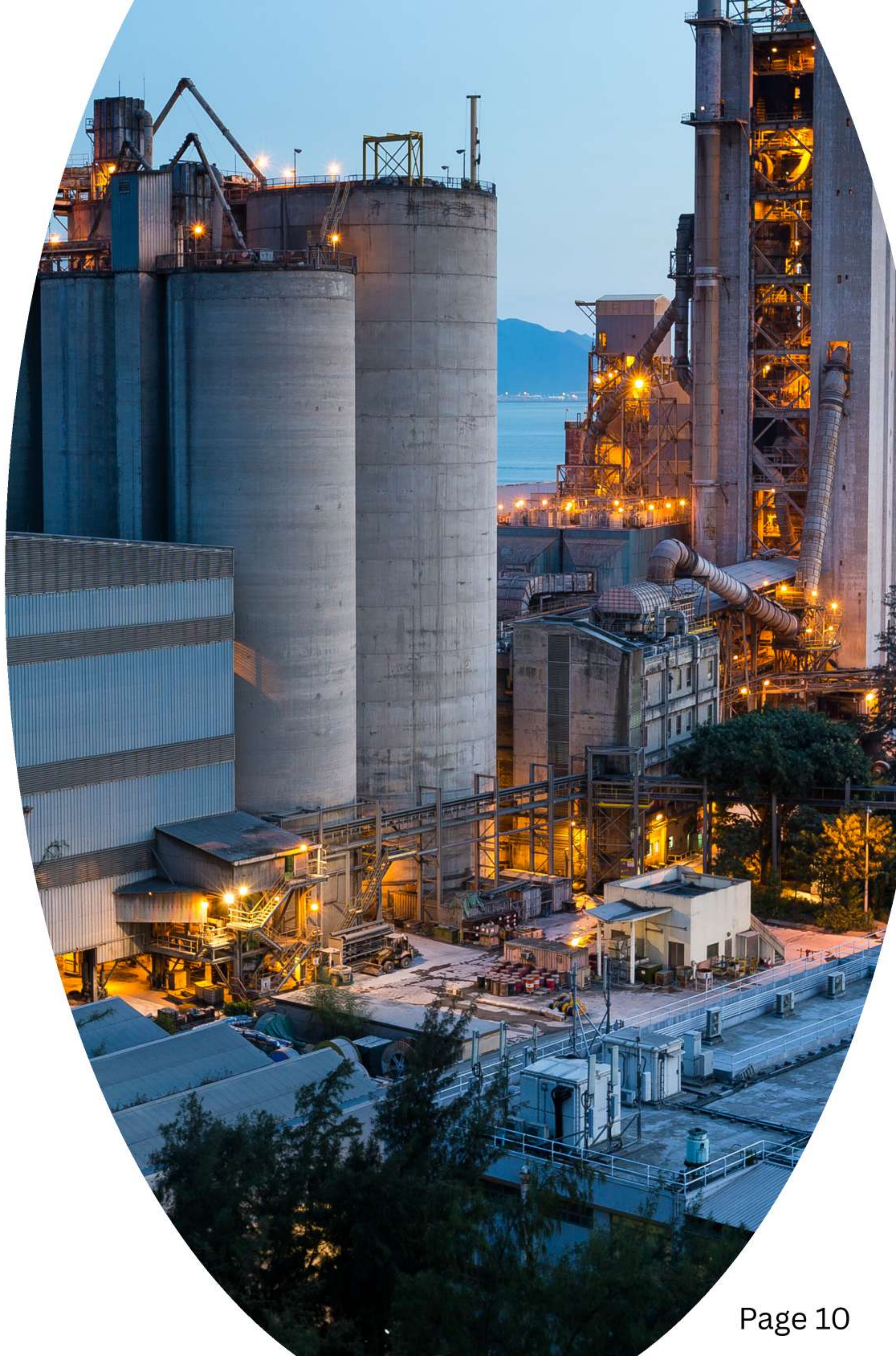
The operation of the Cibitung–Cilincing Toll Road has had a positive impact on accessibility, gradually encouraging the growth of new housing developments in various price ranges, including a significant amount of subsidized housing.

Sinarmas Land has continued to develop its two housing portfolios in Bekasi Regency, with the most recent being the launch of Averon Cluster at Kota Wisata Cibubur. Secondly, Grand Wisata Bekasi is currently focused on developing the eastern region, beginning with the marketing of sales for The Citrus Signature and the Altara Home Cluster.

Meanwhile, the primary challenge confronting the housing development in Bekasi City pertains to the scarcity of available land. The Altea BLVD has been developed through a collaboration between Astra Land and Sinar Mas Land, one of the new housing complexes with a fairly large landbank. The development is currently entering the second cluster of 12 planned clusters for the upper and middle market segments, with a total area of 75 hectares.

INDUSTRIAL SECTOR ANALYSIS

Quantum Indonesia has estimated that industrial estates in Karawang and Subang will be the largest contributors to the national industrial project portfolio ... It is anticipated that the construction value of new project pipelines in the design stage and under construction, from the beginning of the year to July 2025, will reach Rp38.34 trillion.



INDUSTRIAL SECTOR ANALYSIS

In the first quarter of 2025, the manufacturing sector contributed 19.25% to Indonesia’s Gross Domestic Product (GDP); concurrently, it recorded a year-on-year growth of 4.55%. The structure of Indonesia's national manufacturing sector over the past decade shows that the sector's growth tends to decelerate, indicating a trend of premature deindustrialization.

In recent years, a notable shift has been observed in the development of new industrial estates, with a growing focus on the central and eastern regions of Java Island. In addition, various facilities to attract investors include streamlined processes for acquiring a business licence, attractive tax incentives, expandable integrated infrastructure, reliable connectivity, a competitive workforce, and a supportive environment for business operations.

The following industrial zones have been identified as having the most significant portfolio of numerous upcoming projects for new factories, manufacturing plants and warehousing:

- Bekasi, Tangerang and Banten (Greater Jakarta - Banten)
- Karawang and Subang (West Java)
- Batang and Kendal (Central Java)
- Surabaya and Gresik (East Java)

Quantum Indonesia has estimated that industrial estates in Karawang and Subang will be the largest contributors to the national industrial project portfolio, as they are set to become the main hub for factory growth in the electric vehicle industry, which requires high technology and significant capital investment. It is anticipated that the construction value of new project pipelines in the design stage and under construction, from the beginning of the year to July 2025, will reach Rp38.34 trillion.

This region continues to attract investors due to the presence of numerous industrial zones, and is also home to an electric vehicle facility being constructed for the automotive ecosystem, a project which necessitated substantial investment.

In Subang, a significant development has commenced in the automotive industry, with the construction of two electric car factories. Developed by PT Surya Semesta Internusa Tbk, Subang Smartpolitan is one of the largest industrial estates in Subang, spanning 2,717 hectares.

In the textile industry, PT Xinfung Industry Indonesia, a Chinese investor, has initiated the construction of a new 4-hectare factory in Subang Smartpolitan.

In conjunction with the opening of the Patimban Deep Sea Port, PT Barito Pacific Tbk is developing the Patimban Industrial Estate, the newest industrial estate, which will cover an area of 1,200 hectares and is in the process of becoming a special economic zone.

In the Artha Industrial Hill (AIH) and Karawang New Industry City (KNIC), Karawang, construction has commenced on an integrated EV battery ecosystem project, with total investment set to reach US$5.9 billion, equivalent to Rp96.04 trillion for upcoming years.

The facility is a collaboration between Indonesia Battery Corporation (IBC) and the Contemporary Amperex Technology Co Ltd. (CATL). The Karawang plant is part of a broader nickel downstreaming initiative that spans the entire EV battery supply chain, from mining to recycling.

INDUSTRIAL SECTOR ANALYSIS

Market Drivers and Development Patterns

- Primary clusters: Karawang, Subang (EV battery, logistics, textiles), Cikarang (solar panel, pharmaceuticals), Batang, Kendal (export-oriented SEZs).
- EV ecosystem in Karawang: $5.9B EV battery project by CATL and IBC signals long-term supply chain anchor.
- Subang Smartpolitan & Patimban SEZ: central to West Java's next-gen industrialisation.
- Bekasi-Cikarang now a high-tech and clean energy manufacturing zone (solar, pharma, logistics).

INDUSTRIAL SECTOR ANALYSIS

Industrial estates in the region of Bekasi, most notably those situated in the vicinity of Cikarang, are recognised as prominent high-tech industrial hubs. Prominent industrial areas include GIIC Deltamas, Jababeka, MM2100, Delta Silicon and EJIP (East Jakarta Industrial Park).

The region is home to a thriving ecosystem of industrial entities specialising in the production of solar cells and solar panel modules. In the GIIC Deltamas, Pertamina NRE has formed a partnership with LONGi Green Technology Co., Ltd. with the aim of developing a solar panel manufacturing facility with a target capacity of 1.4 GW per annum.

Alongside the emergence of industries that lead to high-value activities, there have been significant advancements, especially industry-based research and development in the pharmaceutical sector. PT Kalbe Farma Tbk is collaborating with Livzon Pharmaceutical Group Inc. China, and the construction of an active pharmaceutical ingredients (API) manufacturing facility has commenced in the GIIC Deltamas.

Meanwhile, PT Jababeka Tbk continues to develop industrial estates while also working on the construction of Jababeka Bizpark, a warehouse and logistics park, in collaboration with the Japanese Keihan Group.

In the regions of Batang and Kendal, the designation of the Grand Batang City as the Industropolis Batang special economic zone will further strengthen its position as a new industrial growth centre, with the potential to attract investment in various strategic sectors.

The commitment of numerous investors from various industry sectors to the Grand Batang City project is evidenced by the signing of a Land Utilisation Agreement.

These investors include PT Victory Utama Beton (VUB), a company in the ready-mix concrete industry; PT Simba Indosnack Makmur, a cereal and snack products manufacturer, and PT Jingxing Weiss Indonesia, an automated storage systems company.

In Kendal Industrial Park, PT HSG Material Indonesia has commenced the manufacturing facility in construction materials, specifically prefabricated pipe piles, prefabricated square piles, and precast concrete. This strategic focus is intended to address the industrial demand within the domestic and export markets.

In the province of East Java, there are 13 large-scale main industrial areas spreading across the cities of Surabaya, Sidoarjo, Gresik, Mojokerto and Pasuruan. The largest of these is the Java Integrated Industrial and Port Estate (JIIPE) in Gresik, which covers an area of 1,761 hectares.

The JIIPE Gresik is an integrated industrial area with a focus on heavy and downstream industries. The industrial estate has been designed to attract a variety of industries, including those involved in chemical, steel, and smelter manufacturing, and offers deep-sea port facilities to support export and import activities.

The national mining company, PT Aneka Tambang Tbk, had entered into a land sale agreement in JIIPE. This strategic move signifies a pivotal step in the advancement of metal processing downstream. The company has plans to build a gold processing facility on 104 hectares of land.

In recent developments at JIIPE Gresik, the Chinese chemical company Golden-Elephant Sincerity (GESC) has initiated the construction of an eco-friendly chemical plant, with an estimated value of approximately Rp9.6 trillion.

INFRASTRUCTURE & ENERGY SECTOR ANALYSIS

The Ministry of Public Works is reaching out to infrastructure investors with an invitation to participate in nine projects under the PPP scheme. The total investment value of these projects is Rp90 trillion.

INFRASTRUCTURE & ENERGY SECTOR ANALYSIS

The Ministry of Public Works is reaching out to infrastructure investors with an invitation to participate in nine projects under the PPP scheme. The total investment value of these projects is Rp90 trillion, and they are listed below:

- Water resources projects: Way Sekampung Dam in Lampung, Tapin Dam in South Kalimantan, Cipanas Dam in West Java, Leuwikeris Dam in West Java and Karalloe Dam in South Sulawesi
- Toll road projects: Gilimanuk–Mengwi Toll Road in Bali (96.84 km), Pejagan–Cilacap Toll Road in Central Java (95.39 km) and Sentul–Karawang Toll Road in West Java (60.36 km)
- Manggar Final Waste Processing Site (TPAS) in East Kalimantan

For the IKN Nusantara projects, private investment will also be a key priority, with ongoing building projects and infrastructure connectivity networks within the Government Core Area (KIPP) being given high priority for completion.

As access to IKN Nusatara is currently being facilitated, the main contractor has initiated the tendering process for construction works pertaining to Section 6B of the toll road (Phase 2). The project is planned to span 2.8 kilometres, with an estimated construction value of Rp839 billion, facilitated by a multi-year contract.

The Ministry of Transport, in the medium term, will prioritise the development of Bus Rapid Transit (BRT) systems in six metropolitan cities: Jakarta, Bandung, Semarang, Surabaya, Medan, and Makassar.

The Ministry is conducting two tenders for the construction of the Medan, Binjai, and Deli Serdang (Mebidang) BRT. The tender encompasses the On Corridor Line facility package and the On Corridor Shelter package, with a combined total value of Rp787 billion.

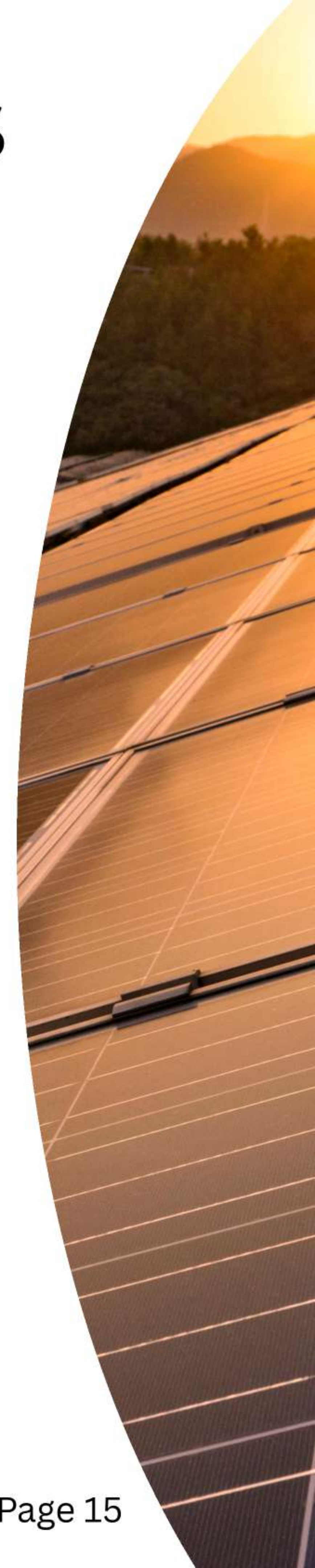
A number of SOEs are committed to maintaining their investment strategies, with the overarching objective of providing support to their business. Pelindo has recently entered into a collaborative agreement with PT Marina Development Indonesia (MDI), with the objective to develop variety of infrastructure facilities for the purpose of providing integrated maritime services, namely the Bali Benoa Marina.

In the energy sector, Masdar, the UAE's clean energy leader, and PT PLN (Persero), Indonesia, have signed an agreement to advance the development of floating solar power projects. The agreement pertains to the development of 100 megawatts of floating solar power at the Jatigede Dam reservoir in Sumedang, West Java.

PT PLN Indonesia Power has previously announced its intention to construct a 100-megawatt solar power plant in Banyuwangi Regency, which is set to become the site for Indonesia's largest land-based solar power plant, situated on a 130-hectare site.

Many companies are currently focusing their efforts on renewable energy (EBT) projects. Most recently, PT Pertamina Geothermal Energy Tbk (PGE) officially initiated the construction of the Ulubelu Gunung Tiga Geothermal Power Plant (PLTP) in the Gunung Waypanas geothermal working area, Lampung, with a capacity of 55 megawatts.

Following the official agreement between Indonesia and Singapore to export clean electricity, primarily from solar power, preparations are underway for power plants located in Batam. One such initiative is the joint venture between PT TBS Energi Utama Tbk and PT PLN Nusantara Power, which has led to the development of the Tembesi Floating Solar Power Plant, with an estimated capacity of 46 MWp and an estimated investment requirement of Rp481 billion.



INFRASTRUCTURE & ENERGY SECTOR ANALYSIS

Market Drivers and Development Patterns

- Nine PPPs totalling Rp90 trillion: Water resources, toll roads, waste processing.
- IKN core works and toll access now in tender stages (e.g. Section 6B at Rp839 billion).
- Metro BRT rollout in Jakarta, Bandung, Surabaya and more — signalling need for buses, terminals, logistics hubs.
- Large-scale renewables:
    - 100MW floating solar (Masdar-PLN)
    - 100MW land-based solar (PLN Power, Banyuwangi)
    - 55MW geothermal (Pertamina, Lampung)
    - Batam floating solar (46MWp, TBS Energi)

COMMERCIAL SECTOR ANALYSIS

The commercial sector is experiencing accelerated growth, particularly in data centres and healthcare facilities. Despite the challenges facing the hospitality, office and retail sectors, a number of high-profile projects are continuing in key locations.

COMMERCIAL SECTOR ANALYSIS

Hospitality Sector Analysis

The economic slowdown and budget efficiency policies have impacted the hospitality sector. This is due to the elimination of government-related MICE events, which traditionally accounted for a significant proportion of hotel bookings and revenue. Amidst the intense competition among hotel industry players, new entrants are persisting in extending their operations into secondary urban centres.

In Purwokerto City, the construction phase of the nine-storey Harper by Aston Hotel has begun, with the appointment of PT Bandung Pilar Konstruksindo as the main contractor. The hotel will be the 11th of the Harper Hotel portfolio, which is managed by Archipelago International.

Archipelago International has been relatively active in establishing new portfolios in cities outside Java. For instance, the following hotels are in the design and development planning stage: the Fave Hotel Palu, the Avanika Kintamani Bali and the Aston Merauke Hotel & Conference Center.

In Batam, Artotel Group has officially entered into a partnership with Winner Group, with the aim of adding two new hotels to its portfolio. The first of these is Artotel Trans Barelang Batam, which is to be located in the Winner Goshen Park area, and the second is Artotel Casa Tiban Batam, which is to be located in the Winner Mangrove area. The construction process of the two condotels has now commenced, with an estimated completion date of 2026.

Meanwhile, Marriott International has undergone a significant expansion of its hotel network over the past two years, with seven new Marriott properties scheduled to open this year and further in 2026 across key destinations.

Healthcare Sector Analysis

Health Special Economic Zones (SEZ), including the Sanur and Batam SEZs, have been developed to promote the establishment of hospitals and health facilities that adhere to international standards in Indonesia. Mayapada Healthcare (PT Sejahteraraya Anugrahjaya Tbk) is currently in preparation on Mayapada Apollo Batam International Hospital, located in the Batam International Health Tourism SEZ. This project is a collaborative initiative between Mayapada Healthcare and Apollo Hospitals India.

Another project that is in the early construction phase is the Mayapada Hospital South Jakarta (MHJS) Tower 3, which is located in the Lebak Bulus area. The construction of the 24-storey hospital building represented an investment of more than Rp900 billion and has a total building area of 110,209 square metres.

Meanwhile, RS Abdi Waluyo, renowned for its excellence in healthcare services, is set to expand its reach and capabilities by developing a new hospital on a 1-hectare plot of land in Grand Batang City.

In the first half of 2025, several hospital operators began constructing their hospital networks. This included the Mitra Keluarga hospitals in BSD City and Singosari, Malang, as well as the Hermina hospitals in Mengwi, Bali and Blotongan, Salatiga.

Several universities with medical faculties are continuing to expand their academic hospitals (RSA), looking to completing their healthcare infrastructure. The recent project, Universitas Gadjah Mada Academic Hospital (RSA UGM), has commenced construction of three new buildings, comprising a private inpatient wing, a cardiology wing and an oncology building.

COMMERCIAL SECTOR ANALYSIS

Office & Data Centre Sector Analysis

Population shift has led to a resurgence in suburban living and a rise in demand for suburban office properties, and will lead to a shift away from the downtown CBD and towards the suburbs. The Central Business Districts (CBDs) of PIK 2 and BSD City have become prime locations for national companies to build medium- to high-rise office towers. At the same time, numerous low-rise office lofts and freestanding buildings have emerged on commercial plots.

Private companies have the flexibility to streamline the process of constructing new offices because they are typically either self-occupied or with no pre-commitment of leases required. Recently, PT Saraswanti Indo Genetech (SIG) initiated the construction of SIG Tower, designed as an 18-storey office and laboratory facility.

In Data Centre sector, within Indonesia, it is predominantly centered in three primary locations including Jakarta, Bekasi and Batam. Edgnex Data Centres, a Damac development, is planning the construction of a data centre with a future projected capacity of 144 MW. The facility will be situated on a 12-hectare site in the Cikarang industrial area. This portfolio will be Damac's second business plan, having previously announced its first data centre with a capacity of 19.2 MW, which is to be constructed on Jalan MT Haryono in South Jakarta.

Recently, Sinar Mas and LG CNS have initiated construction of Data Centre SMX01, a data centre designed to be AI-ready, in the Rasuna Epicentrum area.

In Batam, a number of data centre projects are currently under construction or in the planning stages, including NeutraDC, Nxera, GDS IDC Data Centre (Phase 2), Princeton Digital Group (PDG) BT1 Data Centre and DCI Indonesia Data Centre (DCI-H3 Sky Bintan).

Retail Sector Analysis

The emergence of shophouses is typically located on a strategic site along major roads within residential areas. These buildings are designed to combine residential and commercial activities, and their development is a natural necessity arising from the growing residential population.

The following are the newly launched shophouses and commercial lofts including: Exquis BSD City, Studio Loft Pasadena Gading Serpong, Powell Studio Loft SEZ BSD City, Maxim Square Paramount, Westfield Center Grand Wisata, City Hub Commercial Summarecon Serpong, Iconix Infinite Studio Premium BSD City and many more.

In the present year, amidst the slowing down of the retail market, renovations were done by two shopping centres, including the Lippo Mall Nusantara, formerly known as the Plaza Semanggi, and the Epicentrum Walk.

In Makassar, Ciputra Group has started construction of the five-storey Mall of Ciputra World Makassar (CWM) in the Centre Point of Indonesia (CPI) area. Another shopping centre portfolio being planned by Ciputra Group is a two-storey shopping centre for the middle and lower classes, within the Citra Indah City residential development in Jonggol.

In the context of the revitalisation of struggling shopping malls, rebranding and adaptive reuse emerge as pivotal strategies. This approach involves the transformation of these spaces into vibrant, mixed-use environments, thereby facilitating the diversification of business and activity offerings.

COMMERCIAL SECTOR ANALYSIS

Market Drivers and Development Patterns

- Hospitality pullback due to MICE cuts. Private players shifting to second-tier cities and niche locations.
- Healthcare real estate is scaling: Mayapada, Mitra Keluarga, Hermina expanding in Java and Batam. SEZ-linked hospitals are now a target for cross-border health investment.
- Office space demand shifting suburban: BSD City, PIK 2. More self-occupied and flexible office models.
- Data centres booming: Jakarta–Bekasi–Batam triangle is key. Projects by Damac (144MW), LG CNS, Sinar Mas, DCI in progress.
- Retail evolution: New launches in suburban hubs. Legacy malls shifting to mixed-use or being redeveloped.

METHODOLOGY

This report uses a direct, execution-based approach to assess real market activity. It focuses on where capital is being deployed, where development is moving forward, and where supply chains are being restructured in response. Evaluation is anchored in verified project pipelines, planning approvals, land acquisition patterns, and procurement outcomes, focusing on sectors where intent has translated into action: residential, industrial, infrastructure, and energy.

Movements are tracked through shifts in land use, rollout of master plans, and confirmed funding commitments. Particular attention is given to agencies driving public investment and delivery, helping to separate announcements from actual progress. Growth areas are mapped based on infrastructure delivery, logistics patterns, and the clustering of large-scale development.

This approach strips away noise and highlights where activity is real and underway. The result is a grounded view of market momentum, giving readers a sharper understanding of where opportunity is emerging and where it's already in motion.

Focus: A clear lens on market execution, grounded in field insight and focused on the sectors where investment is turning into action.

ABOUT US

Quantum Mitra Solutions (QMS) is a Jakarta-based business transformation company, which helps Indonesian organisations navigate complexity, unlock growth, and lead with clarity. We guide companies to uncover hidden opportunities, anticipate market shifts, and outpace the competition. Our comprehensive approach transforms complex data into clear strategies—fuelling innovation, agility, and sustainable growth.

Regional Director Market Insights & Economics

Cahyono Siswanto is a senior market analyst with over 20 years of experience across Indonesia's construction, infrastructure, and industrial sectors. A graduate of Gadjah Mada University's Faculty of Economics, he offers deep expertise in economic trends, spatial development, and sectoral shifts shaping Indonesia's built environment. With a strong grasp of how capital, regulation, and industry dynamics interact, he provides clear, grounded insight to developers, contractors, manufacturers, and policymakers. His work bridges national strategy and local execution, helping stakeholders navigate change and make informed, forward-looking decisions.

LOOKING FOR TAILORED MARKET INSIGHTS?

Our goal is to equip Indonesian businesses with focused, actionable analysis—so that you can make smarter decisions, grow sustainably, and stay ahead of the market.

Get in touch with us to explore how we can support your next move with clarity and confidence.

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