



## Full Steam Ahead: MRT Jakarta's TOD Plans Take Shape

November 2017

Jakarta's provincial government is moving ahead with the first phase of Jakarta's metro, the South-North corridor. As the master developer, MRT Jakarta plans to develop a combination of transit infrastructure and property development under a transit oriented development ("TOD") model. The primary focus is to deliver better public transport services while at the same time, improving connectivity and maximising other opportunities for both the public and private sector.

TOD involves a wide range of fiscal, social and environmental opportunities such as reducing traffic congestion, revitalising neighbourhood areas and increasing property tax revenue. In particular, one of the keys to unlock fiscal benefits lies in a value capture approach where the built environment around metro stations and depots can be designed to support ancillary revenue capture by MRT Jakarta. This may include, for example, additional tax revenue from retail and support businesses.

MRT Jakarta's TOD masterplan, which aims to incorporate the value capture approach, is scheduled for release in March 2018. Central to the masterplan is property development around the new stations and depots in the South-North corridor, with particular focus on Dukuh Atas, Blok M, Cipete, Haji Naw, Blok A and Fatmawati. Preliminary concepts have already been released for Dukuh Atas, showing integration with various rail links and bus stations, while offering improved retail and pedestrian spaces.

Jakarta's TOD project may benefit from lessons learnt in other geographies such as the UK, Hong Kong and Singapore. King's Cross St. Pancras is a great example of a mixed-use, urban regeneration project in central London. Regionally, Hong Kong's profitable MTR Corporation Limited is often cited as a TOD exemplar.

Local challenges and factors relating to the implementation of the TOD model include limited land ownership, a lack of planning powers and uncertain

regulatory environment. There are no easy answers, but a focus on advocacy, planning and capacity building will be an important step towards TOD transformation.

### For further information, please contact:



**Marius Toime**

Partner  
Singapore  
T: +65 6571 6603  
Marius.toime@blplaw.com



**Edward Stewart**

Associate  
Hong Kong  
T: +852 3143 8435  
Edward.stewart@blplaw.com