

MARKETBEAT OFFICE SNAPSHOT

BANGKOK, THAILAND

Q1 2018

MARKET OVERVIEW

BANGKOK OFFICE MARKET

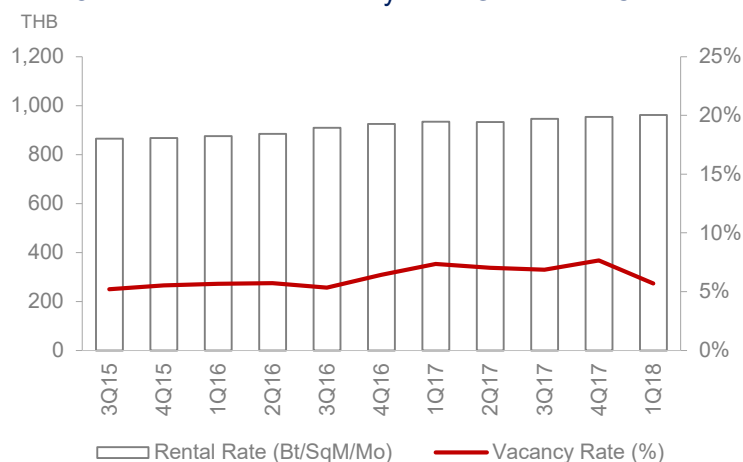
	Q3 17	Q4 17	12-Month Forecast
GDP Growth	4.3%	4.0%	▲
CPI Growth	0.70%	0.70%	■
Unemployment	1.2%	1.1%	▼

Source: NESDB

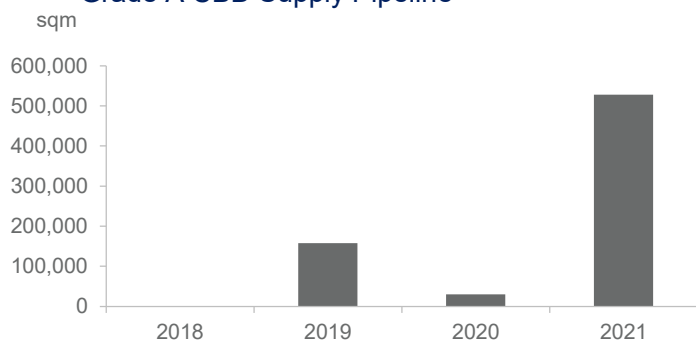
Grade A Market Indicators

	Q4 17	Q1 18	12-Month Forecast
Overall Rent	THB953.13	THB962.03	▲
Vacancy Rate	7.66%	5.68%	▼

Overall Rent and Vacancy Rate Grade A in CBD



Grade A CBD Supply Pipeline



Economy

The Thai economy in the fourth quarter of 2017 expanded by 4.0%, continuing from 4.3% growth in the previous quarter. After seasonally adjusted, the Thai economy in the fourth quarter expanded by 0.5% (%QoQ sa).

In 2017, the Thai economy expanded by 3.9%, improving from 3.3% in 2016. Export value grew by 9.7% while private consumption and total investment increased by 3.2% and 0.9% respectively. The headline inflation averaged 0.7% and the current account remained in a surplus of 10.8% to GDP.

The Thai economy is expected to expand in the range of 3.6 – 4.6% in 2018. Moreover, it is expected that export value of goods will expand by 6.8%. Private consumption and total investment will grow by 3.2% and 5.5% respectively. The headline inflation is forecasted to be in the range of 0.9% - 1.9% and the current account will register a surplus of 7.8% of GDP.

Market Overview

With a total supply of 4.25 million sqm, Bangkok's office market still substantial with increasing rents and low vacancy in the fourth quarter. Nonetheless, there was no new supply in this quarter.

Overall office space demand in Bangkok remained strong in both CBD and Non-CBD area. The vacancy rates were continually low at 5.44% in CBD and 2.59% in Non-CBD slightly decreased from a previous quarter.

The average rent of Bangkok's office space was continually increasing. The average monthly rent for Bangkok's CBD office space rose to THB825.74 per sqm (THB962.03 for Grade A and THB721.90 for Grade B), increased 5.49% Y-o-Y. On the other hand, the average rental rate per sqm per month slightly decreased to THB677.18 (THB822.06 for Grade A and THB612.37 for Grade B), changed -0.73% Y-o-Y.

Outlook

Demand for office space remained strong, with high rents and low vacancy rates. Most of the new supply will be Grade A in mixed-use developments on leasehold land plots. Moreover, many old office buildings are planning to renovate due to high competition.

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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	UNDER CONSTRUCTION (SQM)	GRADE A EFFECTIVE RENT		
				THB/SQM /MO	US\$/SF /MO	EUR/SF /MO
GRADE A CBD						
Ploenchit&Rama I	266,290	1.91%	-	1,030.00	\$3.07	€ 2.47
Rajadamri&Lang Suan	-	-	50,000	-	-	-
Sathorn	472,000	4.90%	3,200	870.00	\$2.60	€ 2.08
Rama IV	246,767	6.38%	625,000	950.00	\$2.83	€ 2.27
Silom	21,500	0.00%	-	720.00	\$2.15	€ 1.72
Wireless	263,710	10.70%	-	1,016.88	\$3.03	€ 2.43
BANGKOK GRADE A CBD TOTAL	1,270,267	5.68%	678,200	962.03	\$2.87	€ 2.30
BANGKOK ALL GRADE CBD TOTAL	2,287,575	5.44%	678,200	825.74	\$2.46	€ 1.98
ALL GRADES NON CBD						
Asoke&Ratchada	1,140,098	3.23%	150,600	614.31	\$1.83	€ 1.47
Sukhumvit	367,186	0.84%	92,500	833.57	\$2.49	€ 1.99
Paholyothin	430,731	2.39%	15,000	646.67	\$1.93	€ 1.55
NON-CBD TOTAL	1,938,015	2.59%	258,100	677.18	\$2.02	€ 1.62
BANGKOK TOTALS	4,225,590	4.13%	258,100	751.46	\$2.24	€ 1.80

Significant Projects Under Construction

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION DATE
Ari Hills	NON-CBD Paholyothin	-	15,000	1Q2018
Singha Complex	NON-CBD Asoke&Ratchada	Boon Rawd Brewery Co.	56,600	2Q2018
T-ONE	NON-CBD Sukhumvit	-	22,500	3Q2018
Bhiraj Sathorn	CBD Sathorn	-	3,200	2018
Whizdom 101	NON-CBD Sukhumvit	-	70,000	2018
The PARQ – 1 st Phase	CBD Rama IV	-	60,000	4Q2019
Samyan Mitrtown	CBD Rama IV	-	65,000	2019
The Market by Platinum – 1 st Phase	CBD Rajdamri	-	50,000	2019
One Bangkok – 1 st Phase	CBD Rama IV	-	500,000	2025
Super Tower	NON-CBD Asoke&Ratchada	-	94,000	-