

MARKETBEAT OFFICE SNAPSHOT

BANGKOK, THAILAND

Q1 2019

MARKET OVERVIEW

BANGKOK OFFICE MARKET

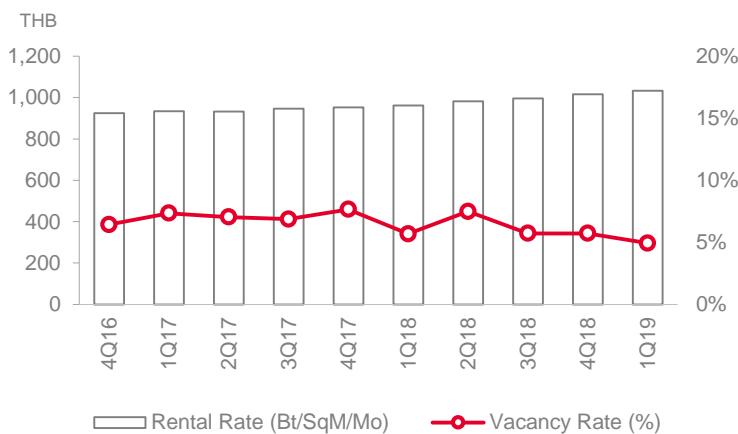
	Q3 18	Q4 18	12-Month Forecast
GDP Growth	3.2%	3.7%	▲
CPI Growth	1.1%	1.1%	■
Unemployment	1.0%	0.9%	▼

Source: NESDB

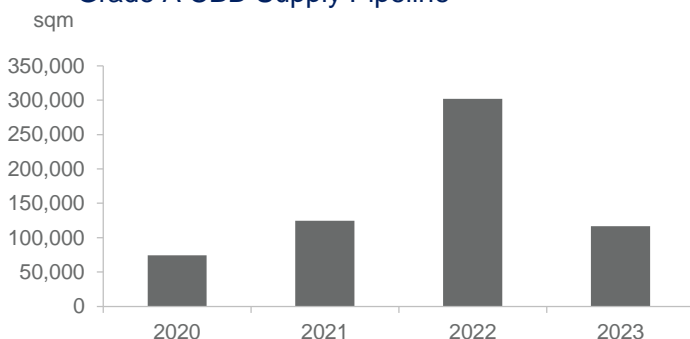
Grade A Market Indicators

	Q4 18	Q1 19	12-Month Forecast
Overall Rent	THB1,016.72	THB1,032.66	▲
Vacancy Rate	5.72%	4.94%	▼

Overall Rent and Vacancy Rate Grade A in CBD



Grade A CBD Supply Pipeline



Economy

The Thai economy in the fourth quarter of 2018 expanded by 3.7% (%YoY), accelerating from 3.2% in the previous quarter. After seasonally adjusted, the economy grow by 0.8% from the third quarter (%QoQ sa) according to NESDC.

The Thai economy expanded by 4.1% in 2018, up from 4.0% in the previous year and was recorded as the fastest expansion in 6 years. Headline inflation averaged at 1.1% and the current account recorded a surplus of 7.4% of GDP.

In 2019, the Thai economy is projected to grow in the range of 3.5-4.5%. Headline inflation is forecasted to be in the range of 0.5-1.5% and the current account will record a surplus of 6.2% of GDP.

Market Overview

With a total supply of 4.14 million sqm, Bangkok's office market still substantial with increasing rents and low vacancy in the first quarter 2019. There was new supply in this quarter which are 101@True Digital Park and Summer Lasalle Phase 1.

Overall office space demand in Bangkok remained strong in both CBD and Non-CBD area. The vacancy rates were continually low at 4.95% and 3.52% in CBD and Non-CBD area, respectively – made the overall vacancy rate stood at 4.29%.

The average rent of Bangkok's office space was continually increasing in every quarter. The average monthly rent for Bangkok's CBD office space rose to THB890.07 per sqm (THB1,032.66 for Grade A and THB766.76 for Grade B), increased 7.79% Y-o-Y. Moreover, the average rental rate per sqm per month in Non-CBD also increased to THB733.35 (THB930.00 for Grade A and THB646.47 for Grade B), changed 8.30% Y-o-Y.

Outlook

The market will remained strong in this year. Co-working office becomes a big player in the market, especially an international brand. Co-working office operators continued to expand this year and it is expected that the operators will create their foot print at least 30,000 sqm or approximately 30% of the existing by the end of this year.

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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	260,788	1.34%	104,000	1,126.00	\$3.29	€ 2.89
Rajadamri&Lang Suan	-	-	60,000	-	-	-
Sathorn	472,000	6.10%	20,000	907.22	\$2.65	€ 2.33
Rama IV	246,767	5.65%	393,600	985.00	\$2.88	€ 2.53
Silom	21,500	5.56%	67,700	800.00	\$2.34	€ 2.05
Wireless	263,710	5.70%	20,000	1,110.00	\$3.25	€ 2.85
BANGKOK GRADE A CBD TOTAL	1,264,765	4.94%	665,300	1,032.66	\$3.02	€ 2.65
BANGKOK ALL GRADE CBD TOTAL	2,216,664	4.95%	703,300	890.07	\$2.60	€ 2.29
ALL GRADES NON CBD						
Asoke&Ratchada	1,140,298	3.35%	-	675.56	\$1.98	€ 1.73
Sukhumvit	396,269	4.07%	169,420	917.94	\$2.69	€ 2.36
Paholyothin	472,731	2.4%	107,140	675.00	\$1.97	€ 1.73
NON-CBD TOTAL	1,926,098	3.52%	276,560	733.35	\$2.19	€ 1.76
BANGKOK TOTALS	4,142,762	4.29%	276,560	811.71	\$2.37	€ 2.08

Significant Projects Under Construction

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION DATE
T-ONE	NON-CBD Sukhumvit	-	22,800	2Q2018
Samyan Mitrtown	CBD Rama IV	-	48,000	4Q2019
Silom Center	CBD Silom	-	11,000	4Q2019
Vanissa Building	CBD Ploenchit&Rama I	-	40,000	4Q2019
The PARQ – 1 st Phase	CBD Rama IV	-	63,000	2020
Spring Tower	NON-CBD Phayathai	-	28,700	2020
Phayathai Complex	NON-CBD Phayathai	-	21,000	2020
The Market by Platinum	CBD Rajdamri	-	38,000	2021
One Bangkok – 1 st Phase	CBD Rama IV	-	370,000	2022
548 Ploenchit	CBD Ploenchit & Rama I	-	61,000	2022
Supalai Icon	CBD Sathorn	-	20,000	2022