

MARKETBEAT OFFICE SNAPSHOT

BANGKOK, THAILAND

MARKET OVERVIEW

BANGKOK OFFICE MARKET

	Q1 18	Q2 18	12-Month Forecast
GDP Growth	4.9%	4.6%	▲
CPI Growth	0.6%	1.3%	▲
Unemployment	1.2%	1.1%	■

Source: NESDB

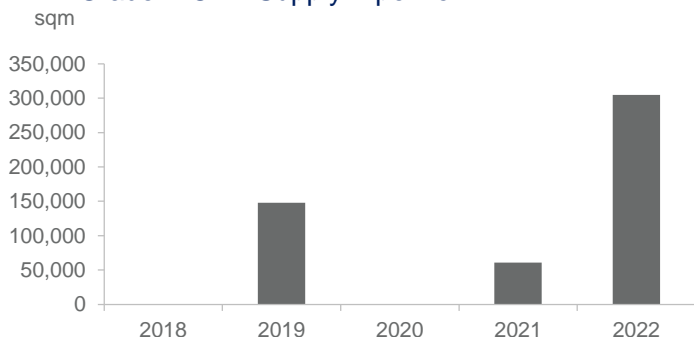
Grade A Market Indicators

	Q2 18	Q3 18	12-Month Forecast
Overall Rent	THB981.56	THB995.94	▲
Vacancy Rate	7.49%	5.72%	▼

Overall Rent and Vacancy Rate Grade A in CBD



Grade A CBD Supply Pipeline



Economy

The Thai economy in the second quarter of 2018 expanded by 4.6% (%YoY), compared with 4.9% in the previous quarter. After seasonally adjust, the economy in the second quarter grew by 1.0 percent (%QoQ sa). For the first half of 2018, the Thai economy expanded by 4.8%.

The Thai economy is expected to expand in the range of 4.2 – 4.7% (with the midpoint of 4.5%) in 2018 improving from 3.9% and 3.3% in 2017 and 2016, respectively. Private consumption expenditure grew by 4.5%, accelerated from 3.7% in the previous quarter, in the line with the expansion of overall income conditions. As same as private investment continually expanded by 3.2% supported by the expansion. Moreover, employment increased by 0.9% which was the first increase in 4 quarters. Therefore, unemployment rate was low at 1.1%.

The headline inflation is forecasted to be in the range of 0.9% - 1.4% and the current account will register a surplus of 8.4% 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 third quarter. There was new supply in this quarter which are Bhiraj Tower at Sathorn and Ladprao Hill.

Overall office space demand in Bangkok remained strong in both CBD and Non-CBD area. The vacancy rates were continually low at 5.05% in CBD and 4.13% 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 THB867.25 per sqm (THB995.94 for Grade A and THB755.95 for Grade B), increased 7.76% Y-o-Y. Moreover, the average rental rate per sqm per month in Non-CBD also increased to THB710.50 (THB878.00 for Grade A and THB626.75 for Grade B), changed 2.69% Y-o-Y.

Outlook

Many buildings in CBD area is under renovation which planed to upgrade their building into Grade A due to high competition especially in the Silom area. The demand remained strong, with high rents and low vacancy rates. Most of the new supply is tend to be mixed-use building.

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Q3 2018

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	0.89%	40,000	1,119.00	\$3.18	€ 2.74
Rajadamri&Lang Suan	-	-	5,000	-	-	-
Sathorn	472,000	7.52%	100,000	875.56	\$2.49	€ 2.14
Rama IV	246,767	5.28%	500,000	950.00	\$2.70	€ 2.32
Silom	21,500	0.00%	-	750.00	\$2.13	€ 1.83
Wireless	263,710	8.17%	-	1,031.25	\$2.93	€ 2.52
BANGKOK GRADE A CBD TOTAL	1,264,765	5.72%	645,000	995.94	\$2.83	€ 2.44
BANGKOK ALL GRADE CBD TOTAL	2,202,605	5.05%	645,000	867.25	\$2.47	€ 2.12
ALL GRADES NON CBD						
Asoke&Ratchada	1,120,098	5.01%	50,600	650.94	\$1.94	€ 1.56
Sukhumvit	367,186	2.52%	101,000	894.29	\$2.67	€ 2.14
Paholyothin	472,731	3.07%	70,000	664.00	\$1.98	€ 1.59
NON-CBD TOTAL	1,933,015	4.13%	221,600	710.50	\$2.02	€ 1.74
BANGKOK TOTALS	4,135,620	4.62%	221,600	788.87	\$2.24	€ 1.93

Significant Projects Under Construction

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION DATE
Singha Complex	NON-CBD Asoke&Ratchada	Boon Rawd Brewery Co.	56,600	4Q2018
T-ONE	NON-CBD Sukhumvit	-	22,500	4Q2018
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
Vanissa Building	CBD Ploenchit&Rama I	-	40,000	2019
The Market by Platinum – 1 st Phase	CBD Rajdamri	-	5,000	2019
One Bangkok – 1 st Phase	CBD Rama IV	-	500,000	2025
Super Tower	NON-CBD Asoke&Ratchada	-	94,000	-