

# MARKETBEAT OFFICE SNAPSHOT

## BANGKOK, THAILAND

Q4 2017

### MARKET OVERVIEW

#### BANGKOK OFFICE MARKET

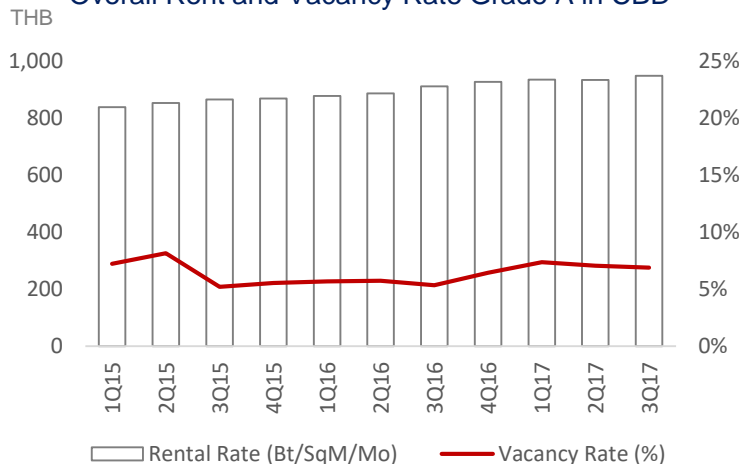
|              | Q2 17 | Q3 17 | 12-Month Forecast |
|--------------|-------|-------|-------------------|
| GDP Growth   | 3.7%  | 4.3%  | ▲                 |
| CPI Growth   | 0.67% | 0.70% | ▲                 |
| Unemployment | 1.2%  | 1.2%  | ■                 |

Source: NESDB

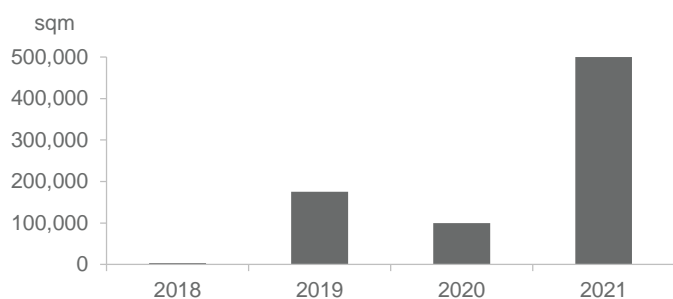
#### Grade A Market Indicators

|              | Q3 17     | Q4 17     | 12-Month Forecast |
|--------------|-----------|-----------|-------------------|
| Overall Rent | THB946.41 | THB953.13 | ▲                 |
| Vacancy Rate | 6.33%     | 7.66%     | ▼                 |

#### Overall Rent and Vacancy Rate Grade A in CBD



#### Grade A CBD Supply Pipeline



### Economy

In the third quarter of 2017, Thailand's GDP grew by 4.3%, highest growth in a 18-month term. It had risen up from 3.8% in the previous quarter. Furthermore, construction sector of office and commercial buildings grew by 3.4% according to Office of the National Economic and Social Development Board (NESDB).

In addition, it has been forecasted that the economy will expand in the range of 3.6-4.6%, supported mainly by a favorable growth of the global economy, an acceleration of public investment which will be supported by the progress of key investment projects and higher capital budget framework, the improving trend of private investment, the continual expansion of key production sectors, and the improvement of employment and household income conditions.

### Market Overview

With a total supply of 4.24 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 6.55% in CBD and 3.37% 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 THB812.60 per sqm (THB953.13 for Grade A and THB708.02 for Grade B), increased 5.05% Y-o-Y. As same as Non-CBD area, the average rental rate per sqm per month rose to THB696.46 (THB843.68 for Grade A and THB622.84 for Grade B), changed 4.99% Y-o-Y.

### Outlook

Due to the high price and limited stock of freehold land plots, future office building projects would be mixed-use developments in leasehold land plots. Many new projects are being positioned as Grade A due to sustainable building design. According to tremendous future supply of office space from planned mixed-use project, the average rental rate and occupancy rate possibly changes when the projects are completed.

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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          | 4.70%        | -                        | 1,013.00               | \$2.87        | € 2.31        |
| Rajadamri&Lang Suan              | -                | -            | 50,000                   | -                      | -             | -             |
| Sathorn                          | 485,110          | 10.04%       | 3,200                    | 867.78                 | \$2.46        | € 2.09        |
| Rama IV                          | 246,767          | 3.26%        | 625,000                  | 950.00                 | \$2.67        | € 2.23        |
| Silom                            | 21,500           | 5.90%        | -                        | 720.00                 | \$2.02        | € 1.69        |
| Wireless                         | 257,242          | 6.17%        | -                        | 1,001.25               | \$2.81        | € 2.35        |
| <b>BANGKOK GRADE A CBD TOTAL</b> | <b>1,284,414</b> | <b>7.66%</b> | <b>678,200</b>           | <b>953.13</b>          | <b>\$2.70</b> | <b>€ 2.29</b> |
| <b>BANGKOK ALL GRADE TOTAL</b>   | <b>2,310,278</b> | <b>6.55%</b> | <b>678,200</b>           | <b>812.60</b>          | <b>\$2.30</b> | <b>€ 1.95</b> |
| ALL GRADES NON CBD               |                  |              |                          |                        |               |               |
| Asoke&Ratchada                   | 1,133,893        | 3.14%        | 150,600                  | 636.71                 | \$1.80        | € 1.53        |
| Sukhumvit                        | 367,186          | 2.78%        | 92,500                   | 863.57                 | \$2.45        | € 2.07        |
| Paholyothin                      | 430,731          | 4.47%        | 15,000                   | 655.83                 | \$1.86        | € 1.58        |
| <b>NON-CBD TOTAL</b>             | <b>1,931,810</b> | <b>3.37%</b> | <b>258,100</b>           | <b>696.46</b>          | <b>\$1.97</b> | <b>€ 1.67</b> |
| <b>BANGKOK TOTALS</b>            | <b>4,242,088</b> | <b>5.10%</b> | <b>258,100</b>           | <b>754.53</b>          | <b>\$2.14</b> | <b>€ 1.81</b> |

### 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 <sup>st</sup> Phase               | CBD Rama IV            | -                     | 60,000  | 4Q2019          |
| Samyan Mitrtown                                | CBD Rama IV            | -                     | 65,000  | 2019            |
| The Market by Platinum – 1 <sup>st</sup> Phase | CBD Rajdamri           | -                     | 50,000  | 2019            |
| One Bangkok – 1 <sup>st</sup> Phase            | CBD Rama IV            | -                     | 500,000 | 2025            |
| Super Tower                                    | NON-CBD Asoke&Ratchada | -                     | 94,000  | -               |