

# MARKETBEAT OFFICE SNAPSHOT

## BANGKOK, THAILAND

Q4 2018

### MARKET OVERVIEW

#### BANGKOK OFFICE MARKET

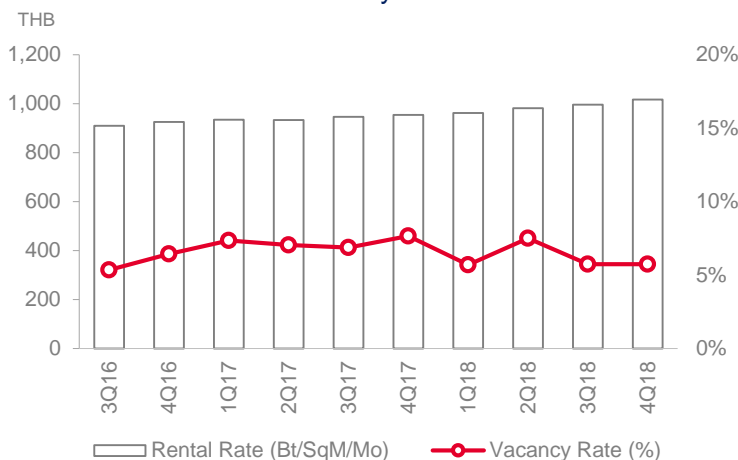
	Q2 18	Q3 18	12-Month Forecast
GDP Growth	4.6%	3.3%	■
CPI Growth	1.2%	1.1%	▼
Unemployment	1.1%	1.0%	▼

Source: NESDB

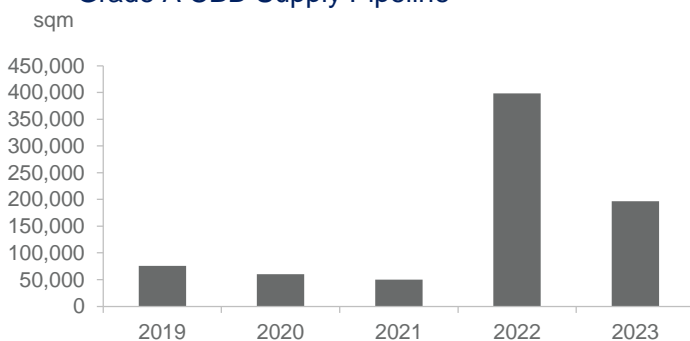
#### Grade A Market Indicators

	Q3 18	Q4 18	12-Month Forecast
Overall Rent	THB989.38	THB1,016.72	▲
Vacancy Rate	5.72%	5.72%	▼

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



#### Grade A CBD Supply Pipeline



### Economy

The Thai economy in the third quarter of 2018 expanded by 3.3% (%YoY), Compared with 4.6% in the previous quarter. After seasonally adjusted, the economy plateaued from the second quarter (%QoQ sa). For the first nine months of 2018, the Thai economy grew on average by 4.3%.

The overall for 2018 is expected to grow by 4.2%, with 7.2% growth of export value, 4.7% for private consumption and 3.6% of total investment. Headline inflation will be 1.1% and the current account will record a surplus of 6.4% of GDP. All in all, the Thai economy in 2019 is projected to grow in the range of 3.5-4.5%.

The Thai economy in 2019 is projected to grow in the range of 3.5-4.5%. It is expected that export value by 4.2% and 5.1%, respectively. Headline inflation is forecasted to be in the range of 0.7-1.7% and the current account will record a surplus of 5.8% of GDP.

### Market Overview

With a total supply of 4.10 million sqm, Bangkok's office market still substantial with increasing rents and low vacancy in the last quarter 2018. There was new supply in this quarter which are Singha Complex.

Overall office space demand in Bangkok remained strong in both CBD and Non-CBD area. The vacancy rates were continually low at 4.98% in CBD and 2.80% in Non-CBD decreased from 5.05% and 4.13%, respectively.

The average rent of Bangkok's office space was continually increasing. The average monthly rent for Bangkok's CBD office space rose to THB888.01 per sqm (THB1,016.72 for Grade A and THB773.61 for Grade B), increased 9.28% Y-o-Y. Moreover, the average rental rate per sqm per month in Non-CBD also increased to THB714.67 (THB896.58 for Grade A and THB630.37 for Grade B), changed 2.61% Y-o-Y.

### Outlook

Many buildings in CBD area is under renovation which planned 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.

# MARKETBEAT OFFICE SNAPSHOT



## BANGKOK, THAILAND

Q4 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	1.99%	89,000	1,103.00	\$3.10	€ 2.56
Rajadamri&Lang Suan	-	-	150,000	-	-	-
Sathorn	472,000	7.40%	100,000	892.78	\$2.51	€ 2.23
Rama IV	246,767	5.28%	393,600	985.00	\$2.77	€ 2.46
Silom	21,500	0.00%	56,700	750.00	\$2.11	€ 1.87
Wireless	263,710	7.28%	-	1,097.50	\$3.11	€ 2.64
<b>BANGKOK GRADE A CBD TOTAL</b>	<b>1,264,765</b>	<b>5.72%</b>	<b>789,300</b>	<b>1,016.72</b>	<b>\$2.86</b>	<b>€ 2.54</b>
<b>BANGKOK ALL GRADE CBD TOTAL</b>	<b>2,201,110</b>	<b>4.98%</b>	<b>789,300</b>	<b>888.01</b>	<b>\$2.50</b>	<b>€ 2.12</b>
ALL GRADES NON CBD						
Asoke&Ratchada	1,140,298	3.48%	-	663.59	\$1.88	€ 1.59
Sukhumvit	371,793	1.56%	169,420	909.00	\$2.57	€ 2.18
Paholyothin	472,731	3.85%	107,140	656.00	\$1.86	€ 1.58
<b>NON-CBD TOTAL</b>	<b>1,901,622</b>	<b>2.80%</b>	<b>276,560</b>	<b>714.67</b>	<b>\$2.03</b>	<b>€ 1.75</b>
<b>BANGKOK TOTALS</b>	<b>4,102,732</b>	<b>3.97%</b>	<b>276,560</b>	<b>801.34</b>	<b>\$2.26</b>	<b>€ 2.00</b>

### Significant Projects Under Construction

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION DATE
T-ONE	NON-CBD Sukhumvit	-	22,500	1Q2018
Whizdom 101	NON-CBD Sukhumvit	-	70,000	1Q2018
Samyan Mitrtown	CBD Rama IV	-	65,000	4Q2019
Vanissa Building	CBD Ploenchit&Rama I	-	40,000	4Q2019
The PARQ – 1 <sup>st</sup> Phase	CBD Rama IV	-	60,000	2020
Spring Tower	NON-CBD Phayathai	-	28,740	2020
Phayathai Complex	NON-CBD Phayathai	-	21,000	2020
The Market by Platinum	CBD Rajdamri	-	5,000	2021
One Bangkok – 1 <sup>st</sup> Phase	CBD Rama IV	-	400,000	2022
548 Ploenchit	CBD Ploenchit & Rama I	-	61,000	2022
Supalai Icon	CBD Sathorn	-	100,000	2022