

MARKET OVERVIEW

BANGKOK OFFICE MARKET

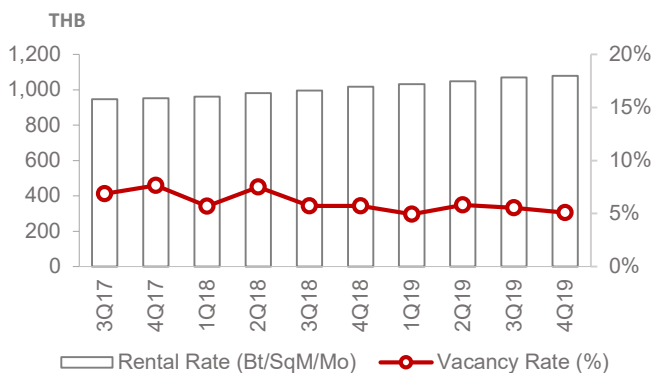
	Q2 19	Q3 19	12-Month Forecast
GDP Growth	2.3%	2.4%	▲
CPI Growth	1.1%	0.9%	▲
Unemployment	1.0%	1.1%	▼

Source: NESDB

Grade A Market Indicators

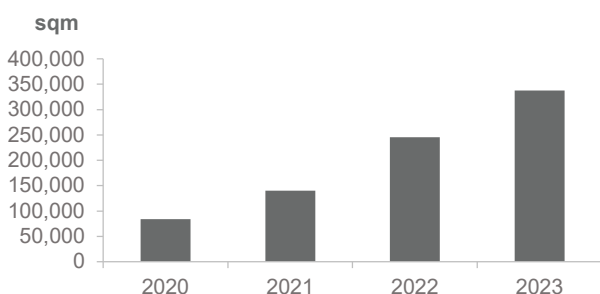
	Q3 19	Q4 19	12-Month Forecast
Overall Rent	THB1,069.86	THB1,079.59	▲
Vacancy Rate	5.53%	5.09%	▲

Overall Rent and Vacancy Rate Grade A in CBD



Source: Nexus

Grade A CBD Supply Pipeline



Source: Nexus

Economy

According to the Nation Economic and Social Development Board (NESDB), the Thai economy in the third quarter of 2019 expanded by 2.4% (YoY), continuing from 2.3% in the previous quarter. After seasonally adjust, the economy grew by 0.1% from the second quarter (%QoQ sa). In the first 9 month of 2019, It is expanded by 2.5%.

The Thai economy in 2019 is estimated to grow by 2.6%. Inflation will lie in the range of 0.5-1.5% and the current account will record a surplus of 5.6% of GDP.

Market Overview

The office market in Bangkok, with total space of 9 million sqm, of which Grade A and B buildings accounted for 6.08 million sqm, still remains growing constantly. Due to higher rental cost and low space vacancy rate for several years

Overall office space demand in Bangkok remained strong in both CBD and Non-CBD area. The vacancy rates were continually low at 5.19% and 6.71% in CBD and Non-CBD area, respectively – made the overall vacancy rate stood at 5.93%.

The average rent of Bangkok's office space has been continually increasing. The average monthly rent for Bangkok's CBD office space rose to THB871.16 per sqm (THB1,079.59 for Grade A and THB730.95 for Grade B), increased 3.32% Y-o-Y. There are still high demand for Grade A office building in CBD area, spiraling up the price. Moreover, the average rental rate per sqm per month in Non-CBD also increased to THB717.65 (THB883.85 for Grade A and THB614.76 for Grade B), changed 7.23% Y-o-Y.

Outlook

Since most of office buildings in Bangkok are over 20 years old, the upcoming supply will interestingly refresh the market. There are more development of the office buildings. It is forecasted that there will be new supply of 1.78 million sqm in the next five years. Most of new projects are developed as mixed-use projects, contributing the low floors as retail space to support and provide convenient services to tenants.

SUBMARKET	INVENTORY (SQM)	VACANCY RATE	UNDER CONSTRUCTION (SQM)	GRADE A ASKING RENT		
				THB/SQM /MO	US\$/SF /MO	EUR/SF /MO
GRADE A CBD						
Ploenchit - Rama I	317,250	2.25%	99,200	1,226.67	\$3.78	€ 3.41
Wireless - Lang Suan	269,310	7.35%	24,500	1,137.78	\$3.50	€ 3.16
Early Sukhumvit	80,000	2.64%	46,000	1,375.00	\$4.24	€ 3.82
Silom	73,500	4.53%	67,700	865.00	\$2.66	€ 2.40
Sathorn	472,000	3.79%	22,500	927.22	\$2.86	€ 2.58
Rama IV	294,767	10.34%	351,000	988.00	\$3.04	€ 2.74
Asoke - Ratchada	80,300	0.00%	-	900.00	\$2.77	€ 2.50
BANGKOK GRADE A CBD TOTAL	1,587,127	5.09%	610,938	1,079.59	\$3.33	€ 3.00
BANGKOK ALL GRADE CBD TOTAL	3,120,250	5.19%	658,000	871.16	\$2.68	€ 2.42
ALL GRADES NON CBD						
Ratchada – Rama IX	737,024	6.51%	73,000	695.88	\$2.14	€ 1.93
New Petchaburi - Pathunam	376,829	7.33%	40,000	656.67	\$2.02	€ 1.82
Mid - Sukhumvit	235,324	0.76%	89,300	919.55	\$2.83	€ 2.55
Onnut - Bangna	249,851	10.11%	55,000	686.25	\$2.11	€ 1.91
Phayathai - Paholyothin	372,661	5.44%	49,500	730.56	\$2.25	€ 2.03
Chatuchak - Ratchayothin	786,995	6.80%	78,000	678.00	\$2.09	€ 1.88
Rama III - Narathiwas	203,034	11.01%	46,600	525.00	\$1.62	€ 1.46
NON-CBD TOTAL	2,961,718	6.71%	431,400	717.65	\$2.21	€ 1.99
BANGKOK TOTALS	6,081,968	5.93%	1,089,400	794.41	\$2.45	€ 2.21

US\$/THB= 30.1710; €/THB = 33.4532

Significant Projects Under Construction

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION DATE
The PARQ – 1 st Phase	CBD Rama IV	-	60,000	2020
Siam Scape	CBD Ploenchit&Rama I	-	13,000	2020
Spring Tower	NON-CBD Phayathai	-	27,000	2020
The Unicorn Phayathai	NON-CBD Phayathai	-	22,000	2021
Vanissa Building	CBD Ploenchit&Rama I	-	25,000	2021
The Platinum Tower	CBD Rajdamri	-	38,000	2021
One Bangkok – 1 st Phase	CBD Rama IV	-	201,000	2022
One City Centre	CBD Ploenchit & Rama I	-	61,000	2023

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