

MARKET OVERVIEW

BANGKOK OFFICE MARKET

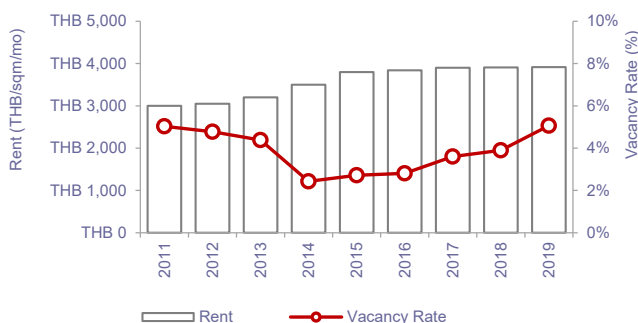
	Q2 19	Q3 19	12-Month Forecast
GDP Growth	2.3%	2.4%	▲
CPI Growth	1.1%	0.9%	▲
Unemployment	1.0%	1.1%	▼

Source: NESDB

Prime Rent

	H1 19	H2 19	12-Month Forecast
Overall Rent	THB3,908	THB3,915	▲
Vacancy Rate	3.00%	5.09%	▲

Overall Rent and Vacancy Rate



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 tourism sector is still a major part in generating revenue and improving Thai economy. The total number of tourist was at 9.7 million people, increased by 7.2%% from the last quarter due to government policy promoting the tourist sector. This was mainly attributed to the expansion in number of tourists from India (28.3%), China (17.3%), South Korea (8.6%), Japan (7.9%), and Taiwan (12.9%), respectively. However, the tourists from Europe dropped by 2.2%. The total amount of tourist revenue rose by 2.5% with the value of 738.5 billion baht from the previous quarter.

In the second half of 2019, there was no new supply added in Bangkok's Central Retail District (CRD) area. The average rental rate slightly increased to THB 3,915 sqm/mo on the ground floor. Additionally, the overall retail market has insignificantly expanded with the vacancy rate lower than 10%.

Outlook

It is expected that the only future supply, EmSphere, will be added into the market in 2021. A new lifestyle shopping mall with approximately 60,000 lettable area would freshup the market due to there is no new grade A supply in CRD area for a long time.

BANGKOK, THAILAND
Q4 2019

SUBMARKET	INVENTORY (SQM)	VACANCY RATE	UNDER CONSTRUCTION (SQM)	GRADE A ASKING RENT		
				THB/SQM /MO	US\$/SF /MO	EUR/SF /MO
GRADE A CRD						
Siam Square	263,694	1.7%	-	4,100	\$12.63	€11.39
Ratchaprasong & Ploenchit	263,794	4.9%	-	3,895	\$12.00	€10.82
Phrom Phong	662,088	1.7%	60,000	3,750	\$11.55	€10.42
BANGKOK GRADE A CRD TOTAL	1,587,127	5.09%	610,938	3,915	\$12.06	€10.88

US\$/THB= 30.1710; €/THB = 33.4532

Key Lease Transaction Q4 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SQM
Samyan Mitrtown	Non-CRD Sukhumvit	House Samyan	60,000
I'm Chinatown	Non-CRD Chroen Krung	Jetts Fitness	13,000
Central Village	Non-CRD Suvarnabhumi	Adidas Factory Outlet	27,000

Significant Projects Under Construction

PROPERTY	SUBMARKET	OWNER/ DEVELOPER	SQM	COMPLETION
The PARQ – 1st Phase	Non-CBD Rama IV	TCC Assets	12,000	2020
Siam Premium Outlets Bangkok	Non-CRD Bangna	Siam Piwat & Simon Property	37,000	2020
Siam Scape	CRD Siam Square	PMCU	5,000	2020
Marketplace Thonglor	Non-CRD Sukhumvit	Siam Future Development	10,000	2021
EmSphere	CRD Phrom Phong	The Mall Group	60,000	2021
Bangkok Mall	Non-CRD Bangna	The Mall Group	80,000	2022
One Bangkok	Non-CRD Rama IV	TCC Assets & Fraser Property	100,000	2022
The Forestias	Non-CBD Bangna	MQDC	15,000	2022
Silom Square	Non-CBD Silom	Nye Estate & Minor Group	10,000	2023
One City Center	CRD Ratchaprasong & Ploenchit	Raimon Land & Mitsubishi Estate	4,000	2023
Dusit Central Park	Non-CRD Rama IV	Central Group	N/A	2024