

1H20 BANGKOK INDUSTRIAL SNAPSHOT

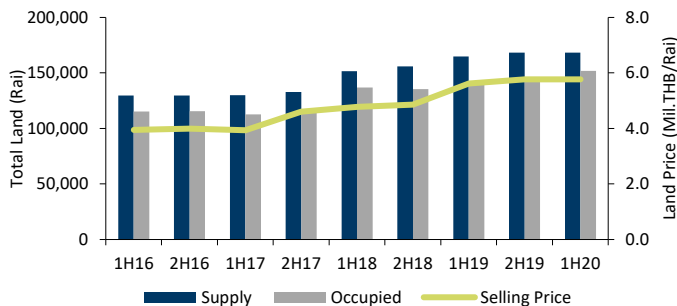
MARKET OVERVIEW

Economic Indicators

	Q4 19	Q1 20	12-Month Forecast
GDP Growth	1.5%	-1.8%	▼
CPI Growth	0.4%	0.4%	—
Unemployment	1.0%	1.0%	—

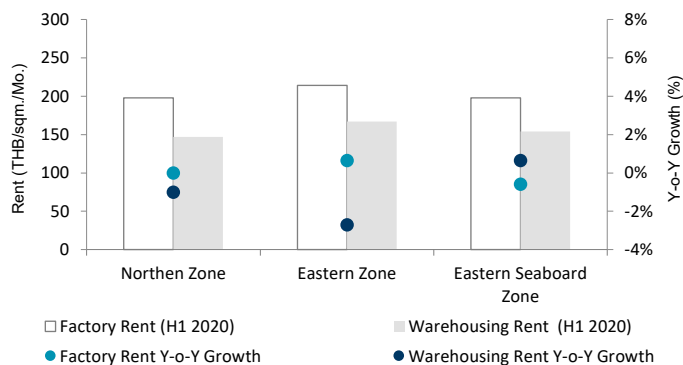
Source: NESDB

Serviced Land Plot Market



Source: Nexus

Ready Built Industrial Rental Market



Source: Nexus

Economy

According to the National Economic and Social Development Council (NESDC), the Thai economy in the first quarter of 2020 contracted by 1.8% (YoY), compared with a 1.5% expansion in the previous quarter. After seasonally adjusted, the economy declined by 2.2% from the fourth quarter last year (%QoQ sa).

In 2020, the Thai economy is expected to show a contraction in the range of (-6.0) - (-5.0)%, due to the severe downturn of the global economy and merchandise trade, the sharp decline in number and revenues from foreign tourists, the limitations due to the COVID-19 outbreak in Thailand, and the drought. Meanwhile, the headline inflation is expected to be in the range of (-1.5) - (-0.5)%, and the current account tends to register a surplus of 4.9% of GDP.

SILPs Market

The supply of serviced industrial land plots is in an expansion phase, partly due to the announcement of the new city plan in the Eastern Economic Corridor (EEC). Companies that have submitted applications to set up projects within the 10 industrial estates boasting a total area of approximately 17,098 rai, is expected to gradually return to the market from the second half of 2020 onwards. However, buyers remain cautious due to the economic impact from the COVID-19 outbreak with companies delaying decisions.

Ready Built Market

Large developers tend to increase built to suit factory or warehouse spaces, including management services and other additional services, in order to increase the opportunity to generate income from premium customers that enter into long-term lease and pay rental fees at a higher rate than the market. While small and medium developers continue to expand the ready built factory/warehouse in the same location or nearby, it results in intense competition and difficulty to raise rental fees. In terms of the tenant's impact from the COVID-19 outbreak, the developer reviews a tenant's credit rating information, then provides a rental rebate and deferment to selected clients on a case-by-case basis in order to help their business.

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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	GRADE A ASKING RENT		
			THB/SQM /MO	US\$/SF /MO	EUR/SF /MO
READY BUILT FACTORY					
Northern	749,936	34.62%	195	\$0.59	€ 0.53
Eastern	818,343	8.63%	211	\$0.64	€ 0.57
Eastern Seaboard	934,365	14.56%	199	\$0.59	€ 0.53
READY BUILT FACTORY TOTAL	2,502,644	18.63%	202	\$0.61	€ 0.54
READY BUILT WAREHOUSE					
Northern	701,688	2.63%	145	\$0.44	€ 0.39
Eastern	2,146,760	7.19%	172	\$0.50	€ 0.45
Eastern Seaboard	1,045,184	10.03%	153	\$0.46	€ 0.41
READY BUILT WAREHOUSE TOTAL	3,893,632	7.13%	157	\$0.49	€ 0.42

Remark:

Northern Zone is Ayutthaya, Pathum Thani and Saraburi

Eastern Zone is Samutprakarn, Chonburi and Chachoengsao

Eastern Seaboard Zone is Lamchabang and Rayong

US\$/THB = 30.0260; €/THB = 34.6818

KEY SALES TRANSACTIONS 1H 2020

PROPERTY	SUBMARKET	TENANT	AREA (RAI)	PROPERTY TYPE
Eastern Seaboard Industrial Estate	Eastern Seaboard	Great Wall Motors	188	Factory
Chonburi Province	Eastern Seaboard	Midea Group	130	SILP

SERVICED INDUSTRIAL LAND PLOT PROJECTS UNDER DEVELOPMENT

PROPERTY	SUBMARKET	OWNER/DEVELOPER	AREA (RAI)	COMPLETION DATE
BlueTech City Industrial Estate	Eastern	Double P Land	1,200	Q3 2020
Pinthong 6 Industrial Estate	Eastern Seaboard	Pinthong & IEAT	1,322	Q3 2020
WHA R39	Eastern Seaboard	WHA & IEAT	1,200	Q4 2020
Prakasa Industrial	Eastern	VNS Property	1,000	2021
Smart Park Industrial Estate	Eastern Seaboard	IEAT	1,466	2021
Map Ta Phut Industrial Port (Phase 3)	Eastern Seaboard	IEAT	1,000	2024
Asia Industrial Suvarnabhumi (Phase 3)	Eastern	Asia Industrial Estate	800	N/A
WHA Industrial Estate Rayong	Eastern Seaboard	WHA & IRPC	2,152	N/A
Digital Park Thailand	Eastern Seaboard	IEAT & CAT	622	N/A
Rojana Industrial Estate, Nong Yai	Eastern Seaboard	IEAT & Rojana	1,900	N/A

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