

## MARKET OVERVIEW

### BANGKOK OFFICE MARKET

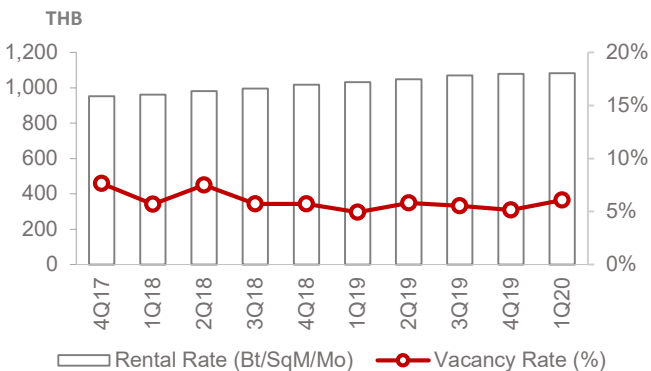
	Q3 19	Q4 19	12-Month Forecast
GDP Growth	2.4%	1.6%	■
CPI Growth	0.9%	0.4%	■
Unemployment	1.1%	1.0%	■

Source: NESDB

### Grade A CBD Market Indicators

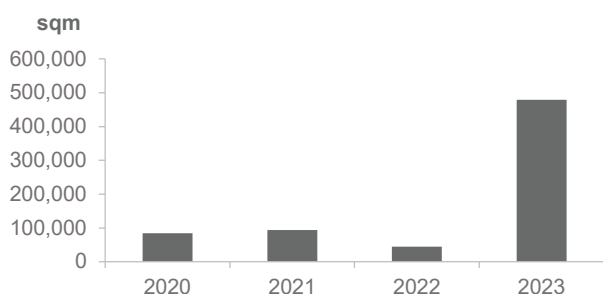
	Q4 19	Q1 20	12-Month Forecast
Overall Rent	THB1,079.59	THB1,083.11	▲
Vacancy Rate	5.15%	6.07%	▲

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



Source: Nexus

### Grade A CBD Supply Pipeline



Source: Nexus

## Economy

The Thai economy in fourth quarter of 2019 expanded by 1.6%, decelerated from 2.6% in the previous quarter, according to the National Economic and Social Development Council (NESDC). After seasonally adjusted, the economy grew by 0.2% from the second quarter (%QoQ sa).

In 2019, the Thai economy expanded by 2.4%, down from 4.2% in 2018. Export value recorded minus at 3.2% while private consumption and total investment grew by 4.5% and 2.2%, respectively. Headline inflation averaged at 0.7% and the current account recorded a surplus of 6.8% of GDP.

Due to the COVID-19 outbreak, it is foreseen that the economy will slightly grow or may be below zero if the situation is unravelled in the third quarter. It is largely impacted to the tourist sector which driven Thai economy for the past few years. During 1st January 2020 – 10th March 2020, the number of tourists has declined by approximately 60% YoY due to the outbreak according to the Association of Thai Travel Agents (ATTA).

## Market Overview

With the total supply of approximately 6.03 million sqm, the Bangkok's office market is still healthy with low vacancy rate at 6.4% and the average rental rate at 801 baht/sqm/month, upwards 4.9% YoY. However, the overall absorption recorded minus at 40,254 sqm in this quarter.

As same as the Central Business District (CBD) area, the vacancy rate is still low at 5.6% with the average rent at 876 baht/sqm/month (Grade A 1,083 baht/sqm/month and Grade B 743 baht/sqm/month). Meanwhile, the outer CBD area recorded the vacancy at 7.1% with the average rent at 727 baht/sqm/month (Grade A 888 baht/sqm/month and Grade B 625 baht/sqm/month).

## Outlook

In the next 5 years, most of the future supply will be grade A with approximately 1.57 million sqm among the areas. Many condominium developers are expanding their business to make more recurring income as the condominium market is facing a hard time from lower Loan-to-Value ratio rule and the coronavirus outbreak that delay the customer's decision. Those developers are developing 'rent-out properties' including office buildings.



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	2.46%	99,200	1,216	\$3.47	€ 3.17
Wireless - Lang Suan	269,310	7.92%	24,500	1,148	\$3.28	€ 2.99
Early Sukhumvit	80,000	2.44%	46,000	1,375	\$3.93	€ 3.58
Silom	73,500	8.33%	67,700	875	\$2.50	€ 2.28
Sathorn	472,000	6.51%	42,500	918	\$2.62	€ 2.39
Rama IV	294,767	9.83%	571,000	1,028	\$2.94	€ 2.68
Asoke - Ratchada	80,300	0.23%	-	900	\$2.57	€ 2.35
BANGKOK GRADE A CBD TOTAL	1,587,127	6.07%	850,900	1,083	\$3.09	€ 2.82
BANGKOK ALL GRADE CBD TOTAL	3,064,450	5.61%	928,000	876	\$2.50	€ 2.28
ALL GRADES OUTER CBD						
Ratchada – Rama IX	737,024	7.83%	91,200	722	\$2.06	€ 1.88
New Petchaburi - Pathunam	376,906	5.51%	43,000	654	\$1.87	€ 1.71
Mid - Sukhumvit	235,324	2.78%	103,000	936	\$2.67	€ 2.44
Onnut - Bangna	249,851	9.27%	130,500	678	\$1.94	€ 1.77
Phayathai - Paholyothin	372,661	7.66%	117,300	727	\$2.08	€ 1.89
Chatuchak - Ratchayothin	786,995	7.06%	123,400	683	\$1.95	€ 1.78
Rama III - Narathiwas	203,034	9.40%	36,600	538	\$1.62	€ 1.46
OUTER CBD TOTAL	2,960,945	7.14%	644,400	727	\$2.08	€ 1.89
BANGKOK TOTALS	6,025,395	6.36%	1,572,400	801	\$2.29	€ 2.09

US\$/THB= 32.5368; €/THB = 35.6568

### Significant Projects Under Construction

PROPERTY	ZONE	SUBMARKET	SQM	COMPLETION DATE
The PARQ – 1 <sup>st</sup> Phase	CBD	Rama IV	60,000	2020
Major Tower Rama 9 - Ramkhamhaeng	Outer CBD	Ratchada – Rama IX	25,200	2020
Siam Scape	CBD	Ploenchit - Rama I	13,000	2020
The Unicorn Phayathai	Outer CBD	Phayathai - Paholyothin	22,000	2021
Vanissa Building	CBD	Ploenchit - Rama I	25,000	2021
Kronos Sathorn Tower	CBD	Sathorn	22,500	2021
One Bangkok – 1 <sup>st</sup> Phase	CBD	Rama IV	201,000	2022
One City Centre	CBD	Ploenchit - Rama I	61,000	2023

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