

4Q20 BANGKOK OFFICE SNAPSHOT

MARKET OVERVIEW

BANGKOK OFFICE MARKET

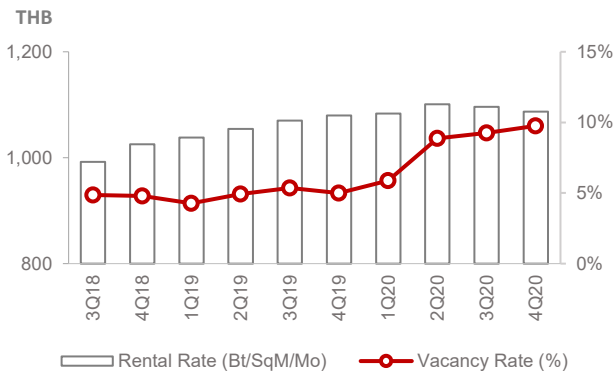
	Q2 20	Q3 20	12-Month Forecast
GDP Growth	-12.2%	-6.4%	▲
CPI Growth	-2.7%	-0.7%	▲
Unemployment	2.0%	1.9%	■

Source: NESDB

Grade A CBD Market Indicators

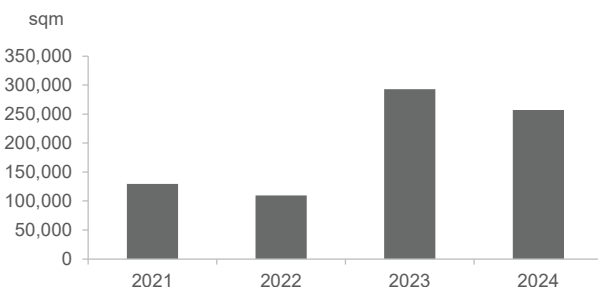
	Q3 20	Q4 20	12-Month Forecast
Overall Rent	THB1,096	THB1,088	▼
Vacancy Rate	9.25%	9.75%	▲

Overall Rent and Vacancy Rate Grade A in CBD



Source: Nexus Research Advisory

Grade A CBD Supply Pipeline



Source: Nexus Research Advisory

Economy

The Thai economy in the third quarter of 2020 declined by 6.4%, improving from a 12.1% contraction in the previous quarter. In the first nine months, the Thai economy contracted by 6.7%. It is projected that the Thai economy in 2020 will be decreased by 6%. Headline inflation is estimated to decline by 0.9%. In 2021, it is forecasted that the economy will expand in range of 3.5-4.5%. Headline inflation is expected to be in a range of 0.7 - 1.7%, according to the National Economic and Social Development Council (NESDC).

Market Overview

With Bangkok's total office supply at approximately 6.20 million square meters (sq m), Bangkok's office market was still obtaining a low vacancy rate at 8.84% although increased from 8.01% Q-o-Q. There was approximately 130,000 sqm of new supply entered the market this year such as The PARQ and Sathorn Prime. In terms of rent, the ongoing pandemic caused a marginal growth of rent at only 1.17% this year compared to an average increasing at 4-5% per year. The average rental rate stood at THB804 per sq m (Grade A: THB985 per sq m; Grade B; THB688 per sq m) Similarly in the CBD area, the occupancy rate of all grade in the CBD declined from 95% last year to 92% this year and the average rent at THB875 per sq m, slightly increased at 0.47% Y-o-Y.

Total Grade A stock in CBD was at 1.68 million sq m. The vacancy was continually raised in this quarter to 9.75%, up from 9.25% Q-o-Q. A lower absorption caused from pandemic crisis, many firms are concern about the unpredictable situation so they are decided not to expand their footprint or reduced a non-usable space to cut their cost. As a result, Year-to-Date absorption declined 8,750 sq m. Nonetheless, average monthly CBD Grade A asking rent slightly increased 0.66% Y-o-Y from THB 1,080 per sq m to THB1,087 per sq m.

Outlook

Bangkok's office market still needs to keep an eye on because it will have a huge supply coming into the market in the next 5 years. In the total of approximately 1.79 million sqm coming from many prime land plots around Bangkok. A huge supply will cause a flipping market from landlords to tenants which accelerating of a tenant's bargaining power as the market is uncharacteristically stable in its tightness through the past 10 years. Meanwhile, slow recovery from the global recession and ageing society will crate a higher dependency ratio and a long term soften in office demand. Therefore, we would not see a higher rate of both occupancy and rent in the next year.

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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	UNDER CONSTRUCTION (SQM)	ASKING RENT		
				THB/SQM /MO	US\$/SF /MO	EUR/SQM /MO
GRADE A CBD						
Ploenchit - Rama I	310,400	4.13%	152,000	1,187	\$3.67	€ 32.37
Wireless - Lang Suan	269,300	11.57%	50,000	1,148	\$3.55	€ 31.31
Early Sukhumvit	79,200	5.45%	74,000	1,300	\$4.02	€ 35.47
Silom	73,500	8.46%	67,500	865	\$2.68	€ 23.60
Sathorn	472,300	9.00%	40,500	941	\$2.91	€ 25.66
Rama IV	390,600	15.60%	590,000	1,090	\$3.37	€ 29.74
Asoke - Ratchada	80,300	5.02%	-	950	\$2.94	€ 25.92
BANGKOK GRADE A CBD TOTAL	1,675,500	9.75%	1,014,000	1,087	\$3.36	€ 29.65
BANGKOK ALL GRADE CBD TOTAL	3,184,300	8.25%	1,076,000	875	\$2.71	€ 23.87
ALL GRADES OUTER CBD						
Ratchada – Rama IX	743,200	9.05%	5,000	737	\$2.28	€ 20.10
New Petchaburi - Pathunam	384,900	12.60%	99,000	650	\$2.01	€ 17.73
Phayathai - Paholyothin	372,700	3.39%	124,600	730	\$2.26	€ 19.92
Chatuchak - Ratchayothin	754,600	4.29%	97,300	663	\$2.05	€ 18.10
Mid - Sukhumvit	241,800	8.76%	94,100	942	\$2.91	€ 25.69
Onnut - Bangna	269,800	9.94%	207,500	643	\$1.99	€ 17.53
Rama III - Narathiwas	224,000	14.54%	79,600	580	\$1.79	€ 15.82
OUTER CBD TOTAL	3,022,600	9.46%	707,200	732	\$2.27	€ 19.98
BANGKOK TOTALS	6,206,900	8.84%	1,783,200	804	\$2.49	€ 21.92

US\$/THB = 30.0333; €/THB = 36.6544

Significant Projects Under Construction

PROPERTY	ZONE	SUBMARKET	SQM	COMPLETION DATE
WHA Building	Outer CBD	Onnut - Bangna	25,000	2021
Siam Scape	CBD	Ploenchit - Rama I	13,000	2021
RASA TWO	Outer CBD	New Petchaburi - Pathunam	43,000	2021
The Unicorn Phayathai	Outer CBD	Phayathai - Paholyothin	22,000	2021
66 Tower	Outer CBD	Onnut - Bangna	29,000	2021
Kronos Sathorn Tower	CBD	Sathorn	22,500	2021
Park Silom	CBD	Silom	56,700	2022
One Bangkok – 1 st Phase	CBD	Rama IV	201,000	2023
One City Centre	CBD	Ploenchit - Rama I	61,000	2023
Dusit Central Park	CBD	Rama IV	90,000	2024



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