

2H20 BANGKOK INDUSTRIAL SNAPSHOT

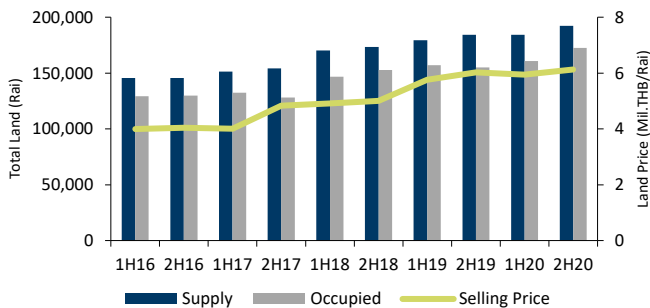
MARKET OVERVIEW

Economic Indicators

	Q2 20	Q3 20	12-Month Forecast
GDP Growth	1.5%	-1.8%	▼
CPI Growth	-2.7%	-0.7%	▲
Unemployment	2.0%	1.9%	—

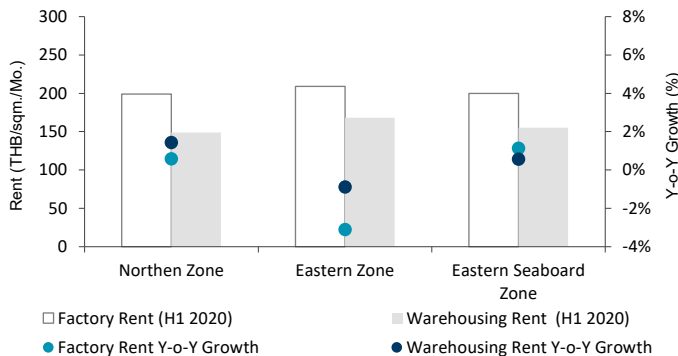
Source: NESDB

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 third quarter of 2020, declined by 6.4% improving from a 12.1% contraction in the previous quarter. After seasonal adjustment, the economy increased by 6.5% from the second quarter (%QoQ sa). In the first 9 months of 2020, the Thai economy contracted by 6.7%.

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.

Market Overview

In the second half of 2020, Thailand industrial market continues to slowdown from the COVID-19 situation in terms of the final investment decisions and low rental rate expectation. The average price of Service Land Plots (SLP) was increased by 1.7% Y-o-Y. The current inventory of SLPs marked up to almost 200,000 Rai with a sold rate at about 90%. The average land price is approximately 6.1 million baht per Rai, raised 6.4% Y-o-Y.

While, the average rental rates from Ready Built Factories (RBF) and Ready Built Warehouses (RBW) decreased by -1.1% Y-o-Y and -0.2% Y-o-Y respectively. The total supply of RBF remains the same at 2.53 million sq m with occupancy around 80%. Moreover, RBW spaces was occupied approximately 90% of the total stock of 3.89 million sqm.

Outlook

Despite the market being affected by the economy, with changing lifestyle habits, e-commerce, food and logistics businesses have grown rapidly and have a positive impact on the market this year. In addition, there are positive factors supporting the market due to the stability of Thailand's macroeconomic policy, which is evident in the ongoing infrastructure projects, especially in the EEC area, and many investment promotion programs from the BOI. Therefore, the big developers still see opportunities from the aforementioned factors and set their business goals to expand in the next 3-4 years. Approximately 10% of the existing supply or 20,000 Rai of the industrial park will persist to support the opening of a high-speed train in 2024.

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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	34.24%	199	\$0.62	€ 0.51
Eastern	849,843	13.78%	209	\$0.65	€ 0.53
Eastern Seaboard	934,365	14.83%	200	\$0.62	€ 0.51
READY BUILT FACTORY TOTAL	2,534,144	20.22%	203	\$0.63	€ 0.51
READY BUILT WAREHOUSE					
Northern	701,688	5.67%	149	\$0.46	€ 0.38
Eastern	2,146,760	9.32%	168	\$0.52	€ 0.43
Eastern Seaboard	1,045,184	14.69%	155	\$0.48	€ 0.39
READY BUILT WAREHOUSE TOTAL	3,893,632	10.11%	158	\$0.49	€ 0.49

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 = 30.0333; €/THB = 36.6544

SERVICED INDUSTRIAL LAND PLOT PROJECTS UNDER DEVELOPMENT

PROPERTY	SUBMARKET	OWNER/DEVELOPER	AREA (RAI)	COMPLETION DATE
Pinthong 6 Industrial Estate	Eastern Seaboard	Pinthong & IEAT	1,322	Q2 2021
WHA R36	Eastern Seaboard	WHA & IEAT	1,200	2021
CPGC Industrial Estate	Eastern Seaboard	CG Corporation	3,068	2021
Smart Park Industrial Estate	Eastern Seaboard	IEAT	1,466	2021
EGCO Industrial Estate Rayong	Eastern Seaboard	IEAT & EGCO	621	2022
Rojana Industrial Estate, Nong Yai	Eastern Seaboard	IEAT & Rojana	1,987	2023
Map Ta Phut Industrial Port (Phase 3)	Eastern Seaboard	IEAT	1,000	2024
WHA Industrial Estate Rayong	Eastern Seaboard	WHA & IRPC	2,152	N/A
Digital Park Thailand	Eastern Seaboard	IEAT & CAT	622	N/A

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