

1Q21 BANGKOK OFFICE SNAPSHOT

MARKET OVERVIEW

BANGKOK OFFICE MARKET

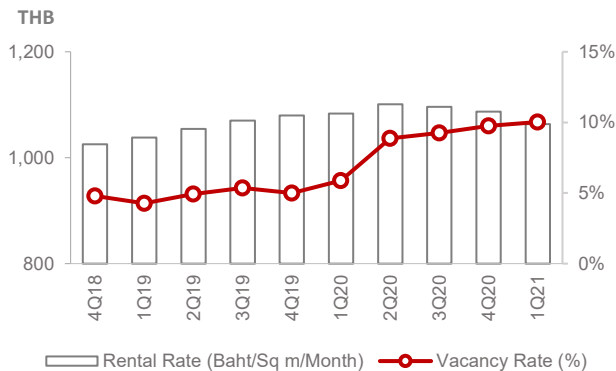
	Q3 20	Q4 20	12-Month Forecast
GDP Growth	-6.4%	-4.2%	▲
CPI Growth	-0.7%	-0.8%	▲
Unemployment	1.9%	1.9%	▼

Source: NESDC

Grade A CBD Market Indicators

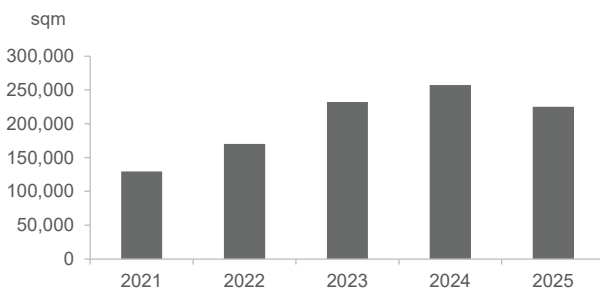
	Q4 20	Q1 21	12-Month Forecast
Overall Rent	THB1,087	THB1,064	▼
Vacancy Rate	9.75%	10.02%	▲

Overall Rent and Vacancy Rate Grade A in CBD



Source: Nexus Research Advisory

Grade A CBD Supply Pipeline



Source: Nexus Research Advisory

Economy

Thailand's economy declined by 4.2% y-o-y in Q4 2020, recovering from a contraction of 6.4% in the previous quarter. For the full year 2020, the economy declined by 6.1%, compared with a growth of 2.3% in 2019. The headline inflation was at -0.8% and the current account registered a surplus of 3.3% of GDP. The Thai economy in 2021 tends to recover continually from the latter half of 2020. It is projected that the economy will expand by 2.5-3.5%, according to the National Economic and Social Development Council (NESDC).

Market Overview

With Bangkok's total office supply at approximately 6.28 million sq m, the overall vacancy rate claimed to a higher rate of 9.55%, up from 8.49% q-o-q. The vacancy rate is started to rising since 2Q20 due to COVID-19 and tends to continue this year. In term of rent, the average rental rate of overall Bangkok stood at THB800 per sq m, changed only 0.12% y-o-y (Grade A: THB967 per sq m; Grade B; THB690 per sq m). However, comparing quarterly, the average rental rate declined 0.44% from THB803 per sq m per month.

Total Grade A stock in CBD was at 1.68 million sq m. Vacancy rose in Q1 to 10.02%, up from 9.75% in Q4 2020. The vacancy rate recorded higher than 10% first time since 2013. However, Ploenchit – Rama I, Asoke – Ratchada, Sathorn and early Sukhumvit are still tight with a vacancy rate below 10%. The average monthly CBD Grade A asking rent declined 2.13% q-o-q from THB1,087 per sq m to THB1,064 sq m (also contracted 1.81 y-o-y). Furthermore, all grade rental rate of the CBD area was at THB866 psm per month and Grade B at THB736 per sq m per month.

Outlook

The Bangkok office market merits close monitoring, with a huge volume of new supply due in the next five years. The total of approximately 1.7 million sq m will come from many prime land plots in the city which approximately 385,000 sq m will enter the market this year, contrasted with the absorption that recorded minus last year. The influx is likely to cause the market to flip from landlords to tenants, accelerating tenants' bargaining power, having been landlord-favorable with tight supply for the past 10 years. A slow recovery from the global recession and a huge number of future supply will lead to medium-to-long-term softening in office demand. We do not expect to see either occupancy or rental levels increase this year.

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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	PLANNING/UNDER CONSTRUCTION (SQM)	ASKING RENT		
				THB/SQM /MO	US\$/SF /MO	EUR/SQM /MO
GRADE A CBD						
Ploenchit - Rama I	310,400	5.53%	152,000	1,174	\$3.55	€31.99
Wireless - Lang Suan	269,300	10.85%	168,800	1,078	\$3.26	€29.36
Early Sukhumvit	79,200	6.61%	74,000	1,250	\$3.78	€34.05
Silom	73,500	12.14%	56,700	865	\$2.62	€23.56
Sathorn	472,300	9.70%	40,500	936	\$2.83	€25.50
Rama IV	390,600	15.12%	563,000	1,090	\$3.30	€29.69
Asoke - Ratchada	80,300	3.04%	-	950	\$2.87	€25.88
BANGKOK GRADE A CBD TOTAL	1,675,500	10.02%	1,055,000	1,064	\$3.22	€28.97
BANGKOK ALL GRADE CBD TOTAL	3,184,300	8.93%	1,085,900	866	\$2.62	€23.59
ALL GRADES OUTER CBD						
Ratchada – Rama IX	743,200	8.55%	5,000	721	\$2.18	€19.63
New Petchaburi - Pathunam	427,900	16.77%	39,000	672	\$2.03	€18.30
Phayathai - Paholyothin	372,700	7.92%	151,800	711	\$2.15	€19.37
Chatuchak - Ratchayothin	795,900	7.09%	51,000	666	\$2.01	€18.13
Mid - Sukhumvit	241,800	7.53%	94,100	949	\$2.87	€25.86
Onnut - Bangna	293,800	12.42%	179,000	681	\$2.06	€18.55
Rama III - Narathiwas	224,000	17.89%	79,600	580	\$1.75	€15.80
OUTER CBD TOTAL	3,099,300	10.19%	599,500	734	\$2.22	€19.98
BANGKOK TOTALS	6,283,600	9.55%	1,685,400	800	\$2.42	€21.78

US\$/THB = 30.7314; €/THB = 36.7108

Significant Projects Under Construction

PROPERTY	ZONE	SUBMARKET	SQM	COMPLETION DATE
Kronos Sathorn Tower	CBD	Sathorn	22,500	2021
Siam Scape	CBD	Ploenchit - Rama I	13,000	2021
O-NES Tower	CBD	Early Sukhumvit	43,000	2021
The Unicorn Phayathai	Outer CBD	Phayathai - Paholyothin	22,000	2021
66 Tower	Outer CBD	Onnut - Bangna	29,000	2021
CAS Centre	Outer CBD	New Petchaburi - Pathunam	39,000	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
Central Park Offices	CBD	Rama IV	63,000	2024



TEERAWIT LIMTHONGSAKUL
Managing Director
Tel: +662 286 8899
E-mail: teerawit@nexus.co.th

Nexus Real Estate Advisory Co., Ltd.
31st Fl., BKK Building/ Y.W.C.A. 25
South Sathorn Road, Thungmahamek,
Sathorn, BKK 10120, Thailand

NEXUS.CO.TH