

2Q21 BANGKOK OFFICE SNAPSHOT

MARKET OVERVIEW

BANGKOK OFFICE MARKET

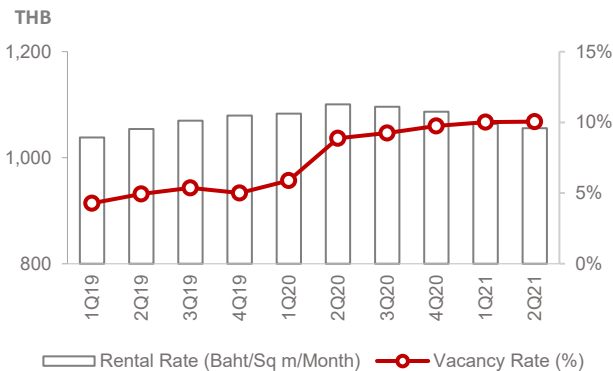
	Q4 20	Q1 21	12-Month Forecast
GDP Growth	-4.2%	-2.6%	▲
CPI Growth	-0.8%	-0.5%	▲
Unemployment	1.9%	2.0%	■

Source: NESDC

Grade A CBD Market Indicators

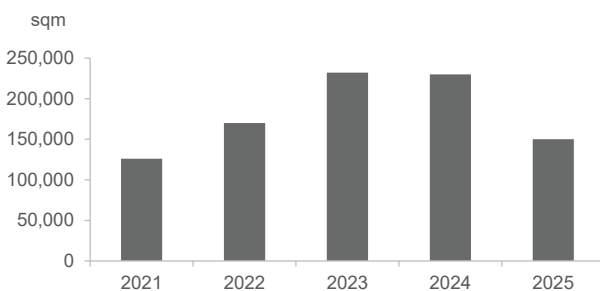
	Q1 21	Q2 21	12-Month Forecast
Overall Rent	THB1,064	THB1,056	■
Vacancy Rate	10.02%	10.05%	▲

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 first quarter of 2021 contracted by 2.6 percent, an improvement a 4.2% contraction in the previous quarter. after It was boosted by a continued increase in agricultural production, recovery of non-agricultural production, acceleration in domestic investments, rise in government consumption expenditure and improvement in exports of goods. On a quarterly basis, gross domestic product (GDP) rose by 0.2% in the first quarter, compared to 1.1% in the fourth quarter of 2020.

However, the new wave of Covid-19 infections at the end of 2020 and early April 2021 affected private consumption expenditure adversely. The National Economic and Social Development Council (NESDC) was lower its economic growth forecast for a second time to 1.5-2.5% from 2.5-3.5% made in February and against 3.5-4.5% growth made in November last year.

Market Overview

With Bangkok's total office supply at approximately 6.29 million sq m, the overall vacancy rate climbed to 9.97% in Q2, up from 9.58% q-o-q. Overall vacancy has now been rising since Q2 2020 due to COVID-19 and is set to continue this year. The overall citywide monthly average rental stood at THB795 per sq m, shrinking by 1.5% y-o-y (Grade A at THB964 per sq m and Grade B at THB687 per sq m).

Total Grade A stock in the CBD was at 1.68 million sq m. Vacancy rose in Q2 to 10.05%, up from 10.02% in the previous quarter. Ploenchit - Rama1 and Asoke - Ratchada submarkets remain strong with vacancy rates less than 5%. Many landlords have trimmed asking rents to attract new tenants and extended subsidies such as rent-free periods and lease renewal discounts for new and existing tenants. Consequently, the average monthly CBD Grade A asking rental level fell 0.74% q-o-q from THB1,064 per sq m to THB1,056 per sq m, a drop of 4.09 y-o-y. The all-grade rental rate for the CBD area was at THB860 per sq m per month and Grade B at THB732 per sq m per month.

Outlook

The new wave of COVID-19 cases, starting in April, is impacting overall market sentiment. The latest outbreak has accounted for over two-thirds of Thailand's total infections. The slow rollout of a vaccination program is also creating delay in reopening plans. These factors, combined with a huge volume of new supply of approximately 1.6 million sq m in the coming years, will likely noticeably shift bargaining power to tenants.

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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	5.11%	152,000	1,152	\$3.38	€30.52
Wireless - Lang Suan	269,300	12.83%	165,500	1,078	\$3.16	€28.55
Early Sukhumvit	79,200	9.98%	74,000	1,200	\$3.52	€31.78
Silom	73,500	13.06%	56,700	865	\$2.06	€22.91
Sathorn	472,300	9.14%	40,500	936	\$2.75	€24.79
Rama IV	390,600	14.09%	563,000	1,090	\$3.20	€28.87
Asoke - Ratchada	80,300	3.01%	-	950	\$2.79	€25.16
BANGKOK GRADE A CBD TOTAL	1,675,522	10.05%	1,051,600	1,056	\$3.10	€27.96
BANGKOK ALL GRADE CBD TOTAL	3,184,261	9.31%	1,093,400	860	\$2.52	€22.78
ALL GRADES OUTER CBD						
Ratchada – Rama IX	740,000	9.32%	5,000	723	\$2.13	€19.21
New Petchaburi - Pathunam	427,900	14.11%	39,000	672	\$1.97	€17.79
Phayathai - Paholyothin	372,700	7.21%	151,800	701	\$2.06	€18.56
Chatuchak - Ratchayothin	779,900	7.21%	51,000	652	\$1.91	€17.27
Mid - Sukhumvit	241,800	8.80%	94,100	972	\$2.85	€25.73
Onnut - Bangna	322,800	20.49%	179,000	701	\$2.06	€18.55
Rama III - Narathiwas	224,000	13.96%	79,600	576	\$1.69	€15.26
OUTER CBD TOTAL	3,109,147	10.65%	565,500	730	\$2.14	€19.35
BANGKOK TOTALS	6,293,409	9.97%	1,659,000	795	\$2.33	€21.06

US\$/THB= 31.6789; €/THB = 37.757

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
140 Wireless	CBD	Wireless - Lang Suan	22,500	2021
The Unicorn Phayathai	Outer CBD	Phayathai - Paholyothin	22,000	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., BKI Building/ Y.W.C.A. 25
 South Sathorn Road, Thungmahamek,
 Sathorn, BKK 10120, Thailand

NEXUS.CO.TH