

3Q21 BANGKOK OFFICE SNAPSHOT

MARKET OVERVIEW

BANGKOK OFFICE MARKET

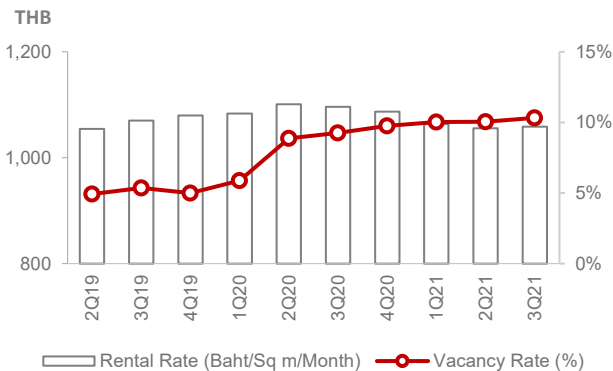
	Q1 21	Q2 21	12-Month Forecast
GDP Growth	-2.6%	7.5%	▲
CPI Growth	-0.5%	2.4%	■
Unemployment	2.0%	1.9%	■

Source: NESDC

Grade A CBD Market Indicators

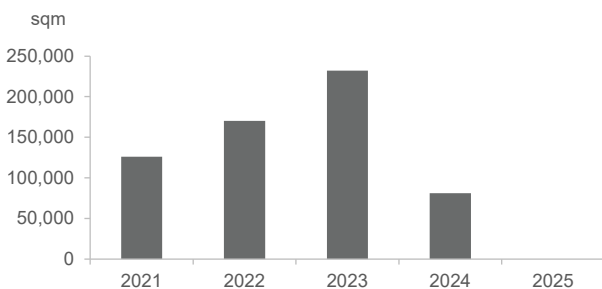
	Q2 21	Q3 21	12-Month Forecast
Overall Rent	THB1,056	THB1,058	▲
Vacancy Rate	10.05%	10.31%	▲

Overall Rent and Vacancy Rate Grade A in CBD



Source: Nexus Research Advisory

Grade A CBD Supply Pipeline



Source: Nexus Research Advisory

Economy

The National Economic and Social Development Council (NESDC) states the Thai Economy in the second quarter of 2021 expanded by 7.5% year-on-year, recovering from a 2.6% contraction in the previous quarter. However, the improvement partly resulted from the low base effect of the same period of the last year.

The NESDC downgraded its outlook for 2021 for a third time to 0.7-1.2% from 1.5-2.5% made in May because the COVID case was up to the peak in August and slower-than-expected vaccine rollout affecting the delay of the reopening plan. The agency also predicts for only 150,000 foreign tourists this year, down from 500,000 visitors forecasted previously, and against 40 million foreign visitors in 2019.

Market Overview

With Bangkok's total office supply at approximately 6.29 million sq m, the overall vacancy rate climbed to 10.43% in Q3, up from 9.97% 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 THB794 per sq m, shrinking by 1.2% y-o-y (Grade A at THB965 per sq m and Grade B at THB685 per sq m).

Total Grade A stock in the CBD was at 1.68 million sq m. Vacancy rose in Q3 to 10.31%, up from 10.05% in the previous quarter. Silom submarket were facing the hardest hit in this quarter as its vacancy rose to 26.65%. In contrast, Ploenchit – Rama I and Asoke – Ratchada submarkets remain strong with vacancy rates remain around 5% or less. While the vacancy rate for another submarkets remain around 10%. The average monthly rate were slightly increased 0.25% q-o-q from THB1,056 to THB1,058 per sqm.

Outlook

An ongoing pandemic causing negative impacts to the market. The third wave starts in May and was at its peak in August. It causes lockdown and curfew in Bangkok until now. The restriction leading some delays in new projects. Moreover, the prolonged situation and working remote policy also create a lower-than-expect pre-lease in new projects and lower occupancy rate in the operating buildings. The vacancy rate is forecasted to rise continually as a slow economic recovery and approximately 1.2 million sq m are potentially add up into the market within 2025.

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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	5.21%	152,000	1,163	\$3.24	€29.72
Wireless - Lang Suan	269,300	12.74%	22,500	1,078	\$3.00	€27.53
Early Sukhumvit	79,200	7.85%	74,000	1,200	\$3.34	€30.66
Silom	73,500	26.65%	56,700	865	\$2.41	€22.10
Sathorn	472,300	10.32%	40,500	936	\$2.61	€2.91
Rama IV	390,600	11.71%	264,000	1,090	\$3.03	€27.85
Asoke - Ratchada	80,300	2.57%	-	950	\$2.65	€24.27
BANGKOK GRADE A CBD TOTAL	1,675,500	10.31%	609,600	1,058	\$2.95	€27.04
BANGKOK ALL GRADE CBD TOTAL	3,184,300	9.63%	680,000	860	\$2.39	€21.97
ALL GRADES OUTER CBD						
Ratchada – Rama IX	740,000	11.80%	5,000	723	\$2.02	€18.53
New Petchaburi - Pathunam	427,900	14.85%	39,000	672	\$1.87	€17.16
Phayathai - Paholyothin	372,700	6.74%	151,800	701	\$1.95	€17.91
Chatuchak - Ratchayothin	779,900	7.30%	51,000	634	\$1.76	€16.19
Mid - Sukhumvit	241,800	9.66%	130,300	980	\$2.73	€25.04
Onnut - Bangna	322,800	20.57%	140,000	692	\$1.93	€17.68
Rama III - Narathiwat	224,000	12.01%	79,600	588	\$1.64	€15.03
OUTER CBD TOTAL	3,109,000	11.24%	570,000	728	\$2.03	€18.59
BANGKOK TOTALS	6,293,000	10.43%	1,250,000	794	\$2.21	€20.28

US\$/THB = 33.379; €/THB = 39.145

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
Park Silom	CBD	Silom	56,700	2022
101 True Digital Park 2	Outer CBD	Onnut - Bangna	30,000	2022
One City Centre	CBD	Ploenchit - Rama I	61,000	2022
One Bangkok – 1 st Phase	CBD	Rama IV	201,000	2023
Central Park Offices	CBD	Rama IV	63,000	2024



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