

1H22 BANGKOK OFFICE SNAPSHOT

MARKET OVERVIEW

BANGKOK OFFICE MARKET

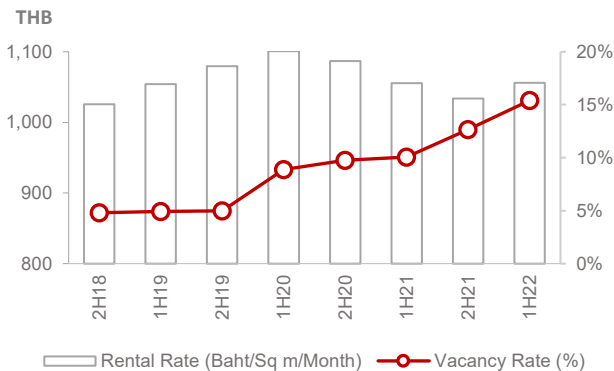
	Q4 21	Q1 22	12-Month Forecast
GDP Growth	1.8%	2.2%	▲
CPI Growth	2.4%	4.7%	▲
Unemployment	1.6%	1.5%	▼

Source: NESDC (National Economic and Social Development Council)

Grade A CBD Market Indicators

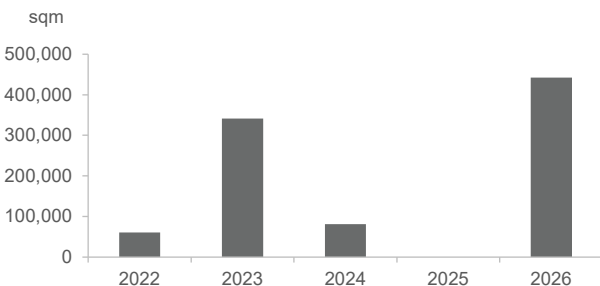
	H2 21	H1 22	12-Month Forecast
Overall Rent	THB1,062	THB1,064	▲
Vacancy Rate	9.92%	15.31%	▲

Overall Rent and Vacancy Rate Grade A in CBD



Source: Nexus Research Advisory

Grade A CBD Supply Pipeline



Source: Nexus Research Advisory

Economy

According to the Nation Economic and Social Development Council (NESDC), the Thai economy in 2021 grew by 1.6%. The expansion continued in the first quarter of 2022 for a further 2.2% Y-o-Y.

The NESDC projected that the economy will be expanded in the range of 2.5 – 3.5%, mainly supported by the recovery of the tourism sector and the improvement of export businesses. Headline inflation is estimated to be in the range of 4.2 – 5.2% due to food-and-beverage and energy price indexes being increased.

Market Overview

With a total office supply of around 6.49 million square meters in Bangkok, the overall vacancy rate increased to 12.37% in Q2. The overall citywide monthly average rental was THB800 per sq.m, up by 0.55% Y-o-Y. (A-Grade costs THB969 per sq.m, whereas B-Grade costs THB687 per sq.m)

The CBD's total A-Grade office stock was 1.78 million square meters. The vacancy rates went up to 15.31%, rising from 12.54% in Q4 last year. Except for the Asoke-Ratchada area, the vacancy rates in most submarkets exceeded 10%. However, the average monthly rental climbed to THB1,064 per sq.m from THB1,057 per sq.m at the end of 2021.

Outlook

Almost 1 million square meters of fresh supply will be introduced to the market by 2026. The vacancy rates tend to be elevated. It is the result of a slower-than-expected economic recovery, work-from-anywhere trends, external factors such as the ongoing Russia-Ukraine conflict, and a large number of future supplies that absorption could not catch up with each year. Nonetheless, because the majority of new supplies are A-grade offices, rental rates are expected to be higher.

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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	349,000	13.30%	114,000	1,154	\$3.32	€30.93
Wireless - Lang Suan	291,800	15.59%	143,000	1,070	\$3.08	€28.69
Early Sukhumvit	122,200	27.98%	31,000	1,233	\$3.55	€33.07
Silom	52,000	34.77%	56,700	930	\$2.68	€24.93
Sathorn	494,700	16.28%	18,000	944	\$2.72	€25.29
Rama IV	390,600	11.80%	563,000	1,048	\$3.02	€28.11
Asoke - Ratchada	80,300	2.22%	-	950	\$2.74	€25.47
BANGKOK GRADE A CBD TOTAL	1,780,600	15.31%	925,700	1,064	\$3.07	€28.53
BANGKOK ALL GRADE CBD TOTAL	3,327,700	12.50%	996,000	873	\$2.52	€23.40
ALL GRADES OUTER CBD						
Ratchada – Rama IXt	779,000	17.37%	105,000	727	\$2.09	€19.48
New Petchaburi - Pathunam	427,900	12.85%	-	689	\$1.99	€18.47
Phayathai - Paholyothin	372,700	5.62%	326,500	673	\$1.94	€18.05
Chatuchak - Ratchayothin	779,900	6.55%	-	637	\$1.84	€17.08
Mid - Sukhumvit	241,800	10.75%	125,500	968	\$2.79	€25.96
Onnut - Bangna	335,500	21.71%	120,000	695	\$2.00	€18.63
Rama III - Narathiwas	224,000	11.35%	39,600	592	\$1.71	€15.86
OUTER CBD TOTAL	3,160,800	12.23%	633,200	731	\$2.11	€19.60
BANGKOK TOTALS	6,488,500	12.37%	1,719,700	802	\$2.31	€21.50

US\$/THB= 32.25; €/THB = 37.30

Significant Projects Under Construction

PROPERTY	ZONE	SUBMARKET	SQM	COMPLETION DATE
One City Centre	CBD	Ploenchit - Rama I	61,000	2022
Silom Edge	CBD	Rama IV	12,000	2022
MARCHE 55	Outer CBD	Mid - Sukhumvit	14,000	2022
Vanit Place@Aree	Outer CBD	Phayathai - Paholyothin	33,000	2022
AIA East Gateway	Outer CBD	Onnut - Bangna	60,000	2022
Park Silom	CBD	Silom	56,700	2023
One Bangkok – 1 st Phase	CBD	Rama IV	201,000	2023
EmSphere	Outer CBD	Mid - Sukhumvit	20,000	2023
The Unicorn Phayathai	Outer CBD	Phayathai - Paholyothin	22,000	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