

2H23 BANGKOK OFFICE SNAPSHOT

MARKET OVERVIEW

BANGKOK OFFICE MARKET

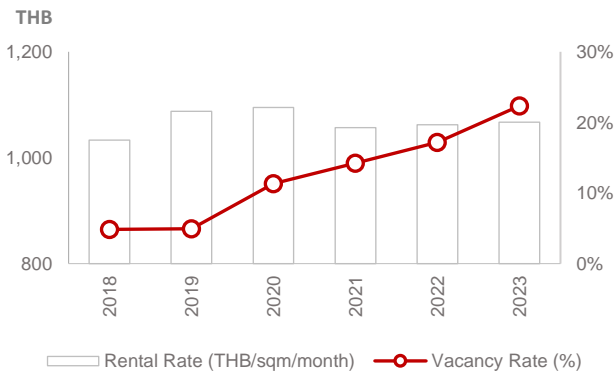
	Q2 23	Q3 23	12-Month Forecast
GDP Growth	1.8%	1.5%	▬
CPI Growth	1.1%	0.5%	▼
Unemployment	1.1%	1.0%	▼

Source: NESDC (National Economic and Social Development Council)

Grade A CBD Market Indicators

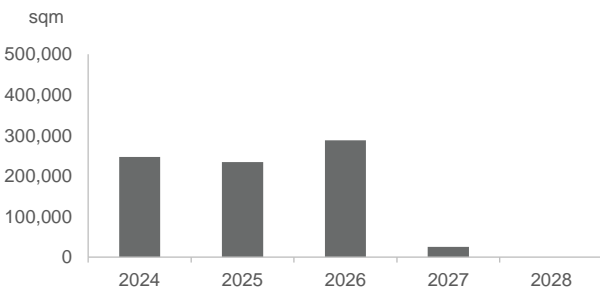
	H2 22	H2 23	12-Month Forecast
Overall Rent	THB1,062	THB1,067	▲
Vacancy Rate	17.19%	22.31%	▼

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 National Economic and Social Development Council (NESDC), the Thai economy increased by 1.5% in the third quarter of 2023, compared with a growth of 1.8% in the previous quarter. In the first nine months, the economy grew by 1.9%. The economy is anticipated to improve by 2.5% this year, maintaining the previous year's rate of 2.6%. The headline inflation rate is estimated to be 1.4%. In addition, the economy is expected to grow at a rate ranging from 2.7% to 3.7% in 2024. Key supports come from the export recovery, the growth of private consumption, and the rebound in tourist numbers.

Market Overview

The cumulative supply in 2023 was around 7.06 million square meters, an increase of roughly 360,000 square meters over the previous year. The vacancy rate increased from 14.81% in 2022 to 17.82% in 2023 as a result of the surge of new supply. In addition, the average monthly rate rose by 0.02% year on year to THB806 per sqm.

Similarly to CBD areas, 187,000 square meters have entered the market, bringing the overall supply of CBD to 3,540,000 square meters. As a result, the vacancy rate climbed this year to 18.31%, up from 14.08% in 2022. The average rental rate was raised marginally to THB870 per sqm per month, representing a 0.11% rise year on year (monthly rate for A grade at THB1,067/sqm; B grade at THB726/sqm/month).

Outlook

Many landlords, particularly those who own older properties, may face significant challenges in 2024. Because a fresh supply of about 1.36 million sqm is in the pipeline, current tenants will be pulled to the newly developed. Furthermore, the majority of multinational corporations are concerned about environmental sustainability. They are more inclined to consider relocating to buildings that have obtained green accreditation. Beyond of the supply, the asking rates are more likely to increase, mainly from the new development and forecasted that the occupancy rate will still climbing on top of the recent one and will recover in the following years.

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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	458,000	29.24%	25,000	1,187	\$3.06	€30.93
Wireless - Lang Suan	292,000	16.81%	143,000	1,034	\$2.67	€26.93
Early Sukhumvit	122,000	29.79%	33,000	1,250	\$3.22	€32.57
Silom	109,000	47.40%	-	1,055	\$2.72	€27.49
Sathorn	495,000	18.53%	18,000	929	\$2.39	€24.19
Rama IV	391,000	11.89%	576,000	1,038	\$2.68	€27.03
Asoke - Ratchada	80,000	4.05%	-	980	\$2.53	€25.53
BANGKOK GRADE A CBD TOTAL	1,946,000	22.31%	795,000	1,067	\$2.75	€27.80
BANGKOK ALL GRADE CBD TOTAL	3,540,000	18.31%	816,000	870	\$2.24	€22.65
ALL GRADES OUTER CBD						
Ratchada – Rama IX	779,000	18.60%	64,000	721	\$1.86	€18.80
New Petchaburi - Pathunam	445,000	19.45%	-	685	\$1.77	€17.85
Phayathai - Paholyothin	491,000	15.99%	-	867	\$1.81	€18.34
Chatuchak - Ratchayothin	834,000	8.97%	75,000	676	\$1.74	€17.62
Mid - Sukhumvit	198,000	17.41%	-	951	\$2.45	€24.77
Onnut - Bangna	426,000	32.12%	-	723	\$1.87	€18.85
Rama III - Narathiwas	224,000	14.68%	-	575	\$1.48	€14.98
OUTER CBD TOTAL	3,524,000	17.34%	139,000	743	\$1.92	€19.35
BANGKOK TOTAL	7,064,000	17.82%	1,363,000	806	\$2.08	€21.00

US\$/THB= 36.04; €/THB = 38.38

Significant Projects Under Construction

PROPERTY	ZONE	SUBMARKET	SQM	COMPLETION DATE
One Bangkok – Tower 4	CBD	Rama IV	96,000	2024
One Bangkok – Tower 5	CBD	Rama IV	100,000	2024
PUNN Tower	CBD	Rama IV	21,000	2024
Supalai Icon	CBD	Sathorn	18,000	2024
JLK Tower	CBD	Early Sukhumvit	33,000	2024
Cloud 11	Non-CBD	Onnut - Bangna	N/A	2024
Mochit Complex	Non-CBD	Chatuchak - Ratchayothin	55,000	2024
Central Park Offices	CBD	Rama IV	63,000	2025
JRK Tower	CBD	Phayathai - Paholyothin	47,000	2025
King Bridge Tower	Non-CBD	Rama III - Narathiwas	40,000	2025



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