

MARKETBEAT



5.25%
RENT GROWTH (YOY)

4.91%
VACANCY RATE

0.00 msf
NEW COMPLETIONS (YTD)

WHAT'S NEXT

HIGHLIGHTS

Economic performance and outlook

According to the National Economic and Social Development Board (NESDB), the Thai economy expanded by 2.3% (YoY) in the second quarter of 2019, slowing from the 2.8% in the previous quarter. In the first half of 2019, the Thai economy grew 2.6%. The Thai economy is projected to grow by 2.7-3.2% in 2019. Inflation will range 0.7-1.2% and the current account surplus will reach 5.9% of GDP.

Massive supply queue up

More than 40 office buildings, approximately 13 million square feet, are in the pipeline for the next 5 years. The majority will be Grade A buildings and therefore located in the CBD area. In addition, mushrooming mixed-use projects in the Rama IV area are in the public eye after four massive investments, including the country's largest private sector project, One Bangkok, worth over 120 billion baht, is earmarked for the corner of Rama IV and Wireless Road. The other three – Samyan Mitrtown, The PARQ and Dusit Central Park – are massive mixed-use projects which will account for about 40% of total new supply.

Sustained rent growth

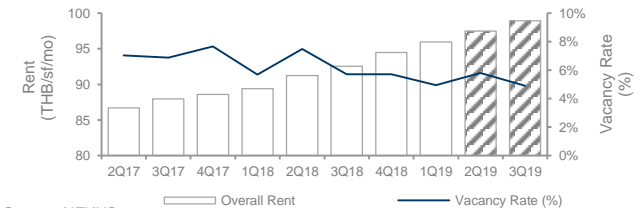
Despite a huge supply pipeline, the average rental rate in the CBD continued to rise. The average rental rate rose to THB84.21 per psf (THB98.91 for Grade A and THB72.16 for Grade B), an increase of 5.25% year-on-year (YoY). Non-CBD rents rose to THB70.10 psf (THB88.51 for Grade A and THB61.32 for Grade B), an increase of 6.24% YoY.

ECONOMIC INDICATORS

	Q1 19	Q2 19	12-month Forecast
GDP Growth	2.8%	2.3%	▲
CPI Growth	0.9%	0.9%	■
Unemployment	0.9%	1.0%	▼

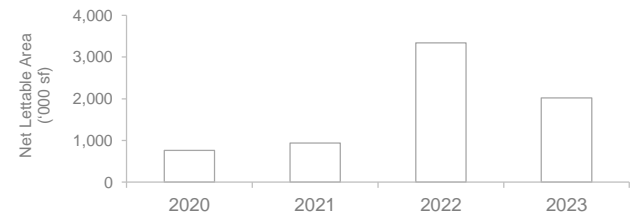
Source: NESDB

GRADE A CBD OVERALL RENT & VACANCY RATE



Source: NEXUS

GRADE A CBD SUPPLY PIPELINE



Source: NEXUS

Teerawit Limthongsakul

Managing Director,
31st Fl., BKL Building/Y.W.C.A.
25 South Sathorn Road, Thungmahamek,
Sathorn, BKK 10120, Thailand
www.nexus.co.th
Tel: +662 286 8899
teerawit@nexus.co.th

SUBMARKET	INVENTORY (SF)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SF)	GRADE A ASKING RENT		
				THB/SF/MO	US\$/SF/MO	EUR/SF/MO
Ploenchit&Rama I	2,806,079	2.44%	1,615,625	108.64	US\$3.57	€3.24
Rajadamri&Lang Suan	-	-	645,600	-	-	-
Sathorn	5,078,720	4.69%	215,200	85.66	US\$2.81	€2.56
Rama IV	2,655,213	4.65%	3,796,128	92.70	US\$3.04	€2.77
Silom	231,340	7.60%	728,441	74.35	US\$2.44	€2.22
Wireless	2,837,520	7.76%	-	107.81	US\$3.54	€3.22
BANGKOK GRADE A CBD TOTAL	13,608,872	4.91%	7,000,794	98.91	US\$3.25	€2.95
Asoke&Ratchada	12,269,606	2.94%	-	63.77	US\$2.09	€1.90
Sukhumvit	4,509,440	3.40%	784,619	86.77	US\$2.85	€3.15
Paholyothin	5,086,586	4.18%	464,832	63.63	US\$2.09	€1.90
BANGKOK ALL GRADE NON-CBD TOTAL	21,865,632	3.31%	1,249,451	70.10	US\$2.30	€2.09

US\$/THB = 30.47086; €/THB = 33.49658

KEY LEASING TRANSACTIONS Q3 2019

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
----------	-----------	--------	----	------------

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
Samyan Mitrtown	CBD Rama IV	JustCo	516,480	4Q2019
Spring Tower	Non-CBD Phayathai	WeWork	296,100	4Q2019
Silom Centre	CBD Silom	-	118,360	2Q2020
The PARQ	CBD Rama IV	-	645,600	2020
Siam Scape	CBD Ploenchit & Rama I	-	119,985	2020
Spring Tower	Non-CBD Phayathai	-	309,242	2020
Unicorn Phayathai	Non-CBD Phayathai	-	225,960	2021
The Market by Platinum	CBD Rajdamri	-	409,000	2021
O-NES Tower	Non-CBD Sukhumvit	-	495,000	2021
One Bangkok – 1st Phase	CBD Rama IV	-	4,000,000	2022
The Oasis by Singha	Non-CBD Viphawadi	-	570,000	2022
One City Centre	CBD Ploenchit & Rama I	-	656,360	2023

A Cushman & Wakefield
Research Publication

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

www.cushmanwakefield.com