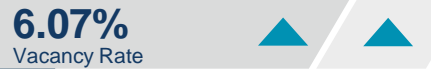


BANGKOK OFFICE

Office Q1 2020



THAI ECONOMIC INDICATORS Q4 2019



Source: NESDC (National Economic and Social Development Council)

ECONOMY

According to the National Economic and Social Development Council (NESDC), the Thai economy in the fourth quarter of 2019 expanded by 1.6%, decelerating from 2.6% in the previous quarter. After seasonal adjustments, the economy grew by 0.2% from the third quarter (%QoQ sa).

In 2019, the Thai economy expanded by 2.4%, down from 4.2% in 2018. Export value contracted by 3.2% while private consumption and total investment grew by 4.5% and 2.2%, respectively. Headline inflation averaged at 0.7% and the current account recorded a surplus at 6.8% of GDP.

Due to the COVID-19 outbreak, economic growth will slow or even contract if the situation extends into the third quarter, largely due to the impact on the tourist sector which had driven the Thai economy for the past few years. From 1st January 2020 – 10th March 2020, the number of tourists plunged by approximately 60% YoY due to the outbreak, according to the Association of Thai Travel Agents (ATTA).

DEMAND: Still high and rental prices still increasing

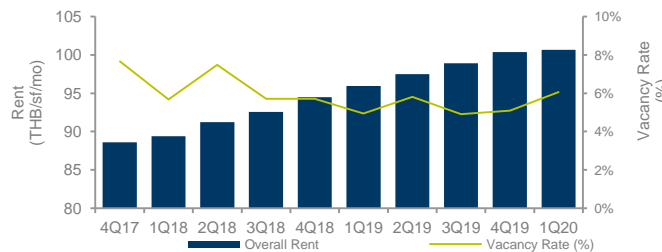
With total supply of approximately 64.83 million square feet, the Bangkok's office market remains stable with low vacancy rates at 6.4%; the average rental rate at THB74.50 psf/mo, upwards of 4.9% YoY. However, the overall absorption recorded a negative 433,135 sqf in the quarter. Similar to the Central Business District (CBD) area, the vacancy rate is still low at 5.6% with the average rent at BHT81.40 psf/mo (Grade A THB100.70 psf/mo and Grade B at THB69.10 psf/mo). Meanwhile, the outer CBD area recorded vacancy at 7.1% with the average rent at THB67.50 psf/mo (Grade A THB82.50 psf/mo and Grade B at 58.10 psf/mo).

The COVID-19 outbreak have yet to impact to the market but it would fast-forward the disruption of traditional office space as the way of work has been changed. Many companies are now implementing 'work from home' plans during the coronavirus outbreak. Also, some businesses may consider downsizing their office spaces in the future if the situation does not recover soon.

FUTURE SUPPLY: Grade A Building Trend

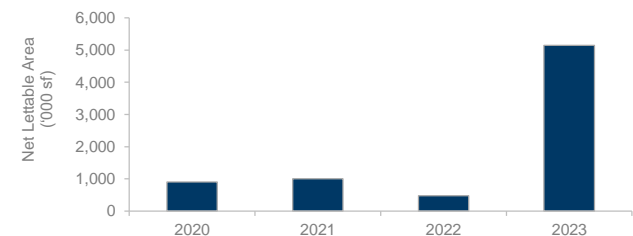
In the next 5 years, most future supply will be Grade A at approximately 17 million sqf across the submarkets. Many condominium developers are expanding their businesses to secure more recurring income as the condominium market is facing challenges from a lower Loan-to-Value ratio rule and the coronavirus outbreak that has delayed buying decisions. Those developers are developing properties for lease, including office buildings.

GRADE A CBD OVERALL VACANCY & ASKING RENT



Source: NEXUS

GRADE A CBD SUPPLY PIPELINE



Source: NEXUS

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION(SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (THB/SF/MO)
Ploenchit & Rama I	3,413,610	84,110	2.46%	-7,467	-7,467	1,068,000	\$3.47
Wittayu & Lang Suan	2,897,776	229,414	7.92%	-16,376	-16,376	1,468,740	\$3.28
Early Sukhumvit	860,800	21,003	2.44%	1,727	1,727	500,000	\$3.93
Silom	790,860	65,894	8.33%	-30,064	-30,064	730,000	\$2.50
Sathorn	5,078,720	330,719	6.51%	-138,128	-138,128	457,000	\$2.62
Rama IV	2,956,493	290,509	9.83%	37,456	37,456	6,144,000	\$2.94
Asoke - Ratchada	864,028	1,991	0.23%	-1991	-1991	-	\$2.57
GRADE A CBD TOTALS	16,862,287	1,023,642	6.07%	-154,842	-154,842	10,367,740	\$3.09
BANGKOK TOTALS	64,833,250	4,125,083	6.36%	-433,133	-433,133	21,500,000	\$2.29

*Rental rates reflect full service asking

1 USD = THB 32.5368

KEY LEASE TRANSACTIONS Q1 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Spring Tower	Phayathai-Pholyothai	WeWork	69,940	New Lease

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	SF	COMPLETED	OWNER/DEVELOPER
Spring Tower	Phayathai-Pholyothai	296,100	Q1 2020	AIRA Property PLC

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	COMPLETION DATE
The PARQ	Rama IV	-	645,600	2020
Siam Scape	Ploenchit - Rama I	-	119,985	2020
RASA Building Two Petchaburi	New Petchaburi - Pathunam	-	462,680	2020
Unicorn Phayathai	Phayathai - Pholyothin	-	225,960	2021
O-NES Tower	Mid-Sukhumvit	-	495,000	2021
The Oasis by Singha	Chatuchak - Ratchayothin	-	570,000	2022
One Bangkok – 1st Phase	Rama IV	-	4,000,000	2023

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