

THAILAND INDUSTRIAL

Industrial Q2 2020

THB 5.8 Mil
Avg Price of SILP per Rai

YoY Chg ▲ 12-Mo. Forecast ▲

0.0%
RBF Rent Growth Y-o-Y

▼ —

-1.1%
RBW Rent Growth Y-o-Y

▼ ▲

Source: Nexus Real Estate Advisory

THAILAND ECONOMIC INDICATORS Q1 2020

-1.8%
GDP Growth

YoY Chg ▼ 12-Mo. Forecast ▲

0.4%
Consumer Price Index (CPI) Growth

▼ —

1.0%
unemployment

— —

Source: NESDC (National Economic and Social Development Council)

ECONOMY

According to the National Economic and Social Development Council (NESDC), the Thai Economy, in the first quarter of 2020, contracted by 1.8% compared with 1.5% expansion in the previous quarter. After seasonal adjustments, the economy declined by 2.2 % from the fourth quarter of last year (%QoQ sa).

In 2020, the Thai economy is expected to show a contraction in the range of (-6.0) - (-5.0)%, due to the severe downturn of the global economy and merchandise trade, the sharp decline in number and revenues from foreign tourists, the limitations due to the COVID-19 outbreak in Thailand, and the drought. Meanwhile, the headline inflation is expected to be in the range of (-1.5) - (-0.5)%, and the current account tends to register a surplus of 4.9% of GDP.

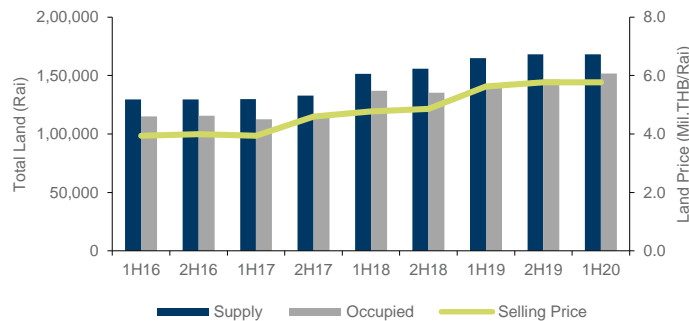
SERVICED INDUSTRIAL LAND PLOT MARKET OVERVIEW

The supply of serviced industrial land plots is in an expansion phase, partly due to the announcement of the new city plan in the Eastern Economic Corridor (EEC). Companies that have submitted applications to set up projects within the 10 industrial estates boasting a total area of approximately 17,098 rai, is expected to gradually return to the market from the second half of 2020 onwards. However, buyers remain cautious due to the economic impact from the COVID-19 outbreak with companies delaying decisions.

READY-BUILT INDUSTRIAL MARKET OVERVIEW

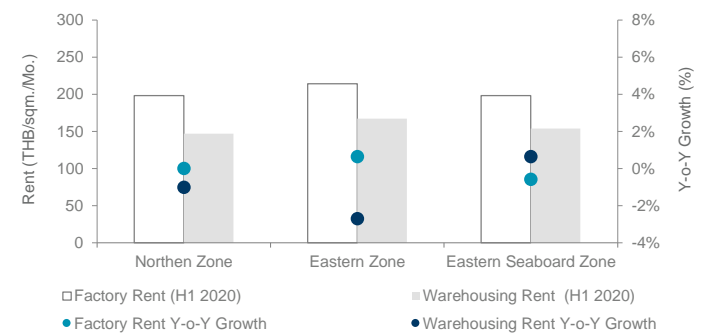
Large developers tend to increase built to suit factory/warehouse spaces, including management services and other additional services, in order to increase the opportunity to generate income from premium customers that enter into long-term lease and pay rental fees at a higher rate than the market. While small and medium developers continue to expand the ready built factory/warehouse in the same location or nearby, it results in intense competition and difficulty to raise rental fees. In terms of the tenant's impact from the COVID-19 outbreak, the developer reviews a tenant's credit rating information, then provides a rental rebate and deferment to selected clients on a case-by-case basis in order to help their business.

SERVICED INDUSTRIAL LAND PLOT MARKET



Source: Nexus Real Estate Advisory

READY-BUILT INDUSTRIAL MARKET



Source: Nexus Real Estate Advisory

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SQM)	OVERALL AVG ASKING RENT (THB/SQM)	OVERALL AVG ASKING RENT (USD/SF)*
READY BUILT FACTORY						
Northern	749,936	259,660	34.62%	34,885	198	\$0.59
Eastern	818,343	70,610	8.63%	18,950	214	\$0.64
Eastern Seaboard	934,365	136,037	14.56%	55,180	198	\$0.59
READY-BUILT FACTORY TOTALS	2,502,644	466,307	18.63%	109,015	203	\$0.61
READY BUILT WAREHOUSE						
Northern	701,688	18,454	2.63%	43,931	147	\$0.44
Eastern	2,146,760	154,405	7.19%	11,826	167	\$0.50
Eastern Seaboard	1,045,184	104,833	10.03%	(-18,573)	154	\$0.46
READY-BUILT WAREHOUSE TOTALS	3,893,632	277,692	7.13%	37,184	156	\$0.49

*Rental rates reflect full service asking

Remark:
Northern Zone - Ayutthaya, Pathum Thani and Saraburi, Eastern Zone - Samutprakarn, Chonburi and Chachoengsao, Eastern Seaboard Zone - Lamchabang and Rayong

US\$/THB = 31.0260

KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	AREA (RAI)	PROPERTY TYPE
Eastern Seaboard Industrial Estate	Eastern Seaboard	Great Wall Motors	188	Factory
Chonburi Province	Eastern Seaboard	Midea Group	130	SILP

SERVICED INDUSTRIAL LAND PLOT PROJECTS UNDER DEVELOPMENT

PROPERTY	SUBMARKET	OWNER/DEVELOPER	AREA (RAI)	COMPLETION DATE
BlueTech City Industrial Estate	Eastern	Double P Land	1,200	Q3 2020
Pinthong 6 Industrial Estate	Eastern Seaboard	Pinthong & IEAT	1,322	Q3 2020
WHA R36	Eastern Seaboard	WHA & IEAT	1,200	Q4 2020
Prakasa Industrial	Eastern	VNS Property	1,000	2021
Smart Park Industrial Estate	Eastern Seaboard	IEAT	1,466	2021
Map Ta Phut Industrial Port (Phase 3)	Eastern Seaboard	IEAT	1,000	2024
WHA Industrial Estate Rayong	Eastern Seaboard	WHA & IRPC	2,152	N/A
Digital Park Thailand	Eastern Seaboard	IEAT & CAT	622	N/A
Rojana Industrial Estate, Nong Yai	Eastern Seaboard	IEAT & Rojana	2,300	N/A

Unit Conversion: 1 Acre = 2.53 Rai

LOCAL MARKET RESEARCH LEAD

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