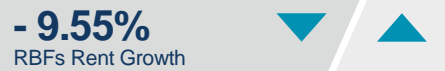


# THAILAND INDUSTRIAL

Industrial 2H 2021



## THAILAND ECONOMIC INDICATORS Q3 2021



Source: NESDC (National Economic and Social Development Council)

### Thailand's GDP Fell by 0.30% on Annual Basis in Q3

The Thai economy contracted by 0.30% y-o-y in Q3 2021, compared to the 7.60% expansion seen in Q2, primarily due to the economic impact of the ongoing wave of new COVID-19 cases. The inflation rate was at 0.70% y-o-y in Q3, down from 2.36% y-o-y in Q2. The Consumer Confidence Index dropped to 40.6 in Q3, down from 44.6 in the previous quarter.

### Logistics Property Market Continues to Grow, While SILPs Sales Decline

Thailand's logistics property market continued to grow in 2H 2021. Leasing activity in Ready Built Factories (RBFs), and Ready Built Warehouses (RBWs) remained active, supported by the robust growth of e-commerce. Total RBFs supply increased by 255,874 sq m or 10.22% y-o-y to a total of 2.76 million sq m. The overall RBFs vacancy rate dropped from 20.22% in 2H 2020 to 11.44% in 2H 2021. Total RBWs stock was recorded at 4.13 million sq m, growing by 5.96% y-o-y. The overall RBWs vacancy rate edged down from 10.11% in 2H 2020 to 9.97% in 2H 2021.

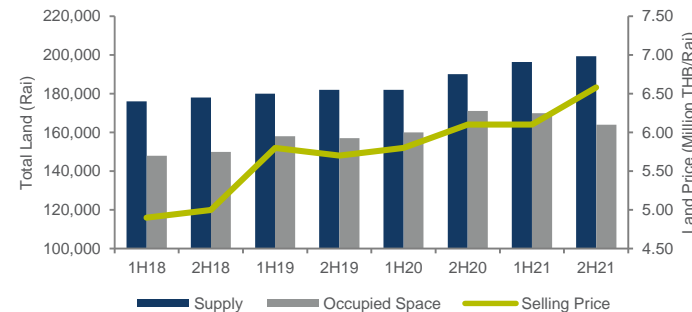
Average asking rent for RBFs were recorded at THB183.6 per sq m per month, down by 9.55% y-o-y. Average asking rent for RBWs was at THB151.5 per sq m per month, down by 4.10% y-o-y. Notably, in some leasing cases logistics property landlords offered discount rental rates to their tenants to help relieve the financial pressures imposed by COVID-19.

Total supply of Serviced Industrial Land Plots (SILPs) was 199,342 rai, representing an 4.92% increase y-o-y. Despite this increase in total supply, the overall sales rate dropped to 82.28%, from 90.00% in 2H 2020. The average land price recorded THB6.58 million per Rai, up by 7.87% y-o-y.

### Demand for Warehousing Space Set to Expand

The logistics property market is expected to expand due to the continued boom in e-commerce. Coupled with the structural shift towards omni-channel strategies, this will lead to growing demand for warehousing space to meet the surge in last-mile delivery. Logistics property developers are set to take advantage of the growth potential in Thailand. Industrial property is expected to stabilize and gradually recover in the mid-term. Thailand remains a prime destination for foreign investors due to its central geographical location in the region, especially in the major industrial estates in the Eastern Economic Corridor (EEC), as manufacturers are still looking for overseas factory bases.

### SERVICED INDUSTRIAL LAND PLOT MARKET



### READY BUILT INDUSTRIAL MARKET



## MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SQM)	OVERALL AVG ASKING RENT (THB / SQM / MO)	OVERALL AVG ASKING RENT (USD / SF / MO)
<b>READY BUILT FACTORY</b>						
Central Zone	661,758	72,148	10.90%	162,872	164	\$0.47
Eastern Zone	1,173,528	94,724	8.07%	48,754	194	\$0.55
Eastern Seaboard Zone	923,233	148,567	16.09%	13,997	206	\$0.58
<b>READY BUILT FACTORY TOTAL</b>	<b>2,758,518</b>	<b>315,438</b>	<b>11.44%</b>	<b>225,623</b>	<b>184</b>	<b>\$0.52</b>
<b>READY BUILT WAREHOUSE</b>						
Central Zone	690,316	68,786	9.96%	-41,774	146	\$0.41
Eastern Zone	1,958,479	139,488	7.12%	43,043	160	\$0.45
Eastern Seaboard Zone	1,477,070	202,979	13.74%	5,883	151	\$0.43
<b>READY BUILT WAREHOUSE TOTAL</b>	<b>4,125,865</b>	<b>411,253</b>	<b>9.97%</b>	<b>7,152</b>	<b>152</b>	<b>\$0.43</b>

**Remark:**

1. Northern Zone - Ayuthaya, Bangkok, Pathum Thani, Saraburi, Eastern Zone - Chacheongsao, Chonburi, Samut Prakarn, Eastern Seaboard Zone Lamchabang, Rayong
2. Average Asking Rent is excluded other service charge
3. US\$/THB = 32.809

## KEY SERVICED INDUSTRIAL LAND PLOT PROJECTS COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	DEVELOPER	AREA (RAI)	COMPLETION DATE
Rajana Chonburi 2 Industrial Estate Khao Kansong	Eastern Seaboard Zone	Rojana Industrial Park PLC	901	1H 2021
CPGC Industrial Estate	Eastern Seaboard Zone	CG Corporation	3,068	2H 2021

## SERVICED INDUSTRIAL LAND PLOT PROJECTS UNDER DEVELOPMENT

PROPERTY	SUBMARKET	DEVELOPER	AREA (RAI)	COMPLETION DATE
WHA Industrial Estate Rayong	Eastern Seaboard Zone	WHA and IRPC	2,200	2022
WHA Saraburi Industrial Land 2	Central Zone	WHA Industrial Development	2,000	2022
Smart Park Industrial Estate	Eastern Seaboard Zone	Industrial Estate Authority of Thailand	1,383	2023
Blue Tech City Industrial Estate	Eastern Zone	IEAT and Double P Land	1,181	2023
Rojana Nongyai Industrial Estate	Eastern Zone	Rojana Industrial Park PLC	1,988	2024
WHA Industrial Estate Eastern Seaboard 4 (ESIE 4)	Eastern Seaboard Zone	WHA Industrial Development	641	N/A
Rojana Ayutthaya	Central Zone	Rojana Industrial Park PLC	2,296	N/A

Unit Conversion: 1 Acre = 2.53 Rai

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