

THAILAND INDUSTRIAL

Industrial Q1 2022

THB6.79 M

Avg Price of SILPs per Rai

QoQ Chg 12-Mo. Forecast



1.82%

RBFs Rent Growth



0.97%

RBWs Rent Growth



THAILAND ECONOMIC INDICATORS Q4 2021

1.90%

GDP Growth



2.42%

Inflation Growth



1.64%

Unemployment Rate



Source: NESDC (National Economic and Social Development Council)

Thailand's Economy Expanded 1.9% in Q4 2021

Thailand's GDP grew by 1.9% y-o-y in Q4 2021, improving from a drop of 0.3% y-o-y in Q3. The improvement was from a recovery in domestic activity, and strong export demand, following relaxation of COVID-19 restrictions and as borders reopened to foreign visitors. Overall, the economy expanded by 1.6% in 2021, recovering from a 6.2% contraction in 2020. The headline inflation rate rose to 2.42% y-o-y in Q4, compared with a 0.7% y-o-y in Q3. The unemployment rate fell to its lowest level since the pandemic in Q4, at 1.62%, and employment should improve further.

Active Industrial Market, Rental Rates Increased

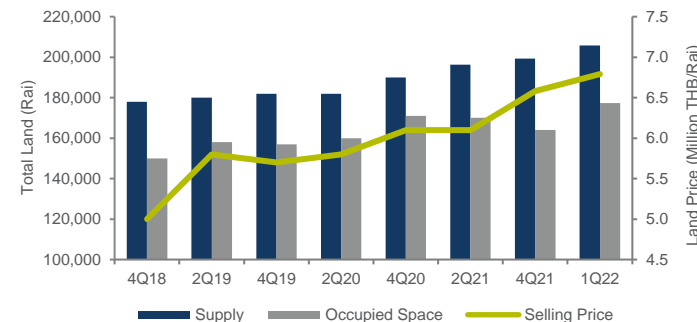
Thailand's logistics market continued to grow at a steady pace in 1Q 2022. Leasing activity in Ready Built Factories (RBFs), and Ready Built Warehouses (RBWs) remained active, driven by the growing demand for logistics property in the e-commerce sector. Total RBFs stock in Q1 2022 increased to 2.76 sq m or 0.05% q-o-q. The overall RBFs vacancy rate dropped to 10.18% from 11.44% in Q4 2021. Total RBWs stock was recorded at 4.15 million sq m, growing by 0.53% q-o-q. The overall RBWs vacancy rate edged down from 9.97% in Q4 2021 to 9.68% in 1Q 2022. Average asking rent for RBFs were recorded at THB187.0 per sq m per month, up by 1.82% q-o-q. Average asking rent for RBWs increased to THB153.0 per sq m per month, up by 0.97% q-o-q.

The industrial market recovered from last year, as Thailand remains a prime overseas factory bases for foreign manufacturers. Total supply of Serviced Industrial Land Plots (SILPs) in Q1 2022 rose to 205,849 rai, growing by 3.26% q-o-q. The overall sales rate increased to 86.15%, up from 82.28% in Q4 2021. The average land price increased to THB6.79 million per Rai, up from THB6.58 million per Rai in Q4 2021.

Growing Trends on ESG Standards

Thailand's industrial market is expected to grow further in 2022. The logistics property market is set to expand from continued growth in e-commerce. SILPs property is expected to gradually recover and stabilize in the mid-term. The major industrial estates in the Eastern Economic Corridor (EEC) continue to draw foreign investment into Thailand. As well, we are seeing a stronger focus from occupiers on Environmental, Social, and Governance (ESG) standards, and consequently industrial property developers are now proactively focusing on ESG standards.

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)
READY BUILT FACTORY						
Central Zone	663,058	62,702	9.46%	10,746	168	\$0.46
Eastern Zone	1,173,528	106,530	9.08%	-11,807	198	\$0.55
Eastern Seaboard Zone	923,233	111,769	12.11%	36,798	209	\$0.58
READY BUILT FACTORY TOTAL	2,759,818	281,001	10.18%	35,737	187	\$0.52
READY BUILT WAREHOUSE						
Central Zone	690,316	62,796	9.10%	5,990	150	\$0.42
Eastern Zone	1,980,479	160,883	8.12%	604	157	\$0.43
Eastern Seaboard Zone	1,477,070	177,628	12.03%	25,351	154	\$0.43
READY BUILT WAREHOUSE TOTAL	4,147,865	401,307	9.68%	31,946	153	\$0.42

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 = 33.498

SERVICED INDUSTRIAL LAND PLOT PROJECTS UNDER DEVELOPMENT

PROPERTY	DEVELOPER	SUBMARKET	AREA (RAI)	COMPLETION DATE
WHA Industrial Estate Rayong	WHA and IRPC	Eastern Seaboard Zone	2,200	2022
WHA Saraburi Industrial Land 2	WHA Industrial Development	Central Zone	2,000	2022
Smart Park Industrial Estate	Industrial Estate Authority of Thailand	Eastern Seaboard Zone	1,383	2023
Blue Tech City Industrial Estate	IEAT and Double P Land	Eastern Zone	1,181	2023
EGCO Rayong Industrial Estate	EGCO Group	Eastern Seaboard Zone	621	2023
Apex Green Industrial Estate	Apex Park	Eastern Zone	2,191	2023
Rojana Nongyai Industrial Estate	Rojana Industrial Park PLC	Eastern Zone	1,988	2024
WHA Industrial Estate Eastern Seaboard 4 (ESIE 4)	WHA Industrial Development	Eastern Seaboard Zone	641	N/A
Rojana Ayutthaya	Rojana Industrial Park PLC	Central Zone	2,296	N/A

Unit Conversion: 1 Acre = 2.53 Rai

SARAWUT TIKHACHONSenior Market Analyst
Thailand

+66 8 5977 8987

sarawut.tik@cushwake.com**GARETH MICHAEL POWELL**Senior Director
Thailand

+66 2168 3101 (Ext. 110)

gareth.powell@cushwake.comcushmanwakefield.com**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

About Cushman & Wakefield

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 50,000 employees in over 400 offices and 60 countries. In 2020, the firm had revenue of US\$7.8 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.

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.