

# BANGKOK OFFICE

Office Q1 2022

YoY Chg      12-Mo. Forecast

**7.28%**  
Rent Growth (YoY) (Grade A CBD) ▲ ▲

**8.45%**  
Vacancy Rate (Grade A CBD) ▲ ▲

**25,785 sqm**  
New Completions (YTD) ▲ ▲

## THAILAND ECONOMIC INDICATORS Q4 2021

YoY Chg      12-Mo. Forecast

**1.90%**  
GDP Growth ▲ ▲

**2.42%**  
Inflation Growth ▲ ▲

**1.64%**  
Unemployment Rate ▼ ▼

Source: NESDC (National Economic and Social Development Council)

## Thailand's Economy Returned to Growth

The Thai economy expanded by 1.9% y-o-y in Q4 2021, improving from a decline of 0.3% y-o-y in Q3, as exports increased, and domestic activity improved following the relaxation of COVID-19 restrictions together with economic stimulant measures. Overall, the economy expanded by 1.6% in 2021, recovering from a 6.2% contraction in 2020. The headline inflation rate increased to 2.42% y-o-y in Q4, compared with 0.7% y-o-y in Q3, chiefly driven by rising energy prices. The unemployment rate fell to 1.62% in Q4, down from 2.25% in the previous quarter.

## Active Leasing Activity in CBD Grade A Office Market

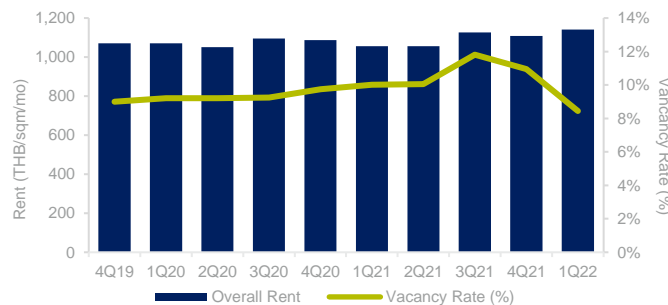
Total Bangkok office stock expanded to 9.38 million sq m in Q1 2022, growing by 0.28% q-o-q. The citywide overall vacancy rate moved up to 10.17% from 9.16% in Q4 2021. Overall net absorption was in negative territory, at -71,353 sq m. The average rental level increased to THB913 per sq m per month, up by 7.54% q-o-q and 14.13% y-o-y.

Total Grade A office stock in the CBD area was recorded at 1.74 million sq m in Q1 2022, up 1.51% q-o-q. The increase in total office stock in this quarter was a result of the newly completed 140 Wireless building, adding a net lettable area of 25,785 sq m in the Pathum Wan submarket. Grade A office leasing activity was healthy, recording positive net absorption of 32,892 sq m as occupiers moved into recently completed projects. The vacancy rate fell to 8.45% in Q1 2022, down from 8.99% in Q4 2021. Average Grade A rentals rose to THB1,141 per sq m per month, up by 2.98% q-o-q, and 7.28% y-o-y, backed by high occupancy rates at Grade A office buildings in the quarter.

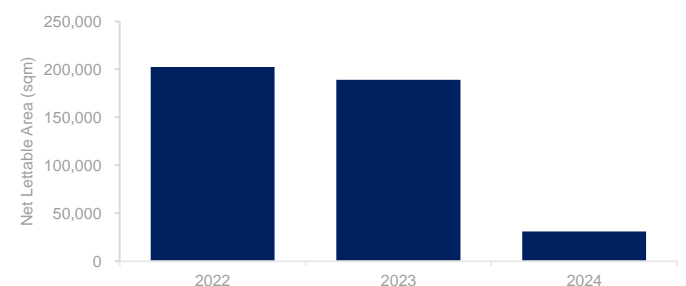
## High Quality Office Space in Demand

We have observed growing enquires for premium office buildings providing high-quality space and a full range of tenant facilities. We have also seen trends in Environmental, Social, and Governance (ESG) standards. ESG building standards are an important factor for corporate tenants when considering office space. Ahead, as economic recovery and office leasing activity in the Bangkok market resume, 1.07 million sq m of new space currently under construction is scheduled to complete from Q2 2022 to Q4 2024. Around 39.4% of the new supply will be Grade A space in the CBD area. The overall vacancy rate is expected to edge up marginally, due to the new supply volume exceeding demand, which in turn has exerted only modest pressure on rents thus far. We expect overall office rents to remain stable or grow at a slow rate over the coming quarters.

## GRADE A CBD RENT & VACANCY RATE



## GRADE A CBD SUPPLY PIPELINE



## MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CNSTR (SQM)	OVERALL AVG ASKING RENT (THB / SQM / MO)	OVERALL AVG ASKING RENT (US / SF / MO)
Bang Rak	139,530	15,809	11.33%	1,870	1,870	177,000	1,000	\$2.77
Pathum Wan	641,399	34,636	5.40%	19,468	19,468	21,000	1,248	\$3.46
Sathorn	630,138	63,014	10.00%	4,222	4,222	150,400	1,070	\$2.97
Khlong Toey	158,051	23,708	15.00%	7,903	7,903	20,000	1,035	\$2.87
Wattana	167,632	9,505	5.67%	-570	-570	54,480	1,267	\$3.51
GRADE A CBD TOTAL	1,736,750	146,755	8.45%	32,892	32,892	422,880	1,141	\$3.16
BANGKOK TOTAL	9,383,782	954,331	10.17%	-71,353	-71,353	1,073,202	913	\$2.53

\*Rental rates reflect full service asking

1 USD = THB 33.498

## KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	MARKET	SUBMARKET	OWNER / DEVELOPER	SQM	COMPLETION DATE
140 Wireless	CBD	Central Bangkok	Kian Gwan Thailand	25,785	Q1 2022

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	MARKET	SUBMARKET	OWNER / DEVELOPER	SQM	COMPLETION DATE
Silom Edge	CBD	Central Bangkok	Frasers Property	22,000	2022
SF Thonglor	CBD	Central East	Siam Future Development PLC	13,623	2022
One City Centre (OCC)	CBD	Central Bangkok	Raimon Land	61,000	2022
Park Silom	CBD	Central Bangkok	NYE and RGP Development	65,000	2022
Punn Tower	CBD	Central Bangkok	Dolsiri	21,000	2022
The EmSphese	CBD	Central East	The Mall Group	20,000	2022
The Rice By Srisupharaj	City Fringe Areas	Central North	Srisupharaj	18,313	2022
Vanit Place Aree	City Fringe Areas	Central North	Laem Thong Enterprise	33,510	2022
S Oasis	Suburban Areas	Inner North	Singha Estate	54,000	2022
True Digital Park Campus	Suburban Areas	Inner South	MQDC	45,000	2022
AIA East Gateway	Suburban Areas	Inner South	AIIS	70,000	2022
Sukhumvit Hills	Suburban Areas	Inner South	UHG	10,000	2022

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