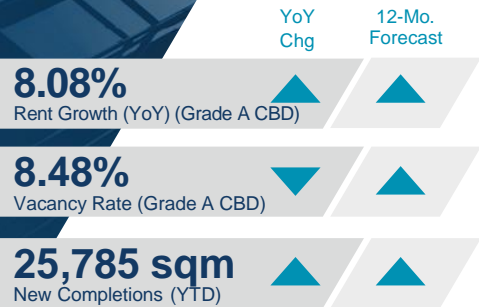


BANGKOK OFFICE

Office Q2 2022



Thailand's Economy Continued to Grow

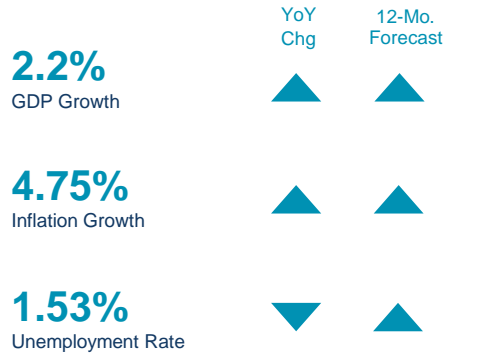
The Thai economy expanded by 2.2% y-o-y in Q1 2022, accelerating from 1.9% growth in Q4 2021. The government's economic stimulus measures have been effective and various economic activities have recovered, coupled with the relaxation of international and domestic travel restrictions. The headline inflation rate rose to 4.75% y-o-y in Q1 2022, increasing sharply from 2.42% y-o-y in Q4, driven by rising energy and consumer product prices. The unemployment rate fell to 1.53% in Q4, down from 1.64% in Q4.

Grade A Vacancy Rates Edged Up in the CBD Market

Total Bangkok office stock expanded to 9.43 million sq m in Q2 2022, growing by 0.58% q-o-q. The citywide overall vacancy rate decreased to 8.80% from 10.17% in Q1. Overall net absorption was in positive territory, at 177,806 sq m. The average rental level increased to THB917 per sq m per month, up from THB913 per sq m per month in Q1, or by 0.44% q-o-q.

Total Grade A office stock in the CBD area remained stable at 1.74 million sq m in Q2. Overall demand for Grade A office space declined, recording negative net absorption of 628 sq m, as some occupiers moved out from office buildings in this market. The vacancy rate edged up marginally to 8.48% in Q2, up from 8.45% in Q1. Average Grade A rentals in Q2 remained unchanged from Q1 at THB1,141 per sq m per month. However, when comparing this figure on an annual basis, the average grade A rental level increased 8.08% y-o-y. In general, the Grade A office market in the CBD is softening, progressively shifting to a tenant's market with increasing vacancy.

THAILAND ECONOMIC INDICATORS Q1 2022



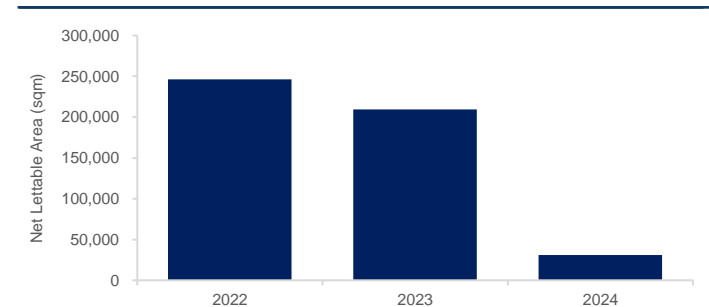
Occupiers to Adapt and Revisit Workplace Strategies

Traditional office space is still in demand, although hybrid office models are a rising trend post-pandemic. The pandemic forced occupiers to adapt and revisit their corporate workplace strategy. The exercise is still undergoing, and remote working strategies are likely to become permanent, potentially impacting the need for traditional office and overall real estate footprints. Overall, the office culture (talent retention, experiences, collaboration spaces and wellbeing) remains essential; hence companies still view office space as necessary. We do not anticipate a huge drop in demand in the short or medium terms. Following the impact of the pandemic, office occupiers remain cost-sensitive, but on the other hand, we anticipate they will make the most of the opportunities in the market shift.

GRADE A CBD RENT & VACANCY RATE



GRADE A CBD SUPPLY PIPELINE



Source: NESDC (National Economic and Social Development Council)

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	17,678	12.67%	-1,870	0	177,000	992	\$2.63
Pathum Wan	641,399	30,787	4.80%	3,848	23,316	188,400	1,265	\$3.35
Sathorn	630,138	58,288	9.25%	4,726	8,948	0	1,070	\$2.83
Khlong Toey	158,051	31,610	20.00%	-7,903	0	41,000	1,035	\$2.74
Wattana	167,632	8,935	5.33%	570	0	54,480	1,250	\$3.31
GRADE A CBD TOTAL	1,736,750	147,276	8.48%	-628	32,264	460,880	1,141	\$3.02
BANGKOK TOTAL	9,437,782	830,525	8.80%	177,806	106,453	1,119,202	917	\$2.43

*Rental rates reflect full service asking
1 US\$/THB 35.079

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
S Oasis	Suburban Areas	Inner North	Singha Estate	54,000	Q2 2022
Silom Edge	CBD	Central Bangkok	Frasers Property	22,000	Q3 2022
The Rice By Srisupharaj	City Fringe Areas	Central North	Srisupharaj	18,313	Q3 2022
True Digital Park Campus	Suburban Areas	Inner South	MQDC	45,000	Q3 2022
Pier 111	CBD	Central Bangkok	Platinum Group	38,000	Q3 2022
Vanit Place Aree	City Fringe Areas	Central North	Laem Thong Enterprise	33,510	Q4 2022
SF Thonglor	CBD	Central East	Siam Future Development PLC	13,623	Q4 2022
One City Centre (OCC)	CBD	Central Bangkok	Raimon Land	61,000	Q4 2022
Park Silom	CBD	Central Bangkok	NYE and RGP Development	65,000	Q4 2022
Punn Tower	CBD	Central Bangkok	Dolsiri	21,000	Q4 2022
AIA East Gateway	Suburban Areas	Inner South	AIS	70,000	Q4 2022
Sukhumvit Hills	Suburban Areas	Inner South	UHG	10,000	Q4 2022
Bangkok ICS Tower	Suburban Areas	Inner West	Siam Piwat	8,000	Q4 2022

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