

THAILAND INDUSTRIAL

Industrial Q3 2022

QoQ Chg 12-Mo. Forecast

THB 7.07 M ▲ ▲
Avg Price of SILPs per Rai

0.00% — ▲
RBFs Rent Growth

- 0.55% ▼ ▲
RBWs Rent Growth

THAILAND ECONOMIC INDICATORS Q2 2022

YoY Chg 12-Mo. Forecast

2.5% ▲ ▲
GDP Growth

6.46% ▲ ▲
Inflation Growth

1.37% ▼ ▲
Unemployment Rate

Source: NESDC (National Economic and Social Development Council)

Thailand's Economy Expanded, Driven by Robust Exports

The Thai economy expanded at the fastest pace in a year, at 2.5% y-o-y, in Q2 2022, accelerating from 2.2% growth in Q1. The growth resulted from the easing of COVID-19 restrictions, supported by robust exports and the recovery of tourism. Exports will continue to play a key role in the economy, with tourism and private consumption lending further support. The headline inflation rate rose to 6.46% y-o-y in Q2 2022, up from 4.75% y-o-y in Q1, driven by rising commodity prices and energy prices. The Bank of Thailand raised the interest rate by 0.25% from 0.75% to 1.00% in September. The unemployment rate fell to 1.37% in Q2, down from 1.53% in Q1.

Land Sales in Serviced Industrial Land Plots (SILPs) Increased

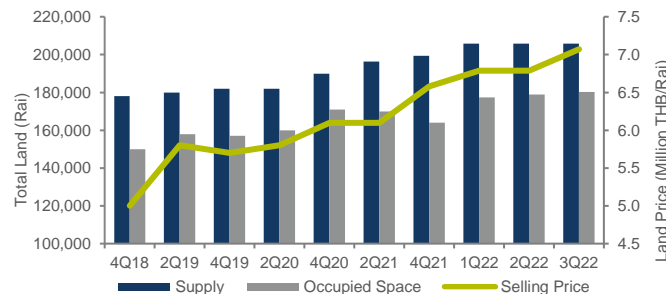
The Thai industrial market continued to grow in the quarter, driven by increasing exports demand. Total supply of Serviced Industrial Land Plots (SILPs) remained unchanged at 205,849 rai. The overall sales rate rose to 87.58% in Q3, up from 86.91% in Q2. The average land price climbed to THB7.07 million per rai, from THB6.79 million per rai in Q2.

Leasing activity in Ready Built Warehouses (RBWs) remained active in Q3 2022, driven by growing demand for warehouse properties in the logistics business, and foodstuffs and healthcare products. Total RBWs inventory grew 4.35% q-o-q to 4.33 million sq m. New RBW supply came from the Bangkok Free Trade Zone (2, 3, and 5 projects). Vacancies in RBWs dropped marginally to 9.51% in Q3, from 9.68% in Q2. Average asking rent for RBWs dropped 0.55% q-o-q to THB151.6 per sq m per month. The Ready Built Factories (RBFs) market slowed in Q3, with some manufacturers pausing project expansions and investment plans. Total RBFs inventory expanded to 2.85 sq m, growing 3.46% q-o-q. The overall RBFs vacancy rate increased to 9.79% from 9.76% in Q2. The average asking rent for RBFs remained stable at THB186.4 per sq m per month.

Growing Demand for Logistics and Industrial Properties

We have observed growing demand for warehouse properties from the logistics sector, FMCG, and healthcare business, although the e-commerce sector has slowed expansion. There is also a rise in demand for factory properties in the electrical & electronics, and automotive industries. Investment in Electric Vehicle (EV) production facilities is also expected to expand. Investors have greater confidence in Thai industrial property following progress on major supporting infrastructure development projects in the EEC, such as Laem Chabang Port and Map Ta Phut Port, Utapao international airport, and high-speed rail lines.

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	695,669	65,969	9.48%	29,343	168	\$0.42
Eastern Zone	1,236,528	99,012	8.01%	70,518	197	\$0.50
Eastern Seaboard Zone	923,233	114,521	12.40%	-2,752	209	\$0.53
READY BUILT FACTORY TOTAL	2,855,429	279,503	9.79%	97,109	186	\$0.47
READY BUILT WAREHOUSE						
Central Zone	751,927	56,606	7.53%	72,813	150	\$0.38
Eastern Zone	2,099,479	178,583	8.51%	127,278	155	\$0.39
Eastern Seaboard Zone	1,477,070	176,273	11.93%	8,733	154	\$0.39
READY BUILT WAREHOUSE TOTAL	4,328,476	411,462	9.51%	208,825	152	\$0.38

Remark:

1. Central 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 = 36.714

SERVICED INDUSTRIAL LAND PLOT PROJECTS UNDER DEVELOPMENT

PROPERTY	DEVELOPER	SUBMARKET	AREA (RAI)	COMPLETION DATE
WHA Industrial Estate Rayong (IER)	WHA and IRPC	Eastern Seaboard Zone	1,100	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
ESR Asia Suvarnabhumi Phase 1	ESR Group	Eastern Zone	227	2023
Rojana Nongyai Industrial Estate	Rojana Industrial Park PLC	Eastern Zone	1,988	2024
WHA Rayong 36 Industrial Estate (RY36)	WHA Industrial Development	Eastern Zone	400	2024
WHA Saraburi Industrial Land 2 (SIL 2)	WHA Industrial Development	Central Zone	1,900	2026
WHA Industrial Estate Rayong (IER)	WHA and IRPC	Eastern Seaboard Zone	1,100	2027
ESR Asia Suvarnabhumi Phase 2	ESR Group	Eastern Zone	179	N/A
WHA Industrial Estate Eastern Seaboard 4 (ESIE 4)	WHA Industrial Development	Eastern Seaboard Zone	641	N/A
Rojana Ayutthaya Phase 10	Rojana Industrial Park PLC	Central Zone	2,296	N/A

Unit Conversion: 1 Acre = 2.53 Rai

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