

QoQ
Chg12-Mo.
Forecast**THB 7.09 M**

Avr Price of SILPs per Rai

**THB 189**

Avr Rents of RBFs per sqm/mo

**THB 152**

Avr Rents of RBWs per sqm/mo

THAILAND ECONOMIC INDICATORS
Q1 2023YoY
Chg12-Mo.
Forecast**2.7%**

GDP Growth

**3.88%**

Inflation Growth

**1.05%**

Unemployment Rate



Thailand's GDP Growth Rate Continues to Expand

Thailand's economic growth expanded by 2.7% in Q1 2023, up from a rise of 1.4% in Q4 2022. This was mainly attributable to continued expansion of the services sector stemming from the tourism industry recovery, increased agricultural production, and a decelerated rate of inflation. Thailand's economic growth projections for 2023 now range from 2.7% to 3.7%, owing to the recovery of the tourism sector, growth of private consumption, and expansion in both private and public investment. The inflation rate in Q1 2023 fell to 3.88%, down from 5.81% in Q4 2022. The main contributor to the deceleration was the easing of energy and food prices. The unemployment rate dropped to 1.05% in Q1 2023, down from 1.15% in Q4 2022.

Demand for SILPs and Factory Property Grew, Warehouse Market Cooler

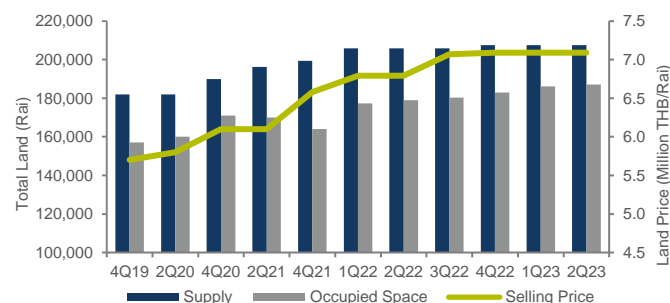
Thailand's Serviced Industrial Land Plots (SILPs) market continued to be active. The overall sales rate in Q2 2023 climbed to 90.09%, up from 89.66% in Q1 2023. The average land price remained stable at THB7.09 million per rai. The SILPs inventory remained unchanged from the prior quarter at 207,590 rai. New supply of 18,744 rai is under construction and is scheduled to enter the market between 2H 2023 to 2026.

Total Ready Built Factory (RBFs) inventory in Q2 2023 was 3.2 million sq m, up from 3.19 million sq m in Q1 2023. The new RBFs added 18,000 sq m of lettable area to the market. RBF vacancies dropped to 15.6% in Q2 2023, from 18% in Q1. The average RBF asking rent remained unchanged q-o-q at THB189 per sq m per month, up by 1.49% y-o-y. Total Ready Built Warehouse (RBW) inventory expanded to 5.34 million sq m in Q2 2023, from 5.15 million sq m in Q1, growing 3.6% q-o-q. The completion of four new warehouse projects added 185,430 sq m of net lettable area to the market. The overall RBW vacancy rate rose to 17.93% in Q2 2023, from 15.48% in Q1, with some newly completed warehouses remaining unoccupied. The average asking rent for RBWs remained unchanged at THB152 per sq m per month from Q1 2023, down by 0.55% y-o-y.

Factory Leasing Market to Continue Activity, Warehouse Leasing to Slow

Ahead, we expect demand for factory leasing to continue to be active, while warehouse leasing will slow. The Eastern Economic Corridor (EEC), an ASEAN-leading economic zone for industrial, infrastructure, and urban development across the provinces of Chonburi, Rayong, and Chachoengsao, continues to draw foreign direct investment into Thailand. The factory leasing market is forecast to grow over the next quarters. We witness a growing requirement for factory spaces for the electrical and electronics industries, automobile production, and IT businesses. In contrast, warehouse leasing demand will slow, particularly in the e-commerce business. This is primarily due to the rapid COVID-19 era boom in online shopping now gradually abating, in turn impacting warehouse market demand.

SERVICED INDUSTRIAL LAND PLOT MARKET



READY BUILT INDUSTRIAL MARKET





MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	DIRECT VACANT (SQM)	OVERALL VACANCY RATE	OVERALL AVG ASKING RENT (THB / SQM / MO)	OVERALL AVG ASKING RENT (USD / SF / MO)
READY BUILT FACTORY					
Central Zone	695,669	79,440	11.42%	168	\$0.45
Eastern Zone	1,589,833	314,601	19.79%	200	\$0.53
Eastern Seaboard Zone	923,233	106,412	11.53%	216	\$0.58
READY BUILT FACTORY TOTAL	3,208,734	500,453	15.60%	189	\$0.50
READY BUILT WAREHOUSE					
Central Zone	824,927	93,153	11.29%	148	\$0.40
Eastern Zone	2,930,214	683,178	23.31%	155	\$0.41
Eastern Seaboard Zone	1,585,270	180,965	11.42%	154	\$0.41
READY BUILT WAREHOUSE TOTAL	5,340,411	957,296	17.93%	152	\$0.40

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 = 34.826 as of 15th June 2023

SERVICED INDUSTRIAL LAND PLOT PROJECTS UNDER DEVELOPMENT

PROPERTY	DEVELOPER	SUBMARKET	AREA (RAI)	COMPLETION DATE
Blue Tech City Industrial Estate	IEAT and Double P Land	Eastern Zone	1,181	2H 2023
EGCO Rayong Industrial Estate	EGCO Group	Eastern Seaboard Zone	621	2H 2023
Apex Green Industrial Estate	Apex Park	Eastern Zone	2,191	2H 2023
WHA Industrial Estate Rayong (IER) Phase 1	WHA and IRPC	Eastern Seaboard Zone	1,100	2H 2023
EECi @ Wangchan Valley	PTT	Eastern Seaboard Zone	3,454	2H 2023
Smart Park Industrial Estate	Industrial Estate Authority of Thailand	Eastern Seaboard Zone	1,383	2024
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 Industrial Estate Eastern Seaboard 3 (ESIE 3) Phase 3	WHA Industrial Development	Eastern Zone	630	2024
WHA Industrial Estate Rayong (IER) Phase 2	WHA and IRPC	Eastern Seaboard Zone	1,100	2025
WHA Saraburi Industrial Land 2 (SIL 2)	WHA Industrial Development	Central Zone	2,400	2026
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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