

QoQ
Chg12-Mo.
Forecast**THB 7.12 M**

Avg Price of SILPs per Rai

**THB 190**

Avr Rents of RBFs per sqm/mo

**THB 152**

Avr Rents of RBWs per sqm/mo

**Thailand's Quarterly GDP Growth Softens From Previous Quarter**

Thailand's economy expanded by 1.8% y-o-y in the second quarter of 2023, softening from 2.6% in Q1. The economy was mainly driven by the acceleration of private consumption, despite a slowdown in private investment and services exports. Full-year 2023 economic growth is now forecast in the 2.5%–3.0% range. The unemployment rate rose slightly to 1.06% in Q2 2023, up from 1.05% in Q1. The inflation rate in Q2 2023 fell to 1.14%, down from 3.38% in Q1. The annual inflation rate is projected to be within the target range of 1.0%–2.0% or an average of 1.5%. The Central Bank raised the policy rate by 0.25 percentage points in September, from 2.25 to 2.50%, and is expected to keep this rate steady until at least 2025.

New Supply Entering the Market Prompts SILP and Warehouse Vacancy Rate Rises

Thailand's Serviced Industrial Land Plots (SILPs) inventory increased to 211,583 rai in Q3 2023, up from 207,590 rai in Q2. The expansion came from new supply of 3,993 rai entering the market, at low to moderate sales levels. In turn, the SILP vacancy rate rose to 9.94% from 9.91% in Q2. Ahead, new supply of 14,751 rai is under construction and is scheduled to enter the market between Q4 2023 to 2026. The average land price increased to THB7.12 million per rai, up from THB7.09 million per rai from Q2.

Total Ready Built Factory (RBFs) inventory in Q3 2023 remained unchanged at 3.2 million sq m. New supply of 191,888 rai is in development and is scheduled to enter the market in 2024. RBF vacancy climbed to 16.9% in Q3 2023, from 15.6% in Q2. The average RBF asking rent increased to THB190 per sq m per month, up from THB189 per sq m per month in Q2. Total Ready Built Warehouse (RBWs) inventory expanded to 5.55 million sq m in Q3 2023, from 5.34 million sq m in Q2, growing 4% q-o-q. The completion of four new warehouse projects added 154,372 sq m of net lettable area to the market. The overall RBW vacancy rate rose to 23.23% in Q3 2023, from 17.93% 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 Q2 2023.

**THAILAND ECONOMIC INDICATORS
Q2 2023**YoY
Chg12-Mo.
Forecast**1.8%**

GDP Growth

**1.14%**

Inflation Growth

**1.06%**

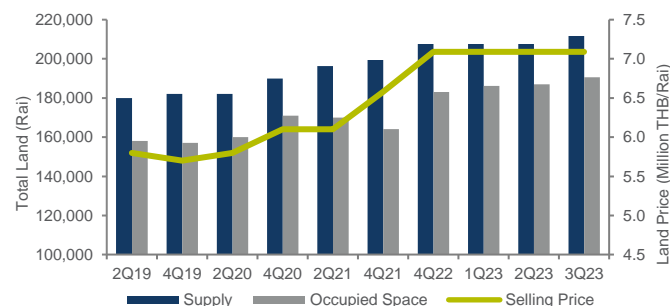
Unemployment Rate



Source: NESDC (National Economic and Social Development Council)

Optimistic Outlook is Supported by Growing Demand for Logistics and Industrial Sectors

We expect demand for Serviced Industrial Land Plots (SILPs) factory and warehouse leasing to continue to grow. This optimistic outlook is supported by growing demand in high technology sectors including electric vehicle production, automobile parts, electronics, consumer goods, healthcare, pharmaceuticals, and IT, as Thailand shifts its manufacturing footprint and moves up the value chain. This is especially so in the ASEAN-led Eastern Economic Corridor (EEC) industrial, infrastructure, and urban development zone across the provinces of Chonburi, Rayong, and Chachoengsao.

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	66,027	11.42%	168	\$0.44
Eastern Zone	1,762,641	339,976	19.79%	203	\$0.53
Eastern Seaboard Zone	750,424	138,679	11.53%	216	\$0.56
READY BUILT FACTORY TOTAL	3,208,734	544,681	16.97%	190	\$0.49
READY BUILT WAREHOUSE					
Central Zone	881,497	263,376	29.88%	148	\$0.38
Eastern Zone	3,087,016	856,652	27.75%	155	\$0.40
Eastern Seaboard Zone	1,585,270	170,091	11.42%	154	\$0.40
READY BUILT WAREHOUSE TOTAL	5,553,783	1,290,119	23.23%	152	\$0.39

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

KEY SERVICED INDUSTRIAL LAND PLOT PROJECTS COMPLETIONS YTD 2023

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

SERVICED INDUSTRIAL LAND PLOT PROJECTS UNDER DEVELOPMENT

PROPERTY	DEVELOPER	SUBMARKET	AREA (RAI)	COMPLETION DATE
WHA Industrial Estate Rayong (IER) Phase 1	WHA and IRPC	Eastern Seaboard Zone	1,100	Q4 2023
EECi @ Wangchan Valley	PTT	Eastern Seaboard Zone	3,454	Q4 2023
Smart Park Industrial Estate	IEAT	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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