

THAILAND INDUSTRIAL

Industrial Q4 2023

QoQ Chg 12-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 ECONOMIC INDICATORS Q3 2023

YoY Chg 12-Mo. Forecast

1.5%

GDP Growth



0.52%

Inflation Growth



0.99%

Unemployment Rate



Source: NESDC (National Economic and Social Development Council)

Thailand's Economic Expansion Slows

Thailand's economy expanded at a slower pace at 1.5% in Q3 2023, down from 1.8% in the previous quarter. The deceleration was mainly due to a slowdown of exports and government spending, although supported by private consumption and continued recovery in the tourism industry. The economy is now projected to expand by 2.5% for 2023, continuing from 2.6% growth in 2022. The inflation rate in Q3 2023 fell to 0.52%, down from 1.14% in Q2. The inflation rate for the full year 2023 is now forecast at 1.4%. The unemployment rate fell to 0.99% in Q3 2023, down from 1.06% recorded in Q2. The national workforce employment figure recorded 40.1 million in Q3 2023, up from 39.7 million in the previous quarter.

Growing Demand for SILPs and RBFs, RBWs Market Continues Activity

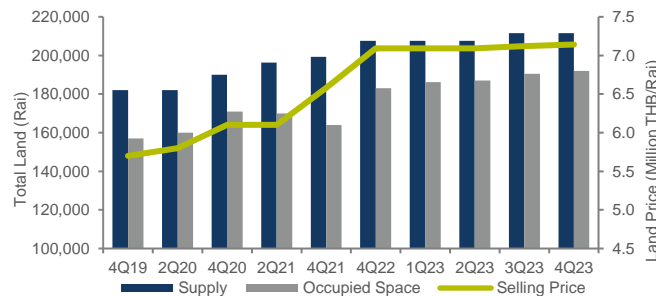
Thailand's Serviced Industrial Land Plots (SILPs) inventory remained unchanged at 211,583 rai in Q4 2023, with no new SILP completions in the quarter. The SILP vacancy rate dropped to 9.25% from 9.94% in Q3. The average land price level remained stable at THB7.12 million per rai in Q4 2023. Ahead, new supply of 14,751 rai is under construction and is scheduled to enter the market from Q4 2023 through to 2026.

Total Ready Built Factory (RBFs) inventory in Q4 2023 expanded to 3.22 million sq m, up from 3.20 million sq m in Q3, growing 0.5% q-o-q. The completion of one new factory project added 16,200 sq m of net lettable area to the market. New supply of 591,888 sq m is in development and is scheduled to enter the market in 2024. RBF vacancy climbed to 18.2% in Q4 2023, up from 16.9% in Q3. The average RBF asking rent remained stable at THB190 per sq m per month. Total Ready Built Warehouse (RBWs) inventory expanded to 5.57 million sq m in Q4 2023, up from 5.55 million sq m in Q3, growing 0.4% q-o-q. The overall RBW vacancy rate dropped to 20.34% in Q4, down from 23.23% in Q3, with high occupancy rates achieved at newly completed warehouse projects. The average asking rent for RBWs in Q4 remained unchanged from Q3 at THB152 per sq m per month. The completion of four new warehouse projects added 719,918 sq m of net lettable area to the market.

Growing Demand in Logistics and Industrial Market

We expect demand for SILPs to continue to grow, driven by strong demand from logistics and industrial property developers. Warehouse leasing activities continue to be robust, supported by burgeoning demand from Third-Party Logistics (3PL) Providers. Factory leasing activities also continue to expand. This optimistic outlook is supported by thriving demand in high technology sectors including automotive production, electronics, chemical production, oil and gas production, healthcare, and pharmaceuticals.

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	75,179	10.81%	168	\$0.44
Eastern Zone	1,606,033	390,281	24.30%	203	\$0.54
Eastern Seaboard Zone	923,233	120,658	13.07%	216	\$0.57
READY BUILT FACTORY TOTAL	3,224,934	586,118	18.17%	190	\$0.50
READY BUILT WAREHOUSE					
Central Zone	881,497	131,785	14.95%	148	\$0.39
Eastern Zone	3,090,124	746,192	24.15%	155	\$0.41
Eastern Seaboard Zone	1,601,962	255,839	15.97%	154	\$0.41
READY BUILT WAREHOUSE TOTAL	5,573,583	1,133,815	20.34%	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 = 35.078 as of 20th December 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	2024
EECi @ Wangchan Valley	PTT	Eastern Seaboard Zone	3,454	2024
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

SARAWUT TIKHACHON

Senior Market Analyst

Thailand

+66 8 5977 8987

sarawut.tik@cushwake.com

PHONGPHAN PHLOIPHET

Associate Director, Logistics & Industrial

Thailand

+66 8 057 16662

Phongphan.phl@cushwake.com

GARETH MICHAEL POWELL

Senior Director & Country Head

Thailand

+66 2168 3101 (Ext. 110)

gareth.powell@cushwake.comcushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2022, the firm reported revenue of \$10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more. For additional information, visit www.cushmanwakefield.com.

©2023 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.