

# MARKETBEAT OFFICE SNAPSHOT

## BANGKOK, THAILAND

Q1 2017

### MARKET OVERVIEW

#### BANGKOK OFFICE MARKET

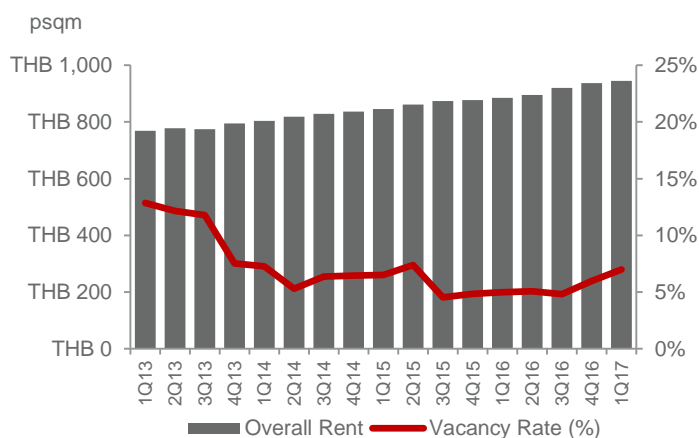
	Q3 16	Q4 16	12-Month Forecast
GDP Growth	3.2%	3.0%	▲
CPI Growth	0.3%	0.7%	▲
Unemployment	0.9%	1.0%	▲

Source: NESDB, Bank of Thailand

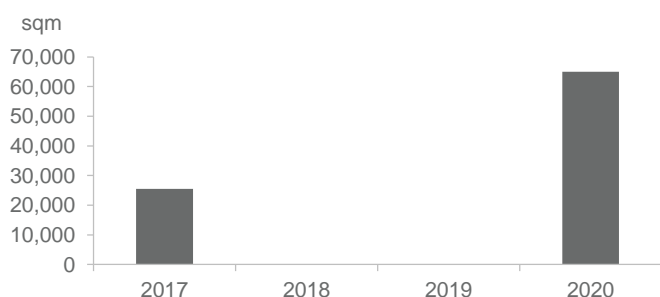
#### Grade A Market Indicators

	Q4 16	Q1 17	12-Month Forecast
Overall Rent	THB936.67	THB945.00	▲
Vacancy Rate	5.96%	6.86%	▲

#### Overall Rent and Vacancy Rate Grade A in CBD



#### Grade A CBD Supply Pipeline



### Economy

According to the National Economic and Social Development Board (NESDB), GDP in the fourth quarter of 2016 grew by 3.0 percent, continuing from 3.2 percent in the previous quarter. In 2016, the Thai economy grew by 3.2 percent, improving from 2.9 percent in 2015. Private consumption, public and private investment expanded by 3.1, 9.9, and 0.4 percent respectively. Export value was null with 0.0 growth. Meanwhile, the inflation rate was 0.2 percent and the current account registered a surplus of 11.4 percent to GDP.

In 2017, Thai economy is projected to grow by 3.0 – 4.0 percent, supported by an expansion of the export sector, an acceleration of the agricultural production and farm income, an acceleration of public investment, the 190-billion-bath supplementary budget in the fiscal year 2017, and the favorable expansion of tourism receipts.

### Market Overview

In Q1 2017, Bangkok's office market remained stable with increasing rent and low vacancy. The supply in Bangkok CBD and Non-CBD stood at 2.29 million square meters (sqm) and 1.86 million sqm increase from previous quarter. Overall, the total supply in Bangkok was 4.15 million sqm.

The demand was strong in both CBD and Non-CBD because of limited supply. Moreover, new projects were still under construction. The vacancy rates were continually low at 7.36% in CBD and 4.55% in Non-CBD.

The average rent of Bangkok's office space was continually increasing. The average rental rate per sqm per month of office space in CBD was THB 782.76 (THB945.00 for grade A and THB676.96 for grade B), or increased by 6.74% Y-o-Y. In Non-CBD, the average rental rate per sqm per month was THB682.14 (THB825.00 for grade A and THB614.47 for grade B), increased by 6.26% Y-o-Y.

### Outlook

The demand of office space in Bangkok remains strong with high rent and low occupancy rate due to the limited office supply in Bangkok. According to limited and high price of freehold land plots in CBD, future office building projects in CBD would be in mixed-used projects in leasehold land plots. During 2017 – 2020, new office supply will be added to the market. That will increase available space due to the relocation of offices. In summary, the new supply in CBD will be approximately 90,500 sqm and the new supply in Non-CBD will be approximately 198,140 sqm. In more details, almost 65,000 sqm of the grade A mixed-use building in CBD namely Samyan Mitrtown is expected to complete in 2020.

# MARKETBEAT OFFICE SNAPSHOT



## BANGKOK, THAILAND

Q1 2017

SUBMARKET	INVENTORY (SQM)	VACANCY RATE	UNDER CONSTRUCTION (SQM)	GRADE A EFFECTIVE RENT		
				THB/SQM /MO	US\$/SF /MO	EUR/SF /MO
GRADE A CBD						
Ploenchit&Rama I	234,290	3.23%	19,500	955.56	\$2.57	€ 2.38
Rajadamri&Lang Suan	-	-	6,000	-	-	-
Sathorn	449,610	8.30%	-	896.88	\$2.41	€ 2.23
Rama IV	246,767	5.41%	65,000	968.75	\$2.60	€ 2.41
Silom	21,500	42.02%	-	700.00	\$1.88	€ 1.74
Wireless	257,242	6.11%	-	1,000.00	\$2.68	€ 2.49
<b>BANGKOK GRADE A CBD TOTAL</b>	<b>1,209,409</b>	<b>6.86%</b>	<b>90,500</b>	<b>945.00</b>	<b>\$2.54</b>	<b>€ 2.35</b>
<b>BANGKOK ALL GRADE TOTAL</b>	<b>2,292,072</b>	<b>7.36%</b>	<b>90,500</b>	<b>782.76</b>	<b>\$2.10</b>	<b>€ 1.95</b>
ALL GRADES NON CBD						
Asoke&Ratchada	1,145,207	5.52%	124,000	625.97	\$1.68	€ 1.56
Sukhumvit	364,175	3.88%	23,340	848.93	\$2.28	€ 2.11
Paholyothin	357,731	2.13%	50,800	628.18	\$1.69	€ 1.56
<b>NON-CBD TOTAL</b>	<b>1,867,113</b>	<b>4.55%</b>	<b>198,140</b>	<b>682.14</b>	<b>\$1.83</b>	<b>€ 1.70</b>
<b>BANGKOK TOTALS</b>	<b>4,159,185</b>	<b>6.10%</b>	<b>288,640</b>	<b>756.14</b>	<b>\$2.03</b>	<b>€ 1.88</b>

### Significant Projects Under Construction

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	COMPLETION DATE
Magnolias Rajdamri Boulevard	CBD Rajadamri&Langsuan	-	6,000	2Q2017
Pearl Bangkok	NON-CBD Paholyothin	Pruksa	30,000	2Q2017
Shinawatarata Tower 4	NON-CBD Paholyothin	-	10,000	4Q2017
Gaysorn Office Tower II	CBD Ploenchit&Rama I	-	19,500	4Q2017
Ari Hills	NON-CBD Paholyothin	-	10,800	1Q2018
Singha Complex	NON-CBD Asoke&Ratchada	-	34,000	4Q2018
T1 Office Building	NON-CBD Sukhumvit	-	23,340	4Q2018
Super Tower	NON-CBD Asoke&Ratchada	-	90,000	4Q2019
Samyan Mitrtown	CBD Rama IV	-	65,000	1Q2020