

BANGKOK DATA CENTRE MARKET OVERVIEW

APPETITE FOR CLOUD SERVICES DRIVING EXTREME GROWTH
REPORTS KNIGHT FRANK AND DC BYTE.



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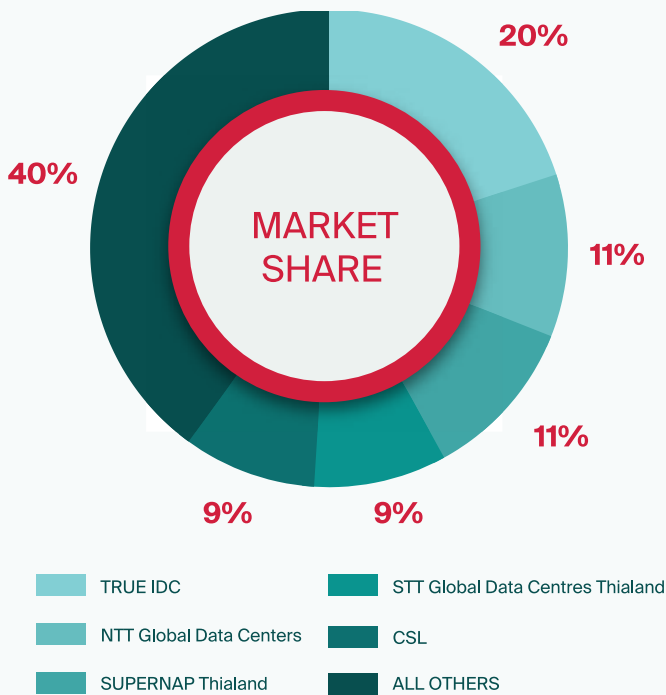
Appetite for Cloud Services Driving Extreme Growth reports Knight Frank and DC Byte.

Bangkok, the capital of Thailand, is witnessing an explosion in data centre demand as Cloud Service Providers eye expansion in the region. The country has over 48 million internet users, meaning reliance on digital infrastructure for a rapidly growing society and economy is on the rise, and multiple Chinese and US Cloud providers are gearing up in the country to provide Cloud services to the market.

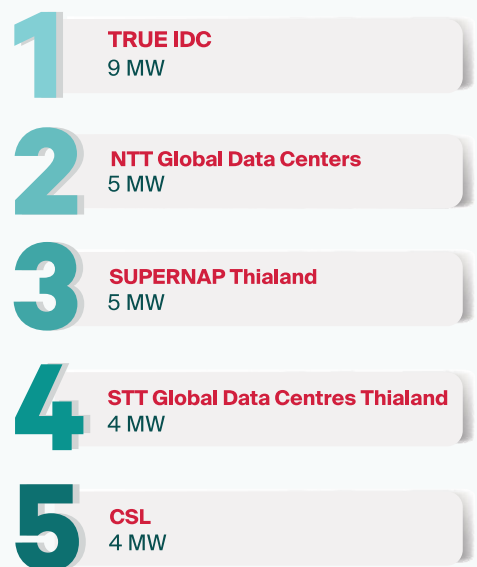
Bangkok's data centre sector is dominated by a mix of international operators and local players, such as True IDC, Japanese operator NTT, Switch's SUPERNAP Thailand, Singapore-based STT GDC, CSL, and others. Since 2016, BOI has announced an incentive scheme for the data centres that passed certain criteria with an 8-year Corporate Income Tax (CIT) exemption without a cap, attracting more capital investment into the country.

Chinese tech giants Tencent and Huawei tapped into the market early in 2018, followed by Alibaba, which launched its Cloud region late last year with multi megawatt deployments into colocation facilities across Thailand. AWS also acquired three plots of land for self-built deployments to the south of the EEC earlier this year strategically located near the cable landings stations at the Laem Chabang Port.

FIGURE 1
DATA CENTRE MARKET SHARE IN BANGKOK AS OF Q1 2022



MARKET LEADERBOARD*

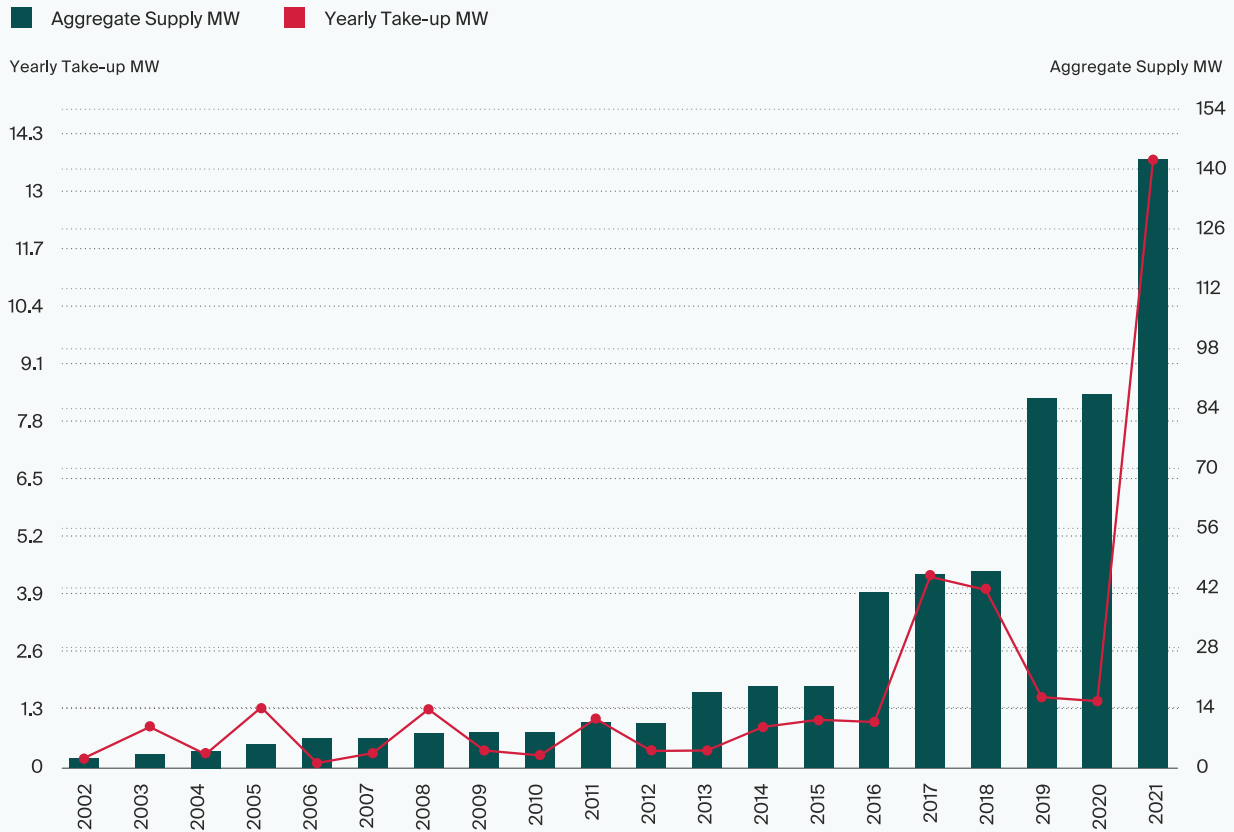


*by Live IT power

SOURCE: Knight Frank Thailand / DC Byte

Knight Frank's latest research report, produced alongside DC Byte, reveals there are more than 50 data centre properties in Bangkok, with an aggregate live capacity of 46 Megawatts (MW), ranked ninth in the Asia Pacific region. Over the past 20 years, the compound annual growth rate of supply and take-up has been 22.7% and 25.4%, respectively.

FIGURE 2
YEARLY SUPPLY AND TAKE-UP IN BANGKOK FROM 2002 TO 2021



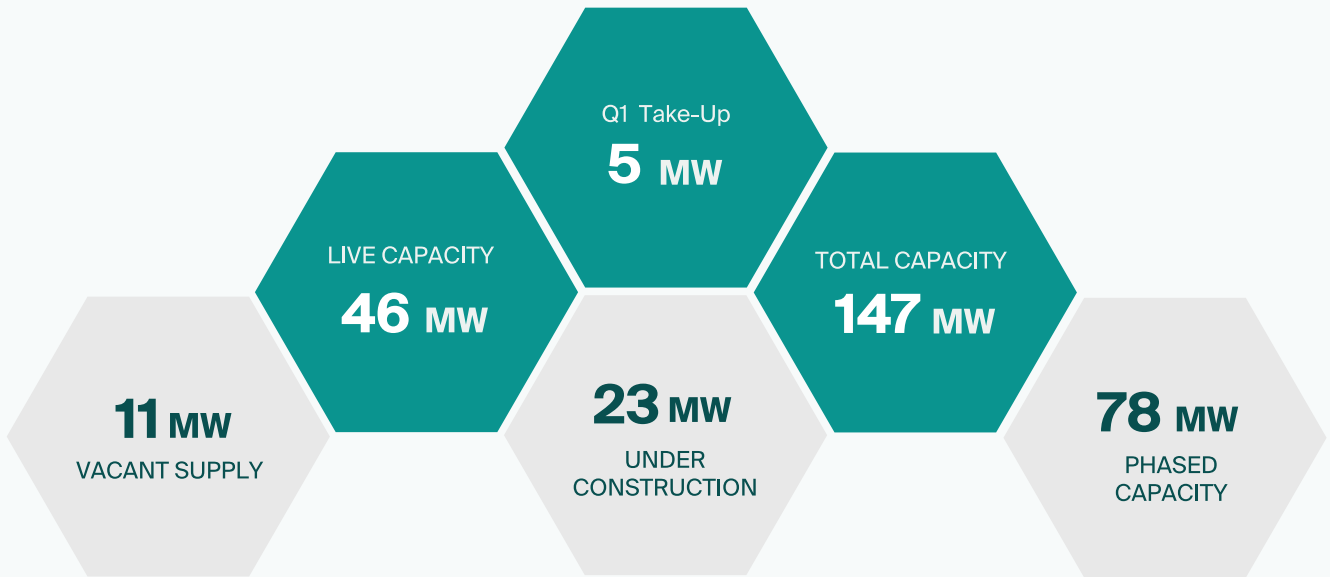
SOURCE: DC Byte

This rapid increase in investment can be attested to data centre operators forecasting the future growth of the Cloud in Bangkok and are therefore securing sizeable land plots that can accommodate the multi-megawatt leasing deals that the likes of Tencent, Amazon and Microsoft require to operate their Cloud platforms in the country. In Q1 2022, Bangkok recorded 5 MW of take-up, attributable mainly to public Cloud deployments, whilst the total yearly take-up for 2021 was 14.32 MW which represents a nearly 900% increase on 2020 take-up, which goes some way in outlining the growth trajectory of the market is experiencing now that the hyperscale Cloud providers are focusing on the region.

Aggregate current supply increased slightly to 147 MW, with NTT announcing the expansion of their Bangkok 2 facility. Future supply growth is characterized by a plan to develop the data centre campus by Etix Everywhere after acquiring the majority stake in Genesis Data Center's 2.4 MW facility. Singtel, a Singapore telecommunications provider, has signed a Joint Development Agreement (JDA) with Thailand's Gulf Energy and local telco Advanced Info Service (AIS) to develop data centres across the country. Raimon Land, a top luxury property developer in Thailand, also made a big move to the data centre sector after forming a strategic partnership with Nautilus Data

Technologies, a US-based data centre developer. The partnership allows Raimon Land to provide world-class infrastructure in the country as well as other regional neighbours.

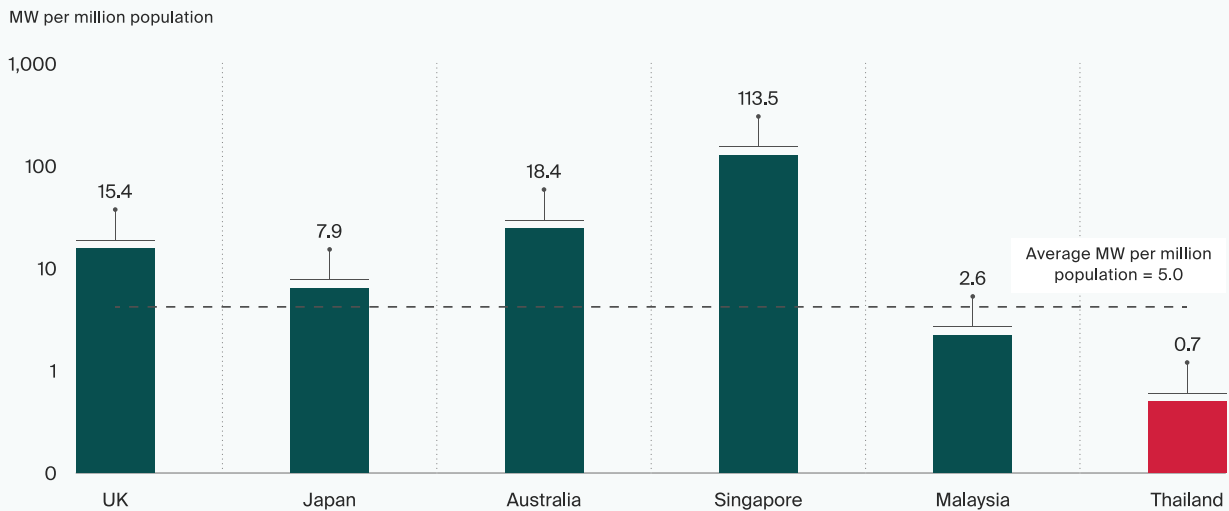
FIGURE 3
KEY FIGURES OF THE BANGKOK DATA CENTRE MARKET AS OF Q1 2022



SOURCE: Knight Frank Thailand / DC Byte

When analyzing some of the key regional markets on a national scale, it is evident that Singapore is by far the most concentrated data centre market, with a live capacity of 113.5 MW per one million population. Whilst the average live capacity per one million residents is 5 MW, Thailand's figure stands at only 0.7, demonstrating a tendency for an explosive surge in data centre demand in the upcoming years.

FIGURE 4
LIVE CAPACITY (MW) PER MILLION POPULATION IN KEY REGIONAL MARKETS AS OF Q1 2022



Source: Knight Frank Thailand - Occupier Strategy and Solutions

KEY TRENDS AND OUTLOOK

1

By 2025, the data centre market in Thailand is forecast to double in size to 100 MW of live capacity, given the hyper-scale Cloud interest in the region.

2

New colocation developments will be more resilient to the costly downtime that some business are currently witnessing due to hosting their data 'on-premise'.

3

The transition from these company-owned servers within office buildings towards public Cloud facilities will become more apparent mainly due to the greater focus on cost-effectiveness, flexibility, and reliability.

4

Edge data centres will play a more vital role in supporting hyper-scale data centres to improve user experience by reducing the network delay between the user's action and response, called latency.

Stephen Beard, Co-Head of Global Data Centres – Thailand is the most electric data centre market in the APAC region at the moment as data centre operators battle to secure the most viable land plots in order to secure the lucrative leasing contracts of the Cloud Service Providers. Whilst AWS, Alibaba, Tencent and Huawei have all launched individual Cloud regions in the country, we are confident that further US Cloud providers will shortly look to enter the region as well. Knight Frank's best-in-class data centre development team are working with a number of operators across Bangkok, isolating the most viable land parcels that are suitable for wholesale colocation development. Do get in touch with the team to find out more.

To view the latest Data Centre Report please click [here](#).

GLOSSARY

Live capacity

Fully fitted data centre capacity that is either sold or available for immediate leasing.

Phased capacity

Data centre capacity in the future pipeline, either in the form of shell space or consented and powered land.

Downtime

A time when a data centre fails to function.

Megawatts (MW)

Electricity consumption, which is the primary measure of data centre capacity instead of a square metre or square foot in typical real estate.

Hyperscale data centres (HDCs)

A larger facility which exceeds 5,000 servers and 10,000 square feet as defined by International Data Corporation. (IDC)

ABOUT KNIGHT FRANK

Knight Frank LLP is the leading independent global property consultancy. Headquartered in London, Knight Frank has more than 16,000 people operating from 384 offices across 51 territories. The Group advises clients ranging from individual owners and buyers to major developers, investors and corporate tenants. For further information about the firm, please visit knightfrank.com.

ABOUT DC BYTE

DC Byte is the leading provider of global market data and analytics for the data centre sector. The company's platform provides a unique view of the market by covering both colocation and self-build enterprise assets. It includes data centre operators' user-generated data as well as its own researched content. All data is continually validated in real time and combined with a range of proprietary cutting-edge analytics tools making it a must-have for anyone seeking accurate and insightful market intelligence.

**We like questions, if you've got one about our research,
or would like some property advice, we would love to hear from you.**

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