

Logistics

H1 2024

An overview review of Logistics market in H1 2024
by Knight Frank Thailand

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- Thai economic expanded by 2.3% Y-o-Y in Q2 2024, from a 1.6% contraction recorded in Q1 2024, driven primarily by an upturn in the industrial and service sectors. For the entire first half of 2024, the GDP grew by 1.9%.

In Q2 2024, private final consumption expenditure increased by 4.0% due to higher spending on semi-durable goods, while non-durable goods and net services saw slower growth. Government final consumption expenditure also rose by 0.3%, primarily due to increase in employee compensation and social transfer in kind for purchased market production. Total investment contracted by 6.2%, marking the third consecutive quarter of decline. Private investment fell by 6.8%, driven by an 8.1% decrease in machinery and equipment investment. Additionally, public investment decreased by 4.3%, with government investment dropping by 12.8%. Exports of goods and services increased by 4.5% Q-o-Q, driven by a 2.7% rise in export value and export prices increased by 1.7%. Meanwhile, imports grew by 1.2% despite a decline in import volume.

On the production side, the agriculture, forestry, and fishing sector saw a decline of 1.1%, following a 2.7% decrease in the previous quarter, largely due to a drop in major crop production. However, there was some positive news, with products like sugarcane and oil palm experiencing production expansion. The manufacturing sector showed signs of recovery, with slight growth of 0.2% after a 2.9% decrease in the previous quarter, supported by a 2.5% increase in domestic-oriented industries. Nevertheless, export-oriented industries contracted by 1.5%, and sectors reliant on exports, such as motor vehicles and electronic components, experienced declines. Meanwhile, Thailand's international trade by transportation mode remains dominated by sea transportation, accounting for 64.6% of total trade, despite a 3.3% Y-o-Y decline. Air

6.27 million sq m.

The total supply of ready-built warehouses in thailand increased steadily by 8.9% H-o-H

85.0%

The occupancy rate reached, increasing by 0.4% H-o-H

Unchanged

The average asking rent remained at 158 baht per sqm per month.

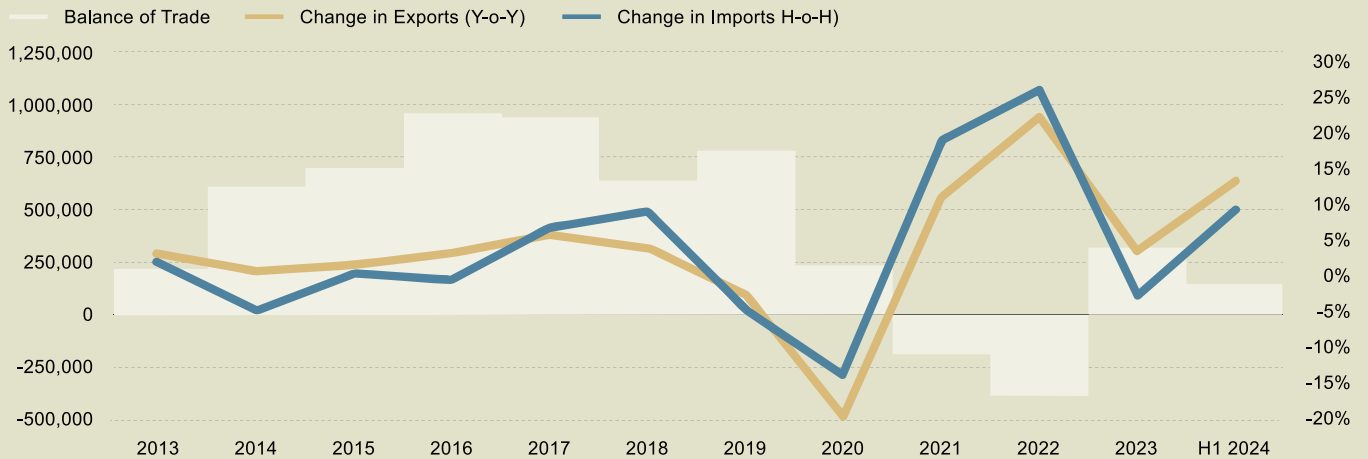
transportation made up 23.9%, driven by high-value goods like electronics. Road transportation contributed 10.3% with a 13.0% Y-o-Y rise, while rail transportation, though only 0.15% of the total, saw the highest growth at 51.3% Y-o-Y.

LOGISTICS PROPERTY MARKET INDICATORS

	6.27M SUPPLY (sq m)	5.33M OCCUPIED SPACE (sq m)	85.0% OCCUPANCY RATE	158 ASKING RENT (THB / sq m / month)
% Change				
H-o-H	▲ 8.9%	▲ 9.4%	▲ 0.4% pts.	▲ 0.4%
Y-o-Y	▲ 16.2%	▲ 12.1%	▼ 3.1% pts.	▼ 0.1%

THAILAND'S GOODS & SERVICES BALANCE

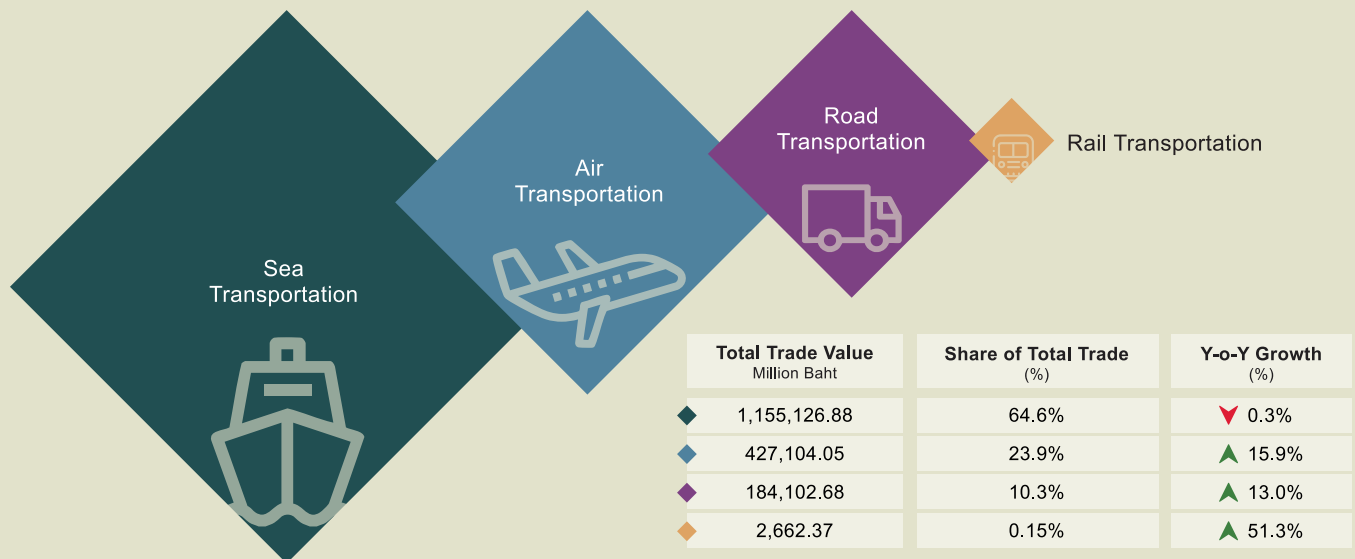
THAI BAHT (MILLIONS)



SOURCE: NESDC

INTERNATIONAL TRADE VALUE BY TRANSPORTATION MODE IN THAILAND

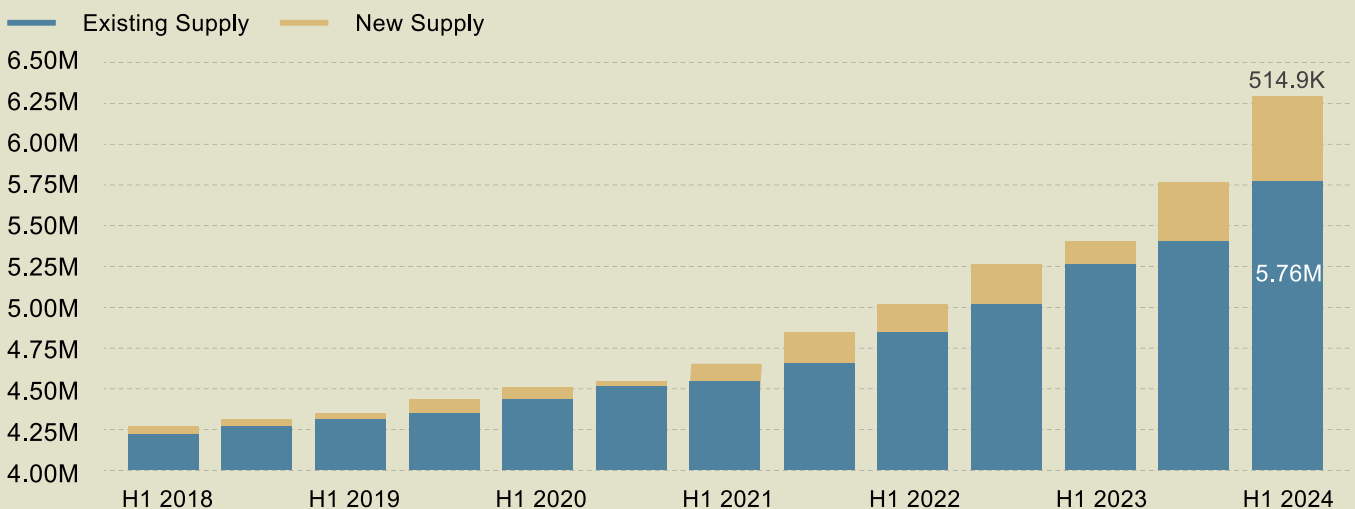
THAI BAHT (MILLIONS)



SOURCE: TRADE POLICY AND STRATEGY OFFICE (TPSO)

CURRENT SUPPLY

RAI



SOURCE: KNIGHT FRANK (THAILAND) - OCCUPIER STRATEGY & SOLUTIONS

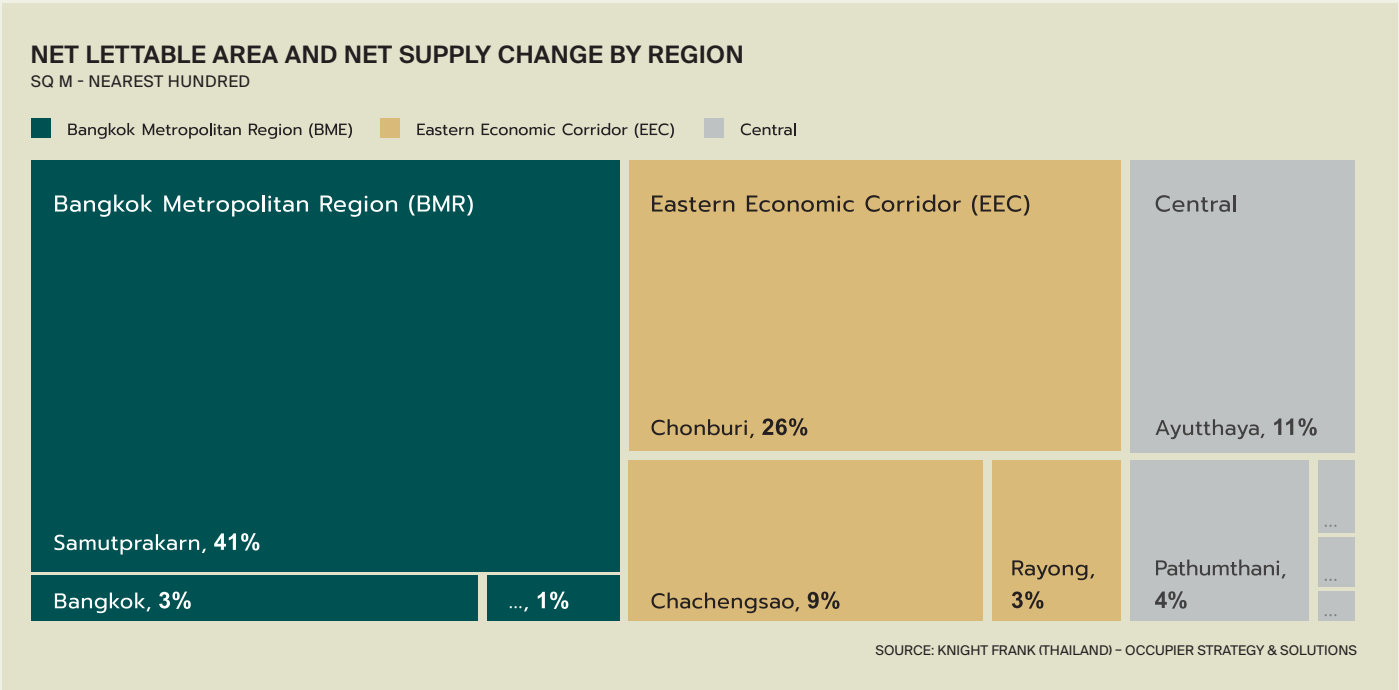
CURRENT SUPPLY

The total supply of ready-built warehouses increase by 8.9% H-o-H, reaching 6.27 million sq m in H1 2024. New supply contributed 9% of the total supply added during this period, driven by several projects across various locations, mainly in Chonburi, Samutprakarn, and Pathumthani, along with the expansion of existing developments.

SUPPLY DISTRIBUTION

The Bangkok Metropolitan Region maintained the largest market share, increasing its supply by 9.9% from the previous half to reach 2.8 million sq m, accounting for 45% of the total supply. Most of the new supply was concentrated in Samutprakarn, which holds 41% of the total area’s share, solidifying its position as a key logistics hub. The Eastern Seaboard remained the second-largest sub-market reaching 2.4 million sq m, representing 38% of the ready-built warehouse stock. Chonburi continued

to lead in the EEC with a 26% share, followed by Chachoengsao at 9% and Rayong at 3%. The Central region accounted for 16% of the total market share, with a net lettable area of just over 1 million sq m. The Central zone saw a moderate increase in supply at 5.7%H-o-H. Ayutthaya represented 11% of the Central’s share followed by Pathumthani at 4%. These figures reflect ongoing expansions, with no significant developments recorded in other areas.

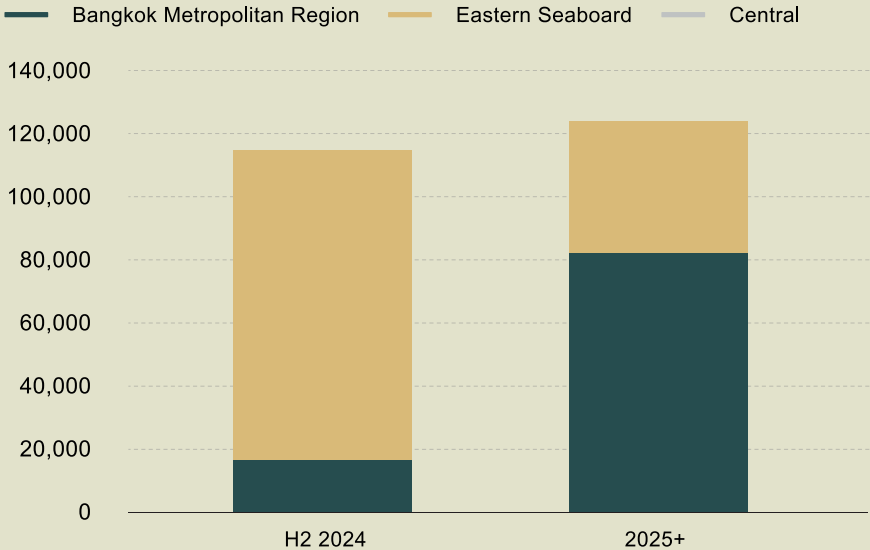


FUTURE SUPPLY

The total size of the future lettable area amounts to approximately 239,000 sq m, with around 115,000 sq m expected in H2 2024 and an additional 124,000 sq m projected from 2025 onwards. This forthcoming space reflects ongoing expansion and development, with a notable 59% of the future supply located in the Eastern Seaboard, while the Bangkok Metropolitan Region accounts for the remaining 41%. This trend indicates continued growth in both regions, although the Eastern Seaboard remains a dominant focus for future developments due to its strategic location and cost advantages.

FUTURE SUPPLY BY REGION

SQ M



SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER STRATEGY & SOLUTIONS

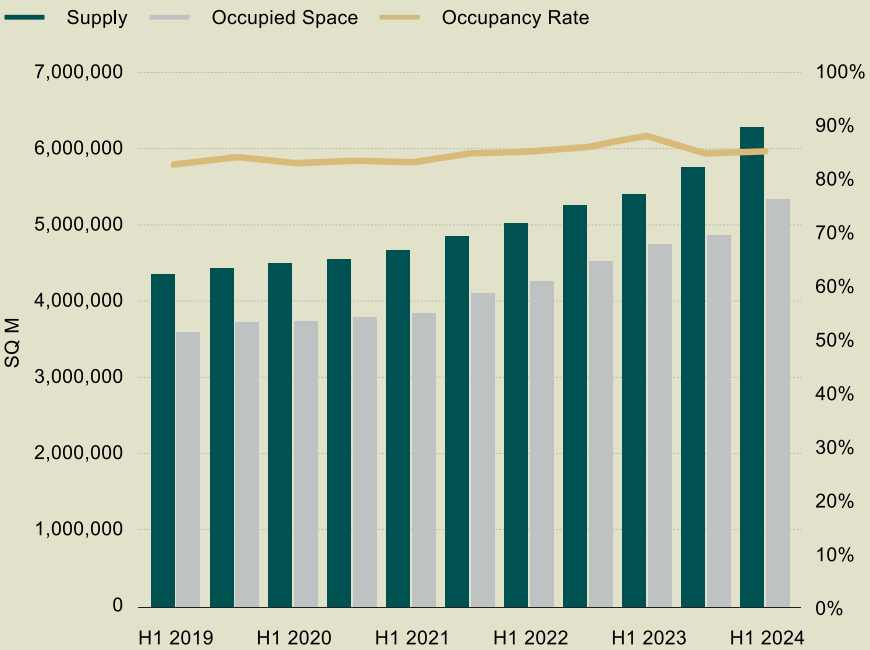
DEMAND

In the first half of 2024, the warehouse market saw substantial growth in both supply and occupied space. Supply levels surpassed 6.27 million sq m, while occupied space rose to 5.33 million sq m, reflecting strong demand across the market. However, occupancy rates declined slightly to 85.0%, lower than the previous year, primarily due to the influx of new supply.

Despite this, the market continues to absorb new supply effectively, with strong demand from key sectors such as e-commerce, automotive, and electronics driving the ongoing strength of the logistics property market. Meanwhile, the automotive industry saw a surge due to the expansion in EV manufacturing and related infrastructure, aligning with global sustainability stimulation. In contrast, demand in the garments, chemicals, and construction materials sectors declined. Investors from China, the Netherlands, South Korea, Japan, and Hong Kong have shown strong confidence in Thailand’s logistics sector. Their contributions go beyond financial support, bringing in cutting-edge technologies and innovative warehousing solutions to transform the industry, particularly in transportation and cargo handling, which accounts for a significant share of foreign investment in the logistics market.

SUPPLY, DEMAND & OCCUPANCY RATE

SQ M



SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER STRATEGY & SOLUTIONS

Following this demand, the take-up rate in H1 2024 exceeded 600,000 sq m, marking the highest level in recent years. This sharp increase was driven by the influx of new supply, particularly built-to-suit developments designed to meet the specific needs of growing sectors. The rapid absorption of these spaces highlights the market’s

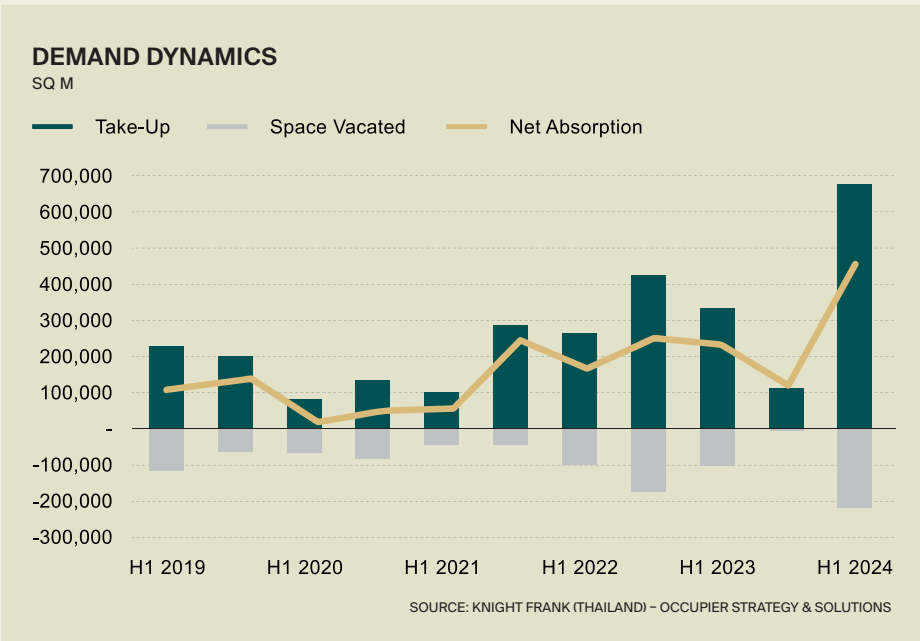
ability to accommodate new stock effectively, further demonstrating the resilience and growth potential of Thailand’s logistics property sector.

In the Bangkok Metropolitan Region (BMR), occupancy levels reached 89.6%, a slight decrease of 0.2% pts H-o-H and a 2.5% pts Y-o-Y decline.

Despite this, the BMR continues to lead with the highest share of occupied space at 2.5 million sq m, driven by ongoing demand from the e-commerce and logistics sectors. The regions also posted the highest net absorption of 222,452 sq m in H1 2024.

The Eastern Seaboard saw a rise in supply in H1 2024, which led to the absorption of a substantial 191,909 sq m of warehouse space, reflecting strong demand. The region’s occupancy rate increased by 1.4 percentage points H-o-H to 78.8%, primarily driven by the influx of new supply. This increased available space positions the EEC to accommodate future growth and demand in the logistics sector.

Meanwhile, the Central region showed steady performance with occupancy at 86.9%, down by 0.2% pts H-o-H but up by 0.6% pts Y-o-Y. The region recorded a net absorption of 47,141 sq m in H1 2024, with a total occupied space of 900,442 sq m, indicating balanced



supply and demand dynamics. Despite the slight decline in occupancy rates, the market remains fundamentally strong. The additional stock is being steadily absorbed,

reflecting sustained demand across various sectors. The lower occupancy rate is not a sign of weakening demand but rather the result of a faster expansion in supply.

OCCUPANCY RATE BY REGION			
Region	H1 2024	% Point Change	
		(H-o-H)	(Y-o-Y)
Total	85.0%	▲ 0.4% pts	▼ 3.1% pts
Bangkok Metropolitan Region (BMR)	89.6%	▼ 0.2% pts	▼ 2.5% pts
Eastern Economic Corridor (EEC)	78.8%	▲ 1.4% pts	▼ 4.6% pts
Central	86.9%	▼ 0.2% pts	▲ 0.6% pts

SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER STRATEGY & SOLUTIONS

OCCUPIED SPACE AND NET ABSORPTION BY REGION			
Region	Occupied Space as of H1 2024	Net Absorption	
		H1 2024	Last 12 months
Total	5,333,566	458,224	577,510
Bangkok Metropolitan Region (BMR)	2,525,547	222,452	330,202
Eastern Economic Corridor (EEC)	1,886,997	191,909	181,736
Central	900,442	47,141	84,850

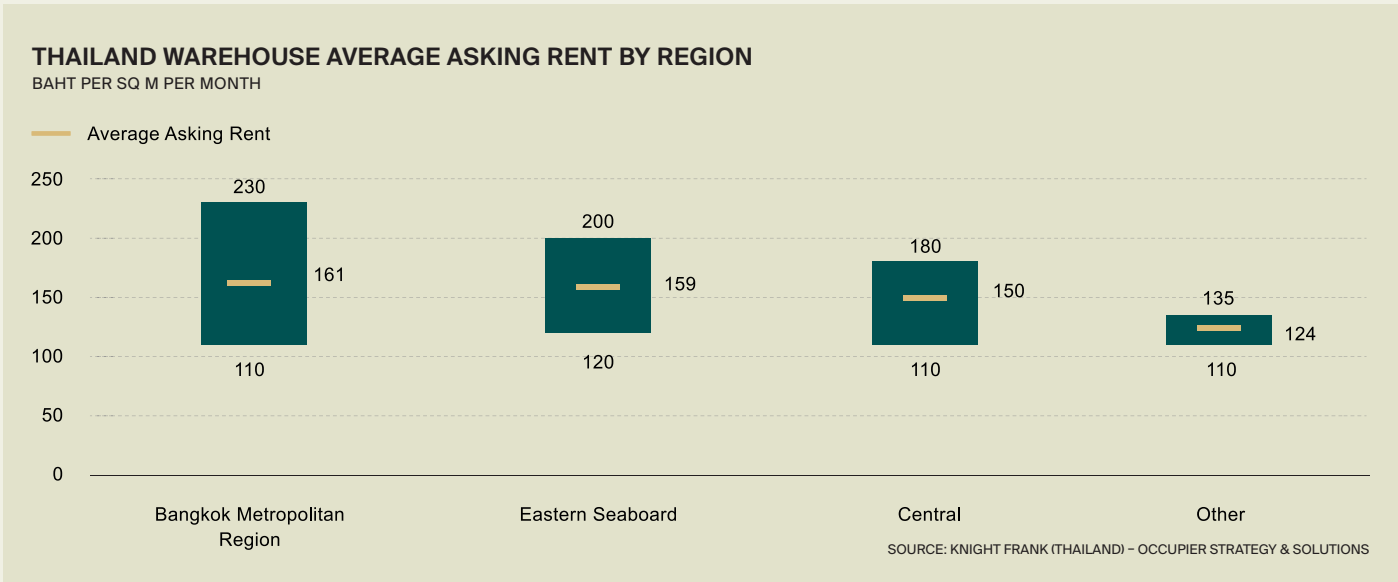
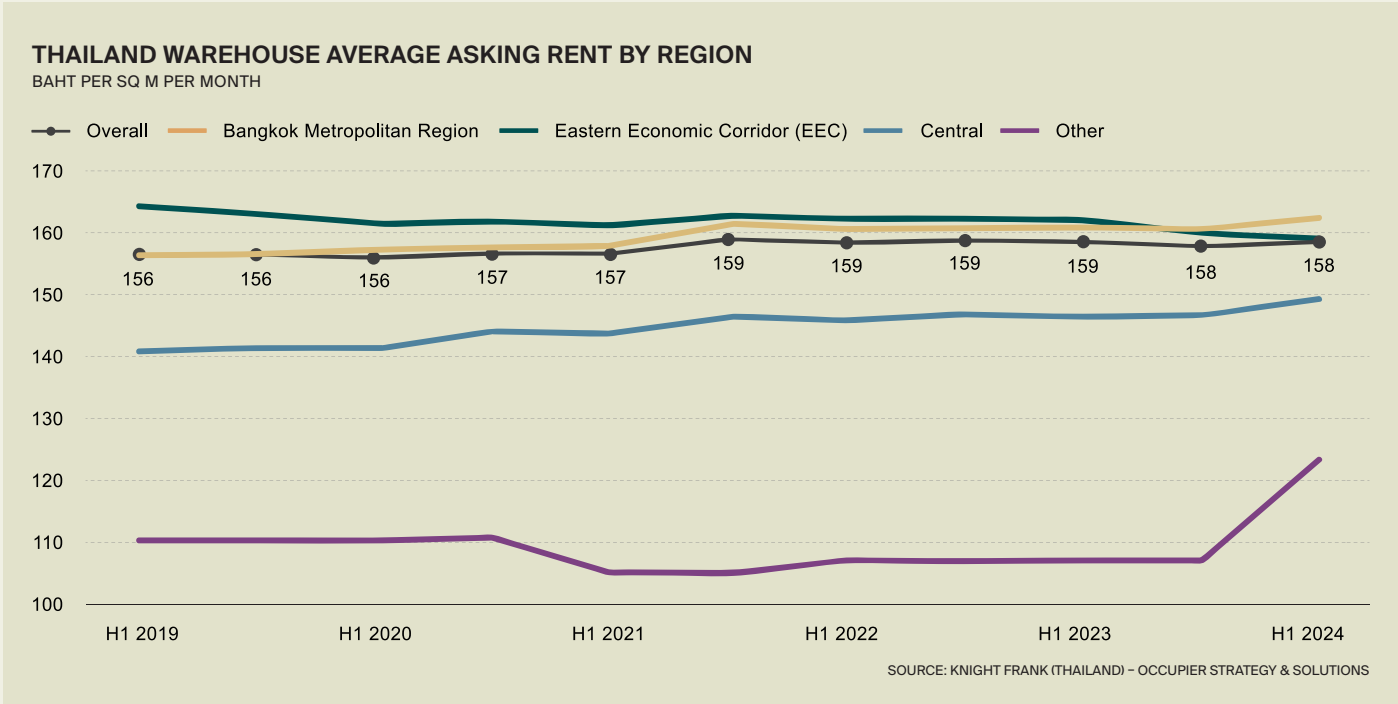
SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER STRATEGY & SOLUTIONS

RENTAL RATES

The average asking rent for ready-built warehouses in Thailand remained stable at 158 Baht per sq m per month in H1 2024. While most properties maintained their rental rates, we observed a few reductions aimed at filling vacancies, with new supply entering the market at an average of around 160 Baht per sq m per month.

Across the regions, the rental rates exhibited stability. The Bangkok Metropolitan Region (BMR) increased slightly to an average of 161 Baht per sq m, while the Eastern Seaboard (EEC) held steady at 159 Baht. The Central region averaged at 150 Baht, and other areas of Thailand recorded 124 Baht per sq m per month. Notably,

the “Other” regions saw the highest rate of increase, with the minimum asking rent rising from 100 Baht to 110 Baht, while the maximum rent in the BMR grew from 200 Baht to 230 Baht. In contrast, the Eastern Seaboard and Central region maintained steady upper limits of 200 Baht and 180 Baht, respectively.



REVIEW & OUTLOOK

The logistics and warehouse market in H1 2024 demonstrated substantial growth, building on the economic momentum of the past year. Total supply increased by 8.9% H-o-H, reflecting robust developer confidence in the sector, particularly in the Bangkok Metropolitan Region (BMR) and Eastern Seaboard, which continue to dominate logistics infrastructure development. Occupancy rates remained strong at 85.0%, a slight decline from previous levels but still reflective of healthy demand as net absorption reached 458,224 sq m.

Key sectors such as e-commerce, automotive, and electronics played pivotal roles in driving demand. In particular, the e-commerce sector has sustained its strong growth, stimulated by last-mile delivery needs. Meanwhile, the automotive industry experienced a surge in demand for warehouse space, fueled by the expansion of

electric vehicle (EV) production and infrastructure, aligning with global sustainability efforts.

Air transportation, which saw a 15.9% Y-o-Y increase, supported growth in high-value sectors like electronics and medical devices, while road transportation also contributed significantly to the logistics sector, driven by cross-border trade with China and Malaysia. Notably, rail transportation emerged as a growing alternative, with a 51.3% YoY increase, indicating future potential for efficiency in goods movement, particularly in the Eastern Economic Corridor (EEC).

Looking forward, the pipeline for future supply, especially in the Eastern Seaboard, suggests continued confidence in the sector’s growth potential. However, developers are paying close attention to market

absorption rates to avoid extended vacancy periods. Rental rates remained stable at 158 Baht/sq m, with the BMR commanding the highest rates at 230 Baht/sq m for premium properties. Moving into H2 2024, the logistics property market is expected to remain competitive, with sustained demand from sectors like e-commerce, automotive, and electronics, as well as an increase in warehouse automation and flexible space solutions.

Recent Research



Manufacturing Property Market H1 2024

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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