Thailand Research

Logistics

H1 2026

An overview review of Logistics market in H1 2026
by Knight Frank Thailand

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- Thailand's ready-built warehouse market remained resilient in H1 2026, supported by strong export growth, manufacturing expansion, and sustained logistics activity. Total warehouse supply increased to 6.69 million sq m following the completion of 72,610 sq m of new space, while occupied space rose to 6.04 million sq m, lifting the national occupancy rate to 90.2%. Leasing activity remained healthy, with 261,581 sq m of take-up and 147,946 sq m of net absorption, allowing new supply to be effectively absorbed by the market.

  Meanwhile, average asking rents edged up to THB 163.1 per sq m per month, reflecting stable market fundamentals. Looking ahead, with 131,582 sq m under construction for H2 2026 and a significant proportion already pre-committed, Thailand's logistics property market is expected to maintain healthy occupancy levels and stable rental performance.

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Market Overview

% Change	6.69M SUPPLY (sq m)	6.04M OCCUPIED SPACE (sq m)	90.2% OCCUPANCY RATE	163.1 ASKING RENT (THB / sq m / month)
H-o-H	▲ 1.1%	▲ 2.5%	▲ 1.2% pts.	▲ 0.8%
Y-o-Y	▲ 3.0%	▲ 8.2%	▲ 4.4% pts.	▲ 1.0%

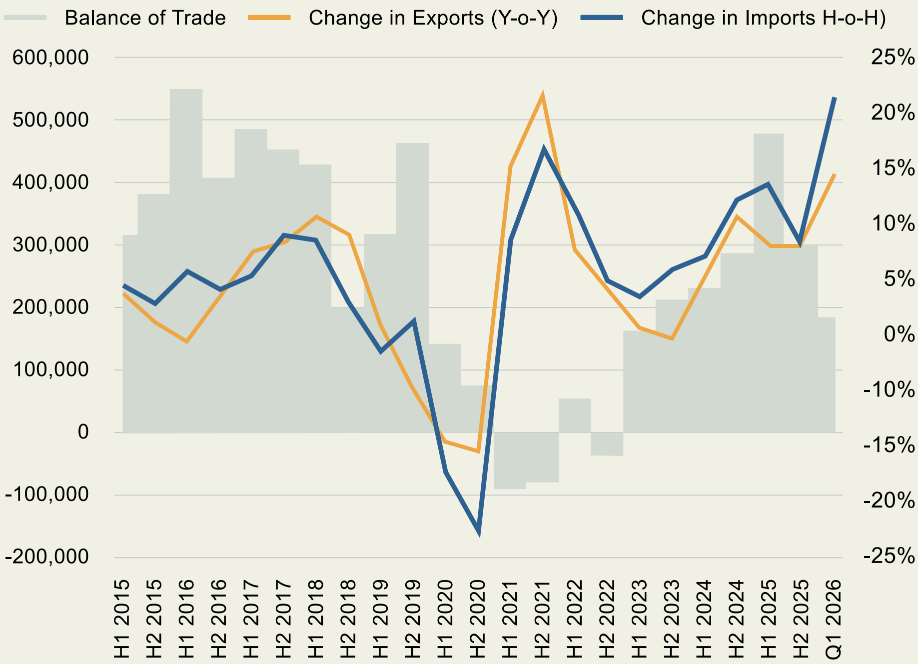
Thailand's economy gained further momentum in Q1 2026, with GDP growth accelerating to 2.8% YoY from 2.5% in the previous quarter, supported by broad-based improvements in domestic and external demand. Growth was underpinned by continued expansion in private consumption (+3.2% YoY) and government spending (+3.4% YoY), alongside a strong recovery in private investment, which rose by 10.1% YoY, marking the fastest expansion in 14 quarters. This was further reflected in gross fixed capital formation of THB 1.18 trillion, increasing by 1.1% QoQ, indicating sustained business confidence and continued capacity expansion, particularly in export-oriented industries.

External demand also provided a strong growth impulse, with exports expanding by 17.8% YoY to USD 95.1 billion, accelerating significantly from 9.4% YoY in Q4 2025. The improvement was driven by high-technology manufacturing products, particularly electronics and electrical appliances. Growth was especially strong in computer parts and accessories (+45.4% YoY), telecommunication equipment (+140.1% YoY), and electrical appliances (+19.6% YoY), highlighting Thailand's strengthening integration into global electronics supply chains amid improving external demand conditions. Import activity also increased in parallel, particularly in capital goods (+18.9%) and raw and intermediate materials (+45.6%), reinforcing production-linked logistics flows.

Crucially for the logistics sector, the inventory cycle remained in accumulation mode for the second consecutive quarter, with a change in inventories recording THB 21,563 million in Q1 2026 (following THB 43,023 million in Q4 2025). This marks a significant turnaround compared to Q1 2025, which saw a severe inventory drawdown of THB -93,820 million. This sustained restocking behavior, coupled with surging raw material imports, reflects corporate preparation for future order fulfillment, further driving downstream warehousing demand and optimizing storage utilization across key industrial nodes.

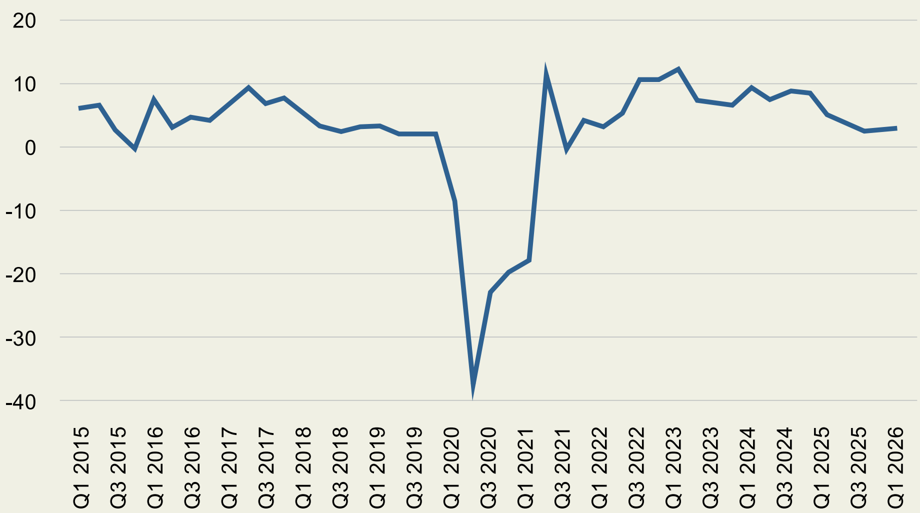
Against this backdrop, Thailand's transportation and storage sector expanded by 3.6% YoY in Q1 2026, accelerating from 3.2% in the previous quarter. Growth was supported by air transport services, which rose by 4.6%, alongside a 2.9% increase in land and pipeline transport, reflecting steady domestic freight activity. Warehousing and logistics support activities grew by 4.5%, while postal and courier services recorded robust growth of 12.0%, driven by continued expansion in e-commerce and last-mile delivery demand. In contrast, water transport declined by 1.0%, reflecting weaker maritime activity and soft external shipping conditions.

Fig. 1 : Thailand's goods & services balance on chain volume measures
Thai Baht (Millions)



Source : NESDC

Fig. 2 : Thailand's transportation and storage sector
Y-o-Y (%)



Source : Office of Industrial Economics

Supply

Current Supply

The supply of warehouse space continued to expand steadily through H1 2026, supported by both phased expansions within existing industrial projects and the completion of new developments. Expansions in Samut Prakan and Chonburi accounted for 74% of total new supply, while newly completed projects in Rayong contributed the remaining 26%.

Total net lettable area reached 6.69 million sq m, following the addition of 72,610 sq m of new supply, representing growth of 1.1% HoH and 3.0% YoY. Although new supply was slightly lower than the 75,900 sq m recorded in H1 2025, the overall delivery level remained relatively stable. This reflects developers' phased expansion strategies, with the majority of upcoming projects scheduled for completion in H2 2026. As a result, total warehouse stock continued to increase steadily through selective new launches and the expansion of existing projects.

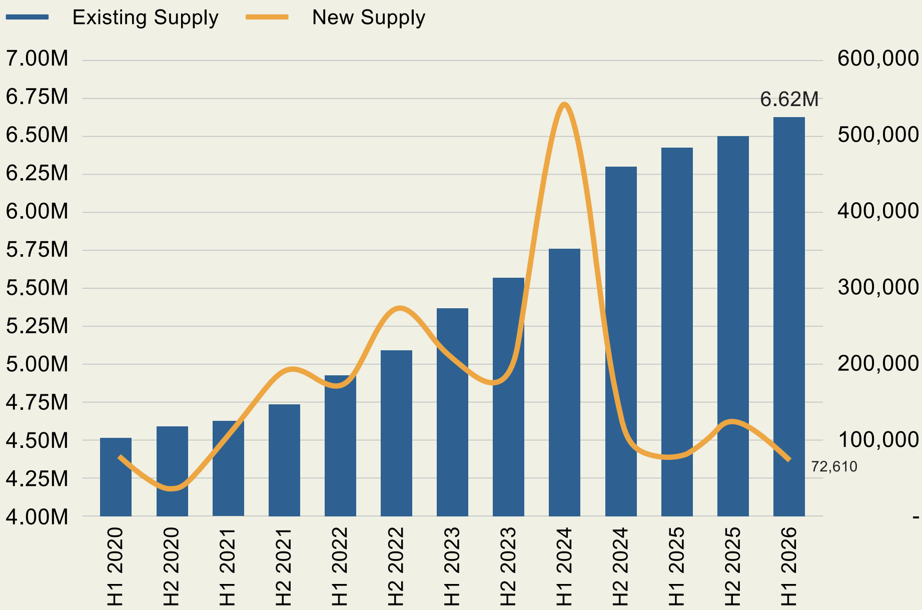
Supply Distribution

In terms of regional distribution, the Bangkok Metropolitan Region remained the largest warehouse market, accounting for approximately 44.4% of the national net lettable area in H1 2026, followed by the Eastern Economic Corridor at 39.8%, while the Central region represented the remaining 15.5%. This distribution continues to reflect the strong concentration of warehouse supply within Thailand's key industrial and logistics hubs.

In the BMR, Samut Prakan added 32,670 sq m of new supply entirely through phased project expansions, resulting in a 1.1% HoH increase in regional net lettable area. Total warehouse stock in the BMR therefore reached 2.97 million sq m by H1 2026.

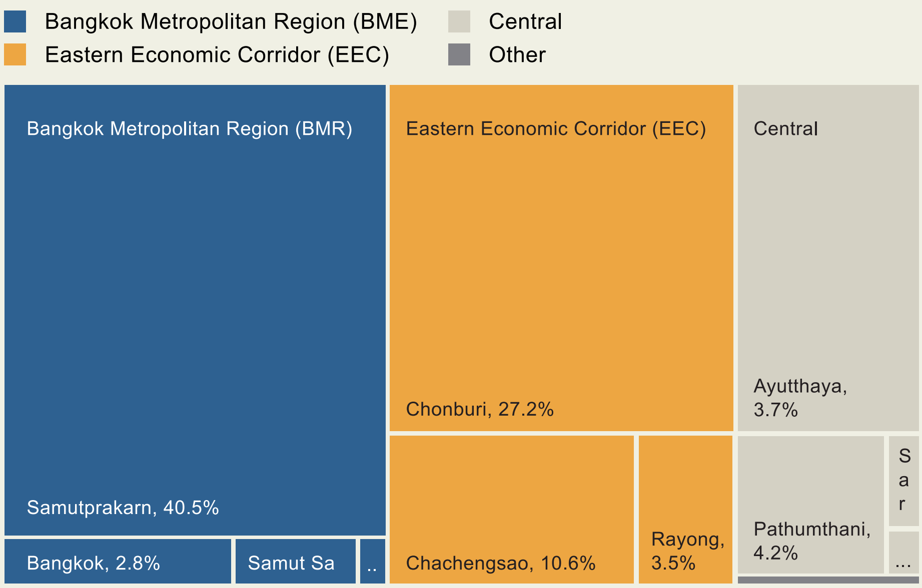
In the EEC, supply growth was driven by both project expansion and new completions, with Chonburi adding 20,800 sq m and Rayong contributing

Fig. 3 : Current supply
SQ M



Source: Knight Frank (Thailand) – Occupier Strategy & Solutions

Table 1 : Net lettable area and net supply change by region
(SQ M - Nearest Hundred)



Source: Knight Frank (Thailand) – Occupier Strategy &a Solutions

19,140 sq m of newly completed warehouse space during H1 2026. While the BMR continued to record additional supply, the EEC remained the fastest-growing region during the period.

In contrast, the Central region recorded no new supply additions in H1 2026, reflecting more cautious development activity outside the country's primary logistics corridors.

Future Supply

Although new warehouse supply remained limited in H1 2026, deliveries are expected to accelerate in H2 2026, with 131,582 sq m currently under construction. Most of the upcoming supply is concentrated in the Bangkok Metropolitan Region (BMR), the Eastern Economic Corridor (EEC), and the Central region. A significant proportion of this pipeline has already been pre-committed, indicating sustained occupier demand.

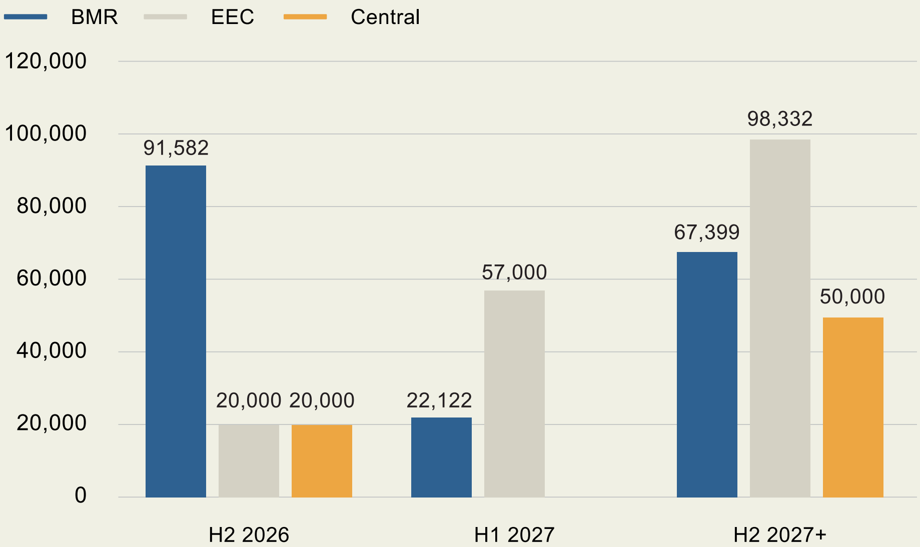
Looking ahead to 2027, a further 294,853 sq m is scheduled for completion across the BMR, EEC, and the Central region. From H2 2026 onward, total upcoming supply is projected to reach 426,435 sq m, with 42.5% concentrated in the BMR and 41.1% in the EEC. This distribution reflects developers' continued focus on Thailand's key industrial and logistics hubs, while the resumption of development in the Central region following four consecutive quarters without new supply signals renewed investment in the region.

Table 2 : Net lettable area and net supply change by region
(SQ M - Nearest Hundred)

Region	Net Lettable Area as of H1 2026	%Change (H-o-H)	%Change (Y-o-Y)
Total	**6,619,379**	**▲ 1.1%**	**▲ 3.0%**
Bangkok Metropolitan Region (BMR)	2,967,710	▲ 1.1%	▲ 2.1%
Eastern Economic Corridor (EEC)	2,663,893	▲ 1.5%	▲ 5.3%
Central	1,036,278	0.0%	0.0%

Source: Knight Frank (Thailand) – Occupier Strategy &a Solutions

Fig. 4 : Future supply by region
sq m



Source: Knight Frank (Thailand) – Occupier Strategy & Solutions

Demand

Demand Dynamics

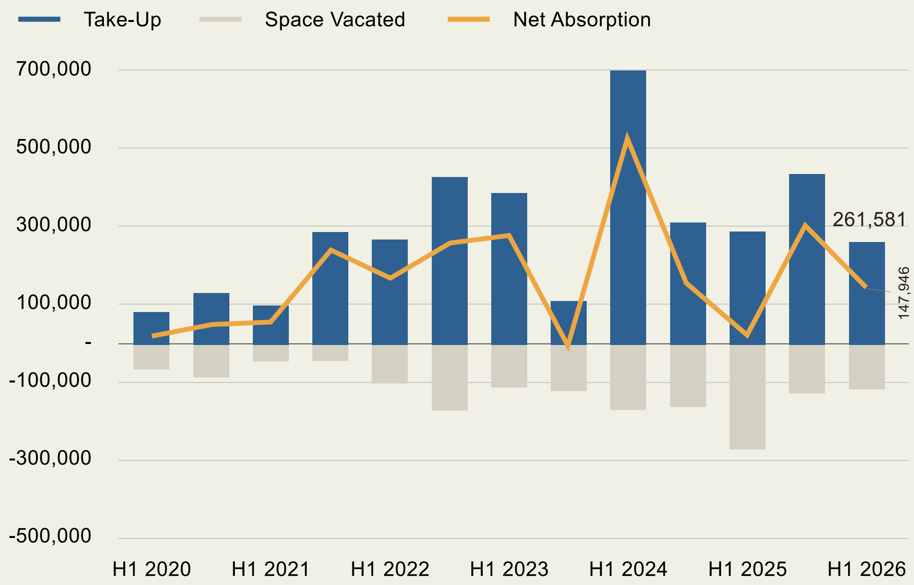
In H1 2026, warehouse market activity remained healthy, with take-up reaching approximately 261,581 sq m. Although this was lower than the exceptional level recorded in H2 2025, it continued to reflect solid occupier demand. Net absorption remained positive at approximately 147,946 sq m, with both indicators driven primarily by demand in the EEC, followed by the BMR. Despite the moderation in take-up, sustained leasing activity continued to support healthy market fundamentals.

In H1 2026, Thailand's ready-built warehouse market continued to expand, with both total warehouse stock and occupied space increasing during the period. As a result, the occupancy rate improved to 90.2%, indicating that newly completed warehouse supply was effectively absorbed by market demand rather than contributing to higher vacancy levels.

This positive market performance was underpinned by robust international trade, which continued to stimulate logistics and supply chain activity. In Q1 2026, total exports increased by 17.8% YoY. Export growth was led by industrial products, particularly computers, parts and accessories (+45.4% YoY) and electrical control boards and panels (+30.3% YoY), reflecting sustained strength in Thailand's manufacturing and export-oriented industries. The strong performance of these products generated higher outbound warehouse volumes and inventory turnover, supporting demand for warehousing, consolidation, and distribution facilities serving export supply chains.

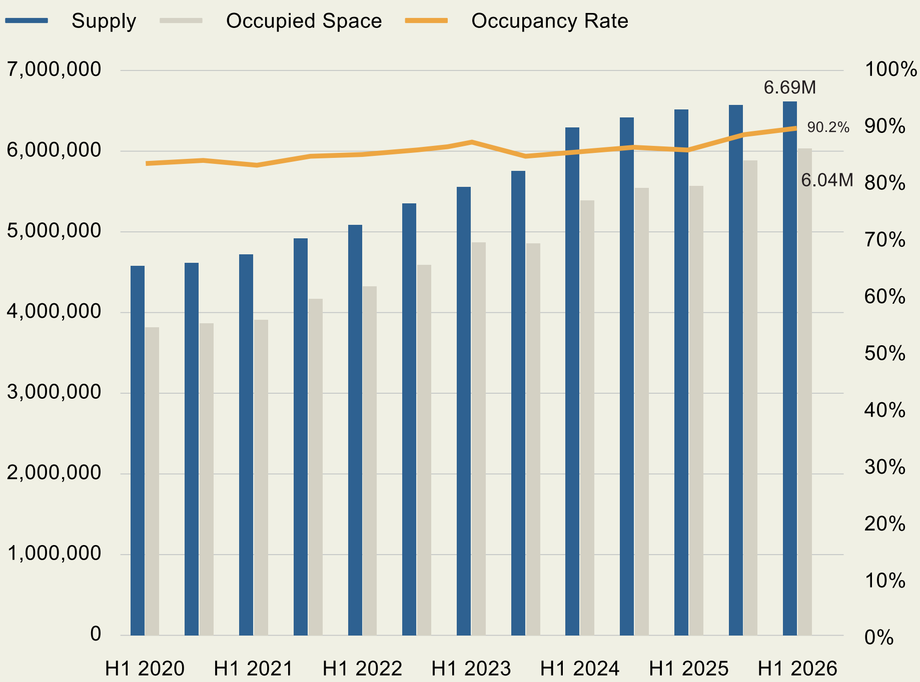
On the import side, total imports rose by 32.4% YoY, driven by higher demand for capital goods, machinery and parts, electrical machinery and equipment, as well as raw materials and intermediate goods. Imports of electrical and electronic equipment and parts surged by 129.25% YoY,

Fig. 5 : Demand dynamics
SQ M



Source: Knight Frank (Thailand) – Occupier Strategy & Solutions

Fig. 6 : Supply, demand & occupancy rate
SQ M



Source: Knight Frank (Thailand) – Occupier Strategy & Solutions

followed by electrical machinery and parts (+82.67% YoY) and machinery and parts (+5.06% YoY), highlighting continued investment in manufacturing capacity and production inputs. The increase in imports of production equipment and intermediate goods also suggests continued inventory replenishment and capacity expansion among manufacturers, reinforcing demand for storage space prior to production and distribution.

The resilience of the warehouse market was also supported by continued expansion in Thailand's manufacturing sector. In Q1 2026, manufacturing output grew by 0.9% YoY, accelerating from 0.4% in the previous quarter, with growth recorded across all major manufacturing groups. Export-oriented industries remained a key driver, particularly electronic components and boards (+12.1% YoY) and computers and peripheral equipment (+27.8% YoY), reflecting sustained demand from global markets. The expansion of these industries is particularly supportive of the warehouse market, as electronics manufacturing typically requires extensive storage capacity for imported components, work-in-progress inventory, and finished products awaiting domestic distribution or export.

Meanwhile, the average capacity utilization rate increased to 61.3%, up from 57.5% in the previous quarter, indicating stronger production activity and improving utilization of manufacturing facilities. The higher utilization rate also suggests that manufacturers are operating closer to existing production capacity, which typically leads to greater throughput of raw materials and finished goods across supply chains. The continued expansion in manufacturing reinforced demand for warehousing and logistics facilities to support production, inventory management, and distribution activities, further contributing to the healthy absorption of newly completed ready-built warehouse space.

Table 3 : Occupancy rate by region

Region	H1 2026	% Point Change (H-o-H)	% Point Change (Y-o-Y)
Total	**90.2%**	**▲ 1.2% pts**	**▲ 4.4% pts**
Bangkok Metropolitan Region (BMR)	94.0%	▲ 1.4% pts	▲ 3.4% pts
Eastern Economic Corridor (EEC)	85.1%	▲ 1.6% pts	▲ 5.0% pts
Central	92.1%	▲ 0.1% pts	▲ 5.6% pts

Source: Knight Frank (Thailand) – Occupier Strategy &a Solutions

Together with resilient trade flows, these factors provide a solid foundation for sustained warehouse demand, particularly in key manufacturing and logistics hubs.

These favorable demand drivers were reflected in occupancy performance across Thailand's major warehouse markets. The Bangkok Metropolitan Region maintained the highest occupancy rate at 94.0%, while occupancy in the EEC improved to 85.1% and the Central region increased to 92.1%. All three markets recorded positive growth on both a half-on-half and year-on-year basis, highlighting broad-based demand across Thailand's key logistics and industrial corridors.

Rental Rates

In H1 2026, average asking rents for ready-built warehouses remained broadly stable, with a slight upward trend. The overall average increased marginally from THB 161.7 to THB 163.1 per sq m per month on a half-on-half basis.

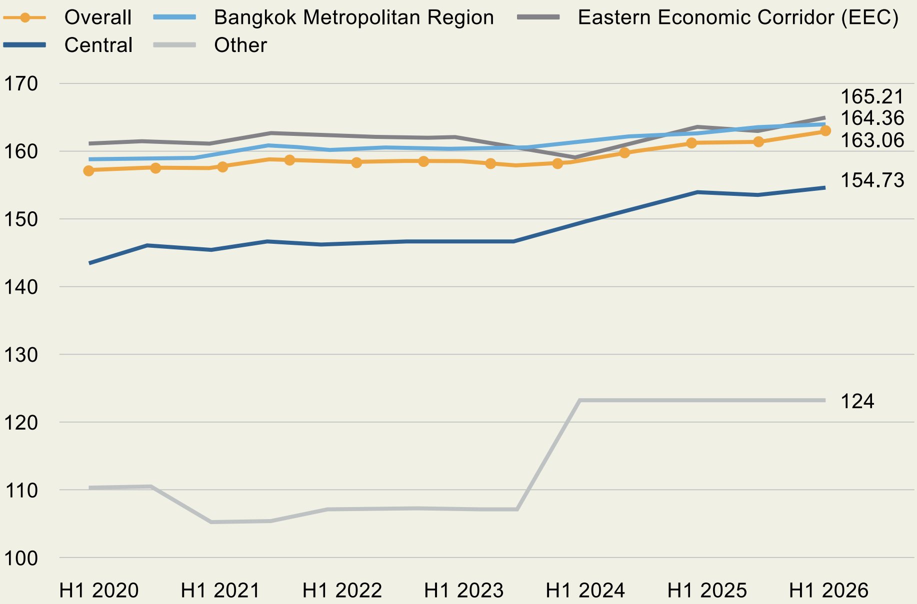
Regionally, asking rents in the BMR edged up from THB 163.7 to THB 164.4 per sq m per month, while the EEC recorded the strongest rental growth, rising from THB 163.1 to THB 165.2 per sq m per month. The increase in the EEC was supported by strengthening occupier demand, as reflected in the region's significant improvement in occupancy. Meanwhile, asking rents in the Central region increased slightly to THB 154.7 per sq m per month, while rents in the other regions remained stable at THB 124.0 per sq m per month.

The rental structure continues to highlight clear regional differences. Minimum asking rents remained relatively similar across all regions at around THB 110–120 per sq m per month. Ceiling rents also remained broadly unchanged, except in the Central region, where the maximum asking rent increased from THB 182 to THB 194 per sq m per month. Meanwhile, the minimum asking rent in the BMR rose from THB 110 to THB 120 per sq m per month.

Overall, the BMR and the EEC continue to command the highest average and peak rents, supported by stronger market fundamentals and higher occupancy levels. In contrast, the Central and other regions continue to record lower average rents and narrower rental ranges, reflecting relatively more price-sensitive market conditions.

Fig. 7 : Ready-built warehouse asking rent by region

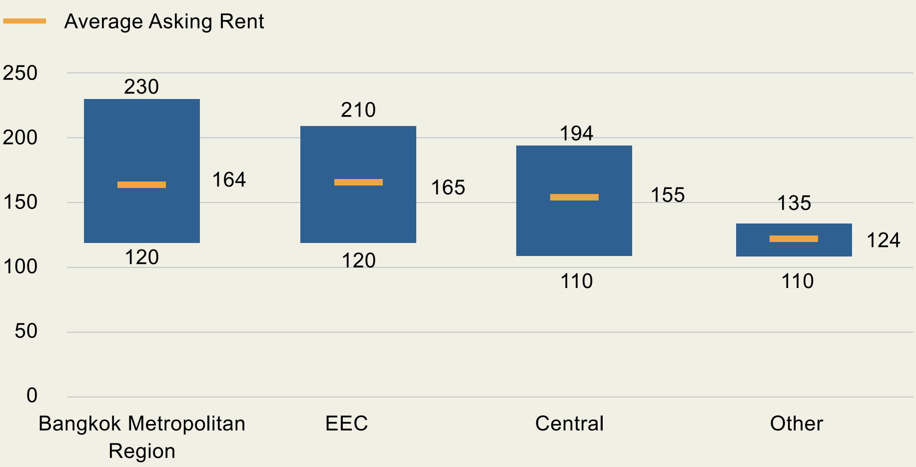
Baht per sq m per month



Source: Knight Frank (Thailand) – Occupier Strategy & Solutions

Fig. 8 : Ready-built warehouse asking rent spreads

Baht per sq m per month



Source: Knight Frank (Thailand) – Occupier Strategy & Solutions

Review & Outlook

Thailand's logistics property market entered a stronger phase of expansion in H1 2026, but the underlying demand dynamics suggest that current market momentum extends beyond the cyclical rebound in external trade. While export growth accelerated sharply during the period, warehouse demand was supported equally by the resurgence of production-related activities, particularly the recovery in capital investment, inventory accumulation, and imports of machinery and intermediate goods. Together, these indicators suggest that occupiers are expanding logistics capacity not merely to facilitate higher trade volumes, but to support a broader increase in manufacturing activity and production throughput.

This distinction is important because it implies that warehouse demand is becoming increasingly embedded within the production cycle itself. The return of inventory accumulation for a second consecutive quarter, combined with strong imports of production inputs, indicates that manufacturers are rebuilding inventories in anticipation of future output rather than responding solely to immediate sales demand.

As a result, warehouse facilities are increasingly functioning as upstream production infrastructure, providing inventory buffering, component storage, and operational flexibility before goods enter downstream distribution channels.

The market's supply-demand balance further reinforces this interpretation. Despite continued additions to warehouse stock, occupancy improved to 90.2%, indicating that new supply has been absorbed without creating meaningful vacancy pressure.

At the same time, rental growth remained relatively modest, suggesting that the market is not experiencing demand-driven overheating but rather a healthy equilibrium in which supply expansion broadly matches occupier requirements. Developers' continued preference for phased development and pre-committed projects further reflects growing confidence in underlying demand while maintaining discipline over speculative construction.

Looking ahead, the trajectory of Thailand's logistics property market will increasingly depend on the sustainability of manufacturing investment rather than short-term trade fluctuations. If capital expenditure and export-oriented production continue to expand, warehouse demand is likely to remain resilient even if global trade growth moderates. Conversely, should production investment weaken, logistics demand could soften despite relatively healthy trade volumes. This evolving relationship suggests that manufacturing indicators particularly investment, inventory behavior, and industrial production—are becoming more reliable leading indicators of warehouse performance than trade flows alone.

Against this backdrop, competition within the logistics market is also expected to become increasingly quality-driven. As manufacturing processes become more technology-intensive and supply chains place greater emphasis on operational efficiency, occupiers are expected to prioritize facilities capable of supporting automation, higher operational specifications, and strategic connectivity to industrial clusters. Consequently, prime logistics assets within the BMR and EEC should continue to outperform secondary locations, not because of limited supply, but because of their stronger integration with Thailand's evolving manufacturing ecosystem.

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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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