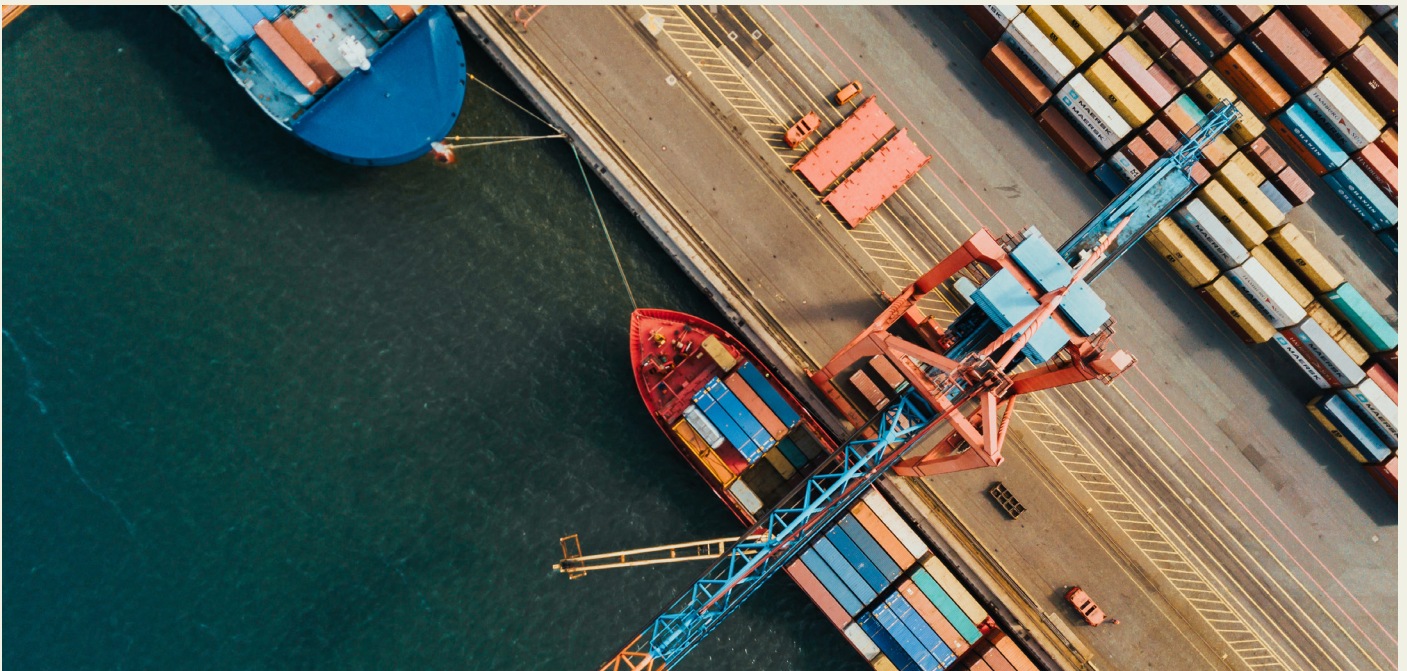


Logistics

H2 2025

An overview review of Logistics market in H2 2025
by Knight Frank Thailandknightfrank.co.th/research

- In H2 2025, Thailand's ready-built warehouse market demonstrated strengthening underlying fundamentals, despite uneven economic recovery and continued moderation in overall growth momentum. Total warehouse supply increased moderately to 6.62 million sq m (+1.9% H-o-H), while occupied space expanded more strongly to 5.89 million sq m (+5.6% H-o-H), reflecting a sharp recovery in leasing activity. As a result, the occupancy rate rose to 88.9%, up 3.1 percentage points H-o-H, indicating that newly completed supply was effectively absorbed by market demand. The Central region recorded the strongest improvement, with occupancy rising by 5.6 percentage points to 92.0%, followed by the Eastern Economic Corridor (EEC), which increased by 3.4 percentage points to 83.5%. Average asking rents remained broadly stable at THB 161.7 per sq m per month, supported by stronger occupancy and landlord pricing discipline, although rental growth remained measured amid a gradually improving but still uneven economic recovery.

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Market Overview

	6.62M SUPPLY (sq m)	5.89M OCCUPIED SPACE (sq m)	88.9% OCCUPANCY RATE	161.7 ASKING RENT (THB / sq m / month)
% Change				
H-o-H	▲ 1.9%	▲ 5.6%	▲ 3.1% pts.	▲ 0.1%
Y-o-Y	▲ 3.1%	▲ 6.0%	▲ 2.4% pts.	▲ 1.0%



In the second half of 2025, Thailand's economic growth improved more visibly, with GDP rising to 2.5% by Q4 from 1.2% in Q3, although still below earlier levels in the year. The recovery remained gradual, supported by stronger domestic private demand, higher government spending, the rebound of tourism and related services, and favorable water conditions that supported agricultural production.

From an expenditure perspective, private final consumption remained relatively stable at THB 1.73 trillion in Q4 2025, improving from Q3 and

expanding by 3.3% year-on-year. Government consumption also remained steady at THB 429.3 billion, providing continued support to domestic demand. Meanwhile, gross fixed capital formation rose to THB 752.5 billion, signalling early signs of stabilisation, with investment largely concentrated in machinery and equipment within export-oriented manufacturing sectors. Inventory levels returned to accumulation in Q4 2025, increasing by THB 44.8 billion, reversing from a drawdown of THB 129.0 billion in the previous quarter and signalling early signs of restocking.

Export performance remained strong, with total export value reaching THB 2.22 trillion in Q4. Export growth accelerated to 9.4% during Q4, although it slightly moderated from 11.5% in Q3, largely reflecting the fading impact of front-loaded shipments earlier in 2025. Imports also remained elevated at just over THB 2.11 trillion but expanded at a more moderate pace throughout the year.

Inflation dynamics continued to reflect weak demand-side pressure. Headline inflation remained negative at around -0.5% in Q4 2025, driven

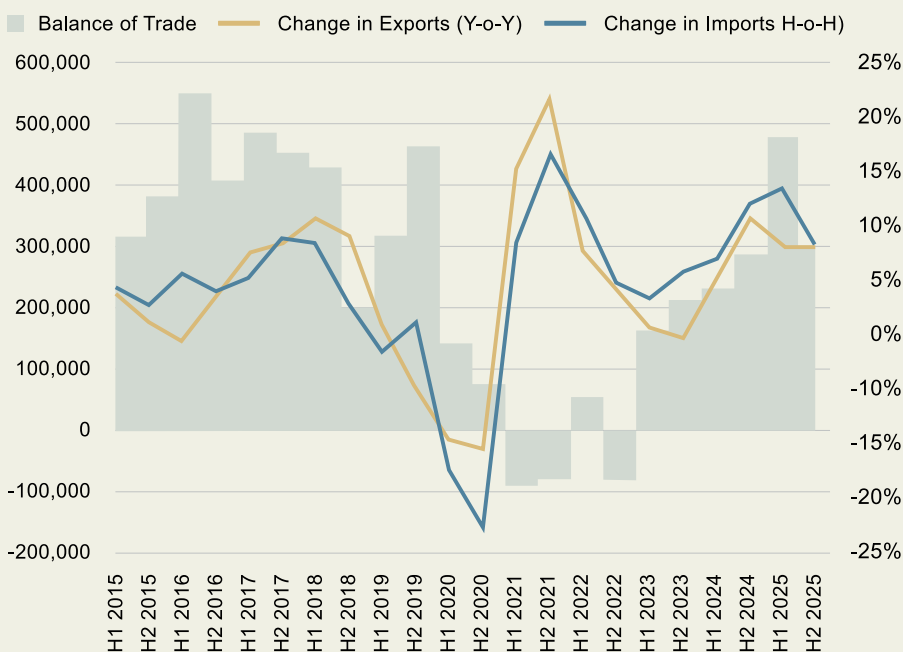
by declining energy prices and softer fresh food costs. Persistently low inflation highlights limited pricing power within the domestic economy and suggests that consumption-led growth remains constrained, further increasing the relative importance of trade and investment in sustaining logistics demand.

Despite the early signs of restocking seen in late Q4, underlying weakness became more evident in H2 2025. According to the Office of Industrial Economics, the Manufacturing Production Index declined to 93.42 in Q3, contracting by 2.3% year-on-year, indicating continued softness across key industrial segments. Meanwhile, the finished goods inventory index eased to 103.92 from 105.32 in the previous quarter, signalling a modest inventory drawdown. However, inventory levels remained elevated, suggesting that stock reduction was driven more by cautious output adjustment than by a meaningful recovery in end-demand.

Within the service sector, transportation and storage activities continued to expand, rising to 3.2% in Q4 2025 from 3.0% in Q3, supported by stronger trade activity and early signs of restocking. However, growth remained moderate, reflecting softer manufacturing output and still-elevated inventory levels. This indicates that logistics demand is increasingly driven by supply chain efficiency rather than broad-based volume expansion.

Fig. 1 : Thailand's goods & services balance on chain volume measures

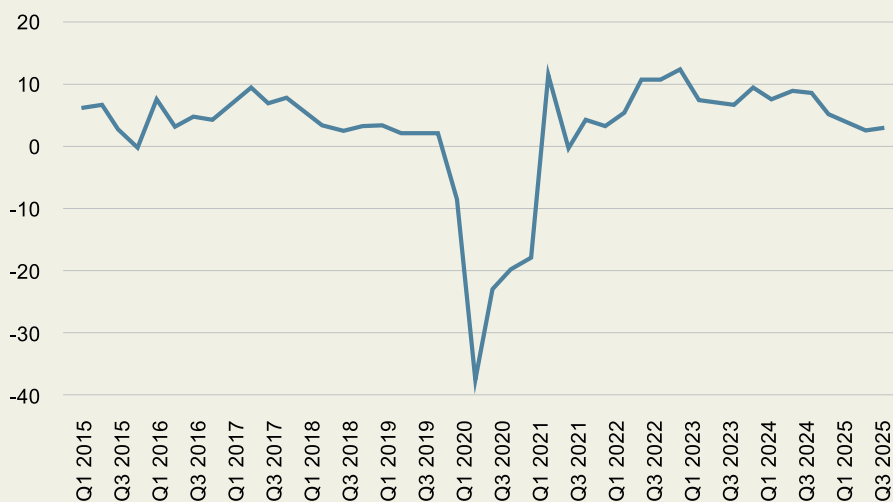
Thai Baht (Millions)



Source : NESDC

Fig. 2 : Thailand's transportation and storage sector

Y-o-Y (%)



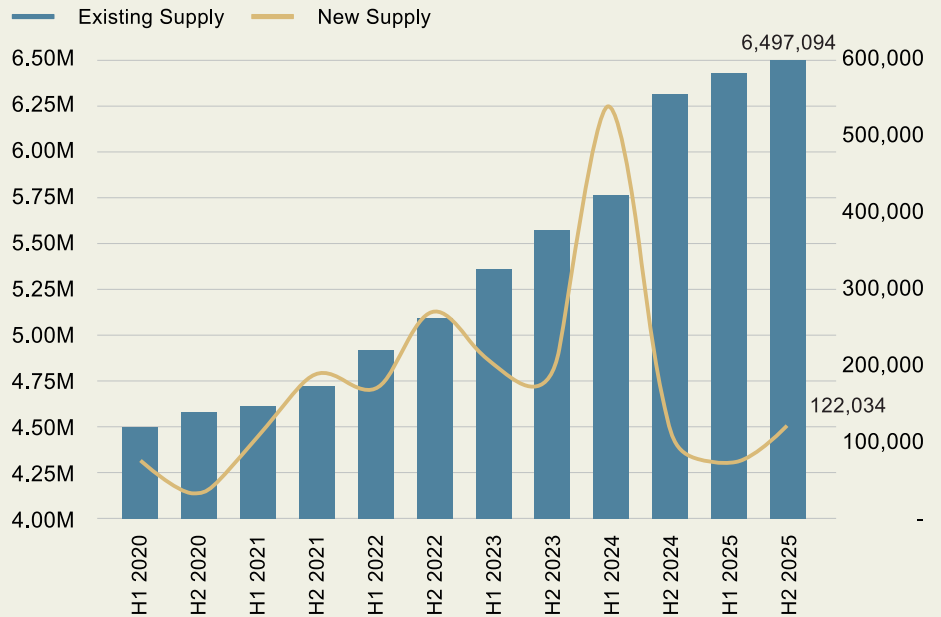
Source : Office of Industrial Economics

Supply

Current Supply

The supply of warehouse space continued to expand steadily through H2 2025, supported by both expansions within existing industrial projects, which accounted for 55% of total new supply, and new development completions, contributing the remaining 45%, primarily in Rayong, and Chonburi. Total net lettable area reached 6.62 million sq m, driven by 122,034 sq m of new supply, representing a 1.9% half-on-half and 3.1% year-on-year increase. This growth was achieved despite new supply additions moderating from the peak recorded in H1 2024, indicating that while development momentum has eased, overall stock continues to rise through phased expansions and selective new launches.

Fig. 3 : Current supply
SQ M



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

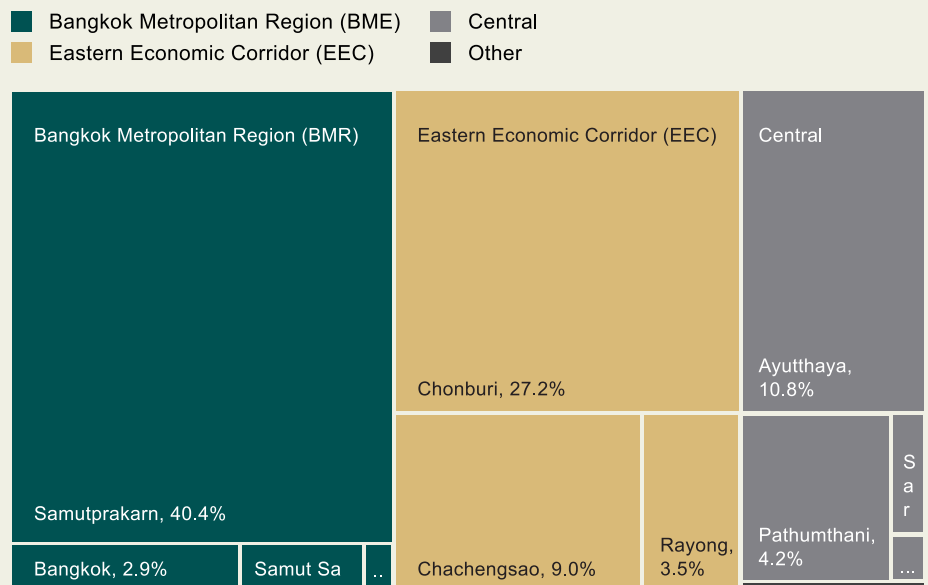
Supply Distribution

In terms of regional distribution, the Bangkok Metropolitan Region held the largest share of warehouse supply, accounting for approximately 44.3% of national net lettable area as of H2 2025, followed by the EEC at around 39.6%, while the Central region made up the remaining 15.7%. This distribution reflects the strong concentration of supply in Thailand’s main industrial and logistics hubs.

In the Bangkok Metropolitan Region, Samut Prakarn added 28,379 sq m of new supply, primarily from project expansions and new developments, resulting in a 1% half-on-half increase in net lettable area. Consequently, total warehouse stock in the region reached 2.94 million sq m by the end of 2025.

In the EEC, supply expansion was supported by both project extensions and new completions. Chonburi recorded an additional 74,515 sq m, while Rayong contributed 19,140 sq m from newly completed warehouses.

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



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

These additions further strengthened the EEC's position as the fastest-growing region, with net lettable area rising by 3.7% half-on-half and 5.9% year-on-year to reach 2.62 million sq m by the end of H2 2025. In contrast, the Central region recorded no new supply during the period, reflecting more cautious development activity outside key logistics corridors.

Future Supply

New warehouse supply in H1 2026 was limited to 43,399 sq m, though delivery is expected to accelerate in H2 2026 with 95,917 sq m currently under construction. A significant portion of this upcoming space is already pre-committed, signaling robust demand. Looking to 2027, supply will surge by over 98,332 sq m, with all new projects situated in the EEC.

Overall, 62.4% of the total new supply through 2027 is concentrated in the EEC, compared to 37.6% in the BMR, reflecting a major strategic pivot by developers toward the Eastern Economic Corridor as the primary growth hub.

Table 2 : Net lettable area and net supply change by region

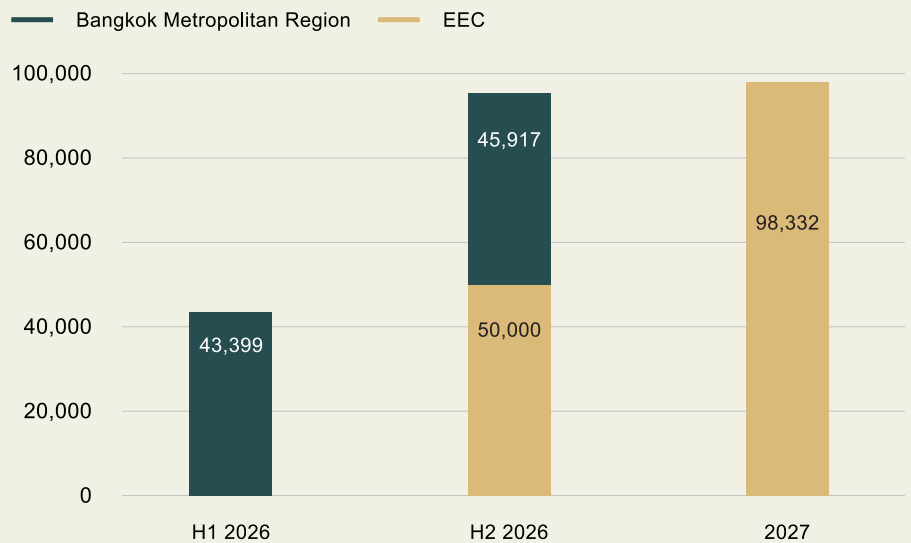
(SQ M - Nearest Hundred)

Region	Net Lettable Area as of H2 2025	%Change	
		(H-o-H)	(Y-o-Y)
Total	6,619,129	▲ 1.9%	▲ 3.1%
Bangkok Metropolitan Region (BMR)	2,935,040	▲ 1.0%	▲ 1.8%
Eastern Economic Corridor (EEC)	2,623,953	▲ 3.7%	▲ 5.9%
Central	1,036,278	0.0%	0.0%

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

Fig. 3 : Future supply by region

sq m



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

Demand

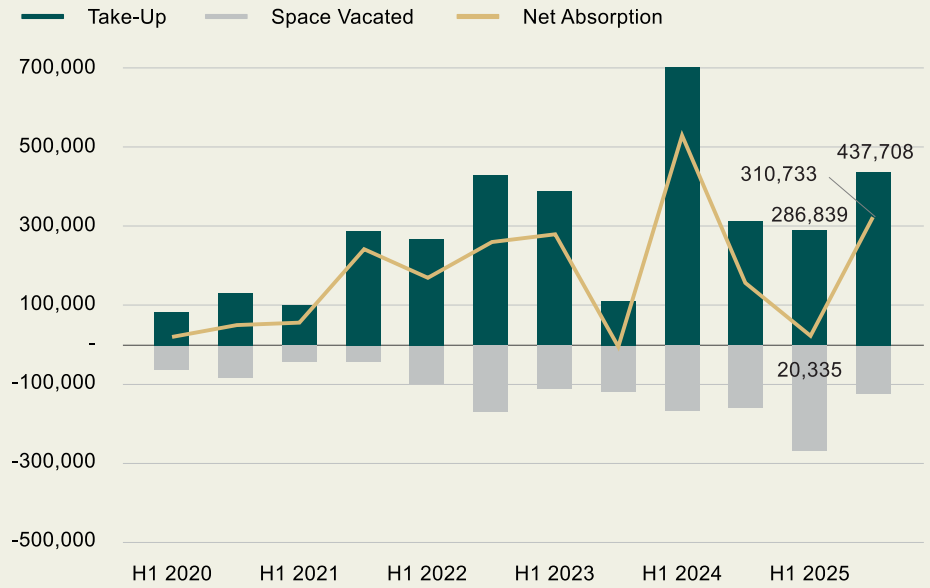
Demand Dynamics

In H2 2025, Thailand’s ready-built warehouse market continued to expand steadily. Total warehouse stock increased throughout the period, while occupied space grew at a faster pace, pushing the occupancy rate to 88.9%. This indicates that newly completed warehouse supply has been effectively absorbed by market demand rather than translating into higher vacancy levels.

The strengthening demand fundamentals are closely linked to the robust performance of key manufacturing sectors with high logistics intensity. Several major industries recorded strong production growth, directly supporting increased demand for warehouse and distribution space. The steel industry products sector expanded by 5.6% year-on-year, with domestic steel consumption rising sharply by 11.0% to 18.3 million tonnes, driven by large-scale public infrastructure projects, lower product prices following raw material cost adjustments, and a low base effect from maintenance shutdowns in the previous year. This expansion has increased demand for raw material storage, semi-finished goods, and construction-related logistics.

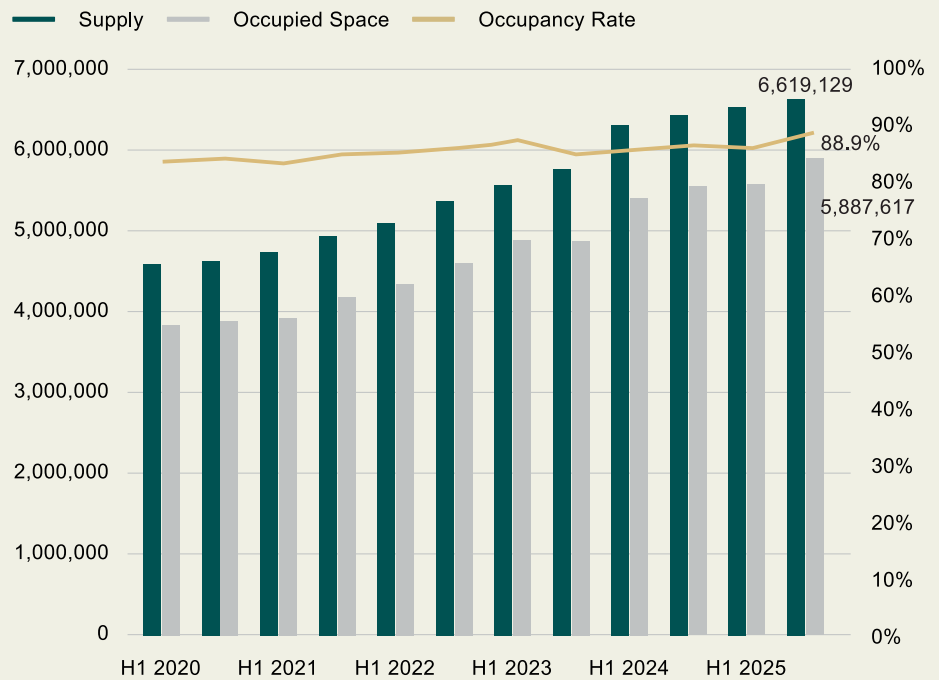
Similarly, the electronics industry recorded a 5.8% year-on-year increase in production, led by strong growth in key product segments, including HDD (+38.0%), semiconductor devices (+27.1%), IC (+25.3%), and PCBA (+22.3%). Growth was supported by the recovery of the global semiconductor cycle, accelerated exports ahead of U.S. tariff measures, and rising demand from AI, 5G, and data center-related applications. These trends have driven higher requirements for specialized warehouse space to support component storage, finished goods, and export-oriented logistics.

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

In addition, the motorcycle industry continued to support logistics demand, with production reaching 1.9 million units (+0.67% YoY), domestic sales rising to 1.6 million units (+4.62%), and exports (CBU and CKD) increasing to 900,000 units (+5.15%). Growth in both domestic distribution and export shipments has contributed to sustained demand for warehouse space related to finished vehicles, parts inventory, and cross-border logistics.

These sectoral expansions have been reinforced by Thailand's trade environment, where short-term logistics demand remains resilient despite global trade uncertainties. The accelerated inflow of excess inventory from Chinese manufacturers into Thailand ("China Influx") has further increased storage requirements as occupiers seek additional capacity to manage higher inventory volumes and mitigate supply chain risks. Together with structural demand from the expanding e-commerce sector and ongoing supply chain relocation, these factors are expected to sustain strong space absorption. This is reflected in high occupancy levels across key regions, including the Bangkok Metropolitan Region (92.6%), the Central region (92.0%), and improving conditions in the EEC (83.5%), underscoring the upward trend of Thailand's warehouse market.

Table 3 : Occupancy rate by region

Region	H2 2025	% Point Change	
		(H-o-H)	(Y-o-Y)
Total	88.9%	▲ 3.1% pts	▲ 2.4% pts
Bangkok Metropolitan Region (BMR)	92.6%	▲ 2.0% pts	▲ 1.5% pts
Eastern Economic Corridor (EEC)	83.5%	▲ 3.4% pts	▲ 1.2% pts
Central	92.0%	▲ 5.6% pts	▲ 8.3% pts

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

Rental Rates

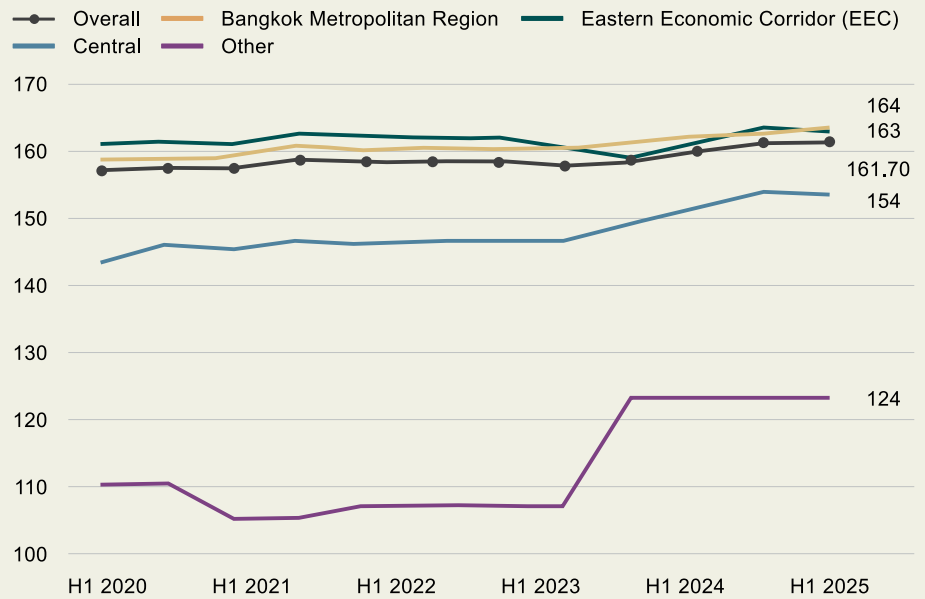
In the second half of 2025, average asking rents for ready-built warehouses remained broadly stable with a slight upward trend, with the overall average increasing marginally H-o-H from 161.5 to 161.70 baht per sq m per month.

Regionally, asking rents in the Bangkok Metropolitan Region edged up from 163 to 164 baht per sq m per month, while rents in the EEC softened slightly from 164 to 163 baht moving within a narrow range amid steady occupier demand and relatively high occupancy levels that helped limit downward pressure on pricing. The Central and Other regions also recorded stable rents at 154 baht and 124 baht per sq m per month, respectively, following earlier adjustments.

The rental structure further highlights clear differences by location. While minimum asking rents across all regions remain broadly similar at around 110–120 baht per sq m per month and ceiling rents remain largely unchanged, BMR and the EEC continue to command higher average and peak rents, supported by stronger occupancy fundamentals. In contrast, the central and other regions record lower average rents and narrower rent ranges, reflecting more price-sensitive market conditions.

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

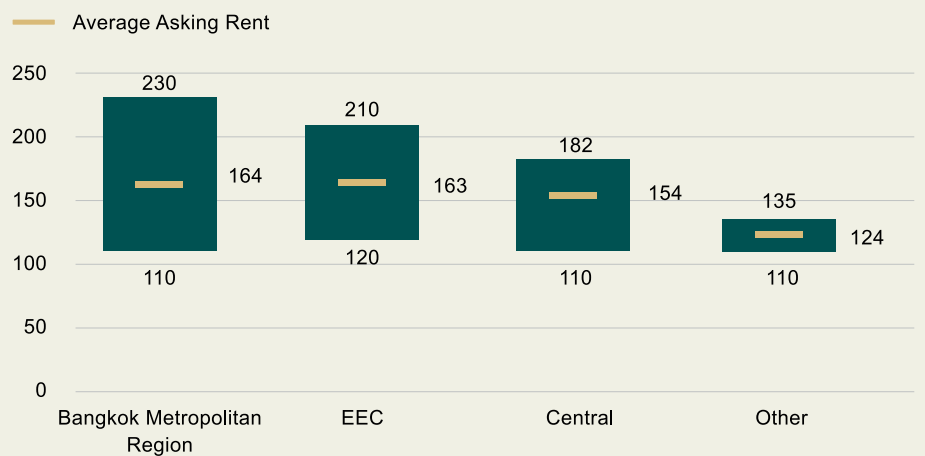
Baht per sq m per month



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 industrial and logistics property sector in H2 2025 is increasingly shaped by structural shifts across the manufacturing landscape, including supply chain diversification, evolving trade policies, and deeper integration across production and logistics networks. Rather than being driven purely by trade volume expansion, logistics demand is increasingly linked to manufacturers redesigning supply chains to enhance resilience and operational efficiency. This resilience is reflected in the national logistics occupancy rate, which has remained above 88.9% despite uneven macroeconomic recovery.

These market adjustments are unfolding amid a gradual macroeconomic stabilisation following earlier cyclical softness, with domestic demand and inventory levels showing early signs of improvement. However, growth momentum remains uneven, with export-oriented industries and foreign direct investment continuing to serve as the primary anchors of industrial and logistics demand. Trade policy developments, particularly tariff asymmetries affecting exports to the United States, have encouraged multinational firms to adopt multi-location production and distribution strategies. This shift is driving occupier requirements toward larger, higher-specification facilities capable of supporting automation and supply chain visibility.

At the same time, strong industrial land absorption, high ready-built factory occupancy, rising land prices, and declining factory license registrations collectively indicate a shift toward higher investment intensity and asset quality. This

divergence underscores that recent leasing activity is being driven more by industrial reconfiguration and trade-related logistics than by domestic consumption growth.

Within this evolving landscape, logistics infrastructure is playing a progressively upstream role in production cycles, extending beyond its traditional downstream distribution function. As manufacturing processes become more specialised and internationally integrated, warehouse and logistics facilities are increasingly supporting production-related activities, including raw material buffering, component staging, and cross-border consolidation. Tightening availability across industrial land and ready-built factory supply has reinforced this trend, as manufacturers facing expansion constraints increasingly rely on third-party logistics providers to maintain operational flexibility. This dynamic is particularly evident within established export-oriented manufacturing clusters, most notably across the EEC and BMR, where integration between production and logistics networks continues to strengthen.

The shift toward higher-value, technology-driven manufacturing is also reshaping the qualitative profile of logistics demand. Capital-intensive industries typically require higher service reliability, advanced building specifications, and stronger multimodal connectivity. As a result, occupiers are demonstrating stronger preference for modern, strategically located warehouse assets capable of supporting automation and real-time supply chain visibility. This has sustained demand for high-quality logistics facilities and reinforced rental resilience in prime logistics corridors. While asking rents remained broadly stable,

supported by landlord pricing discipline, secondary logistics assets, particularly those located outside major industrial ecosystems or lacking modern specifications, are experiencing slower absorption and greater pricing sensitivity as tenant demand becomes increasingly selective.

Alongside these structural demand shifts, market conditions indicate that Thailand's logistics property sector is transitioning from broad-based expansion toward a more consolidation-driven phase of the real estate cycle. While demand remains supported by supply chain diversification and manufacturing integration, occupier expansion is becoming increasingly efficiency-driven rather than volume-led. Development activity is also showing greater supply discipline following accelerated expansion in recent years, with developers placing stronger emphasis on phased delivery and pre-committed space, rather than speculative launches. This disciplined approach ensures that the risk of near-term oversupply remains contained, even as development pipelines extend into 2026–2027.

Looking ahead, Thailand's industrial and logistics property markets are expected to remain supported by supply chain diversification and structural investment inflows, even as overall economic growth remains moderate. Global manufacturers continue to pursue multi-country production strategies to mitigate geopolitical risks, positioning Thailand as a key regional production and logistics hub supported by its established industrial base, improving infrastructure connectivity, and strong regional trade integration.

However, market performance is expected to become increasingly polarised. Prime industrial and logistics assets located within established clusters and infrastructure-rich logistics corridors are likely to maintain strong occupancy, stable rental performance, and continued investor interest, supported by their strategic role within regional supply chains. Conversely, secondary locations and older logistics facilities may face more competitive leasing conditions as occupiers prioritise operational efficiency, scalability, and supply chain risk management.

Overall, the growing interdependence between manufacturing activity and logistics infrastructure underscores the sector's transition from a supporting asset class into a core enabler of Thailand's industrial competitiveness and export resilience. The market is entering a more mature phase, positioning it for sustainable performance within a lower growth but more resilient operating environment.

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Manufacturing Market 2H 2025

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