

Q4 2024	An overview review of Bangkok's Office market in Q4 2024 by Knight Frank Thailand	knightfrank.co.th/research
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OFFICE PROPERTY MARKET INDICATORS				
	6.31M	4.86M	77.0%	842.-
	SUPPLY	OCCUPIED SPACE	OCCUPANCY RATE	ASKING RENT
	(sq m)	(sq m)		(THB / sq m / month)
% Change				
Q-o-Q	0.0%	▲ 1.0%	▲ 0.8% pts.	0.0%
Y-o-Y	▲ 3.9%	▲ 2.2%	▼ 1.3% pts.	▲ 3.3%

The Bank of Thailand forecasts that the Thai economy will grow by 2.7% in 2024 and 2.9% in 2025. The tourism and service sectors are expected to perform well, while merchandise exports, particularly electronics and machinery, should see improvements driven by the global tech cycle. Hard disk drives are expected to benefit from rising demand in the data center industry. However, certain manufacturing and export sectors continue to face challenges. The automotive and parts industry has weakened due to sector-specific factors, while exports of chemicals, metals, and electrical appliances are under pressure from heightened competition with China. Uncertainty in both the global and Thai economies has risen significantly, driven by U.S. economic policies—especially tax and tariff measures—that could disrupt international trade and pose downside risks to global growth.

In December, the Business Sentiment Index (BSI) saw a slight decline but remained on an overall upward trajectory, driven mainly by recovery in the non-manufacturing sectors. Nearly all business sectors contributed to the improved confidence, with the strongest rebound seen in the tourism-related sector, including hotels, restaurants, and passenger transportation. Respondents in this sector reported a significant boost in confidence, driven by an increase in travellers from the US and Europe during the year-end holiday season. However, the three-month expected BSI continued to fall throughout 2024, with a sharper decline in the second half of the year. During this period, the manufacturing index dropped to its lowest level for the longest duration since the onset of COVID-19, highlighting heightened uncertainty in business prospects.

6.31 million sq m

Bangkok's total office supply remained stable.

1.0 million sq m

The projected supply pipeline with 750,000 sq m under construction.

48,000 sq m

Net absorption reached in Q4 2024, driven by strong leasing activity in both CBD and non-CBD locations.

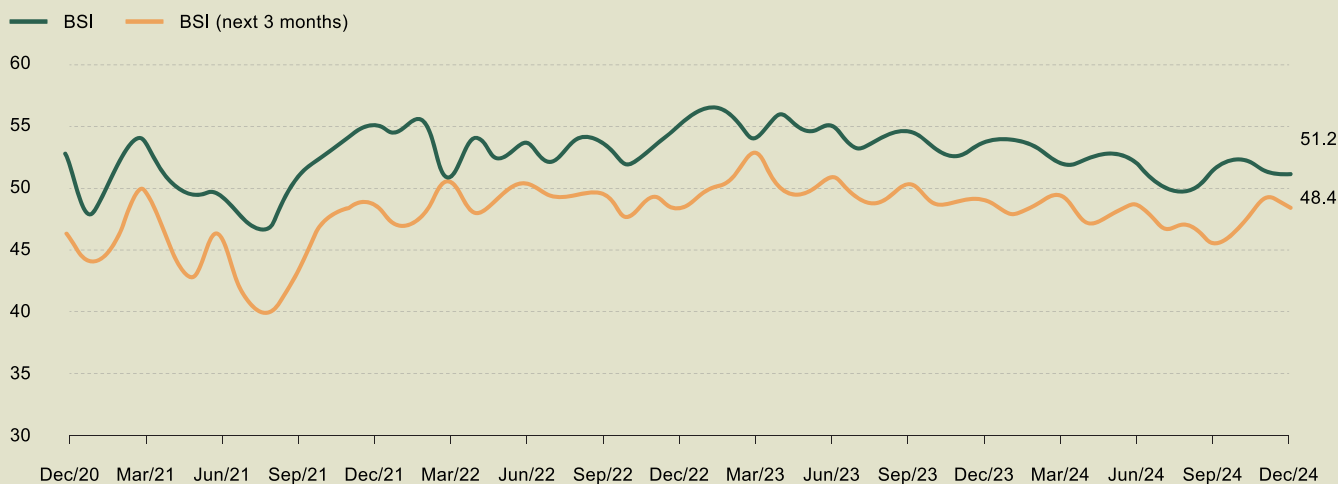
77%

The overall market occupancy rate increased

THB 842 per sq m

Average asking rent held steady

THAILAND BUSINESS SENTIMENT INDEX



INTERPRETATION OF THE INDEX IS AS FOLLOWS:

INDEX = 50 INDICATES THAT THE RESPONDENTS' BUSINESS SENTIMENT REMAINS STABLE FROM THE PREVIOUS MONTH;
 INDEX > 50 INDICATES THAT THE RESPONDENTS' BUSINESS SENTIMENT HAS IMPROVED FROM THE PREVIOUS MONTH;
 INDEX < 50 INDICATES THAT THE RESPONDENTS' BUSINESS SENTIMENT HAS DETERIORATED FROM THE PREVIOUS MONTH.

SOURCE: BANK OF THAILAND

SUPPLY

Bangkok's total supply of office space remained at 6.31 million sq m as there were no additions or withdrawals to supply this quarter. For the entire 2024, total supply

increased by 235,000 sq m, a similar level to the total increase in 2023.

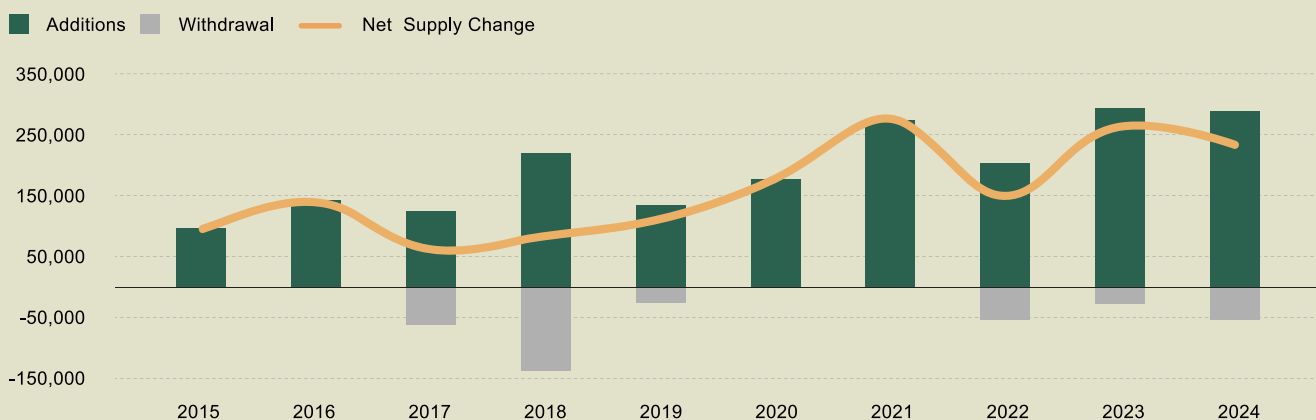
BANGKOK OFFICE SUPPLY CHANGE

Market	Q4 2024 (sq m)	Supply % Change		
		(Q-o-Q)	(Y-o-Y)	10 Yr. Avg. Growth Rate
Market	6,307,000	0.0%	▲ 3.9%	▲ 3.5%
Green	1,940,000	0.0%	▲ 15.9%	▲ 12.6%

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

BANGKOK OFFICE NET SUPPLY CHANGE

SQ M

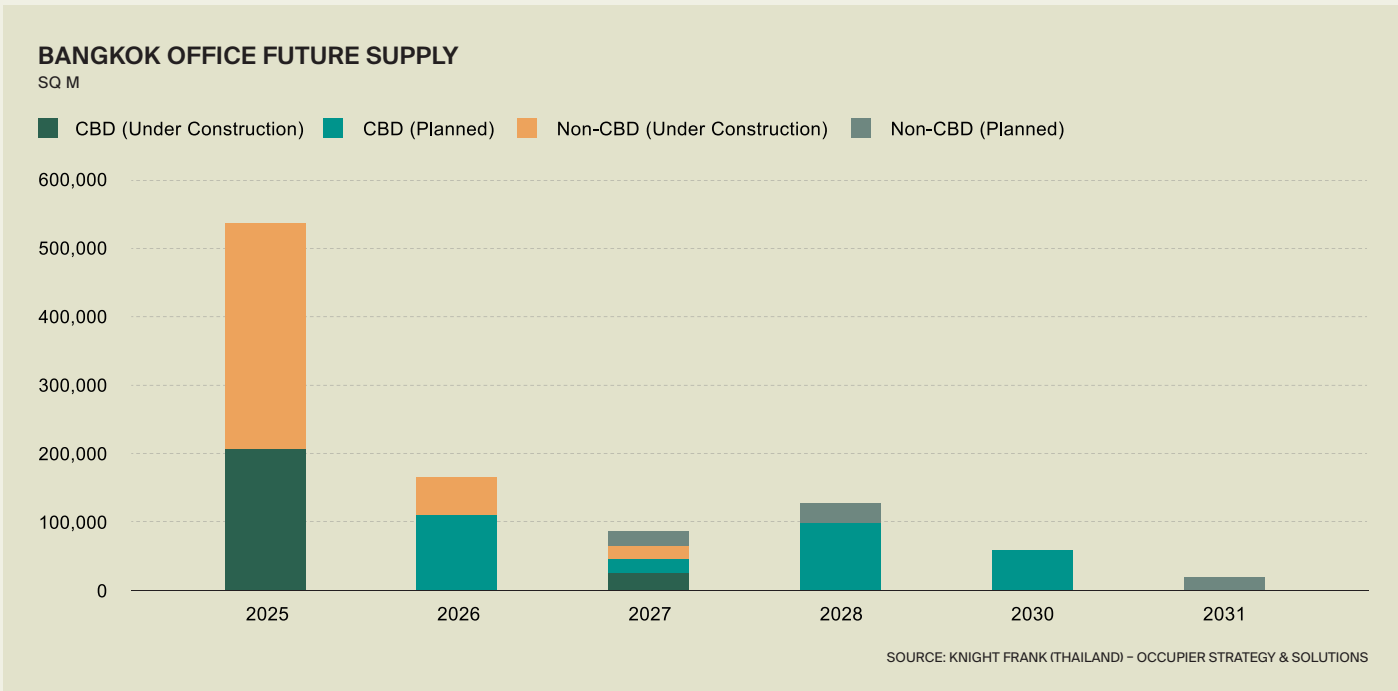


SOURCE: KNIGHT FRANK (THAILAND) - OCCUPIER STRATEGY & SOLUTIONS

FUTURE SUPPLY

The total lettable area in the supply pipeline has decreased to 1.0 million sq m, reflecting adjustments to future project sizes in response to current market conditions.

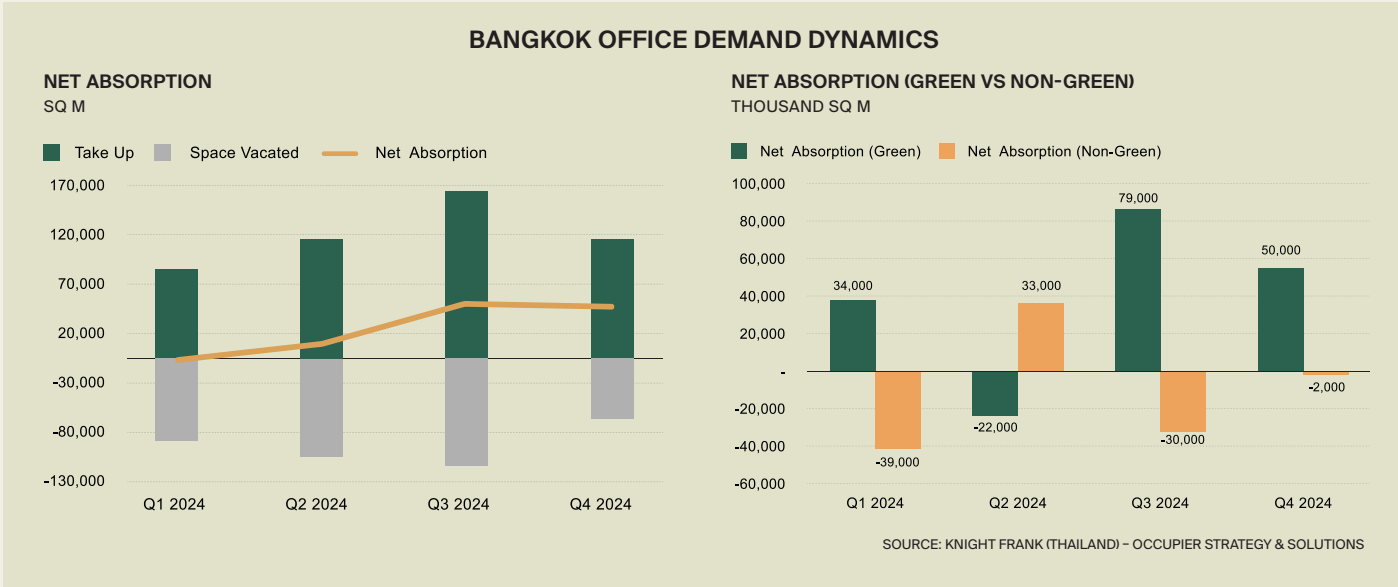
Around 530,000 sq m is under construction. Current projections indicate that 2025 will see the largest influx, with an anticipated addition of 540,000 sq m to the market.



DEMAND

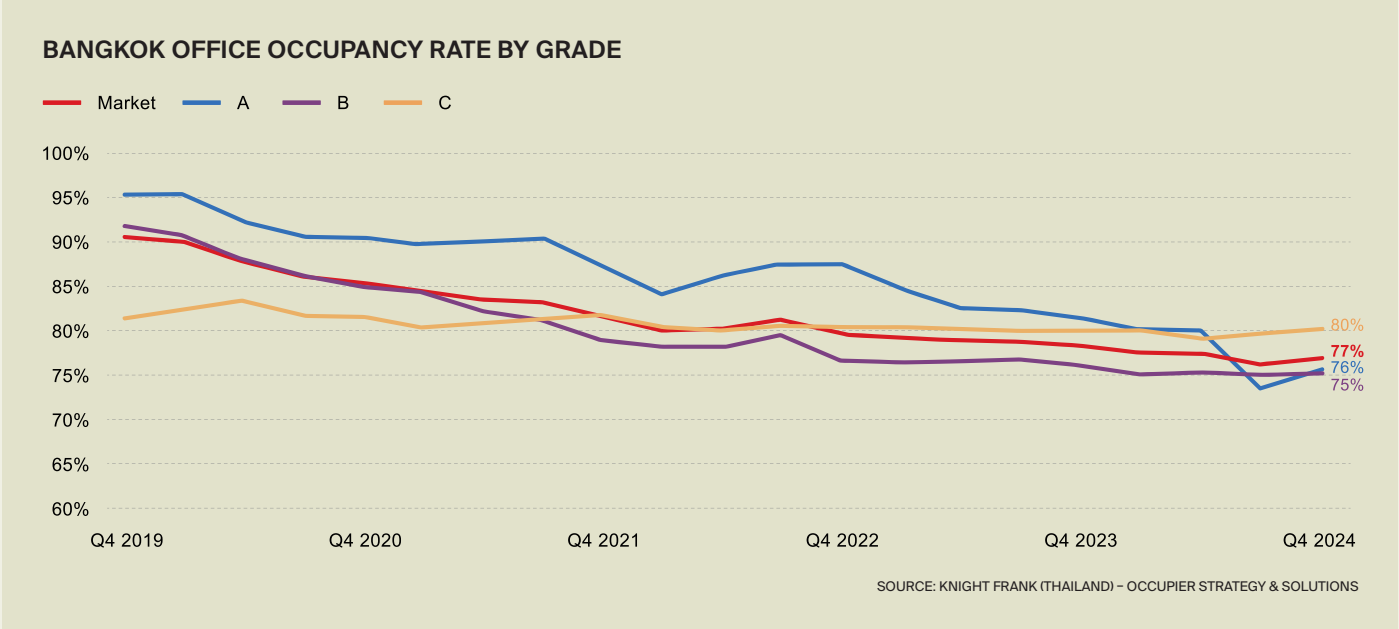
Leasing activity remained strong despite a decline in total take-up to 115,000 sq m, with net absorption holding steady at 48,000 sq m, near levels recorded in Q3. As a result, total occupied space increased by 1% to 4.86 million sq m. Green buildings continued to attract the majority of leasing

demand, recording a net absorption of 50,000 sq m, while Non-Green buildings experienced a slight decline of 2,000 sq m. Demand remained positive in both CBD and non-CBD areas, with net absorption of 27,000 sq m and 22,000 sq m, respectively.



MARKET DYNAMICS BY SEGMENT

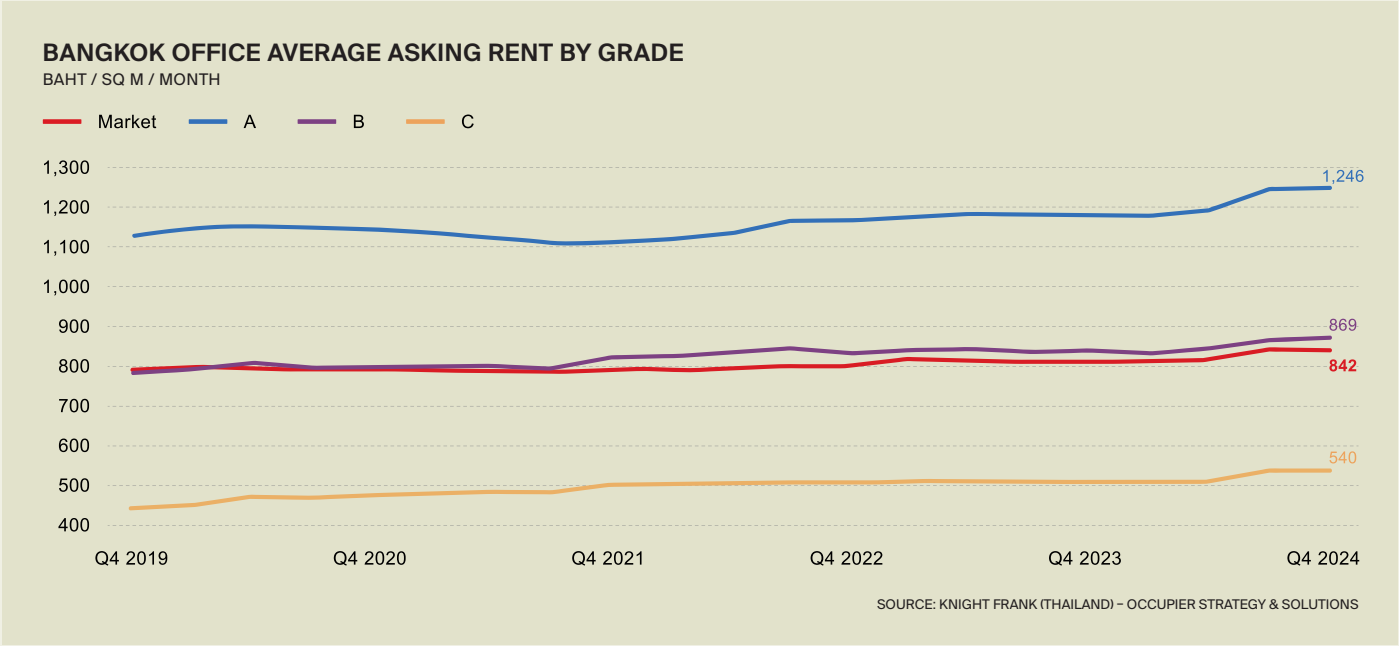
As supply pressures eased and demand grew, the overall market occupancy rate rose by 1% to 77%, marking its first increase since Q3 2023. Occupancy improved across all building grades, with Grade A seeing the largest gain of 2.1% pts, rebounding from the previous quarter to 76% and reflecting the sustained flight to quality. Grade B now has the lowest occupancy at 75%, while Grade C remains the top performer at 80%.



BANGKOK OFFICE OCCUPANCY RATE BY GRADE				
	Q4 2024	Occupancy Rate % Change		10 Yr. Avg. Occupancy Rate
		(Q-o-Q)	(Y-o-Y)	
Market	77%	▲ 0.8% pts	▼ 1.3% pts	87%
Grade A	76%	▲ 2.1% pts	▼ 5.8% pts	90%
Grade B	75%	▲ 0.3% pts	▼ 0.8% pts	86%
Grade C	80%	▲ 0.4% pts	▲ 0.2% pts	84%

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

The market asking rent held steady at THB 842 per sq m per month, unchanged QoQ but up 3.3% YoY. Grade A average asking rents rose by 0.4% QoQ to a new market high of THB 1,246 per sq m per month, while Grade B saw a modest 0.2% increase to THB 869. In contrast, Grade C remained stable, edging down slightly to THB 540.



BANGKOK OFFICE AVERAGE ASKING RENT BY GRADE

BAHT / SQ M / MONTH

	Q4 2024	Rent % Change		10 Yr. Annual Growth Rate
		(Q-o-Q)	(Y-o-Y)	
Market	842	0.0%	▲ 3.3%	▲ 2.8%
Grade A	1,246	▲ 0.4%	▲ 5.4%	▲ 3.8%
Grade B	869	▲ 0.2%	▲ 3.6%	▲ 3.3%
Grade C	540	▼ 0.1%	▲ 6.0%	▲ 3.1%

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

MARKET DYNAMICS BY AREA

The CBD office market experienced a slight rental increase, with the average asking rent rising 0.1% QoQ to THB 963 per sq m per month. The occupancy rate increase to 76%, marking a 0.7% QoQ growth.

Phloen Chit-Chit Lom-Wireless - saw no rental change, remaining at THB 1,090, while occupancy edged up 0.2% QoQ to 76%.

Nana-Asok-Phrom Phong - recorded the highest rental growth in the CBD, with rents rising 0.4% QoQ to THB 942, while occupancy increased 1.0% QoQ to 80%.

Silom-Sathorn-Rama IV - was the only CBD submarket to experience a slight rental decline, slipping 0.2% QoQ to THB 967. However, occupancy improved 1.0% QoQ to 74%.

The Non-CBD market also experienced a modest rental increase, with the average asking rent rising 0.1% QoQ to THB 667 per sq m per month. The occupancy rate improved to 78%, marking a 0.8% QoQ increase.

Petchaburi-Rama IX-Ratchada - led the Non-CBD occupancy rate at 80%, despite a 0.1% QoQ decline. Rents increased 0.7% QoQ to THB 727 per sq m.

Phahon Yothin-Vibhavadi - saw a rental decline of 0.5% QoQ to THB 681 per sq m, but occupancy rose significantly by 2.6% QoQ to 78%.

Bang Na-Srinagarindra - recorded occupancy gains, improving 1.2% QoQ to 70%, while rents inched up 0.2% QoQ to THB 619 per sq m.

BANGKOK OFFICE SUB-MARKET INDICATORS

Area	Average Asking Rent (THB / SQ M / Month)	Rent % Change		Occupancy Rate (%)	Occupancy Rate % Change	
		(Q-o-Q)	(Y-o-Y)		(Q-o-Q)	(Y-o-Y)
CBD	963	▲ 0.1%	▲ 2.9%	76%	▲ 0.7%	▼ 4.4%
Ploenchit - Chidlom - Wireless	1,090	0.0%	▲ 1.6%	76%	▲ 0.2%	▼ 0.6%
Nana - Asoke - Phrompong	942	▲ 0.4%	▲ 0.9%	80%	▲ 1.0%	▼ 2.6%
Silom - Sathorn - Rama IV	967	▼ 0.2%	▲ 6.3%	74%	▲ 1.0%	▼ 8.8%
Non - CBD	667	▲ 0.1%	▲ 0.3%	78%	▲ 0.8%	▲ 2.9%
Petchburi - Rama IX - Ratchada	727	▲ 0.7%	▲ 0.2%	80%	▼ 0.1%	▼ 0.2%
Phaholyothin - Viphavadi	681	▼ 0.5%	▼ 1.2%	78%	▲ 2.6%	▲ 2.9%
Bangna - Srinakarin	619	▲ 0.2%	▲ 2.1%	70%	▲ 1.2%	▲ 7.3%

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

BANGKOK OFFICE OCCUPIED SPACE AND NET ABSORPTION BY AREA
SQ M - NEAREST HUNDRED

Area	Occupied Space as of Q4 2024	Net Absorption	
		Per Quarter	Per Annum
CBD	2,832,000	▲ 27,000	▲ 42,000
Ploenchit - Chidlom - Wireless	717,000	▲ 2,000	▼ 5,000
Nana - Asoke - Phrompong	517,000	▲ 7,000	▲ 10,000
Silom - Sathorn - Rama IV	1,309,000	▲ 17,000	▲ 28,000
Non - CBD	2,025,000	▲ 21,000	▲ 61,000
Petchburi - Rama IX - Ratchada	740,000	▼ 1,000	▼ 2,000
Phaholyothin - Viphavadi	426,000	▲ 14,000	▲ 23,000
Bangna - Srinakarin	287,000	▲ 5,000	▲ 13,000

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

REVIEW & OUTLOOK

In the latest quarter, Bangkok's office market maintained a steady inventory at 6.31 million sq m, as there were no additions or withdrawals in supply. Throughout 2024, the market saw an increase of 235,000 sq m in total supply-mirroring the pace of the previous year-while adjustments in future project sizes have reduced the pipeline to 1.0 million sq m. Leasing activity continued robustly as net absorption remained healthy at 48,000 sq m, resulting in a 1% rise in occupied space to 4.86 million sq m. Notably, green-certified buildings attracted a substantial portion of demand, with net absorption of 50,000 sq m, compared to a marginal decline for non-green properties. Both CBD and non-CBD areas demonstrated positive momentum, recording net absorptions of 27,000 sq m and 22,000 sq m, respectively.

The market is poised for a dynamic phase as supply pressures remain strong and demand evolves. With an anticipated addition of 540,000 sq m in 2025-the largest influx projected in the near term-landlords will need to strategically position their assets to maintain competitiveness. Grade A properties are expected to capitalize on their premium status, driven by continued tenant preference for high-quality, amenity-rich environments that also incorporate advanced digital

infrastructure. For owners of older properties, deciding whether to renovate or repurpose their assets, as well as determining the extent of intervention needed, will become increasingly critical. The cost of upgrading will vary based on building characteristics, location, size, required interventions, and available amenities, making an asset-specific evaluation important.

A key trend gaining traction is the return to traditional office setups. Some businesses are reversing previous remote work policies by increasing the number of days employees are required to be in the office or even reverting entirely to on-site work. This shift is gaining momentum, with employees responding positively to the structured environment and the social and collaborative benefits of a physical workspace. Although fewer companies in Thailand mandate office returns compared to broader APAC trends, those that do face lower turnover and higher acceptance, indicating a robust, albeit selective, re-commitment to conventional office models.

GLOSSARY

CENTRAL BUSINESS DISTRICT (CBD)

The CBD is the region in Bangkok with the greatest concentration of grade A office buildings, 5-star hotels and luxury shopping malls. Areas within the CBD are easily accessible via mass transit systems.

GREEN BUILDINGS

The office buildings classified by green building certificates, including LEED and TREES.

GRADE A BUILDINGS

By desirability, these prime properties command the highest market rent (top 20%). You will find them located in the Central Business District, within 500m of a mass transit station, and have a floor plate of at least 1,000 sq m.

GRADE B BUILDINGS

The largest sector of the office market, these are the buildings that were traditionally in tremendous demand. They might not be the most expensive properties in the market, but they represent good value for money.

GRADE C BUILDINGS

Typically older properties, these buildings provide office space for rent at the most competitive rents in the market (bottom 40%).

TAKE UP

Measures the total amount of previously available space and new supply leased by tenants during a given period. It is an indicator of the amount of recent leasing activity. It does not account for the amount of space vacated by tenants.

SPACE VACATED

Measures the total amount of space vacated and not re-let during a given period.

NET ABSORPTION

Measures the change in occupied space during a given period. Net absorption indicates the change in demand relative to the current supply available in the market. In other words, it is the total amount of space leased minus the total amount of space vacated by tenants.

NOTE:

ALL FIGURES EXCLUDE MULTI-OWNER, OCCUPIED PREMISES AND OFFICE BUILDINGS WITH A TOTAL LEASABLE AREA OF LESS THAN 5,000 SQ M.

Recent Research

Thailand Research


Manufacturing

4Q 2020

By Knight Frank and the Knight Frank Asia-Pacific team

By Knight Frank Asia-Pacific team

Thailand's serviced industrial land market achieved remarkable growth in 2020, with total land sales and leasing amounting to over 12,340 rai, marking a new high for the second consecutive year. This strong performance was driven by sustained demand from foreign investors, particularly in the electronics and IT supply chain, and bolstered by a 40% YoY increase in R&D investment generation applications. The National Economic Council (NEC) remained the primary driver, accounting for 44% of total transactions, with significant contributions from Rungtong, Chonburi, and Chonburang. However, despite the record-breaking demand, the supply of serviced industrial land grew by only 7%, with particularly limited increase in large plots within industrial estates, potentially posing a challenge for future large-scale investments.

The Thai economy's rapid recovery from the impact of the COVID-19 pandemic has led to a significant increase in demand for industrial land, particularly in the manufacturing sector. This demand is driven by a combination of factors, including the need for new production facilities, the expansion of existing plants, and the growing importance of the manufacturing sector in the Thai economy. The demand for industrial land is expected to continue to grow in the coming years, as the Thai economy continues to recover and the manufacturing sector expands.

In the first nine months of 2021, the total number of transactions for serviced industrial land in Thailand reached 12,340 rai, a significant increase from the 8,700 rai recorded in the same period in 2020. This growth was driven by a combination of factors, including the continued demand from foreign investors, the expansion of existing plants, and the growing importance of the manufacturing sector in the Thai economy. The demand for industrial land is expected to continue to grow in the coming years, as the Thai economy continues to recover and the manufacturing sector expands.

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Thailand Manufacturing Property H2 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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