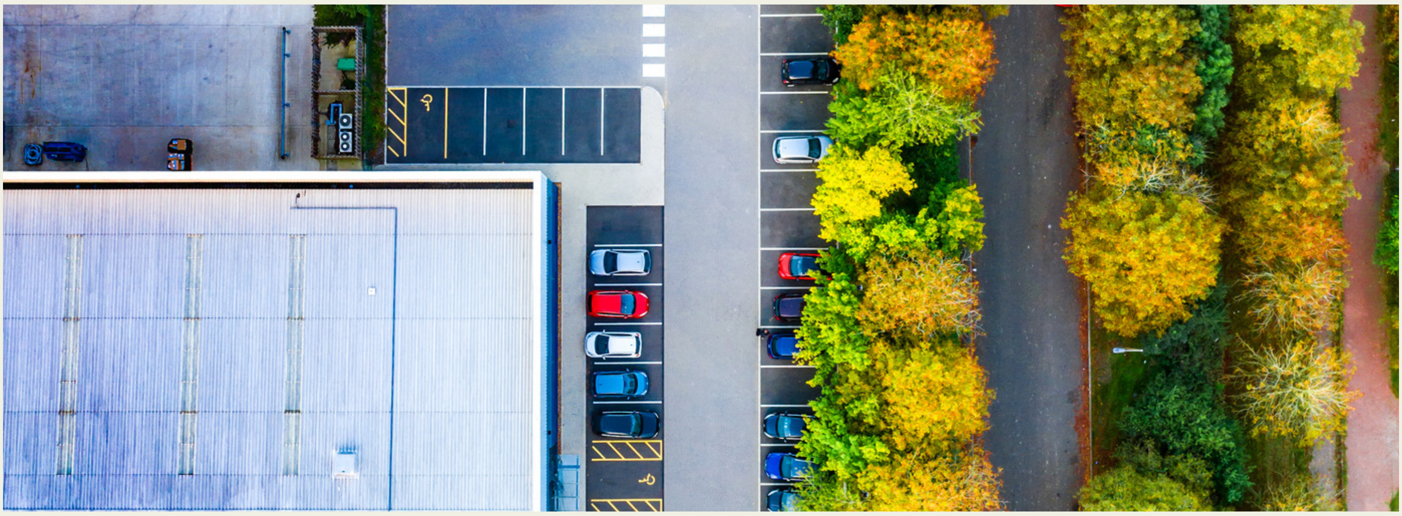
Factory Rental Trends in Thailand

A 2024 Retrospective

2024	An overview review of Factory Rental Trends in Thailand - A 2024 Retrospective by Knight Frank Thailand	knightfrank.co.th/research



- In 2024, Thailand's GDP grew 2.5% year-on-year (YoY), reflecting continued improvement from 2.0% in 2023, driven by a surge in exports and higher government expenditure. In the second half of 2024, exports grew 9.9% Y-o-Y, supported by global demand for rubber, computers, and machinery, contributing to a trade surplus of THB 363.7 billion. This growth in manufacturing-related exports has bolstered demand for industrial facilities and factory spaces catering to export-oriented industries.

SUPPLY

The total supply of ready-built factories reached approximately 3.28 million sq m in 2024, up slightly from 3.23 million sq m in 2023. This modest addition of 49,797 sq m represents a 1.5% year-on-year (Y-o-Y) increase.

The limited growth was attributed to the selective expansion of existing factory developments, primarily in the Eastern Economic Corridor (EEC). These areas continue to attract interest due to their strategic location near major logistics routes and industrial clusters, encouraging developers to cautiously expand capacity in response to steady, yet measured demand for modern factory space.

3.04 Million sq m

Occupied factory space increased up from 2.90 million sq m in 2023.

92.7%

Occupancy rate reached marking a six-year high.

3.28 Million sq m

Total supply edged up to 3.28 million sq m, a 1.5% YoY increase.

3.28% YoY

The EEC region was the only area to see new supply and posted the highest average rent at THB 211.8/sq m/month.

THB 199.4

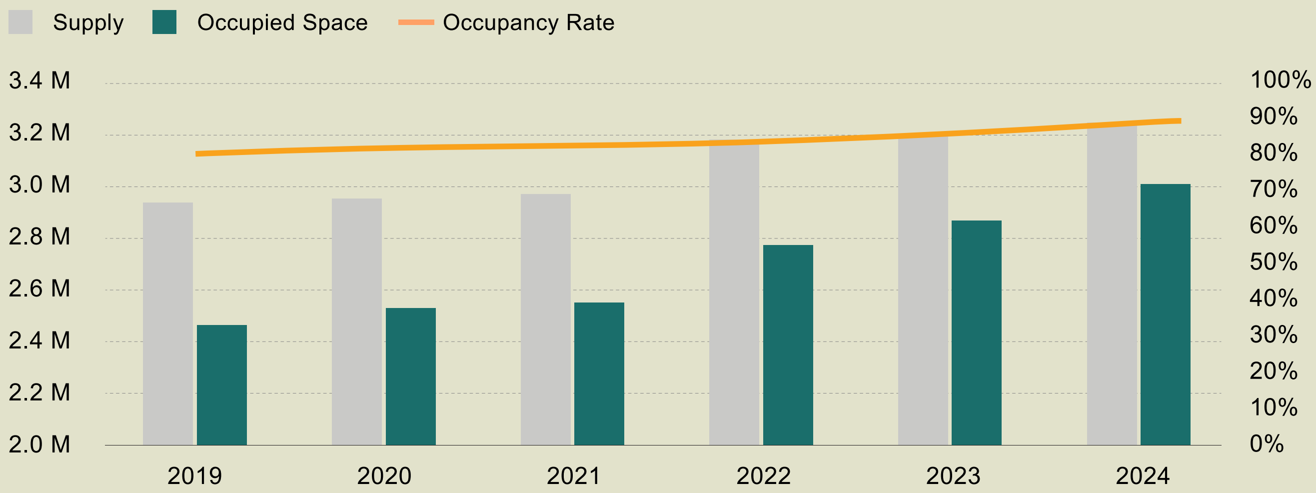
The nationwide average rent rose to THB 199.4/sq m/month, driven by manufacturing and export demand.

Remains Positive

The market outlook remains positive, supported by FDI from China and Japan, and increasing tenant focus on ESG and automation-ready facilities.

SUPPLY, DEMAND AND OCCUPANCY RATE

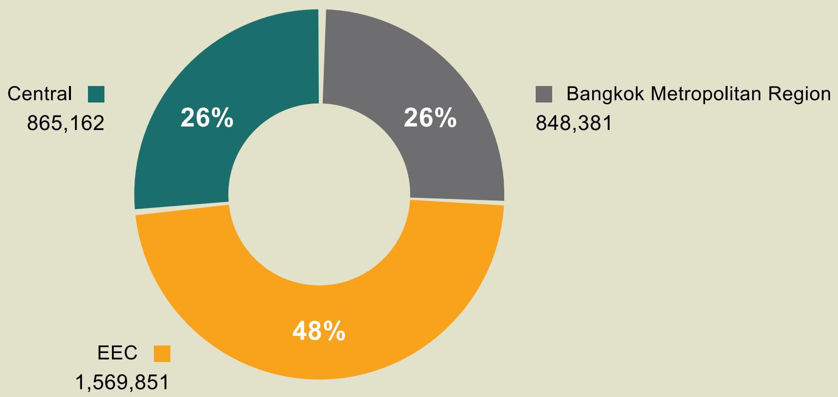
SQ M



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

NET LETTABLE AREA BY REGION

SQ M



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

As of 2024, the Eastern Seaboard (EEC) held the largest share of ready-built factory supply at 48% (approx. 1.57 million sq m), recording the only notable growth with a 3.28% YoY increase. This reflects continued demand in key provinces such as Chonburi and Rayong. The Bangkok Metropolitan Region (BMR) and the Central region accounted for 26% each, with 848,381 sq m and 865,162 sq m, respectively, both showing no net supply growth over the past year. Overall, total supply rose 1.54% YoY, driven solely by expansions in the EEC.

NET LETTABLE AREA AND NET SUPPLY CHANGE BY REGION

SQ M

Region	Net Lettable Area as of 2024	% Change (Y-o-Y)
Total	**3,283,394**	**▲ 1.54%**
Bangkok Metropolitan Region (BMR)	848,381	0.00%
EEC	1,569,851	▲ 3.28%
Central	865,162	0.00%

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

DEMAND

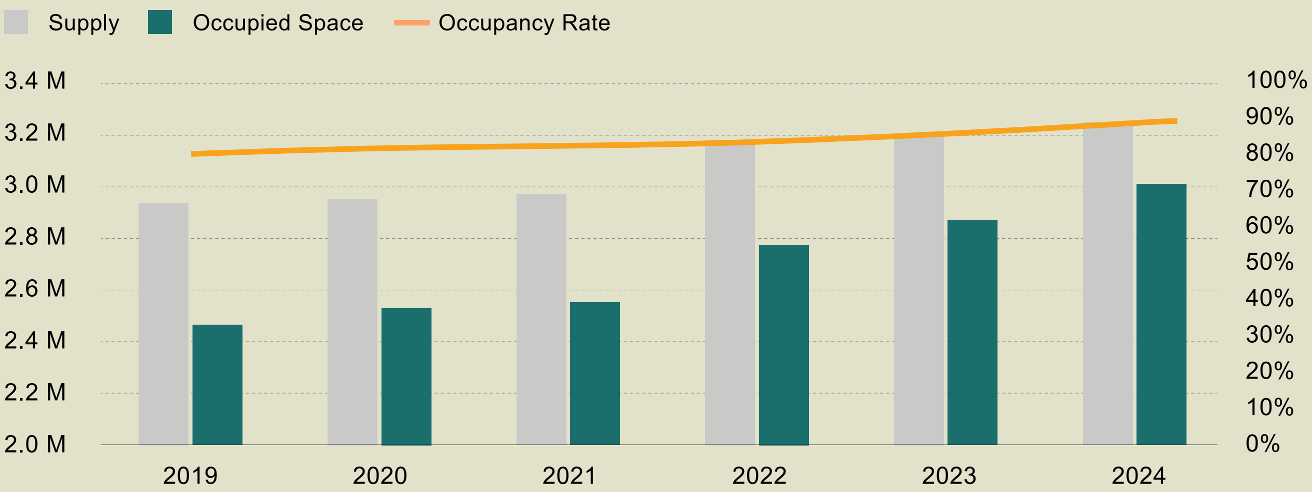
Demand for ready-built factories in Thailand continued its upward trajectory in 2024, with occupied space reaching approximately 3.04 million sq m, an increase from 2.90 million sq m in 2023. This reflects a net absorption of around 144,225 sq m, driven by expansions from existing tenants and new entries in key industrial zones.

The occupancy rate rose to 92.7%, up from 89.6% in 2023, indicating tightening availability and sustained interest in quality industrial space. This marks the highest occupancy level in the past six years, supported by ongoing demand from export-oriented manufacturers, especially in the EEC region, where infrastructure readiness and supply chain integration remain key draws.

Despite a modest increase in new supply, the consistently rising occupancy trend suggests a healthy balance between supply and demand, with industrial demand remaining resilient amid a moderately growing economic environment.

SUPPLY, DEMAND AND OCCUPANCY RATE

SQ M



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

OCCUPANCY RATE BY REGION

Region	Occupancy Rate as of 2024	% Change (Y-o-Y)
Total	**92.71%**	**▲ 3.38% pts**
Bangkok Metropolitan Region (BMR)	89.06%	▼ 0.12% pts
EEC	94.08%	▲ 6.13% pts
Central	93.80%	▲ 1.96% pts

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

RENTAL RATES

The average asking rent for ready-built factories in Thailand continued its gradual upward trend, reaching 199.4 THB per sq m per month in 2024. This reflects a steady market supported by strong demand from manufacturing and export-driven sectors, particularly in high-demand areas like the EEC.

Average rental rate by area.

EEC recorded the highest average rent at 211.8 THB, driven by limited land availability and its strategic role within the EEC framework.

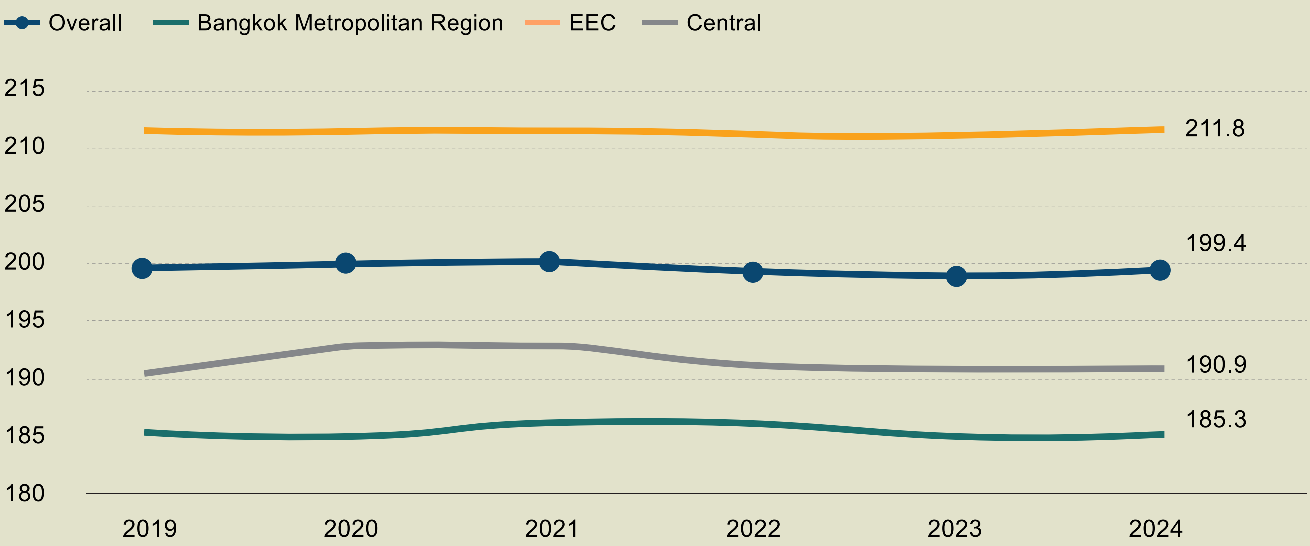
The Central Region followed at 190.9 THB, showing a significant increase over the past few years as it gains importance as a logistics and production hub.

The Bangkok Metropolitan Region (BMR) despite being the most cost-competitive at 185.3 THB, experienced notable fluctuations, reflecting shifting demand dynamics and land supply constraints in key submarkets.

Between 2019 and 2024, rental rates across all regions experienced modest but uneven growth, with sharper increases observed in regions like the Central zone. These trends point to a tightening market in prime industrial locations. Looking ahead, rental rates are expected to remain on an upward path, with continued growth in areas where demand outpaces new supply.

READY - BUILT FACTORY AVERAGE ASKING RENT BY REGION

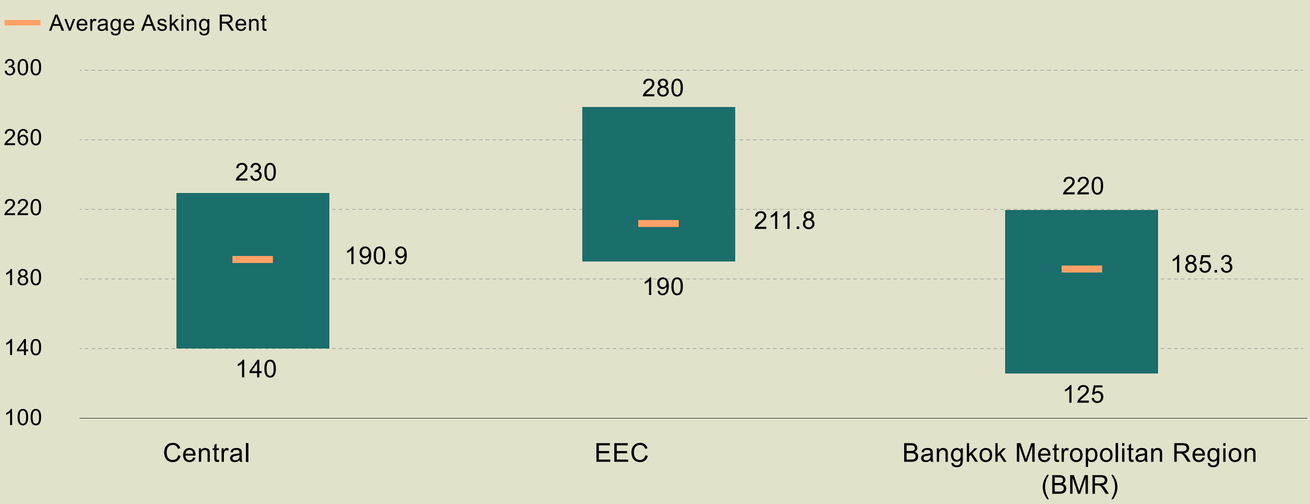
BAHT / SQ M. / MONTH



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

READY - BUILT FACTORY ASKING RENT SPREADS

BAHT / SQ M. / MONTH



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

REVIEW & OUTLOOK

The factory market in Thailand remains in a healthy position, marked by a steady balance between new supply and rising demand. With occupancy rates reaching a six-year high of 92.7%, the sector continues to benefit from Thailand's status as a regional manufacturing hub, especially within the Eastern Economic Corridor (EEC). Demand has been notably resilient, underpinned by sustained export growth, supportive government policies, and continued infrastructure development.

Looking ahead, several factors are expected to shape the trajectory of the factory market:

FDI-led Demand Foreign direct investment, particularly from China and Japan, is likely to continue driving demand for ready-built factories. Investors are attracted to Thailand's stable macroeconomic environment, comprehensive free trade agreements, and government-backed incentives.

Supply Constraints in Prime Zones
With limited new supply coming online and land scarcity in key areas like the EEC, competition for high-quality space is expected to intensify. This will likely support further rental growth in the near term.

Rising Construction Costs
Developers face rising construction and financing costs, which may limit speculative developments. This could result in an even tighter supply pipeline unless rental rates justify further investment.

Diversification of Industrial Zones
Given the infrastructure pressures and high occupancy in the EEC, investors and developers may increasingly consider emerging zones such as those along the North Eastern high-speed rail (HSR) corridor and inland logistics hubs.

Sustainability and Automation
Occupiers are placing greater emphasis on green buildings and automation readiness. Developers who can offer energy-efficient, ESG-compliant assets may find increased leasing velocity and pricing power.

In summary, Thailand's ready-built factory sector is entering a more mature cycle, characterised by selective growth, rising occupancy, and stable rental appreciation. Developers and investors that adapt to evolving tenant needs, particularly in technology, sustainability, and location flexibility, will be best positioned to capture the next phase of market opportunity.

Recent Research

Thailand Research

Luxury Housing

H2 2024 | An overview review of Bangkok's Luxury Housing market in H2 2024 by Knight Frank Thailand | knightfrank.co.th/research

Despite overall economic uncertainties, the luxury housing market in Bangkok continues to be underpinned by a solid base of high-net-worth buyers who seek residences that align with their lifestyle needs and long-term quality of life. Demand within the 10-30 million baht price segment remains the core driver of the market, while the ultra-luxury segment maintains steady demand among niche clientele. Going forward, developers should focus on product differentiation and tailored offerings that address the specific needs of target buyers in order to ensure long-term market stability."

The housing market for units priced at 10 million baht and above in Bangkok and its surrounding areas continues to experience a steady increase in demand, despite the overall economic situation and tight credit conditions. High Net Worth and Ultra Affluent buyers remain the primary driving force of this market segment. Meanwhile, developers are focusing on diversifying supply in high-potential locations, such as Eastern and Western Bangkok zones, which together account for more than 50% of new supply. The emphasis is on luxury detached houses that cater to the lifestyle needs of affluent buyers, while some projects have begun to make price adjustments and offer promotions to accelerate purchasing decisions.

SUPPLY

The supply of luxury housing priced at 10 million baht and above has steadily increased from 12,349 units in 2019 to 37,775 units. From the second half of 2024 through April 2025, the continued growth of the upper-tier housing market reflects the sustained long-term demand for luxury homes. According to data on newly launched supply during this period, houses priced between 10–30 million baht accounted for a combined 78% share of the market, with the 10–20 million baht segment alone representing as much as 48%. This reflects developers' strategy to increasingly target the mid-luxury segment to cater to buyers who, while affluent, remain sensitive to interest rates and economic conditions. In contrast, houses priced above 70 million baht represented less than 5% of new supply, indicating that the Ultra Luxury market remains a niche segment that requires specific strategies and genuinely high-value locations to thrive.

In addition, when considering the distribution of luxury housing supply by location in Bangkok and its surrounding areas, it was found that Eastern Bangkok holds the highest share, accounting for 26% of the total supply. This reflects the popularity among developers who are focusing on locations near expressway networks, Suvarnabhumi Airport, and new commercial centers such as Rama IX – Krungthep Kreetha – Lat Krabang. This is followed by the Western Suburb and Western Bangkok zones, which account for 21% and 20% of the supply, respectively. These areas have strong potential for large-scale low-rise

Steady Demand

Luxury housing supply has tripled since 2019, reaching over 37,000 units, with significant growth in Eastern and Western Bangkok.

Location Shifts

Outer zones -especially Eastern Bangkok (26% of new supply)- are gaining traction due to improved infrastructure, larger land plots, and accessibility to new CBDs.

Ultra-Luxury Still Niche

Due to increased supply, developers' confidence in the Bangkok luxury housing market persisted.

Market Outlook

The market is expected to remain stable to cautiously expanding, with buying driven by real residential needs and lifestyle choices rather than speculation. Developers are adapting with strategic product positioning and selective launches in high-potential areas.

Bangkok Luxury Housing Market 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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