

Logistics

H2 2024

An overview review of Logistics market in H2 2024
by Knight Frank Thailand

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- Thailand’s logistics property market expanded in H2 2024, driven by demand from e-commerce, electronics, and the EV sector. While leasing activity remained stable, the EEC led new supply growth amid rising demand for built-to-suit and high-tech warehouses. Looking ahead, global supply chain shifts and sustainability initiatives, including the China+N strategy and decarbonization, will continue to shape Thailand’s logistics activities in 2025.

LOGISTICS PROPERTY MARKET INDICATORS

% Change	6.42M SUPPLY (sq m)	5.55M OCCUPIED SPACE (sq m)	86.5% OCCUPANCY RATE	160 ASKING RENT (THB / sq m / month)
H-o-H	▲ 1.9%	▲ 2.9%	▲ 0.8% pts.	▲ 1.1%
Y-o-Y	▲ 11.5%	▲ 14.0%	▲ 1.9% pts.	▲ 1.4%

The Thai economy expanded by 2.5% in 2024, improving from 2.0% in 2023 due to the acceleration in exports and government expenditure, while private consumption remained stable but was not the main contributor.

Thailand’s economy in the second half of 2024 was primarily driven by exports, which grew by 9.9% Y-o-Y, following a 11.7% Y-o-Y expansion in H1. Strong global demand for rubber, computers, and machinery played a pivotal role in boosting exports, leading to a trade surplus of 363.7 billion baht in H2. At the same time, import growth moderated to 8.2% Y-o-Y, down from 10.3% in H1, as domestic demand for steel, copper, aluminum, and medical products weakened.

Private consumption remained resilient, increasing by 3.9% Y-o-Y, supported by steady spending on services and non-durable goods as a result of the government’s cash transfer program. Fixed capital investment also maintained an upward trajectory, expanding by 5.6% Y-o-Y, largely due to higher public infrastructure spending, despite a more cautious approach to private sector investment in machinery and equipment. Additionally, government expenditure surged by 7.4% Y-o-Y in H2, a sharp rebound from the 0.29% Y-o-Y increase in H1, as increased public investment helped stimulate economic activity.

In H2 2024, headline inflation stood at 1.0%, while core inflation remained stable at 0.6%. The increase was primarily driven by higher

6.42 million sq m.

Total supply increased by 1.9% HoH and 11.5% YoY.

5.55 million sq m.

Overall occupied space increased by 2.9% HoH, with net absorption remaining positive at approximately 300,000 sq m.

86.5%

The overall occupancy rate witnessed a HoH rise of 3.2 percentage points, supported by the Eastern Economic Corridor (EEC), which saw a notable increase of 2.8 points to reach 82.3%.

160 THB/sq m/month

Average asking rent remained stable nationwide, with highest rates recorded in the Bangkok Metropolitan Region at 162 THB.

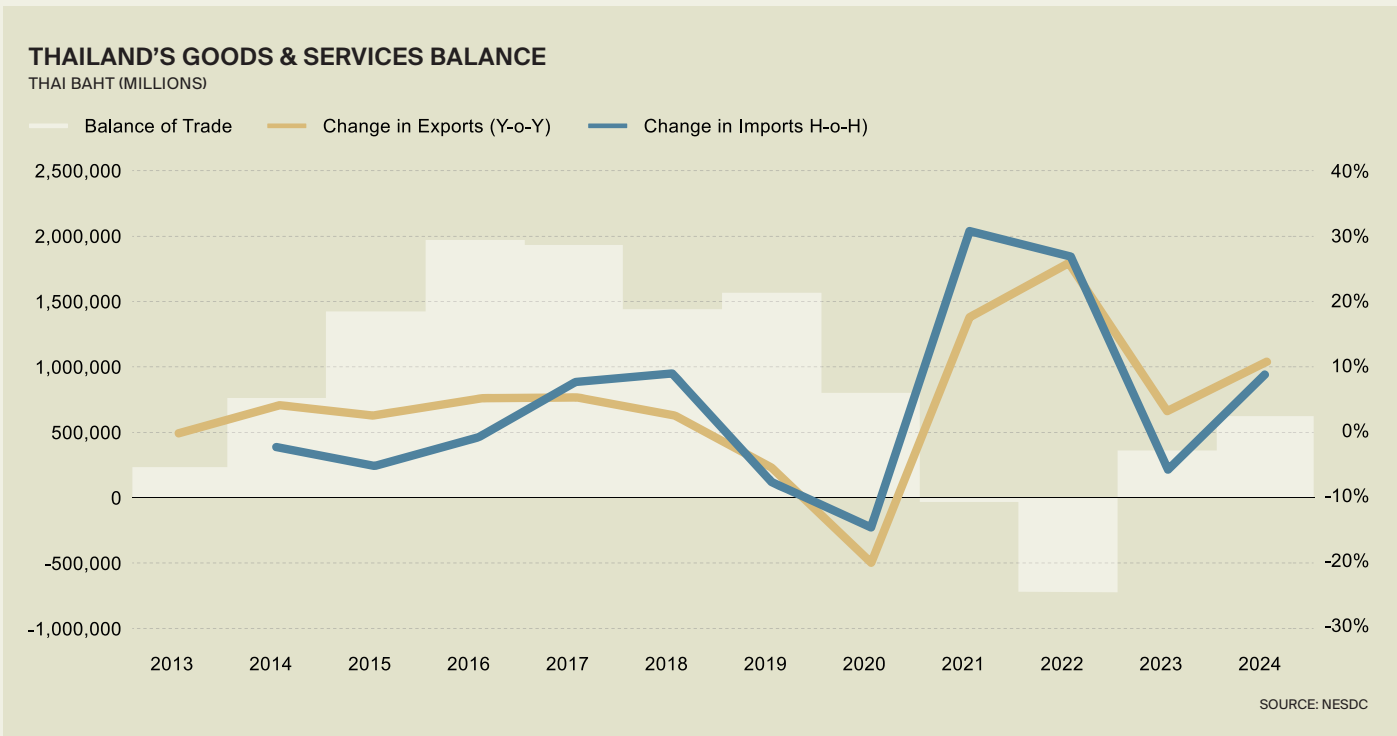
prepared food and energy prices, with the removal of diesel subsidies contributing to rising energy costs, despite a decline in Dubai crude oil prices. However, inflation remained among the lowest in ASEAN, as government subsidies on electricity and cooking gas helped contain overall price pressures.

Looking at the indicators related to logistics, statistics from the Office of Industrial Economics (OIE) indicate that the production index declined from 97.10 in June 2024 to 93.95 in December 2024, reflecting a moderate slowdown in industrial output. At the same time, the finished goods

inventory index decreased from 102.95 to 93.28, signaling lower stockpiling activity and potentially weaker demand for warehouse storage. This combination of declining production and reduced inventory levels indicated that while consumption and trade have supported logistics activities in the short term, future projections for industrial production and warehousing demand remain cautious.

Despite these challenges in the industrial sector, the logistics market continued to demonstrate resilience, reflecting its critical role in supporting trade and supply chain operations. According to the Trade Policy

and Strategy Office, new business registrations in logistics grew by 5.2% Y-o-Y, driven by freight transportation and cargo handling activities, which remain essential for domestic and international trade. Foreign direct investment (FDI) in logistics reached 7.87 billion baht, with China, Japan, and South Korea emerging as the top investors, particularly in road freight and customs brokerage services. While manufacturing-driven warehouse demand may soften, logistics infrastructure investment and transportation services remain key drivers of sectoral growth.



CURRENT SUPPLY

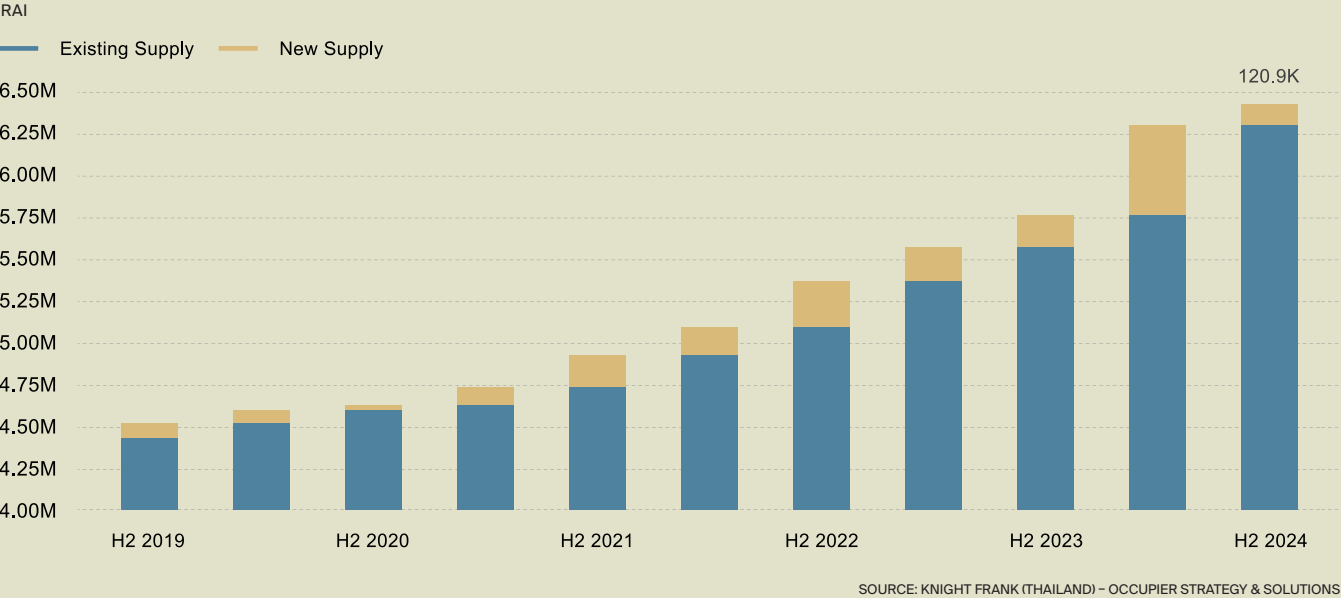
The total supply of ready-built warehouses reached 6.42 million sq m, reflecting an increase of 120,937 sq m of warehouse space compared to the previous six months. This addition represents a 1.9% H-o-H growth and an 11.5% Y-o-Y increase. The new supply included four new projects located mainly in Chonburi and Samut Prakan, along with the expansion of existing developments, primarily from SCX Corporation, a subsidiary of SC Asset focusing on logistics. SCX Corporation contributed two significant projects, strategically positioned to cater to the growing demand in the logistics and industrial sectors within these key regions.

SUPPLY DISTRIBUTION

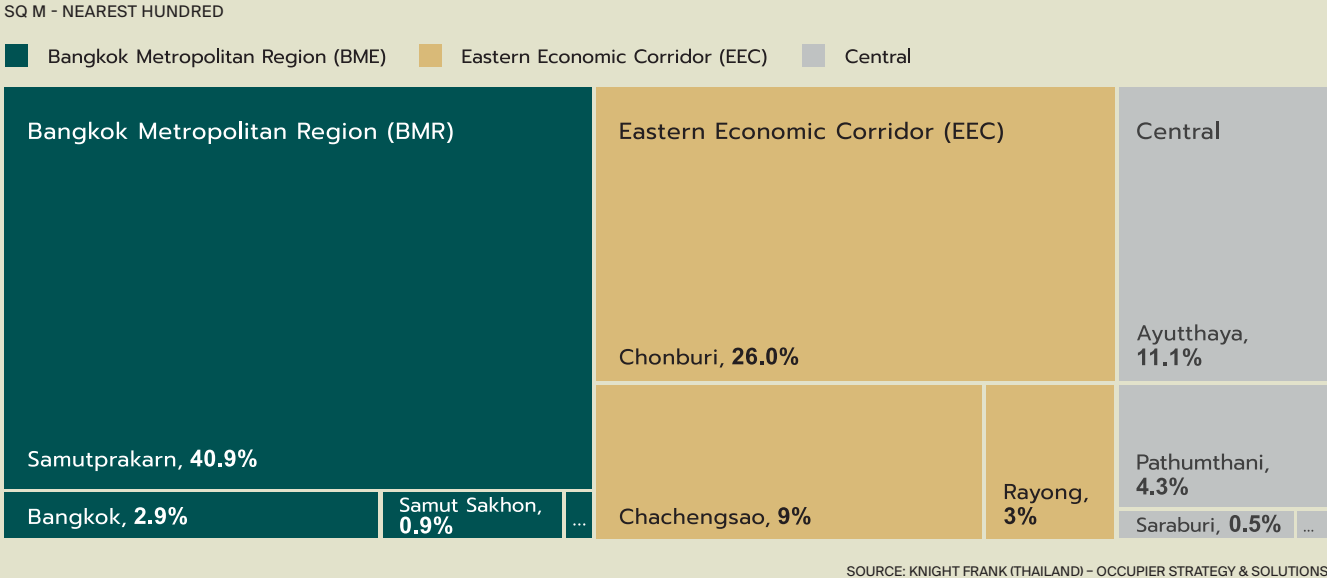
Bangkok Metropolitan Region continued to have the largest market share. During the second half of 2024, its supply increased by 1.4% H-o-H and 12.4% Y-o-Y to 2.88 million sq m or 44.9% of the total supply of ready-built warehouses. The new supply was located along Bangna-Trad road and Motorway No.9 in Samut Prakan province, contributing to the already high concentration of modern logistic properties in this area, given its proximity to the Suvarnabhumi International Airport, and its strategic location between Bangkok province, and the Eastern Economic Corridor (EEC).

The EEC region accounted for the second-largest market share at 38.6%, with net lettable area increasing by 3.4% H-o-H and 13.0% Y-o-Y to 2.47 million sq m. The growth in the EEC region was driven by new developments in Chonburi, which holds the largest share within the EEC at 26%, followed by Chachoengsao and Rayong at 9% and 3%, respectively. These areas remain attractive due to their robust infrastructure and connectivity to industrial zones. Meanwhile, the Central region maintained a smaller share at 16.1%, with a stable supply of 1.04 million sq m, showing no growth H-o-H but a 5.7% increase Y-o-Y.

CURRENT SUPPLY



NET LETTABLE AREA AND NET SUPPLY CHANGE BY REGION



NET LETTABLE AREA AND NET SUPPLY CHANGE BY REGION

SQ M - NEAREST HUNDRED

Region	Net Lettable Area as of H2 2024	%Change	
		(H-o-H)	(Y-o-Y)
Total	6,421,195	▲ 1.9%	▲ 11.5%
Bangkok Metropolitan Region (BMR)	2,883,909	▲ 1.4%	▲ 12.4%
Eastern Economic Corridor (EEC)	2,477,150	▲ 3.4%	▲ 13.0%
Central	1,036,278	0.0%	▲ 5.7%

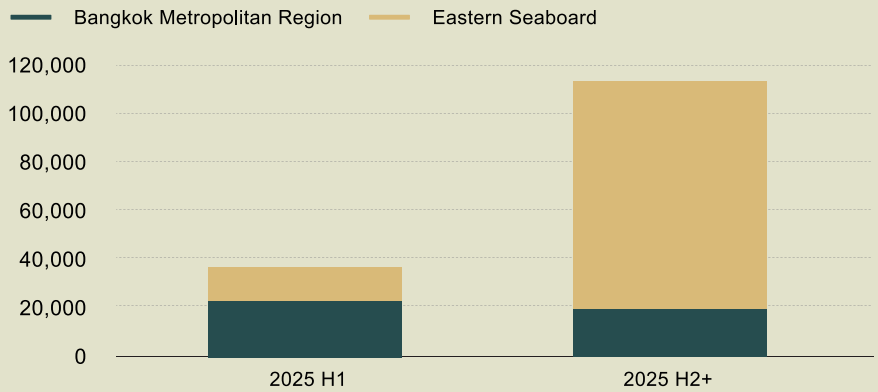
SOURCE: KNIGHT FRANK (THAILAND) – OCCUPIER STRATEGY & SOLUTIONS

FUTURE SUPPLY

The total size of the future lettable area expected to be 150,686 sq m, with 36,908 sq m in H1 2025 and 113,778 sq m in H2 2025. This future space accounted for only 2% of the current supply. Around 72% of the supply in the pipeline is located in the EEC, followed by the Bangkok Metropolitan Region, with a share of 28%.

FUTURE SUPPLY BY REGION

SQ M



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

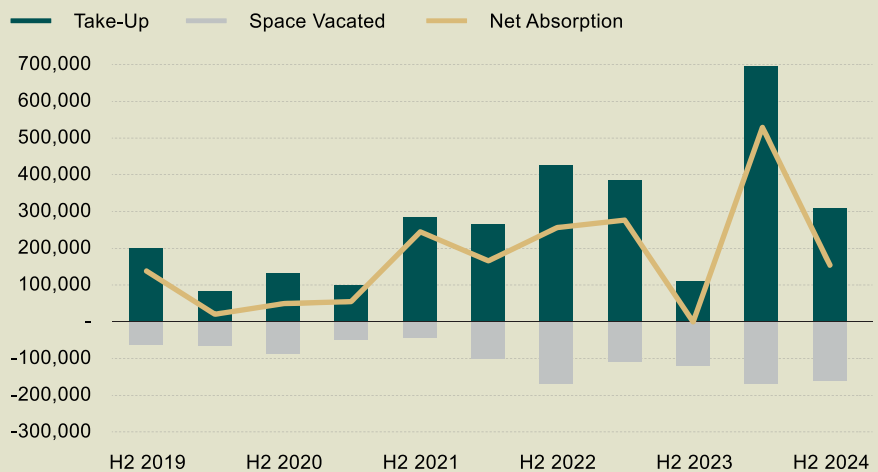
DEMAND

While demand for warehouse space in H2 2024 remained positive, it was not as strong as in the previous half, indicating a slight slowdown in leasing momentum. Leasing activity saw a steady improvement in 2024 despite a decline of net absorption from 529,000 sq m. in H1 2024 to around 300,000 sq m. in H2 2024. Nevertheless, a positive net absorption indicates that market demand for ready-built warehouses remains relatively robust. As a result, the total occupied space increased slightly to approximately 5.56 million sq m., marking a 2.8% H-o-H growth. Prominent sectors such as e-commerce, third-party logistics (3PL), FMCG, and automotive continued to drive demand for warehouse space in H2 2024, sustaining their position as key occupants. This year, the electric vehicle (EV) sector experienced a significant surge in demand, fueled by increased production and global sustainability efforts. The cold storage segment also maintained robust growth, driven by rising needs in food and pharmaceuticals for temperature-controlled logistics.

There was constant occupancy growth throughout H2 2024 with the overall occupancy gaining 0.7 percentage points (pts) H-o-H at 86.5%, signifying stable demand for logistics real estate. However, market performance varied across regions, with some areas experiencing significant shifts in occupancy levels.

DEMAND DYNAMICS

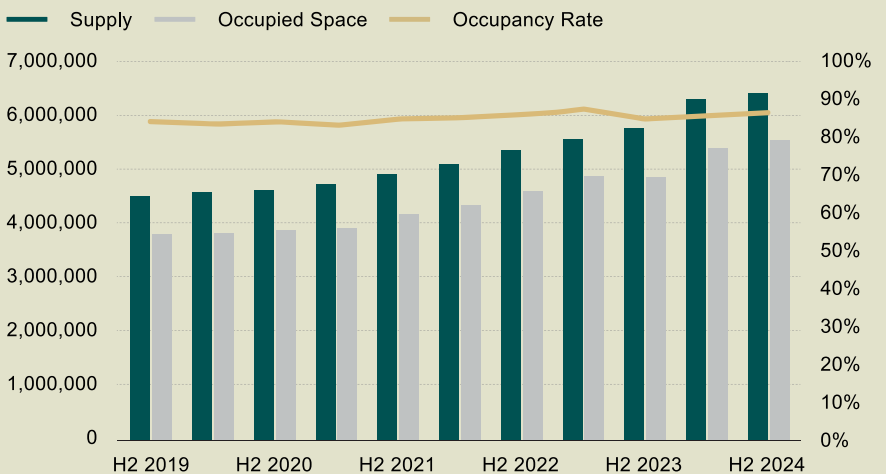
SQ M



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

SUPPLY, DEMAND & OCCUPANCY RATE

SQ M



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

In the Bangkok Metropolitan Region (BMR), occupancy also steadied and moved up by 0.4 pts H-o-H at 91.1%, reinforcing the position of the prime spot for logistics space. This reflects the constant demand of the high-value and the e-commerce sector although at a slower growth compared with the previous few years.

There has been a boost in the Eastern Economic Corridor (EEC), with occupancy advancing 2.8 pts H-o-H at 82.3%. This has been supported by demand growth arising from the development of the EV and electronics manufacturing business and government incentives that aim at making the area a strategic industrial base. In addition, the ongoing improvement of the port facilities and transport links has also contributed

to the allure of the EEC for logistics activities.

Conversely, the Central Region experienced a downturn with occupancy falling by 3.1 pts H-o-H and 3.3 pts Y-o-Y to 83.8%. The region recorded negative net absorption of -32,513 sq m, reflecting a slowdown in tenant activity and increased space vacancies.

OCCUPANCY RATE BY REGION			
Region	H2 2024	% Point Change	
		(H-o-H)	(Y-o-Y)
Total	86.5%	▲ 0.7% pts	▲ 1.9% pts
Bangkok Metropolitan Region (BMR)	91.1%	▲ 0.4% pts	▲ 1.3% pts
Eastern Economic Corridor (EEC)	82.3%	▲ 2.8% pts	▲ 5.0% pts
Central	83.8%	▼ 3.1% pts	▼ 3.3% pts

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

OCCUPIED SPACE AND NET ABSORPTION BY REGION			
SQ M - NEAREST HUNDRED			
Region	Occupied Space as of H2 2024	Net Absorption	
		H2 2024	Last 12 months
Total	5,556,548	151,551	681,206
Bangkok Metropolitan Region (BMR)	2,626,053	46,073	322,958
Eastern Economic Corridor (EEC)	2,038,708	134,714	343,619
Central	867,929	-32,513	14,628

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

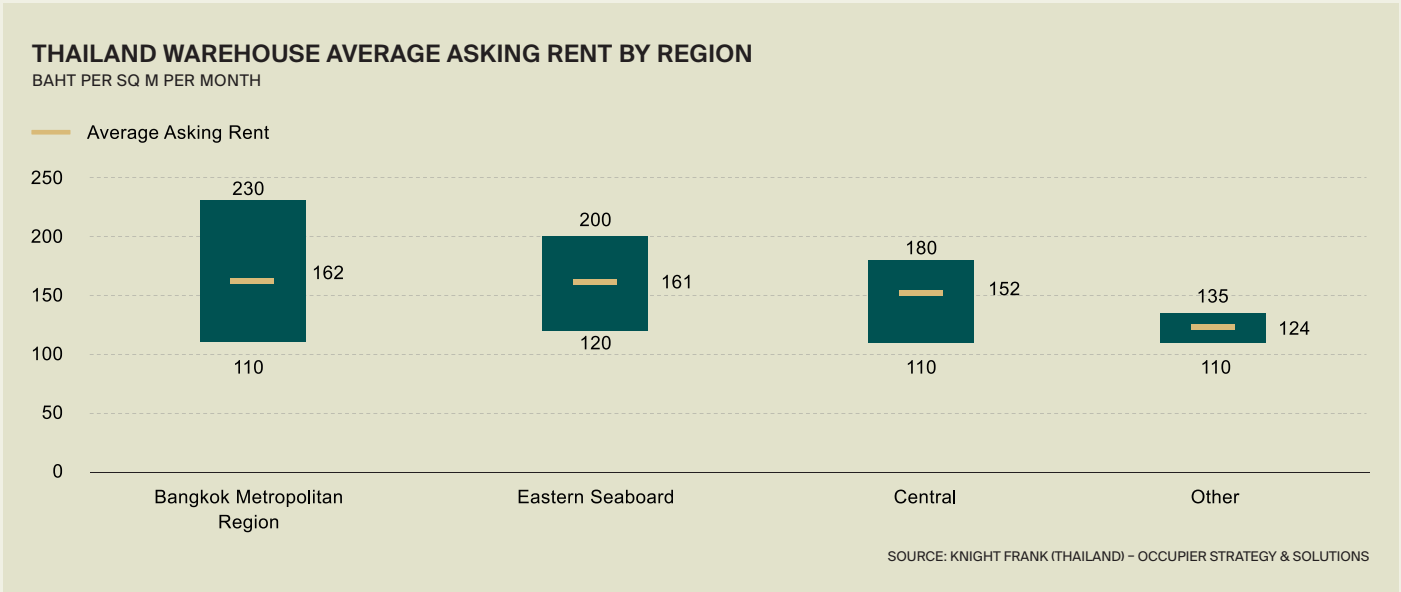
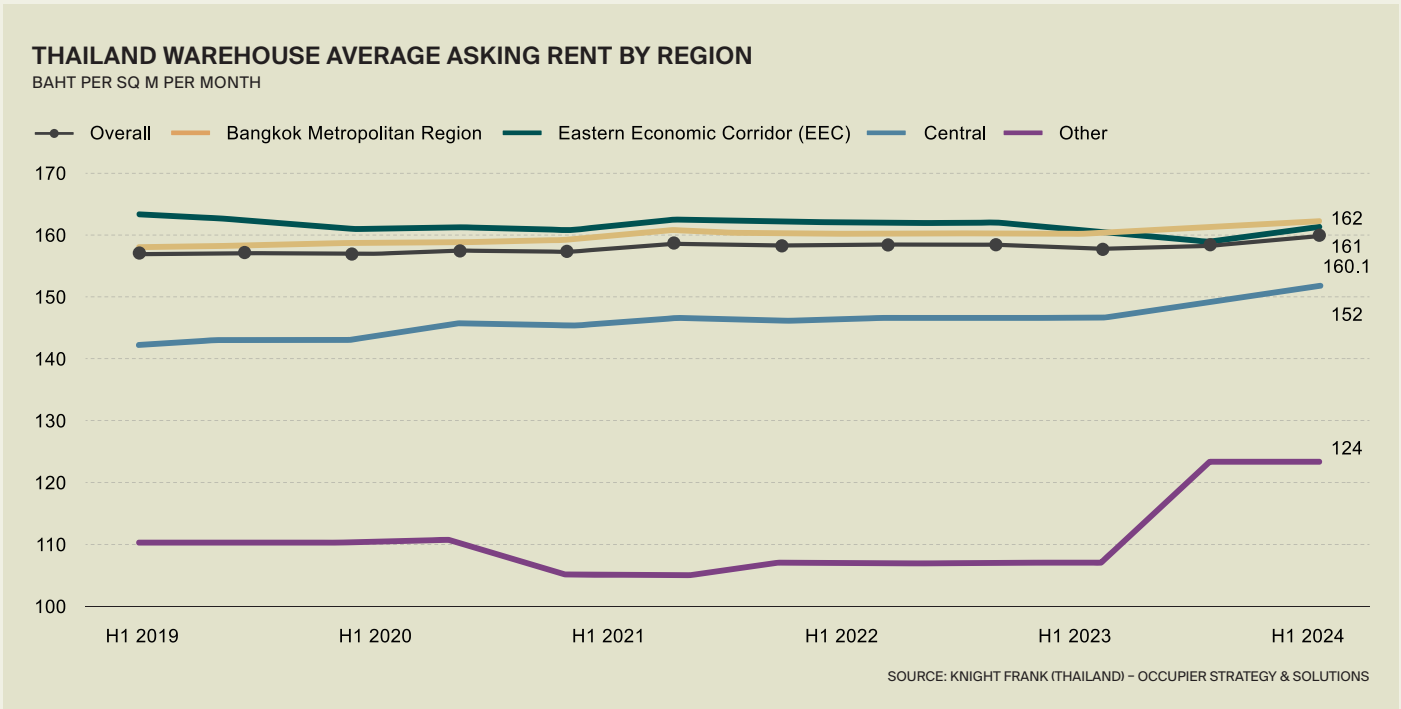
RENTAL RATES

The average asking rent for ready-built warehouses in Thailand remained stable between 2019 and 2024, standing at 160.1 THB per sq m per month in H2 2024, reflecting minimal fluctuations over the years. While most properties maintained stable rents, a few high-demand locations saw slight price increases, particularly in key logistics hubs.

The minimum asking rents across all regions remained within the range of 110-120 THB per sq m per month, consistent with previous trends.

However, the upper rental ceiling varied significantly, with Bangkok Metropolitan Region reaching 230 THB per sq m per month, followed by the Eastern Seaboard at 200 THB, the Central Region at 180 THB, and other regions at 135 THB per sq m per month. In terms of regional trends, Bangkok Metropolitan and the Eastern Seaboard saw rents increase to 162 and 161 THB per sq m per month, respectively, reflecting stable demand in these areas. The Central Region experienced an increase to 152 THB per sq m per month, indicating growing demand for

warehouse space. The other regions saw the most significant rise in asking rents, reaching 124 THB per sq m per month, due to emerging logistics demand in secondary locations. Overall, the rental market for ready-built warehouses in Thailand continued its steady growth, driven by strong demand from logistics, e-commerce, and industrial sectors. Moving forward, rental prices are expected to remain stable, with slight increases in high-demand areas.



REVIEW & OUTLOOK

The logistics property market in H2 2024 continued to expand, driven by strong demand from key industries such as e-commerce, electronics, and electric vehicles (EVs). E-commerce maintained steady growth, supported by last-mile delivery needs, while the EV sector fueled demand for logistics properties, driven by expanding production and infrastructure development. Additionally, new players have entered the market, with major developers such as SC Asset forming partnerships with logistics providers to capture opportunities in the expanding warehouse sector.

The total ready-built warehouse supply expanded to 6.42 million sq m, marking a 1.9% H-o-H and 11.5% Y-o-Y increase, with new developments concentrated in Chonburi and Samut Prakan. The Bangkok Metropolitan Region and the Eastern Economic Corridor (EEC) remained the most sought-after locations, attracting continued developer interest. However, while leasing activity remained stable, with net absorption reaching 151,551 sq m, occupancy rates only saw a slight increase to 86.5%, bringing total occupied space to 5.55 million sq m.

Despite the growth in supply, the demand side shows sign of caution, particularly in industrial-driven warehousing. The declining Manufacturing Production Index (MPI) and lower stockpiling activity suggest that while consumption and trade remain strong, warehouse demand tied to manufacturing may soften. This shift highlights localized market imbalances, particularly in the Central Region, where occupancy rates declined, underscoring a more cautious outlook for industrial warehousing demand.

Looking ahead to 2025, the logistics sector is expected to maintain positive momentum, with 150,686 sq m of new warehouse space set to enter the market. The EEC will account for 72% of future supply, driven by continued investment in automotive, electronics, and fast-moving consumer goods. Demand for built-to-suit and high-tech warehouses will increase, reflecting shifting occupier preferences toward automation, efficiency, and sustainability. Additionally, the cold storage segment is expected to see sustained demand, as food and pharmaceutical industries expand their storage needs.

At the same time, global supply chain shifts and sustainability initiatives continue to shape market demand, with the China+N strategy, decarbonization, and technology serving as crucial enablers. As manufacturers diversify their operations beyond China into Southeast Asia, Thailand is further solidifying its position as a regional logistics hub. The transition toward energy-efficient and emissions-neutral warehouses is accelerating, aligning with global sustainability goals. Meanwhile, fast-moving consumer goods (FMCG), retail products, and household essentials will continue to drive demand for Thailand’s logistics space, particularly in key manufacturing and distribution hubs. Moving forward, sustainability, automation, and evolving occupier requirements will define the next phase of transformation in Thailand’s logistics property market.

GLOSSARY

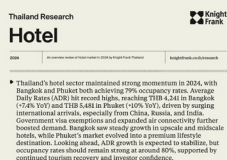
BANGKOK METROPOLITAN REGION (BMR)
Includes Bangkok, Samut Prakan, Samut Sakhon, Nonthaburi

EASTERN ECONOMIC CORRIDOR (EEC)
Includes Chachoengsao, Chonburi, Rayong

CENTRAL
Includes Ayutthaya, Pathum Thani, Saraburi

NOTE: ALL FIGURES EXCLUDE DEVELOPERS WITH TOTAL SUPPLY OF LESS THAN 10,000 SQUARE METRES AND PROPERTIES NOT READY FOR HANDOVER.

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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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