Government support for retail market lifts local sentiment but overall markets remain muted

▲ +2.8% y-o-y
GDP (Q1 2026)

▼ -2.1% q-o-q
CCI (June 2026)

▼ -29.6% q-o-q
Tourism

QUARTERLY HIGHLIGHTS

- **Residential:** New condominium launches increased by 265% Y-o-Y, primarily due to the low-base in Q2 2025 following the earthquake. We anticipate an increase in the number of unit launches for the remainder of 2026, driven by some large-scale projects.
- **Office:** Stable supply and steady Grade A demand pushed overall office occupancy up to 79.6% in Q2 2026. With only 300,000 sq. m. of office space for rent under construction through 2030, prime new assets continue to outperform aging properties, that face downward rental pressure.
- **Retail:** The CCI weakened during the quarter, with the index falling to 49.5 in May, the lowest level since December 2022, but rose to 50.7 in June. The launch of the government's "Thais Help Thais Plus" co-payment scheme, which commenced on June 1 and will run through September 2026, improved sentiment in the short term.
- **Hotel:** Thailand's tourism sector weakened in Q2 2026, with international arrivals falling 8.1% Y-o-Y to 6.6 million. In addition, all key performance indicators declined on a Q-o-Q basis.
- **Industrial & Logistics:** Land demand has started to normalize, while new supply gradually enters the market.
- **Economic:** Q1 2026 GDP growth was recorded at 2.8%, however, BOT projects growth of 2.3% for 2026 overall.

TABLE 1: Quick Statistics

Condominium	Q2 2026	q-o-q	y-o-y
New Launch - Downtown	978 Units	-30.2%	593.6%
New Launch – Midtown/Suburban	2,906 Units	-4.3%	214.8%
Office	**Q2 2026**	**q-o-q**	**y-o-y**
Avg. Grade A+, A CBD Rent	THB 1,020	-0.2%	-1.6%
Overall Occupancy	79.6%	+0.3 pp	+0.4 pp
Retail	**Q2 2026**	**q-o-q**	**y-o-y**
Rent	THB 2,000-5,500	0%	0%
Occupancy	90.6%	-1.0 pp	-1.9 pp
Hotel	**Q2 2026**	**q-o-q**	**y-o-y**
ADR	THB 3,661	-13.5%	-3.7%
Occupancy	64.7%	-12.4 pp	+1.3 pp

Residential - Condominium

▲ +0.1% q-o-q
Downtown Condominium Supply

▲ +0.5% q-o-q
Midtown Condominium Supply

▼ -6.8% Y-o-Y
Downtown Sale Performance of Future Units

▼ -6.3% Y-o-Y
Midtown Sale Performance of Future Units

Developers are utilizing private launches before the official project release to plan the timing for the public launch

- The Downtown condominium market recorded 978 newly launched units across two projects in Q2 2026. This represents a 30.2% decrease Q-o-Q.
- 52.4% of the total future supply across 34 projects has been sold, representing an increase of 5.9% Q-o-Q.
- The average asking price of under-construction units in freehold condominium projects (High-end and above) in downtown Bangkok increased 7.0%.

New launches rose 214.8% year-over-year, rebounding from the low base caused by the Q2 2025 earthquake

- In Q2 2026, eight new projects in the Midtown/Suburban area were launched, totaling 2,906 units, a 214.8% increase from 923 units during the same period last year.
- Developers completed 12 projects in the Midtown/Suburban area, totaling 3,867 units. Rama II/Phetkasem/Bang Khae accounted for largest share of completed units, with 1,095 units, representing 28.9% of the total.
- Sales performance of future supply increased to 48.5% in Q2 2026, down 6.3% Y-o-Y but up 3.95% Q-o-Q.
- The average asking price of off-plan and under-construction condominium units in Midtown/Suburban Bangkok was THB 101,966 per square meter, a 3.0% decrease from THB 105,065 in the previous quarter.

FIGURE 1: Newly Completed Condominiums in Bangkok, 2015-2029F

Source: CBRE Research, Q2 2026

Residential - Housing

▲ 3,054 units

Newly Launched Low-Rise Housing Units by Top Listed Developers

▼ 78 units

Newly Launched Low-Rise Housing Units in Luxury and Above Segments

▲ 89.4% q-o-q

Land Allocation Permits in BMR (plots)

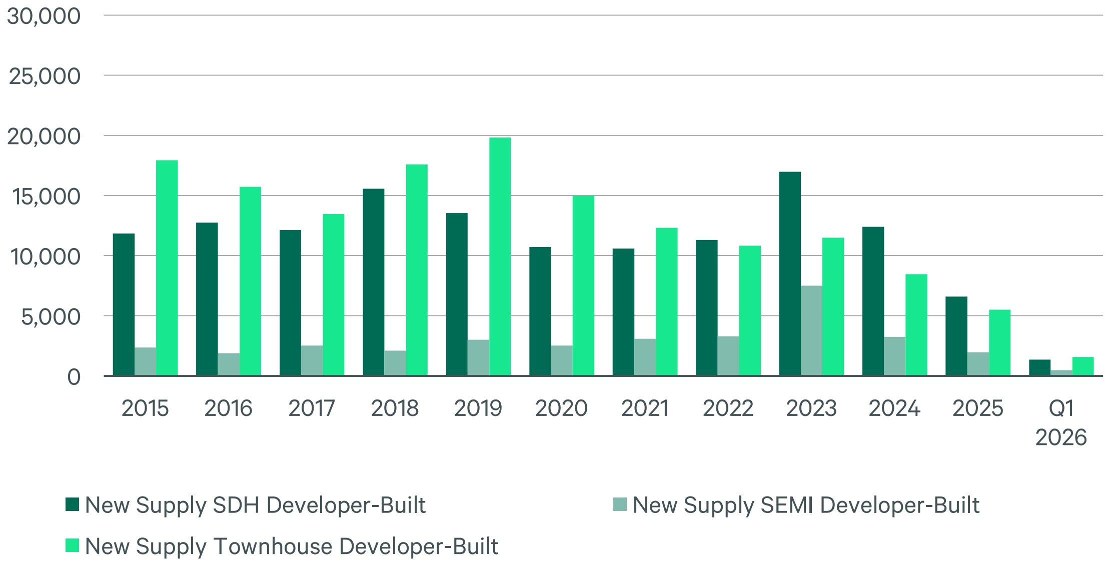
Selective Launches as Many developers Prioritize Clearing Existing Inventory

- In Q2 2026, top-listed developers launched 3,054 units across 17 new housing projects. This reflects an increase of 95.4% Q-o-Q and 59.0% Y-o-Y from 1,563 units in the same period last year.
- Most new launches were in the Upscale segment (THB 5.1-15 million), totaling 1,398 units across six projects, valued at THB 13.49 billion. The Southern Suburbs led in terms of location, accounting for 20.9% (638 units) of these launches.
- Only three top-listed developers launched new projects. AP Thailand dominated the market, introducing 2,602 units across 13 projects, which accounts for approximately 85% of launched supply. Other major developers have slowed their launch pipelines to focus on clearing existing high inventory levels through aggressive promotional campaigns.

Premium Housing Demand Shows a Slight Increase

- In Q1 2026, REIC data indicates that low-rise housing unit transfers in the BMR decreased 20.7% Q-o-Q but increased 8.5% Y-o-Y in Q1 2026 (the latest data available). Transfers fell to 15,217 units from 19,180 in the previous quarter.
- Of the total low-rise housing units transferred in the BMR, individual persons (secondhand properties) accounted for 39.5% (6,007 units), while juristic entities accounted for 60.5% (9,210 units).
- While the broader residential market continues to be challenging, the premium segment is anticipated to demonstrate resilience, supported by steady demand from affluent buyers. During Q2 2026, sales performance for the Luxury and above segment rose to 62%, up from 60% in the previous quarter.

FIGURE 2: Newly Completed Developer-Built Supply Completed in the BMR, by Type, 2015 – Q1 2026 (Latest available data)



Source: CBRE Research, Q2 2026

Residential - Apartment & Serviced Apartment

100,485
Expatriates in Bangkok

-0.5% q-o-q
Average Grade A Apartment Rental Rate

+0.7% q-o-q
Average Grade A Serviced Apartment Rental Rate

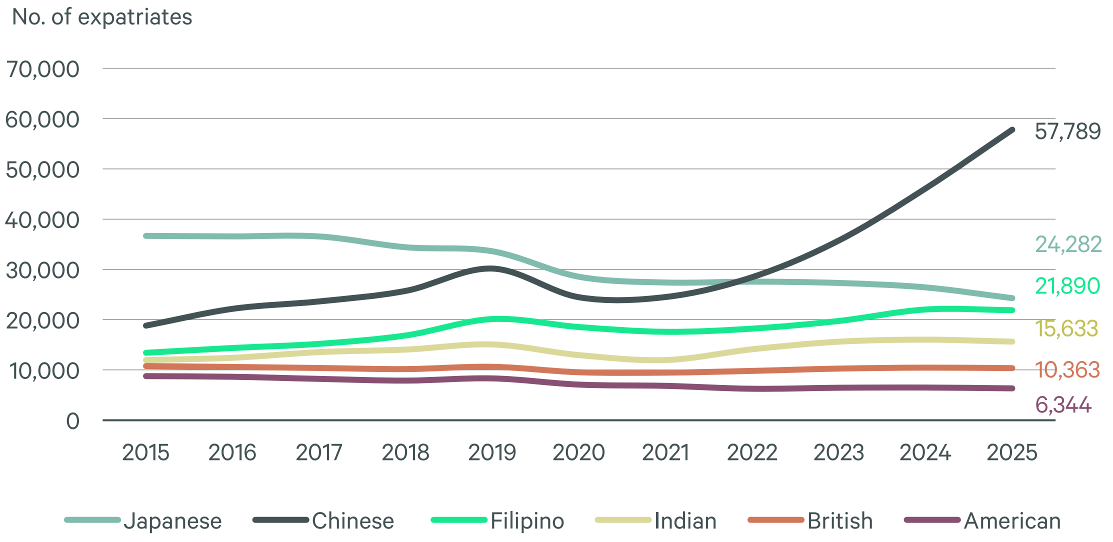
Apartment - Occupancy edges down but stays elevated amid limited new supply

- Total apartment supply in downtown Bangkok dropped to 8,671 units, representing a minor 0.3% Q-o-Q decrease and remaining relatively flat Y-o-Y. Sukhumvit continued to dominate, accounting for 86% of total supply.
- The average occupancy rate in downtown Bangkok reached 94%, decreasing 0.4% Q-o-Q and 0.4% Y-o-Y.
- The average asking rent for Grade A apartments stood at THB 581 per square meter, down 0.5% Q-o-Q and 0.4% Y-o-Y.
- Central Lumpini/Siam recorded the highest average rent.

Serviced apartments - Grade A rents climb despite a slight dip in occupancy

- Downtown Bangkok's serviced apartment market remained stable, with total supply standing at 17,355 units, showing no change Q-o-Q but declining 2.1% Y-o-Y.
- The serviced apartment market in downtown Bangkok recorded an average occupancy rate of 82.6%, down 0.4% Q-o-Q and 2.2% Y-o-Y.
- The average monthly asking rent for Grade A serviced apartments in Bangkok reached THB 1,358 per square meter, up 0.7% Q-o-Q and 4.9% Y-o-Y.
- Central Lumpini/Siam recorded the highest rent.

FIGURE 3: Total Expatriates in Thailand by Nationality from, 2015-2025



Source: Foreign Workers Administration Office and CBRE Research, Q2 2026
Note: Data available as of November 2025

Office

0% q-o-q
Bangkok Office Supply

79.6%
Occupancy

0% q-o-q
Average Grade A+ Rent

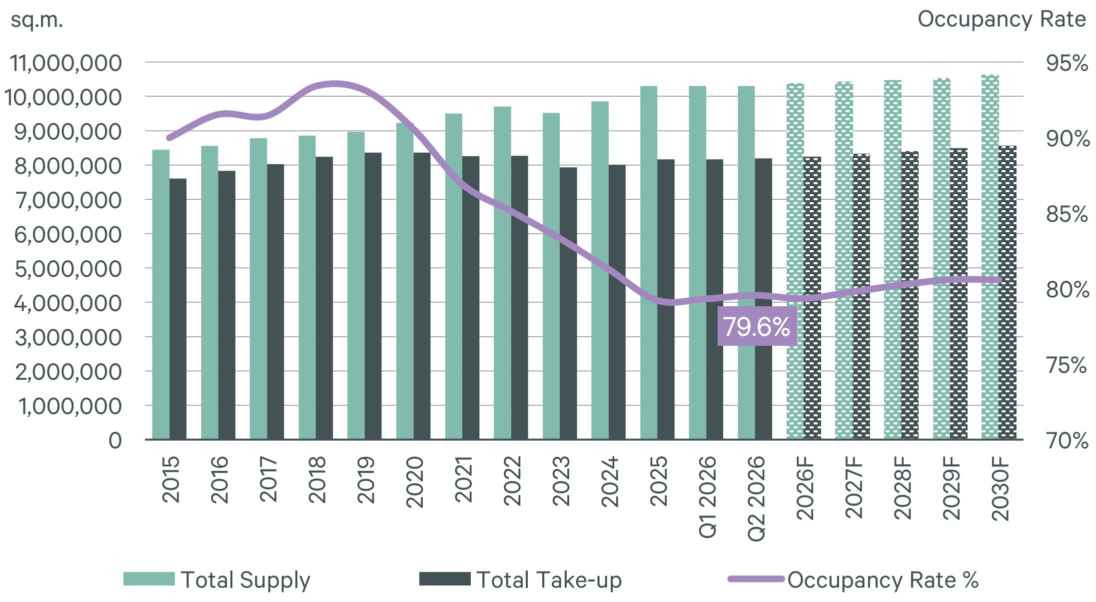
Q2 2026 Office Market Holds Steady as Future Supply Tightens

- In Q2 2026, total supply remained stable at nearly 10,300,000 square meters with no new office building completions.
- Net take-up totaled 26,277 square meters, primarily driven by tenants occupying new Grade A+ buildings and Grade A Non-CBD buildings, as well as existing tenants' expansion in Grade A CBD buildings. Combined, these three segments recorded 59,219 square meters of net take-up.
- The future supply of rental office space is projected to remain tight over the next five years. Following the expected completion of One Bangkok Tower 2 in 2026—which will add 73,000 square meters of net lettable area—only 227,000 square meters of additional rental office space is currently under construction and slated for delivery between 2027 and 2030.

Widening Performance Gap Defines Q2 2026 Office Market as Prime Assets Outperform

- The overall occupancy rate increased slightly from 79.3% to 79.6% in Q2 2026, supported by continued tenant move-ins to recently completed office buildings.
- Average rents for Grade A Non-CBD buildings continued to rise this quarter, increasing by 0.7% Q-o-Q to THB 774 per square meter per month. Meanwhile, rents for Grade A+ and Grade B Non-CBD spaces remained stable, while rents for both Grade A and Grade B buildings in the CBD decreased compared to the previous quarter.
- A widening performance gap defines the 2026 office market. While aging assets face continuous downward rental pressure, prime new completions are successfully outperforming the broader market. Driven by flight-to-quality demand, these top-tier buildings are achieving both higher rents and better occupancy. Overall market occupancy is projected to recover gradually, supported by a significantly reduced new construction pipeline.

FIGURE 4: Total Supply, Take-Up and Occupancy Rate of Bangkok Office, 2015 – 2030F



Source: CBRE Research, Q2 2026

Retail

◀▶ 0% q-o-q
Bangkok Retail Supply

▼ 90.6%
Occupancy

◀▶ 0% q-o-q
Average Prime Rent

Retail market remains subdued amid weak consumer sentiment

- The CCI declined to 50.7 in June 2026, down 2.1% Q-o-Q. Consumer sentiment weakened during the quarter, with the index falling to 49.5 in May, the lowest level since December 2022. However, confidence showed signs of recovery in June, supported by the launch of the government's "Thais Help Thais Plus" co-payment scheme, which commenced on June 1 and will run through September 2026.
- Bangkok's total retail supply remained unchanged at 7.97 million sq. m., as no new retail projects were completed during the quarter.
- Nearly 680,000 square meters of retail space, comprising 17 projects is under construction.

Delays to new project completions ease near-term pressure on occupancy and absorption

- The forecast of total new retail supply for the full year 2026 has been revised downward to 170,000 sq. m., reflecting the postponement of The Central Phaholyothin and One Bangkok Phase 2 to 2027.
- The reduced supply pipeline is expected to ease pressure on occupancy and tenant absorption, supporting a more balanced market in the near term.

FIGURE 5: Bangkok Existing and Future Supply, 2015-2028F

Source: CBRE Research, Q2 2026

Hotel

▲ +0.8% q-o-q
Bangkok Hotel Supply

▼ 64.7%
Occupancy

▼ -13.5% q-o-q
Average Daily Rate (ADR) (THB)

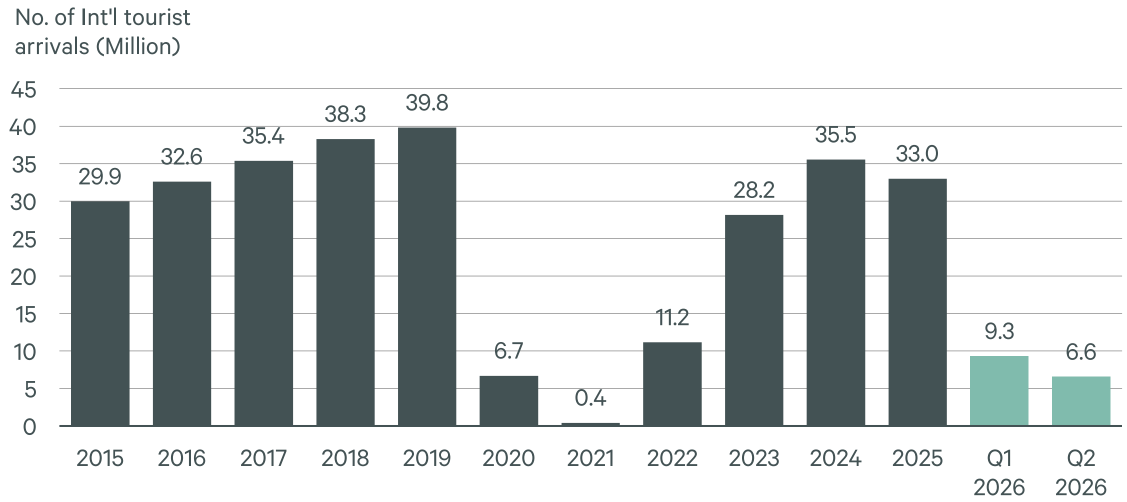
Thailand Q2 2026 tourism faces headwinds as arrivals decline and forecasts are cut

- Thailand recorded 6.6 million international tourist arrivals in Q2 2026, representing an 8.1% Y-o-Y decline. China remained the primary source market with 1.1 million visitors, followed by Malaysia and India.
- Regional arrivals declined in Q2 2026, driven primarily by softening demand from South Korea and Southeast Asia. Despite a brief May recovery supported by increased travel from China, Malaysia, and Japan, most markets experienced broad-based declines. The Middle East saw the sharpest contraction, falling 32.8% Y-o-Y.
- The Tourism Authority of Thailand lowered its 2026 international arrivals target twice, ultimately reducing the forecast from 36.7 million to 33 million. Additionally, the authority cut its tourism revenue target by 22%, decreasing the projection from THB 2 trillion to THB 1.55 trillion.

Hotel performance soften while new supply increased

- Bangkok's hotel supply totaled 86,055 keys, with 676 keys added through five new hotel openings.
- With approximately 8,000 keys under construction for completion through 2028, competition will intensify, particularly within the First Class and above segments (approximately 60% of total future supply).
- In Q2 2026, Bangkok hotel occupancy reached 64.7%, a Y-o-Y increase of 1.3 percentage points. Conversely, both ADR and RevPAR experienced declines on a Q-o-Q and Y-o-Y basis, closing at THB 3,661 and THB 2,371, respectively.
- With softening international demand and the Q3 low season underway, operators are pivoting to the domestic market to maintain occupancy. This strategy requires rate discounting, which will likely constrain ADR growth and pressure near-term RevPAR.

FIGURE 6: Number of International Tourist Arrivals, 2015-Q2 2026



Source: Ministry of Tourism and Sport (MOTS)

Industrial & Logistics

0% q-o-q
Supply of SILP

0% q-o-q
Supply of RBF

+0.6% q-o-q
Supply of MLP

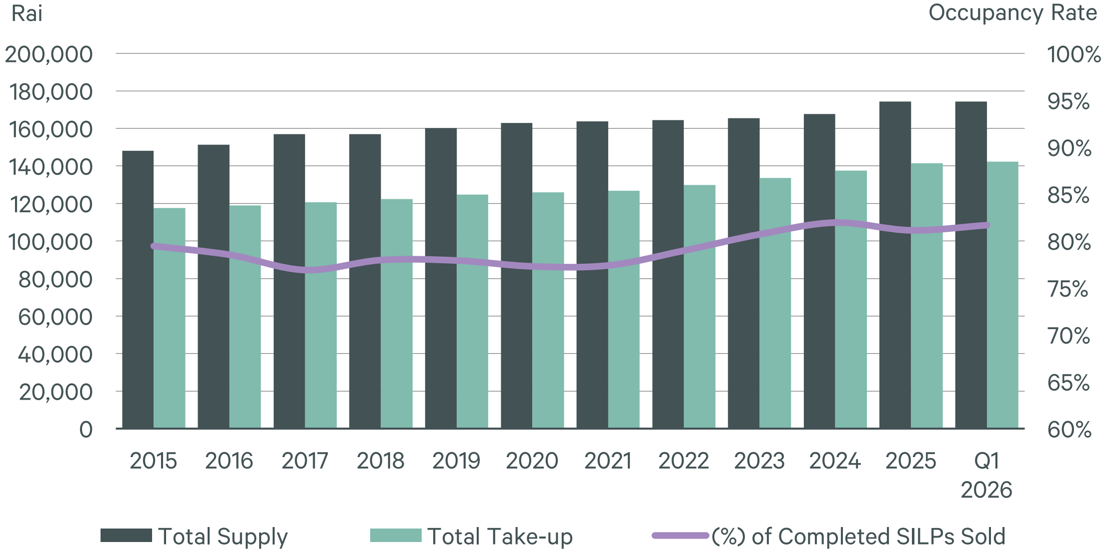
Industrial demand remains resilient amid improving land supply

- In Q1 2026, SILP sales in our survey basket totaled 959 rai, representing a decrease of 30.3% Q-o-Q and 16.2% Y-o-Y.
- Demand in the RBF market increased by approximately 0.9% Q-o-Q and 5.6% Y-o-Y to 2,647,227 square meters. Net new take-up was positive at 24,711 square meters.
- MLP supply reached 6,221,647 square meters, an increase of 5.9% Y-o-Y, driven by newly completed supply from Alpha and SCX. The vacancy rate remained stable at 10.2%, unchanged from the previous quarter.

Strong investment interest, while project execution faces increasing infrastructure constraints

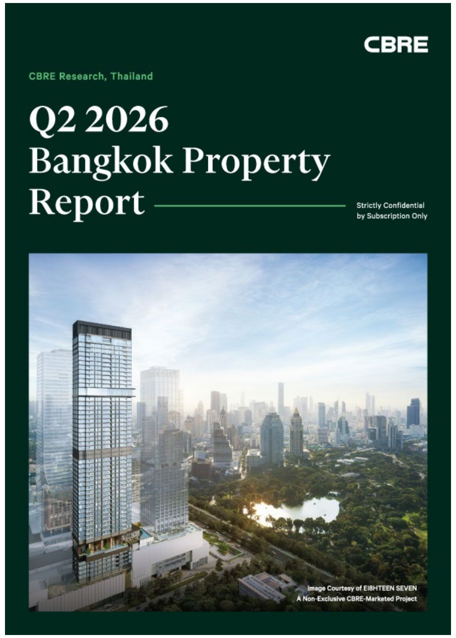
- BOI applications surged during the quarter, with total application value approaching the full-year 2025 value, while BOI-approved projects and investment value declined Y-o-Y, including in the digital sector, which was a key investment driver in 2025.
- For data center developments, power infrastructure remains a key constraints as securing sufficient grid capacity, which increasingly determines the pace of project execution and land transactions.

FIGURE 7: Supply, Demand and Occupancy Rate of SILP, 2015-Q1 2026



Note: The data excludes data from Rojana as they only report SILP sales on an annual basis.
CBRE records a SILP sale when the land is transferred with completed infrastructure.
Source: CBRE Research

QUARTERLY REPORTS



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