

MARKETBEAT RETAIL SNAPSHOT

BANGKOK, THAILAND

MARKET OVERVIEW

BANGKOK RETAIL MARKET

Economic Indicators

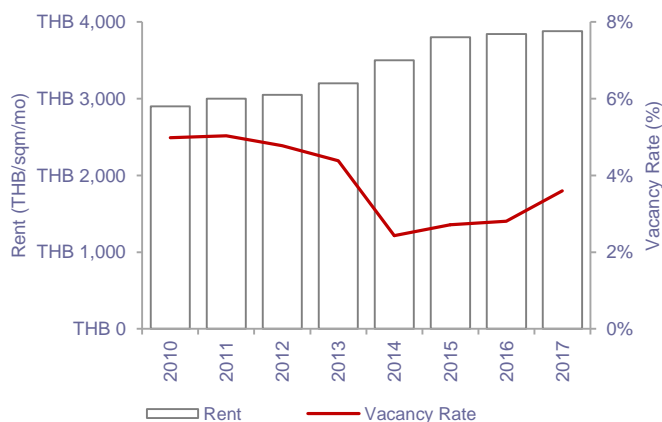
	Q2 17	Q3 17	12-Month Forecast
GDP Growth	3.7%	4.3%	▲
CPI Growth	0.67%	0.70%	▲
Private Expenditure	3.0%	3.1%	■
Government Expenditure	2.6%	2.8%	▲

Source: NESDB, Bank of Thailand

Prime Rent

	H1 17 psqm/mo.	H2 17 psqm/mo.	12-Month Forecast
Overall Rent	THB3,900	THB3,900	■
Vacancy Rate	3.14%	3.60%	▲

Overall Rent and Vacancy Rate



Economy

In the third quarter of 2017, Thailand's GDP grew by 4.3%, highest growth in a 18-month term. It had risen up from 3.8% in the previous quarter. Furthermore, construction sector of office and commercial buildings grew by 3.4% according to Office of the National Economic and Social Development Board (NESDB).

In addition, it has been forecasted that the economy will expand in the range of 3.6-4.6%, supported mainly by a favorable growth of the global economy, an acceleration of public investment which will be supported by the progress of key investment projects and higher capital budget framework, the improving trend of private investment, the continual expansion of key production sectors, and the improvement of employment and household income conditions.

Market Overview

In the second half of 2017, new supply entering Bangkok Center Retail District (CRD) was Gaysorn Tower. Net lettable area is 10,000 square meter with the highest rental rate at THB3,500 psm/mo, made the total supply in Bangkok CRD to 660,000 sqm. The average rental rate was THB3,900 sqm/mo same as previous year. The occupancy rate in Bangkok CRD was 96.4%.

Outlook

While many shopping mall in many country has been affected by online shopping and dramatic changes in consumer behavior, but retail business in Thailand seem not to be effect as other countries. Most retailers are still looking to expand branches or stores in high-potential locations across the country. Nevertheless, limited new supply will be added-in as a result of the dramatically increasing of land price that drive developer consider more on lease land plots. Future supply is expected to be found more in Bangkok Fringe & Urban Zone.