

# 1H20 BANGKOK RETAIL SNAPSHOT

## MARKET OVERVIEW

### BANGKOK OFFICE MARKET

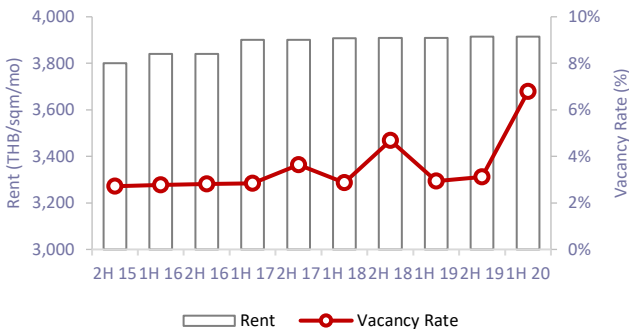
	Q4 19	Q1 20	12-Month Forecast
GDP Growth	1.5%	-1.8%	▼
CPI Growth	0.4%	0.4%	■
Unemployment	1.0%	1.0%	■

Source: NESDB

### Prime Rent

	H2 19	H1 20	12-Month Forecast
Overall Rent	THB3,915	THB3,915	▲
Vacancy Rate	3.12%	6.79%	▼

### Overall Rent and Vacancy Rate



Source: Nexus

### Outlook

It is expected that the future supply, the Emsphere will be added into the market in 2022. The Emsphere, a new lifestyle shopping mall with approximately 60,000 lettable area, would fresh up the market due to no new grade A supply in CRD area for a long time.

### Economy

According to the National Economic and Social Development Council (NESDC), the Thai Economy, in the first quarter of 2020, contracted by 1.8% compared with 1.5% expansion in the previous quarter. After seasonal adjustments, the economy declined by 2.2 % from the fourth quarter of last year (%QoQ sa). In 2020, the Thai economy is expected to show a contraction in the range of (-6.0) - (-5.0)%, due to the severe downturn of the global economy and merchandise trade, the sharp decline in number and revenues from foreign tourists, the limitations due to the COVID-19 outbreak in Thailand, and the drought. Meanwhile, the headline inflation is expected to be in the range of (-1.5) - (-0.5)%, and the current account tends to register a surplus of 4.9% of GDP.

### Market Overview

With the total supply of 6.1 million sqm, Bangkok's retail supply in first half of 2020 still has increased. There was no new supply added in Bangkok's Central Retail District (CRD) area. Meanwhile, the demand from tourists in first half dropped by almost 100% y-o-y due to the rapid spreading of COVID-19, travel restrictions and the lockdown policy. The shopping malls were closed from mid-March and operation began again at the end of May. Nonetheless, footfall in CRD has not returned to normal because 50% of the customers are foreigners.

Due to lockdown policy, the shopping malls were closed for the most of the second quarter. It caused rent reduction by 10-50% or rent waivers for the current tenants. For new tenants, the average asking rents remained stable from the second half of last year at THB3,915 /sqm/mo on the ground floor. Even though the overall retail market was heavily impacted due to the pandemic and many stores were permanently closed, there were some good signs from new stores that are ready to replace and a good prevention from the disease. The retail market is recovering from the domestic vigilant measures, however the global situation is still a concern. Nevertheless, the rent is forecasted to grow, if the disease can be inhibited and foreigners could travel internationally again.

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SUBMARKET	INVENTORY (SQM)	VACANCY RATE	UNDER CONSTRUCTION (SQM)	GRADE A ASKING RENT		
				THB/SQM /MO	US\$/SQM /MO	EUR/SQM /MO
<b>GRADE A CRD</b>						
Siam Square	242,825	4.4%	4,500	4,100	US\$ 12.28	€118.22
Ratchaprasong & Ploenchit	292,420	9.5%	-	3,895	US\$ 11.66	€112.28
Phrom Phong	121,000	5.0%	60,000	3,750	US\$ 11.23	€ 108.12
<b>BANGKOK GRADE A CRD TOTAL</b>	<b>656,245</b>	<b>6.8%</b>	<b>64,500</b>	<b>3,915</b>	<b>US\$ 11.73</b>	<b>€ 112.88</b>

\* Only Grade A Shopping Center

US\$/THB= 31.026; €/THB = 34.6818

### Key Lease Transaction Q2 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQM
Cosmo Walk	Non-CRD Nonthaburi	Nike Factory Outlet	1,300
Siam Premium Outlet Bangkok	Non-CRD Bangna	Adidas Factory Outlet	1,300

### Significant Projects Under Construction

PROPERTY	SUBMARKET	OWNER / DEVELOPER	SQM	COMPLETION
The PARQ – 1st Phase	Non-CBD Rama IV	TCC Assets	12,000	2020
Siam Scape	CRD Siam Square	PMCU	5,000	2021
Marketplace Thonglor	Non-CRD Sukhumvit	Siam Future Development	7,115	2021
EmSphere	CRD Phrom Phong	The Mall Group	60,000	2022
Bangkok Mall	Non-CRD Bangna	The Mall Group	80,000	2022
One Bangkok	Non-CRD Rama IV	TCC Assets & Fraser Property	100,000	2022
The Forestias	Non-CBD Bangna	MQDC	15,000	2022
Silom Square	Non-CBD Silom	Nye Estate JV Minor Group	10,000	2023
One City Center	CRD Ratchaprasong & Ploenchit	Raimon Land JV Mitsubishi Estate	4,000	2023
Dusit Central Park	Non-CRD Rama IV	Central Group JV Dusit	80,000	2024

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