

2H20 BANGKOK RETAIL SNAPSHOT

MARKET OVERVIEW

BANGKOK RETAIL MARKET

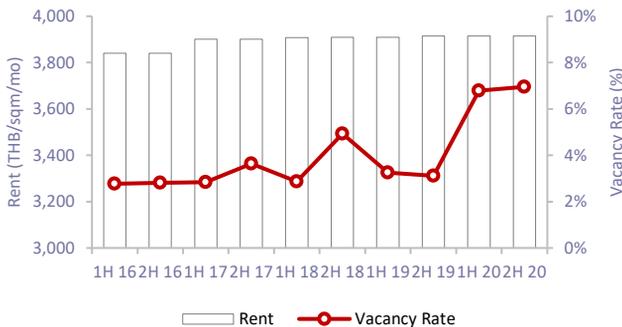
	Q2 20	Q3 20	12-Month Forecast
GDP Growth	-12.1%	-6.4%	▲
CPI Growth	-2.7%	-0.7%	▲
Unemployment	2.0%	1.9%	■

Source: NESDB

Prime Rent

	H1 20	H2 20	12-Month Forecast
Overall Rent	THB3,915	THB3,915	▲
Vacancy Rate	6.79%	6.95%	▼

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 third quarter of 2020 declined by 6.4%, improving from a 12.1-percent contraction in the previous quarter. After seasonal adjustment, the economy increased by 6.5 percent from the second quarter (%QoQ sa). In the first 9 months of 2020, the Thai economy contracted by 6.7 percent. The Thai economy in 2021 is expected to expand within the range of 3.5 – 4.5 percent, mainly supported by (i) the improvement of domestic demand, (ii) the recovery of the world economy and global trade, (iii) the government budget's disbursement and economic stimulus measures, and (iv) the low growth base in 2020. Meanwhile, headline inflation is expected to be in a range of 0.7 - 1.7 percent, and the current account tends to register a surplus of 2.6 percent of GDP.

Market Overview

Bangkok's retail supply in the second half of 2020 has slightly increased to 6.11 million sqm. Whereas, there was no new supply added in Bangkok's Central Retail District (CRD) area. Meanwhile, the demand from tourist in second half still dropped by almost 100% Y-o-Y due to travel restriction to prevent the Covid-19 outbreak. The shopping malls have started to operate again since May, however CRD footfall in second half of 2020 still has not returned to normal as foreigners are one of the key driven purchasing power in the CRD.

The retail space in CRD is still tightness with the occupancy at 93%, though downed from 93.2% in the first half, due to Isetan returned to space to Central World in last August. Nevertheless, the retail situation still needs to be monitored, it might change at any time if the epidemic could not be inhibited.

In the second half on 2020, many tenants have started to take the vacant spaces. Average asking rental rate has no change from the first half at approximately THB3,915 /sqm/mo. Additionally, it is forecasted to remain stable for 1-2 years due to the gradual recovery of the economy. Thus, the rent will be forecasted to grow again after the disease could 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
GRADE A CRD						
Siam Square	242,825	2.3%	-	4,100	US\$ 12.68	€111.86
Ratchaprasong & Ploenchit	292,420	13.1%	-	3,895	US\$ 12.04	€106.23
Phrom Phong	121,000	1.3%	60,000	3,750	US\$ 11.60	€ 102.31
BANGKOK GRADE A CRD TOTAL	656,245	7.0%	60,000	3,915	US\$ 11.73	€ 106.80

* Only Grade A Shopping Center

1 US\$ = THB 30.0333; 1 € = THB 36.6544

Key Lease Transaction H2 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQM
The PARQ	Non-CRD Rama IV	Jetts Fitness	1,000

Significant Projects Under Construction

PROPERTY	SUBMARKET	OWNER / DEVELOPER	SQM	COMPLETION
Siam Scape	CRD Siam Square	PMCU	4,500	2021
Terminal 21 Rama 3	Non-CRD Rama III	LHMH	43,200	2021
Bangkok Mall	Non-CRD Bangna	The Mall Group	80,000	2022
One Bangkok	Non-CRD Rama IV	TCC Assets & Fraser Property	N/A	2022
Marketplace Thonglor	Non-CRD Sukhumvit	Siam Future Development	7,115	2022
The Forestias	Non-CBD Bangna	MQDC	N/A	2022
EmSphere (Emporium 3)	CRD Phrom Phong	The Mall Group	60,000	2022
Silom Square	Non-CBD Silom	Nye Estate & Minor Group	9,700	2023
One City Center	CRD Ratchaprasong & Ploenchit	Raimon Land & Mitsubishi Estate	4,000	2023
Dusit Central Park	Non-CRD Rama IV	Central Group	80,000	2024

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About Nexus

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