

## 2H20 BANGKOK RETAIL SNAPSHOT

### MARKET OVERVIEW

#### BANGKOK RETAIL MARKET

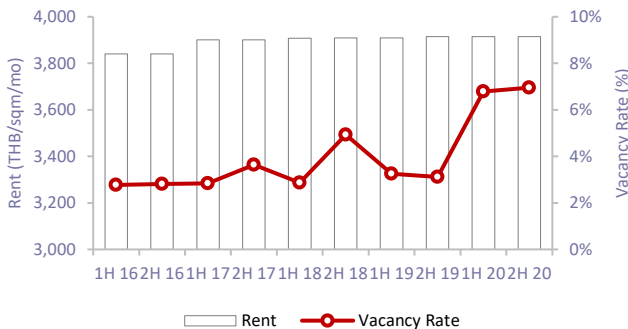
|              | Q2 20  | Q3 20 | 12-Month Forecast |
|--------------|--------|-------|-------------------|
| GDP Growth   | -12.1% | -6.4% | ▲                 |
| CPI Growth   | -2.7%  | -0.7% | ▲                 |
| Unemployment | 2.0%   | 1.9%  | ■                 |

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.

# 2H20 BANGKOK RETAIL SNAPSHOT

| 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       |

## CONTACT US



**TEERAWIT LIMTHONGSAKUL**  
Managing Director  
Tel: +662 286 8899  
E-mail: [teerawit@nexus.co.th](mailto:teerawit@nexus.co.th)

### About Nexus

Nexus is a team of highly experienced professionals with access to a worldwide network. We pride ourselves on delivering the best possible real estate solution that fits our clients' objectives.

We are an integrated team of specialized real estate professionals who focus on providing the best solutions for our clients. Equipped with an integrated team of the most talented professionals, over 19 years of reliable services, and global network;

Nexus teams currently provide services to many corporations, developers, entrepreneurs, government entities, and financial institutions all around the globe.

Nexus Real Estate Advisory Co., Ltd.  
31st Fl., BKL Building/ Y.W.C.A. 25 South Sathorn Road,  
Thungmahamek, Sathorn, BKK 10120, Thailand

For further information, please visit [NEXUS.CO.TH](http://NEXUS.CO.TH)