

1H22 BANGKOK RETAIL SNAPSHOT

MARKET OVERVIEW

BANGKOK RETAIL MARKET

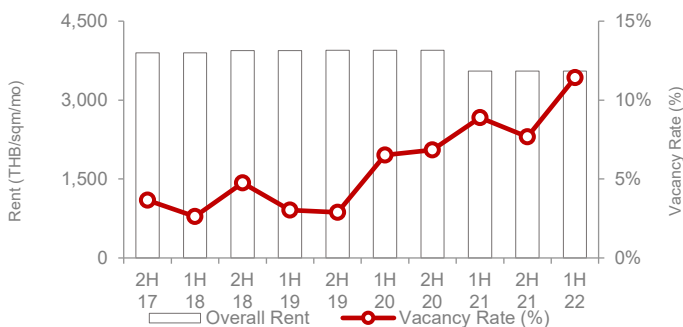
	Q4 21	Q1 22	12-Month Forecast
GDP Growth	1.8%	2.2%	▲
CPI Growth	2.4%	4.7%	▲
Unemployment	1.6%	1.5%	▼

Source: NESDC (National Economic and Social Development Council)

Prime Market Indicators

	H2 21	H1 22	12-Month Forecast
Overall Rent	THB3,553	THB3,553	▲
Vacancy Rate	7.73%	11.42%	▼

Overall Rent and Vacancy Rate



Source: NEXUS

Outlook

The situation on Covid-19 is improving as a result of the lifting of lockdown and restrictive measures. Consequently, consumers are able to resume their usual daily activities with fewer limitations, which is a positive indication for retail businesses. These days, the future supply in CRD in 2023 is EmSphere and IKEA will be the major tenant with a total area of approximately 12,000 square meters to provide the customers with more of the dynamic retail industry.

Economy

According to the Nation Economic and Social Development Council (NESDC), the Thai economy in 2021 grew by 1.6%. The expansion continued in the first quarter of 2022 for a further 2.2% YoY.

The NESDC projected that the economy will be expanded in the range of 2.5 – 3.5%, mainly supported by the recovery of the tourism sector and the improvement of export businesses. Headline inflation is estimated to be in the range of 4.2 – 5.2% due to food-and-beverage and energy price indexes being increased.

Market Overview

The retail market has been impacted by the COVID-19 widely. As a result of the pandemic restrictions, several retail spaces have had to scale down and even temporarily close. Additionally, international factors continue to deter tourists from returning. As tensions between Russia and Ukraine continue to escalate, they have a detrimental effect not just on international stability but also on global prosperity. As a consequence, the world economy has been impacted by high inflation and soaring energy prices. According to the research of the Trade Policy and Strategy Office, Thailand's annual inflation rate in the first half of 2022 surged to 7.1%, the highest rate since 2008. This would have an adverse impact on the retail sector which relies on the purchasing power of customers. However, since the COVID-19 began to gradually recover after the easing of lockdown and restrictive measures, the retail market has been considered to be on an upward trend. Similarly, The number of tourists is projected to increase in the foreseeable future.

In 2022, the total supply of the Central Retail District (CRD) remains at approximately 624,000 sqm. There was no new supply added to the market this year. In terms of the vacancy rate, it was affected by COVID-19 and the relocation/rescaling of some tenants which leads to the highest rate since 2008. The rate was at 11.42 % and was higher than the pre-COVID average of 7-9 %. Despite the removal of certain tenants, the continuation of small rental areas provides opportunities for major tenants such as Muji, Sushiro, and Kinokuniya to step in. Besides, the ground floor monthly rental rate was stable at THB3,553 per sq m. Currently, certain small-format retails, including Amarin Plaza and Erawan Bangkok, will be temporarily closed in July 2022 for major renovations. Similarly, Peninsula Plaza was permanently closed for the new development in March 2022.

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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	229,000	7.6%	-	3,935	US\$ 122.0	€ 105.5
Ratchaprasong & Ploenchit	274,300	15.7%	70,000	3,350	US\$ 103.9	€ 89.8
Phrom Phong	121,000	9.0%	60,000	3,375	US\$ 103.9	€ 90.5
BANGKOK GRADE A CRD TOTAL	624,300	11.42%	130,000	3,553	US\$ 9.78	€ 92.52

* Only Grade A Shopping Center

US\$/THB= 32.25; €/THB = 37.30

Key Lease Transaction H1 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQM
EmQuartier	CRD Phrom Phong	MUJI	2,200
Emporium	CRD Phrom Phong	Sushiro	1,000
Central World	CRD Ratchaprasong & Ploenchit	Kinokuniya	2,000

Significant Projects Under Construction

PROPERTY	SUBMARKET	OWNER / DEVELOPER	SQM	COMPLETION
Silom Edge	Non-CRD Silom	Fraser's Property	10,000	2022
Terminal 21 Rama 3	Non-CRD Rama III	LHMH	43,200	2022
Marketplace Thonglor	Non-CRD Sukhumvit	Central Group	7,115	2022
EmSphere	CRD Phrom Phong	The Mall Group	60,000	2023
One City Center	CRD Ratchaprasong & Ploenchit	Raimon Land & Mitsubishi Estate	4,000	2023
Bangkok Mall	Non-CRD Bangna	The Mall Group	80,000	2023
One Bangkok	Non-CRD Rama IV	TCC Assets & Fraser Property	N/A	2023
The Forestias	Non-CBD Bangna	MQDC	N/A	2023
True Digital Park Phase 2	Non-CRD Sukhumvit	MQDC	N/A	2023
Dusit Central Park	Non-CRD Rama IV	Central Group	80,000	2024
Central Bangkok	CRD Ratchaprasong & Ploenchit	Central Group	70,000	2026

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