

2H23 BANGKOK RETAIL SNAPSHOT

MARKET OVERVIEW

BANGKOK RETAIL MARKET

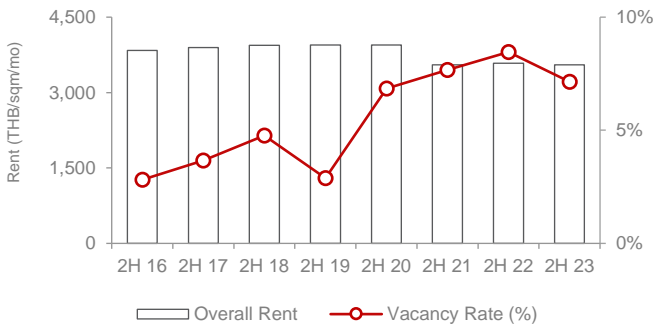
	Q2 23	Q3 23	12-Month Forecast
GDP Growth	1.8%	1.5%	▬
CPI Growth	1.1%	0.5%	▼
Unemployment	1.1%	1.0%	▼

Source: NESDC (National Economic and Social Development Council)

Prime Market Indicators

	H2 22	H2 23	12-Month Forecast
Overall Rent	THB3,553	THB3,600	▲
Vacancy Rate	8.46%	7.14%	▼

Overall Rent and Vacancy Rate



Source: NEXUS

Outlook

The following year is expected to be exciting for developers. The new concept stores will give fresh energy to the mall. Furthermore, as the economy recovers and the tourism industry recovers, the outlooks of retail sets improve. The CRD's vacancy rate is expected to decrease in the coming year. However, mega retail developments outside of the CRD area are soon opening, such as Bangkok Mall and One Bangkok. For this reasons, it might possibly draw local demand from the CRD area, which we would need to keep an eye on.

Economy

According to the National Economic and Social Development Council (NESDC), the Thai economy increased by 1.5% in the third quarter of 2023, compared with a growth of 1.8% in the previous quarter. In the first nine months, the economy grew by 1.9%. The economy is anticipated to improve by 2.5% this year, maintaining the previous year's rate of 2.6%. The headline inflation rate is estimated to be 1.4%. In addition, the economy is expected to grow at a rate ranging from 2.7% to 3.7% in 2024.

Market Overview

In December, the Central Retail District (CRD) of Bangkok welcomed a new supply of Emsphere in the Phrom Phong neighborhood. On top of that, the reopening of Erawan Bangkok brought the total supply to around 705,000 sqm. Most retail developers are competing not only for footfall but also for new tenants to liven up their malls. Many enthusiastic tenants stepped into the CRD area such as Central World spaces including Shake Shack, Pop Mart, Lululemon, Nitori, and Mak's Noodle, while the first Gentle Monster store opened in EmQuartier. Emsphere, a recently opened mall, welcomes many more, including an IKEA city store, Bread Street Kitchen, and Street Pizza by Gordon Ramsay. Furthermore, Foot Locker debuted in Thailand in Siam Center. Siam Paragon is also doubling its luxury brands section, bringing several new stores such as Loro Piana, Roger Vivier, Christian Louboutin, Rimowa, and many more. Meanwhile, several spaces were being refurbished and changed into new zones, such as Siam Paragon, which cooperated with SCBX to develop a new 4,000-square-meter tech zone. As a result, the vacancy rate declined from 8.46% in 2022 to 7.14% in 2023. The average monthly rent on the ground level is about the same as the previous year. The monthly rent was THB3,600 per sqm, a 0.4% increase year on year.

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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	252,800	5.71%	-	3,933	US\$ 109.14	€ 102.48
Ratchaprasong & Ploenchit	271,600	9.23%	70,000	3,450	US\$ 95.73	€ 89.89
Phrom Phong	181,000	6.00%	-	3,417	US\$ 94.80	€ 89.02
BANGKOK GRADE A CRD TOTAL	705,400	7.14%	70,000	3,600	US\$ 99.89	€ 93.80

* Only Grade A Shopping Center

US\$/THB= 36.04; €/THB = 38.38

Key Lease Transaction 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SQM
Siam Paragon	CRD Siam Square	SIAM PARAGON NEXT TECH x SCBX	4,000
Siam Center	CRD Siam Square	Foot Locker	1,321
Central World	CRD Ratchaprasong & Ploenchit	Adidas Flagship Store	2,400
Central World	CRD Ratchaprasong & Ploenchit	Lululemon	600
Central World	CRD Ratchaprasong & Ploenchit	Nitori	2,600
Emsphere	CRD Phrom Phong	IKEA	12,000
Emquartier	CRD Phrom Phong	Harbor Land	2,000
Emquartier	CRD Phrom Phong	Gentle Monster	340

Significant Projects Under Construction

PROPERTY	SUBMARKET	OWNER / DEVELOPER	SQM	COMPLETION
Amarin Plaza	CRD Ratchaprasong & Ploenchit	Gaysorn Group	-	2024
One Bangkok	Non-CRD Rama IV	TCC Assets & Fraser Property	190,000	2024
The Forestias	Non-CBD Bangna	MQDC	10,000	2024
Dusit Central Park	Non-CRD Rama IV	Central Group	80,000	2025
Bangkok Mall	Non-CRD Bangna	The Mall Group	80,000	2025
Central Bangkok	CRD Ratchaprasong & Ploenchit	Central Group	70,000	2026

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