

BANGKOK RETAIL

Retail Q4 2019

CUSHMAN & WAKEFIELD



Source: NEXUS, BOT (Bank Of Thailand)

THAI ECONOMIC INDICATORS Q3 2019



Source: NESDB (National Economic and Social Development Board)

ECONOMY

According to the National Economic and Social Development Board (NESDB), the Thai economy in the third quarter of 2019 expanded 2.4% (YoY) compared with 2.3% in the previous quarter. After seasonally adjusted, the economy grew by 0.1% from the fourth quarter (QoQ sa). The Thai economy in 2020 is projected to grow in the range of 2.7-3.7%. In all, it is expected the export value will grow by 2.3%, private expenditure and total investment will expand by 3.7% and 4.8%, respectively. Headline inflation is forecasted to lie in the range of 0.5-1.5% and the current account will record a surplus of 5.6% of GDP.

With a total supply of 64 million sf, Bangkok's retail market still has increased. The completed projects in the third quarter of 2019 affect the increasing approximately 990,000 sf of retail space. Whereas, the completed project forecasted in Q4 2019 are approximately 670,000 sf.

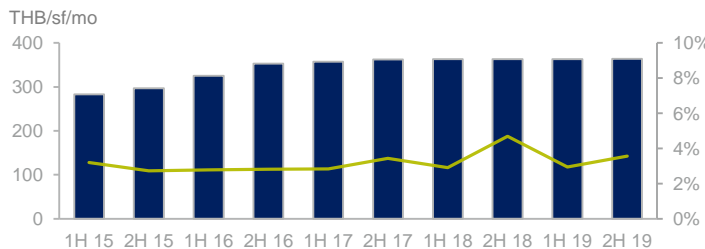
DEMAND

The tourism sector is still a major part in generating revenue and improving Thai economy. The total number of tourist was at 9.7 million people, increased by 7.2% from the last quarter due to government policy promoting the tourist sector. This was mainly attributed to the expansion in number of tourists from India (28.3%), China (17.3%), South Korea (8.6%), Japan (7.9%), and Taiwan (12.9%), respectively. However, the tourists from Europe dropped by 2.2%. The total amount of tourist revenue rose by 2.5% with the value of 738.5 billion baht from the previous quarter.

PRICING

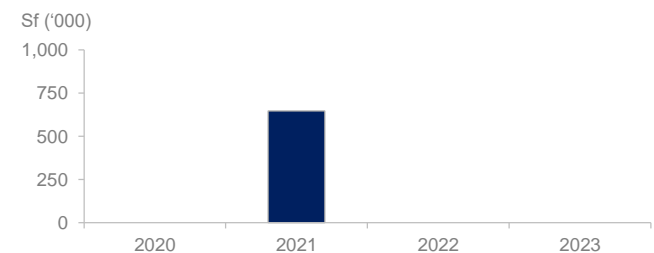
In the second half of 2019, there was no new supply added in Bangkok's Central Retail District (CRD) area. The average rental rate slightly increased to THB 364 psf/mo on the ground floor. Additionally, the overall retail market has insignificantly expanded with the vacancy rate lower than 10%.

RENT / VACANCY RATE (CRD)



Source: NEXUS

SUPPLE PIPELINE (CRD)



Source: NEXUS

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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SF)	GRADE A ASKING RENT		
				THB/SQF/MO	US\$/SF/MO	EUR/SF/MO
Siam Square	2,612,797	1.7%	-	THB 381.04	US\$ 12.63	US\$ 11.39
Ratchaprasong & Ploenchit	3,146,439	4.9%	-	THB 361.89	US\$ 28.65	US\$ 31.77
Phrom Phong	1,301,960	1.7%	645,840	THB 348.51	US\$ 12.16	US\$ 10.97
OVERALL BANGKOK CRD TOTAL	7,061,196	3.1%	645,840	THB 363.81	US\$ 29.91	US\$ 33.17

US\$/THB= 30.1710; €/THB = 33.4532

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
Samyan Mitrtown	Non-CRD Sukhumvit	House Samyan	18,292	New Lease
I'm Chinatown	Non-CRD Chroen Krung	Jetts Fitness	9,415	New Lease
Central Village	Non-CRD Suvarnabhumi	Adidas Factory Outlet	8,715	New Lease

*Renewals not included in leasing statistics

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	TENANT	SF	OWNER/DEVELOPER
The PARQ – 1 st Phase	Non-CBD Rama IV	N/A	118,404	TCC Assets
Siam Premium Outlets Bangkok	Non-CRD Bangna	N/A	398,268	Siam Piwat & Simon Property
Siam Scape	CRD Siam Square	N/A	48,140	PMCU
Bangkok Mall	Non-CRD Bangna	The Mall Department Store	861,120	The Mall Group
One Bangkok	Non-CRD Rama IV	N/A	N/A	TCC Assets & Fraser Property
Marketplace Thonglor	Non-CRD Sukhumvit	N/A	39,210	Siam Future Development
The Forestias	Non-CBD Bangna	N/A	N/A	MQDC
EmSphere (Emporium 3)	CRD Phrom Phong	N/A	645,840	The Mall Group
Silom Square	Non-CBD Silom	N/A	104,066	Nye Estate & Minor Group
One City Center	CRD Ratchaprasong & Ploenchit	N/A	40,356	Raimon Land & Mitsubishi Estate
Dusit Central Park	Non-CRD Rama IV	N/A	N/A	Central Group
Central M	CRD Ratchaprasong & Ploenchit	N/A	N/A	Central Group

*Renewals not included in leasing statistics

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