

BANGKOK RETAIL

Retail 1H 2021

-10.2%
Rent Growth



9.1%
Vacancy Rate



2.7%
Retail Sales Growth



Source: NEXUS, BOT (Bank Of Thailand)

THAI ECONOMIC INDICATORS Q1 2021

-2.6%
GDP Growth



-0.5%
Consumer Price Index (CPI) Growth



2.0%
Unemployment Rate



Source: NESDC (National Economic and Social Development Council)

Economy Contracted 2.6% in Q1 2021

Thailand's economy contracted by 2.6% in Q1 2021, an improvement on the 4.2% decline of the previous quarter. Performance was boosted by a continued increase in agricultural production, recovery of non-agricultural production, acceleration in domestic investments, rise in government consumption expenditure, and improvement in exports of goods. On a quarterly basis, gross domestic product (GDP) rose by 0.2% in the first quarter, compared to 1.1% in the fourth quarter of 2020. However, the new wave of COVID-19 infections at the end of 2020 and early April 2021 adversely impacted private consumption expenditure. The National Economic and Social Development Council (NESDC) lowered its economic growth forecast for a second time, down to 1.5-2.5% from the 2.5-3.5% forecast made in February. This compares to the 3.5-4.5% growth achieved in November last year.

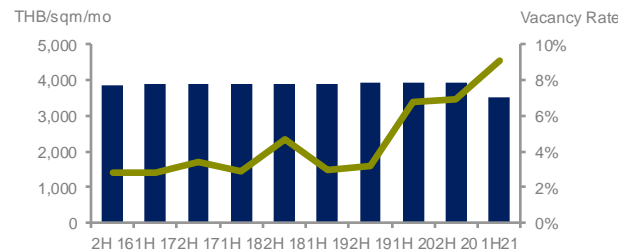
Asking Rents Dip for the First Time

Overall retail market sentiment was hit by the third wave of COVID-19 cases at the end of 2020, followed by a fourth wave starting in early April 2021. The latest outbreak has accounted for over two-thirds of Thailand's total infections and is further damaging sentiment. According to the Bank of Thailand (BOT), household debt hit an 18-year high after rising to 90.5% of GDP in Q1, while consumers' resulted spending power resulted in a drop in shopper footfall. Malls were seriously affected by social distancing measures, including domestic travel restrictions, reduced opening hours, suspended sales of non-essential items, and the closure of some rental spaces; together with collapse of inbound tourism numbers. These factors resulted in the average asking rate falling from THB3,915 to THB3,517 per sq m per month, with the occupancy rate softening to 90.9% in the quarter. It is the first time for the market to see lower asking rents from operators.

Short-Term Outlook is Challenging

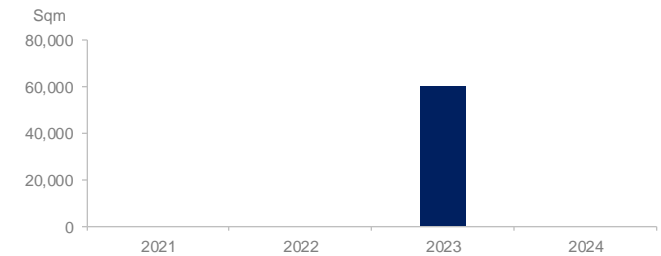
The retail market faces short-term challenges, with some tenants experiencing liquidity problems or forced to close. However, it is hoped that the market will regain ground rapidly once the COVID-19 situation eases. Rental levels should recover along with a resumption of full private sector consumption. However, retailers who shifted promptly to online sales models have reduced their physical presence in retail shopping areas. Overall growth in e-commerce will eat into demand for physical retail space, and mall operators will need to carefully manage their tenant bases.

RENT / VACANCY RATE (CRD)



Source: NEXUS

SUPPLY PIPELINE (CRD)



Source: NEXUS

BANGKOK RETAIL

Retail 1H 2021

MARKET STATISTICS

SUBMARKET	INVENTORY* (SQM)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (SQM)	GRADE A ASKING RENT		
				THB/SQM/MO	US\$/SF/MO	EUR/SQM/MO
Siam Square	242,825	2.8%	-	THB 3,825	US\$ 11.22	€101.31
Ratchaprasong & Ploenchit	292,420	16.5%	70,000	THB 3,350	US\$ 9.83	€ 88.73
Phrom Phong	121,000	4.0%	60,000	THB 3,375	US\$ 9.90	€ 89.39
OVERALL BANGKOK CRD TOTAL	656,245	9.1%	130,000	THB 3,517	US\$ 10.32	€ 93.14

* Only Grade A Shopping Center

1 US\$ = THB 31.6789; 1 € = THB 37.757

KEY LEASE TRANSACTIONS 1H 2021

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE

*Renewals not included in leasing statistics

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	TYPE	SQM	OWNER/DEVELOPER	COMPLETION
Siam Scape	CRD Siam Square	Office Plaza	4,500	PMCU	2021
Terminal 21 Rama 3	Non-CRD Rama III	Shopping Mall	43,200	LHMH	2021
Marketplace Thonglor	Non-CRD Sukhumvit	Community Mall	7,115	Siam Future Development	2022
Park Silom	Non-CBD Silom	Office Plaza	9,700	Nye Estate & Minor Group	2023
One City Center	CRD Ratchaprasong & Ploenchit	Office Plaza	4,000	Raimon Land & Mitsubishi Estate	2023
The Forestias	Non-CBD Bangna	Shopping Center	N/A	MQDC	2023
The Mall Ramkhamhaeng	Non-CRD Ramkhamhaeng	Shopping Center	N/A	The Mall Group	2023
EmSphere	CRD Phrom Phong	Shopping Center	60,000	The Mall Group	2023
One Bangkok	Non-CRD Rama IV	Shopping Center	N/A	TCC Assets & Fraser Property	2023
Bangkok Mall	Non-CRD Bangna	Shopping Center	80,000	The Mall Group	2023
101 True Digital Park Phase 2	Non-CBD Sukhumvit	Shopping Center	N/A	MQDC	2023
Dusit Central Park	Non-CRD Rama IV	Shopping Center	80,000	Central Group	2024
Central Bangkok	CRD Ratchaprasong & Ploenchit	Shopping Center	70,000	Central Group	2026

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