

# BANGKOK RETAIL

Retail 2H 2021

**3,532**  
Average Rent (THB/sqm/mo)

YoY Chg: ▼ 12-Mo. Forecast: ▲

**-9.78%**  
Rent Growth (Y-O-Y)

YoY Chg: ▼ 12-Mo. Forecast: ▲

**7.00%**  
Vacancy Rate

YoY Chg: ▼ 12-Mo. Forecast: ▼

## THAILAND ECONOMIC INDICATORS Q3 2021

**-0.30%**  
GDP Growth

YoY Chg: ▲ 12-Mo. Forecast: ▲

**0.70%**  
Inflation Growth

YoY Chg: ▲ 12-Mo. Forecast: ▼

**40.6**  
Consumer Confidence Index

YoY Chg: ▼ 12-Mo. Forecast: ▲

Source: NESDC (National Economic and Social Development Council)

## Thailand's GDP Fell by 0.30% on Annual Basis in Q3

The Thai economy contracted by 0.30% y-o-y in Q3, compared to the 7.60% expansion seen in Q2, primarily due to the impact of the ongoing wave of new COVID-19 cases. The inflation rate dropped to 0.70% y-o-y in Q3, compared to 2.36% y-o-y in Q2. The Consumer Confidence Index dropped to 40.6 in Q3, down from 44.6 in the previous quarter.

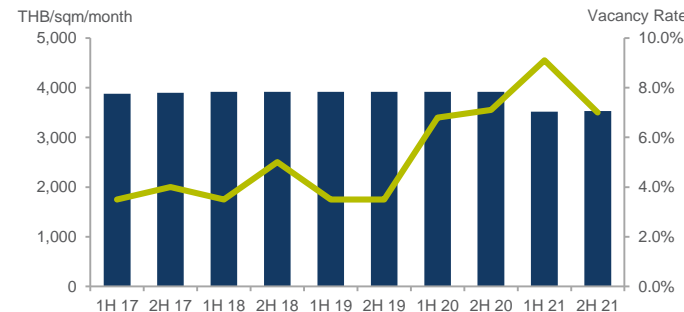
## Bangkok Retail Market Remains Sluggish Despite Resumption of Businesses

The government eased business lockdown measures, in place in the capital and provinces since mid-July, in the third quarter. Bangkok shopping malls resumed operations from September 1. However, the retail market has remained sluggish in 2H. Total Grade A retail stock in Central Retail District (CRD) locations was recorded at 916,893 sq m in 2H. Onsite retail space at the Siam Scape project completed, adding a net lettable area of 4,651 sq m to the CRD market. The overall vacancy rate dropped slightly y-o-y, from 7.10% in 2H 2020 to 7.00% in 2H 2021. A total of 193,556 sq m of retail space is currently under construction and scheduled to be launched into the CRD market between 2022 and 2025. The largest retail development in the pipeline is the Central Embassy 2 project, which will bring 120,000 sq m of retail space to the Ratchaprasong & Ploenchit submarket. The mall is expected to be completed in 2H 2025. Average asking rent for retail property stood at THB3,532 per sq m per month in 2H 2021, down 9.78% h-o-h from THB3,915 in 1H. A number of tenants were able to negotiate short term rental discounts of up to 50% during the COVID-19 lockdown period, with landlords demonstrating flexibility regarding lease term lengths and rental levels.

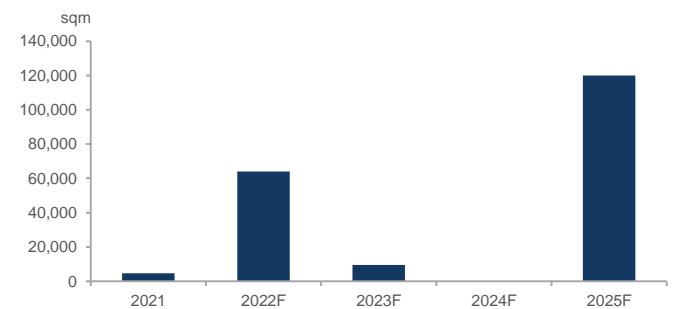
## Drawn-Out Retail Recovery Expected

The COVID-19 situation has had a significant impact on Thailand's economy and specifically the retail sector. The retail industry has been largely driven by economic growth and rising purchasing power. Recovery is now expected to be drawn-out, given the key risks and uncertainties that remain around COVID-19 and the economic fallout. Thailand reopened its borders for quarantine-free access to fully vaccinated travelers from 63 countries and territories on November 1. But with tight controls remaining on international tourism, the retail market will need to be supported by higher domestic consumption of retail goods and services. Retail leasing demand is expected to gradually pick up over the course of 2022, and, despite the challenging environment, retail project expansion is expected to proceed, especially in Central Retail District (CRD) locations.

## RENT / VACANCY RATE (CRD)



## SUPPLY PIPELINE (CRD)



## BANGKOK RETAIL

Retail 2H 2021

## MARKET STATISTICS

SUBMARKET	INVENTORY <sup>1</sup> (SQM)	DIRECT VACANT (SQM)	VACANCY RATE	UNDER CONSTRUCTION (SQM)	AVERAGE GRADE A ASKING RENT	
					THB / SQM / MO	US\$ / SF / MO <sup>2</sup>
Siam	374,884	26,242	7.0%	9,556	3,320	\$9.40
Ratchaprasong & Ploenchit	417,009	35,446	8.5%	124,000	3,525	\$9.98
Phrom Phong	125,000	6,875	5.5%	60,000	3,750	\$10.62
<b>OVERALL BANGKOK CRD TOTAL</b>	<b>916,893</b>	<b>68,563</b>	<b>7.0%</b>	<b>193,556</b>	<b>3,532</b>	<b>\$10.00</b>

## Remark:

1. Only Grade A Retail Project
2. US\$/THB 32.809

## KEY RETAIL PROJECTS COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	FORMAT	DEVELOPER	AREA (SQM)	COMPLETION DATE
The Nine Center Tiwanon	Suburban	Community Mall	MBK Group	12,021	1H 2021
Siam Scape	Central Retail District (CRD)	Onsite Retail	Chulalongkorn University	4,651	2H 2021
Terminal 21 Rama 3	CRD Fringe	Shopping Mall	LH Mall & Hotel	40,000	2H 2021

## RETAIL PROJECTS UNDER DEVELOPMENT

PROPERTY	SUBMARKET	FORMAT	DEVELOPER	AREA (SQM)	COMPLETION DATE
EmSphere	Central Retail District (CRD)	Shopping Mall	The Mall Group	60,000	2H 2022
Market place Thonglor	CRD Fringe	Community Mall	Siam Future Development	5,000	2H 2022
Park Silom	CRD Fringe	Onsite Retail	Nye Estate & Minor Group	9,700	2H 2022
One City Center	Central Retail District (CRD)	Onsite Retail	Raimon Land & Mitsubishi Estate	4,000	2H 2022
Block A at Siam Square	Central Retail District (CRD)	Shopping Mall	Central Group	9,556	1H 2023
One Bangkok	CRD Fringe	Shopping Mall	TCC Assets & Fraser Property	180,000	2H 2023
Dusit Central Park	CRD Fringe	Shopping Mall	Central Group	80,000	2H 2023
Bangkok Mall	Suburban	Shopping Mall	The Mall Group	80,000	2H 2024
Central Embassy 2	Central Retail District (CRD)	Shopping Mall	Central Group	120,000	2H 2025
TCC Verngnakornkhasem	CRD Fringe	Onsite Retail	TCC Group	25,202	1H 2027
Mega Rangsit	Suburban	Department Store	Central Group	N/A	N/A
Central M	Suburban	Department Store	Central Group	N/A	N/A
Asiatique 2	CRD Fringe	Community Mall	TCC Group	N/A	N/A

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