

BANGKOK RETAIL

Retail 1H 2023

3,543

Average Rent (THB/sqm/mo)

HoH
Chg12-Mo.
Forecast

0.31%

Rental Growth (H-O-H)

4.46%

Vacancy Rate

THAILAND ECONOMIC INDICATORS
Q1 2023

2.7%

GDP Growth

YoY
Chg12-Mo.
Forecast

3.88%

Inflation Growth

1.05%

Unemployment Rate

Source: NESDC (National Economic and Social Development Council)

Thailand's GDP Growth Rate Continues to Expand

Thailand's economy expanded by 2.7% in Q1 2023, up from a rise of 1.4% in Q4 2022. This was mainly attributable to continued expansion of the services sector stemming from the tourism industry recovery, growing private consumption, and a decelerated rate of inflation. Thailand's economic growth projections for 2023 now range from 2.7% to 3.7%, owing to the recovery of the tourism sector, rise of private consumption, and expansion in both private and public investments. Exports are expected to recover gradually. The inflation rate in Q1 2023 fell to 3.88%, down from 5.81% in Q4 2022. The unemployment rate dropped to 1.05% in Q1 2023, down from 1.15% in Q4 2022. The central bank raised the policy rate by 0.25 percentage points from 1.75% to 2%, bringing the key policy rate to its highest level since 2015.

Bangkok Retail Market Sustains Improvement

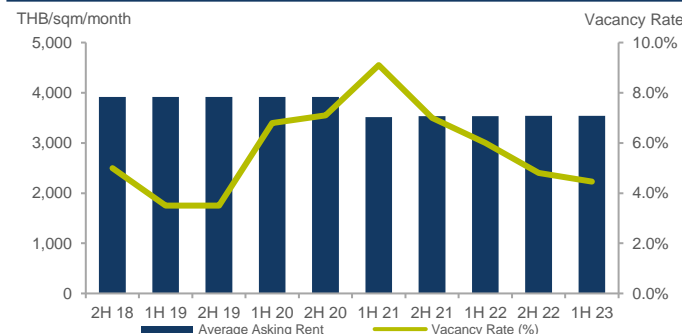
Bangkok's retail market continued to improve during 1H 2023, driven by growing demand from domestic and foreign consumers. Thailand's consumer confidence index reached a 3-year high at 55 points in April 2023, benefiting from the rebound in tourism and lower fuel prices, which have eased consumers' cost of living concerns and boosted purchasing power. The general election has also raised hopes of political stability.

Total Grade A retail stock in Central Retail District (CRD) locations remained stable at 926,218 sq m in 1H 2023. On an annual basis, the inventory grew by 1.02%. Retail demand in existing shopping malls in prime CRD areas gradually picked up. The overall vacancy rate dropped to 4.46% in the first half of 2023, continuing its downward trajectory from 4.82% in 2H 2022 and 6.0% in 1H 2022. The average asking rental rate remained unchanged at THB3,543 per sq m per month in 1H 2023, compared to 2H 2022. However, on an annual basis, rents have risen 0.31%.

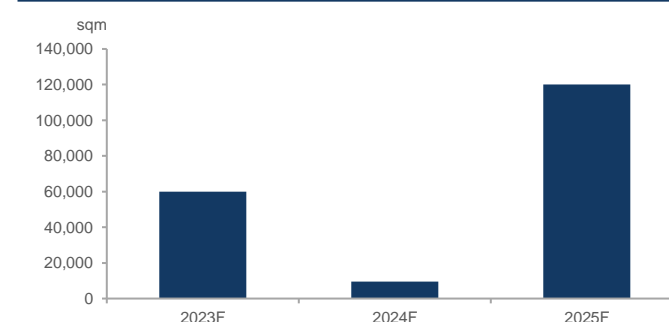
New Retail Supply Influx Scheduled Ahead

A batch of new retail properties are scheduled to enter the citywide market in the coming period. Total supply of 552,758 sq m across seven projects is now under construction and targeted to complete during 2023-2025. Of this volume, 189,556 sq m or 34% of the total will be in the prime CRD market. The 60,000 sq m EmSphere mall is slated to enter the prime CBD retail market in 2H 2023, with overall vacancy then expected to rise. In the coming 12 months, retail rental rates are forecast to remain stable. However, retail businesses do remain concerned about a slowing economic recovery, high inflation rates, and reduced real consumer spending power from both domestic consumers and tourists.

RENT / VACANCY RATE (CRD)



SUPPLY PIPELINE (CRD)



BANGKOK RETAIL

Retail 1H 2023



CUSHMAN & WAKEFIELD

MARKET STATISTICS

SUBMARKET	INVENTORY* (SQM)	DIRECT VACANT (SQM)	VACANCY RATE (%)	UNDER CONSTRUCTION (SQM)	AVERAGE GRADE A ASKING RENT	
					THB / SQM / MO	US\$ / SF / MO
Siam	374,884	9,297	2.48%	9,556	3,329	\$8.88
Ratchaprasong & Ploenchit	421,009	17,219	5.79%	120,000	3,550	\$9.47
Phrom Phong	130,325	8,254	6.34%	60,000	3,750	\$10.00
OVERALL BANGKOK CRD TOTAL	926,218	34,770	4.53%	189,556	3,543	\$9.45

Remark:

1. Only Grade A Retail Project
2. 1 US\$/THB 34.826 as of 15th June 2023

KEY RETAIL PROJECTS COMPLETIONS YTD 2023

PROPERTY	MARKET	FORMAT	DEVELOPER	AREA (SQM)	COMPLETION DATE
AIA East Gateway	Suburban	Onsite Retail	AIA	10,000	1H 2023

RETAIL PROJECTS UNDER DEVELOPMENT

PROPERTY	MARKET	FORMAT	DEVELOPER	AREA (SQM)	COMPLETION DATE
EmSphere	Central Retail District (CRD)	Shopping Mall	The Mall Group	60,000	2023 2H
Block A at Siam Square	Central Retail District (CRD)	Shopping Mall	Central Group	9,556	2024 2H
Bangkok Mall	Suburban	Shopping Mall	The Mall Group	80,000	2024 2H
Dusit Central Park	CRD Fringe	Shopping Mall	Central Group	80,000	2025 1H
One Bangkok	CRD Fringe	Shopping Mall	TCC Assets & Fraser Property	180,000	2025 1H
Central Embassy 2	Central Retail District (CRD)	Shopping Mall	Central Group	120,000	2025 2H
TCC Verngnakornkhasem	CRD Fringe	Onsite Retail	TCC Group	25,202	2027 1H

SARAWUT TIKHACHON

Senior Market Analyst
Thailand

+66 2168 3101

sarawut.tik@cushwake.com

GARETH MICHAEL POWELL

Senior Director & Country Head
Thailand

+66 2168 3101 (Ext. 110)

gareth.powell@cushwake.comcushmanwakefield.com

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