

MARKETBEAT RETAIL SNAPSHOT

BANGKOK, THAILAND

MARKET OVERVIEW

BANGKOK RETAIL MARKET

Economic Indicators

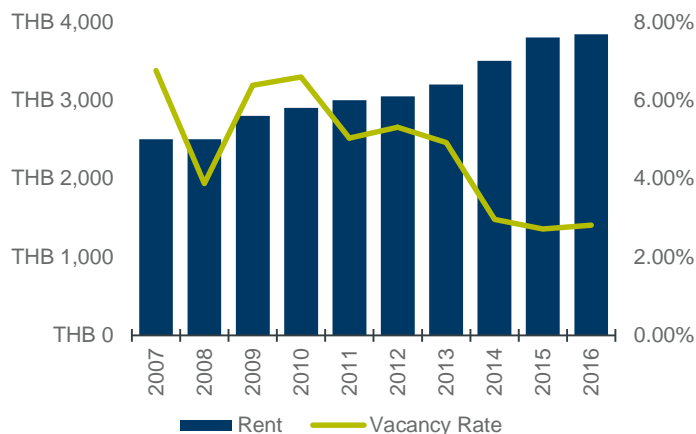
	2015	Q3 16	12-Month Forecast
GDP Growth	2.8%	3.2%	▲
CPI Growth	1.9%	0.3%	■
Private Expenditure	2.1%	1.8%	■
Government Expenditure	2.2%	1.0%	■

Source: NESDB, Bank of Thailand

Prime Rent

	H1 16 psqm/mo.	H2 16 psqm/mo.	12-Month Forecast
Overall Rent	THB3,840	THB3,850	▲
Vacancy Rate	2.78%	2.81%	■

Overall Rent and Vacancy Rate



Economy

According to the National Economic and Social Development Board (NESDB), GDP in the third quarter of 2016 grew by 3.2 percent, continuing from 3.5 percent in the previous quarter. This economic growth was from the expansion of household consumption, public investment, and the export of goods and services. On the production side, hotel and restaurant sector accelerated while transportation, construction, wholesale and retail trade, and manufacturing sectors continued to grow. Also, the agricultural sector expanded for the first time in past eight quarters. On the other hand, the government spending declined after expedited disbursement in earlier period.

In 2017, Thai economy is expected to continually improve, owing to the recovery of the export sector, the stronger expansion of agricultural production, the growth contribution from public investment expansion, and the growth in tourism sector. However, the risks from the volatility in global economy and financial system should be closely monitored.

Market Overview

There was no new supply in Bangkok Center Retail District (CRD) in second half of 2016, supply in CRD stood at 649,545 million square meter (sqm). The Average rental rate was THB3,850 per square meter per month (psqm/mo), slightly increased from the same period of last year by 1.32%. The occupancy rate in Bangkok CRD was 97%. For overall Bangkok retail market, the total supply stood at 5,620,333 sqm, increased by 2.26% from the same period of last year.

Outlook

For E-commerce market is rapidly expanding due to big retailers such as Central, The Mall, Tesco Lotus and etc. tend to expand their business through online shopping. According to Kasikorn Bank, in 2016, Thailand's online trade was expected to reach THB240 billion, increased by 20% from THB200 billion in 2014.

For short-term measure to boost domestic consumption, government has approved shopping break tax of each individual taxpayer to deduct, up to THB15,000/person, of domestic purchases of goods and services during December 15-31, 2016 from personal income tax. it is expected around two million taxpayers would spend around THB20 billion.

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