



**SUPPLY**  
+3.45% y-o-y



**DEMAND (OCCUPANCY)**  
-2.33% y-o-y



**RETAIL SALES INDEX**  
-10.16% y-o-y

## RETAIL SALES SLOW DOWN

### Quarterly highlights

- In Q1 2014, ten new retail centres were opened in Bangkok, increasing the retail supply to 6,396,971 sq.m.
- Overall, the occupancy rate was 95%, slightly decreasing by 1.2 percentage points Q-o-Q and 2.3 percentage points Y-o-Y.
- Some landlords had to discount rents in CBD stores that were affected by the protests. Community malls' rental rates were still flat where the success rate was mixed.
- In March 2014, Thailand's Consumer Confidence Index (CCI) declined to 68.8, compared to the average of 75.0 in Q4 2013. The Retail Sales Index fell to 204.96 in January 2014, decreasing by 10.16% Y-o-Y.

The combination of a weaker economy, high consumer debt and low confidence because of the political uncertainty has hit retail sales.

The retail sales index for January 2014 fell by about 10% Y-o-Y. There a drop in private consumption and in consumer confidence. Tourist arrivals fell by 3.4% fall Y-o-Y and Bangkok arrivals fell significantly more.

Despite the weak market developers continued with expansion plans with The Central Group scheduled to open Central Embassy their downtown flagship luxury store in May 2014 and The Mall group targeting a Q4 opening date for their new EmQuartier luxury mall.

CBRE believe that new CBD developments will make Bangkok a regional shopping centre.

There are more than 15 existing major shopping centres in the Ploenchit and Sukhumvit areas with a total lettable area of more than 750,000 square metres or approximately 15% of the total shopping mall and department store supply in Bangkok.

The new developments including Central Embassy (opening on 8 May 2014), The EmQuartier (opening in Q4 2014) and The EmSphere will add another 120,000 square metres of supply to this location.

Developers are planning large scale projects in suburban and upcountry areas. CPN started work on two more new projects in Q1 2014 including CentralFestival East Ville on Ekamai-Raminda Road and CentralPlaza in Nakhon Ratchasima.

The Mall Group plans to develop three new projects in upcountry areas: BluPort Hua Hin Resort Mall, BluPearl in Phuket and the expansion of The Mall Korat in Nakhon Ratchasima.

Siam Future Development Plc. plans to develop Mega Rangsit on 1,000-rai (395.3 acres) site (JV with Ikano and Thai Vanasiri) which will probably house Thailand's second IKEA store.

Figure 1: Thailand's Retail Sales Index, Oct 2005 – Jan 2014\*

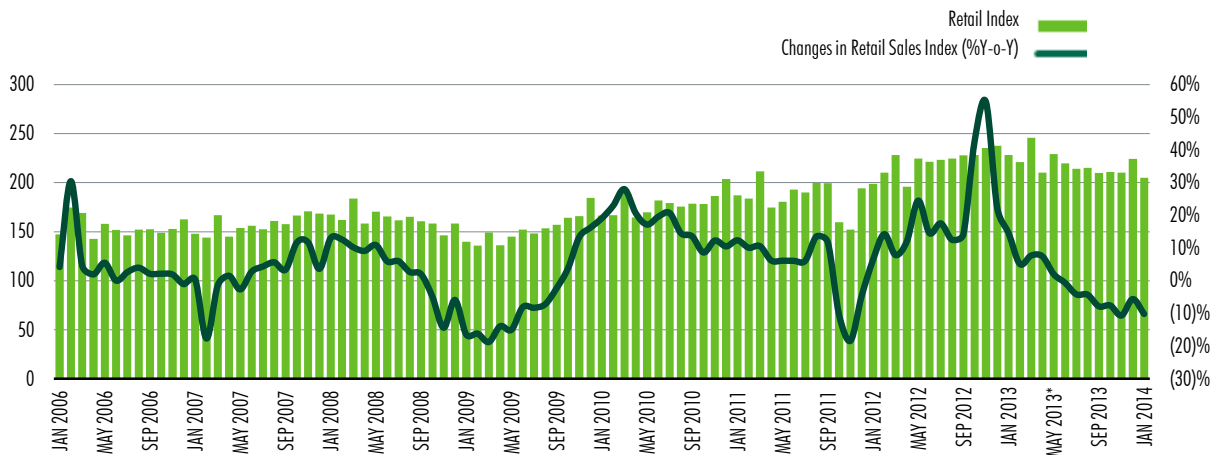


Figure 2: Total Supply, Demand and Vacancy by Area, Q1 2014

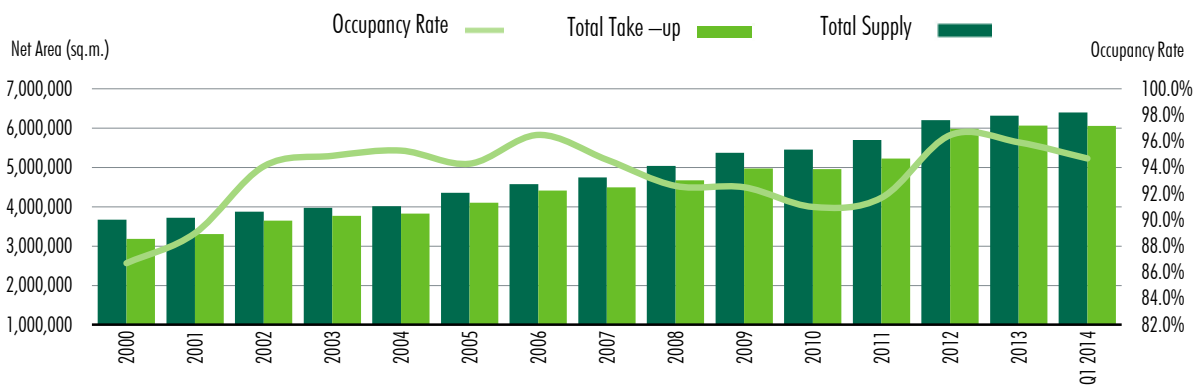
	Total Market	Downtown	Midtown	Suburbs
Total Supply	6.40 million	1.33 million	2.19 million	2.88 million
Total Take -Up	6.06 million	1.24 million	2.08 million	2.79 million
Total Vacancy	0.34 million	0.09 million	0.11 million	0.14 million
% Vacant	5.3 %	6.8 %	5.2 %	4.7 %

Source: CBRE Research

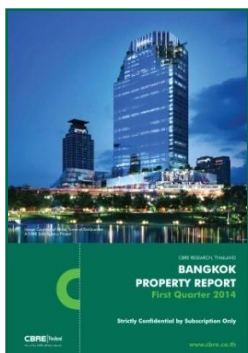
Based on shopping mall and department store projects that have been announced, an additional 1.1 million sq.m. will be completed within the next few years.

Of this, 700,000 sq.m. is expected to be completed by the end of 2014, bringing the total retail supply to 7.1 million sq.m.

Figure 3: Bangkok Retail Market, Q1 2014



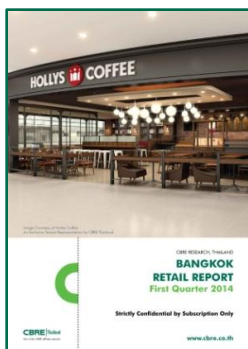
The overall occupancy rate of Bangkok retail properties in Q1 2014 stayed at 94.7%, decreasing by 1.23% Q-o-Q or 2.33% from Q1 2013.



## Bangkok Property Report

The Bangkok Property Report, now in its 16<sup>th</sup> year, is CBRE Thailand's flagship quarterly subscription publication, with data from a tried and tested database reinforcing its reputation as Bangkok's definitive property sector source.

The Bangkok Property Report provides in-depth analysis of the Bangkok real estate market, including property supply and demand, occupancy, take-up, prices, rental trends and other indicators.



## Bangkok Retail Report

The CBRE's Bangkok Retail Report provides the most up-to-date data and in-depth analysis built on CBRE's comprehensive database and unrivaled experience in the retail market in Thailand – available now in a quarterly format.

It provides a one-stop access to CBRE's market-leading data and analysis enabling timely, informed decision-making on management, development and investment strategies in the Bangkok retail market, and offering subscribers a tactical edge.

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This report was prepared by the CBRE Thailand Research Team, which forms part of CBRE Global Research and Consulting—a network of preeminent researchers and consultants who collaborate to provide real estate market research, econometric forecasting and consulting solutions to real estate investors and occupiers around the globe.

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