



**SUPPLY**  
+1.55% y-o-y



**DEMAND (OCCUPANCY)**  
-2.38% y-o-y



**RETAIL SALES INDEX**  
-6.19% y-o-y

## RETAIL SALES ARE EXPECTING AN IMPROVEMENT IN THE SECOND HALF OF THIS YEAR

### Quarterly highlights

- In Q2 2014, five new retail centres were opened in Bangkok, increasing the retail supply to 6.5 million sq.m.
- International brands continue to expand in prime retail developments. In Q2 2014, more than 40 international brands were opened at Central Embassy such as Chanel, Christian Louboutin, Gucci, Hermes and Prada.
- Overall, the occupancy rate was 94%, slightly decreasing by 0.5 percentage points Q-o-Q and 2.4 percentage points Y-o-Y.
- The Retail Sales Index was 197.37 in April 2014, decreasing by 5.94% Y-o-Y.
- In June 2014, Thailand's Consumer Confidence Index (CCI) rose to 75.1, compared to the average of 70.1 in Q1 2014.

Retail sales have been hit by the political turmoil in the first half of the year affecting both local and tourist spending which has been combined with a slowdown in domestic consumption due to high levels of personal debt.

Retail performance in the second half of the year depends on a recovery in domestic consumer confidence and spending and for Bangkok a return of tourists.

Consumer confidence is recovering but consumer debt is not going to evaporate overnight and it will take time for people to pay off debt to a level where they can resume previous spending levels.

Historically tourist numbers have bounced back from every negative event, Thailand and Bangkok as destination is now heavily reliant on the Chinese feeder market which last year accounted 17.6% of arrivals.

Chinese arrivals have fallen by 27.2% this year. Tourist retail sales will depend heavily on whether and when Chinese arrival numbers will recover.

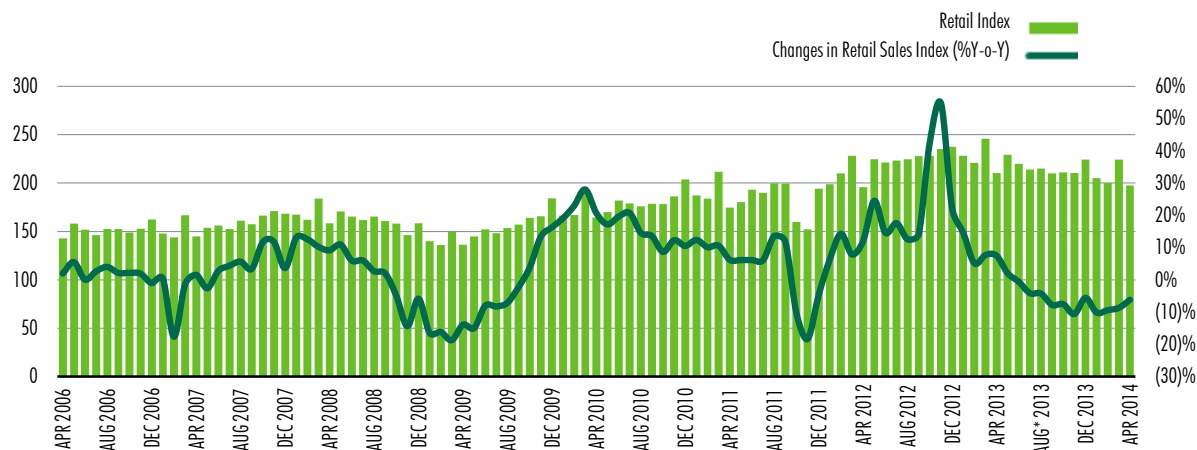
Despite the weak market there was continued growth of prime retail developments in the CBD area with the opening of the Central Embassy on Ploenchit Road in May 2014 and the construction of two large developments, The Emquartier and The Emsphere on Sukhumvit Road.

Major developers are planning large scale projects in midtown and suburban areas. The Mall Group announced a new project, called "Bangkok Mall" on Bangna Trad Road (K.m. 1).

Siam Piwat announced a joint venture with Magnolia and the CP Group to build a riverside project, called Icon Siam on a 50-rai (19.68 acres) land plot on Charoen Nakorn Road.

CPN is expected to open Central Plaza Salaya in August 2014 and now developing two more shopping centers in Bangkok's suburban areas called CentralWestGate at the Bang Yai intersection (Q2 2015) and CentralFestival East Ville at Ekamai-Ramindra Road (Q4 2015).

Figure 1: Thailand's Retail Sales Index, Apr 2006 – Apr 2014\*



Remarks: \*The index of October 2013 is forecast data (by BOT)

Source: Bank of Thailand

Figure 2: Total Supply, Demand and Vacancy by Area, Q2 2014

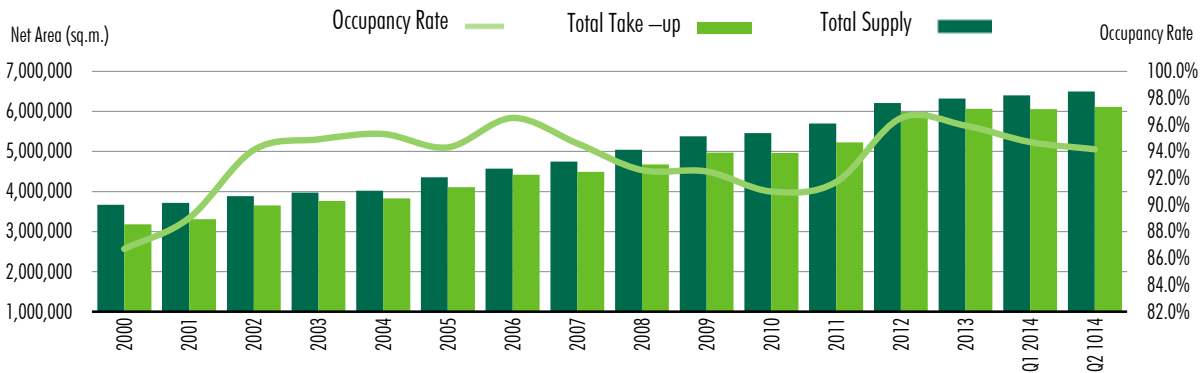
	Total Market	Downtown	Midtown	Suburbs
Total Supply	6.5 million	1.4 million	2.2 million	2.9 million
Total Take -Up	6.1 million	1.3 million	2.0 million	2.8 million
Total Vacancy	0.4 million	0.1 million	0.2 million	0.1 million
% Vacant	5.8 %	9.2 %	5.5 %	4.4 %

Source: CBRE Research

Based on shopping mall and department store projects that have been announced, an additional 1.6 million sq.m. will be completed within the next few years.

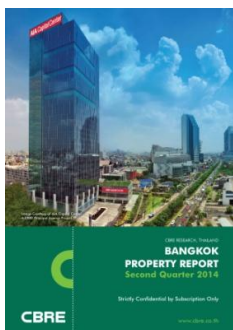
Of this, approximately 500,000 sq.m. is expected to be completed by the end of 2014, bringing the total retail supply to 7 million sq.m.

Figure 3: Bangkok Retail Market, Q2 2014



Source: CBRE Research

The overall occupancy rate of Bangkok retail properties in Q2 2014 stayed at 94.16%, decreasing by 0.5% Q-o-Q or 2.4% from Q2 2013.



## Bangkok Property Report

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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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