

Bangkok Retail Market



1H 2024

An overview review of Bangkok's Retail Market in 1H 2024
by Knight Frank Thailand

knightfrank.co.th/research

- The Bangkok shopping centre business in Thailand is experiencing significant recovery, buoyed by the steady influx of international tourists. Projections for 2024 estimate a total of 35.99 million foreign visitors, approximately 88% of the pre-COVID-19 levels seen in 2019.

BANGKOK SHOPPING CENTRE BUSINESS 1H 2024

3.2M

SUPPLY (sq m)

+4% Q-o-Q
120,000 sq m.

+31%

PROFIT

4,400 Million Baht
+34% Y-o-Y

+1%-3%

RENTAL GROWTH

New Contract

SOURCE: KNIGHT FRANK THAILAND RESEARCH

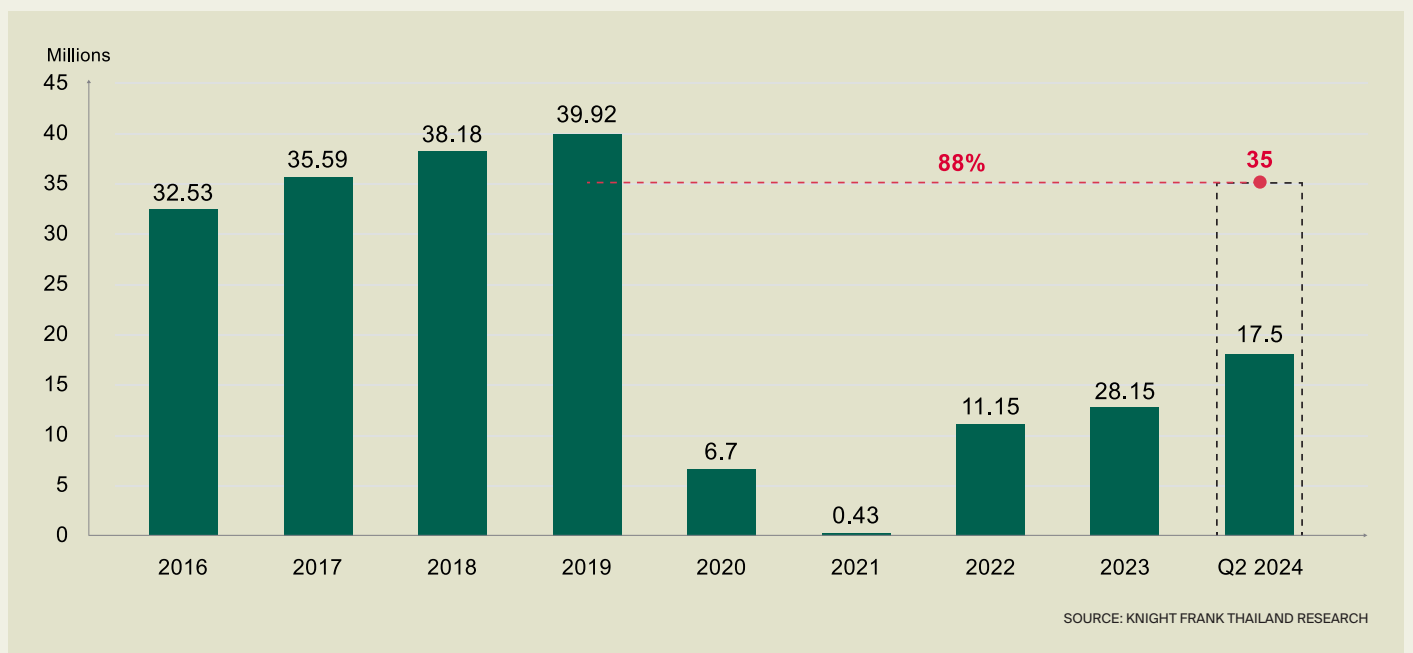
Retail supply has increased by 4% compared to the end of last year, mainly due to the gradual market entry of projects like One Bangkok. From 2024 onwards, large-scale township developments, such as Dusit Central Park and The Forestias, are expected to enter the market progressively. These projects play a vital role in attracting multinational companies to invest in Thailand.

In Q1 2024, Bangkok shopping centre operators reported a 25% increase in revenue and a 31% rise in profit. Key drivers included the hardline goods, food, and fashion sectors.

The Bangkok shopping centre sector is expected to maintain growth in both supply and demand towards the end of 2024, driven by sustained international tourist arrivals. This period will also see the launch of major township projects like One Bangkok and Dusit Central Park. These developments are well-positioned to support increased consumption by foreign residents and business travelers, benefiting from Thailand's rising role as a hub for data center investments.

Foreign Tourist Forecast : 88% Recovery in 2024

By mid-2024, Thailand had welcomed 17.5 million international tourists, with the largest groups being from China (3.43 million), Malaysia (2.43 million), and India (1.04 million). The Tourism Authority of Thailand forecasts a total of 35.99 million foreign visitors by year-end, representing 88% of the 2019 levels.



TOP 5 FOREIGN ARRIVALS FROM JANUARY-MAY 2024

1		China	3,439,482
2		Malaysia	2,435,960
3		India	1,040,069
4		South Korea	934,983
5		Russia	920,989

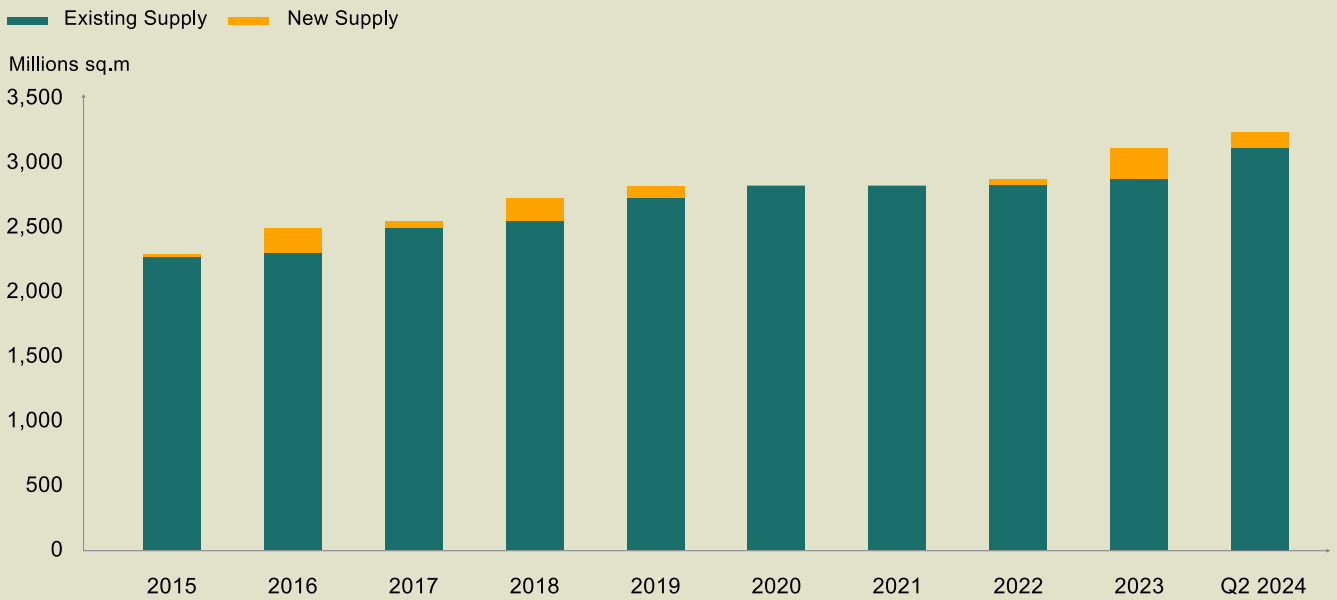
SOURCE: MINISTRY OF TOURISM AND SPORTS

Retail Supply Growth : 4% Increase in 2024

As of mid-2024, Bangkok's total shopping mall retail space reached approximately 3.2 million square meters, a 4% year-on-year increase, primarily driven by One Bangkok. Additionally, supporting retail in mixed-use projects contributed approximately 820,000 square meters, with new entrants like Gaysorn Village adding to the supply.



TOTAL SUPPLY IN BANGKOK FROM 2015 - Q2 2024



SOURCE: KNIGHT FRANK THAILAND RESEARCH

Large-Scale Township Projects Attract International Investments

Starting in 2024, large-scale township projects such as One Bangkok, Dusit Central Park, and The Forestias will roll out. These projects are designed to attract international firms by offering comprehensive environments for work, leisure, and living. The growing interest from global companies to establish data centers in Thailand has further boosted investment. Notable commitments include:



GOOGLE

Plans to invest \$1 billion (approx. THB 35 billion), expected to create 14,000 jobs between 2025 and 2029.



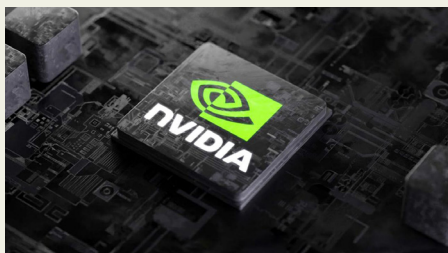
AMAZON / AWS

Announced a \$5 billion (approx. THB 190 billion) investment to launch AWS Thailand Region in early 2025, with a target of training over 100,000 Thais in cloud skills by 2026.



MICROSOFT

Intends to establish data centers in Thailand, focusing on AI skill development for over 100,000 Thais through initiatives like AI Skill for the AI-enabled Tourism Industry and AI Odyssey.



NVIDIA

Plans to invest in data centers and is set to visit Thailand in December 2024.



EQUINIX

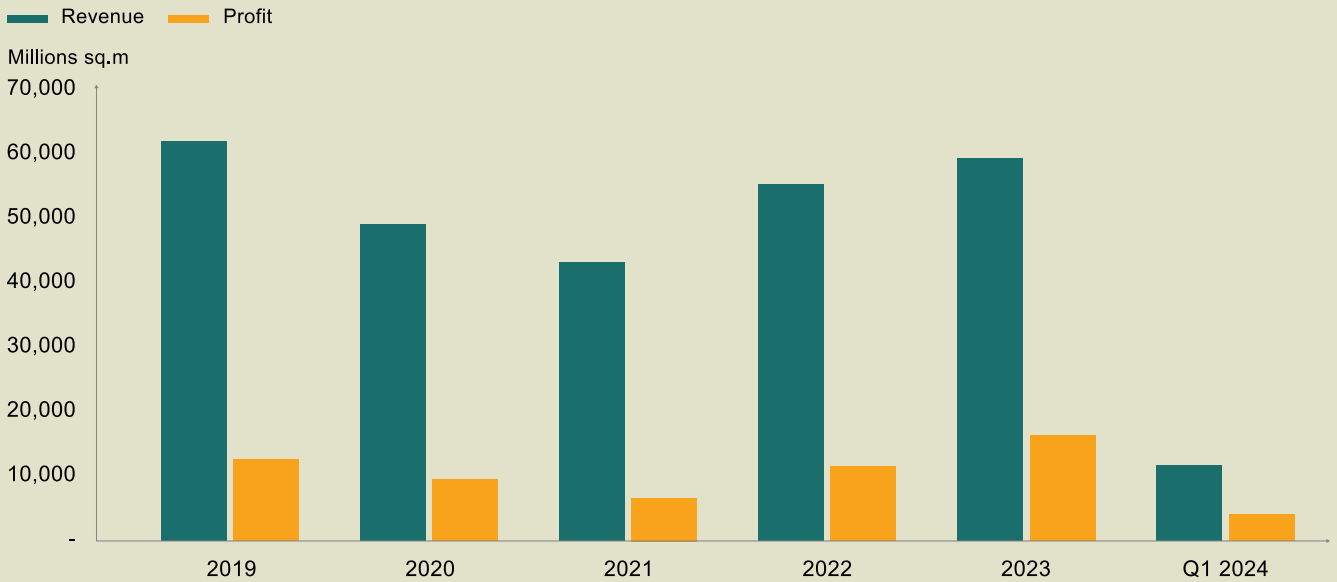
A leading U.S.-based data center provider, committed to investing THB 16.5 billion over the next decade.

Significant Revenue and Profit Growth in the Shopping Mall Sector

Major Bangkok shopping centre operators reported a 25% revenue increase and a 31% profit boost in Q1 2024, with food and fashion sectors contributing 8% to total revenue. Profit margins rose by 5-9%, driven by the hardline goods, food, and fashion segments. With strong footfall from both local and international visitors, rental rates have risen by 1-3% for new contracts, while some malls have expanded their retail spaces to accommodate increasing demand.



REVENUE AND PROFIT OF LEADING SHOPPING CENTERS FROM 2019 - Q1 2024



SOURCE: KNIGHT FRANK THAILAND RESEARCH

Future Trends

► Bangkok shopping centre sector is expected to experience continuous growth in both supply and demand, driven by a significant increase in international tourists during the New Year season. This surge in traffic is boosting shopping mall revenues, both through Gross Profit and Fixed Rent leasing models. Additionally, the gradual launch of major projects like One Bangkok and Dusit Central Park, which will initially focus on hotel spaces before expanding to residential and retail areas in the following year, is set to stimulate consumption among foreign visitors, particularly business travelers and long-term expatriates. Global investments in data centers by leading international companies further strengthen the sector, providing a critical boost to the expansion of mall patronage.



We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



Phanom Kanjanathiemthao
Chairman
+66 (0) 2 643 8223 Ext 124
phanom.kanjanathiemthao@th.knightfrank.com



Nattha Kahapana
Managing Director
+66 (0)2643 8223 Ext 300
nattha.kahapana@th.knightfrank.com



Sunchai Kooakachai
Director, Head of Research and Advisory
+66 (0)2643 8223 Ext 188
sunchai.kooakachai@th.knightfrank.com



Ekkarach Tangsukkasemsan
Senior Manager
+66 (0)2643 8223 Ext 180
ekkarach.tangsukkasemsan@th.knightfrank.com



Knight Frank Thailand Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: © Knight Frank Thailand 2021. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank Thailand for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank Thailand in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank Thailand to the form and content within which it appears. Our registered office is 33/4, The 9th Towers, Grand Rama 9, Tower A, 31st Fl., Unit No. TNA 01-04 Rama 9 Road, Huaykwang District, Bangkok 10310 Thailand.