

Bangkok Retail Market

H1 2025

An overview review of Bangkok's Retail Market in H1 2025
by Knight Frank Thailandknightfrank.co.th/research

► In 2025, despite pressures from subdued consumer spending, high household debt, and economic and political uncertainties, Bangkok's shopping centers continue to demonstrate strong growth, with total retail stock reaching **8 million sq.m.** The sector achieved **+9% YoY revenue growth in 2024** and is expected to maintain similar momentum in 2025. Key drivers include the rebound in tourism (**35.5 million arrivals generating THB 1.8 trillion**), expansion of mixed-use developments, integration of health and beauty services, omnichannel strategies, tenant partnerships, and robust **REIT structures**. Together, these factors highlight the resilience and long-term value creation of Thailand's shopping center sector.

“The resilience of Bangkok's shopping centers highlights their ability to adapt to shifting consumer patterns and economic challenges. Supported by tourism recovery, mixed-use expansion, and digital integration, the sector remains a key driver of growth in Thailand's commercial property market.”

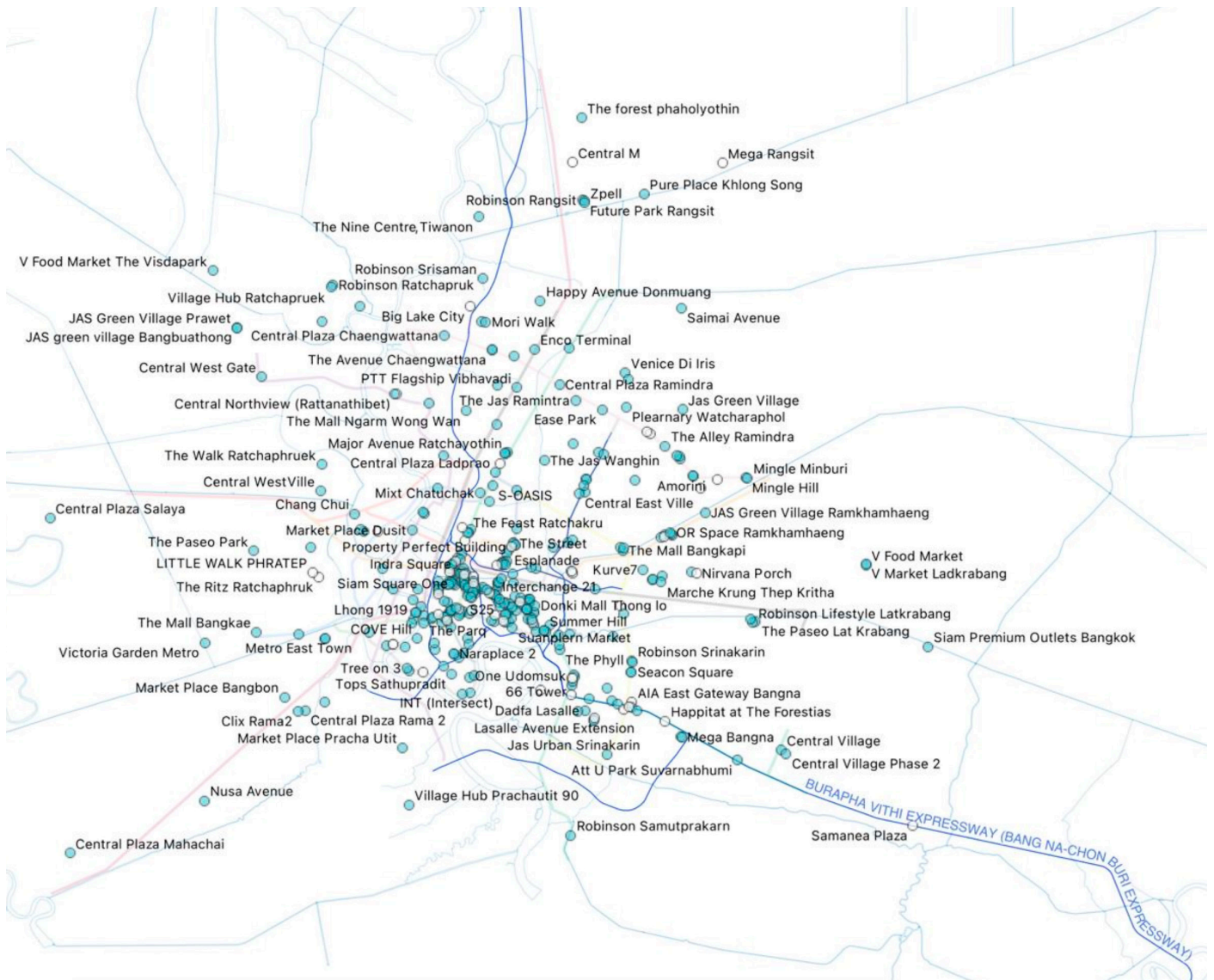


Mr. Nattha Kahapana
Managing Director
Knight Frank Thailand



How 6 Strategic Factors Drive Shopping Center Success Despite Industry Headwinds

A map showing the locations of shopping center projects throughout Bangkok and its vicinity that are already open and have plans.



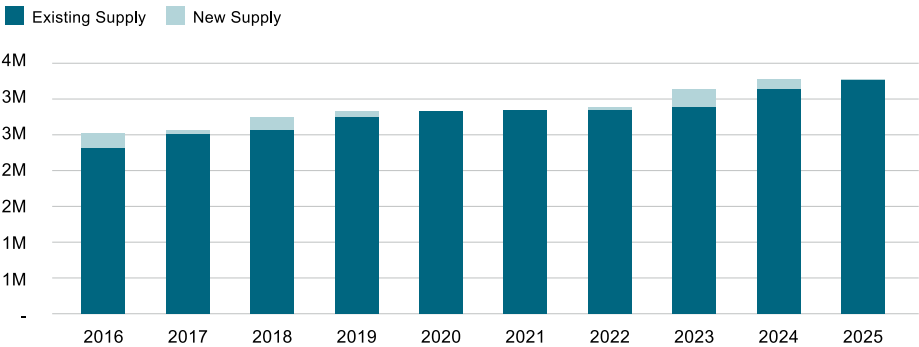
SOURCE : Knight Frank Thailand Research and Consultancy

As of mid-2025, the total retail-mall stock in Bangkok stands at approximately eight million square meters. Focusing specifically on the city's central and inner-suburban districts-the area covered in our study-total mall space reached 3.2 million square meters this quarter, representing an addition of 18,000 square meters compared with the previous quarter. This increase is due to the launch of two new community mall projects: King Square Complex on Rama III Road and Town Hall in the Phrom Phong area.

Overall, despite widespread market pressures, well-positioned shopping centers continue to expand their footprint and attract both retailers and consumers, underscoring the sector's unique ability to navigate a challenging real estate environment.

Supply of Shopping Center Floor Area in Bangkok's Central and Inner-City Districts, 2016-2025

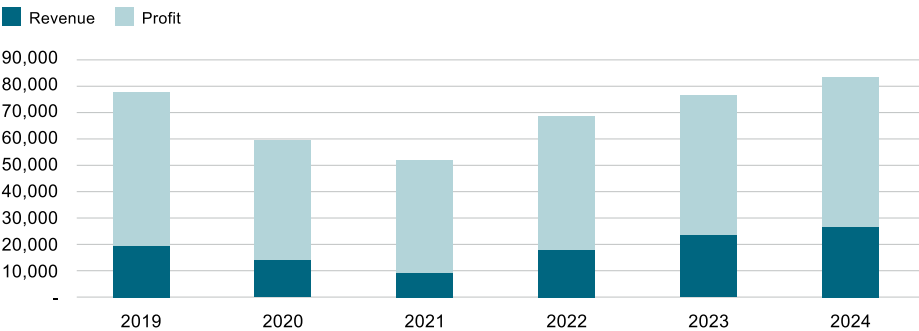
Thai Baht (Millions)



SOURCE : Knight Frank Thailand Research and Consultancy

In 2024, the shopping center group's revenue and profit grew by approximately 9% from the previous year, and in 2025, revenue is expected to grow similarly to the previous year.

Revenue and Profit for the Shopping Center Business Group



*Knight Frank compiled the above figures using revenue data 70% of which was publicly disclosed by operators and 30% estimated by the research team.

SOURCE : Stock Exchange of Thailand; Ministry of Commerce. Compiled and analyzed by the Research and Project Development Consulting Division of Knight Frank Chartered (Thailand)

Future projects preparing to enter the market are mostly mixed-use projects in the form of townships, such as the Dusit Central Park project on Rama IV Road, the Cloud 111 project on Sukhumvit Road, the Bangkok Mall project on the corner of Bangna-Trad Road, and The Forestias project on Bangna-Trad Road.

Supply, Revenue, and Rental Rate Adjustments in the Shopping Center Sector

Supply

3.2M sqm.

▲ 18,000 Q-o-Q

Revenue

51,000M THB

▲ 9% Y-o-Y

Rental Growth

▲ 4% to ▲ 6%

SOURCE : Knight Frank Thailand Research and Consultancy

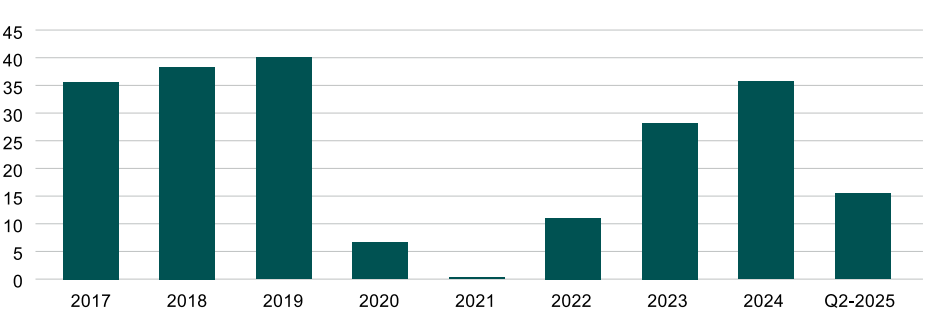
Analysis of the key factors underpinning the robust growth of Thai shopping malls

1 Thailand’s rebound in international arrivals demonstrates the resilience and adaptability of its tourism industry.

Despite a severe downturn during the COVID-19 pandemic-with arrivals plunging from 39.9 million in 2019 to just 0.43 million in 2021-the sector has recovered strongly, welcoming 35.5 million visitors in 2024 and generating THB 1.8 trillion in revenue. Visa-exemption measures have been central to this revival






Nevertheless, challenges remain. Safety concerns among Chinese travelers and intensifying competition from neighboring destinations have slowed growth in some markets. Future success will depend on maintaining a balance between open-door policies and regulatory safeguards, continuing infrastructure upgrades, and addressing evolving traveler preferences. If managed effectively, Thailand’s strategic visa measures and collaborations will underpin sustainable, long-term growth of its tourism industry, ensuring that it not only regains pre-pandemic levels but thrives in an increasingly competitive regional landscape.

Statistics on the number of foreign tourists traveling to Thailand in 2017-Q2-2025



SOURCE : Ministry of Tourism and Sports

Top 5 foreign tourists visiting Thailand January - June 2025

Country		People
	Malaysia	2,115,628
	China	2,097,509
	India	1,084,973
	Russia	999,310
	South Korea	722,866

SOURCE : Ministry of Tourism and Sports



ICONSIAM | Source : Siampiwat

Adaptive Strategies of Shopping Malls: The Rise of Integrated Mixed-Use Ecosystems Strategic Master Plan Evolution



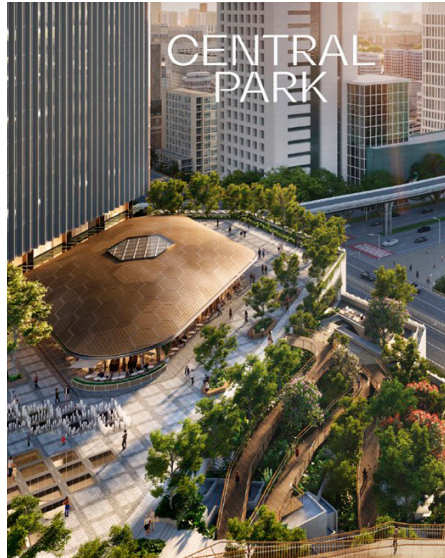
CENTRAL WESTVILLE | Source : Central Pattana

Thailand's major shopping centers are undergoing a fundamental transformation in their development philosophy. Whether embarking on new construction or undertaking comprehensive renovations triggered by lease expirations, these retail destinations are systematically reimagining their master plans through the lens of retail-led mixed-use development. This strategic pivot represents more than architectural redesign—it embodies a holistic approach to creating self-sustaining commercial ecosystems where each component amplifies the success of others.

The retail-led mixed-use model operates on the principle of synergistic value creation. Rather than viewing retail as an isolated function, developers now orchestrate complementary land uses that generate multiple revenue streams while enhancing the overall customer experience. This integrated approach transforms traditional shopping centers into lifestyle destinations that serve diverse consumer needs throughout different times of day and week, significantly improving asset utilization and financial performance.

Flagship Examples of Integrated Development

Central Group's portfolio exemplifies this evolution through several landmark projects.



CENTRAL PARK | Source : Central Pattana

Central Park Silom represents a sophisticated urban integration where premium retail spaces coexist with Grade A office towers and luxury residential components. The project's design ensures that office workers become natural customers for retail outlets during lunch hours and after work, while residents provide consistent foot traffic for services and dining establishments.

Central Northville (formerly Central Rattana Thibet) showcases the transformation potential of existing assets. The comprehensive redevelopment repositioned an aging shopping center into a modern mixed-use destination.



CENTRAL NORTHVILLE | Source : Central Pattana

Hypermarket Revolution and Strategic Partnerships

The transformation extends beyond traditional shopping centers to include hypermarket operators who are reimagining their role within the retail landscape. CP Aextra strategic renovations represent a sophisticated understanding of changing consumer behavior and competitive dynamics.



LOTUS'S HANG DONG | Source : Bluechipthai

Lotus's Hang Dong exemplifies innovative space utilization by creating a retail ecosystem under one roof. The integration of IKEA brings destination shopping appeal that attracts customers from extended catchment areas, while Makro serves local business customers and bulk shoppers. This combination maximizes space efficiency while creating cross-shopping opportunities that benefit all retailers.

Lotus's Saraburi expansion with dedicated mall-style rental zones demonstrates the evolution from pure hypermarket operations to hybrid retail-entertainment destinations. These new zones accommodate smaller, specialized retailers that complement the hypermarket's core offerings while creating a more diverse and engaging shopping experience.

Data-Driven Optimization and Revenue Maximization

These strategic adaptations are underpinned by sophisticated market analysis and financial modeling. Developers carefully study demographic trends, spending patterns, competition, and economic indicators to optimize tenant mix, space allocation, and pricing strategies. *The goal extends beyond simple space rental to creating a successful tenant environment.*



LOTUS'S SARABURI | Source : Trustypm



LOTUS'S SARABURI | Source : Trustypm

3 Integrating Medical, Health, and Beauty Services to Revitalize Upper Levels

For years, the top floors of shopping malls struggled with low foot traffic, relying on big attractions like cinemas, water parks (e.g., Harbor Land), kids' play zones, conference halls, and banks to lure visitors upstairs. Today, a new wave of tenants—from aesthetic clinics and wellness centers to anti-aging spas—is changing the game.



SIRIRAJ H SOLUTIONS | Source : Bluechipthai



MEGA HARBOR LAND | Source : HarborLand Group

Thailand's stellar COVID-19 response boosted its reputation as a world-class medical tourism hub. Competitive pricing and high standards have drawn patients from around the globe. Mall developers are capitalizing on this trend by turning underused upper levels into vibrant wellness destinations. Now, shoppers find sleek treatment rooms, tranquil waiting lounges, and restorative health cafés.

This shift brings multiple benefits:

- Steady daytime traffic from medical appointments
- Longer dwell times as visitors explore complementary retail and dining options
- Higher overall mall revenues by tapping into the booming health and beauty market

By blending retail with top-tier medical and beauty services, Thai malls are creating healthier, more engaging destinations that keep customers coming back—whether for shopping or self-care.



MONTRA | Source : Gourmet & Cuisine



AMARIN TOWER | Source : Bangkokbiznews

4 The Evolution of Omni channel Marketing in Thai Shopping Malls

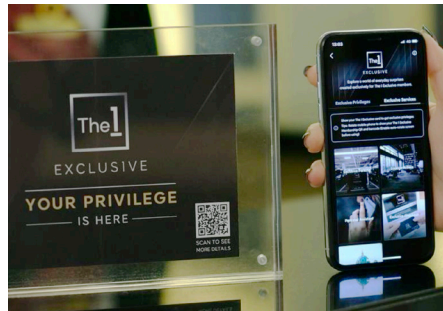
Thailand's retail landscape is witnessing a digital transformation that transcends traditional boundaries between online and offline commerce. When mobile technology reached unprecedented consumer access and e-commerce disruption began threatening traditional shopping centers, mall operators faced an existential challenge. However, rather than retreating, Thailand's major shopping centers have demonstrated remarkable adaptability, leveraging technology to create seamless, integrated experiences that turn potential threats into competitive advantages.

Advanced Customer Analytics & Personalization

Leading shopping centers now deploy sophisticated customer data analysis technologies throughout the entire consumer journey. These include CRM systems, big data analytics, predictive and automated marketing, digital signage, augmented reality, mobile applications, chatbots, and comprehensive omnichannel platforms extending to payment systems and back-office operations for retailers. The goal is to deliver deep customer understanding and frictionless shopping experiences across all channels.

Comprehensive Digital Marketing Ecosystem

Mall operators utilize social listening tools, email, SMS, push notifications, campaign analytics, and seamless integration between physical and online storefronts to create uninterrupted shopping experiences. Advanced keyword search tools filter popular product and service searches, while targeted social media marketing reaches different generational cohorts and nationalities, enabling precise timing and location-based advertising for products and services.



THE 1 APP | Source : The 1

Cost-Effective Loyalty Integration

The implementation of loyalty systems has become a cornerstone marketing tool, exemplified by applications like the CENTRAL APP, which unifies promotions, products, and services with integrated payment systems. These platforms support multiple e-wallets, including Prompt Pay, Rabbit Card, Line Pay, True Money Wallet, WeChat Pay, and Alipay, complemented by official LINE accounts for enhanced customer engagement.



M CARD | Source : Mcardmall

Strategic Response to E-Commerce Limitations

Thai shopping centers have cleverly positioned themselves by addressing e-commerce weaknesses. Year-round event programming-both domestic and international collaborations-drives mutual spending incentives. Major shopping centers maintain continuous seasonal events, while food and beverage outlets are strategically integrated across every floor level. Brands threatened by e-commerce

disruption are being revitalized through seasonal promotions and robust loyalty programs.

Independent Platform Development

Rather than succumbing to e-commerce platforms, major shopping centers have collectively chosen to avoid participation in external e-commerce applications, instead investing in developing their own robust application ecosystems. This strategic independence allows them to maintain control over customer relationships while delivering comparable digital convenience.

This transformation reflects Thailand's broader retail evolution, where 95% of consumers now use smartphones for shopping, with 60% preferring e-commerce platform apps. By embracing omnichannel strategies that leverage both their physical advantages and digital capabilities, Thai shopping centers have successfully navigated the disruption, creating hybrid experiences that neither pure e-commerce nor traditional retail could offer independently.



THE 1 APP | Source : The 1

5 Tenants as Partners

Contemporary large-scale shopping malls regard their tenants as strategic partners, recognizing the high level of professionalism these brands bring. Many tenants enter through well-known international franchises, while others grow organically from local networks, with some even incubating homegrown brands domestically.

When high-quality brands gain access to expert consultancy, advanced technology, and accurate data, they can select locations precisely aligned with their target audiences and, in turn, pay rent back to the mall. To nurture emerging brands and support long-term growth, malls employ flexible rental models. In the early stages—when a brand's recognition is still developing—rent may be charged as a percentage of gross profit (GP). As the brand strengthens, the lease can transition to a fixed-rent structure.

Moreover, malls deploy coordinated marketing strategies that align seasonal promotions across all tenant brands. This collaborative approach ensures that both the shopping center and its tenants share a unified marketing direction, driving mutual success.



UNO! | Source : Posttoday



PIPATCHARA | Source : Thairath



BEANS | Source : Beans.bkk

6 Robust Real Estate Investment Trusts (REITs)

In Thailand's commercial property sector, transferring assets into Real Estate Investment Trusts (REITs) has become a well-established strategy among developers and real estate investors. This model offers a dual advantage: it unlocks capital from existing mall properties while providing investors with a transparent, professionally managed vehicle that generates stable, long-term income distributions.

Large-scale shopping centers benefit from the REIT structure in several critical ways. First, listing mall assets within a REIT imposes rigorous governance standards—regular independent appraisals, mandatory financial disclosures, and oversight by a board of trustees—ensuring operational transparency and accountability. This robust framework builds investor confidence, attracting both institutional funds and high-net-worth individuals seeking a reliable yield.

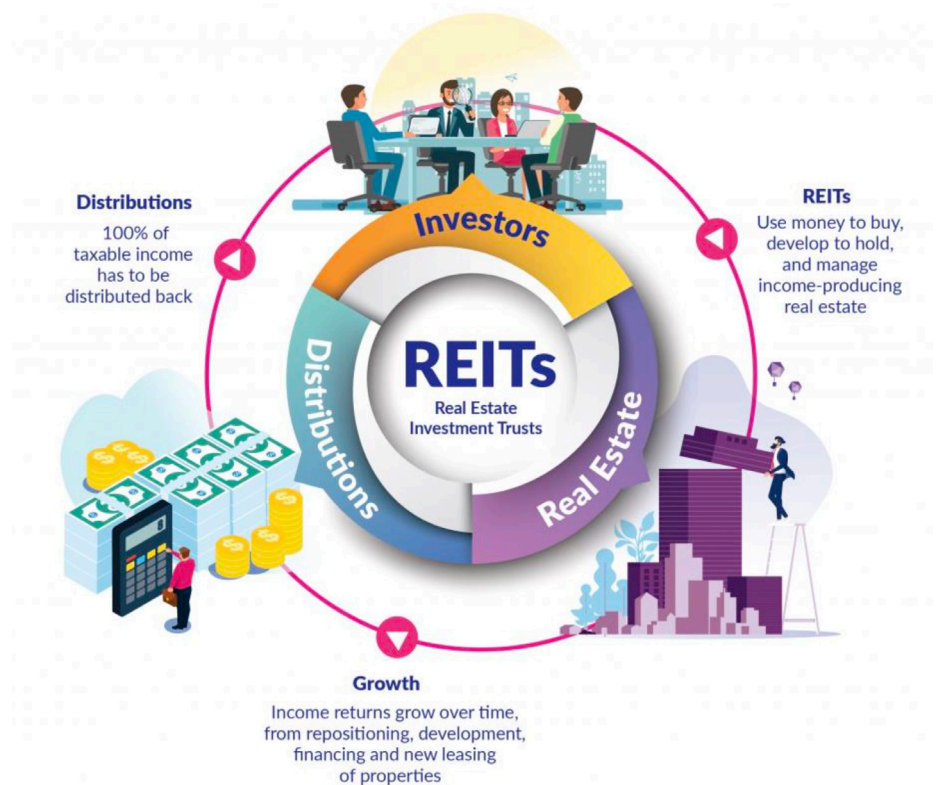
Second, the REIT vehicle enables mall operators to recycle capital efficiently. By monetizing mature assets through REIT issuance, developers can reinvest proceeds into new developments, renovations, or technology upgrades without diluting equity. This capital recycling underpins continuous expansion, allowing malls to refresh their tenant mix, modernize facilities, and adapt to evolving consumer trends.

Third, REITs provide investors with predictable cash flows. Rental income from a diversified portfolio of retail properties is aggregated and distributed, typically on a quarterly basis, with regulations requiring at least 90% of taxable income to be paid out as dividends. This high-payout requirement, coupled with professional asset management, delivers consistent returns and minimizes volatility, reinforcing the mall's financial standing.

Finally, Thailand's mature REIT market benefits from favorable regulatory support. Tax incentives for REIT structures, clear guidelines from the

Securities and Exchange Commission, and the Stock Exchange of Thailand's listing rules have all cultivated an environment where mall REITs can flourish. Major mall operators, including those under Central Group and LH Shopping Centers, have leveraged this structure to expand their footprint, fund large-scale mixed-use projects, and maintain long-term sustainability.

Through well-capitalized and expertly managed REIT frameworks, Thai shopping malls have secured a stable financial engine that fuels strategic growth, continuous innovation, and enduring value creation.



Source: REALPAC

Recent Research



Manufacturing Property Market 1H 2025

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.t@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.