

FEBRUARY 2020

Seoul Office

M O N T H L Y M A R K E T R E V I E W



SEOUL OFFICE

01

Survey Overview

Target Areas	All districts in Seoul and Pangyo & Bundang districts
Target Samples	Commercial properties of 4 stories or more, and with a gross floor area of 1,000m ² (=300py) or more
Survey Method	Telephone enquiry, publications from property management and Korea's government
Main Focus	Market trend in a property industry, changes in vacancy rate and tenants' inflow/outflow etc.
Survey Period	One calendar month, January 2020
DB Management	Okey service team carries out its monthly research on vacancy rate and rent, using the research tool and database in NAI Propertree

02

5 Regional Divisions in Seoul

CBD Central Business District Gwanghwa-moon, Joong-gu, Seodaemoon, Jong-ro, Etc	GBD Gangnam Business District Gangnam-gu, Seocho-gu, Songpa-gu, Etc.	YBD Yeido Business District Yeido, Mapo-ku, Etc.	ETC Non Major Business District Sangam, Gangdong, Etc.	PBBD PTV-Bundang Business District Pangyo Techno Valley, Seohyundong, Sunedong, Etc.
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03

Categories of Office Buildings by Their Sizes

	P Grade Prime Bldg.	S Grade Large Bldg.	A Grade Large-medium	B Grade Medium-small	C Grade Small Bldg.
Gross Floor Area	>15,000py	>7,000py	>4,000py	>1,000py	<1,000py
Lease Area of Sample Floor	>500py	>300py	>200py	>150py	<150py

NOC (Net Occupancy Cost)

*NOC: The cost that 1py of GFA incurs to a tenant who rents the property. NOC can be useful to compare between different types of office buildings.

04

Categories by Location & Sample Numbers

CBD

(Central Business District)

- Sample Survey : 244
- Total GFA : 7,442,171m² (2,251,257py)

ETC

(Non Major Business District)

- Sample Survey : 180
- Total GFA : 4,731,130m² (1,431,167py)

YBD

(Yeouido Business District)

- Sample Survey : 146
- Total GFA : 3,837,871m² (1,160,956py)

PBBD

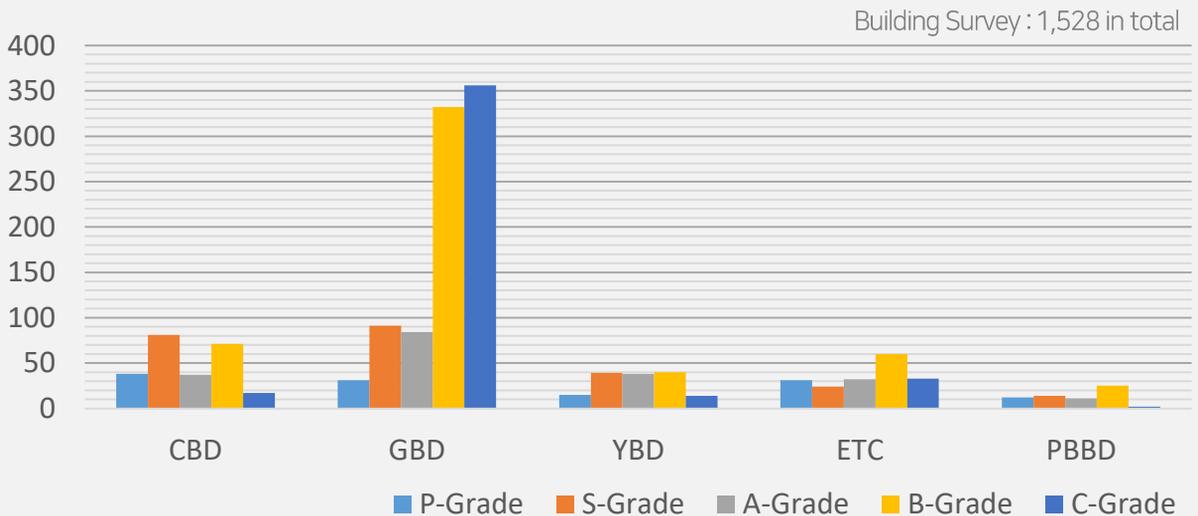
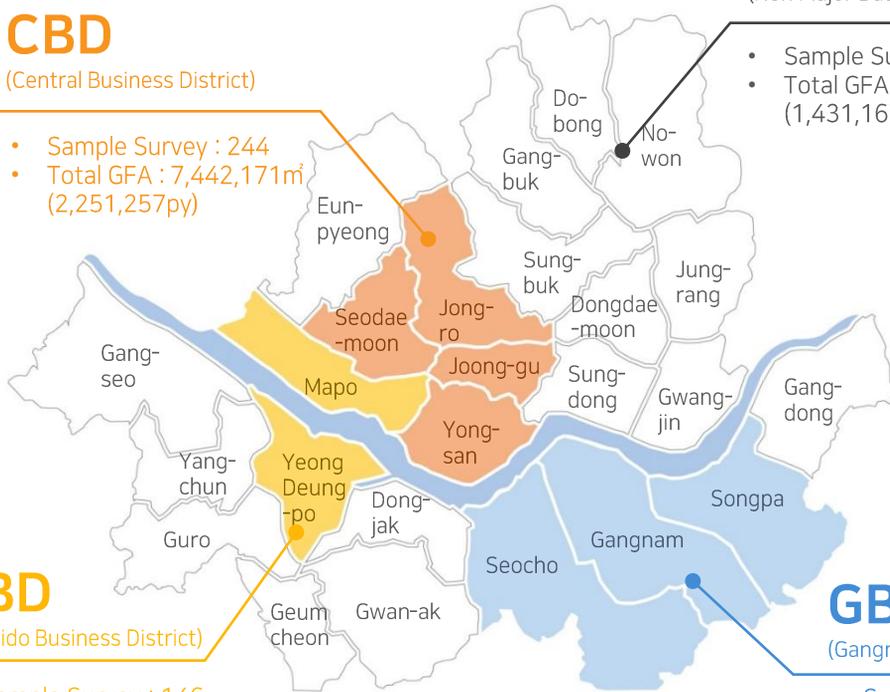
(PTV-Bundang Business District)

- Sample Survey : 64
- Total GFA : 1,794,585m² (542,862py)

GBD

(Gangnam Business District)

- Sample Survey : 894
- Total GFA : 10,988,204m² (3,323,932py)



01 SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

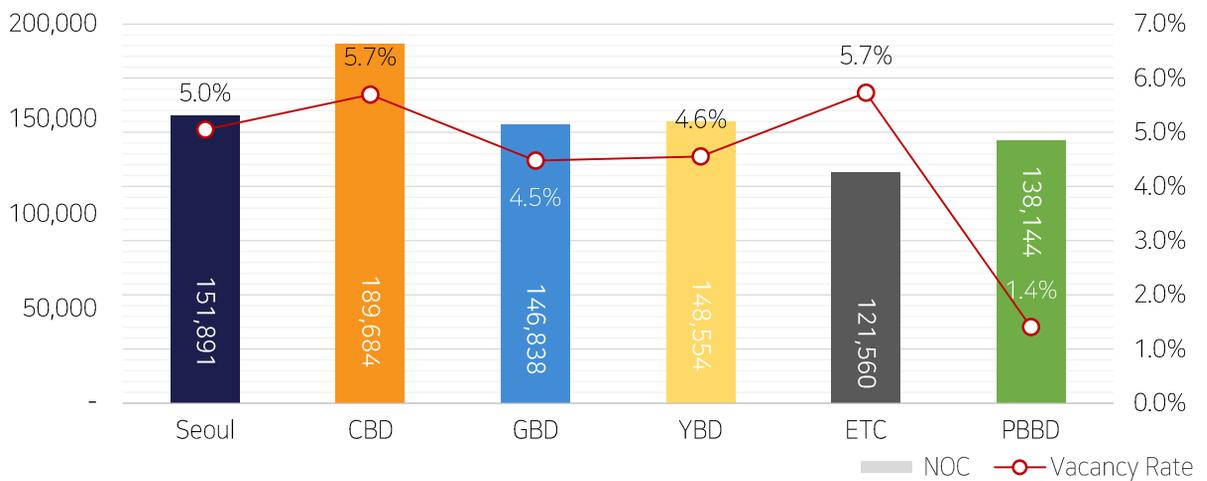
Vacancy rate
5.05% ↓

Avg. NOC
₩151,891 ↑

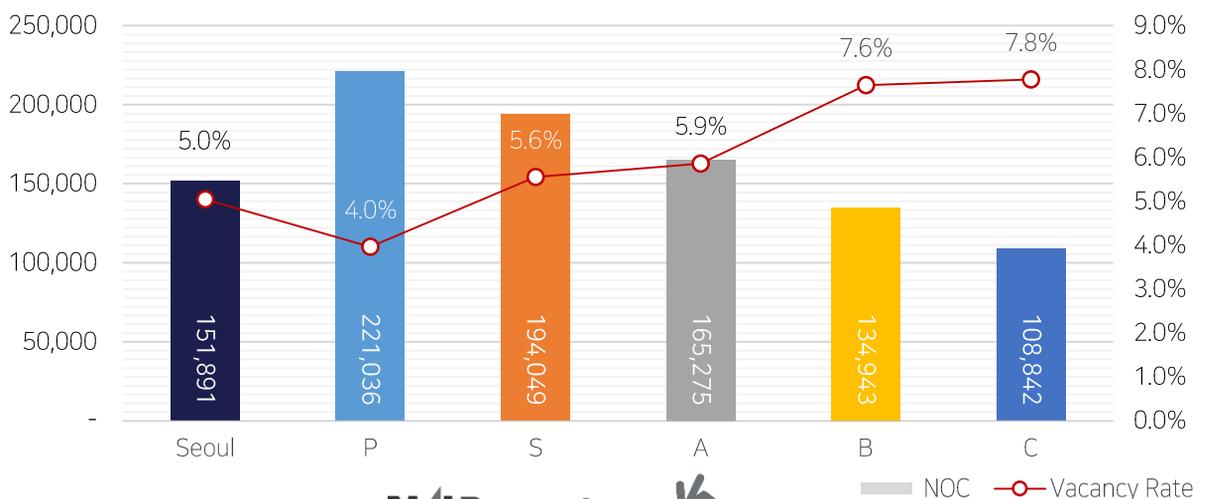
Avg. Rent	Avg. Deposit	Avg. Management. Fee
61,991	799,344	24,329

The average vacancy rate of office buildings in Seoul is 5.05% as at Jan 2020, and the average NOC is ₩151,891.

Vacancy Rate & NOC in Seoul and Each District

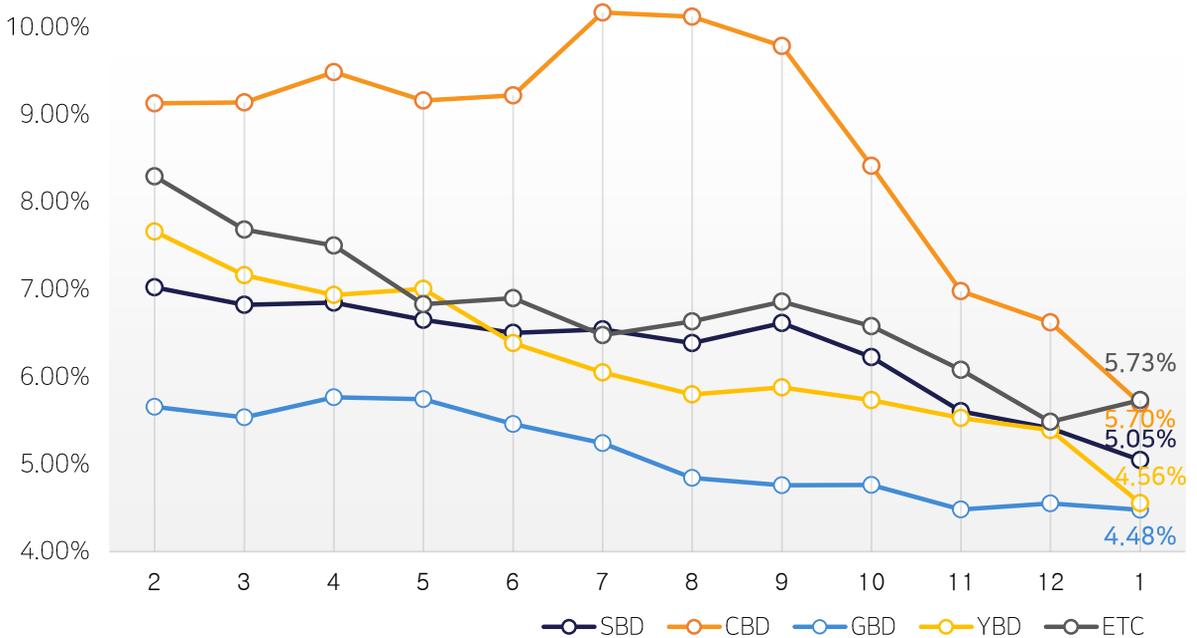


Vacancy Rate & NOC in Seoul & Each Building Category

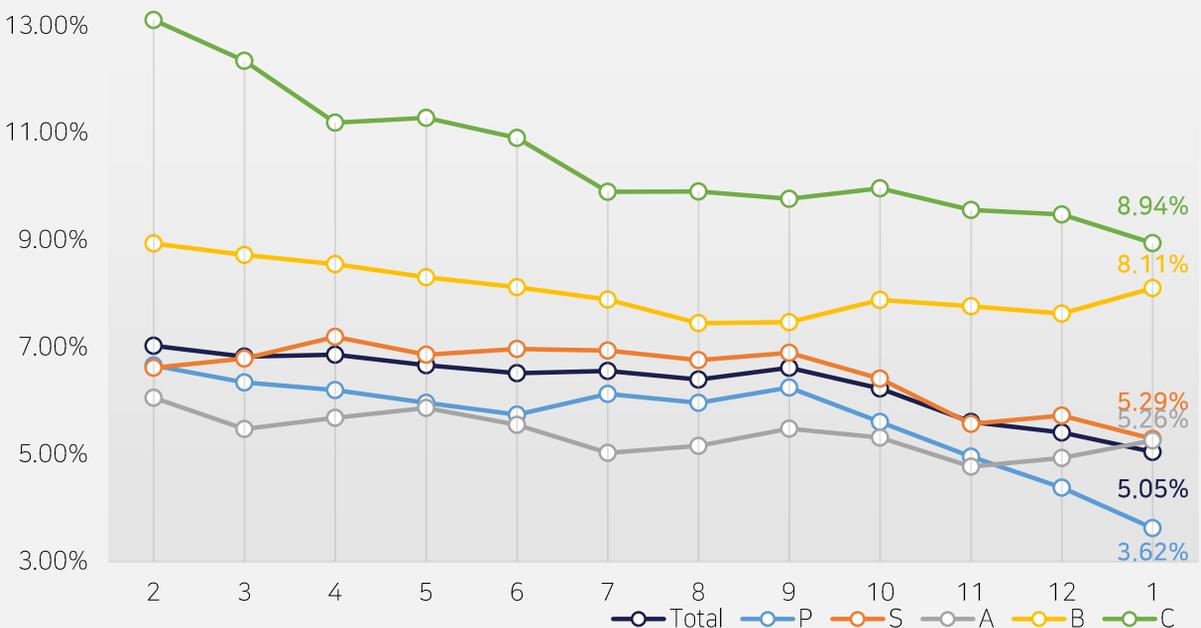


Monthly Vacancy Rate in 5 Main Districts

The chart below indicates the changes of the vacancy rates in Seoul between Jan 2020 and Feb 2020. CBD and YBD showed a stiff drop during this period. Douzone Bizon who recently bought Douzone Euilji Building and began to occupy 20,000m² for its Integrated Data Center in CBD, and an affiliate of SK Telecom Corporation began to rent and occupied appx. 28,000m² in YBD appeared to contribute the stiff drop in CBD and YBD respectively.



Monthly Vacancy Rate for Different Sizes of Buildings



02

CBD Central Seoul

CBD OFFICE LEASING MARKET

Vacancy rate
5.70% ↓

Avg. NOC
₩189,684 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
74,551	758,522	33,038

The average vacancy rate of office buildings in CBD is 5.70% as at Jan 2020, and the average NOC is ₩189,684.

Vacancy Rate & NOC in Central Business Districts (CBD)



Vacancy Rate & NOC for Different Sizes of Buildings in CBD



Q3 GBD Gangnam

GBD OFFICE LEASING MARKET

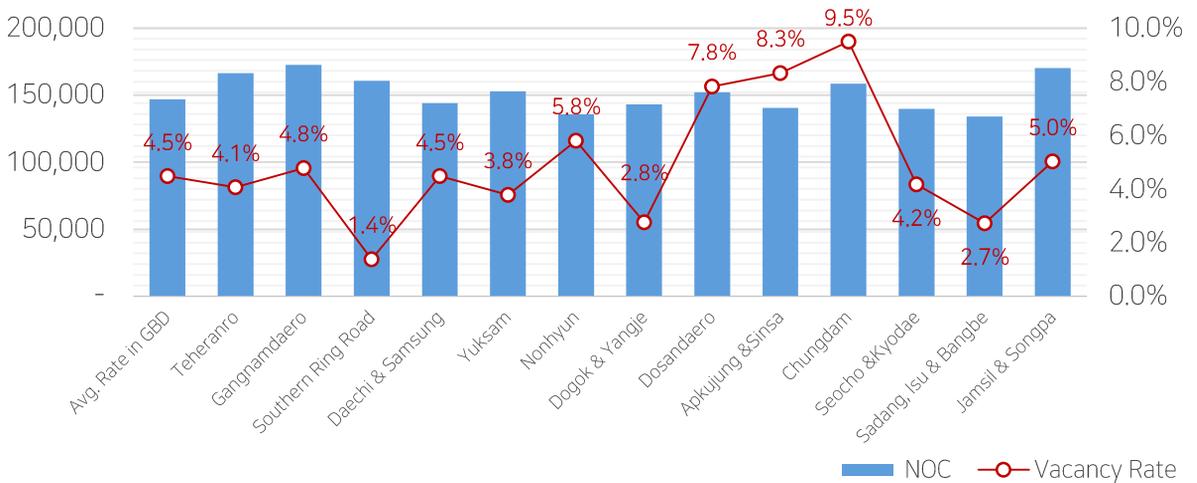
Vacancy rate
4.48% ↓

Avg. NOC
₩146,838 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
63,253	901,620	22,660

The average vacancy rate of office buildings in GBD is 4.48% as at Jan 2020, and the average NOC is ₩146,838.

Vacancy Rate & NOC in Gangnam Business Districts (GBD)



Vacancy Rate & NOC for Different Sizes of Buildings in GBD



04

YBD Yeuido & Yeongdeungpo

YBD OFFICE LEASING MARKET

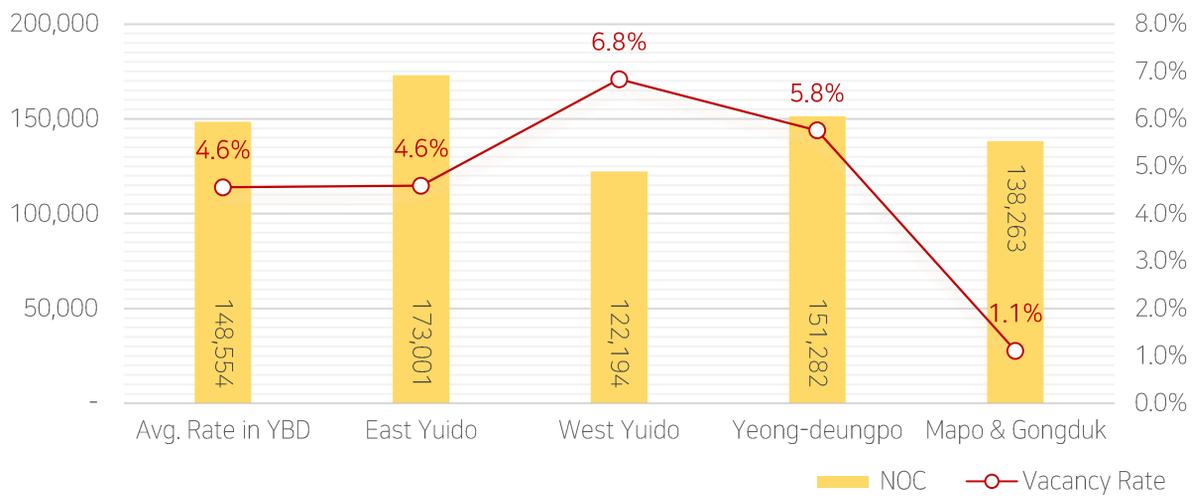
Vacancy rate
4.56% ↓

Avg. NOC
₩148,554 ↓

Avg. Rent	Avg. Deposit	Avg. Management. Fee
52,738	564,281	25,851

The average vacancy rate of office buildings in YBD is 4.56% as at Jan 2020, and the average NOC is ₩148,554.

Vacancy Rate & NOC in Yeongdeungpo Business Districts (YBD)



Vacancy Rate & NOC for Different Sizes of Buildings in YBD



Q5

ETC

Other Districts in Seoul

ETC OFFICE LEASING MARKET

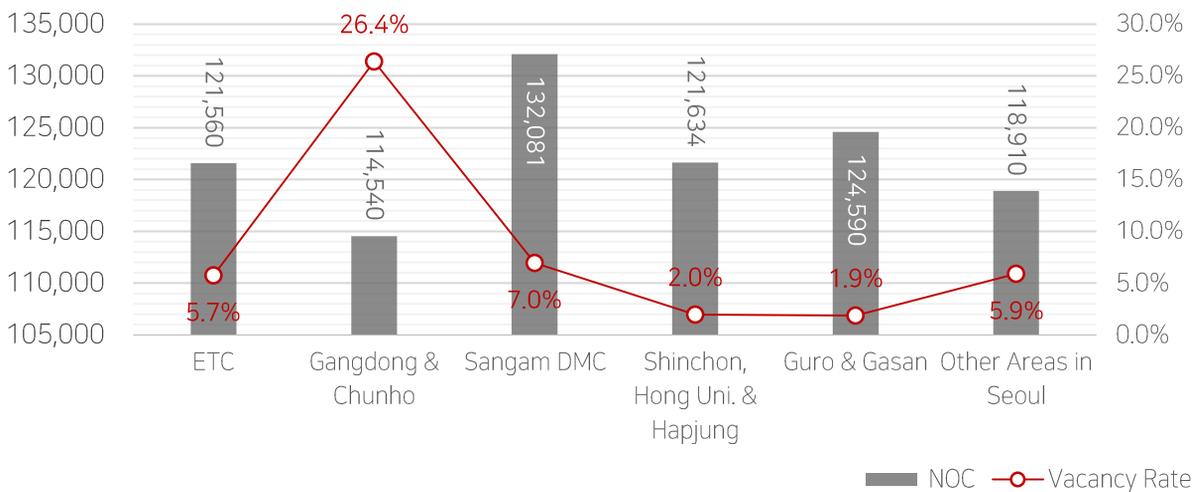
Vacancy rate
5.73% ↑

Avg. NOC
₩121,560 ↓

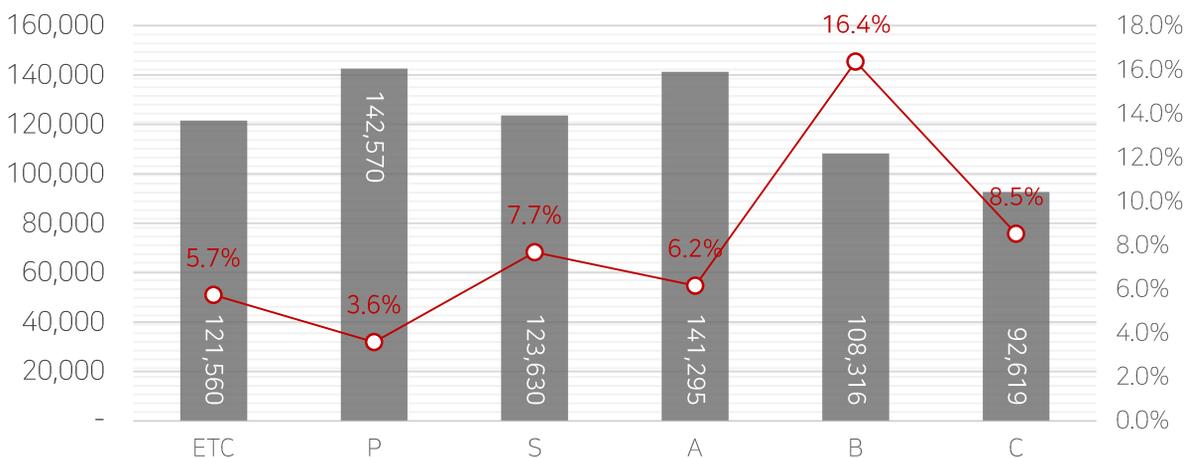
Avg. Rent	Avg. Deposit	Avg. Management. Fee
44,960	521,001	18,785

The average vacancy rate of office buildings in ETC is 5.73% as at Jan 2020, and the average NOC is ₩121,560.

Vacancy Rate & NOC in Other Districts in Seoul (ETC)



Vacancy Rate & NOC for Different Sizes of Buildings in ETC



06

PBBD Pangyo & Bundang

PBBD OFFICE LEASING MARKET

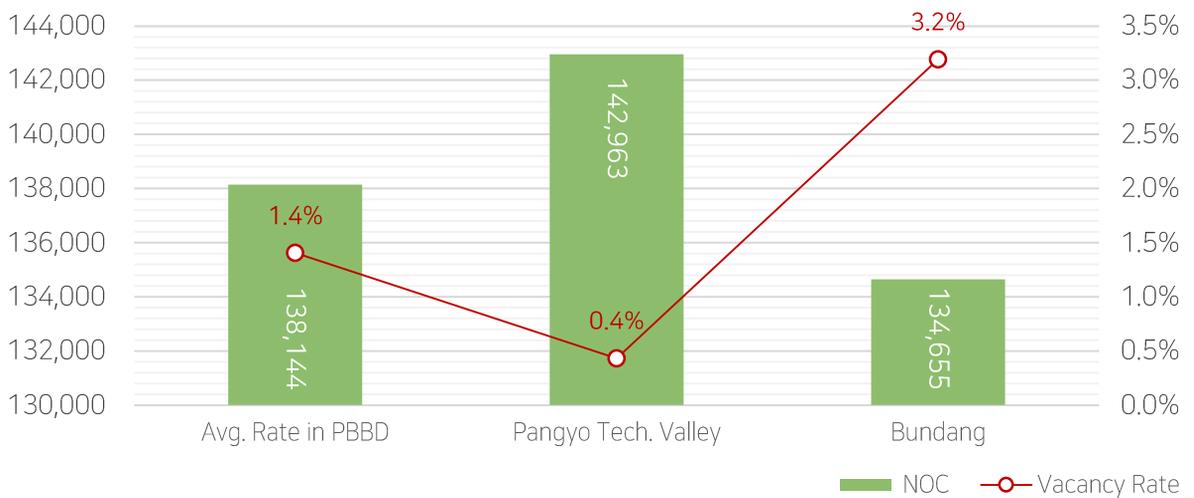
Vacancy rate
1.41% ↓

Avg. NOC
₩138,144 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
46,367	535,806	21,810

The average vacancy rate of office buildings in PBBD is 1.41% as at Jan 2020, and the average NOC is ₩138,144.

Vacancy Rate & NOC in Pangyo& Bundang Business Districts (PBBD)



Vacancy Rate & NOC for Different Sizes of Buildings in PBBD



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Overall Lease Status

Market	Submarket	Gross Leasing Area	Avg. Deposit	Avg. Rent	Avg. Mgmt. Fee	Avg. NOC	Vacancy Rate
CBD	Gwang-Hwamoon	512,337	876,118	87,414	35,187	218,669	5.70%
	Seoul Railway St.	723,455	775,482	77,269	34,967	196,312	4.89%
	Euljiro Junggu	1,189,902	766,882	76,832	34,195	193,933	5.97%
	Jongro	616,942	792,764	76,256	31,871	190,660	6.30%
	Choong-jungro	171,309	626,702	62,015	31,028	173,712	4.31%
	Seodaemooon	122,300	769,280	61,847	30,833	165,221	3.48%
	Yong-san	145,992	662,385	60,492	31,038	165,992	2.31%
GBD	Teheranro	1,342,113	877,814	69,279	26,170	166,295	4.07%
	Gangnamdaero	496,919	969,627	69,910	27,229	172,619	4.78%
	Southern Ring Road	69,561	852,725	59,621	25,587	160,645	1.38%
	Daechi & Samsung	741,318	864,591	62,573	22,564	143,923	4.47%
	Yuksam	1,127,519	857,705	64,642	23,744	152,867	3.78%
	Nonhyun	262,014	1,022,894	62,991	21,714	135,742	5.80%
	Dogok & Yangje	120,358	769,541	53,930	23,002	143,054	2.76%
	Dosandaero	78,703	1,171,932	68,164	24,201	152,025	7.82%
	Apkujung & Sinsa	51,614	1,134,484	64,685	20,778	140,496	8.32%
	Chungdam	95,091	1,156,093	74,039	21,570	158,489	9.49%
	Seocho & Kyodae	143,070	911,145	60,317	19,049	139,740	4.17%
	Sadang, Isu & Bangbe	26,743	1,078,643	58,959	19,382	133,966	2.72%
Jamsil & Songpa	295,412	754,882	59,874	24,801	170,062	5.02%	
YBD	East Yuido	669,065	600,828	57,412	29,514	173,001	4.59%
	west Yuido	161,081	461,568	43,548	22,283	122,194	6.83%
	Yeong-deungpo	135,079	527,071	49,206	27,690	151,282	5.76%
	Mapo & Gongduk	175,221	497,552	50,527	26,208	138,263	1.11%
ETC	Gangdong & Chunho	67,197	494,444	45,206	17,375	114,540	26.37%
	Sangam DMC	296,825	402,619	40,157	25,081	132,081	6.95%
	Shinchon, Hong Uni. & Hapjung	61,120	797,683	54,574	19,758	121,634	1.96%
	Other Areas in Seoul	564,139	550,668	47,140	19,745	118,910	5.89%
PBBD	Pangyo Techno. Vally	319,624	505,716	49,200	19,731	142,963	0.43%
	Bundang	174,253	558,633	44,219	23,388	134,655	3.19%