



MONTHLY MARKET REVIEW

January 2020

Seoul Office

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

Concordian Building
Shinmunro 1ga, Jongro



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, December 2019
DB Management	Okeyok 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	YBD	GBD	PBBD	ETC
Central Business District	Yeido Business District	Gangnam Business District	PTV-Bundang Business District	Non Major Business District
Gwanghwa-moon Joong-gu, Seodaemooon, Jong-roh Etc	Yeido, Mapo-ku Etc.	Gangnam-ku Seocho-ku Songpa-ku Etc.	Pangyo Techno Valley, Seohyungdong, Sune-dong Etc.	Sangam, Gangdong Etc.

03

Categories of Office Buildings by Their Sizes

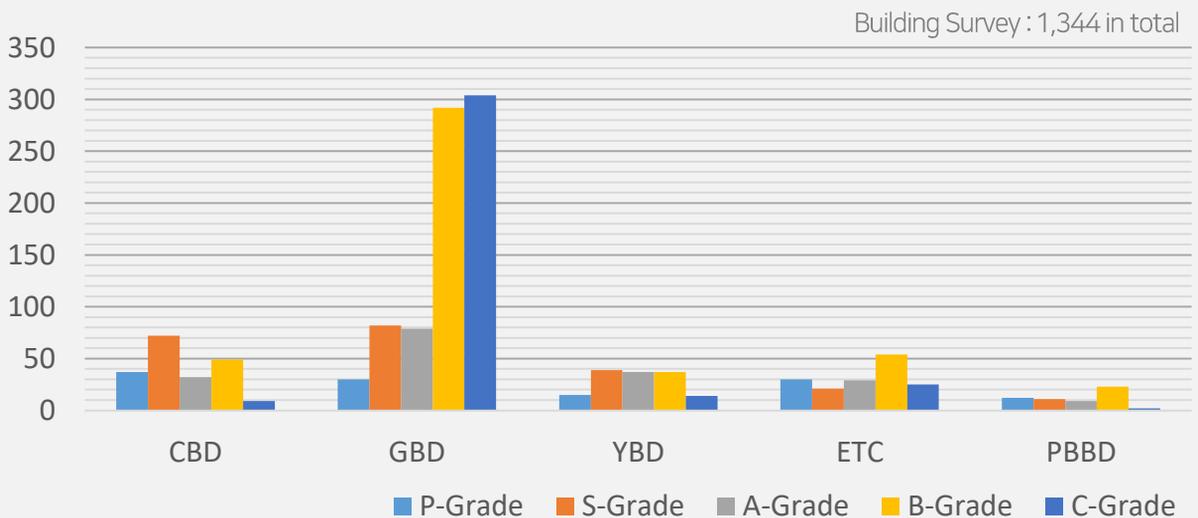
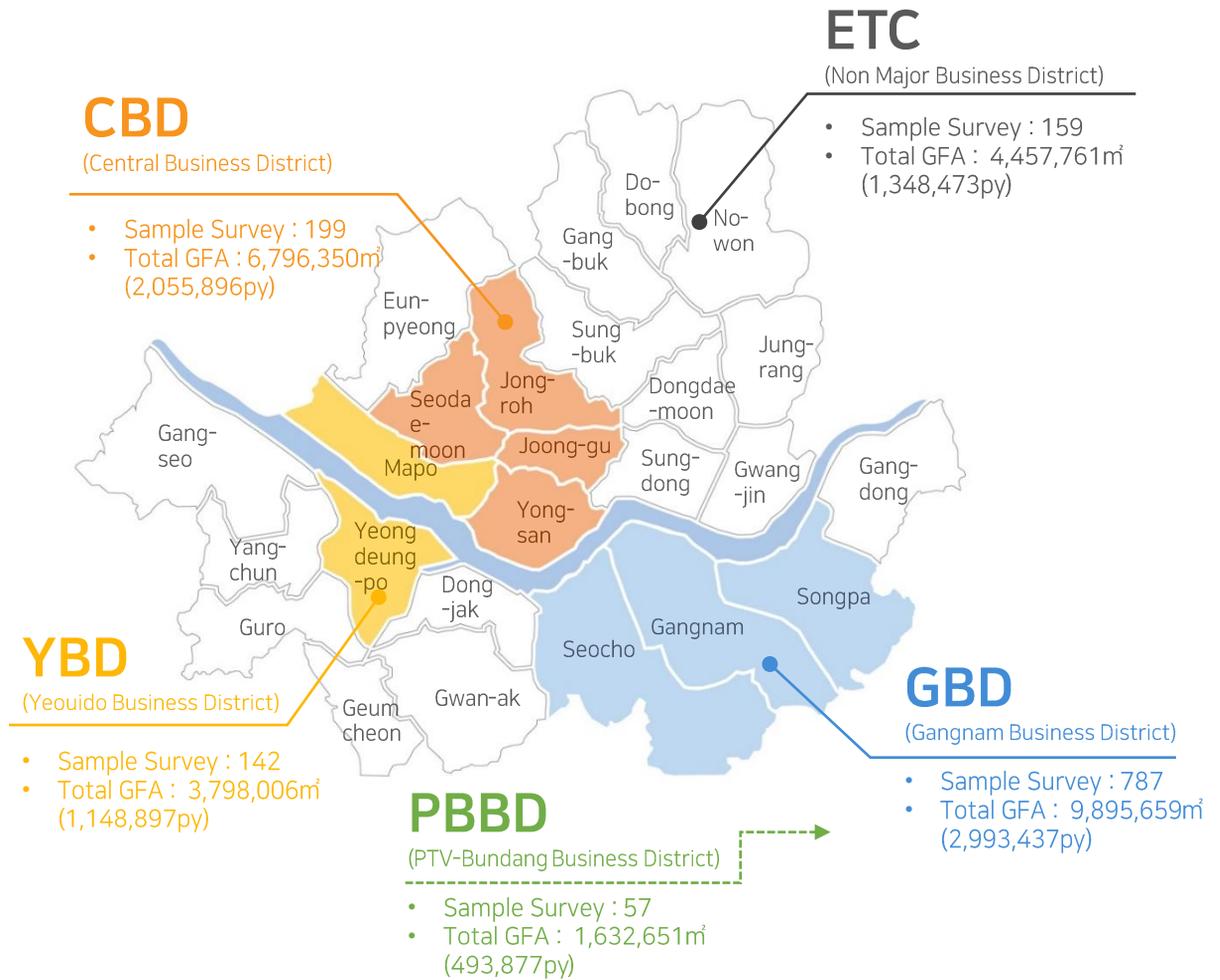
	Grade P Prime Bldg.	Grade S Large Bldg.	Grade A Large-medium	Grade B Medium-small	Grade C Small Bldg.
Gross Floor Area	>15,000py	>7,000py	>4,000py	>1,000py	<1,000py
Lease Area of Sample Floor	>500py	>300py	>200py	>150py	<150py

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

Sample Size of Each District



Q1 SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

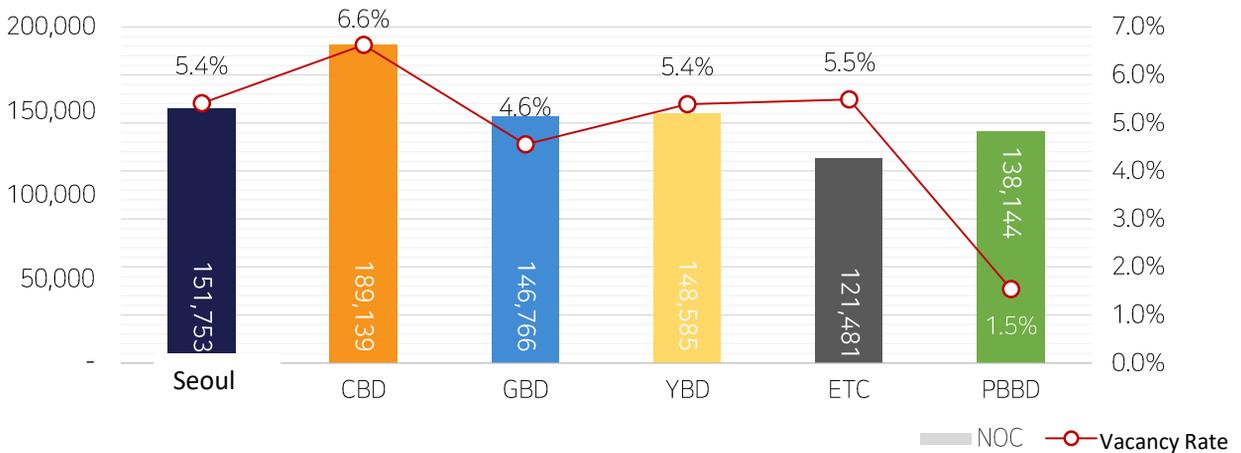
Vacancy Rate
5.41% ↓

Average NOC
₩151,753 ↑

Avg. Rent	Avg. Deposit	Avg. Management Fee
61,940	798,687	24,302

The average vacancy rate of office buildings in Seoul is 5.41% as at Dec 2019, and the average NOC (the cost of 1py within GFA) is ₩151,753.

Vacancy Rate & NOC in Seoul and Each District

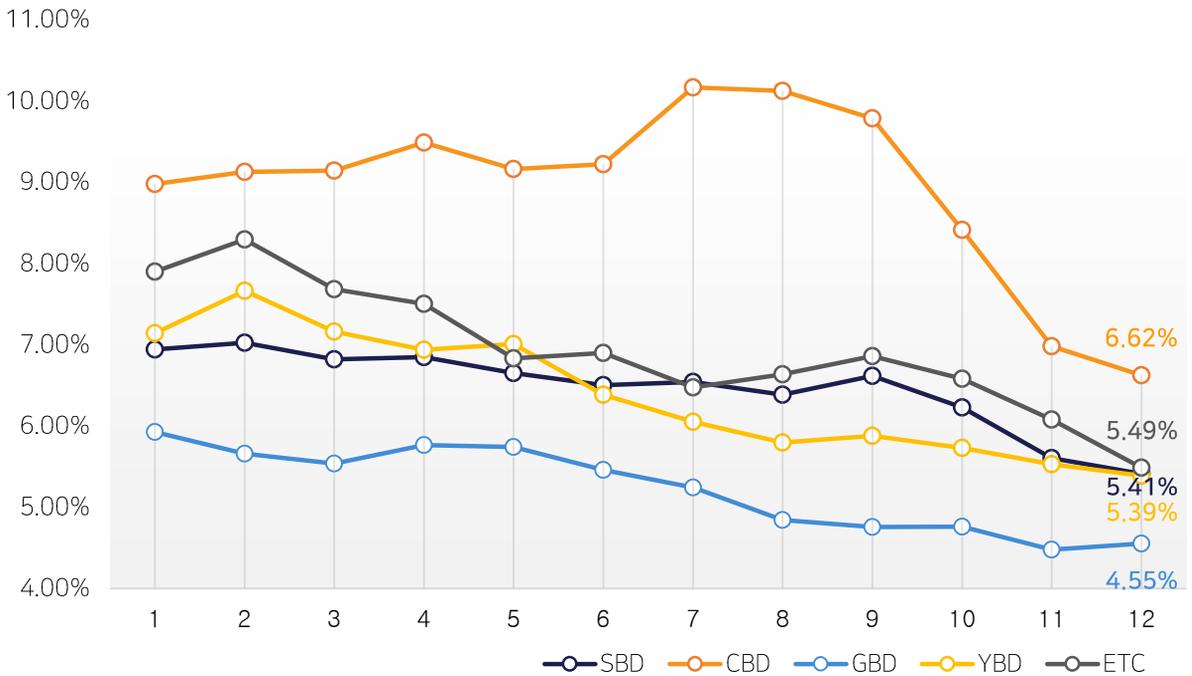


Vacancy Rate & NOC in Seoul & Each Building Category

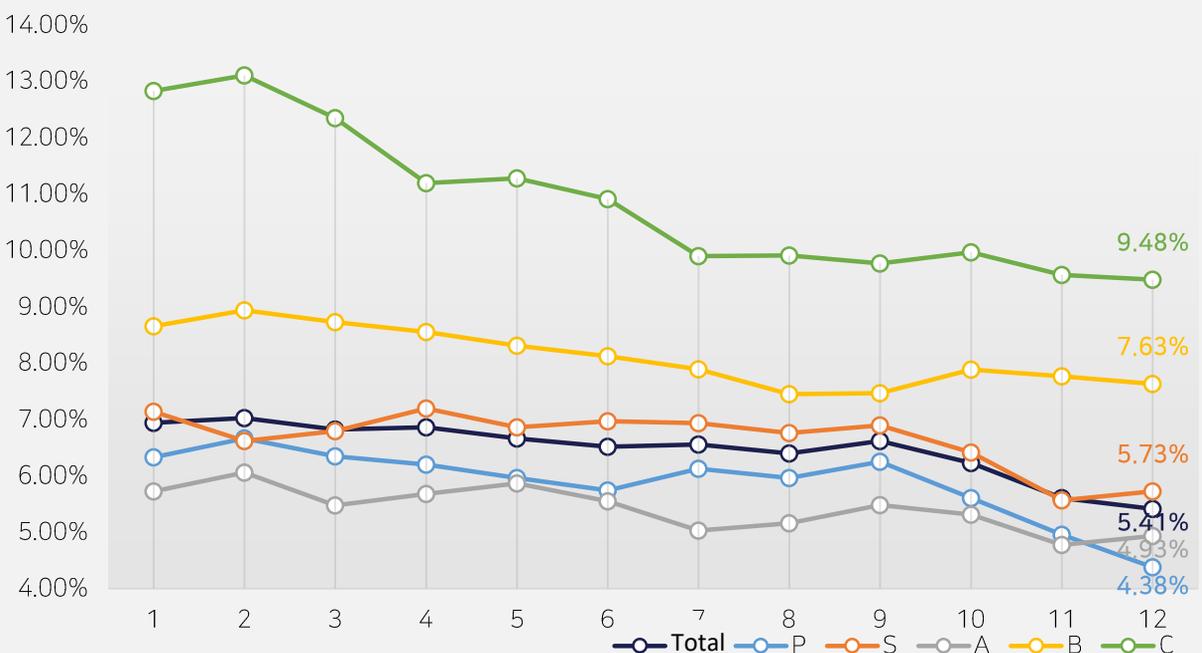


Monthly Vacancy Rate in 5 Main Districts

The chart below indicates the changes in the vacancy rates within Seoul in Jan-Dec 2019. The vacancy rate in GBD remained at around 4% from Q4 and the rates in ETC also tended to decrease overall. The vacancy rates of P-rated buildings in particular, showed a considerable decrease, and this is mainly resulted by the Concordian Building (CBD) and East Central Tower (ETC) which recently found the tenants for their vacant units.



Monthly Vacancy Rate for Different Sizes of Buildings



Q2

CBD Central Seoul

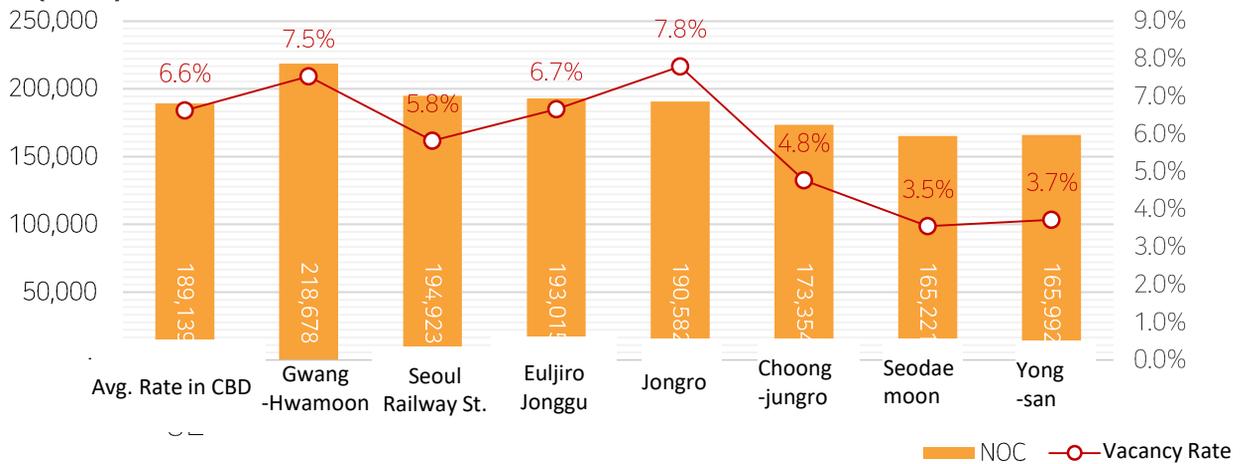
CBD OFFICE LEASING MARKET

Vacancy Rate **6.62%** ↓ Avg. NOC **₩189,139** ↓

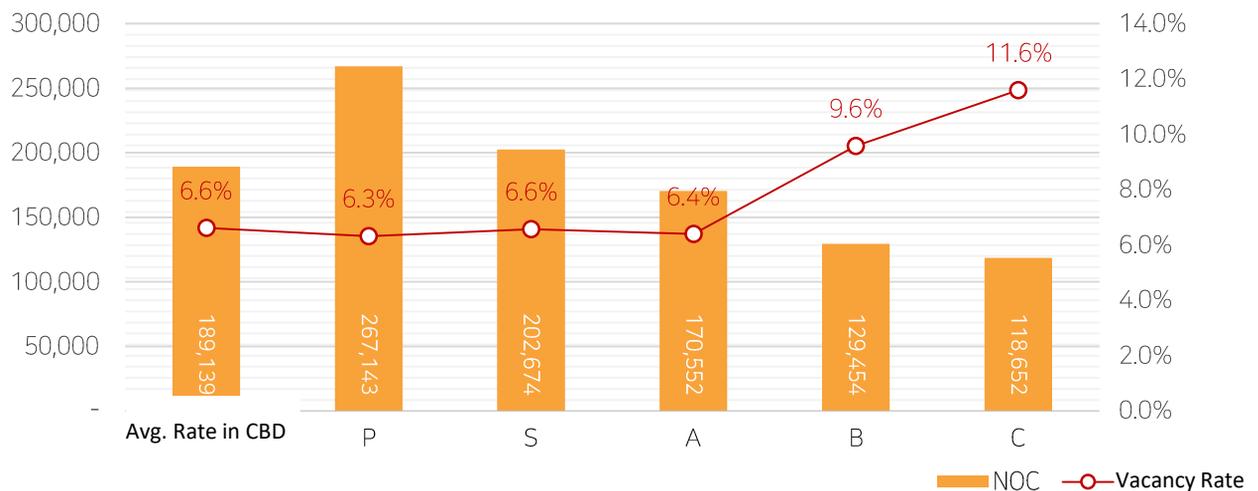
Avg. Rent	Avg. Deposit	Avg. Management Fee
74,322	756,374	32,925

The average vacancy rate of office buildings in CBD is 6.62% as at Dec 2019, and the average NOC (the cost of 1py within GFA) is ₩189,139

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

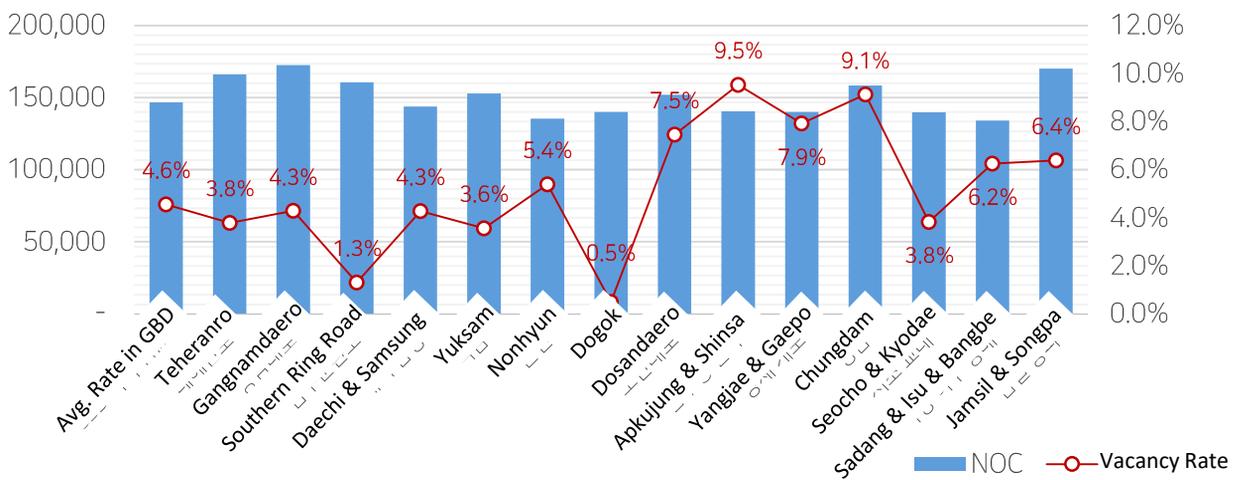
Vacancy Rate
4.55% ↑

Avg. NOC
₩146,766 ↑

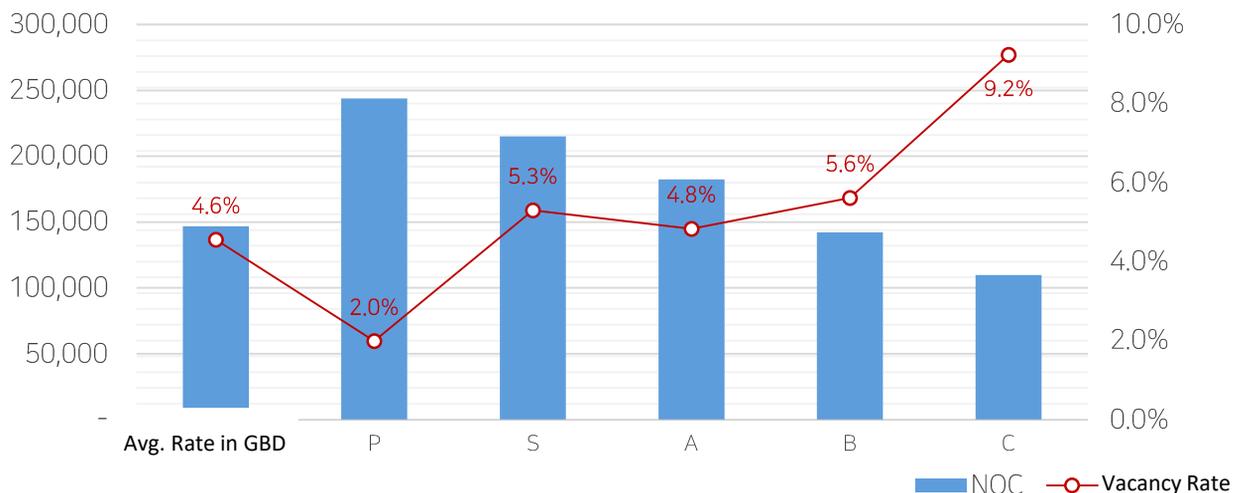
Avg. Rent	Avg. Deposit	Avg. Management Fee
63,241	901,302	22,645

The average vacancy rate of office buildings in GBD is 4.55% as at Dec 2019, and the average NOC (the cost of 1py within GFA) is ₩146,766.

Vacancy Rate & NOC in Gangnam Business Districts (GBD)



Vacancy Rate & NOC for Different Sizes of Buildings in GBD



Q4 YBD Yeuido & Yeongdeungpo

YBD OFFICE LEASING MARKET

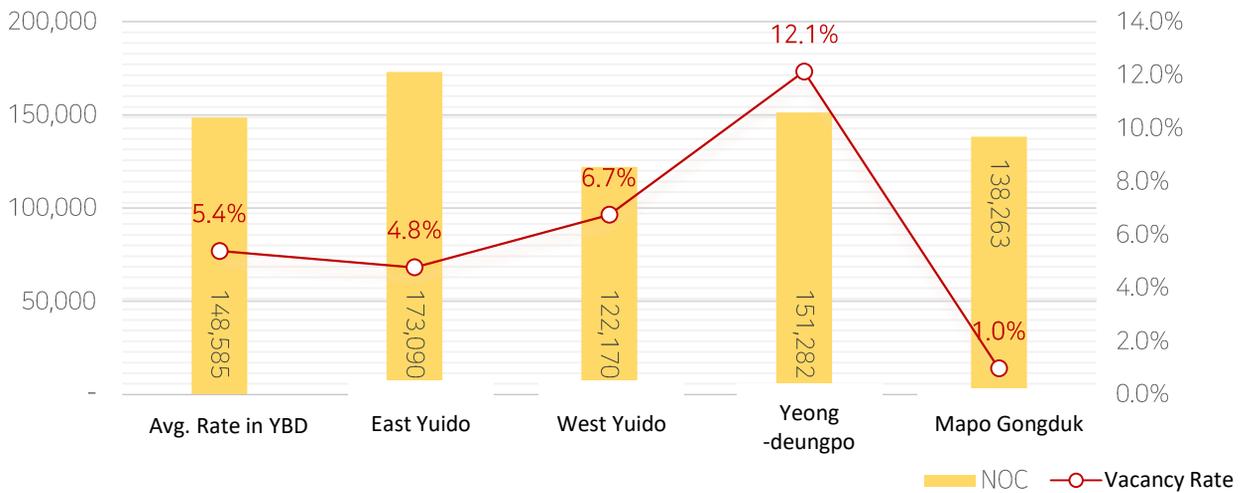
Vacancy Rate
5.39% ↓

Avg. NOC
₩148,585 ↑

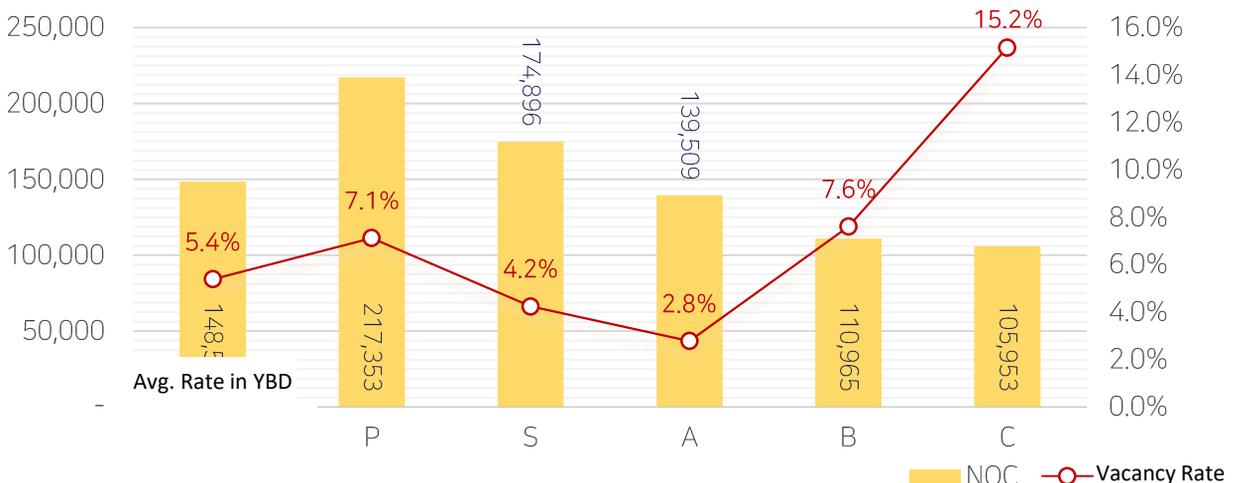
Avg. Rent	Avg. Deposit	Avg. Management Fee
52,722	148,585	25,888

The average vacancy rate of office buildings in Seoul is 5.39% as at Dec 2019, and the average NOC (the cost of 1py within GFA) is ₩148,585.

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

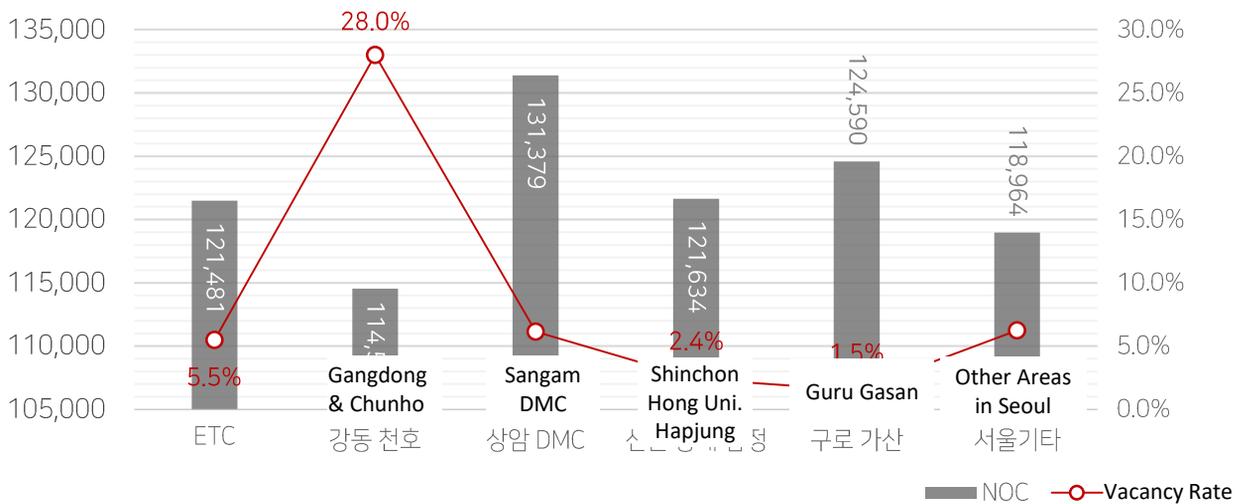
Vacancy Rate
6.08% ↓

Avg. NOC
₩121,481 ↑

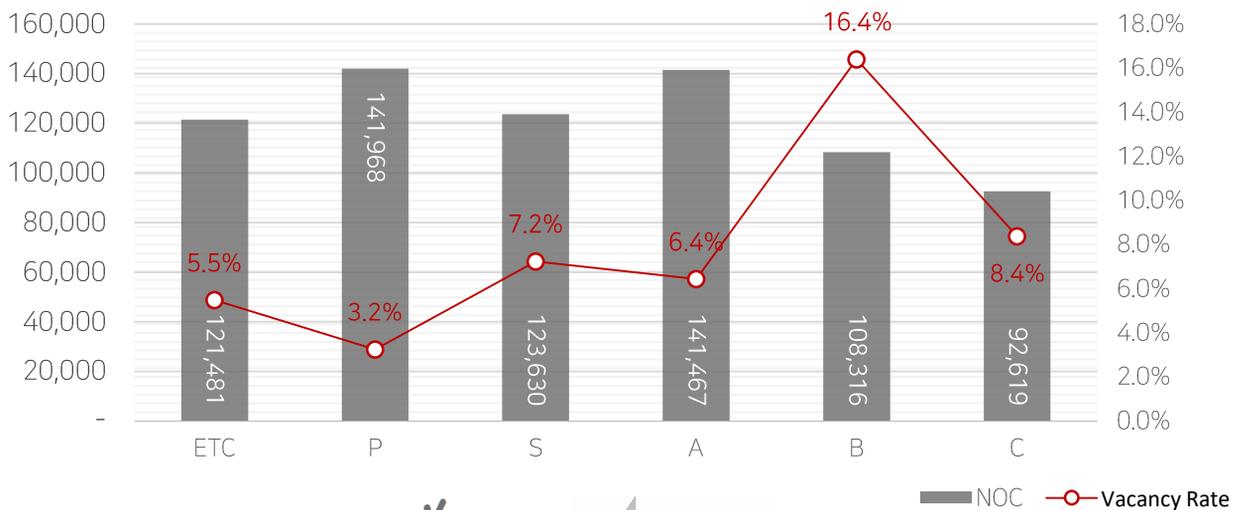
Avg. Rent	Avg. Deposit	Avg. Management Fee
44,930	521,174	18,764

The average vacancy rate of office buildings in ETC is 6.08% as at Dec 2019, and the average NOC (the cost of 1py within GFA) is ₩121,481.

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

1.54% ↑

Avg. NOC

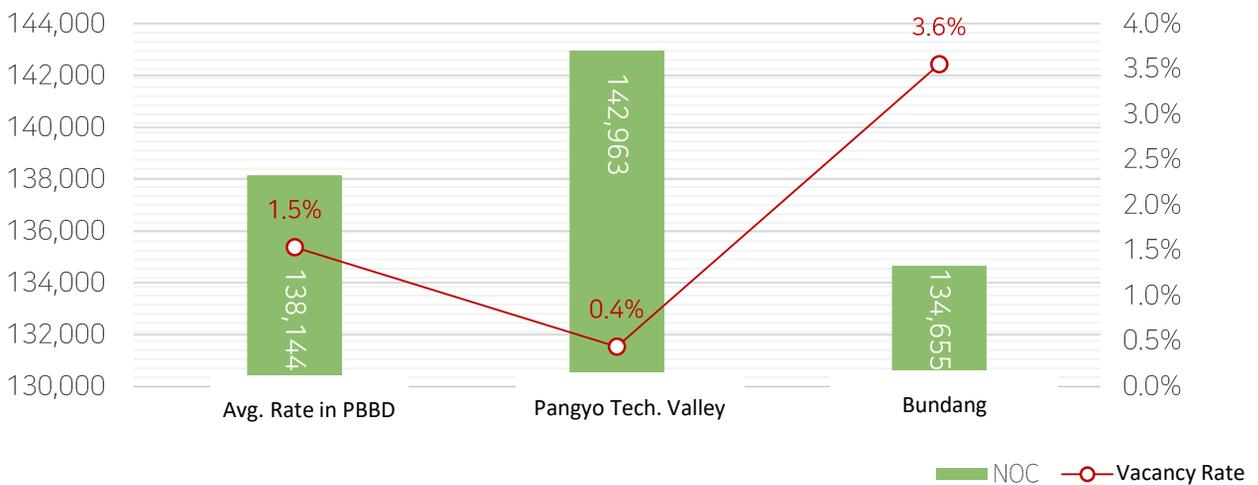


₩138,144 ↑

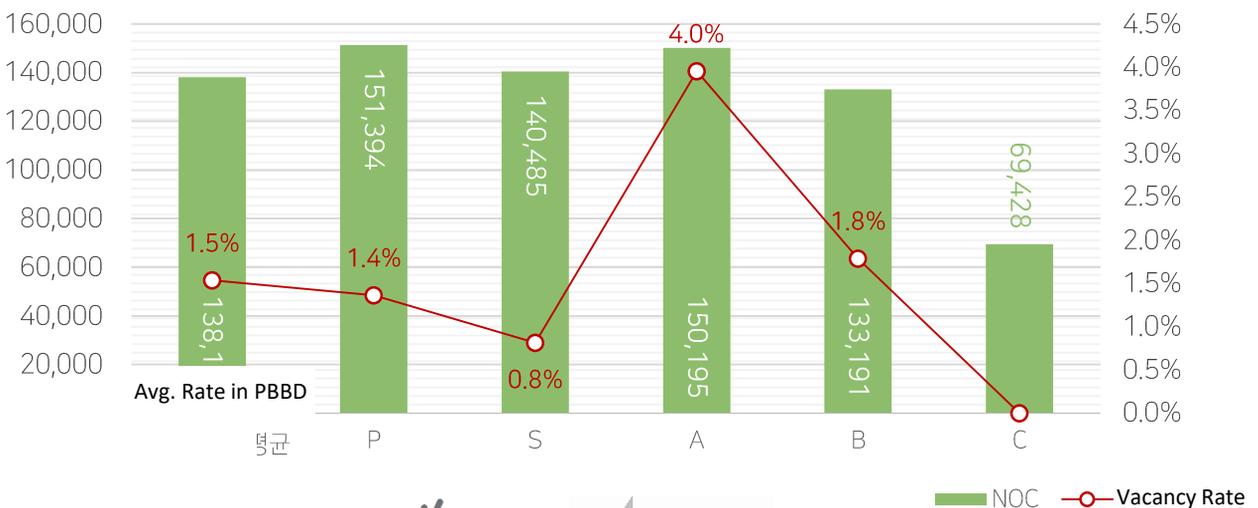
Avg. Rent	Avg. Deposit	Avg. Management Fee
46,367	535,806	21,810

The average vacancy rate of office buildings in Seoul is 1.54% as at Dec 2019, and the average NOC (the cost of 1py within GFA) is ₩138,144.

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



Vacancy Rate & NOC for Different Sizes of Buildings in PBBD



OFFICE
LEASING
MARKET

Overall Lease Status

Market	Submarket	Gross Leasing Area	Avg. Deposit	Avg. Rent	Avg. Mgmt. Fee	Avg. NOC	Vacancy Rate
CBD	Gwang-hwa Moon	512,337	877,183	87,457	35,155	218,678	7.53%
	Seoul Railway St.	723,455	769,751	76,682	34,650	194,923	5.82%
	Euljiro Joong-gu	1,189,902	763,112	76,447	33,993	193,015	6.66%
	Jong-roh	616,942	792,600	76,207	31,871	190,582	7.79%
	Choongjung-roh	171,309	625,591	61,904	30,972	173,354	4.77%
	Seodaemoon	122,300	769,280	61,847	30,833	165,221	3.55%
	Yongsan	145,992	662,385	60,492	31,038	165,992	3.72%
GBD	Teheranro	1,342,113	877,426	69,251	26,157	166,211	3.79%
	Gangnamdaero	496,919	969,448	69,892	27,186	172,495	4.29%
	Southern Ring Road	69,561	852,725	59,621	25,587	160,645	1.31%
	Daechi & Samsung	741,318	864,248	62,553	22,558	143,869	4.27%
	Yuksam	1,127,519	857,514	64,623	23,725	152,789	3.56%
	Nonhyun	262,014	1,021,920	62,991	21,692	135,504	5.39%
	Dogok	77,302	806,354	53,100	23,407	139,943	0.49%
	Dosandaero	78,703	1,171,932	68,164	24,201	152,025	7.46%
	Apkujung Shinsa &	51,614	1,134,484	64,685	20,778	140,496	9.53%
	Yangjae Gaepo &	43,593	702,689	53,777	21,381	140,051	7.93%
	Chungdam	95,091	1,156,093	74,039	21,529	158,399	9.13%
	Secho & Gyudae	143,070	911,145	60,317	19,049	139,740	3.83%
	Sadang, Isu Bangbe &	26,743	1,078,643	58,959	19,382	133,966	6.25%
	Jamsil & Songpa	295,412	754,882	59,874	24,801	170,062	6.39%
YBD	East Yeouido	669,065	600,444	57,374	29,599	173,090	4.77%
	West Yeouido	161,081	456,438	43,548	22,283	122,170	6.75%
	Yeongdeungpo	135,079	527,071	49,206	27,690	151,282	12.13%
	Mapo Gongduk	175,221	497,552	50,527	26,208	138,263	0.98%
ETC	Gangdong Chunho	67,197	494,444	45,206	17,375	114,540	27.98%
	Sangam DMC	296,825	402,777	39,841	25,081	131,379	6.13%
	Shinchon, Hong Uni. & Hapchun	61,120	797,683	54,574	19,758	121,634	2.42%
	Other Areas in Seoul	564,139	550,906	47,164	19,736	118,964	6.24%
PBBD	Pangyo Techno. Valley	319,624	505,716	49,200	19,731	142,963	0.44%
	Bundang	174,253	558,633	44,219	23,388	134,655	3.55%