



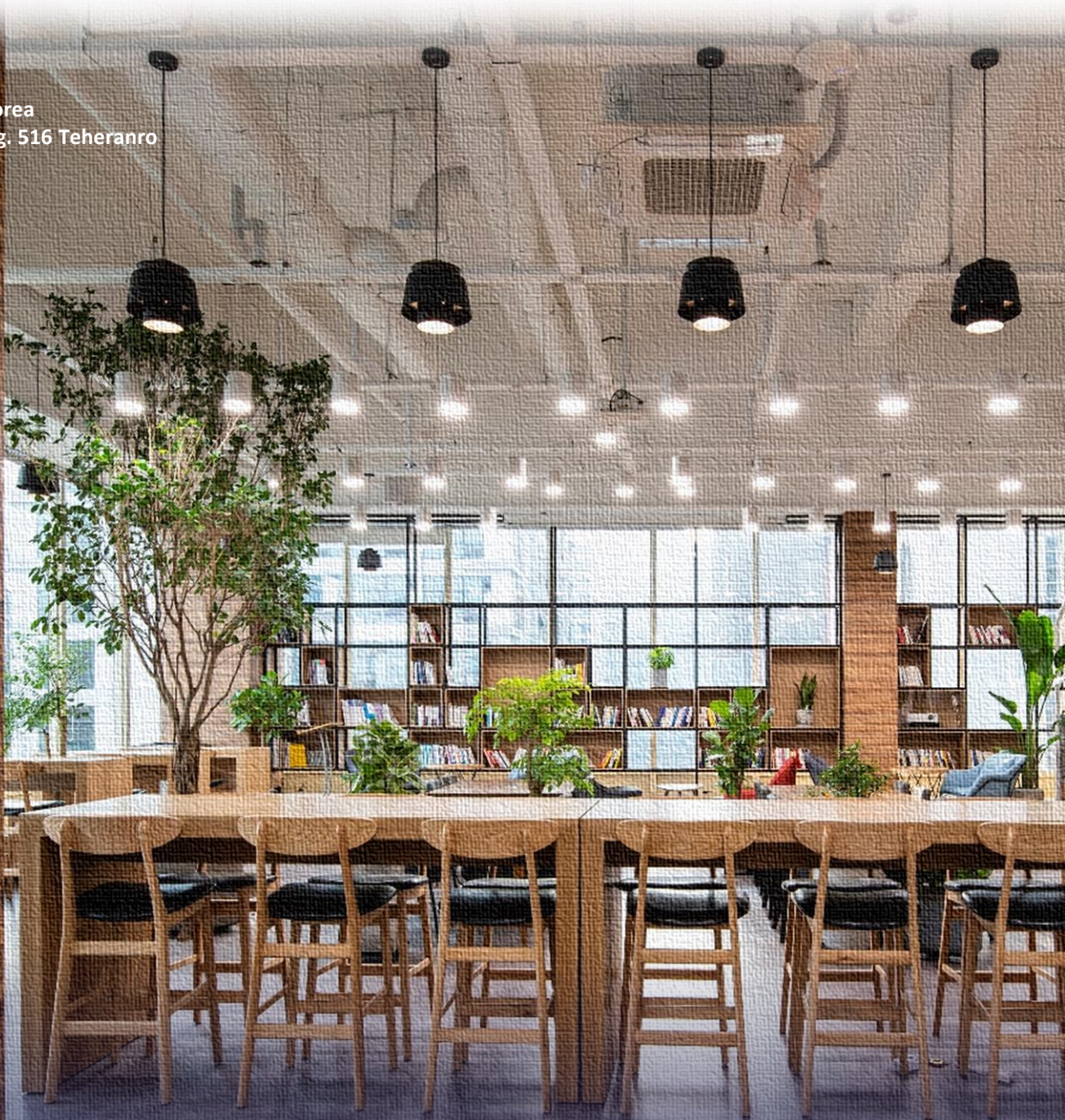
MONTHLY MARKET REVIEW

December 2019

Seoul Office

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

Lounge at NAI Korea
10F Junghun Bldg. 516 Teheranro
Seoul, Korea



NAI Korea
Commercial Real Estate Services, Worldwide.

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 | Between 5 th and 20 th every month in Seoul, Pangyo and Bundang |
| 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

Categories within Seoul by Location

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

03

Categories of Office Buildings by Size of Floor Area

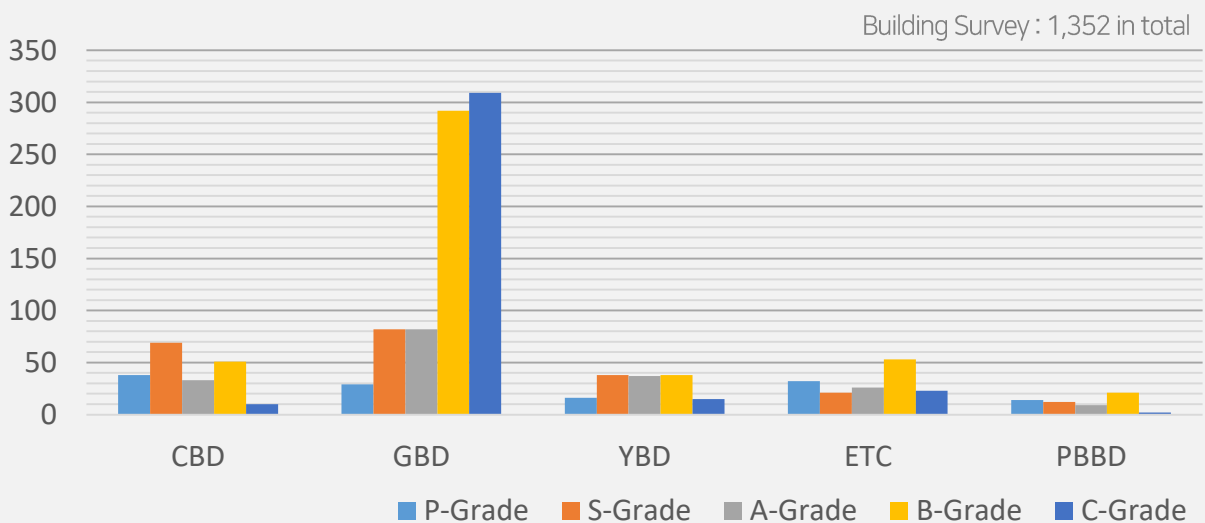
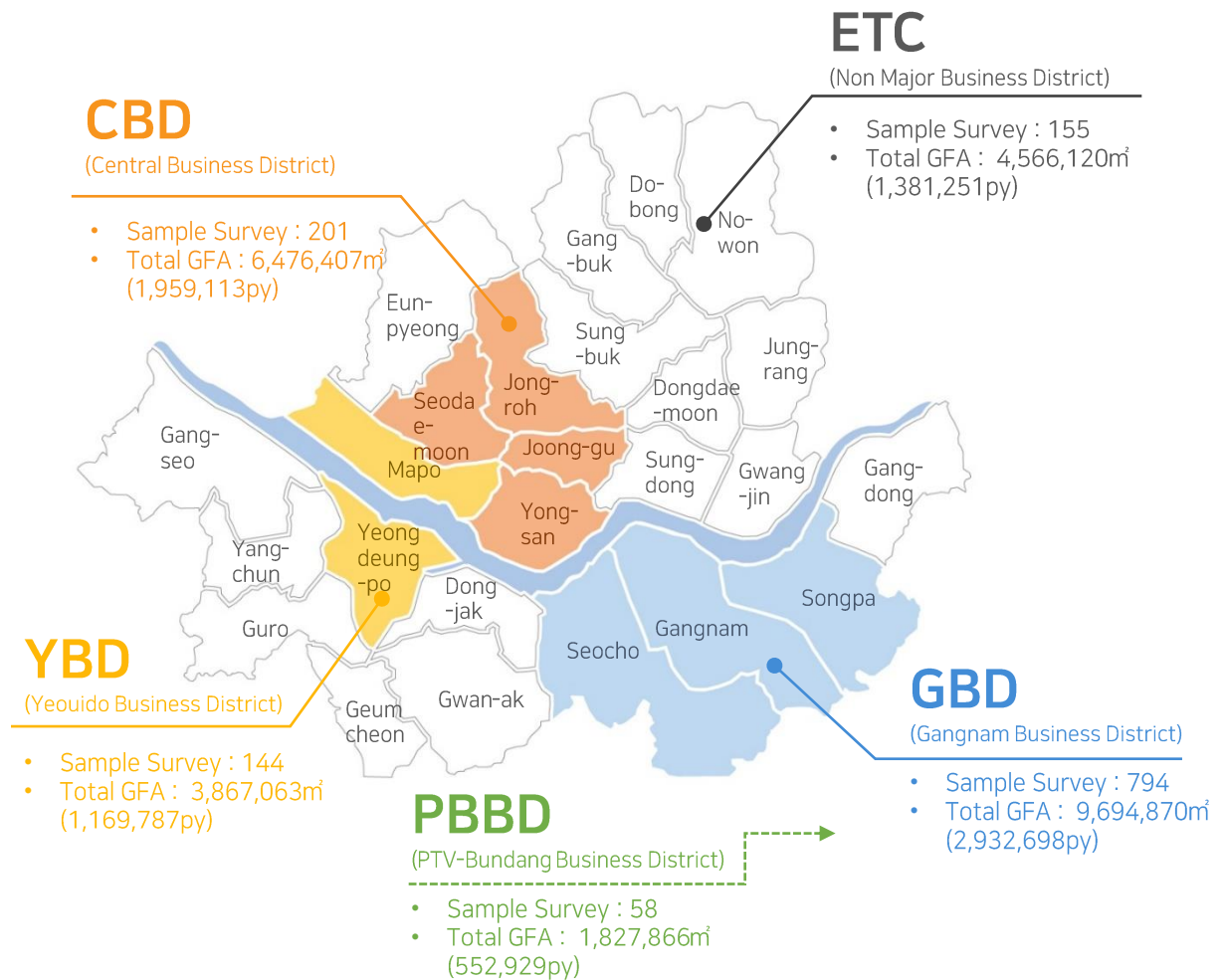
| | P Grade Prime Bldg. | S Grade Large Bldg. | A Grade Large-medium | B Grade Medium-small | C Grade Small Bldg. |
|----------------------------|------------------------|------------------------|-------------------------|-------------------------|------------------------|
| Gross Floor Area | >15,000py | >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



 Vacancy Rate

5.61% ↓

Average NOC 

₩151,728 ↑

Q1 SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

Avg. Rent

61,881

Avg. Deposit

796,921

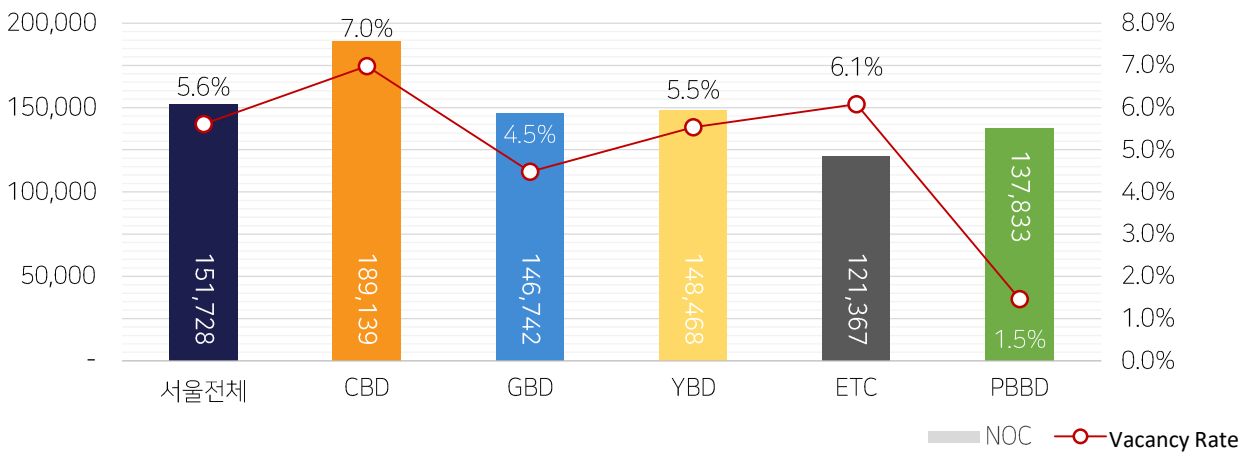
Avg.
Management
Fee

24,311

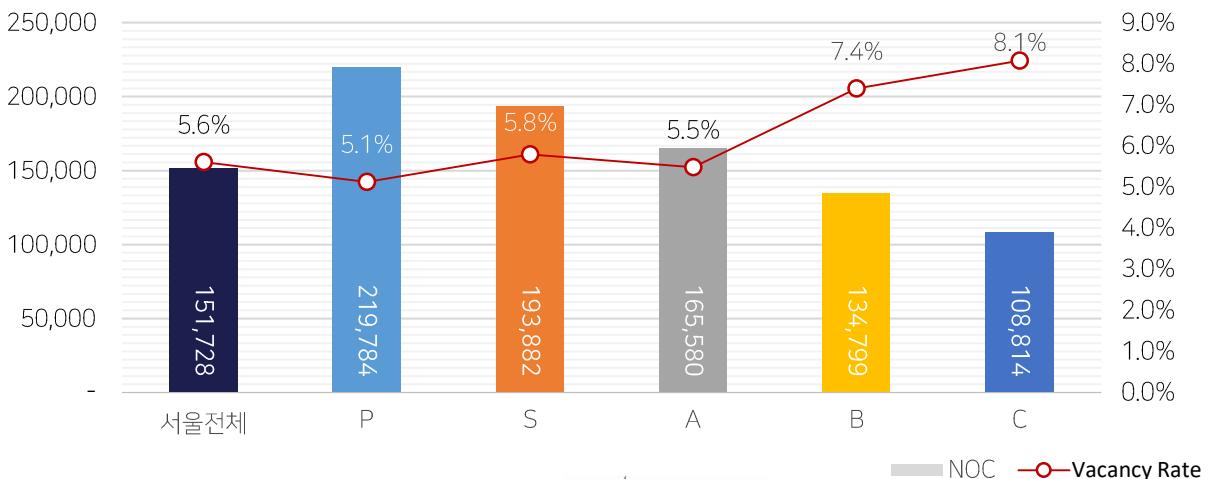
The average vacancy rate of office buildings in Seoul is 5.61% as at Nov 2019, and the average NOC cost of 1py within GFA) is ₩151,728.

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Vacancy Rate & NOC in Seoul and Each District

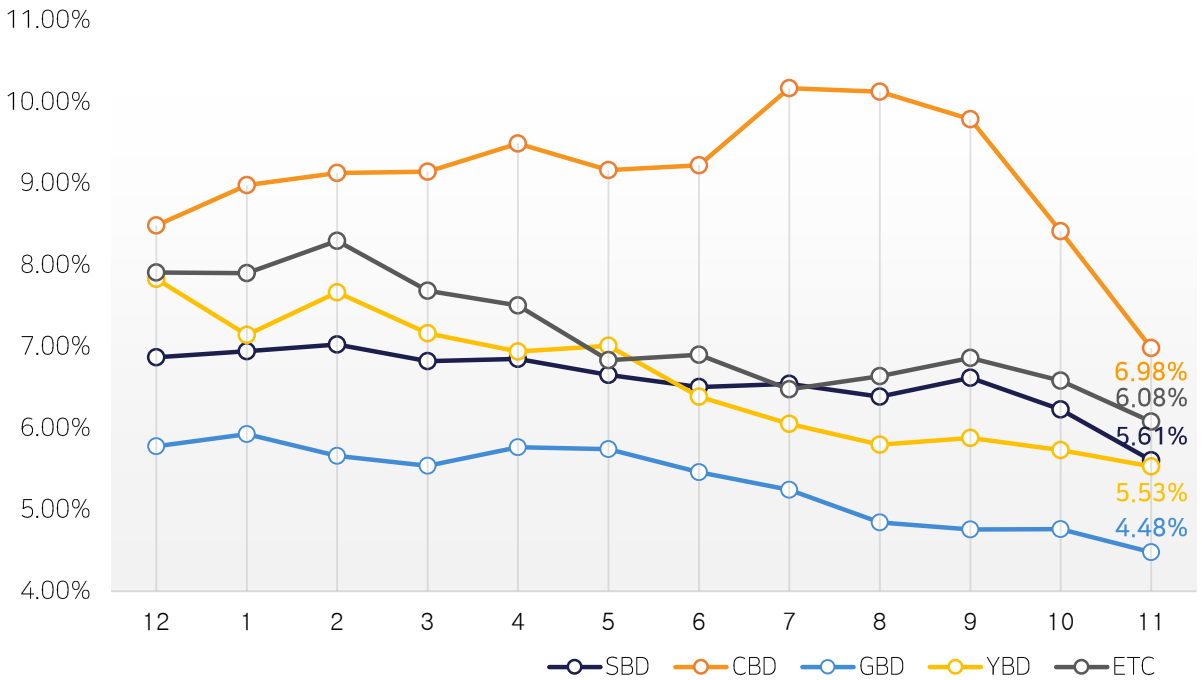


Vacancy Rate & NOC in Seoul & Each Building Category

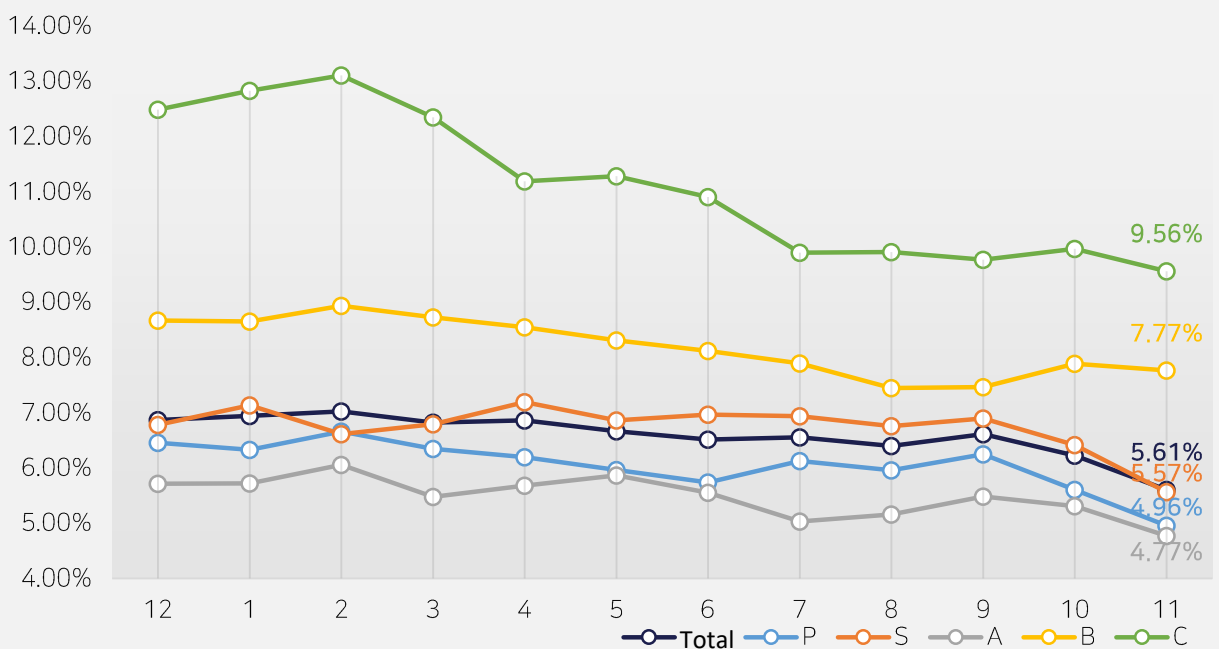


Monthly Vacancy Rate in 5 Main Districts

The chart below indicates the changes in the vacancy rates within Seoul from Dec 2018 to Nov 2019. The continuous drop of CBD's vacancy rate was observed, which was apparently due to the head offices of SK C&C and Shinsaege having moved into Centro Polis Buildings in Jongro.



Monthly Vacancy Rate for Different Sizes of Buildings



Q2

CBD Central Seoul

CBD OFFICE LEASING MARKET



Vacancy Rate

6.98% ↓

Avg. NOC

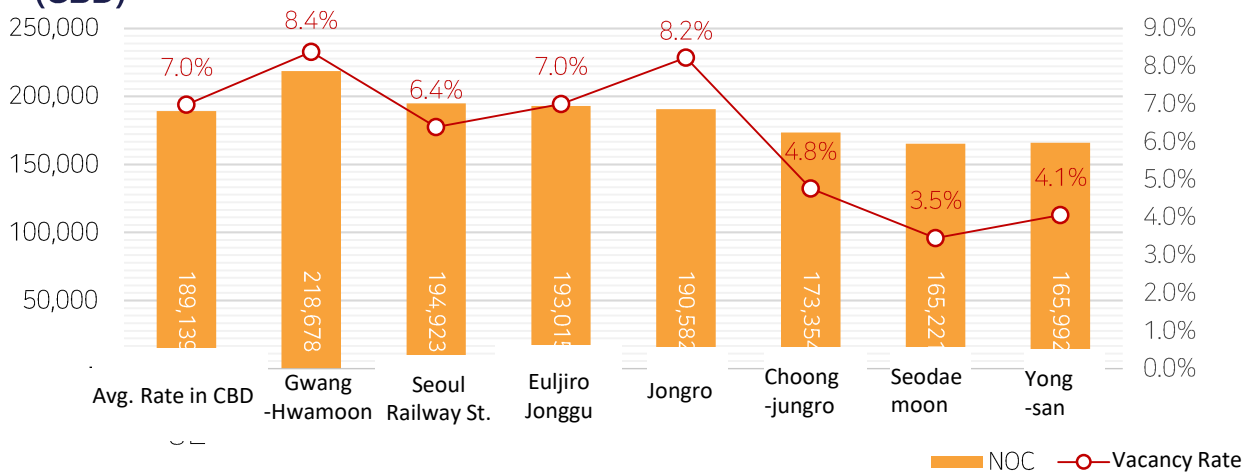


₩189,139 ↑

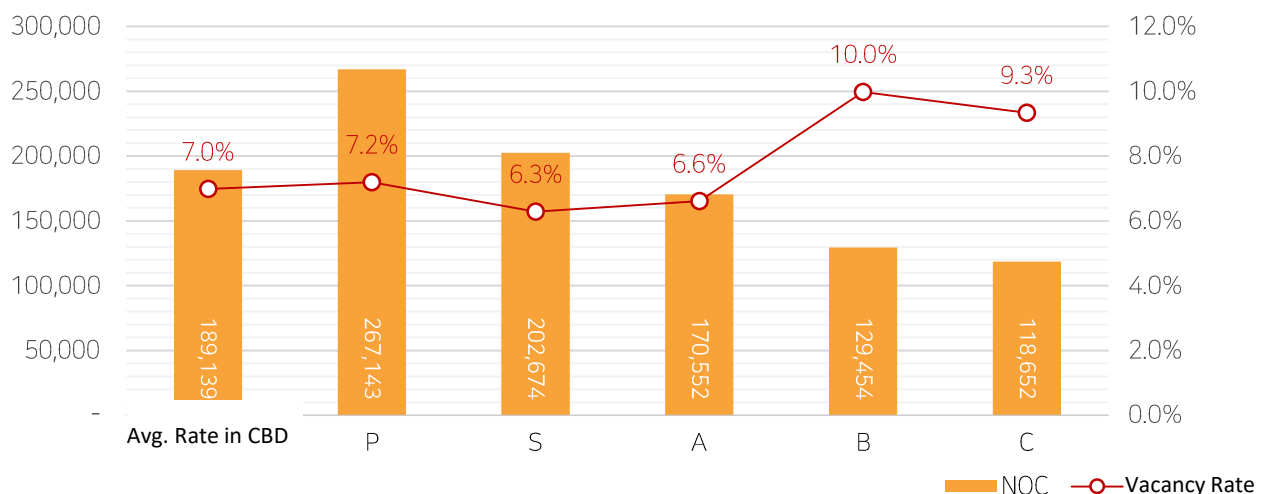
| Avg. Rent | Avg. Deposit | Avg. Management Fee |
|-----------|--------------|---------------------|
| 74,322 | 756,374 | 32,925 |

The average vacancy rate of office buildings in CBD is 6.98% as at Nov 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

4.48% ↓

Avg. NOC



₩146,742 ↑

Avg. Rent

63,188

Avg. Deposit

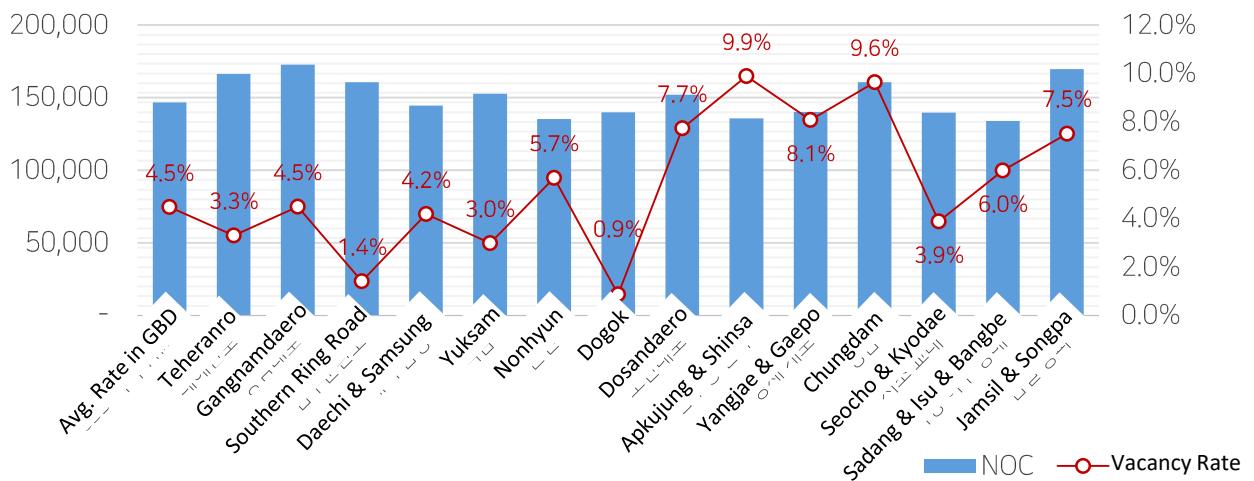
898,318

Avg.
Management
Fee

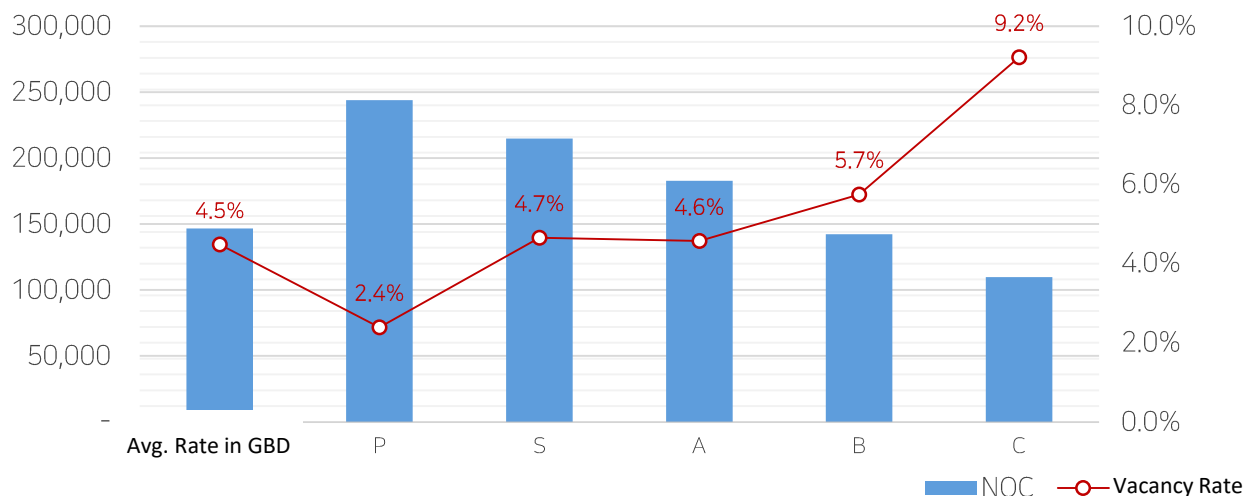
22,669

The average vacancy rate of office buildings in GBD is 4.48% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩146,742.

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

5.53% ↑

Avg. NOC

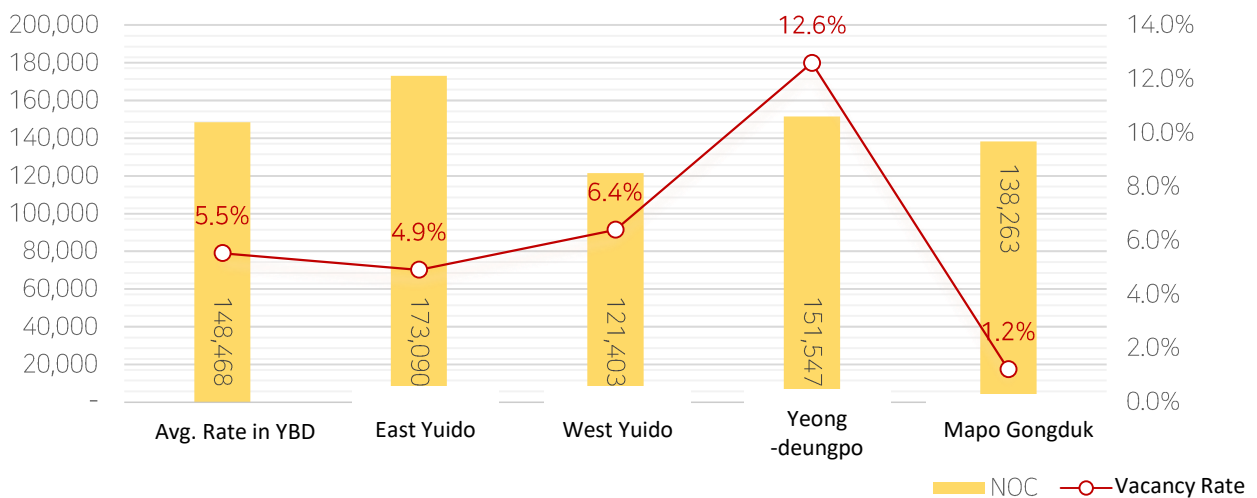
₩148,468 ↓



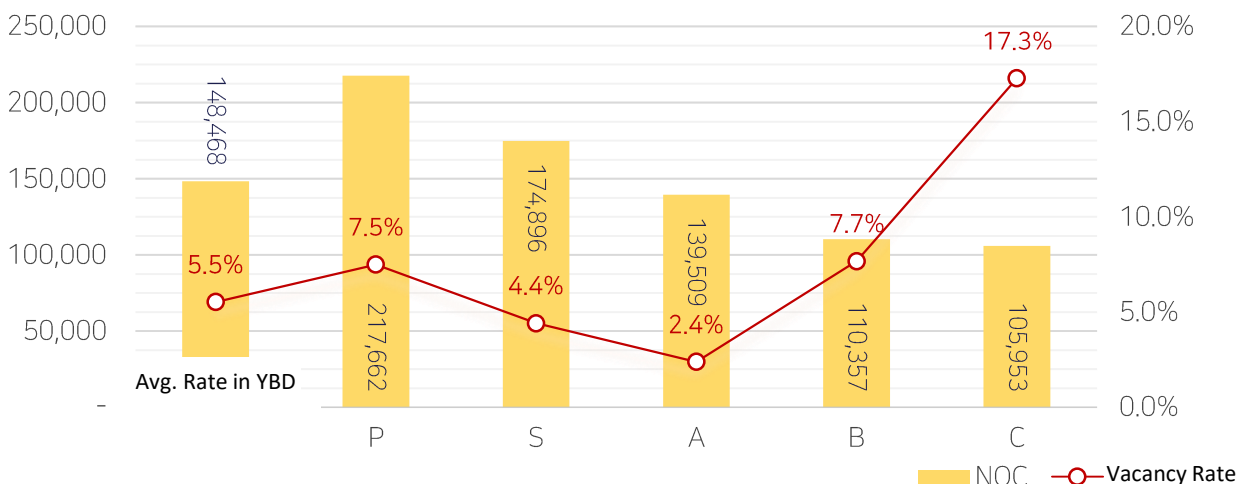
| Avg. Rent | Avg. Deposit | Avg. Management Fee |
|-----------|--------------|---------------------|
| 52,647 | 565,081 | 25,868 |

The average vacancy rate of office buildings in Seoul is 5.53% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩148,468.

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

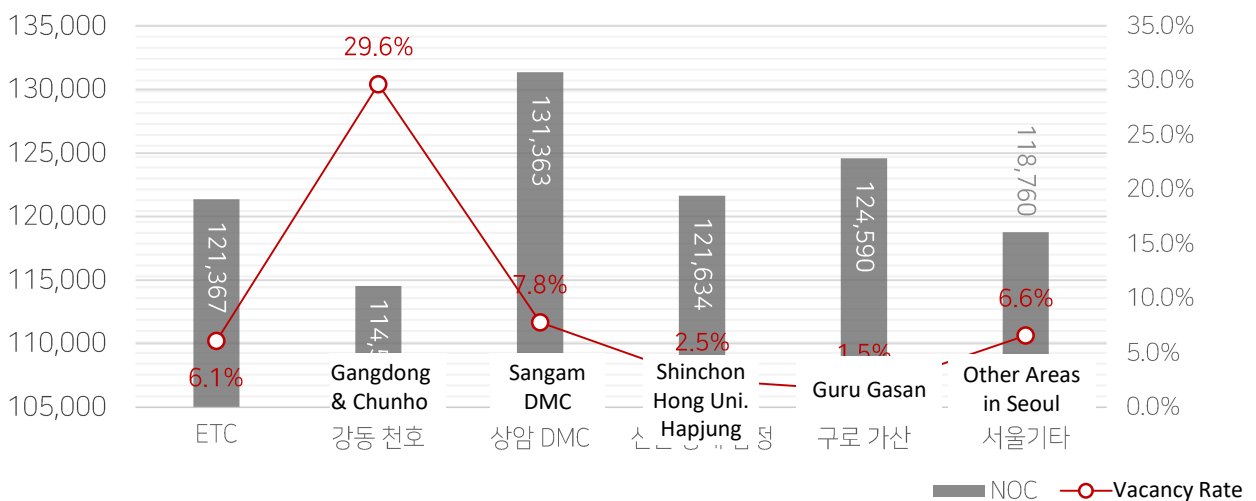


₩121,367 ↓

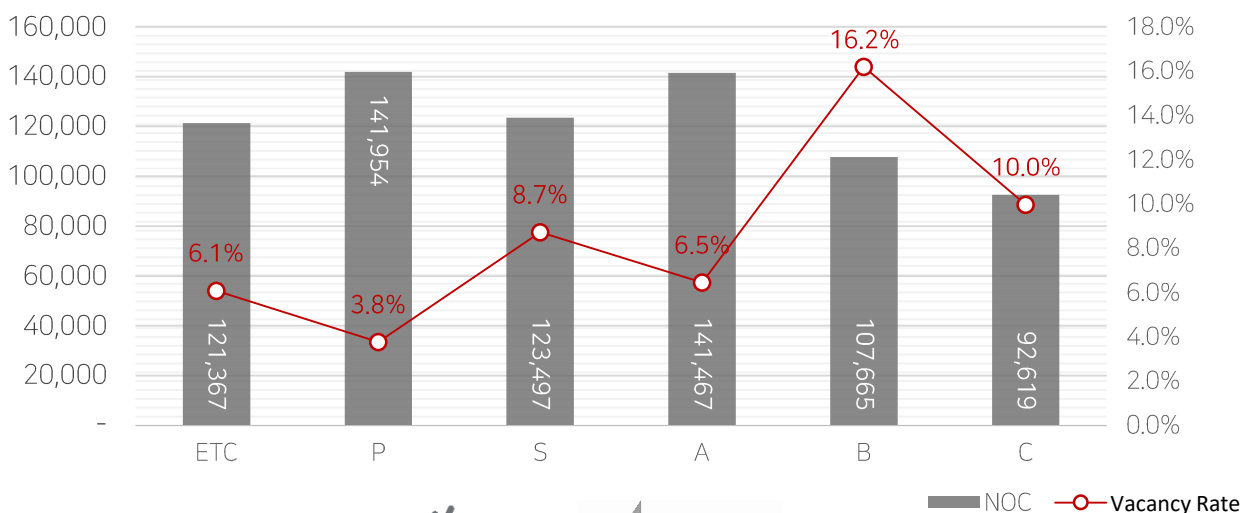
| Avg. Rent | Avg. Deposit | Avg. Management Fee |
|-----------|--------------|---------------------|
| 44,723 | 516,786 | 18,777 |

The average vacancy rate of office buildings in ETC is 6.08% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩121,367.

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



Vacancy Rate & NOC for Different Sizes of Buildings in ETC



Q6

PBBD Pangyo & Bundang

PBBD OFFICE LEASING MARKET



Vacancy Rate

1.46% ↑

Avg. NOC

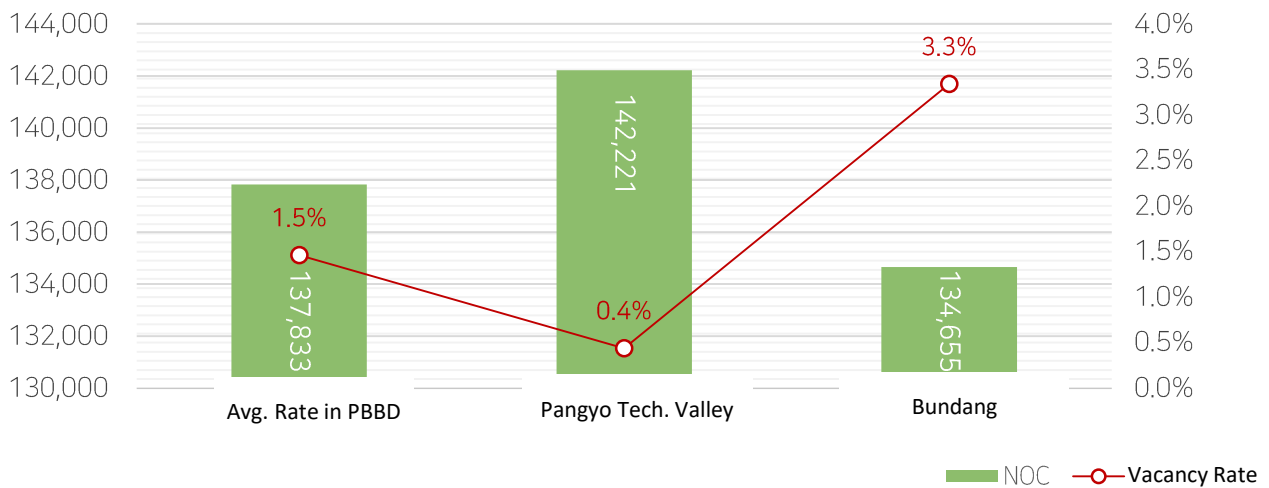
₩137,833 ↑



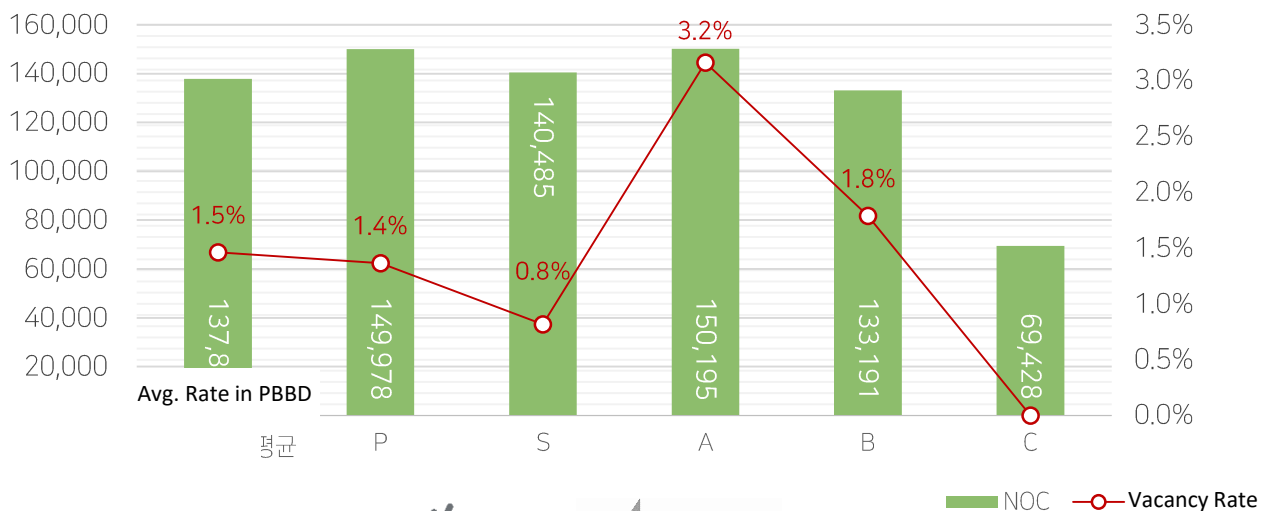
| Avg. Rent | Avg. Deposit | Avg. Management Fee |
|-----------|--------------|---------------------|
| 46,269 | 534,825 | 21,771 |

The average vacancy rate of office buildings in Seoul is 1.46% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩137,833.

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 | 8.37% |
| | Seoul Railway St. | 723,455 | 769,751 | 76,682 | 34,650 | 194,923 | 6.39% |
| | Euljiro Joong-gu | 1,189,902 | 763,112 | 76,447 | 33,993 | 193,015 | 7.00% |
| | Jong-roh | 616,942 | 792,600 | 76,207 | 31,871 | 190,582 | 8.23% |
| | Choongjung-roh | 171,309 | 625,591 | 61,904 | 30,972 | 173,354 | 4.76% |
| | Seodaemoon | 122,300 | 769,280 | 61,847 | 30,833 | 165,221 | 3.45% |
| | Yongsan | 145,992 | 662,385 | 60,492 | 31,038 | 165,992 | 4.06% |
| GBD | Teheranro | 1,351,943 | 874,367 | 69,122 | 26,202 | 166,437 | 3.30% |
| | Gangnamdaero | 496,919 | 969,448 | 69,892 | 27,186 | 172,802 | 4.49% |
| | Southern Ring Road | 69,561 | 852,725 | 59,621 | 25,587 | 160,645 | 1.41% |
| | Daechi & Samsung | 747,039 | 863,646 | 62,623 | 22,653 | 144,427 | 4.18% |
| | Yuksam | 1,131,627 | 855,271 | 64,479 | 23,711 | 152,744 | 2.99% |
| | Nonhyun | 262,742 | 1,020,588 | 63,041 | 21,655 | 135,220 | 5.68% |
| | Dogok | 77,302 | 806,354 | 53,100 | 23,407 | 139,943 | 0.87% |
| | Dosandaero | 78,703 | 1,171,932 | 68,164 | 24,201 | 152,025 | 7.73% |
| | Apkujung & Shinsa | 54,326 | 1,058,129 | 64,016 | 21,143 | 135,670 | 9.88% |
| | Yangjae & Gaepo | 43,593 | 702,689 | 53,777 | 21,381 | 140,051 | 8.08% |
| | Chungdam | 95,091 | 1,149,260 | 74,144 | 21,756 | 160,518 | 9.64% |
| | Seocho & Gyudae | 143,070 | 911,145 | 60,317 | 19,049 | 139,740 | 3.88% |
| | Sadang, Isu & Bangbe | 26,743 | 1,078,643 | 58,959 | 19,382 | 133,966 | 5.99% |
| | Jamsil & Songpa | 295,412 | 753,791 | 59,783 | 24,755 | 169,746 | 7.51% |
| YBD | East Yeouido | 669,065 | 600,444 | 57,374 | 29,599 | 173,090 | 4.91% |
| | West Yeouido | 161,081 | 466,712 | 43,146 | 22,174 | 121,403 | 6.40% |
| | Yeongdeungpo | 135,079 | 527,071 | 49,206 | 27,690 | 151,547 | 12.59% |
| | Mapo Gongduk | 175,221 | 497,552 | 50,527 | 26,208 | 138,263 | 1.22% |
| ETC | Gangdong Chunho | 67,197 | 494,444 | 45,206 | 17,375 | 114,540 | 29.64% |
| | Sangam DMC | 296,825 | 399,987 | 39,841 | 25,081 | 131,363 | 7.78% |
| | Shinchon, Hong Uni. & Hapchun | 61,120 | 797,683 | 54,574 | 19,758 | 121,634 | 2.52% |
| | Other Areas in Seoul | 566,630 | 544,573 | 46,836 | 19,757 | 118,760 | 6.57% |
| PBBD | Pangyo Techno. Valley | 319,624 | 503,443 | 48,972 | 19,641 | 142,221 | 0.44% |
| | Bundang | 174,253 | 558,633 | 44,219 | 23,388 | 134,655 | 3.34% |

MEET THE TEAM

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Seoul, Korea

Seoul Office



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