



MONTHLY MARKET REVIEW

October 2019

# Seoul Office

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

Photo: Taeyoung Building  
in Gongdukdong



**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 <sup>2</sup> (=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 <sup>th</sup> and 20 <sup>th</sup> 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

<b>CBD</b> Central Business District  Gwanghwa-moon Joong-gu, Seodaemoon, Jong-roh Etc	<b>YBD</b> Yeido Business District  Yeido, Mapo-ku Etc.	<b>GBD</b> Gangnam Business District  Gangnam-ku Seocho-ku Songpa-ku Etc.	<b>PBBD</b> PTV-Bundang Business District  Pangyo Techno Valley, Seohyundong, Sune-dong Etc.	<b>ETC</b> Non Major Business District  Sangam, Gangdong Etc.
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## 03

## Categories of Office Buildings by Size of Floor Area

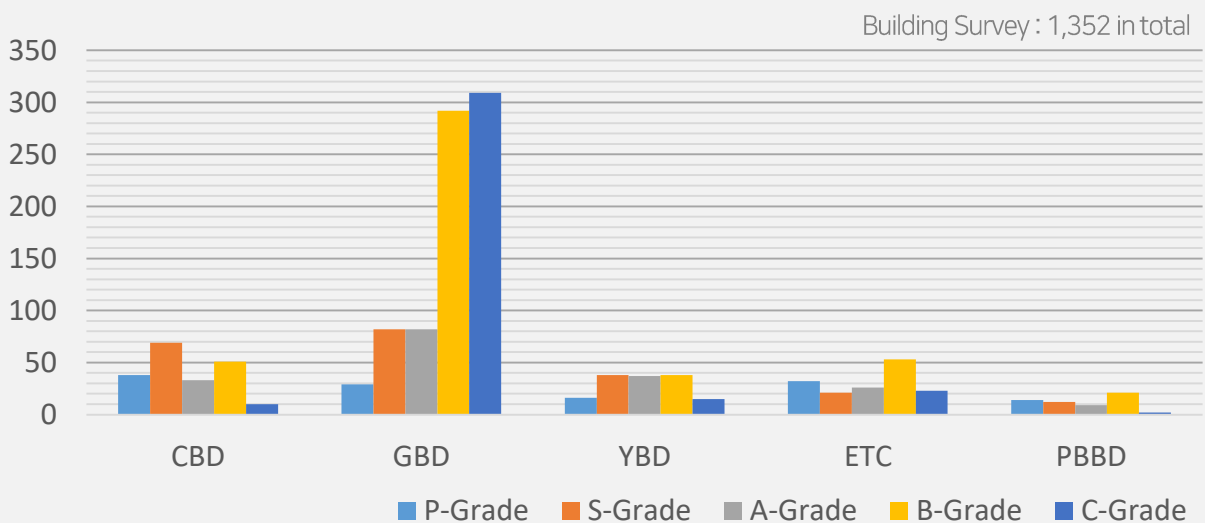
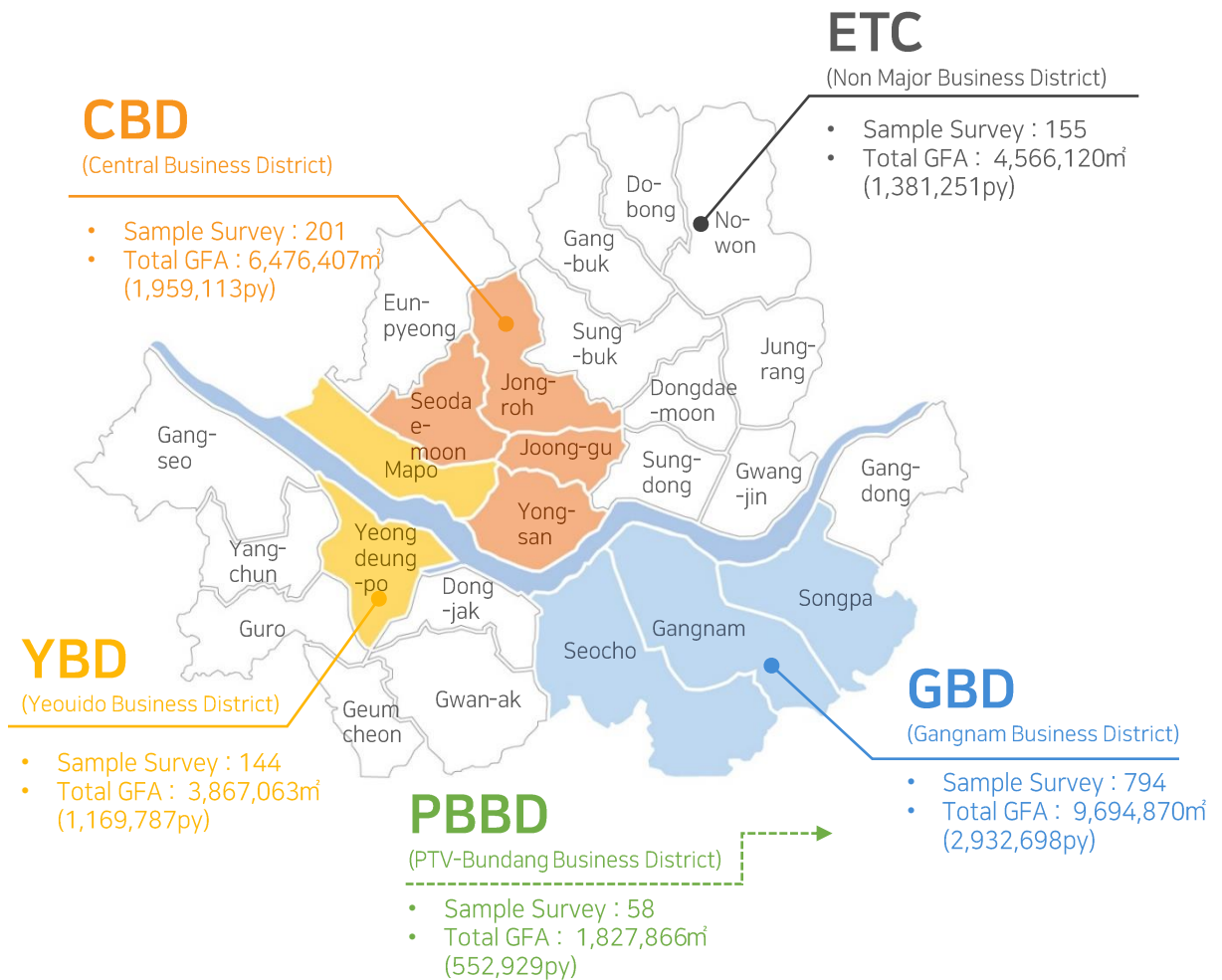
	P Grade Prime Bldg.	S Grade Large Bldg.	A Grade Large-medium	B Grade Medium-small	C Grade Small Bldg.
Gross Floor Area	>15,000py	>7,000py	>4,000py	>1,000py	<1,000py
Lease Area of Sample Floor	>500py	>300py	>200py	>150py	<150py

**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 &amp; Sample Numbers





Vacancy Rate

6.62% ↑

Average NOC



₩151,491 ↑

# Q1

## SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

Avg. Rent

61,797

Avg. Deposit

796,708

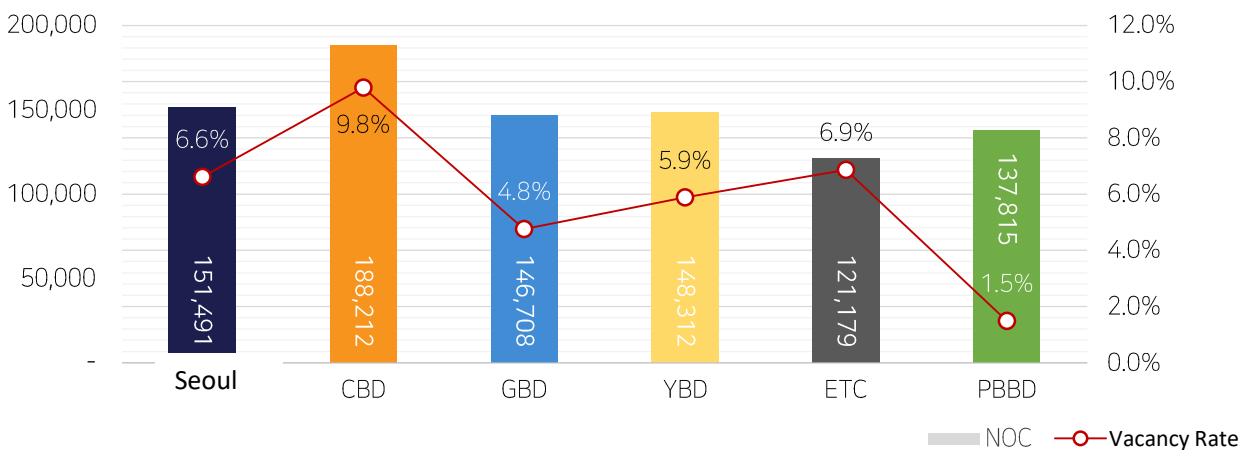
Avg.  
Management  
Fee

24,272

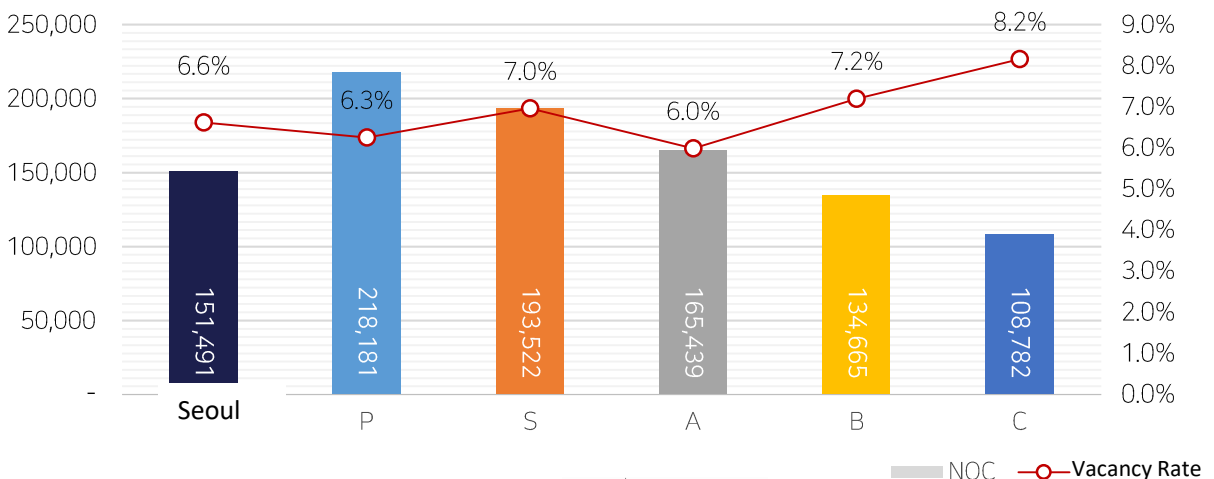
The average vacancy rate of office buildings in Seoul is 6.62% as at Sep 2019, and the average NOC cost of 1py within GFA is ₩151,491.

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### Vacancy Rate & NOC in Seoul and Each District

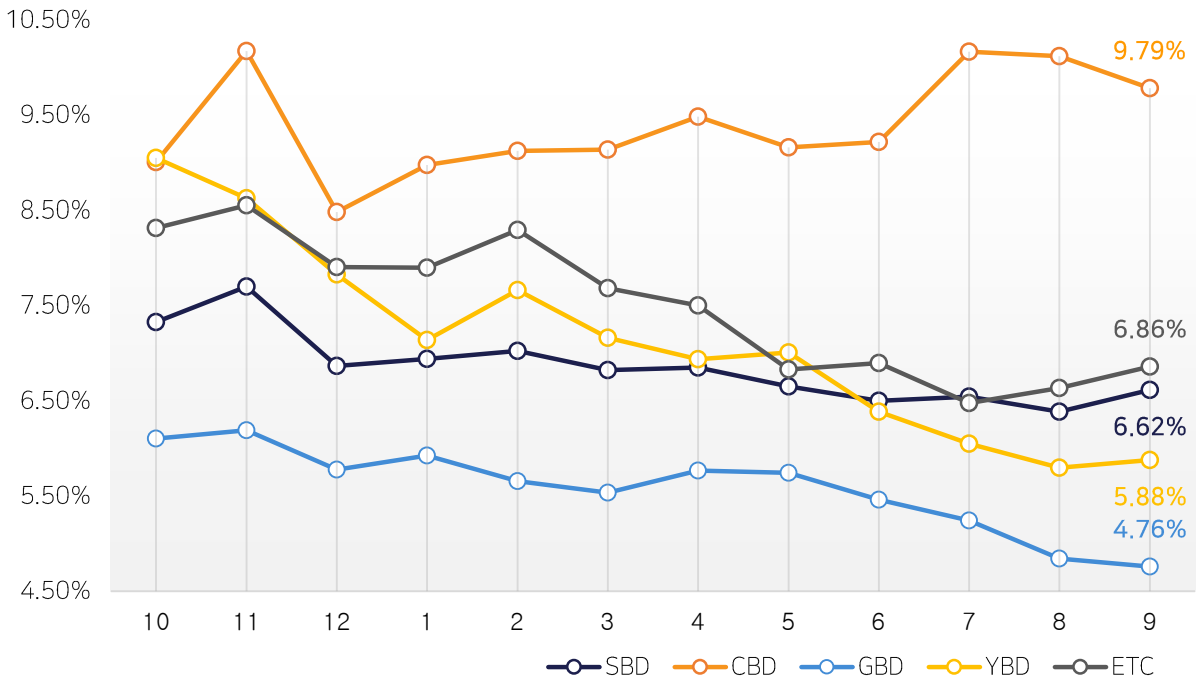


### Vacancy Rate & NOC in Seoul & Each Building Category

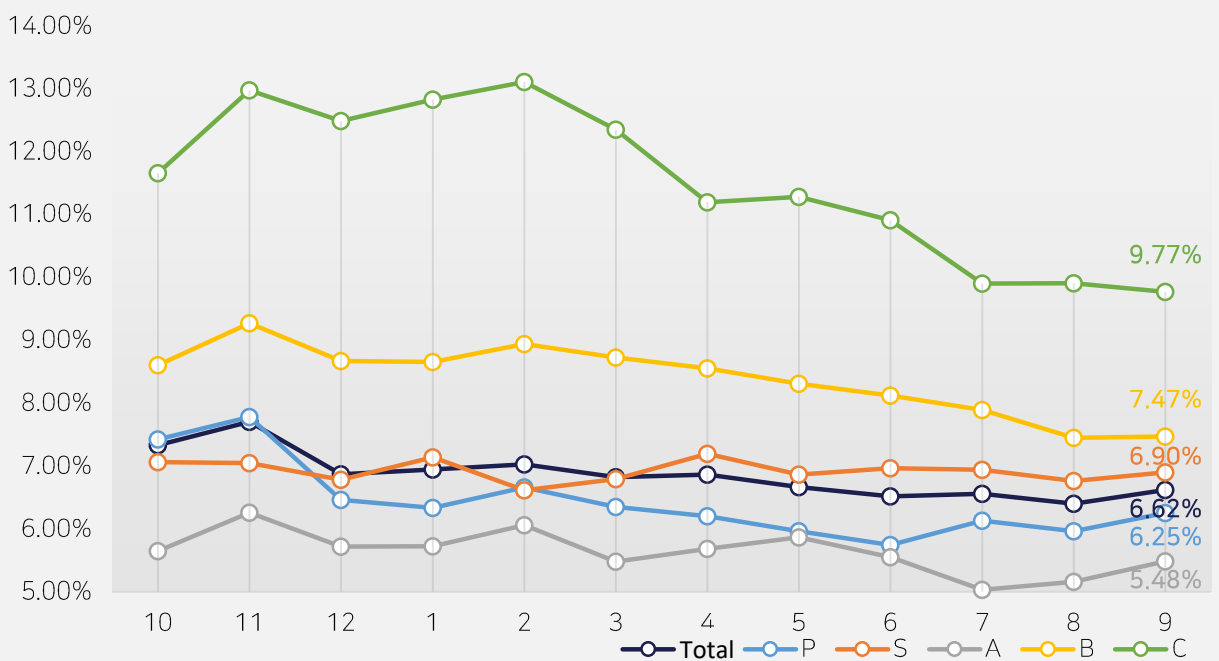


## Monthly Changes of Vacancy Rate in Different Districts

The chart below indicates the changes in the vacancy rates within Seoul from Oct 2018 to Sept 2019. The average vacancy rate of Seoul area went up further, though with a small degree, whereas CBD, the district with the highest vacancy rate, went down.



## Monthly Changes of Vacancy Rate for Different Sizes of Buildings



Q2

# CBD Central Seoul

CBD OFFICE LEASING MARKET



Vacancy Rate

9.79% ↓

Avg. NOC

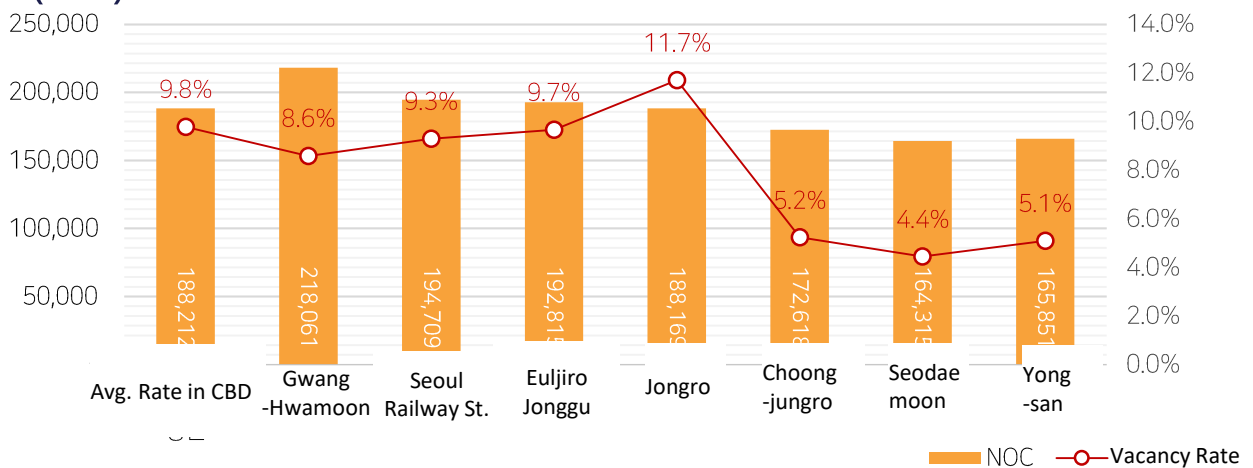


₩188,212 ↓

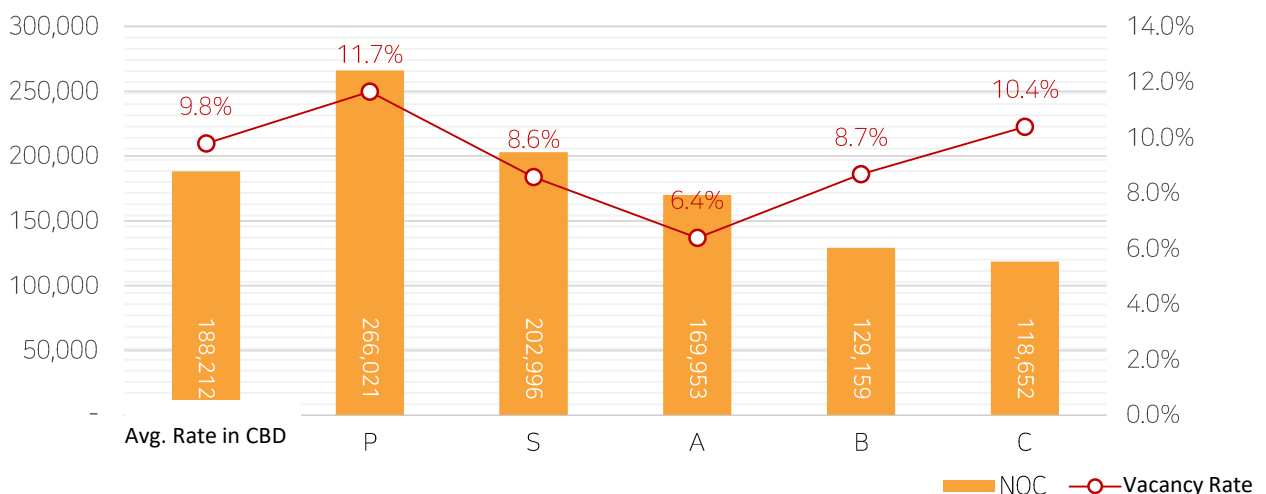
Avg. Rent	Avg. Deposit	Avg. Management Fee
74,128	759,238	32,894

The average vacancy rate of office buildings in CBD is 9.79% as at Sep 2019, and the average NOC (the cost of 1py within GFA) is ₩188,212.

## 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

4.76% ↓

Avg. NOC



₩146,708 ↑

Avg. Rent

63,167

Avg. Deposit

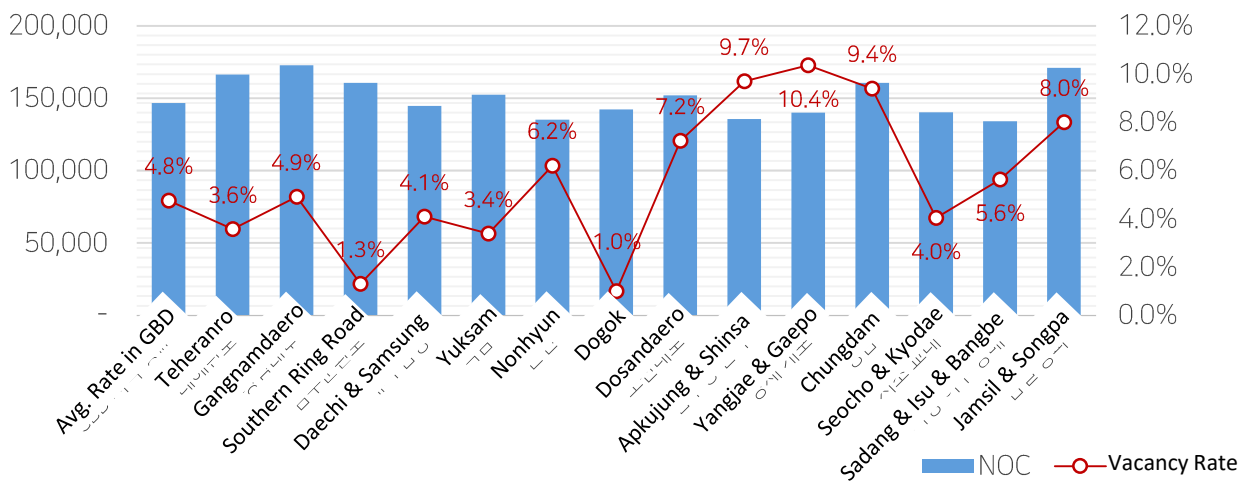
897,957

Avg.  
Management  
Fee

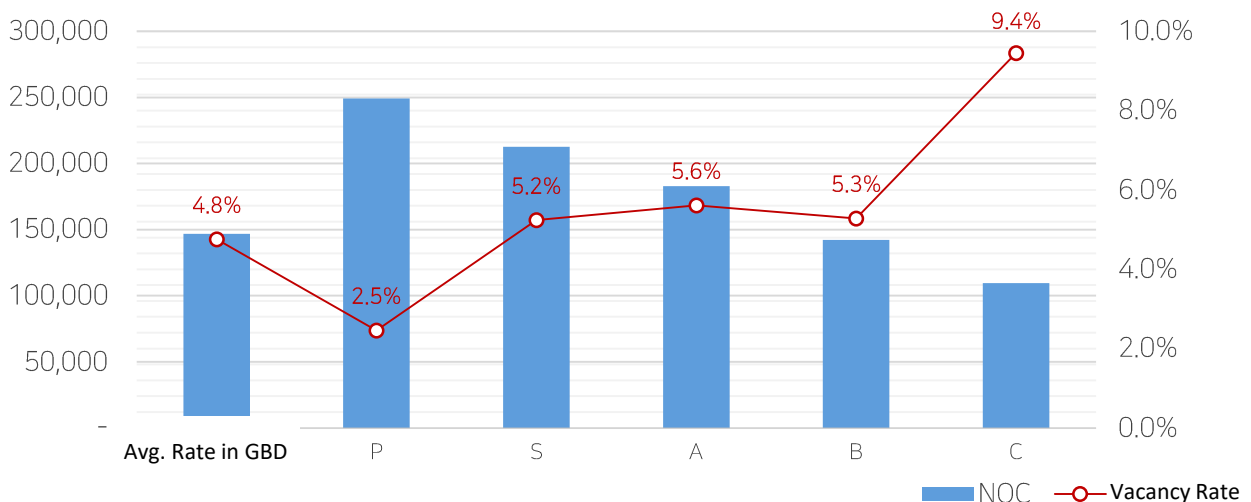
22,648

The average vacancy rate of office buildings in GBD is 4.76% as at Sep 2019, and the average NOC (the cost of 1py within GFA) is ₩146,708.

## Vacancy Rate &amp; NOC in Gangnam Business Districts (GBD)



## Vacancy Rate &amp; NOC for Different Sizes of Buildings in GBD



Q4

YBD

# Yeuido & Yeongdeungpo

YBD OFFICE LEASING MARKET



Vacancy Rate

5.88% ↓

Avg. NOC

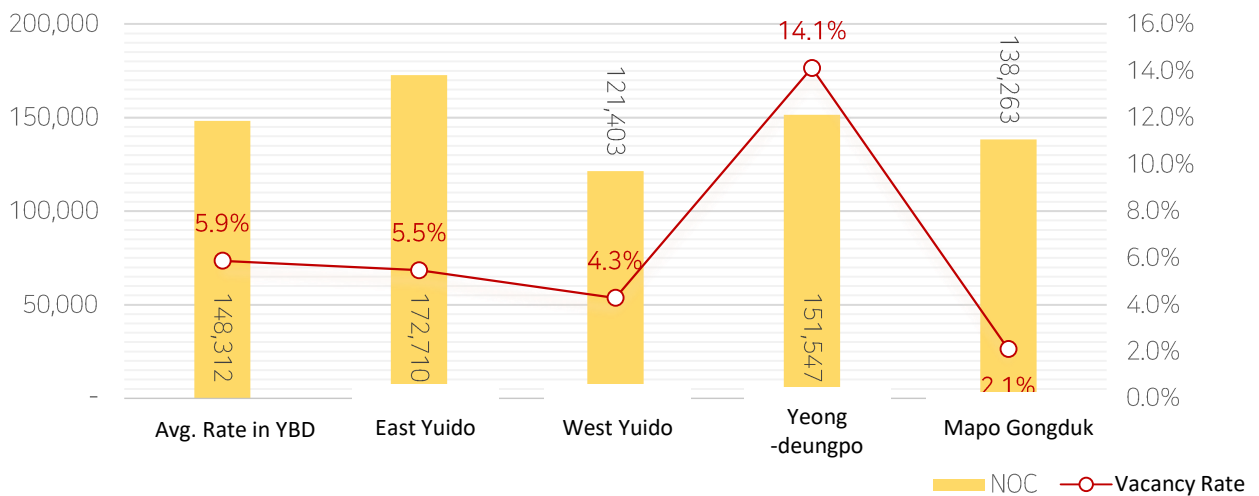
₩148,312 ↑



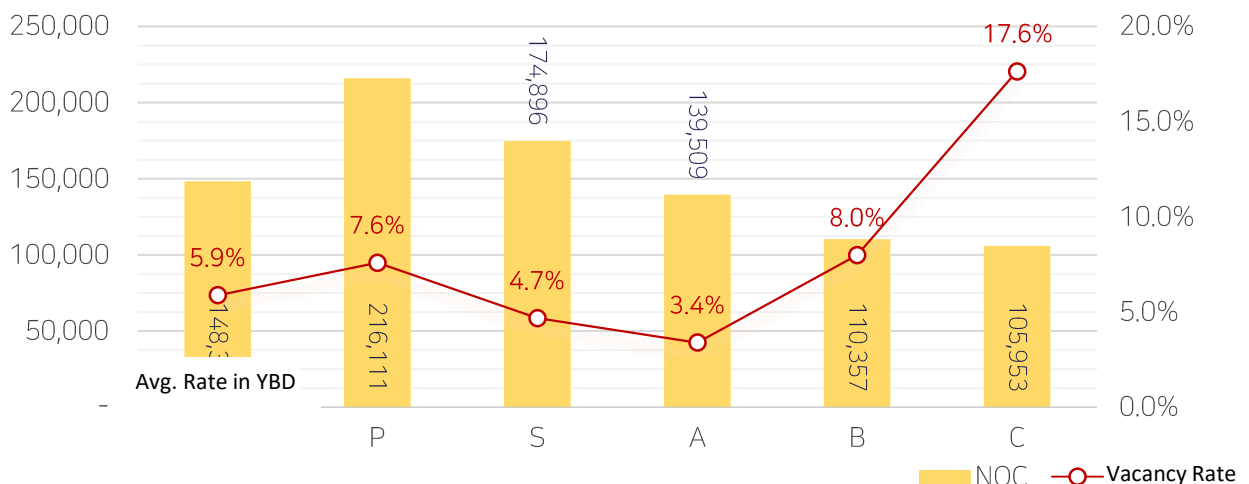
Avg. Rent	Avg. Deposit	Avg. Management Fee
52,566	564,268	25,868

The average vacancy rate of office buildings in Seoul is 5.88% as at Sept 2019, and the average NOC (the cost of 1py within GFA) is ₩148,312

## 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

6.86% ↑

Avg. NOC

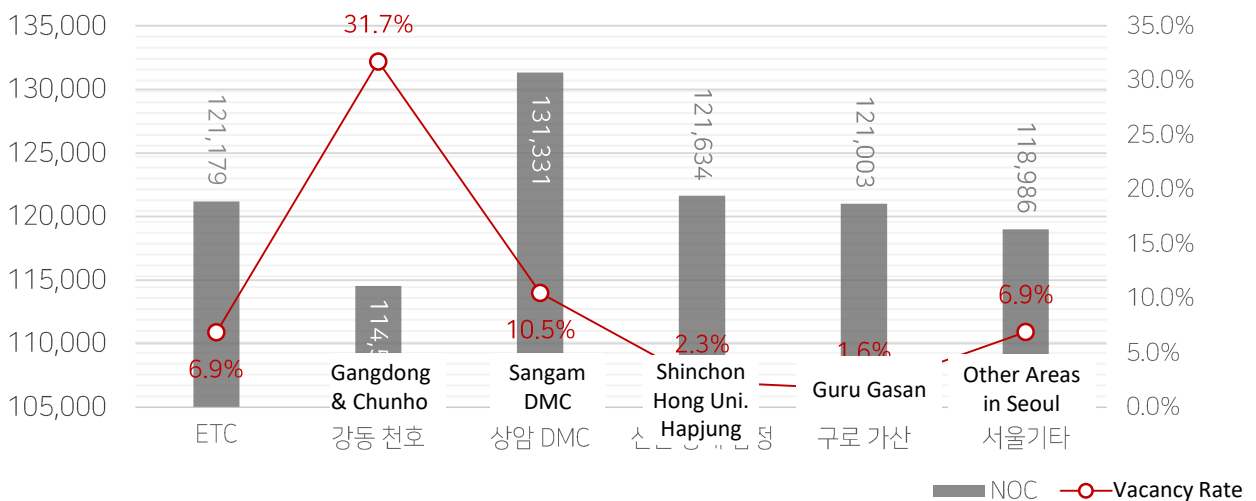


₩121,179 ↓

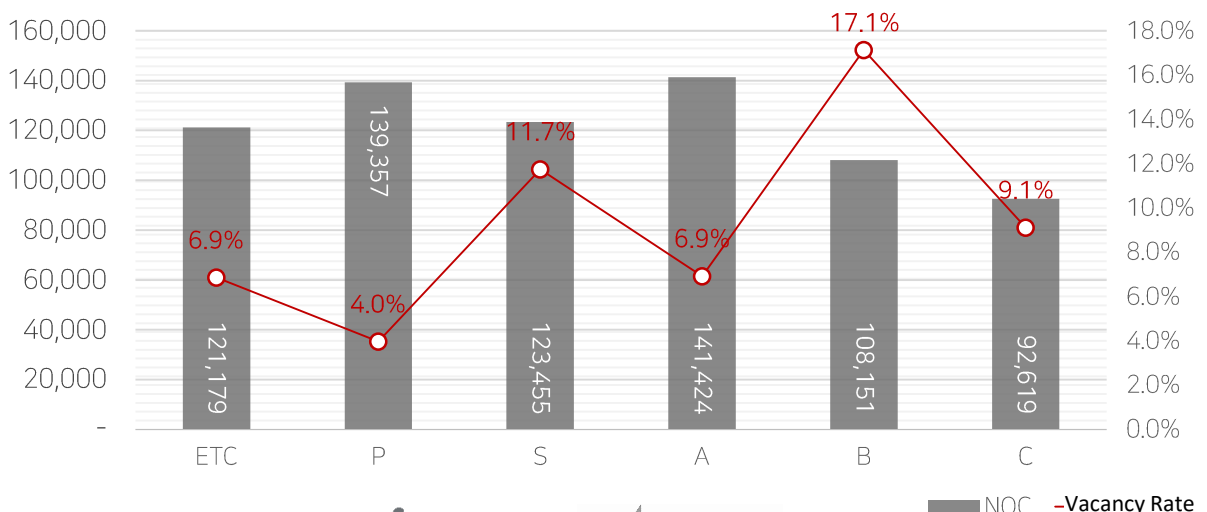
Avg. Rent	Avg. Deposit	Avg. Management Fee
44,694	515,965	18,689

The average vacancy rate of office buildings in ETC is 6.86% as at Sept 2019, and the average NOC (the cost of 1py within GFA) is ₩121,179.

## Vacancy Rate &amp; NOC in Other Districts in Seoul (ETC)



## Vacancy Rate &amp; NOC for Different Sizes of Buildings in ETC



Q6

# PBBD Pangyo & Bundang

PBBD OFFICE LEASING MARKET



Vacancy Rate

1.48% ↓

Avg. NOC

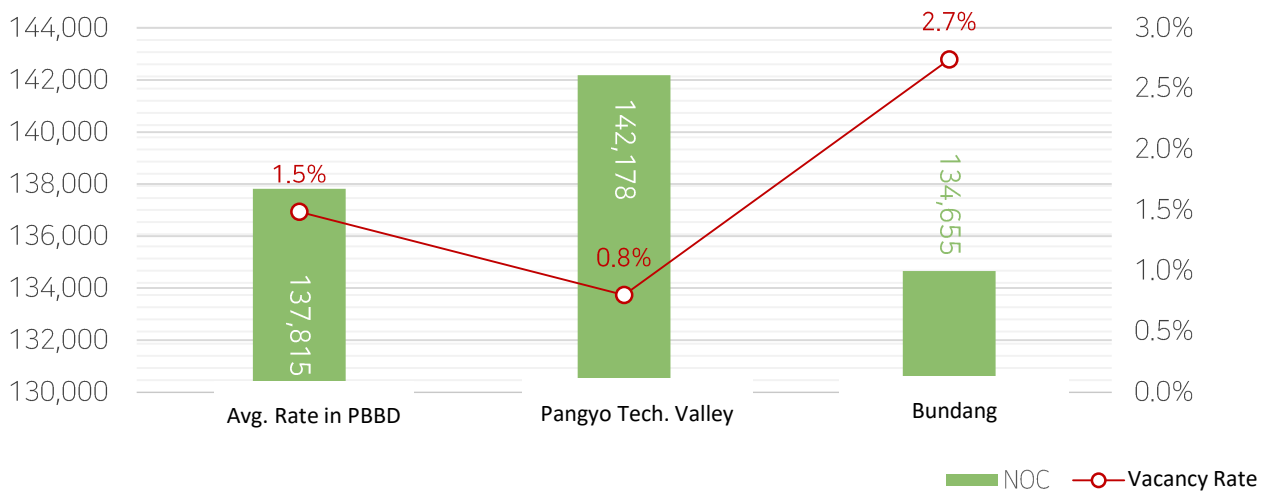
₩137,815 ↑



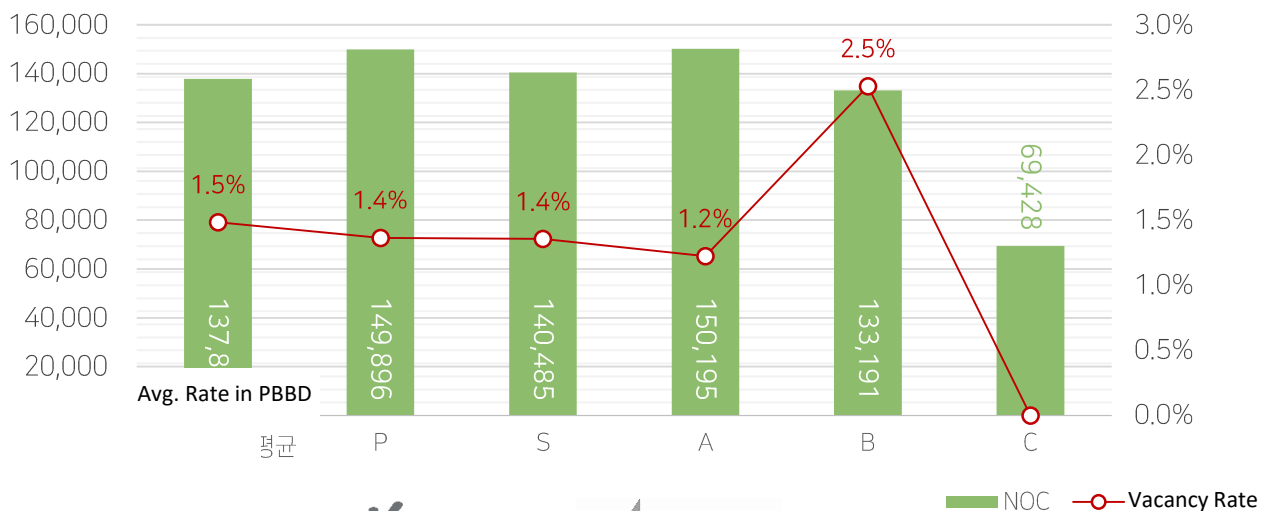
Avg. Rent	Avg. Deposit	Avg. Management Fee
46,269	534,825	21,771

The average vacancy rate of office buildings in Seoul is 1.48% as at Sept 2019, and the average NOC (the cost of 1py within GFA) is ₩137,815.

## 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	512,397	874,988	87,238	35,035	218,061	8.59%
	Seoul Railway St.	614,042	769,751	76,602	34,594	194,709	9.29%
	Euljiro Joong-gu	1,080,492	770,479	76,337	33,933	192,815	9.66%
	Jong-roh	617,018	789,127	75,809	31,860	188,169	11.70%
	Choongjung-roh	171,345	625,591	61,904	30,972	172,618	5.23%
	Seodaemoon	122,336	769,280	61,847	30,833	164,315	4.45%
	Yongsan	128,365	662,385	60,492	31,038	165,851	5.09%
GBD	Teheranro	1,351,942	873,637	69,083	26,185	166,348	3.58%
	Gangnamdaero	503,856	966,636	69,897	27,141	172,690	4.92%
	Southern Ring Road	76,184	852,725	59,621	25,587	160,645	1.31%
	Daechi & Samsung	746,637	863,839	62,552	22,715	144,612	4.09%
	Yuksam	1,138,427	853,859	64,395	23,669	152,510	3.38%
	Nonhyun	262,879	1,020,838	63,049	21,655	135,248	6.21%
	Dogok	77,302	805,354	54,267	23,407	142,170	1.01%
	Dosandaero	86,261	1,171,932	68,164	24,201	152,025	7.24%
	Apkujung & Shinsa	61,884	1,058,129	64,016	21,143	135,670	9.70%
	Yangjae & Gaepo	43,593	702,689	53,777	21,381	140,051	10.36%
	Chungdam	95,091	1,149,260	74,144	21,756	160,518	9.40%
	Secho & Gyudae	143,070	911,145	60,573	19,049	140,217	4.04%
	Sadang, Isu & Bangbe	26,743	1,078,643	58,959	19,382	133,966	5.64%
	Jamsil & Songpa	285,786	757,703	58,846	24,777	170,917	8.00%
YBD	East Yeouido	669,065	598,521	57,186	29,599	172,710	5.47%
	West Yeouido	161,081	466,712	43,146	22,174	121,403	4.29%
	Yeongdeungpo	135,079	527,071	49,206	27,690	151,547	14.12%
	Mapo Gongduk	175,221	497,552	50,527	26,208	138,263	2.10%
ETC	Gangdong Chunho	67,197	494,444	45,206	17,375	114,540	31.73%
	Sangam DMC	296,825	399,987	39,841	25,081	131,331	10.49%
	Shinchon, Hong Uni. & Hapchun	61,120	797,683	54,574	19,758	121,634	2.34%
	Other Areas in Seoul	566,631	547,005	46,982	19,876	118,986	6.90%
PBBD	Pangyo Techno. Valley	319,646	503,443	48,972	19,641	142,178	0.80%
	Bundang	174,253	558,633	44,219	23,388	134,655	2.74%

# MEET THE TEAM

Office Market Overview  
Seoul, Korea

## Seoul Office



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Office Lease Platform