



MONTHLY MARKET REVIEW

September 2019

# Seoul Office

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



**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 status
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

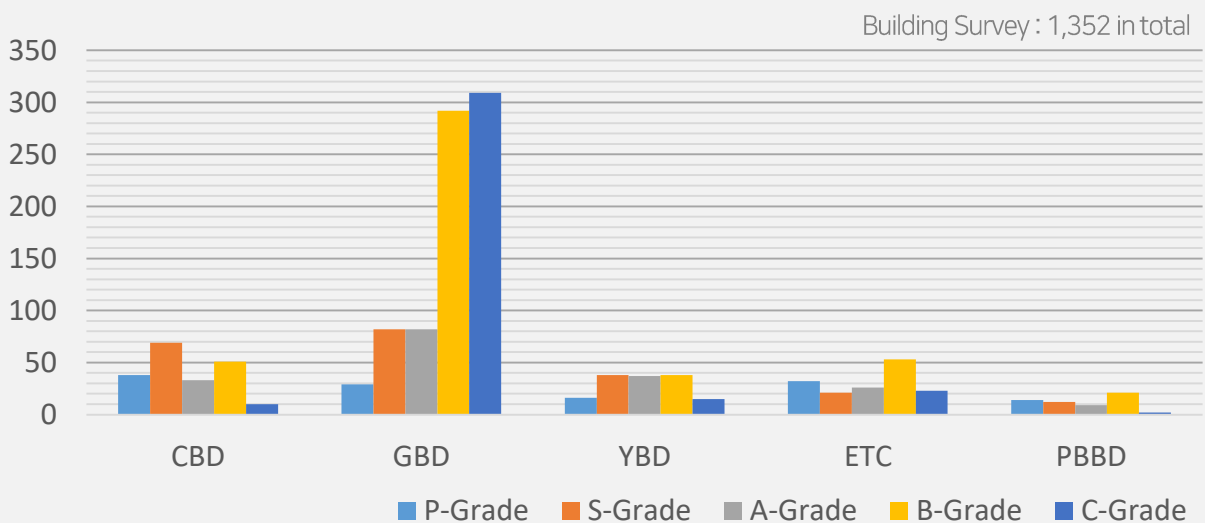
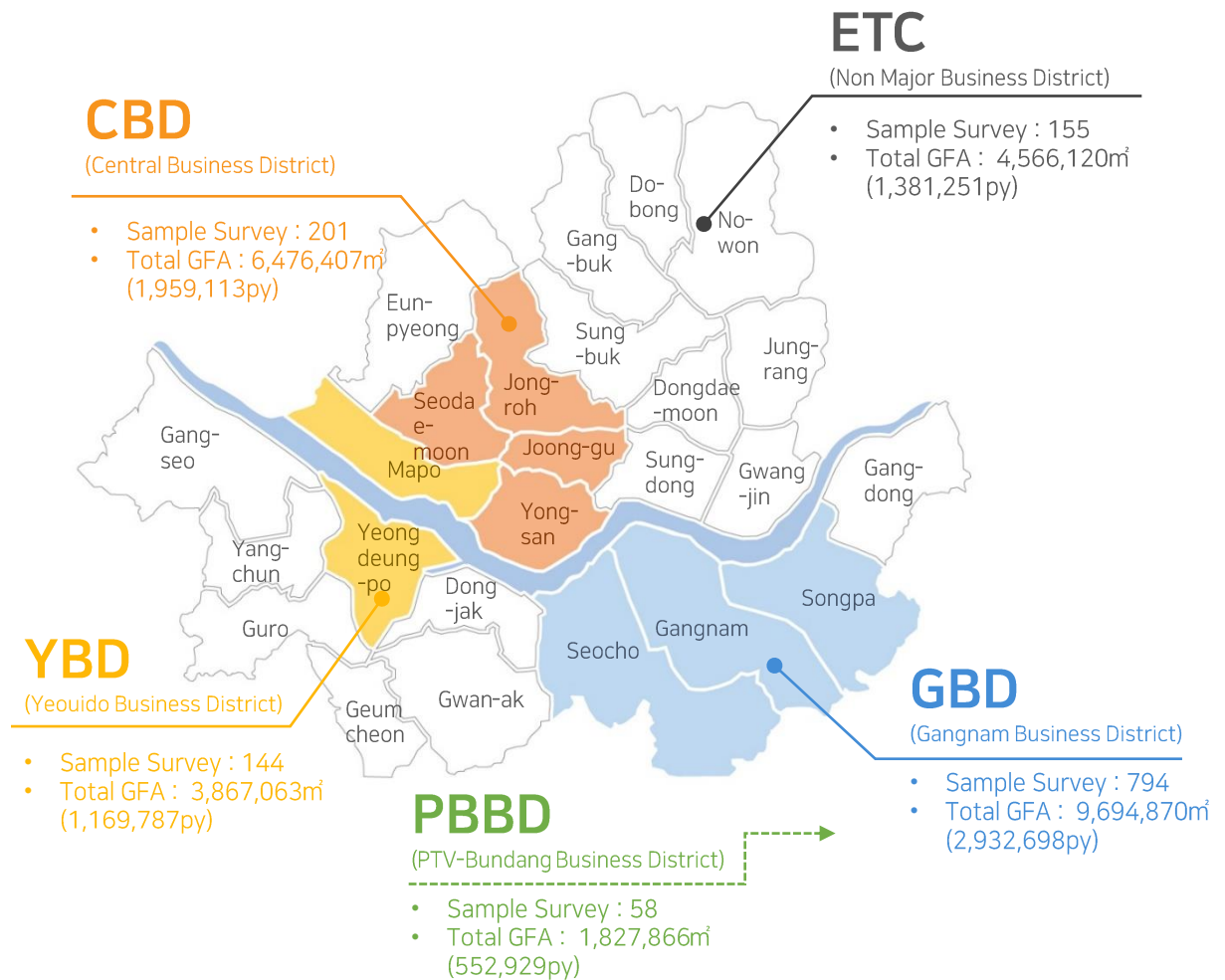
	P Grade Prime Bldg.	S Grade Large Bldg.	A Grade Large-medium	B Grade Medium-small	C Grade Small Bldg.
Gross Floor Area	>15,000py	>7,000py	>4,000py	>1,000py	<1,000py
Lease Area of Sample Floor	>500py	>300py	>200py	>150py	<150py

**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

6.39% ↓

Average NOC



₩151,027 ↑

# Q1

## SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

Avg. Rent

61,203

Avg. Deposit

786,027

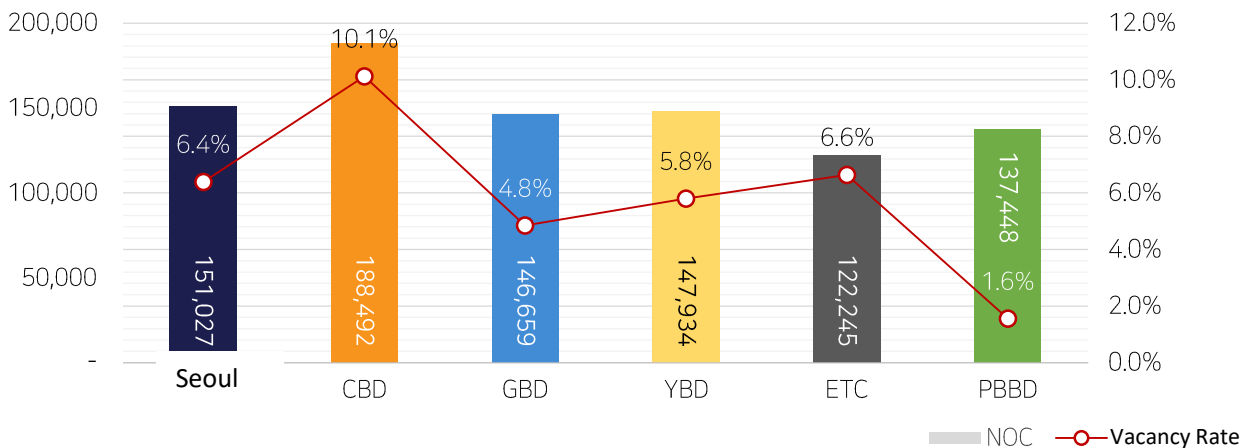
Avg.  
Management  
Fee

24,179

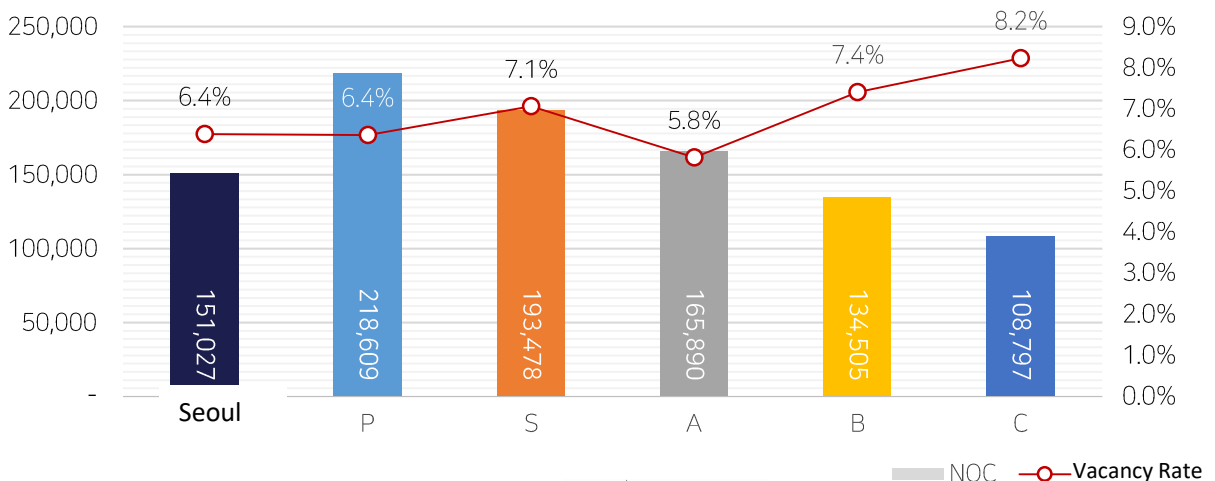
The average vacancy rate of office buildings in Seoul is 6.39% as at Aug 2019, and the average NOC cost of 1py within GFA is ₩151,027.

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

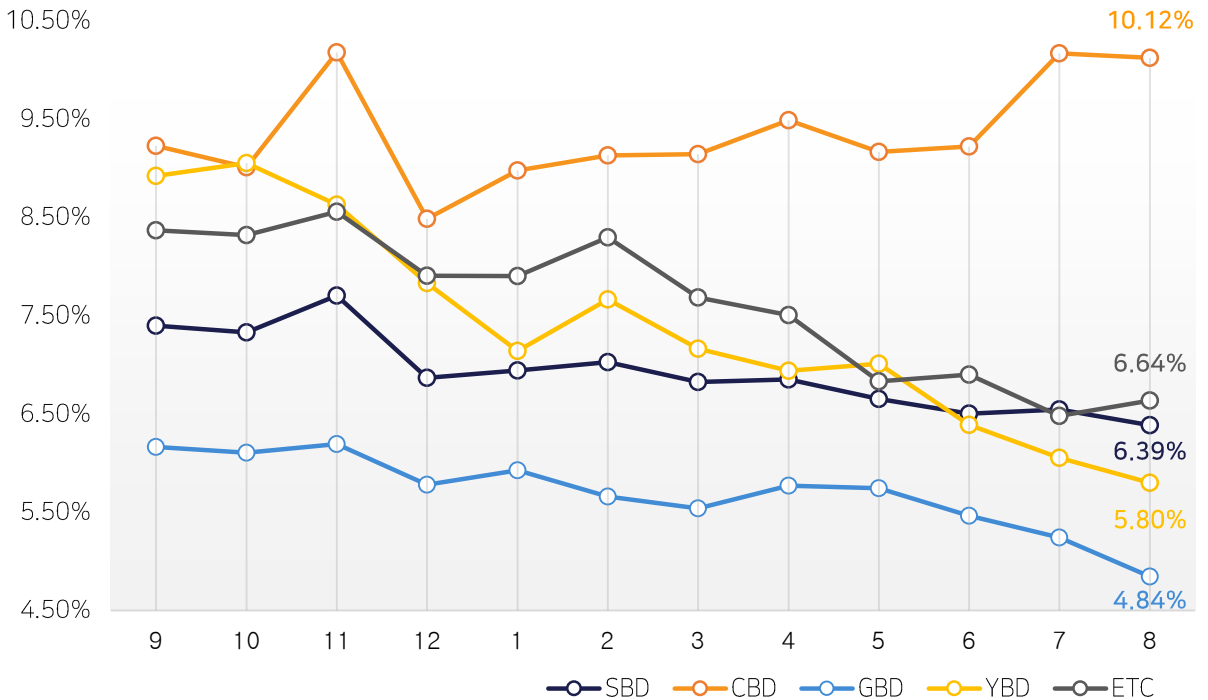


### Vacancy Rate & NOC in Seoul & Each Building Category

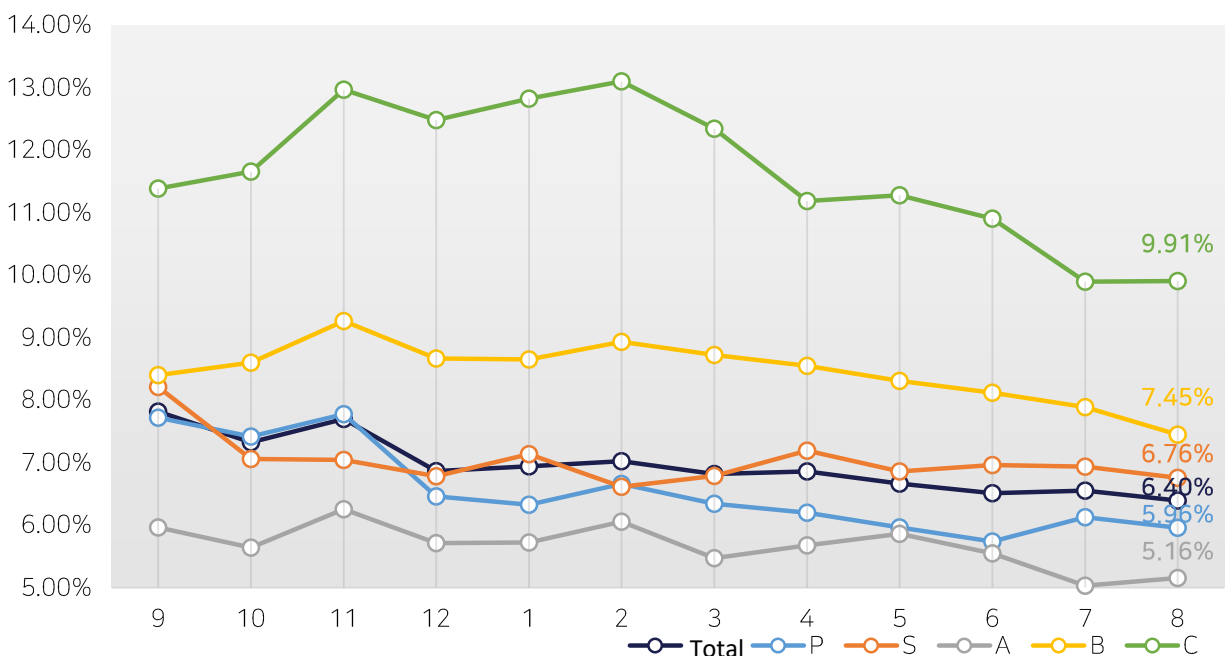


## Monthly Changes of Vacancy Rate in Different Districts

The chart below indicates the changes in the vacancy rates within Seoul from Sept 2018 to Aug 2019. Seoul showed a moderate drop in the vacancy rates overall, with a moderate rise in its average rent price. Apparently, this was resulted by the fact that the vacancy rate of Seoul went close to its natural vacancy rate and the supply of office units became low comparative to its demand.



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



Q2

# CBD Central Seoul

CBD OFFICE LEASING MARKET



Vacancy Rate

10.12% ↓

Avg. NOC

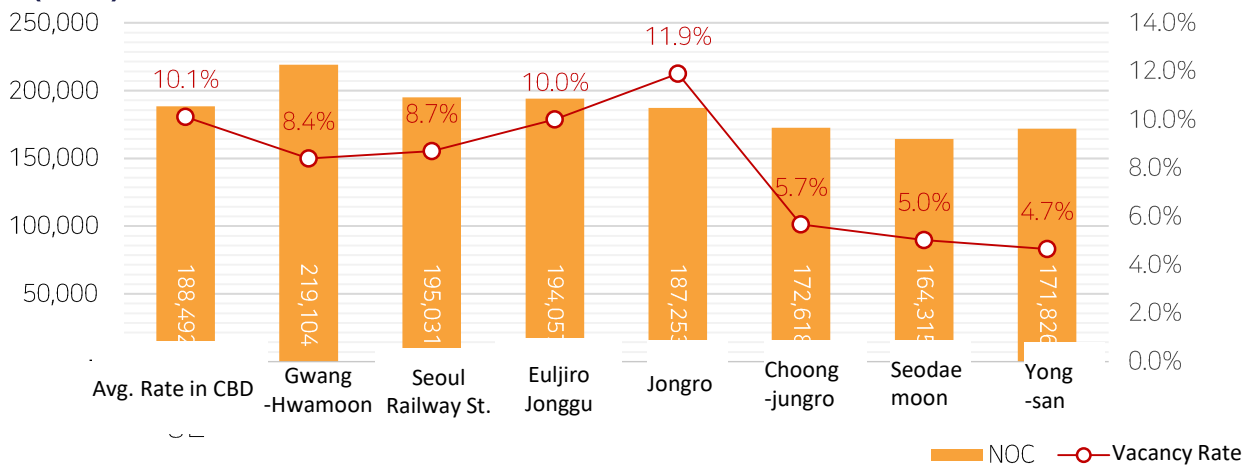


₩188,492 ↑

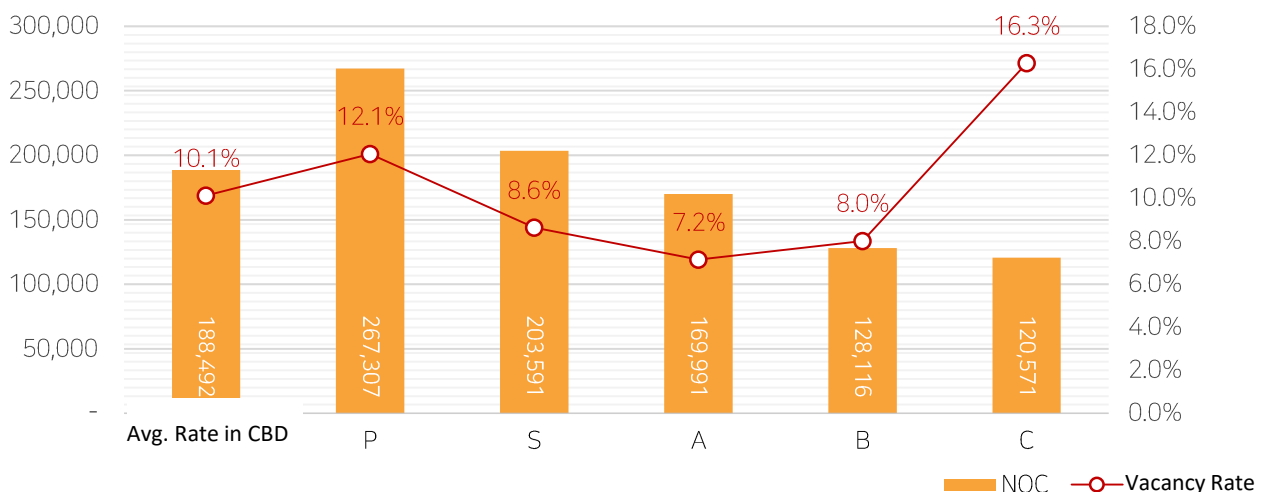
Avg. Rent	Avg. Deposit	Avg. Management Fee
74,226	761,355	32,839

The average vacancy rate of office buildings in CBD is 10.12% as at Aug 2019, and the average NOC (the cost of 1py within GFA) is ₩188,492.

## 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

4.84% ↓

Avg. NOC



₩146,659 ↑

Avg. Rent

63,153

Avg. Deposit

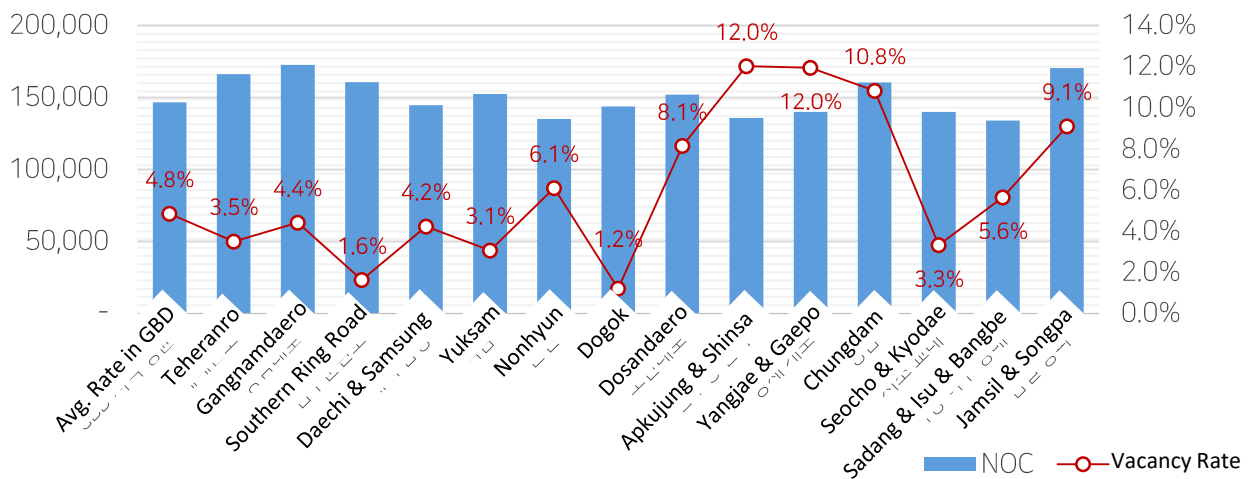
898,193

Avg.  
Management  
Fee

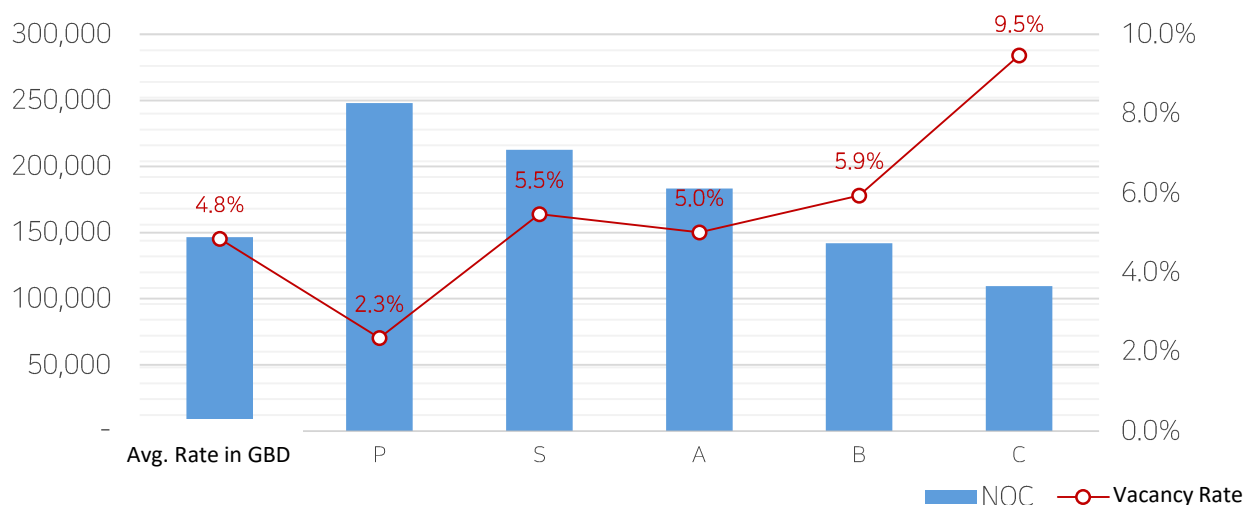
22,658

The average vacancy rate of office buildings in GBD is 5.24% as at Aug 2019, and the average NOC (the cost of 1py within GFA) is ₩146,659.

## 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

5.80% ↓

Avg. NOC

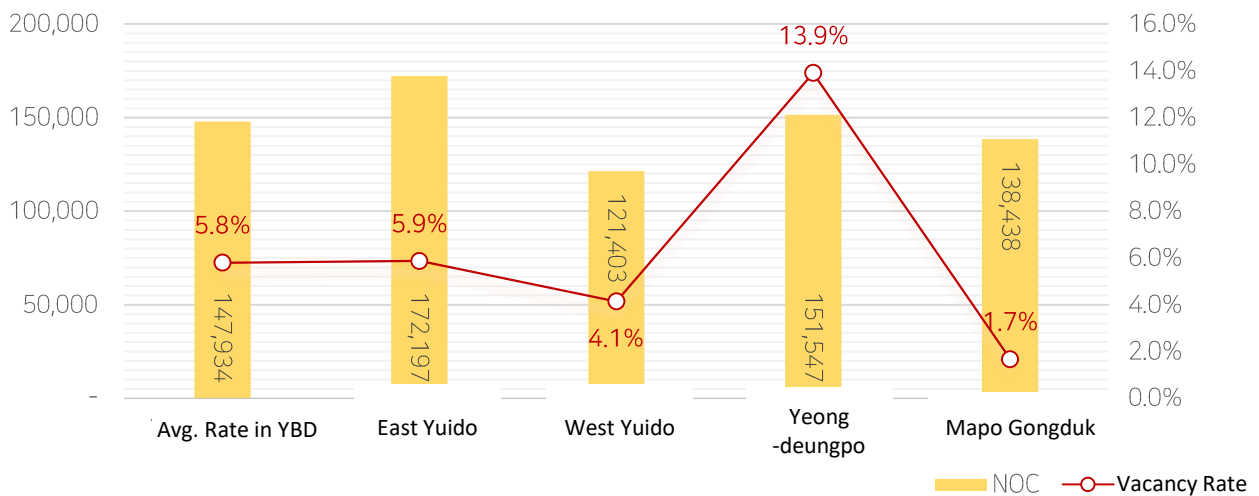
₩147,934 ↑



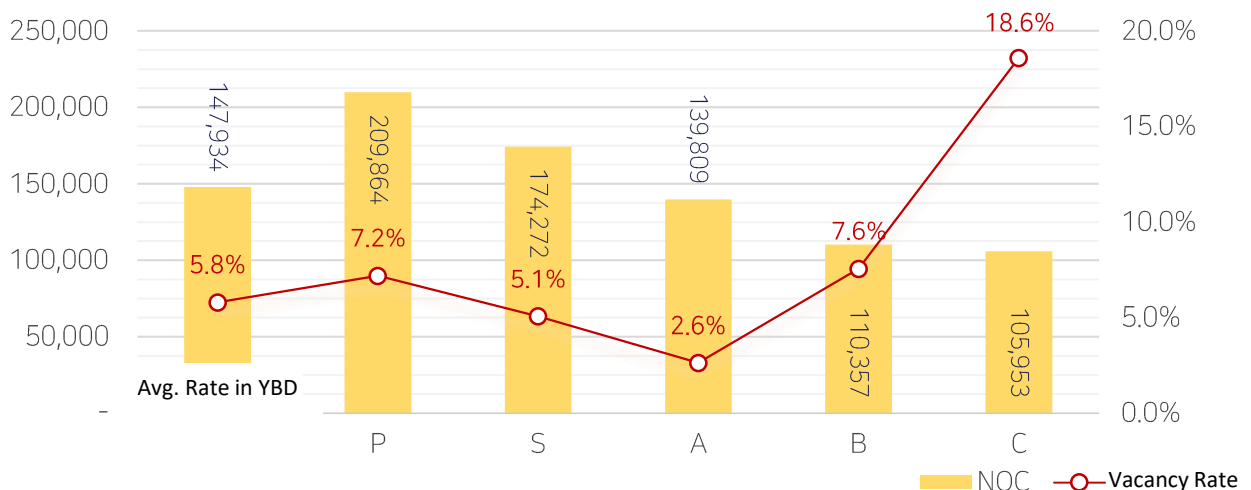
Avg. Rent	Avg. Deposit	Avg. Management Fee
52,556	563,747	25,835

The average vacancy rate of office buildings in Seoul is 5.80% as at Aug 2019, and the average NOC (the cost of 1py within GFA) is ₩147,934.

## 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

6.64% ↑

Avg. NOC

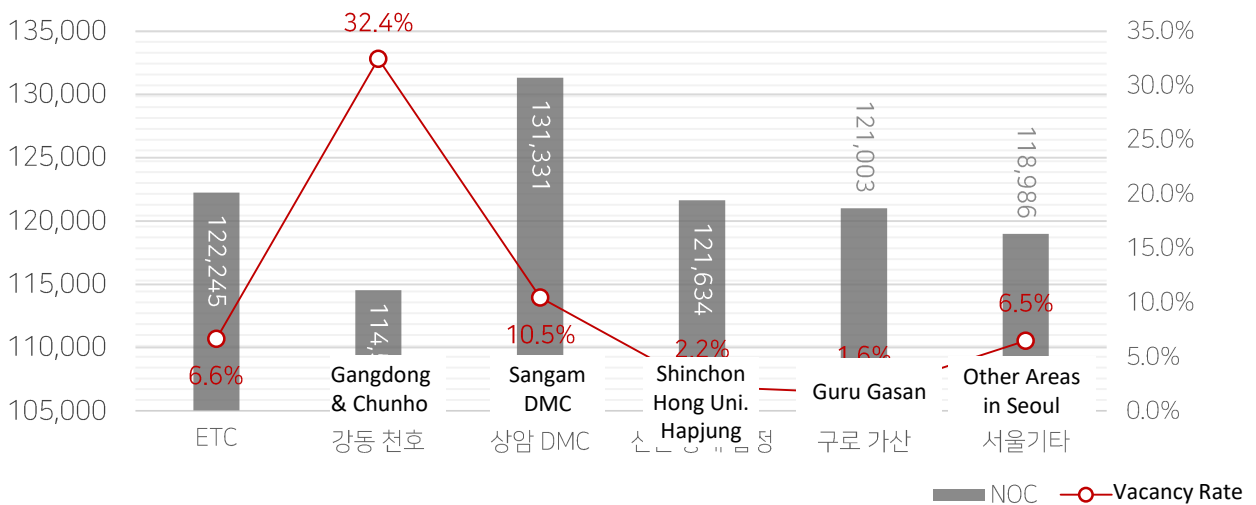
₩122,245 ↓



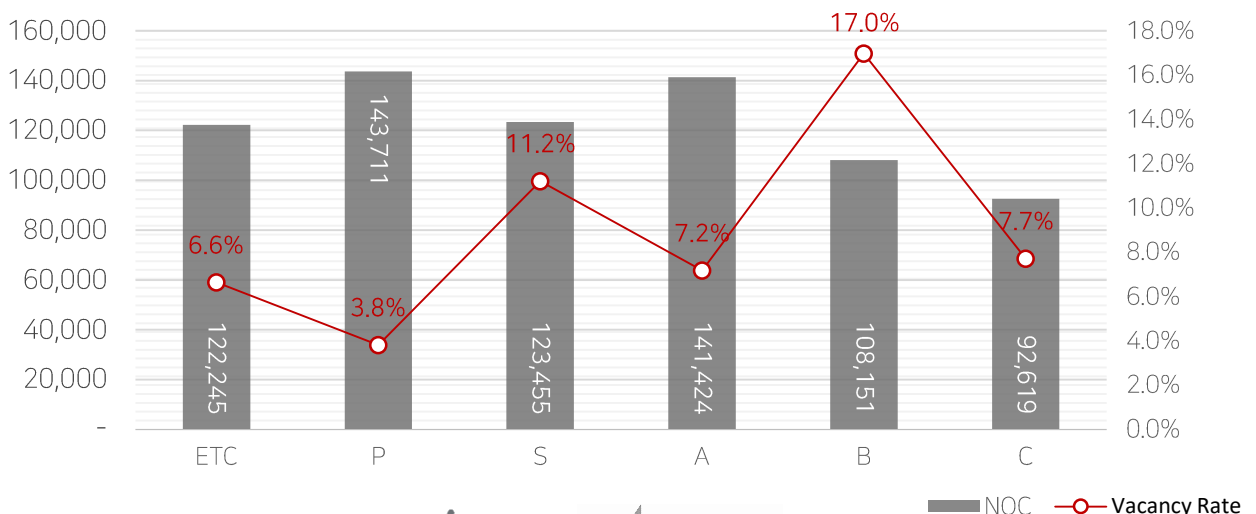
Avg. Rent	Avg. Deposit	Avg. Management Fee
45,152	519,811	18,829

The average vacancy rate of office buildings in ETC is 6.64% as at Aug 2019, and the average NOC (the cost of 1py within GFA) is ₩122,245.

## 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

1.56% ↓

Avg. NOC

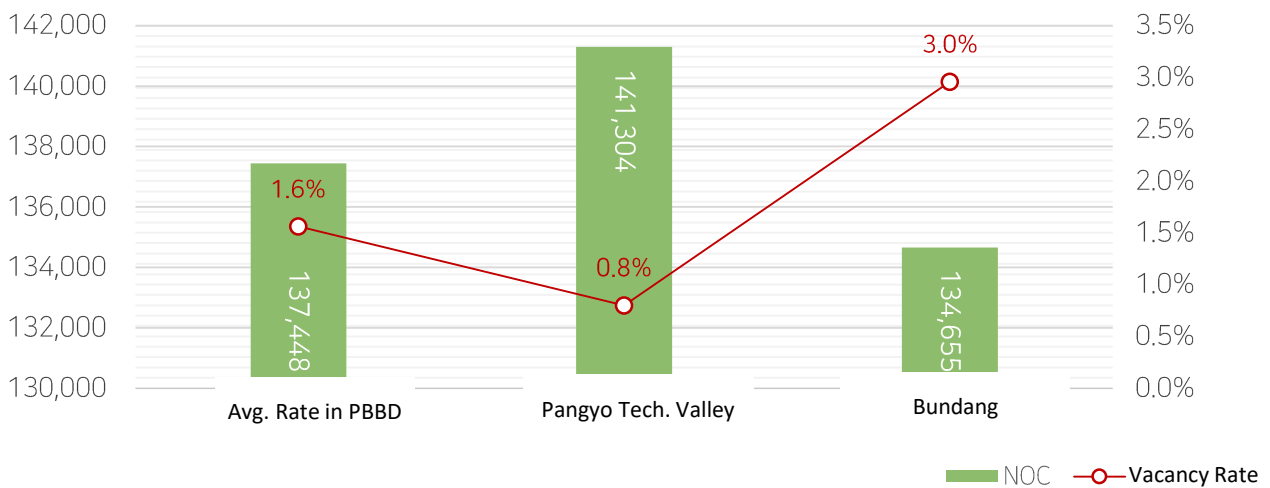


₩137,448 ↑

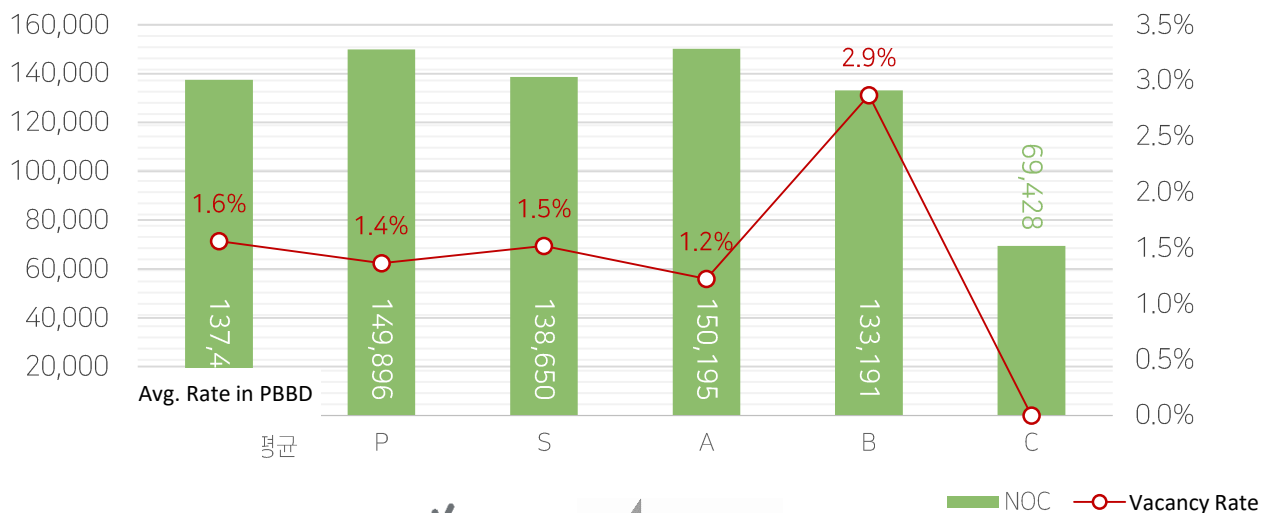
Avg. Rent	Avg. Deposit	Avg. Management Fee
46,123	533,361	21,752

The average vacancy rate of office buildings in Seoul is 1.56% as at Aug 2019, and the average NOC (the cost of 1py within GFA) is ₩137,448.

## 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	525,149	879,564	87,347	34,973	219,104	8.39%
	Seoul Railway St.	614,042	768,085	76,435	34,563	195,031	8.70%
	Euljiro Joong-gu	1,124,469	774,611	76,757	33,968	194,057	10.01%
	Jong-roh	629,769	787,838	75,305	31,619	187,253	11.90%
	Choongjung-roh	165,538	625,591	61,904	30,972	172,618	5.67%
	Seodaemoon	116,529	769,280	61,847	30,833	164,315	5.03%
	Yongsan	147,378	679,357	62,600	31,393	171,826	4.65%
GBD	Teheranro	1,351,942	873,008	69,010	26,172	166,254	3.50%
	Gangnamdaero	503,856	966,636	69,897	27,136	172,686	4.41%
	Southern Ring Road	76,184	852,725	59,621	25,587	160,645	1.63%
	Daechi & Samsung	746,637	863,667	62,494	22,715	144,562	4.24%
	Yuksam	1,138,427	853,414	64,350	23,656	152,433	3.07%
	Nonhyun	262,879	1,020,088	62,974	21,655	135,120	6.10%
	Dogok	77,302	813,406	55,096	23,407	143,833	1.21%
	Dosandaero	86,261	1,171,932	68,164	24,201	152,025	8.14%
	Apkujung & Shinsa	61,884	1,058,129	64,016	21,143	135,670	12.03%
	Yangjae & Gaepo	43,593	702,689	53,777	21,381	140,051	11.95%
	Chungdam	95,091	1,149,260	74,144	21,756	160,518	10.83%
	Seocho & Gyudae	143,070	918,962	60,734	19,266	139,987	3.32%
	Sadang, Isu & Bangbe	26,743	1,078,643	58,959	19,382	133,966	5.64%
	Jamsil & Songpa	285,786	757,703	58,846	24,730	170,519	9.10%
YBD	East Yeouido	669,065	597,174	57,053	29,580	172,197	5.87%
	West Yeouido	161,081	466,712	43,146	22,174	121,403	4.14%
	Yeongdeungpo	135,079	527,071	49,206	27,690	151,547	13.91%
	Mapo Gongduk	233,359	497,792	50,755	26,088	138,438	1.67%
ETC	Gangdong Chunho	67,197	494,444	45,206	17,375	114,540	32.44%
	Sangam DMC	296,825	399,987	39,841	25,081	131,331	10.45%
	Shinchon, Hong Uni. & Hapchun	61,120	797,683	54,574	19,758	121,634	2.24%
	Other Areas in Seoul	566,631	548,866	47,195	19,900	118,986	6.46%
PBBD	Pangyo Techno. Valley	319,646	500,047	48,633	19,595	141,304	0.80%
	Bundang	174,253	558,633	44,219	23,388	134,655	2.96%

# MEET THE TEAM

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Market Overview

## Seoul Office



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Office Lease Platform