



MONTHLY MARKET REVIEW

August 2019

Seoul Office

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



REAL ESTATE LABEL OFFICE KEY
OKEY

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 status
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

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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.
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03

Categories of Office Buildings by Size of Floor Area

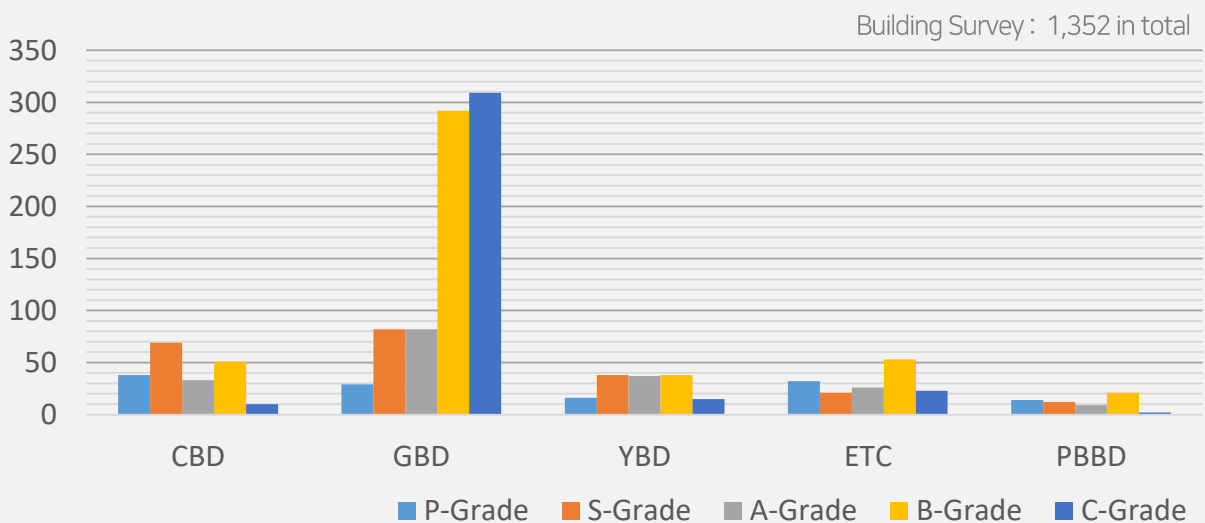
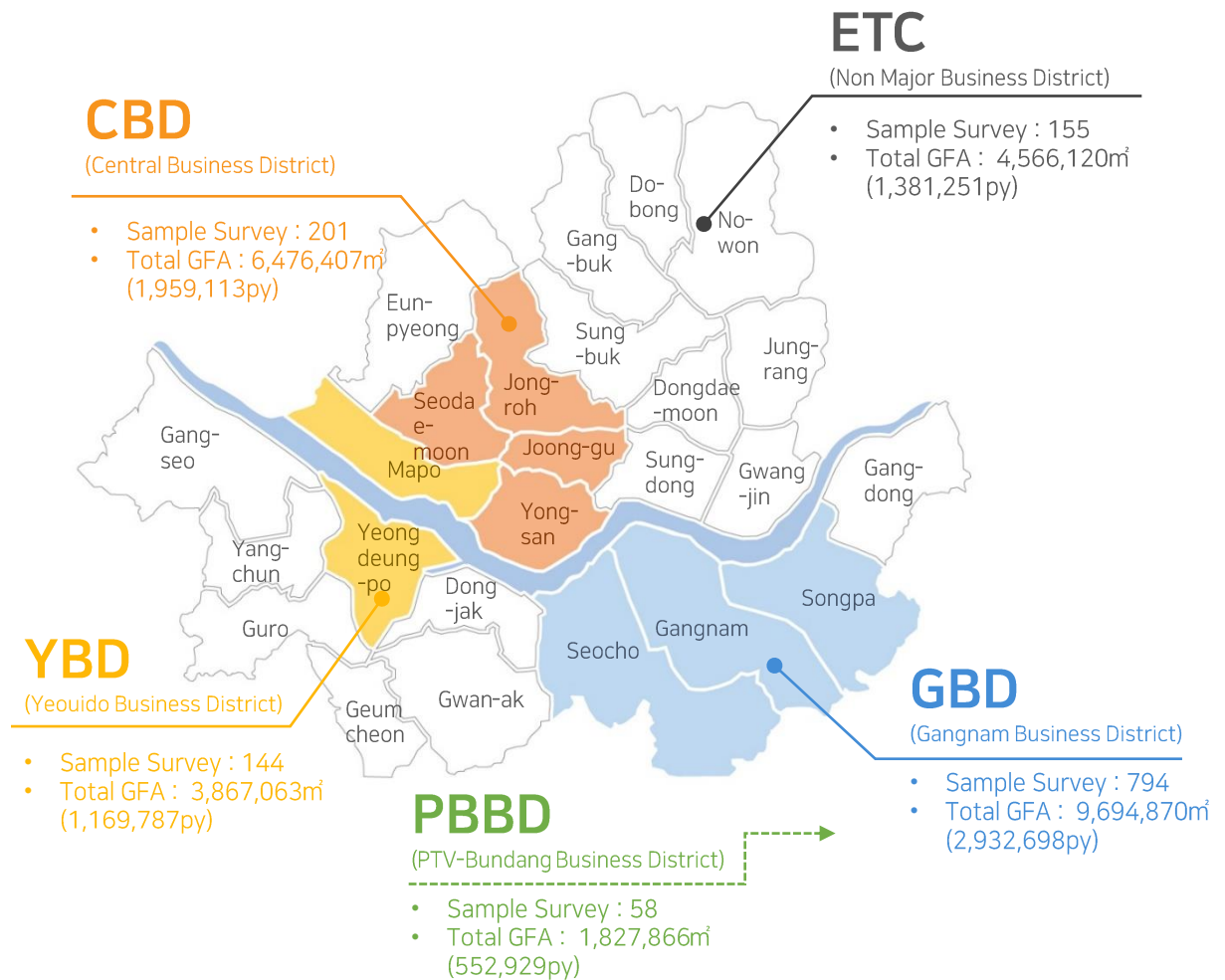
	P Grade Prime Bldg.	S Grade Large Bldg.	A Grade Large-medium	B Grade Medium-small	C Grade Small Bldg.
Gross Floor Area	>15,000py	>7,000py	>4,000py	>1,000py	<1,000py
Lease Area of Sample Floor	>500py	>300py	>200py	>150py	<150py

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 & Sample Numbers





Vacancy Rate

6.54% ↑

Average NOC



₩150,088 ↑

Q1 SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

Avg. Rent

60,849

Avg. Deposit

796,568

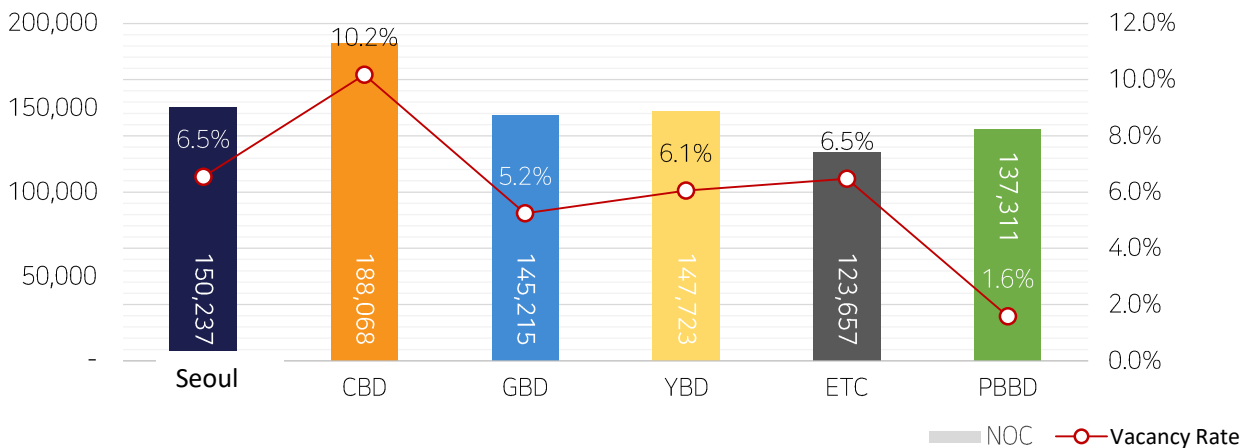
Avg.
Management
Fee

24,288

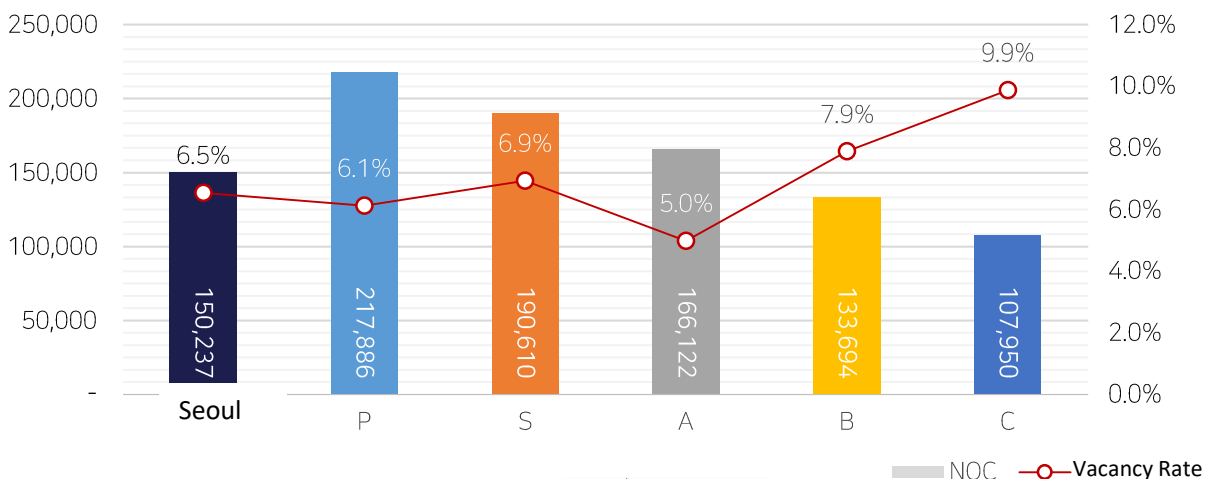
The average vacancy rate of office buildings in Seoul is 6.54% as at July 2019, and the average NOC cost of 1py within GFA) is ₩150,237.

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Vacancy Rate & NOC in Seoul and Each District

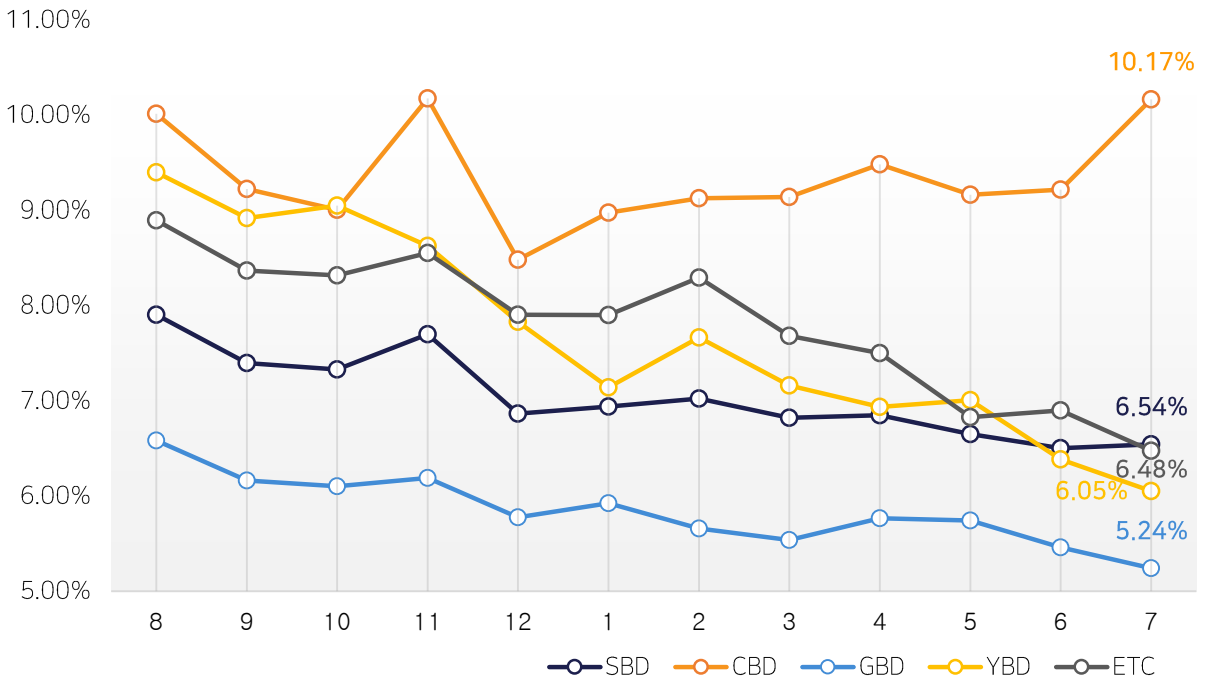


Vacancy Rate & NOC in Seoul & Each Building Category

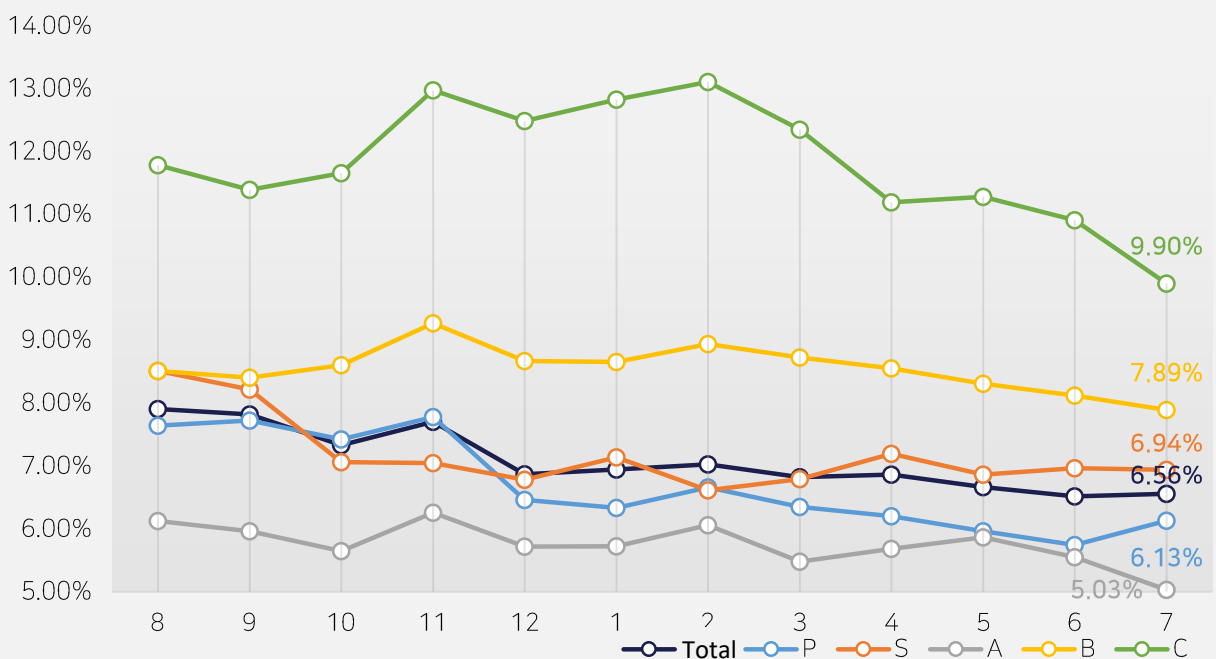


Monthly Changes of Vacancy Rate in Different Districts

The diagram below shows the changes in the vacancy rates in Seoul between July 2018 and Aug 2019. The rise of the average vacancy rate in CBD was apparently due to the rate of prime buildings increased from 10.14% to 12.29%. For instance, the prime buildings such as Concordian, State Tower Namsan, Yonsei Severance buildings produced the 11.00% vacancy rate (=66,115.70m²).



Monthly Changes of Vacancy Rate for Different Sizes of Buildings



02

CBD Central Seoul

CBD OFFICE LEASING MARKET



Vacancy Rate

10.17% ↑

Avg. NOC

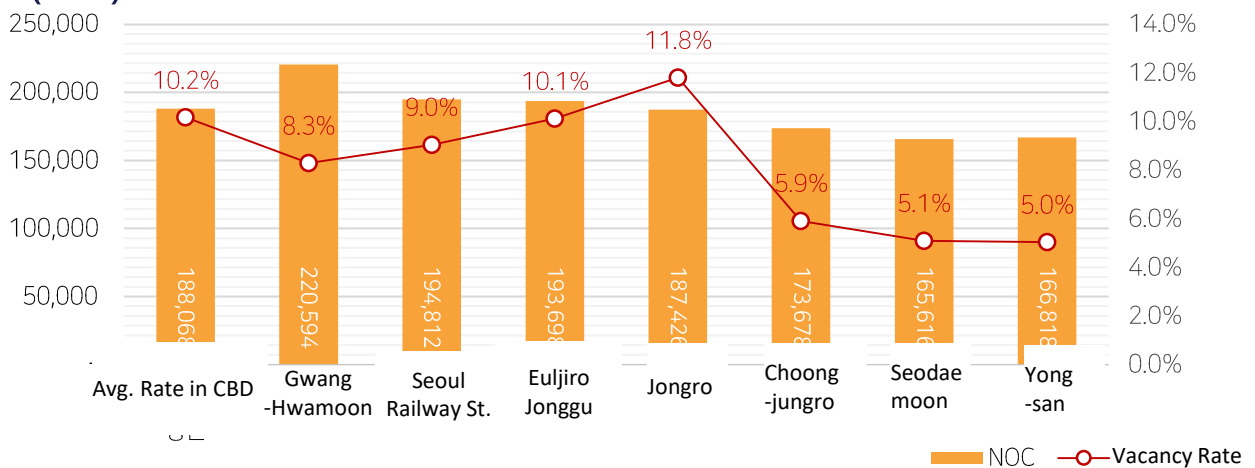
₩188,068 ↑



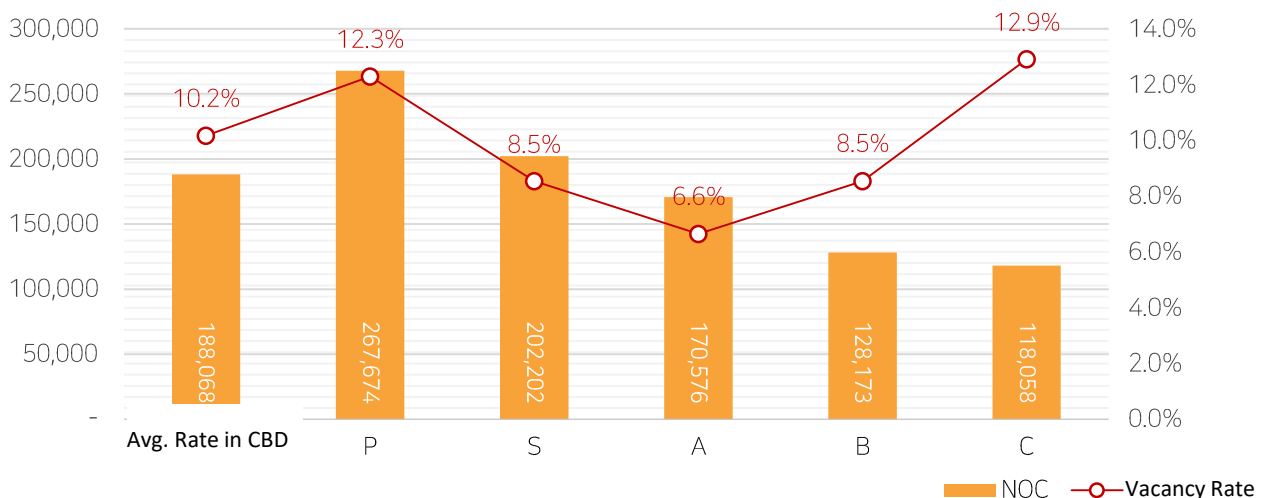
Avg. Rent	Avg. Deposit	Avg. Management Fee
74,207	765,236	32,924

The average vacancy rate of office buildings in CBD is 10.17% as at July 2019, and the average NOC (the cost of 1py within GFA) is ₩188,068.

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

5.24% ↓

Avg. NOC



₩145,215 ↑

Avg. Rent

62,557

Avg. Deposit

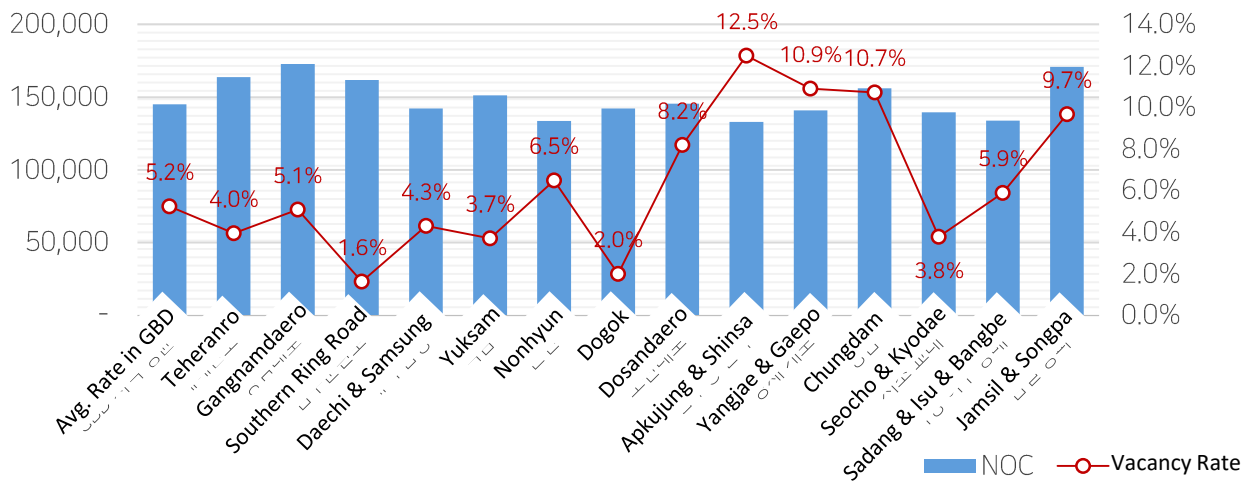
881,067

Avg.
Management
Fee

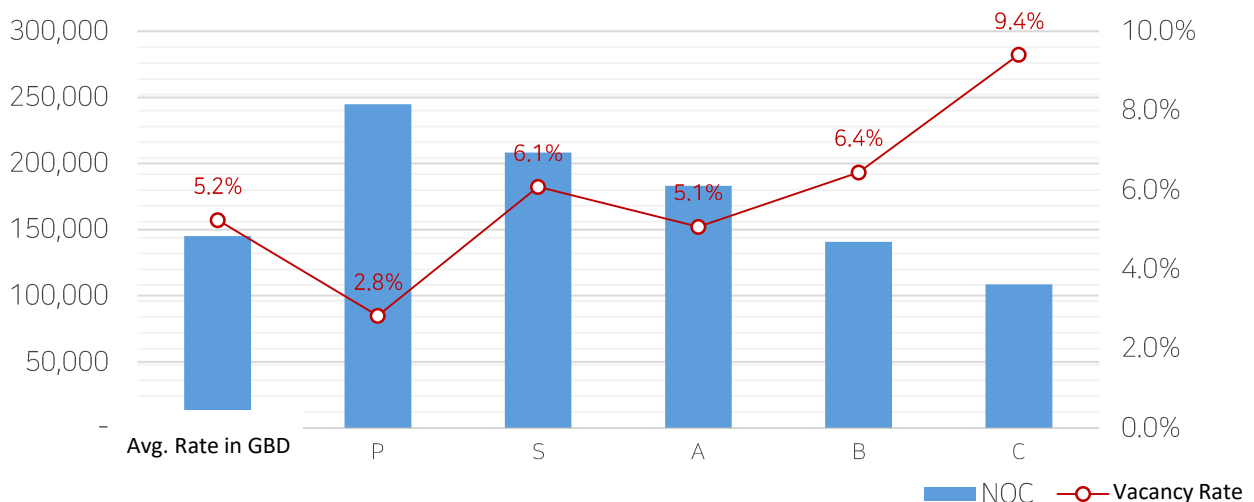
22,670

The average vacancy rate of office buildings in GBD is 5.24% as at June 2019, and the average NOC (the cost of 1py within GFA) is ₩145,215.

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

6.05% ↓

Avg. NOC

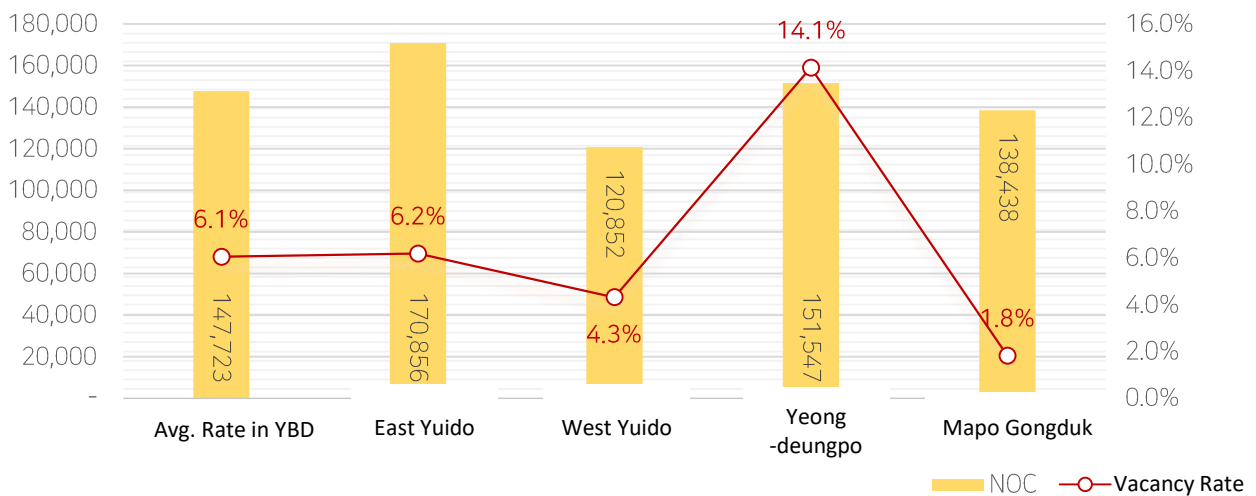
₩147,723 ↓



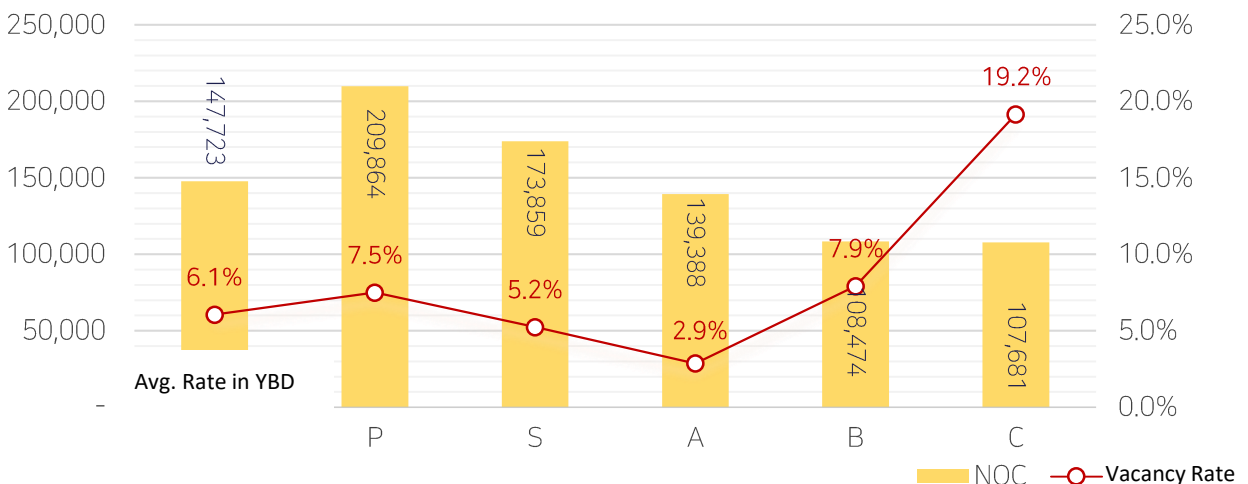
Avg. Rent	Avg. Deposit	Avg. Management Fee
52,171	551,436	25,838

The average vacancy rate of office buildings in Seoul is 6.05% as at July 2019, and the average NOC (the cost of 1py within GFA) is ₩147,723.

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

6.48% ↑

Avg. NOC

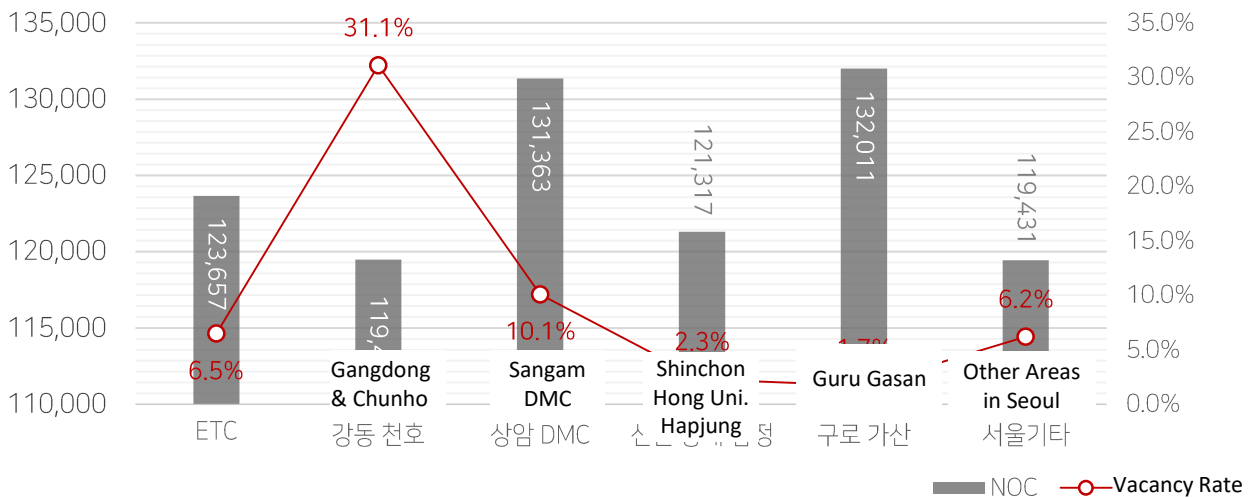


₩123,657 ↓

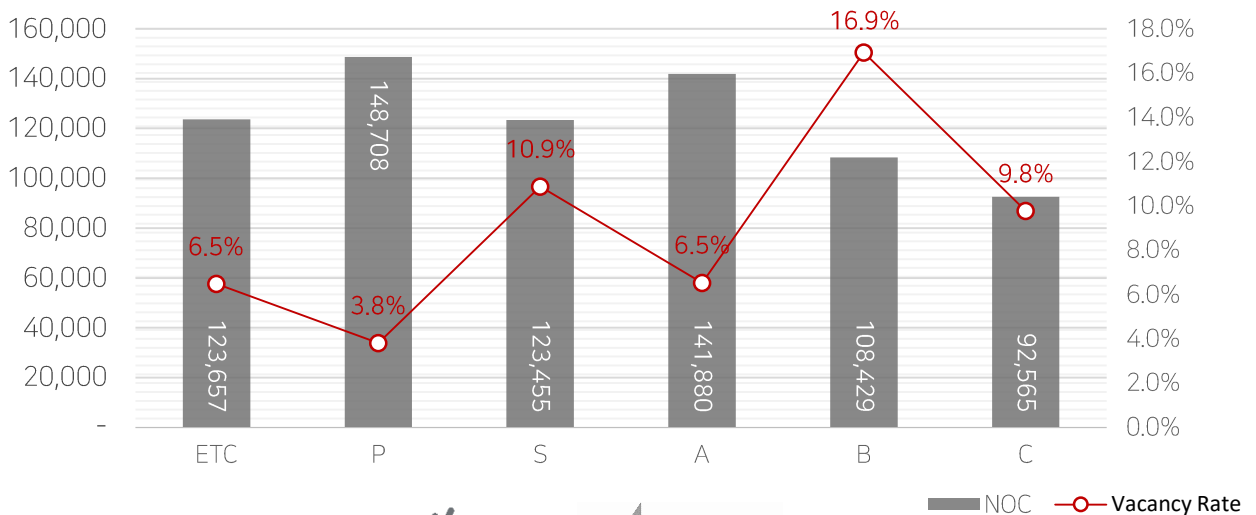
Avg. Rent	Avg. Deposit	Avg. Management Fee
45,026	687,379	19,340

The average vacancy rate of office buildings in ETC is 6.48% as at July 2019, and the average NOC (the cost of 1py within GFA) is ₩123,657.

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

1.58% ↓

Avg. NOC

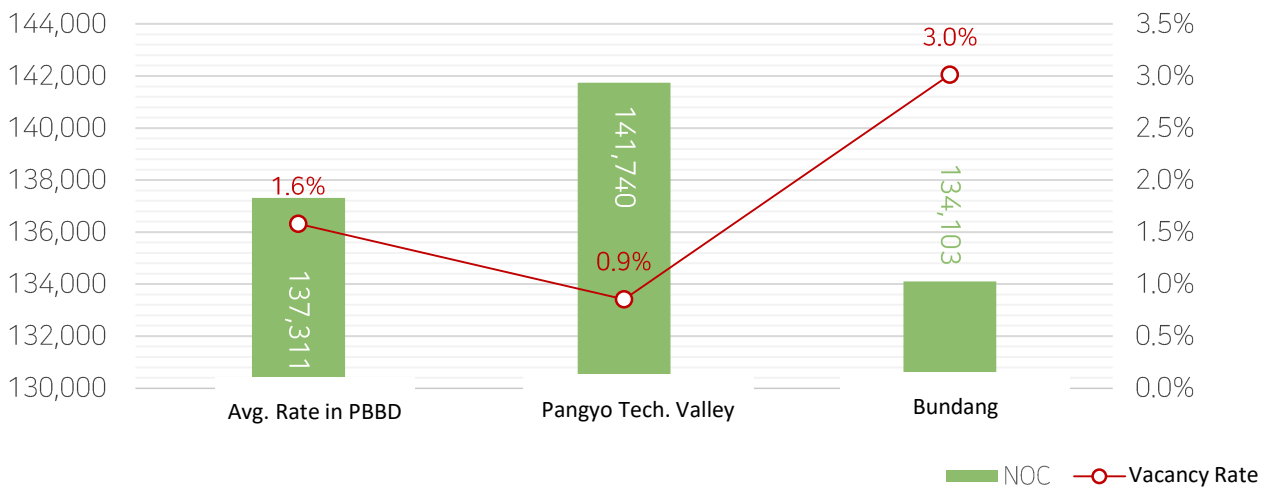
₩137,311 ↑



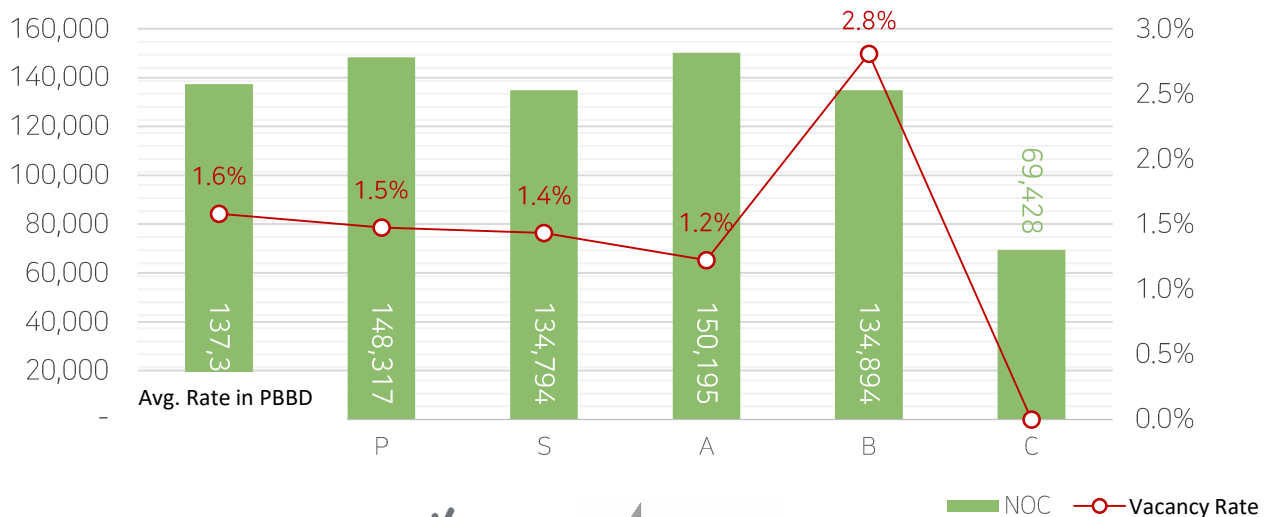
Avg. Rent	Avg. Deposit	Avg. Management Fee
45,987	540,274	21,693

The average vacancy rate of office buildings in Seoul is 1.58% as at July 2019, and the average NOC cost of 1py within GFA is ₩137,311.

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	525,089	878,225	87,707	35,034	220,594	8.29%
	Seoul Railway St.	614,043	778,259	76,366	34,451	194,812	9.05%
	Euljiro Joong-gu	1,124,468	784,205	76,626	33,886	193,698	10.13%
	Jong-roh	629,709	784,519	75,585	31,944	187,426	11.80%
	Choongjung-roh	165,538	622,813	61,626	31,250	173,678	5.91%
	Seodaemoon	116,529	765,947	61,513	31,167	165,616	5.09%
	Yongsan	147,378	679,357	62,600	31,393	166,818	5.03%
GBD	Teheranro	1,330,945	864,295	68,180	25,820	163,879	3.96%
	Gangnamdaero	509,906	978,009	70,217	27,131	172,868	5.09%
	Southern Ring Road	76,184	842,265	60,078	25,785	161,896	1.63%
	Daechi & Samsung	746,739	850,134	61,586	22,713	142,355	4.30%
	Yuksam	1,123,378	851,820	64,135	23,547	151,373	3.71%
	Nonhyun	263,820	954,741	62,138	21,868	133,645	6.49%
	Dogok	77,302	795,042	53,940	23,475	142,184	2.00%
	Dosandaero	86,261	1,041,129	63,507	23,830	145,455	8.20%
	Apkujung & Shinsa	61,884	1,063,218	64,949	20,000	133,102	12.50%
	Yangjae & Gaepo	43,593	748,139	54,158	21,381	140,958	10.91%
	Chungdam	95,091	1,135,945	71,982	21,129	156,139	10.72%
	Secho & Gyudae	154,017	923,070	60,115	19,274	139,637	3.78%
	Sadang, Isu & Bangbe	26,743	1,140,767	60,056	20,257	133,832	5.90%
	Jamsil & Songpa	285,786	764,994	59,244	26,333	170,922	9.68%
YBD	East Yeouido	669,065	589,963	56,761	29,287	170,856	6.19%
	West Yeouido	161,081	463,208	43,103	21,913	120,852	4.32%
	Yeongdeungpo	135,079	527,071	49,206	27,690	151,547	14.13%
	Mapo Gongduk	233,359	497,792	50,915	25,928	138,438	1.82%
ETC	Gangdong Chunho	69,774	440,000	44,000	19,667	119,489	31.09%
	Sangam DMC	296,825	401,040	39,893	25,028	131,363	10.08%
	Shinchon, Hong Uni. & Hapchun	61,120	790,336	54,080	20,102	121,317	2.29%
	Other Areas in Seoul	592,051	530,357	46,666	20,234	119,431	6.20%
PBBD	Pangyo Techno. Valley	342,532	496,411	48,633	19,595	141,740	0.85%
	Bundang	174,253	573,550	43,979	23,284	134,103	3.01%

MEET THE TEAM

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Market Overview

Seoul Office



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