



MONTHLY MARKET REVIEW

July 2019

# Seoul Office

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

*Miraeasset Venture Tower  
In Pangyo Techno-valley &  
Bundang Business District*



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 <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

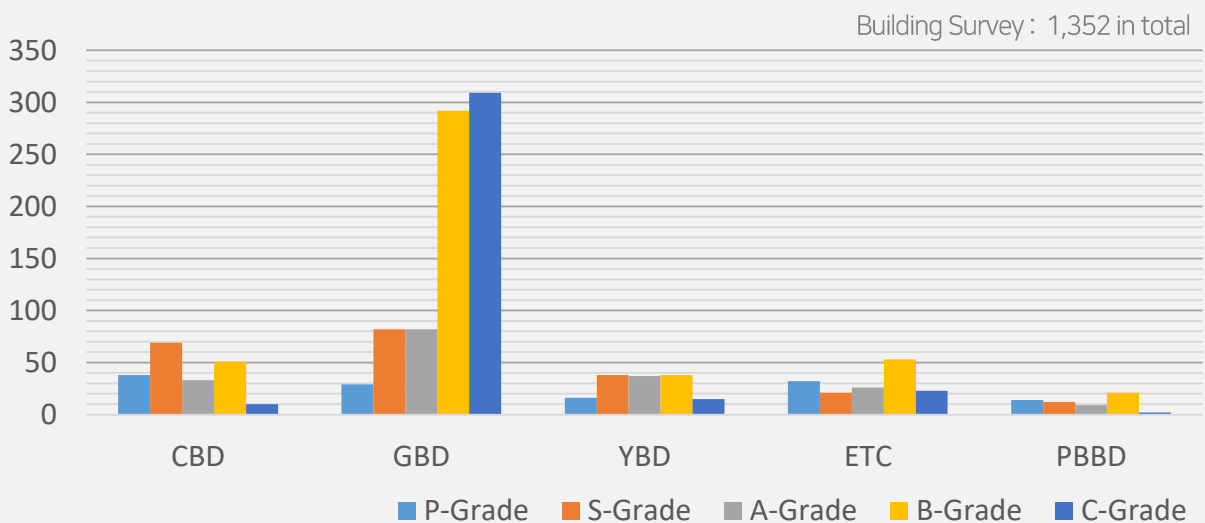
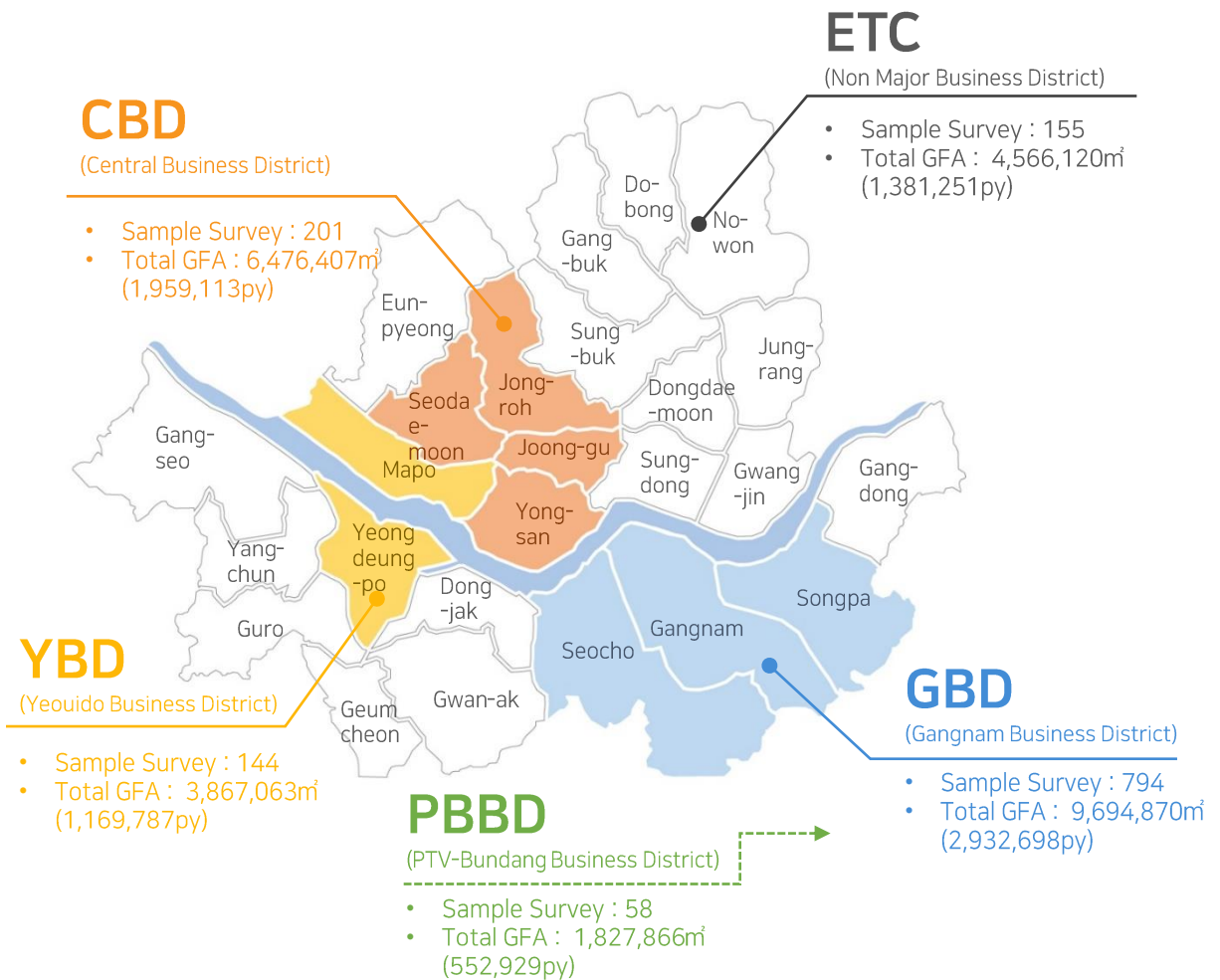
	P Grade Prime Bldg.	S Grade Large Bldg.	A Grade Large-medium	B Grade Medium-small	C Grade Small Bldg.
Gross Floor Area	>15,000py	>7,000py	>4,000py	>1,000py	<1,000py
Lease Area of Sample Floor	>500py	>300py	>200py	>150py	<150py

**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

6.60% ↓

Average NOC



₩150,088 ↓

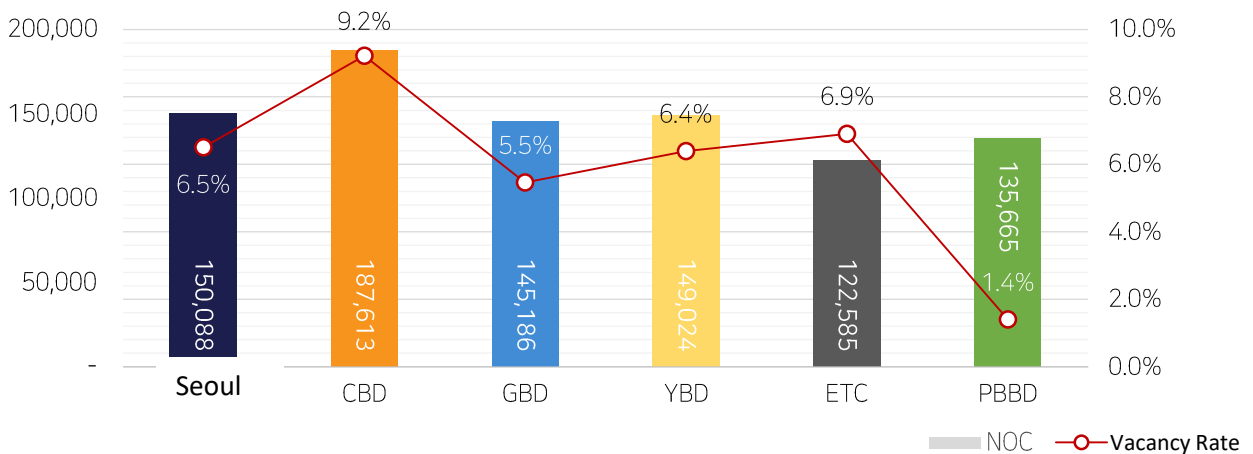
# Q1 SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

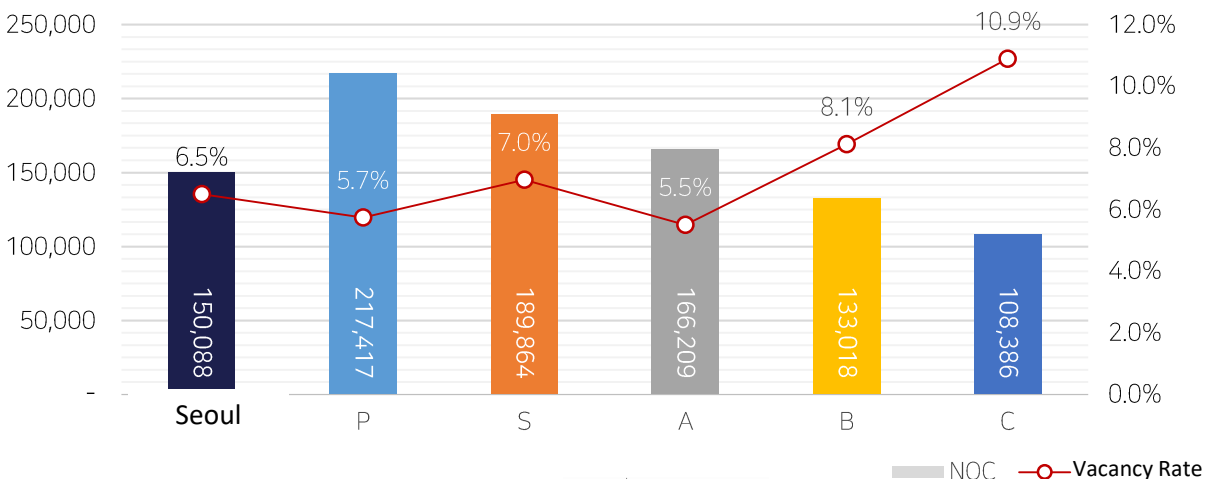
The average vacancy rate of office buildings in Seoul is 6.50% as at June 2019, and the average NOC (the cost of 1py within GFA) is ₩150,088.

is

## Vacancy Rate & NOC in Seoul and Each District

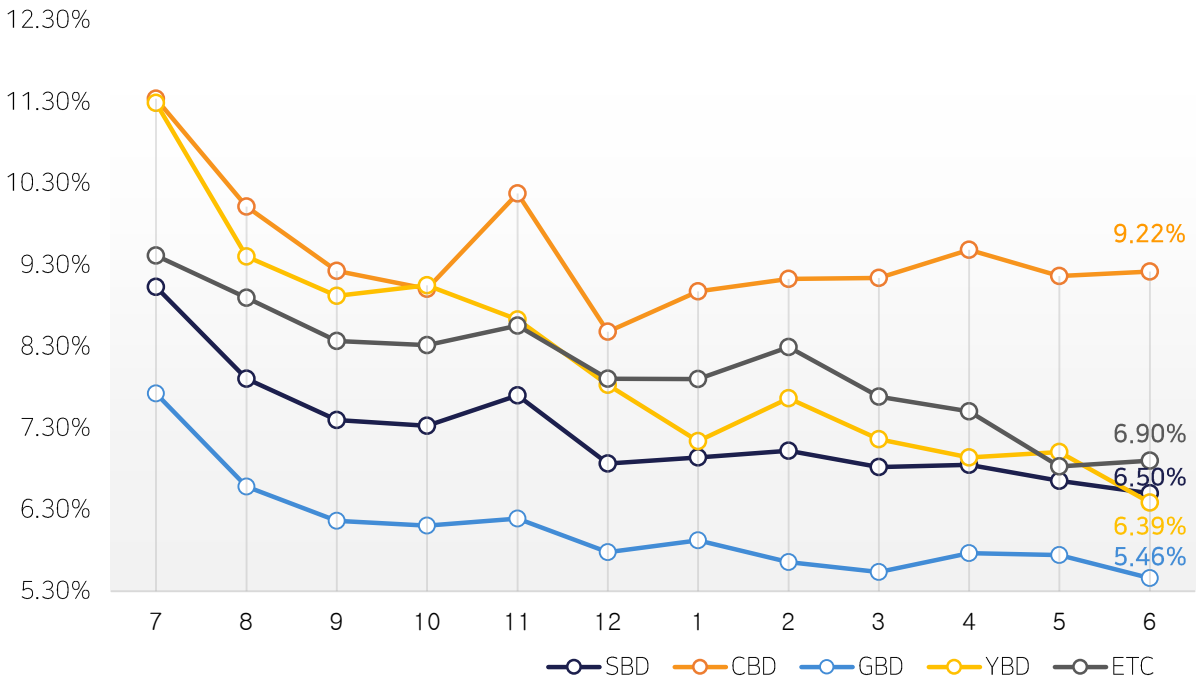


## Vacancy Rate & NOC in Seoul & Each Building Category

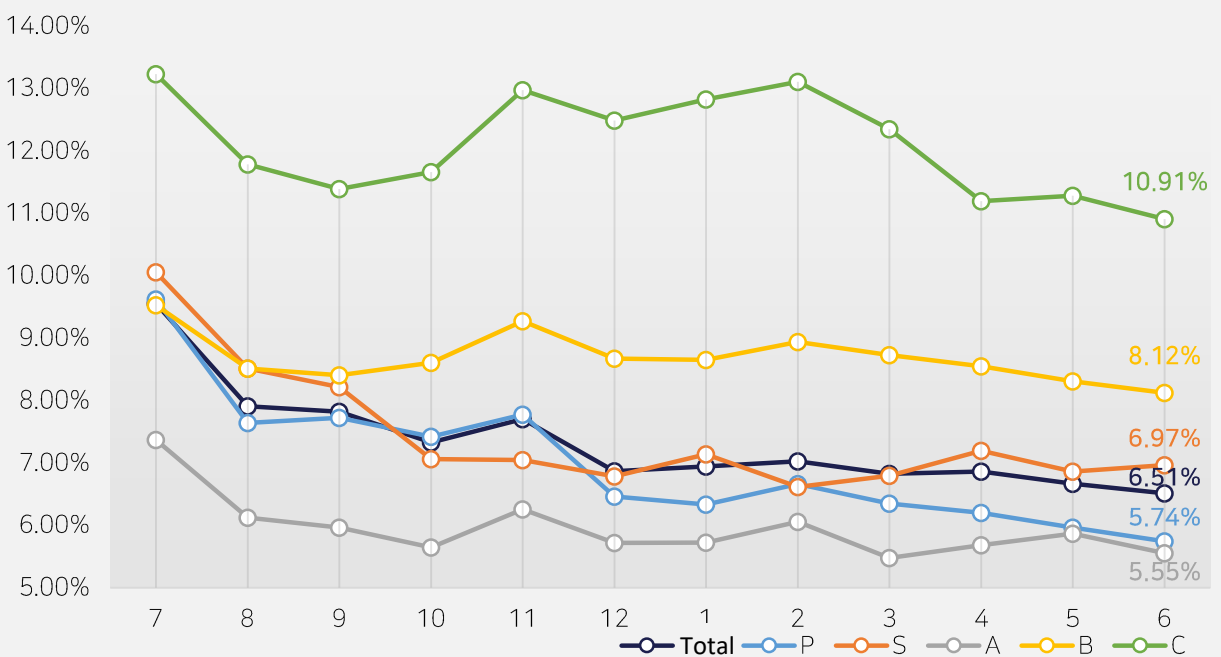


## Monthly Changes of Vacancy Rate in Different Districts

The diagram below shows the changes in the vacancy rates in Seoul between May 2018 and May. The average vacancy rate in Seoul has slightly decreased since the previous year.



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



Q2

# CBD Central Seoul

CBD OFFICE LEASING MARKET



Vacancy Rate

9.22% ↑

Avg. NOC

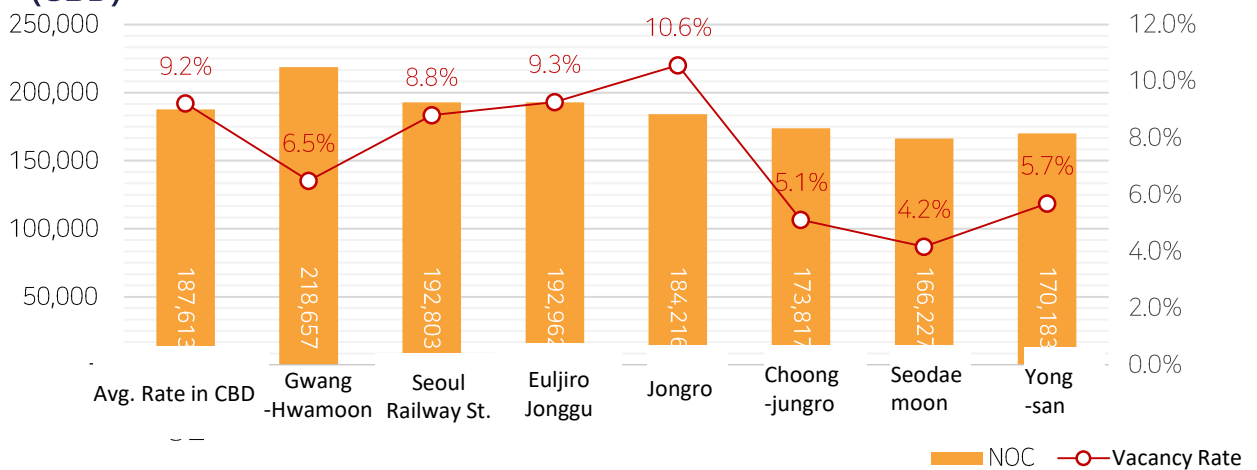
₩187,613 ↑



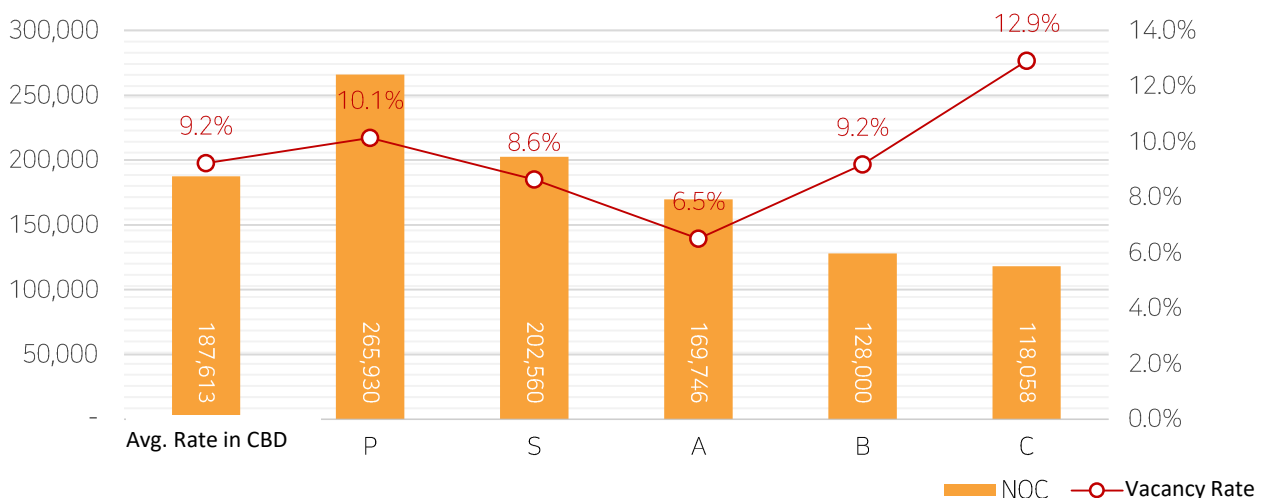
Avg. Rent	Avg. Deposit	Avg. Management Fee
73,781	765,686	32,910

The average vacancy rate of office buildings in CBD is 9.22% as at June 2019, and the average NOC (the cost of 1py within GFA) is ₩187,613.

## 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

5.46% ↓

Avg. NOC



₩145,186 ↑

Avg. Rent

62,431

Avg. Deposit

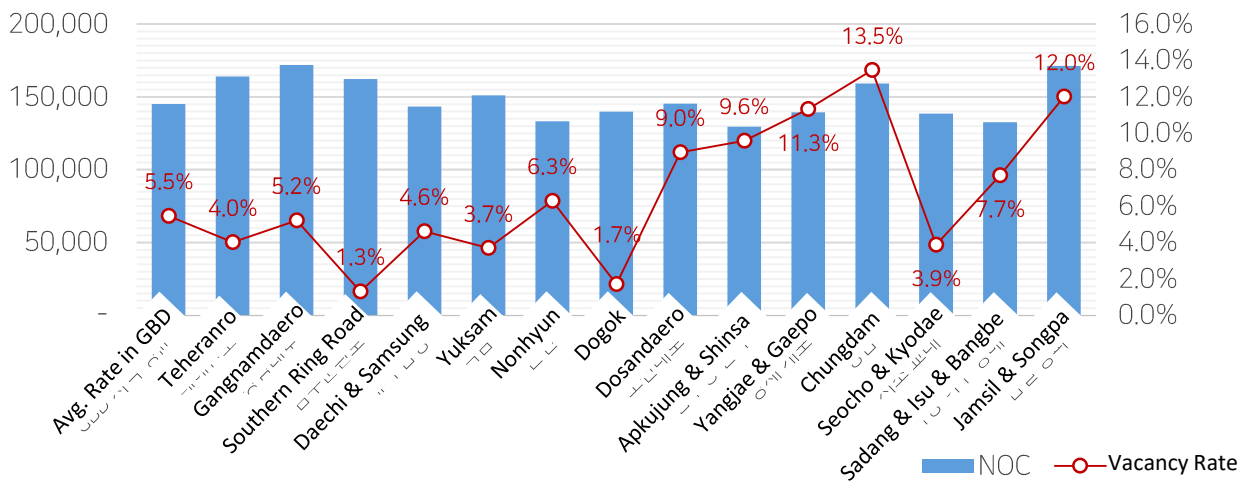
881,067

Avg.  
Management  
Fee

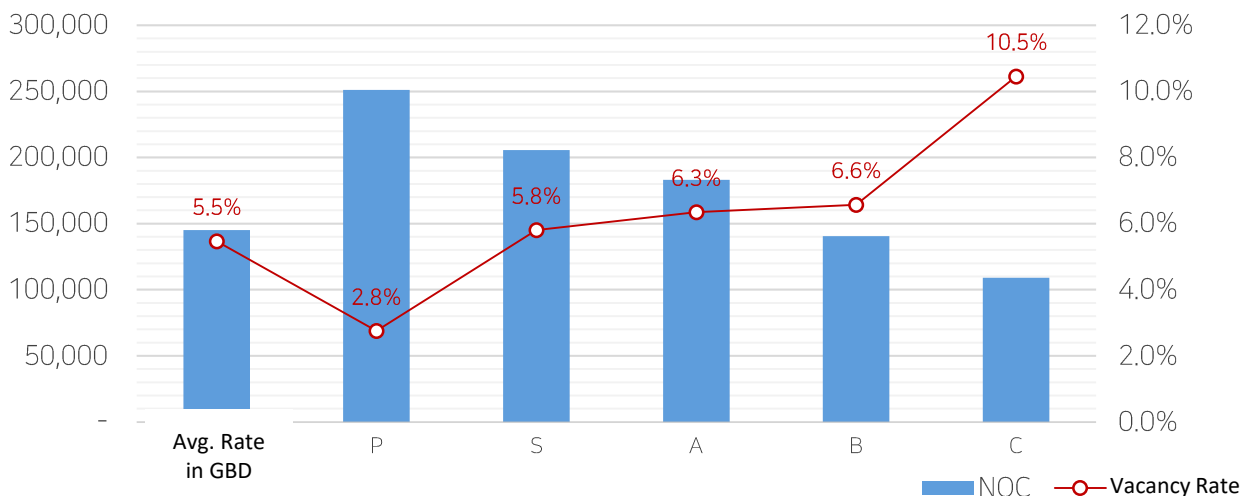
22,670

The average vacancy rate of office buildings in GBD is 5.46% as at June 2019, and the average NOC (the cost of 1py within GFA) is ₩145,186.

## 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

6.39% ↓

Avg. NOC



₩149,024 ↓

Avg. Rent

52,045

Avg. Deposit

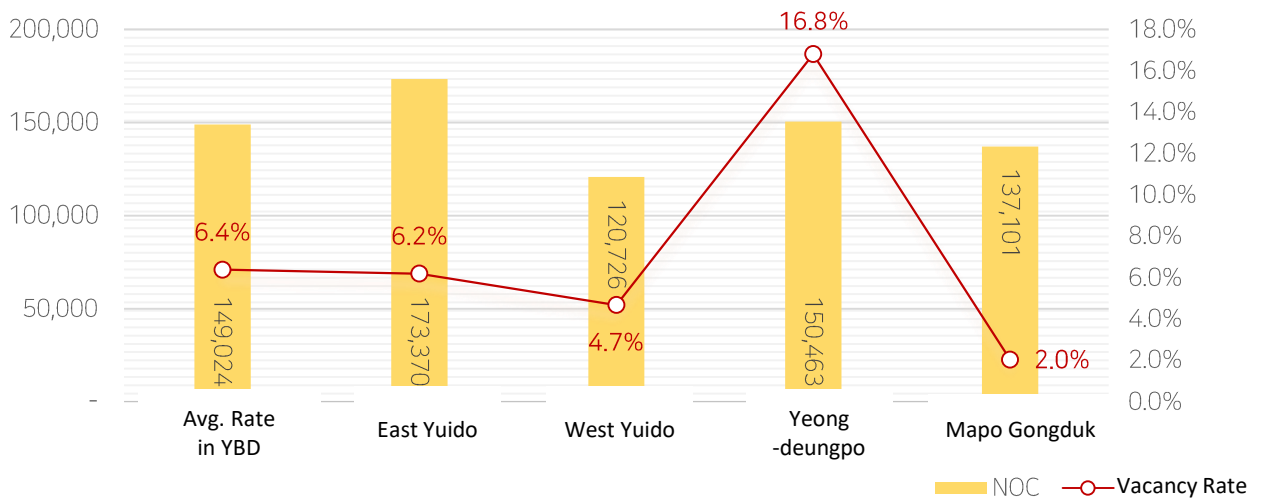
5497,330

Avg.  
Management  
Fee

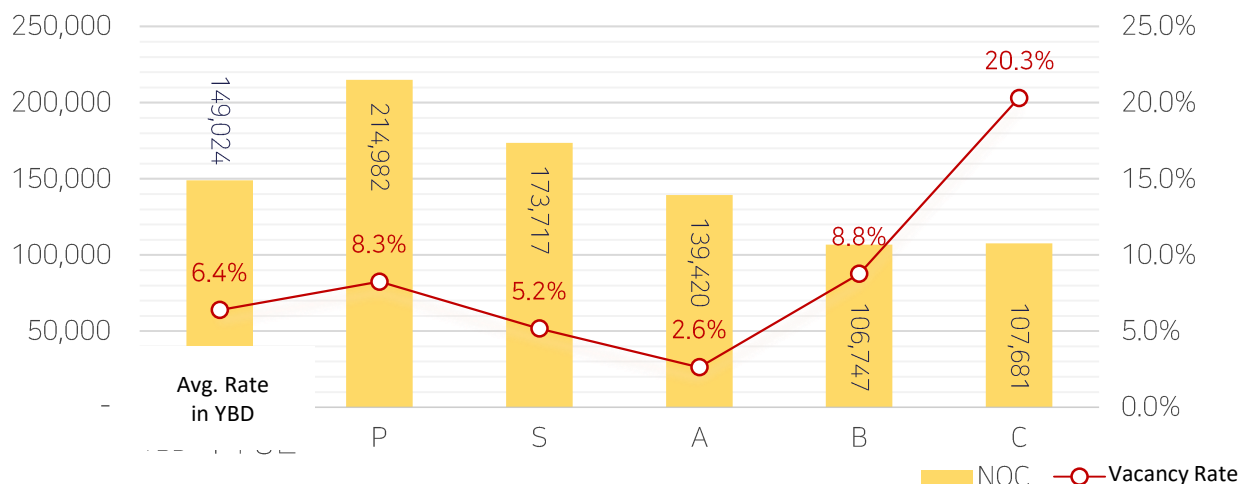
26,103

The average vacancy rate of office buildings in Seoul is 6.39% as at June 2019, and the average NOC (the cost of 1py within GFA) is ₩149,024.

## 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

6.90% ↑

Avg. NOC

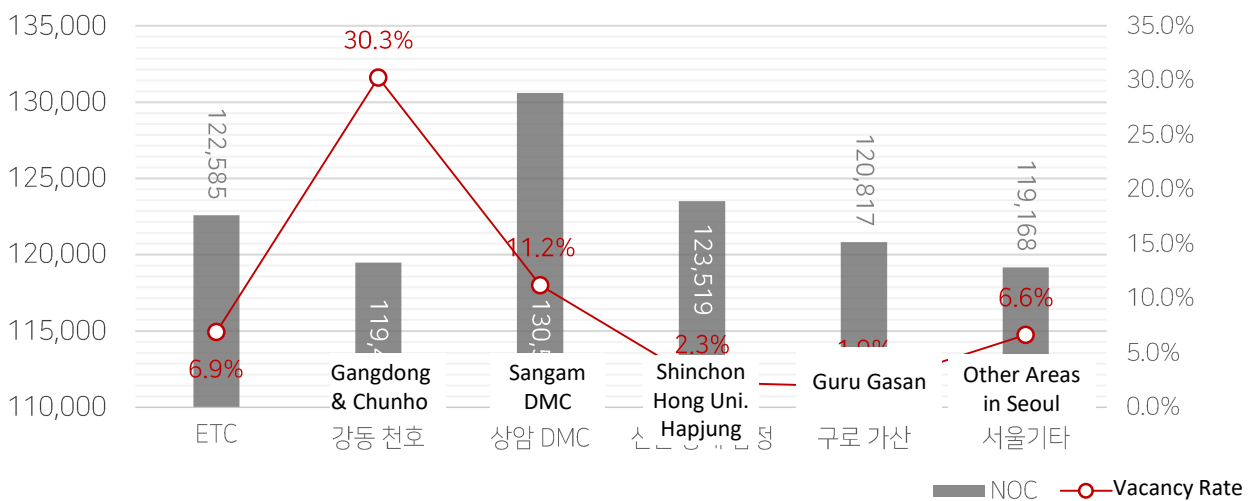


₩122,585 ↓

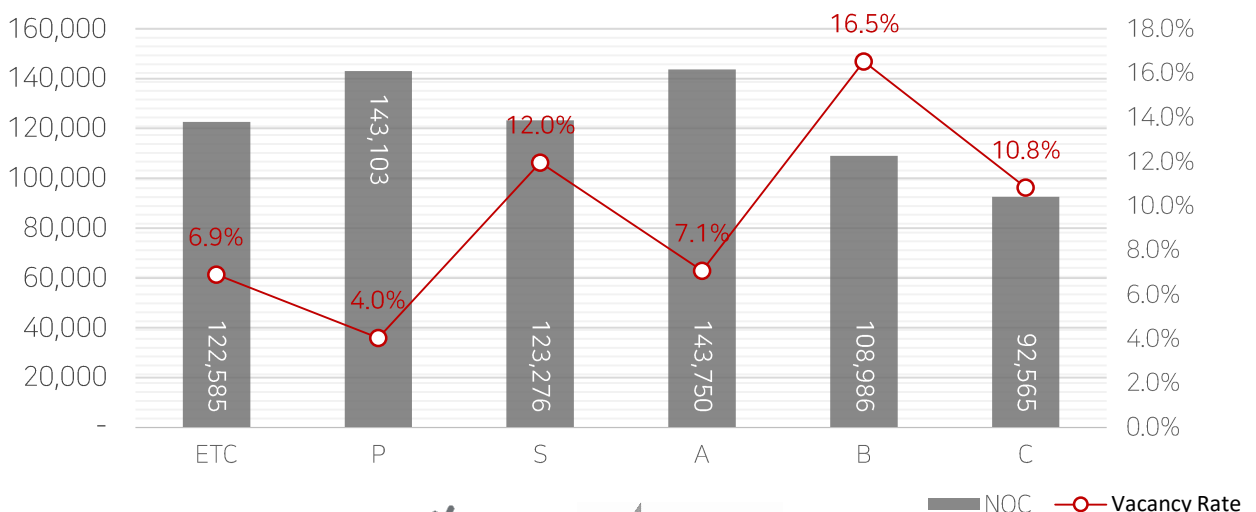
Avg. Rent	Avg. Deposit	Avg. Management Fee
44,505	514,399	19,179

The average vacancy rate of office buildings in ETC is 6.90% as at June 2019, and the average NOC (the cost of 1py within GFA) is ₩122,585.

## 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

1.40% ↓

Avg. NOC

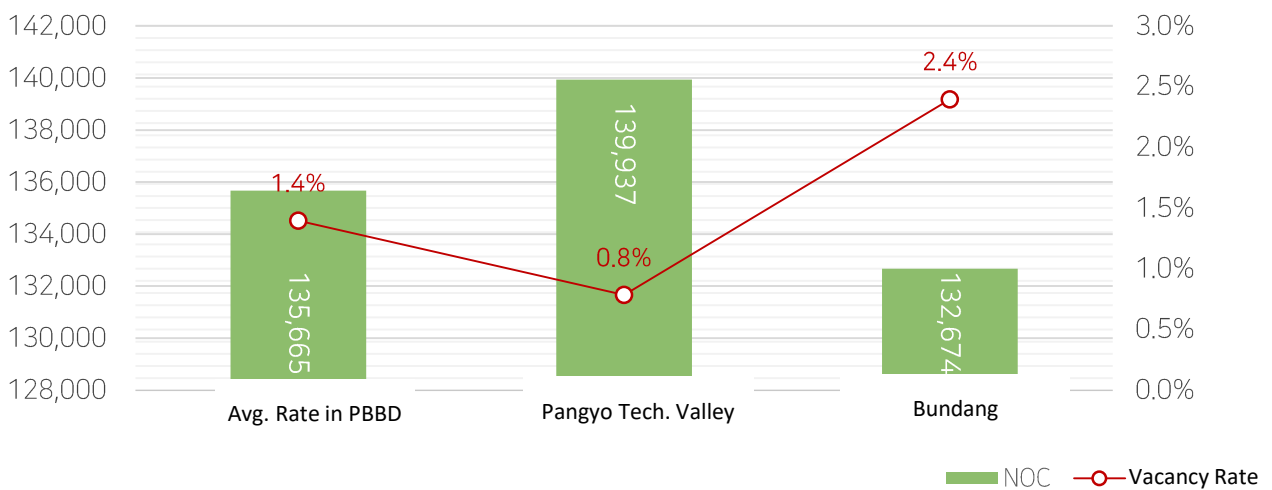


₩135,665 →

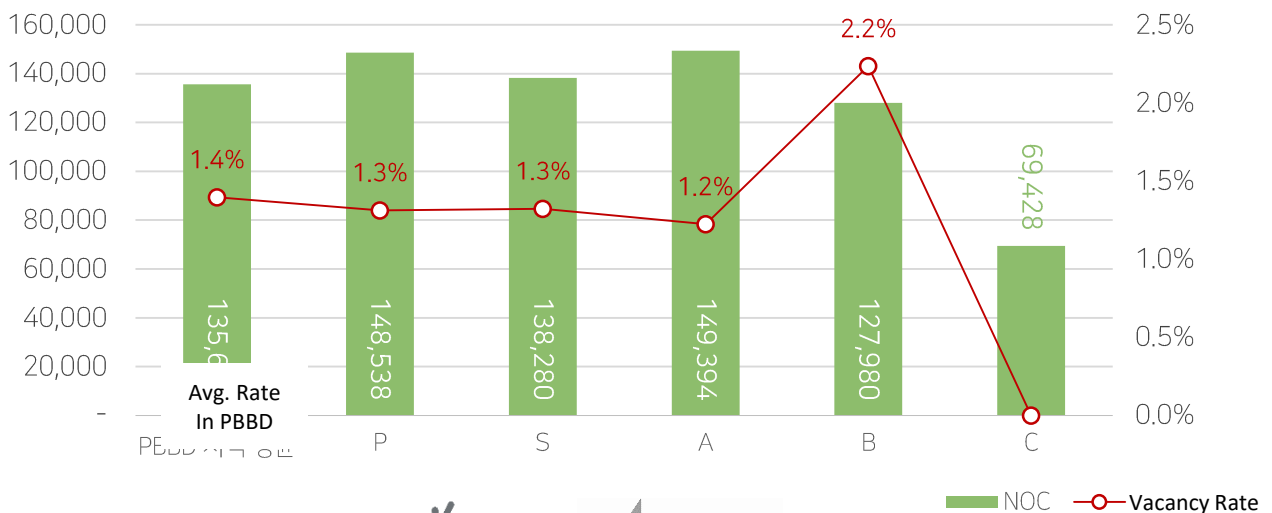
Avg. Rent	Avg. Deposit	Avg. Management Fee
45,307	532,055	21,569

The average vacancy rate of office buildings in Seoul is 1.40% as at June 2019, and the average NOC (the cost of 1py within GFA) is ₩135,665.

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



## Vacancy Rate & NOC for Different Sizes of Buildings in PBBD



OFFICE  
LEASING  
MARKET

## Overall Figures in All Districts

Market	Submarket	Gross Leasing Area	Avg. Deposit	Avg. Rent	Avg. Mgmt. Fee	Avg. NOC	Vacancy Rate
CBD	Gwang-hwa Moon	560,969	883,986	85,990	35,393	218,657	6.50%
	Seoul Railway St.	620,328	775,365	76,100	34,426	192,803	8.81%
	Euljiro Joong-gu	1,130,754	781,712	76,485	33,768	192,962	9.27%
	Jong-roh	629,362	783,002	73,635	31,894	184,216	10.57%
	Choongjung-roh	165,524	621,702	61,515	31,133	173,817	5.12%
	Seodaemoon	116,515	765,947	61,513	31,093	166,227	4.17%
	Yongsan	139,886	675,786	62,243	31,214	170,183	5.70%
GBD	Teheranro	1,326,355	865,295	68,029	25,819	163,940	4.02%
	Gangnamdaero	509,906	975,478	69,816	27,080	172,012	5.22%
	Southern Ring Road	76,184	842,265	60,078	25,785	162,369	1.31%
	Daechi & Samsung	755,658	854,702	61,623	22,771	143,345	4.62%
	Yuksam	1,110,898	849,410	63,971	23,516	151,073	3.70%
	Nonhyun	262,879	952,422	61,928	21,834	133,200	6.29%
	Dogok	77,302	795,042	52,673	23,363	139,863	1.71%
	Dosandaero	86,261	1,052,537	63,434	23,686	145,379	8.97%
	Apkujung & Shinsa	61,884	1,082,134	65,038	19,563	129,608	9.59%
	Yangjae & Gaepo	43,595	756,473	54,074	21,381	139,431	11.34%
	Chungdam	107,008	1,111,227	71,590	21,263	159,184	13.47%
	Seocho & Gyudae	154,017	918,348	59,643	19,274	138,501	3.87%
	Sadang, Isu & Bangbe	26,743	1,129,656	59,733	19,957	132,615	7.69%
	Jamsil & Songpa	221,845	758,415	59,434	26,280	171,171	12.01%
YBD	East Yeouido	675,189	593,794	57,549	29,662	173,370	6.19%
	West Yeouido	158,818	463,208	43,537	21,913	120,726	4.67%
	Yeongdeungpo	129,722	524,086	48,907	27,579	150,463	16.81%
	Mapo Gongduk	233,359	467,583	48,021	26,471	137,101	2.03%
ETC	Gangdong Chunho	69,774	440,000	44,000	19,667	119,489	30.25%
	Sangam DMC	296,825	401,039	39,788	24,846	130,598	11.18%
	Shinchon, Hong Uni. & Hapchun	64,016	775,517	53,681	20,336	123,519	2.29%
	Other Areas in Seoul	590,734	526,190	45,852	20,151	119,168	6.63%
PBBD	Pangyo Techno. Valley	342,563	489,138	47,905	19,618	139,937	0.78%
	Bundang	210,366	563,526	43,401	22,999	132,674	2.39%

# MEET THE TEAM

Seoul, Korea Office  
Market Overview

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