



MONTHLY MARKET REVIEW

June 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 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

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.
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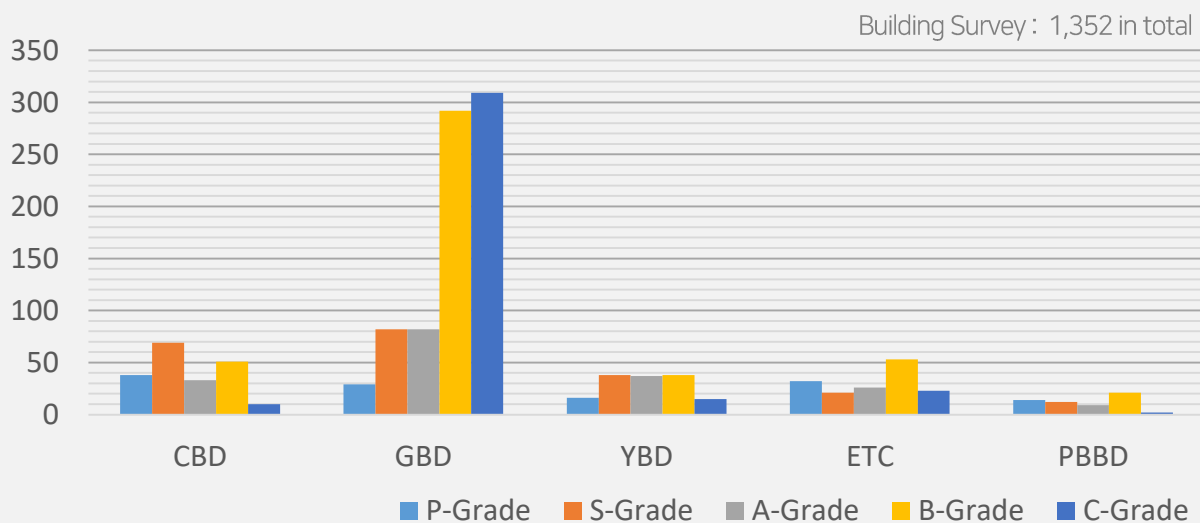
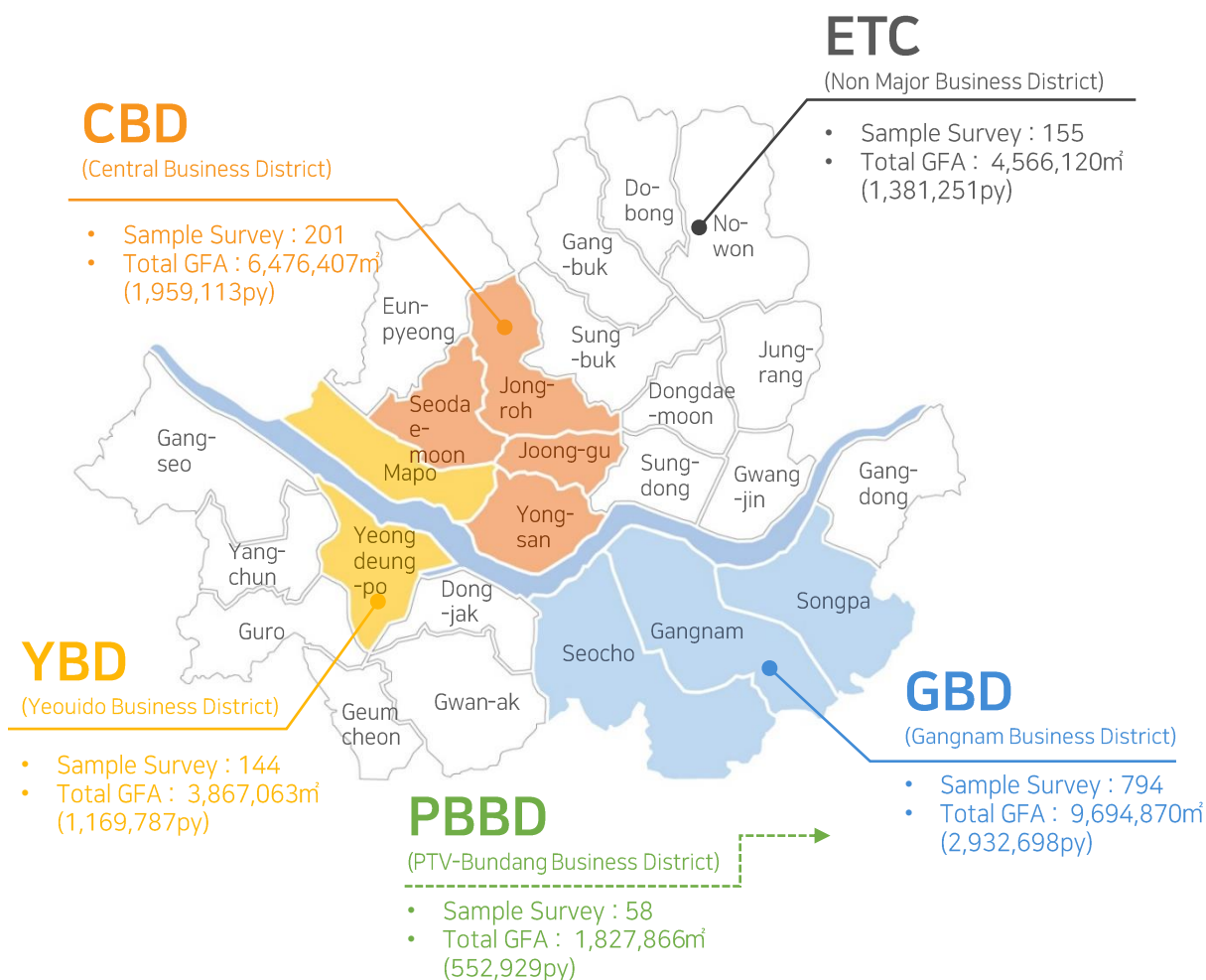
03

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.





Vacancy Rate

6.65% ↓

Average NOC



₩149,276 ↓

Q1

SBD
Seoul Capital Area

SBD OFFICE LEASING MARKET

Avg. Rent

60,387

Avg. Deposit

775,192

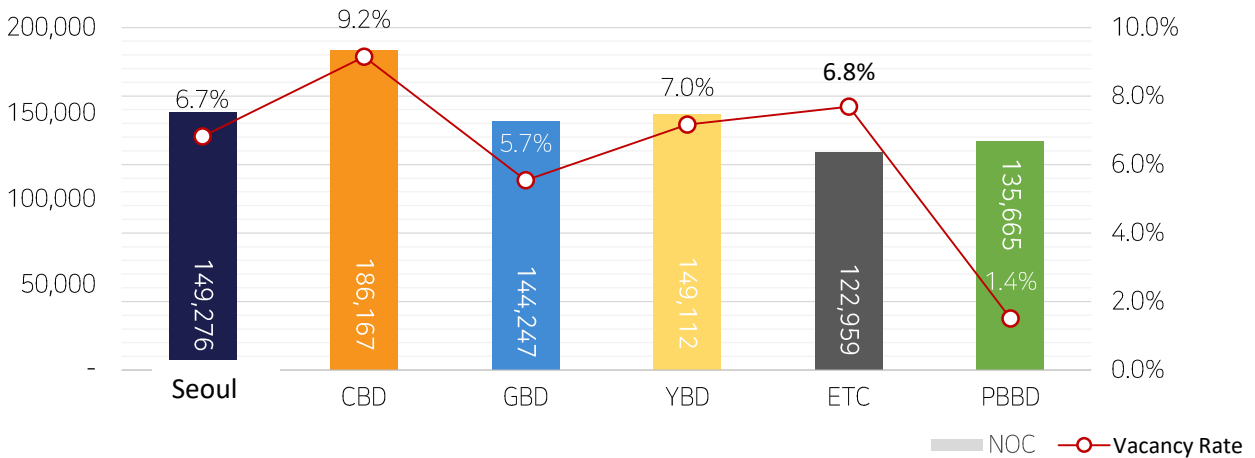
Avg.
Management
Fee

24.156

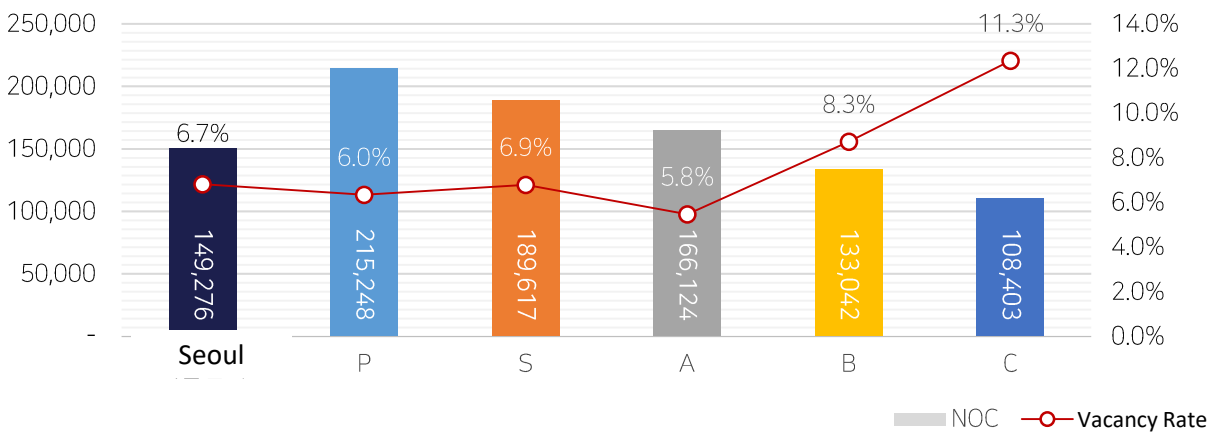
The average vacancy rate of office buildings in Seoul is 6.65% as at May 2019, and the average NOC cost of 1py within GFA) is ₩149,276 Korean Won.

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Vacancy Rate & NOC in Seoul and Each District

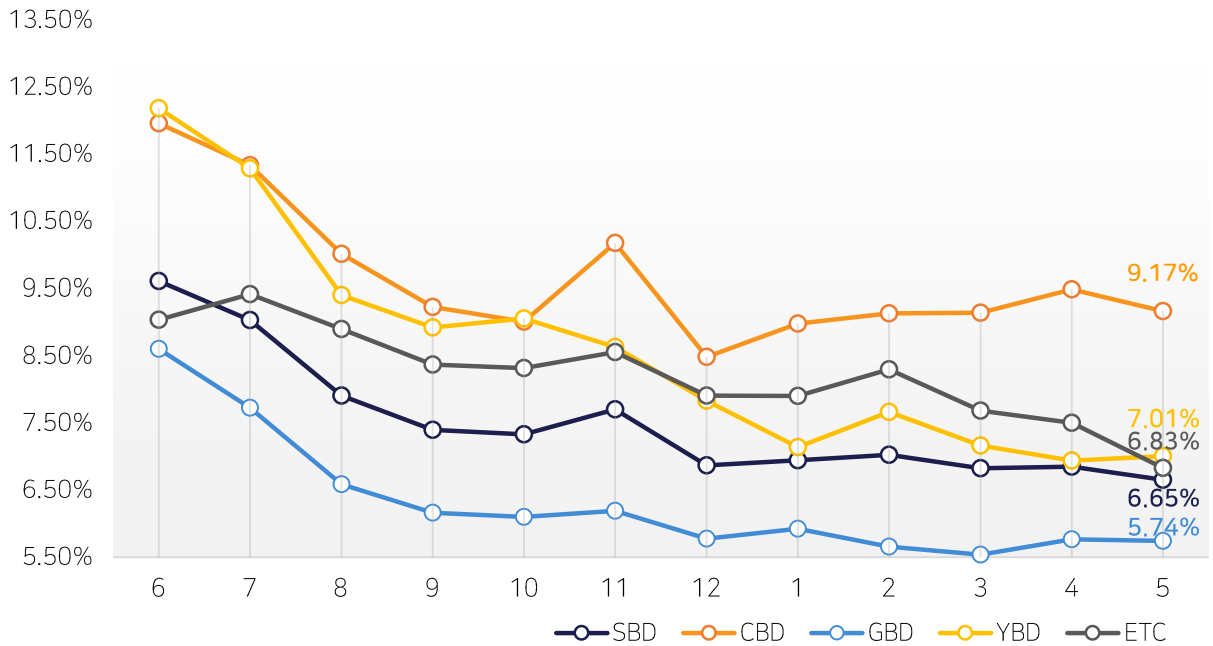


Vacancy Rate & NOC in Seoul & Each Building Category

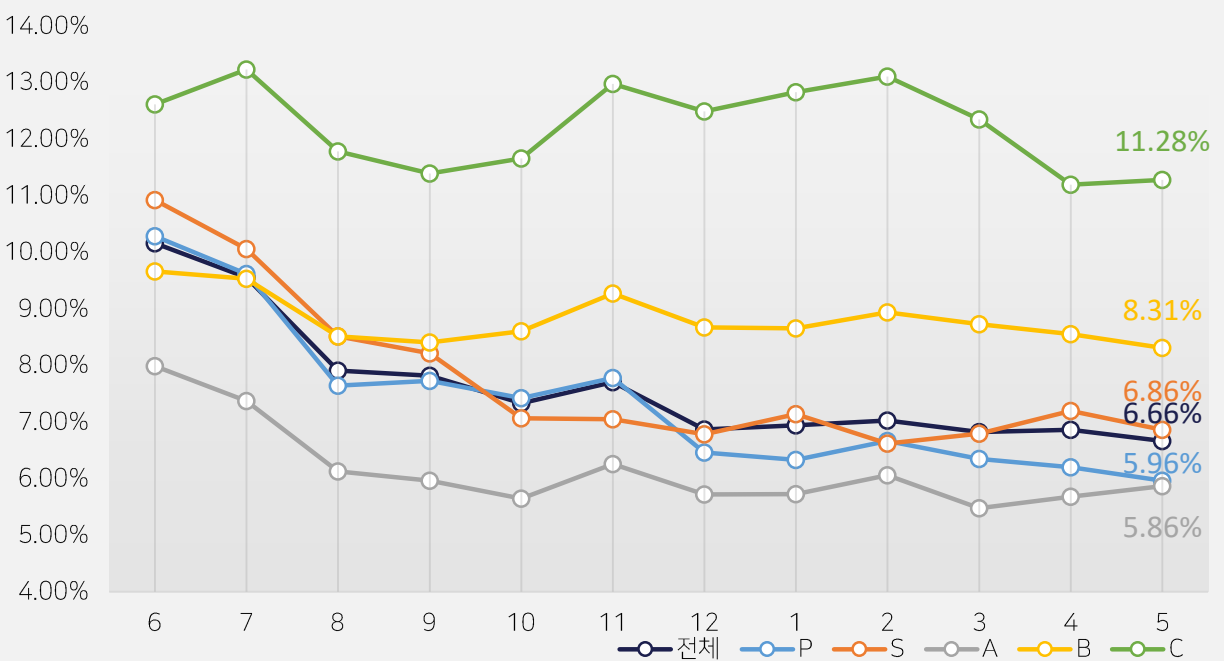


Monthly Changes of Vacancy Rate in Different Districts

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



Monthly Changes of Vacancy Rate for Different Sizes of Buildings



Q2

CBD Central Seoul

CBD OFFICE LEASING MARKET



Vacancy Rate

9.17% ↓

Avg. NOC

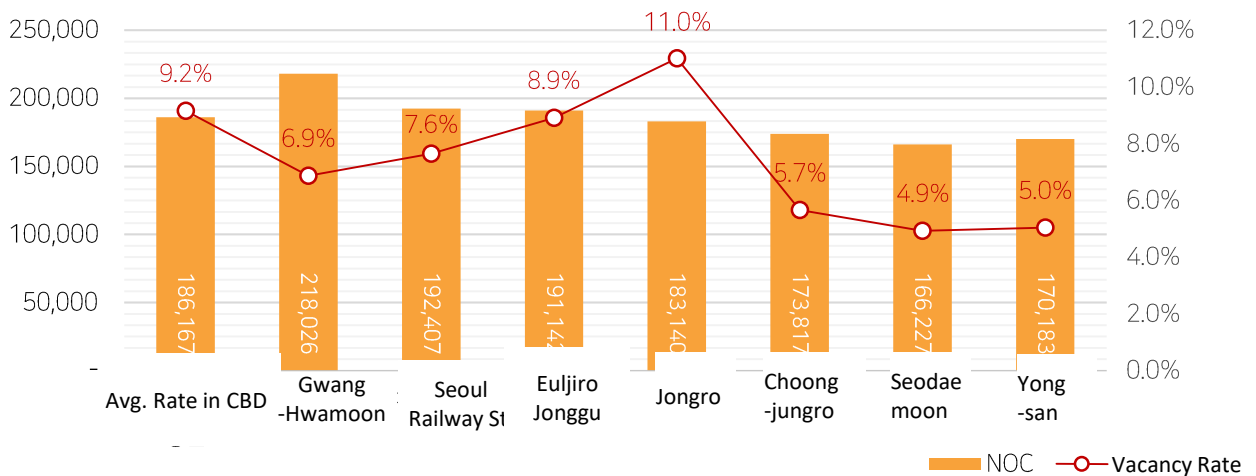


₩186,167 ↓

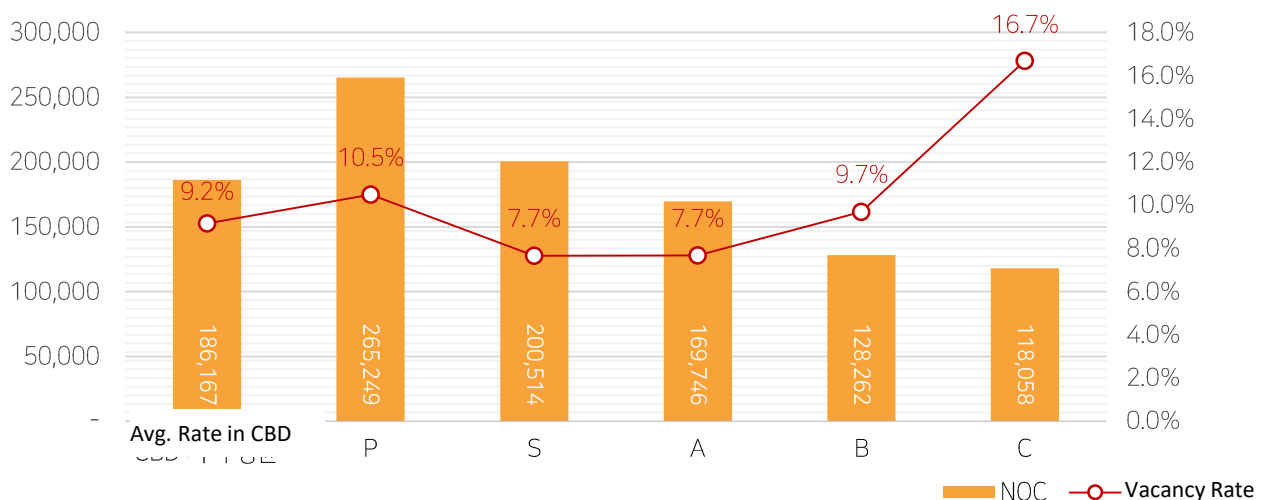
Avg. Rent	Avg. Deposit	Avg. Management Fee
73,283	761,407	32,739

The average vacancy rate of office buildings in CBD is 9.17% as at May 2019, and the average NOC (the cost of 1py within GFA) is ₩186,167 Korean Won.

Vacancy Rate & NOC in Central Business Districts



Vacancy Rate & NOC for Different Sizes of Buildings in CBD



Q3

GBD
Gangnam

GBD OFFICE LEASING MARKET



Vacancy Rate

5.74% ↓

Avg. NOC



₩144,247 ↓

Avg. Rent

62,248

Avg. Deposit

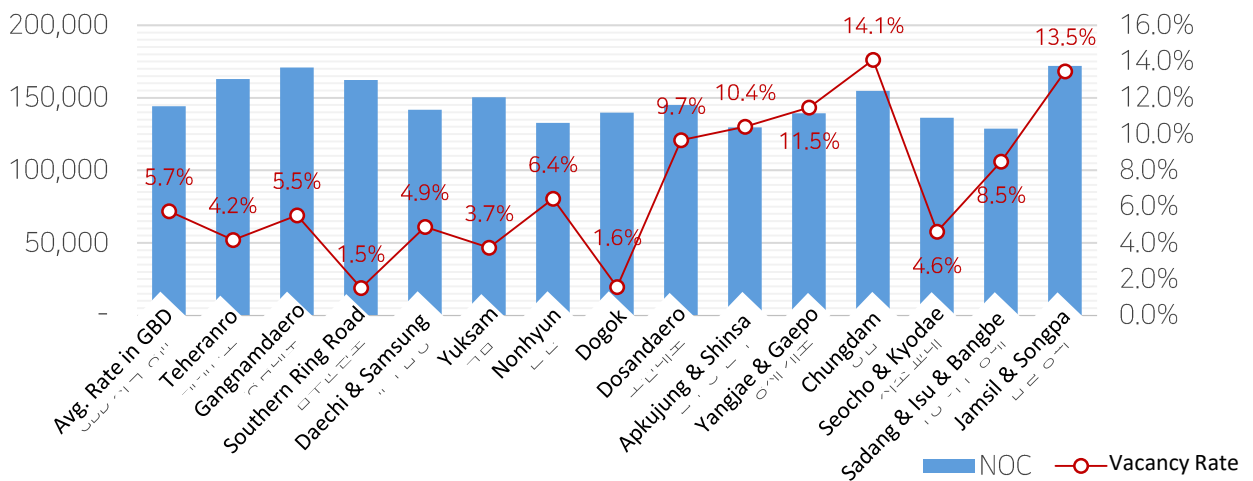
878,944

Avg.
Management
Fee

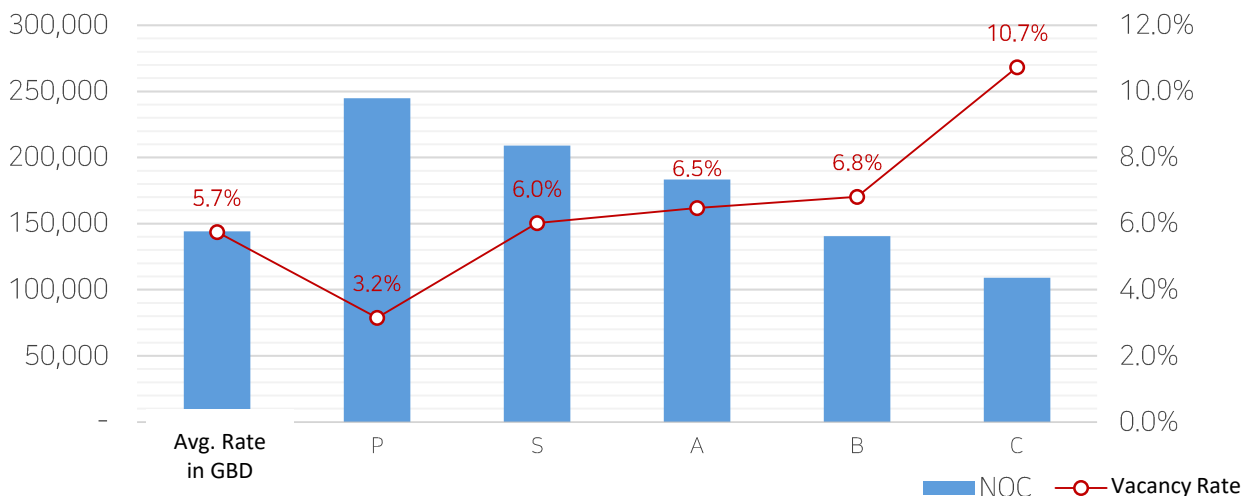
22,508

The average vacancy rate of office buildings in GBD is 5.74% as at May 2019, and the average NOC (the cost of 1py within GFA) is ₩144,247 Korean Won.

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

7.01% ↑

Avg. NOC

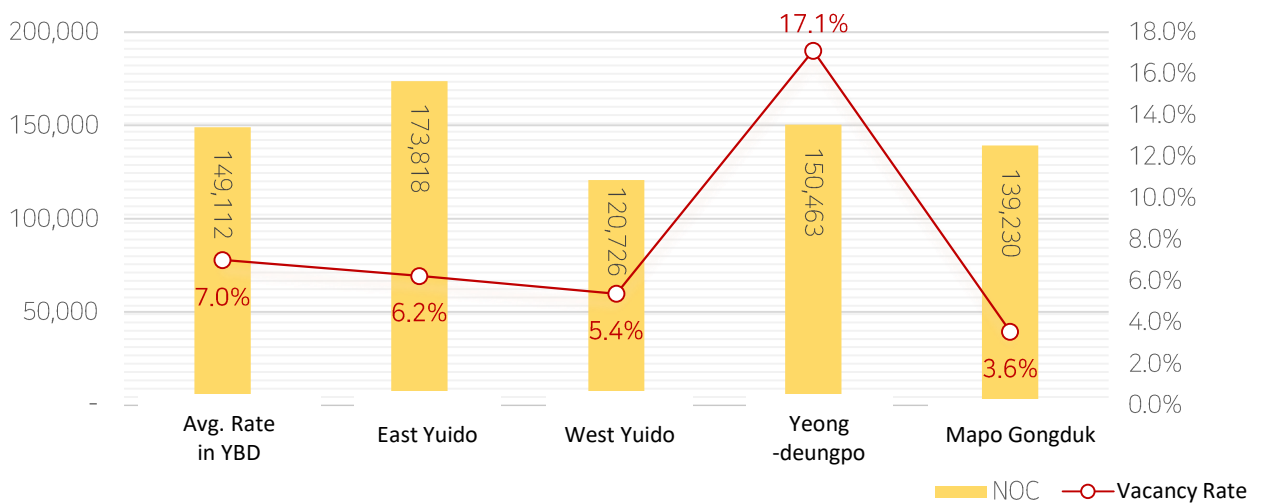


₩149,112 ↓

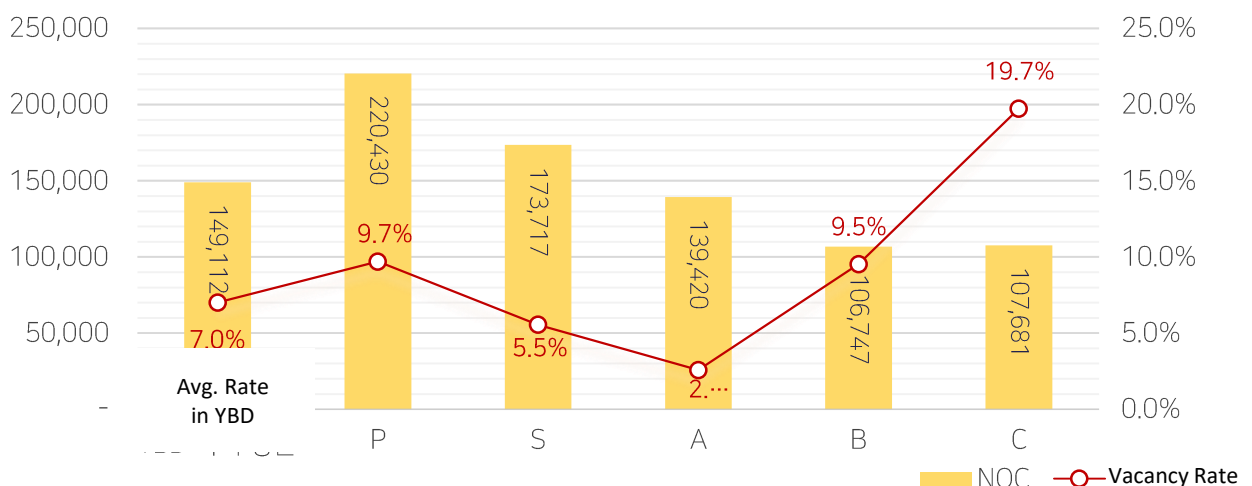
Avg. Rent	Avg. Deposit	Avg. Management Fee
52,095	549,554	26,103

The average vacancy rate of office buildings in Seoul is 7.01% as at May 2019, and the average NOC (the cost of 1py within GFA) is ₩149,112 Korean Won.

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

6.83% ↓

Avg. NOC

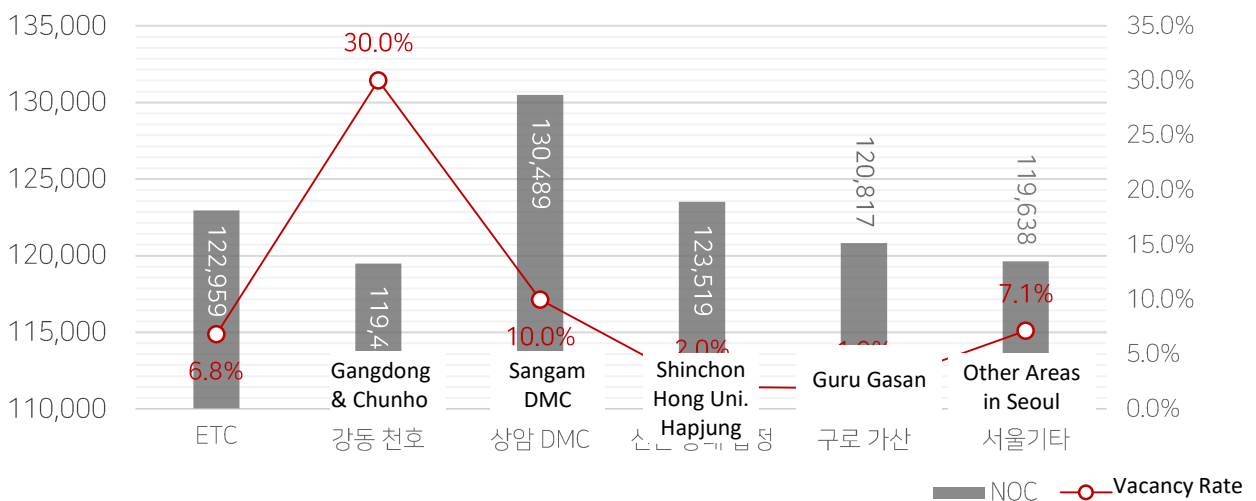
₩122,959 ↑



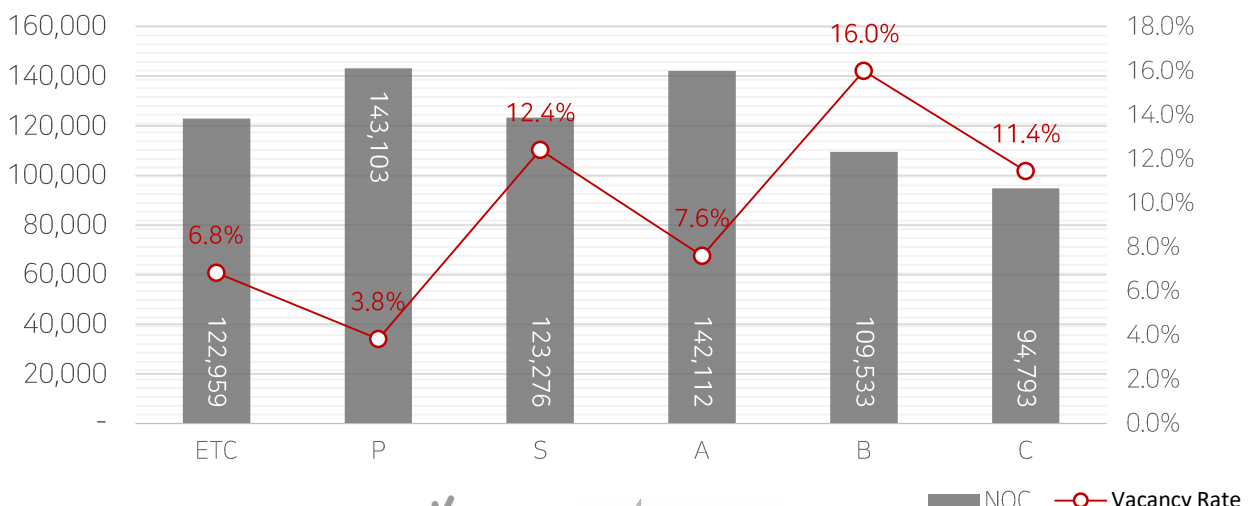
Avg. Rent	Avg. Deposit	Avg. Management Fee
44,547	516,669	19,274

The average vacancy rate of office buildings in ETC is 6.83% as at March 2019, and the average NOC (the cost of 1py within GFA) is ₩122.959 Korean Won.

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

1.36% ↓

Avg. NOC

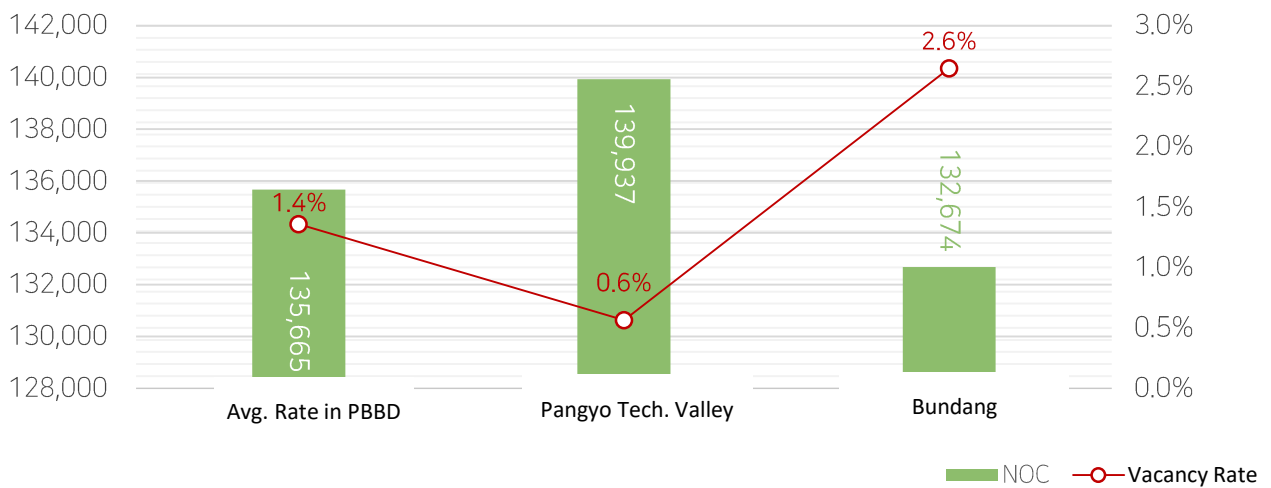


₩135,665 →

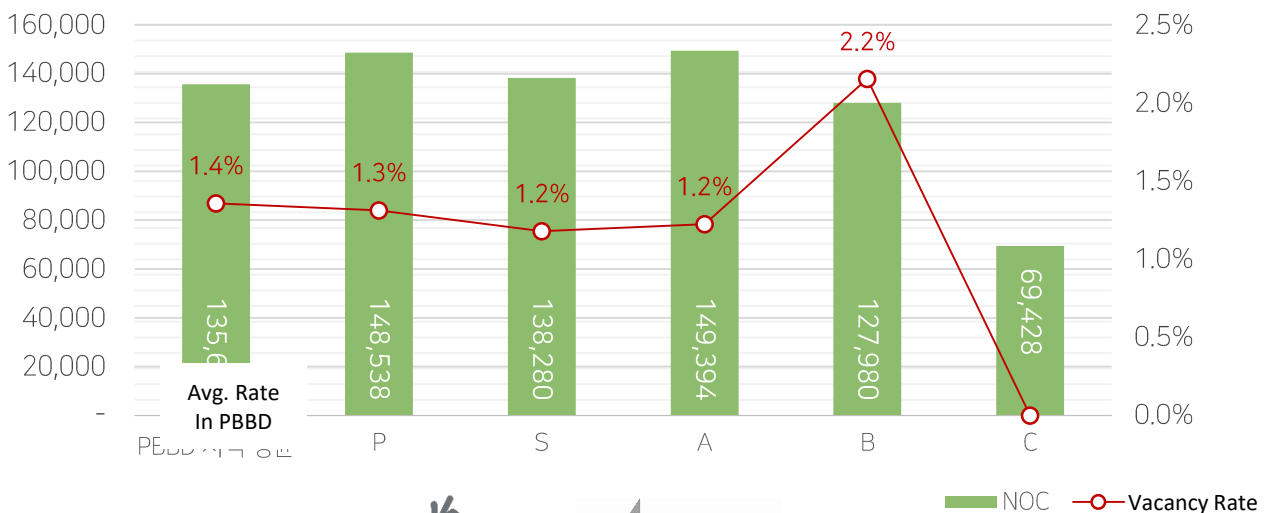
Avg. Rent	Avg. Deposit	Avg. Management Fee
45,307	532,055	21,569

The average vacancy rate of office buildings in Seoul is 1.36% as at May 2019, and the average NOC (the cost of 1py within GFA) is ₩135,665 Korean Won.

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	550,458	882,986	85,837	35,260	218,026	6.88%
	Seoul Railway St.	607,250	774,247	75,941	34,375	192,407	7.65%
	Euljiro Joong-gu	1,056,851	776,116	75,868	33,572	191,142	8.91%
	Jong-roh	618,851	780,511	73,307	31,731	183,140	11.01%
	Choongjung-roh	165,524	621,702	61,515	31,133	173,817	5.66%
	Seodaemoon	116,515	765,947	61,513	31,093	166,227	4.93%
	Yongsan	139,886	675,786	62,243	31,214	170,183	5.04%
GBD	Teheranro	1,285,611	864,719	67,721	25,619	162,878	4.17%
	Gangnamdaero	481,859	975,136	69,523	26,933	170,901	5.52%
	Southern Ring Road	76,823	842,265	60,078	25,785	162,369	1.51%
	Daechi & Samsung	711,865	855,023	61,218	22,485	141,690	4.88%
	Yuksam	1,071,900	849,629	63,810	23,398	150,388	3.73%
	Nonhyun	262,879	949,877	61,809	21,718	132,756	6.43%
	Dogok	77,302	795,042	52,673	23,363	139,863	1.57%
	Dosandaero	86,261	1,081,223	63,147	23,686	144,995	9.67%
	Apkujung & Shinsa	61,884	1,082,134	65,038	19,563	129,608	10.40%
	Yangjae & Gaepo	43,595	756,473	54,074	21,381	139,431	11.47%
	Chungdam	102,164	1,127,804	70,636	20,893	154,756	14.10%
	Seocho & Gyudae	149,711	895,909	59,188	19,199	136,242	4.61%
	Sadang, Isu & Bangbe	19,186	958,363	60,688	18,619	128,826	8.49%
	Jamsil & Songpa	210,031	768,550	59,856	26,190	171,989	13.47%
YBD	East Yeouido	687,106	592,390	57,444	29,570	173,818	6.24%
	West Yeouido	158,818	463,208	43,537	21,913	120,726	5.38%
	Yeongdeungpo	129,722	524,086	48,907	27,579	150,463	17.11%
	Mapo Gongduk	161,693	482,545	48,800	26,968	139,230	3.55%
ETC	Gangdong Chunho	69,774	440,000	44,000	19,667	119,489	30.02%
	Sangam DMC	296,825	401,039	39,788	24,793	130,489	9.97%
	Shinchon, Hong Uni. & Hapchun	64,016	775,517	53,681	20,336	123,519	2.02%
	Other Areas in Seoul	582,259	530,473	45,978	20,367	119,638	7.13%
PBBD	Pangyo Techno. Valley	342,563	489,138	47,905	19,618	139,937	0.56%
	Bundang	210,366	563,526	43,401	22,999	132,674	2.65%

MEET THE TEAM

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