



MONTHLY MARKET REVIEW

May 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

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

## 03

## Categories of Office Buildings by Size of Floor Area

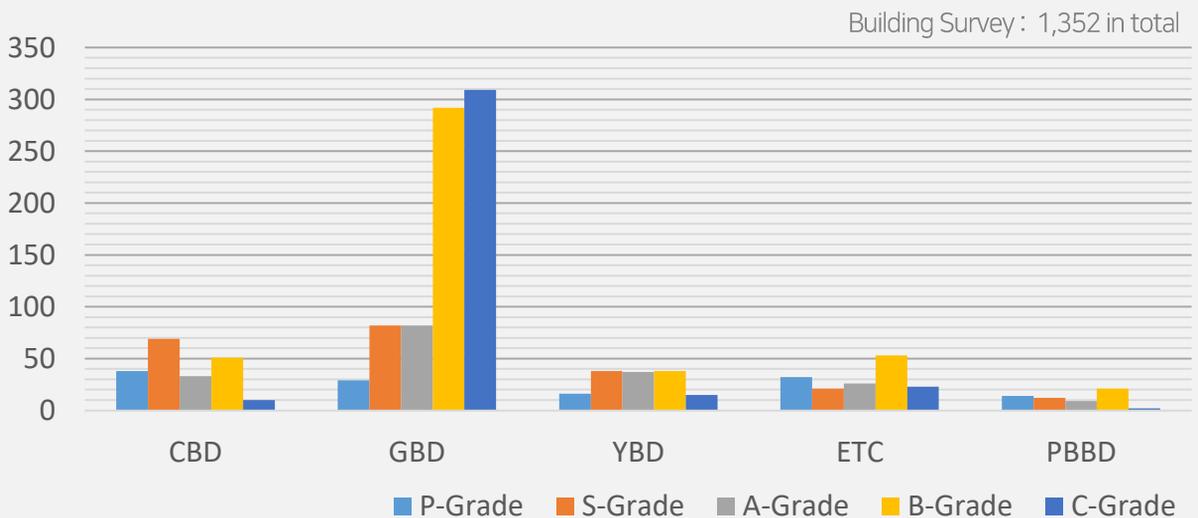
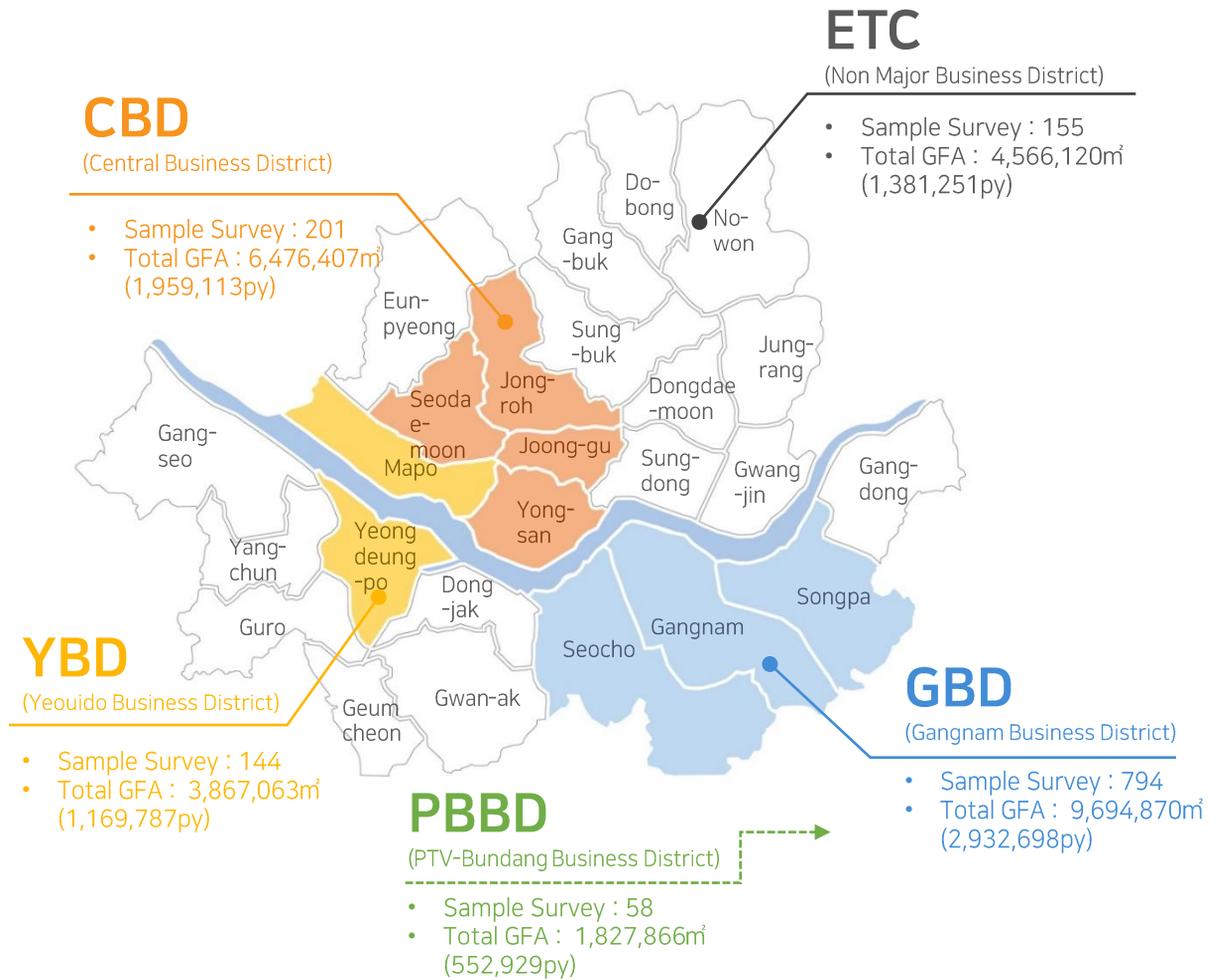
OK 2019	P Grade Prime Bldg.	S Grade Large Bldg.	A Grade Large-medium	B Grade Medium-small	C Grade Small Bldg.
Gross Floor Area	>15,000py	>7,000py	>4,000py	>1,000py	>1,000py
Lease Area of Sample Floor	>500py	>300py	>200py	>150py	<150py

**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



# Q1 SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

Vacancy Rate  
**6.85% ↑**

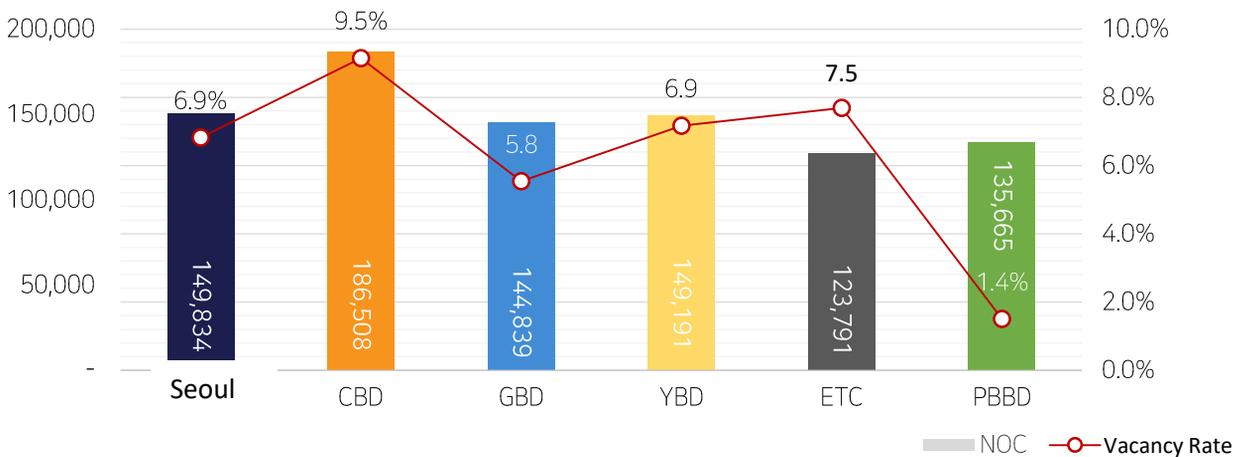
Average NOC  
**₩149,834 ↓**

Avg. Rent	Avg. Deposit	Avg. Management Fee
60,533	777,561	24.232

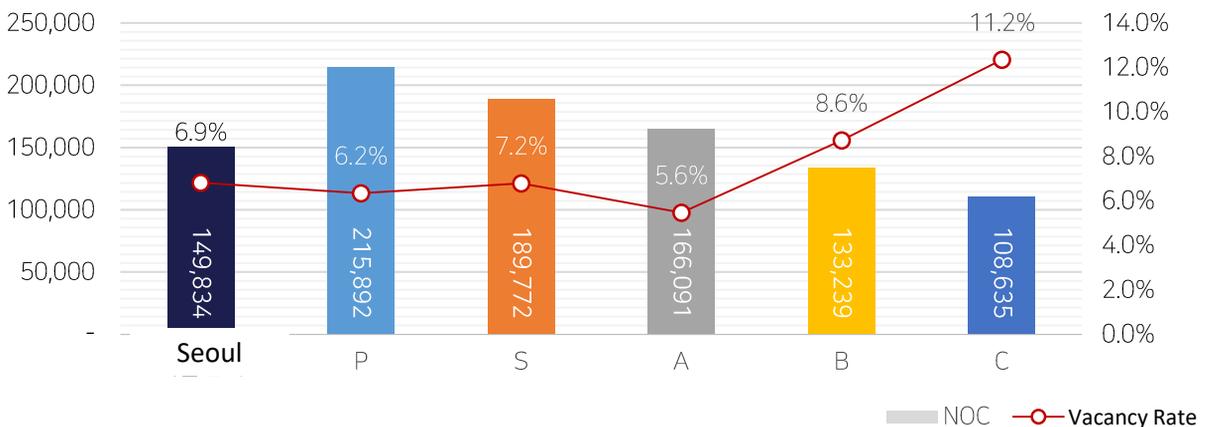
The average vacancy rate of office buildings in Seoul is 6.85% as at April 2019, and the average NOC cost of 1py within GFA) is ₩149,834 Korean Won.

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## Vacancy Rate & NOC in Seoul and Each District

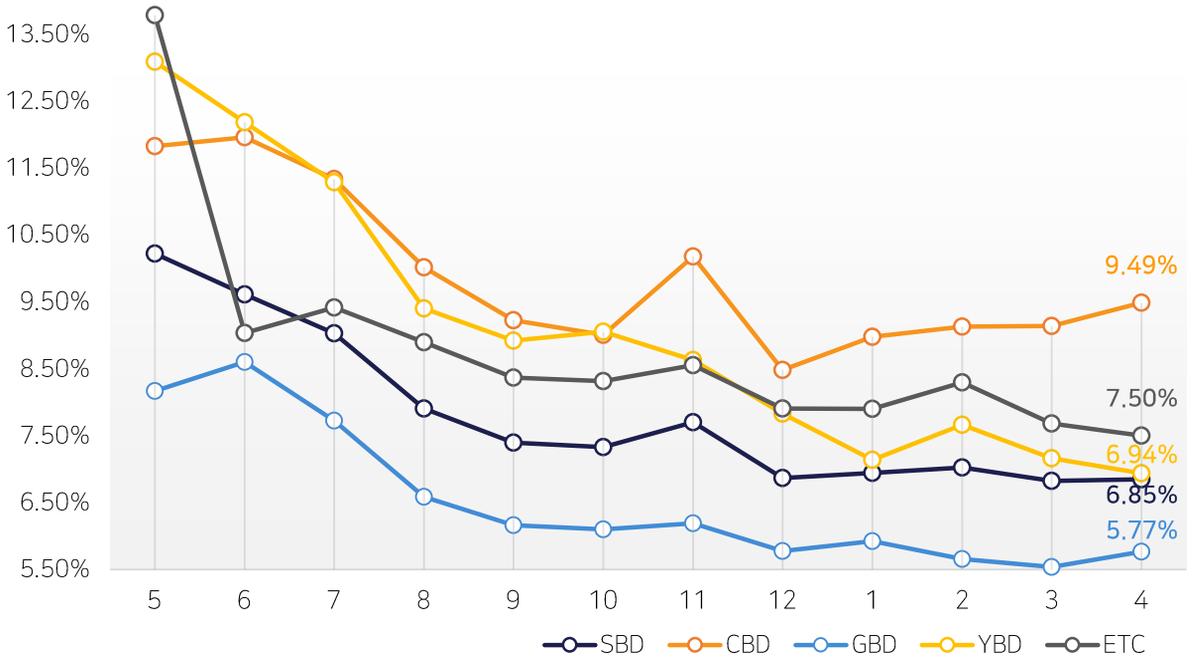


## Vacancy Rate & NOC in Seoul & Each Building Category

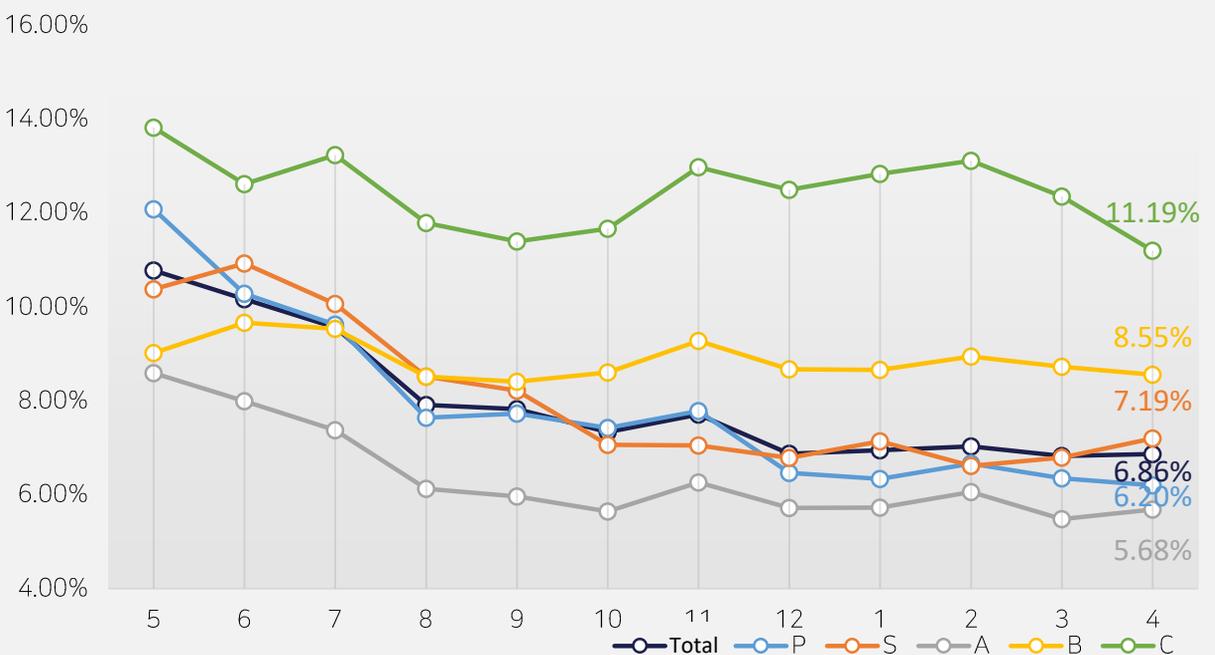


## Monthly Changes in Vacancy Rate of Each District

The diagram below shows the changes in the vacancy rates in Seoul between May 2018 and April 2019, and the average rate hasn't really showed a significant change since the previous month. The vacancy rate of the grade-C buildings decreased more than 1%, and this is apparently due to the small-sized buildings in CBD, GBD and ETC areas whose vacancy rate has decreased.



## Monthly Changes in Vacancy Rate for Each Category



# Q2 CBD Central Seoul

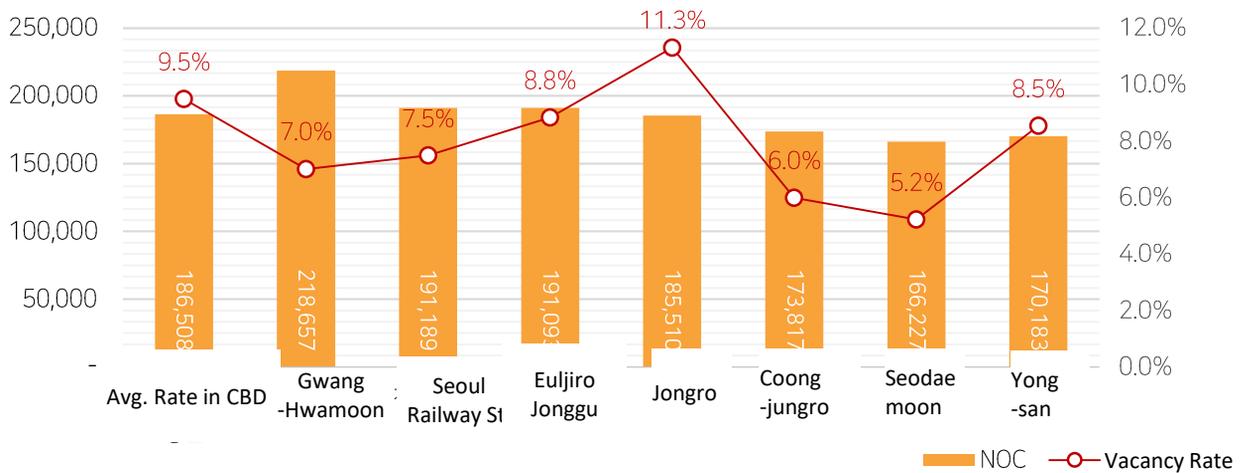
CBD OFFICE LEASING MARKET

Vacancy Rate **9.49%** ↑ Avg. NOC **₩186,508** ↓

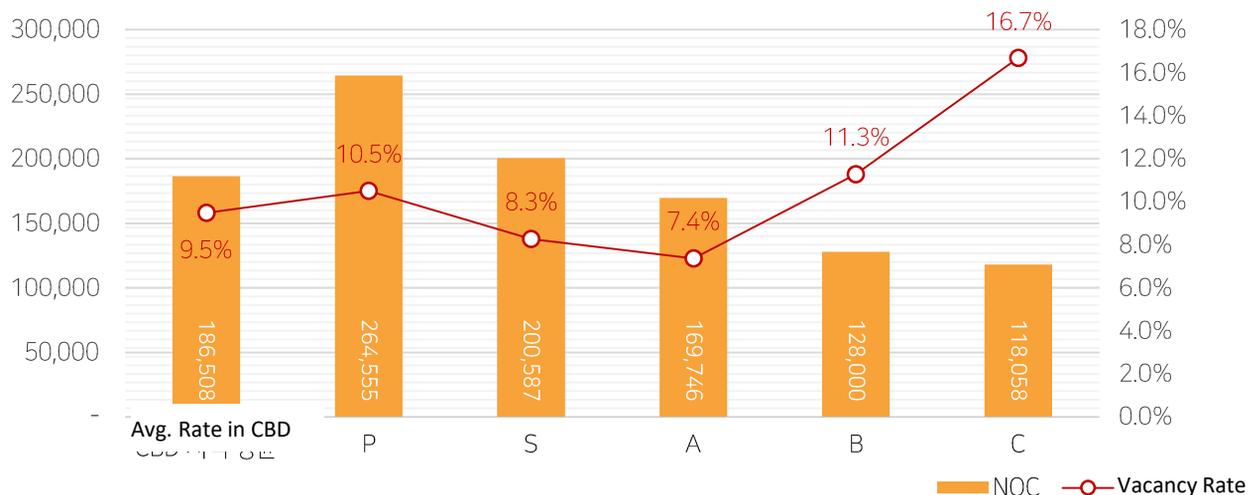
Avg. Rent	Avg. Deposit	Avg. Management Fee
73,559	762,975	32,817

The average vacancy rate of office buildings in CBD is 9.49% as at April 2019, and the average NOC (the cost of 1py within GFA) is ₩186,508 Korean Won.

## Vacancy Rate & NOC in CBD and Areas Within



## Vacancy Rate & NOC in CBD and Building Categories Within



# Q3 GBD Gangnam

GBD OFFICE LEASING MARKET

Vacancy Rate

5.77% ↑

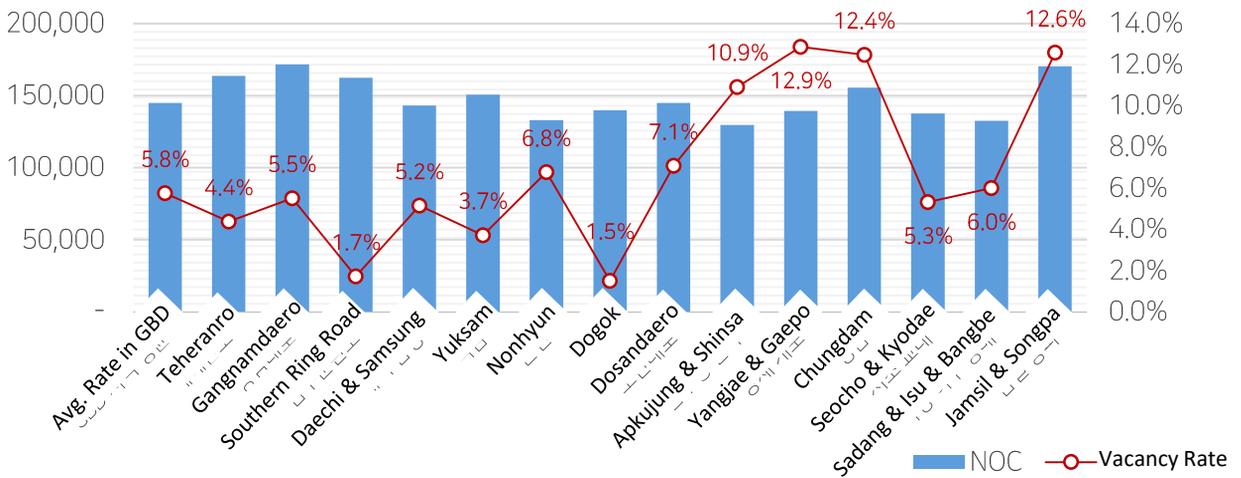
Avg. NOC

₩144,839 ↓

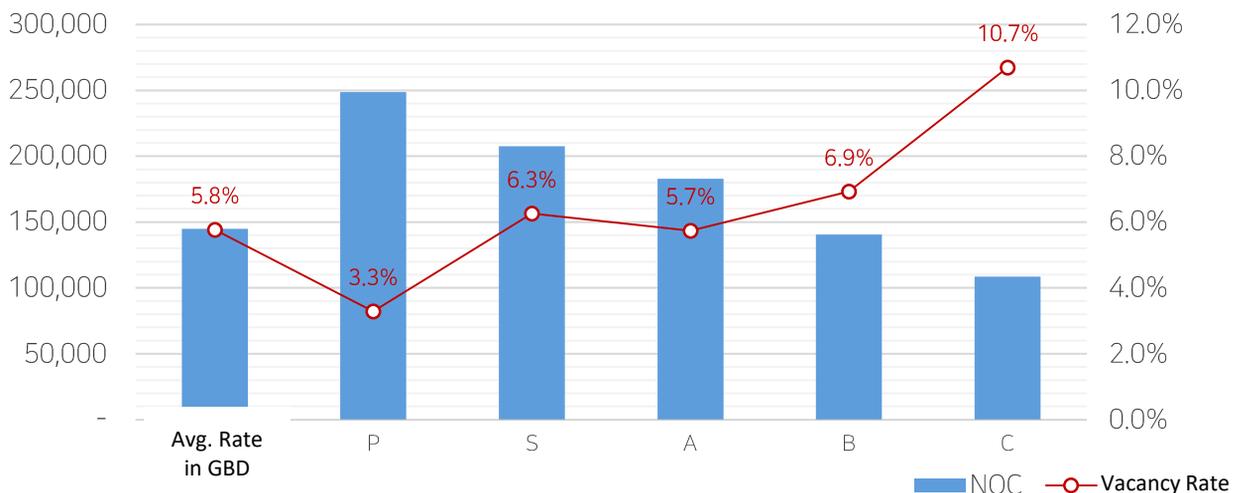
Avg. Rent	Avg. Deposit	Avg. Management Fee
62,369	882,757	22,565

The average vacancy rate of office buildings in GBD is 5.77% as at April 2019, and the average NOC (the cost of 1py within GFA) is ₩144,839 Korean Won.

## Vacancy Rate & NOC in GBD and Areas Within



## Vacancy Rate & NOC in GBD and Building Categories Within



Q4

# YBD Yeouido, Yeongdeungpo

YBD OFFICE LEASING MARKET

Vacancy Rate

6.94% ↓

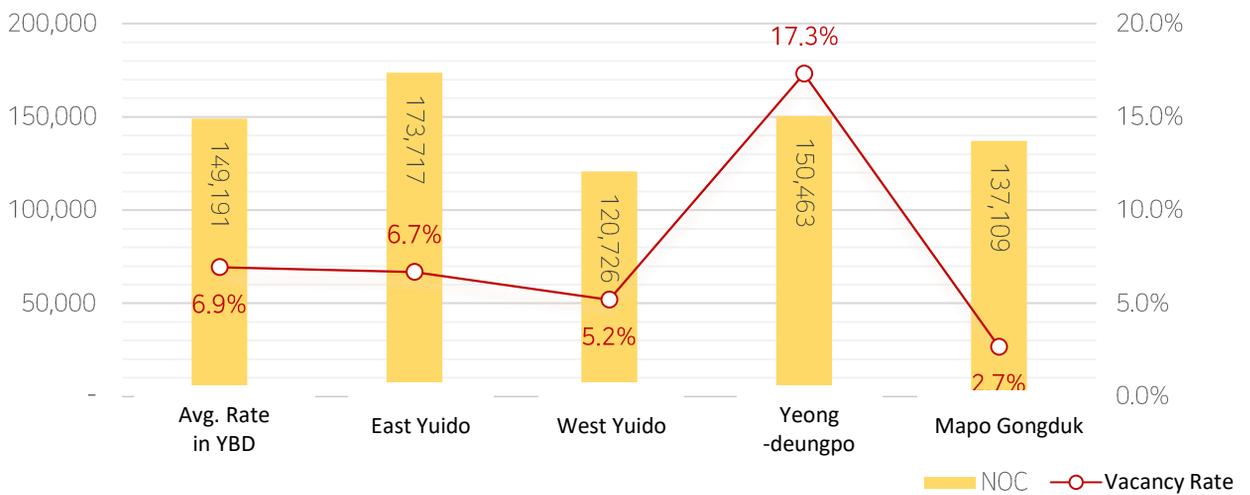
Avg. NOC

₩149,191 →

Avg. Rent	Avg. Deposit	Avg. Management Fee
51,117	547,352	26,086

The average vacancy rate of office buildings in Seoul is 6.94% as at April 2019, and the average NOC (the cost of 1py within GFA) is ₩149,191 Korean Won.

## Vacancy Rate & NOC in YBD and Areas Within



## Vacancy Rate & NOC in YBD and Building Categories Within



# Q5 ETC Other Districts In Seoul

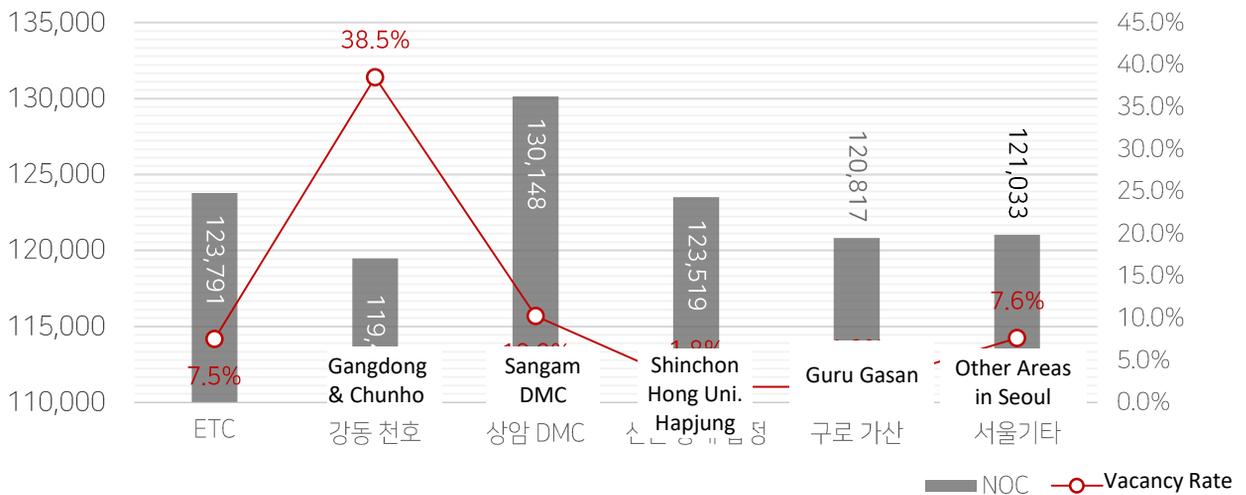
ETC OFFICE LEASING MARKET

Vacancy Rate **7.68%** ↓ Avg. NOC **₩127,308** ↑

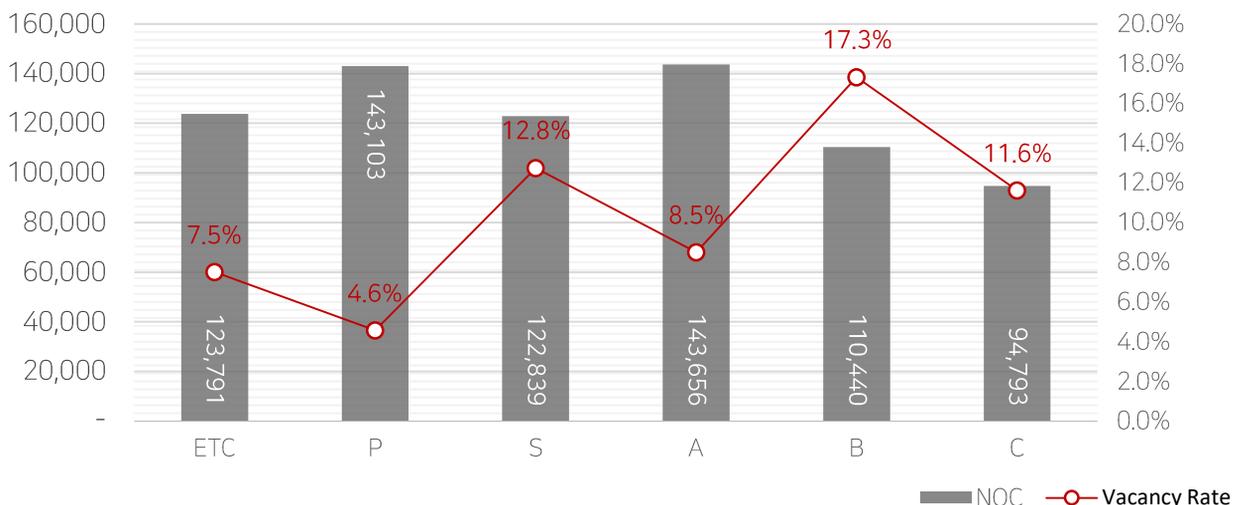
Avg. Rent	Avg. Deposit	Avg. Management Fee
46,838	571,511	19,426

The average vacancy rate of office buildings in ETC is 8.68% as at March 2019, and the average NOC (the cost of 1py within GFA) is ₩127,308 Korean Won.

## Vacancy Rate & NOC in ETC and Areas Within



## Vacancy Rate & NOC in ETC and Building Categories Within



# 06 PBBD Pangyo & Bundang

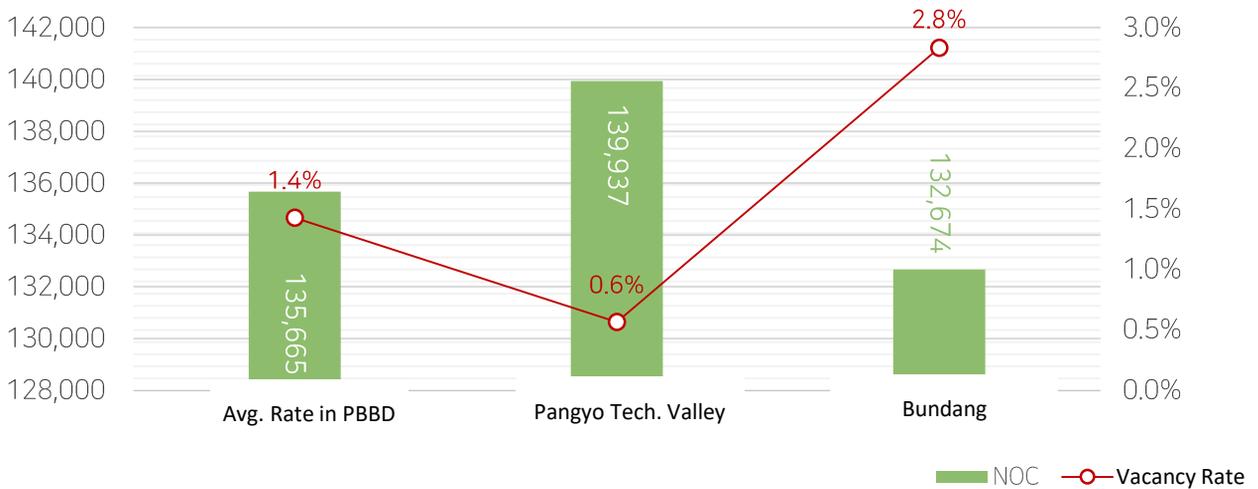
PBBD OFFICE LEASING MARKET

Vacancy Rate **1.43%** ↓ Avg. NOC **₩135,665** ↑

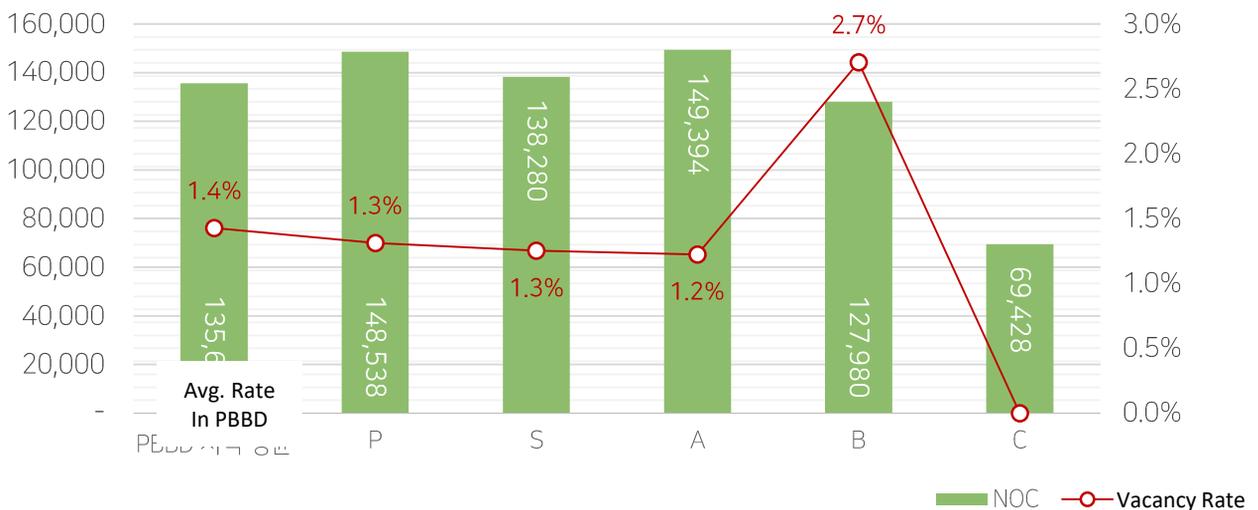
Avg. Rent	Avg. Deposit	Avg. Management Fee
45,307	532,055	21,569

The average vacancy rate of office buildings in Seoul is 1.43% as at March 2019, and the average NOC (the cost of 1py within GFA) is ₩135,665 Korean Won.

## Vacancy Rate & NOC in PBBD and Areas Within



## Vacancy Rate & NOC in PBBD and Building Categories Within



OFFICE  
LEASING  
MARKET

## Leasing Status in Each District

Market	Submarket	Gross Leasing Area	Avg. Deposit	Avg. Rent	Avg. Mgmt. Fee	Avg. NOC	Vacancy Rate
CBD	Gwang-hwa Moon	561,152	883,986	85,990	35,393	218,657	7.00%
	Seoul Railway St.	608,938	771,482	75,688	34,305	191,189	7.49%
	Euljiro Joong-gu	1,075,387	777,114	76,136	33,617	191,093	8.83%
	Jong-roh	624,072	786,951	74,256	31,952	185,510	11.31%
	Choongjung-roh	165,524	621,702	61,515	31,133	173,817	5.99%
	Seodaemoon	116,515	765,947	61,513	31,093	166,227	5.22%
	Yongsan	139,886	675,786	62,243	31,214	170,183	8.54%
GBD	Teheranro	1,326,355	864,741	67,955	25,786	163,687	4.39%
	Gangnamdaero	509,906	980,400	69,778	26,971	171,717	5.52%
	Southern Ring Road	76,184	842,265	60,078	25,785	162,369	1.73%
	Daechi & Samsung	741,657	856,626	61,678	22,738	143,189	5.16%
	Yuksam	1,110,898	851,920	63,853	23,343	150,567	3.72%
	Nonhyun	262,879	956,907	62,035	21,686	133,019	6.78%
	Dogok	77,302	795,042	52,673	23,363	139,863	1.51%
	Dosandaero	86,261	1,081,223	63,147	23,686	144,995	7.09%
	Apkujung & Shinsa	61,884	1,082,134	65,038	19,563	129,608	10.92%
	Yangjae & Gaepo	43,595	756,473	54,074	21,381	139,431	12.87%
	Chungdam	100,563	1,136,604	70,789	21,413	155,494	12.48%
	Seocho & Gyudae	154,017	892,060	59,115	19,291	137,569	5.33%
	Sadang, Isu & Bangbe	26,743	1,129,656	59,733	19,957	132,615	6.01%
Jamsil & Songpa	221,845	755,256	59,118	26,175	170,337	12.58%	
YBD	East Yeouido	639,436	591,619	57,508	29,452	173,717	6.68%
	West Yeouido	158,818	463,208	43,537	21,913	120,726	5.19%
	Yeongdeungpo	129,722	524,086	48,907	27,579	150,463	17.32%
	Mapo Gongduk	233,359	467,583	48,025	26,471	137,109	2.67%
ETC	Gangdong Chunho	69,774	440,000	44,000	19,667	119,489	38.51%
	Sangam DMC	296,825	399,460	39,630	24,793	130,148	10.25%
	Shincheon, Hong Uni. & Hapchun	64,016	775,517	53,681	20,336	123,519	1.84%
	Other Areas in Seoul	572,431	530,923	46,024	20,613	121,033	7.62%
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	2.83%