



MONTHLY MARKET REVIEW

Seoul Office

2019

April

R E P O R T

Seoul,
Korea Office
Market Overview



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	YBD	GBD	PBBD	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 Building	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.

Categories by Location & Sample Numbers

CBD

(Central Business District)

- Sample Numbers : 286
- Total GFA : 8,046,343m² (2,434,018py)

YBD

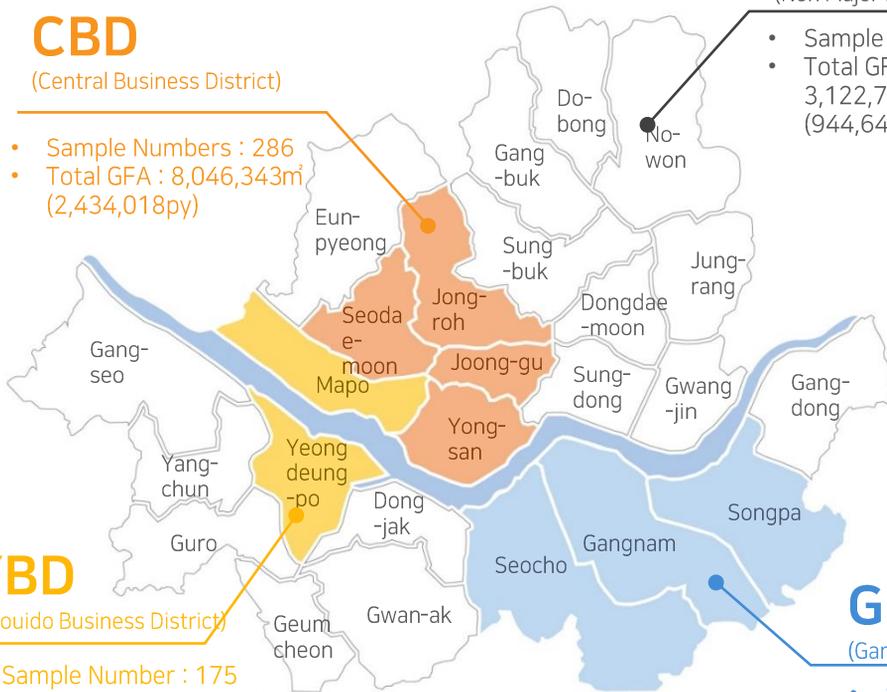
(Yeouido Business District)

- Sample Number : 175
- Total GFA : 6,045,049m² (1,828,627py)

ETC

(Non Major Business District)

- Sample Numbers : 113
- Total GFA : 3,122,798m² (944,646py)



PBBD

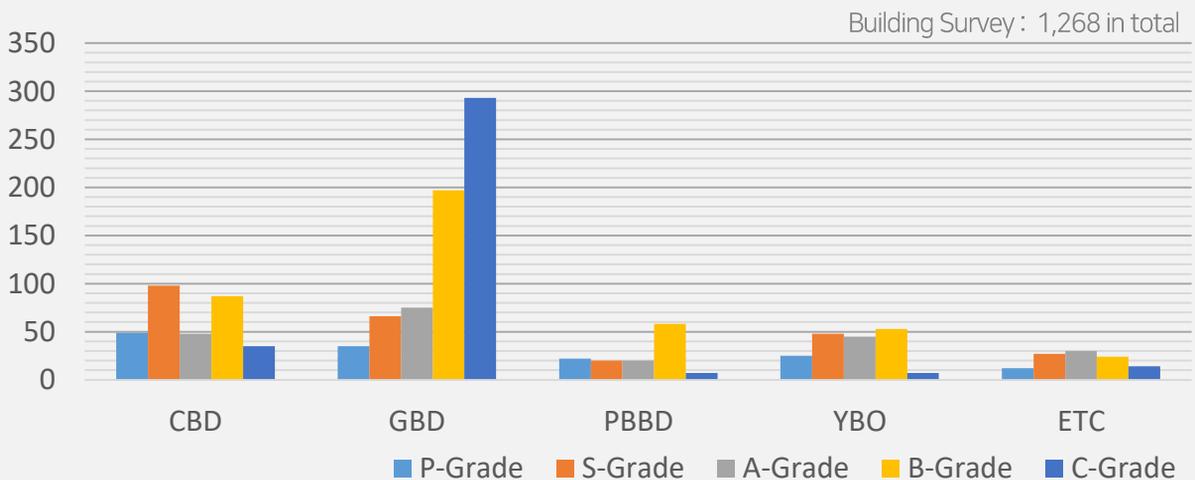
(PTV-Bundang Business District)

- Sample Number : 123
- Total GFA : 2,865,733m² (866,884py)

GBD

(Gangnam Business District)

- Sample Number : 670
- Total GFA : 8,703,293m² (2,632,746py)



01 SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

Vacancy Rate
6.82% ↓

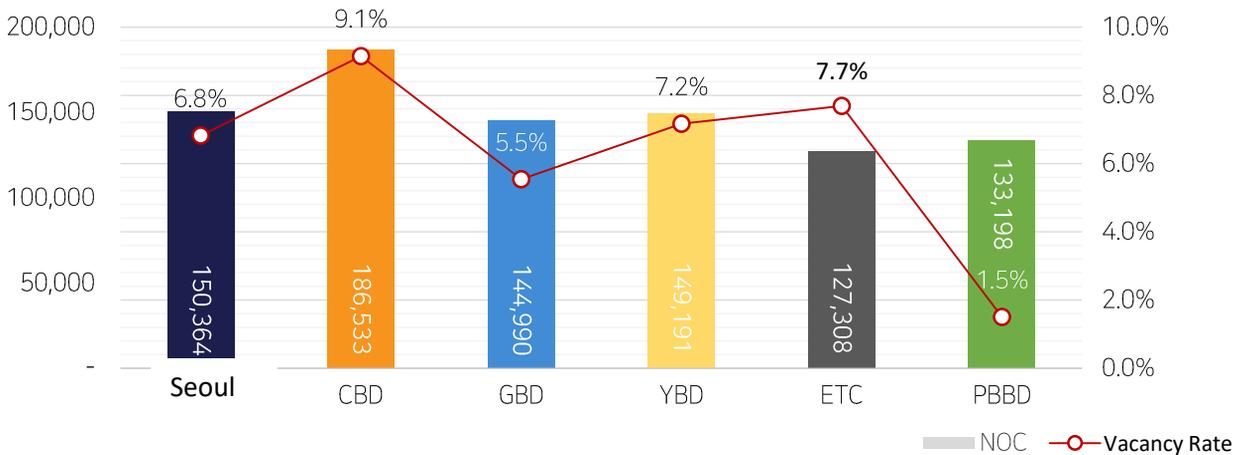
Average NOC
₩150,364 ↑

Avg. Rent	Avg. Deposit	Avg. Management Fee
61,362	795,341	24,256

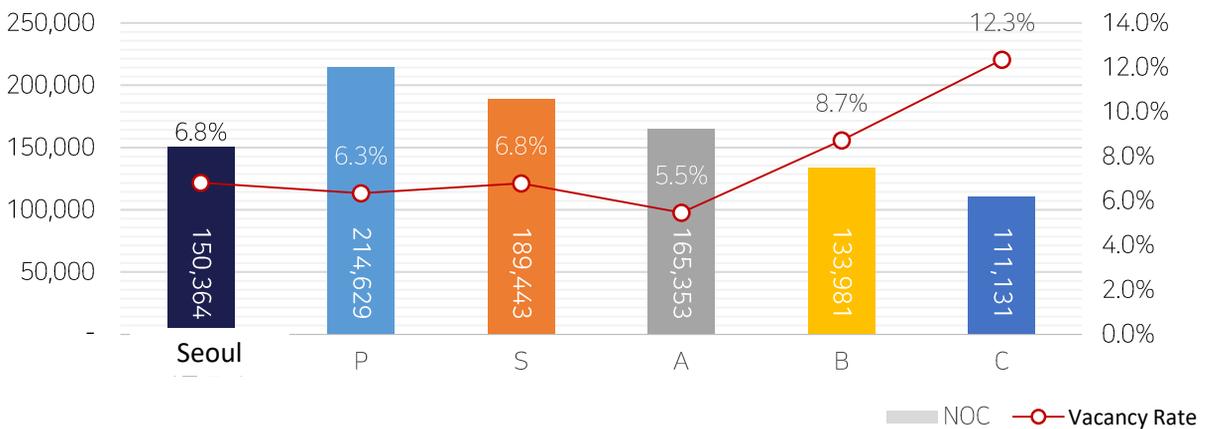
The average vacancy rate of office buildings in Seoul is 6.82% as at March 2019, and the average NOC (the cost of 1py within GFA) is ₩150,364 Korean Won.

is

Vacancy Rate & NOC in Seoul and Each District

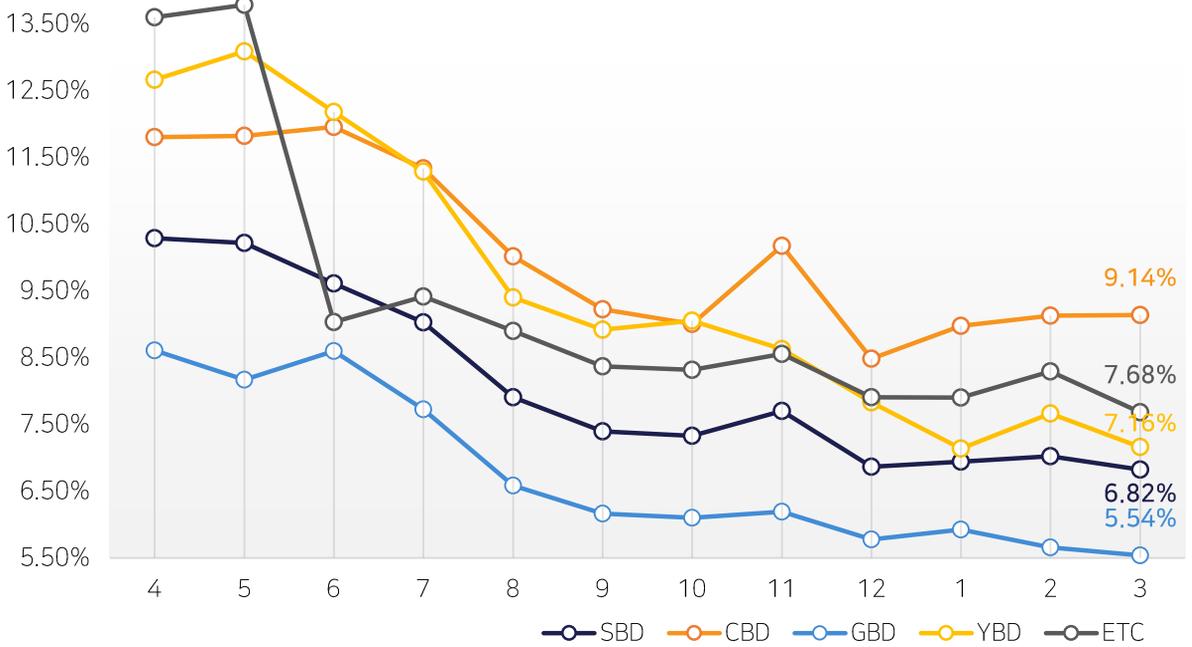


Vacancy Rate & NOC in Seoul & Each Building Category

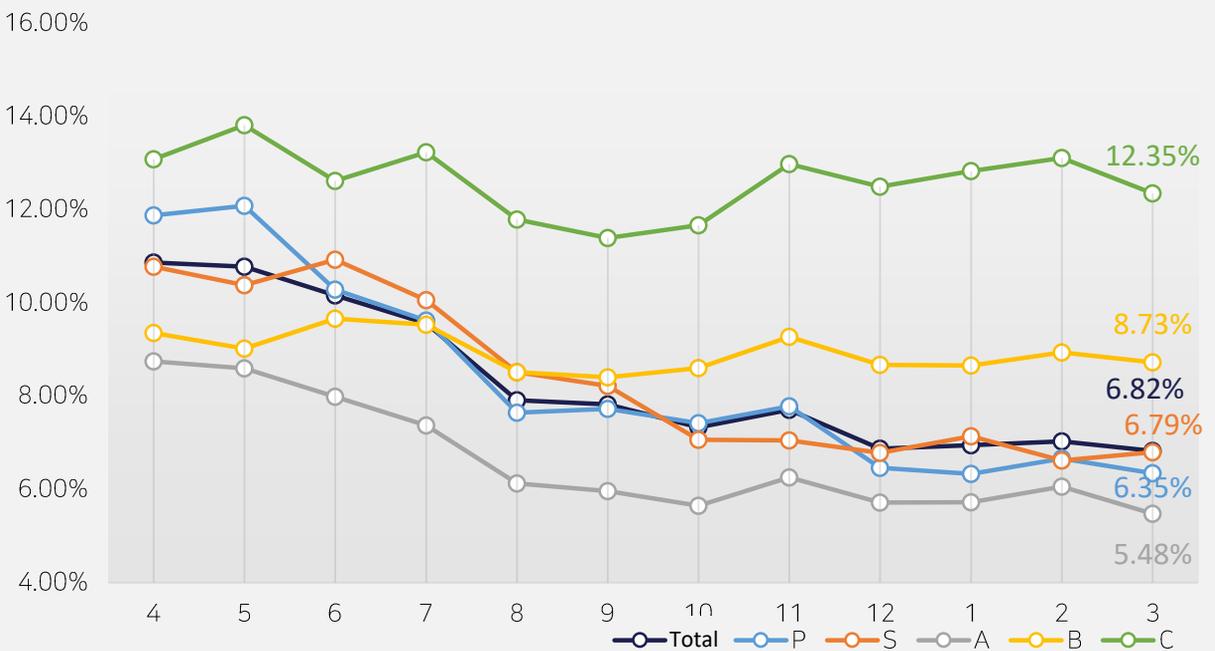


Monthly Changes in Vacancy Rate of Each District

The diagram below shows the changes in the vacancy rates in Seoul between April 2018 and March 2019, and the average rate hasn't really showed a significant change since the previous month. For the buildings with the grade B and C in Seoul, their average vacancy rate has slightly decreased.



Monthly Changes in Vacancy Rate for Each Category



Q2 CBD Central Seoul

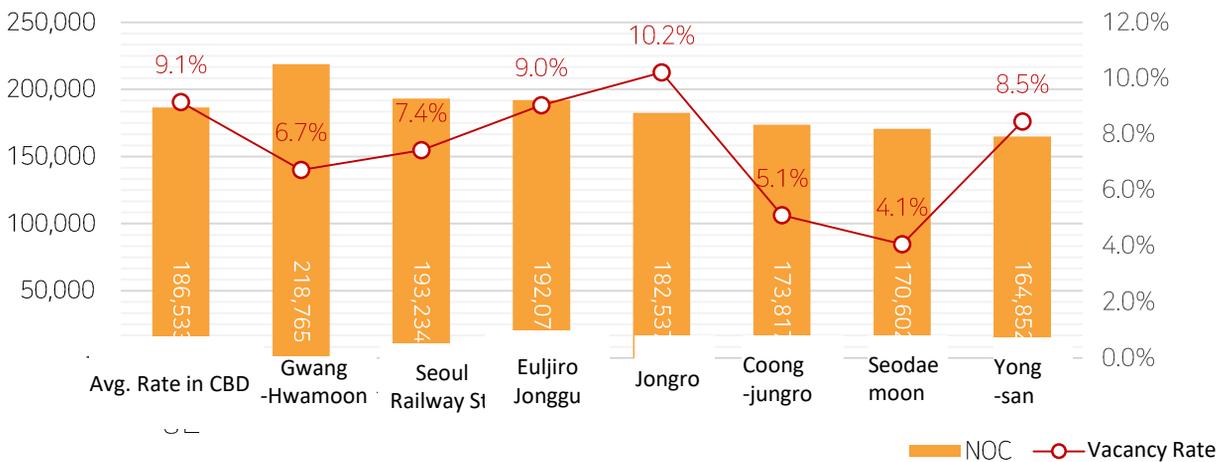
CBD OFFICE LEASING MARKET

Vacancy Rate **9.14%** ↑ Avg. NOC **₩186,533** ↓

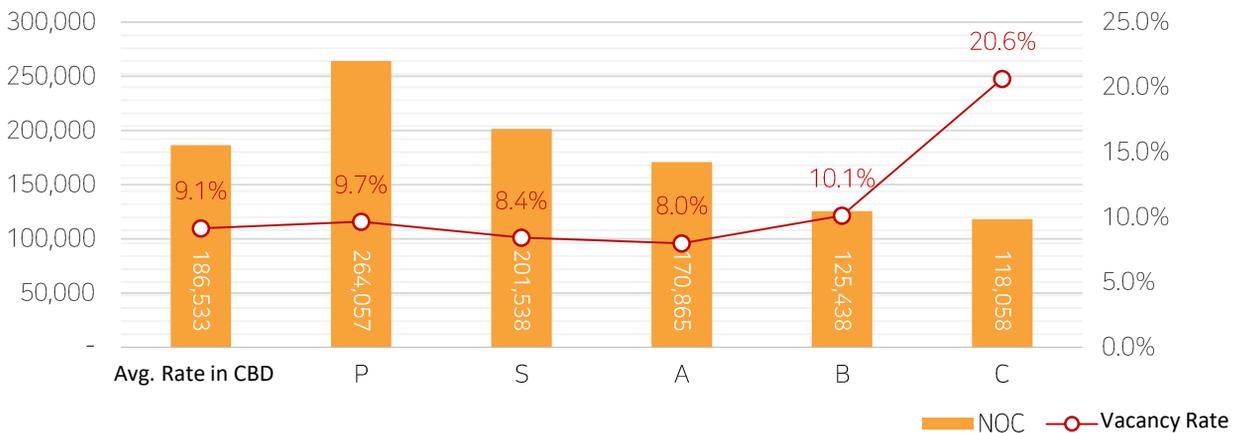
Avg. Rent	Avg. Deposit	Avg. Management Fee
73,814	764,767	32,971

The average vacancy rate of office buildings in CBD is 9.14% as at March 2019, and the average NOC (the cost of 1py within GFA) is ₩186,533 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

5.54% ↓

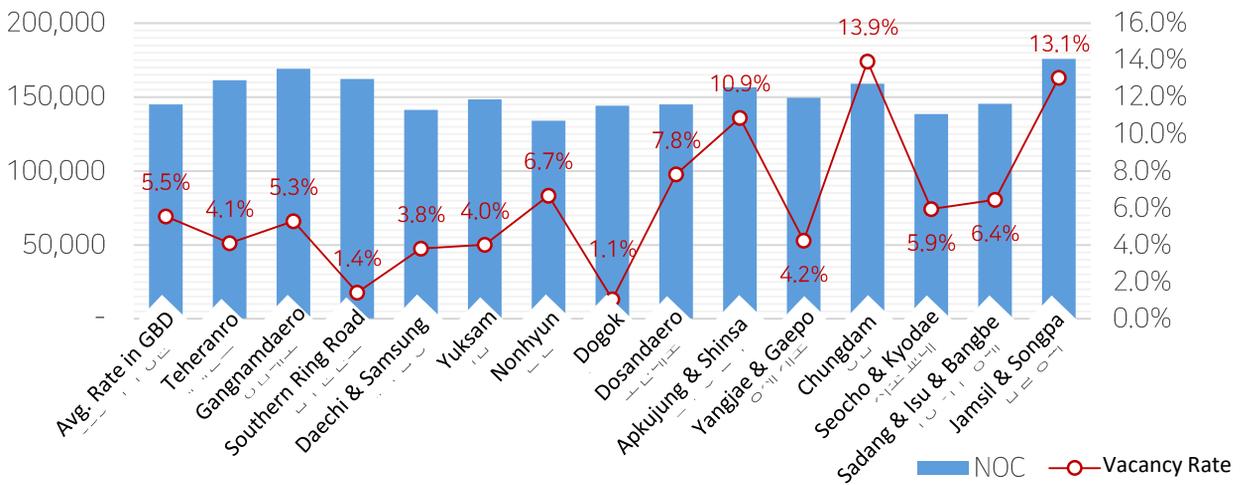
Avg. NOC

₩144,990 ↑

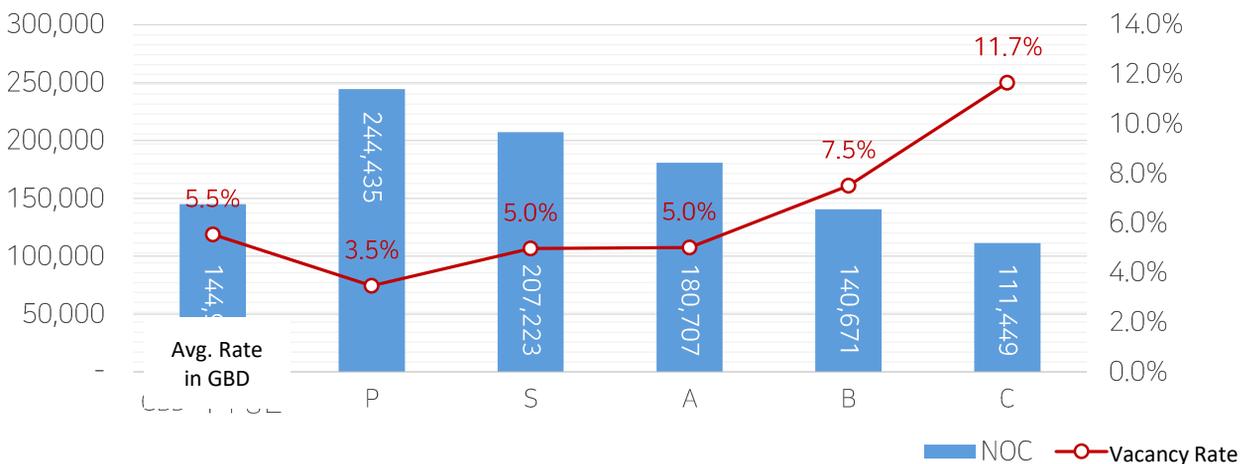
Avg. Rent	Avg. Deposit	Avg. Management Fee
63,138	905,114	22,462

The average vacancy rate of office buildings in GBD is 5.54% as at March 2019, and the average NOC (the cost of 1py within GFA) is ₩144,990 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

7.16% ↓

Avg. NOC

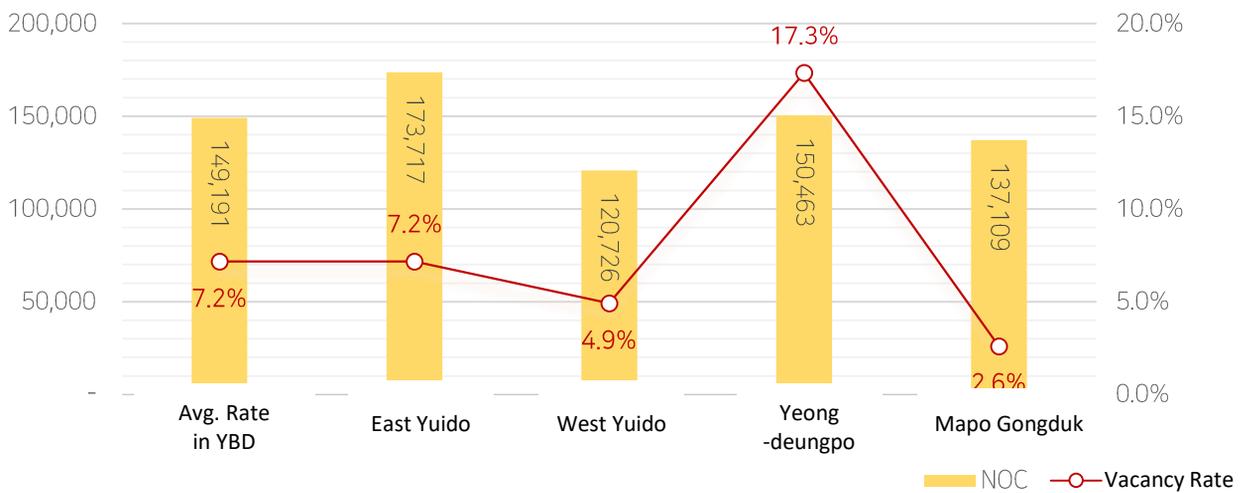


₩149,191 ↑

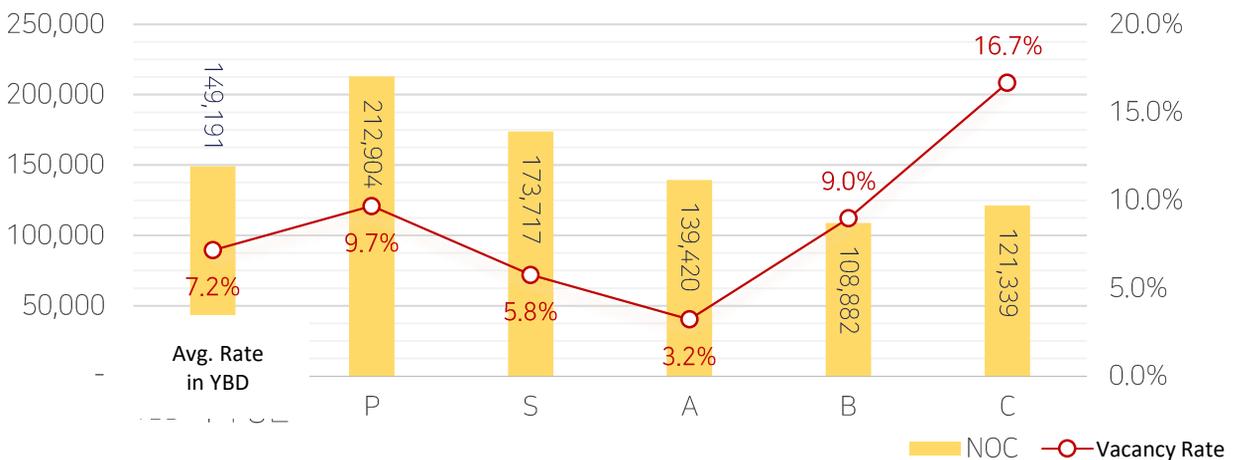
Avg. Rent	Avg. Deposit	Avg. Management Fee
51,117	547,352	26,086

The average vacancy rate of office buildings in Seoul is 7.16% as at March 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% ↓

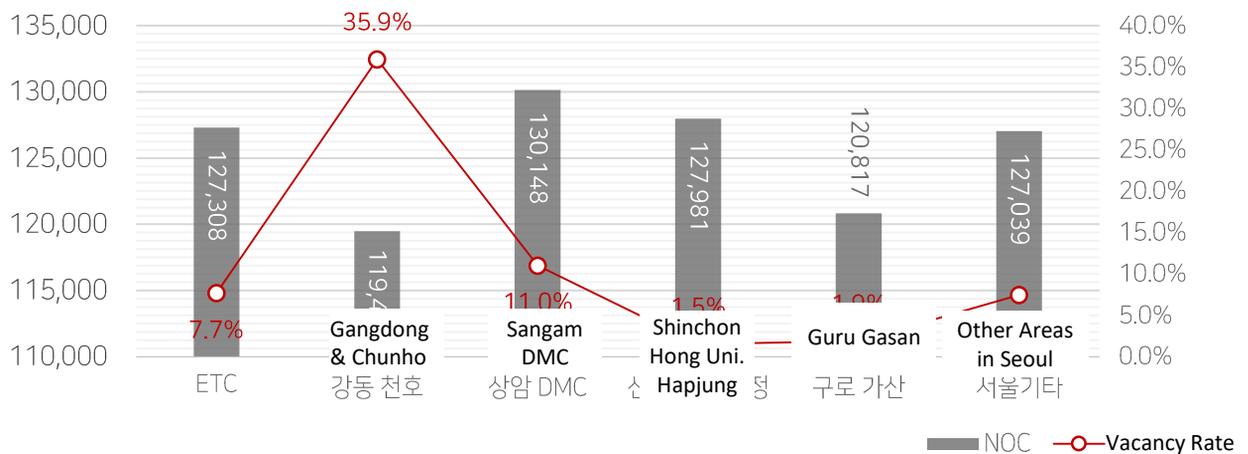
Avg. NOC

₩127,308 ↑

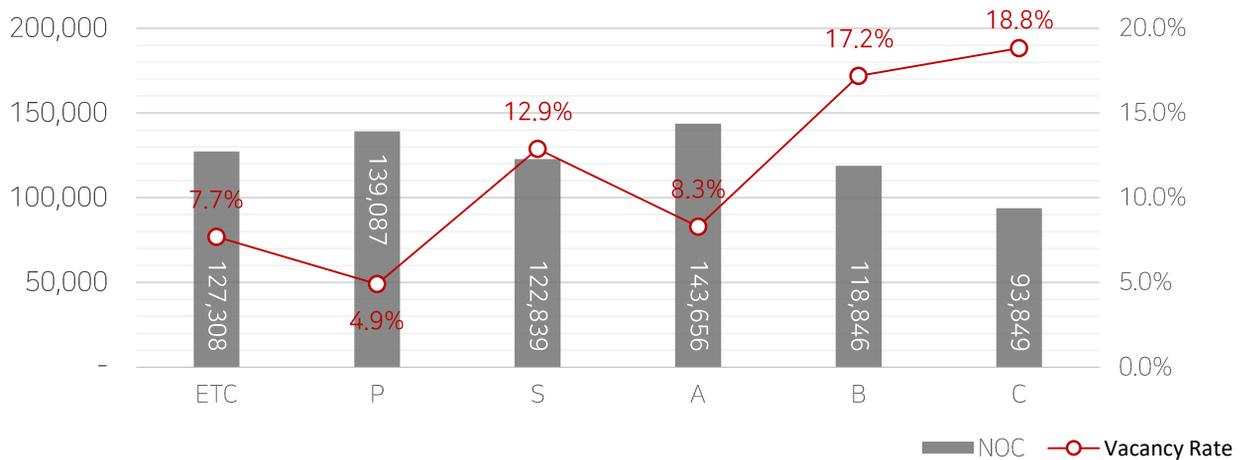
Avg. Rent	Avg. Deposit	Avg. Management Fee
46,838	571,511	19,426

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

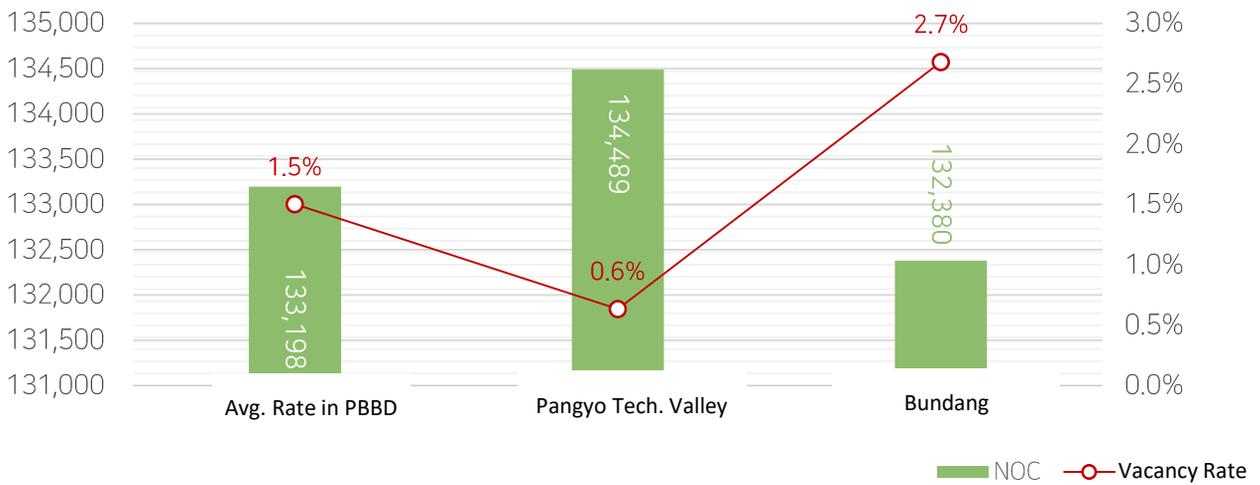
Vacancy Rate Avg. NOC

1.50% ↓ ₩133,198 ↑

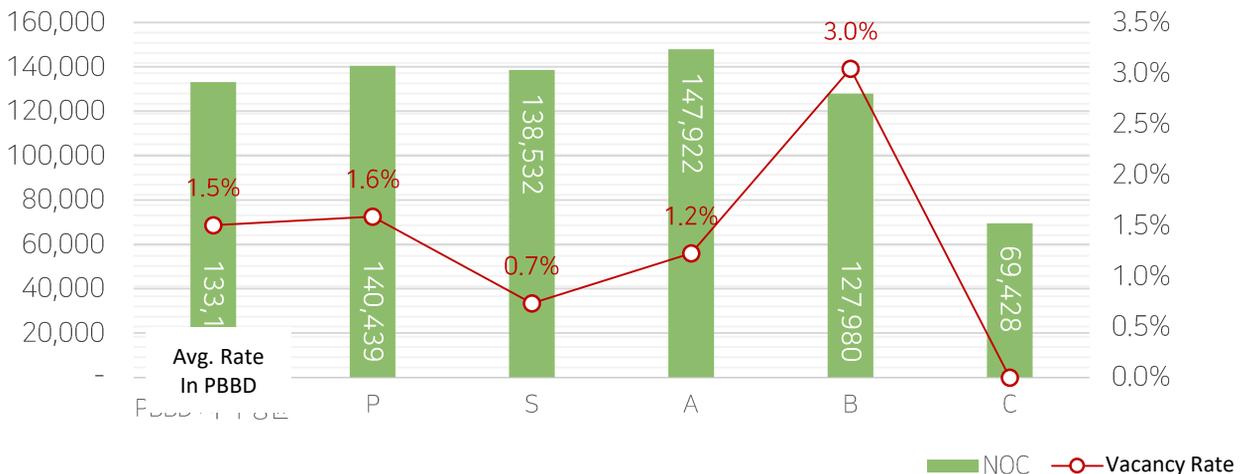
Avg. Rent	Avg. Deposit	Avg. Management Fee
44,519	527,337	21,231

The average vacancy rate of office buildings in Seoul is 1.50% as at March 2019, and the average NOC (the cost of 1py within GFA) is ₩133,198 Korean Won.

Vacancy Rate & NOC in PBBD and Areas Within



Vacancy Rate & NOC in PBBD and Building Categories Within



ETC 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	573,183	884,752	86,066	35,701	218,765	6.72%
	Seoul Railway St.	630,556	772,739	75,837	34,412	193,234	7.43%
	Euljiro Joong-gu	1,094,314	776,313	76,056	33,630	192,076	9.04%
	Jong-roh	683,047	790,269	74,611	32,372	182,537	10.20%
	Choongjung-roh	165,524	621,702	61,515	31,133	173,817	5.10%
	Seodaemoon	118,181	748,550	64,981	30,063	170,602	4.07%
	Yongsan	120,873	658,538	60,108	30,846	164,852	8.46%
GBD	Teheranro	1,217,496	856,253	67,279	25,564	161,421	4.10%
	Gangnamdaero	485,489	1,004,288	69,701	26,582	169,100	5.29%
	Southern Ring Road	76,184	842,265	60,078	25,785	162,369	1.43%
	Daechi & Samsung	712,022	850,909	61,092	22,640	141,276	3.81%
	Yuksam	993,593	853,884	63,448	22,976	148,572	4.01%
	Nonhyun	258,794	961,292	61,980	21,796	134,009	6.67%
	Dogok	78,066	792,307	52,864	23,901	144,256	1.07%
	Dosandaero	68,093	1,081,223	63,147	23,528	144,995	7.82%
	Apkujung & Shinsa	60,985	1,889,596	91,133	18,400	156,737	10.88%
	Yangjae & Gaepo	124,149	773,171	54,314	22,632	149,599	4.23%
	Chungdam	73,929	1,185,452	74,865	20,262	159,003	13.94%
	Secho & Gyudae	154,154	892,893	59,464	19,444	138,514	5.94%
	Sadang, Isu & Bangbe	21,856	1,195,271	61,086	24,225	145,492	6.44%
Jamsil & Songpa	213,993	744,573	60,812	26,550	175,815	13.06%	
YBD	East Yuido	639,374	591,619	57,508	29,452	173,717	7.17%
	West Yuido	150,383	463,208	43,537	21,913	120,726	4.92%
	Yeongdeungpo	129,722	524,086	48,907	27,579	150,463	17.33%
	Mapo Gongduk	232,314	467,583	48,025	26,471	137,109	2.60%
ETC	Gangdong Chunho	76,593	533,333	52,500	20,200	119,489	35.90%
	Sangam DMC	296,825	399,460	39,630	24,793	130,148	11.00%
	Shincheon, Hong Uni. & Hapchun	65,362	1,004,163	62,726	20,064	127,981	1.52%
	Seoul & etc.	520,540	556,900	48,412	20,909	127,039	7.45%
PBBD	Pangyo Techno. Valley	285,858	474,552	46,346	18,680	134,489	0.63%
	Bundang	210,366	562,526	43,301	22,932	132,380	2.68%