

April 2020

Seoul Office

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



SEOUL OFFICE

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' inflow/outflow etc.
Survey Period	One calendar month, March 2020
DB Management	Okey service team carries out its monthly research on vacancy rate and rent, using the research tool and database in NAI Propertree

02

5 Reginal Divisions in Seoul

CBD Central Business District Gwanghwa-moon, Joong-gu, Seodaemoon, Jong-ro, Etc	GBD Gangnam Business District Gangnam-gu, Seocho-gu, Songpa-gu, Etc.	YBD Yeido Business District Yeido, Mapo-ku, Etc.	ETC Non Major Business District Sangam, Gangdong, Etc.	PBBD PTV-Bundang Business District PangyoTechno Valley, Seohyundong, Sunedong, Etc.
--	---	---	---	--

03

Categories of Office Buildings by Their Sizes

	Grade P Prime Bldg.	Grade S Large Bldg.	Grade A Large-medium	Grade B Medium-small	Grade C 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

Sample Size of Each District

CBD

(Central Business District)

- Sample Survey : 246
- Total GFA : 7,494,567m²
(2,267,106py)

ETC

(Non Major Business District)

- Sample Survey : 185
- Total GFA : 4,873,672m²
(1,474,286py)

YBD

(Yeouido Business District)

- Sample Survey : 136
- Total GFA : 3,660,380m²
(1,107,265py)

GBD

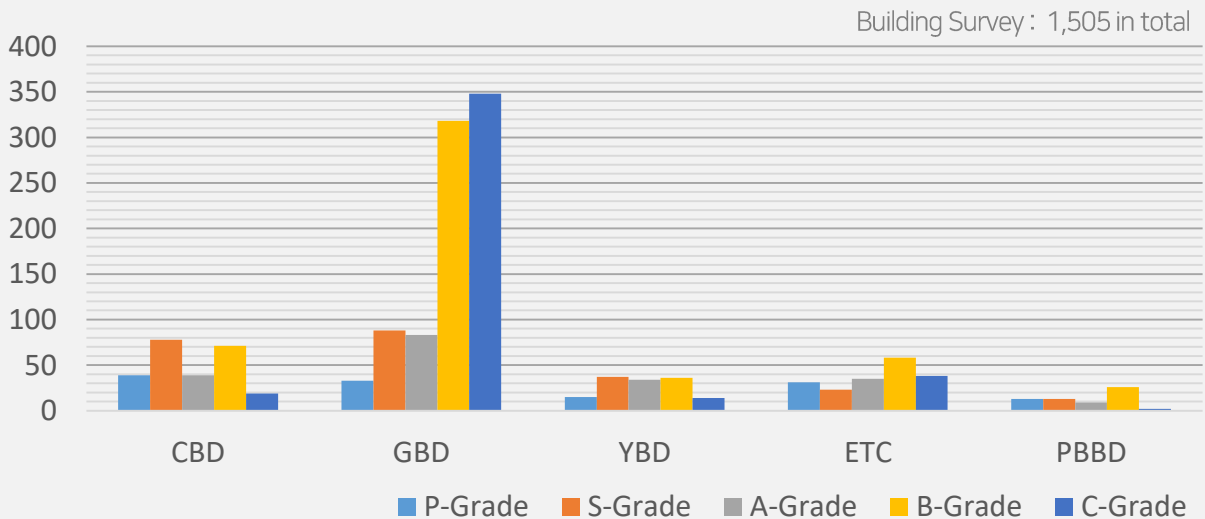
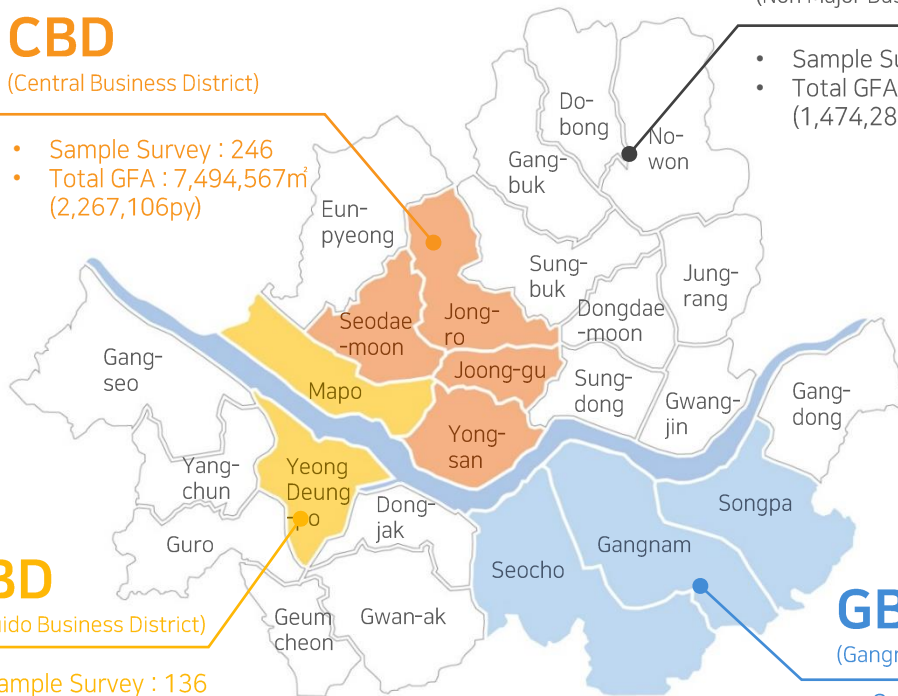
(Gangnam Business District)

- Sample Survey : 870
- Total GFA : 10,844,902m²
(3,280,583py)

PBBB

(PTV-Bundang Business District)

- Sample Survey : 68
- Total GFA : 1,876,796m²
(567,731py)



01 SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

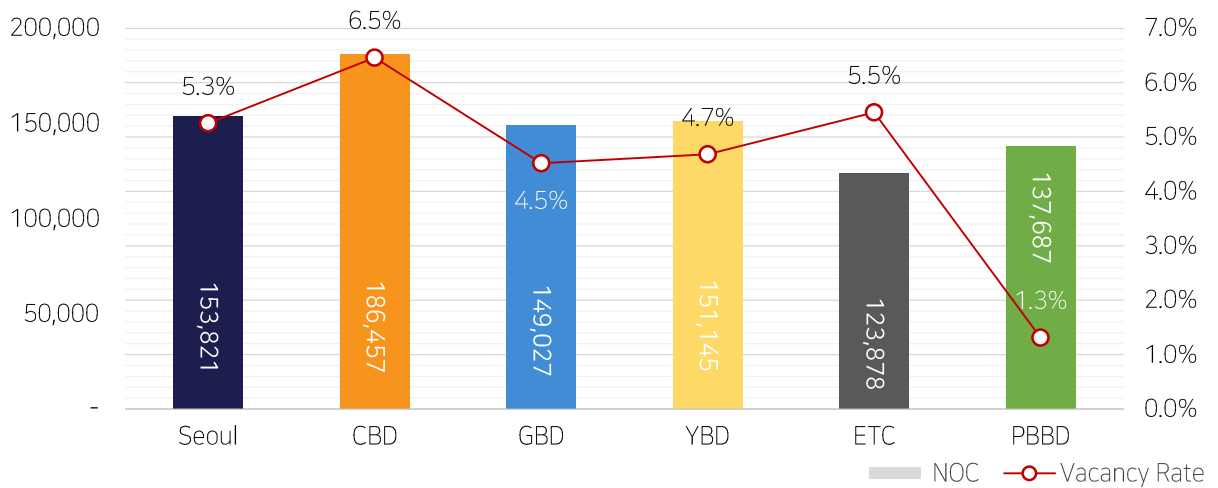
Vacancy rate
5.25% ↑

Avg. NOC
₩153,821 ↑

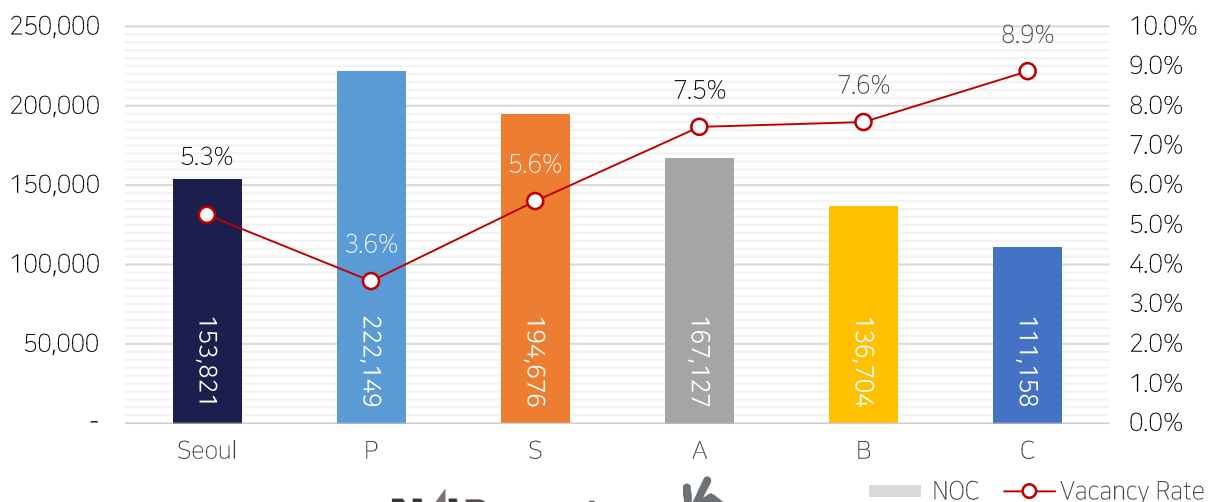
Avg. Rent	Avg. Deposit	Avg. Management. Fee
63,247	817,702	24,512

The average vacancy rate of office buildings in Seoul is 5.25% as at Mar 2020, and the average NOC is ₩153,821.

Vacancy Rate & NOC in Seoul and Each District

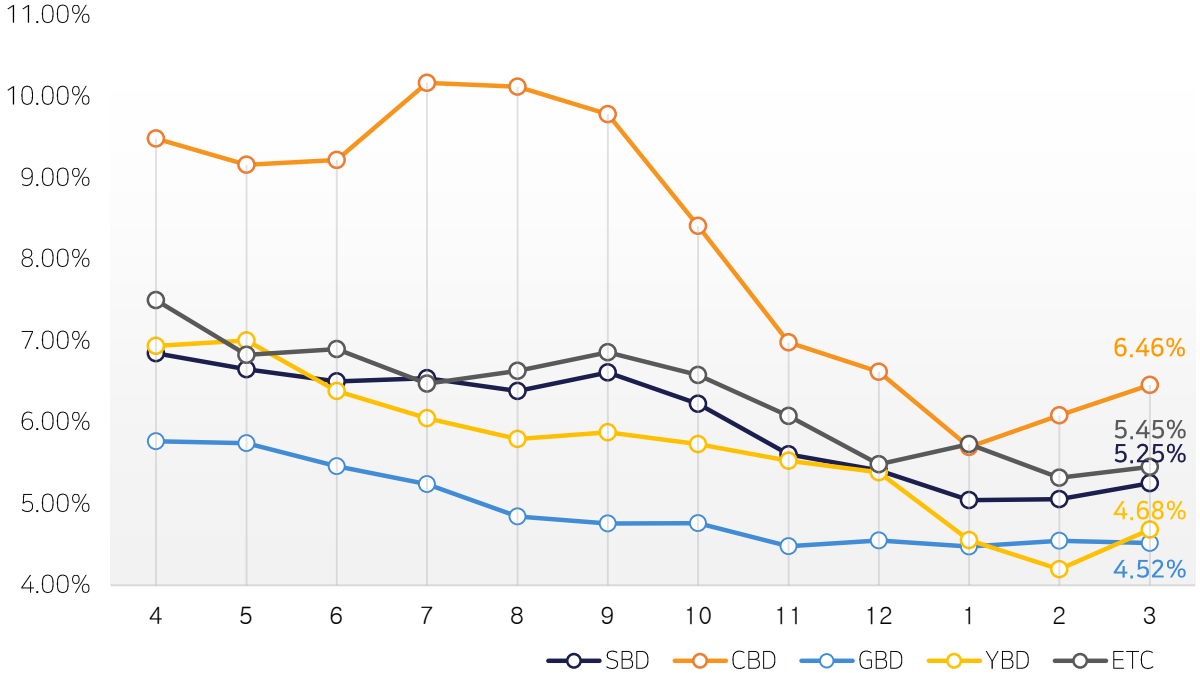


Vacancy Rate & NOC in Seoul & Each Building Category

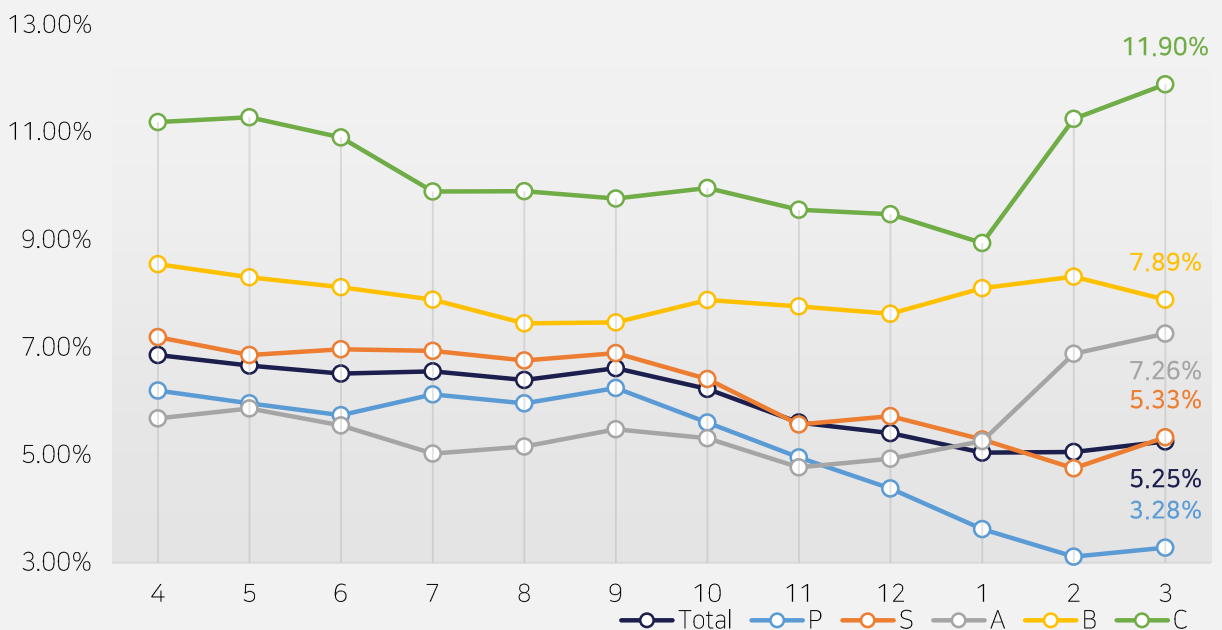


Monthly Vacancy Rate in 5 Main Districts

There was the rise of the vacancy rates in every business district in Seoul except GBD. Teharanro in GBD resolved its vacant units of 3,989pyung in KIPSC (Korea Intellectual Property Service Center) by leasing them out to VIVA Republica Ltd. which is a well-known dotcom company in Korea for the popular mobile app, TOSS. In the southern part of YBD, Hyundai Capital Service Inc. entered into the lease agreement with KC Tower and began to occupy their vacant units of 1,056pyung as their long-term tenant.



Monthly Vacancy Rate for Different Sizes of Buildings



02

CBD Central Seoul

CBD OFFICE LEASING MARKET



Vacancy rate

6.46% ↑



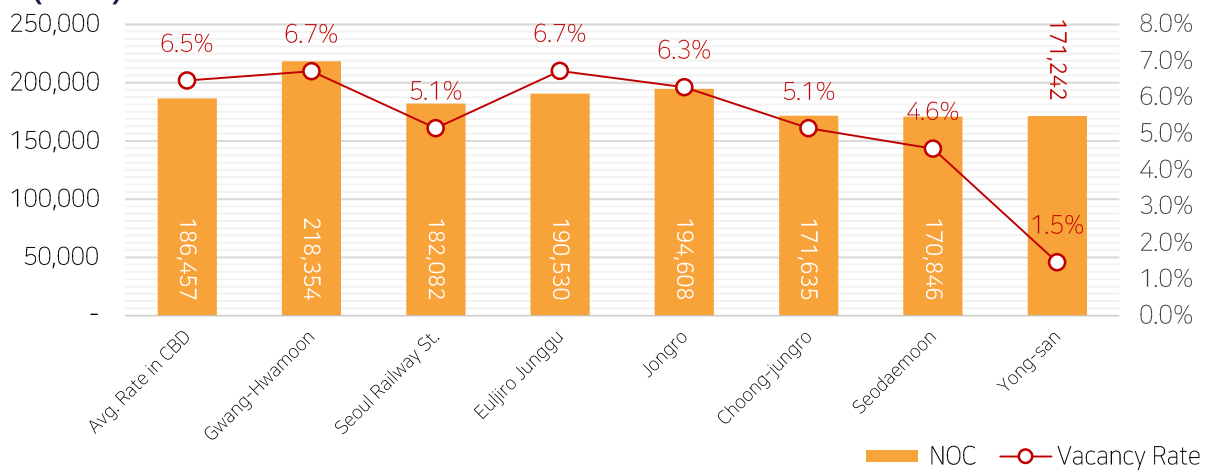
Avg. NOC

₩186,457 ↑

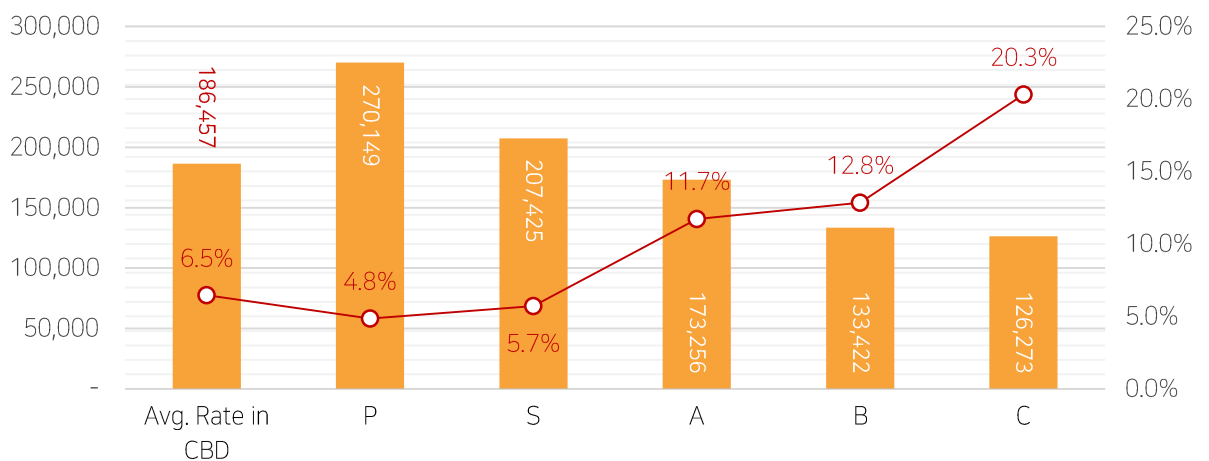
Avg. Rent	Avg. Deposit	Avg. Management. Fee
73,409	750,510	32,203

The average vacancy rate of office buildings in CBD is 6.46% as at Mar 2020, and the average NOC is ₩186,457.

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

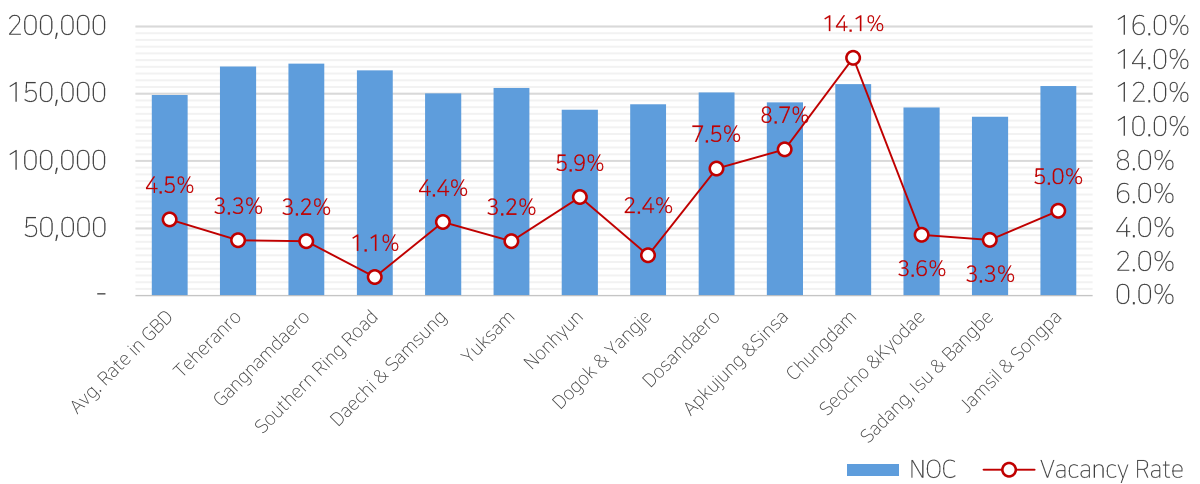
Vacancy rate
4.52% ↓

Avg. NOC
₩149,027 ↑

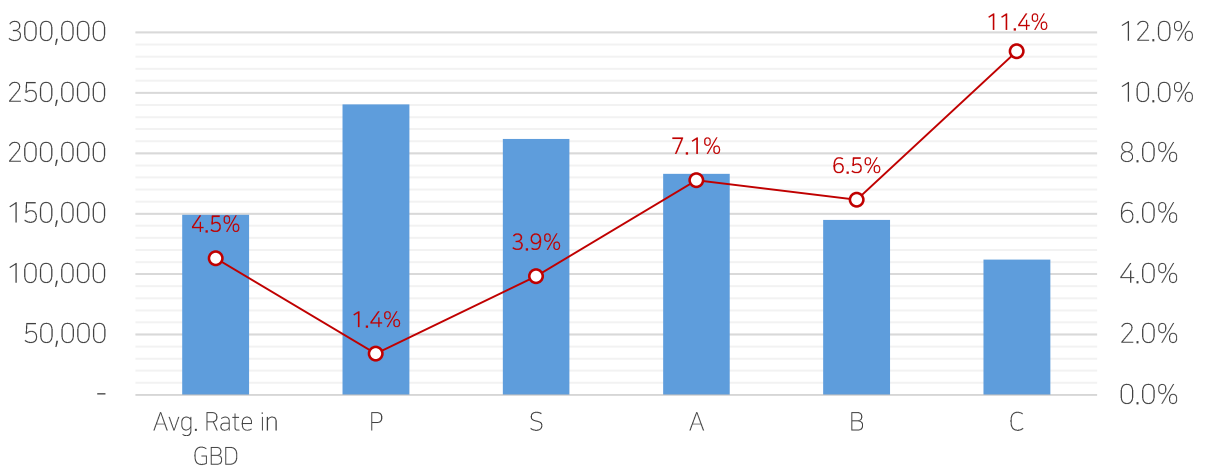
Avg. Rent	Avg. Deposit	Avg. Management. Fee
64,996	927,505	22,815

The average vacancy rate of office buildings in GBD is 4.52% as at Mar 2020, and the average NOC is ₩149,027.

Vacancy Rate & NOC in Gangnam Business Districts (GBD)



Vacancy Rate & NOC for Different Sizes of Buildings in GBD



04

YBD Yeuido & Yeongdeungpo

YBD OFFICE LEASING MARKET



Vacancy rate

4.68% ↑



Avg. NOC

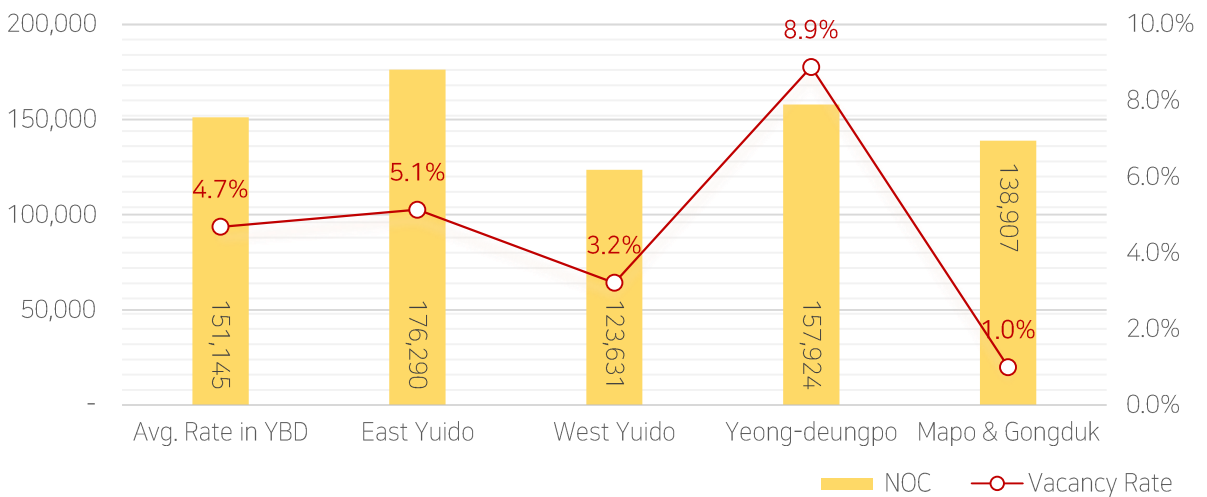
₩151,145 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
53,425	587,707	26,438

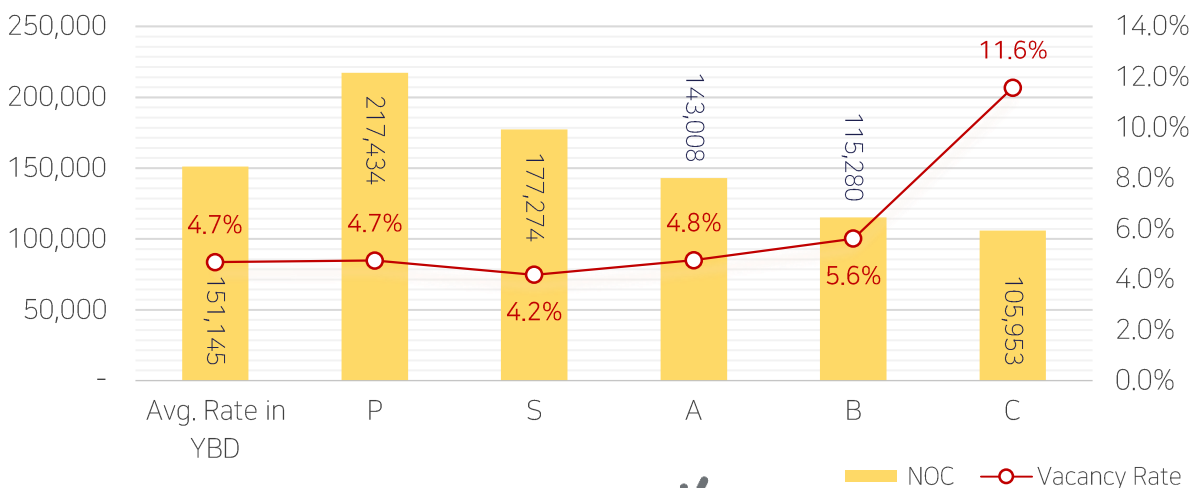
The average vacancy rate of office buildings in YBD is 4.68% as at Mar 2020, and the average NOC is ₩151,145.



Vacancy Rate & NOC in YeongdeungpoBusiness Districts (YBD)



Vacancy Rate & NOC for Different Sizes of Buildings in YBD



Q5

ETC

Other Districts
in Seoul

ETC OFFICE LEASING MARKET



Vacancy rate

5.45% ↑



Avg. NOC

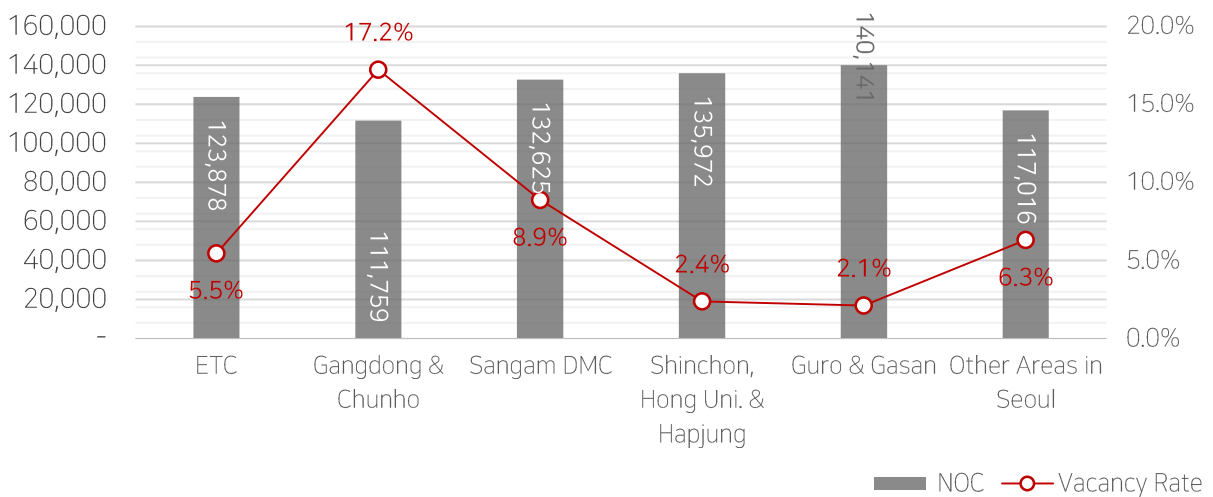
₩123,878 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
47,674	575,110	18,893

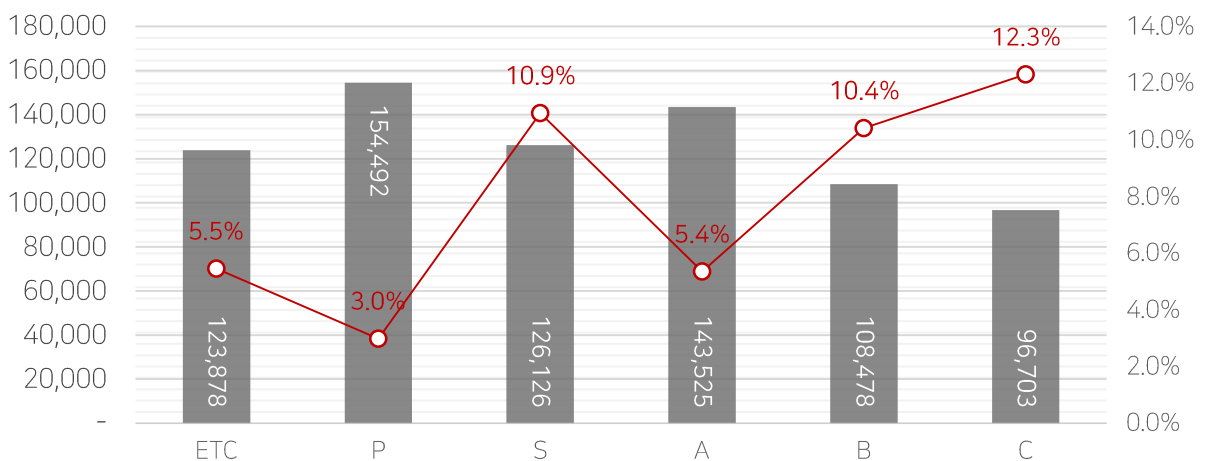
The average vacancy rate of office buildings in ETC is 5.45% as at Mar 2020, and the average NOC is ₩123,878.



Vacancy Rate & NOC in Other Districts in Seoul (ETC)



Vacancy Rate & NOC for Different Sizes of Buildings in ETC



06

PBBD Pangyo & Bundang

PBBD OFFICE LEASING MARKET



Vacancy rate

1.31% ↓



Avg. NOC

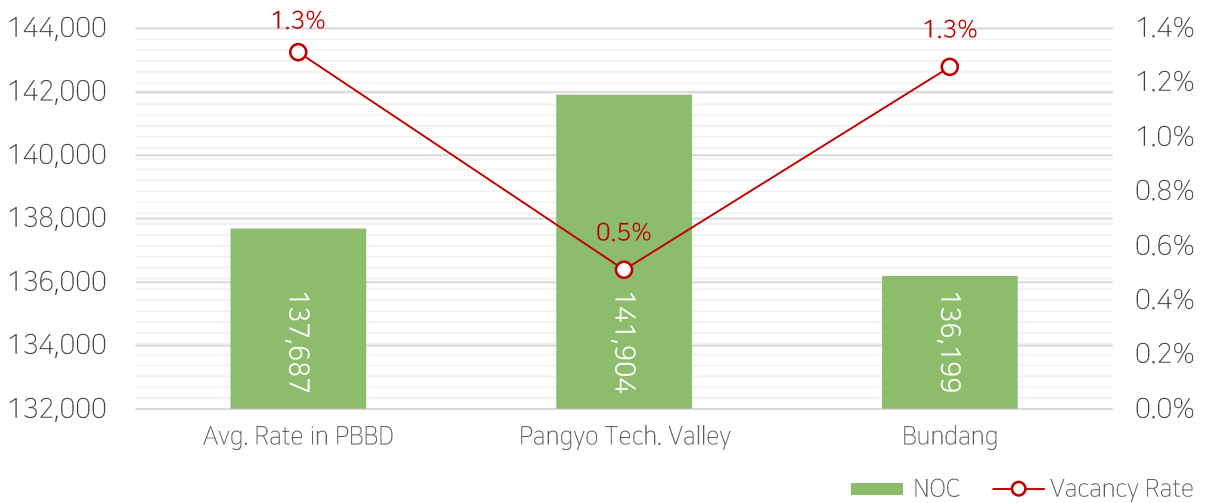
₩137,687↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
45,784	514,937	22,129

The average vacancy rate of office buildings in PBBD is 1.31% as at Mar 2020, and the average NOC is ₩137,687.



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-Hwamoon	558,743	871,783	87,350	34,939	218,354	6.71%
	Seoul Railway St.	770,212	726,876	72,982	33,490	182,082	5.15%
	Euljiro Junggu	1,243,123	752,957	75,653	33,789	190,530	6.72%
	Jongro	673,746	799,768	76,169	31,541	194,608	6.27%
	Choong-jungro	163,867	611,802	60,486	30,971	171,635	5.14%
	Seodaemooon	94,378	634,603	62,388	31,318	170,846	4.58%
	Yong-san	172,545	679,357	62,600	29,833	171,242	1.47%
GBD	Teheranro	1,376,787	880,689	72,802	26,276	170,152	3.28%
	Gangnamdaero	525,974	968,033	72,048	26,893	172,325	3.24%
	Southern Ring Road	67,322	815,906	60,730	26,079	167,421	1.10%
	Daechi & Samsung	795,463	860,640	67,443	22,880	150,301	4.38%
	Yuksam	1,173,976	862,356	65,396	24,119	154,183	3.23%
	Nonhyun	254,988	1,136,411	63,236	21,857	138,077	5.86%
	Dogok & Yangje	124,108	770,001	54,248	22,037	142,180	2.40%
	Dosandaero	68,108	1,114,848	66,502	24,098	150,907	7.55%
	Apkujung & Sinsa	44,677	1,489,303	67,597	22,001	143,592	8.69%
	Chungdam	94,262	1,121,618	75,164	21,040	157,147	14.13%
	Seocho & Kyodae	162,711	875,519	59,338	19,491	139,743	3.61%
	Sadang, Isu & Bangbe	31,797	1,090,072	56,888	19,110	132,883	3.30%
YBD	Jamsil & Songpa	449,640	728,611	57,033	23,305	155,779	5.04%
	East Yuido	651,705	607,570	58,074	29,920	176,290	5.13%
	west Yuido	137,582	467,303	43,730	23,325	123,631	3.21%
	Yeong-deungpo	134,408	552,147	52,680	29,757	157,924	8.88%
ETC	Mapo & Gongduk	196,485	557,350	49,710	26,175	138,907	1.00%
	Gangdong & Chunho	74,167	588,870	47,275	16,639	111,759	17.22%
	Sangam DMC	306,878	414,986	40,276	25,808	132,625	8.87%
	Shinchon, Hong Uni. & Hapjung	59,099	878,330	63,444	20,247	135,972	2.37%
	Other Areas in Seoul	718,178	599,533	47,692	18,954	117,016	6.31%
PBBD	Pangyo Techno. Vally	315,943	505,716	47,869	20,178	141,904	0.51%
	Bundang	211,859	537,917	44,989	23,561	136,199	1.26%