

March 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, February 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 Regional 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.	PBB 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 : 247
- Total GFA : 7,463,936㎡
(2,257,841py)

ETC

(Non Major Business District)

- Sample Survey : 191
- Total GFA : 4,917,089㎡
(1,487,420py)

YBD

(Yeouido Business District)

- Sample Survey : 146
- Total GFA : 3,837,870㎡
(1,160,956py)

PBBD

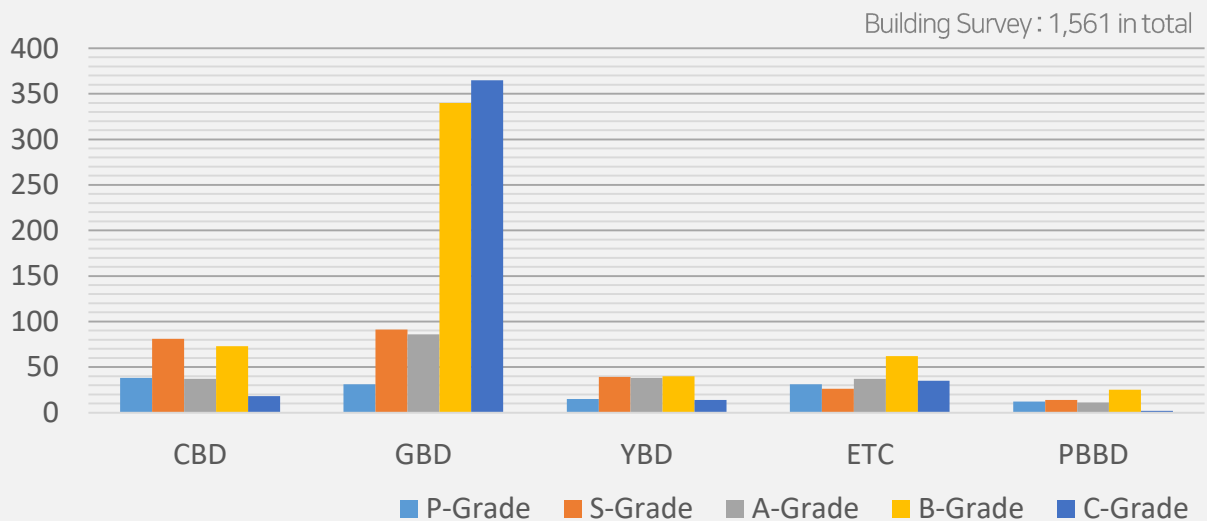
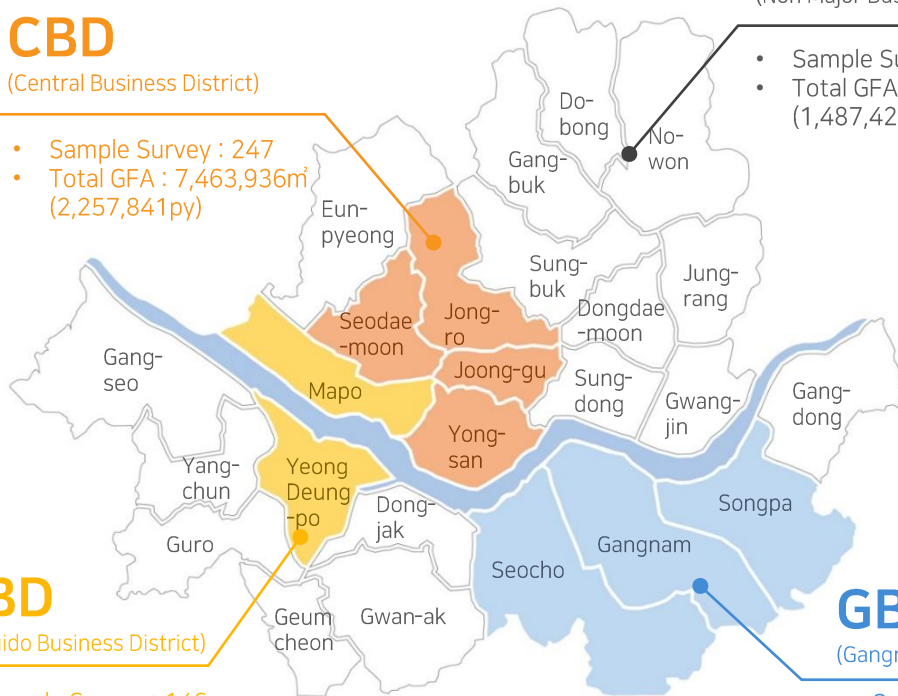
(PTV-Bundang Business District)

- Sample Survey : 64
- Total GFA : 1,794,585㎡
(542,862py)

GBD

(Gangnam Business District)

- Sample Survey : 913
- Total GFA : 11,088,974㎡
(3,354,415py)



01

SBD Seoul Capital Area

SBD OFFICE LEASING MARKET



Vacancy rate

5.06% ↑



Avg. NOC

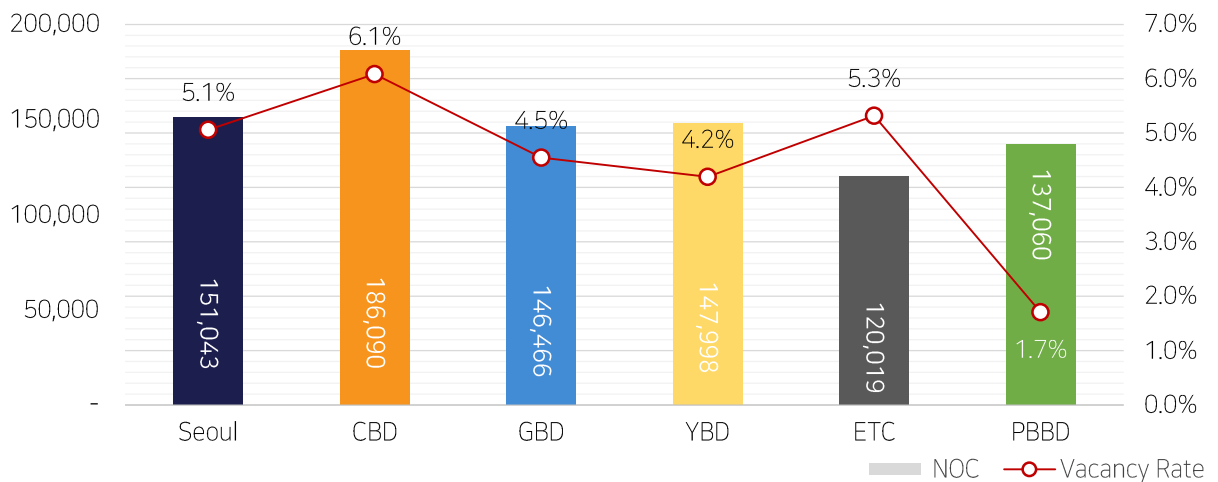
₩151,043 ↓

Avg. Rent	Avg. Deposit	Avg. Management. Fee
62,211	795,930	24,142

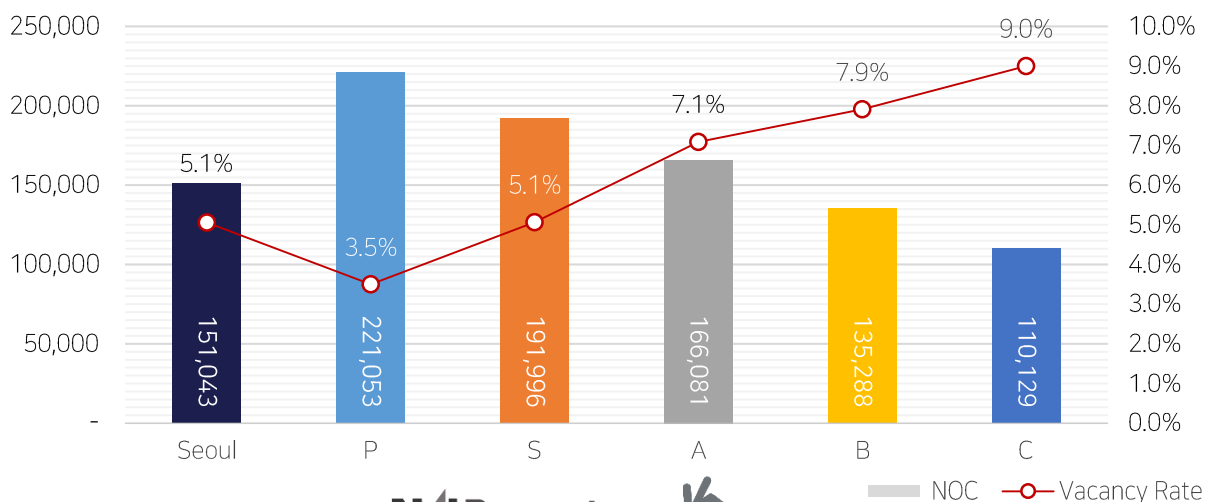
The average vacancy rate of office buildings in Seoul is 5.06% as at Feb 2020, and the average NOC is ₩151,043.



Vacancy Rate & NOC in Seoul and Each District

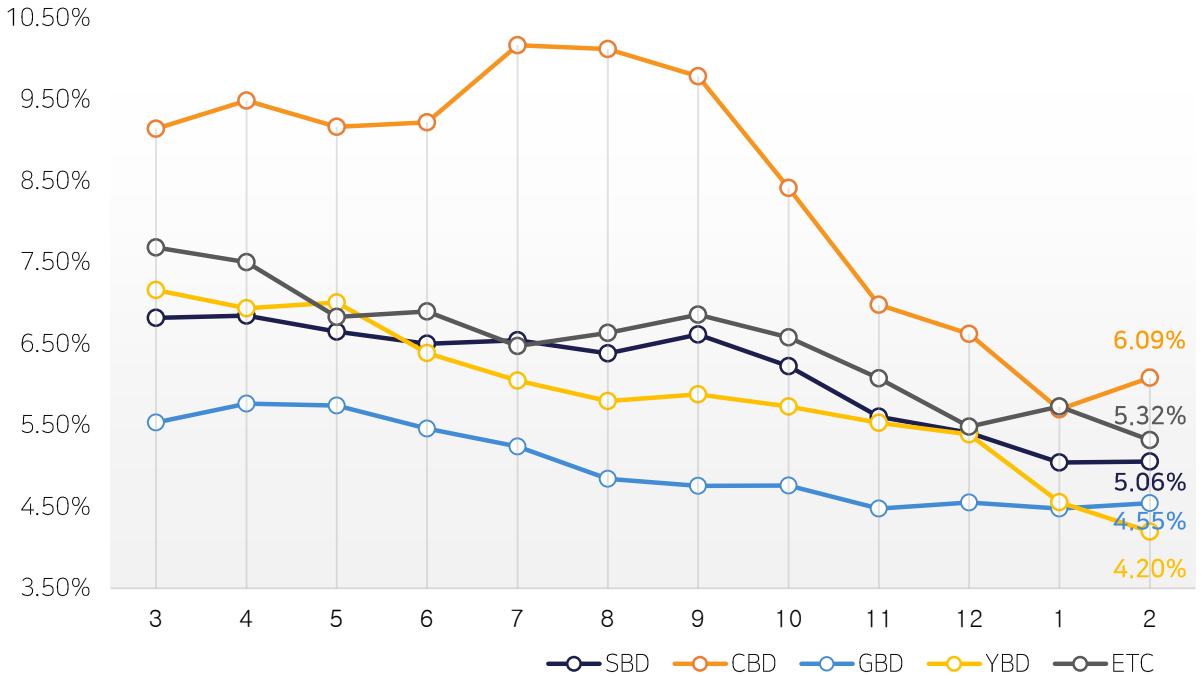


Vacancy Rate & NOC in Seoul & Each Building Category

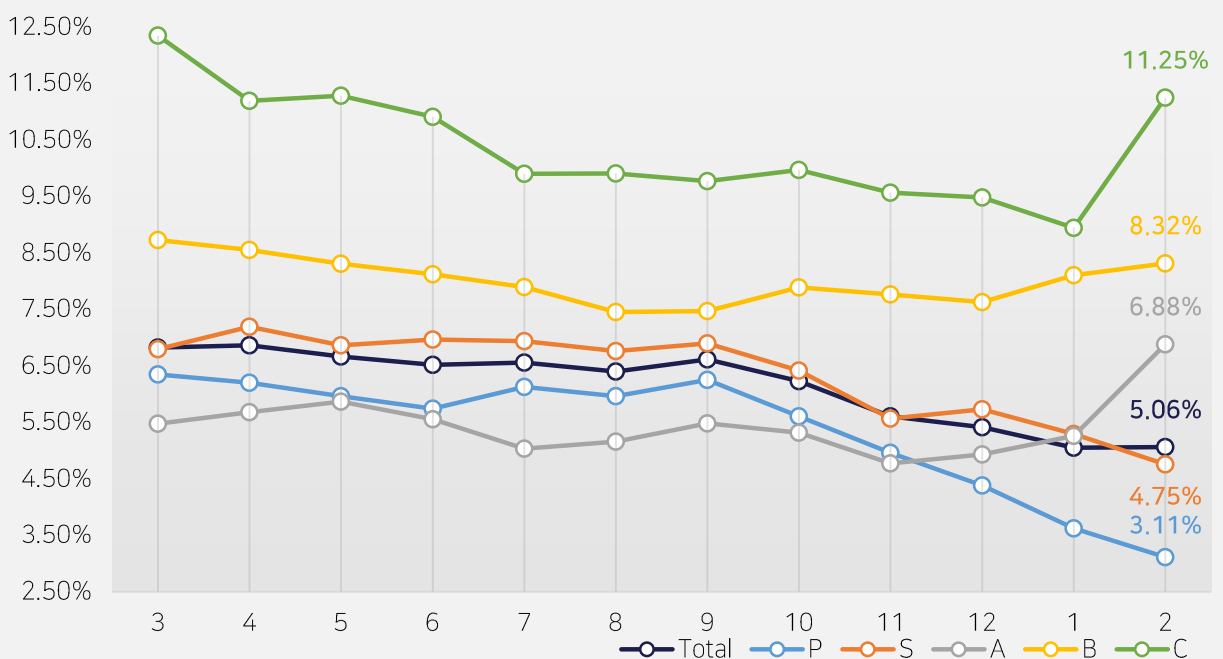


Monthly Vacancy Rate in 5 Main Districts

The chart below indicates the changes of the vacancy rates in the 5 main districts up until Feb 2020. The recent rise of CBD's vacancy rate was accelerated by Harrington Square Building in Hoehyeon-dong, which ownership transfer was recently completed and which just became available in the lease market. On contrary, the further drop of YBD's vacancy rate was contributed by the CCMM Building and Building 8, which filled out their vacant units with their new tenants.



Monthly Vacancy Rate for Different Sizes of Buildings



 Vacancy rate

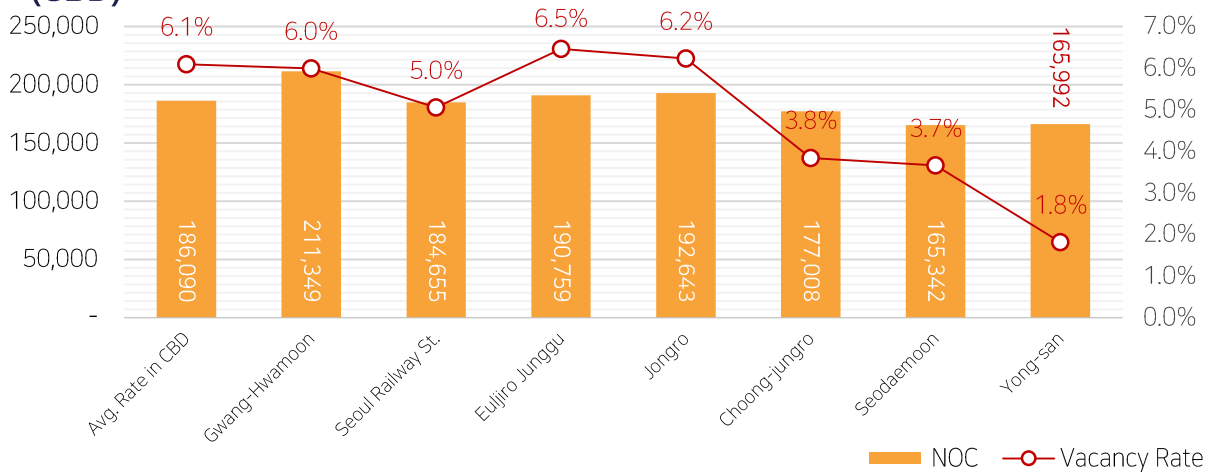
6.09% 



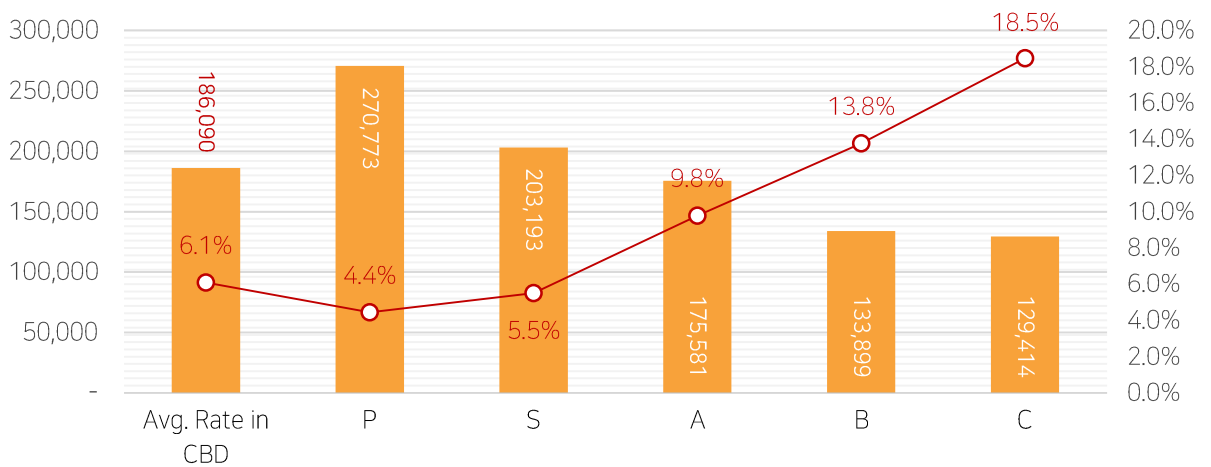
 Avg. NOC

~~₩~~ 186,090↓

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

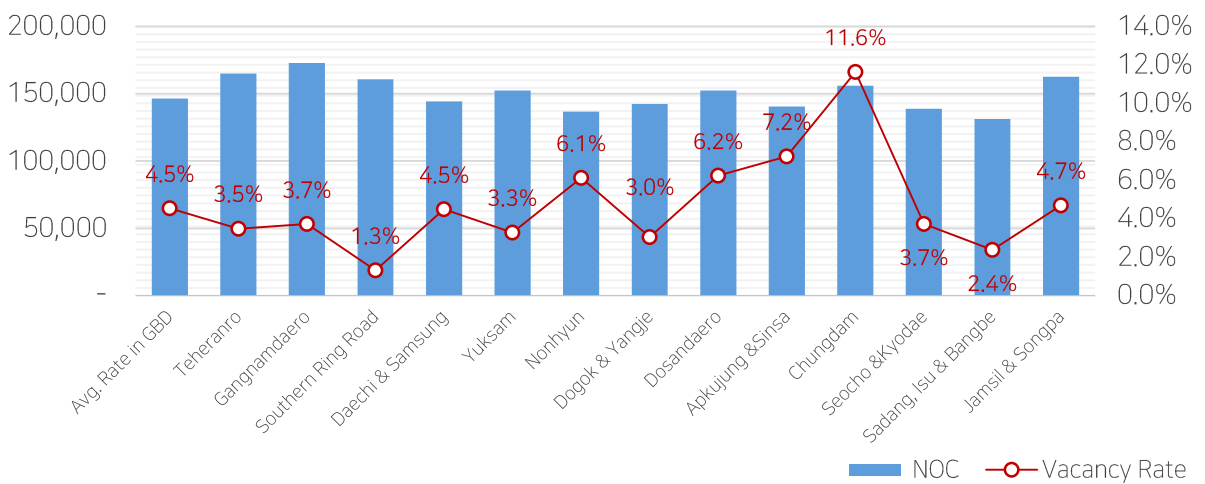
Vacancy rate
4.55% ↑

Avg. NOC
₩146,466 ↓

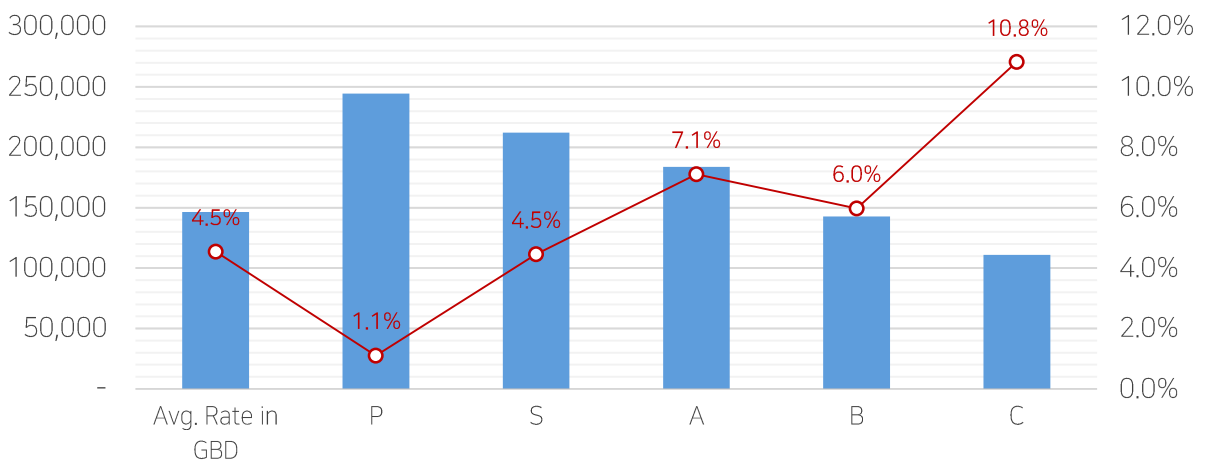
Avg. Rent	Avg. Deposit	Avg. Management. Fee
63,745	894,143	22,568

The average vacancy rate of office buildings in GBD is 4.55% as at Feb 2020, and the average NOC is ₩146,466.

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

4.20% ↓



Avg. NOC

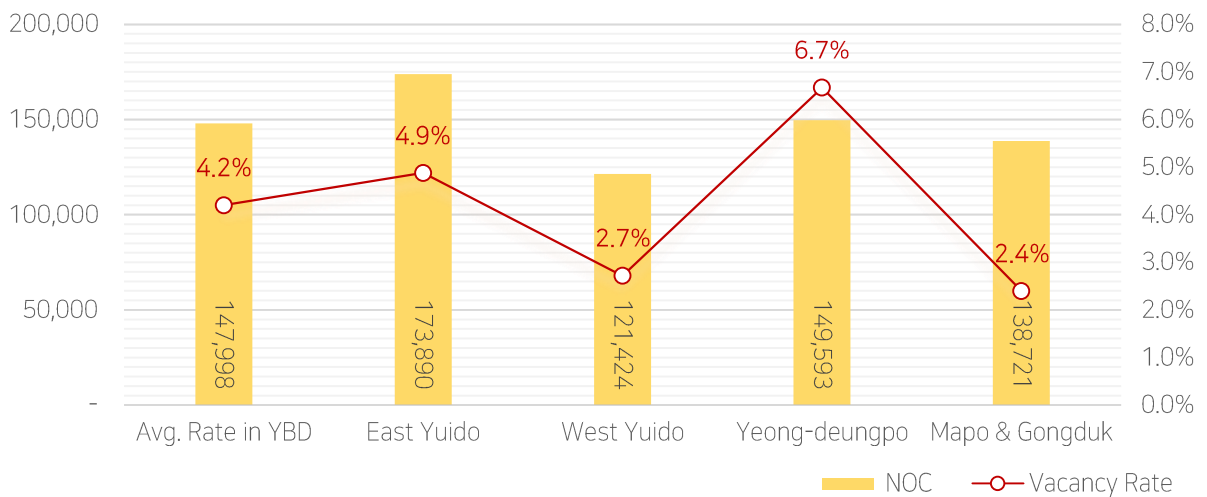
₩147,998 ↓

Avg. Rent	Avg. Deposit	Avg. Management. Fee
52,782	565,455	25,827

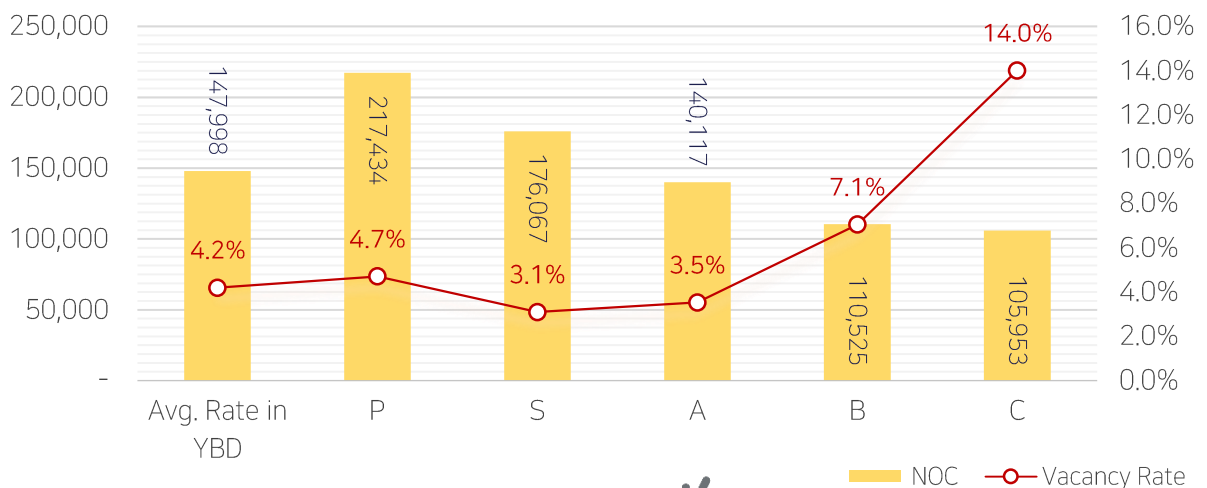
The average vacancy rate of office buildings in YBD is 4.20% as at Feb 2020, and the average NOC is ₩147,998.



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

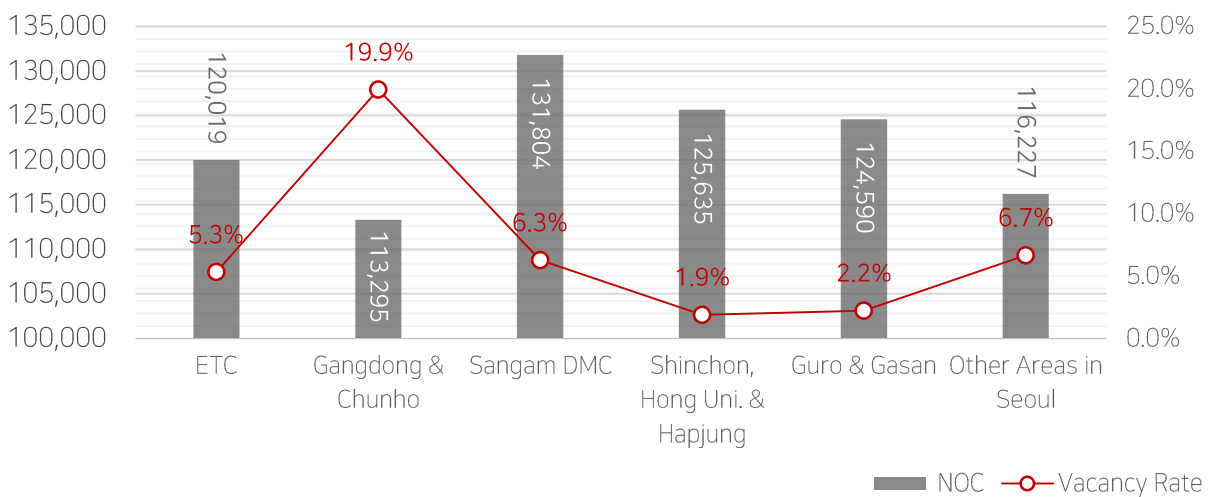
Vacancy rate
5.32% ↓

Avg. NOC
₩120,019 ↓

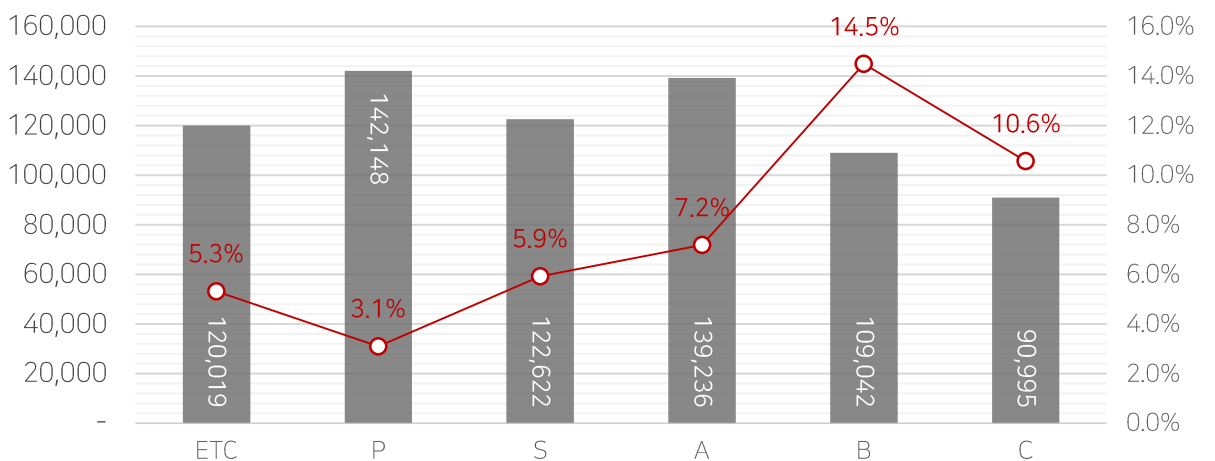
Avg. Rent	Avg. Deposit	Avg. Management. Fee
45,916	559,035	18,341

The average vacancy rate of office buildings in ETC is 5.32% as at Feb 2020, and the average NOC is ₩120,019.

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

1.71% ↑



Avg. NOC

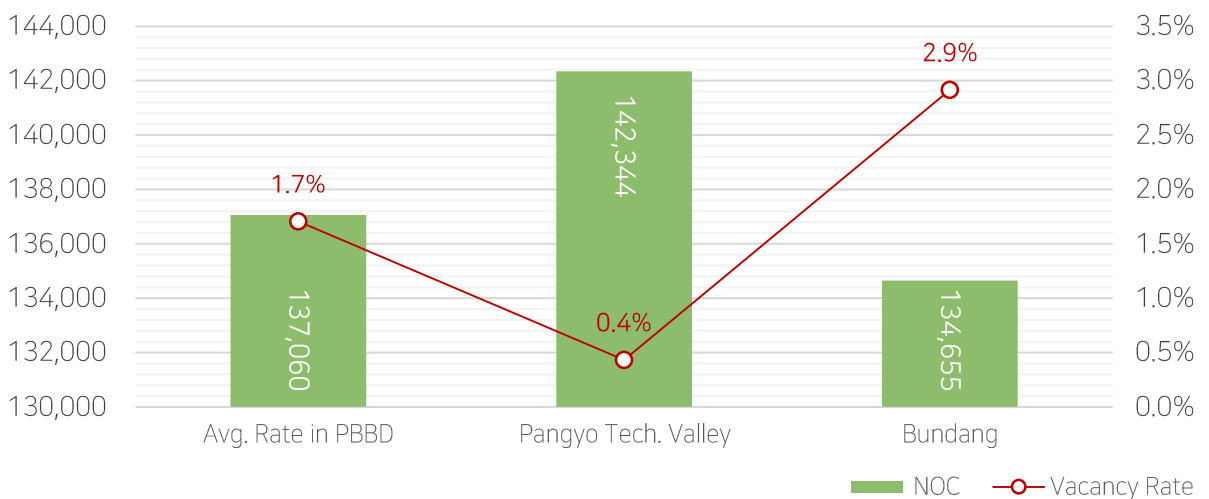
₩137,060 ↓

Avg. Rent	Avg. Deposit	Avg. Management. Fee
45,768	523,622	21,760

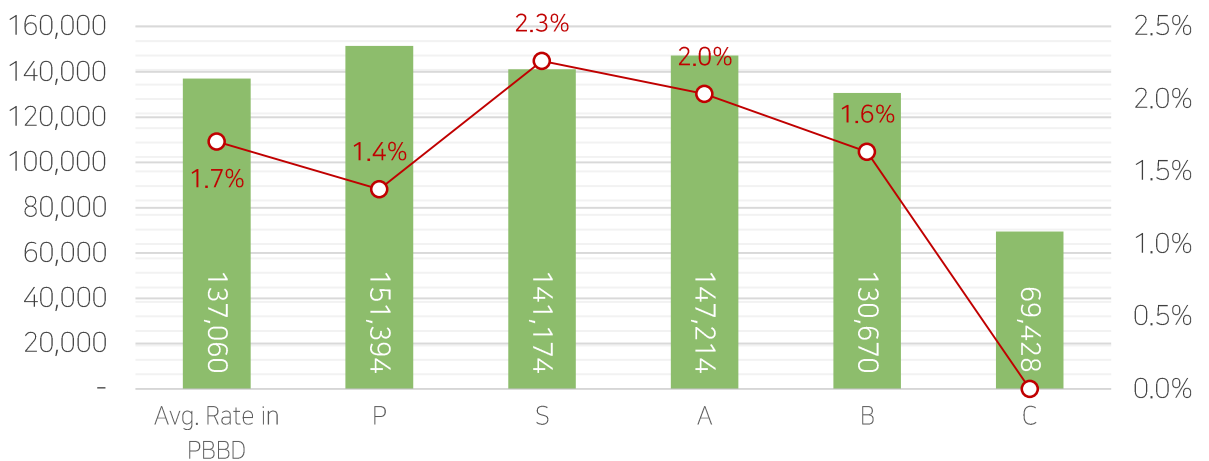
The average vacancy rate of office buildings in PBBD is 1.71% as at Feb 2020, and the average NOC is ₩137,060.



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	557,547	841,391	84,258	33,902	211,349	5.99%
	Seoul Railway St.	781,391	734,503	73,737	33,687	184,655	5.05%
	Euljiro Junggu	1,236,442	754,621	75,820	33,883	190,759	6.46%
	Jongro	662,090	792,128	75,339	31,167	192,643	6.23%
	Choong-jungro	209,314	639,532	63,364	31,525	177,008	3.84%
	Seodaemooon	122,300	769,947	61,913	30,833	165,342	3.66%
	Yong-san	153,750	662,385	60,492	29,393	165,992	1.81%
GBD	Teheranro	1,402,491	878,287	69,242	26,168	164,954	3.48%
	Gangnamdaero	500,481	968,685	70,908	26,966	172,700	3.72%
	Southern Ring Road	69,561	852,725	59,621	25,587	160,645	1.31%
	Daechi & Samsung	814,256	868,610	63,480	22,573	144,179	4.50%
	Yuksam	1,168,199	858,861	64,947	23,744	152,300	3.28%
	Nonhyun	271,421	1,001,353	63,836	21,796	136,597	6.12%
	Dogok & Yangje	125,944	767,324	53,650	22,058	142,379	3.04%
	Dosandaero	81,954	1,150,254	67,958	24,231	152,442	6.23%
	Apkujung & Sinsa	52,925	1,134,484	64,685	20,778	140,496	7.24%
	Chungdam	105,013	1,071,129	75,187	20,929	155,958	11.63%
	Seocho & Kyodae	167,524	885,555	59,188	19,392	138,704	3.73%
	Sadang, Isu & Bangbe	31,850	1,045,520	57,170	19,434	131,257	2.38%
YBD	Jamsil & Songpa	458,048	716,111	57,569	23,184	162,498	4.69%
	East Yuido	669,065	603,136	57,638	29,657	173,890	4.88%
	west Yuido	164,097	462,336	43,733	22,396	121,424	2.72%
	Yeong-deungpo	142,195	536,576	50,594	27,710	149,593	6.67%
ETC	Mapo & Gongduk	198,198	493,289	50,044	26,045	138,721	2.40%
	Gangdong & Chunho	69,452	495,187	45,751	18,234	113,295	19.94%
	Sangam DMC	314,664	402,488	40,149	25,227	131,804	6.28%
	Shinchon, Hong Uni. & Hapjung	66,612	877,386	56,442	20,145	125,635	1.89%
	Other Areas in Seoul	691,141	590,359	48,219	18,723	116,227	6.66%
PBBD	Pangyo Techno. Vally	328,680	501,120	48,800	19,482	142,344	0.43%
	Bundang	174,253	558,633	44,219	23,388	134,655	2.92%