

May 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, April 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.
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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	>49,587m ² (>15,000py)	>23,140m ² (>7,000py)	>13,223m ² (>4,000py)	>3,306m ² (>1,000py)	<3,306m ² (<1,000py)
Lease Area of Sample Floor	>1,653m ² (>500py)	>992m ² (>300py)	>661m ² (>200py)	>496m ² (>150py)	<496m ² (<150py)

NOC (Net Occupancy Cost)

*NOC: The cost that 1m² of GFA incurs to a tenant who rents the property. NOC can be useful to compare between different types of office buildings.

*py : Pyung (1 m² = 0.3025 py)

04

Sample Size of Each District

CBD

(Central Business District)

- Sample Survey : 270
- Total GFA : 7,640,297m²
(2,311,190py)

ETC

(Non Major Business District)

- Sample Survey : 188
- Total GFA : 4,818,035m²
(1,457,456py)

YBD

(Yeouido Business District)

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

GBD

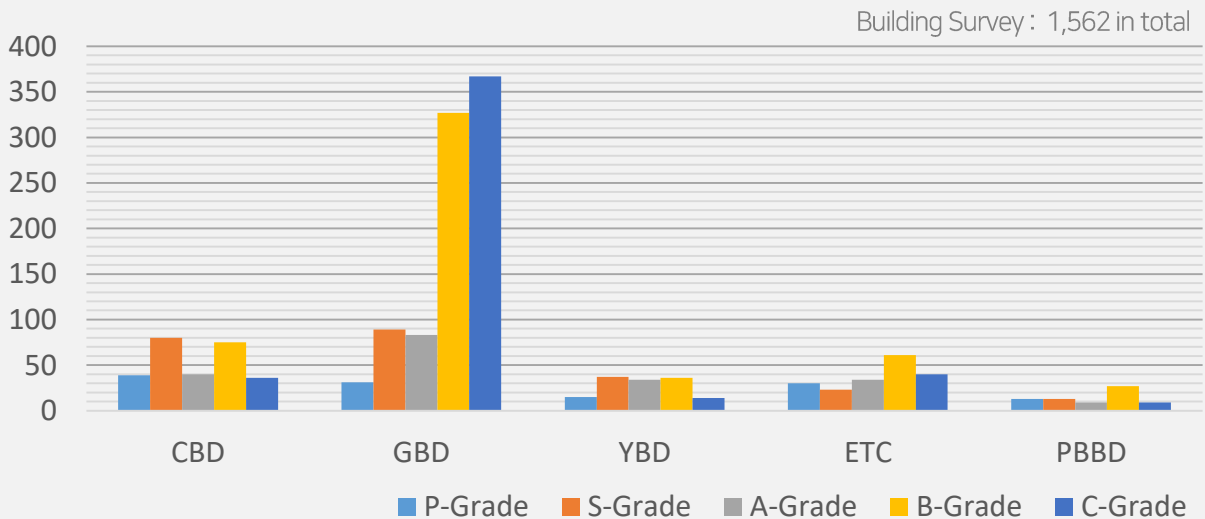
(Gangnam Business District)

- Sample Survey : 897
- Total GFA : 10,677,751m²
(3,230,020py)

PBBB

(PTV-Bundang Business District)

- Sample Survey : 71
- Total GFA : 1,886,169m²
(570,566py)



01

SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

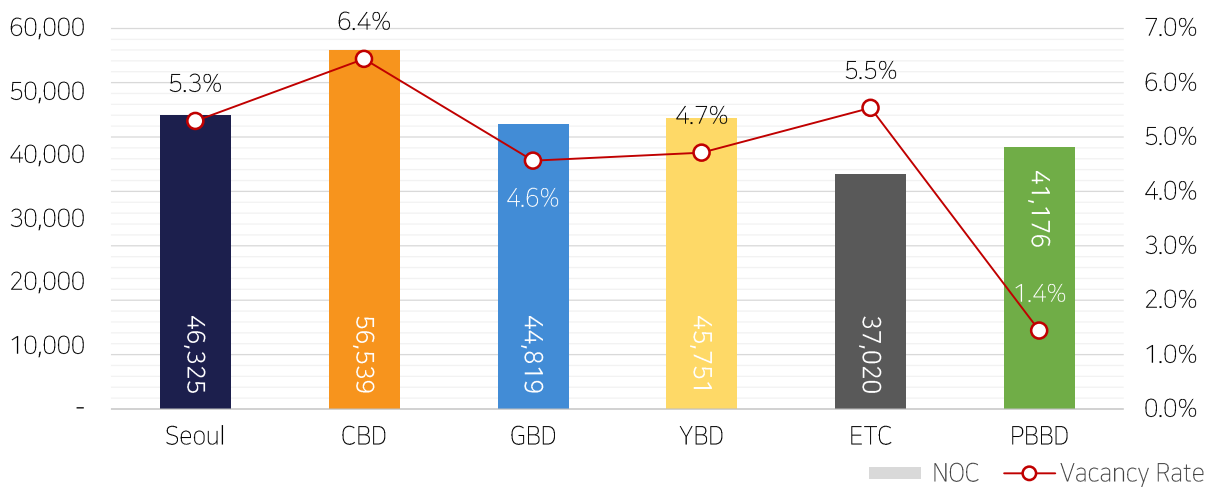
Vacancy rate
5.29% ↑

Avg. NOC
₩46,325 ↓

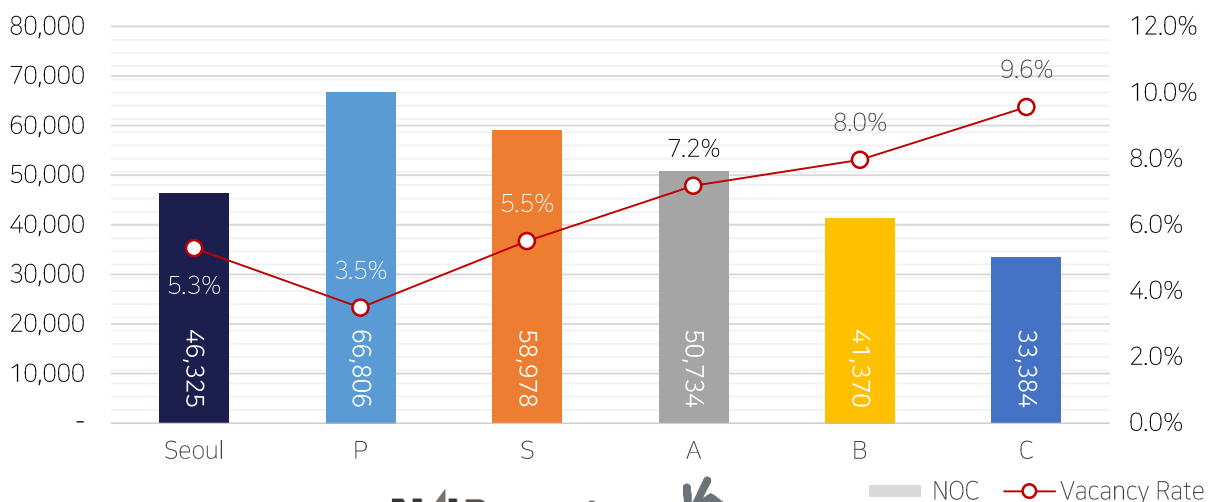
Avg. Rent	Avg. Deposit	Avg. Management. Fee
19,116	247,873	7,392

The average vacancy rate of office buildings in Seoul is 5.29% as at May 2020, and the average NOC is ₩46,325

Vacancy Rate & NOC in Seoul and Each District



Vacancy Rate & NOC in Seoul & Each Building Category

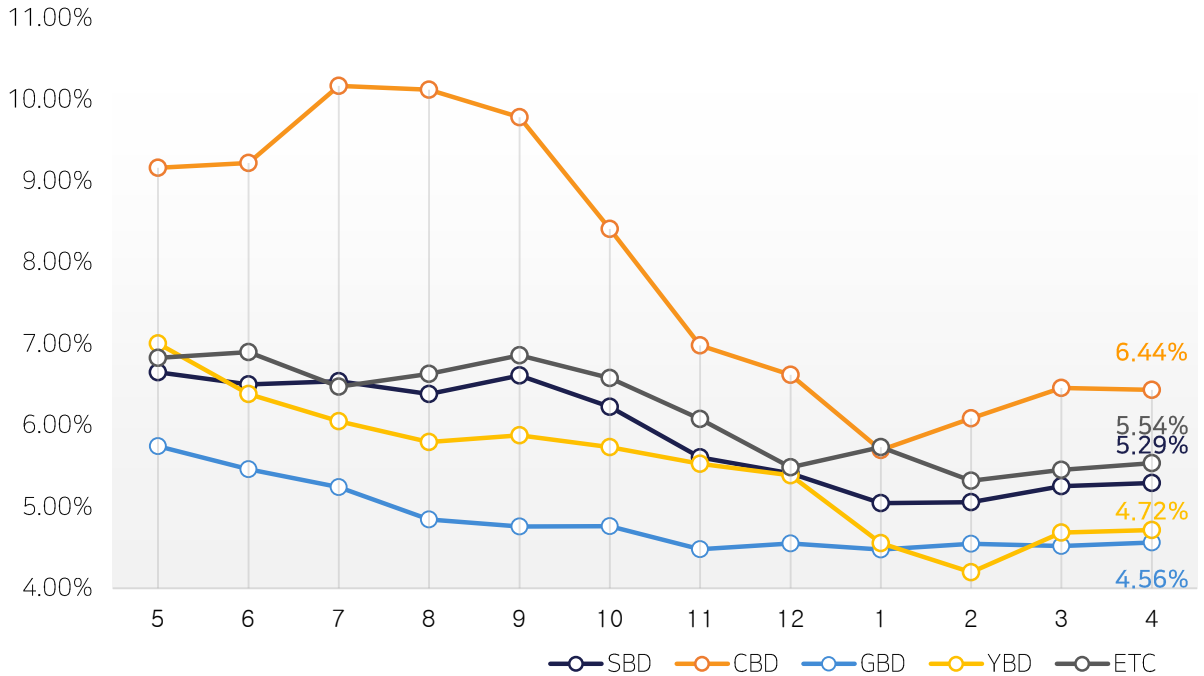


Monthly Vacancy Rate in 5 Main Districts

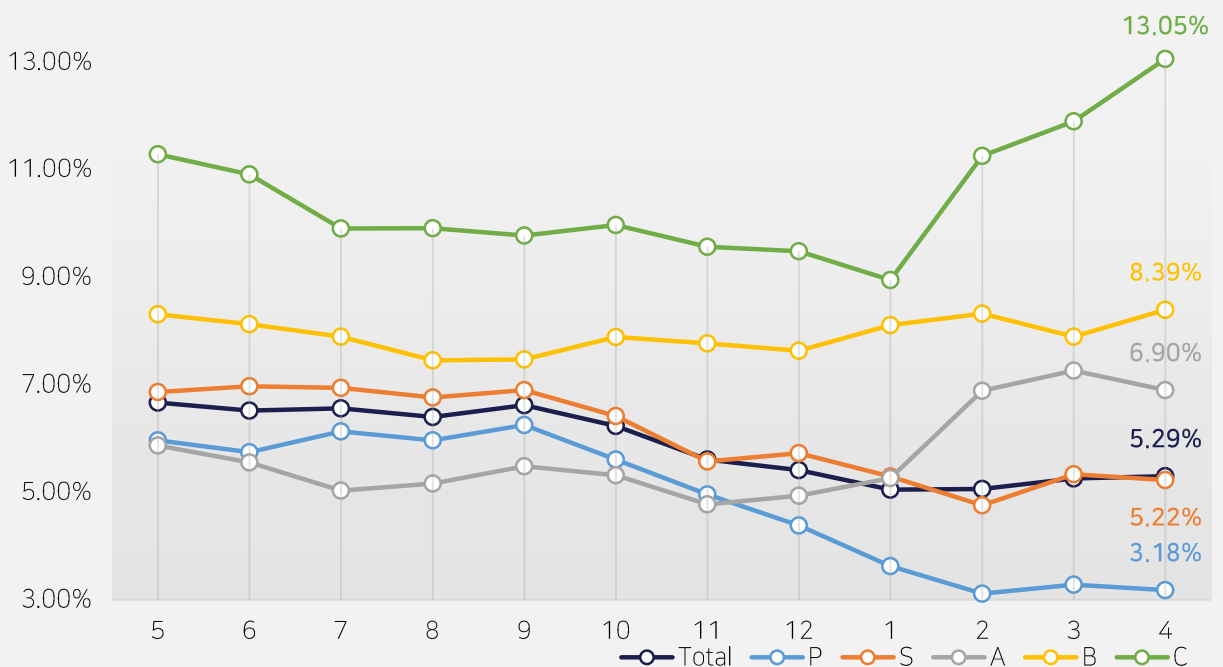
2020년 4월 서울지역의 공실률 흐름은 다음과 같이 조사되었다.

송파구의 공실 해소가 눈에 띄는데, TSK가 송파농협빌딩에서 1개층 약 900평을 증평하는 등 약 1,500평, 송파 하비오타워 7층에 D'live, 버텍스아이드, 알파세미콘, JS융합인재교육원 등의 임차인이 입주하여 약 1,400평의 공실을 해소 한 것으로 조사되었다.

YBD에서는 Three IFC에 VI가 입주하여 약 1,000평, CBD에서는 더익스체인지 빌딩에서 서울 시청사가 시티스퀘어 등으로 이전하여 약 2천 평의 공실이 발생하였다.



Monthly Vacancy Rate for Different Sizes of Buildings



02

CBD Central Seoul

CBD OFFICE LEASING MARKET

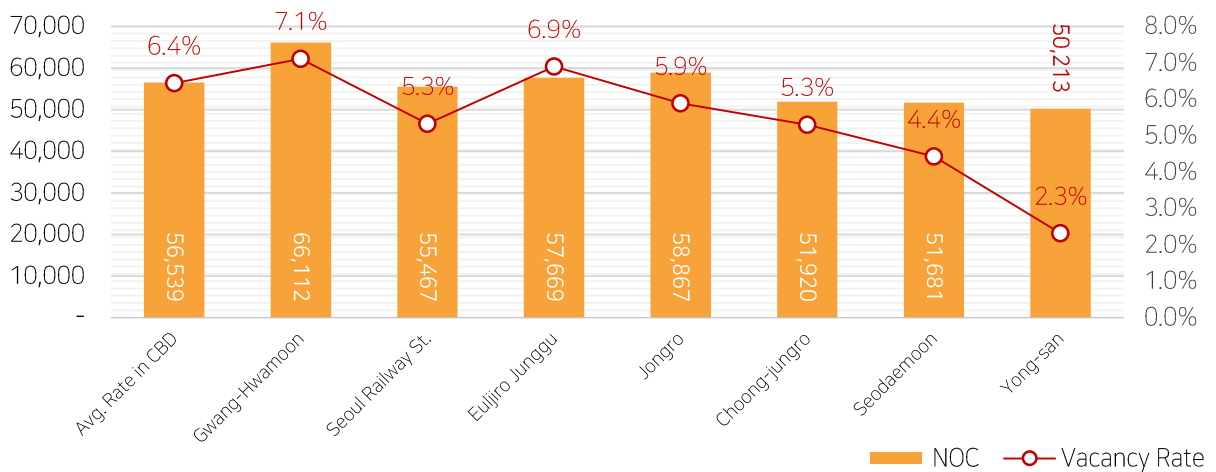
Vacancy rate
6.44% ↓

Avg. NOC
₩56,539 ↑

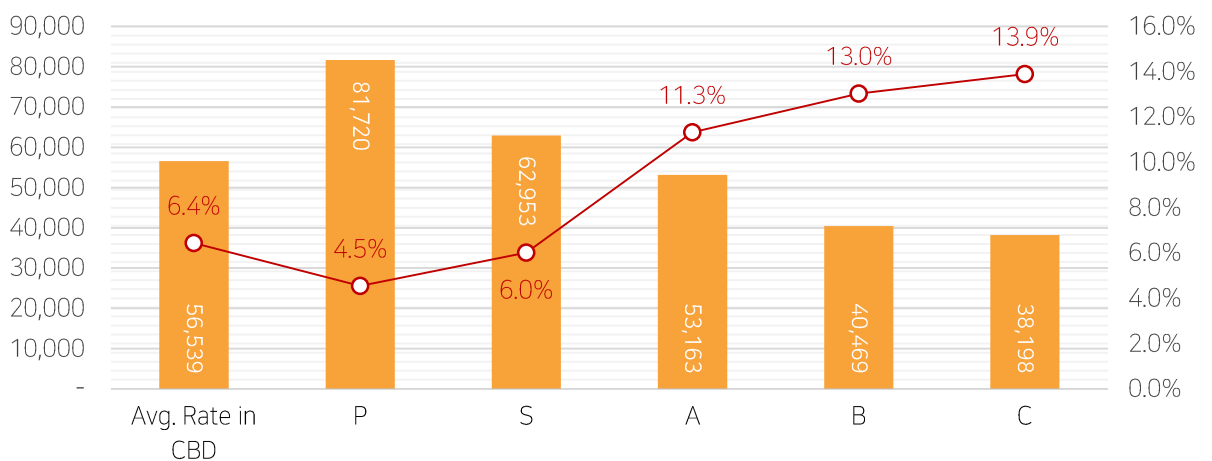
Avg. Rent	Avg. Deposit	Avg. Management. Fee
22,255	229,041	9,755

The average vacancy rate of office buildings in CBD is 6.44% as at May 2020, and the average NOC is ₩56,539.

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

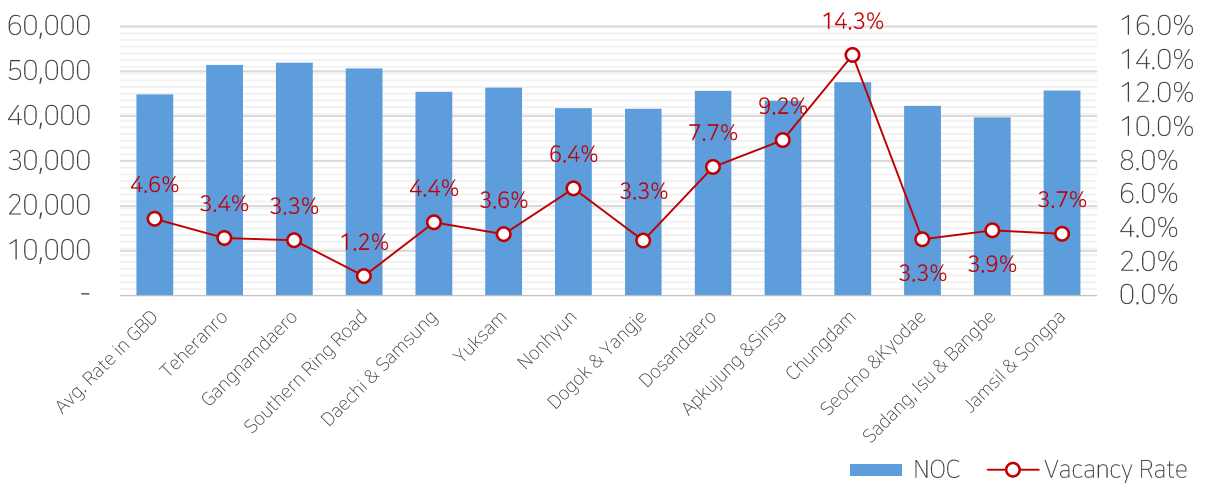
Vacancy rate
4.56% ↑

Avg. NOC
₩44,819 ↓

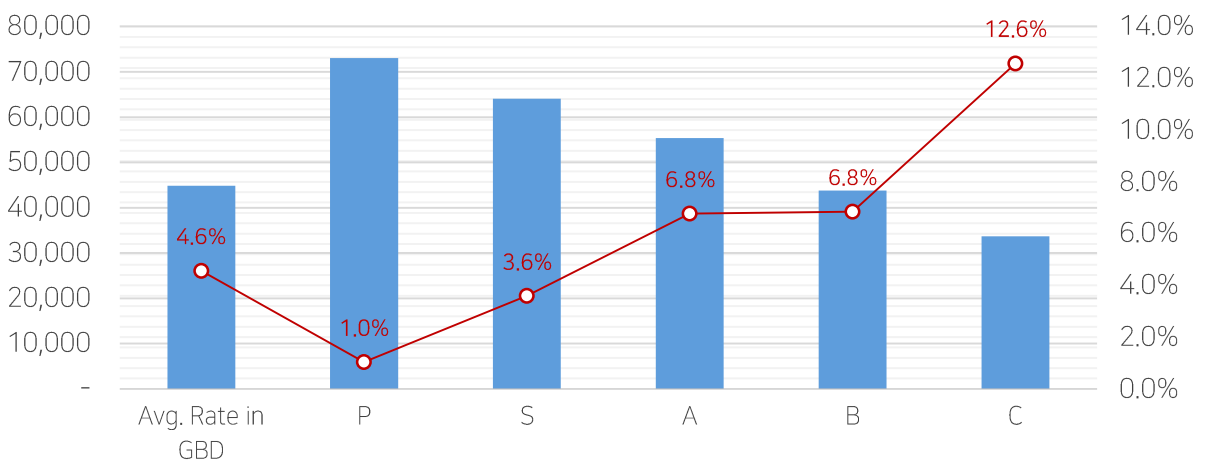
Avg. Rent	Avg. Deposit	Avg. Management. Fee
19,624	280,404	6,879

The average vacancy rate of office buildings in GBD is 4.56% as at May 2020, and the average NOC is ₩44,819.

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

4.72% ↑



Avg. NOC

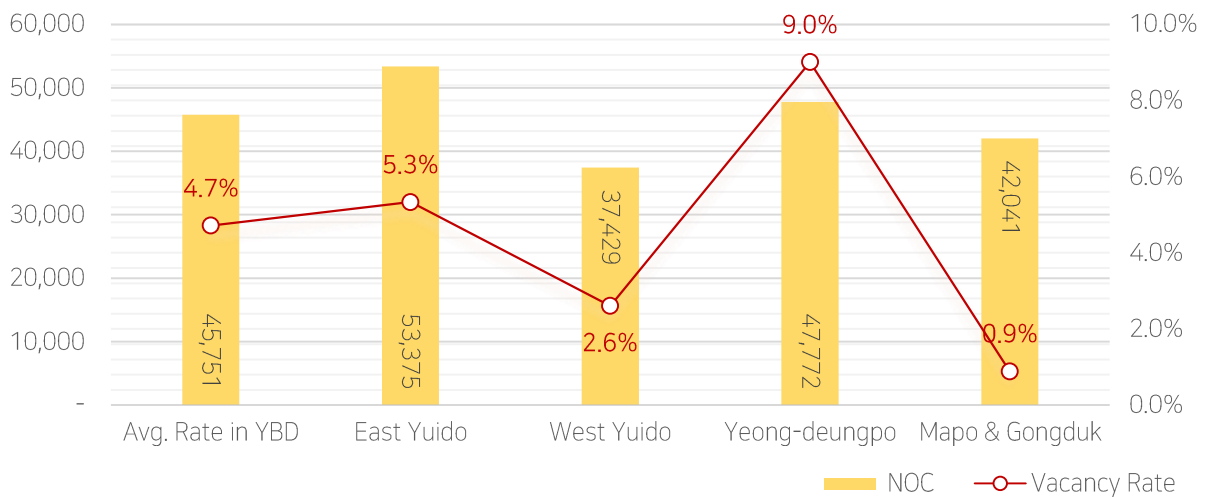
₩45,751 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
16,168	177,856	8,002

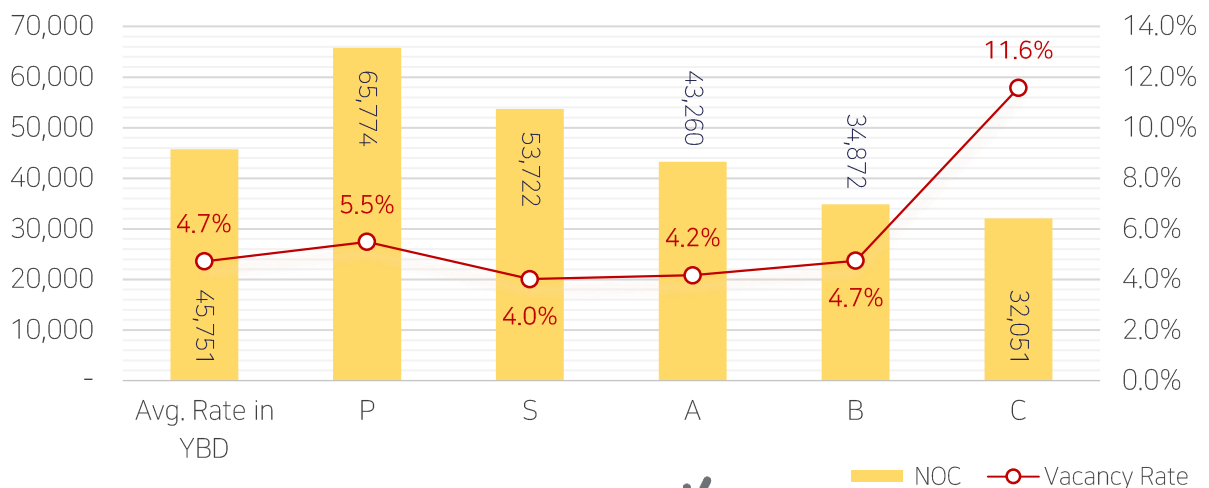
The average vacancy rate of office buildings in YBD is 4.72% as at May 2020, and the average NOC is ₩45,751.



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

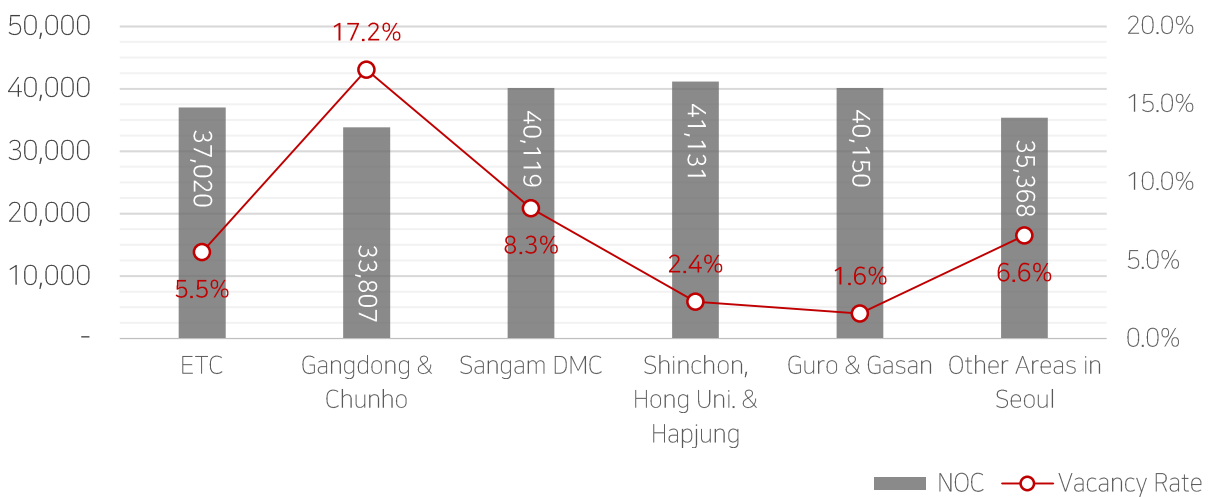
Vacancy rate
5.54% ↑

Avg. NOC
₩37,020 ↓

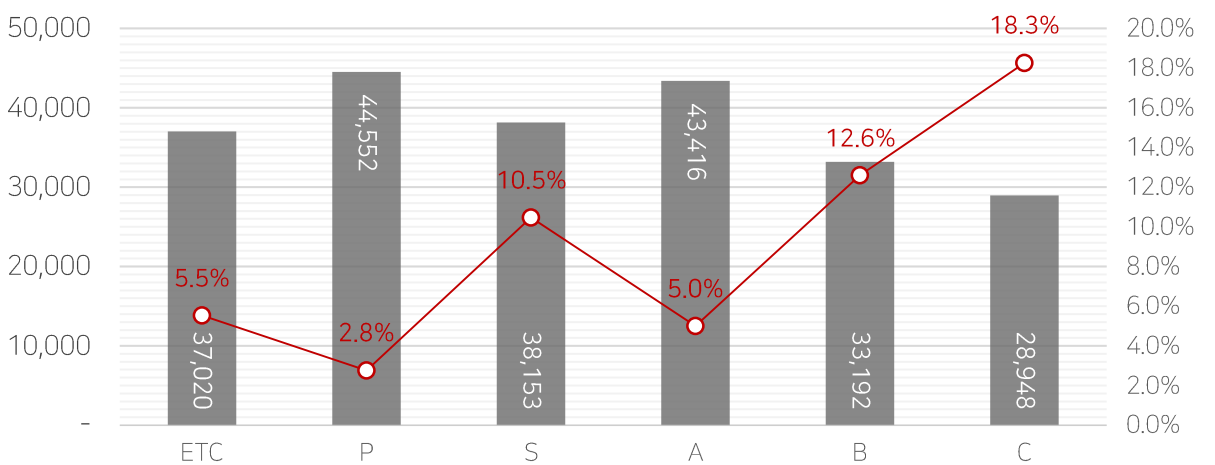
Avg. Rent	Avg. Deposit	Avg. Management. Fee
14,347	173,150	5,643

The average vacancy rate of office buildings in ETC is 5.54% as at May 2020, and the average NOC is ₩37,020.

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

1.44% ↑



Avg. NOC

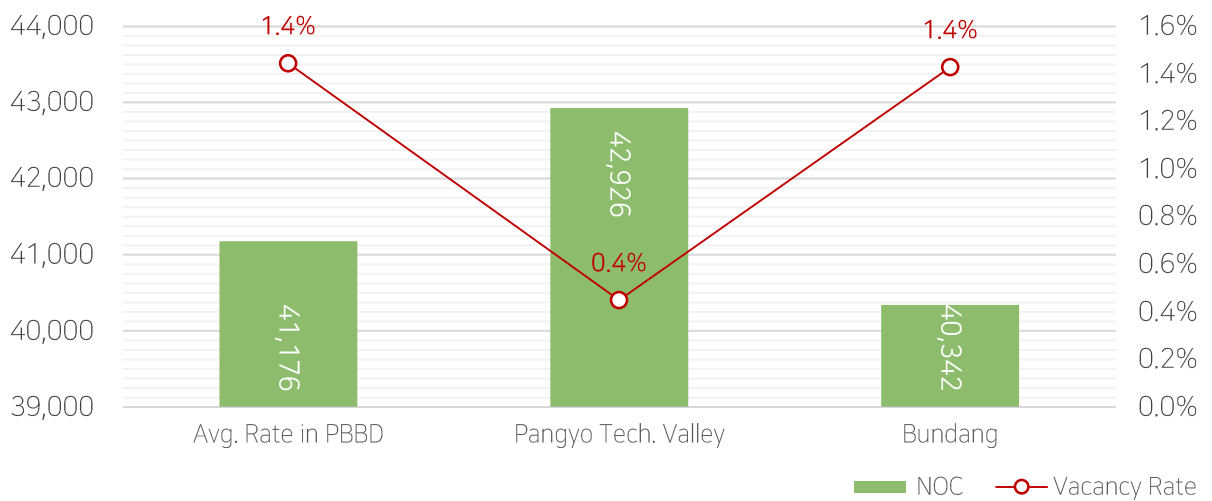
₩41,176 ↓

Avg. Rent	Avg. Deposit	Avg. Management. Fee
13,769	160,999	6,642

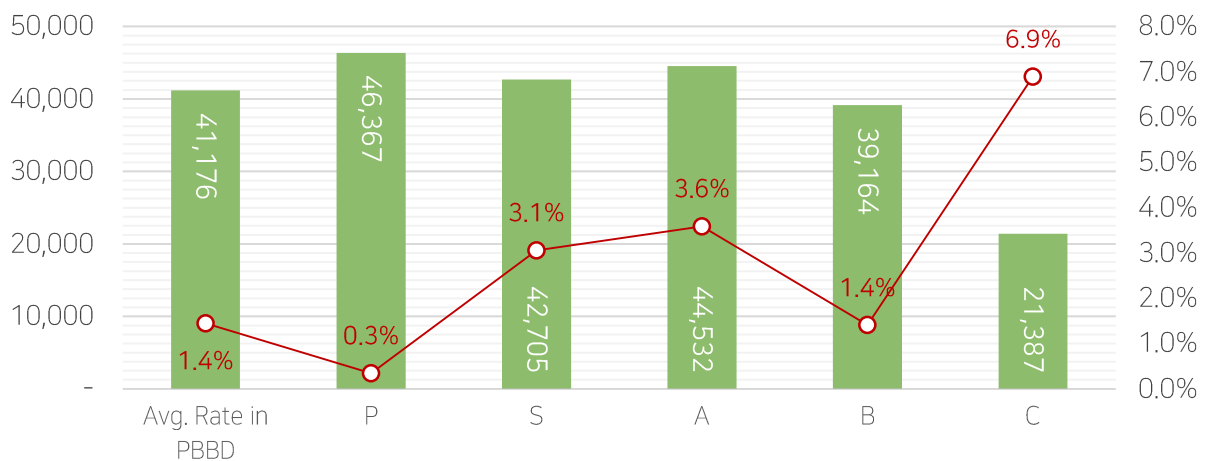
The average vacancy rate of office buildings in PBBD is 1.44% as at May 2020, and the average NOC is ₩41,176.



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

Unit : KrW, m²

Market	Submarket	Gross Leasing Area	Avg. Deposit	Avg. Rent	Avg. Mgmt. Fee	Avg. NOC	Vacancy Rate
CBD	Gwang-Hwamoon	1,850,045	263,939	26,446	10,580	66,112	7.11%
	Seoul Railway St.	2,570,889	220,585	22,147	10,180	55,467	5.32%
	Euljiro Junggu	4,117,979	227,831	22,891	10,234	57,669	6.90%
	Jongro	2,274,496	247,721	23,118	9,522	58,867	5.88%
	Choong-jungro	541,709	185,070	18,297	9,369	51,920	5.29%
	Seodaemooon	311,995	191,967	18,872	9,474	51,681	4.42%
	Yong-san	517,331	200,371	18,299	8,891	50,213	2.31%
GBD	Teheranro	4,321,189	266,582	21,992	7,945	51,400	3.43%
	Gangnamdaero	1,729,215	292,816	21,724	8,074	51,881	3.29%
	Southern Ring Road	222,551	246,811	18,371	7,889	50,645	1.15%
	Daechi & Samsung	2,639,892	261,093	20,379	6,923	45,418	4.35%
	Yuksam	3,624,378	260,820	19,806	7,249	46,319	3.64%
	Nonhyun	886,792	342,640	19,093	6,587	41,756	6.37%
	Dogok & Yangje	429,441	232,875	16,291	6,605	41,623	3.26%
	Dosandaero	225,149	337,242	20,117	7,290	45,649	7.65%
	Apkujung & Sinsa	150,040	450,514	20,448	6,655	43,436	9.25%
	Chungdam	311,609	339,290	22,737	6,364	47,537	14.29%
	Seocho & Kyodae	537,887	264,844	17,950	5,889	42,272	3.35%
	Sadang, Isu & Bangbe	105,113	329,340	17,270	6,193	39,719	3.89%
YBD	Jamsil & Songpa	1,479,537	220,521	17,069	6,883	45,709	3.67%
	East Yuido	2,154,395	183,909	17,579	9,057	53,375	5.33%
	west Yuido	454,816	141,359	13,228	7,071	37,429	2.60%
	Yeong-deungpo	444,325	167,025	15,936	9,002	47,772	9.01%
ETC	Mapo & Gongduk	649,538	168,710	15,049	7,918	42,041	0.89%
	Gangdong & Chunho	245,180	178,133	14,301	5,033	33,807	17.22%
	Sangam DMC	1,014,472	125,533	12,184	7,807	40,119	8.34%
	Shinchon, Hong Uni. & Hapjung	195,368	265,695	19,192	6,125	41,131	2.35%
	Other Areas in Seoul	2,459,891	180,950	14,443	5,685	35,368	6.60%
PBBD	Pangyo Techno. Vally	1,036,096	152,979	14,480	6,104	42,926	0.45%
	Bundang	718,076	172,226	13,470	6,999	40,342	1.43%