

June 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, May 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, Etc.	YBD Yeido Business District Yeido, Mapo-ku, Etc.	ETC Non Major Business District Sangam, Gangdong, Songpa-gu, 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 : 265
- Total GFA : 7,746,672m²
(2,343,368py)

ETC

(Non Major Business District)

- Sample Survey : 231
- Total GFA : 5,806,853m²
(1,756,573py)

YBD

(Yeouido Business District)

- Sample Survey : 123
- Total GFA : 3,581,574m²
(1,083,426py)

PBBD

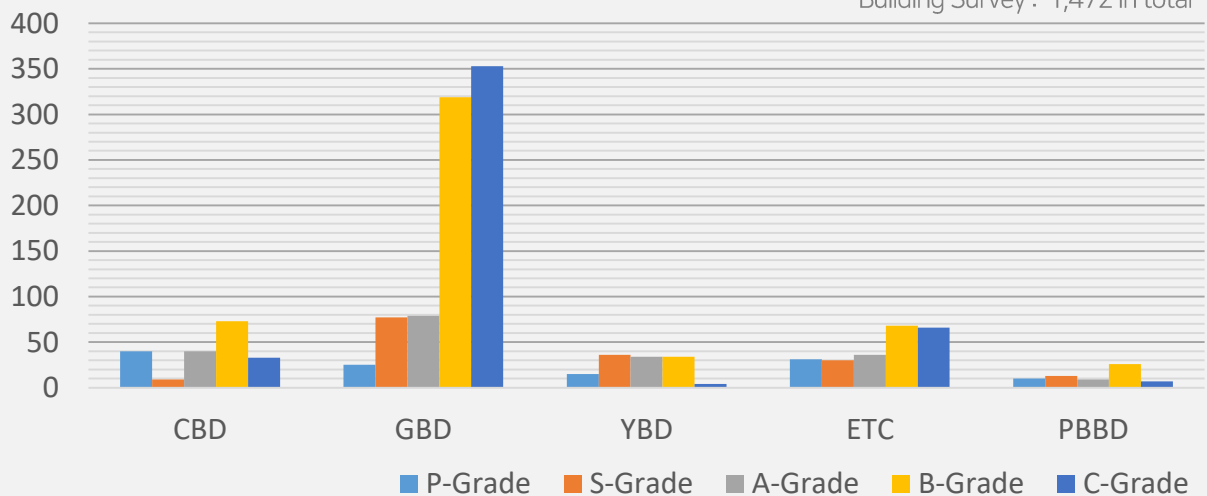
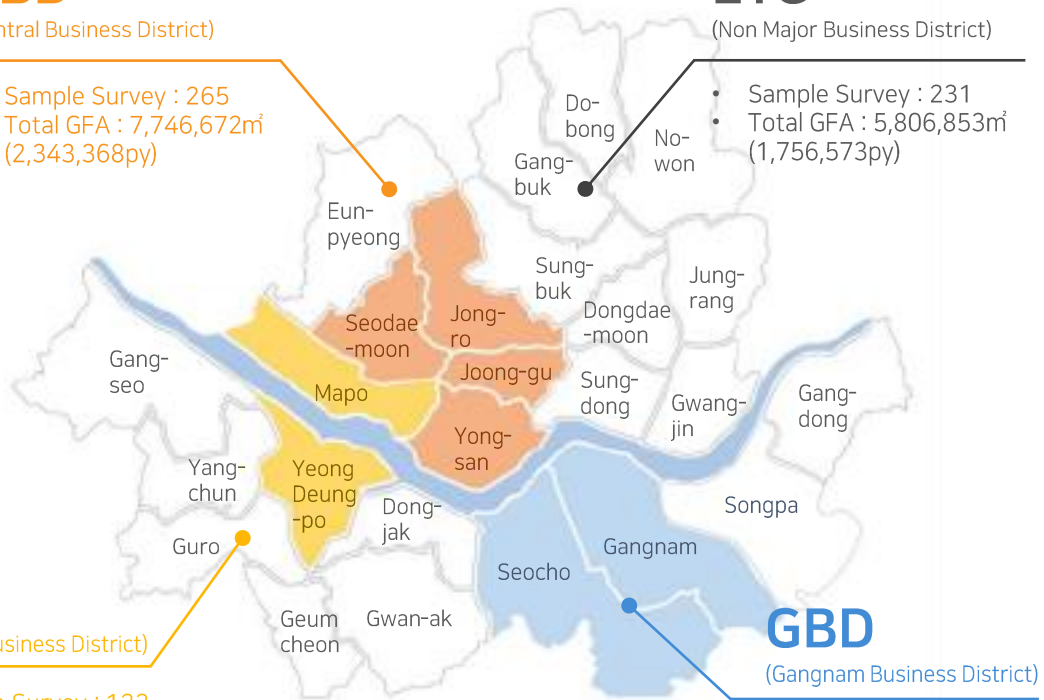
(PTV-Bundang Business District)

- Sample Survey : 65
- Total GFA : 1,574,381m²
(476,250py)

GBD

(Gangnam Business District)

- Sample Survey : 853
- Total GFA : 9,082,583m²
(2,747,481py)



01

SBD Seoul Capital Area

SBD OFFICE LEASING MARKET



Vacancy rate

5.61% ↑



Avg. NOC

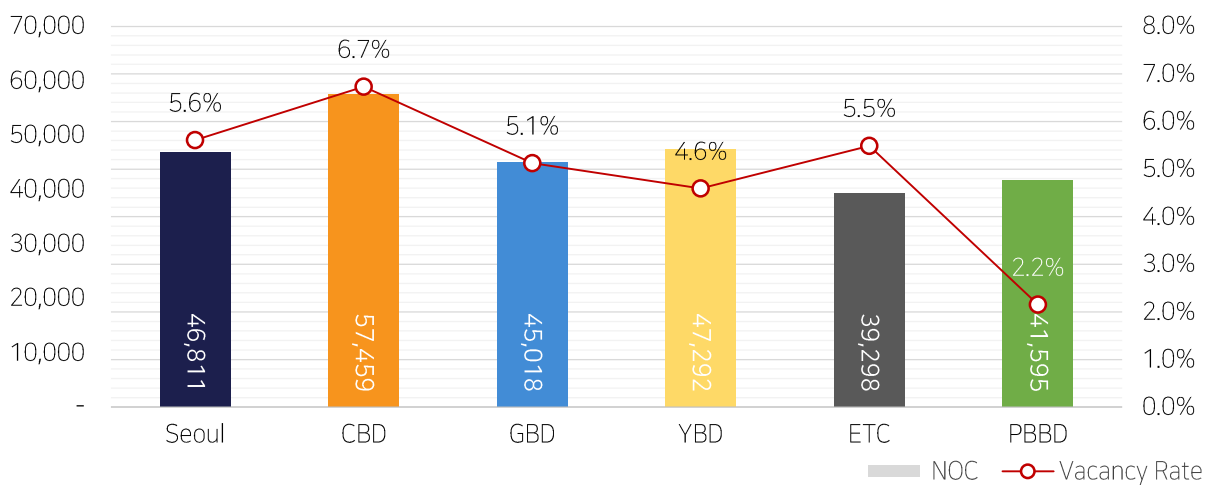
₩46,811 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
19,334	249,122	7,468

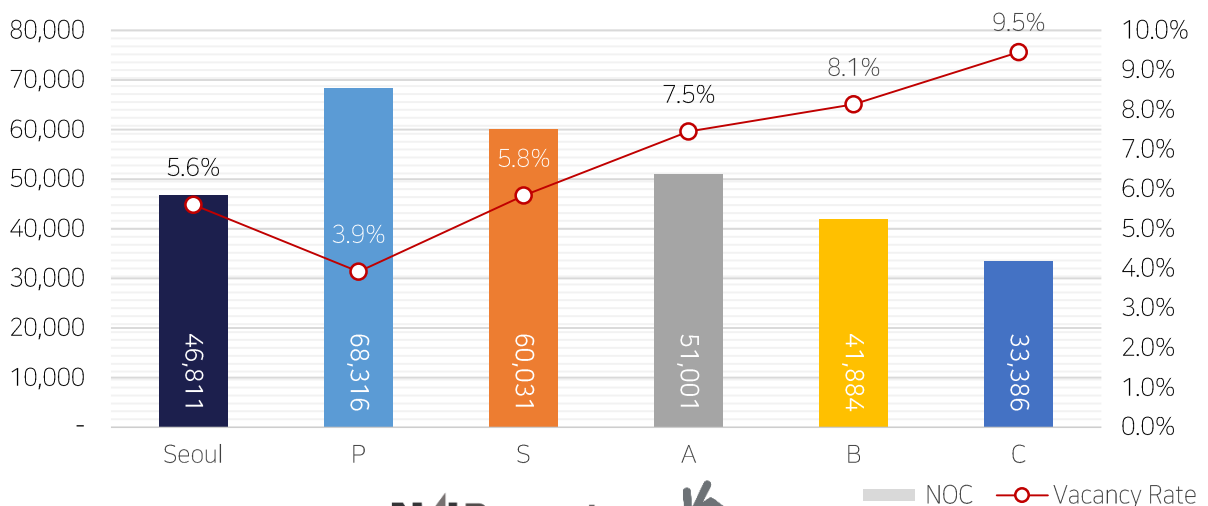
The average vacancy rate of office buildings in Seoul is 5.61% as at May 2020, and the average NOC is ₩46,811



Vacancy Rate & NOC in Seoul and Each District

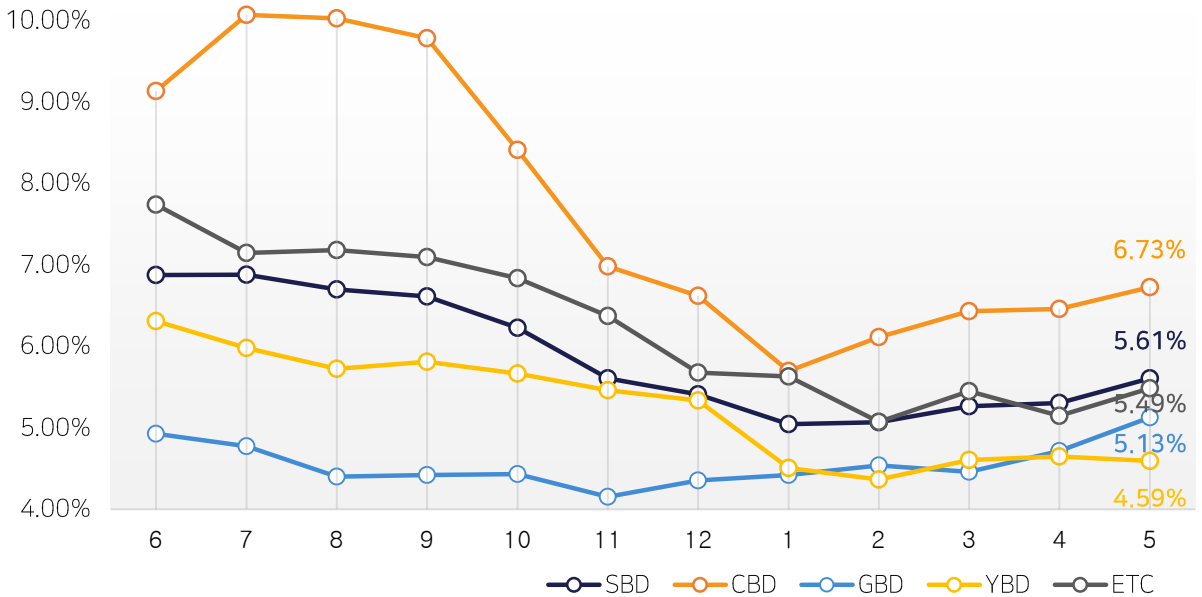


Vacancy Rate & NOC in Seoul & Each Building Category

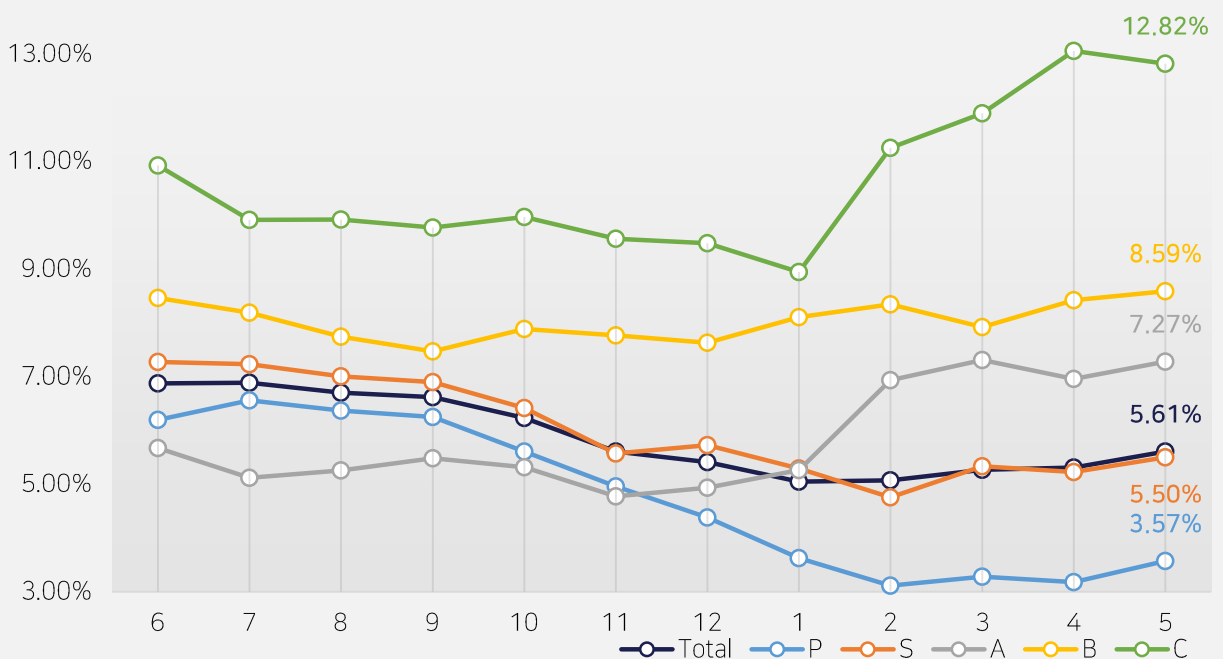


Monthly Vacancy Rate in 5 Main Districts

As in May 2020, the average vacancy rate in Seoul was on the rise. But the inflow of prime tenants into ETC was critically observed. For example, CJ Fresh Way Inc. moved into Sangam S-City renting 3,500py (appx. 11,600m²) in it, and Three J Education Inc. and a few other tenants into Jamsil Lotte World Tower renting 1,500py (appx. 5,000m²) in it. Additionally, MG Call Center and Seoul Food Tech Startup Center became the new tenants of the prime landmark building, Gang-dong Green Tower (GGT), renting one entire floor and two consecutive floors, respectively. Consequently, the need to fulfill the vacancy of 1,500py (5,000m²) in GGT has been met successfully.



Monthly Vacancy Rate for Different Sizes of Buildings



02

CBD Central Seoul

CBD OFFICE LEASING MARKET



Vacancy rate

6.73% ↑



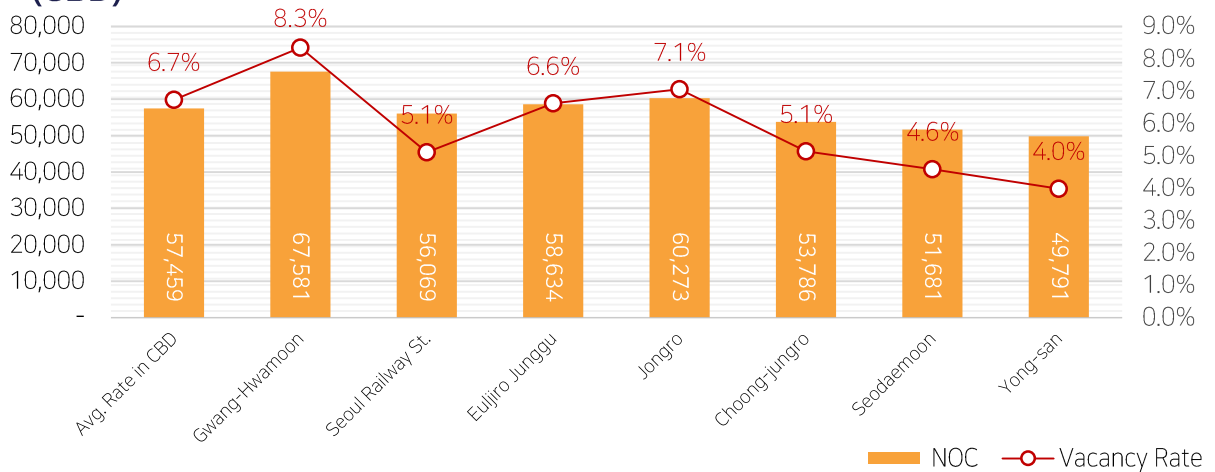
Avg. NOC

₩57,459 ↑

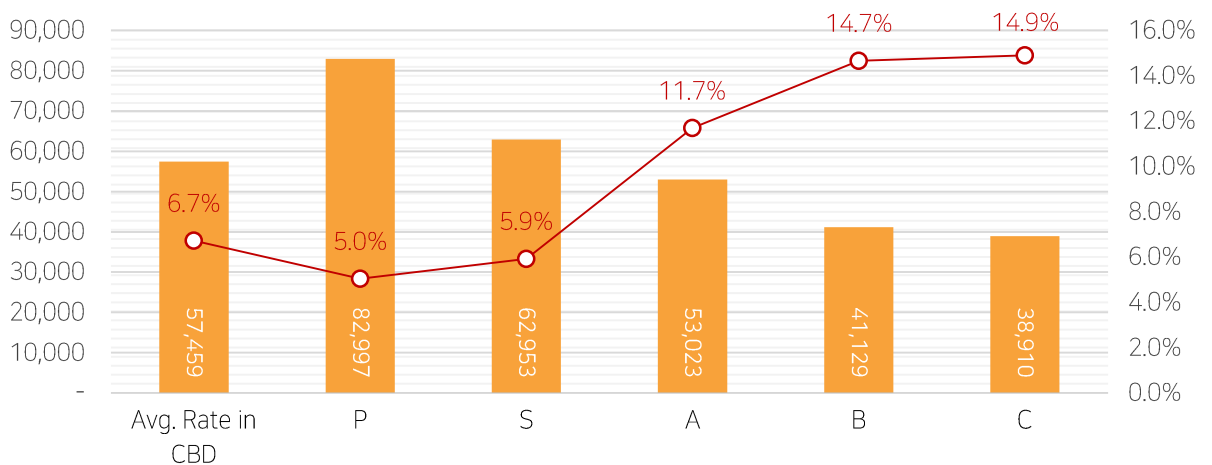
Avg. Rent	Avg. Deposit	Avg. Management. Fee
22,528	231,025	9,938

The average vacancy rate of office buildings in CBD is 6.73% as at May 2020, and the average NOC is ₩57,459.

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

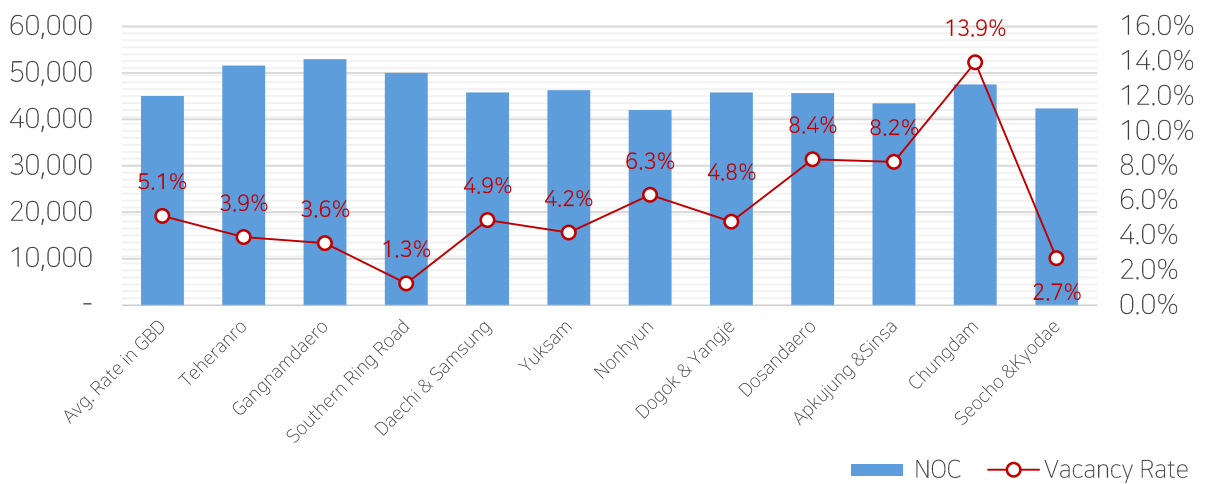
Vacancy rate
5.13% ↑

Avg. NOC
₩45,018 ↑

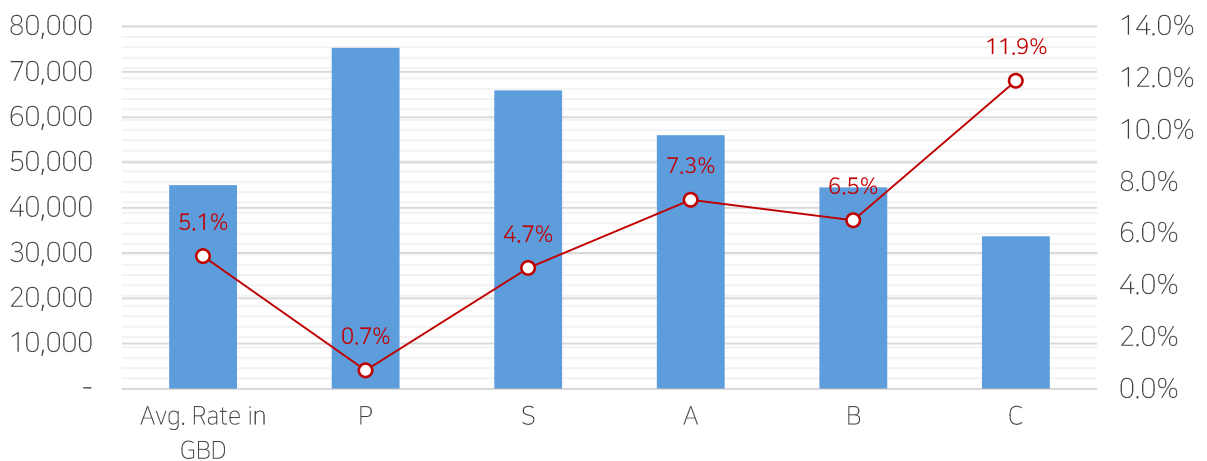
Avg. Rent	Avg. Deposit	Avg. Management. Fee
19,784	283,015	6,873

The average vacancy rate of office buildings in GBD is 5.13% as at May 2020, and the average NOC is ₩45,018.

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

4.59% ↓



Avg. NOC

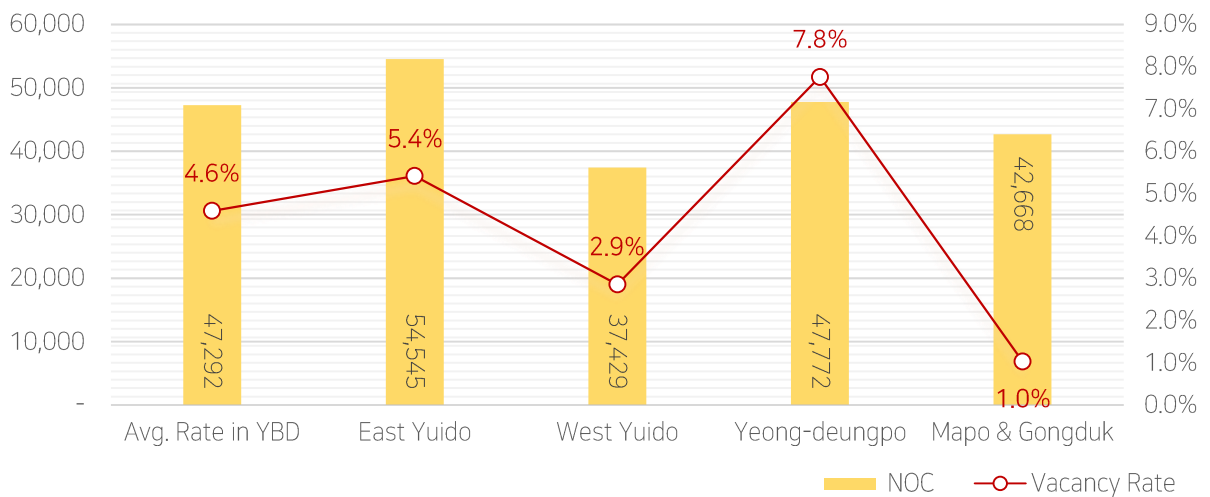
₩47,292 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
16,148	173,284	8,499

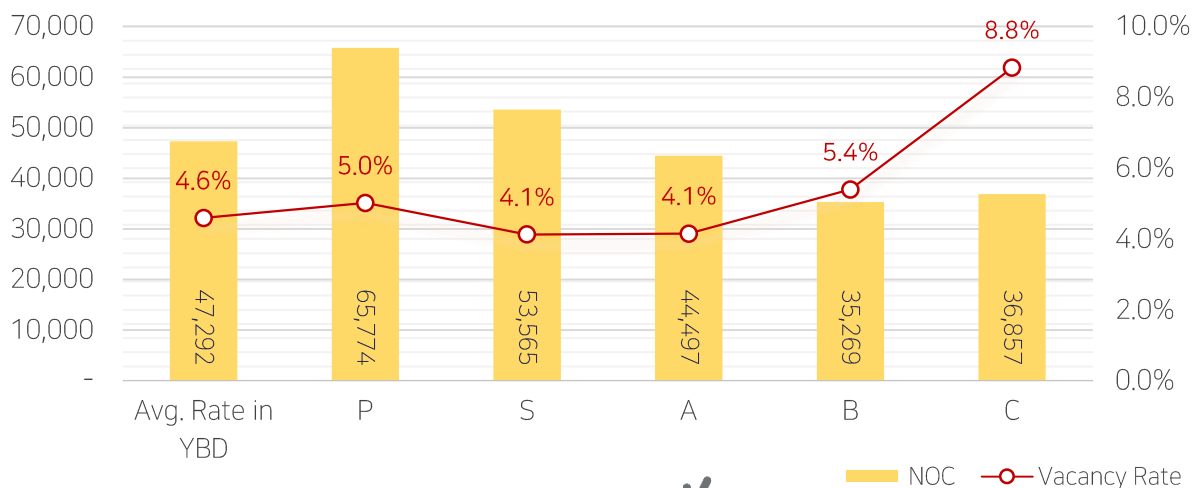
The average vacancy rate of office buildings in YBD is 4.59% as at May 2020, and the average NOC is ₩47,292.



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

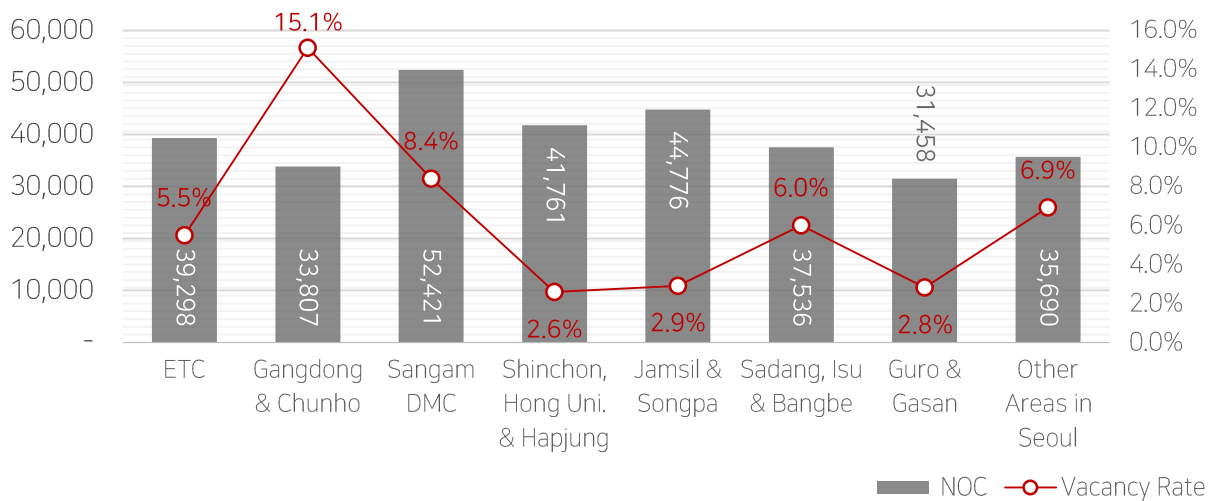
Vacancy rate
5.49% ↓

Avg. NOC
₩39,298 ↑

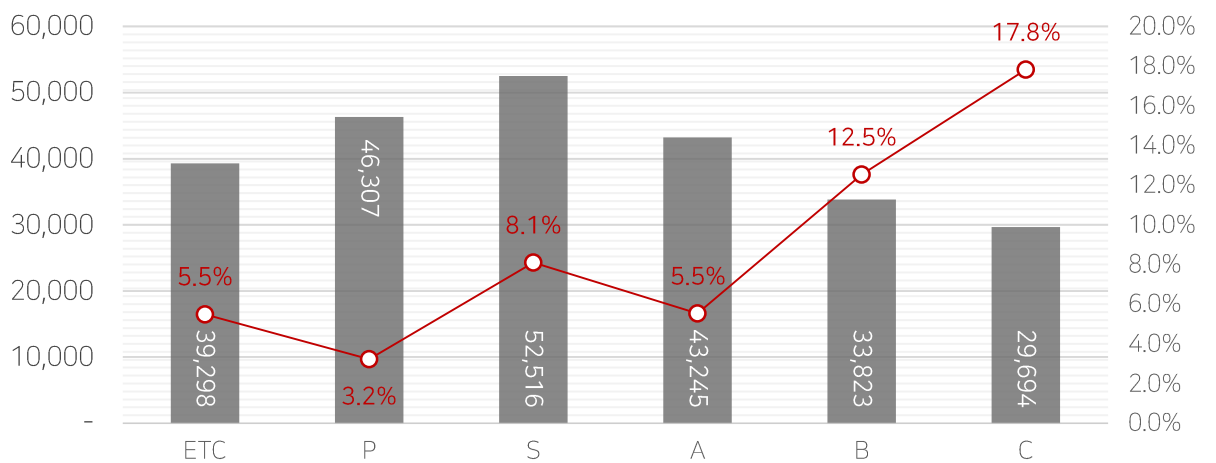
Avg. Rent	Avg. Deposit	Avg. Management. Fee
15,715	186,538	5,966

The average vacancy rate of office buildings in ETC is 5.49% as at May 2020, and the average NOC is ₩39,298.

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



Vacancy Rate & NOC for Different Sizes of Buildings in ETC



PBB
Pangyo &
Bundang



2.15% ↑



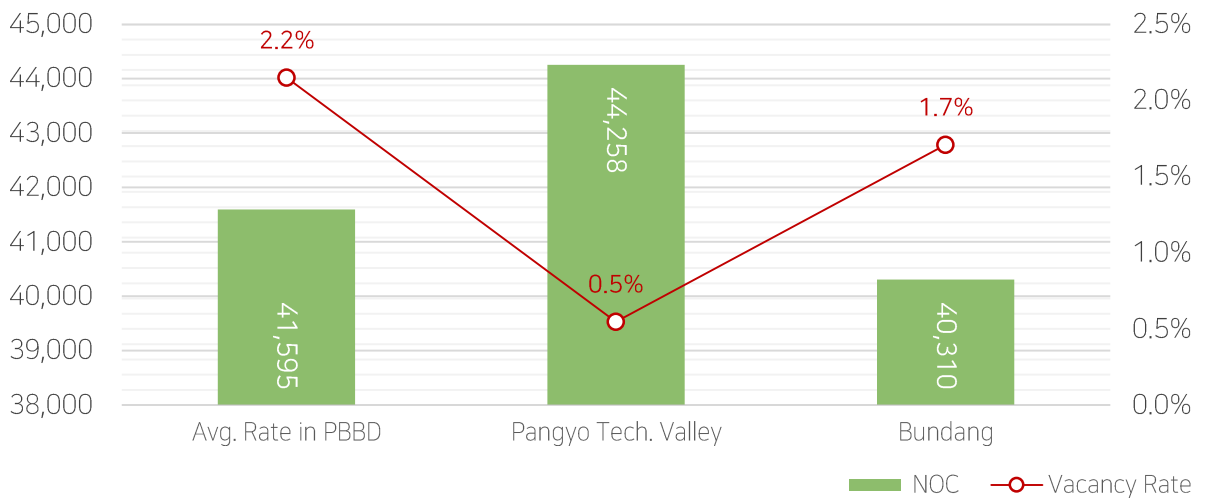
Avg. NOC

₩41,595 ↑

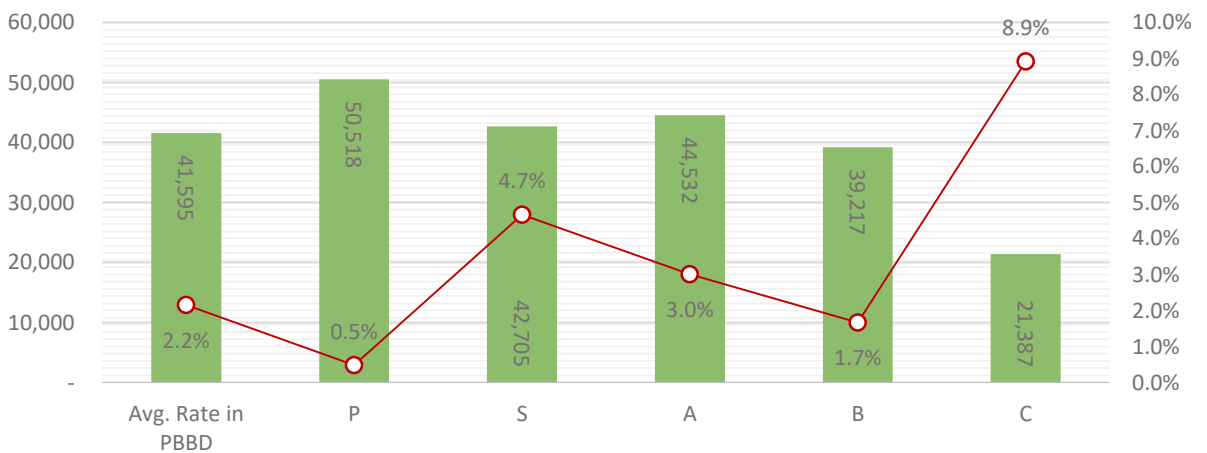
Avg. Rent	Avg. Deposit	Avg. Management Fee
13,917	163,823	6,727

The average vacancy rate of office buildings in PBBD is 2.15% as at May 2020, and the average NOC is ₩41,595.

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	1,830,458	268,573	26,911	10,836	67,581	8.35%
	Seoul Railway St.	2,521,100	222,328	22,326	10,249	56,069	5.11%
	Euljiro Junggu	4,206,006	230,147	23,166	10,393	58,634	6.62%
	Jongro	2,197,531	251,874	23,680	9,863	60,273	7.05%
	Choong-jungro	597,698	193,274	19,129	9,554	53,786	5.14%
	Seodaemoon	311,995	191,967	18,872	9,474	51,681	4.58%
	Yong-san	536,361	193,427	17,729	8,863	49,791	3.98%
GBD	Teheranro	4,288,736	265,895	22,056	7,966	51,598	3.91%
	Gangnamdaero	1,686,297	294,955	21,808	8,043	52,923	3.56%
	Southern Ring Road	195,429	258,499	18,874	7,873	49,967	1.25%
	Daechi & Samsung	2,649,152	258,801	20,478	6,973	45,759	4.89%
	Yuksam	3,530,053	261,663	19,847	7,212	46,277	4.16%
	Nonhyun	889,762	344,627	19,154	6,617	41,967	6.32%
	Dogok & Yangje	429,441	233,581	16,472	6,605	45,782	4.79%
	Dosandaero	225,149	337,242	20,117	7,290	45,649	8.36%
	Apkujung & Sinsa	150,040	450,514	20,448	6,655	43,436	8.23%
	Chungdam	311,609	339,290	22,737	6,364	47,537	13.93%
	Seocho & Kyodae	535,408	262,234	17,822	5,884	42,365	2.70%
YBD	East Yuido	2,043,755	188,357	17,965	9,280	54,545	5.42%
	West Yuido	454,816	141,217	13,228	7,071	37,429	2.85%
	Yeong-deungpo	444,325	167,025	15,936	9,002	47,772	7.76%
	Mapo & Gongduk	633,356	174,705	15,296	8,025	42,668	1.03%
ETC	Gangdong & Chunho	245,180	178,133	14,301	5,033	33,807	15.11%
	Sangam DMC	1,014,472	125,533	18,906	7,820	52,421	8.39%
	Shinchon, Hong U ni. & Hapjung	193,040	263,942	19,515	6,159	41,761	2.58%
	Jamsil & Songpa	1,503,887	209,016	16,821	7,008	44,776	2.90%
	Sadang, Isu & Bangbe	130,183	344,426	17,213	5,845	37,536	6.00%
	Other Areas in Seoul	2,406,945	181,623	14,426	5,765	35,690	6.92%
PBBD	Pangyo Techno. Vally	867,774	158,561	14,938	6,311	44,258	0.55%
	Bundang	574,609	173,429	13,466	6,990	40,310	1.71%