

December 2019

Seoul Office

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

Lounge at NAI Korea
10F Junghun Bldg. 516 Teheranro
Seoul, Korea



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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	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 Central Business District	YBD Yeido Business District	GBD Gangnam Business District	PBBD PTV-Bundang Business District	ETC Non Major Business District
Gwanghwa-moon Joong-gu, Seodae-moon, 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

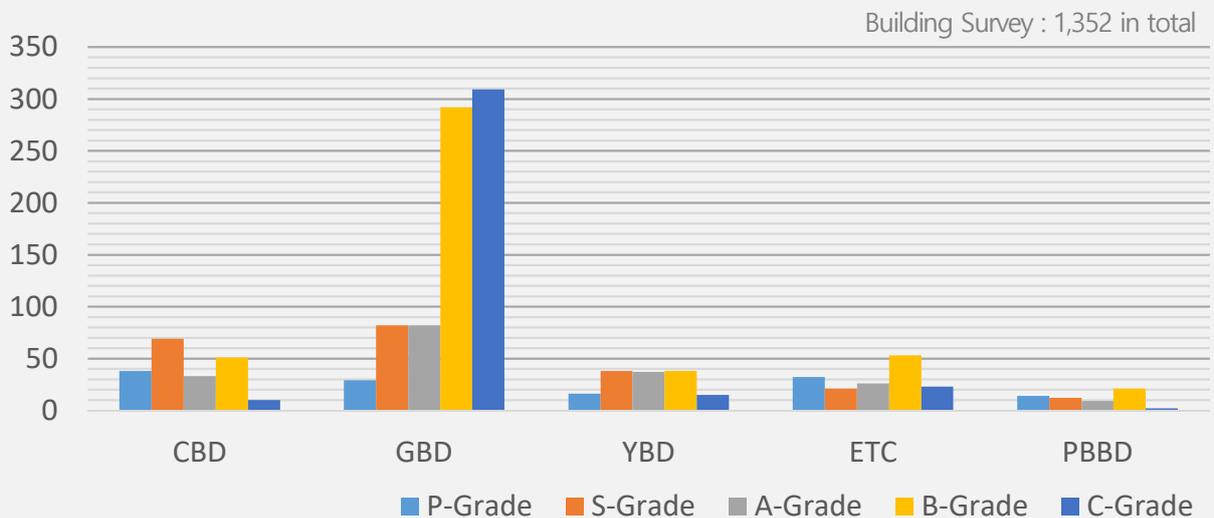
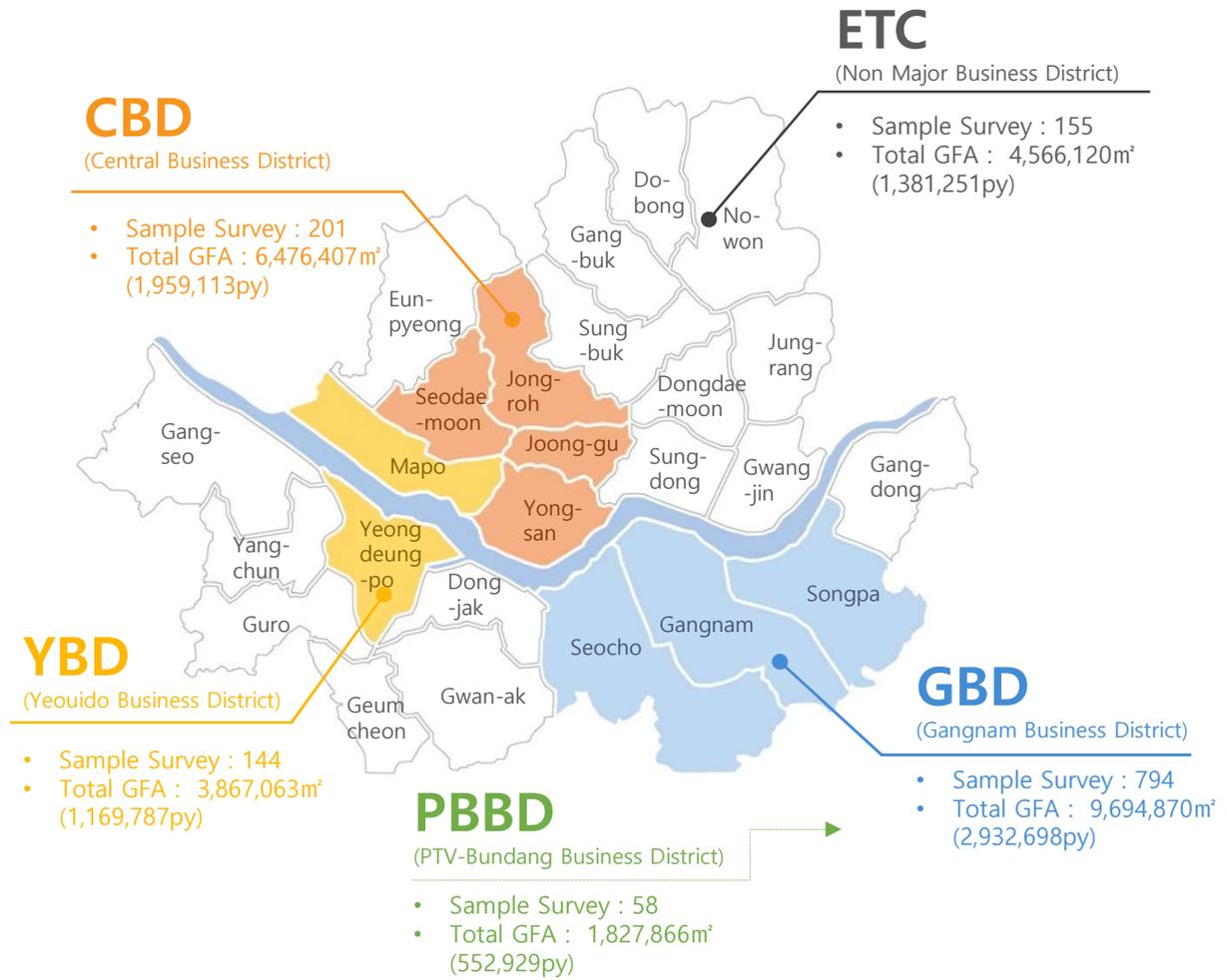
	P Grade Prime Bldg.	S Grade Large Bldg.	A Grade Large-medium	B Grade Medium-small	C Grade Small Bldg.
Gross Floor Area	>15,000py	>7,000py	>4,000py	>1,000py	<1,000py
Lease Area of Sample Floor	>500py	>300py	>200py	>150py	<150py

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.

04

Categories by Location & Sample Numbers



01

SBD Seoul Capital Area

SBD OFFICE LEASING MARKET

Vacancy Rate

5.61% ↓

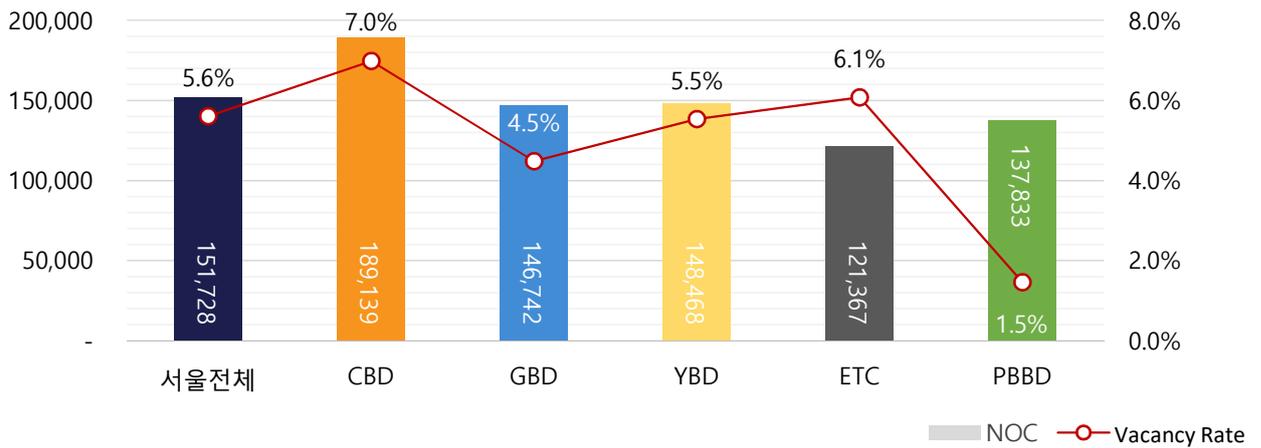
Average NOC

₩151,728 ↑

Avg. Rent	Avg. Deposit	Avg. Management Fee
61,881	796,921	24,311

The average vacancy rate of office buildings in Seoul is 5.61% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩151,728.

Vacancy Rate & NOC in Seoul and Each District

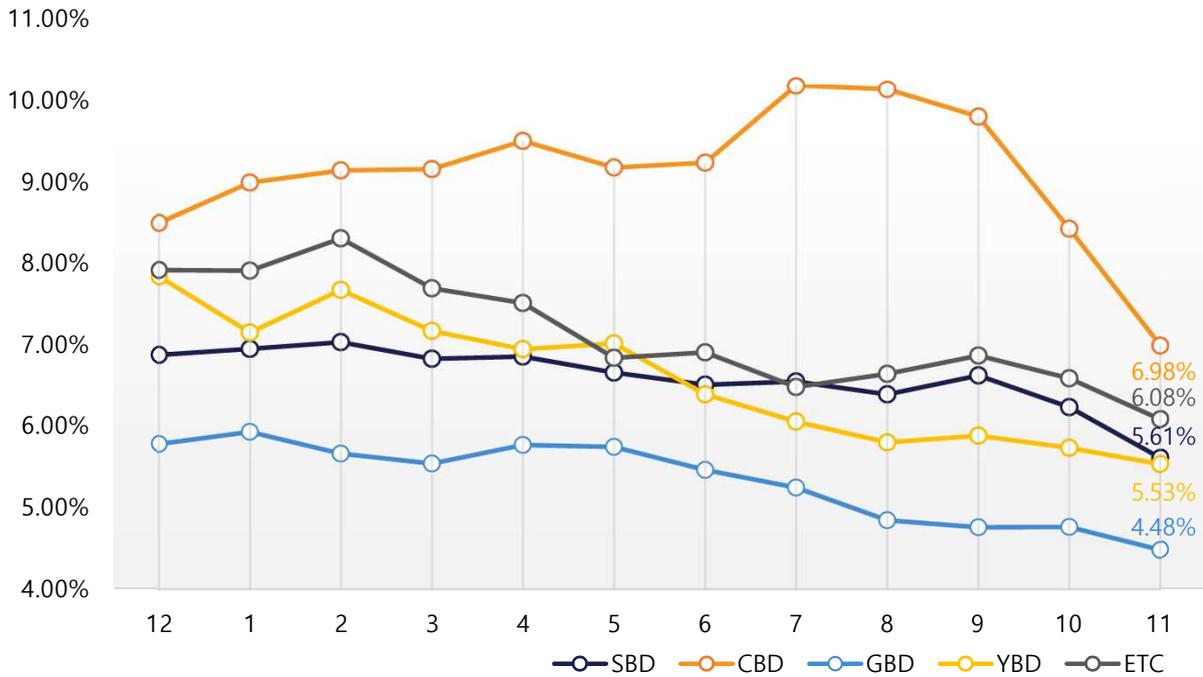


Vacancy Rate & NOC in Seoul & Each Building Category

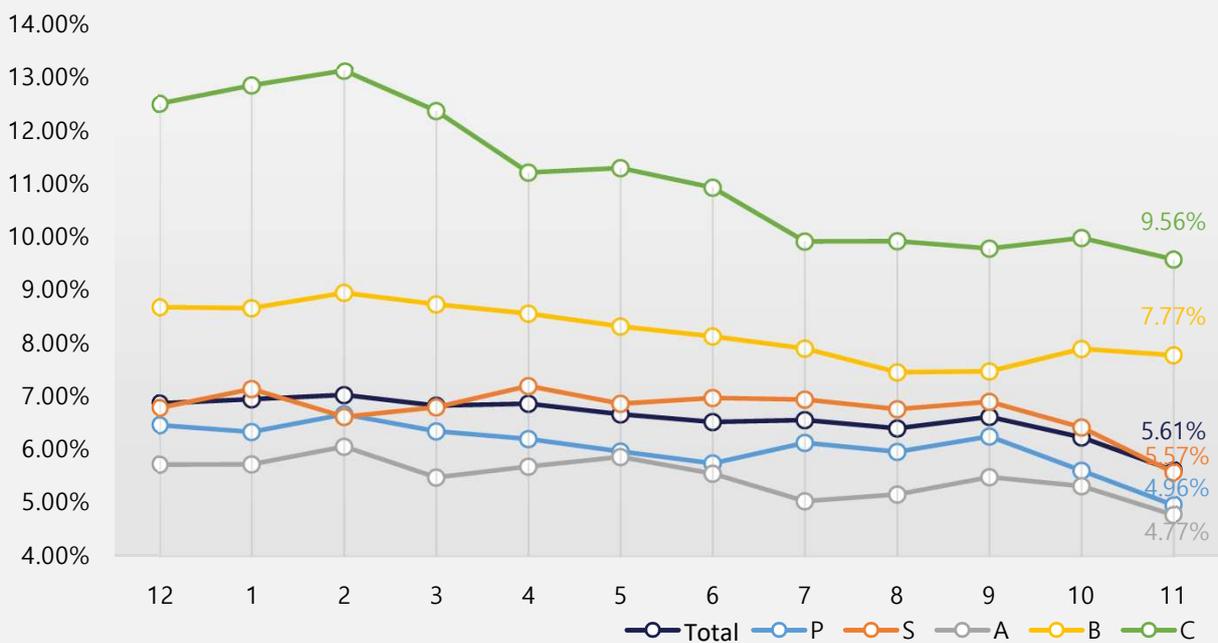


Monthly Vacancy Rate in 5 Main Districts

The chart below indicates the changes in the vacancy rates within Seoul from Dec 2018 to Nov 2019. The continuous drop of CBD's vacancy rate was observed, which was apparently due to the head offices of SK C&C and Shinsaeng having moved into Centro Polis Buildings in Jongro.



Monthly Vacancy Rate for Different Sizes of Buildings



02

CBD Central Seoul

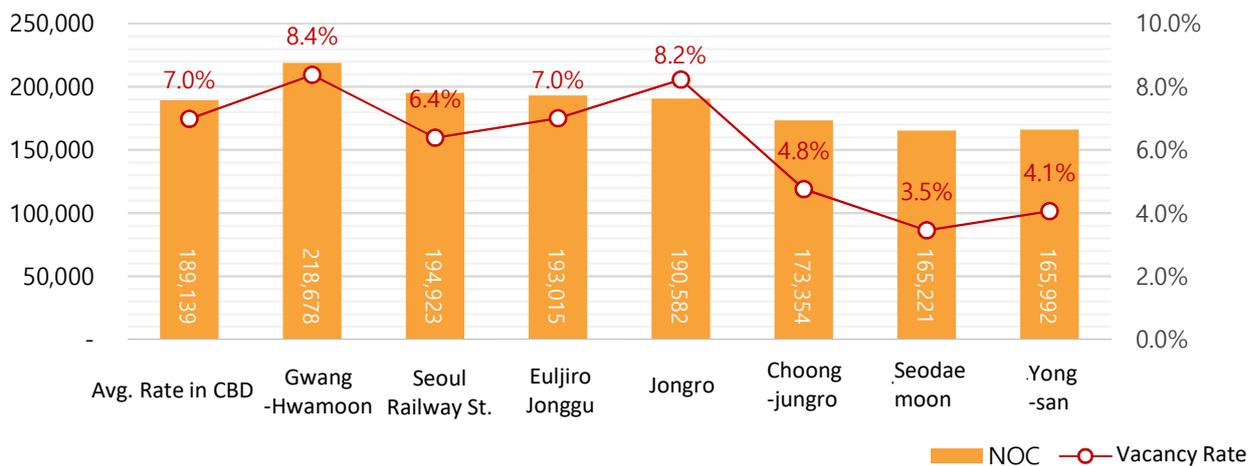
CBD OFFICE LEASING MARKET

🏢 Vacancy Rate 🕒 Avg. NOC
6.98% ↓ **₩189,139** ↑

Avg. Rent	Avg. Deposit	Avg. Management Fee
74,322	756,374	32,925

The average vacancy rate of office buildings in CBD is 6.98% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩189,139

Vacancy Rate & NOC in Central Business Districts (CBD)



Vacancy Rate & NOC for Different Sizes of Buildings in CBD



03 GBD Gangnam

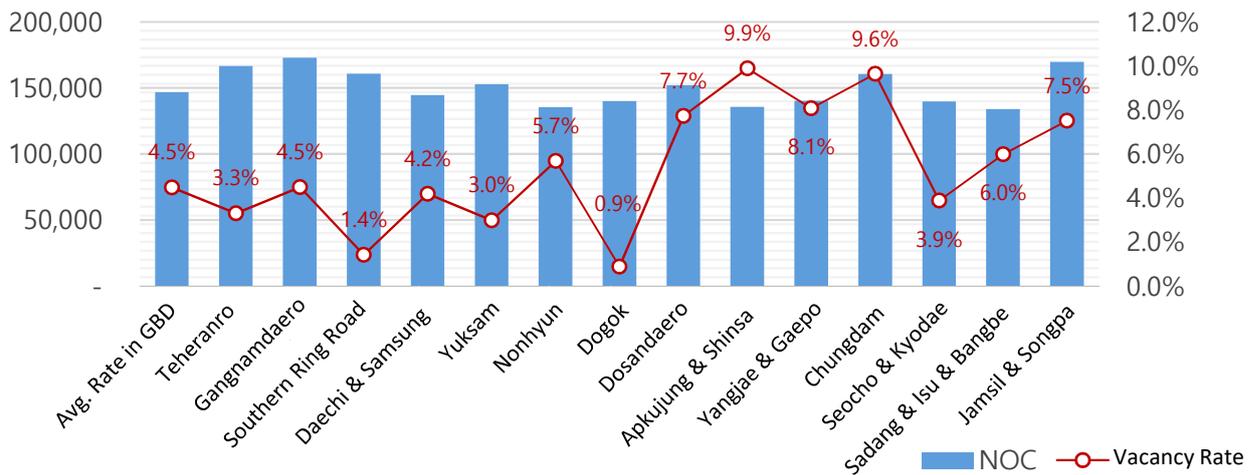
GBD OFFICE LEASING MARKET

Vacancy Rate **4.48%** ↓ Avg. NOC **₩146,742** ↑

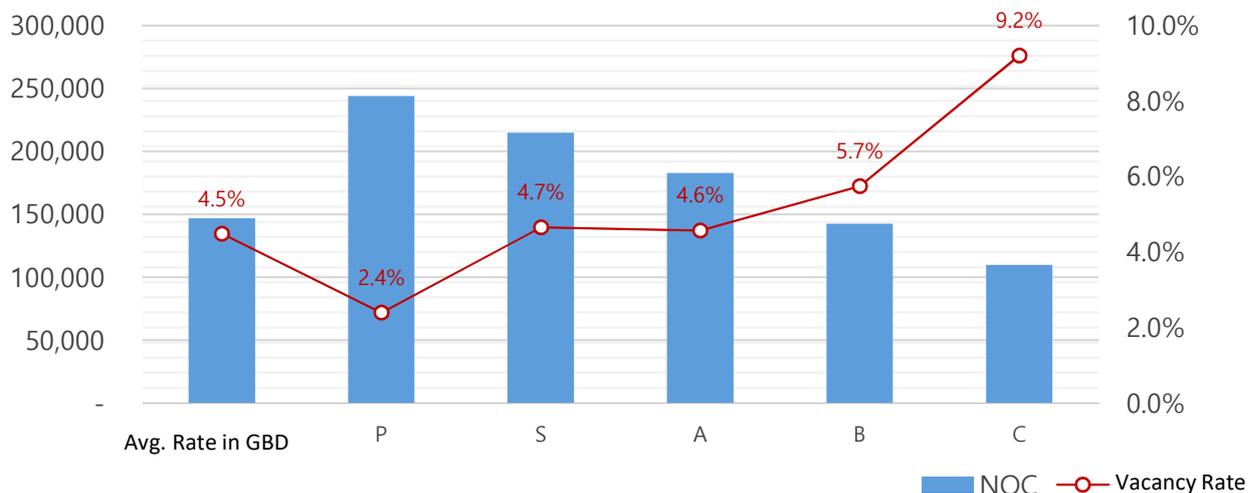
Avg. Rent	Avg. Deposit	Avg. Management Fee
63,188	898,318	22,669

The average vacancy rate of office buildings in GBD is 4.48% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩146,742.

Vacancy Rate & NOC in Gangnam Business Districts (GBD)



Vacancy Rate & NOC for Different Sizes of Buildings in GBD



Q4 YBD Yeuido & Yeongdeungpo

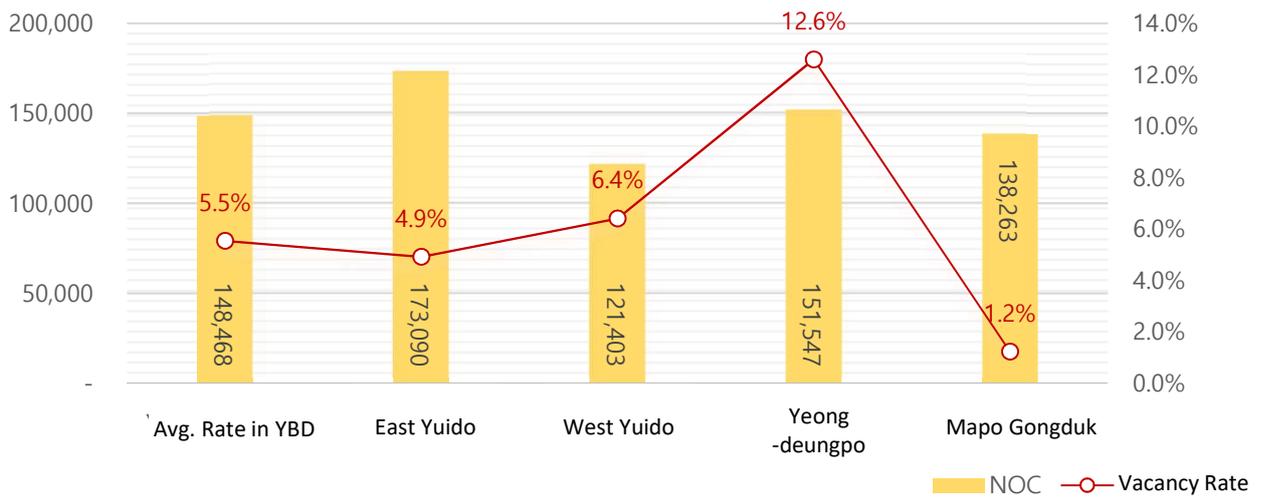
YBD OFFICE LEASING MARKET

Vacancy Rate **5.53%** ↑ Avg. NOC **₩148,468** ↓

Avg. Rent	Avg. Deposit	Avg. Management Fee
52,647	565,081	25,868

The average vacancy rate of office buildings in Seoul is 5.53% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩148,468.

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

6.08% ↓

Avg. NOC

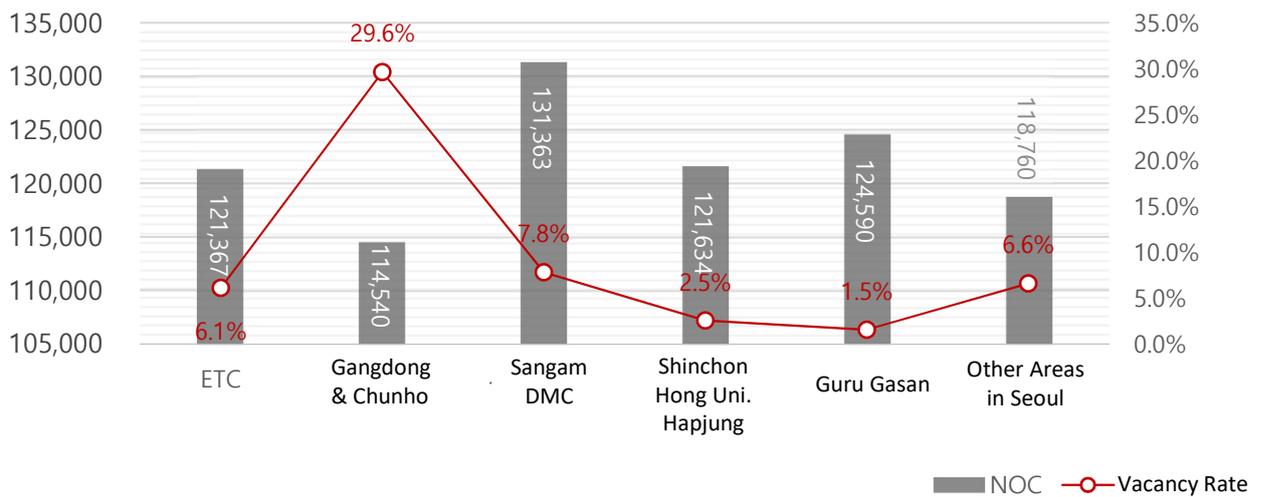


₩121,367 ↓

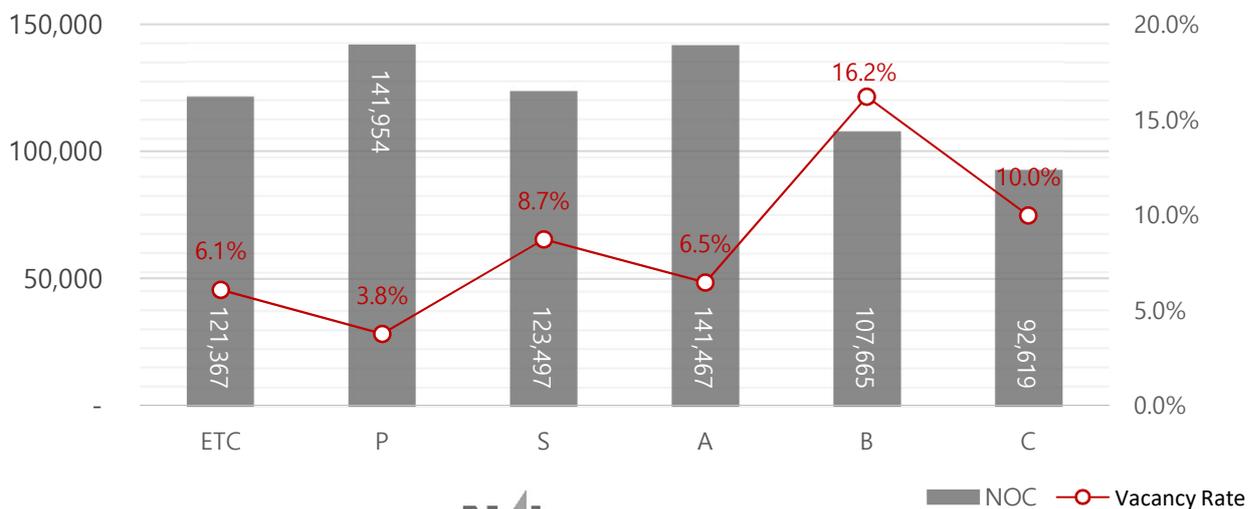
Avg. Rent	Avg. Deposit	Avg. Management Fee
44,723	516,786	18,777

The average vacancy rate of office buildings in ETC is 6.08% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩121,367.

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



Vacancy Rate & NOC for Different Sizes of Buildings in ETC



06 PBBD Pangyo & Bundang

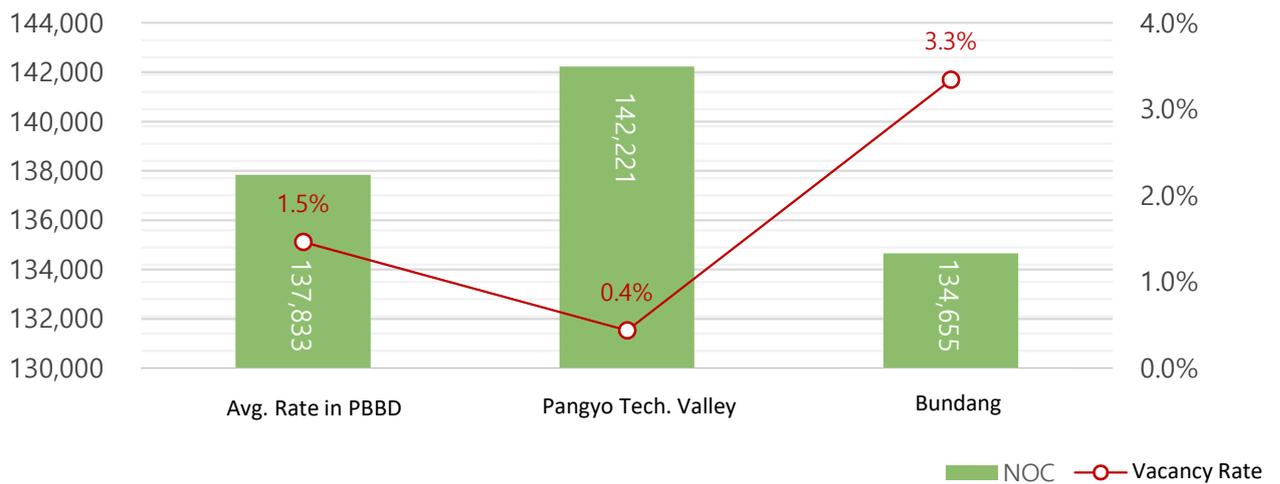
PBBD OFFICE LEASING MARKET

Vacancy Rate **1.46%** ↑ Avg. NOC **₩137,833** ↑

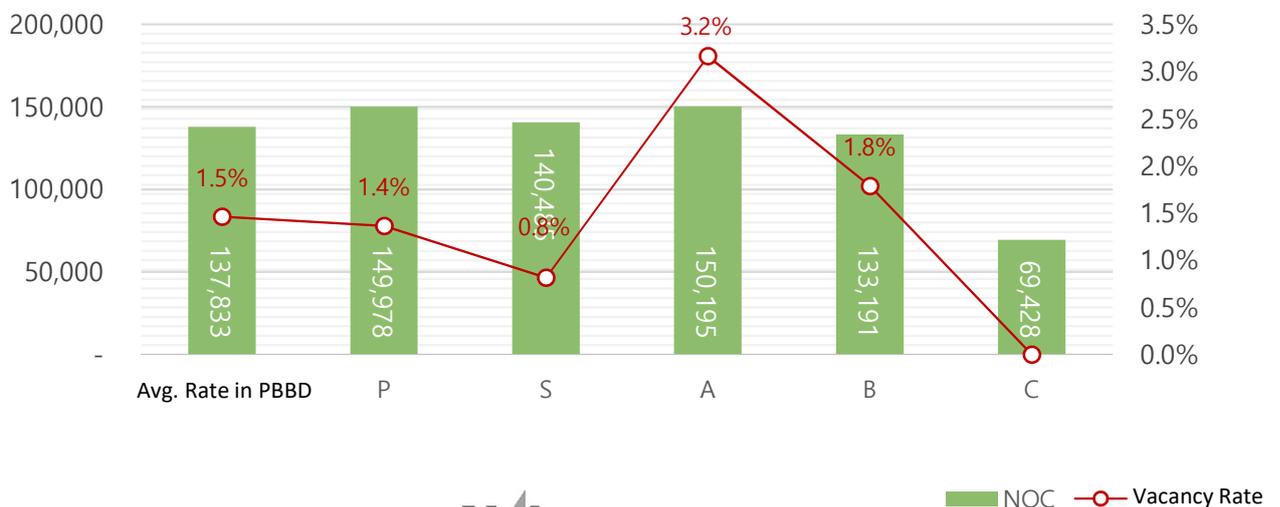
Avg. Rent	Avg. Deposit	Avg. Management Fee
46,269	534,825	21,771

The average vacancy rate of office buildings in Seoul is 1.46% as at Nov 2019, and the average NOC (the cost of 1py within GFA) is ₩137,833.

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-hwa Moon	512,337	877,183	87,457	35,155	218,678	8.37%
	Seoul Railway St.	723,455	769,751	76,682	34,650	194,923	6.39%
	Euljiro Joong-gu	1,189,902	763,112	76,447	33,993	193,015	7.00%
	Jong-roh	616,942	792,600	76,207	31,871	190,582	8.23%
	Choongjung-roh	171,309	625,591	61,904	30,972	173,354	4.76%
	Seodaemoon	122,300	769,280	61,847	30,833	165,221	3.45%
	Yongsan	145,992	662,385	60,492	31,038	165,992	4.06%
GBD	Teheranro	1,351,943	874,367	69,122	26,202	166,437	3.30%
	Gangnamdaero	496,919	969,448	69,892	27,186	172,802	4.49%
	Southern Ring Road	69,561	852,725	59,621	25,587	160,645	1.41%
	Daechi & Samsung	747,039	863,646	62,623	22,653	144,427	4.18%
	Yuksam	1,131,627	855,271	64,479	23,711	152,744	2.99%
	Nonhyun	262,742	1,020,588	63,041	21,655	135,220	5.68%
	Dogok	77,302	806,354	53,100	23,407	139,943	0.87%
	Dosandaero	78,703	1,171,932	68,164	24,201	152,025	7.73%
	Apkujung & Shinsa	54,326	1,058,129	64,016	21,143	135,670	9.88%
	Yangjae & Gaepo	43,593	702,689	53,777	21,381	140,051	8.08%
	Chungdam	95,091	1,149,260	74,144	21,756	160,518	9.64%
	Seocho & Gyudae	143,070	911,145	60,317	19,049	139,740	3.88%
	Sadang, Isu & Bangbe	26,743	1,078,643	58,959	19,382	133,966	5.99%
Jamsil & Songpa	295,412	753,791	59,783	24,755	169,746	7.51%	
YBD	East Yeouido	669,065	600,444	57,374	29,599	173,090	4.91%
	West Yeouido	161,081	466,712	43,146	22,174	121,403	6.40%
	Yeongdeungpo	135,079	527,071	49,206	27,690	151,547	12.59%
	Mapo Gongduk	175,221	497,552	50,527	26,208	138,263	1.22%
ETC	Gangdong Chunho	67,197	494,444	45,206	17,375	114,540	29.64%
	Sangam DMC	296,825	399,987	39,841	25,081	131,363	7.78%
	Shinchon, Hong Uni. & Hapchun	61,120	797,683	54,574	19,758	121,634	2.52%
	Other Areas in Seoul	566,630	544,573	46,836	19,757	118,760	6.57%
PBBD	Pangyo Techno. Valley	319,624	503,443	48,972	19,641	142,221	0.44%
	Bundang	174,253	558,633	44,219	23,388	134,655	3.34%