



MONTHLY MARKET
REVIEW

November 2019

Seoul Office

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

Seoul Finance Center (SFC)
in Moogyodong



NAI Korea

Commercial Real Estate Services, Worldwide.

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	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, Seodaemoon, 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

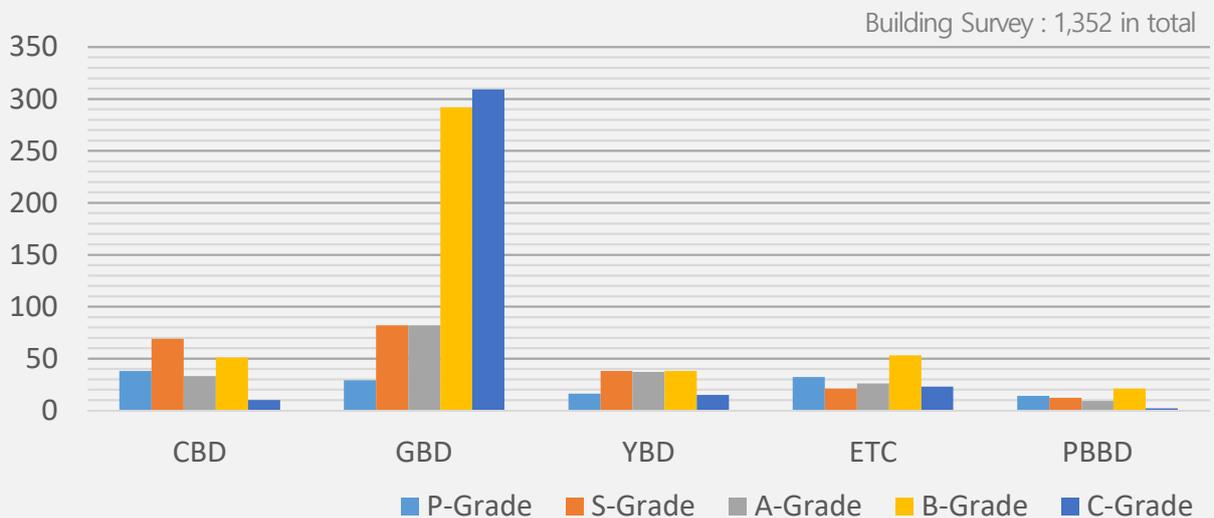
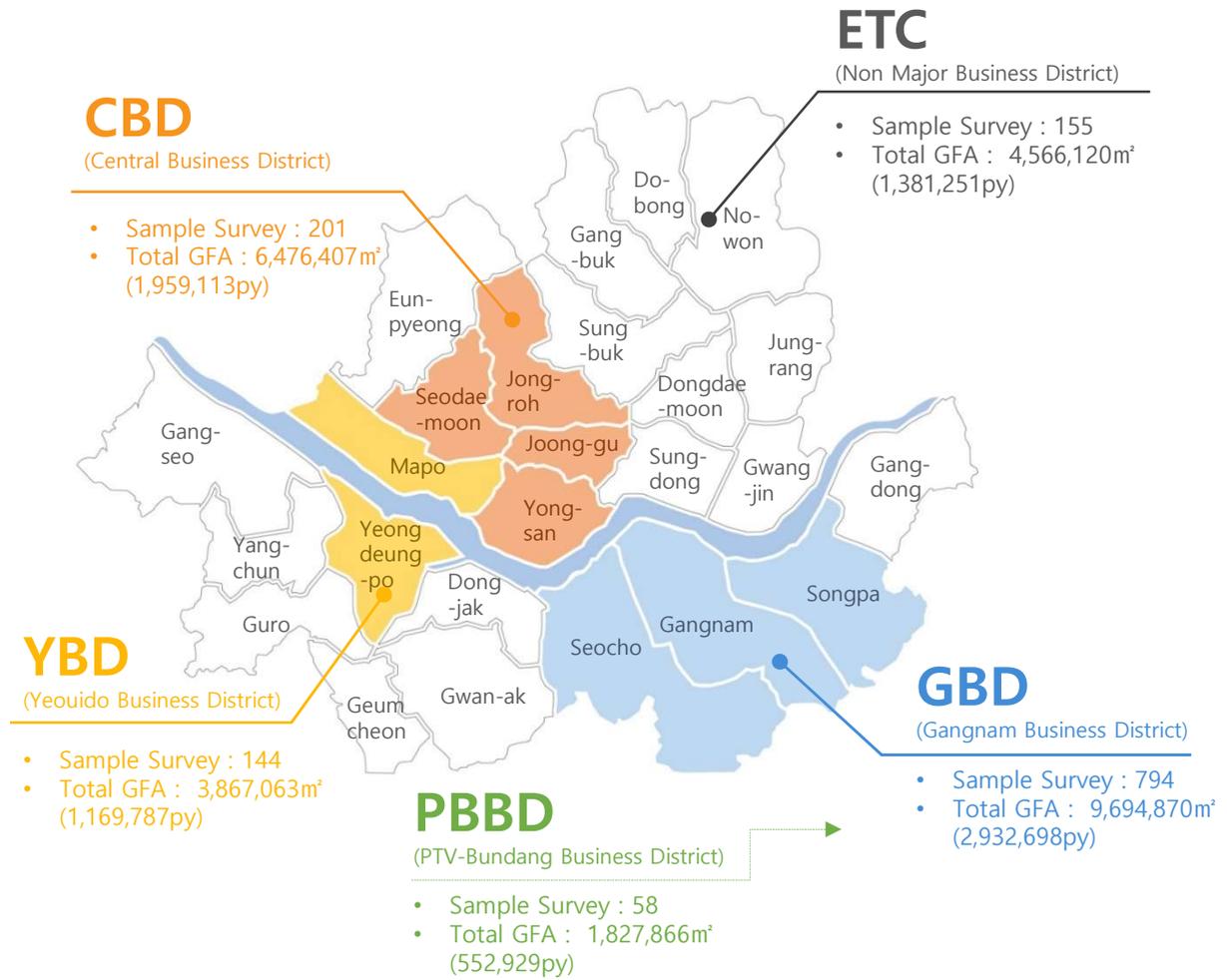
	P Grade Prime Bldg.	S Grade Large Bldg.	A Grade Large-medium	B Grade Medium-small	C Grade Small Bldg.
Gross Floor Area	>15,000py	>7,000py	>4,000py	>1,000py	<1,000py
Lease Area of Sample Floor	>500py	>300py	>200py	>150py	<150py

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

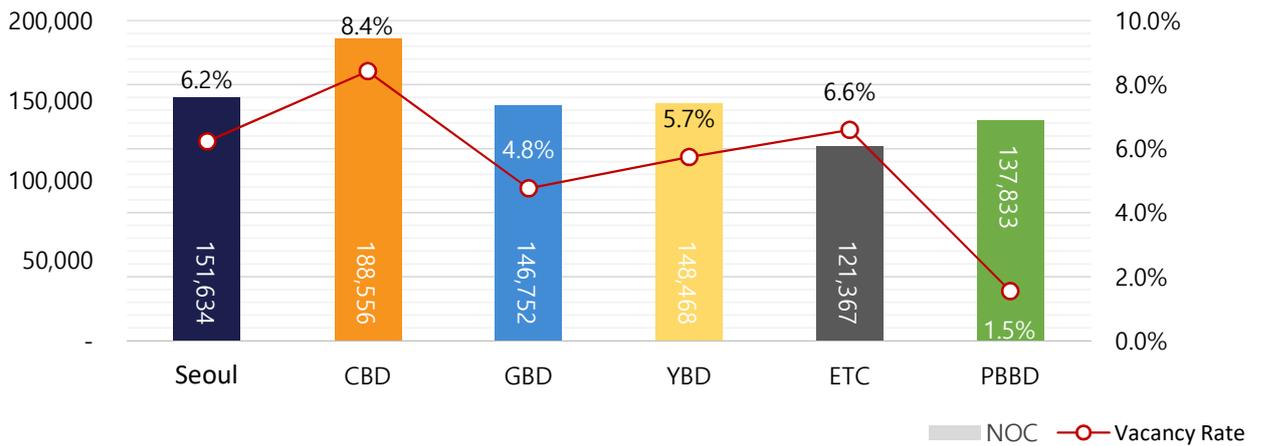
Vacancy Rate
6.23% ↓

Average NOC
₩151,634 ↑

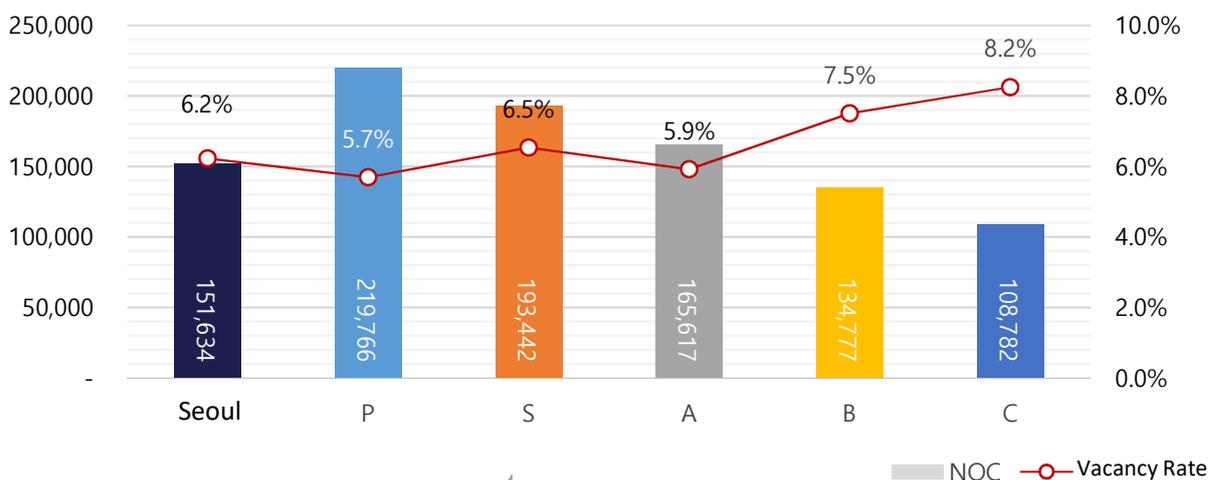
Avg. Rent	Avg. Deposit	Avg. Management Fee
61,859	796,832	24,304

The average vacancy rate of office buildings in Seoul is 6.23% as at Oct 2019, and the average NOC (the cost of 1py within GFA) is ₩151,634.

Vacancy Rate & NOC in Seoul and Each District

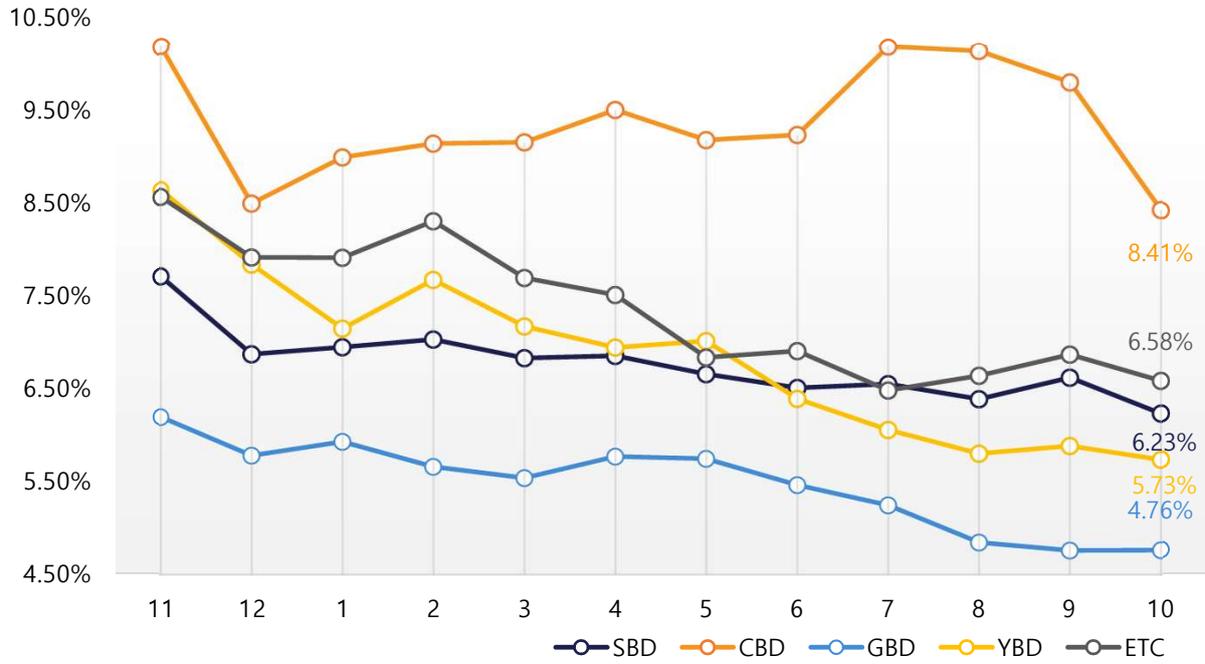


Vacancy Rate & NOC in Seoul & Each Building Category

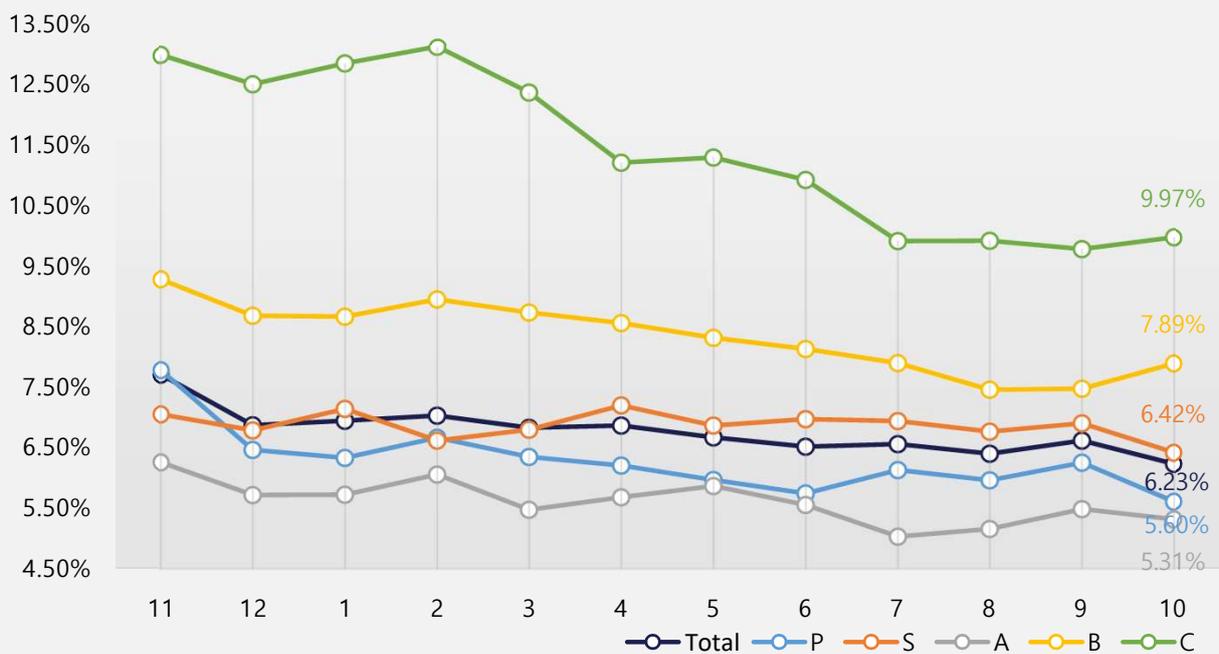


Monthly Changes of Vacancy Rate in Different Districts

The chart below indicates the changes in the vacancy rates within Seoul from Nov 2018 to Oct 2019. The drop of CBD's vacancy rate was outstanding and this reflects the fact that dozens of buildings such as City Square Building managed to lease out many of their vacant units. The overall vacancy rate has decreased since last Q, but the rates in Class B & C buildings have slightly increased.



Monthly Changes of Vacancy Rate for Different Sizes of Buildings



02

CBD Central Seoul

CBD OFFICE LEASING MARKET



Vacancy Rate

8.41%



Avg. NOC

₩188,556

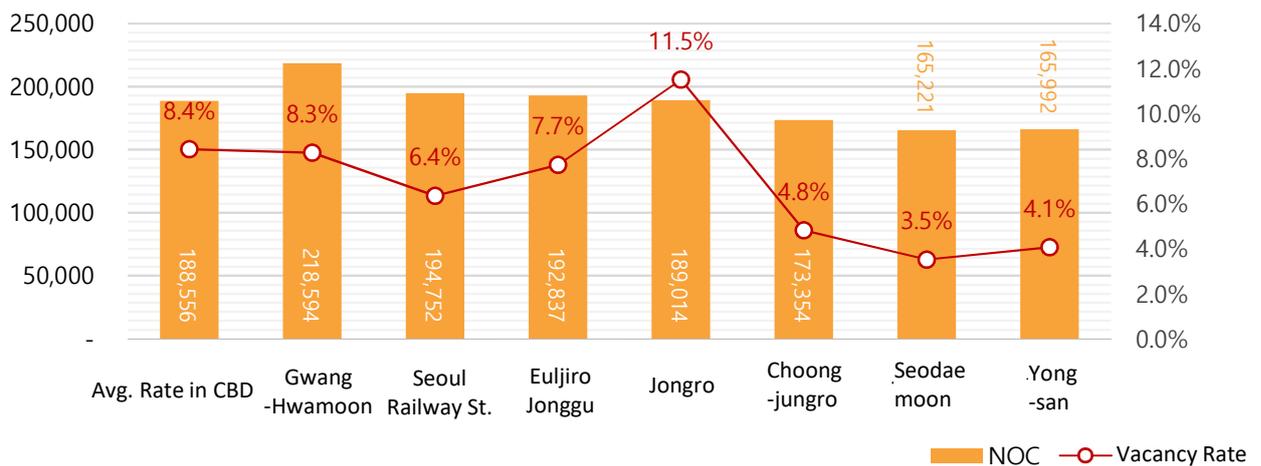


Avg. Rent	Avg. Deposit	Avg. Management Fee
74,216	755,638	32,956

The average vacancy rate of office buildings in CBD is 8.41% as at Oct 2019, and the average NOC (the cost of 1py within GFA) is ₩188,556



Vacancy Rate & NOC in Central Business Districts (CBD)



Vacancy Rate & NOC for Different Sizes of Buildings in CBD



03 GBD Gangnam

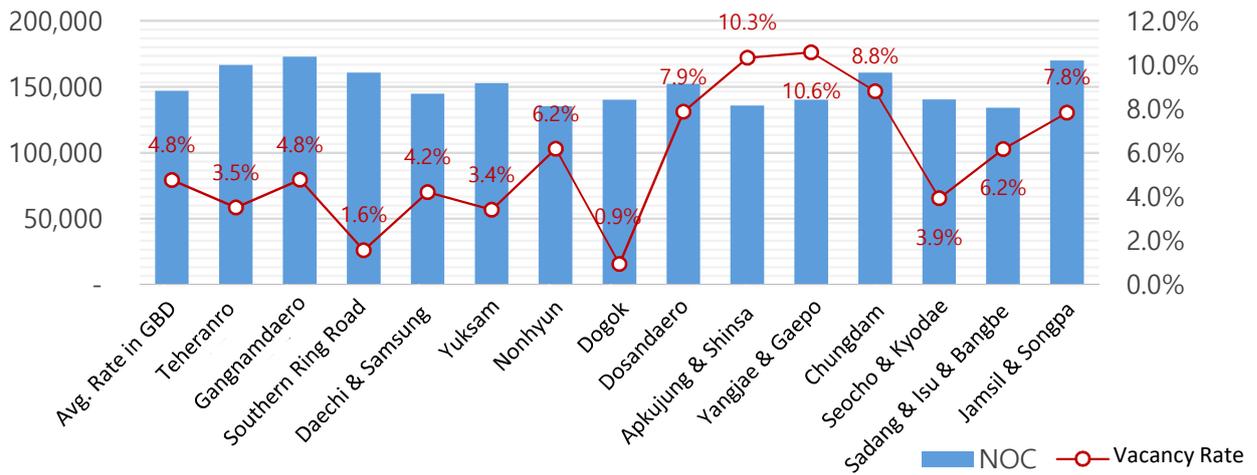
GBD OFFICE LEASING MARKET

Vacancy Rate **4.76%** ↓ Avg. NOC **₩146,752** ↑

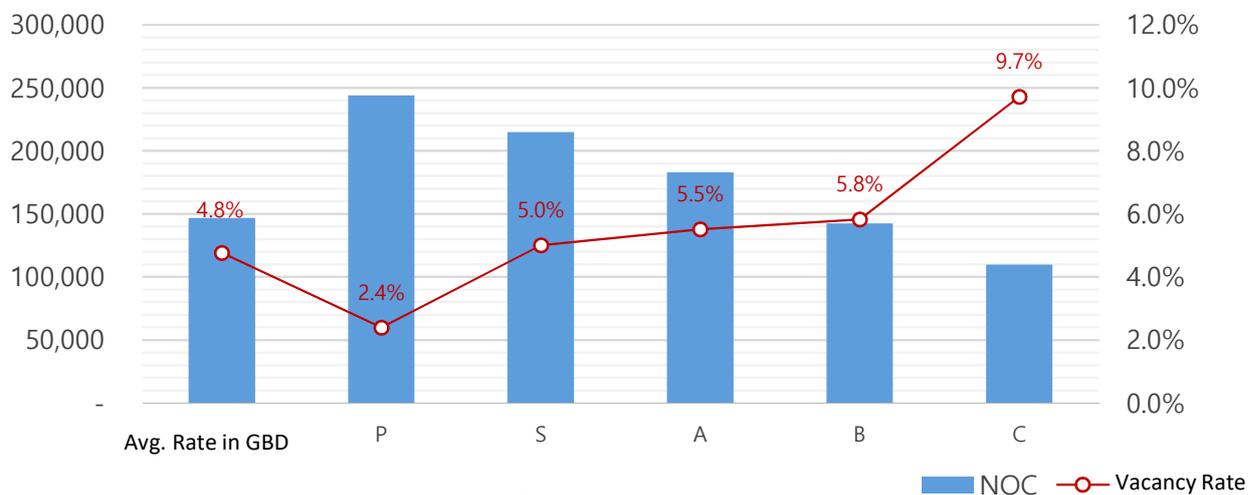
Avg. Rent	Avg. Deposit	Avg. Management Fee
63,199	898,318	22,662

The average vacancy rate of office buildings in GBD is 4.76% as at Oct 2019, and the average NOC (the cost of 1py within GFA) is ₩146,752.

Vacancy Rate & NOC in Gangnam Business Districts (GBD)



Vacancy Rate & NOC for Different Sizes of Buildings in GBD



Q4

YBD Yeuido & Yeongdeungpo

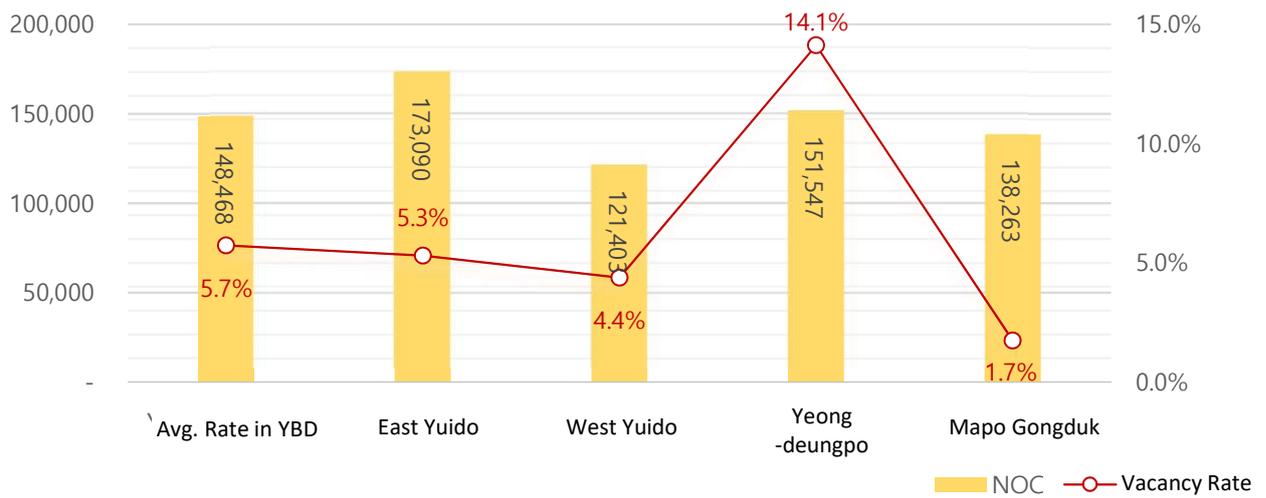
YBD OFFICE LEASING MARKET

Vacancy Rate **5.73%** ↓ 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 5.73% as at Oct 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

6.58% ↓

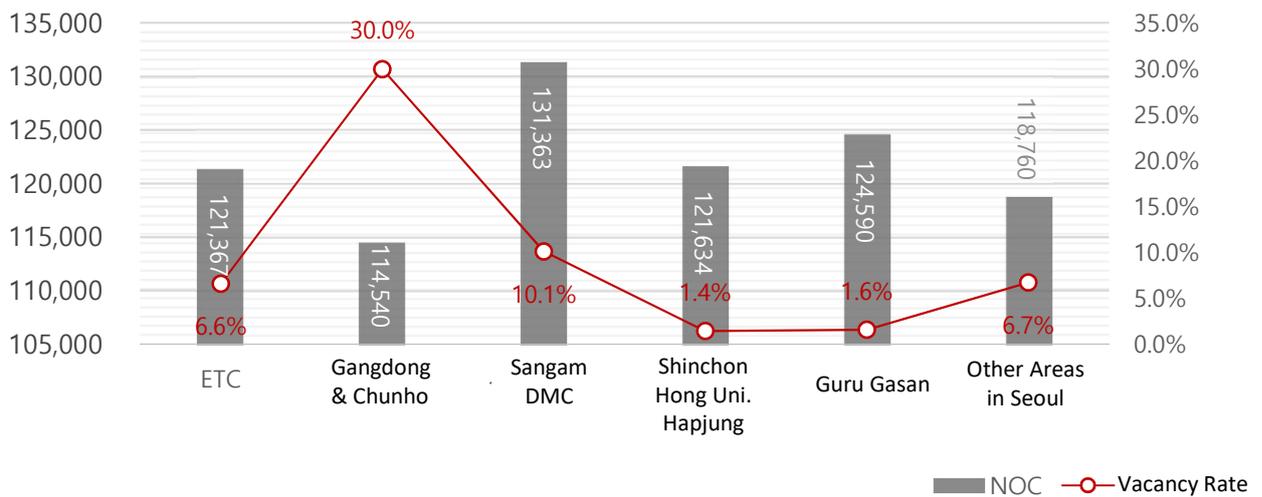
Avg. NOC

₩121,367 ↓

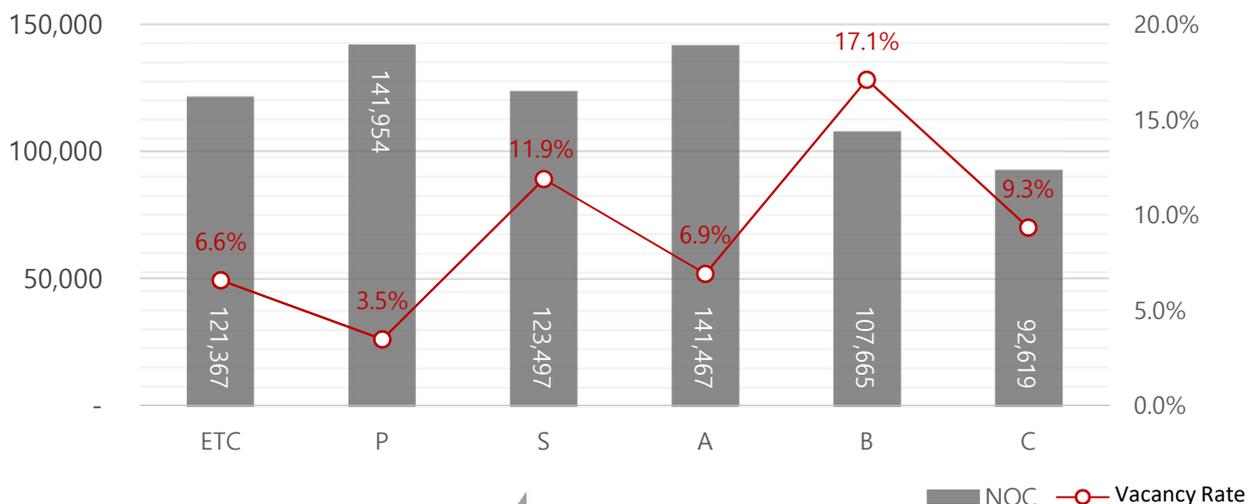
Avg. Rent	Avg. Deposit	Avg. Management Fee
44,723	516,786	18,777

The average vacancy rate of office buildings in ETC is 6.58% as at Oct 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

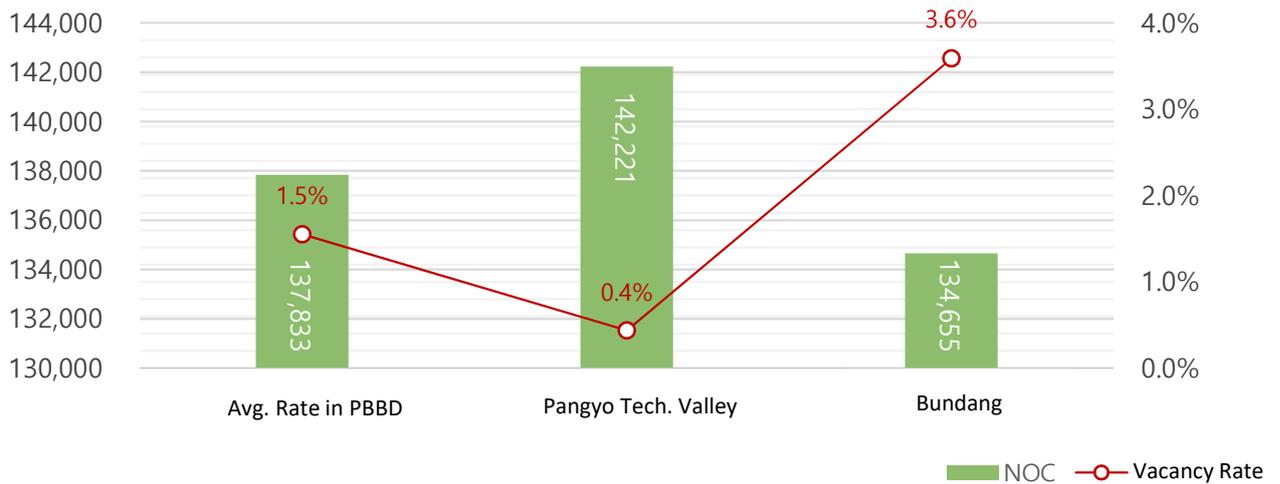
PBBD OFFICE LEASING MARKET

Vacancy Rate **1.55%** ↑ 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 1.55% as at Oct 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



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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	35,111	218,594	8.26%
	Seoul Railway St.	723,454	769,751	76,602	34,618	194,752	6.35%
	Euljiro Joong-gu	1,189,902	762,653	76,355	33,966	192,837	7.73%
	Jong-roh	616,942	791,643	76,061	32,002	189,014	11.51%
	Choongjung-roh	171,309	625,591	61,904	30,972	173,354	4.81%
	Seodaemoon	122,300	769,280	61,847	30,833	165,221	3.52%
	Yongsan	145,992	662,385	60,492	31,038	165,992	4.06%
GBD	Teheranro	1,351,942	874,238	69,109	26,198	166,402	3.51%
	Gangnamdaero	496,919	969,448	69,874	27,177	172,758	4.78%
	Southern Ring Road	69,561	852,725	59,621	25,587	160,645	1.57%
	Daechi & Samsung	746,637	864,586	62,581	22,726	144,703	4.21%
	Yuksam	1,131,627	855,157	64,468	23,692	152,690	3.40%
	Nonhyun	262,742	1,020,838	63,049	21,655	135,247	6.18%
	Dogok	77,302	806,354	53,100	23,407	139,943	0.94%
	Dosandaero	78,703	1,171,932	68,164	24,201	152,025	7.86%
	Apkujung & Shinsa	54,326	1,058,129	64,016	21,143	135,670	10.32%
	Yangjae & Gaepo	43,593	702,689	53,777	21,381	140,051	10.56%
	Chungdam	95,091	1,149,260	74,144	21,756	160,518	8.80%
	Seocho & Gyudae	143,070	911,145	60,573	19,049	140,217	3.93%
	Sadang, Isu & Bangbe	26,743	1,078,643	58,959	19,382	133,966	6.17%
Jamsil & Songpa	295,412	753,791	59,783	24,755	169,746	7.82%	
YBD	East Yeouido	669,065	600,444	57,374	29,599	173,090	5.30%
	West Yeouido	161,081	466,712	43,146	22,174	121,403	4.37%
	Yeongdeungpo	135,079	527,071	49,206	27,690	151,547	14.12%
	Mapo Gongduk	175,221	497,552	50,527	26,208	138,263	1.74%
ETC	Gangdong Chunho	67,197	494,444	45,206	17,375	114,540	29.97%
	Sangam DMC	296,825	399,987	39,841	25,081	131,363	10.07%
	Shincheon, Hong Uni. & Hapchun	61,120	797,683	54,574	19,758	121,634	1.42%
	Other Areas in Seoul	566,630	547,005	46,982	19,882	118,760	6.72%
PBB	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	3.59%