

December 2020

# **Seoul Office**

MONTHLY MARKET REVIEW



#### 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 1,000m² ( =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, November 2020
DB Management	Okey Research Center has carried out our research with a large numbers of sample data and provided the vacancy and rent information of office buildings via our office lease platform 'OKEY- Office Key'.
Exchange Rate	1 USD = 1,082.20 KRW (0.92 USD = 1,000 KRW) as at 9 December 2020

#### 5 Regional Divisions in Seoul

CBD	GBD	YBD	ETC	PBBD
Central Business	Gangnam Business	Yeido Business	Non Major Business	PTV-Bundang
District	District	District	District	Business District
Gwanghwa-moon, Joong-gu, Seodaemoon, Jong-ro, Etc	Gangnam-gu, Seocho-gu, Etc.	Yeido, Mapo-ku, Etc.	Sangam, Gangdong, Songpa-gu, Etc.	Pangyo Techno Valley, Seohyundong, Sunedong, Etc.

#### Categories of Office Buildings by Their Sizes 03

	Grade P Grade S Grade A		Grade B	Grade C	
	Prime Bldg. Large Bldg. Large-medium		Medium-small	Small Bldg.	
Gross	≥49,587 m²	≥23,140 m²	≥13,223 m²	≥3,306m²	<3,306m²
Floor Area	(≥15,000py)	(≥7,000py)	(≥4,000py)	(≥1,000py)	(<1,000py)
Lease Area of Sample Floor	≥1,653m² (≥500py)	≥992m² (≥300py)	≥661 m² (≥200py)	≥496m² (≥150py)	<496m² (<150py)

NOC (Net Occupancy Cost)

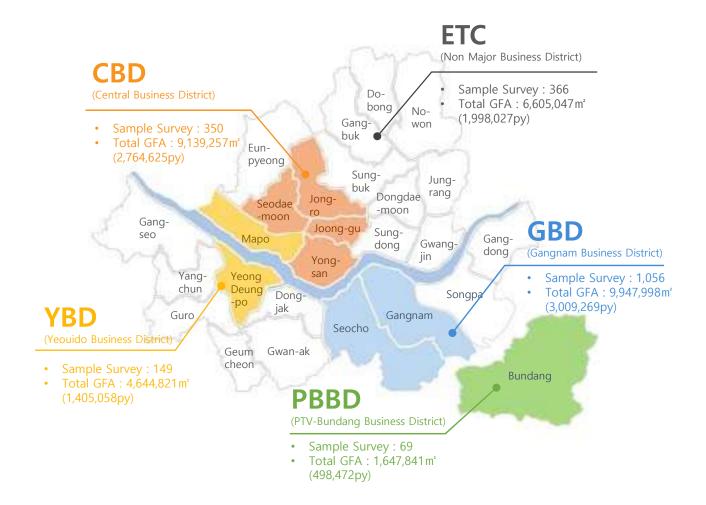
<sup>\*</sup>py : Pyung (1  $m^2 = 0.3025 py$ )



<sup>\*</sup>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.

#### 04

#### Sample Size of Each District



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#### Sample Size of Each Building Grade

SBD	Р	S	Α	В	С
Sample	128	235	227	634	697
GFA(m²)	12,542,319	8,117,225	3,991,878	4,340,691	1,345,009
GFA(3.3m²)	3,794,052	2,455,460	1,207,543	1,313,059	406,865



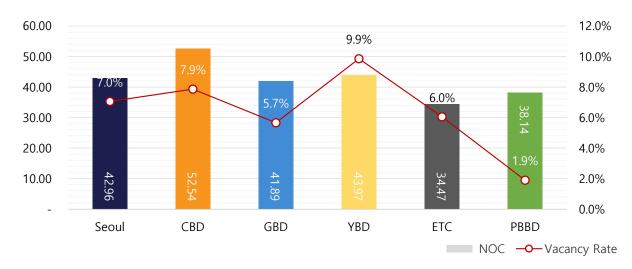




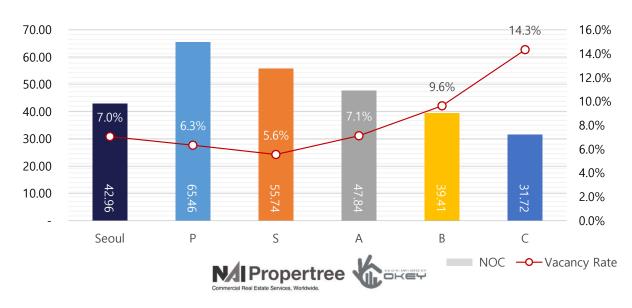
Avg. Rent	Avg. Deposit	Avg. Management. Fee	
18.18	237.65	6.76	

The average vacancy rate of office buildings in Seoul is 7.05% as at November 2020, and the average NOC is \$42.96.

### Vacancy Rate & NOC in Seoul and Each District

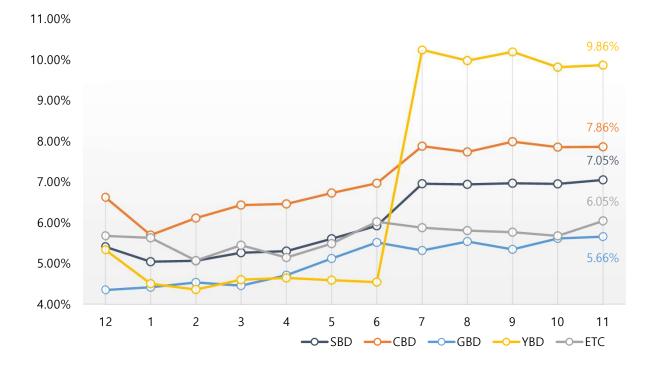


#### Vacancy Rate & NOC in Seoul & Each Building Category

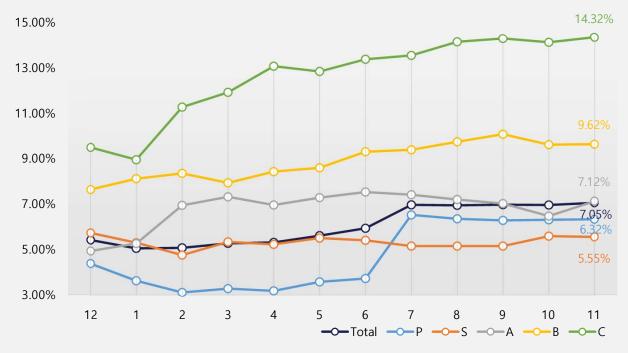


### Monthly Vacancy Rate in 5 Main Districts

The chart below indicates the vacancy level of Seoul as in November 2020. In CBD, Deutsche Bank AG. moved out from Youngpoong Building so the vacant units of 6,600m were newly added to the lease market in Q3 2020. In GBD, Block77 Building which completed its building work in last August found the tenants (e.g. Tera Funding Ltd., Sparkplus Corp. etc.) for the building, so its vacant units of 7,800m were all filled out. In YBD, CS Complex Building which recently completed its building work in Dangsandong, newly added its brand-new vacant units of 9,400m to the lease market.



# Monthly Vacancy Rate for Different Sizes of Buildings





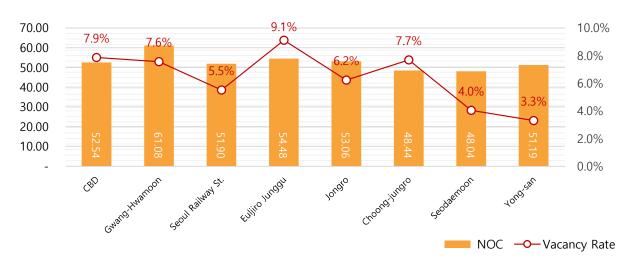
## Q2 CBD Central Seoul

CBD OFFICE LEASING MARKET

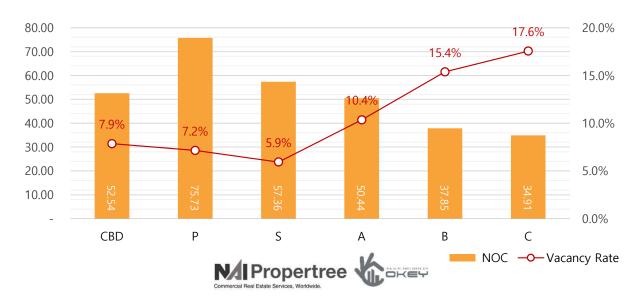
Avg. Rent	Avg. Deposit	Avg. Management. Fee
20.86	213.30	8.99

The average vacancy rate of office buildings in CBD is 7.86% as at November 2020, and the average NOC is \$52.54.

### Vacancy Rate & NOC in Central Business Districts (CBD)



### Vacancy Rate & NOC for Different Sizes of Buildings in CBD



**GBD** Gangnam GBD OFFICE LEASING MARKET

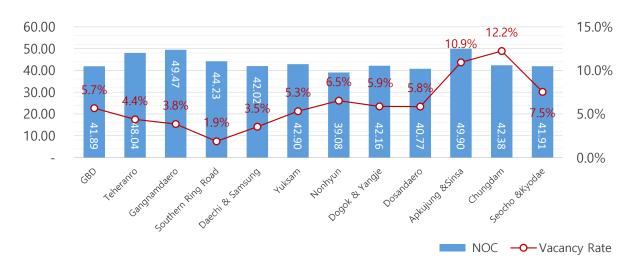




Avg. Rent	Avg. Deposit	Avg. Management. Fee
18.89	269.18	6.30

The average vacancy rate of office buildings in GBD is 5.66% as at November 2020, and the average NOC is \$41.89.

### ■ Vacancy Rate & NOC in Gangnam Business Districts (GBD)



### \_Vacancy Rate & NOC for Different Sizes of Buildings in GBD



74 YBD Yeuido & Yeongdeungpo

YBD OFFICE LEASING MARKET

Vacancy rate 9.86%

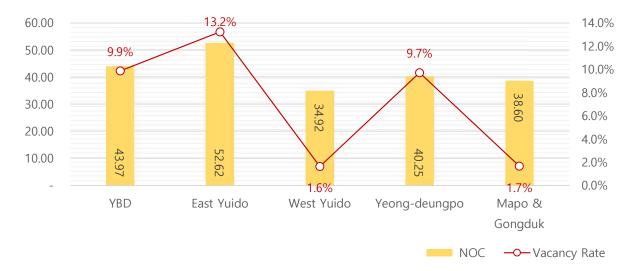
Avg. NOC \$43.97

Avg. Rent Avg. Deposit Avg. Management. Fee

15.41 165.16 7.70

The average vacancy rate of office buildings in YBD is 9.86% as at November 2020, and the average NOC is \$43.97.

### Vacancy Rate & NOC in YeongdeungpoBusiness Districts (YBD)



### Vacancy Rate & NOC for Different Sizes of Buildings in YBD





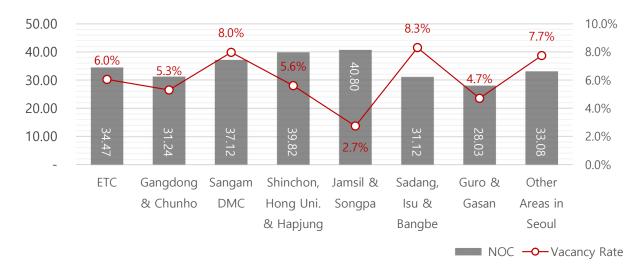
Vacancy rate 6.05%



Avg. Rent	Avg. Deposit	Avg. Management. Fee	
14.17	190.47	5.24	

The average vacancy rate of office buildings in ETC is 6.05% as at November 2020, and the average NOC is \$34.47.

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



#### Vacancy Rate & NOC for Different Sizes of Buildings in ETC



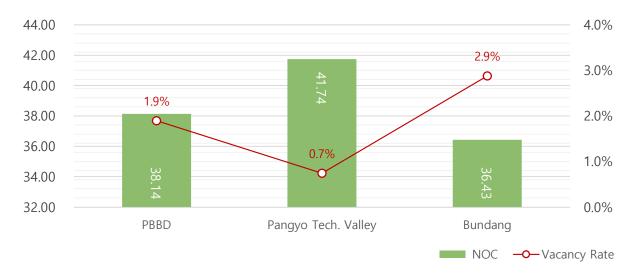
Q6 PBBD Pangyo & Bundang Vacancy rate 1.89%



Avg. Rent	Avg. Deposit	Avg. Management. Fee		
12.98	150.38	6.04		

The average vacancy rate of office buildings in PBBD is 1.89% as at November 2020, and the average NOC is \$38.14.

### Vacancy Rate & NOC in Pangyo& BundangBusiness Districts (PBBD)



#### Vacancy Rate & NOC for Different Sizes of Buildings in PBBD





#### Overall Lease Status

Unit: USD/m²

Market	Submarket	Gross Leasing Area	Avg. Deposit	Avg. Rent	Avg. Mgmt. Fee	Avg. NOC	Vacancy Rate
	Gwang-Hwamoon	2,067,579	240.16	24.05	9.78	61.08	7.56%
	Seoul Railway St.	2,724,413	207.12	20.71	9.52	51.90	5.51%
	Euljiro Junggu	4,450,010	213.40	21.43	9.59	54.48	9.12%
CBD	Jongro	2,496,475	232.54	21.61	8.78	53.06	6.23%
	Choong-jungro	592,868	181.65	17.65	8.60	48.44	7.69%
	Seodaemoon	409,806	212.25	18.46	8.44	48.04	4.03%
	Yong-san	876,078	199.94	18.06	8.02	51.19	3.30%
	Teheranro	4,353,792	246.76	20.33	7.54	48.04	4.37%
	Gangnamdaero	1,863,847	271.73	20.04	7.53	49.47	3.84%
	Southern Ring Road	200,287	247.99	17.00	7.13	44.23	1.87%
	Daechi & Samsung	2,874,061	245.87	18.83	6.41	42.02	3.53%
	Yuksam	3,682,480	240.00	18.63	6.68	42.90	5.32%
GBD	Nonhyun	1,018,686	311.60	18.29	5.96	39.08	6.53%
	Dogok & Yangje	449,158	217.05	15.27	6.03	42.16	5.87%
	Dosandaero	288,487	312.56	18.08	6.49	40.77	5.85%
	Apkujung &Sinsa	236,895	565.75	29.62	5.47	49.90	10.91%
	Chungdam	390,398	320.93	20.70	5.61	42.38	12.23%
	Seocho & Kyodae	658,609	243.96	17.22	5.71	41.91	7.54%
	East Yuido	2,907,683	182.61	17.53	8.77	52.62	13.24%
	West Yuido	499,553	134.47	12.71	6.38	34.92	1.63%
	Yeong-deungpo	552,347	161.06	14.82	6.94	40.25	9.71%
	Mapo & Gongduk	679,917	167.83	14.28	7.28	38.60	1.65%
	Gangdong & Chunho	269,721	164.60	13.21	4.65	31.24	5.30%
	Sangam DMC	1,076,294	116.98	11.34	7.07	37.12	7.98%
ETC	Shinchon, Hong U ni. & Hapjung	283,953	306.23	19.31	5.63	39.82	5.61%
	Jamsil & Songpa	1,612,983	205.36	15.84	6.34	40.80	2.74%
	Sadang, Isu & Bangbe	158,780	278.48	15.89	4.66	31.12	8.31%
	Other Areas in Seoul	3,333,075	175.37	13.82	5.20	33.08	7.74%
DRRD	Pangyo Techno. Vally	912,477	149.65	14.07	5.84	41.74	0.74%
PBBD -	Bundang	603,367	154.67	12.57	6.13	36.43	2.88%

