

January 2021

Seoul Office

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



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, December 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 = 1,088.00 KRW (0.92 USD = 1,000 KRW) as at 5 January 2021

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.	PBBD PTV-Bundang Business District Pangyo Techno 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)

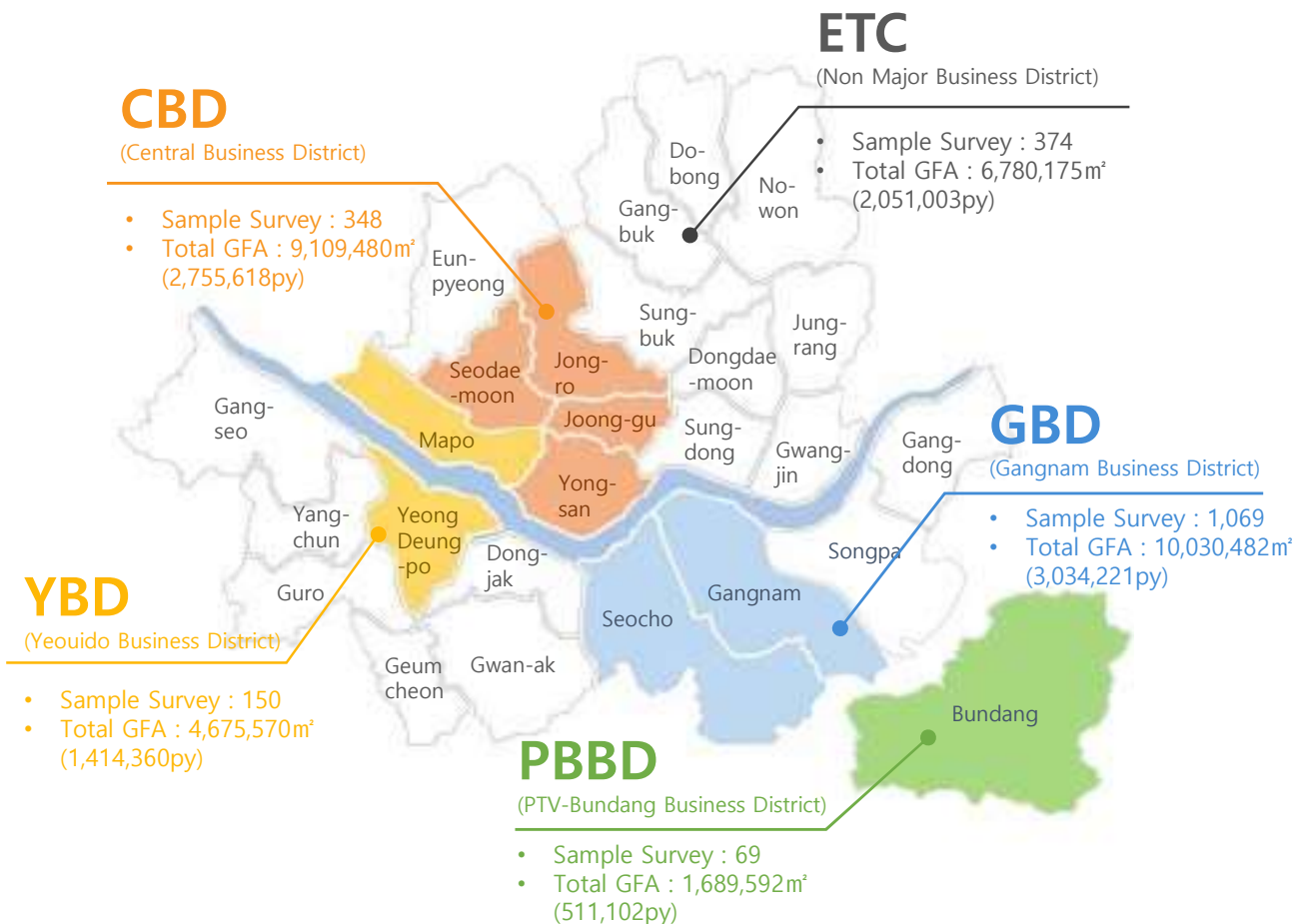
NOC (Net Occupancy Cost)

*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



05

Sample Size of Each Building Grade

SBD	P	S	A	B	C
Sample	130	238	227	641	705
GFA(m ²)	12,639,503	8,215,836	3,991,878	4,387,784	1,360,706
GFA(3.3m ²)	3,823,450	2,485,290	1,207,543	1,327,305	411,613

Q1 SBD Seoul Capital Area

SBD OFFICE LEASING MARKET



Vacancy rate

6.53% ↓



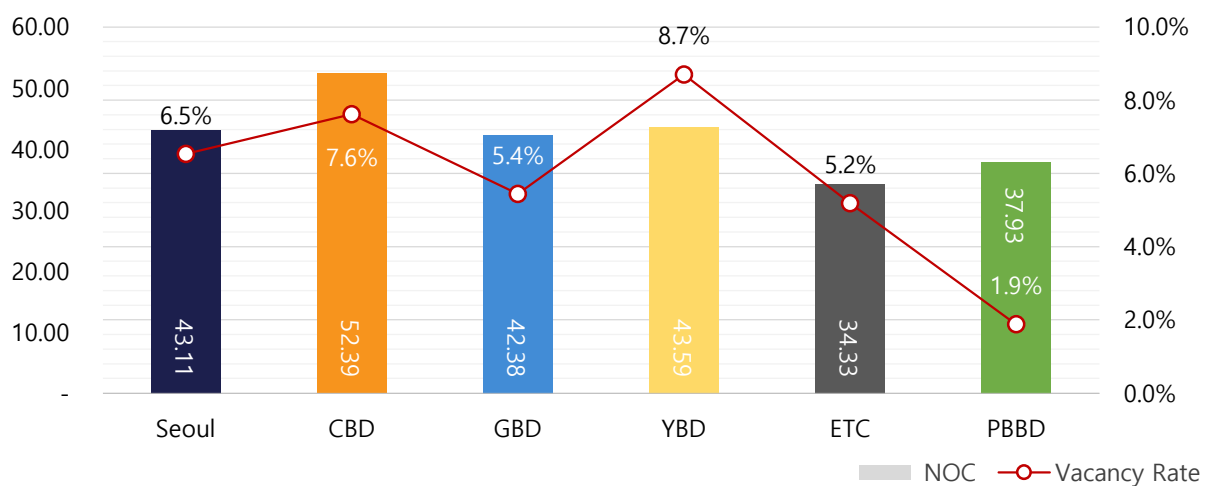
Avg. NOC

\$43.11 ↑

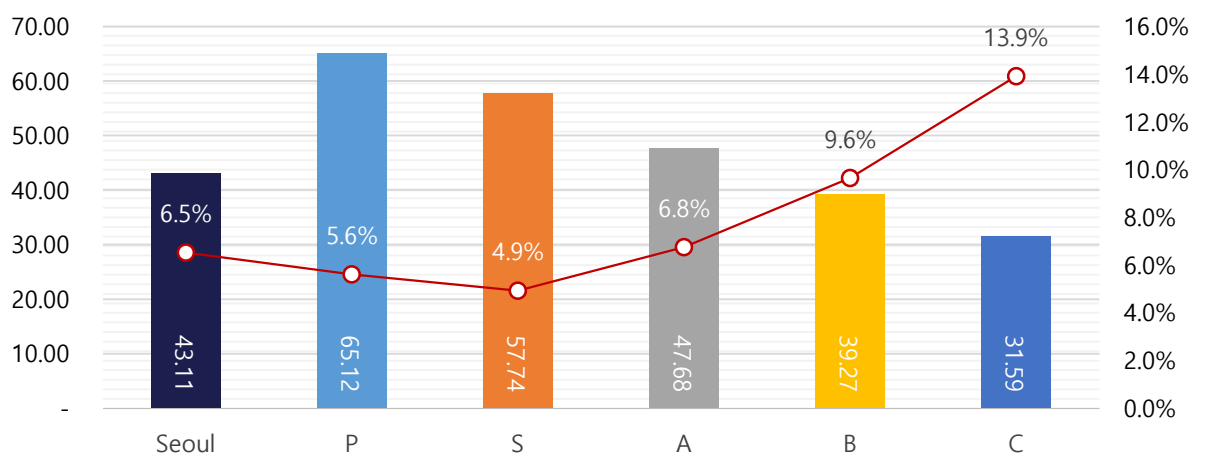
Avg. Rent	Avg. Deposit	Avg. Management. Fee
18.27	236.61	6.70

The average vacancy rate of office buildings in Seoul is 6.53% as at December 2020, and the average NOC is \$43.11.

Vacancy Rate & NOC in Seoul and Each District

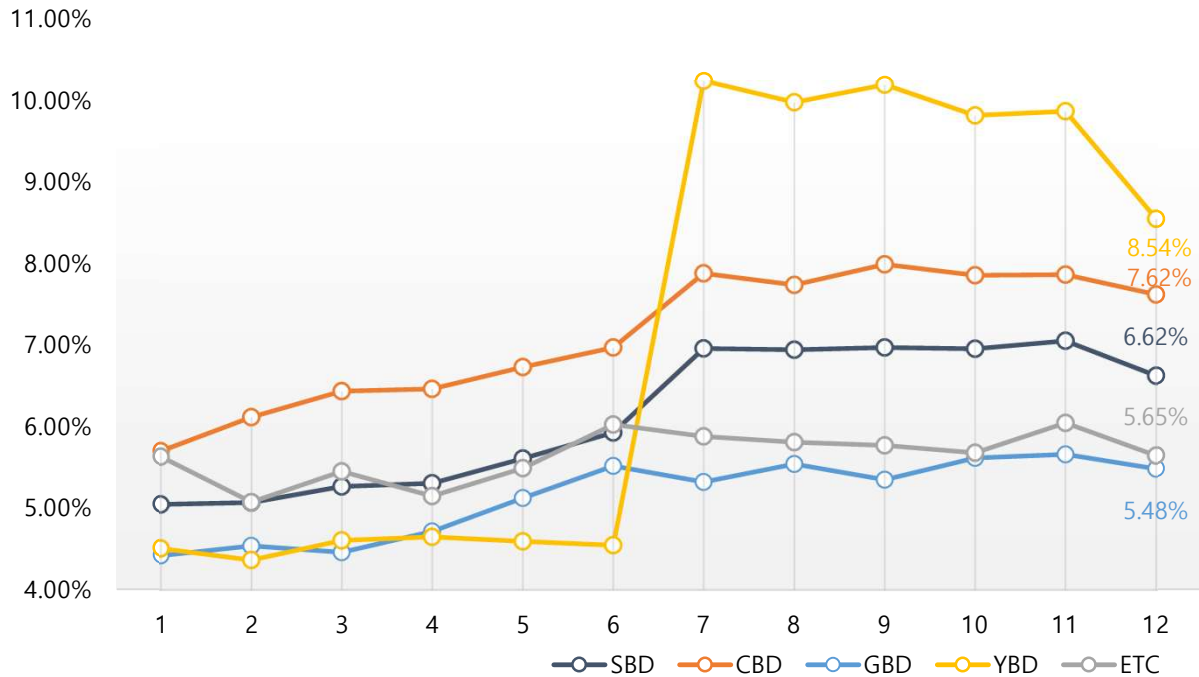


Vacancy Rate & NOC in Seoul & Each Building Category

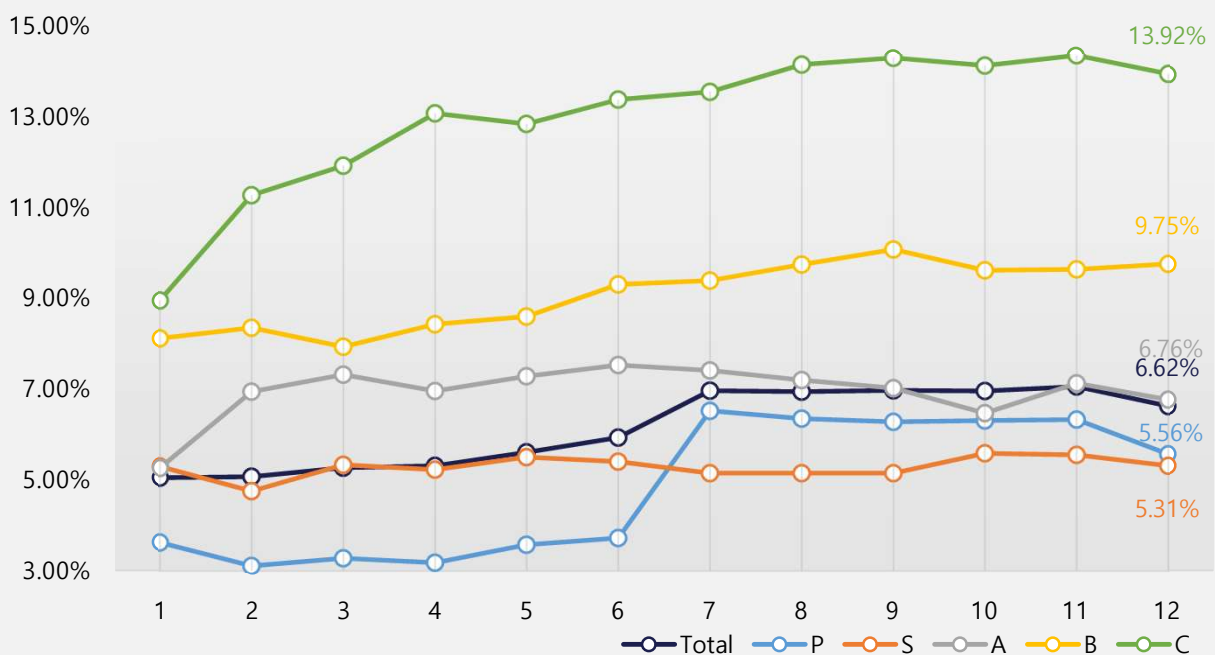


Monthly Vacancy Rate in 5 Main Districts

The following charts indicate the vacancy level of Seoul for December 2020. The considerable drop in YBD was observed which was critically influenced by Parc1 Tower. The tower recently found several quality tenants; 1) LG Energy Solution, renting 8 entire floors of the tower, 2) Eugene Corporation, 3) Eugene Asset Management, 4) Eugene ITS, 5) Rainist (a.k.a. Bank Salad) etc. These new tenants removed the vacancy of 12 floor (36,400m²) in Parc1 Tower. Likewise in CBD, JT Chinae Savings Bank moved into Pine Avenue Tower (B) as a new tenant and occupied the vacant units of 6,300m² of the tower.



Monthly Vacancy Rate for Different Sizes of Buildings



Q2

CBD
Central Seoul

CBD OFFICE LEASING MARKET



Vacancy rate

7.62% ↓



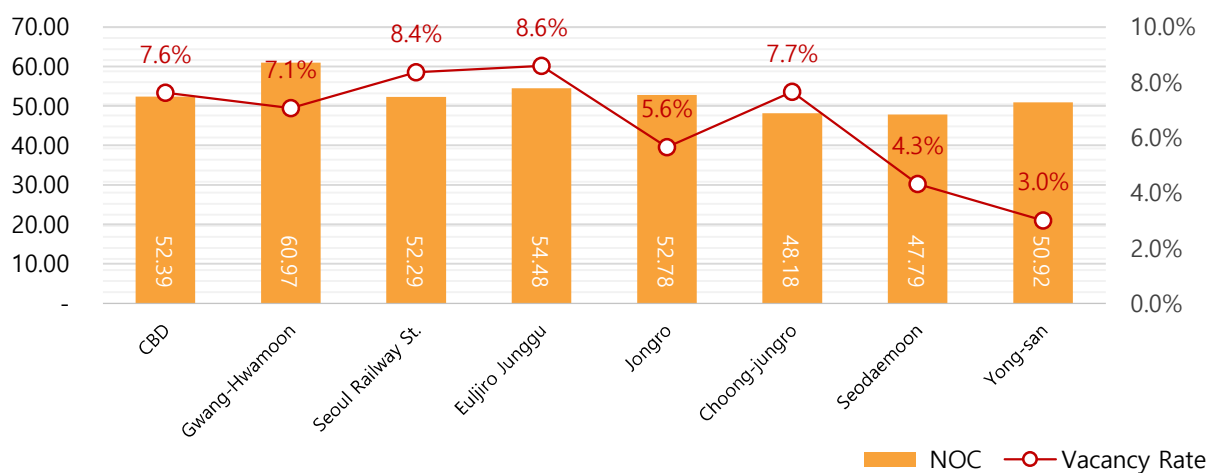
Avg. NOC

\$52.39 ↓

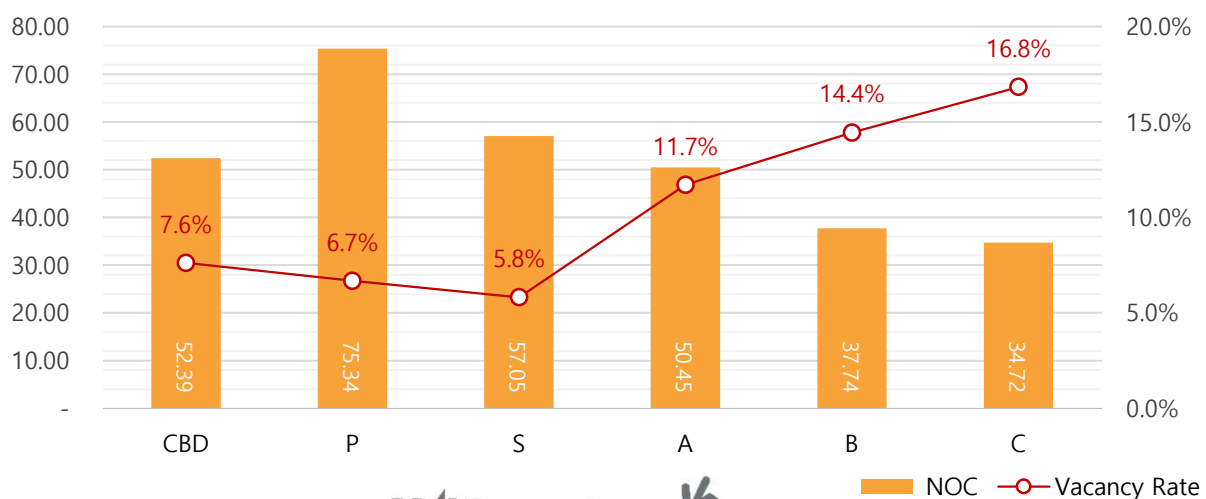
Avg. Rent	Avg. Deposit	Avg. Management. Fee
20.78	215.26	8.95

The average vacancy rate of office buildings in CBD is 7.62% as at December 2020, and the average NOC is \$52.39.

Vacancy Rate & NOC in Central Business District (CBD)



Vacancy Rate & NOC for Different Sizes of Buildings in CBD



Q3

GBD
Gangnam

GBD OFFICE LEASING MARKET



Vacancy rate

5.44% ↓



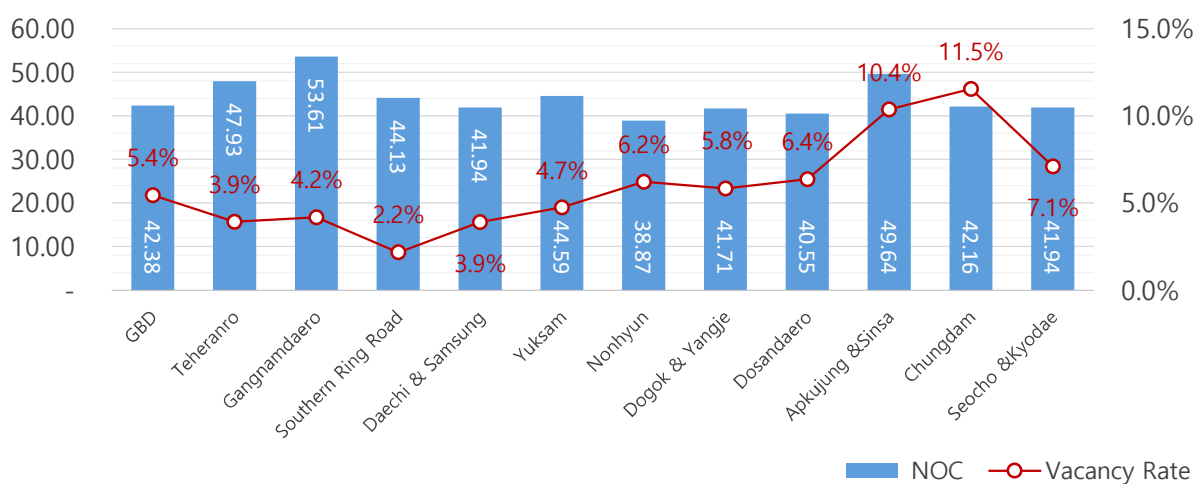
Avg. NOC

\$42.38 ↑

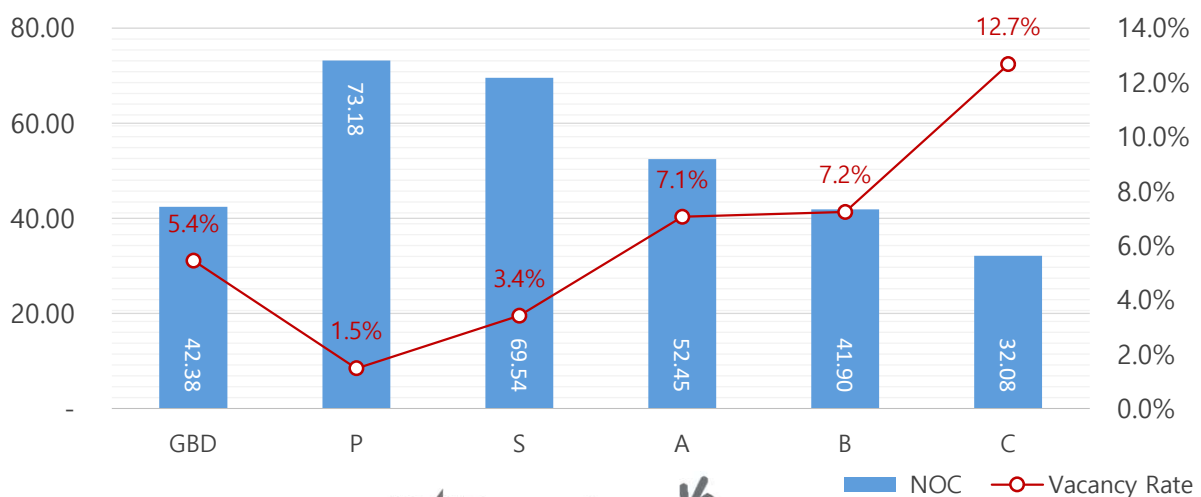
Avg. Rent	Avg. Deposit	Avg. Management. Fee
16.12	267.97	6.27

The average vacancy rate of office buildings in GBD is 5.44% as at December 2020, and the average NOC is \$42.38.

Vacancy Rate & NOC in Gangnam Business District (GBD)



Vacancy Rate & NOC for Different Sizes of Buildings in GBD



Q4

YBD Yeuido & Yeongdeungpo

YBD OFFICE LEASING MARKET



Vacancy rate

8.70%



Avg. NOC

\$43.59

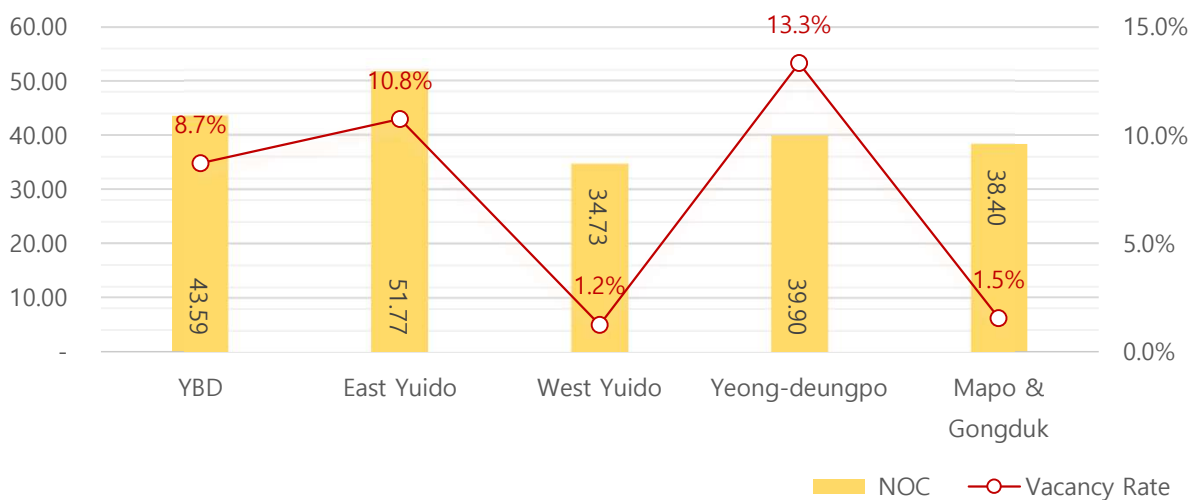


Avg. Rent	Avg. Deposit	Avg. Management. Fee
15.38	164.52	7.62

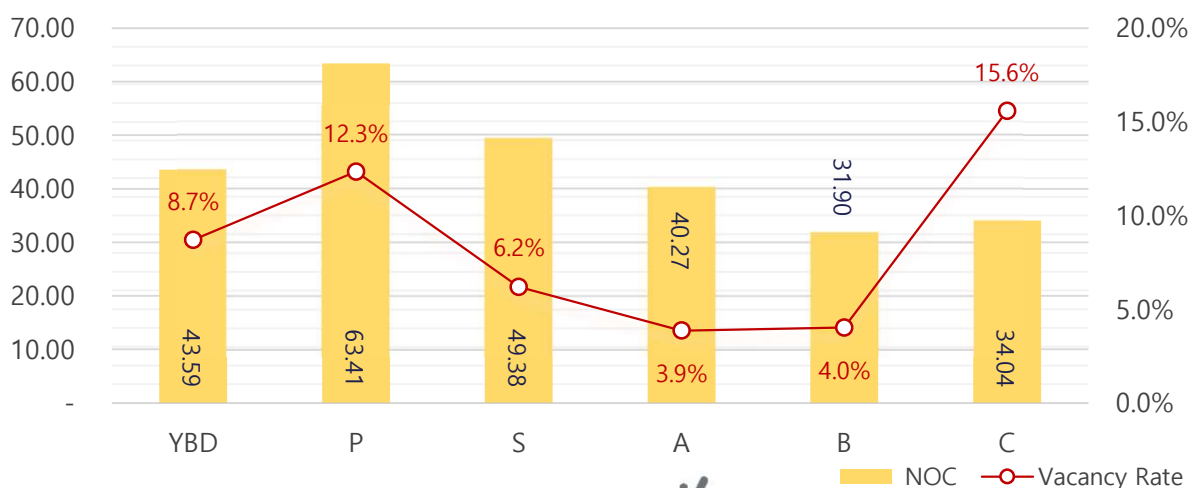
The average vacancy rate of office buildings in YBD is 8.70% as at December 2020, and the average NOC is \$43.59.



Vacancy Rate & NOC in YeongdeungpoBusiness District (YBD)



Vacancy Rate & NOC for Different Sizes of Buildings in YBD



Q5 ETC Other Districts in Seoul

ETC OFFICE LEASING MARKET



Vacancy rate

5.19% ↓



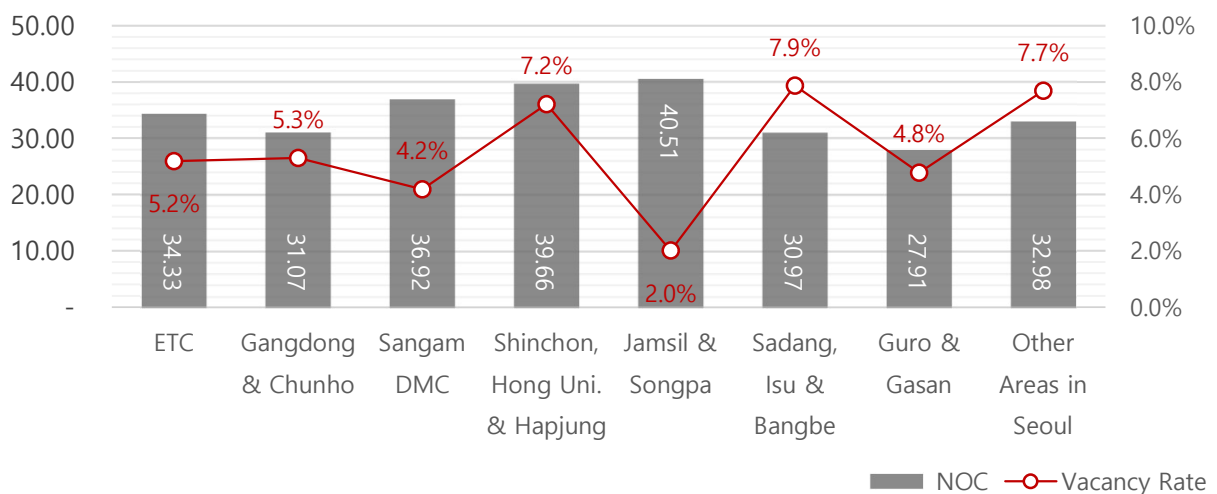
Avg. NOC

\$34.33 ↓

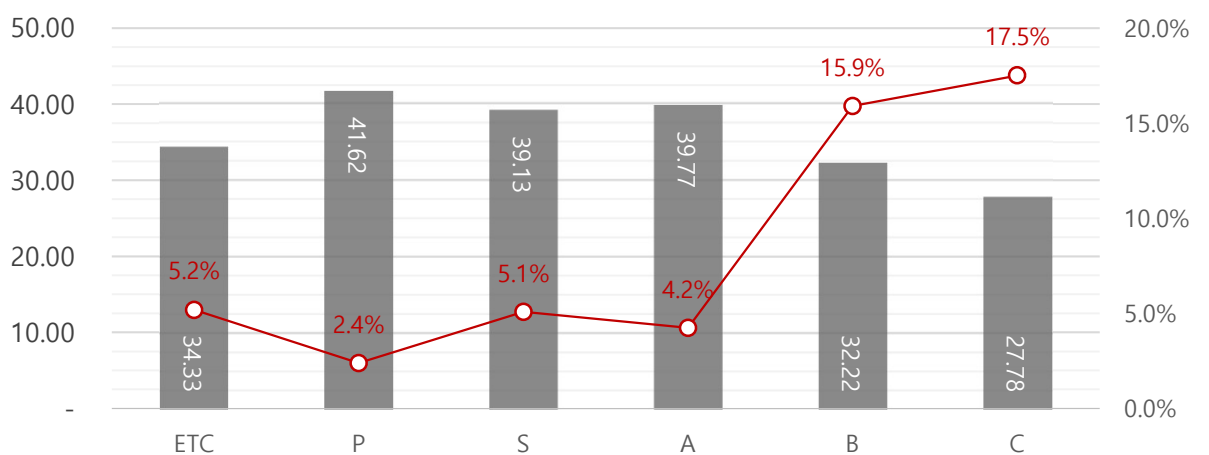
Avg. Rent	Avg. Deposit	Avg. Management. Fee
14.17	190.61	5.15

The average vacancy rate of office buildings in ETC is 5.19% as at December 2020, and the average NOC is \$34.33.

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

1.88% ↓



Avg. NOC

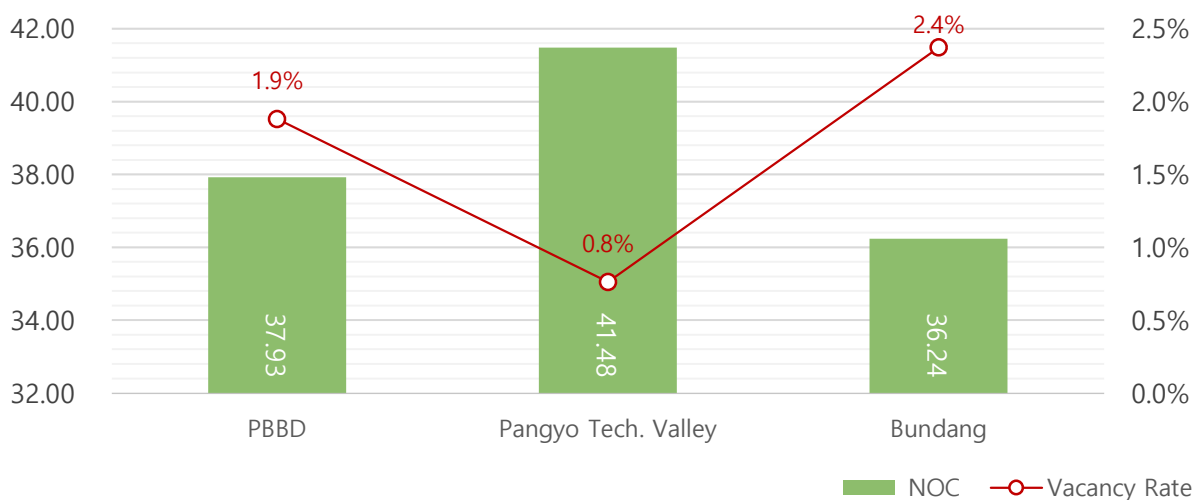
\$37.93 ↓

Avg. Rent	Avg. Deposit	Avg. Management. Fee
12.90	149.48	6.02

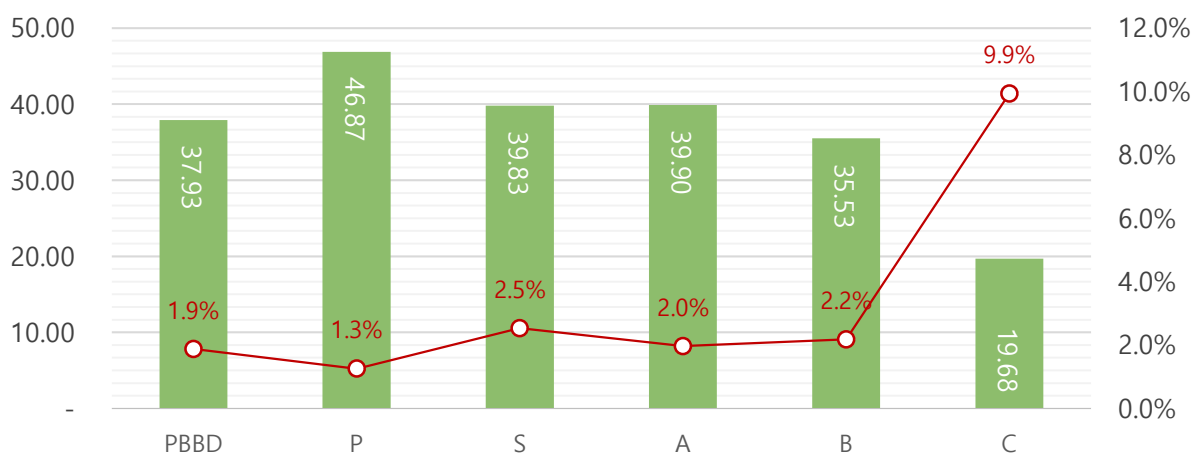
The average vacancy rate of office buildings in PBBD is 1.88% as at December 2020, and the average NOC is \$37.93.



Vacancy Rate & NOC in Pangyo & Bundang Business District (PBBD)



Vacancy Rate & NOC for Different Sizes of Buildings in PBBD



OFFICE
LEASING
MARKET

Overall Lease Status

Unit : USD/m²

Market	Submarket	Gross Leasing Area	Avg. Deposit	Avg. Rent	Avg. Mgmt. Fee	Avg. NOC	Vacancy Rate
CBD	Gwang-Hwamoon	2,046,048	238.30	23.97	9.70	60.97	7.06%
	Seoul Railway St.	2,849,786	208.08	20.88	9.52	52.29	8.36%
	Euljiro Junggu	4,445,936	212.94	21.43	9.56	54.48	8.59%
	Jongro	2,419,460	230.73	21.40	8.71	52.78	5.65%
	Choong-jungro	592,868	180.68	17.56	8.55	48.18	7.65%
	Seodaemoon	409,806	211.12	18.37	8.39	47.79	4.31%
	Yong-san	876,078	198.87	17.96	7.98	50.92	3.00%
GBD	Teheranro	4,358,237	246.39	20.32	7.51	47.93	3.93%
	Gangnamdaero	1,866,271	270.40	21.95	7.50	53.61	4.18%
	Southern Ring Road	200,287	226.90	16.94	7.18	44.13	2.17%
	Daechi & Samsung	2,885,923	245.14	18.79	6.39	41.94	3.90%
	Yuksam	3,686,060	239.31	19.41	6.65	44.59	4.75%
	Nonhyun	1,021,110	309.94	18.19	5.93	38.87	6.21%
	Dogok & Yangje	461,898	215.05	15.22	6.02	41.71	5.83%
	Dosandaero	288,487	310.90	17.98	6.45	40.55	6.37%
	Apkujung & Sinsa	242,894	562.74	29.47	5.44	49.64	10.36%
	Chungdam	392,314	319.22	20.59	5.59	42.16	11.55%
	Seocho & Kyodae	698,402	248.38	17.39	5.67	41.94	7.10%
YBD	East Yuido	2,907,683	181.63	17.44	8.73	51.77	10.75%
	West Yuido	499,553	133.75	12.64	6.35	34.73	1.24%
	Yeong-deungpo	583,096	161.69	15.07	6.70	39.90	13.33%
	Mapo & Gongduk	679,917	166.94	14.20	7.24	38.40	1.55%
ETC	Gangdong & Chunho	269,721	163.73	13.14	4.63	31.07	5.30%
	Sangam DMC	1,076,294	116.35	11.28	7.03	36.92	4.18%
	Shinchon, Hong U ni. & Hapjung	288,711	304.42	19.26	5.53	39.66	7.21%
	Jamsil & Songpa	1,621,887	203.02	15.76	6.18	40.51	2.01%
	Sadang, Isu & Bangbe	158,780	278.96	15.97	4.58	30.97	7.87%
	Other Areas in Seoul	3,506,786	174.78	13.71	5.12	32.98	7.68%
PBBD	Pangyo Techno. Vally	954,228	148.57	13.97	5.82	41.48	0.76%
	Bundang	603,367	153.84	12.50	6.09	36.24	2.37%



MONTHLY MARKET REVIEW

MEET THE TEAM

Seoul, Korea Office
Market Overview

Seoul Office


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