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# Office MARKET REPORT

2023. 2Q / Seoul Metropolitan Area  
**OFFICE MARKET REPORT**

2Q 2023  
**Seoul**



Concordian



Alphadom Tower III



Tower 8



Teheranro 103



Gangnam WD Building

03

**Investment Market Highlight**

Increase in office acquisitions for corporate purposes

04

**Office Investment Market**

As of the first half of 2023, cumulative transaction volume in Seoul and Bundang has reached 4.59 trillion won

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**Seoul Office Rental Market**

Seoul's office vacancy rate increased slightly to 2.7%, due to the active relocation of large companies

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**Major Tenant Activities**

The quarter was characterized by movement within the district of Finance & Insurance and Information & Communication industries

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**Contacts**

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## Several Major office transactions successfully closed, led by the transaction of Concordian

- The office transaction market has exhibited signs of recovery following the CBD Concordian transaction, with several major office transactions successfully concluded in the market.
- During the quarter, Mastern Investment Management acquired Concordian from DWS Asset Management for a price of 34.5 million won per py, totaling 629.2 billion won. Moreover, DWS Asset Management realized a capital gain of 212.2 billion won upon the sale of Concordian in five years.
- Additionally, Samsung SRA Asset Management (Samsung Life and Samsung Fire Insurance invested) acquired Alphadom Tower III, a prime office in Pangyo, from Mirae Asset Management for 26 million won per py and a total of 691.4 billion won, marking the biggest transaction of the quarter.



## Increase in strategic investors, HQ purchase

- Due to the recent interest rate hike, companies are increasingly acquiring office space, leading to decreased market liquidity.
- The percentage of companies directly acquiring office properties or investing in indirect vehicles for office space has risen from 16.5% in 2019 to 26.1% in the first half of 2023.
- It is expected that the proportion of office acquisitions for securing office space will continue to grow in 2023, especially if additional transactions like Tower 8 (Credit Union) occur this year.
- However, it is important to note that there is a risk of transaction failure when a general company leads the deal instead of an institutional investor, as seen in the recent case of F&F's acquisition of Majestar City Tower 1 for self-use purposes, which could burden stakeholders such as sellers.

### 2023 HQ Purpose Purchase Cases (upcoming cases included)\*

District	Building Name	GFA(py)	Buyer	Transaction Price (0.1 bill. won)
CBD	Tower 8	15,625	Mirae Asset Management (Credit Union)	5,490 (e)
GBD	Scale Tower	14,943	Tiger Alternative Investors (Hyundai Motor)	2,532 (e) Equity Transaction
	Autoway Tower	14,436	IGIS Asset Management (Nexon)	1,906 (e) Equity Transaction
	Semyung Building	1,404	Bitthumb	1,630
	Cheongdam-dong Seshin Building	4,107	Handsome	1,668
YBD	Hyundai Card Building Hall 1	11,255	Hyundai Card	2,450
Others	Hansol Education Bldg.	7,181	Intrus Investment & Management (Hansol Education)	800

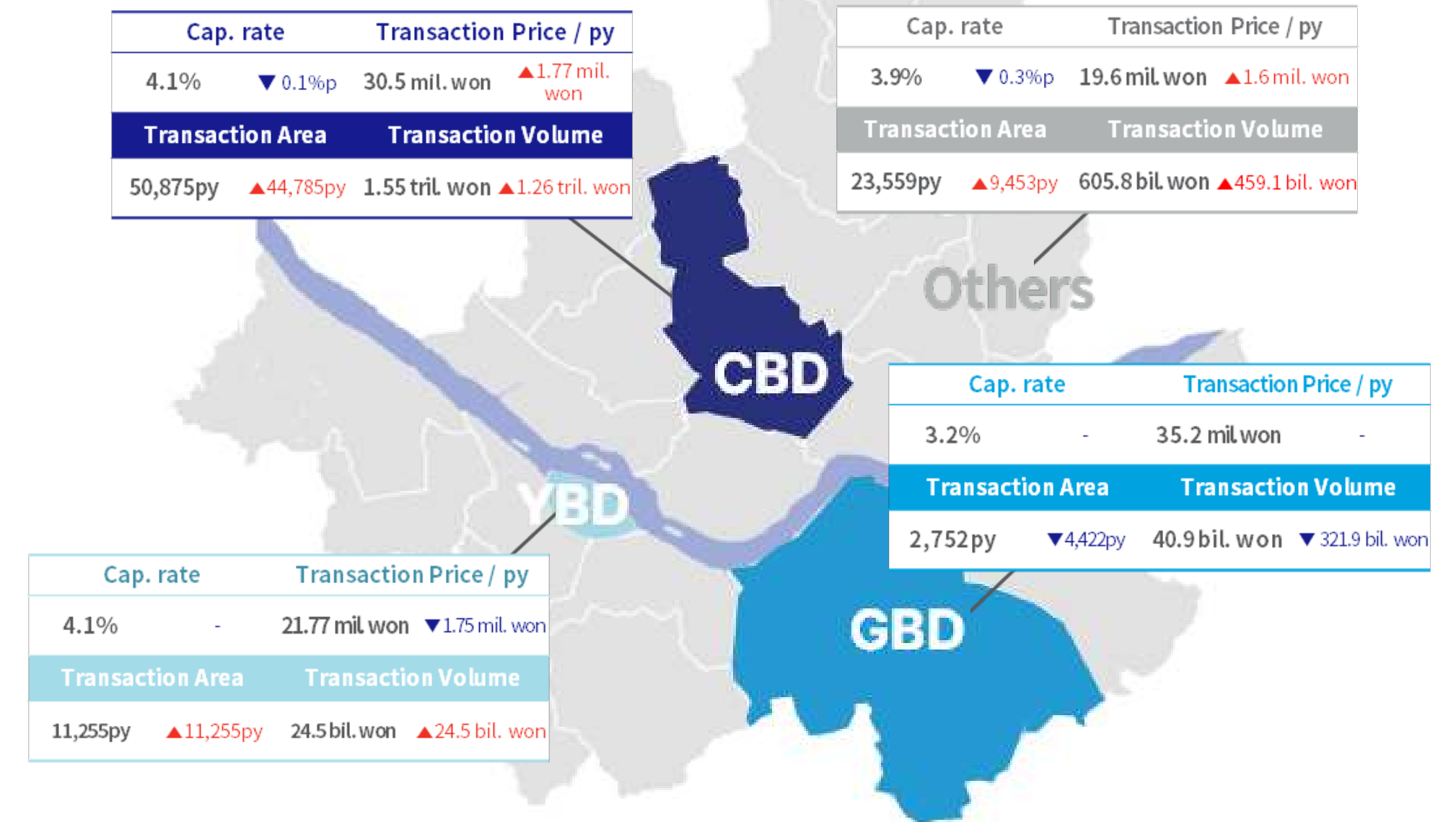
- Includes cases of equity transactions to secure office buildings such as Scale Tower and Autoway Tower.

# 01

## OVERVIEW Seoul

Cap. Rate	Transaction Price / py	Transaction Area	Transaction Volume
4.0%	-	2.7 mil. won	▲410,000 won
		88,440py	▲61,071py
		2.45 tril. won	▲1.65 tril. won

\* Q-o-Q

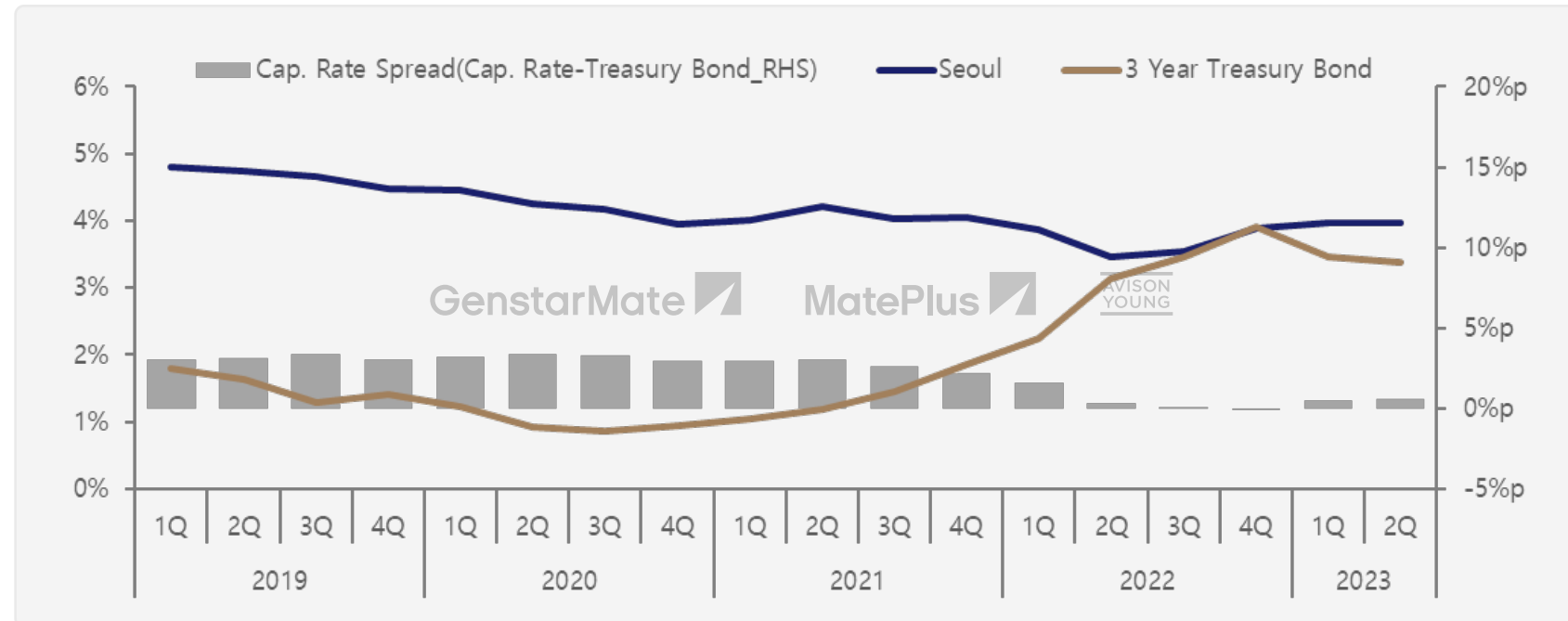


- In the second quarter, the transaction volume in Seoul and Bundang increased by 2.46 trillion won (307.7%↑) compared to the previous quarter, but decreased by 769.6 billion won (19.1%↓) compared to the same period last year, recording a cumulative transaction volume of 4.59 trillion won in the first half of 2023.
- Among them, the transaction volume in Seoul for the quarter was 2.45 trillion won, an increase of 1.65 trillion won (205.8%↑) compared to the previous quarter.
- The average transaction price per py in Seoul increased by 410,000 won (1.5%↑) compared to the previous quarter to reach 26.77 million won, due to the price increase in CBD and Others. In particular, CBD re-entered the price range of 30 million won per py for the first time in a year since the second quarter of 2022, recording 30.53 million won per py in the quarter.
- In the second half of the year, there are expectations for an increase in office transaction volume as several assets such as Tower 8, City Bank Center, Samsung SDS Tower, and Galwoldong HJ Headquarters are preparing for transactions.

02

**Seoul Office Cap. Rate Trend**

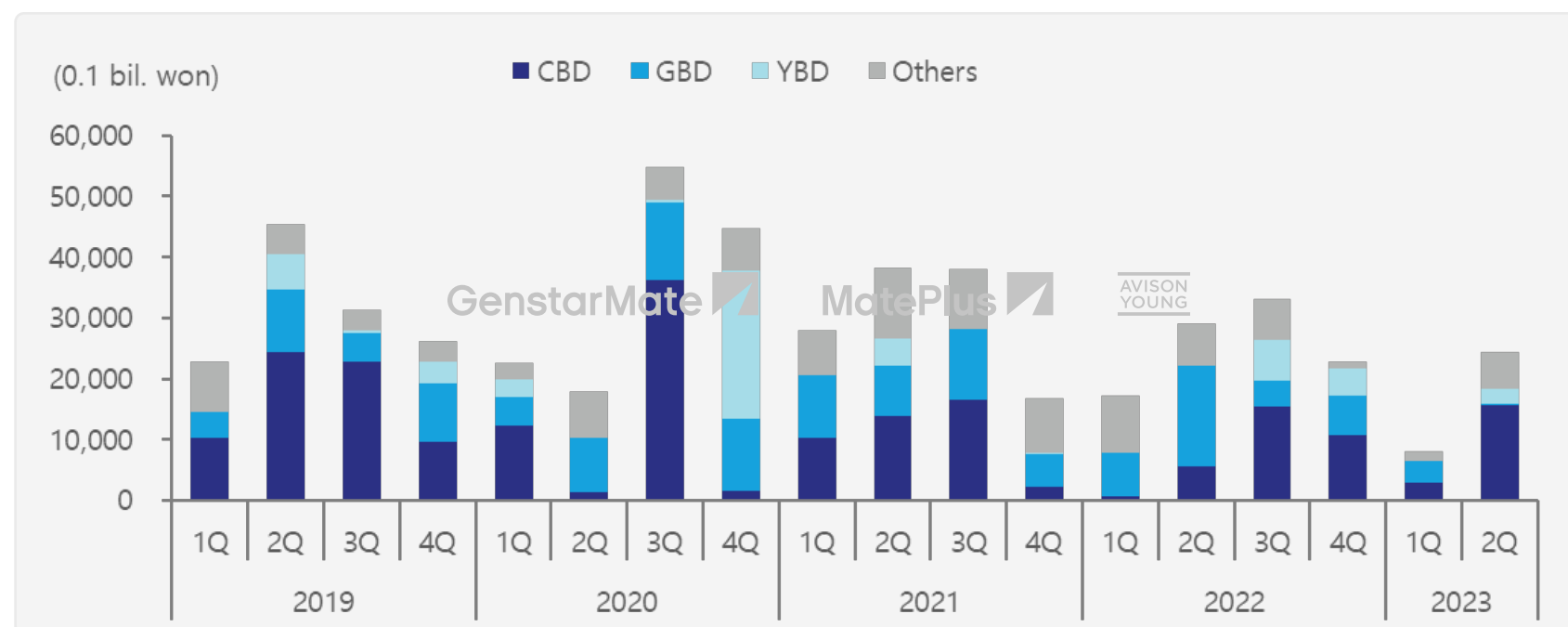
- In this quarter, the Seoul Office Cap.Rate remained the same as the previous quarter at 4.0%. The Cap. The rate for each district is as follows: CBD 4.1%, GBD 3.2%, YBD 4.1%, and Others 3.9%. Among them, the Cap.Rates for CBD and Others have decreased. It is because CBD and Others had relatively active transactions that have reflected the market prices.



03

**Trends in Seoul Office Market Transaction Volume**

- During 2Q, the transaction volume of Seoul witnessed a substantial increase of 206% compared to the previous quarter, amounting to a total of 2.45 trillion won (3.26 trillion won including BBD). CBD accounted for 64% of the total transaction volume in Seoul, with transactions reaching 1.55 trillion won, making it the district with the highest transaction volume. Conversely, GBD experienced a decline in transaction volume of 409 billion won compared to the previous quarter, characterized by small-scale transactions conducted by Asset-deal. Others showed a significant increase in transaction volume, with multiple transactions of medium and small-sized offices, totaling 605.8 billion won, reflecting a 313% increase compared to the previous quarter. Lastly, YBD recorded a transaction volume of 245 billion won, driven by large-scale office transactions.

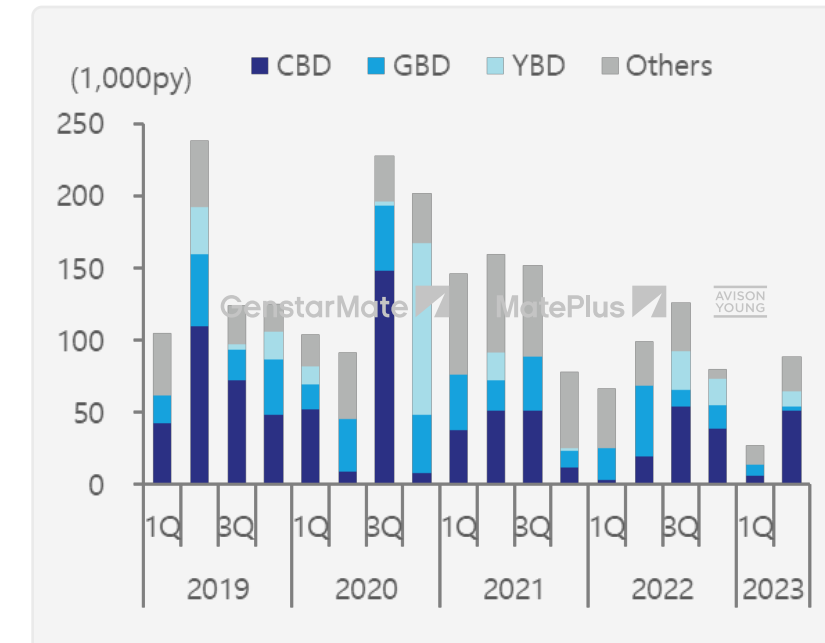


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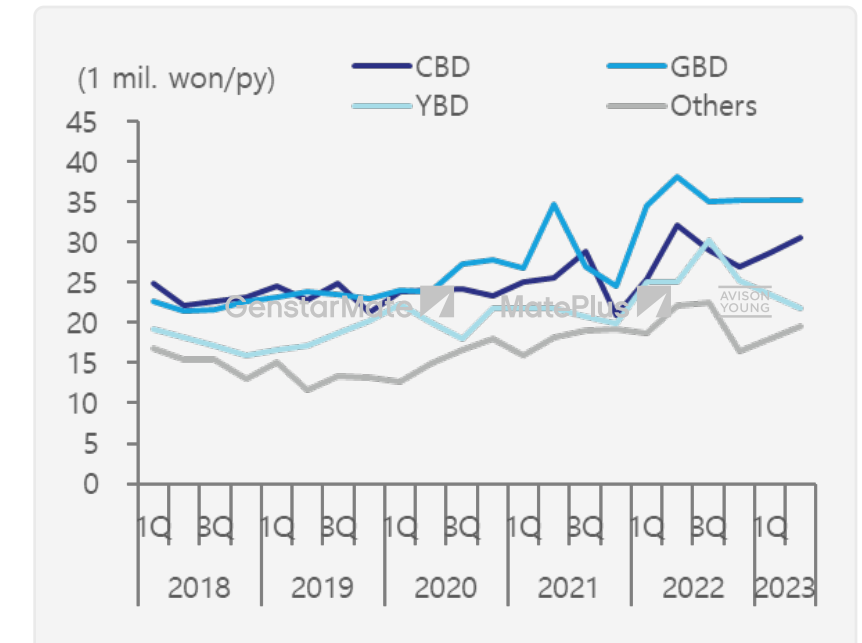
**Transaction Areas by District and Unit Price per py**

- During 2Q, office transactions in Seoul covered 14 buildings, totaling around 88,000 py (including BBD, 16 buildings, and 125,000 py), representing a 223% increase compared to the previous quarter. The average unit prices per py varied by district, with GBD recording 35.19 million won, YBD 21.77 million won, and Others 19.6 million won. CBD, influenced by consecutive large-scale deals, recorded the highest increase in average unit price of Seoul, 30.53 million won per py.

Transaction Areas by District



Unit Price per py by District

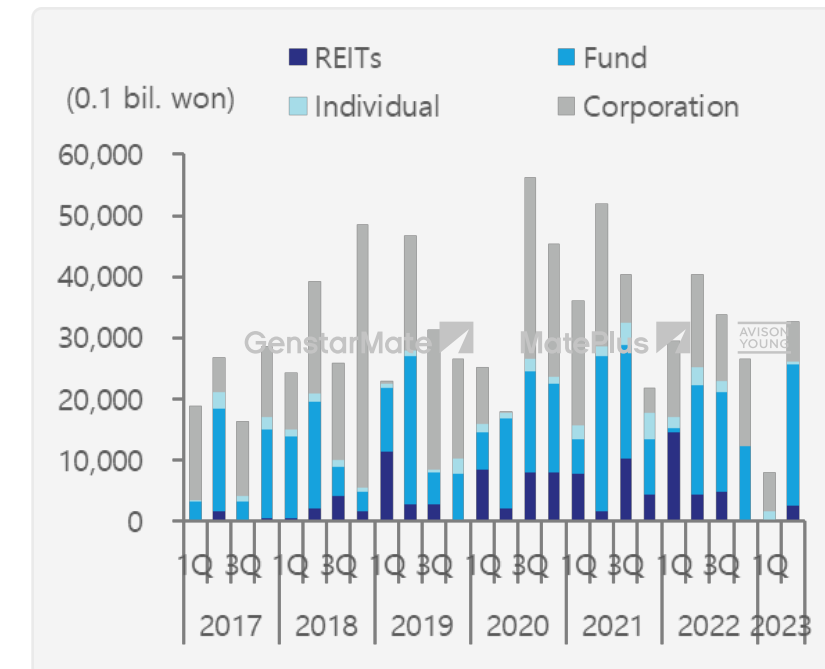


05

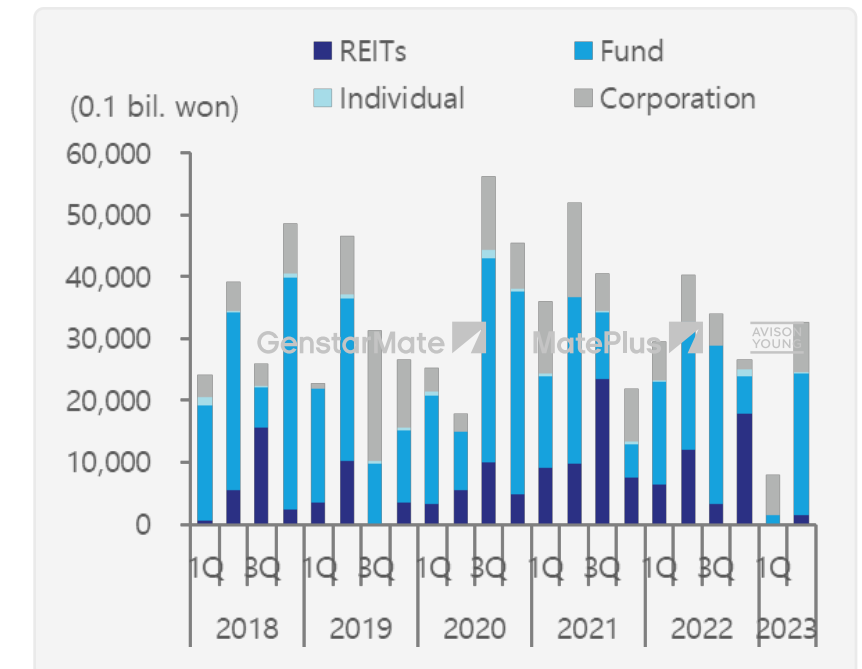
**Transaction Volume by type of Seller/Buyer**

- Unlike the previous quarter, when no selling by indirect investment vehicles such as funds and REITs was observed, the 2Q saw selling by indirect investment vehicles amounting to 2.57 trillion won, or 79% of the total trading volume in Seoul and BBD. This is higher than the 2Q, 2022 (2.2 trillion won, or 55% of the total transaction volume at that time), when the transaction market was active with new unit prices per py in each district. A number of deals that had been delayed in closing, such as Concordian, Donghwa Bldg., and Namsan Green Bldg., succeeded in closing one after another as market conditions recovered. In terms of purchase types, indirect investment vehicles accounted for 2.44 trillion won (75% of the total), while purchases by corporations were mainly for self-use purposes, amounting to 805.2 billion won (about 25% of the total).

Transaction Volume by Sellers



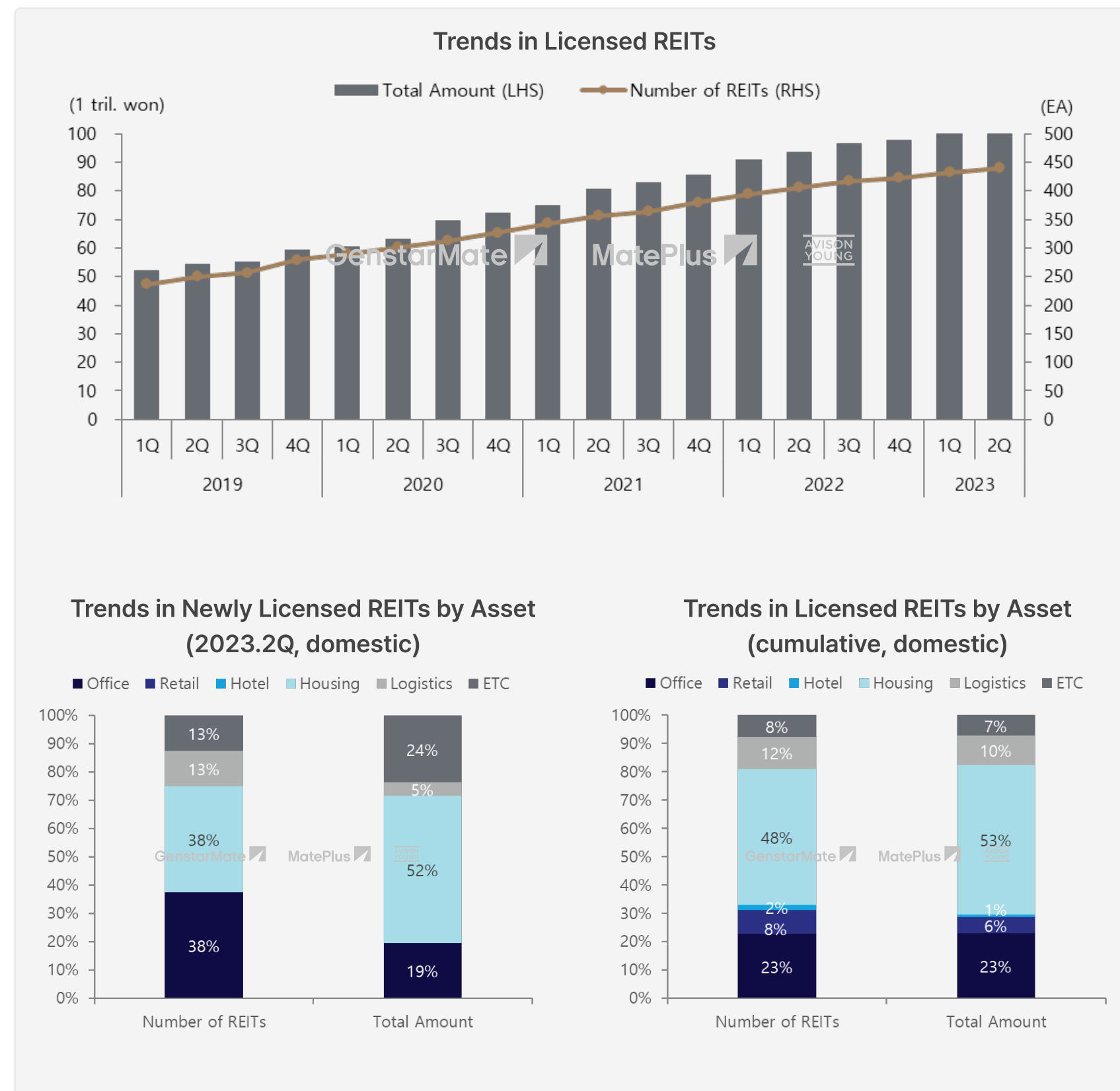
Transaction Volume by Buyers



06

**REITs;  
Real Estate  
Investment  
Trust**

- A total of eight new REITs were authorized or registered in the second quarter of 2023. All eight were domestic investments, with three offices, one warehouse, three residential, and one other.

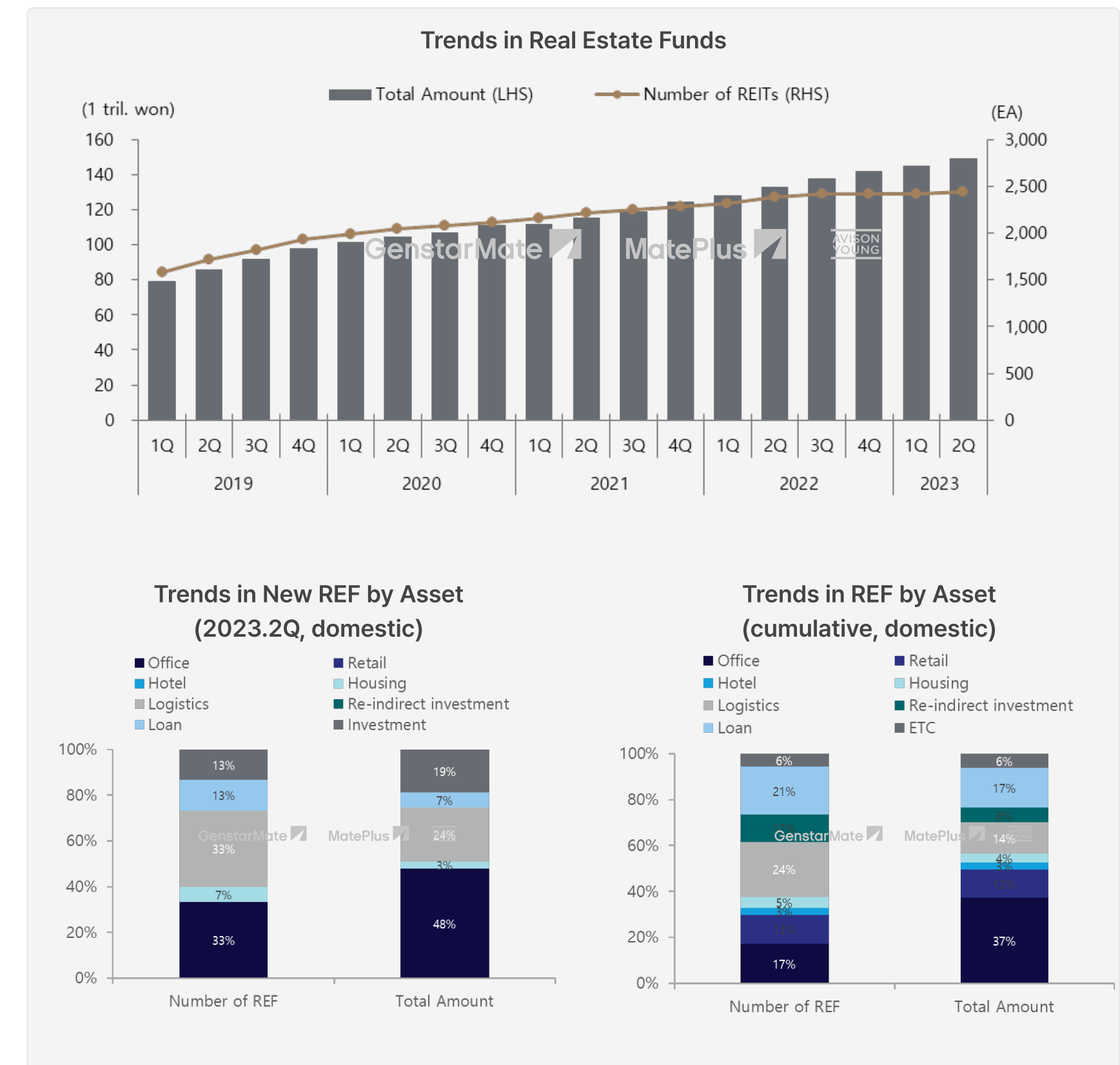


\* Source: Ministry of Land, Infrastructure and Transport, KAREIT, REITs Information System  
 \* Investigation Date: 2023.06.30  
 \* based on newly licensed and registered REITs

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**REF;  
Real Estate  
Fund**

- As of Q2 2023, the number of funds outstanding totaled 2,444, representing a 2.9% q-o-q increase in capitalization. Four investments in domestic office real estate were made during the quarter, two in CBDs and two in BBDs



\* Source: KOFIA, AMC  
 \* Investigation Date: 2023.06.30  
 \* based on newly set-up funds

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Transaction Case Analysis by District

CBD

• CBD transaction volume increased 436% to 1.55 trillion won in the quarter compared to the previous quarter, when trading was inactive. Among them, Concordian, an asset owned by DWS Asset Management with investment from CPPIB and GIC, was purchased by Mastern Investment Management in the quarter through a fund for 34.5 million won per py and 629.2 billion won in total, and DWS Asset Management realized a gain on sale of 212.2 billion won in the transaction. The Donghwa Building and its annex, were purchased by JB Financial Group affiliates JB Woori Capital, Gwangju Bank, and Jeonbuk Bank for 263.2 billion won (3,094 won per py) to secure a new headquarters. JB Financial Group reportedly plans to redevelop the property into a large office building with a gross floor area of 12,000 py to house its affiliates scattered in GBD and YBD. Keppel Investment Management which purchased INNO88 (formerly Samhwan Building) in the CBD in the fourth quarter of last year, also purchased a CBD office, the Bank of Korea Sogong Annex (including a nearby parking building), for 140.9 billion won in the quarter. The asset, which the Bank of Korea had been seeking to sell in time for the remodeling of the main building and completion of the integrated annex (Q1 2023), was eventually acquired by Keppel Investment Management via a private contract after a series of competitive bidding announcements. Keppel Investment Management is reportedly planning to implement a value-add strategy for the Bank of Korea Sogong Annex, similar to INNO88 (formerly Samhwan Building).

Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Concordian	Sinmunno 1-ga, Jongno-gu	18,238	6,292	3,450	DWS Asset Management/Mastern Investment Management
Namsan Green Bldg.	Namdaemunno 5-ga, Jung-gu	17,416	4,789 (e)	2,750 (e)	IGIS Asset Management / IGIS Asset Management
Donghwa Bldg., Annex	Seosomun-dong, Jung-gu	8,507	2,632	3,094	Mastern Investment Management/JB Financial Group
BOK Sogong Annex	Namdaemunno 2-ga, Jung-gu	4,765	1,409	2,958	BOK/Keppel Investment Management
Gangnam Bldg.	Supyo-dong, Jung-gu	1,948	409	2,099	GG INTERNATIONAL/IBPLATFORM HOLDINGS

Concordian



Namsan Green Building



Donghwa Building, Donghwa Building Annex



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Transaction Case Analysis by District

GBD

Pyeonghwan Building

• GBD for the quarter was dominated by small office transactions, totaling 40.9 billion won. Among them, Pyeonghwan Building, located near Seoul Nat'l Univ. of Education Station, was purchased by cosmetics manufacturer HNG for 23.25 million won per py from a private individual, totaling 32 billion won.



Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Pyeonghwan Bldg.	Seocho-dong, Seocho-gu	1,376	320	2,325	Individual/HNG

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Transaction Case Analysis by District

Others

• The volume of Other transactions in the quarter increased by 313% from the previous quarter to 605.9 billion won. Cosmo Tower, which was acquired by The Correctional Mutual Aid Association for all cash last year, was sold to Seshin Holdings for 23.06 million won per py within a year. The Hansol Education Building located in Sangam-dong was owned by Hansol Education through Intrus Investment & Management REIT (CnineCorporate Restructuring Real Estate Investment Company No.9) and was sold to Koreit Asset Management in 2020 to secure liquidity. During the quarter, Hansol Education repurchased the building for the first time in three years by investing in approximately 55% (15 billion won in common stock) of the equity offering of Intrus Investment & Management REIT (Intrus SB REIT), the entity that purchased the Hansol Education Building.

Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
KECA	Deungchon-dong, Gangseo-gu	2,130	2,390	11,219	KECA/IGIS Neovalue Asset Management
Cosmo Tower	Doseon-dong, Seongdong-gu	6,202	1,430	2,306	Correctional Mutual Aid Association/Seshin Holdings
Hansol Education Bldg.	Sangam-dong, Mapo-gu	7,181	800	1,114	Koreit Asset Management/Intrus Investment & Management
Asterium Yongsan (Office)	Hanganro 2-ga, Yongsan-gu	3,065	627	2,046	MPlus Asset Management/Shinhan REITs Management
Dahong Bldg.	Bomundong 7-ga, Seongbuk-gu	3,398	435	1,280	DHolic Commerce/Fila Holdings
Cheil Bldg.	Dongsomundong 5-ga, Seongbuk-gu	1,583	376	2,375	DS Networks/Assacom

Cosmo Tower



Hansol Education Building



Asterium Yongsan



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Transaction Case Analysis by District

YBD

YBD recorded 245.5 billion won in transaction volume from a single transaction, Hyundai Card Building 1. Hyundai Card Building 1 was sold by Hyundai Motor Group to NH-Amundi Asset Management in 2018 for 177.5 billion won (15.77 million won per py) to secure group liquidity. During the quarter, Hyundai Card purchased the asset from NH-Amundi Asset Management for 245 billion won (21.77 million won per py), bringing all three buildings of Hyundai Card and Hyundai Commercial in Yeouido back into Hyundai Motor Group's ownership. The transaction also allowed NH-Amundi Asset Management to realize a gain of 67.5 billion won on the sale in about five years.



Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Hyundai Card Bldg. 1	Yeouido-dong, Yeongdeungpo-dong	11,255	2,450	2,177	NH-Amundi Asset Management/Hyundai Card

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Transaction Case Analysis by District

BBD

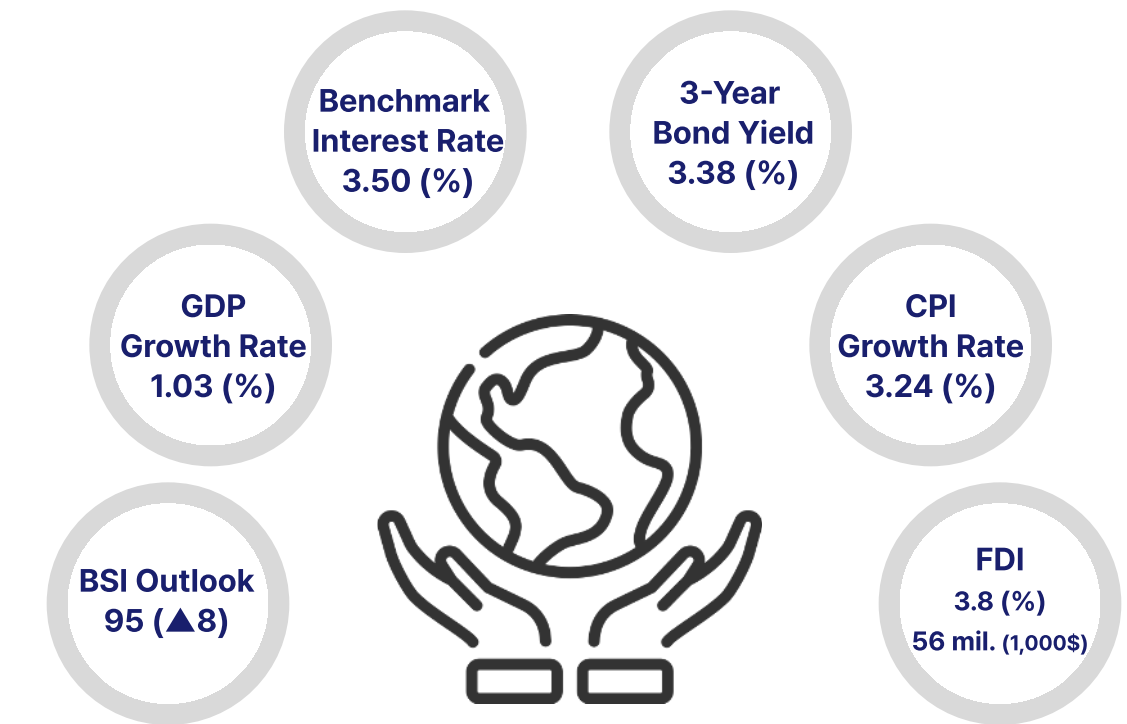
BBD, which had no transactions in the first quarter, recorded two transactions in the quarter, totaling 814.4 billion won. Alphadom Tower III, the first BBD transaction in 2023, which was purchased by Mirae Asset Management in 2018 with investment from POBA, was purchased by Samsung SRA Asset Management in the quarter for 26 million won per py, totaling 691.4 billion won, making it the highest transaction price per py in BBD after Alpharium Tower (30.06 million won per py, estimated), which was transacted in Q1 2022. Tmax R&D Center (Apple Plaza Building A), located in Gumi-dong, was purchased by KREITs Investment Management in 2020 and turned over to Gravity Asset Management in about three years. Gravity Asset Management, which has been building a portfolio focused on logistics centers since its launch in 2022, has acquired Tmax R&D Center as its first office asset and plans to operate the fund for the next five years.

Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Alphadom Tower III	Baekhyeon-dong, Bundang-gu	26,590	6,914	2,600	Mirae Asset Management/ Samsung SRA Managemenet
Tmax R&D Ceneter	Gumi-dong, Bundang-gu	10,019	1,230	1,228	KREITs Investment Management/ Gravity Asset Management



01

Economic Index

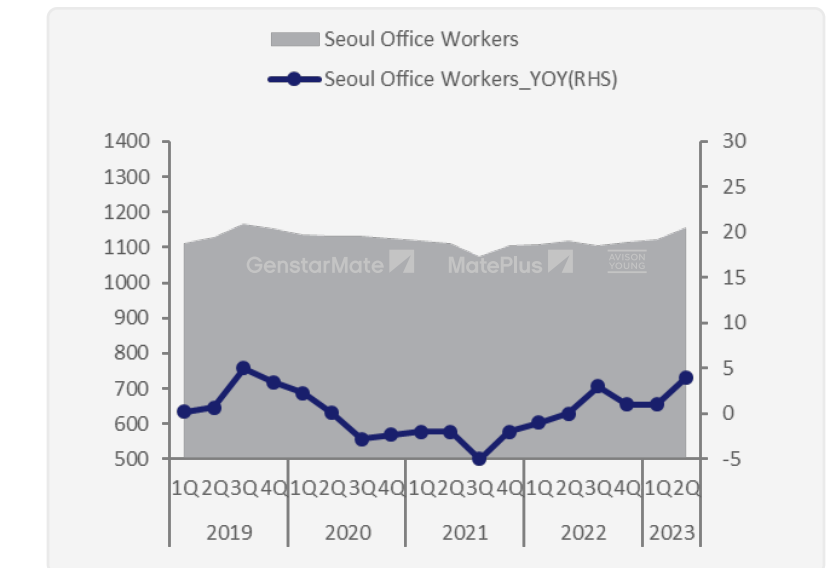
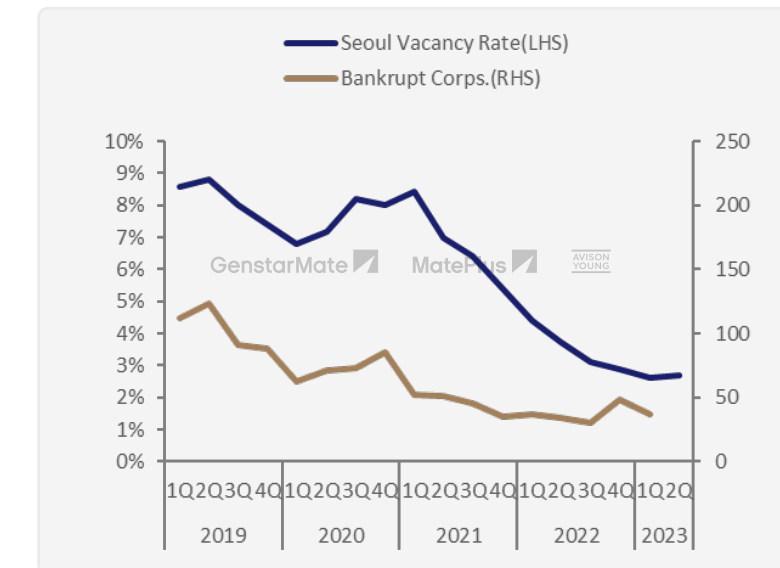


\* Source : BOK, KOSIS  
 \* Period of Time : 2023 2Q  
 (GDP, FDI : 2023 1Q)  
 \* GDP, CPI, FDI : Y-o-Y  
 \* BSI Outlook : Q-o-Q

- The U.S. Federal Reserve (Fed) has kept its Federal Funds rate unchanged at 5.00-5.25%, more than a year after it began raising rates in March of last year, but the expectation of further hikes remains. As CPI slowed to 3.24%, the lowest since the third quarter of 2021, the Bank of Korea kept its benchmark interest rate unchanged at 3.5% (the fourth consecutive rate hike since February 2023), but further rate hikes cannot be ruled out in the future.
- The outlook for the Manufacturing Business Situation Index (BSI) improved to 95 points, up 8 points from the previous quarter, but sluggishness in key sectors such as semiconductors is expected to continue.
- In the second quarter, the vacancy rate for the Seoul office market was 2.7% including new construction, and 2.4% excluding new construction, up 0.2 percentage points from the previous quarter.

02

Office Market Index



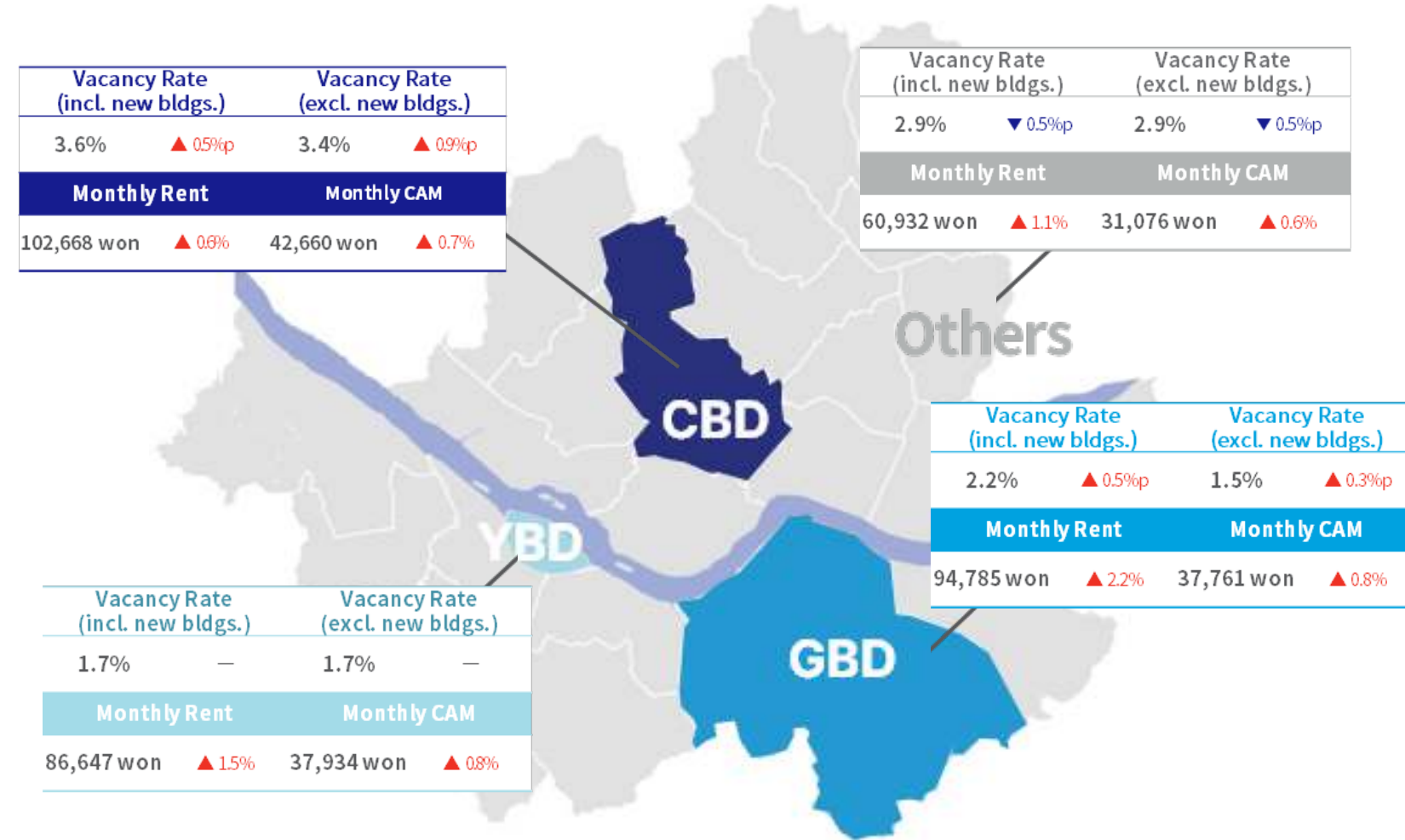
\* Source : BOK, KOSIS

03

OVERVIEW Seoul

\* Q-o-Q

Vacancy Rate		Vacancy Rate		Monthly Rent		Monthly CAM	
2.7%	▲ 0.2%p	2.4%	▲ 0.2%p	87,796won	▲ 1.5%	37,647 won	▲ 0.8%



- Seoul's overall vacancy rate increased by 0.2%p q-o-q to 2.7% in Q2 2023, with the CBD and GBD leading the overall increase due to large tenant relocations. The CBD vacancy rate increased by 0.5%p from the previous quarter to 3.6%, driven by evictions of the Bank of Korea and CJ Logistics, respectively, from large and prime offices such as Samsung Main Building and Taeyeongro Building. However, the vacancy rate is expected to stabilize quickly as lease agreements for these vacant spaces are being signed sequentially.
- The GBD vacancy rate also increased by 0.5%p q-o-q to 2.9%. This was attributed to the impact of two newly supplied small offices and JW Pharmaceuticals, which vacated JW Tower upon completion of its new headquarters.
- YBD, where no new supply has been identified since last quarter, maintained the same level of vacancy as the previous quarter, with market stock set to increase following the completion of Anchor One in Q3.
- For Others, the vacancy rate decreased by 0.5%p q-o-q to 2.9% due to the arrival of tenants from various industries at G Valley Biz Plaza and The Prime Tower, which cleared most of the remaining vacancies.
- Rent and CAM increase rates declined slightly after the usual rent adjustment period, but year-on-year growth remained at 7.7% and 4.5% respectively, confirming a landlord-dominated market.

\* Vacancy rate classification: In order to consider the period of time it takes for new offices to have an actual impact on the office market, GenstarMate distinguishes between the "new construction-included vacancy rate," which reflects the immediate effect of the completion of new offices, and the "new construction-excluded vacancy rate," which takes into account the rental stabilization period of new offices, and present the "new construction-included vacancy rate" and "new construction-excluded vacancy rate" side by side in this report. Newly constructed offices are offices that are less than 12 months old at the time of the survey.  
 \* Rent classification: In order to consider the immediate effect of the completion of new offices, GenstarMate distinguishes between 'new construction included rent,' which reflects the immediate effect of the completion of new offices, and 'new construction excluded rent,' which takes into account the rent stabilization period of new offices, and is presented in this report as 'new construction excluded rent.'

4-1

CBD Vacancy Rate

New Supply

- In the CBD, where there was no new supply last quarter, the relocation of the Bank of Korea from the Samsung Headquarters Building resulted in an increase in vacant space from the previous quarter. The current level of stock is expected to be maintained until the completion of Seoul N Square (Pfizer Tower remodeling) in Q4.

Vacancy Rate

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.6% ▲ 0.5%p	3.4% ▲ 0.9%p
Prime	3.4% ▲ 1.9%p	3.4% ▲ 1.9%p
Large	3.2% ▲ 0.2%p	3.2% ▲ 0.2%p
Medium-Large	3.1% ▼ 1.5%p	3.1% ▲ 0.2%p
Medium	7.4% ▲ 0.8%p	5.2% ▲ 1.3%p
Small	5.4% ▼ 1.1%p	5.4% ▼ 1.1%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.6% ▲ 0.5%p	3.4% ▲ 0.9%p
Gwanghwamun-Sinmmuro	0.8% ▼ 0.1%p	0.8% ▼ 0.1%p
Namdaemun	6.1% ▲ 2.7%p	6.1% ▲ 2.7%p
Euljiro	3.6% ▲ 0.3%p	3.0% ▲ 0.4%p
Jongno	2.7% ▲ 0.3%p	2.7% ▲ 0.3%p
The rest of CBD	2.8% ▼ 2.3%p	2.8% ▲ 0.3%p

4-2

CBD Rent & CAM

Monthly Rent and CAM by Grade (Q-o-Q)

(Price Unit: 1,000 won/py)

Grade	Deposit		Monthly Rent		Monthly CAM	
Overall	1,026.7	▲ 0.6%	102.7	▲ 0.6%	42.7	▲ 0.7%
Prime	1,231.9	▲ 0.4%	123.2	▲ 0.4%	47.5	▲ 0.9%
Large	1,037.0	▲ 0.7%	103.7	▲ 0.7%	43.5	▲ 0.6%
Medium-Large	753.1	▲ 1.4%	75.3	▲ 1.4%	36.5	▲ 0.9%
Medium	697.1	▲ 1.2%	69.7	▲ 1.2%	32.3	▲ 0.9%
Small	574.9	—	57.5	—	28.2	—

Monthly Rent and CAM by Submarket (Q-o-Q)

(Price Unit: 1,000 won/py)

Submarket	Deposit		Monthly Rent		Monthly CAM	
Overall	1,026.7	▲ 0.6%	102.7	▲ 0.6%	42.7	▲ 0.7%
Gwanghwamun-Sinmmuro	921.9	▲ 0.8%	92.2	▲ 0.8%	37.3	▲ 1.0%
Namdaemun	1,027.9	▲ 0.4%	102.8	▲ 0.4%	43.4	▲ 0.8%
Euljiro	1,057.7	▲ 0.8%	105.8	▲ 0.8%	44.1	▲ 1.0%
Jongno	1,187.8	▲ 0.2%	118.8	▲ 0.2%	46.1	▲ 0.2%
The rest of CBD	798.3	▲ 2.1%	79.8	▲ 2.1%	37.8	▲ 1.2%



5-1

**GBD  
Vacancy  
Rate**

**New Supply**

- During the quarter, GBD increased due to the supply of 3 new small office buildings, 2 of which (WD Building, Tehranro103) were located in Tehranro submarket. In addition to the new office supply, large vacancies occurred in some offices in GBD, including JW TOWER and Hi-Brand Building.

**Vacancy Rate**

**Increase Rate by Grade (Q-o-Q)**

Grade	Vacancy Rate (incl. new bldgs.)		Vacancy Rate (Excl. new bldgs.)	
Overall	2.2%	▲ 0.5%p	1.5%	▲ 0.3%p
Prime	0.7%	▲ 0.4%p	0.7%	▲ 0.4%p
Large	3.0%	▼ 0.4%p	1.0%	▼ 0.4%p
Medium-Large	3.2%	▲ 1.7%p	3.2%	▲ 1.7%p
Medium	0.8%	▼ 0.2%p	0.8%	▼ 0.2%p
Small	4.1%	▲ 1.8%p	2.7%	▲ 0.4%p

**Increase Rate by Submarket (Q-o-Q)**

Submarket	Vacancy Rate (incl. new bldgs.)		Vacancy Rate (Excl. new bldgs.)	
Overall	2.2%	▲ 0.5%p	1.5%	▲ 0.3%p
Tehranro	1.0%	▲ 0.2%p	0.8%	—
Gangnam-daero	3.9%	▼ 0.2%p	0.6%	▼ 0.2%p
The rest of GBD	3.3%	▲ 1.3%p	3.3%	▲ 1.3%p

6-1

**YBD  
Vacancy  
Rate**

**New Supply**

- YBD for the quarter remained at the same stocks as the previous quarter with no new supply. Absorption decreased significantly q-o-q to around 70 py, the lowest absorption since Q1 2020.

**Vacancy Rate**

**Increase Rate by Grade (Q-o-Q)**

Grade	Vacancy Rate (incl. new bldgs.)		Vacancy Rate (Excl. new bldgs.)	
Overall	1.7%	—	1.7%	—
Prime	1.8%	▼ 0.2%p	1.8%	▼ 0.2%p
Large	1.2%	—	1.2%	—
Medium-Large	2.6%	▲ 0.1%p	2.6%	▲ 0.1%p
Medium	0.4%	▲ 0.1%p	0.4%	▲ 0.1%p
Small	4.3%	▲ 1.0%p	4.3%	▲ 1.0%p

**Increase Rate by Submarket (Q-o-Q)**

Submarket	Vacancy Rate (incl. new bldgs.)		Vacancy Rate (Excl. new bldgs.)	
Overall	1.7%	—	1.7%	—
West Yeouido	2.8%	▲ 0.2%p	2.8%	▲ 0.2%p
Stock Exchange District	2.2%	▲ 0.1%p	2.2%	▲ 0.1%p
East Yeouido	1.2%	▼ 0.1%p	1.2%	▼ 0.1%p

5-2

**GBD  
Rent & CAM**

**Monthly Rent and CAM by Grade (Q-o-Q)**

(Price Unit: 1,000 won/py)

Grade	Deposit		Monthly Rent		Monthly CAM	
Overall	947.9	▲ 2.2%	94.8	▲ 2.2%	37.8	▲ 0.8%
Prime	1,169.0	▲ 2.5%	116.9	▲ 2.5%	43.8	▲ 1.1%
Large	967.9	▲ 2.5%	96.8	▲ 2.5%	38.9	▲ 0.8%
Medium-Large	904.2	▲ 1.2%	90.4	▲ 1.2%	36.4	▲ 0.4%
Medium	756.6	▲ 4.1%	75.7	▲ 4.1%	32.6	▲ 1.2%
Small	643.6	—	64.4	—	27.8	—

**Monthly Rent and CAM by Submarket (Q-o-Q)**

(Price Unit: 1,000 won/py)

Submarket	Deposit		Monthly Rent		Monthly CAM	
Overall	947.9	▲ 2.2%	94.8	▲ 2.2%	37.8	▲ 0.8%
Tehranro	1,075.5	▲ 2.5%	107.5	▲ 2.5%	40.7	▲ 0.9%
Gangnam-daero	985.7	▲ 3.0%	98.6	▲ 3.0%	38.3	▲ 0.6%
The rest of GBD	697.2	▲ 0.6%	69.7	▲ 0.6%	32.2	▲ 0.5%

6-2

**YBD  
Rent & CAM**

**Monthly Rent and CAM by Grade (Q-o-Q)**

(Price Unit: 1,000 won/py)

Grade	Deposit		Monthly Rent		Monthly CAM	
Overall	866.5	▲ 1.5%	86.6	▲ 1.5%	37.9	▲ 0.8%
Prime	1,153.9	▲ 1.9%	115.4	▲ 1.9%	45.2	▲ 1.2%
Large	717.3	▲ 0.7%	71.7	▲ 0.7%	36.2	▲ 0.4%
Medium-Large	562.4	—	56.2	—	28.9	—
Medium	460.1	▲ 1.3%	46.0	▲ 1.3%	25.9	▲ 0.6%
Small	345.9	▲ 3.8%	34.6	▲ 3.8%	22.1	▼ 0.5%

**Monthly Rent and CAM by Submarket (Q-o-Q)**

(Price Unit: 1,000 won/py)

Submarket	Deposit		Monthly Rent		Monthly CAM	
Overall	866.5	▲ 1.5%	86.6	▲ 1.5%	37.9	▲ 0.8%
West Yeouido	490.4	—	49.0	—	25.3	—
Stock Exchange Market	1,084.5	▲ 2.5%	108.5	▲ 2.5%	44.6	▲ 1.0%
East Yeouido	869.8	▲ 1.1%	87.0	▲ 1.1%	38.3	▲ 0.9%

7-1

Others  
Vacancy  
Rate

New Supply

- Others include 4 medium-large office buildings such as Dodram Tower and Loop Station Seoul Forest. Mostly supplied for mixed-use and self-use purposes, the impact on the vacancy rate is minimal. In the third quarter of 2023, the total stock is expected to rise significantly as small and medium-sized office buildings and large offices in Godeok Biz Valley will be supplied.

Vacancy Rate

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	2.9% ▼ 0.5%p	2.9% ▼ 0.5%p
Prime	1.5% —	1.5% —
Large	2.0% ▼ 1.8%p	2.0% ▼ 1.8%p
Medium-Large	4.5% ▲ 0.2%p	4.5% ▲ 0.2%p
Medium	3.0% ▼ 1.0%p	3.0% ▼ 1.0%p
Small	5.8% ▲ 0.2%p	5.8% ▲ 0.2%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	2.9% ▼ 0.5%p	2.9% ▼ 0.5%p
Mapo	2.0% ▼ 0.2%p	2.0% ▼ 0.2%p
Yongsan	1.3% ▼ 1.6%p	1.3% ▼ 1.6%p
Jamsil-Songpa	0.9% ▲ 0.2%p	0.9% ▲ 0.2%p
Sangam	1.2% ▲ 0.1%p	1.2% ▲ 0.1%p
The rest of Others	4.8% ▼ 0.9%p	4.8% ▼ 0.9%p

8-1

BBD  
Vacancy  
Rate

New Supply

- This quarter, KT Pangyo Building was the only new supply in BBD. In the 2H of 2023 and 2024, there are many upcoming supplies in the PTV2 that will raise the total supply of BBD.

Vacancy Rate

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	1.0% ▼ 1.2%p	1.0% ▼ 1.2%p
Prime	0.0% —	0.0% —
Large	0.2% ▼ 4.1%p	0.2% ▼ 4.1%p
Medium-Large	5.5% ▲ 0.4%p	5.5% ▲ 0.4%p
Medium	3.5% ▲ 0.4%p	3.5% ▲ 0.4%p
Small	1.4% —	1.5% —

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	1.0% ▼ 1.2%p	1.0% ▼ 1.2%p
Seohyun	2.9% ▼ 8.6%p	3.0% ▼ 8.9%p
Sunae	1.0% —	1.0% —
The rest of BBD	1.5% ▲ 0.4%p	1.5% ▲ 0.4%p
Pangyo	0.4% —	0.4% —

7-2

Others  
Rent & CAM

Monthly Rent and CAM by Grade (Q-o-Q)

(Price Unit: 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	609.3 ▲ 1.1%	60.9 ▲ 1.1%	31.1 ▲ 0.6%
Prime	779.9 ▲ 0.5%	78.0 ▲ 0.5%	35.5 ▼ 0.2%
Large	566.5 ▲ 1.7%	56.6 ▲ 1.7%	30.9 ▲ 1.3%
Medium-Large	543.2 ▲ 1.0%	54.3 ▲ 1.0%	30.2 ▲ 0.6%
Medium	545.0 ▲ 1.1%	54.5 ▲ 1.1%	26.7 ▲ 0.7%
Small	412.7 ▲ 0.1%	41.3 ▲ 0.1%	22.4 ▲ 0.4%

Monthly Rent and CAM by Submarket (Q-o-Q)

(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	609.3 ▲ 1.1%	60.9 ▲ 1.1%	31.1 ▲ 0.6%
Mapo	492.7 ▲ 0.2%	49.3 ▲ 0.2%	28.7 ▲ 0.3%
Yongsan	937.5 —	93.7 —	38.4 —
Jamsil-Songpa	756.5 ▲ 0.5%	75.7 ▲ 0.5%	33.9 ▲ 0.2%
Sangam	438.9 ▲ 0.5%	43.9 ▲ 0.5%	27.4 ▲ 0.8%
The rest of Others	566.5 ▲ 1.0%	56.6 ▲ 1.0%	30.2 ▲ 0.9%

8-2

BBD  
Rent & CAM

Monthly Rent and CAM by Grade (Q-o-Q)

(Price Unit: 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	661.1 —	66.1 —	26.8 ▲ 0.1%
Prime	773.3 —	77.3 —	27.7 —
Large	629.8 —	63.0 —	27.3 —
Medium-Large	581.7 —	58.2 —	27.5 —
Medium	497.0 ▲ 0.4%	49.7 ▲ 0.4%	24.6 ▲ 0.9%
Small	433.7 —	43.4 —	22.3 —

Monthly Rent and CAM by Submarket (Q-o-Q)

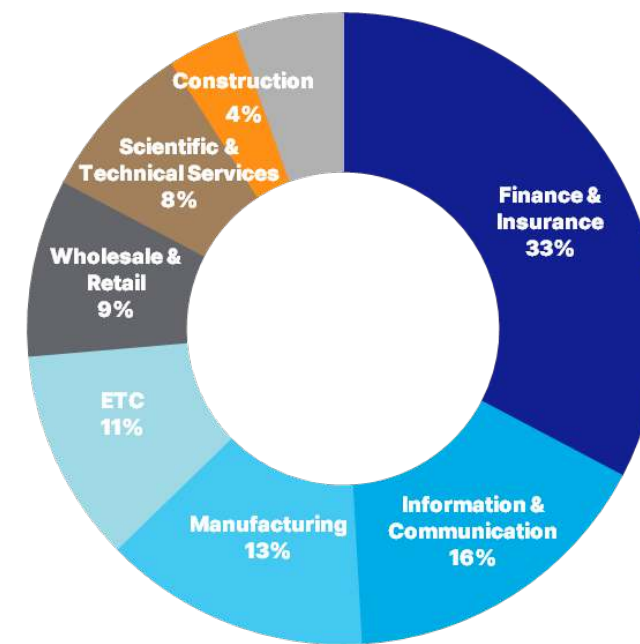
(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	661.1 —	66.1 —	26.8 ▲ 0.1%
Seohyun	649.3 —	64.9 —	28.5 —
Sunae	551.3 ▲ 0.3%	55.1 ▲ 0.3%	26.2 ▲ 0.7%
The rest of BBD	551.4 —	55.1 —	16.5 —
Pangyo	713.9 —	71.4 —	28.9 —

## 9-1 Tenants Movement Status by Industry

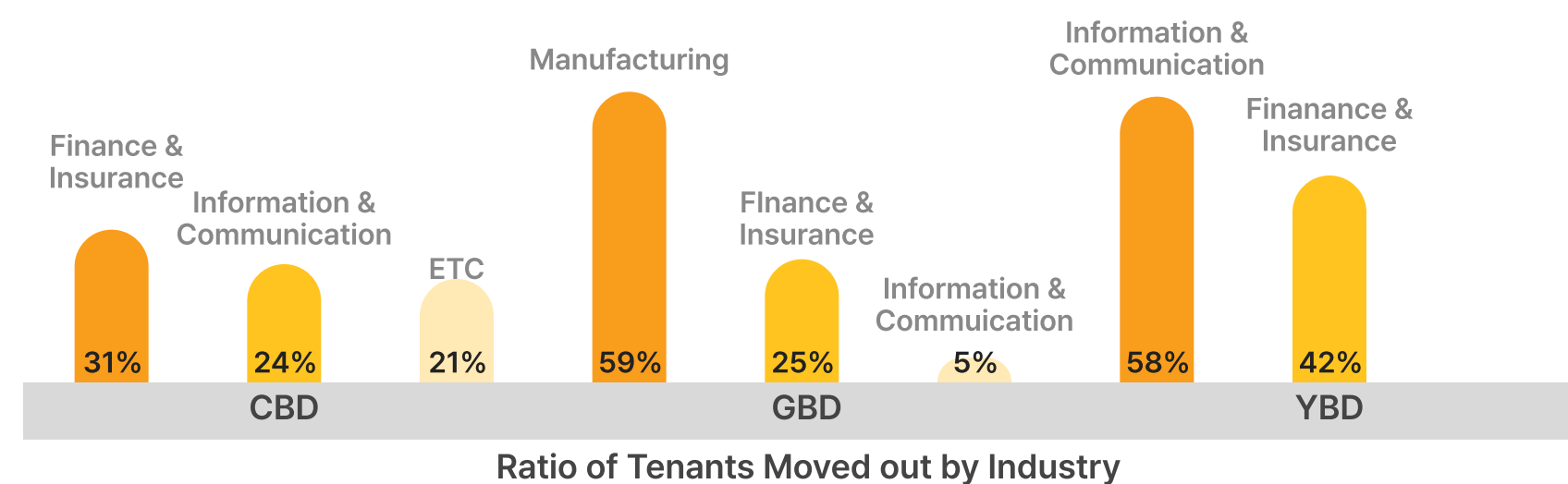
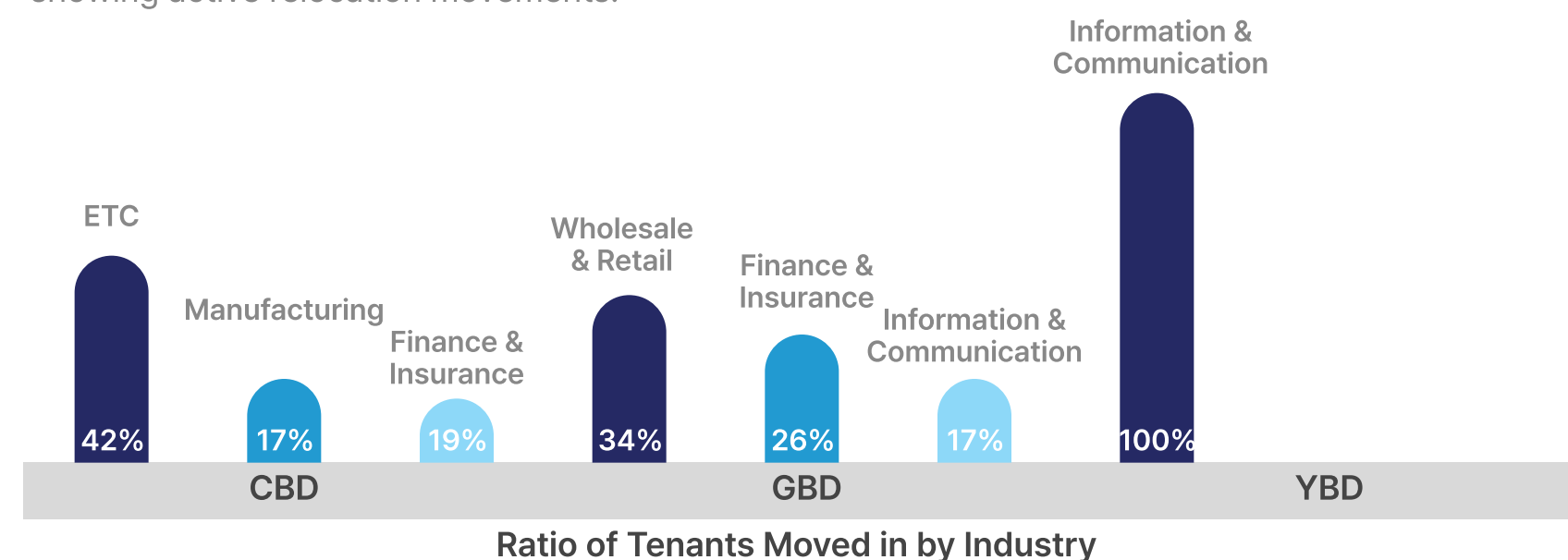
- Finance & Insurance (33%) and Information & Communication (16%) were the most active tenant movements.
- In the case of finance and insurance, intra-district transfers occurred in all districts except YBD and were most notable in Others, where new tenants included AZ Financial Services and HF.
- The IT industry is experiencing active movement within and outside the GBD. Raon Secure has moved to NH Financial Tower (Parc.1 Tower 2) from GBD, and Kong Studio has moved to KG Tower for expansion.

Trends in Tenants Movement by Industry



## 9-2 Tenants Movement Status by District

- This quarter, there have been a variety of relocations of tenants.
- In the CBD, CJ Logistics and Seoul National University Hospital moved within the district.
- In GBD, wholesale and retail businesses, such as GS Retail and Nokia Solutions & Networks Korea, and financial and insurance businesses like NH Bank, reduced the regional vacancies.
- In YBD, the IT accounted for the largest proportion of both vacancy reduction and creation, showing active relocation movements.



## 01 Research Overview

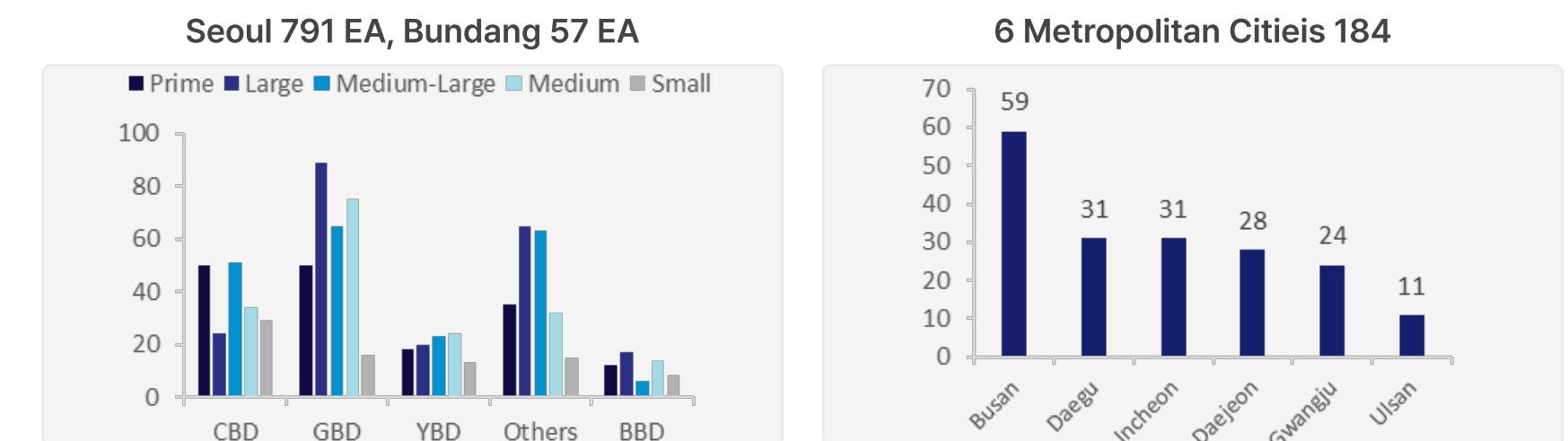
**Region** Seoul, Bundang, and 6 major cities(Incheon, Daegu, Daejeon, Gwangju, Ulsan, Busan)  
**Target** Office buildings with gross floor area of 1,500m<sup>2</sup> or more which use at least 50% of its area as office facilities  
**Method** Telephone/site investigation, Ministry of Land, Infrastructure, and Transport  
**Contents** Office transaction cases, tenant status, and rent level  
**Period** Seoul/Bundang: Monthly, 6 major cities: Quarterly

## 02 Office Classification

**Unit: (3.3m<sup>2</sup> = 1 py)**

**Small** Smaller than 3,000 py  
**Medium** 3,000py ~ 5,000py  
**Medium-Large** 5,000py ~ 10,000py  
**Large** 10,000py ~ 20,000py  
**Prime** Over 20,000py

### Office Samples by Grade and Submarket (1,032 EA)



### Submarket Classification

District	Area	Submarket
Seoul	CBD	Jongno-gu, Jung-gu(Jungnjin-dong excluded), Yongsan-gu(Dongja-dong)
	GBD	Gangnam-gu, Seocho-gu
	YBD	Yeouido-dong, Yeongdeungpo-gu
	Others	The rest of Seoul
BBD	Bundang-gu, Sujeong-gu (Seongnam city)	Seohyun, Sunae, Pangyo, The rest of Bundang
Major Metropolitan Cities	Incheon, Daegu, Daejeon, Gwangju, Ulsan, Busan	-





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## Scale of Property Management | 562 buildings, 7,226,741 m<sup>2</sup>

### Major Client



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