

Office MARKET REPORT

2023. 4Q / Seoul Metropolitan Area
OFFICE MARKET REPORT

4Q 2023
Seoul



Samsung SDS Tower



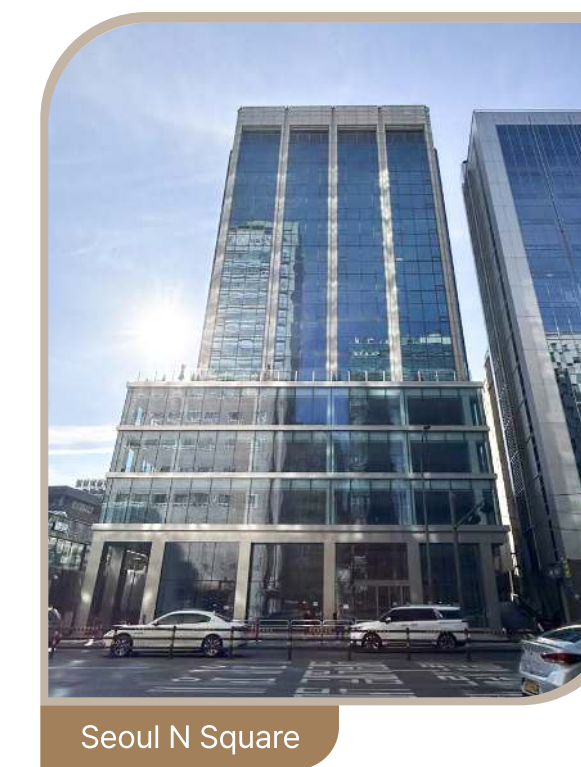
Majestar City Tower 1



GS E&C Seocho Tower



Samsung Main Bldg.



Seoul N Square

03

Investment Market Highlight

In 2023, the office transaction volume in Seoul and Bundang recorded 8 trillion 485 billion won.

04

Office Investment Market

In the 4Q of 2023, the office transaction volume in Seoul concluded at 2 trillion 398 billion won, marking a 27% increase, q-o-q.

13

Seoul Office Rental Market

The office vacancy rate in Seoul decreased in all districts except for YBD, resulting in a 0.2%p decrease, q-o-q, reaching 2.7%.

19

Major Tenant Activities

During this quarter, relocations of HQ by major tenants were notable, particularly in the Financial and Insurance sectors, as well as in Manufacturing.

20

APPENDIX

Research Overview

21

Contacts

Publisher Jinwon Choi, CEO
 Editor Hyunggoo Lee, Head of Genstarmate Real Estate Institute
 Publication 16, Euljiro 5-gil, Jung-gu, Seoul
 Registration No. Seoul Jung, 바00229
 Registration Date 2021.02.24
 Publication Date 2024.02.23

Conclusion of Major Asset Deals Including Samsung SDS Tower and Majestic City Tower 1

- KB Asset Management has completed the acquisition of Samsung SDS Tower previously owned by Ryukyung PSG Asset Management, utilizing the Blind Fund, at a total of 850 billion won, or 28.23 million won per py. Through this transaction, Ryukyung PSG Asset Management realized a profit of 222 billion won in approximately five years.
- In the case of Majestar City Tower 1, which fashion company F&F once withdrew its purchase offer, Koramco REITs Management and Trust, the owner of Tower 2, has acquired it for 520 billion won (3.69 million won per py).



In 2023, office transactions in Seoul and Bundang recorded a total volume of 8.48 trillion won.

- In addition to the expected transactions for Samsung SDS Tower and Majestar City Tower 1 in the 4Q, other properties such as Sanlim Vision Center and TBH Building, purchased by general corporations, contributed to the office transaction volume in Seoul and Bundang reaching 8.49 trillion won in 2023. Including share-deal transactions such as Scale Tower, the total transaction volume in Seoul and Bundang reached approximately 9.28 trillion won.
- This marks a decrease of more than 30% compared to the annual transaction volume of over 10 trillion won that had been consistently occurring since 2018. As a result of sustained interest rate hikes and a shortage of liquidity, investors in the market are maintaining a conservative investment outlook.
- Amid expectations that the high interest rates and risks related to PF (Private Funds) faced in 2023 will continue into 2024, the anticipated pace of interest rate cuts in the latter half of 2024 is seen as a crucial factor affecting deal closings and market stabilization.

Office Transaction Ranking, 2023

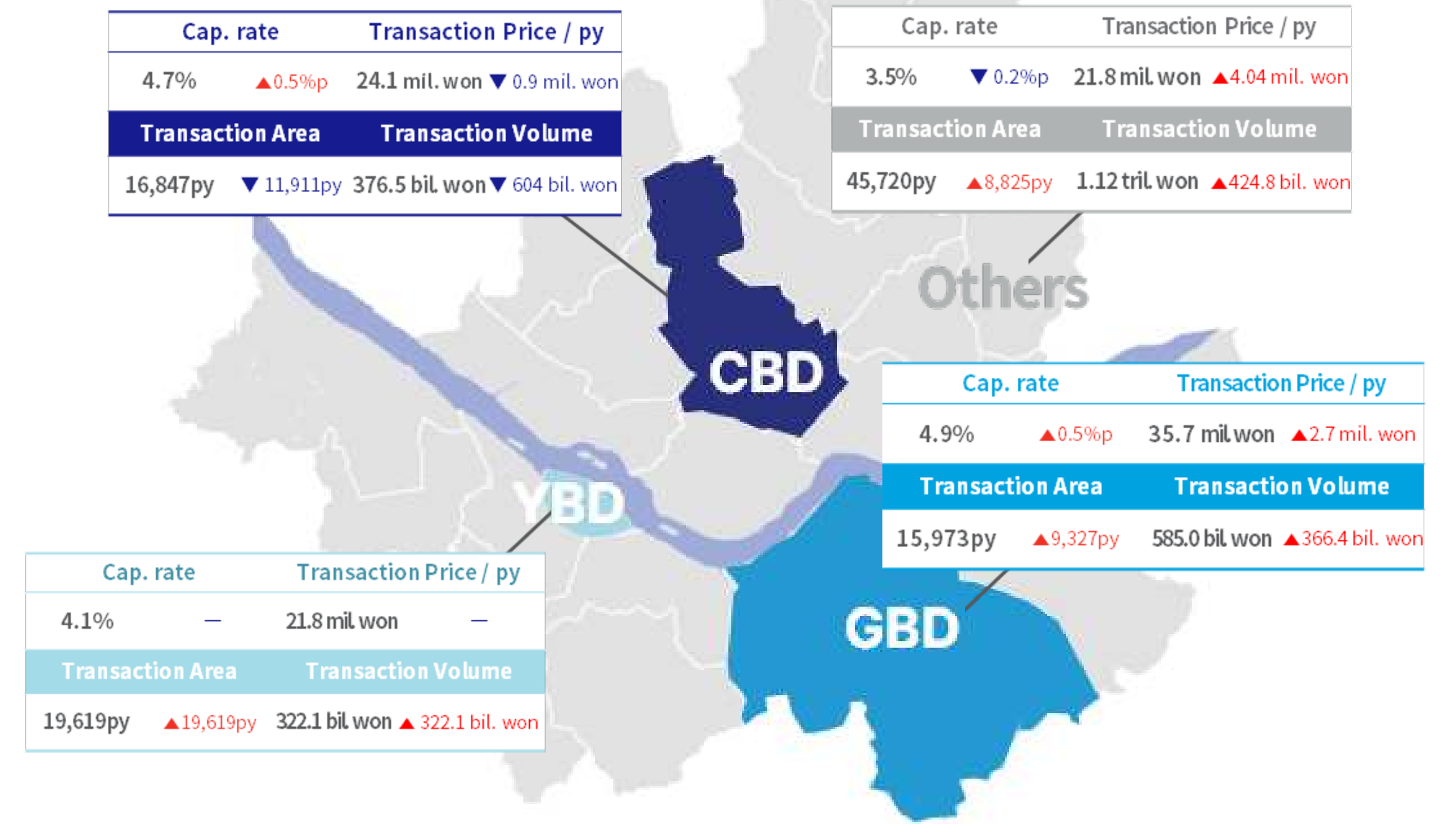
Rank	Building Name	District	GFA(py)	Seller	Buyer	Transaction Price (billion won)	Note
1	Samsung SDS Tower	Others	30,110	Ryukyung PSG Asset Management	KB Asset Management	850.0	
2	Alphadome Tower III(6-3)	BBD	26,590	Mirae Asset Management	Samsung SRA Asset Management	691.4	
3	Concordian	CBD	18,360	DWS	Mastern Investment Management	629.2	Strata
4	Tower 8	CBD	15,625	C8 GmbH Co.KG	Mirae Asset Management	549.0	Strata
5	Majestar City Tower 1	GBD	14,091	IGIS Asset Management	Koramco REITs Management	520.0	
6	SK Namsan Green Bldg.	CBD	17,416	IGIS Asset Management	IGIS Asset Management	478.9 (e)	
7	Pangyo Tech 1	BBD	59,664	Mirae Asset Management	Mirae Asset Management	350.0 (e)	Strata
8	Seosomun J&M Bldg.	CBD	5,367	Joongang Holdings	Civic Center PFV	290.0	
9	Yeouido Anchor 1	YBD	17,464	Yeouido MBC Site Development PFV	MBC	286.6	
10	Korean Air Bldg.	CBD	8,557	Hanjin Kal	Korean Air	264.2	Strata

01

OVERVIEW Seoul

* Q-o-Q

Cap. Rate	Transaction Price / py	Transaction Area	Transaction Volume
4.3%	▲0.1%p	25.9 mil. won	▼470,000 won
		98,159py	▲25,860py
		2.4 tril. won	▲509.2 bil. won

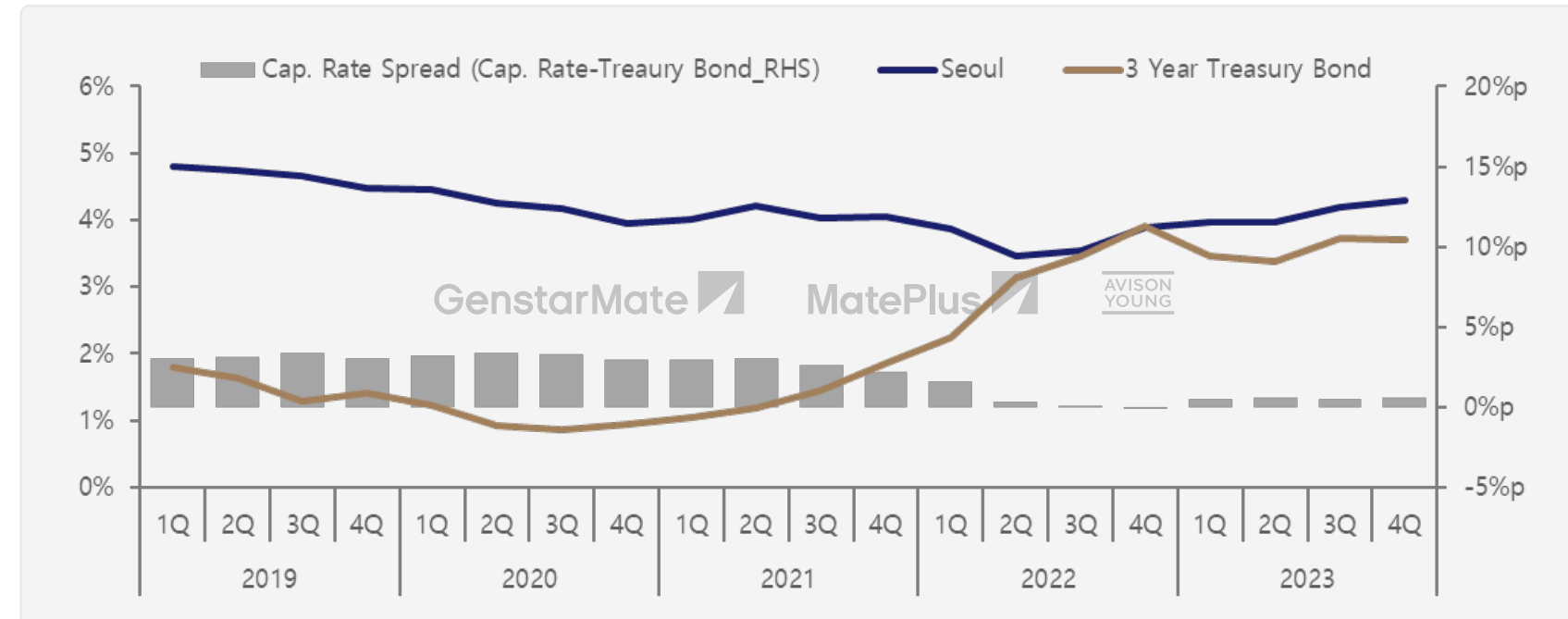


- In the 4Q, the office transaction volume in Seoul increased by 509.2 billion won (27.0%↑) compared to the previous quarter, totaling 2.40 trillion won, and increased by 124.4 billion won (5.5%↑) compared to the same period last year. The total transaction volume for Seoul in 2023 concluded at around 7.53 trillion won.
- The unit price per py for Seoul recorded a slight decrease of 2,586 million won, Q-o-Q, influenced by a decline in prices within the CBD. However, within the GBD and other districts, a respective increase of 8% and 23% in the average transaction price per py was observed compared to the previous quarter.
- The overall Cap. Rate for Seoul increased by 0.1%p compared to the previous quarter, reaching 4.3%.

02

**Seoul Office
Cap. Rate
Trend**

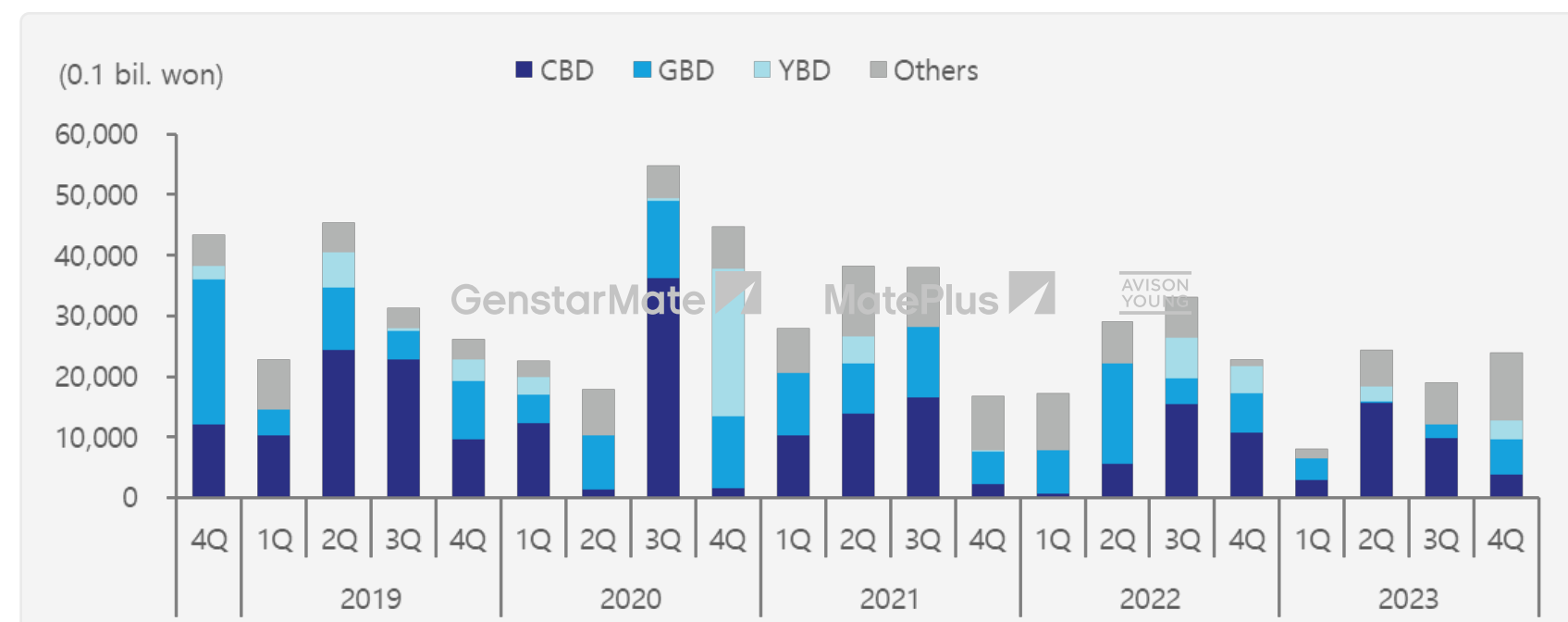
- In the 4Q of 2023, the Cap. Rate for Seoul offices increased by 0.1%p compared to the previous quarter, reaching 4.3%. The Cap. Rate for each district was recorded as follows: CBD at 4.7%, GBD at 4.9%, YBD at 4.1%, and Others at 3.5%. Notably, there was a 0.5%p increase in Cap. Rate for CBD and GBD, respectively.



03

**Trends in
Seoul Office
Market
Transaction
Volume**

- Due to a lack of liquidity in the market leading to subdued purchasing activity, the completion of large asset transactions contributed to a 27% increase in Seoul office transaction volume in the current quarter, totaling 2.40 trillion won compared to the previous quarter. The transaction volume for Others district in the current quarter amounted to 1.12 trillion won, representing approximately 47% of the total transaction volume for Seoul. The transaction of Samsung SDS Tower for 850 billion won was the largest transaction of 2023 and had a significant impact.
- GBD and YBD also recorded transaction volumes of 585 billion won and 322.1 billion won, respectively, showing an increase compared to the previous quarter. However, CBD saw a significant decrease, totaling 376.5 billion won, marking a 62% decrease, Q-o-Q.

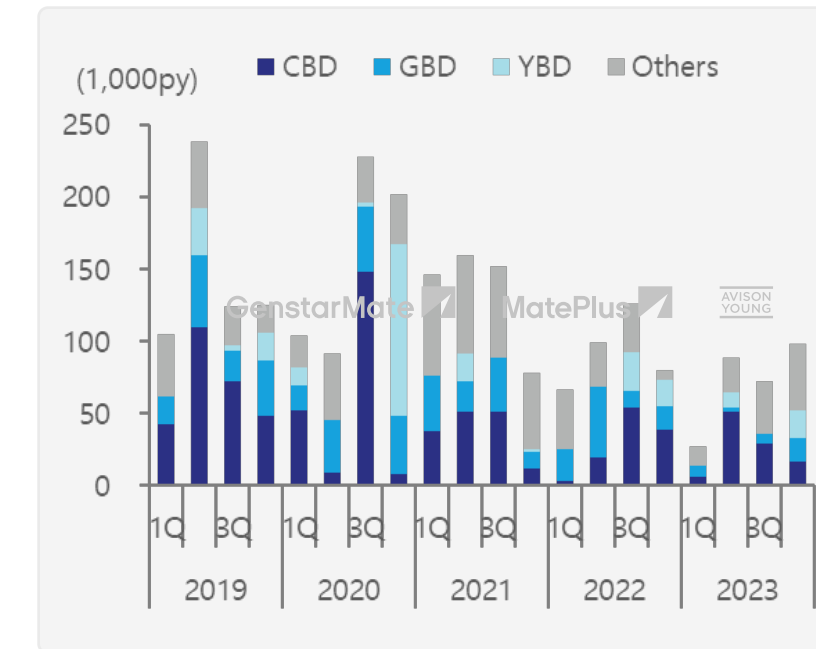


04

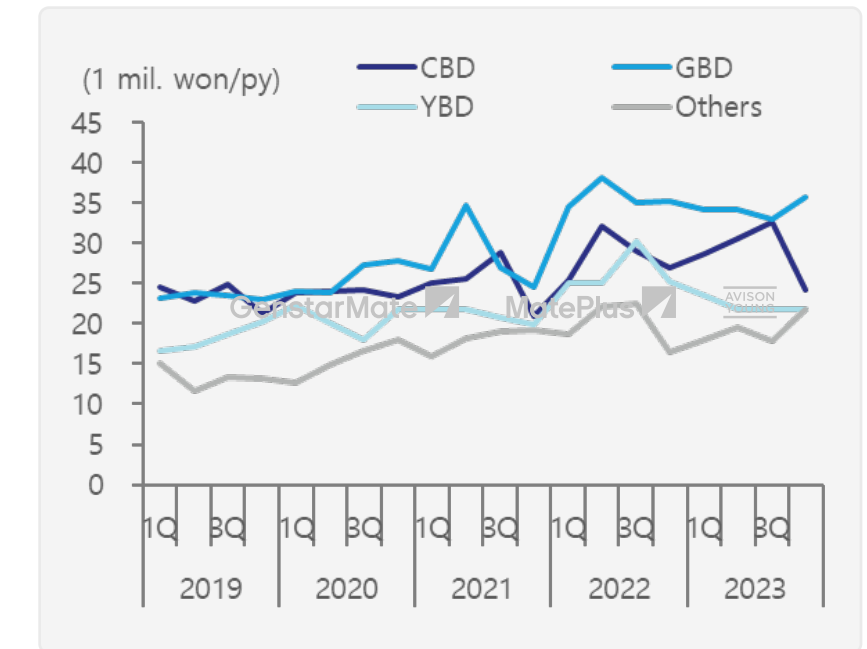
**Transaction
Areas by
District and
Unit Price
per py**

- The office transactions in Seoul for the 4Q covered 14 districts, involving approximately 98,000py, a 36% increase from the previous quarter's 72,000py. In terms of unit price per py CBD saw a 26% decline to 24.12 million won, largely influenced by the HSBC Building transaction. Meanwhile, GBD and Others recorded unit prices of 35.72 million won and 21.84 million won per py, respectively, with notable transactions including Majestar City Tower 1 and Samsung SDS Tower.

Transaction Areas by District



Unit Price per py by District

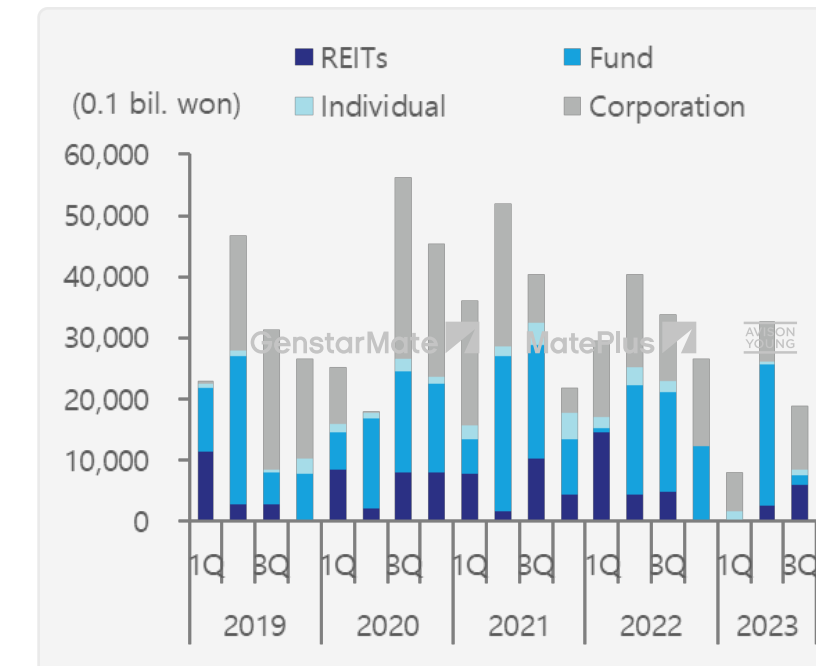


05

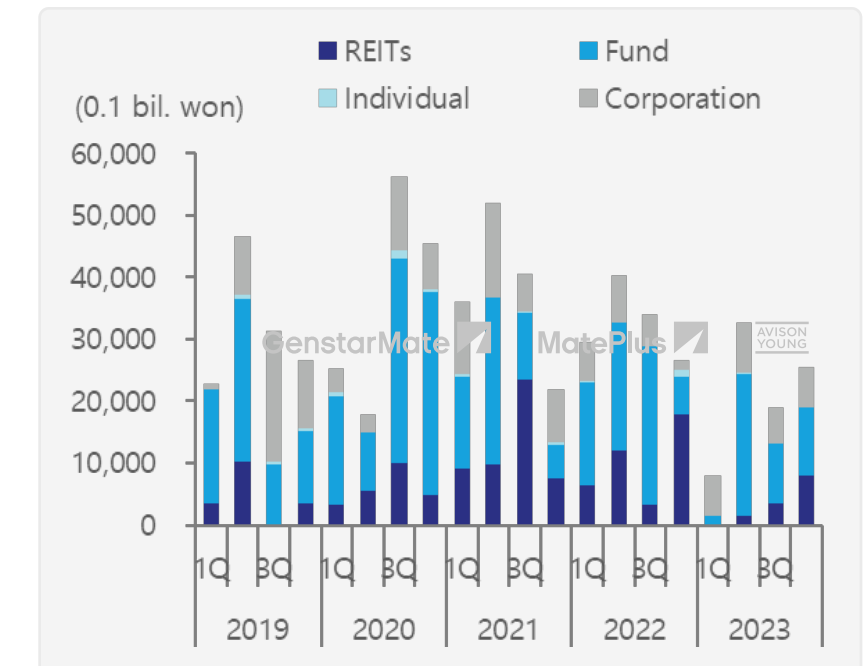
**Transaction
Volume by
type of
Seller/Buyer**

- From the seller's perspective, funds and REITs accounted for approximately 71% of the total transaction volume, reaching 18.07 trillion won, marking a significant increase of 139% (1.52 trillion won↑) compared to the previous quarter. Regarding the buyer's profile, funds and REITs accounted for a high proportion, with purchases amounting to 1.1 trillion won and 795.6 billion won, respectively, comprising 75% of the total purchase volume. Corporate buyers primarily focused on property acquisition for office space, amounting to 631.6 billion won (25% of the total transaction volume), while individual purchases were not observed.

Transaction Volume by Sellers



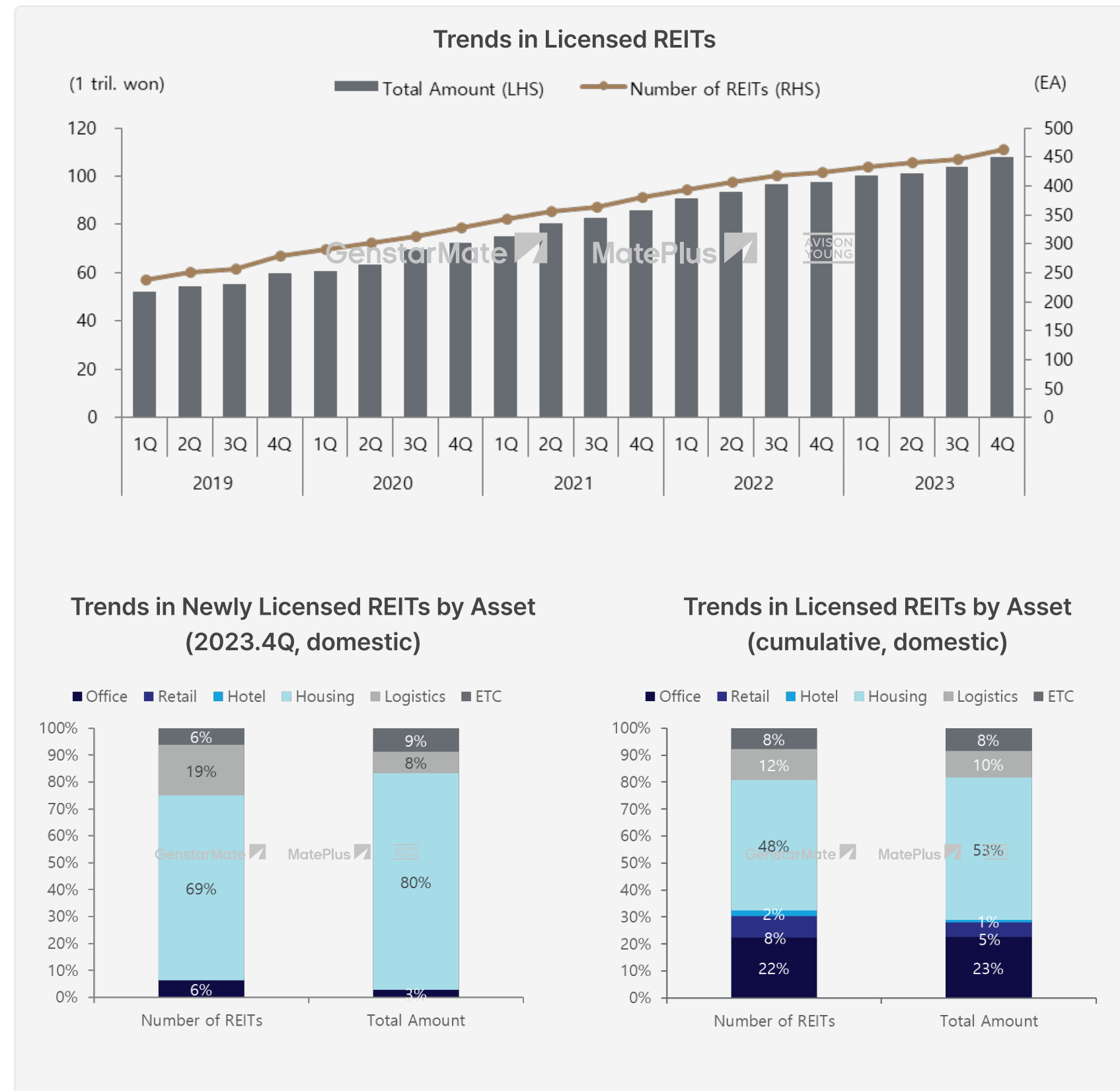
Transaction Volume by Buyers



06

REITs;
Real Estate
Investment
Trust

- In the 4Q of 2023, a total of 16 REITs were newly licensed or registered. Among these, all 16 were domestic investment cases, comprising 1 office building, 3 logistics centers, 11 residential properties, and 1 other property type.

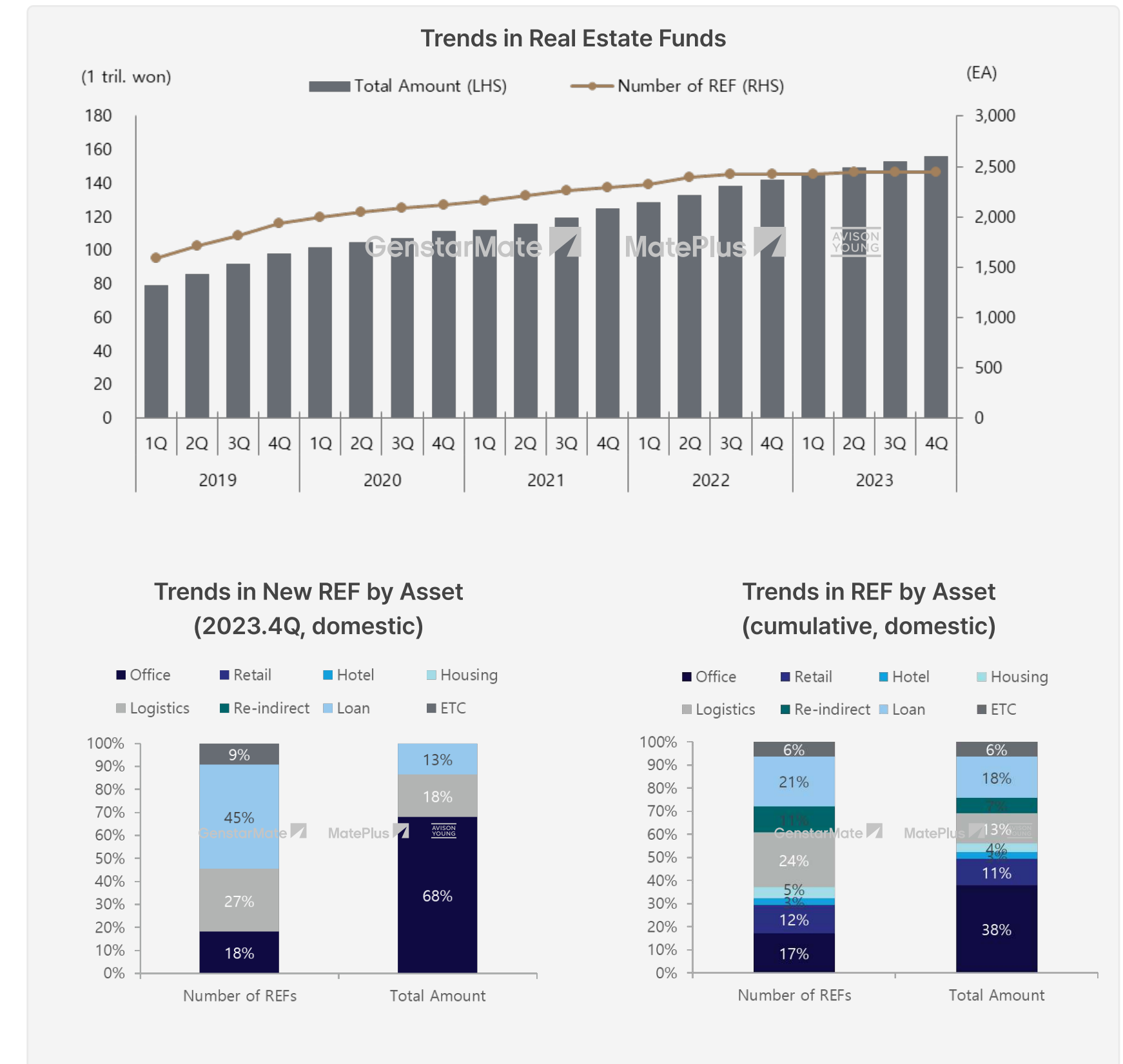


* Source: Ministry of Land, Infrastructure and Transport, KAREIT, REITs Information System
 * Investigation Date: 2023.12.31
 * based on newly licensed and registered REITs

07

REF;
Real Estate
Fund

- As of the 4Q of 2023, the original capital amount for real estate funds stands at 155.8 trillion won, with a total of 2,444 remaining funds. This reflects a 1.9% increase compared to the previous quarter. Both of the 2 investments made in domestic office real estate development during this quarter were confirmed to be offices located in the Others district.



* Source: KOFIA, AMC
 * Investigation Date: 2023.12.31
 * based on newly set-up funds

08

Transaction Case Analysis by District

CBD

In the current quarter, CBD transactions were predominantly focused on strata assets, resulting in a transaction volume of 376.5 billion won, a 62% decrease compared to the previous quarter. Regarding strata assets, the HSBC Building traded its upper floors (8th to 18th floors, and basement 1st floor) excluding the lower floors owned by HSBC. Shinhan REITs Management completed the purchase from K-Clavis Asset Management at approximately 24.12 million won per py. In the case of Injoo Building in Seorin-dong, a portion of the space, excluding the lower floors utilized by Hana Bank, was purchased through a fund by Daeshin Asset Management. Meanwhile, Sambu Building, initially intended for premium residential development, faced an EOD during its attempted conversion to a PF. In the current quarter, Shinhan Asset Management acquired it for 1.02 trillion won. Shinhan Asset Management utilized the Real Estate PF Stabilization Support Fund, provided by the government through KAMCO(Korea Asset Management Corporation), to acquire the Sambu Building. It's been reported that Shinhan Asset Management intends to develop the property into long-term rental housing.

Building Name	Address	Transacted Area (py)	Transaction Price (billion won)	Unit price per py (10,000 won)	Seller / Buyer
HSBC Bldg.	Bongrae-dong 1-ga, Jung-gu	7,506	181.0	2,415	K-Clavis Asset Management / Shinhan REITs Management
Sambu Bldg.	Namchang-dong, Jung-gu	4,616	102.0	2,209	Namdaemun71PFV / Shinhan Asset Management
CJ Logistics Bldg.	Seosomun-dong, Jung-gu	3,589	47.0	1,310	CJ Logistics Corporation / Civic Center PFV
Injoo Bldg.	Seorin-dong, Jongno-gu	1,137	46.5	4,093	Saebit Hanbit, SHARP AVIATION K, Injoo, Individual / Daeshin Asset Management



09

Transaction Case Analysis by District

BBD

In the current quarter, BBD recorded a transaction volume of 138.6 billion won, driven by transactions such as Bundang Seohyeon Building. Bundang Seohyeon Building was purchased by Kyobo Asset Trust from Vestas Investment Management for 946 billion won (1.793 million won per py), allowing Vestas Investment Management to realize a profit of 23.6 billion won after three years.



Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Bundang Seohyun Bldg.	Seohyeon-dong, Bundang-gu	5,275	94.6	1,793	Vestas Investment Management / Kyobo Asset Trust

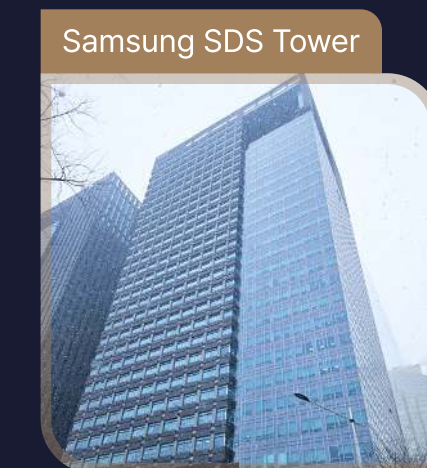
10

Transaction Case Analysis by District

Others

In the current quarter, transactions in Others comprised 6 buildings totaling 1.12 trillion won, marking a 62% increase compared to the previous quarter's transaction volume of 690.2 billion won. The largest transaction of 2023, Samsung SDS Tower, was acquired by KB Asset Management from Ryukyung PSG Asset Management for 850 billion won (2.82 millionwon per py). KB Asset Management utilized the Blind Fund (KB Core Plus Blind Fund No.1), with participation from KB Group affiliates such as KB Kookmin Bank and KB Insurance. Through this transaction, Ryukyung PSG Asset Management realized a profit of 222 billion won after approximately five years. Meanwhile, the fashion platform company Musinsa utilized a sale and leaseback structure in the current quarter to sell Musinsa Campus E1 to Mastern Investment Management and entered into a 15-year lease agreement for the building. This marks the second collaboration between Mastern Investment Management and Musinsa following the acquisition and leaseback of Musinsa Campus N1 in the 2Q of 2022. Focusing on real estate investments in the Seongsu-dong area, Musinsa is reportedly considering purchasing office space in Seongsu-dong 2-ga, currently under development by Neovalue.

Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Samsung SDS Tower	Sincheon-dong, Songpa-gu	30,110	850.0	2,823	Ryukyung PSG Asset Management / KB Asset Management
Musinsa Campus E1	Seongsu-dong 2-ga, Seongdong-gu	3,186	111.5	3,500	Musinsa / Mastern Investment Management
AJ Bldg., AJ Vision Tower	Munjeong-dong, Songpa-gu	8,164	96.2	1,178	K-Top REIT / AJ Networks
Gwangmyeong Bldg.	Bangi-dong, Songpa-gu	1,113	27.0	2,426	Kwang Myung Electric / P&C TECH



11

Transaction Case Analysis by District

GBD

In the current quarter, GBD recorded a transaction volume of 585 billion won, with properties like Majestar City Tower1 being traded. Majestar City, developed by MSquare PFV, was initially sold separately to IGIS Asset Management (Tower 1) and Koramco REITs Management and Trust (Tower 2) in 2017. However, in the current quarter, Tower 1, previously owned by IGIS Asset Management, was sold to Koramco REITs Management and Trust. Koramco REITs Management and Trust acquired Tower 1 from IGIS Asset Management for 520 billion won (3.69million won per py). Additionally, Koramco Life Infrastructure REITs, which primarily invested in non-office assets such as gas stations, invested 230 billion won in preferred equity. With this transaction, Koramco REITs Management and Trust now owns Towers 1 and 2 together, enabling more efficient integrated management.



Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Majestar City Tower 1	Seocho-dong, Seocho-gu	14,091	520.0	3,690	IGIS Asset Management / Koramco REITs Management

12

Transaction Case Analysis by District

YBD

In the current quarter, YBD recorded a transaction volume of 322.1 billion won across 2 districts. Among these, Yeouido Anchor One, as part of the Yeouido MBC Site Development PFV established with an investment from the Shinyoung Consortium, under the conditions agreed upon during the purchase of the Yeouido MBC site in 2018*, sold Yeouido Anchor One to MBC for 286.6 billion won. It is reported that Yeouido Anchor One is expected to alleviate its vacancy as Yuanta Securities Korea and Eugene Asset Management are scheduled to move in sequentially in the first half of 2024. Additionally, Sanlim Vision Center, formerly owned by Korea Forestry Service, has changed hands to BORA, the parent company of the coffee franchise 'Mega MGC Coffee'.

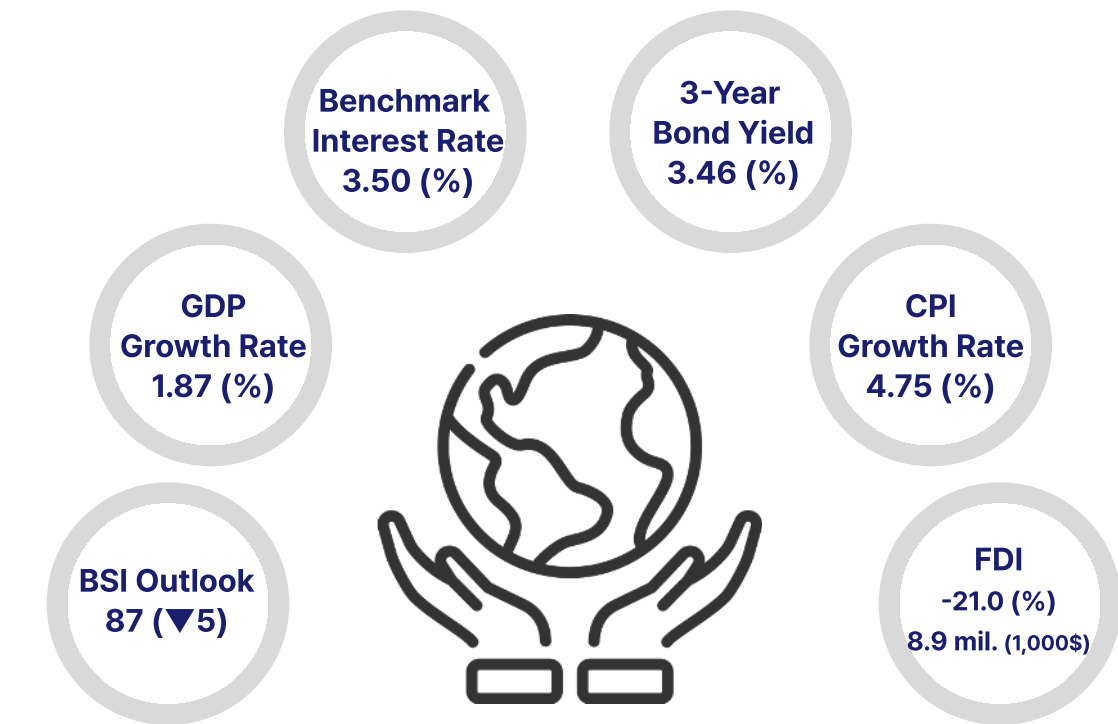
* The condition is to allocate a portion of the land acquisition cost to MBC for the construction of office buildings.

Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Yeouido Anchor One	Yeouido-dong	17,464	286.6	1,641	Yeouido MBC Site Development PFV / MBC
Sanlim Vision Center	Yeouido-dong	2,155	35.5	1,647	Korea Forestry Service / BORA



01

Economic Index

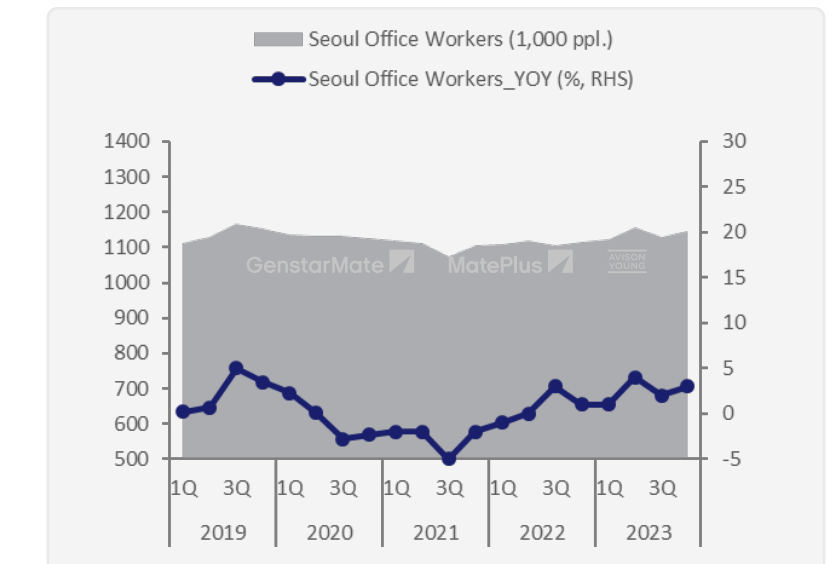
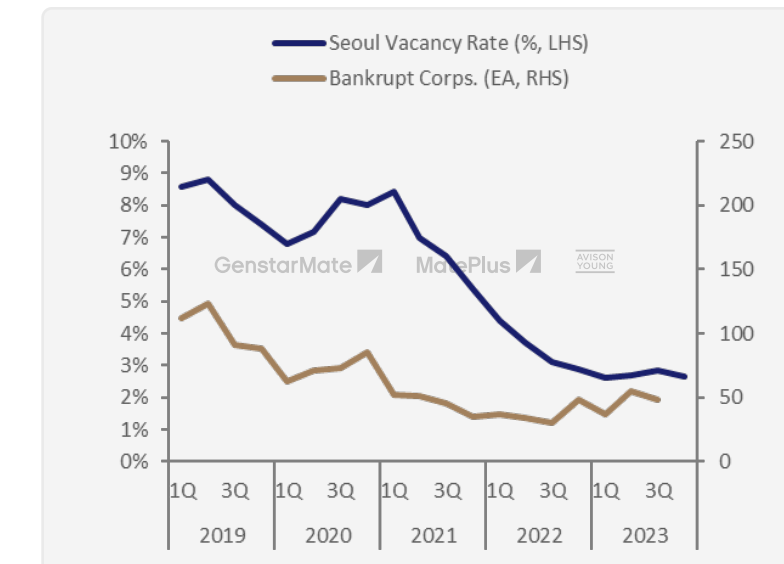


* Source : BOK, KOSIS
 * Period of Time : 2023.4Q
 (GDP, FDI : 2023.3Q)
 * GDP, CPI, FDI : Y-o-Y
 * BSI Outlook : Q-o-Q

- As inflation slowed down, the US Federal Reserve (Fed) maintained its benchmark interest rate at 5.5% for the third consecutive time since July 2023. Consequently, the Bank of Korea also kept its benchmark interest rate unchanged for the eighth consecutive time since February 2023, maintaining it at the level of 3.5%.
- In terms of Foreign Direct Investment (FDI) attraction performance, the reported figures for 2023 reached a record high, totaling \$32.72 billion, marking a 7.5% increase compared to the previous year. The GDP growth rate stood at 1.61%, showing a slight increase compared to the 2Q of 2023. However, it has maintained a relatively low growth rate in the 1% range for four consecutive quarters since the 4Q of 2022.
- In the current quarter, the office vacancy rate in Seoul decreased by 0.2%p compared to the previous quarter, reaching 2.7%. Excluding newly constructed buildings, the vacancy rate also decreased by 0.2%p from the previous quarter, recording 2.1%.

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	2.1%	▼ 0.2%p	89,870won ▲ 1.4%	38,148 won ▲ 0.9%

Vacancy Rate (incl. new bldgs.)	Vacancy Rate (excl. new bldgs.)
3.0%	2.8%
▼ 0.3%p	▼ 0.4%p

Monthly Rent	Monthly CAM
104,176 won ▲ 0.9%	43,010 won ▲ 0.5%

Vacancy Rate (incl. new bldgs.)	Vacancy Rate (excl. new bldgs.)
2.5%	2.5%
▼ 0.3%p	▼ 0.3%p

Monthly Rent	Monthly CAM
61,735 won ▲ 0.6%	31,410 won ▲ 0.5%



- In the 4Q of 2023, the overall vacancy rate in Seoul decreased by 0.2%p compared to the previous quarter, reaching 2.7%. It was found that office relocations by major tenants occurred in all districts except YBD, driving the decrease in vacancy rates.
- In the CBD, Samsung C&T alleviated large vacancies by completing its relocation to the Samsung Main Building, previously vacated by the Bank of Korea. Additionally, relocations of public institutions within the district contributed to a decrease in the vacancy rate by 0.3%p compared to the previous quarter, recording 3.0%.
- In the GBD, the vacancy rate decreased by 0.1%p compared to the previous quarter, reaching 2.3%. This decrease was attributed to major tenants, such as Hyundai Motor Company in Scale Tower and GS Engineering & Construction in GS Construction Tower (GS E&C R&D Center), moving in and alleviating significant vacancies.
- In YBD, vacating some offices in the East Yeouido Securities submarket led to a 0.1%p increase in the vacancy rate, reaching 3.1% compared to the previous quarter. With the upcoming completion of TP Tower, it is anticipated that the upward trend in vacancy rates will continue.
- In the Others district, the vacancy rate decreased by 0.3%p compared to the previous quarter, reaching 2.5%. This decrease was attributed to significant vacancy alleviation in medium-large grade offices such as D-Cube City.
- Rent and CAM increased by 1.4% and 0.9%, respectively, compared to the previous quarter. With the arrival of the usual rental fee adjustment period, showing a higher rate of increase compared to the previous quarter.

4-1

CBD Vacancy Rate

* 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.

New Supply

- In the 4Q, in the CBD, the supply of Seoul N Square (remodeling of Pfizer Tower) provided medium-grade office spaces. However, due to Samsung C&T's relocation to the Samsung Main Building, the absorption area recorded a positive value, alleviating a vacancy of 6,000py.
- In the 1Q, three office buildings, including those in the Bongrae Urban Redevelopment District 1, are scheduled to be completed. This is expected to increase the total inventory of office spaces.

Vacancy Rate

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.0% ▼ 0.3%p	2.8% ▼ 0.4%p
Prime	2.1% ▼ 1.4%p	2.1% ▼ 1.4%p
Large	2.8% ▲ 0.4%p	2.8% ▲ 0.4%p
Medium-Large	3.7% ▲ 0.4%p	3.7% ▲ 0.4%p
Medium	6.2% ▲ 0.1%p	3.7% ▼ 0.4%p
Small	4.5% ▼ 0.2%p	4.5% ▼ 0.2%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.0% ▼ 0.3%p	2.8% ▼ 0.4%p
Gwanghwamun-Sinmmuro	0.6% ▼ 0.3%p	0.6% ▼ 0.3%p
Namdaemun	5.5% ▼ 0.7%p	5.5% ▼ 0.7%p
Euljiro	2.9% ▼ 0.4%p	2.2% ▼ 0.6%p
Jongno	2.1% ▲ 0.2%p	2.1% ▲ 0.2%p
The rest of CBD	1.7% ▼ 0.5%p	1.7% ▼ 0.5%p

4-2

CBD Rent & CAM

* 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.'

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

(Price Unit: 1,000 won/py)

Grade	Deposit		Monthly Rent		Monthly CAM	
Overall	1,041.8	▲ 0.9%	104.2	▲ 0.9%	43.0	▲ 0.5%
Prime	1,244.6	▲ 0.5%	124.5	▲ 0.5%	47.7	▲ 0.4%
Large	1,061.0	▲ 1.4%	106.1	▲ 1.4%	44.1	▲ 0.6%
Medium-Large	750.8	▼ 0.3%	75.1	▼ 0.3%	36.8	▲ 0.6%
Medium	718.3	▲ 3.0%	71.8	▲ 3.0%	32.6	▲ 0.6%
Small	578.9	▲ 0.3%	57.9	▲ 0.3%	28.1	▲ 0.4%

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

(Price Unit: 1,000 won/py)

Submarket	Deposit		Monthly Rent		Monthly CAM	
Overall	1,041.8	▲ 0.9%	104.2	▲ 0.9%	43.0	▲ 0.5%
Gwanghwamun-Sinmmuro	922.4	—	92.2	—	37.4	▲ 0.2%
Namdaemun	1,048.3	▲ 1.4%	104.8	▲ 1.4%	43.8	▲ 0.6%
Euljiro	1,090.6	▲ 1.4%	109.1	▲ 1.4%	44.9	▲ 0.9%
Jongno	1,192.0	▲ 0.4%	119.2	▲ 0.4%	46.3	▲ 0.4%
The rest of CBD	800.7	▲ 0.3%	80.1	▲ 0.3%	37.9	▲ 0.2%

5-1

**GBD
Vacancy
Rate**

New Supply

- In the 4Q, although there was no new office supply within the GBD, one small-grade office at Teheran-ro submarket was included in the leasing sample, leading to a slight increase in inventory.
- Several large-scale new occupancy cases occurred, such as the relocation of GS Engineering & Construction R&D Center within the GS Engineering & Construction Seocho Tower (formerly JW Tower), resulting in a positive absorption area.

Vacancy Rate

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	2.3% ▼ 0.1%p	1.6% —
Prime	0.2% ▼ 0.2%p	0.2% ▼ 0.2%p
Large	3.6% ▲ 0.2%p	2.1% ▲ 0.7%p
Medium-Large	2.0% ▼ 1.2%p	2.0% ▼ 1.2%p
Medium	1.6% ▲ 0.4%p	1.6% ▲ 0.4%p
Small	5.9% ▲ 1.7%p	3.2% ▲ 0.9%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	2.3% ▼ 0.1%p	1.6% —
Teheranro	1.9% ▲ 0.8%p	1.7% ▲ 0.7%p
Gangnam-daero	3.1% ▼ 0.8%p	0.7% —
The rest of GBD	2.5% ▼ 1.1%p	2.1% ▼ 1.2%p

6-1

**YBD
Vacancy
Rate**

New Supply

- In the current quarter, there were no confirmed cases of new office supply within YBD. However, in the first quarter, the completion of TP Tower (reconstruction of the Teachers' Pension Building) is scheduled, leading to an increase in the total inventory compared to the current quarter.

Vacancy Rate

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.1% ▲ 0.1%p	1.4% ▲ 0.1%p
Prime	1.7% ▲ 0.1%p	1.7% ▲ 0.1%p
Large	7.5% ▲ 0.2%p	0.8% ▲ 0.2%p
Medium-Large	1.8% ▲ 0.2%p	1.8% ▲ 0.2%p
Medium	0.8% ▲ 0.5%p	0.8% ▲ 0.5%p
Small	1.6% ▼ 2.3%p	1.6% ▼ 2.3%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.1% ▲ 0.1%p	1.4% ▲ 0.1%p
West Yeouido	1.4% ▼ 0.4%p	1.4% ▼ 0.4%p
Stock Exchange District	2.4% ▲ 0.5%p	2.4% ▲ 0.5%p
East Yeouido	3.8% —	1.0% —

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	981.6 ▲ 2.2%	98.2 ▲ 2.2%	38.5 ▲ 1.5%
Prime	1,207.2 ▲ 1.3%	120.7 ▲ 1.3%	44.6 ▲ 0.9%
Large	1,014.3 ▲ 3.3%	101.4 ▲ 3.3%	39.9 ▲ 2.5%
Medium-Large	926.8 ▲ 1.7%	92.7 ▲ 1.7%	36.9 ▲ 1.2%
Medium	776.7 ▲ 2.6%	77.7 ▲ 2.6%	32.9 ▲ 0.9%
Small	666.4 ▲ 2.4%	66.6 ▲ 2.4%	28.2 ▲ 0.9%

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

(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	981.6 ▲ 2.2%	98.2 ▲ 2.2%	38.5 ▲ 1.5%
Teheranro	1,114.9 ▲ 2.1%	111.5 ▲ 2.1%	41.3 ▲ 1.0%
Gangnam-daero	1,027.1 ▲ 2.4%	102.7 ▲ 2.4%	39.6 ▲ 2.3%
The rest of GBD	716.1 ▲ 2.2%	71.6 ▲ 2.2%	32.8 ▲ 1.8%

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	884.3 ▲ 1.5%	88.4 ▲ 1.5%	38.4 ▲ 1.1%
Prime	1,178.3 ▲ 1.2%	117.8 ▲ 1.2%	45.5 ▲ 0.7%
Large	726.4 ▲ 1.3%	72.6 ▲ 1.3%	36.7 ▲ 1.3%
Medium-Large	565.9 ▲ 0.6%	56.6 ▲ 0.6%	29.2 ▲ 0.9%
Medium	464.0 ▲ 0.5%	46.4 ▲ 0.5%	26.3 ▲ 1.1%
Small	345.6 ▼ 0.1%	34.6 ▼ 0.1%	22.2 ▲ 0.5%

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

(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	884.3 ▲ 1.5%	88.4 ▲ 1.5%	38.4 ▲ 1.1%
West Yeouido	489.9 ▼ 0.1%	49.0 ▼ 0.1%	25.4 ▲ 0.4%
Stock Exchange Market	1,115.0 ▲ 2.8%	111.5 ▲ 2.8%	45.4 ▲ 1.8%
East Yeouido	885.1 ▲ 0.7%	88.5 ▲ 0.7%	38.6 ▲ 0.7%

7-1

Others
Vacancy
Rate

New Supply

- In the current quarter, within the Others district, one medium-grade office building and three small-grade offices (including Inhoo Tower, Samyun Building, etc.) were supplied. In the 1Q of 2024, there are forecasts for office supply centered around the Seongsu submarket and Godeok Biz Valley such as Factorial Seongsu and RSupport HQ.

Vacancy Rate

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	2.5% ▼0.3%p	2.5% ▼0.3%p
Prime	0.7% —	0.7% —
Large	2.1% —	2.1% —
Medium-Large	3.4% ▼0.6%p	3.4% ▼0.6%p
Medium	2.2% ▼0.6%p	2.2% ▼0.6%p
Small	7.7% ▼1.0%p	7.4% ▼0.7%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	2.5% ▼0.3%p	2.5% ▼0.3%p
Mapo	1.5% ▼0.1%p	1.5% ▼0.1%p
Yongsan	0.7% ▼0.9%p	0.7% ▼0.9%p
Jamsil-Songpa	0.4% ▼0.3%p	0.4% ▼0.3%p
Sangam	2.1% ▲0.2%p	2.1% ▲0.2%p
The rest of Others	4.1% ▼0.4%p	4.1% ▼0.3%p

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	617.3 ▲0.6%	61.7 ▲0.6%	31.4 ▲0.5%
Prime	800.7 ▲0.1%	80.1 ▲0.1%	36.3 ▲0.2%
Large	576.3 ▲1.1%	57.6 ▲1.1%	31.3 ▲0.7%
Medium-Large	549.9 ▲0.6%	55.0 ▲0.6%	30.4 ▲0.5%
Medium	545.9 ▲1.3%	54.6 ▲1.3%	26.7 ▲0.6%
Small	415.9 ▲0.2%	41.6 ▲0.2%	—

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

(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	617.3 ▲0.6%	61.7 ▲0.6%	31.4 ▲0.5%
Mapo	494.9 ▲0.1%	49.5 ▲0.1%	28.7 ▲0.3%
Yongsan	943.7 ▲0.1%	94.4 ▲0.1%	—
Jamsil-Songpa	759.7 ▲0.7%	76.0 ▲0.7%	33.9 ▲0.3%
Sangam	439.4 ▲0.5%	43.9 ▲0.5%	27.7 ▲0.6%
The rest of Others	579.2 ▲0.8%	57.9 ▲0.8%	30.8 ▲0.7%

8-1

BBD
Vacancy
Rate

New Supply

- There have been no confirmed cases of newsupply within BBD for this quarter. It is expected that the supply of newly constructed office buildings for the purpose of headquarters within 2nd Pangyo Techno Valley will continue in the future.

Vacancy Rate

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	0.9% ▼0.3%p	0.9% ▼0.3%p
Prime	0.0% —	0.0% —
Large	0.6% ▼0.4%p	0.6% ▼0.4%p
Medium-Large	3.7% ▼2.1%p	3.7% ▼2.1%p
Medium	3.1% ▲0.2%p	3.1% ▲0.2%p
Small	1.5% —	1.5% —

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	0.9% ▼0.3%p	0.9% ▼0.3%p
Seohyun	1.4% ▼1.2%p	1.4% ▼1.2%p
Sunae	1.3% ▲0.6%p	1.3% ▲0.6%p
The rest of BBD	2.4% ▼1.3%p	2.4% ▼1.3%p
Pangyo	0.4% —	0.4% —

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	701.7 ▲1.4%	70.2 ▲1.4%	28.3 ▲1.2%
Prime	846.2 ▲1.3%	84.6 ▲1.3%	30.3 ▲0.7%
Large	640.0 ▲0.7%	64.0 ▲0.7%	27.9 ▲1.3%
Medium-Large	581.7 —	58.2 —	27.5 —
Medium	544.6 ▲7.1%	54.5 ▲7.1%	25.8 ▲5.0%
Small	453.4 —	45.3 —	22.9 —

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

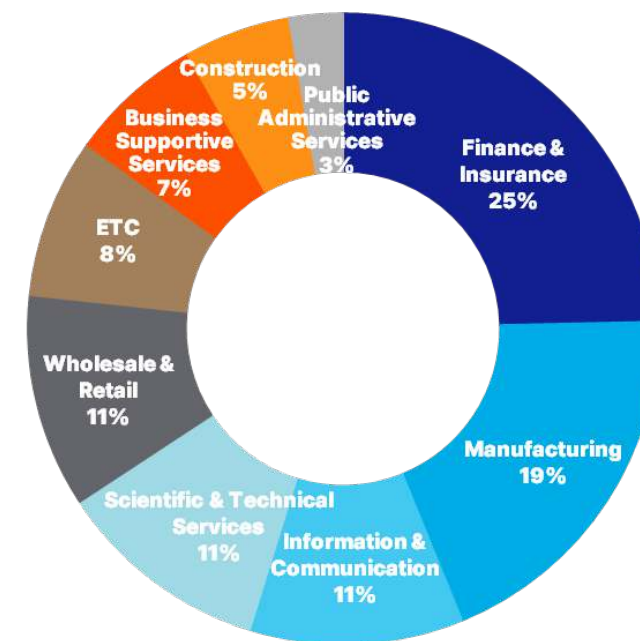
(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	701.7 ▲1.4%	70.2 ▲1.4%	28.3 ▲1.2%
Seohyun	661.0 —	66.1 —	28.6 —
Sunae	564.8 ▲2.4%	56.5 ▲2.4%	27.3 ▲4.2%
The rest of BBD	563.1 —	56.3 —	16.5 —
Pangyo	774.2 ▲1.8%	77.4 ▲1.8%	31.2 ▲1.0%

9-1 Tenants Movement Status by Industry

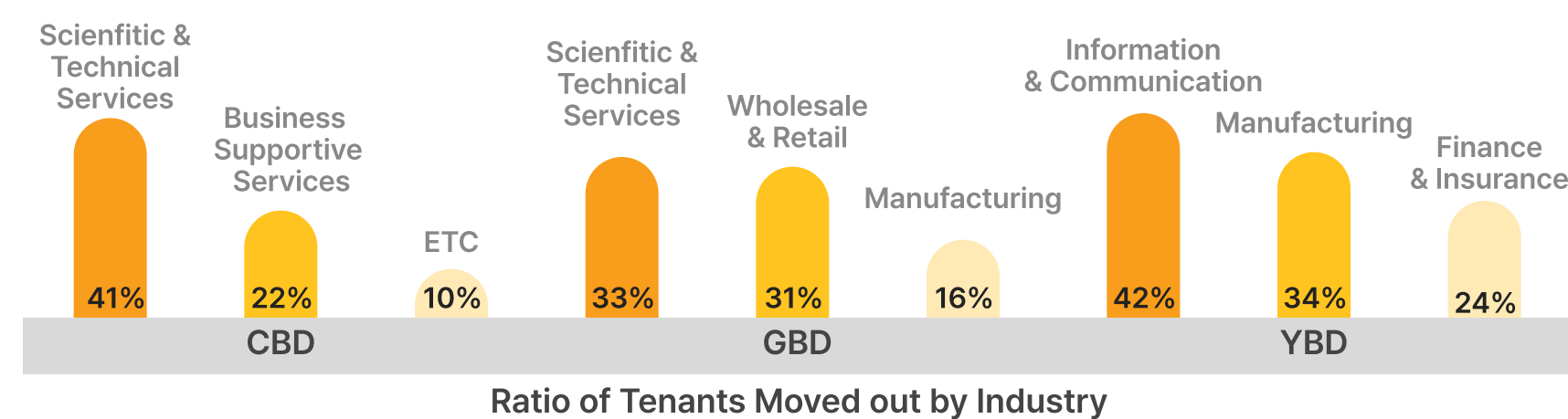
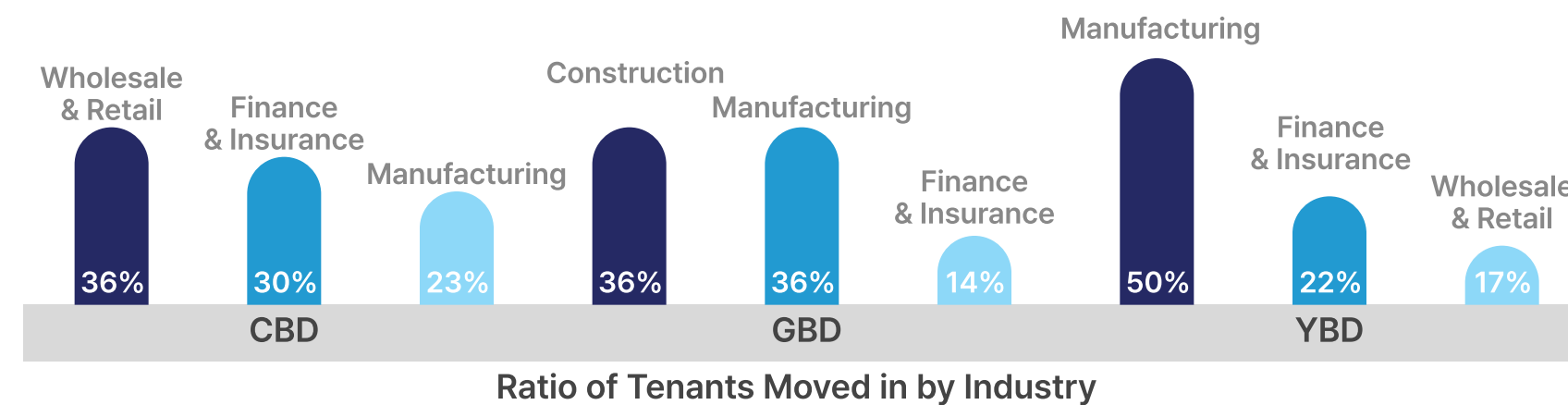
- In the 4Q, the most active tenant movements were observed in the Financial and Insurance sector as well as in Manufacturing.
- In the Finance & Insurance sector, tenant movements of institutions such as Woori Bank and BNK Busan Bank were noted, with intra-district movements within the CBD being particularly pronounced.
- The Manufacturing sector, which recorded a 10% increase in movement compared to the previous quarter, saw movements of major tenants including Hanwha Systems and Hyundai Motor occurring across all districts.

Trends in Tenants Movement by Industry



9-2 Tenants Movement Status by District

- During this quarter, amidst active movements across various sectors throughout all districts, noticeable were large-scale leases for headquarters relocation by major corporations. Following Samsung C&T's relocation to Samsung Main Building, the vacancy alleviation ratio in the Wholesale and Retail sector in the CBD reached 36%. In GBD, relocations to GS Construction Seocho Tower (GS Construction R&D Center, GS Elevator) and Scale Tower (Hyundai Motor) contributed to vacancy alleviation, focusing on the Construction and Manufacturing sectors. Meanwhile, in YBD, with the completion of LG Energy Solution's expansion within Parc One Tower 1, the Manufacturing sector showed the highest vacancy alleviation ratio.



01 Research Overview

Region Seoul, Bundang, and 6 major cities (Incheon, Daegu, Daejeon, Gwangju, Ulsan, Busan)

Target Office buildings with gross floor area of 1,500m² 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: (3.3m² = 1 py)

Small Smaller than 3,000 py

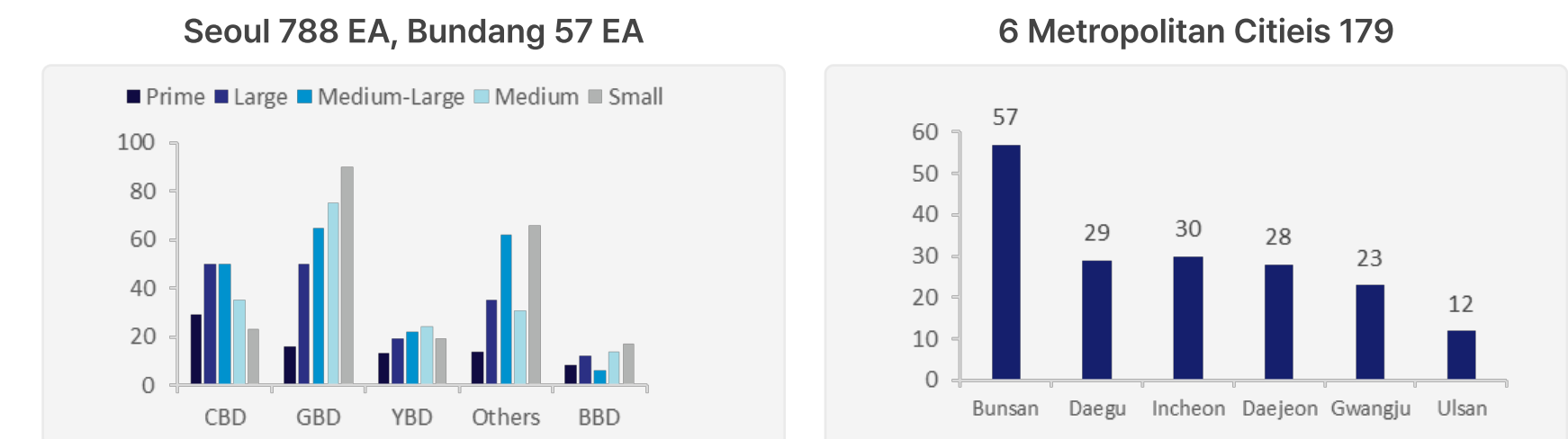
Medium 3,000py ~ 5,000py

Medium-Large 5,000py ~ 10,000py

Large 10,000py ~ 20,000py

Prime Over 20,000py

Office Samples by Grade and Submarket (1,024 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	-





Contacts

GenstarMate MatePlus

CEO	Jinwon Choi	02_2003_8121
Marketing B.U	Head of BU Heebung Byun	02_2003_8150
VA & Asset Research	Head of Div. Kwangjin Kim	02_3775_7331
Leasing	Head of Div. Changhee No	02_2003_8030
Retail Service	Head of Div. Chagyk Lee	02_3775_7230
Property Management	Head of Div. Sanggu Jung	02_3775_7312
NPL Asset Management	Director Moonsu Choi	02_3775_7327
Strategic B.U	Head of BU Youngjae Cho	02_2003_8188
Research & Consulting	Head of Div. Hyunggoo Lee	02_3775_7290
Logisitics Div.	Head of Div. Jongsu Noh	02_3775_7334
Capital Market	Head of Div. Heedeok Gang	02_3775_7203

AVISON YOUNG

CEO	Jinwon Choi	02_2003_8121
Capltal Market	Head of Div. Heedeok Gang	02_2003_8133
Retail Service	Head of Div. Changyk Lee	02_3775_7230

GHP TOTAL RESIDENTIAL SOLUTIONS

CEO	Chaewook Lim	02_6949_3185
Operation & Management of Rental Housing	Head of Div. Wonki Kim	02_6949_3186

MatePlus Realty

Real Estate Agent, Asset Management	CEO Changhee No	02_2003_8030
-------------------------------------	-----------------	--------------

Scale of Property Management | 459 buildings, 7,058,624 m²

Major Client



GenstarMate Research Center

GenstarMate Research Center		Please contact GM Reasech Center if you wish to subscribe the DB in this report	
Hyounggoo Lee (Head of Institute) 02-3775-7290		Rita Kim (Head of Reserarch) 02-3775-7252	
Inkoo Park 02-3775-7269	Yuseon Jeong 02-3775-7261	Jiyeon Bae 02-3775-7271	Moonkyung Jang 02-3775-7236

❖ Intellectual property rights to this report information (graphs, maps, etc.) belong to GenstarMate Research Center and may be subject to legal sanctions for unauthorized copying and distribution for business purposes without prior permission