



# Office MARKET REPORT

2023. 1Q / Seoul Metropolitan Area  
**OFFICE MARKET REPORT**

1Q 2023  
**Seoul**





04

Seosomun J&M Building



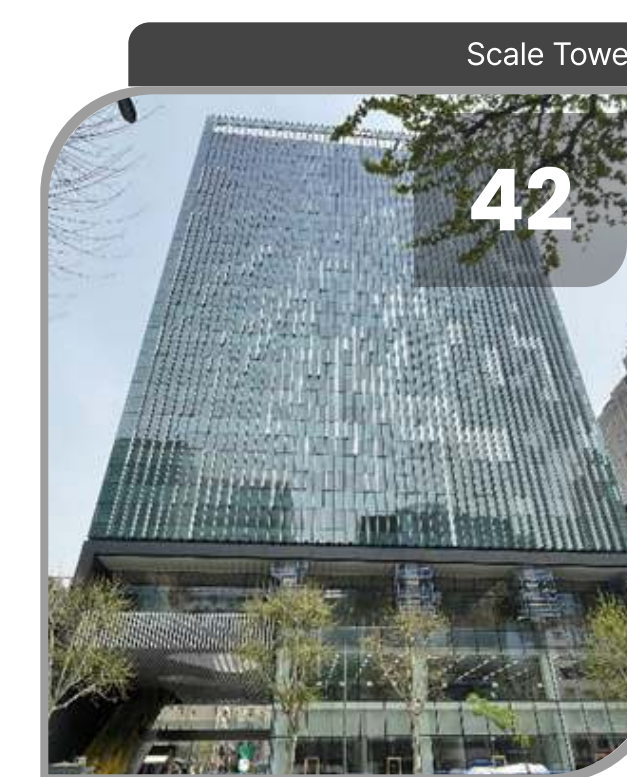
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S-City



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Centropolis



Scale Tower

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Bank of Korea Annex

01

**Investment Market Highlight**

Seosomun J Building & M Building deal successfully closed, with Avison Young Korea's oversight

02

**Seoul Office Rental Market**

Seoul's office vacancy rate decreased by 0.3%p from the previous quarter, ending at 2.6% due to a lower vacancy rate in the CBD

03

**Office Investment Market**

The first quarter of 2023 ended with transaction volume of 799.4 billion won, down 65% from the previous quarter

04

**Major Tenant Activities**

Finance and insurance are the most common industries to transfer, followed by telecommunications

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### Seosomun J Building & M Building deal successfully closed with Avison Young Korea's brokerage

- Seosomun J Building & M Building, formerly owned by JoongAng Holdings, were purchased by Civic Center PFV (invested by CTCore, Samsung SRA Asset Management, etc.), a project implementer of urban redevelopment business in the 11th and 12th districts of Seosomun, for 47.62 million won per py and a total of 290 billion won.
- This quarter saw a lack of transactions in the market, as no medium and large office transactions were identified, except for J-Building & M-Building in Seosomun, S-City.



### A number of maintenance businesses in the CBD are expected to improve the overall work environment and expand the CBD district

- Compared to the GBD and YBD districts, where large-scale office projects such as Pac 1 and Center Field were recently completed, the CBD has been relatively low in large-scale office supply, but this trend is expected to be reversed, and office supply is expected to increase in the next five years.
- A number of redevelopment projects are currently underway in the CBD, such as Eulji Finance Center (Euljiro 3-ga District 1 and 2), which is planned to be purchased by Mirae Asset Management, and Seosomun Districts 11 and 12, which are being developed by Civic Center PFV. These projects are expected to be completed sequentially in the future, accelerating the growth of the CBD district.
- However, the market is still unstable due to interest rate hikes, and projects in the CBD (Jongno-gu and Jung-gu) have the potential for delays related to the excavation of historical relics and transference issues.

#### CBD Redevelopment Project

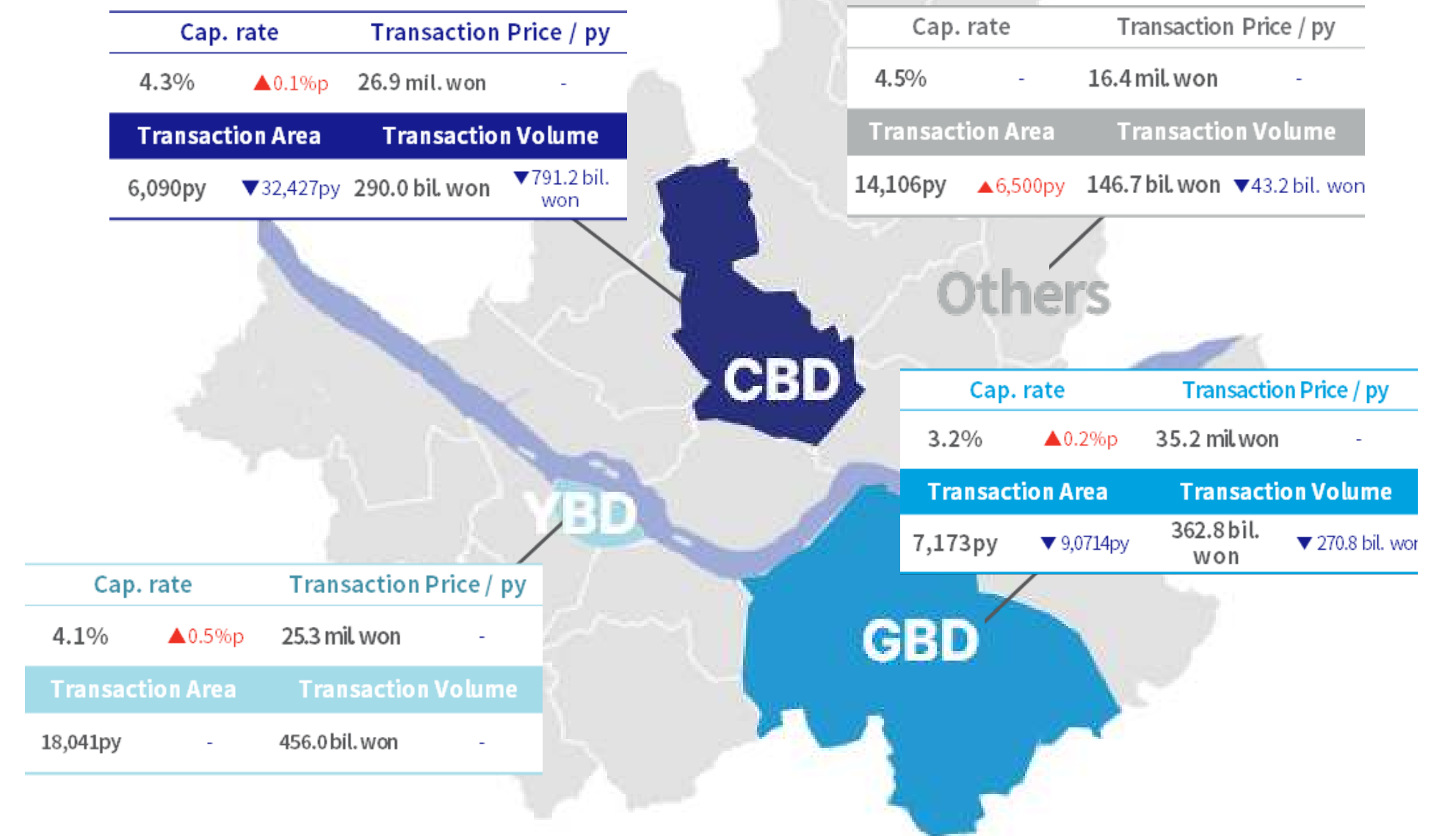
Project Name		GFA(py)	Completion(E)
Sewoon	District 3-3	18,000	2023
	District 3-10	15,000	2026
Euljiro 3-ga	District 4	41,000	2026
	District 1,2 (Eulji Finance Center)	20,000	2027
	District 6	18,000	2026
	District 12	14,000	2025
Seosomun	District 11,12	36,000	2028
Seoul Station	Northern District	45,000	2027
Bongrae	District 1	12,000	2024

• Office area only

## 01

### OVERVIEW Seoul

Cap. Rate	Transaction Price / py	Transaction Area	Transaction Volume
4.0%	▲0.1%p	2.6 mil. won	-
		27,3694py	▼52,986py
		799 bil. won	▼1,475 bil. won

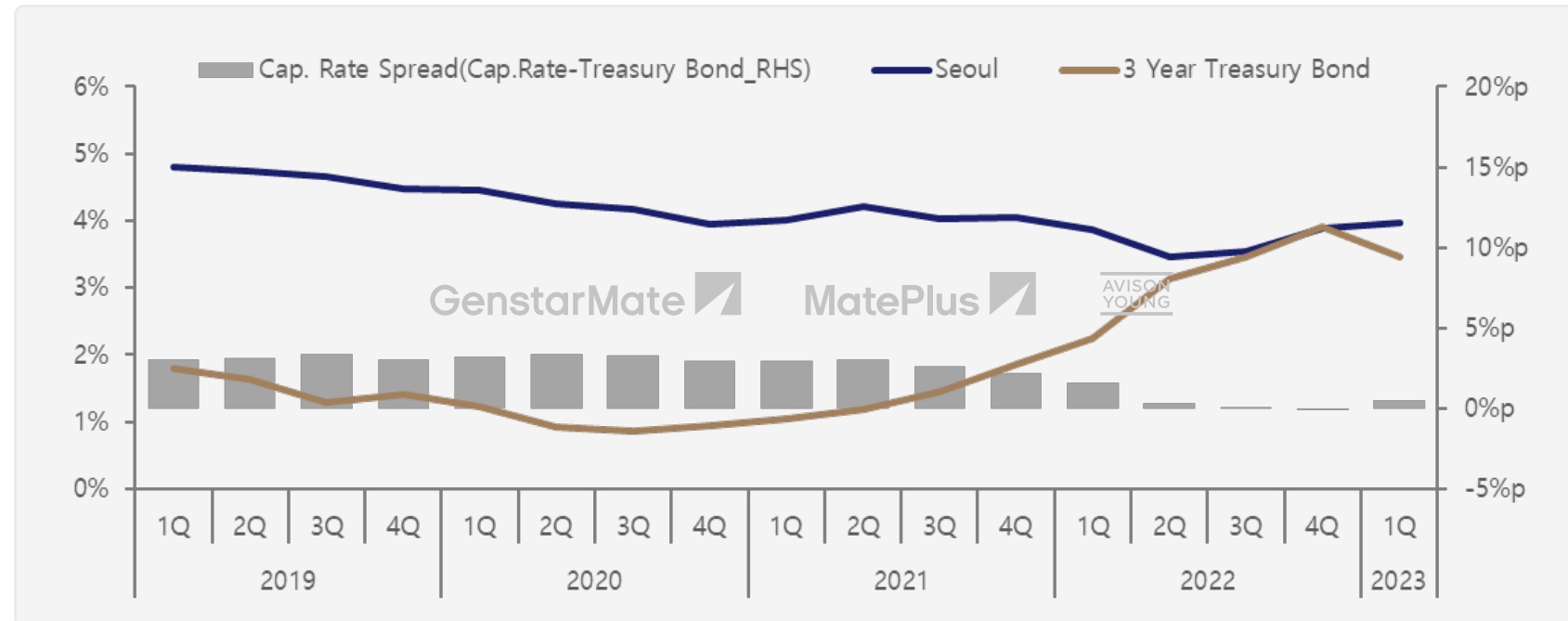


- Seoul office transaction volume in the first quarter of 2023 fell by 1,474.8 billion won (64.8%↓) from the previous quarter and 919.5 billion won (53.5%↓) from the same quarter last year to 799.4 billion won, marking the first time since the third quarter of 2015 (556.2 billion won) that transaction volume was below 1 trillion won.
- The overall transaction price per py in Seoul remained unchanged from the previous quarter across all districts, reaching 25.96 million won per py, while the overall Cap. Rate in Seoul increased by 0.1%p from the previous quarter, to 4.0%.
- Transaction volume is expected to increase in the second quarter compared to this quarter as assets such as Concordion, Pangyo Alphadom Tower, and Asterium Yongsan are scheduled to be traded.

02

**Seoul Office  
Cap. Rate  
Trend**

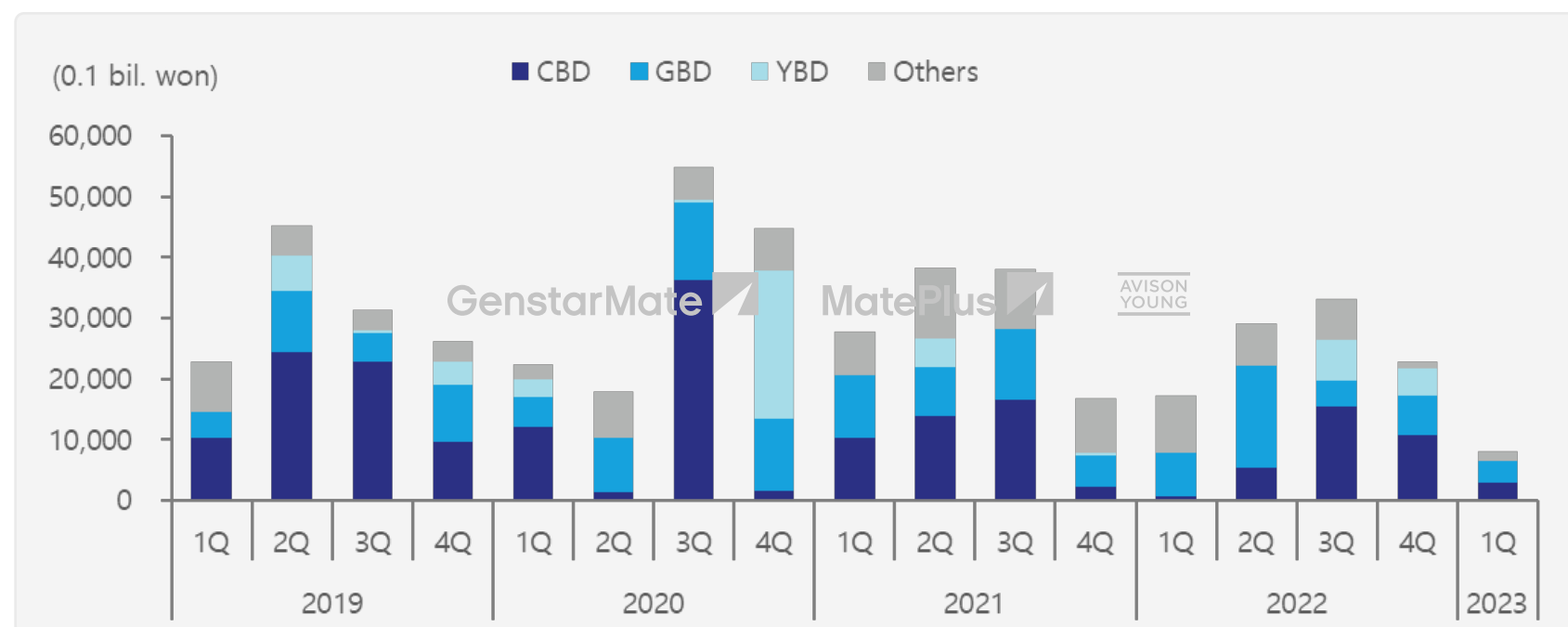
- In the first quarter of 2023, the Cap. Rate for the Seoul office increased by 0.1%p from the previous quarter, reaching 4.0%. The Cap. Rate varied by district, with CBD reporting a Cap. Rate of 4.3%, GBD 3.2%, YBD 4.1%, and others at 4.5%. This increase was observed in all districts, except Others.



03

**Trends in  
Seoul Office  
Market  
Transaction  
Volume**

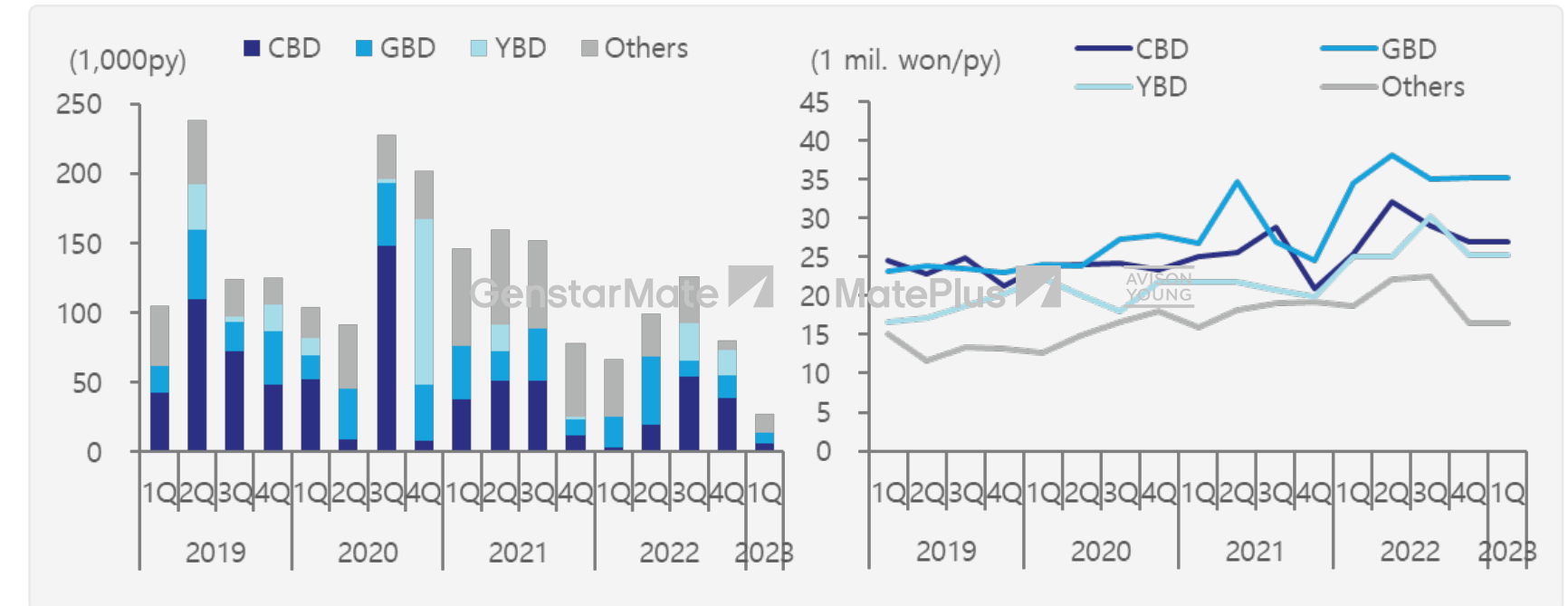
- Seoul's office transaction volume in the 1Q of 2023 fell by 64.8% compared to the previous quarter's transaction volume (2,274.2 billion won) to 799.4 billion won, as loan burdens increased due to rising interest rates and demand for office investment contracted as a result of economic uncertainty.
- In this quarter, GBD transactions amounted to 362.8 billion won, representing about 45% of Seoul's total transaction volume. CBD transactions amounted to 290 billion won, a decrease of 79.2 billion won from the previous quarter, in which transaction volume reached 1 trillion won. Meanwhile, Others recorded 146.7 billion won, the only increase in transaction volume among all districts due to large office transactions, and no YBD transactions were identified.



04

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

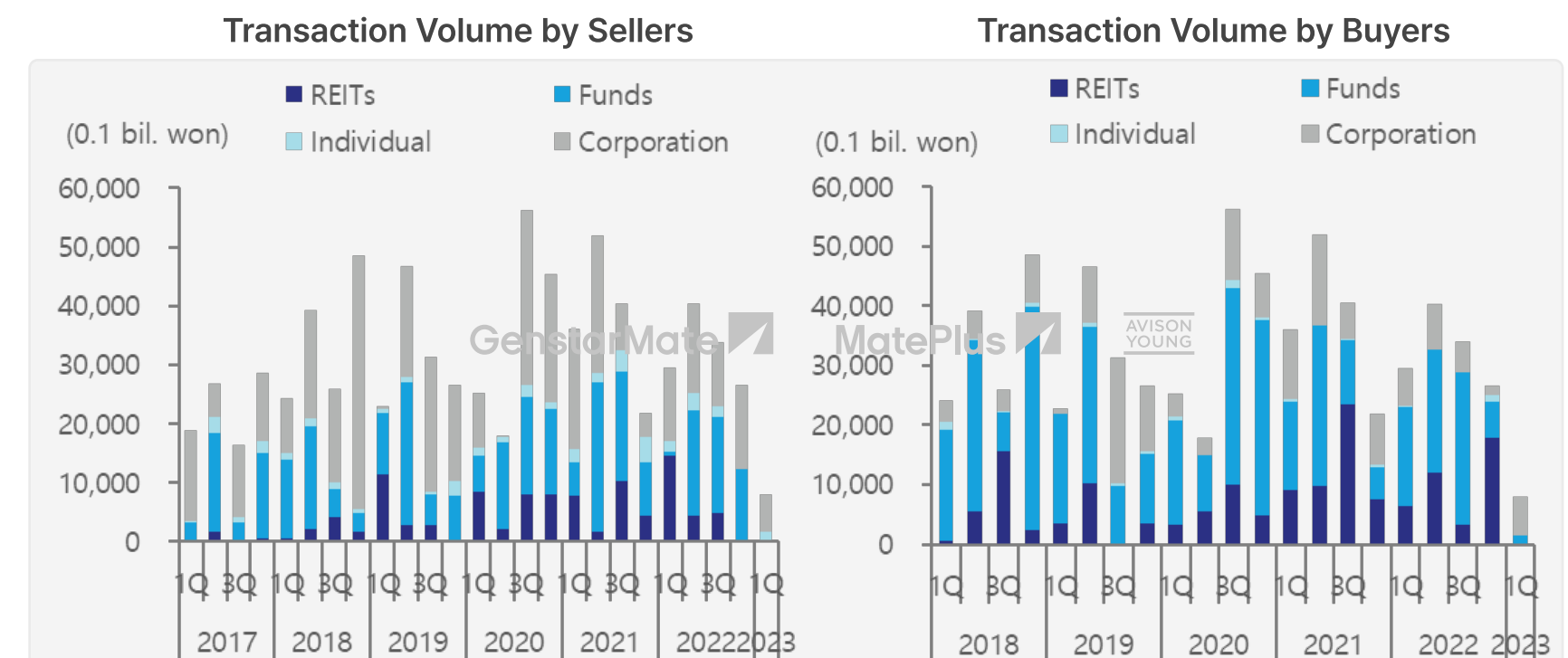
- For this quarter, office transactions in Seoul were down 66% from the previous quarter, with 5 buildings and approximately 27,000 py transacted (based on the transacted area). The transaction price per py in Seoul was 25.96 million won, the same as in the previous quarter, as the transaction price per py remained unchanged across all districts.



05

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

- In terms of seller type, this quarter saw no sales by funds or REITs, with all transactions being sold by individuals and corporations. In terms of buyer type, purchases by indirect investment organizations fell 94% from the previous quarter, to 146.7 billion won (18% of total transactions), with all purchases coming from funds, after a record 2.4 trillion won in purchases in the previous quarter. Meanwhile, purchases by corporations amounted to 652.8 billion won (82% of all transactions), up 293% from 166.1 billion won in the previous quarter, and no purchases by individuals were identified.

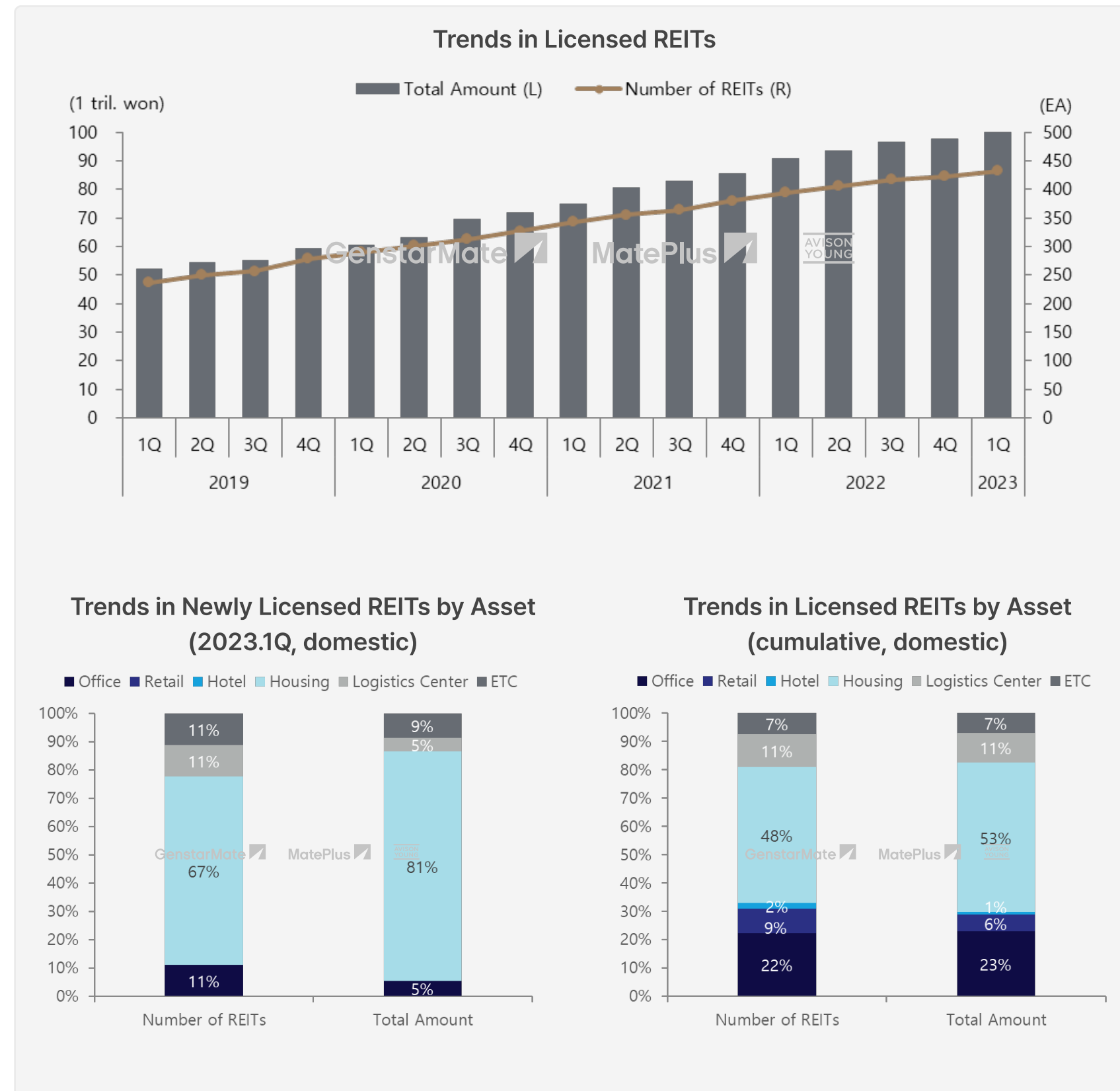




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REITs;  
Real Estate  
Investment  
Trust

- In the first quarter of 2023, a total of 9 consignment management REITs were newly approved or registered. There were a total of nine domestic investment assets: one office, one logistics center, six houses, and one ETC

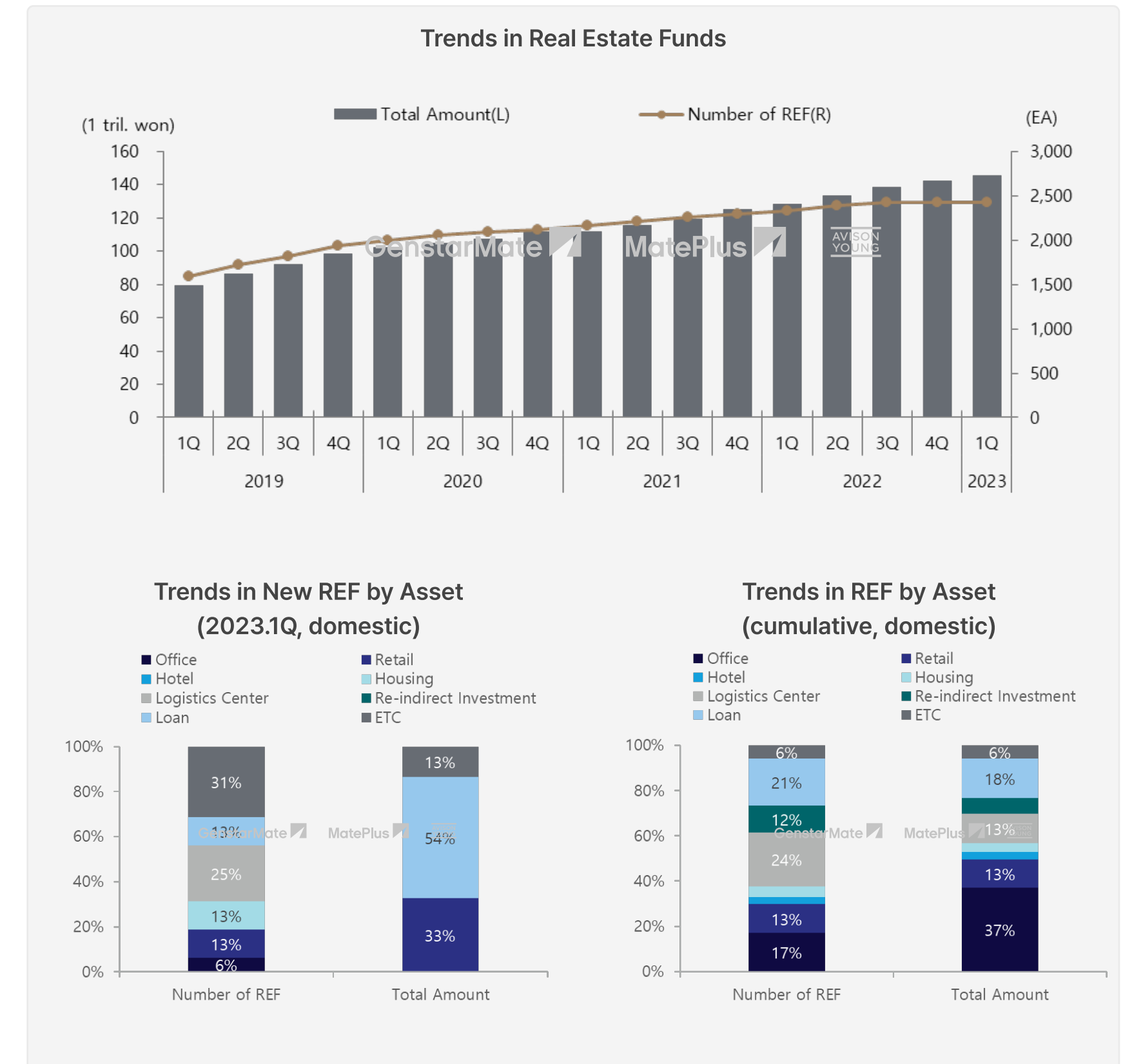


\* Source: Ministry of Land, Infrastructure and Transport, KAREIT, REITs Information System  
 \* Investigation Date:2023.03.31  
 \* based on newly licensed and registered REITs

07

REF;  
Real Estate  
Fund

- As of the first quarter of 2023, the total number of remaining funds was 2,421, an increase of 2.2% from the previous quarter based on the set principal amount. With funds set up centered on logistics centers, a total of one investment was made in actual domestic offices in the current quarter, and was set up only as an asset in Daejeon



\* Source: KOFIA, AMC  
 \* Investigation Date:2022.03.31  
 \* based on newly set-up funds

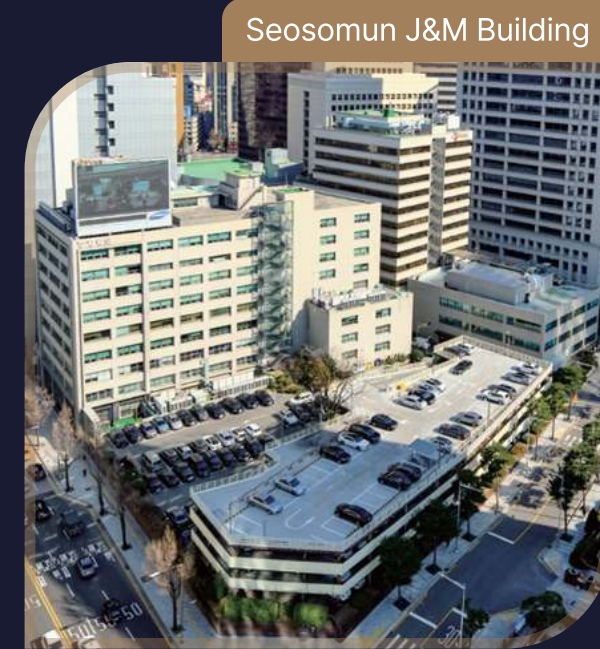


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## Transaction Case Analysis by District

CBD

- In the current quarter, the CBD recorded a transaction volume of 290 billion won from one transaction, Seosomun J Building & M Building, down 73.2% from the previous quarter's transaction volume (1.812 trillion won). Seosomun J Building & M Building, located near City Hall Station, are being promoted as an urban redevelopment business in the 11th and 12th districts of Seosomun, and according to the Seoul Jung-gu Office, the office will be developed into a 36,000 py (20 floors above ground / 7 floors underground) business facility in the future.



Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Seosomun J&M Building	Seosomun-dong, Jung-gu	6,090	2,900	4,762	Joongang Holdings/ Civic Center PFV

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## Transaction Case Analysis by District

Others

- In the current quarter, only one transaction for S-City office was identified in Other, and the transaction volume decreased by 41.7% from the previous quarter, to reach 146.7 billion won. S-City, located in Sangam DMC, was acquired by Mastern Investment Management through its fund (Mastern Professional Investment REITs No. 61) from the developer, M stream PFV.



Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
S-City	Sangam-dong, Mapo-gu	14,106	1,467	1,040	M Stream PFV/ Mastern Investment Management

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## Transaction Case Analysis by District

GBD

- In the current quarter, GBD recorded a transaction volume of 362.8 billion won for 3 buildings. Of these, Semyung Building (Daese Building), located in Teheran-ro, was purchased by Bithumb Korea from a private individual for 1,609 million won per py to be used as an office building. Seshin Building in Cheongdam-dong, which was used by Seshin Apparel as an office building, was purchased by Handsome, a fashion company affiliated with the Hyundai Department Store Group. Handsome purchased the Seshin Building and an adjacent neighborhood living facility (Saebyukjip Cheongdam), and plans to develop an office building on the site that will consolidate its offices currently scattered throughout the neighborhood.

Building Name	Address	Transacted Area (py)	Transaction price (0.1 billion won)	Unit price per py(10,000 won)	Seller / Buyer
Cheongdam Seshin Building	Cheongdam-dong, Gangnam-gu	4,107	1,668	4,061	Seshin Apparel/ Handsome Corporation
Semyeong Building	Daechi-dong, Gangnam-gu	1,404	1,630	11,609	Individual/ Bithumb Korea
Seocho Lexus Prime Motors HQ	Seocho-dong, Seocho-gu	1,662	330	1,985	Prime Motor/ YM Lexus, Hwayoung L&C

Cheongdam Seshin Building



Semyeong Building

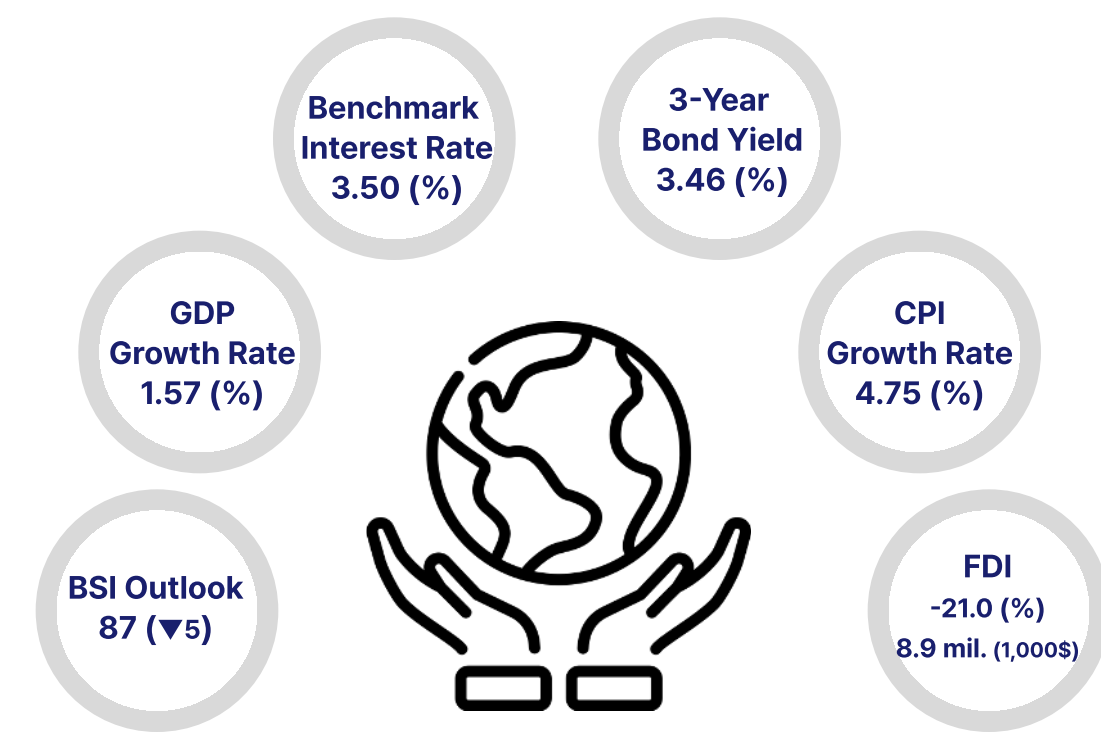


Prime Motors HQ





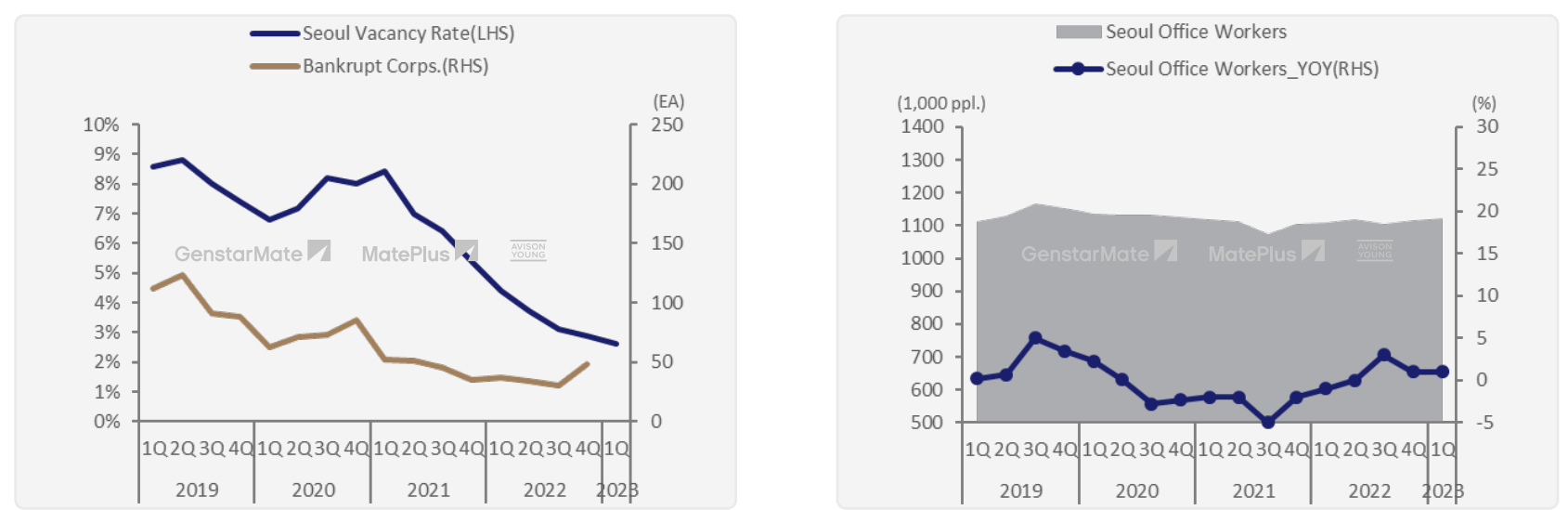
# 01 Economic Index



- Despite the heightened financial crisis, including the bankruptcy of Silicon Valley Bank (SVB) and the Credit Suisse (CS) issue, the U.S. Federal Reserve has taken two consecutive baby steps to maintain its price stability policy. The Bank of Korea kept its key interest rate unchanged for a second consecutive time in February, ending a streak of rate hikes since August 21.
- The Consumer Price Index (CPI) rose 4.75% from the same quarter a year earlier, marking a slight slowdown in inflation since the first half of 2022 due to lower oil prices.
- The BSI outlook fell 5 points from the previous quarter to 87 points, its first reading in the 80s since the fourth quarter of 2020.

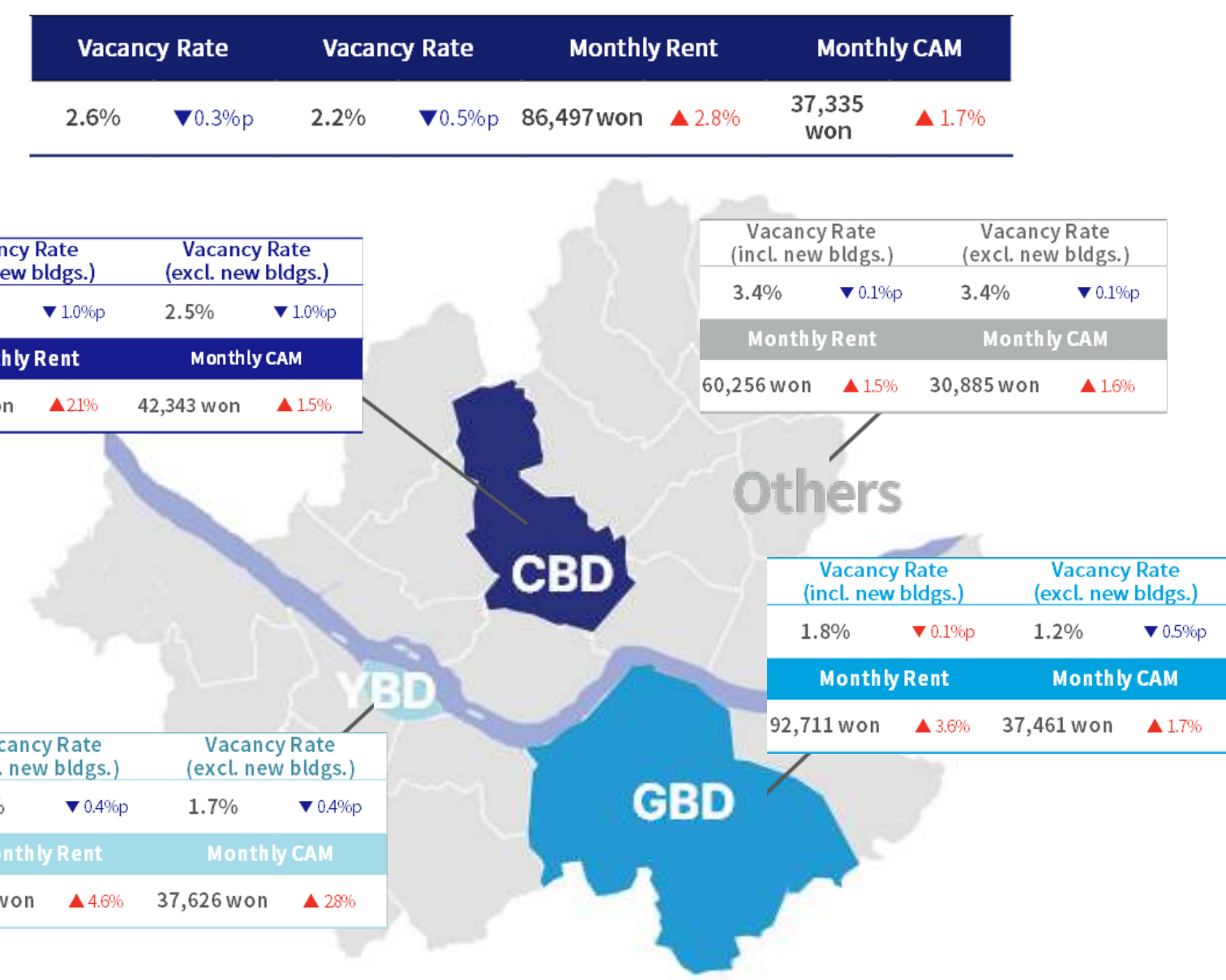
\* Source : BOK, KOSIS  
 \* Period of Time : 2023 1Q  
 (GDP, FDI : 2022 4Q)  
 \* GDP, CPI, FDI : Y-o-Y  
 \* BSI Outlook : Q-o-Q

# 02 Office Market Index



\* Source : BOK, KOSIS

# 03 OVERVIEW Seoul



- Seoul's overall vacancy rate fell 0.3%p from the previous quarter to 2.6% in the first quarter of 2023, with all districts other than the GBD experiencing a decline in vacancy rates, resulting in a vacancy rate in the 2% range following the previous quarter.
- In the CBD, the vacancy rate decreased by 1.0%p from the previous quarter to 3.0% due to the opening of new offices of Kakao Entertainment and SK Hynix in Centro Polis and Center1(east), respectively.
- In GBD, where large new office buildings (Scale Tower) were delivered during the current quarter, the vacancy rate, including new construction, increased slightly following the previous quarter. With all leases signed for these buildings and active transfers in the district, the GBD's vacancy rate is expected to remain at current levels.
- In YBD, which has seen strong incremental demand for the remaining vacancies in the district without new supply, the vacancy rate fell 0.4%p from the previous quarter to 1.7%. The vacancy rate was in the 1% range for the first time since the second quarter of 2011, and is expected to remain low in YBD until the completion of Anchor 1 in the third quarter.
- The Others vacancy rate decreased by 0.1%p from the previous quarter to 3.4%, as the resolution of large vacancies in Jamsil Songpa submarket and the rest of Others contributed to a decline in the district's vacancy rate.
- Rent and CAM increased 2.8% and 1.7%, respectively, from the previous quarter due to seasonal rent adjustments.

\* 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.'

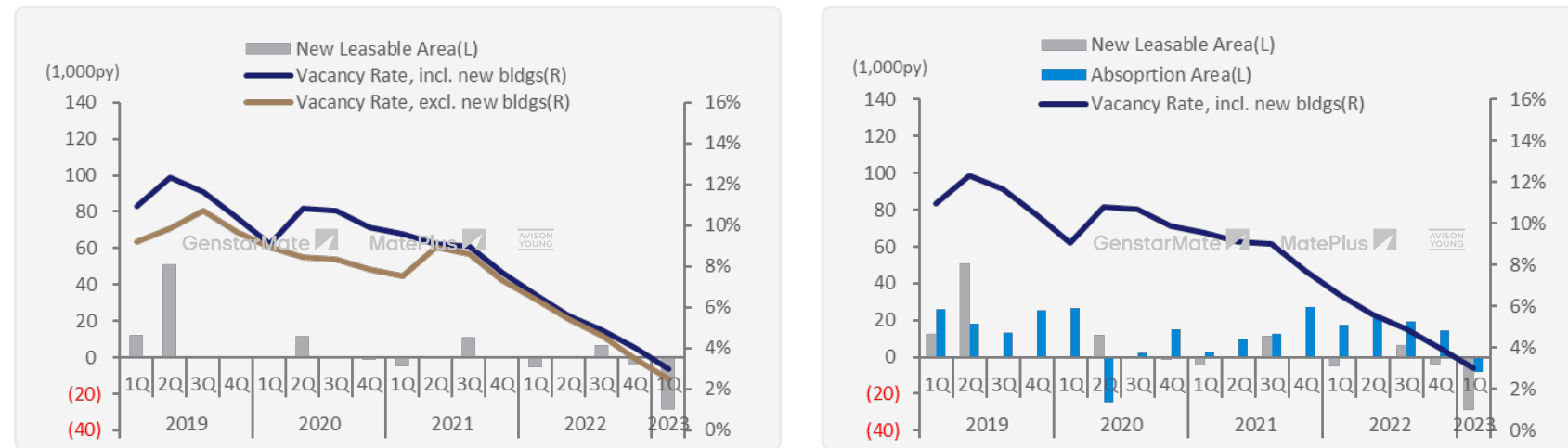


## 4-1 CBD Vacancy Rate

### New Supply

- CBD inventory increased from the previous quarter due to the remodeling of the Bank of Korea HQ and the completion of the Bank of Korea Integrated Annex.
- Samsung Life Seosomun Building and Shinhan L Seoul Tower were excluded from the sample due to reconstruction and major repairs, resulting in a temporary negative absorption rate.
- Total inventory is expected to remain at the current level as there are no new supply cases confirmed before the Bongnae District 1 Urban Redevelopment Business, which is scheduled to be completed in the first quarter of 2024.

New Leasable Area - Absorption Area - Vacancy Rate



### Vacancy Rate

- In 1Q, 2023, the CBD vacancy rate decreased by 1.0%p from the previous quarter to 3.0%.
- In the prime office, the vacancy rate decreased by 0.7%p from the previous quarter to 1.5% due to the opening of SK Hynix's base office in Center1(east) and the relocation of Kakao Entertainment, which transferred from other district, to Centropolis, which resolved a large vacancy of 3,000 py.
- The vacancy rate for large offices decreased by 1.7%p from the previous quarter to 3.0%, driven by Bingrae's transfer to Concordian, which eliminated all remaining vacancies of Concordian.
- The vacancy rate for medium-large offices decreased by 1.0%p from the previous quarter to 4.6%, mainly due to the move of CJ MD1 into Sunhwa Tower, which had been experiencing large vacancies in the second half of the previous year.
- In terms of submarkets, Namdaemun and Euljiro stand out for their large-scale leases. In Namdaemun, Korean Air at Taepyeongro Hanwha Financial Center increased in size, while in Euljiro, large leases of over 1,000 py were identified at Signature Tower (wholesale and retail) and Dong Ah Building (KMI Korea Medical Research Institute), resulting in vacancy rates of 3.5% and 3.3%, down 1.4%p and 1.1%p from the previous quarter, respectively.

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.0% ▼1.0%p	2.5% ▼1.0%p
Prime	1.5% ▼0.7%p	1.5% ▼0.7%p
Large	3.0% ▼1.7%p	3.0% ▼1.7%p
Medium-Large	4.6% ▼1.0%p	2.9% ▼1.0%p
Medium	6.6% ▲0.7%p	3.9% ▲0.7%p
Small	6.5% ▲0.4%p	6.5% ▲0.4%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.0% ▼1.0%p	2.5% ▼1.0%p
Gwanghwamun-Sinmmuro	0.9% ▼0.7%p	0.9% ▼0.7%p
Namdaemun	3.5% ▼1.4%p	3.5% ▼1.4%p
Euljiro	3.3% ▲1.1%p	2.6% ▼1.1%p
Jongno	2.4% ▼0.9%p	2.4% ▼0.9%p
The rest of CBD	5.1% ▼0.2%p	2.5% ▼0.2%p

## 4-2 CBD Rent & CAM

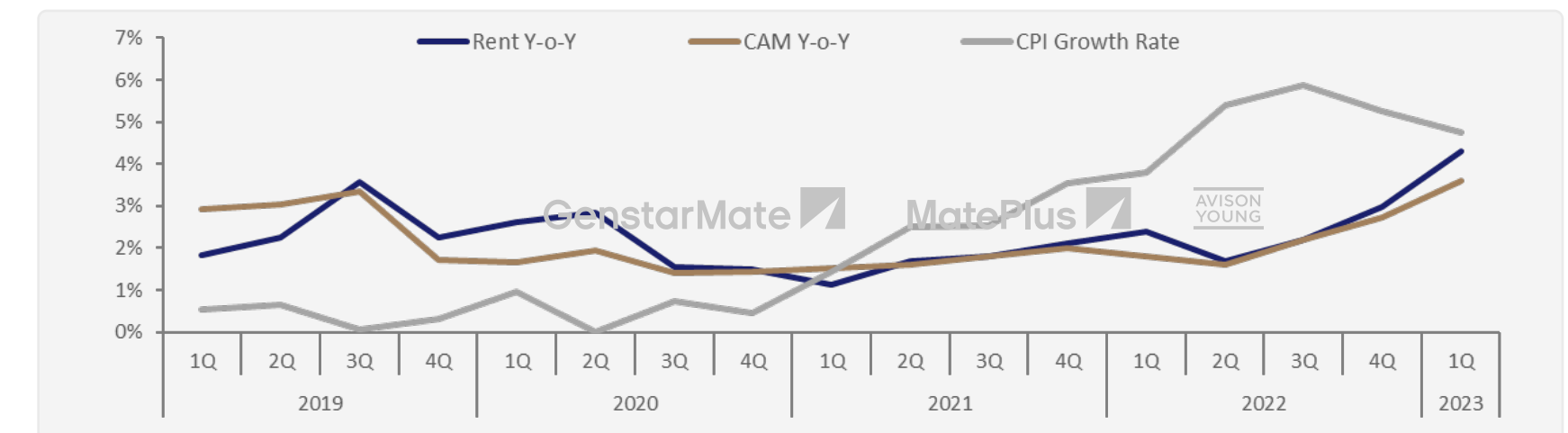
### Monthly Rent and CAM by Grade (Q-o-Q)

- CBD deposit for the current quarter was 1,020,700 won/py, rent was 102,100 won/py, up 2.1% from the previous quarter, and CAM was 42,300 won/py, up 1.5% from the previous quarter.
- There were significant rent hikes in office buildings over 10,000py, such as Signature Tower and Taepyeong-ro Building, driving upward movement across the district.

(Price Unit: 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	1,020.7 ▲2.1%	102.1 ▲2.1%	42.3 ▲1.5%
Prime	1,226.8 ▲2.7%	122.7 ▲2.7%	47.1 ▲2.5%
Large	1,029.5 ▲1.7%	103.0 ▲1.7%	43.2 ▲0.7%
Medium-Large	743.0 ▲1.4%	74.3 ▲1.4%	36.2 ▲1.3%
Medium	689.0 ▲1.0%	68.9 ▲1.0%	32.0 ▲0.5%
Small	574.9 ▲0.1%	57.5 ▲0.1%	28.2 ▲1.4%

Monthly Rent and CAM Growth Rate (Y-o-Y)



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

- In the CBD for the current quarter, rent and CAM rose across all submarkets, continuing the trend that was observed in the previous quarter.
- In the Euljiro submarket, large rent increases were observed at buildings including The Exchange Seoul and Center 1, with a 4.0% increase from the previous quarter to 105,000 won/py.

(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	1,020.7 ▲2.1%	102.1 ▲2.1%	42.3 ▲1.5%
Gwanghwamun-Sinmmuro	914.7 ▲1.1%	91.5 ▲1.1%	36.9 ▲0.8%
Namdaemun	1,023.8 ▲1.4%	102.4 ▲1.4%	43.1 ▲1.2%
Euljiro	1,049.5 ▲4.0%	105.0 ▲4.0%	43.7 ▲2.5%
Jongno	1,185.6 ▲1.6%	118.6 ▲1.6%	46.1 ▲1.7%
The rest of CBD	782.0 ▲1.0%	78.2 ▲1.0%	37.3 ▲0.9%

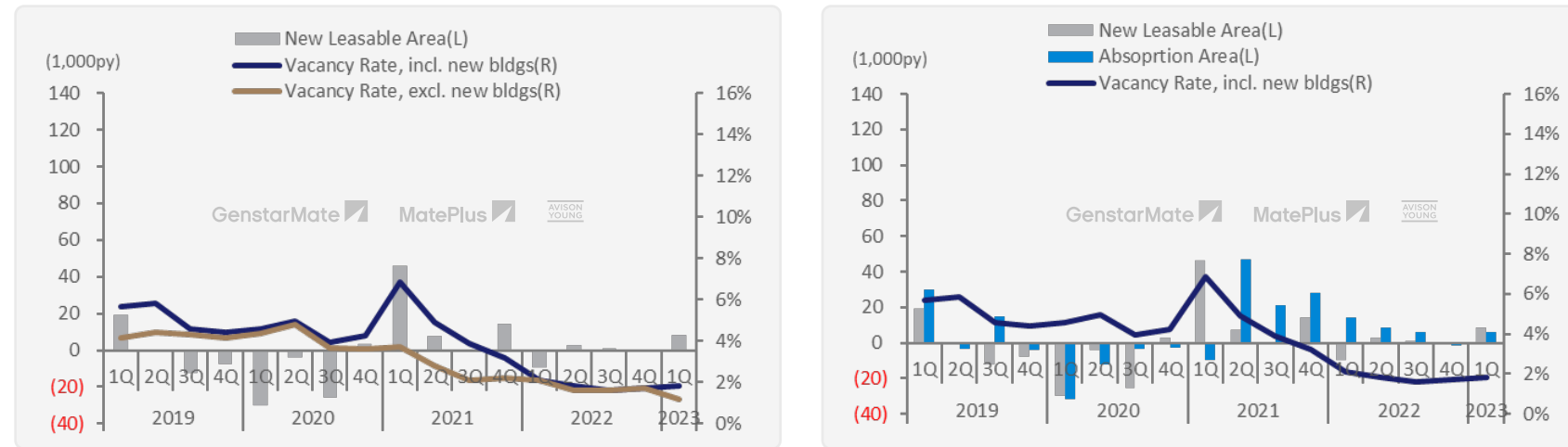


## 5-1 GBD Vacancy Rate

### New Supply

- In the current quarter, a large office, Scale Tower, was completed in GBD, and one small-sized HQ building was also supplied.
- Despite the supply of new offices, the absorption rate recorded a positive value in the current quarter due to the resolution of vacancies centered on large offices such as Dong-il Tower and MajeStar City Tower 1.

New Leasable Area - Absorption Area - Vacancy Rate



### Vacancy Rate

- In the first quarter, the GBD vacancy rate, including new construction, increased 0.1%p from the previous quarter to 1.8%, and decreased 0.5%p to 1.2% for non-new construction.
- Amazon Web Services (AWS), which signed a lease contract of Centerfield East in the 2H of 2021, completed its movement, eliminating approximately 5,900 py of vacancies and leading to a decline in the vacancy rate excluding new constructions.
- For large offices, the vacancy rate including new construction increased by 1.0%p from the previous quarter to 3.4%, as the Scale Tower is newly constructed. However, the vacancy rate excluding new constructions decreased by 1.0%p from the previous quarter to 1.4%. Since information and communication company and Honda Korea moved in to Dong-il Tower.
- In Teheranro submarket, the vacancy rate decreased by 0.8%p from the previous quarter to 0.8%, as information and communication industries moved into GS Tower and V-PLEX.
- In the Gangnam-daero submarket, Nexon Games moved into MajeStar City Tower 1, resolving most of the remaining vacancies in the building, and relocation of wholesale and retail industries was confirmed in Cheongdam Square.

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	1.8% ▲ 0.1%p	1.2% ▼ 0.5%p
Prime	0.3% ▼ 1.1%p	0.3% ▼ 1.1%p
Large	3.4% ▲ 1.0%p	1.4% ▼ 1.0%p
Medium-Large	1.5%	1.5%
Medium	1.0% ▲ 0.2%p	1.1% ▲ 0.2%p
Small	2.4% ▲ 0.5%p	2.4% ▲ 0.7%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	1.8% ▲ 0.1%p	1.2% ▼ 0.5%p
Teheranro	0.8% ▼ 0.8%p	0.8% ▼ 0.8%p
Gangnam-daero	4.1% ▲ 3.3%p	0.9%
The rest of GBD	2.0% ▼ 0.3%p	2.0% ▼ 0.3%p

## 5-2 GBD Rent & CAM

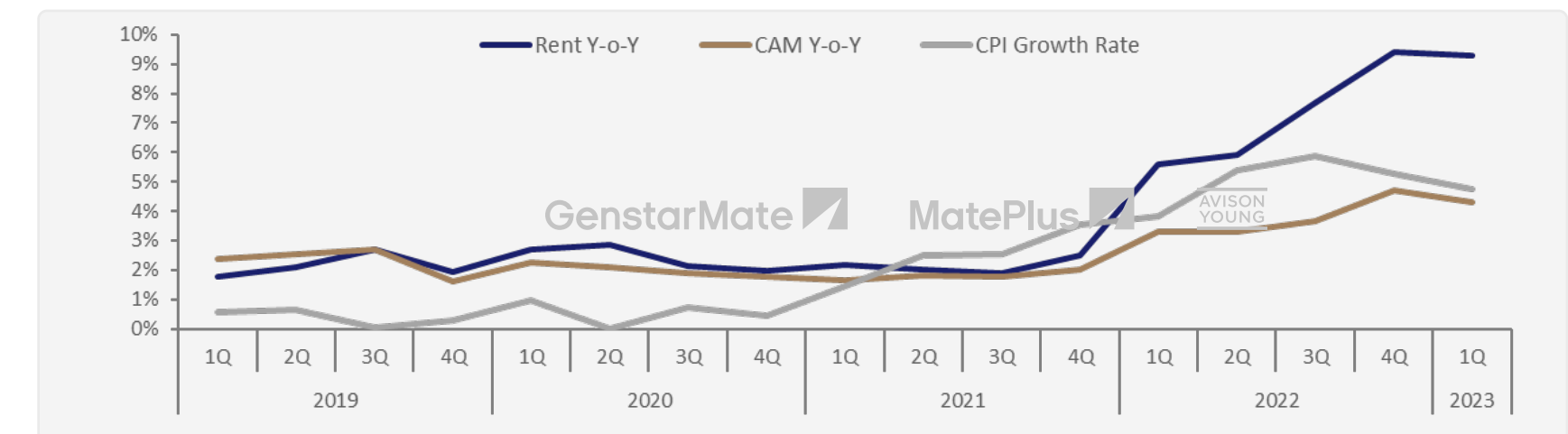
### Monthly Rent and CAM by Grade (Q-o-Q)

- GBD deposit was 927,100 won/py, rent was 92,700 won/py, up 3.6% from the previous quarter, and CAM was 37,500 won/py, up 1.7% from the previous quarter.
- In particular, medium-large offices increased by 5.9% from the previous quarter, as some offices with a certain amount of vacancies increased their rents during the current quarter.

(Price Unit: 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	927.1 ▲ 3.6%	92.7 ▲ 3.6%	37.5 ▲ 1.7%
Prime	1,140.2 ▲ 2.9%	114.0 ▲ 2.9%	43.3 ▲ 1.8%
Large	944.6 ▲ 3.3%	94.5 ▲ 3.3%	38.5 ▲ 1.5%
Medium-Large	893.5 ▲ 5.9%	89.3 ▲ 5.9%	36.3 ▲ 1.5%
Medium	726.9 ▲ 2.5%	72.7 ▲ 2.5%	32.2 ▲ 1.6%
Small	643.5 ▲ 3.0%	64.4 ▲ 3.0%	27.8 ▲ 2.2%

Monthly Rent and CAM Growth Rate (Y-o-Y)



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

- As in previous quarters, the current quarter saw rent and CAM increases across all submarkets within the GBD.
- Notably, some offices in the Teheran-ro submarket with temporary vacancies have seen an increase in standard rents, driving up rents across the district.

(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	927.1 ▲ 3.6%	92.7 ▲ 3.6%	37.5 ▲ 1.7%
Teheranro	1,049.4 ▲ 4.7%	104.9 ▲ 4.7%	40.3 ▲ 2.1%
Gangnam-daero	956.6 ▲ 1.7%	95.7 ▲ 1.7%	38.1 ▲ 0.6%
The rest of GBD	692.8 ▲ 2.5%	69.3 ▲ 2.5%	32.1 ▲ 1.5%



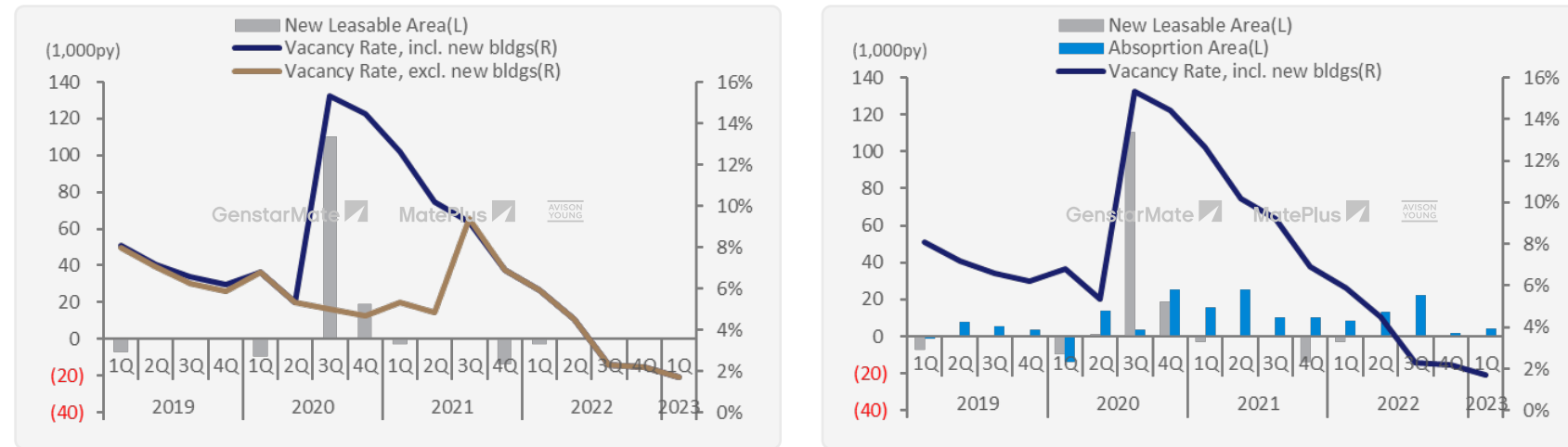
6-1

**YBD  
Vacancy  
Rate**

**New Supply**

- Following the last quarter, the YBD is maintaining the same inventory as in the fourth quarter of 2022, with no new supply.
- YBD absorption rate for the current quarter was approximately 4,000py, marking the 12th consecutive quarter of positive values as vacancies were resolved, primarily in mid-sized offices.

**New Leasable Area - Absorption Area - Vacancy Rate**



**Vacancy Rate**

- The YBD vacancy rate fell 0.4%p from the previous quarter to 1.7% in the first quarter, marking the 10th consecutive quarter of declines since the third quarter of 2020. Among prime offices, Pac 1 Tower 1 (LG Chem, LG Energy Solutions) and NH Financial Tower (UbiCare) experienced large-scale resolutions of vacancies, and the vacancy rate decreased by 0.2%p from the previous quarter to 1.9%.
- The vacancy rate for medium-sized offices decreased by 1.8%p from the previous quarter to 0.3%, due to the resolution of approximately 1,500 py of residual vacancies in the Kochem Building (LG Chem, KT, etc.) and Yeouido Yongsan Building.
- In East Yeouido submarket, the vacancy rate decreased by 0.9%p from the previous quarter to 1.4% due to the relocation of Korea Growth Investment in the SK Securities Building, and of a research institute in the ABL Building.

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

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	1.7% ▼ 0.4%p	1.7% ▼ 0.4%p
Prime	1.9% ▼ 0.2%p	1.9% ▼ 0.2%p
Large	1.1% ▼ 0.3%p	1.1% ▼ 0.3%p
Medium-Large	2.5% ▼ 0.7%p	2.5% ▼ 0.7%p
Medium	0.3% ▼ 1.8%p	0.3% ▼ 1.8%p
Small	3.3% ▲ 0.2%p	3.3% ▲ 0.2%p

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

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	1.7% ▼ 0.4%p	1.7% ▼ 0.4%p
West Yeouido	2.6% ▼ 1.5%p	2.6% ▼ 1.5%p
Stock Exchange District	2.0% ▲ 1.3%p	2.0% ▲ 1.3%p
East Yeouido	1.4% ▼ 0.9%p	1.4% ▼ 0.9%p

6-2

**YBD  
Rent & CAM**

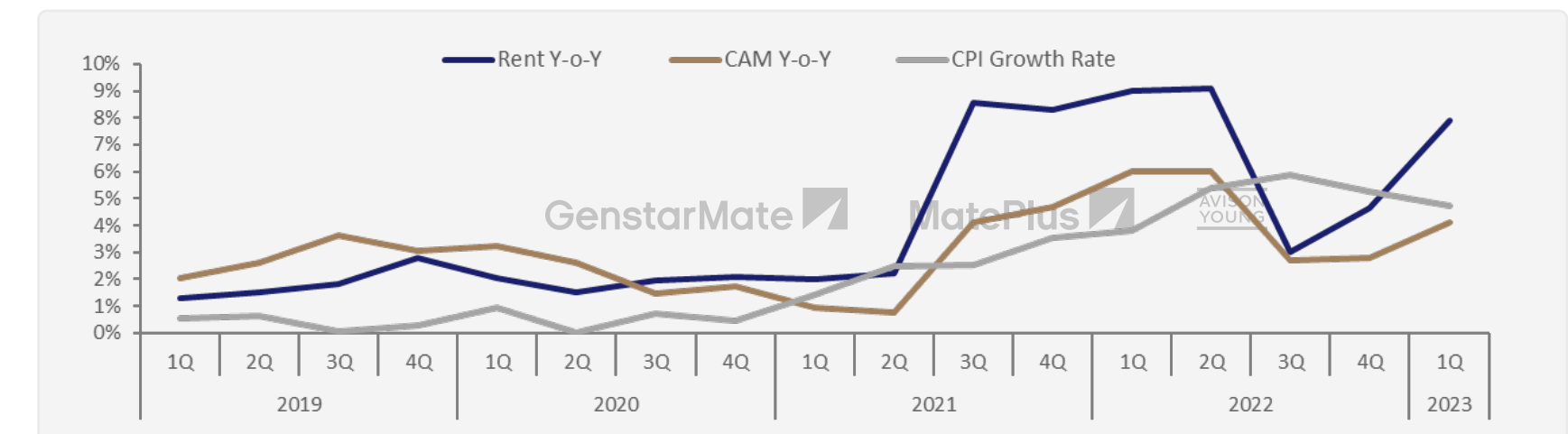
**Monthly Rent and CAM by Grade (Q-o-Q)**

- YBD deposit was 853,900 won/py, rent was 85,400 won/py, up 4.6% from the previous quarter, and CAM was 37,600 won/py, up 2.8% from the previous quarter.
- Notably, prime offices saw a 6.1% growth in rents from the previous quarter, driving overall rental growth in YBD.

(Price Unit: 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	853.9 ▲ 4.6%	85.4 ▲ 4.6%	37.6 ▲ 2.8%
Prime	1,132.6 ▲ 6.1%	113.3 ▲ 6.1%	44.6 ▲ 3.8%
Large	712.0 ▲ 2.2%	71.2 ▲ 2.2%	36.0 ▲ 1.5%
Medium-Large	562.4 ▲ 1.4%	56.2 ▲ 1.4%	28.9 ▲ 1.6%
Medium	454.1 ▲ 3.1%	45.4 ▲ 3.1%	25.8 ▲ 1.8%
Small	333.1 ▲ 2.8%	33.3 ▲ 2.8%	22.2 ▼ 0.3%

**Monthly Rent and CAM Growth Rate (Y-o-Y)**



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

- All submarkets within the YBD for the current quarter show rent and CAM increases.
- In Stock Exchange District submarket, which showed the largest increase of 5.2% from the previous quarter, rent increases were observed in Hi Investment & Securities Building (formerly KTB Building), O2 Tower, etc.

(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	853.9 ▲ 4.6%	85.4 ▲ 4.6%	37.6 ▲ 2.8%
West Yeouido	490.4 ▲ 3.1%	49.0 ▲ 3.1%	25.3 ▲ 3.4%
Stock Exchange Market	1,058.1 ▲ 5.2%	105.8 ▲ 5.2%	44.1 ▲ 2.3%
East Yeouido	860.0 ▲ 4.6%	86.0 ▲ 4.6%	38.0 ▲ 3.0%

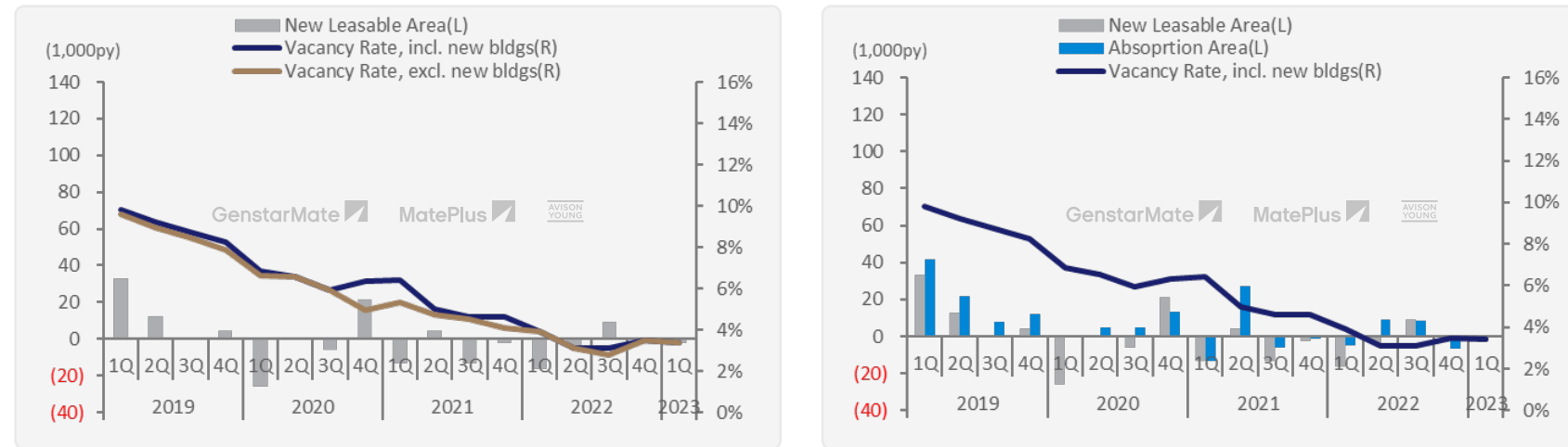


## 7-1 Others Vacancy Rate

### New Supply

- In the first quarter, two medium-large offices and one small office were completed in Others district, but these were identified as being for HQ purposes and had limited impact on vacancy rates. In the second quarter, inventory is expected to increase from the current quarter due to the upcoming completion of two new HQ buildings, including the Musinsa, and two lease-purpose offices.

New Leasable Area - Absorption Area - Vacancy Rate



### Vacancy Rate

- The Other vacancy rate for the first quarter was 3.4%, which is similar to last quarter's vacancy rate. In the large-scale category, AA Archi Group Architect Office relocated to Pungsan Building, resolving a large vacancy of more than 2,000 py, and the vacancy rate fell by 0.7%p from the previous quarter to 3.9%.
- In medium-large offices, the vacancy rate increased by 0.4%p from the previous quarter due to Will & Vision's departure from Times Square Building A, but is expected to stabilize quickly, as leases were immediately signed for the vacant space.
- In terms of vacancy rates by detailed submarket, the Jamsil Songpa submarket recorded the lowest vacancy rate in the district at 0.7%, down 0.6%p from the previous quarter. This was due to Nutrione moving into the Korea Luther Building and SK Electlink relocating from another district, which eliminated all remaining vacancies in the Jamsil building.

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.4% ▼0.1%p	3.4% ▼0.1%p
Prime	1.5% —	1.5% —
Large	3.9% ▼0.7%p	3.9% ▼0.7%p
Medium-Large	4.3% ▲0.4%p	4.3% ▲0.4%p
Medium	4.0% ▲0.2%p	4.0% ▲0.2%p
Small	5.6% —	5.6% —

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	3.4% ▼0.1%p	3.4% ▼0.1%p
Mapo	2.1% ▲0.1%p	2.1% ▲0.1%p
Yongsan	2.8% —	2.8% —
Jamsil-Songpa	0.7% ▼0.6%p	0.7% ▼0.6%p
Sangam	1.1% ▼0.1%p	1.1% ▼0.1%p
The rest of Others	5.7% ▲0.1%p	5.7% ▲0.1%p

## 7-2 Others Rent & CAM

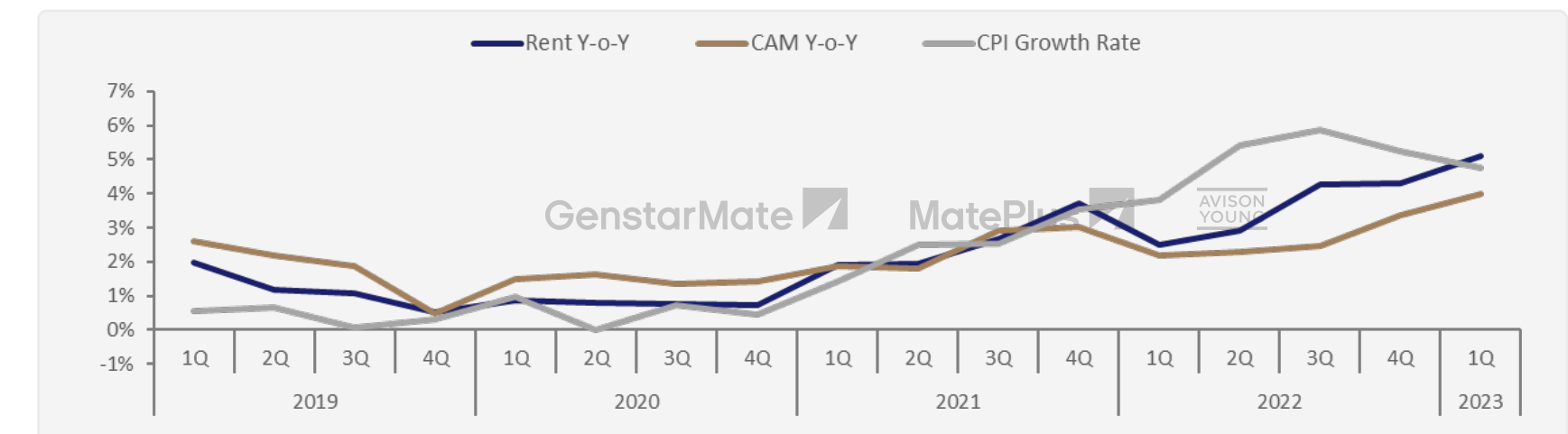
### Monthly Rent and CAM by Grade (Q-o-Q)

- Deposit of Others district was 602,600 won/py, rent was 60,300 won/py, up 1.5% from the previous quarter, and CAM was 30,900 won/py, up 1.6%.
- Especially in mid-sized offices such as Apple Tower and K Square Hongdae, rent increases were observed, which drove an increase in the entire district.

(Price Unit: 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	602.6 ▲1.5%	60.3 ▲1.5%	30.9 ▲1.6%
Prime	776.0 ▲0.3%	77.6 ▲0.3%	35.5 ▲1.8%
Large	557.0 ▲1.8%	55.7 ▲1.8%	30.5 ▲1.2%
Medium-Large	537.8 ▲1.7%	53.8 ▲1.7%	30.0 ▲1.4%
Medium	539.2 ▲5.7%	53.9 ▲5.7%	26.5 ▲3.1%
Small	412.3 ▲0.4%	41.2 ▲0.4%	22.3 ▲0.9%

Monthly Rent and CAM Growth Rate (Y-o-Y)



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

- In the Jamsil Songpa submarket, rents increased by 3.2% from the previous quarter to 752,700 won/py due to rent increases in Yejeon Building, S Tower, etc.
- CAM increased by 1.6% from the previous quarter, with increases seen in East Central Tower and Samkoo Building.

(Price Unit: 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	602.6 ▲1.5%	60.3 ▲1.5%	30.9 ▲1.6%
Mapo	491.9 ▲0.5%	49.2 ▲0.5%	28.6 ▲0.7%
Yongsan	937.5 ▲1.3%	93.7 ▲1.3%	38.4 ▲2.0%
Jamsil-Songpa	752.7 ▲3.2%	75.3 ▲3.2%	33.8 ▲1.4%
Sangam	436.6 ▲1.1%	43.7 ▲1.1%	27.2 ▲2.0%
The rest of Others	555.6 ▲1.0%	55.6 ▲1.0%	30.0 ▲1.7%



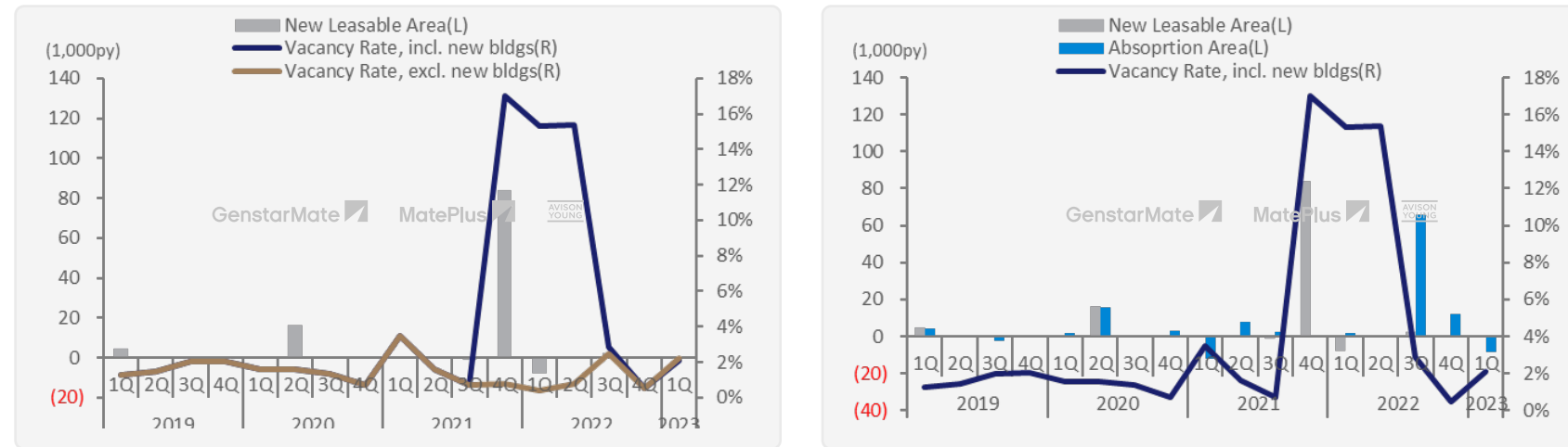
8-1

**BBD  
Vacancy  
Rate**

**New Supply**

- In the current quarter, 2 upcoming supplies were confirmed, 1 for a large office and 1 for a small office for HQ in Pangyo 2nd Techno Valley.
- BBD inventory is expected to increase in the second quarter due to the completion of a number of office buildings, such as Kyochon F&B HQ.

**New Leasable Area - Absorption Area - Vacancy Rate**



**Vacancy Rate**

- The BBD vacancy rate increased to 2.1% in the first quarter, up 1.6%p from the previous quarter. This was attributed to the fact that tenants affiliated with HD Hyundai Group, which were spread across the Bundang submarket, began relocating to the HD Hyundai Global R&D Center.
- The vacancy rate for large offices increased by 4.1%p from the previous quarter to 4.3% due to the relocation of HD Hyundai's affiliate in Bundang First Tower, but the vacancy rate is expected to stabilize quickly as lease agreements have been signed for the vacant space.
- By submarkets, the vacancy rate increased by 9.5%p from the previous quarter to 11.5% due to HD Hyundai moving out of KT&G Bundang Tower (formerly Central Tower) in Seohyeon.

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

Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	2.1% ▲1.6%p	2.2% ▲1.6%p
Prime	0.0% —	0.0% —
Large	4.3% ▲4.1%p	4.3% ▲4.1%p
Medium-Large	5.1% ▲3.1%p	5.1% ▲3.1%p
Medium	3.1% ▲1.5%p	3.1% ▲1.5%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	2.1% ▲1.6%p	2.2% ▲1.7%p
Seohyun	11.5% ▲9.5%p	11.9% ▲9.9%p
Sunae	1.0% —	1.0% —
The rest of BBD	1.2% ▲0.7%p	1.2% ▲0.7%p
Pangyo	0.4% ▲0.7%p	0.4% ▲0.4%p

8-2

**BBD  
Rent & CAM**

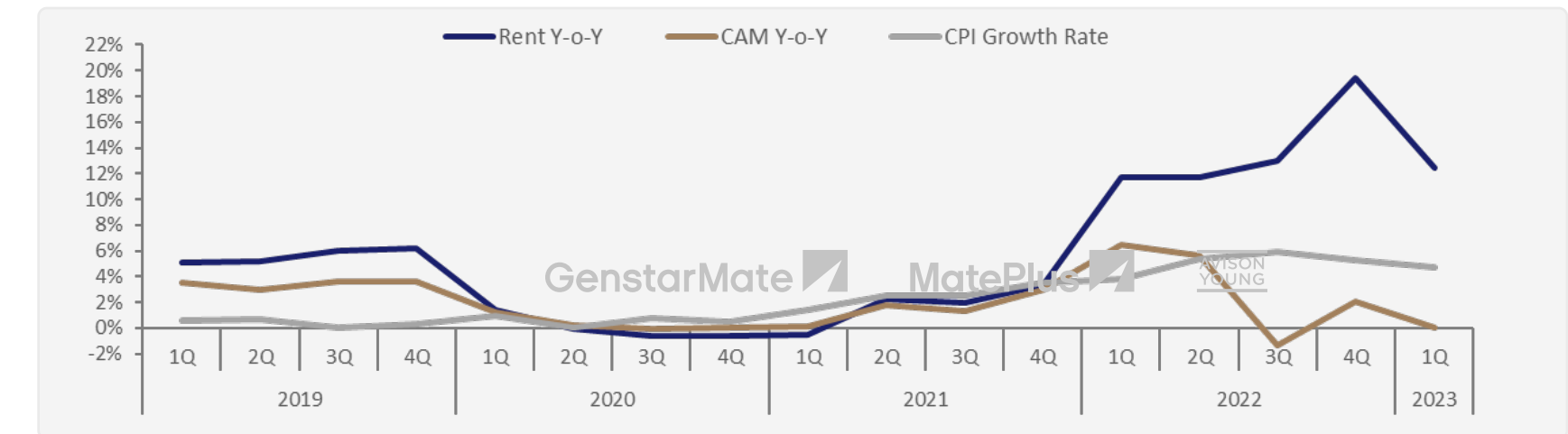
**Monthly Rent and CAM by Grade (Q-o-Q)**

- BBD in the second quarter is expected to be supplied with offices such as Kyochon F&B HQ, which will have a limited impact on the vacancy rate.

(Price Unit: 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	660.8 ▲1.9%	66.1 ▲1.9%	26.8 ▲1.4%
Prime	773.3 ▲0.6%	77.3 ▲0.6%	27.7 ▲1.6%
Large	629.8 ▲1.9%	63.0 ▲1.9%	27.3 ▲1.6%
Medium-Large	581.7 ▲9.2%	58.2 ▲9.2%	27.5 ▲3.3%
Medium	494.8 ▲5.3%	49.5 ▲5.3%	24.4 ▼1.3%
Small	433.7 ▲0.4%	43.4 ▲0.4%	22.3 ▲1.1%

**Monthly Rent and CAM Growth Rate (Y-o-Y)**



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

- BBD deposit is 660,800 won/py, rent is 66,100 won/py, and CAM is 26,800 won/py.
- Rising rents have been observed in SD Biosensor Building, KT&G Bundang Tower in Seohyeon submarket.

(Price Unit: 1,000 won/py)

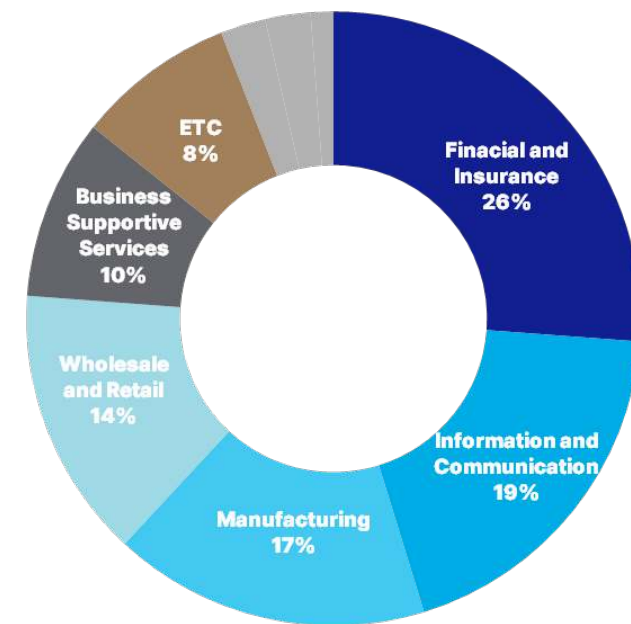
Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	660.8 ▲1.9%	66.1 ▲1.9%	26.8 ▲1.4%
Seohyun	649.3 ▲4.2%	64.9 ▲4.2%	28.5 ▼1.6%
Sunae	549.5 ▲4.0%	54.9 ▲4.0%	26.0 ▲4.7%
The rest of BBD	551.4 ▲0.4%	55.1 ▲0.4%	16.5 ▲1.1%
Pangyo	713.9 ▲1.3%	71.4 ▲1.3%	28.9 ▲1.5%



## 9-1 Tenants Movement Status by Industry

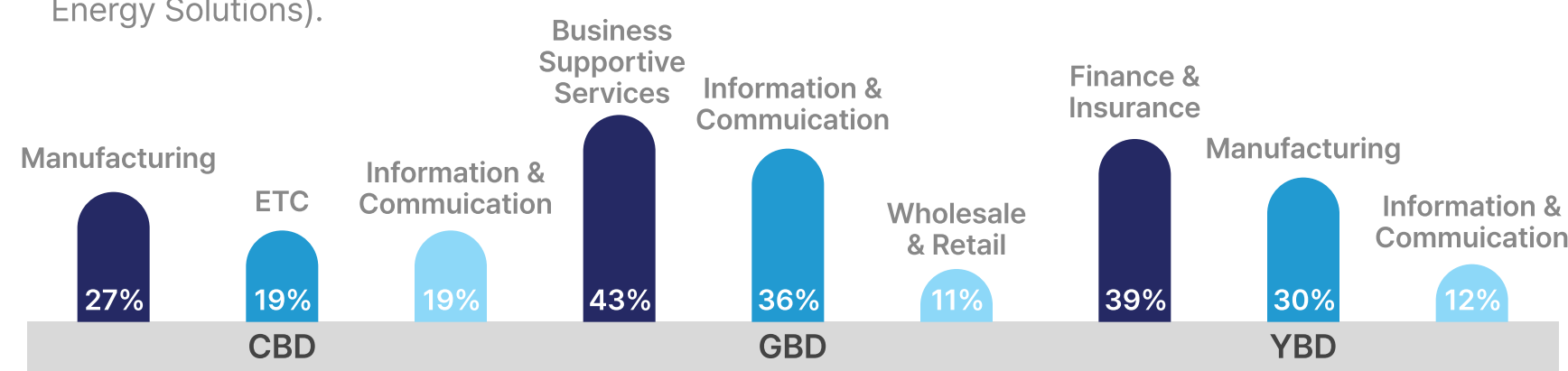
- The finance and insurance industry saw the most relocations in the first quarter, followed by the information and communications industry.
- Large-scale leases such as Shinhan Fund Partners and Korea Growth Investment stand out in the finance and insurance industry, where there has been an active shift between YBD and GBD.
- The information and communication industry recorded a 19% movement rate, up 2%p from the previous quarter, with cases detected in all districts and the cross-district movement of Kakao Entertainment and Yanolja.

Trends in Tenants Movement by Industry

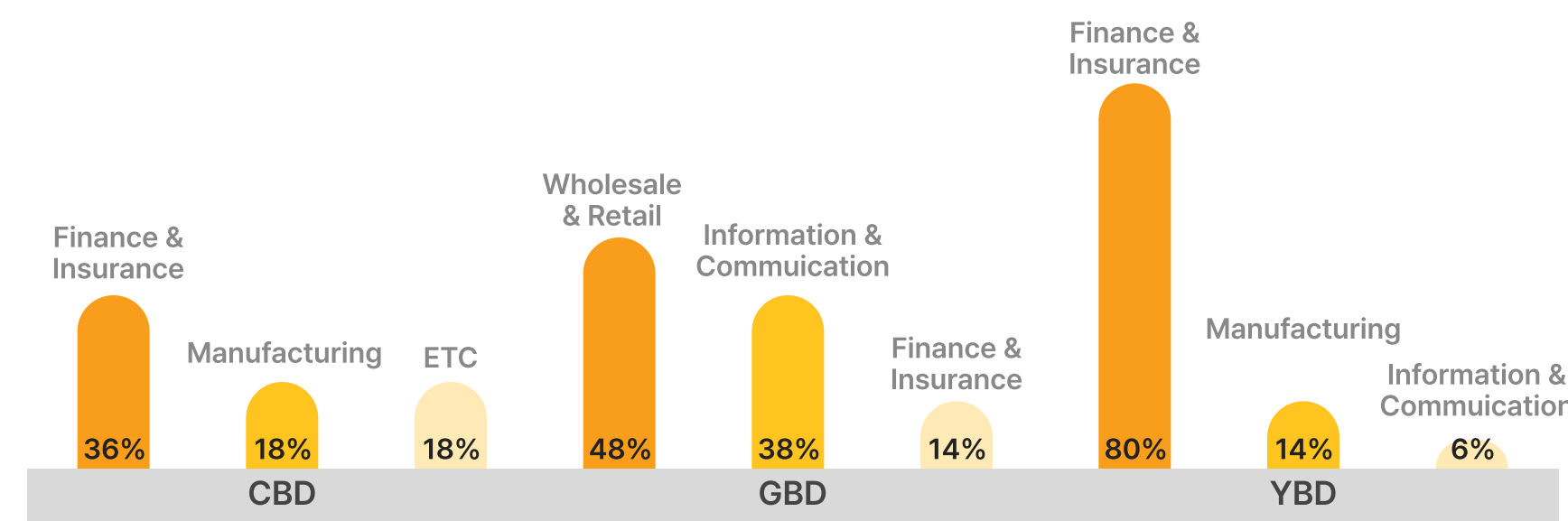


## 9-2 Tenants Movement Status by District

- This quarter has seen active movement across a wide range of industries, with large vacancy closures by large corporate affiliates.
- In the CBD, vacancy reduction in the manufacturing industry is prominent due to SK Hynix, which opened a base office in Center 1(east), followed by other industries (Korean Air, KMI Korea Medical Research Institute).
- In GBD, business support and leasing services (AWS) have made an additional movement into Centerfield East, and steady leasing demand from information and communication industries (Nexon Games, Imweb) has been identified.
- In YBD, which has seen active movement within the district, finance and insurance accounted for the largest share of both vacancies cleared and created, followed by manufacturing (LG Chem, LG Energy Solutions).



Ratio of Tenants Moved in by Industry



Ratio of Tenants Moved out by Industry

## 01 Research Overview

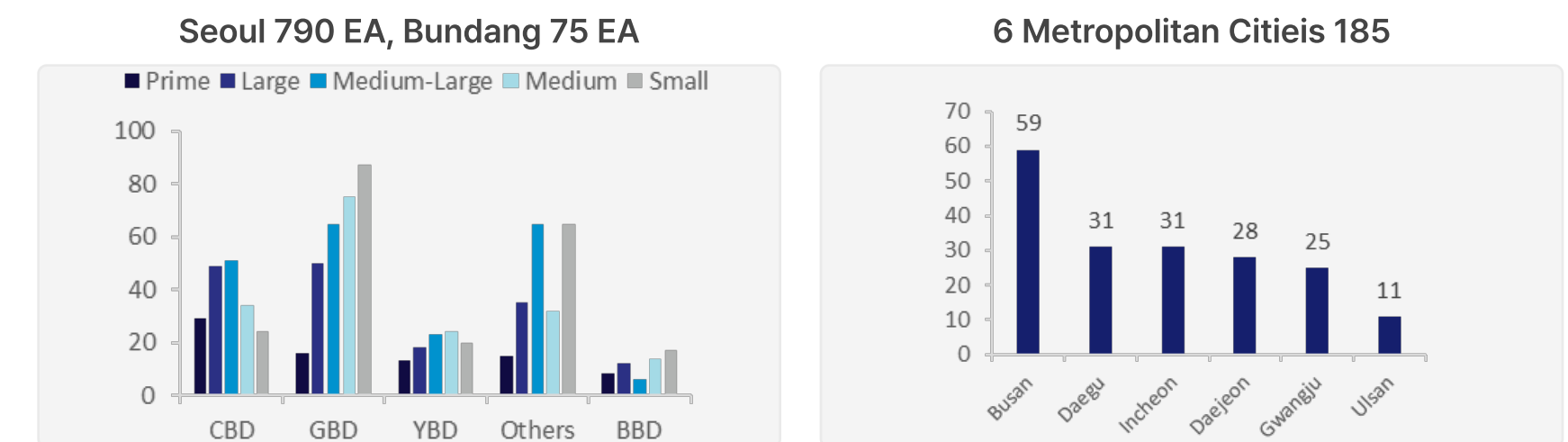
**Region** Seoul, Bundang, and 6 major cities(Incheon, Daegu, Daejeon, Gwangju, Ulsan, Busan)  
**Target** Office buildings with gross floor area of 1,500m<sup>2</sup> or more which use at least 50% of its area as office facilities  
**Method** Telephone/site investigation, Ministry of Land, Infrastructure,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





## 12

## List of Newly Registered Indirect Investment Vehicles

### List of Newly Registered REITs

\* Investigation Period : 2023.01.31 ~ 2023.03.31

REITs	Authorization/Registration	AMC	Target Asset
Woori Daesungmoon REIT	23.01.16	Woori Asset Trust	Housing, Dongdaemun, Seoul
Noryangjin Kmeat REIT No.41	23.01.16	Daehan Real Estate Trust	Housing, Dongjak-gu, Seoul
Daehan Muk-dong REIT	23.01.25	Daehan Real Estate Trust	Housing, Jungnang-gu, Seoul
Gwacheon Juam Land Provision Development REIT No.1	23.02.22	Koramco REITs Management & Trust	Housing, Gwacheon, Gyeonggi
Shinhan Office Bundang REIT	23.02.24	Shinhan REITs Management	Office, Seongnam, Gyeonggi
Incheon Dohwa 1 Rental Housing REIT	23.03.06	Daelim Investment & Management	Housing, Michuhol-gu, Incheon
KAIT J REIT No.13	23.03.07	KAIT	Housing, Seongdong-gu, Seoul
DDI South Chungra Logisticts REIT	23.03.14	D&D Investment	Logistics Center, Seo-gu, Incheon

### List of New Real Estate Funds

\* Investigation Period : 2023.01.31 ~ 2023.03.31

Fund	Registration Date	AMC	Target Asset
PIA Hines Quantum Landmark Tower Busan Genral Private Real Estate Investment Company	23.01.13	PIA Investment Management	Complex Facility, Haeundae, Busan
IGIS Income & Growth No.2-4 General Private Real Estate Investment Company	23.01.18	IGIS Asset Management	Logistics Center, Seo-gu, Incheon
Baro General Private Real Estate Investment No.29	23.02.17	Baro Asset Management	Retail, Songpa-gu, Seoul
Starlord Alphaplux General Private Real Estate Investment Company No.11	23.02.17	Starlord Investment Management	Logistics Center, Ansan, Gyeonggi
IGIS General Private Real Estate Investment Company No.505	23.02.21	IGIS Asset Management	Housing, Changwon, Gyeongnam
IGIS General Private Real Estate Investment Company No.502	23.03.28	IGIS Asset Management	Office, Seo-gu, Daejeon

## 12

## Major Tenant Activities

District	Building Name	Locaiton	Tenant	Leasing Area (py)
CBD	Centropolis	Gongpyeong-dong, Jongno-gu	Kakao Entertainment	3,500
	Taepyeongro Hanhwa Finace Center	Taepyeongro 2-ga, Jung-gu	Korean Air	2,000
	Center1(east)	Suha-dong, Jung-gu	SK Hynix	2,000
	Concordian	Sinmunno 1-ga, Jung-gu	Binggrae	1,700
GBD	Majestar City Tower 1	Secho-dong, Seocho-gu	Nexon Games	1,500
YBD	Hyundai Motor Securities Bldg.	Yeongdeungpo-gu Yeouido-dong	Shinhan Fund Partners	1,700
	SK Securities Bldg.		K-Growth	1,300
	ABL Bldg.		KCMI	1,100
Others	Poongsan HQ	Chungjeongno 3-ga, Seodaemun-ro	AA Archi Group	2,400

## 14

## New Supply

District	Building Name	Location (gu)	Location (dong)	GFA (py)
CBD	Bank of Korea Annex	Jung-gu	Namdaemunro 3-ga	17,800
CBD	Scale Tower	Gangnam-gu	Yeoksam-dong	14,900
Others	Ace Medical Tower	Gangdong-gu	Godeok-dong	5,500
	KR Industries Wlrye Bldg.	Songpa-gu	Jangji-dong	5,800
CBD	Sure Soft Tech HQ	Sujeong-gu	Geumto-dong	13,200





## Contacts

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Transaction	Director	Yoonsik Hwang	02_3775_7334
Lease Consulting	Director	Gunwoo Nam	02_3775_7264
Property Management	Director	Youngchul Park	02_3775_7322

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### GHP TOTAL RESIDENTIAL SOLUTIONS

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	Head of Div.	Wonki Kim	02_6949_3186

### MatePlus Realty

Real Estate Agent, Asset Management	CEO	Kyusang Choi	010_4303_0377
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## Scale of Property Management | 562 buildings, 7,226,741 m<sup>2</sup>

### Major Client



### GenstarMate Real Estate Institute

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