



# Seoul Office Leasing

## Monthly Market Review

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May 2021

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Commercial Real Estate Services, Worldwide.

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**OKEY**

## Survey Overview

Target Areas	All districts in Seoul and Pangyo & Bundang districts
Target Samples	Commercial properties of 4 stories or more, and with a gross floor area of 1,000m <sup>2</sup> (=300py) or more
Survey Method	Telephone enquiry, publications from property management and Korea's government
Main Focus	Market trend in a property industry, changes in vacancy rate and tenants' inflow/outflow etc.
Survey Period	One calendar month, April 2021
DB Management	Okey Research Center has carried out our research with a large numbers of sample data and provided the vacancy and rent information of office buildings via our office lease platform 'OKEY- Office Key'.
Exchange Rate	1 USD = 1,123.30 KRW (0.89 USD = 1,000 KRW) as at 3 May 2021

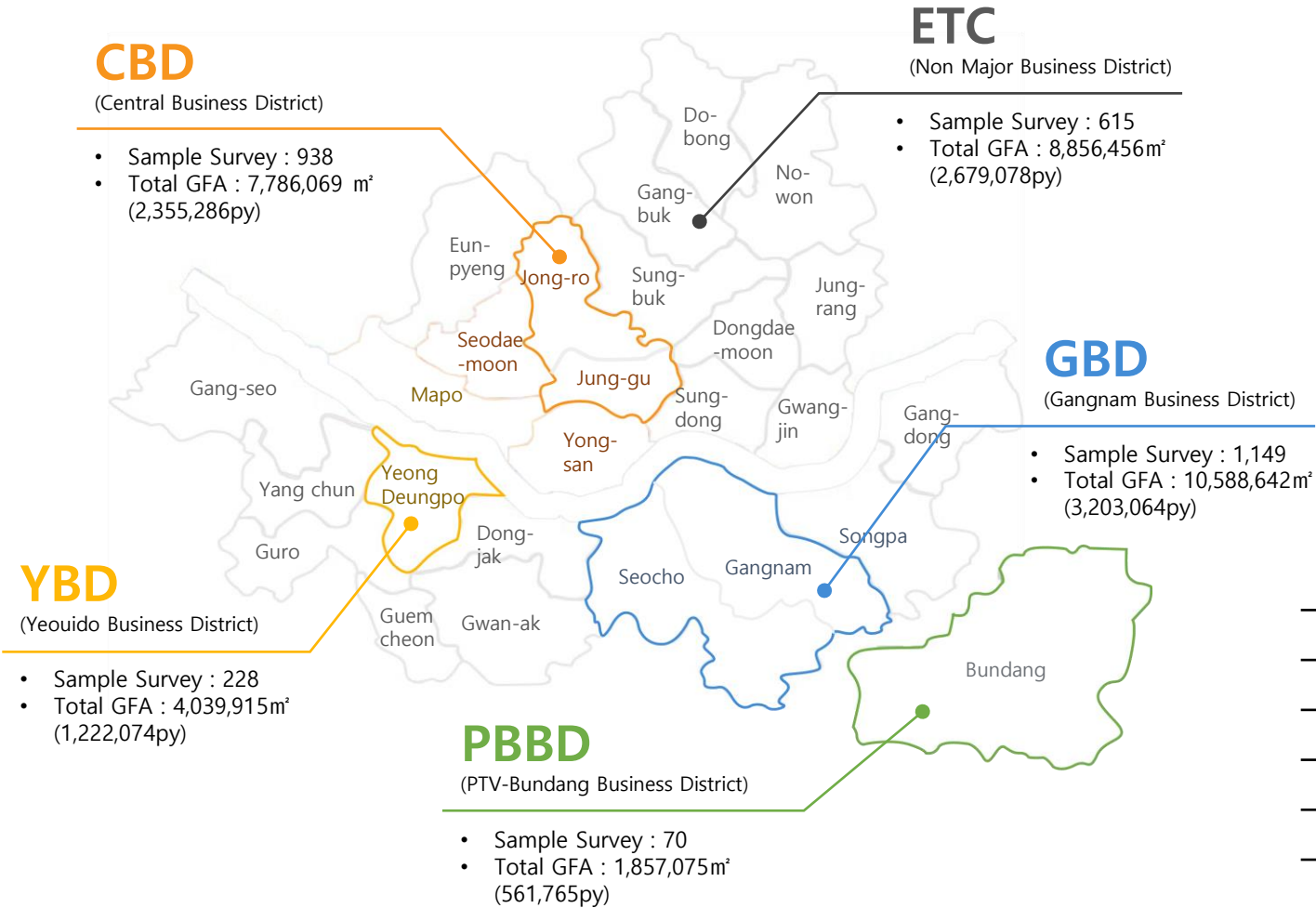
## 5 Regional Divisions in Seoul

CBD Central Business District	GBD Gangnam Business District	YBD Yeido Business District	ETC Non Major Business District	PBBD PTV-Bundang Business District
Jongro-gu, Jung-gu, etc.	Gangnam-gu, Seocho-gu, etc.	Yeouido, Yeongdeungpo-gu etc.	Songpa, Mapo, Yongsan and other areas outside Central Seoul	Pangyo Techno Valley, Bundang-gu in Sunngnam-si etc.

## Categories of Office Buildings by Their Sizes

OKEY	P Grade Prime Building	S Grade Large Building	A Grade Large-Medium	B Grade Medium-Small	C Grade Small Building
Gross Floor Area	49,587m <sup>2</sup> (15,000py)	23,140m <sup>2</sup> (7,000py)	13,223m <sup>2</sup> (4,000py)	Above 3,306m <sup>2</sup> (Above 1,000py)	Under 3,306m <sup>2</sup> (Under 1,000py)
Lease Area of Sample Floor	1,653m <sup>2</sup> (500py)	992m <sup>2</sup> (300py)	661m <sup>2</sup> (200py)	Above 496m <sup>2</sup> (Above 150py)	Under 496m <sup>2</sup> (Under 150py)

# Sample Size of Each District



Building Survey : Total 3,006

	P	S	A	B	C
<b>CBD</b>	233	235	113	259	98
<b>GBD</b>	54	100	117	342	536
<b>YBD</b>	96	65	20	36	11
<b>ETC</b>	131	105	45	223	111
<b>PBBD</b>	20	28	6	13	3

## • NOC (Net Occupancy Cost)

The cost that 1m<sup>2</sup> of GFA incurs to a tenant who rents the property.  
NOC can be useful to compare between different types of office buildings.



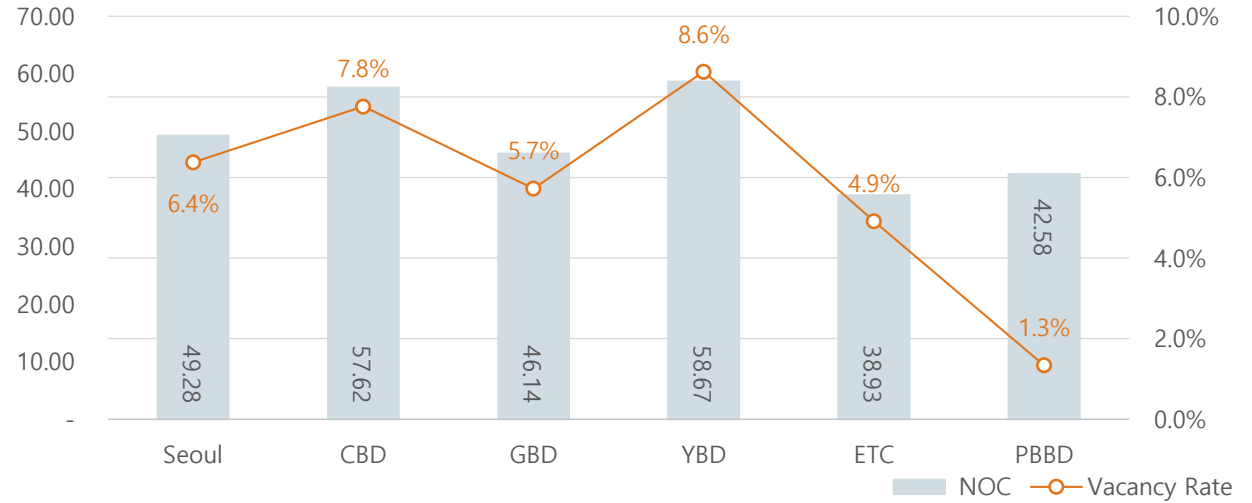
# SBD Seoul Capital Area

Vacancy rate

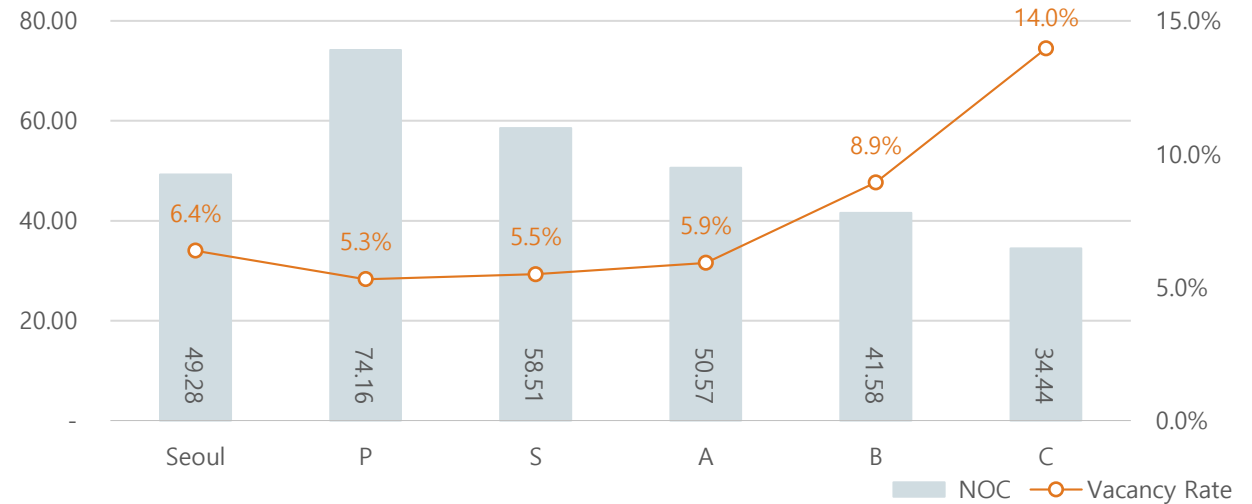
6.38 % ↓

Avg. NOC

\$ 49.28 ↑



■ Vacancy Rate & NOC in Seoul and Each District



■ Vacancy Rate & NOC in Seoul & Each Building Category

Avg. Rent	Avg. Deposit	Avg. Management. Fee
21.73	270.12	6.92

The average vacancy rate of the office buildings in Seoul is 6.38 % as at April 2021, and the average NOC is \$ 49.28.

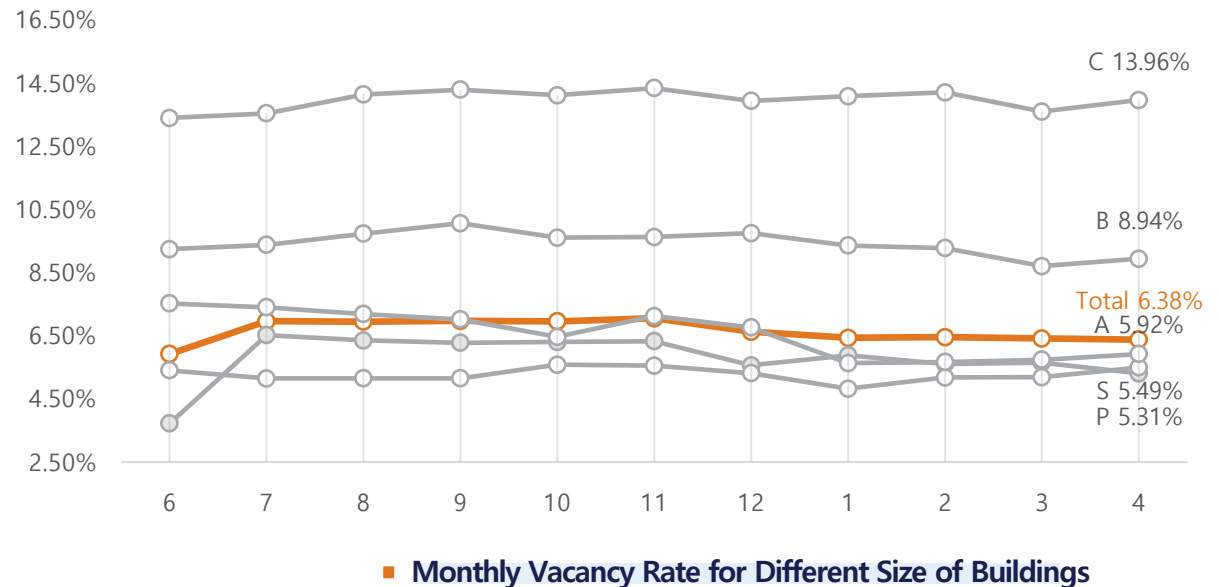
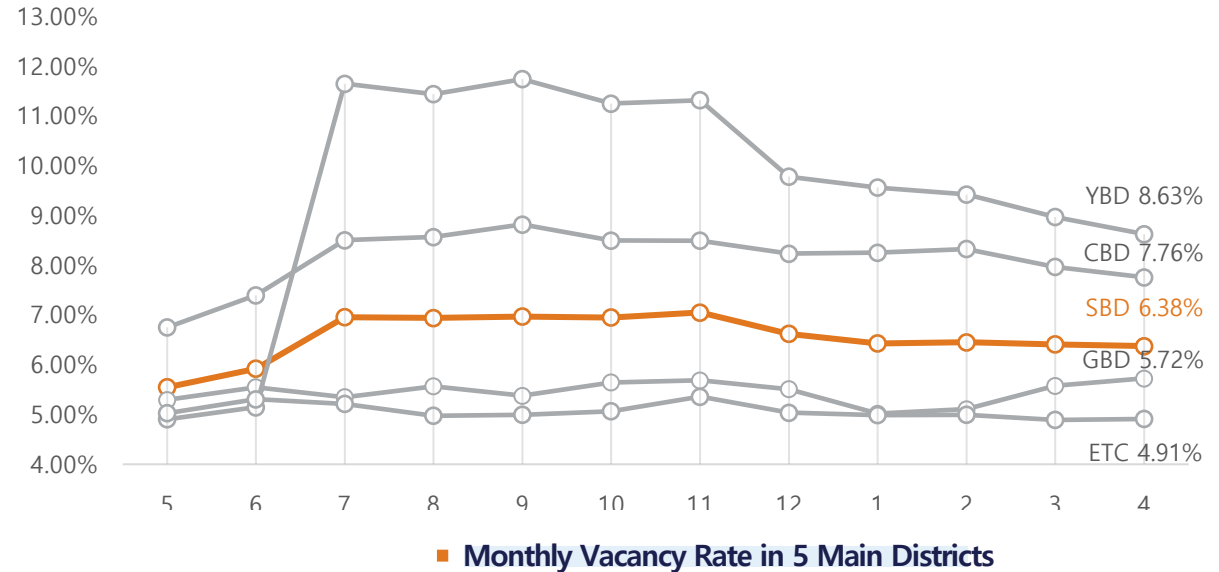


# SBD Seoul Capital Area

The following charts indicate the change of the vacancy level in Seoul. The quality tenants such as aTium Corp. and Yunda Express Ltd. moved into Joon Tower in CBD which filled out the vacant units of 6,700m<sup>2</sup>.

In GBD, there was a new supply of 5,700m<sup>2</sup> due to Joonang Building having completed the extension work to the building, whereas Aply Corp., the new tenant of Kyobo Tower occupied the vacant units of 6,400m<sup>2</sup>. On the other hand, 337 Gangnamdaero Building had its vacant units of 1,300m<sup>2</sup> filled out, thanks to Band & Link Corp. and Medical Clinic Corp., both newly renting one floor and four floors each in the building.

Insung Information Corp. also signed the lease contract with Samjung Development Building and began renting the vacant units of 8,500m<sup>2</sup> using over 7 floors in the building. KG Engineering Ltd. moved from PNS Homes Tower in Moonjung-dong to KG New Building, creating new vacant space of 6,700m<sup>2</sup>.





# CBD Central Seoul

Vacancy rate

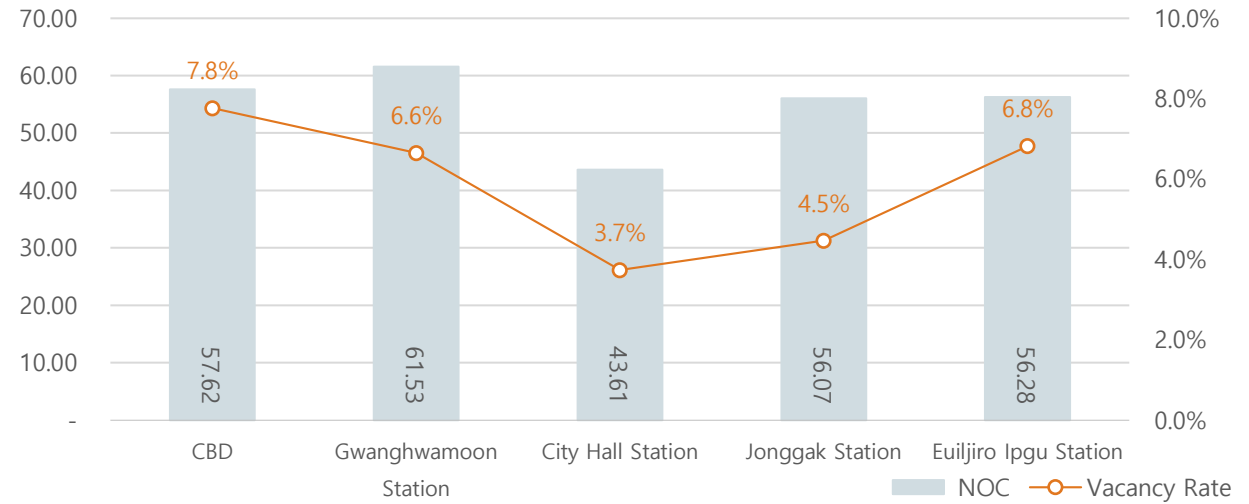
7.76 % ↓

Avg. NOC

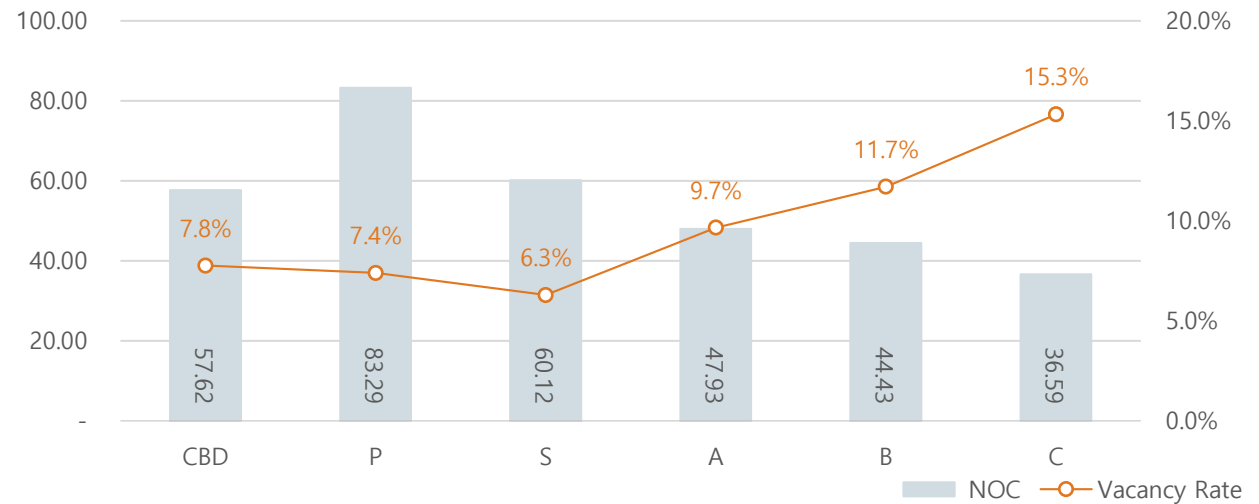
\$ 57.62 ↓

Avg. Rent	Avg. Deposit	Avg. Management. Fee
23.79	251.73	9.10

The average vacancy rate of the office buildings in CBD is 7.76 % as at April 2021, and the average NOC is \$ 57.62.



■ Vacancy Rate & NOC in Central Business District (CBD)



■ Vacancy Rate & NOC for Different Sizes of Building in CBD



# GBD Gangnam

Vacancy rate

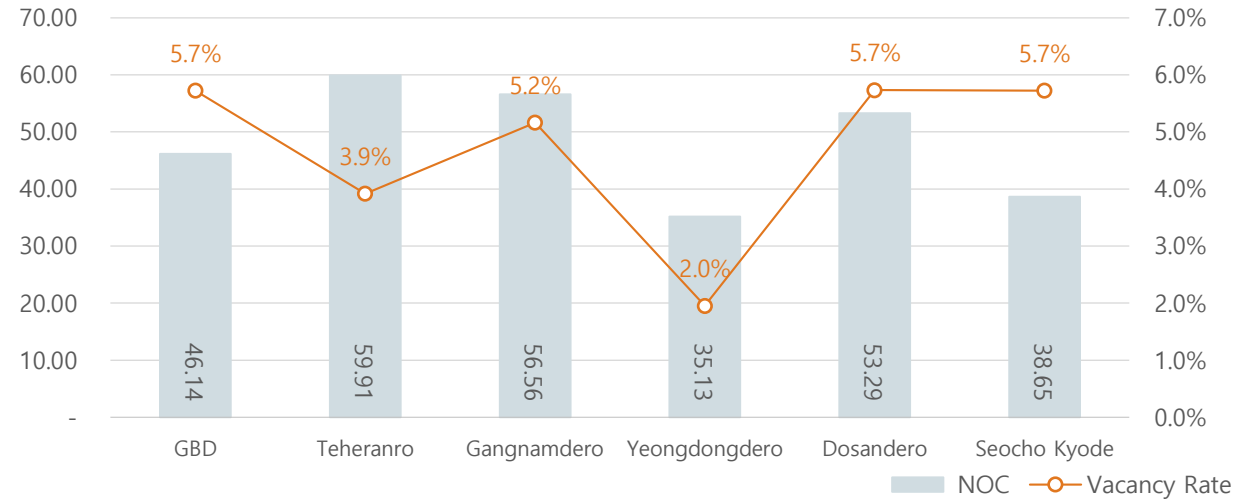
5.72 % ↑

Avg. NOC

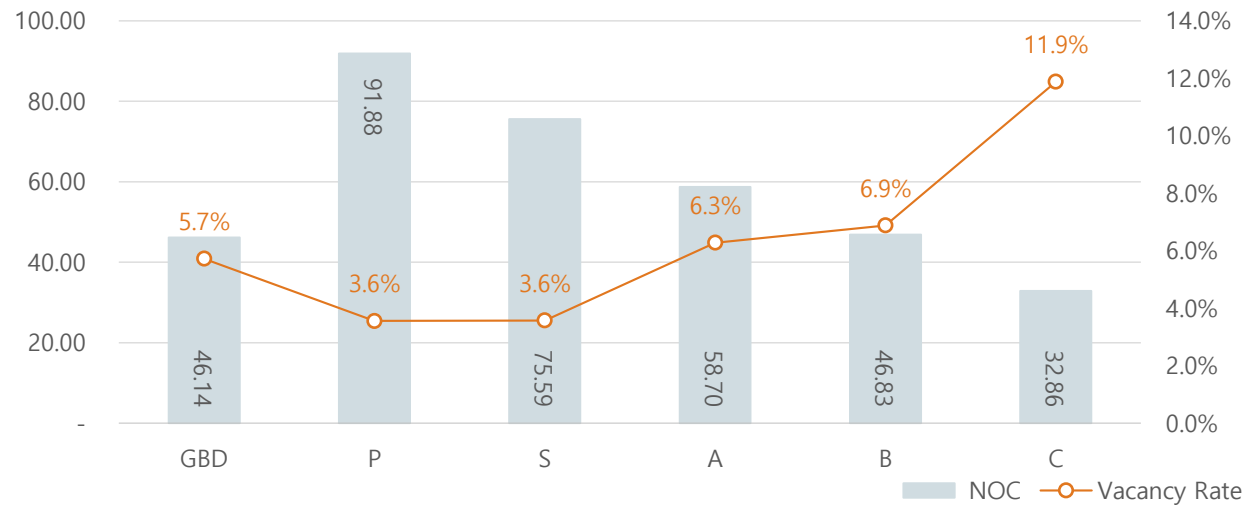
\$ 46.14 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
22.74	295.88	5.74

The average vacancy rate of the office buildings in GBD is 5.72 % as at April 2021, and the average NOC is \$ 46.14.



■ Vacancy Rate & NOC in Gangnam Business District (GBD)



■ Vacancy Rate & NOC for Different Sizes of Building in GBD

# Q4

## YBD Yueido & Yeongdeungpo

Vacancy rate

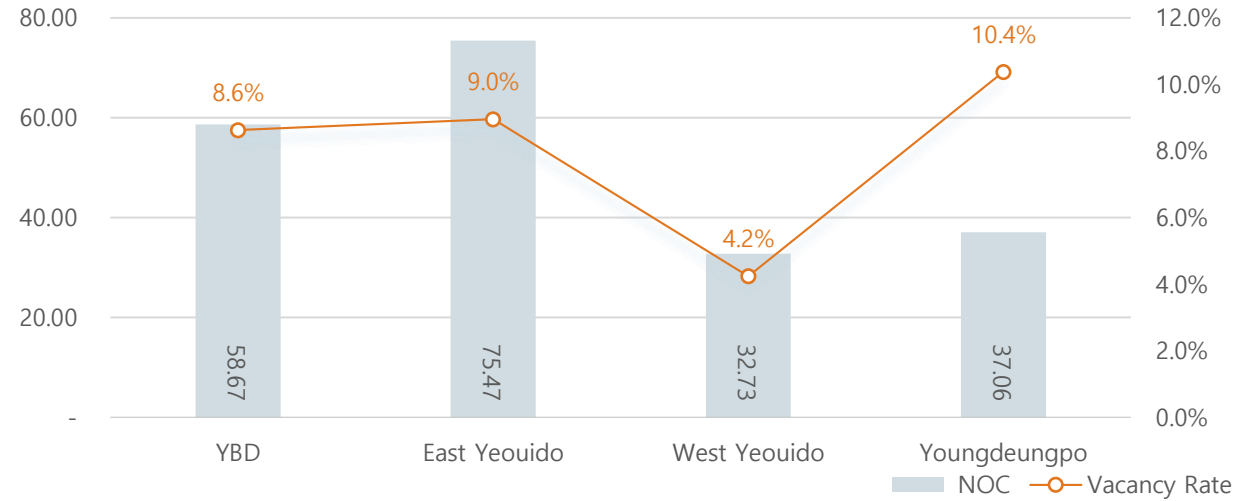
8.63 % ↓

Avg. NOC

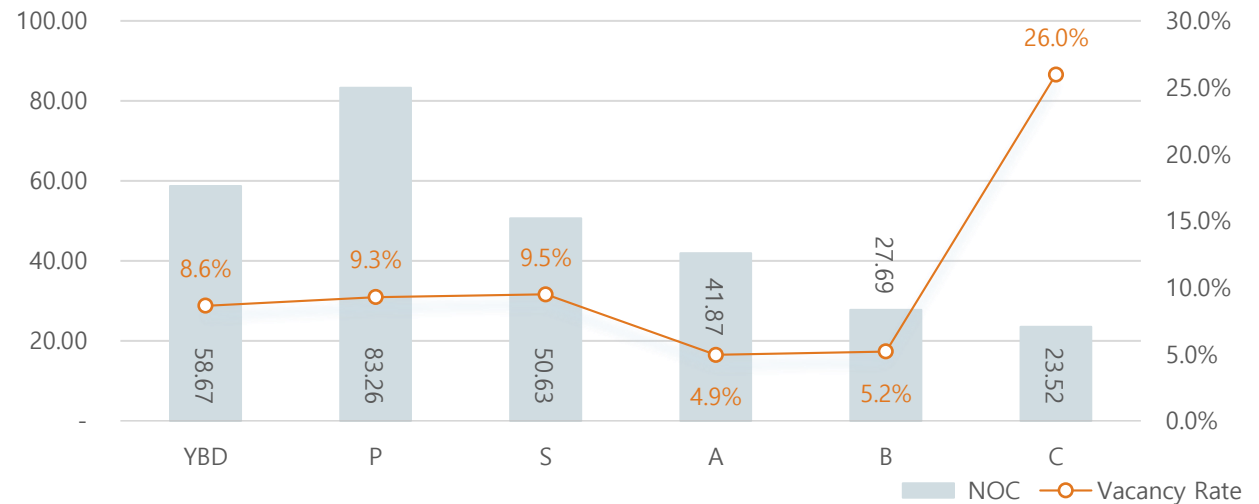
\$ 58.67 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
21.22	310.45	8.44

The average vacancy rate of the office buildings in YBD is 8.63 % as at April 2021, and the average NOC is \$ 58.67.



■ Vacancy Rate & NOC in Yeongdeungpo Business District (YBD)



■ Vacancy Rate & NOC for Different Sizes of Building in YBD



# 75

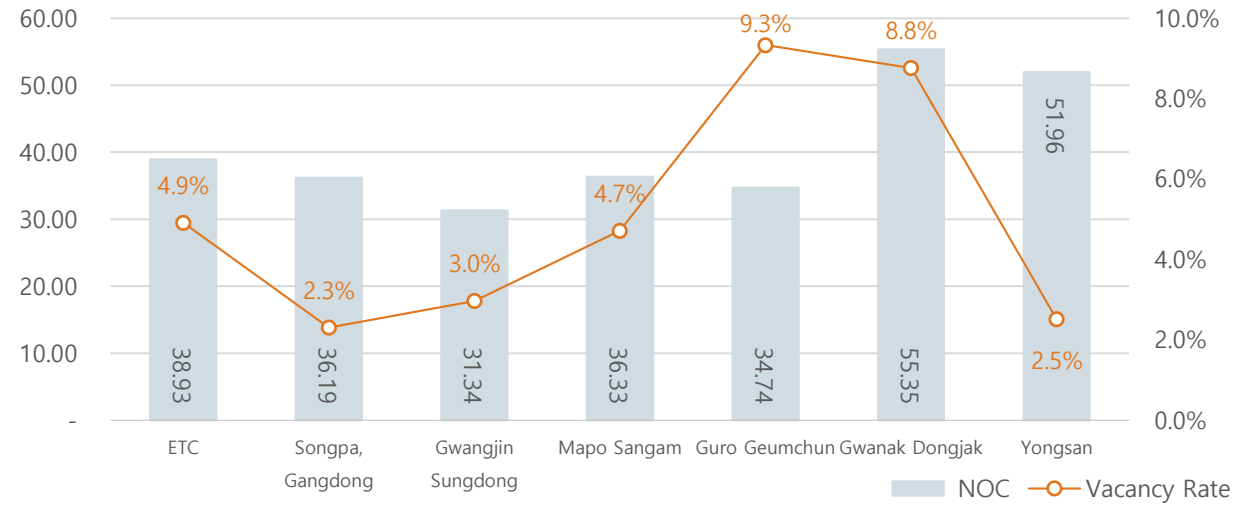
## ETC Other District in Seoul

Vacancy rate

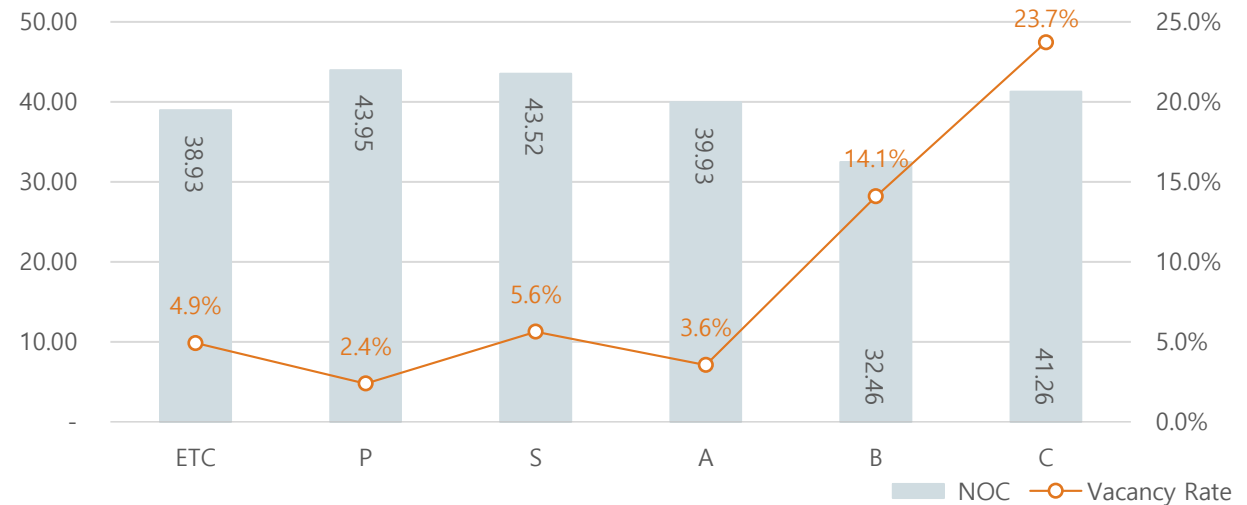
4.91 % ↑

Avg. NOC

\$ 38.93 ↑



■ Vacancy Rate & NOC in Other District in Seoul (ETC)



■ Vacancy Rate & NOC for Different Sizes of Building in ETC

Avg. Rent	Avg. Deposit	Avg. Management. Fee
16.89	235.11	5.24

The average vacancy rate of the office buildings in ETC is 4.91 % as at April 2021, and the average NOC is \$ 38.93.

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## PBBD PANGYO & BUNDANG

Vacancy rate

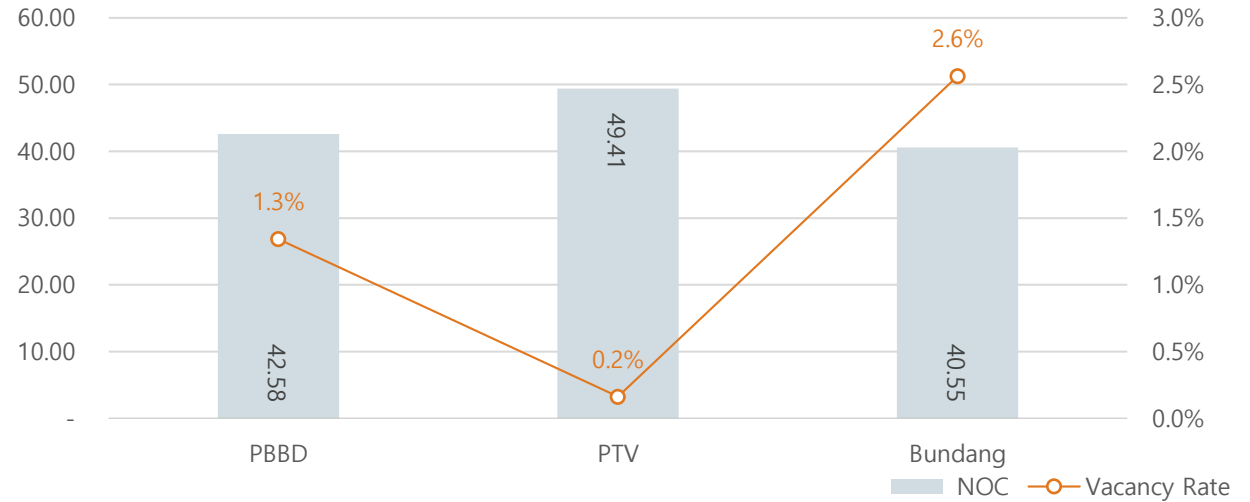
1.34 % ↑

Avg. NOC

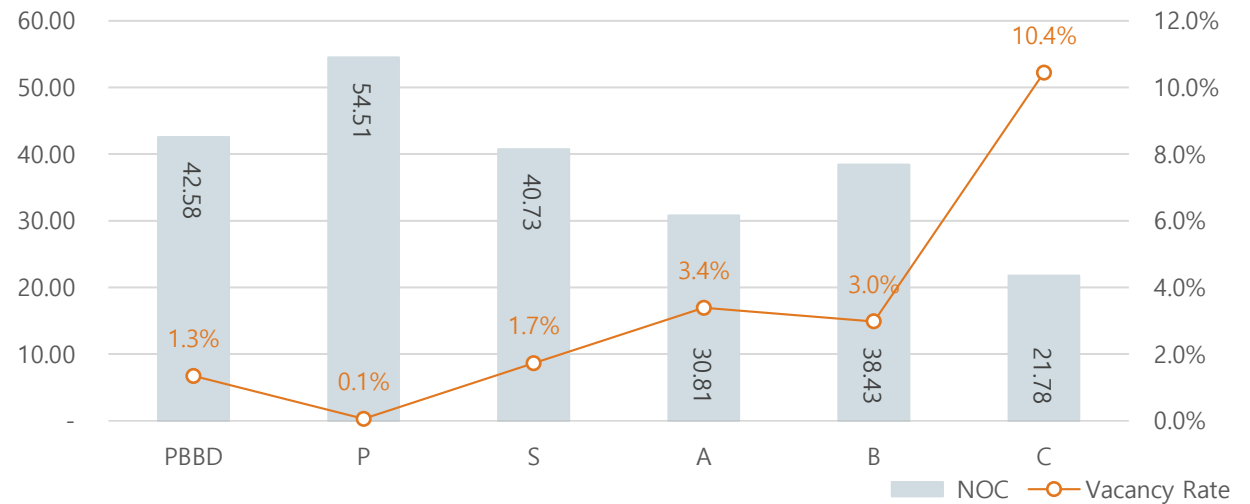
\$ 42.58 ↑

Avg. Rent	Avg. Deposit	Avg. Management. Fee
16.20	170.59	6.12


The average vacancy rate of the office buildings in PBBD is 1.34 % as at April 2021, and the average NOC is \$ 42.58.



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



■ Vacancy Rate & NOC for Different Sizes of Building in PBBD



Overall  
Lease status

Market	Submarket	Gross Leasing Area	Avg. Deposit	Avg. Rent	Avg. Mgmt. Fee	Avg. NOC	Vacancy rate
<b>CBD</b>	Gwanghwamoon Station	878,460	254.05	25.58	8.88	61.53	6.65%
	City Hall Station	894,595	171.33	17.63	7.84	43.61	3.73%
	Jonggak Station	1,001,435	236.30	23.28	9.16	56.07	4.47%
	Euljiro Ipgu Station	837,949	212.24	21.99	9.54	56.28	6.82%
<b>GBD</b>	Teheranro	3,396,687	307.85	26.05	8.02	59.91	3.92%
	Gangnamdero	1,773,162	337.24	26.70	6.84	56.56	5.16%
	Yeongdongdero	666,717	277.31	17.28	5.23	35.13	1.95%
	Dosandero	277,327	453.55	29.36	6.32	53.29	5.73%
	Seocho Kyode	401,947	279.50	20.96	4.29	38.65	5.72%
<b>YBD</b>	East Yeouido	2,892,528	271.82	25.96	10.64	75.47	8.95%
	West Yeouido	480,763	123.37	11.66	6.79	32.73	4.24%
	Youngdeungpo	666,624	489.38	16.29	4.69	37.06	10.37%
<b>ETC</b>	Songpa, Gangdong	2,088,371	229.24	16.07	5.31	36.19	2.31%
	Gwangjin Sungdong	669,861	187.47	15.03	4.02	31.34	2.97%
	Mapo Sangam	2,129,178	173.99	14.81	5.74	36.33	4.71%
	Guro Geumchun	998,547	152.61	14.11	2.93	34.74	9.33%
	Gwanak Dongjak	597,391	667.27	28.73	7.02	55.35	8.76%
	Yongsan	1,303,345	274.64	21.97	7.45	51.96	2.52%
<b>PBBD</b>	PTV	944,000	180.17	18.73	6.42	49.41	0.16%
	Bundang	913,074	167.74	15.45	6.03	40.55	2.56%

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