

2021.3Q / Seoul Metropolitan Area

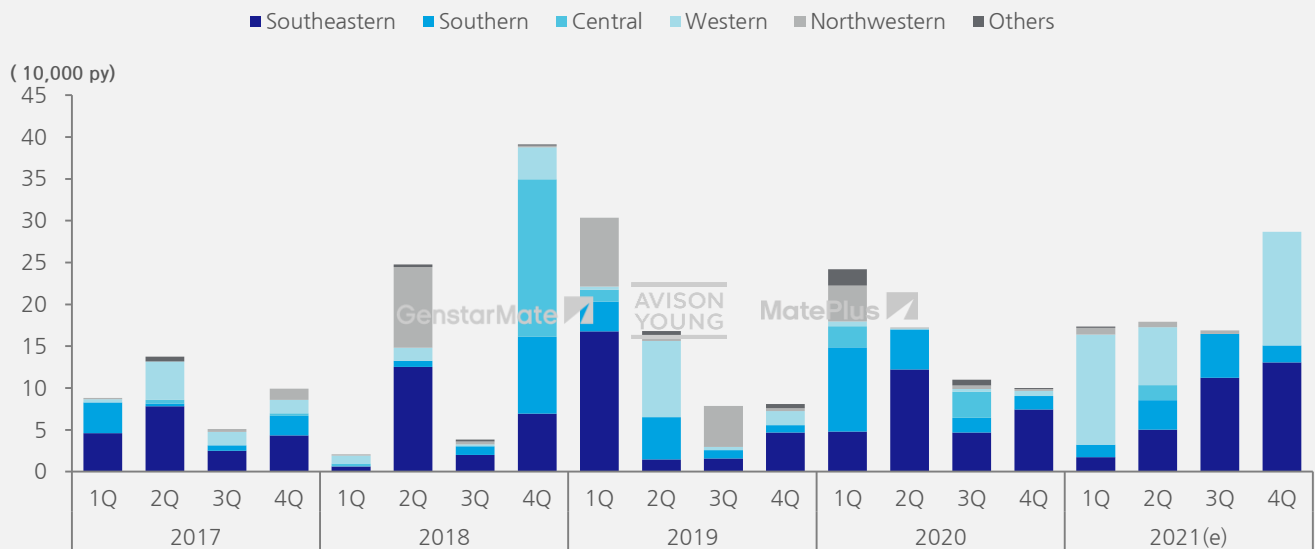
LOGISTICS MARKET REVIEW



New Supply (2021.3Q)

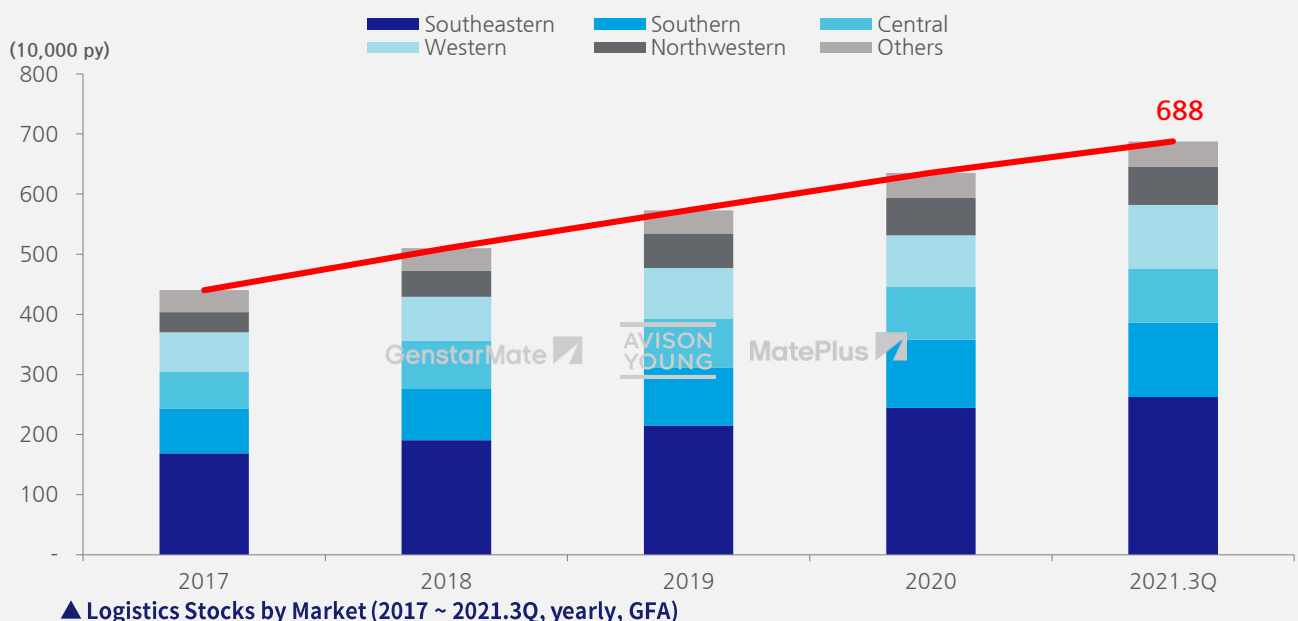
(1) New Supply

The volume of new supply in the Seoul Metropolitan Area in 3Q of 2021 was around 169,000 py, down 5.7% q-o-q. As of the 3Q, new supply is concentrated in the Southeastern and Southern market. In particular, about 66% percent of the total logistics centers were supplied to the Southeastern Market. There was limited supply in Western Market compared to last quarter which had a record-breaking volume of new supply. However, a new construction with a GFA of 136,000 py will be completed in Western Market in the 4Q of 2021, and the total stock will continue to increase for some years to come.



(2) Stocks by Market

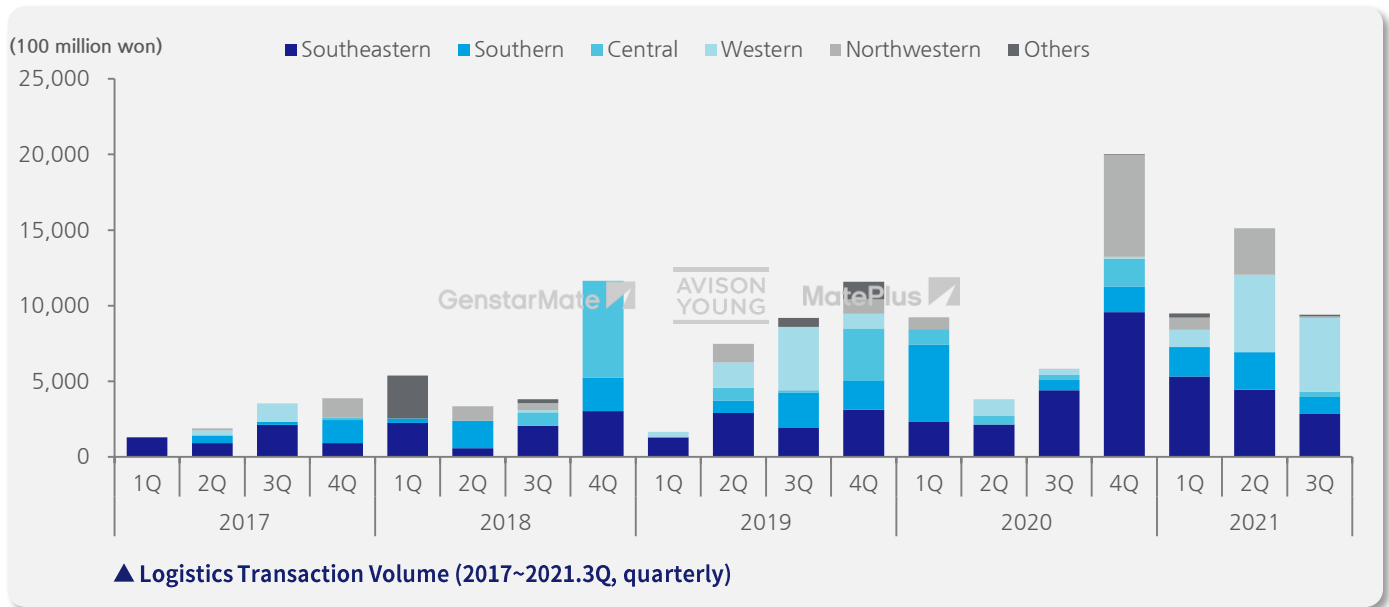
As of the 3Q of 2021, the total stock of the logistics center in the SMA is around 6.88 million py. The Southeastern Market, which is the traditional hub of the logistics centers, has the largest stock of logistics centers compared to other markets. It has recorded 2.62 million py this quarter, followed by Southern and Western Market. Recently, the total stock of the Western Market has recorded more than 1 million py due to a massive supply in Incheon Area, surpassing the stock of the Central Market. In addition, the supply of logistics centers in the Western Market is expected to increase continuously and exceed the stock of Southern Market by 2022, which is the current second-largest, as prime grade logistics center with a GFA of more than 50,000 py is expected to be completed in Western and Southeastern Area.



Transaction Market(2021.3Q)

(1) Transaction Volume

As of the 3Q of 2021, the transaction volume of SMA was 930 billion won, up 61% from the previous year, recording the largest transaction volume among every 3Q. Including 4Q, the overall transaction volume is forecasted to reach 4 trillion won, which will be the largest volume so far, since Kendall Square REIT Management will purchase 5 more logistics centers including Icheon Logistics Center through REITs by the end of this year. In the Central Market, there were 2 transactions worth 300 billion won including the TF Cold Storage (2,000 py) and Myungin Logistics (4,000 py) in Yongin, Gyeonggi-do.



(2) Transaction Cases

Songdo H Logis(Incheon Hangdong Hyunsan Logistics Center) was sold to Shinhan Alternative Investment Management from Hyunsan Holdings at 377 billion won, recording the highest transaction price as of 3Q, 2021. GS Retail Dohwa Logistics Center has recorded the highest unit price of dry center, recording 8.8 million won per py among the transactions closed in the Western Market, changing hands to Mastern Investment Management from Koramco Asset Management. Two Foodist logistics centers(Icheon, Pyeongtaek) were transacted from Foodist to Capital Land Investment Management, pricing 90 billion and 27 billion won each. Those two centers were constructed in 2008 and 2019, and Hanhwa Hotel&Resort has leased up those two centers for mixed-use purpose.



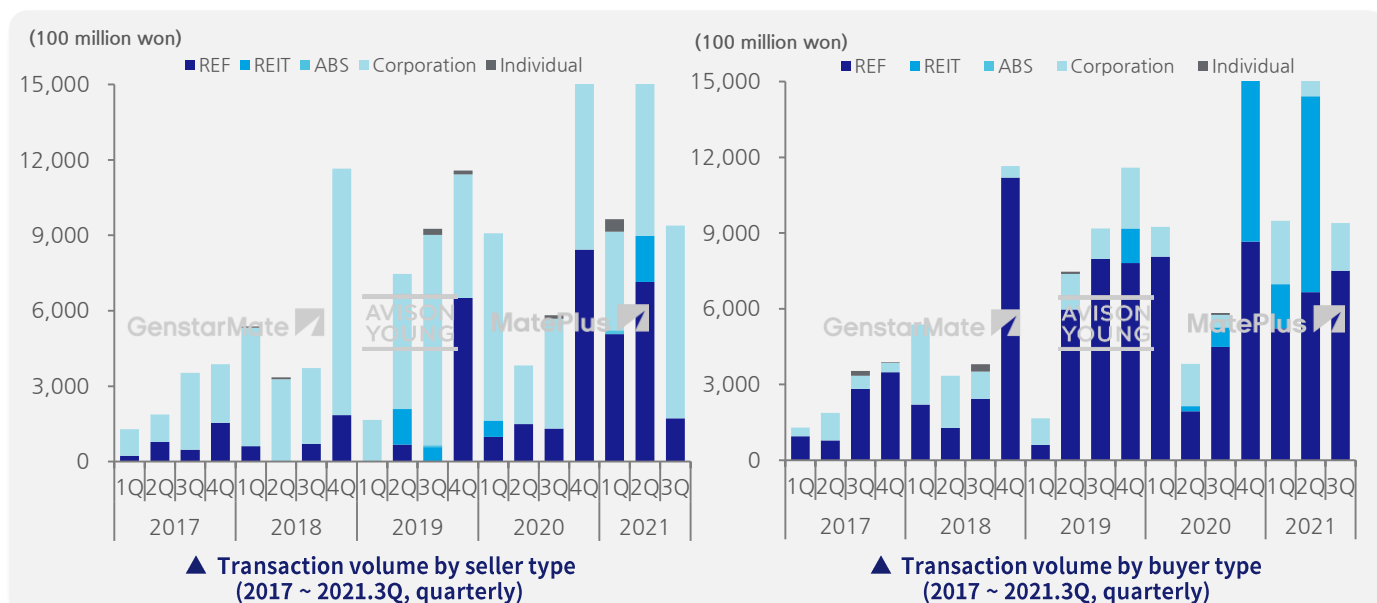
▲ GS Retail Dohwa Logistics Center

Logistics Center	Address	Type	Price (100million won)	Transaction Area (py)	Unit price (by 1,000 won)	Seller / Buyer
Songdo H Logis (Incheon Hangdong Hyunsan Logistics Center)	Jung-gu, Incheon	Mix	3,770	44,810	8,413	Seller: Hyunsan Holdings Buyer: Shinhan Alternative Investment Management
BRIC West Icheon Logistics Center	Icheon, Gyeonggi-do	Mix	1,120	10,195	11,009	Seller: BRIC West Icheon Logistics Center Buyer: Pacific Asset Management
GS Retail Dohwa Logistics Center	Michuhol-gu, Incheon	Dry	1,115	12,667	8,803	Seller: Koramco Asset Management Buyer: Mastern Investment Management
Foodist Icheon Logistics Center	Icheon, Gyeonggi-do	Mix	900	7,451	12,094	Seller: Foodist Buyer: Capital Land Investment Management
Hanaro TNS Namsa Logistics Center	Anseong, Gyeonggi-do	Dry	610	9,634	6,373	Seller: Vestas Investment Management Buyer: LogisValley
Foodist Pyeongtaek Logistics Center	Pyeongtaek, Gyeonggi-do	Mix	270	2,770	9,840	Seller: Foodist Buyer: Capital Land Investment Management
Myungin Logistics	Yongin, Gyeonggi-do	Dry	205	4,236	4,840	Seller: Myungin Logistics Buyer: Chunan Logistics
TF Refrigeration	Yongin, Gyeonggi-do	Cold	130	2,708	4,753	Seller: TF Buyer: Beige Box Two
Design Skin Logistics Center	Goyang, Gyeonggi-do	Dry	100	1,125	8,887	Seller: Hansol Education Buyer: Koreit Asset Management

Transaction Market(2021.3Q)

(3) Transaction Volume by Seller/Buyer Type

As for the seller, there were REF(indirect) and Corporation(direct), and REITs(indirect) were not found this quarter. Among them, Hansol Education, the seller of Design Skin Logistics Center in Goyang city, has sold 2 logistics centers to AMC in 2021. In terms of buyer, REF took the highest proportion with 7 cases, worth 750 billion won. In 3Q, various AMCs, such as Capital Land Investment Management, Shinhan Alternatives Investment Management, and Tiger Alternative Investors have invested in the logistics market.



(4) Indirect Investment Vehicle

In the 3Q 2021, a total of 14 real estate funds have been registered for logistics investment, which is slightly increased from previous quarter. By market, Southeastern market accounts for the largest share, which had 5 new cases, Western and Central were the second-largest, which had 2 new REFs registered, followed by Others and Northwestern market. In terms of buyers, Kendall Square REIT Management has established a subsidiary REIT in order to purchase 6 logistics centers.

Type	REF/Corporation	Registration Date	AMC	Property
REF	MPLUS Professional Private Real Estate Fund 29	'21-07-06	MPLUS Asset Management	Logistics Center, Gyungshan
	Pacific BRIC Professional Private Real Estate Fund 53	'21-07-13	Pacific Asset Management	Logistics Center, Icheon, Gyeonggi-do
	KB Logistics Professional Private Real Estate Fund 3	'21-08-18	KB Asset Management	Logistics Center, Ansan, Gyeonggi-do
	Pebblestone Professional Private Real Estate Investment Trust No.15	'21-08-31	Pebblestone Asset Management	Logistics Center, Ansong, Gyeonggi-do
	BlueCove Real Estate Fund No.4	'21-09-16	BlueCove Investment	Logistics Center, Goyang, Gyeonggi-do
REIT	KB Logistics Professional Private Real Estate Fund 4	'21-09-28	KB Asset Management	Logistics Center, Changwon
	Hana Richup No.2 REIT Co., Ltd.	'21-07-15	Hana Asset Trust	Logistics Center, Gyungshan
	ESR Kendall Square Asset No.2 REIT Co., Ltd.	'21-09-30	Kendall Square REIT Management	5 Logistics Center, (Icheon, Gyeonggi-do, and etc)

APPENDIX

Research Overview

Region: Gyeonggi-do, Incheon, Seoul

Target: Logistics Center with gross floor area of 3,300m² or more which uses at least 50% of its area as warehouse facilities

Research method: Telephone/site investigation, Ministry of Land, Infrastructure and Transport

Contents of research: Logistics Center license and approval status, transaction cases, tenant status and rent level

Research period: Research on the 15th to the last day of the following month at the end of each quarter

Logistics Center Grade

Small: less than ~33,508m² (less than 10,000 py)

Medium: More than 33,508m² and less than 99,174m² (more than 10,000 py and less than 30,000 py)

Large: 99,174m² or more and less than 165,289m² (more than 30,000 py and less than 50,000 py)

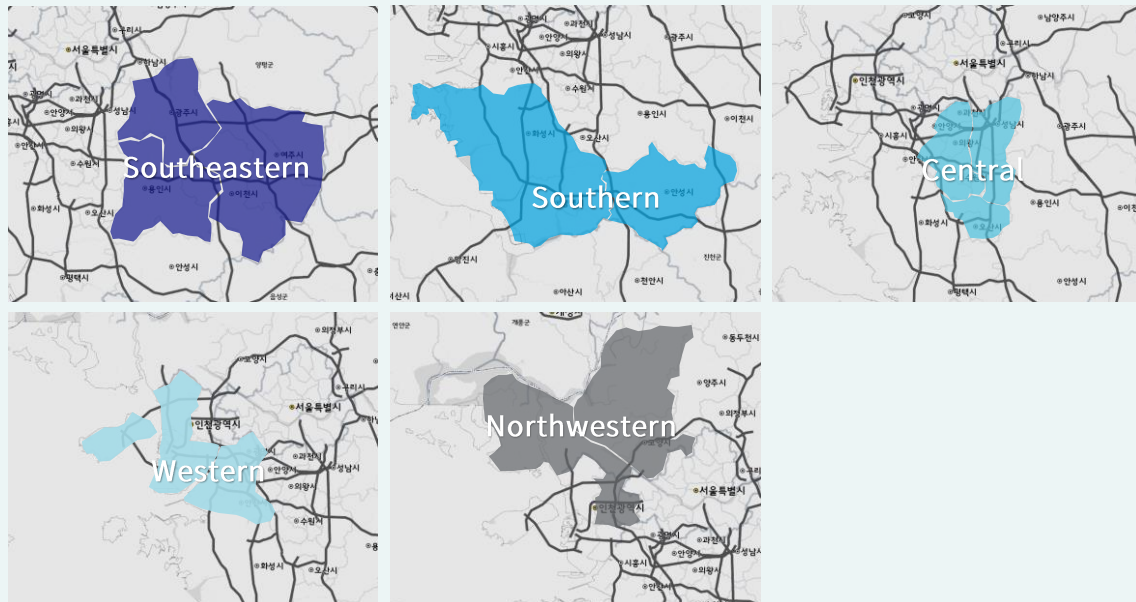
Prime: more than 165,289m² (more than 50,000 py)

Area Unit: py=3.3m²

Classification of Market & Submarket

Market	Area	Submarket
Southeastern	Gwangju City, Icheon City, Yeosu City, Yongin City (Cheoin-gu)	Gwangju · Gonjam, Icheon · Yeosu, Yangji · Deokpyeong
Southern	Anseong City, Pyeongtaek City, Hwaseong City (excluding Dongtan Area)	Anseong, Pyeongtaek · Hwaseong
Central	Gunpo City, Uiwang City, Anyang City, Gwacheon City, Suwon City, Osan City, Hwaseong City (Dongtan Area), Yongin City (Suji-gu, Giheung-gu), Seongnam City	Gunpo · Anyang · Suwon, Dongtan · Osan, Singal
Western	Ansan City, Siheung City, Gwangmyeong City, Incheon Metropolitan City (Jung-gu, Dong-gu, Michuhol-gu, Seo-gu, Namdong-gu, Yeonsu-gu, Ongjin-gun)	Incheon, Ansan · Siheung
Northwestern	Goyang City, Paju City, Gimpo City, Bucheon City, Incheon Metropolitan City (Gyeong-gu, Bupyeong-gu, Ganghwa-gun)	Gimpo Gochon · Bucheon, Goyang · Paju
Others	The rest of Gyeonggi-do, Seoul Area	-

Map of Submarket



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