

Office MARKET REPORT

2024. 1Q / Seoul Metropolitan Area
OFFICE MARKET REPORT

1Q 2024
Seoul



03

Investment Market Highlight

Key development projects across Seoul accelerate with the construction permits.

04

Office Investment Market

In the first quarter, the office transaction volume in Seoul increased by 294 billion won (increase by 12.2%) compared to the previous quarter, reaching a total of 2.69 trillion won.

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Seoul Office Rental Market

The office vacancy rate in Seoul has increased in all districts compared to the previous quarter, recording 3.6%.

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Major Tenant Activities

Relocations of the Finance & Insurance, and Information & Communication sectors are active within the districts.

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Research Overview

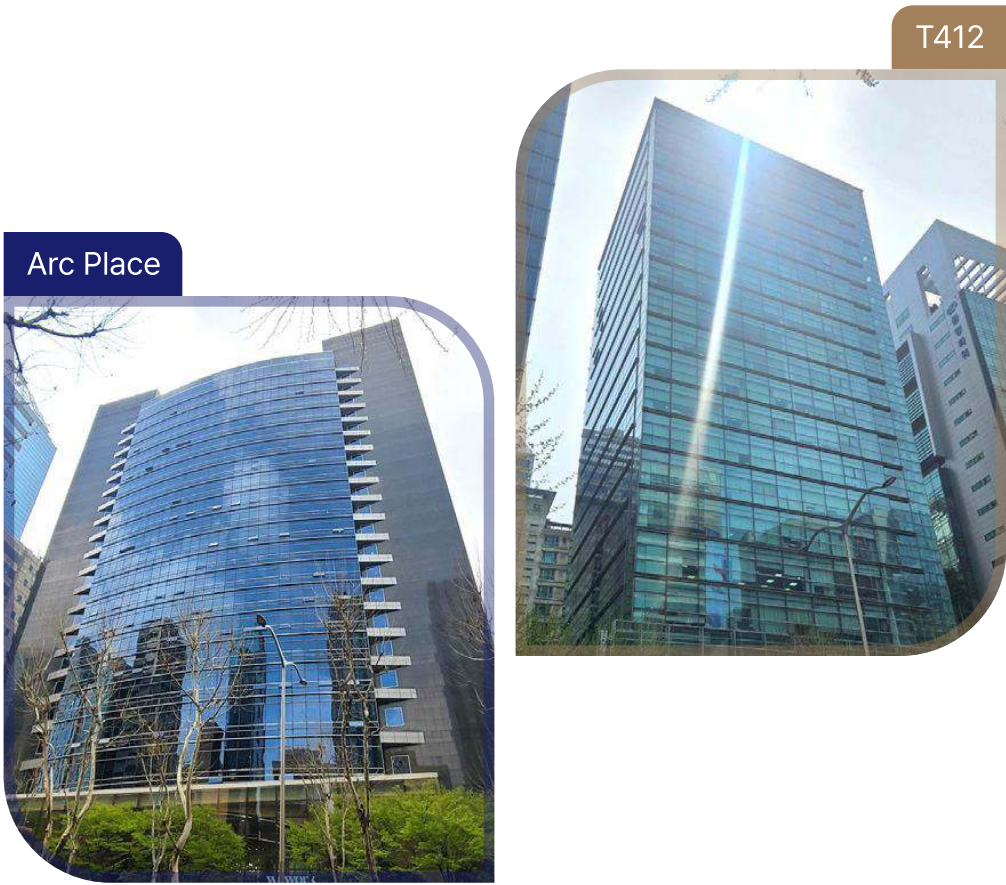
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Conclusion of Major Asset Deals including ARC place and T412

- Koramco REITs Management and Trust has completed the acquisition of Arc Place previously owned by Mirae Asset Global Investment, utilizing Blind fund, at a total of 792 billion won. Through this transaction, Koramco realized a profit of more than 300 billion won.
- In the state of liquidity shortage with subdued institutional investors in the recent market, while a bunch of properties remain on offer, Strategic Investors are emerging as a major buyers – Hyundai Motor(Scale Tower), F&F(Center Point Gangnam). The bed manufacturer Allerman, also engaged in the market, completing the acquisition of T412 in the Teheran-ro area, at a total of 392 billion won, for the purpose of securing office space.



Key development projects across Seoul accelerate with the construction permits

- IGIS Asset Management successfully laid the groundwork for the Seoul Station Area Innovation Project by acquiring Metro Tower and Seoulo Tower for a total of 726 billion won in the last quarter.
- In addition, recent developments such as the Suseo Station Redevelopment project and the Northern Seoul Station Redevelopment project have received consecutive construction permits, propelling major prime-grade office development projects in Seoul.

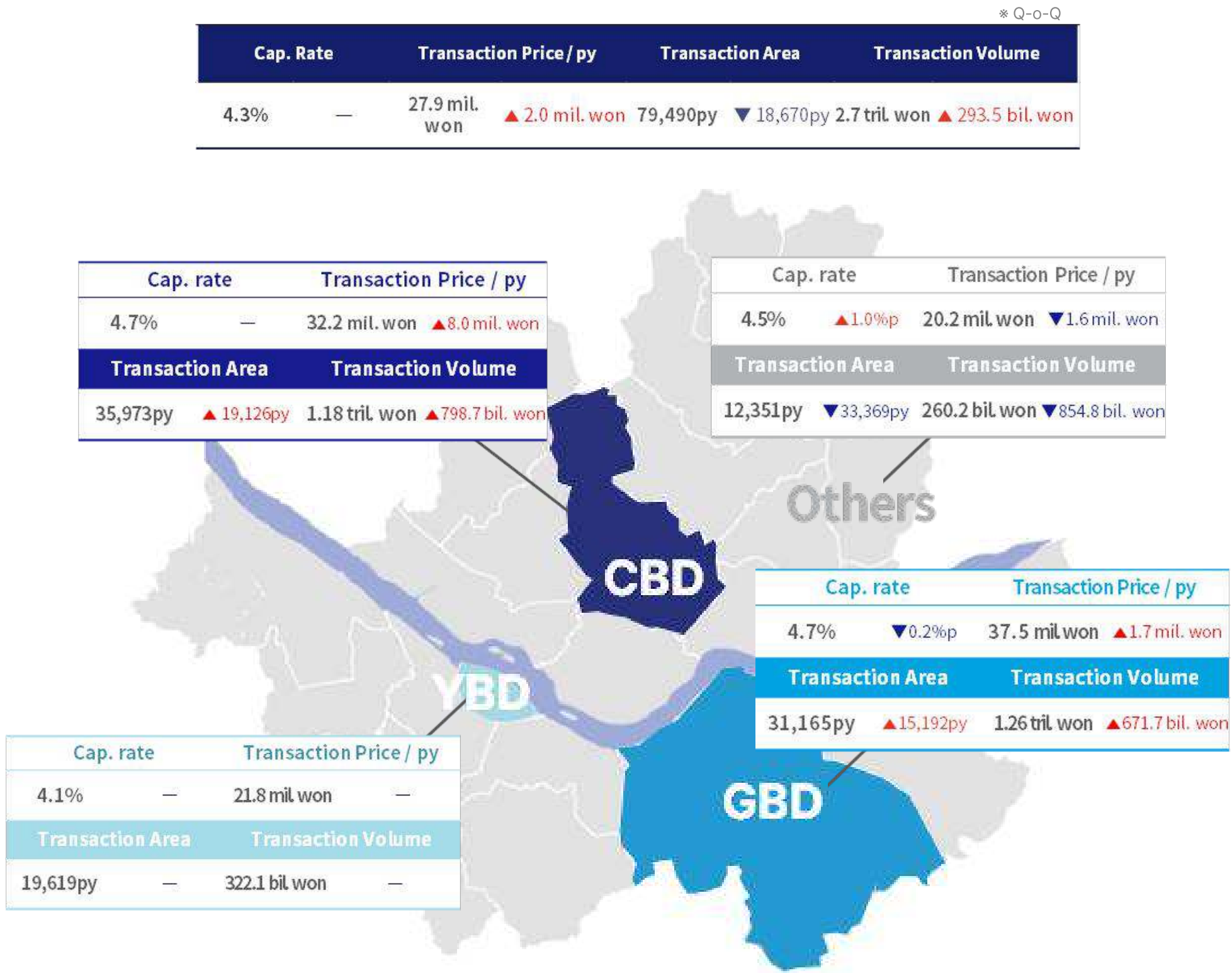
Major Office Redevelopment Projcets in Seoul (Above 30,000py)

| District | No. | Seoul/Bundang | GFA(py)* | Date of Completion |
|----------|-----|---|----------|--------------------|
| CBD | 1 | Yangdong Urban Maintenance Redevelopment District 4-2-7 (Millenium Hilton Site) | 80,000 | 2030.2Q |
| | 2 | Yangdong Urban Maintenance Redevelopment District 8-1, 6 (Metro Tower, Seoulo Tower Site) | 39,000 | 2029.3Q |
| | 3 | Sewoon Redevelopment District 3-8,9,10 | 69,000 | 2028.4Q |
| | 4 | Gongpyeong Urban Maintenance Redevelopment District 15,16 | 43,000 | 2026.2Q |
| | 5 | Northern Seoul Station Redevelopment Project | 43,000 | 2027.4Q |
| GBD | 6 | Hyundai Motor Company GBC | 179,000 | - |
| | 7 | Seoripul District Unit Plan Area | 160,000 | 2028.4Q |
| | 8 | Suseo Station Work Facilities Land Development Project B1-2, 3, 4BL | 42,000 | 2026.2Q |
| Others | 9 | One West Seoul (Magok CP4) | 94,000 | 2024.3Q |
| | 10 | Magok CP3-2 | 48,000 | 2024.4Q |
| | 11 | Magok CP1 | 45,000 | 2024.4Q |
| | 12 | Seongsu E-Mart Site Redevelopment Projcet | 66,000 | 2027.3Q |

*) Office area only(e)

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OVERVIEW Seoul

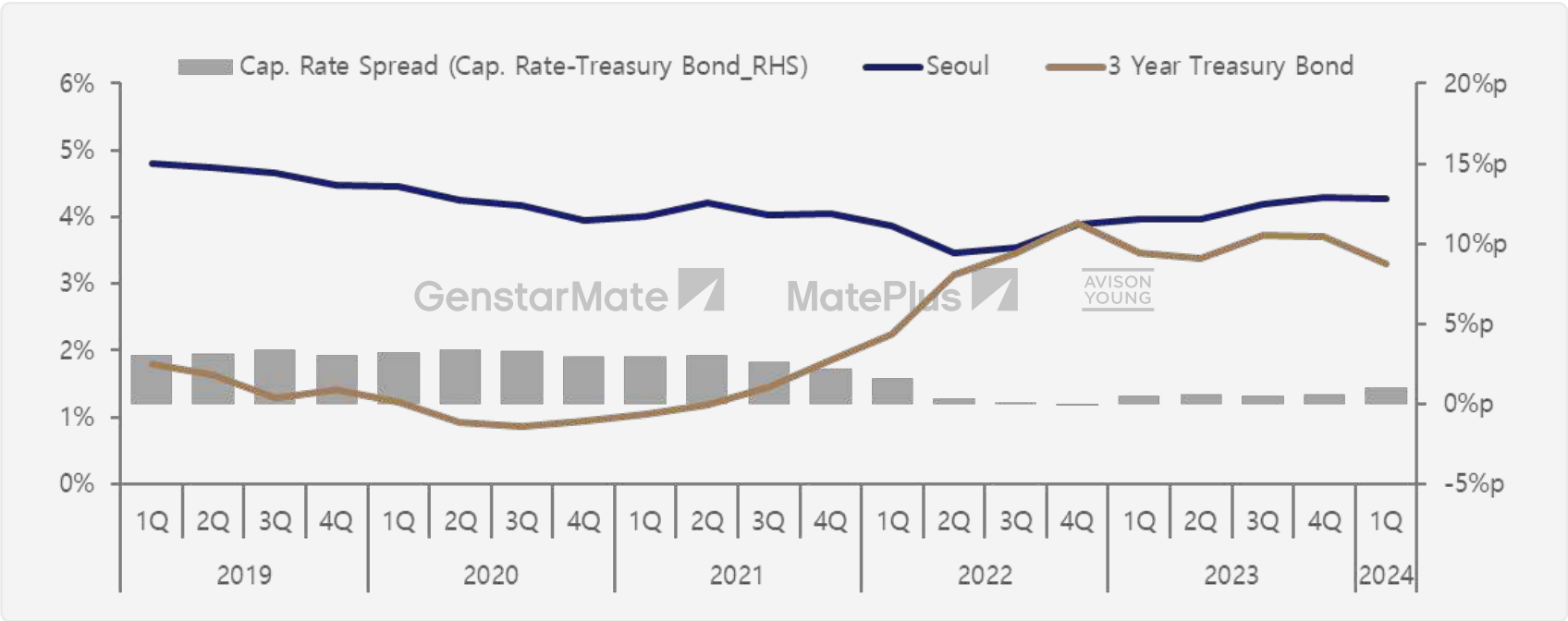


- In the first quarter, the office transaction volume in Seoul increased by 293.5 billion won (increased by 12.2%) compared to the previous quarter, reaching a total of 2.69 trillion won, and showed a significant increase of 1.89 trillion won (increased by 236.8%) compared to the same period last year.
- The unit price per py in Seoul increased by 2.04 million won (increased by 7.9%) to 27.9 million won per py, influenced by price rises in the CBD and GBD areas. Particularly in the CBD, where transactions were active in the last quarter, the unit price reached 32.16 million won/py, marking a 33% increase q-o-q.
- However, as the market continues to see a buildup of office properties due to a lack of liquidity, it is anticipated that in the second quarter, only a few assets such as Icon Yeoksam will see deal closings, leading to a decrease in transaction volume compared to the first quarter.

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Seoul Office
Cap. Rate
Trend

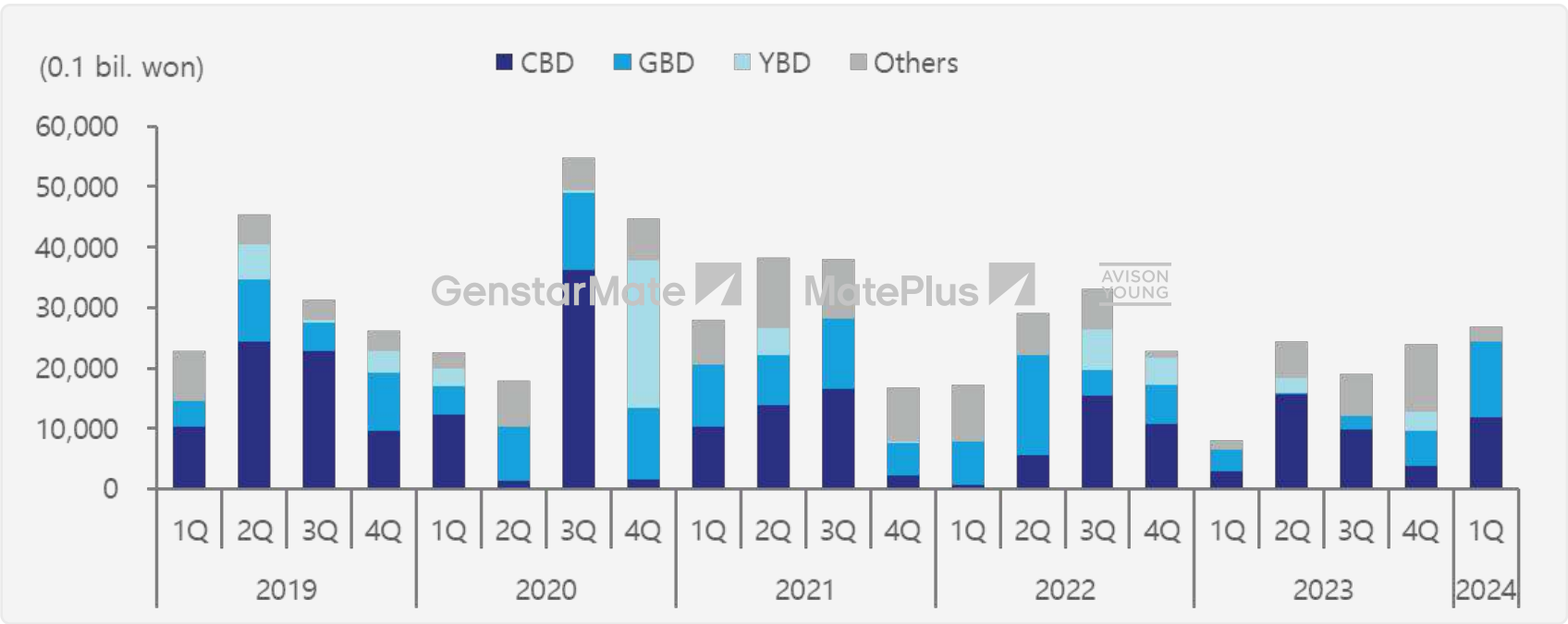
- In the first quarter of 2024, the Seoul office Cap. Rate remained steady at 4.3%, the same as the previous quarter. However, Cap. Rates varied along districts, with CBD and GBD both at 4.7%, YBD at 4.1%, and Others at 4.5%, showing a 1.0% increase in other districts.



03

Trends in
Seoul Office
Market
Transaction
Volume

- Due to the conclusion of large and medium-large grade asset transactions, the office transaction volume in Seoul for the last quarter increased by 12% compared to the previous quarter, reaching 2.69 trillion won. The total transaction volume of CBD and GBD amounted to 2.43 trillion won, accounting for about 90% of the total volume. Particularly in the CBD, the total transaction volume increased by 212% compared to the previous quarter, influenced by transactions such as Metro Tower (416 billion won) and Seoulllo Tower (310 billion won). In GBD, large assets such as ARC Place (792 billion won) and T412 (328 billion won) were traded, recording a total of 1.25 trillion won (115% rise q-o-q).

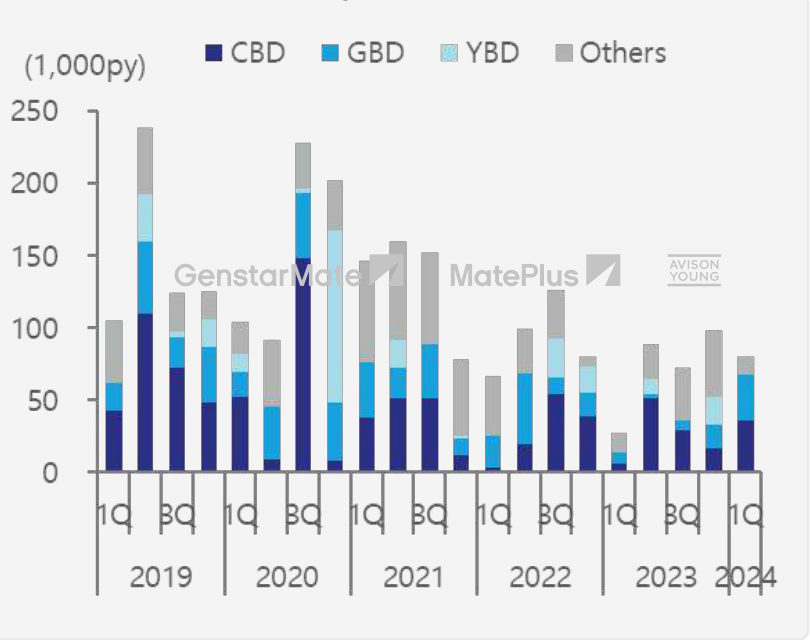


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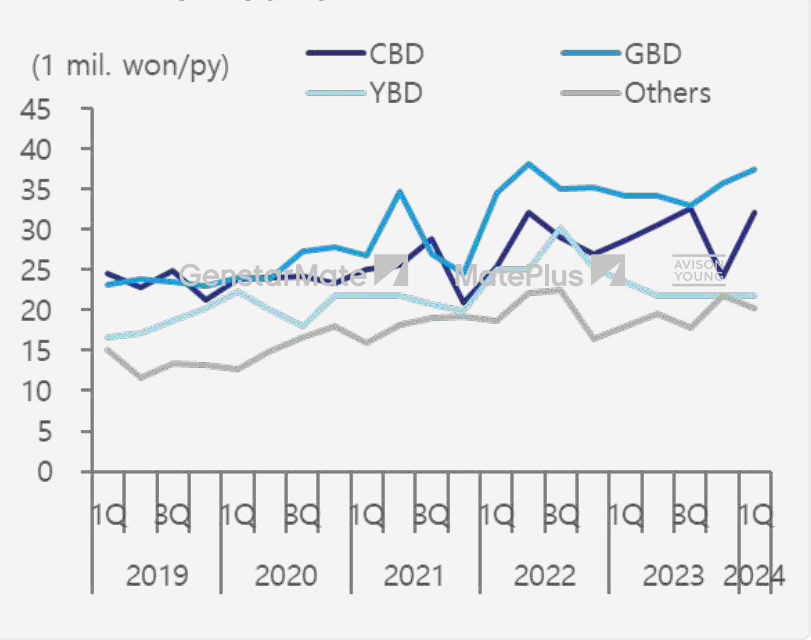
Transaction
Areas by
District and
Unit Price
per py

- In the 1Q, Seoul office transactions covered 13 buildings, with approximately 79,000py traded, marking a 19% decrease compared to the previous quarter's traded area of 98,000py. The unit price per py by district was 37.46 million won in GBD, 21.77 million won in YBD, and 20.23 million won in Others District. In CBD, influenced by numerous large and medium-large grade asset transactions, the unit price per py saw the largest increase, reaching 32.16 million won per py.

Transaction Areas by District



Unit Price per py by District

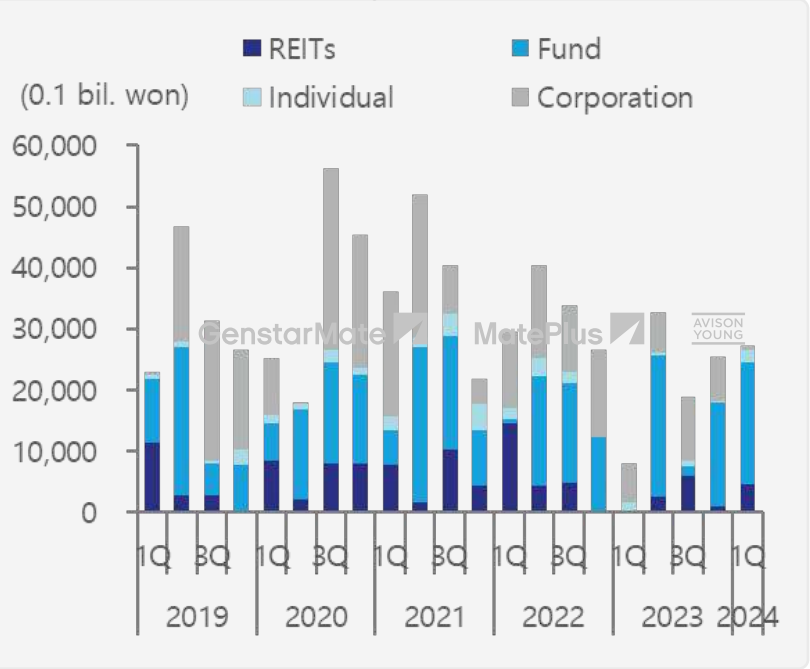


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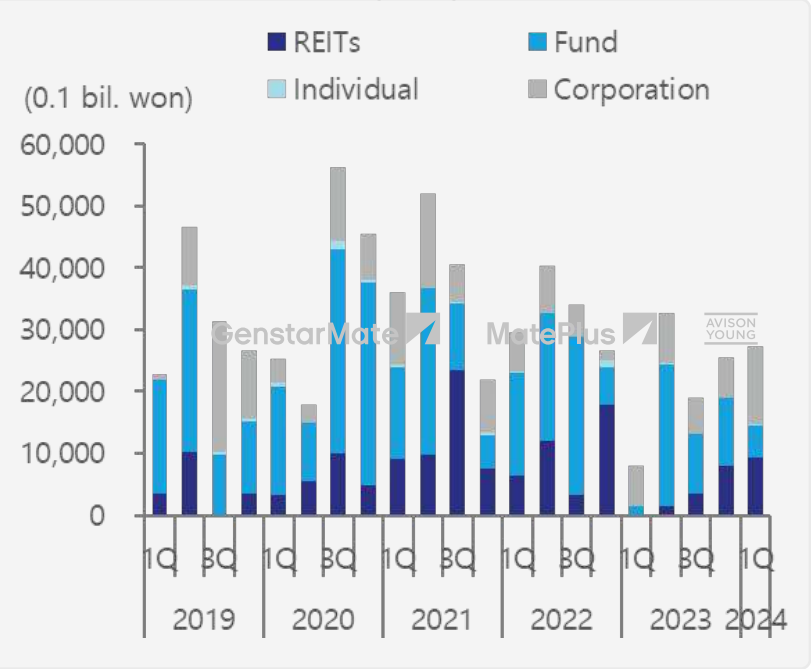
Transaction
Volume by
type of
Seller/Buyer

- In the current quarter, indirect investment vehicles like funds and REITs recorded sales of 2.46 trillion won, making up around 90% of the total transaction volume. This level is similar to the 2Q of 2023, when office investment demand was somewhat recovering from the downturn caused by interest rate hikes, with indirect investment vehicle sales reaching 2.6 trillion won (79% of the total volume). The conclusion of delayed transactions for properties such as Metro Tower, Seoulllo Tower, and ARC Place led to a significant increase in sales by indirect investment vehicles. In terms of buyer types, indirect investment vehicles and corporations showed similar levels of purchasing, accounting for 1.45 trillion won (53% of the total volume) and 1.26 trillion won (46%), respectively. Individual purchases amounted to 25 billion won (1%).

Transaction Volume by Sellers



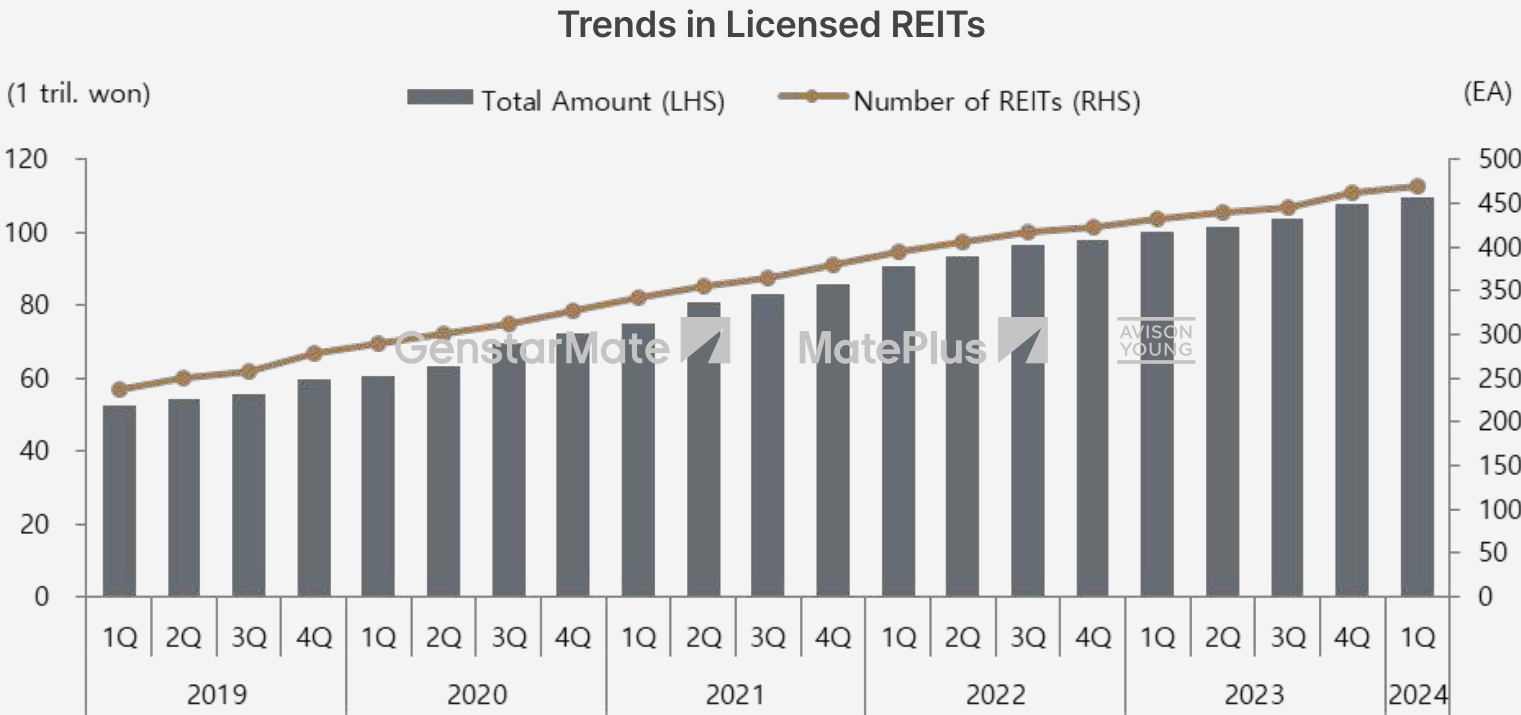
Transaction Volume by Buyers



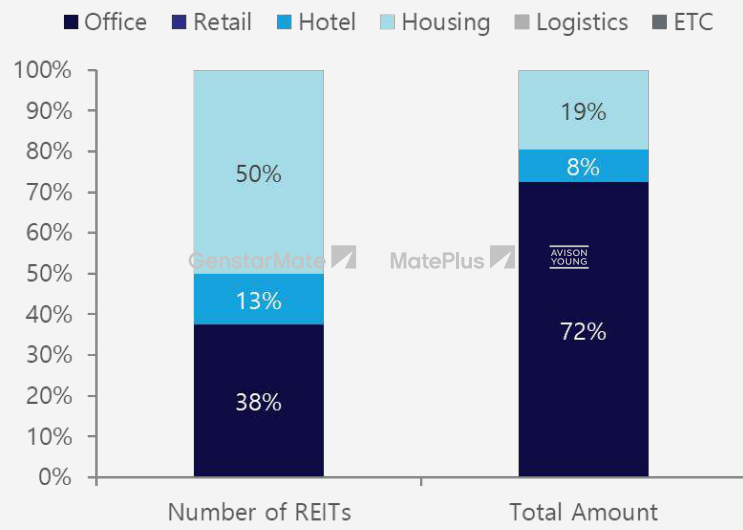
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REITs;
Real Estate
Investment
Trust

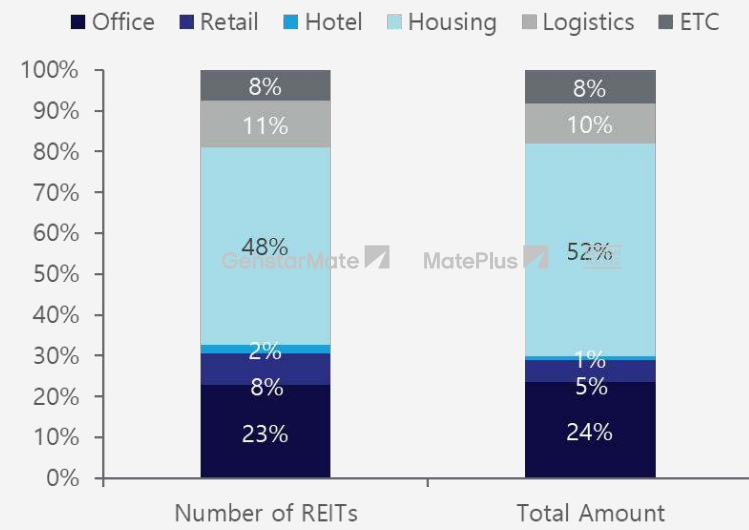
- In the 1Q of 2024, a total of 9 REITs were newly licensed or registered. Except for one, which is the first domestic REIT to invest in Tokyo rental housing, the rest of the 8 are domestic. Of the domestic assets, 3 are office buildings, 1 is a hotel, and 4 are residentials. Recently, there have been policy enhancements, such as the passage of the "Real Estate Investment Company Act Amendment," focusing on improving REITs dividends and distributions guide in February. It is expected that the REITs market will gradually improve, boosting investor sentiment.



Trends in Newly Licensed REITs by Asset (2024.1Q, domestic)



Trends in Licensed REITs by Asset (cumulative, domestic)

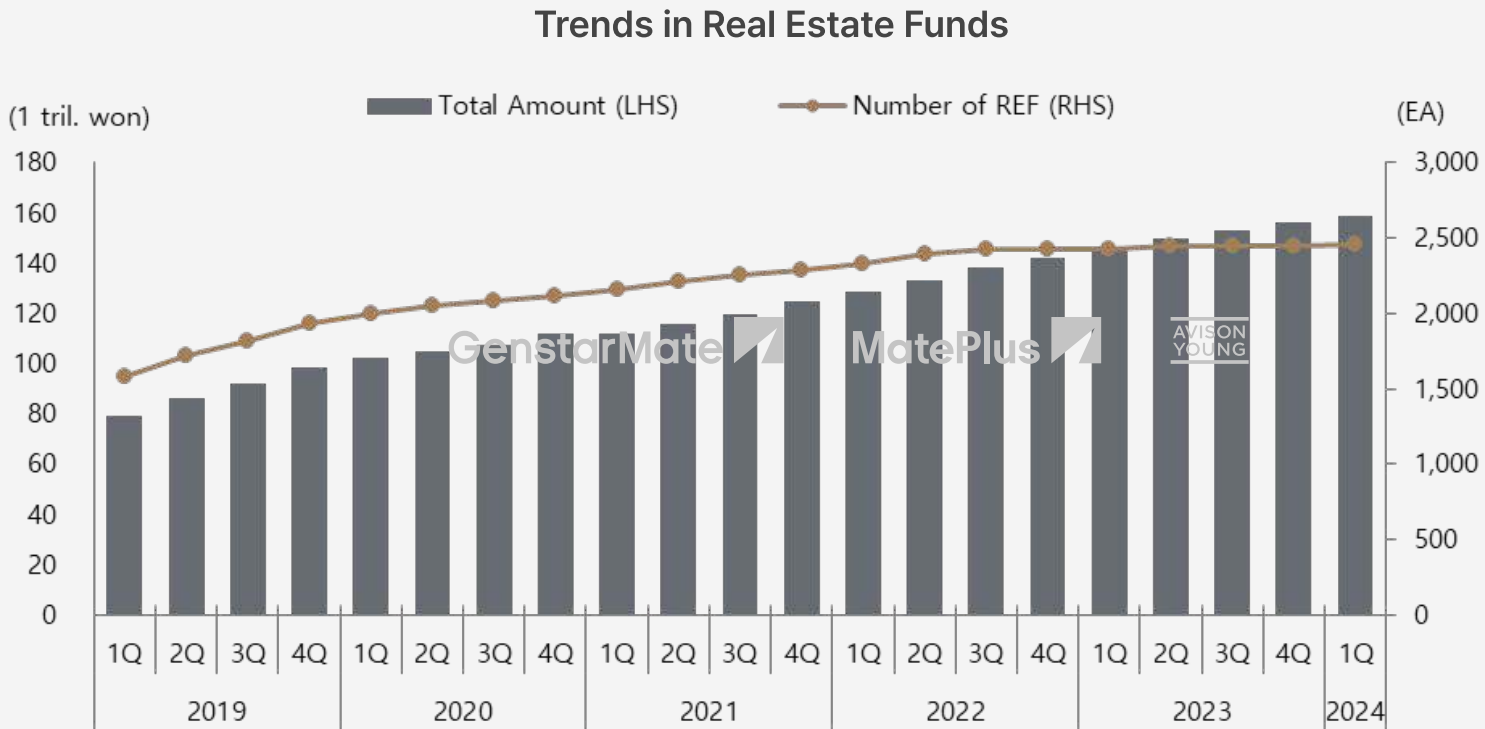


* Source: Ministry of Land, Infrastructure and Transport, KAREIT, REITs Information System
* Investigation Date: 2024.03.31
* based on newly licensed and registered REITs

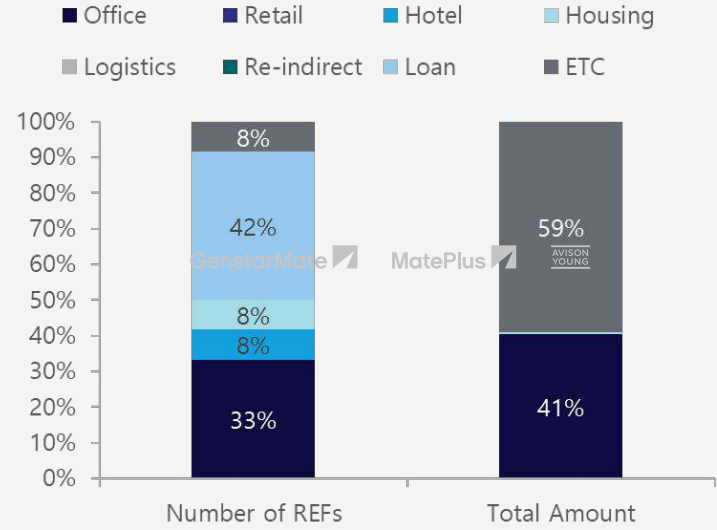
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REF;
Real Estate
Fund

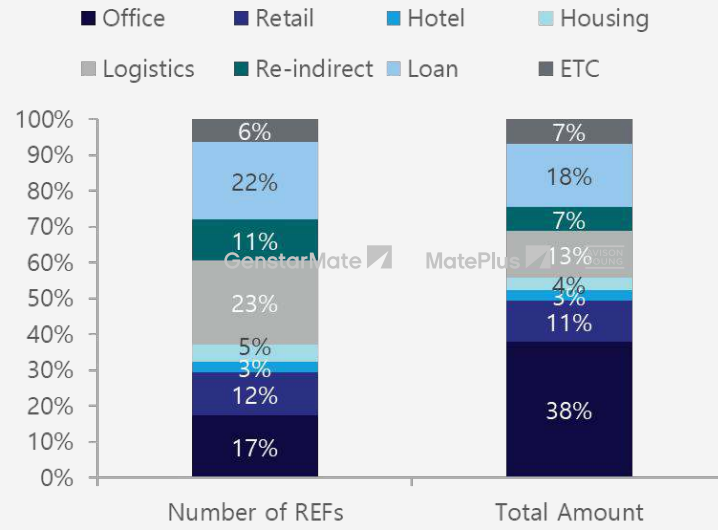
- The original capital amount for real estate funds stands at 158.5 trillion won, with a remaining fund count of 2,457, marking a 1.7% increase compared to the previous quarter. A total of four investments were made in domestic office properties/developments, comprising one in CBD, two in GBD, and one in Others, in the last quarter.



Trends in New REF by Asset (2024.1Q, domestic)



Trends in REF by Asset (cumulative, domestic)



* Source: KOFIA, AMC
* Investigation Date: 2024.03.31
* based on newly set-up funds

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Transaction Case Anaylysis by District

CBD

- CBD saw transactions in 4 buildings, recording a total transaction volume of 1.18 trillion won. The largest transactions were for Metro Tower and Seoul Tower, acquired by IGIS Asset Management (via YD816 PFV) for 415.6 billion won and 309.9 billion won, respectively, totaling 725.5 billion won. IGIS plans to create a large office cluster through development after acquiring Millennium Hilton Seoul, Seoullo Tower, and Metro Tower in the Seoul Station area. They acquired Millennium Hilton Seoul in 2022 for 1.13 trillion won, followed by Metro Tower and Seoullo Tower this year, laying the groundwork for integrated development. IGIS Asset Management is set to develop a large grade office cluster totaling 143,000py by 2030, including Millennium Hilton Seoul (104,000py) and Metro Tower and Seoullo Tower sites (39,000py). K-Square City was purchased by Pacific Asset Management for 307 billion won (at 31.01 million won per py) after Koramco REITs Management and Trust completed a value-added project with approximately one year of remodeling from its acquisition in 2019. With this transaction, Koramco realized a profit of 113 billion won in 5 years. Gwanghwamun G Tower, a mixed-use property with offices and a hotel (Shilla Stay Gwanghwamun), was listed as the 4th asset of Shinhan REITs Management and Shinhan Seobu T&D REITs. Shinhan Seobu T&D REITs acquired Gwanghwamun G Tower through a structure where Shinhan REITs Management initially invested 31% of the stake of its subsidiary REITs(Shinhan Gwanghwamun G Tower REITs) and plans to gradually purchase the remaining stake over 5 years.

| Building Name | Address | Transacted Area (py) | Transaction Price (billion won) | Unit price per py (10,000 won) | Seller / Buyer |
|-----------------------------------|---------------------------|----------------------|---------------------------------|--------------------------------|---|
| Metro Tower | Namdaemunno 5-ga, Jung-gu | 12,445 | 415.6 | 3,339 | Anda Asset Management / YD816 PFV |
| Seoullo Tower | Namdaemunno 5-ga, Jung-gu | 8,439 | 309.9 | 3,673 | IGIS Asset Management / YD816 PFV |
| K-Square Clty | Da-dong, Jung-gu | 9,901 | 307.0 | 3,101 | Koramco REITs Management and Trust / Pacific Asset Management |
| Gwanghwamun G Tower (Office part) | Susong-dong, Jongno-gu | 5,189 | 142.7 | 2,750 | IGIS Asset Management / Shinhan REITs Management |



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Transaction Case Anaylysis by District

GBD

- During the current quarter, transactions in GBD involved five buildings, totaling 1.26 trillion won, marking a 115% increase compared to the previous quarter's transaction volume of 585 billion won. Koramco REITs Management and Trust acquired ARC Place near Yeoksam Station from Mirae Asset Global Investments (with Blackstone investment) for 791.7 billion won (41.73 million won per py). This marks the second-highest transaction price among indirect investment purchases in GBD, following the Centerfield transaction in 2018 by IGIS Asset Management for 1.96 trillion won. In terms of unit price per py, it is the second-highest after A+ Asset Tower in 2022 (Koramco REITs Management and Trust, 47.52 million won per py). Through this transaction, Mirae Asset Global Investment realized a profit of approximately 322.9 billion won, while the purchaser, Koramco, is known to have acquired it through blind funds (invested by The Korea Teachers Credit Union) and NH Prime REIT. T412, which attracted the interest of strategic investors such as Bithumb and E Duck(Allerman) during the bidding process, was purchased by Allerman for 327.7 billion won (41.05 million won per py) to secure office space. Additionally, Koramco Asset Management concluded the purchase of Hugel HQ in Cheongdam from an individual for development purposes.

| Building Name | Address | Transacted Area (py) | Transaction Price (billion won) | Unit price per py (10,000 won) | Seller / Buyer |
|---------------|----------------------------|----------------------|---------------------------------|--------------------------------|--|
| Arc Place | Yeoksam-dong, Gangnam-gu | 18,974 | 791.7 | 4,173 | Mirae Asst Global Investments / Koramco REITs and Trust Management |
| T412 | Daechi-dong, Gangnam-gu | 7,983 | 327.7 | 4,105 | Hanhwa Asset Management / Allerman |
| Huhel HQ | Cheongdam-dong, Gangnam-gu | 1,303 | 41.0 | 3,147 | Individual / Koramco Asset Managemnt |



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Transaction Case Analysis by District

BBD

- There was only one transaction in BBD, with the sale of a portion of the Wonik Building totaling 39.7 billion won, during this quarter. The transaction involved four floors within the Wonik Building located in the 1st Pangyo Techno Valley and was conducted between Wonik Holdings and Wonik Materials, key subsidiaries of the Wonik Group. The unit price per py was 21.84 million won, which is similar to the unit price of a single floor in the previous fourth quarter, where U Space was sold (20.42 million won per py).

Wonik Building



| Building Name | Address | Transacted Area (py) | Transaction Price (0.1 billion won) | Unit price per py (10,000 won) | Seller / Buyer |
|----------------|----------------------------|----------------------|-------------------------------------|--------------------------------|----------------------------------|
| Wonik Building | Sampyeong-dong, Bundang-gu | 1,816 | 39.7 | 2,184 | Wonik Holdings / Wonik Materials |

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Transaction Case Analysis by District

Others

- During this quarter, transactions in Others district, mainly involved small and medium-grade offices, totaling 260.2 billion won, which is a 77%, q-o-q. In the case of Jamsil Sigma Tower located in the Jamsil/Songpa submarket, Rifa Asset Management acquired the office portion from the middle floors (1st to 11th floors), excluding residential facilities of higher floors, for 165 billion won (1.96 million won per py). HL REITs Management, the seller, acquired Sigma Tower as its first REITs asset in 2021 and realized a profit of 35 billion won through the sale in this quarter. Additionally, the Geumseok Building located in Gaebong-dong, Geumcheon-gu, was sold to The Fine Korea Central Gaebong, a real estate development company. The site is slated for urban development, with plans for the construction of a long-term lease housing complex (564 units) in the future. Furthermore, the Insan Building located in the office-dense area near Nowon Station was purchased by Nowon KFCC(Korean Federation of Community Credit Cooperatives) for use as its headquarters, from an individual for 28.2 billion won (1.92 million won per py).

| Building Name | Address | Transacted Area (py) | Transaction Price (0.1 billion won) | Unit price per py (10,000 won) | Seller / Buyer |
|----------------------|--|----------------------|-------------------------------------|--------------------------------|---|
| Sigma Tower (Office) | Sincheon-dong, Songpa-gu | 8,414 | 165.0 | 1,951 | HL REITs Management / Rifa Asset Management |
| Geumseok Building | Gaebong-dong, Guro-gu | 1,326 | 42.0 | 3,167 | Individual / The Fine Korea Central Gaebong |
| Insan Building | Sanggye-dong, Nowon-gu | 1,470 | 28.2 | 1,918 | Individual / Nown KFCC |
| TS Building | Yangpyeong-dong 4-ga, Yeoungdeungpo-gu | 1,141 | 25.0 | 2,190 | TS Trillion / Individual |

Sigma Tower(Office)

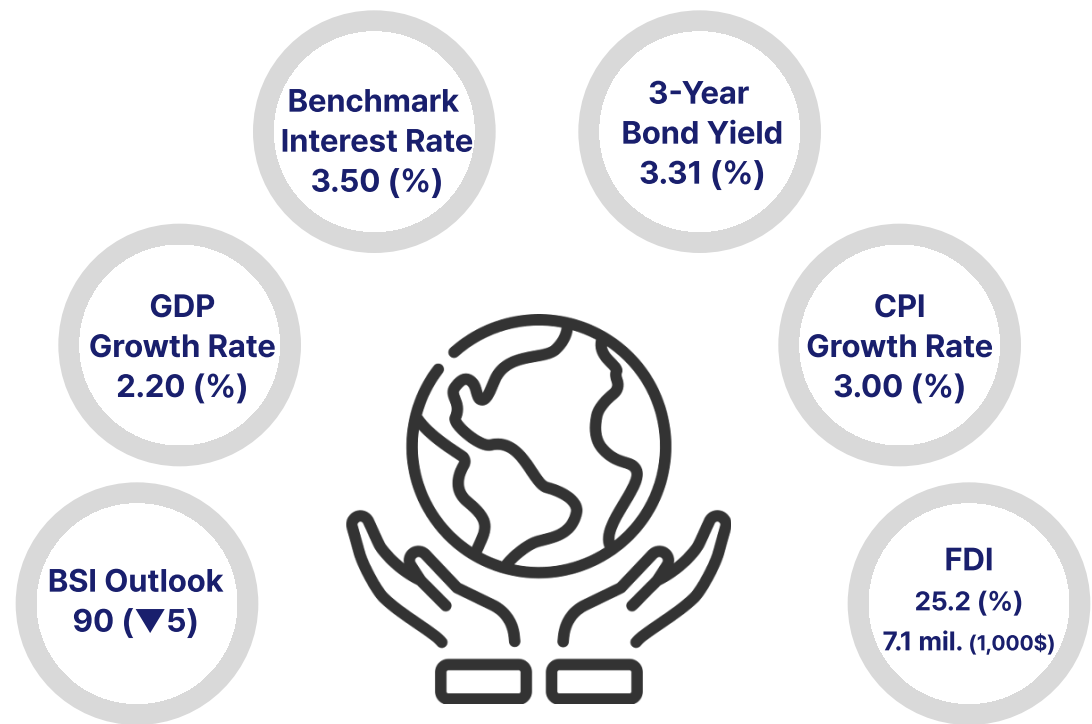


Insan Building



01

Economic Index



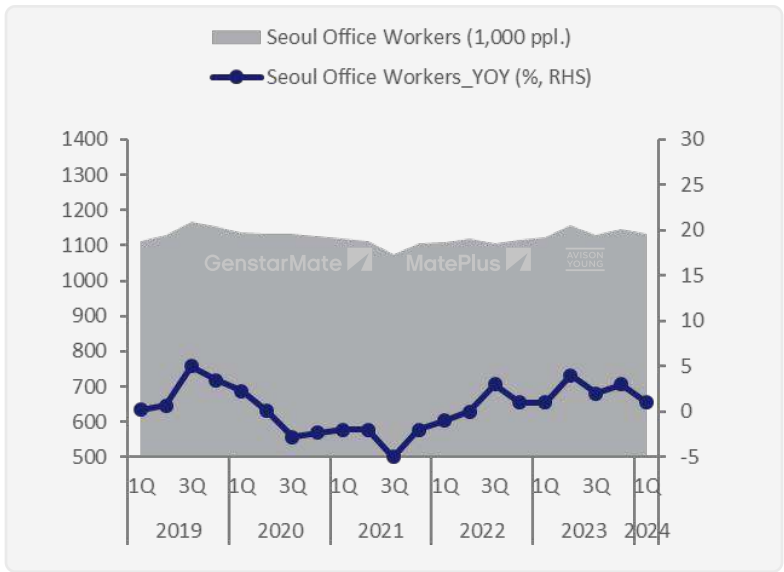
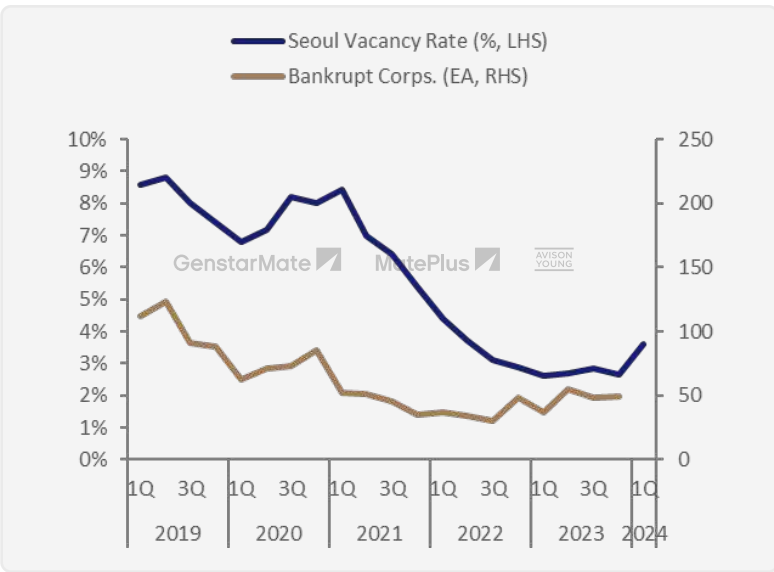
* Source : BOK, KOSIS
* Period of Time : 2024.1Q
(GDP, FDI : 2023.4Q)
* GDP, CPI, FDI : Y-o-Y
* BSI Outlook : Q-o-Q

- As of March 2024, the FED has held its benchmark interest rate at 5.5%. Likewise, the Bank of Korea has kept its benchmark interest rate unchanged at 3.5% as of April 2024, in response to the rise in agricultural prices and international oil prices.
- The inflation rate(CPI) stands at 3.0%, which briefly dipped into the rate of about 2% as of February 2024 but rose to the 3% range due to the increase in agricultural and fishery product prices in the first quarter of 2024. The GDP growth rate for the last quarter stands at 2.2%, marking a 0.6%p increase q-o-q, recovering to the 2% range.
- As for the office vacancy rate in Seoul for the last quarter, it increased by 1.0%p q-o-q, reaching 3.6%. Excluding new constructions, the vacancy rate also rose by 0.5%p q-o-q, reaching 2.6%.

02

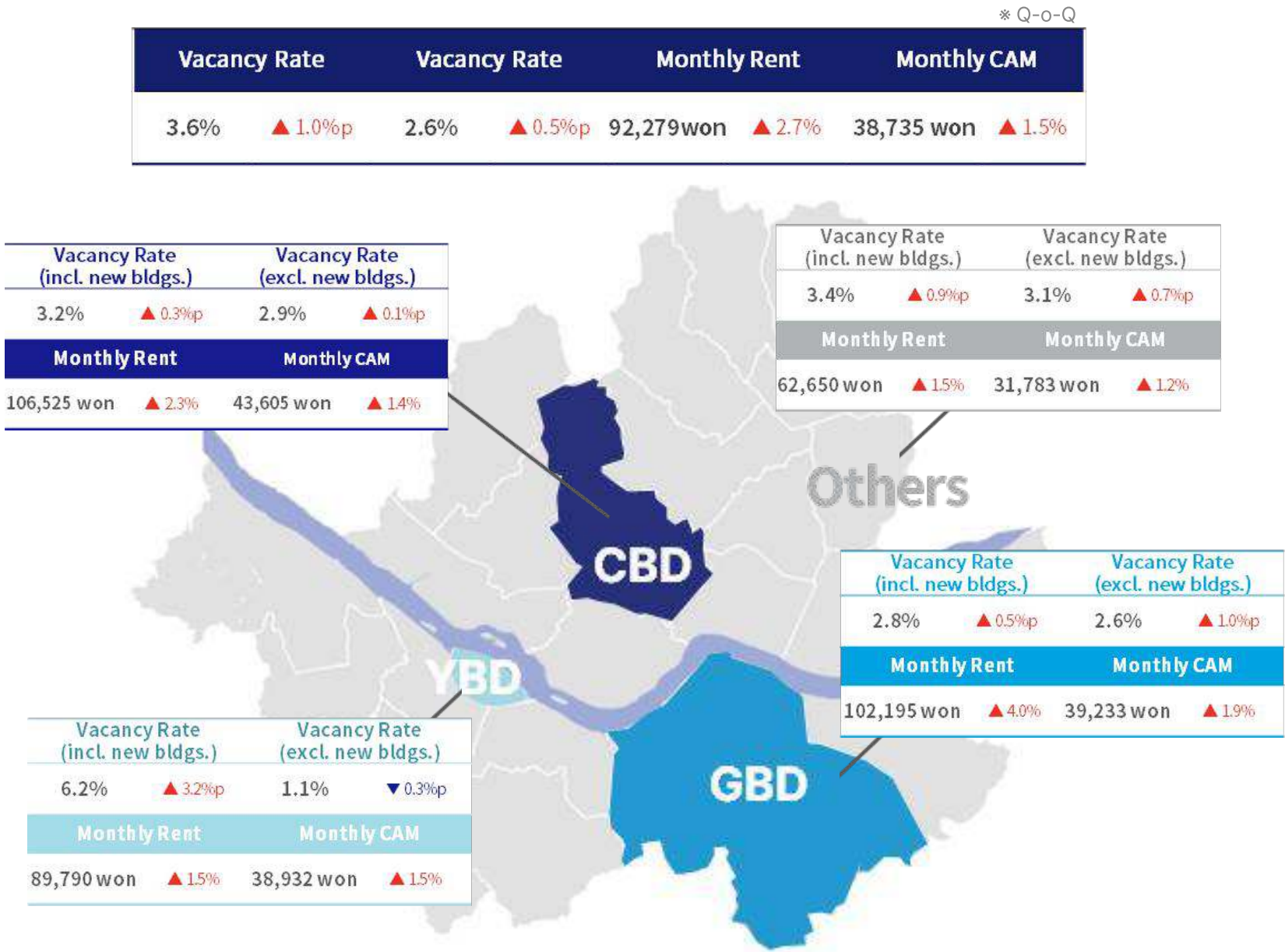
Office Market Index

* Source : BOK, KOSIS



03

OVERVIEW Seoul



- The overall vacancy rate in Seoul for the first quarter, including new construction, increased by 1.0%p q-o-q, reaching 3.6%. This increase was due to the completion of new office buildings in every district except for GBD.
- In the CBD, there was a resolution of large vacancies in the Taepyeongro Building, a prime-grade office building. However, due to the completion of K Finance Tower (remodel of BOK Sogong Annex), the vacancy rate including new construction, increased by 0.3%p q-o-q, reaching 3.2%.
- In GBD, several cases of relocation and expansion were observed within the district. However, in large-grade office buildings, the vacancies have increased as the existing tenants have vacated. As a result, the vacancy rate including new construction properties increased by 0.5%p q-o-q, reaching 2.8%.
- Following the supply of a TP Tower, the first prime-grade office supplied since the Yeouido Post Tower in the 4Q of 2020, YBD recorded a vacancy rate including new construction of 6.2%, which increased by 3.2%p q-o-q. However, excluding new construction, the vacancy rate decreased by 0.3%p to 1.1% q-o-q, as significant vacancies were resolved in large office spaces in the East Yeouido Submarket. With the anticipated occupancy of new tenants in Yeouido Anchor 1 and TP Tower, the vacancy rate including new construction is expected to decline.
- In the Others district, the vacancy rate increased by 0.9%p q-o-q, reaching 3.4%, influenced by the relocation of headquarters and the newly supplied Factorial Seongsu.
- Rent and CAM increased by 2.7% and 1.5%, respectively, compared to the previous quarter, with the higher rate of increase aligned with the seasonal adjustment period for rents.

4-1 CBD Vancancy 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.

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.'

New Supply

- The total stock of CBD increased slightly compared to the previous quarter due to the completion of K Finance Tower (remodel of BOK Sogong Annex).
- In the second quarter, the completion of redevelopment projects like Energy Plus Seoullo and Bongrae Urban Redevelopment District 1 is scheduled, which is expected to increase the total inventory.

Vacancy Rate

Increase Rate by Grade (Q-o-Q)

| Grade | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) | |
|--------------|---------------------------------|---------|---------------------------------|---------|
| Overall | 3.2% | ▲ 0.3%p | 2.9% | ▲ 0.1%p |
| Prime | 1.7% | ▼ 0.4%p | 1.7% | ▼ 0.4%p |
| Large | 2.8% | — | 2.8% | — |
| Medium-Large | 4.8% | ▲ 1.2%p | 4.8% | ▲ 1.2%p |
| Medium | 9.4% | ▲ 3.2%p | 4.0% | ▲ 0.4%p |
| Small | 5.2% | ▲ 0.7%p | 5.2% | ▲ 0.7%p |

Increase Rate by Submarket (Q-o-Q)

| Submarket | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) | |
|----------------------|---------------------------------|---------|---------------------------------|---------|
| Overall | 3.2% | ▲ 0.3%p | 2.9% | ▲ 0.1%p |
| Gwanghwamun-Sinmmuro | 0.4% | ▼ 0.1%p | 0.4% | ▼ 0.1%p |
| Namdaemun | 5.1% | ▼ 0.4%p | 5.1% | ▼ 0.4%p |
| Euljiro | 4.5% | ▲ 1.6%p | 3.1% | ▲ 0.8%p |
| Jongno | 2.1% | ▼ 0.1%p | 2.1% | ▼ 0.1%p |
| The rest of CBD | 1.7% | — | 1.7% | — |

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

| (Price Unit: 1,000 won/py) | | | | | | |
|----------------------------|---------|--------|--------------|--------|-------------|--------|
| Grade | Deposit | | Monthly Rent | | Monthly CAM | |
| Overall | 1,065.3 | ▲ 2.3% | 106.5 | ▲ 2.3% | 43.6 | ▲ 1.4% |
| Prime | 1,268.4 | ▲ 1.9% | 126.8 | ▲ 1.9% | 48.0 | ▲ 0.6% |
| Large | 1,085.0 | ▲ 2.3% | 108.5 | ▲ 2.3% | 45.0 | ▲ 2.1% |
| Medium-Large | 769.0 | ▲ 2.4% | 76.9 | ▲ 2.4% | 37.2 | ▲ 1.1% |
| Medium | 753.9 | ▲ 5.0% | 75.4 | ▲ 5.0% | 34.1 | ▲ 4.6% |
| Small | 596.7 | ▲ 3.1% | 59.7 | ▲ 3.1% | 28.3 | ▲ 0.7% |

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

| (Price Unit: 1,000 won/py) | | | | | | |
|----------------------------|---------|--------|--------------|--------|-------------|--------|
| Submarket | Deposit | | Monthly Rent | | Monthly CAM | |
| Overall | 1,065.3 | ▲ 2.3% | 106.5 | ▲ 2.3% | 43.6 | ▲ 1.4% |
| Gwanghwamun-Sinmmuro | 932.9 | ▲ 1.1% | 93.3 | ▲ 1.1% | 37.8 | ▲ 1.0% |
| Namdaemun | 1,075.6 | ▲ 2.6% | 107.6 | ▲ 2.6% | 44.4 | ▲ 1.5% |
| Euljiro | 1,118.6 | ▲ 2.6% | 111.9 | ▲ 2.6% | 45.6 | ▲ 1.7% |
| Jongno | 1,221.4 | ▲ 2.5% | 122.1 | ▲ 2.5% | 46.8 | ▲ 1.1% |
| The rest of CBD | 810.8 | ▲ 1.3% | 81.1 | ▲ 1.3% | 38.4 | ▲ 1.2% |

5-1

GBD
Vancancy
Rate

New Supply

- With no new office supply cases observed within GBD, there were vacancies mainly in large-grade offices such as Apro Square and Gangnam Finance Plaza.
- However, due to the exclusion of some lease samples from the statistics, the absorption area for the current quarter is recorded as negative(-).

Vacancy Rate

| Increase Rate by Grade (Q-o-Q) | | | | | Increase Rate by Submarket (Q-o-Q) | | | | |
|--------------------------------|---------------------------------|---------|---------------------------------|---------|------------------------------------|---------------------------------|---------|---------------------------------|---------|
| Grade | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) | | Submarket | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) | |
| Overall | 2.8% | ▲ 0.5%p | 2.6% | ▲ 1.0%p | Overall | 2.8% | ▲ 0.5%p | 2.6% | ▲ 1.0%p |
| Prime | 0.1% | — | 0.1% | — | | | | | |
| Large | 3.9% | ▲ 0.3%p | 3.9% | ▲ 1.8%p | Teheranro | 2.1% | ▲ 0.2%p | 1.9% | ▲ 0.3%p |
| Medium-Large | 3.6% | ▲ 1.6%p | 3.6% | ▲ 1.6%p | Gangnam-daero | 4.3% | ▲ 1.2%p | 4.3% | ▲ 3.6%p |
| Medium | 2.0% | ▲ 0.4%p | 2.0% | ▲ 0.4%p | The rest of GBD | 3.1% | ▲ 0.6%p | 2.8% | ▲ 0.7%p |
| Small | 6.7% | ▲ 0.8%p | 4.1% | ▲ 0.9%p | | | | | |

5-2

GBD
Rent & CAM

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

| (Price Unit: 1,000 won/py) | | | | | | |
|----------------------------|---------|--------|--------------|--------|-------------|--------|
| Grade | Deposit | | Monthly Rent | | Monthly CAM | |
| Overall | 1,021.9 | ▲ 4.0% | 102.2 | ▲ 4.0% | 39.2 | ▲ 1.9% |
| Prime | 1,267.5 | ▲ 5.0% | 126.7 | ▲ 5.0% | 45.5 | ▲ 2.0% |
| Large | 1,065.8 | ▲ 4.9% | 106.6 | ▲ 4.9% | 40.7 | ▲ 2.0% |
| Medium-Large | 934.8 | ▲ 0.9% | 93.5 | ▲ 0.9% | 37.1 | ▲ 0.6% |
| Medium | 812.7 | ▲ 4.6% | 81.3 | ▲ 4.6% | 33.8 | ▲ 2.8% |
| Small | 689.0 | ▲ 3.4% | 68.9 | ▲ 3.4% | 29.1 | ▲ 3.4% |

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

| (Price Unit: 1,000 won/py) | | | | | | |
|----------------------------|---------|--------|--------------|--------|-------------|--------|
| Submarket | Deposit | | Monthly Rent | | Monthly CAM | |
| Overall | 1,021.9 | ▲ 4.0% | 102.2 | ▲ 4.0% | 39.2 | ▲ 1.9% |
| Teheranro | 1,138.5 | ▲ 2.1% | 113.9 | ▲ 2.1% | 41.9 | ▲ 1.5% |
| Gangnam-daero | 1,106.3 | ▲ 7.7% | 110.6 | ▲ 7.7% | 40.9 | ▲ 3.1% |
| The rest of GBD | 759.4 | ▲ 5.7% | 75.9 | ▲ 5.7% | 33.4 | ▲ 1.8% |

6-1

YBD
Vancancy
Rate

New Supply

- With the completion of the prime-grade office, TP Tower (reconstruction of the Teachers Pension Building) in the YBD area, the total inventory in the district increased.
- Despite this new office supply, large vacancies were filled in buildings like NH Financial Tower and SIMPAC Building, resulting in a slight positive sign in the absorption area this quarter.

Vacancy Rate

| Increase Rate by Grade (Q-o-Q) | | | | Increase Rate by Submarket (Q-o-Q) | | | |
|--------------------------------|---------------------------------|---------|---------------------------------|------------------------------------|---------------------------------|---------|---------------------------------|
| Grade | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) | Submarket | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) |
| Overall | 6.2% | ▲ 3.2%p | 1.1% | Overall | 6.2% | ▲ 3.2%p | 1.1% |
| Prime | 8.2% | ▲ 6.5%p | 1.2% | | | | |
| Large | 7.6% | ▲ 0.1%p | 1.0% | West Yeouido | 1.7% | ▲ 0.3%p | 1.7% |
| Medium-Large | 1.5% | ▼ 0.3%p | 1.5% | Stock Exchange District | 2.3% | ▼ 0.1%p | 2.3% |
| Medium | 0.7% | ▼ 0.2%p | 0.7% | East Yeouido | 9.0% | ▲ 5.2%p | 1.0% |
| Small | 1.7% | ▲ 0.1%p | 1.7% | | | | ▼ 0.5%p |

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 | 897.9 | ▲ 1.5% | 89.8 | ▲ 1.5% | 38.9 | ▲ 1.5% |
| Prime | 1,185.3 | ▲ 0.6% | 118.5 | ▲ 0.6% | 46.0 | ▲ 1.1% |
| Large | 757.0 | ▲ 4.2% | 75.7 | ▲ 4.2% | 37.8 | ▲ 3.2% |
| Medium-Large | 581.2 | ▲ 2.7% | 58.1 | ▲ 2.7% | 29.2 | ▲ 0.2% |
| Medium | 470.9 | ▲ 1.5% | 47.1 | ▲ 1.5% | 26.6 | ▲ 1.2% |
| Small | 348.3 | ▲ 0.8% | 34.8 | ▲ 0.8% | 22.4 | ▲ 0.6% |

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

| (Price Unit: 1,000 won/py) | | | | | | |
|----------------------------|---------|--------|--------------|--------|-------------|--------|
| Submarket | Deposit | | Monthly Rent | | Monthly CAM | |
| Overall | 897.9 | ▲ 1.5% | 89.8 | ▲ 1.5% | 38.9 | ▲ 1.5% |
| West Yeouido | 501.1 | ▲ 2.3% | 50.1 | ▲ 2.3% | 25.0 | ▼ 1.8% |
| Stock Exchange Market | 1,139.3 | ▲ 2.2% | 113.9 | ▲ 2.2% | 46.1 | ▲ 1.6% |
| East Yeouido | 894.5 | ▲ 1.1% | 89.4 | ▲ 1.1% | 39.4 | ▲ 2.0% |

7-1

Others
Vancancy
Rate

New Supply

- In the Others district, one medium-large grade office such as Factorial Seongsu, and two medium-grade offices, were supplied.
- In the second quarter of 2024, office supply is expected to concentrate mainly in the rest of Others submarket, mainly for headquarters purposes.

Vacancy Rate

| Increase Rate by Grade (Q-o-Q) | | | | | Increase Rate by Submarket (Q-o-Q) | | | | |
|--------------------------------|---------------------------------|---------|---------------------------------|---------|------------------------------------|---------------------------------|---------|---------------------------------|---------|
| Grade | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) | | Submarket | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) | |
| Overall | 3.4% | ▲ 0.9%p | 3.1% | ▲ 0.7%p | Overall | 3.4% | ▲ 0.9%p | 3.1% | ▲ 0.7%p |
| Prime | 1.9% | ▲ 1.3%p | 1.9% | ▲ 1.3%p | Mapo | 1.9% | ▲ 0.4%p | 1.9% | ▲ 0.4%p |
| Large | 2.7% | ▲ 0.6%p | 2.7% | ▲ 0.6%p | Yongsan | 0.7% | — | 0.7% | — |
| Medium-Large | 4.5% | ▲ 1.0%p | 3.6% | ▲ 0.2%p | Jamsil-Songpa | 0.5% | ▲ 0.1%p | 0.5% | ▲ 0.1%p |
| Medium | 2.6% | ▲ 0.4%p | 2.6% | ▲ 0.4%p | Sangam | 2.8% | ▲ 0.7%p | 2.8% | ▲ 0.7%p |
| Small | 8.2% | ▲ 0.5%p | 8.1% | ▲ 0.7%p | The rest of Others | 5.7% | ▲ 1.6%p | 5.2% | ▲ 1.1%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 | 626.5 | ▲ 1.5% | 62.7 | ▲ 1.5% | 31.8 | ▲ 1.2% |
| Prime | 813.2 | ▲ 1.6% | 81.3 | ▲ 1.6% | 36.6 | ▲ 0.9% |
| Large | 576.3 | — | 57.6 | — | 31.7 | ▲ 1.2% |
| Medium-Large | 561.0 | ▲ 2.0% | 56.1 | ▲ 2.0% | 31.0 | ▲ 1.8% |
| Medium | 569.6 | ▲ 4.3% | 57.0 | ▲ 4.3% | 27.1 | ▲ 1.5% |
| Small | 425.0 | ▲ 2.2% | 42.5 | ▲ 2.2% | 22.1 | ▼ 1.1% |

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

| (Price Unit: 1,000 won/py) | | | | | | |
|----------------------------|---------|--------|--------------|--------|-------------|--------|
| Submarket | Deposit | | Monthly Rent | | Monthly CAM | |
| Overall | 626.5 | ▲ 1.5% | 62.7 | ▲ 1.5% | 31.8 | ▲ 1.2% |
| Mapo | 504.2 | ▲ 1.9% | 50.4 | ▲ 1.9% | 29.3 | ▲ 2.0% |
| Yongsan | 943.9 | — | 94.4 | — | 38.5 | ▲ 0.4% |
| Jamsil-Songpa | 773.2 | ▲ 1.8% | 77.3 | ▲ 1.8% | 34.7 | ▲ 2.4% |
| Sangam | 440.3 | ▲ 0.2% | 44.0 | ▲ 0.2% | 27.8 | ▲ 0.5% |
| The rest of Others | 591.4 | ▲ 2.1% | 59.1 | ▲ 2.1% | 31.1 | ▲ 0.9% |

8-1

BBD
Vancancy
Rate

New Supply

- One medium-large office construction was completed in the 2nd Pangyo Techno Valley, leading to a slight increase in inventory.
- In the 2nd quarter, it is expected that the supply of office buildings for headquarters in the Pangyo area (2nd Pangyo Techno Valley) will continue.

Vacancy Rate

| Increase Rate by Grade (Q-o-Q) | | | | | Increase Rate by Submarket (Q-o-Q) | | | | |
|--------------------------------|---------------------------------|---------|---------------------------------|---------|------------------------------------|---------------------------------|---------|---------------------------------|---------|
| Grade | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) | | Submarket | Vacancy Rate (incl. new bldgs.) | | Vacancy Rate (Excl. new bldgs.) | |
| Overall | 1.0% | ▲ 0.1%p | 1.0% | ▲ 0.1%p | Overall | 1.0% | ▲ 0.1%p | 1.0% | ▲ 0.1%p |
| Prime | 0.0% | — | 0.0% | — | Seohyun | 2.9% | ▲ 1.5%p | 2.9% | ▲ 1.5%p |
| Large | 0.0% | ▼ 0.6%p | 0.0% | ▼ 0.6%p | Sunae | 0.4% | ▼ 0.8%p | 0.4% | ▼ 0.8%p |
| Medium-Large | 6.9% | ▲ 3.2%p | 6.9% | ▲ 3.2%p | The rest of BBD | 0.0% | ▼ 2.4%p | 0.0% | ▼ 2.4%p |
| Medium | 3.4% | ▲ 0.3%p | 3.4% | ▲ 0.3%p | Pangyo | 0.9% | ▲ 0.5%p | 0.9% | ▲ 0.5%p |
| Small | 1.0% | ▼ 0.5%p | 1.0% | ▼ 0.5%p | | | | | |

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 | 719.5 | ▲ 2.5% | 71.9 | ▲ 2.5% | 28.7 | ▲ 1.3% |
| Prime | 846.2 | — | 84.6 | — | 30.3 | — |
| Large | 679.5 | ▲ 6.2% | 67.9 | ▲ 6.2% | 28.7 | ▲ 2.8% |
| Medium-Large | 663.3 | ▲ 14.0% | 66.3 | ▲ 14.0% | 28.4 | ▲ 3.2% |
| Medium | 544.6 | — | 54.5 | — | 26.1 | ▲ 1.1% |
| Small | 447.8 | ▼ 1.2% | 44.8 | ▼ 1.2% | 23.5 | ▲ 2.6% |

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

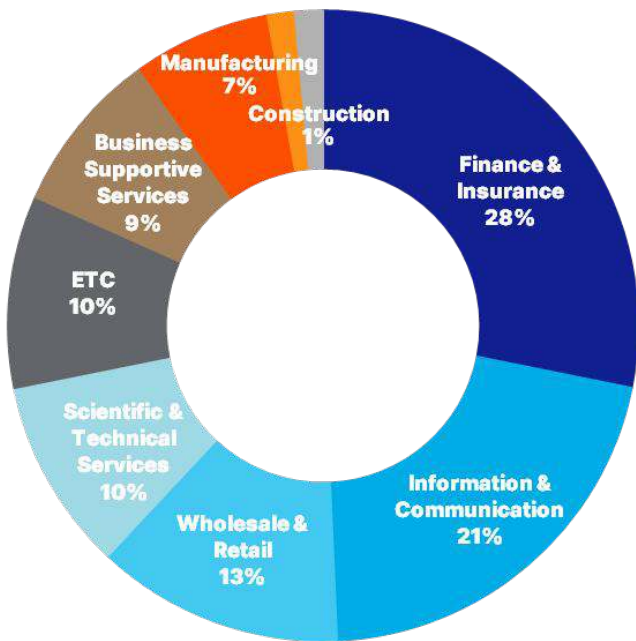
| (Price Unit: 1,000 won/py) | | | | | | |
|----------------------------|---------|--------|--------------|--------|-------------|--------|
| Submarket | Deposit | | Monthly Rent | | Monthly CAM | |
| Overall | 719.5 | ▲ 2.5% | 71.9 | ▲ 2.5% | 28.7 | ▲ 1.3% |
| Seohyun | 661.0 | — | 66.1 | — | 28.7 | ▲ 0.2% |
| Sunae | 559.4 | ▲ 0.9% | 55.9 | ▲ 0.9% | 27.6 | ▲ 1.1% |
| The rest of BBD | 564.5 | ▲ 0.3% | 56.5 | ▲ 0.3% | 16.5 | — |
| Pangyo | 805.3 | ▲ 4.0% | 80.5 | ▲ 4.0% | 31.7 | ▲ 1.8% |

9-1

Tenants Movement Status by Industry

- In the first quarter, the most active cases of relocation were observed in the Finance & Insurance sector, followed closely by the information & Communication sector.
- In the Finance & Insurance sector, relocation by large financial companies such as Shinhan Bank and BNK Financial Group were notable. Additionally, relocation within the districts was observed in all districts except for YBD.
- The Information & Communication sector recorded a 10% increase in tenant movement ratio q-o-q, with various IT companies relocating within GBD.

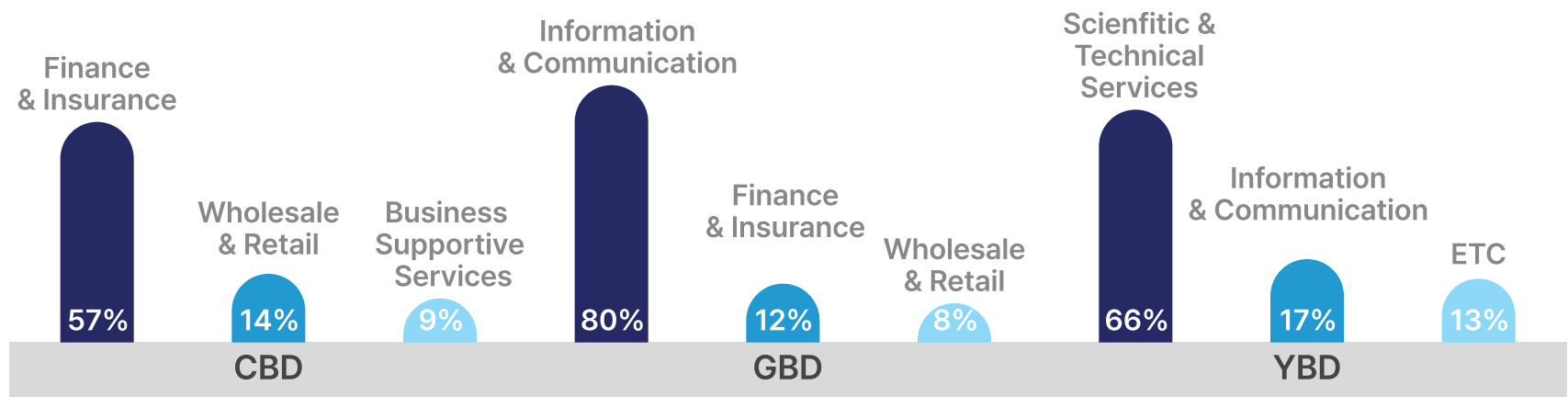
Trends in Tenants Movement by Industry



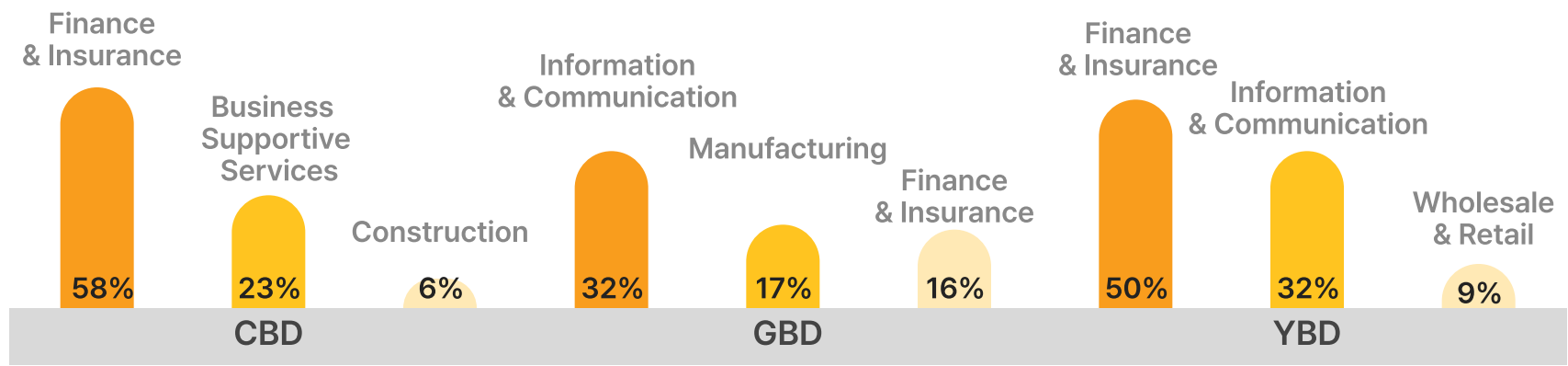
9-2

Tenants Movement Status by District

- Relocations in the Finance & Insurance sector, as well as in the Information & Communication sector, were active, along with the Scientific & Technical Services sector. In the CBD, facing imminent reconstruction, tenants of the Geumsegi Building relocated to nearby areas, resulting in both filling vacancies and generating new ones, particularly in the Finance & Insurance sector, as well as in the Business Supportive Services sector. In the GBD, active movements of tenants in the Information & Communication sector were observed, particularly in large-grade offices such as KAIT Tower and Rosedale Building. Meanwhile, in the YBD, the relocation of EY Han Young(NH Financial Tower) led to the highest rate of vacancy resolution in the Scientific & Technical Services sector.



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 1,500m² 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

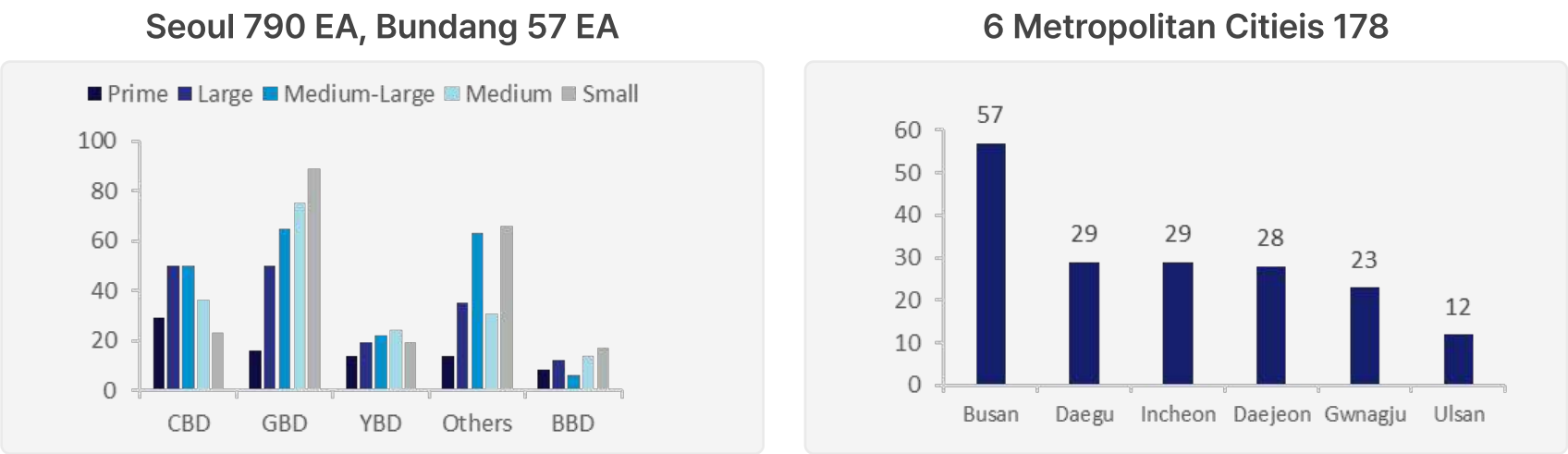
02

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 (1,025 EA)





| Submarket Classification | | | |
|---------------------------|--------|---|---|
| District | | Area | Submarket |
| Seoul | CBD | Jongno-gu, Jung-gu(Jungnjin-dong excluded), Yongsan-gu(Dongja-dong) | Gwanghwamun Sinmunro, Namdaemun, Euljiro, Jongno, The rest of CBD |
| | GBD | Gangnam-gu, Seocho-gu | Teheranro, Gangnamdaero, The rest of GBD |
| | YBD | Yeouido-dong, Yeongdeungpo-gu | West Yeouido, East Yeouido, Stock Exchange Market |
| | Others | The rest of Seoul | Mapo, Yongsan, Jamsil/Songpa, Sangam, The rest of ETC |
| BBD | | Bundang-gu, Sujeong-gu (Seongnam city) | Seohyun, Sunae, Pangyo, The rest of Bundang |
| Major Metropolitan Cities | | Incheon, Daegu, Daejeon, Gwangju, Ulsan, Busan | - |





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

Major Client



GenstarMate Research Center

| | | | | | |
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