

Office MARKET REPORT

2024. 2Q / Seoul Metropolitan Area
OFFICE MARKET REPORT

2Q 2024
Seoul



03

Investment Market Highlight

The sale of A1 Tower Ingye, which was managed by Avison Young Korea, has been successfully completed.

04

Office Investment Market

The transaction volume for Seoul offices this quarter totaled 1.07 trillion won, marking a decrease of 1.62 trillion won (60.2% ↓) compared to the previous quarter.

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Economic Index & Policy Trend

Both the Federal Reserve (Fed) and the Bank of Korea have maintained their stance of holding interest rates steady.

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Seoul Office Rental Market

The office vacancy rate in Seoul decreased to 3.2% this quarter, q-o-q, primarily due to the absorption of large vacant spaces in newly constructed office buildings.

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The sale of A1 Tower Ingye, managed by Avison Young Korea, has been successfully completed

• NH Nonghyup REITs Management, which owned A1 Tower since 2020 through NH All One REITs, sold the property to the shipping company Cheonkyung for 57.5 billion won. This transaction allowed NH Nonghyup REITs Management to realize a capital gain of 11.3 billion won over approximately 4 years. Following the completion of large and medium-large grade asset transactions such as the sale of Arc Place, the current quarter saw a significant reduction in transaction volumes compared to the 2.7 trillion won recorded in the previous quarter. Transactions during this period were primarily focused on assets smaller than 10,000 py, leading to a substantial decrease in activity across most districts. The largest transaction of the quarter was for GBD ICON Yeoksam, which Capstone Asset Management purchased for 204.3 billion won, at 34.5 million won/py. From the 2H of the year, large assets such as City Square and Susong Square, each over 10,000 py, are expected to complete their transactions sequentially. However, it is anticipated that it will take some time to absorb all the properties currently on the market.



The increase in office space conversion cases

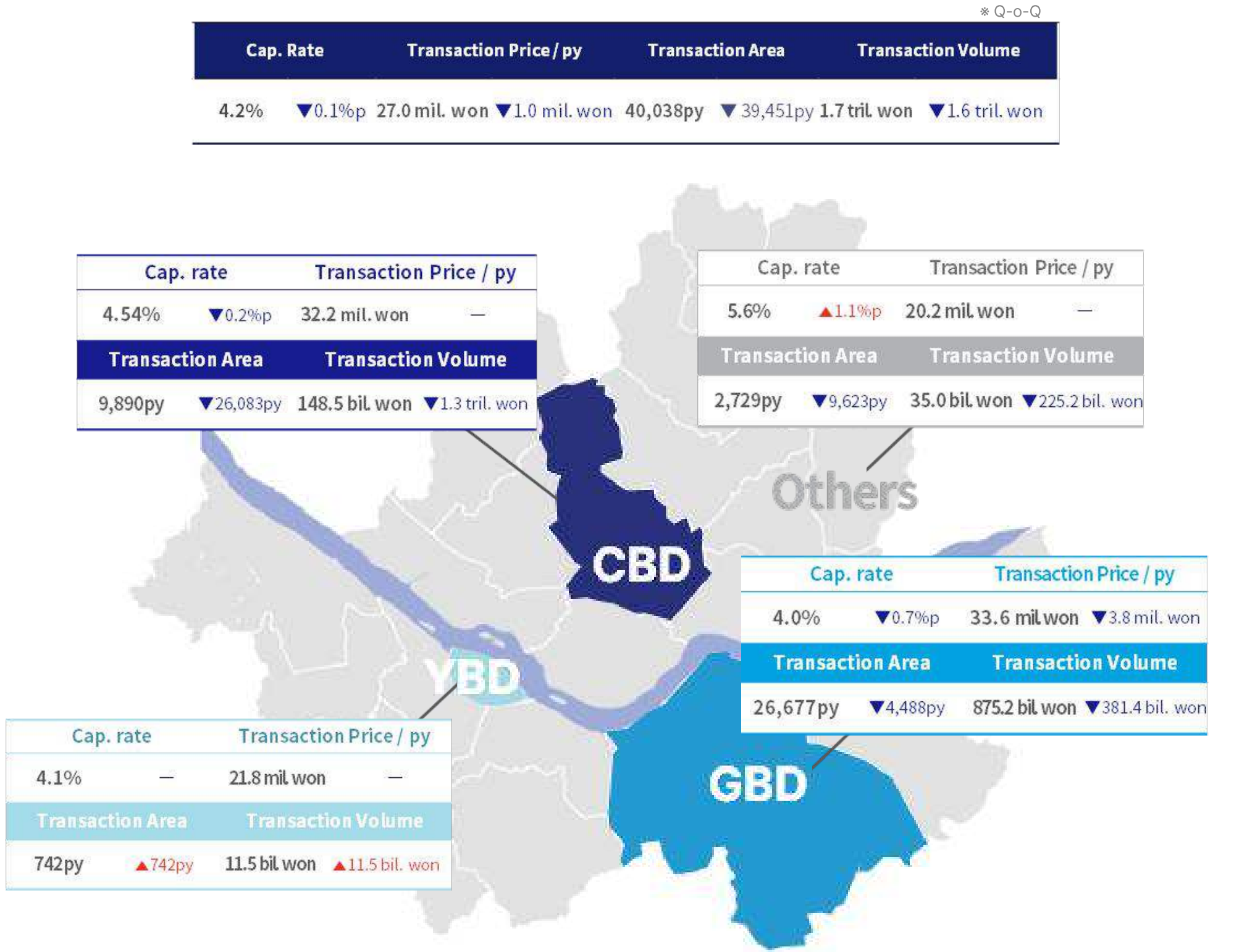
• Amid the tightening of the real estate project financing (PF) market and the occurrence of unsold housings(officetels) across Seoul, which has worsened the viability of development projects, there has been an increase in cases of converting planned development uses from officetels to office (business facilities). In addition to the conversion of officetels to office spaces, cases of converting retail spaces to offices are consistently observed, such as the Sindorim D Cube City Hyundai Department Store (IGIS Asset Management) and the Seoul Forest Enter Six Wangsimni Store (GRE Partners Asset Management). Similarly, conversions of hotels to office spaces, such as the Sheraton D Cube City Hotel (Keppel Asset Management) and T Mark Hotel Myeongdong (IGIS Asset Management), have also been observed. However, with approximately 310,000 py of new supply scheduled for Seoul between 2027 and 2029 (compared to an estimated average annual new supply of 210,000 py from 2022 to 2024), securing pre-lease demand is expected to become increasingly important.

Major Office Redevelopment Projcets in Seoul

District	No.	Name of Property/Project	Location	Project Operator	Previous Purpose	GFA(py)	Date of Completion
CBD	1	Chungmuro Namsan N Tower	Chungmuro 2-ga, Jung-gu	Namsan PFV (Next Capital)	Officetel	6,303	2025.3Q
	2	D Tower Hyoje	Hyoje-dong, Jongno-gu	Hyoje PFV (DL)	Officetel	23,329	2027.2Q
	3	Hyoje-dong Office (Tower N, S)	Hyoje-dong, Jongno-gu	Hyoje Art PFV (IGIS Asset Management)	Officetel	14,204	2027.4Q
	4	Euljiro 3-ga Redevelopment Project District 9	Euljiro 3-ga, Jung-gu	Euljiro Nine PFV (Next AMC)	Housing, Accomodations	7,765	-
	5	Euljiro 3-ga Redevelopment Project District 10	Euljiro 3-ga, Jung-gu	Euljiro 95 PFV	Office, Housing, Accomodations	9,419	2029.4Q
GBD	6	Seun Redevelopment Project District 6-3-3	Euljiro 4-ga, Jung-gu	Hanho Construction Group	Officetel, Housing	26,820	-
	7	Tov Cheongdam Site	Cheongdam-dong, Gangnam-gu	Hite Jinro(e)	Mixeduse Housing	424	-
	8	Yeoksam-dong Aster Site	Yeoksam-dong, Gangnam-gu	KT Estate & Lasalle Investment Management	Officetel	9,173	-
	9	Paradise Building	Nonhyun-dong, Gangnam-gu	PIA Nonhyun PFV	Officetel	310	-

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OVERVIEW Seoul

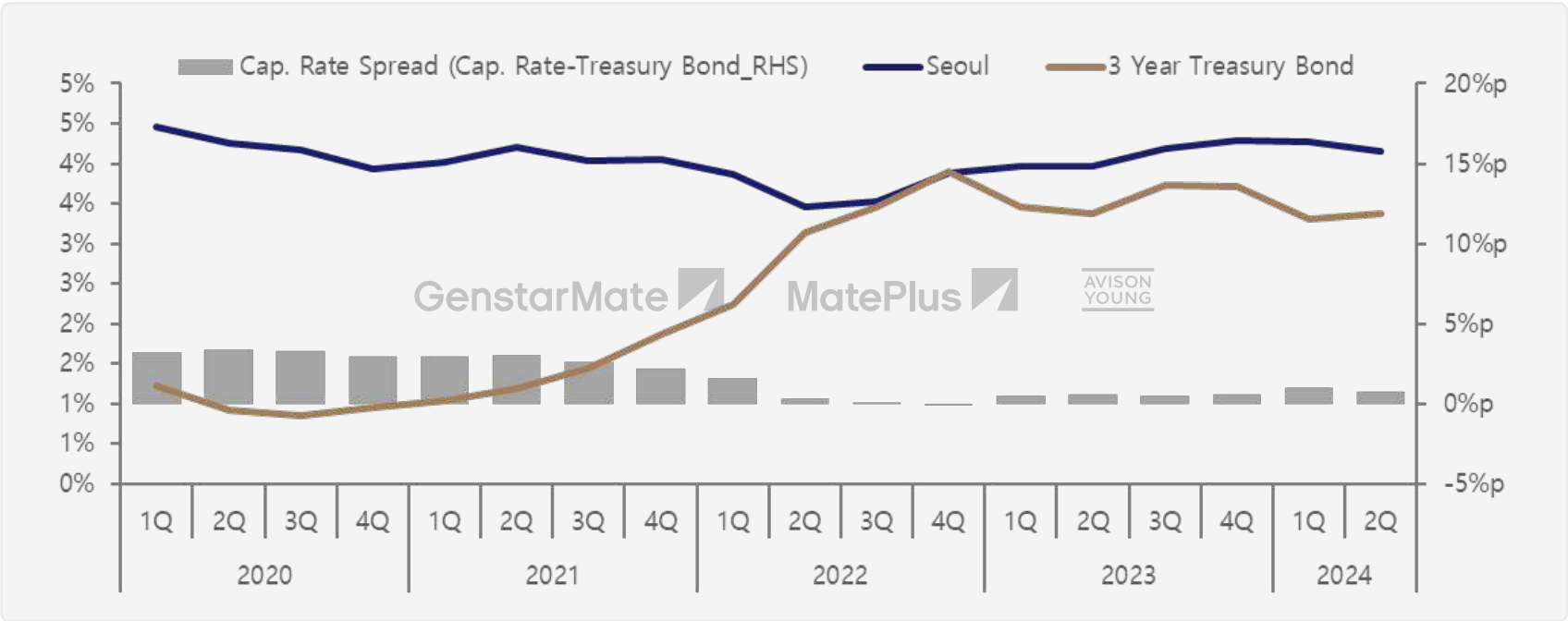


- In the 2Q of 2024, the transaction volume for Seoul offices was 1.07 trillion won, reflecting a decrease of 1.62 trillion won (60.2%↓) from the previous quarter and a decline of 1.37 trillion won (56.2%↓) compared to the same period last year.
- The unit price per py in Seoul largely remained stable across most regions compared to the previous quarter. However, due to a slight decrease in the unit price of GBD, the overall price fell by 960,000 won (3.4%↓) from the previous quarter, reaching 26.95 million won/py.
- Although the market continues to experience slow transactions due to recent liquidity shortages, it is anticipated that the transaction volume will increase in the 3Q. This is due to the upcoming sales of large office properties, such as City Square and the Hanwha Building in Janggyo-dong, each over 10,000 py.

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Seoul Office
Cap. Rate
Trend

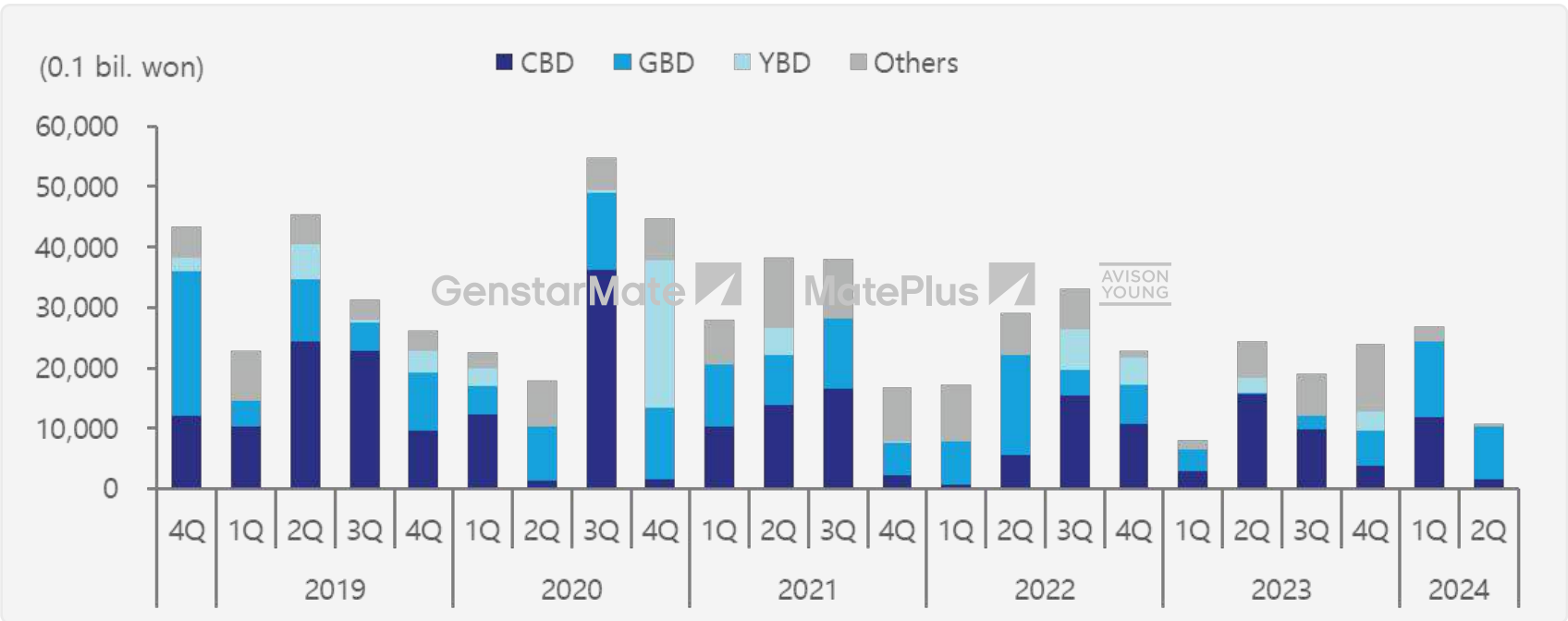
- In the 2Q of 2024, the Cap. Rate for Seoul offices recorded 4.2%, a decrease of 0.1%p from the previous quarter. By district, the Cap. Rates were as follows: CBD at 4.5%, GBD at 4.0%, YBD at 4.1%, and Others at 5.6%.



03

Trends in
Seoul Office
Market
Transaction
Volume

- In the current quarter, the transaction volume for Seoul offices totaled 1.07 trillion won, reflecting a 60% decrease compared to the previous quarter. This decline highlights the market's liquidity shortage. Within this quarter, GBD accounted for 82% of the total transaction volume, with 875.2 billion won, making it the largest segment by transaction size. In contrast, CBD saw a significant drop to 148.5 billion won, compared to 1.18 trillion won in the previous quarter. Additionally, the Others district, which only included small office transactions, also experienced a substantial decrease of 87% from the previous quarter, recording 35 billion won.

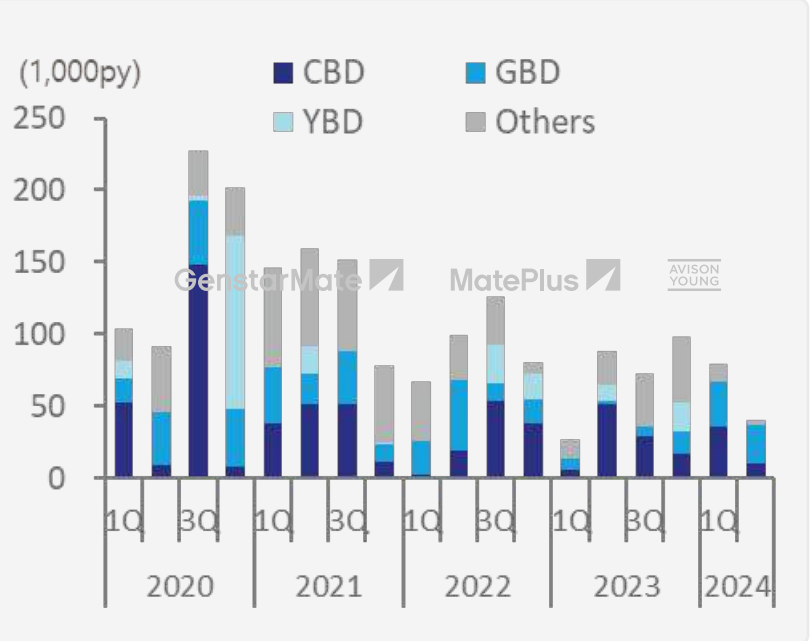


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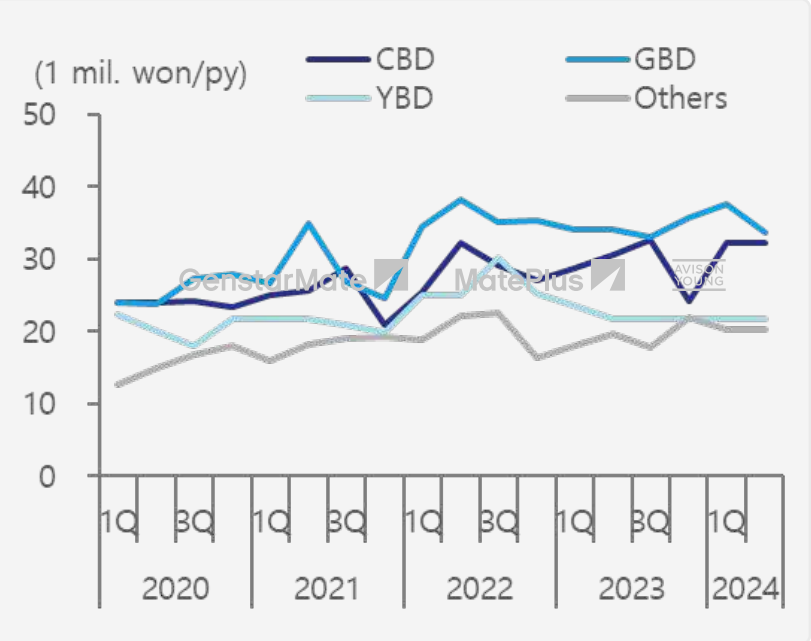
Transaction
Areas by
District and
Unit Price
per py

- In the 2Q, 12 buildings totaling approximately 40,000py of office space were transacted in Seoul, representing a 50% decrease from the 79,000py, traded in the previous quarter. By district, the unit prices remained stable at the previous quarter's levels in districts with lower transaction volumes: CBD(32.2 million won/py), YBD(21.8 million won/py), and Others(20.2 million won/py). However, GBD saw a 10% decline in unit price to 33.6 million won/py, influenced by transactions involving office spaces of less than 10,000py.

Transaction Areas by District



Unit Price per py by District

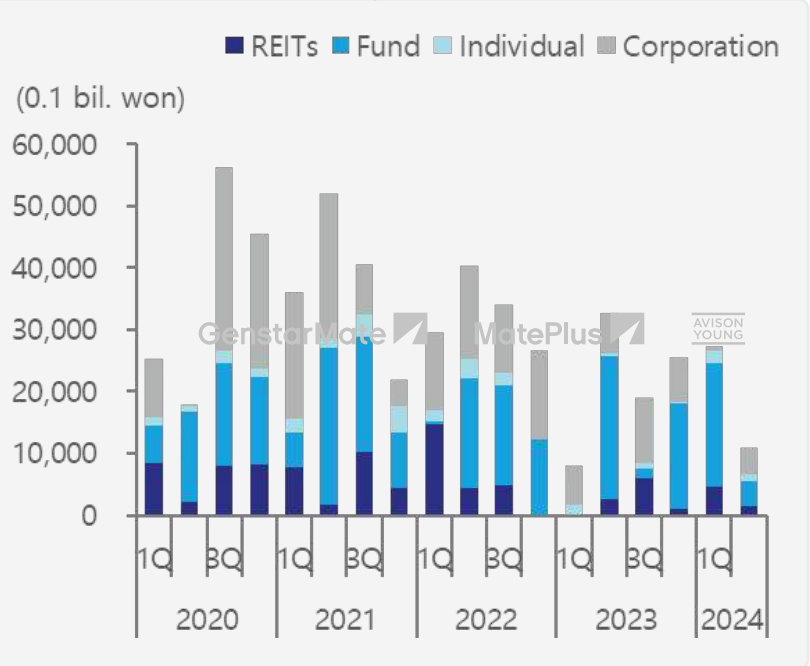


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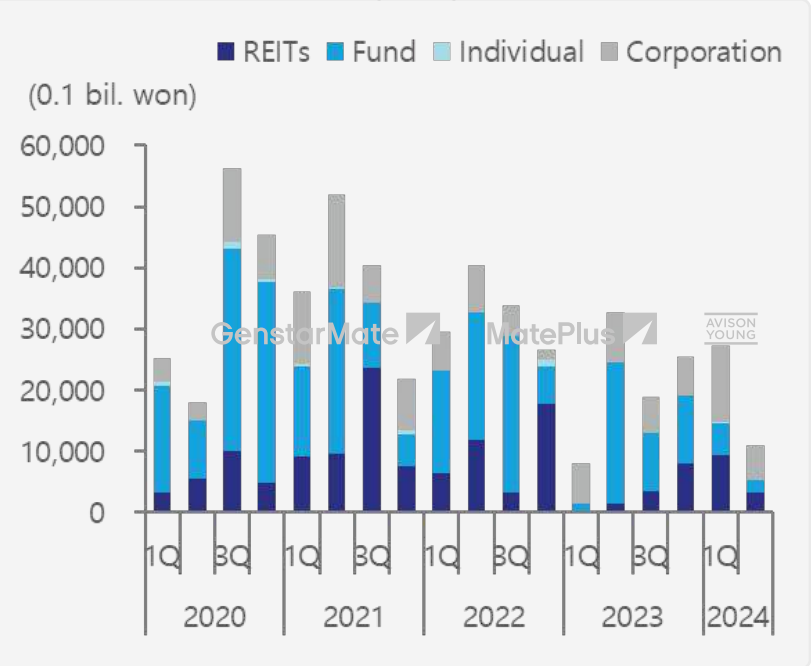
Transaction
Volume by
type of
Seller/Buyer

- In terms of seller types for the current quarter, sales by indirect investment vehicles such as funds and REITs decreased by 1.91 trillion won (77%↓) to 553.6 billion won compared to the previous quarter. Conversely, sales by corporations and individuals increased by 265.1 billion won (97%↑) to 537.3 billion won, resulting in similar levels of sales between indirect investment vehicles and direct investors. Regarding buyers, indirect investment vehicles and direct investors both showed similar purchasing volumes, with indirect investment vehicles purchasing 538.1 billion won (63%↓) and direct investors purchasing 552.8 billion won (57%↓). This indicates a general contraction in both sales and purchases by indirect investment vehicles compared to the previous quarter.

Transaction Volume by Sellers



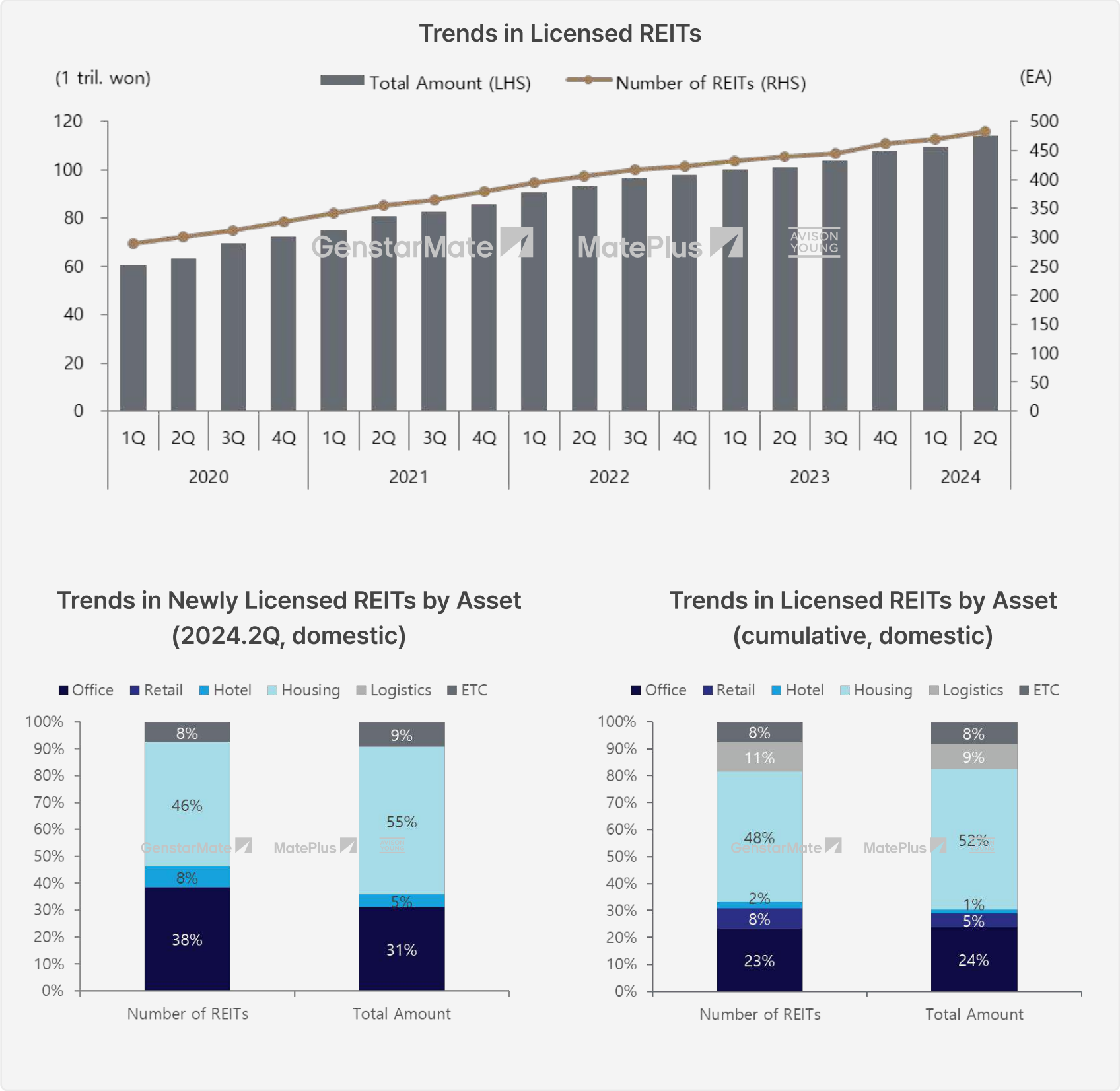
Transaction Volume by Buyers



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REITs;
Real Estate
Investment
Trust

- In the 2Q of 2024, a total of 13 REITs received new business licenses or registrations. All 13 cases involved domestic investments, with the breakdown as follows: 5 office properties, 1 hotel, 6 residential properties, and 1 etc.

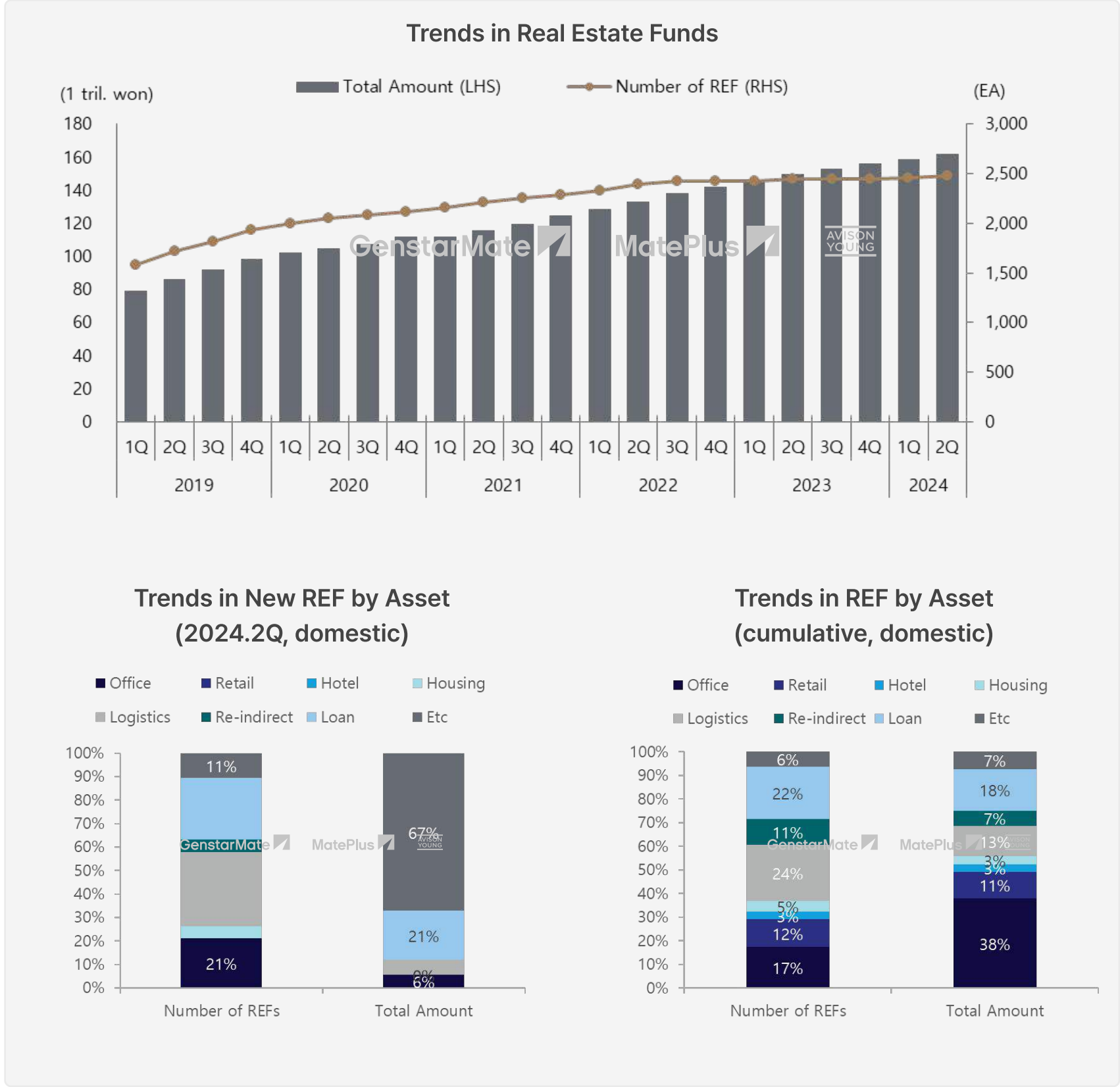


* Source: Ministry of Land, Infrastructure and Transport, KAREIT, REITs Information System
* Investigation Date: 2024.07.31
* based on newly licensed and registered REITs

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REF;
Real Estate
Fund

- As of the 2Q of 2024, the total amount of real estate funds stands at 161.7 trillion won, spread across 2,477 active funds. This represents a 2.0% increase compared to the previous quarter. In the current quarter, 5 cases were identified as investments in domestic office properties, either in existing buildings or under development. Of these, 2 were in the GBD, and 3 were in the Others.



* Source: KOFIA, AMC
* Investigation Date: 2024.07.31
* based on newly set-up funds

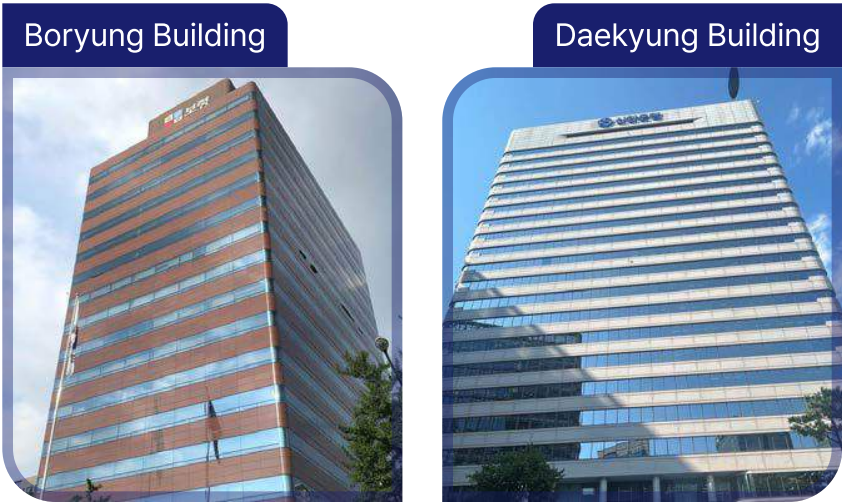
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Transaction Case Analysis by District

CBD

- In the current quarter, CBD saw transactions for two buildings totaling 148.5 billion won, an 87% decrease from the previous quarter’s transaction volume of 1.18 trillion won. One of the key transactions was the purchase of the Boryung Building in Wonnam-dong, Jongno-gu, by Korea Real Estate Investment & Trust (K-One No. 26 Jongno Office REIT) from Boryung Holdings, the holding company of Boryung Group, for 14.21 million won/py. This price is 41% lower than the nearby Jongno Place, which sold for 24.13 million won/py in the 3Q of 2022. Korea Real Estate Investment & Trust is expected to enhance the asset value through future remodeling and then resell the building. Boryung Holdings, while selling the Boryung Building, also participated as an investor in common and preferred shares of K-One No. 26 Jongno Office REIT. They plan to continue using the building as their headquarters through a sale-and-leaseback arrangement. Additionally, Daekyung Building, where Shinhan Bank’s headquarters is located, was purchased by Shinhan Bank from a private owner for 17 billion won (26.85 million won/py) for its own use.

Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Boryung Building	Wonnam-dong, Jongno-gu	9,257	131.5	1,421	Boryung Holdings / Korea Real Estate Investment & Trust
Daekyung Building (Strata)	Taepyeong-ro 2-ga, Jung-gu	633	17.0	2,685	Individual / Shinhan Bank



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Transaction Case Analysis by District

YBD

- In the current quarter, YBD recorded a transaction volume of 11.5 billion won, with only one confirmed transaction for the Sambok Hojeong Building. The transaction involved three floors of the Sambok Hojeong Building, located in the Seo-Yeouido area, between S TO B network and NICE P&I. The unit price was confirmed to be 15.47 million won. This price is somewhat lower compared to past transactions in the West Yeouido submarket, such as the Sanlim Vision Center (16.47 million won/py in Q4 2023) and Hyundai Card Building 1 (21.77 million won/py in Q2 2023).

Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Sambo Hojeong Building (Strata)	Yeouido-dong, Yeongdeungpo-gu	742	11.5	1,547	S TO B Network / NICE P&I



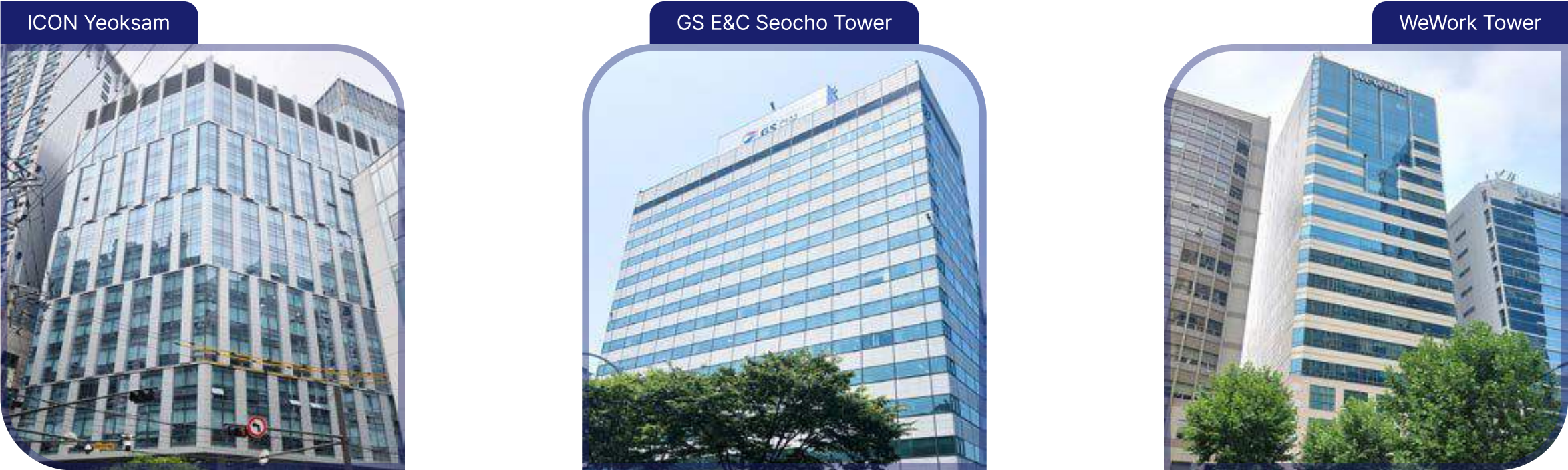
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Transaction Case Anaylsis by District

GBD

- In the current quarter, GBD recorded a total transaction volume of 875.2 billion won across seven buildings. Among these, the ICON Yeoksam building, located in the Teheranro submarket, transferred ownership from CapitaLand Investment Management (M&G Real Estate) to Capstone Asset Management. This transaction occurred approximately 4 years after M&G Real Estate initially acquired ICON Yeoksam through a beneficiary certificate transaction in 2020. Capstone Asset Management used a blind fund created in 2023, with investors such as Shinsegae Property and the Korea Post, to finance the purchase. In another notable transaction, Shinhan REITs Management, which has been actively investing in office properties, acquired GS E&C Seocho Tower near Nambu Bus Terminal Station from Koramco Asset Management for 202.3 billion won (22.45 million won per py). This adds to Shinhan REITs Management's series of acquisitions over the past two years, including Asterium Yongsan (62.7 billion won), HSBC Building (181 billion won), and Gwanghwamun G Tower (289 billion won, including a hotel) in the 1H of 2024. Shinhan REITs Management is expected to further expand its portfolio in the 2H of the year by acquiring two more office buildings: City Square (approximately 428 billion won) and FastFive Tower in Da-dong (approximately 120 billion won). Additionally, the WeWork Tower in Samseong-dong was purchased by Hyunjin Group from Shinhan REITs Management for 147 billion won (32.24 million won per py), primarily for inheritance purposes. Meanwhile, DB Samseongdong Building was acquired by DB Inc., the holding company of DB Group, for 85.8 billion won (34.14 million won per py). DB Inc. plans to enhance the long-term asset value and ensure stable working environments by using the building as its headquarters.

Building Name	Address	Transacted Area (py)	Transaction Price (billion won)	Unit price per py (10,000 won)	Seller / Buyer
ICON Yeoksam	Yeoksam-dong, Gangnam-gu	5,923	204.3	4,173	CapitaLand Investment Management / Capstone Asset Management
GS E&C Seocho Tower	Seocho-dong, Seocho-gu	9,010	202.3	2,245	Koramco Asset Management / Shinhan REITs Management
WeWork Tower	Samseong-dong, Gangnam-gu	4,560	147.0	3,224	Shinhan REITs Management / Hyunjin
Keukdong Building	Sinsa-dong, Gangnam-gu	1,303	100.0	7,675	Individual / KDID
DB Samseongdong Building	Samseong-dong, Gangnam-gu	2,513	85.8	3,414	Samdong Enterprise / DB Inc.
Initial Tower 1	Banpo-dong, Seocho-gu	1,188	70.8	5,962	Bucket Studio / AJ Consulting Group
Taebum Building	Daechi-dong, Gangnam-gu	2,181	65.0	2,981	Taebum / Caregen



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Transaction Case Analysis by DistrictBBD

- In the current quarter, BBD recorded only one confirmed transaction involving a section of the U-Space 2, resulting in a transaction volume of 20.7 billion won. The transaction involved a single floor within U-Space 2, located in the 1st Pangyo Techno Valley, and was conducted between Woori Venture Partners (KTB Network) and Yangji Development. The unit price was 20.94 million won, which is similar to the unit price of 20.42 million won for a floor in U-Space 1 that was transacted in the 4Q of 2023.



Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
U-Space 2 (Strata)	Sampyeong-dong, Bundang-gu	989	20.7	2,094	Woori Venture Partners / Yangji Development

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Transaction Case Analysis by DistrictOthers

- In the current quarter, transactions in the Others district were limited to small office buildings intended for headquarters use, resulting in a transaction volume of 35 billion won, an 87% decrease from the previous quarter. One notable transaction involved the purchase of the Ahn-gook Pharmaceutical Building in Daerim-dong by Koryo Humans, a company provides call center outsourcing and staffing services, for 22 billion won. Ahn-gook Pharmaceutical, the seller, had used the building as its headquarters for nearly 50 years but decided to sell the property to fund investments in new businesses, such as new drug development. Ahn-gook Pharmaceutical has since relocated its headquarters to the Gwacheon Knowledge Information Town in April 2024, following a trend where several pharmaceutical companies, including JW Pharmaceutical, have moved to Gwacheon. Another transaction in the Others district involved the GCoop branch office in Guro-dong, which was sold by General Bio to Yeouido Full Gospel Church. The building is expected to undergo remodeling to serve as a church.

Building Name	Address	Transacted Area (py)	Transaction Price (0.1 billion won)	Unit price per py (10,000 won)	Seller / Buyer
Ahn-gok Pharm Building	Daerim-dong, Yeoungdeungpo-gu	1,653	22.0	1,331	Ahn-gook Pharmaceutical / Koryo Humans
GCoop Branch Building	Guro-dong, Guro-gu	1,076	130	1,208	General Bio / Yeouido Full Gospel Church

Anguk Pharmaceutical Bldg.

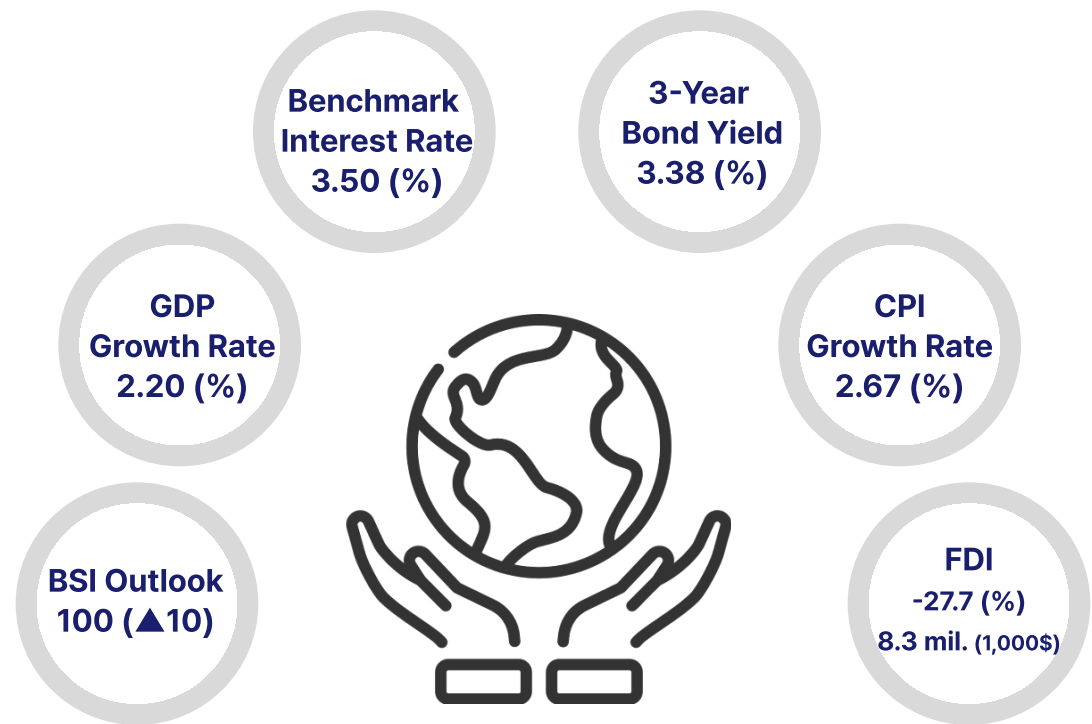


GCOOP Branch Office



01

Economic Index



※ Source : BOK, KOSIS
※ Period of Time : 2024.2Q
(GDP, FDI : 2024.1Q)
※ GDP, CPI, FDI : Y-o-Y
※ BSI Outlook : Q-o-Q

- Since July 2023, the U.S. Federal Reserve(Fed) has kept the benchmark interest rate unchanged for seven consecutive times, from 5.2% to 5.5%. Similarly, due to concerns over the WON/USD exchange rate and household loans, the Bank of Korea kept its benchmark interest rate unchanged for the 12th consecutive time in July 2024, marking the longest period of rate hold in its history.
- The Consumer Price Index(CPI) growth rate stood at 2.67%, marking the first time it has reached the 2% range since the 3Q of 2021, indicating a slight deceleration.
- The Business Survey Index(BSI) for the manufacturing sector exceeded the benchmark of 100 points for the first time since the 2Q of 2022. Meanwhile, the Gross Domestic Product(GDP) grew by 3.38% y-o-y, recovering to a growth rate in the 3% range.

02

Related Policy Trends

- Amid rising concerns over real estate project financing(PF) risks due to sustained high interest rates, the government announced its "Economic Policy Direction for the 2H of 2024" on July 3rd, in coordination with relevant ministries. The announcement included plans to improve the PF system to address these emerging risks. As part of the improvement measures, the government mentioned increasing the equity ratio for PF projects, strengthening the assessment of project viability when issuing PF loans, and establishing an integrated PF information system. Additionally, to enhance liquidity support, the government announced plans to provide timely liquidity assistance totaling 94 trillion won to viable projects. The government has expressed its commitment to stabilizing the PF market by focusing on high-quality PF projects and reputable companies to prevent the spread of concerns. Specific regulatory improvement measures are expected to be announced later in the 2H of the year.

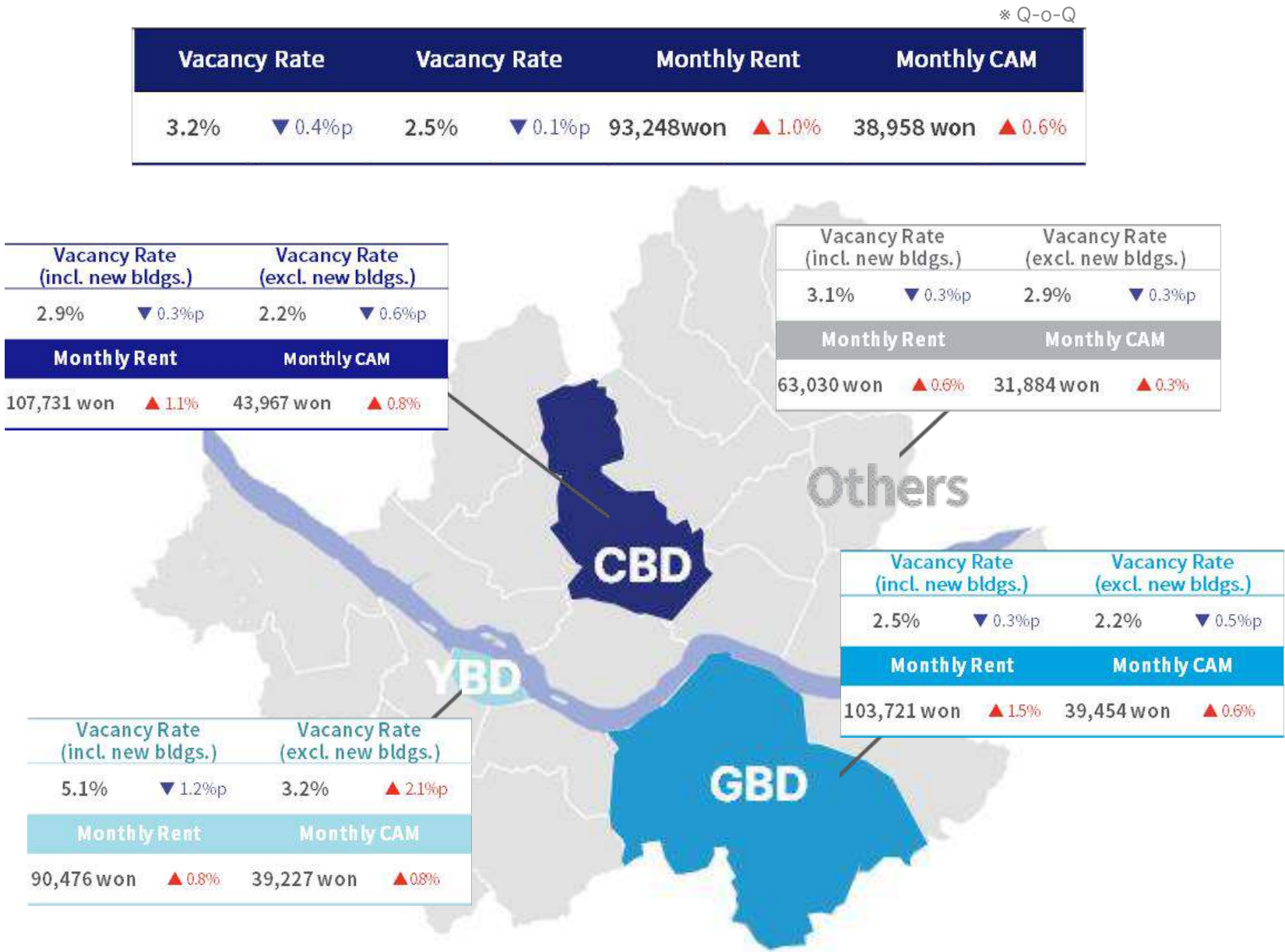
Economic Policy for 2H of 2024
- Potential Risk Management

Stabilizing the Real Estate PF Market

- Differentiation of incentives based on the equity capital ratio of PF projects
- Strengthen transparency through the establishment of PF integrated information system
- Strengthen management of PF workplaces through liquidity supply of 94 trillion won

03

OVERVIEW Seoul



- In the 2Q of 2024, the overall vacancy rate for offices in Seoul, including newly constructed buildings, was 3.2%. This represents a 0.4%p decrease from the previous quarter, driven by the rapid absorption of vacant spaces in newly supplied offices.
- The vacancy rate in the CBD, including newly constructed buildings, fell by 0.3%p, q-o-q, to 2.9%, marking the first time since the 1Q of 2009 that the vacancy rate has dropped into the 2% range. This decline was primarily due to the absorption of large vacant spaces in major office buildings and the exclusion of offices slated for redevelopment from the sample.
- The GBD also saw a significant reduction in vacancy rates, with prominent absorption of vacant spaces in major office buildings such as Autoway Tower. As a result, the vacancy rate in GBD dropped by 0.3%p, q-o-q, reaching 2.5%.
- In the YBD, where there has been a recent influx of large-grade office supply, the vacancy rate decreased by 1.2%p, q-o-q, to 5.1%. This improvement was largely due to the continued occupancy by financial sector tenants in newly constructed offices.
- The vacancy rate declined by 0.3%p, q-o-q, to 3.1% in the Others district. The absorption of large vacancies in the rest of Others submarket of Seoul notably drove this decrease.
- Compared to the previous quarter, rent and CAM increased by 1.0% and 0.6%, respectively. However, the rise in rent was relatively modest compared to the 1Q.

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

- In the 2Q, the CBD saw the addition of new office buildings, including the Meritz Fire & Marine Insurance HQ and the Chungmuro 15 Building. However, with the redevelopment of buildings such as the Geumsegi Building, INNO88 Tower, and Yuanta Securities Building, which were removed from the sample, the area leasing space decreased compared to the previous quarter.
- In the 3Q, the completion of the Energy Plus Seoulo and KT Gwanghwamun Building West remodeling projects 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	2.9% ▼ 0.3%p	2.2% ▼ 0.6%p
Prime	1.8% ▲ 0.2%p	1.8% ▲ 0.2%p
Large	2.3% ▼ 0.5%p	2.3% ▼ 0.5%p
Medium-Large	3.8% ▼ 1.1%p	2.0% ▼ 2.8%p
Medium	9.3% ▼ 0.1%p	4.2% ▲ 0.2%p
Small	4.3% ▼ 0.9%p	4.3% ▼ 0.9%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (Excl. new bldgs.)
Overall	2.9% ▼ 0.3%p	2.2% ▼ 0.6%p
Gwanghwamun-Sinmmuro	0.4% —	0.4% —
Namdaemun	3.8% ▼ 1.3%p	3.8% ▼ 1.3%p
Euljiro	3.5% ▼ 1.0%p	2.1% ▼ 1.0%p
Jongno	1.6% ▼ 0.5%p	1.6% ▼ 0.5%p
The rest of CBD	4.4% ▲ 2.7%p	2.2% ▲ 0.5%p

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

(Price Unit: 1,000 won/py)						
Grade	Deposit		Monthly Rent		Monthly CAM	
Overall	1,077.3	▲ 1.1%	107.7	▲ 1.1%	44.0	▲ 0.8%
Prime	1,282.8	▲ 1.1%	128.3	▲ 1.1%	48.4	▲ 1.0%
Large	1,091.8	▲ 0.6%	109.2	▲ 0.6%	45.2	▲ 0.5%
Medium-Large	759.4	▼ 1.2%	75.9	▼ 1.2%	37.0	▼ 0.6%
Medium	766.1	▲ 1.6%	76.6	▲ 1.6%	34.4	▲ 0.9%
Small	597.7	▲ 0.2%	59.8	▲ 0.2%	28.4	▲ 0.2%

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

(Price Unit: 1,000 won/py)						
Submarket	Deposit		Monthly Rent		Monthly CAM	
Overall	1,077.3	▲ 1.1%	107.7	▲ 1.1%	44.0	▲ 0.8%
Gwanghwamun-Sinmmuro	932.9	—	93.3	—	37.8	—
Namdaemun	1,094.2	▲ 1.7%	109.4	▲ 1.7%	45.0	▲ 1.3%
Euljiro	1,128.8	▲ 0.9%	112.9	▲ 0.9%	45.9	▲ 0.6%
Jongno	1,243.0	▲ 1.8%	124.3	▲ 1.8%	47.6	▲ 1.7%
The rest of CBD	819.0	▲ 1.0%	81.9	▲ 1.0%	38.4	—

5-1

GBD
Vancancy
Rate

New Supply

- In the current quarter, the GBD saw the supply of 4 office buildings: 2 in the Teheranro submarket and 2 in the rest of GBD.
- The Pinnacle Yeoksam 2 (formerly Woosin Building) completed its remodeling and was included as a new leasing sample in the 2Q. However, due to significant vacancy absorption primarily in large office buildings, the net absorption area for the quarter showed a positive value.

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	2.5%	▼ 0.3%p	2.2%	Overall	2.5%	▼ 0.3%p	2.2%
Prime	0.3%	▲ 0.1%p	0.3%				▼ 0.5%p
Large	2.2%	▼ 1.7%p	2.2%	Teheranro	2.5%	▲ 0.3%p	1.9%
Medium-Large	4.5%	▲ 1.0%p	3.4%	Gangnam-daero	2.1%	▼ 2.1%p	▼ 0.1%p
Medium	2.5%	▲ 0.4%p	2.5%	The rest of GBD			▼ 2.1%p
Small	5.9%	▼ 0.8%p	4.2%		3.0%	▼ 0.2%p	2.7%

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	1,037.2	▲ 1.5%	103.7	▲ 1.5%	39.5	▲ 0.6%
Prime	1,291.3	▲ 1.9%	129.1	▲ 1.9%	45.6	▲ 0.2%
Large	1,086.4	▲ 1.9%	108.6	▲ 1.9%	41.2	▲ 1.1%
Medium-Large	941.7	▲ 0.7%	94.2	▲ 0.7%	37.2	▲ 0.2%
Medium	819.3	▲ 0.8%	81.9	▲ 0.8%	34.1	▲ 0.9%
Small	699.5	▲ 1.5%	70.0	▲ 1.5%	29.2	▲ 0.3%

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

(Price Unit: 1,000 won/py)						
Submarket	Deposit		Monthly Rent		Monthly CAM	
Overall	1,037.2	▲ 1.5%	103.7	▲ 1.5%	39.5	▲ 0.6%
Teheranro	1,166.4	▲ 2.4%	116.6	▲ 2.4%	42.3	▲ 0.9%
Gangnam-daero	1,106.6	—	110.7	—	40.9	—
The rest of GBD	761.9	▲ 0.3%	76.2	▲ 0.3%	33.4	▲ 0.2%

6-1

YBD
Vancancy
Rate

New Supply

- In the current quarter, the YBD maintained the same inventory level as in the 1Q of 2024, with no new supply added.
- In this manner, while YBD maintained a stable inventory level, the absorption of large vacancies primarily in newly constructed offices like TP Tower and Anchor One led to a positive net absorption area in the 2Q.

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	5.1%	▼ 1.2%p	3.2%	Overall	5.1%	▼ 1.2%p	3.2%
Prime	7.5%	▼ 0.7%p	5.1%				▲ 2.1%p
Large	3.9%	▼ 3.7%p	1.3%	West Yeouido	1.4%	▼ 0.2%p	1.4%
Medium-Large	2.1%	▲ 0.6%p	2.1%	Stock Exchange District	8.9%	▲ 6.6%p	▲ 0.3%p
Medium	0.7%	—	0.7%	East Yeouido			▲ 6.6%p
Small	2.2%	▲ 0.5%p	2.2%		4.4%	▼ 4.6%p	1.1%

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	904.8	▲ 0.8%	90.5	▲ 0.8%	39.2	▲ 0.8%
Prime	1,196.0	▲ 0.9%	119.6	▲ 0.9%	46.5	▲ 1.1%
Large	764.1	▲ 0.9%	76.4	▲ 0.9%	38.1	▲ 0.6%
Medium-Large	581.2	—	58.1	—	29.2	—
Medium	470.8	—	47.1	—	26.6	—
Small	348.3	—	34.8	—	22.4	—

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

(Price Unit: 1,000 won/py)						
Submarket	Deposit		Monthly Rent		Monthly CAM	
Overall	904.8	▲ 0.8%	90.5	▲ 0.8%	39.2	▲ 0.8%
West Yeouido	501.1	—	50.1	—	25.0	—
Stock Exchange Market	1,148.0	▲ 0.8%	114.8	▲ 0.8%	46.4	▲ 0.8%
East Yeouido	902.3	▲ 0.9%	90.2	▲ 0.9%	39.8	▲ 0.9%

7-1

Others
Vancancy
Rate

New Supply

- In the current quarter, the Others category saw the addition of the Rsupport headquarters and four small office properties, leading to a slight increase in the total inventory.
- In the 3Q, approximately 175,000 py of office space is expected to be supplied. Of this, 140,000 py will be in the Magok area, including One Grove (CP4) and Case Square Magok (CP3-2). This upcoming supply is anticipated to impact the vacancy rate in the Others district.

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	3.1%	▼ 0.3%p	2.9%	Overall	3.1%	▼ 0.3%p	2.9%
Prime	1.4%	▼ 0.5%p	1.4%	Mapo	1.8%	▼ 0.1%p	1.8%
Large	2.5%	▼ 0.2%p	2.5%	Yongsan	0.7%	—	0.7%
Medium-Large	4.3%	▼ 0.2%p	3.6%	Jamsil-Songpa	1.0%	▲ 0.5%p	1.0%
Medium	4.0%	▲ 1.4%p	4.0%	Sangam	2.4%	▼ 0.4%p	2.4%
Small	6.2%	▼ 2.0%p	6.1%	The rest of Others	5.0%	▼ 0.7%p	4.6%

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	630.3	▲ 0.6%	63.0	▲ 0.6%	31.9	▲ 0.3%
Prime	817.7	▲ 0.6%	81.8	▲ 0.6%	36.8	▲ 0.6%
Large	579.4	▲ 0.5%	57.9	▲ 0.5%	31.7	▼ 0.1%
Medium-Large	562.2	▲ 0.2%	56.2	▲ 0.2%	31.1	▲ 0.3%
Medium	574.8	▲ 0.9%	57.5	▲ 0.9%	27.1	▲ 0.3%
Small	436.6	▲ 2.7%	43.7	▲ 2.7%	22.3	▲ 0.8%

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

(Price Unit: 1,000 won/py)						
Submarket	Deposit		Monthly Rent		Monthly CAM	
Overall	630.3	▲ 0.6%	63.0	▲ 0.6%	31.9	▲ 0.3%
Mapo	508.3	▲ 0.8%	50.8	▲ 0.8%	29.4	▲ 0.3%
Yongsan	943.9	—	94.4	—	38.5	—
Jamsil-Songpa	773.9	▲ 0.1%	77.4	▲ 0.1%	34.7	▲ 0.1%
Sangam	446.6	▲ 1.4%	44.7	▲ 1.4%	28.0	▲ 0.7%
The rest of Others	596.3	▲ 0.8%	59.6	▲ 0.8%	31.2	▲ 0.4%

8-1

BBD
Vancancy
Rate

New Supply

- In the current quarter, 3 large office properties were supplied within the Pangyo 2nd Techno Valley in the BBD area, resulting in an increase in the inventory.
- In the 3Q, no new supply is anticipated, so the inventory is expected to remain at the same level as in the 2Q.

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	0.8%	▼ 0.2%p	0.8%	Overall	0.8%	▼ 0.2%p	0.8%
Prime	0.0%	—	0.0%	Seohyun	2.8%	—	2.8%
Large	0.1%	▲ 0.1%p	0.1%	Sunae	0.7%	▲ 0.3%p	0.7%
Medium-Large	2.7%	▼ 4.2%p	2.7%	The rest of BBD	0.0%	—	0.0%
Medium	4.3%	▲ 0.9%p	4.3%	Pangyo	0.5%	▼ 0.4%p	0.5%
Small	1.0%	—	1.0%				

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	723.8	▲ 0.6%	72.4	▲ 0.6%	28.8	▲ 0.2%
Prime	846.2	—	84.6	—	30.3	—
Large	681.1	▲ 0.2%	68.1	▲ 0.2%	28.8	▲ 0.4%
Medium-Large	712.7	▲ 7.4%	71.3	▲ 7.4%	28.7	▲ 1.1%
Medium	544.6	—	54.5	—	26.1	—
Small	447.8	—	44.8	—	23.5	—

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

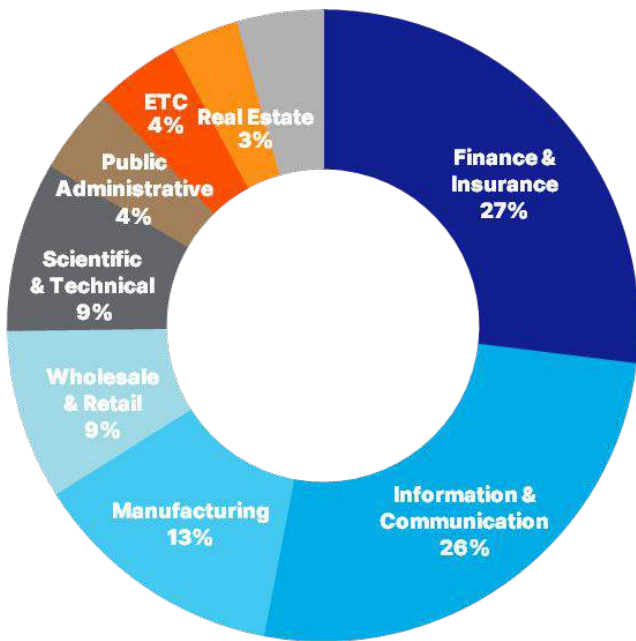
(Price Unit: 1,000 won/py)						
Submarket	Deposit		Monthly Rent		Monthly CAM	
Overall	723.8	▲ 0.6%	72.4	▲ 0.6%	28.8	▲ 0.2%
Seohyun	678.2	▲ 2.6%	67.8	▲ 2.6%	29.2	▲ 1.9%
Sunae	559.4	—	55.9	—	27.6	—
The rest of BBD	564.5	—	56.5	—	16.5	—
Pangyo	808.6	▲ 0.4%	80.9	▲ 0.4%	31.7	▼ 0.1%

9-1

Tenants Movement Status by Industry

- In the current quarter, tenant movement was most active among the finance and insurance sector (27%) and the information and communication sector (26%).
- In the finance and insurance sector, significant activity was observed with large integrated financial institutions, such as Woori Financial Group and Shinhan Financial Group, relocating their headquarters. Notably, there was a pronounced concentration of such relocations within the YBD district.
- In the information and communication sector, relocations were notably active in the GBD district, driven by companies such as Riiid (Samsung Life Daechi Tower) and NEXON Games (Autoway Tower).

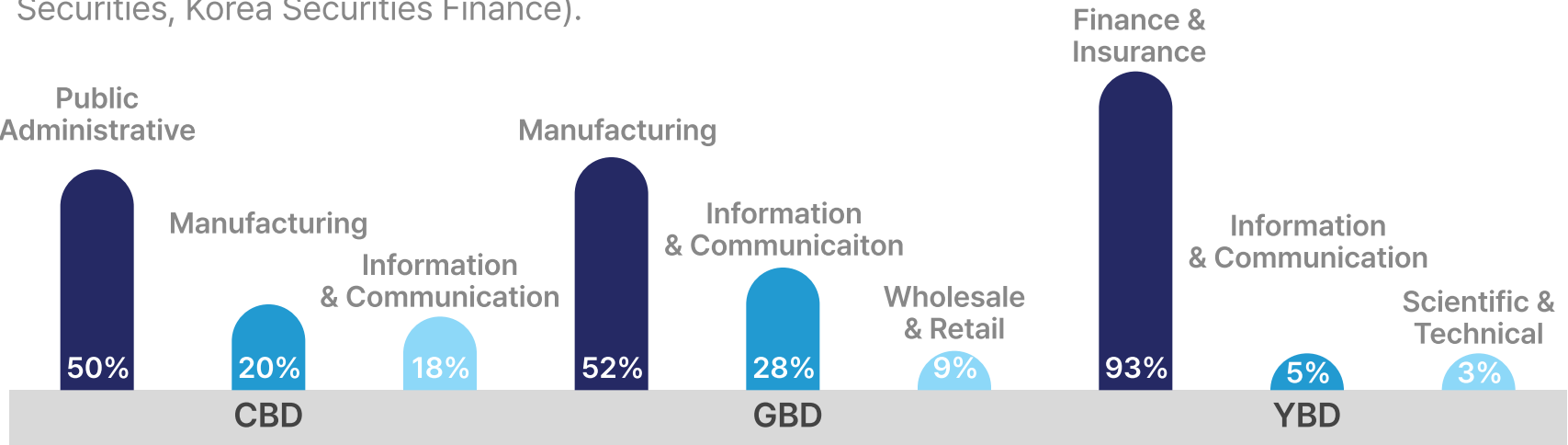
Trends in Tenants Movement by Industry



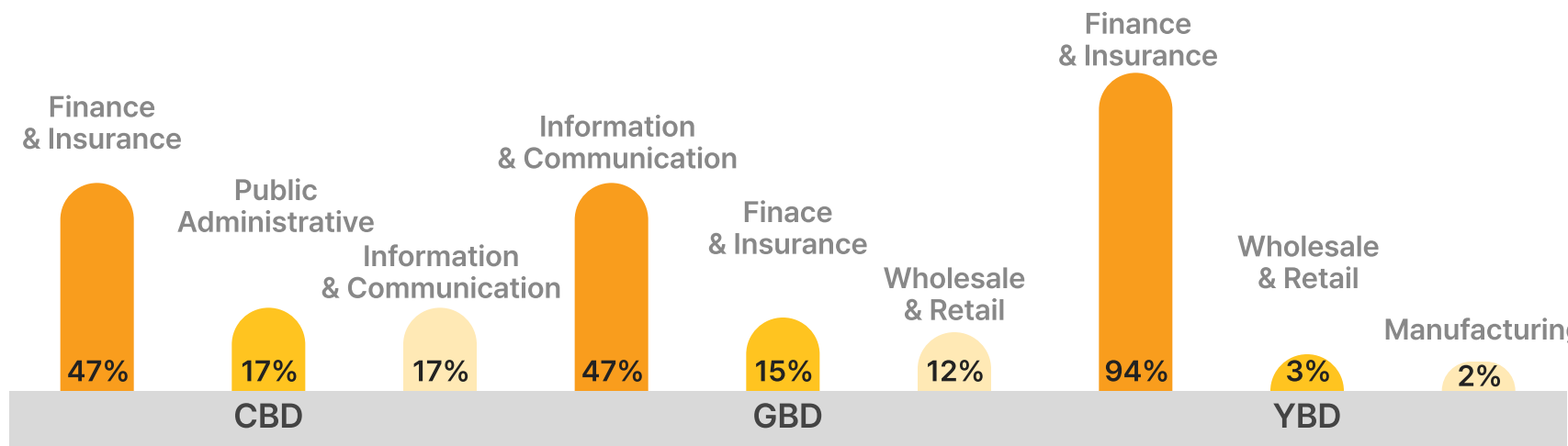
9-2

Tenants Movement Status by District

- In the 2Q, there was active tenant movement across various sectors throughout all districts, with numerous headquarters relocations in the finance and insurance sector. In the CBD, various tenants have moved in to Seoul City Tower. The public administrative services sectors (Korea Fiscal Information Service, Korea Health Industry Development Institute) and the manufacturing sector (SM Core) have equally contributed to the absorption of vacancies. In the GBD, the relocation of Allerman (T412) significantly influenced the highest absorption of vacancies in the manufacturing sector, with the information and communication sector following closely behind. In the YBD, the finance and insurance sector has the largest share in both vacancy absorption and creation. Notably, there has been significant new occupancy in newly constructed offices, such as TP Tower (Kiwoom Asset Management, Teachers’ Pension) and Anchor One in Yeouido (Yuanta Securities, Korea Securities Finance).



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 ² 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

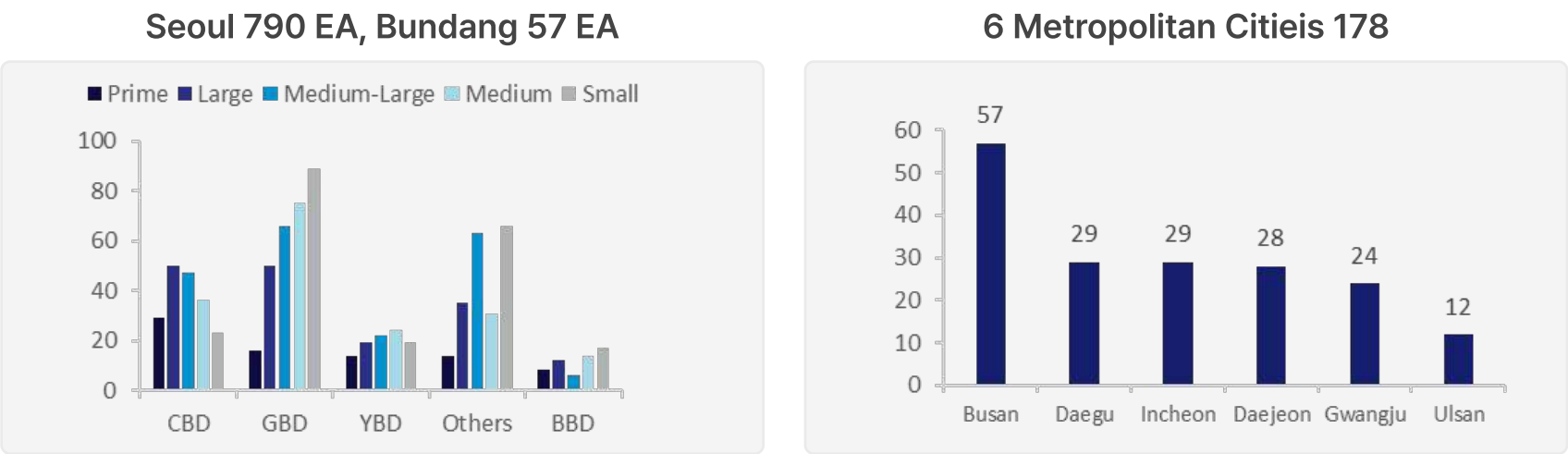
02

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



