

2023 LOGISTICS MARKET REPORT



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Research Overview

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Logistics center grade and Submarket

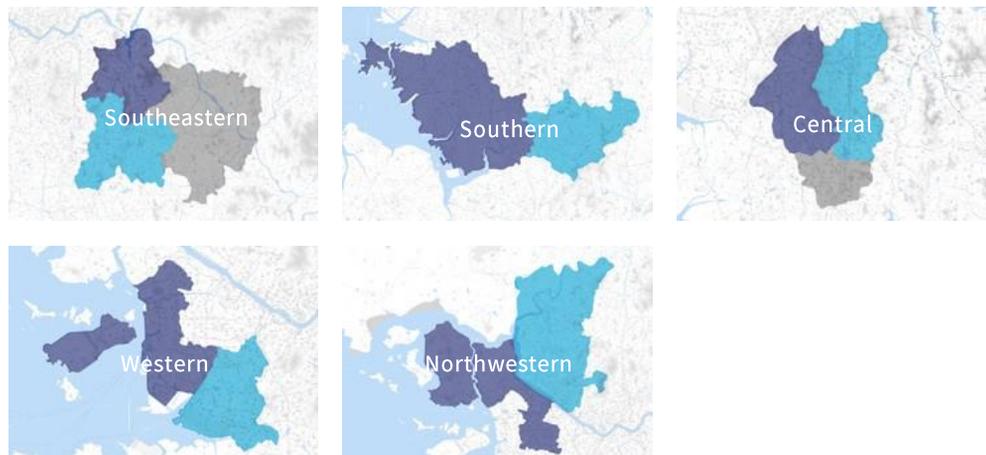
Region Gyeonggi-do, Incheon, Seoul
Target Logistics Center with gross floor area of 3,300m² or more which uses at least 50% of its area as warehouse facilities
Method Telephone/site investigation, Ministry of Land, Infrastructure and Transport
Contents Logistics Center license and approval status, transaction 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

Prime over 50,000 py
Large over 30,000 py ~ smaller than 50,000 py
Medium over 10,000 py ~ smaller than 30,000 py
Small smaller than 10,000 py
Area unit Gross Floor Area 1 py = 3.3m²

Classification of Market & Submarket

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

Map of Submarket



01

Logistics Talk Vacancy matters!

- The logistics market has been promising for investment during the COVID-19 pandemic due to the growth of e-commerce. However, this year has seen challenges for logistics centers due to interest rate hikes in the US and an oversupply in SMA. Investors and managers have hesitated to invest, even implementing internal policies to restrict investment. So, what is the current vacancy level of logistics centers?
- To analyze the vacancy rate, we classified existing stock and a new supply of logistics centers. In the SMA, the vacancy rate for existing stock is less than 10%, while the vacancy rate for new supply is less than 30%. This shows an overall difference in vacancy between existing stock and new supply. Specifically, the Icheon·Yeoju, Ansan·Siheung, and Gimpo·Bucheon significantly differ in vacancy rates between existing stock and new supply.
- In Ansan-Siheung and Gimpo-Bucheon, the vacancy rate for existing stock is less than 10% and 5%, respectively, while the vacancy rate for new supply is over 50%. Only four new centers with a gross floor area (GFA) of more than 10,000 py were completed between November 2022 and November 2023 in Ansan-Siheung and only two in Gimpo-Bucheon. These centers have not been leased yet due to rent gaps with existing logistics centers or their distance from existing clusters.
- The Icheon·Yeoju shows a different trend than the previously mentioned Ansan-Siheung and Gimpo-Bucheon. This submarket has a relatively high vacancy rate for new supply logistics centers and existing stock. This is because it has long been a prominent hub for logistics, resulting in a consistently high supply. Additionally, the logistics centers supplied in this submarket have a relatively large proportion of over 10,000 py of GFA, contributing to a slower vacancy reduction pace.
- Excluding the submarkets above, the Southern and Central markets generally have a stable leasing situation for the stocks, with limited available land for additional development and relatively small price disparities between the existing stock and new supply. However, in the case of the Giheung-Suji, where additional supply is limited, leading to a reversal where the vacancy level of existing stock is higher than that of new supply. In Incheon, a concern for many, most of the dry logistics centers have been leased by Coupang, resulting in a resolution of vacancies, with the vacancy rate for existing stock being less than 10% and for new supply being less than 15%.
- As observed, the vacancy rates vary depending on factors such as regional supply conditions, movements of logistics companies, and rental rate increases. Therefore, when investing in logistics centers, it is necessary to carefully consider the conditions of each region and specific properties to mitigate risks.

Dry Logistics Center Vacancy Rates by Submarkets in the SMA



· Existing Stock : Based on logistics centers supplied up to the 1H 2023
 · New Supply : Based on newly supplied logistics centers from 2022 to 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

01

Overview

※ As of 4Q 2023, YoY

Cap. Rate	Unit Price per py (dry)	Transaction Area	Transaction Volume
5.3% ▲0.7%p	6.39 mil. won ▼0.29 mil. won	785,000 py ▼11,000 py	5.25 tril. won ▼0.81 tril. won

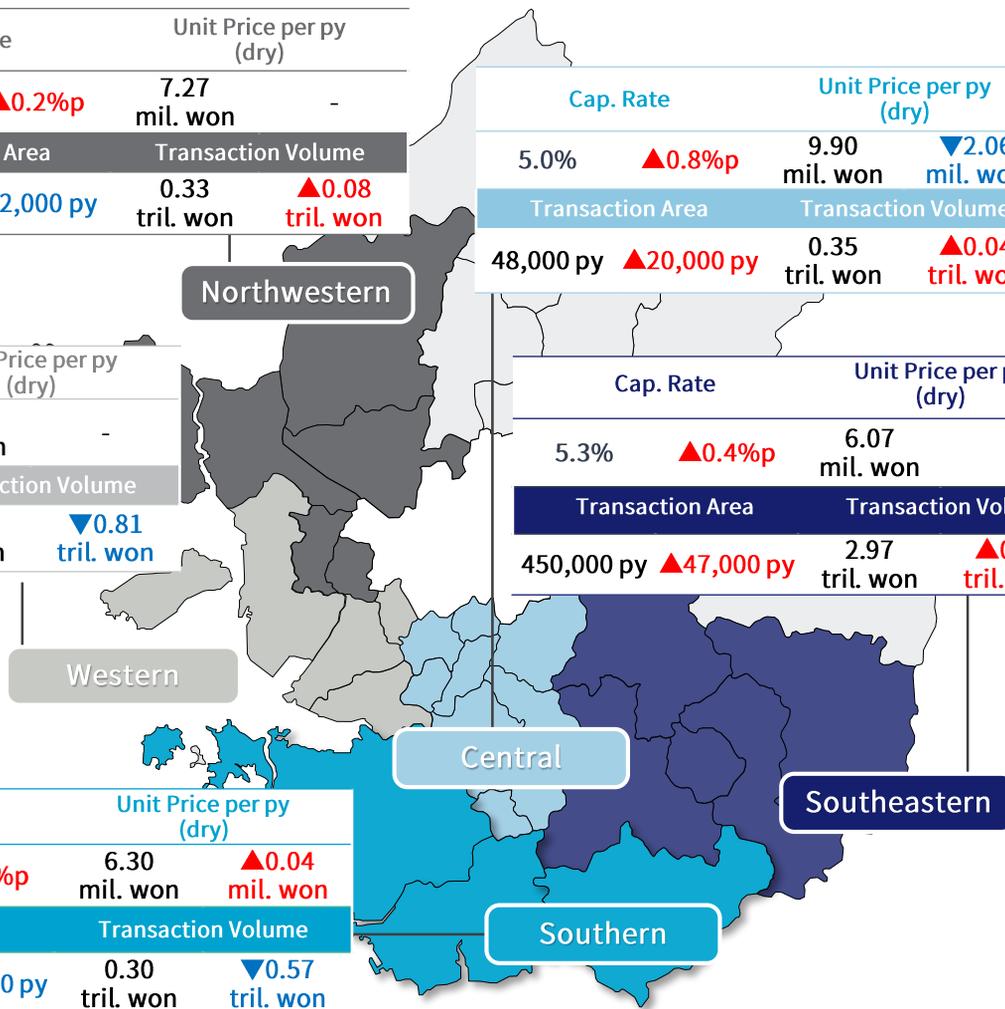
Cap. Rate	Unit Price per py (dry)	Transaction Area	Transaction Volume
4.5% ▲0.2%p	7.27 mil. won	26,000 py ▼2,000 py	0.33 tril. won ▲0.08 tril. won

Cap. Rate	Unit Price per py (dry)	Transaction Area	Transaction Volume
5.0% ▲0.8%p	9.90 mil. won ▼2.06 mil. won	48,000 py ▲20,000 py	0.35 tril. won ▲0.04 tril. won

Cap. Rate	Unit Price per py (dry)	Transaction Area	Transaction Volume
5.8% ▲1.5%p	6.12 mil. won	205,000 py ▼26,000 py	1.19 tril. won ▼0.81 tril. won

Cap. Rate	Unit Price per py (dry)	Transaction Area	Transaction Volume
5.3% ▲0.4%p	6.07 mil. won	450,000 py ▲47,000 py	2.97 tril. won ▲0.36 tril. won

Cap. Rate	Unit Price per py (dry)	Transaction Area	Transaction Volume
5.8% ▲1.3%p	6.30 mil. won ▲0.04 mil. won	41,000 py ▼63,000 py	0.30 tril. won ▼0.57 tril. won

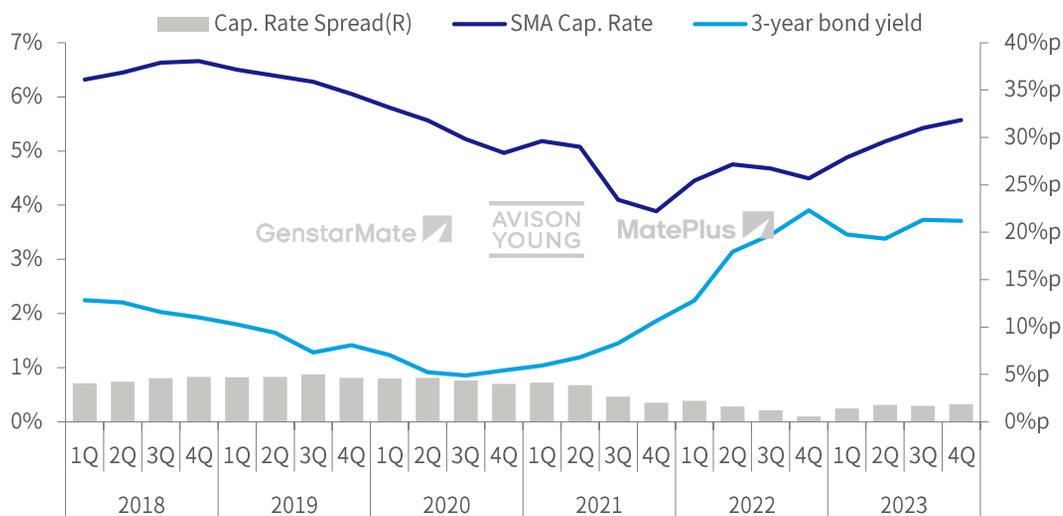


- In 2023, the transaction volume of logistics centers in the SMA is 5.3 trillion won (13.3%▼ year-over-year), especially down 0.8 trillion won from 2022 in the Western market.
- However, the transaction volume could reach 5.6 trillion won if the current transactions close post-mid-December.
- The unit price per py for dry logistics centers in the SMA decreased by 4.3% from 2022 to 6.4 mil. won. Mixed and cold logistics center marked 6.9 mil. won and 11.1 mil. won each, slightly fell from the previous year.
- In 2023, the Cap. Rate for overall SMA logistics centers increased by 0.7%p YoY to 5.3%. The downward trend in Cap. Rate, which continued until the second half of 2021, turned upward due to rising interest rates. Most prominent pre-purchase deals at the beginning of the year were in the 5% Cap. Rate range. However, some existing stock asset deals were in the 6% Cap. Rate range.

02

SMA Cap. Rate Trend

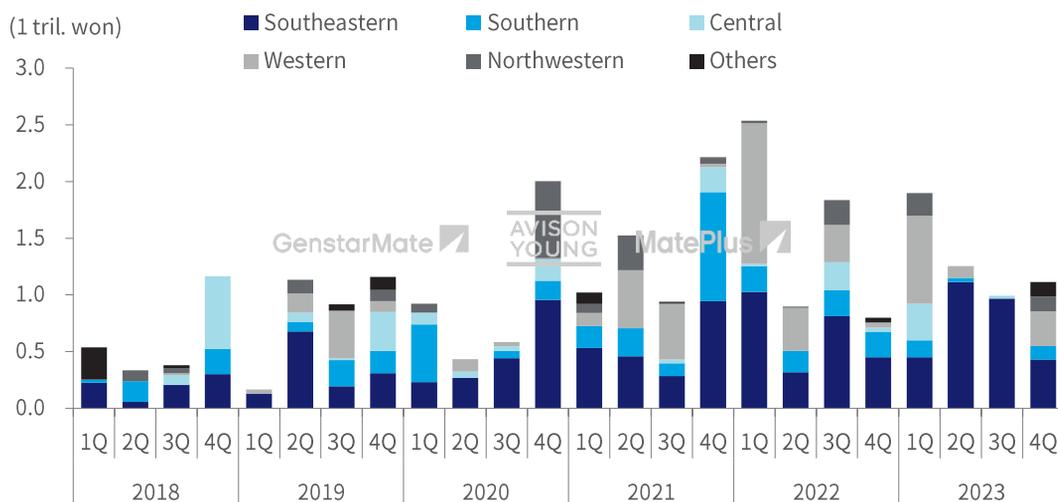
- The SMA's capitalization rate (Cap. Rate) has been consistently increasing since Q1 2022, following its record low in Q4 2021.
- Q4 2023 Cap. Rate is 5.6%, similar to Q2 2020.
- The Cap. Rate spread increases slightly to 1.7%p in 2023 compared to the previous year, as the rise the 3-year bond yield remains flat.



03

SMA Transaction Volume Trend

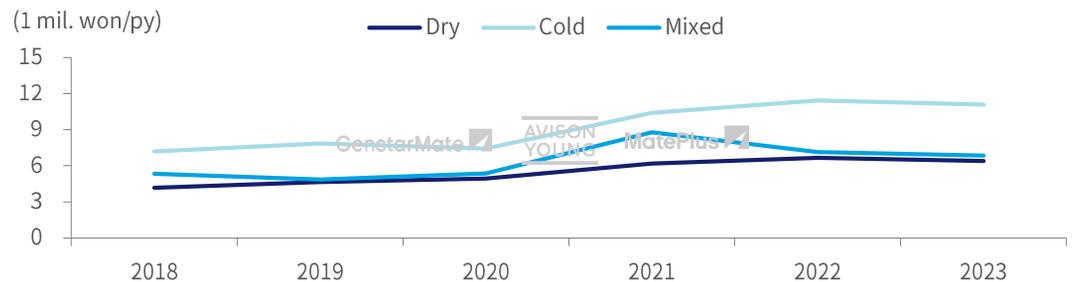
- In 2023, the overall transaction volume of the SMA is 5.3 trillion won, a decrease of 13.3% from 2022, the biggest transaction volume in history.
- The Southeastern market contributed over 3 trillion won to the transaction volume, representing more than half of the total transactions in the SMA.
- The Central and Northwestern markets each recorded 300 billion won, indicating an increase from the previous year.
- In 2022, the Western market recorded 2 trillion won, driven by pre-purchase transactions. However, in 2023, the transaction volume for the Western market decreased by 40.5% YoY to 1.2 trillion won, contributing to an overall decline in the SMA's transaction volume.



04

Transaction area and Unit price per py by type

- In 2023, there were forty-four transactions in the SMA, encompassing approximately 780,000 py. This marked a 28% decrease in the number of transactions compared to 2022. However, the reduction in transaction area was only 1.4%, as there was an uptick in transactions involving large-sized centers.
- Due to the recent increase in a new supply of mixed logistics centers, the proportion of transactions in mixed assets is around 80%.
- The unit prices for dry and cold centers are 6.4 and 11.1 mil. won per py, down 4.3% and 3.0% from 2022, respectively. The unit price for mixed logistics centers is 6.9 million won, decreased by 4.0% YoY.

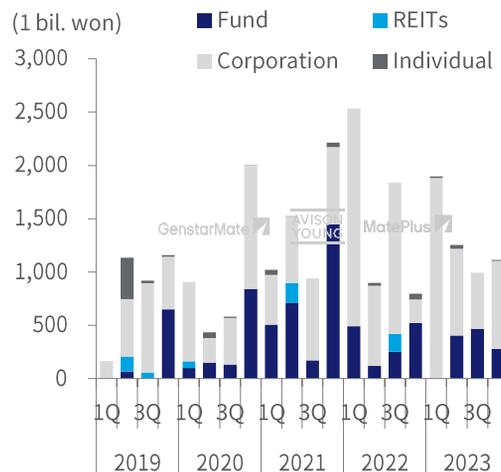


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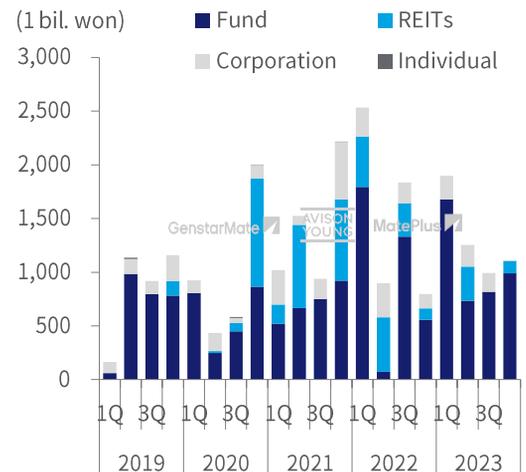
Transaction volume by seller/buyer type

- Among various seller types, corporations accounted for the sale transaction of thirty-one logistics centers, representing 4 trillion won and constituting about 77% of the total transaction volume. This trend is attributed to numerous sales occurring under pre-purchase agreements by PFVs or developers, similar to the pattern observed in 2022.
- Funds sold around 1 trillion won, down 16.9% YoY, and no sale transaction of REITs in 2023.
- Regarding buyer types, Funds accounted for 4.2 trillion won, 80.3 % of total volume, the biggest proportion ever, followed by corporations at around 11.5%. Acquisitions by REITs, which accounted for more than 20% for three consecutive years, dropped significantly to 8.2%.

Transaction volume by seller type



Transaction volume by buyer type



06-1

Transaction cases by market

Southeastern

- In 2023, the transaction volume of logistics centers in the Southeastern market reached 3.0 trillion won, up 13.7% YoY, the biggest transaction volume in history.
- Twenty-nine cases, about 66% of the total transactions in the SMA, took place in the Southeastern, with the largest share of transaction volume at about 56%.
- The acquisitions through pre-purchase deals for new supply logistics centers, which fueled the overall volume growth in the market in 2022, experienced a slight decline in 2023. Meanwhile, transactions for existing stocks witnessed an increase.
- The transaction volume in Gwangju-Gonjiam declined compared to 2022. However, the investment demand concentrated in Yangji-Deokpyeong and Icheon-Yeouju, reaching 1.2 tril.won and 1.6 tril won.

Logistics center	Location	Type	Transaction Area(py)	Price (10 bil. won)	Unit price/py (1 mil. won)	Seller / Buyer
LogisCo Yangji Logistics Center	Yongin	Mix	62,251	467	7.5	Seller : Rifa AMC Buyer : Mirae Asset Global Investments
Yongin Namsa Logistics Center	Yongin	Mix	39,927	317	7.9	Seller : Hangang Logis Buyer : Samsung SRA AMC
Logis Hub Yeouju	Yeouju	Mix	48,040	284	5.9	Seller : AMPLUS Asset Development Buyer : Pebblestone AMC
Doji 2 Logistics Center	Icheon	Mix	19,544	151	7.7	Seller : Doji DC2 Buyer : ADF AMC
Icheon Sujeong-ri Logistics Center	Icheon	Mix	24,470	150	6.1	Seller : Metheus AMC Buyer : Mastern Investment Management
CBRE GI West Icheon Logistics Center	Icheon	Dry	23,658	145	6.1	Seller : CBRE IM AMC Buyer : Maple Tree Log Miyang
BRIC East Icheon Logistics Center	Icheon	Mix	13,927	127	9.1	Seller : East Icheon Logisitics Center Buyer : Kendall Square REIT Management
Icheon Dakonet Logistics Center	Icheon	Dry	18,814	114	6.1	Seller : Dakonet and 2 other Buyer : Kendall Square REIT Management
Bubal-eup, Jukdang-ri Logistics Center	Icheon	Mix	14,840	109	7.3	Seller : JD Logis Buyer : ADF AMC
Ishin Logis Logistics Center	Icheon	Dry	12,573	96	7.6	Seller : Ishin Logis Buyer : ADF AMC
Icheon Ihwang Logistics Center	Icheon	Mix	16,387	95	5.8	Seller : Seil Construction Buyer : LB AMC
Gobaek-ri Logistics Center	Icheon	Mix	16,346	92	5.6	Seller : Mirae Asset Global Investments Buyer : LaSalle Investment Management
West Icheon Kendall Logistics Center	Icheon	Dry	14,415	84	5.8	Seller : Kendall Square AMC Buyer : KORAMCO REITS MANAGEMENT AND TRUST
Icheon-si Daepo-dong Logistics Center	Icheon	Mix	14,406	78	5.4	Seller : Seil Construction Buyer : Melon AMC

LogisCo Yangji Logistics Center



Yongin Namsa Logistics Center



Logis Hub Yeouju



Doji 2 Logistics Center



06-2

Transaction cases by market

Western

- In 2023, the total number of transactions in the Western market decreased by four, and the transaction volume saw a YoY decline of 40%, amounting to 1.2 trillion won.
- In 2022, Incheon's transaction volume reached 1.7 trillion won, driven by a surge in pre-purchase acquisitions for new supply logistics centers. However, the volume declined to 1.0 trillion won in 2023.
- All transaction cases in the Western market in 2023 were for new supply logistics centers. Brookfield AMC Korea acquired Cheongna Logistics Center, constituting 55.5% of the overall transaction volume in the Western market.
- In Incheon, all assets were acquired by cross-border investors, whereas in Ansan, there was only one transaction involving a domestic investor.

Logistics center	Location	Type	Transaction Area(py)	Price (10 bil. won)	Unit price/py (1 mil. won)	Seller / Buyer
Cheongna Logistics Center	Incheon	Mix	130,147	659	5.1	Seller : KP Logistics PFV Buyer : Brookfield AMC Korea
ALPHA FLUX	Ansan	Mix	16,594	115	6.9	Seller : Focus On Investment Development Buyer : Starlord AMC
Incheon Namcheongna Complex 2	Incheon	Mix	20,085	105	5.2	Seller : Hanwon Logis Buyer : D&D Investment

Cheongna Logistics Center



ALPHA FLUX



Incheon Namcheongna Complex 2



06-3

Transaction cases by market

Southern

- In 2023, the Southern market saw a total of five transaction cases (six assets) with a transaction volume of 301 billion won, marking a 65% YoY decrease.
- Out of the total transaction cases, only two cases exceeded 100 billion won, with the remaining cases involving corporations acquiring small-sized logistics centers.
- Anseong Seongeun Logistics Center, a two-building mixed-use logistics center completed in the first half of 2023, was acquired by CapitaLand Investment Management in the third quarter of 2023.

Logistics center	Location	Type	Transaction Area(py)	Price (10 bil. won)	Unit price/py (1 mil. won)	Seller / Buyer
Osan Fulfilment Logistics Center	Hwaseong	Cold	12,698	141	1.1	Seller : Osan Fullfillment Buyer : Korea Superfreeze Osan
Anseong Seongeun Logistics Center	Anseong	Mix	18,273	109	6.0	Seller : Anseong Seongeun PFV Buyer : CapitaLand Investment Management Korea

Osan Fulfilment Logistics Center ▶▶
Anseong Seongeun Logistics Center ▶▶



06-4

Transaction cases by market

Northwestern

- In the Northwestern market, there were two transactions in Goyang, totaling 329.5 billion won. This marks a 31% increase compared to 2022. Conversely, no transactions were recorded in Gimpo-Bucheon.
- Samsung Fresh Lodge, located in Ogeum-dong, Deogyang-gu, Goyang-si, is a cold logistics center completed in the first quarter of 2023. BlueCove Investment acquired this asset, along with Goyang Samsung Logis Hill (acquired in 2022), situated on the adjacent site.

Logistics center	Location	Type	Transaction Area(py)	Price (10 bil. won)	Unit price/py (1 mil. won)	Seller / Buyer
Samsung Fresh Lodge	Goyang	Cold	12,600	200	1.6	Seller : Fresh Samsung PFV Buyer : BlueCove Investment

Samsung Fresh Lodge ▶



06-5

Transaction cases by market

Central

- In 2023, two logistics centers, including Osan Logipolis, were traded in the Central market. The total transaction volume experienced a YoY increase of 7.1%, reaching 347 billion won.
- Osan Logipolis stands as the sole transaction case in Dongtan-Osan in 2023. YNP Asset Management, acquired this property upon its completion with a cross-border investor.
- The Giheung-Suji has seen only one transaction involving a small logistics center for two consecutive years.

Logistics center	Location	Type	Transaction Area(py)	Price (10 bil. won)	Unit price/py (1 mil. won)	Seller / Buyer
Osan Logipolis	Osan	Mix	45,488	323	7.1	Seller : OST Partners Buyer : YNP AMC

Osan Logipolis ▶



06-6

Transaction cases by market

Others

- The transaction volume for Others reached 127.6 billion won in 2023, reflecting an increase of 85.3 billion won compared to 2022. This amount includes the acquisition of one logistics center in Pocheon.
- Logipolis Pocheon Logistics Center, a mixed-use logistics center completed in the first quarter of 2023, serves as a base center for GS Networks' convenience store deliveries. YNP Asset Management acquired this property in collaboration with cross-border investors.

Logistics center	Location	Type	Transaction Area(py)	Price (10 bil. won)	Unit price/py (1 mil. won)	Seller / Buyer
LogiPolis Pocheon Logistics Center	Pocheon	Mix	14,296	128	8.9	Seller : Myung Jin CNS Buyer : YNP AMC

Logipolis Pocheon ▶

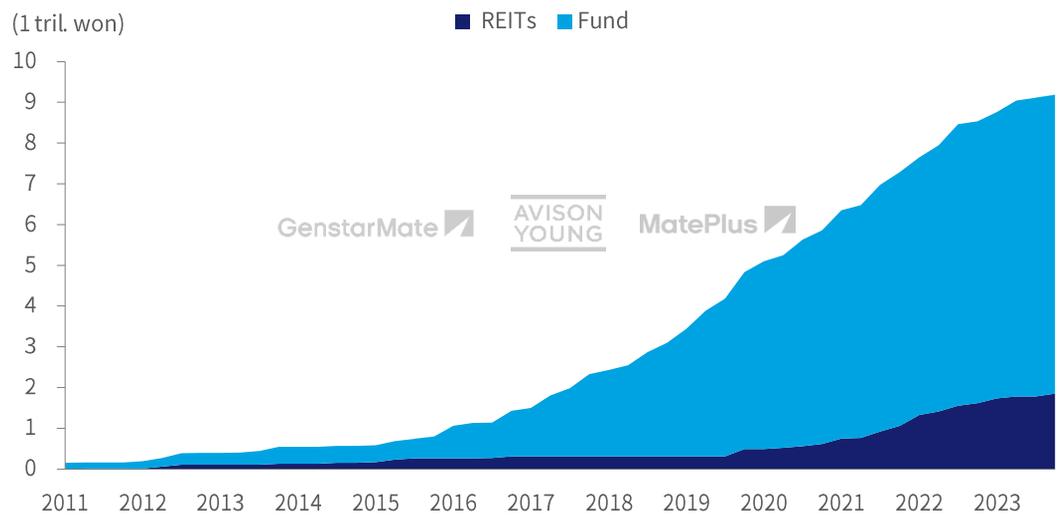


07

Real estate indirect investment vehicle

- As of November 2023, approximately 9.2 trillion won of equity (based on REIT capital or real estate fund assets according to the investment prospectus) has been invested in actual.
- In 2023, the equity invested in domestic logistics centers experienced a YoY decline of 48%, totaling 645.9 billion won. This represents the first instance since 2019 that the investment has dropped below the 1 trillion won threshold.

Indirect Investment Vehicle Equity Trend

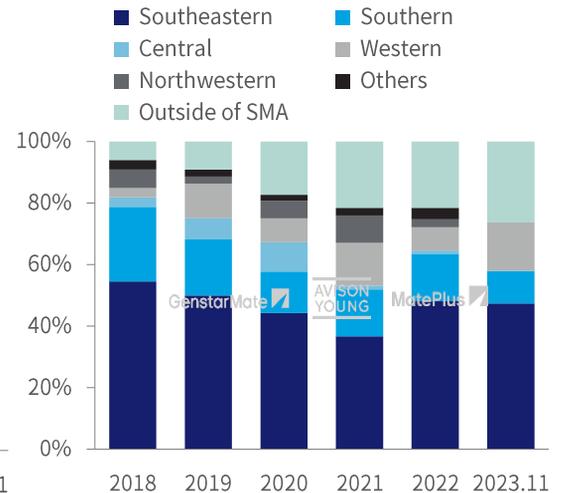


- In the period up to November 2023, nineteen new REITs and real estate funds were invested in the acquisition or development of domestic logistics centers.
- Differing from the trend in 2022, where a significant portion of new investments was channeled into pre-purchase and development, there was a shift in 2023. As of November, there has been a notable increase in investments specifically targeting the acquisition of existing stocks.
- In 2023, the investment markets for logistics centers, which had been diversifying since 2018, demonstrated a concentration in the Southeastern and Western of the SMA and Gyeongsangnam-do. Conversely, there was a notable decrease in new investments in other regions.

New Indirect Investment Trend by Type



New Indirect Investment Trend by Region



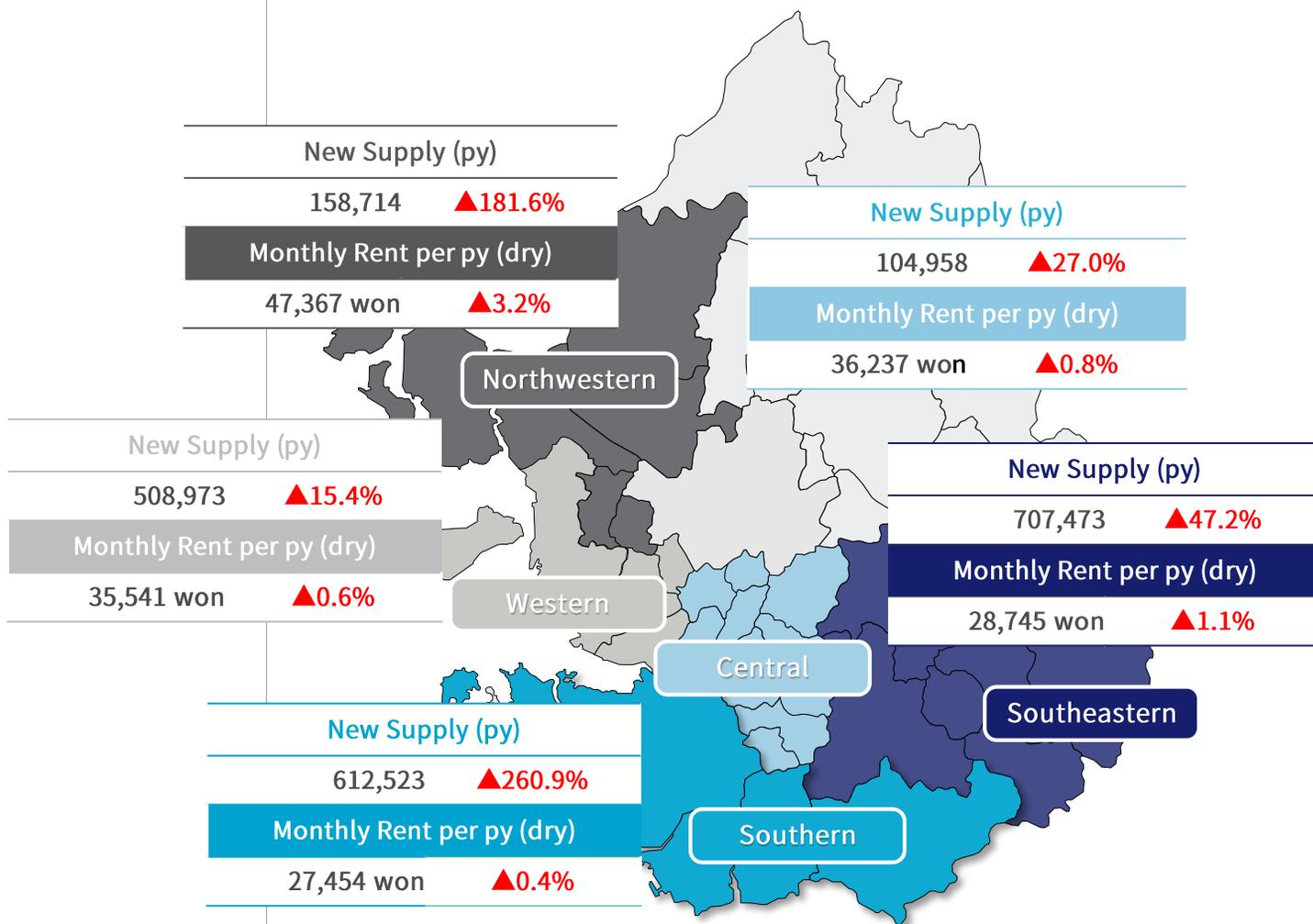
01

Overview

SMA Supply & Leasing Market

※ New Supply Area: YoY Comparison
 ※ Average Monthly Rent per py: As of Q4 2023

New Supply (py)		Monthly Rent per py (dry)	
2,154,164	▲72.9%	31,785 won	▲1.5%



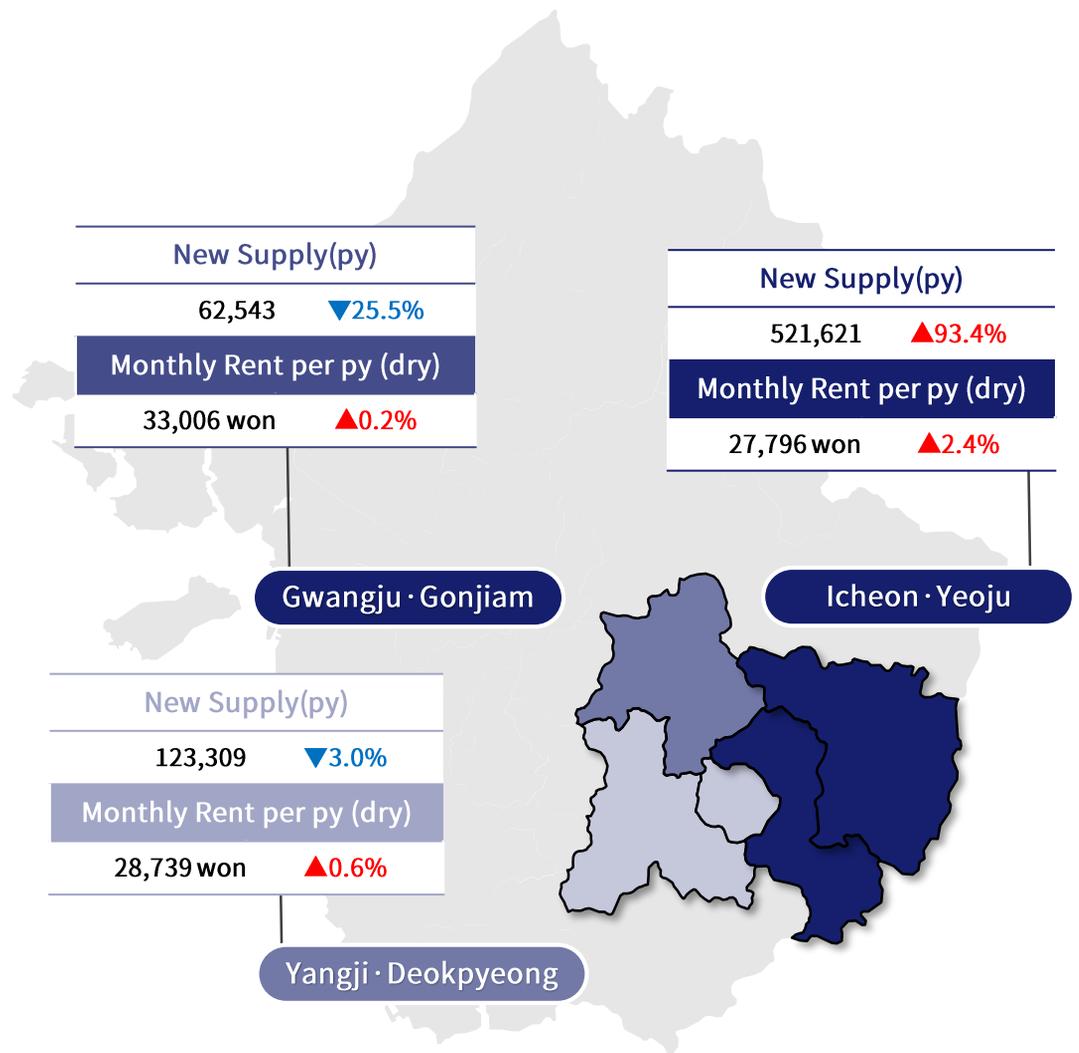
- In 2023, the New Supplied Volume in the SMA increased to 2,150,000py, up 72.9% YoY.
- The southeastern market saw a substantial increase in supply, mainly due to large-sized logistics centers like Geo&S Logistics Center, LogisPoint Yeosu, and Yeosu Bonduri Logistics Center, exceeding the supply figures in 2022.
- The completion of DaeDuk Logistics Center Building A and KY Logis Anseong Cold Logistics Center in the southern market, as well as Seoknam Innovation Logistics Center and LogisHub Incheon Logistics Center in the western market, each led to a significant new supply, with both markets individually contributing over 500,000 py.
- In 2024, the New Supplied Volume is expected to decrease across all markets, except for the northwestern market. This follows 2023, which is anticipated to be the peak year.
- The SMA's average rent was about 31,785 won per py, a 1.5% YoY increase. Despite general stability in nominal rent rates, the Northwestern market recorded the highest growth at 3.2%.
- Overall, an upward trend in rents across the SMA is observed, driven by new logistics centers.

02

Southeastern

※ New Supply Area: YoY Comparison
 ※ Average Monthly Rent per Py: As of Q4 2023

New Supply(py)		Monthly Rent per py(dry)	
707,473	▲47.2%	28,745 won	▲1.1%



- In 2023, the Southeastern market recorded a new supply of 707,000 py, a 47.2% YoY increase, marking the highest new supply area ever.
- By submarkets, 63,000 py in the Gwangju-Gonjiam, 123,000 py in the Yangji-Deokpyeong, and a significant 522,000 py in the Icheon-Yeoju, with the latter accounting for the most significant proportion.
- Due to the instability in the PF market, the number of break grounds sharply declined after 2H 2022. Consequently, the projected supply for 2024 is about 200,000 py, which is a reduction of over 70% compared to 2023.
- The average monthly rent for dry logistics centers in the Southeastern market is 28,745 won per py, up 1.1% YoY.

02-1

Gwangju · Gonjiam

New Supply

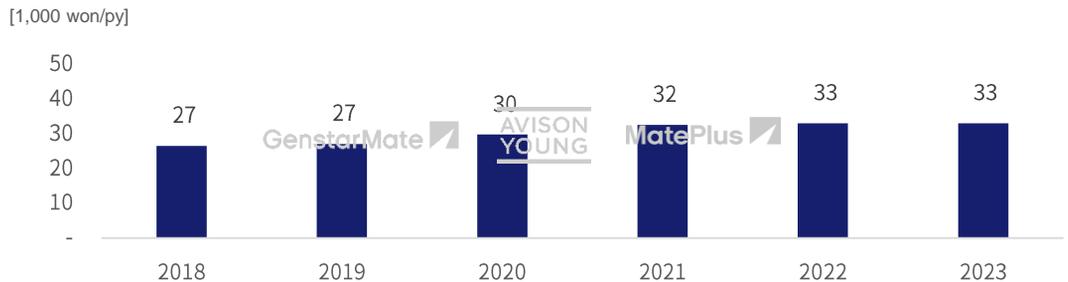
- In 2023, the new supply in the Gwangju-Gonjiam decreased by about 25.5% YoY, amounting to 63,000 py.
- That same year, the Bundang Yatap Logistics Center was completed, marking the first logistics center in Seongnam City approved for development in 2021.
- For 2024, the expected new supply in the submarket is about 27,000 py, with the most assets scheduled for completion being small and medium-sized.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Gwangju-Gonjiam is 33,006 won per py, up 0.2% YoY



Dry logistics center vacancy rate in Gwangju-Gonjiam

Gwangju-Gonjiam is a submarket with high logistics demand due to its excellent accessibility to Seoul.

As of Q4 2023, it records a low existing stock vacancy rate of less than 5%. Large-sized logistics centers such as CJ Logistics Mega Hub Gonjiam and Opo Logistics Park, each with a GFA of over 30,000 py, also have few remaining vacancies.

The vacancy rate for new supply logistics centers is around 10%, and vacancies in medium-sized logistics centers completed in Q2 2023 still need to be occupied.

Gwangju-Gonjiam is expected to maintain a low overall vacancy rate, as the pipeline for ample supplies is not substantial.



Existing Stock : Logistics Center supplied by 1H 2023
 New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

*Source : GenstarMate

02-2

Yangji·Deokpyeong

New Supply

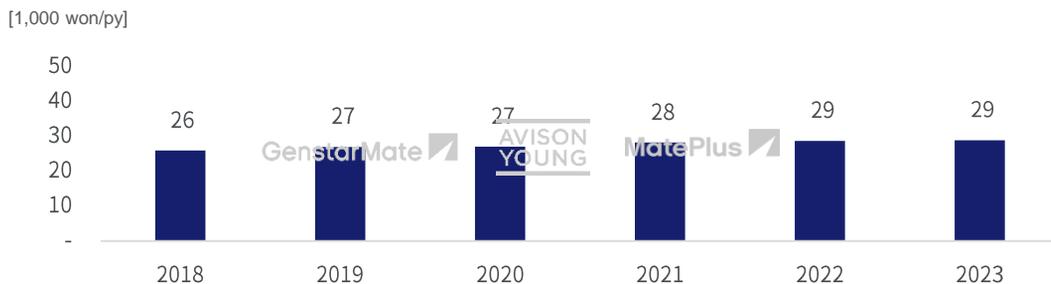
- In 2023, ten logistics centers were supplied, with five having a GFA over 10,000 py. The total new supply was 123,000 py, representing a 3% YoY decrease.
- The Geo&S Logistics Center(50,000 py) was the first prime logistics center since the LogisCo Yangji Center completed in 2021, signifying a notable supply in the market after nearly two years.
- For 2024, the supply will include Mastern AMC's LogisPoint Hobeop A Logistics Center and the MajangMyeon Jangam-Ri -Logistics Center, pre-purchased by WideCreek AMC. This is expected to lead to an increase in the share of medium-sized logistics centers in the market.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Yangji-Deokpyeong is 28,739 won per py, up 0.6% YoY.



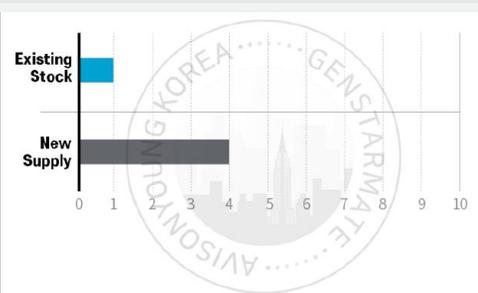
Dry logistics center vacancy rate in Yangji-Deokpyeong

Due to its excellent transport connectivity and infrastructure, Yangji-Deokpyeong consistently experiences high logistics demand.

As of Q4 2023, the existing stock vacancy rate is below 5%. This low rate is due to rapid vacancy absorption in large-sized logistics centers such as Namsa Logistics Center and LogisCo Yangji Logistics Center.

However, the vacancy rate for new supply logistics centers is between 15% and 20%, indicating that recently completed prime-sized logistics centers are being absorbed into the market at a gradual rate

For 2024, the supply of medium-sized logistics centers is scheduled mainly in Majang-Hobeopmyeon. This may lead to a slight increase in the overall vacancy rate if it causes a supply-demand imbalance.



Existing Stock : Logistics Center supplied by 1H 2023
New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
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*Source : GenstarMate

02-3

Icheon·Yeoju

New Supply

- In 2023, Icheon-Yeoju surpassed its 2022 record of 270,000 py, achieving a new high with a supply of 522,000 py. This represents an impressive 93.4% YoY increase, establishing a new benchmark for new supply in the submarket.
- The LogisPoint Yeoju & Yeoju Bonduri, completed in 2023, were the first large-sized logistics centers in Yeoju.
- For 2024, the supply will be centered on medium and large-sized assets, including logistics centers in Moga-Myeon Singal-Ri, Daewol-Myeon Gunryang-Ri, and Jeombong-Dong.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Icheon·Yeoju is 27,796 won per py, up 2.4% YoY.



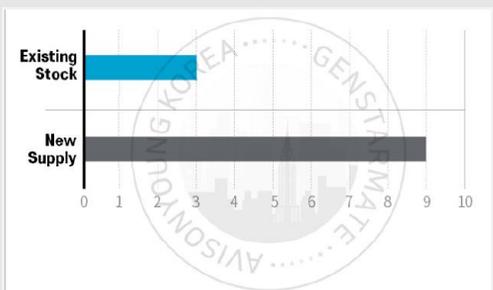
Dry logistics center vacancy rate in Icheon·Yeoju

Icheon·Yeoju is the most active submarket for logistics center development in the southeastern market.

Despite the supply of large-sized logistics centers since 2021, the existing stock vacancy rate remains in the 10% range, thanks to rapid absorption by various tenants such as Coupang, Musinsa, LX Pantos, and Han Express.

The vacancy rate for new supply logistics centers is around 40%, reflecting a comparatively slow absorption for medium and large-sized logistics centers completed after Q2 2023.

As approximately ten medium and small-sized logistics centers are expected to be supplied in 2024, the vacancy rate is expected to rise slightly.



Existing Stock : Logistics Center supplied by 1H 2023
New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

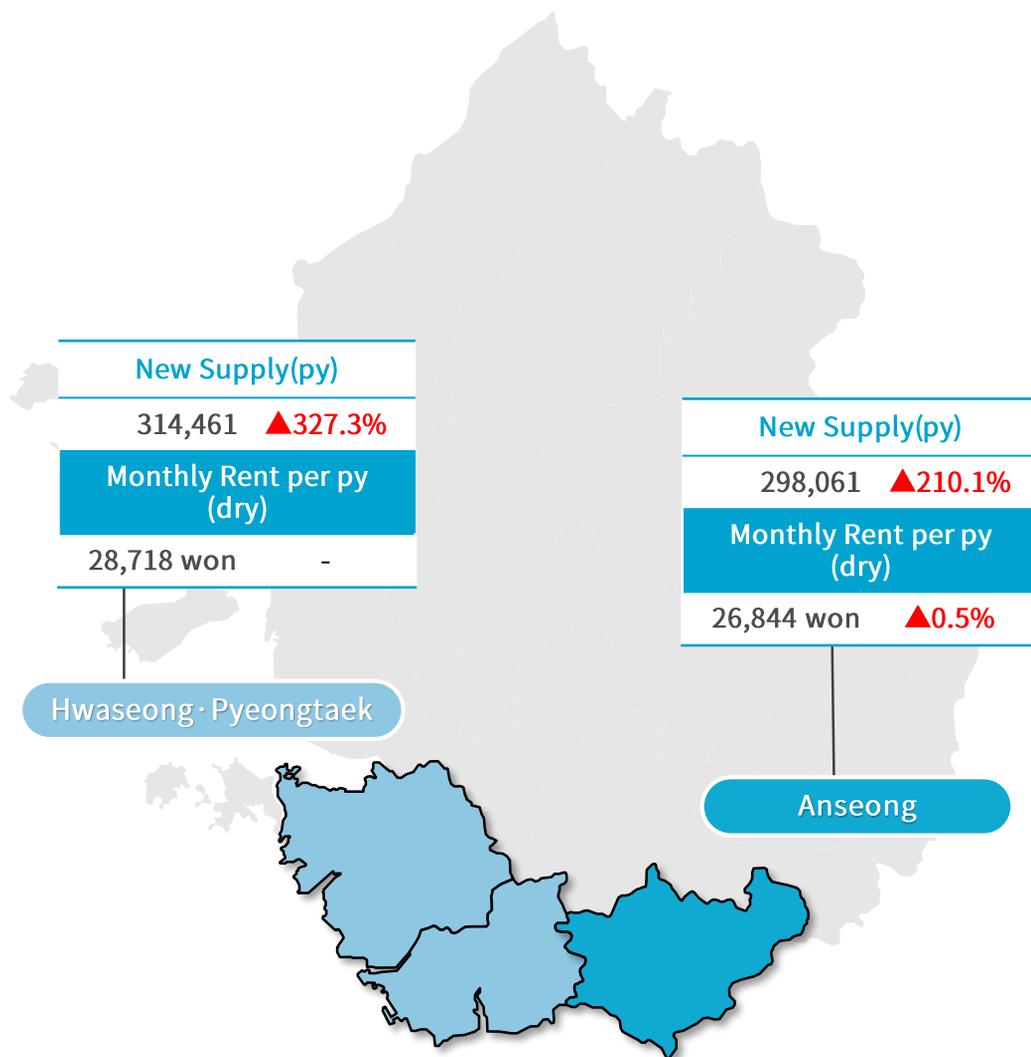
*Source : GenstarMate

03

Southern

※ New Supply Area: YoY Comparison
 ※ Average Monthly Rent per Py: As of Q4 2023

New Supply(py)		Monthly Rent per py(dry)	
612,523	▲260.9%	27,454 won	▲0.4%



- In 2023, the new supply in the Southern market surged to 613,000 py, representing a significant YoY increase of 260.9%. The concentration of this new supply was particularly notable in Prime logistics centers with a Gross Floor Area (GFA) of 50,000 py or more in the Southern market.
- The new supply of Prime logistics center is expected to continue in 2024. However, the overall new supply in 2024 will be lower than in 2023 due to the lack of under-construction sites in the market.
- The average monthly rent for dry logistics centers in the Southern market is 27,454 won per py, up 0.4% YoY.

03-1

Anseong

New Supply

- In 2022, Anseong's new supply was only 92,000 py, but in 2023, it soared to 298,000 py, a 210.1% increase, primarily due to new supplies in Jukam-Myeon, Wongok-Myeon, and Mi-Yang-Myeon, setting a record for the most significant new supply.
- In 2023, significant projects completed in Anseong were DaeDuk Logistics Center Building A (56,000 py) and Anseong Seongeun Logistics Center A-B (11,000 and 7,000 py, respectively).
- For 2024, a diverse grade of logistics centers, including prime assets over 50,000 py, are planned in Anseong, with an anticipated supply exceeding 200,000 py.

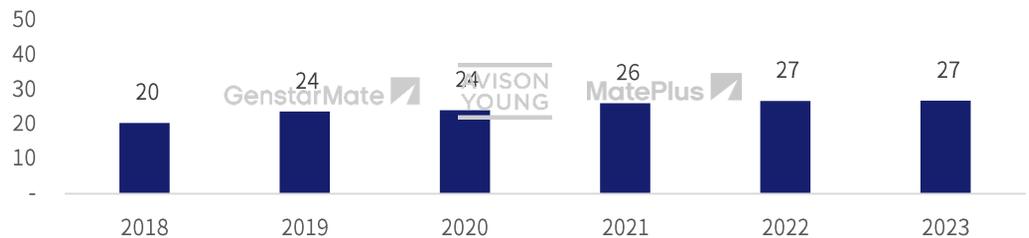
New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Anseong is 26,844 won per py, up 0.5% YoY.

[1,000 won/py]



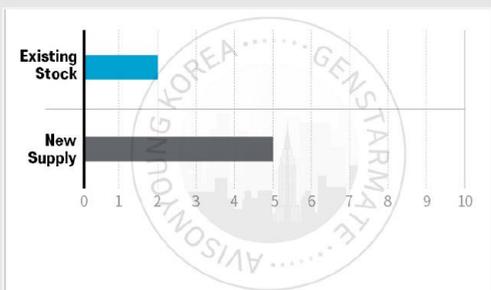
Dry logistics center vacancy rate in Anseong

Anseong stands out as a submarket characterized by relatively low land prices and convenient transportation access across the country. The supply of new logistics centers in Anseong is experiencing a significant increase.

As of Q4 2023, the vacancy rate for existing stock is below 10%, with stabilization occurring as the majority of logistics centers are fully leased.

Nevertheless, owing to the recent surge in new supply, vacancy rates for new supply is between 20% and 25%, with a few logistics centers remaining entirely unoccupied.

Given the substantial upcoming supply in Anseong, it is anticipated that vacancy rates for new supply will persist at levels similar to the current ones.



Existing Stock : Logistics Center supplied by 1H 2023

New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

*Source : GenstarMate

03-2

Hwaseong·Pyeongtaek

New Supply

- In 2023, Hwaseong · Pyeongtaek recorded a new supply of 315,000 py, a 327.3% increase from the previous year, with two prime assets of over 50,000 py each being supplied.
- These included Kendall Square AMC's Kendall Square Pyeongtaek Logistics Park (58,000 py) and Mastern AMC's LogisPoint Pyeongtaek Logistics Center (60,000 py).
- For 2024, while the Pyeongtaek BIX Logistics Center (52,000 py) and several medium-sized logistics centers are scheduled, the new supply is expected to decrease compared to 2023.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Hwaseong·Pyeongtaek remains at the similar level as the previous year at 28,718 won per py.



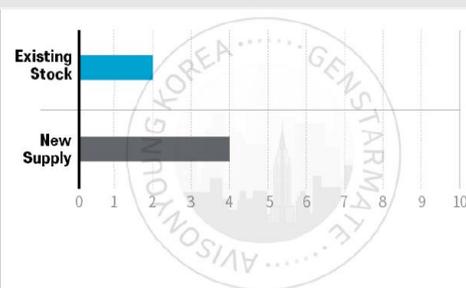
Dry logistics center vacancy rate in Hwaseong·Pyeongtaek

In Hwaseong·Pyeongtaek, the recent surge in supply is primarily centered around the Poseung General Industrial Complex near Pyeongtaek Port. Additionally, there is a notable increase in supply along the Seohaean Expressway and in Jeongnam-myeon of Hwaseong City.

As of Q4 2023, the existing stock vacancy rate is less than 10%; most logistics centers are fully occupied, except for some new supply assets.

The vacancy rate for new supply is approximately 15-20%, primarily attributed to residual vacancies in specific new logistics centers in Pyeongtaek City.

Similar to Anseong, Hwaseong·Pyeongtaek is anticipated to maintain current levels of new supply vacancy rates for an extended period, owing to the under-construction logistics center.



Existing Stock : Logistics Center supplied by 1H 2023
 New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

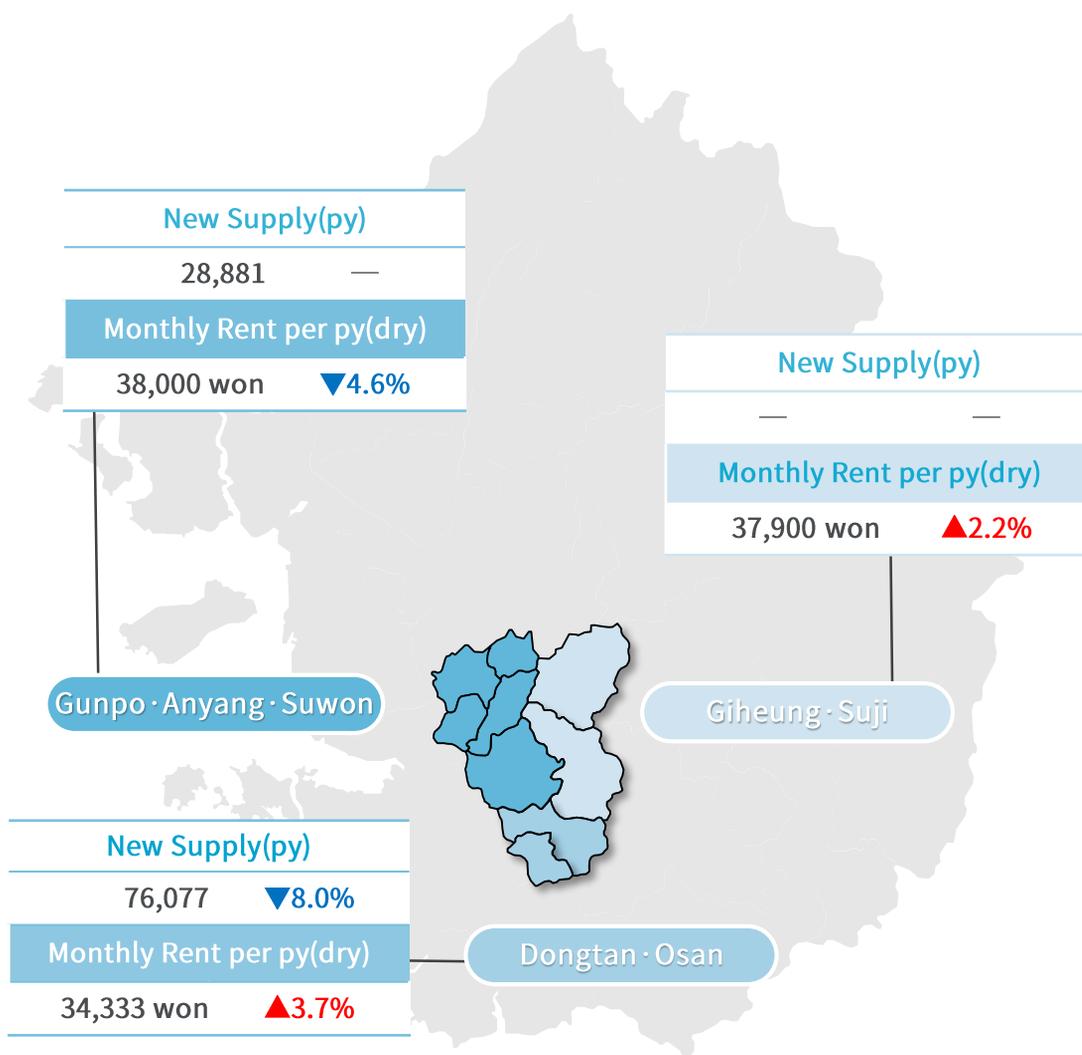
*Source : GenstarMate

04

Central

※ New Supply Area: YoY Comparison
 ※ Average Monthly Rent per Py: As of Q4 2023

New Supply(py)		Monthly Rent per py(dry)	
104,958	▲27.0%	36,237 won	▲0.8%



- In 2023, the Central market records a new supply of about 105,000 py, marking a 27% YoY increase and achieving the first supply of over 100,000 py in five years.
- By submarkets, about 29,000 py is supplied in the Gunpo-Anyang-Suwon submarket, and about 76,000 py in the Dongtan-Osan submarket, accounting for most of the supply in the Central market.
- The Anyang Logistics Center, supplied for the first time in about three years since 2020 in the submarket, is expected to effectively absorb the increasing logistics demand from Seoul, leading to rapid occupancy of vacancies.
- The average monthly rent per py for dry logistics centers in the Central market is 36,237 won, representing a 0.8% YoY increase.

04-1

Gunpo · Anyang · Suwon

New Supply

- After the completion of a logistics center in Uiwang Techno Park Industrial Complex in Q1 2020, there had been no new supply in the submarket until 2023, when the Anyang Logistics Center, with a GFA of 29,000 py, was completed.
- This center is a mixed-use and active leasing marketing is currently underway.
- The only logistics center supply scheduled from 2024 in this submarket is one small-sized logistics center, indicating that the cumulative supply of logistics centers is not expected to undergo significant changes soon.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Gunpo · Anyang · Suwon is 38,000 won per py, up 4.6% YoY.



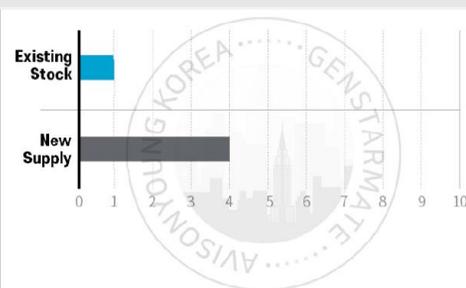
Dry logistics center vacancy rate in Gunpo · Anyang · Suwon*

The Gunpo · Anyang · Suwon, a residentially dense new town, has relatively limited logistics center supply compared to other submarkets.

In this submarket, the Gunpo Complex Logistics Park 1&2 accounts for 83.7% of all logistics centers, and most vacancies have already been occupied, maintaining the existing stock vacancy rate below 5% for a substantial period.

The vacancy rate for new supply logistics centers ranges from 15% to under 20%, and e-commerce sectors are likely to lease several medium-sized logistics centers completed in Q4 2023; there are still some vacancies.

There is one planned supply project in the submarket, and the existing stock vacancy rate is expected to remain below 5%.



Existing Stock : Logistics Center supplied by 1H 2023
 New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

*Source : GenstarMate

*In Gunpo · Anyang · Suwon, there are not enough samples (less than 5).

04-2

Dongtan · Osan

New Supply

- Despite limited land for development, recent years have seen new logistics centers in Dongtan-Osan, including Dongtan Central LogisHub, Osan Logispolis, JW Pharmaceutical Hwaseong Logistics Center, and Pungnong Osan Logistics Center.
- These centers, all intended for leasing and currently undergoing active lease marketing, are mixed-use.
- With no further completions expected in the next two years, the supply in Dongtan-Osan is expected to maintain its current level.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Dongtan-Osan is 34,333 won per py, up 3.7% YoY.



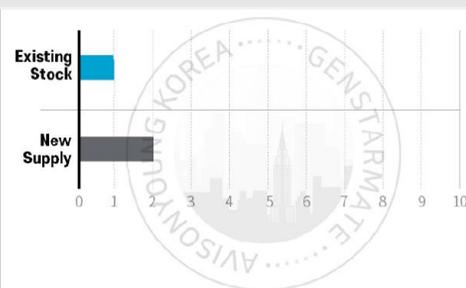
Dry logistics center vacancy rate in Dongtan-Osan

Dongtan-Osan is experiencing high leasing demand due to the new town's logistics needs and proximity to the Gyeongbu Expressway, with the existing stock vacancy rate below 5%.

Large-sized logistics centers like Hwaseong Dongtan Logistics Park Block B and JW Pharmaceutical Hwaseong Logistics Center typically fill most of their vacancies rapidly within three quarters after completion.

Recently, newly supplied large-sized logistics centers in the submarket have also been quickly absorbed, with a new supply vacancy rate under 10%.

With no further logistics center supplies planned, the remaining vacancies are expected to be swiftly resolved.



Existing Stock : Logistics Center supplied by 1H 2023
New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

*Source : GenstarMate

04-3

Giheung · Suji

New Supply

- Since the supply of one medium-sized logistics center in Gomae-dong, Giheung, in 2021, there has been no new supply in Giheung · Suji.
- While permits have been approved for two additional supplies, the breakdown of construction has not taken place, leaving the timing of supply uncertain.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Giheung-Suji is 37,900 won per py, up 2.2% YoY.



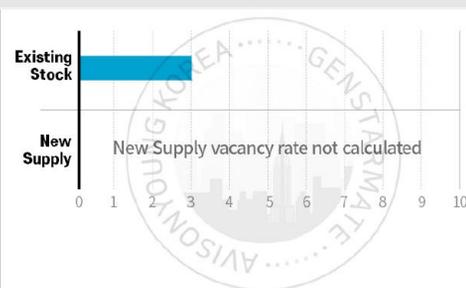
Dry logistics center vacancy rate in Giheung · Suji

Since 1979, the Giheung-Suji has developed primarily around the Gyeongbu Expressway, with several aging logistics centers located in Gongse-dong, Gomae-dong, and Singal-dong within Giheung-gu, Yongin.

In this submarket, vacancies have occurred in some of the small and medium-sized logistics centers supplied in the past, resulting in an existing stock vacancy rate between 10% and under 15% as of Q4 2023.

From 2022 to 2023, no new supply logistics centers were completed in the submarket, so the vacancy rate for new supply logistics centers has yet to be calculated.

With no planned logistics center supplies in the future, the vacancy rate is expected to either maintain its current level or decrease.



Existing Stock : Logistics Center supplied by 1H 2023
 New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

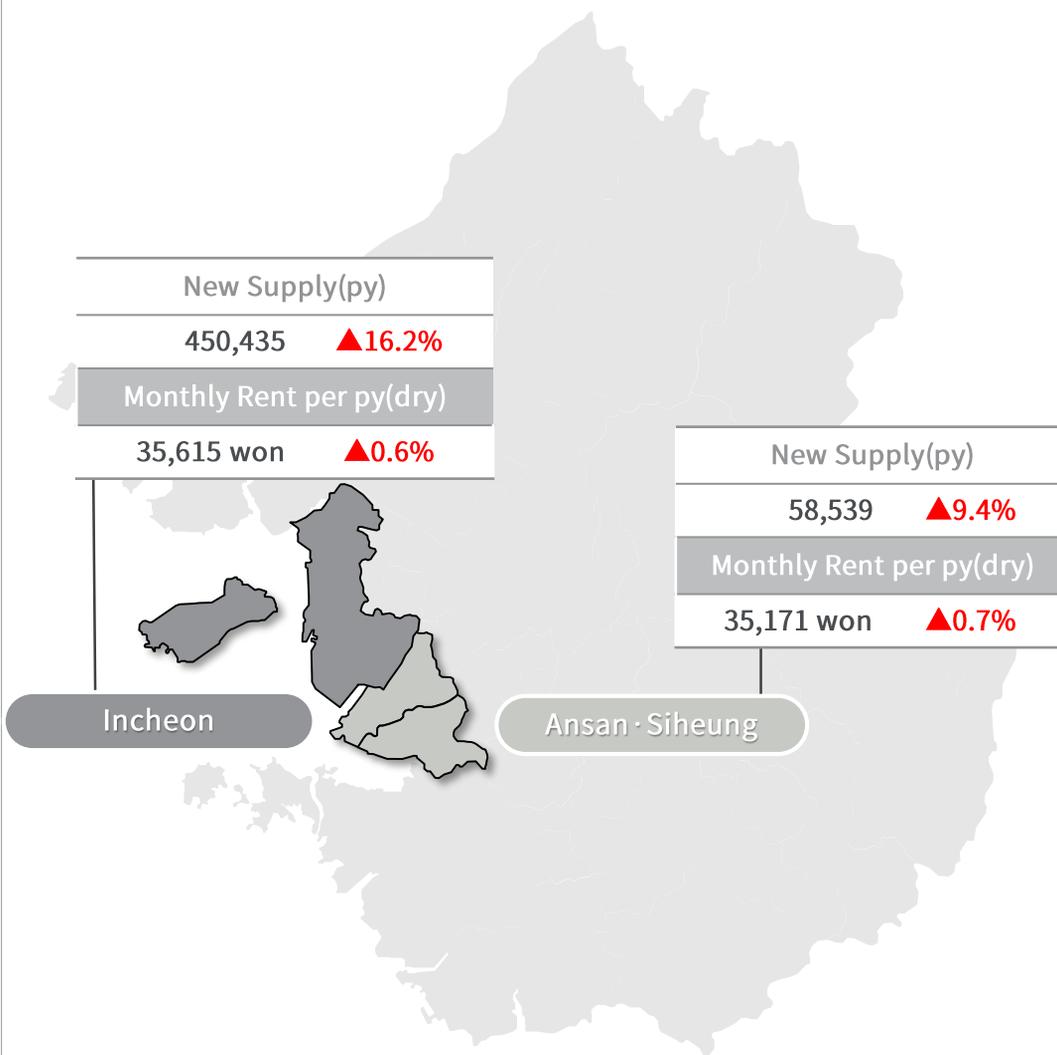
*Source : GenstarMate

05

Western

※ New Supply Area: YoY Comparison
 ※ Average Monthly Rent per Py: As of Q4 2023

New Supply(py)		Monthly Rent per py(dry)	
508,973	▲15.4%	35,541 won	▲0.6%



- In 2023, the Western market experienced a YoY growth of 15.4% in new supply, reaching 509,000 py. This surpassed the previous record set in 2022 for new supply in the market.
- In Incheon, the new supply amounted to 450,000 py, while Ansan-Siheung contributed 59,000 py. The majority of the new supply in the Western market originated from Incheon.
- Approximately 200,000 py of new supply is concentrated in Wonchang-dong, Seo-gu, Incheon.
- The average monthly rent for dry logistics centers in the Western market is 35,541 won per py, up 0.6% YoY.

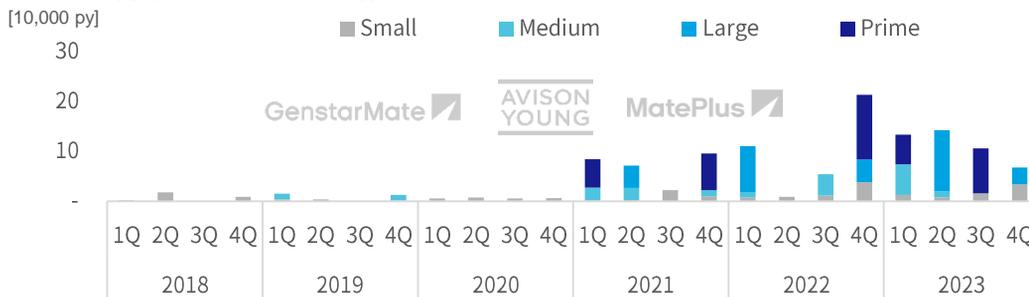
05-1

Incheon

New Supply

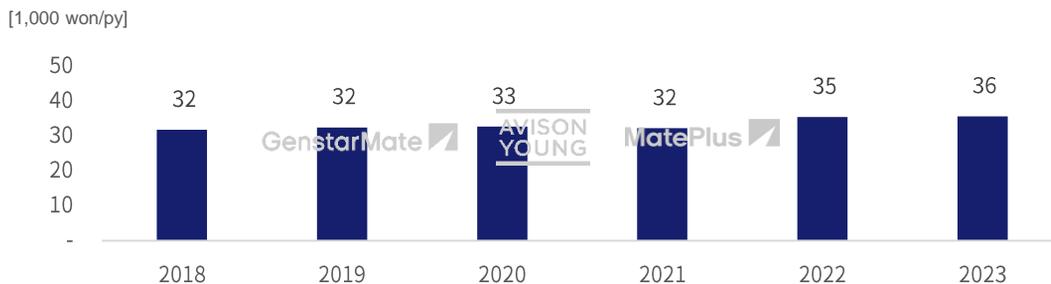
- Since 2021, Incheon has been emerging as an e-commerce logistics hub, with the new supply in 2023 increasing by 16.2% to 450,000 py YoY
- Notable assets near Wonchang-dong within the Incheon North Port Back Area include LogisPort Incheon(60,000 py), LogisHub Incheon(38,000 py), and Bukhang Logistics Center(34,000 py).
- For 2024, prime-large sized logistics centers are scheduled, with examples being Dohwa Logistics Center(76,000 py), MegaWise Cheongna(43,000 py), and Gojan-dong Logistics Center(38,000 py).

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Incheon is 35,615 won per py, up 0.6% YoY.



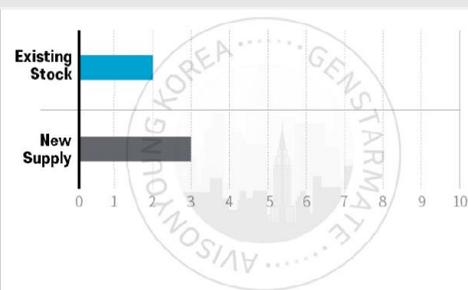
Dry logistics center vacancy rate in Incheon

Since 2021, there has been a significant surge in new supply in Incheon, particularly focused on the North Port near Cheongna and the South Port near Hangdong.

Despite a significant supply, the vacancy rate for existing stock remains below 10%, occupied by continuous leasing demand from e-commerce shippers such as Coupang.

However, the vacancy rates for new supply remain relatively high, owing to the surge in the development of large-scale logistics centers in Incheon over the past two years.

In 2024, the vacancy rate in Incheon is anticipated to stabilize gradually, provided that the current leasing demand persists and new supply decreases compared to the levels in 2023.



Existing Stock : Logistics Center supplied by 1H 2023
 New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

*Source : GenstarMate

05-2

Ansan·Siheung

New Supply

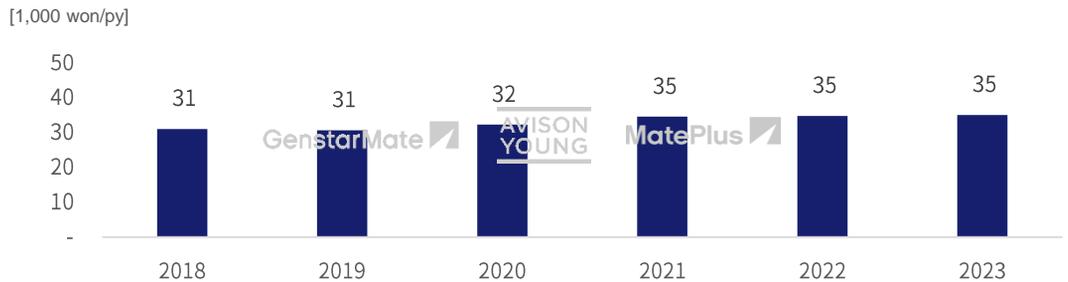
- In 2023, Ansan-Siheung will supply three medium-sized logistics centers with a GFA of over 10,000 py each, including Sasa-dong Logistics Center(16,000 py), Wonsi-dong Logistics Center(17,000 py), and Siheung One&One Smart Logistics Center(26,000 py).
- For 2024, Ansan-Siheung is set to supply three large-sized logistics centers over 30,000 py each and three medium-sized logistics centers under 30,000 py, with the new planned supply amounting to about 210,000 py, expected to set a record high.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Ansan-Siheung is 35,171 won per py, up 0.7% YoY.



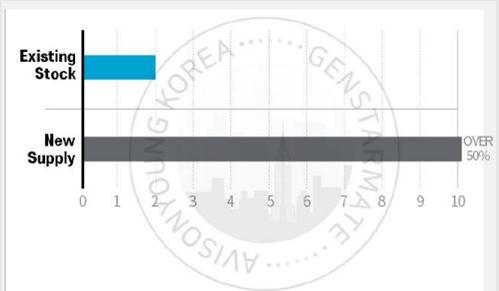
Dry logistics center vacancy rate in Ansan·Siheung*

Sihwa MTV and Ansan Smart Hub predominantly supply logistics centers in Ansan-Siheung. The stock remains relatively low compared to Incheon, mainly due to the restricted availability of developable sites.

This has resulted in a stable existing stock vacancy rate of less than 10%.

Nevertheless, the vacancy rate for new supply remains elevated, with vacancies in two logistics centers completed in 2023 still awaiting occupancy.

Furthermore, the vacancy rate for new supply is anticipated to stay elevated for the foreseeable future, given that a majority of the logistics centers under construction in Ansan-Siheung exceed 10,000 py.



Existing Stock : Logistics Center supplied by 1H 2023
 New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

*Source : GenstarMate

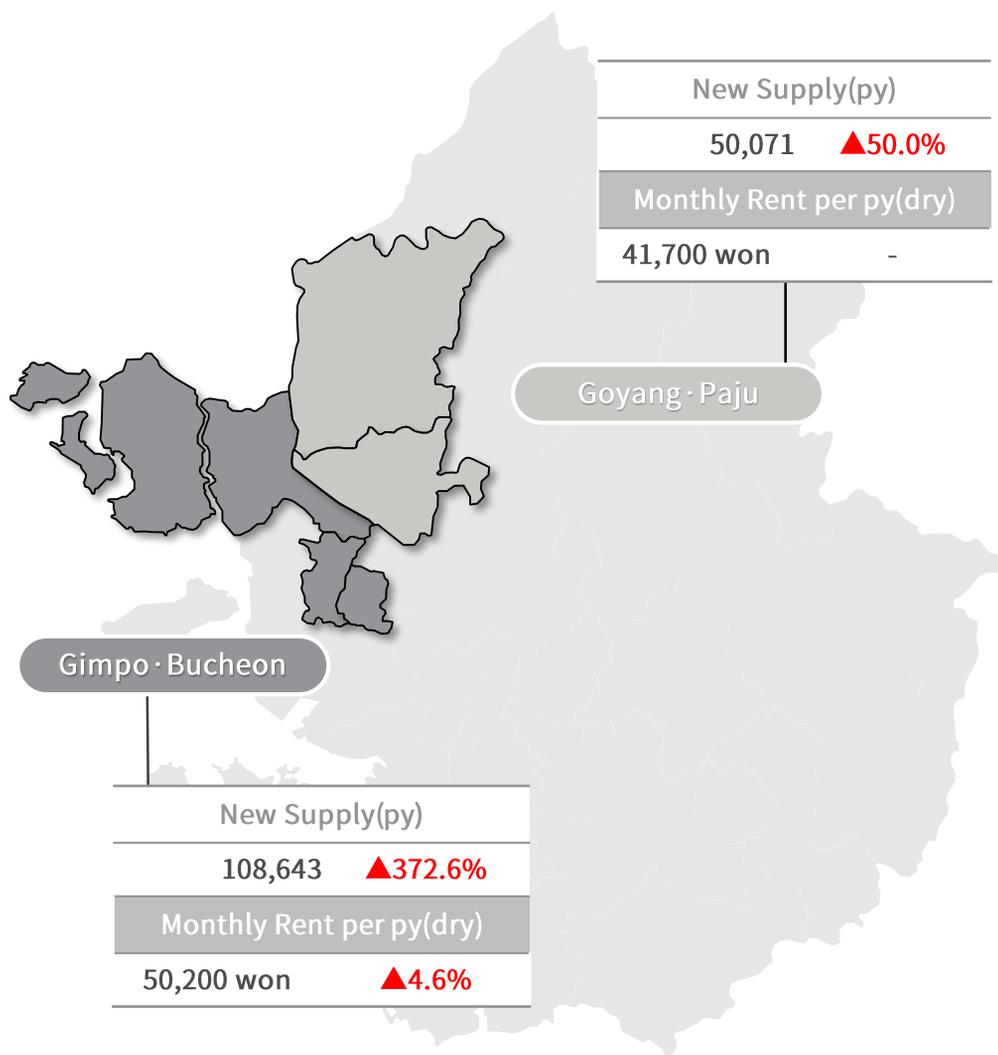
*In Ansan·Siheung, there are not enough samples (less than 5).

06

Northwestern

※ New Supply Area: YoY Comparison
 ※ Average Monthly Rent per Py: As of Q4 2023

New Supply(py)		Monthly Rent per py(dry)	
158,714	▲181.6%	47,367 won	▲3.2%



- The new supply in the Northwestern market for 2023 is set to be the largest on record, reaching approximately 159,000 py, marking a YoY increase of 102,000 py.
- The focal point of the new supply is the Gimpo Hagun General Industrial Complex, situated near the 2nd Capital Region Ring Expressway. Notably, this area has recently acquired its first large-scale logistics center in three years, with the MQ Logistics Cube Gimpo Daepo Logistics Center.
- In 2024, the stock in Gimpo·Bucheon is expected to expand with the planned completion of a Prime logistics center in the Gimpo Hagun General Industrial Complex. This center will boast a Gross Floor Area exceeding 50,000 py.
- The average monthly rent for dry logistics centers in the Northwestern market is 47,367 won per py, up 3.2% YoY.

06-1

Gimpo · Bucheon

New Supply

- In 2022, Gimpo-Bucheon was supplied a total of four centers, including one medium-sized logistics center of 10,000 py, while 2023 saw a significant increase in new supply with a total of 7 centers, including large-sized logistics centers over 30,000 py, amounting to about 110,000 py.
- In Gimpo, MQ LogisCube Gimpo Daepo and Hagun 3 Industrial Park Logistics Center were supplied, alongside diverse purposes such as Miraein Logis and Bucheon IC Cold Center in Bucheon.
- For 2024, the supply of two prime-sized logistics centers is planned in Hagun General Industrial Complex, indicating an increase in the share of prime-sized logistics centers in Gimpo-Bucheon.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Gimpo-Bucheon is 50,200 won per py, up 4.6% YoY.



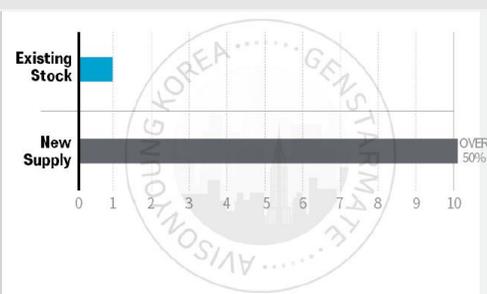
Dry logistics center vacancy rate in Gimpo · Bucheon*

Gimpo-Bucheon has excellent access to Seoul and has experienced growth in the Gimpo Terminal Logistics Complex. During the 2020s, the primary area for supplying new logistics centers was the Gimpo Hagun General Industrial Complex.

Gimpo-Bucheon exhibits robust leasing demand, boasting a vacancy rate of less than 5% for existing stock as of Q4 2023.

There is limited new supply; nevertheless, the vacancy rate for new supply is high, as the logistics centers in Hagun General Industrial Complex remain unoccupied.

Vacancy rates for new supply are anticipated to stabilize if leasing demand continues in Gimpo-Bucheon.



Existing Stock : Logistics Center supplied by 1H 2023
New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

*Source : GenstarMate

*In Gimpo · Bucheon, there are not enough samples (less than 5).

06-2

Goyang·Paju

New Supply

- The new supply in 2023 reached 50,000 py, marking a 50% increase from 2022.
- Excluding the Samsung FreshLogi in Goyang, Deogyang-gu, Ogeum-dong, and the Paju Daewon-ri Logistics Center in Paju, Jori-eup, Daewon-ri, most of the new supply in 2023 is composed of small-sized logistics centers.
- In 2024, only the Goyang Seolmun-dong Complex Logistics Center in Ilsandong-gu, Goyang, is set to be supplied.

New Supply Trends (Quarterly)



Rent

- The average monthly rent for dry logistics centers in Goyang·Paju remains at the similar level as the previous year at 41,700 won per py.

[1,000 won/py]



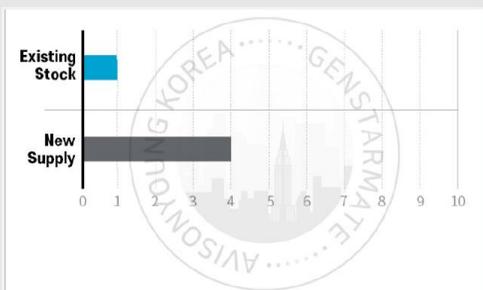
Dry logistics center vacancy rate in Goyang·Paju*

Goyang·Paju encounters limitations due to development restriction zones, constraining the establishment of new logistics centers. Mainly utilized by logistics and distribution firms, they function as a base logistics center for their operations in the northwestern region of the SMA.

Owing to the limited number of logistics centers, the vacancy rate for existing stock is below 5%.

Despite the completion of few new logistics centers, the vacancy rate for the new supply remains relatively elevated, primarily due to unoccupied spaces in some logistics centers.

However, the vacancy rate is expected to stabilize soon, as the new logistics centers have limited remaining unoccupied space. Moreover, scheduled additional supply is scarce in Goyang·Paju.



Existing Stock : Logistics Center supplied by 1H 2023
 New Supply : Logistics Center supplied from 1H 2022 to 2H 2023

Segment	Vacancy Rate	Segment	Vacancy Rate
1	Less than 0.1% to 5%	6	Less than 25% to 30%
2	Less than 5% to 10%	7	Less than 30% to 35%
3	Less than 10% to 15%	8	Less than 35% to 40%
4	Less than 15% to 20%	9	Less than 40% to 45%
5	Less than 20% to 25%	10	Less than 45% to 50%

*Source : GenstarMate

*In Goyang·Paju, there are not enough samples (less than 5).