

OFFICE MARKET REPORT

Q4 | 2022

GenstarMate  AVISON
YOUNG  MatePlus 



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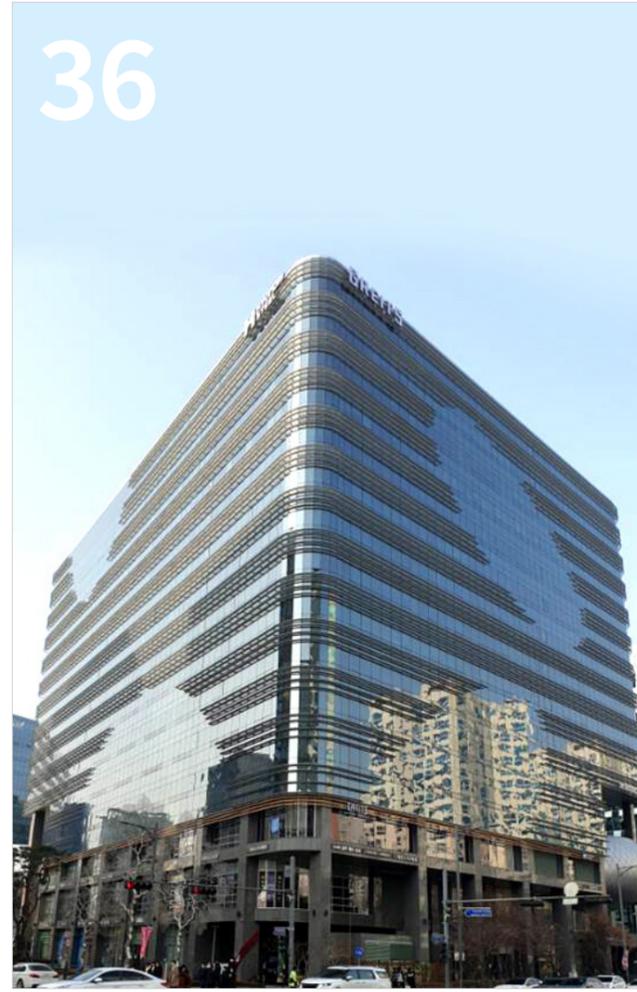


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INVESTMENT MARKET HIGHLIGHT

Jongno Tower Deal Successfully Closed with Avison Young Korea's Brokerage



Jongno Tower

MARKET HIGHLIGHT

Jongno Tower Deal Successfully Closed with Avison Young Korea's Brokerage

- Jongno Tower, which KB Asset Management had owned as a fund since 2019, was sold to SK REITs Management for 621.5 bil. won (33.9 mil. won per py), resulting in a 157.8 bil. won profit for KB Asset Management in less than three years

Office Transaction Volume in Seoul just 10.2 Tril. won in 2022

- Due to a sharp market shrinkage in the second half following the interest rate hike this year, deals scheduled to close within 2022, such as Concordian and Yongsan The Prime, have been postponed to 2023. As a result, the transaction volume in 2022 amounted to 10.2 tril. won (down 15.6% y-o-y), less than the previously forecast amount of 11.4 tril. won
- The unit price per py in the fourth quarter of 2022 was 25.96 mil. won per py, and the average transaction price in 2022 was 28.24 mil. won per py. The average transaction price in 2022 was up by 21.4% compared to 2021, but is likely to fall in 2023 due to interest rates and various other factors
- In 2022, Eff. rent amounted to 70,535 won per py, up 8.1% from 2021. While the low vacancy rate was maintained, market conditions such as rental-free periods caused a rise in Eff. rent, and rents are expected to rise or remain stable in 2023, as the rental market is projected to stabilize



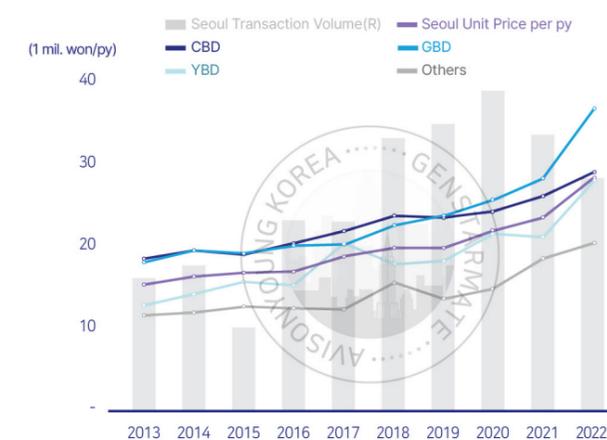
Jongno Tower

Samsung Life Insurance Daechi Tower

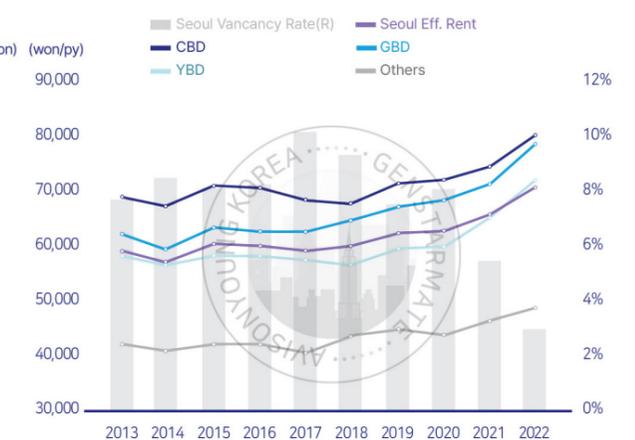
Quick Stats

	2022	2023(F)
Transaction Volume	10.2 tril. won	↓
Unit Price	28.2 mil. won/ py * Annual Average	↓
Cap.Rate	3.7% * Annual Average	↑
Face Rent	84,165 won/py	↑
Eff. Rent	70,535 won/py	↑
Vacancy Rate	2.9%	-
New Supply	79,895py	↑

Trends in Transaction Volume and Unit Price per py



Trends in Eff. Rent



Office Investment Market

Office Transaction Volume in Seoul is just 10.2 Tril. won in 2022 due to the interest rate hike.



Hanhwa General Insurance building

01

Overview

Seoul

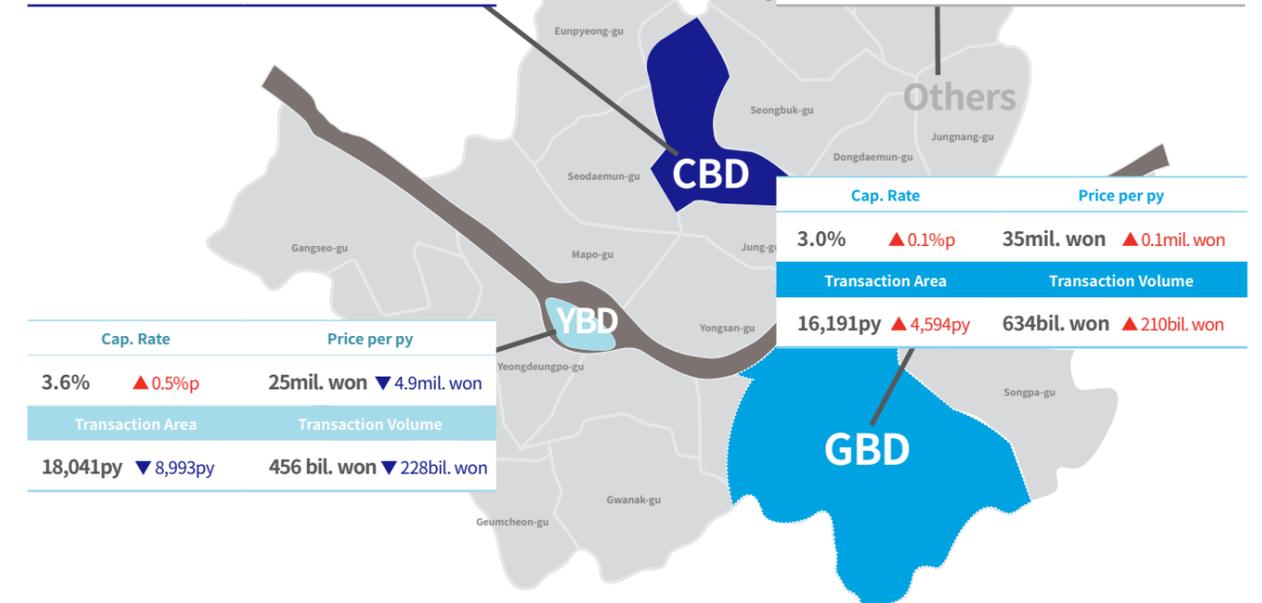
Cap. Rate	Price per py	Transaction Area	Transaction Volume
3.9% ▲0.4%p	26mil. won ▼3.3mil. won	80,354py ▼45,739py	2,274bil. won ▼1.5 tril. won

Cap. Rate	Price per py
4.1% ▲0.4%p	27mil. won ▼2.1mil. won

Transaction Area	Transaction Volume
38,517py ▼15,152py	1,081bil. won ▼459bil. won

Cap. Rate	Price per py
4.5% —	16mil. won ▼6.2mil. won

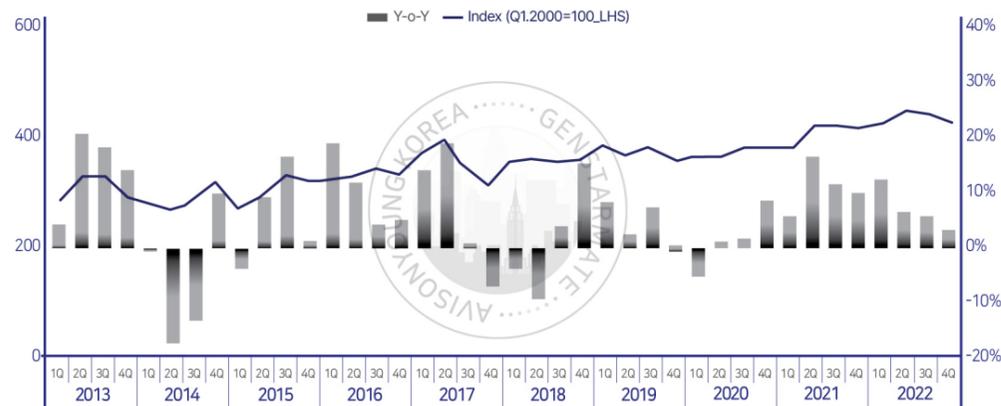
Transaction Area	Transaction Volume
7,606py ▼26,188py	104bil. won ▼568bil. won



- In the fourth quarter of 2022, Seoul office transaction volume decreased by 1.4 tril. won (31.5% ↓) from the previous quarter, while compared to the same period last year, the volume increased by 594.1 bil. won (35.4% ↑), to reach 2.3 tril. won. The total cumulative transactions recorded for 2022 were 10.2 tril. won
- Seoul's overall unit price per py declined of 3.3 mil. won (11.2% ↓) from the previous quarter, and it was recorded at 26.0 mil. per py, as the prices in all districts except GBD saw a fall. Regarding GBD, it recorded unit price of 35.2 mil. won per py, a rise of 0.14 mil. won from the previous quarter, and a similar level to the preceding quarter
- Seoul's Cap. Rate increased by 0.4 percentage points from the previous quarter, and was recorded at 3.9%. The Cap. Rate Spread on a three-year treasury bond was found to be approximately 0%p due to the impact of increasing interest rates on treasury bonds

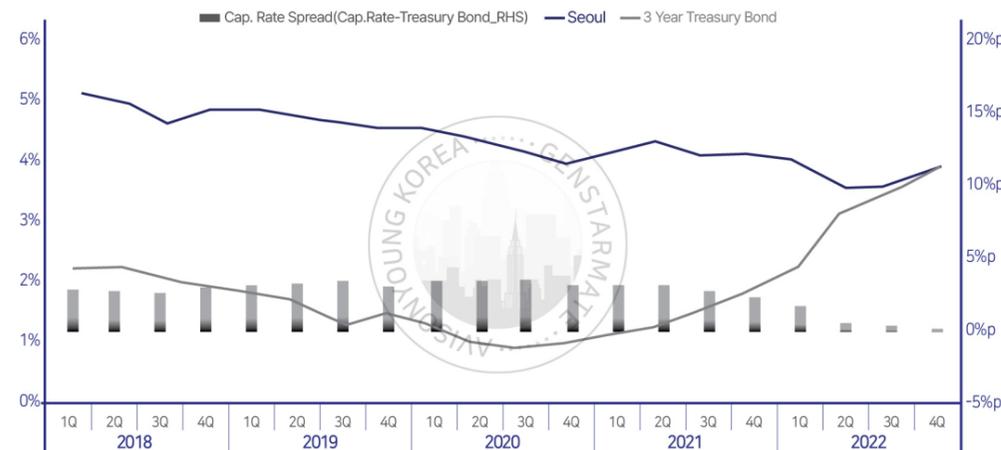
02 Seoul Office Sales Price Index

GenstarMate introduced the Seoul Office Sales Price Index to Korea for the first time in the second quarter of 2009, utilizing the well-established Hedonic Price Model, which has been widely used by both domestic and foreign academia and research institutes to calculate indexes. According to the latest report, the Seoul Office Sales Price Index saw a 3.3% decrease from the previous quarter (with a 2.8% increase from the previous year), arriving at a value of 426 this quarter. This decline is attributed to a fall in transaction prices per py, which occurred in most areas throughout the quarter



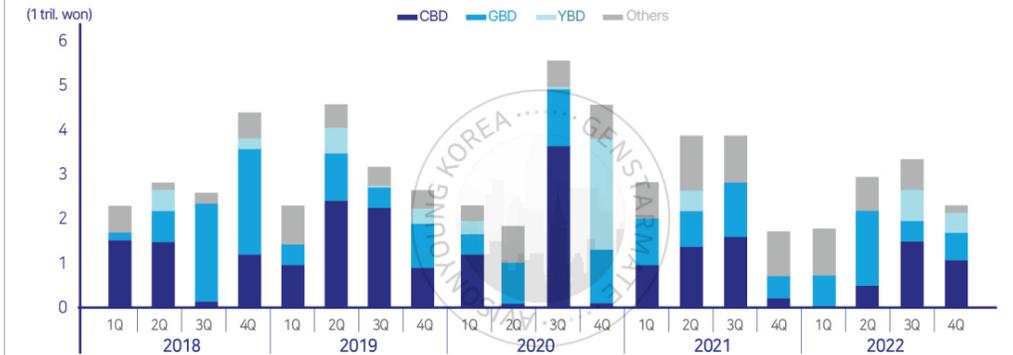
03 Seoul Office Cap Rate Trend

In the fourth quarter of 2022, the Cap. Rate for Seoul office increased by 0.4%p from the previous quarter, reaching 3.9%. The Cap. Rate varied by district, with CBD reporting a rate of 4.1%, GBD at 3.0%, YBD at 3.6%, and Others at 4.5%. This increase was observed in major three districts

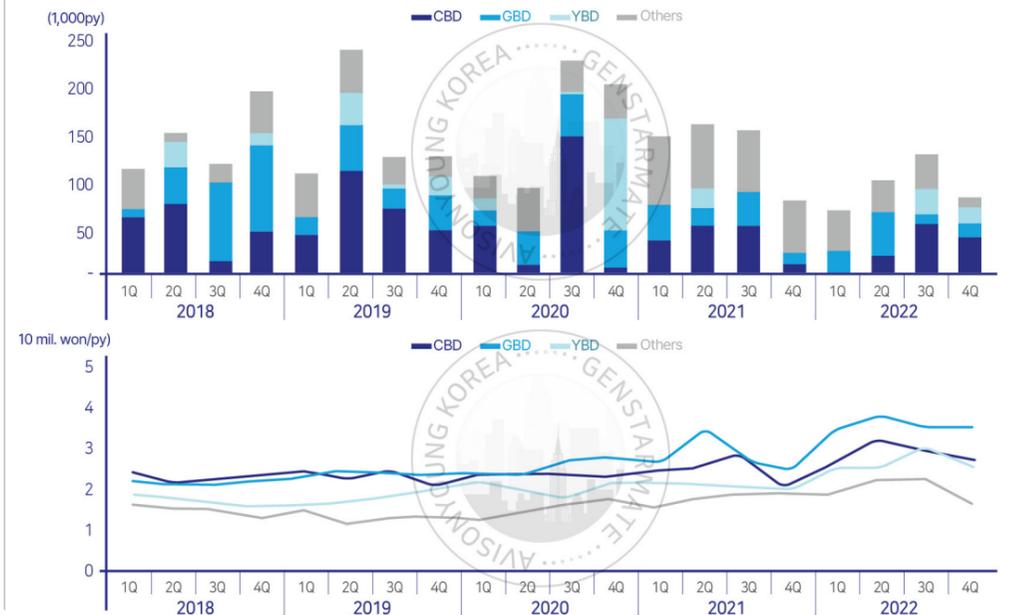


04 Trends in Seoul Office Transaction Volume

In the fourth quarter, the Seoul Office Transaction Volume declined by 31.5%, falling to 2.3 tril. won from 3.3 tril. won in the third quarter. This drop was likely due to the pause in real estate transactions following the interest rate hike. During the quarter, the CBD accounted for the majority of transaction volume, at 1.1 trillion won, equivalent to approximately 48% of Seoul's total transaction volume. Meanwhile, GBD recorded a transaction volume of 633.5 bil. won, similar to that of the previous quarter. In contrast, the transaction volume for small office (less than 3,000 py) in the Others experienced a sharp drop of 567.9 bil. won from the previous quarter, totaling 103.5 bil. won. As for YBD, only one Hanwha General Insurance building was identified in the transaction, amounting to 456 bil. won



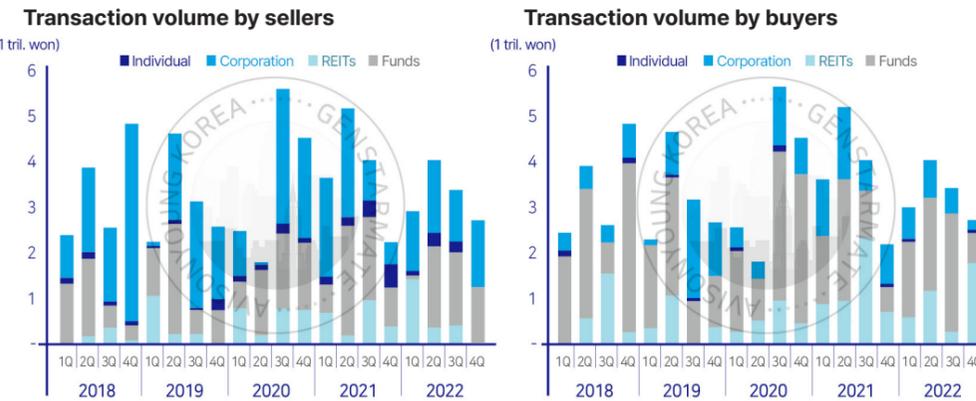
In the fourth quarter, Seoul's Office Transaction Volume was recorded in 12 buildings, totaling around 840 thousand py, which is a decline of 36% from the previous quarter (based on the transaction area). Seoul office's unit price per py in the fourth quarter was recorded at 26 mil. won per py, an 11% drop from the previous quarter. This figure is comparable to the unit price per py recorded in the same quarter of 2020. The decline is primarily attributed to the reduction in unit prices per py that occurred in all districts, except for GBD. GBD reported a transaction price of 35.2 mil. won per py during the quarter, similar to the previous quarter. Meanwhile, CBD and YBD recorded 7% and 16% declines, respectively, from the previous quarter, arriving at 27.0 mil. won per py and 25.3 mil. won per py, respectively. Others reported a unit price of 16.4 mil. won per py, down 27% from the previous quarter, owing to small-sized office transactions



06

Transaction Volume by type of seller/ buyer

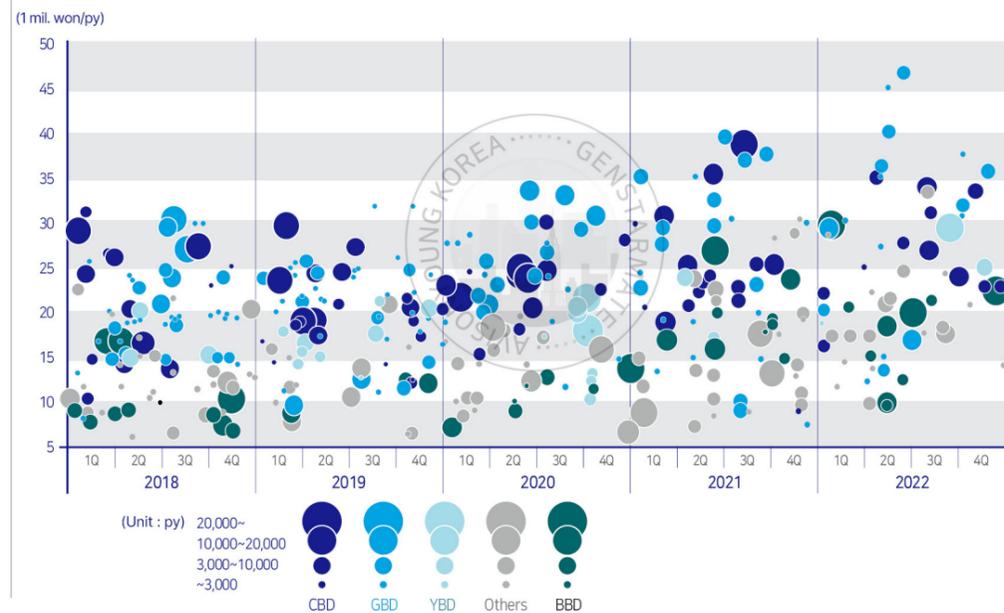
▪ In terms of seller type, sales in funds and REITs were recorded as 1.2 tril. won, or about 46.2% of the total volume, down about 0.8 tril. won from the previous quarter. In terms of buyer type, acquisition by funds and REITs were 0.6 tril. won and 1.8 tril. won, respectively, showing a high proportion of about 90% of the overall acquisition volume. Funds that had been purchased at 2.5 tril. won as purchases were made in various districts in the previous quarter were found to have fallen 76.1% from the previous quarter. On the other hand, with the establishment of REITs, which contain office assets of Samsung and Hanwha Group, REIT purchases were recorded as the second-largest ever since the third quarter of 2021 (2.4tril. won)



07

Transaction Volume and Unit Price by District and Size

▪ In the current quarter, 12 offices traded (14 offices including BBD), marking the smallest in the last five years. By district, 4 in CBD, 3 in GBD, 1 in YBD, and 4 in Others were traded, of which GBD recorded a unit price per py of 35.2 mil. won, similar to that of the previous quarter. Meanwhile, CBD, which had a unit price per py close to 30 mil. won in the previous quarter, showed an average of 27.0 mil. won per py in the current quarter, with Samsung Life Insurance S-1 Building and Samhwan Building (excluding Jongno Tower with 33.9 mil. won per py) trading at 20 mil. won per py. In YBD, which had reached an average of 30 mil. won in the previous quarter due to transactions at Shinhan Investment & Securities Tower, only transactions for Hanwha General Insurance Building were identified in the current quarter, with an average unit price per py in the district of 25.3 mil. won



08-1

Transaction Case Analysis by District

CBD

▪ In the current quarter, the CBD recorded a transaction volume of 1.1 tril. won in four buildings, which is a 29.8% decrease from the previous quarter's transaction volume of 1.5 tril. won. Jongno Tower, located near Jonggak Station, was purchased by KB Asset Management as a fund in the second quarter of 2019, and KB Asset Management achieved about 157.8 bil. won in profits from its sale three years and four months after the purchase, as SK REITs Management exercised its right of first refusal in the current quarter. Some of SK Group's affiliates, including SK E&S, SK Energy, have moved into Jongno Tower since 2021, and SK Group is expected to acquire Jongno Tower to create synergies with SK Seorin Building, the group's headquarters, and Gran Seoul and the Twin Towers K, where other group affiliates are located. Samhwan Building, owned by Hana Alternative Asset Management, was purchased through the fund by Keppel Investment Management in the current quarter, and Keppel Investment Management is planning to use a value-added strategy in the future

Building name	Address	Transaction area (py)	Transaction price (0.1 bil won)	Unit price per py (10 thou won)	Seller/Buyer
Jongno Tower	Gongpyeong-dong, Jongno-gu	18,332	6,215	3,390	Seller : KB Asset Management Buyer : SK REITS
Samhwan Building	Unni-dong, Jongno-gu	9,499	2,232	2,350	Seller : Hana Alternative Asset Management Buyer : Keppel Investment Management
Samsung Life S-1 Building	Sunhwa-dong, Jung-gu	8,352	1,965	2,353	Seller : Samsung Life Insurance Buyer : Samsung SRA Asset Management
Poongsan Building	Pil-dong 2ga, Jung-gu	2,334	400	1,714	Seller : Jeonju Yi Clan Association Buyer : Individual

Jongno Tower ▶
Samhwan Building ▶▶
S 1 Building ▶▶▶



08-2

Transaction Case Analysis by District

GBD

▪ In the current quarter, GBD recorded transactions of 633.5 bil. won in three buildings. Classys Tower in Teheran-ro, used as a company building, was sold to an individual to enhance financial structure of Classys, and Classys moved its office building to Ann Jay Tower (now Classys). Samsung Life Insurance's Samsung Life Daechi Tower was incorporated into Samsung FN REIT established by Samsung SRA Asset Management along with Samsung Life S-1 Building. Samsung FN REIT aim to go public in the first half of 2023, at which point it will be recorded as Samsung Group's first public REIT

Building name	Address	Transaction area (py)	Transaction price (0.1 bil won)	Unit price per py (10 thou won)	Seller/Buyer
Samsung Life Daechi Tower	Daechi-dong, Gangnam-gu	13,671	4,811	3,519	Seller : Samsung Life Insurance Buyer : Samsung SRA Asset Management
Sunyoung Building	Seocho-dong, Seocho-gu	1,426	924	6,480	Seller : Boksung Development Buyer : JK Partners
Classys Tower	Cheongdam-dong, Gangnam-gu	1,094	600	5,484	Seller : Classys Buyer : Individual

Samsung Life Daechi Tower ▶
Classys Tower ▶▶



08-3

Transaction Case Analysis by District

YBD

▪ During the current quarter, YBD recorded a single transaction of 456 bil. won for Hanwha General Insurance Building. The building was sold to Hanwha REIT, a real estate investment trust based on the underlying assets of Hanwha Group's insurance affiliates. Additionally, Hanwha Life Insurance Building in Nowon, Pyeongchon, Jungdong, and Guri were included in Hanwha REIT. Furthermore, Hanwha Life Insurance and Hanwha General Insurance will divest additional offices, such as the 63 Building and Hanwha Life Seocho Building, to Hanwha REIT



Hanwha General Insurance Building

Building name	Address	Transaction area (py)	Transaction price (0.1 bil won)	Unit price per py (10 thou won)	Seller/Buyer
Hanwha General Insurance Building	Yeouido-dong, Yeongdeungpo-gu	18,041	4,560	2,528	Seller : Hanwha General Insurance Buyer : Hanwha Asset Management

08-4

Transaction Case Analysis by District

Others

▪ As regards the Others district, in the current quarter, only small-sized office transactions of less than 3,000 py were identified, and the transaction volume fell 84% from the previous quarter to 103.5 bil. won. Among them, the Comtec Building located in Daelim-dong was sold to Taewon Industrial Development in the current quarter to secure financial liquidity as an asset owned by Comtec for the purpose of its office building. Comtec will use a sale-and-leaseback method to lease the Comtec Building before moving into Gwacheon's new HQ in 2024. Hanwha Life Insurance and Hanwha Life Insurance Service, were incorporated into Hanwha REIT along with the Hanwha General Insurance Building in Yeouido-dong. The Hanwha Life Nowon Building was traded at 12.1 mil. won per py, somewhat lower than past transaction cases in Nowon-gu, such as the Samsung Life Insurance Sanggye Building (1Q 2021, 19.6 mil. won per py) and KT Gongneung Building (3Q 2018, 22.5 mil. won per py)

Building name	Address	Transaction area (py)	Transaction price (0.1 bil won)	Unit price per py (10 thou won)	Seller/Buyer
COMTEC System	Daerim-dong, Yeongdeungpo-gu	2,044	299	1,463	Seller : COMTEC System Buyer : TAEWON Industrial Development
Hanwha Life Nowon Building	Sanggye-dong, Nowon-gu	2,466	298	1,209	Seller : Hanwha Life Insurance, Hanwha Life Financial Service Buyer : Hanwha Asset Management
SOO Building	Bangi-dong, Songpa-gu	1,058	219	2,071	Seller : SOO International Buyer : Korea Construction Resources Mutual Aid Association
Kunyang Building	Sangsu-dong, Mapo-gu	2,038	219	1,074	Seller : Yookha Realtor Buyer : Koramco Sangsudong PFV

COMTEC System ▶
Hanwha Life Nowon Building ▶▶
SOO Building ▶▶▶



08-5

Transaction Case Analysis by District

BBD

▪ As for the current quarter's BBD, one share-deal transaction was identified, recording 385 bill. won in transaction volume. The first Pangyo Techno Valley-based GB1 and GB2's C, were sold to Golden Branch by Edn Investment Management in April 2022, and 100% shares owned by previous investors, Administrative Mutual Aid Association and etc., were transferred to Bentall Green Oak (BGO) in December 2022. Bentall Green Oak purchased Samil Building with IGIS Asset Management in 2018, and then proceeded with value-add efforts before selling it to NH Amundi Asset Management in 2021. This GB1 and GB2's C are also known to increase their asset value through value-add strategies, such as rent increases



GB1, 2

Building name	Address	Transaction area (py)	Transaction price (0.1 bil won)	Unit price per py (10 thou won)	Seller/Buyer
Building GB1, GB2 C	Sampyeong-dong, Bundang-gu	17,448	3,850 (Estimate)	2,207 (Estimate)	Seller : Edn Investment Management Buyer : Edn Investment Management

09-1

Analysis of Real Estate Indirect Investment Vehicles

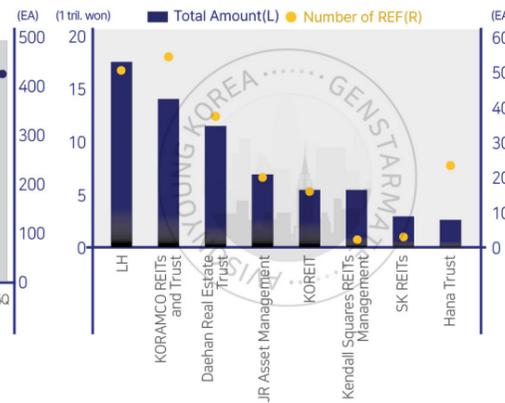
REITs; Real Estate Investment Trust

- In the fourth quarter of 2022, a total of 8 consignment management REITs were newly approved or registered. There were a total of six domestic investment assets: one office, one logistics center, three houses, and one etc
- While the REITs market has stagnated in the aftermath of the Lego Land crisis and interest rate hikes in the second half of 2022, it is expected to gradually recover as measures to improve REITs regulations and ease the pace of interest rate hikes are implemented

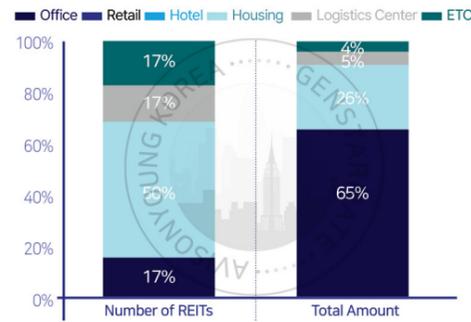
Trends in Licensed REITs



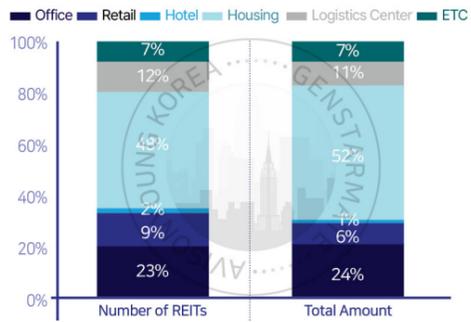
Trends in Licensed REITs by AMC



Trends in Newly Licensed REITs by Asset (2022.4Q, domestic)



Trends in Licensed REITs by Asset (cumulative, domestic)



*Since 1Q of 2016

※ Source: Ministry of Land, Infrastructure and Transport, KAREIT, REITs Information System
 ※ Investigation Date: 2022.12.30
 ※ based on newly licensed and registered REITs

09-1

Analysis of Real Estate Indirect Investment Vehicles

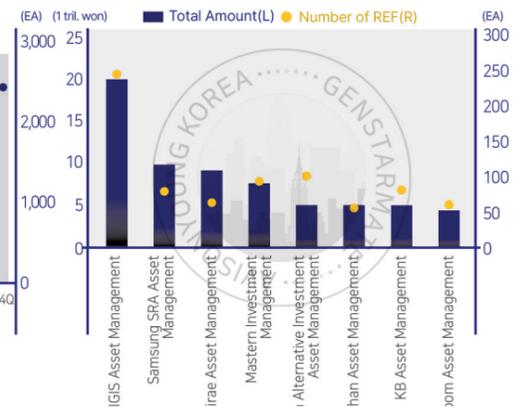
REF; Real Estate Fund

- As of the fourth quarter of 2022, the total number of remaining funds was 2,423, an increase of 2.7% from the previous quarter based on the set principal amount
- With funds set up centered on logistics centers, a total of two investments were made in actual domestic offices in the current quarter, and two were set up only as CBD assets

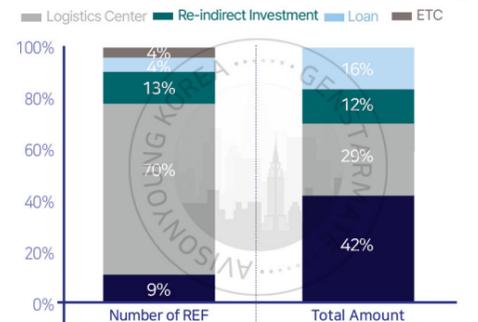
Trends in Real Estate Funds



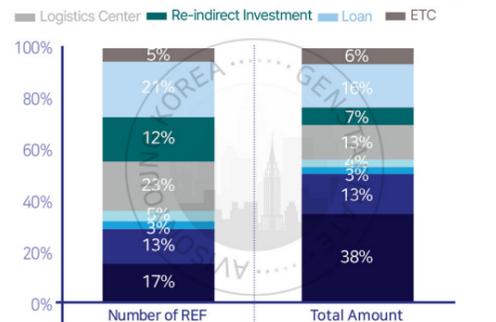
Trends in Real Estate Funds by AMC



Trends in New REF by Asset (2022.4Q, domestic)



Trends in REF by Asset (cumulative, domestic)



*Since 1Q of 2016

※ Source: KOFIA, AMC
 ※ Investigation Date: 2022.12.30
 ※ based on newly set-up funds

Seoul Rental Market

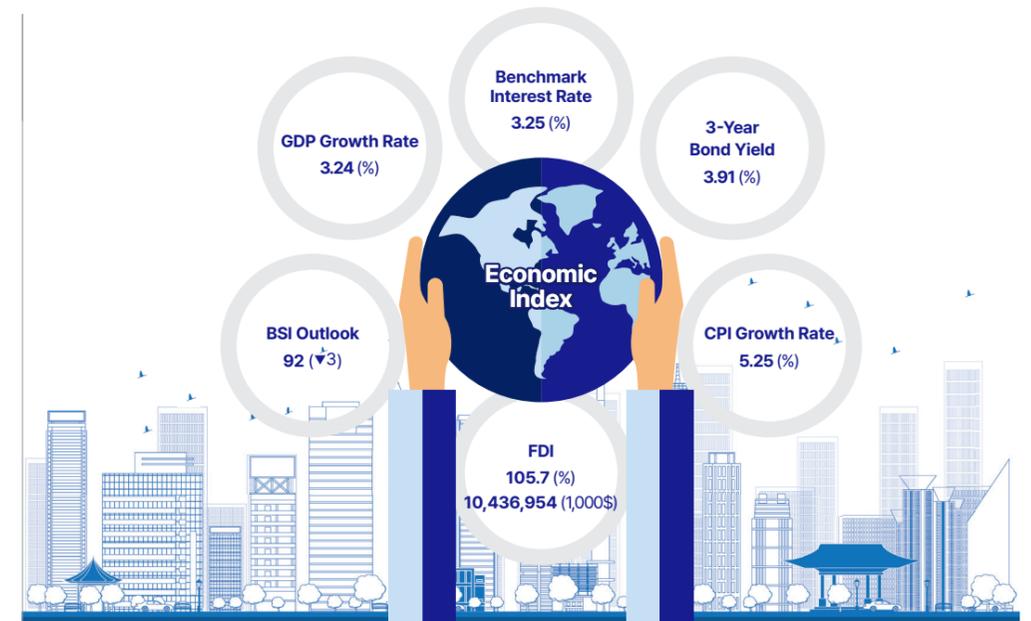
The decline in the vacancy rate is easing, and overall monthly Rent and CAM increase rates are high



01

Economic Index

※ Source : BOK, KOSIS
 ※ Period of Time : 2022 4Q
 (GDP, FDI : 2022 3Q)
 ※ GDP, CPI, FDI : Y-o-Y
 ※ BSI Outlook : Q-o-Q

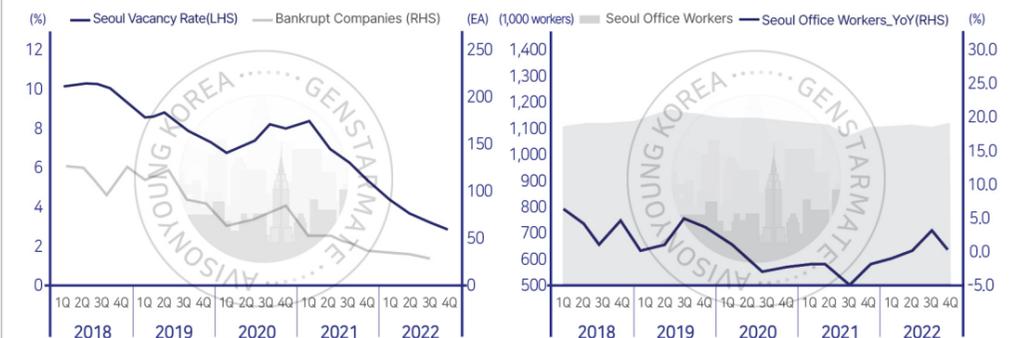


- As of January 2023, the benchmark interest rate gap between Korea and the U.S. widened to 1.00%p due to the Fed's big step in December after four consecutive giant steps, and the three-year treasury bond rate rose steadily as the Bank of Korea continued to raise interest rates
- FDI reached \$30 billion for the first time in 2022, up 105.7% from the same period last year, and the BSI outlook fell, mainly in the manufacturing industry, to 92 points, down 3 points from the previous quarter
- In the fourth quarter, the vacancy rate fell by 0.2%p to 2.9%, with CBD's prime and large offices leading the decline in Seoul's overall vacancy rate

02

Office Market Index

※ Source : BOK, KOSIS





03

Overview

Seoul

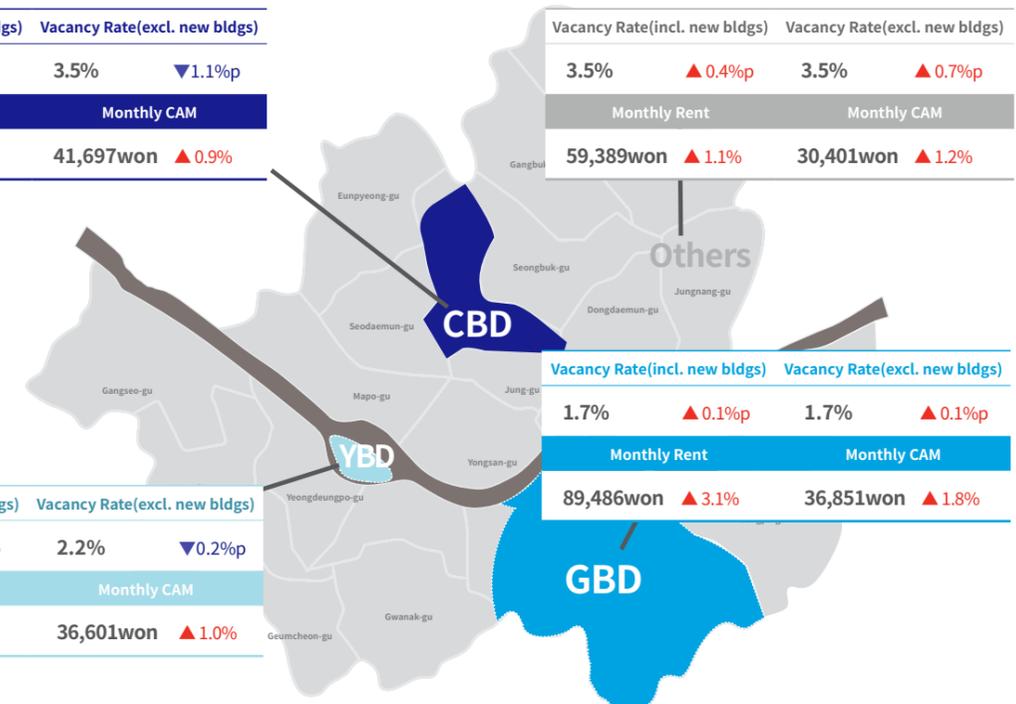
Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)	Monthly Rent	Monthly CAM
2.9% ▼0.2%p	2.7% ▼0.1%p	84,165won ▲1.9%	36,702won ▲1.2%

Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
4.0% ▼0.9%p	3.5% ▼1.1%p
Monthly Rent	Monthly CAM
99,993won ▲1.2%	41,697won ▲0.9%

Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
3.5% ▲0.4%p	3.5% ▲0.7%p
Monthly Rent	Monthly CAM
59,389won ▲1.1%	30,401won ▲1.2%

Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
2.2% ▼0.2%p	2.2% ▼0.2%p
Monthly Rent	Monthly CAM
81,602won ▲1.9%	36,601won ▲1.0%

Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
1.7% ▲0.1%p	1.7% ▲0.1%p
Monthly Rent	Monthly CAM
89,486won ▲3.1%	36,851won ▲1.8%



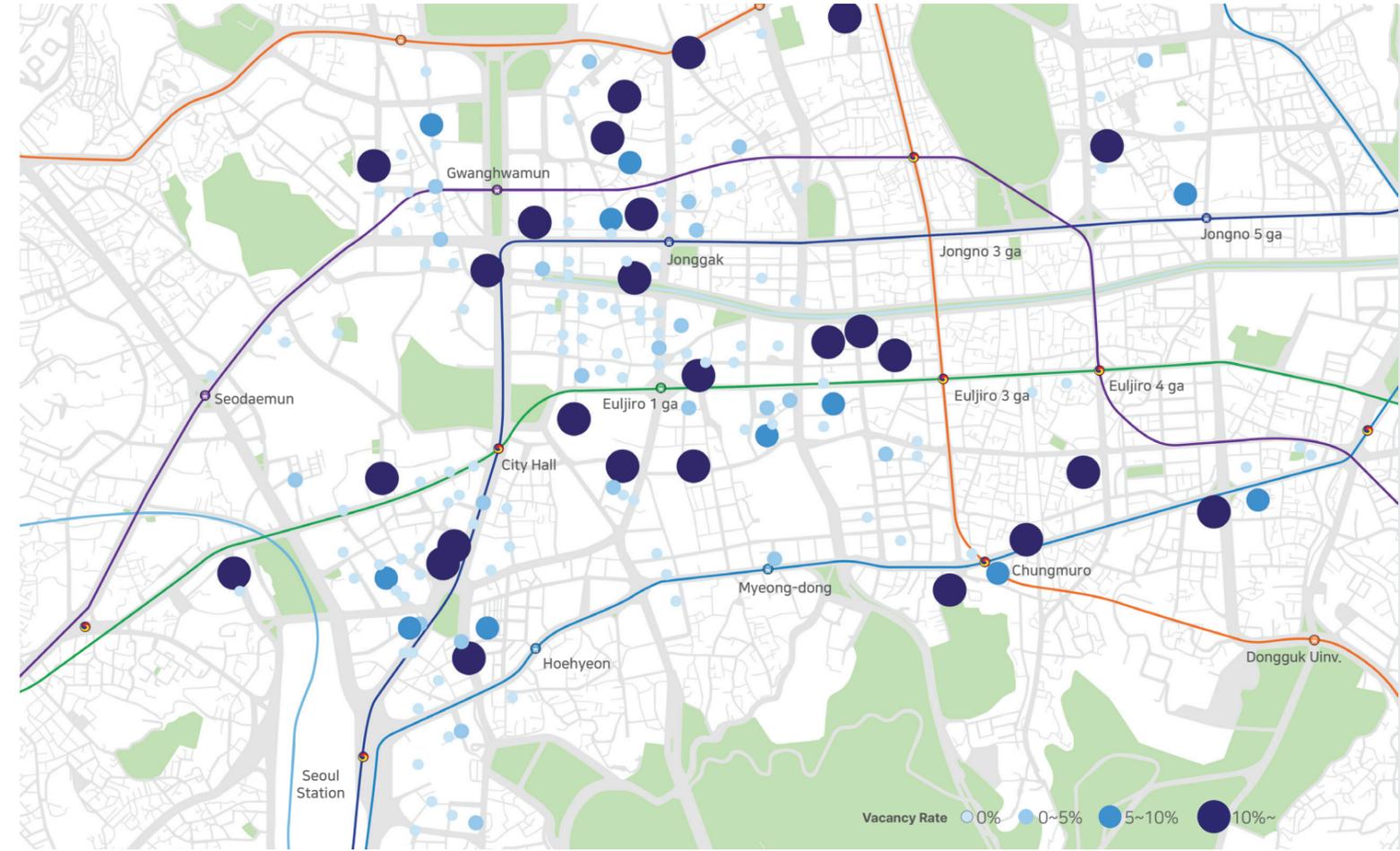
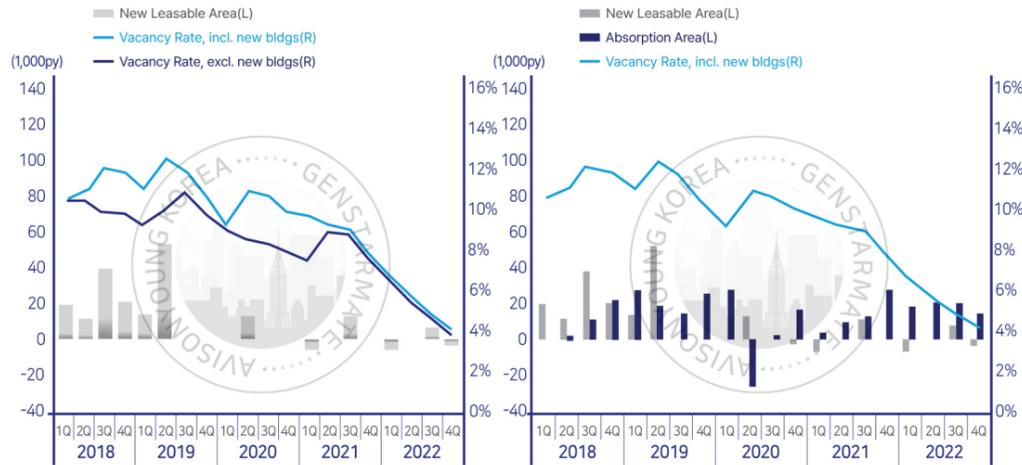
- In the fourth quarter of 2022, the overall vacancy rate in Seoul fell from the previous quarter to 2.9%, but the decline in the vacancy rate became less steep, with some districts showing an increase in their vacancy rates
- In terms of the CBD's vacancy rate, Tower 8 and K Twin Tower led a decline in the overall vacancy rate in Seoul, down 0.9%p from the previous quarter to 4.0%, thanks to the relocation of CJ Logistics and the General Insurance Association of Korea to the respective buildings
- On the other hand, the GBD's vacancy rate rose slightly in nine quarters as Hyundai Steel, which was previously located in Yangjae-dong, began to move to Pangyo. Hyundai Steel is scheduled to relocate further during the first quarter of 2023, but the increase in the vacancy rate of the GBD is not expected to be significant, as the lease contract for part of the area used by Hyundai Steel has been completed
- YBD, which has been showing a record decline in vacancy rates for the past two years, saw a slight decrease in vacancy rates in the quarter, but the trend of declining vacancy rates was found to have slowed. However, the low vacancy rate is expected to continue for a while as there are few remaining vacancies in the district and no scheduled supply in the first half of the year
- Concerning Others, the vacancy rate rose 0.4%p from the previous quarter to 3.5% due to the large-scale relocation of existing tenants between large offices located in Songpa, Yongsan, and Guro
- Seoul's overall rent and CAM rose 1.9% and 1.2%, respectively, compared to the previous quarter, due to high rental demand and the adjustment period coinciding with rental demand

04-1 CBD Vacancy Rate

New Supply

- In the current quarter, a medium-sized N Building in Myeong-dong was supplied to the CBD. However, CJ Logistics, which relocated its office building to Tower 8, resolved a large vacancy of 5,000 py, and the absorption area recorded a positive (+) value for ten consecutive quarters
- Inventory is expected to increase slightly in the first quarter as the Bank of Korea's annex is scheduled to be remodeled, and the integrated annex is set to be completed

New Leasable Area – Absorption Area - Vacancy Rate



Vacancy Rate

- The CBD vacancy rate in the fourth quarter was 4.0%, down 0.9%p from the previous quarter, showing a continuous decline since 2020 when the supply of prime offices was concentrated
- The vacancy rate of prime offices decreased by 1.3%p from the previous quarter to 2.2%, mainly because most of the remaining vacancies in the building were resolved by BCG Group's move into Grand Central
- In terms of large offices, the vacancy rate decreased by 1.5%p from the previous quarter to 4.7% because the Korean Institute for Healthy Family moved to Namsan Square from other districts, and tenants in the financial and insurance sectors who moved into Wise Tower and Hanwha Financial Center Taepyeong-ro have resolved vacancies of more than 1,000 py, respectively
- For medium-large offices, the vacancy rate decreased by 0.6%p from the previous quarter to 5.6% due to the influence of Ubase, which moved into Sunhwa Tower. Additionally, further vacancy rates are expected to decline as all lease contracts for the remaining vacancies of the building have been signed
- In terms of the vacancy rate by submarkets, the decline in Namdaemun and Jongno submarkets was notable. Especially, in Namdaemun the vacancy rate decreased by 1.6%p from the previous quarter to 3.3% due to the resolution of vacancies in Seoul Square (HF) and Seoul Chamber of Commerce (wholesale and retail industry), and the Jonggak submarket was affected by the General Insurance Association of Korea
- Meanwhile, Euljiro, which had a new supply, showed a vacancy rate including new supply that was up 0.6%p from the previous quarter. However, the vacancy rate when new construction was excluded was 3.7%, down 0.1%p the previous quarter, as Pfizer Korea moved its office building to State Tower Namsan

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate(incl. new bldgs)	Vacancy Rate(excl. new bldgs)
Overall	4.0% ▼0.9%p	3.5% ▼1.1%p
Prime	2.2% ▼1.3%p	2.2% ▼1.3%p
Large	4.7% ▼1.5%p	4.7% ▼1.5%p
Medium-Large	5.6% ▼0.6%p	3.9% ▼0.6%p
Medium	6.0% ▲3.3%p	3.2% ▲0.6%p
Small	6.1% ▼0.8%p	6.1% ▼0.8%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate(incl. new bldgs)	Vacancy Rate(excl. new bldgs)
Overall	4.0% ▼0.9%p	3.5% ▼1.1%p
Gwanghwamun-Sinmunro	1.6% ▼0.9%p	1.6% ▼0.9%p
Namdaemun	4.9% ▼1.7%p	4.9% ▼1.7%p
Euljiro	4.4% ▲0.6%p	3.7% ▼0.1%p
Jongno	3.3% ▼1.6%p	3.3% ▼1.6%p
The rest of CBD	5.2% ▼1.2%p	2.7% ▼1.3%p

1Q Stock ▲ Vacancy Rate ▲

1Q CBD Inventory Forecast

- In 1Q, inventories are expected to rise due to the completion of the Bank of Korea's HQ and annex, but the vacancy rate is expected to be resolved mainly in the prime office, so the figure is expected to rise slightly or remain steady

New Tenants

Concordian – Bingrae
Center1(east) – SK Hynix

04-2

CBD Rent and CAM

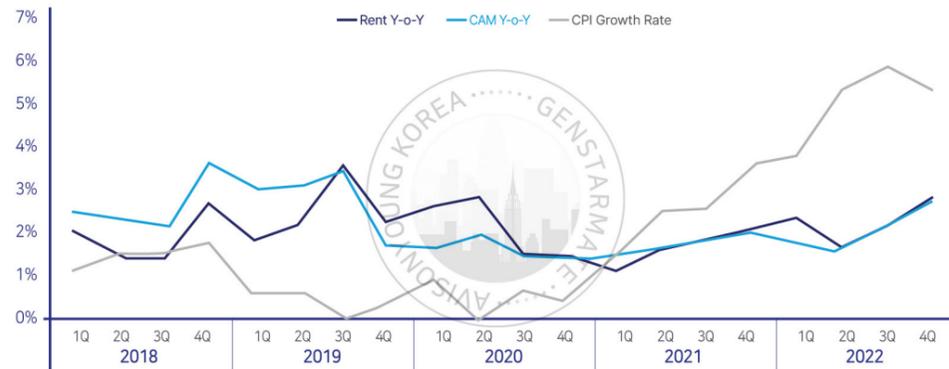
Monthly Rent and CAM by Grade (q-o-q)

- The CBD deposit for the quarter was 999,900 won per py, with rent at 100,000 won per py, representing a 1.2% increase from the previous quarter, and CAM was 41,700 won per py, up 0.9% from the previous quarter
- The rent increase was due to changes in ownership at the large office building, Seoul City Tower, resulting in higher rents throughout the district

(Price Unit : 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	999.9 ▲1.2%	100.0 ▲1.2%	41.7 ▲0.9%
Prime	1,194.1 ▲0.7%	119.4 ▲0.7%	45.9 ▲0.5%
Large	1,012.3 ▲1.7%	101.2 ▲1.7%	42.9 ▲1.4%
Medium-Large	732.6 ▲1.1%	73.3 ▲1.1%	35.7 ▲0.9%
Medium	682.1 ▲0.3%	68.2 ▲0.3%	31.9 ▲0.4%
Small	574.3 ▲0.2%	57.4 ▲0.2%	27.9 —

Monthly Rent and CAM Growth Rate (y-o-y)

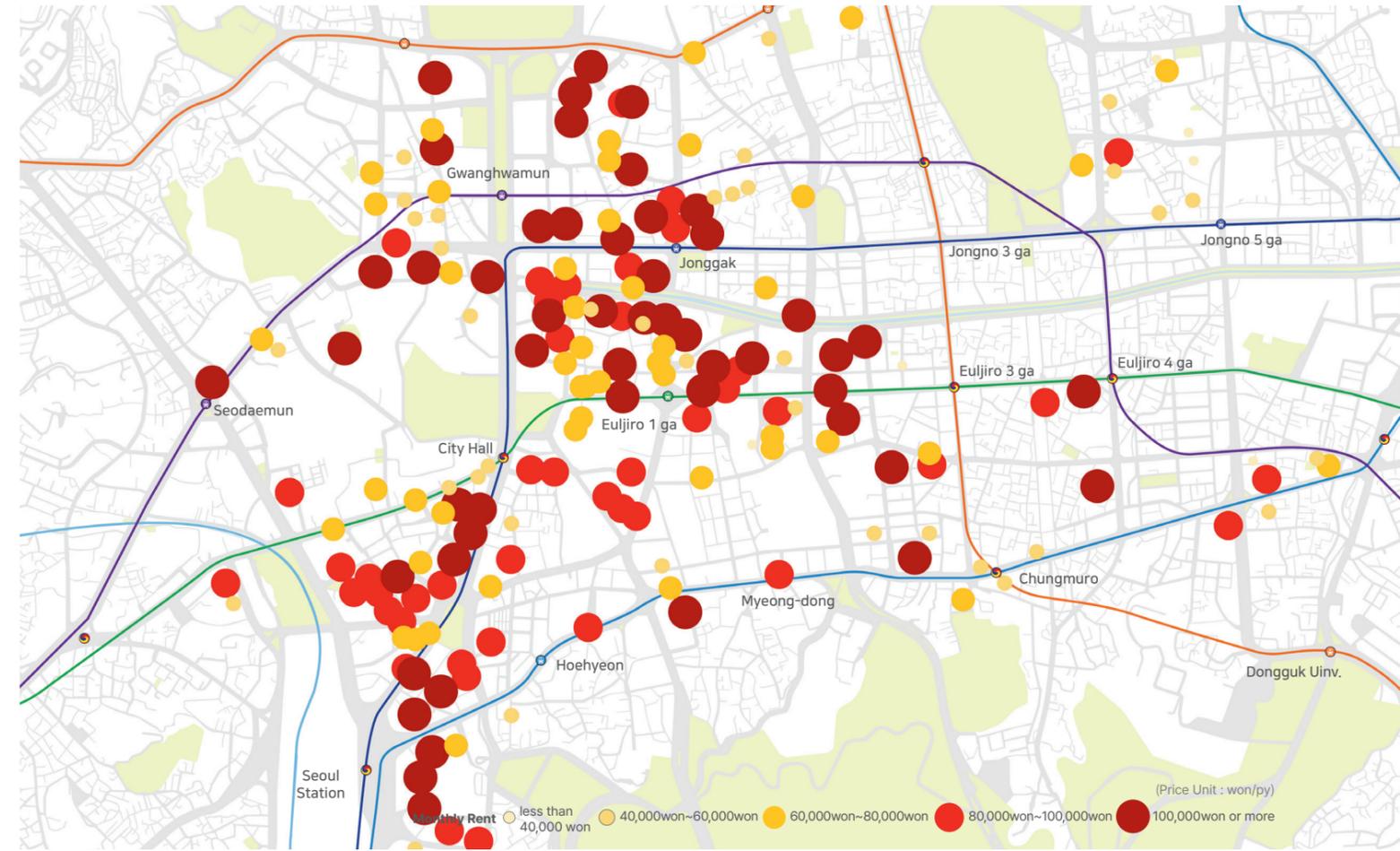


*CPI: (2020=100)

1Q Monthly Rent ▲ Monthly CAM ▲

CBD Monthly Rent Trends and Forecast

- Monthly Rent and CAM are expected to rise in 1Q as remaining vacancies in the district are being resolved quickly



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

- In the fourth quarter, rent and CAM increases were found in all submarkets of the CBD
- Notably, rents in the Namdaemun area increased by 2.7% from the previous quarter due to adjustments made by several office buildings, including Pacific Tower and Taepyeong-ro Building, which recorded the highest increase in the district

(Price Unit : 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	999.9 ▲1.2%	100.0 ▲1.2%	41.7 ▲0.9%
Gwanghwamun-Sinmunro	904.3 ▲1.3%	90.4 ▲1.3%	36.6 ▲1.2%
Namdaemun	1,009.4 ▲2.7%	100.9 ▲2.7%	42.6 ▲2.0%
Euljiro	1,008.9 ▲0.8%	100.9 ▲0.8%	42.6 ▲0.6%
Jongno	1,166.3 ▲0.1%	116.6 ▲0.1%	45.3 ▲0.1%
The rest of CBD	774.5 ▲0.2%	77.5 ▲0.2%	37.0 ▲0.4%

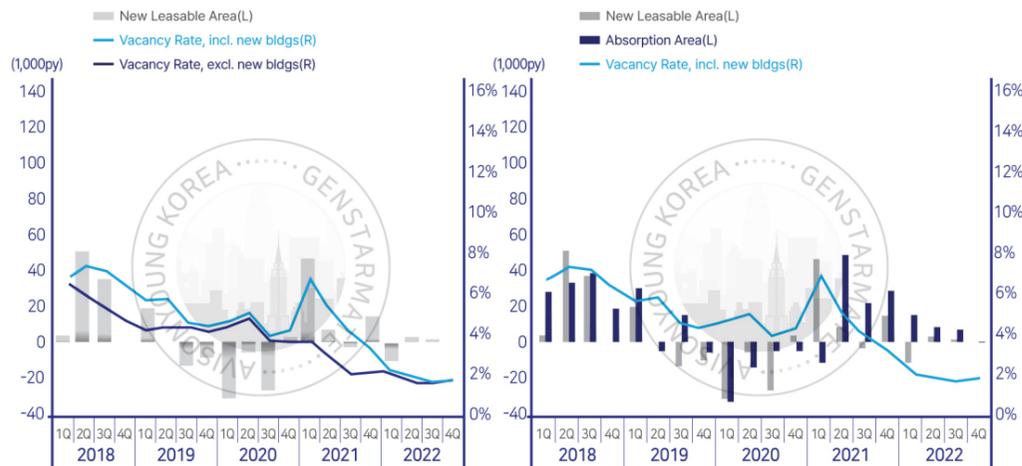
05-1

GBD Vacancy Rate

New Supply

- In the current quarter, two new small office buildings were supplied in GBD, and a new medium-large building of the Korea Science and Technology Center was also built, making it the area with the largest new supply since the second quarter of 2021
- The new building of the Korea Science and Technology Center houses foundations and associations under the Ministry of Science and ICT, including the Korea Science and Creativity Foundation and the Korea Women's Science and Technology Development Foundation, and the rest of the area is used as co-offices, having little impact on the rental market

New Leasable Area – Absorption Area - Vacancy Rate



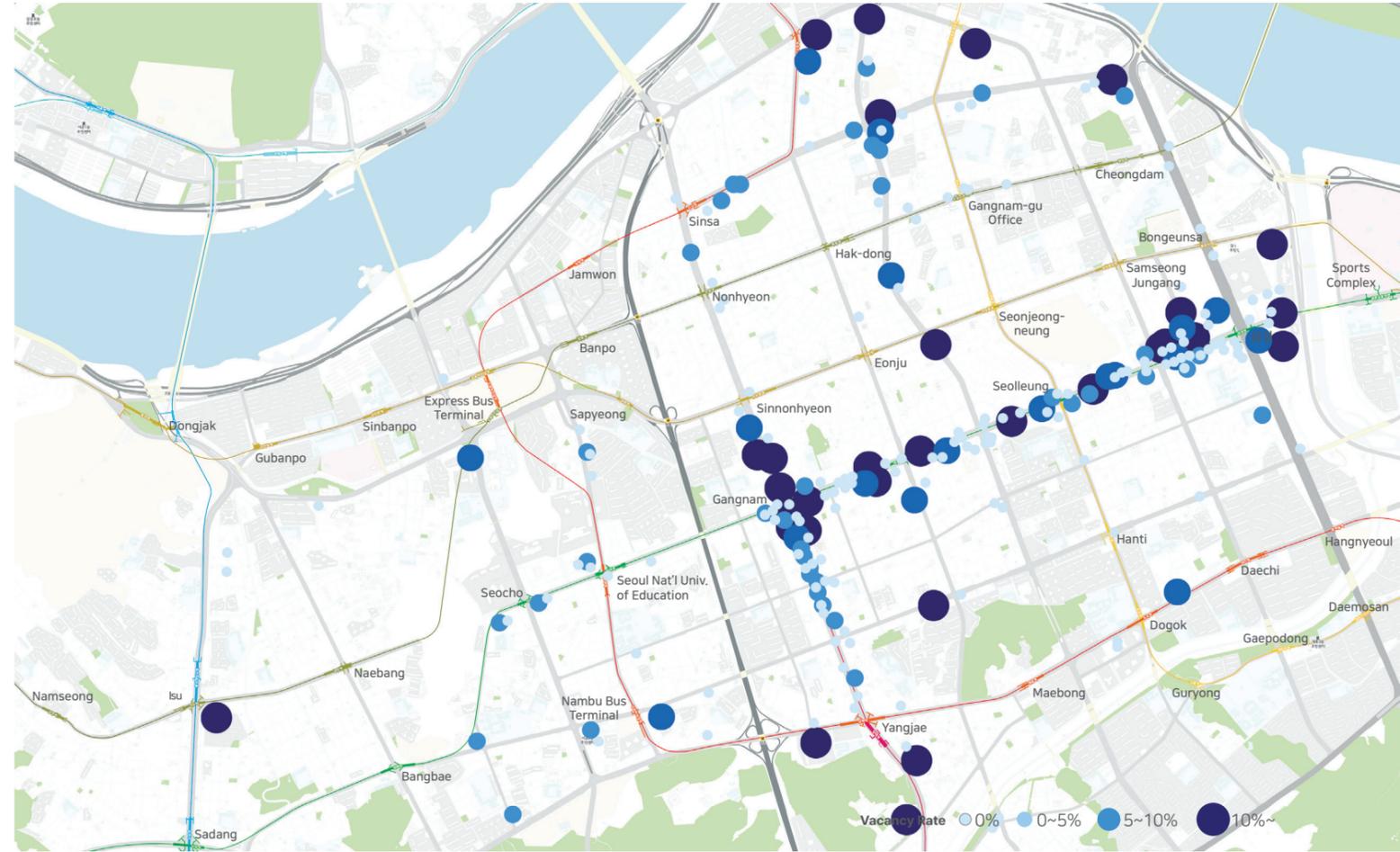
1Q Stock ▲ Vacancy Rate —

1Q GBD Inventory Forecast

- Stocks are expected to rise slightly in 2023 as new supplies are scheduled mainly for small offices under 3,000 py

New Tenants

- Centerfield – AWS
- Daechi Tower – Enterprise Block Chain



Vacancy Rate

- The GBD vacancy rate was 1.7%, up 0.1%p from the previous quarter, recording a 1% vacancy rate for three consecutive quarters. In the current quarter, Hyundai Steel, whose offices were previously dispersed in areas near Yangjae-dong, was merged and relocated to Pangyo, which affected the increase in the overall vacancy rate in the district
- The vacancy rate in Teheran-ro was 1.6%, down slightly from the previous quarter. CLO Virtual Fashion moved into the Gangnam Finance Center, eliminating most of the remaining vacancies, and second, Dongil Tower, which was temporarily vacant due to the eviction of TMON and ACN Korea, newly opened a law firm's Gangnam office and retail
- In the Gangnam-daero submarket, co-offices in Gangnam Building reduced branches, and the vacancy rate rose 0.1%p from the previous quarter to 0.8%, due to the downsizing conducted on financial institutions that moved into BNK Digital Tower
- Considering that while small vacancies or tenant transfers occur temporarily, the overall vacancy rate is around 1% in the district, the low vacancy rate is expected to remain until the third quarter when large supply is scheduled

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate(incl. new bldgs)	Vacancy Rate(excl. new bldgs)
Overall	1.7% ▲0.1%p	1.7% ▲0.1%p
Prime	1.3% ▼0.2%p	1.3% ▼0.2%p
Large	2.4% ▲0.4%p	2.4% ▲0.4%p
Medium-Large	1.5% ▲0.4%p	1.5% ▲0.4%p
Medium	0.9% ▼0.5%p	0.9% ▼0.3%p
Small	1.9%	1.7%

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate(incl. new bldgs)	Vacancy Rate(excl. new bldgs)
Overall	1.7% ▲0.1%p	1.7% ▲0.1%p
Teheranro	1.6% ▼0.1%p	1.6% ▼0.1%p
Gangnam-daero	0.8% ▲0.1%p	0.8% ▲0.3%p
The rest of GBD	2.3% ▲0.4%p	2.3% ▲0.4%p

05-2

GBD Rent and CAM

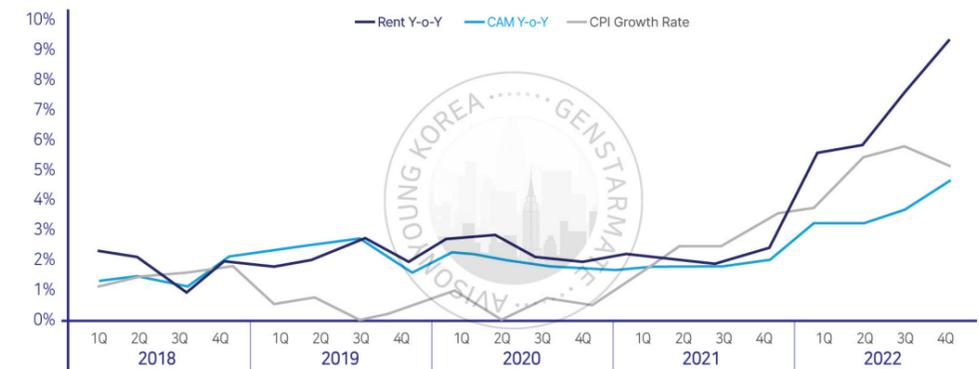
Monthly Rent and CAM by Grade (q-o-q)

- In GBD, deposit was 894,900 KRW per py and rent was 89,500 KRW per py, up 3.1% from the previous quarter, and CAM was 36,900 KRW per py, up 1.8% from the previous quarter
- The increase in rent for large and medium-sized offices was relatively high in GBD because the rent for temporarily vacant offices was higher than before

(Price Unit : 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	894.9 ▲3.1%	89.5 ▲3.1%	36.9 ▲1.8%
Prime	1,108.4 ▲1.0%	110.8 ▲1.0%	42.5 ▲1.1%
Large	914.4 ▲4.9%	91.4 ▲4.9%	38.0 ▲3.4%
Medium-Large	843.5 ▲4.6%	84.3 ▲4.6%	35.8 ▲1.2%
Medium	709.3 ▲1.5%	70.9 ▲1.5%	31.7 ▲1.2%
Small	624.9 ▲3.5%	62.5 ▲3.5%	27.2 ▲0.4%

Monthly Rent and CAM Growth Rate (y-o-y)

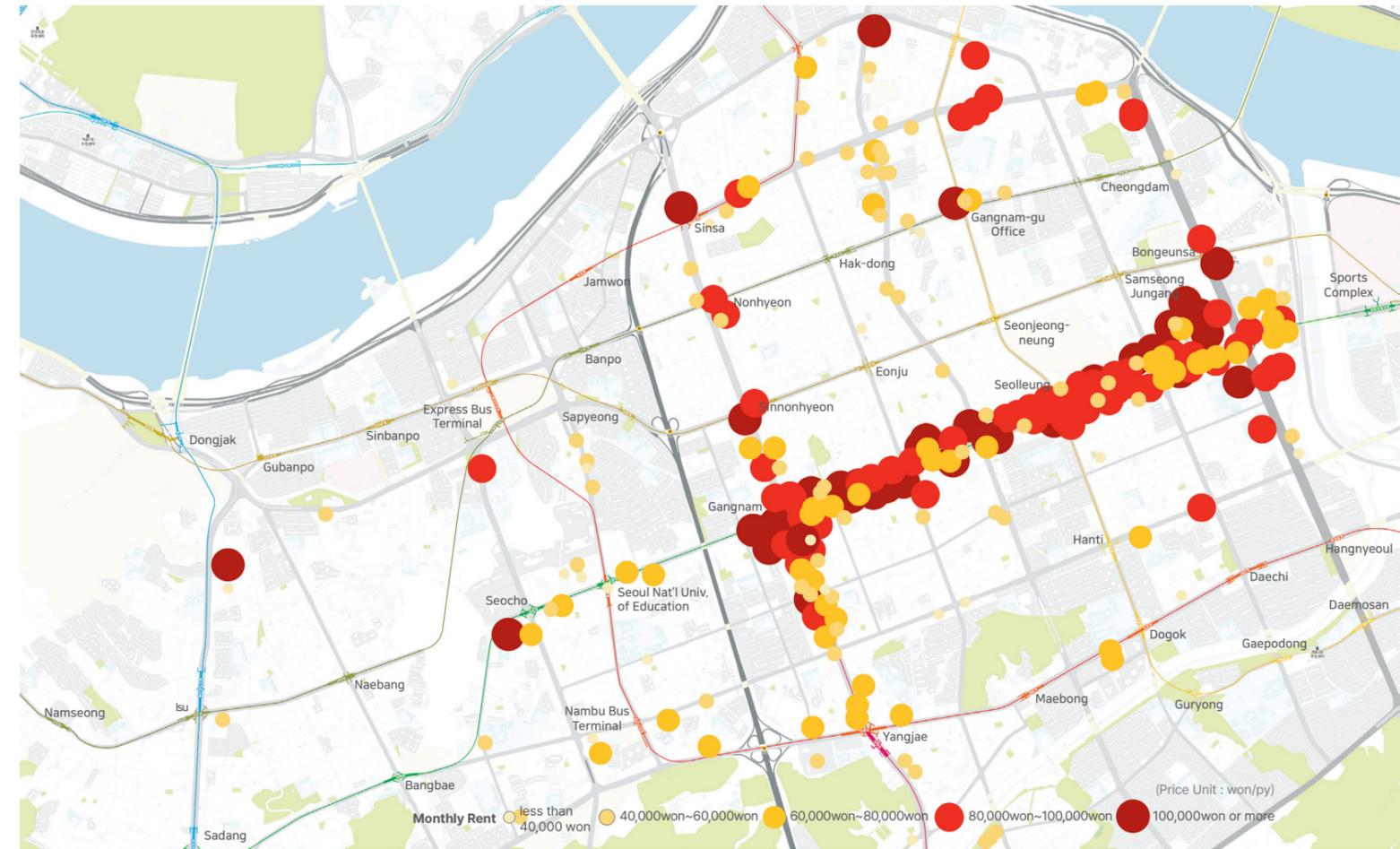


*CPI: (2020=100)

1Q Monthly Rent ▲ Monthly CAM ▲

GBD Monthly Rent Trends and Forecast

- As of the fourth quarter of 2022, monthly rent rose 3.1% q-o-q and 9.4% y-o-y, which may slow the rent increase rate but is expected to continue to rise



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

- Rent and CAM increased in all submarkets of GBD in the previous quarter due to the continued high demand for leases
- Offices in Seocho-dong, Yangjae-dong, and Sinsa-dong, which previously had vacancies in Gangnam and other areas, experienced a significant increase in rent, leading to an overall increase in rent throughout the district
- Rent in Teheran-ro and Gangnam-daero also increased significantly, by 3.2% and 2.7%, respectively

(Price Unit : 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	894.9 ▲3.1%	89.5 ▲3.1%	36.9 ▲1.8%
Teheranro	1,002.2 ▲3.2%	100.2 ▲3.2%	39.5 ▲1.5%
Gangnam-daero	940.4 ▲2.7%	94.0 ▲2.7%	37.9 ▲1.3%
The rest of GBD	675.8 ▲3.4%	67.6 ▲3.4%	31.6 ▲2.9%

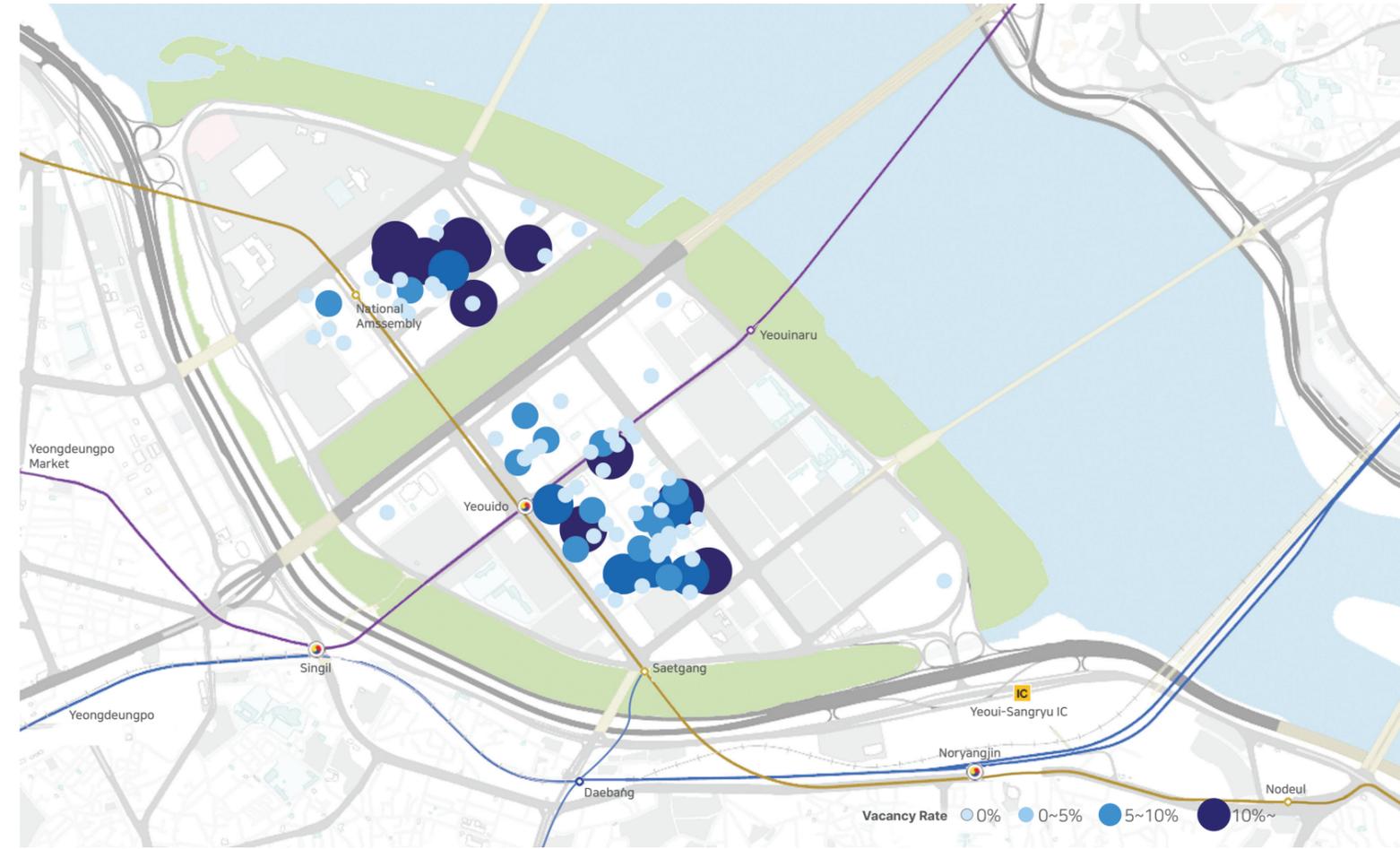
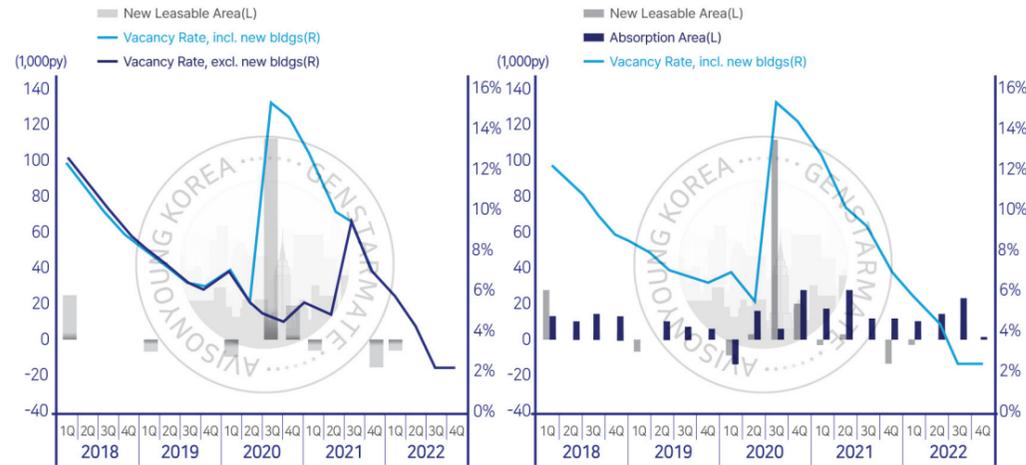
06-1

YBD Vacancy Rate

New Supply

- In the fourth quarter of 2022, there were no new office supply cases identified in YBD and the inventory remained the same as in the previous quarter
- However, YBD has been able to maintain a certain level of inventory and consistently resolve vacancies, which has resulted in a positive absorption rate for 11 consecutive quarters

New Leasable Area – Absorption Area - Vacancy Rate



Vacancy Rate

- The current YBD vacancy rate decreased 0.2%p from the previous quarter to 2.2%, continuing the steady decline since the supply of Parc 1, a prime office, in the third quarter of 2020
- The vacancy rate for large offices also fell 0.1%p from the previous quarter to 1.4%, thanks to the National Pension Service and a tenant of wholesale and retail industry moving into KT Yeouido Tower, which resolved vacancies of more than 1,000 py
- In terms of submarkets, the East Yeouido Securities submarket experienced the largest fluctuation, declining 0.5%p from the previous quarter to 0.8%. This decline was due to a tenant in the financial and insurance sectors relocating to the Hi Investment & Securities Building
- YBD remains a market dominated by lessors, as vacancy rates continue to decline in all submarkets

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
Overall	2.2% ▼0.2%p	2.2% ▼0.2%p
Prime	2.1% —	2.1% —
Large	1.4% ▼0.1%p	1.4% ▼0.1%p
Medium-Large	3.2% —	3.2% —
Medium	2.1% ▼1.6%p	2.1% ▼1.6%p
Small	3.2% —	3.2% —

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
Overall	2.2% ▼0.2%p	2.2% ▼0.2%p
West Yeouido	4.1% ▼0.1%p	4.1% ▼0.1%p
Stock Exchange District	0.8% ▼0.5%p	0.8% ▼0.5%p
East Yeouido	2.3% ▼0.1%p	2.3% ▼0.1%p

1Q Stock — Vacancy Rate —

1Q YBD Inventory Forecast

- In the case of 1Q, it is expected to maintain the same inventory as the current level as the new supply case has not been confirmed

New Tenants

HI Investment Bldg.(F) – LG Chem

06-2

YBD Rent and CAM

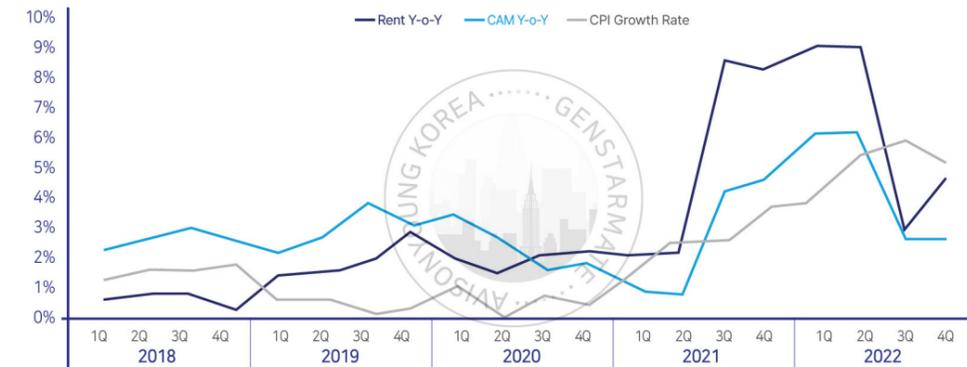
Monthly Rent and CAM by Grade (q-o-q)

- Regarding YBD, the deposit was 816,000 KRW per py and the rent was 81,600 KRW per py, up 1.9% from the previous quarter, while the CAM was 36,600 KRW per py, up 1.0% from the previous quarter
- Rent prices for prime and large offices increased more than 2% compared to the previous quarter, driving the overall rent increase in the district

(Price Unit : 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	816.0 ▲1.9%	81.6 ▲1.9%	36.6 ▲1.0%
Prime	1,067.4 ▲2.1%	106.7 ▲2.1%	43.0 ▲0.7%
Large	696.6 ▲2.2%	69.7 ▲2.2%	35.5 ▲1.7%
Medium-Large	554.9 ▲0.7%	55.5 ▲0.7%	28.4 ▲1.1%
Medium	440.5 ▲1.2%	44.0 ▲1.2%	25.3 ▲1.0%
Small	324.1 ▲0.4%	32.4 ▲0.4%	22.3 ▲0.2%

Monthly Rent and CAM Growth Rate (y-o-y)

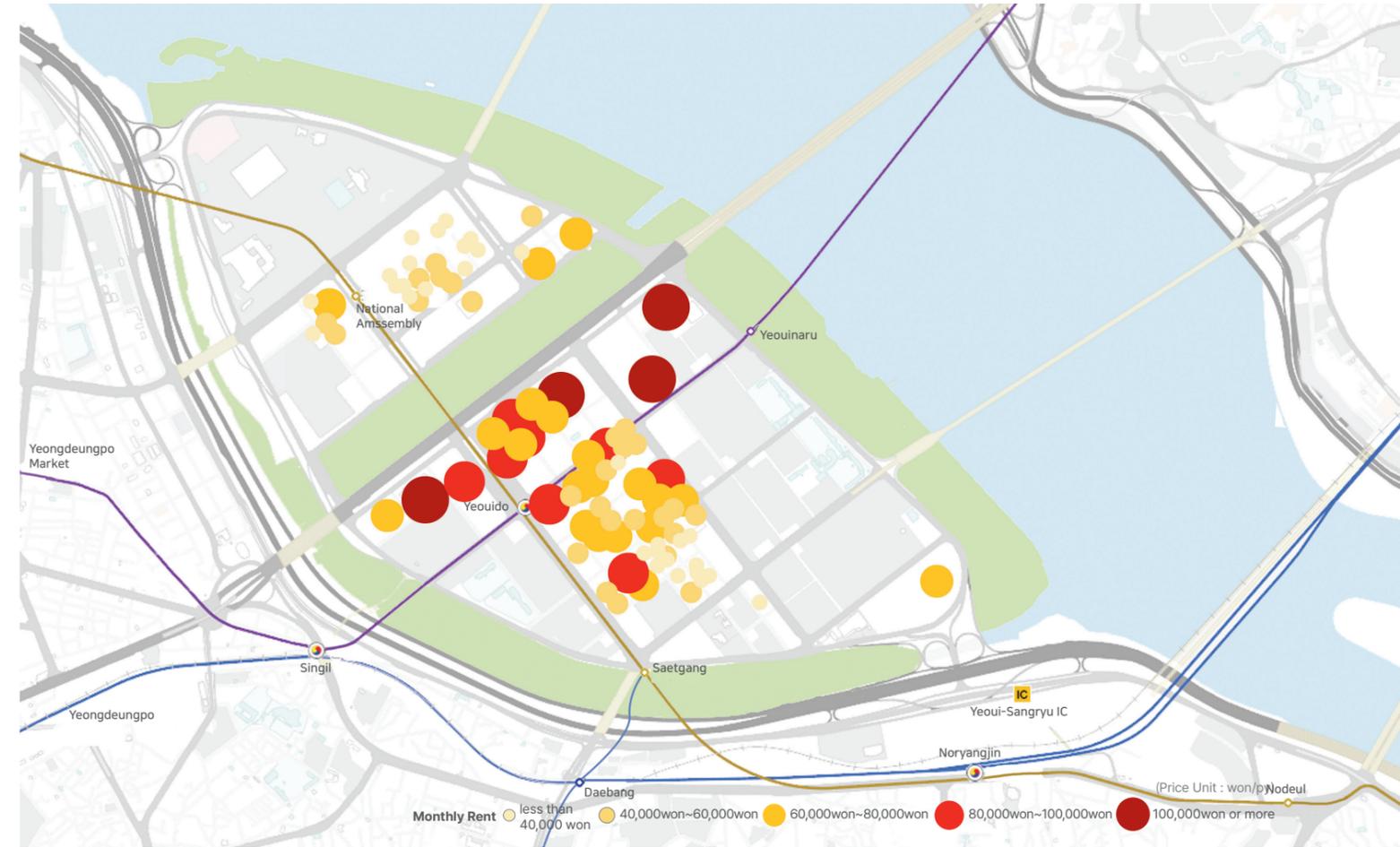


*CPI: (2020=100)

1Q Monthly Rent ▲ Monthly CAM ▲

YBD Monthly Rent Trends and Forecast

- Monthly rent and CAM increases are expected due to the typical rent adjustment period continues



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

- Deposits, rent, and CAM all increased in all sub-areas of YBD in the current quarter
- In the Stock Exchange District, rent increased 5.2% compared to the previous quarter, with increases identified at Hyundai Motor Securities Bldg. and Yeouido Financial Tower

(Price Unit : 1,000 won/py)

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	816.0 ▲1.9%	81.6 ▲1.9%	36.6 ▲1.0%
West Yeouido	475.6 ▲0.4%	47.6 ▲0.4%	24.5 ▲0.1%
Stock Exchange District	1,005.6 ▲5.2%	100.6 ▲5.2%	43.2 ▲2.4%
East Yeouido	822.5 ▲0.4%	82.3 ▲0.4%	36.9 ▲0.4%

07-1

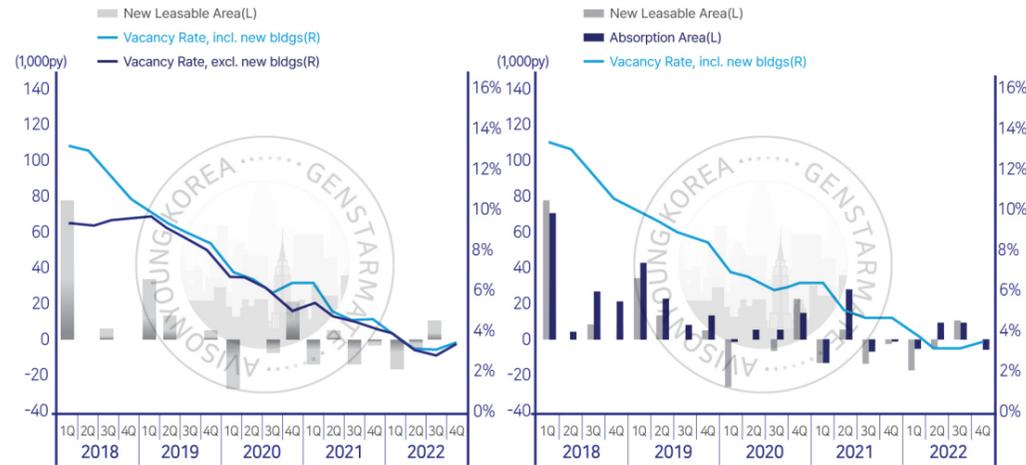
Others

Vacancy Rate

New Supply

- In the fourth quarter, Others saw the supply of one medium-sized office building, resulting in a slight increase in inventory compared to the previous quarter
- In the first quarter of 2023, inventory is expected to rise further as two HQ buildings and one rental office are scheduled to be completed

New Leasable Area – Absorption Area - Vacancy Rate



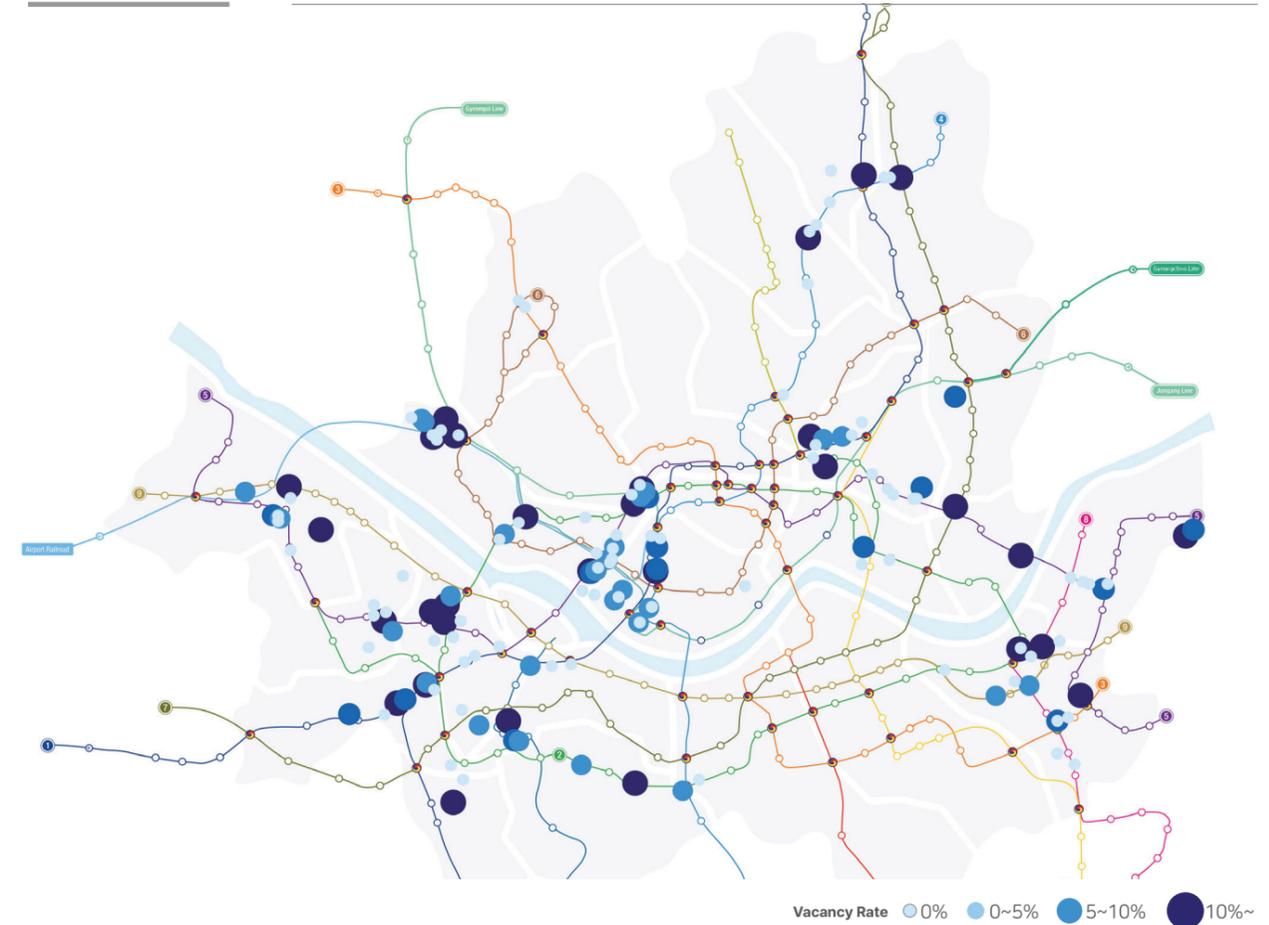
1Q ↗ Stock ▲ Vacancy Rate ▲

1Q Others Inventory Forecast

- The total inventory is expected to increase slightly as 2 HQ and office of 5,000 py-scale will be supplied

New Tenants

Poosan HQ – AA Archigroup



Vacancy Rate

- In the fourth quarter, Others saw the supply of one medium-sized office building, resulting in a slight increase in inventory compared to the previous quarter. In the first quarter of 2023, inventory is expected to rise further as two HQ buildings and one rental office are scheduled to be completed
- However, in the fourth quarter, Others' vacancy rate increased by 0.4%p from the previous quarter to 3.5% due to the relocation of some tenants
- Large offices posted a 4.6% vacancy rate, up 2.6%p from the previous quarter, as Welcome Financial Group moved to its new Yongsan office, leaving G Valley Biz Plaza
- Medium-large sized offices were rented out by financial and insurance companies at Westgate Tower, and the vacancy rate, including the new building, fell 1.2%p from the previous quarter to 3.9% as Samsung Fire & Marine Insurance and ST Unitas moved to Space K, which was supplied last quarter
- For medium-sized offices, vacancy rates fell 0.3%p from the previous quarter to 3.7% due to the relocation of manufacturing companies to Good People Building. Submarket data shows that Ubase moved out from The Prime Tower, leading to a 2.5%p increase in the vacancy rate in the Yongsan submarket, which rose to 2.8% from the previous quarter. However, as all lease contracts for the area have been signed, the vacancy rate is expected to stabilize again as new tenants start moving in

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
Overall	3.5% ▲0.4%p	3.5% ▲0.7%p
Prime	1.5% —	1.5% —
Large	4.6% ▲2.6%p	4.6% ▲2.6%p
Medium-Large	3.9% ▼1.2%p	3.9% —
Medium	3.7% ▼0.3%p	3.7% ▼0.4%p
Small	5.6% ▲0.1%p	5.6% ▲0.1%p

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
Overall	3.5% ▲0.4%p	3.5% ▲0.7%p
Mapo	2.1% ▲0.4%p	2.1% ▲0.4%p
Yongsan	2.8% ▲2.5%p	2.8% ▲2.5%p
Jamsil-Songpa	1.3% ▲0.8%p	1.3% ▲0.8%p
Sangam	1.1% ▼0.2%p	1.1% ▼0.2%p
The rest of Others	5.6% —	5.6% ▲0.7%p

07-2

Others Rent and CAM

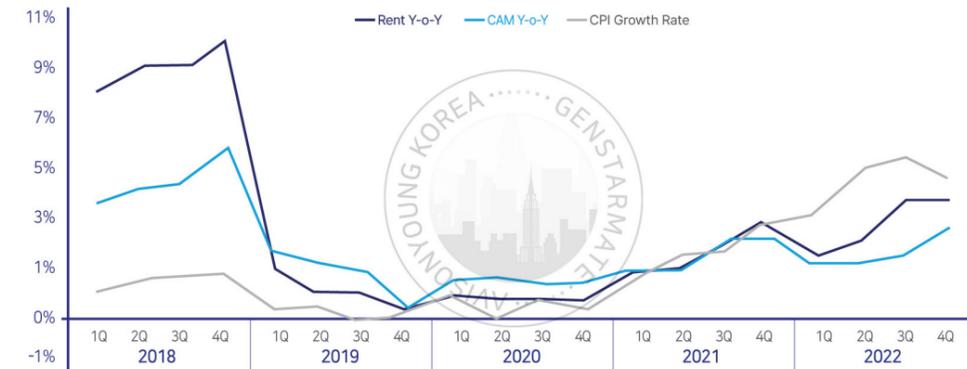
Monthly Rent and CAM by Grade (q-o-q)

- In the Others district, deposit was 593,900 KRW per py and rent was 59,400 KRW per py, up 1.1% from the previous quarter, and CAM were 30,400 KRW per py, up 1.2% from the previous quarter
- Rent increases occurred in some large offices, including Semicolon Munrae, contributing to the rise of the entire Others district

(Price Unit : 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	593.9 ▲1.1%	59.4 ▲1.1%	30.4 ▲1.2%
Prime	773.5 ▲0.1%	77.3 ▲0.1%	34.9 ▲0.1%
Large	546.9 ▲2.4%	54.7 ▲2.4%	30.2 ▲2.1%
Medium-Large	528.9 ▲1.3%	52.9 ▲1.3%	29.6 ▲2.0%
Medium	510.0 ▲1.3%	51.0 ▲1.3%	25.7 ▲0.5%
Small	410.6 ▲1.5%	41.1 ▲1.5%	22.1 ▲0.2%

Monthly Rent and CAM Growth Rate (y-o-y)

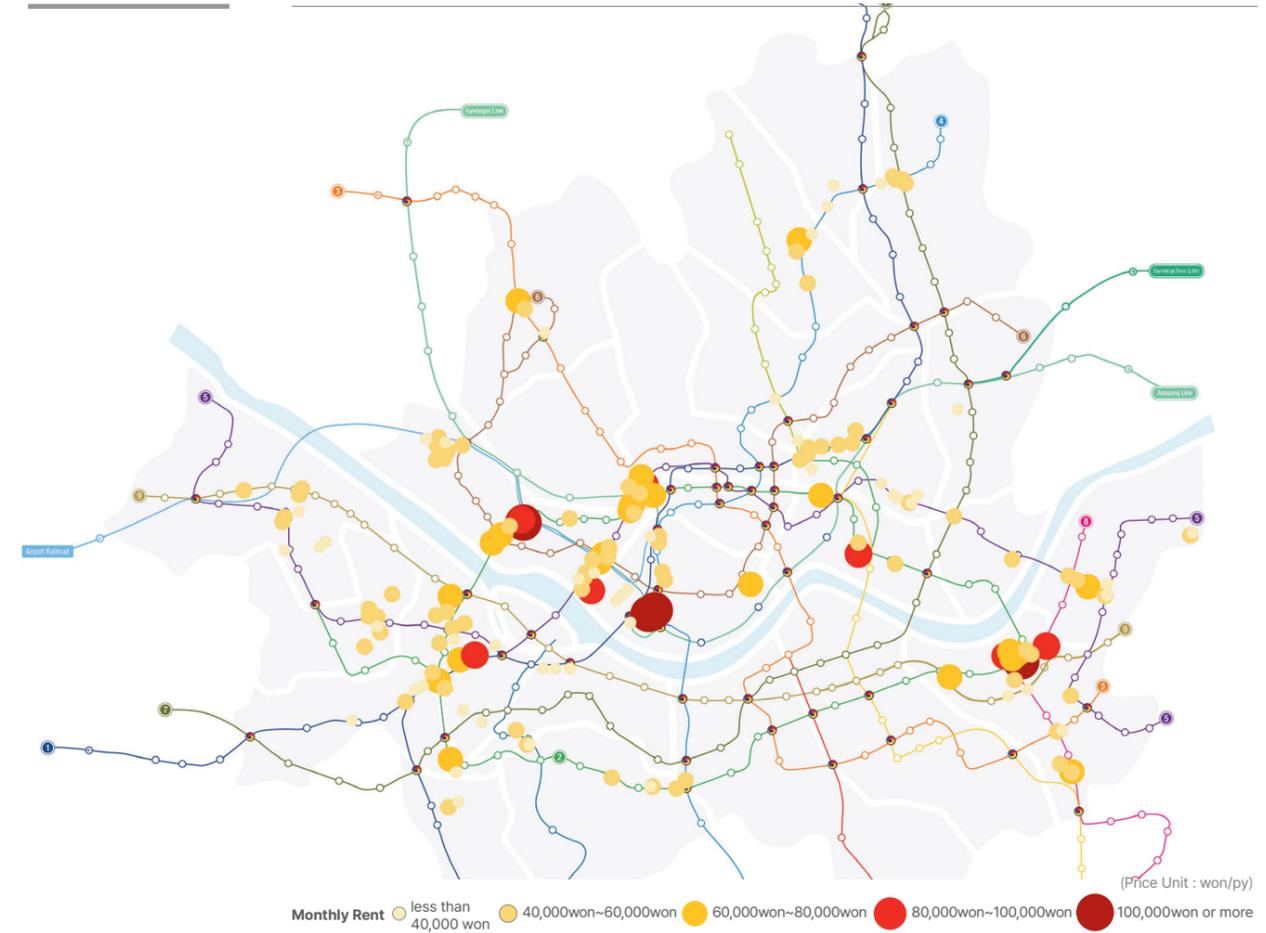


*CPI: (2020=100)

1Q Monthly Rent ▲ Monthly CAM ▲

Others Monthly Rent Trends and Forecast

- Additional increases are expected to occur due to the typical rental condition adjustment period until 1Q, following the 4Q



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

- In the Others district, deposit was 593,900 KRW per py and rent was 59,400 KRW per py, up 1.1% from the previous quarter, and CAM were 30,400 KRW per py, up 1.2% from the previous quarter. Rent increases occurred in some large offices, including Semicolon Munrae, contributing to the rise of the entire Others district
- Rent increases were also seen in all submarkets in the current quarter, with a noticeable increase in the Sangam submarket
- When it comes to the Sangam submarket, which showed no change in rent in the previous quarter, rent increased 2.3% compared to the previous quarter due to a sharp increase in rent in the JoongAng Ilbo building
- CAM increased in all submarkets except the Yongsan submarket, up 1.2% from the previous quarter to 30,400 won per py

(Price Unit : 1,000 won/py)

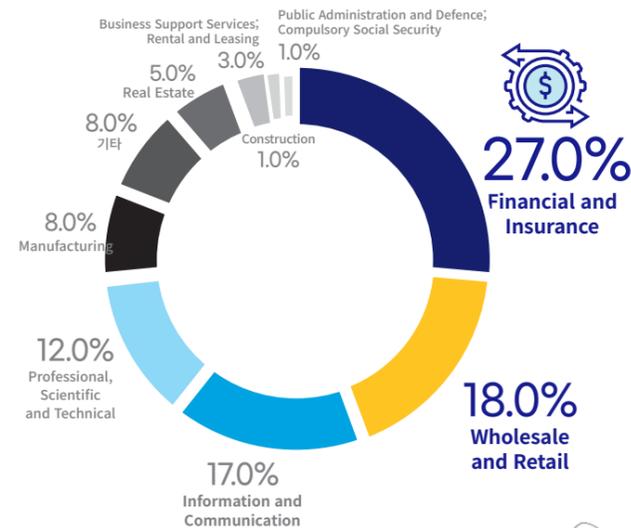
Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	593.9 ▲1.1%	59.4 ▲1.1%	30.4 ▲1.2%
Mapo	489.5 ▲0.6%	49.0 ▲0.6%	28.4 ▲1.0%
Yongsan	925.4 ▲0.5%	92.5 ▲0.5%	37.6 —
Jamsil-Songpa	729.6 ▲0.3%	73.0 ▲0.3%	33.3 ▲0.4%
Sangam	431.7 ▲2.3%	43.2 ▲2.3%	26.7 ▲2.7%
The rest of Others	549.8 ▲1.6%	55.0 ▲1.6%	29.5 ▲1.4%

08-1

Tenants Movement Status by Industry

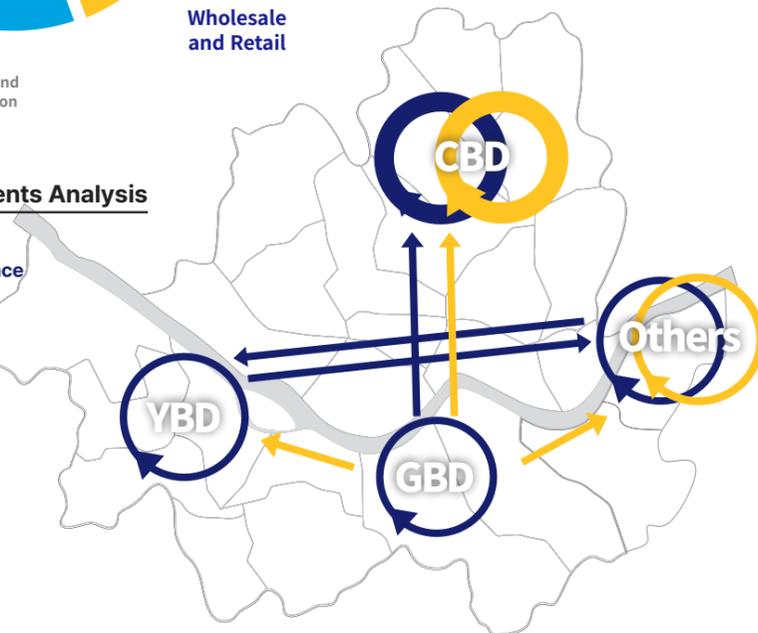
- In the fourth quarter, the financial and insurance industry (27%) and wholesale and retail industry (18%) were the most active industries in terms of office relocations or leasing activity
- In the financial and insurance industry, which recorded a 6%p increase from the previous quarter, companies such as HF and the General Insurance Association of Korea moved within the CBD district
- Concerning the wholesale and retail sectors, Pfizer Korea moved its office building due to the reconstruction of Pfizer Tower, a number of CBD transfers by foreign companies such as Toyota Motor Korea and LVMH were identified, and the movement rate was 18%, up 7%p from the previous quarter

Trends in Tenants Movement by Industry



Top 2 Industry Movements Analysis

- 1 Financial and Insurance**
 - 10% or less
 - More than 10% to 20%
 - More than 20% to 30%
 - More than 30%
- 2 Wholesale and Retail**
 - 10% or less
 - More than 10% to 20%
 - More than 20% to 30%
 - More than 30%



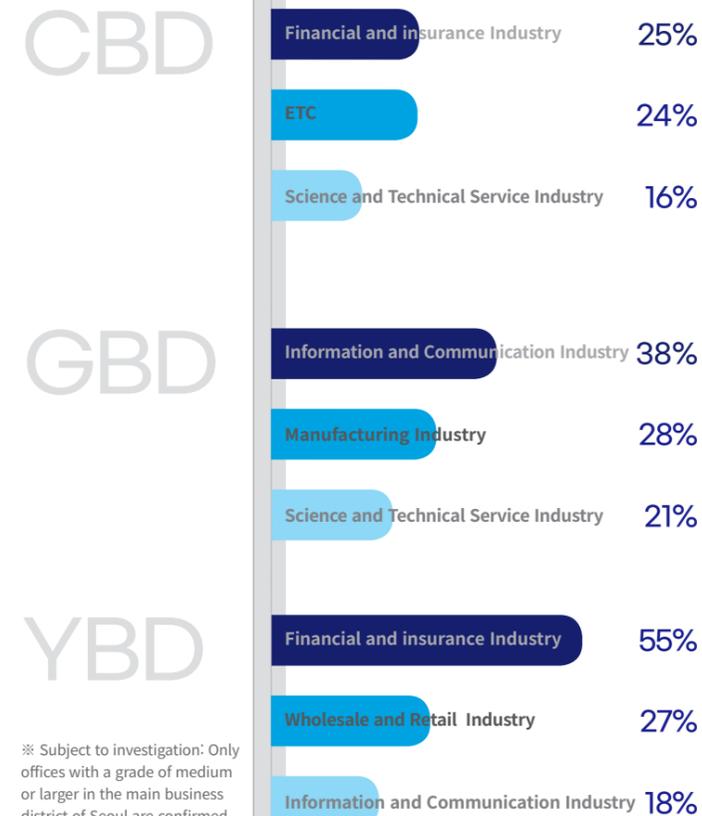
※ Subject to investigation : Only offices with a grade of medium or larger in the main business district of Seoul are confirmed to move more than 200 py
 ※ Industry classification: KOSIS, Standard Industry Classification

08-2

Tenants Movement Status by District

- In the fourth quarter, the financial and insurance industry had the highest rate of both vacancy resolution and occurrence, which can be attributed to the influence of financial holding companies moving across the entire district
- As for CBD, many cases were observed in which vacancies were resolved due to financial and insurance companies (Shinhan Life Insurance and Hana Bank), followed by other industries (transportation and warehouse) as CJ Logistics moved to its headquarters
- In terms of GBD, CLO Virtual fashion (information and communication industry) and Jeongyookgak (manufacturing industry), which have completed the relocation of the headquarters, contributed to resolving vacancies
- Meanwhile, in relation to YBD following CBD, companies in the financial and insurance industry, such as Mirae Asset Life Insurance, which moved internally, and the National Pension Service, which moved into KT Yeouido Tower, were found to have been the most active

Ratio of Tenants Moved in by Industry



※ Subject to investigation: Only offices with a grade of medium or larger in the main business district of Seoul are confirmed to move more than 200 py
 ※ Industry classification: KOSIS, Standard Industry Classification

Ratio of Tenants Moved out by Industry



09-1

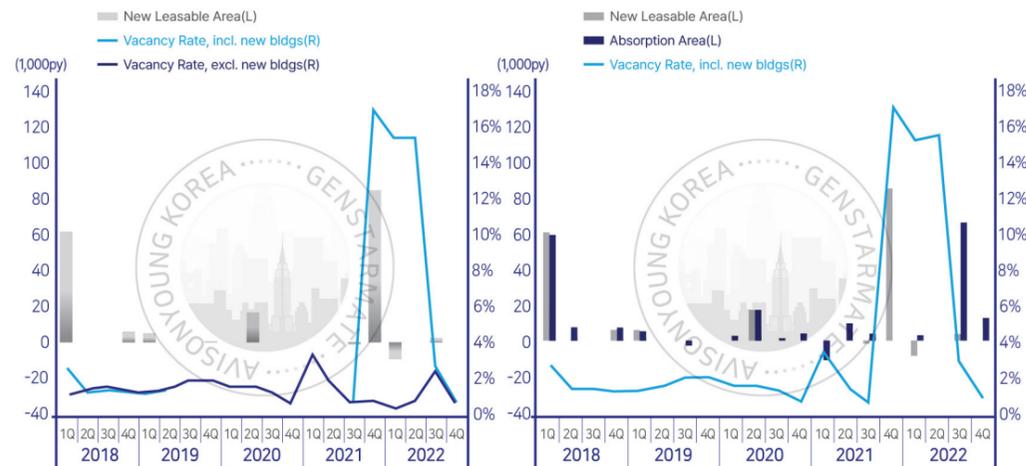
BBD

Vacancy Rate

New Supply

- No new supply cases were found in BBD in the current quarter, and the same inventory as in the previous quarter was maintained
- Accordingly, BBD recorded a positive (+) absorption area following the previous quarter by continuously resolving the existing vacancy area without additional supply

New Leasable Area – Absorption Area - Vacancy Rate



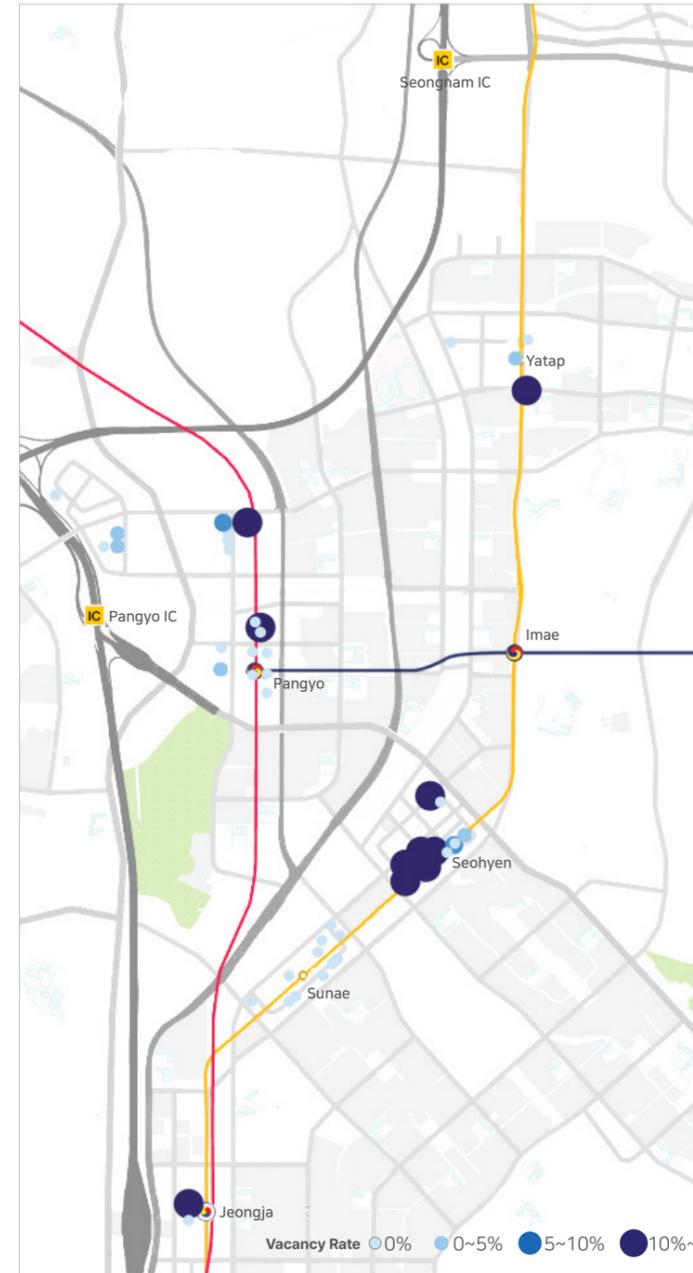
1Q ↗ Stock ▲ Vacancy Rate —

1Q BBD Inventory Forecast

- In 1Q, it is expected to be supplied with office buildings mainly in Pangyo, and inventory is expected to rise slightly compared to the previous quarter

New Tenants

Bundang First Tower – Smilegate



Vacancy Rate

- The BBD vacancy rate in the fourth quarter fell 2.4%p from the previous quarter to 0.5%, and when new construction was excluded, it fell 2.0%p to 0.5%
- Hyundai Steel's relocation from GBD to Great Pangyo, a prime office, contributed to the decline in the overall vacancy rate of the district
- With respect to small offices, the vacancy rate fell 3.5%p from the previous quarter to 1.4% as companies in the manufacturing (Hyundai Heavy Industries, Hanwha Systems) and financial and insurance (Korea Investment & Securities) sectors moved into the Center Point Seohyun in the third quarter of 2022
- Regarding the vacancy rate by submarket, Pangyo submarket, where Pangyo Tech-One and Alpha Dome Tower are located, showed the biggest fluctuation with a 3.9%p drop, which was attributed to Naver and Kakao's additional occupancy of all remaining vacancies in the building

Increase Rate by Grade (Q-o-Q)

Grade	Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
Overall	0.5% ▼2.4%p	0.5% ▼2.0%p
Prime	0.0% ▼5.2%p	0.0% ▼6.3%p
Large	0.2% ▼0.1%p	0.2% ▼0.1%p
Medium-Large	2.0% ▲0.9%p	2.0% ▲0.9%p
Medium	1.6% ▲1.1%p	1.6% ▲1.1%p
Small	1.4% ▼3.5%p	1.5% —

Increase Rate by Submarket (Q-o-Q)

Submarket	Vacancy Rate (incl. new bldgs)	Vacancy Rate (excl. new bldgs)
Overall	0.5% ▼2.4%p	0.5% ▼2.0%p
Seohyun	2.0% ▼0.4%p	2.1% ▲1.5%p
Sunae	1.0% —	1.0% —
The rest of BBD	0.5% ▼0.3%p	0.5% ▼0.3%p
Pangyo	0.0% ▼3.9%p	0.0% ▼4.1%p

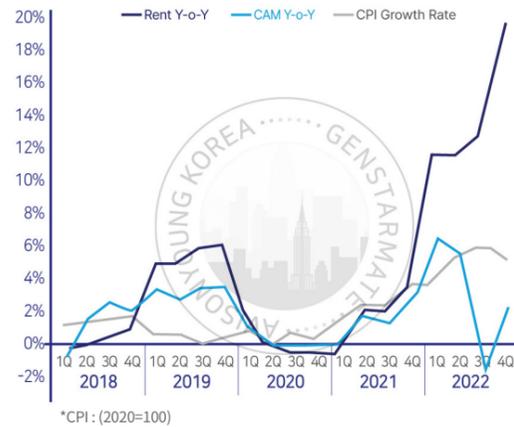
09-2

BBD Rent and CAM

Monthly Rent and CAM

Concerning BBD, the deposit was 648,500 KRW per py, the rent was 64,900 won/py, and the CAM was 26,400 KRW per py. Incorporating prime offices like Pangyo Tech-One and Kakao Pangyo Agit into stabilization samples has resulted in an increase in rental prices throughout the district of Pangyo

Monthly Rent and CAM Growth Rate (y-o-y)

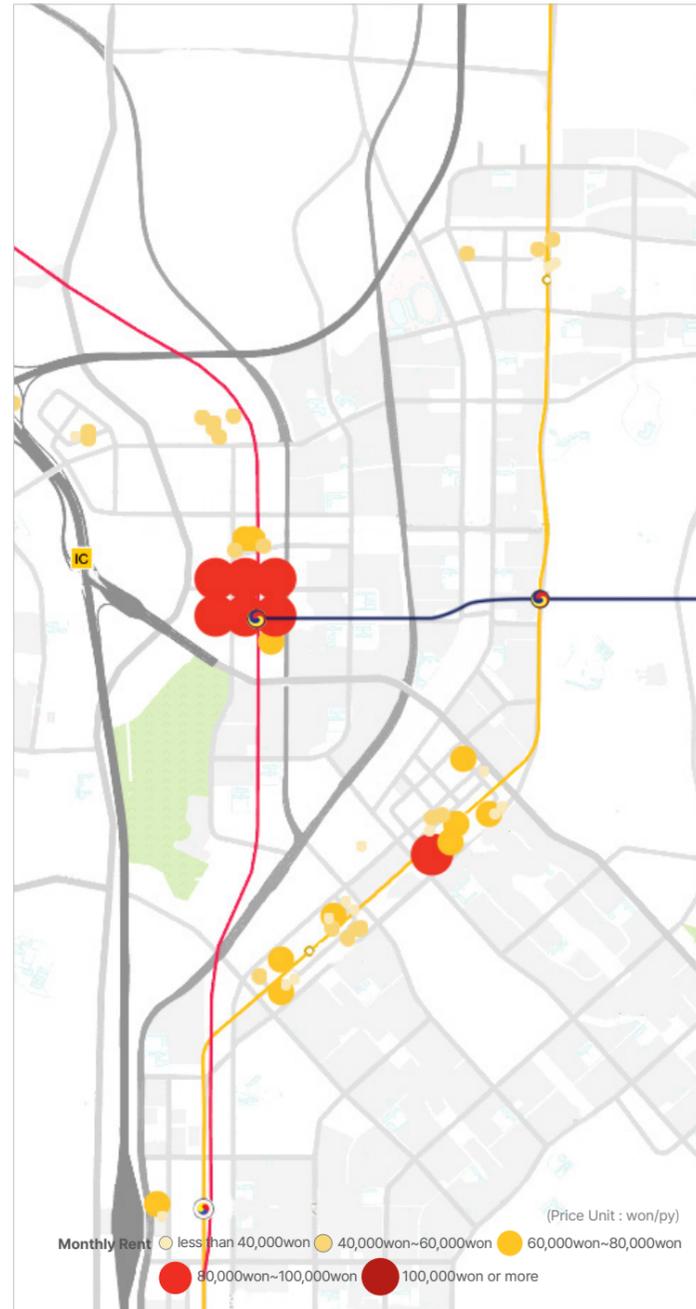


Monthly Rent and CAM by Grade (q-o-q) (Price Unit : 1,000 won/py)

Grade	Deposit	Monthly Rent	Monthly CAM
Overall	648.5 ▲7.5%	64.9 ▲7.5%	26.4 ▲5.3%
Prime	768.9 ▲7.2%	76.9 ▲7.2%	27.2 ▲13.8%
Large	618.0 ▲0.6%	61.8 ▲0.6%	26.8 —
Medium-Large	532.8 ▲4.3%	53.3 ▲4.3%	26.6 ▲0.7%
Medium	469.8 ▲0.8%	47.0 ▲0.8%	24.7 —
Small	431.9 ▲1.5%	43.2 ▲1.5%	22.1 ▲3.8%

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

Submarket	Deposit	Monthly Rent	Monthly CAM
Overall	648.5 ▲7.5%	64.9 ▲7.5%	26.4 ▲5.3%
Seohyun	623.4 ▲2.1%	62.3 ▲2.1%	29.0 ▲0.4%
Sunae	528.4 ▲1.3%	52.8 ▲1.3%	24.8 ▼0.8%
The rest of BBD	549.1 ▲1.4%	54.9 ▲1.4%	16.3 ▲3.9%
Pangyo	704.6 ▲9.0%	70.5 ▲9.0%	28.5 ▲6.1%



10 Metropolitan Cities

※ Rate of change : Q-o-Q



Incheon *Songdo Excluded

Vacancy Rate	Jeonse Conversion Price
7.0% ▼1.7%p	2,453,310won ▼0.3%
Monthly Rent	Monthly CAM
23,673won ▼0.3%	19,836won ▲1.2%

Daejeon

Vacancy Rate	Jeonse Conversion Price
5.1% ▼1.2%p	2,245,556won ▲0.5%
Monthly Rent	Monthly CAM
20,751won ▲0.5%	21,528won ▲0.1%

Gwangju

Vacancy Rate	Jeonse Conversion Price
8.3% ▼0.3%p	3,128,665won ▲0.5%
Monthly Rent	Monthly CAM
28,775won ▲0.5%	18,221won ▲1.2%

Daegu

Vacancy Rate	Jeonse Conversion Price
16.7% ▲0.3%p	2,890,418won ▲1.0%
Monthly Rent	Monthly CAM
25,069won ▲0.9%	22,020won ▲0.6%

Ulsan

Vacancy Rate	Jeonse Conversion Price
14.4% —	2,914,467won —
Monthly Rent	Monthly CAM
26,577won —	21,216won —

Busan

Vacancy Rate	Jeonse Conversion Price
13.0% ▼0.8%p	3,046,475won ▼0.9%
Monthly Rent	Monthly CAM
27,859won ▼0.1%	22,221won ▲0.1%

APPENDIX

Research Overview, Indirect Investment Vehicle,
Tenant Activities, New Supply



01

Research Overview

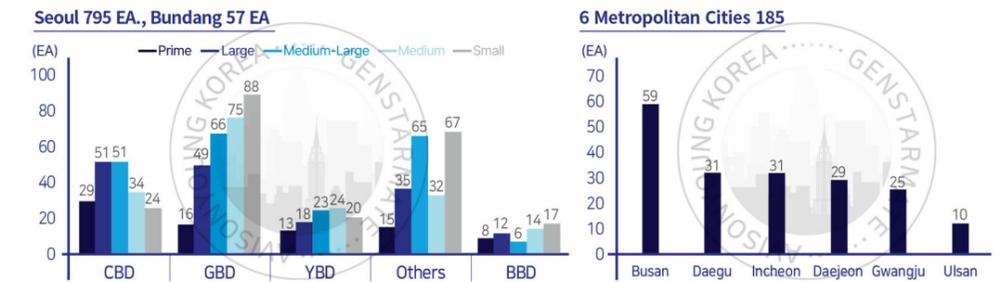
Region : Seoul, Bundang, and 6 major metropolitan cities (Incheon, Daegu, Daejeon, Gwangju, Ulsan, Busan)
Target : Office buildings with gross floor area of 1,500m² or more which use at least 50% of its area as office facilities
Research method : Telephone/site investigation, Ministry of Land, Infrastructure, and Transport
Contents of research : Office transaction cases, tenant status, and rent level
Research period : Seoul and Bundang: every 5th ~ 15th day of each month, Metropolitan cities : 12th October ~ 25th December (Quarterly)
Price Unit : won(won)

02

Office Classification

Prime : over 20,000 py
Large : over 10,000 py ~ smaller than 20,000 py
Medium-Large : over 5,000 py ~ smaller than 10,000 py
Medium : over 3,000 py ~ smaller than 5,000 py
Small : smaller than 3,000 py

Office Samples by Grade and Submarket (1,037 EA)



Submarket Classification

Market	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	-

Map of District



03

Terminology

Capitalization Rate

Definition : The ratio of net operating income to real estate value, the ratio of actual income earned from real estate to the cost invested in it.

Calculation : NOI(Net Operating Income) / Transaction Price

Vacancy Rate

Classification Standard : To take into account the period it takes for a new office to affect the office market, GenstarMate divides the 'vacancy rate incl. new bldgs' and vacancy rate excl. new bldgs' in this report. New buildings refer to assets that are less than 12 months old as of the time of the survey

Monthly Rent

Classification Standard : In order to take into account the immediate effect of the completion of the new buildings, GenstarMate classifies the 'monthly rent incl. new bldgs' reflecting the immediate effect of the completion of the new office and the 'monthly rent incl. new bldgs' considering the stabilization period of the new building

Jeonse Conversion Price

Definition : Value converted from the rental price of the guaranteed monthly rent method based on the price of the deposit. It is possible to compare the level of rent between buildings with different rental standards

Calculation : Deposit + (Monthly Rent x 12 ÷ Conversion Rate)

(Price Unit : won/py)

District	Grade	Vacancy Rate (incl. new bldgs.)	Vacancy Rate (excl. new bldgs.)	Deposit	Monthly Rent	Monthly CAM	Jeonse Conversion Price
Overall	Overall	2.9%	2.7%	841,647	84,165	36,702	9,200,579
	Prime	1.8%	1.8%	1,059,258	105,926	42,197	11,780,920
	Large	3.6%	3.6%	839,215	83,922	37,620	9,178,176
	Medium-Large	3.5%	3.0%	685,021	68,502	33,012	7,407,805
	Medium	2.6%	2.1%	626,818	62,682	29,661	6,565,075
	Small	3.8%	3.7%	515,603	51,560	25,087	5,213,894
	Overall	4.0%	3.5%	999,931	99,993	41,697	11,412,074
	Prime	2.2%	2.2%	1,194,125	119,413	45,909	13,517,339
	Large	4.7%	4.7%	1,012,259	101,226	42,948	11,822,747
	Medium-Large	5.6%	3.9%	732,631	73,263	35,703	8,130,502
	Medium	6.0%	3.2%	682,143	68,214	31,874	7,797,102
	Small	6.1%	6.1%	574,295	57,430	27,861	6,178,073
CBD	Overall	1.7%	1.7%	894,858	89,486	36,851	9,258,709
	Prime	1.3%	1.3%	1,108,388	110,839	42,482	12,441,118
	Large	2.4%	2.4%	914,415	91,441	37,978	9,100,488
	Medium-Large	1.5%	1.5%	843,462	84,346	35,755	8,710,670
	Medium	0.9%	0.9%	709,289	70,929	31,699	6,864,007
	Small	1.9%	1.7%	624,944	62,494	27,205	5,701,332
	Overall	2.2%	2.2%	816,017	81,602	36,601	9,023,515
	Prime	2.1%	2.1%	1,067,445	106,744	43,011	11,620,727
	Large	1.4%	1.4%	696,611	69,661	35,501	7,996,109
	Medium-Large	3.2%	3.2%	554,882	55,488	28,426	6,219,638
	Medium	2.1%	2.1%	440,483	44,048	25,317	4,900,906
	Small	3.2%	3.2%	324,086	32,409	22,290	3,692,439
Seoul	Overall	3.5%	3.5%	593,894	59,389	30,401	6,503,424
	Prime	1.5%	1.5%	773,478	77,348	34,907	8,346,434
	Large	4.6%	4.6%	546,926	54,693	30,176	5,905,346
	Medium-Large	3.9%	3.9%	528,877	52,888	29,583	5,893,764
	Medium	3.7%	3.7%	510,037	51,004	25,735	5,792,047
	Small	5.6%	5.6%	410,600	41,060	22,090	4,692,422
	Overall	0.5%	0.5%	648,544	64,854	26,426	7,158,994
	Prime	0.0%	0.0%	768,860	76,886	27,234	8,457,467
	Large	0.2%	0.2%	618,041	61,804	26,824	6,850,652
	Medium-Large	2.0%	2.0%	532,790	53,279	26,609	5,860,689
	Medium	1.6%	1.6%	469,786	46,979	24,676	5,311,095
	Small	1.4%	1.5%	431,874	43,187	22,066	4,648,361
Bundang	Overall	0.5%	0.5%	648,544	64,854	26,426	7,158,994
	Prime	0.0%	0.0%	768,860	76,886	27,234	8,457,467
	Large	0.2%	0.2%	618,041	61,804	26,824	6,850,652
	Medium-Large	2.0%	2.0%	532,790	53,279	26,609	5,860,689
	Medium	1.6%	1.6%	469,786	46,979	24,676	5,311,095
	Small	1.4%	1.5%	431,874	43,187	22,066	4,648,361

04

Rental Market Summary

05

List of Newly Registered REITs

※ Investigation Period : 2022.10.01~2022.12.30

List of Newly Registered REITs

REITs	Authorization / Registration	AMC	Target Asset
Hana Global REIT	'22. 10. 25	Hana Alternative Asset Management	Office in U.S.
Hans Global No.1 REIT	'22.10.25	Hana Alternative Asset Management	Office in U.S.
Samsung FN REIT	'22.10.21	Samsung SRA Asset Management	Offices in Gangnam-gu and Jung-gu, Seoul
Hana Trust No.7 REIT	'22.11.09	Hana Asset Trust	Other assets in Gyeonggi-do
K-1 Premier REIT	'22.11.21	KOREIT	Houses in Busan and Gyeonggi-do
KAIT No.12 REIT	'22.11.03	KAIT	House in Mapo-gu, Seoul
Koramco Value Investment No.4-4 REIT	'22.11.07	Koramco REITs & Trust	Logistics center in Icheon-si, Gyeonggi-do
Daehan No.40 Pyeongchon Retail REIT	'22.11.30	Daehan Real Estate Trust	Retail in Anyang-si, Gyeonggi-do

※ Investigation Period :
2022.10.01~2022.12.30

List of New Real Estate Funds

Fund	Registration Date	AMC	Target Asset
Gravity General Private Real Estate Investment Company No. 5	'22.10.05	Gravity Asset Management	Logistics center in Cheonan-si, Chungnam
Koramco No. 146 General Private Real Estate Investment Company	'22.10.18	Koramco Asset Management	Logistics center in Yongin-si, Gyeonggi-do
ADF Prime Logis No.4 General Private Real Estate Master Investment Company	'22.10.21	ADF Asset Management	Logistics center in Icheon-si, Gyeonggi-do
ADF Prime Logis No.2 General Private Real Estate Master Investment Company	'22.11.01	ADF Asset Management	Logistics center in Yeosu-si, Gyeonggi-do
K Realty General Private Real Estate Investment No. 1	'22.11.10	KT Investment Management	Logistics center in Yeosu-si, Gyeonggi-do
Wide Creek No. 14 General Private Real Estate Investment Company	'22.12.09	Wide Creek Asset Management	Logistics center in Anseong-si, Gyeonggi-do
Keppel General Private Real Estate Investment Company No. 10	'22.12.27	Keppel Investment Management	Office in Jongno-gu, Seoul
Mastern General Private Real Estate Investment No. 178	'22.12.31	Mastern Investment Management	Office in Jongno-gu, Seoul
Mastern General Private Real Estate Investment No. 163	'22.12.31	Mastern Investment Management	Logistics center in Yeosu-si, Gyeonggi-do

06

Major Tenant Activities

District	Building name	Location	Tenant	Lease area(py)
CBD	Tower 8	Cheongjin-dong, Jongno-gu	CJ Logistics	5,100
	Sunhwa Tower	Sunhwa-dong, Jung-gu	UBASE	2,100
	Grand Central	Namdaemun-ro 5ga Jung-gu	BCG Group	1,800
	State Tower Namsan	Hoehyeon-dong 2ga, Jung-gu	Pfizer Korea	1,700
GBD	Doosan E&C Building	Nonhyeon-dong, Gangnam-gu	Jeongyookgak	1,700
	Gangnam Finance Center	Yeoksam-dong, Gangnam-gu	CLO Virtual Fashion	1,600
YBD	Hi Investment & Securities Building (Former)	Yeouido-dong, Yeongdeungpo-gu	KB Securities	800
	KT Yeouido Tower	Yeouido-dong, Yeongdeungpo-gu	NPS Yeongdeungpo Branch	600
Others	Space K	Sindorim-dong, Guro-gu	Samsung Fire & Marine Insurance	4,100
			ST Unitas	1,100

07

New Supply

District	Building name	Administrative district (gu)	Administrative district (dong)	GFA (py)
CBD	Myeongdong N Building	Jung-gu	Namdaemun-ro 2ga	4,200
GBD	Korean Federation of Science and Technology Societies (KOFST HQ)	Gangnam-gu	Yeoksam-dong	7,800
BBD	ISC HQ	Sujeong-gu	Geumto-dong	8,000



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Scale of Property Management | 565 buildings, 7,326,947㎡

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