

Office & Industrial Office Complex

Transaction Index Report

2023 2Q

Q2 2023 Transaction Index Report

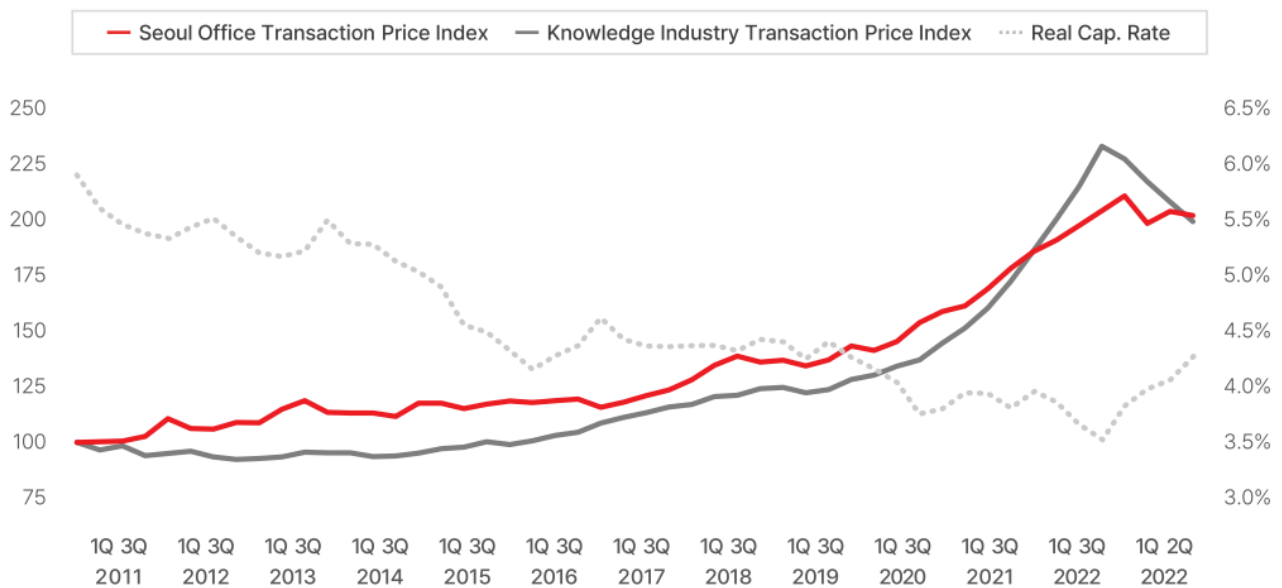
Transaction Price Index

Office Sector

Since Q4 of 2022, the index has been declining and has entered a phase of stagnation. Despite the recent high increase in interest rates, the situation is not showing a significant price drop, as the rental market remains relatively stable. **In Q2 of 2023, the index reached 483.1 points, showing a price increase of 4.8 times compared to Q2 of 2001, but it decreased by 0.9% compared to the previous quarter (Q1 2023).**

Industrial Office Complex

The price index for Q2 of 2023 at the Industrial Office Complex was 199.3 points, showing a significant increase of 1.99 times compared to Q1 of 2011. **However, it decreased by -4.2% compared to the previous quarter (Q1 2023) and -14.5% compared to the same period of the previous year (Q2 2022), indicating a relatively significant price decline due to interest rate hikes, unlike the office sector.**



Cap. rate

Office Sector

Due to recent supply shortages causing a decrease in vacancy rates, the rent-free period that was 3.2 months annually in 2017 has steadily been in decline. In Q2 of 2023, it reached 0.5 months, indicating almost negligible discount effects. In Q2 of 2022, the rent-free period was 1.8 months, and the cap rate dropped to its lowest point at 3.5%. However, in Q2 of 2023, **the rent-free period decreased to 0.5 months, while the cap rate increased to 4.3%**, displaying a notable increase in cap rate compared to the declining trend in the rent-free period.

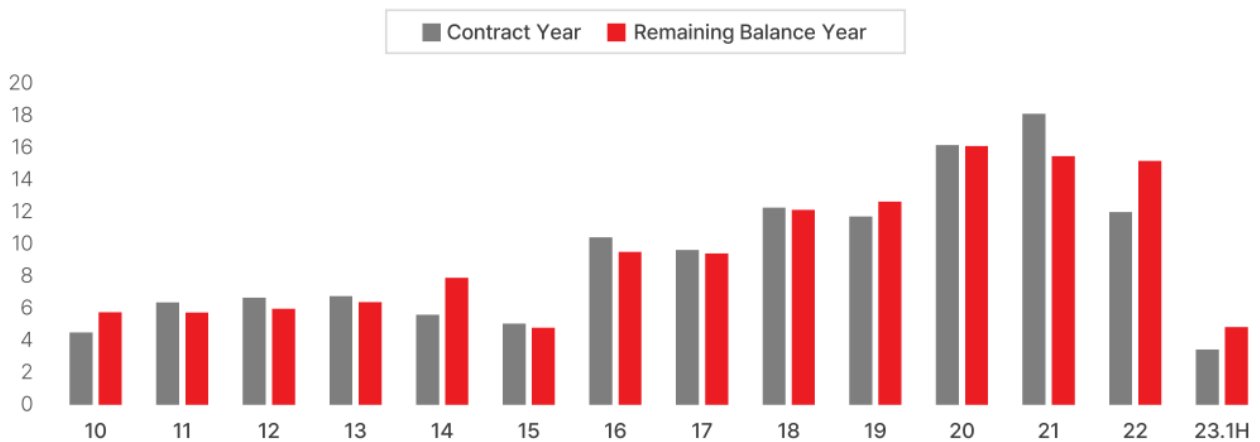
Q2 2023 Transaction Index Report

Transaction Volume

Office Sector

The transaction volume for Bundang/Seoul offices has consistently increased, marking the highest volume with over 17 trillion won of transactions in 2021. However, due to decreased investment in offices caused by rising interest rates and declining yields, **the transaction volume for the year 2022 decreased by 34% compared to the previous year**, recording 12 trillion won based on contract period. H1 of 2023 had a transaction volume of 3.4 trillion won, which is less than half of the previous year's level.

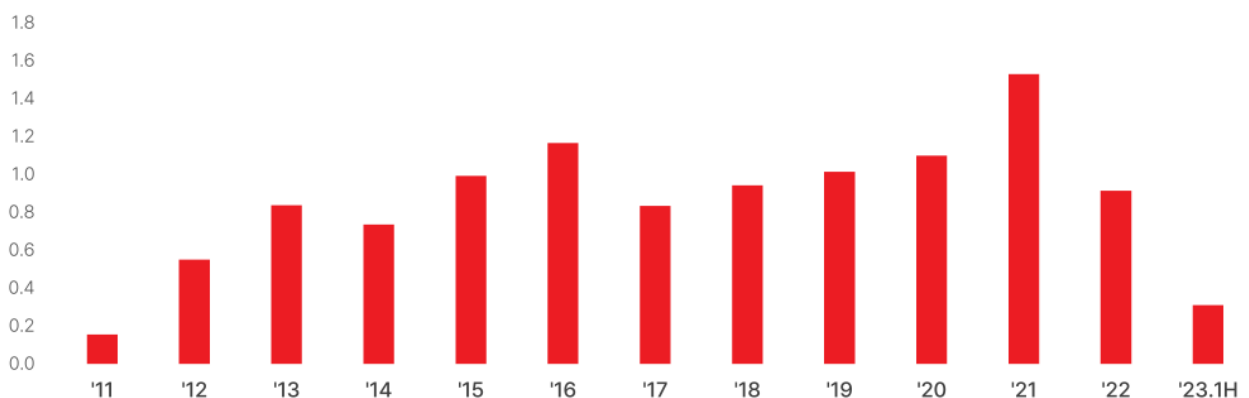
Seoul/Bundang Office Transaction Volume (in trillion won)



Industrial Office Complex

The Industrial Office Complex has maintained a transaction volume of over 1 trillion won since 2019. In 2021, it recorded the highest transaction volume of 1.5 trillion won. However, due to the impact of rising interest rates, the transaction volume decreased to 900 billion won in 2022, which is about 60% compared to the previous year. **In H1 of 2023, the transaction volume was around 300 billion won, representing a decrease of about 35% compared to 2022.**

Seoul Industrial Office Complex Transaction Volume (in trillion won)



Research Center

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