

# MARKET REAL REPORT

2024 Q4

RSQUARE 

# OFFICE

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**1**

**Leasing  
Market**

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**2**

**Investment  
Market**

# Office Leasing Market

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**CBD**

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**GBD**

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**YBD**

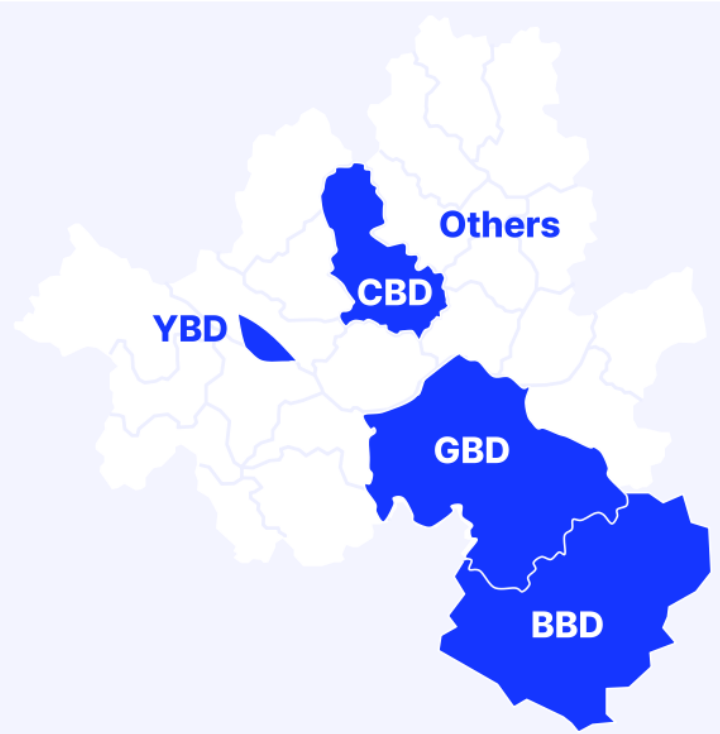
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**BBD**

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**Others**

# Q4 2024 Seoul Office Market Snapshot



		New Supplies py	Vacancy Rate Incl. new	NOC ₩	Transaction Volume ₩100M
<b>CBD</b>	'24. 4Q	1,883	3.1%	274,096	21,364
	QoQ	<b>+1,883</b>	-	<b>-0.1%</b>	<b>+7,395</b>
<b>GBD</b>	'24. 4Q	16,615	3.2%	290,300	13,658
	QoQ	<b>+12,417</b>	<b>+0.2%p</b>	<b>+0.3%</b>	<b>-9,247</b>
<b>YBD</b>	'24. 4Q	-	1.3%	265,917	8,313
	QoQ	-	<b>-0.6%p</b>	<b>+1.3%</b>	<b>+8,313</b>
<b>BBD</b>	'24. 4Q	-	2.8%	233,803	5,816
	QoQ	-	<b>0.1%p</b>	<b>+1.8%</b>	<b>+4,257</b>
<b>Seoul Others</b>	'24. 4Q	240,347	10.6%	194,101	7,736
	QoQ	<b>+74,092</b>	<b>+7.6%p</b>	<b>+5.0%</b>	<b>-989</b>

# Seoul Office Market Overview

## '24.4Q Seoul Office Vacancy Rate at 4.9%, Up by 2.0%p from the Previous Quarter due to Large-Scale Office Supply in Magok

The average vacancy rate of '24.4Q office buildings in Seoul rose by 2.0%p from the previous quarter, reaching 4.9%, with vacancy rates increasing across all building sizes due to large-scale office supply, particularly in the Magok area. This quarter, the total new office supply in Seoul reached 255,000py, the highest since '20.Q3 when 'Park One Tower' was completed in YBD. Notably, vacancy rates for extra-large office spaces increased by 6.8%p from the previous quarter, driving up the overall vacancy rate in Seoul, primarily due to the supply of 232,000py of office leasing space in Magok. Meanwhile, the increase in average rental rates has continued to slow, with the average quarterly increase at 1.5% since '22.1Q but dropping to 1.2% last year. This slowdown is attributed to weakened tenant activity due to economic downturns.

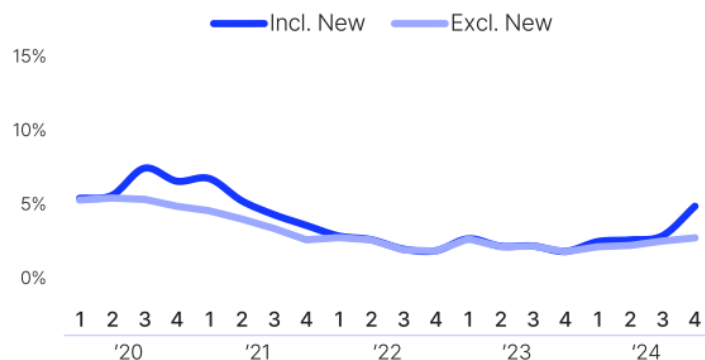
## Easing Rental Increases and Corporate Moves for Operational Efficiency

In '24.4Q, the rental increase rate for the overall Seoul office market was 0.6% from the previous quarter, maintaining a similar level to the prior quarter. The YoY increase was 4.5%, which is lower than the 6.7% and 5.6% increases recorded in 2022 and 2023, respectively. This slowdown in rental growth is attributed to the combination of continuously rising rental costs and corporate efforts to improve operational efficiency, leading to relocations across districts or space reductions upon lease renewals. The office market is expected to maintain a similar trend in 2025, highlighting the need for continuous monitoring of tenant demand, particularly in areas where new office spaces have been introduced.

## New Supply in '24.4Q

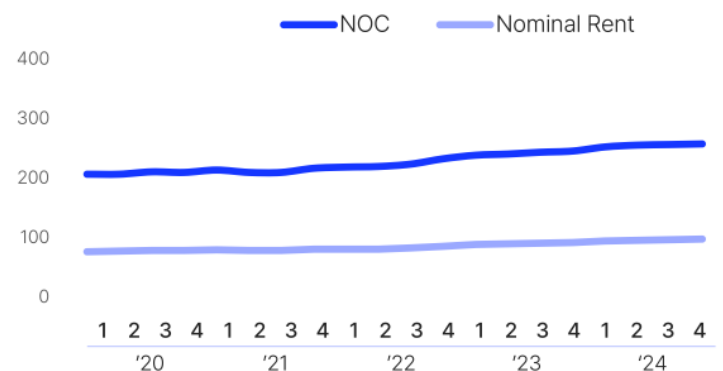
District	Building	Location	GFA(py)
CBD	Energy Plus Seoul-ro	Jung-gu Namdaemun-ro 5-ga	1,882
GBD	Daese 700	Gangnam-gu Yeoksam-dong	2,222
GBD	Center Point Gangnam	Gangnam-gu Yeoksam-dong	2,978
GBD	Shinhan Bank Apgujeong Galleria Branch	Gangnam-gu Sinsa-dong	4,362
GBD	Gangnam Doruko New Headquarters	Gangnam-gu Dogok-dong	4,750
OTHERS	Aju Smart Tower	Gangseo-gu Godeok-dong	2,055
OTHERS	Wellkeeps Tower	Gangseo-gu Magok-dong	1,960
OTHERS	LeWest City Tower (CP1) Main Building, Annex (Office C Building	Gangseo-gu Magok-dong	98,500
OTHERS	K Square Magok (CP3-2)	Gangseo-gu Magok-dong	48,513
OTHERS	LG Science Park (DP2 Block) W1-10	Gangseo-gu Magok-dong	124,806
OTHERS	KORNER 136	Mapo-gu Seogyo-dong	1,393

## Average Vacancy (Seoul)



	Overall	XL	L	ML	M	S
Vacancy %	4.9	8.0	2.4	3.9	3.6	5.6
QoQ %p	▲ 2.0	▲ 6.8	▼ 0.5	▲ 0.3	▼ 0.3	-

## Average Rent (Seoul)



	Overall	XL	L	ML	M	S
NOC ₩1000/py	257	319	266	218	192	157
QoQ %p	▲ 0.6	▲ 0.4	▼ 0.2	▲ 0.1	▲ 0.1	▼ 0.6
Nominal Rent ₩1000/py	97	122	98	80	74	66
QoQ %p	▲ 0.3	▼ 0.8	▼ 0.1	▲ 0.1	▲ 0.1	▼ 0.4

## Leasing Trend

### '24.4Q Average Vacancy Rate at 3.1%, Remaining Stable from the Previous Quarter

In '24.4Q, the average office vacancy rate in the CBD remained stable at 3.1%, similar to the previous quarter. Seoul City Center resolved a significant vacancy issue as Hanwha Financial Services, previously located in 'Metro Tower', signed a lease agreement following the completion of the building's remodeling. Additionally, 'Seoul Square', which experienced a large vacancy due to the relocation of 11st, saw a slight improvement as the insurance firm A+ Asset Advisor leased 356py of office space. These corporate relocations within the CBD have contributed to maintaining a stable vacancy rate compared to the previous quarter.

Meanwhile, in this quarter, the CBD's NOC and nominal rent remained at 274,000 KRW/py and 111,000 KRW/py, respectively, marking the third consecutive quarter at this level since '24.2Q. However, while the average NOC quarterly increase rate was 1.6% in 2023, last year's quarterly increase slowed to 0.9%, indicating a deceleration in rental cost growth.

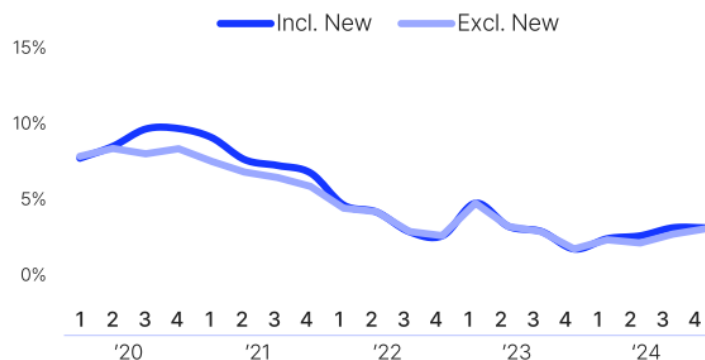
### Continued Relocation of Large Corporations (Affiliates) Within the Area

The trend of large corporations relocating, which has been a key topic in the CBD leasing market in 2024, continues. SK Group, which has its headquarters and many affiliates in the CBD, is planning further relocations. Following 11st's move from 'Seoul Square' to Gwangmyeong last quarter, SK Group has acquired 'Chungmuro 15 Building' through SK REITs and is considering relocating SKC and SK C&C, which are currently leasing space in 'Grand Seoul'. Additionally, DL E&C, which is currently leasing space in 'Donuimun D Tower', has finalized its move to 'Magok One Grove'. Meanwhile, SCK Company (formerly Starbucks Korea), which is leasing space in 'State Tower Namsan', is considering relocating to 'KDB Life Tower' and 'Centerfield' in the CBD area. Furthermore, several companies have expressed interest in relocating from their current leased spaces in the CBD, indicating that this trend will significantly impact tenant demand in the district in 2025.

### Key Activities in '24.4Q (CBD)

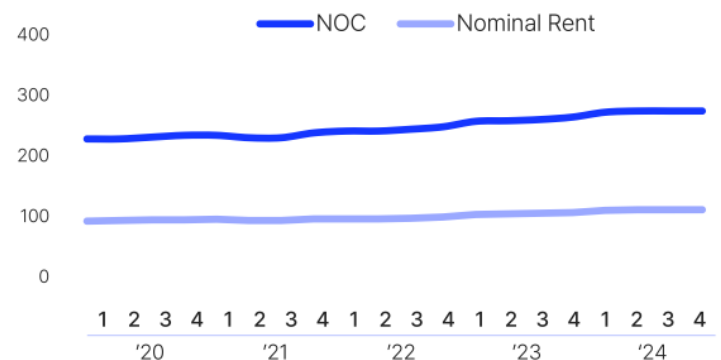
Tenant	Building	Location	Net area (py)
K Bank	Sampung Nexus Building	Eulji-ro 158	123
SocialNews	Gwanghwamun G Square	Sejong-daero 22-gil 12	242
SCK Company	KDB Life Tower	Hangang-daero 372	369
Hanwha Life Financial Services	Seoul City Tower	Huam-ro 110	1,699
A Plus Asset Advisor	Seoul Square	Hangang-daero 416	356

### Average Vacancy (CBD)



	Overall	XL	L	ML	M	S
Vacancy %	3.1	3.5	2.4	2.0	3.5	6.2
QoQ, %p	-	▲ 1.0	▼ 0.1	▼ 2.0	▼ 1.0	▲ 0.5

### Average Rent (CBD)



	Overall	XL	L	ML	M	S
NOC ₩1000/py	274	340	286	207	179	136
QoQ %p	▼ 0.01	▼ 0.01	▼ 1.0	▲ 0.7	▲ 0.5	▲ 0.01
Nominal Rent ₩1000/py	111	140	115	84	71	58
QoQ %p	▼ 0.02	-	▼ 1.0	▲ 1.0	▲ 0.8	▲ 0.03

# Leasing Trend

## Vacancy Rates Remain Low but Continue to Show a Slight Upward Trend

In '24.4Q, the average office vacancy rate in GBD was recorded at 3.2%, up by 0.2%p from the previous quarter. Although the absolute vacancy rate remains low, there has been a slight upward trend for six consecutive quarters since '23.2Q. This quarter, as in previous ones, the vacancy rate for mid-to-large office spaces rose by 1.4%p from the previous quarter, exceeding the overall average. While the supply of Center Point Gangnam (total floor area: 8,181py) appears to have influenced the average vacancy rate for mid-to-large office spaces, there is also a growing trend among small to mid-sized tenants in GBD reducing fixed costs due to financial difficulties, which could further impact future vacancy rates. For example, Chrono Studio, a subsidiary of gaming company NPIXEL, previously leasing space in 'Centerfield', relocated to 'The Pinnacle Yeoksam 2' this quarter to cut costs.

In 2025, GBD is expected to see limited new office supply. As a result, tenant relocations will likely play a key role in determining vacancy rates within the district. Given the ongoing financial challenges faced by tenants, it may be difficult for the leasing market to remain as active as in previous year

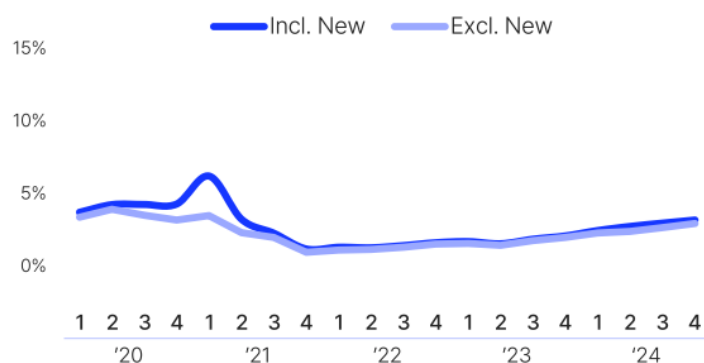
## Rental Rates Continue to Rise, but the Rate of Increase Has Significantly Slowed

This quarter, the average office rental rate (NOC) in GBD was 290,000 KRW/py, continuing its upward trend, though the rate of increase has significantly slowed. The NOC growth rate for this quarter was 0.3% (QoQ), marking the lowest increase in the past five years. This slowdown is attributed to worsening business conditions, particularly among small and mid-sized tech companies, leading to reduced office relocations and weaker new leasing demand.

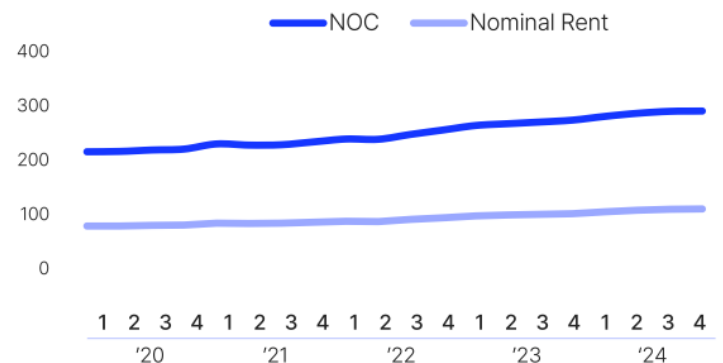
### Key Activities in '24.4Q (GBD)

Tenant	Building	Location	Net area (py)
Chrono Studio	The Pinnacle Yeoksam 2	Teheran-ro 145	570
Wezon	Landmark Tower	Gangnam-daero 508	581
Samsung Securities	Lynn Square	Teheran-ro 201	622
Krafton	Centerfield West	Seocho-daero 398	1,198

### Average Vacancy (GBD)



### Average Rent (GBD)



	Overall	XL	L	ML	M	S
Vacancy %	3.2	0.3	2.4	5.6	4.0	5.1
QoQ %p	▲ 0.2	▲ 0.3	▼ 0.2	▲ 1.4	▼ 0.02	▼ 0.3

	Overall	XL	L	ML	M	S
NOC ₩1000/py	290	380	315	277	220	183
QoQ %p	▲ 0.3	▲ 1.0	▲ 0.2	▲ 0.2	▼ 0.3	▼ 1.0
Nominal Rent ₩1000/py	110	142	116	104	86	78
QoQ %p	▲ 0.3	▲ 1.0	▲ 0.2	▲ 0.2	▼ 0.4	▼ 0.7

## Leasing Trend

### Maintaining the Lowest Average Vacancy Rate Among Major Districts, but Tenant Decisions Upon Park One's Lease Expiry Will Be Key

In `24.4Q, the average vacancy rate in YBD decreased by 0.6%p from the previous quarter to 1.3%, maintaining the lowest level among Seoul's major business districts. The overall decline in vacancy rates was driven by KB Bank leasing approximately 3,000py in 'Anchor One'. Additionally, Mirae Asset Life Insurance pre-leased 1,134py in the soon-to-be-completed 'One Sentinel', while Woori Investment & Securities and Sentbe also completed pre-leases of approximately 700py and 398py, respectively. Following the high pre-lease rates achieved by 'TP Tower' and 'Anchor One' before their completion, 'One Sentinel' is also seeing steady pre-leasing activity.

The YBD district continues to experience demand from financial institutions for relocations, expansions, and new leases. With no additional office supply expected beyond 'One Sentinel', the current low vacancy rate is likely to persist. However, several large tenants occupying significant office space in 'Park One Tower', which was completed in 2020, are approaching lease expirations, making this a key factor to watch in YBD's leasing market in 2025

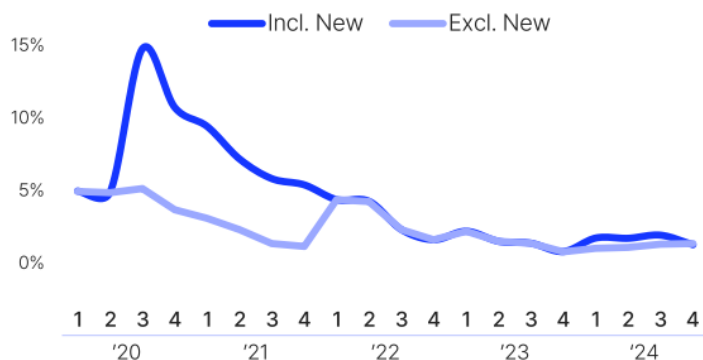
### Rental Growth Rate Exceeds the Overall Seoul Average

This quarter, the rental rate (NOC) in YBD increased by 1.3% from the previous quarter to 266,000 KRW/py. This quarterly increase surpasses the Seoul-wide average growth rate of 0.6%. The rise in rental rates is attributed to the active leasing demand in newly completed or recently renovated office buildings within the district. However, given the ongoing economic downturn, the overall slowdown in tenant demand across the Seoul office market raises uncertainties about the sustainability of this upward trend. As a result, closely monitoring market movements in a supply-constrained environment is more critical than ever.

### Key Activities in `24.4Q (YBD)

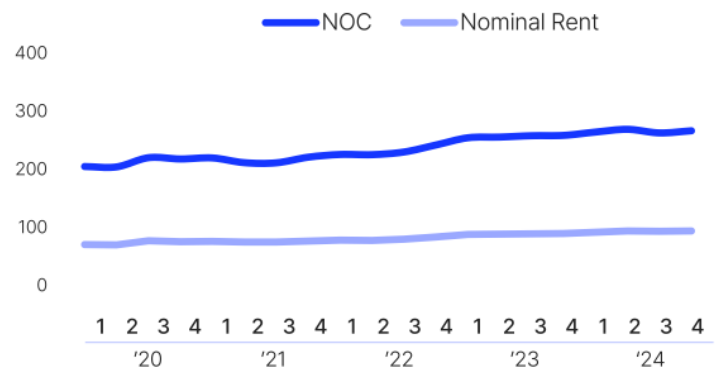
Tenant	Building	Location	Net area (py)
Mirae Asset Life Insurance	One Sentinel	Yeouidae-ro 70	1,134
Sentbe	One Sentinel	Yeouidae-ro 70	398
Lakewood Partners	Yeouido Finance Tower	Gukjegeumyung-ro 2-gil 32	67
Galaxy Corporation	IFC	Gukjegeumyung-ro 10	500

### Average Vacancy (YBD)



	Overall	XL	L	ML	M	S
Vacancy %	1.3	0.8	1.4	1.7	1.2	4.6
QoQ %p	▼ 0.7	▲ 0.04	▼ 3.1	▲ 0.1	▲ 0.5	▲ 1.1

### Average Rent (YBD)



	Overall	XL	L	ML	M	S
NOC ₩1000/py	266	320	264	176	153	117
QoQ %p	▲ 1.4	▲ 2.2	▼ 0.1	▲ 0.4	▲ 0.3	▼ 0.3
Nominal Rent ₩1000/py	94	118	83	62	53	41
QoQ %p	▲ 0.5	▲ 0.9	▼ 0.4	▲ 0.1	▲ 0.3	▲ 0.5

## Leasing Trend

### BBD Office Vacancy Rate Remains Low, but Attention Needed on the Leasing Market Impact from the Weak Performance of the Tech Sector.

In `24.4Q, the average vacancy rate for BBD office buildings was 2.9%, maintaining a similar level to the previous quarter. After experiencing a significant increase in the prior quarter, the vacancy rate has now stabilized. The district's strong leasing demand from tech companies is seen as a key factor in sustaining this stability. However, overall tenant demand has been weakening, and the downturn in the tech sector could continue to impact the Pangyo office leasing market. For instance, NCSOFT, which leased approximately 2,000py in 'AlphaRium 2 Tower', recently conducted two rounds of restructuring, leading to internal workforce reallocations across its affiliates, ultimately resulting in their departure from the building.

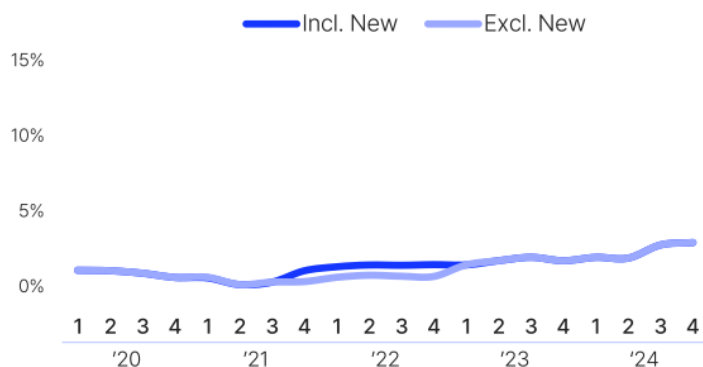
### Rising Rents for Large Offices in the Pangyo Area Driving Overall Average Rent Increase

This quarter, the average office rental rate (NOC) in BBD increased by 1.8% from the previous quarter to 234,000 KRW/py, marking the highest growth rate among Seoul's major business districts. Notably, large office buildings with a total floor area exceeding 10,000py saw a 4.6% increase compared to the previous quarter. Specifically, the NOC for extra-large and large office buildings in the Pangyo district and First Pangyo rose by 2.4% and 6.6%, respectively, driving the overall rental increase in BBD.

#### Key Activities in `24.4Q (BBD)

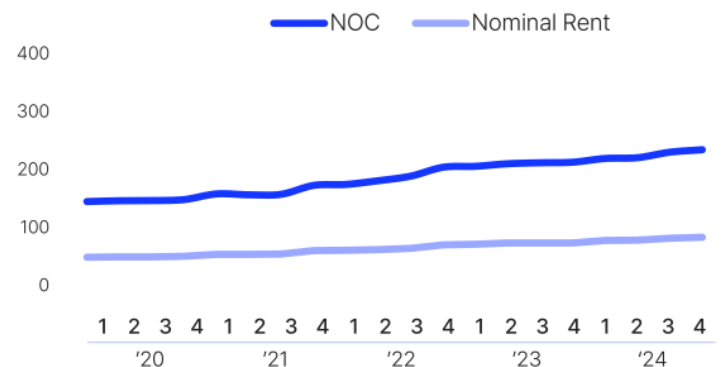
Tenant	Building	Location	Net area (py)
Samsung Life Insurance Co., Ltd.	Bundang Yemiji Building	Hwangsaеul-ro 258beon-gil 31	118
JBK Lab Co., Ltd.	SPG Center	Jeongja-il-ro 166	413
Daekyo Edu Camp Co., Ltd.	Byucksan Techno Pia Knowledge Industry Center	Dunchon-daero 560	83
People Life Co., Ltd.	UI Building	Yanghyeon-ro 405beon-gil 4-11	64

#### Average Vacancy (BBD)



	Overall	XL	L	ML	M	S
Vacancy %	2.9	0.9	1.6	10.0	3.5	3.6
QoQ %p	▲ 0.2	▲ 0.5	-	▲ 1.4	▼ 3.8	▲ 1.5

#### Average Rent (BBD)



	Overall	XL	L	ML	M	S
NOC ₩1000/py	234	266	216	222	201	151
QoQ %p	▲ 1.8	▲ 2.4	▲ 4.6	▼ 0.6	▼ 2.4	▼ 2.7
Nominal Rent ₩1000/py	83	94	80	76	68	54
QoQ %p	▲ 1.2	▲ 1.0	▲ 4.7	▼ 1.1	▼ 2.1	▼ 0.6

# OTHERS

## Leasing Trend

### Increase in Average Vacancy Rate and Rental Prices Due to Office Supply in Magok

In `24.4Q, the average office vacancy rate in Seoul's Others district rose to 10.6%, increasing by 7.6%p from the previous quarter due to the large-scale office supply concentrated in Magok. The average rental rate (NOC) was recorded at 194,000 KRW/py, reflecting a 5.0% increase from the previous quarter. Compared to the 1% increase observed in major Seoul business districts, this represents a significant rise. By office size, the NOC for extra-large offices reached 240,000 KRW/py, marking a 9.7% increase from the previous quarter. The influx of extra-large office supply in Magok, where such spaces were previously scarce, has notably contributed to the overall rise in average rental prices.

### Increasing Cases of Relocation and Consideration for the 'Others' District Due to Companies' Fixed Cost Reduction Needs and Competitive Rental Rates

Rental prices in the 'Others' district vary by sub-region but remain at approximately 75% of the overall Seoul average, making the area highly competitive in terms of pricing. With companies increasingly focusing on reducing fixed costs, more businesses are relocating to the 'Others' district as a cost-saving measure. This quarter, Korea Radio Promotion Association (KRPA), previously located in the CBD, completed its move to K Square Magok. Additionally, several small and mid-sized startup tech firms that had been leasing offices in GBD have been observed relocating to Seongsu, an emerging business district. Beyond rental competitiveness, if areas like Seongsu and Magok continue to develop strong infrastructure, the 'Others' district has significant potential to attract tenant demand from other business districts.

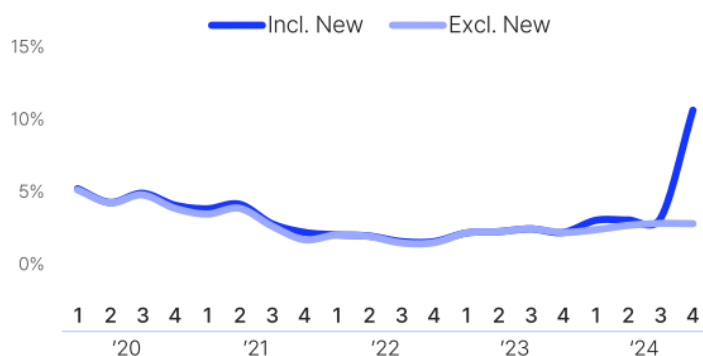
### Need to Monitor the Impact of Large-Scale Office Supply in Magok on Key Leasing Markets

With approximately 230,000py of leasable office space being supplied in Magok, there is growing interest in how tenant demand will respond. Currently, most of the space remains vacant after completion. Recently, DL E&C, which had been leasing space in 'Donuimun D Tower', finalized a lease for 5,000py in 'Magok One West'. Magok not only offers competitive rental prices but also boasts advantages in terms of new buildings and well-developed surrounding infrastructure. Given these physical and environmental advantages, companies in major districts may increasingly consider relocation to Magok, making it essential to monitor its impact on the broader Seoul leasing market.

### Key Activities in `24.4Q (Others)

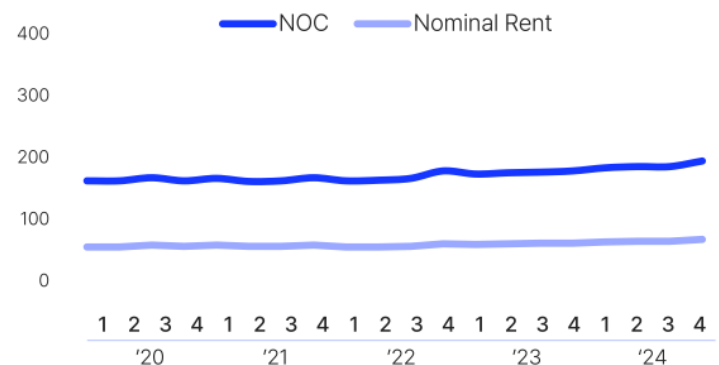
Tenant	Building	Location	Net area (py)
Korea Radio Promotion Association	K Square Magok	Gonghang-daero 165(Magok)	71
Celltrion Pharm	Gwacheon Smart K	Gwacheon-daero 7-gil 20	790
Nobitech	Songpa Terra Tower 2	Songpa-daero 201	303
The Black Label	Avenue 123	Itaewon-ro 191	300

### Average Vacancy (Others)



	Overall	XL	L	ML	M	S
Vacancy %	10.6	26.2	2.7	4.1	3.8	6.7
QoQ %p	▲7.6	▲25.1	▼0.1	▲0.5	▼0.7	-

### Average Rent (Others)



	Overall	XL	L	ML	M	S
NOC ₩1000/py	194	240	186	179	151	127
QoQ %p	▲5.0	▲9.7	▲0.5	▼0.8	▲0.6	▲0.06
Nominal Rent ₩1000/py	67	83	63	61	56	51
QoQ %p	▲4.6	▲7.4	▲1.1	▼0.7	▲0.8	▲0.4

# Office Investment Market

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# Seoul and Bundang Office Investment Market Overview

# Seoul and Bundang Office Investment Market Overview

**Sharp Increase in Office Transactions in 24.4Q**

**Highest Quarterly Transaction Volume in Four Years**

**Annual Transaction Volume Reaches 14 Trillion KRW**

In `24.4Q, approximately 226,000py of office space was transacted across Seoul and Bundang, with a total transaction value of 5.7 trillion KRW. This represents a 21% increase in transaction value compared to the previous quarter, marking the highest quarterly transaction volume in the past three years. This quarter's transactions included mid-to-extra-large office assets across various districts, starting with 'Donuimun D Tower' in the CBD.

The cumulative transaction value for this year's 4Q reached 14.4 trillion KRW, marking a 50% increase compared to last year's total of 9.6 trillion KRW. Additionally, in terms of quarterly transaction volume, this quarter recorded the largest transaction value since 3Q 2020, breaking a four-year record.

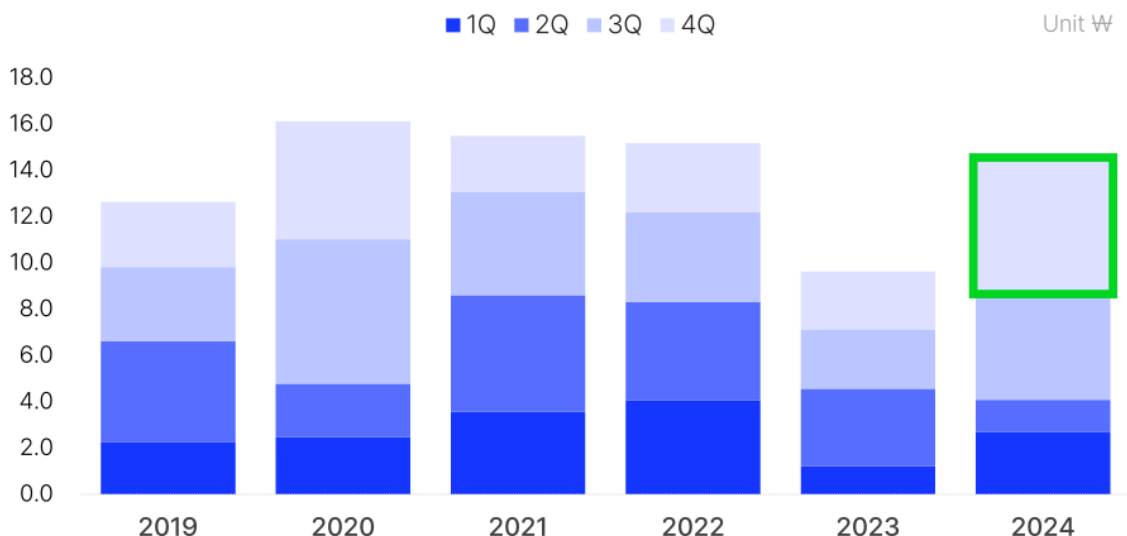
Major transactions in the CBD area include 'Donuimun D Tower', 'Jeongdong Building', 'The Exchange Seoul', 'Center Place', and 'Myeongdong N Building'. 'Donuimun D Tower' was acquired by NH Nonghyup REITs Management from Mastern Investment Management for 895.3 billion KRW (34 million KRW/py). 'Jeongdong Building' was purchased by Nuveen Real Estate from IGIS Asset Management for 357 billion KRW (30 million KRW/py). 'The Exchange Seoul' was sold by Koramco Asset Management to GIC for 247.7 billion KRW (26.4 million KRW/py). Center Place was acquired by HL REITs Management from KB Asset Management for 251.3 billion KRW (25.39 million KRW/py). 'Myeongdong N Building' was transferred from SK D&D to D&D Investment for 160.1 billion KRW (38.5 million KRW/py).

In the GBD area, 'Center Point Gangnam', 'YK Building', and 'Koreit Tower' were transacted. 'Center Point Gangnam', previously owned by Mastern Asset Management, was sold to fashion company F&F for 351.9 billion KRW (43.02 million KRW/py). 'YK Building' was acquired in full by Hurom LS for 69.5 billion KRW (21.12 million KRW/py). 'Koreit Tower' was purchased by Korea Land Trust through the exercise of its right of first refusal for 445 billion KRW (42.05 million KRW/py), and the asset is expected to be managed through a REIT capital increase.

In the YBD area, transactions included 'Shinsong Center', 'NH Nonghyup Capital Building', 'Mirae Asset Securities Yeouido Office', and 'Yeouido Taeyoung Building'. Koramco Asset Management sold 'Shinsong Center' to Shinsong Food for 93 billion KRW (20.58 million KRW/py). 'NH Nonghyup Capital Building' was sold by K-REITs Investment Management to Koramco Asset Management for 140.5 billion KRW (22.43 million KRW/py). 'Mirae Asset Securities Yeouido Office' was sold to Woori Asset Management for 372.7 billion KRW (31.52 million KRW/py), while 'Yeouido Taeyoung Building' was acquired by D&D Investment for 225.1 billion KRW (18.26 million KRW/py).

Over the next 2–3 years, the limited new supply in major districts, coupled with the timing of interest rate cuts, is expected to raise expectations for a recovery in the investment market.

## Transaction Volume Trend

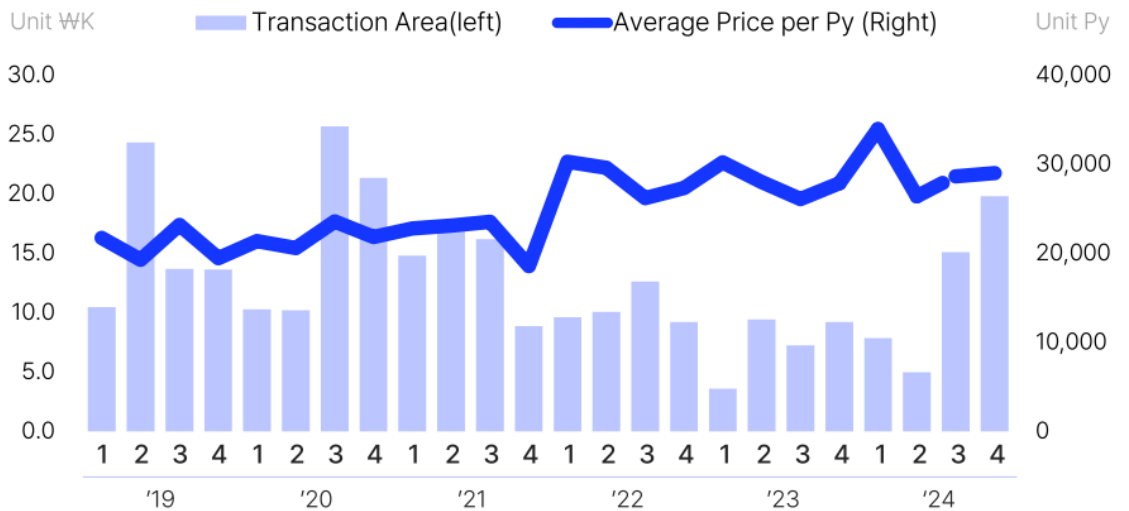


# Seoul and Bundang Office Investment Market Overview

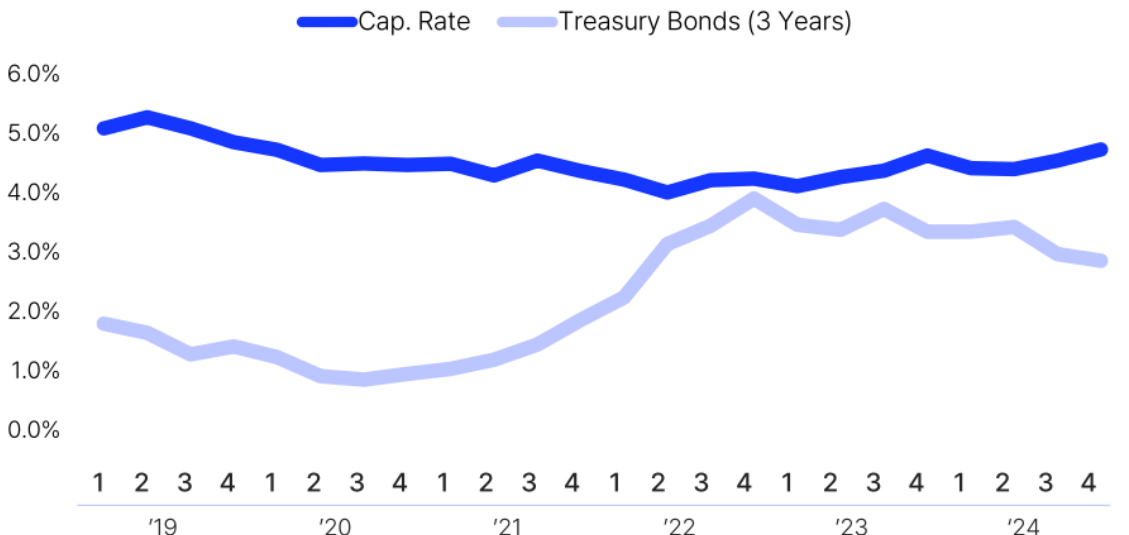
## Office Average Transaction Price on an Upward Trend Expectations for Market Recovery

In '24.4Q, the average transaction price for Seoul offices was 28.99 million KRW/py, maintaining a similar level to the previous quarter's 28.63 million KRW/py. However, this marks a 4.1% increase from the same quarter last year and a 5.2% rise compared to the previous year's average transaction price per py, indicating a continuous upward trend. It remains to be seen whether this price increase signals a turning point for recovery in the transaction market. Additionally, the average cap rate for Seoul offices this quarter was 4.8%. The yield on three-year government bonds fell below 3% for the first time since '22.3Q, widening the spread between the cap rate and interest rate to 180 basis points. With interest rates having risen sharply and placed the office building transaction market in a negative spread situation, there is now some room for market recovery expectations.

### Trends in transaction volume and average transaction price per py



### Average cap rate of Seoul office buildings



# Seoul and Bundang Office Investment Market Overview

## Core Asset-Centered Transactions

## Rental Growth Slowing Down Reassessment of Asset Value

## Intensified Competition Expected in the CBD Area

## Importance of Tenant Characteristics and Securing SI

Since `24.3Q, interest rate cuts have driven transactions focused on stable core assets in Seoul's major districts, a trend expected to continue into 2025.

This quarter, the overall average rent increase in Seoul has slowed. The downward pressure on rents appears to be due to tenants being unable to sustain higher rental costs, leading to vacancies. This trend impacts office asset values, necessitating reassessments and diverse exit strategies for asset managers (AMCs) and property owners. Additionally, with new office supply expected around 2029, an increase in physical office asset listings is anticipated in 2025, particularly in central business districts.

In `24.4Q, approximately 38% of office market transactions occurred in the CBD area, with around 70,000py out of the total 226,000py transacted in this district. Currently, a significant portion of listings is concentrated in the CBD. Given that upcoming new supply is also focused in this area, a substantial number of office listings are expected to emerge in the CBD compared to other key districts this year. Consequently, competition for capital among existing and newly listed properties is likely to intensify.

Tenant characteristics and investor preferences are expected to be key factors in the investment market. In the office sector, demand is likely to increase for stable office assets with anchor tenants and long-term lease agreements. Additionally, SI investments have recently become a crucial factor in office transactions. Since the SI proportion in the CBD is relatively lower than in the GBD, securing SI is expected to influence ongoing transactions within the CBD.

### Key Deals in Seoul and Bundang(`24.4Q)

Building	District	GFA (py)	Transaction volume ₩100M	Price Per Py ₩10K	Buyer	Seller
Donuimun D Tower	CBD	26,083	8,953	3,432	NH Nonghyup REITs Management	Mastern Investment Management
Jeongdong Building	CBD	11,901	3,570	3,000	Nuveen Real Estate	IGIS Asset Management
Center Place	CBD	12,869	2,513	2,539	HL REITs Management	KB Asset Management
The Exchange Seoul	CBD	8,918	2,477	2,640	Koramco Asset Management	GIC
Koreit Tower	GBD	10,583	4,450	4,205	Korea Land & Housing Trust	Korea Land & Housing Trust
*Center Point Gangnam	GBD	8,818	3,519	-	Mastern Investment Management	F&F
NH Nonghyup Capital Building	YBD	6,262	1,405	2,243	K-Reits Investment Management	Koramco Asset Management
Mirae Asset Securities Yeouido Building	YBD	11,284	3,727	3,152	Mirae Asset Securities	Woori Asset Management
KT&G Bundang Tower	BBD	7,207	1,247	1,730	KT&G	Pebblestone Asset Management
Samsung Heavy Industries Pangyo R&D Center	BBD	17,382	4,000	2,301	Samsung Heavy Industries	IGIS Asset Management
*KB Yeongdeungpo Tower	Others	4,170	831	-	Euntap Industrial Development	KB Asset Management
*K-Square Magok	Others	48,513	6,905	-	Magok MICE PFV	Koramco Real Estate Trust

\*Excluded from per-py price calculation due to pre-acquisition

# Seoul and Bundang Office Investment Market Overview

## Expected Office Market Transactions in `25.1Q Similar to `24.4Q

In `24.4Q, major office assets such as 'D Tower Donuimun,' 'Koreit Tower,' and 'Mirae Asset Securities Yeouido Building' were successfully transacted, raising expectations for upcoming office asset transactions. Following the previous quarter, 'Crescendo Building' and 'Crystal Square' have selected preferred bidders, while 'Dosan 150' and 'NC Tower' are in the process of selecting theirs. With the deal closure for 'Seoul N Square' becoming more visible, a similar transaction trend is expected to continue into `25.1Q.

### Key Deals (Scheduled)

Building	District	GFA (py)	Seller	Remarks
Center Point Gwanghwamun	CBD	4,800	Koramco Asset Management	Advisory firm selection in progress
KDB Life Tower	CBD	24,936	KB Asset Management	Bid scheduled
Crescendo Building	CBD	16,538	DWS Asset Management	Preferred Negotiator: Koramco Asset Management
Seoul N Square	CBD	4,800	GRE Partners Asset Management	Preferred Negotiator: Korea Financial Telecommunications & Clearings Institute
Namsan Square	CBD	22,764	IGIS Asset Management	Preferred Negotiator: HDC Asset Management
Susong Square	CBD	15,219	IGIS Asset Management (Morgan Stanley)	Private Contract: D&D Investment
Crystal Square	CBD	5,573	Capitaland Investment Management (Abrdn)	Preferred Negotiator: LB Asset Management
Gangnam N Tower	GBD	15,465	KB Real Estate Trust	Bid scheduled
Dosan 150	GBD	3,819	Mastern Investment Management	Preferred Negotiator selection pending
NC Tower	GBD	9,351	NCSOFT	Preferred Negotiator selection pending
Guro G-Valley	OTHERS	30,050	IGIS Asset Management	Preferred Negotiator: IGIS Asset Management
Sangam Dream Tower	OTHERS	11,518	Ewha Asset Management	Preferred Negotiator: D&O

<b>Survey Area</b>	Seoul and Bundang										
<b>Survey Frequency</b>	Quarter										
<b>Survey Method</b>	<p>Call Survey</p> <p>Field Research</p> <p>Lease Flyer</p> <p>Ministry of Land, Infrastructure, and Transport</p> <p>Public Data</p>										
<b>Survey Items</b>	<p><b>Leasing Market</b> Security deposit, rent, management fee, vacant area, tenant movement</p> <p><b>Investment Market</b> Deals Closed</p>										
<b>Survey Target</b>	<p><b>945 Office Buildings with a GFA of 1000+ py</b></p> <p><b>Definition (Office Building)</b> Buildings where the area used for office purposes, excluding parking areas, accounts for more than 50% of the total floor area (excluding officetels from the office facility category)</p> <p><b>Standard (Office Area)</b> Regarded as 'office' area for keywords 'office', 'finance', 'bank', 'research institute', or 'office' included in the floor usage in the building register provided by public data</p> <p><b>Size Categories for Office Building</b></p> <table border="0"> <tr> <td>XL</td> <td>GFA 20K py+ 66,116m<sup>2</sup>+</td> </tr> <tr> <td>L</td> <td>GFA 10K py~20K py 33,058m<sup>2</sup>~66,116m<sup>2</sup></td> </tr> <tr> <td>ML</td> <td>GFA 5K py~10K py 16,529m<sup>2</sup>~33,058m<sup>2</sup></td> </tr> <tr> <td>M</td> <td>GFA 3K py~5K py 9,917m<sup>2</sup>~16,529m<sup>2</sup></td> </tr> <tr> <td>S</td> <td>Less than GFA 3k py less than 9,917m<sup>2</sup></td> </tr> </table>	XL	GFA 20K py+ 66,116m <sup>2</sup> +	L	GFA 10K py~20K py 33,058m <sup>2</sup> ~66,116m <sup>2</sup>	ML	GFA 5K py~10K py 16,529m <sup>2</sup> ~33,058m <sup>2</sup>	M	GFA 3K py~5K py 9,917m <sup>2</sup> ~16,529m <sup>2</sup>	S	Less than GFA 3k py less than 9,917m <sup>2</sup>
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