

MARKET REAL REPORT

2025 1H

 **RSQUARE**

LOGISTICS

1

**Leasing
Market**

2

**Investment
Market**

Metropolitan Area Leasing Market for Logistics Centers

Supply Status & Outlook

Supply & Demand Trend and Outlook

Logistics Center Leasing Market

Supply Market

New Supply by Region

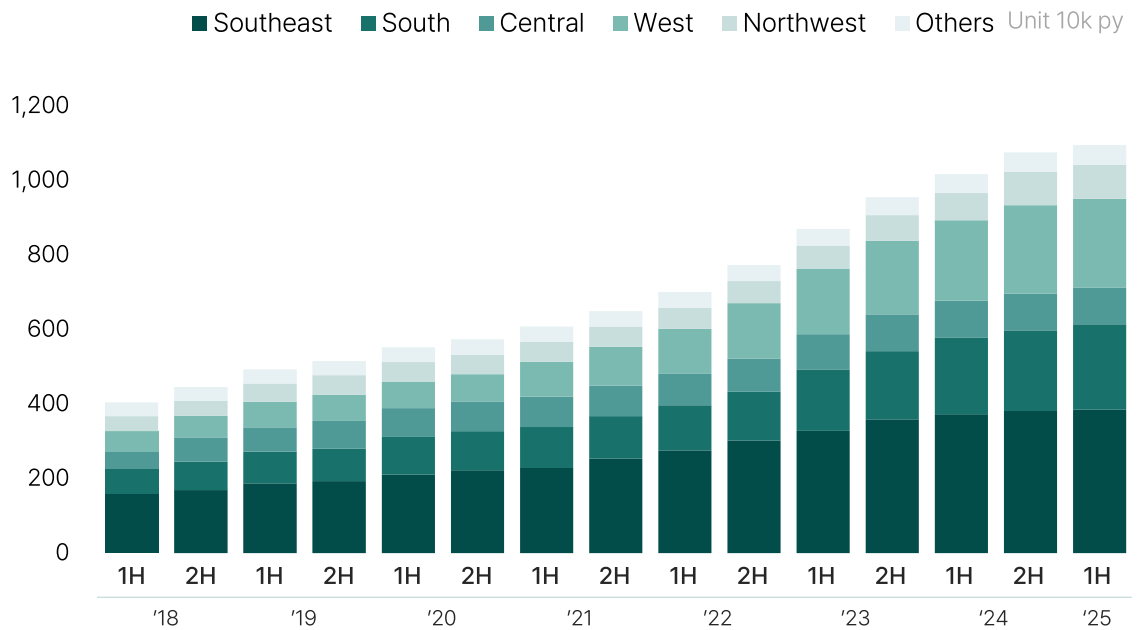
CHECK 1

Noticeable Slowdown in New Supply

Cumulative Supply Trend of Logistics Centers in the Seoul metropolitan area

In the first half of 2025, approximately 160,000 py of logistics centers were newly supplied in the Seoul Metropolitan Area, bringing the cumulative total to 10.95 million py. This represents a 1.5% increase from the previous half-year, marking the lowest growth rate since statistics began in 2010. Compared to the first half of 2023, when supply was heavily concentrated, the growth rate is only about one-tenth as high.

The supply slowdown appears to be driven by multiple factors, including heightened market uncertainty due to supply–demand imbalances, interest rate hikes, rising construction costs, and increased difficulty in securing project financing (PF). As a result, logistics center permits and construction starts have dropped sharply, indicating that the supply contraction has now become more pronounced. Given that the unfavorable development environment is unlikely to improve in the short term, new supply is expected to remain limited going forward.



New Supply by Region for the First Half of 2025 (Py)

Change in Supply Area (Compared to Previous Cumulative Supply, %)	
Southeast	+32,354 (+0.8%)
South	+92,485 (+4.2%)
Central	-
West	+5,773 (+ 0.2%)
Northwest	+16,139 (+1.8%)
Others	+16,755 (+3.2%)
Metropolitan Area Total	+163,506 (+1.5%)

Logistics Center Leasing Market

Supply Market

New Supply by Region

CHECK 1

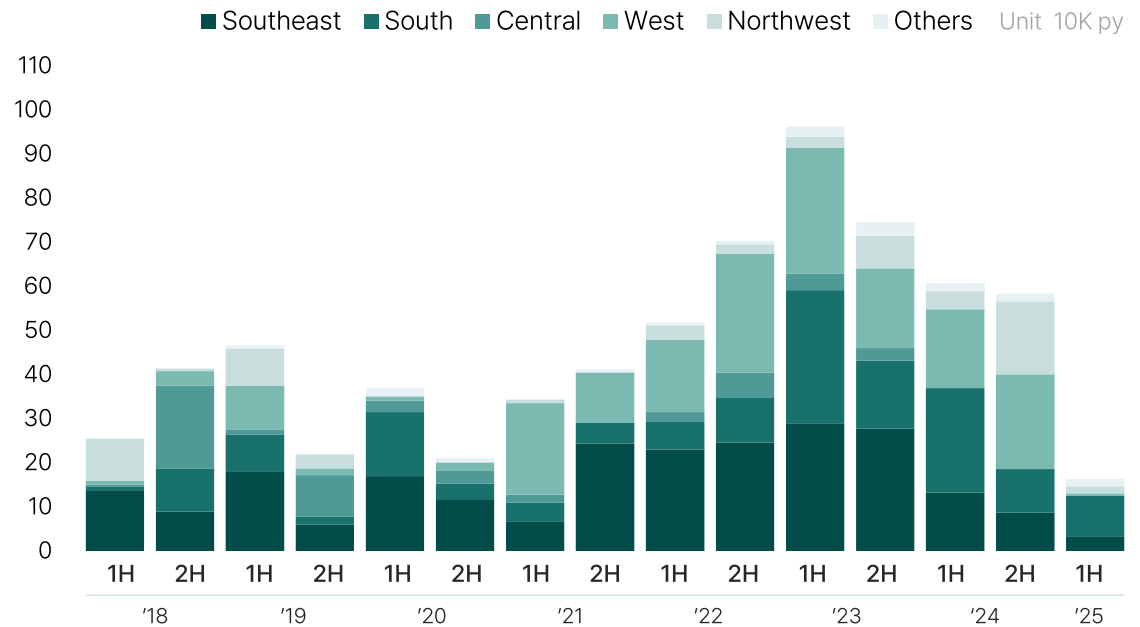
Overall Supply Decline in the Seoul Metropolitan Area

Trends in New Logistics Center Supply by Region in the Seoul Metropolitan Area

In the first half of 2025, the Seoul Metropolitan Area recorded a broad decline in new logistics center supply across all submarkets. Total new supply fell sharply to about 162,000 py, a 74% decrease from the previous half-year.

By submarket, the Southeast and Western areas delivered approximately 30,000 py and 6,000 py respectively, both hitting the lowest levels since records began. The Northwest area supplied just 16,000 py, down roughly 90% from the prior period, while the Central area recorded no new supply for the third consecutive half-year.

The Southern and Other areas showed comparatively smaller drops, with 92,000 py and 18,000 py supplied, representing 6.4% and 4.6% declines. Overall, the Seoul Metropolitan Area continued to display a clear downward trend in new logistics center supply.



'25 1H Major New Suppliers

Completion	Logistics Center	Usage	Region	Location	GFA (py)
'25.2Q	Anseong Bangcho 2 District Logistics Center	Ambient	Southern	Anseong	39,446
'25.2Q	Pyeongtaek Husa-ri 330-1 Logistics Center	Complex	Southern	Pyeongtaek	21,741
'25.2Q	K-Logis Goyang	Complex	Northwest	Goyang	16,139
'25.2Q	GST East Gonjam Logistics Center	Complex	Southeast	Yeoju	15,121
'25.2Q	Yeoju Samgun-ri Logistics Center (Building A)	Ambient	Southeast	Yeoju	11,835
'25.1Q	Gosam-myeon Gayu-ri Logistics Warehouse	Ambient	Southern	Anseong	29,048
'25.1Q	Yangju Complex Logistics Center	Complex	Others	Yangju	13,315

Logistics Center Leasing Market

Regional Trend

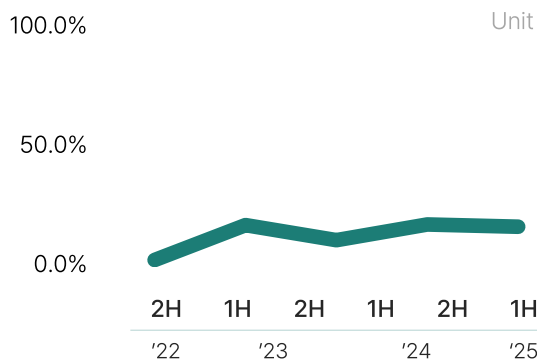
Metropolitan Area Stable Average Vacancy Rates for Ambient and Cold Storage

Nominal Rent Remains Stable

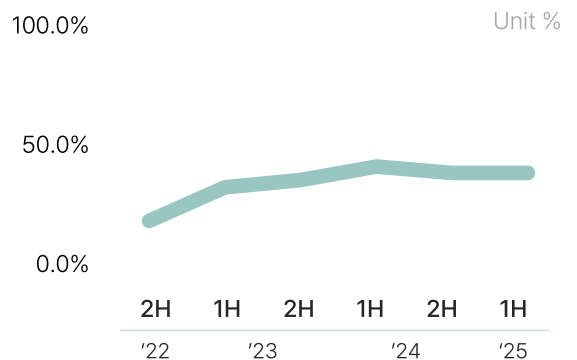
In the first half of 2025, vacancy rates for logistics centers in the Seoul Metropolitan Area remained stable despite a marked slowdown in new supply. Unlike in the previous period, demand for extra-large leasing spaces decreased, resulting in stability across both ambient and cold storage segments. The average vacancy rate for ambient logistics centers was 15.7%, down 0.3%p from the previous period, supported by steady leasing demand, while cold storage recorded a vacancy rate of 40.2%, up 1.7%p, reflecting continued stagnation in the leasing market.

Despite the sharp rise in logistics center development costs, the deepening supply–demand imbalance continues to act as a constraint on rental growth, with variations observed across size categories. For dry logistics centers, steady demand compared to cold facilities drove a 282 KRW increase HoH, bringing nominal rents to 33,210 KRW per py. In contrast, cold logistics centers saw nominal rents decline for the second consecutive half-year since 2024, falling 159 KRW HoH to 61,686 KRW per py due to ongoing tenant competition. Notably, while asset-specific differences exist, cold facilities have been offering increasingly longer annual rent-free periods, resulting in a larger drop in effective rents compared to nominal figures.

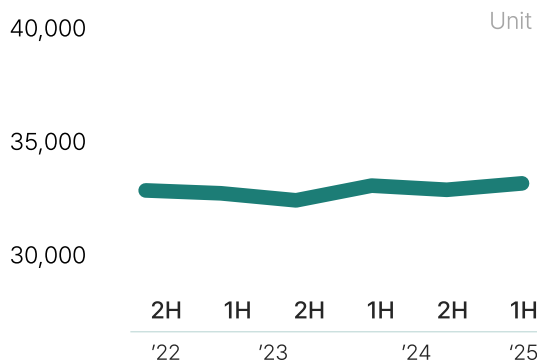
Amb Vacancy Trend



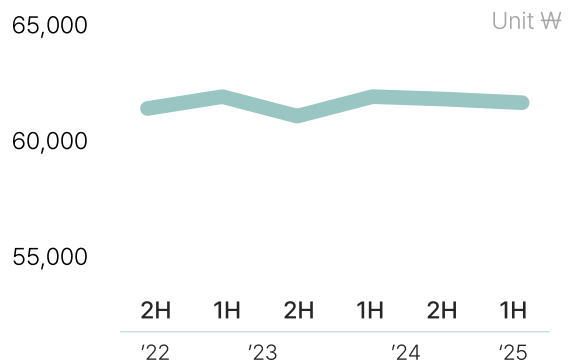
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Leasing Market

Regional Trend

1. Southeast

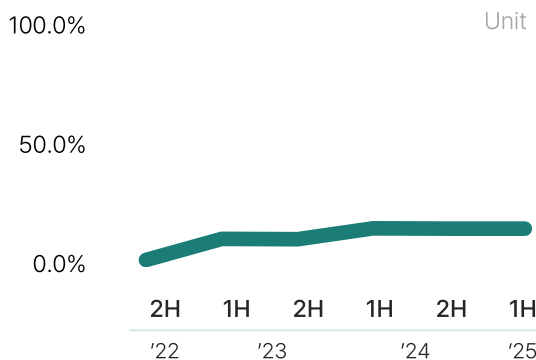
Ambient vacancy rate remains stable, slight decline in cold storage vacancy rate

In the first half of this year, the average vacancy rate for ambient logistics centers in the Southeast region remained stable, recording 15.1%, down 0.1%p HoH despite a sharp decline in new supply.

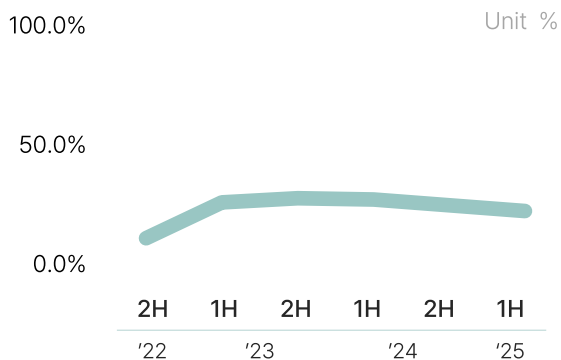
At the Capstone Singeun-ri Logistics Center in Yeosu, MUSINSA leased the entire building, approximately 11,000 py, while Cleanwrap signed a lease for about 6,000 py at the Gasan-ri Logistics Center in Icheon. In addition, CJ Logistics pre-leased the entire ambient space, about 10,000 py, at the GST Donggonjjam Logistics Center in Yeosu, and Han Express signed a lease for approximately 7,000 py at the DL Gunryang-ri Logistics Center in Icheon, which DL Construction had acquired through debt assumption in 2024. However, the Hangang Asset Jeombong-dong Logistics Center in Yeosu, with a total area of about 37,000 py, was delivered fully vacant, and the departure of some existing tenants was also observed, limiting the improvement in the overall vacancy rate for ambient assets.

The average vacancy rate for cold storage logistics centers fell by 2.3%p HoH to 22.6%. This decline was driven by both reduced supply and strategies to secure end-users prior to delivery in response to market instability. CJ Logistics pre-leased the entire cold storage space, about 4,000 py, at the GST East Gonjjam Logistics Center in Yeosu before delivery, while OB Beer pre-leased approximately 2,500 py of cold storage space at the Mokdong Logistics Center in Gwangju before completion. Additionally, at the DL Gunryang-ri Logistics Center in Icheon, Han Express signed a lease for about 7,300 py of cold storage space, further contributing to the reduction in cold storage vacancy rates.

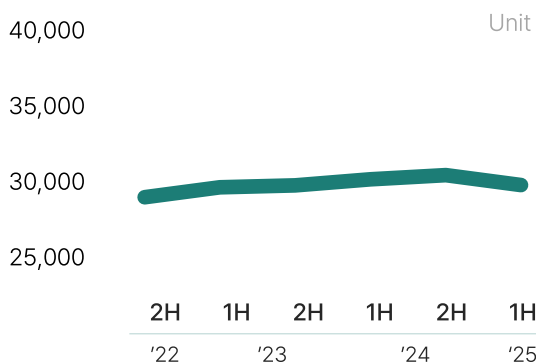
Amb Vacancy Trend



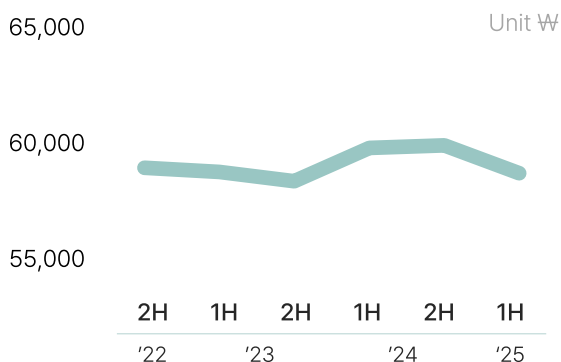
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Leasing Market

Regional Trend

2. South

Ambient & Cold Storage Vacancy Rates Hold Steady

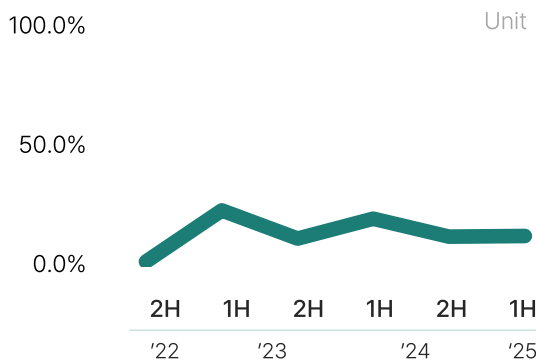
The southern region's average vacancy rate remained steady despite a decline in new supply.

The average vacancy rate for ambient warehouses rose 0.3%p HoH to 12.1%. Notable leasing activity in the first half included Adidas leasing 23,000 py at the Anseong Gayu District Logistics Center in Anseong, and Adidas and Korea Japan Transport taking 7,000 py and 3,000 py, respectively, at the Igis Asset Management Seongeun-ri Logistics Center. Additionally, Cosmax filled 5,000 py at the R&L Logistics Pyeongtaek Center (total floor area 43,000 py) in Pyeongtaek.

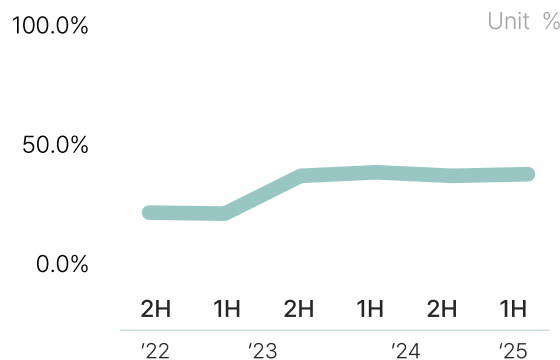
The average vacancy rate for cold storage warehouses rose 0.7%p HoH to 38.0%. While H&N Logistics, a 3PL operator, leased approximately 4,000 py at the Anseong Star Logistics Center in Anseong, vacancies increased slightly overall due to the withdrawal of several cold storage 3PL operators, particularly in Anseong..

Nominal rents averaged KRW 30,270/py for ambient warehouses, posting a slight increase, while cold storage rents averaged KRW 56,854/py, marking a decline for the second consecutive half-year. This was attributed to a generally stagnant leasing market for cold storage, with new assets freezing rents and some older facilities lowering rents strategically to attract tenants.

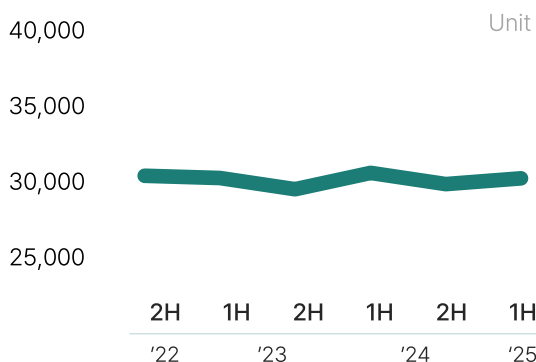
Amb Vacancy Trend



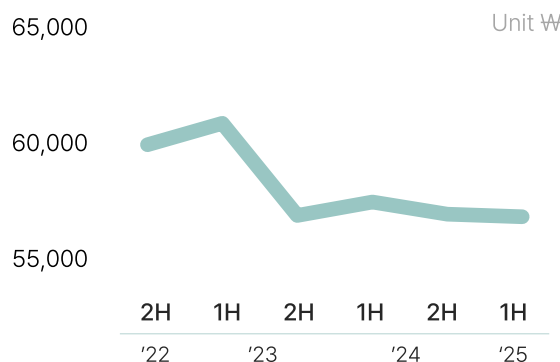
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Leasing Market

Regional Trend

3. West

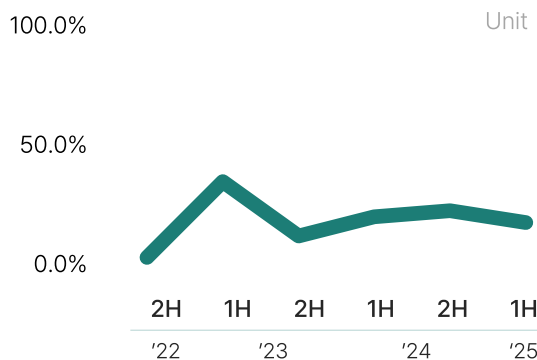
Temperature Gap Between Size Types Persists

In the western region, vacancy rates have historically shown high volatility due to continuous large-scale supply, despite steady leasing demand. However, in the first half of this year, with limited new supply and strong leasing demand from major e-commerce companies, the average vacancy rate for ambient-temperature logistics centers fell by 5.0%p HoH to 17.7%.

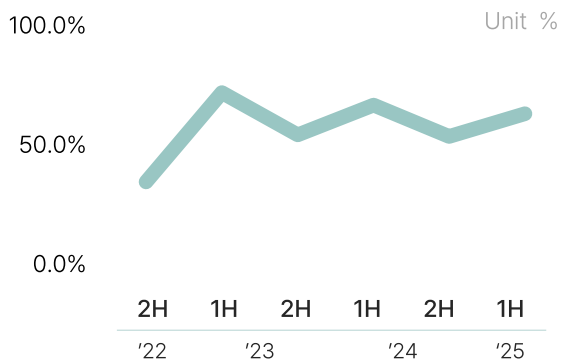
Coupang signed a full dry storage lease at the CBRE IM DLC logistics center in Incheon, filling approximately 49,000 py of vacancies. Additionally, it leased both the converted cold-to-dry storage space and the remaining dry storage vacancies at Aster Development's Sasadong logistics center in Ansan, filling about 9,000 py.

Despite reduced supply and leasing demand, the average cold storage vacancy rate rose 9.5%p HoH to 63.3%. Kurly filled roughly 1,500 py at the Gray Box logistics center in Ansan, but cold storage space at CBRE IM DLC remained vacant upon delivery. Moreover, several cold storage facilities near Incheon Port entered public auction due to loan defaults, further pushing vacancy rates upward.

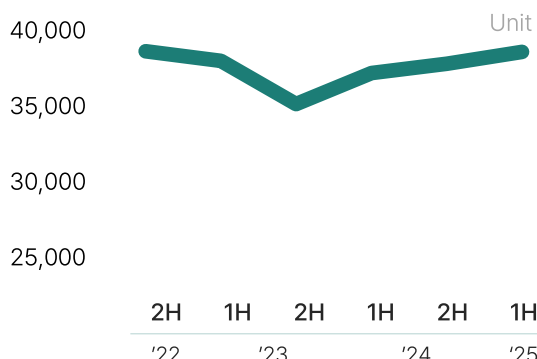
Amb Vacancy Trend



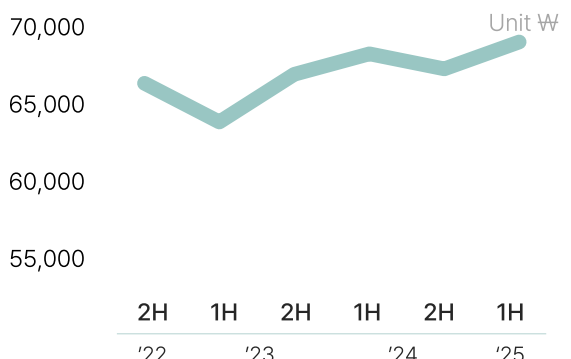
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Leasing Market

Regional Trend

4. Northwest

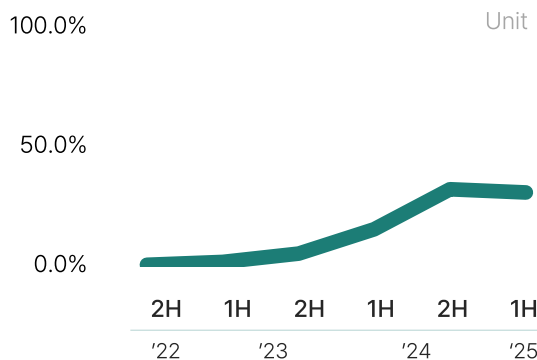
Highest vacancy rate recorded in the Seoul metropolitan area due to large-scale supply

In the first half of the year, the Northwest region recorded an ambient vacancy rate of 30.3%, down 1.3%p, and a cold storage vacancy rate of 71.8%, up 3.3%p, maintaining the highest vacancy levels for both ambient and cold storage among the six metropolitan areas. This is attributed to the record-high concentration of logistics center supply in the region during the previous half-year, combined with sluggish leasing demand, which has prolonged vacancies.

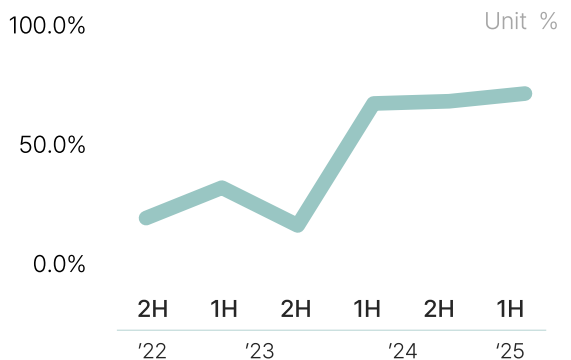
However, SHIVA Logistics, which handles logistics for the C-commerce company "Temu," leased the entire Gimpo Hangang New Town Logistics Center (total floor area: 49,944 py), marking the largest area secured among C-commerce logistics entry cases and raising expectations for vacancy absorption through C-commerce expansion. Given its location's suitability as a base for C-commerce companies, the Northwest region is expected to see faster vacancy reductions if C-commerce expansion into the Korean market continues.

Other leasing cases include Oh My Logistics, a 3PL company, leasing approximately 6,600 py of ambient space in the MQ Gimpo Daepo Logistics Center, and MOU, another 3PL company, leasing about 1,600 py in the Raiders Valley Logistics Center. However, the supply of the Kay Logistics Field Goyang Logistics Center (total floor area: 16,138 py) limited the decline in ambient vacancy rates and contributed to the rise in cold storage vacancy rates.

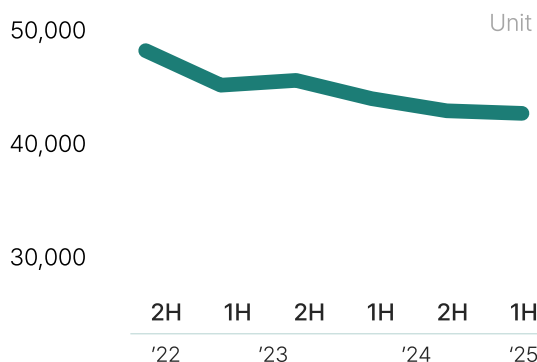
Amb Vacancy Trend



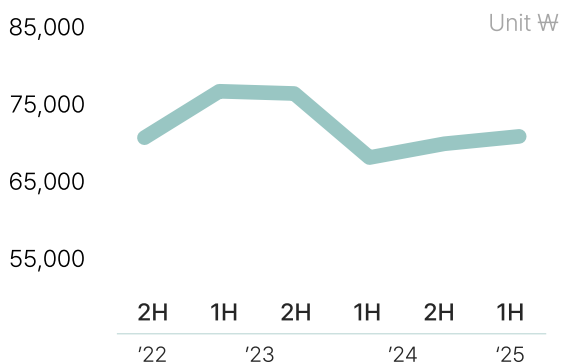
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Leasing Market

Regional Trend

5. Central

Despite limited supply, ambient and cold storage vacancy rates edge up slightly

Aggressive marketing driven by prolonged cold storage vacancy

In the first half of the year, the average vacancy rates for logistics centers in the Central region were 9.2% for ambient-temperature facilities and 17.6% for cold storage, each increasing by 3.9%p and 1.9%p compared to the previous half-year. Due to the region's high population density, development has been limited, with no new supply over 2,000 py in gross floor area for three consecutive half-years. However, tenant departures from certain assets drove vacancy rates upward.

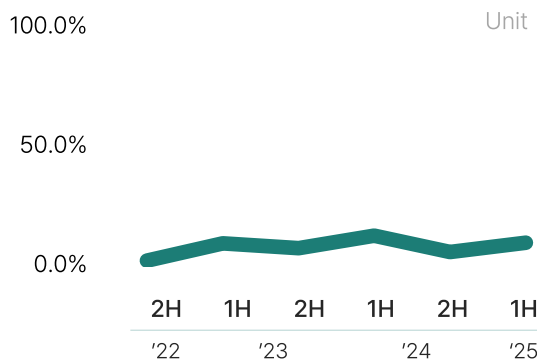
For ambient storage, the departure of Schenker from the "Korea Integrated Logistics Gunpo Terminal (Old Building)" (GFA 101,009 py) created a vacancy of about 600 py, while multiple tenants vacating the "Korea Integrated Logistics Gunpo Terminal (New Building)" (GFA 99,126 py) resulted in about 3,300 py of vacant space, driving the increase in ambient vacancy rates.

For cold storage, the departure of OST Partners, which had been on a short-term lease at "YNP Osan Logipolis Logistics Center" (GFA 45,800 py / mixed-use), created a vacancy of about 2,500 py, contributing to the rise in cold storage vacancy rates.

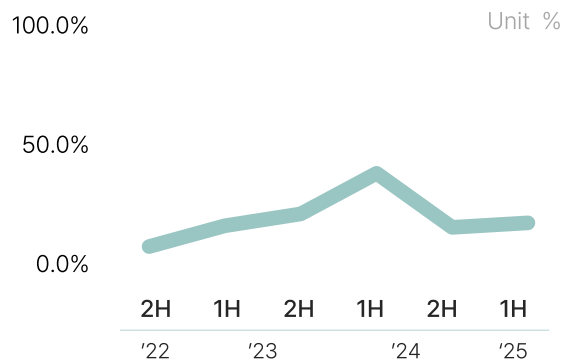
In the first half of the year, the Central region's ambient vacancy rate remained the only one among the Seoul metropolitan areas to stay below 10%, maintaining a stable trend. As a result, nominal rents slightly increased, and the average annual rent-free period was limited to about 0.3 months, indicating relatively restrictive lease terms.

In contrast, for cold storage space, last year's conversion to ambient storage to attract tenants significantly reduced the vacancy rate. However, the remaining cold storage space has experienced prolonged vacancies. To secure tenants, aggressive marketing efforts targeting cold storage occupiers are underway. The average annual rent-free period for cold storage in the Central region was about 3.7 months, and for assets with a vacancy rate exceeding 10%, it averaged around 5.5 months.

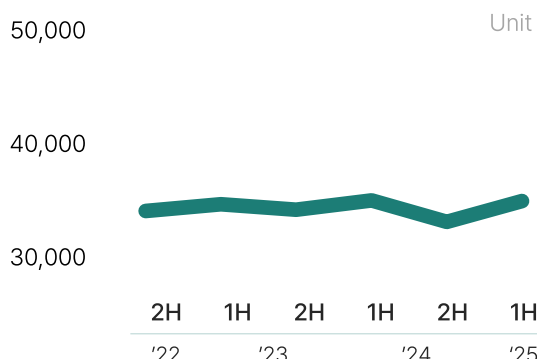
Amb Vacancy Trend



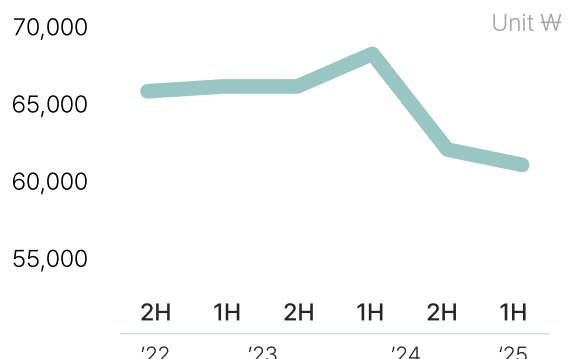
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Investment Market

Logistics Center Investment Market Overview

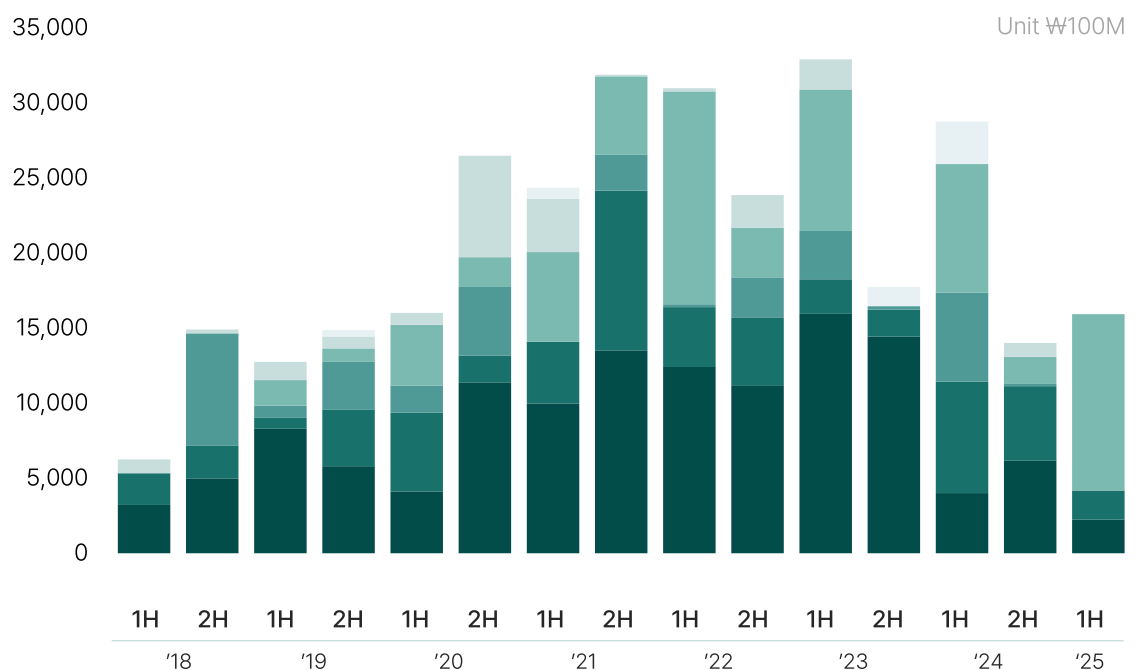
'25 H1, large-scale logistics centers in the Western region and small-to-medium-scale centers in the Southeastern and Southern regions led transaction activity.

Trend of Logistics Center Transaction Volumes by Region in the Seoul Metropolitan Area

In H1 2025, the total transaction value of logistics centers in the Seoul Metropolitan Area reached KRW 1.6 trillion, with a total transacted floor area of 270,000 py, remaining similar to the previous half-year. By region, the traditionally most active South and North regions saw their transaction volumes drop sharply by 63% and 61% respectively, while the West region recorded a remarkable 647% increase compared to the previous period

This surge was driven by consecutive trades of large-scale assets in the West. Major deals included the 71,000 py "Green Wave Siwha Logistics Center" in Siheung, transferred to JB Asset Management under a forward purchase agreement; the 45,000 py "Seongnam Complex Logistics Center" in Seo-gu, Incheon, acquired by Brookfield Asset Management, with plans to convert its cold storage to ambient storage for most of the space; and the 40,000 py "Incheon Hangdong Dream Logistics Center" in Jung-gu, Incheon, which was transferred to Koramco REITs & Trust despite approximately half of the space remaining vacant.

In contrast, the South and North regions saw transactions dominated by small- to mid-sized assets, leading to reduced total volumes. Notable deals included the 14,000 py ambient "Icheon Hoeok-ri Logistics Center" in Icheon, acquired by IGIS Asset Management, and two assets in Anseong acquired by Create Asset Management (founded with investment from KKR): the 13,000 py ambient "Anseong Seonwoo Logis" and the 8,000 py mixed-use "Anseong Seonwoo C&D." No transactions occurred in the Central, Other, or Northwest regions.



Transactions by Size

	Overall	XL	L	M	S
Volume W100M	15,933	4,750	7,000	2,108	2,075
HoH, W100M	▼ 304	▲ 4,750	▲ 7,000	▼ 10,258	▼ 1,797

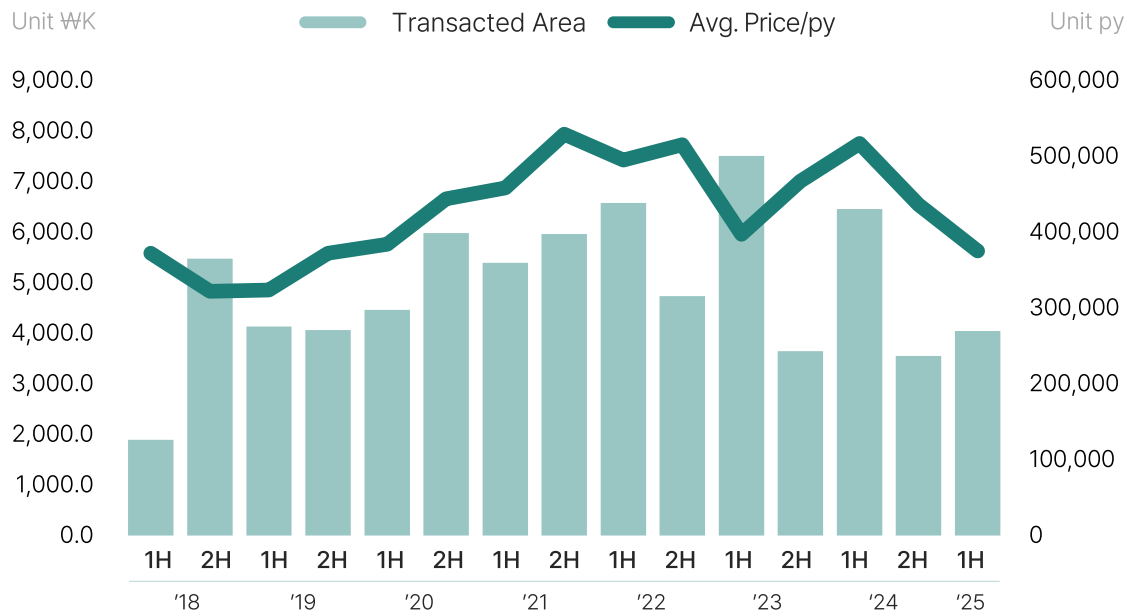
Logistics Center Investment Market Trend

Reduction in Price Gap Between Ambient and Mixed-Use Facilities

In the first half of 2025, the average transaction price for logistics centers in the Seoul Metropolitan Area was KRW 5.63M/py. By type, ambient facilities averaged KRW 5.55M/py, cold facilities KRW 9.17M/py, and hybrid facilities KRW 5.71M/py.

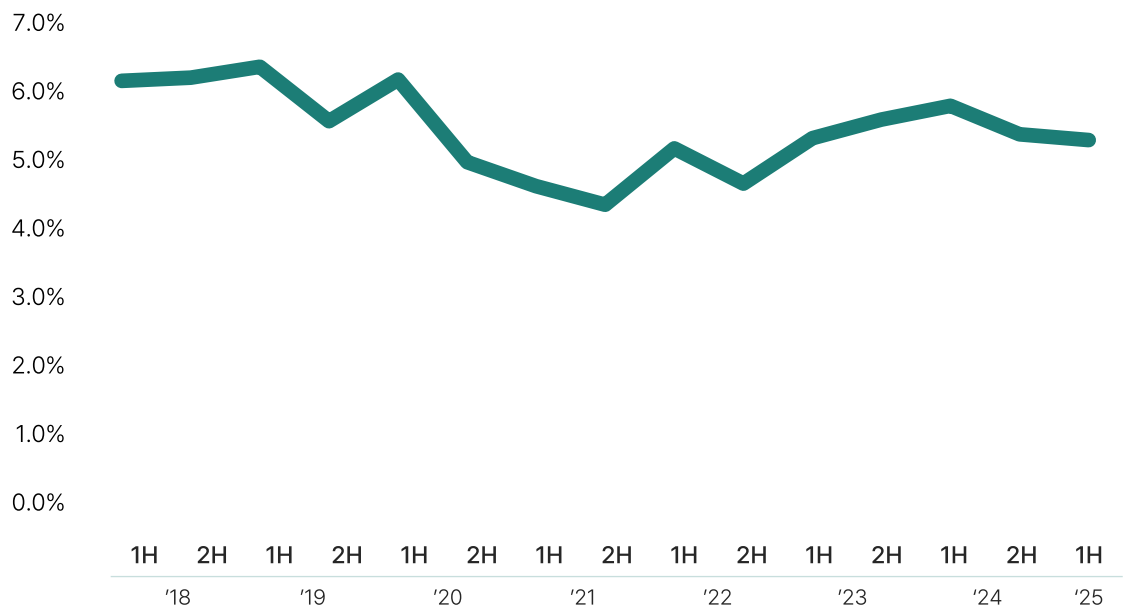
While transaction prices for ambient facilities, supported by consistent tenant demand, continued to rise, price growth for hybrid facilities has stagnated, narrowing the price gap between asset types. Notably, the ambient facility Mega Wise Cheongna traded at KRW 5.21M/py, and the hybrid facility Seongnam Hybrid Logistics Center traded at KRW 5.46M/py. Despite being similar in location and scale, the two assets closed at nearly the same price, even though historically, assets with cold storage areas commanded a premium due to higher expected rental income. This indicates a shift in market sentiment, with minimal cold storage premium reflected in recent transactions.

Capital Region Logistics Center Average Transaction Price/Py Trend



Capital Region Logistics Center Average Cap Rate Trend*

*Excludes pre-purchase and development-purpose transactions



Logistics Center Investment Market Trend

'25. 1H Major Transactions

Logistics Centers	Region	GFA (py)	Volume W100M	Price/Py W10K	Buyer	Seller	Remarks
Greenwave Siheung Logistics Center	West	71,277	4,750	666	JB Asset Management	Sihwa Road	Pre-purchase
Seoknam Complex Logistics	West	44,842	2,450	546	Brookfield Asset Management	S&K Logistics	
Incheon Hangdong Dream Logistics Center	West	40,326	2,300	570	Koramco REITs & Trust	Dream Remicon	
Megawise Cheongna Logistics Center	West	43,213	2,250	521	LX Pantos	Megawise	Owner-occupation after purchase, partial leasing planned
Icheon Hoieok-ri Logistics Center	Southeast	13,531	800	591	IGIS Asset Management	BGF Logis	
Anseong Sunwoo Logis	South	13,075	770	589	Create Asset Management	Sunwoo Logis	
Duwol Cold Storage	Southeast	5,999	550	917	Gwangju Logistics Mgmt	Daishin REITs & Trust	
Samsung Logis Logistics Warehouse	South	10,350	538	520	Cube Industrial	Kyobo REITs & Trust	
Smart Logistics Icheon Center	Southeast	8,207	470	573	ABC-Mart Korea	Individual Owner	Owner-occupation after purchase
Anseong Sunwoo C&D	South	7,818	440	563	Create Asset Management	Sunwoo C&D	
Hanmi Logistics Center	Southeast	7,499	430	573	AmGlobal	Mastern Asset Management	
Myungse Logistics Warehouse	South	3,781	185	489	AR	Myungse	



Greenwave Siheung Logistics Center



Seoknam Complex Logistics



Incheon Hangdong Dream Logistics Center



Megawise Cheongna Logistics Center



Icheon Hoieok-ri Logistics Center



Anseong Sunwoo Logis



Duwol Cold Storage



Samsung Logis Logistics Warehouse



Smart Logistics Icheon Center



Anseong Sunwoo C&D



Hanmi Logistics Center



Myungse Logistics Warehouse

Major Transactions (Scheduled)

Logistics Center	Region	GFA (py)	Buyer	Seller (Scheduled)	Remarks
Gonjam Logistics Center	Southeast	19,257	Mirae Asset Global Investments	DWS Asset Management	Tenants: Coupang, CJ, etc.
MQ Namyangju Logistics Center	Others	14,910	MQ Logistics	Cube Industrial	Investor: Blackstone
MQ Gimpo Logistics Center	Northwest	23,690	MQ Logistics	Cube Industrial	Investor: Blackstone
Hwaseong Jegiri Logistics Center	South	32,710	JR AMC	Create Asset Management	2,000억원 중후반

Survey Area	Seoul Metropolitan Area								
Survey Frequency	Semiannual								
Survey Method	Call Survey Field Research Lease Flyer Ministry of Land, Infrastructure, and Transport Public Data								
Survey Items	Leasing Market Deposit, rent, maintenance fee, vacant area Investment Market Transactions								
Survey Target	Leasing Market Logistics centers with GFA of 3,000 py+ Supply Market Logistics centers with GFA of 2,000py+ Definition: Logistics Center Logistics centers with more than 50% of the GFA used for storage purposes. Size Category for Logistics Centers <table border="0"> <tr> <td>XL</td> <td>GFA 50k py or more 165,289m² +</td> </tr> <tr> <td>L</td> <td>GFA 30k py ~ 50k py 99,174m²~165,289m²</td> </tr> <tr> <td>M</td> <td>GFA 10K py ~ 30k py 33,058m² ~ 99,174m²</td> </tr> <tr> <td>S</td> <td>Less than GFA 10K py Less than 33,508m²</td> </tr> </table>	XL	GFA 50k py or more 165,289m ² +	L	GFA 30k py ~ 50k py 99,174m ² ~165,289m ²	M	GFA 10K py ~ 30k py 33,058m ² ~ 99,174m ²	S	Less than GFA 10K py Less than 33,508m ²
XL	GFA 50k py or more 165,289m ² +								
L	GFA 30k py ~ 50k py 99,174m ² ~165,289m ²								
M	GFA 10K py ~ 30k py 33,058m ² ~ 99,174m ²								
S	Less than GFA 10K py Less than 33,508m ²								
Regional Category	Southeast Gwangju, Icheon, Yeosu, Youngin Chuhin-Gu South Anseong, Pyeongtaek, Hwaseong Excluding Dongtan Central Gunpo, Uiwang, Anyang, Gwacheon, Suwon, Osan, Hwaseong, Seongnam Dongtan (Bansong-dong, Sukwoo-dong, Neung-dong, Chunggae-dong, Youngchun-dong, Osan-Dong, Shin-dong, Mok-dong, Sancheok-dong, Jangji-dong, Song-dong)), Yongin (Suji-gu, Giheung-gu) West Ansan, Siheung, Gwangmyeong, Incheon Jung-gu, Dong-gu, Michuhol-gu, Seo-gu, Namdong-gu, Yeonsu-gu, Wongjin-gu Northwest Goyang, Paju, Gimpo, Bucheon, Incheon Gaeyang-gu, Bupyeong-gu, Ganghwa-gun Other Other areas in Gyeonggi-do and Seoul								

Real Estate Investment and Development Division, Big Data Consulting Team

Won Chang Jin

Director

wcjin@rsquare.co.kr

A Reum Jo

Senior Manager

newpeak@rsquare.co.kr

Sang Hyun Park

Manager

sh.park@rsquare.co.kr

Chan Young Moon

Researcher

mcy1213@rsquare.co.kr

Yu Jin Sim

Researcher

yujin.sim@rsquare.co.kr

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