

MARKET REAL REPORT

2025 2H

 **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

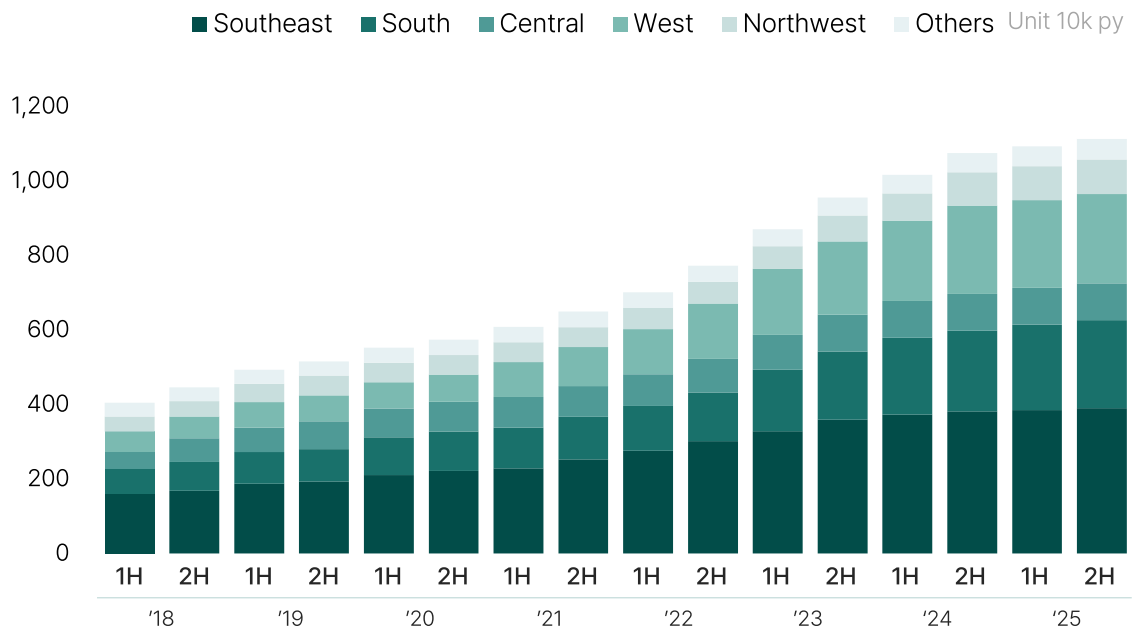
CHECK 1

Continued Slowdown in New Supply

Cumulative Supply Trend of Logistics Centers by Sub-region in the Seoul Metropolitan Area

New supply of logistics centers in the Seoul Metropolitan Area, which peaked in 2022–2023, transitioned into a clear slowdown trend through 2024. New supply in the second half of 2025 increased by 1.7% compared to the previous half-year, a level broadly in line with the 1.5% growth recorded in the first half. Compared to the period of concentrated supply, the pace of growth remains exceptionally low.

This supply contraction appears to be driven by a sharp decline in new permits and construction starts, amid deteriorating development conditions including heightened market uncertainty and rising construction costs. In particular, with the strengthening of policy regulations such as the amendment to the Gyeonggi-do standard permit criteria ordinance for logistics warehouses, the unfavorable development environment is unlikely to improve in the short term. Accordingly, once the current large-scale assets under construction complete their delivery, overall supply is expected to decline further.



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

Change in Supply Area (Compared to Previous Cumulative Supply, %)	
Southeast	+51,880 (+1.3%)
South	+69,413 (+2.9%)
Central	-
West	+40,196 (+1.7%)
Northwest	+20,156 (+2.2%)
Others	+8,652 (+1.6%)
Metropolitan Area Total	+190,297 (+1.7%)

Logistics Center Leasing Market

Supply Market

New Supply by Region

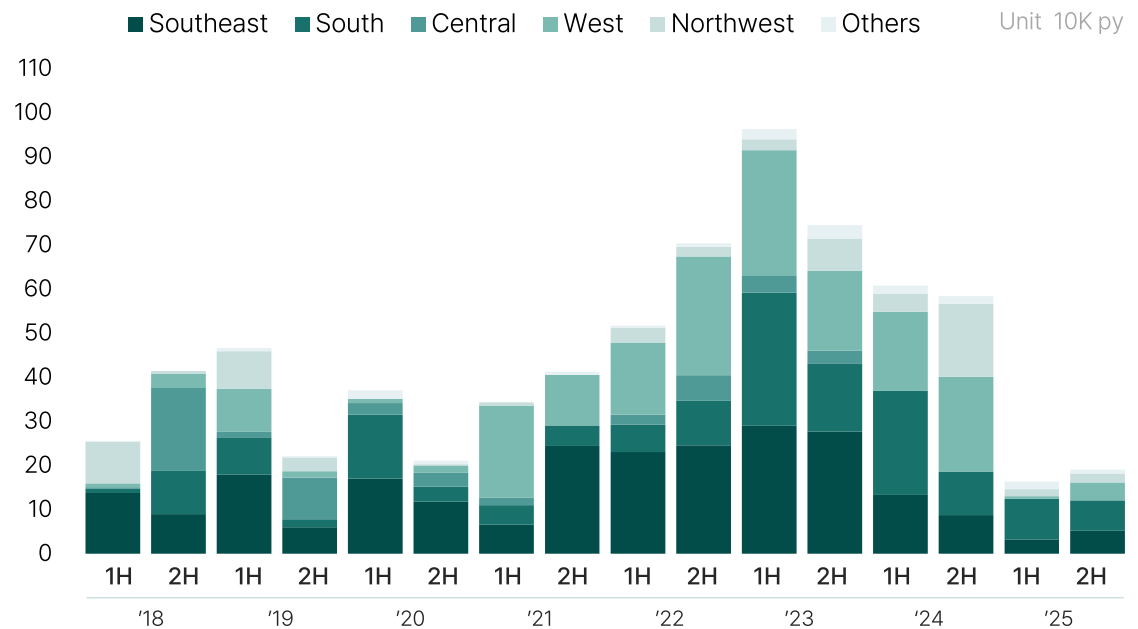
CHECK 1

Slowdown Continues Across All Sub-regions

New Supply Trend of Logistics Centers by Sub-region in the Seoul Metropolitan Area

New supply of logistics centers in the Seoul Metropolitan Area in the second half of 2025 totaled approximately 190,000 py, a 67% decline compared to the same period of the previous year, bringing the annual supply to around 350,000 py. This marks the lowest level recorded in the past eight years and represents an approximately 70% decrease from 2024 (1,190,000 py).

At the sub-regional level, the slowdown in new supply was broadly evident across all areas. The Central corridor recorded no new supply for the second consecutive year, while the Northwestern, Western, and Other corridors each saw minimal additions of less than 50,000 py annually. Even in the Southeastern and Southern corridors, which had previously concentrated the bulk of new supply, deliveries were limited to approximately 160,000 py and 80,000 py respectively, underscoring the broad-based nature of the supply contraction across all sub-regions.



Key Logistics Center New Supply Cases in 2H 2025

Completion	Logistics Center	Usage	Region	Location	GFA (py)
25.4Q	Logis HK Sihwa	Ambient	Western	Siheung	26,753
25.4Q	Kendall Square Iljuk Logistics Park Block D	Ambient	Southern	Anseong	21,430
25.4Q	Equalbase Icheon-Baeksa	Ambient	Southeastern	Icheon	12,664
25.4Q	Anseong CDC Logistics Center	Complex	Southern	Anseong	12,243
'25.3Q	Logis Point Sinhaeri	Complex	Southeastern	Yeoju	15,997
'25.3Q	YES24 Smart Fulfillment Center	Ambient	Northwestern	Paju	15,870
'25.3Q	Cheongbuk-eup Yeonyeon-ri Warehouse Facility	Ambient	Southern	Pyeongtaek	14,499

Logistics Center Leasing Market

Regional Trend

Metropolitan Area

Decline in Average Vacancy Rate for Ambient & Cold Storage

Marginal Decline in Nominal Rent

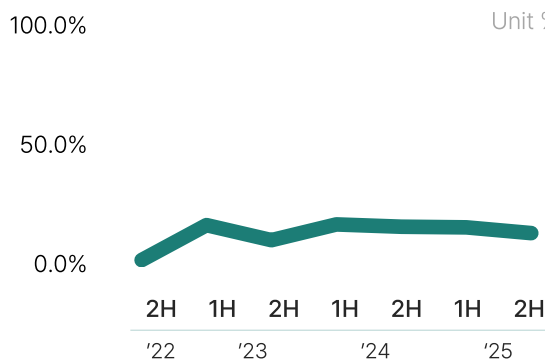
The vacancy rate for logistics centers in the Seoul Metropolitan Area in the second half of this year declined marginally for both ambient and cold storage facilities, driven by the continued slowdown in new supply. The average vacancy rate for ambient logistics centers fell by 2.4 percentage points from the previous half-year to 13.3%, while the cold storage vacancy rate declined by 2.9 percentage points to 37.3%.

The more pronounced decline in cold storage vacancy relative to ambient was not attributable to an expansion in cold storage leasing demand, but rather to a deepening supply contraction driven by supply-demand imbalances, as well as the conversion of cold storage space into ambient use.

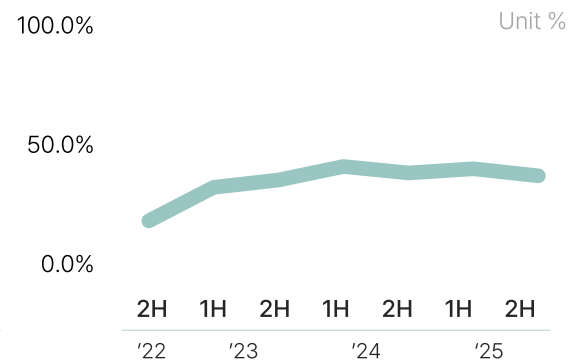
While variances exist across sub-regions and facility types, nominal rents declined modestly for both ambient and cold storage facilities across the Seoul Metropolitan Area as a whole. The average nominal rent for ambient logistics centers fell by KRW 497 from the previous half-year to KRW 32,714 per py. For cold storage, rents declined primarily in the Central and Western corridors, falling by KRW 1,311 to KRW 60,374 per py.

These rental declines appear to reflect a deepening polarization within the market rather than a broad-based downward trend. In a number of cases, less competitive assets significantly reduced asking rents in an effort to resolve prolonged vacancies, which has weighed on the overall average figures.

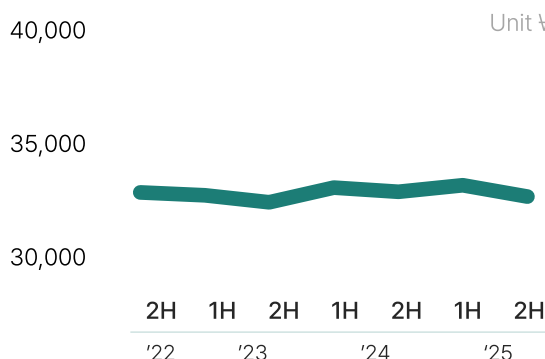
Amb Vacancy Trend



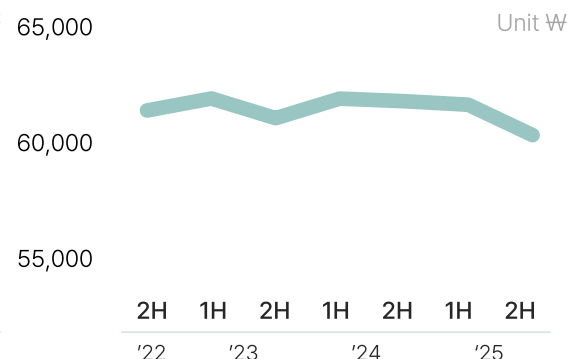
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Leasing Market

Regional Trend

1. Southeast

Ambient Vacancy Rate Decline / Marginal Increase in Cold Storage Vacancy Rate

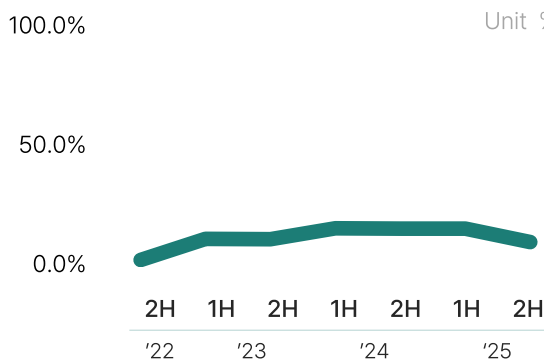
Widening Nominal Rent Divergence Driven by Demand Polarization

The average vacancy rate for ambient logistics centers in the Southeastern corridor recorded a notable decline of 5.6 percentage points from the previous half-year to 9.5%, driven by the continued reduction in new supply. Coupang completed a full-building lease of the Hangang Asset Jeombong-dong Logistics Center in Yeosu (approximately 37,000 py), while Hanjin leased the entire ambient space (approximately 11,000 py) at the K-Clavis Samgun-ri Logistics Center, both contributing to vacancy absorption. In addition, the LB Ihwang-ri Logistics Center in Icheon successfully secured a tenant after converting its long-vacant cold storage space to ambient use.

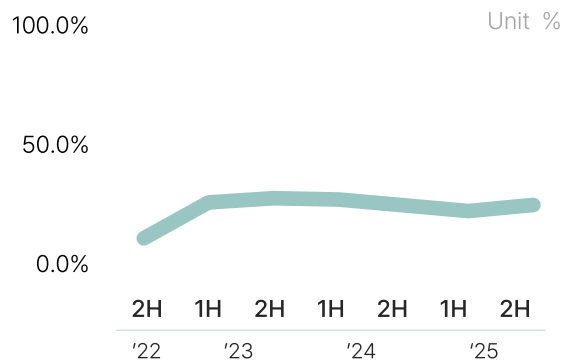
In contrast, the average vacancy rate for cold storage facilities rose by 2.5 percentage points from the previous half-year to 25.1%. This increase appears to be driven primarily by tenant departures amid supply-demand instability rather than the impact of new supply. Notably, Team Fresh was confirmed to have vacated the entire cold storage space at both Pacific Brick Icheon Logistics Center 2 and Kiwoom Icheon Anpyeong-ri Logistics Center in Icheon.

As the supply-demand imbalance between facility types persisted, the nominal rent for ambient space rose by KRW 188 from the previous half-year to KRW 30,010 per py, while cold storage nominal rent declined by KRW 1,979 to KRW 56,753 per py. The decline in cold storage rents, however, is attributed less to a broad market trend and more to strategic rent reductions implemented by select older and smaller assets in an effort to attract tenants.

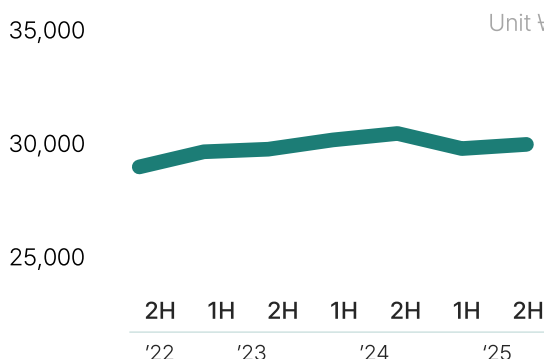
Amb Vacancy Trend



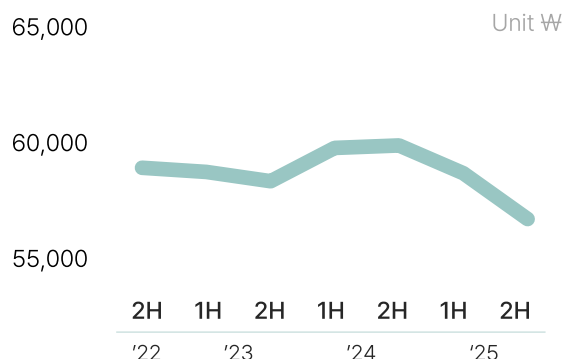
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Leasing Market

Regional Trend

2. South

Ambient Vacancy Rate Stable / Cold Storage Vacancy Rate Decline

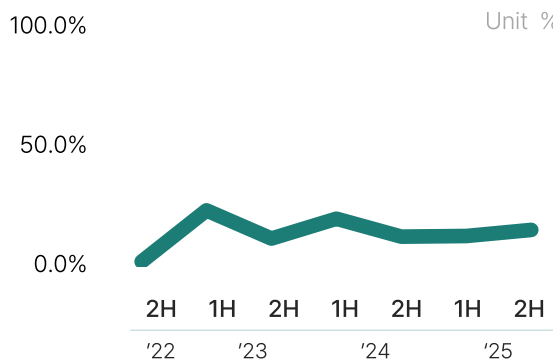
Nominal Rent Remains Broadly Stable

The average vacancy rate for ambient logistics centers in the Southern corridor rose by 2.5 percentage points from the previous half-year to 14.6%. Key leasing activity in the second half included Musinsa taking over the entire space at Mapletree Iljuk 2 Logistics Center in Anseong following the departure of previous tenant Han Express, successfully resolving the vacancy. However, the departure of LX Pantos from LX Pantos Pyeongtaek Logistics Center (approximately 10,000 py) in Pyeongtaek and Team Fresh from LB Yanggam-myeon Songsan-ri Logistics Center in Hwaseong resulted in a marginal overall increase in the corridor's vacancy rate.

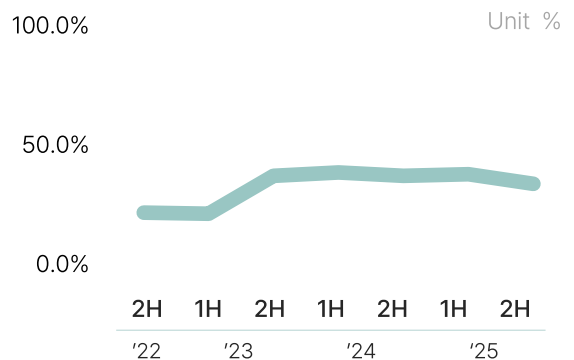
The cold storage vacancy rate declined by 4.1 percentage points from the previous half-year to 33.9%. JY Logis, a third-party logistics (3PL) provider, moved into approximately 4,000 py at Dou Development Nam-Anseong Logistics Center in Anseong, absorbing existing vacancy. In addition, Sunwoo CND completed a full cold storage lease at Block B of the Create Asset Management Logistics Center, which had been sold the previous year, contributing to the decline in cold storage vacancy.

Nominal rents remained broadly stable compared to the previous half-year, at KRW 30,091 per py for ambient and KRW 57,149 per py for cold storage. For ambient space, the majority of assets maintained or slightly increased their rents, though selective reductions by certain assets seeking to attract tenants kept the overall trend flat. For cold storage, despite a partial decline in vacancy, rates remain elevated at over 30%, indicating that market conditions continue to limit landlords' ability to push rents higher..

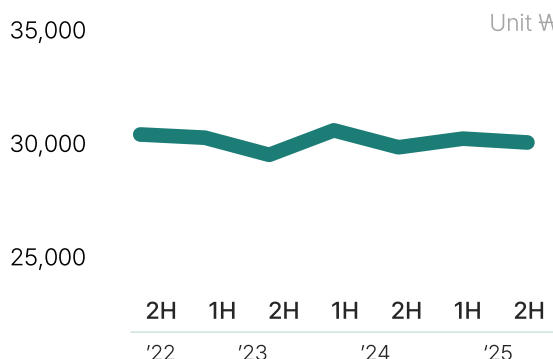
Amb Vacancy Trend



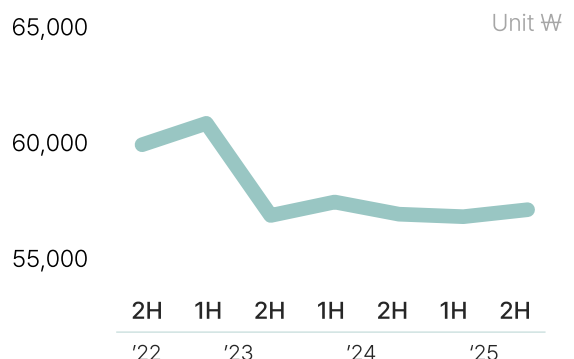
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Leasing Market

Regional Trend

3. West

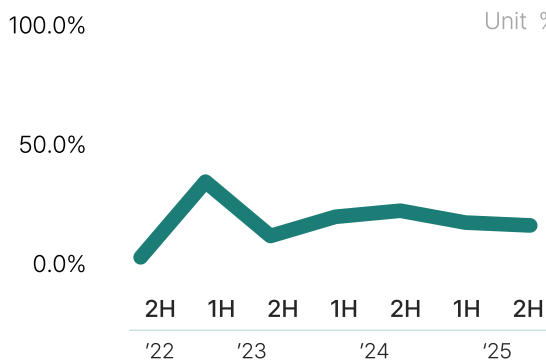
Ambient Vacancy Rate Remains Stable / Cold Storage Vacancy Rate Declines on Continued Conversion

The ambient vacancy rate in the Western corridor declined by 1.2 percentage points from the previous half-year to 16.5%, despite continued leasing demand, as the impact of newly supplied assets weighed on the overall figure. Coupang leased an additional approximately 10,000 py at Cheongna Logistics Center in Incheon, while both Coupang and SF Express each took up approximately 2,000 py at Arenas Yeongjong Logistics Center, contributing to vacancy absorption. However, the full vacancy delivery of Logis HK Sihwa Logistics Center (approximately 26,000 py) in Siheung limited the overall decline in the ambient vacancy rate.

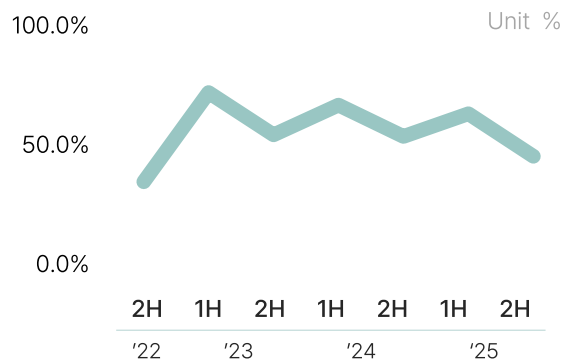
The average vacancy rate for cold storage facilities fell sharply by 17.8 percentage points from the previous half-year to 63.3%, driven by a reduction in supply and improved leasing demand. Weekip partially absorbed the cold storage vacancy at CBRE IM DLC Logistics Center in Incheon, while Cheongna Logistics Center converted one floor of long-vacant cold storage space to ambient use, further contributing to the decline in cold storage vacancy.

Nominal rent for ambient space in the Western corridor edged down slightly from the previous half-year to KRW 38,269 per py, while cold storage nominal rent was recorded at KRW 66,928 per py.

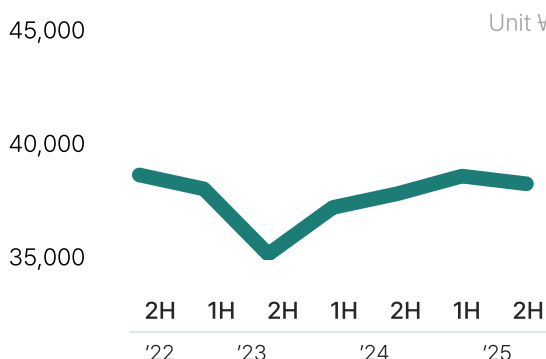
Amb Vacancy Trend



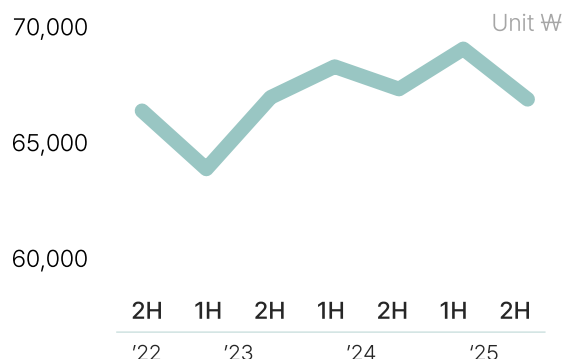
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



Logistics Center Leasing Market

Regional Trend

5. Central

Cold Storage Vacancy Rate Edges Up Despite Limited Supply

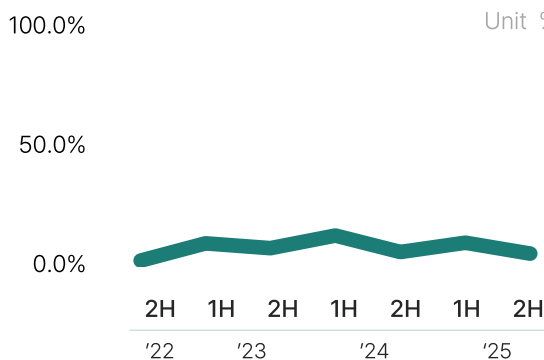
The average vacancy rate for ambient logistics centers in the Central corridor fell by 4.5 percentage points from the previous half-year to 4.7%, recording the most stable vacancy level among all sub-regions. However, the cold storage vacancy rate rose by 19.0 percentage points to 36.6%. Despite the absence of new supply in the Central corridor over the past two years, cold storage vacancy increased as tenant departures were observed across select assets.

For ambient space, multiple tenants leased a combined approximately 10,000 py at Korea Integrated Logistics Gunpo Terminal (Old Building) (total floor area: 101,009 py) and Korea Integrated Logistics Gunpo Terminal (New Building) (total floor area: 99,126 py) in Gunpo, driving the decline in ambient vacancy.

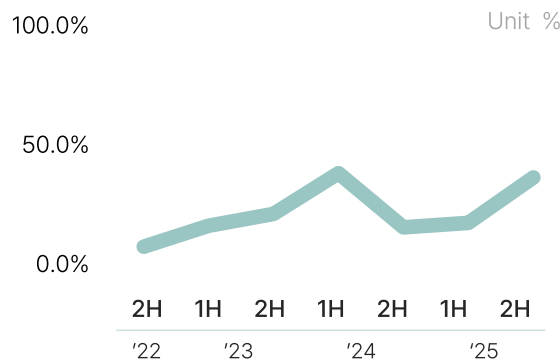
For cold storage, Team Fresh vacated its space at Pebblestone Dongtan Central Logis Hub in the Central corridor, contributing to the rise in cold storage vacancy.

Nominal rent for ambient space in the Central corridor edged down slightly from the previous half-year to KRW 32,925 per py, while cold storage nominal rent remained broadly in line with the previous period at KRW 61,571 per py.

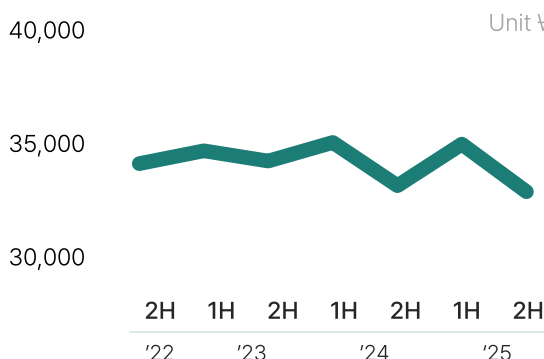
Amb Vacancy Trend



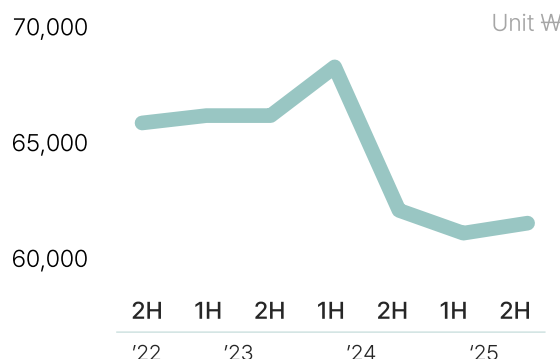
Cold Vacancy Trend



Amb Nominal Rental Rate Trend



Cold Nominal Rental Rate Trend



2 Investment Market

Logistics Center Investment Market

Logistics Center Investment Market Overview

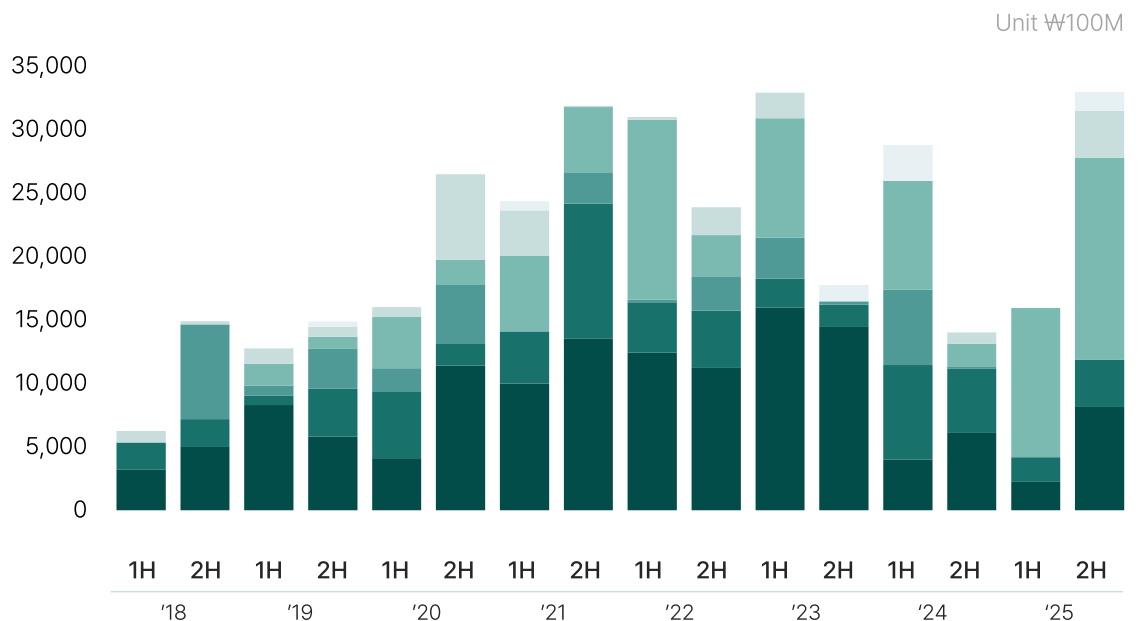
Record-High Transaction Volume Achieved in 2H 2025

Total transaction volume for logistics centers in the Seoul Metropolitan Area in the second half of 2025 reached KRW 3.3 trillion, with a total traded area of 461,000 py. This represents more than double the transaction volume recorded in the first half of the year and marks the highest level since records began.

By sub-region, the Southeastern and Southern corridors, which had seen subdued activity in the first half, led the market rebound with transaction volumes surging by 261.9% and 91.4% respectively. The Western corridor also posted a 35.6% increase from the previous half-year, setting a new all-time high for the sub-region. In contrast, the Northwestern and Other corridors each recorded only two transactions, while the Central corridor saw no transactions throughout 2025.

By asset size, transaction values were significantly driven upward by the influx of foreign capital into ultra-large assets. Cheongna Logistics Center, a large-scale mixed-use logistics facility in Incheon (total floor area: 131,000 py), was sold to Create Asset Management — backed by KKR as investor — for approximately KRW 1 trillion. Logis Valley Ansan, a large-scale ambient logistics center in Siheung (total floor area: 72,000 py), was also transferred to Widecreek Asset Management — with M&G participating as investor — for approximately KRW 500 billion, further contributing to the overall increase in transaction value. In contrast, small asset transaction values declined by approximately 50% compared to the previous half-year. Notable small asset transactions included the sale of Mapletree Yeosu Logistics Center in Yeosu, Gyeonggi-do (approximately 3,000 py) for approximately KRW 8 billion, and the transfer of Bodam Logistics Center in Yongin (approximately 3,000 py) to Ourhome for approximately KRW 30.2 billion.

Transaction Volume Trend by Sub-region in the Seoul Metropolitan Area



Transactions by Size

	Overall	XL	L	M	S
Volume W100M	32,955	15,423	6,800	9,699	1,033
HoH, W100M	▲ 17,021	▲ 10,673	▼ 200	▲ 7,591	▼ 1,042

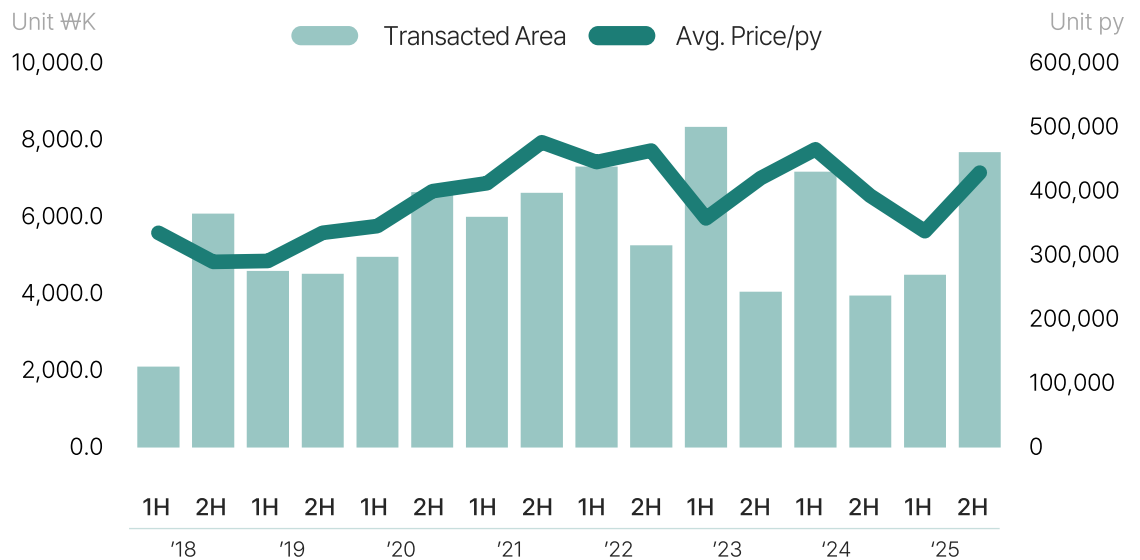
Logistics Center Investment Market Trend

Rising Price/Py Concentrated in Prime Assets and Deepening Value Polarization Across Assets

The average transaction price per py for logistics centers in the Seoul Metropolitan Area in the second half of 2025 was recorded at KRW 7.15 million. By facility type, ambient assets transacted at KRW 6.17 million per py and mixed-use assets at KRW 7.41 million per py. Cold storage assets were recorded at KRW 5.98 million per py; however, this figure reflects ownership transfers through public auction rather than conventional market transactions, and caution is advised when interpreting this as a market price indicator.

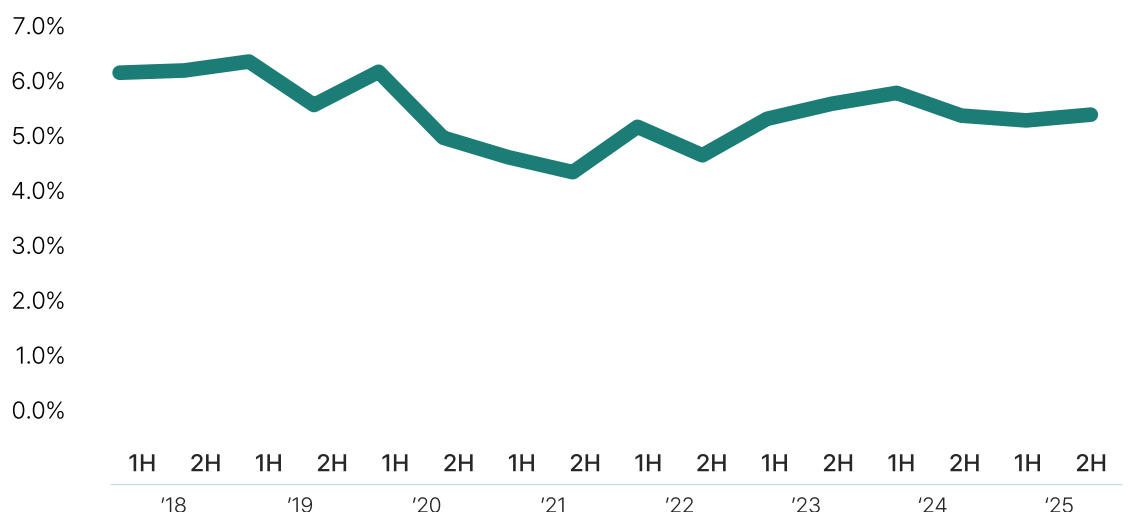
In the investment market, prime assets led the price appreciation. Cheongna Logistics Center, which is under long-term lease to Coupang and E-Mart, transacted at KRW 7.91 million per py. MQ Logis Cube Gochon and MQ Logis Cube Namyangju, both transferred to Cube Industrial, achieved prices exceeding KRW 9 million per py despite being ambient assets, pushing up the overall average price level. In contrast, small and older logistics centers transacted at approximately KRW 2–4 million per py on an ambient basis, reflecting a widening valuation gap between prime and older assets.

Average Transaction Price/Py Trend for Logistics Centers in the Seoul Metropolitan Area*



Average Cap Rate Trend for Logistics Center Transactions in the Seoul Metropolitan*

*Area Excluding forward purchase and development-purpose transactions



Logistics Center Investment Market Trend

'25. 2H Major Transactions

Logistics Centers	Region	GFA (py)	Volume ₩100M	Price/Py ₩10K	Buyer	Seller	Remarks
Cheongna Logistics Center	West	130,152	10,300	791	Kreate Asset Management	Brookfield Asset Management	
Logis Valley Ansan	West	72,281	5,123	709	Wide Creek Asset Management	CBRE IM	
Logis Point Yeosu Logistics Center	Southeast	39,624	1,900	480	KORAMCO Asset Management	Mastern Investment Management	
Yeosu Jeombong-dong Logistics Center	Southeast	36,949	2,200	595	ARA Korea Asset Management	Yeosu JB Logistics Center	
Logisco Hwaseong Logistics Center	South	32,631	2,700	827	Kreate Asset Management	JR Asset Management	
MQ Logis Cube Gimpo Gochon	Northwest	23,691	2,167	915	Cube Industrial	Logis Valley	
DWS Coupang Gwangju Logistics Center	Southeast	19,268	1,186	616	DWS Asset Management	Mirae Asset Management	
Logis Point Seoun Logistics Center	South	16,433	1,000	609	Hangil General Logistics Center	Mastern Investment Management	
SSG Neo 003	Northwest	15,922	1,528	960	CJ Logistics	SSG.COM	
Icheon Maegok DC Logistics Center	Southeast	15,009	940	626	Pacific Asset Management	ESR Kendall Square REITs	
MQ Logis Cube Namyangju	Other	14,911	1,343	901	Cube Industrial	Logis Valley	
Ohouse Logistics Center	Southeast	13,560	814	600	ESR Kendall Square REITs	Kendall Square Asset Management	



Cheongna Logistics Center



Logis Valley Ansan



Logis Point Yeosu Logistics Center



Yeosu Jeombong-dong Logistics Center



Logisco Hwaseong Logistics Center



MQ Logis Cube Gimpo Gochon



DWS Coupang Gwangju Logistics Center



Logis Point Seoun Logistics Center



SSG Neo 003



Icheon Maegok DC Logistics Center



MQ Logis Cube Namyangju



Ohouse Ohouse Logistics Center

Major Transactions (Scheduled)

Logistics Center	Region	GFA (py)	Buyer	Seller (Scheduled)	Remarks
Shinsegae Pyeongtaek Logistics Center	South	45,261	Pacific Asset Management	Kreate Asset Management	Leased to Shinsegae Food and others
CBRE IM Dohwa Logistics Center	West	75,390	CBRE IM	TBD	Leased to Coupang and others
Incheon Hangdong Smart Logistics Center	West	26,691	Koramco Asset Trust	TBD	Fully leased to Coupang

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 3,000py+ 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</td> <td>165,289m² +</td> </tr> <tr> <td>L</td> <td>GFA 30k py ~ 50k py</td> <td>99,174m²~165,289m²</td> </tr> <tr> <td>M</td> <td>GFA 10K py ~ 30k py</td> <td>33,058m² ~ 99,174m²</td> </tr> <tr> <td>S</td> <td>Less than GFA 10K py</td> <td>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, West Jangji-dong, Song-dong)), Yongin (Suji-gu, Giheung-gu), Northwest Ansan, Siheung, Gwangmyeong, Incheon Other Jung-gu, Dong-gu, Michuhol-gu, Seo-gu, Namdong-gu, Yeonsu-gu, Wongjin-gu Goyang, Paju, Gimpo, Bucheon, Incheon Gaeyang-gu, Bupyeong-gu, Ganghwa-gun Other areas in Gyeonggi-do and Seoul												

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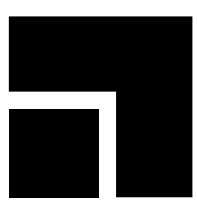
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