

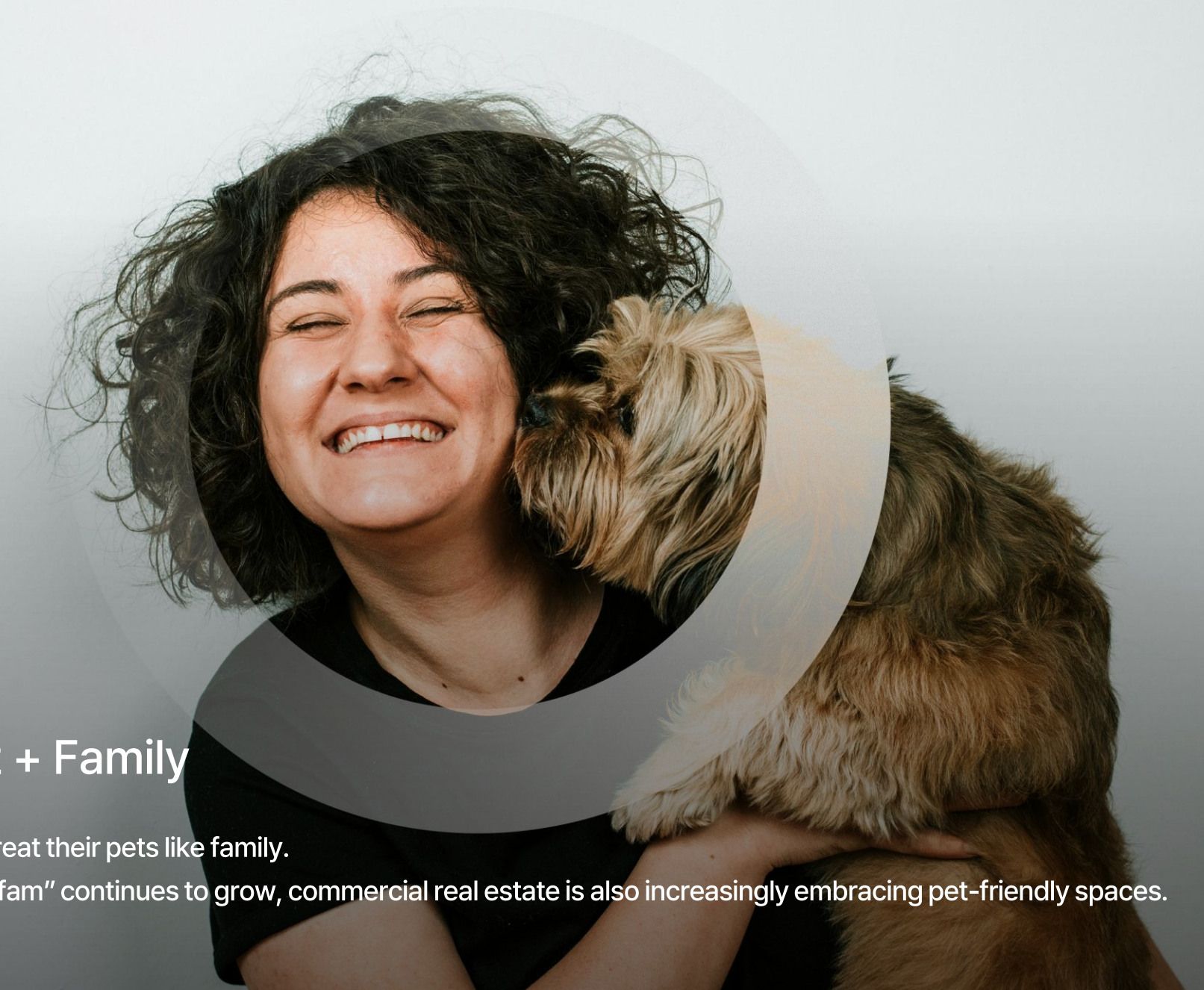
2025 PETS in CRE

The Impact of Pets on Commercial Real Estate Trends in 2025



Aug.2025 | KyuJung Choi at Research Center

 RSQUARE



Petfam Pet + Family

The term refers to people who treat their pets like family.

As the number of so-called "Petfam" continues to grow, commercial real estate is also increasingly embracing pet-friendly spaces.

As of 2024, 26.7% of households in Korea reported living with a pet.

This indicates that at least one in four households treats their pets as part of the family.

In particular, the trend of delayed marriage and childbirth has led to a growing number of young people raising pets in urban areas.

This shift is beginning to influence the commercial real estate market, with demand for pet-friendly spaces expected to increase further.

This report examines how pets are shaping commercial real estate in Korea, focusing on case studies and key implications for the market.

1) Source KB Financial Research Institute

2) Source Private Certification Information Service

15,460,000 people

At the end of 2024,
the number of pet owners in Korea¹⁾

KRW 194,000

Average Monthly Expenditure on
Pets per Pet-owning Household in
2024¹⁾

10,334 people

Number of Applicants for Private
Pet-related Certifications in 2024²⁾

Petconomy

Pets and Office Spaces

Pets and Retail

Pets and Hospitality

Conclusion



Petconomy

Global Pet Market Trends

U.S. Pet Market

In the United States, the number of pet-owning households grew from 82 million in 2023 to 94 million in 2024—an increase of 12 million households in just one year. This means that, as of 2024, 71% of all U.S. households (132.21 million) have a pet. Gen Z has been a major driver of this growth, with the number of pet-owning Gen Z households increasing by 43.5% year-over-year, reaching approximately 18.8 million households in 2024.

The U.S. pet industry is projected to grow from USD 131.3 billion (KRW 182 trillion) in 2022 to USD 213.3 billion (KRW 296 trillion) by 2032, representing a compound annual growth rate (CAGR) of 6.2%.

Australian Pet Market

As of 2024, 51% of Australian households owned a dog, while 37% owned a cat¹. In addition, 11% kept fish and 9% kept birds, reflecting a high overall rate of pet ownership across the country. Driven by this widespread pet ownership, Australia's pet care market has been experiencing steady growth.

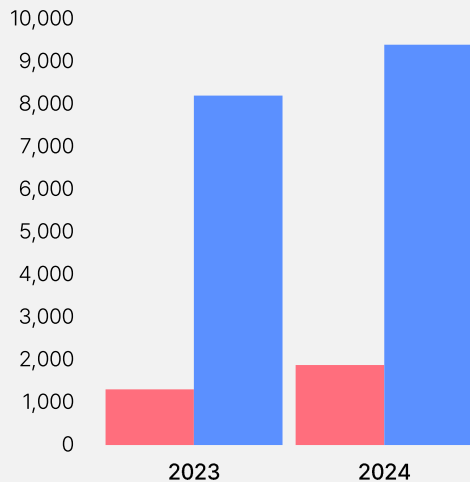
The market size is estimated at approximately KRW 5.2 trillion in 2024 and is projected to reach around KRW 7.2 trillion by 2029.

1) Statista

Pet-Owning Households in U.S.

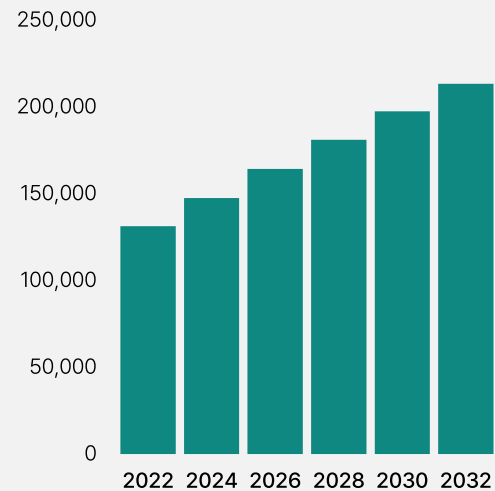
Source American Pet Products Association Unit 10K

■ Gen Z pet households ■ Pet households



Market Size of U.S. Pet Industry

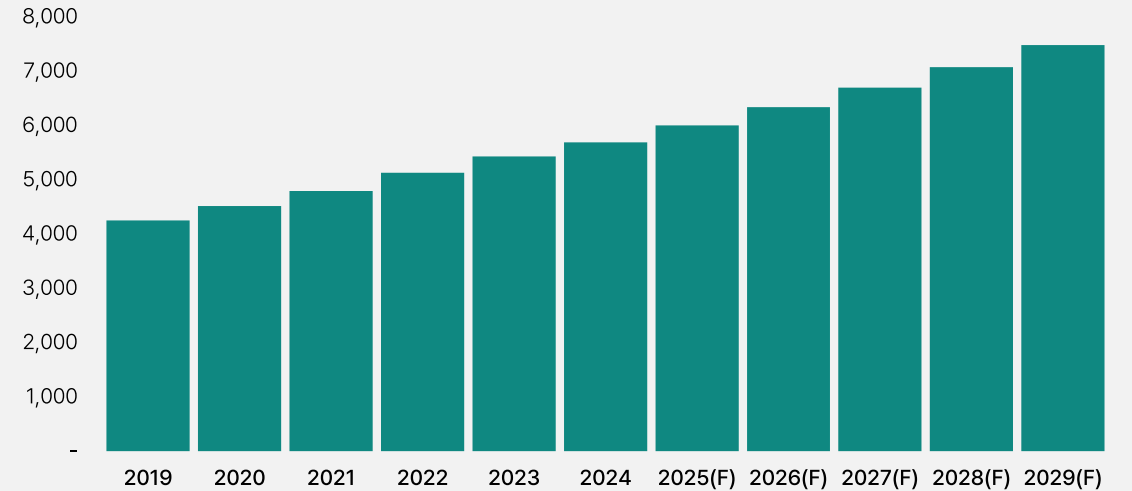
Source Global Market Insights Unit USD (Million)



Market Size of Australia's Pet Products Sector

Source Euromonitor

Unit AUD (Million)



Background of Pet Ownership Growth in Korea

Shifting Household Structure in Korea

“The expansion of pet-owning households is closely associated with the growing number of single- and two-person households (Min, 2024).”

“In addition, the upward trend in pet ownership has been influenced by both the rising proportion of single-person households and the aging population (Lee & Lee, 2022).”

The rising number of pet-owning households in Korea is closely linked to the increasing prevalence of one- and two-person households. This demographic trend is expected to continue, with the proportion of smaller households projected to grow even as the total number of households begins to decline by 2042. These structural shifts in household composition suggest that the potential for further growth in pet-owning households remains significant.

Market Size of Korea's Pet Industry

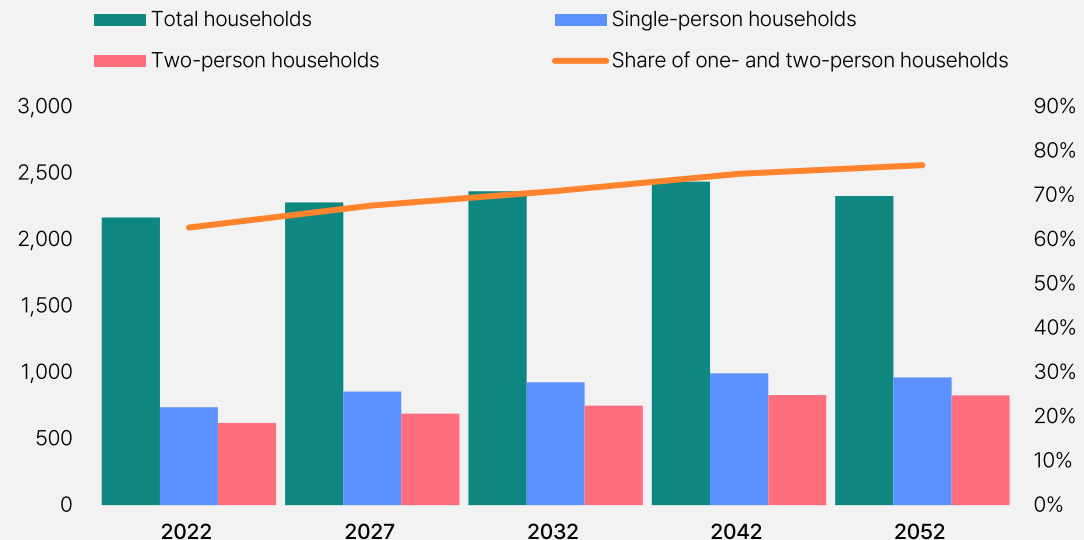
Driven by the steady rise in pet ownership, Korea's pet-related market has been experiencing rapid growth. According to Global Market Insights (GMI), the market is projected to grow at a compound annual growth rate (CAGR) exceeding 10%, reaching approximately KRW 17.2 trillion by 2032. Notably, the pace of growth is expected to accelerate further over time.

This shift is having a direct impact on the commercial real estate market. Growing demand for pet-friendly F&B establishments, office spaces, and other related facilities is creating new opportunities across various commercial sectors, including retail and office.

Trends in Korea's Household Structure

Source KOSTAT

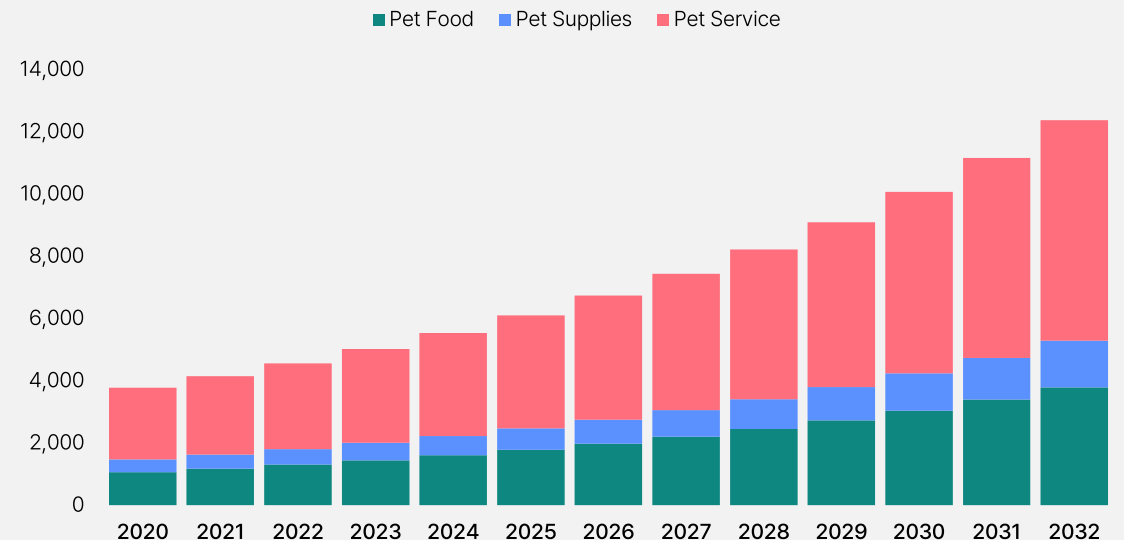
Unit 10K(LHS), %(RHS)



Forecast of Korea's Pet-related Market Size

Source GMI

Unit USD (Million)



Trends of Pet Ownership in Korea

Trends in Pet Ownership in Korea

The number of companion animals in Korea has steadily increased over the past five years. During the pandemic, extended time spent at home led to a sharp rise in pet adoption; however, this growth trend has moderated somewhat in the post-pandemic era.

As of 2024, the number of registered dogs declined by 1.7% year-over-year, while the number of registered cats increased by 9.2%, driving the overall growth in pet registrations.

Polarization in Pet Care Spending

As of 2025, average monthly spending on pet care in Korea shows signs of increasing polarization compared to 2021. The proportion of households spending over KRW 200,000 per month rose by 10 pp, while those spending less than KRW 50,000 also increased by the same margin.

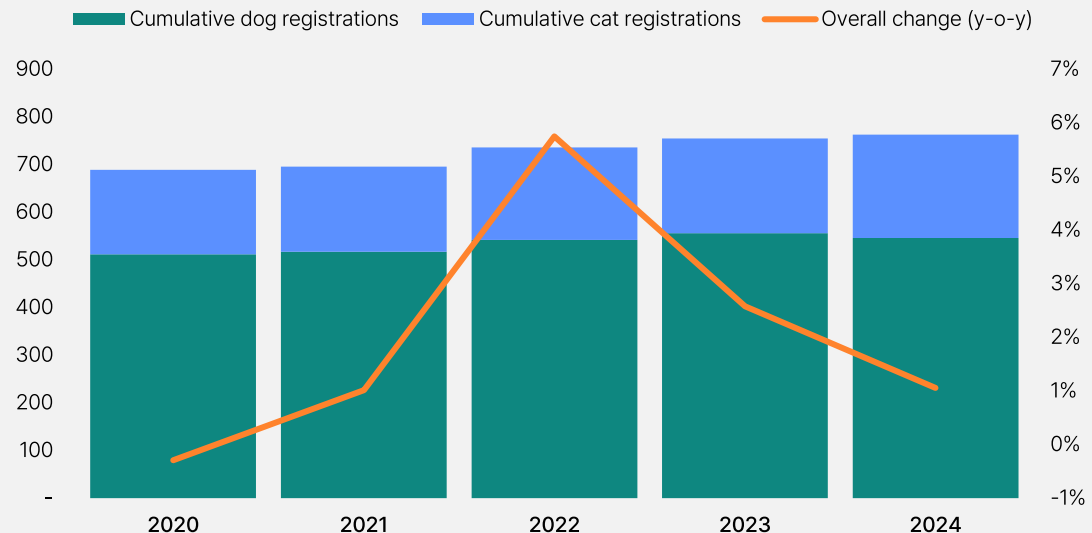
If this trend continues, the pet-related market is likely to become increasingly polarized between low-cost and premium segments.

Cumulative Pet Registrations & YoY Growth

Source KB Financial Research Institute

Unit 10K(LHS), %(RHS)

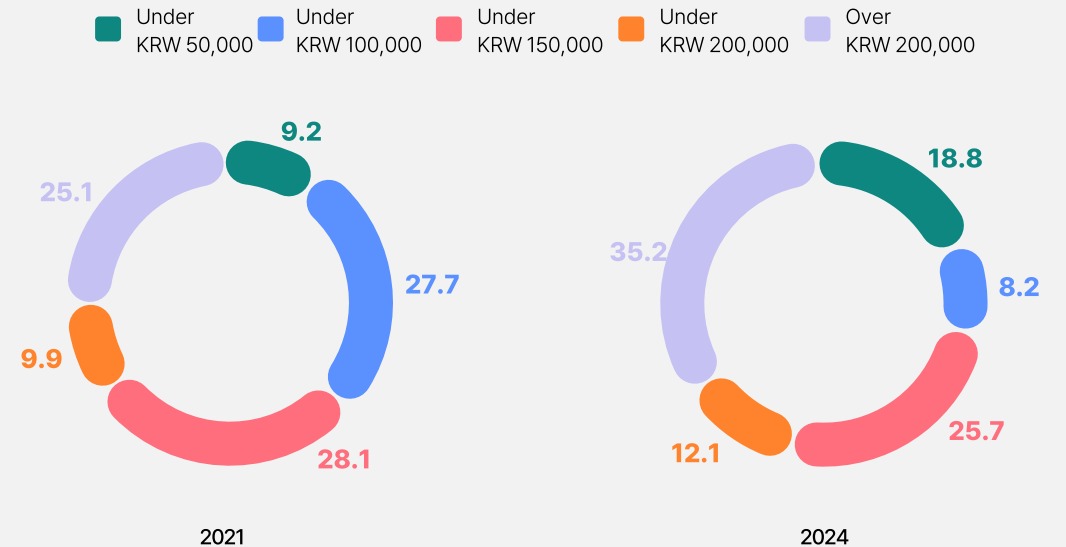
* Cat registration pilot launched Feb 2022



Monthly Pet Care Expenditure Composition – Pet Owning Households

Source KB Financial Research Institute

Unit %



Petconomy

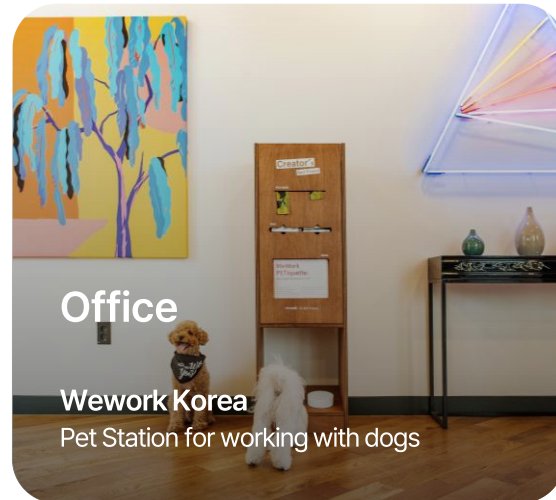
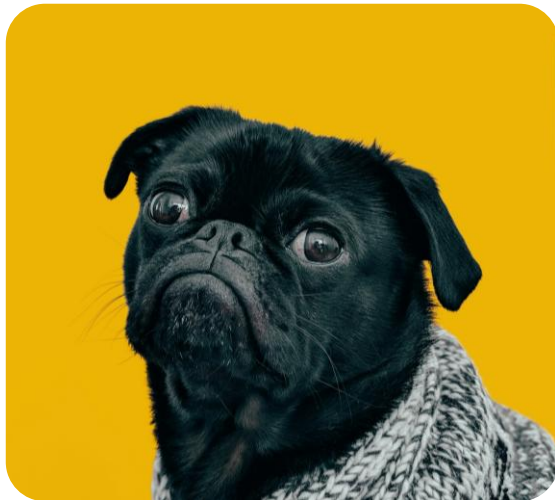
The term Petconomy (a portmanteau of “pet” and “economy”) refers to the broad spectrum of industries related to companion animals. Once centered on pet food and basic supplies, the market has since expanded to include a wide range of services such as veterinary care, grooming, pet hotels, and insurance. According to Bloomberg (2023), the global pet industry is projected to reach USD 500 billion (approximately KRW 730 trillion) by 2030.

Petconomy Trend | Pet-Friendly Spaces

The rapid increase in so-called “PetFam” households is generating new patterns of supply and demand in the commercial real estate sector, effectively forming a distinct submarket. The Petconomy has evolved beyond a passing trend to become a core revenue strategy, centered around pet-friendly spaces and services.

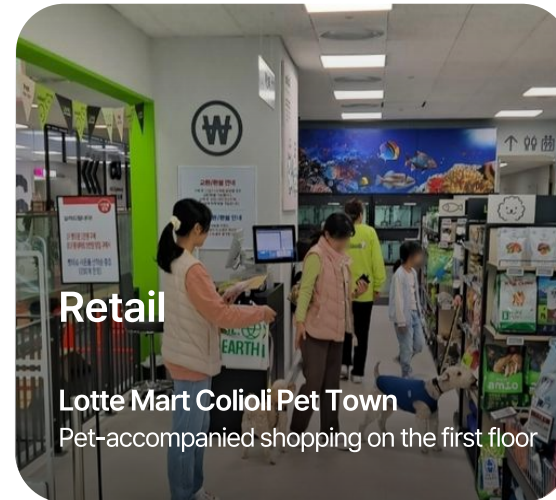
This shift goes beyond merely allowing pet access—it reflects a move toward customized designs and differentiated services that enhance dwell time and strengthen brand competitiveness. As a result, the pet-friendly concept is generating distinct demand across various real estate sectors, including office, retail, and hospitality, thereby increasing the overall investment appeal.

Source Official Websites



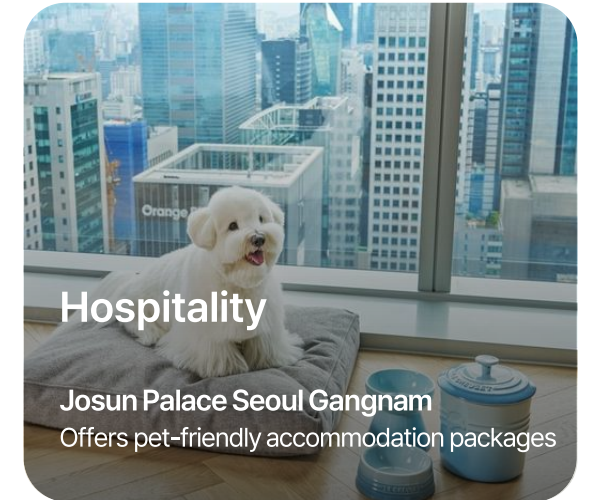
Office

Wework Korea
Pet Station for working with dogs




Retail

Lotte Mart Colioli Pet Town
Pet-accompanied shopping on the first floor



Hospitality

Josun Palace Seoul Gangnam
Offers pet-friendly accommodation packages



PET & OFFICE

Pet-Friendly Offices: A New Corporate Culture

Pet-friendly work environments, long common in Western countries, are rapidly gaining traction in Korea.

As pets are increasingly regarded as family members, bringing them into the office has emerged as a new workplace trend.

This shift is being accelerated by the growing rate of pet adoption among the 2040 generation, where single- and two-person households are prevalent.

More than a passing trend, this movement is becoming a strategic tool for enhancing employee satisfaction and strengthening corporate competitiveness in attracting top talent.

Impact of Pets in the Workplace on Productivity

1) HABRI(Human Animal Bond Research Institute)

91%

Percent of employees who work for a pet friendly company feel engaged with their work¹⁾

83%

Percent of employees who work for a pet friendly company feel their work is rewarding and exciting¹⁾

Example of Pet-Friendly Offices: Amazon

Since its early days, Amazon has implemented dog-friendly policies, with a Welsh Corgi named 'Rufus' influencing the culture of bringing dogs to work around 1999.

As of June 2025, over 15,000 dogs are registered to accompany their owners to Amazon offices worldwide, including in the United States, Australia, and Europe.

Source Amazon

This policy has been positively received by Amazon employees, with over 19,000 staff members sharing photos of their dogs via the "Amazon Puppies Chat." The growing adoption of pet-friendly workplace initiatives is not unique to Amazon; global tech leaders such as Google and Salesforce are also actively embracing similar policies, further enhancing their corporate culture and brand appeal.



Growth of Pet-Friendly Offices

Following the lead of global tech giants, an increasing number of Korean companies are adopting pet-friendly workplace policies.

Pet food companies such as Harim Pet Food and Mars Korea are at the forefront of promoting pet-accompanied work environments, and more firms are gradually embracing similar practices.

Corporate benefits are also evolving to include pets, with offerings such as pet bereavement leave and compensation, subsidies for pet care and insurance, and company-provided snacks and pet food.

Companies Allowing Pets at Work

As of March 2025, at least 625 companies¹⁾ in Korea allow employees to bring their pets to work. This trend spans a wide range of industries—from IICOMBINED, known for the brand *Gentle Monster*, to the beauty platform Memebox—reflecting the growing acceptance of pets in office environments.

Royal Canin Korea

Pets are allowed to move freely within the office and may even accompany their owners during team meetings. A designated Pet Room is also provided, offering a space where pets can play or rest while their owners work.

PetFriends

Opened 'Simkung Angel', Korea's first in-house pet daycare for employees, operated with guidance from a licensed veterinarian.

1) Saramin

Expected Benefits of Pet-Friendly Companies

Enhanced Employee Satisfaction

Pet-friendly workplaces help reduce stress, ease tension, and promote emotional well-being among employees.

Improved Work-Life Balance

Allowing pets at work alleviates the guilt of leaving them at home and supports a healthier balance between work and life.

Strengthened Corporate Image

Pet-friendly policies contribute to corporate social responsibility (CSR) and enhance the company's external reputation.



Royal Canin Korea
Dog-Accompanied Work



Harim Pet Food
Dog Entry Pass



PetFriends
Pet Daycare

Source: Official Website

Co-Working Offices and Pets

The trend of bringing pets to work is increasingly visible in Korea's Co-Working office sector.

Wework Korea, the first operator in the country to adopt a pet-friendly policy, has installed "Pet Stations" in most of its locations, positioning itself as a leader in this emerging ecosystem.

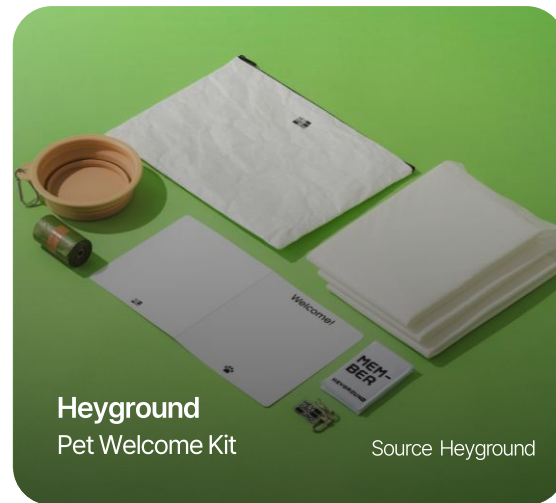
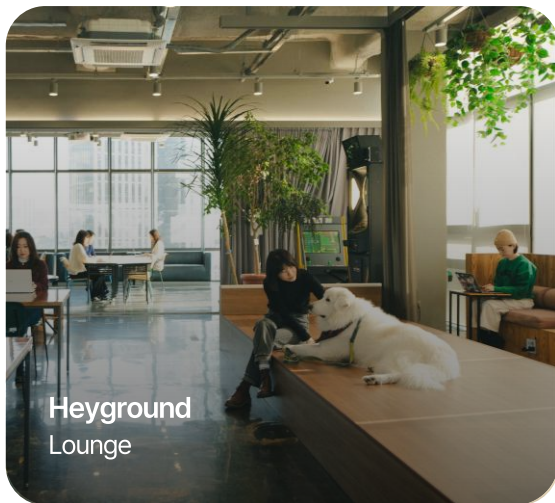
FastFive allows not only dogs but also cats to accompany their owners to work, offering designated pet zones where animals can move freely—enhancing satisfaction among pet-owning members.

Heyground's Seoul Forest branch has also embraced pet-friendly policies since its opening in 2019, providing welcome kits and dedicated spaces for companion animals, which have been well received by pet-owning members.

Creating pet-friendly spaces requires additional capital expenditures (CAPEX) for non-slip flooring, HVAC systems, and soundproofing, as well as higher operating expenses (OPEX) for specialized cleaning and disinfection services. Operational considerations such as managing tenant complaints, providing pet etiquette education, and defining access zones also place an added burden on operators.

Nevertheless, many Co-Working office providers continue to operate pet-friendly branches due to the substantial benefits that outweigh aforementioned challenges. Such spaces foster a positive community atmosphere, significantly enhance tenant satisfaction among pet owners, and ultimately serve as an effective strategy to boost customer loyalty and strengthen the competitiveness of the workspace.

Pet-Friendly Co-Working Office Case | Heyground



Branches Allowing Pet-Accompanied Work

Key Branches

Source Official Website
* Offices allowing pets in the workplace (April 2025)

wework	FASTFIVE	HEYGROUND
11	12	1
Gangnam Station Seoul Square	Hannam Yeoksam 1st	Seoul Forest



PET & RETAIL

Pet-Friendly Strategies in Retail

Pet-Friendly Trends in Commercial Properties

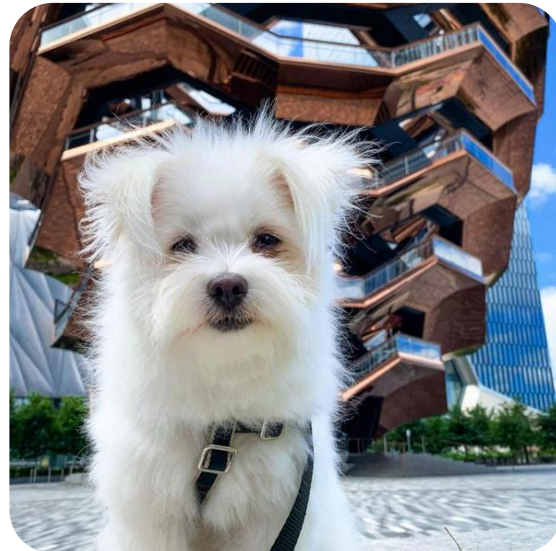
In large-scale commercial facilities such as shopping malls, being “pet-friendly” has become a strategic necessity rather than an option.

In the United States, flagship retail destinations such as *Hudson Yards* and *The Grove* have already established pet-friendly policies as a familiar part of the consumer experience. In Korea, an increasing number of urban mixed-use complexes and suburban outlet malls — including *Starfield* and *IFC Mall* — now permit pet-accompanied shopping, reflecting a rapid expansion of such offerings.

In the brick-and-mortar retail, where “customer experience” is prioritized above all else, the growing pet-owning population has emerged as a core customer segment that can no longer be overlooked. These consumers purposefully visit stores that allow pets and are more likely to engage in on-site spending as a result.

Therefore, retail strategies must evolve beyond simply allowing entry to pets; they should be designed around experiences for both owners and their pets.

In retail spaces, ensuring sustainable coexistence with pets requires meticulous operational management that also accommodates customers with allergies or fear of animals.



Source Hudson Yard New York, Hyundai Department Store



Shopping Mall Pet Policy

Pet Access Policies by Mall

The number of commercial facilities allowing pets is increasing, exemplified by the recently opened *Starfield Market* in Dongtan. However, the scope and criteria for pet access vary by brand. Most stores permit entry for pets that have completed required vaccinations, but for safety reasons, large dogs (generally over 20 kg) and breeds designated as dangerous under the Animal Protection Act are restricted, except for guide dogs and service dogs.

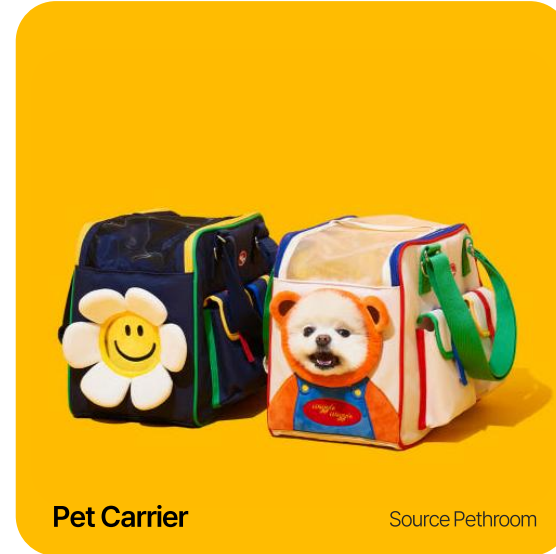
In addition, under the current Food Sanitation Act, pets are generally not allowed in food halls or F&B establishments within the premises.

※ Five Dangerous Dog Breeds Designated under the Animal Protection Act
: Japanese Mastiff, American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, Rottweiler



Crate

Source Ghat GPT



Pet Carrier

Source Pethroom



Pet Stroller

Source Piccolocane

Pet Guidelines by Retail Brand Source Official Website* Possible differences by store

Category	Lotte Dept. Store	Lotte Mall	Shinsegae Dept. Store	Starfield (excluding COEX branch)	Hyundai Dept. Store	Hyundai Outlet	Galleria Dept. Store
Accompaniment Requirements	Pet Stroller or Pet Carrier	Pet Stroller or Pet Carrier	Crate	Pet Carrier or Leash	Crate or Pet Stroller	Crate or Pet Stroller	Crate or Pet Stroller
Pet Stroller Cover	Not Open	Open (Unavailable at certain branches)	Not Open	Open	Not Open	Not Open	Not Open
Entry Restrictions*	Food Hall, F&B, Certain Brands	Food Hall, F&B, Certain Brands	Food Hall, F&B, children's floor, the VIP lounge	F&B, Certain Brands	Food Hall, F&B, Sky Garden, Certain Brands	Food Hall, F&B, Certain Brands	Food Hall, F&B, Certain Brands
Breed Restrictions	Restricted and Large Dog Breeds	Restricted and Large Dog Breeds	Designated Dangerous Breeds	Designated Dangerous Breeds	Restricted and Large Dog Breeds	Restricted and Large Dog Breeds	Designated Dangerous Breeds

Pet-Friendly F&B Trends

Pet-Friendly Restaurant | Trattoria di Cocco

Coco Square is a company that offers premium integrated cultural spaces for pets and their owners, currently operating "Trattoria di Cocco," a restaurant where patrons can dine with their pets.

As of August 2025, the Food Sanitation Act prohibits consumers from dining indoors with their pets. However, under the regulatory sandbox program, businesses granted special government exemptions may allow indoor dining with pets. On December 20, 2022, Coco Square became one of the first F&B brands to receive such an exemption under the regulatory sandbox scheme.

Source Naver Maps, MCST

Only dogs weighing under 20kg are allowed in the restaurant, and they must be kept on a leash at all times. The restaurant is equipped with dedicated seating for dogs, complete with pet tableware. Seating arrangements are spaced widely to minimize unnecessary contact between dogs. The pet-exclusive menu includes items such as "Chicken Tenderloin Lunchbox" and "Tomato Meatball Pasta", along with a dessert option for dogs called "Puppuccino."

In most cases, when pet owners dine out, their pets are not permitted inside restaurants, requiring them to be placed in a crate or pet stroller. As a result, many owners are unable to enjoy their meals comfortably. Pet-friendly restaurants, by allowing owners to dine together with their pets, have gained popularity among pet owners.



Pet-Friendly F&B Trends

Pet-Friendly Café | Starbucks, The Coffee Bean & Tea Leaf

Starbucks operates two pet-friendly stores in Korea — the Guri Galmae DT and the The Bukhan River Reserve stores. Each store is zoned to separate “pet zones,” where pets are allowed, from areas where pets are prohibited. At the Guri Galmae DT branch, beverage orders must be placed in a non-pet area, so a designated “waiting zone” has been created where dogs can stay while their owners order drinks. Both locations feature pet-friendly amenities, including pet water stations, waste bag dispensers, and deodorizer sprays. The The Bukhan River Reserve store also permits entry for large dogs and regularly hosts various events for pet owners.

Source Starbucks, The Coffee Bean & Tea Leaf



As of March 2025, The Coffee Bean & Tea Leaf operates 10 pet-friendly stores in Korea. Most of these locations are in the Seoul metropolitan area, with one in Aewol-eup, Jeju City. While the brand previously operated more pet-friendly outlets, the number has decreased to 10 following the conclusion of regulatory sandbox pilot programs at certain branches. Pet-friendly stores offer dog-exclusive amenities such as cushions and tableware rentals, and also sell “Puppuccino,” a beverage made for dogs. In addition, the brand operates a pet membership program called Purple Pet Members, leveraging a lock-in strategy to build loyalty among pet owners.

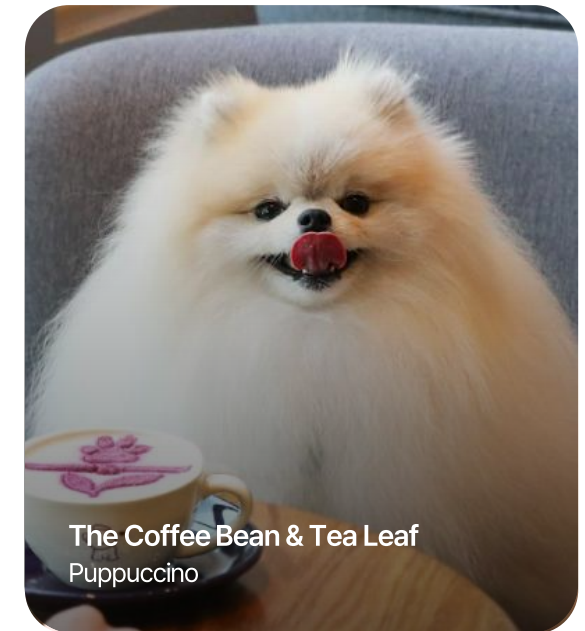
스타벅스와 함께하는
유기견과
놀다가지개!
입양캠페인

스타벅스 펫 프렌들리 스토어 - 더북한강R점, 구리갈매DT점

들째 주, 넷째 주, 금요일

더북한강R점 일정			구리갈매 DT점 일정		
일자	시간	프로그램	일자	시간	프로그램
8월 9일		유기견 입양 상담 산책용 세안 용품	8월 23일		유기견 입양 상담 산책용 세안 용품
9월 13일		견세련과 신적 봉사	9월 27일		유기견 교양하기 배우에 어울리는 유기견과 교양 시간 공유 와셔로 2200 원부터 즐기
11월 8일		유기견과 함께하는 첫 차와 신적	10월 25일	14:00 - 16:00	유기견과 교양하기 배우에 어울리는 유기견과 교양 시간 공유 와셔로 2200 원부터 즐기
			11월 22일		유기견과 교양하기 배우에 어울리는 유기견과 교양 시간 공유 와셔로 2200 원부터 즐기

Starbucks
In-store Rescue Dog Adoption Campaign





PET & HOSPITALITY

New Travel Trends | Pet-Cation

Increasing Travel with Pets

Traveling with pets is becoming increasingly common. According to Korean Air, the number of pets traveling in-cabin has steadily increased each year since 2020, prompting airlines to adjust their policies in response to rising demand. In November 2021, Jeju Air raised the maximum allowable weight for in-cabin pets to 7kg and increased the number of pets permitted per flight from three to six.

Shifts in travel demand are also evident in statistical data. According to the "2025 Tourism Consulting Report" published by the Korea Tourism Organization, "Pet-friendly tourism" has been identified as one of the "Top Domestic Tourism Trends for 2025." The proportion of pet owners who have taken a one-day domestic trip with their pets increased from 65.7% in 2022 to 70.1% in 2024, a rise of 4.4 pp.

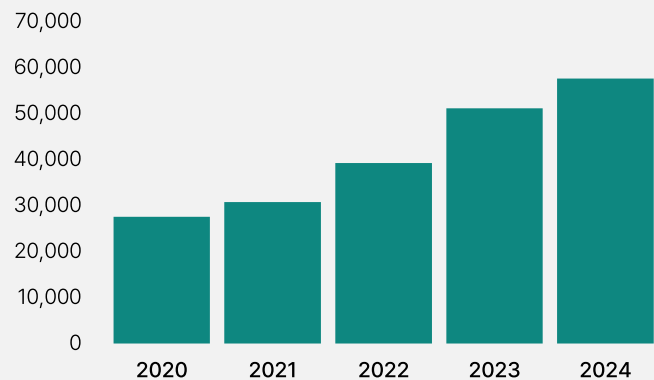
Similarly, the share of those who have taken an overnight trip with their pets grew from 53.0% to 60.4%, marking a 7.4 pp increase. This indicates that more than seven out of ten pet owners now enjoy domestic travel with their pets, signaling new opportunities across related industries.

According to a survey by the research firm Open Survey, there is strong latent demand for accommodation services that allow guests to stay with their dogs. The primary reasons cited were a preference for spending vacations with their dogs and concerns about leaving them alone. In response to this trend, hotels and other accommodation providers are actively expanding infrastructure by introducing pet-dedicated rooms and offering customized services for pet owners.

Trends in Pet Accompanied Air Travel – Korean Air

Source Korean Air

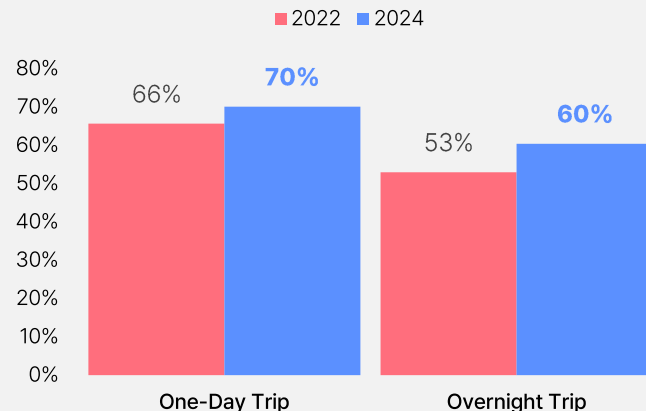
Unit Case



Rate of Domestic Travel with Pets

Source KTO

Unit %



Intention to Use Dog-Friendly Lodging Services and Motivations

Source Open Survey

* Multiple responses allowed.

Unit Case

Future Intention to Use	Percentage
Want to enjoy vacations with my dog	75.8%
Concerned about leaving my dog alone	53.5%
Want a safe travel experience to share with my dog	49.5%
Want to create new experiences and memories with my dog	47.5%
Believe my dog will enjoy it	45.9%

Domestic and Global Pet-Friendly Hotel Trends

Global Hotel Chains' Pet-Friendly Strategies

Pet-friendly hotels are a global trend, exemplified by Marriott International—the world's largest hotel chain—with 4,816 of its hotels (as of July 2025) designated as pet-friendly. From its luxury brand The *Ritz-Carlton* to its lifestyle brand *Aloft*, Marriott allows pets across a diverse portfolio of brands, providing dedicated amenities and services for pet-accompanied guests.

IHG's Kimpton Hotels operates under a unique policy: *"If your pet fits through the door, we'll welcome them in"* allowing not only dogs but also cats, llamas, and various other animals—without limits on the number of pets and at no additional charge.

At check-in, staff personally greet pets by name, and some locations even host wine gatherings that guests can enjoy with their animals.

Through a partnership with pet care company *Wag!*, Kimpton also offers dog walking and pet-sitting services, enhancing convenience for pet owners.

Trump Hotels is a five-star international luxury hotel chain with properties in major U.S. cities such as New York and Chicago, operating the "Trump Pets" program. Guests traveling with pets are allowed a maximum of two animals per stay, with an additional fee ranging from USD 25 to USD 125 depending on the property. Pet amenities include dedicated beds, treats, bowls, and toys, along with walking services.

A dedicated team, *Trump Attaché*, is responsible for pet care, providing attentive and personalized services.

Such pet-friendly hotel offerings have become a major trend in the global market, and their expansion has already begun in Korea.



Domestic and Global Pet-Friendly Hotel Trends

Domestic Hotels' Pet-Friendly Strategies

As traveling with pets becomes a firmly established cultural trend, major hotels in Korea are actively responding to the growing demand for pet-accompanied travel by introducing a variety of policies and services. In particular, the cases of hotels located in downtown Seoul clearly illustrate how properties of varying classes and concepts are positioning themselves to capture the pet-friendly market.

Hotel Name	Location	Class	Pet Weight Limit	No. of Pets Allowed	Additional companion fee (per pet)	Pet-Dedicated Amenities	Special Services / Facilities
Grand Mercure Ambassador Hotel and Residences Seoul Yongsan	Yongsan-gu, Seoul	5-Star	Up to 10kg	2	KRW 55,000	Dedicated pet bowls, cushions, and pee pads provided	Dedicated elevator available
Four Seasons Hotel Seoul	Jongno-gu, Seoul	5-Star	Up to 10kg	1	KRW 250,000	Dedicated pet bed, water, food bowls, and Danish-made pet food	Deep cleaning service upon check-out
L'Escape Hotel	Jung-gu, Seoul	4-Star	Up to 10kg	2	KRW 110,000 (Once every 5 nights)	Welcome kit, dedicated pet bed, and dog moisturizer	A separate floor is designated for pet-friendly guest rooms.
RYSE, Autograph Collection	Mapo-gu, Seoul	4-Star	No restrictions	2	KRW 65,000 (Once every 5 nights)	Dedicated pet bed, food and water bowls, and pet bathrobe	Pet-friendly rooftop bar
Hotel Cappuccino	Gwangjin-gu, Seoul	3-Star	Up to 15kg	2	No additional charge for one pet; KRW 15,000 charged from the second pet onward	Private dog house and hinoki bath	Ground-floor café terrace accessible to pets



Pet-Friendly Hotel

Example of Pet-Friendly Hotels | Kinock

Opened in Aug 31, 2024 in Gyeongju, Gyeongsangbuk-do, "Kinock" was designed from the planning stage with the goal of maximizing the experience for both pet owners and their pets, setting a new benchmark in the pet-friendly hotel market. This concept goes beyond the simple allowance of pets typical of existing pet-friendly hotels, instead realizing its vision through thoughtful spatial design and pet-owner-oriented operational strategies.

Source Kinock

Pet-Centered Detailed Design

Ensuring Physical Safety

Guestrooms feature a dedicated in-bathroom shower area for dogs, as well as low-height furniture and custom-built stairs to enhance pet accessibility.

Considering Psychological Comfort

Installation of a "Light Bell" in place of a doorbell, and an in-hall monitoring system in elevator lobbies to prevent unexpected encounters with other dogs.

Differentiating the Experience through Market Expansion

Inclusion of Medium and Large Dogs

A weight limit policy allowing pets up to 45 kg overcomes the limitations of the small-dog-focused market and attracts new customers.

Safe Activity Spaces

The indoor pet park is clearly divided into zones for small dogs and large dogs, ensuring a safe environment for pets of all sizes to play.

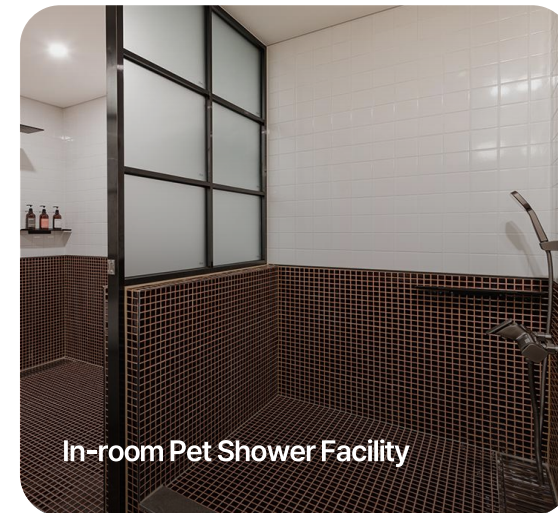
"One-Stop Pet Lifestyle" Services

Diversified Offerings

Integrated lifestyle services linked to hotel stays are provided in one place, including F&B (Café Sniff), professional grooming (Paws Preen), and pet daycare and boarding services.

Enhancing Mutual Satisfaction

By offering pet owners complete relaxation and providing pets with professional care, the hotel maximizes mutual satisfaction and strengthens customer loyalty.





Conclusion

An Era of Living with Pets

The rise in single- and two-person households, population aging, and the growing number of pet-owning households are driving structural shifts in demand within the commercial real estate market. As a result, demand for pet-friendly spaces is steadily expanding, presenting a notable opportunity in terms of enhancing asset profitability and securing differentiated competitive advantages.

Across multiple asset classes—such as offices, retail, and hotels—pet accommodation is having a tangible positive impact on leasing strategies and asset values. In the office sector, pet-accompanied work cultures are emerging, particularly among pet-related companies, IT firms, and co-working operators, contributing to the attraction of high-quality tenants and encouraging long-term leases. In retail, welcoming pet-owning customers can increase dwell time and conversion rates, thereby improving the leasing appeal of stores. In the hotel sector, dedicated pet packages and space configurations can increase average spend per guest and serve as an effective tool for boosting occupancy during off-peak seasons.

However, an operational management framework that balances the needs of both pet owners and non-pet owners must be in place. When such a framework is systematically designed and implemented, it can enable a shift toward a revenue model that simultaneously delivers user satisfaction and operational efficiency.

The decision to accommodate pets is becoming a strategic factor that will determine an asset's future competitiveness. Proactively responding to these subtle yet meaningful shifts, even on a small scale, can secure an advantage in terms of medium- to long-term profitability and asset value appreciation.



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