

# Seoul Office Market Report

Light ver.

Quarterly Report \_ Q4 2024

GenstarMate 

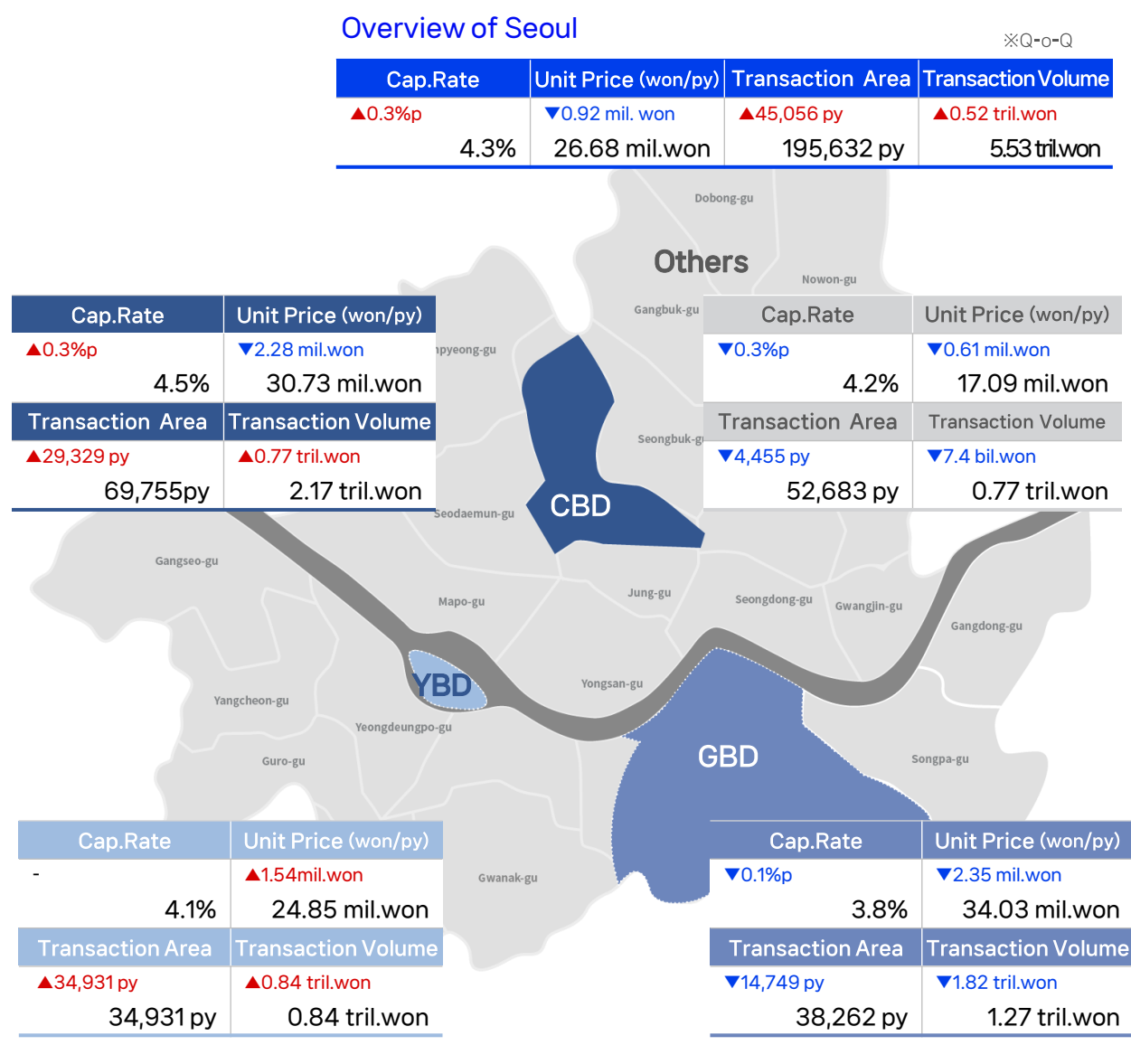
# Q4

# Investment Market

"Seoul Office Market  
Focuses on Core Assets,  
Hits KRW 13.3 Trillion in  
2024, Second Highest  
After 2020"

The Seoul office transaction volume in 2024 rose by KRW 5.82 trillion (77% YoY) to KRW 13.35 trillion, achieving the second-highest transaction volume in history after KRW 13.99 trillion in 2020. The quarterly transaction volume also reached KRW 5.05 trillion (up KRW 519.9 billion QoQ), marking the first time since Q3 2020 (KRW 5.48 trillion) that the quarterly volume exceeded KRW 5 trillion.

With limited new supply expected in key districts over the next 2–3 years, alongside the beginning of interest rate cuts and a recovery in institutional investor sentiment, the Seoul office market is forecasted to show stable transaction trends in 2025.

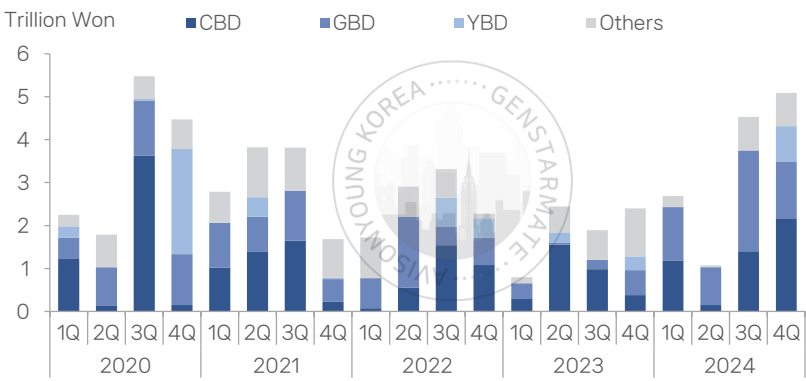


# Transaction Volume & Unit Price

The Seoul office market's transaction volume for the current quarter rose 11% QoQ to KRW 5.1 trillion, surpassing KRW 5 trillion for the first time since Q3 2020 (KRW 5.5 trillion). Similar to Q3 2024, which saw active transactions of core assets over 10,000 py like The Asset and Hanwha Building, this quarter also included major deals such as D-Tower Donuimun (KRW 895.3 billion), K-Square Magok (KRW 690.6 billion), and KOREIT Tower (KRW 445.0 billion). Core transactions totaled KRW 3.0 trillion, making up 59% of the quarterly volume.

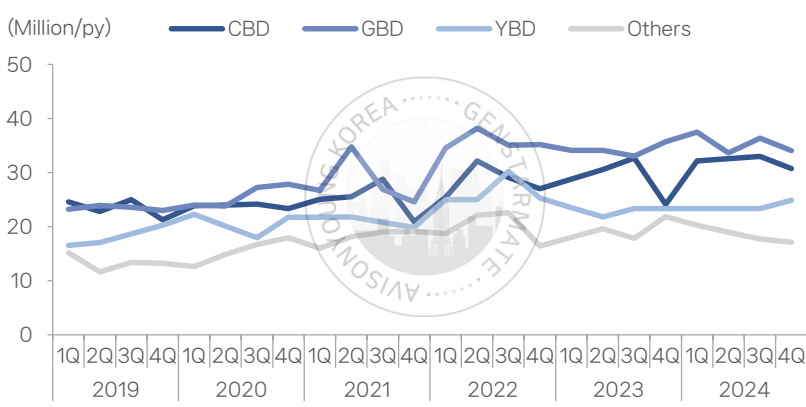
Total volume: KRW 5.1T

Transaction volumes by district: CBD at KRW 2.17T, GBD at KRW 1.27T, YBD at KRW 836.2B, and Others at KRW 773.7B. CBD and YBD saw increases QoQ, with CBD accounting for 43% of Seoul's total and rising 55% from the previous quarter (KRW 1.40T).



Unit Price: KRW 26.7M/py

Unit prices per py: CBD at KRW 30.7M, GBD at KRW 34.0M, YBD at KRW 24.9M (+7% QoQ), and Others at KRW 17.1M. YBD rose due to transactions like the Mirae Asset Securities Building, while other districts saw declines.



This quarter, Seoul office transactions included 8 buildings in the CBD, 7 in the GBD, 4 in the YBD, and 2 in Others district. The CBD was the most active, focused on Euljiro and Gwanghwamun-Sinmunro. Euljiro saw deals like The Exchange Seoul (KRW 26.4M/py) and Center Place (KRW 25.4M/py). In Gwanghwamun-Sinmunro, major transactions included D-Tower Donuimun (KRW 34.3M/py), the second-largest of 2024, and Jeongdong Building (KRW 29.3M/py).

Building	District	Price (Billion)	Unit P (Million)	Seller	Buyer
D-Tower Donuimun	CBD	895.3	34.3	Mastern	NH Nonghyup REITs
Center Place	CBD	251.3	25.4	KB Asset Management	HL REITs
The Exchange Seoul	CBD	247.7	26.4	Hwasan Tech	Koramco AMC
KOREIT Tower	GBD	445.0 <sup>(E)</sup>	42.1 <sup>(E)</sup>	KOREIT	KOREIT
Center Point Gangnam	GBD	352.0	43.0	Mastern	F&F
Mirae Asset Securities Bldg.	YBD	372.7	31.5	Mirae Asset Securities	Woori AMC
K-Square Magok	Others	690.6	14.2	Magok MICE PFV	Koramco Trust

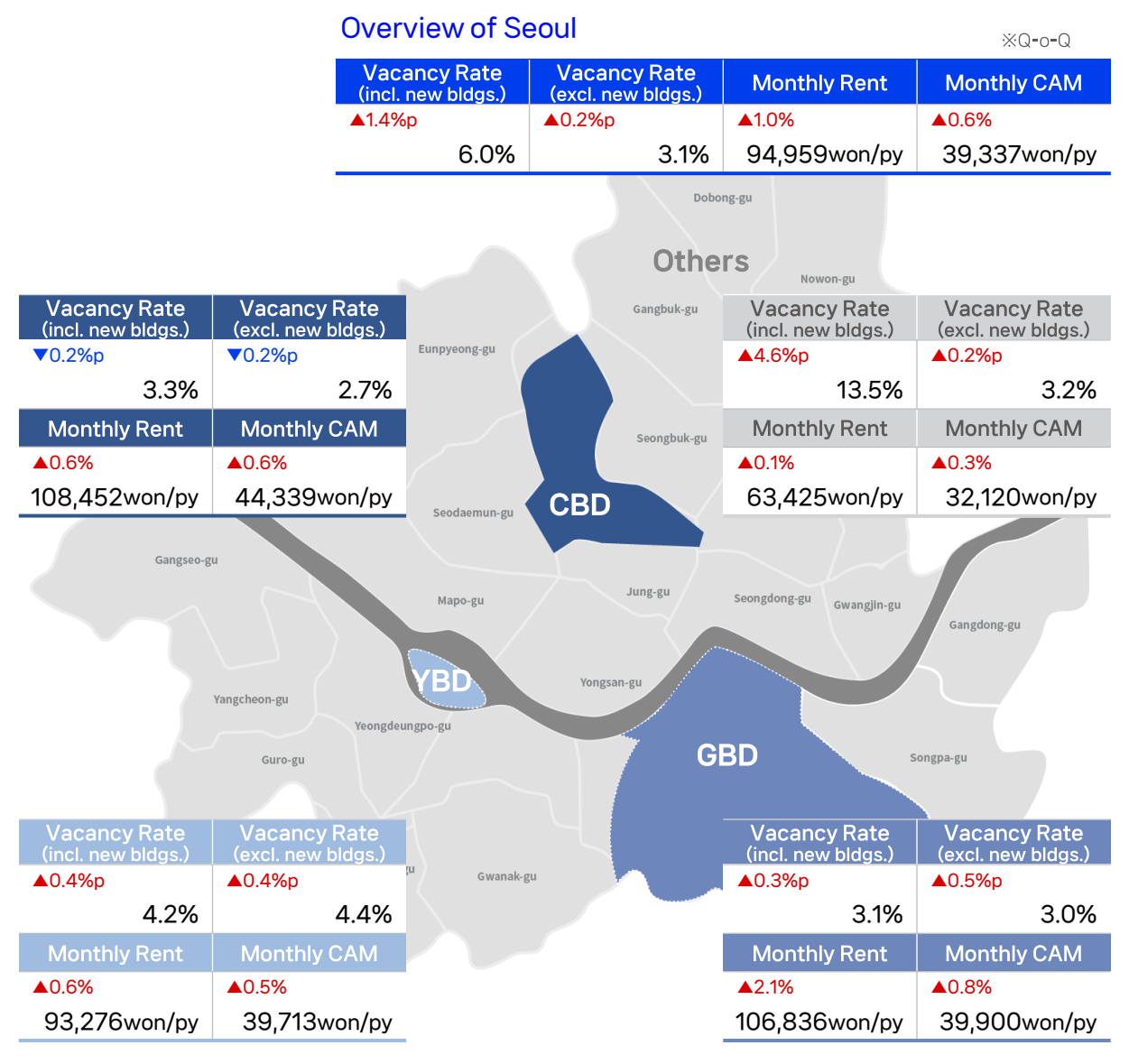
# Leasing Market

"Q4 2024, Seoul vacancy rate: 6.0%, up 1.4%p QoQ due to large supply in Others district."

Seoul office vacancy rate, including new buildings, rose by 1.4%p QoQ to 6.0%, driven by large-scale supply of approximately 103,500 py in the Magok area, Others district. Vacancy rates increased across all districts except the CBD, mainly due to tenant relocations to own buildings from larger office spaces.

In contrast, the CBD vacancy showed a 0.2%p drop to 3.3%, with large vacancies filled in buildings like Post Tower (NICE D&B) and Seoul City Tower (Hanwha Life Financial Services).

Office rents and CAM in Seoul increased by 1.0% and 0.6% QoQ, respectively, with higher rent adjustments compared to the previous quarter due to the typical timing for lease renewals.



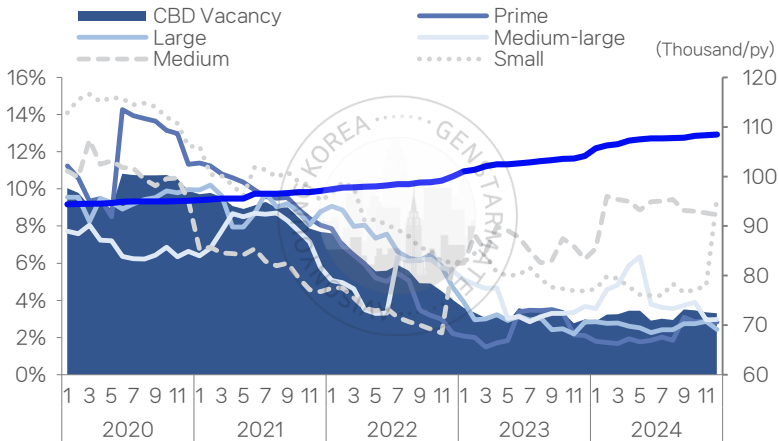
# Vacancy & Rent

CBD

In Q4 2024, the CBD vacancy rate fell by 0.2%p QoQ to 3.3%, with decreases across all sizes except small offices. Prime offices saw a 0.3%p drop to 2.8% as NICE D&B occupied 1,200 py in Post Tower.

Large offices recorded the lowest vacancy rate at 2.4%, aided by Hanwha Life Financial Services filling 3,000 py in Seoul City Tower. Additional reductions occurred in buildings like Myeongdong N Building and DB Dadong Building.

CBD rents and CAM rose 0.6% QoQ to KRW 108,500/py and KRW 44,300/py.



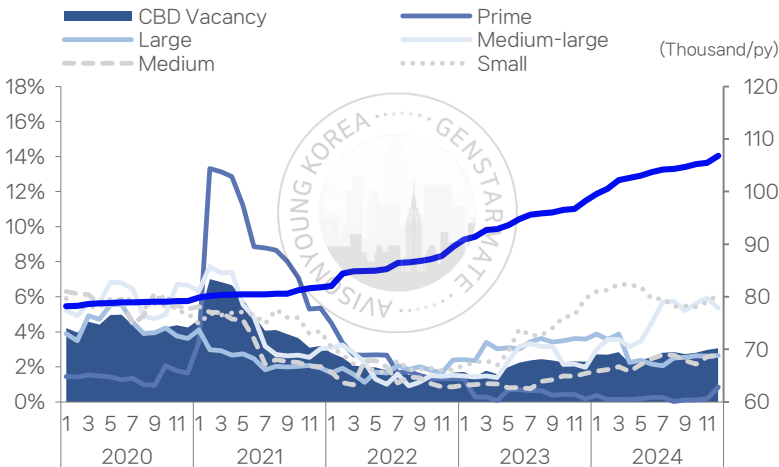
Grade	Vacancy Rate (incl. new bldgs.)			Monthly Rent (1,000 won/py)			Monthly CAM (1,000 won/py)		
Total	3.3%	▼	0.2%p	108.5	▲	0.6%	44.3	▲	0.6%
Prime	2.8%	▼	0.3%p	129.1	▲	0.6%	49.0	▲	0.9%
Large	2.4%	▼	0.3%p	109.6	-	0.0%	45.4	-	0.0%
Medium-Large	3.0%	▼	0.8%p	77.0	▲	1.6%	37.4	▲	1.0%
Medium	8.6%	▼	0.2%p	77.7	▲	1.4%	34.7	▲	1.0%
Small	9.5%	▲	5.1%p	59.8	-	0.0%	28.5	▲	0.3%

GBD

In Q4, the GBD vacancy rate, including new buildings, rose by 0.3%p QoQ to 3.1%, and 0.5%p to 3.0% excluding new buildings.

Vacancy rates increased across all sizes, with Prime offices driving the rise (+0.7%p). Npixel moved from Centerfield West to The Pinnacle Yeoksam 2, completing its relocation within the GBD. Large offices like the Textile Center saw slight vacancy increases.

GBD rents averaged KRW 106.8K/py, and CAM were KRW 39.9K/py, with rent increases across all sizes.



Grade	Vacancy Rate (incl. new bldgs.)			Monthly Rent (1,000 won/py)			Monthly CAM (1,000 won/py)		
Total	3.1%	▲	0.3%p	106.8	▲	2.1%	39.9	▲	0.8%
Prime	0.8%	▲	0.7%p	135.3	▲	3.4%	46.1	▲	0.8%
Large	2.6%	▲	0.1%p	110.5	▲	1.0%	41.4	▲	0.5%
Medium-Large	5.4%	▲	0.1%p	96.8	▲	2.2%	38.2	▲	1.5%
Medium	2.6%	▲	0.3%p	84.7	▲	2.3%	34.5	▲	0.7%
Small	6.1%	▲	0.6%p	71.4	▲	0.9%	29.4	▲	0.6%

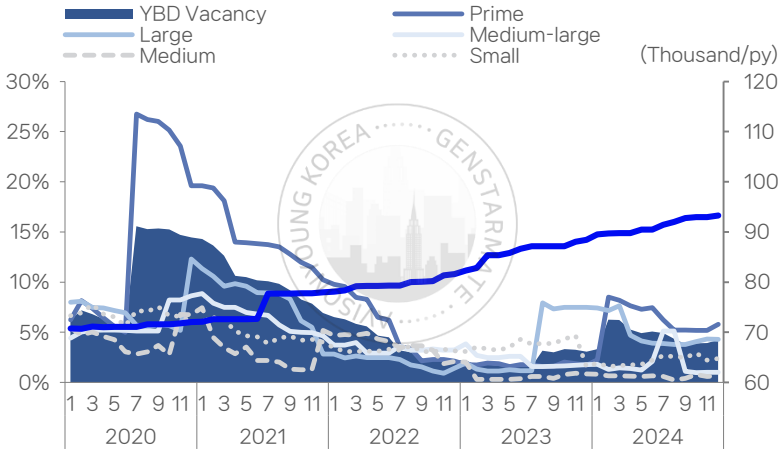
# Vacancy & Rent

## YBD

In Q4, the YBD vacancy rate, including new buildings, rose by 0.4%p QoQ to 4.2%, while the rate excluding new buildings increased by 0.4%p to 4.4%. Vacancy increases in prime (+0.6%p) and large offices (+0.5%p) drove the overall rise.

In prime offices, LG CNS and HS Ad vacated over 2,000 py in Parc1 Tower 1. For large offices, like KT Yeouido Tower (Enterple) and Building 8 (Plugroup) former tenants of the buildings contributed to vacancies.

YBD rents rose 0.6% QoQ to KRW 93.3K/py, and management fees increased by 0.5% to KRW 39.7K/py.



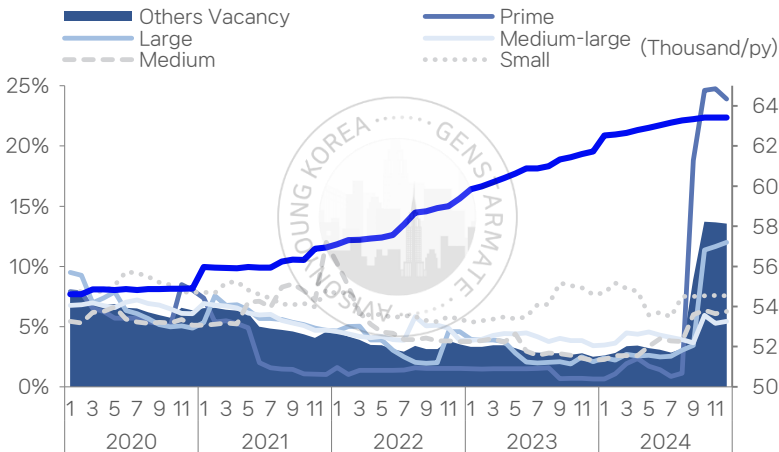
Grade	Vacancy Rate (incl. new bldgs.)			Monthly Rent (1,000 won/py)			Monthly CAM (1,000 won/py)		
Total	4.2%	▲	0.4%p	93.3	▲	0.6%	39.7	▲	0.5%
Prime	5.8%	▲	0.6%p	123.5	▲	0.8%	46.9	▲	0.7%
Large	4.3%	▲	0.5%p	80.2	-	0.0%	39.0	▲	0.3%
Medium-Large	1.0%	▼	0.1%p	56.6	▲	0.3%	28.9	-	0.0%
Medium	0.7%	▲	0.3%p	47.5	▲	0.1%	26.6	-	0.0%
Small	2.4%	▼	0.1%p	34.8	-	0.0%	22.4	-	0.0%

## Others

In Q4, the Others district experienced vacancy rate increases across all office sizes, with the overall rate, including new buildings, rising by 4.6%p QoQ to 13.5%. The completion of Le West City and K-Square Magok significantly impacted prime and large offices, with vacancy rates reaching 23.9% and 12.0%, respectively.

Despite the increase, some reductions were observed, such as Olive Young occupying all remaining vacancies in Factorial Seongsu and NICE Payments filling 1,300 py in Semicolon Munrae N Tower due to the redevelopment of its previous headquarters.

Rents and CAM in the Others rose slightly by 0.1% and 0.3% QoQ to KRW 63.4K/py and KRW 32.1K/py, respectively.



Grade	Vacancy Rate (incl. new bldgs.)			Monthly Rent (1,000 won/py)			Monthly CAM (1,000 won/py)		
Total	13.5%	▲	4.6%p	63.4	▲	0.1%	32.1	▲	0.3%
Prime	23.9%	▲	5.1%p	81.8	-	0.0%	36.8	-	0.0%
Large	12.0%	▲	8.6%p	58.2	-	0.0%	31.9	▲	0.3%
Medium-Large	5.4%	▲	1.8%p	57.1	▲	0.6%	31.6	▲	0.7%
Medium	6.3%	▲	0.3%p	58.1	-	0.0%	27.5	-	0.0%
Small	7.6%	▲	0.1%p	44.1	-	0.0%	22.3	-	0.0%

Appendix

Indirect Investment Products (REITs and REF)

REITs	Approval/ Registration Date	AMC	Property Type
The-K REIT No.1	'24.10.04	KT AMC	8 Office properties in Korea
Together Chungjeongno REIT No.7	'24.10.29	Together AMC	Other properties in Jongno-gu, Seoul
E-Bethesda Daehan 9 <sup>th</sup>	'24.11.19	Daehan Real Estate Investment Trust	Rental housing in Jung-gu, Daejeon
Daishin Deungchon Residence REIT No. 1	'24.11.19	Daishin Asset Trust	Rental housing in Gangseo-gu, Seoul
DDIVC Master Co-Investment REIT	'24.11.20	D&D Investment	Office in Yeongdeungpo-gu, Seoul
Dashin Value REIT No.1	'24.11.28	Dashin Value REIT	Office in Jung-gu, Seoul
IGIS Long WALE REIT No.1	'24.12.13	IGIS Asset Management	Office in Seongnam-si, Gyeonggi-do
Hangang NEOVALUE REIT No.1	'24.12.16	Hangang Asset Management	Office in Osan-si, Gyeonggi-do
KOCREF 69 CR-REIT	'24.12.19	Koramco REITs Management and Trust	Logistics center in Jung-gu, Incheon

REF	Inception Date	AMC	Property Type
KORAMCO No.160 General Type Private Real Estate Investment	'24.10.14	Koramco AMC	Office in Yeongdeungpo-gu, Seoul
KORAMCO No.161-1 SC Logistics Center	'24.10.14	Koramco AMC	Logistics center in Icheon-si, Gyeonggi-do
KORAMCO No.159 General Type Private Real Estate Investment	'24.10.22	Koramco AMC	Office in Jung-gu, Seoul
Blucove No.6	'24.11.12	BluCove Investment	Office in Gangnam-gu, Seoul
NH No.2 Office Investment Trust	'24.11.14	NH REITs Management	Office in Jongno-gu, Seoul
Woori No.1 Real Estate Investment	'24.11.22	Woori AMC	Office in Yeongdeungpo-gu, Seoul
ADF Prime No.7 Real Estate Investment	'24.12.26	ADF AMC	Logistics center in Icheon-si, Gyeonggi-do
Mastern No. 190 Real Estate Investment	'24.12.31	Mastern Investment Management	Rental housing in Seodaemun-gu, Seoul

Major Tenants Movement

District	Building Name	Location	Tenant	Leased Area(py)
CBD	Seoul City Tower	Namdaemunro 5-ga, Jung-gu	Hanhwa Life Financial Service	3,300
GBD	The Pinnacle Yeoksam II	Yeoksam-dong, Gangnam-gu	Toss Place	1,700
YBD	FKI Tower	Yeouido-dong, Yeongdeungpo-gu	CARVERKOREA	900
Others	K Square Magok	Magok-dong, Gangseo-gu	XI C&A	2,000
	Factorial Seongsu	Seongsu-dong 2-ga, Seongdong-gu	OliveYoung	2,000

Newly Constructed Office

District	Building Name	Location	Land Area(py)	GFA(py)
CBD	G Square Gwanghwamun	Taepyeongro 1-ga, Jung-gu	240	2,900
GBD	Center Point Gangnam	Yeoksam-dong, Gangnam-gu	660	8,200
Others	LeWest City A~D	Magok-dong, Gangseo-gu	9,600	55,000
	K Square Magok	Magok-dong, Gangseo-gu	5,600	48,500



**Method :** Telephone/site investigation, disclosure materials from AMC

**Contents :** Office transaction cases, tenant status, and rent level

**Period :** Seoul/Bundang: Monthly (5<sup>th</sup> ~ 15<sup>th</sup>), 6 major cities: Quarterly (11<sup>th</sup> Jul ~ 25<sup>th</sup> Sep)

**Office grade:** Small: Under 3,000py/ Medium: 3,000py ~ 5,000py/ Medium-Large: 5,000py ~ 10,000py/ Large: 10,000py ~ 20,000py/ Prime: Above 20,000py

**Submarket :** Seoul, Bundang, and 6 major cities(Incheon, Daegu, Daejeon, Gwangju, Ulsan, Busan)

	District	Area	Submarket
Seoul	CBD (Central Business District)	Jongno-gu, Jun-gu(Jungmin-dong excluded), Yongsan-gu(Dongja-dong)	Gwanghwamun Sinmunro, Namdaemun, Euljiro, Jongno, The rest of CBD
	GBD (Gangnam Business District)	Gangnam-gu, Seocho-gu	Teheranro, Gangnamdaero, The rest of GBD
	YBD (Yeouido Business District)	Yeouido-dong, Yeongdeungpo-gu	West Yeouido, East Yeouido, Stock Exchange Market
	Others (Non Major Business District)	The rest of Seoul	Mapo, Yongsan, Jamsil/Songpa, Sangam, The rest of Others
Gyeonggi	BBD (Bundang Business District)	Bundang-gu, Sujeong-gu (Seongnam City)	Seohyun, Sunae, Pangyo, The rest of Bundang
Metropolitan	6 major cities	Incheon, Daegu, Daejeon, Gwangju, Ulsan, Busan	

- ※ **Vacancy rate:** In order to consider the period of time it takes for new offices to have an actual impact on the office market, we distinguish between the 'new construction-included vacancy rate,' which reflects the immediate effect of the completion of new offices, and the 'new construction excluded vacancy rate,' which takes into account the rental stabilization period of new offices, and present both rates side by side in this report. Newly constructed offices are offices that are less than 12 months old at the time of the survey.
- ※ **Rent:** In order to consider the immediate effect of the completion of new offices, we distinguish between 'new construction included rent,' which reflects the immediate effect of the completion of new offices, and 'new construction excluded rent,' which takes into account the rent stabilization period of new offices, and is presented in this report as 'new construction excluded rent.'
- \* The GenstarMate Research Center's Market Report has been renewed. Starting from Q3 2024, it will be published in two versions: Light and Full. The Light version is available on our website, and for more detailed and in-depth information, please contact GenstarMate directly.

**GenstarMate**

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