

Seoul Office Market Report

English ver.

Quarterly Report _ Q1 2025

GenstarMate 

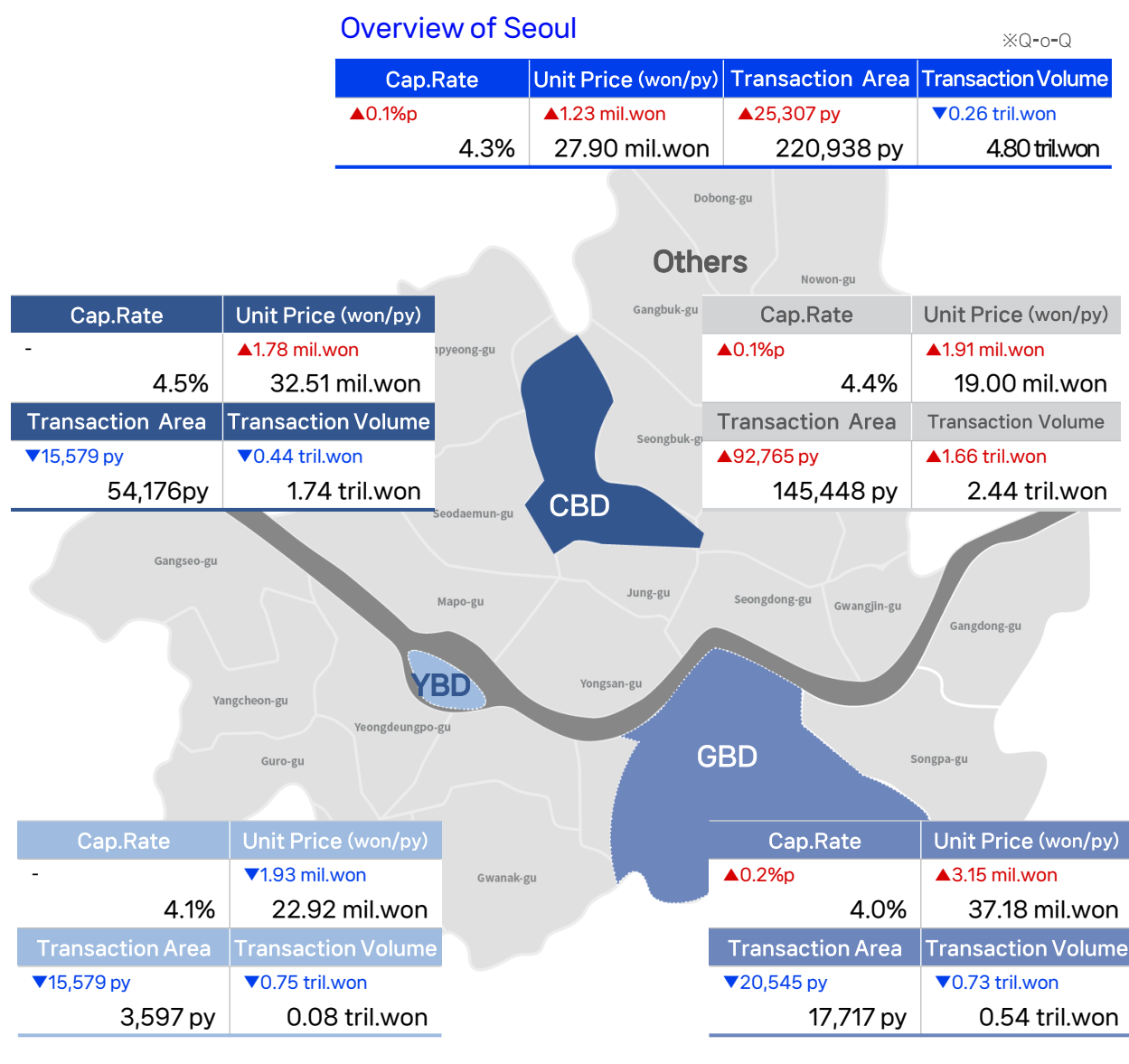
Q4

Investment Market

“Seoul office transaction volume recorded KRW 4.8 trillion, a decrease of KRW 255 billion (5%) compared to the previous quarter.”

In Q1, Seoul's office transaction volume reached KRW 4.80 trillion, down KRW 255 billion (5%) QoQ but up KRW 2.11 trillion (78%) YoY. The average transaction price per py in Seoul rose by KRW 1.23 million (4.6%) QoQ to KRW 27.9 million per py, driven by rising prices in the CBD and GBD districts.

The average cap rate across Seoul remained stable at around 4.3%. As the available office list accumulates rapidly in the market, the transaction volume in Q2 is expected to slightly decrease, with only a few deals, such as Susong Square and Crescendo anticipated to close.



Transaction Volume & Unit Price

In the current quarter, the Seoul office transaction volume recorded KRW 4.80 trillion, maintaining a similar level to the record-high transaction volumes seen in Q3 2024 (KRW 4.53 trillion) and Q4 2024 (KRW 5.05 trillion). However, this was largely driven by the forward purchase of Magok One Grove (KRW 1.58 trillion) and Le West City (KRW 534.1 billion). As the available office list, particularly in the CBD, is slow to sell, the current upward trend in transaction volume is expected to slow down in the next quarter.

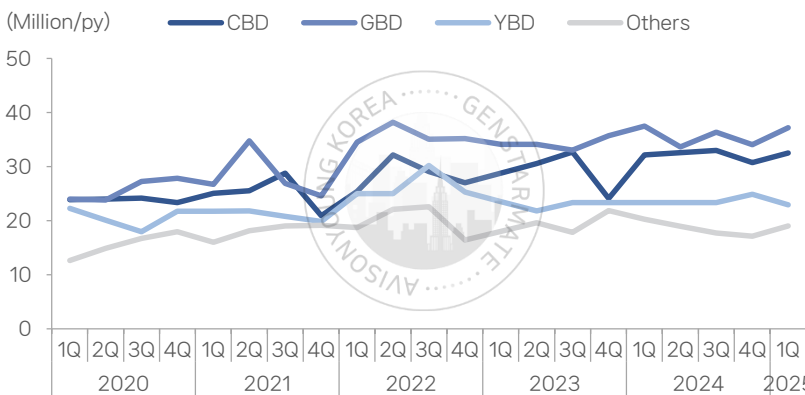
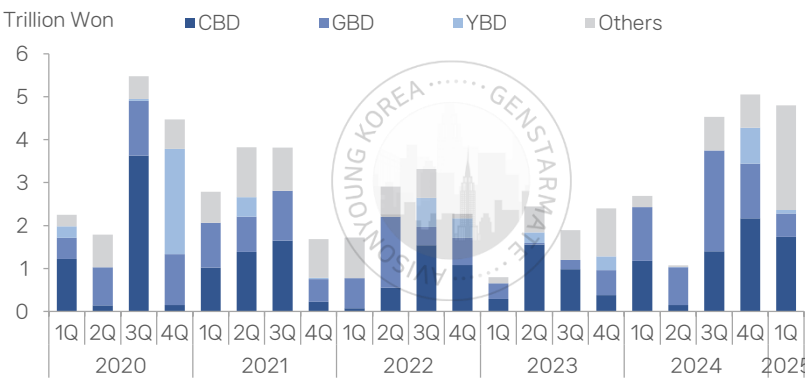
Total volume: KRW 4.8T

Volumes by district as follows: KRW 1.7T in CBD, KRW 542.8B in GBD, KRW 82.4B in YBD, and KRW 2.4T in Others. Due to the transaction of the Magok CP blocks, the Others district accounted for approximately 51% of the total Seoul office transaction volume this quarter, marking a 215% increase from the previous quarter (KRW 773.7B).

Unit Price: KRW 27.9M/py

Average transaction prices per py by district were as follows: CBD KRW 32.5M/py, GBD KRW 37.2M/py, YBD KRW 22.9M/py, and Others KRW 19.0M/py. Prices in CBD and GBD rose by 6% and 9% QoQ, respectively. YBD, based only on strata transactions this quarter, saw a slight decline QoQ.

In Q1, 16 office buildings were transacted in Seoul: 5 in CBD, 4 in GBD, 1 in YBD, and 6 in Others. The largest CBD deal was Daishin 343 at KRW 41.0M/py (KRW 662B total). Most CBD transactions involved strategic investors like Crystal Square, Seoul N Square, and Jeongan Building. The largest deal was One Grove in the Others district, acquired by IGIS Asset Management in 2021 for KRW 1.6T (KRW 2.3T incl. retail), with NPS investing approximately KRW 800B.



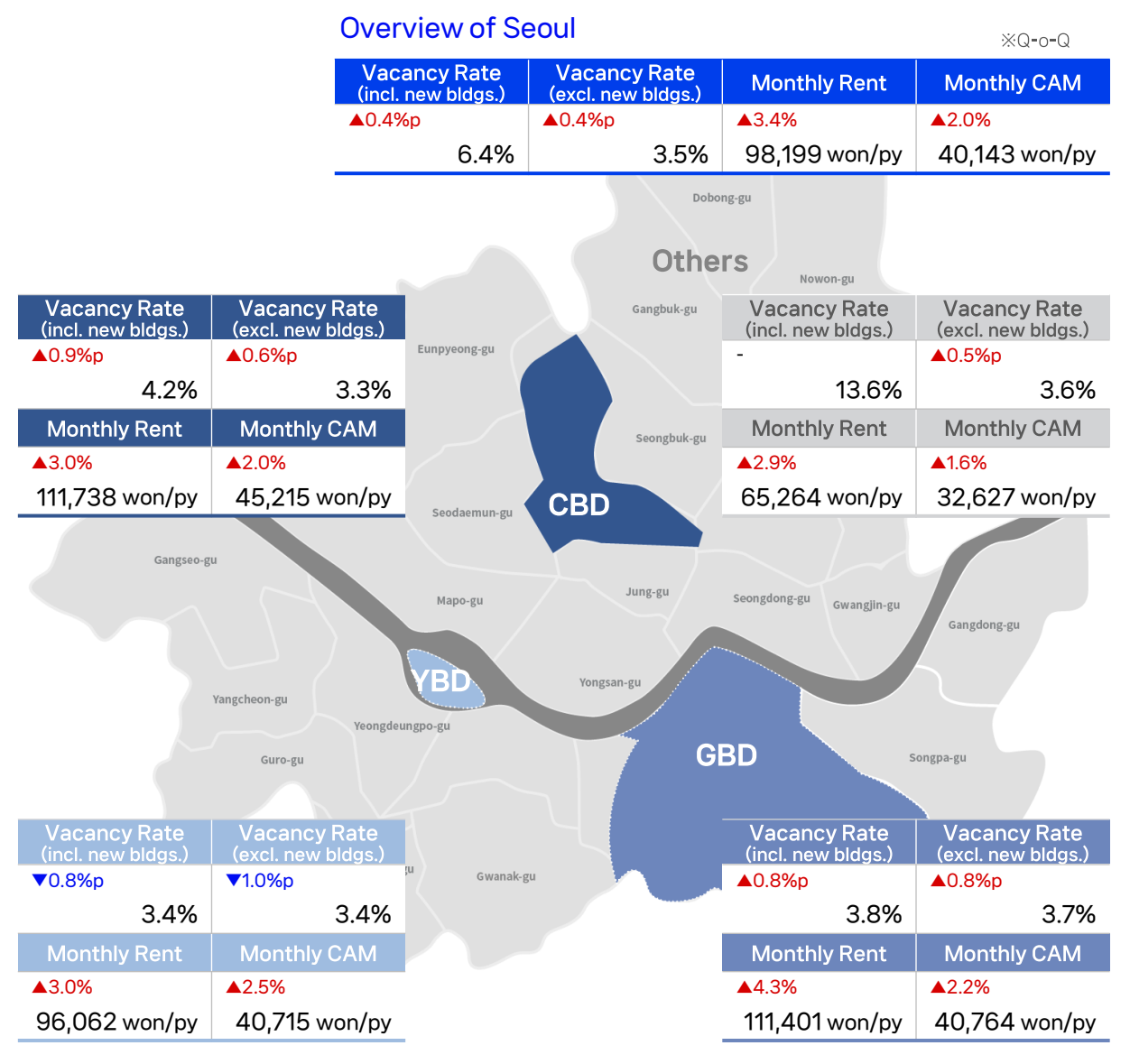
| Building | District | Price (Billion) | Unit P (Million) | Seller | Buyer |
|----------------------------------|----------|-----------------|------------------|-----------------------|--------------------------|
| Daishin 343 | CBD | 662.0 | 41.0 | Daishin Securities | Daishin Asset Trust |
| Namsan Square | CBD | 580.5 | 25.5 | IGIS Asset Management | HDC Asset Management |
| Crystal Square | CBD | 206.8 | 37.1 | CapitaLand Investment | LB Asset Management |
| Gangnam Finance Plaza | GBD | 276.0 | 37.7 | Master'n | Gravity Asset Management |
| Hyundai Card Building 2 (Strata) | YBD | 82.4 | 22.9 | Hyundai Capital | Hyundai Card |
| One Grove (Office part) | Others | 1,579.0 | 16.7 | Magok CP4 PFV | IGIS Asset Management |
| LeWest City A,B | Others | 534.1 | 18.1 | Magok MICE PFV | KT Investment |

Leasing Market

"Seoul's office vacancy rate rose to 6.4% in Q1 2025, up 0.4%p from the previous quarter, with increases across all districts except YBD.

In Q1 2025, the average office vacancy rate in Seoul rose to 6.4%, with increases across all districts except YBD. New office supply and tenant relocations in the CBD contributed to a rise in vacancies. GBD also saw an increase due to major tenants moving to other districts.

Conversely, YBD experienced a decline in vacancy as large offices filled without a new supply. In the Others district, one new office was added, but continued move-ins in the Magok area kept the vacancy rate stable. Both rent and CAM rose by 3.4% and 2.0%, respectively, with seasonal adjustments contributing to the overall increase.



Vacancy & Rent

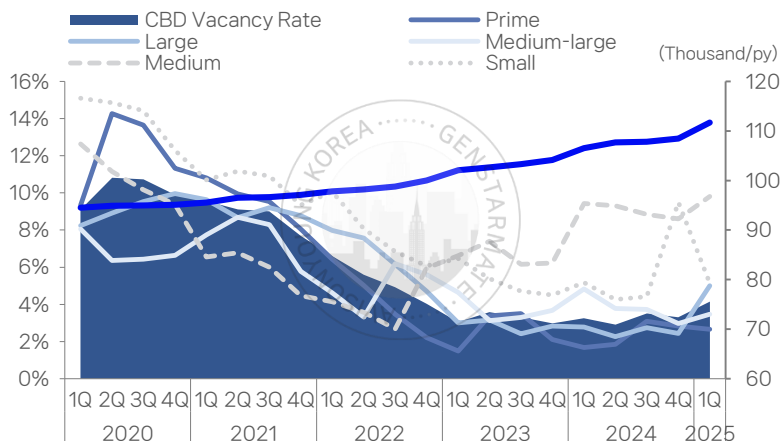
CBD

In Q1 2025, the vacancy rate in the CBD, including new buildings, rose by 0.9%p QoQ to 4.2%, mainly due to the supply of a large-grade new office (Project 107).

For prime offices, the vacancy rate fell by 0.2%p QoQ to 2.7%, as around 2,000 py of space at Seoul Square was leased to tenants from various industries.

By submarket, vacancy rose in all areas except Namdaemun, which remained stable due to relocations within the submarket.

The deposit averaged KRW 1.12M/py and rent reached KRW 112K/py, both up 3.0% QoQ. CAM rose 2.0% QoQ to KRW 45K/py.



| Grade | Vacancy Rate (incl. new bldgs.) | | | Monthly Rent (1,000 won/py) | | | Monthly CAM (1,000 won/py) | | |
|--------------|---------------------------------|---|-------|-----------------------------|---|------|----------------------------|---|------|
| Total | 4.2% | ▲ | 0.9%p | 111.7 | ▲ | 3.0% | 45.2 | ▲ | 2.0% |
| Prime | 2.7% | ▼ | 0.2%p | 134.5 | ▲ | 4.2% | 50.6 | ▲ | 3.3% |
| Large | 5.0% | ▲ | 2.6%p | 111.5 | ▲ | 1.8% | 45.7 | ▲ | 0.7% |
| Medium-Large | 3.5% | ▲ | 0.5%p | 78.8 | ▲ | 2.3% | 38.0 | ▲ | 1.6% |
| Medium | 9.8% | ▲ | 1.2%p | 80.9 | ▲ | 4.1% | 35.1 | ▲ | 1.0% |
| Small | 5.1% | ▼ | 4.4%p | 60.8 | ▲ | 1.5% | 28.9 | ▲ | 1.4% |

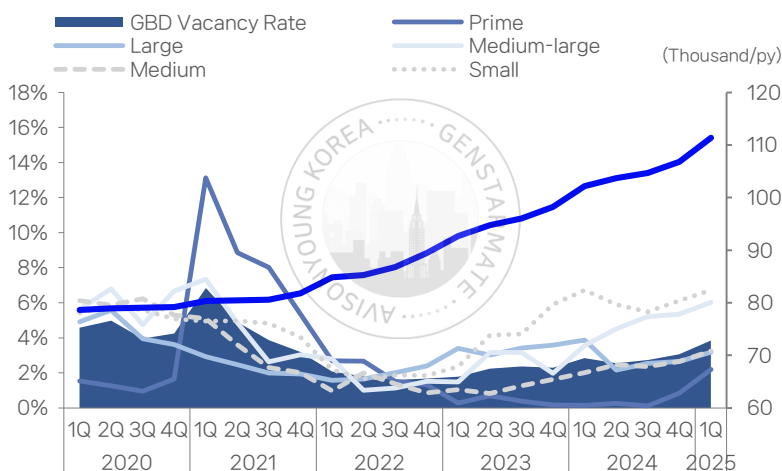
GBD

The GBD vacancy rate this quarter rose 0.8%p QoQ to 3.8%, while the vacancy rate excluding new buildings increased 0.8%p QoQ to 3.7%.

For prime offices, the vacancy rate rose 1.3%p QoQ to 2.2%, mainly due to the vacating of S&G.COM and W Concept Korea from Centerfield East, resulting in over 8,000 py of large-scale vacancy.

Additionally, medium-large offices such as Park Building and KT&G Cosmo Daechi Tower saw vacancies, pushing the vacancy rate up 0.7%p QoQ to 6.0%.

Deposit averaged KRW 1.11M/py and rent reached KRW 111K/py, both up 4.3% QoQ. CAM rose 2.2% QoQ to KRW 41K/py.



| Grade | Vacancy Rate (incl. new bldgs.) | | | Monthly Rent (1,000 won/py) | | | Monthly CAM (1,000 won/py) | | |
|--------------|---------------------------------|---|-------|-----------------------------|---|------|----------------------------|---|------|
| Total | 3.8% | ▲ | 0.8%p | 111.4 | ▲ | 4.3% | 40.8 | ▲ | 2.2% |
| Prime | 2.2% | ▲ | 1.3%p | 143.9 | ▲ | 6.4% | 47.4 | ▲ | 2.9% |
| Large | 3.2% | ▲ | 0.5%p | 115.0 | ▲ | 4.1% | 42.3 | ▲ | 2.2% |
| Medium-Large | 6.0% | ▲ | 0.7%p | 100.1 | ▲ | 3.4% | 38.8 | ▲ | 1.6% |
| Medium | 3.3% | ▲ | 0.6%p | 86.1 | ▲ | 1.6% | 34.7 | ▲ | 0.8% |
| Small | 6.7% | ▲ | 0.6%p | 72.3 | ▲ | 1.3% | 30.2 | ▲ | 2.7% |

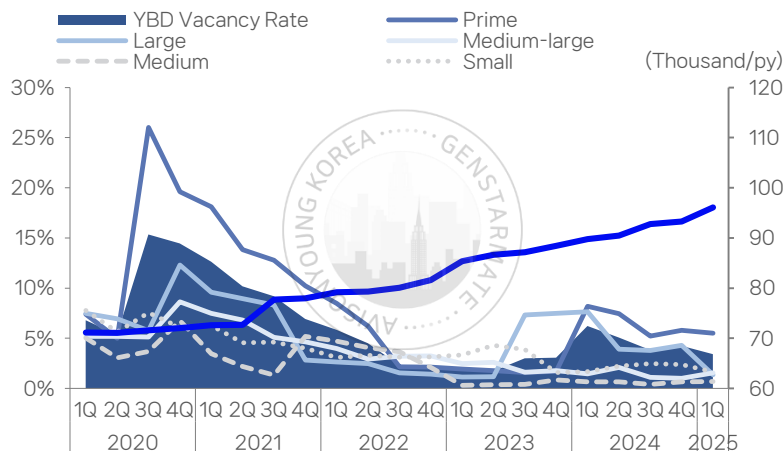
Vacancy & Rent

YBD

The YBD vacancy rate fell 0.8%p QoQ to 3.4%, while the rate excluding new buildings declined 1.0%p QoQ to 3.4%.

The prime office vacancy rate stood at 5.5%. The rate fell 0.7%p QoQ, driven by the leasing of a 1,000 py vacancy at Parc1 Tower 1 (Woori Bank IB Branch). In the large-grade offices, despite move-outs by tenants at the Yuhwa Securities Building, vacancy declined significantly (↓2.9%p QoQ) as space was leased at Anchor One (KB Bank, KB Card, Korea Securities Finance), Yeouido Finance Center (Kakao Securities), and the ABL Building.

In Q1, the YBD deposit averaged KRW 961K/py and rent reached KRW 96K/py, both up 2.9% QoQ. CAM rose 1.5% QoQ to KRW 41K/py.



| Grade | Vacancy Rate (incl. new bldgs.) | | | Monthly Rent (1,000 won/py) | | | Monthly CAM (1,000 won/py) | | |
|--------------|---------------------------------|---|-------|-----------------------------|---|------|----------------------------|---|------|
| Total | 3.4% | ▼ | 0.8%p | 96.1 | ▲ | 3.0% | 40.7 | ▲ | 2.5% |
| Prime | 5.5% | ▼ | 0.3%p | 125.6 | ▲ | 1.7% | 47.8 | ▲ | 1.9% |
| Large | 1.4% | ▼ | 2.9%p | 81.7 | ▲ | 1.9% | 39.5 | ▲ | 1.2% |
| Medium-Large | 1.6% | ▲ | 0.5%p | 58.7 | ▲ | 3.7% | 30.0 | ▲ | 3.8% |
| Medium | 0.7% | - | 0.0% | 47.7 | ▲ | 0.4% | 27.0 | ▲ | 1.3% |
| Small | 1.6% | ▼ | 0.8%p | 34.8 | - | 0.0% | 22.8 | ▲ | 1.9% |

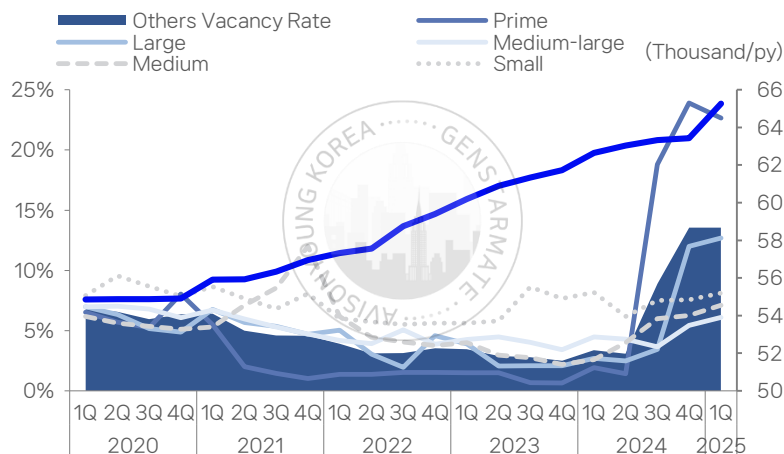
Others

The vacancy rate in Others, including new buildings, remained unchanged from the previous quarter at 13.6%, with vacancy increases observed across all office sizes except prime offices.

In prime offices, the vacancy rate fell 1.3%p QoQ to 22.6%, driven by corporate relocations by tenants to K Square Magok (Korea Radio Promotion Association, LG) and One Grove (Flagone, Saramin).

In addition, full occupancy at KB Yeongdeungpo Tower—following the relocation of SSG.COM and W Concept Korea—led to a 0.7%p QoQ drop in vacancy in the respective submarket, bringing the rate down to 23.6%.

In Others, rent and CAM rose 2.9% and 1.6% QoQ, respectively, to KRW 65K/py and KRW 33K/py.



| Grade | Vacancy Rate (incl. new bldgs.) | | | Monthly Rent (1,000 won/py) | | | Monthly CAM (1,000 won/py) | | |
|--------------|---------------------------------|---|-------|-----------------------------|---|------|----------------------------|---|------|
| Total | 13.6% | - | 0.0% | 65.3 | ▲ | 2.9% | 32.6 | ▲ | 1.6% |
| Prime | 22.6% | ▼ | 1.3%p | 84.1 | ▲ | 2.8% | 37.5 | ▲ | 1.6% |
| Large | 12.7% | ▲ | 0.7%p | 60.3 | ▲ | 3.7% | 32.3 | ▲ | 1.3% |
| Medium-Large | 6.1% | ▲ | 0.7%p | 59.2 | ▲ | 3.6% | 32.3 | ▲ | 2.0% |
| Medium | 7.1% | ▲ | 0.9%p | 58.1 | ▼ | 0.1% | 27.9 | ▲ | 1.4% |
| Small | 8.1% | ▲ | 0.6%p | 44.5 | ▲ | 0.8% | 22.4 | ▲ | 0.8% |

Method : Telephone/site investigation, disclosure materials from AMC

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

Period : Seoul/Bundang: Monthly (5th ~ 15th), 6 major cities: Quarterly (13rd Jan ~ 25th March)

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.'

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GenstarMate General Service

info@genstarmate.com

02-2003-8155

02-3775-7252

Market Report | GenstarMate Research Center

Rita Kim (Head of Research)

Yuseon Jeong | Jiyeon Bae

Moonyoung Jang | Bum Soo

Report Information

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