

Seoul Office Market Report

English ver.

Quarterly Report _ Q1 2026

GenstarMate 

Q1

Investment Market

“In Q1, office transaction volume in Seoul and the Bundang market totaled 3.26 tril. KRW, decreasing by 3.60 tril. KRW (-52% QoQ) from the previous quarter.

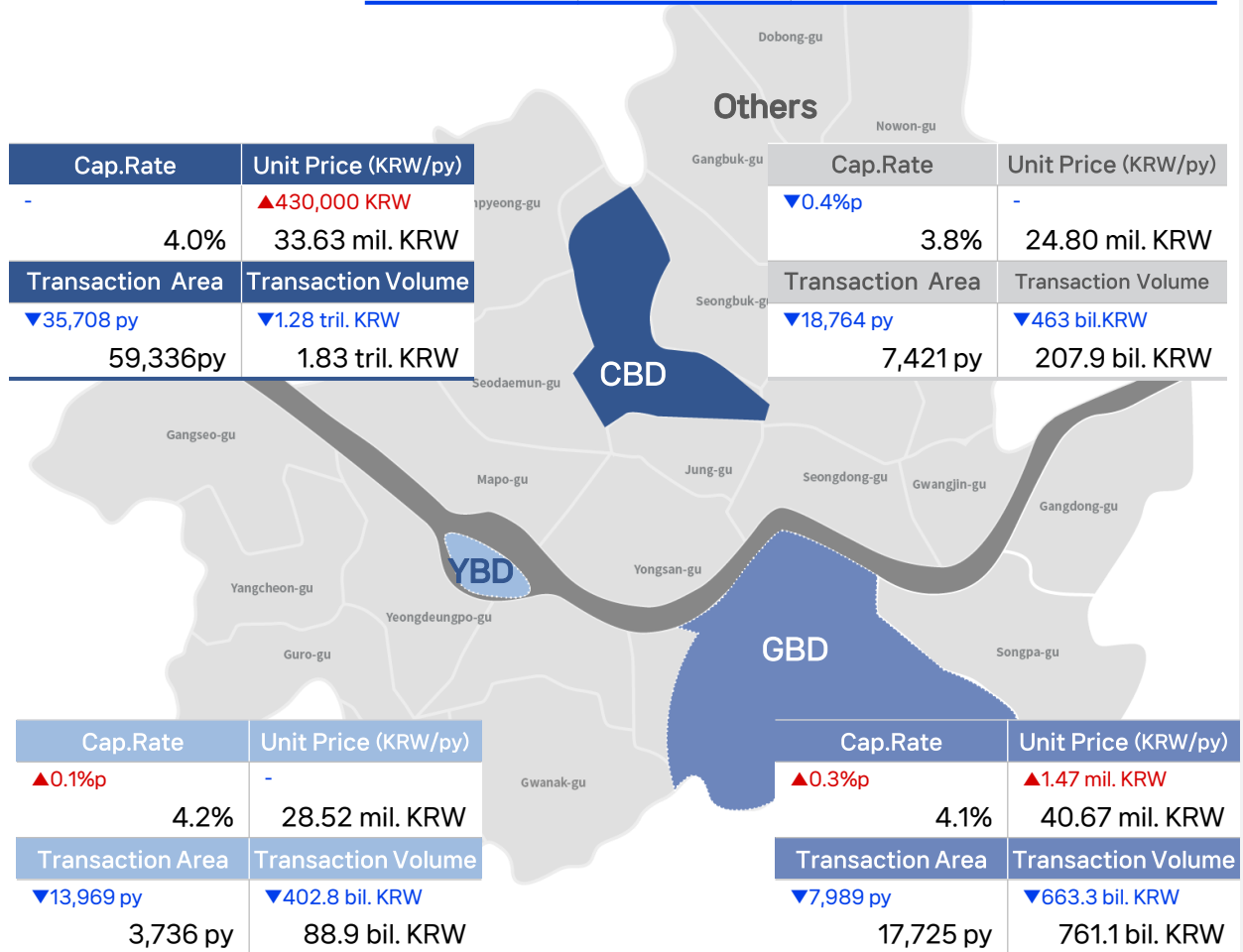
Unlike the previous quarter, which recorded the highest quarterly transaction volume on record, transaction volume in 1Q totaled 2.89 tril. KRW, down 49% QoQ. Meanwhile, the unit price per py rose 2% QoQ to 31.9 mil. KRW, supported by price increases in GBD and CBD. Notably, GBD exceeded 40 mil. KRW per py for the first time on record. Amid rising seller expectations following the market recovery in 2024–2025, investors maintained a cautious stance during the quarter. As a result, unit prices remained stable, while both transaction volume and deal count declined.

In Q2 2026, the office investment market is expected to see CBD-focused deal closings, including Eulji Twin Tower and Hana Insurance Building, with transaction volume projected to decline slightly QoQ.

Overview of Seoul

※Q-o-Q

Cap.Rate	Unit Price (KRW/py)	Transaction Area	Transaction Volume
-	▲480,000 KRW	▼76,431 py	▼2815.9 bil. KRW
4.0%	31.90 mil. KRW	88,217 py	2.89 tril. KRW

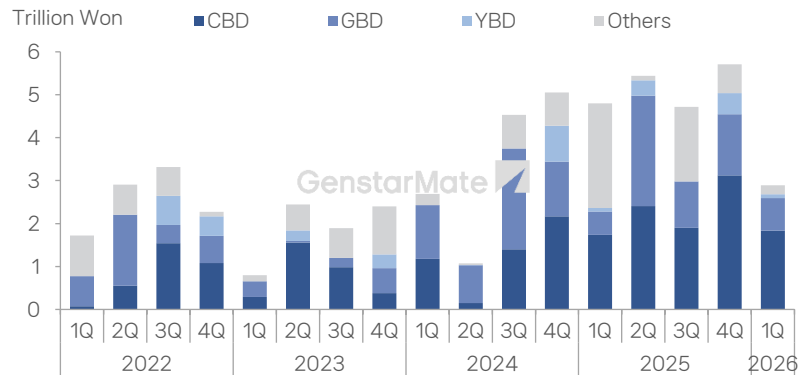


Transaction Volume & Unit Price

Office transaction volume in Seoul totaled 2.89 tril. KRW in the current quarter (3.26 tril. KRW including Bundang), down 49% QoQ.

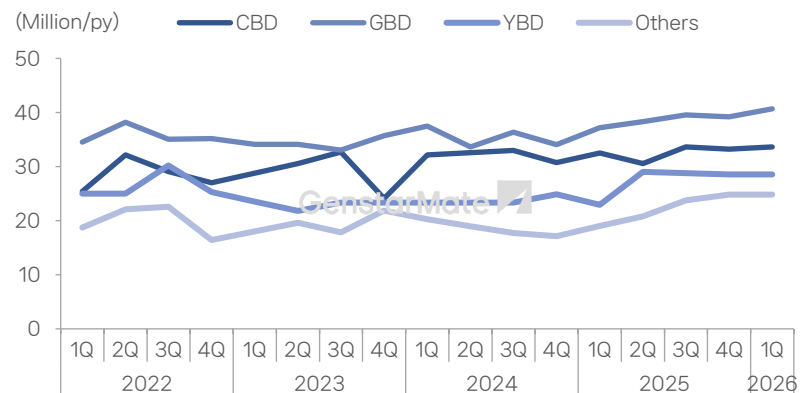
Total volume: 2.9T KRW

By district, transaction volume totaled 1.83 tril. KRW in CBD, 761 bil. KRW in GBD, 88.9 bil. KRW in YBD, and 207.9 bil. KRW in Others. Driven by the sale of Seoul Square, a prime asset valued at approximately 1.3 tril. KRW, CBD accounted for 63% of total transaction volume. Meanwhile, GBD, where transactions were mainly centered on medium-large assets, recorded 663.3 bil. KRW, down 47% QoQ.



Unit Price: 31.9M KRW/py

The average unit price per py reached 33.6 mil. KRW in CBD, 40.7 mil. KRW in GBD, 28.5 mil. KRW in YBD, and 24.8 mil. KRW in Others. Amid price increases in CBD and GBD, GBD's unit price per py surpassed 40 mil. KRW for the first time, driven by the sale of K Square Gangnam II at 53 mil. KRW/py.



In the current quarter, Seoul office transactions totaled 10 buildings and approximately 90,000 py. By district, CBD led the market with major deals such as Seoul Square (1.29 tril. KRW) and K Finance Tower (220 bil. KRW), totaling 1.83 tril. KRW. In GBD, key transactions included K Square Gangnam II (Hanwell-Daiso) and Cykan Tower (Misto Holdings-FILA), with the market mainly driven by corporate acquisitions for owner-occupancy. Notably, K Square Gangnam II traded at 53.5 mil. KRW per py, comparable to Scale Tower (53.9 mil. KRW per py).

Building	District	Price (Billion)	Unit P (Million)	Seller	Buyer
Seoul Square	CBD	1,285.6(E)	32.0(E)	ARA Korea	Korea Investment Real Asset Management
Eteverse Tower	CBD	264.7	22.7	Capstone Asset Management	Koramco REITs Management and Trust
K Finance Tower	CBD	220.0(E)	46.2(E)	Keppel Investment Management	MDM Asset Management
K Square Gangnam II	GBD	355.0	53.5	Koramco REITs Management and Trust	Hanwell
Cykan Tower	GBD	194.0	40.0	Cykan63, Cykan	Misto Holdings
F&F Yeoksam HQ	GBD	162.5	33.5	F&F Holdings, F&F	Starlord Investment Management
Jamsil Building	Others	207.9	28.0	Samsung Life Insurance	Samsung SRA Asset Management

Leasing Market

“Seoul office vacancy rate reached 6.9%, driven by increases in the GBD and Other districts.”

Seoul office vacancy rate rose 0.3%p QoQ to 6.9% in Q1, driven by higher vacancies in GBD and Other districts.

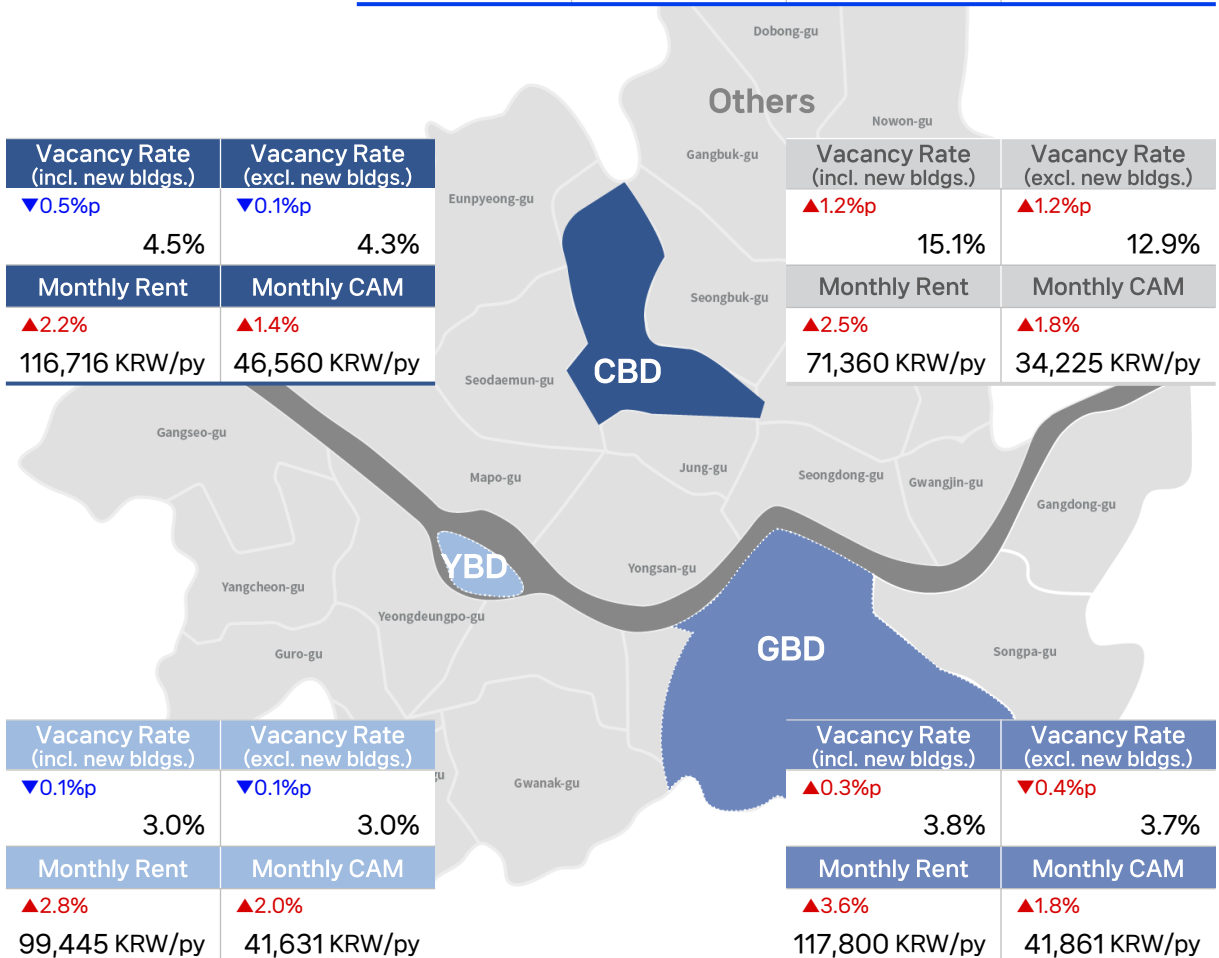
CBD vacancy declined to 4.5% on the back of active leasing in major office buildings, while GBD vacancy increased to 3.8% due to newly vacated space in parts of the Gangnam area. YBD vacancy edged down to 3.0% despite LG Chem's move-out from Parc One Tower 1, supported by relocation demand from nearby redevelopment projects. The Others district recorded the sharpest increase, with vacancy rising to 15.1% following approximately 30,000py of new office supply, mainly concentrated in Seongsu.

Meanwhile, effective rents and CAM rose by 2.6% and 1.6% QoQ, respectively, reflecting a broader rent adjustment cycle.

Overview of Seoul

※Q-o-Q

Vacancy Rate (incl. new bldgs.)	Vacancy Rate (excl. new bldgs.)	Monthly Rent	Monthly CAM
▼0.3%p	▲0.4%p	▲2.6%	▲1.6%
6.9%	6.2%	102,534 KRW/py	41,160 KRW/py



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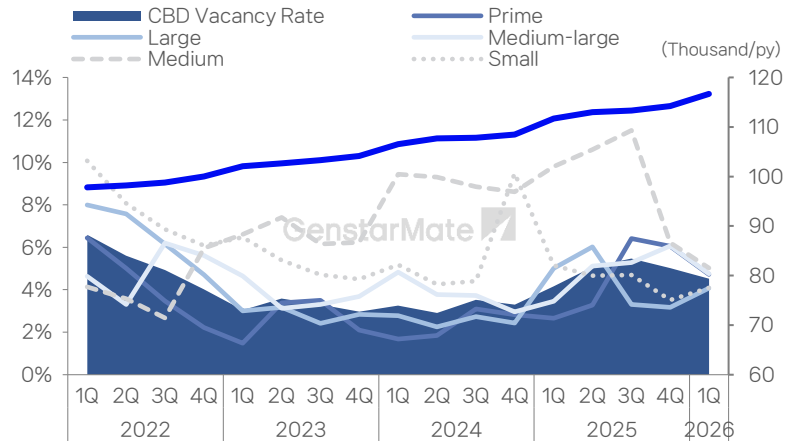
Vacancy & Rent

CBD

CBD vacancy rate, including newly completed offices, fell 0.5%p QoQ to 4.5% in Q1, returning to the 4% range for the first time in a year.

Vacancy in the prime office segment declined to 4.7%, supported by the absorption of large vacancies at Gran Seoul and K-Twin Towers. In contrast, the Namdaemun submarket recorded a vacancy rate of 6.0% following Hanwha Ocean's move-out from Grand Central, although the vacant space has already been leased and vacancy is expected to decline again.

In Q1, CBD rents rose 2.2% QoQ to 116.7 thousand KRW/py, while CAM increased 1.4% QoQ to 46.6 thousand KRW/py.



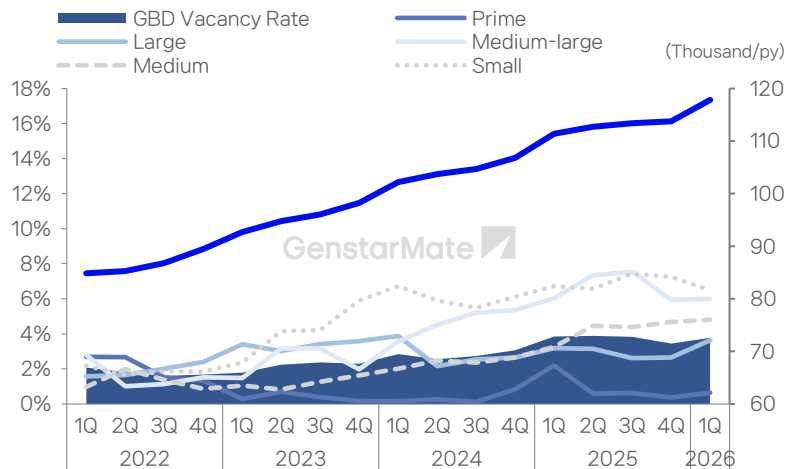
Grade	Vacancy Rate (incl. new bldgs.)			Monthly Rent (1,000 KRW/py)			Monthly CAM (1,000 KRW/py)		
Total	4.5%	▼	0.5%p	116.7	▲	2.2%	46.6	▲	1.4%
Prime	4.7%	▼	1.3%p	139.9	▲	1.1%	52.4	▲	0.9%
Large	4.1%	▲	0.9%p	118.1	▲	4.0%	47.2	▲	2.2%
Medium-Large	4.8%	▼	1.3%p	83.1	▲	2.3%	38.9	▲	1.1%
Medium	5.0%	▼	1.2%p	78.2	▲	1.1%	35.5	▲	1.4%
Small	4.1%	▲	0.6%p	68.0	▲	0.3%	29.4	▼	0.4%

GBD

GBD vacancy rate, including newly completed offices, rose 0.3%p QoQ to 3.8% in Q1, while vacancy excluding new supply also increased to 3.7%.

In the mid-sized office segment, vacancy increased slightly despite the absorption of approximately 1,400py at Anam Tower following Team Sparta's relocation within the district, as new vacancies emerged at buildings such as Sewoo Building and L&B Tower. Meanwhile, small-sized office vacancy declined, supported by active leasing at newly completed offices including AHN385 and Sinsa Hwagyeong Building.

In Q1, GBD rents increased 3.6% QoQ to 117.8 thousand KRW/py, while CAM rose 1.8% QoQ to 41.9 thousand KRW/py, reflecting continued upward pressure on occupancy costs across the district.



Grade	Vacancy Rate (incl. new bldgs.)			Monthly Rent (1,000 KRW/py)			Monthly CAM (1,000 KRW/py)		
Total	3.8%	▲	0.3%p	117.8	▲	3.6%	41.9	▲	1.8%
Prime	0.6%	▲	0.3%p	152.9	▲	3.3%	48.6	▲	1.7%
Large	3.6%	▲	1.0%p	119.4	▲	3.0%	43.1	▲	1.2%
Medium-Large	6.0%	▲	0.1%p	106.7	▲	4.1%	39.8	▲	2.2%
Medium	4.8%	▲	0.1%p	90.7	▲	3.4%	36.1	▲	2.3%
Small	6.5%	▼	0.8%p	75.8	▲	4.0%	30.7	▲	1.6%

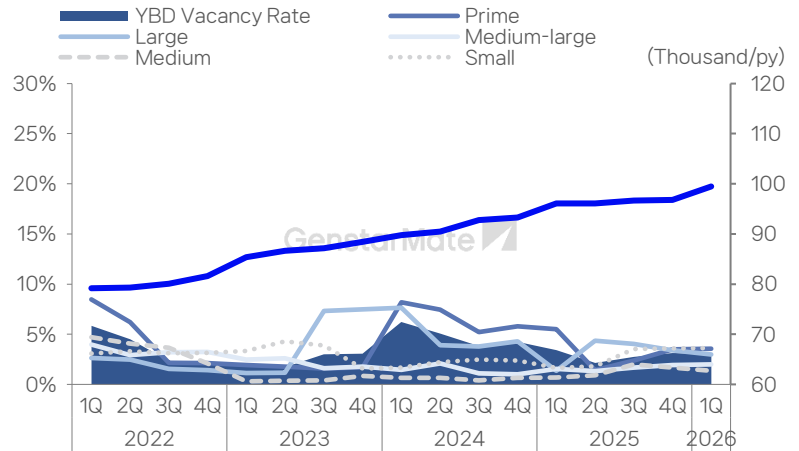
Vacancy & Rent

YBD

YBD vacancy rate declined 0.1%p QoQ to 3.0% in Q1, supported by leasing activity across major office buildings.

In the prime office segment, LG Chem's move-out from Parc One Tower 1 created significant vacancy, but the overall vacancy rate remained stable as the Korea Insurance Development Institute filled vacant space at NH Financial Tower. Additional lease-up activity at NH Financial Tower and Three IFC is expected to further reduce vacancy going forward. Large-sized office vacancy also declined as new leases at One Sentinel offset vacancies generated by tenant relocations within the district.

In Q1, YBD rents rose 2.8% QoQ to 99.4 thousand KRW/py, while CAM increased 2.0% QoQ to 41.6 thousand KRW/py.



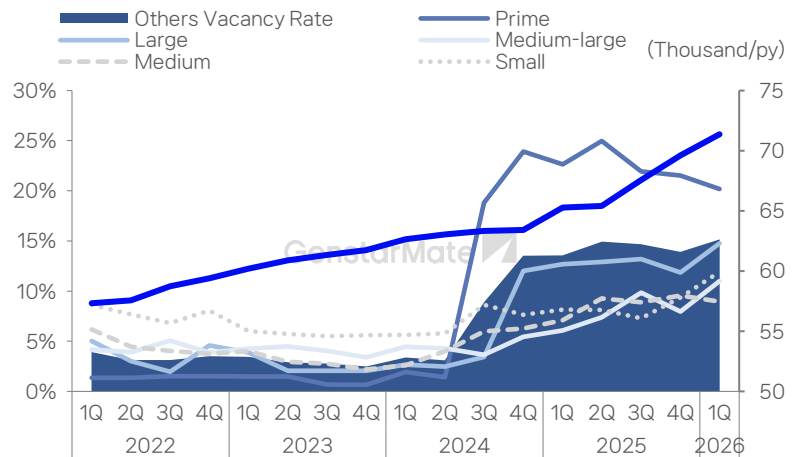
Grade	Vacancy Rate (incl. new bldgs.)			Monthly Rent (1,000 KRW/py)			Monthly CAM (1,000 KRW/py)		
Total	3.0%	▼	0.1%p	99.4	▲	2.8%	41.6	▲	2.0%
Prime	3.5%	-	0.0%	129.9	▲	3.0%	48.5	▲	1.7%
Large	3.0%	▼	0.4%p	87.5	▲	1.1%	41.2	▲	1.5%
Medium-Large	2.0%	▲	0.1%p	60.6	▲	2.8%	30.7	▲	1.9%
Medium	1.4%	▼	0.3%p	49.8	▲	4.4%	28.3	▲	4.8%
Small	3.6%	-	0.0%	35.1	▲	0.3%	23.9	▲	4.4%

Others

Others district vacancy rate, including newly completed offices, rose 1.2%p QoQ to 15.1% in Q1, while vacancy excluding new supply increased to 12.9%.

In the prime office segment, vacancy declined to 20.2% as several large vacancies were absorbed at buildings such as One Grove, K Square Magok, and Lotte World Tower. However, large and medium-large office vacancy increased following new supply additions including Gasan Heritz Tower, Base Seongsu, and AM Plus. Vacancy excluding new supply also rose as high-vacancy assets such as East Pole Tower and Tower50 were added to the stabilized stock sample.

In Q1, Others district rents rose 2.5% QoQ to 71.4 thousand KRW/py, while CAM increased 1.8% QoQ to 34.2 thousand KRW/py.



Grade	Vacancy Rate (incl. new bldgs.)			Monthly Rent (1,000 KRW/py)			Monthly CAM (1,000 KRW/py)		
Total	15.1%	▲	1.2%p	71.4	▲	2.5%	34.2	▲	1.8%
Prime	20.2%	▼	1.3%p	90.5	▲	1.4%	38.6	▲	0.9%
Large	14.8%	▲	2.9%p	64.6	▲	1.7%	33.8	▲	2.0%
Medium-Large	11.0%	▲	3.0%p	62.0	▲	2.6%	33.1	▲	1.7%
Medium	9.0%	▼	0.6%p	62.0	▲	7.2%	29.3	▲	4.6%
Small	14.6%	▲	2.7%p	46.9	▲	2.4%	22.8	▲	0.9%

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 (12th January ~ 27th 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, Jung-gu(Jungnim-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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