

MARKET FUNDAMENTALS

	YOY Chg	Outlook
15.1% Vacancy Rate	▼	—
0.0% Retail Sales Growth	▼	▲
93.4 Consumer Composite Sentiment Index (CCSI)	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.2% GDP Growth	▼	▼
2.1% CPI Growth	▼	▲
3.1% Unemployment Rate	▲	—

Source: Korean Statistical Information Service,
Bank Of Korea

ECONOMY

The Consumer Sentiment Index (CCSI) declined to 93.4 in March 2025, down 1.8 p from the previous month, reversing course after three months of stability. Weak domestic demand recovery and rising external risks weighed on consumer confidence. Headline inflation held at 2.1%, remaining in the 2% range for the third straight month. The IMF also sharply downgraded Korea's 2025 GDP growth forecast from 2.0% to 1.0%, citing the U.S. tariff rollout and escalating global trade tensions. Rising trade uncertainty is dampening consumption and investment, increasing market volatility, and limiting near-term recovery prospects.

SEONGSU SHIFTS FROM POP-UP CULTURE TO FLAGSHIP STORE HUB

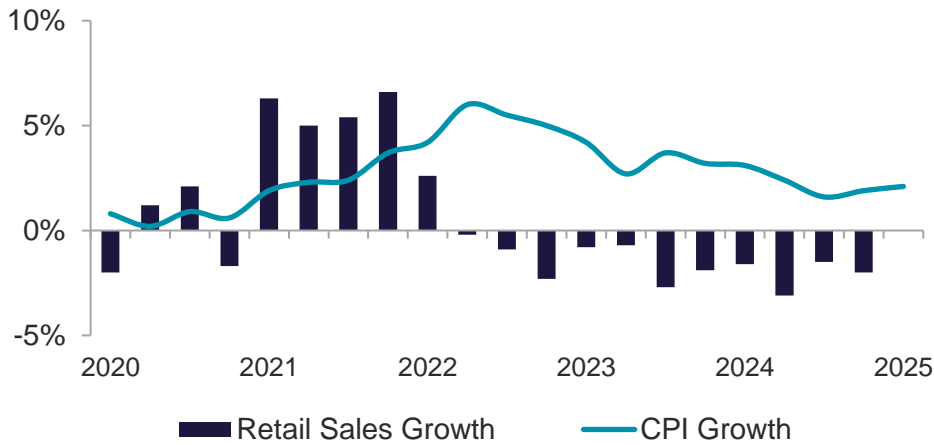
The citywide high street vacancy rate rose 0.4 pp q-o-q to 15.1% in Q1 2025, with elevated vacancies in certain districts amid ongoing market uncertainty. However, the vacancy rate is still down 1.4 pp y-o-y, indicating a modest recovery. Despite sluggish domestic consumption, key districts continued to attract new entrants.

In Cheongdam, vacancy dropped by 2.3 pp q-o-q to 15.7%. J.Lindeberg and Vacheron Constantin opened stores this year, with Tiffany & Co., Rolex, and Brunello Cucinelli also preparing to launch. Cheongdam is further solidifying its position as a high-end retail district encompassing luxury fashion, fine jewelry and watches, and premium lifestyle segments. Synergies among brands and the area's affluent customer base are driving ongoing demand.

Adjacent to Cheongdam, Dosan Park is also experiencing active new store openings. Leveraging its refined, upscale image, the district features a diverse brand mix ranging from luxury and athleisure to global streetwear and domestic designer labels. UGG and Birkenstock recently opened, while Alo Yoga and Mardi Mercredi are set to launch. The district allows brands to establish a strong identity through standalone or flagship-sized stores.

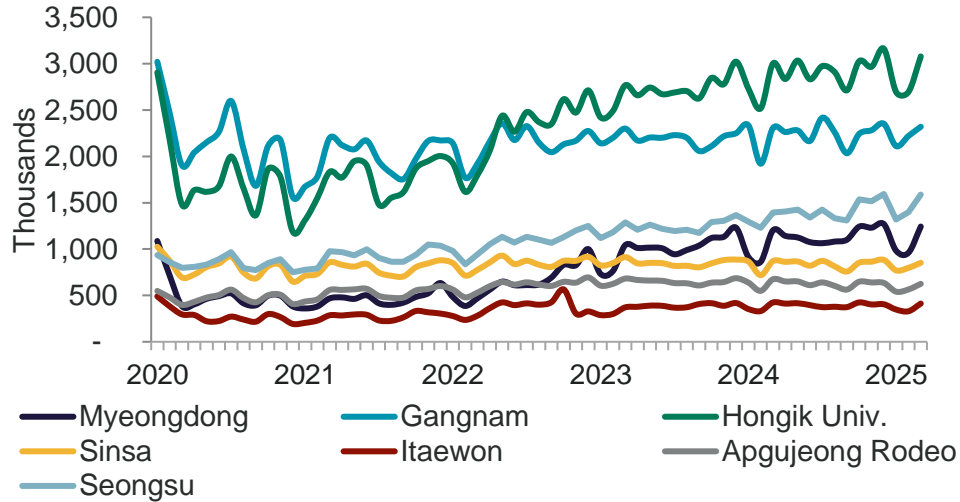
The vacancy rate in Seongsu remained largely unchanged q-o-q. Once dominated by short-term pop-ups, the district is transitioning into a stable commercial zone with a growing flagship store presence. Increasingly, brands are viewing Seongsu as a long-term marketing and experiential hub rather than for short-lived trends. Beauty brands are particularly active, supported by a high concentration of young female consumers. According to the Seoul Metropolitan Government, women in their 20s account for 17% of Seongsu foot traffic, rising to 36% for the teens-to-30s group. Shiro recently launched its first Korean flagship in Seongsu, joined by Prada Beauty, Diptyque, and domestic players such as Tirtir, Banila Co. and BBIA.

RETAIL SALES GROWTH & CPI GROWTH



Source: Korean Statistical Information Service

FOOT TRAFFIC FROM SUBWAY EXITS

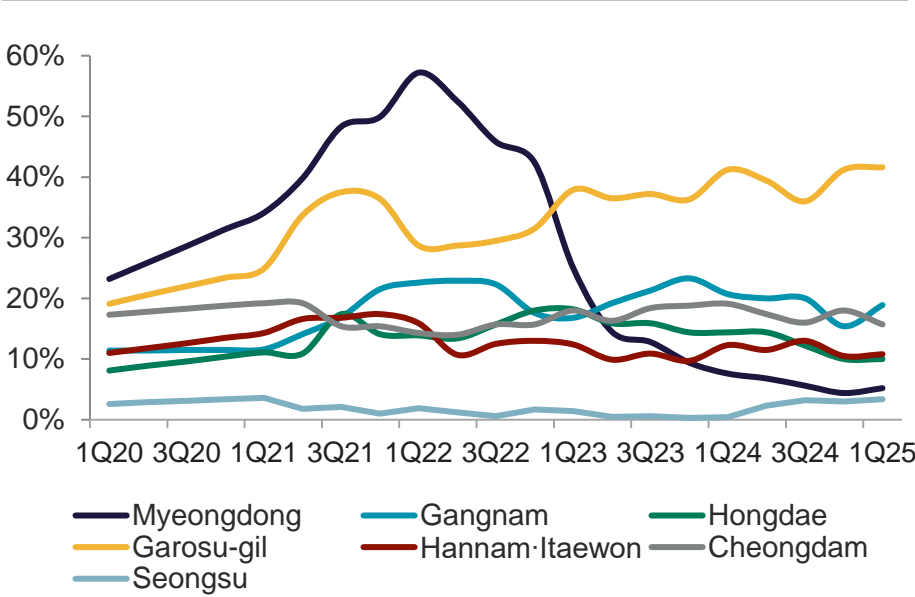


Source: Seoul Metropolitan Government

MARKET STATISTICS

SUBMARKET	Q1 2025 VACANCY RATE	Q4 2024 VACANCY RATE	% POINT CHANGE QOQ	Q1 2024 VACANCY RATE	% POINT CHANGE YOY
Myeongdong	5.2%	4.4%	0.8%	7.6%	-2.3%
Gangnam	18.9%	15.4%	3.4%	20.7%	-1.8%
Hongdae	10.0%	10.0%	0.0%	14.4%	-4.4%
Garosu-gil	41.6%	41.2%	0.4%	41.2%	0.4%
Hannam-Itaewon	10.8%	10.5%	0.3%	12.3%	-1.5%
Cheongdam	15.7%	18.0%	-2.3%	19.1%	-3.4%
Seongsu	3.4%	3.0%	0.4%	0.4%	3.0%
TOTALS	15.1%	14.7%	0.4%	16.5%	-1.4%

HIGH STREET VACANCY RATE



KEY LEASE TRANSACTIONS / NEW FLAGSHIPS Q1 2025

PROPERTY TYPE	SUBMARKET	TENANT	ESTIMATED SQM	CATEGORY	STATUS
High Street	Myeongdong	Tirtir	150	Beauty	Scheduled
High Street	Myeongdong	Rockfish Weatherwear	400	Fashion	Newly-opened
High Street	Hongdae	Miniso	800	Lifestyle	Newly-opened
High Street	Hannam-Itaewon	Loeuvre	400	Fashion	Newly-opened
High Street	Cheongdam	Vacheron Constantin	1,280	Luxury	Newly-opened
High Street	Cheongdam	J.Lindeberg	1,000	Sports	Newly-opened
High Street	Seongsu	Adidas Originals	530	Sports	Newly-opened
High Street	Seongsu	Blue Elephant	270	Fashion	Newly-opened
High Street	Dosan Park	UGG	360	Fashion	Newly-opened
High Street	Dosan Park	Mardi Mercredi	660	Fashion	Scheduled
Shopping Mall	Inspire Mall	Gongcha	160	F&B	Newly-opened

KEY CONSTRUCTION COMPLETIONS / UNDER CONSTRUCTION

PROPERTY	LOCATION	SQM	COMPLETION DATE
Magok One Grove Mall	Seoul	145,200	Q1 2025
Starfield Village Unjeong	Paju	92,000	Q4 2025
Lotte Time Villas Songdo	Incheon	285,000	2026

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