MARKETBEAT

SEOUL

OFFICE Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.3% Vacancy Rate	▲	▲
16,179 Net Absorption, SQM	▲	▼
1.2% Rental Growth, QoQ	▲	▬

(Overall, Grade A)

ECONOMIC INDICATORS

	YOY Chg	Outlook
0.6% GDP Growth	▼	▲
2.1% CPI Growth	▲	▼
2.1% Unemployment Rate	▬	▲

Source: Statistics Korea, Bank of Korea

ECONOMIC OVERVIEW

South Korea's slowing economy saw a mild easing in Q3 2025 as consumption and exports improved slightly, despite weak investment. Domestic demand partly recovered with support from rate cuts and government stimulus measures, although export growth, led by semiconductors, is expected to lose momentum amid global trade uncertainty. The Bank of Korea now projects GDP growth at around 0.9% for the full-year 2025.

VACANCY RATES AND RENTAL GROWTH

The average Grade A office vacancy rate in Seoul rose 0.2 pp q-o-q to 4.3% in Q3 2025. While the CBD submarket saw a rise, both GBD and YBD districts recorded declines. The overall vacancy rate continued its mild upward trend for the sixth straight quarter. Rents increased 1.2% q-o-q, with the pace of growth moderating but still elevated relative to the historical average.

The CBD vacancy rate rose 1.3 pp to 6.0%, largely due to DL Group's relocation to Magok and new supply at INNO88. Leasing activity included Hanwha I&A at KCCI building, and Lilly Korea at Seoul City Tower. Nice D&B signed at Myeongdong Post Tower, and BlackRock confirmed its relocation from SFC to Gran Seoul.

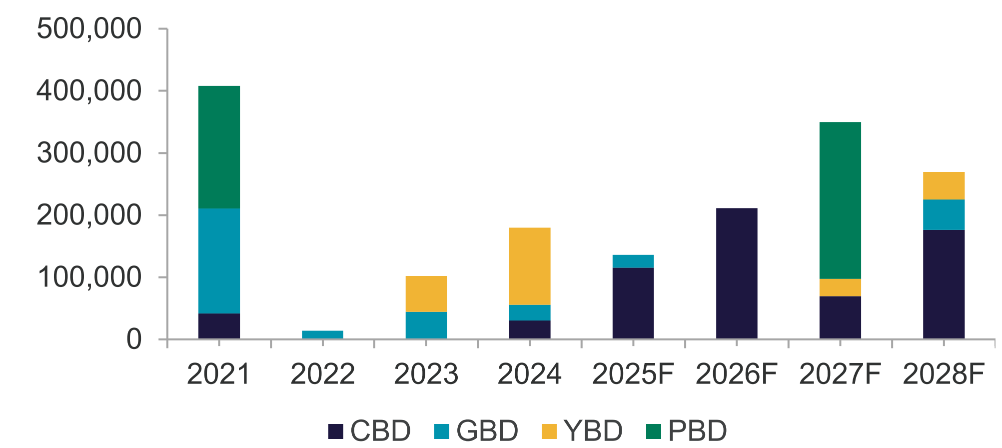
In the GBD, vacancy dropped 0.7 pp to 2.6%. The OPUS459 project achieved full occupancy as Viva Republica (Toss) leased the entire building. Notable transactions included Hyundai AutoEver at Samsung-dong Building, and Analog Devices and Rolex Korea at Centerfield. Other notable leases include Intellectual Discovery at Gangnam Finance Center and Supercent at Lotte World Tower. Leasing demand in the GBD remains strong amid limited new supply.

The YBD vacancy rate dropped 0.3 pp to 4.1%, supported by NH Nonghyup Capital's large-area lease at One Sentinel. Hyundai Asset Management confirmed expansion at FKI Tower, while Galaxy Corporation and Brisk &Young Associates leased at Two IFC and IM Securities Building, respectively.

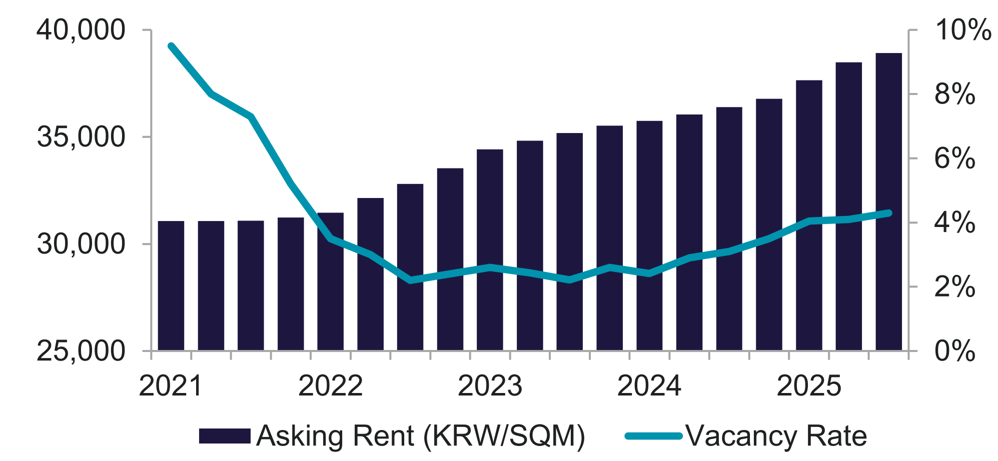
SUPPLY

In the CBD submarket, the Samhwan Building completed renovation in Q3 and reopened as INNO88. Ahead, large redevelopment projects including G1 Seoul (Gongpyeong 15·16), Rene Square (Euljiro 3-ga 6), and Eul Tower (Euljiro 3-ga 12) are scheduled for completion in 2026. The concentration of major new developments in the CBD is expected to weigh on the market, although timelines may be delayed by financing challenges and a slowing economy.

GRADE A SUPPLY



OVERALL VACANCY & ASKING RENT



Better never settles

MARKET STATISTICS

SUBMARKET	INVENTORY (SQM)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SQM)	YTD OVERALL NET ABSORPTION (SQM)	UNDER CONSTRUCTION (SQM)	OVERALL AVG ASKING RENT (KRW/SQM)*
CBD	4,420,601	6.0%	-18,504	1,952	394,473	38,936
GBD	3,791,155	2.6%	27,789	53,706	57,848	41,444
YBD	2,052,831	4.1%	6,895	36,191	89,970	32,421
SEOUL TOTALS	**10,264,587**	**4.3%**	**16,179**	**14,457**	**903,031**	**38,921**
Pangyo	797,664	3.6%	2,153	26,423	360,739	27,583

Rental rates does not reflect full service asking

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
KCCI Building	CBD	Hanwha I&A	4,250	Relocation
Seoul City Tower	CBD	Lilly Korea	1,230	Relocation
Myeongdong Post Tower	CBD	NICE D&B	1,200	Relocation
Gran Seoul	CBD	BlackRock	320	Relocation
Twin City Namsan	CBD	BYD Korea	600	Expansion
Samsung-dong Building	GBD	Hyundai AutoEver	2,040	Relocation
Centerfield	GBD	Analog Devices	980	Relocation
Centerfield	GBD	Rolex Korea	510	Relocation
Gangnam Finance Center	GBD	Intellectual Discovery	690	Relocation
Lotte World Tower	GBD	Supercent	2,030	Relocation
One Sentinel	YBD	NH Nonghyup Capital	4,280	Relocation
FKI Tower	YBD	Hyundai Asset Management	510	Expansion
Two IFC	YBD	Galaxy Corporation	790	Relocation
IM Securities Building	YBD	Brisk & Young Associates	280	Relocation

Grade A buildings only; based on contract date and leasable area

KEY PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SQM	COMPLETION YEAR
G1 Seoul (Gongpyeong 15·16)	CBD	143,400	2026
Rene Square (Euljiro 3-ga 6)	CBD	60,400	2026
Eul Tower (Euljiro 3-ga 12)	CBD	44,900	2026

Grade A buildings only

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