

MARKET FUNDAMENTALS

	YOY Chg	Outlook
14.3% Vacancy Rate	▼	▼
1.5% Retail Sales Growth	▲	—
110.1 Consumer Composite Sentiment Index (CCSI)	▲	—

ECONOMIC INDICATORS

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

Source: Korean Statistical Information Service,
Bank Of Korea

ECONOMY

The Consumer Sentiment Index (CCSI) fell to 110.1 in September 2025, down 1.3p, descending after rising for five consecutive months. While consumer sentiment remains optimistic, the drop reflects uncertainties around the economy and employment. Inflation was at 2.1%, showing a stable trend. Price growth in agricultural products slowed, while petroleum and processed foods saw larger increases. Private consumption rose in both goods and services, but construction investment remained sluggish. Exports expanded, led by semiconductors and automobiles, marking an eighth consecutive monthly trade surplus.

SEOUL VACANCY RATES FALL ON TOURISM AND BRAND EXPANSION

The citywide high street vacancy rate stood at 14.3% in Q3 2025, dropping 0.9 pp q-o-q and 0.8 pp y-o-y. Major retail districts showed a trend of recovery, driven by economic optimism and combined with aggressive offline expansion strategies by large brands. Foreign tourist arrival numbers, strengthening to near pre-pandemic levels, further boosted vitality with tourism consumption expanding beyond Myeongdong to areas such as Seongsu and Hannam-Itaewon.

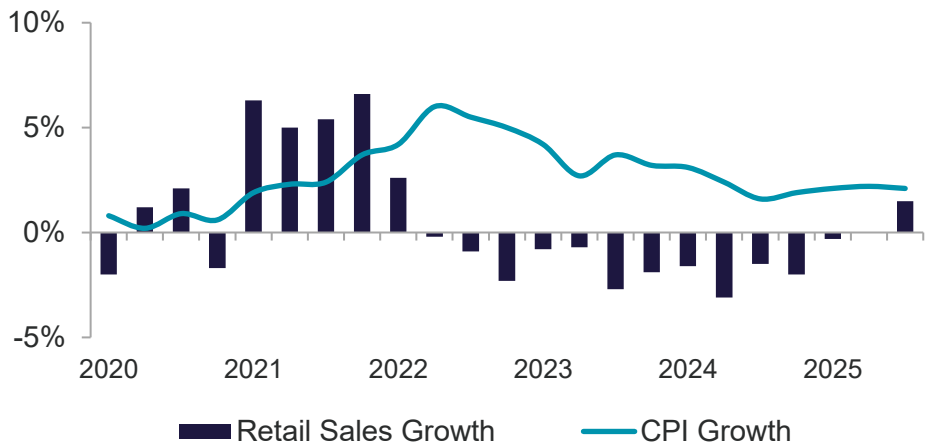
The most dramatic vacancy rate shift was seen in Gangnam, falling 5.1 pp q-o-q to 13.8%. Gangnam's post-COVID recovery had been relatively slow compared to other key districts, but vacancies have now been rapidly resolved with large tenants such as Musinsa and Oliveyoung moving in. Major brands appear to be returning to Gangnam-daero, supported by its abundant floating population.

Hannam-Itaewon continues to face limited space availability despite high demand for new entries. With global brands such as Alo and Adidas (pop-up) opening new stores, the vacancy rate dropped to 7.6%. With On Running also scheduled to enter the area, competition to secure scarce space is intensifying.

Seongsu is undergoing a distinct qualitative shift, where spaces previously focused on pop-ups are now being filled with flagship stores. Following established high-sensitivity K-fashion and K-beauty brands, global giants such as The North Face and H&M are entering Yeonmujang-gil, further solidifying the district's standing.

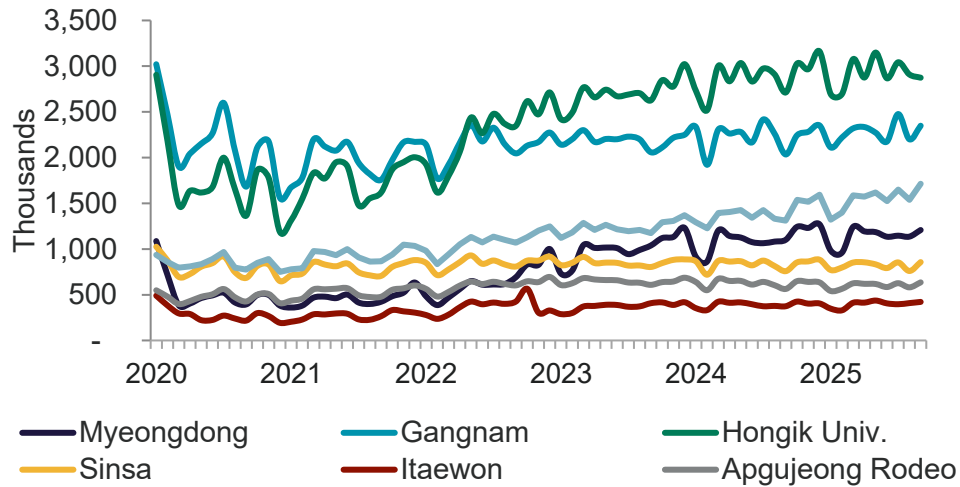
Myeongdong and Cheongdam remained stable with vacancy rates of 4.9% and 11.9% respectively, while Hongdae saw a slight rise due to tenant departures. Garosu-gil is seeing high vacancy rates become fixed, highlighting a clear polarization among districts.

RETAIL SALES GROWTH & CPI GROWTH



Source: Korean Statistical Information Service

FOOT TRAFFIC FROM SUBWAY EXITS

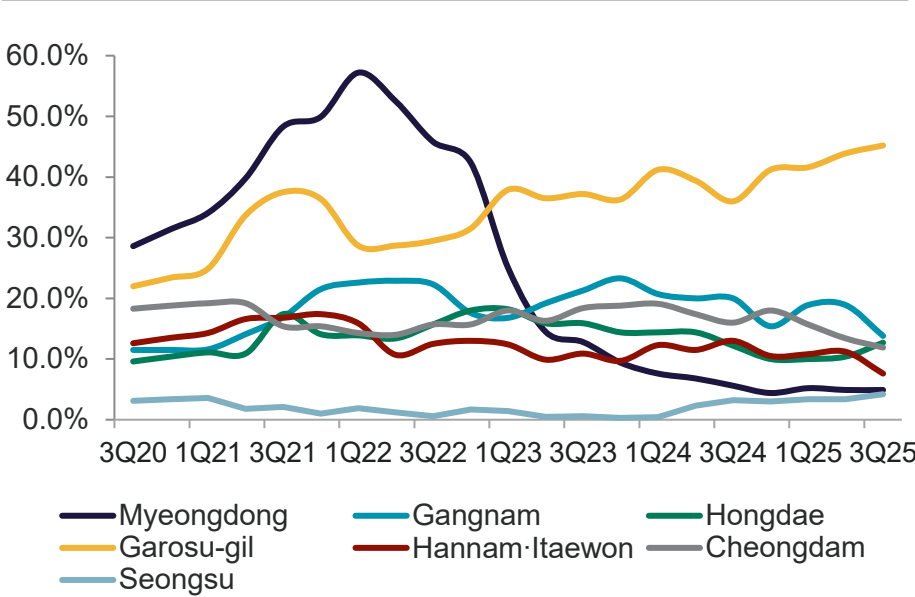


Source: Seoul Metropolitan Government

MARKET STATISTICS

SUBMARKET	Q3 2025 VACANCY RATE	Q2 2025 VACANCY RATE	% POINT CHANGE QOQ	Q3 2024 VACANCY RATE	% POINT CHANGE YOY
Myeongdong	4.9%	4.9%	0.0%	5.6%	-0.8%
Gangnam	13.8%	18.9%	-5.1%	20.0%	-6.2%
Hongdae	12.7%	10.4%	2.2%	12.2%	0.4%
Garosu-gil	45.2%	43.9%	1.4%	36.0%	9.3%
Hannam-Itaewon	7.6%	11.2%	-3.6%	13.0%	-5.3%
Cheongdam	11.9%	13.4%	-1.5%	16.0%	-4.1%
Seongsu	4.2%	3.4%	0.8%	3.2%	1.0%
TOTALS	14.3%	15.2%	-0.8%	15.1%	-0.8%

HIGH STREET VACANCY RATE



KEY LEASE TRANSACTIONS / NEW FLAGSHIPS Q3 2025

PROPERTY TYPE	SUBMARKET	TENANT	ESTIMATED SQM	CATEGORY	STATUS
High Street	Myeongdong	Chicor	570	Beauty	Scheduled
High Street	Gangnam	Olive Young	1,160	Beauty	Newly-opened
High Street	Gangnam	Daiso	1,600	Lifestyle	Newly-opened
High Street	Hongdae	Musinsa Standard (expansion)	1,980	Fashion	Newly-opened
High Street	Hannam-Itaewon	Mosaic	800	Fashion	Newly-opened
High Street	Hannam-Itaewon	On Running	900	Sports	Scheduled
High Street	Cheongdam	Time	1,860	Fashion	Newly-opened
High Street	Seongsu	H&M	850	Fashion	Newly-opened
High Street	Seongsu	T Factory	2,150	Lifestyle	Newly-opened
High Street	Dosan Park	Kream	620	Fashion	Newly-opened
High Street	Yongsan	Musinsa Megastore	2,900	Fashion	Scheduled

KEY CONSTRUCTION COMPLETIONS / UNDER CONSTRUCTION

PROPERTY	LOCATION	SQM	COMPLETION YEAR
Starfield Village Unjeong	Paju	92,000	2025
Lotte Time Villas Songdo	Incheon	285,000	2027

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