

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>8.8%</b> Vacancy Rate	▼	■
<b>3.3%</b> Retail Sales Growth	▲	■
<b>107.0</b> Consumer Composite Sentiment Index (CCSI)	▲	▼

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>1.6%</b> GDP Growth	▲	■
<b>2.2%</b> CPI Growth	▲	▲
<b>3.5%</b> Unemployment Rate	▲	▼

Source: Korean Statistical Information Service, Bank Of Korea

**ECONOMY**

The Composite Consumer Sentiment Index (CCSI) fell 5.1p to 107.0 in March 2026, reversing the upward trend seen in January and February. The decline is attributed to higher global oil prices driven by the prolonged Middle East conflict. Inflation stood at 2.2% in March, as petroleum price increases were partially offset by falling agricultural, livestock, and fisheries prices. Driven by solid semiconductor exports, South Korea's economy is now projected to grow strongly through 2026, though geopolitical risks remain a key downside variable.

**SEOUL HIGH STREETS STABLE AMID RECORD TOURIST ARRIVALS**

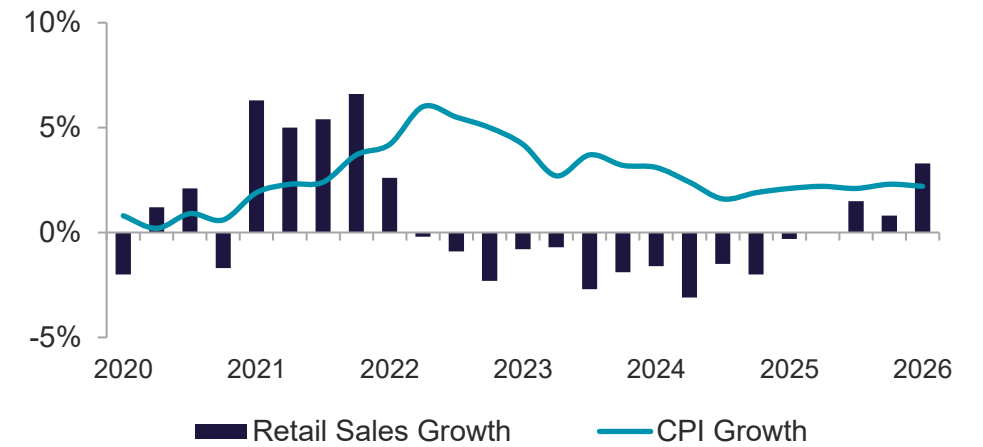
The overall Seoul high street vacancy rate stood at 8.8% in Q1 2026, edging up 0.3 pp q-o-q but falling 1.9 pp y-o-y. Foreign tourist arrivals reached approximately 4.76 million in Q1, a new quarterly record, generating sustained vitality across key retail districts.

Myeongdong submarket's vacancy rate held flat q-o-q, remaining near saturation, while its tenant mix has undergone a notable shift. Pharmacy openings have replaced cosmetics stores. According to the Korea Tourism Organization, pharmacies accounted for 68% of all medical-related spending by foreign visitors in March 2026. Fueled by cosmeceutical word-of-mouth through K-content and social media, "pharmacy shopping" has become a staple of the Korean travel itinerary. Myeongdong pharmacies are evolving into distinctive shopping destinations through multilingual assistance, tax refund services, and drugstore-style merchandising.

Gangnam's vacancy rate rose from 11.3% to 13.6% amid a few tenant departures, while Zara commenced renovation works ahead of its flagship store reopening later this year. Hongdae district vacancy remained flat at 10.4%, while Hannam-Itaewon edged down 0.4 pp to 7.6%, holding firmly in single digits. Fashion brand activity continued through the quarter, with Massimo Dutti set to open a new store in Hannam-Itaewon.

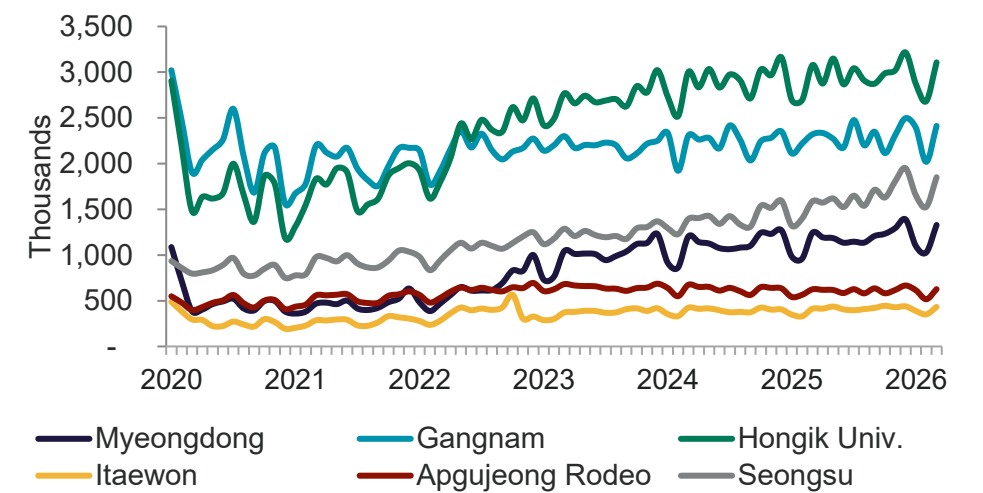
Cheongdam submarket vacancy fell to 11.9% from 13.4%, with global brand opening preparations continuing. Seongsu rose 1.2 pp to 3.7%, attributed to new tenant preparations and spatial reconfiguration. Seongsu continues to hold the lowest vacancy rate among the six districts, with its retail catchment expanding into side street areas. Fashion and beauty brand Musinsa opened an 8,260 sqm Seongsu megastore in Q1, further strengthening the district's draw.

**RETAIL SALES GROWTH & CPI GROWTH**



Source: Korean Statistical Information Service

**FOOT TRAFFIC FROM SUBWAY EXITS**

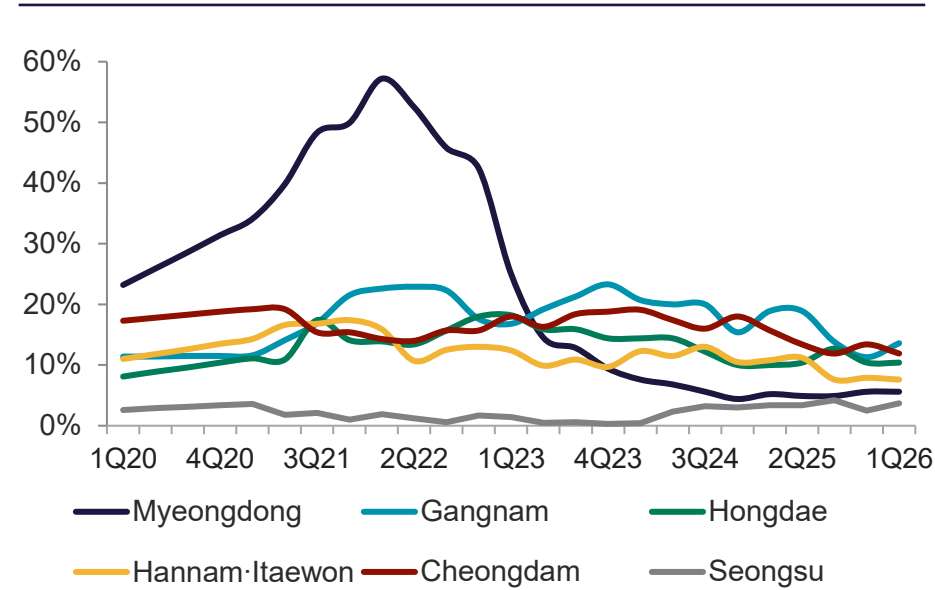


Source: Seoul Metropolitan Government

MARKET STATISTICS

SUBMARKET	Q1 2026 VACANCY RATE	Q4 2025 VACANCY RATE	% POINT CHANGE QOQ	Q1 2025 VACANCY RATE	% POINT CHANGE YOY
Myeongdong	5.6%	5.6%	0.0%	5.2%	0.4%
Gangnam	13.6%	11.3%	2.3%	18.9%	-5.3%
Hongdae	10.4%	10.4%	0.0%	10.0%	0.4%
Hannam-Itaewon	7.6%	7.9%	-0.4%	10.8%	-3.2%
Cheongdam	11.9%	13.4%	-1.5%	15.7%	-3.8%
Seongsu	3.7%	2.5%	1.2%	3.4%	0.3%
<b>TOTALS</b>	<b>8.8%</b>	<b>8.5%</b>	<b>0.3%</b>	<b>10.7%</b>	<b>-1.9%</b>

HIGH STREET VACANCY RATE



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KEY LEASE TRANSACTIONS / NEW FLAGSHIPS Q1 2026

PROPERTY TYPE	SUBMARKET	TENANT	ESTIMATED SQM	CATEGORY	STATUS
High Street	Myeongdong	Olive Young	3,170	Beauty	Newly-opened
High Street	Myeongdong	Uniqlo	3,260	Fashion	Scheduled
High Street	Myeongdong	Ready Young Pharmacy	400	Medical	Newly-opened
High Street	Gangnam	Zara	4,280	Fashion	Scheduled
High Street	Gangnam	Chagee	270	F&B	Newly-opened
High Street	Hongdae	Stand Oil	500	Fashion	Newly-opened
High Street	Hannam-Itaewon	Marieclaire	110	Fashion	Newly-opened
High Street	Hannam-Itaewon	Birkenstock (Pop-up Store)	170	Fashion	Newly-opened
High Street	Seongsu	Musinsa Megestore	8,260	Fashion	Newly-opened
High Street	Seongsu	ABC Mart	500	Fashion	Newly-opened
High Street	Dosan Park	ORR	300	F&B	Newly-opened

KEY CONSTRUCTION COMPLETIONS / UNDER CONSTRUCTION

PROPERTY	LOCATION	SQM	COMPLETION YEAR
Sindorim D-cube City (remodeling)	Seoul	TBD	2027
Starfield Cheongna	Incheon	510,000	2028

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