MARKETBEAT

SEOUL

RETAIL Q3 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.1% Vacancy Rate	▼	–
-0.5% Retail Sales Growth	▼	▲
106.6 Consumer Composite Sentiment Index (CCSI)	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
3.7% GDP Growth	▲	–
2.9% CPI Growth	▲	–
2.0% Unemployment Rate	▼	▼

Source: Korean Statistical Information Service, Bank Of Korea

ECONOMY

The Composite Consumer Sentiment Index (CCSI) rose 2.1p to 106.6 in September 2026, rebounding after a one-month decline, on strong semiconductor exports. Inflation eased from 3.1% to 2.9% but stayed high, with petroleum prices up 14.8%. September exports hit a record high, while Q3 private consumption fell, demonstrating a gap between exports and domestic demand. Led by semiconductors, full-year GDP growth is expected to exceed the mid-3% range.

SEOUL VACANCY ENTERS 7% RANGE ON TOURISTS AND FLAGSHIPS

The overall Seoul high street vacancy rate fell 1.4 pp q-o-q to stand at 7.1% in Q3 2026. As foreign tourists continued to drive activity, vacancy entered the 7% range. Korea Tourism Organization data shows that Q3 arrivals reached approximately 6.4 million, with full-year arrivals expected to hit a record 20 million.

Myeongdong submarket's vacancy rate fell to 3.9%, close to full occupation. New demand in Q3 was met by rotating existing stores. Salomon relocated to the former Eider space, while Wilson took Salomon's former space. Musinsa Standard added a Myeongdong Central store to its existing Myeongdong space. Large pharmacies continued to open, reinforcing the shift to a tourist-focused tenant mix.

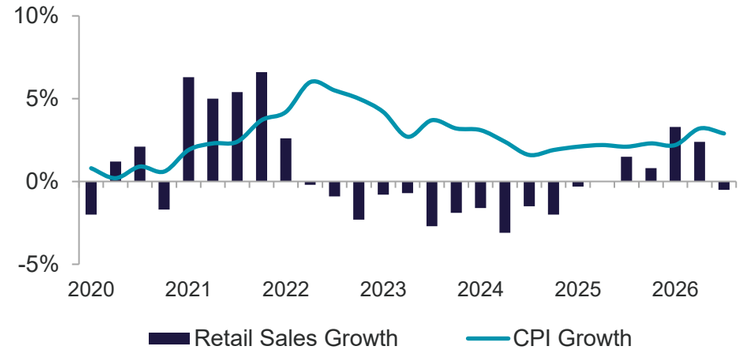
Gangnam's vacancy rate dropped sharply by 4.3 pp q-o-q, from 12.8% to 8.5%. Several large flagships opened along Gangnam-daero, including Zara and Decathlon. Casual F&B brand Chipotle, which drew attention by choosing Gangnam for its first Asia location, also officially opened this quarter.

The Cheongdam submarket vacancy rate declined q-o-q from 11.9% to 9.4%, entering single digits. Rocca, a luxury watch multi-brand store of the Damiani Group, opened its first Korean store, and Rolex and Tiffany & Co. flagships are reportedly opening soon. As global high-end flagships continue to enter, Cheongdam's status as an ultra-luxury retail hub is expected to strengthen further.

Seongsu's vacancy rate was 3.7%, the lowest among the six districts, with Dunst and Olive Better, among the new openings. Large cosmetics-focused pharmacies targeting tourists also opened in succession, indicating that the large pharmacy trend seen in Myeongdong is expanding to Seongsu.

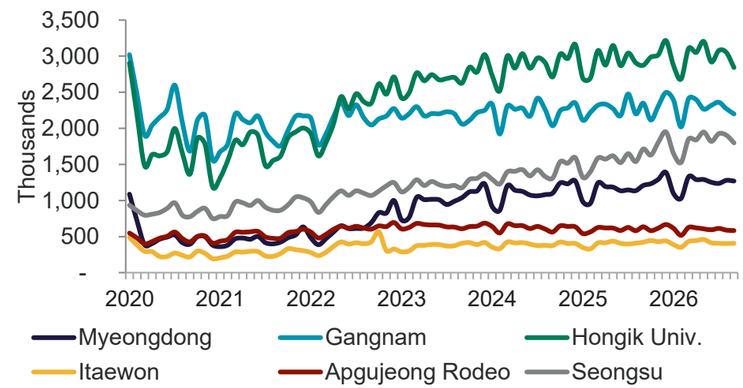
Hongdae's vacancy rate fell from 10.4% to 8.7% q-o-q. Musinsa Beauty opened its first standalone offline store. Hannam·Itaewon's vacancy rate rose 1.5 pp q-o-q to 8.5%. New openings such as The Banet and W Concept continued, but some store closures during a brand reshuffle appear to have temporarily increased vacancy.

RETAIL SALES GROWTH & CPI GROWTH



Source: Korean Statistical Information Service

FOOT TRAFFIC FROM SUBWAY EXITS



Source: Seoul Metropolitan Government

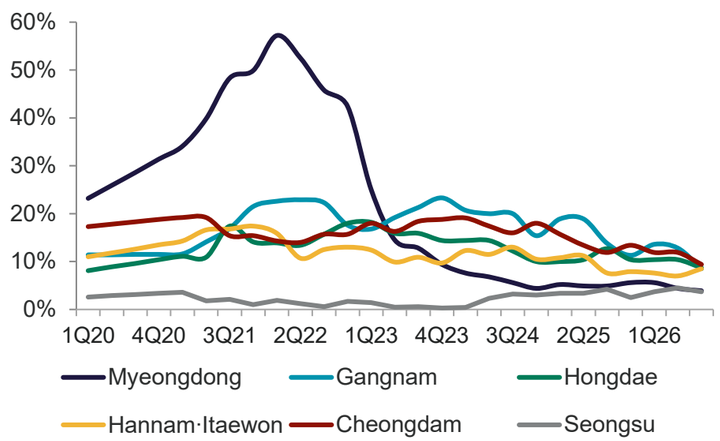
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SEOUL
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MARKET STATISTICS

SUBMARKET	Q3 2026 VACANCY RATE	Q2 2026 VACANCY RATE	% POINT CHANGE QOQ	Q3 2025 VACANCY RATE	% POINT CHANGE YOY
Myeongdong	3.9%	4.4%	-0.5%	4.9%	-1.0%
Gangnam	8.5%	12.8%	-4.3%	13.8%	-5.3%
Hongdae	8.7%	10.4%	-1.8%	12.7%	-4.0%
Hannam·Itaewon	8.5%	7.0%	1.5%	7.6%	0.9%
Cheongdam	9.4%	11.9%	-2.5%	11.9%	-2.5%
Seongsu	3.7%	4.5%	-0.8%	4.2%	-0.5%
TOTALS	**7.1%**	**8.5%**	**-1.4%**	**9.2%**	**-2.1%**

HIGH STREET VACANCY RATE



KEY LEASE TRANSACTIONS / NEW FLAGSHIPS Q3 2026

PROPERTY TYPE	SUBMARKET	TENANT	ESTIMATED SQM	CATEGORY	STATUS
High Street	Myeongdong	Musinsa Standard	1,650	Fashion	Newly-opened
High Street	Hongdae	Musinsa Beauty	1,260	Beauty	Newly-opened
High Street	Hannam·Itaewon	W Concept	400	Fashion	Newly-opened
High Street	Cheongdam	Tiffany & Co.	3,860	Luxury	Scheduled
High Street	Cheongdam	Rolex	910	Luxury	Scheduled
High Street	Seongsu	Olive Better	750	Lifestyle	Newly-opened
High Street	Seongsu	Dunst	290	Fashion	Newly-opened
High Street	Dosan Park	Helinox Wear	960	Lifestyle	Newly-opened
High Street	Garosu-gil	Daiso	720	Lifestyle	Newly-opened
High Street	Bukchon	Kodak	310	Fashion	Newly-opened
High Street	Seoul National Univ.	Chagee	130	F&B	Newly-opened

KEY CONSTRUCTION COMPLETIONS / UNDER CONSTRUCTION

PROPERTY	LOCATION	SQM	COMPLETION YEAR
Lottemall Cheongnyangni	Seoul	18,000	2026
Sindorim D-cube City (remodeling)	Seoul	26,000	2027
Starfield Cheongna	Incheon	510,000	2028

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