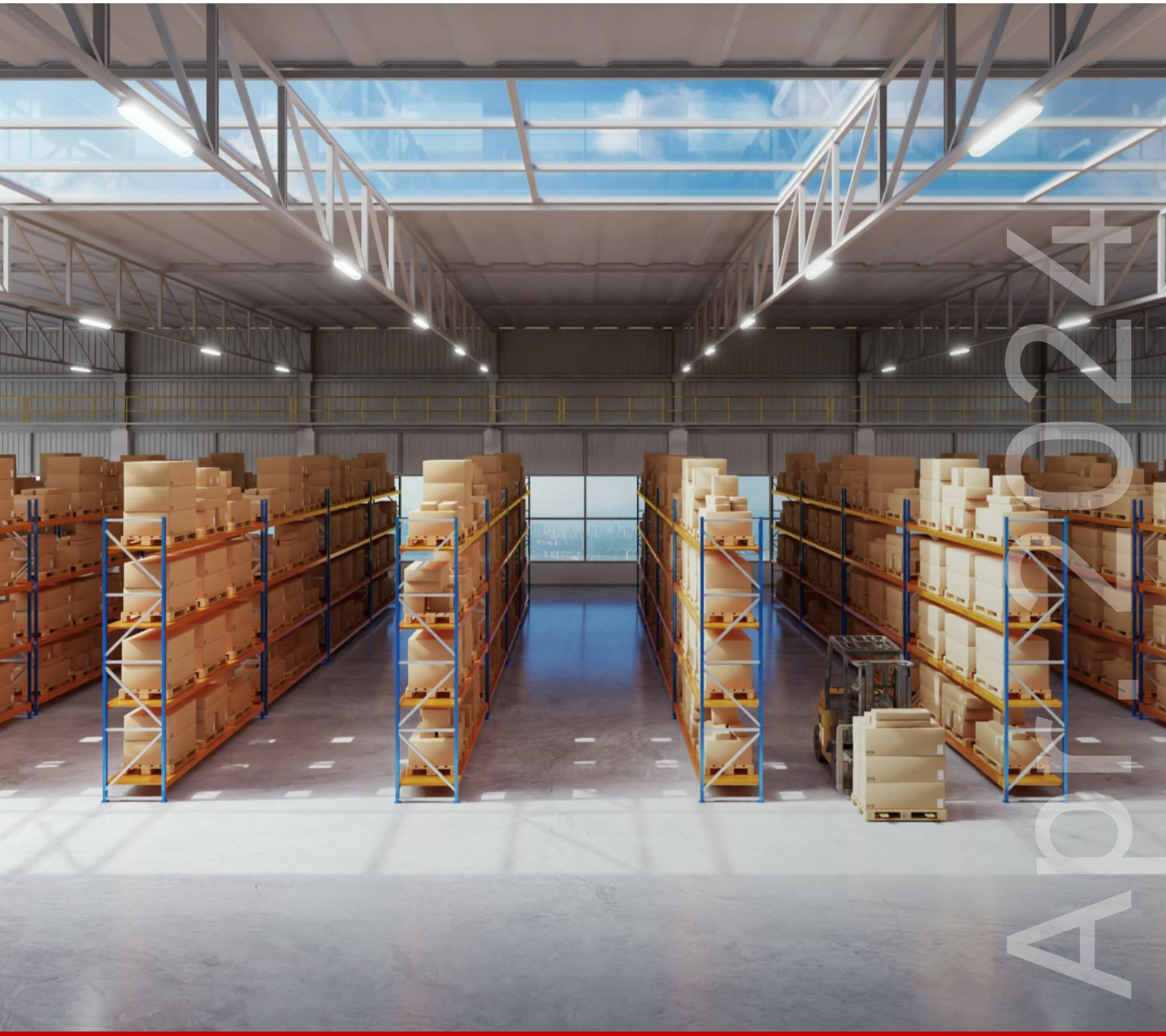
물류 부동산 시리즈 리포트
지역별 물류센터 임차인 분석

Logistics Tenant Profile

Goyang·Paju



CUSHMAN & WAKEFIELD

Three Kingdoms distribution battle for Han river Goyang·Paju

Goguryeo, Baekje, and Silla fiercely competed for control of the Korean Peninsula, and Silla unified the Three Kingdoms after conquering the Han River basin.

Many distribution and logistics companies are considering building logistics bases in Goyang and Paju for the unification of the e-commerce distribution market.

Those who seize Goyang and Paju can unify Seoul and Korean distribution market.

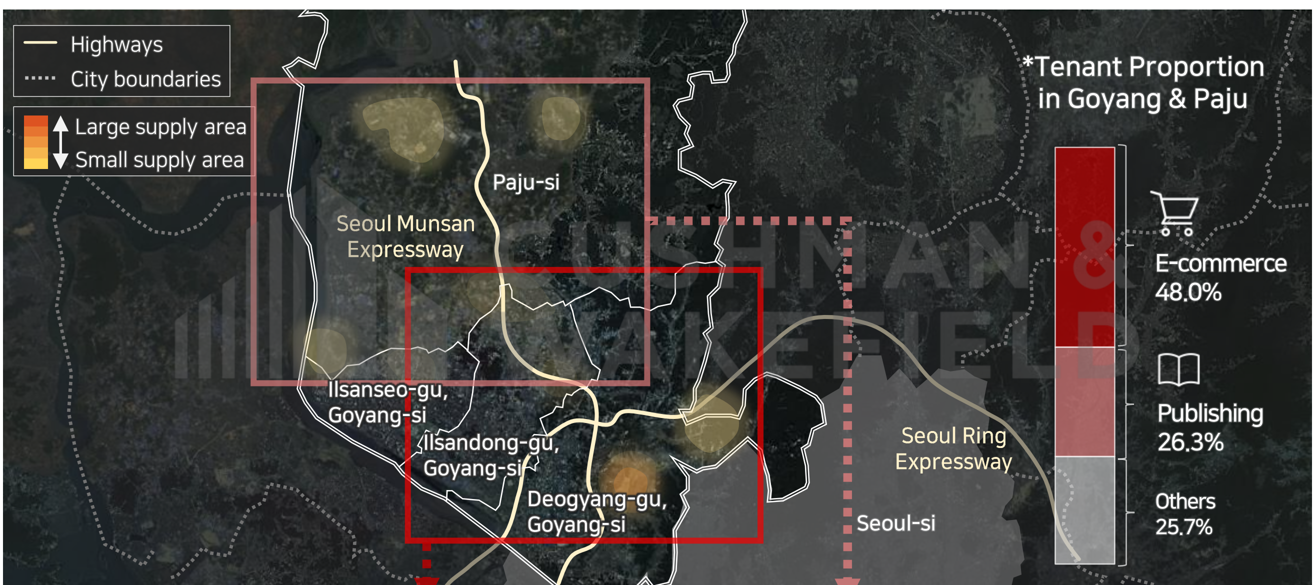
How will Goyang and Paju change?

The home of e-commerce and publishing logistics

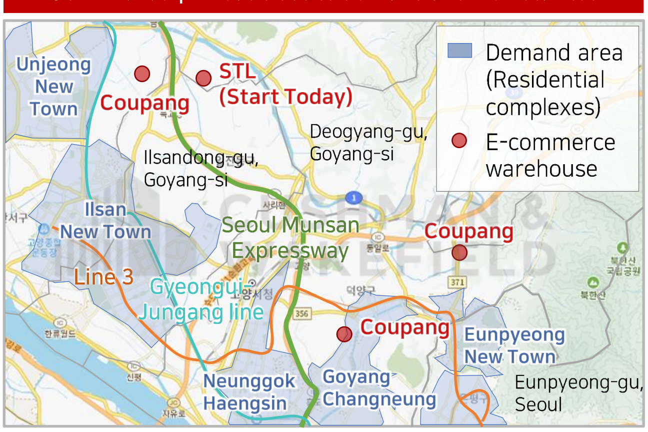
A. Supply Status of Logistics Centers

- Goyang-Paju has **excellent access to the SMA**, as well as **large-scale residential areas** (Ilsan New Town, Unjeong New Town, etc.) and convenient public transportation, making it **easy to supply manpower**. Due to these advantages, **e-commerce companies are choosing it as a logistics hub, especially in Goyang City**, which is close to Seoul, **and along the Seoul Munsan Expressway**, which is easily accessible to Seoul.
- In addition, **publishing companies and printing houses are concentrated around Paju Book City, making the publishing industry occupy the second-largest logistics area in Goyang and Paju.** Major players such as Kyobo Book Centre, Aladin, and Booxen are located within a 20km radius of the Paju Book City.

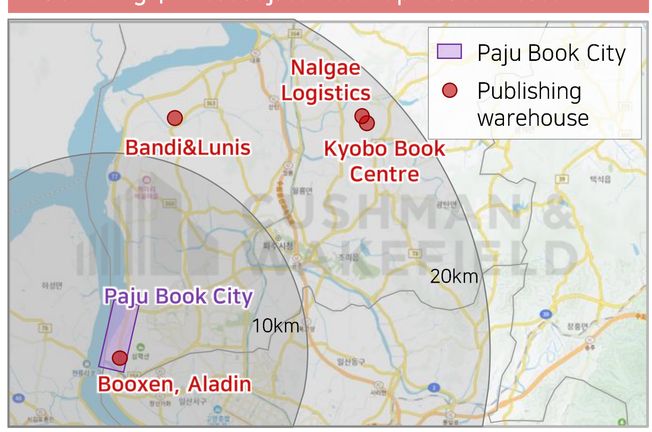
Analysis of logistics center situation



E-Commerce | Areas close to demand and well-staffted



Publishing | Areas adjacent to the production base



Note1: Scale of 5,000 py+ in Goyang and Paju, as of March 2024

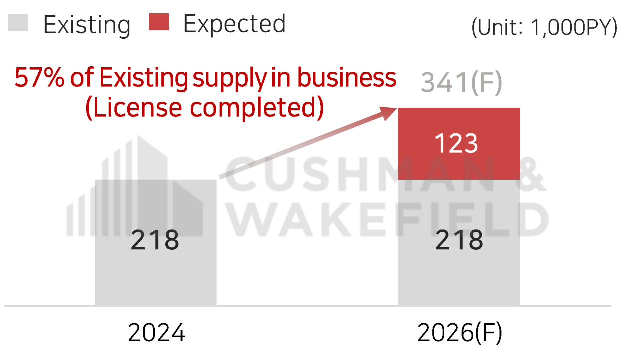
Source: C&W Research

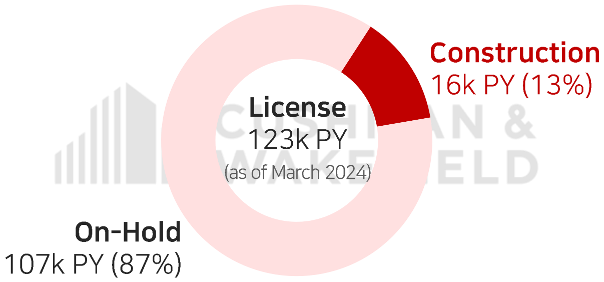
The home of e-commerce and publishing logistics

A. Supply Status of Logistics Centers

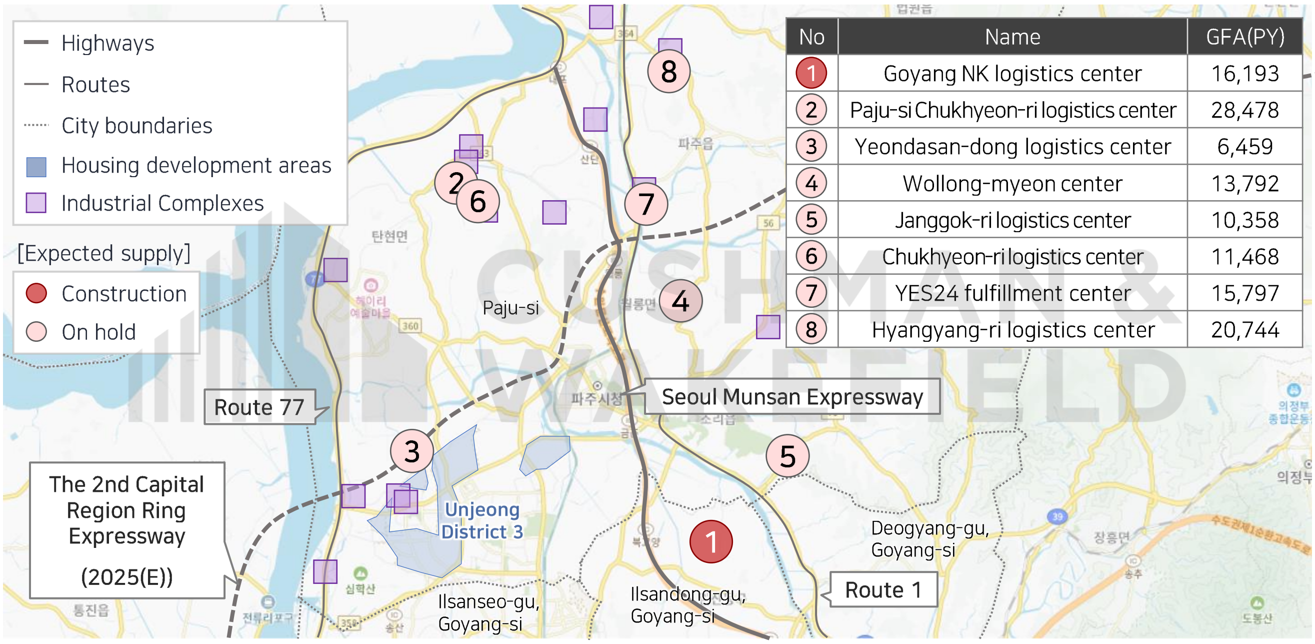
- It is planned to supply a large-scale logistics center of 123,000py by 2026, but **due to the deteriorating investment environment, only about 13% of construction has begun**, and construction that has not started appears to bump into a completion delay or project cancellation. Therefore, **supply is likely to decrease than expected sharply.**
- **The expected logistics centers in Goyang and Paju will be located along major transportation networks** such as the Seoul Munsan Expressway, The 2nd Capital Region Ring Expressway(E), and Route 1. They are expected to absorb e-commerce demand from housing development areas and nearby industrial complexes.

New supplies[2]





Major new supplies



No	Name	GFA(PY)
1	Goyang NK logistics center	16,193
2	Paju-si Chukhyeon-ri logistics center	28,478
3	Yeondasan-dong logistics center	6,459
4	Wollong-myeon center	13,792
5	Janggok-ri logistics center	10,358
6	Chukhyeon-ri logistics center	11,468
7	YES24 fulfillment center	15,797
8	Hyangyang-ri logistics center	20,744

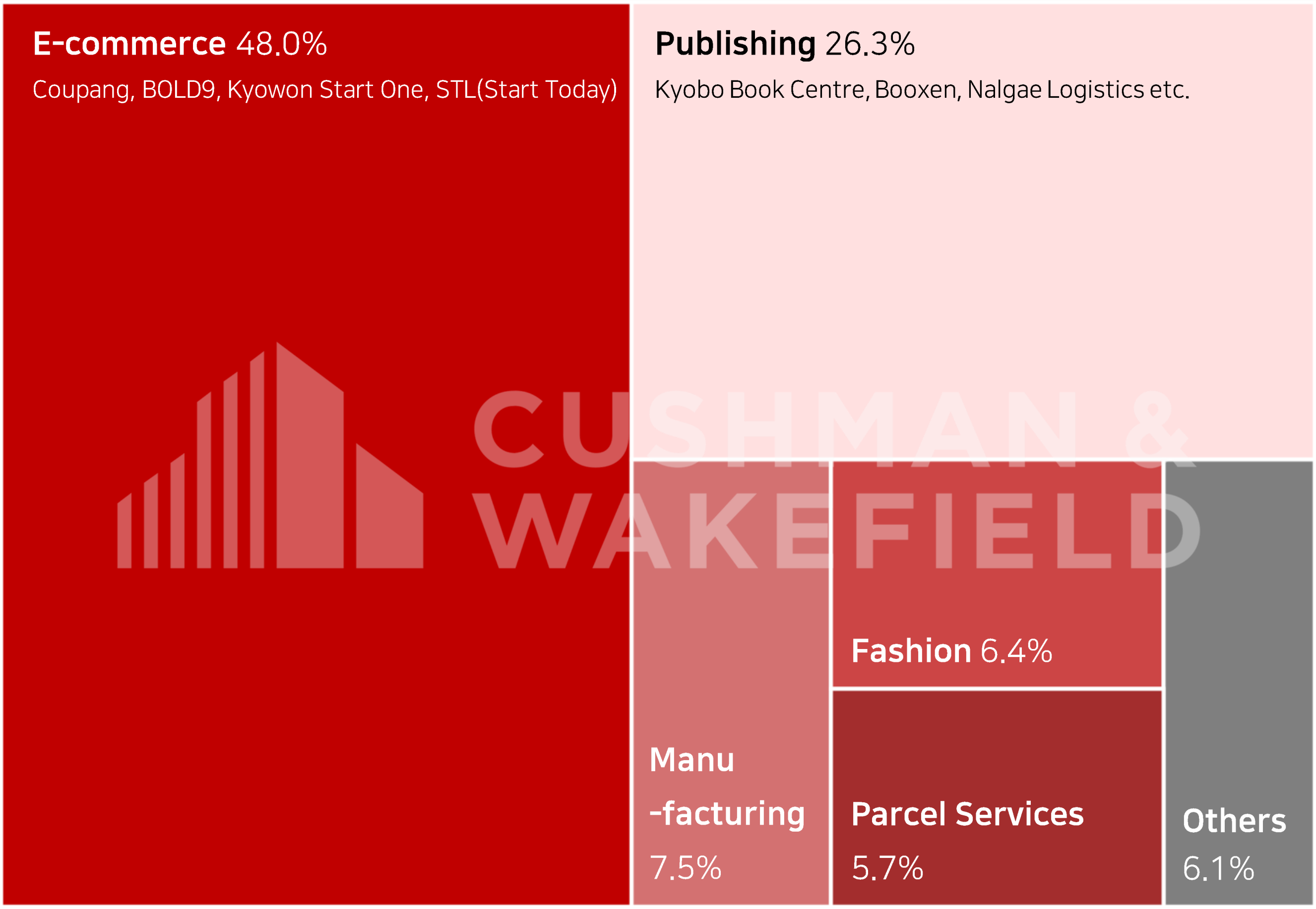
Note2: Scale of 5,000 py+ in Goyang and Paju, as of March 2024
Source: C&W Research

Who is the primary tenant?

B. Tenant industry sector proportions (by GFA)

- E-commerce companies occupy the most space (about 48.0%), followed by publishing, manufacturing, fashion, and parcel services.
- Coupang's delivery bases, which are responsible for the quick delivery of the metropolitan area population, and BOLD9, Kyowon Start One's fulfillment centers, which provide seamless logistics services for e-commerce sellers, are located here. In addition, publication logistics centers such as Kyobo Book Centre and Booxen have been running around the Paju Book City. Also, logistics bases of manufacturing companies such as Samsung Electronics and Hyundai Mobis are located.

Tenant proportion[3]



Note3: Scale of 5,000 py+ in Goyang and Paju, as of March 2024

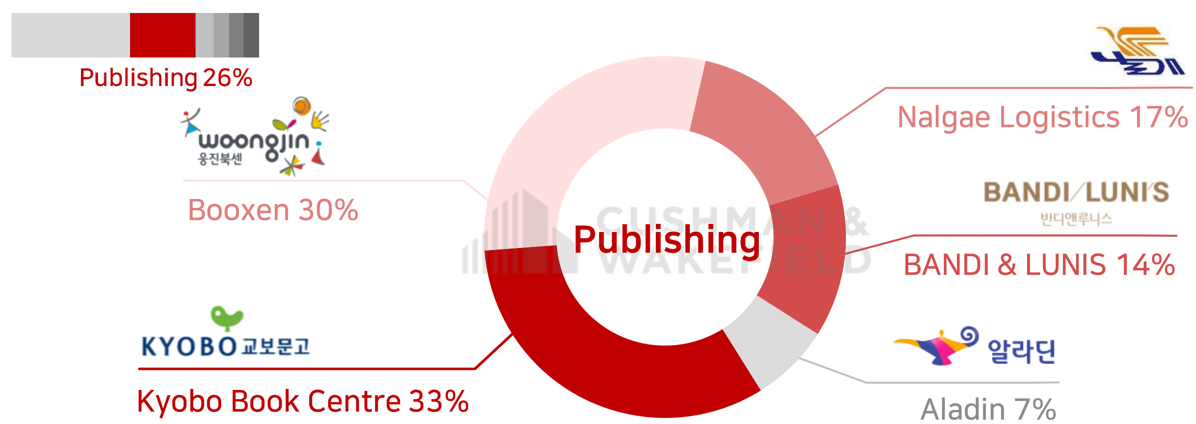
Source: C&W Research

Who is the primary tenant?

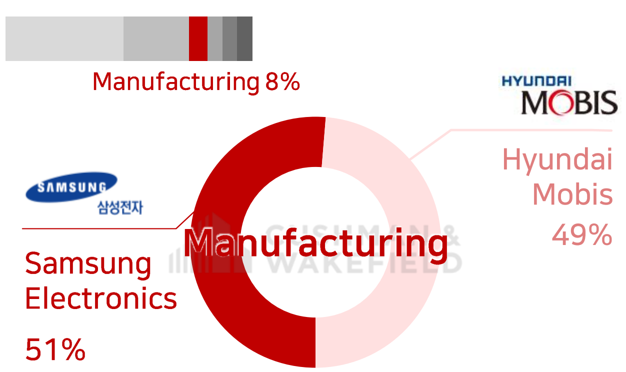
B. Tenant industry sector proportions (by GFA)

Proportion of e-commerce companies

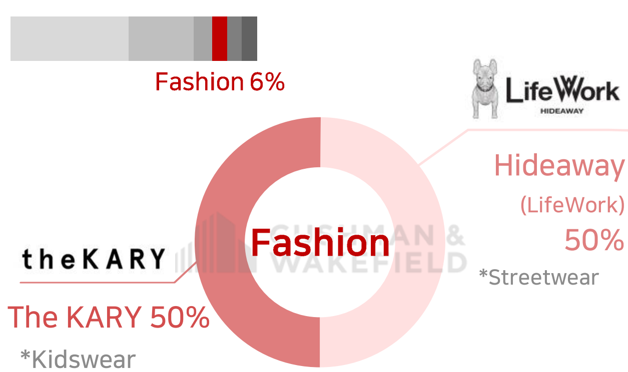
Proportion of publishing companies



Proportion of manufacturing companies



Proportion of fashion companies



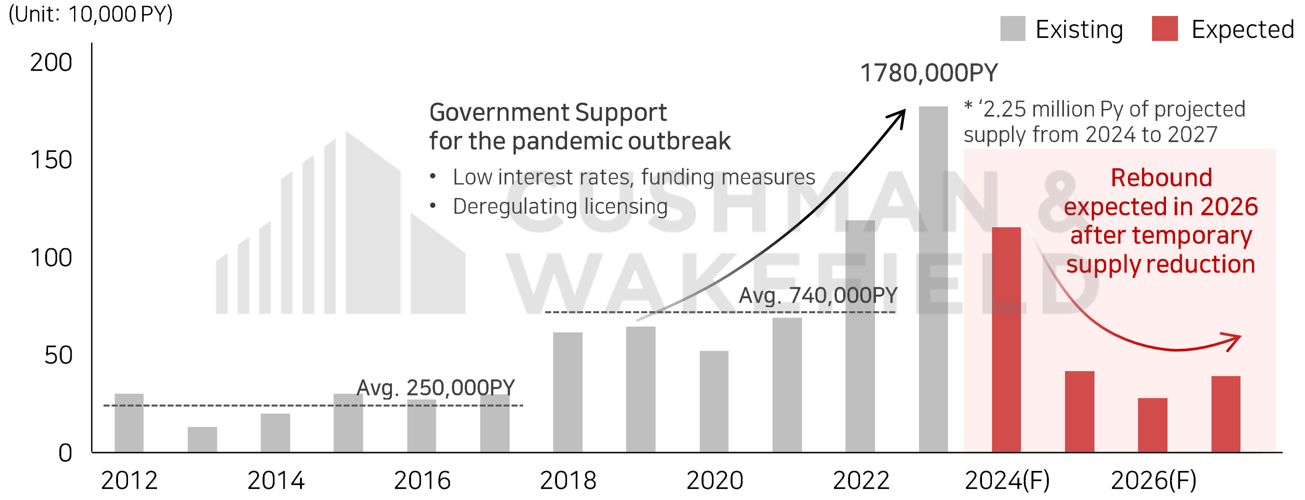
Source: C&W Research

When will the warehouse oversupply end?

C. Warehouse Supply vs. Demand Forecast

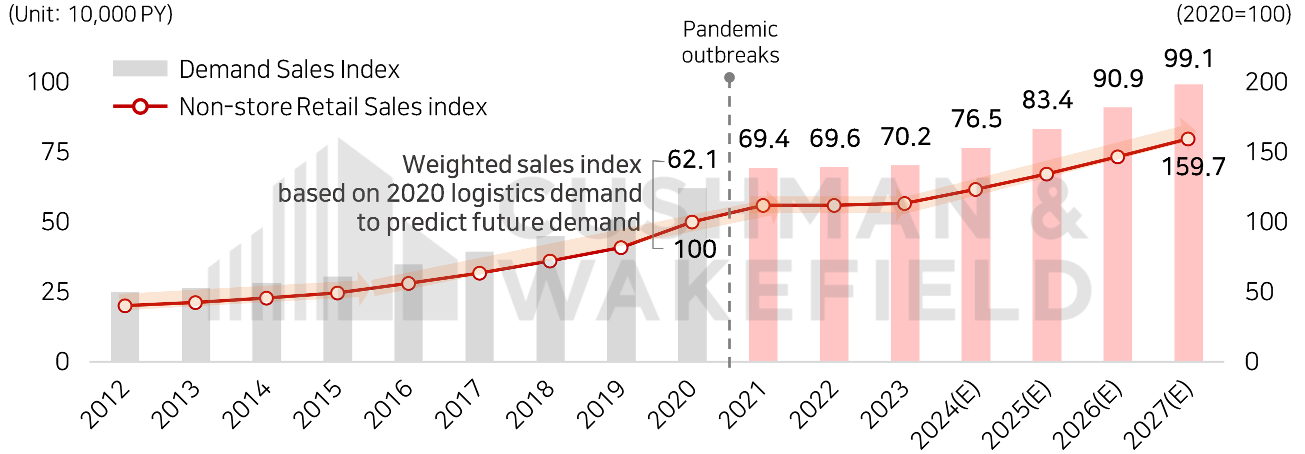
- The new supply of warehousing centers has exploded in the last two to three years, driven by low-interest rates and funding measures to stimulate the economy. However, **supply is expected to decline from 2024 onwards** as rising interest rates and construction costs put pressure on new business development, **and is expected to pick up again after 2026**.
- Meanwhile, **the demand for e-commerce logistics is expected to continue to grow, reaching about 1 million PY in 2027**.

Supply forecast for metropolitan distribution centers[4]



Note4 : Scale of 5,000 py+ in SMA; for 2024(F)~2025(F), reflecting only actual construction by 2023; for 2026(F)~2027(F), estimates for on-hold projects after license approval by 2023, assuming 30% completion in areas near the city center(Gimpo, Namyangju, Bucheon, Siheung, Gwangju, Yangju, Osan, Uijeongbu, Paju, Pocheon, Hanam, Hwaseong, Incheon) and 10% completion in areas outside the city center (Yongin, Icheon, Anseong, Yeoju, Pyeongtaek)

Demand forecast for metropolitan distribution centers



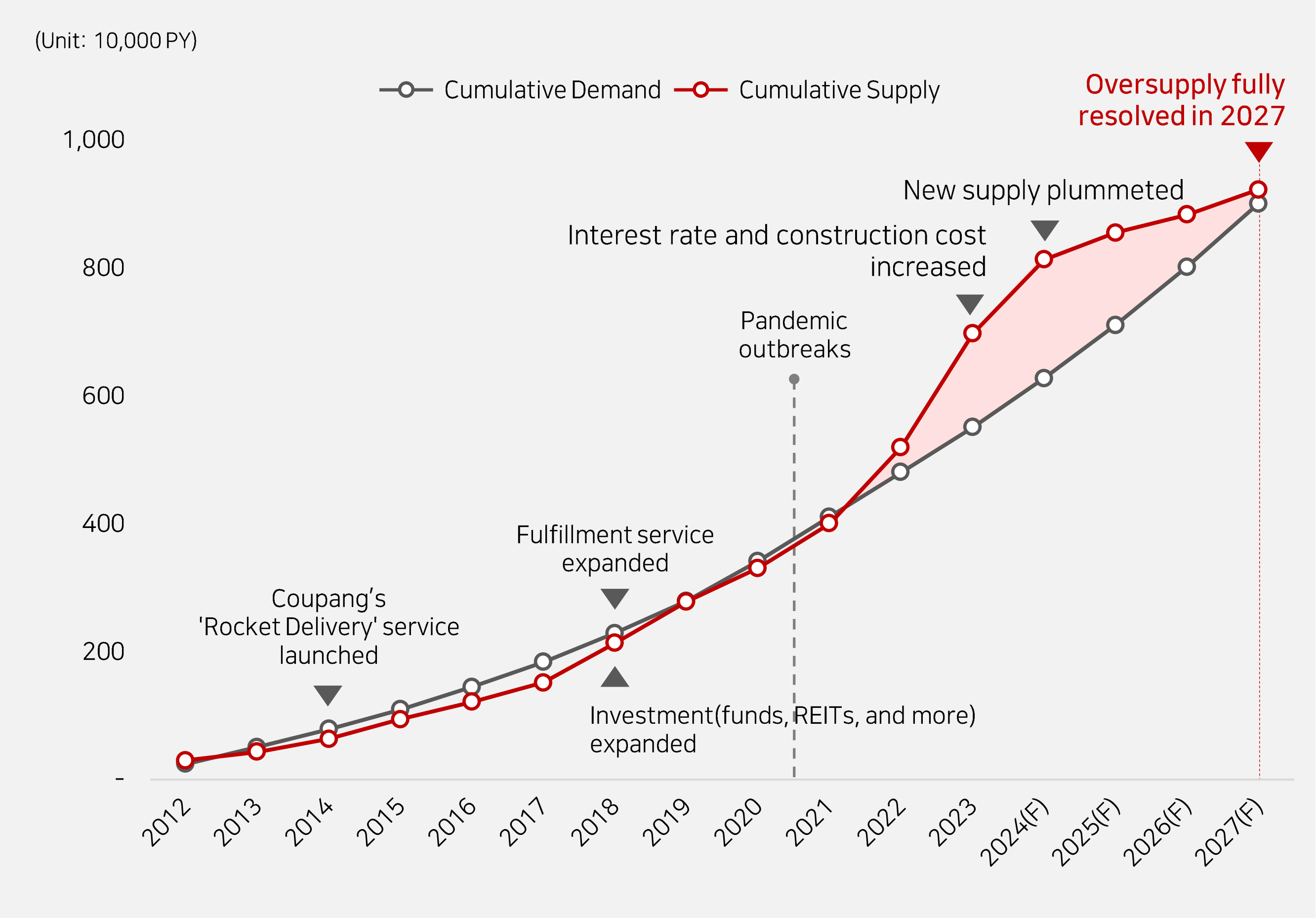
Source: C&W Research

When will the warehouse oversupply end?

C. Warehouse Supply vs. Demand Forecast

- Based on the previously estimated future supply and demand of warehouses, the comparison of cumulative demand and cumulative supply of warehouses shows that there is a gradual oversupply starting in 2021, but **the supply of warehouses will decrease to a peak in 2024, and the oversupply is expected to be eliminated by 2027 as the demand for e-commerce logistics gradually increases.**

Warehouse supply vs. demand



Source: C&W Research

When will the warehouse oversupply end?

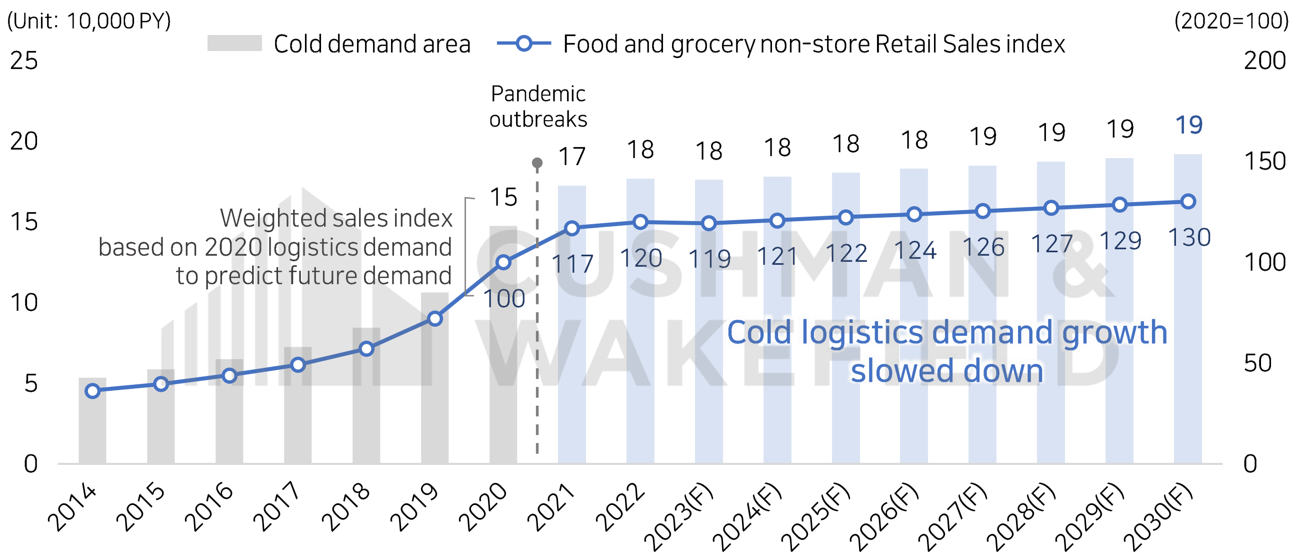
D. Cold Storage Warehouse Supply vs. Demand Outlook

- With the explosive growth of the early-morning delivery market since the launch of Kurly's early-morning delivery service in 2015, **coupled with expectations for growth in the online food distribution market, the number of cold storage centers increased by about 6.3 times over five years**, from 110,000py in 2019 to 690,000py in 2023.
- Many retail, food, and logistics companies have entered the market, but **contrary to expectations, online penetration** of **food and grocery has been slow to grow, resulting in stagnant demand for cold storage centers.**

Cold storage warehouse supply estimation[5]

Note5 : For mixed warehouses scheduled to be completed after 2024, 20% of GFA is assumed to be cold centers.

Cold storage warehouse demand estimation



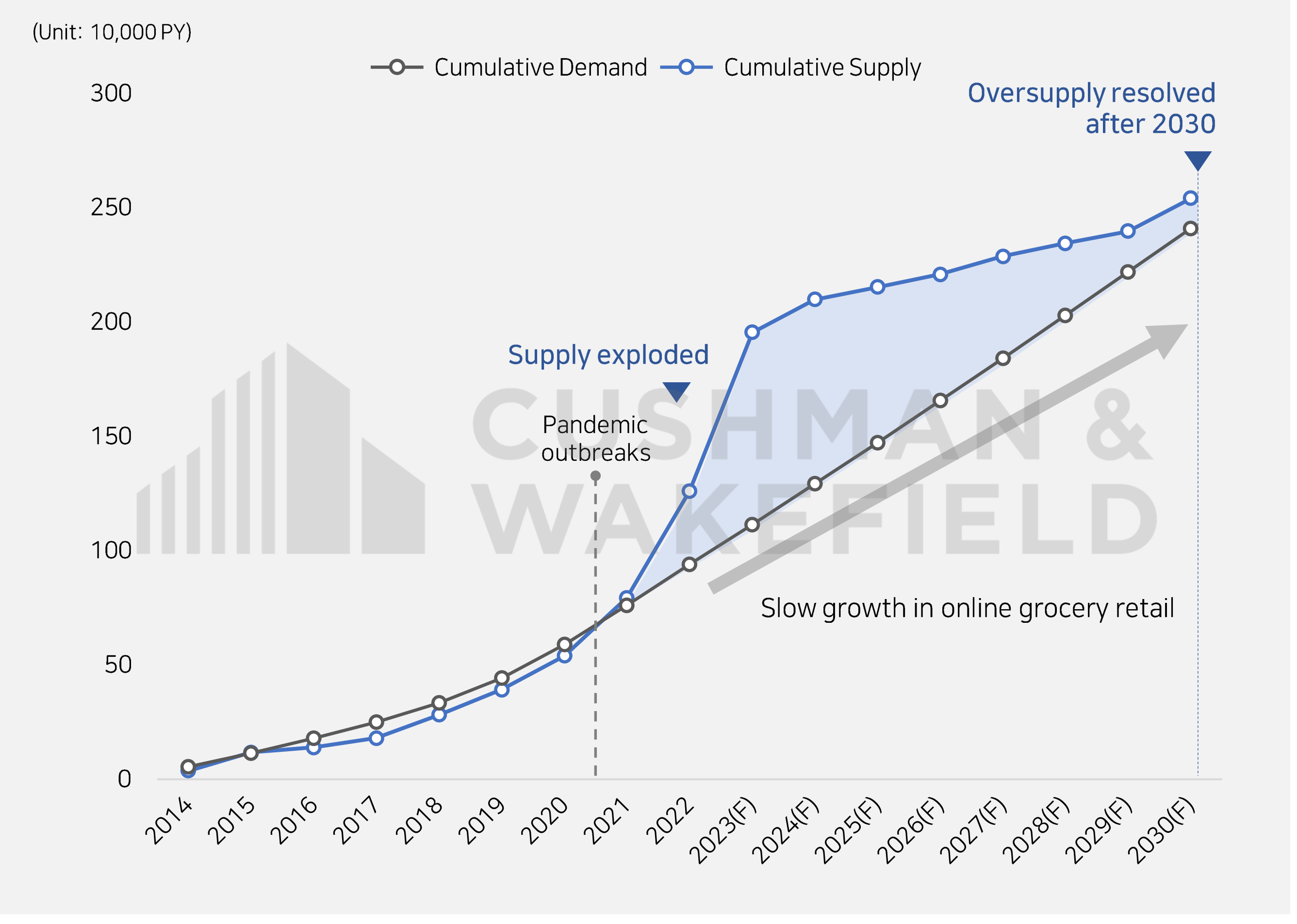
Source: C&W Research

When will the warehouse oversupply end?

D. Cold Storage Warehouse Supply vs. Demand Outlook

- Due to the oversupply of cold storage warehouse and stagnant cold logistics demand, **the oversupply of cold distribution centers is expected to be resolved after 2030**, and it is necessary to consider various countermeasures such as converting cold warehouses to temperature-controlled warehouses and converting them to data centers to resolve long-term vacancies.

Cold storage warehouse supply vs. demand



Source: C&W Research

The acute oversupply will lead to increased vacancies in both dry and cold storage warehouses and it will take some time for business to recover.

However, Goyang and Paju stands out as a prime example of an area where demand is high and supply is low, and location values continue to rise.

Goyang and Paju is emerging as a blue chip in a slowing logistics real estate market.

This is why 'Cushman & Wakefield' is interested in Goyang and Paju.

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Disclaimer

The data used in the analysis was calculated and analyzed based on our logistics real estate DB, and are source data that are not available to other companies.
If you have any questions about data, please contact us through the contact below.

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Logistics Leasing	• Leasing Advisory • Logistics Center Marketing • Logistics Center Due Diligence Representation
Acquisition & Disposition	• Disposition/Acquisition Advisory • BUILD-TO-SUIT(BTS) Advisory • Logistics Development Advisory

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