MARKETBEAT
SEOUL
OFFICE Q2 2026

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.8% Vacancy Rate	▲	▼
8,251 Net Absorption, SQM	▼	–
1.3% Rental Growth, QoQ	–	▲

(Overall, Grade A)

ECONOMIC INDICATORS

	YOY Chg	Outlook
3.7% GDP Growth	▲	–
3.2% CPI Growth	▲	–
2.8% Unemployment Rate	–	▼

Source: Statistics Korea, Bank of Korea

ECONOMIC OVERVIEW

Korea's CPI rose to 3.2% in June 2026, prompting the Bank of Korea to raise its base rate by 25 basis points to 2.75% from 2.50% at the start of Q3. Although the 2026 GDP growth forecast was revised upwards to 2.6% on the back of strong semiconductor exports, higher interest rates are expected to weigh on domestic demand in the near term.

VACANCY RATES AND RENTAL GROWTH

The average vacancy rate for Seoul Grade A office buildings rose by 1.8 pp q-o-q to 5.8% in Q2 2026, reaching the highest level since Q3 2021. The increase was primarily driven by the completion of the G1 Seoul (Gongpyeong Districts 15 & 16) and Rene Square (Euljiro 3-ga District 6) projects in the CBD. Average rents grew by 1.3% q-o-q and 5.0% y-o-y.

A notable trend in the quarter was growth in inter-district relocations. MetLife Korea relocated its headquarters from the GBD submarket to the CBD and is expected to occupy approximately 13,200 sqm at G1 Seoul. Lotte Rental is also preparing to move from GBD to NH NongHyup Tower in the CBD.

The CBD submarket vacancy rate climbed by 3.3 pp q-o-q to 9.0%. Despite the inflow of major companies, vacancy remained elevated with significant space at G1 Seoul and Rene Square yet to be absorbed. In contrast, existing office projets continued to raise their occupancy levels. IQVIA signed a lease at Pine Avenue Tower A, while LG Household & Health Care and the Korea Public Finance Information Service expanded their office space at Seoul City Tower.

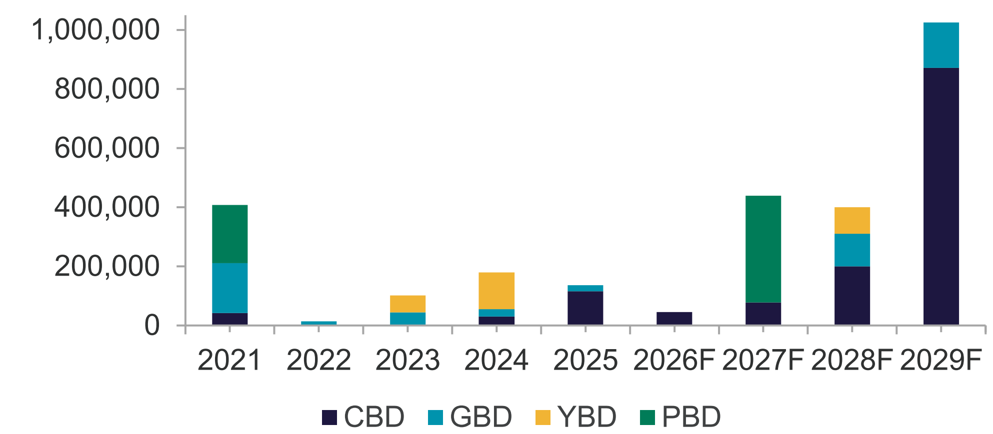
The GBD vacancy rate moved up by 0.6 pp q-o-q to 3.1%, reflecting the departures of MetLife Korea and Lotte Rental to the CBD. Nevertheless, GBD continued to record the lowest vacancy rate among major submarkets, reinforcing its position as the city's leading technology hub. Anthropic, the developer of Claude, selected the Centerfield building for its Korea office.

The YBD vacancy rate increased by 0.5 pp q-o-q to 3.7%. Financial-sector relocations and office expansions remained active. Woori Investment & Securities announced plans to expand within One Sentinal, while Korea Trade Insurance Corporation is set to relocate to Three IFC.

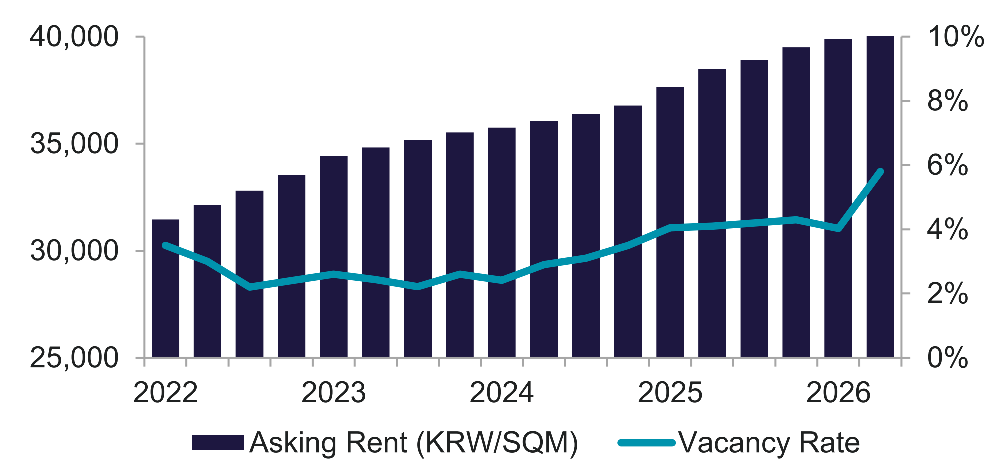
SUPPLY

With the completion of Eul Tower (Euljiro 3-ga District 12) scheduled for Q4 2026, the CBD vacancy rate is forecast to remain at current levels through the year-end.

GRADE A SUPPLY



OVERALL VACANCY & ASKING RENT



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	4,624,420	9.0%	40,143	57,372	1,195,237	39,985
GBD	3,791,155	3.1%	-21,223	-7,735	263,450	42,444
YBD	2,052,831	3.7%	-10,668	-10,835	89,933	33,053
SEOUL TOTALS	**10,468,406**	**5.8%**	**8,251**	**38,801**	**1,548,620**	**39,883**
Pangyo	797,664	0.8%	740	9,656	360,739	28,698

**Rental rates does not reflect full service asking*

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
G1 Seoul	CBD	MetLife Korea	12,900	Relocation
NH NongHyup Tower	CBD	Lotte Rental	13,500	Relocation
Seoul City Tower	CBD	KPFIS	2,600	Expansion
Seoul City Tower	CBD	LG Household & Health Care	2,600	Expansion
Centerfield	CBD	KB Kookmin Card IT Services	34,000	Relocation
Centerfield	CBD	Kim & Chang	5,700	Expansion
Pine Avenue Tower A	CBD	IQVIA	2,700	Relocation
Centerfield	GBD	Hyundai Marine & Fire Insurance	4,100	Relocation
Centerfield	GBD	Anthropic	3,700	New Branch
Gangnam Finance Plaza	GBD	Wyatt	6,300	Relocation
Pine Avenue Tower 2	GBD	Hyosung ITX	6,600	Relocation
Three IFC	YBD	Korea Trade Insurance Corp.	6,900	Relocation
One Sentinel	YBD	Woori Investment & Securities	2,400	Expansion
Parc.1	YBD	Prada	3,700	Relocation

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

KEY PROJECTS PLANNED & UNDER CONSTRUCTION

PROPERTY	SUBMARKET	SQM	COMPLETION YEAR
Eul Tower (Euljiro 3-ga District 12)	CBD	44,900	2026

**Grade A buildings only*

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