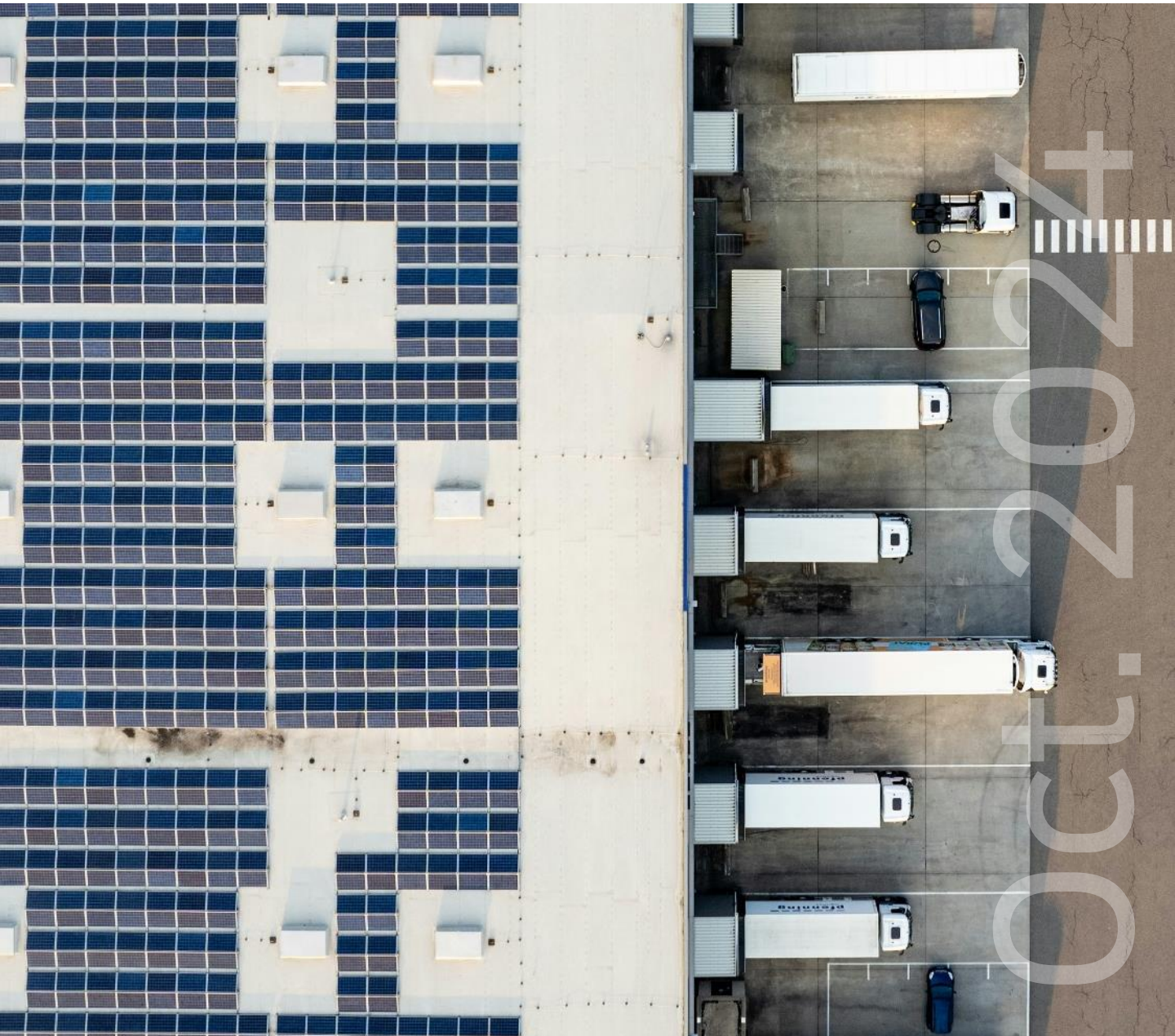


Logistics Real Estate Series Report  
Logistics Center Tenant Analysis by Region

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# Logistics Tenant Profile

Yongin





# Korea Logistics Microcosm Yongin

'Yongin' is a microcosm of South Korea's growth, with a mix of farm, factory, and downtown that have changed with the times.

In terms of logistics location, it is also a representative logistics area that has been developed in line with the trend of storage, distribution centers, and fulfillment.

You can understand Korean logistics and anticipate the future of logistics by knowing 'Yongin'.

How has 'Yongin' changed and how will it change?

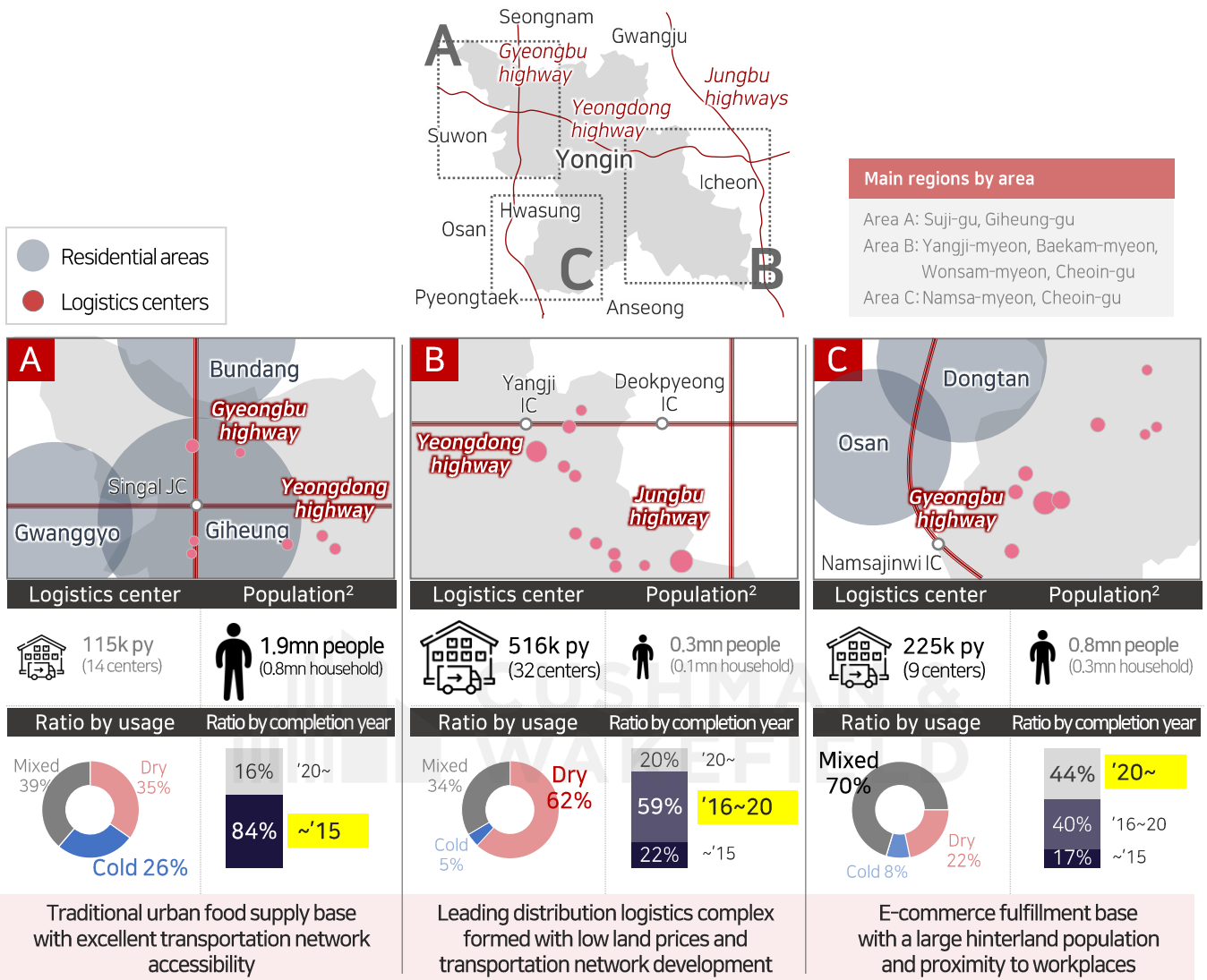


# The past, present, and future of Yongin

## A. Supply Status of Logistics Center

- Yongin is a traditional logistics cluster with an excellent transportation network, and **the logistics area is gradually expanding into three zones, A, B, and C, along the wide-area transportation network.**
- In the past, food distribution logistics centers in the metropolitan area were built around Area A, where the Gyeongbu Line passes through, and later, a distribution logistics cluster was formed around Area B, which has easy access to the Yeongdong and Jungbu lines.** With the rapid growth of the e-commerce market since '20, **Area C is attracting attention as a new base for fulfillment logistics services.**

### Analysis of logistics center situation<sup>1</sup>



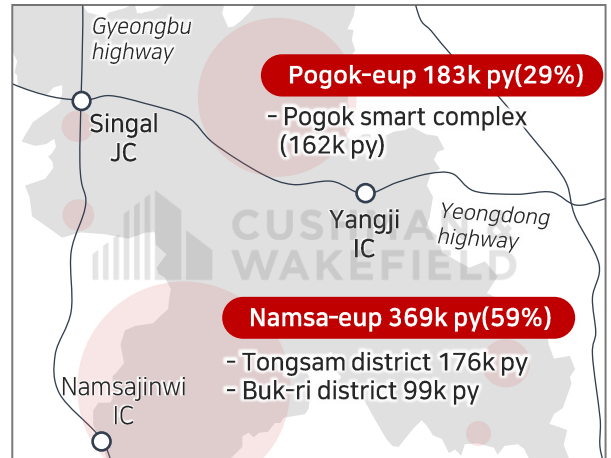
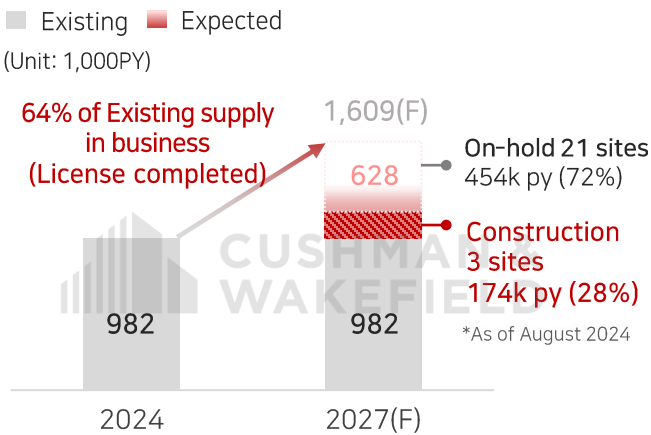
Note1: Scale of 5,000py+ in Yongin, as of August 2024 | Note2: Included adjacent areas(Gwanggyo, Bundang, Osan, etc.)  
Source: C&W Research

# The past, present, and future of Yongin

## A. Supply Status of Logistics Center

- Although 628k py (24 warehouses) with 64% of the existing supply, have obtained building permits, **only 3 of them have started construction**. The remaining projects are expected to be delayed or canceled, resulting in a significant decrease in supply compared to the plan.
- Since May '22, **the permit requirements for warehousing facilities in Yongin have been strengthened** to improve citizens' residential environment, and **the supply of additional logistics centers is expected to be severely limited in the future**.

### New supplies<sup>3</sup>



### Strengthened licensing regulations

Yongin City alone has 125 warehouses... Resident conflict intensity

Signs: "선정지로 부터 30~60m 이내에 단독주택 80가구가 거주하고, 200m 이내에 주민 전체의 80% 140가구의 주택이 있다." "생필품 주변에만 마중 알뜰 주유지역으로 볼거 4층 (높이 12m) 이상은 건축 할수 없다."

Yongin City strictly limits new warehouses near residential areas

BYD 1등 전기트럭 T4 (130마력) 완성수용 특가 프로모션 진행 중! 고객 혜택가 1,274만원부터!

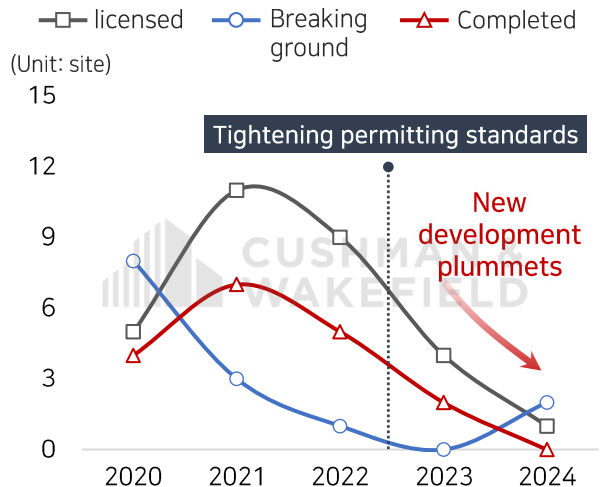
지역거리 기준 100m~200m 강회 용류장고입 등록 대상 전체 적용

용인시는 대형 자율주행 차량으로 인한 주민들의 주거환경 피해를 예방하기 위해 주거지역 인근 중 소규모 용류장고 건설을 엄격히 제한하는 내용의 도시계획규제 시행규칙 제정안을 입법 예고했다고 밝혔다.

용인시가 지난 2018년 항공시설 개발행위 허가 기준을 강화해 대규모 용류장고의 건설을 차단 했으나 소규모 용류장고가 대폭 늘어나며 주민편익이 이어지고 있어 항공시설 개발행위허가 기준 강화에 나섰다.

Many complaints about logistics centers in Yongin, Strengthening standards for warehouse facilities to improve citizens' living and transportation environment

### \* Warehouse development trends by year



Note3: Scale of 5,000py+ in Yongin, as of August 2024

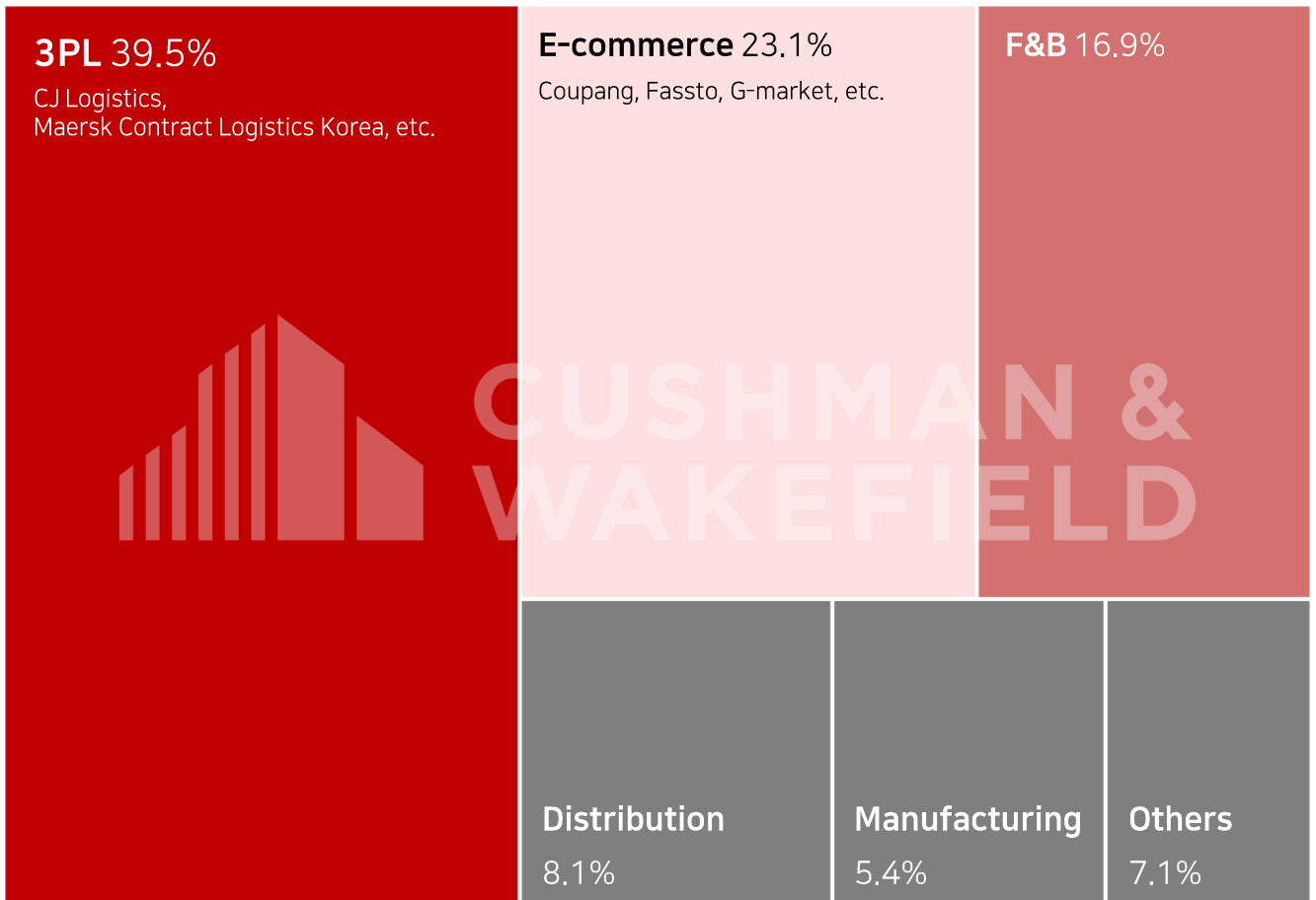
Source: C&W Research

# Who is the primary tenant?

## B. Tenant Industry Sector Proportions (by GFA)

- **3PL companies occupy about 40% of Yongin’s logistics center area**, while other industries such as **E-commerce, F&B, Distribution** operate logistics bases in the rest of the area.
- The geographical advantage of being crossed by three wide-area transportation networks has created a **logistics cluster with many 3PL companies such as CJ Logistics and Maersk Contract Logistics Korea**, and with the growth of the e-commerce market, **e-commerce fulfillment bases such as Coupang, FASSTO, and G-market** have been built and operated near the existing centers. In addition, **F&B logistics bases for food distribution to the metropolitan area such as Jinsung B.F and Hermes Logix** are located.

### Tenant Proportion<sup>4</sup>

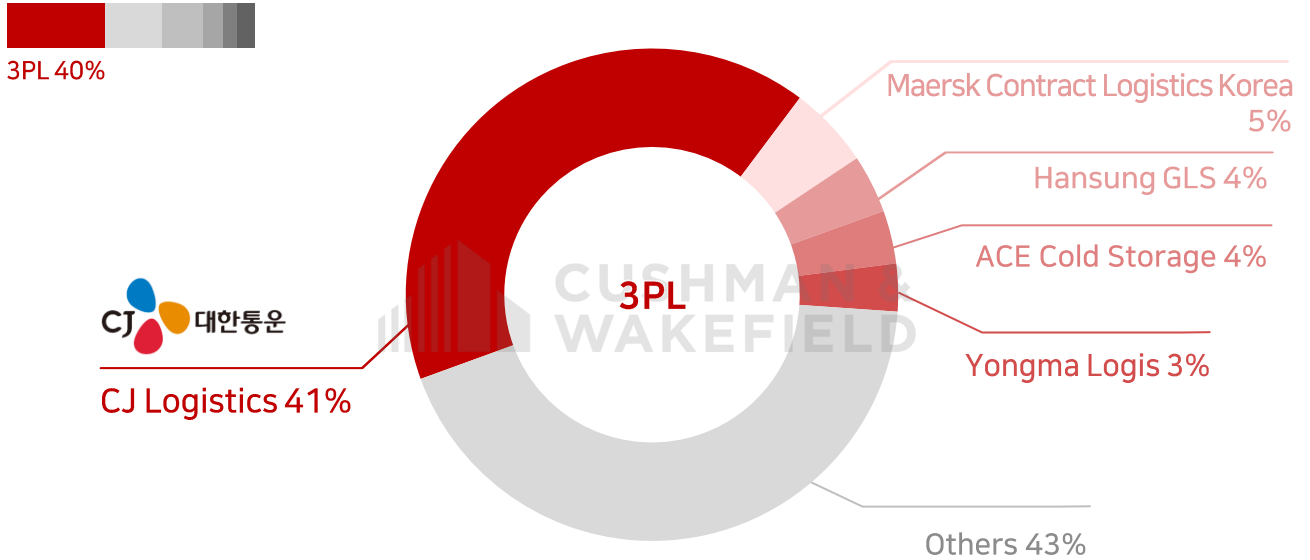


Note4: Scale of 5,000py+ in Yongin, as of August 2024  
 Source: C&W Research

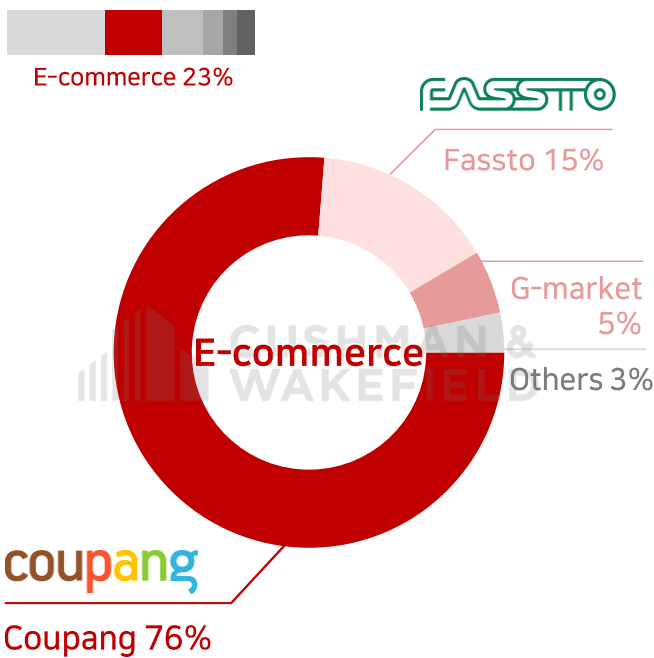
# Who is the primary tenant?

## B. Tenant Industry Sector Proportions (by GFA)

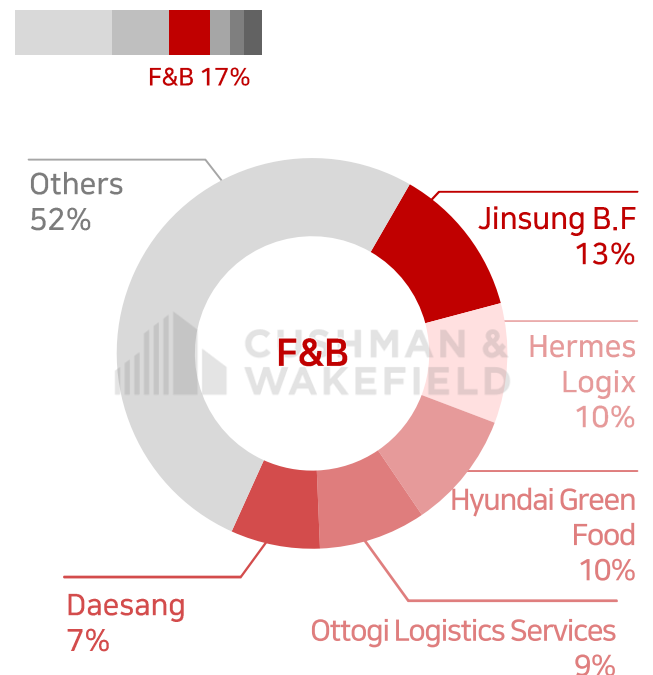
### Proportion of 3PL logistics companies



### Proportion of E-commerce companies



### Proportion of F&B companies

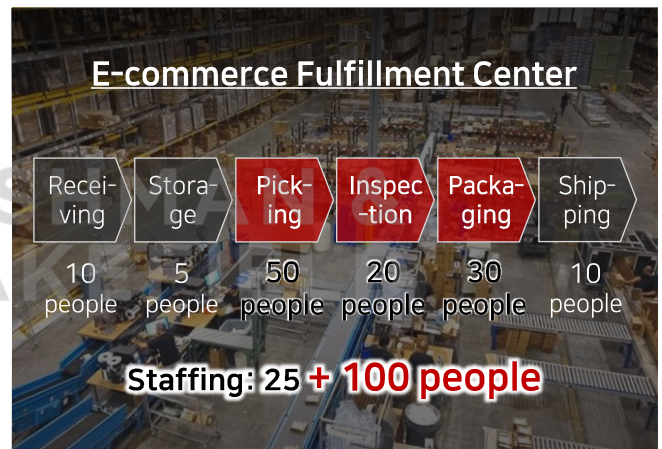


# Why residential proximity is important?

## C. Online fulfillment features

- As the online distribution market grows, e-commerce fulfillment centers have been driving the demand for logistics centers in recent years. **Fulfillment centers, which pick, pack, sort, and ship low-volume, multi-item orders, require more staff than offline distribution centers.**
- When comparing the size of the workforce behind Yongin, Icheon, Anseong, and Pyeongtaek, which are logistics-dense regions, **Yongin has a potential logistics workforce of 3,300 per center, which is 8 times more than Icheon and 5 times more than Anseong, making it a region with a stable workforce.**

### Logistics processes and staffing by operation type



### Workforce size Comparison<sup>5</sup>

	Yongin	Icheon	Anseong	Pyeongtaek
Logistics Center area (Unit: py)	1 million	1.5 million	0.9 million	0.6 million
Population (Unit: people)	1.1 million	0.2 million	0.2 million	0.6 million
Potential workforce size <sup>6</sup> (Unit: people/center)	<b>3,300</b>	420	630	2,910

**“Yongin is favorable for labor supply with abundant hinterland workforce”**

Note5: Scale of 5,000py+ in Yongin, as of August 2024

Note6: Based on 3,000py of logistics center

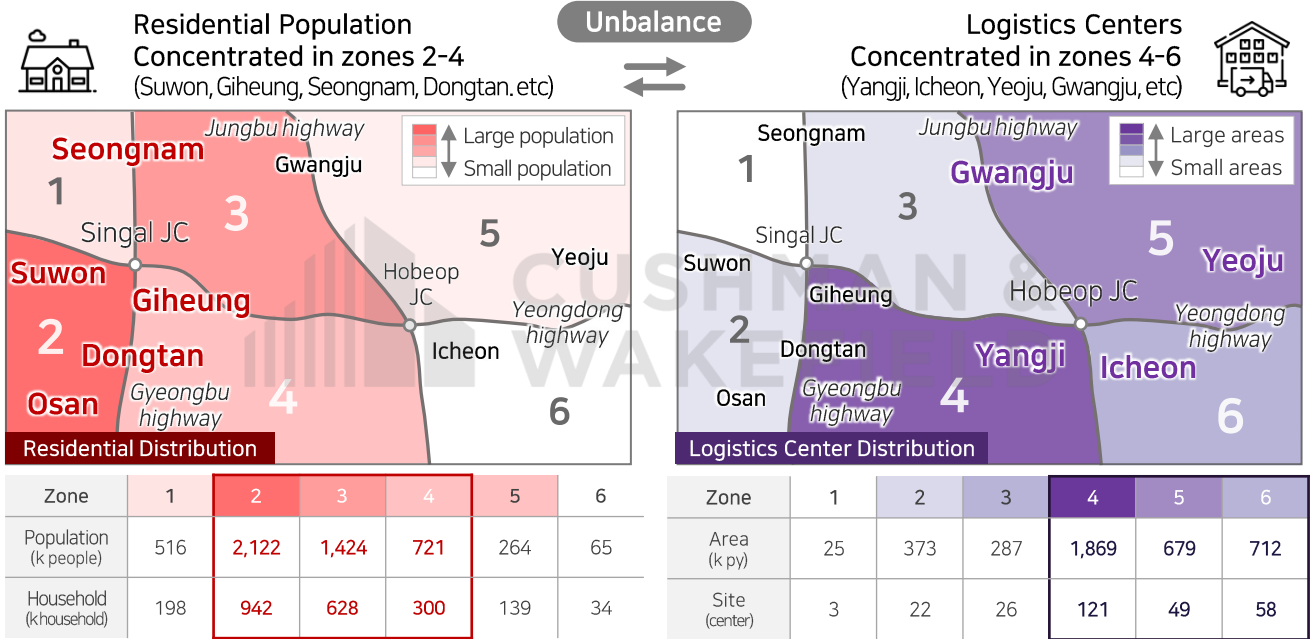
Source: C&W Research

# Why residential proximity is important?

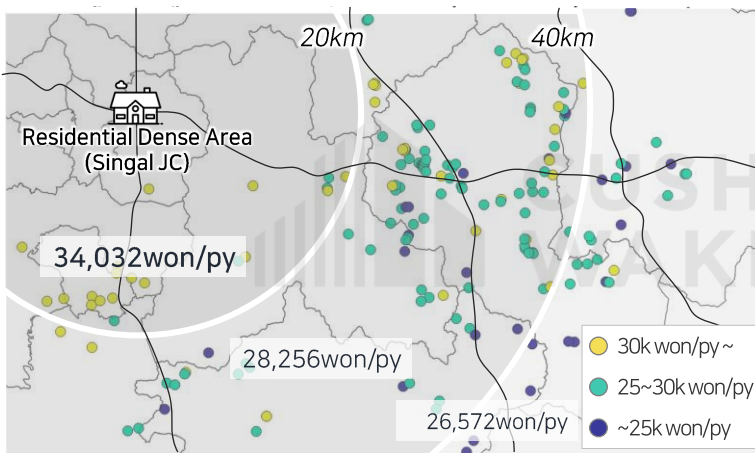
## D. Value changes based on proximity to residences

- Residential areas are concentrated in zones 2, 3, and 4 (Suwon, Seongnam, etc.) and logistics centers are clustered in zones 4, 5, and 6 (Yangji, Icheon, etc.), indicating an imbalance.
- The analysis of rent by distance to residences shows that **the further away from residential areas, the lower the rent**. This suggests that **logistics companies prefer logistics centers near residential areas to ensure a stable workforce, even if they pay more rent.**

### Comparison of residential and warehouse distribution



### Rents by proximity to residences



### Comparison of average rents

Based on residential dense area (Singal JC)

- Within a 20km radius ..... 34,032won/py
- Within a 40km radius ..... 28,256won/py
- Over 40km radius ..... 26,572won/py

**"Better access to residential areas leads to higher warehouse rents"**



Despite being a typical metropolitan logistics area, Yongjin has been unaffected by oversupply risk, with supply adjusting quickly due to licensing regulations and tenant preference.

A stable labor supply from a rich hinterland population base is helping to defend against declining effective rents.

The value of logistics bases is expected to increase further due to high accessibility and traffic convenience, large residential complexes, tightened development permit regulations.

This is why Cushman & Wakefield is interested in Yongjin.



# 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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# C&W

## Logistics Services

### Logistics Real Estate One-Stop Consulting

Market Due  
Diligence &  
Feasibility Study

Logistics  
Leasing

Acquisition &  
Disposition

### Logistics real estate services details



Market Due  
Diligence &  
Feasibility  
Study

- Logistics Real Estate Feasibility Analysis Report
- Warehouse Design Consulting
- Big data-driven Logistics Advisory



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