



4,749,174*
Median HH Income

YoY
Chg

12-Mo.
Forecast



71,481
Population Growth



4.1%
Unemployment Rate



Source: KOSIS, STATISTICS KOREA, BANK OF KOREA
* Based on 4 person household

S. KOREA ECONOMIC INDICATORS Q1 2020

2.0%
GDP Growth

YoY
Chg

12-Mo.
Forecast



105.5
Consumer Price
Index(CPI)



56
Consumer Composite
Sentiment Index(CCSI)



Source: KOSIS, BANK OF KOREA, Ministry of the interior
and Safety

Economic Review

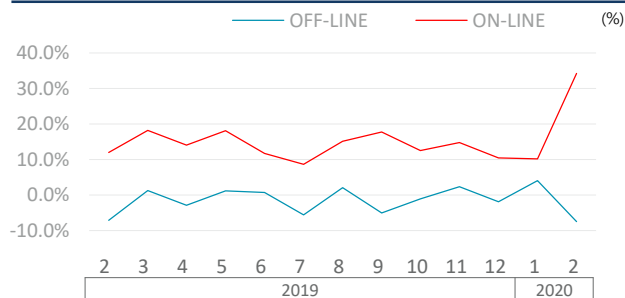
According to a Bank of Korea report, the Composite Consumer Sentiment Index (CCSI) for March 2020 was at 78.4 points, down 25.8 points from January 2020. This is the lowest level since the March 2009 report (72.8 points), released shortly after the 2008 global financial crisis. The major downturn in the CCSI can be attributed to the COVID-19 outbreak and resulting increasing economic uncertainties.

Consumption Trends Reshaped and Offline Stores Impacted by COVID-19 Outbreak

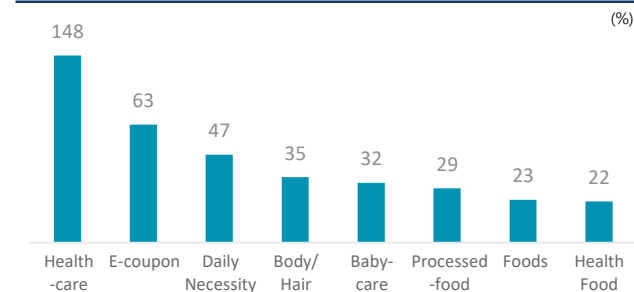
The COVID-19 outbreak has seriously impacted the retail market and has reshaped consumption patterns. With heightened health concerns and social distancing, sales of health and immunity-boosting products and oversized daily necessities have risen. Ebay Korea has defined the new Q1 2020 shopping trend as H.O.L.O. H.O.L.O, standing for Health Care, Oversized, Life At Home and Online. Online shopping especially has grown rapidly, reflecting consumers' new preferences in response to the outbreak.

According to the Ministry of Trade, Industry and Energy, online sales rose by 34.3% y-o-y, while offline sales dropped 7.5%. Online sales have been driven by health products and daily necessities, representing a major shift from the 'YOLO' lifestyle trend where fashion and cosmetics products have been sales leaders. The rise of the untact consumption trend has forced offline stores to change strategies. With sales hurt by social distancing measures, F&B retailers are restructuring to meet changing shopping patterns. For example, in lieu of store expansion, CJ Foodville have reinforced their HRM and delivery menus. Shinsegae Food have moved to focus on their No Brand Burger brand, where the take-out business dominates sales. After closing profitless stores they have laid out a strategy to develop untact channels such as online and home delivery. As the COVID-19 outbreak prolongs the change in shopping trends is expected to be a turning point for the future of offline stores.

Variation of sales (On/Off line Store)(YOY)



Changing of online shopping item in Q1 2020 (YOY)



Source: E-bay Korea



MARKET STATISTICS

SUBMARKET	INVENTORY (sqm)	DIRECT VACANT (sqm)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (sqm)	UNDER CNSTR (sqm)	TOP 3 Tenant Industry
Garosu-gil	114,066	10,187	8.9%	-2,248	3,841	1.Fashion(▲0.9%p) 2.Cafe (▲0.2%p) 3.Clinic(▲2.4%p)
Gangnam	387,086	16,474	4.3%	1,199	5,143	1.Clinic(▲0.4%p) 2.Academy(▼0.1%p) 3.Pub(▲0.4%p)
Myungdong	145,105	7,174	4.8%	400	1,570	1.Fashion(▲0.1%p) 2.Cosmetic(▲0.2%p) 3.Fashion goods(▼0.1%p)
Itaewon	100,366	8,546	8.5%	2,455	8,546	1.Pub(▲1.2%p) 2.Fashion(▲0.5%p) 3.Cafe(▲0.1%p)
Cheongdam	367,346	52,733	14.4%	11,512	7,850	1.Luxuary(▼0.2%p) 2.Fashion(▼0.4%p) 3.Clinic(▲1.6%p)
Hongdae	205,080	19,823	9.7%	1,416	2,180	1.Clinic(▲0.4%p) 2.Cafe(▼0.3%p) 3.Pub(▲0.5%p)
6대상권 TOTALS	1,319,049	114,937	8.6%	14,734	29,130	

KEY LEASE TRANSACTIONS Q1 2020

SUBMARKET	PROPERTY	TENANT	SQM	TYPE
Eulji-ro	Center 1	Crazy Fry	100.99	F&B
Yeoui-do	IFC	Paul Bassett	254.24	F&B
Pangyo	Mirae Asset Center	Rounz	198.45	Fashion Goods
Garosu-gil	543-7, Sinsa-dong	Flagship store of langnlu	243.8	Fashion
Gwanggyo	Alliway Gwanggyo	VAVOX	84.74	ETC
Myungdong	M-PLAZA	M play ground	1,364	Fashion
Pangyo	Hyundai Department	Lululemon	156	Fashion
Myungdong	Chunghui Building	The Hanoi	122	Service

KEY PROJECTS UNDERCONSTRUCTIONS YTD 2020

PROPERTY	LOCATION	SQM	COMPLETION DATE
Shinsegae premium outlet	Uijeongbu	82,116	2020
Donggyodong Complex shopping mall	Seoul	17,806	2020.1
Shinsegae Complex shopping mall	Songdo	59,000	2020
Parc 1 Hyundai Department Store	Yeouido	89,100	2020
E-land mall	Songdo	19,587	2020
Time Square	Songdo		2020.9
Shinsegae Starfield	Ansung		2020.9
Hongdae CGV Complex mall	Seoul	3,298	2021.3

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