

KRW4,749,174*

Median HH Income

YoY
Chg12-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
Q3 2020

-2.7%

GDP Growth

106.20

Consumer Price
Index(CPI)

79

Consumer Composite
Sentiment Index(CCSI)Source: KOSIS, BANK OF KOREA, Ministry of the interior
and Safety

Economic Review

The Composite Consumer Sentiment Index (CCSI) fell for the first time in five months to record 79.4 in Q3, down 8.8 pp q-o-q, following steady improvement since April. Confidence has been dampened with the re-emergence of COVID-19. Consumer sentiment is expected to recover, but may take some time.

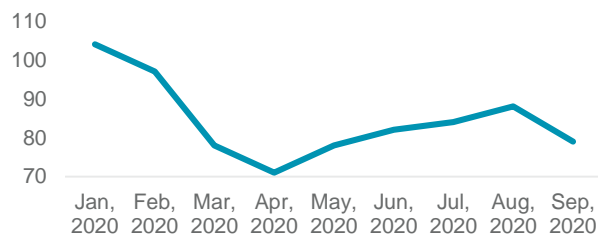
Shift to Online Retail Continues as High-Street Stores Suffer

The trend of falling offline retail sales in favor of online shopping continued in Q3 in the aftermath of the COVID-19 outbreak. Data from the Ministry of Trade, Industry and Energy reveals that offline sales fell 2.4 pp y-o-y in August, while online sales rose 20.1 pp y-o-y, further illustrating the shift in consumer preferences. Online shopping transactions reached a record high of KRW14.38 trillion in August. Online food delivery services grew most extensively, to KRW758.7 billion, followed by home appliance, electronics and telecommunication devices, and grocery services, reflecting a growing priority towards at-home activities and daily necessities.

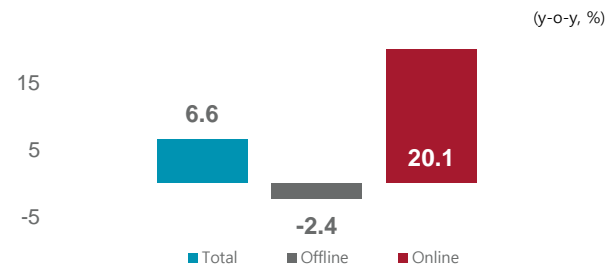
In contrast, physical sales at supermarkets and department stores fell 0.4 pp and 3.2 pp y-o-y respectively in August. However, some large retailers are expanding their bricks and mortar presence, drawing on post-COVID-19 lessons to introduce and benefit from experiential retail aspects. Hyundai Department Store Group is preparing to open its Hyundai Premium Outlet Space One concept, a gallery inspired retail and culture space, while also testing a world-first fully unmanned retail area, Amazo Go, at the Hyundai Department Store in Yeouido, and investigating retail facilities incorporating drones and AI. Shinsegae Group is also planning to expand its Traders warehouse stores and Starfield on-trend F&B brand.

However, small and medium-sized high street stores have still been hit hard by the effects of COVID-19. The number of store closures in major high streets and local commercial districts rose notably in the quarter. Government support measures, including emergency disaster support funds and loans, are helping, but the slump in business endured by local retailers can be expected to continue for a while.

Customer Composite Sentiment Index (CCSI)



Sales increase of offline and online y-o-y



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	119,530	15,065	12.6%	-4,878	1,222	1.Fashion(▼1.5%p) 2.Clinic(▲0.1%p) 3.Fashion goods(▲0.9%p)
Gangnam	398,294	18,133	4.6%	-1,659	2,517	1.Clinic(▼0.1%p) 2.Academy(▼1.1%p) 3.Pub(▲0.4%p)
Myungdong	169,159	21,586	12.8%	-14,412	547	1.Cosmetic(-) 2.Fashion(▼0.1%p) 3.Korean food(▼0.1%p)
Itaewon	109,386	10,347	9.4%	-1,801	9,982	1.Pub(▲2.8%p) 2.Fashion(▲0.5%p) 3.Cafe(▼0.6%p)
Cheongdam	379,879	58,308	15.4%	-5,575	11,453	1.Luxuary(-) 2.Clinic(▲0.3%p) 3.Fashion(▲0.2%p)
Hongdae	216,031	23,833	11.0%	-4,010	1,189	1.Fashion(▲0.2%p) 2.Cafe(▼0.9%p) 3.Pub(▼0.4%p)
6대상권 TOTALS	1,392,279	147,272	10.58%	-32,335	26,910	

KEY LEASE TRANSACTIONS Q3 2020

SUBMARKET	PROPERTY	TENANT	SQM	TYPE
Mullae	Youngcity	B Mart	1,318	wholesale
Sungsu	Sungsu Naknak	Ban Pho 6	148	F&B
Sungsu	Sungsu Naknak	Africa Glass	65	Fashion
Sungsu	Sungsu Naknak	Twosome Place	304	F&B
Jongno	Sajik-ro 8-gil, 21-1	Hyodo Chicken	104	F&B
Jongno	D Palace	Hanilgan	281	F&b

KEY PROJECTS UNDER CONSTRUCTION YTD 2020

PROPERTY	LOCATION	SQM	COMPLETION DATE
Shinsegae Primeum Outlet	Uijeongbu	82,116	2020
Hongdae Complex mall	Seoul	17,806	2020.1
Shinsegae complex mall	Songdo	59,000	2020
Parc1 (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

Philip.Jin

Head of Research, Seoul

+82 2 3708 8817 / Philip.Jin@cushwake.com

cushmanwakefield.com

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