

KRW4,749,174*

Median HH Income

YoY
Chg12-Mo.
Forecast

71,481

Population Growth

3.4%

Unemployment Rate

Source: KOSIS, STATISTICS KOREA, BANK OF KOREA

* Based on 4 person household

S. KOREA ECONOMIC INDICATORS
Q4 2020

2.1%

GDP Growth

105.67

Consumer Price
Index(CPI)

89.8

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

Economic Overview

According to the Bank of Korea, the Composite Consumer Sentiment Index (CCSI) for December 2020 was at 89.8 points, down 8.1 pp from the previous month. The CCSI has now fallen for three months, although positive expectations for COVID-19 vaccines led to the drop in December being milder than in September.

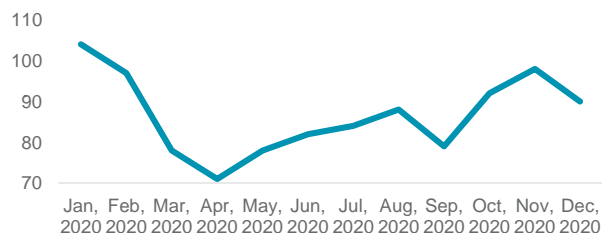
Vacancy Rises Across Six Major Shopping Streets

The Myungdong main street area was heavily impacted by COVID-19-imposed restrictions on inbound tourism, with the vacancy rate spiking 8.2 pp to reach 21.0%, the highest among the six major retail shopping streets. The Korea Tourism Organization reports that foreign tourist numbers fell to 61,585, plummeting 96.3% y-o-y, with arrivals from the key Japan and China sectors falling 98.0% and 99.6% respectively. Among the other key shopping districts, vacancy rose 1.6 pp in Garosu-gil and Gangnam to reach 14.2% and 6.2% respectively. Vacancy in Itaewon rose 1.2 pp to reach 10.6% and 0.2 pp in Hongdae to 11.2%.

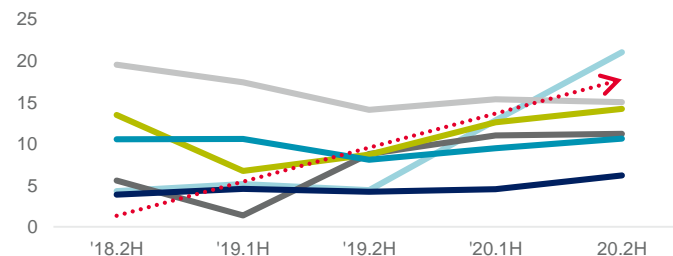
In Gangnam, Itaewon and Hongdae districts, the F&B industry was most impacted by COVID-19. F&B operators accounted for the highest number of new vacancies in the second half of the year in Hongdae and Itaewon, and the second-highest in Gangnam. Social distancing measures have been a key driver of consumer behavior change. Online shopping trend data for November 2020, from Statistics Korea, show that preferences for at-home food consumption saw food delivery services transaction value rise 60.6% y-o-y to reach KRW1.63 trillion. The trend has been further driven by operating hour restrictions, with government measures dictating allowable hours from 5 am to 9 pm. Consequently, F&B operators' key revenue periods have been severely curtailed, with resulting rising vacancy in the retail market.

Overall vacancy at major retail shopping districts rose, although the Cheongdam area dropped 0.4 pp from 1H to 15.0. With on-trend F&B operators and store brands in Cheongdam, 20s and 30s visiting Garosu-gil and Itaewon has moved to Dosan Park due to retaliatory consumption caused by Covid-19 and FLEX consumption, in which people boast while splurging on expensive products, spreading around SNS, which is interpreted a drop in vacancy rates. With the development of COVID-19 vaccines, expectations are now growing for recovery in the major retail shopping areas. However, a full recovery to pre-pandemic levels is still expected to take some time.

Customer Composite Sentiment Index (CCSI)



Sales increase of offline and online y-o-y



MARKETBEAT SEOUL

Retail Q4 2020

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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	132,569	18,853	14.2%	9,830	8,311	1.Fashion (▼2.0%p) 2.Cafe (▼0.3%p) 3.Clinic(▼0.2%p)
Gangnam	409,472	25,510	6.2%	13,643	5,340	1.Clinic(▲0.3%p) 2.Academy(▼0.2%p) 3.Pub(▼0.1%p)
Myungdong	192,109	40,354	21.0%	13,626	6,563	1.Fashion(▼3.0%p) 2.Cosmetic(-) 3.Korean Food(▲0.6%p)
Itaewon	115,948	12,297	10.6%	11,823	12,353	1.Pub(▲1.3%p) 2.Fashion(▲0.8%p) 3.Cfe(▼0.1%p)
Cheongdam	402,628	60,325	15.0%	27,786	22,582	1.Clinic(▲0.6%p) 2. Luxury(▲0.2%p) 3.Fashion(▼0.7%p)
Hongdae	221,019	24,853	11.2%	11,078	5,254	1.Fashion(▼0.4%p) 2.Cafe(▲0.4%p) 3.Pub(▼0.4%p)
TOTALS	1,473,745	182,192	12.4%	87,786	60,403	

KEY LEASE TRANSACTIONS Q4 2020

SUBMARKET	PROPERTY	TENANT	SQM	TYPE
Incheon	Alleyway Incheon	CU	100	Retail
Incheon	Alleyway Incheon	TOP TEN	886	Fashion
Hannam	Hannam Place	GROVE	207	Fashion
Gwanggyo	Alleyway Gwanggyo	Lerevedebebe	53	F&B
Gwanggyo	Alleyway Gwanggyo	Ohrot	41	Retail
Pangyo	Alphadom Tower	KT	116	Retail

Philip.Jin

Head of Research, Seoul

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

cushmanwakefield.com

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