

**25.3%**  
Vacancy Rate



**5.3%**  
Retail Sales Growth



**103.2**  
Consumer Composite Sentiment Index(CCSI)



Source: Korean Statistical Information Service, Cushman & Wakefield Research

### S. KOREA ECONOMIC INDICATORS Q1 2022

**1.2%**  
GDP Growth



**4.1%**  
CPI Growth



**3.0%**  
Unemployment



Source: Korean Statistical Information Service, Bank Of Korea

### Economic Overview

In March 2022, the Consumer Confidence Index (CCI) rose slightly from the previous month to reach 103.2. The consumer price inflation rate recorded 4.1%. As inflationary pressures are on the rise with increases in energy and raw material prices and global supply disruptions, the consumer price inflation rate is expected to significantly exceed last year's level.

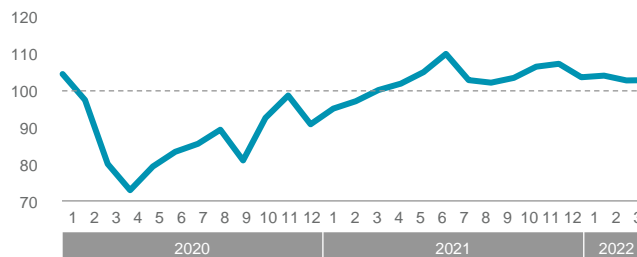
### High Street Vacancy in First Drop Since COVID-19, Retail Recovery Expectations Rise With Reopening

The retail industry was not immune to a recession brought on by COVID-19, but is now reviving with the economy's reopening. Cushman & Wakefield data reveals the Seoul high street vacancy rate fell for the first time since the pandemic in Q1 2022, with vacancy dropping in Hongdae, Garosu-gil, Hannam/Itaewon, and Cheongdam districts in the quarter. Garosu-gil saw a noticeable drop, with the opening of Diptyque's flagship store, jewelry shop, and cafes. Vacancy did rise in Myeong-dong Adidas and Mixxo shuttered, but the newly opened Apple Store in Hyde Park Myeong-dong is expected to help revitalize the district. Online firms are also expanding offline, with Musinsa, a leading online platform, preparing to open its second store in Gangnam Station, following its first store opening in Hongdae during the pandemic period. As social distancing measures are eased, the retail industry's recovery is forecast to accelerate, in turn leading to a further drop in the vacancy rate this year.

### Groundbreaking Change in Market Share as Convenience Stores Surpass Hypermarkets for First Time

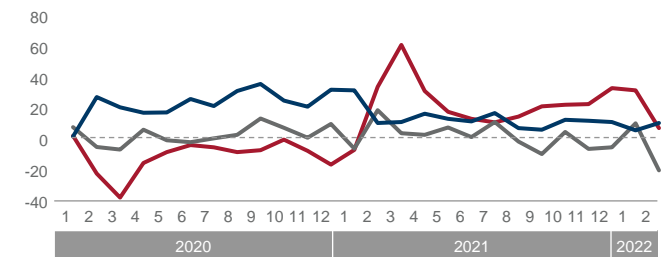
Convenience stores emerged as a strong player in the offline retail industry during the peak COVID-19 period. According to the Ministry of Trade, Industry and Energy, convenience store sales grew 6.8% in 2021 to surpass hypermarket sales for the first time, with the latter dropping 2.3%. Consequently, the retail sales market share "triangle" shifted from its hypermarkets–department stores–convenience stores shape in 2020 to reconfigure as department stores–convenience stores–hypermarkets in 2021. Hypermarkets have been facing a challenging time due to legal regulations and the avoidance of crowded facilities during the pandemic. In contrast, convenience stores have benefited from consumer preferences for shorter travel distances and neighborhood consumption patterns, and the trend of buying in smaller quantities following COVID-19. In the new era of "quick commerce," convenience store operators have expanded their business by using stores as delivery centers, and the market is expanding further with the retailization of online companies such as B Mart (Baemin).

### Consumer Composite Sentiment Index (CCSI)



Source: Korean Statistical Information Service

### Rate Change of Sales by Offline and Online YOY



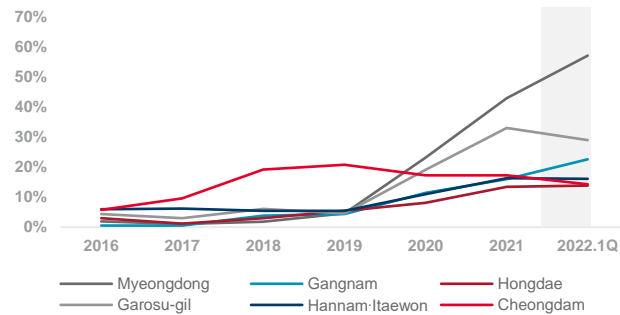
Source: Korean Statistical Information Service

## MARKET VACANCY STATISTICS

MARKET	Q1 2022 VACANCY RATE	Q4 2021 VACANCY RATE	% POINT CHANGE QOQ	Q1 2021 VACANCY RATE	% POINT CHANGE YOY
Myeongdong	57.2%	49.9%	7.3%	34.1%	23.1%
Gangnam	22.6%	21.5%	1.1%	11.6%	11.0%
Hongdae	13.9%	14.1%	-0.2%	11.1%	2.8%
Garosu-gil	29.0%	36.4%	-7.5%	24.9%	4.1%
Hannam-Itaewon	16.1%	17.4%	-1.3%	14.3%	1.8%
Cheongdam	14.3%	15.4%	-1.1%	19.2%	-4.9%
<b>TOTALS</b>	<b>25.8%</b>	<b>25.5%</b>	<b>-0.3%</b>	<b>19.2%</b>	<b>6.3%</b>

Source: Cushman & Wakefield Research

## OVERALL VACANCY RATE



## KEY LEASE TRANSACTIONS / NEW RETAIL FLAGSHIPS Q1 2022

PROPERTY TYPE	MARKET	TENANT	SQM	CATEGORY
High-street	Myeongdong	Apple Store	2,600	Electric-Flagship
High-street	Myeongdong	Louis Vuitton Exhibition (Timewalk)	768	Luxury-Pop-up Store
High-street	Myeongdong	Sneakertopia (Timewalk)	1,800	Fashion-Pop-up Store
High-street	Myeongdong	Combi Dental Clinic (Hyde Park)	264	Clinic
High-street	Gangnam	Musinsa Standard	1,900	Fashion
High-street	Garosu-gil	Diptyque Flagship Store	260	Beauty
High-street	Hannam-Itaewon	Breitling	750	Luxury
Office Arcade	Pangyo	Tappublic	500	Food & Beverage

Source: Cushman & Wakefield Research

## KEY PROJECTS UNDER CONSTRUCTION / RECENTLY COMPLETED

PROPERTY	LOCATION	SQM	COMPLETION DATE
AK Plaza Gwangmyeong	Gwangmyeong	46,305	2021.10
Pangyo Techone Tower	Pangyo	16,108	2021.10
Times Stream Sillim	Seoul	38,000	2021.11
Times Terrace Dongtan	Dongtan	142,000	2022.04
AK Plaza Geumjeong	Gunpo	-	2022
Ipark Mall Gocheok	Seoul	-	2022
LG Art Center Magok	Seoul	1,600	2022.08

Source: Cushman & Wakefield Research

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