

3.1 Tn
Total Volume (KRW)

YoY Chg	▲	12-Mo. Forecast	▼
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23
Total Properties Sold

YoY Chg	■	12-Mo. Forecast	▼
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1.57M sqm
New Supply Area

YoY Chg	▲	12-Mo. Forecast	▲
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Source: Cushman & Wakefield

S. KOREA ECONOMIC INDICATORS Q2 2022

3.1%
GDP Growth

YoY Chg	▲	12-Mo. Forecast	▼
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6.0%
CPI Growth

YoY Chg	▲	12-Mo. Forecast	▼
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3.0%
Unemployment

YoY Chg	▼	12-Mo. Forecast	■
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Source: KOSIS, Bank of Korea

NOTE

¹ Logistics Center data is based on greater than 16,500sq m in SCA.

² All data is based on logistics center construction permits.

³ Submarkets Criteria

- EAST: Seongnam, Gwangju, Yongin, Icheon, Yeosu
- SOUTH: Osan, Hwasung, Pyeongtaek, Anseong
- NORTH: Paju, Goyang, Yangju, Uijeongbu, Guri, Hanam, Yeoncheon, Pocheon, Gapyeong, Dongducheon, Yangpyeong, Namyangju
- WEST: Incheon, Gimpo, Bucheon, Siheung, Ansan
- SEOUL: Seoul
- CENTRAL: Gwangmyeong, Anyang, Gwacheon, Gunpo, Uiwang, Suwon

Transaction Volume Recorded KRW3.1 Trillion in 1H 2022, Up 26% y-o-y, Driven by Mixed Centers

Transaction volume for logistics centers in the Seoul Capital Area (SCA) ¹ recorded approximately KRW3.1 trillion in the first half of 2022, up 26% y-o-y. Notably, 10 of the total of 23 transactions (including four advance transactions) were mixed logistics centers with dry and cold facilities. Yongin Namsa mixed center, acquired by CJ Korea Express from Hangang Logis for KRW356 billion pre-completion, was the highest value transaction of the 1H period. Additionally, Rifa Asset Management completed the ownership transfer of Yangji mixed logistics center, purchased from Yangji Logistics for KRW262.4 billion pre-completion. As with these deals, mixed logistics centers offering both high profitability from cold facilities and solid demand for dry facilities are showing strength in the investment market.

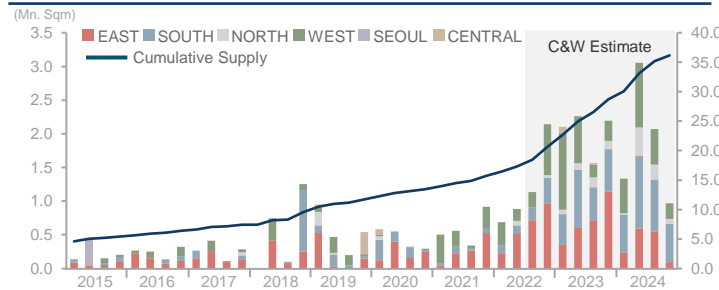
New Logistics Center Supply of 1.56 Million Sq m Completed in 1H 2022, Mainly in East and West Submarkets

The total floor area of new logistics centers in the first half of 2022 reached 1.56 million sq m, predominantly in the East (0.75M sq m) and West (0.51M sq m) submarkets. In the East submarket, a total of 15 new logistics centers were completed, including four in Gwangju Opo Logistics Park (total 0.27M sq m) and the South Icheon logistics center of HanExpress. In the West submarket, six new centers were supplied, of which four were in Incheon. One of the representative centers is CBRE Investment Management ILC's mixed logistics center located in Sinheung-dong 3-ga, purchased for KRW297 billion from KB Real Estate Trust, at which a major distribution company has leased the entire dry facilities floors. A second is South Cheongna Smart Logistics, a mixed center located in Seo-gu, which CMS Consortium sold to KORAMCO Energy REIT for KRW310 billion, with an e-commerce company leasing the entire space. Currently, there are a total of 26 logistics centers under construction in Incheon, with a relatively high proportion of cold temperature facilities. As centers with cold facilities have been supplied within a short period in line with the fast growth of the online food market, the importance of recruiting tenants with cold system demands will gradually rise.

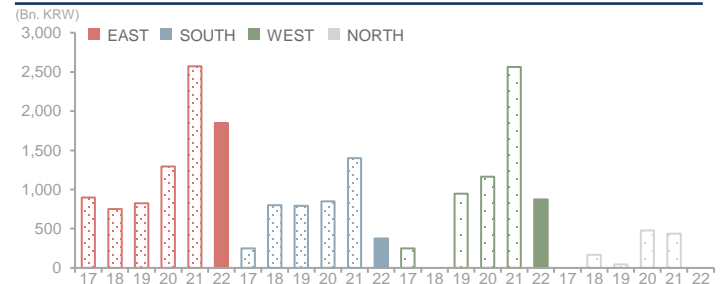
Concerns Over New Supply Schedule Disruption Amid Rising Construction Costs

As of June 2022, new logistics centers totaling 19 million sq m of space have been approved, with 10 million sqm, around 53% of the total, having commenced construction. These projects are slated for the South (6.24M sq m), East (6.08M sq m), and West (5.55M sq m) submarkets. However, some construction work has been delayed due to issues including rising construction costs from inflationary pressures, more stringent safety-related regulations, and ex officio cancellation of projects adjacent to residential areas. Investors considering logistics center projects are advised to consider regional suitability in addition to effective access to residential areas.

LARGE-SCALE LOGISTICS CENTERS SUPPLY IN SCA²



LOGISTICS CENTERS TRANSACTION VOLUME BY SUBMARKETS³



Source: Ministry of Land, Infrastructure and Transport, RCA, Cushman & Wakefield

1H 2022 SIGNIFICANT SALES

PROPERTY NAME	LOCATION	SUBMARKET	BUYER	SELLER	SQM	PRICE (Mn. KRW)	10K KRW/3.3m	TYPE
Yongin Namsa Logistics Center	Yongin-si	EAST	CJ Korea Express	Hangang Logis	131,990	356,000	890	Mixed
South Cheongna Smart Logistics	Seo-gu, Incheon	WEST	KORAMCO Energy REITs	CMS Consortium	139,973	310,000	731	Mixed
CBRE IM ILC Logistics Center	Jung-gu, Incheon	WEST	CBRE Investment Management	KB Real Estate Trust	164,492	297,000	596	Mixed
Yangji Logistics Center	Yongin-si	EAST	Rifa Asset Management	Yangji Logistics	205,789	262,400	421	Mixed
Oryu Smart Logistics Center	Incheon	WEST	CAPSTONE Asset Management	Smilegate Asset Management	40,408	195,000	1,593	Mixed
Rich Logistics Center 1,2	Anseong-si	SOUTH	KOREIT	Rich Development	54,314	158,000	960	Mixed
Brick East Icheon Logistics Center	Icheon-si	EAST	ESR Kendall Square REITs	Brick Properties	46,041	130,134	933	Mixed
CJ Sindeokpyeong Logistics Center	Icheon-si	EAST	Hyundai Asset Management	IGIS Asset Management	58,387	130,000	735	Dry
Wooseok Logistics Center 1	Icheon-si	EAST	KORAMCO Reits Management & Trust	Wooseok E&C	54,995	123,500	741	Mixed

1H 2022 NEW SUPPLIES & 2H 2022 EXPECTED SUPPLIES LIST

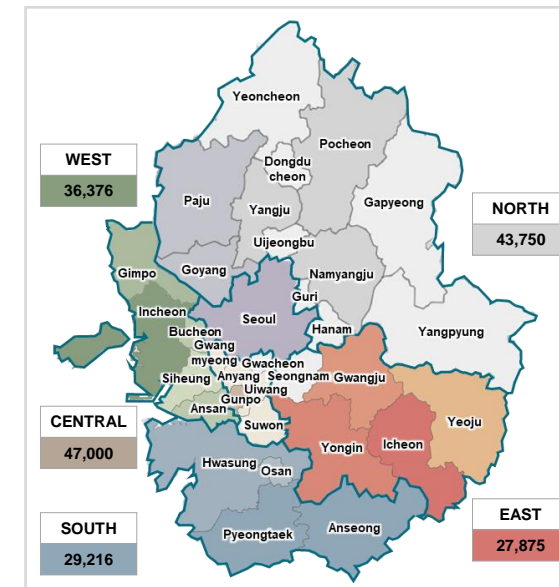
PROPERTY NAME	LOCATION	SUBMARKET	COMPLETION	SQM	TYPE
Opo Logistics Park A1,A2,A3,B2 BL	Gwangju-si	EAST	2Q22	272,598	Mixed
CBRE IM ILC Logistics Center	Jung-gu, Incheon	WEST	2Q22	164,492	Mixed
South Cheongna Smart Logistics	Seo-gu, Incheon	WEST	2Q22	139,973	Mixed
Iljuk Logistics Park A,B BL	Anseong-si	SOUTH	2Q22	120,036	Dry
GREYBOX Ansan Logistic Center	Ansan-si	WEST	2Q22	110,154	Mixed
HanExpress S.Icheon Logistic Center	Icheon-si	EAST	2Q22	77,440	Mixed
Logispoint Dongtan Logistics Center	Hwasung-si	SOUTH	2Q22	75,374	Mixed
Goyang Samsung Logistics Center	Goyang-si	NORTH	2Q22	65,640	Dry
Wonchang-dong 391-9 Logistics Center	Seo-gu, Incheon	WEST	4Q22 (F)	430,238	Mixed
GO&S Yongin Logistics Center	Yongin-si	EAST	4Q22 (F)	166,456	Cold
Dream Logistics Center	Jung-gu, Incheon	WEST	4Q22 (F)	133,327	Dry
Namsa-myeong Buk-ri Logistics Center	Yongin-si	EAST	4Q22 (F)	131,990	Mixed

WONCHNG-DONG LOGISTICS CENTER

GFA 197,303sqm / B1F~12F / Completion date scheduled 1Q23 /
 Incheon International Airport (34km, 20mins) /
 Metropolitan Second Circulation Line ~ S.Cheongna IC(9.4km, 15mins)



SEOUL CAPTIAL AREA MAP BY SUBMARKETS



Source: Cushman & Wakefield

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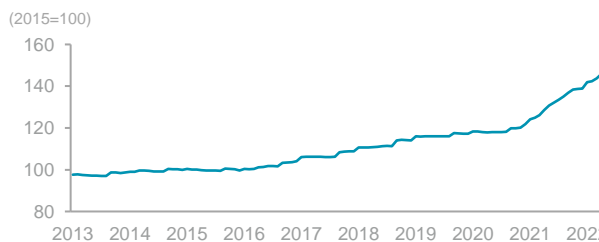
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GLOBAL SUPPLY CHAIN PRESSURE INDEX(GSCPI)



Source: Federal Reserve Bank of New York

KOREA CONSTRUCTION COST INDEX



Source: Korea Institute of Construction Technology,

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