

	YoY Chg	12-Mo. Forecast
<b>3.7%</b> Cap Rate	—	▲
<b>3.0 Tn</b> Total Volume (KRW)	▲	▼
<b>9</b> Total Properties Sold	▲	▼
<b>341,202sqm</b> Total SQM (Excluding MF)	▲	▼
<b>2,728</b> Capital Value(10K KRW 3.3㎡)	▲	▼

(All Property Classes)  
MF = Multifamily

#### S. KOREA ECONOMIC INDICATORS Q4 2022

	YoY Chg	12-Mo. Forecast
<b>3.1%</b> GDP Growth	▼	▼
<b>5.0%</b> CPI Growth	▲	▼
<b>3.0%</b> Unemployment Rate	▼	▲

Source: KOSIS, Bank of Korea

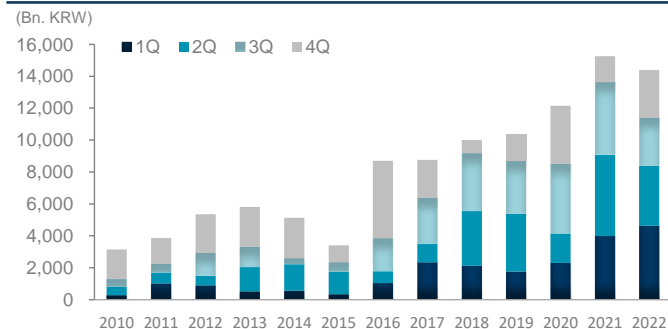
#### Transaction Volume Recorded KRW6.0 Trillion in Second Half of 2022

Office sector investment volume in Seoul and Bundang totaled approximately KRW3.0 trillion in Q4 2022. The cumulative transaction volume for 2H 2022 recorded KRW6.0 trillion, a slight fall from the same period last year (KRW6.2 trillion). Several special-purpose transactions for REITs and beneficiary certificate transactions were completed in Q4. The largest deal was for Jongno Tower. After KB Asset Management put it up for sale, SK REITs purchased the property with preferential purchase rights to incorporate into its REITs portfolio. The asset was sold for KRW621.5 billion, or KRW33.9 million per unit. Several asset sales by insurance companies were also completed this quarter, as a result of focusing on real estate securitization to adopt to IFRS 17. Samsung Life Insurance sold the S1 Building and Samsung Life Insurance Daechi Tower for KRW196.5 billion and KRW481.1 billion, respectively, while Hanwha General Insurance sold the Hanwha General Insurance Building for KRW456.0 billion. They will operate the REITs business through their affiliate asset management companies. Twin Tree Tower and Pangyo GB1 and GB2 Tower were sold through beneficiary certificates trading. Twin Tree Tower was sold from AEW Capital to IGIS Value Plus REITs, and Pangyo GB1 and GB2 Tower were sold by Rifa Asset Management to Bentall Green Oak. In addition, the Samhwan Building, located in CBD, was sold by Hana Alternative Investment Asset Management to Keppel Investment Management for KRW223.2 billion, with a plan for value-add construction through extension.

#### Office Investment Market Sees Negative Growth for First Time in Six Years, Following Steep Interest Rate Hikes

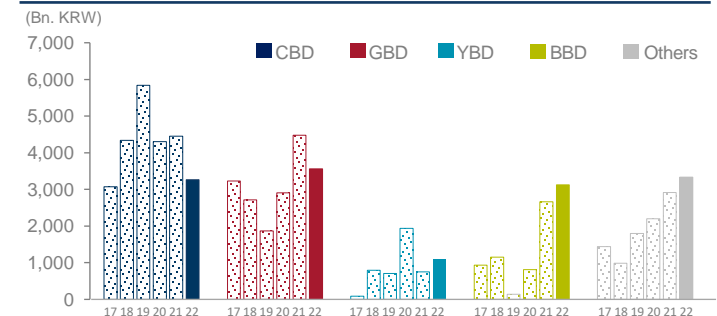
Total office transaction volume in 2022 recorded KRW14.4 trillion, a fall of 6% from the previous year. The steep interest rate hike has dampened the investment market growth experienced since 2016. Along with the U.S. Federal Reserve's sharp base rate hike, the BOK also raised the base rate seven times in 2022, reaching 3.25% in November 2022. As uncertainty in the financial market increased and liquidity weakened, a number of deals were withdrawn or delayed, including the IFC, Concordion, and Tower 8 sales. Although the pace of interest rate hikes is expected to slow in 2023, the high interest rate trend is expected to continue due to high inflation and geopolitical risks. As a result, it is expected that the cap rate will rise and asset prices will be adjusted, and overall transaction volume will contract.

#### TOTAL OFFICE INVESTMENT VOLUME(YOY)



Source: Cushman & Wakefield Korea Research

#### OFFICE INVESTMENT VOLUME BY SUBMARKET



### Q4 2022 INVESTMENT ACTIVITY

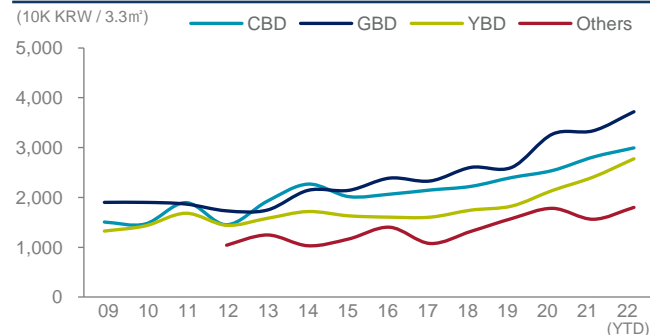
SUBMARKET	PROPERTIES SOLD	TRANSACTION VOLUME (Bn. KRW)	SQM	10K KRW/3.3m <sup>2</sup>
CBD	4	1,598	175,443	2,848
GBD	2	541	24,220	3,548
YBD	1	456	59,641	2,528
OTHERS	-	-	-	-
BBD/Pangyo	2	385	57,677	2,180
<b>TOTAL</b>	<b>9</b>	<b>2,980</b>	<b>341,202</b>	<b>2,728</b>

### Q4 2022 SIGNIFICANT SALES

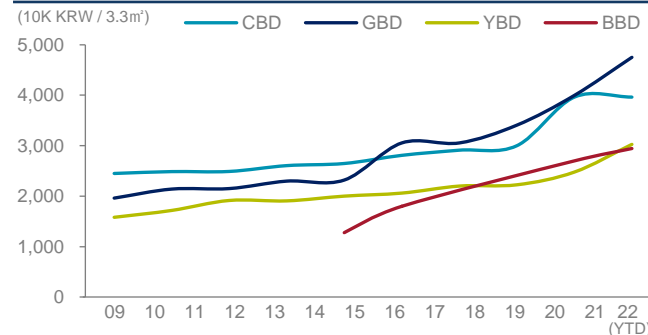
PROPERTY NAME	SUBMARKET	BUYER	SELLER	SQM	PRICE (Mn. KRW)	10K KRW/3.3m <sup>2</sup>
Jongno Tower	CBD	SK REITs	KB Asset Management	60,650	621,451	3,387
Samhwan Building	CBD	Keppel Investment Management	Hana Alternative Investment Asset Management	31,401	223,230	2,350
S1 Building	CBD	Samsung FN REITs	Samsung Life Insurance	27,610	196,514	2,353
Samsung Life Insurance Daechi Tower	GBD	Samsung FN REITs	Samsung Life Insurance	44,824	481,121	3,548
Hanwha General Insurance Building	YBD	Hanwha REITs	Hanwha General Insurance	59,641	456,000	2,528

Sources: Real Capital Analytics, Cushman & Wakefield Research

### CAPITAL VALUE TREND (A Grade)



### THE HIGHEST PRICE PER UNIT(3.3m<sup>2</sup>) BY SUBMARKET



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