

21.4%
Vacancy Rate

YoY Chg
12-Mo. Forecast



4.5%
Retail Sales Growth



92.0
Consumer Composite Sentiment Index (CCSI)



Source: Korean Statistical Information Service, Cushman & Wakefield Research

S. KOREA ECONOMIC INDICATORS Q1 2023

1.3%
GDP Growth

YoY Chg
12-Mo. Forecast



4.2%
CPI Growth



2.9%
Unemployment Rate



Source: Korean Statistical Information Service, Bank Of Korea

Economic Overview

In March 2023, the Consumer Composite Sentiment Index (CCSI) rose 1.8 pp from the previous month to record 92.0. Consumer sentiment has improved with slower inflation and higher expectations for the post-pandemic recovery. The consumer price growth rate in March was 4.2%, the lowest for a year, largely attributed to a drop in oil prices. However, in contrast to the rapidly slowing consumer price trend, personal services prices have continued trending up, with, for example, the cost of dining out rising 7.4%, leaving consumers' perceived pricing still at a high level. Prices are likely to stabilize in the 2H period, but uncertainties are expected to remain due to rising utility rates and international raw material prices.

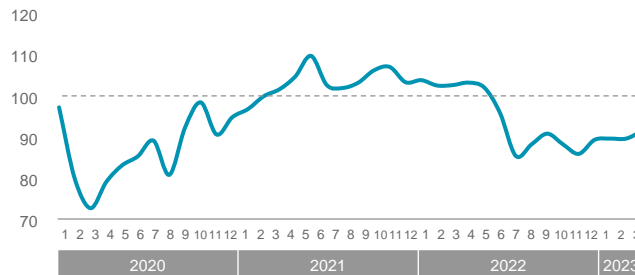
High Street Vacancy Fell in 2022 for First Time Since COVID-19, Myeongdong Stages Strong Recovery

The retail market has revived alongside the general post-COVID recovery, the overall retail vacancy rate falling as new stores open across Seoul's major commercial districts. Average high street vacancy recorded 21.4% in Q1, down 4.0 pp y-o-y. Myeongdong district, which suffered a deep slump due to COVID-19, has been rapidly recovering as social distancing has eased and international tourists have returned. In February, incoming overseas visitors to Korea surged 380% y-o-y, adding a welcome boost of vitality to Myeongdong. Some global brands had preemptively opened large flagship stores in Myeongdong even as vacancies soared, counting on the area's near-irreplaceability and unique strengths as the biggest commercial district in Korea. Global brands have been visibly expanding around the boulevard, and, together with a new wave of small beauty and accessory stores, the vacancy rate in Myeongdong in Q1 fell 17.4 pp q-o-q.

Signs of recovery were also observed in Gangnam district in the quarter. The vacancy rate, pushed up by COVID-19, is now gradually declining, falling 5.8 pp y-o-y. Apple Store Gangnam opened near Sinnonhyeon Station, while Samsung Electronics is also known to be opening a flagship store. Global burger franchises have also been making inroads into the area. The first Shake Shack store is operating successfully, and following the recent opening of Super Duper Burgers, Five Guys is scheduled to open in Q2. In general, larger brands maintain a preference for the Gangnam district for its attractive floating population and high visibility.

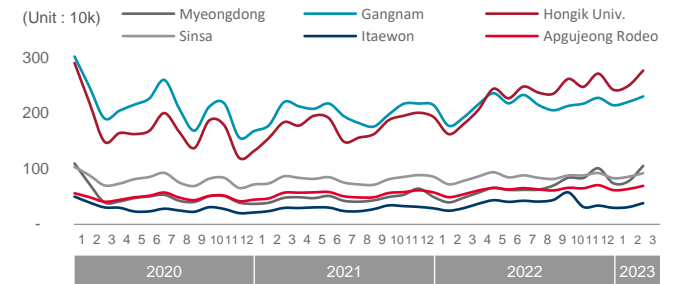
In Garosu-gil the main street vacancy rate is on the rise again as clothing brands exit. The vacancy rate in Cheongdam also temporarily rose with the departure of some brands, but is expected to stabilize as leading global brands are preparing to open new flagship stores.

Consumer Composite Sentiment Index (CCSI)



Source: Korean Statistical Information Service

Floating Population by the number of subway passengers



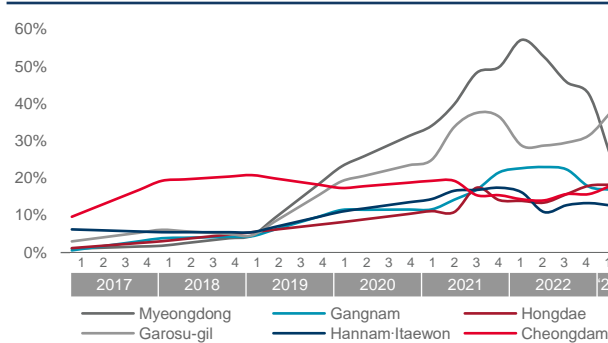
Source: Korean Statistical Information Service

MARKET VACANCY STATISTICS

MARKET	Q1 2023 VACANCY RATE	Q4 2022 VACANCY RATE	% POINT CHANGE QOQ	Q1 2022 VACANCY RATE	% POINT CHANGE YOY
Myeongdong	25.0%	42.4%	-17.4%	57.2%	-32.2%
Gangnam	16.8%	17.6%	-0.8%	22.6%	-5.8%
Hongdae	18.2%	18.0%	0.3%	13.9%	4.4%
Garosu-gil	37.9%	31.5%	6.5%	28.7%	9.2%
Hannam-Itaewon	12.6%	13.2%	-0.7%	16.1%	-3.6%
Cheongdam	18.0%	15.7%	2.3%	14.3%	3.7%
TOTALS	21.4%	23.1%	-1.6%	25.5%	-4.0%

Source: Cushman & Wakefield Research

OVERALL VACANCY RATE



KEY LEASE TRANSACTIONS / NEW RETAIL FLAGSHIPS Q1 2023

PROPERTY TYPE	MARKET	TENANT	SQM	CATEGORY	STATUS
High-street	Myeongdong	Dynafit	300	Sports	Scheduled
High-street	Gangnam	Apple	1,590	Electronic	Newly-opened
High-street	Gangnam	Five Guys	620	F&B	Scheduled
High-street	Hongdae	Super Duper	-	F&B	Newly-opened
High-street	Garosu-gil	Tesla (Sinsa Square)	300	Automobile	Newly-opened
Shopping Mall	Yeoui-do	Agra (IFC Mall)	290	F&B	Scheduled
Office Arcade	Pangyo	Outback Steakhouse (Tech1 Tower)	600	F&B	Scheduled

Source: Cushman & Wakefield Research

KEY PROJECTS UNDER CONSTRUCTION / RECENTLY COMPLETED

PROPERTY	LOCATION	SQM	COMPLETION DATE
LG Art Center Magok	Seoul	1,600	2022.10
lpark Mall Gocheok	Seoul	45,137	2022.12
Starfield Suwon	Suwon	328,950	2023.12
One West Seoul Magok	Seoul	145,200	2024

Source: Cushman & Wakefield Research

Kelly Nam

Head of Retail Tenant Representation, Seoul
+82 3708 8825 / kelly.nam@cushwake.com

Josh Lim

Head of Retail Leasing Management, Seoul
+82 3708 7413 / josh.lim@cushwake.com

Hena Park

Head of Business Development Services, Seoul
+82 2 3708 8883 / hena.park@cushwake.com

Jinwoo Jung

Head of Research, Seoul
+82 10 2751 2390 / jinwoo.jung@cushwake.com

Jin So

Research Analyst, Seoul
+82 10 9186 1816 / jin.so@cushwake.com

cushmanwakefield.com

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

©2023 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.