

	YoY Chg	12-Mo. Forecast
<b>3.9%</b> Cap Rate	▲	▲
<b>3.3 Tn</b> Total Volume (KRW)	▼	▲
<b>12</b> Total Properties Sold	▼	▲
<b>431,338 sqm</b> Total SQM	▼	▲
<b>3,104</b> Capital Value (10K KRW / 3.3㎡)	▼	▲

### Investment Market Sees Recovery, Q2 Transaction Volume up 230% q-o-q to KRW3.3 Trillion

Twelve office building transactions closed in Seoul and Bundang in Q2 2023, with total transaction volume of KRW3.3 trillion. This is a surge of 230% q-o-q, although still down 13% y-o-y. The market has commenced a recovery as investment activities, frozen since the end of last year due to deteriorating financial environments, have resumed. In the CBD submarket, Mastern Investment Management acquired the Concordian Building from DWS Asset Management for approximately KRW629.2 billion. This served as a positive signal for the market, being the closing of a major deal that had been delayed since last year. Keppel Investment Management acquired the Bank of Korea's Sogong Annex for KRW140 billion, while the Donghwa Building was purchased by JB Financial Group from Mastern Investment Management for KRW263.2 billion. The latter deal had stalled previously as the market contracted, but was finalized as JB Financial Group stepped in as a buyer to develop a new headquarters. In GBD, Hyundai Motors purchased the revenue bonds (50% of the total) of SK D&D's Scale Tower for KRW253.2 billion, recording the highest price per unit of more than KRW50 million. Hyundai Motors will reportedly relocate one of its units currently housed in Autoway Tower to the Scale Tower. Samsung SRA Asset Management purchased the Pangyo Alphadom Tower from Mirae Asset Global Investments for KRW728.4 billion, with Samsung Life Insurance and Samsung Fire & Marine participating in the investment. In addition, Hyundai Card Building Tower 1 in Yeouido was purchased by Hyundai Card from NH-Amundi Asset Management for KRW245 billion, and Asterium Yongsan was purchased by Shinhan REITs Management from Mplus Asset Management.

### Korean Office Investment Market an Outlier in the Face of Global Office Market Downturn

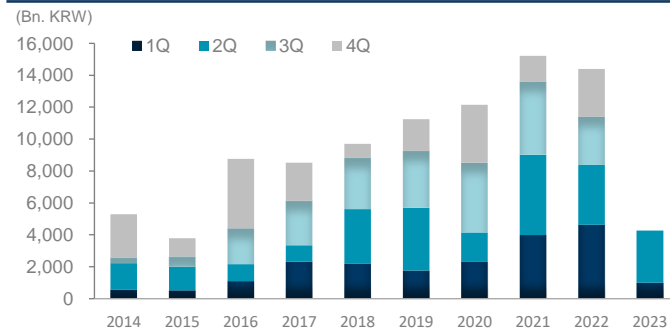
The global office investment market faces risks. In the U.S., the market has cooled, with prices declining and transaction volumes plummeting, primarily due to greater uncertainty in the office market as vacancy rates have risen due to remote and hybrid working, coupled with interest rate hikes. The Korean office market, on the other hand, has been an anomaly, with a lower rate of remote work sustaining office demand amid a lack of new supply. Several transactions were completed in this quarter, including major deals such as Concordian Building and Alphadom Tower. Many deals are expected to be closed in the 2H period, suggesting a gradual emergence from the downturn triggered by rising interest rates. The Korea office market could still be impacted by the global economy and real estate markets, but solid fundamentals should mitigate the risk.

### S. KOREA ECONOMIC INDICATORS Q2 2023

	YoY Chg	12-Mo. Forecast
<b>0.9%</b> GDP Growth	▼	▼
<b>2.7%</b> CPI Growth	▼	▲
<b>2.7%</b> Unemployment Rate	▼	—

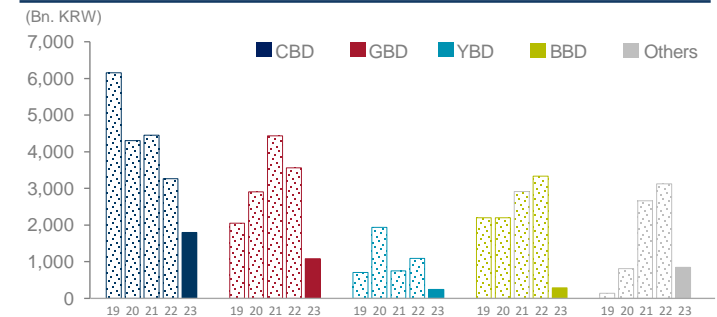
Source: KOSIS, Bank of Korea

### TOTAL OFFICE INVESTMENT VOLUME(YOY)



Source: Cushman & Wakefield Korea Research

### OFFICE INVESTMENT VOLUME BY SUBMARKET



### Q2 2023 INVESTMENT ACTIVITY

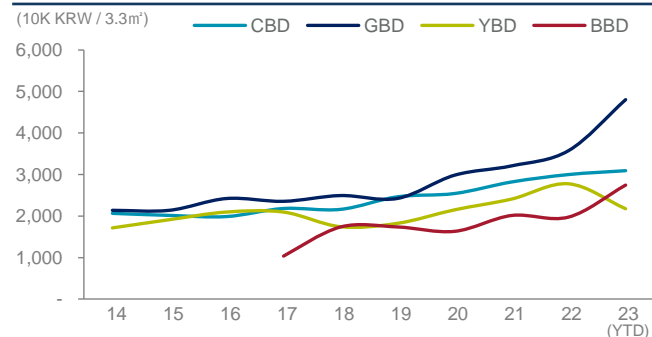
SUBMARKET	PROPERTIES SOLD	TRANSACTION VOLUME (Bn. KRW)	SQM	10K KRW/3.3㎡
CBD	4	1,512	160,691	3,089
GBD	2	378	58,323	5,500
YBD	1	245	37,205	2,177
OTHERS	2	286	54,370	2,046
BBD/Pangyo	3	851	120,749	2,745
<b>TOTAL</b>	<b>12</b>	<b>3,273</b>	<b>431,338</b>	<b>3,104</b>

### Q2 2023 SIGNIFICANT SALES

PROPERTY NAME	SUBMARKET	BUYER	SELLER	SQM	PRICE (Mn. KRW)	10K KRW/3.3㎡
Concordian Building	CBD	Mastern Investment Management	DWS Asset Management	60,696	629,176	3,427
Bank of Korea Sogong Annex	CBD	Keppel Investment Management	Bank of Korea	14,301	140,950	3,258
Dongwha Building	CBD	JB Financial Group	Mastern Investment Management	28,120	263,200	3,094
Scale Tower	GBD	Hyundai Motors	SK D&D	49,415	253,200	5,500 (E)
Hyundai Card Building Tower 1	YBD	Hyundai Card	NH-Amundi Asset Management	37,205	245,000	2,177
AlphaDom Tower	Pangyo	Samsung SRA Asset Management	Mirae Asset Global Investments	87,705	728,400	2,745

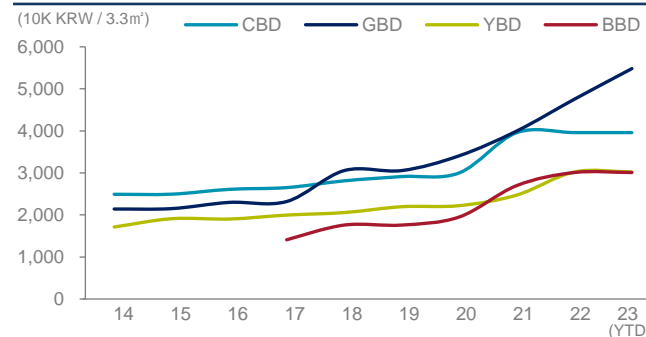
Source: Real Capital Analytics, Cushman & Wakefield Research

### CAPITAL VALUE TREND (Grade A)



Source: Cushman & Wakefield Korea Research

### THE HIGHEST PRICE PER UNIT(3.3㎡) BY SUBMARKET



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Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2022, the firm reported revenue of \$10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

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