

**18.7%**  
Vacancy Rate

YoY Chg  
12-Mo. Forecast

**-0.4%**  
Retail Sales Growth

**100.7**  
Consumer Composite Sentiment Index (CCSI)

Source: Korean Statistical Information Service, Cushman & Wakefield Research

### S. KOREA ECONOMIC INDICATORS Q2 2023

**0.9%**  
GDP Growth

**2.7%**  
CPI Growth

**2.7%**  
Unemployment Rate

Source: Korean Statistical Information Service, Bank Of Korea

### Economic Overview

In June 2023, the Consumer Composite Sentiment Index (CCSI) rose for the fourth consecutive month to record 100.7. The CCSI exceeded the 100 mark for the first time since May 2022, indicating that consumer sentiment for the overall economy has turned optimistic. This is likely due to expectations for an easing of the recession and a slowdown in inflation. The consumer price growth rate fell to 2.7% in June, entering the 2% range for the first time in 21 months, driven by lower oil prices and slowing personal services prices. Inflation is expected to hover around 3% by the end of the year, with uncertainties surrounding oil prices, economic trends, and possible utility rate hikes.

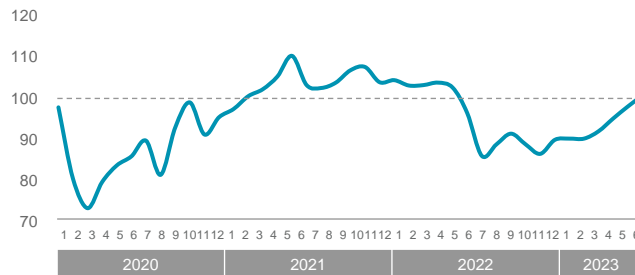
### Hannam-Itaewon Maintains Lowest Vacancy Rates Amid Continuing Seoul Retail Market Recovery

The overall retail vacancy rate fell to 18.7% in Q2, down 2.7 pp q-o-q. Myeongdong district vacancy fell steadily with new stores in the cosmetics and tourist-targeted fashion and accessories sectors. Gangnam saw openings from Five Guys, Samsung, and Charles & Keith. Hannam-Itaewon vacancy, the lowest in Seoul's major commercial districts over the past year, dropped further to 10%, with openings from Hunter and Carel.

The Hannam-Itaewon commercial district in the center of Seoul enjoys good access and high-end residential complexes supporting purchasing power. Luxury and contemporary brands on the boulevards, and on-trend F&B and showrooms in the back alleys, have created a unique and sophisticated atmosphere. The many cultural facilities such as galleries, Hyundai Card Storage, and Blue Square, also make it a favorite district for the younger generation consumer segment. According to Seoul Commercial District Analysis Service, female consumers in their 30s in Hannam-dong and females in their 20s in Itaewon 1-dong accounted for the highest proportion of total foot traffic.

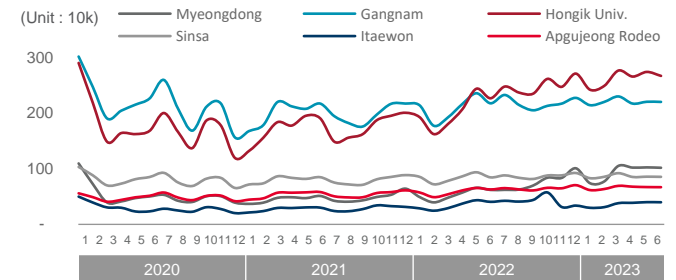
Hannam-Itaewon continues to develop, with brands such as Comme des Garçons and Theory pioneering the commercial center, followed by Gucci in 2021. The rise of on-trend domestic brands has recently been prominent in the backstreets, with brands also opening showrooms in Hannam-dong, adding greater vitality to the district. Designer brands such as Marithe Francois Girbaud and Mardi Mercredi, and beauty brands such as Nonfiction and Hince, have entered Hannam-dong. Foreign tourists visiting Hannam-Itaewon in search of K-fashion and K-beauty products have also become a major customer base. According to Seoul Metro's foreign passenger traffic statistics, the proportion of foreign passengers at Hangangjin Station rose threefold from 2019 to 2023 (January to May). Expectations for Hannam-Itaewon remain high, with the possibility of additional major brands entering the area once ongoing building renovations are completed.

### Consumer Composite Sentiment Index (CCSI)



Source: Korean Statistical Information Service

### Floating Population by the number of subway passengers



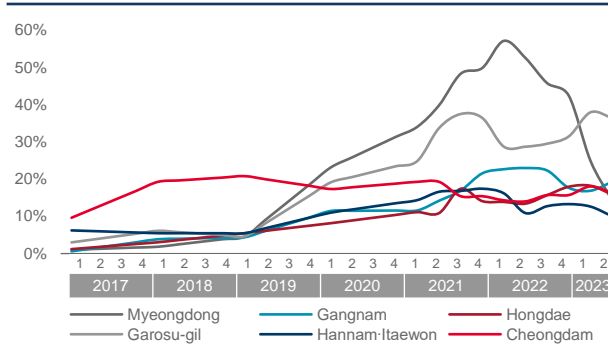
Source: Korean Statistical Information Service

**MARKET VACANCY STATISTICS**

| MARKET         | Q2 2023 VACANCY RATE | Q1 2023 VACANCY RATE | % POINT CHANGE QOQ | Q2 2022 VACANCY RATE | % POINT CHANGE YOY |
|----------------|----------------------|----------------------|--------------------|----------------------|--------------------|
| Myeongdong     | 14.3%                | 25.0%                | -10.7%             | 52.5%                | -38.2%             |
| Gangnam        | 19.2%                | 16.8%                | 2.4%               | 22.9%                | -3.7%              |
| Hongdae        | 15.9%                | 18.2%                | -2.3%              | 13.4%                | 2.5%               |
| Garosu-gil     | 36.5%                | 37.9%                | -1.5%              | 28.7%                | 7.8%               |
| Hannam-Itaewon | 10.0%                | 12.6%                | -2.6%              | 10.8%                | -0.8%              |
| Cheongdam      | 16.3%                | 18.0%                | -1.7%              | 14.0%                | 2.3%               |
| <b>TOTALS</b>  | <b>18.7%</b>         | <b>21.4%</b>         | <b>-2.7%</b>       | <b>23.7%</b>         | <b>-5.0%</b>       |

Source: Cushman & Wakefield Research

**OVERALL VACANCY RATE**



**KEY LEASE TRANSACTIONS / NEW RETAIL FLAGSHIPS Q2 2023**

| PROPERTY TYPE | MARKET         | TENANT               | SQM   | CATEGORY       | STATUS                 |
|---------------|----------------|----------------------|-------|----------------|------------------------|
| High-street   | Myeongdong     | Oliveyoung           | 1,230 | Lifestyle      | Scheduled              |
| High-street   | Gangnam        | Charles & Keith      | 380   | Fashion        | Newly-opened           |
| High-street   | Gangnam        | Shake Shack          | 480   | F&B            | Scheduled (Relocation) |
| High-street   | Hongdae        | Musinsa              | 1,500 | Fashion        | Scheduled              |
| High-street   | Garosu-gil     | Byredo               | 90    | Beauty         | Newly-opened           |
| High-street   | Hannam-Itaewon | Hunter               | 440   | Fashion        | Newly-opened           |
| High-street   | Dosan Park     | Supreme              | -     | Fashion        | Scheduled              |
| High-street   | Seongsu        | Cartier (exhibition) | 1,300 | Luxury-Pop-up  | Newly-opened           |
| Office Arcade | Seoul Station  | Ground Seesaw        | 3,630 | Arts & Culture | Scheduled              |

Source: Cushman & Wakefield Research

**KEY PROJECTS UNDER CONSTRUCTION / RECENTLY COMPLETED**

| PROPERTY                     | LOCATION | SQM     | COMPLETION DATE |
|------------------------------|----------|---------|-----------------|
| Ipark Mall Gocheok           | Seoul    | 45,137  | Dec 2022        |
| Art Forest Cheongnyangni     | Seoul    | 30,300  | Q3 2023         |
| Inspire Entertainment Resort | Incheon  | 151,300 | Q4 2023         |
| Starfield Suwon              | Suwon    | 329,000 | Q4 2023         |
| One West Seoul Magok         | Seoul    | 145,200 | 2024            |
| CJ Live City                 | Seoul    | 153,000 | 2024            |

Source: Cushman & Wakefield Research

**Kelly Nam**

Head of Retail Tenant Representation, Seoul  
+82 3708 8825 / [kelly.nam@cushwake.com](mailto:kelly.nam@cushwake.com)

**Josh Lim**

Head of Retail Leasing Management, Seoul  
+82 3708 7413 / [josh.lim@cushwake.com](mailto:josh.lim@cushwake.com)

**Hena Park**

Head of Business Development Services, Seoul  
+82 2 3708 8883 / [hena.park@cushwake.com](mailto:hena.park@cushwake.com)

**Jinwoo Jung, PhD**

Head of Research, Seoul  
+82 10 2751 2390 / [jinwoo.jung@cushwake.com](mailto:jinwoo.jung@cushwake.com)

**Jin So**

Assistant Research Manager, Seoul  
+82 10 9186 1816 / [jin.so@cushwake.com](mailto:jin.so@cushwake.com)

**cushmanwakefield.com**

**About Cushman & Wakefield**

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).

©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.