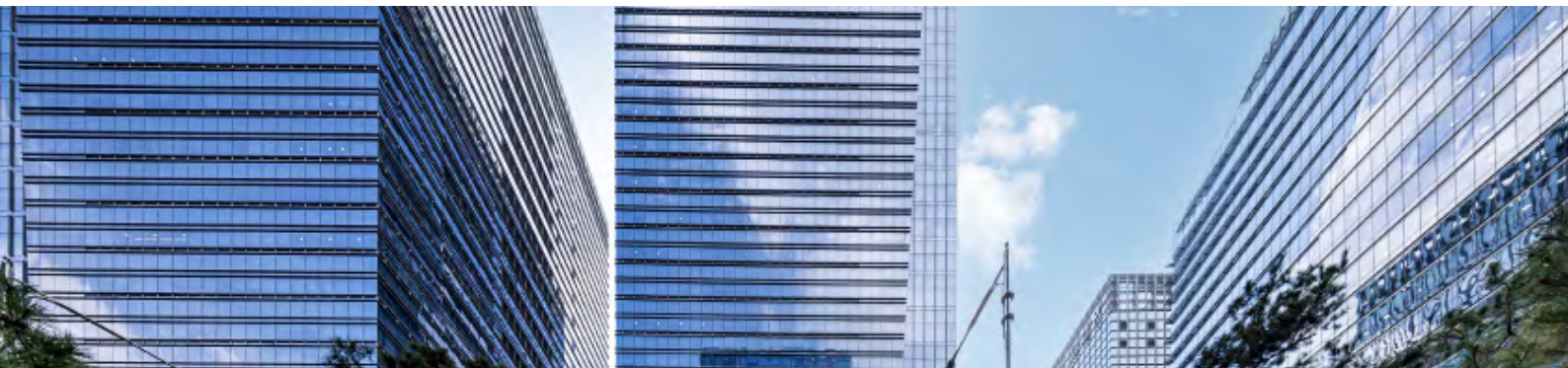


SEOUL Prime Office

Office - Korea - Q3/2026

savills



Resilient leasing, cautious investment

KEY TAKEAWAYS

- In the CBD, two new prime office assets (204,000 sq m) were delivered, raising the district's vacancy rate by 1.3 ppt QoQ to 7.3%. In contrast, the GBD and YBD continued to maintain tight vacancy rates below 4%.
- Face rents in the Seoul prime office market rose by 5.5% YoY, although rent-free periods appear to have become more prevalent in buildings with available space.
- Seoul office transaction volume totalled approximately KRW6.2 trillion in Q3/2026, with investors remaining selective focusing on assets offering stable cash flows, value-add opportunities, and attractive pricing.
- Following two recent base rate hikes and elevated financing cost, Seoul prime office cap. rates on an effective rent basis are estimated to have edged up to the low-to-mid 4% range in Q3/2026.

SUPPLY

In the CBD, G1 Seoul (143,432 sq m) and Rene Square (60,344 sq m) were completed in Q2, and EUL Tower (44,907 sq m) is scheduled for completion in Q4. MetLife moved into G1 Seoul as its first tenant, while the office component of Rene Square has been 100% leased to the Serious Crimes Investigation Agency (SCIA) as its headquarters and Seoul branch. Meanwhile, as Hanwha Sogong Building and Hanwha Finance Center Taepyeongro are undergoing refurbishment, both assets have been excluded from our survey, including the vacancy rate analysis, from

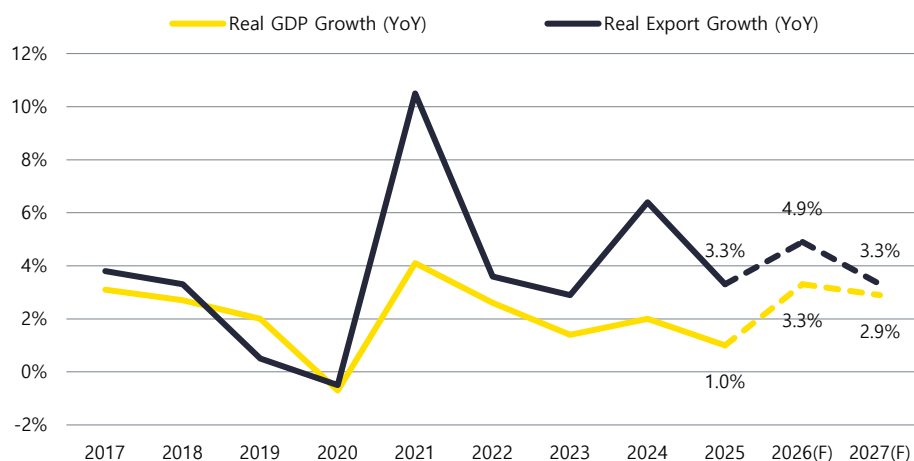
this quarter. No new prime office supply is expected in 2027.

ECONOMIC OUTLOOK

In its August 2026 economic outlook, the Bank of Korea (BoK) projected Korea's GDP growth for 2026 at 3.3%, revising its forecast upward by 0.7 ppt from its May projection (2.6%). The revision reflects the semiconductor boom and its spillover effects.

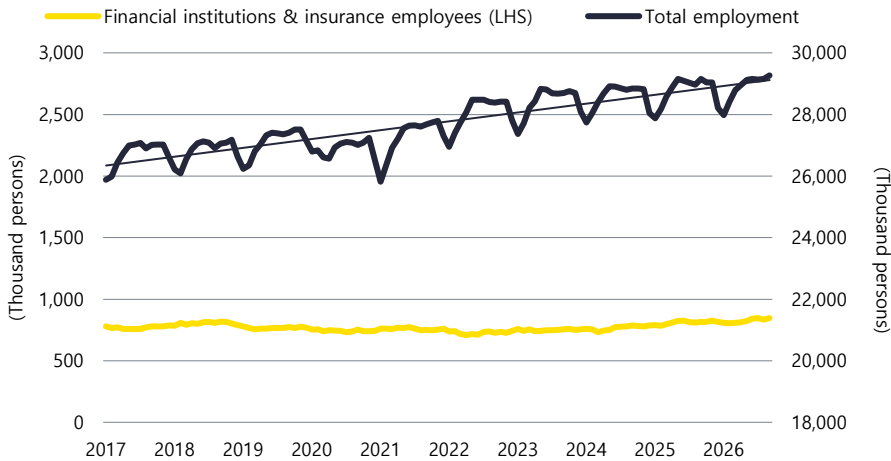
The BoK expects the global economy to grow at a moderate pace, supported by robust AI investment and solid trade

FIGURE 1: GROWTH RATE OF REAL GDP AND REAL EXPORTS, 2017 - 2027(F)



Source: Bank of Korea (Economic Outlook, August 2026)

FIGURE 2: NUMBER OF EMPLOYEES IN FINANCE AND INSURANCE SECTORS, JAN 2017 – SEP 2026



Source: Ministry of Data and Statistics Korea



Recent interest rate hikes and the rise in the 5-year Korean government bond yield have intensified upward pressure on cap. rates, with further increases likely going forward.

SAVILLS RESEARCH

growth, despite continued uncertainty in the Middle East. For the domestic economy, it identified potential financial market volatility stemming from concerns over AI profitability, as well as mounting US trade pressure and tariff burdens, as key downside risks to future growth.

International oil prices are expected to decline gradually as supply chain disruptions ease through alternative shipping routes and crude supply from countries outside the Middle East, although considerable uncertainty remains over US-Iran negotiations.

DEMAND AND VACANCY RATES

Seoul's prime office market recorded net absorption of 99,700 sq m in Q3/2026, while the average vacancy rate rose 0.4 ppt QoQ to 4.6%.

The CBD recorded the largest net absorption among the three major districts at 91,300 sq m; however, its vacancy rate increased by 1.3 ppt QoQ to 7.3% due to significant new supply. MetLife, the first tenant at the newly completed G1 Seoul, relocated from Seoul 707 Tower in the GBD and occupied three floors (12,800 sq m). Rene Square achieved full occupancy upon completion, with SCIA having pre-leased the entire building. At KDB Life Tower, CJ Olive Young backfilled five floors (10,800 sq m) vacated by Teleperformance and Google Korea. Encar.com relocated from three floors (4,400 sq m) at AIA Tower to Grand Central, expanding its footprint to 6,300 sq m, while the remaining 2,100 sq m of vacant space at Grand Central was leased by Hanwha Life Lab following its relocation from Hanwha Finance Center Taepyeongro. SGI Seoul Guarantee relocated from Tower 8 to Gran Seoul and

expanded its occupancy, taking up 3,600 sq m. Shin & Kim LLC, headquartered in D Tower, also expanded into Gran Seoul, leasing an additional 3,600 sq m. IQVIA Solutions Korea relocated from Namsan Square to Pine Avenue A (2,800 sq m), while Teleperformance moved from KDB Life Tower to Pine Avenue B (2,400 sq m). Conversely, SK Networks Service vacated 3,200 sq m at Pacific Tower following its relocation to Remarkvill Jongno.

Even though the GBD was the only district among the three major districts to record negative net absorption (-4,200 sq m), its vacancy rate stood at 1.8%, remaining below 2% for the fifth consecutive quarter. At Samsung Fire & Marine Insurance Seocho Tower, 2,500 sq m of space was leased by Samsung Securities. General Mills Korea relocated from Anam Tower to Glass Tower (2,000

TABLE 1: MONTHLY RENTS, MAINTENANCE FEES AND VACANCY RATES BY DISTRICT, Q3/2026

(Unit: KRW/3.3058 sq m, GLA)

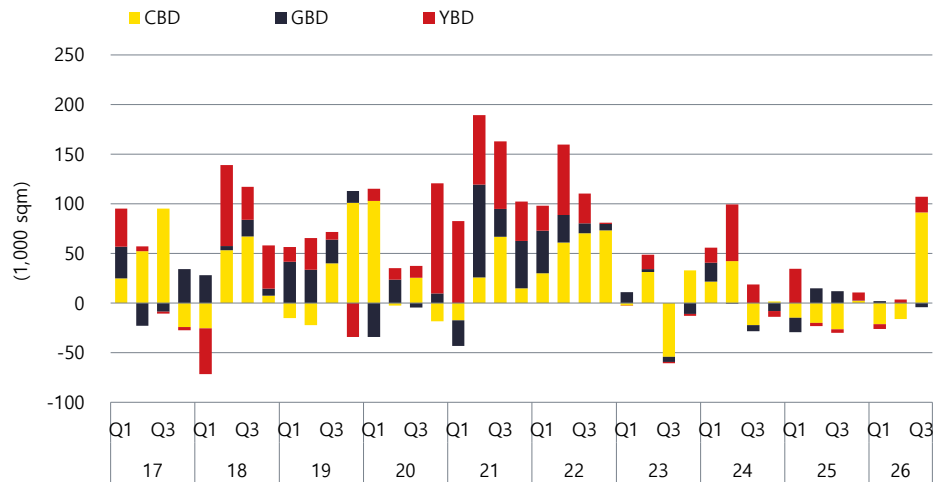
DISTRICT	RENT		MAINTENANCE FEE		NET ABSORPTION (SQ M)	VACANCY RATE (%) (PRE. Q)
	AVERAGE	YOY INCREASE (%)	AVERAGE	YOY INCREASE (%)		
CBD	143,800	6.4%	52,800	4.0%	91,300	7.3% (6.0%)
GBD	138,300	4.8%	47,200	2.0%	-4,200	1.8% (1.7%)
YBD	117,100	4.6%	48,500	3.0%	12,600	3.6% (4.2%)
Overall	136,400	5.5%	50,000	3.2%	99,700	4.6% (4.2%)

Source: Savills Korea

sq m), while Dynamis One, a game developer, relocated from Hongwoo 2nd Building to Greits Gangnam (1,800 sq m). On the other hand, Juniper Networks Korea, a provider of networking and cybersecurity solutions, vacated Arc Place, leaving 2,100 sq m of vacant space, while PRND Company vacated Samsung Life Seocho Tower, leaving 1,600 sq m vacant. In addition, Mugunghwa Trust reduced its leased area by 1,700 sq m at POSCO Tower Yeoksam, while KT&G reduced its occupancy by 1,400 sq m at KT&G Tower.

In the YBD, as the impact of new supply, including TP Tower and Anchor1, gradually stabilised, the vacancy rate fell below 4% for the first time in approximately three years, since Q2/2023. At Parc1 Tower 1, Prada relocated from Daesan Building in Cheongdam-dong, taking up 3,700 sq m, while ShineMage Global, a beauty and lifestyle company, relocated from I-Park Tower, occupying 2,100 sq m. At FKI Tower, Daeryun LLC, headquartered in Parc1 Tower 1, vacated 1,600 sq m, while Energy Infra AMC secured 3,700 sq m of space ahead of the planned redevelopment of the Mirae Asset Securities Building, where it is currently based. At Parc1 Tower 2, GeneOne Life Science, a biopharmaceutical developer, relocated to Ace High-End Tower in Guro, vacating 3,400 sq m; however, the resulting increase in vacancy was largely offset by co-working operator JustCo, which leased 3,400 sq m on another floor and opened a new branch at the property. As a result, net absorption in the YBD totaled 12,600 sq m, and the vacancy rate declined by 0.6 ppt QoQ to 3.6%.

FIGURE 3: NET ABSORPTION, Q1/2017 – Q3/2026



Source: Savills Korea

RENTS AND MAINTENANCE FEE

The average face rent for Seoul prime offices reached KRW136,400/py in Q3/2026. By district, rents were recorded at KRW143,800/py in the CBD, KRW138,300/py in the GBD, and KRW117,100/py in the YBD.

Average rental growth for Seoul prime offices reached 5.5% YoY, with increases of 6.4% in the CBD, 4.8% in the GBD, and 4.6% in the YBD. However, tenant incentives increased modestly in assets with higher vacancy rates. In Q2, the average face rent in the GBD exceeded that of the CBD for the first time since the commencement of our analysis in 1997; this quarter, however, the CBD once again recorded the highest average rent among the three districts. This was largely attributable to the inclusion of

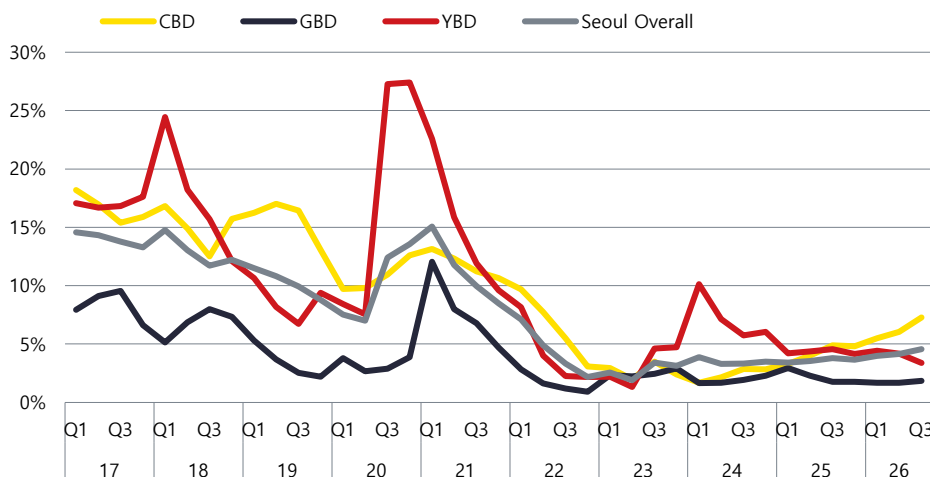
newly completed prime office assets with relatively high face rents, namely G1 Seoul and Rene Square, as well as the exclusion of assets undergoing refurbishment, including Hanwha Sogong Building and Hanwha Finance Center Taeyeongro, which have relatively low face rents. Meanwhile, rental growth in the GBD slowed to 4.8% YoY from 6.8% YoY in Q2 but continued to demonstrate solid growth momentum.

The average maintenance fee increased by 3.2% YoY to KRW50,000/py, with growth of 4.0% in the CBD, 2.0% in the GBD, and 3.0% in the YBD. Growth remained stable within the 2-4% range across all three districts, broadly in line with CPI inflation.

OUTLOOK

In the CBD, a rising vacancy rate appears inevitable with the scheduled completion of EUL Tower in Q4. At City center Tower, Ssangyong C&E is expected to vacate 8,300 sq m and relocate to Donghae, Gangwon Province. Shinhan Bank (5,900 sq m), KB Insurance (2,100 sq m) and Daewoo Development, Engineering and Construction (2,100 sq m) are also expected to vacate Greits Sungnye. At Grand Central, CJ Wellcare (4,100 sq m) and CJ Bioscience (2,100 sq m) are scheduled to vacate. Kakao Entertainment is expected to vacate Centropolis (4,000 sq m), and MPC Plus is expected to vacate T Tower, leaving 3,300 sq m of vacant space. At Jongno Tower, McDonald's, which has been headquartered in the building for about seven years, is expected

FIGURE 4: PRIME OFFICE VACANCY RATE BY DISTRICT, Q1/2017 – Q3/2026



Source: Savills Korea

TABLE 2: MAJOR TENANT RELOCATIONS, Q3/2026

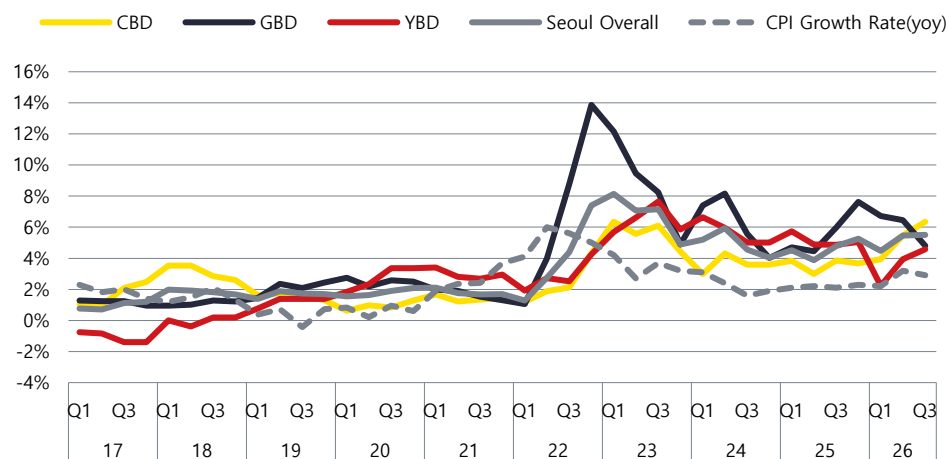
TO				FROM	
DISTRICT	BUILDING	TENANT	AREA (SQ M)	DISTRICT	BUILDING
CBD	Rene Square	The Serious Crimes Investigation Agency	50,800	New	
	G1 Seoul A	MetLife Insurance	12,800	GBD	Seoul 707 Tower
	KDB Life Building	CJ Olive Young	10,800	Expansion	
	Grand Central	Encar	6,300	CBD	AIA Tower
		Hanwha Life Lab	2,100	CBD	Hanwha Finance Center Taepyeongro
	Gran Seoul	SHIN & KIM	3,600	Expansion	
		Seoul Guarantee Insurance	3,600	CBD	Tower 8
	Pine Avenue A	IQVIA	2,800	CBD	Namsan Square
		Hanwha Aerospace	900	Expansion	
		Shinhan Card	800	Expansion	
	Pine Avenue B	Teleperformance Korea	2,400	CBD	KDB Life Building
	Heungkuk Life Insurance Bldg.	Heungkuk Life Insurance Affiliate	2,400	Expansion	
	Ferrum Tower	UNID	2,100	Expansion	
		Dongkuk Steel Mill Affiliate	600	Expansion	
GBD	Samsung Fire & Marine Insurance Seocho Tower	Samsung Securities	2,500	New	
	Glass Tower	General Mills Korea	2,000	GBD	Anam Tower
	GREITS Gangnam	Dynamis One	1,800	GBD	Hongwoo 2nd Bldg.
YBD	Parc.1 Tower 1	PRADA	3,700	Others	Daesan Bldg.
		Shinemage Global	2,100	GBD	IPARK Tower
	FKI Tower	Energy Infra AMC	3,700	Expansion	
		Financial Supervisory Service	400	Expansion	
	Parc.1 Tower 2	JustCo	3,400	New	
	IFC 2	Align Partners Capital Management	1,700	YBD	IFC 1
		YG Investment, Etc.	1,300	Various	

Source: Savills Korea

to relocate to Booyoung Taepyeong Building, leaving 2,600 sq m of vacancy; however, SK affiliates are expected to backfill 8,100 sq m of its vacant space. In addition, the Seoul Metropolitan Government's Mugyo-ro office, currently located in The Exchange Seoul, is expected to move into Center Place, taking up 2,900 sq m.

EUL Tower, scheduled for completion in Q4, is currently being actively marketed, with no leasing commitments observed to date. G1 Seoul, completed in April, has also yet to secure any additional leasing commitments beyond MetLife. With the simultaneous delivery of new supply and the emergence of multiple vacancies, the

FIGURE 5: YOY RENTAL INCREASE RATE BY DISTRICT, Q1/2017 - Q3/2026



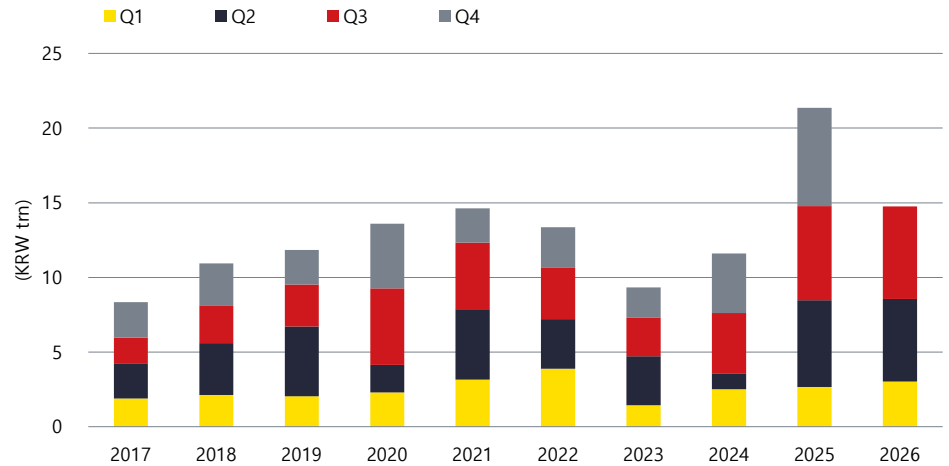
Source: Bank of Korea, Savills Korea

CBD vacancy rate could rise to around 9% in the near term.

In the GBD, Gmarket Global, currently occupying five floors (26,000 sq m) at Gangnam Finance Center, is expected to relocate to Starlit Seongsu N. At Greits Gangnam, FastFive, occupying four floors (7,600 sq m), and Backpackr (1,800 sq m) are scheduled to vacate. At Centerfield, December & Company AMC (3,800 sq m) and Ceragem (3,700 sq m) are expected to vacate, while the space resulting from NPIXEL's downsizing is expected to be leased by Sanofi Korea, a global pharmaceutical company. In addition, at Bithumb Financial Tower, the space made available following Lotte Workflex's departure in Q2 is expected to be occupied by Bithumb through a further expansion of 10,100 sq m in Q4. Accordingly, the GBD vacancy rate, which has remained below 2% for five consecutive quarters, is expected to increase modestly. Nevertheless, market fundamentals are expected to remain stable, with the vacancy rate staying below 5%.

The YBD vacancy rate is expected to remain relatively stable compared with the other major districts. At Parc.1 Tower 2, KakaoBank (10,000 sq m) and Bayer Korea (1,100 sq m) are expected to vacate, while NH Investment & Securities is expected to downsize its leased area by 2,300 sq m. NH NongHyup Capital is expected to relocate from the NH NongHyup Capital Building to One Centinel, taking up 14,000 sq m of vacant space. As a result, the vacancy rate at One Centinel, which

FIGURE 6: PRIME OFFICE VACANCY RATE BY DISTRICT, Q1/2017 - Q3/2026



Source: Savills Korea

currently stands at 30.1%, is expected to decline to 7.4% following NH NongHyup Capital's move-in. At Parc.1 Tower 1, Quarterback AMC is expected to vacate 3,400 sq m, which is expected to be backfilled by Life AMC relocating from IFC 2. Meanwhile, Eugene Corporation's downsizing (3,400 sq m) and Korea Fund Partners' departure (2,100 sq m) are expected to create additional vacancies within the building.

Unlike in the first half of the year, the Seoul prime office market recorded positive net absorption in Q3. Following the completion of G1 Seoul and Rene Square, and with EUL Tower scheduled for delivery in Q4, the stock of prime office space is set to expand meaningfully. As a result, leasing activity driven by occupier

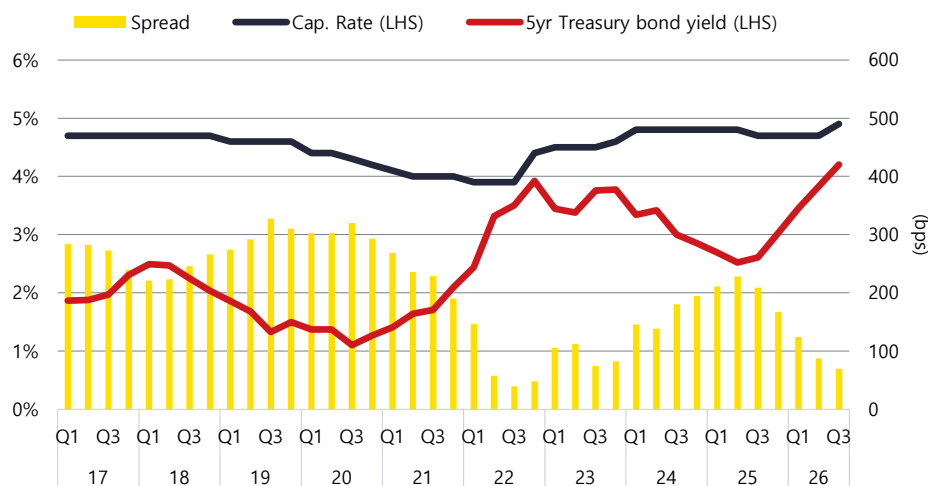
relocations and expansion demand is expected to increase. Looking further ahead, the growing development pipeline is likely to intensify competition among landlords for tenants over the medium to long term.

TRANSACTIONS AND THE INVESTMENT MARKET

Seoul office transaction volume totalled approximately KRW6.2 trillion in Q3/2026, broadly in line with the KRW6.3 trillion recorded in Q3/2025. Market uncertainty has persisted as successive interest rate hikes have increased financing costs and investment burdens, resulting in delays to some transactions. Amid a cautious investment environment, investors have remained selective, favouring high-quality assets backed by long-term lease commitments, value-add opportunities with refurbishment potential, and assets offering attractive entry pricing. Although a number of assets are currently under negotiation and new listings continue to come to market, total transaction volume in 2026 is expected to remain below 2025 levels due to elevated financing costs and ongoing market uncertainty.

IGIS AMC reportedly acquired Doosan Tower in Dongdaemun from Mastern IMC for KRW890.0 billion through a share deal. Unlike most major retail properties in the Dongdaemun area, which are typically held under strata-title ownership, Doosan Tower is under single ownership, providing greater flexibility in integrated asset management and operations. The office component

FIGURE 7: PRIME OFFICE BUILDING CAP. RATE TREND, Q1/2017 - Q3/2026



Source: Bank of Korea, Savills Korea

TABLE 3: KEY TRANSACTIONS, Q3/2026

DISTRICT	BUILDING NAME	SELLER	BUYER	TYPE	TRANSACTION PRICE (KRW BIL)
CBD	G1 Seoul	Landsperit AMC	Mirae Asset AMC	Asset deal	1,523.0
CBD	Pine Avenue A	Shinhan Card	MDM AMC	Asset deal	800.0
GBD	Gangnam 358 Tower	Samsung SRA AMC	Hyunsong Educational & Cultural Foundation	Asset deal	445.0
CBD	City Center Tower	Hana Alternative AMC	Petraville AMC	Asset deal	292.7
Others	Doosan Tower	Mastern Investment Management	IGIS AMC	Share deal	890.0
Others	Semicolon Mullae	D&D Platform REITs	KB AMC	Asset deal	614.8
Pangyo	Pangyo GB1	Edn Investment Management	Kyobo AIM AMC	Asset deal	306.6

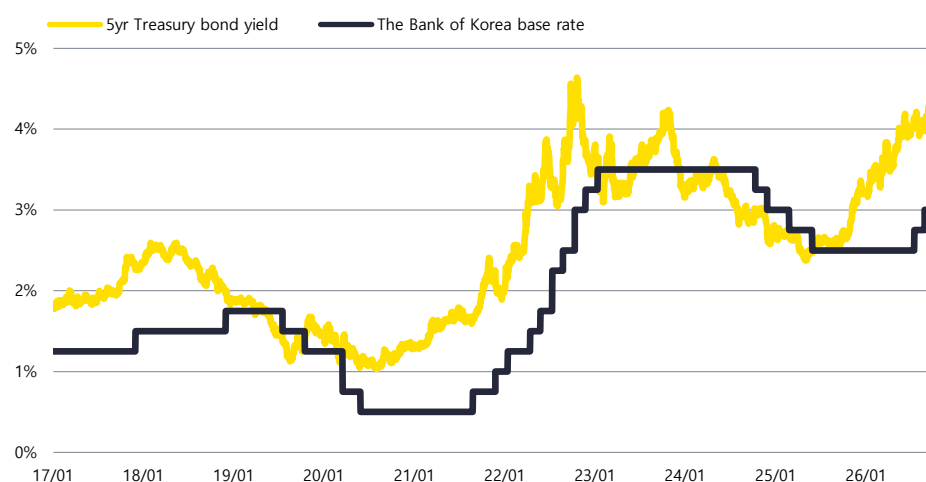
Source: Savills Korea

is occupied by Doosan Group as its headquarters, while Doota Mall occupies the lower floors under lease agreements extending through 2030. Following the withdrawal of Hyundai Department Store Duty Free last year, the vacated space is being converted into a hotel. The asset is reportedly expected to be repositioned as a mixed-use complex comprising hotel, office, and retail components.

Hyunsong Education & Culture Foundation acquired Gangnam 358 Tower from Samsung SRA AMC for KRW445.0 billion (KRW45.0 million/py). Most of the office space is occupied by Samsung Group affiliates. Notably, approximately half of the existing tenants renewed their leases shortly before the transaction closed, securing a stable rental income stream. The foundation has actively pursued office investment opportunities in the CBD and GBD over the past two years and reportedly acquired the asset entirely with equity.

Petraville AMC acquired City Center Tower, located near Euljiro 3-ga Station, for KRW292.7 billion, excluding part of the ground floor owned by Woori Bank. Major tenants include Ssangyong C&E, which occupies the building as its headquarters, and Samsung Fire & Marine Insurance. Ssangyong C&E, which occupies four floors, plans to relocate its headquarters to Donghae, Gangwon Province, in 1H/2027. Accordingly, there appears to be potential for rental upside upon the execution of new lease agreements. The beneficiary of the asset is reportedly Gaw Capital, a Hong Kong-based asset manager.

FIGURE 8: FIVE-YEAR TREASURY BOND YIELD AND BOK BASE RATE TREND, JAN 2017 – SEP 2026



Source: Savills Korea

MDM AMC acquired Pine Avenue A in the CBD from Shinhan Card for KRW800.0 billion. The transaction was structured as a sale-and-leaseback arrangement, under which Shinhan Card will continue to occupy the building for approximately 10 years following the sale. The asset has served as Shinhan Card's headquarters since 2020, when the company acquired it from Mirae Asset Global Investments, which was managing the asset on behalf of Azerbaijan's sovereign wealth fund, through the exercise of its right of first refusal.

As of Q3/2026, Seoul prime office cap. rates are estimated to be in the high-4% range on a nominal rent basis and in the low-to-mid-4% range on an effective rent basis, reflecting rent-free periods, representing a slight increase

from the previous quarter. Following two consecutive base rate hikes, market rates, including government bond yields and mortgage lending rates, have also risen rapidly, placing additional upward pressure on cap. rates. Furthermore, amid concerns over declining office investment returns due to elevated financing costs, upward pressure on cap. rates is expected to persist, depending on the trajectory of interest rates and financing conditions.

Overview of the Seoul Office Market and Savills Korea Office Survey

TABLE 4: SUMMARY OF SURVEYED BUILDINGS SEP 2026

		CBD	GBD	YBD	Total
A	Number of buildings	26	14	14	54
	Average GFA (sq m)	90,000	107,000	110,000	100,000
	Average year of completion	2006	2005	2010	2007
B	Number of buildings	23	22	9	54
	Average GFA (sq m)	52,000	47,000	48,000	49,000
	Average year of completion	2002	2002	1999	2001
Total number of buildings		49	36	23	108
Total area (sq m)		3,530,000	2,530,000	1,980,000	8,040,000

Source: Savills Korea

Close to 55% of large office buildings (30,000 sq m or more) in Seoul are located in three major business districts – the CBD (24%), GBD (20%) and YBD (11%). The CBD is the largest of these districts and is home to major government and multinational institutions. The GBD also houses many multinational companies and is an information technology centre, while YBD, the “Wall Street” of South Korea, includes the headquarters of major securities firms and broadcasting companies.

The Savills Korea Quarterly Office survey is the longest running survey of prime office stock in Seoul. Established in 1997, it currently comprises of 108 among 135 buildings in Seoul classified as “prime” buildings.

Prime buildings: Buildings with a GFA greater than 30,000 sq m with good accessibility and facilities, high level of finish, and creditworthy blue-chip tenants.

Monthly rent: Surveyed rents are “face rents”, the asking rents reported by landlords for mid-level floors. These rents are standardised by Savills Korea to account for variations in the security deposits required by different landlords to produce an effective rental figure for NLA.

Cap Rate Calculation Method

Cap rate: (income from interest on security deposit (5%) + face rent of a standard floor + residual income from maintenance fee) × occupancy rate (95%) × 12 / transaction amount.

For comparison of cap rates of each transaction case, a 5% interest rate on security deposit and 90% occupancy rate were uniformly applied.

The applied occupancy rate was revised from 95% to 90% in 2014 due to higher natural vacancy rates, until 2022 since which 95% is re-applied.



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