

## What's Happening in... Seoul?



Seoul is the capital of South Korea – officially the Republic of Korea. It is a massive, bustling city known for its amazing street food, pop culture influence and cutting-edge technology, but it's also an ancient city with many sites of historic significance.

This clash of the new and old – temples and skyscrapers, street markets and high tech headquarters – is one of the many reasons that Seoul remains a popular destination for global and regional tourists, while its robust and advanced infrastructure keeps it a business hub too.

### Geared for Industry and Export

South Korea's economic success is one for the textbooks – countless case studies have been done on the rapid transformation that took this economy from a “developing nation” to a global leader in record time. These days, South Korea is one of the top five largest economies in Asia and within the top ten in the world.

Today, the gross domestic product (GDP) hovers around the \$2 trillion mark – driven by an emphasis on research and development, value chain dominance, exports and a highly-skilled workforce. Seoul is the epicenter of the economic activity in the country, especially in terms of electronics and finance.

Leading industries in Korea include electronics (especially semiconductors and mobile phones), telecommunications, vehicle production, shipbuilding, steel and chemicals. Additionally, the economy of South Korea is largely export-oriented.



## What's Happening in... Seoul?

According to NAI Global's partner in Seoul, NAI Korea, the country's economy showed "clear signs of rapid recovery in 2021 with the economy expanding 4% year-on-year and is expected to be about the same in 2022".

### Residential Market Factors

In terms of population, Seoul has been designated a mega-city for having more than ten million residents. Residents typically enjoy high levels of education and employment, but housing does come with a certain premium – as in any large city.

To address this, the city government recently agreed to lift the 35-story restriction on residential buildings. Property price trends in the city are a mixed bag, but largely steady -- with some parties recording a three percent decline recently and others a one percent increase.

### Commercial Property Outlook

Office space, logistics, and warehousing remain "top of the pops" for Seoul commercial real estate, with major companies like Samsung, chip maker TES, Hyundai, and LG, as well as offices of Amazon, Deloitte, and IBM, all maintaining a considerable presence in the city.

Significant portions of Seoul have been earmarked for rejuvenation, while other regions – such as Gangnam – have enjoyed lengthy periods of consistent interest and investment. Where public spending on rejuvenation has been undertaken, significant public and commercial benefits have been realized.

For example, greening and restoration of the Cheonggyecheon district had a dramatic impact on land prices therein. As the World Bank notes: "Before the restoration, land prices within a 100-meter radius of the Cheonggyecheon were only 15 percent higher compared to those within a 600-meter radius. However, after the transformation to a green space, the gap in value doubled by 30 percent."

For more regional insight, contact NAI Global's partner in Seoul, NAI Korea.

