

SHILLA STAY

SEODAEMUN



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INTRODUCTION

JLL Hotels & Hospitality Group (“JLL”) has been retained as the exclusive advisor to IGIS Private Real Estate Investment Trust No.43 (“Owner”), a fund of IGIS Asset Management, to offer for sale the Shilla Stay Seodaemun (the “Property” or “Hotel”) located at 76, Chungjeong-ro, Seodaemun-gu, Seoul, South Korea.

Located at a busy intersection near Seoul’s Central Business District (“CBD”), the 319-key Property has excellent frontage and accessibility. The Hotel has operated since 2015 and is a quick walk from key demand generators including Seoul’s CBD, Seoul Museum of History, and Deoksugung Palace.

Operated by Shilla HM Corporation, the Hotel is being offered for sale with the benefit of the existing lease agreement. This represents an excellent investment opportunity for an investor to acquire a well-located asset with a stable income stream in one of Asia’s most tightly-held gateway cities.

Detailed information on the Property, including financial, legal, and property information, is available for review upon the execution of a confidentiality agreement.

INVESTMENT HIGHLIGHTS

GREAT ACCESSIBILITY AND VISIBILITY

The Hotel is located in Seodaemun submarket at a busy intersection in the heart of Seoul with excellent visibility. Being directly above the Seodaemun Station on Seoul Subway Line 5 provides guests the convenience of a direct connection to the CBD as well as the YBD.

The Hotel also benefits close proximity to nearby Univ. and hospitals which consistently provide long-term stays.

RAPID GROWTH IN OPERATIONAL PERFORMANCE

In 2023, key operational metrics of the Hotel including occupancy, average daily rates (“ADR”) and rents have significantly improved and are above pre-covid levels. An incoming investor will be able to benefit from further improvements in cashflows as Seoul continues to grow as a corporate and leisure destination.

FAVOURABLE LONG-TERM LEASE

With approximately 12 years remaining on the existing lease with Shilla HM Corporation, expiring in 2035, the Property provides downside protection with upside exposure for an incoming investor to benefit from a recovering hotel market.

The Hotel is the last fee simple master leased Shilla Stay Hotel in Seoul with remaining lease term greater than 10+ years.

SECURE AND STABLE INCOME STREAM

The Hotel is leased by Shilla HM Corporation, a subsidiary of Hotel Shilla, South Korea’s leading hotel operator with a track record since 1979. Shilla is backed by Samsung, one of the largest conglomerates in South Korea. The Shilla Stay brand is Hotel Shilla’s upscale business hotel brand with 14 operational hotels. The master lease represents an excellent opportunity for investors who want downside protection while capturing the significant rent growth fueled by the strong recovery in the Korean hospitality market.

EXPOSURE TO A MARKET WITH STRONG TOURISM FUNDAMENTALS

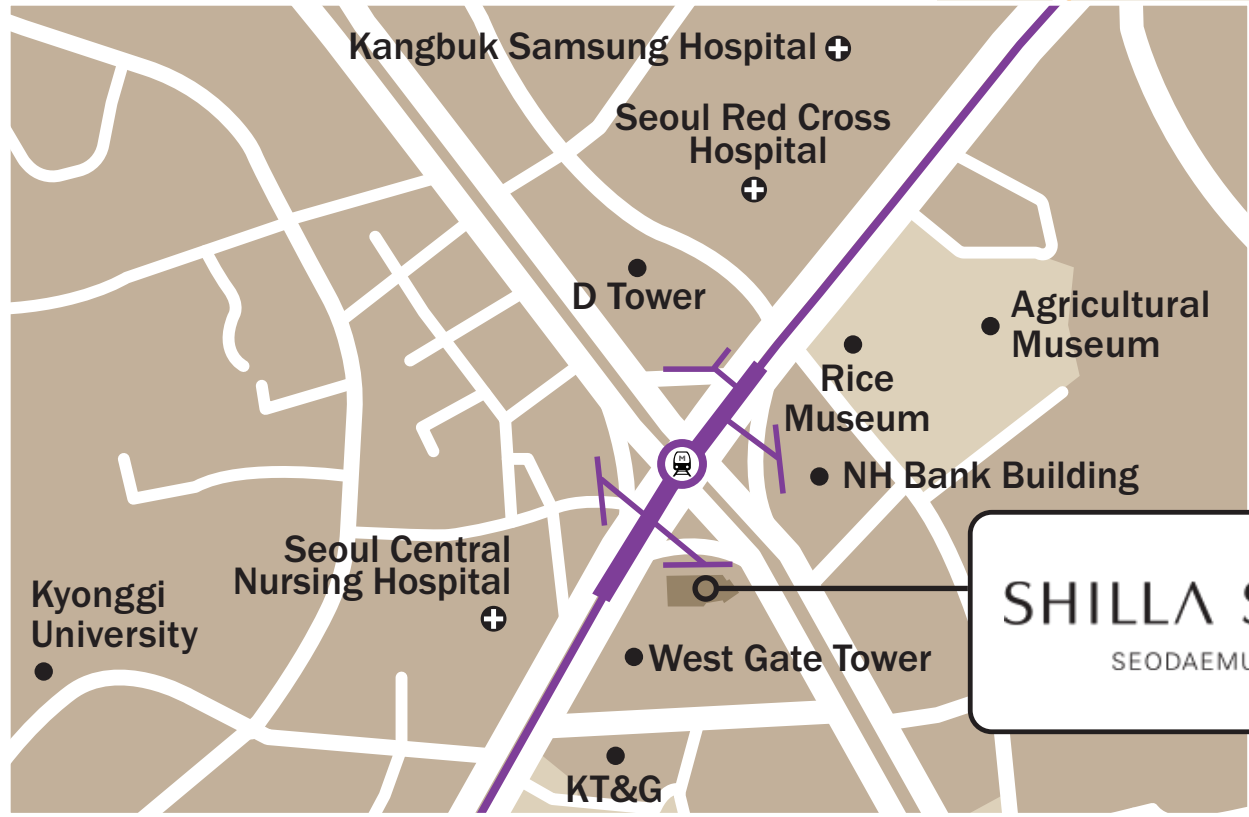
Supported by world-class infrastructure, flight connectivity, and tourist attractions, Seoul is a key gateway city to Asia and has remained resilient despite the pandemic. With the resumption of global travel, tourism has rebounded strongly, as evidenced by record-high ADR at hotels. The continued growth of Korean culture’s popularity and new infrastructure projects such as Phase 4 of Incheon International Airport further serves to cement Seoul’s tourism growth and popularity.





EXECUTIVE SUMMARY

Offering	Shilla Stay Seodaemun
Location	76, Chungjeong-ro, Seodaemun-gu, Seoul, South Korea
Completion	March 2015
Opened	May 2015
Land Tenure	Freehold
Site Area	1,006m ² (304.35 pyeong)
Gross Floor Area	13,529m ² (4,092.58 pyeong)
Floor Area Ratio	52.2%
Building-to-land Ratio	1,084.2%
Accommodation	319 guestrooms
Food & Beverage	Café (118 pax seating capacity)
Facilities	<ul style="list-style-type: none"> • Meeting Room • Business Corner • Fitness Center • 24 Carpark lot
Management	Offered with the benefit of an in-place lease agreement with Shilla Stay for a period of 20 years ending in 2035



SHILLA STAY
SEODAEMUN

LOCATION

The Hotel is located in Seodaemun and is a stone's throw away from key demand generators including Seoul's CBD, Seoul Museum of History, and Deoksugung Palace. Being at the corner of a large intersection affords guests a northward unblocked view of the area. The Hotel sits directly above Seodaemun station on Seoul Subway Line 5, ensuring excellent accessibility and convenience for guests.

The hotel also benefits close proximity to Kyeonggi University, Seoul Central Nursing Hospital and Kangbuk Samsung Hospital which consistently provide long-term stays.

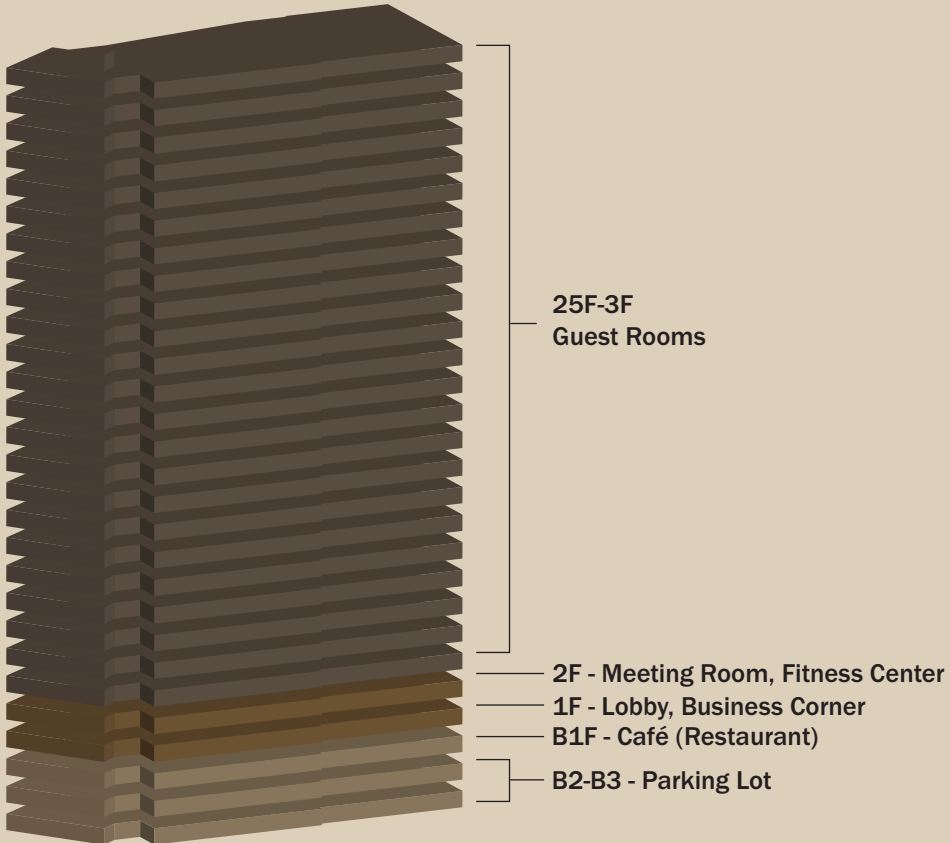




PROPERTY INFORMATION

Shilla Stay Seodaemun's 319 rooms welcomed its first guests on 1 May 2015. All Guestrooms, facilities and common areas span a total gross floor area of 13,529.2 m², spread over 25 floor levels, with guestrooms situated between 3F and 25F. The Hotel's all-day dining outlet is located in B1F. Other facilities such as the Business Corner, Meeting Room, and Fitness Center are located on 1F and 2F.

The Hotel sits directly above Seodaemun Station, which is on the Seoul Subway Line 5, allowing guests convenient access to the rest of Seoul.



25F-3F
Guest Rooms

2F - Meeting Room, Fitness Center

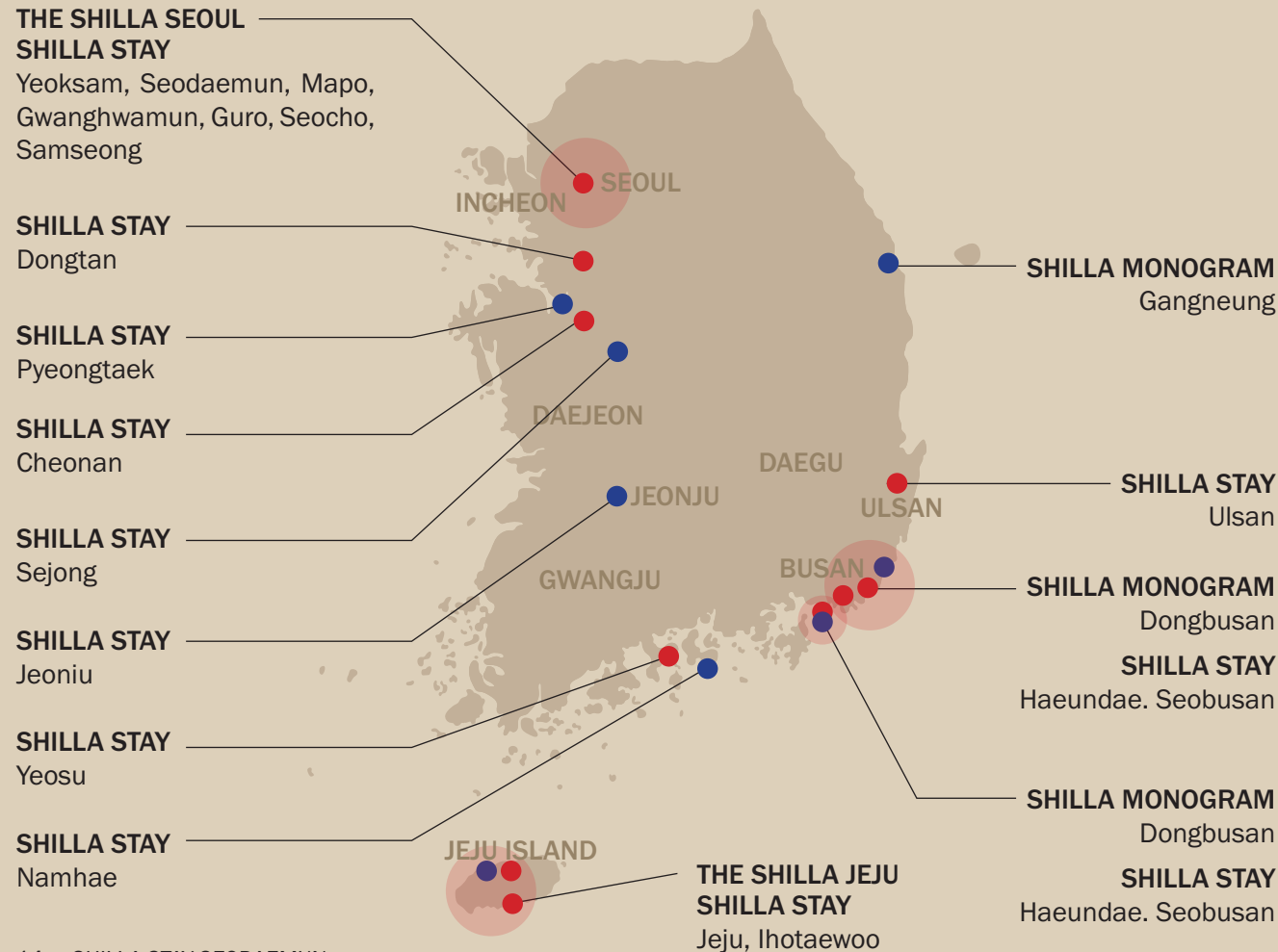
1F - Lobby, Business Corner

B1F - Café (Restaurant)

B2-B3 - Parking Lot

TENANT QUALIFICATION

Hotel Shilla is an affiliate of the Samsung Group. The name Hotel Shilla comes from the Shilla Dynasty that saw the rapid development of culture and arts during the thousand years of its history. Its first property, The Shilla Seoul, opened in March 1979. Hotel Shilla is currently operating and developing a total of 35 properties globally, including 17 hotels in South Korea.



	Current	Pipeline	Global Office
South Korea	17	8	-
Asia	1	7	8
Europe / USA	-	2	4
Total	18	17	12

● Current ● Pipeline ● Global office

TENANT QUALIFICATION

Apart from its luxury brand The Shilla, the company has also launched Shilla Monogram, an upper-upscale brand, and Shilla Stay, an upscale business brand, based on its original brand value and service capability.

THE SHILLA HOTEL BUSINESS



THE SHILLA
SEOUL
A Leading Global Property



THE SHILLA
JEJU
A Luxury Resort Property



SHILLA STAY
Premium Business Properties

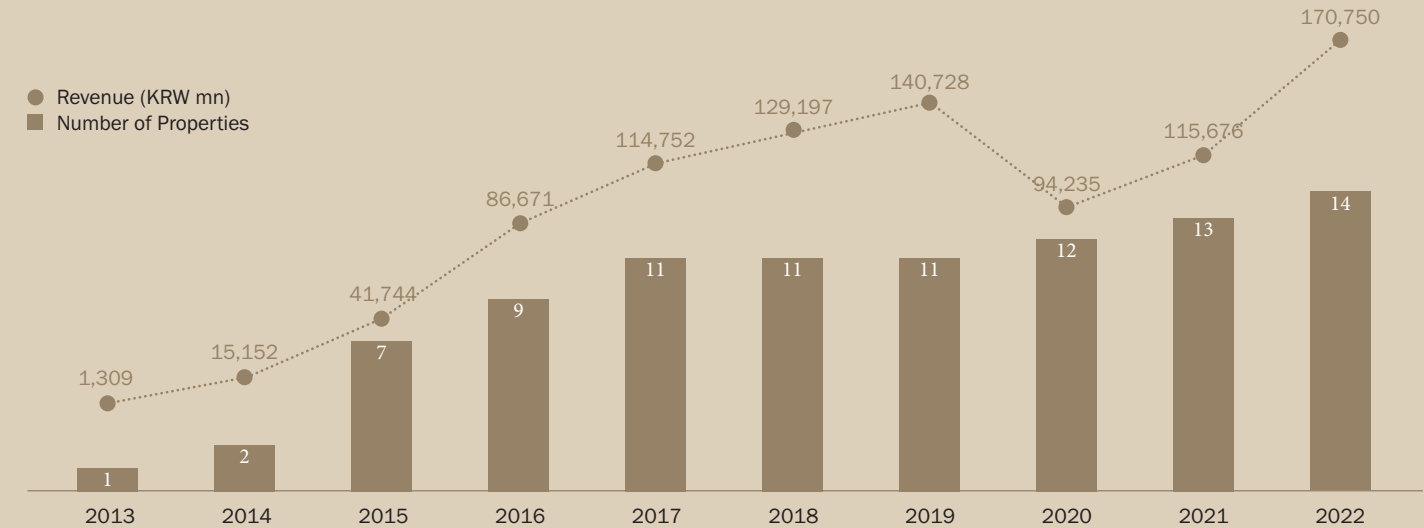


SHILLA MONOGRAM
Upper Upscale Properties

SHILLA STAY

Shilla Stay is the company's upscale business brand which aims to provide a touch of the elevated Shilla experience at a reasonable price. Its design concept is based on discerning simplicity, preaching practicality in the provision of services and products. Shilla Stay has 14 operational hotels in Korea currently, showing solid profitability with an average occupancy of 80% and an average GOP in the high 40% range.

THE NUMBER OF HOTELS OPERATED BY SHILLA STAY AND REVENUE





MASTER LEASE TERMS

The Property is a core asset with stable income protected by minimum rent guarantee from one of the most credit-worthy tenants backed by Samsung group. Unlike other Shilla Stays, the operator has never been in arrears on its rent obligations - even during the COVID-19 pandemic. Further, the hotel offers favorable master lease terms such as additional rent, 12-year remaining lease term, and option to terminate upon sale.

Term	01/05/2015 - 01/05/2035 (Total 20 years, 12 years remaining)
Renewal Terms	Lease period can be extended by 10 years under the mutual agreement between the owner and the tenant
Annual Minimum Rent	To be shared upon execution of the NDA
Rent Calculation	(Base Rent + Additional Rent) - Adjusted Rent
Base Rent	
Additional Rent¹	To be shared upon execution of the NDA
Adjusted Rent	
Termination	

Note: 1) if additional rent is zero or negative, it does not add to the rent calculation.

ACCOMMODATION

Situated on floors 3-27, the Hotel's 319 guestrooms are characterized by modern and simple luxury, giving guests a peaceful environment within the bustling city of Seoul. Guests have a selection of 5 room types, including the Deluxe Ondol, which is a Korean-style room.

ROOMS	NUMBER	SIZE	VIEW	BED
Standard	168 Rooms	20~23 m ²	City	Double, Twin, Family Twin
Deluxe	121 Rooms	20~23 m ²	City	Double, Twin, Family Twin
Deluxe Ondol	12 Rooms	20~23 m ²	City	Ondol, Double
Premier Deluxe	14 Rooms	20~23 m ²	City	Double, Twin, Family Twin
Grand	4 Rooms	39.7 m ²	City	Double



STANDARD
168 rooms Size 20-23 m²



DELUXE
121 rooms Size 20-23 m²



DELUXE ONDOL
12 rooms Size 20-23 m²



PREMIER DELUXE
14 rooms Size 20-23 m²



GRAND
4 rooms Size 39.7 m²



CAFETERIA

Location: B1F

Seating Capacity: 118 pax

area: 454m² (137.29 pyeong)

OPENING HOURS

Breakfast	Buffet	(Weekdays) 06:30-09:30
		(Weekdays, National Holiday) 07:00-10:00
Lunch	Buffet	(Weekdays) 11:30-14:00
		(Weekdays, National Holiday) 12:00-14:30
Lounge	Bar	(Weekdays, Weekends, National Holiday) 18:00-23:00

OTHER FACILITIES



MEETING ROOM



FITNESS CENTRE



BUSINESS CORNER

SEOUL MARKET OVERVIEW

Seoul, the capital of South Korea, is a dynamic metropolis where traditions merge seamlessly with modernity. From majestic palaces and serene temples to futuristic skyscrapers and bustling shopping districts, Seoul offers a captivating blend of history, culture, cuisine, and technological innovation, making it a vibrant destination for travelers worldwide.



11TH MOST VISITED CITY

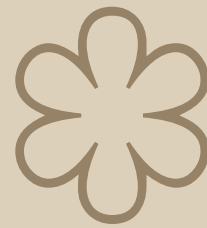
in the world in 2019 with a strong 9% y-o-y growth, based on Mastercard's Global Destination Cities Index



South Korea welcomed

17.5 MILLION

international visitors in 2019.



35 RESTAURANTS WITH 1 MICHELIN STAR OR MORE, Total of 176 restaurants mentioned in Michelin Guide 2023



CONTINUED INVESTMENTS IN INFRASTRUCTURE, including the expansion of the Seoul Metropolitan Subway - addition of the GTX highspeed subway system, providing better connectivity within the city and with the suburbs



AIRPORT CAPACITY POST EXPANSION IN 2024: 130 MILLION PASSENGERS

Incheon International Airport -

DIRECT CONNECTIVITY TO 125 INTERNATIONAL DESTINATIONS. Awarded Best Airport Worldwide multiple years

Gimpo International Airport -

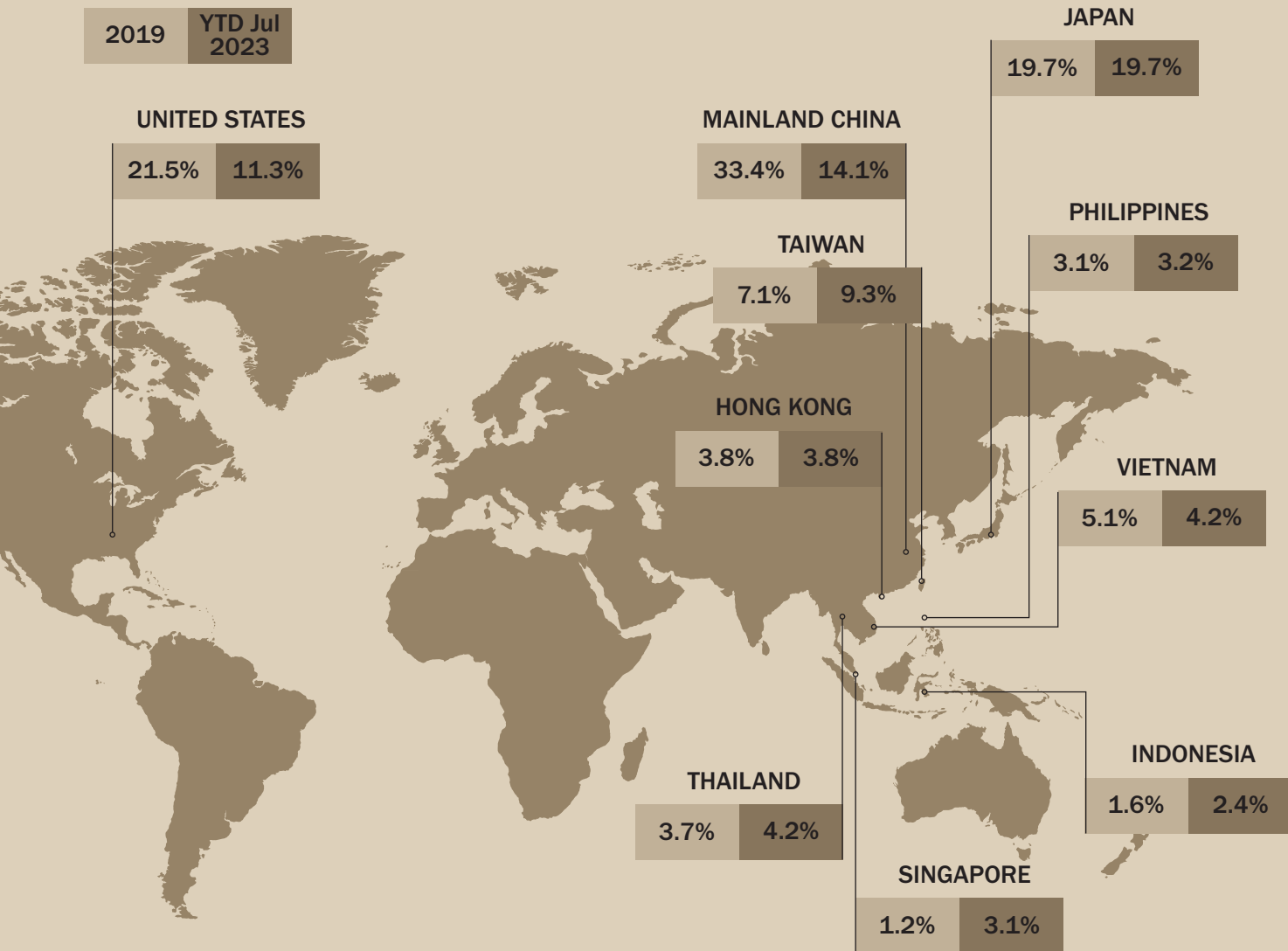
DIRECT CONNECTIVITY TO 7 INTERNATIONAL AND 9 DOMESTIC DESTINATIONS.



Seoul's appeal as a tourism destination for local visitors, AS DOMESTIC DEMAND ACCOUNTED FOR 97% of visits to major tourist attractions in 2022

SEOUL MARKET OVERVIEW

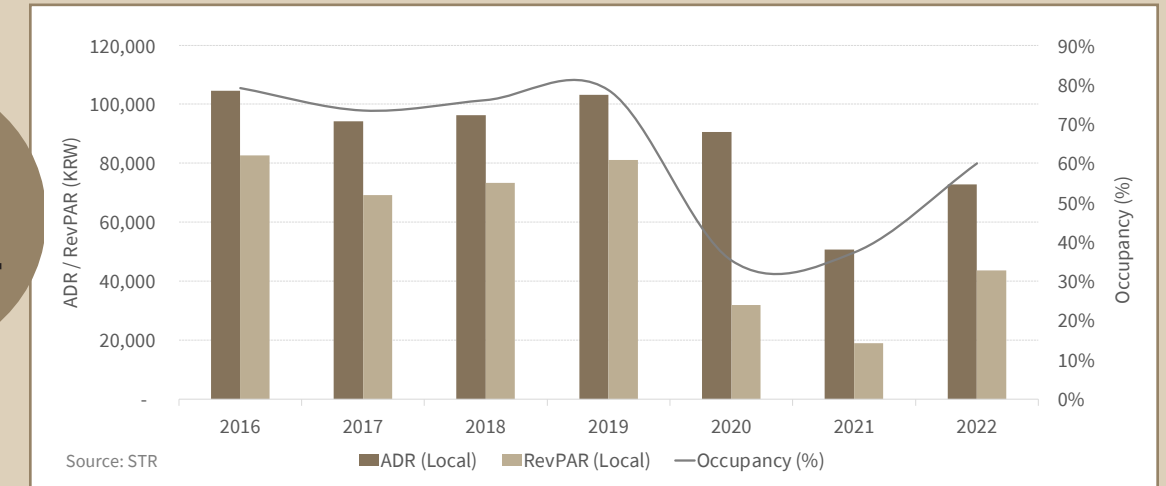
TOP 10 SOURCE MARKETS



SOUTH KOREA INTERNATIONAL VISITORS ARRIVALS



SEOUL MIDSACLE / ECONOMY HOTELS TRADING PERFORMANCE



FURTHER INFORMATION

The Property is being offered for sale via an Expression of Interest process, the details of which can be obtained from JLL Hotels & Hospitality Group upon the execution of a confidentiality agreement. All enquiries relating to the Property are to be addressed solely to JLL Hotels & Hospitality Group.



SOUTH KOREA

Jones Lang LaSalle Co., Ltd
32F One IFC
10, Gukjegeumyung-ro
Yeongdeungpo-gu
Seoul, Republic of Korea

SINGAPORE

Jones Lang LaSalle Property
Consultants Pte Ltd
CEA License No. L3007326E
Hotels & Hospitality Group
88 Market Street
#35-01 CapitaSpring
Singapore 048948

DISCLAIMER

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