
Seoul's Housing Policy

Direction

- **Seoul aims to stabilize the housing market by ensuring a steady supply of housing from both the public and private sectors.**
- **The city seeks to alleviate the burden of housing expenses for low-income residents by expanding support for housing finance.**

Seoul's Housing Policy

○ **Strengthening the foundation of housing supply for housing market stability**

- Instability in Seoul's housing prices and steep rises in rental fees in recent years have been attributed to excessive government regulations and a lack of proper redevelopment projects, leading to an imbalance in supply and demand.
- The Seoul Metropolitan Government is actively promoting policies aimed at stabilizing the housing market by revitalizing stalled privately-led redevelopment and reconstruction projects, with the goal of improving Seoul's residential environment and expanding housing supply.
- The public sector serves as a supporter for privately-led development projects, providing support for various plans and procedures from the early stages of planning, thereby significantly shortening project timelines through the introduction of "rapid integrated planning." Moreover, recent enhancements* in the site selection process for redevelopment, reconstruction, and Moa Town projects aim to accelerate project progress further.

* The selection process for Moa Town candidate sites, previously conducted only 1-2 times a year during specific periods, has now shifted to an "ongoing application - ongoing selection (monthly selection)" method.

* Previously, construction contractors could be selected only after the establishment of a project implementation plan. However, the process has been improved to allow for the early selection of contractors upon receiving approval for the establishment of a consortium.

- The progress of redevelopment, reconstruction, and Moa Town projects under this comprehensive planning approach, combined with tangible increases in housing supply, will significantly contribute to stabilizing real estate prices and the housing market.

1. Establishing a Stable Housing Supply Foundation through the Normalization of Redevelopment Projects

- **(Redevelopment)** The city selected a total of 63 candidate sites for redevelopment and formulated rapid integrated plans for the designation of redevelopment zones. This initiative aimed to ensure a continuous supply of housing, shorten the time for area designation (from over 5 years to approximately within 2 years) through various regulatory improvements, and activate redevelopment projects by implementing integrated reviews.
- **(Reconstruction)** By relaxing various regulations, including floor area ratios, building heights, and permitted uses, as well as easing safety assessment standards for reconstruction, the city aims to create more flexibility for various types of housing supply and redevelopment projects.
- **(Moa Housing and Moa Town)** A pioneering approach known as Moa Housing and Moa Town projects has been introduced to address the issue of low-rise residential areas in poor conditions, such as old buildings and narrow alleys, which could not undergo redevelopment due to not meeting redevelopment and reconstruction requirements.
 - * This project is actively progressing, with a total of 67 Moa Town locations selected across 24 autonomous districts. It is expected to exceed the goal of supplying 100 Moa Towns and 30,000 Moa Housing units by 2025.

2. Diverse and Affordable Public Housing Supply

- To alleviate the burden of high housing costs in Seoul, the city is not only expanding housing supply but also providing various types of public housing for youth, newlyweds, and low-income individuals. Policies are being implemented to diversify housing supply, including youth housing and long-term lease (jeonse) housing, taking into account diverse economic circumstances.
- **(Youth housing)** To provide affordable housing options for young people and newlyweds without requiring a lump sum payment, youth housing provides convenient living conditions at rents lower than the local market rates. The minimum housing space for youth housing has been expanded from 20m² to 23m², and community spaces are provided for young residents to interact. This upgrade transforms it into a cultural residential complex that can also be used by local residents, significantly enhancing housing quality.

* A total of 15,000 units in 43 locations have been supplied, with plans to supply 65,000 units by 2026.

- **(Long-term lease housing)** To address land shortages for public housing, the city plans to build public housing by utilizing less utilized private land and providing stable, long-term lease housing for residents.

- **(Public rental housing)** Public rental housing is offered at lower costs than market rates to enhance housing conditions and stability for low-income individuals.

* As of the end of 2022, a cumulative total of 268,957 units of SH public rental housing have been provided.

○ **Expanding Housing Finance Support for Enhanced Housing Stability Among the General Population**

- Due to the impact of the Housing Lease Protection Act, which includes provisions such as a 2+2-year lease renewal clause and a 5% cap on jeonse and monthly rent increases, there has been a surge in jeonse and monthly rents. This has led to increased instability in the rental market, including issues like jeonse fraud and risks associated with reverse jeonse following a recent sharp decline in rental prices. To address these challenges and ensure stability in the rental market, various policies have been implemented. These policies include providing transparent information on the housing market, protecting tenant rights, and offering financial support for housing expenses.

* These initiatives include sharing data on actual sales and lease transactions, operating a comprehensive rental support center, extending loan interest support for rental deposits to newlyweds and young adults, and providing monthly rent support for young people, among other measures.

< **Key Housing Support Policies** >

- **(Newlyweds and youth rental deposit support)** To alleviate the housing cost burden on newlyweds and young adults with limited income and assets, the city is implementing a program to cover rental deposit loans and associated interests.

* An amount of KRW 278.5 billion has been allocated to support 61,483 newlywed and youth households, with plans to assist a total of 120,000 households by 2030.

- **(Youth monthly rent support)** In order to ease the high housing cost burden faced by young residents in Seoul, monthly rent support with a maximum limit of KRW 200,000 is provided for up to 12 months (extended from 10 months to 12 months starting in

2023).

* A total of 89,000 individuals have been supported from 2020 to 2023, and the goal is to assist a total of 237,000 individuals by 2026.

- **(Comprehensive rental support center operation)** Providing a one-stop service, including legal counseling related to housing leases, as well as loan and financial support, dispute resolution, and mediation.

* An average of over 4,000 counseling cases are handled each month.