Urban Sprawl & Inclusive Communities

Exploring the “House Owning Democracy” Concept and New Schemes to Boost Home Ownership in Korea

April 2019
Ⅰ. GOVERNANCE

Ⅱ. PERFORMANCE

Ⅲ. PLANNING & MGT.- AFFORDABLE HOUSING

Ⅳ. PLANNING & MGT.- NEW TOWNSHIP DEVELOPMENT

Ⅴ. NEW SCHEMES TO BOOST HOME OWNERSHIP IN KOREA
   - PHASE 3 NEW TOWNSHIP

Ⅵ. PIONEERING THE FUTURE: HOUSING FOR ALL
CORPORATE GOVERNANCE
Launching of LH

Overview

KNHC: Construction, Supply and Management of Housing
Established in July, 1962

KLC: Development of Residential Land, New Towns and Industrial Complexes
Established in April, 1975

Residential Welfare

Balanced Development of National Land

Objective of Establishment

✓ Remove inefficiency from duplicated functions
✓ Eliminate over-competition for expansion

Credit Overview

<table>
<thead>
<tr>
<th>LH</th>
<th>A+ (Stable)</th>
<th>A1 (Stable)</th>
<th>AA- (Stable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s Ratings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Improvement of National Housing Welfare
2. Promote Efficient Use of National Land
3. Contribute to Economic Development
Ownership Structure

Ownership structure of LH

- MOSF: 84.8%
- MoLIT: 16%
- KDB, Korea Eximbank

Historical paid-in capital
(KRW tn, as of 2017 YE)

- Authorized Capital: KRW 35.0 tn (USD 40Bil.)
- Paid-in Capital: KRW 29.4 tn (USD 34Bil.)

Government support highlights

- Financial and regulatory support from the Government
- Committed to maintain direct and indirect ownership of LH
- Gov’t can guarantee bond issuances
- Gov’t converted the borrowing of NHF into Subordinated debt
- More than all, the Government protects LH’s loss from the designated projects such as Haengbok housing (Happy Housing), Industrial Complexes, Sejong and Innovation Cities projects, and Rental Housing Operation

As of 2017 YE
- The Ministry of Strategy and Finance (MOSF)
- The Ministry of Land, Infrastructure and Transport (MoLIT)
- Korea Development Bank (KDB), Korea Eximbank (K-exim)
The President of Korea

The National Assembly of Korea

The budget of LH is reported to the MOSF, the MoLIT, and the BAI

The actual performance of LH is also reported to the National Assembly of Korea, the MOSF, the MoLIT, and the BAI
CORPORATE PERFORMANCE
Housing Land Development

LH has developed and supplied over 650km² of land, which takes 85% of entire land development needs in Korea.
Housing Supply

4.5 Mil. Units

LH has supplied over 4.5 million units of housing in Korea, in which every 1 of 4 households live (As of 2017)
Residential Welfare (Rental Housing)

1.33 Mil. Units

LH is responsible for supporting socially weak people by providing them with low cost, affordable long term rental housings at 30 to 60% of average market prices.
LH developed many industrial complexes generating 320,000 decent employment opportunities with GDP of KRW169 tn.

KRW 169 tn. (App.USD 200Bil.)
LH is carrying out Government’s Special Projects such as, *Sejong Administrative City*, *Innovation City*, USFK Relocation program etc.
LH has also successfully contributed the Nation’s major SOC construction works such as road, waterways etc.

LH performed:
- 13.5% of entire School facilities
- 24.5% of land for public use
- 16.5% of Urban Parks
- 6.5% of water supply & sewage
- 12.7% of Green spaces
- 6.4% of Road works

nationwide in Korea
PLANNING AND MANAGEMENT - AFFORDABLE HOUSING IN KOREA
Home ownership VS. Opportunity Cost

How can I buy a home of my own?
Home, Sweet Home for Everyone

Child heads of household

Newlyweds

Childs heads households with a grandparent only

Other socially vulnerable groups (Veterans, Migrant workers, farmers, handicapped etc.)
FROM VICTIOUS CIRCLE....

- Residential Insecurity
- Low Birth rate
- Unaffordable Housing Prices
- Marriage delay
- Desperation, Self abandonment

Lower Family Function
Reduced Labor force
Population Decrease
Increasing Social Cost

Nation’s Potential Major Risks
TO VIRTUOUS CIRCLE

HOME Ownership

Housing Policy Planning & Residential Welfare Safety Net

1. Newly built
   For Socially weak

2. Gov't Purchased
   Existing Buildings

Home Owning Support Scheme

Government Purchased Rental Housing, Sublet
Newly Built by Public Sector
PUBLIC INITIATIVES FOR RESIDENTIAL SECURITY

Newly-built

Public Sector

Private Sector

Public Housing

Government Purchased Rental Housing, Sublet

Multi-household Purchased RH

Purchased foreclosed RH

Purchased Unsold RH

Purchased Urban Renewal RH

Public Housing for Sale

Permanent RH

50-year RH

National RH

5-year RH (Rent to Own)

10-year (Rent to own)

Long term Jeonsei
PERMANENT RENTAL HOUSING

**PRH**

- Stabilization of living of the destitute
  - important role of stabilizing people from 1 decile or the recipients for basic livelihood security
- 85% of construction (by public sector)
  resource = Gov. grant
- Period: ‘89~’93, 190,077 units, reopen in *Bogeumjari* housing policy

**PRH : Permanent RH**

- 50-year RH
- NRH : National Rental Housing
- 5-year RH (Rent to Own)
- 10-year (Rent to Own)
- Long term *Jeonsei*
- Multi-household Purchased RH
- Purchased foreclosed RH
- Purchased Unsold RH
- Purchased Urban Renewal RH
50-YEAR Rental Housing

- Implemented since 1992 with NHUF, smaller than 60㎡ in size
  * Suspended in 1997, now defunct
- Qualification
  HSBA holder, Nat’l Veteran
  *HSBA: Housing Subscription Bank Account

- Condition for provision
  - less than 90% of market rent
  - Deposit 6.8M~17.2M KRW (USD 7K to 18K)
  - Rent 5~26K won (USD 5~30 a month)
  - Total no. of units provided: 10K units

PRH: Permanent RH
NRH: National Rental Housing
50-year RH
5-year RH (Rent to Own)
10-year (Rent to Own)
Long term Jeonsei
Multi-household Purchased RH
Purchased foreclosed RH
Purchased Unsold RH
Purchased Urban Renewal RH
In replacement of PRH, NRH was introduced for the stabilization of the socially weak
Construction (by public sector) resource = Gov. grant, NHF loan
Target: centering on 2~4 deciles including 1 decile
Provision Period: 1998~present
5-YEAR RENTAL HOUSING (RENT TO OWN)

5-year Rental Housing

- **Introduction**: Encourage moderate-income household to own his or her home
- **Provision Period**: 1993~Present
- **Transfer ownership after lease period** (Rent to Own)

**Key Points**

- **PRH**: Permanent RH
- **50-year RH**
- **NRH**: National Rental Housing
- **5-year (Rent to Own)**
- **10-year (Rent to Own)**
- **Long term Jeonsei**
- **Multi-household Purchased RH**
- **Purchased foreclosed RH**
- **Purchased Unsold RH**
- **Purchased Urban Renewal RH**
10-YEAR RENTAL HOUSING (RENT TO OWN)

- Introduction: After rent period, ownership is transferred, Encourage homeownership
- Introduced in ‘03, revised in ‘08 with Bogeumjari housing policy

10-YEAR RENTAL HOUSING

PRH: Permanent RH
50-year RH
NRH: National Rental Housing
5-year (Rent to Own)
10-year (Rent to Own)
Long term Jeonsei
Multi-household Purchased RH
Purchased foreclosed RH
Purchased Unsold RH
Purchased Urban Renewal RH
Long term *Jeonseï* Rental Housing

**Long term *Jeonseï* RH**

- To meet various types of rental housing needs of the tenants
- Initiated in ‘04 by Local Gov. (Seoul) then inspired National Housing Policy in ‘08
- *Jeonseï* is rent contract in which a tenant pays the deposit (without monthly rent) to the landlord and get it back without interest when he or she leaves the house.
- LH pays the keymoney (*Jeonseï*) on behalf of the tenants
- The Landlord can use the *Jeonseï* key money (deposit money for the lease of a house (or room)). Generally, the *Jeonseï* contract is revised every 2-year
- 243,856 UNITS PROVIDED (‘18)
- No social mix issues
- Meet the location needs of the tenants
Gov’t Purchased Multi Household

- To stabilize the living of low-income household at their community
- After repairing, provide them with the housing (30% of market rent)
- Contract between LH and the tenants
- 81,698 UNITS PROVIDED ('18)
To protect tenants in foreclosed housing

Buy and re-let at a very low price

(‘06~’10) : 18,747 unit of housing (LH)
GOV’T-PURCHASED UNSOLD RH

Gov’t-Purchased Unsold RH

- Supporting construction companies
- Government buys the unsold and sublet
Gov’t-Purchased Urban Renewal RH

• To redeem the Capital gain through urban renewal and to stabilize the living of low-moderate income household

• After taking over (by Local Gov. or LH), provide the housing as rental housing
### NRH funding sources

#### Funding sources of National Rental Housing (’17)

- **Gov. grant**: USD25,000 (per unit)
- **NHUF loan**: USD30,000 (per unit, paying after 10-years deferment, interest 3%)
- **Developers**: USD10,000 (per unit)
- **Tenants**: USD25,000 (per unit)

<table>
<thead>
<tr>
<th>Type (Excl. living Space)</th>
<th>Standard scale</th>
<th>Construction cost (USD/unit)</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Gov. Grant</td>
<td>NHF</td>
</tr>
<tr>
<td><strong>Type I (36-50㎡)</strong></td>
<td>43㎡</td>
<td>70K</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Type II (51-60㎡)</strong></td>
<td>56㎡</td>
<td>90K</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Type III (61-85㎡)</strong></td>
<td>73㎡</td>
<td>120K</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>59㎡</td>
<td>94K</td>
<td>25%</td>
</tr>
</tbody>
</table>
### Average Sizes of Public Housing Types

<table>
<thead>
<tr>
<th>Provision System</th>
<th>Type &amp; Concept</th>
<th>Permanent Rental Housing</th>
<th>National Rental Housing</th>
<th>5-year Rental Housing (Rent to Own)</th>
<th>10-year Rental Housing (Rent to Own)</th>
<th>Long Term Jeonsei Housing</th>
<th>Public Sales Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>27 ~ 29㎡ (8py)</td>
<td>39 ~ 49㎡ (12~15py)</td>
<td>39 ~ 71㎡ (12~22py)</td>
<td>68 ~ 105㎡ (21~32py)</td>
<td>54㎡ (16py)</td>
<td>49 ~ 85㎡ (15~26py)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1~2 bedrooms</td>
<td>2~3 bedrooms</td>
<td>2~3 bedrooms</td>
<td>2 bedrooms</td>
<td>2 bedrooms</td>
<td>2~3 bedrooms</td>
</tr>
<tr>
<td>Type</td>
<td>Purpose</td>
<td>Funding Resource</td>
<td>Rent Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------------------------------</td>
<td>-------------------------------------------------------</td>
<td>--------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gov. grant 85% / tenant 15%</td>
<td>30% of market rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newly Constructed RH</td>
<td>Housing assistance for destitutes</td>
<td>Gov. grant 15 ~ 45% / NHUF 35 ~ 45% / Developer 10% / Tenant 10 ~ 30%</td>
<td>55 ~ 83%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National RH</td>
<td>Housing assistance for 1~4 deciles</td>
<td>NHUF(per unit)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- (under 60㎡) 55 mil. won</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- (over 60㎡) 75 mil. Won</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-year RH</td>
<td>Housing assistance for low-income tenants</td>
<td>Gov. grant 15 ~ 45% / NHUF 35 ~ 45% / Developer 10% / Tenant 10 ~ 30%</td>
<td>90%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/10-year RH</td>
<td>Encouragement tenants to own house</td>
<td>NHUF(per unit)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- (under 60㎡) 55 mil. won</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- (over 60㎡) 75 mil. Won</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-family RH</td>
<td>Housing assistance for the poor within their community</td>
<td>Gov. grant 45% / NHUF 50% / Tenant 5%</td>
<td>30%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased RH</td>
<td></td>
<td>Gov. grant 15 ~ 45% / NHUF 35 ~ 45% / Developer 10% / Tenant 10 ~ 30%</td>
<td>55 ~ 83%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dishonored RH</td>
<td>Preserve the deposit of tenant in dishonored housing Housing assistance for them</td>
<td>NHUF(per unit)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- (under 60㎡) 55 mil. won</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- (over 60㎡) 75 mil. Won</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban Renewal RH</td>
<td>Redemption Capital gain Housing assistance for existing tenants</td>
<td>NHUF(per unit)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- (under 60㎡) 55 mil. won</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- (over 60㎡) 75 mil. Won</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsold RH</td>
<td>To assist private sector To acquire rental housing</td>
<td>NHUF 50%</td>
<td>80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sublet Jeonsei RH</td>
<td>Housing assistance for the poor within their community</td>
<td>NHUF 95% / Tenant 5%</td>
<td>30%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>For youth (without parent) Housing assistance for children and youth</td>
<td>NHUF 100%</td>
<td>30% (free by 20-year old)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>For newly-married couple Housing assistance for the newly-married couple at their community</td>
<td>NHUF 95% / Tenant 5%</td>
<td>30%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Main role of public sector

- Provision of small & medium size housing
- Provision of public rental housing

<table>
<thead>
<tr>
<th>Housing Size</th>
<th>Description</th>
<th>Norm of Housing Scale</th>
<th>Private housing</th>
<th>Public housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large size (over 85㎡)</td>
<td>Sales housing by private sector</td>
<td>National Housing Standard = 85㎡</td>
<td>Without public assistance (ex) National Housing &amp; Urban Fund</td>
<td>(Gov. grant, NHUF, Construction of Public sector (LH, Local Gov.)</td>
</tr>
<tr>
<td>Medium size (60㎡~85㎡)</td>
<td>Sales housing, public RH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small size (under 60㎡)</td>
<td>Sales housing, public RH</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Differentiate public sector from private sector in terms of price control and allocation criteria
85 m² Size Apartment Plan Types (Nat’l Housing Standard)

[ 51 m² Size Types]
**Housing for Sale**

- **Small and medium size housing**
  - Purpose: Stabilize Housing market and Encourage home ownership under National housing standard (under 85㎡) by NHUF and so on
  - Housing price: Avg. 25% lower than market price

- **Medium and large size housing by public sector**
  - Purpose: Cross-Subsidy
  (Revenue used for social needs – financial source of NRH, Social-Mix)

<table>
<thead>
<tr>
<th>types</th>
<th>Support from NHUF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small size housing</td>
<td>under 60㎡ by NHUF loan</td>
</tr>
<tr>
<td>Medium size housing</td>
<td>60~85㎡ National housing (inclusive of NHUF loan support, low interest rate)</td>
</tr>
<tr>
<td>Large size housing</td>
<td>over 85㎡ exclusive of NHUF loan</td>
</tr>
</tbody>
</table>
Housing Subscription Deposit (Bank Acct.) System

- Applicants’ Qualification: Households without home ownership who is 20 years old or older
- Priority:
  1\textsuperscript{st} priority – over 24 times of savings (maintaining the acc. for 2 years or more)
  2\textsuperscript{nd} priority – over 6 times savings
  3\textsuperscript{rd} priority – Housing subscription bank account holders
- Special Beneficiaries: the destitute, North Korean defectors, Household with seniors to support, etc.
**Target and Rent level of Key Public Rental Housing**

- Housing size, Rent level according to types of public rental housing
- Rent level system according to affordability-income-related housing support

<table>
<thead>
<tr>
<th>1 decile</th>
<th>2 decile</th>
<th>3 decile</th>
<th>4 decile</th>
<th>5~6 decile</th>
<th>Rent level / Housing size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent RH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Family RH Sublet <em>Jeonsei</em> RH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Public Rental Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5-year, 10-year RH (Rent to Own), Long-term <em>Jeonsei</em> Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **30% of market rent**, below 60㎡
- **55~83% of market rent**, 40㎡~60㎡
- **80~90% of market rent**, 60㎡~85㎡
NRH PROVISION EFFECTS

- Meeting Affordable housing demands within city
  → Manage housing supply within inner city

- Providing continuous affordable housing
  → Mitigate rent burden

- Activate community and neighborhood
  → Social mix between various income level and age groups
PLANNING AND MANAGEMENT - NEW TOWNSHIP DEVELOPMENT
KOREA NEW TOWNSHIP
PROVISION PHASES OF NEW TOWNS

1st Phase of five New Towns (red color): late 80’s~
- Bundang, Sanbon, Ilsan, jungdong, Pyungchon

2nd Phase of New Towns (blue color): 2000’s~
- Pangyo, Paju, Kimpo, Dongtan, Yangju, etc.

3rd Phase of New Towns: 2019~
- Gwacheon, Hanam, Namyangju, etc.

Housing construction strategy: Newtown construction
Phase 1 New Township (1989~1996)

Lake and Central Park (Bundang)

Housing Estate (Bundang)

Park Town (Bundang)
Phase 2 New Township (2000~2019)

Dongtan New Town

Pangyo New Town
1st Phase of New Township - Bundang

Objectives: To ease housing shortages by providing affordable and decent housing

Location: 25km Southeast of Seoul

Total Areas: 19,639,000㎡

Population: 390,320 persons

N. of Households: 97,580

Developed and Program Managed by: LH

Completed in: 1996

<table>
<thead>
<tr>
<th>Zoning</th>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>6,350</td>
<td>32.3</td>
</tr>
<tr>
<td>Commercial</td>
<td>914</td>
<td>4.7</td>
</tr>
<tr>
<td>Business</td>
<td>726</td>
<td>3.7</td>
</tr>
<tr>
<td>Public</td>
<td>168</td>
<td>0.8</td>
</tr>
<tr>
<td>School</td>
<td>732</td>
<td>3.7</td>
</tr>
<tr>
<td>Road</td>
<td>3,860</td>
<td>19.7</td>
</tr>
<tr>
<td>Green spaces</td>
<td>3,810</td>
<td>19.4</td>
</tr>
<tr>
<td>etc.</td>
<td>3,081</td>
<td>15.7</td>
</tr>
<tr>
<td>Gross total</td>
<td>189,639</td>
<td>100.0</td>
</tr>
</tbody>
</table>
1st Phase of New Township - Peyongchon

**Objectives**: To provide decent living environment harmonized with existing urban area

**Location**: 20km South of Seoul, Anyang city

**Total Areas**: 5,106,000㎡

**Population**: 168,188 persons

**N. of Households**: 42,047

**Developed and Program Managed by**: LH

**Completed in**: 1995

<table>
<thead>
<tr>
<th>Zoning</th>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1,931</td>
<td>37.8</td>
</tr>
<tr>
<td>Commercial</td>
<td>185</td>
<td>3.6</td>
</tr>
<tr>
<td>Business</td>
<td>62</td>
<td>1.2</td>
</tr>
<tr>
<td>Public building</td>
<td>150</td>
<td>2.9</td>
</tr>
<tr>
<td>School</td>
<td>343</td>
<td>6.7</td>
</tr>
<tr>
<td>Road</td>
<td>1,233</td>
<td>24.1</td>
</tr>
<tr>
<td>Green spaces</td>
<td>666</td>
<td>13.0</td>
</tr>
<tr>
<td>etc.</td>
<td>536</td>
<td>10.7</td>
</tr>
<tr>
<td>Gross total (thousand ㎡)</td>
<td>5,106</td>
<td>100.0</td>
</tr>
</tbody>
</table>
1st Phase of New Township - SANBON

- **Objectives**: To expedite housing supply and to disperse concentrated population in SEA
  - Sanbon-dong, Keumjung-dong, Gunpo City, Anyang city

- **Total Areas**: 4,203,000 sq ft
- **Population**: 167,896 persons
- **N. of Households**: 41,974
- **Developed and PgM by**: LH

### Zoning

<table>
<thead>
<tr>
<th>Zoning</th>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1,811</td>
<td>43.1</td>
</tr>
<tr>
<td>Commercial</td>
<td>161</td>
<td>3.8</td>
</tr>
<tr>
<td>Public Offices</td>
<td>99</td>
<td>2.4</td>
</tr>
<tr>
<td>School</td>
<td>327</td>
<td>7.8</td>
</tr>
<tr>
<td>Road</td>
<td>639</td>
<td>15.2</td>
</tr>
<tr>
<td>Green spaces</td>
<td>649</td>
<td>15.4</td>
</tr>
<tr>
<td>etc.</td>
<td>517</td>
<td>12.3</td>
</tr>
<tr>
<td><strong>Gross total (thousand sq ft)</strong></td>
<td><strong>4,203</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

**Completed in**: Aug 1999 ~ Jan 1995
1st Phase of New Township - JUNGDONG

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives</td>
<td>To stabilize housing supply and to establish regional hub city in SEA Bucheon City, Gyeonggido province 20km South-west of Seoul</td>
</tr>
<tr>
<td>Location</td>
<td>Bucheon City, Gyeonggido province 20km South-west of Seoul</td>
</tr>
<tr>
<td>Total Areas</td>
<td>5,452,000m²</td>
</tr>
<tr>
<td>Population</td>
<td>165,740 persons</td>
</tr>
<tr>
<td>N. of Households</td>
<td>41,435</td>
</tr>
<tr>
<td>Developed and PgM by</td>
<td>LH</td>
</tr>
<tr>
<td>Completed in</td>
<td>1994</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Zoning</th>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1,878</td>
<td>34.4</td>
</tr>
<tr>
<td>Commercial</td>
<td>568</td>
<td>10.4</td>
</tr>
<tr>
<td>Public Offices</td>
<td>169</td>
<td>3.1</td>
</tr>
<tr>
<td>School</td>
<td>416</td>
<td>7.6</td>
</tr>
<tr>
<td>Road</td>
<td>1,390</td>
<td>25.9</td>
</tr>
<tr>
<td>Green spaces</td>
<td>737</td>
<td>10.7</td>
</tr>
<tr>
<td>etc.</td>
<td>294</td>
<td>7.9</td>
</tr>
<tr>
<td>Gross total</td>
<td>5,452</td>
<td>100.0</td>
</tr>
</tbody>
</table>
1st Phase of New Township – ILSAN

Objectives: To prevent speculation and maximize housing supply.
Location: 20km North of Seoul, Goyang city.
Total Areas: 15,735,000㎡
Population: 276,000 persons
N. of Households: 69,000
Developed and Program Managed by: LH
Completed in: 1995

<table>
<thead>
<tr>
<th>Zoning</th>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>5,261</td>
<td>33.4</td>
</tr>
<tr>
<td>Commercial</td>
<td>443</td>
<td>2.8</td>
</tr>
<tr>
<td>Business</td>
<td>790</td>
<td>5.0</td>
</tr>
<tr>
<td>Public building</td>
<td>92</td>
<td>0.6</td>
</tr>
<tr>
<td>School</td>
<td>584</td>
<td>3.7</td>
</tr>
<tr>
<td>Road</td>
<td>3,290</td>
<td>20.9</td>
</tr>
<tr>
<td>Green spaces</td>
<td>3,630</td>
<td>23.1</td>
</tr>
<tr>
<td>etc.</td>
<td>1,645</td>
<td>10.5</td>
</tr>
<tr>
<td>Gross total (thousand ㎡)</td>
<td>15,735</td>
<td>100.0</td>
</tr>
</tbody>
</table>
2nd Phase of K-SMART CITY – PANGYOO

**Objectives**: To prevent Urban Sprawling and provide housing continuously 20km South of Seoul, Seongnam city

**Location**: 20km South of Seoul, Seongnam city

**Total Areas**: 15,735,000 sq m

**Population**: 276,000 persons

**N. of Households**: 69,000

Developed and Program Managed by: LH

Completed in: 1995

<table>
<thead>
<tr>
<th>Zoning</th>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>2.37</td>
<td>26.6</td>
</tr>
<tr>
<td>Commercial/Business</td>
<td>0.28</td>
<td>3.1</td>
</tr>
<tr>
<td>Public building</td>
<td>0.03</td>
<td>0.3</td>
</tr>
<tr>
<td>Urban Utilities</td>
<td>0.43</td>
<td>4.8</td>
</tr>
<tr>
<td>School</td>
<td>0.29</td>
<td>3.2</td>
</tr>
<tr>
<td>Green Spaces</td>
<td>3.35</td>
<td>37.6</td>
</tr>
<tr>
<td>Road n etc.</td>
<td>2.17</td>
<td>24.4</td>
</tr>
<tr>
<td>Gross total (thousand sq m)</td>
<td>8.92</td>
<td>100.0</td>
</tr>
</tbody>
</table>
2\(^{nd}\) Phase of New Township – DONGTAN

- **Objectives**: To prevent Urban Sprawling and to construct regional urban hub
- **Location**: 40km South of Seoul, Hwaseong city
- **Total Areas**: 903,000 sqm
- **Population**: 124,326 persons
- **N. of Households**: 40,921
- **Developed and Program Managed by**: LH

<table>
<thead>
<tr>
<th>Zoning</th>
<th>Area (sqm)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>2.69</td>
<td>29.7</td>
</tr>
<tr>
<td>Commercial/Business</td>
<td>0.38</td>
<td>4.2</td>
</tr>
<tr>
<td>Road</td>
<td>1.49</td>
<td>16.5</td>
</tr>
<tr>
<td>Green Spaces</td>
<td>2.25</td>
<td>25.0</td>
</tr>
<tr>
<td>etc.</td>
<td>2.22</td>
<td>24.6</td>
</tr>
<tr>
<td>Gross total (thousand sqm)</td>
<td>9.03</td>
<td>100.0</td>
</tr>
</tbody>
</table>
2nd Phase of New Township – GIMPO HANGANG

Objectives: To replenish regional urban hub and provide stable housing

<table>
<thead>
<tr>
<th>Zoning</th>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>4.06</td>
<td>34.5</td>
</tr>
<tr>
<td>Commercial/Business</td>
<td>0.44</td>
<td>3.8</td>
</tr>
<tr>
<td>Road</td>
<td>2.23</td>
<td>19.0</td>
</tr>
<tr>
<td>Green Spaces</td>
<td>3.62</td>
<td>30.9</td>
</tr>
<tr>
<td>School</td>
<td>0.37</td>
<td>3.2</td>
</tr>
<tr>
<td>etc.</td>
<td>1.01</td>
<td>6.6</td>
</tr>
<tr>
<td>Gross total (thousand m²)</td>
<td>11.73</td>
<td>100.0</td>
</tr>
</tbody>
</table>
2\textsuperscript{nd} Phase of New Township – PAJU

- Objectives: To replenish regional urban structure in NW SMA and maintain stable housing supply
- Location: 25km Northwest of Seoul, Paju city
- Total Areas: 1,653,000m\(^2\)
- Population: 212,804 persons
- N. of Households: 86,379
- Developed and Program Managed by: LH

<table>
<thead>
<tr>
<th>Zoning</th>
<th>Area</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>6.04</td>
<td>36.5</td>
</tr>
<tr>
<td>Commercial / Business</td>
<td>0.57</td>
<td>3.5</td>
</tr>
<tr>
<td>Road</td>
<td>3.19</td>
<td>19.1</td>
</tr>
<tr>
<td>Green Spaces</td>
<td>4.57</td>
<td>27.7</td>
</tr>
<tr>
<td>etc.</td>
<td>2.22</td>
<td>13.2</td>
</tr>
<tr>
<td>Gross total (thousand m(^2))</td>
<td>16.55</td>
<td>100.0</td>
</tr>
</tbody>
</table>
KOREAN INITIATIVES OF NEW TOWNSHIP

Sejong Smart City
- Multifunctional and Administrative
- 73.14 km²
- 0.5 M Population

Chung Ra Smart City
- Free Economy Zone
- 7.27 km²
- 0.1 M Population

Dong Tan Smart City
- New Town
- 24.01 km²
- 0.3 M Population

Pan Gyo Smart City
- New Town
- 8.93 km²
- 0.1 M Population
KOREAN INITIATIVES OF NEW TOWNSHIP

Sejong Smart City

Chung Ra Smart City

Dong Tan Smart City

Pan Gyo Smart City
NEW SCHEMES TO BOOST HOME OWNERSHIP IN KOREA-
PHASE 3 NEW TOWNSHIP
Total Access to HOUSING Democracy in Korea

I. Background

II. Urban Initiatives

III. Way Forward – Housing for ALL
Phase 3 New Township

I. Background

**Wangsuk, Namyangju**
- Near North Eastern Seoul
- Greenbelt (11.34Mil.㎡)
- 66,000 units

**Gwacheon**
- Near Gangnam, Seoul
- Greenbelt (1.55Mil.㎡)
- 7,000 units

**Gyosan, Hanam**
- Near Gangnam, Seoul
- Greenbelt (6.49Mil.㎡)
- 32,000 units
I. Background

(1) New Town on Growth Corridor

(2) Retrofit/City Redevelopment

Phase 3 New Township

Seoul & Gwacheon City
Phase 3 New Township

I. Background

Gangnam, Seoul (5 km)

Gwacheon Knowledge Information Town

Seoul & Gwacheon, Gyeonggi-do

Gwacheon New Town

Gwacheon Juam New Town

Gwacheon Knowledge Information Town

Busan (360km)
Korea’s Clear Finance Model

Financial Viability

Not Secured

Secured

NHUF
(Nat’l Housing & Urban Fund)
Ministry of Land, Infrastructure & Transport

LH’s Own Budget +
Senior Unsecured
Note(Bond) Issuance ($, €)
Backed by Korean Gov’t

New Township Development
Cross Subsidization

NHUF : KRW 163 tn. (2017)
(APP. USD 200 Bil.)
Korea’s Unique Urban Development Initiatives

**Housing Welfare**
- Schemes to Encourage Homeownership

**Urban Development**
- Smart New Township Initiatives

**Integration**

**Revenue**

**Urban Development by LH**

**Key Factors of Cross Subsidization**

**Funding**
- NHUF + Own Budget & Funding through Bond Issuance Backed by Korean Gov’t (MoLIT)

**Urban Initiatives**
- Rent to Own, Housing for Sale, Diverse Rental housing
  - Boost Home Ownership to All
  - Housing Market Stabilization
  - Regulatory tools to curb Overheated property prices

**Packaging and Spreading**

**Policy Implementation (Boost / Regulation)**

**Private Participation**

- #1
- #2
- #n
II. Urban Initiatives

Gangnam, Seoul (5 km)

Gwacheon New Town (Phase 3)

Gwacheon Juam New Town

Gwacheon Knowledge Information Town
Centralized Urban Governance

Intelligent City Management Hub

- e-Government Hub / Data Center
- Traffic/Safety/Infra Management Hub
- Command Control Center
- Medical/Education Hub
- e-Government Platform
Community Services Applied

Gwacheon Juam HaengBok Housing Project

Cultural Center
Fitness Center
Commercial Use Rental for Young Generation
Community Facilities
Parking
Community Square
Play Ground
Daycare Center
Community Square
Play Ground
Daycare Center
Happy Housing (Social Housing)

*Haeng-Bok* (Happy) Housing in *Juam, Gwacheon City*

- **College Students** 20%
- **Young Generation House Heads** 45%
- **Newlyweds** 15%
- **Old Generation** 10%
- **Housing Voucher Recipients** 10%

- Close to Works & School
- Easy to use Public Transportation
- Lowest rent with Gov’t support
PIONEERING THE FUTURE: HOUSING FOR ALL
Housing for All

Successful Implementation of Urban Development and Housing Welfare Policy of the Republic of Korea

Solid Stepping Stones for Home Ownership and Market Stabilization

KOREA

FAST with Rich Experience

BEST with Proven Technologies
Thank You