

Abstract

A Study on the Changing Housing Market and Policy Implications in Seoul

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Housing prices in Seoul have been on a downtrend since 2011, but are now stabilizing after showing a small increase. However, for 34 consecutive months (since September 2012) rental prices have been on upward trend, adding to the financial difficulties of the rental residents. The current slowing housing market is attributed to the following factors: the stabilized housing inventory, shrinking trading profit on housing sales, low economic growth, and low interest rates. Seoul's current housing policies need to be reconstructed to better adjust to the changing market, instead of maintaining the policies that have been applied since the early 2000s.

This study is composed of five parts. The first covers the housing market trend analysis for the past 10 years, focusing on aspects such as demand, supply, price and transaction. In the second part, characteristics of monthly rent and Jeonse transactions are revealed through an analysis of actual housing transaction data. The third part uses surveys discover consumer demands, and how consumers react to those changes in the market.

As a result, the four policy implication are as follows: Based on the characteristics of housing transactions and the demands of different generations, a conclusion could be supporting residents living in rental housing.

Furthermore, findings from an analysis of the characteristics of demands of different generations and a comparison between the

housing policies of Tokyo and Seoul can be applied to the development of a generation-friendly housing policy, and housing inventory management for a low-rise residential area. The findings from the study of characteristics of housing transactions and market trends in Seoul suggest that close monitoring should be carried out.

As the current housing market is different from the past, new policies, based on continuous monitoring of the changing housing market should be developed.



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