

Changing Low-Income Housing Strategies and Spatial Structure in Seoul, Korea

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1. Introduction

Although housing issue has been a major social concern in Korea in the 1980s, low income housing problems have drawn little attention until recently when substantial amount of low income dwellings were removed and many low income families were displaced to the outskirts of city. Total of 150 thousand units were demolished during the period of 1970-1987 and approximately twice that number of households lost their homes. Currently there are 110 areas designated as redevelopment areas with 40 thousand housing units in 1991. More low income housing neighborhoods are expected to become subject to redevelopment activities in the near future.

Restructuring low income neighborhoods began in the late 1960s when urban development and redevelopment activities rapidly progressed in Seoul. Major transformation of low income neighborhoods occurred during the 1980s when joint redevelopment policy was actively undertaken by private sector. Progressed without appropriate countermeasures for rental families against demolition, lack of financial support and government leadership have aggravated shelter problems of the low income households.

Resistance against clearance redevelopment was significant at the beginning because most residents, owners and renters, assumed that they would not have much trouble finding a shelter with similar rent rate. However, they realized that rent hikes reached a level beyond their affordability owing to the reduction of low income housing stocks. Frustration among the residents, especially the renters, brought resistance against clearance development, which was subsequently developed into housing right movement by the coalition of the renter groups.

A new social housing program, permanent rental housing project, was introduced in 1988 in order to relieve housing tensions among low income households. However, the project provided qualifications only to those welfare recipients and excluded the withdrawn households by the redevelopment. The government decided that the shelter problems of the withdrawn should be settled between construction company and residents through a negotiation process.

Social geography of Seoul is expected to undergo drastic changes further in the future as more low income neighborhoods become subject to redevelopment for middle income housing development. In fact, the

7th Five-Year Socio-Economic Development Plan (1992-1996) and the 3rd Comprehensive National Development Plan (1992-2001) specified that 30 percent of total land required for the provision of 2.5 and 5 million housing units will be furnished through redevelopment of inner city areas for the next 5 and 10 years, respectively.

It is clear that demand for efficient land use, demand for housing rights among the poor, and government shelter policies will lead changes in spatial structure of Seoul. This paper intends to review outcome of redevelopment activities and to observe spatial changes of low income neighborhoods in Seoul consequently. In addition, the study explores possibilities of diversifying development methods based on areal and social characteristics of the potential project areas as a part of efforts to preserve low income neighborhoods after redevelopment takes place.

2. Spatial Restructuring Process of Low Income Neighborhoods

1) Reformation of Low Income Neighborhoods

Restructuring low income areas in Seoul is closely related to government development activities and shelter policies. Low income residences are found scattered around the city as they are formed along with the periphery at the time of expansion of the city. Traditionally, low income residences were located near the central region where many job opportunities are easily found for manual workers.

The number of illegal settlements were greatly increased in the 1960s

and 1970s by cityward movement of rural population as government adopted economic development policies, which centered around urban areas. Major transformation of spatial structures occurred during the mid-1970s and 1980s by implementation of various planning activities and removal of many low income neighborhoods in Seoul.

Historically diverse schemes have been applied for the redevelopment of low income areas in Seoul. Briefly the timing can be demarcated into 4 stages according to redevelopment types.

Stage 1 (1955-1973): From Clearance to Resettlement and to Improvement

New settlements were formed at the periphery as for resettlement sites to promote planning activities in low income neighborhoods located around the central part of the city. Citizen's apartments were constructed in order to resettle some of residents close to their work places. At the same time improvements of individual units were encouraged through legalization of illegal housing units when the required improvements were made.

Stage 2 (1973-1983): Diversification of redevelopment schemes

Legislative measure was prepared

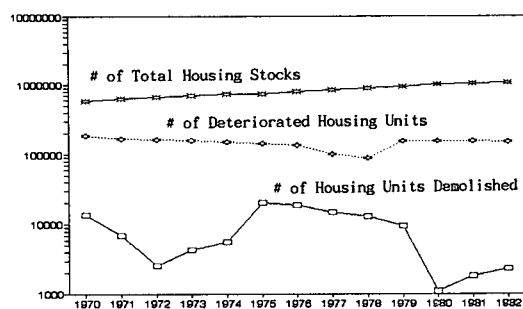


Figure 1. Housing Stocks and Deteriorated Housing by Year

to promote improvement scheme in 1973. Individual improvement and construction of small scale low rise apartments were undertaken during this period. For individual improvement, homeowners took an initiative with administrative and financial supports from the city government. For AID (Agency for International Development) supported project, emphasis was put on improvement of public facilities and withdrawal of existing housings was restrained. In general, however, it was difficult to expect visual improvements in AID supported projects. For commissioned redevelopment, multifamily housings were developed by an entrustment of land owners to construction companies. However, this method has not progressed much due to economic incidence and massive withdrawal of existing stocks. Illegal settlements located adjacent to the central region, 42 out of 66 project areas, became subject to redevelopment during this time.

Stage 3 (1983-present): Timing of Joint Redevelopment

Joint redevelopment efforts were taken to accelerate redevelopment process. It was initiated by an agreement between house or land owners of the project sites and big construction companies. Replacing dilapidated housings with multifamily units have become major features of joint redevelopment. A total of 37,513 units was constructed between 1983-1988 approximately two times more than 17,555, the number of demolished units (Lee, 1989). Large units (average unit size: 110.7 sq. meters) were mainly supplied by the redevelopment activities which have incurred land use changes in the region from low income to upper middle income areas.

Stage 4 (1989-present): Encouragement of Improvement Scheme and Provision of Permanent Rental Housing

Temporary legislature was promulgated in 1989 to encourage improvement of low income neighborhoods and to help low income households resettle by public sector participation. Two types of redevelopment schemes, individual improvement and multifamily housing development, can be applied by areal characteristics at the same time. Provision of permanent rental housing became mandatory in order to accommodate rental families. Despite this legislation, it is assumed to be difficult to promote redevelopment in the low income neighborhoods due to resident's inability to pay for a development cost and lack of government financial support as was experienced in the past.

Spatial changes can be observed for each period. Low income settlements were largely located in the central part of the city, more than 47 percent located within 5 kilometers from the city center. Low income neighborhoods were significantly affected by the redevelopment, especially those located near the central part as shown in figure 2, until recently. The redevelopment also advocated the formation of permanent rental housing estates outside of 10 kilometers in the late 1980s.

2) Factors Influencing Redevelopment Site Selection

A few characteristics can be identified as major factors influencing site selection for redevelopment from the past experiences. They include distance from the city

center, amount of public land, the numbers of rental families, and individual lot sizes.

(1) Distance

Redevelopments have taken place actively on unplanned settlements located within 5 kilometers from the city center before the early 1980s, largely on the illegal settlements. Many unplanned settlements were subject to redevelopment within the designated 10 kilometers while planned settlements outside this area became subject to redevelopment.

(2) Public Land

It has been recognized that self-improvement projects were undertaken more on private lands. Sixty percent of total projects contained less than 30 percent of public land for self-improvement schemes, while the proportion of the private land was only 33 percent for joint redevelopment projects. Joint redevelopments were undertaken largely on areas with higher proportion of public land in order to take differential rent from disposal of public

Table 1. Outline of Redevelopment Projects

| Type | # of projects | Areas (1000m ²) | # of Housing Units Before Redevelopment | # of Housing Units After Redevelopment | % of Public Land |
|------------------------|---------------|-----------------------------|---|--|------------------|
| Individual Improvement | 46 | 2,540.7 | 16,568 | 15,603 | 33.9 |
| AID Supported Project | 6 | 372.0 | 3,150 | 2,244 | 21.9 |
| Commissioned Project | 14 | 393.8 | 2,730 | 3,355 | 40.1 |
| Total | 66 | 3,306.4 | 22,448 | 21,202 | 33.3 |
| Joint Redevelopment | 54 | 1,888.5 | 17,555 | 37,513 | 44.6 |

Source: Lee (1989).

Table 2. Number of Redevelopment Sites by Distance

(# of Project Areas)

| | Site Type | 5 (km) | 5-10 | 10-15 | Total |
|----------------------------|------------------------------|--------|------|-------|-------|
| Self-improvement Scheme | Unplanned Illegal Settlement | 25 | 16 | 1 | 42 |
| | Planned Settlement | 5 | 12 | 7 | 24 |
| | Subtotal | 30 | 28 | 8 | 66 |
| Joint Redevelopment Scheme | Unplanned Illegal Settlement | 15 | 13 | 5 | 33 |
| | Planned Settlement | 4 | 5 | 12 | 21 |
| | Subtotal | 19 | 18 | 17 | 54 |
| Total | | 49 | 46 | 25 | 120 |

Source: Reorganized from Lee (1989).

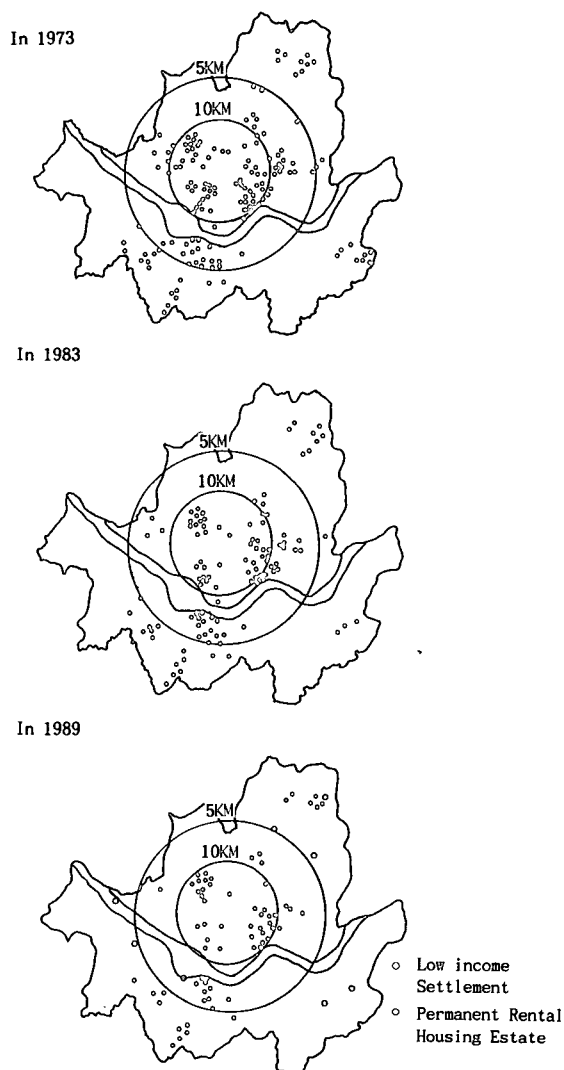


Figure 2. Low Income Housing Neighborhoods in Seoul

land. Forty percent of total project areas appeared to include more than fifty percent of public land.

(3) Number of Rental Families

Currently there are 187 areas that have become subject to redevelopment. Thirty seven areas were completed, 40 areas under redevelopment, and 110 areas not yet undertaken in 1991 (KRIHS, 1991). It is

clear that more rental families are included in project areas currently being undertaken than the ones completed. It is true that the higher the proportion of rental families, the harder it is to promote redevelopment.

(4) Lot Size

Lot size is larger in unplanned illegal settlements than planned ones. Unplanned illegal settlements became subject to self-improvement and to joint redevelopment schemes in the 1970s and 1980s, respectively. In addition, unplanned illegal settlements were chosen more than the planned ones due to their closeness to the city center than the planned ones.

3) Conflicts of Compensation

Conflicts between residents, especially renters, and construction companies over compensation have been regarded as a major obstacle in proceeding the redevelopment. House or land owners are entitled for one housing unit and the size is decided according to the property value previously held by residents. However, residents tend to prefer a large unit despite extra payments for the exceeding amounts.

Apartment housing in high rise buildings has been a dominant housing type in redevelopment areas, sizes varying from 50 to 188 sq. meters. Units larger than 85 sq. meters has taken 80 percent out of total stocks provided, and, in fact, this has deterred the poor residents from resettling (KRIHS, 1991). Government began to regulate housing size, limiting the ratio of housing of 85-115 sq. meters less than 20 percent of the total new stocks constructed in the region.

Table 3. Proportion of Public Land by Redevelopment Type

| | Self-improvement | Joint Redevelopment |
|---------------|------------------|---------------------|
| Less than 20% | 33.8 (%) | 22.2 (%) |
| 20-30% | 26.8 | 11.1 |
| 30-40% | 15.5 | 11.1 |
| 40-50% | 12.7 | 16.7 |
| More than 50% | 11.2 | 38.9 |
| Total | 100.0 | 100.0 |
| Average | 33.3 | 44.6 |

Source: Reorganized from Lee (1989).

Table 4. Proportion of Housing Ownership by Stages of Redevelopment

| | House Owners | Renters | Total |
|------------------|--------------|----------|-----------|
| Completed | 65.1 (%) | 34.9 (%) | 100.0 (%) |
| Being undertaken | 45.0 | 55.0 | 100.0 |
| Not undertaken | 46.0 | 54.0 | 100.0 |

Source: Ministry of Construction (1991).

Table 5. Characteristics of Settlement Areas

| | Unplanned | Planned |
|-------------------|------------|--------------------------------------|
| Location | Within 5km | 10km West, South 15km East, North |
| Lot pattern | Irregular | Regular |
| Lot size (sq. m.) | 66-73 | 36-46 |
| # of rooms | 4.0-4.3 | 2.5-3.3 |
| # of residents | 10-11 | 7-8 |

Source: Lee (1989).

Sizes less than 60 and 85 sq. meters should take more than 50 percent and 80 percent respectively. Despite these policies it is uncertain how much the new policy will help residents resettle in the region.

On the other hand, the renters are entitled to receive moving costs and their rent deposits as for a compensation. However, the renters began to demand permanent rental housing in the region because they found that monetary compensation was not

enough to keep up with rapidly soaring rents due to decreasing housing stocks.

In addition, housing rights have become an important issue among land or/and house owners because they realized that they are destined to become renters few years after redevelopment takes place largely due to housing price inflation and their low income levels. Only less than 10 percent of the former residents remained in the same

Table 6. Changes in Compensation Measures for the Rental Families in Redevelopment Projects

| | |
|---------|--|
| 1986.11 | Two months housing and living expenses |
| 1987.6 | One room in small apartment unit or Two months housing and living expenses |
| 1989.1 | Three months housing and living expenses |
| 1989.5* | Permanent rental housing (23-33 sq. meters) or Housing and living expenses (2.27 million won for 5 member household) |

Note: *1) The renters who resided for 3 months or more in the region are qualified for compensation.

2) Construction of permanent rental housing is supposed to be same as the number of the rental households in the region.

Source: Chin Chul Hoon (1990).

region after redevelopment took place and rests of the former residents moved to neighboring inexpensive housing areas or to new illegal housing concentrations formed in the periphery. Rent hikes resulted. In fact, 80 percent of the resettled households was reported to have experienced rent hikes and 40 percent of them appeared to have moved to worse housing conditions (Research Institute for the Urban Poor, 1988).

3. Diversification of Redevelopment Scheme: Back to Improvement

Recently, improvement scheme has been suggested as an alternative for redeveloping low income neighborhoods. It has been encouraged since 1989 with legislation of Housing Environment Improvement Act. It intends to resettle more residents again by encouraging residents' initiative for improvement scheme and public sector participation for a clearance scheme. The size of new housing unit is regulated below 60 square meters for clearance scheme areas by Housing Environment Improvement Act. As for an alloca-

tion land or house owners are entitled to one unit according to their affordability and the renters to 23-40 square meters of permanent rental housing. The provision of temporary shelters became an obligatory measure to accommodate the residents during the construction period. In reality, the performance of improvement scheme is slow not only because of the lack of financial and administrative supports from the government but also the disagreements that rise among the residents over their property rights. In case of partial improvement, redevelopment is likely to take place again in the near future through gradual take-over of the properties by the middle income residents. For partial improvement, various redevelopment methods can be applied by areal characteristics.

1) Redevelopment Methods by Areal Characteristics

Road patterns and lot sizes are used to categorize squatter areas. Four types of sites can be identified and development schemes are suggested for each type. The four types are regular, partially regular, all irregular, and mixed types. First,

regular type areas have regular road patterns and lot sizes furnished with infrastructure. Second, partially regular type areas have irregular road system and adequate lot size. Third, irregular type areas have irregular road patterns and insufficient infrastructure system. Fourth, mixed type means the mixed cases of the above 3 types.

Three kinds of redevelopment methods can be suggested. First, individual improvement method is suggested for areas with regular road patterns and large lot sizes. Clearance development method is for areas of irregular road and lot patterns with small lot sizes. Finally, mixed development of improvement and clearance are suggested for areas with mixed characteristics of the above. They can be summarized as follows (Table 7).

2) Provision of Permanent Rental Housing

Redevelopment process has weakened a basis for low income households by transforming low income neighborhoods to middle income areas. However, it considerably helped to increase social awareness about housing rights of the low income households. Now, provision of permanent rental housing and temporary shelters for the construction period have been assumed as a necessary measure to proceed redevelopment project.

Currently 190 thousand units of permanent rental housing are constructed or under construction nationwide and 50 thousand units are being constructed in Seoul. However, permanent rental housings have been less favored among the eligible families than as was expected at the beginning. This is


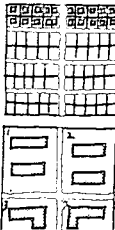
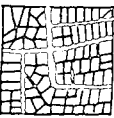
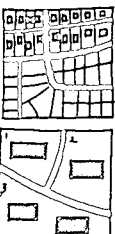
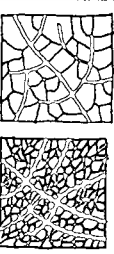
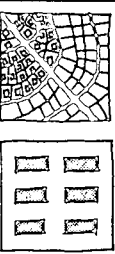

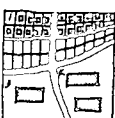
because housing is not the most important problem for welfare families as often pointed out, but they are more concerned with present living expenses and children's education. In addition, it is because permanent rental housing sites are located at the periphery and built as a part of large scale housing estates. In fact, adjacent locations to the city center have been found more preferred to those in the periphery (KNHC, 1992).

In addition, concentration of a few thousand low income families in the permanent rental housing estates has brought some concerns among government officials and resistance from other residents. The fact that permanent rental housing is more preferred in the existing low income areas suggests that inclusion of permanent rental housing in redevelopment sites will increase effectiveness of the permanent rental housing program, and also contribute to increasing a social mix in the project area.

4. Conclusion

Redevelopment has become an important issue in Seoul since the 1970s with increasing demands for land in the central part of the city. Many low income areas appeared taking strategic locations with easy access to the city center with 41 percent of subject areas located within 5 kilometers. Pressure on redevelopment will increase as vacant lots are almost used up at the periphery. On the other hand, low income households began to demand their housing rights. However, provision of low income housings becomes difficult more and more with continuous land price

Table 7. Redevelopment Methods by Areal Characteristics

| Type | Areal Characteristics | | Development Methods | |
|------------------------|---|---|---|---|
| REGULAR TYPE | Adequate Road System Road/lot pattern, regular small Infrastructure, inadequate High Density Residential Area |  | INDIVIDUAL DEVELOPMENT Area Size small Residents capable for redev. Road expansion likely Integration of lots CLEARANCE DEVELOPMENT Road Expansion unlikely Integration of lots Residents unable to manage dev. |  |
| PARTIALLY REGULAR TYPE | Inadequate Road System Road/lot pattern, irregular size adequate Infrastructure, inadequate Medium population density Residential or industrial, or commercial area |  | INDIVIDUAL DEVELOPMENT Lot size medium road/lot pattern rearrangement likely High desire for landownership CLEARANCE DEVELOPMENT Land rights complicate High development potential (High floor area/land ratio) |  |
| IRREGULAR TYPE | Inadequate Road System Road/lot pattern, irregular small Infrastructure, inadequate Medium high Density Residential or green area |  | INDIVIDUAL DEVELOPMENT Lot size large Infrastructure rearrangement likely CLEARANCE DEVELOPMENT Road/lot pattern inadequate High vulnerability to disaster Infra rearrangement necessary |  |
| MIXED TYPE | Adequate Road System Road/lot pattern, diverse Infrastructure, inadequate Medium Density Residential Area |  | MIXED DEVELOPMENT Lot size large, diverse shape Areal division necessary Individual or clearance development for each area |  |

Source: Korea National Housing Corporation (1991).

increase and with increasing demands for land. The need for a considerable amount of land within the city and at the same time provision of low income housing for the poor are two important yet very difficult issues.

Government seems to find a solution from the public sector participation in redevelopment. However, progress is very slow due

to shortage of financial supports from government. In the meantime low income neighborhoods insist on maintaining their status quo. However, more difficulties are assumed when they are left without making improvement because of gradual takeover by the better-offs. Therefore it seems to be wise to continue redevelopment with an application of diverse methods with

consideration of areal characteristics. Provision of permanent rental housing is expected to provide a way to secure low income housings within the city limit.

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