

## IN-MOVERS' HOUSING CHOICE AND GENTRIFICATION IN SEOUL

Seong-Kyu HA\*, Ki-Hyun KWON\*\*

\*Chung-Ang University, Seoul, Korea; \*\*The Seoul Institute, Korea

**Abstract:** The Seoul metropolitan government has focused on the expansion of the housing supply to address housing shortage through housing and urban redevelopment programs. The introduction of urban redevelopment programs has resulted in significant improvements in both the quality and quantity of housing in Seoul. However, urban redevelopment programs have produced gentrification and have contributed to profits for both property owners and developers. It is necessary to identify who is moving into gentrifying neighbourhoods in Seoul and why they engage in gentrification. In order to contribute to a more in-depth analysis, we explore in-movers' socio-economic characteristics and their residential mobility. These questions are analysed using the Korea Housing Survey data. The findings indicate that the majority of in-movers upward homeowners, who are more educated, have a higher income, and are relatively younger. In the Korean urban context, these in-movers can be identified as gentrifiers and key figures in urban and housing regeneration programs.

**Key Words:** *in-movers, housing choice, gentrification, Seoul.*

### Introduction

Housing shortage has been one of the most serious problems that Korean society has faced since its rapid industrialization and urbanization. The government has tried to solve the problem of housing shortages in urban areas through urban and housing regeneration projects. In the West, older, more mature cities had experienced the loss of population and jobs and the deterioration of inner-city housing since the 1960s. They tried to revitalize their inner city areas through the government's aggressive projects to attract the middle class. These projects were called 'gentrification' because they could improve the physical environment and restore the vitality of the older inner cities. Gentrification has been used in many countries as a policy measure due to its positive aspects (Lees and Ley 2008, Kyung and Kim 2011).

In contrast, as the middle class moved to the inner-city where low-income families lived, their dwelling stability got worse. Therefore, gentrification has often criticized because it involves the displacement of poor residents from their city neighbourhoods (Lee and Shim 2009, Mckinnish et al. 2010). Since gentrification has its advantages and disadvantages, it could be promoted or suppressed depending on its connection with the institution or policy. Therefore, gentrification could be induced or adjusted depending on urban planners or policy makers.

It is not appropriate that the generalized theory of gentrification is applied in every area. This is because gentrification involves not only improving physical environments, but also the in-movement of certain types of households. In accordance with each region's unique socio-economic context and the role of each regional resident, the impacts of gentrification have varied significantly (Kennedy and Leonard 2001). Therefore, it is very important to understand the characteristics of the in-movers who have moved into the redevelopment areas as the promoters of gentrification.

This paper focuses on the in-movers into regeneration areas in South Korean urban contexts by closely examining their socio-economic and housing characteristics. The objective of this paper is, therefore, twofold: 1) to analyse the in-movers' socio-economic and housing characteristics compared with the original residents in regeneration communities, and 2) to investigate in-movers in detail. We shall be interested to see whether in-movers (new comers) foster gentrification in Seoul and what the main reasons for residential mobility are.

This paper is divided into four sections. The first section introduced some characteristic of housing problems and urban renewals in Seoul. The second section reviews the theoretical arguments and existing literature regarding gentrification and residential mobility. The third section presents the result of analysis on in-movers' characteristics in gentrifying neighborhoods based on three case study areas. The fourth section is focused on policy implications and conclusions.

### **Housing Shortages and Urban Renewal in Seoul**

Prior to the 1960s, South Korea (hereafter Korea) lacked a clear housing policy regarding urban land-use regulation to control unplanned development and substandard settlements. Since the late 1960s, absolute shortages and high prices have been perceived as the two most serious housing problems in Korea. In order to address the acute housing shortage, numerous policies have been proposed. The government has implemented plans for new housing initiatives primarily through two approaches: new town development and urban redevelopment. Housing is a prime vehicle for delivering effective counter cyclical interventions with a wide range of economic and social benefits. Studies show that increasing the supply of new homes can produce major economic benefits, helping to drive economic recovery and competitive cities (Jones and Yokoyama 2008, UN Habitat 2008, Griffith and Jefferys 2013).

To address the rising housing demand, the government developed vacant areas, by depleting the most easily developed green field sites in suburban areas. In the 1980s, the government established a large-scale, five-year housing plan with the specific goal of supplying two million housing units. The government unveiled the first phase of this new town development plan, which aimed to develop five new towns in the area around Seoul. The construction of new towns contributed to the stabilization of the housing market by the mid-1990s. However, despite government efforts to increase available housing, housing prices continued to escalate due to the growing urban population, lack of housing, and real estate speculation.

Korea's overall housing conditions have improved substantially since the beginning of the 1980s, as can be seen from the key indicators summarized in Table 1. Overcrowding, as well as the quality of dwellings and facilities, has improved remarkably. However, the heavy subsidies generated through price controls on new housing were enjoyed primarily by the middle class. Those who were fortunate enough to purchase new apartments received a substantial capital gain. Despite many measures to improve housing quality over the past several decades, housing has remained a persistent and divisive socio-economic issue in Korea. The government recognized that new town development and market intervention were insufficient to address housing shortage problems, particularly in the Seoul metropolitan area. Policy authorities realized that policy goals could be achieved through a combination of new town development and urban regeneration projects. The urban and housing regeneration projects attempt to demolish substandard residential areas and build new houses on the redeveloped sites. Since the early 1980s, the most important means for the provision of new houses in inner city areas have been urban and housing regeneration programs.

The improvement of low-income families' quality of life was informed by a global policy trend through urban and housing regeneration (Loving 2007). In many national reports, reference is made to housing policies and physical interventions (urban regeneration) as national urban

policies designed to combat socio-economic issues. In a growing number of countries, physical renewal schemes are now accompanied by social and/or economic policies. The European URBAN-program has inspired the introduction of a more comprehensive approach to urban renewal plans (Van den Berg et al. 2014). In Korea, a critical policy issue is how to improve housing conditions for low-income families and increase the quality of residential life through regeneration projects.

*Table 1*

**Housing conditions in Korea**

	1980	1990	2000	2010
Housing supply ratio (%) <sup>1)</sup>	71.2	72.4	94.1	101.9
Dwellings per 1000 inhabitants	142.1	169.5	248.7	363.8
Per capita floor space(m <sup>2</sup> )	10.1	13.8	20.2	28.48
House price-to-income ratio (Seoul)	N/A	N/A (9.2)	5.0 (7.9)	6.6 (9.4)

$$1) \text{ Supply ratio} = \frac{\text{the number of housing units}}{\text{the number of households}} \times 100$$

Source: Kookmin Bank (2014), Korea National Statistical Bureau (2012), Korea National Housing Corporation (2006).

According to the Act on Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents, a housing redevelopment project is defined as a project to improve residential environments in an area whose rearrangement basic facilities are inferior and where worn and inferior structures are concentrated (Article 1). In this study, urban and housing regeneration in Korea can be classified into three main projects: (1) urban redevelopment, (2) 'new towns,' and (3) housing reconstruction. Since the early 1980s, the most popular redevelopment projects were Joint Redevelopment Projects (JRP). In JRPs, the government designates clearance areas and authorizes building removal, large construction companies provide capital, and homeowners form an association, which contracts with the construction company and takes responsibility for the project. A redevelopment association is created in order to obtain the required approval by two-thirds of the homeowners.

The second regeneration project, a new type of urban renewal project that emerged in the 2000s, is the 'new towns' in Seoul. The 'new town in town' scheme was first introduced in 2002 by the former Seoul mayor, Lee Myung-bak, when Seoul's metropolitan government changed their urban renewal policy and renamed it the 'New town' project. This project was introduced to narrow the gap between the rich in south Seoul and the poor in north Seoul and to improve the deteriorated urban environment, especially in northern Seoul. The new town project attempted to improve underprivileged housing areas, turning them into high-quality residential environments by improving the infrastructure and the retraction of various urban functions.

The third type of regeneration is represented by the housing reconstruction projects, which were implemented to improve residential environments in an area wherein the rearrangement basic facilities are good, but where worn and inferior structures exist. Housing reconstruction projects are based on the methods of building and supplying the housing and the accessory and welfare facilities under the management and disposal plans authorized under Article 48 (Act on the Maintenance and Improvement of Urban Areas and Dwelling Conditions for Residents) within the rearrangement zone. A housing reconstruction project may be executed by a partnership or jointly with the city authority or the Housing Corporation, by obtaining the consent of the majority of the partnership members.

### **Gentrification and Residential Mobility**

Building and investing in downtown areas is not a new concept in either Western countries or Korea. Freeman (2005) argued that gentrification is one of the most controversial issues in urban areas. Research on gentrification in Western countries, particularly the United States, seems to be dominated by the question of resident displacement (Mulroy 2004, Walsh and White 2008, Huyser and Meerman 2014). In Korea, the question of resident displacement was also a research area of interest and the most crucial policy issue involved with urban redevelopment and gentrification (Kim 2007, Lee and Shim 2009, Park and Nam 2016). This study is focused more on who moves into gentrifying neighbourhoods rather than just who moves out. In order to determine in-movers' characteristics, we have done a comparison between in-movers and original residents in redeveloped communities.

One socio-political consequence of urban regeneration projects has been the redevelopment-induced gentrification of low-income neighbourhoods. External property-based interests in the renewal project areas enabled the full exploitation of development opportunities at the expense of poor owner-occupiers and tenants. Urban regeneration represents the physical, socio-economic, and environmental changes in a city and a community. However, according to the Urban Redevelopment Act, Korean urban renewal policies focused primarily on the improvement of residential physical environments rather than of socio-economic factors.

In the West, gentrification was initially seen as the urban class change process of the replacement of the original working class occupiers by middle class homebuyers (Smith 1979, Beauregard 1986). However, after the late 1970s, gentrification was considered in a much broader context. The role of the state was downplayed, and more emphasis was given to opportunities for the private sector to contribute to gentrification, which led to greater partnership-based forms of governance (Smith and Williams 1986, Duffy and Hutchinson 1997, Oatley 1998, Conway 2000). Since the mid-1990s, the concept of gentrification has broadened, and the scale of gentrification has expanded greatly. The idea of a more inclusive approach to local economic development and regeneration began to evolve. The state became an enabler that sought to create favourable conditions for private sector investment in urban areas (Hackworth 2002, McCarthy and Prudham 2004).

In Korea, particularly in the capital city of Seoul, the government has focused on the expansion of the housing supply to address the housing shortage through housing and urban redevelopment programs. The introduction of urban redevelopment programs has resulted in significant improvements in both the quality and quantity of housing in Seoul. However, according to previous studies, only approximately 40% of property owners and 10% of tenants returned to redeveloped areas (SDI and KOCER 2003). Urban redevelopment programs have produced gentrification and have contributed considerably to the profits of both property owners and developers. At this stage, it is necessary to identify gentrifiers and why they engage in gentrification. Some groups support the revitalization of old and deteriorated low-income residential areas while others criticize the displacement of low-income households. Despite the importance of gentrification in urban areas as a policy issue, there is a shortage of empirical evidence describing who is moving into gentrifying communities and their housing choice and residential mobility.

Residential mobility is a process that changes lives and neighbourhoods. Neighbourhoods in Seoul have started to rebound because of recent demographic and economic shifts and more urban living. Middle and high income families are increasingly moving into once underinvested and traditional low-income communities in Seoul. Through urban redevelopment programs, investment and development in these neighbourhoods have increased often accompanied by significant increases in housing prices and rents. While no precise consensus definition of

gentrification exists in Korea, in this paper we will define a gentrifying neighbourhood as an existing urban neighbourhood that had a relatively low average income and experienced large mobility between neighbourhoods as function of individual and neighbourhood characteristics.

With respect to the housing mobility in Seoul's redeveloped neighbourhoods, the age of the housing stock is an important predictor of gentrification. As a neighbourhood's housing stock ages, middle income households leave for neighbourhoods with newer housing and they are replaced by lower-income households. Eventually, the housing stock ages to the point where it is ripe for redevelopment, particularly in the northern part (Gangbuk)<sup>1)</sup> of Seoul, where the neighbourhood gentrifies and middle and high income households move in.

Changing household circumstances, such as employment or family composition, may make the current housing unit or location less tenable or satisfactory. In addition, the household may also be attracted to other housing units or neighbourhoods for various reasons that contribute to the decision to relocate (Coulton et al. 2012).

### **Methodology**

The primary data source for analysing the characteristics of in-movers who newly moved into the redeveloped neighbourhoods is the 2012 Korea Housing Survey data (KHS)<sup>2)</sup>. The case study includes three gentrifying communities – Gajaeul, Mia, and Gileum – which are included in the 'new town in new town' projects completed in Seoul done between 2000 and 2010.

The three case study areas (Gajaeul, Mia, and Gileum) were typical neighbourhoods where there was not only physically deteriorated housing highly concentrated, but public facilities (schools, community centres, etc.) were inadequate. Therefore, the primary goals of the project were to pursue renovation of old housing, into liveable communities and to revitalize neighbourhoods. Table 2 shows basic information on the three study areas designated for new town development. The development of these three new towns is ongoing. We chose the first redeveloped neighbourhood within the three projected areas (Fig. 1).

In order to examine the characteristics of in-movers in redeveloped communities, we performed a comparative analysis on the socio-economic and housing attributes for in-movers and original residents that have lived in these communities before 'new town in new town' projects. Table 2 shows the descriptions of New Town projects in this case study, which includes the original resident populations and the projected number of households. We extracted the sample households for 169 in-movers and 229 original residents from the 2012 Korea Housing Survey Data. These New Town projects are going on, and Table 2 includes the statistical data of redeveloped districts as of the end of 2012. The percentage of population covered by the sample is 2%.

---

1) Gangbuk is located in the northern part of the city of Seoul. Its name is derived from the fact that it is located north of the Han River. The Han River flows directly through Seoul dividing the city into two main areas, the Gangnam and Gangbuk. The Gangnam area was the first part of Seoul to be developed as a modern residential district. By contrast, the Gangbuk area was the old downtown and it was under-developed with poor infrastructure and old housing until the year 2000.

2) The KHS is a national housing survey that has been conducted by the Ministry of Land, Infrastructure and Transport since 2006. The KHS includes general household (every even-numbered year) and special household (every odd-numbered year) components. The KHS data consists of seven major parts: 1) housing structure and tenure information; 2) housing costs and housing cost burdens; 3) residential move experience and housing satisfaction; 4) housing values; 5) home purchase experience; 6) future housing plans; and 7) household information. The KHS in 2012 included 33 000 general households selected through a series of stratified sample procedures.

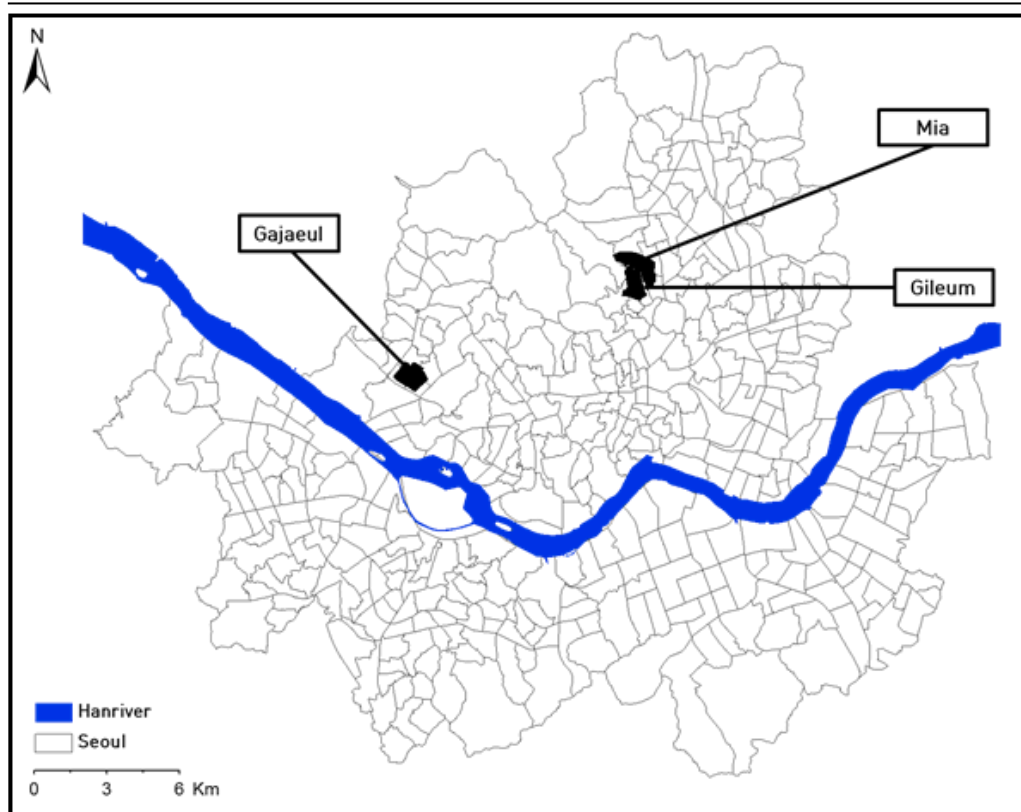


Fig. 1 - Administrative boundary of Seoul and study areas

New Town projects on Gajaeul, Mia, and Gileum in Seoul

Table 2

	Gajaeul	Mia	Gileum
Projected Area (m <sup>2</sup> )	749 550	660 332	846 394
The number of original households	21 662	11 032	13 593
(Rate of tenant household) (%)	(57.3)	(28.8)	(52.5)
Projected no. of households	11 697	11 439	16 399
Projected population	49 024	28 000	39 500
Completed area (m <sup>2</sup> ) (At the end of 2012)	286 567	266 951	553 550
	(38.2%)	(40.4%)	(65.4%)
No. of households (At the end of 2012)	4 139	4 763	11 218
	(35.4%)	(41.6%)	(68.4%)
Projected development period	2005~2019	2005~2019	2002~2017

Source: Seoul Metropolitan Government, Jang et al. (2008)

We conducted t-test and chi-square tests in order to examine the two groups' characteristics (in-movers and original residents). The characteristics were grouped into three categories: 1) personal attributes: age, education level, job type, marital status, 2) household attributes: number of household members, number of children, monthly income, and 3) housing attributes: housing type, tenure, housing size, and number of rooms.

### Results and Discussion

Table 3 presents the t-test results for the variables. On average, in-movers are about 7 years younger than the original residents. In-movers have 3.3 household members and 1.36 children, which is slightly more than those of the original residents. Therefore, the in-movers are likely to be relatively younger, have higher incomes<sup>3)</sup>, more family members and a larger housing space compared to the original residents.

*Table 3*

**T-test for the difference between In-movers and Original residents**

	In-movers		Original residents		t-values
	Mean	S.D.	Mean	S.D.	
Age	51.23	10.81	58.92	13.93	-6.197***
Number of Household members	3.30	1.14	3.00	1.22	2.503**
Children	1.36	0.84	1.10	0.93	2.856***
Monthly income (US \$)	3 227.8	1 281.7	2 403.5	1 462.7	5.970***
Housing size (m <sup>2</sup> )	71.99	23.52	67.38	30.03	1.720*
Housing room	2.91	0.60	2.70	0.79	2.988**

\*\*\*<0.01, \*\*<0.05, \*<0.1

Source: Korea Housing Survey Data (2012)

Table 4 shows the chi-square test results. There are statistically significant differences for the two groups' variables with the exception of the tenure type variable. In-movers have a much higher level of education, more professional and office jobs and a higher proportion of married households than the original residents. In-movers of gentrifying neighbourhoods can be characterized as married households with professional jobs and high educational attainment relative to the original inhabitants.

$$\ln \left( \frac{\hat{Y}}{1 - \hat{Y}} \right) = \alpha + \beta X$$

where  $\hat{Y}$  is the predicted probability of the event which is coded with 1, and  $X$  are our personal, household and housing variables. I have coded subjects with 1 = in-movers, 0 = original residents.

Table 5 presents the results of the Binary Logit model. There are several interesting findings. First, among the socio-economic variables, in-movers are more likely to be younger and have a higher level of education compared to the original residents. Second, a high monthly income has a more positive impact on in-movers. Third, in-movers prefer to live in apartments.

3) The in-movers' income was higher than the average household income (3 592.60 \$) in Seoul and the nation as a whole (2 954.18 \$) in 2012 (KHS data).

Table 4

## Chi-square test for the difference between In-movers and Original residents

		In-movers		Original residents		$\chi^2$
		Freq.	%	Freq.	%	
Education level	High school	80	47.3	170	74.2	41.107***
	College	13	7.7	20	8.7	
	University	69	40.8	39	17.0	
	Grad school	7	4.1	0	0.0	
Job type	Professional	12	7.1	8	3.5	28.830***
	Office	58	34.3	38	16.6	
	Service	50	29.6	61	26.6	
	Others	49	29.0	122	53.3	
Marriage	Single	24	14.2	49	21.4	3.362*
	Married	145	85.8	180	78.6	
Housing type	Detached house	7	4.1	50	21.8	52.739***
	Multi-family	9	5.3	35	15.3	
	Town houses	25	14.8	43	18.8	
	Apartment	125	74.0	92	40.2	
	Others	3	1.8	9	3.9	
Tenure type	Owner-occupied	90	53.3	121	52.8	6.123
	Chonse <sup>1)</sup>	62	36.7	67	29.3	
	Wolse <sup>2)</sup>	17	10.1	40	17.5	
	Others(Rent free)	0	0.0	1	0.4	

\*\*\*&lt;0.01, \*\*&lt;0.05, \*&lt;0.1

Notes: 1) Chonse is a rental system in which the tenant pays a lump sum to the landlord and receives the same money back when he or she leaves the rental unit. The landlord will usually invest the lump sum, and the interest earned represents the imputed rent. Landlords benefit during prosperous times by investing the deposits, generating good returns. Renters also benefit by not having to make monthly payments for the duration of the contract. 2) Wolse is the monthly rental system found in most countries.

Source: Korea Housing Survey Data (2012)

Table 5

## Results of Binary Logit model

	$\beta$	Odds ratio
Age	-0.033***	0.967
Years of education	0.099*	1.104
Job type (1=office, 0=others)	-0.410	0.664
Marital status (1=married, 0=single)	-0.439	0.645
Number of household members	-0.005	0.995
Household monthly income (10 \$)	0.770***	2.159
Housing type (1=apt, 0=others)	1.377***	3.965
Tenure type (1=own, 0=others)	-0.015	0.986
Housing size (m <sup>2</sup> )	-0.463	0.629
Number of housing rooms	0.104	1.110
Intercept	-2.262	0.104
N		398
Likelihood ratio		449.302

\*\*\*&lt;0.01, \*\*&lt;0.05, \*&lt;0.1 Source: Korea Housing Survey Data (2012)

It is important to understand the characteristics of the in-movers' residential mobility. We used information on 169 households who had recently moved into gentrifying neighbourhoods. As a result, we found two types of previous residential location: (1) internal movement within the same communities and (2) external entry to the gentrifying neighbourhoods.

Table 6 indicates that the internal movement ratio of in-movers within redeveloped communities is 52.07%, while the external entry ratio of in-movers is 47.93%, respectively. Almost half of the in-movers are from the outside and the rest are original residents who live in the same communities. Compared to the Joint Redevelopment Project during the 1990s, the proportion of reoccupation of original residents is much higher. However, almost half of in-movers are the outsiders and it is likely that the communities have experienced the replacement of inhabitants and changes in the neighbourhood character.

*Table 6*

**Results of their previous residential locations**

	<i>N</i>	%
Internal movement within same communities	88	52.07
External entry to New Town area	81	47.93
Total	169	100.0

Source: Korea Housing Survey Data (2012)

It is essential to identify the main reason for the in-movers' housing choice. The 2012 KHS data includes information on housing characteristics as well as the reasons which why they moved in current housing. We used this variable for verification about whether the moving reasons differ depending on the socio-economic characteristics.

*Table 7*

**Chi-square test for the difference between previous and current housing**

		Previous housing		Current housing		$\chi^2$
		Freq.	%	Freq.	%	
Housing type	Detached house	26	15.4	7	4.1	24.602***
	Multiplex house	13	7.7	9	5.3	
	Town houses	41	24.3	25	14.8	
	Apartment	89	52.7	125	74.0	
	Others	0	0.0	3	1.8	
Tenure type	Owner-occupied	64	37.9	90	53.3	14.168***
	Chonse	96	56.8	62	36.7	
	Wolse	9	5.3	17	10.1	

\*\*\*<0.01, \*\*<0.05, \*<0.1

Source: Korea Housing Survey Data (2012)

An absolute majority of the in-movers' housing type has shifted to apartments (74%). The housing tenure of in-movers before housing mobility was: owner-occupied 37.9%, chonse 56.8%, and wolse 5.3%. After the movement in the regeneration projects area was completed, more than half of the in-movers were owner occupiers (53.9%). When the housing size and number of rooms are compared before and after, housing conditions generally improved (Table 7). As a result, the in-movers in Seoul have experienced an improvement in their housing in terms of the tenure type and housing quality (Table 7 and Table 8).

Table 8

**T-test for the difference between previous and current housing**

	Previous housing		Current housing		t-values
	Mean	S.D.	Mean	S.D.	
Housing size (m <sup>2</sup> )	71.18	25.6	71.99	23.5	0.305
Number of rooms	2.76	0.6	2.91	0.6	2.255**

\*\*\*&lt;0.01, \*\*&lt;0.05, \*&lt;0.1

Source: Korea Housing Survey Data (2012)

Table 9 presents the reasons for housing mobility. The main reasons for housing mobility are: 'purchase new housing', 'more spacious housing', and 'better facilities. These results indicate that the in-movers in regeneration areas are primarily likely to relocate for a better housing environment<sup>4)</sup>. The redevelopment projects provide modern facilities and a more liveable residential environment. It is mainly due to a clearance type of redevelopment and a development strategy of market attraction. The old and deteriorated housing and community facilities are totally demolished and newly built housing attracts the middle and high income in-movers.

Table 9

**Reasons for residential mobility**

	N	%
Purchase new housing	30	17.75
Because of the termination of a contract	30	17.75
Need for more spacious housing size	23	13.61
Need for better housing facilities	23	13.61
Because of a change in jobs	18	10.65
Better transportation system than previous residence	10	5.92
...	...	...

Source: Korea Housing Survey Data (2012)

There are both similarities and differences in terms of gentrifier characteristics and their processes of gentrification between Seoul and Western cities. Gentrification in Seoul was similar to Western gentrification in that it was affected by the middle class "gentrifiers", the demographic changes and the city's post-industrial city status<sup>5)</sup>. It is also similar to Western gentrification in that gentrification involves restoring and upgrading the deteriorated urban property, often causing the displacement of low-income individuals.

However, Seoul had a much greater emphasis on physical neighbourhood upgrades through regeneration programs. In-movers who are the gentrifiers in Seoul are unique in terms of their housing choices and socio-economic attributes. Seoul's gentrifiers are mostly a product of

4) Better housing environment in this study means increasing in the number of room and housing size as well as new facilities such as heating system, security system, garbage disposal and parking area.

5) The post-industrial status in Seoul including: 1) Economic changes emphasizing the role of services (growth rate of employment in the tertiary and quaternary sectors). 2) Change in the social structure, strengthening the role of professional and technological classes. 3) The importance of information in social life is reflected in the late of the 20th century and in the spatial structure of the city.

internal movement rather than external entry into the city. In Western cities, particularly many cities in the USA, middle class gentrifiers are primarily from suburban areas (Smith 1979). In the movement patterns, short distance migration within city boundaries was more frequent than long distance movement, and the proportion of gentrifiers was relatively low compared with the total incoming households. Korean gentrifiers' major motivations for movement were the purchase of a new house and the desire for more spacious housing, better facilities, and a better transportation system to the city centre. Relative to Western cities, gentrification in Seoul is a relatively limited phenomenon, in which residents from the city outskirts have migrated to the inner city areas. It should be noted that gentrification in Seoul is not "a back to the city" movement of the middle class from the suburban areas, which is a phenomenon that occurred in the American cities during the 1980s and 1990s. In that case, households moved back to the urban neighbourhoods after many years of suburban life.

In terms of the gentrification process, the vast majority of middle-class gentrifiers had never lived in the renewal project communities and they were newcomers as owner-occupiers. Due to the lack of affordability, original residents (mostly low-income owner-occupiers) sold their right of re-housing to others who could afford the cost. The re-housing ratio of original residents, particularly tenants, is critically low. It should be emphasized that those who moved involuntarily were primarily low-income families who moved to other areas where housing costs are lower. Tenant associations have tried to implement anti-eviction policies and anti-business-driven regeneration campaigns in Seoul. The Seoul Metropolitan Government has enacted legislation banning eviction in severe winter season in order to endure the suffering of tenants. However, the efforts made by the tenant association were insufficient to bring about a drastic change in the policy of business-driven generation.

The Seoul Metropolitan Government has become an active enabler of urban regeneration projects, in line with the enactment of the Special Promotion Act of Urban Renewal in 2006. The so-called 'New town in town' program was initiated. It is a much more aggressive housing and urban regeneration policy that emphasizes comprehensive development with a large-scale master plan. Due to the Special Promotion Act of 2006, private developers have developed large housing units to maximize profits (Kyung and Kim 2011, Lees et al. 2015). As a result, housing became an attractive investment option in accordance with the government's home promotion policies, such as providing incentives and conditions including a pre-sale housing system for the construction companies and more inexpensive loans for homebuyers. Shin and Kim (2016: 16) argued: "Seoul's gentrification is not simply mimicking the new-build gentrification in the global North, as the process is heavily influenced by the strong developmental, and later neo-liberalizing, state".

### **Conclusions**

It is apparent that gentrification in Seoul is characterized by the state as an enabler or facilitator brings about active engagement of outside middle class 'gentrifiers' and mass displacement of the original residents. Issues of housing insecurity and inequality arise most acutely from urban and housing regeneration policies, particularly in the gentrification process in Seoul.

It is evident that housing and urban regeneration projects achieved the goal of increasing the housing stock and improving the physical environment, particularly in low-income residential areas in Seoul. However, the policy goal regarding the original residents' housing welfare has not been achieved, with worsening prospects for low-income residents. The socio-cultural characteristics of low-income communities are destroyed, and housing security for the original residents, particularly poor tenants, becomes unstable. The change in class distinction resulting from gentrification has also been shown to contribute to residential polarization by income, education, household composition, and tenure type. Planners and government officials must

consider and identify low-income residents' concerns and hopes for the future in the planning stages of regeneration programs.

One of the important housing and urban regeneration policy issues is how the state empowers and cooperates with Non-Government Organizations (NGOs), Community Based Organizations (CBOs), communities, and the private sector. Gentrification in Seoul was led by the state via urban and housing regeneration policies. In Korea, NGOs were intended to fill a gap in government services. They mobilize financial resources, materials, and volunteers to create localized programs. Some NGOs and religious organizations have organized anti-eviction campaigns and lobbied for governmental housing and urban regeneration policies favourable to low-income families and tenants<sup>6)</sup>. The cooperation between governments and NGOs should be emphasized and it will allow urban regeneration to emerge as people-centred development by promoting a true social movement.

Seoul's gentrification in its own way has experienced real estate development and capital accumulation as a central force in the urban economic expansion over the last 40 years. Seoul's gentrification has been characterized and initiated by the state as 'a housing provision-led and business-driven approach' with the expectation of a 'trickle-down effect' on housing construction and real estate. Regeneration projects have focused on maximizing home owners' profits rather than on improving housing for low-income groups or revitalizing the community. Our investigation indicates that gentrifying neighbourhoods are typically characterized by the influx of new residents of a higher socioeconomic status relative to the original residents. It is a dynamic process that can occur at varying speeds.

Seoul's regeneration projects were business-oriented rather than community welfare-oriented. In regeneration projects, housing has not been allocated or provided for those with the greatest need. Policies should be adapted to meet the specific needs of residents and to incorporate the socio-economic and cultural variables of the original community.

Since late 2011, the Seoul metropolitan government has been revising its regeneration policy, by scaling down or cancelling 'development and business-driven projects' that were pursued by the former mayor (conservative ruling party). The new approach is an 'enabling and community-based method' of achieving democratic participation and inclusiveness, especially of vulnerable social groups in substandard residential areas. The Seoul Metropolitan government, led by the new liberal Mayor Park Won-Soon, aims to give citizens the tools to create and implement solutions to their housing problems. It is too early to conclude whether the Seoul Metropolitan Government's new approach will stop 'renewal-induced and business-driven gentrification' in Seoul.

### References

- BEAUREGARD R. A. (1986), *The chaos and complexity of gentrification*, in: Smith N., Williams P. (eds.), *Gentrification of the City*, Allen & Unwin, London, pp. 35-55.  
CONWAY J. (2000), *Housing policy*, Gildredge Press, Eastbourne.  
COULTON C., THEODOS B., TURNER M. A. (2012), *Residential mobility and neighborhood change: real neighborhoods under the microscope*, *Cityscape* 14 (3), 56-89.  
DUFFY K., HUTCHINSON J. (1997), *Urban policy and the turn to community*, *The Town Planning Review* 68 (3), 347-362.

---

6) There are several NGOs in Korea which deal with housing and urban renewal movement. These include the Korean Coalition for Housing Rights; the Catholic Organization of the Urban Poor; the Korea Centre for City and Environment; and the Citizens' Coalition for Economic Justice. Since the mid-1980s, anti-eviction campaign have been the main housing movement for NGOs with aim of trying to stop forced eviction in urban renewal project areas.

- FREEMAN L. (2005), *Displacement or succession? Residential mobility in gentrifying neighborhoods*, Urban Affairs Review 40 (4), 463-491.
- GRIFFITH M., JEFFERYS P. (2013), *Solutions for the housing shortage: how to build the 250,000 homes we need each year*, Shelter, London.
- JANG Y.-H., PARK E.-C., LEE S.-W. (2008), *Strategies for Gradual Implementation of New Town Projects in Seoul*, Seoul Development Institute, Seoul.
- HACKWORTH J. (2002), *Postrecession gentrification in New York city*, Urban Affairs Review 37 (6), 815-843.
- HUYSER M., MEERMAN J. R. (2014), *Resident Perceptions of Redevelopment and Gentrification in the Heartside Neighborhood: Lessons for Social Work Profession*, The Journal of Sociology & Social Welfare 41 (3), article 2.
- KENNEDY M., LEONARD P. (2001), *Dealing with neighborhood change: A primer on gentrification and policy choices*, Brookings Institution, Washington, DC.
- KIM K. (2007), *The Causes and Factors Generating Gentrification in Seoul*, The Journal of the Korea Urban Geographical society 10 (1), 37-49.
- KOREA NATIONAL HOUSING CORPORATION (2006), *Handbook of Housing*, KNHC, Seoul.
- KYUNG S. W, KIM K.-J. (2011), *State-facilitated Gentrification' in Seoul, South Korea: for whom, by whom and with what result?* Paper presented at the International RC21 Conference, Amsterdam.
- LEE H. Y., SHIM J. H. (2009), *The Residential Mobility Pattern and Its Determinant Factors of Gentrifiers in Seoul*, The Journal of the Korea Urban Geographical Society 12 (3), 15-26.
- LEES L., LEY D. (2008), *Introduction to special issue on gentrification and public policy*, Urban Studies 45 (12), 2379-2384.
- LEES L., SHIN H. B., LOPEZ-MORALES E. (2015), *Global Gentrifications: Uneven Development and Displacement*, Policy Press, Bristol.
- VAN DEN BERG L., VAN DER MEER J., CARVALHO L. (2014), *Cities as Engines of Sustainable Competitiveness: European Urban Policy in Practice*, Routledge, London.
- LOVERING J. (2007), *The relationship between urban regeneration and neoliberalism: Two presumptuous theories and a research agenda*, International Planning Studies 12 (4), 343-366.
- MCCARTHY J., PRUDHAM S. (2004), *Neoliberal nature and the nature of neoliberalism*, Geoforum 35 (3), 275-283.
- MULROY E. A. (2004), *Theoretical perspectives on the social environment to guide management and community practice: An organization-in-environment approach*, Administration in Social Work 28 (1), 77-96.
- OATLEY N. (1998), *Cities, economic competition and urban policy*, Paul Chapman Publishing Ltd., London.
- PARK S. B., NAM J. (2016), *A Study on the Community Role for Preventing the Side Effects of Gentrification: Focused on Community Rights of Localism Act in UK*, The journal of Seoul Urban studies 17 (1), 23-43.
- JONES R. S., YOKOYAMA T. (2008), *Reforming housing and regional policies in Korea*, OECD Publishing, Paris.
- SEOUL DEVELOPMENT INSTITUTE, KOREA CENTER FOR CITY AND ENVIRONMENT RESEARCH (2003), *A Study on the Residents of Renewal Areas: Impact of Clearance on the Residents*, SDI and KOCER, Seoul.
- SHIN H. B., KIM S.-H. (2016), *The developmental state, speculative urbanisation and the politics of displacement in gentrifying Seoul*, Urban Studies 53 (3), 540-559.
- SMITH N. (1979), *Toward a Theory of Gentrification a Back to the City Movement by Capital, not People*, Journal of the American Planning Association 45 (4), 538-548.
- SMITH N., WILLIAMS P. (1986), *Alternatives to orthodoxy: invitation to a debate*, in: Smith N., Williams P. (eds.), *Gentrification of the City*, Allen & Unwin, Boston, pp. 1-12.

MCKINNISH T., WALSH R., WHITE T. K. (2010), *Who gentrifies low-income neighborhoods?*, Journal of Urban Economics 67 (2), 180-193.

UN HABITAT (2008), *The role of government in the housing market: The experience from Asia*, UN-HABITAT, Nairobi.

Initial submission: 12.11.2016

Revised submission: 26.09.2017

Final acceptance: 11.10.2017

Correspondence: Department of Urban Planning and Real Estate, Chung Ang University, 84 Heukseok-Ro, DongJae-Gu, Seoul, Korea.

Email: skha47@daum.net