



SUMMARY

A Study on Housing Policy Based on Low-income Renters' Spatial Analysis

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The scale of Korean housing policies for low-income renters has expanded in recent years. The income limits to qualify housing subsidy beneficiary has been increased from 33% to 43% of median income. The public housing stock also has increased from 1.04 million in 2012 to 1.26 million in 2015 and the government set a goal to increase the public housing stock continuously. In addition, there has been efforts to consider regional characteristics into the design of housing policies for low-income renters. Housing subsidy amounts are set differently for four regions. Public housing for inner-city young renters and rural areas are newly added recently.

Despite the efforts to reflect the regional characteristics in low-income housing policies, these efforts has not been made based on thorough analyses of regional distribution of low-income renters and their characteristics. This report tried to fill this gap by analyzing the number and housing characteristics of low income renters and the number of housing policy beneficiaries. Based on the analysis, the report suggests some policy changes.

We identify provinces that the ratio of low-income renters to total households are relatively higher and the ratio varies relatively more within a province. These provinces are Seoul, Gyeonggi, Incheon, Gangwon. When we examine the ratio among smaller administrative area (sigungu) than province, the ratio was higher in smaller cities than big cities and rural areas. We also identify the contiguous region whose ratio are relatively higher than others. These regions are located in Gyeonggi, Gangwon, and Chuncheongnam provinces. Within large cities, the ratio of low-income renters were higher in older areas than newly developed areas.

We measured the levels of segregation of low-income renters against the other households within large cities. Based on dissimilarity and isolation indices, the levels of segregation were not particularly high in these cities. In case of Seoul, there are five sub areas where low-income renter's proportion were particularly higher than others. The ratios of lower-income households to total households in these areas are about 10%p higher than those of other areas. We also found that in some sigungu areas in Seoul and Gyeonggi, lower-income renters suffer from higher rent burden and in some rural areas dispersed across the country, they suffer from lower housing unit quality.

To evaluate the appropriateness of current housing policies for low-income renters, we examined the rent levels of the current four regions to differentiate the amount of housing subsidy and the ratios of public housing stock to total low-income renters across provinces and sigungu areas. Current four regions are roughly divided based on province boundary and not reflect the rent differences that varies across sigungu areas. We classified new four regions based on the mean rent level of sigungu areas and showed that it performs better for calculating base amounts for regional housing subsidy. Also, we

found that the ratio of public housing stock to low-income renters varies by provinces and sigungu areas. The provinces whose ratio varies most across sigungu are Busan and Jeollanam province. In Busan, the ratio is particularly lower in older, inner-city sigungu. The lack of available sites for public housing construction seems to be the reason for the regional difference within Busan. In Jeollanam province, the ratio is especially lower in sigungu with small population. Since a large scale apartment construction of public housing is the most common way to provide public housing, it seems that these rural sigungu areas with small population are often given lower priority in public housing provision.

Based on the analyses, we argue that housing policy for low-income renters should consider regional variations of low-income renters, their housing characteristics, and the proportion of policy beneficiaries among low-income renters explicitly. National government should provide the relevant data preferably for sigungu area levels and require and assess the local governments' plans for low-income housing policies. Local governments, especially ones with a large sigungu level variation in low-income renters and beneficiary rates should make plans for sigungu areas with the greatest needs for support. Since the public housing provision is often hampered by lack of construction sites and conventional way of large scale apartment construction provision, inner city redevelopment and small-scale provision of public housing provision methods should be devised. Also, the current four regions for housing subsidy amount differentiation should be adjusted based on the rent levels in sigungu area.