
SUMMARY



A Study on the Phenomenon of Inverse Lease on a Deposit Basis and Consolidation of Protection for Lessees: Focussed on Guarantee for a Refund of Jeonse Deposit

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The purpose of this study is to review the phenomenon of inverse jeonse, which is the price of jeonse house when expired; the new contract is lower than the price of jeonse house when concluding the contract and estimating the volume of inverse lease on a deposit basis, and to propose the consolidation of protection for lessees. For this purpose, a search on the issues, in-depth interviews, and survey of persons concerned with protection for lessees and statistical analysis were used to estimate the ratio of inverse lease on a deposit basis, and offers suggestions on related housing policy to consolidate protection for lessees.

Since 2017, the Jeonse price decrease has been observed nationwide. For about 33.84% of Jeonse (2019, Q2), the price has declined. By region, the ratio of house by which the jeonse prices decrease in non-metropolitan area is higher than in other areas. By housing type, the ratio of inverse lease on a deposit

basis for an apartment is 37.35%, the ratio for single-family housing is 25.72%, and the ratio of multi-family housing is 18.5%. This means that the phenomenon of inverse lease on a deposit basis is most serious for apartments. According to the result of the scenario analysis, the Jeonse houses are vulnerable to the risk that lessees cannot be repaid their deposits from landlords is about 80,000 when the decrease rate in jeonse price is 1%, about 83,000 when the decrease rate in jeonse price is 7%, and about 88,000 when the decrease rate in jeonse price is 15%. Moreover, the Jeonse house rate at which that lessees cannot be repaid their deposits from landlords is about 12~16 thousand house.

Guaranteed return of the Jeonse deposit is a policy-supported product that ensured HUG payment by subrogation in case the landlord refuses to return the deposit or it is difficult for the tenant to get the deposit back due to falling housing prices or too much debt held by the landlord. However, this product does not cover most Jeonse houses, and especially single-family houses have some restrictions when using the guarantee product. Therefore, this report suggests the following improvements.

First, in the case of apartments, to expand the warranty scope that can cover the most jeonse apartments. Second, in the case of single-family houses, to simplify the procedure for joining the guarantee product. For example, a confirmation letter for confirming the previous jeonse contracts of the jeonse house that lessees want to join the guarantee product. Third, to provide information about housing prices that lessees want to join the guarantee product. Fourth, to establish a third agency where people can place their jeonse deposit and to introduce the mandatory guarantee system. Fifth, to provide information about monthly rent with a security deposit to use the guarantee product.