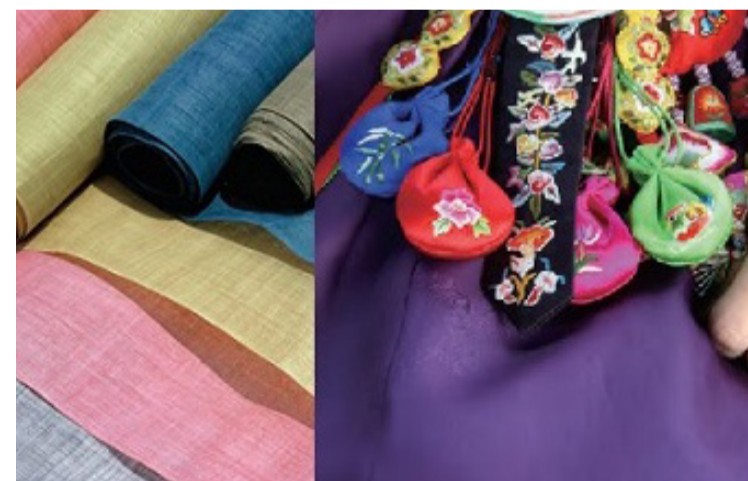


SOCIETY AND CULTURE

The Way of Life and Culture



Traditional Fabric and Lucky Bags



Jangdokdae



Suwon Hwaseong Fortress

The Korean people have developed and maintained their unique national culture for a long time. The national culture of Korea emerged as an adaptation to the natural environment and, at the same time, as an outcome of the human impacts on the natural environment. The arrangement of mountains and plains, the distribution of seashores, and the climate are the foundation of the cultural characteristics of the Korean people. The Korean way of life, as represented by clothing, food, and housing, is central to understanding Korean culture. The materials used in clothing and accessories, the development of clothing culture, cultivation, introduction, and overseas dissemination of various

ingredients and processing of certain food and cooking methods, and harmony between nature and residential space in overcoming natural restrictions—all are components in the traditional culture that influence the Korean way of life. However, traditional Korean culture is not confined to a way of life formed through adaptation to the environment. Traditional Korean culture is in part an outcome of dynamic interactions between the traditional Korean heritage and other cultures during the long settlement of the Korean people. Particularly, the contemporary Korean culture reflects not only the outcomes of cultural exchange among various countries and ethnic groups, but it also reflects major and minor changes in the

climate and the natural geomorphological environment and societal changes such as urbanization. With such changes in people's way of life, the characteristics of Korean society in terms of clothing, foodways, and housing are changing rapidly. Many cultures have been introduced to Korea, and sometimes, the Korean culture has spread to the outside world. While the changes in the traditional way of life fit the conditions of modern life, the contemporary culture of the Korean people has achieved cultural diversity where the traditional and contemporary elements coexist.

Fashion and Culture



The Mural Paintings of Muyongchong Tumulus of Goguryeo



Hansanmosi



Hyewon Pungsokdo Cheop

The clothing culture of the Korean people began with the history of the nation. Prehistoric equipment for apparel design and manufacturing is found across the country and shows a very long history of Korean clothing. Ancient Korean clothing can be seen on the ancient tomb murals of Goguryeo and on some documents such as Biographies of the Dongyi from Book of Wei of the Records of the Three Kingdoms. The prototype for traditional Korean dress, such as the Jeogori and pants, can be found in the murals of the ancient tombs of Goguryeo. As time passed, various fabrics were used, and clothing styles diversified. Following silk and ramie fabrics, the introduction and cultivation of cotton led to the use of new fabrics and significant changes in clothing styles.

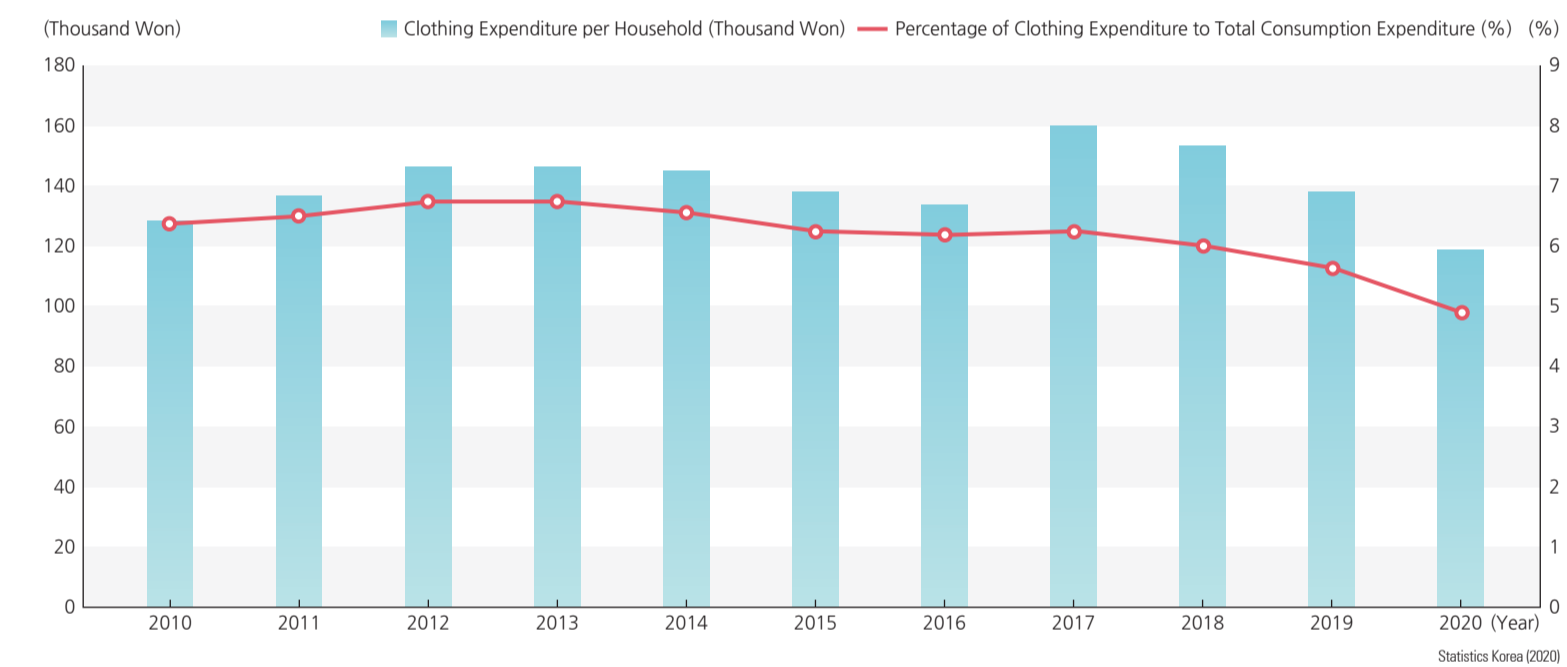
Koreans were known as the white-clad folk and enjoyed having white-colored clothing, though they also liked various colored

clothing for special events and rituals. The dyeing process, including the usage of pigments and hand dyeing, was developed. Clothing and accessories sometimes represented the status and ranking of individuals. For instance, in the Joseon Dynasty, knots used for accessories, such as Norigae, or hats represented individuals' status and social classes. Clothing in the traditional era was generally homemade, and laundering and care of garments accounted for a large share of the housework. By contrast, modern clothing is mostly made in factories and therefore is a large proportion of household expenditures. Also, the care of clothing has become more diversified. For example, it is increasingly common for laundry and ironing to be done by commercial laundry services. Particularly, an increase in non-face-to-face services has caused a rise in self-service laundromats. There is an increase in

electronic items to maintain clothing at home, including washing machines, dryers, and steam clothing care systems.

Since the modern era, the introduction of various synthetic fibers and the development of new weaving techniques have significantly changed Korean clothing culture. Since the 1960s, the textile industry has played an important role in Korean economic growth. Several small clothing manufacturers emerged in the process of rapid urbanization in metropolitan areas, where small factories employed many laborers who crowded into cities. In addition, the development of the chemical industry has expanded the spinning and weaving industry in the national economy. Because of this development, as well as an abundance of labor, textile-related industrial complexes and cities have emerged in various places where small clothing companies were operated in the early industrialization period, and the textile industry accounted for a large proportion of exports. Recently, the textile, garment, and apparel industries have become concentrated in low-wage countries. Due to globalization, many domestic manufacturers have moved to China and Southeast Asia, resulting in a decline in the domestic clothing industry and increased clothing imports as the Korean economic structure has become more technical and capital-oriented. As a result, most imported clothing is from China and other parts of Southeast Asia; expensive and branded clothing mostly comes from Europe and other developed countries. The Korean clothing and apparel industry has the challenging task of transforming itself into a design-centered, high-value-added industry. Meanwhile, as there is an increasing notion regarding the shorter cycle of launching new clothing products, microplastic issues from synthetic clothes, and an increase of clothing waste, there is an increased number of clothing manufacturers that use environment-friendly materials or manufacturing techniques, and also cleaning businesses that use environmentally-friendly detergents or pro-environmental cleaning techniques.

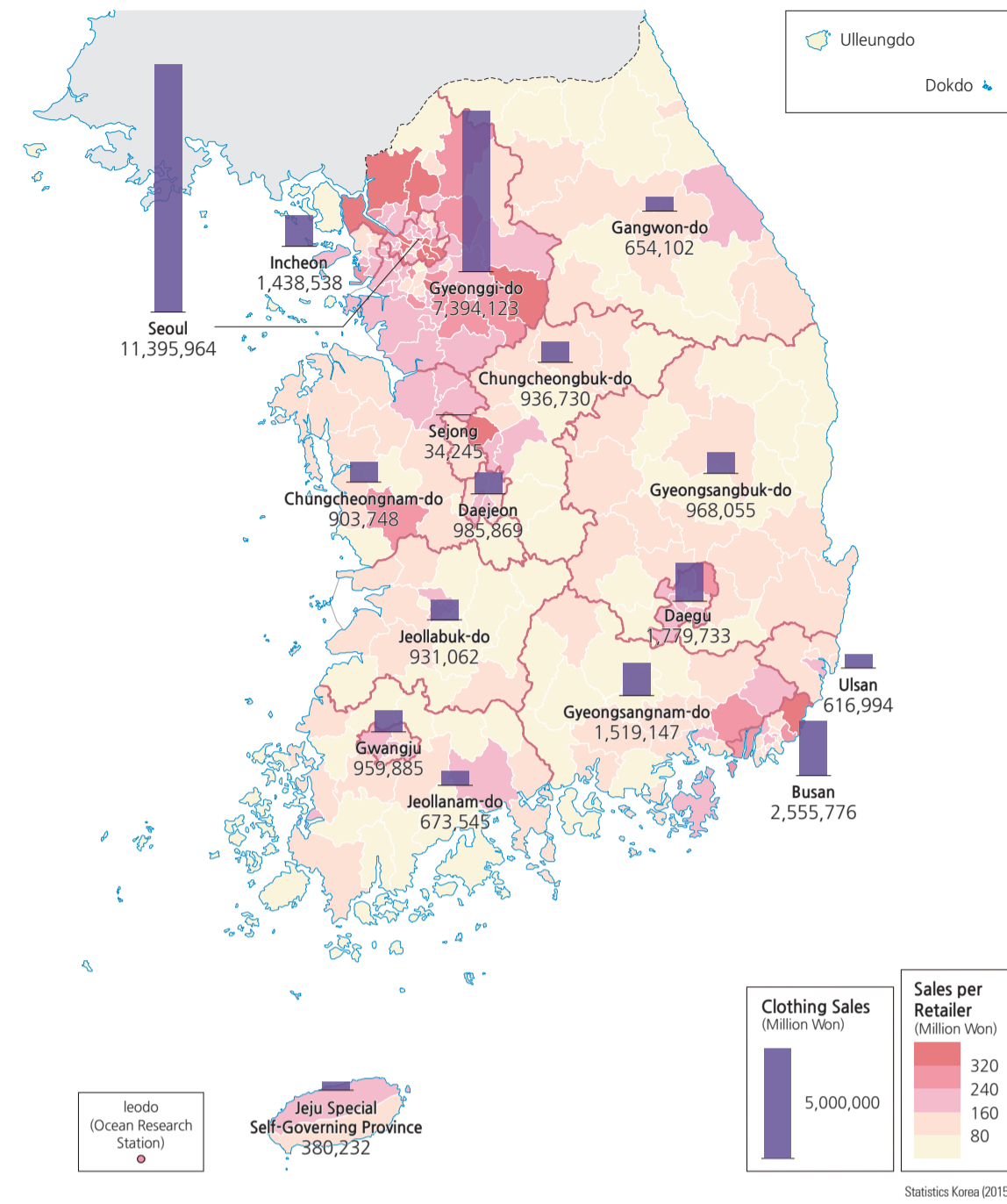
Trends in Clothing Expenditure and Consumption (2010-2020)



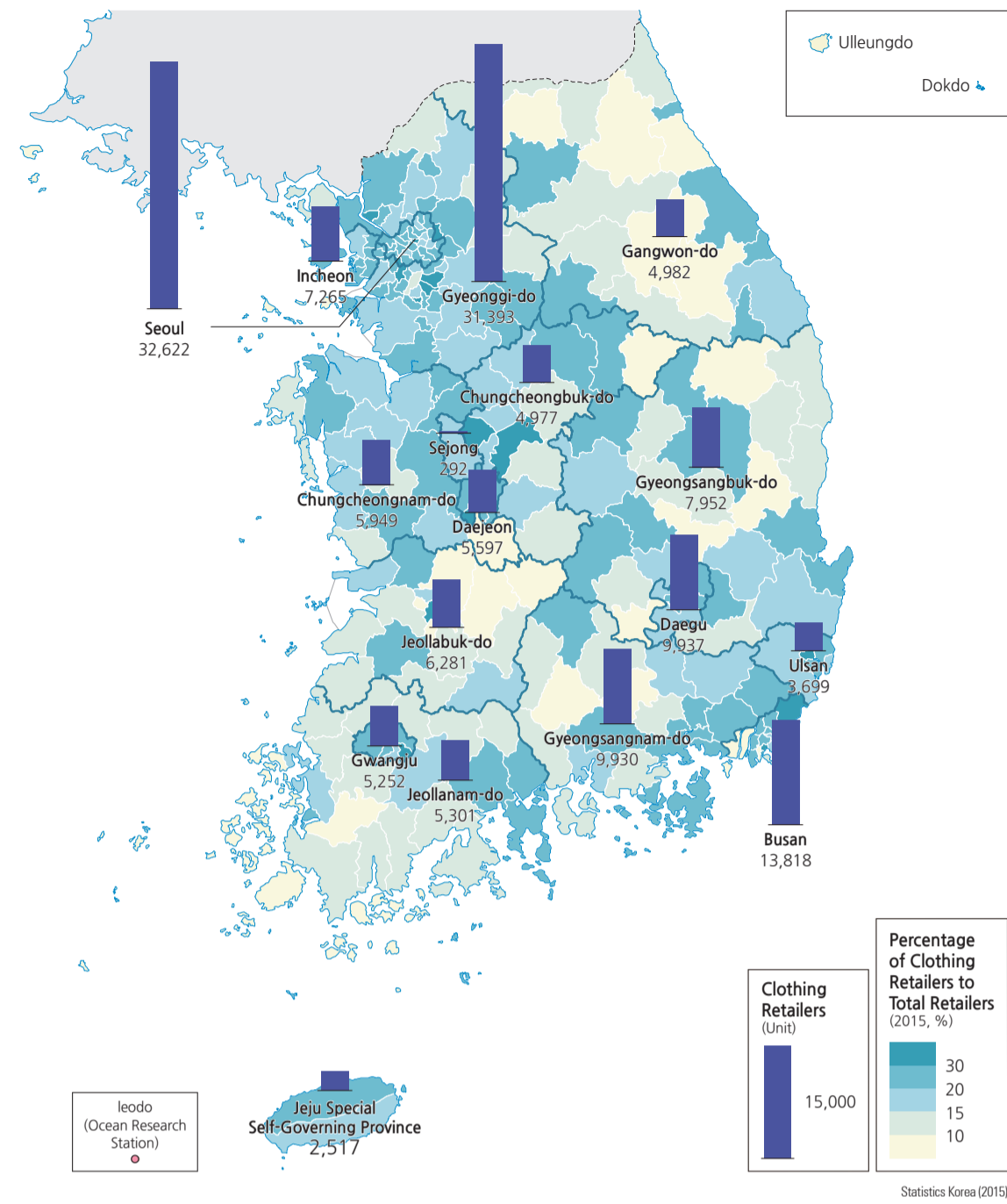
Clothing Imports to Korea (2020)



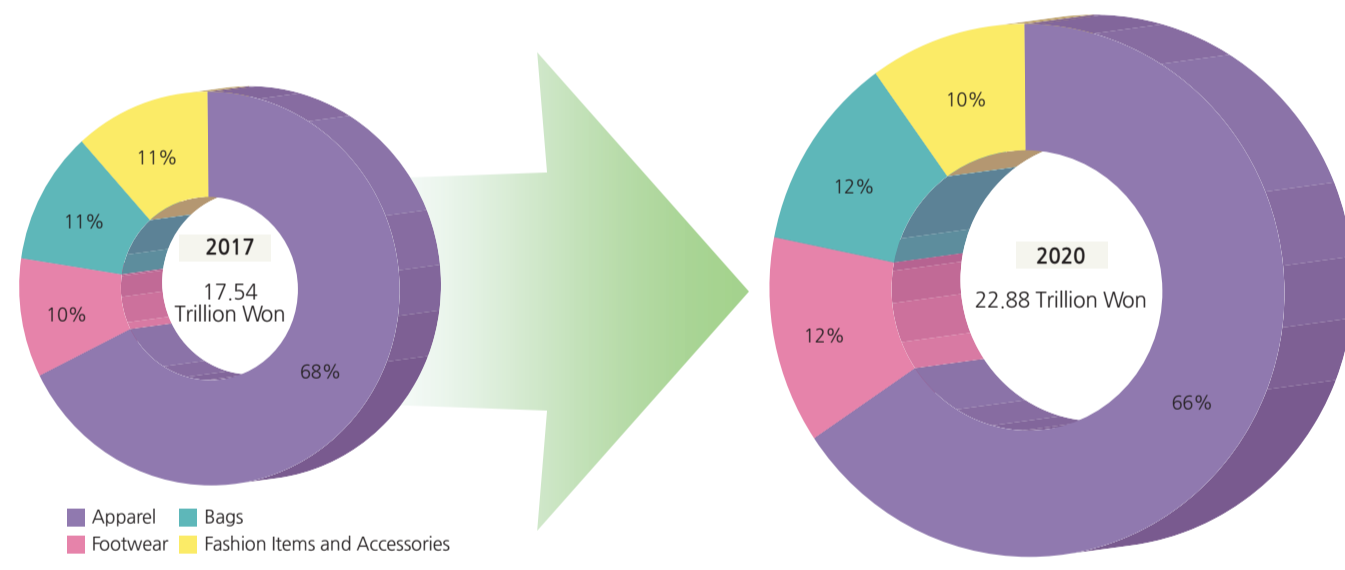
Sales of Clothing Retail Services (2015)



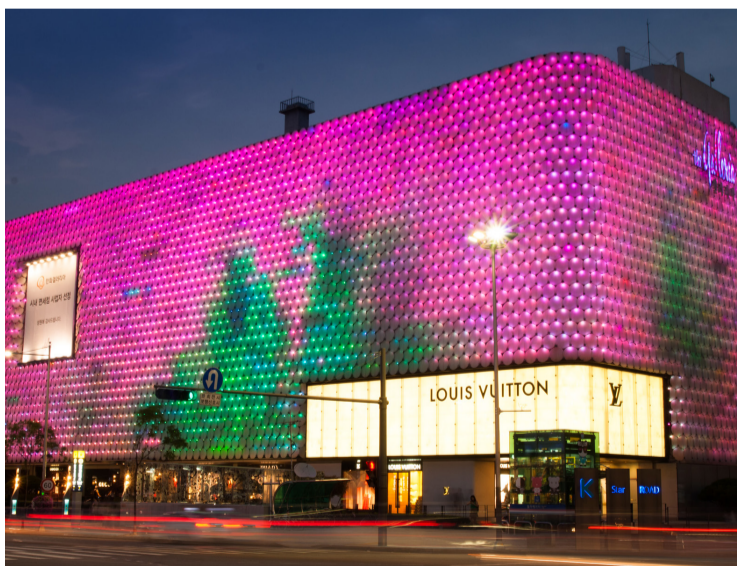
Number of Clothing Retailers (2015)



Clothing Sales through E-Commerce (2017, 2020)



Traditional Market



Department Store



Outlet Mall



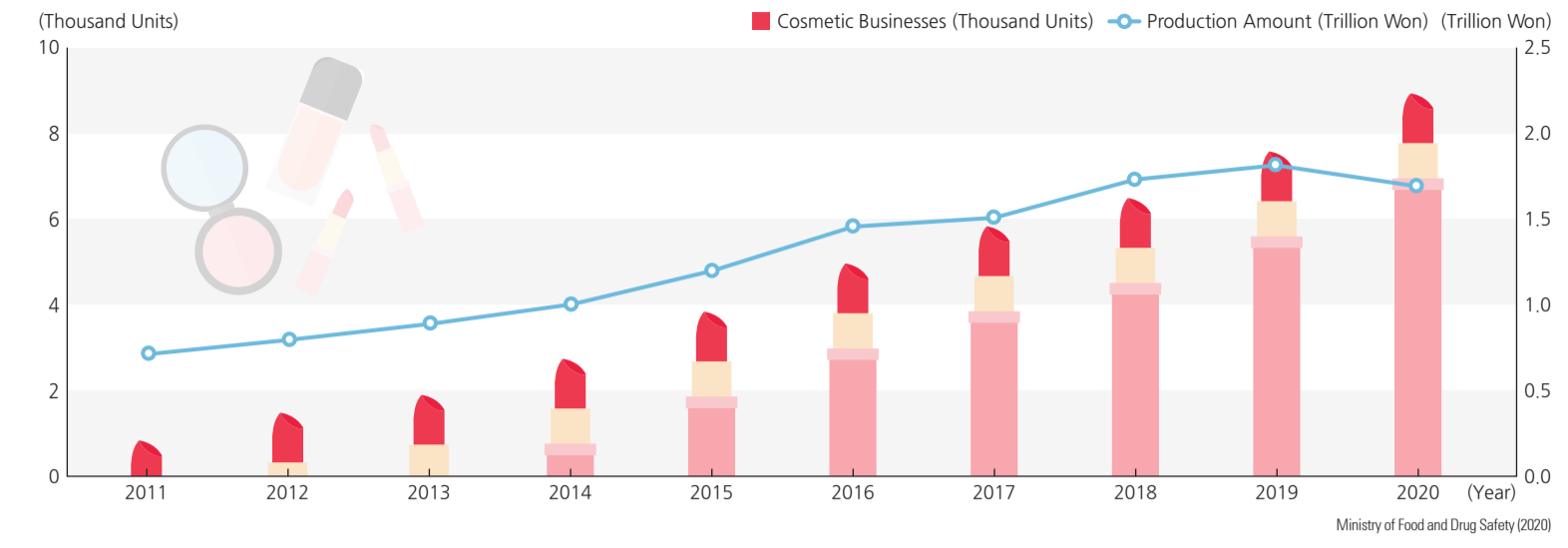
Shopping Street

Changes in clothing culture have greatly influenced where clothing is sold. In the past, clothing sales were largely concentrated in the marketplace and department stores. However, clothing sales have branched out to include department stores, specialty stores, outlets, superstores, traditional markets, and online shopping malls. Fashion retailers are mainly distributed in metropolitan cities with large numbers of department stores, specialty stores, and superstores. They account for almost 25% of the entire retailers. In some parts of big cities, shopping districts are emerging where expensive clothing is sold, and new fashion items are introduced. In Seoul, with the change of the spatial

distribution of clothing sales, the Gangnam area has become as an important clothing sales venue, replacing Namdaemun Market and Dongdaemun Market, which consisted of traditional markets and small businesses. Recently, large outlets in metropolitan suburbs have emerged, which causes the sales per clothing store to be relatively high close to such metropolitan cities. There is a remarkable increase in the purchase of clothing through e-commerce, which has been expedited by the outbreak of COVID-19. Clothing, shoes, jewelry, and other wearables are actively sold through internet shopping malls, home shopping networks, and social commerce sites. More than 40% of clothing

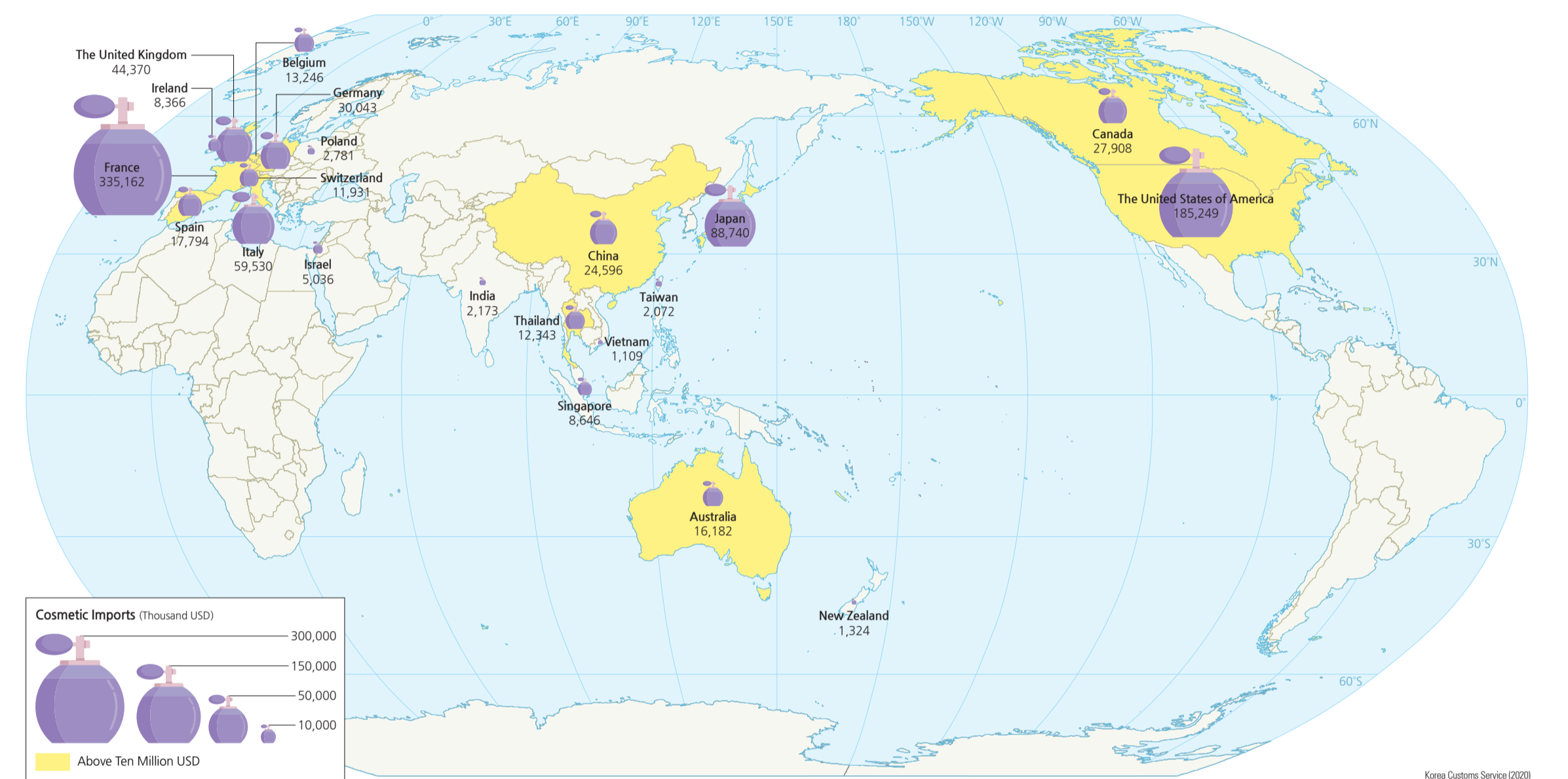
and fashion-related items are traded in e-commerce. Clothing and fashion products have become a very important commodity in the growth and activation of e-commerce. Secondhand items are being sold more than ever before due to the growing popularity of the retro style fashion, an increase in customers looking for rare fashion items, shops specialized in secondhand fashion items, and customers who use the online marketplace to search for secondhand items, and an increasing concern for the environment, all through recycling clothes.

Number of Cosmetic Businesses and Production of Cosmetic Industries (2011-2020)

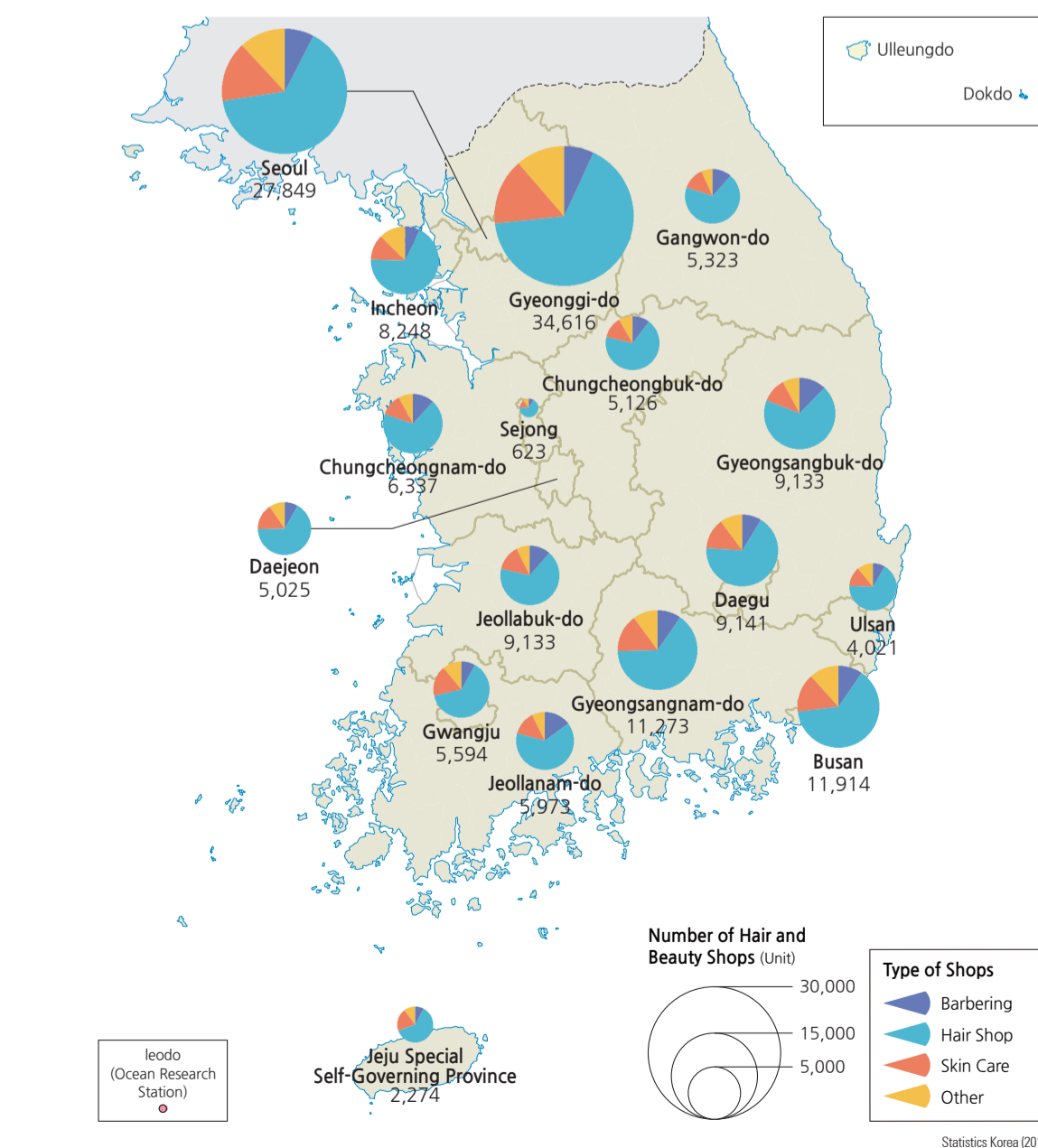


With the growth of the cosmetics industry and an increase of customers overseas who are exposed to the Korean culture and its products, Korean cosmetics are gaining popularity around the world. For the last 10 years, the number of businesses that have produced cosmetic products in Korea has increased by nearly 10 times. The production output has increased by about 2.5 times. As a result, the exports of cosmetic items have been growing rapidly, while the imports have gradually decreased. In addition, with increased usage of cosmetic products and visits to hair salons among various genders and age groups, including men, adolescents, and infants, salons have specialized for specific

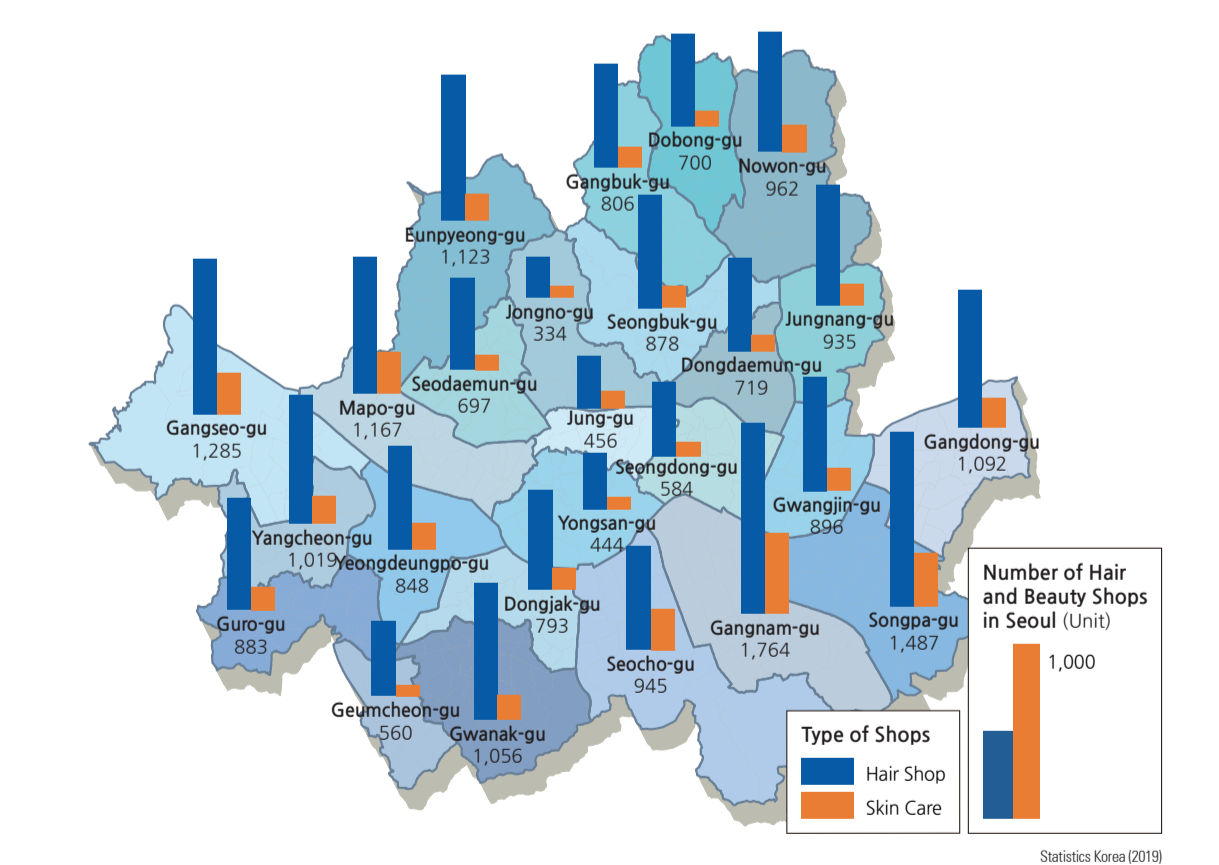
Cosmetics Imports to Korea (2020)



Number and Distribution of Hair and Beauty Shops (2019)



Numbers and Distribution of Hair and Beauty Shops in Seoul (2019)



gender and age groups, such as exclusively for men and children. The COVID-19 pandemic has become the main reason for the changing pattern of the consumption of cosmetic products and the visits to hair salons. Specifically, there has been a decrease in the consumption of color cosmetic items and, in contrast, an increase in the consumption of cosmetic items for sanitation and basic skincare products. COVID-19 also has triggered an increase in consumers who do hair care and skin care at home. Similar to clothing trends, there is an increase in sales of cosmetic products online. Also, more consumers are interested in ethically consuming cosmetic items that do not include harmful chemical components and that use eco-friendly packaging materials. They also include choosing companies that do not test their cosmetic products on animals.

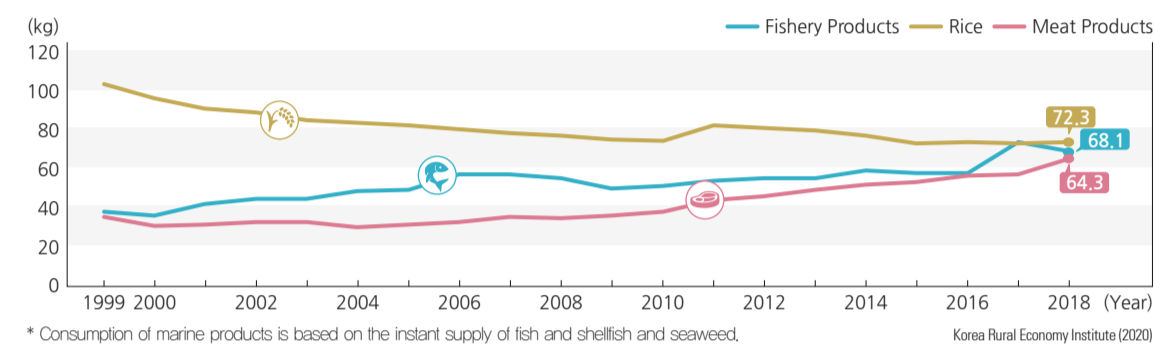
Food and Culture



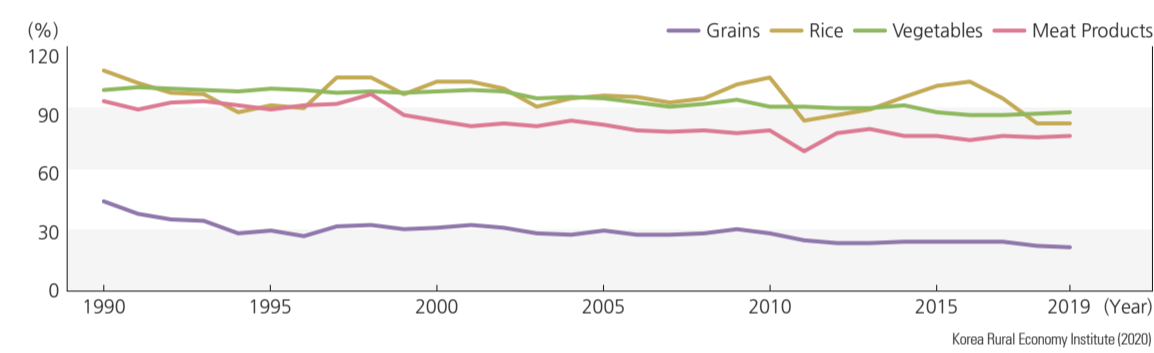
Danwon Pungsokdo Cheop

The Korean people have developed a diverse and unique food culture dating back to ancient times. The origin of their agriculture can be understood by studying carbonized grains and shell mounds, and fishing tackle found along the seashore are evidence that they collected seafood. The most important grain in the Korean diet has been rice. Like many Asian countries in which rice has been a main source of carbohydrates, Korea has worked hard on land reclamation and securing a water supply to cultivate rice. Various reservoirs from ancient times show the long tradition of rice cultivation. However, due to the campaign to consume mixed grains in the 1960s and 1970s, there was a rapid increase in the consumption of bread and noodles. As a result, rice and wheat have become

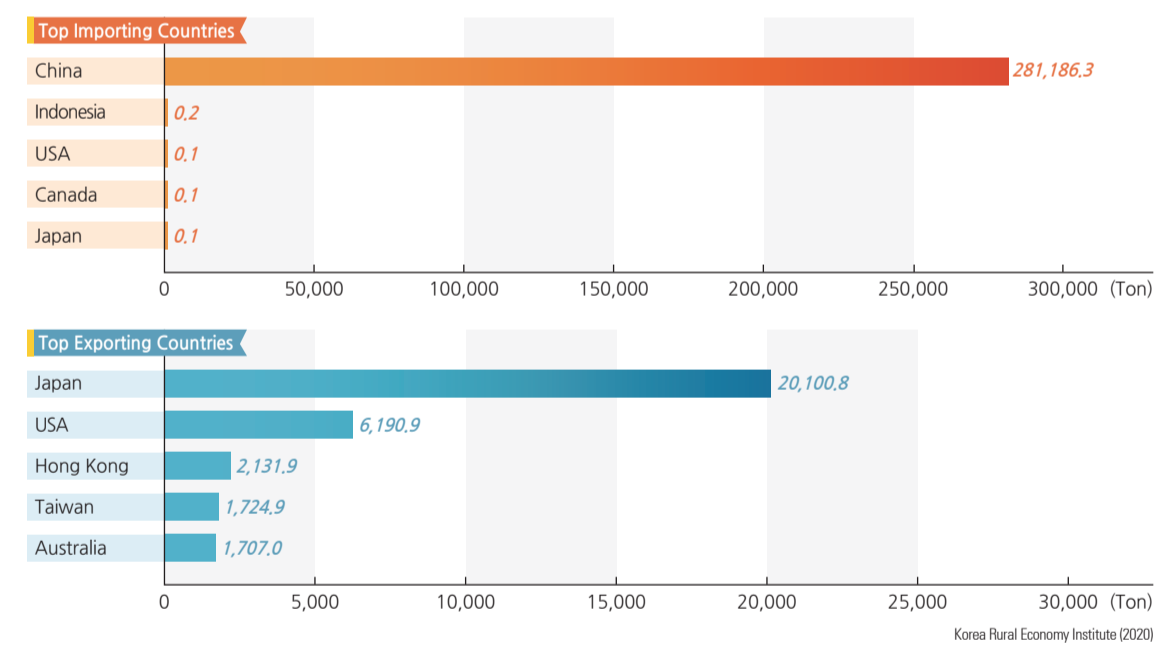
Consumption of Agricultural and Livestock Products per Capita (1999-2018)



Food Self-Sufficiency Ratio of Korea (1990-2019)



Imports and Exports of Kimchi (2020)



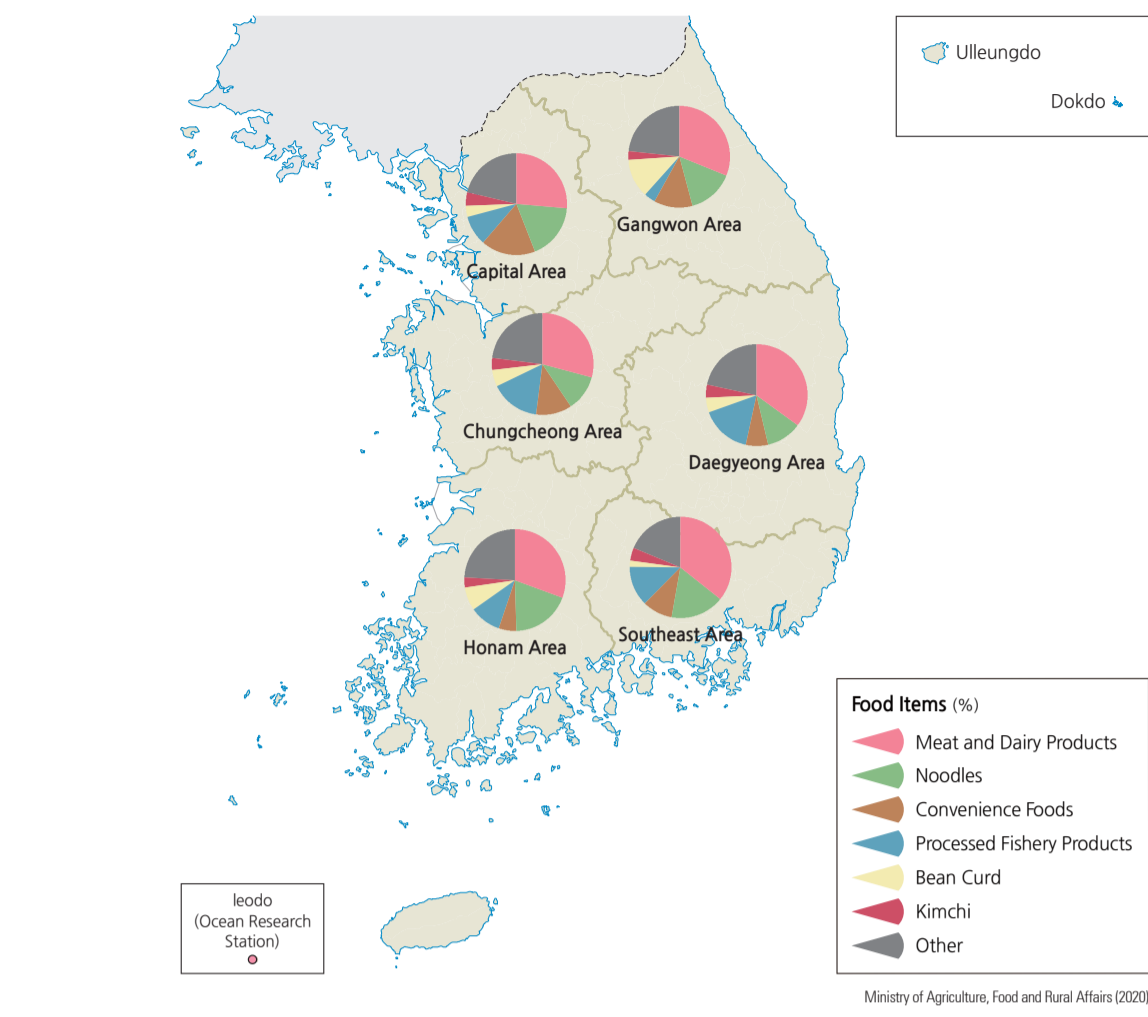
the two major grains that Koreans consume. In particular, the consumption of wheat has increased gradually, while Korea imports a large amount of wheat. Recently, rice consumption has decreased due to rapid changes in diet and increased interest in health. In contrast, the consumption of various other grains has increased. The contemporary Korean diet is largely characterized by a reduction in rice consumption and an increase in consumption of vegetables, fruits, meats, fish, and dairy products.

One feature of Korean food culture is the development of fermented food. Kimchi is the quintessential example of these. With four distinct seasons, fermenting allows people to eat enough vegetables in winter by fermenting and storing a variety of vegetables. Various Korean pastes and sauces are a type of fermented food used for flavorings, such as Gochujang (red pepper paste), Doenjang (soybean paste), and Ganjang (soy sauce), which were traditionally fermented and consumed in individual households. Recently, with intensified urbanization and a desire for eating outside, especially in the urban areas, an increasing number of households purchase and consume Kimchi and Korean pastes and sauces that are commercially available. In addition, more platforms sell fermented food online. As a result, Korean fermented food has gained popularity worldwide with an increased global awareness of fermented foods such as Kimchi and Gochujang.

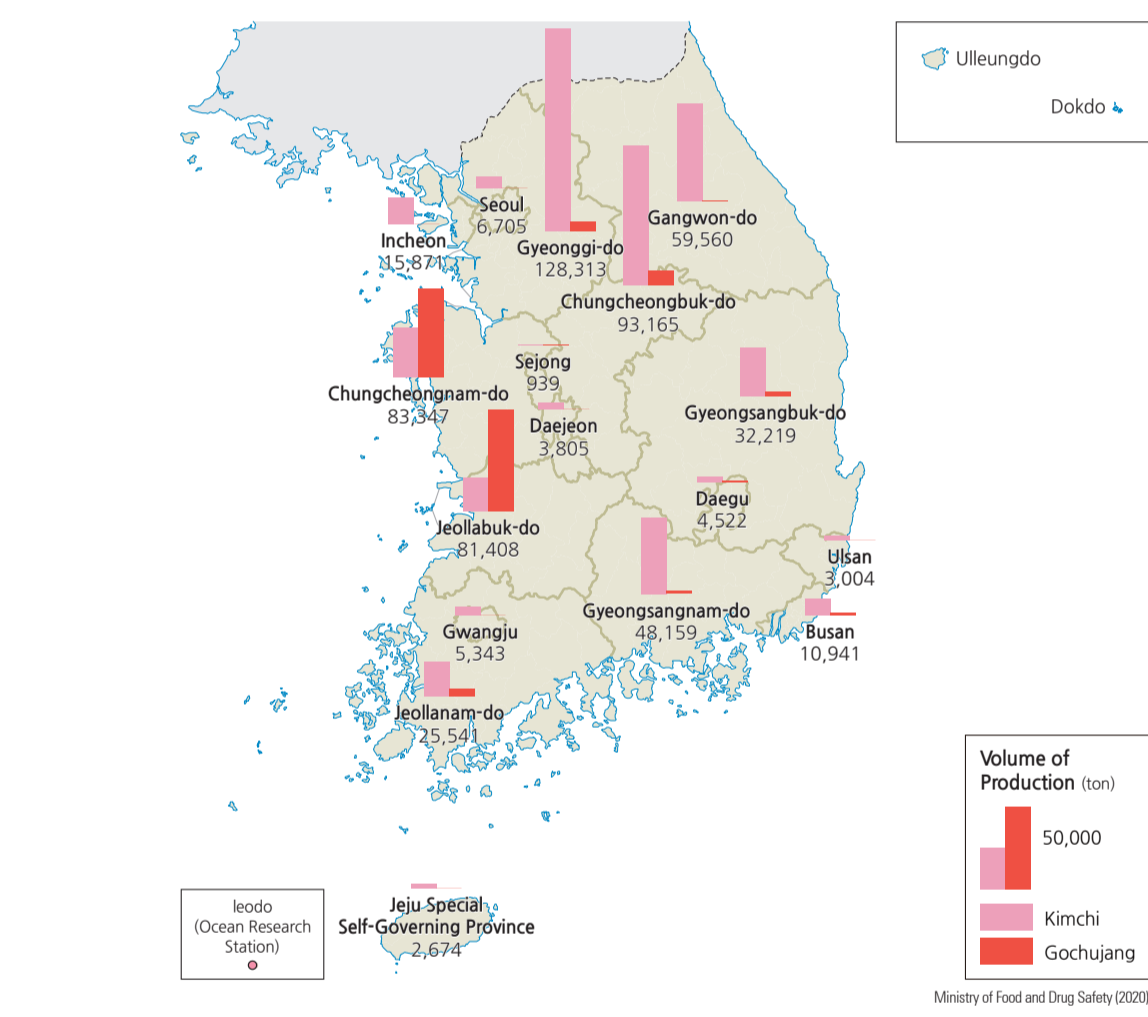
The diverse Korean food culture has a long history, which reflects adaptations to four distinct seasons as well as unique regional food cultures. Korea has developed a variety of food cultures in each region where very unique regional and household food ingredients and cooking methods are important.

These days, with an increase of immigrants and foreign residents from diverse countries in Korea, many ethnic foods from overseas are being introduced and sold. Also, with an increased attempt to combine foreign and Korean food cultures, Korea now enjoys diverse food cultures, including the development of a fusion of Korean food cultures.

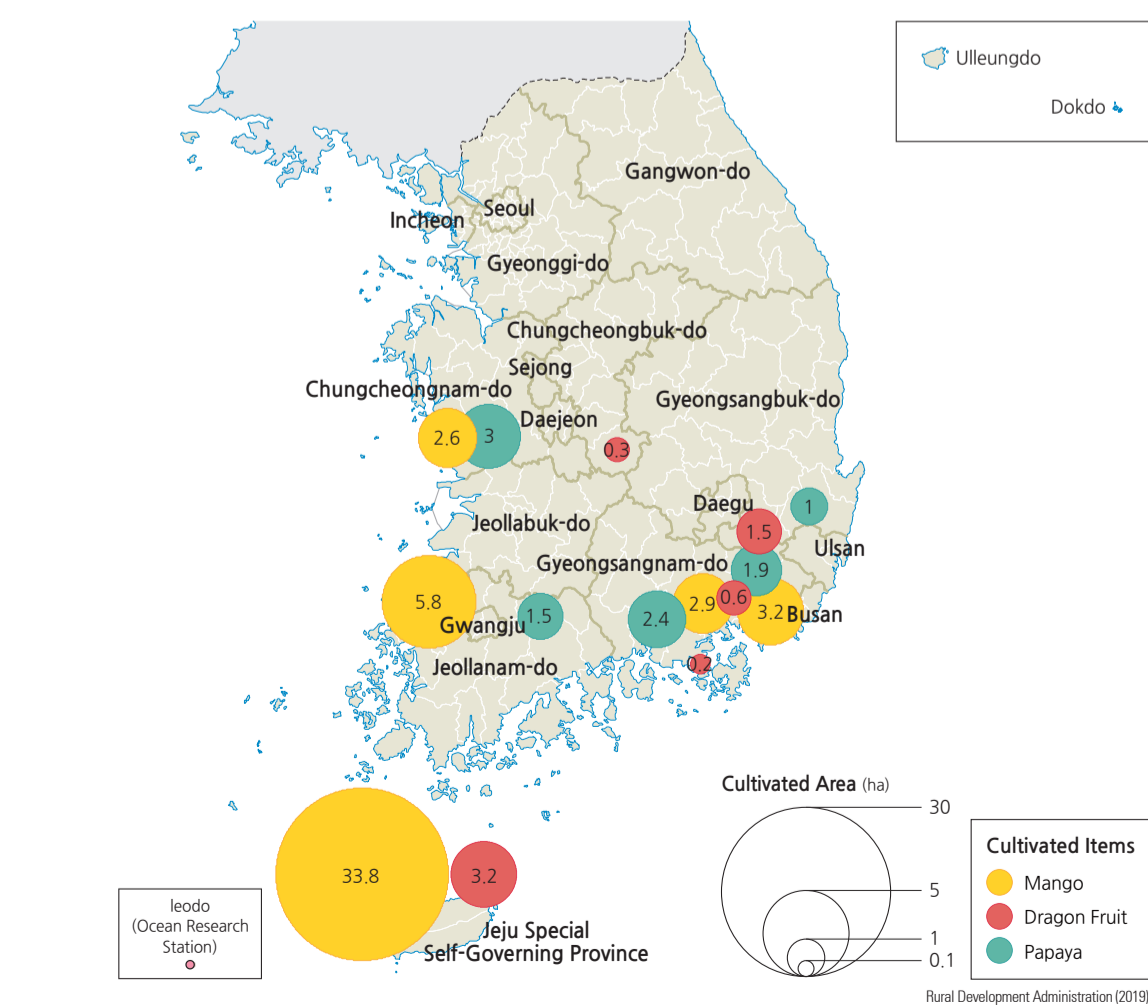
Percentage of Processed Food Expenditures by Items (2020)



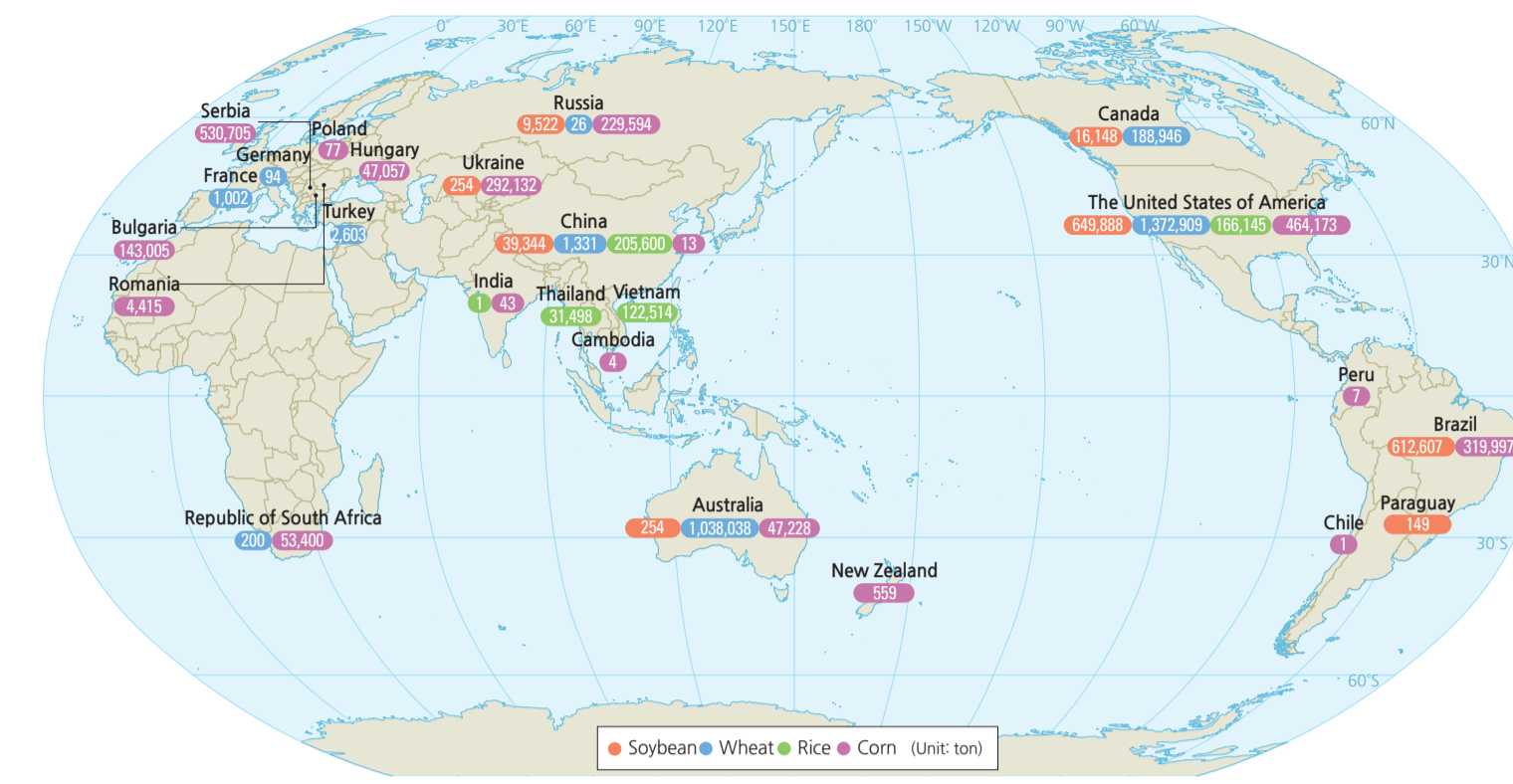
Production of Kimchi and Gochujang (2020)



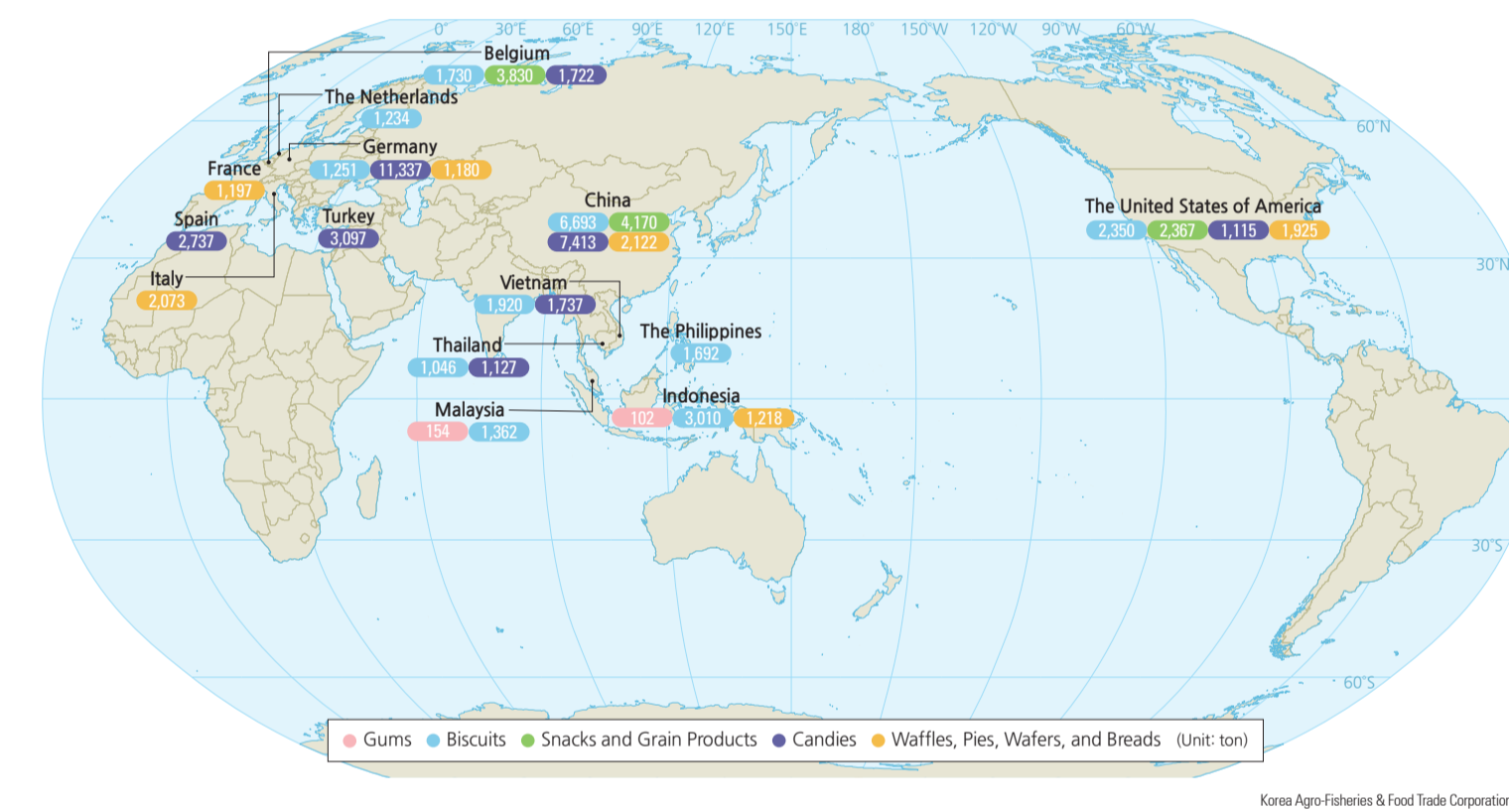
Climate Change and the Change of Agricultural Products: Examples of (Sub)tropical Agricultural Products (2019)



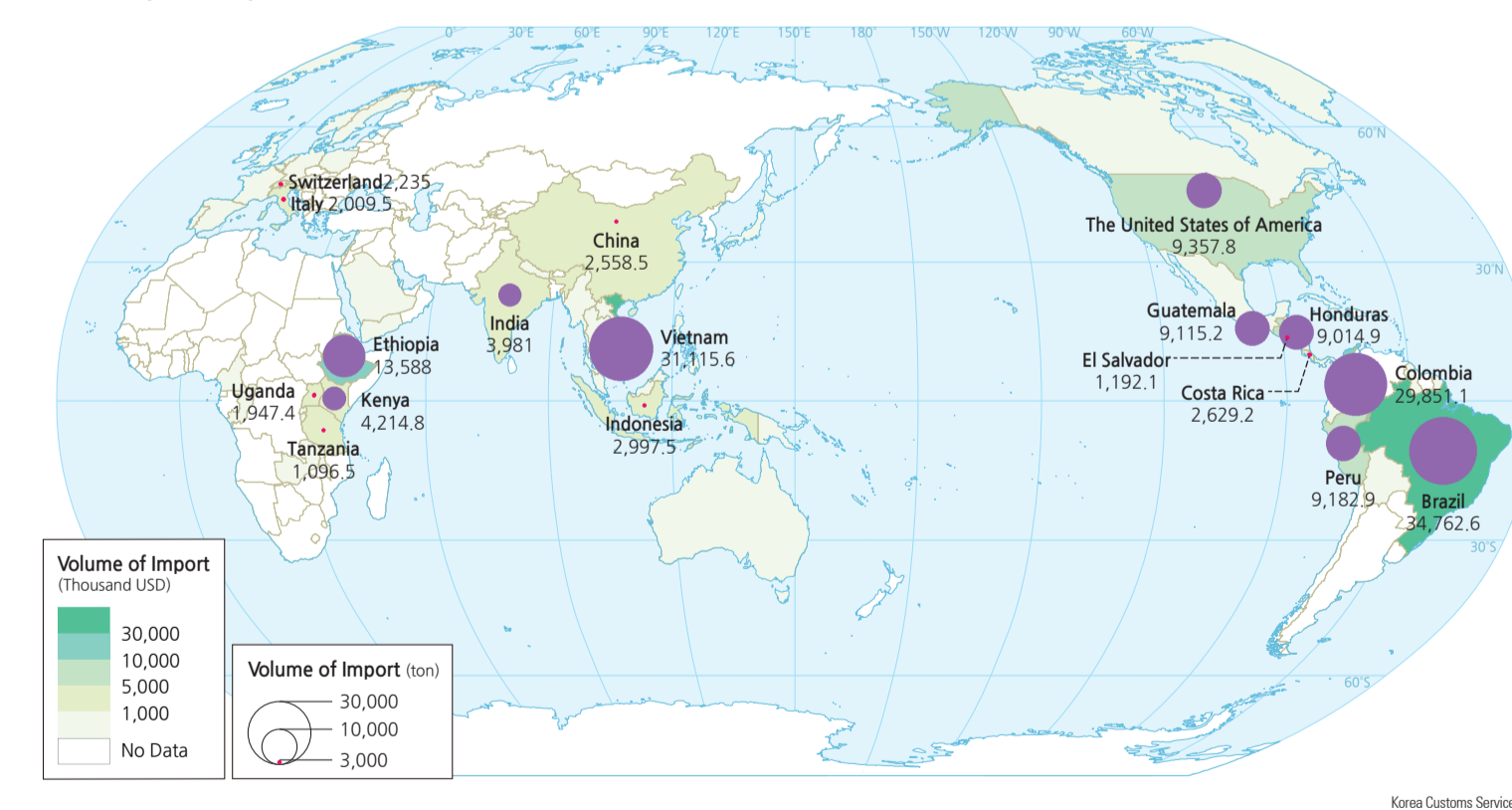
Origin of Main Imported Grains (2020)



Origin of Main Imported Snacks (2020)



Main Origin of Imported Coffee (2020)



Korea imports a large range of food ingredients and processed foods that span from agricultural, livestock, and fish products and grains consumed as staple foods to snack foods for desserts and refreshments, tea and coffee, and alcoholic beverages. Korea imports large amounts of grain such as wheat, corn, and beans. Korea annually imports a large quantity of wheat for human consumption from the United States and Australia and wheat for animal feed from Ukraine and Romania. Rice production is self-

sufficient due to the change in dietary culture. However, Korea imports rice from many countries, including China and the United States, because of the mandatory import quota. It is sold to be used in processed foods. Beans, including soybeans, are imported from the United States and Brazil. Corn is imported mostly from Serbia, the United States, and Brazil. Unlike grains, Korea imports each snack food from specific countries. Biscuits, snacks, pies, and bread are imported from China. Candies are mostly imported from



Silos to Store Imported Grains



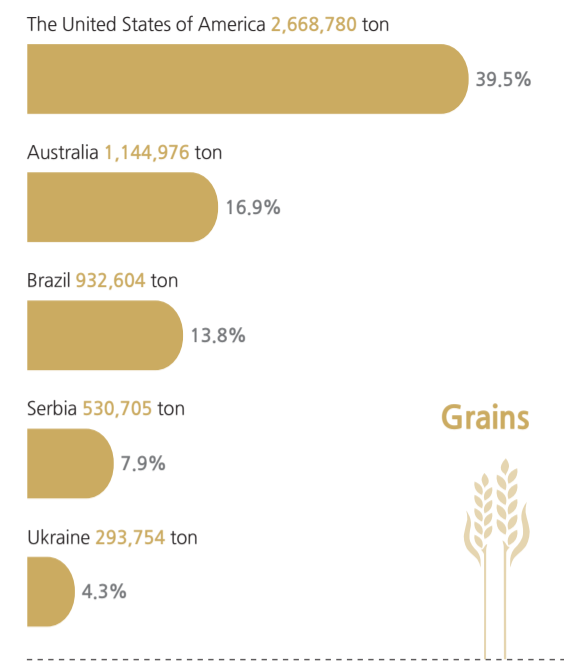
Imported Snacks



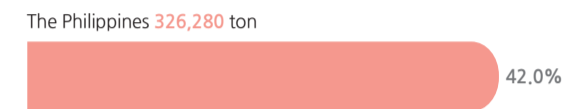
Coffee

European countries such as Germany, Spain, and Belgium. Gums are dominantly imported from Malaysia and Indonesia. In Korea, coffee consumption per capita is much higher than the global average and increases every year. As a result, the annual import volume and amount of coffee are gradually increasing. Many coffee beans are imported from Central and South American countries such as Brazil, Southeast Asian countries such as Vietnam, and African countries such as Ethiopia.

Origin of Main Imported Agricultural Products



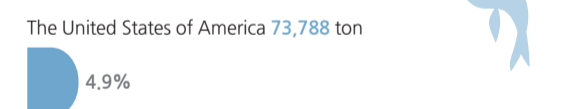
Grains



Fruits



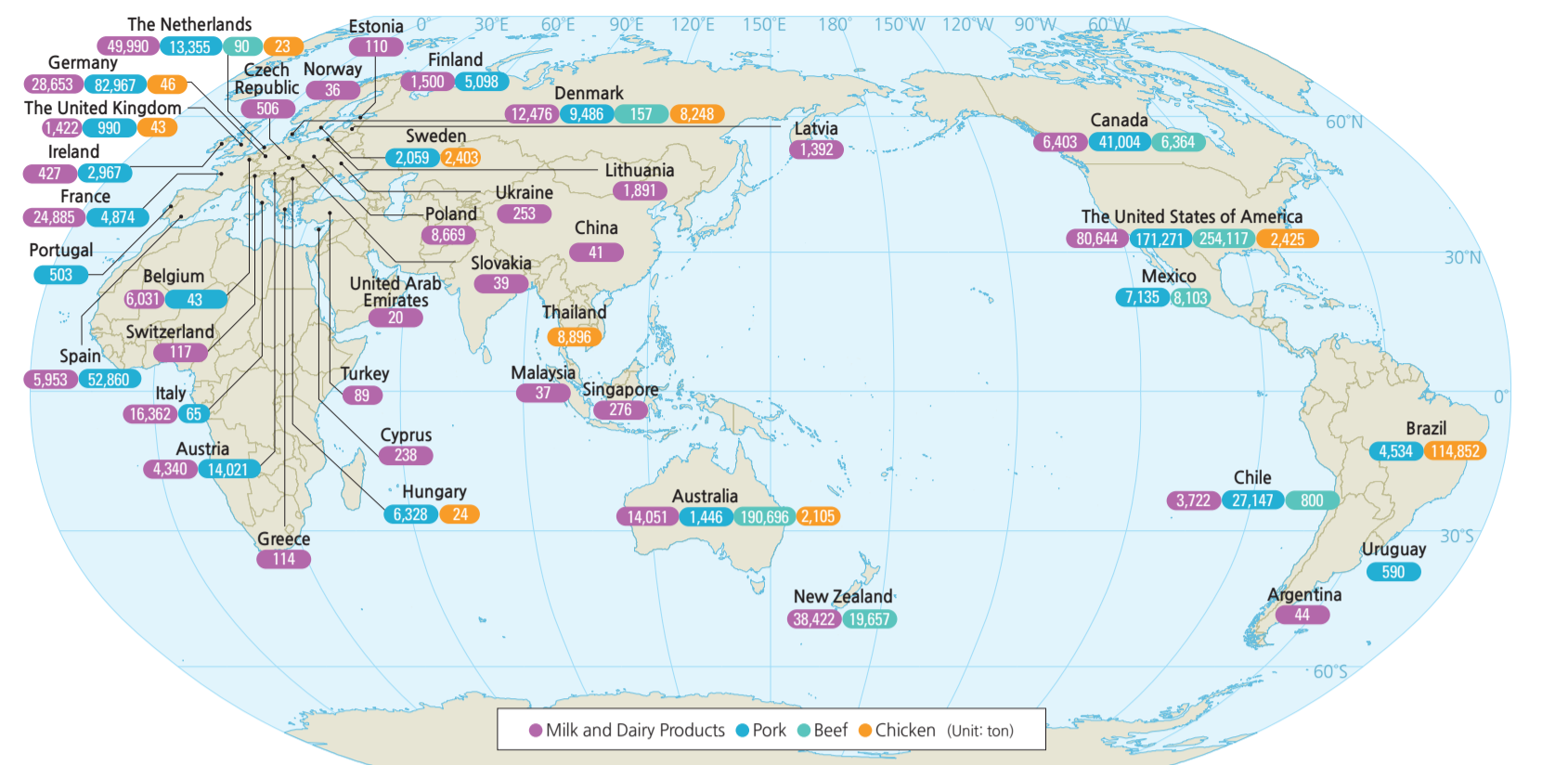
Fish



Livestock and Dairy Products

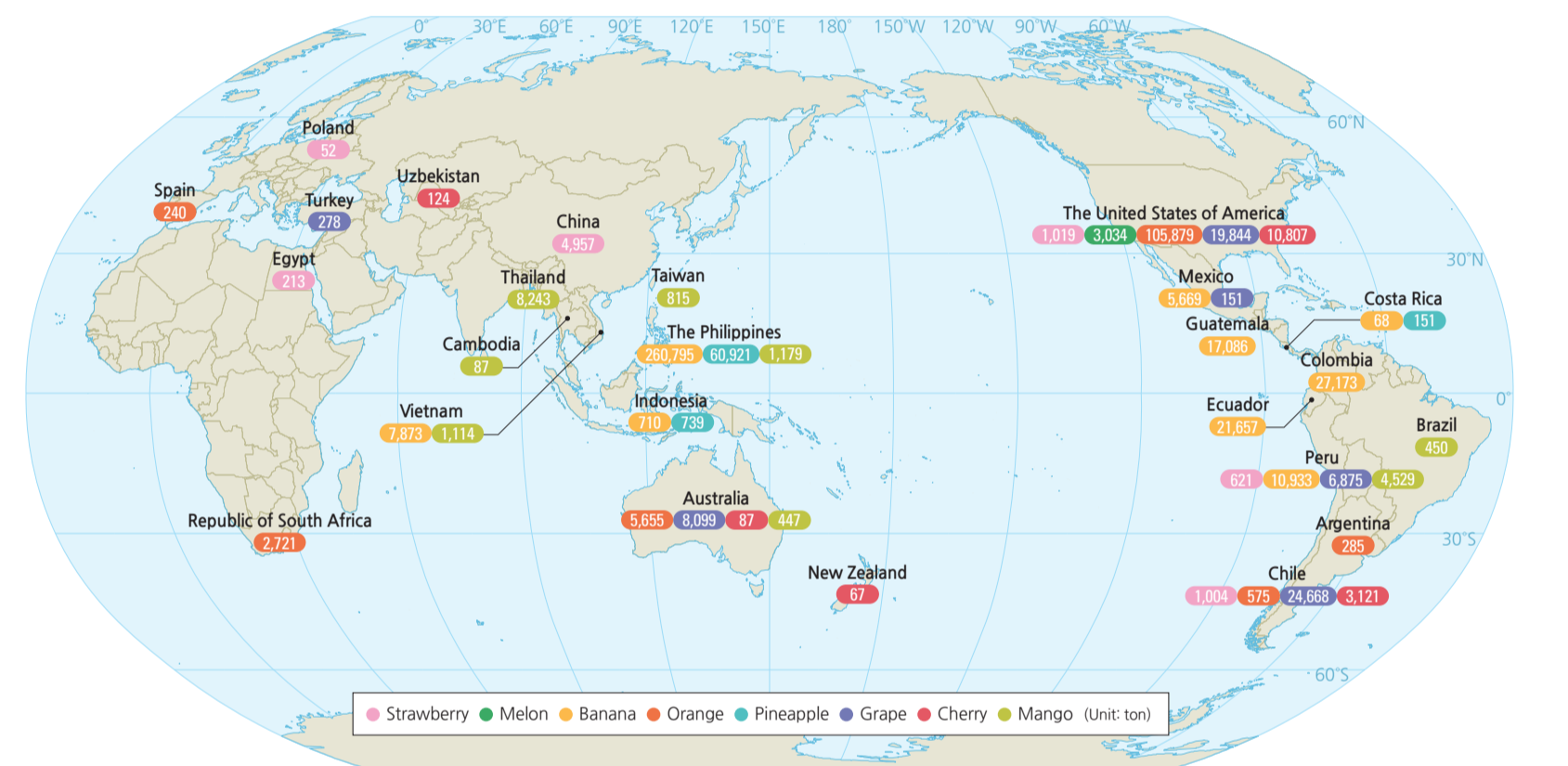


Origin of Main Imported Meat and Products (2020)



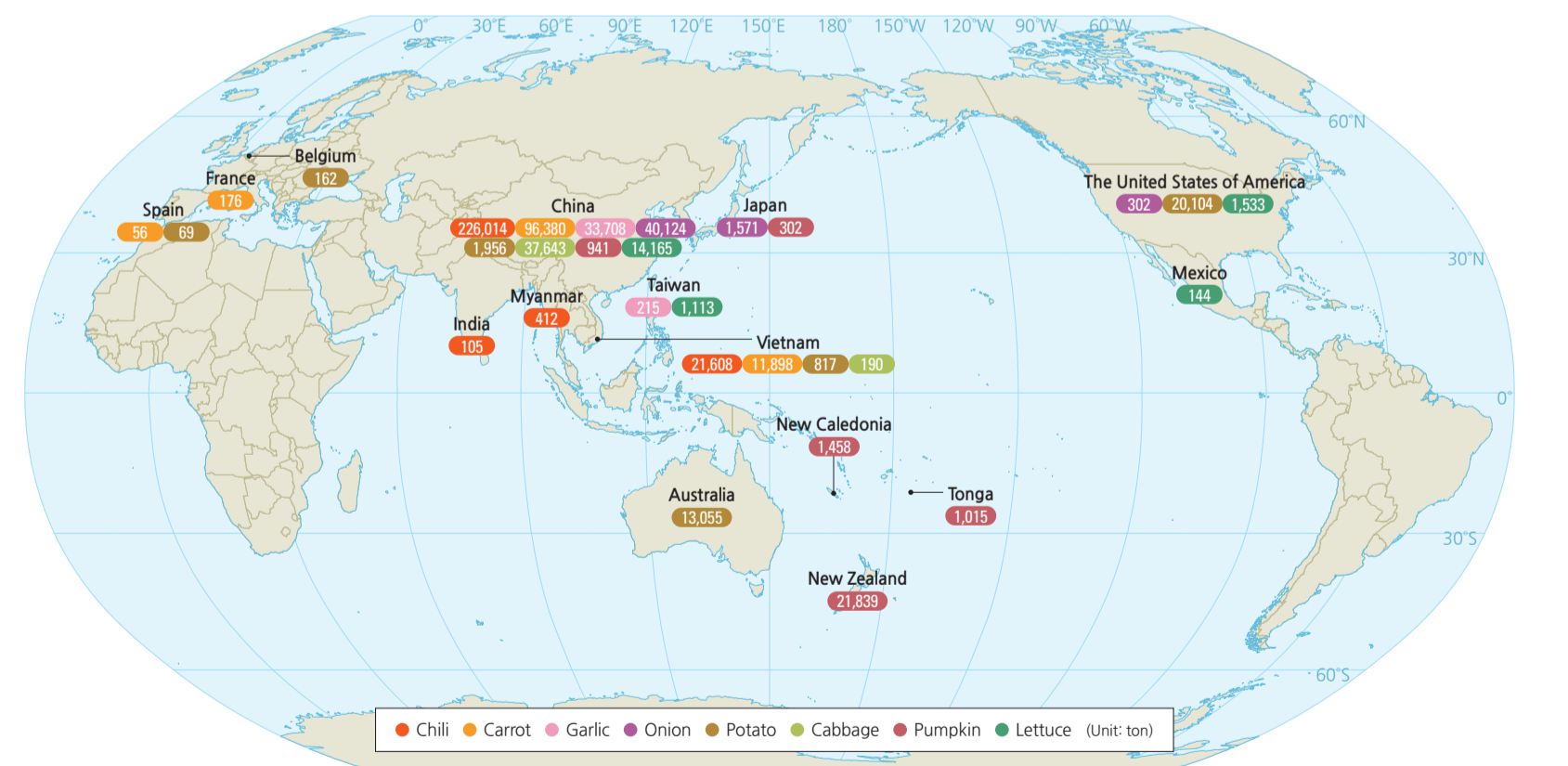
Korea Customs Service (2020)

Origin of Main Imported Fruits (2020)



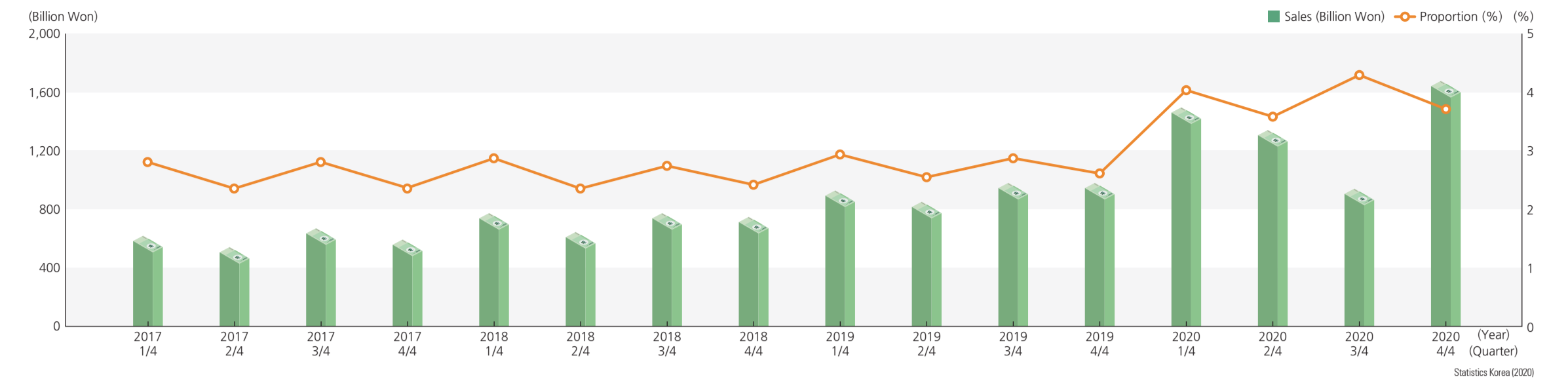
Korea Customs Service (2020)

Origin of Main Imported Vegetables (2020)



Korea Customs Service (2020)

Change in Sales of Agricultural and Livestock Products Sold Online (2017-2020)



Statistics Korea (2020)

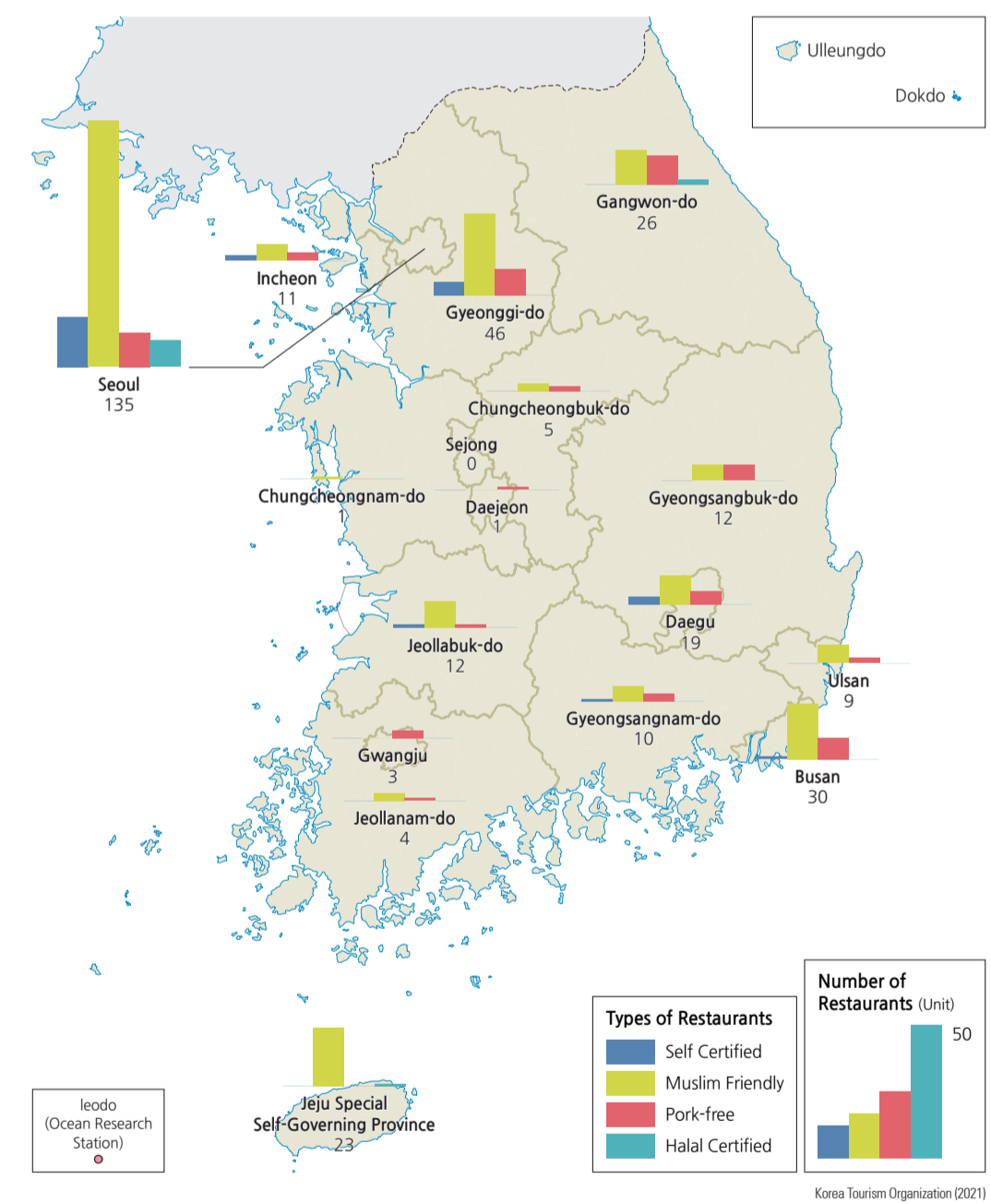
E-commerce has grown rapidly in recent years, and food distribution, particularly agricultural, livestock, and fish products, is no exception. In the past, consumers purchased agricultural, livestock, and fish products mostly at traditional markets or supermarkets. Most recently, consumers purchase these products from e-commerce. After the breakout of the COVID-19 pandemic in 2020, online sales of such items increased remarkably.

Korea is famous for its variety and number of street restaurants with unique cultural cuisine, such as Korean, Chinese, and Japanese. With the emergence of a multicultural society and diversified tourists, restaurants introducing a variety of food from all around the world appear across the country. For example, with an increase of Muslim residents and visitors to Korea, the Korea Tourism Organization has implemented a Muslim-friendly restaurant classification system to designate and promote halal food restaurants.

The image of workers clutching a take-out coffee cup during lunchtime in the central business

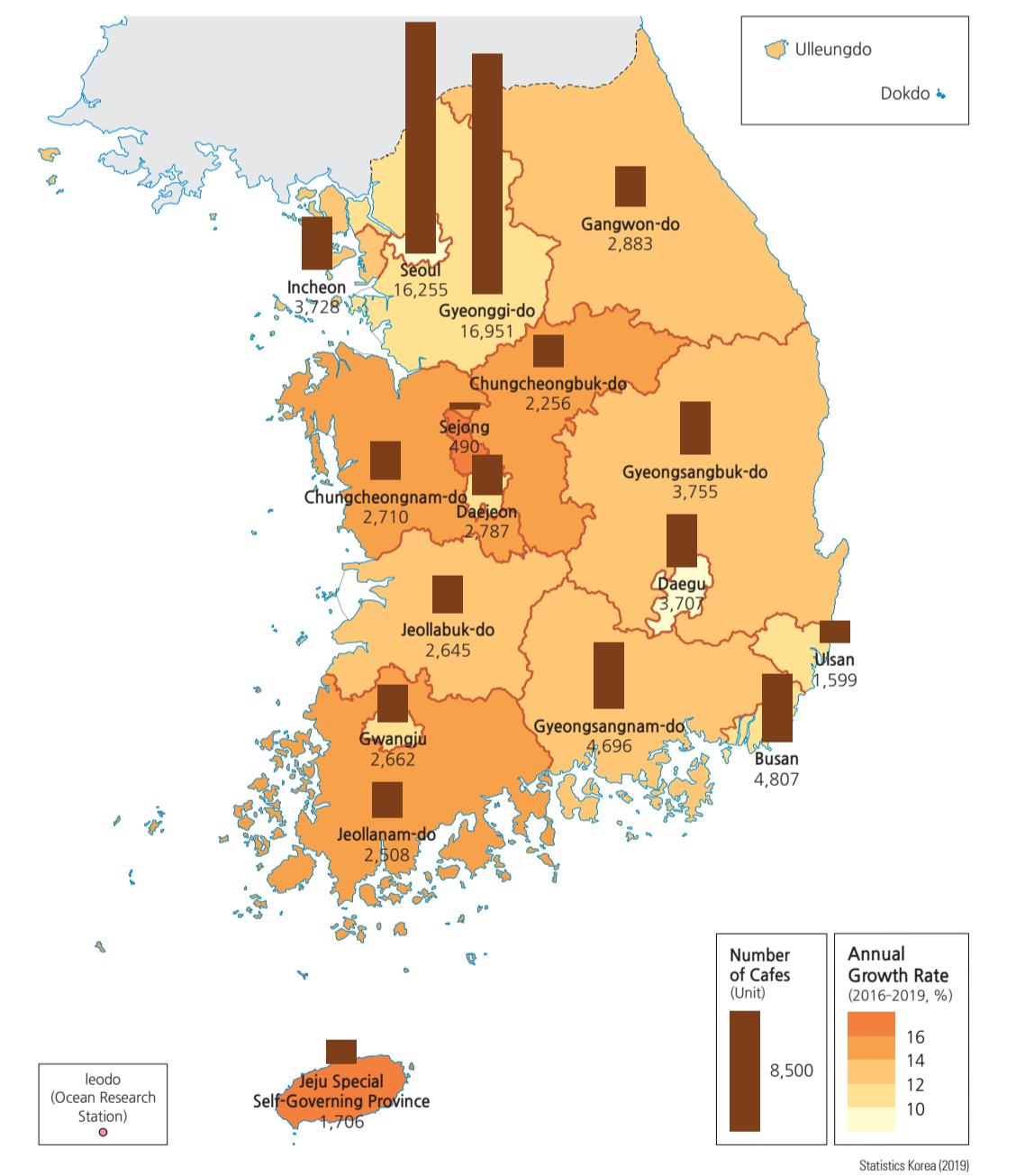
district of a city is representative of daily life in urban business districts. Coffee and tea-related culture has undergone rapid changes. The most remarkable phenomenon in recent years is the trend of enjoying different types of coffee and tea, which contrasts with the older culture of consuming instant coffee and tea bags. For example, the number of coffee shops and milk tea shops has been rapidly growing, especially in metropolitan cities, and coffee shop signs are a common feature of the urban landscape. The number of coffee shops is rapidly increasing in residential areas and suburbs as well as in the central areas of metropolitan cities. For Koreans, a cafe is not just a place to drink coffee and tea. A cafe functions as a gathering place for people for work-related purposes as well as for socializing, and it also functions as a leisure and living space for spending time reading a book or studying. The home cafe culture has also emerged with a prevalence of work from home and an increase of time staying at home since the COVID-19 pandemic. As a result, an increasing number of people enjoy drinking coffee and tea at home by using different tools and methods.

Types and Distribution of Muslim-Friendly Restaurants (2021)



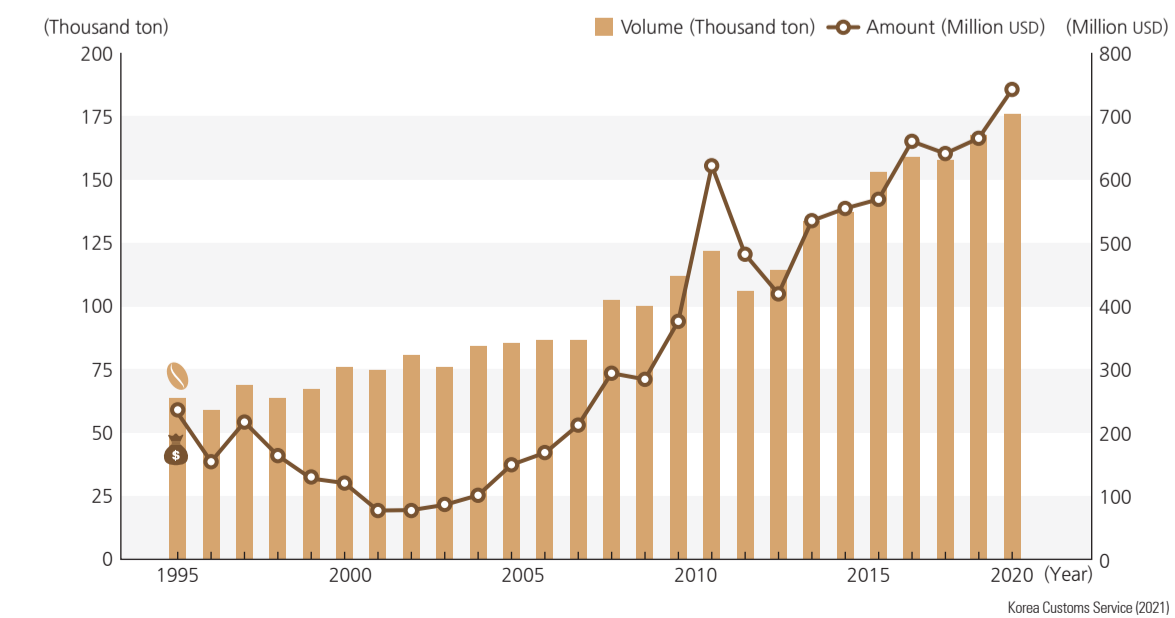
Korea Tourism Organization (2021)

Distribution of Cafes (2019)



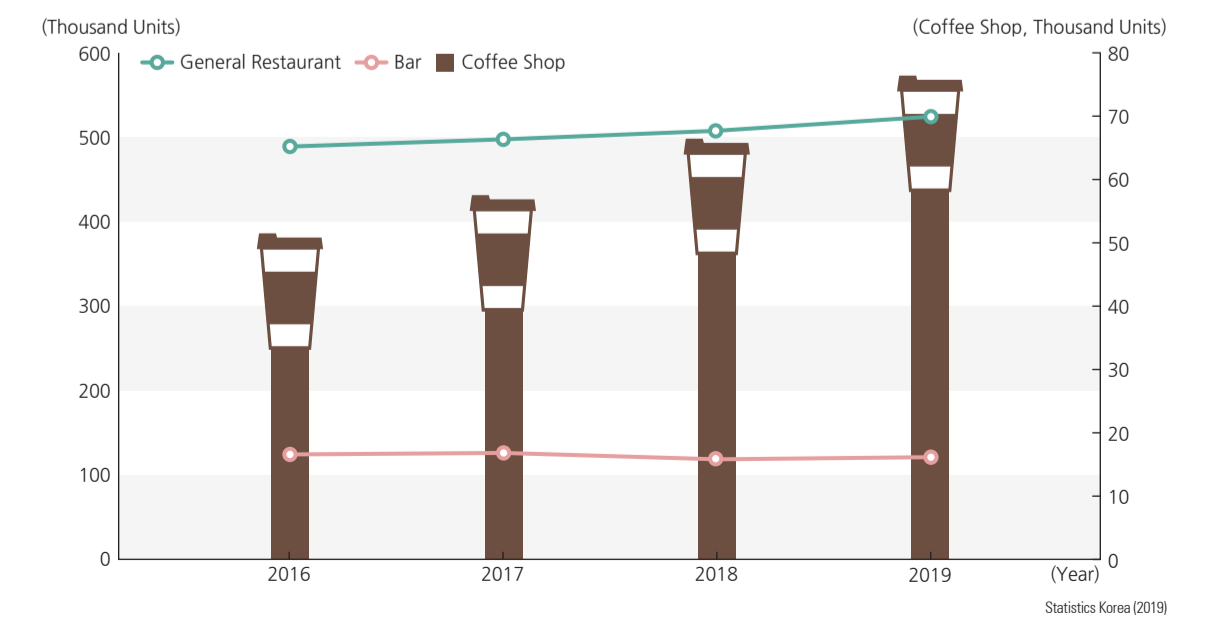
Statistics Korea (2019)

Coffee Imports (1995-2020)



Korea Customs Service (2021)

Increase in Coffee Shops (2016-2019)



Statistics Korea (2019)

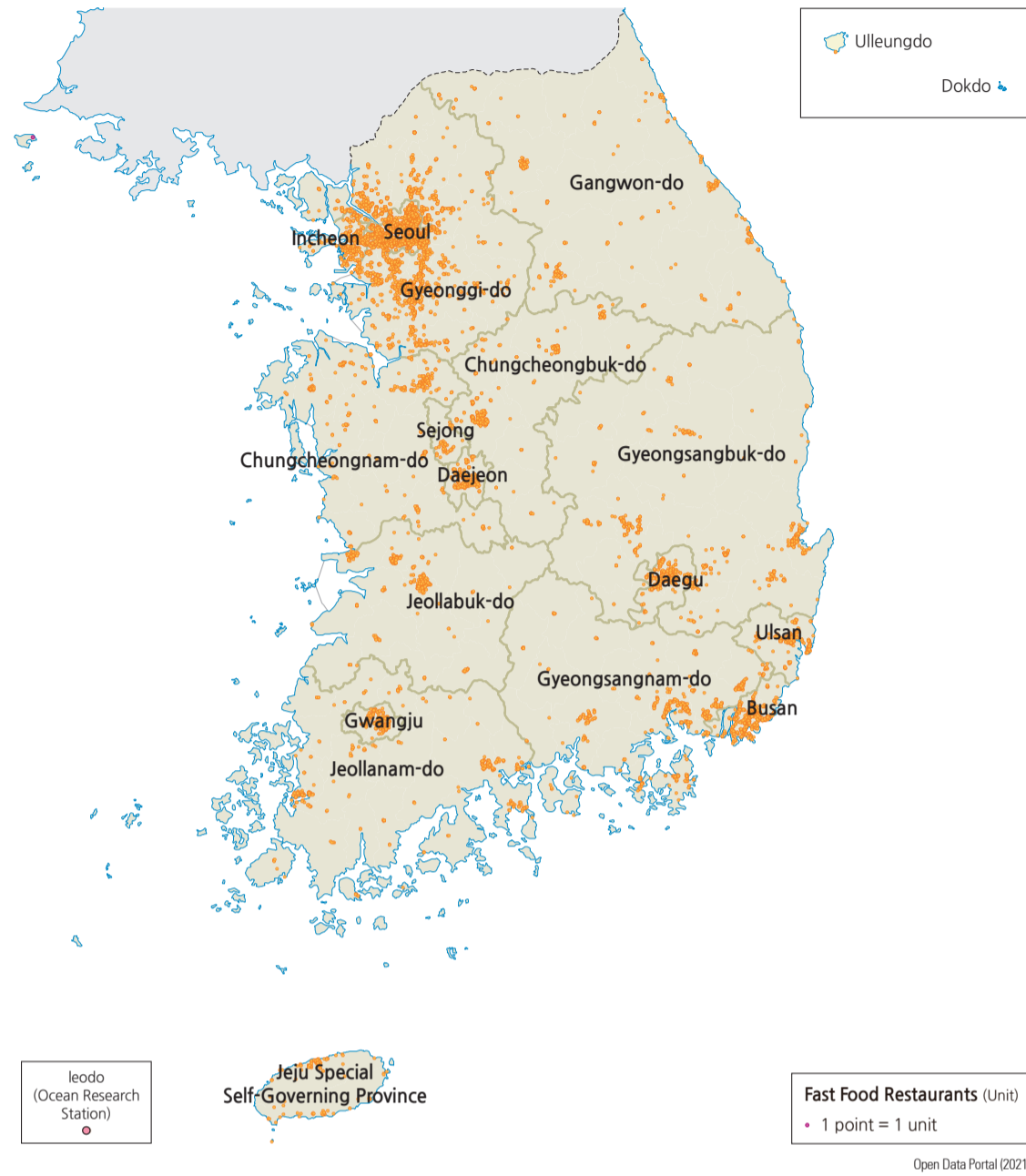
The pattern of Korean food consumption is also related to the history of the opening of agricultural, livestock, and fish product imports. The overall degree of food self-sufficiency is very low except for rice. Therefore, Korea imports a large amount of agricultural, livestock, and fish products every year. There has been an increase in imports to meet the increased consumption of fruits and vegetables, livestock, fish, and dairy products. In particular, the imports of foreign agricultural, livestock, and fish product have been steadily growing because of the international trade agreements in recent

years. Imported tropical fruits such as bananas, mangos, and pineapples from Southeast Asia and Central and South American countries, and oranges and grapes from the United States and Chile is a result of Korea's free-trade agreement. To meet an increase in meat consumption, Korea imports beef from the United States, Australia, and Brazil, pork from European countries such as Germany, Spain, and Austria, and milk and dairy products from many European countries, including the Netherlands. Korea imports fish products largely from neighboring

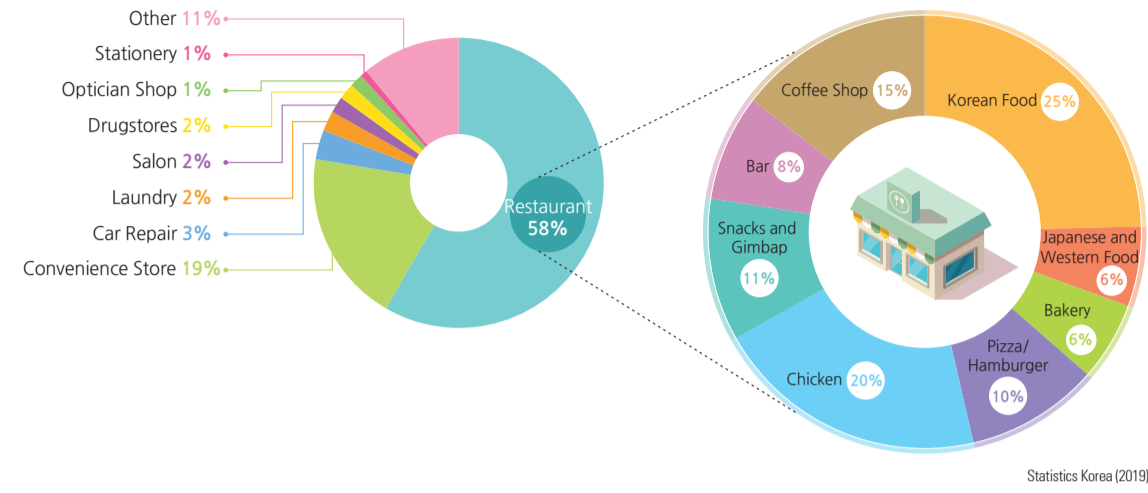
countries such as China and Russia and Southeast Asian countries, as well as Norway and the United States. China is Korea's main importer of vegetables because of its geographic proximity and competitive price. The major importing countries vary by type of vegetables: pumpkins from New Zealand and potatoes from the United States and Australia. Customs benefits from free trade agreements are becoming an important factor in choosing the country of origin of imported products.

With an increase in the cultural trend of eating out, various kinds of restaurants are becoming more popular, in addition to the general Korean, Chinese, Japanese, and Western restaurants. Such restaurants, which are classified as "other," mainly include bakeries, pizza-hamburger-sandwich shops, chicken restaurants, as well as snacks and Gimnap restaurants. Overall, these "other" types of

Distribution of Fast Food Restaurants (2019)



Franchises (2019)

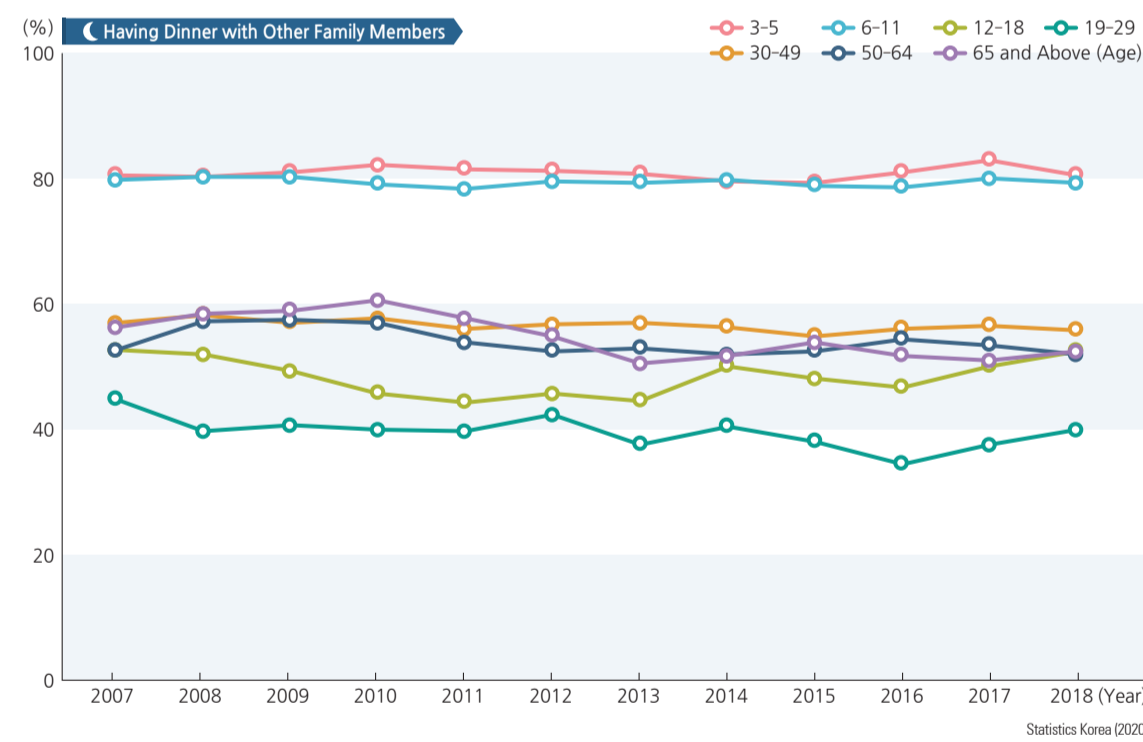


goods, have become part of the urban landscape in contemporary Korea.

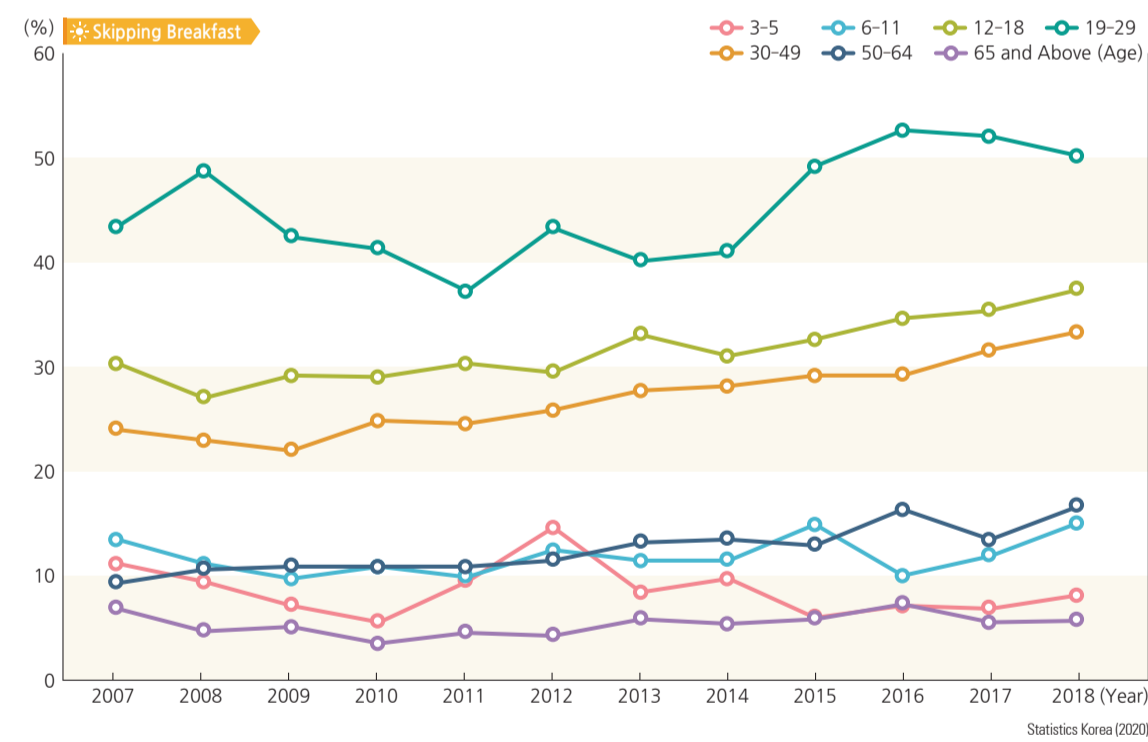
The percentage of people eating out is increasing. Except for toddlers and infants, the percentage of having dinner with other family members is below 70%. Younger generations are more likely to skip breakfast, especially those in their 20s. More than half of them do not have dinner with family. Two aspects of contemporary cultural lifestyles, convenience and lack of free time, have made the culture of eating out more prevalent. In a recent survey asking the reasons for eating out, whether visiting a restaurant is to eat, food delivery, or take-out, the most common answer was "for everyday meals," and the proportion of the respondents who answered "to enjoy eating out with the family" was also high. After the outbreak of COVID-19 in 2020, eating out together on work-related occasions, especially take-out, increased significantly, and visiting restaurants to celebrate special days such as anniversaries and gathering for socializing were quite common as well.

Currently, the trend of purchasing and consuming foods has rapidly changed. The increase of the nuclear family and double-income families, the increase of purchasing power, the development of a culture of eating out, and a faster-paced lifestyle have been dominant reasons for the increase of eating out. However, the eating-out trend has recently decreased due to the introduction of various meal kits and convenience foods used at home and an increase in delivery foods caused by an increase of one-person households and the COVID-19 pandemic. Such a trend has been accelerated by the development of mobile-based platforms that facilitate ordering and delivering foods and the dominance of social media platforms that share information about convenience foods. There is also an increase of services where ordering and delivering fresh foods, processed foods, and meal kits are promoted.

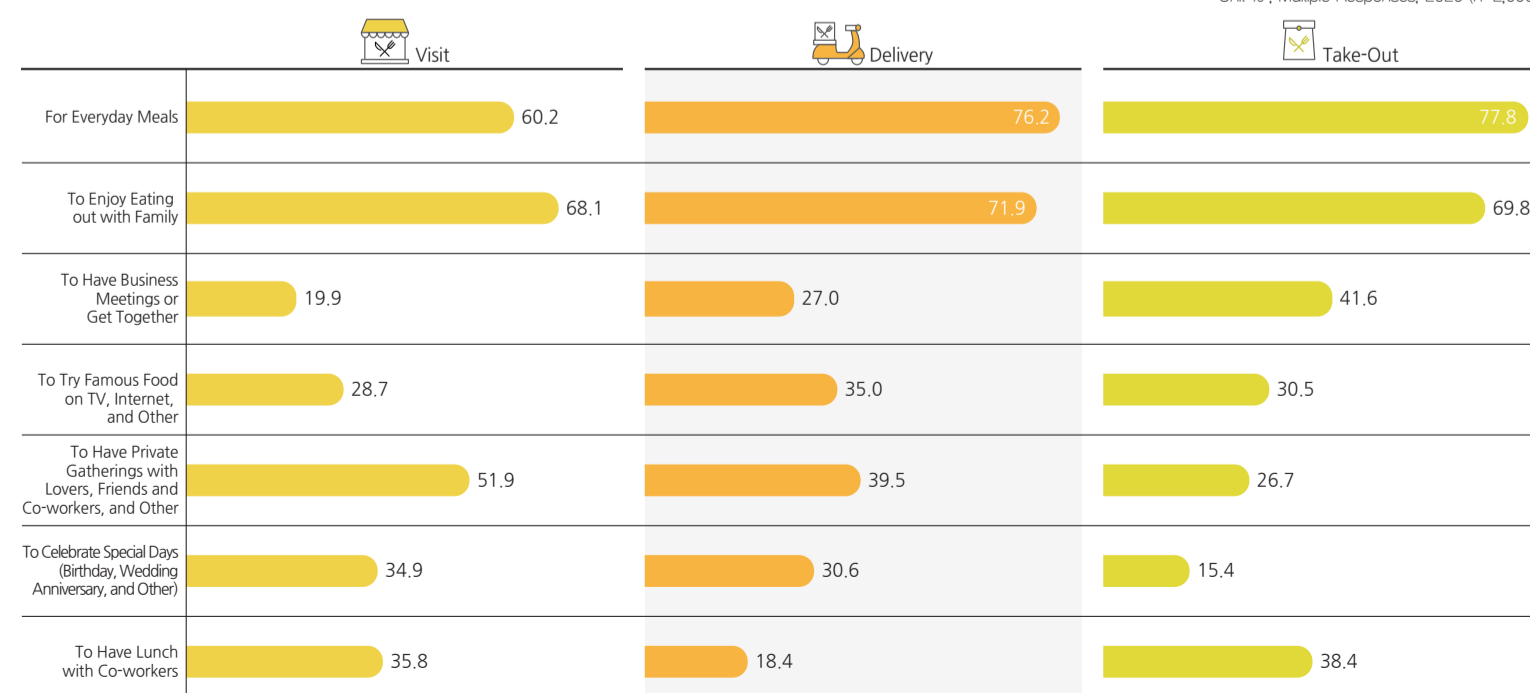
Change in the Percentage of People Having Dinner with Whole Family by Age (2007-2018)



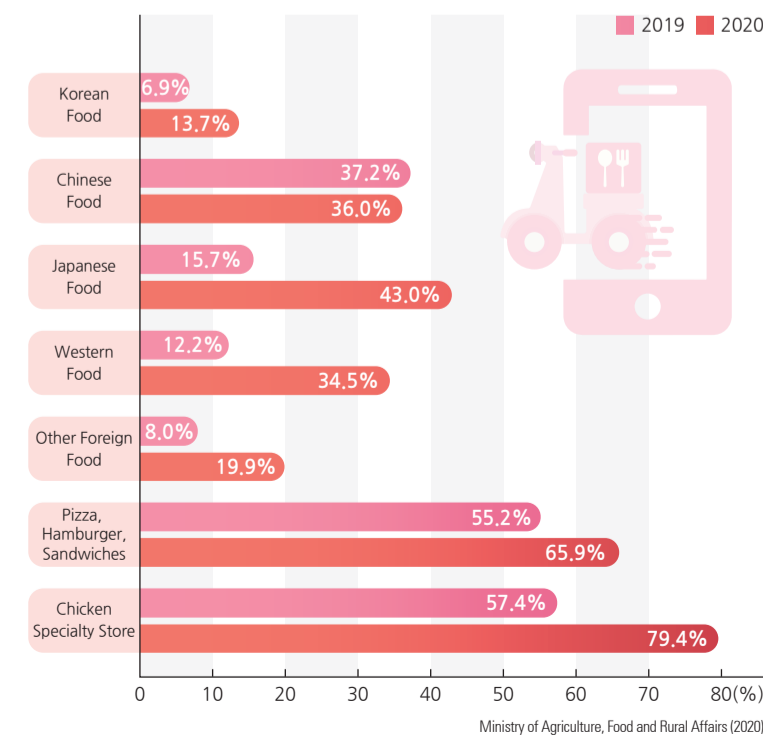
Change in the Percentage of People Skipping Breakfast by Age (2007-2018)



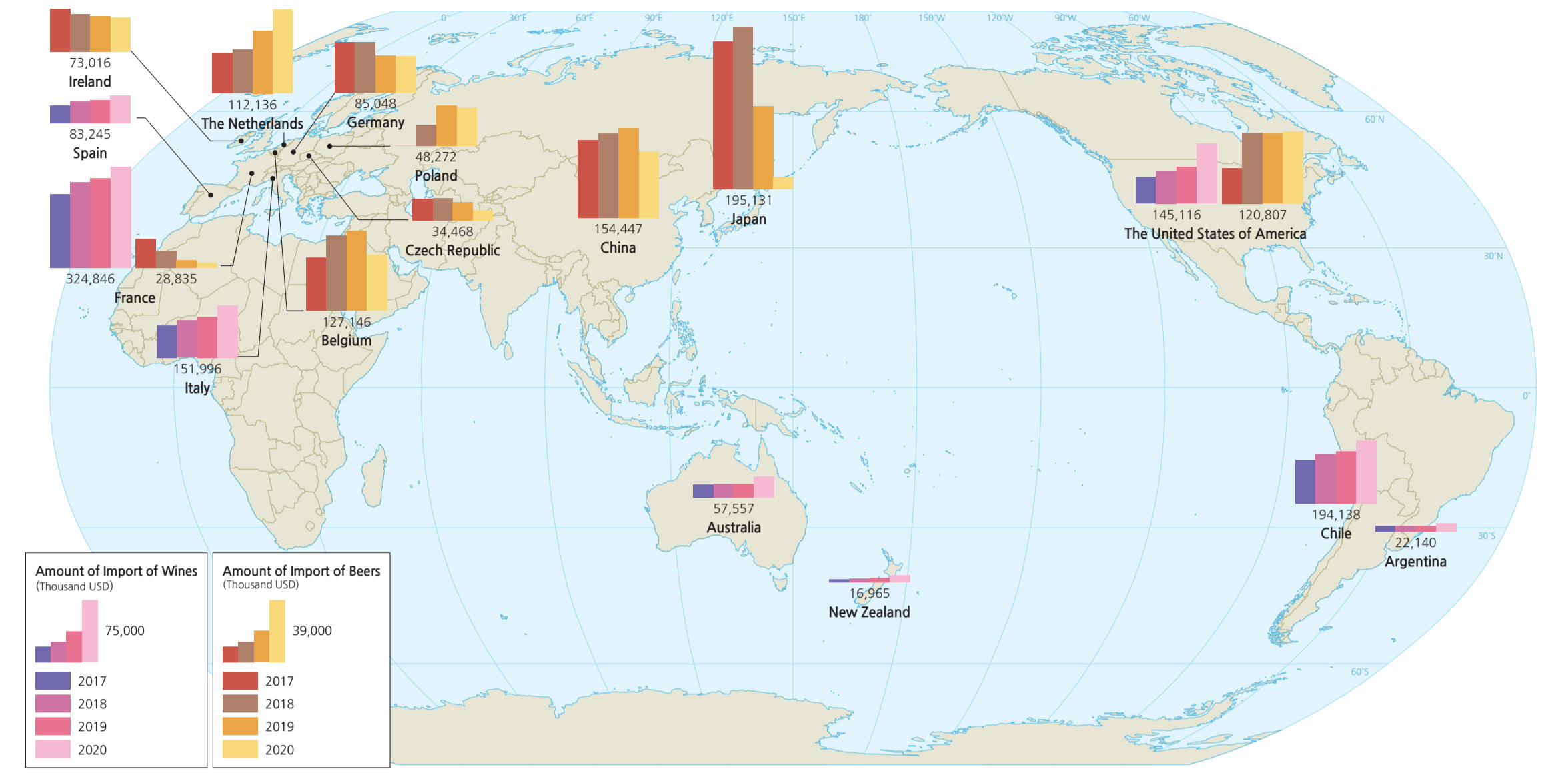
Percentage of People Eating Out by Reason (2020)



Change in the Percentage of Foodservice Establishments That Use Delivery Applications (2019-2020)

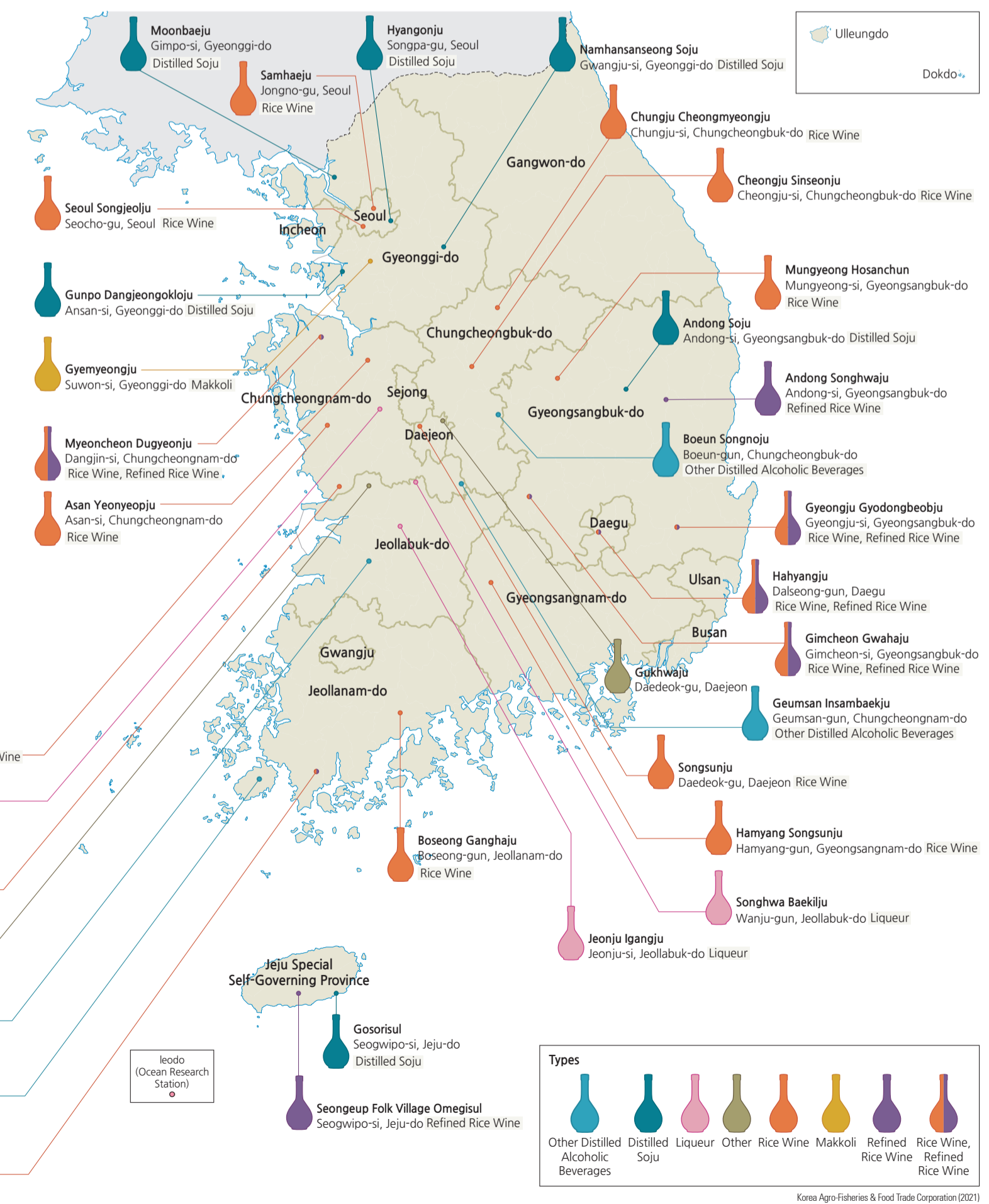


Changes in Import of Beers and Wines by Country (2017-2020)



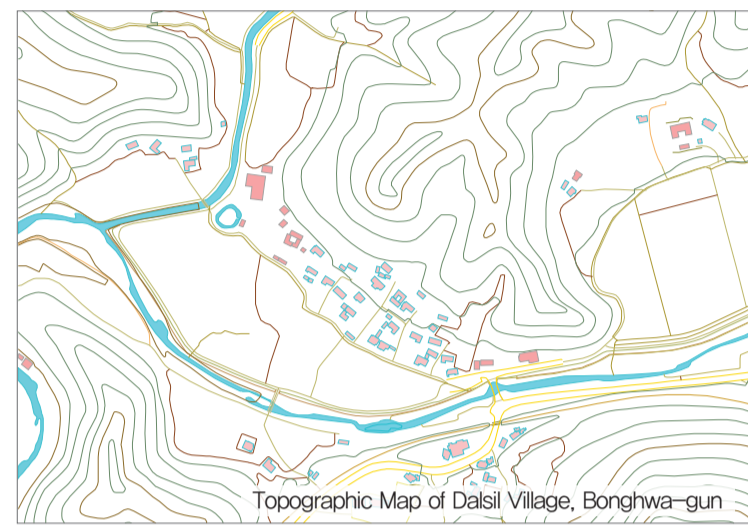
Another point to focus on regarding the foodways of Korea is the rediscovery of the traditional liquor and the diversified consumption of alcoholic beverages. Traditionally, beer and diluted soju accounted for the majority of alcoholic beverages consumed by Koreans. However, in recent years, the introduction of foreign alcoholic beverages has led to an interest in traditional domestic liquor such as Makgeolli among Koreans. Also, the permission of the online selling of such traditional liquor has led to the actual increase in such products' sales. In 2021, 'Makgeolli making' was designated as a national intangible heritage by the Cultural Heritage Administration. The COVID-19 pandemic has forced people to cook foods and consume alcoholic beverages at home. Many products which enable people to make Makgeolli at home and tours of domestic breweries have been introduced. Korean alcoholic beverages have become a way for people to experience the Korean culture holistically. 'Act on Promotion of Korean Traditional Liquor Industries' and 'Act on The Safeguarding and Promotion of Intangible Cultural Heritage' have been enacted to support such changes. The holders of the intangible heritage in specialty alcoholic liquor and alcoholic beverages are designated and protected under these Acts. In addition to this, consumers can purchase these alcoholic beverages such as wine, spirits, and Makgeolli from various types of shops such as superstores, department stores, liquor stores, convenience stores, and supermarkets.

Inheritors of Intangible Heritage of Korean Traditional Wines (2021)



Residency and Culture

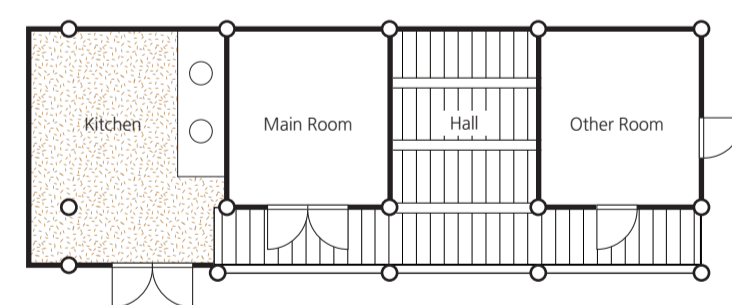
Traditional Korean Village: Dalsil in Bonghwa, Gyeongsangbuk-do



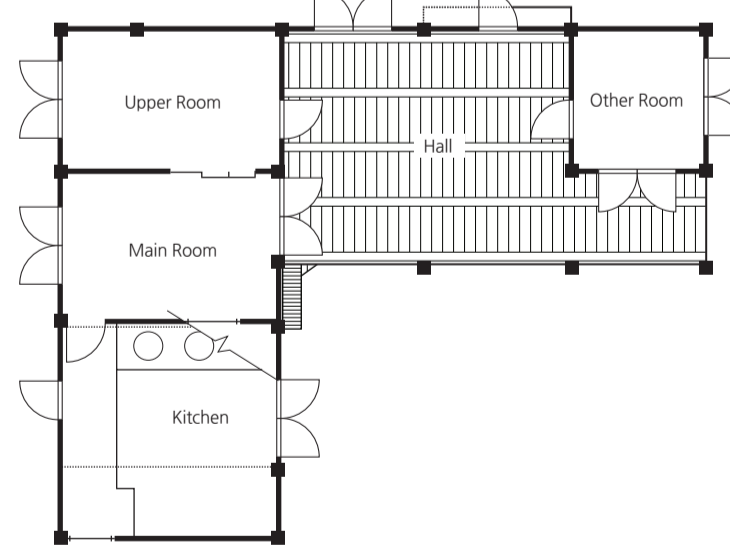
The traditional Korean residential style is evidenced by the location and distribution of villages and their housing structures. The layout of the traditional Korean village, with a mountain in the back and spacious fields and a river in the front, is characteristic of Baesanimsu (with back to the mountain and face to the water). Due to Korea's largely mountainous terrain, many villages are distributed in hilly and low mountain areas. In addition, residential space consisting of villages, rice paddies, and fields reflects the agriculture-oriented economic activities of pre-modern times. Having a mountain behind the village offered timber for firewood and a wide array of other uses and served as a windbreaker for the freezing northwest winter wind. The streams and rivers in front of villages supplied agricultural water and were important factors in choosing a residence. Traditional Korean villages can still be found across the country. Especially, the villages that continue the traditional characteristics are designated as important folk cultural heritage and kept preserved. Traditional Korean villages are often inhabited by extended families. The Confucian tradition became a basic principle for maintaining community inside the village. The Hanok (traditional Korean-style house) is unique to Korean

The Structure of a Korean Traditional House

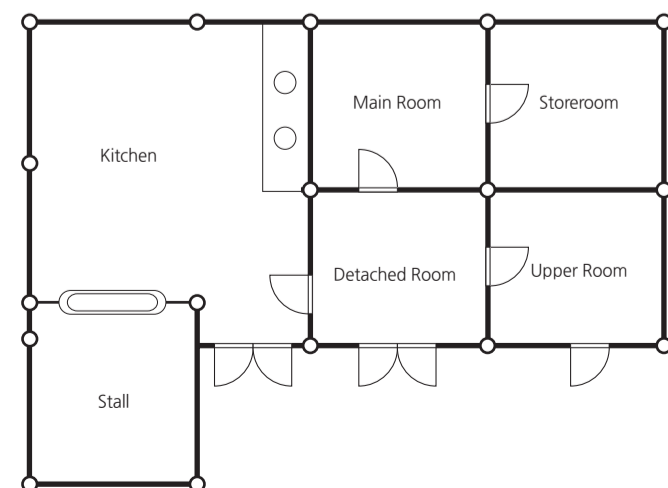
"-"-Shaped Single Structure



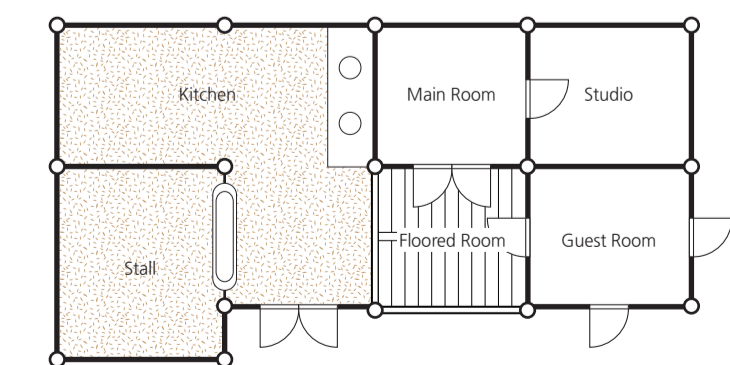
"-"-Shaped Single Structure



Complex Structure without Maru



Complex Structure with Maru



Traditional Villages Designated as Important Heritage, Folklore, and Cultural Properties



Asan Oeam Village



Goseong Wanggok Village



Suncheon Naganeupseong Village



Andong Hahoe Village



Jeju Seongeup Village



Gyeongju Yangdong Village

villages. Both older and more recent Hanoks have been preserved as part of Korea's precious cultural heritage. Hanok villages can be found in various places, including metropolitan cities.

A Hanok is a Korean building built with unique technology and architectural style using readily available materials that are in harmony with nature and whose unique aesthetic reflects the cultural heritage and sense of place that creates a distinct Korean cultural landscape. In addition, a Hanok incorporates a unique heating technology and ventilation system. Most Hanoks are made with wood and can be found across the country, including rural areas. Also, some contemporary architectural buildings borrow from the architectural style of the Hanok.

Confucian hierarchical customs of the past sometimes meant that the house represented social status or economic position, wherein

the traditional village was composed of roof-tiled houses called Giwajip for the Yangban (noble or ruling) class, and thatched houses called Chogajip for ordinary people. While there are a variety of house styles in accordance with status and economic capability, all those houses reflect a deep interaction between people and climate. A housing structure that protects inhabitants from the elements by minimizing the need to go outdoors was developed in the northern provinces, which are distinguished by long, cold winters. One that maximizes air circulation through Daecheong Maru (a main open floor) was developed in the southern provinces, which are characterized by hot, humid summers. Traditional Korean houses also include Ondol (a floor heating system) for living with the cold winters.

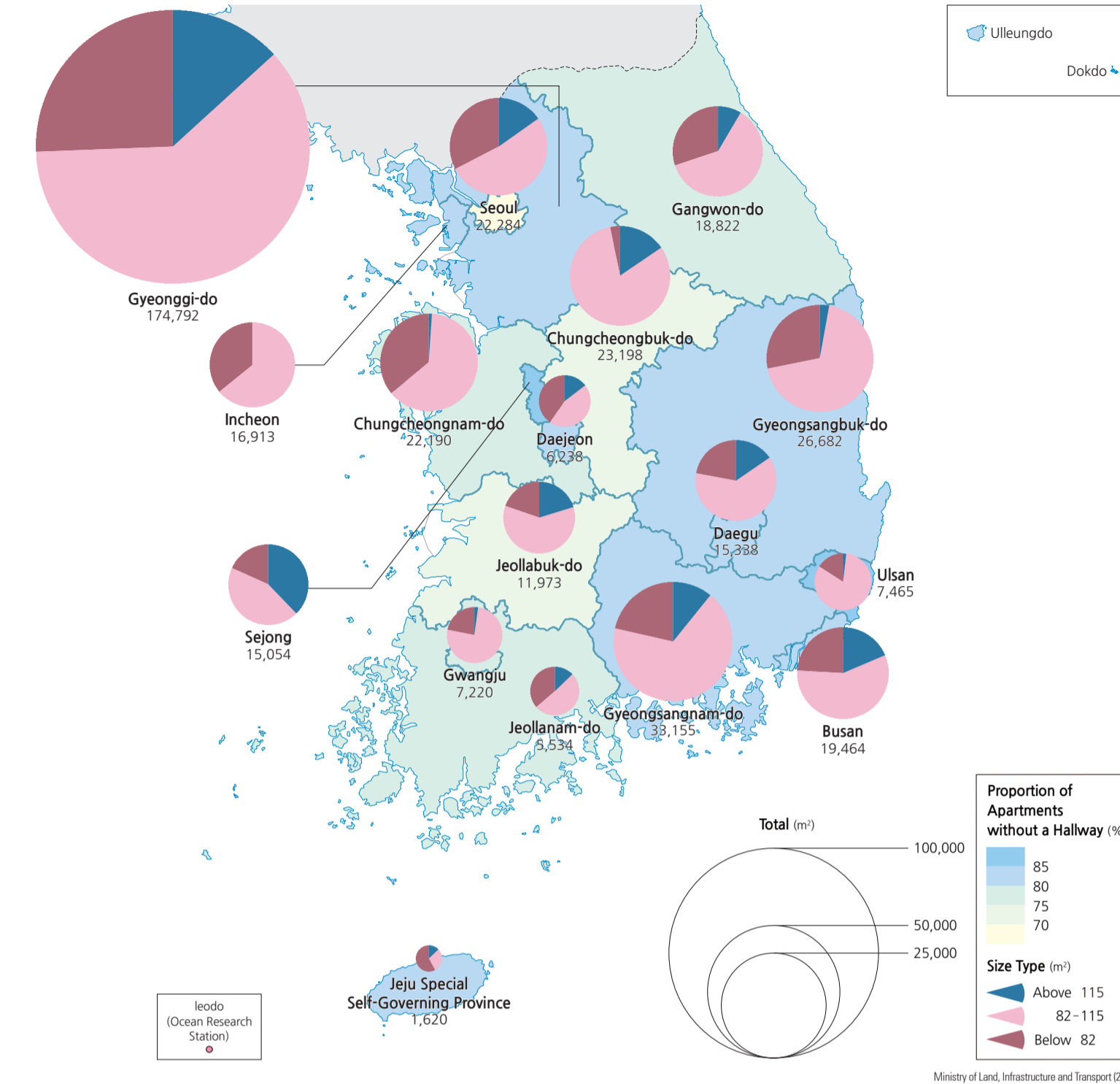


Sarangchae (Unit for Guests) in Andong Hahoe Village



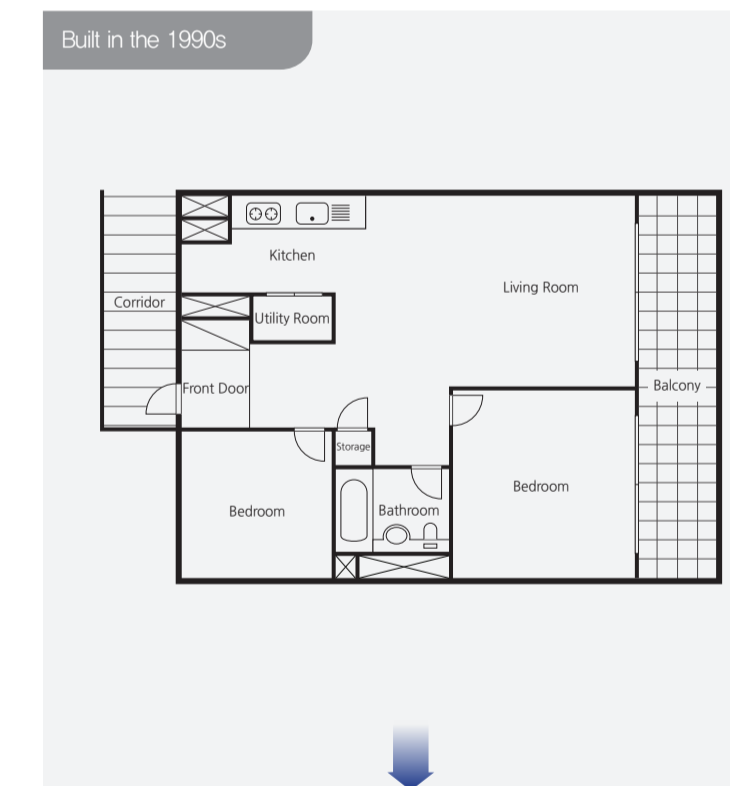
A Private House at Goseong Wanggok Village

Apartments by Structure and Size (2018)

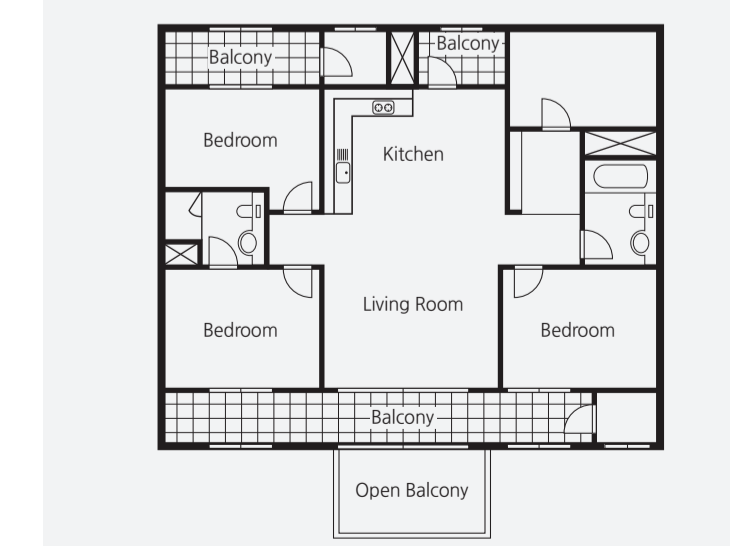


Examples of Apartment Structures

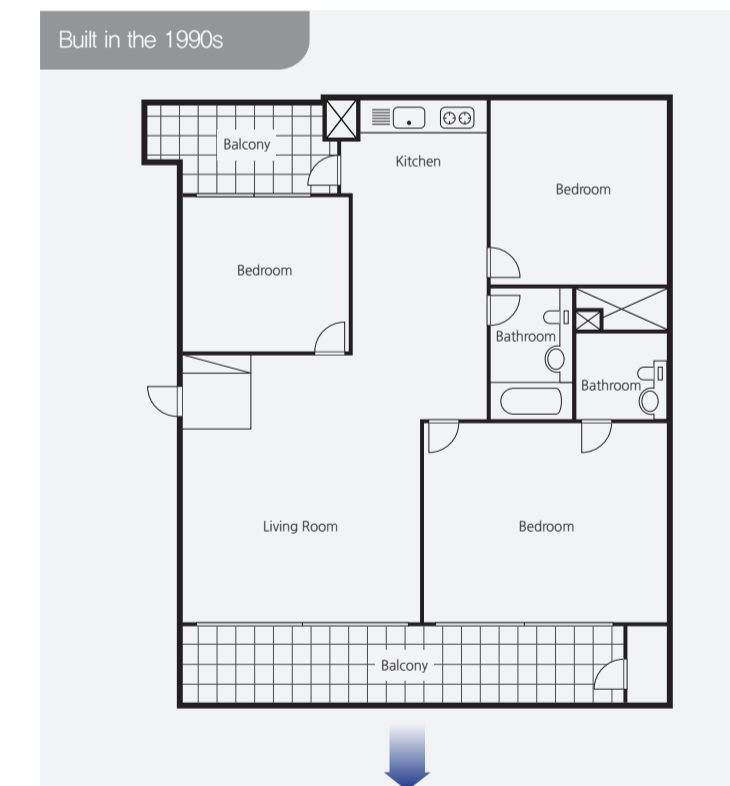
Example of Exclusive Use Space 65 m²



Built in the 2010s



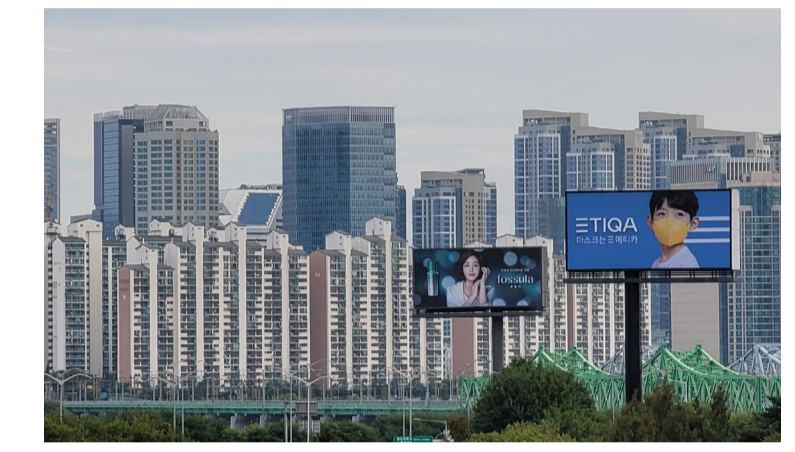
Example of Exclusive Use Space 85 m²



Built in the 2010s



Apartments Built in the 1970s and 2000s: Yeongdeungpo-gu, Seoul



Apartments Built in the 1970s, 2000s, and 2010s: Yongsan-gu, Seoul

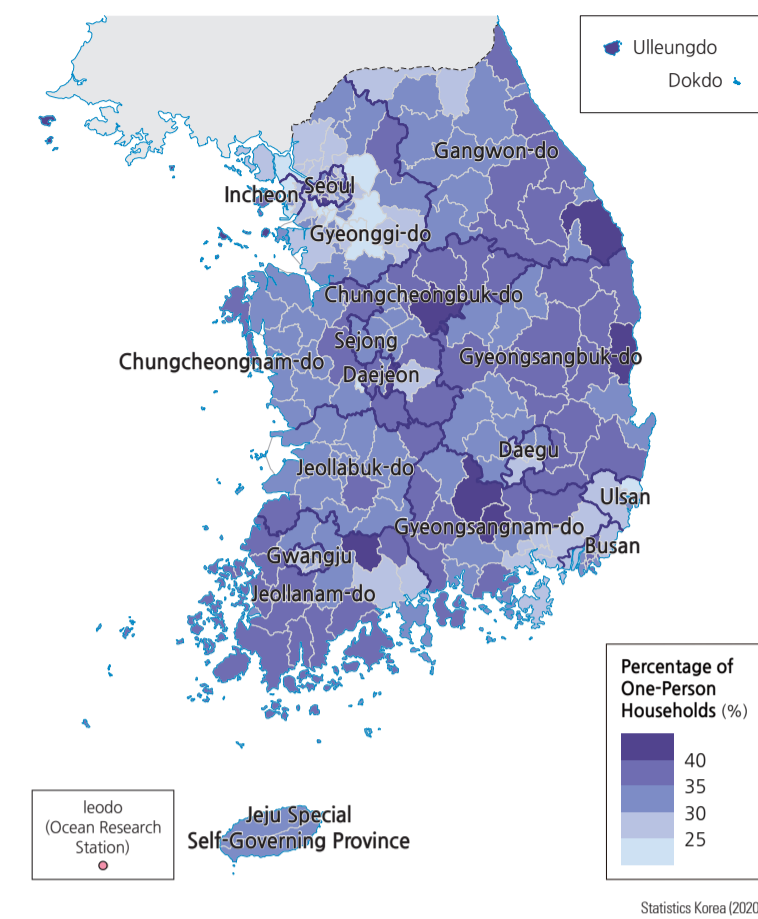


Apartments Built in the 2010s: Yeonsu-gu, Incheon

An apartment is a typical Korean housing unit. Apartment construction began to flourish in the 1970s and accelerated through the 1990s and 2000s. Apartments accounted for 20% of total housing in 1990 and neared 63% by 2020. Apartments typically have about 65 m² and 85 m² based on the area for exclusive use, which reflects the government's housing policy. Using government funds designated to provide affordable housing for people in the 1970s, the standard for national housing was set by the Housing Construction Promotion Act to be within 85 m², the so-called upper limit for the "national housing standard," which became the standard for tax benefits and financial sector loans. An apartment of 85 m² is generally a three-bedroom and two-bathroom unit, typical for a family of parents and children. In the past, an apartment of 65 m² typically had two bedrooms and one bathroom. However, today, the most common configuration of 65 m² is the three-bedroom and two-bathroom unit.

While the square footage for the area for exclusive use has changed little over time, the use of that space has gradually diversified, with larger bedrooms and living rooms due to efficient use of shared spaces such as expanded balconies. Apartment living remains most popular for Korean urbanites because of the advantages of convenient parking, installation of elevators, and co-management and security in multi-unit dwellings. However, many apartments have deteriorated and become less safe after more than 20 years, and parking has become a challenge with the growth of private car ownership. Thus, many older apartment buildings have been either remodeled or reconstructed to improve the residential environment.

Percentage of One-Person Households (2020)



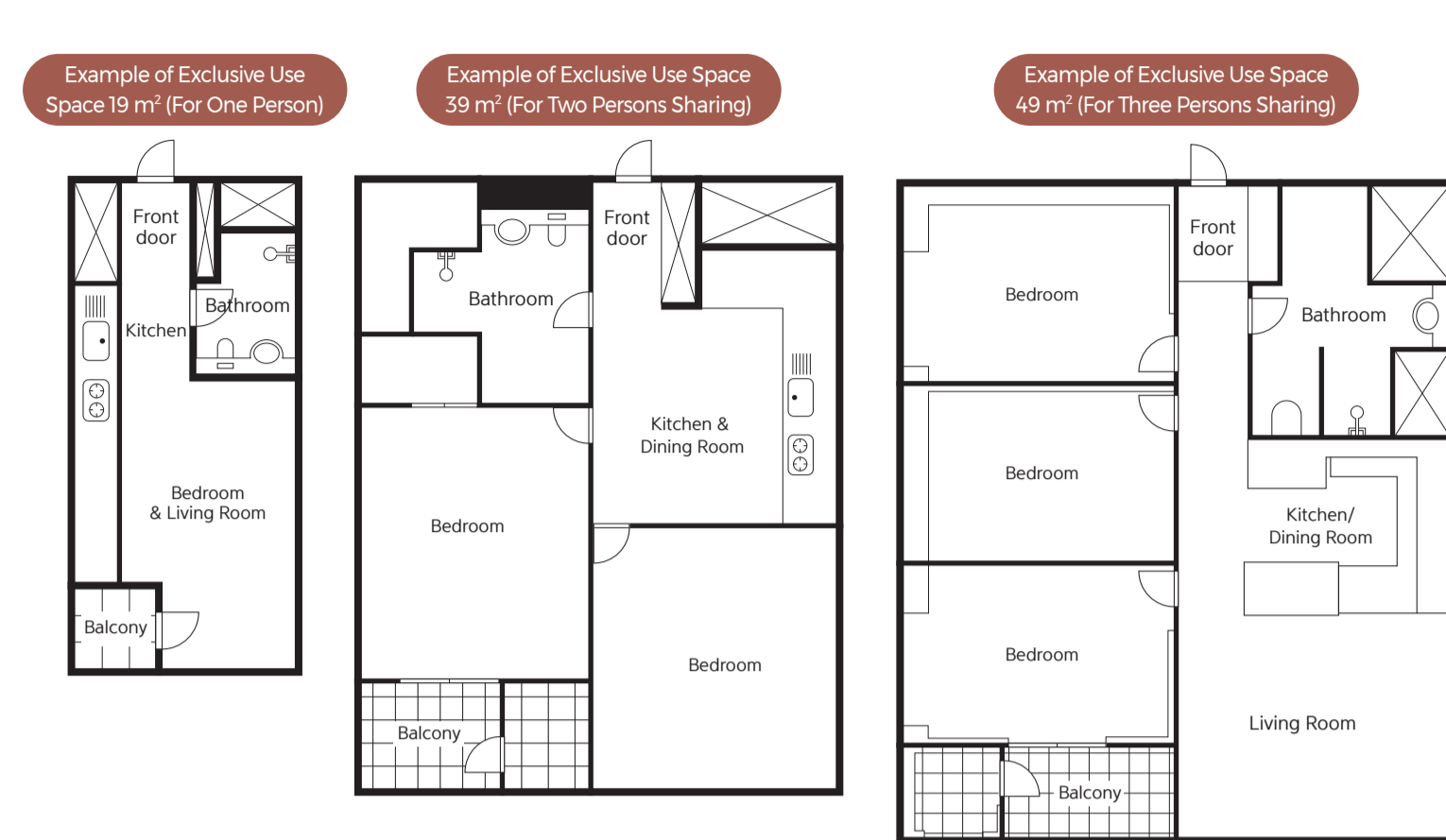
One of the most remarkable aspects of the residential style of Koreans in contemporary society is that the high percentage of people live in multi-unit dwellings. Housing in Korea is officially classified as detached housing, apartments, row housing, and multiplex housing. Detached housing is further classified as general single household and multi-household (Dagagu) housing. General single households are further classified as farmhouses, country houses, and others. A multi-household building is one that is divided into various units rented by several households. An apartment, a row house, and a multiplex (Dasedae) are examples of housing in which various households own units compartmentalized inside a larger building. Apartment refers to residential buildings where individual households independently own each living unit. Condominium would be a more common term for describing this type of housing. However, the apartment is widely used to describe this type of housing in Korea. Also, apartments are high-rise with more than 5 stories. In Korea, a multiplex housing unit (Dasedae) is commonly called a “villa.” Typically, a multiplex housing unit is a two- to five-story building in which individual households separately own each living unit. Multiplex housing is similar to the concept of condominiums.

Many detached housings are located in rural areas or urban areas where reconstruction or redevelopment has not been done. Recently, the number of rural housing districts has increased as people who desire to enjoy a rural life stay away from the bustling urban life. According to policies for improving residential environments, many detached homes in densely populated areas in the city have already been replaced with apartment complexes or multiplex housing, such as a part of the urban regeneration.

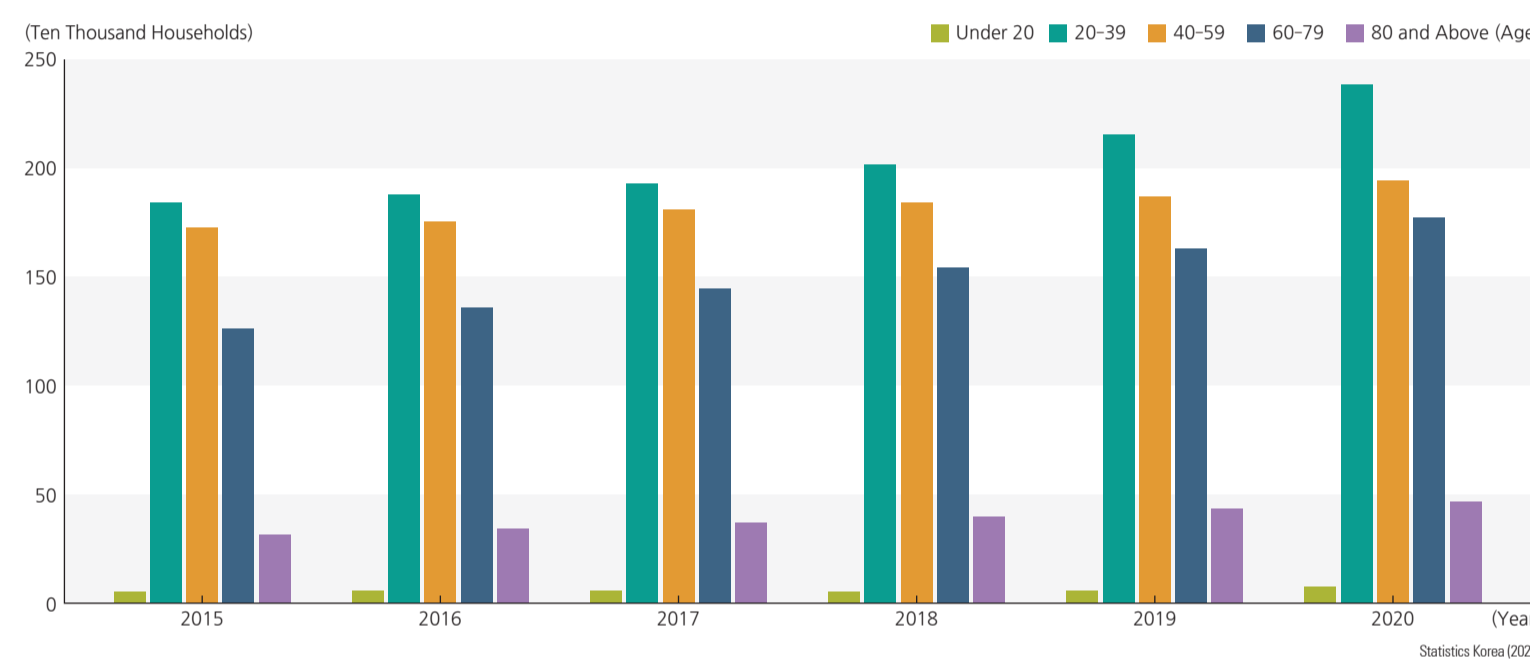
Apartments have been built to efficiently utilize the limited urban space in densely populated cities. Apartments have become popular because amenities and educational and commercial facilities are often located in the apartment complex. In addition, high-rise apartments occupy most residential areas in many newly constructed housing zones, such as in new cities in metropolitan areas. As a result, apartments have been steadily increasing relative to other housing types, accounting for about 63% of all the housing—exceeding 18 million and 500 thousand households as of 2020. In addition, including row housing and multiplex housing, about 78% of Koreans today live in multi-unit dwellings. Recently, a large number of multi-unit dwellings have been constructed even in suburban or rural village centers. In addition, high-rise commercial complexes, in which a low-rise is used for commercial facilities and a high-rise for residential purposes, have increased in some parts of the metropolitan cities.

Recently, single-person and 2-to-3-person households have been increased. The increase in small-size residences and various types of rental housing reflect the government policy for young adults and low-income households. For example, urban-life houses have increased supply since their introduction in 2009. They are small houses with the size of 85 m² or less per household for exclusive use. Among them, one-room types have a size less than 50 m² for exclusive use. For the units less than 30 m², a house consists of one space per household. For the units between 30 m² and 50 m², a house can consist of up to two spaces. Also, an efficiency apartment called Officetel is originally used as an office during

Examples of the Layouts of One-Person House or Share House



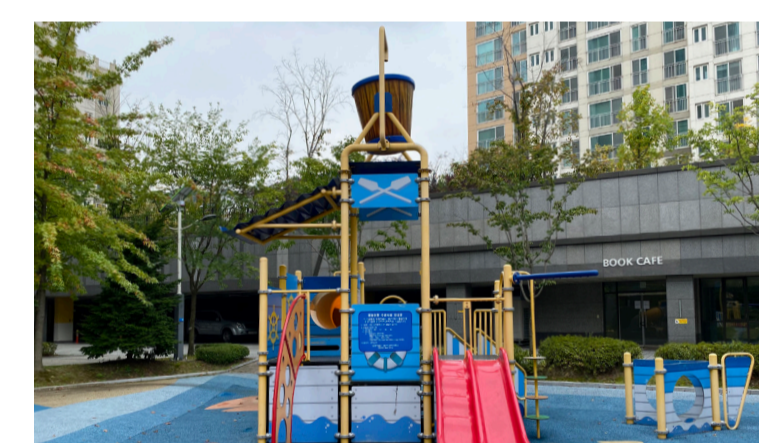
Increase in One-Person Households (2015-2020)



Community Facilities in Apartment Complexes



Outdoor Sports Facilities



Outdoor Waterplay Facilities



Garden and Cafe in Complex



Community Center

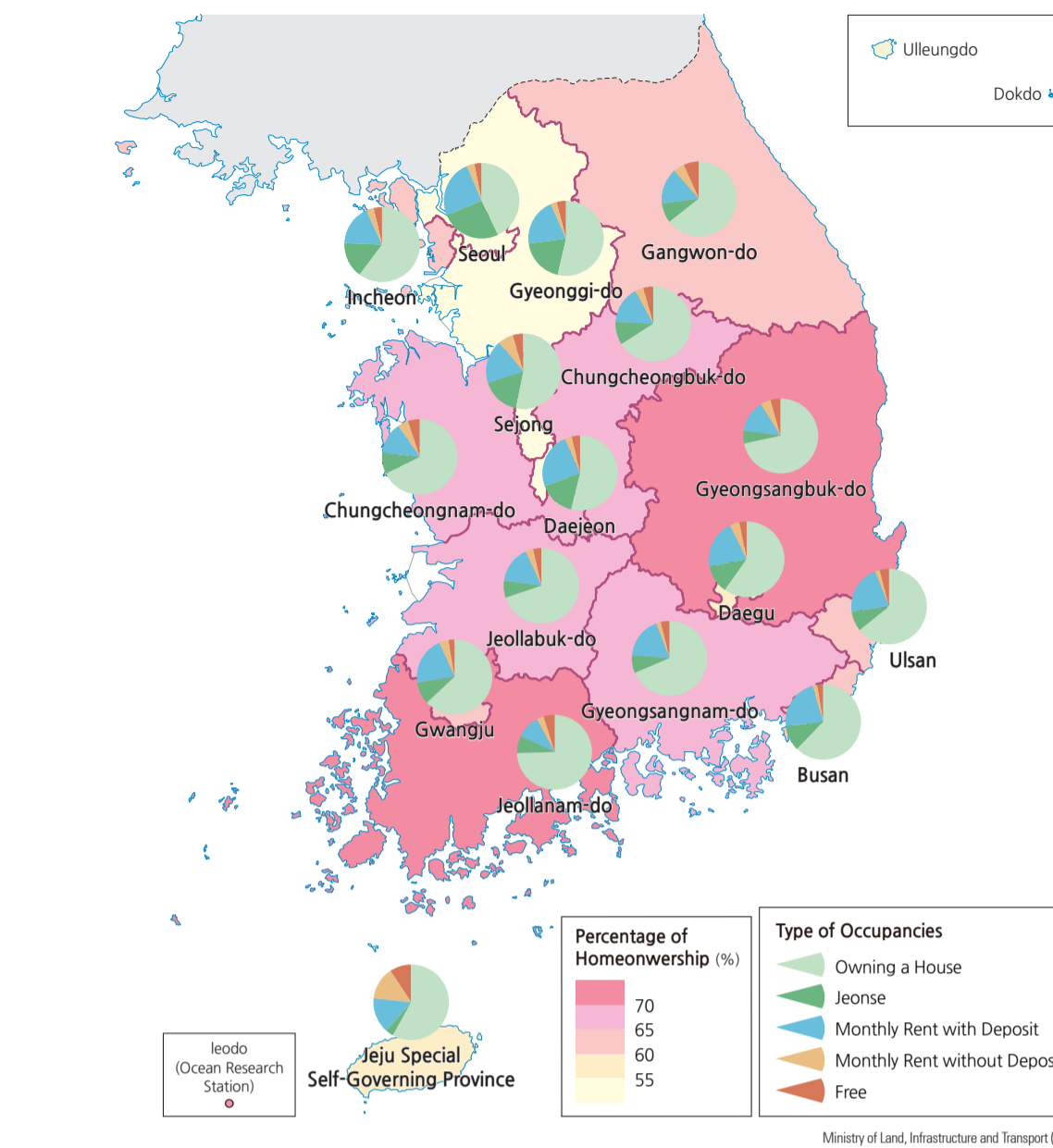
the day and then as a residential house at night. However, many Officetels are mainly used for residential purposes. The living area of an Officetel is about 40 m², about half of an apartment. Nevertheless, the number of people living per household is about half of each household for an apartment. Thus, the living area per person is similar to that of an apartment.

Social housing, which is a type of rental housing, has recently emerged. It is rental housing supplied by the social-economic agents, including social enterprises and non-profit corporations. It guarantees low rent and a stable residential period. The Subway Station Area Housing Project for Young Adults, initiated by the

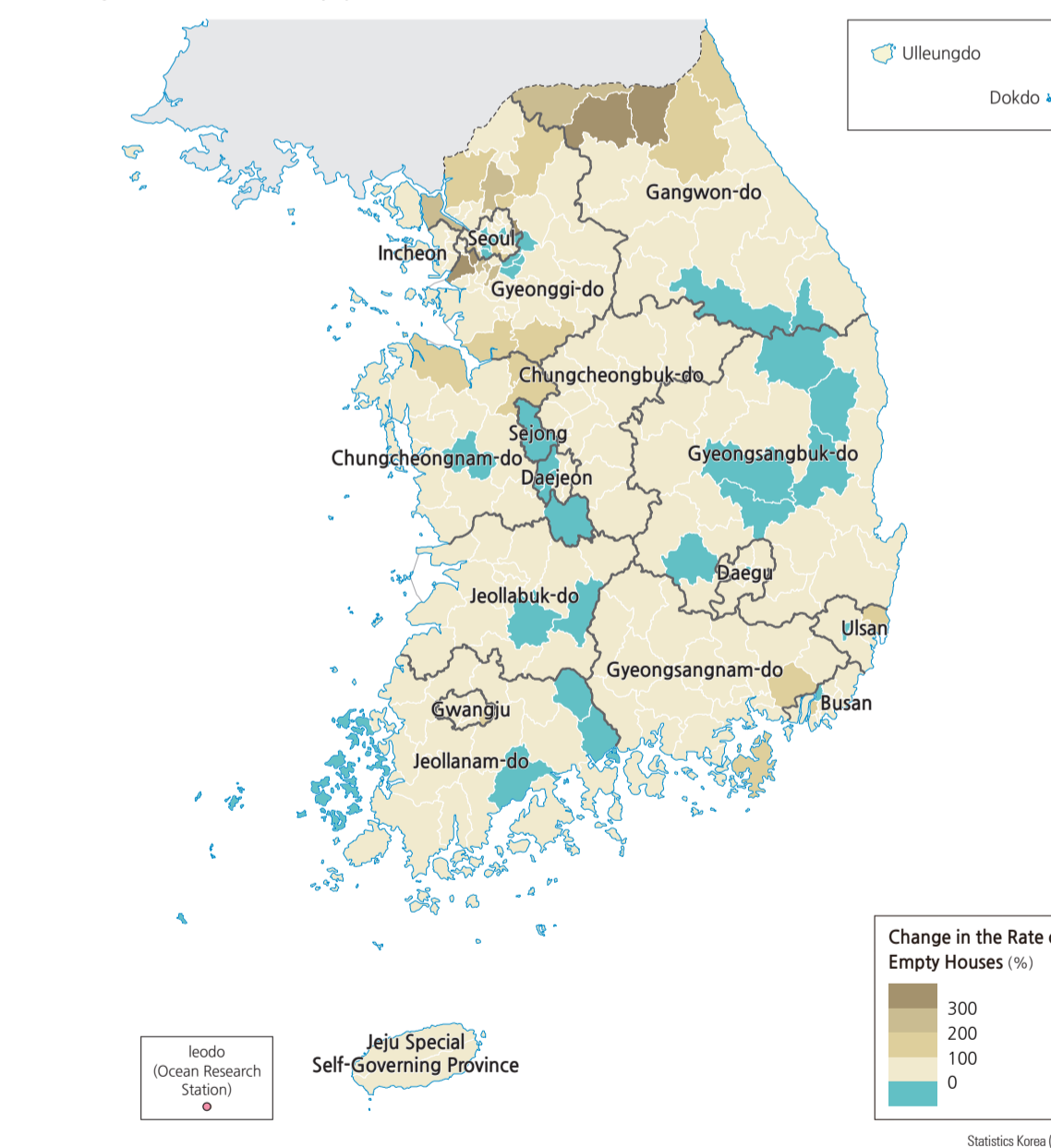
Seoul Metropolitan Government in 2016, is rental housing located in the subway station area for mostly young adults and newlyweds, provided by private and public sectors. Youth housing, a remodeled hotel, has started to be implemented in 2019 to rent a remodeled hotel in the city center as a Subway Station Area Housing for Young Adults.

Multiplex houses have recently developed into so-called “villas.” Singles, couples with no children, or couples with children younger than school age prefer multiplex houses. Unmarried workers often prefer multiplex houses near the city center or close to various neighborhood facilities.

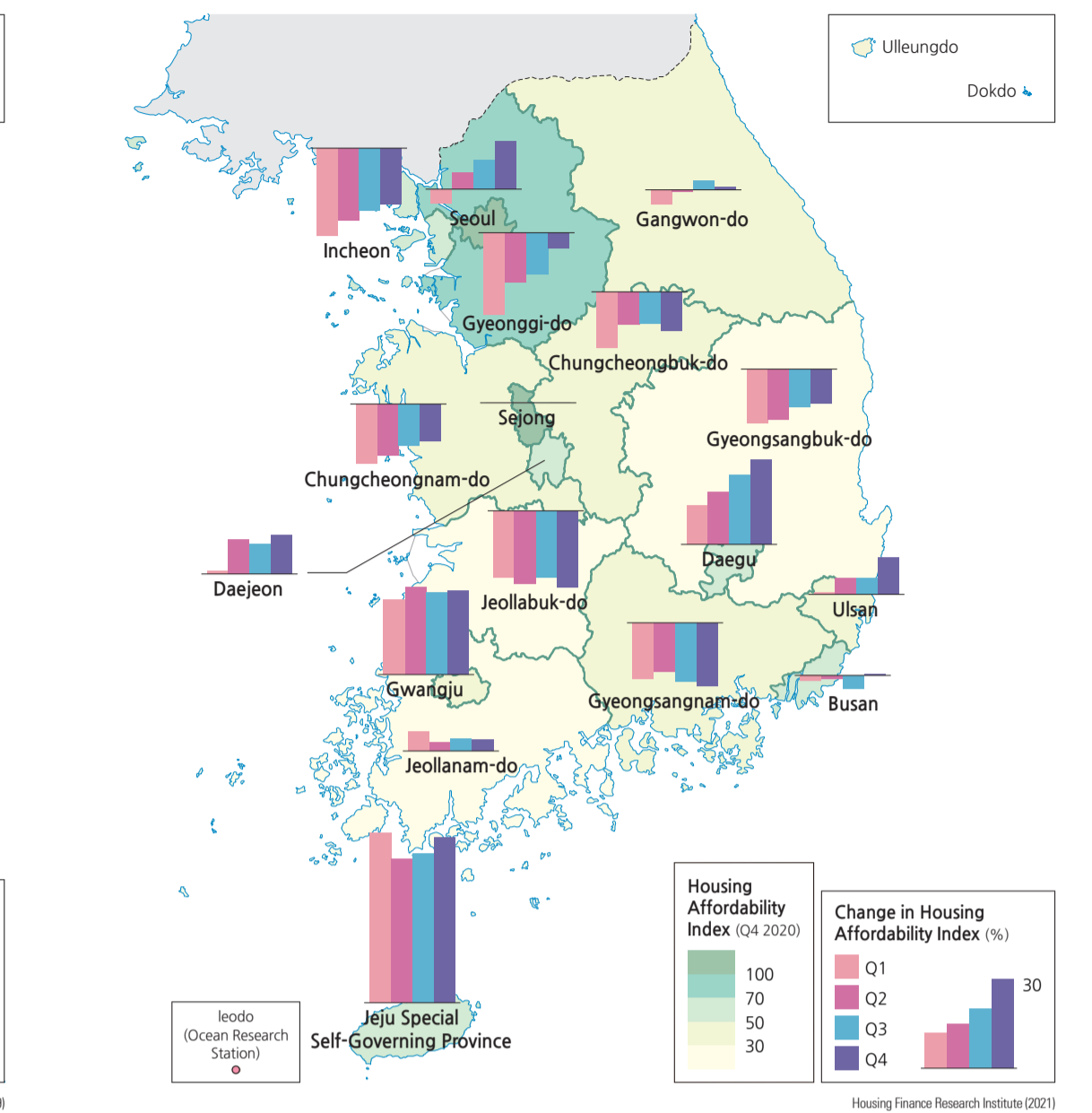
Housing Occupancy (2019)



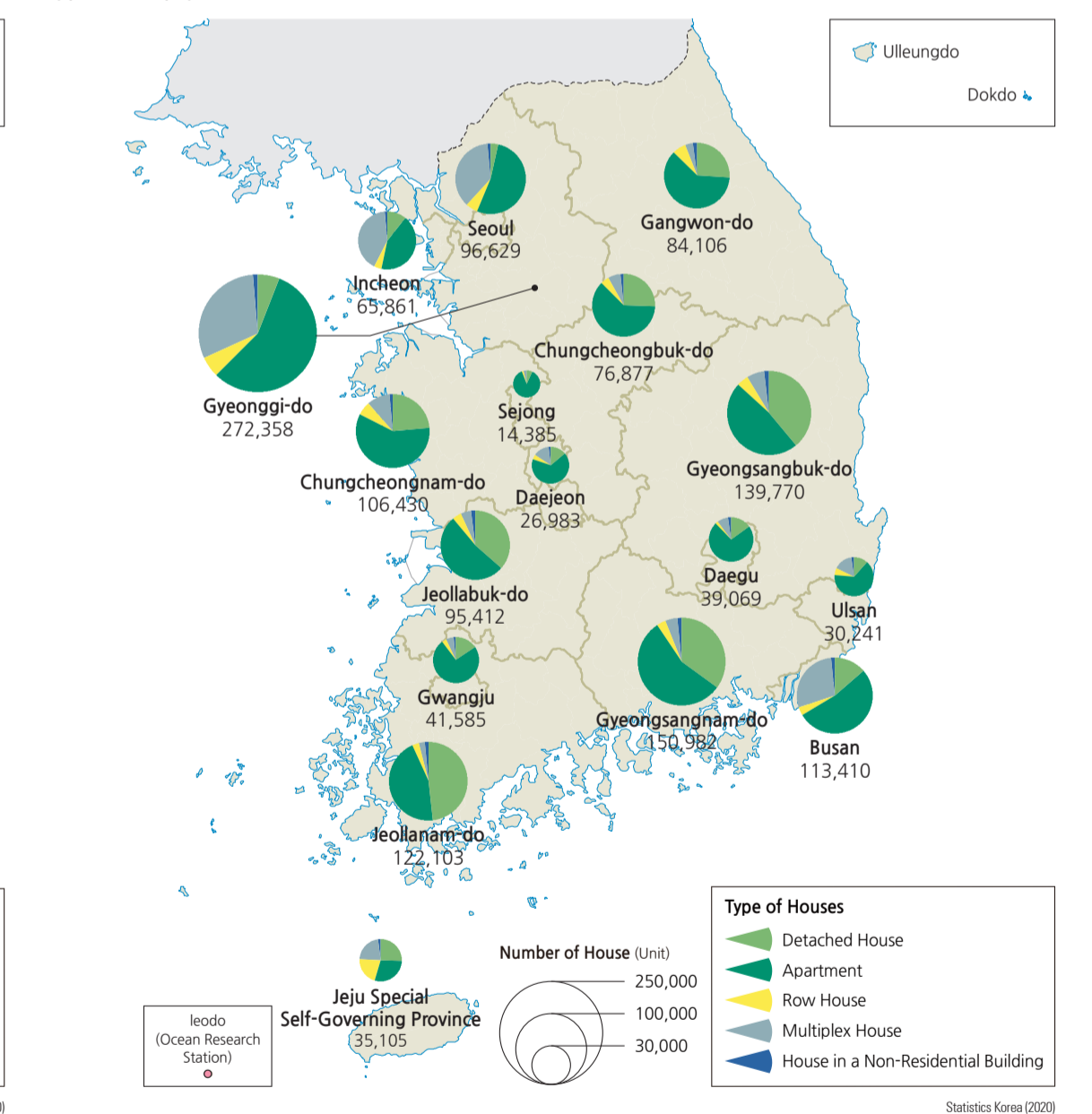
Change in the Rate of Empty Houses (2015-2020)



Change in Housing Affordability Index (2010-2020)



Type of Empty Houses



Having one's own house is an important and difficult task for Koreans to the extent that the expression ‘the dream of getting your own house’ has become common. The fact that the Housing Affordability Index—an indicator for the loan repayment pressure in the case of a median-income household to purchase a median-priced house with a standard loan—has been recently increasing shows that it is becoming more difficult to purchase a house. Especially in the major metropolitan cities such as Seoul, housing prices, Jeonse, and monthly rental prices have increased overall. The housing costs have been a huge burden, especially for those who do not own a house. The proportion of newlyweds and young

adults who own their houses is lower than that of other groups. Therefore, the government has introduced and implemented housing welfare policies, including the supply of houses, subsidy of rent, loans for housing purchase and Jeonse, and rent controls.

Real estate speculation has emerged as a social problem with the rapid increase in prices, including houses. Furthermore, with widened gaps in the real estate price depending on different regions, the imbalance of tax revenue in different regions has also aggravated. Accordingly, the government has enacted and implemented the Comprehensive Real Estate Tax Act that levies an additional tax for those who own real estate excessively. This act

stabilizes the level of real estate prices by suppressing real estate speculation and enhancing tax equity.

Another problem to be resolved regarding the Korean housing system is the increase in empty houses. In particular, the proportions of empty houses in Jeollanam-do, Jeju-do, and Gangwon-do are relatively high. Regarding Seoul and Seoul Metropolitan Area, the proportion of empty houses is relatively low, yet their number is high. Especially in most cities and counties in Gyeonggi-do, the increase rate of empty houses between 2015 and 2020 exceeded 50%. The government efficiently manages and uses empty houses by enacting the Special Act on the Maintenance of Empty Houses and Small Houses.