

South Korea Luxury Residential Real Estate Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 120 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

Report description:

The luxury residential real estate market in South Korea is expected to register a CAGR of approximately 3% during the forecast period.

Property in South Korea is measured in units of pyeong, an area of floorspace equivalent to about 36 square feet. In his current portfolio, a real estate agent listed a 48 pyeong (1,710 square foot) four-bedroom, two-bathroom unit in Central I-Park, a complex completed in 2018, for USD 2.74 million. A 20-pyeong (712 square feet) two-bedroom, two-bathroom duplex in a new development, which is scheduled for completion in May 2023, is currently listed for KRW 2.55 billion (USD 2.28 million) for presale on the real estate platform Seoul Homes.

Detached houses can be found in South Korea, although these very rarely come on the market. Property of this type is often a little older but boasts a generous footprint and frequently features a garden or terrace. Usually, expatriates settle down in high-rise flats, preferring a brand-new building or at least one not older than 10 years. If they want more space or privacy, they search for a villa or single house, although these are limited in Seoul. Wealthy tycoons, upwardly mobile expatriates employed by the district's major businesses, and upper-middle-class Koreans in search of the best educational opportunities for their families live in the Gangnam district. Residents from overseas are most likely to come from the U.S. and China, with Chinese buyers responsible for 60% of international real estate investments in South Korea from 2015 to September 2019.

Although foreign investors' nationalities are not revealed, people from mainland China, Hong Kong, and Japan have been buying residential properties in Busan by attending investor conferences held in South Korea. Foreigners can buy a residential property in South Korea without restrictions, but it is difficult for non-residents to obtain local mortgages. Buyers tend to get a mortgage in their country or pay with cash, according to property investment site Asia Property HQ.

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scott-international.com

www.scott-international.com

South Korea Luxury Residential Real Estate Market Trends

Increasing Real Estate Prices in South Korea

Despite efforts of the government to slow soaring home prices, the country's property market has proved resilient, with Gangnam real estate, in particular, showing decisive growth. The average price of a home in Gangnam rose by 6.1% from KRW 59.3 million (USD 53,000) per pyeong on October 30, 2020, to KRW 62.93 million (USD 56,300) in March 2021.

Prices are expected to continue to increase, with the market buoyed by the rollout of Covid-19 vaccines and prospects of economic recovery. In Seoul, the election of the new mayor on April 7 has also sent prices soaring. Seoul has continued to see large gains, with apartment prices rising from KRW 607million (USD 503,647) in May 2017 to KRW 925million (USD 767,507) in June 2020. Meanwhile, in Busan, values have stabilized, with apartment prices rising from KRW 290 million in May 2017 to KRW 295 million in June 2020.

Since mid-2017, the South Korean government has implemented housing market calming measures such as raising LTV mortgage rates and property taxes for home buyers and companies who own multiple expensive homes, as well as increasing capital gains tax rates in overheated areas, including South Korea's capital Seoul and Busan. Property prices have drastically increased nationwide over the last few years, but an upward trend seems unlikely to continue because of the tax changes for multiple homeowners and expensive single homes.

Concentration of Luxury Real Estate in Gangnam District, Seoul

Gangnam is arguably South Korea's best-known neighborhood. One of 25 districts that make up the capital Seoul. As it is a district where demand outstrips supply, most of the available residential real estate in Gangnam can be found in luxury condominiums. Units in these developments come complete with private parking, a spa, a gym, a pool, 24-hour security, and exceptional views. In a country known for its high standards of education, Gangnam is considered the South Korean center for learning, just one of several reasons that make its real estate so sought after.

The district is home to 557,000 people, accounting for just 2.5% of Seoul's population, but is responsible for 25% of the city's gross domestic product, an impressive statistic for a district that was farmland until the 1970s. Some of South Korea's biggest stars own property in the area. It has also attracted investment from the country's richest families. It is predicted that the existing demand for expensive homes in Busan will move to Seoul if multiple homeowners can only buy one home in South Korea, so long as demand from overseas buyers for Busan luxury housing does not increase.

South Korea Luxury Residential Real Estate Market Competitor Analysis

South Korea Luxury Residential Real Estate Market is fairly fragmented, with local and global players existing in the market. Key players in the market are leveraging partnerships, acquisitions, and mergers to capture the market share. Some of the major players in the market include Samsung C&T Corporation, Daewoo Engineering & Construction, KyeRyong Construction Industrial, Hoban Construction, and DL Construction.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

1 INTRODUCTION

1.1 Study Deliverables

1.2 Study Assumptions

1.3 Scope of the Study

2 RESEARCH METHODOLOGY

2.1 Analysis Methodology

2.2 Research Phases

3 EXECUTIVE SUMMARY

4 MARKET DYNAMICS

4.1 Market Overview

4.2 Market Dynamics

4.2.1 Drivers

4.2.2 Restraints

4.3 Value Chain / Supply Chain Analysis

4.4 Industry Policies and Regulations

4.5 Technological Developments in the Sector

4.6 Industry Attractiveness - Porter's Five Forces Analysis

4.7 Impact of COVID-19 on the Market

5 MARKET SEGMENTATION

5.1 By Type

5.1.1 Apartments and Condominiums

5.1.2 Villas and Landed Houses

5.2 By City

5.2.1 Seoul

5.2.2 Busan

5.2.3 Other Cities

6 COMPETITIVE LANDSCAPE

6.1 Market Concentration Overview

6.2 Company Profiles

6.2.1 Samsung C&T Corporation

6.2.2 Daewoo Engineering & Construction

6.2.3 KyeRyong Construction Industrial

6.2.4 Hoban Construction

6.2.5 DL Construction

6.2.6 Daebang Construction

6.2.7 Ssangyong Engineering & Construction

6.2.8 Dongbu Corporation

6.2.9 Bando Engineering & Construction

6.2.10 Hyosung Heavy Industries*

7 MARKET OPPORTUNITIES AND FUTURE TRENDS

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

South Korea Luxury Residential Real Estate Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 120 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scott's-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scott's-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-03-02"/>
		Signature	

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scott's-international.com

www.scott's-international.com

