

South Korea Residential Real Estate - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

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Report description:

South Korea Residential Real Estate Market Analysis

South Korea residential real estate market size in 2026 is estimated at USD 420.08 billion, growing from 2025 value of USD 402.02 billion with 2031 projections showing USD 522.93 billion, growing at 4.49% CAGR over 2026-2031. The moderate expansion reflects a transition from speculative surges to policy-guided, sustainable growth. Fiscal backing for 252,000 public housing units, stable base rates at 3.00%, and stricter debt-service-ratio rules collectively temper volatility while keeping long-run demand intact. Demographic evolution is equally pivotal: single-person households already form 39% of all households, steering design, location, and sizing priorities toward smaller, highly amenitized stock. Meanwhile, technology advances-prop-tech platforms, smart-home upgrades, and data-rich rental marketplaces-reshape competitive tactics and developer margins

South Korea Residential Real Estate Market Trends and Insights

Government 2022-27 2.7 Million-Unit Housing-Supply Roadmap

Fiscal backing of KRW 58.2 trillion for 2025 channels unprecedented resources into 252,000 public dwellings, signifying a decisive pivot from demand-side cooling to supply-side resolution. Streamlined approvals for 30-year-plus complexes can trim project lead times by up to 6 years, yet 2024 Seoul permits reached only 32% of target, underscoring execution risk. Success of this roadmap will shape land-price stability, developer pipelines, and investor confidence for the next half-decade.

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Rise of One-Person Households Boosting Studio Demand

One-person households climbed to 39% in 2025 and will likely eclipse 40% by 2030, prompting a surge in compact units and co-living formats. Premium co-living rents average KRW 1.13 million, a material spread above conventional studios, illustrating consumer willingness to pay for communal services. Seoul's rental-rate subsidies-up to 50% below market for residents aged 19-39-further support demand elasticity. With only 30.6% of single-person households owning homes, build-to-rent investors enjoy structural occupancy tailwinds.

Stricter LTV / DSR Caps Limiting First-Time Buyer Leverage

Stress-test DSR rules now factor in potential rate hikes, which are directly lowering loan limits. This change is hitting households in their 40s the hardest, as they have traditionally been the main drivers of first-time home purchases. While options like 50-year Bogeumjari loans offer some help, they only address part of the problem. At the same time, commercial banks have increased spreads to maintain their profit margins.

Other drivers and restraints analyzed in the detailed report include:

Redevelopment Wave in Seoul's "Gangnam Belt" REIT & Tax Reforms Spurring Build-to-Rent Projects
Shrinking Working-Age Population Weighing on Long-Term Demand

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Apartments and condominiums controlled 76.40% of the South Korea residential real estate market share in 2025. High-rise formats dovetail with land-scarce urban cores and presale financing dynamics. Smart-home retrofits-Trustay's deployments across 250 complexes-reinforce this dominance by refreshing aging stock without full reconstruction. Villas and landed houses, though smaller in volume, register the swiftest 4.62% CAGR as post-pandemic buyers prize outdoor space and ground access.

The villa uptrend is sharpened by aging households, whose accessibility concerns tilt preferences toward low-rise dwellings. Developers such as Kolon Global integrate mixed-form estates-803 units at Byeongyoungro Skychae Lac View-to capture this diversified appetite. Government aging-in-place subsidies for smart sensors further enlarge the addressable pool.

Mid-priced stock represented 62.30% of the South Korea residential real estate market size in 2025, providing the volume base for large developers. Yet the affordable cohort is rising at 4.55% CAGR, pulled forward by subsidy frameworks that target 30% of urban needs. Median Seoul apartment prices of KRW 1.04 billion intensify affordability pressures, redirecting purchasers toward subsidized offerings.

Didimdol loans with rates from 2.55% amplify buying power, while mid-market builders respond by standardizing design modules to defend margins. Luxury units confront anti-speculative guardrails and tighter foreign-buyer vetting, limiting upside despite marquee branding advantages.

South Korea Residential Real Estate Market is Segmented by Property Type (Apartments & Condominiums and Villas & Landed Houses), Price Band (Affordable, Mid-Market and Luxury), Mode of Sale (Primary and Secondary), Business Model (Sales and Rental) and Region (Seoul, Gyeonggi Province, Incheon, Busan, Other Metropolitan & Provincial Cities). The Market Forecasts are Provided in Terms of Value (USD).

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List of Companies Covered in this Report:

Korea Land & Housing Corporation (LH) Hyundai Development Company (HDC) GS Engineering & Construction Lotte Engineering & Construction Booyoung Group DL E&C (Daelim Industrial) Daewoo Engineering & Construction Posco E&C Samsung C&T E&C Group SK ecoplant (SK E&C) Hanwha Engineering & Construction Hoban Construction Hines Korea Knight Frank Korea CBRE Korea Savills Korea JLL Korea Cushman & Wakefield Korea KOREIT Chestertons Korea

Additional Benefits:

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

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