



KRIHS Policy Brief

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Residential characteristics of households burdened with excessive rents and policy support measures for them

Kang Mi Na et. al., Director, Housing and Land Research Division, KRIHS

1. Approximately 11% of all households and 30% of tenant households are burdened with excessive rents compared to their income. In particular, many elderly, low-income, single, and youth households are suffering from excessive rents.

2. The rent-to-income ratio (RIR) of households burdened with excessive rents varies depending on their lifecycle stages and characteristics, but normally they would pay half the amount of their monthly income for rents. Taking housing management expenses into account, they are paying a majority of their income for rents.

3. Not only are they burdened with heavy rents, they often face unstable and poor housing conditions, for example living in deteriorated houses, substandard houses, gosiwon (tiny one-rooms in share houses), basements, rooftops, or semi-basement houses.

4. Households burdened with excessive rents frequently move their residence, but they often maintain the existing mode of occupancy despite rent rises on lease agreement renewal, indicating rare upward movement of residence.

5. Currently households burdened with excessive rents use housing support programs less frequently compared to the overall demands therefor. In this sense, it is needed to execute aggressive public relations campaigns for these programs and the My Home mobile app to eliminate the blind spot of housing support services and to make policy efforts to ease their burden coming from heavy rents.



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Policy proposals

1. To ease the burden of households paying excessive rents, establish comprehensive housing support policies that take the quality of residence and their residential conditions into consideration.
2. When selecting beneficiaries of programs, give priorities to those living in a gosiwon, basement, rooftop or semi-basement and burdened with excessive rents.
3. Households with children under 18 burdened with excessive rents would presumably have insufficient money to pay for their child upbringing and education. In this regard, ensure inter-ministerial consultation to develop support policies for these households.