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KRIHS seeks to improve knowledge and understanding of the conditions and problems of the nation's resources and their interaction with people, to assist the government in formulating long-range development plans and make policy recommendations on related matters, to collaborate with the international research community in solving theoretical and practical problems concerning human settlement issues and planning, and to provide research expertise and consulting services as well as training programs for foreign governments and institutions.

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SPACE and ENVIRONMENT

Reorganizing Residential Land Development Institutions

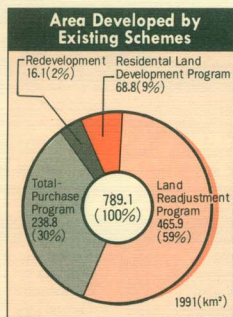
Despite the continuous government interventions in the land market, various issues related to land supply, finance and price have remained largely unresolved in Korea. The government has been particularly concerned with residential land and its process of development. The current land market and development schemes suffer from inadequate supply of relatively inexpensive and high grade residential land, unstable land prices, inequitable distribution of development gains, limited access to public investment sources, and weak land use planning.

A recent KRIHS research project evaluated the Korea's residential land development institutions and schemes with respect to the above mentioned supply and developmental problems. Among the twelve land development schemes, the research team focused on the Land-Readjustment Project (LRP) and the Total Site-Purchase Project (TSP) for their comparative study.

The research found that the residential land development institutions or schemes were burdened with the

following problems: 1) heavily bureaucratic land development process; 2) inefficient project implementation and management; and 3) inequitable distribution of development gains and losses among different interest groups. An overall improvements in project planning and management, a set of structural modifications in the development process were recommended to strengthen the role of residential land development institutions, and thereby raising their general effectiveness in the implementation of residential land development projects.

Specific recommendations included a separation of planning and development functions, decentralization of land development institutions, and the coordination of land development and construction processes. The research report also called for innovations in the residential land development methods, increasing the diversity of land development institutions, expanding public land reserves and encouraging long-term rental projects of residential land, and developing alternative financing schemes.



Proposed Residential Land Development Schemes			
LAND DEVELOPMENT SCHEME	MAIN DEVELOPER ELIGIBLE	PROJECT SCALE	PROJECT LOCATION
TOTAL-PURCHASE METHOD	Public Developer, Public-Private Joint Venture	Large Projects: More than 100ha	New Town
MIXED METHOD OF TOTAL PURCHASE & LAND READJUSTMENT		Middle & Large Projects: More than 50ha	
LAND READJUSTMENT METHOD	Public-Private Joint Venture, Local Government, Land Owner	Middle & Small Projects: 2-50ha	New Town in Town, & Around Town
INDIVIDUAL DEVELOPMENT	Private Developer, Land Owner	Small Projects: Less than 10ha	In and Around Town
ALTERATION OF LAND SHAPE		Less than 2ha	

A New Act on Coastal Zone Management Recommended

The combined distance of coastal strips along the southern portion of the Korean peninsula is approximately 6,228 kilometers. Due to their favorable aesthetic and topographic conditions, there is a strong competition between various land uses in the coastal zones. In Korea where habitable land is severely limited by mountainous regions, reclamation projects along the coastal zones have been one of the key strategies employed to implement the national land expansion policy.

In most advanced countries, coastal zones are managed in a dual control scheme both by the local government and by the central government through the comprehensive coastal management law. But in Korea, coastal zones suffer from a lack of comprehensive management planning and control. The coastal zones are not treated as a separate land use

classification, but are included as secondary in other land use categories. This has created management problems which resulted in inappropriate and environmentally endangered land use practices in the coastal zones. In response to this problem in coastal zone management, a research project was initiated to develop a more appropriate management system for the coastal zones in Korea. The research made several recommendations. First, a set of specific laws dealing with coastal zone management issues should be established. Second, a coastal zone management law should be incorporated in the National Land Use Management Law, specifically creating a land use classification dedicated to protecting the coastal zones. Finally, in addition to a local control, a comprehensive coastal zone management plan should be developed at the national level.

Integrated Construction Information Network System(ICINS)

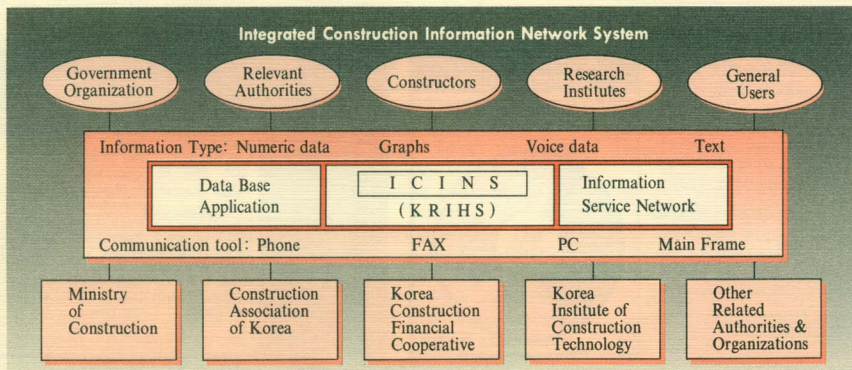
Many construction companies nowadays are setting up their own in-house information systems. But, due to the lack of cooperation and coordination between the various information providers, technicians, and users, the construction information network as a whole is not very well-defined or efficiently utilized.

KRIHS has recently proposed to establish an integrated construction information network system (ICINS) which will be set up to access all types of construction related information, including statistical data, recent journal articles, and blueprints. Moreover, information from remote regions will also be-

come accessible through a communication network.

The Master Plan for ICINS is currently being conducted in conjunction with the development of a pilot system. This prototype system will test the feasibility and identify potential problems.

By using an ICINS dedicated computer terminal, a user will be able to obtain up-to-date information on construction policies from the Ministry of Construction, past and future trends from the Construction Association of Korea, construction economic forecasts from KRIHS, and the latest construction technology from the Korea Institute for Construction Technology.



Fostering Housing Finance in the Era of Liberalization

The financial liberalization policy, including interest rates deregulation and capital market opening is still in the process of implementation and adjustment. This liberalization policy has significant implications for the housing finance sector which has enjoyed wide protection under strict government regulations. In addition, the overall financial market deregulation is expected to reduce the housing finance sector's competitiveness in the conventional financial market, and as a result, a significant reductions of savings in the housing finance sector is anticipated.

Despite the unfavorable predictions for the housing finance sector, these changes in the financial market can also have a long-term positive impact on the housing finance sector if appropriate policy measures are implemented. The financial market liberalization can be seen as an opportunity for the housing finance market to expand by integrating housing finance and the capital market which is expected to expand as a result of rapid inflow of foreign capital. In order to take advantage of the changes in the overall financial market, the housing finance market needs to undergo a structural revision, first, to overcome its frictional difficulty, and second, to utilize this opportunity for its long-term development.

In her recent study, Yoon Ju Hyun concluded that the current Korean housing finance market is comparable with that of developing countries, particularly due to the similarities in the loan process which utilizes direct route and contractual savings. This process is however plagued with inefficient government interventions and increasing transaction cost as the economy grows.

The study recommends expanding the deposit financing and

Additional Loan Supply Effects by Mortgage Securitization	
Unit: %	
Mortgage Securitization Ratio	Additional Loan Supply
10	11.11
20	25.00
30	42.86
40	66.66
50	100.00
60	150.00
70	233.33
80	400.00
90	900.00
100	∞

mortgage bank financing programs and innovating the exist-

ing contractual savings program by incorporating tax incentives that is conditional on the housing loan rather than on the housing unit distribution.

In addition, a mortgage securitization strategy is suggested in order to integrate the housing finance market with the expanding capital market. This is expected to alleviate some of the liquidity risk for the financial institutions. However, the mortgage securitization program should be considered comprehensively with the housing price deregulation and housing finance liberalization policies.

Mixed Use Concept in New Town Developments

The concept of mixed-use development was first introduced in the CBD of Seoul in 1960s, and recent attempt to apply this concept in new town developments, like Bundang and Ilsan, has revealed several problems associated with its implementation. These problems were mostly related to design and construction criteria such as Floor Area Ratio (FAR) standards and excessive provision of commercial land within a development project area. Consequently, private developers have been reluctant to acquire land designated for mixed-use development.

A recent research report addresses these problems and provides guidelines that can be used by land developers and urban designers engaged in mixed-use development projects. The survey results revealed that most residents living in the mixed-use buildings favor of this concept and feel that their quality of life is not com-

promised.

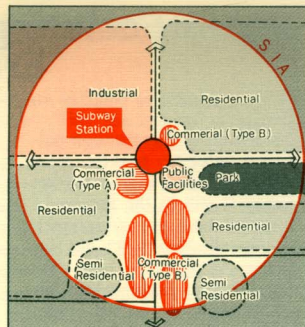
The design guidelines developed in the research report are organized into two series of tables, with each series constructed based on two different FAR scenarios. One series of tables assumes a maximum FAR allowed under the current building code regulations, and the second series assumes a minimum required FAR, i.e., the break-even level. Urban designers and land developers can utilize these tables to identify the appropriate FAR for their development projects. Other design guidelines identified in the report are permitted uses, building size and layout, parking and pedestrian considerations for each FAR scenario.

Example of FAR Scenario		
Land Price (thousand Won per Pyung)	Minimum FAR(%)	Maximum FAR(%)
2,000	200	
3,000	250	400
4,000	350	

Residential Area, Lot Size : 2,000 Pyung, Width of Adjacent Road : 20m, 1 Pyung=3.3m²

Subway Impact Area(SIA) Study for the City of Incheon

KRIHS is currently conducting a research project on the Subway Impact Area Development Planning for the City of Incheon. The city is now constructing a subway line of 23 kilometers with 22 stations. The project is designed to provide a development plan for SIA with the proper policy scheme to collect betterment gains from landowners of SIA. This fund is earmarked to finance the part of the construction cost of the subway. SIA is spatially delineated to be the area within 500 meters from the subway station. The major types of development project considered within SIA are residential land development and urban renewal.



NEWS AND ANNOUNCEMENTS

A comparative study of land policies in Japan, Korea and Taiwan has been recently completed and the final outcome was available in a book form. Jointly sponsored by KRIHS and the East-West Center (Hawaii) of the United States, the study has been carried out during the past two years(1991. 5~1993. 6) by a team of scholars and researchers from KRIHS, KDI, KREI, Yonsei University of Korea, the University of Tokyo of Japan, and National Taiwan University, National Cheng-Chi University of Taiwan as well as from the EWC.

A Symposium on Policy Directions for the Liberalization of Construction Industry, which was jointly sponsored by KRIHS and the Construction Association of Korea, was held on January 26, 1994. It provided the forum for the discussion of the impacts of Uruguay Round trade agreements on the liberalization of the domestic construction trade, particularly in areas of bidding and contract negotiations.

A public hearing on the 3rd phase development of Seoul subway lines was held December 3, 1993. This meeting was jointly sponsored by KRIHS and the Seoul Metropolitan City Government. Underground subway construction technology, pathway configurations, potential service areas were among the topics dis-

cussed at the hearing. The 3rd phase development will extend the existing line by another 120 km and the construction which begins in 1995 will take about 4 years to complete. When this extension project is completed, the Seoul subway will cover 388 km in distance, coming close to the distance covered by the world's 1st and 2nd longest subway lines in New York and London.

The Korea-Japan Interchange Symposium on National development, organized by the Japan's Asia Pacific Center, was held last January 11, 1994 in Fukuoka, Japan. KRIHS President, Lee Gun Young, gave a keynote speech, in which he addressed New Paradigm of National Development Policy toward 21st Century.

The Ministerial Conference on Urbanization in Asia and the Pacific was attended by Hong Sung Woong, the Vice President of KRIHS. He along with 294 representatives from 34 UN ESCAP countries addressed critical urbanization issues in the region. The "Bangkok Declaration," named after the city in which the conference was held on October 27, 1993, urged member countries to adopt sustainable development and environmental protection as part of their economic development strategy.

A special lecture on "Regional Policy in England and Korea: A Comparative Study" was presented on April 10, 1994 by visiting professor Barbara M.D. Smith of University of Birmingham in Britain.

Shino Kenji, the Asia Development Division Director of Japan's Normura Research Institute visited KRIHS last December 21, 1993 to learn about the operation and management policies of KRIHS and to explore the potentials for joint research projects in the future.

The Fifth Korea-Japan Joint Workshop on Construction Economy will be held this October in Seoul. This annual event is jointly sponsored by KRIHS and Japan's Research Institute of Construction and Economy.

The KRIHS Abstracts of Research Reports, Volume 4 was released last December. This English abstracts confains 126 research reports that were completed between 1991 to 1993.

KRIHS relocated to its own new building located in one of Seoul's satellite cities on April 30, 1994. The new address for KRIHS is 1591-6 Kwanyang-dong, Tongan-gu, Anyang-shi, Kyonggi-do, 430-060 Korea.