

# Unit 01: Surviving Korea 1

## Accommodation

### Objective: Learn about....

- Housing variety
- Definitions of words
- Real estate agent
- Online sites

### 1. Overview

- Housing system unique and very foreign to people from Western countries → Can be intimidating and stressful
- High language barrier, conflicting information available online, confusing terms
- Put down \$10,000 or more as deposit when renting an apartment in Korea.
- Cost of living in Korea generally quite high and prices do vary significantly according to location → Larger cities such as Seoul and Busan have much higher property prices and rental costs than the more rural areas.
- Urbanization rate of 82.5%
  - Almost half of South Korea's population living in Seoul or urban areas nearby
- Seoul's economic activity accounts for 21% of country's GDP
- Housing spaces measured in *pyeong* (1 *pyeong* = 3.3 m<sup>2</sup> square meters)
- Total area listed often includes common areas including hallway in front of the apartment, the elevator, the parking garage, etc.
- Common areas added up and divided by the number of apartments in the building, meaning actual living space may be smaller than advertised
- Be prepared to sign contract in person and give 20% deposit towards the total key money deposit.
  - e.g. If key money is 6 million won
    - Expect to deposit 1,200,000 won when signing contract and remaining 4,800,000 won on the move-in day
- Be sure to negotiate real estate agent's fee prior to signing contract

- Local government agencies have contact information for movers help you pack up and move all of your belongings

## 2. Priorities when house hunting

- Budget, location, price, cleanliness, age of building, size, floor, amenities, elevators, furniture etc.
- Decide which are most important to you and which willing to sacrifice on
- Check local subway map to determine approximate commute times: subway is good way to gauge your daily travel times
- Map out key areas you frequent, or plan to frequent;
- make sure to consider your workplace/school location,
- city vs. suburbs, parks, nightlife, and major bus terminals.

## 3. Common property types

- Five different classifications of housing
  - ✓ Villas, *officetels*, apartments: *jeonse* and *wolse* system, separated by style, size, and value
  - ✓ Short-term rentals: low-key deposit options, often fully furnished
  - ✓ Houses: further from downtown, in more rural areas or in older neighborhoods north of river → Itaewon (이태원), *Ichon-dong* (이촌동), and *Pyeongchang-dong* (평창동), good for families

## 4. Housing Definitions

- *Villa* (빌라) – Greatest value among the first three (differ widely according to quality, size, and furnishings), often in residential area, usually not above 4 floors, buildings often older but may be remodeled and updated. Rent could start from USD 2,000 to USD 10,000
- Short-term rentals (minimum of 6 months to a year)
  - Landlord willing to rent with low key money deposits in exchange for higher monthly rent.

- Hotels, hostels, & suites (serviced residences: stay 3 or 4 months)
- Serviced apartments: furnished with hotel-like services and facilities, charged on a daily basis or you can pay a monthly fee
  - Often located within close proximity to public transportation and tourist attractions
  - Convenient option for short-term assignments
- *Apart* (아파트) – Short for apartment, larger living spaces often in high-rise buildings, suitable for families
  - Often located near postal or district offices, schools, and stores
  - Rents vary depending on location and size (e.g. about USD 650-5,000 - depending on size and location of property)
  - Units often smaller than Westerners might be accustomed
- *Officetel* (오피스텔): often newer high-rise apartment building, contain more than 10 floors, slightly more expensive than villas, but usually newer and furnished with appliances.
  - Offers both office and residential units, may have businesses on the first 4 floors
  - Different room layouts available on various floors, particularly popular with students and singles
  - Offer contracts of 1–2 years and come fully furnished.
- One-room or studio apartments
  - Popular among students and young foreign employees living in Seoul
  - About 27 m<sup>2</sup> with basic furnishing
  - Cheaper than *officetels*.
- *Hanok*
  - Traditional living, found in old part of Seoul, north of the river e.g. *Bukchon hanok* village traditional homes
  - Remodeled *hanoks* : Modern amenities added to historical exterior

## 5. Two main kinds of contracts: *jeonse* and *wolse*

- “*Jeonse* ”: Two-thirds of all housing in Korea
- Deposit from *jeonse* contract returned at end of leasing period as long as the agreed obligations are met
- *Jeonse* (전세): means “paid in full” requires tenant pay a specified sum of money (key money) in cash to owner or landlord (usually 40 – 90% of the market value of the house) but no monthly rental fee
- Long-term leases: most housing available to rent for period of 2 years
- “*Wolse* ” contract: Some negotiation possible e.g. higher key deposit amount → lower monthly rent *Wolse* (월세): requires key deposit of 5,000,000 ~ 30,000,000 won plus monthly rent
- Monthly rental fees using *wolse* system vary greatly
- Seoul considerably more expensive than other parts of Korea.
- Renewing contract: must get consent of landlord, may increase cost of rent (is legal)
- Short-term leases (3-6 months): generally difficult and costly to find in Korea, but definitely possible. Mostly ideal for temporary business trips or travelers.

## 6. Definitions

- **Key Money:** housing security deposit used for *jeonse* and *wolse*. Generally, higher the deposit, lower the monthly rent. Deposit paid back at end of your contract without interest. Real estate agent can research the owner to make sure he or she is reliable and not in debt.
- **Gwanlibi** (관리비): building maintenance fee, usually paid monthly to landlord in addition to the rent.
- Utility bills should be between 50,000 and 200,000 won a month (approx. \$55 USD - \$210 USD), depending on size and number of people at your residence.
- Apartments or villas: utility bills may be calculated as a building total and then divided by the number of apartments. Make sure you understand how bills are calculated prior to signing a lease.
- Clarify fees for extras such as Cable TV, Internet and phone, before signing contract; not automatically provided by landlord.

## 7. Heating- *ondol*

- Mostly not central heating system esp. using air
- *ondol*
  - Under-floor heating method
  - Very characteristic of culture and history
  - Warm water heated by gas or oil, passes through pipes to heat the floor and ultimately, the whole room.
  - You can adjust the floor temperature
  - Average temperature used by Koreans: about 30 degrees Celsius

## 8. Real estate agent

- Searches housing, negotiates or draws up contracts, translates and clarify documents, and represents you
- Real estate agent fees regulated by government and not legally allowed to charge in excess of legally permitted amount.
  - Entitled to 0.5% of annual rental income (rates correspond to government set standards in March 2003)
  - Local English speaking agents provide translating and negotiating services for a fee: find them listed in any English newspaper
  - Research what kind of services and assistance you can expect from your agent in advance
  - Some may provide services such as opening bank
    - accounts or getting in contact with service providers
    - prior to moving
  - Currently 172 certified real estate agencies to serve foreigners, distributed throughout *Gangnam*, *Yeogasan*, *Seounbuk*, *Seodamun*, *Guro*, *Yeoungdeungpo* where most international communities located
  - Check list of 172 foreign friendly real estate agencies listed by Seoul Metropolitan Government, with their addresses and phone numbers :  
<http://english.seoul.go.kr/life-information/residence/housing/5-real-estate-agencies-for-foreigners/>

## 9. Rights and obligations of tenant

- Obligated live for at least half of the duration of your lease.
- If decide to terminate the contract early: give your landlord one month warning in advance.
- Early termination: extra charges or an unreturned deposit. May get back rental fees for the months not occupying the space, depending on contract.
- Landlord has right to check up on property from time to time, particularly when nearing the end of lease agreement to assure condition of residence is acceptable. If property owner discovers damages, your deposit will not be returned in full or at all.

## 10. Moving out

- Expected to leave accommodation in same condition as you found it.
- Any damages to your accommodation will cost some or all of your initial deposit.
- Report to landlord if any problems with pre-existing furniture, fixtures, or any other part of the house in order not to get charged when moving out.

## 11. Online search- English language

- Expat exchange websites
- International sublease sites
- Craigslist: features various listings throughout the city for long or short term periods
- Seoulhomes (<https://seoulhomes.kr/>)  
→ can narrow search by location, kinds of amenities needed, etc.
- Stayes (<https://stayes.com/>)

### Top Tip!

- Do your research in advance!