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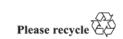
Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context on her mission to the Republic of Korea

Comments by the State*

^{*} The present document is being issued without formal editing.









Comments by the Republic of Korea on the Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context

I. Introduction

- 1. The Republic of Korea welcomes the visit of the UN Special Rapporteur (SR) on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context and is pleased to have had a constructive dialogue with the SR during her visit.
- 2. The Government of the Republic of Korea is grateful to the SR for her recognition of our efforts to progressively realize the right to housing and implement relevant policies. The Government takes note of her recommendations to improve housing quality, security and affordability particularly for low-income households and vulnerable groups.
- 3. We thank the SR for the opportunity to comment on her report and would like to comment as follows.

II. Right to adequate housing

- 4. With regard to **paragraphs 15, 19, 48 and 99**, the Government is implementing housing policies tailored to the needs of low-income households such as provision of public rental houses and expansion of housing benefits (in terms of eligibility and amounts) under the *Housing Welfare Roadmap* released in November 2017. Moreover, in October 2018, the Government launched housing support programs for vulnerable groups including the elderly as a follow-up to the Roadmap.
- 5. Currently, the Government is working to supply 410,000 units of public rental housing to low-income and vulnerable households to ensure their access to affordable and stable housing. The Government has introduced a measure to give priority to the low-income individuals who have been living in *jjokbang*, *gosiwon* and shelters for the elderly for more than three months in the supply of public rental housing.
- 6. With regard to the recommendation on expansion of housing benefits in **paragraphs** 29 and 31 and 99, the Government plans to increase the number of households eligible for the benefits and raise the baseline rents from which such benefits are provided to reduce the housing cost burden for low-income families.
- 7. Specifically, the Government abolished the regulations limiting access to the housing benefit for those with immediate family members in good economic standing in the 2018-2020 National Plan to Ensure Basic Standard of Living, which was released in September 2018. As a result, the number of recipients climbed to 950,000 in December 2018 and is likely to reach up to 1,100,000 by the end of 2019. In addition, the Government has eased the rent requirements by raising the maximum amount of rents eligible for the housing benefits for the first time in July 2018. It plans to phase in gradual increases in the maximum rents to reflect full market prices by 2022.
- 8. In relation to the recommendation on the phasing-out of the *jeonse* system in Korea in paragraphs 40 and 99, we first need to look at the current state of Korea's housing market. According to a national survey in 2017, *jeonse* houses accounted for 15.2 percent (19.9% including monthly rentals with large upfront deposits) of the total housing market in Korea and by region, the Seoul metropolitan area represented 21.5 percent of the total.
- 9. The Government has introduced various financial support programs to relieve their burden of young adults and newlywed couples who are raising funds for *jeonse* deposits and improve their access to quality housing. It established affordable loans programs for *jeonse* deposits by tapping into the National Housing and Urban Fund and adopted

additional measures in July 2018, such as further interest rate cuts and increase in the maximum loan amount to support young adults and newlyweds.

- 10. The Government seeks to provide a wider range of financial support programs going forward for families struggling to secure *jeonse* deposits. Given the general preference for the *jeonse* system over monthly rentals for relatively low housing cost and the role of the *jeonse* system in improving housing security for working-class families, the Government will develop programs that can meet specific needs of people rather than limiting their options by forcefully eliminating the existing system.
- 11. **Paragraphs 58 and 63** highlighted the need for consultation with all residents and introduction of stricter standards on relocation of original tenants (as is the case for overseas development projects) in large-scale redevelopment projects. There was a large influx of people into cities during the period of rapid economic development, which led to problems such as overcrowding and spread of slums in cities. The Government turned to large-scale redevelopment projects to address these problems in the past.
- 12. But with the introduction of such laws as *Urban Regeneration Act, Act on Small-scale Residential Area Redevelopment*, Korea is moving away from the wholesale redevelopment approach toward an approach that focuses on regeneration and restoration. The Government is also working to strengthen the rights of former tenants by allocating more of the newly built houses to them and installing a mechanism for dispute resolution.
- 13. It is recommended in **paragraph 68** that rental housing registration should be made mandatory in the private rental market. However, such a measure can not only cause confusion in the market at an early stage, but also create other side effects such as a drop in the number of available rental houses. This is mainly because the registration program places a ban on house sales during the mandatory rental periods and a limit on rental rises.
- 14. To resolve these issues, the Government is working to improve the current tax regime on rental house owners to lower their tax burdens including local taxes and transfer income taxes. The Government also unveiled a policy to promote private rental house registration in December 2017, which includes establishment of a proper IT infrastructure to operate such a register system and support programs for private rental house owners.
- 15. The Government holds the view that it should maintain its current policy of promoting voluntary registration and make a gradual transition to a mandatory system. Moreover, given a large volume of data of the final version of the official register such as the number of homes owned by private renters as well as their prices and sizes, it should take some time for the Government to consider all the data required in the official register and design the system. Accordingly, the Government will start its review of the matter from 2020, closely monitoring the housing market conditions (with the introduction of the housing registration rental system, 45% of rental houses will receive the benefits of the rent-rise caps by 2022).

III. Discrimination and social exclusion

- 16. In response to the comments in **paragraph 76** that young people face significant barriers in accessing affordable and adequate housing, the Government would like to note that it is providing support for university students and young people in need of housing assistance through the supply of newly built rental homes (Happiness house), purchased rental housing in urban areas, and lump-sum deposit (*jeonse*) rental housing.
- 17. For five years, from 2018 to 2022, the Government will provide a total of 140,000 units of public housing to meet the needs of young people, including 70,000 units of new rental houses, 70,000 units of purchased homes. There are three types of rental homes being offered: subsidized housing for young entrepreneurs, rental housing in urban areas and shared housing. The Government will maintain its support for low-income single-family households like college students and young people so that they continue to benefit from government housing policies.

18. With regard to the concern of the SR in **paragraph 54** on the hiring of security firms, KORAIL has hired security guards at Seoul Station to enhance passenger safety and prevent unexpected accidents and possible terrorist activities. Everyday around 100,000 passengers and commuters use Seoul Station, and KORAIL has strived to maintain a safe environment for the public by hiring security guards. The guards has played a significant role in preventing unexpected accidents including arson, theft, assault and enhancing security monitoring capabilities at important events held at the Station.

IV. Conclusion

19. In conclusion, the Government would like to assure the SR of the continuous support for her mandate and wish to thank her for the report on her mission to the Republic of Korea.