

As soon as settling for a studio apartment is too expensive

A 28 year old was lately looking for a new one-room apartment close to work in Gwanghwamun, central Seoul. His or her family lives in Hwaseong, Gyeonggi, and he needed a place that would decrease the commute. That plan fell through the second he or she walked through typically the entry of the real property agency about Sept. 19.

Earlier this year, he / she had visited the authentic estate organization in Dobong District, upper Seoul. Again then, the jeonse value for a 26-square-meter (279. 9-square-foot) studio accommodation involved 90 million won (\$76, 900). In his recent take a look at, that same space had been trading with with regards to 129 million won, upward almost 45 percent.

Under Korea's jeonse system, a good person puts down a new large lump-sum down payment inside order to live around a property for the predetermined number of years. The particular first deposit is refunded with out attention at the end of the deal.

“ was about to sign a contract early this year, yet delayed it when often the Covid-19 pandemic got severe. I'm genuinely confused, ” he stated. “I decided not to take it seriously, nor did I think this would be my challenge when people referred rising genuine estate prices. We never ever imagined the price get would affect one-room apartments rentals as well. ”

Several Koreans who also can't manage jeonse deposits are presently turning to facility accommodations. The demand has been forcing jeonse prices regarding modest rooms through the particular roof.

According to property broker agent app Dabang, the regular jeonse price of the one-room accommodation in Seoul less space-consuming than 30 square measures involved 162. 5 thousand won in August, a good 16 % increase through January.

Over the same time period, the jeonse price regarding rooms sized between forty-five to 60 square meters increased 7. six per-cent to 210 , 000, 000 won.

The increase is almost all noticeable in Dobong Center, wherever apartments have been recently comparatively inexpensive.

was about 128.3 million won around August, a 57 percent increase compared to Present cards.

During the same period, the typical jeonse price of the same-sized room around Jungnang Center, eastern Seoul increased 45 percent in order to 172.2 million won, while in Geumcheon Section, southern Seoul, the retail price increased 25 percent to 162.7 million won. Around Guro District, western Seoul, the price soared per day % to 139. a few , 000, 000 won.

The current rise in jeonse prices regarding one-room apartments may get due to often protection laws passed around July. The legislation factors property owners to replenish accords plus limits price raises.

Furthermore, more house owners will be moving from jeonse in order to regular monthly rent. The number of jeonse dealings of typically the tiny rooms in August was only about 6,558, the 23 percent decline in comparison to in the past few months.

Jeonse loans, which are usually a good relatively easy solution for tenants, happen to be a further driving force behind the cost increases.

“As interest charges for jeonse loans can be only with regards to 2 percent a year, landlords who also want to raise this jeonse prices are possibly suggesting professional tenants borrow funds from bankers,” claimed a real estate agent in Jungnang District, far eastern Seoul.

Jeonse prices connected with officetels are also increasing with a rapid rate.

Regarding to Sangga Jeongbo Exploration Center, officetel jeonse prices were 18.61 thousand won for every pyeong in August, a 490,000 won jump in 30 days. A pyeong is several.3 square meters.

“As government regulation on loans now also applies to be able to people who have only one flat, demand for jeonse provides also been spiking not too long ago,” Shim Gyo-eon, a real estate professor at Konkuk University or college, said. “In an attempt to pet beds down the jeonse housing market, [the government] should approve deregulation upon loans below 900 thousand won so that persons who also are really in need can buy houses.”