

# Mixed-Use Residential Buildings and the Role of Housing Manager in South Korea

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# I. Introduction



- ▶ Rapid urbanization and industrialization under speedy economic development in Korea has made a chronic housing shortage during the last half century.
- ▶ To resolve the persistent lack of housing, the extensive development of high-density **collective housing** has been centered on the housing policy.
- ▶ The high-rise **mixed-used residential buildings (MURBs)** have been inevitably transforming the urban landscape and should be safe and inclusive, well planned and good service for all.
- ▶ In order to get more effective safety management and making livable community, the role of housing managers is the key to success.

# The terminology

## ▶ Collective housing:

The housing with the structure wherein the household members jointly uses all or part of the walls, hallways, stairs, and other facilities, etc. of the building, may carry on an independent residential life respectively within one building: its kind and scope shall be prescribed by the Presidential Decree (Article 2, Housing Act).

## ▶ Mixed-used residential buildings (MURBs):

This is a type of collective housing where seek to create pedestrian friendly environments with a variety of uses that enable people to live, work, play, and shop in one place.

- Retail space at ground floor
- Office space on the lower floors
- Car parking at basement or ground floor
- Residential units on the upper floors
- Roof-top penthouses or public space

The development of a neighborhood, tract of land, building, or structure with a variety of complementary and integrated uses, such as residential, office, manufacturing, retail, public, and recreation, in a compact urban form.

## ● Major study object:

- ▶ The research intended to examine management issues and patterns of high-rise mixed-use residential buildings (MURBs) in Seoul metropolitan region, Korea.
- ▶ It also aimed at exploring the role of housing managers with respect to the management of mixed-use residential communities.



## ● **Brief Introduction of S. Korea**

- ▶ **Total population : 51,141,463 (in 2013)**
- ▶ **Population Density: 487 per square kilometer, more than 10 times the global average.**
- ▶ **The Seoul Metropolitan Region has 24.5 million inhabitants (about half of South Korea's entire population) making it the world's second largest metropolitan area.**
- ▶ **Urbanization ratio: 90.8% in 2010**
- ▶ **69.7% of household resided in multifamily housing(2013), 58.3% of total housing stocks were apartment (2010)**
- ▶ **Today, Korea is an industrial nation standing tall on the world stage. Its semiconductor, automobile, shipbuilding, steel making, and IT industries are on the leading edge in global markets.**
- ▶ **More recently, Korean dramas, movies, and music are attracting many audiences in Asian countries and beyond, creating what is being called the "Korean Wave."**

## II. Mixed-Use Residential Buildings(MURBs): Current Situation and Issues

- ▶ Since the 1990s, mixed-use zoning has become desirable as the benefits are recognized.
- ▶ These benefits include:
  - greater housing variety and density
  - reduced distances between housing, workplaces, retail businesses, and other destinations
  - more compact development
  - stronger neighborhood character
  - pedestrian and bicycle-friendly environments



- ▶ Throughout the late 20th century, it began to become apparent to many urban planners and other professionals that mixed-use development had many benefits.
- ▶ In 1961, Jane Jacobs' influential *The Death and Life of Great American Cities* argued that a mixture of uses is vital and necessary for a healthy urban area.
- ▶ Completely separate zoning created isolated "islands" of each type of development creating issues of automobile dependency. The automobile had become a requirement for transportation between vast fields of residentially zoned housing and the separate commercial and office strips.





# ● The Korean Context:

## Types of mixed-use developments:

### o Vertical Mixed-Use Buildings

- Combo of different users within the same building
- Generally the lower floor would be utilized by a commercial user with residential use located above.
- Reduce long-term maintenance costs of individual buildings.

### o Horizontal Mixed-Use Sites

- Single use buildings on district parcels in a range of land uses within one planned development project. Much more land consumptive.

### o Mixed-Use Walkable Areas

- Combine both vertical and horizontal mix of uses in an area within an approximately 10 minute walking distance to core activities



- ▶ Throughout most of human history in Korea, the majority of human settlements developed as mixed-use environments. With the advent of mass transit systems, but especially the private automobile, the ability to create dispersed, low-density cities where people could live very long distances from their workplaces, shopping centers and entertainment districts began in earnest. Since the late 1990s, many Korean urban planners and other professionals recognized that mixed-use development had many benefits, and it began to implement in urban planning.



Tower palace, Seoul, Korea

## Mixed-use residential buildings in Seoul





# ● The Present Condition

-No. of Housing Estates (2013) :

12,766 (Nation as a whole)

-No. of MURB Estates: 123 (Seoul Metropolitan Region)

-Average households per housing estate (2013):

Apt: 633 households / MURBs: 370



Table 4 Types of management (2013)

	Apt	MURBs
management in trust	20.7	10.6
self-management	77.6	84.5
Others	1.7	4.9
	100.0	100.0

Source: Korea Research Institute of Housing Management, 2014

Table 5 Size of estate in 2013 (average no. of household per estate)

Unit: %

	Apt	MURBs
Less than 150 households	45(0.4)	2(1.6)
150-less than 500	7,240(56.6)	102(82.9)
500-less than 1,000	3,954(30.9)	12(9.8)
More than 1,000	1,547(12.1)	7(5.7)
Total	12,785(100.0)	123(100.0)

Table 6 Heating system(method) in 2013

Unit: %

	Apt	MURBs
District heating	20.7	35.0
Central heating	4.6	5.7
individual heating	74.1	56.1
Others	0.5	3.3
	100.0	100.0

Source: Korea Research Institute of Housing Management, 2014

Table 7 Breakdown of maintenance costs in 2013

(unit: won per m<sup>2</sup>)

	Apt	Murb
general maintenance	290.9	404.2
safety measures	195.8	253.0
cleanliness in estate	87.8	131.3
disinfection	5.6	7.0
elevator maintenance	21.3	30.0
repair	42.9	64.8
home network	0.4	1.7
consignment commission	5.7	12.8
<b>Total</b>	<b>650.3</b>	<b>907.1</b>

Source: Korea Research Institute of Housing Management, 2014

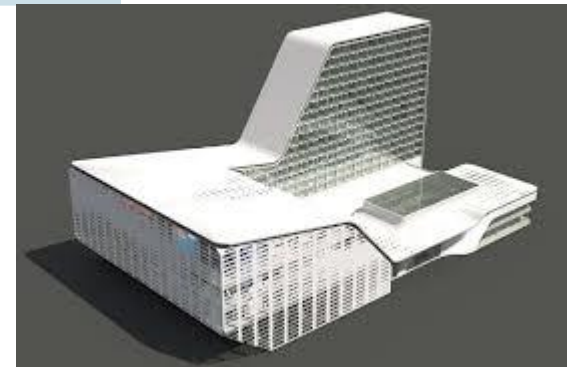


Table 8 Maintenance cost by size of estate in 2013

(unit: won per m<sup>2</sup>)

	Apt	MURBs
Less than 150 households	951.1	733.0
150-less than 500	674.2	896.6
500-less than 1,000	620.3	986.7
More than 1,000	606.2	1017.7
Average	650.3	907.1

Table 9 Maintenance cost by age of estate in 2013

(unit: won per m<sup>2</sup>)

	Apt	MURBs
Less than 5 years	600.7	817.8
5-less than 10 years	640.5	943.5
10-less than 15 years	650.5	956.6
15-less than 20 years	674.2	871.5
More than 20 years	660.7	761.2
Average	650.3	907.1

Source: Korea Research Institute of Housing Management, 2014



**Table 10 Long term repair reserve in 2013**

(unit: won per m<sup>2</sup>)

	Apt	MURB
management in trust	106.2	90.2
self-management	67.4	78.0
Others	33.7	35.7
Average	90.4	77.2

Source: Korea Research Institute of Housing Management, 2014

# ● Condition & Assessment of Housing Management

## ▶ Classified 3 main areas:

- General Maintenance
- Operation
- Community Living

- ▶ Various kinds of tools for assessing housing management in local governments (5 metropolitan cities, 3 provinces, and 6 local cities) were identified nationwide and the acquired tools were analyzed ( Lee, 2014, pp.19-2).
- ▶ 87 items divided into 23 categories within 3 areas (General Maintenance, Operation and Community Living) were extracted.



**Table 11 Description of 'General Maintenance' Items in Public Assessment of Housing Management**

Category	Items
Cleanliness in Estate	Beautification project; Cleanliness in garbage & trash collection areas; Cleanliness in recycling bins; Estate clean-up; Pest control
Energy Saving	Elevator stops at every other floor; Use of LED lighting or motion detecting sensors; Use of rain water/gray water; Sharing saving ideas; Tracking down annual amount of electricity used; Tracking down water use of each individual unit with total amount of water used in estate
Facility Management	Routine safety check-up of community facilities
Food Waste	Food waste recycling & collection; Food waste reduction; Food waste separation
Landscaping	Restoration of ecological balance; Routine landscaping; Streetscape
Long-range Planning	Adequate long-term reserve fund; Balancing long-term reserve fund (to equalize the costs of long-term repair & replacement); Feasibility of long-range plan
Parking Spaces	Sufficient parking spots for the disabled
Safety Measures	Hazard removal; Litter bins in playground; No obstruction in emergency exit path; Playground safety; Presence of persons in charge of estate safety; Prompt & proper repair; Regular patrol & monitoring; Routine check-up of building & estate; Safety diary & its filing; Safety training; Snow removal; Theft prevention; Traffic

Note: specifically 8 categories consisting of 35 items in the area of General Maintenance.

Source: Lee, 2014, pp.19-21.

**Table 12 Description of ‘Operation’ Items in Public Assessment of Housing Management**

<b>Category</b>	<b>Items</b>
<b>Accounting</b>	<b>Accurate budgeting; Annual audit; Auditor’s report; Audit reporting; Bidding transparency; Bookkeeping &amp; recording all transactions</b>
<b>Documentation &amp; Filing</b>	<b>Construction drawings &amp; technical specifications; Management-related correspondences, documents, diaries &amp; minutes; Sorting out documents supervised by housing managers or residents’ association</b>
<b>Enforcement of Rules</b>	<b>Enforcement of bylaws and agreement; Provision of specific guidance; Revision of rules consistent with &amp; equivalent to laws</b>
<b>Management Fees</b>	<b>Account balance; Cost savings; Registration of business bank account; Transparency over management fees</b>
<b>Management Office</b>	<b>Number of licensed technicians; Placement of licensed housing manager; Presence and work experience of housing manager; Rewards, incentives &amp; employee benefits</b>
<b>Relations with Residents’ Association</b>	<b>Cooperation between the board and standing committees; Democratic operation in meetings; Notice of decisions; Notice of meetings; Open &amp; transparent selection process &amp; criteria of board members; Participation of residents in board meetings; Public access to board meeting minutes; Recording minutes of meetings; Selection process of the board members; Structuring the board of directors</b>
<b>Resident’s Voice</b>	<b>Acknowledging &amp; recording complaints from residents; Appropriately dealing with the complaints; Opening results to the public</b>

Note: 7 categories made up of 33 items in Operation

Source: Lee, 2014, pp.19-21.

**Table 13 Description of 'Community Living' Items in Public Assessment of Housing Management**

<b>Category</b>	<b>Items</b>
<b>Building up a Sense of Community</b>	<b>Community events; Community website; Fence removal for open access; Newsletter; Social gathering</b>
<b>Communal Activities</b>	<b>Beautification activities; Community gardening</b>
<b>Conflict Resolution</b>	<b>Resolving conflicts between residents</b>
<b>Reusing</b>	<b>Activities on energy saving resource conservation; Flea market; Sharing unused household items</b>
<b>Safety Awareness</b>	<b>Community volunteer patrol; Neighborhood watch</b>
<b>Social Activities</b>	<b>Culturally themed excursions/trips/tours; Lifestyle-based classes; Social clubs</b>
<b>Turnover</b>	<b>Move-in or out of residence</b>
<b>Voluntary Works</b>	<b>Helping vulnerable people in the community; Supporting social service center</b>

Note: 8 categories including 19 items in Community Living.

Source: Lee, 2014, pp.19-21.

# ● Apartment Quality Grading Standard(AQGS)

▶ **Seoul Metropolitan Government will implement the AQGS in 2015.**

▶ **Purpose of AQGS:**

-to cultivate specialty

-to seek advancement of management

-to secure transparency in management,

▶ Grading standard

	General maintenance	Maintenance cost	Community activation	Facilities Maintenance	Release of information	Total
Evaluation grade (score)	20	30	20	20	10	100

▶ **Quality rating:** **A**(best), **B**(good), **C**(average), **D**(poor) , **F**(fail)

▶ **Incentive:** to give supporting fund to A group apartment estate.

▶ **Impact:** AQGS is expected to have a huge impact on housing price and image.

● **Emerging trends & issues include:**

- 1. Focus on community Living**
- 2. Transparent management**
- 3. Social exclusion & social mix**
- 4. Conflict management**
- 5. Long-term repair reserve & safety**
- 6. Sustainability**





Smoke billows from a 38 story apartment building in a fire in Busan in 2010. (Korea Herald file photo)







# III. The Role of Housing Managers

## ● Background of Introducing the Housing Managers System

- Formation of large-scale and high-rising apartment complexes presents thorny issues in terms of how to establish community spirit and living style, as well as manage and maintain apartment housing.

- In order to prevent wasting resources and ease aging and deterioration of apartment housing, it is more needed than ever to maintain the existing facilities with systematic and professional care.

-Against this backdrop, the housing managers examination was introduced in 1990 with an aim to nature professional for the role.



# ● Role of Housing Managers

## **-Administrative management:**

Accounting management, office work management, human resources management, residents management, promotion management, welfare facilities management.

## **-Technical management:**

Environment management, building management, safety management, facilities management.



# ● Qualifications for Housing Managers

(1) Any person who intends to become an assistant housing manager shall pass a qualifying examination held by the Minister of Construction and Transportation, and thereafter obtain a certificate of passing the said examination from the Mayor/governor.

(2) A housing manager shall be a person who has passed a qualifying examination for assistant housing managers, and who is equipped with the career of practical services for a housing management as prescribed by the Presidential Decree and other housing related careers, and who has received a delivery of a housing manager qualification from the Mayor/governor.

(3) Procedures for delivering a housing manager qualification under paragraph (2), and other necessary matters therefor shall be prescribed by the Presidential Decree. (Housing Act, Article 56)



## ● Duties of Head of Management Office

The head of management office shall perform the duties of the following subparagraphs in order to protect the rights and benefits of occupants and users of a collective housing through a safe and efficient management of a collective housing:

- (a) Duties relating to the operation, management, maintenance, repair, replacement, improvement and remodeling of a collective housing;
- (b) Duties of requesting, receiving and paying the management expenses, long-term repair appropriations, and other expenses in order to perform the duties under item (a);
- (c) Duties relating to the coordination of the long-term repair plan, the formulation of the safety control plan for installations, and the safety inspection of the buildings: That he shall go through a resolution of the council of occupants' representatives for the matters accompanying any payment of expenses;
- (d) The head of management office shall perform his duties with the care of a good manager.

## ● Education of Housing Management Operator

A housing management operator (in the case of a juristic person, referring to its representative), and the head of management office, shall undergo the education on housing management conducted by the Mayor/Do governor, under conditions stipulated by the Ordinance of the Ministry of Construction and Transportation.

In this case, a housing manager, etc. intending to be appointed as the head of management office may undergo an education on housing management under conditions provided by the Ordinance of the Ministry of Construction and Transportation, and when completing the relevant education, he shall be deemed to have performed the obligation for education of the head of management office. <Amended by Act No. 7757, Dec. 23, 2005>



# ● Revocation of Qualifications as Housing Managers

When a housing manager falls under any of the following subparagraphs, the Mayor/governor may revoke his qualifications, or suspend the said qualifications by fixing the period of less than one year: That when he falls under subparagraphs 1, 3, and 5 through 8, his qualifications shall be revoked:

- 1) When he has acquired his qualification by false or other unlawful means;
- 2) When he has caused any property damages on the occupants and users due to the defects by intention or gross negligence in his management of a housing;
- 3) When he has come to fall under the causes for disqualifications under Article 56 (4) 1 or 2;
- 4) When he has refused, obstructed or avoided any report, data submission, investigation or inspection under Article 59, or has filed a false report;
- 5) When a housing manager has let another one carry out a business by using his title, or has lent his certificate of qualification, in violation of Article 88;



6) When he has been sentenced to imprisonment without prison labor or a heavier punishment with regard to the duties of managing a collective housing;

7) When a housing manager has been simultaneously employed in two or more different collective housing complexes;

8) When a housing manager, etc. has performed the housing management duties during the period of a suspension of his qualifications;

9) When a housing manager has acquired such unjust enrichment as to receive any money or goods in connection with the duties; and

10) When a housing manager has managed a collective housing in violation of Article 55 (1).

(2) The criteria for a revocation of qualifications and a disposition of suspension under paragraph (1), shall be prescribed by the Presidential Decree.



# IV. Assignment, Issues and Future Directions

## ● Assignment and Issues

### 1) Maintenance costs

-A cause of disputes.

-It is easy to overlook minor issues. Performing regular maintenance on your property can help you catch a small problem before it turns into a large expense.

-The improvement of repair work process

### 2) long-term repair reserve

-Insufficiency of long-term repair reserve and the lack of awareness.

-A managing body shall collect the long-term repair appropriations necessary to replace and repair major facilities of a collective housing pursuant to the long-term repair plan from the owners of relevant housing, and accumulate them. (Article 51, Housing Act,)

### **3) Legal definition and management criteria**

- Collective housing (Article 2, Housing Act)
- Lack of legal definition of MURBs
- Lack of management criteria of MURBs

### **4) Locational characteristics of MURBs**

- Have not been located in urban cores and centers
- Have spread over the outskirts of Seoul Metropolitan region

## **5) Transparent management**

- Irrationality problem, misappropriate public funds
- Dereliction[breach] of duty
- To make its accounts and operations as transparent as possible

## **6) Role of housing managers**

- Playing an increasingly important role
- lower salary and declining managers morale
- Need more education and training

## **7) Social mix and social exclusion (Gated communities)**

- Government's social mix policy
- Number of gated communities(estates) increased
- Lack of community spirit, need to create sense of community

## **8) Community management and social capital**

- Livable and sustainable Community Development
- Invigorate community social capital (norms, trust, network)
- Participation and mutual aid
- A campaign to promote awareness of community consciousness

## 9) Conflict management

There were many disputes:

Examples:

- Noises through floor
- Parking disputes
- Disputes on maintenance fees, trash, smells

-In order to mediate any dispute between persons, the **Disputes Mediation Committee** shall be established in a local government (Article 52, Housing Act).

-Matters concerning the management expenses, service fees, long-term repair appropriations, operation of a council of occupants' representatives, etc.

## 10) Long-term repair plan (legal obligation)

-Insufficient Long-term repair plan

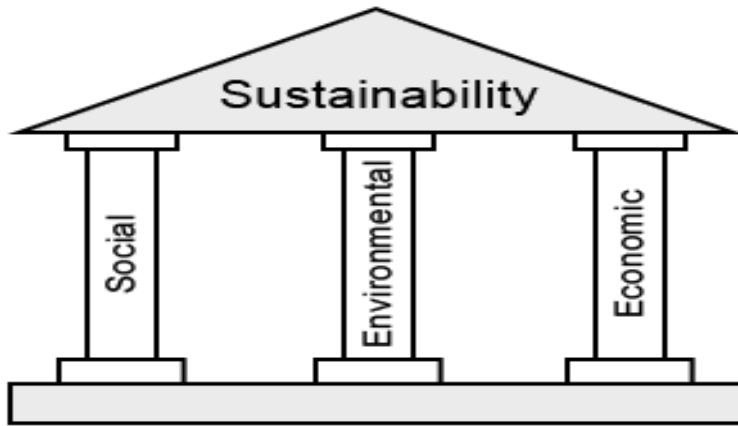
-There needs to be a recognition of the importance of long-term repair plan

\*(The collective housing more than 300 units, the collective housing fitted with elevators; and the collective housing fitted with the central heating system)

-Enforcement of law

# 11) Sustainability

The **three pillars of sustainability** are a powerful tool for defining the complete sustainability problem. This consists of at least the economic, social, and environmental pillars. If anyone pillar is weak then the system as a whole is unsustainable.



- In Korea, social sustainability is the weakest pillar of them all.
- Sustainability has often been limited to environmental and economic concerns.
- Recognition as a fundamental component of sustainable development.

# ● Five dimensions for social sustainability (Anand & Sen, 1996)

- 1) **Equity** – equitable opportunities and outcomes for all its members, particularly the poorest and most vulnerable members of the community
- 2) **Diversity** – the community promotes and encourages diversity
- 3) **Interconnected/Social cohesions** – the community provides processes, systems and structures that promote connectedness within and outside the community at the formal, informal and institutional level
- 4) **Quality of life** – the community ensures that basic needs are met and fosters a good quality of life for all members at the individual, group and community level (e.g. health, housing, education, employment, safety)
- 5) **Democracy and governance** – the community provides democratic processes and open and accountable governance structures.





# ● Future Directions

## ▶ Toward Sustainable Communities

- The postwar pattern of Korean urban development is not only ecologically unconscionable but economically inefficient and socially inequitable.
- In contrast, sustainable development implies that the use of energy and materials be consistent with production by such natural capital processes as photosynthesis and waste assimilation.
- Mixed use development (e.g., MURBs) has emerged both as a philosophy and as one of acceptable element of the solution to the problem of delivery of sustainable development, replacing its earlier position as inevitable consequence of laissez-faire development.

- Minimizing consumption of essential natural capital, multiplying social capital, and more efficient use of urban and community space.
- How to encourage democracy (e.g., participatory local process) within a framework of sustainability
- The Marketing of a Community  
Your are selling a community, it services, and a lifestyle.



## ▶ **Residents requirements** (*from various surveys*)

**-Sense of community:** Residents' common spaces have an important role to enhance the sense of community.

It is required to take measures of instruction and inspection and make investment for the built space so as not to be privatized after its construction.

**-Organization for preventing noise pollution:**

To set up an organization for preventing noise pollution. warm consideration and respect for our neighbors.

The National Environmental Dispute Resolution Commission .

The ministry has also operated a call center for petitions for noise damage in apartments since March 2012.

**-To enforce tougher building codes:**

Construction firms have been blamed for using substandard materials or breaching regulations in a bid to reduce building costs

**-Maintenance: Save money, Make money:**

Maintenance done haphazardly will cost the residents financially in two ways:

(1) Needless expenses, (2) Lost revenue

**-Prioritize the work orders:** Safety first, costly repairs second, but always keep in mind the level of resident discomfort when deciding which work orders to accomplish each day.

**-Emergency maintenance:**

Define clearly the way to contact a representative of your community in case mechanical problems occur after hours. Train the staff to 'query' a resident over the phone about perceived emergency.

**-Professional ethics and attitude (housing managers):**

As professionals of a multi-faceted trade involving a combination of other profession. Integrity and fairness, relationship with counterparts, ability to be an effective leader.

**“Engage in the community: Be part of it, not apart from it”**

**Thank you**