

Vitalizing social real estate for inclusive cities

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Summary

1. Substantial policies are needed to make an inclusive city by, for example, vitalizing social real estate.

2. Social real estate emerged as a way to realize social values in the real estate sector and ensure sustainable regional development in response to changes in real estate development following low-growth trends, population decreases and other environmental changes.

- Social real estate refers to real estate secured and managed by local communities to create social values contributing to public interests including community empowerment, locality restoration, and regional development.

- It differs itself from the conventional way of how properties are owned in that it is secured and managed by multiple players in the community, yielding social impacts to counteract the side effects of bipolarization and gentrification and vitalize the local community.

- A social real estate management organization is a real estate leasing and management organization whereby the community owns real estate and runs it autonomously.

3. Recently there are an increasing number of social real estate cases in Korea.

- The USA, Canada and other countries already have a number of successful cases of social real estate. In many areas in Korea, efforts are being made to create social real estate primarily by those driven out by gentrification.

4. To vitalize social real estate, it is needed to: 1) establish a structure to share community resources; 2) build a startup ecosystem for social real estate; 3) encourage resident investment; and 4) develop residents' local development capabilities.

- This will allow for more fair distribution of profits generated in the community and the establishment of a virtuous cycle in the community, thereby ensuring citizens' engagement and strengthening their local development capabilities.



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Policy proposals

1. Build an innovative support system, for example building a fund of funds exclusively for social real estate startups.
2. Develop concrete standards to vitalize crowdfunding for social real estate businesses, offer investors tax benefits, and provide matching funds to successfully funded projects.
3. Foster accelerators (startup planners) optimized to social real estate.
4. Vitalize residents investment subscription systems by allowing managers of social real estate to tap into equity crowdfunding.