

2025



SEOUL

CO-LIVING



REPORT



2025

Seoul Co-Living Report

2025.02.

Research Center KyuJung Choi

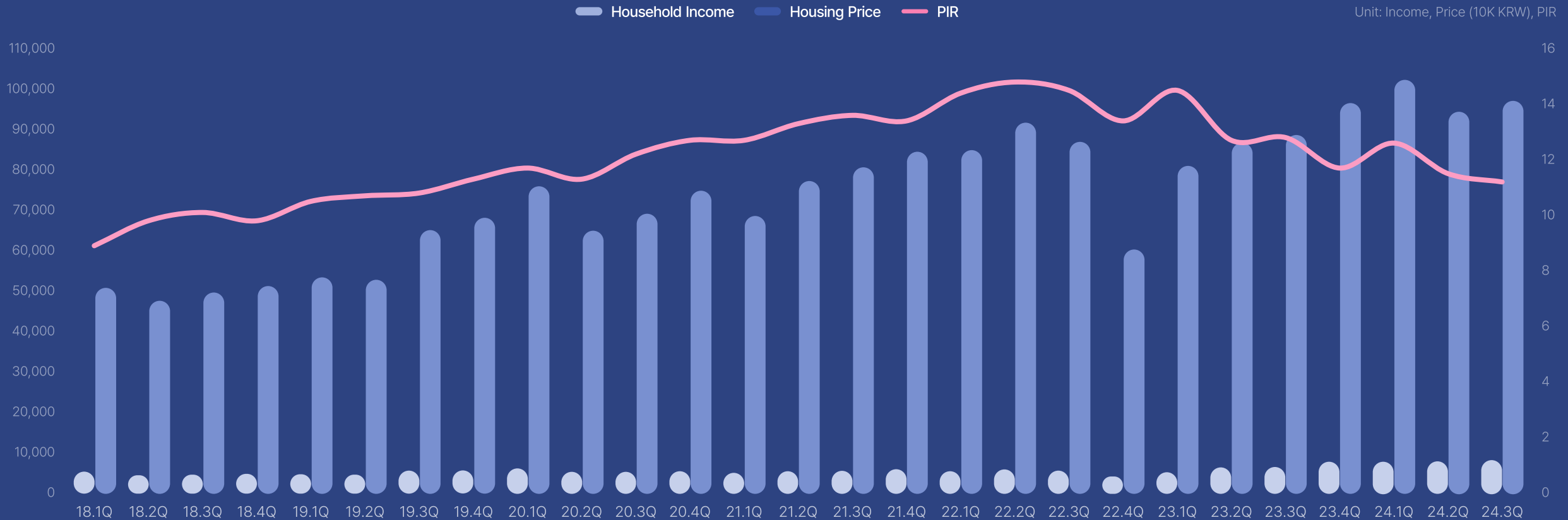
RSQUARE 

# Median Housing Price and PIR (Price to Income Ratio) in Seoul

PIR: The ratio of housing price to annual household income (housing price ÷ household income), a key indicator of housing affordability.

In Q3 2024, the median apartment price in Seoul increased 1.95 times compared to Q3 2018. Meanwhile, income rose 1.76 times during the same period, this imbalance causing the PIR to rise from 10.1 in Q3 2018 to 11.2 in Q3 2024. Among recorded statistics, the highest PIR was in Q2 2022, reaching 14.8. This means that a household would need to save 14.8 years' worth of income without any spending to purchase a home in Seoul, indicating a period of excessively high housing prices.

Recently, household incomes have increased, and the slowdown in housing price growth has led to a decrease in the PIR. However, housing prices remain at historically high levels, making it still challenging to afford a home in Seoul.



Source: KB Real Estate

\* Housing Price - Median value of real estate collateral appraisal price

# Increase in Single-Person Households

## Rapid Growth in the Number of Single-Person Households

The proportion of single-person households in Seoul is rapidly increasing. In 2015, there were 1.11 million single-person households, accounting for 29.5% of the total 3.78 million households. By 2023, this number had grown to 1.62 million, making up 39.3% of the total 4.14 million households—an increase of 510,000 households in just eight years.

During the same period, the total number of households increased by 9.4%, whereas single-person households grew at a striking rate of 45.9%. This trend is not limited to Seoul but is expanding across the country.

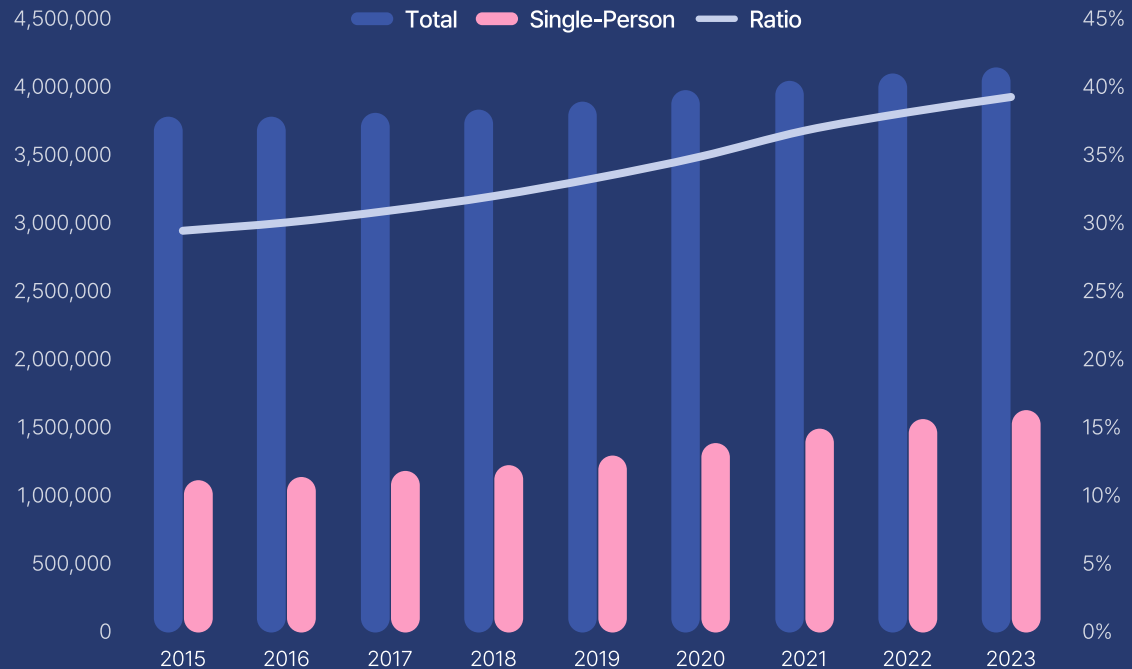
Over the next 30 years (2022–2052), an average of 74,000 single-person households is expected to be increased annually. Notably, between 2042 and 2052, even though the total number of households is projected to decline, the proportion of single-person households is expected to continue rising<sup>1)</sup>.

This increasing trend in single-person households will inevitably have a significant impact on the housing market. Consequently, the supply of customized housing to meet the growing demand for single-person households is expected to expand.

1) Statistics South Korea Future Household Projections

### Changes in Single-Person Households in Seoul

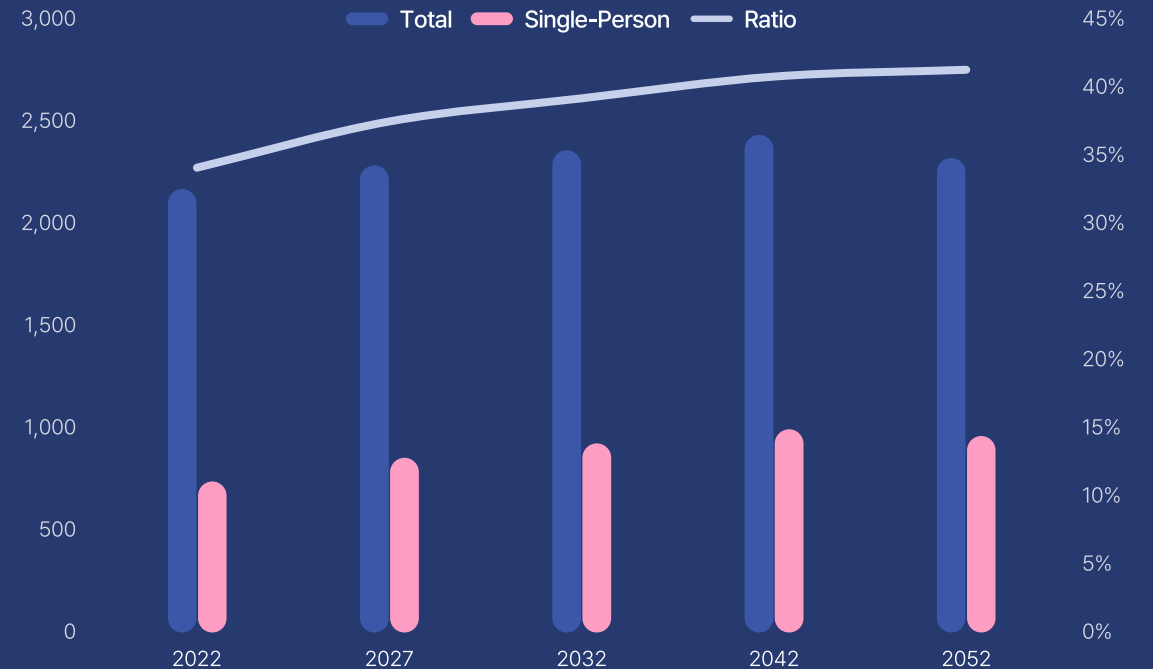
Unit: Households (left), % (right)



Source: Seoul Metropolitan Government

### Expected Changes in Single-Person Households in South Korea

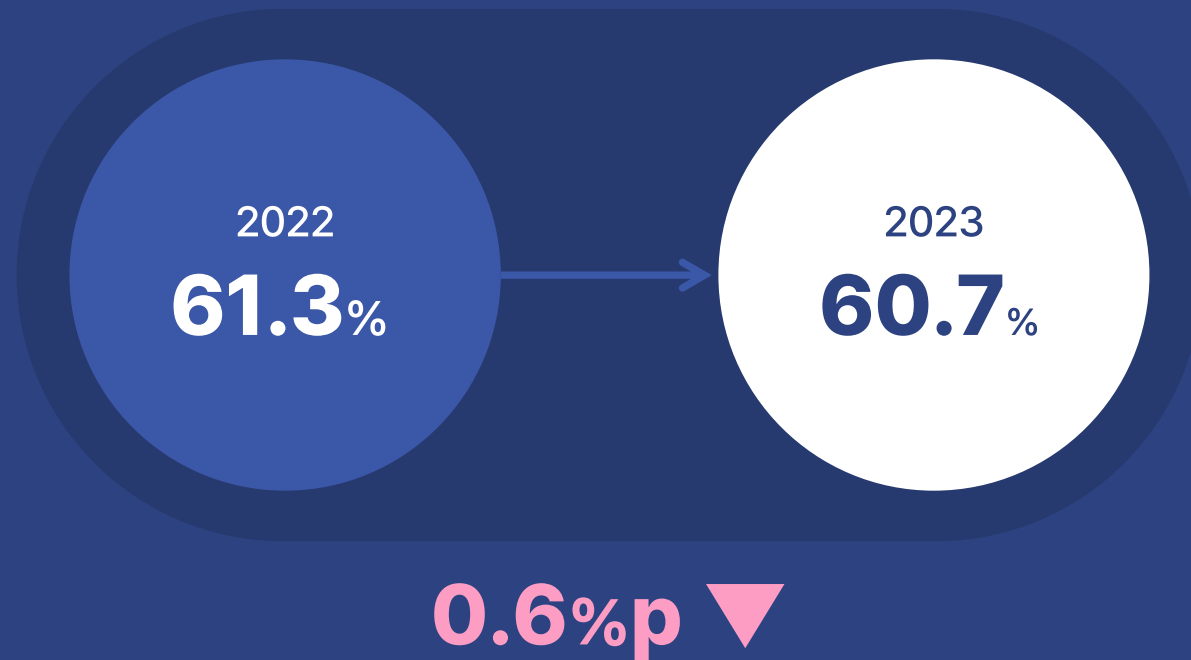
Unit: Households (left), % (right)



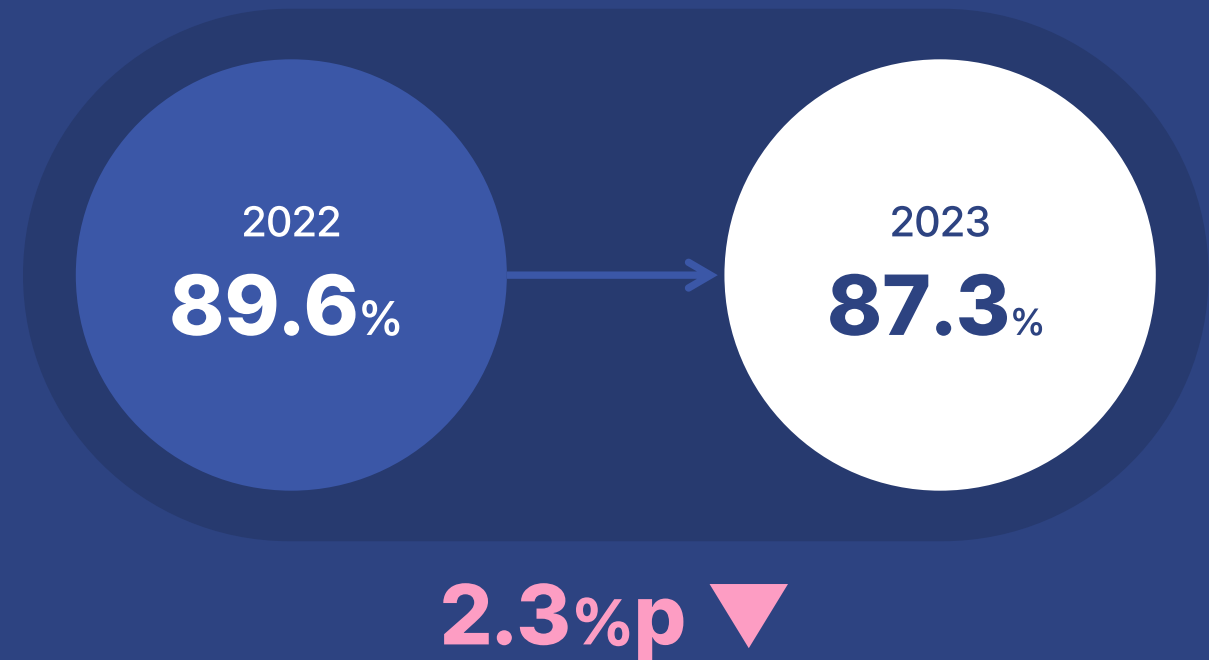
Source: Statistics South Korea

In 2023, both the percentage of households owning their homes and the proportion of respondents who deemed homeownership necessary declined compared to 2022. These two indicators suggest a decreasing demand for home purchases, signaling a potential gradual decline of owning home in the future. Amidst skyrocketing housing prices and the steady increase in single-person households across all generations, Rent housing—especially co-living—is attracting attention from global investors(landlords) and individuals(tenants). This report examines the current state of the co-living market in Seoul, which is expected to expand further in 2025, and provides an outlook on its future trends.

### Homeownership Rate<sup>1)</sup>



### Percentage of Households Responding "Homeownership is Necessary"<sup>1)</sup>



1) Source: Ministry of Land, Infrastructure and Transport

- 1 Rental Housing, Co-living**
- 2 Co-living Features**
- 3 Co-living Operators**
- 4 Co-living Investment Market**
- 5 Co-living Rental Market**
- 6 Co-living Trends**

- 1 Rental Housing, Co-living**
- 2 Co-living Features**
- 3 Co-living Operators**
- 4 Co-living Investment Market**
- 5 Co-living Rental Market**
- 6 Co-living Trends**

A rent housing system, in which a tenant pays a landlord a monthly rent to lease a house, can be broadly classified into public rent housing and private rent housing based on the entity providing the rent. Public rent housing refers to housing supplied by public institutions or public housing developers with financial support from the Housing and Urban Fund, either for rent purposes or with the intention of eventual sale after a lease period<sup>1)</sup>.

Private rent housing refers to Rent properties provided by individuals or corporations registered as rent business operators in the market.

Private rent housing types are divided into publicly supported Rent housing and long-term general private rent housing, both of which share the common requirement that they must be rented out at least 10 years.

One form of private rent housing is shared housing, commonly known as "Share house", and a popular subcategory of this is the "Co-Living", which has recently become popular in South Korea.

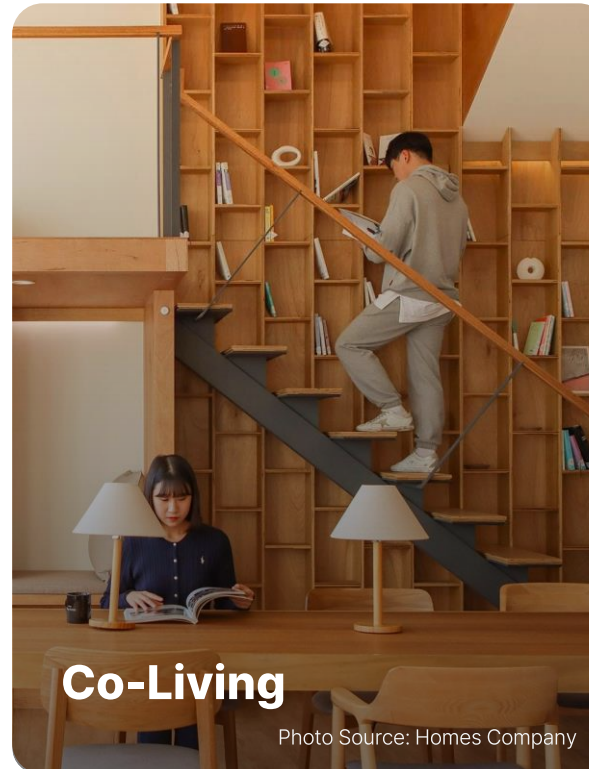
1) Source: KDI Economic Information Center



**Form** It is a type of shared housing where one unit of an apartment or multi-family housing is remodeled for communal living. Multiple people live in the same space, sharing common areas such as the living room and kitchen, while using bedrooms as private spaces.

**Features** Since spaces like the living room, kitchen, and bathroom are shared, rent is lower compared to fully private housing. However, because common and private spaces are closely connected, privacy can be compromised, and housemates significantly impact residential satisfaction.

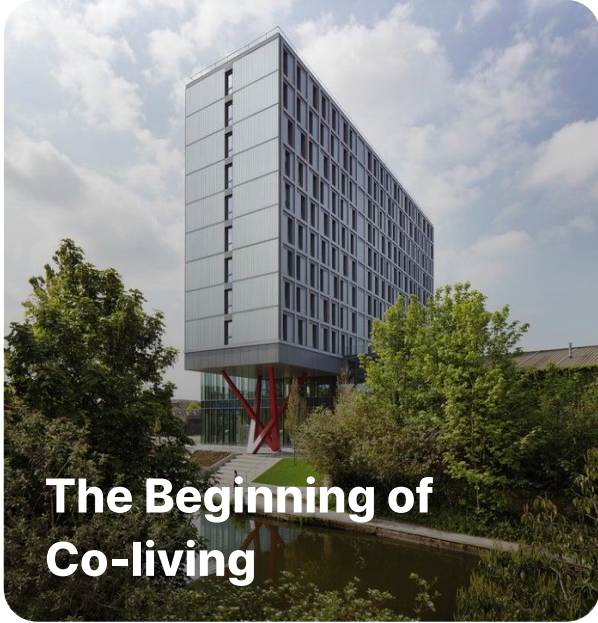
Reference: IGIS Residence REITs



**Form** Similar to a share house, this housing type features both common spaces and private spaces within a building, but private spaces are designed independently, separated from the shared spaces. Additionally, it offers various community facilities and services, enhancing the quality of life for single-person households.

**Features** Unlike share houses, common areas are usually separated by floors. Some units have their own washing machines and kitchens, offering relatively better privacy protection.

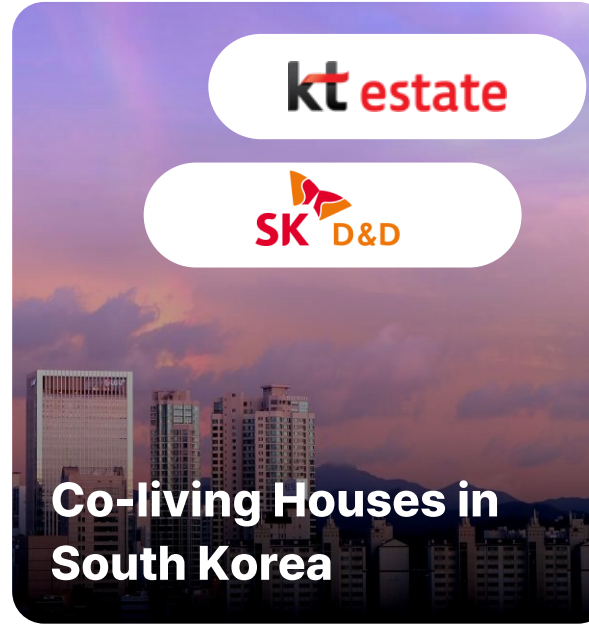
Reference: IGIS Residence REITs



The origin of co-living, "Co-Housing," was first introduced in Denmark in the 1970s. Initially, it referred to a cooperative housing model that allowed senior single-person households to balance personal and communal living.

Co-living gained global recognition in 2015 when the company "The Collective" opened "The Collective Old Oak" in London, UK, bringing co-living houses into the global spotlight.

Photo Source: The Collective Old Oak



In South Korea, the co-living began to take off in the late 2010s. With large corporations such as KT Estate and SK D&D entering the co-living market, the industry experienced rapid growth.

The rapid expansion of co-living occurred during the pandemic. During this period, many people started performing various activities—work, study, exercise, and more—at home. From this time, the concept of "Layered Home" emerged, reflecting the expanding role of homes.

As the number of single-person households in their 20s and 30s who prioritize quality of life increased, various communities developed. This led to the rapid rise in popularity of co-living houses, a form of "Layered Home" that provides both private and shared spaces within a single building.

Logo Source: Respective Company Websites



Co-living in Seoul are primarily targeted at office workers, university students, and international students, and are concentrated near major business districts and university areas

Private spaces are typically studio-type(one-room units) ranging from 5 to 9py. These units come fully furnished with essentials like wardrobes and beds, allowing residents to save on furniture costs and minimize moving expenses.

Common areas are exclusively available to residents and usually include a shared kitchen, laundry room, lounge, storage rooms, and rooftop spaces. Additionally, these spaces provide networking opportunities, such as "startup idea exchanges," fostering communication and collaboration among residents.

Photo Source: Episode Seocho 393

- 1 Rental Housing, Co-living
- 2 **Co-living Features**
- 3 Co-living Operators
- 4 Co-living Investment Market
- 5 Co-living Rental Market
- 6 Co-living Trends

## Co-Living Features - Various Architectural Uses

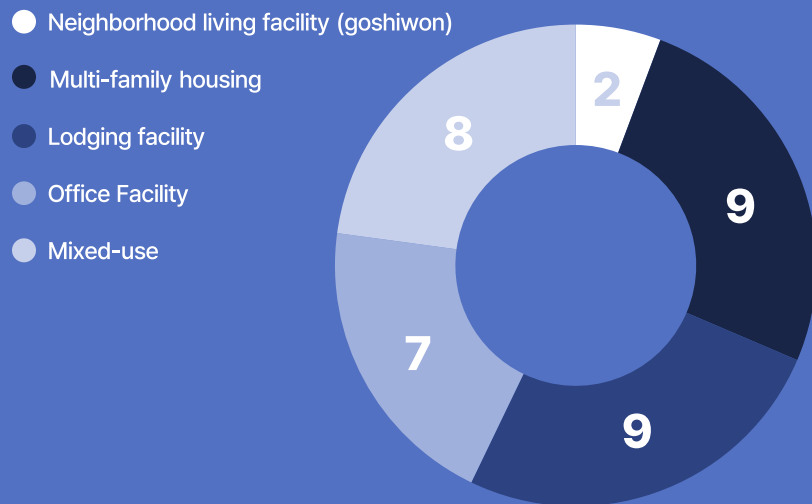
In South Korea, there is no specific building code designation exclusively for "Co-living House". As a result, co-living spaces operate within various building uses, including multi-family housing (apartments, urban residential housing), business facilities (officetels), tourism facilities (serviced residences, hotels), and neighborhood living facilities (goshiwons<sup>1)</sup>).

According to Building Act, each use of building has its own construction standards, including minimum unit size, in-room cooking facilities, parking requirements, and floor heating regulations. These restrictions create variations in the design and operation of co-living spaces, significantly shaping their unique characteristics.

1) A type of low-cost housing facility in South Korea, originally designed to accommodate students.

### Primary Use of Building for Co-living Operations

A survey of 35 co-living spaces of Local Stitch, Episode, Homes Company, Mangrove, Remark Vill, Célib, Weave-Living, Gwell Homes, and Commontown found that various property uses were utilized, including residential housing, business facilities (officetels), tourist accommodations, neighborhood living facilities (goshiwons), and mixed-use buildings combining residential and business spaces.



Source: RSQUARE Research Center

### Architectural Regulations for Co-living

Buildings are subject to various regulations based on their designated types, including building uses and local government ordinances.

These regulatory differences cause variations between locations, even within the same co-living brand. For example, "goshiwon" classified as neighborhood living facilities, do not allow individual cooking, whereas co-living facilities classified as officetels permit in-unit cooking. Additionally, parking requirements vary by building use, leading to significant differences in parking fees.



### Seoul Building Construction Standards Table by Use Classification

1) Based on a unit's net area of 30m<sup>2</sup> or less  
 2) 50% or less of the total units  
 3) No separate regulations under the Public Sanitation Management Act

Classification	Total Floor Area Limit	Minimum Room Area/Unit	Number of Parking Spaces/Facility Area	Individual Registration	Individual Cooking Facilities
Goshiwon	Less than 500 m <sup>2</sup>	7m <sup>2</sup>	1 per 134m <sup>2</sup>	Not allowed	Not allowed
Residential Officetel, Urban Residential Housing	None	14m <sup>2</sup>	0.5 per room <sup>1)</sup>	Allowed	Allowed
Rent Dormitory	None	Exclusive Area: 9.5m <sup>2</sup> Including Common Area: 14 m <sup>2</sup>	1 per 200m <sup>2</sup>	Not allowed	Restricted Permission <sup>2)</sup>
Serviced Residence	None	None <sup>3)</sup>	1 per 134m <sup>2</sup>	Allowed	Allowed
Tourist Accommodation	None	19m <sup>2</sup> (Family Hotel)	1 per 134m <sup>2</sup>	Not allowed	Not allowed

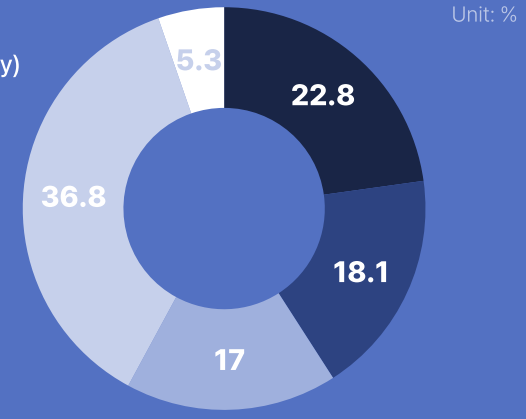
In Seoul, 48.7% <sup>1)</sup> of single-person households belong to the 20s and 30s age group, which is more active on social media and highly responsive to networking compared to other generations. A recent survey <sup>2)</sup> identified "loneliness" as one of the major concerns among single-person households. Considering these characteristics, providing community facilities that foster social interactions and networking opportunities is necessary. As a result, several operators, such as MGRV, offer free or paid memberships that grant access to community facilities and networking programs, helping single-person households establish social connections.

1) Source: 2023 Seoul Statistics  
 2) Source: KB Financial Research Institute

### "Loneliness: A Major Concern for Single-Person Households in 2024"

About one in five single-person households cited 'loneliness' as a major concern over 'health'. To alleviate this loneliness, it is essential to provide opportunities and spaces for social interaction.

- Economic Stability
- Loneliness (Psychological Stability)
- Health
- Other
- None



Source: KB Financial Group Research Institute

### Living Trends of the 2030 Generation: Space Segmentation

The 2030 generation tends to divide spaces according to their intended purposes, such as work, living, dining, and exercise. Reflecting these characteristics, current co-living community facilities go beyond shared living rooms and kitchens. They now include shared fitness areas, movie theaters, and other multi-purpose spaces within a single building, further applying and expanding the concept of the 'Layered Home'.

### Episode Yongsan 241 Lounge

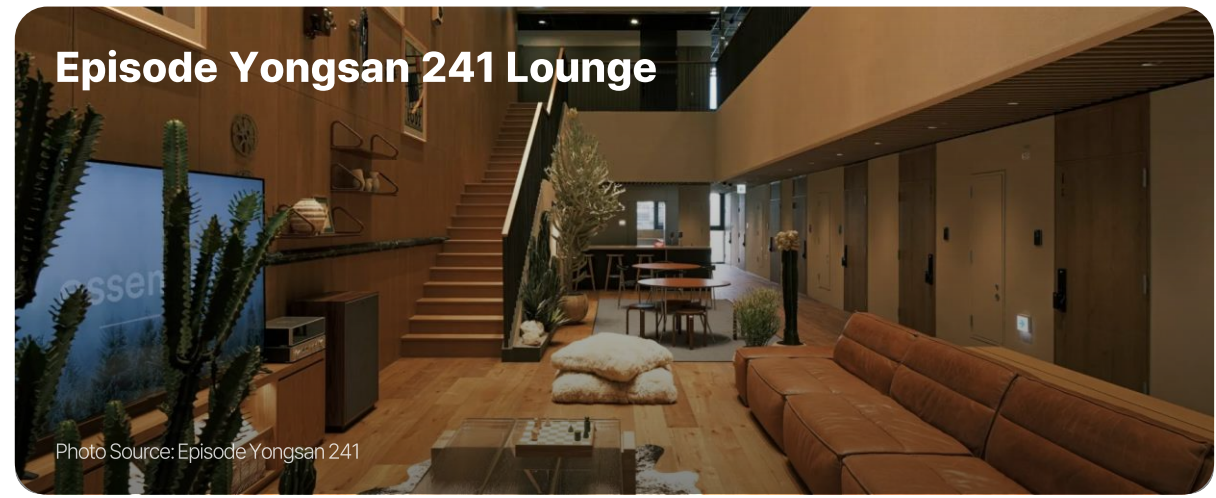
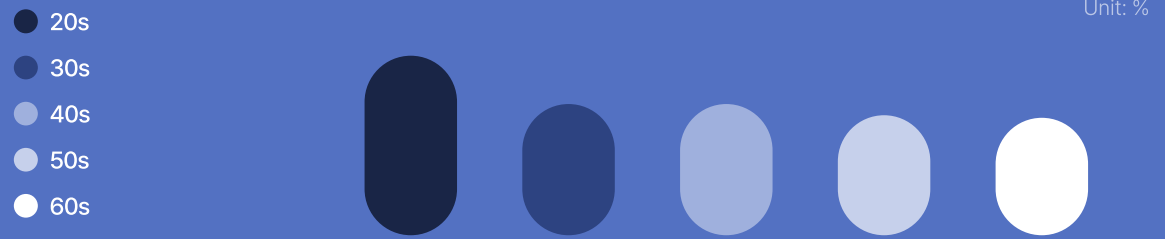


Photo Source: Episode Yongsan 241

### Generational Lifestyle Characteristics

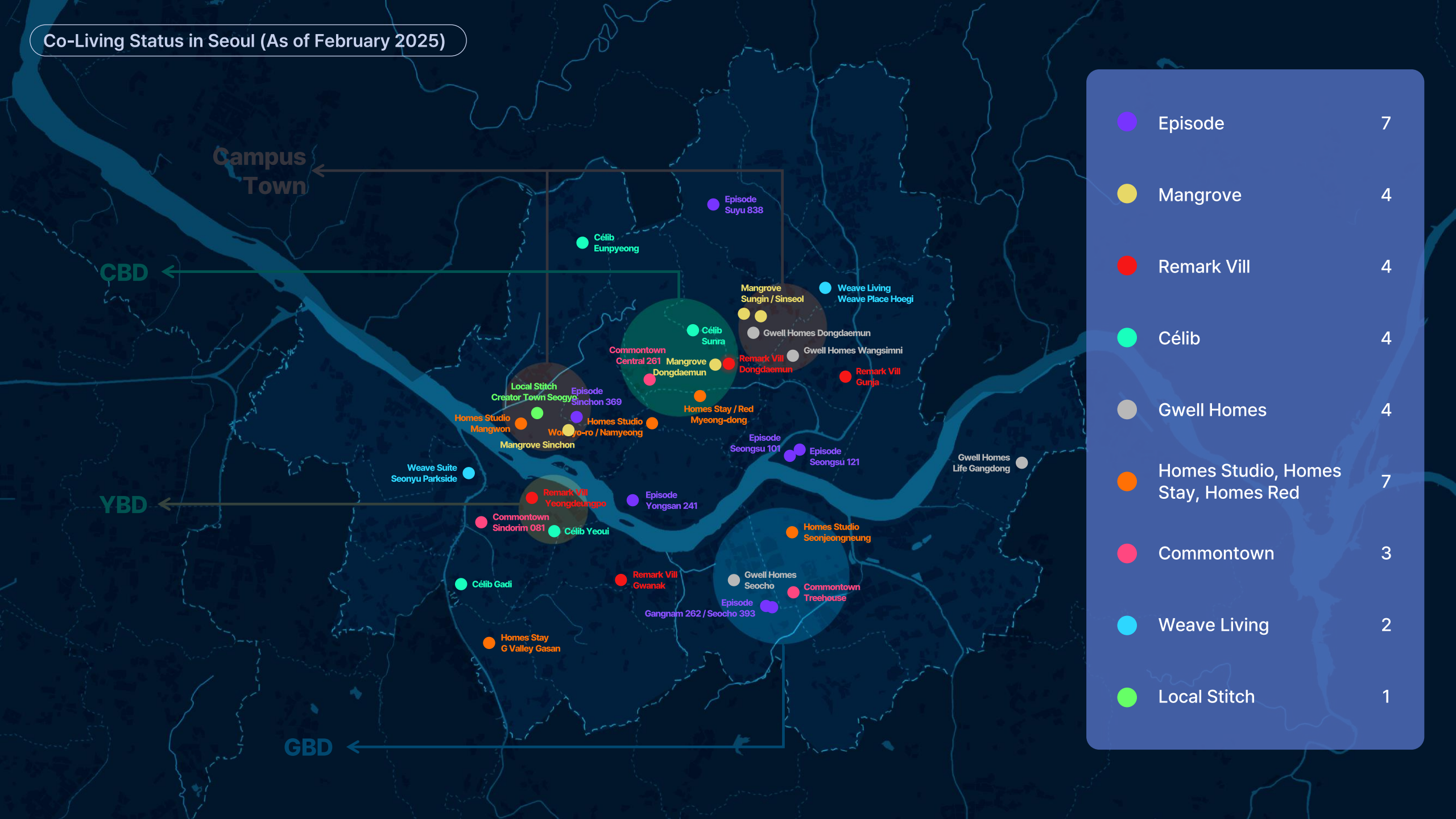
They prefer going to a restaurant or café when eating or drinking alone



Source: 2025 Real Estate Trends\_Heerim Architecture

- 1 Rental Housing, Co-living
- 2 Co-living Features
- 3 Co-living Operators**
- 4 Co-living Investment Market
- 5 Co-living Rental Market
- 6 Co-living Trends

Co-Living Status in Seoul (As of February 2025)



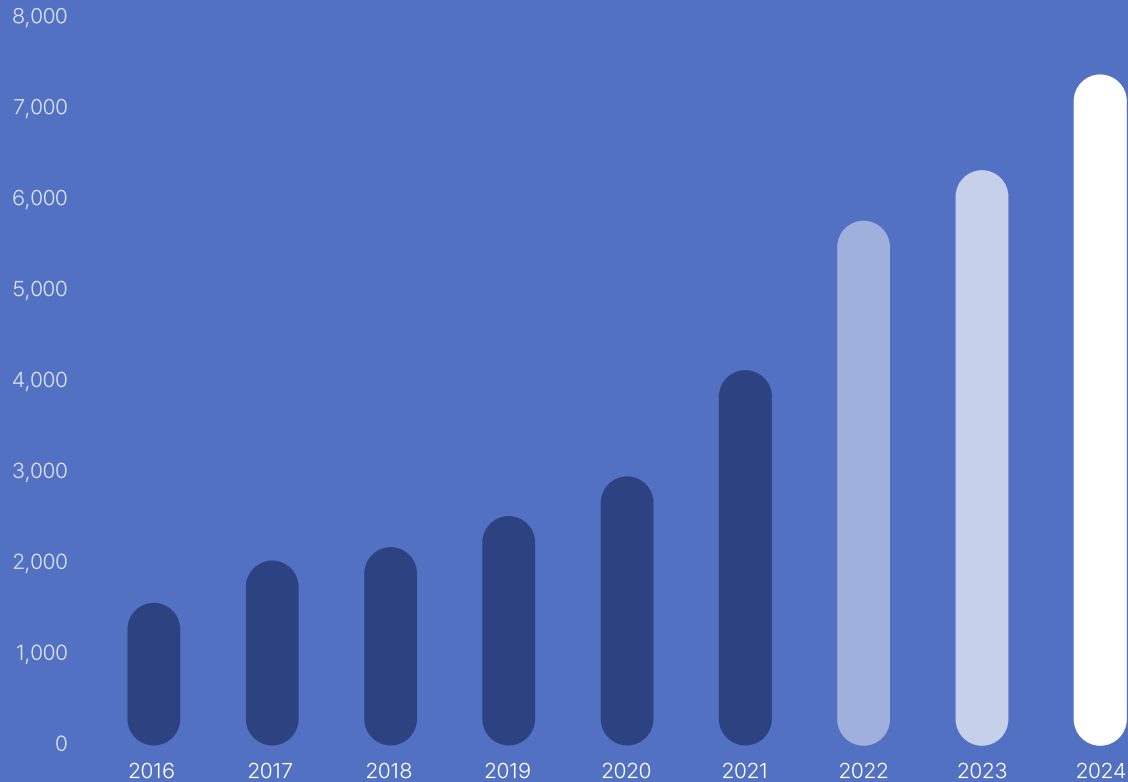
Episode	7
Mangrove	4
Remark Vill	4
Célib	4
Gwell Homes	4
Homes Studio, Homes Stay, Homes Red	7
Commontown	3
Weave Living	2
Local Stitch	1

The supply of co-living spaces in Seoul has increased approximately 4.8 times over the past nine years, from 2016 to 2024. Notably, supply surged sharply from 2021 during the pandemic, and it is expected to continue growing in 2025.

As of February 2025, major operators in the domestic co-living market include MGRV, DDPS (a subsidiary of SK D&D), Homes Company, SLP (a subsidiary of ShinYoung), and KT Estate (a subsidiary of KT), all of which are actively expanding their locations. Meanwhile, international operators are gradually entering the South Korea's co-living market. Hong Kong-based global operator Weave Living opened two locations in Dongdaemun and Yeongdeungpo last year.

Additionally, Singapore-based Cove is collaborating with Honors Asset Management to open branches in Yeonnam and Sadang in the first half of 2025.

### Annual Cumulative Supply Trend of Co-Living in Seoul (Units)



Source: RSQUARE Research Center, Ministry

### Co-living Operator and Brand Status Table

Operator	Parent Company	Brand	Initial Opening Date	Branch in Operation	Total Number of Rooms
MGRV	HGI(Former)	Mangrove	2020	4	676
DDPS	SK D&D	Episode	2019	7	2,041
Homes Company	-	Homes Studio, Homes Stay, Homes Red	2017	7	737
SLP	Shinyoung	Gwell Homes	2017	4	880
KT Estate	KT	Remark Vill	2016	4	1,898
WOOZOO Property Management	Zigbang	Célib	2019	4	782
Weave Living	-	Weave Place, Weave Suite	2024	2	255
Kolon House Vision	Kolon	Commontown	2018	3	217

Source: RSQUARE Research Center

\* Stores and rooms are limited to Seoul \* As of February 2025

- 1 Rental Housing, Co-living
- 2 Co-living Features
- 3 Co-living Operators
- 4 Co-living Investment Market**
- 5 Co-living Rental Market
- 6 Co-living Trends

## Co-Living Investment Status

Currently, both domestic and international investors are shifting their interests from traditional office sectors to the new economy sector of co-living in South Korea's commercial real estate market. Global investors are paying attention to the high growth potential of the South Korea's co-living market and are expanding their investment scale.

Recently, major global pension funds and investment institutions, including GIC, KKR, and ICG, have been actively investing in Seoul's co-living market through domestic asset management firms such as IGIS Asset Management and D&D Investment.

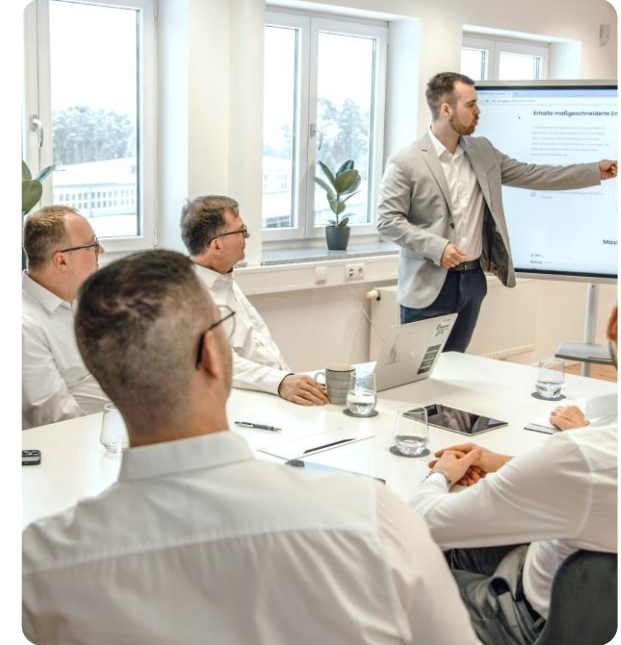
Additionally, Hines, a global real estate investment firm, is planning to enter the South Korea's co-living market via Mastern Investment Management, which recently established a dedicated Rent housing investment division.

Canada Pension Plan Investment Board(CPPIB) is set to form a joint venture(JV) with MGRV, launching an investment initiative based on approximately 500 billion KRW.

## Co-living Investment Status

Operator	Asset Management Company	Investment Institution	Investment Assets	Key Investment Vehicles
DDPS	DDI (D&D Investment)	GIC	Episode Sinchon 369 Episode Seocho 393 Episode Gangnam 262 Episode Suyu 838 Episode Yongсан 241	REITs
Weave Living	LB Asset Management	KKR	Weave Place Hoegi Weave Suite Seonyu Parkside	Fund
SLP	Gravity Asset Management	Morgan Stanley	Gwell Homes Life Gangdong	Fund
SLP	ARA South Korea	-	Gwell Homes Seocho Gwell Homes Dongdaemun	REITs
Homes Company	IGIS X Asset Management (formerly IGIS Neo Value Asset Management)	ICG	Homes Red Myeong-dong	Fund
Homes Company	Capstone Asset Management	ICG	Homes Stay G-Valley Gasanhomes Stay Suwon	Fund

Source: RSQUARE Research Center  
\* As of February 2025



## Planned Co-living Investments

Operator	Asset Management Company	Investment Institution	Type
Mangrove (MGRV)	-	CPPIB	Establishment of a joint venture (Capital approx. 500 billion KRW)
-	Mastern Investment Management	Hines	-

Hotels are structured with clearly divided rooms and essential facilities such as lobby and F&B areas, making them cost-effective for conversion into co-living spaces.

Additionally, unlike officetel or urban lifestyle housing, hotels are not subject to strata ownership, making transactions more convenient.

Due to these advantages, the trend of purchasing existing hotels and conversion them into co-living facilities has been steadily growing since the pandemic.

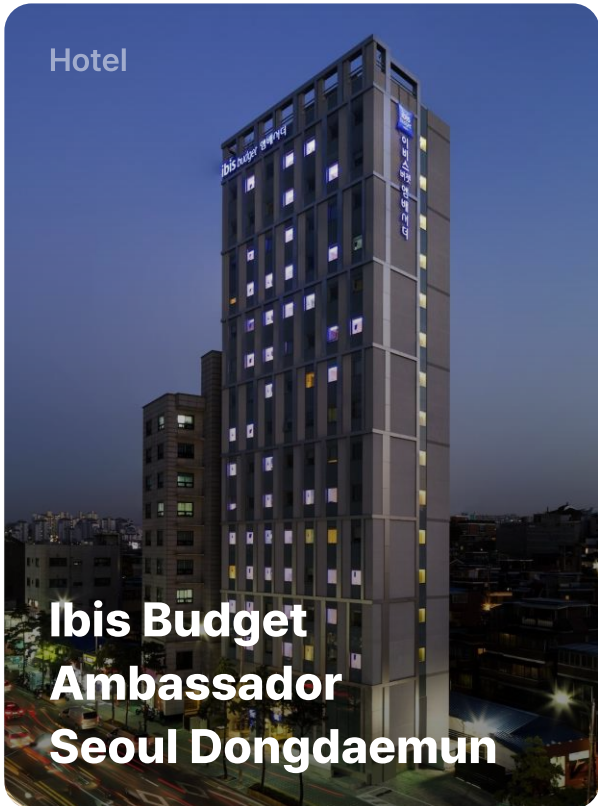
Under this trend, many properties maintain their designation as tourist accommodation rather than change use of buildings into multi-family or Rent dormitory.

It is common to operate a hybrid model that combines short-term accommodation with long-term co-living services.

However, in some co-living properties classified as tourist accommodations, tenant registration(residency reporting) is only conditionally permitted, which may be disadvantageous for residents.

### Conversion Case

Ibis Budget Ambassador Seoul Dongdaemun → Mangrove Dongdaemun

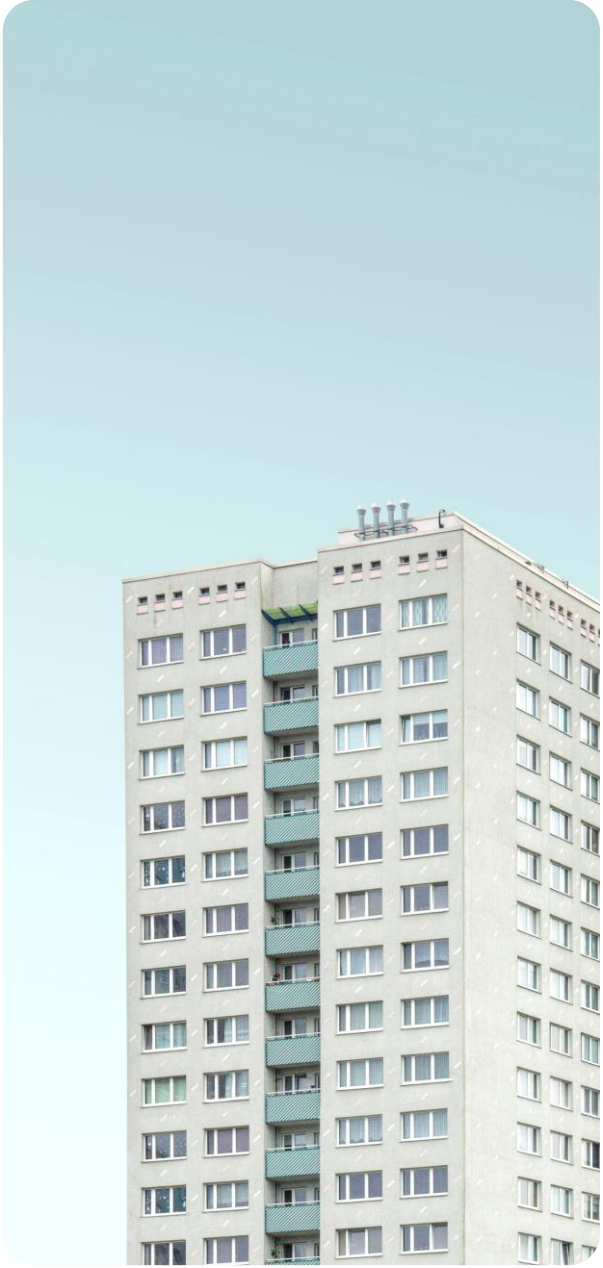


### Cases of Hotel Acquisitions and Conversions

Hotel Type	Asset Name	Address	Transaction Period	Sale Price (1M KRW)	Buyer	Operating Brand
Tourist Hotel	Benikea Premier Yeouido Hotel	389 Yeongdeungpo-ro, Seoul	2021.03	18,500	Bando	Célib
Tourist Hotel	Ibis Budget Ambassador Seoul Dongdaemun	238-1, Gwanghui-dong 2-ga, Jung-gu, Seoul	2022.06	27,149	IGIS Asset Management	Mangrove
Tourist Hotel	Jeju Seoul Tourist Hotel	1192-20, Samdo 2-dong, Jeju-si, Jeju	2023.11	11,000	Epcot Jeju (affiliated with Musinsa)	Mangrove
Family Hotel	The State Seonyu Hotel	62-3, Yangpyeong-dong 5-ga, Yeongdeungpo-gu, Seoul	2024.04	47,400	LB Asset Management	Weave Living

Source: RSQUARE Research Center

- 1 Rental Housing, Co-living
- 2 Co-living Features
- 3 Co-living Operators
- 4 Co-living Investment Market
- 5 Co-living Rental Market**
- 6 Co-living Trends



### Seoul Co-living Rent Demand

The rent demand in Seoul's co-living market is increasing alongside supply growth.

A study of 20 co-living spaces in Seoul found that the number of Rent contracts increased by 15% in 2023 compared to 2022, and by 29% in 2024 compared to 2023, indicating a steep growth trend.

With planned investments in co-living, the size of the Rent market is expected to expand further.

### Seoul Co-Living Rent Demand by Lease Term

Analysis of 659 Seoul co-living leasing contracts in 2024 revealed that 12-month period contracts accounted for the highest proportion, with 430 cases. Following this, 6-month contracts totaled 109 cases, short-term contracts of 1-5 months accounted for 48 cases, and long-term contracts of 13-26 months comprised 34 cases.

The main reason leasing contract periods are typically set at 6 or 12 months is due to the contract conditions set by operators. Many operators set a minimum lease term of 6 months or offer incentives such as rent discounts or rent-free periods for 12-month contracts. For example, Mangrove applies a minimum 6-month contract to some rooms, while 'Commontown Sindorim' sets the default contract period to 12 months and imposes additional fees for shorter contracts.

### Seoul Co-Living Leasing Contracts Trend

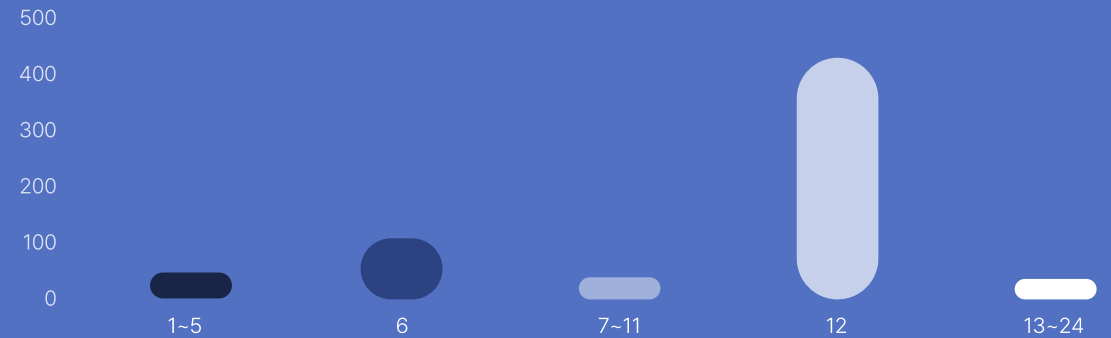
Unit: Cases



Source: RSQUARE Research Center, Ministry of Land, Infrastructure and Transport  
 \* Properties subject to rent reporting requirements

### 2024 Seoul Co-living Leasing Contracts by Lease Term

Unit: Months



Source: RSQUARE Research Center, Ministry of Land, Infrastructure and Transport  
 \* Properties subject to rent reporting requirements

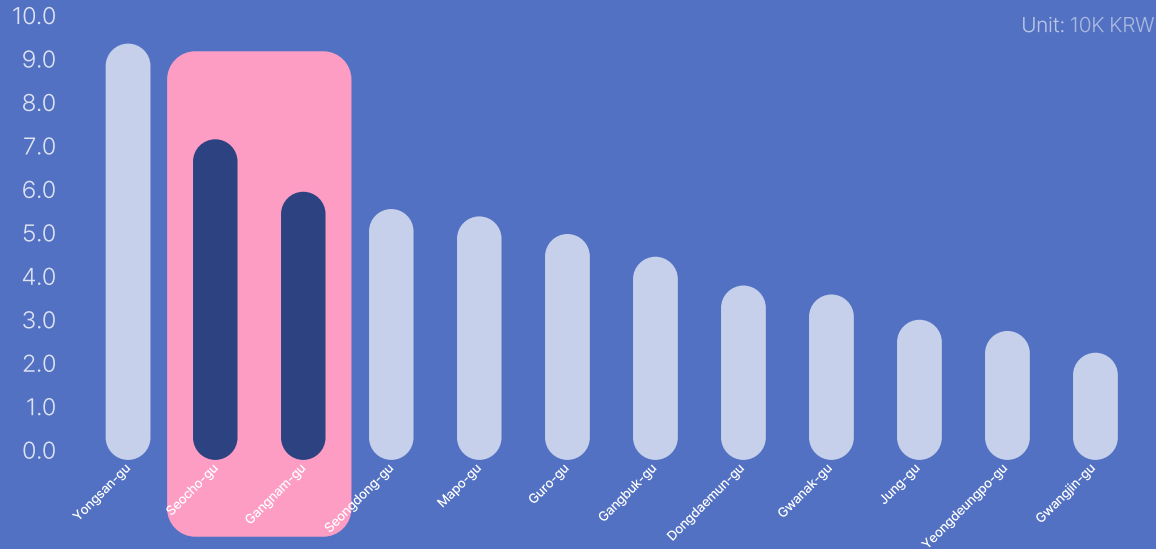
### Seoul Co-Living Rent

Seoul's co-living rents vary by location, construction year, and operator. Among these factors, location and construction year are the key determinants of rent rates. Yongsan, a major transportation hub, gained attention last year with the opening of 'Episode Yongsan 241', which recorded the highest rent in Seoul at 94,000 KRW/m<sup>2</sup>. Following this, Seocho-gu and Gangnam-gu, located in the GBD, had recorded rent of 72,000 KRW/m<sup>2</sup> and 61,000 KRW/m<sup>2</sup>, reflecting the high residential demand in Gangnam. Seongdong-gu and Mapo-gu also ranked high at 57,000 KRW and 55,000 KRW, respectively. The high rent demand in Seongdong is attributed to the increasing popularity of the Seongsu business district, while Mapo's rate reflects the concentration of university students in the Hongik university area. Additionally, Gangnam, Seongdong, and Mapo share the common feature of well-developed retail infrastructure, making them highly preferred locations for young people, the primary target generation for co-living.

As of 2024, when comparing rent of officetels and co-living spaces, co-living rent were generally higher in most areas. In Yongsan-gu, the co-living rent was as much as 2.6 times higher than officetels. However, in Jung-gu and Gwangjin-gu, the rent per m<sup>2</sup> for officetels was higher. This is interpreted as a strategy by co-living operators to set rent at similar levels to nearby residential facilities to increase occupancy rates.



### 2024 Seoul Co-living Rent per Net Area (m<sup>2</sup>)



Source: RSQUARE Research Center, Ministry of Land, Infrastructure and Transport  
 \* Properties subject to rent reporting requirements

### 2024 Seoul Co-living vs Officetel Rent Price per Net Area (m<sup>2</sup>) Comparison



Source: RSQUARE Research Center, Ministry of Land, Infrastructure and Transport  
 \* Properties subject to rent reporting requirements

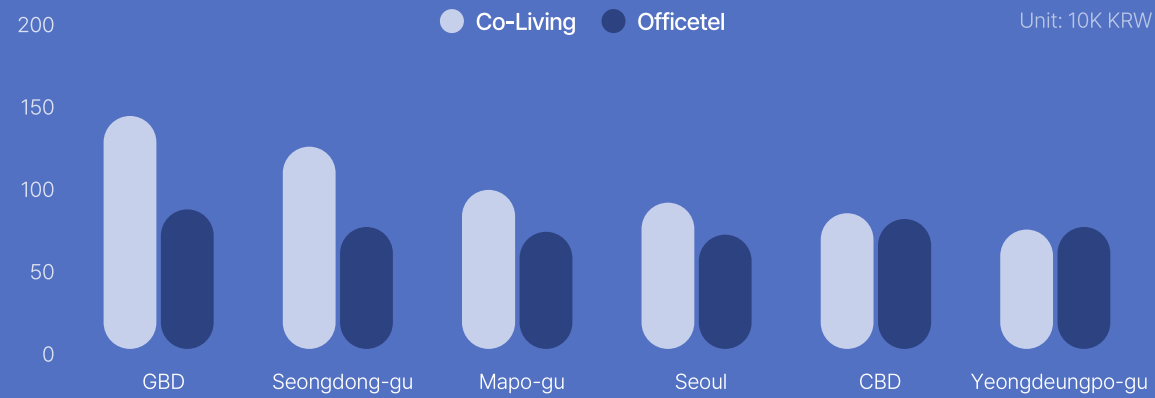
### Co-Living Median Rent

From 2023 to 2024, an analysis of co-Living Rent contracts in Seoul found that the median rent for co-Living in Seoul was 900,000 KRW.

The highest median rent was recorded in GBD (Gangnam-gu, Seocho-gu) at 1.44 million KRW, followed by Seongdong-gu at 1.25 million KRW. Notably, 'Gwell Homes Wangsimni' was identified as a key driver of the rent increase in Seongdong-gu.

Among the five regions analyzed, Yeongdeungpo-gu had the lowest median rent, with 'Remark VIII Yeongdeungpo' in Yeongdeungpo-dong 8-ga being priced at a level similar to the median rent of officetels, which likely influenced the results.

### 2023~2024 Seoul Co-Living and Officetel Median Rent



Source: RSQUARE Research Center, Ministry of Land, Infrastructure and Transport  
 \* Properties subject to rent reporting requirements

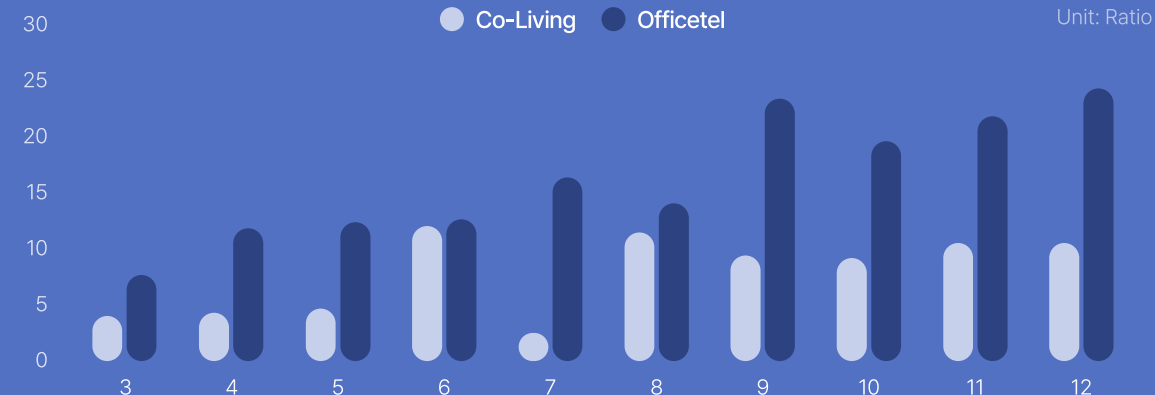
### Deposit-to-Rent Ratio for Co-Living

Co-Living typically follows a deposit-based monthly rent system, similar to standard residential lease agreements. However, due to factors such as operational structure and lease term, the deposit-to-rent ratio in co-living is generally lower compared to other residential properties.

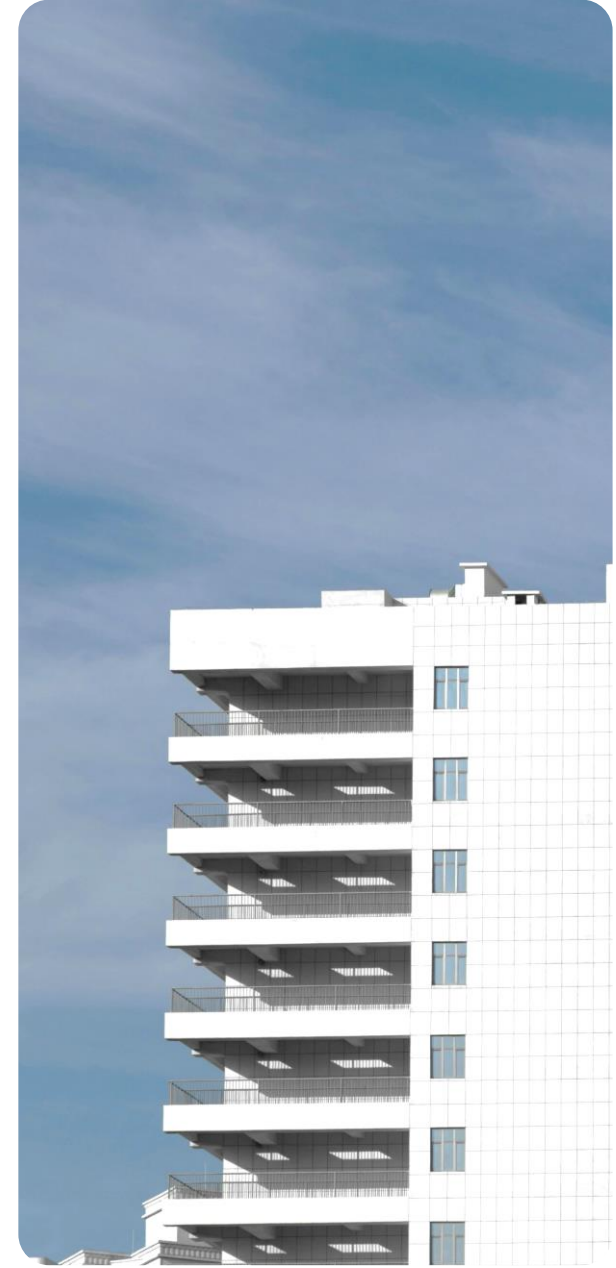
Co-living lease contracts tend to show a lower deposit-to-rent ratio for shorter lease terms. For 6- and 12-month leases, the deposit ratio is approximately 10-12 times the monthly rent. This is similar to office lease, indicating that the deposit is set at a level corresponding to the annual rent.

This structure reflects the flexibility and short-term living options of co-living while also serving as a strategy for operators to secure stable revenue.

### 2023~2024 Seoul Co-Living Lease Term (Months) vs. Deposit-to Rent Ratio



Source: RSQUARE Research Center, Ministry of Land, Infrastructure and Transport  
 \* Properties subject to rent reporting requirements



### Seoul Operator-Specific Rent per Net Area (m<sup>2</sup>)

In the 2024 Seoul co-living market, the average rent per net area (m<sup>2</sup>) by operator ranged from 29,500 KRW to 58,900 KRW.

Kolon House Vision's 'Common Town' recorded the highest rent at 58,900 KRW per m<sup>2</sup>, while KT Estate's 'Remark Vill' offered the lowest at 29,500 KRW. Operators like MGRV, Gwell Homes, Homes Company, and Weave Living maintained a level close to the overall average of 52,800 KRW per m<sup>2</sup>.

The difference in rent is primarily influenced by location and unit size, but also reflects each brand's positioning, target customer base, and unique service differentiation strategy.



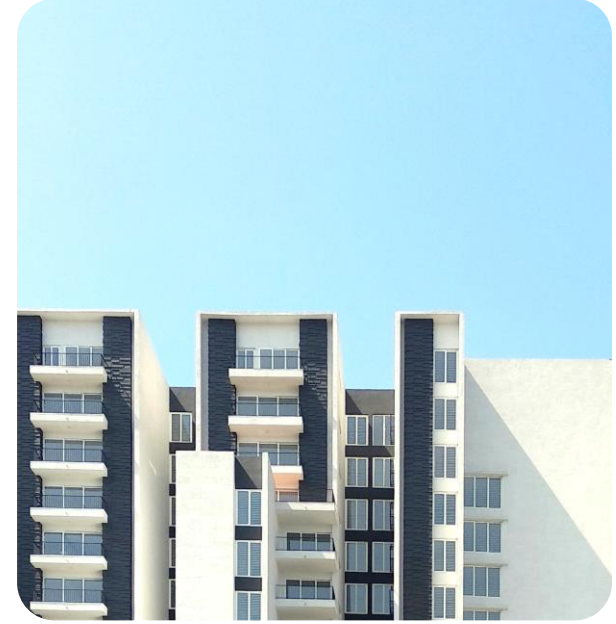
### Seoul Co-Living Operator Average Lease Term

2024 Seoul co-living market analysis results, the average lease term was 11.1 months.

By operator, KT Estate's 'Remark Vill' recorded the longest average lease term at 14.6 months, while Kolon House vision's "Common Town" had the shortest lease term at 9.1 months.

Analysis of the correlation between rent per net area and lease term revealed that operators with longer lease terms tended to set lower rent per m<sup>2</sup>.

This suggests that operators offering relatively lower rent are adopting a strategy of securing stable cash flow through long-term leases.

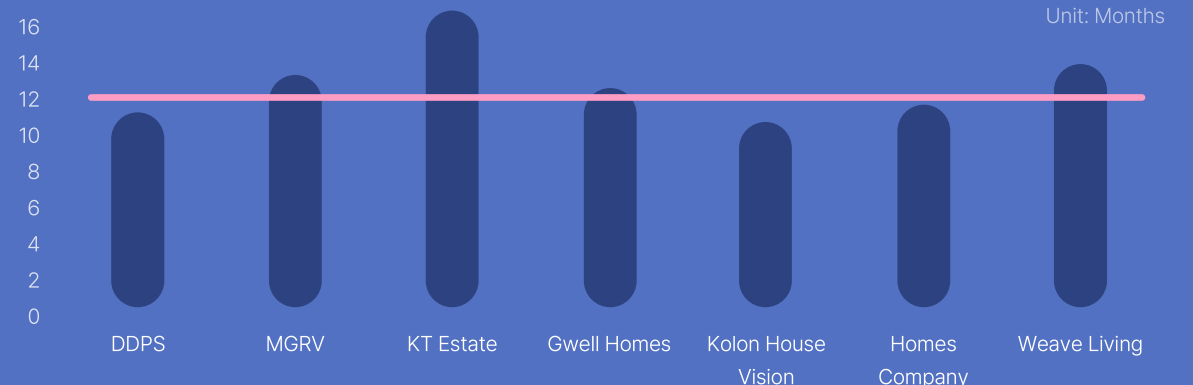


### 2024 Seoul Co-Living Operator-Specific Average Rent per Net Area(m<sup>2</sup>)



Source: RSQUARE Research Center, Ministry of Land, Infrastructure and Transport  
 \* Properties subject to rent reporting requirements

### 2024 Seoul Co-Living Operator-Specific Average Lease Term



Source: RSQUARE Research Center, Ministry of Land, Infrastructure and Transport  
 \* Properties subject to rent reporting requirements

- 1 Rental Housing, Co-living
- 2 Co-living Features
- 3 Co-living Operators
- 4 Co-living Investment Market
- 5 Co-living Rental Market
- 6 Co-living Trends**

### Allowing Pets

As the number of pet owners in South Korea continues to rise, co-living operators are increasingly allowing residents to live with their pets. Some co-living spaces even offer specialized pet-friendly units, known as "pet-specialized types."

For instance, Episode permits pets such as dogs and cats across all locations, while Célib, Gwell Homes, and Local Stitch allow pets only at select locations.



### Pet-Friendly Facilities

Beyond simply allowing pets, various facilities are provided to enhance the convenience of both pets and their owners. Representative examples of pet-friendly designs include pet-only entrance door, custom furniture, and non-slip flooring. Additionally, shared spaces such as pet parks, pet lounges, and pet-only bathing facilities are set up to improve the living convenience for pet owners.

"Episode Secho" is making efforts to accommodate both pet owners and non-pet owners. Inside the elevator, a 'with pet' button has been installed, allowing people waiting outside to be aware in advance that a pet is onboard. This thoughtful feature demonstrates consideration for both pet owners and non-pet owners. Given the continuous increase in the pet-owning population, more co-living facilities are expected to adopt pet-friendly environments in the future.



## Seoul Co-Living Market Growth and Outlook

The co-living market in Seoul started as a form of rent housing and has shown rapid growth, particularly after the pandemic.

This growth is driven by a combination of factors, including an unusual rise in housing prices, a surge in single-person households, and government policies aimed at expanding the supply of rent housing.

In particular, the development of domestic operators and the continuous inflow of foreign capital are accelerating the expansion of the co-living market.



## The Limitations of Co-Living as Shown by Global Cases

However, despite optimistic projections, the co-living market still faces challenges.

The bankruptcy of the largest U.S. co-living operator, "COMMON," in June 2024, and the UK's "The Collective" falling into administration in September 2021 demonstrate that co-living operators can face crises even in relatively mature markets.

## Challenges Faced by Tenants and Investors

Co-living presents an attractive space for both tenants and investors but also comes with challenges that need to be addressed.

For tenants, relatively high rent, limited private space, and inconvenience in using shared areas can be drawbacks.

For investors, key challenges include lower returns compared to housing sales, limitation of rent increase, high operational expenses(OPEX) and capital expenditures(CAPEX), political risks and marketing costs.

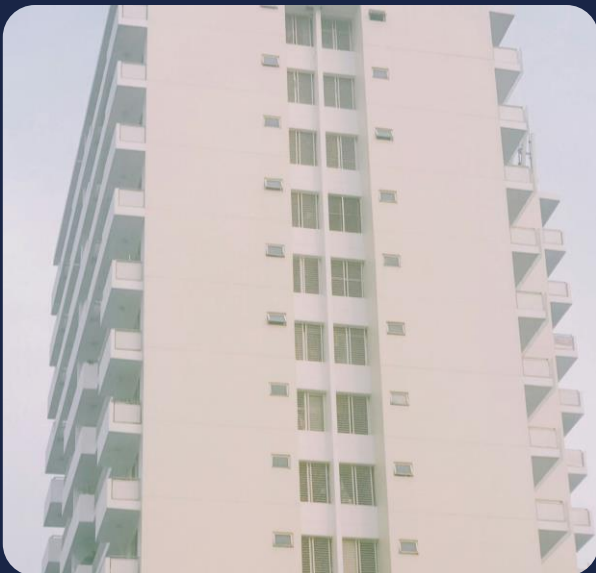
## Development Potential and Future Strategies of the Co-Living Market

If the challenges mentioned earlier are addressed and the market takes a long-term approach similar to Japan's co-living sector, the growth potential of the domestic co-living market could expand even further.

Additionally, the effective integration of advanced technologies such as AI and robotics is expected to significantly enhance operational efficiency of co-living. These technologies will be key factors in ensuring the sustainable growth and development of the co-living market.

In conclusion, Seoul's co-living market holds significant potential for both the present and the future. To unleash this potential, operators must adopt strategies distinct from traditional housing models.

By creating an environment that satisfies both tenants and investors while flexibly adapting to changing market demands, co-living can evolve beyond a simple housing model to establish itself as a leading sector that introduces new lifestyle concepts.



# Research Center

**KyuJung Choi**

Associate Manager  
Research Center  
kyu.choi@rsquare.co.kr

# RSQUARE

311 Teheran-ro, Gangnam-gu, Seoul  
Anam Tower

**For real estate services and  
other inquiries**

info@rsquare.co.kr

**Brokerage**

sales@rsquare.co.kr

**Interior Design**

rd\_info@rsquare.co.kr

**A/S**

rd\_as@rsquare.co.kr

**1551-5678**