

# South Korea Real Estate Market Size, Share, Trends and Forecast by Property, Business, Mode, and Region, 2026-2034

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## Abstracts

The South Korea real estate market size was valued at USD 12.6 Trillion in 2025. Looking forward, IMARC Group estimates the market to reach USD 15.0 Trillion by 2034, exhibiting a CAGR of 1.92% during 2026-2034. The market is driven by rapid urbanization, with increasing demand for residential and commercial spaces in metropolitan areas like Seoul. Moreover, supportive government policies, including low-interest rates and tax breaks, have enhanced investment within the real estate sector. In addition, the growing influx of foreign investors and a strong economy continue to fuel a stable demand for properties, further augmenting the South Korea real estate market share.

The market is significantly influenced by the country's robust economic growth, which raises disposable income and promotes the demand for residential and commercial properties. As per industry reports, real GDP growth is expected to reach 2.2% in 2024, signifying a period of economic expansion. In line with this, South Korea's disposable personal income increased to 2,438,286.40 KRW Billion (about USD 1,828.71) in 2023, indicating a boost in purchasing power that drives consumer expenditure on housing and real estate investments. Moreover, the rapid urbanization and population concentration in major cities like Seoul continue to drive the demand for housing and office space, leading to a strong real estate market. Furthermore, low mortgage rates determined by the Bank of Korea have reduced housing finance costs, prompting residential buyers and property investors.

In addition to this, the expansion of infrastructure, such as new transportation networks and commercial zones, also boosts property demand in key areas. According to industry reports, the population aged 65 and older in South Korea is 10.24 million,

representing 20% of the overall population. The growing elderly demographic has created an increased demand for elderly living facilities and easily accessible homes, thus diversifying the market. Apart from this, the emergence of green building and smart city trends is also in line with global sustainable patterns, enticing eco-sensitive investors and consumers. Also, the country's robust technological expertise has fueled property management innovations, making smart homes and digital real estate services more attractive.

## SOUTH KOREA REAL ESTATE MARKET TRENDS:

### Continual Technological Advancements

Continual technological advancements are revolutionizing the real estate industry, impacting how properties are marketed, transacted, and managed. Prop-tech innovations, including virtual reality tours, artificial intelligence (AI) in property management, and blockchain for transparent and secure transactions, enhance the efficiency and accessibility of realty processes. According to an industry report, the real estate industry will see a productivity gain of USD 110 Billion to USD 180 Billion, primarily using Generative AI. Also, generative AI will provide comprehensive customer profiles from data and provide suggestions on the best times to engage with prospects, develop better leads by analyzing product sales data, and develop sales scripts and automated sales follow-ups. Such technological innovations and emerging trends of prop-tech are anticipated to contribute to the South Korea real estate market growth in the coming years .

### Increasing Government Initiatives

The government authorities of South Korea are increasingly taking initiatives to offer affordable housing to its citizens. For instance, in January 2021, South Korea's finance ministry prioritized increasing housing supply by easing construction regulations in densely populated urban regions and endorsing redevelopment initiatives, aiming to stabilize and stimulate growth in the housing market. In addition to this, the government announced its plan to develop 830,000 housing units nationwide, including 320,000 units in Seoul, in two years. Moreover, the South Korea government has developed its green building certification system, the Green Standard for Energy and Environmental Design (G-SEED), which assesses the eco-friendliness of buildings by evaluating eight environmental areas. In line with this, the Ministry of Land, Infrastructure, and Transport announced its real estate plan to provide affordable housing in big cities to meet the demand from young people and tackle soaring home prices. The focal point of the new

measure is to have public developers, such as the state-run Korea Land and Housing and Seoul Housing and Communities, create fast-track approval processes to expand the housing supply swiftly. Such initiatives by the governing agencies are creating a positive South Korea real estate market outlook.

### Elevating Levels of Urbanization and Lower Interest Rates

The Asia Pacific region, including South Korea, is witnessing rapid urbanization. Expanding industrialization is accelerating migration patterns and demographic trends from rural to urban areas. Moreover, the market statistics indicate that the increasing urban population is resulting in unbalanced land distribution and demographic patterns. For instance, in 2022, South Korea had around 81.43% urban population, and roughly half the population lives in the seven largest cities. In response, the cities are focusing on creating more housing, including a more diverse range of options for the housing stock to meet the needs of different types and income levels of households. Moreover, the government authorities are also regulating housing loan interest rates to offer housing facilities at affordable rates to the maximum population. For instance, the mortgage rate for new loans in South Korea stood at 4.31% in the third quarter of 2023, up 0.06% points from the previous quarter. The mortgage rate for new loans has declined from a peak of 4.73 in the fourth quarter of 2022.

### SOUTH KOREA REAL ESTATE INDUSTRY SEGMENTATION:

IMARC Group provides an analysis of the key trends in each segment of the South Korea real estate market, along with forecasts at the country and regional levels from 2026-2034. The market has been categorized based on property, business, and mode.

#### Analysis by Property:

Residential

Commercial

Industrial

Land

Residential property is an important sector in the market due to the high population

density and urbanization in the country. Residential demand is quite high in cities such as Seoul, with the population continuously increasing. Residential properties, such as apartments, condominiums, and houses, are perceived as a secure investment on the basis of the nation's good economic prospects and increasing incomes of households. Fiscal policies directed at steadying the residential sector, including mortgage credit restraints, also have an impact on managing demand. The residential sector is thus a fundamental support post in both the growth of the market and household finances.

The commercial property market in South Korea is an active and integral part of the real estate sector. Due to the well-developed infrastructure of the country, commercial real estate like office complexes, retail buildings, and business parks appeals to both local as well as overseas investors. Seoul stands out as a significant international finance center, with demand for office buildings and commercial properties in central Seoul. The increasing service sector, along with the increasing demand for retail and entertainment centers, has further expanded the sector's growth. Also, commercial properties yield good returns, which attracts institutional investors to consider them as a good diversification option.

Industrial properties are playing a significant role in the market, as the country is a world leader in manufacturing and technology. Industrial property, such as warehouses, logistics hubs, and manufacturing plants, is necessary for backing up the nation's strong supply chains. E-commerce and international trade have increased the need for logistics and distribution hubs, particularly near large transport hubs such as Incheon and Busan. South Korea's emphasis on technological progress, such as the growth of automation in industrial environments, adds to the need for new industrial complexes. Therefore, the industrial real estate market is a key component in the country's overall economic structure.

#### Analysis by Business:

##### Sales

##### Rental

Sales are one of the key drivers of the real estate business in South Korea, especially in residential and commercial markets. Both new and old properties, such as apartments and office buildings, have strong demand, fueled by urbanization, the growth in population, and the stability of the economy. In the housing market, the desire to own

property is great, resulting in a high demand for homes. In the commercial real estate sector, there is a consistent flow of domestic and foreign investors to the sales market. Therefore, the sales segment remains among the most significant market drivers, with the government keeping a tight check on price movements to maintain market stability through policies and regulations.

The rental segment is very important, particularly in the residential and commercial property markets. Most South Koreans, especially younger generations and city dwellers such as those in Seoul, tend to rent instead of owning due to the high costs of property and financial limitations. The rental market supplies affordable housing through long leases and short-term rentals, providing flexibility for those residing there. On the business front, rental premises like office buildings and shopping centers are necessary for businesses in key economic centers. The rental economy helps to ensure consistent cash flows to investors and is very integral to the real estate economy.

#### Analysis by Mode:

##### Online

##### Offline

The online property market has expanded rapidly, powered by the tech-adopting, internet-penetrated population, and hence the extensive use of the internet. The use of websites for property listings, virtual tours, and for buying and selling property has become widespread among buyers and sellers due to its convenience and transparency. Websites and applications such as Naver Real Estate and Zigbang give users full property details, including prices, location maps, and trends, making decision-making easier. The move to online transactions mirrors larger digitalization processes in the South Korean economy, and it has drawn a younger demographic looking for a quicker, more efficient means of dealing in the real estate market.

Offline property transactions remain highly important in the real estate market in South Korea. Most people, particularly the elderly generation, prefer to have direct interactions when renting or purchasing properties. Property agents are highly relevant in this conventional scheme, facilitating clients throughout the intricate process of property hunting, financing, and negotiation. Offline transactions are especially prevalent on high-value properties or those that entail extensive legal and financial consultation. Offline transactions are still important for personalized service, establishing trust, and providing

advice, making it an integral part of the market, particularly for more experienced investors.

#### Regional Analysis:

Seoul Capital Area

Yeongnam (Southeastern Region)

Honam (Southwestern Region)

Hoseo (Central Region)

Others

The Seoul Capital Area (SCA) is an essential region in the market, having a major proportion of both residential and commercial property transactions. Being the nation's economic, political, and cultural center, the SCA, encompassing Seoul, Incheon, and Gyeonggi Province, has a heightened demand for real estate. The concentrated high population density, coupled with ongoing urbanization, fuels demand for residential property like apartments as well as commercial property like business office buildings and retail establishments. The infrastructure, connectivity in transportation, and business potential of the region ensure that it is a major market for both domestic and foreign investors.

Yeongnam, the Southeastern part of South Korea, comprises major urban areas like Busan, Ulsan, and Daegu. Yeongnam is significant in the real estate sector of the nation, given its industrial core and sound economic performance. Busan, which is South Korea's second-largest urban area, is a primary seaport and logistics hub that fuels demand for industrial and commercial property, especially logistics and warehouse facilities. In addition, Yeongnam experiences consistent residential demand, supported by a rising middle class. The comparatively low prices of properties in the region relative to the Seoul Capital Area render it appealing to local consumers as well as investors searching for alternatives beyond the capital.

Honam is in the Southwestern region of South Korea and comprises cities such as Gwangju and surrounding Jeolla Province. Famous for its farming activities, the area boasts a relatively modest property market than in Seoul or Yeongnam but remains an



integral part of the national economy. Honam's residential property market is fueled by cheaper land prices, which make it a more budget-friendly choice for both home buyers and investors. Gwangju, being the cultural and industrial center of the region, draws commercial space demand, especially in light manufacturing and retail. The area is also becoming increasingly popular for housing development with its quiet atmosphere and lower cost of living.

Hoseo, or the central part of South Korea, includes cities such as Daejeon and Chungcheong Province, which are key to transportation and technology hubs. Daejeon, in fact, has become a science and technology hub, with demand for both commercial properties, including office buildings, and residential units. The Hoseo region enjoys the advantage of being strategically placed halfway between the Seoul Capital Area and Yeongnam, offering proximity to key economic belts. Though less dense and populated compared to other areas, the area's relatively lower real estate values and reasonable access to major metropolitan areas make it a compelling destination for investment, especially in industrial and logistics.

#### COMPETITIVE LANDSCAPE:

The market's competitive landscape is characterized by a mix of local developers, institutional investors, and foreign players. The residential market is dominated by the local developers with high-density apartments in the city areas, catering to young professionals and families. The retail space and office space in the commercial market are highly competitive, attracting huge demand both from domestic and international investors because of the country's strategic location as well as economic influence. Institutional investors form the core, particularly in large infrastructure investments and commercial real property holdings. The sector is also influenced by the policies of the government in governing zoning laws, house taxes, and house prices, leading to a complex platform to play in. The South Korea real estate market forecast indicates that competition will become even more intense with rising urbanization, ongoing infrastructure development, and increasing demand for green, modern homes and office spaces in major cities.

The report provides a comprehensive analysis of the competitive landscape in the South Korea real estate market with detailed profiles of all major companies, including:

CBRE Korea

Cushman & Wakefield plc

Jones Lang LaSalle Incorporated

Knight Frank

RE/MAX Korea

### Frequently Asked Questions About the South Korea Real Estate Market Report

- 1.How big is the real estate market in South Korea?
- 2.What factors are driving the growth of South Korea real estate market?
- 3.What is the forecast for the real estate market in South Korea?
- 4.Which are the leading companies in the South Korea real estate market?



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