

**Encouraging and curbing the complex forces of tourism-led  
gentrification: the case of Bukchon in Seoul**

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## **Abstract**

This research examines tourism-led gentrification processes, their impacts and attempts to control them through a longitudinal case study of Bukchon. Bukchon is a neighbourhood located in the centre of Seoul that includes a sizable cluster of Korean traditional houses. Since the 2000s, Bukchon has undergone waves of gentrification. At the same time, local government has introduced various policies that have either been designed to curb tourism-led gentrification or have resulted in encouraging the process by promoting landscape conservation measures. This study of Bukchon examines the impact of government policies and the often countervailing pressures on the local community engendered by tourism, the penetration into the neighbourhood by retail outlets owned by famous brands at the expense of local stores and the complexities that colour attempts to resist neighbourhood change. This research contributes to existing understandings of tourism-led gentrification that charts the impact over time of actions by the state, business corporations and wealthy property owners and their effect on the lives of lower-income users. Beyond that, it sets the case of Bukchon within the wider parameters of urban change in Seoul, which it sees primarily in terms of growth through speculative investment by individuals and expansionary government policies in close consort with conglomerates.

This thesis argues that: (i) tourism-led gentrification does not simply lead to a rise in rents and direct displacement but provokes wide and fundamental neighbourhood change including residents' loss of a sense of place, damage to the interdependence between the residential and retail sectors and mutual reinforcement of displacement pressures between both sectors; (ii) government policies were the result of a complex interplay among stakeholders within the urban context; (iii) policies were partially effective in conserving the urban landscape with a consequent rise in property values and influx of tourists but had limited effect when it came to mitigating gentrification under the speculative urban context; (iv) tourism-led gentrification cannot be simply curbed by decreasing tourist numbers because fundamental neighbourhood changes are caused early on in the process. The thesis serves as a corrective to those who believe that government policies can provide a quick answer or who seek other linear pathways to the easing of gentrification pressures.

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## List of Abbreviations

Abbreviation	Name / Phrase
BDUP	Bukchon District Unit Plan
CMAG	Comprehensive Measures Against Gentrification
CMCRB	Comprehensive Measures for the Conservation and Regeneration of Bukchon
JDG	Jongno District Government
JRP	Joint Redevelopment Programme
JSMT	Jongno-gu Special Measures on Touristification
MPCRB	Master Plan to Conserve and Regenerate Bukchon
SMG	Seoul Metropolitan Government
SHSO	Seoul <i>Hanok</i> Support Ordinance

## **Chapter 1: Introduction**

### **1.1. Introduction**

Bukchon is an attractive urban neighbourhood in the city centre of Seoul where many well-preserved traditional Korean houses are located. There are more than a thousand of these houses in Bukchon, the patina of each alley creating a distinctive atmosphere full of character, as shown in Figure 1.2. It was a prestigious residential area until the 1960s but fell into decline between the 1970s and 1990s. From the early 2000s onwards, however, it started to gain fame as a well-preserved cluster of traditional Korean houses with a distinctive landscape and now has become one of the most popular tourist destinations in Seoul. Bukchon's resident population has, however, fallen dramatically from 13,775 in 1995 to 7,327 in 2020 (SMG, 2021).

Bukchon is a representative example of those areas in Seoul that have undergone tourism-led gentrification. Several dilapidated but characterful neighbourhoods in Seoul have recently experienced rapid rises in the number of visitors together with property value inflation and the subsequent displacement of existing residents/tenants in both the residential and retail sectors. This has happened as a result of the changed speculative urban context of Seoul (see Chapter 3). In this context, Bukchon has undergone local changes that can be understood as tourism-led gentrification and has become one of the most illustrative examples of these changes in Seoul due to government policies and widespread coverage in the media (see Chapters 5 and 6). From 2017, however, Bukchon underwent a sharp fall in the number of tourists due firstly to huge anti-government protests taking place in a nearby area, and secondly to the sudden drop in Chinese tourist numbers as a result of both conflict between South Korea and China and the emergence of alternative tourist destinations (see Chapter 7).

The neighbourhood changes experienced in Bukchon have become one of the significant urban problems facing the city of Seoul today. A number of protests by residents and tenant retailers in Bukchon as well as in other areas of Seoul received wide coverage in the media and attracted much public attention. These protests drew attention to the negative effects of a process of urban transformation that can best be described as gentrification triggered by a tourism boom. Both the public and government started to recognise that the process of tourism-led gentrification was having a significant negative

impact on the urban neighbourhoods concerned. Some civic activists and groups, moreover, began to demand action to prevent or mitigate this. As a result, Bukchon was spotlighted in the media as a representative case of tourism-led gentrification (see Chapters 6 and 7).

Bukchon is also a neighbourhood where various local government policies designed to mitigate or promote tourism-led gentrification have been intensively implemented. In the early 2000s, government policies were introduced in Bukchon not only to improve living conditions but also to upgrade the physical landscape of the buildings and alleys in order to promote tourism in the area (see Chapter 5). Subsequently, policies for promoting tourism and preserving the urban landscape were repeatedly implemented up until the mid 2010s (see Chapter 6). From 2015, however, policies to mitigate tourism-led gentrification were introduced as negative impacts of tourism-led local change grew pronounced and so became recognised (see Chapter 7).

Meanwhile, the impact of tourism on urban areas had become an important research field in urban studies and more specifically gentrification studies (see Chapter 2.3). Tourism is a very large and rapidly growing industry. In particular, the transformation of urban space caused by tourism tends to be connected to the investment of capital and the subsequent influx of affluent new users and displacement of existing users. In short, the impact of tourism on the city is closely related to the gentrification process.

Many studies on the impact of tourism on urban spaces have been conducted recently with several focused on gentrification (Balampanidis et al., 2021; Cocola-Gant, 2018; González-Pérez, 2020; Kim et al., 2021; Koens et al., 2018; Mermert, 2017b; Ojeda and Kieffer, 2020; Seraphin et al., 2018; Sigler and Wachsmuth, 2020; Zhang et al., 2022). These studies have examined tourism-led urban changes including the rapid increase of tourist accommodation, characteristic changes in the retail sectors, a rapid rise in property prices and a deterioration in living conditions. Some of these studies focus on the gentrification effects triggered by a sharp growth of tourism in urban areas (Balampanidis et al., 2021; Cocola-Gant, 2018; González-Pérez, 2020; Mermert, 2017b; Sigler and Wachsmuth, 2020; Zhang et al., 2022).

As I will discuss in Chapter 2, there remain several unexplored aspects regarding the impact of gentrification caused by the rapid growth of tourism in urban areas and attempts by policy makers to respond to this. Regarding the impact of tourism-led gentrification, firstly, most studies tend to focus on residential-sector changes, but there are fewer studies on the effects of the gentrification process in the retail sector or on the interplay between the two

(see Chapter 2.3.3). Secondly, the impact of a decrease in tourist numbers in areas that have undergone tourism-led gentrification has rarely been examined (see Chapter 2.3.2). Regarding government policy issues, firstly, there has been a tendency to focus on the impact of government policy aimed at stimulating the gentrification process. However, the impact of policies designed to mitigate tourism-led gentrification in both sectors has rarely been examined (see Chapter 2.4.2). Secondly, there is a need to better understand the complexity of policymaking and the diversity of actors involved, each of whom often have contradictory aims and views. This has been a more prominent lacuna in research on East Asia where work has often tended to focus on the central role of the state (Chapter 2.4.3).

This chapter firstly presents a brief introduction to the background context of Seoul and Bukchon. Secondly, it demonstrates what existing knowledge gaps this research aims to fill as well as the contributions it hopes to make in order to show why this research is necessary and important. Thirdly, the research questions will be introduced. Lastly, the structure of this thesis will be presented.

## **1.2. Bukchon: a representative traditional Korean house cluster in the centre of Seoul**

### **1.2.1 Background of Seoul and Bukchon**

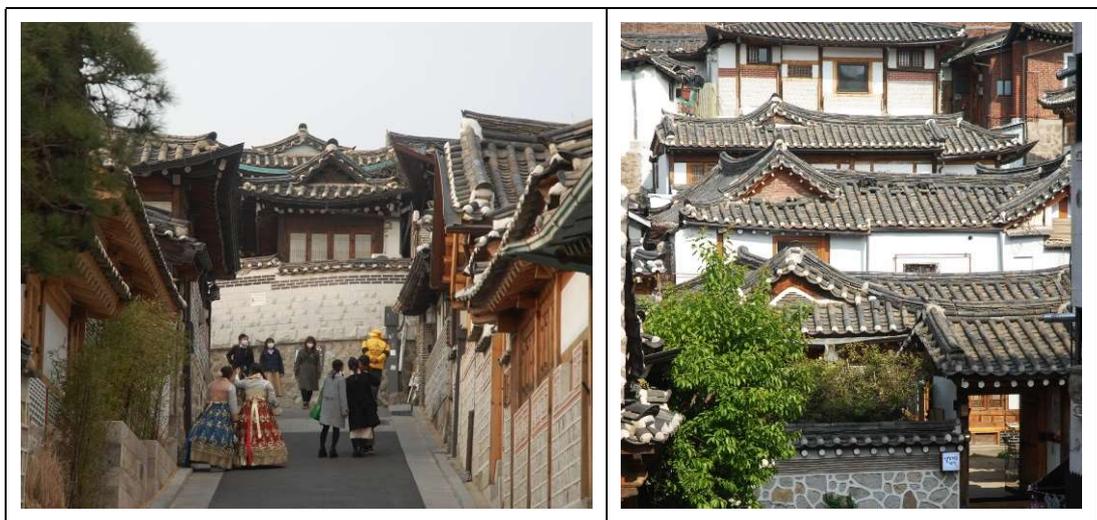
Seoul is the largest city in South Korea. In 1394 it was designated as the capital city of the Joseon Dynasty, the last dynasty of the Korean peninsula, which ruled between 1392 and 1897. Seoul is located in the central part of the Korean peninsula (see Figure 1.1). Its population is about 10 million.



**Figure 1.1** Location of Seoul

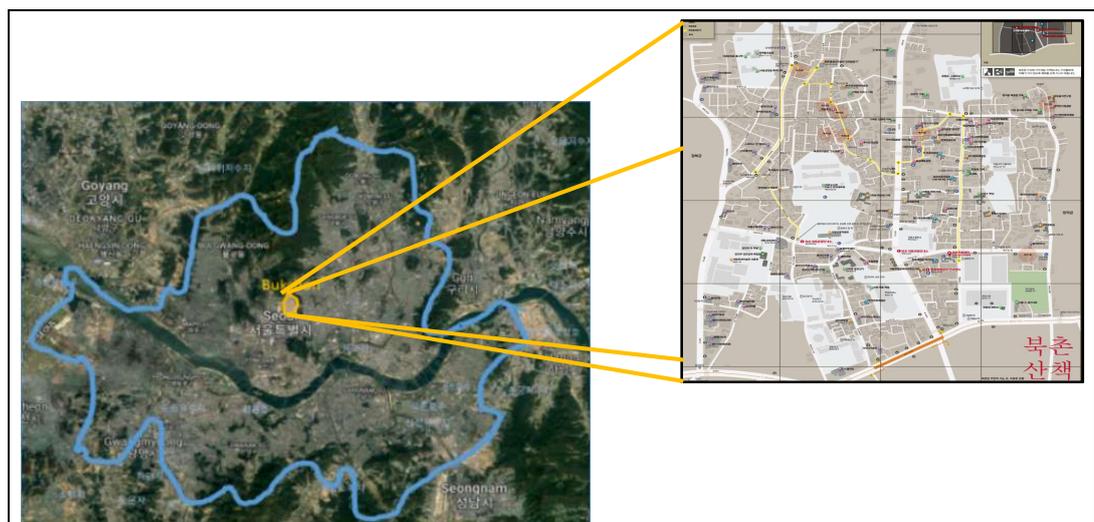
Source: Google map

Bukchon is one of Seoul's most celebrated districts and contains a cluster of well-preserved traditional Korean houses, so-called *hanok*. There are well over one thousand *hanok* in Bukchon (SMG, 2010a). As illustrated in Figure 1.2, the scenery of Bukchon is attractive due to the large number of well-preserved *hanok*. Bukchon is located in the city centre of Seoul as shown in Figure 1.3. The central business district is situated to the south of Bukchon, and the Blue House – the office of the South Korean president – to the west. Immediately to the east of Bukchon are situated a collection of former royal palaces, which are now a UNESCO World Heritage Site and a popular tourist destination.



**Figure 1.2** The scenery of Bukchon

Source: The author, photographs taken in April 2019



**Figure 1.3** Location of Bukchon in Seoul

Source: Google maps and Seoul *Hanok* Center (<http://hanok.seoul.go.kr/guest.htm>)

### 1.2.2 A brief introduction to the urban context of Seoul and the changes experienced in Bukchon

The landscape of Seoul has changed dramatically since the 1960s due to rapid rates of industrialisation and urbanisation. As will be discussed in more detail in Chapter 3, numerous high-rise new towns have spread in suburban areas (SMG, 2013). Furthermore, many existing residential areas in the city centre have been extensively redeveloped into high-rise apartment complexes and multi-household dwellings (Ha, 2007; Shin and Kim, 2016). As a result, there are few areas where the original scenery remains unchanged.



**Figure 1.4** Changing cityscape of central Seoul between the 1960s and the 2000s

Source: Seoul Photo Archives (<http://photoarchives.seoul.go.kr/>)

The construction (or redevelopment) of these housing development projects have been significant drivers in the creation of the urban context of contemporary Seoul – a proliferation of speculative investment in property. During the residential development of Seoul, at least since the 1970s, property owners and construction companies earned substantial profits through urban development. As it became more widely known that residential development projects and investment in urban property could produce large profits, speculative investment in property became prevalent in all areas of Seoul. These practices have also had a significant impact on the changes that have taken place in Bukchon and continue to take place.

In the 2010s, speculative investment in popular tourist destinations and the subsequent displacement of existing tenant retailers became a significant issue in Seoul. After the global financial crisis of 2008, returns on investment in the housing sector in Seoul shrank. Speculative investors, therefore,

searched for alternatives and the small retail properties in popular tourist destinations became a new target for them. Investment in such properties sharply increased in the early and mid 2010s, following which speculative investors raised rents very quickly to maximise profits (see Chapter 3.4). As a result, the displacement of existing tenant retailers became widespread and emerged as a major urban issue with the resistance of tenant retailers gaining wide coverage in the media.

As part of the broader urban context of Seoul, Bukchon experienced changes that can be understood as a type of tourism-led gentrification prompted by the area's well-preserved urban heritage, the results of which included rises in property values and rents, an increase in the number of tourists, and the displacement of existing low-income users. Affluent newcomers moved into the homes and shops from which low-income residents and tenant retailers were being displaced. In the housing sector, wealthy newcomers moved into *hanok* or purchased *hanok* as second homes. Many houses were also converted into commercial shops or tourist accommodation. In the retail sector, wealthy business organisations, including large corporations, which could afford high rents, not only actively displaced existing tenant retailers but also became significant actors that raised rents rapidly for existing tenants. The increase in retail property purchases by speculative investors wishing to extract profits also resulted in rapid rent increases, resulting in displacement of existing tenant retailers. These issues were widely covered in the media and became matters of public concern as they were frequently the result of widespread speculative investment. The media also spotlighted several protests by tenant retailers who argued they were being unfairly displaced.

Meanwhile, local government introduced various policies that were designed either to promote tourism by encouraging conservation and adopting tourism-friendly measures or to mitigate the gentrification process. As mentioned above, prior to the mid 2010s, the Seoul Metropolitan Government (SMG) introduced a series of policies designed to conserve *hanok* and promote tourism. For example, in the early 2000s, several policies for the preservation of *hanok* were introduced, including the Comprehensive Measures to Preserve and Regenerate Bukchon, introduced in 2000. These *hanok* conservation policies were implemented not only to aid in the restoration of *hanok* but also to promote tourism.

From the mid 2010s, however, local government began actively to establish policies to curb the displacement of existing residents and tenant retailers. Around 2015, the displacement of low-income tenant retailers in the

commercial sector emerged as a significant urban issue in Seoul. In 2018, the inconvenience to residents caused by the increase in tourist volume in several areas of Seoul including Bukchon was also spotlighted by the media and emerged as a major urban problem. In this context, local government introduced a number of policies to mitigate the effects of gentrification.

Bukchon experienced a sudden decrease in tourist numbers from 2017, the causes of which were multiple. This change provided an opportunity to examine the impact of decreasing tourist volume on an area that had previously experienced high levels of tourism-led gentrification.

### **1.3 Rationale for research on tourism-led gentrification in Bukchon**

This thesis, a study on Bukchon, aims to provide a clearer understanding of tourism-led gentrification by helping to fill in the knowledge gap in relation to neighbourhood change caused by tourism.

Despite the importance of the subject, there remain various unexplored issues that are essential in order to obtain a clear understanding of the neighbourhood changes brought about by tourism. Firstly, many studies on tourism-led gentrification have focused mainly on the residential sector, with only a few studies shedding light on retail sector changes and the interplay between both sectors (see Chapter 2.2.3). As will be discussed in more detail in Chapter 2, only recently has academic interest in the effects of gentrification in the retail sector intensified (González and Waley, 2013; Gravari-Barbas and Guinand, 2017; Mermet, 2017a; Zukin et al., 2009). There have, however, been relatively few studies on the gentrification process in both the retail and residential sectors and the changes each sector has gone through, not to mention how the changes in the two sectors interact, and what their impact might be.

Secondly, the impact of a decrease in tourist volume in an area that has experienced tourism-led gentrification has rarely been examined. Most of the studies on tourism-led local changes including gentrification have tended to focus on the process and impact of increasing tourist numbers and the subsequent deepening gentrification (Cocola-Gant, 2018; Gotham, 2005; Gravari-Barbas, 2017; Gravari-Barbas and Guinand, 2017; Mermet, 2017b; Sequera and Nofre, 2020; Su, 2015; Zukin et al., 2009).

In addition, a study focussing on this issue may also have significant implications for the formulation of related government policy. Many government policies aimed at curbing the negative impact of excessive numbers of tourists, that is to say a tourism-led gentrification process, tend to target a simple dispersion of tourists and a reduction in their number as countermeasures (Milano et al., 2019). However, there has been little discussion on whether the reduction in number or dispersion of tourists can effectively curb the negative impacts caused by excessive tourist volume or of the reason why this should be so. Therefore, further research on this issue may provide a contribution to the establishment of practical and effective countermeasures to the problem of tourism-led gentrification by showing how effective a fall in tourist numbers is in mitigating the effects of tourism-led gentrification and offering reasons why this should be so.

Thirdly, there is a tendency for most studies to focus on government policy aimed at increasing tourist numbers and triggering the gentrification process and the impact of such policies. Research on policy aimed at curbing tourism-led gentrification and its impact, however, has been relatively limited. As will be discussed in Chapter 2.4, most of the related studies have been on the role of government policy that has provoked tourism booms, on the negative impact of excessive numbers of tourists, and on the details of government response (Calle-Vaquero et al., 2021; Nientied and Toto, 2020; Peeters et al., 2018; Sequera and Nofre, 2020; Seraphin et al., 2018; Smith et al., 2019). The effects of government policy aimed at curbing the negative impact of tourism, however, have been relatively rarely studied (but see Kim and Kim, 2020; Nepal and Nepal, 2021; Peter and Rudina, 2020). Further investigation of this phenomenon will help to broaden understanding of the policy issues around tourism-led gentrification and to contribute to the establishment of policies designed to curb it in other cities.

This research aims also to contribute to our expanding knowledge of the influence of local context by means of a comparison of the differentiated effects on the same locality of conflicting policies, policies promoting and mitigating tourism-led gentrification. It is hoped that examining these issues may also contribute to the implementation of more effective policies in other cities which are undergoing similar problems because it could provide useful clues as to why tourism-led gentrification-related policies have been ineffective or vice versa.

Fourthly, the complex political processes of establishing or implementing gentrification-related policies and the role of stakeholders involved have

tended to be overlooked (Chapter 2.4.3). As we will see in more detail in Chapter 2, actual policy introduction or implementation is a political process that is influenced by the intervention of multiple stakeholders (Calle-Vaquero et al., 2021; Pacione, 2001). Understanding this complexity may be a significant factor in clearly understanding why specific policies have included specific measures and why policy measures have resulted in achieving the policy objectives or vice versa. This is also an essential foundation for comprehending how effective tourism-led gentrification policies have been, and why they have had the effects that they have.

A study on Bukchon provides an opportunity for new findings concerning these issues. It can, therefore, contribute to an analysis of the following factors: both retail and residential sector changes resulting from the tourism-led gentrification process as well as the interplay between the two sectors; the impact of policies designed to curb as well as to promote tourism-led gentrification; the complex process by which policies are planned and implemented; and the impact on a neighbourhood caused by a significant decrease in tourist numbers. In addition, as mentioned above, a study of these issues in the case of Bukchon may also in the help planning of effective policies to counteract the negative effects in other cities undergoing tourism-led gentrification.

## **1.4 Research questions**

The central purpose of this thesis is, by means of a longitudinal case study of Bukchon, to examine the processes of tourism-led gentrification, their impacts and the various attempts made to control them. By doing so, my research seeks to tackle those existing gaps and limitations in current knowledge that have been discussed above. This thesis addresses two main research questions.

The first, drawing on the wide and fundamental neighbourhood changes caused by tourism-led gentrification, is this: what are the factors that have brought about these changes and how have the effects of gentrification played themselves out on the urban territory?

Regarding this question, the thesis examines the role played by stakeholders; the specific process of tourism-led gentrification in the residential and retail sectors, as well as the interaction between changes in both sectors; and the effects of a decrease in tourist volume. This question is also related to the

larger question of gentrification in the city of Seoul as a whole. This is because the tourism-led gentrification undergone by Bukchon is one of the representative examples of neighbourhood change triggered by investment in speculative capital in the speculative urban context of Seoul as a whole. These questions are pursued largely through interviews conducted with a range of key actors, through reviews of media reports and by means of statistical analysis, and are presented primarily in Chapters 5 and 6.

The second research question, related to policies undertaken by government in regard to gentrification caused by tourism, is as follows: what factors have influenced the planning and implementation of government policies designed to control the effects of tourism-led gentrification, how effective have these policies been and why have these effects been?

Regarding this question, the research explores the planning process and implementation of policy, the effects of these policies in terms of either promoting or curbing tourism-led gentrification and the reasons why these policies had differentiated impacts. The second question is pursued mainly through analysis of documents including government policy reports as well as through interviews with key actors. The results are primarily discussed in the early sections of Chapters 5, 6 and 7.

## **1.5 Thesis structure**

Following this introductory chapter, the second chapter reviews the related literature in order to set the context for a discussion on gentrification, tourism and government policy. Firstly, academic discussion on gentrification is reviewed, including in the regional context of East Asia, so as to provide theoretical background. In second place, the impact of tourism on urban space is examined. This includes neighbourhood changes caused by tourism, the concept of tourism-led gentrification and the details of retail sector changes caused by tourism. Lastly, the role of government is introduced with consideration specifically given to discussion of the changing role of local government in regard to gentrification as well as to current debate on heritage conservation policies that have tended to result in tourism-led gentrification, and on the complexities of policy making. The regional context of East Asia is also examined as a background context.

The third chapter presents the urban context of Seoul to give a broader context to the local changes affecting Bukchon. I argue here that speculative

investment in urban property became widespread in Seoul and that this speculative behaviour was one of the main elements that led to calls for change in the city. This is done by means of a brief review of the history of major urban development projects in Seoul. The context of growing levels of speculative investment and the emergence of gentrification as a significant urban phenomenon are also investigated in order to reveal the background context of why Bukchon underwent tourism-led gentrification in the retail sector as well as in the residential sector.

Chapter 4 details the research method and design. The rationale for adopting the single case study and mixed-methods are reviewed. Ethical issues and the question of the author's positionality are also discussed.

The remaining chapters present an empirical analysis of the changes that have taken place in Bukchon over the last five decades. The fifth chapter presents a brief history of Bukchon, up to the early years of the twenty-first century, including the introduction of policies to conserve *hanok* and the beginnings of the gentrification process. When discussing the introduction of policies to conserve *hanok*, I argue that the policies were not simply decided by government but were rather the result of a complex interaction between stakeholders within the broader urban context. The conservation policies were effective in preserving the physical aspect of *hanok* but also triggered a rapid rise in property values and the subsequent displacement of many low-income residents prior to the true onset of tourism-led gentrification.

Chapter 6 investigates the neighbourhood changes that took place in Bukchon during the period of tourism-led gentrification roughly between 2006 and 2014 in both the residential and retail sectors and the government policies that were implemented in order to promote tourism or which subsequently led to the rapid growth in tourism. Based on the evidence examined in this chapter, I argue not only that government policies were at least partially effective in conserving the urban landscape with a consequent rise in tourist numbers and property values, but also that tourism-led gentrification caused fundamental local change including in the nature of both the residential and retail sectors, and furthermore, that it resulted in a weakening of community ties, the loss of a sense of place, and a decline in living conditions. In particular, I conclude that tourism-led gentrification has damaged the interdependency between the residential and retail sectors and has created a feedback loop that is mutually reinforcing the displacement pressure in Bukchon.

The seventh chapter presents the changes of Bukchon from 2015 to the present and the recent government policies introduced to curb tourism-led

gentrification. The government introduced a number of policies designed to curb the tourism-led gentrification process in the residential and retail sectors as a response to the protests by victims of tourism-led gentrification. From 2017 onwards, the number of tourists in Bukchon has decreased sharply. By analysing the government policies of this period, this chapter argues that the effects of local government policies were limited in their goal of mitigating tourism-led gentrification processes because the conflicting impact of speculative urban investment and the growth-oriented policies of the national government. The investigation on the decrease in tourist volume since 2017 and the impact of this on Bukchon suggests that tourism-led gentrification cannot be simply curbed or resolved by limiting tourist numbers because the neighbourhood has already been fundamentally altered by the tourism-led gentrification that came before.

Chapter 8, the conclusion, presents the key points of this thesis. This chapter returns to the research questions raised in the introduction and sketches out some possible answers. It indicates how this research has contributed to the broader discussion on tourism-led gentrification.

## **Chapter 2. Literature Review**

### **2.1 Introduction**

This chapter examines relevant literature on gentrification, tourism and the role of government, which are generally considered to be significant factors in recent urban transformation including in East Asia. These three themes have been seen to generate major urban change through their interaction in many cities around the globe including Seoul. Tourism has become one of the principal triggers of urban change and more specifically of gentrification. This is the consequence of a range of factors, including ease of travel and re-evaluation of cultural heritage. While private individuals are often both agents and victims of this process, the state also plays an influential role in the development of these trends. Seoul provides a window into how these forces interact with each other.

Before laying out and examining these processes in the context of Seoul, which I will do in subsequent chapters, in this chapter I discuss the conceptual background for this research and some significant points to which my research contributes. The chapter is divided into four sections. In the next section, a general discussion on gentrification, the concept of gentrification and the regional context of East Asia will be discussed. The impact of tourism on the neighbourhood including on the retail sector and the connection between tourism and gentrification will be examined in section 2.3. This is so as to understand the wider influence of tourism on urban space, recent theoretical discussion on tourism-led gentrification and some points that are still unexplored or have been overlooked. In the following section 2.4, the role of government in influencing tourism and gentrification will be discussed. In particular, heritage conservation and tourism promotion policy will be thoroughly examined in order to provide a solid basis to explore the policy issues of this study. And, as a practical issue regarding policy implementation, the constraints of local government will be reviewed. Lastly, several critical implications will be discussed.

### **2.2 Gentrification from planet to East Asia**

Gentrification discussion has been vigorous ever since the term was first coined by Ruth Glass in 1964. During the following decades, there has been widespread discussion of the concept of gentrification and of a plethora of

related urban consequences such as displacement. Examining this discussion and understanding the main concepts involved is important in order to reveal the clear shape of local change, for instance in the case of this study, in Bukchon, Seoul. At the same time, regional context is also important because the conjunction of the global impetus towards gentrification and regional context has led to various types and characteristics of gentrification. In this section, therefore, discussion about the concept of gentrification and displacement will be undertaken first, followed by discussion of the East Asian regional context of gentrification.

### **2.2.1 Conceptualisations of gentrification and displacement**

The concept of gentrification has slowly come to be defined in a broader sense than was formerly the case. For instance, Clark (2005) has suggested an abstract definition of gentrification and argues that any spatial process that fits this definition is gentrification.

Gentrification is a process involving a change in the population of land-users such that the new users are of a higher socio-economic status than the previous users, together with an associated change in the built environment through a reinvestment in fixed capital. .... It does not matter where, and it does not matter when. Any process of change fitting this description is, to my understanding, gentrification. (Clark, 2005, p. 263)

Shaw (2008) has also pointed out that the concept of gentrification is currently (in the early 21st century) understood in a broader way than before; it can range from urban to rural, from renovated houses to high-rise apartments and from residential to commercial areas. More recently, Shin et al. (2016) state that one of the major achievements of recent comparative discussion on gentrification has been the abstraction of the gentrification concept as a broad process which causes neighbourhood transformation.

In line with these discussions, in this thesis gentrification is defined as the transformation of localities by capital (re)investment which is exploiting a rent gap, accompanied by the displacement of existing users by more affluent agents. As a broad concept, gentrification refers to urban neighbourhood changes in various aspects. These changes have a social impact: displacement of existing users and community change caused by affluent groups; an economic impact: land-use change and the exploitation of rent gaps by capital; and a physical impact: physical improvements by means of reinvestment (Clark, 2005; Lees et al., 2008; Waley, 2016; Shin et al., 2016).

Waley (2016) and Shin et al. (2016) conceptualise gentrification in similar ways. Waley (2016) suggests that there are four core elements related to gentrification: neighbourhood class conversion, displacement of lower-income residents, the exploitation of rent gaps for profit and the upgrading of properties and neighbourhoods. He argues that three or more at least of these four elements can generally be found in examples of gentrification. Shin et al. (2016) consider “gentrification as a concept” to mean “the commodification of space accompanying land use changes in such a way that it produces indirect/direct/physical/symbolic displacement of existing users and owners by more affluent groups” (Shin et al., 2016, p. 458). All of the above definitions highlight core criteria of the gentrification phenomenon, such as local transformation in social, economic and physical aspects caused by the influx of affluent people, displacement of existing users, investment of capital and exploitation of rent gap. Hence, gentrification can be understood as a concept that encompasses all phenomena that include these elements and characteristics.

The broad concept of gentrification embraces both a production and a consumption side. The production side of gentrification is concerned with the commodification of places where developers seek more to profit from exploiting the rent gap, that is to say, the gap between the potential ground rent and the capitalized (actual) ground rent through the gentrification process (Lees et al., 2008; Shaw, 2008; Smith, 1979). Regarding the production side, capitalists try to maximise the rent gap and their resulting development profit by lowering the use-value or increasing the potential value (Slater, 2017). In this context, capital investment in rundown neighbourhoods including under-invested city centre areas, where there is a likelihood of being able to exploit the rent gap resulting in gentrification, has been understood as an element of the production side of gentrification.

On the consumption side, gentrification is understood to be the result of changes in urban demand caused by the restructuring of industry: from manufacturing to creative and cultural industries and other service industries (Ley, 1986; Lees, 2008; Shaw, 2008). Those for whom gentrification is primarily a consumption-led process stress that it is post-industrialism that caused the restructuring of industrial space, and this turn resulted in the restructuring of the labour market in the inner city. They also argue that the restructuring caused changed housing demand in tandem with the transition of cultural preferences of young middle class urban residents. Consequently, it is the change in housing demand along with the transition of cultural

preferences that has led to gentrification (Ley, 1986; Lees et al., 2008; Shaw, 2008).

The broad concept of gentrification is nowadays based on both these perspectives and understood as being an integration of them (Clark, 2005; Lees et al., 2008; Shaw, 2008). Lees et al. (2008) remark, "Today, most observers acknowledge that both production and consumption perspectives are crucially important in explaining, understanding and dealing with gentrification" (p. 190). The both-sides integrated broad concept is helpful in understanding the recent changes that have taken place in Bukchon. As will be discussed in Chapters 5 and 6, both the use of capital investment to exploit the rent gap on the production side and the changes in demand for traditional Korean houses were important causes of gentrification in Bukchon.

On the other hand, this broad concept of gentrification has been criticised as being difficult to apply to cities in the Global South because its origin and characteristics are bound up with the context of Global North. For instance, Maloutas (2012) argues that the broader definition of gentrification is a "regression of conceptual clarity" because it is impossible to separate the concept from a "contextual attachment to the Anglo-American metropolis". Hong Kong is seen by some as providing relevant evidence in support of this claim. Cartier (2017) and Smart and Smart (2017), for example, argue for the importance of historical and geographical contexts and criticise the tendency of the term gentrification to displace other analytical concepts that may be more appropriate in a particular regional context.

Nevertheless, I will argue in this thesis that the broad concept of gentrification is highly useful in shedding light on urban processes that cause violence and displacement. As Shin et al. (2016) have pointed out, the criticisms expressed above are based on "a prototype of gentrification built on an imagined western model of gentrification (p. 457)" and overlook gentrification's usefulness as a broad concept. It is "a politically effective concept that brings together people from around the world" (Shin et al., 2016, p. 457) and "the conceptual category that provides a critical edge and some theoretical coherence to physical and social change incorporating eviction, displacement, demolition and redevelopment" (Ley and Teo, 2014, p. 1296). The criticisms also overlook the fact that the concept of gentrification has been already adopted in many non Western countries and become part of public discourse there. In South Korea the term gentrification is often used in the press and in academic articles, as will be seen in Chapter 3 (Ha, 2004; Kim, Kwon and Gil, 2010; Shin, 2015; Kim, 2015a; Nam, 2016; Yoon and Park, 2016). In addition, as will

be discussed in Chapter 7, such public discussion has led to the implementation of Comprehensive Measures Against Gentrification by the Seoul Metropolitan Government in 2015 (SMG, 2015b).

The broad concept of gentrification is helpful tool for a consistent understanding of the urban change that has taken place in Seoul since the 1970s. As will be seen in Chapter 3, the violence against and displacement of existing users caused by various types of urban change, including large-scale redevelopment projects (beginning in the 1970s) and speculative capital investment in the commercial sector (from the 2000s onwards), were related to core elements of the broad concept of gentrification such as capital investment, class change and displacement of existing users. The term gentrification can, then, when used as a broad concept, help consistently and clearly to reveal the violent process of urban change in Seoul.

Based on this understanding, gentrification may be understood as a broad process that includes a variety of different local contexts all over the world. As Shin et al. (2016) point out, gentrification did not simply expand outwards from the Global North. In this respect, we can understand the diversity of gentrification as an integration between elements essential to gentrification and specific local contexts.

Meanwhile, the concept of displacement, a significant concept within the gentrification discussion, has also been enlarged. This concept covers not only physical displacement from one's property but also displacement as a process of eviction including in its psychological aspects. This can be understood in terms of the 'pressure of displacement' concept proposed by Marcuse (1985). He argued that the concept of displacement, which had previously been widely accepted, needed to be elaborated into concepts of exclusionary displacement and pressure of displacement in order to "cover the full range of housing-related involuntary residential dislocation that constitutes the problem of displacement" (p. 205). He explained that the existing understanding of the concept of displacement is mainly concerned with direct displacement. Direct displacement means "displacement of a household from the unit that it currently occupies" (p. 205) and it is caused by the demolition of housing or by an increase in rent. This concept, however, was not broad enough to cover other significant aspects of displacement, so he proposed the concepts of exclusionary displacement and pressure of displacement. Exclusionary displacement refers to the indirect exclusion of low-income households due to a decline in affordable housing in a gentrifying or gentrified area. Pressure of displacement on the other hand implies a

process that entails more than just the moment the household is evicted from its current residence (Marcuse, 1985). Other academics in the gentrification field have reinforced and elaborated on this understanding of displacement in gentrification discussion (Atkinson, 2015; Davidson, 2009; Slater, 2009). For instance, Davidson (2009) stresses that the term displacement should be understood as a broad concept, which emphasises “the lived experience of space” (p. 219), and that therefore “the abstraction of displacement-as-out-migration” should be avoided (p. 219).

### **2.2.2 Considering regional context**

That gentrification is also an endogenous process rooted in local context is stressed in the recent gentrification discussion (Clark, 2005; Inzulza-Contardo, 2012; Ley and Teo, 2014; Shin et al., 2016). As awareness of the gentrification issue has proliferated through the world, examples of gentrification in numerous countries and regions have been studied. Many instances of gentrification in East Asia and Latin America exhibit characteristics that cities in the Global North have not experienced (Inzulza-Contardo, 2012; Lees, 2012; Ley and Teo, 2014), and turn out to be the result of endogenous processes rooted in local historical and spatial contexts. For instance, Inzulza-Contardo (2012) notes that there are significant differences between examples of gentrification in the Global North and in Latin America, which prompts him to put forward the term ‘Latino gentrification’. Shin and Kim (2016) also highlight gentrification in Seoul as an endogenous process based on the specific context of Seoul and South Korea.

In this context, the importance of research into Asian examples has increased due to the specific features of Asia’s urban development and the patterns of its economic growth (Forrest, 2016). Indeed, several scholarly journals on urban research have published special issues about East Asia in recent years. For example, a special issue of *Urban Studies* in 2016 was published under the theme of gentrification in East Asia, while a special issue of *Cities* in 2016 was published looking at urban cultural strategies in East Asia. Numerous other studies of gentrification in East Asia have already been conducted (Arkaraprasertkul, 2018; Cartier, 2017; Fan, 2014; Lukens, 2021; Shin, 2010; Smart and Smart, 2017; Tan and Waley, 2006; Wang, 2011; Wu et al., 2016; Zhang et al., 2022).

To understand the nature of gentrification in East Asia – China, Japan, Taiwan, Hong Kong and South Korea – it is necessary to identify the historical and

geographical contexts related to East Asian urbanism. Contextual characteristics of East Asia related to urbanism can be summarised as rapid urbanisation, export-led and condensed economic growth, strong developmental government and high-density development represented by high-rise apartments (Ley and Teo, 2014; Shin et al., 2016).

In this regional context, various types of gentrification have been examined including commercial gentrification, neighbourhood change related to education, and gentrification in unique historical districts that have aesthetic value (Chang, 2016; Kwon et al., 2021; Shin, 2010; Shin et al., 2016; Wu et al., 2016; Zhang et al., 2022). However, many studies have focused on new-build gentrification and the relationship between redevelopment and gentrification, arguing that because large-scale redevelopment has become prevalent in East Asia it can be seen as the primary cause of gentrification (Shin et al., 2016). This is the context in which He (2007; 2010) and Wu (2016) among others have conducted research on redevelopment and gentrification in China. Ha (2004), Lukens (2021), Shin (2008), Shin and Kim (2016) and Lee et al. (2003) have conducted research on large-scale redevelopment and new-built gentrification in South Korea.

Research on gentrification in East Asia demonstrates three specific characteristics (Ley and Teo, 2014; Waley, 2016; Shin et al., 2016). Firstly, the strong developmental state or a state-developer coalition either leads or at least initiates large-scale gentrification (Ha, 2004; Shin, 2018; 2021; Shin and Kim, 2016; Waley, 2016; Wu, 2016). In the Chinese case, the role of the state has been so strong that Wu (2016) notes the “revealing hegemonic power of the state over spatial production” (p. 631). Hong Kong exhibits the strong intervention of government through the Urban Renewal Authority, a quasi-governmental corporation for promoting urban redevelopment (Ley and Teo, 2014). Large-scale redevelopment projects in Korea also originated from the use of redevelopment-district designation by the government (Ha, 2004).

Secondly, the main type of gentrification in East Asia is a large-scale process; that is, it causes massive displacement. This phenomenon is apparent in most East Asian countries, including China and South Korea (Ha, 2004; He, 2010; Lukens, 2021; Shin, 2018; 2021). For instance, in Shanghai, gentrification caused widespread displacement in the course of the redevelopment of the city centre area, and it occurred on a much greater and more intensive scale than similar examples in the Global North (He, 2010). As for Seoul, Ha (2004) explains that scarcely any of the tenants in a redevelopment area in Seoul could afford a new house in the same area post-redevelopment, so that

numerous original tenant households “moved out to another area where housing costs are lower” (p. 382).

Thirdly, resistance to displacement has been less noticeable in East Asia than in Global North cities or in Latin America. According to Ley and Teo (2014), the public has tended to regard the gentrification process as modernisation or improvement of living conditions. For instance, in South Korea, resistance against mass displacement did occur but it was always sporadic and ineffective due to state propaganda claims that it was inevitable and that it would lead to an improvement in living standards and the urban environment. The state even went as far as stigmatising those tenants who resisted as speculators who wanted more compensation and thus were hindering projects of public improvement (Shin and Kim, 2016). The cases of Hong Kong and Hanoi suggest that few large-scale redevelopment projects caused severe social conflict and even that many of the original residents saw the changes as a chance to improve their living conditions (Ley and Teo, 2014; Potter and Labbé, 2021; Yip and Tran, 2016).

In particular, redevelopment projects are understood as a specific inherent phenomenon typical of East Asian gentrification. They are also understood as a major example of the formation of the secondary circuit of capital accumulation through the investment of capital into the built (Harvey, 1978; Shin, 2018; Shin and Kim, 2016). More specifically, under the banner of urban competitive improvement, governments facilitate large-scale development projects that are linked to gentrification (Ley and Teo, 2014; Shin and Kim, 2016).

Most research on gentrification in East Asia has been on gentrification triggered by large-scale redevelopment. Nevertheless, various other types of gentrification have also been identified in East Asia and several recent studies have focused on new fields such as retail sector gentrification, tourism-led gentrification and neighbourhood change related to education. For instance, there are several studies on tourism-led gentrification in South Korea (Jung et al., 2020; Kwon et al., 2021) and China (Su, 2015; Zhang et al., 2022), while the research of Wu et al. (2016) focuses on neighbourhood change in relation to education.

The regional context of East Asia provides a solid basis to understand the case of Bukchon in Seoul within the broad conceptual base that gentrification provides. The understanding of gentrification as endogenous neighbourhood change that is rooted in the local context provides an essential perspective from which to examine the changes that have taken place in Bukchon. In

addition, the existence of a developmental government, the proliferation of large-scale redevelopment typical of East Asia are highly relevant to the context of Seoul and Bukchon. More details will be offered in Chapters 3 and 5.

## **2.3 Tourism, neighbourhood change and gentrification**

Tourism is one of the most rapidly growing industries in the world and its impact on urban space is getting larger (Capocchi et al., 2019; Celata and Romano, 2020; Gravari-Barbas and Guinand, 2017; Mihalic, 2020; Ojeda and Kieffer, 2020; Phi, 2020). In particular, the impact of tourism on the urban neighbourhood has a complex connection with the gentrification process (Almeida-García et al., 2021; Cocola-Gant, 2018; Gotham, 2005; Sigler and Wachsmuth, 2020; Tulumello and Allegretti, 2021; Zhang et al., 2022). In addition, retail sector change has recently become recognised as one of the crucial issues alongside change in the residential sector in discussions on tourism-related gentrification (Jeong et al., 2015; Mermet, 2017a; Gravari-Barbas, 2017; Zukin et al., 2009). Reviewing the literature on tourism and its impact on urban change, therefore, can provide an essential basis for understanding local changes in Bukchon triggered by the tourism boom, one of the central themes of this research. In the first part of this section, academic discussion on tourism and its related neighbourhood change will be reviewed as a background to understanding the complex series of connections between tourism and gentrification. Following that, the concept of tourism-led gentrification and relevant issues will be examined. In the third part, the transformation of the retail sector by tourism and its impact on the tourism gentrification process will be reviewed.

### **2.3.1 Tourism and neighbourhood change**

Tourism has been considered an effective tool for achieving economic success, one that can help to overcome the economic crisis faced by many cities. Local government has needed to find alternative sources of income to make up for the decline of the urban economy caused by the loss of manufacturing industry in the city centre and by suburbanisation or global economic crisis, and tourism has been considered an effective alternative (Gotham, 2005; Sequera and Nofre, 2020). Sequera and Nofre (2020, p. 3169) note in the case of Lisbon that tourism has become a “new pivotal sector” to

help get the city through the urban economic crisis caused by the global financial crisis of 2008.

Old city centres, then, have been repurposed as new tourist destinations. As will be examined in section 2.4.1, urban regeneration has recently become a common strategy favoured by local government. In particular, promotion of tourism in old city centres with their aesthetic appeal as urban heritage, has become a popular strategy of urban regeneration policy (Lak et al., 2020). As a result, many attractive old city centres have become famous tourist destinations. The old city area in Taipei has become a tourist attraction after the implementation of urban regeneration policies (Liu, 2016), and the case of Birjand in Iran is another example of an urban regeneration policy that has utilised urban heritage as a tool to promote tourism (Lak et al., 2020). Regarding this issue, more details will be given in section 2.4.2.

The growth of tourism in urban spaces including historic city centre neighbourhoods has triggered profound local transformation. Amongst the most significant of these changes are the following: the proliferation of tourist accommodation, characteristic changes in the retail sector, a rapid increase in house prices and rent, a deterioration in living conditions, an influx of new stakeholders, displacement of existing users and a decrease in the number of inhabitants.

Firstly, the number of tourist accommodations has increased and this has become a significant force driving local transformation (Ardura Urquiaga et al., 2020; Balampanidis et al., 2021; Celata and Romano, 2020; Gotham, 2005; Mermet, 2017b; Ojeda and Kieffer, 2020; Sequera and Nofre, 2018; 2020). In the case of Lisbon Sequera and Nofre (2020) argue that the large expansion in tourist accommodation has caused “the enclosure of the neighbourhood” (p. 3183). They state that the proliferation of tourist accommodation has changed the economic nature of local society. “This professional Airbnb economy has made the few remaining residents in the neighbourhood largely dependent on the tourist economy, as a result of the strong pressure of the tourist city” (p. 3182). New Orleans has also seen a significant increase in tourist accommodation and the impact thereof. Many international brand hotels have been constructed in the Vieux Carré and low-income housing have been transformed into luxury condominiums for tourists and the super rich. This has caused a transformation of the neighbourhood including the displacement of existing residents (Gotham, 2005). Several Italian cities have also experienced an increase in tourist accommodation and the displacement of existing residents (Celata and Romano, 2020).

Secondly, the nature of the retail sector has been profoundly transformed from one of resident-support function to one of tourist support (Cocola-Gant, 2018; Gravari-Barbas and Guinand, 2017; Jeong et al., 2015). For instance, Gravari-Barbas and Guinand (2017) show how commercial gentrification can be caused by tourism. Cocola-Gant (2018) notes that essential stores for local residents such as groceries and butchers have been displaced by pubs, restaurants and clothing stores. This results in a change in the nature of the retail sector from one of resident-support to one of tourism-support.

Thirdly, house prices and rents have increased due to the expansion of tourism. There is increasing demand for residential property to be used for business purposes including for tourist accommodation, shops and restaurants for tourists (Celata and Romano, 2020; Gotham, 2005). In addition, such demand results in the conversion of residential property into tourist facilities, so that the quantity of housing stock is likely to decrease (Cocola-Gant, 2018; Lestegás, 2019). As a result, property values and rents in popular tourist destinations have increased (Ardura Urquiaga et al., 2020; Celata and Romano, 2020; Lestegás, 2019; Su, 2015).

Fourthly, living conditions for local residents have worsened due to the large number of tourists. Rapid increases in tourist numbers, which exceed local capacity are widely considered to have negative effects on the quality of life of local residents (Kim et al., 2021; UNWTO et al., 2018). These include overcrowding in public spaces, parking problems, traffic congestion, noise and disturbance to the everyday life of local residents (Koens et al., 2018; Seraphin et al., 2018; UNWTO et al., 2018). Koens et al. (2018) discuss problems that are attributed to tourism and its local impact. These include both noise and the inappropriate behaviour of tourists, also environmental pressures such as an increase in rubbish and rise in water use. Further problems include overcrowded streets, busy public transportation and traffic congestion caused by numerous tourists. Barcelona, Venice and Jeju – an island in South Korea – clearly demonstrate these kinds of impacts of tourism (Cocola-Gant, 2018; Kim et al., 2021; Seraphin et al., 2018). To describe this issue, the concept of ‘overtourism’ is now widely in use. Although there is a lot of discussion about the concept of overtourism (Capocchi et al., 2019; Koens et al., 2018; Mihalic, 2020; Phi, 2020), it can be defined as, “The situation in which the impact of tourism, at certain times and in certain locations, exceeds physical, ecological, social, economic, psychological, and/or political capacity thresholds” (Peeters et al., 2018, p. 22). This concept tends to be used to

describe the negative impacts of tourism where it exceeds local capacity (Nientied and Toto, 2020).

Fifthly, new stakeholders such as new investors, international migrants and international franchise shops have emerged in popular tourist destinations. In many cases, old historic city centres were rundown areas where low-income residents lived (Gravari-Barbas, 2017; Mermet, 2017a; Sigler and Wachsmuth, 2020; Shin, 2010). Recently, however, these areas have been transformed into popular tourist destinations, new stakeholders having arrived with the tourists. For instance, in the residential sector, new migrants – often wealthy foreigners and new investors including international real estate investors – have emerged as new stakeholders (Ardura Urquiaga et al., 2020; Janoschka et al., 2014; Jover and Díaz-Parra, 2019; 2020; Sigler and Wachsmuth, 2020). In the retail sector, the category of new stakeholders covers not only boutique shops and restaurants but also large companies' international brand shops and local franchise shops (Gravari-Barbas, 2017; Mermet, 2017a; Zukin et al., 2009). Regarding the proliferation of tourist accommodation, not only the small business person who manages an Airbnb, but also huge international hotel chains have emerged as major stakeholders (Balampanidis et al., 2021; Celata and Romano, 2020; Gotham, 2005; Mermet, 2017b).

Sixthly, existing users including residents and tenants are displaced or strongly at risk of being displaced. The combination of local changes such as the proliferation of tourist accommodation, the rapid increase in rents, the influx of new residents and investors and the nature change of the retail sector result in displacement of existing residents and retailers (Ardura Urquiaga et al., 2020; Celata and Romano, 2020; Cocola-Gant, 2018; Parralejo and Díaz-Parra, 2021; Sequera and Nofre, 2020).

Finally, the expansion of tourism tends to cause local population numbers to decrease. Local change such as a sharp increase in the quantity of tourist accommodation and the conversion of residential property into non-residential space causes a decrease in numbers of local inhabitants (Lestegás, 2019; Parralejo and Díaz-Parra, 2021; Sequera and Nofre, 2020). For instance, the number of registered voters in the historic area of Lisbon decreased by 21.4% between 2007 and 2017, and is considered a consequence of the increase in the number of tourist facilities and tourists (Lestegás, 2019).

These problems have led to resident protests in many tourist destinations. Cities such as Barcelona, Venice and Prague experienced protests by residents who claimed that high levels of tourism were causing inconvenience to their everyday lives (Peeters et al., 2018; Seraphin et al., 2018). The view

or attitude of residents towards tourism is not a simple case of causality but is affected by various related factors. Some scholars, however, have argued that the economic benefits of tourism influence the views and attitudes of residents towards tourism (Chen and Chen, 2010; Janusz et al., 2017).

As mentioned above, many cities which become popular tourist destinations experience a local transformation that could be interpreted as gentrification. Factors of local change include rising rents, displacement of existing users and neighbourhood transformation. Thus, a concept by which to understand local change caused by tourism in the manner of gentrification has emerged.

### **2.3.2 Tourism-led gentrification**

Tourism-led gentrification has become an essential concept by which to understand local change caused by the rapid growth of tourism. For this reason, the necessity and significance of examining local change in relation to tourism as a gentrification process have been stressed, and the concept of gentrification led by tourism has emerged (Gotham, 2005). According to Gravari-Barbas (2017), tourism and gentrification are intimately related and the connection between them is various and complex.

Discussion on tourism-led gentrification focuses on the displacement of existing users, the exploitation of rent gaps for profit by reinvestment and the influx of affluent groups and consequent changes in users' social class. Gotham (2005) notes the influx of affluent groups in New Orleans as a marker to define the concept of tourism gentrification as "The transformation of a middle-class neighbourhood into a relatively affluent and exclusive enclave marked by a proliferation of corporate entertainment and tourism venues" (Gotham, 2005, p.1099). Furthermore, he also stresses the role of capital by pointing out the role of real estate investors and huge entertainment corporations which act to exploit extra profits. In a European context, Cocola-Gant (2018) notes that the production of space, displacement of existing users and influx of new affluent users, often from foreign nations, are common points of focus in discussion of tourism-led gentrification.

The three core themes of tourism-led gentrification will be discussed in more detail in the following paragraphs. The first is the displacement of existing users. Discussion around tourism-led gentrification mainly focuses on displacement as a result of proliferation of tourist accommodation, rapid increase in rents and a deterioration in living conditions. Indeed, the increase in holiday accommodation in city centres has tended to become the central

issue regarding displacement in the tourism gentrification discussions (Ardura Urquiaga et al., 2020; Celata and Romano, 2020; González-Pérez, 2020; Mermet, 2017b; Parralejo and Díaz-Parra, 2021; Sequera and Nofre, 2020; Stors and Kagermeier, 2017). For instance, Sequera and Nofre (2020) stress the role of tourist accommodation, especially Airbnbs, so much so that they coin a new term for the proliferation of Airbnb and subsequent local change, “Airbnbisation” (p. 3169). They point out that the proliferation of tourist accommodation is important because it causes not only direct displacement of existing residents as a result of the conversion of housing to tourist accommodation but also triggers change with the result that residential areas become tourist destinations. The issue of rising rents in particular is mainly connected with the proliferation of tourist accommodation (Ardura Urquiaga et al., 2020; Celata and Romano, 2020). In addition, a deterioration in living conditions is another significant issue that causes intense displacement pressure as addressed in the previous section (Kim et al., 2021; Koens et al., 2018; Seraphin et al., 2018; UNWTO et al., 2018).

The second core theme is the role of capital. Discussion on tourism-led gentrification has stressed the role of capital in the gentrification process, such as through the exploitation of rent gaps for profit by means of capital investment. Tourism-led gentrification is understood as a new urban trend that has been triggered by the new strategy of exploiting extra profits through reinvestment in the built environment, this occurring in combination with the rapid growth of the tourism industry (González-Pérez, 2020; Tulumello and Allegretti, 2021; Su, 2015). Su (2015) argues that there are three ways of exploiting extra profits from the tourism gentrification process: by exploiting profits from the tourist market, from the real estate market and from the capital market.

The third core theme is the transition in major users from low-income residents to affluent social groups. The literature in this field has focused on the influx of wealthy people, of international migrants and of large corporations. The role played by the wealthy has been widely discussed in the debate about gentrification. There is widespread recognition that the role played by the wealthy is a key element in the process of tourism gentrification. Many studies point out the role of the wealthy as a gentrifier in the tourism gentrification process (Ardura Urquiaga et al., 2020; Gravari-Barbas, 2017; Gravari-Barbas and Guinand, 2017; Hayes and Zaban, 2020; Sigler and Wachsmuth, 2020). Regarding this issue, international migrants are also considered a significant factor in triggering gentrification and this is most often related to tourism

(Hayes and Zaban, 2020; Sigler and Wachsmuth, 2020). Large corporations are another significant actor as they are part of the group of new affluent arrivals that mainly affect the commercial sector (Gravari-Barbas and Guinand, 2017; Mermet, 2017a; Zukin et al., 2009).

Meanwhile, there is also an ongoing critical discussion about how urban change caused by tourism can be understood as a process of gentrification (Sequera and Nofre, 2018). Sequera and Nofre (2018) argue that urban transformation caused by tourism makes it more difficult for all residents to carry on daily life, regardless of class. They contend that tourists do not belong to any specific socio-economic class, so that the increase in tourist volume does not trigger a transition in favour of affluent users at the expense of lower-income residents. Ojeda and Kieffer (2020) comment that, despite its usefulness, the concept of gentrification may be misused when attempting to understand urban change caused by tourism.

This criticism would be valid if urban change caused by tourism were being treated only as an issue of socio-economic class within the residential sector. As Sequera and Nofre (2018) point out, it is difficult for gentrification to be triggered by an influx of wealthy new inhabitants because there is no incentive to attract the affluent if their living conditions were to become demonstrably worse by moving in.

I argue that the term gentrification can be a useful one by which to understand local change triggered by tourism, provided that gentrification is defined as a broader concept that embraces local change caused by capital investment, exploitation of the rent gap along with the displacement of existing users by more affluent actors. Based on a broader definition of gentrification, local change brought about by tourism is best understood as a gentrification process in that capital in relation to tourism promotes the commodification of place in order to exploit extra profits from the rent gap resulting in the eviction or displacement of existing users. When gentrification is defined in this sense, it is reasonable to consider that the 'more affluent groups' which displace existing users are not simply wealthy new residents and tourists but also include new land users who arrive to replace existing ones. New users of the tourism space include chain stores belonging to large corporations (Mermet, 2017a; Zukin et al, 2009), international hotels (González-Pérez, 2020) as well as affluent newcomers who bought a house for a second home or tourist accommodation (Ardura Urquiaga et al., 2020; Sigler and Wachsmuth, 2020). These new users can certainly be understood as belonging to more affluent groups. Therefore, urban change brought about by tourism can be legitimately,

and coherently, understood as a type of gentrification process and a part of the process of extensive urban change that has taken place under neoliberal urbanism.

Despite the range of debate on the issue of tourism-led gentrification, existing studies on the subject tend to focus on the process and impact of deepening gentrification or on the increase in tourist numbers. What is missing, however, are studies on what happens when there is a subsequent decrease in tourist volume. A few studies have been conducted on this issue caused by the covid-19 pandemic (Blázquez-Salom et al., 2021; Milano and Koens, 2022), but it is very limited. As mentioned above, the main themes of existing studies, such as the displacement of existing users, capital investment and the influx of wealthy actors are largely related to increases in tourist numbers and to subsequent local change. Research aimed at studying the effects of a decrease in tourist numbers through the lens of gentrification could provide meaningful conclusions in that such a study would reveal the consequences of removing the main cause of gentrification in a place where it had previously been prevalent.

### **2.3.3 Retail sector change**

In discussion about neighbourhood change brought about by tourism, the transformation of the retail, or commercial, sector is considered to be one of the main phenomena (Gravari-Barbas and Guinand, 2017; Jeong et al., 2015; Sequera and Nofre, 2018; Stors and Kagermeier, 2017). Those academics stress that gentrification in the retail sector should be considered as one of the significant issues surrounding local change resulting from tourism.

It is argued that tourism provokes not only changes in the nature of the retail sector, from resident-support function to tourist-support function, but also triggers a change in the main type of retailer, from localized retailers to upscale retailers including those belonging to large corporations (Mermet, 2017a; Zukin et al., 2009). Upscale retailers and brand shops belonging to large companies replace the existing retailers when tourism in an area begins to take off (Gravari-Barbas and Guinand, 2017; Mermet, 2017a; Zukin et al., 2009). The cases of Harlem and Williamsburg in New York clearly demonstrate the changes in the type of retailer caused by a growing number of visitors (Zukin et al., 2009). Stylish commercial spaces, such as designer boutiques, galleries and wine bars have supplanted local shops. The Marais

in Paris exhibits a similar trend of what Mermet (2017a) sees as retail gentrification.

This change in the nature of the retail sector can be seen as facilitating the process of residential-sector gentrification in the following three ways. Firstly, the transformation in the nature of the retail sector from resident-support to affluent customer-support can cause difficulty for original low-income residents due to lack of affordability, a factor which acts to promote the gentrification process (González and Waley, 2013). According to González and Waley (2013), the transformation of the retail sector causes displacement of existing local retailers who had previously provided affordable goods and groceries, and these are supplanted by amenities and upscale shops targeted at tourists and affluent visitors. As a result, price rises caused by the disappearance of the older stores push basic goods and services beyond the means of lower-income residents.

Secondly, change in the nature of the retail sector from resident-support to tourist-support causes daily inconvenience to existing inhabitants, resulting in growing displacement pressures (Cocola-Gant, 2018; Stors and Kagermeier, 2017; Zukin et al., 2009). Original residents rely on many kinds of local shops such as barbershops and grocery stores. Expanding tourist numbers, however, trigger a change in character of the retail sector such that it fills with restaurants, galleries and expensive boutiques, with the result that the daily life of original residents is adversely affected (Cocola-Gant, 2018; Zukin et al., 2009).

Thirdly, retail sector change provokes the loss of sense of place that is connected to place-based displacement because the residents suffer from a sense of disconnection and defamiliarization (Atkinson, 2015; Cocola-Gant, 2018; Davidson, 2009). Decreases in the number of retail stores, bars and other public spaces for residents not only makes everyday life more inconvenient but one must also take into account the loss of emotional connection between residents and the neighbourhood caused by the loss of so many familiar shops and landmarks. This is one of the main drivers of displacement pressure that facilitate the gentrification process.

Although discussion about gentrification in the retail sector has become more widespread, research on the retail sector still tends to focus on the effects of retail sector change on gentrification in the residential sector. As Mermet (2017a) points out, however, there is also a process of gentrification within the retail sector itself. Moreover, there remains much unexplored territory that could potentially allow us to broaden the existing discussion on tourism-led

gentrification, territory such as the relation and interplay between the residential and retail sectors during the gentrification process. However, research on these themes is still lacking. As we will see in Chapters 6 and 7, Bukchon experienced rapid tourism-led gentrification in both the residential and retail sectors due to a surge in tourist numbers. Therefore, my study on tourism-led gentrification in Bukchon can provide new knowledge in respect to the above-mentioned unexplored territory.

## **2.4 The role of government**

Government has played a pivotal role in local change including gentrification, in particular in East Asia, as has been mentioned in the previous section. Hence, studies in this field tend to focus on the role of government and policy including policies on tourism and conservation that influence neighbourhood change. In the East Asian context, which is typically characterised by strong developmental government, this tendency is even more evident. However, research on the political process regarding policy planning and implementation has been relatively overlooked, especially in the East Asian context. This issue is closely related to the research aims of this thesis relating to the policy implementation process and its results. In the first part of this section, discussion of the increasingly entrepreneurial role of government will be reviewed. Then the role of local government in the implementation of conservation and subsequent tourism promotion policy will be examined. In the third part, the complexities of local policy making will be discussed. Lastly, government and policy in the regional context of East Asia will be investigated.

### **2.4.1 Changing role of local government**

As a fundamental new politico-economic shift, neoliberalism, emerged to confront the economic recession of the 1970s, a change in direction of urban authority “from managerialism to entrepreneurialism” emerged in local government (Harvey, 1989, p. 3). After the 1970s, as a result of the pressures of globalisation, competition between cities grew more intense (Slater, 2017). In addition, central government subsidies were decreasing at the same time (Harvey, 1989). Thus, city governments with the backing of the central state began to implement ‘urban regeneration plans’ as one of their main urban strategies in order, as they saw it, to keep ahead of the competition and to secure an adequate tax base (Harvey, 1989). In the course of these changes,

the role of local government transitioned from that of regulator or social intervener, a neutral entity which invests for the purposes of social reproduction such as regulating the activities of developers and providing a supply of socially affordable housing, to that of “consummate agent” (Smith, 2002, p. 427) which promotes speculative large-scale development in association with large corporations in order to keep ahead of the competition (Smith, 2002; Clark, 2005, Slater, 2017). For instance, Smith (2002) used the case of New York to illustrate this radical change. He pointed out that the New York Stock Exchange relocation project, which received unprecedented subsidies from local government under the banner of ‘good business practice for the city economy’, clearly shows the changing role of the state.

Entrepreneurial local government utilised alternative ways and strategies, such as luring multinational corporations by means of public-private partnerships and by providing them with distinctive new outlets for consumption that responded to new consumption patterns. All this was very different from the managerial approach (Harvey, 1989; Smith, 2002). In particular, the strategy of providing chic outlets for consumption is one with links to tourism promotion and gentrification. The urban projects which were products of this strategy, such as the construction of shopping malls, sports stadiums and other urban regeneration projects were not only aimed at providing new outlets of consumption for a specific clientele but also at encouraging tourism (Gotham, 2005; Harvey, 1989). In addition, the development of tourism has long been considered by urban government as a strategy to help a city through economic difficulties or to push ahead in the course of fierce inter-city competition (Sequera and Nofre, 2020; Sigler and Wachsmuth, 2020). This Entrepreneurial strategies was also stressed and utilised in Seoul in the middle of 2000s (Kim and Oh, 2006).

In this process, state and local governments tend to use terms such as regeneration, revitalisation, renaissance or creative city. By calling them out in such terms they attempt to secure political legitimacy and to mitigate the resistance of displaced residents and seek to enhance urban competitiveness (Clark, 2005; Lees, 2012). For instance, in Seoul, developers and local government combined to secure popular support by promoting redevelopment projects as symbols of modernisation (Shin and Kim, 2016). Lees (2012) also points out that the term ‘renaissance’ feels good and people find it hard to criticise.

The emergence of entrepreneurial government was closely related to the urban context of Seoul and the changes that took place in Bukchon around

the 2000s. As we will see in Chapters 3, 5 and 6, the strategy of the Seoul Metropolitan Government and its policies on Bukchon were in line with the strategy of entrepreneurial local governments as illustrated above.

#### **2.4.2 Urban Heritage, policy and gentrification**

In many cities, conservation policy has been introduced in part as a strategy to strengthen local competitiveness (Shin, 2010; Su, 2015). As Steinberg (1996) points out, urban heritage have the potential to be popular tourist attractions. Thus, urban heritage including historic city-centre areas has been utilised to reinforce local competitiveness by promoting tourism in recent years (Sequera and Nofre, 2020; González-Pérez, 2020). Thus, rehabilitation of historic city centres including the implementation of conservation measures has been adopted in many cities. Beijing and Lijiang are good examples of this trend. In Lijiang, a small city in the south west of China, the historic area has been exploited as a tourist destination to invigorate the local economy and to stimulate local competitiveness (Su, 2015). Beijing can also be understood as a similar case because the Beijing city government utilised old city centre areas such as Nanluoguxiang to promote tourism and make the city 'more attractive' (Shin, 2010).

The gentrification resulting from conservation policies, however, should not always be viewed as something originally planned by government. For instance, the preservation of southern Manhattan did not come about as a result of government objectives but as a result of protests by residents who opposed government plans for redevelopment (Zukin, 2008). As Lees and Ley (2008) point out, in some cases including those of Adelaide and Toronto, local government has pushed ahead with clearance and redevelopment projects only to be interrupted by political resistance and it is this that then results in the introduction of conservation policies to protect both residents and the neighbourhood.

Countermeasures designed specifically to mitigate the problems caused by tourism, including tourism-led gentrification, have been studied and indeed implemented as part of government policy in cities in various parts of the world. For instance, research on effective policy responses to the problems of overtourism has been conducted at the request of the European Parliament's Committee on Transport and Tourism (Peeters et al., 2018). The results of this research point to "a need for a rebalancing of the growth paradigm" (p.107) including a transition from a focus on the number of tourists to one that

stresses local employment and fair pay. To this end, it suggested several measures such as taxing tourists, investing in local infrastructure for residents, regulation of Airbnbs and deconcentration of tourists to mitigate the severe negative impacts on the worst-affected neighbourhoods. Countermeasures to deal with overtourism have been introduced by many city governments, such as those of Barcelona, Bruges, Rotterdam, Venice and Seoul (JDG, 2018a; Nientied and Toto, 2020; Peeters et al., 2018; Seraphin et al., 2018). In order to enhance living conditions, the local environment and housing stock for local residents, these city governments have implemented countermeasures such as encouraging restrictions on certain tourism-related activities; these include the introduction of guided tour programmes and implementing regulations on tourist accommodation as well as efforts to promote desirable tourist activities.

Regarding these policies, some critics argue that they tend to be based on “simplistic economic growth-oriented models” (Milano et al., 2019, p. 1857) and that they try to deal with the problems of overtourism in too simplistic a manner. Milano et al. (2019) remark that local government policies such as the redistribution of tourists or the promotion of luxury tourism to mitigate the most negative impacts on the worst affected local neighbourhoods “have been criticised as neoliberal strategies that do not address the many factors that have led to overtourism” (p. 1867). They also point out that this type of oversimplistic approach may be a short-term remedy which will be unable to induce the fundamental shift necessary to solve the negative impact of overtourism because “overtourism is not only a tourism issue but is part of a wider urban planning agenda” (p. 1868).

Although there has been a certain amount of critical discussion in this field, the implementation process as well as the specific effects of policies aimed at mitigating overtourism or tourism-led gentrification not to mention the reason why such policies have (or have not been) effective has rarely been studied. As mentioned above, most studies on this issue have largely focused either on the negative impact of the tourism boom (Peeters et al., 2018; Smith et al., 2019) or on the response of government together with a summary of the countermeasures implemented (Calle-Vaquero et al., 2021; Nientied and Toto, 2020; Peeters et al., 2018; Seraphin et al., 2018). The complex policy formulation process together with the effects of countermeasures implemented to mitigate urban problems caused by the tourism boom, however, have rarely been investigated (Van Holm, 2020).

This discussion is highly relevant to the neighbourhood of Bukchon in Seoul. Bukchon is a popular area rich in historic heritage buildings near the city centre

of Seoul and, as such, has been the object of several preservation and tourism promotion policies introduced by the local government. The discussion on urban heritage and related policies, therefore, is essential to an understanding of change in Bukchon

### **2.4.3 The complexities of local policy making**

An examination of the complexities that sit behind decision-making on policy in the local context is essential to an understanding of the specific effects of policies to mitigate the impact of tourism. As Harvey (1989) pointed out, the driving force behind local change is collective force generated by the various local stakeholders rather than by the sole agency of local government, although the role of government is nevertheless significant. Thus, it is important to understand that the power of local government can be limited by related stakeholders. One way of approaching this issue is by examining the main constraints on local government.

There are two main types of constraint on local government (Pacione, 2001). The first is that of local social and economic conditions while the second is the existence of higher levels of government. Local social and economic constraints include financial limits regarding the implementation of policy, this due to the lack of a solid tax base, and social constraints such as the so-called “blocking power of dominant interests in the community, which may impose their views on the political decision-making process” (Pacione, 2001, p. 402). The existence of higher-level tiers of government entails a constraint caused “by constitutional and statutory limitations imposed by higher levels of government” (Pacione, 2001, p. 404).

The role of local residents and community is significant in the gentrification process. For instance, some local communities in New York and Philadelphia have been partially successful in achieving their goal of mitigating the negative effects of gentrification (Shaw, 2005) whereas on the other hand local communities have often been active agents in facilitating gentrification projects (Niedt, 2006).

In particular, some studies reveal that local communities and residents are among the main stakeholders who influence the formulation of conservation policies which impact on tourism policy (Byrd, 2007; Zukin, 2008). For instance, the local community and residents of Brooklyn in New York were not passive actors in the formulation of conservation policy. Rather they played a critical role in passing an historic neighbourhood conservation law (Zukin,

2008). In the process of policy implementation with regard to sustainable tourism, the local community and residents are considered key stakeholders, and their active participation is understood as being an essential factor necessary for a successful outcome (Byrd, 2007).

The second constraint is the existence of a higher level government. Local governments are partially constrained by the existence of higher tiers of government that have the power to limit policy by imposing constitutional and legal boundaries on their scope (Pacione, 2001). Policy on gentrification and tourism is no exception to this. For instance, in the cities of Spain, regulation to mitigate the negative effects of tourism gentrification has faced difficulties as a result of legal action undertaken by stakeholders such as holiday accommodation associations or by national institutes such as the department for fair competition. These difficulties are based on the precedence of national over municipal laws (Calle-Vaquero et al., 2021).

Some studies focus on the role of local community and residents as illustrated above. Nevertheless, studies on the process of implementation of specific policies, such as the effects of complex conflicts of interest between members of residents' groups, or on the impact of tensions between local community and government are relatively lacking despite their importance. In particular, due to the predominance of strong central government, the tendency to neglect discussion of the role of local community and residents and favour a focus on the role of government is more pronounced in studies of East Asian cities (Fan, 2014; He, 2007; Kim, 2017b; La Grange and Pretorius, 2016; Su, 2015).

An accurate understanding of the complexities of local policy making will be important when it comes to investigating the case of Bukchon, because, as will be seen in Chapters 5, 6, and 7, the process of planning and implementing policies for Bukchon was a complex political process influenced by the intervention of many different stakeholders. The discussion in this section also suggests that a case study based on Bukchon that focuses on the specific process of policy implementation and its effects has the potential to provide new findings and arguments in a previously overlooked field.

#### **2.4.4. The historic urban area, tourism and the role of government in East Asia**

In East Asia, the historic urban area has tended to be redeveloped rather than preserved under the policy direction of developmental governments

(Chang, 2016; Shin, 2010; Waley, 2012). For instance, in Beijing, redevelopment projects that have demolished old traditional dwellings and replaced them with new housing or commercial buildings have been promoted by the pro-redevelopment government since the early 1990s (Shin, 2010). In Singapore, the central urban change has also been redevelopment of the dilapidated city centre combined with suburbanisation (Chang, 2016). The situation in Seoul has been similar (Ha, 2001; 2004).

This policy direction, however, has recently begun to change. As conservation policies become a popular strategy to strengthen local competitiveness, as has been illustrated above, certain areas of high aesthetic and historical value have been utilised to aid the revitalisation of rundown city centres in China, Singapore, Taiwan and South Korea. In Singapore, for example, policies relating to rundown urban areas changed significantly from the 1980s onwards, so that the conservation of old buildings in these areas has become a significant consideration in urban planning (Chang, 2016). In China, many local governments, such as those of Beijing, Lijiang and Yangzhou, have implemented conservation policies on neglected urban residences or on old buildings (Fan, 2014; Shin, 2010; Su, 2015; Zhang, 2008). Similar cases have occurred in Taipei and Seoul (Jung, 2005; SMG, 2001; Tan and Waley, 2006).

In general, conservation policy has been a tool used to improve the city economy and to give a cutting edge in the contest between cities rather than a means of focusing on the living conditions of residents in an area. Local governments and stakeholders have acted to preserve certain locations possessing a high aesthetic value as urban heritage so as to attract tourists and to stimulate the urban economy or to exploit extra profits through the commodification of place (Arkaraprasertkul, 2018; Chang, 2016; Shin, 2010; Su, 2015). Chang (2016) has labelled this transition in East Asian cities as “new uses need old buildings” (p. 524).

One of the significant results of this trend is that of benefits largely flowing to government and investors (Shin, 2010; Zhang, 2008). Shin (2010), for example, remarks that, “To this extent, the recent conservation policies are still very much in line with the dominant property-led urban redevelopment, providing property-based interests” (p. 53). Conservation policy in regard to historic city centres, then, has largely been used as an instrument to gain excess profits.

In the case of Beijing, conservation policies have triggered more intensive redevelopment outside of the conservation zones (Martinez, 2016; Shin,

2010; Zhang, 2008). The Beijing municipal government designated 25 historic districts as conservation areas in the early 2000s in order to preserve the city's traditional style of housing. This policy provoked intensive redevelopment outside of the designated areas. Regarding this preservation policy, Zhang (2008) has argued that this policy was just a more sophisticated way of promoting urban growth by means of stimulating cultural tourism within the designated areas while simultaneously encouraging densifying redevelopment in the non-designated areas.

In the course of these changes, urban heritage has come to be promoted as a symbol of national identity, and this promotion has often been connected with the development of tourism. For instance, in the case of Taipei, the historic urban area has since the 1990s become a symbol manifesting the one vision of the identity of the country (Tan and Waley, 2006). Similarly in Beijing and Seoul, conservation of historic heritage has been utilised to champion national identity (Broudehoux, 2004; Kim, 2012). In Seoul, conservation policies aimed at preserving traditional Korean houses as examples of urban heritage have also been used to promote national identity as well as to stimulate tourism and the associated economic benefits (Kim, 2012).

In this discussion, the developmental governments which predominate in the countries of East Asia are understood as playing significant roles in heritage conservation and in the promotion of tourism. As Hill and Kim (2000) and Fujita (2003) point out, developmental governments have played a central role in the urban change that has taken place in East Asia. In line with this argument, Beijing and Lijiang (Shin, 2010; Su, 2015; Zhang, 2008), Seoul (Suprapti et al., 2018) and Singapore (Chang, 2016) all illustrate the significant role played by government in heritage conservation and the promotion of tourism.

In this context, studies on conservation and tourism promotion in the historic urban neighbourhoods of East Asian cities have tended to focus on the role of government (Chang, 2016; Fan, 2014; He, 2007; Kim, 2017b; Tan and Waley, 2006; Su, 2015; Suprapti et al., 2018; Wang, 2011), whereas fields such as social relations, interaction and politics have been relatively overlooked.

Discussion on historic city areas in East Asia provides essential regional background to the subject of neighbourhood change in Seoul including Bukchon. As will be seen in Chapters 3 and 5, neighbourhood change in

Bukchon reflects the policy shift to conservation as a strategy to strengthen local competitiveness by promoting tourism.

## **2.5 Conclusion**

In this chapter the concept of gentrification, the rapid growth in tourism along with its impact and the role of local government together with its constraints have all been reviewed. These can be summarised as follows.

Regarding gentrification and the discussion about how best to define this concept, there are two main points. Firstly, the concept of gentrification should be understood in a broad sense, one defined by local transformation brought about by capital (re)investment that exploits the rent gap is accompanied by a displacement of existing users and an influx of more affluent agents. This broad concept allows for a consistent understanding of the changes that have been taking place in Seoul including Bukchon since the 1970s. Secondly, any case study on gentrification should consider local context. Local context is significant because gentrification occurs endogenously in various contexts. Structural thinking based on the broad concept of gentrification, therefore, need to be used in combination with knowledge of the particularities of local context when undertaking this type of research.

Regarding the issue of tourism, four main points were raised. Firstly, a debate about whether to understand local change caused by tourism as part of the gentrification process has emerged. The outcome has been a recognition that the concept of gentrification is a useful one because it enables to make sense of the urban change caused by tourism as a part of a larger process of urban change that has taken place under neoliberal urbanism. Secondly, research on tourism-led gentrification tends to focus on the impact of rent increases, the growing proliferation of tourist accommodation and the deterioration of living conditions. However, the actual process of tourism-led gentrification is likely to be more complex than this and any simple explanation is unlikely to provide an accurate picture of the workings of the tourism-led gentrification process and its effects. Thirdly, research on the retail sector in the tourism-led gentrification field still tends to focus on the effects of retail sector change on the residential sector. However, there are also beneficiaries as well as victims of the retail sector gentrification process who come from the retail sector itself. Characteristic of these are the displaced retailers who tend to belong to a relatively lower-

income economic stratum than the new arrivals who replace them. Thus, retail sector change itself can be a significant element in the process of tourism-led gentrification. Fourthly, studies on tourism tend to focus on the process and impact of accelerating levels of gentrification or on the increase in tourist volume. Thus, there has been a lack of research on the effects of a decrease in tourist numbers on an area which had previously experienced high levels of tourism-led gentrification.

Regarding the role of government and policy, two main points have been made in this chapter. Firstly, the role of government is considered to be a significant factor that influences the gentrification process. Nevertheless, studies on the effects of countermeasures to mitigate problems caused by the tourism boom such as gentrification are relatively lacking. Secondly, the complex interaction between stakeholders, such as existing residents, retailers, local community groups, activists and government, needs to be considered in any study on the gentrification issue.

The thesis now moves on to a discussion of the wider context of urban change in Seoul. In particular, it argues that although Bukchon is a highly distinctive neighbourhood within Seoul, the pressures that brought such extensive change to the neighbourhood, which I am characterising as tourism-led gentrification, are deeply interwoven with broader patterns and trends that have shaped urban restructuring throughout the city.

## Chapter 3 Context of urban change in Seoul

### 3.1 Introduction

Seoul has its own urban context as the capital city of South Korea. It experienced the Korean War in the early 1950s and subsequently transformed into one of the largest cities in East Asia as a result of rapid economic growth and urban sprawl (SMG, 2009). In this series of processes, the large-scale construction of new towns in suburban areas and redevelopment in dilapidated city areas grew rampant, and resulted in speculative investment in urban property (Ha, 2004; Lee, 2018b; Shin and Kim, 2016; Yang, 2018). After the global financial crisis in 2008, there was a strong tendency for speculative investment in urban property to focus on retail property (Cho, 2010; Kim, 2010). At this time, gentrification in the retail sector became a significant urban issue receiving wide coverage in the Seoul media (An and Kim, 2017; Choi et al, 2018; Song et al., 2016). Meanwhile the number of tourists coming to Seoul sharply increased in the 2010s. In this context, retail sector gentrification became widespread in some new popular tourist destinations including Bukchon (Kang, 2015).

Bukchon, located in the centre of Seoul, was critically influenced by the urban changes taking place in the wider city. For instance, the context of speculative urbanisation was a significant influence on the changes that have taken place in Bukchon during the last three decades. Furthermore, rapid urban sprawl and large-scale suburban construction were pivotal factors contributing to the decline of Bukchon between the 1970s and 1980s.

This chapter examines the urban context of Seoul. It investigates the details of the main development programmes, the proliferation of speculative investment into property, the shift of investment from the housing sector to small retail properties, the emergence of retail sector gentrification problems after 2008 and the urban problems caused by excessive tourists in Seoul in the 2010s. To illustrate these issues more clearly, this chapter is organised chronologically and is divided into four sections. The first gives a brief overview of the city of Seoul, including information on administrative divisions, housing types, and a brief history up until the 1960s. In the second section, the various large development programmes dating from the 1970s to the 2010s are examined; these include large-scale construction of new towns in the suburbs and adjoining areas and the various types of residential area

redevelopment programmes. In this section, urban sprawl, which is connected to the period of decline in Bukchon, and the proliferation of speculation in property that was a basis of gentrification in Seoul are investigated in detail. The third section explores the downturn in the housing market together with the emergence of retail sector gentrification after 2008, and issues arising from the rapid increase of tourists in the 2010s in Seoul. This will illustrate the broader urban context for the recent changes that have taken place in Bukchon. In the concluding section, the key features of the urban context of Seoul are discussed.

## **3.2 Brief background on Seoul**

This section presents an essential overview of the city of Seoul in order to understand its local context. It examines the city's administrative divisions, and gives a brief history and explanation of the common types of housing in Seoul.

### **3.2.1 Administrative divisions of Seoul**

The hierarchy of the administrative division of Seoul consists of Seoul Metropolitan City, districts (*gu*) and sub-districts (*dong*). As Figure 3.1 shows, Seoul Metropolitan City is divided into 25 districts, and each district is divided into further sub-districts. There are a total of 424 sub-districts in the city. The administrative organisation that covers Seoul metropolitan area is the Seoul Metropolitan Government (SMG). Each district is administered by a district government, and each sub-district by a sub-district office. For instance, Bukchon is located in Jongno District and covers two of 17 sub-districts in Jongno District. Bukchon, itself a traditional place-name rather than an administrative one, is an area that includes Gahoe Sub-district and Samcheong Sub-district. Therefore, the SMG and Jongno District Government (JDG) are the main administrative organisations that affect conditions in Bukchon. The sub-district office has responsibility only for simple administrative tasks, and so has no power to introduce new policies or measures. The mayor of the SMG and the head of the district government are elected every four years. The head of the sub-district office is appointed by the head of the district government.

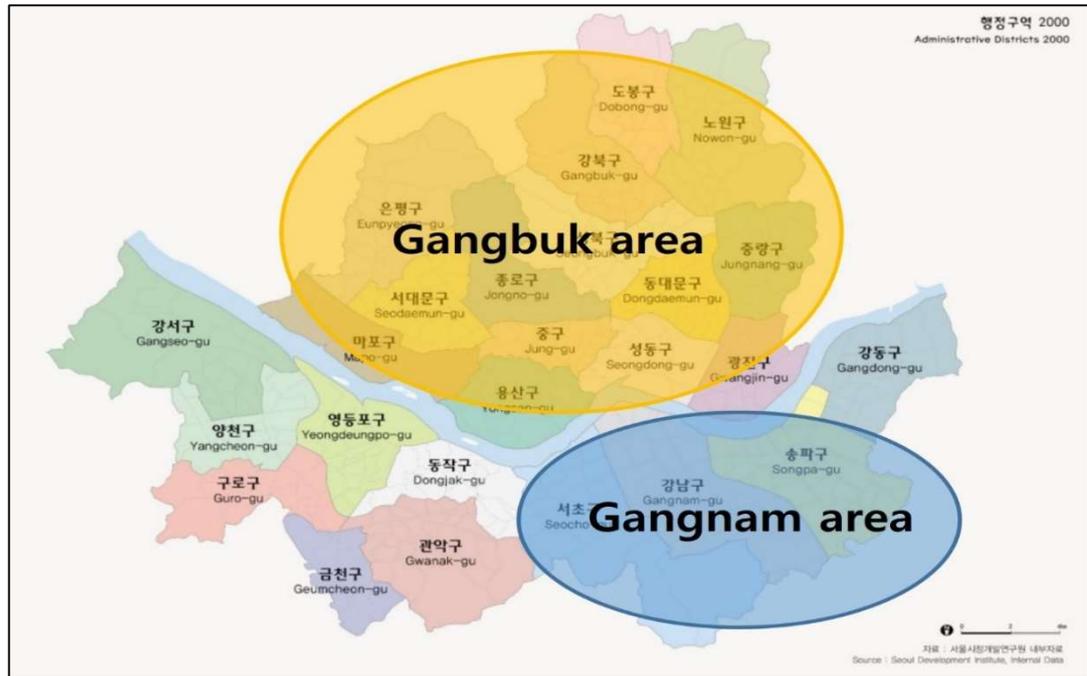


**Figure 3.1** Administrative divisions of Seoul

Source: The Seoul Research Data Service (<http://data.si.re.kr/node/227>)

Another significant way to divide Seoul into sub-areas is to divide the city into Gangnam and Gangbuk. Although these are not administrative terms their use is widespread. The division into Gangnam and Gangbuk is the usual way in which Seoul is analysed in terms of sub-region (Jang and Yong, 2004; Lee and Seo, 2009). Gangnam means ‘south of the river’ and is located on the southern side of the Han River, which cuts across the city from east to west. Normally, the three districts of Seocho, Gangnam and Songpa are referred to as the Gangnam area, as shown in Figure 3.2 (Yang, 2018). In contrast, Gangbuk means ‘north of the river’ and is located on the northern side of the Han River. In general, Gangnam is perceived as being a prestigious area with attractive living conditions and rich residents; Gangbuk, on the other hand, is considered both a less attractive area to live in and a more run-down area (Bae and Joo, 2020; Kang, 2012; Lee and Seo, 2009). In many respects including living conditions, industry and economy, transportation infrastructure and quality of educational establishments, Gangnam has better facilities than Gangbuk (Lee et al., 2004; Lee and Seo, 2009). Therefore, the gap in house prices between Gangnam and Gangbuk is wide. For instance, as can be seen in Table 3.1, the median house price in the Gangnam area is 1,094 million won, about £ 730,000, twice that of the price in Gangbuk, 524 million won.

Bukchon, the research area of this study, is located in the centre of the Gangbuk area.



**Figure 3.2** Location of Gangnam and Gangbuk

Source: Revised by author using the map from the Seoul Research Data Service (<http://data.si.re.kr/node/227>)

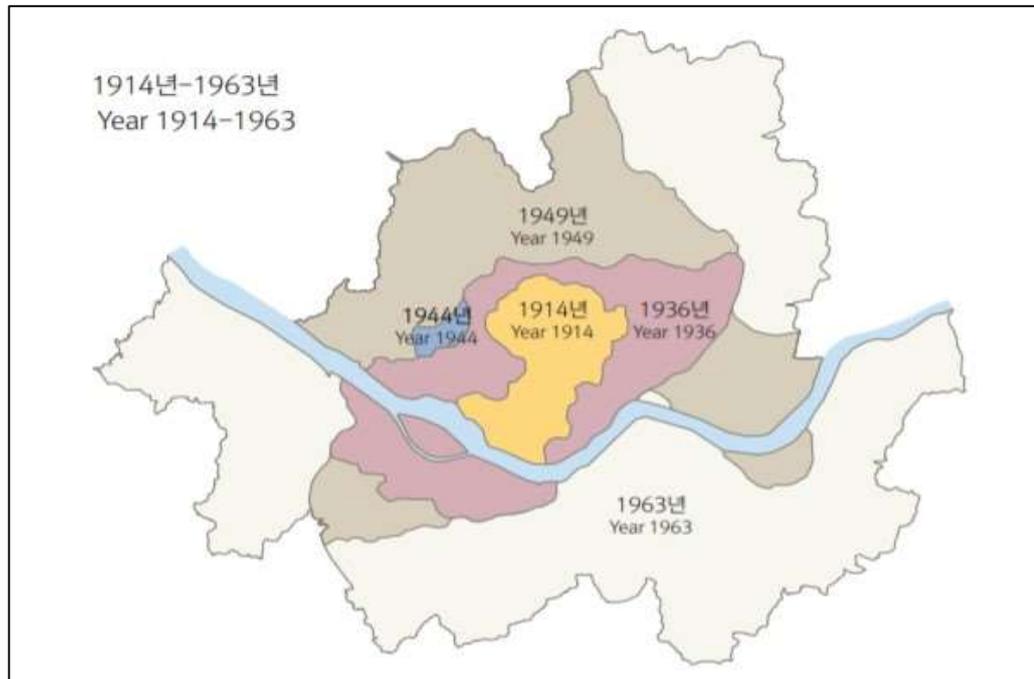
**Table 3.1** Housing price by sub-region of Seoul in 2020 (million won)

	Gangnam	Gangbuk
Median price of all houses	1,094	524
Median price of apartments	1,377	651

Source: Data collated from Korea Real Estate Board. [Online]. [Accessed 27 March 2021]. Available from: <http://www.kab.co.kr/kab/home/trend/fluctuation01.jsp>

### 3.2.2 A Brief history of Seoul

Seoul has undergone rapid urban growth in overall urban area as well as administrative area. Before 1914, the administrative area of Seoul was limited to a small region around Jongno as shown in Figure 3.3. In 1936 and again in 1949, the administrative area of Seoul was enlarged. Then in 1963, it grew 2.3 times and the current administrative area, 605.25 sq km, was established (SMG, 2013).



**Figure 3.3** Administrative area expansion of Seoul

Source: The Seoul Research Data Service (<http://data.si.re.kr/map-seoul-2013>)

The period from the 1950s to the 1960s is dominated by the impact of the Korean War and the start of industrialisation. South Korea was devastated by the Korean War, in the early 1950s. The war between South and North Korea lasted three years and ended on 27 July 1953. As a result of the war numerous dwellings were destroyed, and a great number of North Koreans settled in Seoul as refugees. One-fifth of the total housing units in South Korea, 596,000 units, were destroyed during the war as were one-third of the total housing units in Seoul, 55,100 units (KRIHS, 2008a). In addition, about 1.5 to 2 million refugees came from North to South Korea at this time (Kim et al., 1996).

As a result, the South Korean government built a large number of new dwellings because the housing shortage was so severe due to the destruction caused by the war and the large number of refugees (KRIHS, 2008a). The government focused on building temporary housing including refugee camps in order to relieve the housing shortage. For instance, the government built 107,710 units – this was one-third of all housing units built in the same period – between 1954 and 1956 (Lim, 2002).

Nevertheless, housing shortages continued because the number of households who were settling in urban areas, especially in Seoul, was much greater than the number of new houses (Lim, 2002). Consequently, a lot of

low-quality informal housing was built in Seoul from the 1950s onwards by people migrating from rural areas and from North Korea (Kim et al., 1996).

Beginning in the 1960s, industrialisation with the purpose of achieving rapid economic growth became the highest priority of government policy. In the 1960s, South Korea was governed by Park Jung-Hee who had come to power in a coup d'état in 1961. Park pursued rapid economic growth to establish his legitimacy because his power base was not secure during the early years of his reign. Thus, industrialisation became the priority goal of government policy in order to achieve rapid economic growth in this period (Lie, 1992).

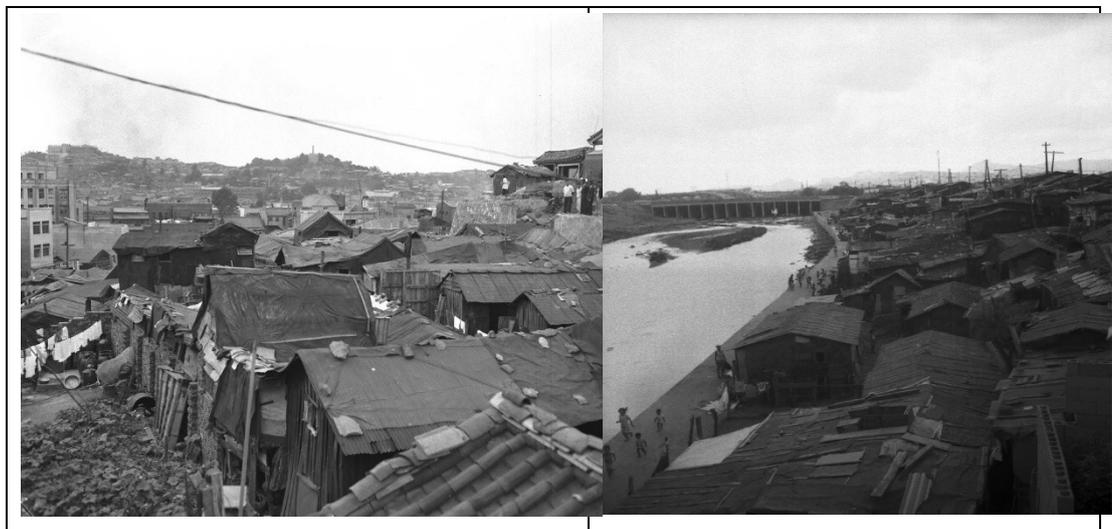
Housing policy in the 1960s was not a pivotal sector of government concern and was instead relatively overlooked. The South Korean government did not intend to invest much public funding into house building because capacity was focussed largely on developing manufacturing industry. On the other hand, the government needed to provide lots of housing to meet the increasing demand and to relieve the severe housing shortage (Kim and Kim, 1998; Lim, 2002; KRIHS, 2008a). In this context, the basic strategy of a housing policy that maximises private sector investment and minimizes public investment was established during this period (KRIHS, 2008a). For instance, 326,000 houses were built between 1962 and 1966, and almost 286,000 of these were built by private developers. Lim called this strategy "Active industrialisation promotion and passive housing supply strategy" (Lim, 2002, p. 29). In the 1960s, then, public investment in the housing sector was low. For instance, the proportion of investment of total government expenditure in the housing sector was a mere 1.7% between 1962 and 1966 (Lim, 2002).

Urbanisation began to accelerate together with economic growth, nevertheless there was insufficient housing stock to meet local demand. During this period many rural people moved to the city because manufacturers needed cheap labour and rural people also wanted to find a secure job (Kim et al., 1996; Lim, 2002). Seoul was seen as the city with the best opportunities in terms of jobs and education (Kim et al., 1996). As a result, the population of Seoul grew sharply from 1955 onwards. For example, it more than doubled during the 1960s (Figure 3.7).

Given this context, informal housing districts expanded and the government introduced measures to prevent this. New arrivals, who had moved to the city from rural areas, built informal housing on hillsides or beside streams in urban and adjacent areas as shown in Figure 3.4. Most of the land they occupied was state-owned (Kim, 2007). Thus, to prevent the expansion of informal housing and to secure the necessary land for factories and offices, the SMG

enforced a series of crackdowns on informal housing including demolition in the 1960s and 1970s (Kim, 2007; Lim, 2002). The government compulsorily moved those who had been living in informal housing to alternative areas away from the city centre and provided a small piece of land – an average of 30 sq m per household – to build a home. People built tiny houses by themselves on the land provided by the government (Kim, 2007). About 60,000 units were demolished and 44,000 households were compulsorily moved to 20 alternative areas between 1957 and 1968 (Lim, 2002).

However, informal houses continued to be built because most people moving to Seoul in the 1960s did not have enough assets to buy or build an adequate house. As a result, more new informal housing units were built than were demolished by the government (Kim et al., 1996; Lim, 2002). The total amount of informal housing in Seoul was 136,650 units in 1966, but in 1970, the total amount of informal housing had risen to 187,554 units, or almost 30% of total housing stock in Seoul (Kim et al., 1996). The additional informal houses were mainly built next to existing informal houses, so that these areas became a bridgehead for newcomers (Lim, 2002).

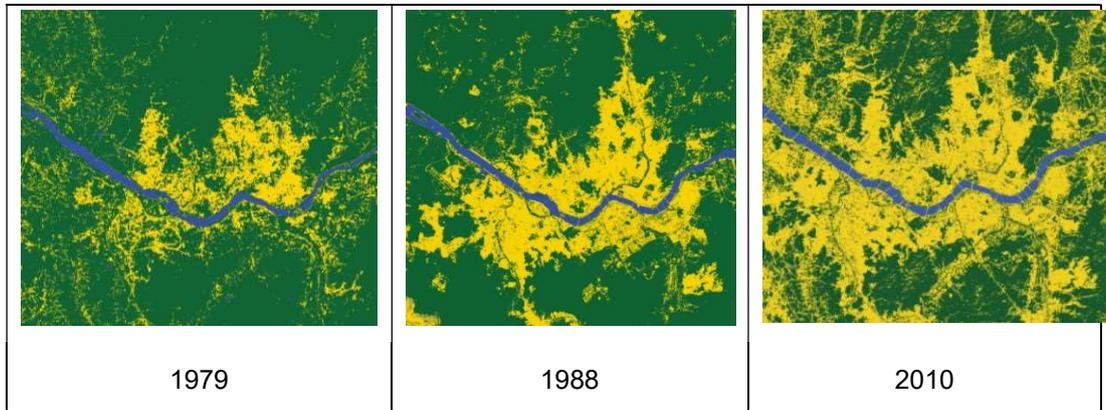


**Figure 3.4** Informal residential area of Seoul in the 1960s

Source: SMG, Seoul Photo Archives (<http://photoarchives.seoul.go.kr/>)

The urban area of Seoul has rapidly expanded since the 1970s as shown in Figure 3.5. In 1979, most of the urban area was located on the north side of the Han River, although a part of Gangnam had begun to be developed as part of the Gangnam Development project. In 1988, the urban area had expanded to include Gangnam as a result of the Gangnam Development

project. In 2010, the Seoul urban area had expanded to include large swathes of suburb outside of the administrative area of Seoul (SMG, 2013). More detail about the Gangnam Development project will be addressed in the following sections.



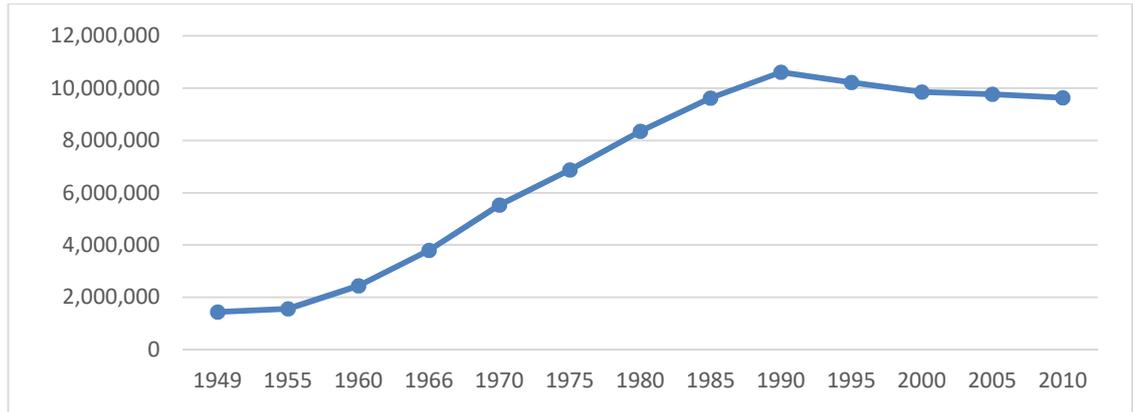
**Figure 3.5** Satellite imaging of the urban expansion of Seoul

Source: The Seoul Research Data Service (<http://data.si.re.kr/map-seoul-2013>)

Simultaneously, various redevelopment projects commenced from the 1970s in Seoul in order to replace the informal or dilapidated houses and expand the housing stock. As shown in Figure 3.13, these projects and processes – the Joint Redevelopment Project (JPR), densification, New Town and Residential Area Management – were introduced in order to influence the urban composition of Seoul. More details will be discussed in sections 3.3 and 3.4.

The population of Seoul continued to increase sharply up until the 1980s. As displayed the Figure 3.6, the population of Seoul was slightly less than 2 million in 1949. Especially between 1955 and 1990, the population climbed extremely rapidly, so that the population in 1990 had reached 10.6 million. After 1990, the population decreased slightly due to increased suburbanisation, a lack of developmental land and a drop in the birth rate (SMG, 2013).

According to the Seoul Open Data Square website, the population of Seoul, as an administrative area, reached 9,729,107 in 2019. The ratio of the number of houses to the number of households was 96%. The ratio of owner-occupied households was 42.7%, the remainder were households living in rented accommodation.



**Figure 3.6** Population change of Seoul

Source: Statistics Korea, Korean statistical information service (<http://kosis.kr/>, 1 Nov 2016)

### 3.2.3 Types of housing in Seoul

It is essential to know the types of housing in Seoul in order to understand the local context because these are rather different from the general housing types found in the UK. In South Korea, Seoul included, there are three main types of housing: detached houses, multi-household dwellings and apartment blocks. Detached houses are a housing type designed for one household as illustrated in Figure 3.7. Detached houses in Seoul tend to be polarised, falling into two distinct categories: the well appointed and the cramped. The former is a large well-built house in an affluent neighbourhood. By contrast, the latter are low quality and many of them are located in areas designated for redevelopment or have been knocked down to make way for large-scale apartment complexes (Bae et al., 2009).



**Figure 3.7** Detached houses of different types in Seoul

Source: Kakaomap road view (<https://map.kakao.com/>, 26 March 2021)

The multi-household dwelling is a three- or four-storey building that includes multiple apartments, as presented in Figure 3.8. These are usually relatively affordable so many relatively lower-income households live in this type of accommodation. Numbers of multi-household dwellings have rapidly increased through the ‘densification’ process since the 1990s (Shin and Kim, 2016). More details of the densification process will be given in section 3.3.3.

High-rise apartment blocks have become the most prevalent housing type in Seoul in the recent period as shown in Figure 3.9. Nowadays, high-rise apartments are perceived as being prestigious places in which to live in Seoul (Chun and Yoon, 2001; Jun, 2019). Normally, high-rise apartment blocks are built as a large-scale complex as displayed in the bottom right photograph in Figure 3.8 and include various well-established facilities such as a communal garden, gym, parking lot and a playground. In addition, there is usually a dedicated organisation whose function is to maintain the apartment buildings and the communal garden and to ensure public safety. People generally prefer high-rise apartments because they are easy to maintain and to sell, and because they have convenient facilities and are very safe (Bae et al., 2009; Chun and Yoon, 2001).

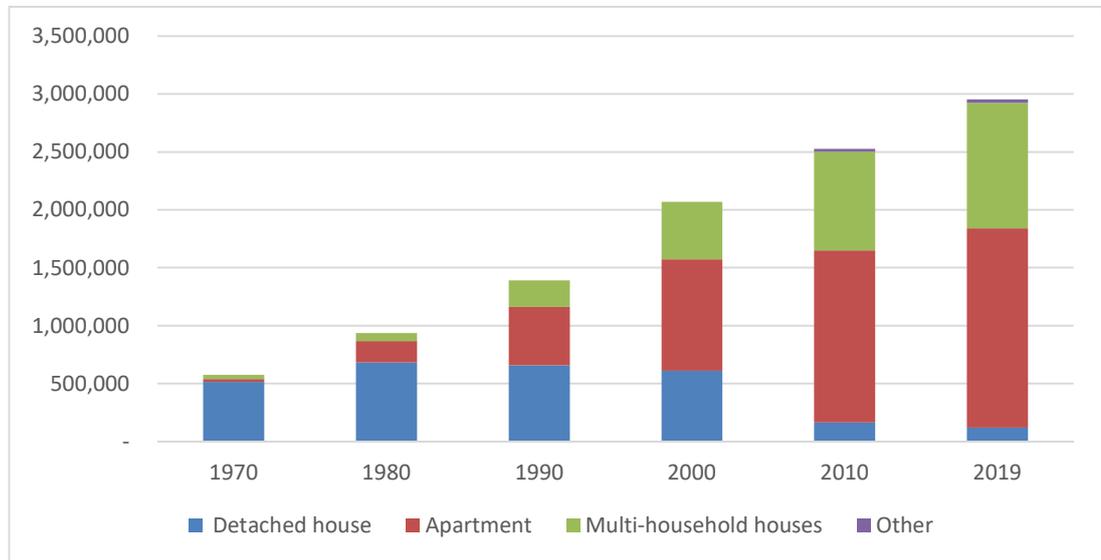


**Figure 3.8** Multi-household dwelling and high-rise apartment blocks

Source: Left: The author, photographs taken in November 2019, Right: Kakaomap road view (<https://map.kakao.com/>, 26 March 2021)

The composition of housing stock by house type in Seoul has changed since the 1970s. The proportion of high-rise apartment blocks has increased rapidly whereas the ratio of detached houses has fallen sharply, as shown in Figure 3.9. In 2019, the total number of high-rise apartments was about 1.7 million and the proportion of the total was 58.3%. By contrast, the proportion of detached houses was a mere 4.1%. The main drivers for these changes have

been the large-scale housing supply project centred on the construction of high-rise apartments as well as several redevelopment processes such as the Joint Redevelopment Project. More details on these projects will be provided in the following sections.



**Figure 3.9** Composition of housing stock by houses types in Seoul

Source: Data collated from Seoul Open Data Square. [Online]. [Accessed 27 March 2021]. Available from: <https://data.seoul.go.kr>.

### 3.3 The period of large development programmes

During this period, Seoul experienced rapid urban sprawl including the construction of Gangnam New Town. Simultaneously, redevelopment of dilapidated residential areas was widespread. These urban transformations significantly influenced change in Bukchon in two ways. Firstly, they resulted in the proliferation of speculative investment in the property market in Seoul, including Bukchon. Secondly, the expanding urban sprawl and the housing redevelopment projects were factors in the decline and transformation of Bukchon. This section, therefore, summarises the context of the large-scale housing construction boom in Seoul as well as investigating specific policy examples, such as the construction of Gangnam New Town, and how these led to the proliferation of speculation in the property market thus influencing urban change.

### **3.3.1 Expansion to Gangnam and introduction of large-scale redevelopment measures (1973-1982)**

In the early 1970s the regime of the military dictator Park Chung-Hee tried to consolidate its power. At the time, the regime was in crisis because the economy was in the middle of a downturn and political protest against the dictatorship was becoming widespread (Back, 2002). In this situation, in August 1971, a mass protest, the so-called Kwangju Daedanji Uprising, took place in one of the settlements where informal residential dwellers had been compulsorily re-housed by the government (Kim, 2007). President Park declared a state of national emergency in 1971 and proclaimed martial law in 1972 in order to crush the protest movement and consolidate his power (Lim, 2002). Through these measures, he was able both to strengthen the authority of the government and to secure political power for a strong policy of industrialisation (Lim, 2002; Back, 2002).

In this process, housing policy was one of the significant challenges for the Park regime, even if it was less important than the economy and industrial policy (Lim, 2002). The provision of a house for everyone was significant because it satisfied the basic demand for a minimum of social welfare (Ronald and Kyung, 2012). Considering that government investment in social welfare was relatively low in East Asian countries including South Korea, the provision of housing was important in terms of providing a minimum level of social welfare (Dewit et al., 2010; Ronald and Kyung, 2012). The Park regime, then, focused on what was widely recognised as a housing problem in this period (Lim, 2002).

The lack of housing stock in the 1970s, meanwhile, became more severe due to rapid urbanisation. In particular, the housing stock to household ratio, a ratio of the number of housing units per number of households, in Seoul was under 60% (Jang, 2015b). As a result, property prices sharply increased during the late 1970s due to the lack of housing stock in Seoul and all other cities as well (Jang, 2015b, Lim, 2002), and the government tried to implement appropriate policies to solve this problem (Jang, 2015b).

The Park regime wanted to show a developed urban landscape as a result of successful economic growth (Kim et al., 1996). It started, therefore, by promoting the introduction of housing redevelopment projects. As illustrated in Figure 3.10, the informal housing areas were cramped and often unsanitary. It was necessary for the Park regime to expand the supply of new, high quality housing.



**Figure 3.10** Designated district for redevelopment of Seoul in the 1970s

Source: SMG, Seoul Photo Archives (<http://photoarchives.seoul.go.kr/>)

To meet these demands the Temporary Action Law for Facilitating Sub-standard Housing Improvement was enacted in 1973. Under this legislation SMG introduced a pilot residential redevelopment programme to relieve housing shortage and to improve the urban landscape. The purpose of the policy was to sell illegally occupied public land to the current occupier at low prices, and to encourage residents to voluntarily rebuild or repair their homes.

This initial redevelopment trial, however, did not work (Lim, 2002; Lee et al., 2003; Shin and Kim, 2016). The main reason for this was as a result of financial problems. The residents, mainly low-income households, could not afford the renovation of their own houses, so the initial residential redevelopment projects did not work well (Lee et al., 2003; Shin and Kim, 2016). As a result, only 3,671 units were rebuilt by the initial redevelopment trial (Kim et al., 1996).

At about the same time, the government introduced measures for large-scale housing construction in the 1970s (Kim and Kim, 1998). One of the measures was to enact the Housing Construction Promotion Act in 1972. The government enacted this law in order to promote large-scale housing construction and a fair distribution of the resulting properties (Kim and Kim, 1998; KRIHS, 2008a). This law included a clause giving the government authority to approve housing construction undertaken by private companies. Based on this act, the government could even control the volume and speed of housing construction carried out by the private sector (Lim, 2002).

Most of the land for large-scale housing construction was secured by the Land Compartmentalisation Rearrangement Project in the 1970s (Jang,

2015b; Kim, 2015d). This was designed to provide the land for housing on a systematic basis. This project was based on co-operative agreement between landowners and the government. Ownerships of the developed land for housing were distributed to the government and the individual landowners based on an agreement between landowners and the government. The SMG was able to secure many housing sites and much infrastructure without any additional cost by obtaining funds for the project because it was funded by the landowners. The landowners received developed land as a housing site. Once the development was complete, landowners were given a smaller area of land than they had owned previously because part of the land had to be given to government in order to fund the project cost and a further part had to be used for infrastructure. However, the value of the developed land, now a housing site, was far higher than before, so the landowner also made extra profit (Jang, 2015b; Lim, 2002).

Alongside this, the government announced a ten-year housing construction plan that included the construction of 2.5 million new housing units between 1972 and 1981 (Kim and Kim, 1998; KRIHS, 2008a). In particular, the Gangnam Development Project was launched as a part of this project (KRIHS, 2008b). The government intended to make the Gangnam area a good place to live in and a symbol of the development of the modern city in order to show off the economic achievements of the Park regime (Lim, 2002). It constructed high quality infrastructure including bridges across the Han River, broad boulevards, and a metro and an express bus terminal in the area (Jun, 2012; Yang, 2018). Many prestigious high schools, some of them previously located in or near Bukchon, were moved to Gangnam by the government (SMG, 2010a). In the housing sector, a huge number of modern and high quality medium-rise apartments were built (Jun, 2012). From the early 1970s, large-scale modern medium-rise apartment complexes were also constructed in Gangnam, including Banpo Apartment Complex, which comprised 4,000 houses and was built between 1971 and 1974 (See Figure 3.10), and Jamsil Apartment Complex, which consisted of 20,000 houses and was built between 1975 and 1977 (Jun, 2012; Korea Housing Corporation, 1992).

The Gangnam Development Project was closely connected with changes taking place in Bukchon. The rise of the Gangnam area was a factor in the decline of Bukchon. Bukchon had been one of the most prestigious residential areas up until the 1960s. However, as the prestige of Gangnam as a residential area grew during the 1970s, affluent households began to move from Bukchon to Gangnam, and Bukchon went into decline, becoming a

residential area largely for lower-income households (Lee, 2008b). More details will be discussed in Chapter 5.



**Figure 3.11** The apartment complex of Banpo district in Gangnam shortly after its completion in 1974

Source: National Archives of Korea (<http://theme.archives.go.kr/>)

During this period, speculative investment in urban property including housing became widespread in Seoul. Despite the growing supply of housing, house prices surged in the late 1970s (Kim and Kim, 1998; KRIHS, 2008a). In particular, house prices in Gangnam rose rapidly due to the attractive living conditions; anyone who had bought an apartment in Gangnam gained considerable amounts of profit (Lim, 2002). Land prices in Gangnam rose by about 176 times between 1963 and 1977 (Jun, 2012).

To understand the proliferation of property speculation in Seoul, it is necessary to understand the apartment lottery system as a means of distribution of newly built apartments. New apartments were sold to applicants before they were completed on a first come first served basis (Kim et al., 2014). Successful applicants had to pay several instalments before moving in (Yang, 2018). In the late 1970s, the winners of the apartment lottery system were able to gain large profits because of the sustained rise in apartment prices; competition for apartment subscriptions was, therefore, very intense (Kim et al., 2014). For instance, in the case of one medium-rise apartment complex in Gangnam in this period, the number of applicants was 100 times greater than the number of apartments (Yang, 2018). The South Korean government, therefore, introduced a new apartment lottery system in August 1977. The new system gave priority to tenant households who did not own any property (Kim et al., 2014).

On the basis of this system, the new housing market in Gangnam became a speculative battlefield where everyone, those on relatively low income included, participated because the profits involved were so high (Jun, 2012; Jun, 2019; Kim et al., 2014; Lim, 2002; Yang, 2018). If those in the lower-income bracket won, some of them would sell the ownership on, though for a high premium, due to lack of funds to pay the instalments (Jun, 2012). The premiums were normally between about 2 and 17 million won, which was very high compared with the average monthly income of urban households, 144,510 won in 1978 (Yang, 2018). Others in the lower-income category paid off their instalments with a loan if they wanted to gain more profit or keep the apartment and live in it (Jun, 2019). The affluent would buy the property as an investment, often before the completion of the construction and then resell it to gain extra profit and repeat the process all over again (Jun, 2019; Yang, 2018). For instance, in the case of Jamsil in Gangnam, it was not unusual for the ownership to be resold seven or eight times before the completion of the apartment (Jun, 2019).

The large-scale housing construction in Gangnam, therefore, became one of the main causes of the widespread speculation in the property market in Seoul (Jun, 2019; Jun, 2012; Shin and Kim, 2016). In the words of Jun (2012, p. 33):

Since the Gangnam Development Project of the Park regime, our society has become a place where people who pursue unearned income [by investing in property] live better than people who work hard. A society where normal middle class, as well as politicians, construction business executives and conglomerates dream of making a fortune by speculative investment in property is a portrait of our society.

### **3.3.2 The Joint Redevelopment Programme and proliferation of speculation in the property market**

From the late 1970s to the early 1990s, housing prices had risen, and the government began to look for and introduce measures to mitigate the housing shortage and the subsequent rapid rise in house prices. Various redevelopment programmes including the Joint Redevelopment Programme were introduced as a countermeasure to these problems (Ha, 2004; Lim, 2002).

In this period, the rapid increase in property prices as a result of the housing shortage had become one of the major problems that the government faced (Ha, 2004; Lim, 2002). The housing stock to household ratio for Seoul was 58%

in 1983 but was still only 70% in 1997 (The Seoul Research Data Service, 2015). Property prices, therefore, had sharply increased during this period. In particular, property prices had soared in the late 1970s and early 1980s and through the 1980s; the average apartment price in Seoul rising 2.6 times between 1988 and 1991 (Lim, 2002).

Expansion of housing supply had become one of the significant government tasks to mitigate the rapid rise in house prices. For instance, the government proposed a five million housing unit building plan in 1980. This was almost the same number as the entire number of houses, 5.3 million, in South Korea at the time (Republic of Korea Government, 2007). In addition, in 1989, the government introduced a similar large-scale housing supply policy that was called the Two Million Housing Unit Construction Plan. As a result, during the four years from 1988 to 1991, 2 million houses were built, representing about a third of the total of 6.45 million housing units in Korea (Republic of Korea Government, 2007; KRIHS, 2008a).

The government, then, introduced large-scale residential redevelopment programmes to resolve the housing shortage and, as mentioned above, to showcase a developed and modern cityscape as a symbol of economic success (Ha, 2004). The total number of housing units normally doubled after each redevelopment project. According to Ha (2007), the total demolition of informal housing units as a result of the redevelopment programmes was 149,700 in the 416 designated areas of the country as a whole, while newly constructed housing units were 293,053.

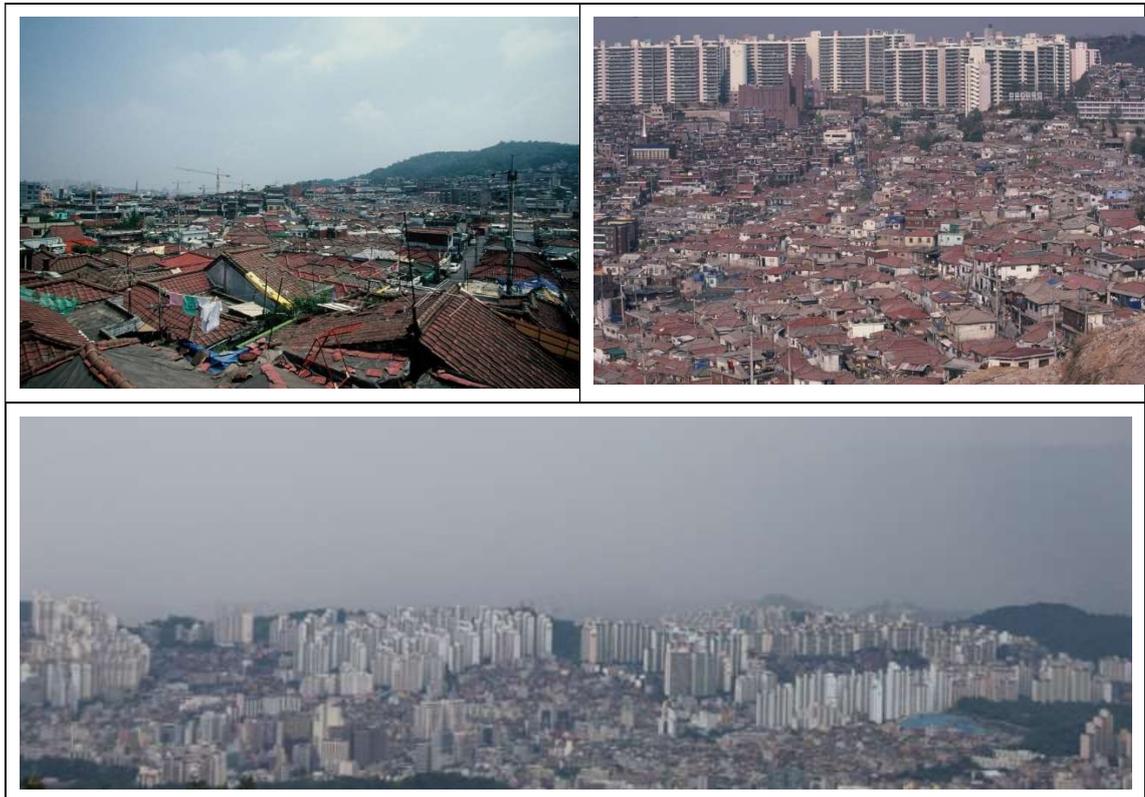
The large-scale redevelopment programme offered sufficient incentives to the participants in order to work properly. As mentioned above, the basic strategy of housing policy from the 1960s was to maximise private sector investment while minimising public investment. To promote the redevelopment project in line with this strategy, therefore, the government needed to provide attractive incentives to the participants such as property owners as a result of the failure of the initial trial in the 1970s, caused by a lack of financial incentive (Lim, 2002).

In this context, the Joint Redevelopment Programme (JRP), which provided lots of potential profit to participants as an incentive, was implemented in 1983. It was called the Joint Redevelopment Programme because the project “largely depended on joint contributions from both local property owners and from the construction companies that supplied development finance and carried out the construction and marketing” (Shin and Kim, 2016, p.546). The JRP worked as follows (Kim et al., 1996, Lee et al., 2003; Lim, 2002; Ha, 2004;

Shin and Kim, 2016): Firstly, the metropolitan government designated JRP areas, typically those where informal detached housing clusters were located, as illustrated in Figure 3.12. Secondly, property owners located in the JRP areas formed a housing redevelopment association. Normally the associations consisted of several hundred property owners. A two-thirds majority of all the owners in the area was needed to secure consent and create a housing redevelopment association. Tenants had no right to participate in the association. Thirdly, SMG gave permission to start the project and the redevelopment association made a contract with whichever construction company proposed the best plan. The construction companies mainly belonged to large conglomerates such as Hyundai or Samsung. They provided funding, carried out marketing and built the high-rise apartment blocks. Fourthly, the metropolitan government granted a permit for an Ownership Control and Transfer Plan. The administrative plan contained an assessment of the value of existing properties and a plan for the distribution of new properties between the existing owners, which is the members of the housing redevelopment association, and the construction company. Usually a member of the housing redevelopment association could purchase a larger and more expensive high-rise apartment at a much smaller extra cost. This is because most of the rebuilding costs were covered by money secured through pre-selling the additional new builds. The sum of the value of the property before the project together with the additional redevelopment costs shouldered by the property owner were normally significantly lower than the value of the new house given to the property owner after the project was completed (Lee, 2018b; Lim, 2002). Fifthly, the construction company demolished the existing properties and built high-rise apartment blocks in their place. Before construction began, the construction company sold all the housing units except for those destined for the owners in order to secure profits and necessary funds for construction.

JRP provided large profits for the government, for property owners and for construction companies; in addition, it triggered a wave of speculative investment by absentee landlords. For the government, JRP was an effective new method of redeveloping informal housing areas and expanding quality housing stock in a relatively central part of the city without public funding (Yoon and Kim, 2012). Property owners gained an expensive new house at low cost and the construction companies profited from selling those apartments that were not destined for the original property owners (Shin and Kim, 2016). As a result, use of the JRP mechanism was widespread because its incentives were very attractive to all of the participants involved. JRP, then, both

encouraged rampant speculation in property while at the same time proving to be one of the most successful programmes in terms of expanding housing stock (Lee et al., 2003; Ha, 2004). Furthermore, the project triggered large-scale absentee-landlordism because it offered the prospect of large capital gains for property owners (Shin and Kim, 2016).



**Figure 3.12** Joint Redevelopment Project in Seoul: previous and present

Source: SMG, Seoul Photo Archives (<http://photoarchives.seoul.go.kr/>)

JRP, however, had critical problems. Lower-income residents, especially tenants were the main victims. As Ha (2004; 2007) and Shin and Kim (2016) have pointed out, most of the tenants were displaced from their houses in the course of the redevelopment process, and many of them had to move to a suburban area due to the lack of affordable housing in the inner city. For instance, the ratio of those who resettled in the Bongcheon redeveloped area to original residents was 20.7% in the redevelopment of the Bongcheon sub-district (Ha, 2004). In particular, tenants received little compensation compared to the owner-occupiers or absentee owners, and as a result some of the tenants resisted eviction. In this case, the housing redevelopment association and construction company often hired gangsters to evict them, leading to assaults on some tenants and their violent eviction (Ha, 2007).

### 3.3.3 Densification through conversion

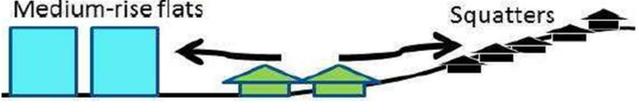
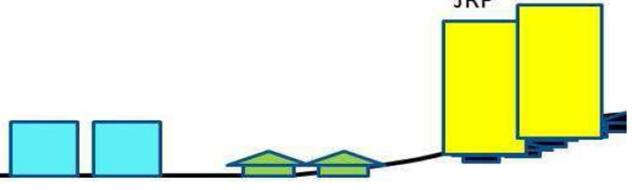
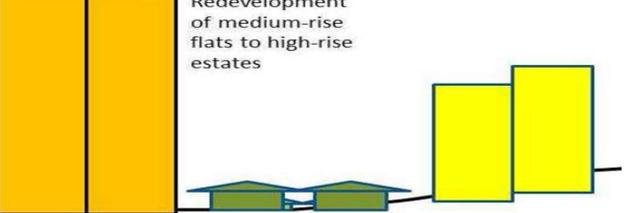
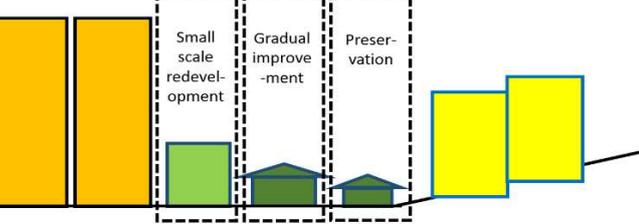
Starting in the 1990s another kind of rebuilding, so-called 'densification', occurred in areas which had not been designated as large-scale redevelopment project areas. Densification from transformation of single-detached housing to multi-household dwellings has been widespread since the 1990s. As shown in Figure 3.13, this was a demolish-rebuild process of individual housing units located in well-established neighbourhoods which have not been designated as redevelopment areas. Typically, detached houses with one or two storeys were rebuilt as multi-household dwellings with three or four storeys (Shin and Kim, 2016).

The increase in the supply of multi-household dwellings was mainly caused by the deregulation of related restrictions and expectations of capital gain as a result of rebuilding. Building multi-household dwellings on the site of detached houses was first allowed in 1985 in order to promote the supply of new houses (Kwon, 2002). In addition, deregulation such as permission to allow basement housing regardless of limits to the total building area was passed by the SMG in the late 1980s and 1990s (Kang and Jeon, 2017). Consequently, the densification process was facilitated from the 1990s onwards (Shin and Kim, 2016); it accelerated because these deregulations meant that property owners could gain extra profit by reducing costs and building more houses. In addition, property owners could secure higher rental income as well as raising the value of their property by rebuilding their house (Kwon, 2002).

In this context, multi-household dwelling stock sharply increased from the 1990s. As shown in Figure 3.10, the total size of the stock in 1990 was only 48,762 units, but this had increased to 443,778 units by 2010. The proportion of multi-household dwelling in Seoul was just 3.4% in 1990, but it had risen to 18.1% by 2010. By contrast, the number of detached houses was gradually decreasing, and the ratio of single-family houses to the total number of houses decreased more rapidly still owing to the prevalence of JRP and the densification effect of the growing number of multi-household dwellings. The proportion of detached housing to total number of dwellings in Seoul was 46.1% in 1990, but it had sharply decreased to 16.2% by 2010.

Densification was one of the significant redevelopment processes that influenced local change in Bukchon. As mentioned above, densification was deemed a convenient tool to gain extra profit by property owners (Lee, 2018b; Lim, 2002; Shin and Kim, 2016). This context affected Bukchon too; property owners there also demanded deregulation, and the densification process

became widespread in Bukchon after the deregulation of the 1990s. More details will be examined in Chapter 5.

Period	Graphic representation	Major projects
1960s ~1970s		
1980s ~2010s		Joint Redevelopment Project
1990s ~2010s		Densification
Mid-1990s ~2010s		Redevelopment of medium-rise apartment buildings
2000s		New town project
2010s		Residential area management

**Figure 3.13** The change of the redevelopment programme in Seoul

Source: Material from Shin and Kim (2016), pp.551-552. Partially amended and created by the author.

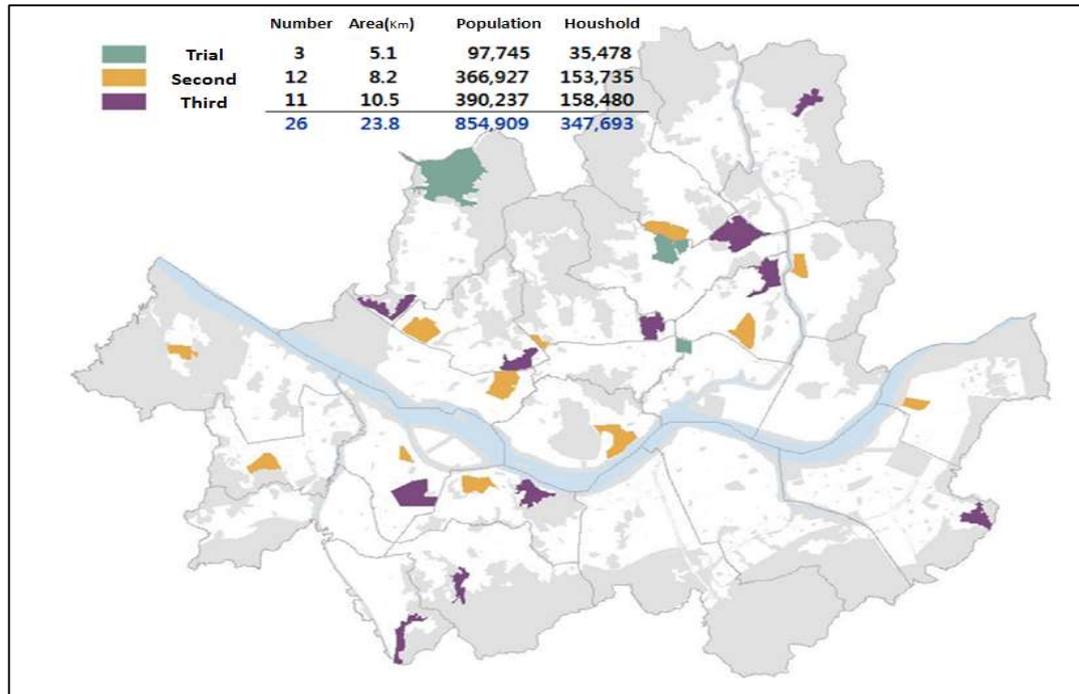
### 3.3.4 The 'New Town in town' programme

In the 2000s and thereafter the New Town Programme, which was an even larger scale redevelopment programme, became widespread, having first been introduced in 2002 by the SMG (Jang, 2015a). In the 2000s, the imbalance between the southern and northern part of Seoul became an important issue due to the wide gap in housing quality between Gangbuk and Gangnam (Kang, 2012). Lee Myung-Bak who was elected mayor of Seoul in 2002, envisioned the new town redevelopment programme as a solution to this local imbalance (Jang, 2015a).

In this period, control of the SMG shifted from the progressive Democracy Party, to the conservative Grand National (*Hannara*) Party. Between 2002 and 2011 two successive mayors of Seoul belonged to the conservative party, and they introduced entrepreneurial urban policies including huge scale urban redevelopment projects. Lee Myung-Bak, mayor of Seoul between 2002 and 2006 then president of South Korea between 2008 and 2013, introduced the New Town project; his successor as mayor, Oh Se-Hoon, promised to continue with and expand the New Town Project (Kim and Lee, 2015).

The New Town Programme was a redevelopment project on a huge scale. The concept was different from that of the traditional 'new town' where new settlements are constructed in suburban areas. In this programme the new town referred not to a new site in a suburban area, but to a new settlement 'in the city' created as a result of a demolish-and-rebuild programme. Kyung (2011) labelled this programme "New Town in the town" and argued that: "The New Town project is a much more aggressive housing redevelopment and urban renewal programme than the JRP. The new town programme emphasised a comprehensive development with a large-scale master plan" (Kyung, 2011, p. 13). The formal initial goal of this programme was the balanced development of Seoul and alleviation of the problems of the existing relatively small-scale housing redevelopment projects, which had been carried out by the private sector (Jang, 2015a). Previous redevelopment projects were conducted as individual projects. On an individual basis they were not large enough to include upgrades on urban infrastructure such as roads, schools and parks. In order to provide more expansive solutions, the New Town project was designed as a way to promote redevelopment projects on a mega-scale by selecting a much wider area as a project district (Jang et al., 2008). The average area of each New Town project was 92 ha, the largest being 349 ha. As shown in Figure 3.14, New Town project areas were designated on three separate occasions with the SMG designating a total of

26 districts covering 23.8 sq km that included around 850,000 people. That is about 8.5% of the total population of Seoul (Jang et al., 2008).



**Figure 3.14** Designated areas for New Town Programme, Seoul

Source: SMG, 3/Feb/2017 (<https://seoulsolution.kr/ko/content>)

On paper, the goal of this programme was to harmonise residential redevelopment and neighbourhood improvement projects within the entire designated area. Thus, when an area was selected, the metropolitan government could designate three area sub-types: housing redevelopment promotion areas, existing neighbourhood improvement areas and existing neighbourhood management areas. In reality, however, most of the projects ended up as larger-scale versions of previous redevelopment projects. For instance, 62.7% of the total area, the majority of the designated area, was designated as a housing redevelopment promotion area whereas only 14% was designated as existing neighbourhood improvement area, and 20.9% as existing neighbourhood management area. Moreover, the majority of the existing neighbourhood improvement area and existing neighbourhood management area was designated for schools, parks as well as for previous high-rise apartment complexes which had not needed to be redeveloped (Jang et al., 2008). This meant that most of the total redevelopment area was designated as a housing redevelopment promotion area. This can be verified by examining Figure 3.15 which shows a bird's eye view illustration of a project

after completion. It is clear that most of the designated area was redeveloped into high-rise apartment complexes.



**Figure 3.15** Bird's eye view post-completion of Jangwee New Town

Source: SMG, 3/Feb/2017 (<https://seoulsolution.kr/ko/content>)

The New Town Programme, moreover, was a political tool to secure public support. Many politicians, including Oh Se-Hoon promised that they would designate numerous districts as New Town target districts so as to attract political support from the property owners in Gangbuk (Lee, 2015; Kim and Lee, 2015). In the context of the speculative investment in property that had become widespread both in Gangnam and the redevelopment areas from the 1970s onwards, the public, especially the middle class and the affluent, was typically very interested in opportunities to invest in property (Hong, 1980; Kim et al., 2006; Kang, 2021; Shin and Kim, 2016). For instance, the title of a special issue newspaper article in 1980 was “Whenever people gather, [they] talk about land.... [Speculative investment in property] is a part of everyday life” (Hong, 1980). One newspaper report informed readers that even primary school children were talking about speculative investment in property, with the journalist calling South Korea the “Republic of [speculative investment in] property” (Kim et al., 2006). In fact, numerous media reports designated South Korea as the ‘republic of property’. For instance, in a search on the Big Kinds

website,<sup>1</sup> covering only a three month period in early 2021, I found that 113 media reports mentioned this term.

As a result of high expectations for new profits, many politicians including Lee Myung-Bak and Oh Se-Hoon gained a lot of support from property owners by proposing a policies that could significantly increase the asset value of substandard housing (Kyung, 2011; Beak and Kim, 2015a; Lee, 2015;).

The New Town Programme was presented as a mega-scale redevelopment programme, even if it did contain some new elements. Hence, there was strong criticism regarding potential side effects (SMG, 2014b). Not only did it have the same problems as earlier redevelopment programmes, such as the displacement of existing residents and shortage of affordable housing, but it also triggered further problems including rampancy of speculation (Byun, 2012; SMG, 2014b).

### **3.4 Speculation in retail property, gentrification and the growth of tourism**

After the global financial crisis of 2008, the Seoul housing market entered a period of decline, and the target of property speculation switched from housing to retail. In this context, gentrification in the retail sector, especially in popular tourist destinations such as Bukchon, emerged and was spotlighted by the media, academics and local government. In addition, the number of tourists increased rapidly in several neighbourhoods located in the central area of Seoul in the 2010s. This not only influenced retail sector gentrification but also gave rise to a deterioration in local living conditions and subsequent protests by residents. These changes were intimately related to tourism-led gentrification in Bukchon. Both the retail and residential sectors of Bukchon experienced tourism-led gentrification and, in particular, the retail sector underwent active speculative investment, as will be discussed in Chapters 6 and 7. This section first investigates changes in the housing market and the emergence of retail sector gentrification and then examines related gentrification in the city of Seoul as a whole. The rapid rise of tourists and

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<sup>1</sup> This is a news big data analysis system that is operated by the Korea Press Foundation. The data consists of all articles covered by 54 major newspaper and broadcasting stations in South Korea. <https://www.bigkinds.or.kr/>

subsequent deterioration of living conditions in some places in Seoul are reviewed in the final section.

### **3.4.1 Speculative investment and retail sector gentrification**

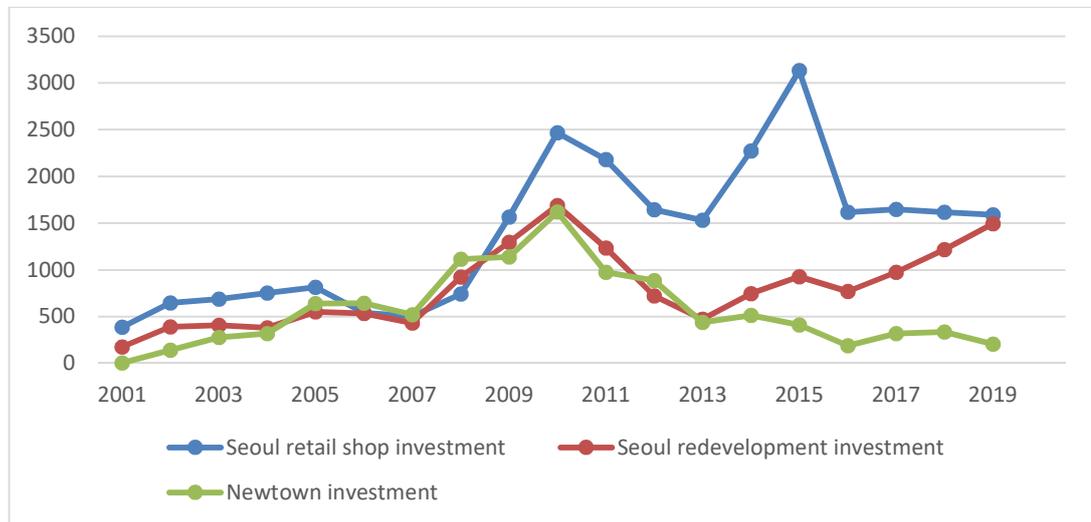
Housing prices in Seoul started to decrease in October 2008 and remained subdued due to the global financial crisis. For instance, the housing price index of Seoul, as measured by the Korea Appraisal Board, measured 95.4 in October 2008, and continued gradually to decrease falling to 89.8 in October 2013.

Speculative investment in the housing sector similarly declined because of the decline in house prices. Many of the large-scale house building projects including the New Town Project were cancelled at this time because the expected profits from these projects were disappearing (SMG, 2014b). In addition, there were too many stakeholders in the areas covered by the New Town Projects and too many and too large areas of Seoul were designated simultaneously as New Town project areas (Jang et al., 2008). These factors also had a negative impact on profits and many large redevelopment projects were either suspended or cancelled (SMG, 2014b). This resulted in losses for speculative investors (Choi and Jang, 2010; Lee, 2015; Kim and Lee, 2015).

In this context, investment in retail property as an alternative method of speculation emerged as a new trend (Cho, 2010; Hong, 2012; Kim, 2010; Kim and Huh, 2015). Many newspapers started to cover this issue (Cho, 2010; Hong, 2012; Kim, 2010). Academics also raised the issue. Shin (2017) pointed out that investment in small retail assets tended to be a popular alternative to investment in redevelopment projects, and Kim and Huh (2015) also argued that investment in retail properties had become an alternative target of speculation because the profit to be gained from investment in housing, including dilapidated houses in the redevelopment project areas, had become limited due to the fall in house prices.

The number of media reports clearly demonstrates the investment trend shift, from New Town and redevelopment to the retail property sector (Jang, 2017; Kim and Lee, 2016). The number of media reports with the keywords 'Seoul retail shop investment' was gathered from the Bigkinds website. These reports have been significantly high since 2009. However, media reports with the keywords 'New Town' and 'Seoul redevelopment investment' have appeared relatively less frequently since 2010, as shown in Figure 3.16. Research by Kim and Lee (2016) has also pointed out a similar trend, with the focus of

media reporting regarding real estate investment shifting from large-scale redevelopment to small commercial shops; and Jang (2017) has pointed out that speculative investors began to focus on small real estate properties after many New Town projects were cancelled.



**Figure 3.16** Trends in media reports on real estate investment by keyword

Source: Data collated from Korea Press Foundation. Bigkinds. [Online]. [Accessed 27 April 2020]. Available from: <https://www.bigkinds.or.kr/>

Conflict between property owners and tenant retailers has been aggravated by the increasing number of speculative property owners. According to a newspaper article discussed by Hong (2012), speculative property owners were raising rents rapidly, the upshot being that an increase in speculative investment in retail assets resulted in deepening conflict between tenant and landlord and increasing levels of displacement of tenant retailers. Indeed, there have been severe conflicts of this type between property owners and tenant retailers in Bukchon, as will be examined in greater detail in chapter 7.

Meanwhile, a number of significant events since 2000, such as the Yongsan Disaster and the Cheonggye Stream Restoration Project, have attracted significant public interest in the displacement of tenant retailers. The Yongsan Disaster was an accident in which six people – five tenant retailers and a member of the police special forces – were killed and 23 others injured by a blaze touched off in the course of police action against protesters on 20 January 2009 (see Figure 3.17). The protesters consisted largely of tenant retailers in an area designated for a redevelopment project in the Yongsan district of Seoul. This event provoked strong public criticism of redevelopment projects that seek only capital gain for property owners (Lee, 2015b; 2015c)

and triggered a strong interest in the displacement of tenant retailers (Shin and Han, 2018). For instance, a newspaper editorial in 2014 emphasised the need to protect tenant retailers as evidenced by the Yongsan Disaster (Kyunghyang Newspaper, 2014).

The Cheonggye Stream Restoration Project also provoked public interest in the displacement of retailers. The purpose of the project was to restore the Cheonggye Stream, which is a narrow waterway that runs through the city centre of Seoul. This project was implemented between 2002 and 2005 (Ko, 2015), and included the demolition of an elevated highway and a road that covered the stream and their replacement by a stream-side park (Lim et al., 2013). In the course of the project, many small retailers including tenant retailers were displaced from the area without any proper compensation being paid to them. In the early stages of the project, the mayor of Seoul, Lee Myung-Bak promised proper compensation to pacify the resistance of the retailers, but this promise was not kept (Hwang, 2010; Kim, 2015c; Ko, 2015; Sim, 2015). After that there was a consistent media spotlight on the displacement of the retailers and the lack of appropriate compensation offered to them. This is evidenced by the titles of related newspaper articles, such as “How did the Cheonggye Stream become a ‘stream of tears’?” (Ko, 2015) and “Ten years after the Cheonggye Stream Project the citizens are smiling, but the retailers are crying” (Kim, 2015c).



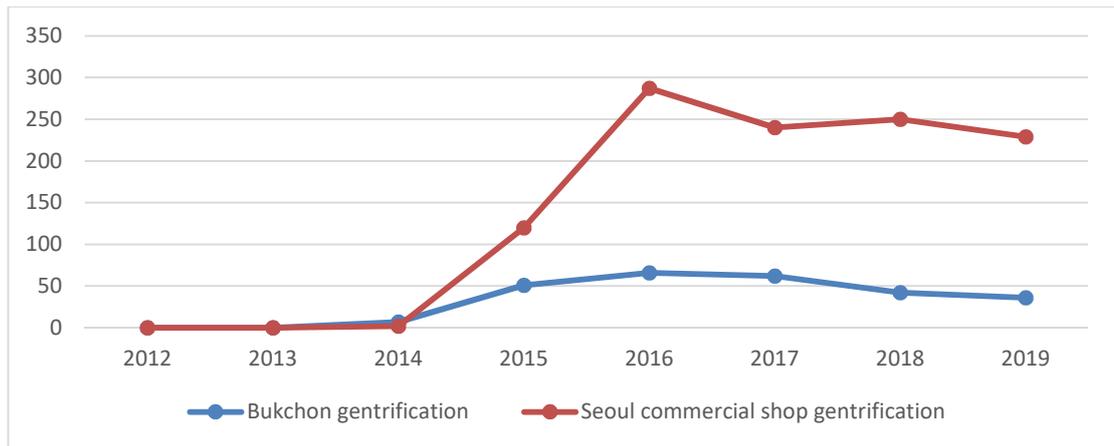
**Figure 3.17** The scene of the Yongsan Disaster, 20th January 2009

Source: Oh my news. 2020. Top 100 news stories of the 21th century

(<http://www.ohmynews.com/>)

The activities of civic groups have also played a significant role in publicising the issue of displacement of tenant retailers. During this period, the civic group Mamsangmo was formed with the purpose of supporting displaced tenant retailers. In addition, several civic groups including Mamsangmo and the People's Solidarity for Participatory Democracy (PSPD) campaigned against the displacement of tenant retailers, undertaking various promotional activities such as public demonstrations, press releases and interviews as well as conferences (Beak, 2014; PSPD, 2021).

In light of this public interest, multiple cases of tenant retailer displacement were spotlighted by the media (Figure 3.18). Examples include the cases of Duriban (a small independent noodle bar) in 2010, Take Out Drawing (an independent café and gallery) and of the Jangnamju Korean traditional clothes shop in Bukchon in 2015. There were also the cases of Woojangchangchang (an independent restaurant) and Gungjung Jokbal (also an independent restaurant) in 2016 (Shin et al., 2017). Take Out Drawing was probably the most famous case because the new landlord of the building containing the café was Psy, the famous pop star and singer of the hit song Gangnam Style; unsurprisingly, this case was widely covered by the media. Psy tried to evict the retailer in order to rent out the shop to a brand café chain who were prepared to pay higher rent (Dalyeri, 2017; Jung, 2017b). In addition, the eviction of Take Out Drawing would have allowed him to avoid paying them *kwonrikeum*, a kind of compensation premium which would normally have been paid to the tenant retailer. It would also have triggered a rise in the value of the property (Jung, 2017b). The landlord tried to enforce a compulsory eviction in March 2015, but the effort failed due to the resistance of the retailer and the active involvement of civic activists (Dalyeri, 2017; Jung, 2017b). A search based on the keywords 'Psy landlord conflict', found 62 media reports mentioning this case in 2015 and 2016 (Bang, 2015; Shin, 2015b; Asia Economy, 2015). Some of the media reports also mentioned gentrification, as the civic groups involved argued that the 'Take Out Drawing' case was evidence of the negative effect of gentrification (Park, 2015; Shin, 2015b). One media report that mentioned gentrification referred to it as a "monster" that was destroying the lives of tenant retailers (Park, 2015). Alongside the media attention, the displacement of tenant retailers and gentrification in the retail sector has become both a significant issue of study for academics and a policy field (An and Kim, 2017; Choi et al, 2018; SMG, 2015a; Song et al., 2016).



**Figure 3.18** Media report trend regarding commercial shop gentrification by keyword

Source: Data collated from Korea Press Foundation. Bigkinds. [Online]. [Accessed 30 April 2020]. Available from: <https://www.bigkinds.or.kr/>

Displacement of tenant retailers, meanwhile, tended to occur most intensively in the new popular tourist destinations. As many newspaper articles, research reports and government documents confirm, displacement of tenant retailers has become prevalent in those places – Bukchon, Seochon, Hongdae, Itaewon and Seongsu-dong – which have undergone a sharp rise in the number of tourists (Huh, 2016; Kim and Huh, 2015; SMG, 2015a; Ryu, 2015; Song and Lee, 2016). For instance, four of the most famous cases mentioned above, Duriban in Hongdae, Jangnamju Korean traditional clothes shop in Bukchon, Gungjung Jokbal in Seochon and Take Out Drawing in Itaewon were located in newly popular tourist areas.

In 2011, the mayor of Seoul changed from a conservative politician to a progressive one (Table 3.2). The new mayor, Park Won-Soon, who belonged to the Democratic Party, had been one of the most famous progressive civic activists in South Korea, which meant that his policy direction was very different from that of the previous two mayors (Lim, 2013). A policy comparison analysis between the administrations of Mayors Oh and Park makes it clear that urban policies such as housing, redevelopment, urban design and urban planning policy were significantly altered by Park (Lim, 2013). For instance, Mayors Lee and Oh promoted large scale redevelopment whereas Mayor Park tended to oppose it (Lim, 2013, SMG, 2012).

Under the more progressive regime of Mayor Park, the SMG introduced countermeasures to mitigate the displacement of tenant retailers in 2015 (SMG, 2015a). In addition, some district governments also introduced related policies in line with the SMG's countermeasures.

**Table 3.2.** Mayors of Seoul since 2000

Name	Term of office	Political party
Goh Kun	1 July 1998 - 30 June 2002	Democratic (progressive)
Lee Myung-Bak	1 Jul 2002 - 30 June 2006	Grand National (conservative)
Oh Se-Hoon	1 July 2006 - 26 Aug 2011	Grand National (conservative)
Park Won-soon	27 October 2011 - 9 July 2020	Democratic (progressive)
Oh Se-Hoon	1 April 2021 - present	People Power (conservative)

Source: Data collated from SMG. [Online]. [Accessed 22 November 2021].

Available from: <https://www.seoul.go.kr/seoul/mayor.do>

The broader context of Seoul had a significant effect on the changes taking place in Bukchon in the 2010s. The proliferation of speculative investment in retail property resulted in growing retail sector gentrification in Seoul. Furthermore, this retail sector gentrification tended to occur most intensively in newly popular tourists destinations such as Bukchon. The countermeasures taken by the SMG to mitigate the displacement of tenant retailers are also closely linked to Bukchon as the area was one of the main target areas of government action. More details will be provided in Chapters 6 and 7.

### **3.4.2 The context of discussion on gentrification in Seoul**

Based on the specific context of Seoul including the changing trends in property speculation and the significant milestone events that were mentioned earlier, recent discussion around gentrification in Seoul has focused mainly on the retail rather than the residential sector.

In South Korea the term ‘gentrification’ was little used outside academia until around 2010. Although the concept was discussed in the 1990s, this was focused mainly on the introduction of the concept as a new term; in the 2000s, discussion expanded but was used mostly in the context of large-scale redevelopment projects (Lee, 2016). For instance, Ha (2004), Lee and Joo (2008) and Shin (2009) analysed the urban redevelopment projects in Seoul as a gentrification process in the 2000s.

The term gentrification, however, has been widely mentioned, not only in academia but also in the mass media since around 2015, to describe aspects

of local change, especially those related to the displacement of tenant retailers in areas where there are increasing numbers of visitors. For instance, in 2010, only two media reports mentioned the term gentrification. However, this had risen to 1,416 in 2017, according to the result of keyword searches on the Bigkinds website. In the media, gentrification has been used mainly as a concept referring to the displacement of tenant retailers and their conflicts with property owners as a result of sharp rises in rent (Choi and Lee, 2016; Lee, 2016; Park et al., 2016; Ryu and Park, 2019). For instance, a news report on MBC, one of the major broadcasting companies in South Korea, explained the concept of gentrification as “a phenomenon whereby existing tenant retailers are displaced because of rapidly rising rents, which soon become unaffordable, all this caused by an increasing number of outside visitors” (Han, 2018). While the term gentrification has also been used to discuss the residential sector, the major part of discussion both in the mass media and in the field of government policy in Seoul has focused on the displacement of tenant retailers in the course of the retail sector changes that have taken place since 2015 (Choi and Lee, 2016; Lee, 2016; Shin, 2017).

There are two main reasons why discussion of the gentrification process has focused on the retail sector in Seoul. Firstly, conflicts between tenant retailers and property owners in the retail sector have grown more severe as a result of increasing investment in this sector. Secondly, the Yongsan Disaster was followed by a number of subsequent cases which were also widely reported and focussed discussion on retail sector gentrification. Many media reports used the term gentrification while focusing on the displacement of tenant retailers in the context of the Yongsan Disaster, judging that conditions have little changed since then (Huh, 2016; Kyunghyang Newspaper, 2014; Lim, 2019; Park, 2018; Ryu, 2015). Miryu (2017, p.41), a civic activist opposed to retail sector gentrification, argued that “the term gentrification became socialised after the Yongsan Disaster”.

Generally, the outline of the gentrification process in the retail sector in Seoul was as follows. Several neighbourhoods in the relatively underdeveloped inner-city area including Bukchon became popular tourist destinations gaining much publicity in the media (Choi et al., 2018; Choi and Lee, 2016; Nam, 2016; Yoon and Park, 2016). When an area began to gain fame as an attractive place to visit, property owners, usually those with small commercial buildings of three or four storeys, tended to raise rents rapidly and evict the existing retailers in order to secure greater profits (Nam, 2016). As a result, many of the existing retailers were evicted without receiving proper compensation.

They were then replaced by franchise shops, cafés and restaurants that could afford the higher rents (Choi et al., 2018; Choi and Lee, 2016, Yoon and Park, 2016). In particular, landlords who had newly purchased property for the purpose of speculative investment tended to be the most aggressive in raising rents and evicting existing retailers (Bae, 2020; Sim, 2016). Therefore, most of the best known tenant-retailer protests against retail sector gentrification related to conflicts between existing retailers and new landlords

The specific context of the debate around gentrification in Seoul had an important influence on the establishment of policies relating to Bukchon. The comprehensive countermeasures against gentrification taken by the SMG, which will be examined in Chapter 7 and which are closely connected to the case of Bukchon, were also introduced in the broader context of debate around gentrification. The countermeasures, therefore, mainly focused on preventing the displacement of tenant retailers in the retail sector of those areas affected.

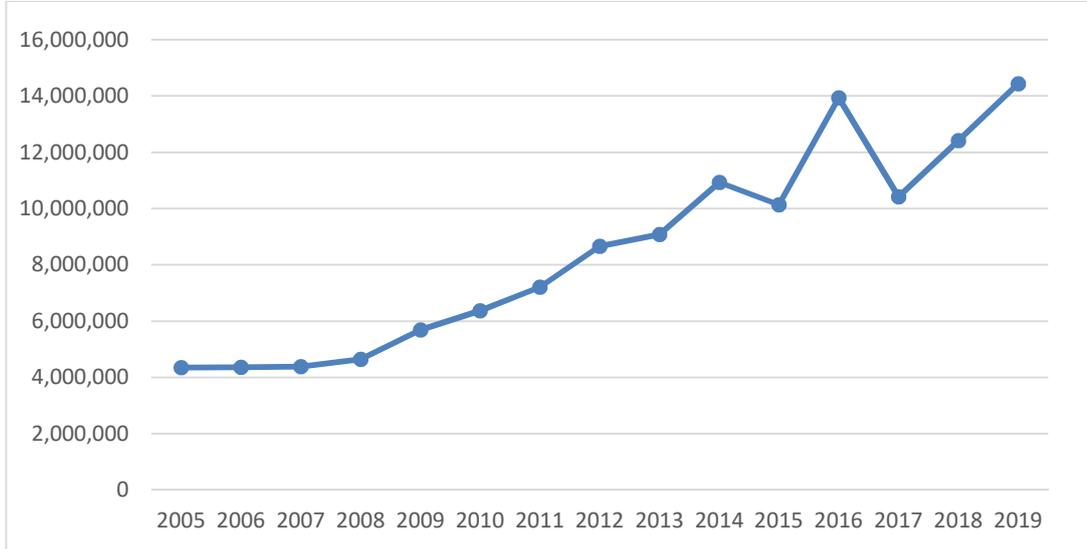
### **3.4.3 The rapid rise of tourism in Seoul**

The number of foreign tourists sharply increased and domestic tourism grew more widespread in the 2010s. As Figure 3.19 shows, the number of foreign tourists visiting Korea increased more than threefold, from about 4.3 million in 2005 to about 14.4 million in 2019. Considering that the proportion of foreign tourists visiting Seoul is about 80% of foreign tourists visiting Korea (Bhan et al., 2017), it can be inferred that the number of tourists visiting Seoul has also increased rapidly. In addition, the number of domestic tours undertaken by Koreans has also increased significantly. As shown in Figure 3.20, the number of Korean domestic tours was 156 million in 2011, but by 2019, the number had more than doubled to 444 million.

The city centre, which includes Bukchon, was the most visited part of Seoul by foreign tourists to the city – 91% of foreign tourists visiting Seoul visited the city centre area while 31% of all foreign tourists to South Korea visited Bukchon or the nearby district of Insadong (Bhan et al., 2017).

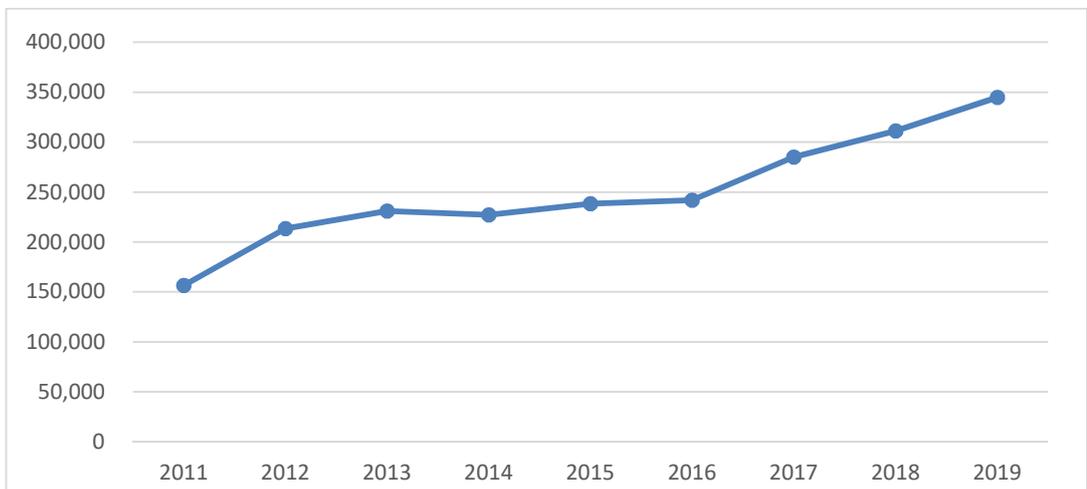
The rapid rise of tourism in Seoul affected the growing prevalence of gentrification in the retail sector. As mentioned above, gentrification in the retail sector tended to occur intensively in popular tourist destinations. Therefore, it can be inferred that there has been a direct relationship between the increase in the number of tourists in Seoul and the occurrence of retail sector gentrification. Several studies on retail sector gentrification have also

pointed out that the surge in tourists and other visitors in some places in Seoul has been one of the main causes of such gentrification (Kim, 2016; Kim and Huh, 2015; Song and Lee, 2016).



**Figure 3.19** Number of foreign tourists in South Korea

Source: Data collated from Tourism Knowledge and Information System. [Online]. [Accessed 10 October 2021]. Available from: <https://know.tour.go.kr/>



**Figure 3.20** Number of domestic tours undertaken in South Korea (thousand)

Source: Data collated from E-National Index. [Online]. [Accessed 10 October 2021]. Available from: <http://index.go.kr/>

In addition, in the late 2010s, the deterioration in living conditions caused by excessive tourism and the subsequent resident protests became an important urban issue. There was much media coverage of the deterioration in living

conditions experienced by residents in popular tourist destinations in Seoul and also on resident protests (Chae, 2018; Kim, 2018b; Ko, 2018; Koo, 2018). Press reports pointed out that noise, garbage, and traffic jams caused by the increasing numbers of tourists are heavily damaging to living conditions. These problems became widespread in a number of areas including Bukchon, Seochon, Ihwa Village, and Hongdae in Seoul (Kim, 2018b). Some local governments such as Jongno District Government, therefore, introduced countermeasures in an attempt to curb such problems. These issues significantly influenced the transformation of Bukchon in the late 2010s and the related government policies. More details will be discussed in Chapter 7.

### **3.5 Conclusion**

This chapter has reviewed the context of urban change in Seoul in order to provide background to changes that have taken place in Bukchon. After the Korean War in the early 1950s, Seoul suffered from a severe lack of housing stock due to destruction caused by the war, together with the pressures of a large number of refugees and of rapid urbanisation. To resolve this housing problem, the government implemented a series of large development programmes from the 1970s which led to the proliferation of speculative investment in urban property. After the global financial crisis of 2008, the housing market experienced a downturn. This led to a change in the target of speculative investment from housing to retail property and the emergence of retail sector gentrification. In addition, in the 2010s, the number of tourists sharply increased in Seoul which caused a number of important urban issues.

This chapter has discussed the four significant urban contexts in Seoul that help explain the changes that have taken place in Bukchon. First are the various large scale developments including the construction of Gangnam New Town, JPR, densification and the New Towns project that were undertaken in Seoul from the 1970s. Secondly, speculative investment in property was rampant in Seoul. To stimulate the process of large scale development by private capital, the government offered the prospect of enough capital gain to the participants including to the property owners. In addition, the rapid rise of property prices also provided high levels of profit to property owners. Thirdly, investment in retail property became a popular means of speculation after 2008. It acted as a catalyst both for the proliferation of retail sector gentrification and for the subsequent attention paid by the public, by academics and also by local government. Fourthly, the rapid increase in the

number of tourists in the 2010s became a significant factor in the transformation of the city centre areas of Seoul.

The review of the urban context of Seoul in this chapter provides a background for the more detailed study on Bukchon in the empirical analysis chapters which follow. The proliferation of development projects relates to the local downturn and subsequent deregulation and densification in Bukchon discussed in Chapter 5. The rampancy of speculation in property and the sharp growth in the number of tourists is closely connected to the tourism-led gentrification in Bukchon that is examined in Chapters 6 and 7.

## **Chapter 4: Research Design and Methodology**

### **4.1 Introduction: Research Design**

This chapter sets out and justifies the methodology utilised in this study. It addresses the reasons why the chosen methodology is an appropriate one for an examination of the subject of this thesis. In addition, details about data collection are presented in order to show the practical usefulness and suitability of the adopted methodology.

This research adopted a case study approach and mixed methods. The aim of this study is to critically investigate and expand understanding of how and why a specific place has experienced tourism-led gentrification under the influence of a number of different government policies. The choice of a case study approach has been made with the aim of drawing a complex but meaningful, picture of neighbourhood change in Bukchon. Mixed methods were chosen because they offered an appropriate means of conducting a case study on the gentrification issue. More details to justify the choice of this approach and methods will be discussed in the next section.

In line with the case study approach and that of mixed methods, this study firstly examines the context of urban change in Seoul, especially focussing on discussion regarding urban development and gentrification issues. This provides a firm foundation to better understand the local change and related policy regarding Bukchon based on changes in the wider urban context. To this purpose, analysis of documents, statistical data review and visual methods are utilised. Secondly, in order to investigate government policy issues and urban change in Bukchon as a case study, various qualitative methods are used. For instance, interviews with related stakeholders such as government officials, community leaders, residents, retailers and civic activists; analysis of documents including policy reports, press releases and newspaper articles; observations of everyday life in the field and participation in public hearing and official meetings were carried out. In addition to this, relevant statistical data was collected and analysed to support and clarify the findings and arguments drawn from qualitative methods.

Regarding the research design, in the course of data collection, creation and analysis, reliability was the most significant factor for drawing convincing conclusions. Thus, the research design and data collection activities, best able to guarantee reliability, were adopted. The following sections aim to justify the research design and method by providing more details.

This chapter unfolds as follows. Firstly, section 4.2 provides a detailed discussion about the case study approach, selection of the case and mixed methods in order to justify the methodology that was used in this study. In section 4.3, the details of data collection including the use of both qualitative and statistical data are presented in order to show the specific contents of each method to understand the legitimacy of the methodology. For instance, how and why the data was collected and the details of its collection are explained. In addition, the methods of analysis of the collected data are also discussed. In section 4.4, the related ethical issues are addressed.

## **4.2 Introducing the case study approach and mixed methods**

This research is focused on Bukchon as a case study regarding tourism-led gentrification. This section, therefore, justifies the case study approach that is utilised in this research.

### **4.2.1. The case study approach and selecting the case**

The case study approach is a widely accepted means of investigating social and geographical phenomena including that of local change (Yin, 2003). Regarding this issue, Yin (2003) mentions that “the case study allows an investigation to retain the holistic and meaningful characteristics of real-life events—such as individual life cycles... [and] neighbourhood change....” (p.2). In fact, discussion on gentrification is closely connected to that on neighbourhood change, so that the case study approach can be useful and effective as a research method.

According to Yin (2003), there are five areas where the single case study is suitable. It is an effective study design when: “the critical case in testing well-formulated theory” (p.40), “an extreme case or a unique case” (p.40), “the representative or typical case” (p.41), “the revelatory case” (p.42) and “the longitudinal case” (p.42). Bukchon is not only a critical case with which to test gentrification theory, but also a revelatory case and a longitudinal case. Firstly, Bukchon is an example of “the critical case in testing well-formulated” discussion on gentrification, especially regarding the role of government policy, the impact of tourism and of neighbourhood change. Bukchon is a neighbourhood that has undergone implementation of various tourism-led gentrification policies such as heritage conservation, the promotion of tourism and anti-gentrification countermeasures. In addition, it experienced

fundamental neighbourhood change in both the residential and retail sectors. The case of Bukchon, thus, can provide a critical research opportunity on the effect of various government policies as well as neighbourhood changes in both sectors on a single location.

Secondly, Bukchon is a revelatory case in that it provides “an opportunity to observe and analyse a phenomenon previously inaccessible” (Yin, 2003, p.42). This is done through an examination of the long-term chronological neighbourhood changes that Bukchon has undergone. A study of Bukchon can also demonstrate the effects of various government policies including contradictory ones. In addition, Bukchon is unusual in that it underwent a rapid increase in the number of tourists, followed by tourism-led gentrification, and then a sharp decrease in tourist numbers. These factors give scope for research on issues that have previously been inaccessible or overlooked.

Lastly, as a longitudinal study, this research on Bukchon is able to clearly demonstrate how a neighbourhood became a rundown area and subsequently revitalised by the disinvestment and reinvestment of capital. how capital can both revitalise a neighbourhood and also abandon it. Bukchon first experienced a period of decline due to the construction of Gangnam new town; this was followed by urban regeneration brought about by tourism-led gentrification, and finally a further period of decline. In short, Bukchon experienced a cycle of slump – recovery – boom – recession; and tourism-led gentrification was the most significant factor that influenced this change. A longitudinal case study on Bukchon, therefore, can provide a useful contribution to the broader discussion on gentrification by outlining how capital can both regenerate and undermine a place by means of the gentrification process.

#### **4.2.2 Mixed methods in order to examine complex longitudinal local change**

In order to achieve the research aim, mixed methods have been adopted in this study. Mixed methods are generally used to utilise the strengths of both qualitative and quantitative methods (Creswell, 2009). Many studies that utilise a mixed-methods note the advantages of this approach, such as enabling a more comprehensive account, helping to confirm the findings offered by other methods and enhancing the credibility of the research (Bryman, 2012). Mixed methods also offer useful tools for investigating the complexity of the gentrification issue. Regarding this issue, Cocola-Gant

(2018) argues that, “a socio-demographic analysis can provide a picture of the extension of gentrification”, but “quantitative methods cannot document the complexity of displacement and so this requires a qualitative exploration of everyday practices” (p. 71). For this reason, the mixed-methods approach has been widely utilised in research on the gentrification issue including on tourism-led gentrification (Cocola-Gant, 2018; Mermet, 2017a).

In this research, Sequential Exploratory Strategy, as noted by Creswell (2009), has been adopted as a specific mixed methods model. This strategy places weight on qualitative rather than quantitative methods. The procedure of this strategy is that qualitative data collection and analysis are carried out first. This is followed by quantitative data analysis to be used as a supplementary method to support and clarify the findings of the qualitative method (Creswell, 2009). The essential part of this style of study is to examine the experience, opinion, practical behaviour and interaction of the related stakeholders in order to build up a detailed picture of the complex processes concerned with policy and neighbourhood change. Thus, in this research weight should be placed on qualitative research methods because these are more suitable for an investigation of the social processes, relations and interactions that cause social change (Mason, 2002; Winchester and Rofe, 2005). Furthermore, they focus on complexity, detail and context (Mason, 2002).

In line with Sequential Exploratory Strategy, this study mainly utilises qualitative research methods including in-depth interviews, analysis of documents, visual methods, and observation and participation in order to achieve the research aims. Many other studies on gentrification in specific locations have utilised qualitative research methods for the same reasons as those mentioned in the previous paragraph (González and Waley, 2013; Jeong et al., 2015; Lee, 2018b; Lukens, 2021; Mermet, 2017a; Zhang et al., 2022).

Statistical data analysis is used as a complementary method in order to support the findings drawn from the qualitative methods. In discussion about gentrification, relevant statistical data analysis has been utilised as a useful method to indicate the shape of local change triggered by gentrification and to support the argument of the research. For instance, regarding gentrification in the residential sector, Shin (2009) analyses land prices in Seoul and targets specific areas to show land price trends in areas that have undergone gentrification, and Cocola-Gant (2018) makes use of demographic statistical data analysis to show neighbourhood change linked to the changing demographic features of the residents. Regarding gentrification in the retail

sector, in order to analyse retail sector change in the Marais in Paris as a gentrification process, Mermet (2017a) uses mixed methods including in-depth interviews and analysis of statistical data such as a list of all the shops in a particular place. In line with these studies, my research also includes statistical data analysis as a complementary method.

### **4.3 Data collection**

There are three main methods – interview, observation and participation, and using visual methods and documents – to collect data for qualitative research (Mason, 2002). In addition, as mentioned above, statistical data is also used in this research. The manner of collecting the data utilised in this research will be addressed in the following subsection.

#### **4.3.1 In-depth interview**

In-depth interview is the most widely used qualitative method to ascertain individual opinion, understanding, knowledge, experience and interaction (Mason, 2002). Thus, in-depth interviews have been adopted in this research in order to investigate individual experience, opinion, practical behaviour and interaction between relevant stakeholders. The interviews focus on relevant government policy and issues of neighbourhood change. Their purpose is to explore the nature and detail of the tourism-led gentrification generated by the various interactions between stakeholders including local government, residents, retailers, civic society and large companies. In particular, interviews focussed on questions of government policy and issues of neighbourhood change, as well as on relevant stakeholders' individual experience, perceptions, opinions, response and behaviour.

Regarding the issue of sampling, the most important considerations are that the selected interviewee should be able to provide useful information to achieve the research aim, and that a reasonable basis for sampling should be clear (Mason, 2002). Given these considerations, interviewees were carefully selected. Firstly, the in-depth interviewees were selected to cover most of the stakeholders including government officials, residents, retailers, real estate agencies, civic activists, academics and employees of large companies. It was important to gather details of the individual experience, conceptions and behaviour of the various stakeholders in Bukchon, and also to understand the complex interaction between them. Each stakeholder group, or individual, has

their own perspective and interests, so that they perceive the effects, process and purpose of policy change differently. Therefore, in-depth interviews with various stakeholders are essential to show the complex aspect of the gentrification process, the introduction of relevant government policy, and their effects and impact on local change. Moreover, in order to avoid bias resulting from the perspective of a specific stakeholder group and to discover not only a part of but the full picture, in-depth interviews were conducted with various interviewees covering most of the stakeholder groups. The interviewees were selected on the basis of an even distribution according to district in Bukchon in order to avoid bias from the perspective of a specific district and also so as not to miss important events that may have occurred in this or that specific district.

My interviews covered most of the relevant stakeholders in Bukchon but absentee landlords were not covered due to the difficulty to contact them. To fill this gap, abundant information regarding absentee landlords was collected through interviews with real estate agents, local community leaders and civic activists. Documents including media reports and books were also utilised as important evidence to support my findings regarding the issue of absentee landlords.

The fieldwork for the interview was planned to be carried out in two phases. The first phase lasted three months. The second phase lasted six weeks and comprised supplementary interviews with the original interviewees but would also include some new interviewees, the purpose being to collect missing data that had not been collected in the first fieldwork. Consequently, I conducted 47 interviews with 40 participants through the two phases of fieldwork. 34 interviews were conducted in the first phase, and 13 interviews – six of them were conducted with new participants in the second fieldwork and seven were second interviews with key informants from the first fieldwork – were conducted in the second phase. All interviews were conducted in Korean.

During fieldwork, I focused on securing primary data that illustrates the initial processes and effects of various policies in Bukchon. Other interests were the specific roles, behaviour and response of stakeholders and details of neighbourhood change generated by the tourism boom. Some of the interviewees were introduced by gatekeepers, but many were contacted through formal meetings, shop visits, or via email or telephone contact. Interviews in this research were conducted in a semi-structured manner with an information sheet and an interview guide. Open questions were utilised in order to investigate rich narratives and other relevant information.

Out of these 40, 14 were residents and eight were retailers (see Appendix A for more details). At first, I invited them for interview using the snowball method by means of a gatekeeper. But it was difficult to find a sufficient number of residents and retailers, so I had to visit shops and participate in official meetings and public hearings in order to contact residents and retailers (see Appendix B for more details). As a result, I was able to invite more residents and retailers for interviews.

Regarding the interviews with residents, four of these are community leaders, while six work outside Bukchon, another five work in Bukchon and three of the residents are housewives. Community leaders talked about the process and effects of the introduction of different government policies and the opinions of residents regarding gentrification and conservation policy. As for the retailers, one of them had been displaced from her shop in 2016, whereas the other seven were still running their shops in Bukchon at the time of writing.

Of the 14 interviewees who were residents of Bukchon, only one was a tenant. This reflects in large part their currently very low number in Bukchon. In 2000, just 18% of residents were tenants (Jung and Cho, 2000). The recent decline in the number of tenants compared with 2000 can be attributed to tourism-led gentrification. Therefore it was not easy to contact tenant residents of Bukchon. I did, however, conduct interviews with two owner-occupier residents who had been tenants in Bukchon in the early 2000s. The interview data from real estate agents and community leaders was also utilized to support my findings regarding the issue of tenant residents as they too had their views and information. In addition, to secure the legitimacy of my findings, I collected and utilised various related secondary data, including newspaper articles, journal papers and government policy reports.

Four interviews with real estate agents were conducted, three of whom are residents of Bukchon. In South Korea, real estate agents are key informants regarding local change because they can offer specific information about displacement of residents and retailers. One of the reasons for this is that they spend much effort making connections with local residents and retailers in order to drum up as much business as possible. I therefore tried to conduct interviews with as many of them as possible.

Seven interviews were conducted with government officials and politicians. The key government organisations in relation to gentrification in Bukchon are the Seoul Metropolitan Government (SMG) and the Jongno District Government (JDG). In particular, the key departments are the *Hanok* Building and Asset Division in the SMG and the Culture and Tourism Division in the

JDG. Between them these cover almost every policy decision in relation to gentrification in Bukchon. For example, policies related to Bukchon in the Comprehensive Measures Against Gentrification, which was introduced in 2015 by the SMG, was formulated by the *Hanok* Building and Asset Division in the SMG, and the Jongno-gu Special Measures on Touristification, which was introduced in 2018 by the JDG, was formulated by the JDG's Tourism Division. Thus, the officials who played key roles in formulating these policies were interviewed. In addition, the Fair Economy Division in the SMG and the Jobs and Economy Division of the JDG are further key departments when it comes to retail sector gentrification in Bukchon. Thus, two key officials from each of these departments were interviewed. An official who has worked in the Housing Policy Division of the SMG and an official from the Bukchon Culture Centre were also interviewed in order to gather a broader spectrum of opinion from other related parts of government. In addition, I conducted an interview with a Jongno District councillor who has lived in Bukchon for 40 years and who was a local community leader in the 1990s and 2000s.

I also carried out interviews with two civic activists. The first is the chief of the research centre in a well-known NGO which mainly focuses on urban issues in Seoul. The second belongs to an NGO that focuses on the issue of displacement of small tenant businesspeople.

Two employees of large companies and three other relevant participants were interviewed. The two employees were able to illustrate the details of the strategy and behaviour of large corporations on investment in popular areas such as Bukchon. Regarding other relevant participants, two of them are professional consultants on real estate investment. They were able to explain the details of making investment in real estate property and of how extra profits could be exploited in Bukchon. The other one is a head of a retailers' organisation in Ikseon-dong, which is located next to Bukchon.

Alphabet codes were given to residents, retailers and real estate agents, and codes for residents and retailers were given according to the length of time they had been living or working in Bukchon. Government officials and politicians were given codes beginning with the letter G and numbers such as G1. Civic activists, employees of large companies and other participants were also given codes with specific letters and numbers. For instance, civic activists were given codes composed of CA and a number, such as CA1. These codes are referenced in quotes in the analysis chapters.

### **4.3.2 Observing and participating**

Observing and participating are widely used qualitative methods for the investigation of the behaviour, interactions, perceptions and responses of people towards a specific event (Mason, 2002). Observing and participating have been adopted in this study for the purpose of understanding and investigating the interaction between stakeholders, their responses and perceptions about relevant government policy and local change. For instance, I participated in an official meeting between a large company and smaller retailers in Ikseon-dong.

In this research, participant observation of relevant specific events and of everyday life on the streets was utilised. Firstly, I participated in relevant events such as public hearings, official meetings, committee meetings, private meetings and tourism events (see Appendix B). Participant observation is a useful method to help understand the context of the research subject and to deepen understanding of the relevant issues (Fals Borda and Rahman, 1991). Participating in private and official events led me to a deeper understanding of how local people felt about the policy formulation process and how they responded to government policy. It also enriched my understanding of how local retailers experienced changes in the retail sector and how they responded to the strategies used by large companies, as well as teaching me about the attitude of local people to local government. In addition, participating in relevant events provided an opportunity to contact new interviewees.

Secondly, the everyday life of the local residents, retailers and tourists could be observed firsthand. This enabled the feelings and perceptions of local people in specific local contexts to be experienced close up. For example, negative effects of tourism, such as fly-tipping, noise and traffic problems, could be personally experienced thus increasing my awareness of the real difficulties faced by local residents. In addition, several key interviewees were identified and contacted while carrying out this activity.

I participated in 13 events, two guided tours, two official meetings, two public hearings, one lecture, three private meetings, one campaign event regarding tourism etiquette, one advertising event organised by Samsung Electronics and one cultural event (see Appendix B for more details). When present in the official meetings, the public hearings and the lecture, I focused on observing the detailed behaviour of stakeholders and on the interaction between participants. However, in private meetings, on the guided tours, at both the campaign event and the advertising event I actively talked and interacted with

other participants in order to investigate perceptions and attitudes about local change, relevant public policy and other specific events.

### **4.3.3 Documents and visual data**

Documents were one of the most important sources of data to support and justify my findings and argument. Documents are a useful type of data in cases where it is not possible to experience a situation directly or where it is necessary to complement or justify findings or arguments reached by other methods (Mason, 2002). Therefore, in this research, relevant documents were collected and analysed in order to gather key information, which was difficult to obtain directly (for example, information about details of policy on Bukchon) as well as to supplement other data such as primary data from in-depth interviews.

Various documents, such as government policy reports and press releases, media reports, journal articles and brochures, were collected and analysed. A large part of these were collected through searching on the internet. Several significant documents that are difficult to find on the web, however, were collected in hard copy form during fieldwork. Most of the hard copy reports were given to me by interviewees.

In addition, many related media reports were collected and utilised in order to supplement other data such as primary data from in-depth interviews and also to demonstrate how specific phenomena are connected not just to Bukchon but to the rest of Seoul as well. For instance, regarding the role of large company brand shops in the retail sector gentrification process, relevant media reports were utilised to supplement the primary data from in-depth interviews and to show that this phenomenon was not just limited to Bukchon but was more widespread.

Visual data such as photographs are increasingly receiving attention in urban studies because they provide clear and accurate details of everyday life and offer the sense of the identity of place (Oldrup and Carstensen, 2012). This research utilises visual data such as photography because it is a useful way in which to show close-up detail of the local neighbourhood of Bukchon. Specifically, this type of data is used to show the physical effects of change resulting from tourism-led gentrification. For instance, pictures of buildings in the retail sector that were newly built during the course of tourism gentrification illustrate the effects of capital investment and subsequent physical change (See Figure 6.8).

#### 4.3.4 Statistical data

As mentioned in section 4.2.2, this research utilises a mixed-method approach. Therefore, to conduct quantitative data analysis, several types of statistical data were collected. These included data concerned with population, housing, the retail sector and with issues of public concern.

Regarding population and housing, Seoul population data, Seoul migration data, official standard house price data and real estate register copies were obtained.<sup>2</sup> Seoul population data and Seoul migration data were collected from the Seoul Open Data Square website (<https://data.seoul.go.kr>) which provides a wide range of statistical data about Seoul such as figures for population and housing provided by the SMG. This data is necessary to demonstrate changes in Bukchon in relation to the tourism-led gentrification issue because gentrification is usually accompanied by migration and population change. Official standard house price data was collected from the Standard Official Land Price website of the Korea Appraisal Board. This data is useful as it shows changes in house prices in Bukchon for the period of the gentrification process. The official standard house price is the 'official house price' as calculated by the Korea Appraisal Board. 'Standard housing' is a selected house that can show the house price of the target area. Normally, tens of houses are selected as standard housing in a sub-district. For instance, 19 standard housing units show up in Samcheong-dong and 20 standard housing units in Gahoe-dong. Real estate register copies were collected by paying a fee for each one on the Korean Court website (<http://www.iros.go.kr>). These copies show the transaction history for single houses as well as the owner's residence address, which is helpful in ascertaining the current situation of empty housing, as well as which houses are being used as second homes. There are 4,834 lots of land listed in Bukchon, too many for it to be effective to collect real estate registers for all of them. Therefore, I limited myself to a case study of a selected area that could show the clear result of local change. As a result, 18 register copies in Bukchonro-11gil (Bukchon Road, Lane 11), one of the most popular tourist destinations, were collected. These were used for the analysis in Chapter 5.4 in order to show the increase of second homes in the neighbourhood as a significant local change.

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<sup>2</sup> A real estate register copy is a document that records the legal matters related to real estate ownership, including the owner of the property and existing mortgage.

Regarding the retail sector, Seoul business survey data and Local Administrative Licensing Data were collected. Seoul business survey data was obtained from the Seoul Open Data Square website run by the SMG. This data includes useful information such as a breakdown of the number and details of retailers for each sub-district unit, the data being updated annually. Thus data for each year since 2000 was collected. In particular, this data reveals the growth of tourism-related retailers, such as souvenir shops, coffee shops, etc. Local administrative licensing data was collected from the Local Data website run by the Ministry of the Interior and Safety. This data is similar to the Seoul business survey data, though partially different. For instance, it includes detailed addresses and dates of establishment and closure for each retailer, information that the Seoul business survey data does not. By contrast, the Seoul business survey data includes more information about the detailed categories of retailers which the Local Administrative Licensing Data does not.

Regarding material related to public concern, media reports and web searching frequency data were collected in order to analyse trends relating to particular public concerns, such as trends relating to popular places or to the frequency of media reports about specific issues. To collect this data, Google Trends and the Bigkinds website were utilised. Google Trends was used to analyse web searching trends and the Bigkinds website was used to analyse trends in the frequency of media reports (see Chapters 3.4 and 7.4).

#### **4.3.5 Fieldwork**

The fieldwork was planned to be undertaken in two stages and was indeed conducted as originally planned. The first and second stages were conducted over three months from February to May 2019 and for six weeks between October and December in 2019. The main location of the fieldwork was Bukchon though some of it also took place in other relevant areas such as Ikseon-dong, which is located next to Bukchon. Fieldwork at relevant sites outside Bukchon such as Ikseon-dong was helpful to understand the gentrification process within Bukchon because Ikseon-dong had also undergone a similar sequence of events as Bukchon. In addition, I also visited the offices of the SMG, the JDG, Jongno District council and related NGO.

For the first phase of fieldwork, I lived in a shared house in Bukchon for three months. During the early stages of the first period of fieldwork, I explored the neighbourhood and tried to contact local retailers and residents by visiting local shops and participating in informal talks with residents. In the course of my daily walks, I noticed publicity placards for a number of local events, and

with this information was able to participate in a number of relevant local events. By this means, I was able to contact many relevant stakeholders and to conduct interviews with them. Through observation of everyday life, informal chats, participation in local events and by carrying out in-depth interviews, a picture of my research became apparent and the research aims and narratives became more concrete through this process.

The second phase of fieldwork consisted of interviews with government officials, large company workers and community leaders. The goal was to collect additional data that was missing from the first fieldwork. For instance, no interviews with employees of large companies were conducted during the first stage of fieldwork. However, I realised later that these interviews would be important in order to understand clearly the entire process of changes that were taking place in the retail sector. The interviews with large company workers, therefore, were conducted in the second stage of fieldwork. In addition, further statistical data that I considered necessary such as the real estate register copies were collected during this phase.

#### **4.3.6 Data analysis**

All of the collected data was utilised to analyse the local changes caused by tourism-led gentrification, the introduction of relevant government policy and its effects. The qualitative data in this research was analysed using "the data analysis (process) in qualitative research" (Creswell, 2009, p.197). I carefully followed the steps laid out by Creswell (2009).

In line with this process, the interview data was analysed as follows. Firstly, interview data from 47 interviews with 40 participants were typed up as transcripts and these transcripts were read through carefully so as to obtain the general sense and also to catch critical details (the first and second stage of Creswell's process). Secondly, the collected and prepared data coding and categorising were carried out in line with the time series and keywords. Coding was done manually for each interview transcript. Each code was given at the start of each transcript. This study adopts a chronological approach, so time was a significant axis. Therefore, the period division that is used to divide Chapters 5, 6 and 7 was utilised in the categorisation process. However, the main topic of this thesis is the process of tourism-led gentrification and public policies related to that, so the data needed to be categorised with several key terms relevant to the tourism-led gentrification discussion such as displacement of retailers, displacement of residents, tourism and government

policy. Thirdly, the descriptions and themes had to be organised as an interrelated chronicle of local change. At this stage, additional data including media reports and documents were added and the previous process was done to fill gaps in the data or to provide a rationale for my finding and arguments. In addition, further critical findings were detected during this stage. These were then added as a new category and integrated into the earlier data. For instance, the importance of the interaction between the residential and retail sectors only emerged in the third stage of this study. The interaction between the two sectors was added then as a new category and relevant data from elsewhere was moved into this new category. Lastly, conclusions, such as interpretation could be drawn.

Secondary data such as government documents and media reports were analysed manually. These were categorised in a manner corresponding to the codes utilised for the analysis of the interview data. Data was analysed in connection with the most relevant materials to support the related arguments, findings and narratives, or to complement other data. Categorised secondary data was reviewed and the most relevant or essential contents were cited or summarised. That analysis process was not done in a linear fashion. My findings and arguments were constantly refined in an iterative process based on the secondary documents and interviews.

The quantitative data was analysed using the frequency analysis method in order to highlight local changes through changes in the number of stores by type, in the structure of the retail sector and in the broader population. An Excel programme was utilised to perform frequency analysis. For instance, the Seoul business survey data is generated each year as an Excel file and each year this data contains around one million business entities including retailers and companies for the whole of Seoul. I coded a programme that could filter the retailers in Bukchon into a data set of 11 categories organised by type of business and did this for each year. Lastly, all the time series data for the same type of business entities in Bukchon was merged and transformed into time series data sets according to the type of business.

#### **4.4 Ethical issues and positionality**

This study complies with the ethical standards of the University of Leeds. In this research, the main issues surrounding research ethics were those relating to the consent process, the withdrawing of rights, discussion of sensitive topics, confidentiality, anonymity and data protection. This research, therefore,

was subject to careful review regarding these issues and formal approval was granted by University before fieldwork began. The location of the research is Bukchon in Seoul. Since I was well aware of Korean culture, ethics, sensitive issues, and political context, I was in a strong position to minimise ethical issues particular to the Korean context.

Regarding the consent issue, some brief information about this research was given to all participants when they were initially contacted. During interviews all participants were provided with an information sheet and a consent form that explained the process and object of this research, the ethical principles of confidentiality, anonymity and withdrawal and the rights of participants. Interviewees were given time to ask about the research and consent forms and were clearly informed about the consent process prior to the interviews beginning. In one case, a participant did not want to sign the consent form, so verbal consent was accepted instead.

Regarding sensitive topics, these were mainly of two types. Several government officials thought that some of the topics relating to public policy were sensitive because these could be judged as being an evaluation of their work performance. Some of the residents and retailers thought that certain topics such as those relating to neighbourhood conflict or to private issues including their jobs and personal history could be considered sensitive. In these situations, participants were informed about what the research entails and it was stressed that they had the right to decline answering the question, so that they could decide whether to answer any particular question or not. In the case that a participant agreed to provide information that could potentially be sensitive, I both informed and ensured them that their privacy and anonymity would be respected in line with the consent form.

Regarding anonymity, the data from the interviews was referred to only by a single letter or similar identification code. To secure confidentiality, the interviews were conducted in safe places such as restaurants, meeting rooms or coffee shops, and the information provided by participants was held secure in my personal laptop neither being disseminated nor exposed to anyone else. As stated all data files were stored in my personal laptop and university server which are both password protected.

The positionality of the researcher, as has been widely noted, has significant effects on the manner of conducting a study (Rose, 1997). I had visited Bukchon many times before commencing the current research because Bukchon is one of my favourite places in Seoul, the city where I have lived for over ten years. I believe that the experiences of those visits and the

observations made over the years gave me an interest in the local changes that have been taking place in Bukchon as well as giving me a firsthand insight into the problems and challenges surrounding gentrification in Bukchon.

Previous to the current research I was an associate research fellow at the South Korean national government's policy research institute with housing and real estate policy as my specialist research field. During the fieldwork, my position probably made it easier for me to arrange interviews than it would have been for other researchers not belonging to the national institute. Most of the interviewees including academics, residents and retailers looked to trust me as a member of a reliable institute. For instance, many government officials had some experience of co-working with my institute, so arranging interviews or participating in meetings with them was relatively straightforward. In addition, my positionality influenced my perception in another way. At the beginning of the study, there was a tendency for me to see local change and problems from the point of view of a policymaker due to my position as a national-policy researcher. During the course of my research, however, I was careful to try to view local change through a critical academic lens. As a Korean, there were no language issues during communication with interviewees and participating in local events. I felt that stakeholders in Bukchon perceived me as a person with whom they could talk freely about neighbourhood issues because I had no connection or personal interest in local affairs. As the fieldwork progressed, my understanding and perception of the changes taking place in Bukchon shifted as I began to realise that the neighbourhood change I was observing was not a simple linear process, but part of a complex and inter-related process involving stakeholders and events all of which was occurring in the context of deep-rooted urban speculation.

## **4.5 Conclusion**

In this chapter, my research methodology was set out and justified. In addition, details of data collection such as the specific contents of each method and data were discussed in order to improve the understanding of the methodology and to justify why it was chosen. Ethical issues were also addressed. The single-case study approach was adopted in this research as a suitable means to critically present a well-formulated theory, a revelatory case and a longitudinal study. The case of Bukchon possesses all of these characteristics. The research adopts mixed methods. A sequential exploratory strategy, which gives weight to the qualitative rather than the quantitative

method, was chosen. To collect qualitative data, in-depth interviews, participant observation and document-based research were adopted. Statistical data in relation to population, housing, retailer and public concerns were collected in order to support and clarify the findings and arguments drawn from the qualitative methods. The main findings and arguments drawn from the empirical analysis are based on the collected data. In Chapter 3, documents including related pictures have been used to examine the local context of Seoul. The interviews, participant observation and documents including government reports were utilised to draw the main findings and argument in Chapters 5, 6 and 7. In addition, the statistical data and additional documents such as media reports were utilised to support the findings and arguments.

The thesis now moves on to an empirical examination of the long-term trends of tourism-led gentrification in Bukchon.

## **Chapter 5: Local change, conservation policy and the beginning of gentrification in Bukchon**

### **5.1 Introduction**

Bukchon, a neighbourhood adjacent to former royal palaces and offices, was a residential area for the affluent until the 1970s. The area declined in the 1970s, 1980s and 1990s but began to revitalise as a result of a re-evaluation of its traditional Korean houses and the new conservation policy of the Seoul Metropolitan Government (SMG). Residents' actions in the context of democratisation and of rampant speculative investment in urban property were a significant factor that affected the introduction of government policy and local change during this period. The conservation policy that was introduced in line with the request of property owners in the early 2000s was effective in preserving hanok, improving the characteristic ambience of the neighbourhood and raising property values; however, it failed to protect low-income residents. Various manifestations of gentrification, which began in Bukchon in the early 2000s, such as the proliferation of second homes, have had a number of impacts on the local community; these include the decline of the existing local community and the loss of a sense of place.

The change experienced in Bukchon during this period provides an example of both how and why government conservation policy can result in residential sector gentrification in a specific local and urban context. Between 2000 and 2005, Bukchon experienced gentrification influenced by conservation policy in a similar way to other many cities around the world. However, the reasons and processes by which gentrification occurred have been significantly influenced by the specific urban context of Seoul and by the local context of Bukchon. In addition, the changes in Bukchon examined in this chapter stand at the start of successive waves of gentrification in Bukchon. In this context, this chapter also demonstrates how gentrification arising in a local context can lead to further stages of gentrification, and more specifically of the tourism-led gentrification.

This chapter starts by examining the context of Bukchon up to the middle of the first decade of this century will be investigated. The third section addresses details of government policy to preserve hanok and to improve living conditions in Bukchon. In the fourth section, the consequences of the

ensuing gentrification such as the displacement of low-income residents and the influx of affluent people are examined.

## **5.2 Local context of Bukchon the early 2000s**

Bukchon experienced significant local changes that were influenced by the wider urban context in Seoul during this period. Bukchon was a prestigious residential neighbourhood until the 1970s. From the 1970s to 1990s, however, the neighbourhood declined. At the time the SMG was focussing investment in the construction of new towns in the suburbs, as has been discussed in Chapter 3. Furthermore, in the local context the period saw low investment and strict regulation to conserve *hanok* without any financial support. After the democratisation of South Korea in 1988, government policy still strongly affected neighbourhood change but the influence of local people also became a significant factor in Bukchon. Thus, the influence of residents on government policy has significantly affected changes in Bukchon since the 1990s. It triggered the introduction of new conservation policies and the subsequent gentrification in the residential sector that will be examined in the following section.

This section examines the local context of Bukchon in the decades up till 2000 as essential background to understanding the subsequent changes including the introduction of the conservation policy and the gentrification of the residential sector.

### **5.2.1 Residential area for the wealthy (~1960s)**

Bukchon became a residential area for the noble class in the early period of the Joseon Dynasty. The Joseon Dynasty was the last kingdom of Korea. It was established in 1392 and collapsed in 1910 after the country was occupied by the Japanese. The king of Joseon resided in neighbouring Gyeongbok Palace while the noble class lived in the adjacent neighbourhoods including Bukchon. Bukchon was one of the most prestigious residential areas throughout these centuries. According to the registration records in 1906, 43.6% of the total households in Bukchon belonged to the Yangban class, the noble class in Joseon (SMG, 2010a).

Bukchon continued to be a residential area for the wealthy until the 1970s. During the Japanese occupation era (1910-1945), many large *hanok* in Bukchon were purchased by developers, redeveloped as smaller *hanok* – so-

called urban-style *hanok* – and sold to individuals (Lee, 2008b; SMG, 2010a). The basis of the present physical state of Bukchon was formed in this period. After independence from Japan in 1945 and the Korean War (1950-1953), this area was still a prestigious residential area where wealthy people lived. This was because of its proximity to the CBD of Seoul and to many prestigious educational establishments including top high schools (Jung, 2015).

### **5.2.2 Dilapidation of Bukchon (1970s~1980s)**

From the 1970s to the 1990s, Bukchon became a relatively rundown area and the neighbourhood changed from a residential area for the wealthy to one for people of relatively low income. First, in the 1970s, many prestigious high schools previously located around Bukchon moved to Gangnam (SMG, 2010a). In South Korea, proximity to a prestigious high school is a significant factor in determining the desirability of a residential area. Households with young children try to move to a place where there is a good high school nearby (Ienaga, 2010). At the same time, as mentioned in Chapter 3, high-rise apartments in new districts of Seoul including Gangnam became popular residential locations from the 1970s onwards. In this context, most of the wealthy households who had previously lived in Bukchon sold their property and moved to Gangnam. Henceforth Bukchon was occupied by relatively low income households (Ienaga, 2010; Jung and Cho, 2000; Jung, 2015; Lee, 2008b).

Second, strict regulations to preserve the *hanok* cluster of Bukchon were introduced starting in 1976. In this period, South Korea's authoritarian government started to stress the importance of traditional culture to secure national identity, and in this context, Bukchon was considered a significant heritage since it contained such a well-conserved *hanok* cluster (Ienaga, 2010). In 1976 and 1977, the SMG introduced new regulations including a limit on the height of buildings in order to preserve the traditional Korean housing landscape of Bukchon (SMG, 2010a; Jung and Cho, 2000). Subsequently, in 1983, Bukchon was designated a Collective Beauty District, a kind of land-use zone that included regulation on building scale, height and style. Non-traditional Korean style buildings such as those with a modern design were prohibited and detached houses were only permitted a single ground floor (Jung and Cho, 2000). The regulations were introduced by the SMG without any discussion or communication with residents (Lee, 2008b).

The result of all these regulations was that Bukchon became an area of low-investment and grew increasingly dilapidated (Jang, 2000; Jung and Cho, 2000; Lee 2008b). Detailed and strict regulations led to expensive renovation costs but the number of relatively low-income residents was increasing, and it was difficult for residents to afford to renovate or repair their *hanok*. In particular, for lower-income residents in Bukchon, the renovation was almost impossible because the renovation cost of *hanok* was too high (Jang, 2000). Regarding this issue, a Jongno District Councillor (G5) who has lived in the neighbourhood for 40 years stated when I interviewed him:

At that time [in the 1970s and 1980s], the government did not allow residents to touch the *hanok* at all. No. We could not renovate [our own houses]. So the neighbourhood grew dilapidated and Bukchon became a slum-like place. (Interview, 16 April 2019)

### **5.2.3 Deregulation and densification in Bukchon (1990s)**

The strict conservation policy and high levels of regulation made it difficult for residents to renovate or repair their *hanok*, and this led to growing dissatisfaction (SMG, 2010a). In this context, many residents made known their dissatisfaction with the strict conservation regulations, and conflict occurred between the rights of *hanok* owners and the conservation regulations (Kim, 2004; Ienaga, 2010). Local councillor (G5) stated, “*Hanok* need much effort to maintain, but there was only regulation and no supporting measures.... It was too hard to live in Bukchon”.

In this period several severe accidents occurred due to the dilapidated condition of the *hanok* in Bukchon, and these resulted in anger among the residents. For instance, a family including a father, mother, and three-year-old daughter died because the roof of their *hanok* collapsed due to heavy rain on 11 September 1990 (Kukmin Ilbo, 1990).

The complaints that conservation rules limited their ability to make money from their property grew sharply among the owner-occupiers of Bukchon in this period (Lee, 2006; SMG, 2001). While many people who lived in the redevelopment project areas gained substantial profits, property owners in Bukchon felt discriminated against because property values there were falling due to the strict regulations (Lee, 2006). Many residents who owned property in Bukchon, therefore, appealed for deregulation and the resistance against regulation became stronger.

In the 1980s and 1990s, the majority of Bukchon residents were owner-occupiers. Although complete data is lacking for this period, according to a survey conducted by the Seoul Development Institute, 82% of residents were owner-occupiers and just 18% were tenants in 2000 (Jung and Cho, 2000). Residents, mainly consisting of owner-occupiers, organised an anti-regulation group named the *Hanok* Preservation District Designation Cancellation Promotion Committee in 1988 and carried out various anti-conservation policy activities (Jung and Cho, 2000; Kim, 2004). They demanded deregulation in order to fix their homes or transform them into multi-household houses (Lee, 2008b; Jung, 2015). The local councillor mentioned above (G5), who participated in the anti-regulation campaign, commented on this: “Residents started to resist the regulations. Because it was too hard to live in Bukchon.... We struggled strongly” (Interview, 16 April 2019).

Political transformation in the country also affected the movement. The strict building regulations in Bukchon could be maintained by strong state power. In South Korea, authoritarian regimes had overwhelmed many opposition groups before the democratisation in 1988 (Kim, 2000; Han, 2015). With the introduction of democratisation, the power of civil society and residents’ organisations gradually became stronger, so that eventually they “wielded [power] in the policy-making arena” (Koo, 2002, p. 42; Han, 2015). In this context, the state began to change its approach from imposing regulations unilaterally to communicating with residents.

As a result of this change in the style of government and the resistance of residents, mainly consisting of property owners, the SMG announced the easing of building regulations in Bukchon in 1991. For instance, in May 1991, the SMG lifted the limit on the height of buildings from one to three floors or 10 metres, and in July 1994, they loosened the limit even further to 16 metres (Jung and Cho, 2000; Kim, 2004; Jung, 2005; 2015).

The deregulation in the early 1990s led to the densification process discussed in Chapter 3. This process created a match of mutual benefit between the expectation of some owner-occupiers who wanted to leave their dilapidated houses and the desire of speculative investors who wanted to buy these at a low price and rebuild them as modern multi-household houses for extra profit (Kim, 2004). The densification process can be understood as exploitation of the rent gap. Consequently, after the lifting of the strict regulations, many *hanok* were demolished and multi-household houses built in their place as shown in Figure 5.1 (SMG, 2010a; Ienaga, 2010). From 1991 to 2000, an average of 30 *hanok* units were demolished annually (Jung, 2015).



**Figure 5.1** Multi-household houses in Bukchon

Source: The author, photograph taken in April 2019.

#### **5.2.4 Changing demands from deregulation to conservation**

By the early 2000s, many *hanok* in Bukchon had rapidly disappeared, and academics and the media began to be critical of the situation in Bukchon and the attitude of property owners. For example, a media report on Bukchon criticised the destruction of the characteristic landscape because so many *hanok* were being demolished, and stated that “Gahoe-dong [sub-district] area has been severely damaged by the demolition of *hanok*” (Lee, 2000). Another scholar criticised the demolition of so many *hanok* as “An incident that blows up the heart of Bukchon” (Kim, 2004). Local councillor G5, who led the protest of residents for deregulation at the time, commented that, “A scholar said to us [residents who led the protest for deregulation] that it is a great sin against your descendants” (Interview, 16 April 2019).

A section of the residents, those who felt affection for *hanok*, also argued that the conservation of *hanok* was necessary for Bukchon. For instance, a group of residents of Bukchon consisting of about 30 people including artists, scholars and businesspeople continuously argued for the preservation of *hanok* from the late 1990s and organised a civic group named *Hanok* Lovers Group in 2000 (Kim et al., 2005). One of the members of the civic group stated, “I thought that if the *hanok* are demolished then our history will be

damaged....I could not stand the demolition of *hanok* anymore” (as cited in Kim et al., 2005). Another civic group, Citizens Who Love *Hanok*, formed in early 1999 and consisting of about 10 residents in Bukchon, also actively called for and supported the conservation policy (Jung and Cho, 2000; Lee, 2002).

Meanwhile, the financial benefits of deregulation were not as large as residents had expected. As mentioned before, expectations of making extra profits were one of the main reasons for demanding deregulation (SMG, 2001). The results of deregulation, however, did not meet their expectations, due to the weakness in the property market caused by the Asian financial crisis of 1997 (Jung, 2005; Lee, 2007; Park, 2019b). Besides this, deregulation could be seen as self-defeating. The landscape of Bukchon was becoming further damaged due to the demolition of *hanok* and uncontrolled densification. As shown in Figure 5.1, newly built multi-household houses damaged the characteristic local ambience and patina of Bukchon. Regarding this issue, a newspaper article reported that, “Many residents felt dismal.... Economic profit was limited, but the patina and the traditional heritage of the place were disappearing rapidly” (Kim, 2004).

The expectation that the preservation of *hanok* would help to raise property values, on the other hand, started to become prevalent among residents. Some documents including a government policy report and a newspaper article on Bukchon expressed this change in perceptions (Lee, 2007; SMG, 2001). As mentioned in Chapter 3, expectations of property owners, including owner-occupiers, regarding the extra profits to be made from rising property values was widespread in Seoul at the time. In other words, this change in expectations was a significant factor in the changing demands made by property owners in respect to government policy.

The demands of many property-owning residents had therefore shifted from unconditional deregulation to government support for help in preserving the *hanok* and improving living conditions. For instance, the *Hanok* Preservation District Designation Cancellation Promotion Committee, which had campaigned for deregulation in the early 1990s (Jung and Cho, 2000), changed its name to Bukchon Village-Making Committee and asked the mayor of Seoul to introduce new conservation policies in September 1999 in order to prevent the demolition of *hanok* and the destruction of the traditional landscape (Jung, 2005; 2015). We can see, therefore, that a number of local factors came into play: disappointment at the less than expected profits resulting from deregulation; increasing expectations from a conservation

policy; vocal criticism from some regarding the loss of *hanok*; and the existence of residents groups wishing to conserve *hanok*. All of these influenced this change in residents' demands in a complex way (Jung and Cho, 2000; Jung, 2005; Lee, 2007; SMG, 2001). Regarding this issue, a newspaper article described the complexity of this change in the following way:

If the land can be developed, then the property price will rise. Therefore, development is an absolute good [for owner occupiers]. The residents of Bukchon were not an exception....They asked for deregulation [to enable redevelopment]. The regulations were relaxed in line with residents' requests; the number of *hanok* sharply decreased, and the landscape became ugly. If development is possible, the property value must rise, but there was no sharp rise in the property value in Bukchon....In the end, residents agreed that the conservation of *hanok* could be a better way to increase the property value and quality of the village. (Lee, 2007)

Local councillor G5 described the situation as follows:

When I heard criticism [about the loss of *hanok*], I thought it was right...Then I wondered 'Is it right to completely destroy Korea's precious housing culture and architectural assets just because I am dissatisfied?' At that time, Wonseo-dong was completely rebuilt [from *hanok*] into modern multi-household houses. This was because the regulations were relaxed without any measures to conserve them. Then, many residents changed their minds from deregulation to preservation of *hanok*. At the same time, [residents thought] it should be different from the previous [unilateral] way [of policy introduction]. We thought that the government should support residents by giving sufficient subsidies to cover house repairs in order to make Bukchon a good place to live in. (Interview, 16 April 2019)

The SMG, therefore, agreed with residents about introducing regulations to conserve *hanok*; simultaneously they also pledged that the government would actively support residents to preserve their *hanok* and would invest to improve living conditions in Bukchon (Min et al., 2013; SMG, 2010b; Jung, 2005). SMG started to research ways of introducing a new conservation policy in 2000. The policy named the Comprehensive Measures for the Conservation and Regeneration of Bukchon (CMCRB) was implemented in October of the same year (Kim, 2004; Jung, 2005; Lee, 2008b; SMG, 2010b). This measure will be examined in the following section.

There were also some residents who were against the new conservation regulations. A small number of residents still opposed the introduction of the

conservation policy as they wanted a continued relaxation of the regulations in the early 2000s (Lim, 2000). Various efforts were made to persuade them by community leaders and government. For instance, a government officer (G1) mentioned that he had been told a story by a researcher who worked in the Seoul Development Institute, an in-house policy research organisation of the SMG, that community leaders and government officials had met residents opposed to the conservation policy, and had even been told that they were often treated to a lot of alcohol until late at night while having discussions over the matter. Local councillor G5 stated that, “I and Dr Jung [Jung Suk, a researcher working on Bukchon for the SMG’s affiliated planning institute] met many residents [who were opposed to the conservation policy] to persuade them [of the merits of the policy], and many of them ended up agreeing with us” (Interview, 16 April 2019). Although various endeavours were made by government and related stakeholders, there were some property owners who still opposed the conservation policy because, it was said, they had experienced unilateral regulation and its disadvantages over the past decades and did not trust the government (Jung and Cho, 2000).

As discussed above, in the wider context of urban Seoul, Bukchon experienced a number of local changes up to 2000 – local decline, the resistance of residents to strict regulation following democratisation and the active redevelopment of *hanok* into multi-household houses. Through experiencing this series of local changes, expectations grew among many residents that the conservation of *hanok* was a better way to raise the value of their property and to improve the neighbourhood ambience. The SMG then introduced a new conservation policy for Bukchon after 2000 in the face of opposition from some owner residents.

### **5.3 Government policy to conserve *hanok***

A series of conservation policies for Bukchon were introduced in the early 2000s. The local context of Bukchon and the urban context of Seoul significantly influenced the introduction of these conservation policies. For instance, new conservation measures were made voluntary due to the existence of opposition from some property owners. Direct investment measures were introduced by the SMG, such as the direct purchasing of *hanok* and the improvement in living conditions. These were aimed at protecting the physical aspect of the *hanok* and the interests of property owners. In relation to several particularly valuable *hanok*, considered as

examples of urban heritage, however, the SMG placed emphasis on their conservation.

Meanwhile, after 2002, the focus of government policy on Bukchon began to move from the conservation of hanok and an improvement in living conditions to the promotion of tourism. This was partly a result of the election of Lee Myung-Bak, previously CEO of Hyundai Construction, as mayor. As discussed in Chapter 3, the change of mayor led to a significant shift in the urban context of Seoul, and Bukchon was also affected by the change in mayor. This section, therefore, examines the details of the conservation policies including the beginning of the promotion of tourism by the SMG.

### **5.3.1 Conservation policies in Bukchon**

In the local context examined in the previous section, the conservation policy regarding Bukchon was established in line both with the interests of the property owners, which was to gain extra profit from the rapid rise in property values, and the wishes of the SMG and of some residents, which were to preserve the physical aspects of the hanok cluster in Bukchon. In 2000, the SMG had implemented its Comprehensive Measures for the Conservation and Regeneration of Bukchon (CMCRB). Subsequently, the Master Plan to Conserve and Regenerate Bukchon (MPCRB) and the Seoul Hanok Support Ordinance (SHSO) were introduced in line with the CMCRB (Table 5.1).

The CMCRB was conceived in collaboration with the SMG, academics and residents. The Seoul Development Institute conducted a year-long study with external academics prior to the establishment of the CMCRB. The research team interviewed various groups of residents including opponents of conservation, and a large-scale survey of 184 residents in Bukchon was conducted (Jung and Cho, 2000). For example, the research team and government officers participated in seven meetings with residents and held three public hearings (Jung and Cho, 2000).

The CMCRB, the first policy to conserve *hanok* in Bukchon in the 2000s, was introduced in line with both the interests of the property owners and the wishes of the SMG (Jung and Cho, 2000, Park, 2019b). The CMCRB focused on the voluntary participation of residents, government support for residents and direct capital investment by the government (Jung and Cho, 2000; Jung, 2005; SMG, 2001). As the political power of local residents grew stronger following the democratisation of the country, voluntary participating measures were preferred by the SMG because some of the residents still opposed the

conservation policy (Jung and Cho, 2000; Kim, 2004; SMG, 2001; Park, 2019b). Therefore, this policy relied on the support of residents who owned *hanok* in Bukchon so that the policy should meet the demand of property owners. In this context, government support measures including direct capital investment by the government were implemented in the form of the direct purchase of 28 *hanok* by the SMG in 2003, 2004 and 2005 and the direct subsidies for renovation cost for *hanok* (Jung, 2005; Jung and Cho, 2000, Park, 2019b).

In particular, the CMCRB was designed with an eye to property values in Bukchon so as to meet the expectations of property owners and to mitigate their resistance. For instance, a policy report that had formed the basis of the Comprehensive Measures stated that, "By subsidising a part of the cost of renovation and repair of the *hanok*... it aims to increase both property values and the self-esteem of residents" (Jung and Cho, 2000, p. 132). In addition, the SMG considered the increase in property values to be a positive phenomenon (Jung and Cho, 2000).

The CMCRB introduced three main measures: improving living conditions in Bukchon, the *Hanok* Registration System and the direct purchase of *hanok* by the SMG. Firstly, measures for the conservation of *hanok* and for improving the living conditions of approximately 12,000 residents in Bukchon were introduced in 2000. For instance, an organisation dedicated to conserving *hanok* and to improving the residential environment in Bukchon was established by the SMG. It was named the City Condition Improvement Group and included ten government officials who opened a field office in Bukchon in order to conduct on-site administration including support for residents living in *hanok*. In addition, many policies such as supporting *hanok* renovation, expanding parking lots, improving conditions in the alleyways and creating small parks were implemented to improve living conditions (Jung and Cho, 2000; Jung, 2005; 2010).

Secondly, in response to the needs of the residents and to the opposition of some residents, the *Hanok* Registration System, which was not mandatory but rather a voluntary participatory programme, was introduced to conserve *hanok* and simultaneously to strengthen the government's financial and administrative support for property owners (SMG, 2001; Jung and Cho, 2000; Jung, 2006). It was a system whereby property owners, who agreed with the conservation policy, voluntarily registered themselves in the system, following which the regulations to preserve *hanok* were applied to their house and, simultaneously, government support such as subsidies for maintenance and

renovation costs up to 30 million won (about £20,000) were made available (Jung and Cho, 2000; Jung, 2005; Min, Nam and Koo, 2013). In the first year of the programme, 109 *hanok*, about 10% of the remaining *hanok* stock, was registered and received a subsidy from the government (SMG, 2001).

Lastly, the direct purchase of *hanok* by the SMG was introduced. This was a measure whereby the SMG would buy *hanok* that were worth protecting in cases where the owner agreed to sell directly to them (SMG, 2001). This measure concurred with the interests of residents because of the likelihood that it would raise property values as well as living conditions by decreasing the number of *hanok* on the property market and providing better local facilities. Several civic groups had requested this measure when the policy was first mooted (Jung and Cho, 2000). In the first and second years of the programme, 2000 and 2001, the government purchased 10 *hanok* in Bukchon at a cost of 3.9 billion won (about £2.6 million) and the number of purchased *hanok* had reached 28 units by 2005. These *hanok* were repurposed as cultural centres, museums and traditional arts and craft studios (Jung, 2005). This measure was one of the causes of the rise in property prices in Bukchon in the 2000s. This will be investigated in the following section.

In 2001, the Master Plan to Conserve and Regenerate Bukchon (MPCRB) was established by the SMG in order to supplement the existing CMCRB measures (SMG, 2001). This programme formulated specific measures to support the CMCRB. It spelt out the contents of CMCRB in more detail, including specific administrative procedures to support *hanok* repair and concrete proposals to improve living conditions such as specific street-widening work and the location of additional parking lots and their expected cost (Min, Nam and Koo, 2013; SMG, 2001).

Subsequently, in 2002, the SHSO was introduced by the SMG. This ordinance involved the institutionalisation of specific standards and administrative procedures concerned with policies for the support and conservation of *hanok* (Min, Nam and Koo, 2013; SMG, 2010b). It specified the definition of the registered *hanok*, the target of application, the registration process, the appearance and internal structure of the *hanok*, and the scope of the *hanok* repair work for which government support could be applied (Min, Nam and Koo, 2013). For instance, the definition of a registered *hanok* was: "A *hanok* registered by the owner with the intention to maintain the *hanok* and not to demolish it for at least five years from the day of registration" (Min et al., 2013, p. 69).

Despite these policies, several *hanok* were faced with demolition because there was no mandatory administrative procedure to prevent this from happening (Jung, 2005). In other words, the voluntary methods did not fully achieve the policy goal. For instance, a *hanok* in Bukchonro-11gil, an alley famous for its traditional scenery and its well-conserved cluster of *hanok*, faced demolition with plans to rebuild it as a multi-household house in November 2001 but there was no tool to prevent this (Jung, 2005, p. 23).

**Table 5.1** SMG Policies on Bukchon in the early 2000s

	<b><i>Comprehensive Measures for the Conservation and Regeneration of Bukchon (CMCRB)</i></b>	<b><i>Master Plan to Conserve and Regenerate Bukchon (MPCRB)</i></b>	<b><i>Seoul Hanok Support Ordinance [SHSO]</i></b>
Introduction year	2000	2001	2002
Aim	Introduction of <i>hanok</i> conservation and policy to improve living conditions in Bukchon	Making more detailed measures in line with CMCRB	Enactment of ordinances to support CMCRB
Contents	Introduction of three conservation measures including the improvement of living conditions, <i>hanok</i> registration system and direct purchase of <i>hanok</i> .	Concrete measures and action plan such as the specific administrative procedures to support <i>hanok</i> repair in line with the CMCRB.	Concrete ordinance clauses to support the CMCRB and MPCRB from an institutional standpoint.

The SMG, therefore, introduced a mandatory administrative procedure to prevent the demolition of *hanok* in Bukchon in 2002 (Jung, 2005). The SMG learned from the case of Bukchonro-11gil that an administrative tool to prevent the demolition of significant *hanok* was needed. In this situation where the interest of property owners was in conflict with the conservation of *hanok*, the SMG prioritised the protection of *hanok* over the interests of the property owner. Thus, a new mandatory administrative procedure – that all *hanok*-related building activities must be reviewed by the newly formed *Hanok* Advisory Committee – was introduced in 2002 (Jung, 2005).

### **5.3.2 Policy change from conservation to tourism promotion**

After 2002, the political identity of the mayor changed. The former mayor Goh Kun (1998-2002) belonged to the Democratic Party, the progressive party in South Korea, and had been a senior government official beforehand. In 2002, however, Lee Myung-Bak of the conservative Hannara Party was elected the new mayor of Seoul (see Chapter 3.4.1). He had a strong developmental and entrepreneurial orientation, having been the CEO of a conglomerate subsidiary construction company, Hyundai Construction (Ahn, 2004).

Henceforth, the characteristics of policy regarding Bukchon started to change from improving the living conditions and preserving *hanok* to the promotion of tourism. Mayor Lee ordered the transfer of the department with responsibility for Bukchon from the housing to the tourism department, and the tourism department published a plan detailing a tourism promotion plan for Bukchon. Dr Jung Suk, who was a research fellow of the policy research institute of the SMG and mainly involved with policy research projects in Bukchon, highlighted this change as the start of the policy goal shift from *hanok* conservation and improvement in living conditions to the promotion of tourism (Jung, 2010).

The SMG, in fact, began to introduce a tourism promotion policy in this period. For instance, a large *hanok* that SMG had purchased was refunctioned as the Bukchon Culture Centre; the centre conducted a tourism promotion programme that offered a traditional craft experience, other tourist events and guided tours (Jung, 2005). A tourist route which included Bukchon was also introduced by the Jongno District Government together with the opening of multiple museums such as a traditional paint museum and other tourist experience programmes (Kim, 2004b; Jang, 2004). Regarding these measures, in an interview in a newspaper, a tourism promotion division manager of the SMG declared that, "We will make Bukchon a good cultural place for the citizen by connecting the traditional housing culture to the tourism programme" (Jang, 2004).

In brief, under the local context examined in the previous section, conservation policy in Bukchon was established in line with both the interests of the property owners and the wishes of the SMG as well as those of some residents in the early 2000s. Several measures, including the direct purchase of *hanok* by the SMG and expanded government support to *hanok* owners were introduced as a large-scale capital investment with the expectation that this would result in a rise in property values but would also be effective in helping to preserve *hanok*. In addition, in consideration of the resistance of some residents, the

*Hanok* Registration System was implemented as a voluntary participation programme. In some significant cases, the SMG, however, prioritised the protection of *hanok* over the interests of property owners when interests were in conflict. Therefore a new mandatory procedure to prevent the demolition of *hanok* was introduced. Meanwhile, the focus of government policy on Bukchon began to change from the conservation of *hanok* and improvement in living conditions to the promotion of tourism under Mayor Lee Myung-Bak. This shift in government policy towards promoting tourism was accelerated by the incoming mayor Oh Se-Hoon, and it became one of the main causes for the rapid rise in the number of tourists and the subsequent tourism-led gentrification in Bukchon. Further details will be examined in Chapter 6.

## **5.4 Beginning of gentrification**

Conservation policy on Bukchon in the early 2000s was largely effective in both preserving the physical aspect of the *hanok* and characteristic ambience of Bukchon and in contributing to an increase in property values as well as in tourist numbers. It also contributed to an influx of wealthier people and the proliferation of second homes purchased by the rich. The conservation policy, on the other hand, failed to protect existing low-income residents and led to the decline of the local community and the perceived loss of a sense of place. The result was the residential sector gentrification in Bukchon from the early 2000s.

These changes in Bukchon illustrate both how and why conservation policies led to residential sector gentrification. In addition, when we come to consider the subsequent tourism-led gentrification in Bukchon which will be discussed in Chapter 6, these changes in Bukchon in the early 2000s contain the outlines of both how and why waves of gentrification occurred consecutively in the same place. This section, thus, examines the details of local change and the specific process of gentrification in the residential sector.

### **5.4.1 Policy success in conserving the *hanok* and the characteristic ambience of Bukchon**

Government policy succeeded in conserving both some of the *hanok* and the characteristic ambience of Bukchon. The SMG aimed to preserve the *hanok* by investing large amounts of capital in the direct purchase of *hanok* and by supporting the renovation costs of registered *hanok*. According to a policy

report of the Seoul Development Institute (Jung, 2005), a budget of 12.6 billion won was spent to support *hanok* renovation between 2000 and 2005. Furthermore, the government spent 11.2 billion won to directly purchase *hanok* as well as spending 10.3 billion won to improve living conditions in Bukchon. In total, the SMG invested 34.1 billion won (about £22.4 million) in Bukchon between 2000 and 2005.

The demolition of *hanok* rapidly declined in the early 2000s and most of the *hanok* stock in Bukchon was maintained. According to a research report (Jung, 2005, p. 55), about 38 *hanok* were demolished each year between 1985 and 2000; in other words, 571 *hanok* had been demolished during those 15 years. Only 13 *hanok*, however, were demolished between 2001 and 2005. Therefore, there were 912 *hanok* in Bukchon in 2005. This figure shows that the number of demolished *hanok* had been decreasing since the conservation policy was implemented. Furthermore, 353 out of 912 *hanok*, about 40% of all the *hanok* in Bukchon, registered under the *Hanok* Registration System before 2005 were supported by government subsidy and were renovated or rebuilt as *hanok* in line with the guidance of the SMG (Jung, 2005, p. 29).



**Figure 5.2** Transformation of an alleyway after the implementation of measures to improve conditions in Bukchon. Note the removal of overhead wires and new pavement.

Source: Jung, 2005. pp. 46, 49

Measures to improve the condition of the alleyways combined with the successful conservation of *hanok* also resulted in improvements to the characteristic landscape and ambience of the area. As shown in Figure 5.2, the measures that the SMG had put in place to improve the condition of the

alleyways, including demolishing telegraph poles and unsightly telephone lines markedly improved the landscape in Bukchon. Furthermore, the combination of an improved alley landscape and the renovated *hanok* reinforced the characteristic ambience of the area. Even an academic paper critical of government conservation policy in Bukchon commented that the policy was successful in maintaining an attractive landscape, and drawing many tourists and filmmakers to the neighbourhood (Jung, 2011).

#### **5.4.2 Displacement of residents**

Government policy was successful in terms of heritage conservation. However, it failed to prevent the displacement of existing low-income residents including less well-off owner-occupiers. Rather, the policy accelerated this displacement and contributed to the influx of more affluent people. This is because the policy accelerated the rise in property prices and wealthier residents could utilise government subsidies effectively whereas lower-income people were not able to do so due to the large gap between subsidy levels and the actual cost of renovation.

House prices and rents sharply increased during this period. As shown in Figure 5.3, property prices in Bukchon from 1996 to 2000 were stable, but then rose by 36% between 2000 and 2005. In particular, the price of *hanok* increased more rapidly. For example, the price of *hanok* rose by 45.1% between 2000 and 2005 according to the Official Standard Housing Price Data. A newspaper article and government policy report also commented that house prices in Bukchon rapidly increased during this period (Jung, 2005; Yoon, 2004a).

The direct purchase of *hanok* by the government was one of the main causes of the rapid increase in housing prices. Regarding this issue, a resident (G) pointed out that the SMG had purchased almost 40 *hanok* but was still denying that this had an effect on house prices (Interview, 22 April 2019). Several newspaper articles also claimed that the conservation policy was one of the main causes of the rapid increase in property prices in Bukchon because it contributed to making Bukchon an attractive place (Lee, 2008b; Son and Han, 2007). David Kilburn (2009), a resident of Bukchon and a civic activist for the preservation of *hanok* in Bukchon, also criticised the SMG for its conservation policy, accusing it of promoting the rapid rise in property values and speculative investment in property in the area.



**Figure 5.3** Property price and changing rate of rise in Bukchon

Source: Analysed by author. Data collated from Official Standard Housing Price Data. Korea Appraisal Board website. [Online]. [Accessed 24 Nov 2019]. Available from: <http://www.realtyprice.kr/notice/gsstandard/search.htm>

House rents in Bukchon also rose rapidly in this period. There are no direct statistics showing the trend in house rents for Bukchon. However, considering that rents reflect changes in house prices, it can be deduced that they also must have risen sharply in Bukchon because, as mentioned above, the price of housing had rapidly increased. Furthermore, in interviews, residents (B, D) and a retailer (P) remarked that a sharp rise in rents was a clear trend and that it resulted in the displacement of tenants.

Meanwhile, relatively low-income owner-residents in Bukchon lacked assets and so were unable to renovate their dilapidated *hanok* with the support of the government. The renovation cost of *hanok* was very high for low-income residents and, as the government only partially subsidised the cost, there was an insurmountable barrier for them in terms of renovating their dilapidated *hanok*. Regarding this issue, a resident (J) stated, “In order to fix a 100 square metre house, it costs 3 million won per 1 square metre, a total of nearly 300 million won [about £200,000]...That means spending more than 150 million won even with support from the government subsidy to renovate a house. So it is very difficult for residents, who have no economic margin, to fix up their house” (Interview, 18 March 2019). Another resident (K) also pointed to the same issue.

Inside Bukchon there are some very dilapidated *hanok*. The owners could not renovate their own houses because they had no money to fix them. They live tough lives in very bad houses. I was surprised when I visited a

very old house in Bukchon. I thought how can they live in such a rundown house (Interview, 9 May 2019).

It can be seen that the conservation policy together with insufficient support in grants for renovation instigated the displacement of low-income residents.

Renovation and rebuilding costs for *hanok* are much higher than for a more recently built houses, even considering the government subsidies available. For example, a media report (Lee, 2011) stated that the building cost of a *hanok* was four times higher than that for a regular house. According to this report, the cost of building a *hanok* was around six million won per square metre whereas that for a standard house was around 1.4 million won. For residents rebuilding a house with a ground floor coverage of 50 sq m, the total expense of rebuilding would be 70 million won for a standard house but 300 million won for a *hanok*. Even taking into account government subsidies the cost of renovation of a *hanok* is more than 200 million won higher than that of a normal house. Therefore, as they could not renovate their *hanok*, it became more and more difficult for low-income residents to remain in their dilapidated *hanok*, and they were subjected to high levels of displacement pressure. Regarding this issue, long-term resident J argued that, "The policy accelerated this [displacement] process. Many residents said that the conservation policy is a shackle that binds residents [through its the high cost] so making it easier for wealthy people to purchase *hanok*" (Interview, 18 March 2019).

At that time, due to the increasing popularity of the area, selling property in Bukchon became easier than before and property values increased, so for many people there was no choice except to sell their house and move out to a property in better condition. Resident J explained that,

Many of the original residents were people on low incomes who owned their own house. It became harder to fix or renovate the house because the cost increased due to the *hanok* boom. So the house grew more and more dilapidated. Finally, the original residents could not stand it anymore – the dilapidated house, expensive cost of repairs, absence of parking places, and all that. So they sold their house if someone wanted to buy it. Then, the new wealthy people who bought the house rebuilt a nice *hanok* with the subsidy from the government. (Interview, 18 March 2019)

Tenant residents in Bukchon were also displaced as a result of rent increases. For instance, resident B stated, "Due to the sharp increase in housing rent, many residents left Bukchon in the middle of the 2000s. Even several civic activists, who were not rich, were also displaced because they could not afford

the high rent. Many inhabitants were displaced due to the rise in rents” (Interview, 23 April 2019) and resident D also remarked that many residents left due to the soaring rents. She said, “Many tenants were displaced because they could not afford the soaring rents. Some other people, who wanted to move to Bukchon, offered to pay higher rents to the landlord, and since the original residents could not afford to pay they were unable to find an alternative place to live here. Finally, they had to leave” (Interview, 27 March 2019). Retailer P stated, “At one time, rents rose rapidly. Then many tenants moved out” (Interview, 30 April 2019).

Regarding this issue, it can be inferred that the conservation policy did not aim to protect residents but focused on preserving the physical heritage and local landscape. This can be deduced from the fact that the government judged the increase in house prices a successful result of the policy despite the possibility and even the actual occurrence of displacement of residents. For instance, a policy report which evaluated the achievements of conservation policy in Bukchon noted that the rapid increase in *hanok* prices reflected a more positive perception of *hanok* and could be interpreted as demonstrating the recovery of the local image of Bukchon and a positive result of the Bukchon conservation policy (Jung, 2005).

As a consequence, the displacement of existing residents proliferated in this period. As displayed in Figure 5.4, more than 20 times the number of changes in ownership were recorded in the early 2000s compared to the 1990s, and as displayed in Figure 5.6, 44% of the houses in a specific alleyway had been transformed into second homes by 2005. In addition, the population in Bukchon decreased the most rapidly in this period. The decrease in population from 2001 to 2005 was 1,797, 50% higher than the decrease over the previous five year period. As shown in Table 5.2, the period of most marked decline in terms of population was during this period.

**Table 5.2** Annual change in the number and rate of population, Bukchon

Year	1995	2000	2005	2010	2015
<b>total</b>	13,775	12,566	10,769	9,563	8,135
<b>Reduced population per year</b>		242	359	241	286
<b>Rate of population reduction per year</b>		1.8%	2.9%	2.2%	3.0%

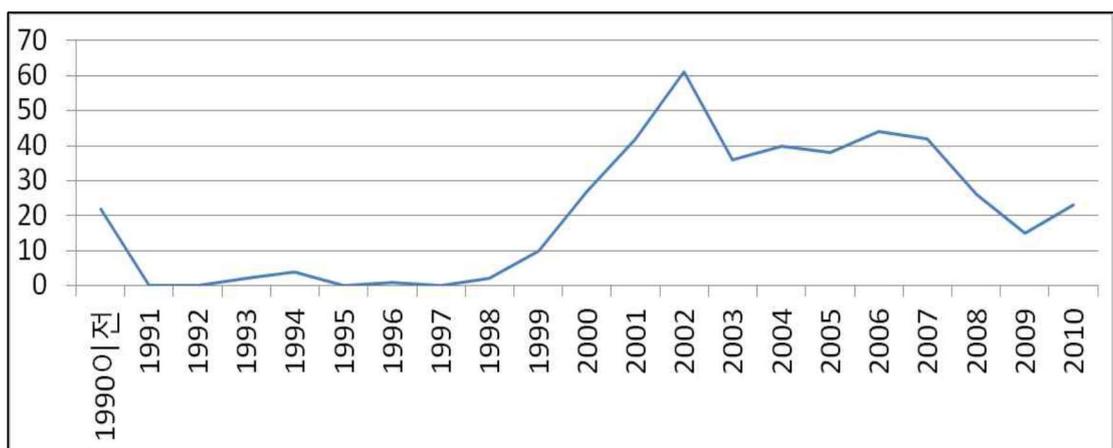
Source: Data collated from Seoul Population Data. Seoul Open Data Square\*. [Online]. [Accessed 10 Jan 2020]. Available from: <https://data.seoul.go.kr>.

### 5.4.3 Influx of wealthy people and capital reinvestment

During this period, many affluent people purchased *hanok* and renovated them using government subsidies, even utilising *hanok* as a second home. Such an influx of affluent newcomers together with the increase of second home owners in Bukchon resulted in the weakening of the local community and older residents lost a sense of place.

Since 2000, the media has promoted the lifestyle of Bukchon *hanok* as being desirable and fashionable. For instance, a number of newspaper articles reported that many foreigners in Korea would like to live in *hanok* highlighting the cultural value of Bukchon for foreigners (Yoon, 2004b; Kim, 2001). Another article reported life in Bukchon as being charming and valuable: “As soon as you enter the small *hanok* house yard, a yellow woolly poodle rushes up to welcome you. Three puppies, a pair of birds, and various native flowers show off their individuality in the yard” (Song and Kim, 2001).

Many affluent people purchased *hanok* in Bukchon in order to enjoy the atmosphere of traditional life. Government officer G1 stated, “House prices increased, and residents and retailers moved away from here.... Wealthy people have been moving to Bukchon from Gangnam since the early 2000s. Some of them come to live in Bukchon to enjoy the characteristic ambience, and some of them from Gangnam purchase a *hanok* as a second home” (Interview, 1 March 2019).



**Figure 5.4** Ownership transaction volume record of *hanok* in Bukchon

Source: Quote from Lee (2012), pp. 551-552

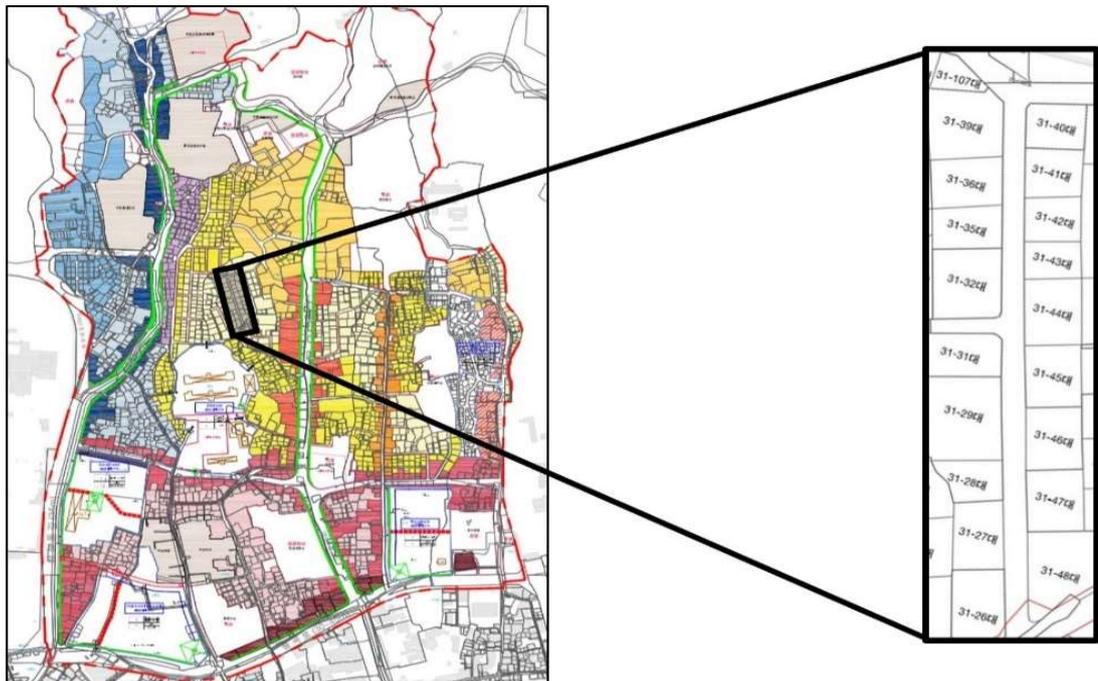
After 2000, there was a significant rise in volume of transactions of *hanok* as shown in Figure 5.4. Ownership transactions reached their highest volume post 2000, between 2001 and 2007 as Figure 5.4 clearly shows, and many of the new owners had come from outside Bukchon and purchased *hanok* in order to live there (Lee, 2012). According to a survey of about 36 new *hanok* owners that was conducted by Lee (2012) in order to investigate the characteristics of *hanok* transactions, 67% of new owners purchased the *hanok* to live in; 92% of new owners who purchased *hanok* to live in came from outside Bukchon (22 of 24 cases), and almost two-thirds of these said that they purchased the *hanok* because they liked *hanok* and Bukchon.

Investment in renovation or construction of *hanok* by wealthy property owners was widespread in this period. They bought dilapidated *hanok* or other types of house, and either renovated them or built new *hanok* with their own capital and government subsidies. As mentioned above, renovating or building *hanok* was very expensive, but new wealthy residents were still willing to build *hanok* at a high cost. For example, resident B stated, "I invested 100 million won [about £70,000] in renovation costs" (Interview, 23 April 2019). He also said he got a subsidy from the government. Moreover, many media outlets reported that a 'new breed' of affluent people were purchasing dilapidated *hanok* and renovating them with their own investment together with government subsidies (Kilburn, 2009; Kim, 2010; Kyunghyang Newspaper, 2009; Shin, 2008).

Government policy to support the repair and renovation of *hanok* reduced the cost of renovating dilapidated *hanok* in Bukchon thereby facilitating the influx of wealthier people. Lee (2012) found that 35 among 36 people repaired or renovated their *hanok* after purchase, and at least 11 of these 35 received a subsidy for renovation from the government. Further data from a government report shows that 353 *hanok* were registered under the *Hanok* Registration System and received a subsidy from the government between 2001 and 2005 (Jung, 2005). In this regard, resident B mentioned that government support was an important factor in deciding whether to move to Bukchon. He stated, "I moved in due to the characteristic ambience and the pretty alleyways. Moreover, at that time, I was told that I could get a government subsidy to help pay for the renovation of the *hanok*. So I moved in" (Interview, 23 April 2019). A newspaper article stated that government support to conserve *hanok* was one of the main causes of this trend (Son and Han, 2007). Jung (2011) also argued that government policy to support the renovation of *hanok* became a policy not for the original residents, but for the new residents from outside.

David Kilburn (2009) argued that “Government policy for Bukchon has changed to a policy for Bu-chon” – in other words, a village for the rich. *Bu* means wealthy and *chon* means village.

In particular, some of the new wealthy owners purchased *hanok* as second homes to use for holding parties or as holiday houses. For instance, resident D stated, “I was told that there were many second homes in Bukchon and that people held nice parties there” (Interview, 27 March 2019) and another resident (I) opined that, “There are many people who do not live here but have a *hanok*...Rich guys build a nice *hanok* and use it as a second home. I was told that there are many of them in Bukchonro-11gil of Gahoe-dong” (Interview, 9 April 2019). Many media reports also publicised the proliferation of second homes in Bukchon (Kim and Ko, 2012; Lee, 2008b; Shin, 2008; Yoon, 2004a). There was even a report entitled ‘Precarious Bukchon, Rich guys’ second home?’ (Lee, 2008b). Another title of a media report was ‘*Hanok* village in Bukchon, Do you know the holiday house in the city centre?’ (Kim and Lee, 2006).

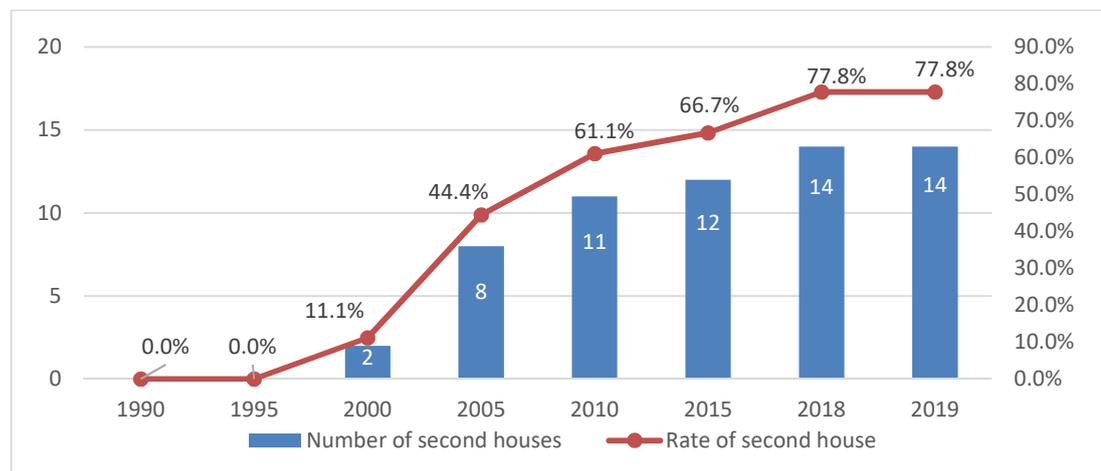


**Figure 5.5** Location of Bukchonro-11gil

Source: Adapted from Bukchon District Unit Plan final decision. SMG. 2010. *Bukchon District Unit Plan report*.

A mini case study that I conducted of the alleyway Bukchonro-11gil, the most famous cluster of *hanok*, helps to support this argument (Figure 5.7). I analysed the real estate registration data of *hanok* in this alleyway. Real estate

registration data includes the housing transaction history and details of the owner's residence address, so cases of second home ownership can be revealed by investigating the address of the owners. As shown in Figure 5.5, in 2010 there were 18 houses in the Bukchonro-11gil area, all of them *hanok*, and none of these were second homes prior to 1995. The number of second homes, however, rapidly increased between 2000 and 2010. In 2000, as Figure 5.6 shows, there were two second homes, but that figure increased sharply over the next five years, reaching eight, almost half of the entire houses in that area, by 2005. And in 2010, more than half of the houses, 11 out of 18, in Bukchonro-11gil were second homes. One of the new owners to use one of these *hanok* as a second home was the wife of the ex-chairman of Samsung Group, which includes Samsung Electronics. Her husband was the richest man in South Korea (Kim and Ko, 2012).



**Figure 5.6** Number and rate of growth of second homes in Bukchonro-11gil

Source: Data collated from Real Estate Register Copies. Supreme Court of Korea website. [Online]. [Accessed 21 Nov 2019]. Available from: <http://www.iros.go.kr>

One reason why wealthy people purchase *hanok* as a second home is to give the impression they are people who understand the value of traditional culture and who endeavour to conserve the heritage. Many media reports portrayed those who have purchased *hanok* as being sympathetic people who appreciate the value of traditional culture. For instance, in a media report, the people who purchased a *hanok* in Bukchon were depicted as being intelligent people who know the real value of traditional heritage (Kim et al., 2005). The report expressed the demolition of *hanok* as being a “loss of Korean soul and even of history” and quoted from an interview with someone who had

purchased a *hanok*, “I could not stand the disappearance of *hanok*, a symbol of Korean elegance”. Another media report also praised those people who were living in *hanok* and trying to conserve them as guardians of Korean tradition (Yoo, 2003). Therefore, the image of the *hanok* owner was one of a sympathetic and intelligent person who knows the value of traditional culture and heritage. In relation to this issue, a real estate agent (V), who is a resident of Bukchon, said, “They hold a nice party with their friends or business partners in their *hanok*.... No place is as good as a Bukchon *hanok* to show off that ‘I am not only rich but also an intellectual who is interested in traditional culture’ ” (Interview, 12 March 2019).



**Figure 5.7** The views of Bukchonro-11gil, in Gahoe-dong

Source: The author, photograph taken in April 2019.

As a result, the proliferation of second home ownership was one of the main reasons for the relatively more rapid decrease in population compared to earlier. As displayed in Table 5.2, the population of Bukchon decreased rapidly during this period. A government policy report (SMG, 2010a) comments about this issue as follows:

In recent years, side effects have arisen due to the increased public interest in *hanok*. One is the proliferation of second homes purchased by the wealthy who want to use their *hanok* as a holiday house, and [this leads to a] decrease in population and related problems (SMG, 2010a, p. 27).

The influx of wealthy people and the increase of second homes in Bukchon were some of the main reasons that caused a weakening of the local community and a lost sense of place among residents. Many residents were displaced during the 2000s, and the increase in the number of second homes was one of the main reasons. The local community was weakened because of the decline in population and the disappearance of close neighbours. For example, a resident (H) told me that, “When I was young, there were many people whom I knew, seven out of ten [neighbours]. Now, it has totally changed and there are few people whom I know. There is no one to say hello to” (Interview, 7 April 2019). Another resident (F) recalled that:

At one time, older women were sitting in a group at the back of the alleyway. When my kids' school was over, the kids would go to art class. They [the older women] knew about such things so I could ask them where my kids were. But things changed very quickly. As house prices doubled or tripled in one year, the older women were gone. (Interview, 20 April 2019)

An interview in the newspaper article (Kyunghyang Newspaper, 2009) quoted a real estate agent saying:

“The original residents do not like them [the newcomers]. In the past, this place was similar to a rural village, so the relationship between the residents was strong and good, but now, the village has become a dismal place, and the good relationship has gone”.

Moreover, this transformation of Bukchon caused the loss of a sense of place for many residents. As close neighbours were displaced and the number of empty *hanok* increased due to the proliferation of second homes, residents felt Bukchon had become an unfamiliar place rather than the familiar one they used to live in. For instance, resident B said, “The alleyway used to be nice to walk in, but now it is a ghost town here after 9 pm. There are no people and it is dark. This place becomes a weird village” (Interview, 23 April 2019). Resident H stated that, “Rich people come only for short visits at the weekend to have a cup of coffee. Most of the time many of the *hanok* are empty. So the village is bleak” (Interview, 7 April 2019).

The number of tourists, in the meantime, started to climb during this period as Bukchon began to gain fame as an attractive traditional Korean village located in the city centre of Seoul (SMG, 2010a). A newspaper article put it thus: “Bukchon has emerged as a popular place where backpackers are able to enjoy the Korean traditional culture” (Song, 2002). This was the beginning of

subsequent tourism-led gentrification that will be discussed in the following Chapter 6. More details will be discussed in Chapter 6.

The proliferation of second homes in Bukchon clearly displays the failure of a government policy which focuses primarily on physical conservation. Wealthy newcomers invested large capital to renovate or rebuild *hanok* in line with, and supported by, government policy and this led to the successful outcome of greater conservation of *hanok* and an improved ambience in Bukchon. However, it also brought about a direct displacement of the original residents, as well as a rise in the number of empty houses and a gradual decline in sense of community and residents' sense of place.

## **5.5 Conclusion**

This chapter first offered a brief history of Bukchon including the local decline during Seoul's period of rapid urban growth. I argued in this chapter that government conservation policy played a significant role in promoting gentrification, based on the complex interplay between stakeholders and in the wider urban context, and tourism. More specifically, in the wider context of urban Seoul factors included the growth of political power of local residents after the democratisation of the country in 1988 and the prevalence of speculative investment in the urban property market. The conservation policy of the SMG was significantly influenced by the demands of property owners seeking to raise property values. The result was that the policy failed to protect residents on low income but rather promoted the gentrification process and tourism.

The series of processes that took place over this period show that government conservation policy played a significant role in generating gentrification based on a complex interplay among stakeholders. These processes clearly show the significance of government policy in regard to conservation. They also show that policy is forged through a complex process based on the interaction between stakeholders. In addition, the neighbourhood changes in Bukchon illustrate the first part of a process whereby consecutive yet different types of gentrification occurring in the same place can create a particular local context and also affect subsequent local change. The specific process by which the local changes in the early 2000s influenced the following local transformation will be examined in Chapters 6 and 7.

## **Chapter 6: Tourism-led gentrification and its impact on Bukchon**

### **6.1 Introduction**

As we have seen in Chapter 5, Bukchon was beginning to gain fame as a *hanok* cluster with characterful ambience as well as undergoing gentrification in the residential sector in the early 2000s. Since 2006 Bukchon has become a famous tourist attraction in Seoul thanks to the conjunction of an effective tourism promotion policy and of wide coverage in the media. In the process of transformation from a residential area to a tourism attraction, Bukchon underwent processes of tourism-led gentrification that included the investment of capital, changes in social structure, shifts in local nature, and the displacement of existing residents and retailers.

The transformation of Bukchon in this period shows how a combination of capital investment, tourism promotion policy and speculative urban context in Seoul resulted in tourism-led gentrification. The changes in Bukchon discussed in this chapter can be understood as a result of entrepreneurial government policy combined with investment of capital and are in line with other studies that have shown similar results elsewhere around the world (Gotham, 2005; Sigler and Wachsmuth, 2020; Tulumello and Allegretti, 2021; Wang, 2011; Zhang et al., 2022). Thus, by examining the transformation of Bukchon during this period, I argue that, in the speculative urban context, entrepreneurial government policy directed at the promotion of tourism was the principal factor, in bringing about rapid change in Bukchon, change that had a damaging effect on the lives of local residents and retailers. Furthermore, by investigating the complex tourism related gentrification process in Bukchon in this chapter, I argue that tourism-led gentrification does not simply trigger rises in rent and the displacement of existing users but also causes a more fundamental and wider local impact including a loss of community and sense of place, damage to the interdependence between the residential and retail sectors, and the formation of a negative feedback loop between these two sectors.

To examine the policy effects and local impact resulting from tourism-led gentrification, this chapter is divided into three sections. Firstly, government policies to promote tourism will be examined. During this period – roughly 2006 to 2014 – local government policies to promote gentrification were introduced, and these triggered significant local change. Thus, these policies will be investigated first. Secondly, Bukchon in the media spotlight and the

subsequent tourism boom will be examined. Media attention was an important impetus for the tourism boom. Lastly, the tourism gentrification process and its impact on the local community will be investigated. As a consequence of the tourism boom and part of the process of tourism-led gentrification, the details of local change, of the displacement process, the strategy to exploit extra profits by speculative investors and the interaction between the retail and residential sector will be examined.

## **6.2 Government policy and the promotion of tourism**

In Chapter 5, I examined government policy to conserve *hanok*. As we saw, this was largely successful in terms of conservation planning but had the effect of dramatically increasing the price of housing in Bukchon. In this section, I follow up by investigating subsequent government policies including the promotion of tourism in Bukchon from 2006 to 2014. In this period, especially during the time of Mayor Oh, the nature of government as a force for entrepreneurial intervention became clearer, and the SMG and JDG tried to promote tourism in Bukchon in order to strengthen local competitiveness. At the same time, a conservation policy was also introduced not for the purposes of conservation itself but in order to promote tourism. Thus, improving living conditions for residents was also one of the main goals of the conservation policy, but, in practice, little stress was placed on this goal. However, these policies were one of the principal causes for the rapid increase in tourists in Bukchon during this period. In this section, therefore, the main policies that promoted tourism including conservation policy will be examined and light shed on the effects of these policies.

### **6.2.1 Entrepreneurial government and the promotion of tourism**

Policy on Bukchon became clearly oriented towards promoting tourism after Mayor Oh Se-Hoon, who belonged to the same party as the former mayor Lee, was elected in 2006 (Jung, 2010). Promotion of tourism was one of Oh's main election pledges. In particular, he focused on historical and traditional landmarks in order to promote tourism, which meant that Bukchon was on the front line of tourism promotion as a prime example of the city's attractive urban heritage. For instance, one of fifteen new core projects of the SMG was "To create a tourism belt using the history and traditional culture of Seoul"; this tourism belt included the Bukchon area (Jung, 2010). Similarly there was a plan "to establish Bukchon as a core place to enjoy traditional culture" (Jung,

2010, p. 223). In addition, the fourth Regional Tourism Development Plan of Seoul (2007-2011) outlined one of the core themes of tourism in Seoul as heritage tourism, and Bukchon and the five former imperial palaces in the city centre were to be among the four target areas to be designated as an international tourist attraction. The plan clearly stated the intention to improve the city's competitiveness through the promotion of tourism (Seoul Development Institute, 2005).

This shift in policy clearly demonstrated the entrepreneurial characteristics of the SMG. As discussed in Chapter 5, policy on Bukchon in the 1970s, 1980s and 1990s was strict regulation aimed at preserving the heritage of the area, and it was only revised to include heritage conservation and the improvement of living condition for residents in the early 2000s. However, it then shifted to the promotion of tourism. Tourism promotion policies during this period stressed economic profit and the industrial aspect of tourism and were clearly aimed at improving local competitiveness. For instance, the goal of the Annual Tourism Plan 2010 published by the SMG was to create 30,000 jobs and 6 trillion won profit by attracting 10 million tourists (SMG, 2010b), and the goal of the Fourth Regional Tourism Development Plan was to create a US\$10 billion profit in Seoul by attracting 10 million foreign tourists to the city (Park et al., 2005). A policy research report by SMG's Seoul Development Institute shows this change more directly (Kim and Oh, 2006). The report argued that an entrepreneurial city government was an essential part of being a competitive city and that the SMG should promote tourism and urban marketing to vitalise the urban economy.

It can be seen then that SMG's policy to promote tourism in Bukchon affected the sharply rising number of tourists. According to a research report entitled *An Analysis of the Effectiveness of Seoul's Inbound Tourism Policy*, which discusses the effects of the SMG's tourism policy, it was found to have contributed to an increase in the number of foreign tourists between 2007 and 2009 (Keum and Seo, 2009). In particular the report concluded that foreign tourists' awareness of Bukchon rose sharply between 2007 and 2009 due to the tourism advertising policy of the SMG.

The trend of rapidly increasing tourist numbers in Bukchon, around 2010, was also affected by the tourism promotion policies of the JDG. For instance, a government official (G3) told me that the Tourism Division of the JDG cooperated with a production team from *1 Night 2 Days* – one of the most popular TV shows in South Korea – when they were searching for an attractive place to shoot their TV show and that they recommended Bukchon as an ideal

location (Interview, 13 April 2019). The official also stated that the division made active use of the media to advertise Bukchon as an attractive tourist destination.



**Figure 6.1** The location of major tourist attractions around Bukchon

Source: Based on Google maps, adapted by the author.

Both the SMG and JDG formulated and implemented a number of tourism promotion programmes for Bukchon. As mentioned in Chapter 5, dozens of *hanok* that were purchased by the SMG for public use in the early 2000s were later turned into tourist attractions that provided *hanok* and traditional culture experience programmes to promote tourism. There have been numerous programmes such as the Traditional Art Experience Programme, the Bukchon Traditional Craft Studio Festival organised by the JDG in November 2011, the First Month Full Moon Event held in February 2011 and the Dano Experience Event (Dano is one of the traditional festivals of South Korea) organised by the SMG in June 2012. A study on Bukchon argued that these public *hanok* diversified cultural tourism resources by providing various traditional culture experience programmes (Jung, 2017a). The *Hanok* Stay Experience Programme organised by both the SMG and JDG is one such example. It was introduced in September 2009 with the aim of providing a pleasant accommodation experience for tourists and to meet increasing demand from domestic and foreign tourists (Han, 2010). To promote this programme, the SMG provided guests with certain essentials such as bath towels, electric appliances, tour guide leaflets and discount coupons. In addition, the

government provided an education programme to support managers, and advertised the affiliated *hanok* guesthouses through the Seoul Stay website in a number of different languages (SMG, 2018b). In a newspaper article, a director of the Tourism Department of the JDG stated the aim of this programme as follows (Han, 2010):

It is a good opportunity for foreign tourists to discover our traditional culture through the *Hanok* Stay Experience Programme. Jongno-gu will implement various projects and policies to develop the tourism industry, which will become the city's engine for growth in the 21st century.

These policies to promote tourism were supported by many property owners and the national government. National policy regarding tourism such as The Third Tourism Development Master Plan (2012-2021) also aimed to promote tourism in the historic city centre including Bukchon (Ministry of Culture, Sport and Tourism, 2011). Regarding this issue, the official in the JDG, G3, told me that the national government has supported promoting tourism in Bukchon to good effect (Interview, 25 November 2019). In addition, in line with the speculative urban context, many property owners also supported these policies because they thought they would trigger an increase in the value of their property. Indeed, several interviewees who were property owners (residents G, I, K and L) stated that they agreed with the policy to promote tourism because it helps them make a profit, although they admitted there were some side effects. For example, resident K said, "I think tourism is an essential element to regenerate Bukchon" (Interview, 9 May 2019).

### **6.2.2 The Bukchon District Unit Plan**

The Bukchon District Unit Plan (BDUP) was formulated in 2010 by the SMG as a core conservation policy and institutional framework. The SMG had decided that Bukchon needed a systematic and sustainable long-term institutional framework (SMG, 2010). The District Unit Plan was an official plan as well as a useful tool for the metropolitan government to regulate land use in the targeted area. It was established by the metropolitan government in order to use land more effectively (SMG, 2003; SMG, 2010).

The goals of the BDUP were clearly presented in the plan. The first goal was to improve basic infrastructure including the construction of parking lots for residents and the introduction of design guideline to turn Bukchon into a living museum and to improve its heritage value. To achieve this goal, the BDUP presented design guidelines for *hanok* and other buildings, specifying details

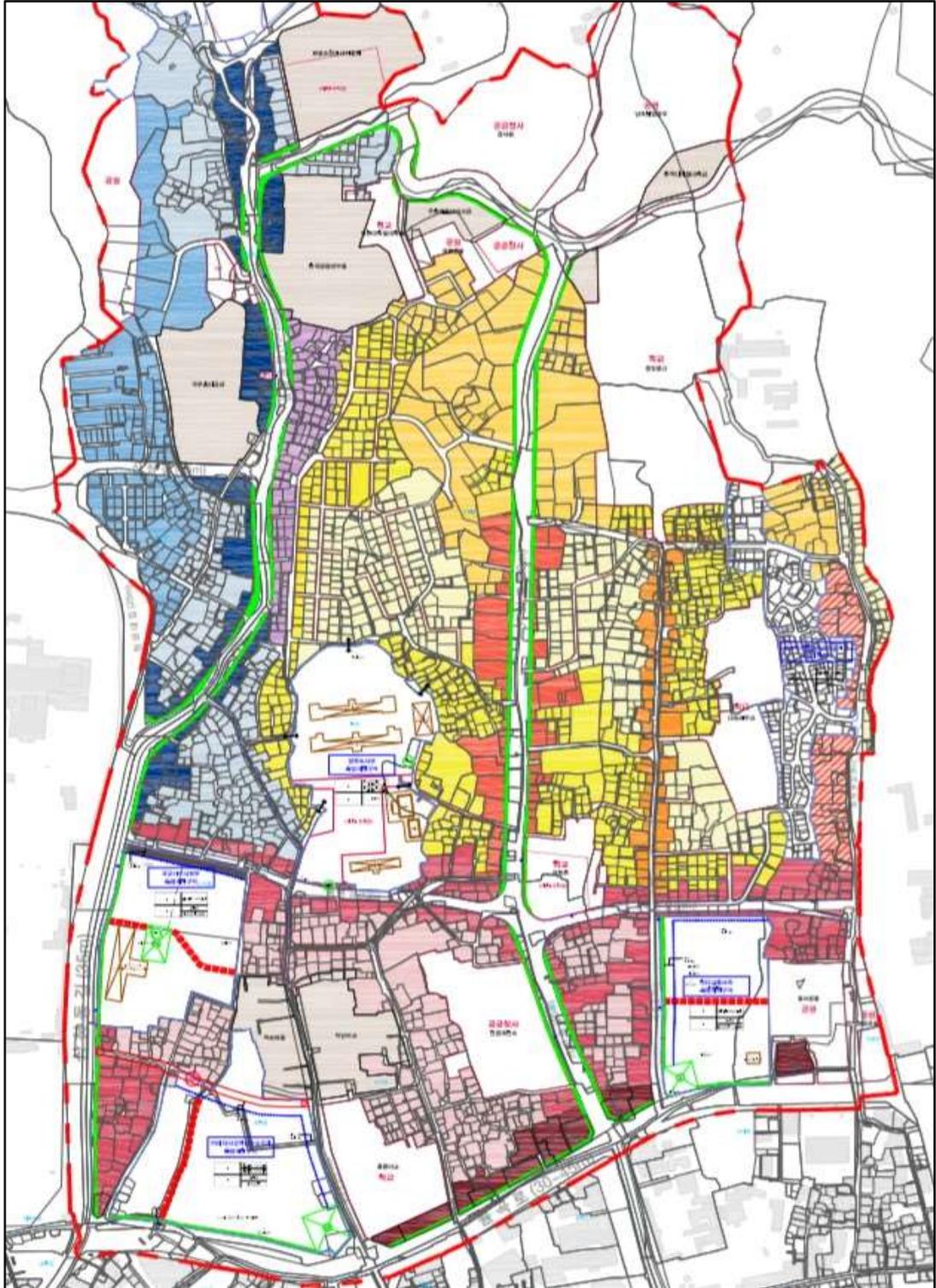
such as the standard style of traditional roof and wall and the standard structure of *hanok*. These guidelines were then used as a criterion for subsidies. The second goal was to formulate building regulation criteria regarding building usage, scale, height and style necessary to maintain and improve the characteristic landscape of the area. The third goal was to improve living conditions in Bukchon by creating proper governance through the participation of residents. To achieve this goal, the plan introduced a resident participation council to make and revise autonomous rules to improve both living conditions and the characteristic landscape of the area (SMG, 2010a, p. 4).

The BDUP proposed a vision for the future: “Bukchon where people want to live, want to visit and want to preserve” (SMG, 2010a, p. 66). It also suggested four practical tasks to this end: preservation of the characteristic landscape, management of large-scale sites as a basis for tourism, protection of the residential area and improvement of local conditions through the involvement of residents (SMG, 2010a, p. 69).

As mentioned above, the main contents of the BDUP were restrictions on building usage, scale, height and style of construction. In accordance with Article 52 of the National Land Planning and Utilisation Act, the District Unit Plan covered “restrictions on the use of buildings and the maximum or minimum limit on the building-to-land ratio, floor area ratio and height of buildings; plans for the arrangement, type, colour and outline of buildings; environmental control and scenery plans; traffic processing control plans” (Korean Law Information Centre, 2021). The contents of the BDUP also covered regulations on building use, style and scale in line with the act. The full details are presented in Figure 6.2 and Table 6.1

The light yellow part, Zone 1, in the centre of the Bukchon area (see Figure 6.2 and Table 6.1) is a strictly regulated area because many *hanok* remain in this area. In Zone 1, buildings must be single storey and used for housing. It is strictly prohibited to convert buildings for other purposes such as guest houses and craft studios. Furthermore, any new house or building must be built as a *hanok*. In the area marked darker yellow, Zone 2, adjacent to Zone 1, buildings must be single storey but there are looser building use regulations. In Zone 2, buildings can be used as guesthouses, craft studios, small cafés, small offices, etc. On the other hand, much looser regulations are applied to the amber, red and dark blue areas located on or close to the arterial roads. In these zones, buildings of up to three storeys and almost every usage are permitted except for facilities forbidden near a residential area, such as

entertainment facilities (karaoke, theatres and large-scale shops and restaurants), as well as manufacturing facilities such as factories (SMG, 2010a).



**Figure 6.2** Map of Bukchon District Unit Plan

Source: SMG. 2010a. p. 300

**Table 6.1** Detailed regulation by zone in the BDUP

Col-our	Zone	Cate-gory	Contents of regulation	Others
	Zone 1	Use	Detached house, small library and community facility only is permitted	Only <i>hanok</i> can be built.
		Height	Maximum 4m/single-storey	
	Zone 2	Use	Same as Zone 1, plus traditional craft studio, <i>hanok</i> tourist accommodation, small café (maximum 100 sq m), small office (maximum 500 sq m) and religious facility only are permitted	-
		Height	Maximum 4m/single-storey	
	Zone 3	Use	Same as Zone 2	-
		Height	Maximum 8m/two-storey	
	Zone 4	Use	Large (over 100 sq m) retail shop, café, and restaurant are not permitted Any kind of theatre, factory, repair centre, car dealership, and video arcade are not permitted	
		Height	Maximum 8m/two-storey	
	Zone 5	Use	Same as Zone 2	
		Height	Maximum 8m/two-storey	
	Zone 6	Use	Same as Zone 4	
		Height	Maximum 8m/two-storey	
	Gyedong-gil Zone	Use	Same as Zone 4	
		Height	Maximum 8m/two-storey	
	Gahoe-ro Zone	Use	Laundry, factory, repair shop, car dealership and video arcade are not permitted	<i>Hanok</i> must be 2 storeys or less.
		Height	Maximum 12m	
	Changdeokgung –gil Zone	Use	Same as Zone 4	<i>Hanok</i> must be 2 storeys or less.
		Height	Maximum 12m	
	Samcheon-gdong-gil Zone 1	Use	Same as Gahoe-ro Zone	<i>Hanok</i> must be 2 storeys or less.
		Height	Maximum 12m	
	Samcheon-gdong-gil Zone 2	Use	Same as Gahoe-ro Zone	<i>Hanok</i> must be 2 storeys or less.
		Height	Maximum 12m/three-storey	
	Bukchon-gil Zone	Use	Same as Gahoe-ro Zone	<i>Hanok</i> must be 2storeys or less.
		Height	Maximum 12m	
	Yulgok-ro Zone	Use	Same as Gahoe-ro Zone	<i>Hanok</i> must be 2storeys or less.
		Height	Maximum 16m	
	Zone 7	Use	School and government office building	<i>Hanok</i> must be 2storeys or less.
		Height	-	

Source: SMG. 2010a. p. 276

Due to the different but very clear-cut regulations applied in each zone, the BDUP has significantly affected local change. These effects include intensive development investment in the less regulated zone as well as conflicts between stakeholders. These will be examined in the following section and in Chapter 7.

At first glance, the BDUP seemed to be focussed on improving living conditions in Bukchon, because it stressed making Bukchon a good place in which to live as a goal both for now and in the future. However, the fact that the main aim of the BDUP was to promote tourism revealed itself in many other parts of the plan. The goals of preserving *hanok* and the conservation of the distinctive local landscape were designed to promote tourism. For instance, the plan presented “six positive changes and potentialities for Bukchon” that needed to be highlighted in the future, and four of these were related to tourism (SMG, 2010a, p. 58). These included re-evaluating Bukchon as a tourist attraction because of its representative *hanok* cluster, raising the number of tourists and preserving the distinctive landscape (SMG, 2010a, pp. 58-60). In addition, the BDUP mainly focussed on the tourism angle in its four practical strategies. Two out of four were directly concerned with tourism to improve the distinctive landscape of the area and to manage large-scale urban heritage sites. The other two strategies were conservation of the residential area and the improvement of local conditions through involvement by local residents. These two were also, if less directly, concerned with tourism: the first in that its purpose was the separation of residential and commercial areas while also stressing the need to promote commercial areas as tourist attractions; the second in that it was about maintaining the traditional landscape (SMG, 2010a). In particular, almost all of the specific measures were concerned with *hanok* conservation and landscape improvement such as exterior guidelines on the construction of *hanok* and other buildings, even down to the design of retail shop signs. These measures were intrinsically related to the traditional aesthetics of old buildings which have been an important factor in attracting tourists, as Chang (2016) and Shin (2010) pointed out in the case of Singapore and Beijing.

Improving living conditions for residents was one of the goals, but, in practice, little emphasis was ever placed on this. There were several measures concerned with improving living conditions such as improving walking conditions and transforming streets into traditional alleyways; there was also a measure to promote participation of residents such as the foundation of residents' participation councils. These measures, however, were closely

connected with tourism or the aesthetics of place rather than with improvements in living conditions. For instance, efforts to improve conditions for pedestrians were aimed at improving accessibility for tourists, while those to improve street design were to make the roadside landscape more attractive. Even incentives for residents were also related to aesthetics because the aim was for residents to renovate their own *hanok* in compliance with the *hanok* design guidelines, and residents' participation was deemed necessary in order to maintain the characteristic landscape (SMG, 2010a).

The BDUP can be understood as a policy that demonstrates the entrepreneurial side of government. As discussed above, tourism promotion policies in this period stressed economic profit and the nature of tourism as an industry. Policies were considered emblematic in showing the entrepreneurial scope of government.

### **6.3 Media spotlight and influx of tourists**

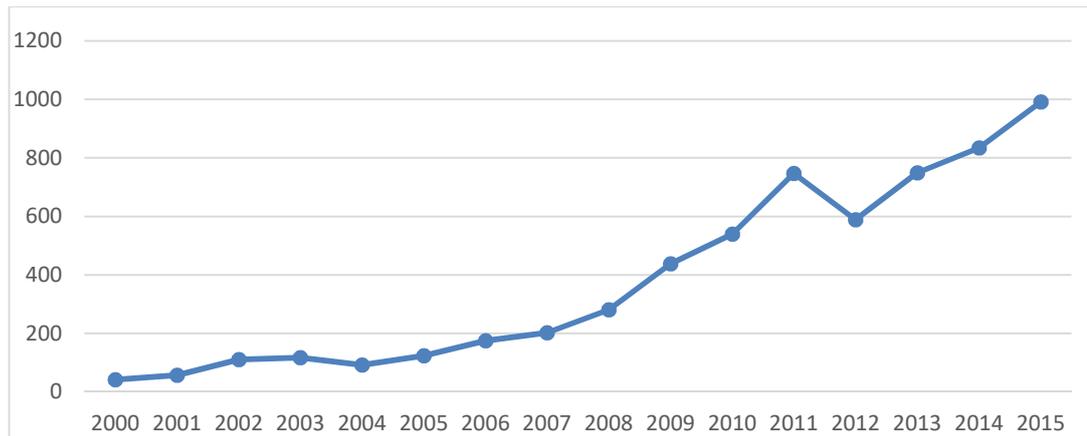
In addition to government policy, media attention was another significant cause of the rapid rise in the number of tourists in Bukchon. In particular, a famous TV show made in 2010 significantly influenced the rising level of tourism. This section investigates the details of the wide media coverage of Bukchon and the subsequent increase in tourism.

#### **6.3.1 Media spotlight**

The media played an important role in the gentrification of Bukchon, raising interest through their wide coverage and contributing to an increase in visitors and new residents. Zukin (2010) has argued that the role of media and the tastes of the middle class have become crucial elements in understanding the process of gentrification. She notes that the media can influence tastes of middle class, and that this can be one of main causes of gentrification.

Figure 6.3 shows the increasingly rapidly rising trend in media reports about Bukchon over a fifteen-year period, reaching 991 in 2015. It is notable that the most popular TV shows as well as other well-known TV programmes began to show Bukchon as an attractive place from around 2010. They presented Bukchon as a beautiful traditional urban village with a patina of old age. For instance, on 26 September and 3 October 2010, 1 Night 2 Days, the most popular TV show in South Korea, highlighted Bukchon, stressing the area's beautiful landscape. Another well-known TV programme, if less popular than

the 1 Night 2 Days, the documentary 3 Days, made two broadcasts about Bukchon in 2009 and 2010. This programme centred on three days in a *hanok* guest house including the life of some foreigners who were staying there at the time, while also conveying the impression of a serene ambience in the guest house (27 June 2009). The second broadcast looked at the lives of Bukchon residents including those of a young artist, an original resident and an old barber (27 June 2010).



**Figure 6.3** The number of media reports in relation to Bukchon

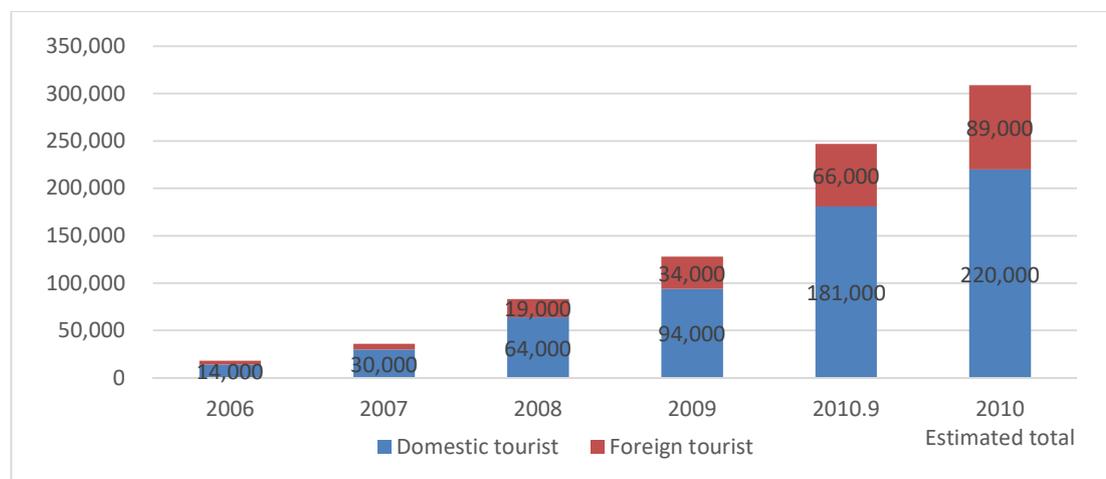
Source: Data collated from Korea Press Foundation. Bigkinds\*. [Online]. [Accessed 11 Feb 2020]. Available from: <https://www.bigkinds.or.kr/>

The effects of these famous TV show were very pronounced. Almost all of the interviewees including residents, government officials, retailers, real estate agents and workers stated that the impact of the TV show 1 Night 2 Days was considerable. For instance, resident K remarked, “After the 1 Night 2 Days TV show was broadcast, so many tourists started coming here” (Interview, 9 May 2019). And an office worker in Bukchon (Q) stated,

I started my job in Bukchon in 2008. There were quite a lot of tourists here. But, after the show ‘1 Night 2 Days’ was broadcast, the number of tourists suddenly soared so that it could not be compared to how it was before. There were numerous people in all the streets and alleyways, making it hard even to get to my office. (Interview, 3 April 2019)

The press reported on the impact of the TV show in the same way. An article described how “Bukchon had become a famous tourist attraction because it gained fame as the place where many movies, dramas and 1 Night 2 Days were shot” (Park, 2014).

The impact of the TV shows can also be estimated using statistical data by comparing the anticipated number of tourists in 2010 (Cho, 2010), shown in Figure 6.4, with the actual number as shown in Figure 6.5. The actual number of tourists in the year up to September 2010 was 247,000 while the projected total number of tourists for the entire year was 309,000, as estimated in October 2010 (Figure 6.4). The confirmed actual number of tourists for the year 2010 was, however, 419,000. The gap between the projected and confirmed numbers was 110,000. Considering that the 1 Night 2 Days show was broadcast between late September and early October, the gap between the two figures cannot be explained without taking into account its impact.



**Figure 6.4** The number of tourists up to September 2010 and the projected total number of tourists for the year 2010 as estimated in October 2010

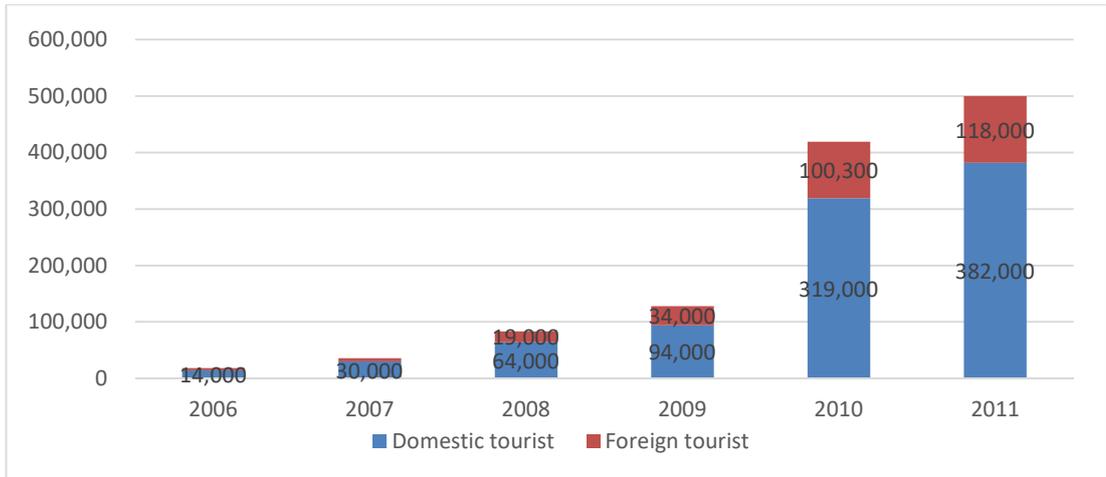
Source: SMG. 2010. Cited in Cho. 2011 [Online]. [Accessed 6 March 2020]. Available from: <https://www.yna.co.kr/view/AKR20101101193100004>

### 6.3.2 Influx of tourists

As we have seen then, a combination of tourism policy, media attention and conservation measures aimed at promoting tourism was responsible for the tourism boom in Bukchon. Bukchon, therefore, underwent a rapid increase in tourist numbers from around 2006 to 2014. There is no accurate statistical data to show the number of tourists visiting Bukchon over the long term. Thus, various related pieces of data, such as the number of tourists between 2006 and 2011, the number of foreign tourists since 2012 as well as interview transcripts, are presented in this section as supplementary data in order to show the increasing number of tourists in Bukchon over this period.

Tourist numbers for Bukchon rose sharply after 2006. Figure 6.5 shows the number of tourists visiting Bukchon between 2006 and 2011. According to the

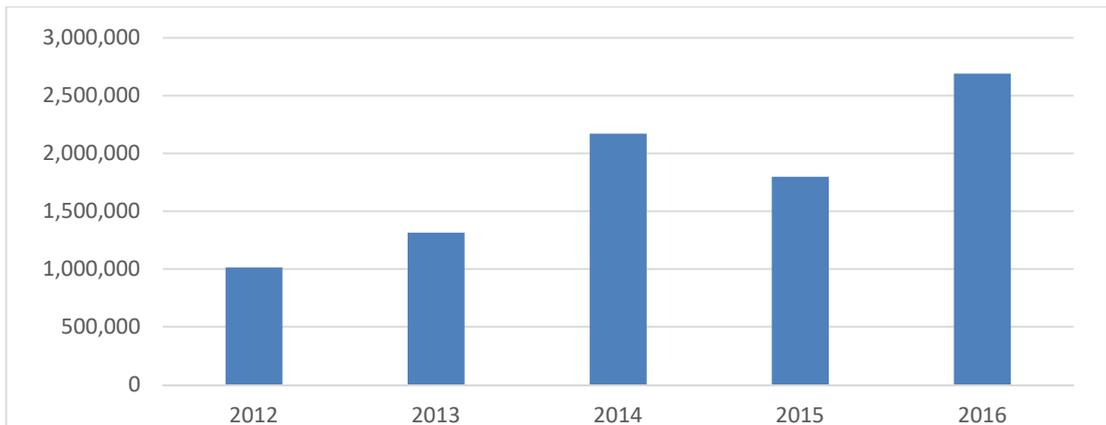
data, in 2006 about 15,000 tourists visited Bukchon, a figure which increased dramatically to about 500,000 in 2011. In particular, between 2009 and 2010, it jumped markedly from 128,000 to 419,300. The number of foreign tourists in Bukchon also showed a similar sharp increase. Figure 6.6 displays the number of foreign tourists visiting Bukchon between 2012 and 2016. According to the data, in 2012 almost 1 million tourists visited the Bukchon area, and this increased to about 2.7 million in 2016.



**Figure 6.5** The number of tourists visiting Bukchon

Source: SMG. 2014a. *Hanok* conservation and promotion. Seoul Policy Archive. [Online]. [Accessed 6 March 2020]. Available from: <https://www.seoulsolution.kr/ko>

\* There is no statistical data after 2011.



**Figure 6.6** The number of foreign tourists visiting Bukchon

Source: Data from JDG collated from the International Visitor Survey, 2012-2016\*, Ministry of Culture, Sports and Tourism

\* There is no statistical data before 2012.

\*\* The number for 2015 was less than other years due to the outbreak of MERS – a variety of corona virus – in Seoul.

Many residents and retailers also remarked that the number of tourists has risen rapidly since around 2010. For instance, resident D told me that, “At first, Bukchon was a quiet place. Around 2010, the number of tourists soared” (Interview, 27 March 2019) and a real estate agent in Bukchon (U) said the same thing (Interview, 4 April 2019).

## **6.4 Local change in tourism-led gentrification**

During this period, Bukchon underwent a fundamental change in the tourism-led gentrification process, one that was triggered by the rapid rise in the number of tourists examined in the previous sections. This section examines details of the tourism-led gentrification process from 2006 to 2014 in Bukchon based on the discussion of tourism-led gentrification carried out in Chapter 2. It examines not only capital investment, the rise in rents and the displacement of existing users but also wider local changes such as the weakening of feelings of community, the loss of a sense of place, and the loss of interdependency between the residential and retail sectors.

### **6.4.1 Tourism-led gentrification in the residential sector**

In Chapter 5, displacement in the residential sector of Bukchon was examined. As mentioned there, many residents were displaced from Bukchon due to the rapid rise in property prices and subsequent local change. In this section, I follow up by investigating the tourism-led gentrification process that took place in the residential sector in Bukchon between 2006 and 2014.

#### **6.4.1.1 Increase in property values and direct displacement**

Direct displacement, which Bukchon had experienced from 2000 to 2005, continued after 2006 due to the increasing number of tourists and their subsequent impact, which can be understood as tourism-led gentrification. In this period, direct displacement was caused by rising rents, and the conversion of property into retail shops and tourist accommodation. Rising rents, as discussed in Chapter 5, had resulted in the displacement of existing residents and this trend continued during this period. Figure 5.3 clearly shows the trend in rising house prices in Bukchon over the nineteen years between

2000 and 2019. This caused a continuous displacement of existing residents as part of the process that was addressed in Chapter 5.

One of the main causes for the rapid rise in house rents during this period was the decrease in housing stock caused by the proliferation of tourist accommodation and the conversion of housing into retail shops. These processes were driven by capital investment in residential areas due to the tourism boom.

Many business people involved in tourist accommodation invested in *hanok* (Lee, 2012). *Hanok* were a significant asset that created an attractive experience for tourists (Kim, 2001; Kim, 2005), and consequently many business people wished to purchase *hanok* in Bukchon. Most of these were individuals managing their own businesses, and they consisted largely both of original local residents and newcomers who had moved to Bukchon in order to start their own business. Before opening a tourist accommodation, they needed to invest in the renovation of a dilapidated *hanok*. Resident I, who is a guest house owner, told me that he invested hundreds of millions of won (hundreds of thousands of pounds) on the renovation of his *hanok* in order to turn it into a high-quality guesthouse (Interview, 9 April 2019). A newspaper article (Lee, 2012) confirmed that investment in *hanok* was becoming widespread. It explained that the initial investment to start a *hanok* guesthouse was quite high, between 100 and 200 million won, and that investing in a *hanok* to turn it into a guest house in Bukchon was becoming popular.

**Table 6.2** Airbnb Household Ratio for Bukchon and a comparison with Barcelona

Place	Airbnb listing (Feb2020)	Households (2015)	Airbnb Household Ratio(%Airbnb/Household*100)
Bukchon	191	2,935	6.5
Barceloneta	303	6,821	4.4
Gòtic	1,091	6,461	16.8

Source1: Data collated from Seoul Population Data. Seoul Open Data Square\*. [Online]. [Accessed 10 Jan 2020]. Available from: <https://data.seoul.go.kr>.

Source2: Data collated from Cocola-Gant, 2018, Table 6.1. p. 125

As a result, the number of *hanok* guesthouses rapidly increased after 2010. According to the Local Administrative Licencing Data, which was addressed in Chapter 4.3.4, there were no *hanok* guesthouses in Bukchon in 2010.

However, the number had rapidly increased to 54 by 2015. The number of Airbnb accommodations also was high in Bukchon. As table 6.2 shows, the number of accommodations listed on the Airbnb website on 24th February 2020 was 191 in Bukchon. The most up-to-date number of households was 2935 in 2015, so the Airbnb household ratio for Bukchon was 6.5 in 2015. This is lower than the proportion in the Gothic neighbourhood of Barcelona, 16.8, but higher than that in Barceloneta, 4.4 (Cocola-Gant, 2018, p. 125).

In addition, many houses including *hanok* in Bukchon were changed into retail shops. The transformation of the two main streets in Bukchon during this period clearly demonstrates this trend (Figure 6.7). For instance, there were 12 residential houses on either side of Bukchon-ro in 2008 but in 2019 there were no longer any. The change in building use in Gyedong-gil has also been similar. The interview data firmly supports this information. Government officer G1 explained, "Around 2010, houses started to change into retail shops due to the rise in the number of tourists" (Interview, 3 March 2019). Retailer P also told me the same story (Interview, 30 April 2019).

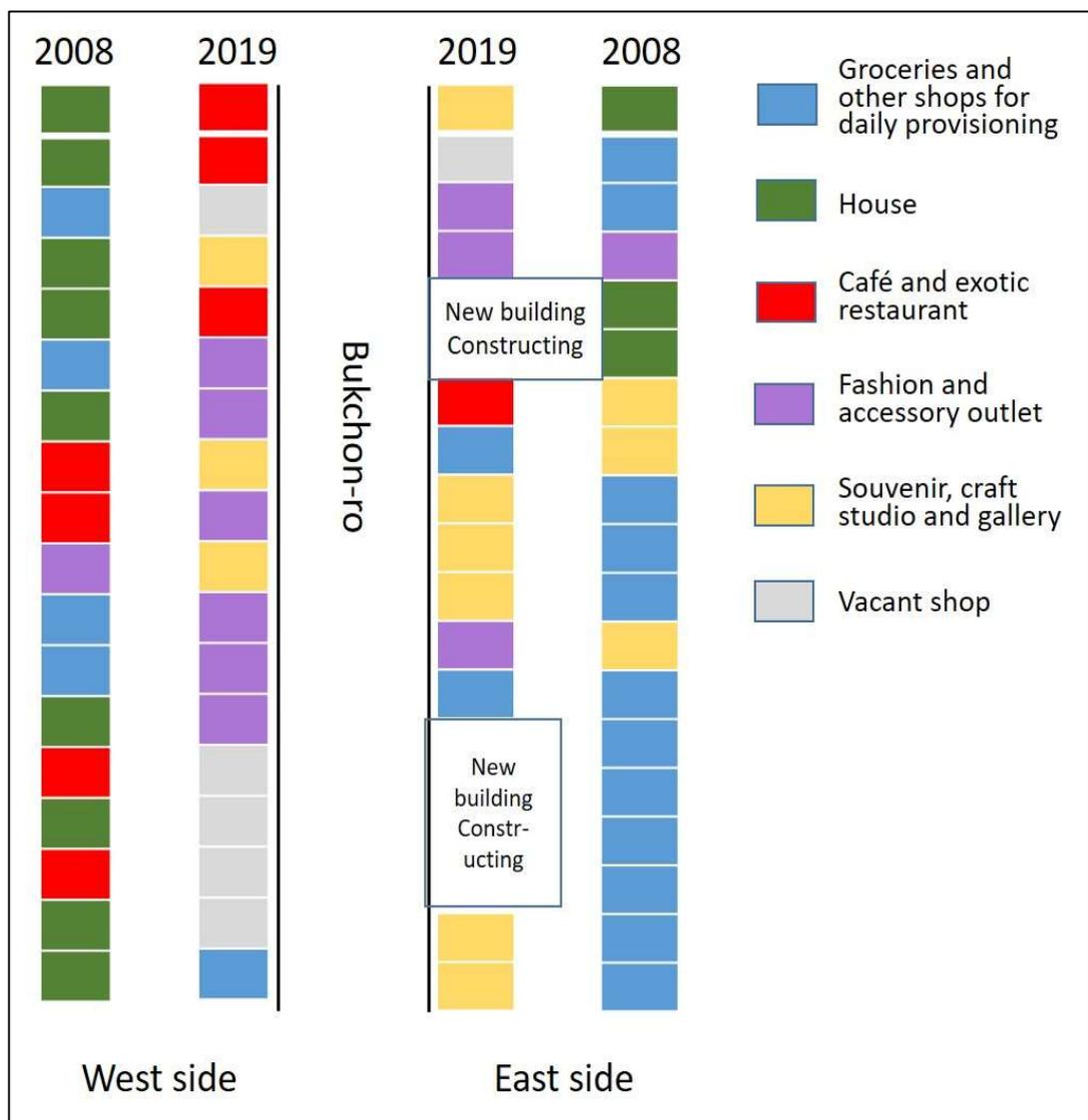
As part of the same process, capital investment for the construction of multi-storey buildings on roadside areas such as Samcheongdong-gil Zone 1, Gahoe-ro Zone and Bukchon-gil Zone was widespread (Figure 6.2; 6.7 and Table 6.1). This was in line with the urban context in Seoul where speculative investment in retail property was rampant. As mentioned earlier, roadside area regulations in the BDUP were less strict than those for other areas in Bukchon, the result being that commercial investment was concentrated in roadside areas rather than the narrower lanes that run behind the roads. There is a tendency for investment to become concentrated in the less strictly rather than the more strictly regulated areas (Shin, 2010). Retail property in Bukchon became an attractive target for the speculative investor. It was confirmed to me in interviews that many roadside multi-storey buildings were built during this period in interviews, and this was supported by my own field observation. Office worker Q told me that:

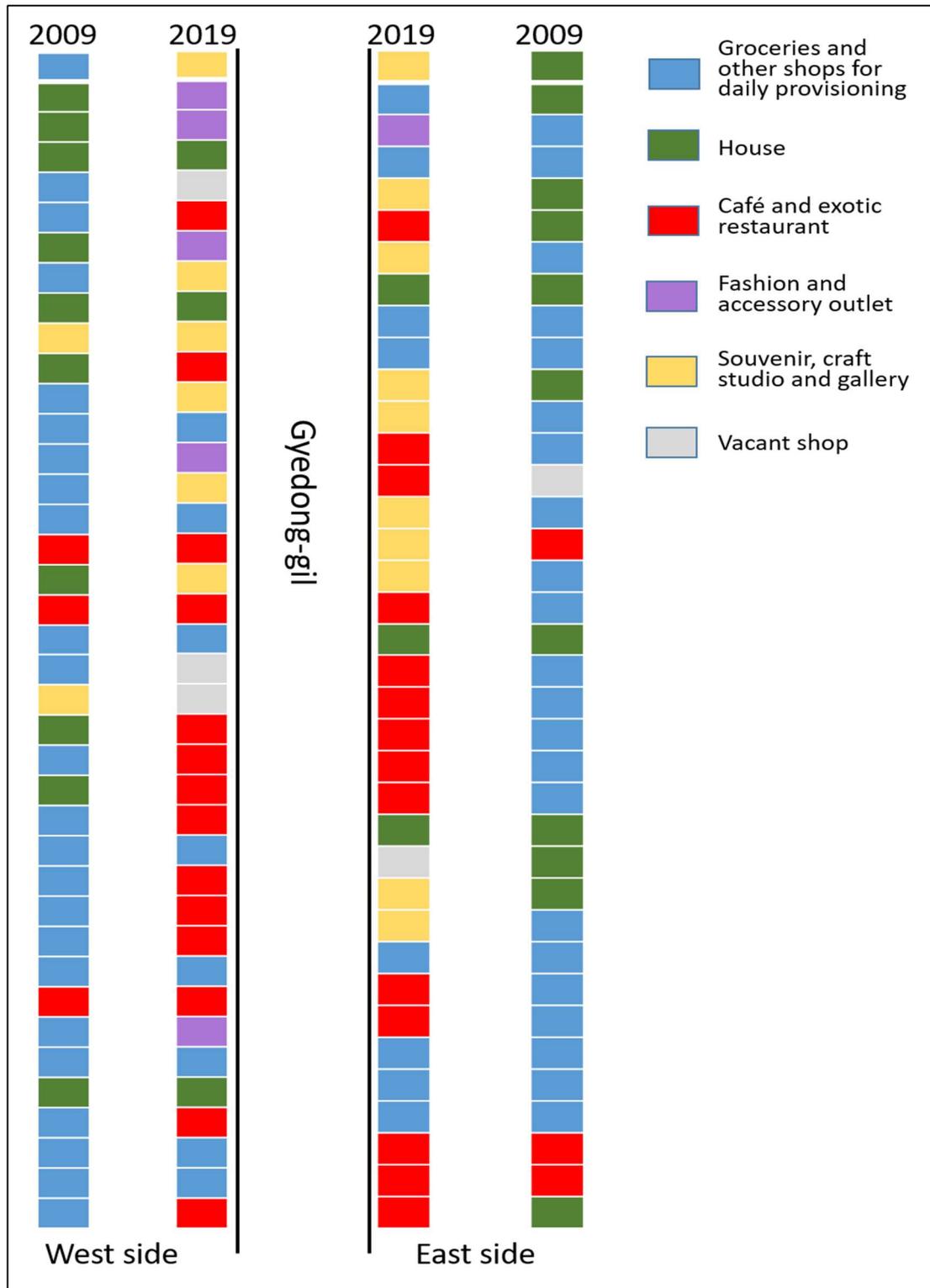
Originally there were not many shops. But the number of visitors rose, then houses were changed into shops. Moreover, several small houses would be demolished and a bigger commercial building constructed in their place. The Starbucks building in Samcheongro [see Figure 6.8] is one of them. Originally, this consisted of several small houses. Around 2010 and 2011, this change was widespread. (Interview, 3 April 2019)

A café owner (N) presented a similar story (Interview, 23 April 2019). In addition, during my fieldwork, I noticed that there were many recently

constructed buildings in roadside areas. The images in Figure 6.8, which were taken during my fieldwork, clearly illustrate the recently constructed buildings in Bukchon.

At this time, *hanok* could still legally be demolished. For instance, two new building construction sites on the east side of Bukchon-ro are indicated in Figure 6.7. These were sites where existing *hanok* had been demolished to make way for multi-storey buildings, substantiating the comments made by office worker Q above. In brief, in some parts of Bukchon, all new buildings had to be *hanok* while in others *hanok* were still being demolished.





**Figure 6.7** Change in building use of the two main streets in Bukchon

Source: Data collated from author's fieldwork\* and Kakaomap Roadview\*\*. [Online]. [Accessed Nov 2019]. Available from: <https://m.map.kakao.com/>

\* The 2019 data was collated during fieldwork by the author

\*\*2008 and 2009 data was collated from the Kakaomap Roadview, a similar tool to Google street view.



**Figure 6.8** Recently constructed roadside buildings in Bukchon

Source: The author, photographs taken in Autumn 2019.

As mentioned in Chapter 2, the tourism-led gentrification process results in growing demand for property to use for business purposes, such as tourist accommodation, shops and restaurants for tourists, which triggers a shortage of housing stock, and subsequent rising rents and a displacement of original tenants and other residents (Celata and Romano, 2020; Cocola-Gant, 2018; González-Pérez, 2020; Lestegás, 2019; Su, 2015; Zhang et al., 2022). The same logic can be applied to the case of Bukchon. In Bukchon, there were numerous examples of conversion from residential housing to tourist accommodations and shops, and this led to a shortage of housing stock. The result then was a rise in rent and displacement of tenants.

Another way of viewing this is to analyse it using the rent gap concept. Where there was a widening rent gap between residential usage and alternative usages such as tourist accommodation, landlords became more likely to raise housing rents or to convert residential housing into tourist accommodation or shops. An interview with a resident (Y), who used to manage a guesthouse, clearly illustrates this. He discussed the gap between housing rent and

potential rent for tourist accommodation and explained how this can cause an increase in rent. He stated:

You can work out the answer if you calculate. Managing a guest house in my own house can make six million won [about £4,000] per month. So having considered this I asked for a higher rent for my house. But when I tried to raise the rent I could not find a tenant. So I turned my *hanok* into a guesthouse instead. (Interview, 29 November 2019)

Moreover, conversion from house into retail shop led not only to rising rents but also to population displacement. For instance, multiple inhabitants reported similar stories. Real estate agent U stated, “When this place gained fame, many residents left or were displaced because many houses were transformed into retail stores” (Interview, 4 April 2019).

The increase in tourist accommodation resulted in the direct displacement of residents. An examination of the Seoul Business Survey Data for 2015 shows that there were no hotels in Bukchon at all. Instead, 98% of the accommodation in Bukchon was listed as “other tourist accommodation”, a category which includes B&Bs and guest houses. In Bukchon these types of accommodation were mainly located in *hanok* or in individual houses. Furthermore, on the Airbnb website, all of the accommodation listed in Bukchon were in *hanok* or individual modern houses. In Bukchon, therefore, almost all tourist accommodation was the result of the conversion of *hanok* and other houses. Many of the original inhabitants of those houses then were displaced although some remained as guesthouse owner-managers.

Interviews with a guesthouse manager and with a real estate agent supported the conclusion that the conversion of *hanok* and individual houses into tourist accommodation was one of the causes of population displacement. Resident J, who manage a guest house, stated, “I thought that managing a guest house would make me more money, so I got rid of my tenant and opened a *hanok* guest house” (Interview, 18 March 2019). Residents D and Y and a real estate agent (W) also told me that one of the main causes of the direct displacement of residents was the change from residential to tourist accommodation. A newspaper article commented wryly that “the Bukchon ghost story is just around the corner”. It noted that the proliferation of Airbnbs had accelerated the displacement of tenant residents in Bukchon and that it threatened to lead to the “extinction of the neighbourhood” (Shin, 2014).

This process of direct displacement, however, needs to be considered as part of a wider system of local change. Furthermore the process was not a simple,

clear and linear one triggered solely by the increase in the number of tourist lodgings. Instead, it can be understood as an acceleration in the rate of the eviction of residents which was happening in combination with the deteriorating quality of living conditions. Due to the deterioration in living conditions and the rising rents, Bukchon was becoming an unpleasant place to live for many residents. Regarding this issue, local councillor G5 elaborated:

It can be seen that the residents were displaced not due to the conversion of houses into guesthouses but that guesthouses entered an area giving residents no choice but to leave as a result of deteriorating housing and living conditions. We have to consider the complex situation of Bukchon, and be cautious about simply saying that guesthouses evict local residents. (Interview, 16 April 2019)

Living conditions in Bukchon significantly deteriorated during this period. More detail will be covered in the following sections.

#### **6.4.1.2 Widespread change in the residential sector**

Meanwhile, wider local change in the residential sector including worsening noise and waste pollution, traffic problems, weakening feelings of community and the loss of a sense of place together with the disappearance of essential retail services all intensified during this period.

The noise problem was severe in Bukchon. Retailer P stated that “Many residents moved out because they could not stand the severe noise” (Interview, 30 April 2019). A community reader and resident, who is also the owner of coffee shop, M remarked that, “My *hanok* is directly adjacent to the street and the window faces onto the road. So, even when tourists are very careful, the sound of their footsteps is so loud” (Interview, 28 March 2019). Residents of popular places for tourists in Bukchon, such as Bukchonro-11gil, experienced severe noise pollution, so that some of them avoided their homes during daylight hours at weekends. For example, residents K and M told me that some residents used to leave Bukchon temporarily during the weekend in order to rest and avoid the greater noise pollution of the weekend.

The waste problem also highlighted the deterioration in living conditions. For instance, resident D stated, “Overflowing garbage, drink packs, and plastic bags, and the like. The noise disappears when the tourists leave, but the garbage does not. It is still there” (Interview, 27 March 2019). There were even cases where tourists defecated in the open. Government officer G3 said, “Somebody even defecated in front of the entrance of a *hanok*. The resident

was so angry and sent me a photo to complain about the situation” (Interview, 13 April 2019). A newspaper (Cho, 2013) also described the situation in an article entitled ‘Man in his thirties living in Bukchon: weekend of fear’.



**Figure 6.9** Parked coaches on Bukchon-ro

Source: The author, photographs taken in April 2019.

Increasing numbers of visitors, cars and tourist coaches began to cause serious traffic problems. Traffic jams were frequent and there was a lack of parking places. Many newspapers mentioned the traffic problem in Bukchon during this period. For example, one newspaper reported that the overflowing number of cars and coaches led to severe traffic jams and parking problems (Na, 2012). Secondly, residents complained about the air pollution due to stationary buses with their engines left idling. According to Resident B, “Tourist coaches are a severe problem. They lead to traffic jams because they block the roads and cause pollution because they leave their engines idle while waiting for their passengers” (Interview, 23 April 2019). Despite the recent decline in the number of tourists, I witnessed all of these problems during my fieldwork, especially at the weekend. Figure 6.9 illustrates the traffic problems in Bukchon. On Bukchon-ro, many coaches are parked by the side of the road and the traffic jams are severe.

Local change from residential area to tourism attraction causes a loss of community, and is also linked to population displacement pressures. The community of Bukchon has been continuously weakened by the disappearance of its social network and the loss of community life since the

early 2000s. As mentioned in Chapter 5, the increase in the number of second homes and the influx of rich people brought about a loss of a sense of place for residents from the early 2000s onwards. In line with these local changes, the weakening of local community and the loss of community life and sense of place continued during the tourism boom of this period. Resident J, who manages a guest house, told me, "There is no nice community any more. In the past, neighbours resolved problems with a smile on their faces, but now neighbours fight and threaten to take each other to court. So, frankly speaking, I want to leave Bukchon" (Interview, 18 March 2019). Resident H pointed to the loss of social network with great sadness, "When I was young, there were many elderly people who would say hello, but now there are few people to say hello to. Almost all the original residents have disappeared" (Interview, 7 April 2019).

The shift in the retail sector, which is examined in the following section, was also one of the main problems which gave rise to a loss of community and of sense of place. Many residents and retailers (B, C, D, F, J and P) told me that the displacement of local shops resulted in a loss of emotional connection between residents and retailers and that they felt a sense of dislocation due to the disappearance of so many familiar shops. Resident B clearly displayed the emotional connection with shops that had disappeared:

Shops and restaurants to which we were emotionally tied have disappeared. That's too bad. So this place [Bukchon] now looks like an unfamiliar place to me... There used to be my favourite café where I could have tea or drink alcohol. It could not afford the high rent and so finally had to move out. Parties used to be held among the local residents in this café...I could meet my friends whenever I went, but not now... I am so sad. (Interview, 23 April 2019)

The decrease in essential retail services also caused many everyday inconveniences so reinforcing displacement pressure in a way that reflects the comments made by the authors cited in Chapter 2. A research report of the national policy research institute, Korea Research Institute for Human Settlement, stated that the decrease in the number of essential shops in Bukchon caused inconvenience for residents in their everyday lives, and that this resulted in a rising desire on the part of residents to move out (Park et al., 2018). Multiple interviewees (C, D and F) said much the same thing. For example, resident F described the situation clearly:

Essential everyday shops have been disappearing. Public bath houses have also disappeared -- pharmacies, laundries and supermarkets as well.

All these places have turned into cafés and clothes shops. Essential shops for residents have disappeared and this place has changed into a place for tourists. It is so inconvenient for the remaining residents. (Interview, 20 April 2019)

In addition, as has been suggested in the context of Leeds by González and Waley (2013), the change in nature of the retail sector from servicing residents on low incomes to those who are affluent weakened lower-income residents' dependence on the retail sector in Bukchon. And this change then reinforced the displacement pressure on residents of lower income. Long-term residents C and H, who have lived in Bukchon for about 20 years told me that the high prices in Bukchon had made them consider moving out. For instance, resident C stated:

This place is too expensive for everyday items, even the price of medicine. Living costs are so high. Supermarket prices as well. I am considering moving out due to these high prices. There is only one clothes repair shop and it is so expensive. The price for mending an item is 8,000 won but in other areas the price is normally 4,000 won. Maybe this is due to the high rents.... Maybe, the soaring value of real estate is reflected in the high prices. I don't think this place is worth living in if one has to put up with a high cost of living. (Interview, 13 April 2019)

On the contrary, new high-income residents did not consider the high prices to be an affordability problem. For instance, resident Y, who have moved into Bukchon in 2007 and an affluent one, stated that he did not feel any inconvenience regarding grocery shopping because there were several good grocery shops around his house and he did not care about the high prices (Interview, 29 November 2019).

## **6.4.2 Tourism-led gentrification in the retail sector**

### **6.4.2.1 Dispossession and displacement in the retail sector**

As discussed in Chapter 5, during the early 2000s displacement of existing users mainly occurred in the residential sector in Bukchon. As the number of tourists increased after 2006, however, displacement of existing users became a widespread phenomenon in the retail sector as well, a change that happened in the wider urban context of Seoul. Investment in small retail property became a popular form of speculation after 2008 in Seoul as has

been analysed in Chapter 3. In this context, dispossession by affluent investors and displacement of existing retailers was rampant in the retail sector in Seoul including Bukchon.

Dispossession and displacement in the retail sector of Bukchon were largely the result of the speculative activities of private property owners and large companies.

Private property owners were the main agent of dispossession and displacement of existing retailers in Bukchon. As the number of tourists increased sharply, many speculative investors purchased commercial buildings. A newspaper article reported that many properties were sold by existing owners of residential property to 'Gangnam people' and that this change brought about a rapid increase in rent (Kim, 2019). As we seen in Chapter 3, Gangnam is an exemplar of the kind of area where rich people live and a place where speculative real estate investment is widespread (Bae and Joo, 2020); thus the term Gangnam people, refers to rich people who practise speculative investment in real estate. Another article (Jang, 2018) included an interview with a retailer in Bukchon who stated, "In Samcheong-dong [in the western part of Bukchon], there are many absentee property owners....So they don't have any attachment to this place and don't care about anything except making money". Real estate agent V mentioned that, "During the last ten years outsiders including Gangnam people have bought many commercial buildings [in and around Bukchon] at a high price" (Interview, 12 March 2019).

Since 2010 the rise in rents, in dispossession and in displacement has accelerated change in the retail sector of Bukchon. Sharp rises in rent have been one of the common strategies of speculative investors to extract extra profits from the retail sector in Bukchon as elsewhere in Seoul. A number of newspaper articles reported that property owners in popular areas of Seoul such as Bukchon and Ikseon-dong were raising rents rapidly (Kang, 2015; Park, 2014b). One newspaper article was entitled, "Landlords ask for ridiculously high rents in places where shops are located in popular areas" (Kang, 2015). Interview data also supports this argument. Real estate agent V mentioned that rent for small art and craft shops was 200,000 won per month in around 2010, but that in 2019 it had soared to between one and four million won (Interview, 12 March 2019).

For landlords, rent levels were not only a matter of current rent income but were also related to the overall property value, and raising rent became the most important way for them to secure more profit. In South Korea, generally, commercial property value is determined by the total expected return from

future rent, so-called income capitalisation (Kim et al., 2016; Choi and Lee, 2010). In other words, current rent is the most significant element that determines the value of any given commercial property. The present level of rent, therefore, was a significant factor for those landlords who were pursuing capital gain through the purchase and sale of property. Real estate agent V explained:

Landlords raise rents to achieve a five percent return on the property price. In other words, they raise rents rapidly in order to raise the property price itself.... Landlords seem to be more interested in raising property prices than in the rental income itself. They can raise the property price merely by raising the current level of rent. (Interview, 12 March 2019)

The example of Jangnamju Korean Traditional Clothes shop clearly shows the reason why landlords were more interested in raising property prices than in the rent income itself. In this case, the landlords gained far more profit than rent income alone could provide through short-term trading combined with sharp rises in rent. More details about the case of Jangnamju Korean Traditional Clothes shop will be illustrated in Chapter 7.

There are numerous cases where retailers were displaced because of significant increases in rent. For instance, retailer P stated:

There were many retailers in this alleyway who were evicted. A restaurant [called] Burim was one such case..... The rent soared, so that they could no longer afford to pay it and finally they had to leave. Next to my shop, a chicken rib restaurant is now in trouble due to the high rent. (Interview, 30 April 2019)

Another strategy to exploit extra profit was through eviction of a tenant without paying them the so called *kwonrikeum* premium. *Kwonrikeum* is a kind of premium which a business person who takes over a shop, restaurant or café, has to pay to the former business person. In general, this is considered to be a fee for intangible assets such as reputation, menu, expected profits and for tangible assets like facilities and interiors (Jun, 2015). Of these factors, expected profit is the most significant in determining the amount of money to pay. This refusal to pay the premium was a more direct and violent method that resulted in dispossession by speculative owners and displacement of existing tenant retailers. Moreover, this eviction strategy was not limited to the Bukchon area but was widespread throughout Seoul. A civic group, Mamsangmo, argued that the eviction of tenants without paying the compensation premium was a widespread method practised by property

speculators in Seoul and other parts of the country to reap extra profits (Koo, 2016). There were many similar cases in Seoul such as in Itaewon Gyeongnidan-gil, Hongdae, Gangnam Garosu-gil and Sungsu (Shin et al., 2017; Koo, 2016).

Cases of this were common in Bukchon and it was not difficult to find this kind of dispossession and displacement process in my fieldwork. For instance, a displaced retailer in Bukchon (O) told me that there were numerous cases where tenants had been evicted without receiving the premium. Other cases reported to me by real estate agent V display a clear pattern to them:

Frequently, landlords deprived their tenants of the premium. I know a case where the premium for the store was estimated to be one hundred million won, but the landlord offered just twenty million won and asked the tenant to leave. Finally, the landlord evicted the tenant...In fact, if a landlord wants to evict their tenant, they can do it. (Interview, 12 March 2019)

Regarding this displacement process, tenant retailers were not legally protected. There is a Commercial Building Lease Protection Act which covers lease contract for commercial stores in South Korea, and its purpose is “to guarantee the stability of the economic life of people concerning the lease of commercial buildings” (Commercial Building Lease Protection Act 2011, Article 1). However, the contents of this law focused largely not on the tenant’s rights but on the protection of those of the landlord, at least until it was revised in 2018. According to the act, the tenant’s rights are guaranteed for the first five years, and after that, the landlord has the right to unilaterally terminate the contract or to raise the rent significantly (Commercial Building Lease Protection Act 2011, Article 10.2). Moreover, if the building is rebuilt, then the landlord can evict the tenant even before the five-year period is over (Commercial Building Lease Protection Act 2011, Article 10.1). Thus, there was no legal way for tenants to block their “legitimate dispossession” by the landlord. Regarding this issue, one civic group commented sarcastically, “This act clearly shows that the rights of the landlord are more important than those of the tenant; therefore, it is quite natural for tenants to lose their property at the whim of the landlord” (Koo, 2016, p. 21).

For the speculative property owner then, the best choice was either to evict the tenant every five years, withhold the premium and raise the rent significantly or even evict the tenant within five years on the excuse of rebuilding, in order to extract the maximum profit (Koo, 2016).

Large companies were the other significant agent of dispossession and displacement in the retail sector in Bukchon. Their strategy was to dispossess (or occupy) the characteristic ambience and commercial infrastructure from former retailers who contributed to create it. They used their funding power to achieve their goal by means of advertising their image and their brand in popular places. To these ends, large companies and brand shops invested progressively in Bukchon. This strategy led not only to direct dispossession and displacement of existing retailers but also to significant increases in rent leading to further subsequent displacement.

Large companies such as Samsung began to open shops in Bukchon so as to promote their image, and many brand shops including Godiva Chocolates, Kiehl's cosmetic and Skechers shoes also invested here for the purpose of brand promotion as well as for product sales. For large companies and brand shops, popular places are good places to advertise the company's brand and image due to the large number of visitors. Many interviewees, including retailers (O, S3) and employees of large companies (CO1, CO2), told me that the purpose of the company and brand shops in Bukchon was to promote their brand and product. This was explained to me directly by CO2, the marketing manager of a large company. He told me that a popular tourist attraction such as Bukchon was a good place to open a brand promotion store (Interview, 4 November 2019).

Samsung opened an advertising shop in all four storeys of a building between 2013 and 2018. Real estate agent U said that Samsung did this to promote an attractive brand image, and many other interviewees reinforced this message. Innisfree, a famous cosmetics brand in South Korea, opened a brand shop in the entirety of another two-storey building, and a Godiva chocolate shop was opened in all three storeys of another building.

Regarding this issue, more evidence can be obtained by examining the Ikseon-dong case. Ikseon-dong is located next to Bukchon and has become a newly popular area in Seoul city centre; many large companies such as Samsung Electronics advertise there in temporary promotion shops. During fieldwork I participated in a meeting between the retailer association of Ikseon-dong and a beer company that wanted to open a shop to advertise their brand, products and image. In this meeting, the company worker explained that their intention was not product sales but the promotion of the company's brand by association with the positive image of Ikseon-dong. This case clearly shows the motivation of companies that want to open their shops in popular tourist areas.

In this process, large companies offered very high rent and *kwonrikeum* based on the 'a different calculator' in order to secure the best locations for their stores. 'The different calculator' is a metaphor that a businessperson (S3) who runs several restaurants in Ikseon-dong and is chair of the Ikseon-dong retailer association, told me in an interview while explaining the behaviour of large companies regarding promotion and brand shops. It means that the calculator by which large companies estimate the cost and benefit of managing a shop in a popular area is different from that used by other normal retailers, and the calculated benefit is greater than what would have been calculated by a normal retailer. The businessperson stated, "Their main purpose is advertising their brand or company image. In other words their benefit is not limited to the amount of sales but covers also the advertising effects. They have a different calculator from us" (Interview, 2 May 2019). In short, the goal of large companies and brand shops was not simply to sell products but to promote their brands and company, and so their benefit was greater than those of the other normal retailers. Large companies, therefore, could offer both a very high rent to the property owner and a high level of *kwonrikeum* to the existing tenant retailer. They did not mind paying these due to the different calculator. Real estate agent U explained:

If they just want to make profits from sales, they [large companies] cannot offer such high levels of rent because no one can afford these from normal business activity. They are able to offer to pay such high rents because they want to advertise... They offer an extremely high level of rent or *kwonrikeum* which the property owner or the tenant businessperson cannot refuse. They do this because they want to open their shops in a good location where tourists can find it easily in order to maximise the advertising effects. (Interview, 4 April 2019)

Marketing manager of a large company CO2 painted a similar picture for me:

If a company decides to open an advertising shop, then it will open a store in the best location in the area even if they have to invest a lot of money to do so. Normally the company doesn't care about rent.... My company also just opened an advertising shop in a popular area and paid quite a lot of money to secure a good location. (Interview, 4 November 2019)

By means of this process, existing retailers were directly displaced. It was inevitable that existing retailers would be dispossessed and evicted because of the financial power of large companies. This continual investment based on 'the different calculator' accelerated the increase of rents in the retail sector. The effects of this strategy and behaviour were not limited simply to direct

dispossession and displacement of existing retailers but affected rents and premiums for the entire area. The role of these large companies was as a catalyst that accelerated the increases in rent and *kwonrikeum* over the entire retail sector in those areas where tourist numbers were increasing. Neighbouring landlords paid attention to the high rents and price of stores being leased by the large companies and brand shops, and hoped to raise the rents and prices of their own stores or buildings. Consequently, higher levels of rent proliferated. Regarding this issue, real estate agent U stated:

The other [neighbouring] property owners are definitely aware of such high rents. Then they think 'my building [or store] is as good as that building [which pays very high rent], so I have to raise the rent too!' Consequently, rents increase more sharply due to the activity of large companies and brand shops. (Interview, 4 April 2019)

This phenomenon was not limited to Bukchon but was widespread in other popular areas of Seoul. For instance, KBS, the Korea Broadcasting System, reported on Gyeongridan-gil, an area of Seoul that experienced gentrification in the retail sector (Park, 2019). It stated:

Brand shops of the large companies have played a role in raising rents. They have been offering very high rents that other retailers cannot afford, and then opening their shops. Subsequently, other shops' rents were raised to similar levels. Although not wholly responsible, it seems that the large companies' activities had a significant impact on the increase in rents.

The result then, as discussed above, was that large companies and brand shops played a significant role in the gentrification process in the entire Bukchon area by causing a sharp increase in rents. The earlier retail sector of Bukchon had been developed and made by the existing retailers. Almost of these were small retailers, and the characteristic ambience of the retail sector created by them was one of the motivations for the original tourism boom. The tourism boom, however, changed everything. After the sharp rise in the number of tourists, the large companies and their brand shops, armed with their ability to mobilise tremendous financial resources, entered the retail sector in order to exploit extra profit with the use of the 'different calculator' and this resulted in the displacement of existing retailers.

#### **6.4.2.2 Shift in the nature of the retail sector**

A significant rise in rents in the retail sector not only provoked displacement but also led to a shift in the nature of the retail sector. It resulted in a decrease

in the number of shops supplying the daily needs of residents, and an increase in the number of tourism-related shops such as souvenir, clothes and accessory shops that could afford the high rent brought about by the increasing number of tourists. Moreover, the nature of the retail sector used by residents shifted as retail targeted the new affluent inhabitants and brand shops increased.

The number of shops selling essential goods for residents decreased during this period because of the sharp rise in rents in conjunction with the population decrease. Retailers who supplied the daily needs of residents in Bukchon were dependent on the consumption of local inhabitants. Decreasing population, therefore, was another cause that led to the displacement of existing retailers supplying the daily needs of residents. Consequently, many retailers selling essential goods have been displaced and shops for tourists substituted for them. An interview quoted in a newspaper shows this trend clearly:

The population of the *hanok* village in Bukchon is decreasing due to the departure of original residents and the increasing number of second homes. Mr Choi, who runs a small grocery store at the entrance of Gahoe-dong, said, "We have been in business here for 25 years, but the original residents have now left. And the rich guys who bought a *hanok* as a second home, rarely visit my shop. Moreover, the rent has been increasing continuously. So, maybe, I will have to close my shop". (Son and Han, 2007)

The store closed not long after this report appeared.<sup>3</sup> In addition, a comment by community leader and guesthouse owner I supported this argument. He said, "They couldn't maintain their shops due to the population decline... Rents were also an important factor, but there were fewer consumers, so they [retailers who provided essential services and items for inhabitants] had no choice but to close their shops" (Interview, 9 April 2019). I heard the same comment from the owner of a pharmacy (Z) (Interview, 18 November 2019).

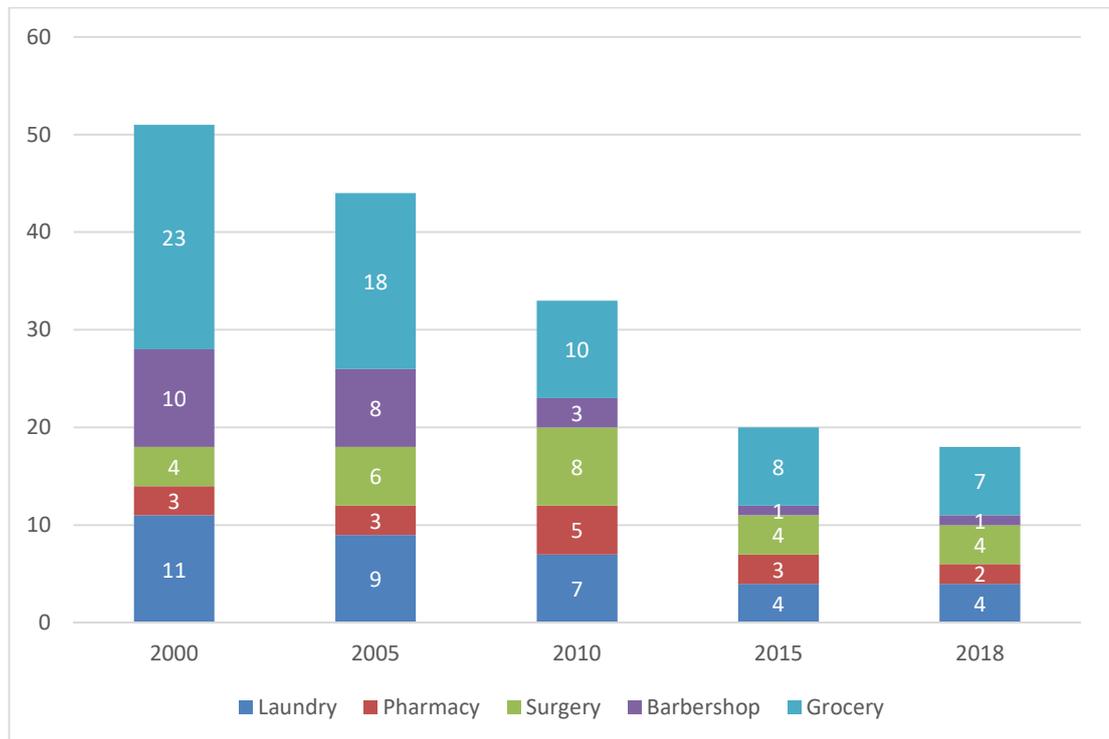
As a result, the number of shops supplying the daily needs of residents rapidly decreased. Figure 6.10 presents the continuous decrease in the number of shops supplying the daily needs of residents, such as laundries, pharmacies, surgeries, and groceries, between 2006 and 2015. Of these, it was the number of grocery stores that decreased most dramatically. The number was 23 in

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<sup>3</sup> A search on Daum Road View, a tool similar to Google, shows that it disappeared in 2009 or 2010.

2000 but decreased dramatically over the following ten years, so that it reached 18 by 2005, then dropped by a further 10 between 2005 and 2015. The number of laundries was 11 in 2000 but declined continuously, reaching 9 by 2005 and 4 by 2015. The total number of essential-goods shops for residents in Bukchon has declined sharply over the ten years since 2005. Between 2000 and 2005 it had decreased by 7 from 51 to 44, a rate of 14%. Over the following ten years, between 2005 and 2015, the rate increased to 55% and the total number of essential-goods shops for residents had dropped by 24, from 44 in 2005 to 20 in 2015.

New shops reflected the tastes and pockets of new residents and visitors. While the number of grocery shops declined from 23 to 8 between 2000 and 2015, during fieldwork in 2019, I found three high-quality organic grocery stores aimed at affluent residents, accounting for almost 40% of the total number of grocery stores in Bukchon. According to the Local administrative licencing data, all of the high-quality organic grocery stores in Bukchon opened between 2005 and 2015.

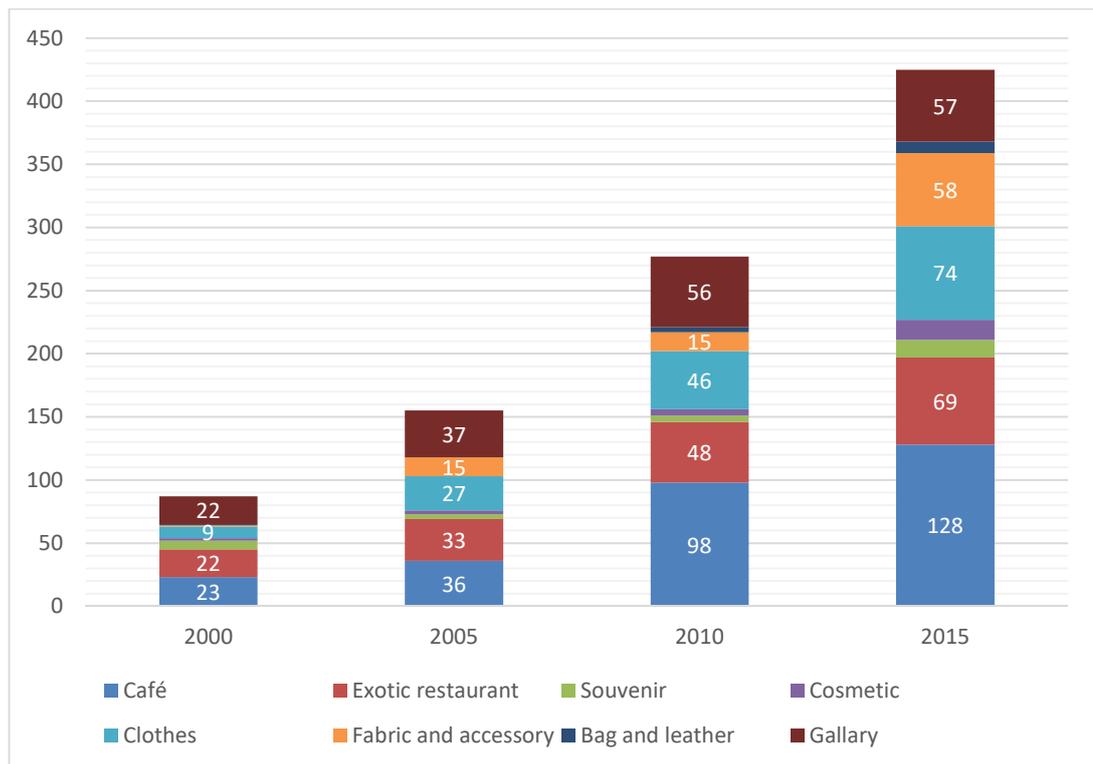


**Figure 6.10** Changing number of shops supplying the daily needs of residents in Bukchon

Source: Data collated from Seoul Business Survey Data and Local Administrative Licencing Data. Seoul Open Data Square and Local Data website. [Online]. [Accessed Nov 2019]. Available from: <https://data.seoul.go.kr>, <http://www.localdata.kr>.

Figure 6.11 shows a continuous increase between 2005 and 2015 in the total number of shops which were selling products predominantly for tourists, including cosmetic shops, cafés, restaurants, and accessory shops. The total number of shops looking to tourists for custom in Bukchon dramatically increased over the ten years following 2005. It soared from 155 to 425, an increase of 270, between 2005 and 2015, a rate of 174.2%. To take an example, the number of coffee shops rose sharply between 2005 and 2010, the growth rate during this period being 172%. The number of apparel, cosmetic, accessory and souvenir shops in Bukchon also rapidly increased.

During fieldwork I observed many franchise and brand shops located in Bukchon. Figure 6.12 illustrates the situation clearly. In the picture on the left, Skechers and Innisfree brand cosmetic shops are located side by side while the one on the right shows large Coffee Bean and Starbucks coffee shops. There were in fact three Starbucks coffee shops in the Bukchon.



**Figure 6.11** Variety in type and number of the tourist shops in Bukchon

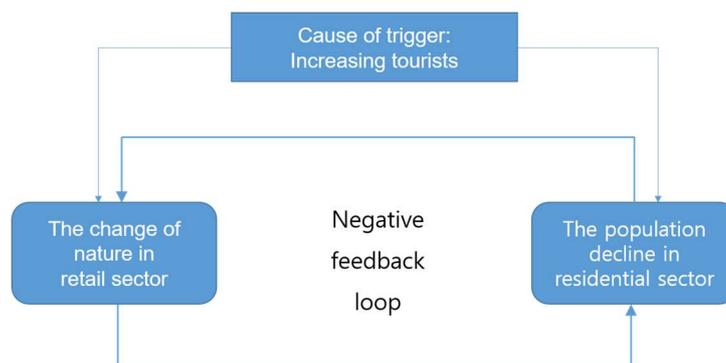
Source: Data collated from Seoul Business Survey Data. Seoul Open Data Square\*. [Online]. [Accessed 17 Nov 2019]. Available from: <https://data.seoul.go.kr>.



**Figure 6.12** Franchise and brand shops in Bukchon

Source: The author, photographs taken in April 2019.

The changes that we have examined above in the nature of Bukchon severely damaged interdependence between residential and retail sectors that had characterised Bukchon before gentrification. Instead, a new symbiotic relationship, between tourists and the retail outlets that catered for them, has emerged. These changes reinforced displacement pressures through the formation of a negative feedback loop. As demonstrated in Figure 6.13, population decline resulted in a loss of demand for shops supplying the daily needs of residents. This further resulted in an accelerating decrease in the number of these shops. Changes in the retail sector, meanwhile, also facilitated the decline in population, because they reinforced displacement pressures through means such as growing levels of inconvenience and loss of community life, not to mention the rising cost of living. As a result, the shops supplying the daily needs of residents in the commercial sector disappeared, thus further accelerating population decline. The end result then is a negative feedback loop between the retail and residential sectors, which has led, inevitably, to continuous displacement of existing users in both sectors.



**Figure 6.13** Negative feedback loop between the residential and retail sectors

## 6.5 Conclusion

This chapter has brought the reader on from the early 2000s and examined developments through the years of tourism-led gentrification from 2006 to 2014. I have argued that the combination of tourism promotion policy, wide coverage by media, and capital investment resulted in tourism-led gentrification in Bukchon. In addition, this chapter argued that tourism-led gentrification caused a series of fundamental local changes in Bukchon. These included changes to the local nature of Bukchon, a weakening of feelings of community, the loss of sense of place and damage to the existing interdependence between the residential and retail sectors which resulted in the formation of a negative feedback loop.

In line with the general discussion on tourism-led gentrification, this chapter argued that entrepreneurial government policy was one of the main causes of tourism-led gentrification in Bukchon. During this period, the SMG and JDG, as entrepreneurial governments, focused on the promotion of tourism in Bukchon in order to strengthen local competitiveness. To this end, a tourism promotion policy and a conservation policy were introduced to promote tourism. As a result, the policies triggered tourism-led gentrification. This result occurred in conjunction with other factors such as speculative capital investment in line with the contemporary urban context of Seoul and with wide coverage in the media.

This chapter extends existing studies by arguing that tourism-led gentrification not only brings about rises in rents and displacement of existing users but also acts as a catalyst to more fundamental and wider local change. As has been discussed in this chapter, existing users in Bukchon were not simply displaced by sharp rises in rent. In the residential sector, as the local landscape shifted from that of a residential area to one of a tourist attraction, Bukchon became an inconvenient place in which to live due to the deteriorating living conditions that were being brought on by the soaring number of tourists and the decreasing number of shops supplying the daily needs of residents. As neighbours and familiar shops were displaced, the existing local community began to disappear and the area's particular sense of place was lost. In the retail sector, as the number of residents decreased, existing retailers who had formerly supplied their daily needs suffered due to the decrease in demand for their goods and services. Moreover, these changes damaged the interdependence between the residential and retail sectors and continuously reinforced the displacement pressure as a result of the negative feedback loop which had formed between them.

## **Chapter 7: Resistance of residents and tenant retailers, and government response**

### **7.1 Introduction**

As we have seen in Chapters 5 and 6, Bukchon underwent successive waves of gentrification including tourism-led ones. Particularly significant, in this context, was the resistance of two tenant retailers against eviction from their shops in Bukchon in 2015 and 2016. Residents also protested against displacement pressures triggered by the tourism boom. The SMG (Seoul Metropolitan Government) and JDG (Jongno District Government) introduced policies to mitigate gentrification in the retail sector in 2015 and special measures to mitigate tourism-led gentrification in the residential sector in 2018. The effects of these policies have so far proved limited with only partial success for some measures. Since 2017 the number of tourists has started to decrease in Bukchon, this due to various reasons.

By investigating the related policies and changes in Bukchon after 2015, the effectiveness of policies to mitigate gentrification is assessed. I argue in this chapter that the policy to mitigate gentrification has so far failed to curb the process of gentrification primarily because of the following factors: firstly, the intervention of local groups has mainly consisted of property owners; secondly, the restrictions put in place by the national government have mainly focused on the economic aspects of tourism; thirdly, the absence of a local group representing the main victims such as tenant retailers has been telling; finally, the fact that stakeholders have had different interests has been significant. In addition, this chapter argues that the simple decrease in the number of tourists could not resolve or mitigate the problems of tourism gentrification because this had already brought about fundamental local change.

The chapter, which covers the period from about 2015 onwards, is divided into three substantive sections. Firstly, the resistance of stakeholders is examined in order to illustrate both the specific process of gentrification in Bukchon in the speculative urban context of Seoul and the manner in which tourism-led gentrification became a significant enough issue for countermeasures to have to be introduced in Bukchon. Secondly, subsequent government policies to mitigate gentrification and their effects are examined. This section will highlight the complexity of introducing these policies and demonstrate why they were largely ineffective in mitigating gentrification. Thirdly, the sudden decrease in the number of tourists in Bukchon and the current condition of the

area is discussed in order to demonstrate that gentrification is a problem that cannot simply be mitigated or easily resolved.

## **7.2 Protests by retailers and residents**

This section examines the details of recent cases of resistance by retailers and residents. As discussed in Chapter 3, conflicts between tenant retailers and speculative property owners were often spotlighted by the media during the period of deepening speculative investment in the retail sector after 2008. In this context, the resistance of tenant retailers against eviction by property owners occurred in Bukchon and was spotlighted by the media. In the residential sector, protests by some residents against the increasing displacement pressure brought about by the rising number of tourists took place in 2018. As mentioned in Chapter 2, issues caused by excessive numbers of tourists such as noise, traffic congestion and waste have been significant in many historic urban areas around the world. The result is that many of these cities have experienced protests by residents that have forced local authorities to introduce countermeasures (Nientied and Toto, 2020; Peeters et al., 2018; Seraphin et al., 2018). Similarly, Bukchon also experienced protests by residents in relation to the issue of excessive tourism in 2018 (JDG, 2018a). As I show below, however, the interests and demands of the Bukchon residents who participated in the protests were various. These acts of resistance were one of the main causes for the introduction of policies to mitigate gentrification taken by the SMG and JDG (JDG, 2018a; SMG, 2015a). In addition, the various interests and demands of residents impacted on the effectiveness of government policies as will be addressed in the following section.

### **7.2.1 Resisting retail displacement**

The resistance of two retailers in the same building in Bukchon – Jangnamju Korean Traditional Clothes and Ssiat – was one of the most celebrated examples of tenant retailer resistance against eviction by property owners in Seoul (Shin et al., 2017). Jangnamju Korean Traditional Clothes was a shop selling traditional Korean clothing and Ssiat was a craft studio. This case illustrates the urban context of Seoul by demonstrating how speculative investors exploited extra profits through the retail property market as well as documenting the reasons why tenant retailers resisted displacement. In this

section, the Jangnamju and Ssiat cases are explored through the lens of my interview with the displaced tenant retailer O who managed Jangnamju Korean Traditional Clothes, and also through other related literature.

According to the interview, the displaced retailer had started her business in February 2010 in Bukchon, having been evicted from her first Korean traditional clothes shop in Daehak-ro, a place about one kilometre away from Bukchon, without any compensation. Over a period of seven years she experienced three changes in property ownership and a sharp increase in rent. Then in May 2015, the property owner asked all the tenants to leave, and an order for compulsory eviction was enforced in August 2016 (Interview, 12 March 2019). At the time two tenant retailers including the interviewee resisted the eviction order (Kim and Kim, 2017; Interview, 12 March 2019). Eventually, the two tenant retailers and the property owner agreed on a certain level of compensation as a result of a 13-month period of resistance, and the case was brought to an end (Interview, 12 March 2019).

Displaced tenant retailer O stated, "It [the eviction] was an event that occurred in an environment where capital exploitation [by property owners] through real estate was taken for granted" (Interview, 18 April 2019). Firstly, the property owner raised the rent very rapidly. As mentioned above, the owner of the building where Jangnamju and Ssiat were located changed three times in seven years, and whenever the ownership changed, the rent was raised significantly. Only six months after the interviewee opened her shop the property owner changed, and the new owner raised the rent by 30%; this was in August 2010. Then two years later, the property owner changed again, and the rent was raised by a further 40% or thereabouts. Eventually, the rent had almost doubled between 2010 and 2014, a period of just four years (Kim and Kim, 2017; Interview, 12 March 2019).

Secondly, the property owner tried to avoid paying a *kwonrikeum* premium to the tenant retailer. As mentioned in Chapter 6, evicting tenants without paying any *kwonrikeum* compensation was a widespread method of extracting extra profits that was used by speculative property owners in Seoul. In line with this urban context, the fourth property owner tried to evict the tenant retailer without paying any compensation in 2015. As will be discussed in the next section, the relevant law, the Commercial Building Lease Protection Act, only protected lease agreements for a period of five years or under for retail shops. In 2015, as the two retailers had entered the sixth year of their lease, the fourth property owner tried to dispossess them of their premium legally. The fourth property owner planned to rent out a store to a franchise café and filed a

lawsuit in May 2015 to evict the tenant (Kim and Kim, 2017; Interview, 12 March 2019).

Lastly, speculative property owners could make large short-term profits through buying and selling property as well as from rent income itself. For instance, according to the interview with displaced tenant retailer O, the second property owner brought the commercial building in which her shop was located for 1.8 billion won (about £1.2 million) and sold it for 2 billion won a year later. The third property owner sold the commercial building for 2.4 billion won just three years after that in 2015 (Interview, 18 April 2019).

In the end, the property owner tried to evict them, so they began to resist. Regarding this issue, tenant retailer O stated in the interview, “The property owner had already raised the rent very high, but I accepted it. Then, he tried to evict me [without any compensation in the form of a *Kwonrikeum* premium] just after the first five years of the rental period were over in May 2015. I was so angry that I said to him, ‘I will not leave this shop’” (Interview, 18 April 2019). She added that she could no longer endure such unfairness because she already had the experience of being evicted from her former shop without receiving any compensation. As she explained in a media interview (Son, 2016):

I have been evicted twice in the last ten years. The first time I was just in debt, but now, I have no alternative. If I am evicted from this shop, I am still in debt. From here it is all or nothing for me....Property owners evict tenants without paying any *kwonrikeum* compensation. I can't endure it anymore. I will struggle for the rest of my life rather than live miserably and die.

Tenant retailer O began her resistance in May 2015. After the compulsory eviction order was enforced in August 2016, she and another tenant retailer started to protest in any way they could. They could not sue the property owner because, as mentioned in the previous section, the Commercial Building Lease Protection Act did not protect tenants whose contract period had lasted for more than five years (Interview, 18 April 2019; Kim and Kim, 2017). She stated in the interview (18 April 2019) that she lived in a tent in front of her shop after she was compulsorily evicted in August 2016. She and the tenant retailer of Ssiat protested almost every day, in front of the shop, in front of the local government offices, even in front of the Blue House – the office of the South Korean president – either by themselves or together with civic activists. Furthermore until August 2017, she held a press conference once a week to complain about the unfairness of her situation.

This resistance in Bukchon, along with other cases in Seoul, pressured the SMG and JDG to establish and implement policies to protect tenant retailers facing unfair displacement. At the time the media began to spotlight retail sector gentrification, and the Bukchon case was in turn also spotlighted by the media. For instance, the media covered the Jangnamju case nine times in 2016, and there was even a TV documentary about it (EBS channel's Documentary Gaze, entitled *The Internal Affairs of the Village*) (Kim and Kim, 2017). These media reports were largely sympathetic to the retailers. For instance, the title of one media report was: "It is time to take action against bad property owners". The report spotlighted the attempts by the property owner to dispossess the tenants of their *kwonrikeum* compensation (Jung, 2016). Furthermore, it argued for the formulation of proper policies to relieve the negative effects of retail sector gentrification. Another media report stressed the negative results of the displacement of tenant retailers and argued the need for an intervention policy to relieve them (Ahn, 2016). Worth noting too is that at that time, the mayor of Seoul, Park Won-Soon lived in Bukchon. Tenant retailer O told me that she had met the mayor in Bukchon and that she had asked him directly to intervene in order to help to resolve a problem that had become widespread in the fashionable areas of Seoul (Interview, 18 April 2019).

In this context, as the relevant government documents show (JDG, 2019a; SMG, 2015a), the protests of the retailers combined with the wide media coverage of the issue put pressure on government to introduce policies to tackle the problem. More details about these government policies will be examined in section 7.3.

### **7.2.2 Demands and resistance of residents**

Residents held several demonstrations in 2018. They protested against the damage caused by the excessive number of tourists and demanded that the government take proper countermeasures to resolve the situation. As mentioned in the previous chapter, increasing numbers of tourists were exacerbating displacement pressures such as noise, litter and traffic pollution. Therefore, beginning in May 2018, a group of residents started a protest movement to demand government countermeasures to mitigate these problems. Regarding this issue, resident M, who was one of the leaders of the protests, explained, "After the influx of tourists, tourists filled all the alleyways. [It was] very noisy.... Tourists just dumped their trash everywhere. So we started the protest." (Interview, 28 March 2019). From April 2018, residents

protested every Saturday and hung banners stating their demands on the walls of the alleyways (Ryu, 2018). Figures 7.1 and 7.2 illustrate the situation.



**Figure 7.1** Banners stating resident demands on the walls

Source: The author, photographs taken in March 2019



**Figure 7.2** Banner with resident demands in English

Source: Chae, 2018

Some residents who lived in particularly popular tourist destinations in Bukchon, especially around Bukchonro-11gil, were at the forefront of those demanding measures to resolve these problems. For instance, I took the picture (Figure 7.1) in Bukchonro-11gil. The statements printed on the banner

demand an improvement in living conditions and for measures to be taken against the influx of tourists, for example “Residents want to live well”. Several media reports also pointed out that the residents of Bukchon around Bukchonro-11gil were demanding measures to counter excessive levels of tourism (Chae, 2018; Ryu, 2018).

However, despite the apparently clear, united and unambiguous demands presented to the outside world, the interests and demands of the residents who participated in the protests were actually quite various. According to media reports as well as claims made by several interviewees, some of the protest leaders, despite their rhetoric, were actually pressing for greater levels of economic compensation such as the deregulation of land and building use in the strictly regulated zone as classified by the BDUP. Regarding this issue, two core members who led this protest (residents M and I) and government official G3 all told me that the demands of residents who participated in the protests were diverse. For instance, one core member of the protests (I) explained that, “The demands made during protests and the hidden [real] wants were different... [The hidden demand was that] it is tough to live here because there are too many tourists, so please give us economic compensation...such as relaxation of the strict regulations [on land use in tightly regulated Zones 1 and 2 as classified by the BDUP]” (Interview, 9 April 2019).

These people were requesting a fairer distribution of the economic profits gained from tourism. Indeed some residents argued that other stakeholders had earned a large share of extra profits from the high number of tourists while all the resulting damage was suffered by residents living in the strictly regulated zones 1 and 2 as classified by the BDUP. It was mainly two groups of stakeholders – the retail property owners in the less regulated zones and the government – who were believed by some residents to be the ones to profit most significantly from the tourist situation in Bukchon. One of the community leaders (M) argued that the damage caused by the increase in number of tourists was born most heavily by the residents of Zone 1 and 2, but that they could not earn extra profits from tourism due to the strict regulations. Property owners in other zones, however, could gain extra profits by doing business or by raising rents under the less strict regulations designated for these zones by the BDUP. Real estate agent W gave me the following additional explanation:

After the introduction of the BDUP, the price gap between retail property [in the less regulated zone] and residential property [in Zones 1 and 2] has

grown much wider. In the early 2000s, the gap between the two was just double, but now one is 4 times more expensive than the other. This imbalance is the cause of the conflict between the stakeholders.... In the same area [Bukchon], the disadvantage weighs squarely on the residents [in the strictly regulated zone] but the potential for profit lies with the owners of retail properties (Interview, 22 March 2019).

Another resident, G, who is also a community leader, argued that in his opinion the stakeholder to benefit the most was the government. He stated, "All of the hotels, department stores and shops in Seoul will pay taxes and the government will make more money.... It seems that residents are suffering [from strict regulation without compensation] in order to help the government make money" (Interview, 22 April 2019). Local councillor G5 made the same point, adding that the position of residents was also understandable (Interview, 16 April 2019).

Some residents, on the other hand, really wanted to mitigate the negative impact of the large number of tourists. Government official G3 told me that some of the residents who participated in the protests were demanding measures to mitigate the damage done by tourists, but that they then stopped participating after the first few protests due to the conflict among residents (Interview, 13 April 2019). More details on issue of conflict among residents will be examined in section 7.3.2.

In this process, residents recognised the need to gain media attention in order to achieve their goals. With this in mind they actively tried to get the media to cover their protests. Community leader M, who led the protests, stated that they tried to contact the media in order to promote their protest and hence to achieve their goals. He told me that the residents protested in ways that would easily attract media attention (Interview, 28 March 2019).

As a result, in summer of 2018 many media reports spotlighted the protests of residents in Bukchon (Ahn and Cho, 2018; Chae, 2018; Ko, 2018; Koo, 2018; Ryu, 2018). For example, Ahn and Cho (2018) and Koo (2018) drew attention to both the very rich levels of tourism in Bukchon as well as the protests of residents complaining about the damage to their neighbourhoods and their demands for better living conditions. Chae (2018) and Ko (2018) stressed the negative effects of an increasing number of tourists as well as covering the residents protests.

Given this context, the protests and the coverage they received in the media became one of the main causes that prompted the JDG's introduction of the

Jongno-gu Special Measures on Touristification (JSMT).<sup>4</sup> In relation to this issue, resident M stated that, “Simply protesting didn’t work.... [When] KBS and MBC [the most influential broadcasters in South Korea] started to cover the protest, then, the JDG came up with some measures” (Interview, 28 March 2019). The JSMT policy report also pointed out that the rising levels of resident demands and protests were one of the main reasons that the JDG introduced JSMT (JDG, 2018a). In addition, various resident interests and demands also affected the effectiveness of government policies.

### **7.3 Government policies to mitigate gentrification**

In 2015 and 2018, the SMG and JDG introduced policies on gentrification in the retail and residential sectors. As discussed in Chapter 5, government policies in this period were also affected by local context and the intervention of relevant stakeholders. In line with this discussion, municipal and local government policies to mitigate gentrification were influenced by several factors. These included the intervention of local groups consisting mainly of property owners and of the national government, which was focused mainly on the economic aspects of tourism. Other factors were the absence of any local group representing the victims such as tenant retailers; the different and sometimes contradictory goals of stakeholders; and the small scale of beneficiaries and participants. To date, the policy to mitigate gentrification has failed to curb the process of gentrification, although some of the measures have been partially effective. This section, thus, examines the specific contents of these policies as well as the influence of stakeholders and the effects of government policies implemented since 2015 to show why these policies have so far proved ineffective.

#### **7.3.1 Policy on retail sector gentrification and its effects**

In this section, regarding policies implemented on the retail sector, I argue that these policies to mitigate gentrification have so far proved largely ineffective.

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<sup>4</sup> The document of Jongno-Gu Office introducing JSMT uses the term touristification to describe a phenomenon by which residents are displaced from their homes because their residence has become a tourist attraction. The document adds the explanation that the term is a compound word consisting of ‘to touristify’, that is, ‘to become a tourist destination’ and ‘gentrification’, a phenomenon in which indigenous peoples are displaced due to rising rents (JDG, 2018, p. 2).

A number of government policies have been introduced in the years since 2015 by the SMG and JDG. The Comprehensive Measures against Gentrification (CMAG) were introduced by the SMG in 2015. In addition, the SMG has continuously been evaluating and checking the performance of these measures. The JDG also introduced several measures in 2019 in line with the CMAG. Despite some of these measures being partially effective in other areas of Seoul, the effects on the retail sector of policy to mitigate gentrification have so far proved limited in Bukchon. To investigate the specific contents and effects of the above mentioned government policies, this subsection firstly examines the details of the measures implemented by the SMG and the JDG. Secondly, the specific policy effects on the retail sector are explored.

### **7.3.1.1 Policy to mitigate retail sector gentrification**

Around 2015, the SMG actively attempted to mitigate retail sector gentrification and to placate the resistance of retailers though its responses have been dependent on the changes in the political colour of the SMG. In October 2011, the power of the SMG moved from the conservative party to the Democratic (progressive) Party. As mentioned in section 3.3.2, the two mayors, Lee and Oh who belonged to the conservative party, introduced and promoted a number of entrepreneurial urban policies such as the New Town project and the tourism promotion policy (see Chapter 3). This is the context in which, as has been mentioned in Chapter 3, the Yongsan Disaster took place. The urban policy direction of the SMG, however, changed when mayor Park Won-Soon was elected in 2011. Policy direction tended to be shifted towards protection of the disadvantaged rather than of the affluent property owners (SMG, 2015c).

In this context, the CMAG were introduced to mitigate gentrification in the retail sector in 2015 (SMG, 2015a). The CMAG covered several main issues regarding retail sector gentrification including general measures for the whole of Seoul and local measures for six targeted areas such as Bukchon. The general measures contained seven tools to mitigate the negative impact of gentrification. These consisted of publicising the gentrification issue through governance, the establishment of public-private committees according to district and incentives to encourage win-win agreements between property owners and tenant retailers, the enactment of relevant ordinances, the operation of a dedicated legal support team, the securing and operating of anchor facilities to preserve regional identities, and the management of a

Seoul Type Long-term Shop and of a Supporting Long-term Loan (SMG, 2015a). The local measures for the six targeted areas were customised individually for each one (SMG, 2015a).

The details of the above-mentioned measures are as follows (SMG, 2015a). Firstly, 'Publicising the gentrification issue through governance' was introduced to secure a social consensus in regard to retail sector gentrification. The report argued that anti-gentrification measures will likely face criticism from property owners, the media, and from relevant experts who advocate the rights of property owners. There was a need then to secure a social consensus. To achieve this goal, the measure proposed the creation of a public-private partnership, which would both organise a conference including well-known experts and hold a series of public hearings in designated areas so as to explain the details of the CMAG and to listen to the opinion of local residents (SMG, 2015a). According to a report on the progress of the CMAG (SMG, 2017; 2018a), these measures have been implemented. For instance, the SMG held a conference, two debates and several public hearings in different areas between 2015 and 2016. Public-private partnerships have also been created in the designated areas, including Bukchon, in line with the CMAG recommendations.

Secondly, public-private committees according to district and incentives to encourage win-win agreements between property owners and tenant retailers were introduced to promote autonomous problem-solving. The win-win agreement is an autonomous agreement, actively promoted by the government. Its goal is to ensure that the property owner pays the *kwonrikeum* compensation premium to the tenant retailer and to minimise rent increases on condition that the tenant tries to improve the value of the shop. In addition, this measure included the introduction of a Good Property Owner Certificate System whereby a certificate is given to property owners who participate in a win-win agreement. The goal then was the promotion of successful cases regarding the win-win agreement (SMG, 2015a). In fact, so-called win-win agreements had been signed in seven places in Seoul by 2017 (SMG, 2017).

Thirdly, 'Strengthening the Institutional Basis to Protect and Support Small Tenant Retailers' was introduced to secure stable conditions for tenant retailers who were at risk of being displaced. It included enactment of the Seoul Tenant Retailer Protection Ordinance and measures to educate tenant retailers about the Commercial Building Lease Protection Act. The Seoul Tenant Retailer Protection Ordinance was an ordinance designed to reinforce the right of tenant retailers who were renting a shop from the SMG or one of

its affiliate organisations, and also to establish the institutional basis in relation to Seoul type loans, which will be explained in the following paragraphs (SMG, 2015a). The ordinance was enacted and implemented in January 2016 (SMG, 2017).

Fourthly, 'Operating a Dedicated Legal Support Team' was a measure introduced to offer support to tenant retailers who were concerned about gentrification-related issues. The dedicated lawyers and tax accountants were to be designated and organised according to place. They would then advise and support any tenant retailers who were facing problems associated with gentrification issues (SMG, 2015a). In 2017, there were 33 dedicated lawyers and 27 tax accountants working for these support groups in Seoul (SMG, 2017).

Fifthly, 'Securing and Operating Anchor Facilities' were measures introduced in order to preserve regional identity by supporting small tenant retailers by means of leasing them facilities. To achieve this goal, a plan was proposed to invest 20 billion won (about £13 million) so as to secure buildings that would serve as anchor facilities (SMG, 2015a). Regarding these measures, 21 anchor facilities in 12 places had been secured by the SMG by 2017, and there were plans to secure a further 5 (SMG, 2017).

Sixthly, the concept of the 'Seoul-type long-term shop' was formulated with the purpose of promoting the win-win agreements between property owners and tenant retailers. This measure aimed at supporting those property owners who had participated in a win-win agreement by designating their shops as 'Seoul type long-term shops' and rewarding them by offering subsidies for their building repairs. Levels of support ranged up to 30 million won (about £20,000) per unit with a total budget for this measure of 900 million won (SMG, 2015a). By 2017, 82 stores had joined the 'Seoul-type long-term shop' scheme and 1.3 billion won worth of support delivered to property owners by the SMG (SMG, 2017).

Lastly, the 'Supporting Long-term Loan' was a measure to support tenant retailers who wanted to buy their shop from the property owner by helping them secure stable business conditions. There was a financial support package that included a long-term low-interest rate loan programme for the tenant retailer. It would support up to 75% of the shop's price up to 800 million won (about £500,000), with a total budget for the measure of 5 billion won (SMG, 2015a). By 2017, the SMG had provided about 1.9 billion won worth of loans to five tenant retailers through this measure (SMG, 2017).

The local measures for the six targeted areas differed according to place. The measures designated for Bukchon mainly related to residential sector gentrification and included the establishment of community facilities and steps to educate residents about the history of Bukchon in order to strengthen the community. These measures will be addressed in section 7.3.2.

In addition, the CMAG included plans to promote the revision of certain national acts such as the Commercial Building Lease Protection Act. It proposed an extension from five to ten years of the right to request contract renewal; restrictions on the rate at which rent can be increased; protection of the *kwonrikeum* compensation premium for tenant retailers; and the organisation of a Dispute Mediation Committee by the municipal government (SMG, 2015a). The SMG continued its efforts to revise these laws in February 2016 including holding a debate with MPs in June 2016 (SMG, 2017).

In the end the national law was revised in line with the CMAG plans thanks to the repeated efforts of the SMG, civic groups and MPs. As mentioned above, the SMG tried to revise the Building Lease Protection Act in line with the CMAG. In addition, a number of civic groups also tried to revise the act in favour of tenant retailers. For instance, Mamsangmo, one of the civic groups, published 135 press releases arguing for the need to revise the act. In addition, these civic groups held a number of debates with MPs regarding the revision of the act (Mamsangmo, 2020; People's Solidarity for Participatory Democracy, 2017). Consequently, the act was revised in September 2018 to strengthen the rights of tenant retailers. The revised law extended from five to ten years the period during which one had the right to request contract renewal and created the 'Commercial Building Dispute Conciliation Committees' to intervene in conflicts between tenant retailers and property owners in regard to this act (Commercial Building Lease Protection Act 2018).

In addition, the performance of the various measures introduced by the CMAG was continuously evaluated and checked by the SMG after the revision of the act. For instance, the SMG released five reports in relation to evaluating the performance of CMAG between 2017 and 2018 (SMG, 2017; 2018a). The SMG held forums on the topic of 'Seeking to Prevent Gentrification' with members of parliament in 2015 (Jang, 2015c) and 2016 (Lim, 2016), and continuously participated in relevant debates in the national parliament in 2017 and 2018. The Seoul government official (G6) in charge of CMAG stressed that they were continuously evaluating the performance of the measures, and endeavouring to revise the relevant law (Interview, 26 November 2019).

The district government, meanwhile, also introduced additional measures to mitigate gentrification in the retail sector in 2019 in line with those implemented in the CMAG in 2015. These measures were as follows: incentives to encourage win-win agreements; publicising gentrification issues through governance; the establishment of a public-private committee; the commitment to operate a dedicated legal support team for tenant retailers facing displacement from their shops; implementation of the 'Jongno-gu Prevent Gentrification and Win-win Partnership Ordinance' and; regulations on the spread of brand shops. Most of these measures were in line with the CMAG. For instance, the JDG organised the 'Prevent Gentrification and Win-win Partnership Consulting Group' as a public-private committee to mitigate retail sector gentrification. The JDG clearly publicised that its intention in organising the consulting group was to prevent further retail sector gentrification (JDG, 2019a). This was substantiated by a JDG official when I participated in a formal meeting of the consulting group on 16 April 2019.

#### **7.3.1.2 Policy effects on the retail sector**

The effects of policies to mitigate gentrification in the retail sector have so far proved limited in Bukchon despite certain of these measures proving partially effective in other areas of Seoul. There were four main reasons for this.

Firstly, the existence of a strong national government and limited local government powers make it difficult implement effective policy. It is hard to introduce particular regulations for Seoul and Bukchon under national law. In South Korea, the real estate market in the Seoul metropolitan area is completely different from that in other regions, and this difference further continues to widen. Therefore, a suitable policy on real estate property should vary according to locality (Park. et al., 2011). According to my interviews with government officials, however, the national government has the largest share of power when it comes to the introduction of essential regulations regarding retail sector gentrification, whereas local and municipal governments find it difficult to legislate effectively. SMG official G6 stated, "Conditions in Seoul are different from those in other regions, but the national government legislates across the board. So it is difficult to introduce compulsory measures suitable to local conditions [regarding gentrification in the retail sector]" (Interview, 26 November 2019). In addition, the national government tended to overlook the particular conditions of local areas [like Bukchon]. For example, government official G3 informed me that the national government did not

understand the severity of the gentrification problems in the locality (Interview, 13 April 2019).

Most of the policy measures that were introduced by local and municipal government had to be based on voluntary participation due to the constraints of national law. For instance, many measures of the CMAG such as the public-private partnership, the win-win agreements, the Seoul Type Long-term Shop and the Supporting Long-term Loans were based on voluntary participation. Regarding this issue, government official G1 stated, "It is very difficult for the SMG to enforce compulsory policies due to the constraints of national law" (Interview, 2 March 2019). An activist of Mamsangmo (CA2) also told me that it was difficult for SMG to introduce effective measures including mandatory measures for the same reason.

In addition, it was difficult to implement policy in a timely manner because to do so it was necessary to persuade the national government and wait for it to change legislation at the national level. The revision of the Building Lease Protection Act is a good example of this problem. The revision of the act failed to help the retail sector in Bukchon due to the excessive length of time it took for the process to be completed. As mentioned earlier, the act was revised in line with the CMAG, but until this protracted procedure was complete the revised legislation was not legally valid and retailers in Bukchon had no protection from the rapid rent increases during this period. Retail sector rents in Bukchon had climbed rapidly since 2010 before peaking in around 2016, an unambiguous indicator that gentrification had actively been occurring during this period. The Commercial Building Lease Protection Act, however, was only finally revised in September 2018. As a result, Bukchon could not benefit from the revised domestic law due to the slow pace of national government in finalising the legislation.

Secondly, given the prevailing speculative urban context, policy measures based on voluntary participation were difficult to be made effective due to the intervention of property owners. Many of the community leaders who regularly participated in the stakeholder-government committees concerned with implementing government policy and who had a 'blocking power' in the community, were themselves property owners or owner-occupiers. For instance, the civic rights group Mamsangmo criticised the fact that the retailers' representatives on the stakeholder-government committees did not represent the main victims, the tenant retailers, because almost all of them were themselves property owners (Mamsangmo, 2015). This situation was confirmed during my fieldwork. When I participated in an official meeting to

discuss countermeasures against gentrification in the retail sector in the JDG on 16 April 2019, all but one of the retailers' representatives were property owners. In addition, in a paper the activist Kim Sang-Cheol argued that senior officials in the government were likely to support the interests of the property owners because many of them owned property themselves (Kim, 2017a). According to Kim, one-fifth of senior government officials in the national government were owners of retail property such as shops.

As we have seen in Chapters 3, 5 and 6, property owners had a strong tendency to pursue extra profits through trading in property. In this speculative market-based context, many community leaders, who were also property owners and regular members of stakeholder-government committees, did not want to damage their own interests. For instance, I was witness to a public hearing on 3 May 2019 in Bukchon during which several owner-occupiers argued that they strongly opposed any measures damaging to their rights and interests. Government official G1 stated, "Many residents [who were property owners] mainly proposed measures that would raise the value of their property" (Interview, 2 March 2019), while government official G3 told me that property owners were strongly opposed to measures that might damage their own interests (Interview, 13 April 2019).

In this context, it was difficult to see how measures based on voluntary participation could ever work effectively. As mentioned above, many measures in the CMAG were likely to damage the interests of property owners because they targeted a curb in the increase in rents and property values. Therefore, these measures could not be effective due to the intervention of property owners. Regarding this issue, S3, the only tenant retailer to participate in a meeting held on 16 April 2019, one in which I also participated, told me, "How can the committee draw up effective measures for tenant retailers given this situation [that most participants were property owners]?... Many of the committee members [who are also property owners] always disrupt the debate. So most of the meetings end without results" (Interview, 2 May 2019). Activist Kim Sang-Cheol raised a similar point, "Can they [the government officials who are property owners] be neutral in regard to the [gentrification] problem of tenant retailers?" (Kim, 2017a, p. 202).

Thirdly, there was no well-organised tenant retailers' group either to exert political pressure in favour of the tenant retailers or to facilitate the implementation of voluntary measures to mitigate gentrification in Bukchon. This further limited the effectiveness of measures based on voluntary participation. Furthermore, many of the existing retailers in Bukchon had

already been displaced as a result of the gentrification process, so that the existing network among tenant retailers was disappearing. Without the support of a strong tenants' group, the voluntary measures were largely ineffective. Civic activist CA1, who had been living in Bukchon, stated, "There used to be a network among retailers but it has disappeared....So it was difficult for the community to respond when the gentrification problems happened" (Interview, 5 April 2019). A government official (G7) who is in charge of policy regarding anti-gentrification in the retail sector explained matters as follows:

A well-organised group is necessary to impose a policy successfully...In the case of Seochon [just west of Bukchon], the tenant retailers' association is well organised and already understands the impact of gentrification.... Retailers [in Seochon] make good use of the win-win agreement system every year, so they are relatively less affected by gentrification. Property owners are careful [when doing anything that impacts on tenant retailers] because of the win-win agreements and the power of the tenant retailers' group...In Samcheong-dong, there is also a retailer's association but it is not well organised. So the policy does not work well there....In Bukchon, it has been impossible to produce sufficient results from the policy. (Interview, 15 November 2019)

Fourthly, the number of participants or direct beneficiaries of measures such as the Securing and operating anchor facilities scheme, the Seoul type long-term shop scheme and the Supporting long-term loan scheme has been too small to curb the gentrification process in the retail sector. For instance, as previously mentioned, only 82 shops in the entire municipal Seoul area joined the Seoul type long-term shop scheme in 2015, 2016 and 2017 (SMG, 2017). This was too few to mitigate the gentrification process. Regarding this issue, SMG official G6 agreed, "The number of participants was too small to be effective. The number of participants would have to be increased in order to be effective" (Interview, 26 November 2019). He also mentioned that there were no businesses in Bukchon that had participated in the Seoul type long-term shop scheme or the Supporting long-term loan scheme.

Despite the effects of most of these measures being, so far at least, limited in Bukchon, some of the measures have proved at least partially effective in adjacent areas. For instance, publicising the negative aspects of gentrification has been partially successful. As mentioned previously, one of the main measures of the CMAG was a government programme to publicise issues around gentrification. In this context, the CMAG was spotlighted by the media

and received wide coverage (Won, 2015; Kim, 2015b; Eom, 2015). This contributed to the issues regarding gentrification in the retail sector becoming more widely known to the public as well as arousing widespread public awareness that tourism-led gentrification can be a serious enough problem to require comprehensive measures to control it. This position was supported by civic activist CA1 and government official G7:

We need to widely inform the public that an increase in the number of tourists is not necessarily a good thing. So, whether the policy has been successful or not, the [CMAG] programme is meaningful because it can make it widely known that the problems regarding tourism are serious enough to require comprehensive countermeasures. (CA1, Interview, 5 April 2019)

When the policy was announced, some property owners realised that it [raising rent sharply and evicting existing tenant retailers] could be detrimental [to their long term interests]...The policy worked in so far as it encouraged this awareness. (G7, Interview, 15 November 2019)

The case of two areas near Bukchon demonstrates that the publicising of the policy did in fact help to mitigate gentrification. The tenant retailers' associations of two popular areas, Ikseon-dong and Seochon, came to understand the negative effects of gentrification through the policy implementation as well as through their own experience. Thus, they were able systemically to resist the gentrification process and were partially successful in achieving their goals. For instance, as discussed in Chapter 6, the retailers' association of Ikseon-dong systematically resisted the opening of a large company's promotion shop as part of their struggle against the dispossession of their place by large company promotion shops and franchise shops. The chair of the Ikseon-dong retailers' association, S3, told me that they learned from the example of what was happening in Bukchon and so were able to resist more systemically. He said, "We already knew the severe negative effects of gentrification through the case of Bukchon...So we knew we had to resist the gentrification process in order to continue our businesses in this place" (Interview, 2 May 2019). The case of Seochon also well demonstrates the effects of the growing awareness about gentrification through government and media publicity.

### **7.3.2 Policy on residential sector gentrification and its effects**

The main policies to mitigate tourism gentrification in the residential sector were introduced by the JDG in 2018. In addition, a part of the municipal government's CMAG also covered gentrification in the residential sector. I argue here that the early evidence suggests it has been less than successful. The existence of a local government that tried to both promote tourism and curb the displacement pressure, national government that does not support local government policy, the strong voice of a group of residents who oppose new additional regulation, the complex interests of stakeholders and the subsequent conflict among these stakeholders are all factors that have influenced the effectiveness of these measures. This subsection examines the detailed measures aimed at this sector and investigates the specific effects of these policies.

#### **7.3.2.1 Policy to mitigate residential sector gentrification**

The JDG implemented its Jongno-gu Special Measures on Touristification (JSMT) to mitigate displacement pressure by an excessive level of tourism in the residential sectors in June 2018. This policy included concrete measures to limit visiting hours, reduce illegal parking and littering by tourists, and improve tourist behaviour, and also laid out plans to secure an institutional basis and formulate a master plan for sustainable tourism (JDG, 2018a; 2018b). Firstly, the policy limited visitor access to certain residential areas which had become popular tourist attractions in order to minimise the dissatisfaction of residents. For example, Bukchonro-11gil was designated as a place where these measures would be applied. Visiting hours were limited to between 10:00 and 17:00 and the alleyway was closed to tourists on Sundays. These measures, however, were not compulsory but merely a recommendation. To forcibly limit the hours of visit to a specific area would have been illegal as it would have contravened national laws on the freedom of movement.

Secondly, the JDG implemented measures to mitigate the effects of illegal parking and littering caused by tourists. To prevent illegal parking, it was decided to introduce stronger enforcement of parking regulations around Bukchon-ro, especially in the case of tourist buses. To reduce litter, the government increased street cleaning from twice to three times per day, and introduced a programme to employ teams of dedicated street cleaners to collect the litter quickly.

Thirdly, to change tourist behaviour that was harmful to residents' living conditions, the JDG introduced a programme to nurture and employ management personnel made up of residents, and an education programme for tour guides and event managers to promote good tourist etiquette. Regarding the programme to nurture and employ management personnel, the concept of the Bukchon village guardian whose role is to prevent tourists from breaking rules such as being too noisy or dumping litter, was born. An education programme was introduced to bring to the attention of tourists the necessary behaviour expected of them to minimise the inconvenience of residents, and a promotional brochure and campaign were launched to further promote good tourist etiquette.

Fourthly, a plan to enact an Ordinance for Sustainable Tourism with the intention of providing an institutional foundation was formulated. It was intended that this ordinance would include a tourism policy directive that would be good for both residents and tourists and also be fair to all the various stakeholders regarding tourism, and that through this, the JDG would be able to secure enough legitimacy to implement further measures to prevent touristification. This ordinance, however, was reformulated as the Jongno-gu Tourism Promotion Ordinance instead of the Ordinance for Sustainable Tourism in October 2020. As the altered title suggests, it now focused on promoting tourism rather than on mitigating tourism gentrification. For instance, the contents of the ordinance included the development of tourism resources, the advertising of tourism and the establishment of a tourism information centre (JDG, 2020). Article 10 of the ordinance covers the problem caused by the tourism boom. It recommends that local government designate some areas as being under "special management" so as to reduce the damage from tourism; however, there are no details outlining support for the areas under "special management" and the ordinance simply stipulates a designation procedure.

Lastly, the formulation of a tourism master plan was one of the measures envisioned. It stressed that it is necessary to make a long-term plan to respond to changes in tourism-related conditions. The Jongno-gu Tourism Master Plan was formulated in August 2019 in line with the JSMT. The Master Plan suggested three goals for tourism policy. These included the strengthening of tourism competitiveness, the discovery of a point of peaceful coexistence between tradition and the future and between residents and tourists (JDG, 2019b). Regarding the third goal, the Master Plan recognised the damage caused by tourism and recommended the pursuit of peaceful coexistence as

the best way to minimise residents' exposure to damage from tourism and to make the area a good place in which to live (JDG, 2019b, p. 107).

The measures envisioned for Bukchon, one of the six targeted areas in the CMAG, were also aimed at the residential sector. These included the establishment of community facilities and a plan to educate residents about the history of Bukchon. Community facilities consisted of a small library/meeting place for Bukchon residents while the education programme was comprised of voluntary lessons provided by residents who knew the history of Bukchon in the above-mentioned community facility (SMG, 2015a).

### **7.3.2.2 Policy effects on the residential sector**

Despite the JDG having introduced the JSMT to mitigate displacement pressures on the residential sector, the evidence I present here suggests that these measures have been largely ineffective despite some partial successes. There were four main reasons for the failure of government policy to curb the gentrification process in the residential sector.

Firstly, the local government targeted not only curbing tourism gentrification but also promoting tourism, so that the focus was on mitigating the negative effects of the tourism boom rather than on introducing fundamental solutions. The JDG attached importance to tourism promotion because the concept of development/reinforcement of local competitiveness (including the promotion of tourism) became a powerful rhetoric which it deemed necessary in order to secure public support. In line with the wider East Asian context, economic growth has been the priority developmental goal of the South Korean state since the 1970s (Choi, 2017). In this context, the legitimacy of the South Korean state has been "often secured through getting [economic] things done and raising the living standard" (Shin and Kim, 2016, p. 555). Economic development became a powerful argument used to secure public support for government policy in South Korea (Hong, 2005; Lee, 2009; Park and You, 2008). Local competitiveness became one of the most powerful and popular rhetorical tools for securing public approval (Kim, 2012b). Local competitiveness was considered a proper tool for the purpose of achieving local development or economic improvements (Smith, 2002; Clark, 2005; Lees, 2012). In line with the urban policy context, documents associated with the JSMT also stress the economic benefits of the tourism boom and also emphasise the importance of tourism promotion (JDG, 2018a, JDG, 2019b).

In this context, the official goal of JSMT was both to prevent gentrification and to foster tourism as a promising local industry (JDG, 2018a). The document presented tourism growth as both a positive and important factor in the development of an area, but also recognised that the negative side effects caused by excessive tourism needed to be mitigated. The end result was that the local government introduced the JSMT as a compromise “measure for sustainable tourism” (JDG, 2018a, p. 10). In sum fundamental measures to curb the tourism-led gentrification process, therefore, were overlooked in the JSMT.

Secondly, the existence of higher tiers of government and of law was another cause of the limited results of the policy. An important part of the policy was to mitigate the negative effects of tourism gentrification by means of controls on the number of tourists. To that purpose, JSMT included a measure to limit tourist visiting hours in certain residential areas. The measure, however, could not be implemented as a compulsory one because to do so would mean breaking national law and would oppose the primary goal of the national government. Local government official G3 and resident G, who is one of the community leaders, commented on this issue as follows:

We confirmed that the new measure to limit visiting times can't be implemented under the present national law... So, we worked hard [to revise the law]...There was a clause [of the law] about sustainable tourism in the context of the environment, so we proposed an addition that tourism should be sustainable in the social-cultural context...The revised law is still under consideration (G3, Interview, 13 April 2019).

I said [to the head of the JDG] that we should start charging tourists an admission fee when they visit Bukchon.... Then the number of tourists will decrease and we [the residents of Bukchon] can manage our village.... But I was told that it is impossible due to the issue of national law. [I was told] it could be designated a 'Special Tourist Zone' by national law but that this would be very difficult. (G, Interview, 22 April 2019)

Primarily, the central government tends to focus on quantitative growth in tourism and its economic benefits, so it was difficult to persuade them to revise the relevant laws. The national-level tourism master plan illustrates this tendency clearly. Two of the four main strategies of the Third Tourism Development Master Plan (2012-2021) were to improve the efficiency of tourism development including expansion of the role of the private sector in tourism development and the promotion of heritage tourism including the development of city-centre heritage as a major tourism resource (Ministry of

Culture, Sports and Tourism, 2011). These strategies were mainly concerned with promoting tourism to increase the number of tourists and to maximise economic profits. Local government official G3 also commented that the national government was clearly focused on the quantitative growth of tourism and its economic benefits, and so tended to ignore the damage suffered by residents of the tourist destinations. This situation impacts on the effectiveness of policy because it has been difficult to persuade national government to revise the relevant laws. Regarding this issue, government official G3 remarked:

I have talked with the Ministry of Culture, Sports and Tourism, and I was so angry. The official told me, "Please resolve your local problems on your own. We are too busy responding to the decrease in tourists caused by the THAAD<sup>5</sup> problem"... He did not understand the seriousness of the residential damage being caused by the increasing number of tourists. He even told me that he does not agree that the damage done to residents by the increase in tourists numbers is severe, and he doubted whether the law should be amended to reflect this issue. (Interview, 13 April 2019)

Thirdly, it was difficult to introduce and implement effective policy measures because the interests of stakeholders were so varied and there were many conflicts between them, as was mentioned in section 7.2. Interviews with residents B and F and government official G3 clearly show this phenomenon. G3 told me:

I have participated in meetings about BDUP. What many residents wanted was deregulation....Some of them opposed deregulation, but the majority of them asked to be allowed to run businesses [in the strictly regulated area]....Only one person argued in favour of conservation. When that person spoke, everyone criticised him....The people who wanted deregulation spoke with a louder voice. (Interview, 13 April 2019)

The result was that some residents who supported the conservation measures gave up participating in the public-private consultative body meetings. Resident F told me that those people who want to protect the village tend not

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<sup>5</sup> The THAAD crisis was a period of diplomatic tension between South Korea and China caused by the deployment in Korea of a THAAD missile defence system in 2017. China strongly objected to the missile system. Because the range of THAAD radar included Beijing, China considered its deployment to be a threat to the country's strategic interests. As a result, China took several retaliatory measures, including banning Chinese tourists from visiting Korea (Moon, 2017).

to join in the public hearings because the atmosphere of such meetings was hostile to those in favour of regulation (Interview, 20 April 2019).

Moreover, there were different demands among those who were in favour of greater deregulation in Bukchon. Community leader M, who led the residents' protest in 2018 and who was pushing for greater deregulation, told me there were various interests inside the group which was demanding greater deregulation:

Here, Zone 1 was more strictly regulated so residents raged and started to protest... When they gathered, each had their own individual interests so it was hard to unite them. There were various people, including those who wanted a land-use change, those who wanted to build a two-storey *hanok* and those who wanted to manage a guest house. (Interview, 28 March 2019).

There were also more complicated tensions between stakeholders that went beyond the issues of pro-deregulation and anti-deregulation, such as the tension between residents and retailers and that between people living in the strict regulation zone and those living in the other zones. Many interviewees including residents, a government official and a real estate agent (D, M, G3 and W) pointed out the complicated network of tensions between stakeholders. For instance, government official G3 explained the conflict between residents and retailers regarding government policies as follows:

Last January, some residents asked us to hire more guardians in their alleyway because it was noisier when they were not there. I think they noticed the difference. But some retailers around there [Bukchonro-11gil] asked us to remove the Bukchon village guardians because they interfere with business. (Interview, 13 April 2019)

Some residents who wanted more deregulation were against introducing new measures to improve living conditions and mitigate displacement pressure by tourism. Resident I, who was in favour of deregulation, criticised the policies; "The policy we are asking for is one that offers us economic benefits [through deregulation] because we have been inconvenienced by tourists...We don't want to block the tourists. But the JDG proposes to block them and make our village a silent one. That is not what we really want" (Interview, 9 April 2019). In addition, another resident argued that the only thing he wanted was a relaxation of the strict regulations of the BDUP, as I witnessed when participating in a public hearing that was held on 3 May 2019.

In this context, it was difficult for local government to introduce effective measures to mitigate tourism gentrification in the residential sector due to the active intervention of stakeholders who held many different and contradictory interests and opinions. Regarding this issue, government official G3 and resident M stated:

We [the local government] didn't know what to do....Each resident was demanding different things, so we were upset. They criticised us whether we did something or not....We were exhausted. Even the local council members argued that what residents want is deregulation and that tourism should be promoted, then they criticised us saying they couldn't understand why so many government employees were working to mitigate the effects of touristification. (G3, Interview, 13 April 2019)

Local governments can't decide whose demand to accept. Because if one group of residents asks for something, then other groups will oppose it....So it is difficult [to introduce effective policy]. (M, Interview, 28 March 2019)

Fourthly, some policy measures such as the Bukchon Village Guardian programme and events to promote proper tourist etiquette were partially successful but were too small in scale to curb the gentrification process. During fieldwork, government officials G1, G3 and G4 explained that these measures were partially effective in mitigating some of the negative effects of overtourism. Government official G1 commented, "Originally, a public *hanok* purchased by the city of Seoul was used for tourists... But now, we changed its function to that of a facility for residents... Residents like it because a village library and public meeting space have been created... I think this is also one of the policy successes" (Interview, 2 March 2019). G3 stated that, "The cleaning measures work really well. Two more cleaners have been hired and [the litter problem] has been greatly reduced. Almost no one demands further measures regarding cleaning" (Interview, 13 April 2019). Several residents (B, E and K) also offered similar opinions to the government officials.

During fieldwork, on 25 March 2019, I talked with two Bukchon Village Guardians who told me that they'd received thanks from some residents because the levels of noise and litter were much reduced. The campaign "Let's be a good traveller", which is one of the JSMT measures, has also been partially successful. For example, on 11 May 2019 I participated in a 'Village tour with an original residents of Bukchon', a programme which is part of the "Let's be a good traveller" campaign. At the end of the programme, many of the participants remarked that they had not known that residents were

suffering as a result of tourism before taking part in the programme. Moreover, they promised that they would be good travellers in the future. In addition, regarding the measures outlined for Bukchon in the SMG's Comprehensive Measures Against Gentrification, such as the establishment of community facilities and the programme to educate residents about the history of Bukchon, there are a number of residents who consider these measures to have been a success. Resident K, who participated in the education programme, told me that, "The measure [educating residents about the history of Bukchon] was good in that it strengthened the community. It helped to make new networks between [participating] residents" (Interview, 9 May 2019). Resident E stated, "This meeting room is a result of government measures. This room [a part of the community facility] is useful for me" (Interview, 8 April 2019).

Despite the partial success of these measures, the number of participants or direct beneficiaries was relatively small when compared to the entire population of residents or tourists. For instance, according to the annual report of Bukchon Hanok Culture Centre covering Seoul Public Hanok (Daum Society, 2018), in 2018, there were 2,055 tourists who took part in "Let's be a good traveller" campaign. This was a very small number in comparison to the entire number of tourists visiting Bukchon annually, more than 2 million tourists in 2016. Government official G4 pointed out that it would be difficult to make it work effectively due to the small number of participants (Interview, 27 March 2019). The 'Bukchon Village Guardian' scheme was only ever implemented in Bukchonro-11gil, the most popular tourist place in Bukchon, meaning that residents who do not live near this alleyway could not benefit from the measure. Resident F, who lives in a less crowded part of Bukchon, told me, "The guardian looks like he is just standing there. I don't know whether he makes a difference or not" (Interview, 20 April 2019). Residents B and C and government officials G1 and G4 maintained that the measures had been partially effective, but were not sufficient. Resident C told me that, "I do not agree with the measures implemented [for Bukchon in CMAG by SMG]...Few residents use the community facility" (13 April 2019).

During this period, the SMG and the JDG introduced policies to mitigate the effects of gentrification on the retail and residential sectors. However, the effects of these policies were insufficient even if some of the policies were partially effective. Their limited effects resulted in continuing gentrification in both sectors, and made Bukchon a tough place not only to live in for residents but also to run a business in for small tenant retailers.

## 7.4 Decrease in tourist numbers but continuing gentrification

As we have seen above, the effects of policies to mitigate tourism gentrification have been limited in Bukchon. Bukchon then is still a tough place for retailers to run a business and for residents to live, this despite the number of tourists having decreased since 2017. This suggests that tourism-led gentrification cannot be mitigated or resolved simply through a decrease in tourist numbers. This section then examines the continuing gentrification process in Bukchon in the context of the decline in tourist numbers.

### 7.4.1 Decrease in the number of tourists in Bukchon

The number of tourists in Bukchon began to fall in 2017. As shown in Table 7.1, the number of annual tourist visits peaked in 2016 at a figure of 2.7 million. Subsequently, it started to decline, in 2017 it was only about 1.8 million. A previous decline in tourist numbers in 2015 was attributed by the JDG to an outbreak of the MERS-Cov (Middle East Respiratory Syndrome-Coronavirus) in South Korea.

Many newspaper articles, academic journal papers and my fieldwork interviews also evidence the same trend. For instance, real estate agent U told me that he felt the number of tourists peaked in around 2016, and that after that, it had declined (Interview, 4 April 2019). A newspaper article bearing the title “Samcheong-dong [in the western part of Bukchon]: silent fall”, commented on the decrease in the number of tourists in Bukchon: “In December, the streets of Samcheong-dong were gloomy and bleak...In the past, there used to be lots of tourists including Chinese tour groups...but now, the number of tourists has plunged” (Lee, 2018a).

**Table 7.1** Annual number of tourist visits in Bukchon

Year	2014	2015	2016	2017
Number of tourist visits in Bukchon (thousand)	2,173	1,800	2,690	1,774

Source: JDG internal data

There were four main causes for this decrease in tourist numbers. Firstly, the huge protests around Bukchon beginning in November 2016, as shown in Figure 7.3, led to a fall in tourist numbers. In October 2016, high levels of

corruption in the office of the country's then president, Park Geun-Hye, were revealed. This scandal triggered massive demonstrations around the Blue House, the office of the South Korean President, from November 2016 to March 2017. Bukchon is located in an area close to the Blue House, and these protests affected access to the neighbourhood leading to a decrease in tourist numbers. Real estate agent V, who lives in Bukchon, explained:

The huge demonstrations affected tourist numbers. Here we are right next to the Blue House, so people had to show their ID cards to a policeman to enter this area [Bukchon] when the demonstrations were being held. So tourists could not visit here.....After that period, the number of tourists plunged (Interview, 12 March 2019).



**Figure 7.3** The huge protest around Bukchon in late 2016

Source: Ha, 2016

Secondly, the number of Chinese tourists sharply decreased due to the political conflict between South Korea and China, the so-called 'THAAD (Terminal High Altitude Area Defence) crisis'. Table 7.2 shows the dramatic decrease in the number of Chinese tourists for the year 2017. From March of that year the Chinese government prohibited all tours to South Korea and the number of tourists from that country fell by half, from around eight million to around four million. Many newspaper articles and fieldwork interviews also indicated the conflict between South Korea and China as one of the main causes of the fall in tourist numbers in Bukchon.

**Table 7.2** Annual number of Chinese tourists in South Korea

Year	2013	2014	2015	2016	2017	2018
<b>Number of Chinese tourists (thousand)</b>	4,327	6,127	5,984	8,068	4,169	4,790
<b>Year-on-year rate of change (%)</b>	52.5	41.6	-2.3	34.8	-48.3	14.9

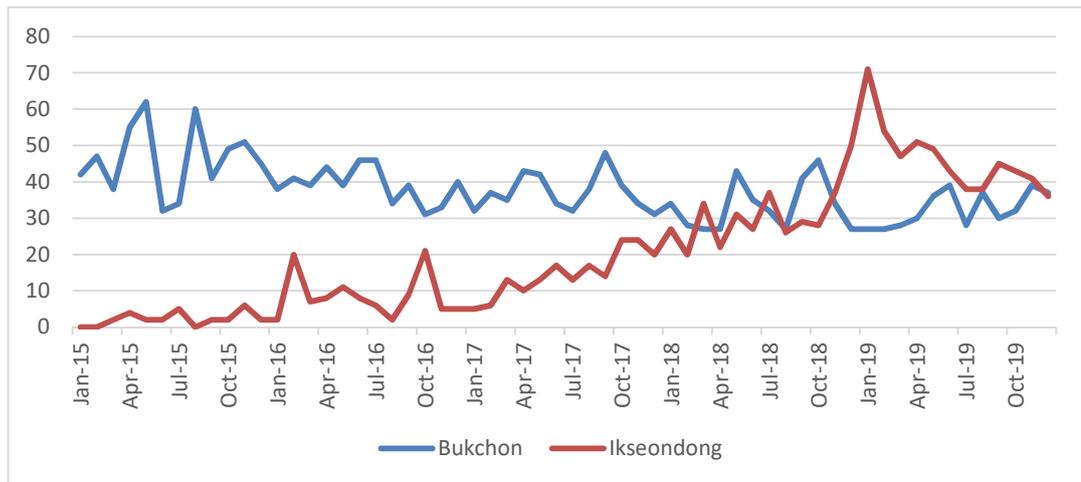
Source: Korea Culture and Tourism Institute. 2019. *Tourism trends analysis in June 2019*. Seoul: Korea Culture and Tourism Institute

Thirdly, the emergence of alternative visitor destinations such as nearby Ikseon-dong also influenced the decline in the number of tourists. A newspaper article pointed out that the emergence of alternative locations such as Ikseon-dong was one of the main reasons for the decline in tourist numbers in Bukchon (Kim, 2019). A real estate agent in Ikseon-dong (X) remarked, “As the attractiveness of Bukchon has decreased, people have begun to visit Ikseon-dong instead.... Now, the ambience of Ikseon-dong is similar to Bukchon but far more attractive” (Interview, 8 May 2019). The Google trend data shown in Figure 7.5 clearly demonstrates the diminishing popularity of Bukchon and, the rising popularity of Ikseon-dong during the period since 2015. The search volume of the Google Trend website displays the popularity of search queries made via Google Search, and Figure 7.5 consists of a graph to compare the search volume for Bukchon with that for Ikseon-dong between 2015 and 2019.



**Figure 7.4** Location and landscape of Ikseon-dong

Source: Google map, adapted by the author (left); author (right) photograph taken in April 2019.



**Figure 7.5** The search volume for Bukchon and Ikseon-dong

Source: Google Trend, Downloaded on 21 September 2020

Note: The search volume of Bukchon in September 2011=100

Fourthly, Bukchon has become a less attractive place to visit due to the loss of its traditional characteristics and the displacement of distinctive local retailers as a result of deepening tourism-led gentrification. Regarding the retail sector, the attractive local shops were, along with the traditional landscape of *hanok*, one of the main elements that had previously made Bukchon an attractive place to visit (Jang, 2018; Kim, 2019; Kim, 2014). However, these were continuously displaced as part of the tourism-led gentrification process. Instead, large companies' promotion shops as well as other brand shops replaced them. In relation to this issue, many newspaper articles pointed out that this transformation of the retail sector was a significant factor in causing the decrease in number of visitors to popular tourist destinations in Seoul including Bukchon (Jang, 2018; Kim, 2018; Kim, 2019; Lee, 2018a). For example, a newspaper article argued that Samcheong-dong had been "ruined by franchise shops" and remarked as follow (Jang, 2018):

As the number of visitors increased, famous-brand cosmetics shops, new cosmetics stores, and large brand coffee shops opened one after another... It caused rents to soar....As a result, artists and retailers who had made Bukchon attractive started to leave. The gentrification which saw existing residents being displaced then began in earnest....This led to a decrease in the number of tourists because the attractiveness of the area had disappeared.

This perspective was further reinforced by fieldwork interviews. Real estate agent W stated, “Large companies’ brand shops and promotion shops opened with high rents...Shops in Bukchon became the same as any other department store that can be found anywhere” (Interview, 22 March 2019).

#### 7.4.2 Continuing gentrification

As examined above, the number of tourists has decreased since 2017 in Bukchon. Nevertheless, tourism gentrification continues unabated. In the residential sector in Bukchon, the tourism gentrification process including the high displacement pressures, which were addressed in Chapter 6, have continued. The number of tourists is still significant even if it has fallen from its peak. Residents still suffer due to the continued displacement pressure and some of them still consider moving out of Bukchon. For instance, resident H stated, “In the current situation, people who live here [Bukchon] have no choice except to leave because of the uncomfortable living conditions, unless someone has a special reason [for staying]” (Interview, 7 April 2019) and resident F told me, “I am thinking about whether I should move out of the area. If it remains difficult to live here in the future, I will leave” (Interview, 20 April 2019). Resident J commented, “Frankly, I want to get out of this place as well. If someone buys my house at a good price, then I won’t regret leaving. Every day, fighting with neighbours and no friends in the neighbourhood” (Interview, 28 March 2019), and resident M agreed that “Bukchon will become an uninhabitable place....Most houses will become second homes or will be purchased by the SMG. People will eventually leave because of the noise [and other displacement pressures]” (Interview, 28 March 2019). The number of residents of Bukchon has been continuously decreasing as Table 7.3 shows.

**Table 7.3** Annual change in population number and rate for the two sub-districts making up Bukchon

Year	2010	2015	2018
Population of Samcheong-dong	3,706	3,174	3,045
Population of Gahoe-dong	5,857	4,961	4,521
<b>Total</b>	<b>9,563</b>	<b>8,135</b>	<b>7,566</b>
Reduced population per year		286	190
Rate of population reduction per year		3.0%	2.3%

Source: Data collated from Seoul Migration Data. Seoul Open Data Square\*. [Online]. [Accessed 10 Jan 2020]. Available from: <https://data.seoul.go.kr>.

In the retail sector, displacement also continues in Bukchon. Newspaper articles have pointed out this continuous displacement (Kim, 2018; Kim, 2019; Lee, 2018a). For instance, a newspaper article (Kim, 2019) remarked, “Rents have soared due to the popularity [of the area]...but retailers left because they couldn’t afford the high rents and [were suffering from] poor sales”. In addition, many interviewees in my fieldwork commented on the continuous displacement of retailers due to the high rents and low sales performance. For example, Bukchon office worker Q stated, “There is a café next to Samcheong Park. I was told that the rent is six million won per month, so the retailer has difficulty in affording the café. Recently, he told that me he will close the café soon due to the high rent and low level of sales” (Interview, 3 April 2019). Real estate agent W also commented that, “The number of visitors has declined...The small retailers cannot afford the high rent because of the plunge in sales... So the number of empty shops have significantly increased” (Interview, 22 March 2019). Tenant retailer P added, “My rent has rapidly increased...Recently, I am debating whether or not to continue running the store” (Interview, 30 April 2019). I was able to confirm during my fieldwork in 2019 that there are many empty shops in Bukchon (see Figure 7.6).



**Figure 7.6** Empty shops in Bukchon

Source: The author, photographs taken in April 2019.

As with the residential sector, the limited impact of policy intervention by local government had similar negligible effects on the retail sector. Real estate agent U mentioned that the policy results have been limited and that many retailers are still facing severe displacement pressure (Interview, 4 April 2019). Tenant retailer P told me that, “Recently, I agonised over whether to continue

my business or close the shop.... The role of the law [including government policy] looks to have limited scope.... For me, law is far away from me but the landlord is very close” (Interview, 30 April 2019).

Bukchon then is still a tough place for retailers and residents. The effects of government policy have so far proved limited. Under these conditions, a simple decrease in the number of tourists has been insufficient to curb the gentrification process. The displacement pressure is still strong, with the result that gentrification continues in Bukchon. Real estate agent U illustrates this, “No one is now happy in Bukchon” (Interview, 4 April 2019). This clearly illustrates the current situation in Bukchon.

## **7.5 Conclusion**

This chapter examined the protests of residents and tenant retailers, which were one of the main causes that triggered government policies to curb tourism gentrification. It then turned to the various government policies implemented to mitigate tourism gentrification, their effects and the current situation in Bukchon. I have argued that given the speculative context that colours urban change in Seoul, the effects of government policy to mitigate gentrification were limited for a number of reasons. These were primarily the efforts of local groups consisting largely of speculative individual property owners; the absence of a well-organised group representing the main victims such as tenant retailers; the conflict between different groups of stakeholders; the limited number of participants and beneficiaries; the existence of a strong national government focused largely on economic growth; and local government which tried to both promote tourism and curb gentrification simultaneously. Even though some government measures were partially effective, they were not enough to curb the gentrification process. In addition, the example of Bukchon demonstrates that tourism-led gentrification in both sectors cannot be mitigated or resolved simply by reducing tourist numbers because fundamental changes to the area had already occurred as a result of the tourism gentrification process.

## **Chapter 8: Conclusion**

### **8.1. Introduction**

As a longitudinal study, this research uses the lens of gentrification to track changes in Bukchon over five decades in the broader context of urban change in Seoul. In particular, it focuses on the process of tourism-led gentrification and the related government policies since the early 2000s. A mixed-method approach has been adopted to investigate government policies and neighbourhood changes in Bukchon. In conclusion, I argue that tourism-led gentrification triggers fundamental local changes including the mutual reinforcement of displacement pressure between the residential and retail sectors. Because of the extent of change endangered by tourism, I have argued that the effects of gentrification cannot be resolved by ambiguous government policy measures. The success or failure of policies, I have argued, has been a result of the complex interplay between stakeholders in the overall urban context; and therefore, in an environment of speculative urban investment as has existed in Seoul, government policies likely to accelerate tourism-led gentrification processes have been reasonably effective whereas policy measures aimed at mitigating it have had very limited success.

This chapter starts with a summary of each chapter including key points. Following that the initial research questions are reviewed and a demonstration given of how this research has answered each of them. In this process, the main arguments and contributions of this thesis are evaluated. Lastly, the limitations of this research as well as possibilities for further research are presented.

### **8.2. Summary of key points**

The first chapter, the introduction, laid out the background of this thesis such as a brief overview of Bukchon and its history as well as giving a summary of the literature review and the research questions.

Chapter 2 consisted of a review of the literature on gentrification, tourism and related policy. Tourism has become one of the critical factors in our understanding of modern-day urban change and is closely connected with gentrification. Previous studies, however, have missed several significant elements.

In Chapter 3, the urban context of Seoul was reviewed. In the midst of a period of rapid economic growth in South Korea, the speculative urban context of Seoul, one of the main factors that influenced urban change in the city, was formed. During the 2010s, speculative investment in small retail property proliferated and tourism triggered radical neighbourhood change in several popular neighbourhoods in Seoul.

After a review of the research methods and process in Chapter 4, Chapter 5 explored the local context of Bukchon prior to the 1990s, the introduction of conservation policies and the subsequent local changes in the early 2000s. The complex interaction between stakeholders in the speculative urban context greatly influenced the introduction of the conservation policy that played a pivotal role in promoting gentrification and tourism in Bukchon. The policy failed, however, to protect residents on low income. Bukchon then experienced an influx of wealthy newcomers including many who purchased second homes in the neighbourhood during the first decade of this century.

Chapter 6 investigated the fundamental local changes in Bukchon caused by tourism-led gentrification in the residential and retail sectors as well as the implementation of a number of government policies which resulted in a surge in tourist numbers between 2006 and 2014. Tourism-led gentrification provoked a fundamental neighbourhood transformation in Bukchon. Those changes include not only a sharp rise in rents and direct displacement of existing residents but also damage to the interdependence between the residential and retail sectors and the formation of a negative feedback loop. In this process, government policies were a significant factor that led to tourism-led gentrification, in conjunction with the speculative behaviour of property owners, which in turn reflected the contemporary urban context of Seoul.

In Chapter 7, policies to mitigate gentrification and its effects as well as the local effects of a decrease in tourist numbers were examined. The effects of government policies to counter tourism-led gentrification were limited for several reasons such as the intervention of stakeholders including national government and speculative property owners. Meanwhile, the number of tourists in Bukchon decreased from 2017 for several reasons. This decrease in tourists, however, did not lead to a decline in the curb tourism-led gentrification process.

### **8.3 Reflections on government policies and neighbourhood change in the gentrification process**

In Chapter 1, this thesis raised two main research questions concerning the factors linked to tourism-led gentrification. Firstly it asked how the effects of this gentrification played themselves out in differentiated ways on a city neighbourhood, and secondly, how and in what ways the factors that influenced the introduction and implementation of government policies to control tourism-led gentrification were effective. By exploring the answers to these questions, this research aims to provide new findings and to fuel debate in relation to the fundamental neighbourhood change brought about by tourism-led gentrification as well as the policy implementation process and the effects of related policies. In this section, I review how this thesis has addressed the research questions as well as how it illustrates my arguments and my contribution to relevant discussions.

#### **8.3.1 The process and impact of tourism-led gentrification**

Regarding the first research question, this thesis has shed light on how tourism-led gentrification brings about neighbourhood change, including in the retail and residential sectors. Based on the research on Bukchon, firstly, I have argued that tourism-led gentrification not only triggers rises in rent and displacement of existing low-income users but also provokes more fundamental and wider neighbourhood changes including the mutual intensification and reinforcement of displacement pressure between the residential and retail sectors.

Tourism-led gentrification in the retail sector reinforces the displacement pressure in the residential sector and vice versa. Residents and retailers in Bukchon were closely dependent on each other as customers and suppliers, as well as being members of the same local community. Displacement of shops that supplied residents' daily needs at low prices, however, provoked affordability problems and caused much inconvenience. The disappearance of familiar shops resulted in a loss of sense of place. In the retail sector, the continuous decrease in population weakened demand for shops that supplied the daily needs of residents. In short, the growth of tourism-led gentrification damaged the interdependency between the residential and retail sectors while further intensifying the mutual displacement pressure between the two sectors.

Tourism-led gentrification resulted in other wide and fundamental local changes. The residential sector of Bukchon experienced direct displacement

through a sharp rise in rents as a result of an increase in the number of second homes and the widespread practice of converting houses into commercial facilities such as shops and tourist accommodation, as examined in chapters 5 and 6. Furthermore, displacement pressures intensified in the residential sector because increasingly residents were losing their reasons to live in Bukchon due to factors such as the continuous decline in living conditions, the displacement of their friends, neighbours and familiar shops, the weakening of the local community, and the loss of a sense of place. In the retail sector, speculative investment in small retail property in Seoul after the financial crisis in 2008 resulted in many tenant retailers being displaced from their shops by property owners and the brand and promotion shops of large corporations. As a consequence, the character of the retail sector fundamentally changed from one where products and services were targeted at local residents to one which looked to tourists and the extraction of profits through speculative investment and corporate promotion.

Secondly, the impact of the decrease in tourist numbers was examined. My findings lead me to argue that tourism-led gentrification has consequences that are too deep and wide-reaching to lend themselves to resolution or even mitigating through a decrease in tourist numbers. As we have seen in Chapter 7, the number of tourists has been in decline since 2017 for several different reasons. However, despite this, living and managing shops in Bukchon remains difficult because the neighbourhood has fundamentally changed into one designed for tourists. In the residential sector, displacement pressures caused by factors such as the loss of sense of place and the inconvenience due to the displacement of existing retailers are still high even though tourist numbers have decreased. The displacement pressures on tenant retailers also remains intense due not only to the loss of demand caused by high rents and the displacement of local residents but also more recently to the loss of sales due to the fall in tourist numbers.

These two discussions on the impact of tourism-led gentrification on neighbourhoods contribute to a better understanding of the complexity of tourism-led gentrification. In particular, my finding on the damage done to the interdependency between the residential and retail sectors and the mutual reinforcing process of the displacement pressure on both provides a new perspective from which to analyse and understand tourism-led gentrification. As has been reviewed in Chapter 2, the existing literature has tended to focus on the residential sector and overlook the gentrification process in the retail sector, not to mention the interplay between the two sectors. Moving a step

beyond the existing literature, this research highlights these issues as being significant consequences of tourism-led gentrification. It reveals that gentrification in the residential sector does not happen independently of the retail sector, nor is there a unidirectional influence; rather, the two processes closely interact with each other.

This new perspective can provide an innovative arena for a discussion of tourism-led neighbourhood changes and gentrification processes of many cities around the globe. Case studies on Barcelona (Cocola-Gant, 2018), Paris (Mermet, 2017), New York (Zukin, 2009) and Beijing (Shin, 2010) partially show that tourism-led gentrification caused changes not only in the residential but also the retail sector and that the changes in the retail sector influenced the residents. The mutual interaction between these sectors, however, has not been fully revealed. Regarding this issue, Mermet commented, "This analysis also raises the question of the existence of a temporal link between residential and retail gentrification.....Further empirical research is needed to better understand this causal link" (Mermet, 2017, p.1176). This study examined the "causal link" to reach a "better understand". My research revealed that the link between the sectors was not uni-directional but was a mutual interplay and the changes in both sectors added to displacement pressures. My findings, therefore, are not limited to Seoul but can be applied to many cities around the world as a new frame for the study of tourism-led gentrification.

In addition, my research contributes to the literature on tourism-led gentrification by clearly showing that the broad concept of gentrification is still very useful to a coherent understanding and analysis of recent violent urban changes by capital, and this challenges recent critical discussion of the use of the concept of gentrification. Among those critics are Sequera and Nofre (2018), who argue that gentrification does "not currently allow us to understand the complex phenomenon of urban touristification" (p. 850) and stress their belief that displacement caused by tourism should not necessarily be seen as a product of class antagonism but rather as a consequence of cross-class displacement. However, in both residential and retail sectors, this study clearly shows that excessive tourism triggered the displacement of relatively lower-income users including existing tenants, low-income owner-occupiers and tenant retailers. Instead, there was an influx to Bukchon of affluent users who are willing to pay high rents or prices including speculative investors, second homeowners and large corporations. In addition, through a longitudinal study of Bukchon, my research clearly shows how capital utilises

place to extract profits during long-term consecutive gentrification processes, including tourism-led ones. Further, it reveals the ways in which that low-income existing local users, regardless of whether they are retailers or residents and owner-occupiers or tenants, experienced the various violent changes brought about by gentrification processes.

My findings also support the argument that the detection of gentrification by simple statistical methods such as analysis of data on outward population movement is not appropriate. This is because the gentrification process is not a simple migration as such statistical studies might suggest but rather a complex process involving a sense of emotional loss and of relational changes. In addition, my analysis of these issues contributes to discussion on policy aimed at mitigating tourism-led gentrification. This will be illustrated in the following section.

### **8.3.2 Policies to control tourism gentrification and their effects**

The second research question is concerned with the detailed establishment, implementation and effects of policies designed to control tourism-led gentrification. Regarding this question, there is a lack of relevant studies on the political processes and contexts by means of which government policies to curb tourism-led gentrification have been established and implemented. In Bukchon, various government policies have been introduced, this being one of the principal elements of local change over the past two decades. This research sought to address the second research question by examining the introduction process of these policies, whether to promote or curb tourism-led gentrification, as well as asking how effective these policies have been.

Firstly, my findings strongly suggest that government policy was not simply decided on by government alone but was the result of a complex political process that was influenced both by local groups and by higher-level government depending on the local context. The political power of Seoul residents grew much stronger following the democratisation of the country in 1988. In this context, the conservation policy of the early 2000s was triggered initially by the changed demands of some groups of local residents. As a result of the insistence of these groups, the specific measures of the policy centred largely on methods to ensure not only the conservation of the physical aspect of the *hanok* cluster, a main goal of government, but also the interests of local groups. It is notable that within these groups the loudest and most influential voices belonged to property owners, most of whom were primarily interested in gaining extra profits through raising the value of their property.

In particular, I argued that the planning and implementation process of the policy measures taken to curb tourism-led gentrification contained several deep-rooted problems that would limit their effectiveness. The measures to curb tourism-led gentrification were likely neither to be in the interests of the local groups driven by property owners nor in agreement with the policy goals of the national government, which wished to promote tourism in order to accelerate economic growth. Most policies designed to mitigate gentrification, therefore, were implemented as voluntary measures. In addition, the intervention of the national government made it difficult to implement policy in a timely manner. The activities of groups dominated by local property owners also influenced the implementation of those voluntary measures. Based on these findings, this thesis reveals the complex political process by which local government tried to establish and implement these policies.

My findings regarding the policy planning and implementation process will contribute to expanding the understanding of policy issues in tourism-led gentrification through a demonstration of the influence that can be brought to bear by local community groups and of the complexity of the overall political process. As was discussed in Chapter 2, both the local community and higher-level government are critical elements in the formulation of local government policy. Previous studies on gentrification, however, have tended to focus on government while overlooking the complexity of the overall political process. However, as the present research clearly shows, government policy is consistently influenced by the intervention of various stakeholders. This indicates the need for discussion on policy issues relating to tourism-led gentrification to take note of these processes.

In particular, this study suggests that the intervention of stakeholders who are embedded in the speculative urban context is a significant factor in East Asia, despite the existence strong central government. Existing studies on East Asia tend to focus on the role of a strong central government (Fan, 2014; He, 2007; Kim, 2017b; La Grange and Pretorius, 2016). However, my research demonstrates that the role of local stakeholders such as local residents' groups is also a significant factor, alongside that of a strong central government, in shaping urban developments. In line with these findings, I argue that the roles of various actors and the interplay between them need to be examined with greater clarity in research on East Asian cities. Indeed, my study clearly shows that government policies to mitigate tourism-led gentrification were severely hampered as a result of the complex interplay

between stakeholders including local groups and central government within Seoul's strong speculative urban context.

Secondly, I argue that, given a speculative urban setting as depicted in Chapter 3, government policy that is likely to accelerate the process of tourism-led gentrification tends to enjoy the support of certain stakeholder groups and be relatively effective whereas policy designed to curb tourism-led gentrification tends not to be. As we have seen in Chapters 5 and 6, the conservation policies introduced in Bukchon were likely to promote tourism-led gentrification. These policies were introduced as part of a compromise between the goals of local government, protection of the physical aspect of the *hanok* cluster and the promotion of tourism, and the interests of property owners. The policies, therefore, consisted mainly of measures that were effective not only in conserving *hanok* but also in raising local property values and in promoting tourism. Any policy aimed at promoting tourism in Bukchon was also likely to promote tourism-led gentrification.

Those policies, then, were relatively effective as they had the support not only of stakeholders such as property owners but also of the national government as they tended to coincide with the speculative or entrepreneurial interests of both the stakeholders and the national government. As has been discussed in Chapters 5 and 6, the conservation policies effectively protected *hanok*, promoted the influx of wealthy people and encouraged tourism based on the support and participation of local property owners. Tourism promotion policies were also effective in promoting tourism based on the support of many property owners, who wished to boost the value of their property, and of national government, which was targeting economic growth through the promotion of tourism.

Consequently, the introduction of such policies accelerated the tourism-led gentrification process. As was demonstrated in Chapters 5 and 6, the implementation of conservation and tourism promotion policies was one of the main factors that triggered tourism-led gentrification in Bukchon. The entrepreneurial role of government, which was vocally promoted by Mayor Oh, who was elected in 2006, focused both on tourism promotion and on conservation of *hanok*, and was one of the main drivers of tourism-led gentrification from that time onwards. In this respect, government policies effectively ended up promoting tourism-led gentrification.

As discussed in Chapter 7, however, the measures taken to curb gentrification caused by tourism were obstructed both by the blocking power of the groups led by local property owners operating in Seoul's speculative urban context

and by the administrative power of the national government which wanted to promote tourism as a tool for economic growth. A few measures were partially effective but these were not enough to mitigate gentrification.

A part of my findings in relation to the effects of implementation of these conservation and tourism promotion policies are in line with the previous literature on government policy regarding gentrification. As reviewed in Chapter 2, conservation policy tends to be viewed as a tool to revitalise the urban economy by promoting tourism, which then results in tourism gentrification. In East Asia, historic quarters of city centres were once demolished and redeveloped; nowadays however, the trend is to conserve what remains of the original as urban heritage. In addition, this can then be utilised to promote tourism in order to pursue neoliberal policies of economic growth as illustrated both in large cities such as Beijing and Singapore but also in smaller urban centres such as Lijiang (Chang, 2016; Shin, 2010; Su, 2015). I have shown in this thesis, however, that what differs in the context of Bukchon is the complexity of the interaction between various stakeholders and the damaging impact that disparate positions have had mainly on lower-income tenant residents and retailers.

Taking matters a step beyond that of existing studies, I have shown the reasons and processes explaining why and how the policies to promote tourism-led gentrification were more effective whereas policies to mitigate it were less effective. Under the existence of the national government focusing on economic growth and in the deep-rooted speculative urban context of Seoul, complex interactions between stakeholders acted to limit the effectiveness of mitigation policies while making promotion policies more effective. My findings on these policies and their effects contribute to widening the existing understanding of this issue. As presented in Chapter 2, the specific effects of policies to mitigate tourism-led gentrification and the reason why such policies have been effective (or not) has rarely been studied. My findings fill these knowledge gaps and contribute to a broader and clearer understanding of such policy issues regarding tourism-led gentrification.

The conclusions of this study on the fundamental neighbourhood changes caused by tourism and the tourism-related policy issues can be related to other places in South Korea as well as Seoul. As mentioned in Chapter 3, problems caused by the tourism boom have become widespread in several areas including Seochon, Ihwa Village and Hongdae in Seoul as well as Busan and Jeju in South Korea (Ahn, 2019; Kim, 2018b; Kim et al., 2021). In addition, local governments have attempted to control tourism-led

gentrification (JDG, 2018a; Ahn, 2019). These places have experienced similar reactions, such as protests by residents and local government attempts to control problems caused by tourism, in a similar process to that witnessed in Bukchon. My research conclusions could, therefore, contribute to policy formulation in these places. For instance, based on my findings, local governments could establish effective measures to control tourism-led gentrification by closely considering the interests of various local groups and the potential underlying changes caused by excessive tourism.

In addition, my findings could also be relevant to other cities in East Asia that have a similar context including speculative urban pressures and strong developmental government. Regarding fundamental local changes caused by excessive tourism, parts of Shanghai and the whole of Lijiang (to name two cities at the scalar extremes) in China and Hoi An in Vietnam have undergone similar local change to Bukchon in terms of an increase in new retail shops for tourists, a decrease in the local population, displacement of existing users and subsequent social changes (Thomas et al., 2022; Su, 2015; Wang, 2011). They also show that such changes are influenced by speculative urban pressures regardless of government policy. In this sense, my conclusion about the fundamental nature of local change caused by excessive tourism can be seen as a finding relevant to other cities in East Asia.

#### **8.4 Limitations and further research**

While this study examines neighbourhood changes and the impact of related government policies in the context of tourism-led gentrification, some issues remain that have not been or could not be studied due to a limitation of data and the particular features of the longitudinal case study. Firstly, it was difficult to show neighbourhood change precisely by statistical analysis due to the limitations of statistical data on population, occupation type and population movement into and out of Bukchon. In Korea, most statistical data relating to migration, housing and households is not available at the most localised level of individual sub-districts (*dong*), except for the annual publication of population data. Therefore, in terms of statistical analysis, this research has clear limits in the detail it can offer of where residents moving to Bukchon came from, of where displaced residents moved to, and of what the exact proportion of owner-occupiers and tenant households was. Secondly, the time span of this research was not enough to reveal fully the impacts of government policies aimed at curbing gentrification and lowering the number of tourists in

Bukchon. As mentioned in Chapter 7, these government policies began to be introduced in 2015, while tourist numbers have been decreasing since 2017 and a significant national law was revised in 2018. Considering that the empirical research was carried out mostly in 2019, the time span regarding those issues has not been enough to show the full picture.

In future, it will be worth conducting comparative studies on neighbourhoods in Seoul that have experienced or face similar tourism-led gentrification processes as Bukchon, neighbourhoods such as Seochon and Ikseon-dong. Those comparative studies might reveal a different set of effects on the gentrification process as a result of specific policy measures and actions of community members in the same urban context. Furthermore, if research were to be conducted over a longer timeframe, the effectiveness of the relevant government policies on Bukchon and the impact of the fall in tourist numbers on the neighbourhood could be more fully documented.

In addition, a study on the impact of the Covid-19 pandemic could be worth conducting in future. Whereas this study has examined the impact of a decrease in tourist numbers on the neighbourhood of Bukchon from 2017, the Covid-19 pandemic is likely to have accelerated this decrease still further. Therefore, a study of the impact of the pandemic on Bukchon has the potential to support or supplement the arguments made in this thesis regarding the impact of the decrease in tourist numbers by examining this phenomenon over a longer period of time. In addition, the pandemic has caused a sharp drop in tourists in major cities around the world, including Seoul. Therefore, comparative studies with neighbourhoods in other cities around the world that have had similar issues as Bukchon, such as the Marais in Paris or Nanluoguxiang in Beijing, could deepen or expand discussion on the impact of a decline in tourist numbers similar to that discussed in this thesis.

Lastly, further studies aimed at establishing effective measures to curb tourism-led gentrification could be conducted based on the research presented in this thesis. In summary, it has been suggested here that tourism-led gentrification provokes a complex and fundamental ensemble of local changes which make it difficult to curb by introducing simple linear counter-measures. In line with this suggestion, it may be possible to make a study aimed at formulating a more effective set of policies; these would include measures that targeted broader neighbourhood change while also taking into consideration the complexities of the tourism-led gentrification process that have been revealed in this research.

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### Appendix A: Details of the interviews

<b>Residents</b>				
#	Date	Interviewee	Additional Detail (age)	Length of time living or working in Bukchon
1	29/3/2019	A	Journalist (30s)	Less than 10 years
2	23/4/2019	B	Academic (50s)	
3	13/4/2019	C	Businessman (50s)	11~20 years
4	27/3/2019	D	Works in Bukchon (40s)	
5	08/4/2019	E	Housewife (60s)	
6	20/4/2019 27/11/2019	F	Academic (40s)	
7	22/4/2019	G	Community leader (50s) Retailer in Bukchon	
8	29/11/2019	Y	Community leader Fund manager (40s)	
9	07/4/2019	H	Businessman (40s)	
10	09/4/2019	I	Community leader (50s) Guesthouse owner	
11	18/3/2019	J	Runs a guesthouse in Bukchon (40s)	
12	09/5/2019	K	Housewife (60s)	
13	09/5/2019	L	Housewife (70s)	
14	28/3/2019 25/11/2019	M	Community leader (50s) Coffee shop owner	

<b>Retailers and Other Workers</b>				
#	Date	Interviewee	Additional Detail	Length of time living or working in Bukchon
15	23/4/2019	N	(Runs a) Coffee shop (50s)	Less than 10 years

16	18/4/2019	O	Displaced retailer (40s) Korean clothes shop	
17	18/11/2019	Z	Pharmacist (40s)	
18	30/4/2019	P	Coffee shop (40s)	11~20 years
19	03/4/2019	Q	Office Worker (30s)	
20	23/4/2019	R	Restaurant (60s) property owner, community leader and resident	Over 20 years
21	29/4/2019 18/11/2019	S	Souvenir shop (50s) Resident in Bukchon	
22	25/4/2019	T	Jazz bar (60s) Resident in Bukchon	

<b>Real Estate Agents</b>				
#	Date	Interviewee	Additional Detail	Length of time living or working in Bukchon
23	04/4/2019 27/11/2019	U	Resident in Bukchon	-
24	12/3/2019	V	Resident in Bukchon	
25	22/3/2019 26/11/2019	W	Resident in Bukchon	
26	08/5/2019	X	-	

<b>Government Officials and Politicians</b>				
#	Date	Interviewee	Additional Detail	Length of time living or working in Bukchon
27	01/3/2019 21/11/2019	G1	SMG (Seoul Metropolitan Government)	-
28	04/3/2019	G2	SMG	

29	13/4/2019 25/11/2019	G3	JDG (Jongno District Government)	
30	27/3/2019	G4	Bukchon Culture Centre	
31	16/4/2019	G5	District Councillor Ex-community leader	
32	26/11/2019	G6	SMG	
33	15/11/2019	G7	JDG	

<b>Civic Activists</b>				
#	Date	Interviewee	Additional Detail	Length of time living or working in Bukchon
34	05/4/2019	CA1	(Civic activist on) urban issues	-
35	02/4/2019	CA2	Tenant retailer issues	

<b>Employees of Large Companies</b>				
#	Date	Interviewee	Additional Detail	Length of time living or working in Bukchon
36	01/11/2019	CO1	Cosmetics company worker	-
37	04/11/2019	CO2	Telecommunications company worker	

<b>Other Participants</b>				
#	Date	Interviewee	Additional Detail	Length of time living or working in Bukchon
38	15/3/2019	S1	Professional consultant on real estate investment	-
39	16/3/2019	S2	Professional consultant on real estate investment	
40	02/5/2019	S3	Chairman of Ikseon-dong retailer association, businessman	

## Appendix B: Details of participant observation

<b>List of Events</b>			
<i>#</i>	<i>Date</i>	<i>Title of event</i>	<i>Detail</i>
1	28/2/2019	Seoul city walking tour: Bukchon route	Official guided group tour operated by SMG
2	15/3/2019	Private meeting among Bukchon residents	Private meeting to celebrate the opening of a new shop belonging to friend of one of interviewee.
3	06/4/2019	Let's be a good traveller	A public campaign event designed to provide information about tourism etiquette. Operated by the Bukchon Culture Centre.
4	15/4/2019	Public hearing on a project for underground electric wiring	A Public hearing to explain a project for underground electric wiring in order to upgrade the landscape of Bukchon and to hear the opinions of a variety of stakeholders.
5	16/4/2019	Mitigate Gentrification and Win-Win Cooperation committee meeting	Kick off meeting to launch the 'Mitigate Gentrification and Win-Win Cooperation committee' by the JDG
6	20/4/2019	Private meeting of a Bukchon resident and her personal friends	Private meet up of friends to enjoy fine spring weather
7	27/4/2019	Bukchon Talking	Bukchon event including a flea market and a cultural performance.
8	02/5/2019	Official meeting between a large company and a group of retailers in Ikseon-dong (a neighbourhood adjacent to Bukchon)	A meeting between the retailers' association of Ikseon-dong and a beer company who hopes to open a shop in the neighbourhood to promote their brand, product and image.

9	03/5/2019	Public hearing on an urban regeneration project for Bukchon	A public hearing to explain a new urban regeneration project which is designed to improve living conditions in Bukchon and to hear the opinions of a variety of residents.
10	03/5/2019	Bukchon Humanities Lecture: Between developing and conservation	A public lecture about local transformation in the context of Bukchon between 1990 and 2013 by an ex-civic activist.
11	08/5/2019	Company promotion event organised in Ikseon-dong	An event organised by Samsung Electronics to promote the Galaxy S10. The company opened a promotion hall in Ikseon-dong to promote their new phone utilising the attractive image of the neighbourhood.
12	11/5/2019	Village tour with local Bukchon residents	A guided tour forming part of a temporary event given by local residents who had just passed the Bukchon guide education course operated by the Bukchon Culture Centre
13	26/11/2019	Private meeting of Bukchon residents	Private meeting to discuss policy issues related to Bukchon and other everyday life issues

## Appendix C: Interview questionnaire

### Resident

#### 1. Personal context

*a. Moving time*

When did you move into Bukchon? Why?

*b. Occupation type*

Are you tenant or owner?

#### 2. Perception of Bukchon

*a. Characteristics of Bukchon*

What is the main characteristics of Bukchon?

*b. Attraction of Bukchon*

What are the main attraction of Bukchon?

#### 3. Neighbourhood change

*a. Main Change*

What are the main changes in Bukchon after you moved into?

*b. Community change*

How have the community characteristics/residents composition/ambience changed after you moved?

*c. Migration pattern*

What is migration pattern of Bukchon since 2000?

*d. Personal experience*

Is there any personal experience related to community change?

Is there any friend who moved out from here? Why did the friend move out? Where does the friend live now? Do you still in contact with him/her? What is the negative aspect after your friend moved out?

*e. Indirect displacement*

How do you feel about recent community change? If you feel inconvenient, why?

How do you feel about recent local commercial change? If you feel inconvenient, why?

*f. Role of tourist accommodation*

How do you feel about the recent increase in tourist accommodation?

What is the role of tourist accommodation in neighbourhood change?

*g. Retail sector change*

What is the role of tourist commercial stores (e.g. restaurant, boutique, souvenir shop) in neighbourhood change?

*h. Who profit?*

Who took the profit and who lost due to this Neighbourhood change? Why and how?

#### **4. Response of residents**

##### *a. Response*

What do you think is your main strategy to respond such change?

##### *b. Resistance experience*

Do you have any experience participating in any event to change this situation? Why, how and for what?

##### *c. Perception about resistance*

What is your opinion about such an activity/event? Why do you think like that?

##### *d. Future plan*

Do you have any plans in Bukchon? What and how? Why?

Do you have a plan to move out? When and to where? Why?

##### *e. General response of residents*

What is the general response to this neighbourhood change?

#### **5. Recent context of Bukchon and Seoul**

##### *A. Problem of Bukchon: Phenomenon, cause and effect*

What are the main urban problems that Bukchon/Seoul face?

Especially, what are the main problems concerned with gentrification?

##### *B. Stakeholder's response: Residents, retailers and civil activist*

What is stakeholder's response to the change of Bukchon/Seoul?

What is stakeholder's response to the problems that Bukchon face/Seoul?

#### **6. Policy effects**

##### *a. Knowledge about gentrification policy*

Do you know any city government policy and its change concerned with Bukchon?

→ Explain related policies to participant

##### *b. Effect of policy*

Do you agree that these policies (and their change) have affected Bukchon? Why?

Is there any policy (and its change) effect on your attitude/behaviour/perception/plan/expectation?

Is there any tiny effect of policy (and its change)?

Is there any personal experience related to policy change and its effect?

##### *c. Opinion to the change/problem*

What do you think is necessary action or policy in order to mitigate the main problem? Why?

#### **7. Relation and interaction**

*a. Other residents*

How is your relationship with other residents? Has it changed?

How do you meet other residents? How often? Has it changed?

What are the main topics you usually discuss with other residents? Has it changed?

*b. Original residents and new mover*

What is the general relationship/interaction between original residents and new movers? Why? Has it changed?

*c. Tenant and owner*

What is the general relationship/interaction between tenant and owner? Why? Has it changed?

*d. Government organisation: local government, Han-ok culture centre, etc.*

What is your relationship with the Government organisation? Have you visited/contacted there? What is the issue?

What is the general relationship/interaction between local government and residents? Has it changed?

*e. Civil activist*

How is your relationship with the civil activist? Have you contacted them? What is the issue?

What is the general relationship/interaction between civil activists and residents? Has it changed?

*f. Retailer*

How is your relationship with the retailer? Have you visited/contacted them? What is the issue?

What is the general relationship/interaction between retailers and residents? Has it changed?

*g. Perception about other stakeholders*

What is your perception/opinion about the role of government/civil activists/retailers in Bukchon?

What is the general perception/opinion about the role of government/civil activists/retailers in Bukchon? Has it changed?

*h. Other important stakeholder*

Is there any other important stakeholder who affect neighbourhood change in Bukchon? Who? Why is he important? Has it changed?

**8. Future**

**9.**

How do you imagine the future of Bukchon?

What do you want Bukchon to be in the future?

**Thank you for taking the time to participate in this interview.**

## **Retailer**

### **1. Personal context**

#### *A. Starting of your business*

When did you start your business in Bukchon? Why?

#### *B. Occupation type*

Are you tenant or owner?

### **2. Perception of Bukchon**

#### *A. Characteristics of Bukchon*

What is the main characteristics of Bukchon?

#### *B. Attraction of Bukchon*

What are the main attraction of Bukchon?

### **3. Neighbourhood change**

#### *A. Main Change*

What are the main changes in Bukchon after you start your business?

#### *B. Community change*

How has the community/residents composition/retailer composition/ambience changed you start your business?

What are the effects of community change (e.g. decline in population) in the retail sector?

#### *C. Personal experience*

Is there any personal experience related to neighbourhood change?

Is there any friend who moved out from here? Why did the friend move out? Where does the friend live now?

Do you still in contact with him/her? What is the negative aspect after your friend moved out?

#### *D. Indirect displacement*

How do you feel about the recent neighbourhood change? If you feel whether good or not, why?

How do you feel about recent changes in the local retail sector? If you feel whether good or not, why?

#### *E. Role of tourist accommodation*

How do you feel about the recent increase in tourist accommodation?

What is the role of tourist accommodation in neighbourhood change?

#### *F. Who profit?*

Who took the profit and who lost due to this neighbourhood change? Why and how?

### **4. Response of retailer**

#### *A. Response*

What do you think is your main strategy to respond to such change?

*B. Resistance experience*

Do you have any experience participating in any resistance? Why, how and for what?

*C. Perception about resistance*

What is your opinion about such activity/event? Why do you think like that?

*D. Future plan*

Do you have any plans in Bukchon? What and how? Why?

Do you have a plan to close your shop? When and to where? Why?

**5. Recent context of Bukchon and Seoul**

*A. Problem of Bukchon: Phenomenon, cause and effect*

What are the main urban problems that Bukchon/Seoul face?

Especially, what are the main problems concerned with gentrification?

*B. Stakeholder's response: Residents, retailers and civil activist*

What is stakeholder's response to the change of Bukchon/Seoul?

What is stakeholder's response to the problems that Bukchon face/Seoul?

**6. Policy effects**

*A. Knowledge about gentrification policy*

Do you know any government policy and its change concerned with Bukchon?

→ Explain related policies to participant

*B. Effect of policy*

Do you agree that these policies (and their change) have affected Bukchon? Why?

Is there any policy (and its change) effect on your attitude/behaviour/perception/plan?

Is there any tiny effect of policy (and its change)?

Is there any personal experience related to policy change and its effect?

*C. Opinion to the change/problem*

What do you think is necessary action or policy in order to mitigate the main problem? Why?

**7. Relation and interaction**

*A. Other retailers*

How is your relationship with other residents? Has it changed recently?

What are the main topics you usually discuss with other retailers? Has it changed?

*B. Customer and Residents*

What is the general relationship/interaction with customer/residents and new movers? Why? Has it changed?

*C. Tenant and owner*

What is the general relationship/interaction between tenant and owner? Why? Has it changed?

*D. Government organisation: local government, Han-ok culture centre, etc.*

How is your relationship with the Government organisation? Have you visited/contacted there? What is the issue?

What is the general relationship/interaction between local government and retailers? Has it changed?

*E. Civil activist*

How is your relationship with the civil activist? Have you contacted with them? What is the issue?

*F. Perception about other stakeholders*

What is your perception/opinion about the role government/civil activist/resident in Bukchon?

What is the general perception/opinion about the role government/civil activist/retailer in Bukchon?  
Has it changed?

*G. Other important stakeholder*

Is there any other important stakeholder who affect neighbourhood change in Bukchon? Who? Why is he important? Has it changed?

**8. Future**

What is your projection on the future of Bukchon?

What do you want Bukchon to be in the future?

**Thank you for taking the time to participate in this interview.**

## **Government officer**

### **1. Perception of Bukchon**

#### *A. Characteristics of Bukchon*

What is the main characteristics of Bukchon?

#### *B. Attraction of Bukchon*

What are the main attraction of Bukchon?

### **2. Neighbourhood change**

#### *A. Main Change*

What are the main changes in Bukchon since 2000?

#### *B. Community change*

How have the community characteristics/residents composition/ambience changed since 2000?

#### *C. Migration pattern*

What is the migration pattern of Bukchon since 2000? How has it changed?

#### *D. Personal experience*

Is there any personal experience related to neighbourhood/community change?

#### *E. Indirect displacement*

Have you heard any complaints about community change from residents? Why do they complain?

Have you heard any complaints about commercial change from residents? Why do they complain?

#### *F. Who profit?*

Who took the profit and who lost through this Neighbourhood change? Why and how?

### **3. Recent context of Bukchon**

#### *A. Problem of Bukchon: Phenomenon, cause and effect*

What are the main problems that Bukchon/Seoul face?

Especially, what are the main problems concerned with gentrification?

#### *B. Opinion to the change/problem*

What do you think is necessary action or policy in order to mitigate the main urban problem?

### **4. Reason and process of policy making/change about Bukchon**

#### *A. The reason of policy making/change in relation to gentrification*

Why was the gentrification policy implemented?

Why has the mitigate-gentrification policy been implemented? Or why has the policy been changed?

#### *B. The intention/goal of policy making/change concerned with gentrification*

What is the intention/goal of the gentrification policy?

What is the intention/goal of the mitigate-gentrification policy?

**C. *The process of policy making/change concerned with gentrification***

How has the gentrification policy been implemented? (Including concrete process to make such policy)

How has the mitigate-gentrification policy been implemented? Or how has the policy been changed? (Including concrete process to make such policy)

What kind of method was utilised to collect/reflect/apply the will of the stakeholders?

**D. *Way to mobilize power***

What was the authority of the local government to implement such a policy?

To what extent can local government affect the change of place, especially in relation to Bukchon?

How did local government promote the policies?

**5. Policy effect in Bukchon**

**A. *Policy effects***

What do you think is the policy effects of gentrification policies and their change? Why do you think like that? How has it worked? Do you have any proof or data to underpin it?

Is there any policy (and its change) effect on stakeholders' attitude/behaviour/perception/plan/expectation?

**B. *Other important policy***

Is there any other important policy (change) which have affected Bukchon?

**C. *Side effects***

What are the side effects of such policy and its change?

Do you have any plan to mitigate side effects? What and how?

**D. *Effective policy***

What kind of policies have worked well and what have not? Why?

Do you have any plan to amend ineffective policy? What and how?

**E. *Personal experience***

Is there any personal experience related to policy change and its effect?

**6. Relation and interaction**

**A. *Domestic division and organisation***

What is the general relationship/interaction between related domestic division and organisation? Has it changed recently?

How is your relationship with related domestic division and organisation?

**B. *Academics***

What is the general relationship/interaction between academics and government? Has it changed recently?

Have the relationship and its change affected (or been affected) policy implementation and change?

How is your relationship with academics? Have you contacted them? What is the issue?

**C. *Civil activist***

What is the general relationship/interaction between civil activists and the government? Has it changed recently?

Have the relationship and its change affected (or been affected) policy implementation and change?

How is your relationship with the civil activist? Have you contacted them? What is the issue?

#### *D. Residents*

What is the general relationship/interaction between residents and the government? Has it changed recently?

Have the relationship and its change affected (or been affected) policy implementation and change?

How is your relationship with the residents? Have you contacted them? What is the issue?

#### *E. Retailer*

What is the general relationship/interaction between retailers and the government? Has it changed recently?

Have the relationship and its change affected (or been affected) policy implementation and change?

How is your relationship with the retailer? Have you visited/contacted them? What is the issue?

#### *F. Perception about other stakeholders*

What is your perception/opinion about the role of academics/civil activists/residents/retailers in Bukchon?

What is the general perception/opinion about the academics/civil activist/residents/retailer in Bukchon?  
Has it changed recently?

#### *G. Other important stakeholder*

Is there any other important stakeholder who affect neighbourhood change in Bukchon? Who? Why are they important? Has it changed recently?

### **7. Future**

How do you imagine the future of Bukchon?

What do you want Bukchon to be in the future?

**Thank you for taking the time to participate in this interview.**

## **Civil activist**

### **1. Perception of Bukchon**

#### *A. Characteristics of Bukchon*

What is the main characteristics of Bukchon?

#### *B. Attraction of Bukchon*

What are the main attraction of Bukchon?

### **2. Role of civil organisation and activist**

#### *A. Main role of civil organisation and activist*

Which do you think is the main role of civil organisations and civil activists in relation to Bukchon?

### **3. Neighbourhood change**

#### *A. Main Change*

What are the main changes in Bukchon since 2000?

#### *B. Community change*

How have the community characteristics/residents composition/ambience changed since 2000?

#### *C. Migration pattern*

What is migration pattern of Bukchon since 2000? How have it changed?

#### *D. Personal experience*

Is there any personal experience related to neighbourhood/community change?

Is there any friend who moved out from here? Why did the friend move out? Where does the friend live now? Do you still contact him/her? What is a negative aspect to you after your friend moved out?

#### *E. Indirect displacement*

Have you heard any complaints about community change from residents? Why do they complain?

Have you heard any complaints about commercial change from residents? Why did they complain?

#### *F. Role of tourist accommodation*

How do you feel about the recent increase in tourist accommodation?

What is the role of tourist accommodation in neighbourhood change?

#### *G. Commercial change*

What is the role of tourist commercial stores (e.g. restaurant, boutique, souvenir shop) in neighbourhood change?

#### *H. Who profit?*

Who took the profit and who lost due to this Neighbourhood change? Why and how?

### **4. Recent context of Bukchon**

*A. Problem of Bukchon: Phenomenon, cause and effect*

What are the main problems that Bukchon face?

Especially, what are the main problems concerned with gentrification?

*B. Stakeholder's response: Residents, retailers and civic activist*

What is the stakeholder's response to the change of Bukchon?

What is the stakeholder's response to the problems that Bukchon face?

*C. Opinion to the change/problem*

What do you think is necessary action or policy in order to mitigate the main problem?

*D. Government response to the problem*

What policy has been implemented or will be implemented in order to mitigate the main problem?

**5. Response to local change and policy implementation**

*A. Response: Resist, compromise*

What do you think is your (organisation's) main strategy to respond to recent local change?

What do you think is your (organisation's) main strategy to respond to policy and its change?

*B. Resistance experience*

Do you have any experience to organise/participating in any event to resist negative change such as negative policy implementation, rapid deterioration of the living condition? Why, how and for what? What was the result?

*C. Perception about resistance*

What is your opinion about such an activity/event? Why do you think like that?

*D. Future plan*

Do you have any future plans in Bukchon? What and how? Why?

*E. General response of residents*

What is the general response to this neighbourhood change?

**6. Reason and process of policy making/change about Bukchon**

*A. The reason of policy making/change in relation to gentrification*

Why was the gentrification policy implemented?

Why has the mitigate-gentrification policy been implemented? Or why has the policy been changed?

*B. The intention/goal of policy making/change concerned with gentrification*

What do you think is the real intention/goal of the gentrification policy?

What do you think is the real intention/goal of the mitigate-gentrification policy?

*C. The process of policy making/change concerned with gentrification*

How has the gentrification policy been implemented? (Including concrete process to make such policy)

How has the mitigate-gentrification policy been implemented? Or how has the policy been changed? (Including concrete process to make such policy)

What is the role of civil organisations and civil activists in the policy making/changing process? Has it changed since 2000?

#### *D. Way to mobilize power*

To what extent can local government affect the change of place, especially in relation to Bukchon?

How did local government promote the policies?

How did local government mobilize power in the policy making/changing process?

### **7. Policy effect in Bukchon**

#### *A. Policy effects*

What do you think is the policy effects of gentrification policies and their change? Why do you think like that? How has it worked? Do you have any proof or data to underpin it?

Is there any policy (and its change) effect on stakeholders' attitude/behaviour/perception/plan/expectation?

#### *B. Other important policy*

Is there any other important policy (change) which have affected Bukchon?

#### *C. Side effects*

What are the side effects of such policy and its change?

#### *D. Effective policy*

What kind of policy has worked well and what have not? Why?

Do you have any alternative to ineffective policy? What and how?

#### *E. Personal experience*

Is there any personal experience related to the effect of policy change?

### **8. Relation and interaction**

#### *A. Other civil organisation*

What is the general relationship/interaction between related civil organisations? Has it changed recently?

#### *B. Government*

What is the general relationship/interaction between government and civil activist? Has it changed recently?

Have the relationship and its change affected (or been affected) policy implementation and change?

How is your relationship with the government? Have you contacted with them? What is the issue?

#### *C. Residents*

What is the general relationship/interaction between residents and civil activists? Has it changed recently?

Have the relationship and its change affected (or been affected) policy implementation and change?

How is your relationship with the residents? Have you contacted them? What is the issue?

#### *D. Retailer*

What is the general relationship/interaction between retailers and civil activists? Has it changed recently?

Have the relationship and its change affected (or been affected) policy implementation and change?

How is your relationship with the retailer? Have you visited/contacted them? What is the issue?

*E. Other important stakeholder*

Is there any other important stakeholder who affect neighbourhood change in Bukchon? Who? Why are they important? Has it changed recently?

**9. Future**

How do you imagine the future of Bukchon?

What do you want Bukchon to be in the future?

**Thank you for taking the time to participate in this interview.**

## **Real estate agent and others**

### **1. Background**

#### *A. Living place*

Are you living in Bukchon? How long have you been?

#### *B. Starting of your business*

When did you start your business in Bukchon? Why?

### **2. Perception of Bukchon**

#### *A. Characteristics of Bukchon*

What is the main characteristics of Bukchon?

#### *B. Attraction of Bukchon*

What are the main attraction of Bukchon?

### **3. Property market**

#### *A. Property price*

Please tell me the brief history of the property market in Bukchon.

Where is the most expensive or cheap? Why?

#### *B. Buyer and seller*

Who buy the property? Why?

Who sell the property? Why?

#### *C. Migration pattern*

What is the migration pattern of Bukchon since 2000? How has it changed?

Who moves in and out?

### **4. Neighbourhood change**

#### *A. Main Change*

What are the main changes in Bukchon since 2000?

#### *B. Community change*

How have the community characteristics/residents composition/ambience changed since 2000?

#### *C. Personal experience*

Is there any personal experience related to neighbourhood/community change?

#### *D. Indirect displacement*

Have you heard any complaints about community change from residents? Why do they complain?

Have you heard any complaints about commercial change from residents? Why do they complain?

*E. Who profit?*

Who took the profit and who lost through this Neighbourhood change? Why and how?

**5. Recent context of Bukchon**

*A. Problem of Bukchon: Phenomenon, cause and effect*

What are the main problems that Bukchon/Seoul face?

Especially, what are the main problems concerned with gentrification?

*B. Opinion to the change/problem*

What do you think is necessary action or policy in order to mitigate the main urban problem?

**6. Reason and process of policy making/change about Bukchon**

*A. The reason of policy making/change in relation to gentrification*

Why was the gentrification policy implemented?

Why has the mitigate-gentrification policy been implemented? Or why has the policy been changed?

*B. The intention/goal of policy making/change concerned with gentrification*

What is the intention/goal of the gentrification policy?

What is the intention/goal of the mitigate-gentrification policy?

*C. The process of policy making/change concerned with gentrification*

How has the gentrification policy been implemented? (Including concrete process to make such policy)

How has the mitigate-gentrification policy been implemented? Or how has the policy been changed? (Including concrete process to make such policy)

What kind of method was utilised to collect/reflect/apply the will of the stakeholders?

*D. Way to mobilize power*

What was the authority of the local government to implement such a policy?

To what extent can local government affect the change of place, especially in relation to Bukchon?

How did local government promote the policies?

**7. Policy effect in Bukchon**

*A. Policy effects*

What do you think is the policy effects of gentrification policies and their change? Why do you think like that? How has it worked? Do you have any proof or data to underpin it?

Is there any policy (and its change) effect on stakeholders' attitude/behaviour/perception/plan/expectation?

*B. Other important policy*

Is there any other important policy (change) which have affected Bukchon?

*C. Side effects*

What are the side effects of such policy and its change?

Do you have any plan to mitigate side effects? What and how?

*D. Effective policy*

What kind of policies have worked well and what have not? Why?

Do you have any plan to amend ineffective policy? What and how?

### *E. Personal experience*

Is there any personal experience related to policy change and its effect?

## **8. Relation and interaction**

### *A. Residents*

What is the general relationship/interaction between residents and the government? Has it changed recently?

Have the relationship and its change affected (or been affected) policy implementation and change?

How is your relationship with the residents? Have you contacted them? What is the issue?

### *B. Retailer*

What is the general relationship/interaction between retailers and the government? Has it changed recently?

Have the relationship and its change affected (or been affected) policy implementation and change?

How is your relationship with the retailer? Have you visited/contacted them? What is the issue?

### *C. Perception about other stakeholders*

What is your perception/opinion about the role of academics/civil activists/residents/retailers in Bukchon?

What is the general perception/opinion about the academics/civil activist/residents/retailer in Bukchon?

Has it changed recently?

### *D. Other important stakeholder*

Is there any other important stakeholder who affect neighbourhood change in Bukchon? Who? Why are they important? Has it changed recently?

## **9. Future**

How do you imagine the future of Bukchon?

What do you want Bukchon to be in the future?

**Thank you for taking the time to participate in this interview.**