

Seniors Housing in a Changing Asian Society: South Korea

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Traditionally, aging Koreans would live with their eldest son's family. However, urbanization, economic expansion, and changing demographics are contributing to South Koreans considering alternative living arrangements. One possibility is the development of seniors housing, available only on a very limited basis today. This analysis indicates that a number of aging Koreans are interested in independent living, and many will soon have the economic resources to create demand for this type of housing. However, government policies would have to change for this product type to be developed successfully on a large scale.

Keywords

Seniors housing, Korea, consumer behavior, housing policy

Introduction

Countries throughout the world are experiencing rapid increases in the number and proportion of elderly persons in their populations. South Korea is no exception. The Korean baby boom began after the Korean Conflict (1950-1953), and continued into the early 1960s. The country rapidly industrialized and its young people migrated to the cities. These baby

boomers have chosen to have fewer children than their parents did while life expectancy is increasing. This has led to growing numbers of elderly persons with fewer children to rely upon for support in old age.

In many Western countries such as the United States, a seniors housing industry has developed in response to the growing numbers of seniors who want to maintain an independent household. Developers offer a range of facilities for lease or purchase in the private and public sectors, including independent living, assisted living, congregate care, nursing, and life care communities.

As Asian populations age and their economic resources increase, the question of whether demand will develop for seniors housing, making it a viable commercial housing product in these markets, arises. To be successful, several conditions must be met. An adequate number of seniors must prefer such housing relative to alternatives already available in the market. Cultural norms would have to support independent living arrangements for seniors rather than co-residing with the eldest son. The seniors would have to have income from pensions or family support to pay for their separate housing units. Government policies would also have to change to support such developments. To explore these issues, this paper will explore the South Korean population, seniors' economic resources, and current housing options and policies, as well as cultural beliefs and attitudes that affect seniors' preferred living arrangements.

Background

Aging Population

The age structure of the South Korean population is shifting. Of more than 47 million South Koreans, currently only 7% are 65 years or older, and 8% are aged 55 to 64. However, the proportion of people age 65 and older is expected to double, totaling almost 7 million people by 2020. While it took 75 years for the proportion of elderly to grow from 7% to 14% in the U.S., this transformation is expected to take less than 30 years in South Korea. The support ratio (number of people aged 65 and older per 100 persons aged 20 to 64) was eight in 1990, but is expected to rise to 15 in 2010 and 27 by 2025. This aging of the population is a result of relatively lower fertility rates producing fewer children per family, and increased life expectancy due to improvements in living standards and health technology. Reduced fertility has resulted in smaller families. Average family size was expected to reach 3.0 in 2000. Meanwhile, life expectancy at birth has risen to 70 years for men and 78 for women. Thus, as in other industrialized nations, women

comprise the majority of elderly people--more than 75% of those age 80 and older. Their longevity is reflected in the marital status statistics as well. While 84% of men age 65 and older are married, only 27% of women are (Choi, 1996; Kim, M., 1997; *Korea Annual 1997*; U.S. Census Bureau, 2000).

Elderly Economic Resources

With industrialization in South Korea, workforce patterns changed. Younger Koreans left farms and family-owned enterprises for wage employment in manufacturing and service firms, creating more stable income patterns. More women have entered the workforce as well. Mandatory retirement from these jobs is still prevalent in South Korea, often starting as early as age 55, but this is gradually being adjusted to age 60, the pensionable age. The major income maintenance programs for retirees are retirement benefits, public assistance, and public pensions.

When South Korea was less industrialized, the family provided almost the entire financial support for the elderly. Now the most common and major source of income for retirees is the lump sum retirement benefit given when the retired worker reaches age 60. It is generally considered insufficient to maintain a minimum living standard, forcing today's retirees to return to work or continue to rely on their children for support.

Public assistance in the form of small cash allowances, public nursing home care, and other benefits is available for the poor age 65 or older, with no one legally responsible for their support (14.8% of those age 65 and older were receiving this assistance in 1991). The Senior Citizens' Welfare Act created another allowance program in 1991 that initially benefited low-income residents age 70 or older who maintained a separate household and did not have a legally responsible supporter, and has since been expanded to as many as one-fourth of low-income elderly Koreans (Sung, 1994). In addition, approximately 600,000 Koreans age 60 and older are receiving social security payments.

Four public pension programs have been designed as contributory social insurance programs. Those for civil servants and military personnel were instituted in the 1960s, for private school teachers in the 1970s, and for the general working population in 1988. The three public programs cover only 7% of all employed persons. To be eligible for an old age pension under the national pension program, one generally has to have been participating for 20 years and be 60 years old. Thus, it will begin payments to retirees in 2008 (Sung, 1994). It is intended to be the major pension program for South Koreans in the future.

Because of low income and savings during their working years, many rural elderly Koreans have minimal incomes from public or private pensions or savings. They invested instead in their children, who were expected to repay them through financial support. Lee (2000) found that most rural parents (82%) age 60 or older whose children have migrated to urban areas receive financial assistance from those children, especially from unmarried daughters and married sons. Such assistance is most common when parents have lower incomes, are older, and are not co-residing with children.

In the past, a woman's role in Korean society was to marry, rear children, and depend on her husband and adult children for economic support. Thus, many women are either not eligible for pensions or receive lower benefits as a result of their part-time and lower paying jobs (Jang and Sharpe, 2000). They are the most reliant on family financial support.

The inadequacy of previous pension and assistance funds is reflected in the proportion of the elderly who are working. As of 1994, 37% of the elderly (54% of males) were working. Many of the rural elderly are self-employed farmers, fishermen, or forestry workers. Most (72%) said they were working because they needed the money. Another source of income for 78% of the elderly was family members, especially sons and daughters-in-law (Kim, 1999).

Housing and Living Arrangements

One result of the rapid economic growth and urbanization of South Korea in the last 40 years has been a chronic shortage of housing, especially in the cities. It was estimated in 1993 that there were 47% more households than housing units in Seoul, even though the number of dwellings increased 90% from 1980 to 1993 (Choei, 1997). Part of this was a result of a housing-related savings scheme launched in 1978, which gave preferential purchasing rights to households at controlled prices, encouraging people to register as separate households. In addition, the construction, pricing, and financing of housing in South Korea has been highly regulated. However, supply is also constrained because buildable space is limited in South Korea due to its terrain and a greenbelt system around urban areas.

The federal government controls the supply of buildable land in South Korea. The Ministry of Construction and Transportation determines the amount of land to be developed in any given time period. The government purchases the land via eminent domain, and then rezones it for development. Some of the land is developed as subsidized housing and is rented to low-income residents (Hannah, et al., 1993). The Ministry issues permits primarily to public developers (the Korea Land Corporation and the Korea National

Housing Corporation) and local governments, limiting development by private firms. Since 1977, any new housing project with 20 or more units has to be priced at a level set by the government (which may be no more than 50% of the market value) and allocated to housing-related savings account holders. Because of the minimum number of units, price controls have mainly affected apartments, the predominant type of new residential construction. The government began lifting price controls on apartments in 1995 on a limited basis. The price controls on single-family and row houses were abolished in 1996 (Kim and Kim, 1999; Kim and Kim, 2000). Deregulation continues and the government is starting to provide income tax incentives for real estate investment companies to encourage indirect private investment in real estate.

As younger Koreans moved to the city, their parents did not necessarily follow. Many young people moved their nuclear family households into small, single-family urban apartments (Schütte, 1998). Fewer than 20% of the total population now live in rural areas. However, this rural population is disproportionately elderly with more than 40% of those age 60 and older living in rural areas (Kim, 1999). However, because of the small size of the country, large distances do not separate even most dispersed families.

Among household heads age 60 and older in South Korea in 1990, 77% were homeowners (63% of urban households and 92% of rural), 12% were chonsej renters, and 8% were monthly renters. Homeownership is more prevalent among males under the age of 70 who do not receive government income support subsidies. Females 80 and older who do not receive subsidies are more likely to live in a home owned by children (Jang and Sharpe, 2000; Kim, M., 1997). Most homeowners own their homes outright. Few substantial long-term mortgages are available in South Korea except to a minority of first-time buyers via the government. The formal housing finance system, consisting of the Korea Housing Bank, the National Housing Fund, and commercial banks, is very small because of interest rate controls and the lack of a secondary mortgage market. The maximum loan-to-value ratio is often set at less than 20%. Instead, most new apartment purchasers pay 20% of the price when signing the purchase agreement, another 60% in installments over the two-year construction period, and the remaining 20% when they occupy the unit (Kim, 1993; Kim and Kim, 2000).

Renters may pay pure rent or have a chonsej arrangement, whereby the tenant makes a deposit to the landlord at the time of occupancy that is returned when the property is vacated. The landlord often uses the deposits to help finance the purchase of the dwelling (Hannah, et al., 1993). The government subsidizes rental housing for some lower income residents.

A range of housing types is available in South Korea. The majority of households headed by someone age 65 or older (86.5%) live in detached houses, 7.5% in apartments, and 3.2% in row houses (Kim, M., 1997). Seniors housing options are limited in South Korea. Institutional housing may take the form of free homes, fee-charging homes (either low-fee or full-fee), free nursing homes, or fee-charging (either low-fee or full-fee) nursing homes. Until 1985, free homes for the poor were the only type of public institutions for the elderly available. Free nursing homes started caring for the elderly suffering from chronic diseases in the late 1980s. In the early 1990s, low-cost elderly homes and nursing homes were developed with financing from the government and resident fees. Even then, some of the low-cost nursing homes were underutilized because the monthly fees were too expensive for low-income families. Medical insurance does not reimburse for nursing home fees. Although legislation stipulates that the state or local government should facilitate construction of housing appropriate for the elderly, the provision is ambiguous and few housing programs have been created in response. Laws were revised in 1994 to allow private investors to build full fee-charging seniors housing, attracting developers to the upscale market to build so-called "silver towns" (Choi, 1996; Kim, M., 1997). As of 2001, 23 seniors housing projects had been developed.

The housing shortage may have contributed to the continuation of co-residence of multiple generations. Approximately 9% of South Korean homes house one person, 10% house one-generation households, 69% two generations, and 11% three (Kim, W.J., 1997). While 93% of Korean seniors were living with their children in the early 1970s, that percentage dropped to 54% by 1994. Co-residence is more common in the cities, with 64% of seniors living with their children in urban areas. Meanwhile, 12% of the elderly are living alone and 29% with only their spouses (Kim, 1999).

The drop in co-residence appears to reflect a change in preferences regarding living arrangements. A growing proportion of young Koreans want to live separately from their parents after marriage. Many who currently live with their elderly parents do not want to live with their own children when they grow older (Kim, M., 1997). Even one-half (51.3%) of Korean parents age 60 and older would prefer a separate residence to living with their children (Kim and Rhee, 1997). Those who are economically better off and healthy are more likely to prefer a separate residence. If elderly parents have the necessary financial resources, even those in poor health are likely to prefer a separate residence from their children. Similarly, Won and Lee (1999) found that among aging residents of Seoul, those who have the resources to permit independence are more likely to retain a separate residence. Even if they were to become chronically ill, middle-aged middle-class workers would

prefer living in a private nursing home than with children (Kim, W.J., 1997). Co-residence now appears to be as much a function of financial and physical need as cultural and social norms. To encourage continued co-residence and support for elderly parents, the government has earmarked mortgage loans for families supporting elderly parents and pays a monthly allowance to government employees who live with their elderly parents (Sung, 1994).

If more elderly Koreans decide live on their own in the future, they will continue to need support and care provided either by dispersed family, private companies, or government agencies. Very few government programs now provide some frail, low-income residents with home help, day care services, and short-term stay programs (Levande, et al., 2000). Halls for the aged have become popular as a gathering place for the elderly to socialize and engage in recreational activities (Kim, M. 1997). However, a comprehensive, in-home care program is not in place.

Culture

While Western culture values individualism, self-determination, independence, and autonomy, Asian culture tends to be more relationship-based and collective. Autonomy and independence are not symbols of maturity and adulthood. Family members want and expect a mutual dependence relationship and reciprocity. Family cohesiveness and harmony are more important than privacy and personal gain. The religious influence of Confucius is evident in that the most important virtues include respect for elders and filial piety. Sung (1995) has identified two dimensions of modern filial piety in South Korea—behavior (sacrifice, responsibility, and repayment) and emotion (harmony, love, and respect). The Korean ethic of parent care is grounded in sacrifice, which transcends self-interest. Filial piety is, in part, a desire of children to repay what they owe their parents. It implies that a son owes his parents material and spiritual support in their old age.

Korean families traditionally had a strict division of roles and positions defined by gender, generation, birth order, and marital status. Daughters lived at home until marriage and then became members of their husbands' families, maintaining only minimal social and economic contact with their parents after marriage. Sons, especially first sons, assumed primary responsibility for supporting aging parents by co-residing with them.

Although the traditional division of positions and roles within the family has weakened in recent decades, it continues to influence family life (Lee, 2000). Won and Lee (1999) found co-residence more likely when elderly parents have a son than when they are parents of daughters only. Some 78% of

elderly Koreans believe their children should support them, but only one-half think the responsibility falls only on the eldest son (Kim, 1999). The government has made efforts to preserve the traditional values of respect for elders through such activities as the campaign for respect for elders, establishment of Respect for the Elderly Day and Respect for Elder Week, and support of filial piety prizes (Levande, et al., 2000).

Thus, analysis indicates a growing number of elderly persons in South Korea. Co-residence, especially with the eldest son, appears to be declining despite the growing proportion of elderly, continued urban housing shortages, and limited pensions. However, very few housing for seniors has been built thus far. To further examine current interest and preferences regarding seniors housing, we examined the results of a survey of South Koreans who currently are or soon would be candidates for seniors housing.

Survey Methodology

Personal interviews were used to collect data on a sample of 560 people over the age of 50 who lived in urban South Korea in 2000. We limited our study to urban South Korea because most Koreans live in the cities, and the urban population is more likely to be employed in jobs that would lead to retirement, a pension, and the potential purchase or rental of seniors housing. A stratified random sample was selected. First, six large and medium size cities were randomly selected, and then Beonji (administrative districts) within each city were randomly selected. Quota sampling was then used based on age and sex.

The survey gathered socioeconomic information about the respondents. They were questioned about their current living situations and plans for the future. To further understand their preferences regarding living and housing arrangements, they were asked if they were familiar with the concept of seniors housing, and whether they would like to live in seniors housing. Seniors housing was defined as "the paid facilities which provide specially designed housing and various services for seniors. They either do or do not provide medical services." Their preferences regarding living with relatives as they aged as compared to moving into seniors housing were gauged. Differences between groups of respondents were identified via cross-tabulation tables and significance tested with a Chi-square test.

Results

Socioeconomic characteristics of the sample, as shown in Table 1, revealed that an even mix of men and women are represented. The majority (87.9%)

are married. Most of the respondents have either a junior (34.5%) or senior (41.3%) high school education. The majority are aged 55 to 64 (58.6%). The responses are slightly overrepresentative of those age 50 to 55, and underrepresentative of those age 65 and older when compared to the entire South Korean population. This limits generalization of the unweighted results in estimating total demand for seniors housing, but provides sufficient numbers of people in each age group for comparisons. Most earn between \$12,000 and \$36,000 (70.0%) annually. The majority (54.6%) report themselves to be in good health, and many (45.4%) are still employed.

Table 1: Demographic Characteristics of Survey Respondents

Characteristic	% of Respondents (n = 560)
Sex	
Female	50.9
Male	49.1
Education	
Elementary	16.8
Junior high	34.5
Senior high	41.3
Some college	7.5
Age	
50-54	22.7
55-64	58.6
65 or older	18.8
Annual income (US \$)	
Less than \$11,999	8.2
\$12,000-\$23,999	30.9
\$24,000-\$35,999	39.1
\$36,000 or more	21.8
Marital status	
Single	12.1
Married	87.9
Employment status of respondent	
Retired	18.0
Employed	45.4
Not working/Housewife	36.6
Employment status of spouse	
Retired	21.3
Employed	35.6
Not employed/Housewife	43.1
Health status	
Good	54.6
Fair	32.0
Bad	13.4

Almost all of the respondents currently live in a household comprised of three or more people (82.9%), similar to nationwide figures, as shown in Table 2. Two-thirds (67%) are living with unmarried children and 20% with married children. Most of the respondents (85.9%) own their homes, a higher proportion than in the general population. More (52.5%) live in single-family detached houses than apartments (45.4%). Length of tenure varies tremendously among the respondents.

Table 2: Current Housing Situation of Survey Respondents

Characteristic	% of Respondents (n = 560)
Household size	
1-2	17.1
3	22.5
4	35.2
5 or more	25.2
Other household members	
Spouse	87.9
Unmarried child(ren)	67.1
Married child(ren)	20.0
Grandchildren	17.9
Parents	5.5
Type of housing	
Single-family detached house	52.5
Multiunit building/Apartment	45.4
Multi-purpose building	2.1
Ownership	
Rent (monthly)	1.1
Rent (annually)	13.0
Own	85.9
Length of tenure	
1-4 years	22.5
5-7 years	24.1
8-10 years	23.4
11-20 years	21.8
21 or more years	8.2

Overall, a majority of those surveyed is familiar with the concept of seniors housing (see Table 3). Despite the relative newness of the concept in South Korea and limited number of elderly homes and silver towns that have been built, awareness is significant. Those who recognize this type of housing tend to be younger, better-educated, and higher-income Koreans. Thus, familiarity with seniors housing may be a function of the broader knowledge that comes from formal education, the media, or international travel. Awareness does not appear to vary by sex, marital status, employment status, health status, or household size.

A majority of those surveyed do not want to live in seniors housing. However, a large proportion (37%) expressed interest in such a living arrangement. This is a significant figure for a country that currently has very few such units available. Table 4 shows that those who say they want to live in seniors housing tend to be less than 55 or more than 64 years old, better-educated, in good health, and currently living in a household comprised of 3 to 4 people. The higher interest among the better educated may be related to their having greater awareness and understanding of the concept of seniors housing. Those who are not familiar with a type of housing are unlikely to say they want to live there. The interested respondents are currently in good health, so they are unlikely to anticipate medical problems that could necessitate long-term care. Those in poorer health may be concerned about how they would care for themselves in a seniors housing unit rather than living with a relative who could provide care. Interestingly, those living alone or with just a spouse, who might

be expected to be the immediate target market for seniors housing, are not as interested as those who still have children living at home or who are co-residing with their own parents. Interest exists among males and females, people of all income levels, and both working and retired Koreans. Thus, economics does not appear to be the driving factor in whether a person wants to live in seniors housing, which was a somewhat different result from earlier work (such as Won and Lee, 1999).

Table 3: Differences Between Those Who Are and Are Not Familiar with Seniors Housing

Characteristic	% of Those Familiar (n = 366)	% of Those Not Familiar (n = 194)	χ^2
Sex			2.157
Female	48.7	66.2	
Male	51.3	44.8	
Education			51.489*
Elementary	10.9	27.8	
Junior high	30.3	42.3	
Senior high	48.4	27.8	
Some college	10.4	2.1	
Age			24.633*
50-54	25.1	18.0	
55-64	62.0	52.1	
65 or older	12.9	29.9	
Annual income			17.803*
Less than \$12000	5.7	12.9	
\$12,000-23,999	27.6	37.1	
\$24,000-35,999	42.1	33.5	
\$36,000 or more	24.6	16.5	
Marital status			0.154
Single	11.7	12.9	
Married	88.3	87.1	
Employment status			2.796
Retired	16.1	21.6	
Employed	47.0	42.3	
Not employed/Housewife	36.9	36.1	
Household size			5.045
1-2	17.2	17.0	
3	22.1	23.2	
4	38.0	29.9	
5 or more	22.7	29.9	
Health status			5.329
Good	57.4	49.5	
Fair	31.4	33.0	
Bad	11.2	17.5	

*significant difference at .05 level.

Table 4: Differences Between Those Who Want and Do Not Want to Live in Seniors Housing

Characteristic	% of Those Who Want to Live in Seniors Housing (n = 207)	% of Those Who Do Not Want to Live in Seniors Housing (n = 353)	χ^2
Sex			2.831
Female	49.8	51.6	
Male	50.2	48.4	
Education			25.566*
Elementary	16.4	17.0	
Junior high	27.0	38.8	
Senior high	46.9	38.0	
Some college	9.7	6.2	
Age			18.637*
50-54	27.5	19.8	
55-64	48.3	64.6	
65 or older	24.2	15.6	
Annual income			18.242
Less than \$12000	6.8	9.1	
\$12,000-23,999	30.4	31.2	
\$24,000-35,999	38.6	39.4	
\$36,000 or more	24.2	20.4	
Marital status			5.756
Single	9.2	13.9	
Married	90.8	86.1	
Employment status			3.795
Retired	20.3	16.7	
Employed	44.9	45.6	
Not employed/Housewife	34.8	37.7	
Household size			31.282*
1-2	14.0	19.0	
3	28.4	19.3	
4	35.3	35.1	
5 or more	21.3	27.5	
Health status			18.981*
Good	62.8	49.9	
Fair	28.5	34.0	
Bad	8.7	16.1	

*significant difference at .05 level.

When asked whether they would prefer to live with relatives or in seniors housing, responses were quite mixed, as Table 5 indicates. The number choosing seniors housing over a relative's home (200) was very similar to the response to the earlier question about living in seniors housing that did not specify an alternative living arrangement, indicating that their interest is independent of whether or not living with relatives is a viable option. Only a subset (214) of those who said they did not want to live in seniors housing said they would prefer to live with relatives. Many (26.1%) said they do not know what they preferred, reflecting the uncertainty that prevails during times of

change and the preference to live independently of relatives, but not in housing specifically designed for seniors.

Table 5: Differences Between Those Who Prefer to Live with Relatives and Those Who Prefer to Live in Seniors Housing

Characteristic	% of Those Who Prefer to Live with Relatives (n = 214)	% of Those Who Prefer to Live in Seniors Housing (n = 200)	% of Those Who Don't Know (n = 146)	χ^2
Sex				3.265
Female	46.3	55.0	52.1	
Male	53.7	45.0	47.9	
Education				13.898*
Elementary	17.3	18.5	13.7	
Junior high	36.9	26.5	41.8	
Senior high	39.3	44.0	40.4	
Some college	6.5	11.0	4.1	
Age				4.215
50-54	20.5	24.5	23.3	
55-64	63.1	53.5	58.9	
65 or older	16.4	22.0	17.8	
Annual income				6.652
Less than \$12000	7.5	6.5	11.6	
\$12,000-23,999	33.2	32.0	26.1	
\$24,000-35,999	39.7	36.5	41.8	
\$36,000 or more	19.6	25.0	20.5	
Marital status				2.032
Single	12.1	10.0	15.1	
Married	87.9	90.0	84.9	
Employment status				5.511
Retired	19.6	17.5	16.4	
Employed	49.1	40.5	46.7	
Not employed / Housewife	31.3	42.0	36.9	13.611*
Household size				4.134
1-2	20.1	13.5	17.8	
3	16.8	29.0	21.9	
4	33.2	37.0	35.6	
5 or more	29.9	20.5	24.7	
Health status				
Good	50.5	60.0	53.4	
Fair	34.5	29.0	32.2	
Bad	15.0	11.0	14.4	

*significant difference at .05 level

Nevertheless, the tradition of living with children as one ages is not dominant. Those most likely to indicate they would prefer to live in seniors housing rather than with relatives are better educated and currently living in households comprised of 3 to 4 people, similar to the results presented earlier. Those with five or more people in their household are more likely to express preference for living with relatives. The preference of those in larger households to live with

relatives may be indicative of the fact that they are already in their preferred living arrangements. Preference does not appear to be related to sex, age, marital status, income, employment status, or health. Economics again does not appear to play a role in preferring to live with relatives, nor does being female, older, or alone.

Discussion

Economic, demographic, and cultural changes are taking place throughout Asia. South Korea has been experiencing rapid industrialization, urbanization, and improvement in its economic conditions. One result of the movement of young people to the cities and the increase in economic wealth is a change in living arrangements with rural parents first being left to live alone, and now, a generation of urban parents deciding how they would like to live during retirement. Korean attitudes about multigenerational households and the methods by which children provide support for their parents may be changing. These changes create the possibility for the development of a seniors housing industry. However, developing a successful seniors housing industry would require changes in the Korean government's housing policies.

The results of this survey of urban Koreans age 50 and older indicate that awareness and interest in seniors housing in South Korea is developing, especially among younger, higher-income, better-educated, and healthy Koreans. Although many are undecided about their preferences for housing arrangements as they age, a substantial minority is interested in seniors housing. Interest exists among men and women, people of all income levels, and both working and retired Koreans. The traditional co-residence with the eldest son is no longer the preferred living arrangement for most aging Koreans. Preference does not appear to be related to sex, age, marital status, income, employment status, or health.

To satisfy their desire to maintain an independent household, retirees will have to either rely on continued economic support from their children, or attain sufficient wealth and pension income to become self-supporting. Although cultural shifts may reduce co-residence, intergeneration financial support may continue and serve to fulfill filial duty from dispersed families. Pension support will increase starting in 2008, allowing retirees in future decades to provide more of their own support as well. The government can be supportive of this changing preference in living arrangements if it recognizes and promotes the acceptance of performance of filial duty via financial support as well as co-residence.

The cost of seniors housing will continue to be an issue. With the limited supply and relatively high cost of housing, continued government subsidies would be required to provide seniors housing for the lowest income segment of the population. Private developers would be willing to provide more luxurious seniors housing for higher income residents if allowed by the federal government. Probably the most difficult segment to efficiently serve is the middle-income population. They do not have sufficient assets and income to pay for upscale housing and they do not qualify for the government subsidized units. The development of a broader mortgage market would benefit this segment of the seniors housing industry as well as all other homebuyers.

Maintaining an independent residence requires not only the physical housing unit, but also the supportive care one needs as one ages. With more women working, they are not available to provide informal daily care to elderly parents. Demand will grow for both public and private programs to provide in-home care and services. Some public service programs already exist, but most are limited in scale and location. Privatization may allow a larger range of services to seniors in more locations paid for by the seniors themselves or their children.

The traditional reliance on family to support their aging parents may remain the major method by which the elderly are housed, at least until the national pension program begins making payments. Increasingly, however, children's support may be financial to provide for a separate housing unit rather than co-residence. Despite growing interest in seniors housing, financial, cultural, and governmental constraints indicate this industry will only slowly develop in South Korea. The speed of development will continue to depend, in part, on government policies regarding housing development, financing, and co-residence.

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