Constructing Housing Management Toward Its Professionalization in Korea

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Abstract The purpose of this study is to explore institutional frameworks to professionalize housing management in Korea. In particular, this research reviews the evolution of professional housing management and its institutional measures in a social constructionist perspective. The main method employed in the study is content analysis in which historical pathways in institutionalization of professional housing management are examined and a wide array of indices from secondary data are drawn out in relation to various actors. The findings show that a series of institutional measures were taken from 1970s to secure the professionalization of housing management ranging from introduction of housing management bylaws, placement of licensed housing managers, legal requirements of professionally managed housing estates, compulsory operation of long-term reserve funds, formation of residents' association, mandatory establishment of long-range maintenance planning, to standardization of multifamily housing management bylaws. Since the Multifamily Housing Management Ordinance of 1979 amended in 1980s, many institutional measures have been legally enforced and shaped contemporary practices of professional housing management such as an association for housing management companies, qualification of on-site housing management agents, national licensing examination for housing managers, an organization for licensed housing mangers, mandatory registration of housing management companies, disclosure of monthly housing management fees, and formalization of public assessment of housing management. In spite of the distinctive marks in the professionalization of housing management, more proactive and competitive approaches to the international professionalization need to be considered.

Keywords: Housing Management, Multifamily Housing, Professionalization, Public Sector, Private Sector, Housing Policy

1. INTRODUCTION

Economic growth has been a prolonged agenda of the national policy in the state since 1962, and the compressed development was accompanied with intensive industrialization and rapid urbanization of which both had caused severe housing shortage in the second half of the last century. In response to sharply rising demand for housing, the central government had largely supplied high-rise and large-scale housing estates. Since the vertically stacked units with high-density development were conceived as the only and ideal solution from late 1960s, the constant supply of extensive housing estates throughout the last quarter of last century remarkably contributed to relieving persistent and prevalent housing shortage. Further, the fast increasing production of multifamily housing has transformed urban landscapes. While population density increased from 320 km2 in 1970 to 486 km2 in 2010, housing ratio calculated by dividing housing stock by the number of households rose from 78.2% in 1970 to 101.9% in 2010 (Statistics Korea, 2014a, 2014b). Also, the proportion of multifamily housing to total housing stock (about 14.6 million units) nationwide accounted for 10.1% in 1980 and 71.6% in 2010, but single-family home was made up for 87.5% in 1980 and 27.3% in 2010 (Statistics Korea, 2014a, 2014b). A number of households living in apartment have sharply grown from 4.9% in 1980 to 47.1% in 2010) and those in single-family home have dramatically dropped from 89.2% in 1980 to % in 2010 (Statistics Korea, 2014a, 2014b). Coupled with the steep increase of apartment, as an exemplary form of multifamily housing, a series of serious incidents on housing management (e.g., the collapse of Wawoo Apartment in 1970, the structural defects of housing estates in Sanggye and Mokdong areas in 1988, and the embezzlement of housing management fees in Seoul from 1998 to 1999) had drawn its professional and legal attentions.

Although the adequate provision of housing management and its relevant services was a rising concern, the issue in the housing policy wasn't significantly addressed. While the Public Housing Act of 1963 embraced the housing management, an array of practical measures to professionalize housing management weren't taken until late 1980s. In fact, professionalization in housing

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management has nowadays come to the fore in many East Asian developmental states where industrialization and urbanization have been undertaken in the name of economic nationalism, the demand for housing remains strong, population density is very high, intensive housing development has been commonplace, and high-rise housing has been massively produced (Lee, 2014a, 2014b). Still, there has been little known about Korean housing management.

This research explores the institutional frameworks of professional housing management[1] in Korea in order to develop the strategic ways advancing the professionalization. Using content analysis, this paper examines a broad array of secondary data concerning multifamily housing management. Thus, the nature and characteristics of housing management toward professionalization are deeply understood and the structural factors are widely illuminated in both micro and macro contexts.

2. BACKGROUND

(1) Housing Management and Its Professionalization

Housing management is often characterized as a distinctive profession, but the professional status has been loosely recognized in most countries. Early industrial societies, especially western European welfare states developed the conception of housing management in the nineteenth century when industrialization and urbanization led to state intervention in housing problems such as crowding, urban sanitation, and slum clearance (Clapham, 1997; Mullins & Murie, 2006). However, the professionalization of housing management hasn't significantly emerged until the third quarter of the twentieth century when many welfare states experienced the golden age of post-war economic expansion in which massive housing production in both home-owning and social rented sectors was entailed. It's mainly because the discourse of housing management is underpinned by political, economic, social, cultural and institutional climates. In this regard, much research on housing management and its professionalization contextualizes the mechanism, and the recent studies accentuates social control of housing management in welfare states, in particular UK[2] (Boelhouwer, van der Heijden & van de Ven, 1997; Furbey, Reid & Cole, 2001; Haworth & Manzi, 1999; Kemp, 2000; Manzi, 2010; Saugères, 1999; Walker, 2000).

In many western European welfare states, housing management is viewed as an important agenda in housing policy, and the professionalization has gradually evolved. In fact, professionalization is reinforced by specialized techniques, transferrable skills, careers controlled by a colleague group, and a set of rules and standards, so that all of them constitute proved competence that distinguish professionals from non-professionals (Wilensky, 1964). By extension, professionalism in housing management is imposed on systems requiring specific skills, qualities and knowledge (e.g., professional training, credentials, and institutions). Although housing management as a profession

should be understood in micro-context of practices and macro-structure of each society, the professionalization can be advanced by constructing and changing institutional frameworks.

(2) Professional Housing Management and Social Constructionism

Professionalization of housing management is involved in an institutional context where a wide variety of factors are intertwined in a dynamic way. This analytical approach is embedded into social constructionism (Clapham, 1997; Clapham, Franklin & Saugères, 2000; Franklin, 1998, 2000; Franklin & Clapham, 1997; Somerville & Bengtsson, 2002). In fact, a social constructionist perspective in housing management reinforces that constructing housing management is engaged by actors and agents at different levels, the interaction, as a wider social process, leads to an outcome responding to changing circumstances, and consequently the social milieu determines perceptions, values and practices of housing management (Clapham, 1997, 2000; Franklin, 1998; Franklin & Clapham, 1997). In this respect, Franklin (1998) argues that an exploration of housing management is contextualized by five components that are interrelated in an ever-changing way – structural, institutional, organizational, operational, intersubjective constructs. The structural context forms social ideology and cultural values on housing, the institutional element concerns activities or workings of institutions in housing management, and the organizational part is structured or organized arrangements underpinned by the institutional context. Also, the operational component includes managerial tasks carried out on a daily basis and the intersubjective context concerns ways of on-site performances, particularly how housing-related services are delivered. These five forces can be reduced to macro (nation-state), meso (social actors), and micro (front-line staff) layers of housing management including legislations, policies, associations for stakeholders (e.g., residents, housing managers and management companies), professional requirement, public assessment, and other performance indicators. Therefore, the social constructionist perspective emphasizes that the nature of housing management is derived from historical paths, and a qualitative methodology is necessitated to understanding the conceptual rigor, institutional mediation and practical application.

3. METHOD

This research explores the institutional frameworks of professional housing management in Korea in order to develop the strategic ways advancing the professionalization. In doing so, this paper particularly deals with two main parts; the first segment illustrates the evolution of housing management in public and private sectors, and the second focuses on institutionalization of professional housing management. Thus, a wide array of public indicators from secondary data were assembled and analyzed at different levels of housing management such as housing managers, property management companies, and housing management fees. Included are such indices as management modes of housing estates, number of registered housing management companies, pass rates of annual national licensing examination for professional housing managers, on-site housing managers by size of housing estates, licensed housing managers working in housing estates, and monthly housing management fees by regions. This qualitative

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[1]   The term of housing management in this paper is designated multifamily housing management.

[2]   The British model of housing management was rooted into the method of Octavia Hill in 1840s and the system emphasized tenant-based, welfare-oriented approaches to managing social housing.

research using the content analysis deals with various measures on professional housing management. Thus, the structural factors and institutional frameworks of housing management toward professionalization are deeply understood and widely illuminated in both micro and macro contexts.

4. THE EVOLUTION OF HOUSING MANAGEMENT

It's widely known that housing management is evolved in a socio-cultural context, so its conceptualization is laid out into various definitions and conventional tasks. The core areas of housing management are largely classified into general maintenance, operation and community living. These three parts are interrelated and directly affect the performance of housing management (Chang, 2001). To achieve effectiveness and efficiency of housing management, a good relationship between residents' association and management office is seen as essential. Regardless of housing tenure types, any housing with more than 20 units is considered multifamily housing, and the housing estate is legally required to form residents' association, and depending on the housing tenure type, the entity is divided into two kinds – homeowners' association in private housing and a tenants' council in public rental housing. The associations usually advocate the rights and interests of residents in the estates. However, the performance of housing management is somewhat distinctive because of the differences stemming from the organizational structure and the relationship between residents and management office; it's clearly evident that private housing management outperforms public counterpart.

(1) Public Housing Management

Public housing in a broad sense is regarded as any housing using public resources (e.g., land, grant, and subsidies), but the definition in a narrow sense is limited to public ownership. Despite these definitions, public housing is often perceived as public rental housing since the roles of the public sector were redefined in the housing system around the dawn of this century when globalization rooted into neoliberalism has brought about far-reaching consequences.

The main stakeholders of public housing estates are landlords[3], tenants' council consisting of the board of directors (at least 3 directors including president, vice-president and auditor) and standing committees, and tenants. Due to the nature of the housing ownership mechanism, the voices of tenants on housing management are far weaker than those in private housing, and accordingly their rights are somewhat restricted. In fact, adequate and proper management isn't easily provided in public housing because of a lack of financial resources available. The insufficient economic sources elicit public subsidies, resulting from the occupancy requirement in public housing[4] - income level. In fact, rental payments and management fees are determined at affordable cost, even nominal, but many tenants are so poor that rent arrears

notably occur and often they are unable to pay regularly incurring costs. Further, management office of public housing, virtually acting as landlord, not only collects rent and management fees, but also enforces rules and monitor tenants' qualification. Thus, the voices of the residents on the management are limited.

Besides, most of the tenants in public rental housing need different kinds of social services, and on-site social services are directly available depending on the types of public rental housing[5]. For instance, social service centers must be legally assigned to Permanent Public Rental Housing estates, so that the tenants benefit from social services available within or nearby their housing estate. Consequently, public housing has a relatively passive role of residents in management, and the financial constraints prioritize lower costs decreasing the quality of management services.

(2) Private Housing Management

Managing private housing bears many features distinguished from public housing. Private housing involves a group of people with different interests, and the primary stakeholders include a management office, homeowners' association being made up of a board of directors and standing committees, and residents who are mostly owner-occupiers. Management office carries out actual and routine tasks of management on site, and implements rules approved by or decisions made by a residents' association. Generally, the size of the office varies with the scale of housing estates; a larger housing estate contains a bigger management office.

A homeowners' association exclusively consists of homeowners, so tenants aren't allowed to hold or serve on the position and to vote in elections. A board of directors is nominated and elected by a group of residents at an annual meeting. The board keeps president and auditor as mandatory seats appointed by the board while vice-president, secretary and treasurer are considered to be optional or concurrent positions. The board of directors holds many responsibilities to implement numerous tasks. In fact, the governing body determines and changes the mode of housing management, makes decisions on management-related matters including monthly management fees and the selection of management firms, supervises the management office, hears from residents, addresses concerns in the estate or community, revises bylaws and rules, and resolves conflicts among residents. Also, the standing committees voluntarily carry out a range of community-based activities (e.g., gardening, flea markets, collective buying, neighborhood watch, educational programs and other social activities), and of the voluntary committees, the women's committee almost every private housing estate have set up takes an active and leading role in sustaining the community.

5. INSTITUTIONAL FRAMEWORKS FOR PROFESSIONALISM IN HOUSING MANAGEMENT

Housing management has been contextualized in a formal and professional way since the institutional measures were taken in the last century. The first effort to nominally contextualize housing management was made as early as 1963, but a variety

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[3] On behalf of the central or local governments, public housing agencies act as landlords and handle on-site management tasks

[4] Generally public housing has been residualized, so the tenants are either the poorest or the most vulnerable such as the lowest- or lower-income people, the disabled, the elderly, single parents, teen-headed families, refugees from North Korea, and people in need.

[5] Including the supply-based public rental housing such as Permanent Public Rental Housing, (Long-term) Public Rental Housing, and National Public Rental Housing.

of institutional measures were gradually taken from late 1970s. Historical milestones in housing management can be summarized in Table 1. The Multifamily Housing Management Ordinance enacted in 1979 became the cornerstone of contemporary housing management practices; constant amendments have enforced, specified and elaborated numerous institutional measures applied to the housing sector. The Ordinance has been frequently amended since 1980s so as to respond changing housing sector (e.g., IT and environmental management).

Table 1. Key institutional measures on professional housing management in a social constructionist perspective

Constructs	Institutional Measures
Structural	specification of qualified on-site management agents (1977); the Multifamily Housing Management Ordinance (1979); legislation of professionally managed housing estates (1995);
Institutional	national licensing examination for housing managers (1990); the Korea Apartment and Building Management Association (1987); the Korea Housing Manager Association (KHMA) (1991);
Organizational	introduction of housing management bylaws (1977); placement of licensed housing managers (1977); legal requirements of professionally managed housing estates (1979); formation of residents' association (1981); mandatory registration of housing management companies (1994);
Operational or intersubjective	compulsory operation of long-term reserve funds (1979); mandatory establishment of long-range maintenance planning (1983); standardization of multifamily housing management bylaws, long-term management reserve fund (1984); qualification of on-site housing management agents (1989); disclosure of monthly housing management fees (2009); formalization of public assessment of housing management (2010)

(1) Institutionalization of Professional Housing Management

The idea of housing management became realized by the legal considerations. The Public Housing Act[6] of 1963 included a clause on residents' responsibility for housing management, and the state set up a division of housing management in 1970. Subsequently, several major legislations began to deal with housing management (e.g., the Rental Housing Act[7], the Architecture Act[8], and the 1984 Act on Ownership and Management of Multi-unit Buildings). These legislations specify the constituents of professional housing management (e.g., the requirements of professionally managed housing estates, the placement of licensed housing managers on site, the formation of a residents' association, setting up and management of a long-term reserve fund, the development of long-range maintenance planning, the national licensure examination for housing managers, the qualification of on-site housing management agents, the registration of housing management

companies, the disclosure of monthly housing management fees, and the public assessment of housing management). In fact, the legal frameworks have ostensibly advanced the professionalization of housing management and its industry. Moreover, two important professional organizations were established to advocate the rights and interests of housing managers and housing management companies – the Korea Apartment and Building Management Association (KABMA)[9] in 1987, and the Korea Housing Manager Association (KHMA)[10] in 1991.

(2) Housing Management Modes

The legal requirement for housing estates professionally managed is applied to 1) housing estates with more than 300 units; 2) the estates with more than 150 units and either elevators or a central heating system (possibly or a district heating system); or 3) mixed use buildings with more than 150 housing units developed for residential and commercial purposes (KMGL, 2014). All the housing estates that are required to be professionally managed should draw up long-range maintenance plans, maintain long-term reserve funds, and constitute a residents' association. Each individual housing estate selects one housing management company through a bidding system. This approach intended to select the bid offering the best value, but the current legislation allows the estate to choose the bid providing the lowest procurement cost. Consequently, it caused excessive competition, cost overruns, and marginal profits. To address these problems, the central government is in the review process.

The modes of housing management depending on kinds of management agents are classified into three types; professional management, self-enforcing management, and a mixed style of both modes. In the mode of professional management, a housing management company is usually hired as a management agent, and the firm enters into an agreement of administration, coordination and provision of management services. The contract is renewed on an annual basis. Another type is self-enforcing management in which a small group of residents become managing agents, and they are paid in exchange for taking care of management services. The last mode of housing management is so-called a mixed style of the two types in that this type bears integrative features of both management modes. In this category, a management office employs staff mainly consisting of residents. Since the office doesn't hold any staff with professional knowledge and experience on housing management, managing a housing estate usually relies on outsourcing certain services. Generally, large-scale housing estates choose the professional mode while the self-enforcing mode is common in small-sized estates (Table 2). However, the tasks of housing management have nowadays been so complicated to require a wide array of professional knowledge and advanced technologies like familiarity with relevant laws, IT, technical skills, accounting and outsourcing. As a result, the professional management mode gains more popularity.

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[6] Repealed and replaced to the Housing Construction Promotion Act of 1972 and to the Housing Act of 2003

[7] The Rental Housing Act of 1993 replaced by the Rental Housing Construction Promotion Act of 1984

[8] The Architecture Act of 1962 was revised with a clause on building safety and fire-fighting facilities

[9] A non-profit organization (with 9 branches in the state) for housing management companies in the industry to enhance the professionalization of multifamily housing management and multiunit building management

[10] A professional entity for housing managers in the state (with 16,570 members of 16 branches) to advocate the rights of housing managers and to address professional housing management and its issues

Since the first licensure examination taken in 1990, 16 examinations in total have been given up to 2013. As shown in Table 4, the average pass rate of the national exam is 13.7% and the very low pass rates is attributed to a couple of factors (Cheon, 2010; KHI, 2010); 1) the exam doesn't require any educational or work experiences, so virtually almost everyone can apply for exam-taking; and 2) the difficulty is relatively high since the exam requires a wide range of professional knowledge on housing management.

Table 2. Distribution of housing management modes by scale of estates (in 2008)

Number of housing units	For-sale		Rental		Others/ unknown	Total
	SeM	PM	SeM	PM		
20-150	10,037	1,228	305	45	602	12,217
150-300	1,729	2,232	172	118	75	4,326
300-500	986	2,228	155	181	38	3,588
500-1,000	664	2,317	205	267	33	3,486
1,000-2,000	176	805	115	84	5	1,185
Over 2,000	29	155	17	7	0	208
Total	13,621	8,965	969	702	753	25,010

Note: PM stands for professional management, and SeM for self-enforcing management
Source: KHI(2010)

To control the quality of professional management, the current legislation specifies the four requirements for housing management companies to be registered; the company should hold 1) at least 200 million KRW in capital; 2) at least 4 licensed technicians (in electricity, heating fuel, cooking fuel and safety/ hazardous materials); 3) at least 1 licensed housing manger; and 4) actual possession of such equipment as 5 Hp water pumps, insulation resistance testers, and circuit breakers. These minimum requirements are often criticized in that they are so nominal that numerous companies can easily get into business. Therefore, the number of housing management companies in the last decade had been growing substantially (Table 3). As all firms aren't successful in business, many often go out of business, and the figure was significantly plunged in 2011.

Table 3. Number of registered housing management companies in Korea

Year	New registered companies	Annual increase rate	Cumulative number of registered companies
2000 & earlier	228		228
2001	36		264
2002	26	72.2%	290
2003	56	215.4%	346
2004	47	83.9%	393
2005	44	93.6%	437
2006	62	140.9%	499
2007	86	138.7%	585
2008	88	102.3%	673
2009	46	52.3%	719
2011	n.a.	-24.4%	509

Note: Data in 2010 and 2012 aren't available
Source: KMLTMA(2012)

(3) License for Housing Managers

As part of the professionalization of housing management, the state introduced and adopted the licensing system for housing managers in the 1990s. From 1995, large housing estates have been legally required to place licensed housing managers on site. On-site housing managers in housing estates with 500 units or more must be licensed. On the contrary, housing estates with less than 500 units doesn't require a licensed manager, and instead, the

Table 4. National licensing examination for housing managers by years

Year	Number of applicants	Number of applicants passing the exam	Pass rate
1990	34,045	2,348	6.9%
1992	11,061	1,910	17.3%
1994	37,667	2,492	6.6%
1996	59,363	2,740	4.6%
1998	43,584	6,295	14.4%
2000	30,160	3,096	10.3%
2002	14,852	1,962	13.2%
2004	18,404	3,637	19.8%
2006	25,794	4,281	16.6%
2007	17,145	1,508	8.8%
2008	14,303	2,751	19.2%
2009	15,261	3,491	22.9%
2010	15,054	2,698	17.9%
2011	17,981	3,385	18.8%
2012	18,957	1,473	7.8%
2013	17,656*	2,407	13.6%*
Mean	18,193	2,905	13.7%

Note: The exam biennially took place until 2006, and afterwards it has annually taken; From 2011, the level II is imposed on the person passing the level I, and the overall pass rate is accordingly adjusted;
* estimated
Source: HRDSK(respective years); KMLTMA(2013); KHI(2010)

The national licensing examination consists of two parts – Level I and Level II. The first level is made up of many multiple-choice questions on the 3 topics of civil law, accounting, and facility management. In the second level, the 2 topics of laws and practices in housing management are covered in both multiple choice and short-answer questions. Each level requires more than 60 points on average without any of the topics scoring below 40 points. The structure of the exam allows partial exemption, so those who pass the first level are exempt from the level in the following year's exam only. Passing the first level is mandatory, so passing the second level alone is invalid without passing the first level. This requirement has been further upheld since 2011 when levels I and II was separately taken considering the second level to be a restricted test. Moreover, the licensure examination is popular among middle-aged men who are often laid off or retired in many industries. Table 5 illustrates the information on the 2011 licensing exam; less than one fifth of the applicants at each level passed the exam and more than three quarters of them were middle-aged men.

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Table 5. Summary of 2011 national licensing examination for housing managers

Category	Level I	Level II
Overview		
No. of applicants	17,238	3,608
No. of candidates	2,915	3,385
Overall pass rate	16.9%	93.8%
Candidates by gender	f(%)	f(%)
Men	2,430(83.4%)	2,771(81.9%)
Women	485(16.6%)	614(18.1%)
Total	2,915(100%)	3,385(100%)
Candidates by age groups		
20-30	76(2.6%)	81(2.4%)
30-39	496(17.0%)	582(17.2%)
40-49	1,144(39.3%)	1,366(40.4%)
50-59	1,082(37.1%)	1,232(36.4%)
60-69	116(4.0%)	123(3.6%)
70-79	1(0.0%)	1(0.0%)
Total	2,915(100%)	3,385(100%)
Source: HRDSK(2013)		

Due to neither educational background nor professional experiences imposed on the eligibility for the licensure exam, passing the licensing exam doesn't guarantee either the quality of license holders as housing managers or employment. Moreover, the official license of professional housing managers is granted to people who complete either a required 3-year work experience on site or a 5-year work experience in the field of housing management after the licensing exam is passed completely. Therefore, people fully passing the exam only can be candidates for being housing managers who wait to acquire the official license; after the required work experiences, they are license holders who are able to work as housing managers. As shown in Tables 6 and 7, the number of license holders grows and they are likely to work in large-scale housing estates. However, all the people passing the exam only – candidates for being officially licensed housing managers – don't always seek for work experiences in the industry of housing management.

(4) The Public Assessment of Housing Management

From the late 1990s, housing management performance was assessed by the public sector, especially by local governments, in order to explore its best practices. Even though the public assessment is virtually done and any housing estate can apply for the public assessment, the qualification is usually specified beforehand. Cash prizes of the assessment had been awarded to best managed housing estates until 2005. Afterwards, non-cash incentives such as plaques or certificates have been given out.

Any form of housing management assessment has been implemented by different sectors in search for excellence in housing and urban culture, but the emphasis varies with each sector. The non-profit sector tends to have a single specific purpose such as energy saving, natural resource conservation and environmental protection while the private sector focuses on the aesthetics of housing estates. The assessment of either sector is overseen by a panel of different professionals including architects,

Table 6. Placement of housing managers by size of housing estates in 2010

Category	Housing estates with under 150 units	Housing estates with 150-500 units	Housing estates with over 500 units	Total
Licensed housing managers	377	4,395	5,261	10,033 (73.9%)
Candidates for licensed housing managers	478	3,029	42	3,549 (26.1%)
Total	855 (6.3%)	7,424 (54.7%)	5,303 (39.0%)	13,582 (100%)

Note: Candidates are staff in management office, not housing managers, but expected to be licensed housing managers after the completion of work experience
Source: KMLTMA(2012)

Table 7. Licensed housing managers working in housing estates

Year	LHM	CLHM	Total	No. of apartment units (million)
2000	3,481	3,796	7,277	331.6
2002	4,956	3,138	8,094	384.7
2003	5,649	3,301	8,950	468.8
2004	6,302	3,160	9,462	404.9
2005	7,226	3,186	10,412	415.5
2006	7,606	3,575	11,181	412.9
2007	8,122	3,751	11,873	476.5
2008	8,719	3,554	12,273	263.2
2009	9,233	3,549	12,782	297.2
2010	10,033	3,549	13,582	277.0

Note: LHM stands for licensed housing managers, and CLHM for candidates for licensed housing managers; This figure is based on only the number of housing managers who pass the license exam fully and at the same time work in housing estates, so it implies that all the license holders don't necessarily work on site; Data in 2001, 2011 and afterwards unavailable.
Source: KMLTMA(2012)

urban planners, engineers, public officers, and professors. Unlike non-profit and private sectors, the public sector solely accentuates the performance of housing management in estates, and the first assessment took place in Gyeonggi Province in 1997 (Lee, 2008).

Many local governments have regularly conducted the assessment tailored to the local context, so that the criteria of the tool have been constantly added, modified and deleted while others lasted some years. The structure of public assessment identified nationwide is similar and it constituted three primary areas of housing management – general maintenance, operation and community living. Nevertheless, there had been a growing consensus on the development of standardized tools to gauge the performance of housing management (Lee, 2008). The public assessment hasn't been formalized at the national level – 「Annual Best Managed Housing Estates」 until 2010. The assessment is limited to housing estates that are legally required to be managed professionally. A panel commissioned by the central government is in charge of

evaluating the housing estates selected by local governments. The formalized assessment tool uses 57 items of 19 categories in 4 areas – 'General Management' (16 items of 3 categories)[11], 'Operational Management' (17 items of 6 categories)[12], 'Community Living' (13 items of 5 categories)[13], and 'Recycling and Energy Saving' (11 items of 5 categories)[14]. The tool predominantly consists of quantifiable items which are easily and promptly measured while being slightly modified. To adequately and appropriately assess housing management, to maintain the reasonable instrument, and to react to a changing institutional context, standardized items are necessarily revised and regularly enhanced with complementary items like qualitatively measureable items.

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[11] Including 1) General management (public access to bylaws and agreement; keeping good safety diaries and bookkeeping records; keeping management-related correspondences and documents; enforcement of health and safety measures for residents); 2) Transparent financial reporting system (documentation and filing of financial records; public access to financial records; storing financial records; open bidding; bidding transparency; internal and external auditing; public access to board meeting minutes, decisions, and audit outcomes; and personal guarantee insurance for the president); and 3) Residents' association and its democratic operation (election committee and its duties, election rules and procedures; open and transparent selection process of board members; recording minutes of meetings; and democratic operation in meetings and ethic training of board members).

[12] Consisting of 1) Long-range planning (setting up long-range plan; implementation of long-range plan; revision of long-range plan; periodical assessment of long-range plan; and regular adjustment of long-range plans); 2) Long-term reserve fund (appropriate level of long-term reserve fund); 3) Elevator safety and security (staff for elevator safety, routine elevator safety inspection; and security guards and their participation in mandated training programs); 4) Safety check-up for community facilities (safety diary & its filing; and facility safety plan); 5) Playground safety (safety monitoring; routine facility check-up; and regular patrol); and 6) Damage mitigation (property fire insurance coverage; elevator safety and its adequate insurance coverage; playground safety and its adequate insurance coverage; and adequate insurance coverage on natural disasters).

[13] Comprising 1) Resident volunteering (Community volunteer patrol; social clubs; and learning programs); 2) Building up a sense of community (social cohesion activities; community programs for the elderly; and newsletter and community website); 3) Residents' participation (provision and use of communal facilities); 4) Social activities (Collaboration with community outreach services; patronage of social service agencies or activities; and participation in volunteer services); and 5) Conflict resolution (rules to resolve conflicts between residents; pet policy and rules; and rules on noise or other nuisances).

[14] Constituting 1) Waste separation for recycling and reusing (recycling activities and flea market; reusing activities and sharing unused household items; containers to collect fluorescent lamps and household batteries; collection of scrap paper and used clothes; and proper placement and collection of recycling bins); 2) Food waste separation (food waste separation and collection, food waste reduction); 3) Water saving (water saving strategies and ideas); 4) Energy saving (use of energy-saving lighting or low energy lights; use of energy-efficient night lights; and use of motion detecting sensors in common spaces); and 5) Community Activities (Community campaign for recycling and energy efficiency; and Voluntary participation in environment-related activities)

(5) Monthly Housing Management Fees Made Public

From 2009, all housing estates that are legally demanded to be professionally managed should release the details of monthly housing management fees, and the information is made available to the public from 2010 through the designated on-line website[15] managed and operated by the state. The on-line system allows each housing estate to disclose the detailed management cost in 21 items of 4 categories (e.g., operating expenses of common spaces, charges for individual units, long-term reserve funds, and miscellaneous income) (KMLTMA, 2013). Among the 21 items of 4 categories, 20 items of 3 categories are directly related to housing management fees; general management, security, cleaning, pest control, elevator, maintenance, home networking, and building management on commission in the areas of common spaces, hot water supply, heating, gas, electricity, water, septic tank cleaning, garbage collection, community activities, building insurance, election expenses, and others in the area of individual unit, and long-term reserve fund.

Table 8 shows the breakdowns of 2012 monthly management fees, and more than half of the fees accounted for electricity and general management fees (50.5%). The three fifths of the entire charge were spent on electricity, general management and security (62.1%). Together with water, heating, cleaning and long-term reserve fund, the seven most spent items were made up for about 90% of the total charge. Monthly housing management fees somewhat vary with geographical locations. The capital and its surrounding area (Seoul Metropolitan Area, SMA) are likely to pay higher fees than any other areas in the state. The highest housing management fee in 2012 was found in Busan (1,819 KRW per square meter), followed by Seoul (1,813 KRW[16] per square meter) and Gyeonggi Province (1,692 KRW per square meter). It was noticed that housing management fees in metropolitan areas were higher than the national average (1,549 KRW per square meter). In contrast, the lowest fee was found in Jeju Special Self-governing Province (1,097 KRW per square meter). Of the seven highest expenses, the long-term reserve fund in the capital and SMA has lower portion than outside SMA since the item is closely associated with the economies of scale – larger estates with more units are likely to have lower charge for the long-term reserve fund.

6. CONCLUSIONS

The Korean urban landscape has been transformed by enormous production of high-rise and large-scale housing estates, but there has been little attention to the housing management while only a few studies on housing management in the state have been described in a comprehensive way. Based on the social constructionist approach, this research shed a light on the structural mechanism of professional housing management in the state. While housing management has been vaguely conceptualized in legislation from the beginning, it has been evidently contextualized in association with political, economic, socio-cultural and institutional forces. Not surprisingly, a variety of the state-led measures toward the professionalization of housing management over the past four decades have been progressively taken and

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[15] Apartment Management Info System at www.k-apt.net

[16] 1USD is equal to 1,080 KRW as of October in 2014

Table 8. Distribution of principal items in 2012 monthly housing management fees by regions

Category	Nationwide KRW/m²	%	Seoul KRW/m²	%	SMA KRW/m²	%	Metropolitan areas KRW/m²	%	Provincial areas KRW/m²	%
Overall	1,549	100	1,813	100	1,634	100	1,489	100	1,297	100
Electricity	475.6	30.7	568.1	31.3	479.0	29.3	491.9	33.0	380.0	29.3
General management	282.4	18.2	329.9	18.2	289.3	17.7	244.7	16.4	277.4	21.4
Security	187.2	12.1	244.0	13.5	196.3	12.0	179.6	12.1	146.5	11.3
Water	135.8	8.8	108.0	6.0	154.3	9.4	152.1	10.2	121.7	9.4
Heating	123.0	7.9	186.0	10.3	154.4	9.4	81.0	5.4	65.5	5.1
Cleaning	86.5	5.6	94.5	5.2	85.3	5.2	79.2	5.3	78.9	6.1
Long-term Reserve funds	83.6	5.4	83.2	4.6	85.7	5.2	97.0	6.5	87.8	6.8
Subtotal	1,374	88.7	1,614	89.0	1,444	88.4	1,325	89.0	1,158	89.3
Hot Water Supply	41.8	2.7	52.3	2.9	44.9	2.7	35.9	2.4	38.2	2.9
Maintenance	48.4	3.1	62.3	3.4	70.0	4.3	29.7	2.0	16.5	1.3
Elevator	21.0	1.4	20.1	1.1	18.7	1.1	20.8	1.4	24.3	1.9
Pest Control	5.8	0.4	8.0	0.4	7.5	0.5	6.5	0.4	4.7	0.4
Gas	5.2	0.3	6.3	0.3	2.6	0.2	2.8	0.2	9.9	0.8
Others	52.5	3.3	50.3	2.7	46.3	2.9	68.4	4.4	45.1	3.5
Subtotal	175	11.3	199	11.0	190	11.6	164	11.0	139	10.7

Note: SMA for Seoul Metropolitan Area includes *Incheon* and *Gyeonggi* Province, Metropolitan Areas consist of 5 metropolises (B*usan, Daegu, Daejeon, Gwangju* and *Ulsan*), and Local Areas are comprised of 8 provinces (*Gangwon* Province, *Gyeongsangnam* Province, *Gyeongsangbuk* Province, *Jeollanam* Province, *Jeollabuk* Province, *Chungcheongnam* Province, *Chungcheongbuk* Province, and *Jeju* Special Self-governing Province); Currency exchange rate: 1 USD = 1,080KRW; The most popular housing size for a family of four is 85 m²
Source: KMLTMA(2013)

widely practiced in the sector and at different levels. (e.g., formation of residents' association, legal requirements for professionally managed housing estates, qualification of on-site management agents, mandatory registration of housing management companies, professional entities for licensed housing managers and for housing management companies, national licensing examination for housing managers, disclosure of monthly housing management fees, and formalization of public assessment of housing management). In fact, the Korean housing management model is far advanced than other East Asian developmental states. Similar to Korea, China and Japan adopt the national license examination directed by each state to supply professional housing managers while Hong Kong and Taiwan depend on academic degrees and work experiences (Lee, 2014). Hong Kong has developed the most advanced industry of housing management, and the industry is embedded into a strongly market-driven sector. Due to the nature, the city state has already sought for international standards created by the International Organization for Standardization in order to attain quality assurance of housing management services and to make the industry globally competitive. Further, the state has recently decided to introduce the national license exam of which

the first will take place in 2015 (Lee, 2014a, 2014b).

Nevertheless, proactive strategies for and progressive approaches to the professionalization of housing management need to be considered and explored including the academic accreditation for professional degrees, the educational requirement for licensure, the international standardization of housing management, the behavioral codes of professional housing management, the manual development of professional housing management, and the legal consideration of professional housing management for multi-story buildings with small units that have been strikingly supplied. To carry out these, reliable and accurate data in housing management are necessitated. So are formal indicators measuring housing management performances in objective and systematic modes. Even though the state history of housing management becomes mature, current data available are severely fragmented, inconsistent and indiscrete, posing the most serious threat in advancing the sector of housing management and in raising an international competitive capacity. The aforementioned ways will strengthen the professionalism of housing management, provide better quality of practices, stimulate more efficient performances and produce more effective outcomes in an adequate fashion.

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