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South Korean Custom-Built Detached Housing Business First Model Home Opens Doors in Suburban Seoul

In May 2006, Sumitomo Forestry Co., Ltd. (Ryu Yano, President; head office: 8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo) entered the South Korean detached housing market by establishing Dongwha SFC Housing as a 50-50 joint venture together with the South Korean major building material manufacturer Dongwha Holdings (based in Seoul). The first model home built by the new company was recently completed and opened its doors to the public on March 6.

Model Home for Sale

Location: Dongbaek New Town, Yongin City, Gyeonggi-do, located about 45 km south of downtown Seoul. About 50 minutes away by car.

Site land area: 200.2 m² (approx. 64 tsubo)

Structural floor space: 257.29 m² (approx. 78 tsubo, including basement and garage space)

First floor: 113.10 m²

Second floor: 100.26 m²

Basement: 43.93 m²

Construction method: "2 X 4" method

Features: A residential space tailored to the Korean lifestyle but based on the Sumitomo Forestry "My Forest" home design

New Town Profile

Location: Dongbaek New Town, Yongin City, Gyeonggi-do

Total area: 3.3 million m² (approx. 1,001,000 py)

Number of lots: 1,069 lots for single-family homes, 16,754 lots for multi-family units

After Dongwha SFC Housing was established, a showroom was opened in Seoul in August 2006. Construction began on the model home the following October, and the home opened its doors to the public in March 2007. The home is based on Sumitomo Forestry's "My Forest" design and offers an appealing wood-enhanced interior and

exterior. It is tailored to the Korean lifestyle and as such, is equipped with floor heating. The home is to be sold after it has ended its service as a showroom space. The second model home is slated to open its doors later this year.

Housing starts in South Korea average around 500,000 to 600,000 units a year. Of that total, units in high-rise condominium structures account for around 80 percent, low-rise multi-family units, 10 percent, and detached single-family units, the remaining 10 percent. Around 50,000 new single-family homes are built each year. Currently, the South Korean government is following a two-pronged housing policy that comprises quantitative increases coupled with qualitative enhancements, and has introduced a variety of development plans for the supply of new homes.

According to government estimates, South Korea is currently experiencing a housing shortage in the range of 60,000 units per annum. Seoul has been preparing a massive urban development plan that would add a total of around 300,000 new housing units in six locations between 2005 and 2010. Public housing complexes are already being developed under that plan. Residential real estate development is also on an uptrend, and it is anticipated that the supply of land for detached single-family units will expand in the years ahead. Sumitomo Forestry is striving to gain a foothold in the South Korean market for single-family homes where further growth is expected and quickly establish a pioneering position for itself as a leading wood-frame homebuilder by implementing a customer-first policy that harnesses its amassed homebuilding expertise, technologies, and aftermarket service framework and putting its own, proprietary business model to work.



Model home opened to public in South Korea.