

1 May 2025 (No. of pages:2)

Japanese report: 24 Apr 2025

South Korea's President Yoon Removed from Office: Real Estate Problem Key Issue in Election

Lee Jae-myung of the Democratic Party of Korea, who supports tenant protection oriented real estate policies, is taking the lead

Economic Research Dept.

Qianmao Ted Zhu

Financial and Capital Market Research Dept.

Kei Tani

Summary

- On April 4, 2025, South Korea's Constitutional Court upheld the impeachment of President Yoon Suk Yeol and ruled to remove him from office. According to public opinion polls, more than 80% of South Korean people support the Court's decision, and people are focusing on the possibility of a change of government in the presidential election to be held on June 3.
- Looking back at the circumstances that led to President Yoon's impeachment, in South Korea's April 2024 parliamentary election, the ruling People Power Party suffered a crushing defeat, forcing President Yoon into a difficult position. It was under such a situation that on December 3, 2024, President Yoon attempted to break the deadlock by declaring martial law as a countermeasure against the opposition party, the Democratic Party of Korea. However, his martial-law move ended in failure, and for the second time in a row—following former President Park Geun-hye—a conservative president was impeached and removed from office.
- One of the major factors behind the ruling party's defeat in the parliamentary election was the slump in the real estate market and the so-called "jeonse(also known as key money) problem." These real estate issues have continued up to the present, and in the June 3 presidential election, measures to resolve them are likely to be a decisive factor in shaping public opinion.
- When comparing the real estate policies of the ruling and opposition parties, the People Power Party aims at easing people's burdens through tax cuts and special tax measures which favor owners, whereas the Democratic Party of Korea places its emphasis on tenant protection and the provision of basic housing.

- The latest opinion polls suggest that the Democratic Party of Korea is winning public support for its real estate–related policies. Among the presidential candidates, Lee Jae-myung of the Democratic Party has high approval ratings, while Kim Moon-soo, the People Power Party’s leading candidate, is falling behind. There is a high possibility for a change of government to take place in South Korea.