Regeneration of Declined Urban Industrial Area □ Sewoon Shopping Center

A Dream Re-established : Young creators, master craftsmen, and citizens walking together

The beginning of Sewoon Shopping Center dates back to the year of 1966. In 1966, as a part of an urban reconstruction project, the City decided to demolish a large slum formed after the Japanese Colonial Era and the Korean War. Architect Kim Soo-geun was given the task to create a layout for this project, and Sewoon Shopping Center, a complex of mid-rise buildings consist of eight different arcs, was born. Being the largest-scale urban reconstruction project in the world, Sewoon Shopping Center stretches across the area for one kilometer. The name Sewoon means “a place where all good energies gather”. However, the “Good Energy” didn’t last past the early 1980s, as the Sewoon Shopping Center and the surrounding areas experienced a rapid decline after the development of Gangnam area and after most of the electronics business shifted to the Yongsan Electronics Shopping Center. Though the arcade thrived for over 50 years, the sales in the arcade declined rapidly, and as a result, more than 20% of merchants left. While there were debates ongoing whether to demolish or reconstruct Sewoon, urban regeneration has found some new ways to revitalize Sewoon Shopping Center. The regeneration project that began in 2008, has as its goals walkway renovation, Industrial regeneration and community regeneration.

Walkway regeneration involves the construction of Sewoon Plaza, which connects Sewoon and Jongmyo as well as installing a safe and convenient skywalk above the arcade, by recycling the walkways that were removed during the Cheonggyecheon restoration project. The Walkway regeneration will establish the foundational work for the center of a Walkway network that begins from Jongmyo through Sewoon and Daemun Shopping Center, Namman being the other end. “Sewoon’s rooftop,” which will be constructed on top of the buildings in Sewoon Shopping Center, would be another popular landmark for taking a view of the entire city.

Along with the walkway regeneration, industrial regeneration of Sewoon Shopping Center aims to transform Sewoon into a platform as well as a hub for the 4th industrial revolution. For the purpose, Sewoon Shopping Center brought strategic organizations such as Fab Lab Seoul for the start-up and the growth of young creators and craftsmen, the city’s campus of the University of Seoul (established in the Sewoon Basement by recycling basement used for the storage and operation of heating systems), Sewoon SE Cloud, Seoul Socioeconomic Support Center, and so forth. Moreover, Sewoon Makers’ Cube, a creative space designed for startup companies established by young entrepreneurs, is created on the pedestrian deck between Sewoon and Daemun Shopping Centers.

Also, focusing on the merchants of Sewoon Shopping Center, community regeneration projects to strengthen residents’ abilities and establish a basis for regeneration is significant. After the successful completion of Sewoon Shopping Center Regeneration Project, the Community regeneration involves introducing measures to prevent gentrifications such as agreements to freeze rent, promoting resident-led projects. The merchants and residents will play a pivotal role in restoring decrepit facilities, and a college for local merchants will provide courses to strengthen these skills. Another notable approach for community restoration is the creation of “Repair Unions (Surisuri Unions)” promoting solidarity of master craftsmen of Sewoon Shopping Center, as well as connecting the urban startup companies established in Sewoon area. In 2023, the 8th Sewoon District #4 into a complex (Contest Winner: “Seoul Sewoon Ground”) with historic assets and urban industry will be the culmination of the Sewoon Shopping Center Regeneration Project. As the regeneration of Sewoon Shopping Center creates a new industrial hub and transforms Sewoon Shopping Center into a landmark where urban culture and history is beautifully intertwined, it will be the example of realizing the true meaning of urban regeneration, facilitating local industries.
A creation of New City Ecosystem based on sharing and innovation

Industry: Creation of new industrial ecosystem by integrating existing market and manufacturing (new industries)

• Governance: creating governance led by both private and public sectors for the local community

• Creating a platform of problems to discuss about and solve arising problems and conflicts by making governance possible. Through the Project, the merchant union was reconstructed, and this resulted in a more enthusiastic participation of the merchants for the common goal of revitalizing Yongsan. Such changes directly affected the 4th annual Dragon Festival in Yongsan, and this resulted in a more enthusiastic participation of the merchants for the common goal of revitalizing Yongsan. Such changes directly affected the 4th annual Dragon Festival in Yongsan. Such changes directly affected the 4th annual Dragon Festival in Yongsan.

• Accomplishing governance of merchants

• Establishment of a hub for an industrial ecosystem to support all steps of industry as well as to actualize the competitiveness of our products overall.

• Creating new products that we've never dealt with will be available in the Electronics Market through the Regeneration Project, and the stores, and we will be able to provide more and better choices, naturally increasing the influx of customers. Instead of the existing products becoming obsolete, the new products will create a synergy with the existing ones to improve the competitiveness of our products overall.

• The Digital Lab is in the progress of being constructed, and is projected to be completed in 2018. The Digital Lab is a one-stop base facilitation where the entire process of production to distribution is made possible, including design, sample product production, recruiting angel investors, production, marketing, and distribution. The Digital Lab, being a shared space, also revitalizes other surrounding facilities, while promoting active communication and exchange among people. The Digital Lab will have internal facilities, including the Yongsan-based Digital Lab, multi-purpose laboratories, the Urban Regeneration Café, a hanging garden, and outside conference rooms to enable creators throughout Seoul to utilize this place for their creative endeavor, as well as to work on diverse tasks, hold meetings, and relax. Moreover, the city is searching for ways to maximize the synergy effect of the Digital Lab by linking the Digital Lab with existing facilities such as the Digital Blacksmith Shop, fast ICT Center, Infinitive Creative Space, and Seoul Global Startup center, and is planning on providing a helpful opportunity for the users and visitors of the Digital Lab through social networking as well.

• When the market reached its zenith in the 1990s, Yongsan Electronics Shopping Center was the biggest marketplace with thousands of shops specializing in electronics and computers based on local manufacturers. However, as supply channels evolve and diversify, the reason to visit this old-fashioned Yongsan Electronics Shopping Center without any interesting landmarks to see or things to do disappeared. Everyone agreed that developing a new industry within Yongsan to attract customers is necessary. Preparing for such changes, however, would take two to three years, which seemed pointless when the deteriorated Electronic Market could be demolished at any moment. Listening to the concerns of the merchant union as well as the experts’ opinion, Seoul Metropolitan Government began an urban regeneration project, utilizing Yongsan’s competitive edge in the electronics industry, advantages in its location, and the organizational power of the merchant union as much as possible to create multi-functional, cultural spaces.

• It feels like about 50% of the customers have shifted to online marketplaces to buy electronics. I’ve been running a business in Yongsan for over 30 years, but it is getting worse day by day. That’s why I have a high expectation for the Urban Regeneration Project, as we are told a new industrial ecosystem is being created through the change. By revitalizing the Electronics Market through the Regeneration Project, new products that we’ve never dealt with will be available in the stores, and we will be able to provide more and better choices, naturally increasing the influx of customers. Instead of the existing products becoming obsolete, the new products will create a synergy with the existing ones to improve the competitiveness of our products overall.

• As it can be seen from the efforts of the Urban Regeneration Project, Yongsan Electronics Shopping Center is establishing a platform where everyone including businesses vitalizing the industrial ecosystem, small business owners, landlords, and even the public can enjoy. The Digital Lab is in the process of being constructed, and projects to be completed in 2018. The Digital Lab is a one-stop base facilitation where the entire process of production to distribution is made possible, including design, sample product production, recruiting angel investors, production, marketing, and distribution. The Digital Lab, being a shared space, also revitalizes other surrounding facilities, while promoting active communication and exchange among people.

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Regeneration of Declined Urban Industrial Area - Jangjapyeong

Igniting the Engine Again: Centered on the regeneration of the automotive aftermarket

**Project Strategy**
- Cultivating an automotive-specialized industry tailored to Seoul
  - Creating a process to restore trust for the local industry
- Project Strategy
  - Implementing certification branding and a trust certification system acknowledged by consumer
  - Improving the reputation of the neighborhood through the Automotive Culture Festival and roadside/remanufacturing of automotive parts
  - Create a basis of private sector investment for the businesses dealing with the automotive
    - Create and operate the Janganpyeong Automotive Center (JAC)
    - Modernization of lots for used car dealership at automotive sales industry hubs and establishment of
      - Exporting conditions and facilitate automotive and parts
    - Organizing an integrated information system to improve
    - Janganpyeong is better managed and reformed. Thus, Seoul Metropolitan City decided on the Urban Regeneration Project of Janganpyeong to revitalize the neighborhood by restoring the aesthetics and the main industry of the neighborhood, the autowindustry. The locals and industry personnel responded to the City’s decision with a great deal of support and enthusiasm. Since Janganpyeong’s industrial structure requires increased sales of automotive to facilitate the rest of the industries including automotive parts, repair/tuning, and remanufacturing, the immediate and primary goal of the Regeneration Project was to establish a model creating a virtuous cycle ensuring a reestablishment and continuance of the automotive industry in the area. For the purpose, Janganpyeong is currently planning on constructing a cutting-edge automotive sales center with an automotive sales lot, an export and industrial support center, a government owned space rental service for small repair business owners, and even an automotive museum with private sector investment. At the same time, an automotive industry information center, which will serve as a bundling/staffing industry-leading hub, is currently being built. This information center is constructed as a part of the prime projects in the Urban Regeneration Project. The center, which includes a repair/tuning experience hall, export and industry support center and a regeneration support center, will serve the community as a channel of supporting local industry and a hub for valuable industrial information.

**Expected Outcomes**
- Local industry support and facilitation via the Janganpyeong Automotive Center (JAC) and Automotive Remanufacturing Innovation Center
- Improving the reputation of the neighborhood through the Automotive Culture Festival and roadside/ street environment maintenance
- Implementing certification branding and a trust certification system acknowledged by consumer groups.

**Interview**

**Kwon Oh-woong** (President, Hanjin Used Automotive Company & KIP Co.)

I personally think the Urban Regeneration Project is an opportunity that shouldn’t be missed. When I first began my business here, Jangjapyeong drew the attention of people with its newest facility and amenities. However, the facilities, the people, the customers, and even our hearts deteriorated over the course of past 40 years, and at the time of our struggle, the Urban Regeneration Project became a driving force for us to start over. In my opinion, the most promising thing in the regeneration project is definitely developing human resources, as facilities can be replaced anytime as long as the funds are available, but investing younger generation and educating them require time and systematized processes. I hope the Information Center will serve the community well with the role of developing human resources; of course, we are all ready to participate and support the project as much as we can.

**Starting the engine of Jangjapyeong Regeneration Project**

Regeneration of Declined Urban Industrial Area - Jangjapyeong

There were times when people would think of “Jangjapyeong” when it comes to all things automotive. At the time, Jangjapyeong is the one and the only place to visit for automotive-related business as Jangjapyeong had the full support and benefits from the government. While this support and benefits contributed the explosive growth that Jangjapyeong experienced, but it also resulted in a monopolistic automotive market. However, Jangjapyeong did not realize that the market was rapidly changing, and recovering Jangjapyeong’s lost credibility in the market was an incredibly difficult task. Seoul Metropolitan City was certain that Jangjapyeong would not only recover the past fame accumulated over the course of 40 years, but will improve even more things since Jangjapyeong is better managed and reformed. Thus, Seoul Metropolitan City decided on the Urban Regeneration Project of Jangjapyeong to revitalize the neighborhood by restoring the aesthetics and the main industry of the neighborhood, the autowindustry. The locals and industry personnel responded to the City’s decision with a great deal of support and enthusiasm. Since Jangjapyeong’s industrial structure requires increased sales of automotive to facilitate the rest of the industries including automotive parts, repair/tuning, and remanufacturing, the immediate and primary goal of the Regeneration Project was to establish a model creating a virtuous cycle ensuring a reestablishment and continuance of the automotive industry in the area. For the purpose, Jangjapyeong is currently planning on constructing a cutting-edge automotive sales center with an automotive sales lot, an export and industrial support center, a government owned space rental service for small repair business owners, and even an automotive museum with private sector investment. At the same time, an automotive industry information center, which will serve as a bundling/staffing industry-leading hub, is currently being built. This information center is constructed as a part of the prime projects in the Urban Regeneration Project. The center, which includes a repair/tuning experience hall, export and industry support center and a regeneration support center, will serve the community as a channel of supporting local industry and a hub for valuable industrial information.

Moreover, the Project includes reeducation of dealers to improve their professional capacity, and entrepreneurship support that would facilitate creation of new startups. As for the dealer education program, the city plans to cooperate with automotive dealer program of local colleges to implement more structured and professional education programs. Also, based on existing autowindustry, the Project involves the creation of a hub for the autoremanufacturing industry by introducing soft car tuning in a short-term period, and hard car tuning in a long run as well as gradually modernizing the auto parts market. Furthermore, as a private sector project, an innovation center is being constructed for the parts remanufacturing industry. Through the R&D in the innovation center, the remanufacturing industry will create a paradigm of automotive culture, which includes a repair/tuning experience hall, export and industrial support center and a regeneration support center, will serve the community well with the role of developing human resources; of course, we are all ready to participate and support the project as much as we can.

In Joseon Dynasty, Jangjapyeong used to be a training ground for horseback riding. Interestingly enough, now Jangjapyeong has become the only automotive in Korea with 1,300 businesses gathered including used car dealerships and automotive parts in this huge land of 500,000m². While Jangjapyeong automotive aftermarket focused on offline sales, the time took a toll on them, a deteriorating facility over 40 years old, unstable sales and marketing methods, and the change of distribution channels prevented customers from visiting Jangjapyeong, thus weakening the industrial competitiveness. Seoul Metropolitan City and Jangjapyeong began the Urban Regeneration Project of the area believing that the crisis could turn into an opportunity. Now Jangjapyeong is about to start the engine, and accelerate into the future as the fame of Jangjapyeong is being restored.