



Abstract

A Study on the Supply and Management of Public Rental Stores

The purpose of this study is to improve the degree of completion of the public rental store business model proposed in the Gyeonggi Province Ordinance. As the basic direction of the Gyeonggi-do public rental store policy, it is necessary to focus on establishing the “business model” rather than the “long-term comprehensive plan”. In addition, there is a need to seek alternatives to policies for public rental stores to respond to the shock of Covid-19.

The business model development strategy for each type of public rental store is as follows. First, the public rental store business model that links the overheated commercial zone type and the declining commercial zone type is a method of accepting small-scale merchants pushed out of the overheated commercial area into the public rental stores established in the declining commercial area. Second, the business model for public rental store that connects the declining commercial zone type and the start-up base type is based on the case of Shinchon Box Square. In this model, the role area of the management of public rental stores has been expanded to an incubation center that is necessary to enhance the business competency and increase sales performance of early start-ups. Third, as a strategy for regenerating the old town center in response to COVID-19, we propose a “win-win cooperation mall” or “start-up base-type public rental store” model using long-term unleased vacant stores. This business model is a method of using stores that have been closed for a long time in traditional markets or shopping centers in the downtown area as a business incubation space to foster newly

growing or high-tech service industries such as IT services, online distribution, finance, education, and culture and arts.

As the basic direction for establishing the subject of the public rental store business, the most efficient method is that the local government directly purchases land or buildings using its own resources. However, it is also necessary to actively consider how local governments can lease buildings of private business owners for a long period of time and use them as public rental stores or win-win cooperation stores. Gyeonggi Province needs to expand the manpower in charge of the general planning and coordination department of public rental store policy, and it is necessary to clearly set the scope of roles and authority in official documents such as ordinances and enforcement regulations regarding the division of roles of related departments and public institutions.

The ownership and management entities for each type of public rental store are to be set as follows. First, in the case of overheated commercial area type public rental store, it is best for the public sector to pre-purchase buildings or sites in the commercial area, but if large-scale development is expected, it may be possible to secure rental space through donations from the private sector. In addition, rental stores can be managed by local governments or entrusted to private entities such as social enterprises and cooperatives. Second, in the case of declined commercial area type public rental store, the public sector is needed to secure empty stores or sites in declining commercial areas, and it is common to establish a public rental store through remodeling or new construction. These rental stores can be directly managed by local governments or entrusted to village dream companies or community business entities among CRCs. Third, in the case of a start-up base-type public rental store, public-led supply is the main method, and there are cases where some private companies or private entities provide start-up space. Technology-based startups are often managed directly by the public sector, whereas general startups with low entry barriers due to the low level of source technology are generally managed by the private sector.

Keyword public rental store, gentrification, commercial area, start-up