

Yeouido Parc1, to resume construction in the beginning of next year... Green light after 4 years

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Design of Parc 1 (image provided by Y22)

The “Parc1” project that had its construction disrupted is expected to resume construction early next year.

On July 10, Section 3 of the Supreme Court (head judge, Bo-young Park) decided that the contract establishing the rights to the superficies of Parc1, which was in litigation between the owner of the Parc1 site, the Unification Church Foundation, and the developing company, Y22 Development (hereafter Y22), is valid. In 2010, the Unification Church Foundation filed a lawsuit against Y22 claiming that, "the contract made with Y22 for the rights to the superficies is invalid". The Unification Church Foundation claimed that the contract is invalid because there was a breach of duty by the chairman of the Unification Church Foundation at the time the contract was made. However, the court ruled in favor of Y22.

With this decision by the Supreme Court, Y22 will soon begin the process of project financing (PF), with a goal to collect funds of up to two trillion won before the end of the year, and start construction early next year. One Y22 official said their plan was to "immediately start negotiating with commercial banks" and added that, "we will be able to start construction early next year because the PF process takes about 6 months."

Parc1 is a 2.3 trillion won mega large scale development project on a 2,246,465 m² plot of land in Yeouido, which includes 2 office buildings of 72 stories and 56 stories respectively, a 6 story shopping mall, an international business hotel, etc. Construction started in June 2007, but when the Unification Church Foundation filed a lawsuit on October 2010, construction came to a halt only having completed up to the 1st basement floor.

Samsung Construction & Trading is in charge of construction. The height of the 72 story office building will be of 333m, and it will be the tallest building in Yeouido when Parc 1 is completed. Currently, standing at 284m with 55 floors, the International Financial Center (IFC) building is the tallest in Yeouido.

The conclusion of the first and second hearings were that “the [contract for the] establishment of rights to superficies—a way to dispose of basic assets for the foundation—is not a legal act transferring ownership of land which requires changes in the articles of incorporation, and it [the contract] is valid without the permission of the Ministry of Culture, Sports, and Tourism.” Regarding the claim of breach of trust by the directors when the contract was established, the courts stated that “in light of the circumstances of how the contract was signed and other factors, it is very hard to see it that way [hard to see as breach of trust].”