

PRIVATE SECTOR REAL ESTATE ACTIVITY BOOMING IN THE DPRK

Professional 'housing trade mediators' (real estate agents) facilitating less-than official housing transactions have emerged in North Korea, with a wide range of real estate opportunities popping up, including not only sales but even rooms rented out by the month.

An article titled "Chosun's Real Estate Black Market" in the monthly magazine, 'Imjin River (rimjingang)', detailed the current status of today's real estate situation, including a description of the black market and issues involved with housing transactions in North Korea. Articles for the magazine are written by reporters inside North Korea gathering first hand information on the state of the North Korean society.

In North Korea, exchanging cash to obtain real estate is a highly illegal activity, but with an extreme shortage of housing and a growing divide between the rich and the poor, the demand for housing sales has grown sharply, leading to the development of the real estate black market.

In the North, when the government allocates houses, it issues a 'Government Residence Permission Certificate', allowing the resident to move in. This permit is not, strictly speaking, a certificate of ownership, but rather permission for use of a property, but since there is no expiration date on the permit, once it is issued it is, for all practical purposes, a property deed showing ownership.

Lately, according to the article, almost no one has been receiving residence certificates, and these days, it has become common for North Koreans seeking housing take their money to the black market and either directly or indirectly purchase housing. In addition, as the black

market grows, so too, does the linkage of it with the ruling class.

On one hand, as these housing sales in North Korea are illegal, disputes and trouble continue to arise, but on the other hand, because of their illegality, the North Korean government has no official apparatus in place through which to resolve the issues.