

April 9, 2021



MARCH QUARTER REVIEW

The first quarter was quite remarkable considering the pandemic burden being carried in the U.S. The stock market continued its remarkable rally with DOW and S&P 500 posting all-time records, boosted by the \$ 1.9 trillion Federal Coronavirus Relief Package passed by Congress.

This caused a "Risk On" sentiment which shifted investors from safe-haven assets like Treasury Notes, Bonds and Gold - to Stocks. In fact, Gold, the ultimate 'safe haven', had its worst quarter in 5 years, closing the quarter at \$1,708.80 ounce.

The fading attraction of Treasury Notes resulted in increased yield on those notes (since the fixed payoff on a note then costs less to buy), and this started to put upward pressure on Housing Interest Rates. Even so, your new home can be financed over 30 years for around 3%. This is so low that everyone

should borrow something while it lasts.

The Anchorage real estate market continues at a frenetic pace and Lenders and Title Companies are working long hours (even hiring extra help) to try and catch up with the backlog of transactions. Expect a longer wait line for your purchase or sale.

The fact is that inventory remains exceedingly low compared to demand. We may emphatically say this is a "Seller's Market" in the single family home range \$350,000 to \$800,000 (Absorption Rate 1.2 months).

Why? Because buyers with steady jobs are motivated by the historically low interest rates, while sellers are choosing to 'sit tight' on life plans until the pandemic subsides.

The next quarter should be equally healthy but be ready for further State austerity

measures (despite Federal relief dollars), increasing inflation (watch your grocery bill climb) and a stock-market (with general financial sentiment) that corrects or retraces in mid-summer.

In the meantime, enjoy the color changes from white to green in Alaska, and look forward to hugging friends again and seeing their smiles.

Dave

Windsor

