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Dave Windsor's 'Alaska Real Estate'

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What To Expect In 2024

RE/MAX Dynamic Properties * 907-727-3300 * windsor@alaska.net *

My crystal ball is somewhat dim when it comes to the war in the Middle East, Ukraine, the Presidential Election or Climate Change – but I do have clear visions for the Anchorage real estate market. Here are some of the significant images:-

1) Interest Rates will remain under 7% for a 30 year fixed rate mortgage and likely 5% to 6% by mid-year. This is important to you because it has a radical effect on the monthly payment for a homebuyer. In turn, this is good news for homesellers because buyer activity will remain robust, supporting home values established in 2023.

2) Supply side economics. Sellers relocating Out-of-State, plus Upgrade families, will put homes on the market in the Spring – but demand will continue to exceed inventory available.

The absorption rate will remain under 6 months. That is, inventory will sell with a likely market time of 2 to 4 months and, while a 6 months

absorption rate is considered “balanced”, 2 to 4 months keeps the tilt in the Sellers’ favor.

Prices will hold 2023 levels with a likely increase of 2% to 3% in the year ahead.

3) Alaska Economy will remain robust with healthy employment opportunities, despite a likely National slowdown/recession across the United States in general.

Watch for news from the AEDC forecast (Anchorage Economic Development Corporation) on 24th January which will provide detailed predictions across all employment sectors. The forecast will be upbeat.

Alaska continues to shine as a contrarian to the Lower 48 when it comes to economic prospects.

4) Real Estate practices will remain essentially the same, although local offices face increasing competition that will put pressure on fees and services.

You still get what you pay for. A seasoned local professional with intimate experience of the physics from Girdwood to the Valley (rather than algorithms generated out of State) still offers the best service and value even if charging a percentage or so more than discount brokers.

Technology based national players are also trying to cut out a slice of the real estate action by attracting homebuyers and then selling them to a local licensee for a referral fee.

Dave
Windsor

