



Alaska REAL ESTATE BY DAVE WINDSOR

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PECULIAR MARKET CONTINUES

Non-farm payrolls added 339,000 new jobs in May beating all expectations. At the same time, the unemployment rate rose to 3.7% from 3.4% in April.

So, there are 10.1 million jobs available in the USA but 3.7% * of the work force is unemployed. There are 1.8 jobs available for each unemployed person!

Average hourly earnings have risen 4.3% over the last year so why are these unemployed folks not taking the jobs? Sadly, it is my opinion that people are losing what my father had in his DNA - a work ethic.

Real Estate is likewise in a peculiar situation here in Anchorage. Last week I listed a home at \$355,000. Back to back appointments for 3 days resulted in 6 offers - and the result was a sale price substantially over our calculated market value.

The reason for both these situations, employment and real estate, is that there is a ton of money out there in the population from Covid relief and other generous Federal Government programs.

The real estate market is still full of homebuyers, even though the 30 year conventional fixed rate has now moved to 6.625%, just shy of 7% where I believe it will max out. FHA and VA rates are a little lower at 6.25%.

Here it is June already and buyers outnumber sellers by at least 5 to 1. What does this mean for you?

It's a great market for Sellers - but only if you are not buying another property in Anchorage. If you have an out-of-State plan then this is the perfect time to maximize your profit. Of course, you should also examine the inflationary supply and demand situation in your intended destination. However, these conditions at the Alaska end will come to a termination - so think about it!

Homebuyers, on the other hand, should cool their jets, unless they see a 'must have' property. If you are buying, you will have to be fast, and competitive. Call me to discuss buying strategy which is entirely different to selling strategy.

We live in strange times, internationally and domestically. Life and Values have several questions being asked of us. Stay

calm, and thoughtful. I am always available to discuss your individual real estate needs.

See the next article for a more cerebral discussion of why real estate is one of the most important assets to acquire.

* How the Unemployment Rate is calculated:-

"Each month, the Bureau of Labor Statistics (BLS) conducts a survey in which they ask Americans various questions about their habits. Based on responses, the BLS places them in one of three categories: employed, unemployed, and not in the labor force.

The BLS describes the "labor force" as those who hold a job or who are actively seeking a job. Americans who fall under the "not in the labor force" category are either a student, retired, full-time caregiver, or who economists refer to as "discouraged workers"—meaning they have given up on finding a job.

In order to calculate the unemployment rate, the BLS must first find the number of Americans in the labor force by adding together those who are employed and unemployed. This number is then applied to the number of unemployed people to find the unemployment rate.”

“REAL ESTATE IS A COMMODITY”

With all the financial uncertainty associated with inflation, government spending and recession possibilities it pays to understand that Commodities are enduring, valuable, a hedge against inflation and an essential part of your investment plans.

Commodities are physical assets like gold, oil, copper, wheat, coffee, hogs, soybeans - and never forget – Real Estate.

Inflation is not just increasing the cost of your groceries and consumer needs but it is also eroding the value of any cash you have tucked away in CD's, Savings, Retirement and some unwise stock purchases.

Add to this that the nations of the world are on a track to de-dollarize. For decades the U.S. Dollar has been the global reserve currency (i.e. the measure of all things international) but other sovereign governments (e.g. China, India, Russia, Saudi Arabia to mention just a few) are resentful of the control that this has given the United States. The recent U.S. sanctions on the world's 'bad actors' have highlighted this and now there is



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an inexorable move to establish value in something other than the U.S. dollar.

Inevitably, the USD will lose international value in the next few years, some of this to crypto currencies.

The number one commodity with which sovereign governments hedge against financial uncertainty is Gold and at least 10% of your investment portfolio should be in that commodity. China, for example, increased its national holdings by 8 tons in April 2023 alone, taking its reserves to over 2000 tons. It is buying less U.S. Treasury Notes. Gold is also a treasured personal investment in many Asian and European countries. The easiest way to buy gold is on the stock-market via the Exchange Traded Fund "GLD".

Other commodities, all necessary to future production (and waning in supply), will become more expensive when measured in U.S. dollars – rare earths, copper (tomorrow's oil), platinum, palladium and uranium to mention a few. Miners that produce them are also an

attractive investment.

Lastly, your piece of planet earth – your personal home on land you own, is a commodity that every single person should strive for – with zero debt tacked onto it.

This is why I have spent the last 30 years assisting people at all levels to acquire a home first, and other real estate assets in addition. **Think of real estate as a commodity to secure and protect your future.**

Dave
Windsor

