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Alaska REAL ESTATE BY DAVE WINDSOR

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WELCOME TO THE NEW AMERICA

This is not a political brief. This is a pragmatic, thoughtful viewpoint of how the sea-change in American politics may affect Real Estate in Alaska.

In this new era of accelerating globalization, technology and climate-change (read Thomas Friedman—"Thank you for being late"), the mainstream populations of almost all western democracies are throwing out traditional politicians in favor of strong-arm leaders and, apparently, are willing to give up some freedoms for that leadership.

In short, the issues now facing the world require a new form of government, both locally and planetary, to keep the human species viable. One thing is for sure - - - We shall see rapid and far reaching policy changes, and unprecedented events, in the next 20 years.

To localize this revolution to the State of Alaska, and your individual lives, and Real Estate impacts, is not easy, mainly because the 21st January 2017 has not yet arrived. However, immediate and far reaching policy shifts will follow within weeks and, certainly, before the end of the year.

So, let's attempt to 'read the tea leaves'. It is my estimation that the bold statements made by Mr. Trump during the campaign will most definitely follow through into management decisions in the country, albeit modified by 2 things:-

First, as Mr. Trump eases into the position of President, the realities and nuances of 'consequences' of decisions will definitely temper those decisions. Hence, we can expect changes, but not as extreme as the man's words declared in his campaign.

Second, the Legislative Branch of the tripartite U.S. governance system will, as intended, be a "filter" and "restraint" on the inexperience of the new President. To put this another way, there are some things the Executive Branch can do but many things that can ONLY be done with the co-operation of the House of Representatives (and Senate) and, therefore, you should follow Paul Ryan as much as Donald Trump.

This being said, **what will happen** is a reduction in business regulation, both for Oil Producers, Business Corporations and Banking Institutions. Also, policies affecting social matters, such as Law Enforcement and Health Care will, over a longer period, also affect the State Economy - but the changes in business impacting policies will

springboard the local economy first.

Whilst in the long run, income distribution may well hurt the National and State economies, the movement of further wealth away from the middle class will not be noticed in 2017, or even 2018. In the long-term, the U.S. and State economies cannot flourish with a gap between rich and poor growing even further apart. 70% of the U.S. economy is "Consumer" Products and Services and, therefore, it is clearly those people who must be 'enabled' to spend or the economy collapses. We shall see how deficit spending, de-regulation and a country run by a Board of Directors works out.

However, the more immediate impacts of the new America under Mr. Trump are stimulative and favorable to Real Estate everywhere.

As reflected in the stock-market, the coming policies are highly anticipated to reward corporations, particularly those based on home soil and associated with construction, defense and finance.

Repairing U.S. infrastructure, building up the U.S. military and enabling banks to go back to their pre-crash 2008 flexibility to create loans, all mean one thing - Business Expansion, both here and across the nation, and inflationary affects on real estate values.

In the 4 years of the new President, expect a resurgence in the local economy, increasing population, a rise in wages and salaries, and a rise in the value of real estate.

The underlying question here is when will inflation take its toll. This is an entirely different question, but I suggest that your real estate asset will appreciate significantly over the next 4 years, turning the corner here by the end of 2017, and into 2018, from the bump in the road we have experienced due to Oil Production cut-backs.

In other words, your real estate asset will grow in dollar terms and, if you want to ride that train, you should acquire real estate now. Interest rates are already on the rise. Those rates, still around 4% for a 30 year fixed rate mortgage, will rise with the generally inflationary effects of the Trump presidency.

Since the train is in the station, scheduled for departure on 21st January 2017, it is my recommendation you 'get on it'. You may as well go along for the ride. The trick is to get off the train before it derails because of inflation.

I will certainly indicate, in these newsletters, when it is my recommendation to liquidate.

Think about it, whatever other assets you have - digital paper money in the bank, digital paper value in future retirement accounts or social security, notional future employment, virtual realities and expectations within your own family circle, the ONLY tangible asset you have, and that which is least, or last, likely to be taken away from you - is the piece of ground beneath your feet, and the structure upon it you call home.

Real Estate is the best and most enduring investment of all. Get a piece of it!



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