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Alaska REAL ESTATE BY DAVE WINDSOR

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ARTIFICIAL INTELLIGENCE AND REAL ESTATE

The definition of "work" may well change over the next 20 years, and the employment of individuals in some fields of service and manufacturing may well be at risk.

Yuval Noah Harari in his excellent book - "21 Lessons for the 21st Century" - lays out, among the many challenges we face, the rapid growth of automation and artificial intelligence. InfoTech has moved to an evolved state where computers, and the algorithms they contain, can outperform human brains.

In 2017 it was already old news that a computer could beat any chess champion but, in December of that year, Google's AlphaZero program defeated the Stockfish 8 program (2016 world computer chess champion). AlphaZero learned absolutely nothing from any human and guess how long it took to learn chess and beat Stockfish 8 ? 4 hours!

Such capabilities of computers to learn will have a huge impact on life as we know it. The automa-

tion of many manufacturing plants is well known and add to that the advances toward driverless vehicles.

The advantage that artificial intelligence has over humans is that, not only can it learn more data than the human brain, but it can network with all other computers instantaneously. It is for this reason that, when all cars become driverless, road deaths will be reduced by 90%.

How soon will it be that your general practice doctor is not needed anymore to diagnose your problem and write a prescription? With your biometric sensor installed in your body, a worldwide AlphaZero network of data will be able to diagnose, and even predict your health issues and tell you what to do.

Will the practice of real estate go the way of many service and manufacturing jobs? It is my view that, even after you meet no check-out cashiers at Fred Meyer's or Nordstrom, there are many service fields that will still require the personal attention of a local expert other than

a computer.

Indeed, even though you now sign documents and interact with parts of the real estate process digitally, choosing a home is still an intensely personal narrative. You can certainly look at homes for sale online and even see the 'Zestimate' of value, but only an experienced Realtor can walk and talk you through the tapestry of the marketplace.

To put it another way, whilst your MD and Taxi Driver may be replaceable with Biotech and InfoTech, the Psychiatrist, Nurse and other Caregivers will not be replaceable for your intimate human needs. Do you really want to move house without a human hand? I don't think so.

Zillow cannot replace a local, experienced Realtor and this is why some of their data is inaccurate. Real Estate is not nearly as algorithmic as medicine.

Automation is definitely chang-

ing the way that the practice of real estate is conducted, and many of these improvements are a most welcome timesaver and simplifier of the process.

Federal regulations are, even now, seriously considering the introduction of online appraisals without the use of a tape-toting human making a visual inspection and performing pages of calculations. Algorithms will ensure that lenders are sufficiently protected with a digitally calculated value for the property within tolerable ranges, without wasting 2 weeks of your pending purchase or sale choosing a human to make that assessment.

The combination of InfoTech

and biotech will change culture for matters that require a purely mathematical calculation based on facts and data, but the more intimate aspects of life will, if you have a choice, remain an interpersonal experience.

Facebook, Netflix and Google can certainly assess and measure you, if you choose to expose yourself on the internet, and direct advertising your way for someone to sell you something. It is my belief, however, that most of humanity will still want human intercourse to assist in their more personal life decisions.

I am always here for you, especially when the Internet goes down!

Note: To those of you worried about mass unemployment, be encouraged that the replacement of fighter jets with drones actually created new jobs. The unmanned Predator Drone requires 30 people to operate it, and 80 more to analyze the data it reports. You will just have to be job flexible in the next few decades.

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AEDC Confirms Retracement Over

Whilst the Anchorage Economic Development Council (AEDC) is not the supreme authority on economics, its recent forecast for 2019 does confirm my own opinion expressed last year that the economic retracement (not a recession) is over. This is good news for real estate.

AEDC reports that, although jobs lost in 2016 was net 2900, and jobs lost in 2017 was 2100, this last year showed a decrease in employment of only 1200 jobs.

Furthermore, their research indicates that in the coming year Anchorage will actually add jobs of around 300 to total 150,000 employed people by the end of 2019.

Anchorage population hovers right around 300,000 people and the 150,000 of those not employed are children, some spouses, and a growing population of retired folks.

Areas of economic expansion are mostly in Healthcare while Construction and Tourism are also returning to a positive trend.

The only caveat to AEDC's report is that the State must deal with the \$1.6 billion budget deficit and we all wish Mr. Dunleavy and State Legislators the best on that. Finger crossed for across-the-aisle cooperation.

Real Estate values and activity are both seeing signs of this rebound.