

# MARCH 2023 REAL ESTATE & CONSTRUCTION UPDATE



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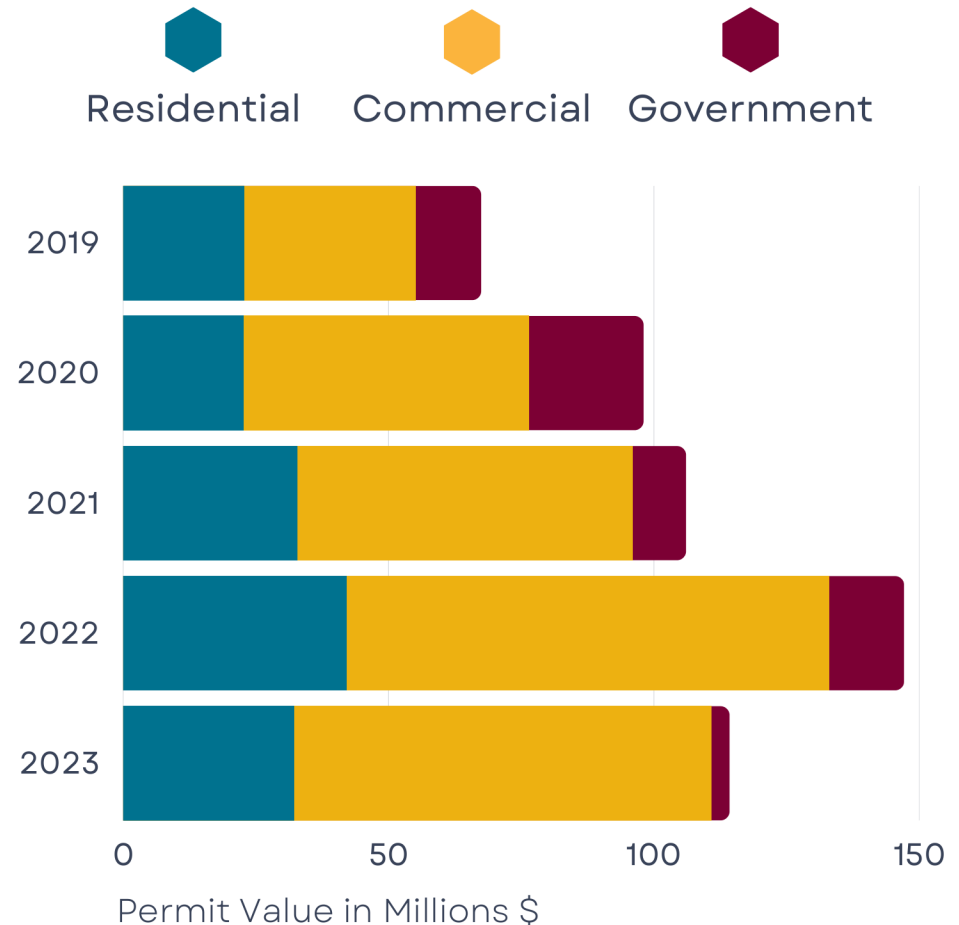
# CONSTRUCTION PERMIT VALUE JANUARY - MARCH

In the first quarter of 2023, Anchorage approved projects worth roughly **\$114 million**.

Residential units permitted thru March trail each of the last three years by number of units permitted, however, **residential permit value** is about equal to 2021, halfway between the \$42 million in Q1 2022 and the \$22 million in Q1 in 2019 and 2020.

**Commercial permit value** was off to a slow start in January and February. Thanks to \$54 million in March alone, however, Commercial permit value is now closer to the Q1 high from 2022 than the preceding 3 years.

Finally, **Government permit value** in Q1 2023 is down 75% from the average Q1 value in 2019-2022.

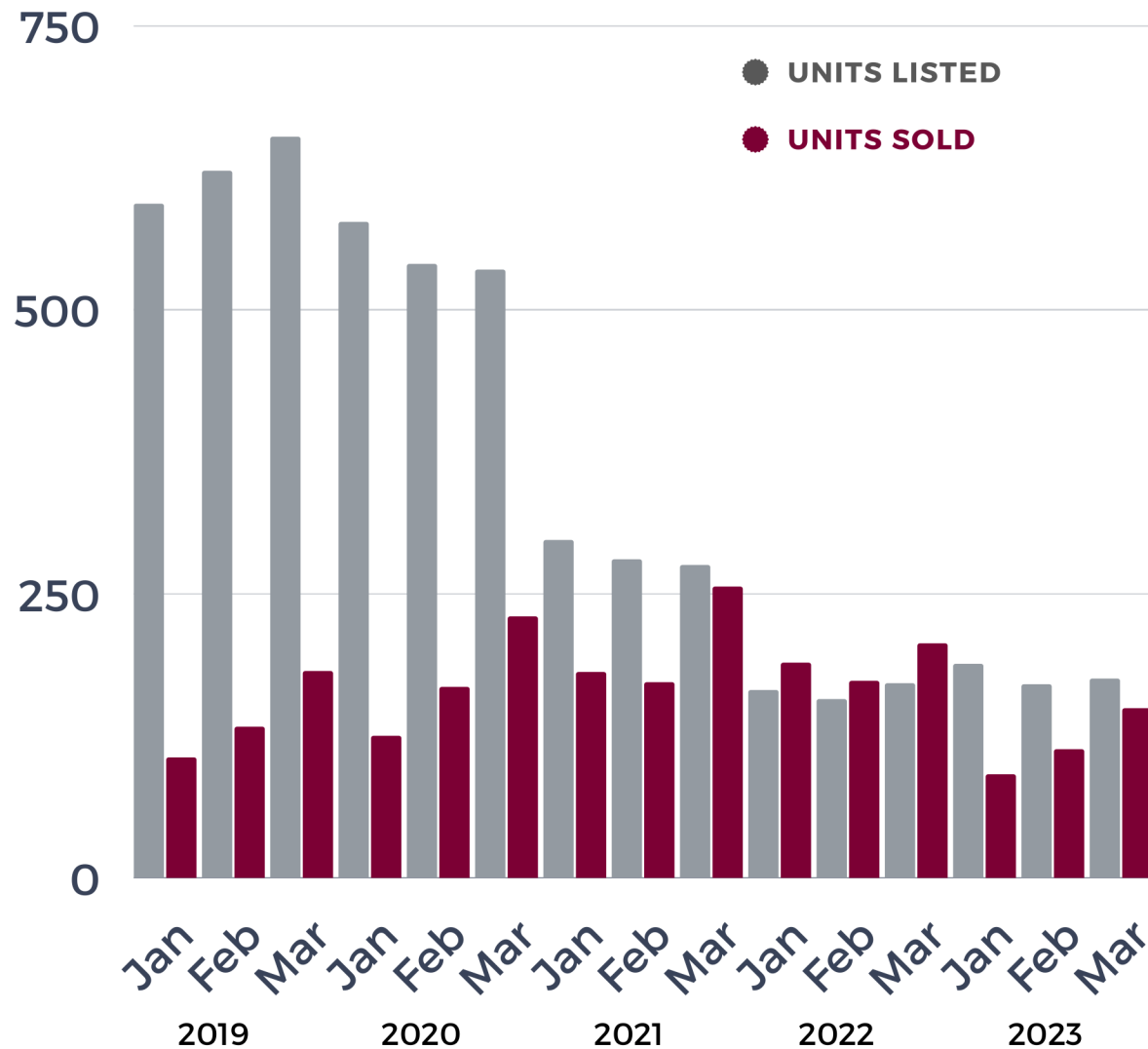


# Q1 HOME SALES

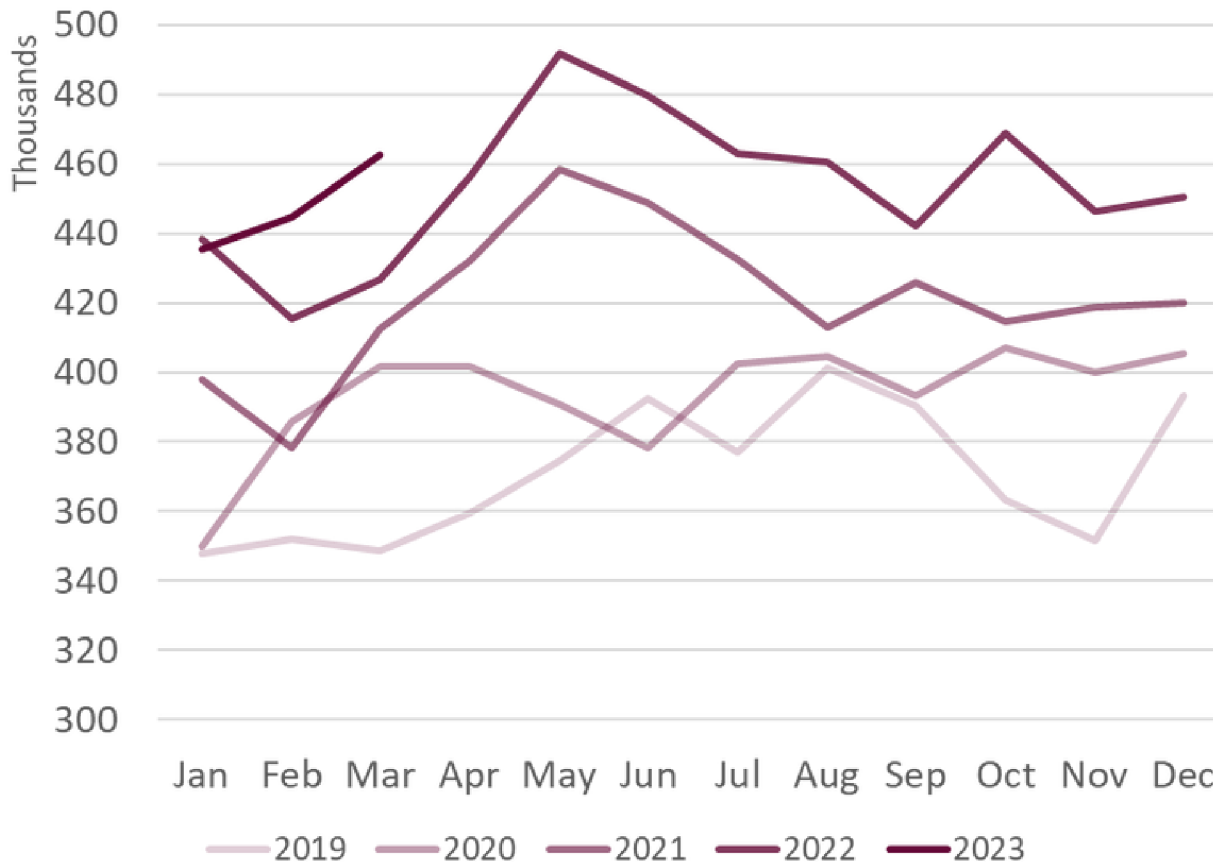
The housing market in Anchorage tightened in 2021 and was severely squeezed in 2022, when more homes sold each month January-April than were posted for sale.

Although 2023 has not been as tight as 2022, the supply of homes for sale remains about 1/3 what it was prior to the pandemic.

March also saw the return of incredible sales relative to listings (sales = 85% of listings) after closer to normal sales in January (48%) and February (66%).



# ANCHORAGE AVERAGE HOME PRICE BY MONTH 2019-2023



In March 2023 sales volume, sales per listing, and sales price all went up.

Anchorage housing continues to be a seller's market.

Keep in mind that borrowing costs consumers more than it did two years ago because mortgage interest rates have more than doubled from under 2.7% (30-year fixed) in January 2021 (6.65% as of March 2, 2023).

*Data sources: Alaska MLS Inc (sales price & volume) Federal Reserve Bank of St. Louis (mortgage rates)*

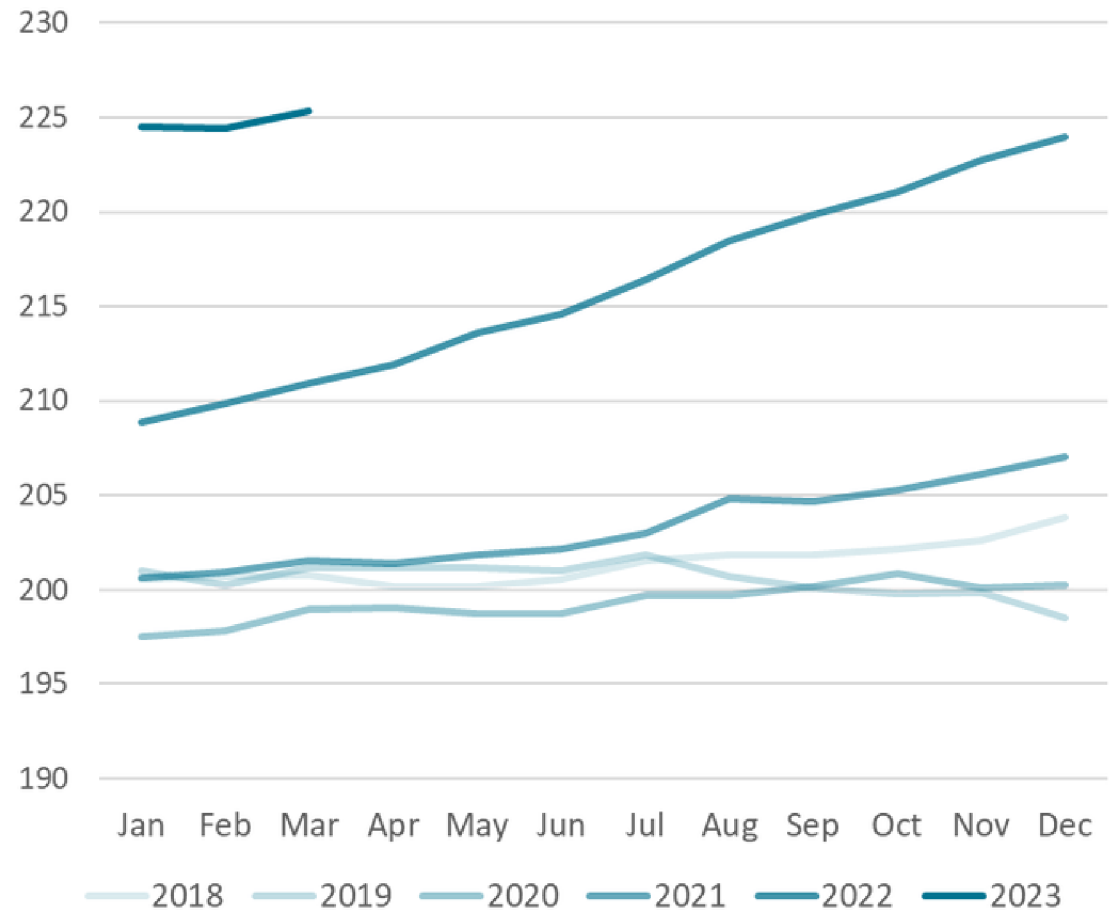
# ANCHORAGE AND MAT-SU AVERAGE RENTS: 2019-2023

In 2015, the average rent of a primary residence in the Anchorage area was double (201%) of the average rent from 1982-1984.

Over the first six months of 2021, that figure was exactly the same, 201%.

After five and a half years of stable rent prices, since July 2021, average rents have climbed 12% (to 225% of the 1982-1984 average).

Even once sales prices stop climbing, average rents may continue to rise as natural churn reduces the relative portion of tenants whose monthly rent was last adjusted before the price of homes went up in 2021-2022.



Data source & notes: *Urban Alaska CPI, St. Louis Fed*  
*"Urban Alaska" refers to Anchorage and the Mat-Su Borough*



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