ALASKA ECONOMIC
TRENDS
SEPTEMBER 2024

ANCHORAGE
neighborhoods

ALSO INSIDE
Rents up about
5% from last year

Alaska's many strategies to reduce housing and energy costs

By Catherine Muñoz, Commissioner

September is a time to showcase Alaskan workers' many contributions to the growth and vitality of our state. Happy Labor Day!

This issue of *Trends* examines housing costs around the state. Affordable energy and housing are often linked, and policies that aim to reduce these costs are community and state priorities. At a recent bill signing, Governor Dunleavy said, "Energy is the linchpin of modern society. The bills I signed today will both help individual Alaskans secure more affordable and reliable energy and allow the State of Alaska to further develop its natural resources for the benefit of the people."

Here is a summary of what each bill accomplishes:

House Bill 50 creates a regulatory framework to attract investment in carbon capture, utilization, and storage. With its companion bill, Senate Bill 48 (signed last year), the State of Alaska is well established to create new revenue, enhance energy recovery from existing oil and gas wells, and maximize the value of state resources for the benefit of Alaskans.

House Bill 307 consolidates the management of energy transmission systems in Alaska's Railbelt, eliminating "wheeling rates" (the charges added to transporting energy from one region to another) and opening access to energy produced by independent producers, such as solar farms.

House Bill 273 creates the Alaska Energy Independence Fund in the Alaska Housing Finance

Corporation, which will help fund sustainable energy projects for homeowners and businesses and attract more federal funding through the Inflation Reduction Act.

Last month, I attended an impressive demonstration in Fairbanks, where new technologies are being tested to improve housing affordability through a collaboration with Xtreme Habitats Institute, Penn State University, the University of Alaska, and others. Local, state, and federal leaders convened at UA for a demonstration of a 3D-printed home being built with local materials. The technology has the potential to add housing stock in rural communities, using local materials.

The technology is being tested in the Interior and will soon be deployed to Nome. The City of Nome is preparing for a pilot project of 3D-printed homes next summer as they embrace innovative strategies to address housing demand resulting from port development and the proposed Graphite One project.

Energy and housing affordability are key to a healthy economy. It is exciting to see the progress, innovation, and ingenuity of Alaskans as they seek solutions that work in the northern environment.

Sincerely,

Catherine Muñoz

Contact Commissioner Catherine Muñoz at (907) 465-2700 or commissioner.labor@alaska.gov.

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ALASKA ECONOMIC
TRENDS

Trends is a nonpartisan, data-driven magazine that covers a variety of economic topics in Alaska.

Anchorage neighborhoods

Diverse areas reflect broader trends in Alaska's largest city

By SAM TAPPEN

In the early 20th century, young Anchorage occupied little more than the coastal region between Ship Creek and Chester Creek, with a few dirt roads leaving town. Eventually, what started in 1915 as a construction camp for the Alaska Railroad on the banks of Ship Creek blossomed into Alaska's largest city.

By 1980, the city had filled much of the Anchorage Bowl and spread north to Chugiak and south to Girdwood. That year, the decennial census used census tracts to divide Anchorage into areas still recognizable to residents today. (See the "naming the neighborhoods" sidebar on page 7.)

In the September 2013 issue of *Trends*, we examined how those familiar areas had changed since 1980 and discussed their implications for the city's future. With new data from the U.S. Census Bureau, we revisited those 29 neighborhoods this year and found that over the last decade, many of Anchorage's long-term trends leveled out or reversed.

Home building slowed, for example, and population growth gave way to loss in Anchorage as it did in much of Alaska through recent state and pandemic-linked recessions. Other trends continued over the past decade, such as an increasingly diverse and older population.

Anchorage neighborhood populations over time

Area	Census April 1980	Census April 1990	Census April 2000	Census April 2010	Census April 2020	Estimate July 2023
Chugiak	5,330	8,387	9,307	10,995	10,865	10,923
Eagle River	7,528	16,937	20,610	23,987	25,118	26,135
Fort Richardson	8,157	7,979	5,470	8,000	6,730	6,764
Elmendorf AFB	9,189	7,118	6,626	5,937	4,592	4,561
Government Hill	1,707	1,732	1,948	1,988	2,124	1,939
Mountain View	5,505	5,566	6,727	7,747	7,044	6,921
Northeast Anchorage	9,428	11,600	13,710	16,762	17,976	18,332
Russian Jack	7,649	8,780	10,488	11,730	11,573	11,134
Merrill Field Vicinity	5,195	6,355	7,157	8,047	8,248	8,043
West Fairview	2,972	3,153	3,404	4,131	3,942	4,239
Downtown Anchorage Core	1,131	818	1,458	940	1,657	1,902
Bootleggers Cove/Westchester	3,766	3,736	3,907	3,718	3,749	3,722
Turnagain	3,363	3,278	3,255	3,059	3,227	3,146
Fireweed	4,682	4,878	5,083	5,224	5,096	5,008
Rogers Park/Tudor Area	5,581	5,264	5,275	5,104	5,165	5,099
University/Airport Heights	7,691	7,649	8,334	8,316	8,015	8,257
Muldoon/Baxter	16,616	20,783	23,251	24,103	23,994	23,504
Campbell Park Area	5,260	6,828	8,243	10,444	9,751	9,558
Midtown	3,115	3,895	4,181	4,194	3,873	3,702
Spenard	3,201	3,238	3,423	3,748	3,315	3,215
Woodland Park/Spenard	3,703	3,498	3,761	3,787	3,686	3,615
East Turnagain/Fish Creek	4,008	6,990	7,923	8,013	7,673	7,491
Airport/Jewel Lake	11,113	15,612	18,626	21,152	21,253	21,048
Northwood	3,339	2,922	2,917	3,299	3,039	2,980
Arctic	4,951	7,722	9,245	10,229	9,875	9,475
Abbott Loop Area	3,501	10,271	13,872	16,930	17,215	17,009
Campbell Lake/Oceanview	12,654	17,234	21,309	25,327	25,340	24,942
Hillside	13,220	22,755	28,682	32,345	34,609	34,633
Girdwood/Turnagain Arm	876	1,360	2,091	2,570	2,503	2,356
Anchorage	174,431	226,338	260,283	291,826	291,247	289,653
Alaska	401,851	550,043	626,932	710,231	733,391	736,812

Sources: U.S. Census Bureau and Alaska Department of Labor and Workforce Development, Research and Analysis Section

City's population decreased between the last two censuses

The table above shows neighborhood populations during each decennial census since 1980 plus our recent estimates. While Anchorage grew by about 117,000 from 1980 to 2020, seven neighborhoods

Elmendorf

Fort Richardson

Government Hill

Mountain View

Glenn Hwy

Northeast Anchorage

3rd Ave

Downtown Anchorage Core

Merrill Field Vicinity

DeBarr Rd

9th Ave

West Fairview

Bragaw St

Russian Jack

Bootleggers Cove/ Westchester

Boniface Pkwy

Muldoon/ Baxter

Chester Creek

Turnagain

Fireweed

Northern Lights Blvd

Rogers Park/ Tudor Area

University/ Airport Heights

East Turnagain/ Fish Creek

Spenard

Woodland Park/ Spenard

Lake Otis Pkwy

Tudor Rd

Arctic Blvd

Midtown

Northwood

International Airport

Campbell Park Area

Minnesota Dr

Arctic

Dowling Rd

Abbott Loop Area

Airport/Jewel Lake

Campbell Lake/Oceanview

Abbott Rd

Dimond Blvd

New Seward Hwy

Hillside

Chugiak

Eagle River

Girdwood/Turnagain Arm

Notes: These areas are based on census tracts and groups of census tracts that make up the Municipality of Anchorage. The names are not official and are not based on Census Bureau geography. The areas should not be confused with Anchorage Community Councils.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Anchorage neighborhoods' demographics in the 2020 Census

Area	Age			Race							Ethnicity
	Under 18	18 to 64	65+	White	Black	Native	Asian	Hawaiian/ Pacific Isl	Other	2+ races	Hispanic/ Latino
Chugiak	25%	61%	14%	77%	1%	5%	2%	0%	2%	13%	6%
Eagle River	27%	63%	10%	76%	2%	4%	3%	0%	2%	13%	8%
Fort Richardson	25%	73%	2%	64%	12%	3%	4%	1%	6%	11%	18%
Elmendorf AFB	25%	74%	1%	66%	10%	1%	5%	1%	5%	12%	17%
Government Hill	21%	68%	12%	48%	7%	8%	8%	6%	5%	17%	11%
Mountain View	30%	62%	9%	25%	13%	15%	10%	15%	6%	17%	13%
Northeast Anchorage	27%	63%	10%	37%	10%	11%	15%	6%	4%	16%	11%
Russian Jack	26%	64%	10%	35%	8%	12%	16%	8%	6%	15%	12%
Merrill Field Vicinity	25%	63%	12%	30%	12%	15%	12%	10%	7%	13%	14%
West Fairview	13%	75%	12%	49%	8%	15%	7%	6%	4%	12%	9%
Downtown Anchorage Core	7%	84%	9%	51%	8%	20%	5%	2%	3%	11%	8%
Bootleggers Cove/Westchester	13%	62%	25%	80%	2%	4%	4%	1%	2%	9%	4%
Turnagain	21%	56%	23%	79%	1%	2%	4%	2%	2%	11%	5%
Fireweed	18%	70%	12%	46%	8%	11%	10%	7%	4%	14%	10%
Rogers Park/Tudor Area	18%	61%	21%	65%	4%	7%	7%	2%	3%	12%	6%
University/Airport Heights	20%	66%	14%	55%	6%	11%	8%	4%	2%	14%	8%
Muldoon/Baxter	24%	62%	15%	52%	7%	9%	9%	4%	3%	16%	8%
Campbell Park Area	20%	69%	11%	45%	5%	11%	15%	4%	5%	15%	11%
Midtown	18%	71%	11%	38%	7%	13%	18%	6%	4%	14%	12%
Spenard	21%	66%	13%	39%	6%	14%	15%	6%	7%	14%	13%
Woodland Park/Spenard	17%	70%	12%	54%	4%	10%	10%	5%	3%	15%	7%
East Turnagain/Fish Creek	21%	65%	14%	56%	3%	9%	14%	3%	3%	13%	8%
Airport/Jewel Lake	24%	64%	12%	57%	3%	8%	11%	3%	3%	15%	7%
Northwood	19%	66%	15%	56%	3%	9%	13%	3%	3%	14%	7%
Arctic	21%	67%	12%	53%	4%	8%	10%	4%	4%	16%	10%
Abbott Loop Area	24%	66%	10%	51%	4%	9%	15%	3%	4%	15%	9%
Campbell Lake/Oceanview	24%	62%	13%	59%	3%	7%	11%	2%	4%	14%	10%
Hillside	24%	61%	15%	71%	2%	5%	7%	1%	2%	12%	7%
Girdwood/Turnagain Arm	19%	69%	12%	87%	0%	2%	2%	0%	1%	8%	5%
Anchorage	23%	64%	12%	56%	5%	8%	9%	3%	3%	14%	9%
Alaska	24%	63%	13%	59%	3%	15%	6%	2%	2%	12%	7%

shrank. Five of those, clustered between the downtown and midtown areas, have nearly the same number of residents today as in 1980.

The Fort Richardson and Elmendorf Air Force Base neighborhoods lost 17 and 50 percent of their populations in those four decades, continuing long-run declines since peak staffing earlier in the Cold War. (See the next page for more about the military bases.)

Unsurprisingly, the neighborhoods that grew the most were relatively undeveloped before 1980 and contained ample space for greenfield housing developments. The Eagle River, Airport/Jewel Lake, Abbott Loop Area, Campbell Lake/Oceanview, and Hillside neighborhoods each added more than 10,000 people over the last four decades. Hillside topped the list at 21,000, or 162 percent growth.

Since 1950, each succeeding decennial census

counted an additional 30,000 to 50,000 residents in Anchorage. That ended in 2020 with the first decade loss since the first census in 1920. While the decline was small (-579), over half of the neighborhoods recorded net losses.

The decade decline was steepest in the Joint Base Elmendorf-Richardson neighborhoods, or JBER, which lost 2,615 residents (-19 percent). The only neighborhood to grow as much as the military installations declined between 2010 and 2020 was the Downtown Anchorage Core, whose population jumped 76 percent.

Although Anchorage continued to add people through natural increase over that decade, or births minus deaths, that net gain of a little more than 28,000 was canceled out by the city's net migration loss (-29,000).

Our estimates show that since 2020, Anchorage's

About Joint Base Elmendorf-Richardson

Anchorage's two military installations, Fort Richardson and Elmendorf Air Force Base, have contributed significantly to the city's economy and population since construction began northeast of town in 1940. The U.S. Army operated the newly built Fort Richardson through World War II, then transferred the entire property to the U.S. Air Force after its establishment as a separate military branch in 1947. The facility became Elmendorf Air Force Base, and construction began on a new Army post to the east. Fort Richardson was completed in 1951.

The two facilities developed independently, adding training facilities, hangars, utilities, barracks, and housing as their missions evolved. In 2010, they were realigned under a single leadership structure and renamed Joint Base Elmendorf-Richardson, or JBER. This article keeps the two geographies separate, however, to stay consistent with the 1980 census tracts.

While the joint base contributes to Anchorage's population changes and its residents consume goods and services, JBER's economic influences differ. Its growth, decline, demographics, housing stock, pay structures, and even consumer prices are determined by military staffing needs and the national defense budget. These factors are key in comparisons with other Anchorage neighborhoods, and data for the Fort Richardson and Elmendorf neighborhoods often yield outlier statistics.

Naming the neighborhoods

The U.S. Census Bureau uses geographies called census tracts to enumerate data within a city or census-designated place. Census tracts typically contain a few thousand people and are not associated with a local government. The bureau divides these areas if their population exceeds 8,000 or merges them if their populations fall below 1,200.

By 1980, the Municipality of Anchorage had spread from its initial planned site, which is downtown today, to the edges of its current boundaries. The 1980 Census included 29 census tracts: smaller tracts for the densely populated downtown/midtown areas and larger tracts for the more dispersed Chugiak/Eagle River and southside/Turnagain Arm. As of the 2020 Census, this had more than doubled, to 61 tracts.

This article aggregates recently released census data into the 1980 census tract boundaries to look at how these diverse areas compare and have changed through the decades. We assigned familiar names and refer to them here as neighborhoods.

In some cases, these neighborhood names match those of the Anchorage Community Councils, the 37 areas that make up Anchorage's Federation of Community Councils. In most cases, though, the geographies do not match.

population has continued to decrease and the decline has steepened. Twenty-one of the 29 neighborhoods lost population from 2020 to 2023, with the largest losses in Government Hill (-8.7 percent), Girdwood/Turnagain Arm (-5.9 percent), Midtown (-4.4 percent), and Arctic (-4.1 percent). Only Downtown Anchorage Core and adjacent West Fairview have grown by more than 2 percent a year since 2020.

As of 2023, the city's net out-migration was far exceeding natural increase.

Anchorage has gotten older but is still under the U.S. median; neighborhoods vary widely

Anchorage's median age was 35.2 in 2020, up from 32.9 in the previous decade. That roughly matched Alaska as a whole in 2020 but was younger than the national median of 38.8 years.

The city was particularly young in 1980 at just 26.3, as it was the logistical hub during the rapid development of the Prudhoe Bay oilfield and Trans-Alaska Pipeline System in the 1970s. More than 70,000 people worked on the $8 billion pipeline, and many were young workers who eventually settled in Anchorage.

The table on the previous page shows the age distribution for each neighborhood in 2020. Bootleggers Cove/Westchester and Turnagain, which date back to Anchorage's earliest decades as an incorporated city,

contained about twice the average share of people 65 and older. On the other end of the spectrum, the Fort Richardson and Elmendorf AFB neighborhoods had almost no senior citizens. The military neighborhoods also had a higher-than-average share of children, although not as high as Eagle River, Mountain View, Northeast Anchorage, and Russian Jack.

Downtown Anchorage Core, with its dense commercial and retail development, is in a category of its own. This neighborhood had 84 percent working-age adults and few children or seniors.

10 areas no longer majority White, and multiracial share grew

Anchorage is a racially diverse city even by national standards, and some of its neighborhoods are among the most diverse in the country. That wasn't always the case, though.

In 1980, Anchorage was 85 percent White, and no other race represented more than 5 percent. As of 2020, the White share had dropped to 56 percent and the shares for all other races besides Black and the "other" category had risen well above the national average.

The percentage of multiracial residents more than doubled in the 20 years after the category was added, to 14 percent.

Anchorage is home to more Alaska Natives than any other U.S. city: more than 20,000 in 2020. In percent terms, though, Natives represent just 8 percent of the population compared to 15 percent statewide.

Individual neighborhoods' racial representation varies greatly. The White percentage ranges from 87 percent in Girdwood/Turnagain Arm to just 25 percent in Mountain View. The latter received national attention after the 2010 Census when a University of Alaska Anchorage sociology professor named it the

most diverse census tract in the U.S. He noted that Mountain View had a uniquely high number of racial and ethnic groups, with no one group substantially outnumbering another.

This holds today, though to a lesser degree. All major races and ethnicities in Mountain View are within 15 percentage points of the White percentage. In addition to Mountain View, nine other neighborhoods are not predominantly White.

The neighborhoods with the highest concentrations of Hispanics/Latinos are Fort Richardson and Elmendorf AFB. Because the base's population is transient and largely from outside Alaska, their Hispanic and Latino shares resemble the national average.

Income, poverty levels in Anchorage neighborhoods, 2018 to 2022

Area	Households	More than $50k	More than $75k	More than $100k	Poverty
Chugiak	3,526	86%	70%	59%	11%
Eagle River	9,410	84%	76%	67%	5%
Fort Richardson	1,685	65%	47%	36%	12%
Elmendorf AFB	1,338	78%	48%	22%	5%
Government Hill	935	51%	37%	26%	20%
Mountain View	2,604	47%	27%	14%	36%
Northeast Anchorage	6,748	67%	44%	31%	16%
Russian Jack	4,024	66%	47%	27%	13%
Merrill Field Vicinity	2,990	64%	42%	33%	14%
West Fairview	1,701	52%	35%	30%	9%
Downtown Anchorage Core	495	53%	40%	23%	25%
Bootleggers Cove/Westchester	1,852	82%	75%	63%	5%
Turnagain	1,299	86%	77%	71%	2%
Fireweed	2,410	76%	50%	28%	6%
Rogers Park/Tudor Area	1,841	82%	72%	54%	6%
University/Airport Heights	3,095	79%	58%	39%	7%
Muldoon/Baxter	9,011	80%	64%	44%	7%
Campbell Park Area	3,645	76%	56%	39%	10%
Midtown	1,602	55%	43%	32%	13%
Spenard	1,609	59%	44%	28%	25%
Woodland Park/Spenard	1,598	64%	56%	34%	14%
East Turnagain/Fish Creek	3,117	82%	66%	45%	6%
Airport/Jewel Lake	7,754	81%	72%	60%	6%
Northwood	1,210	79%	59%	44%	9%
Arctic	4,231	71%	57%	43%	6%
Abbott Loop Area	5,542	82%	68%	53%	6%
Campbell Lake/Oceanview	8,669	85%	76%	57%	5%
Hillside	12,143	84%	75%	64%	4%
Girdwood/Turnagain Arm	1,050	75%	56%	53%	10%
Anchorage	107,134	77%	62%	48%	9%
Alaska	264,376	73%	57%	43%	10%

Notes: Incomes are in 2022 inflation-adjusted dollars. Poverty thresholds are set by the U.S. Census Bureau and vary by family size and composition.
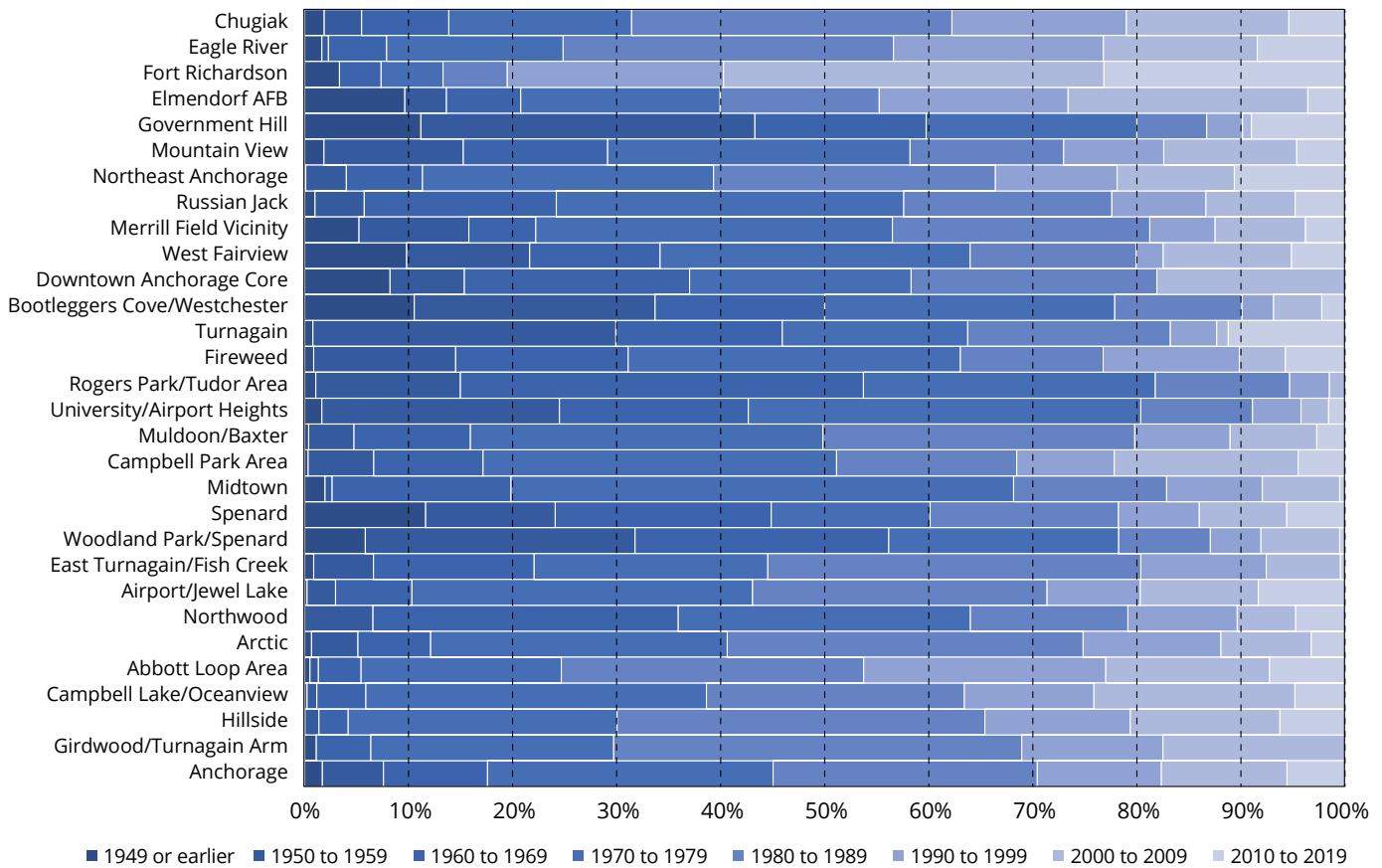
Sources: U.S. Census Bureau and Alaska Department of Labor and Workforce Development, Research and Analysis Section

The age of Anchorage's housing stock, by neighborhood

Legend: ■ 1949 or earlier ■ 1950 to 1959 ■ 1960 to 1969 ■ 1970 to 1979 ■ 1980 to 1989 ■ 1990 to 1999 ■ 2000 to 2009 ■ 2010 to 2019

Sources: U.S. Census Bureau and Alaska Department of Labor and Workforce Development, Research and Analysis Section

Income levels vary considerably by neighborhood in Anchorage

Anchorage's median household income is high at just under $100,000, meaning that half of the city's 107,134 households earn less than that in a year and half earn more.

Anchorage's household income is about $9,000 above the statewide median and $21,000 higher than the U.S. It's also about $25,000 higher than a decade ago, not accounting for inflation.

The table on the previous page shows that 10 of the 29 neighborhoods have at least 50 percent of households earning $100,000 or more a year. The highest are Turnagain (71 percent), Eagle River (67 percent), Hillside (64 percent), and Bootleggers Cove/Westchester (63 percent).

The lowest-earning neighborhoods by that standard — less than half of households earning at least $100,000 a year — are Mountain View (14

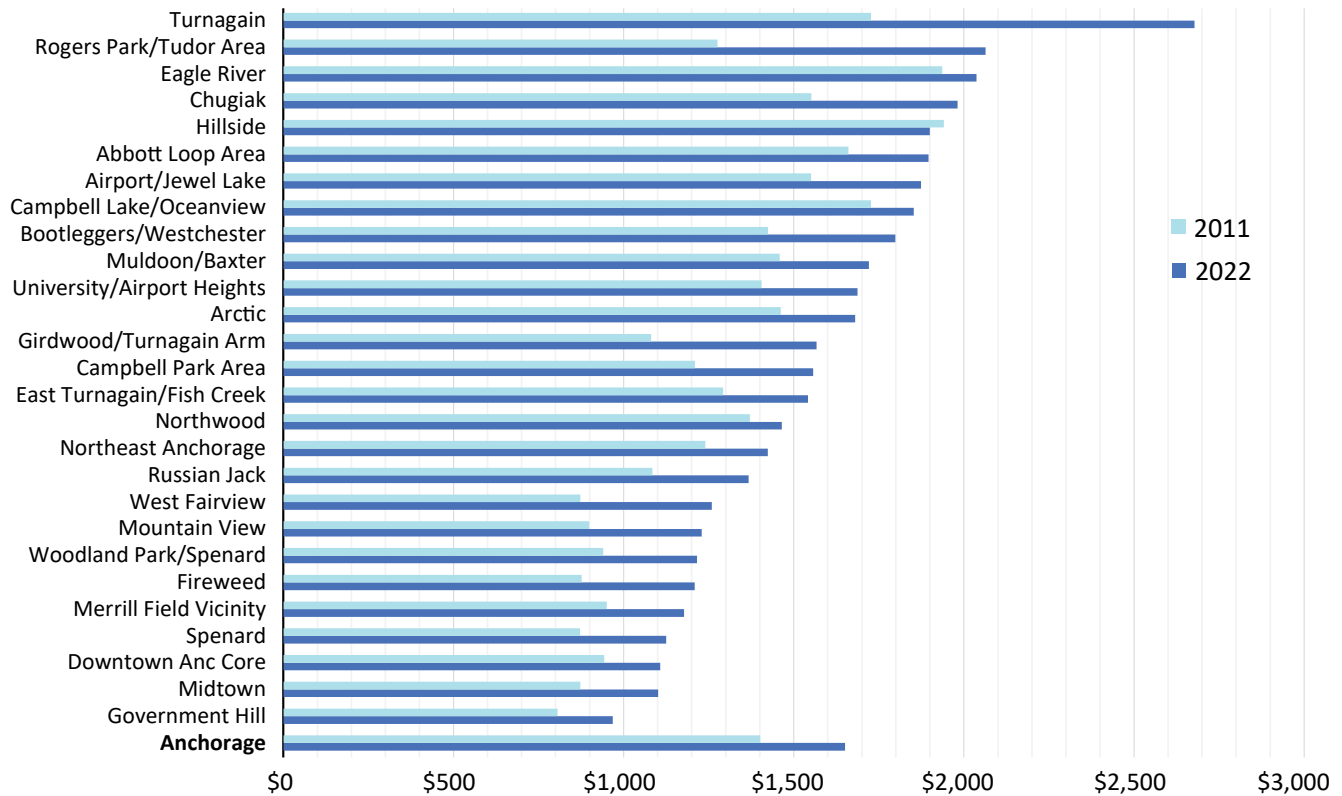percent), Elmendorf Air Force Base (22 percent), and Downtown Anchorage Core (23 percent).

While Anchorage is a high-earning city, it is also high-cost. Although federal poverty standards don't take area costs into account, the percentages living below the poverty line, as shown in the same table, add some context to the income levels in Anchorage's neighborhoods. U.S. poverty thresholds are based on a range of factors besides income, including the size of the household, the age of the householder, and the number of children.

Housing stock has aged with new construction slowing

In general, the oldest homes are concentrated near downtown with newer housing spreading out to the extremities. (See the chart above.)

Fort Richardson has the newest homes, with 81 percent built between 1990 and 2019, while 95

Median monthly housing costs by Anchorage area, 2011 and 2022

Legend: 2011, 2022

Areas (top to bottom): Turnagain, Rogers Park/Tudor Area, Eagle River, Chugiak, Hillside, Abbott Loop Area, Airport/Jewel Lake, Campbell Lake/Oceanview, Bootleggers/Westchester, Muldoon/Baxter, University/Airport Heights, Arctic, Girdwood/Turnagain Arm, Campbell Park Area, East Turnagain/Fish Creek, Northwood, Northeast Anchorage, Russian Jack, West Fairview, Mountain View, Woodland Park/Spenard, Fireweed, Merrill Field Vicinity, Spenard, Downtown Anc Core, Midtown, Government Hill, **Anchorage**

X-axis: $0, $500, $1,000, $1,500, $2,000, $2,500, $3,000

Notes: Costs are inflation-adjusted to 2011 and 2022 dollars. Housing costs for the military neighborhoods were not reported in all periods.

Sources: U.S. Census Bureau, 5-Year American Community Surveys for 2007-2011 and 2018-2022

percent of the Rogers Park/Tudor Area stock was built before 1990.

Fifty-three percent of Anchorage homes were built in the 1970s and 1980s, at an average of 31,000 per decade. In the three decades that followed, the city added just 14,000, 14,000, and 7,000 housing units, making the city's housing drastically older than it was in 1980.

Aside from the military neighborhoods, no area is keeping pace with past construction. For 24 of the 29 neighborhoods, 2010-2019 was their lowest decade in the last five for new housing. In the current decade, through 2022, Anchorage added just 120 new homes.

Analysts and policymakers have been discussing Anchorage's ongoing housing shortage for more than a decade. In 2010, a municipality housing market analysis estimated that through 2030, 21,500 new units would be needed to keep up with demand. As of 2022, only 6,730 units had been built, which if annualized reflects about half the yearly target rate.

Median monthly housing costs

High incomes and high housing costs typically go hand in hand, as the exhibit above shows. Turnagain's median total housing costs — nearly everything a renter or homeowner would spend in a month for housing — are highest at $2,677. That was about $500 more than the next-costliest neighborhood and $1,700 more than the lowest (Government Hill).

The city's monthly median of $1,650 is well above the statewide ($1,443) and U.S. ($1,276) measures.

Anchorage's housing costs have risen 18 percent from the last decade ($1,401), although that varied by area. The biggest cost increases were in Rogers Park/Tudor Area (62 percent), Turnagain (55 percent), and Girdwood/Turnagain Arm (45 percent). Neighborhoods with the smallest housing cost increases were Northwood (7 percent), Eagle River (5 percent), and Hillside (-2 percent).

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Rent increases vary by area

Survey also shows vacancy rates up slightly in most places

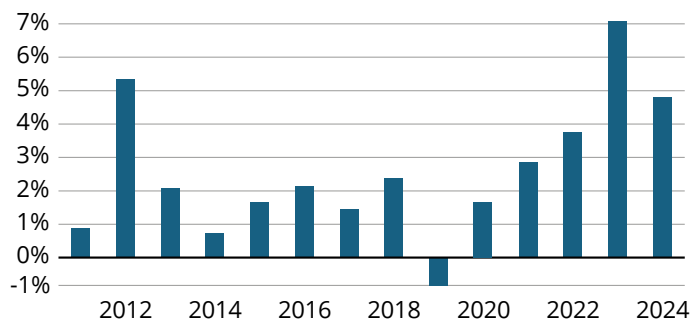By ROB KREIGER and GUNNAR SCHULTZ

Rental costs for a two-bedroom apartment rose an average of 4.9 percent over the year, according to our March rental survey. That increase was smaller than last year's but more than any other year since 2012.

The average March vacancy rate increased for the second straight year, to 6.1 percent. Vacancy remained tighter than in the years before COVID, when most areas hit vacancy highs during the steepest of Alaska's recent net migration losses. However, many areas' rates were higher this year than the last couple of years and the early 2010s, when most surveyed areas had more people.

Rents continued to rise faster than usual in early 2024

In 2024, median adjusted rents for two-bedroom apartments ranged from $1,081 in the Wrangell-Petersburg area to $1,713 in Kodiak. Adjusted rent includes the costs of all utilities, whether they are included in the rent payment or not. Two-bedroom apartments are the most common unit type across the areas we survey.

Two-bedroom apartment rents, 2024

	Adjusted rent*	Change from 2023	Avg chg from 2010
Kodiak Island Borough	$1,713	15.8%	2.4%
Bethel Census Area**	$1,700	6.3%	NA
Anchorage, Municipality	$1,610	3.9%	2.7%
Ketchikan Gateway Borough	$1,600	6.7%	2.7%
Juneau, City and Borough	$1,561	5.1%	2.2%
Fairbanks N Star Borough	$1,542	3.9%	2.6%
Sitka, City and Borough	$1,509	3.0%	2.2%
Chugach Census Area	$1,420	1.8%	2.8%
Matanuska-Susitna Borough	$1,279	5.2%	2.9%
Kenai Peninsula Borough	$1,152	5.0%	2.3%
Wrangell-Petersburg	$1,081	-1.0%	2.8%
Avg increase (excl Bethel)		**4.9%**	**2.6%**

*Adjusted rent includes the amount paid to the landlord (contract rent) plus estimated monthly utility costs not included in the payment.
**Bethel's rent is median contract rent for a two-bedroom apartment because its utility adjustments aren't available.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
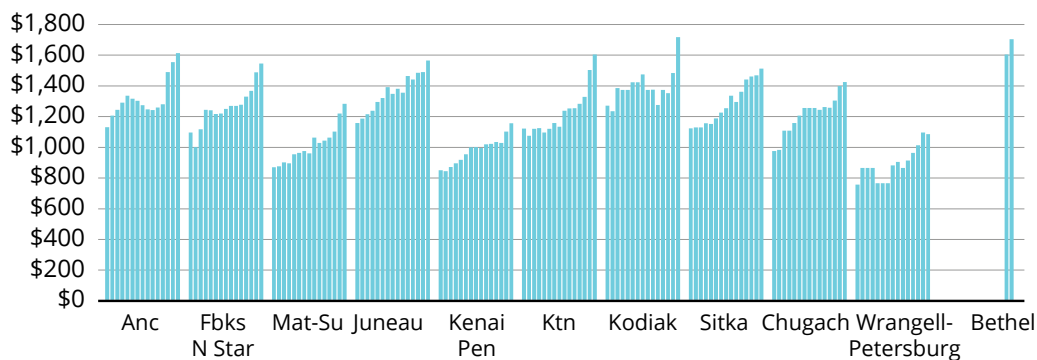
While the average increase survey-wide was about 5 percent, rent changes ranged from -1 percent in Wrangell-Petersburg to 16 percent in Kodiak.

Rent increases were similar among the state's largest markets, up about 4 percent in Anchorage and Fairbanks and 5 percent in Mat-Su, Juneau, and the Kenai Peninsula Borough, which includes the Kenai/Soldotna, Homer, and Seward areas.

In Anchorage, rent growth was about half a percentage point slower than last year. That was still above Anchorage's average rent increase since 2010 of 2.7 percent a year, but far less than the 16 percent jump in 2022.

In Mat-Su, Fairbanks, and the Kenai Peninsula, rent growth slowed from last year but was still over the long-term averages of 2 to 3 percent per year. Meanwhile, Juneau's rent increased more than it did in 2023, when it

Average yearly rent increase, 2011 to 2024

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Change in median two-bedroom apartment rents, 2010-2024

Note: All rents except Bethel's include a utility adjustment.

Sources: U.S. Census Bureau and Alaska Department of Labor and Workforce Development, Research and Analysis Section

went up less than 1 percent. Juneau's rent increase this year was also above its long-term average.

While results for less populated areas can be volatile because of their small sample sizes, Kodiak's rent hike was likely linked to its market continually tightening in recent years. Kodiak was the only area where vacancy has decreased for three straight years.

Factors contributing to faster rent increases in recent years

Several factors likely drove faster rent growth over the last few years, including higher operating costs for rental units, higher costs in general, wage growth, higher incomes, and less vacancy.

Between 2019 and 2023, the consumer price index rose about 14 percent in Anchorage/Mat-Su and 19

percent nationally.

The price of heating oil, a major operating cost for many households outside the Southcentral Region, has climbed in recent years. Among surveyed communities that are also in the Alaska Fuel Cost Survey, heating oil prices rose 32 to 70 percent from early 2019 to early 2024. Increases in other costs, such as other utilities, property taxes, and maintenance, may have also driven up rents.

Between 2019 and 2023, average wages in Alaska rose about 19 percent, and the American Community Survey showed Alaska renters' median household income grew about 23 percent between 2019 and 2022 (2023 data are not available yet).

Finally, less availability since COVID hit has also helped bid up rents. Lower vacancy rates tend to favor landlords by increasing their pricing power as renters compete for fewer available units.

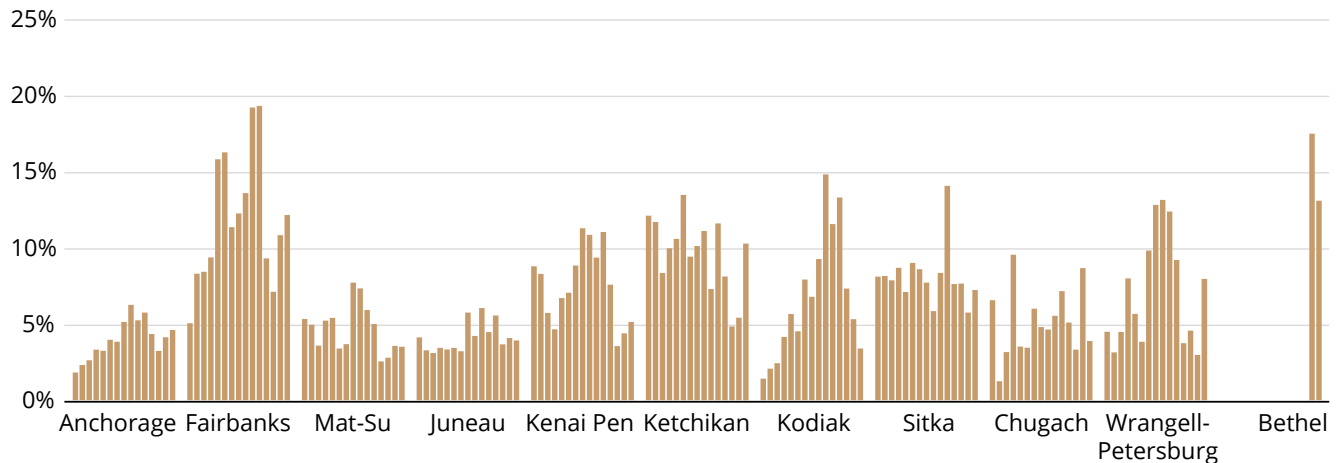## Average vacancy rate in March, 2010-2024
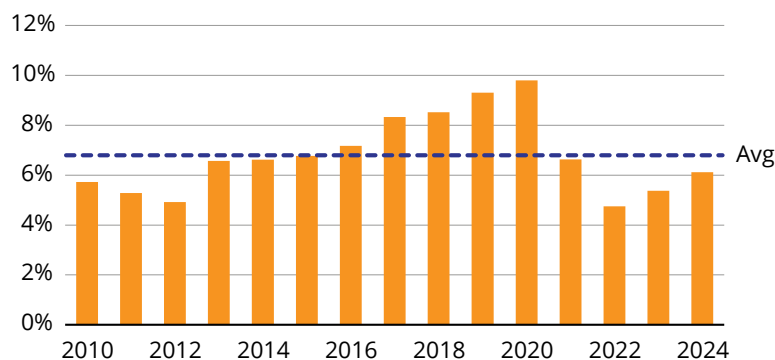
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Area vacancy in 2024, all unit types

Bethel Census Area	12.9%
Fairbanks N Star Borough	12.0%
Ketchikan Gateway Borough	10.2%
Wrangell-Petersburg	7.9%
Sitka, City and Borough	7.1%
Kenai Peninsula Borough	5.1%
Anchorage, Municipality	4.6%
Juneau, City and Borough	3.9%
Chugach Census Area	3.8%
Matanuska-Susitna Borough	3.5%
Kodiak Island Borough	3.3%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Trends in March vacancy rates by surveyed area, 2010 to 2024

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Vacancy rates and trends around the state since the early 2010s

Vacancy rates for all unit types ranged from 3.3 percent in Kodiak to 12.9 percent in Bethel in March.

Vacancy in Anchorage and the Kenai Peninsula increased by less than one percentage point from last year and by just over a percentage point in Fairbanks, and it stayed effectively flat in Mat-Su and Juneau.

Among the less populated areas, vacancy grew in Ketchikan, Sitka, and Wrangell-Petersburg and tightened in Bethel, Kodiak, and the Chugach Census Area, which includes Valdez and Cordova. Kodiak was the only area where the vacancy rate fell for three consecutive years. Changes in vacancy rates can also be more volatile in small areas, as minor shifts in the number of vacant units can sway the vacancy rate by multiple percentage points.

The chart on this page shows how vacancy rates have changed by area since 2010. Most peaked in the late 2010s, which included a multi-year state recession as well as population loss and net migration losses in most places. Vacancy rates then tightened across the board during the pandemic when people were more likely to stay put.

Although vacancy remained lower this year than its pre-pandemic highs, some areas had at least slightly more vacancy than the early 2010s. Anchorage's and Fairbanks' rates in 2024 were at least a percentage point higher than the years before population loss and negative net migration became the norm. The same applied to Juneau, although the gap was smaller. These three areas recorded their lowest vacancy

rates in the early 2010s, when their populations were larger, rather than during the pandemic.

In contrast, vacancy in Mat-Su and the Kenai Peninsula Borough was lowest during the pandemic, and these two areas' rates weren't significantly higher this year than in the 2010s. Unlike most of Alaska, Mat-Su and Kenai Peninsula grew consistently over the past decade.

The factors and trends that influence areas' vacancy rates

Net migration and population loss

Growing populations and a net inflow of movers generally reduce vacancy rates, and population decline and net migration losses can open up more rental units.

The state's streak of net migration losses extended to 11 years in 2023. Natural increase, or births minus deaths, has offset net migration losses in recent years, allowing Alaska's population to grow slightly after declining between 2016 and 2020, but by less than 1 percent during the past two years.

Net migration remains negative, however, and the outflow has picked up in the last couple of years after slowing during the pandemic. In 2023, about 3,200 more people moved out of Alaska than in, a bigger outflow than the previous two years but less than any other year between 2014 and 2020.

The populations of Anchorage, Fairbanks, Juneau, Ketchikan, Kodiak, Sitka, the Chugach Census Area,

and Wrangell all declined from 2022 to 2023 and their net migration remained negative while Mat-Su, Kenai Peninsula, and Petersburg gained both migrants and total population.

Less affordability keeps more people renting

Higher interest rates and home prices are keeping some prospective buyers in their rentals, and fewer renters moving to home ownership can keep vacancy rates lower despite population decline and net migration losses.

In 2023, buying a home hit its least affordable level since 2006 in our Alaska Affordability Index.

Home sales have also fallen significantly since interest rates began rising in 2022.

## Fewer new houses but more new multi-family units

The number of new homes built or permitted in Alaska declined slightly in 2023, and the number of new single-family units hit its lowest point in at least two decades. However, the number of new multi-family units increased for a second year in a row, to their highest level since 2017, keeping total new home construction above the lows of 2020 and 2021.

Building trends varied across the state. The numbers of new multi-family units reached their highest levels since 2016 in Mat-Su, since 2011 in Fairbanks, and since 2019 in Juneau. However, Anchorage built its *fewest* new multi-family units in at least the last 20 years.

Of the 680 new multi-family units in 2023, 287 were built in Mat-Su followed by 140 in Fairbanks, 94 in Anchorage, and 79 in Juneau.

Anchorage's number of new single-family homes also reached its lowest point in at least 20 years, and the Mat-Su and Kenai Peninsula Boroughs recorded the largest decreases in single-family

Population and net migration changes, 2010-2023
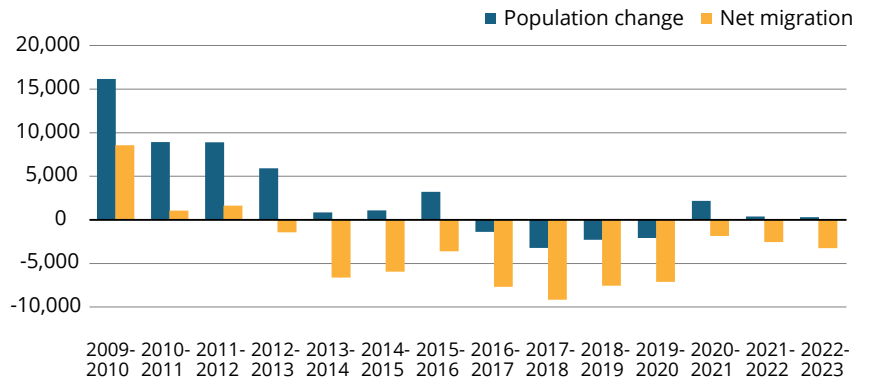
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

New home construction in Alaska, 2003 to 2023
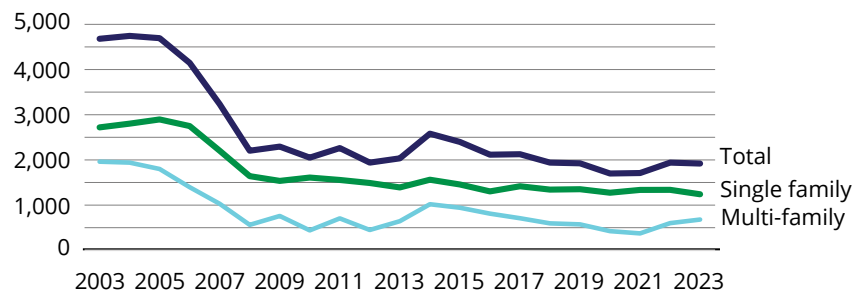
Note: Single-family housing units include attached and detached, but exclude mobile homes. Multi-family units are in buildings with two or more units that are stacked or share common utilities.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

construction by area last year. The number of new houses in Fairbanks increased.

Of the 1,239 new single-family homes built in 2023, Mat-Su accounted for 618 followed by Fairbanks with 231, Anchorage with 146, and the Kenai Peninsula Borough with 64.

Two factors we can't measure

Units moving into and out of the rental market

The movement of housing units into and out of the rental market is outside the scope of our survey but affects areas' rental vacancy rates.

One national source can broadly approximate some of these movements for the largest Alaska markets.

The U.S. Census Bureau's American Community Survey provides year-to-year comparisons of housing characteristics, such as occupancy, for Anchorage, Mat-Su, and Fairbanks.

The estimates from 2019-2022 show that a significant number of houses[1] in Anchorage — roughly 3,500, although margins of error are substantial — may have moved from being rented to owned during that period, when interest rates fell to record lows and home prices rose rapidly.

Our March rental survey showed that vacancy rates for single-family homes in Anchorage rose sharply in early 2018 and 2019 and topped the city's vacancy rate for all unit types by far, which may also have prompted some Anchorage landlords to sell.

ACS estimates don't show evidence of this phenomenon in Fairbanks or Mat-Su, however, and comparable estimates aren't available for the smaller areas.

Publicly available short-term rental data became even more scarce this year

Short-term rentals also affect the long-term rental supply in an area, but they are outside the scope of our survey. Short-term rentals are usually available for less than a month through vacation rental sites such as Airbnb and Vrbo.

Unlike the broad rental stock estimates the ACS provides, no short-term rental data are freely available for Alaska, although some websites offer proprietary estimates. In past years, AirDNA provided limited free data that gave a glimpse of short-term rental activity in the areas we survey, but as of this year, those are no longer available.

Quarterly AirDNA data in recent years showed short-term rental activity increased significantly in many areas, and it was highly seasonal. Even when those estimates were available, though, how much of the increase came from units moving from the long-term to the short-term rental market was unknown, both overall and seasonally.

Rob Kreiger and Gunnar Schultz are economists in Juneau. Reach Rob at (907) 465-6031 or rob.kreiger@alaska.gov.

About the rental survey

Every year in March we survey thousands of landlords and property managers in selected areas of Alaska on behalf of the Alaska Housing Finance Corporation.

All rents and rent changes in this article are median adjusted rents for two-bedroom apartments, unless otherwise noted. Two-bedroom apartments are the most common unit type in our survey results. Adjusted rent is the contract rent (the amount paid to the landlord) plus estimated monthly utility costs. Focusing on adjusted rents for a specific unit type makes rents more comparable across areas and over time.

Vacancy rates are for all units surveyed in an area. Vacancy rates represent the percentage of units that were vacant or anticipated to be vacant the week of March 11.

Beginning in 2023, we added the Bethel Census Area to the 10 areas we have surveyed historically. In contrast to the other areas in the survey, Bethel rents aren't adjusted for the utilities not included in the rent because utility adjustments for Bethel are not available. Also, long-run comparisons of average rent growth and vacancy rates in the article exclude Bethel for consistency over time.
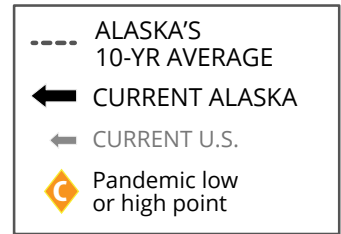
Rental survey results back to 2010 will be available on our website by mid-September and will include average and median contract and adjusted rents, vacancy rates, and the percentages of units with utilities included in contract rent by area, building type, and number of bedrooms.

The survey combines the Wrangell and Petersburg boroughs because of their small sizes.

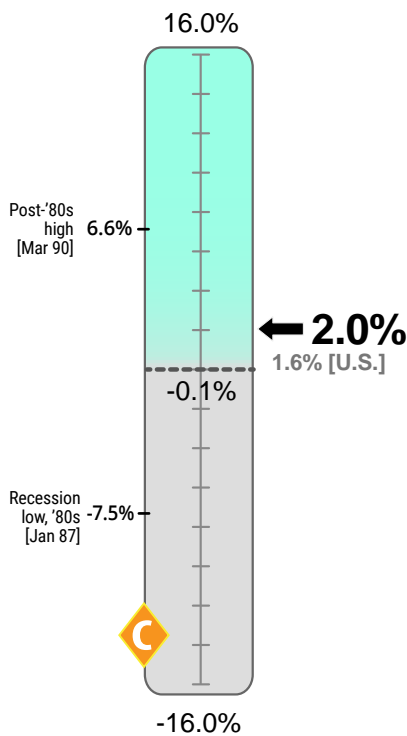### 2023 rents may differ from last year's article

Median adjusted rents for 2023 in last year's rental article used 2022 utility adjustments because 2023's weren't yet available. This article updates 2023's rents with 2023 utility adjustments and bases comparisons and calculations on updated rents.

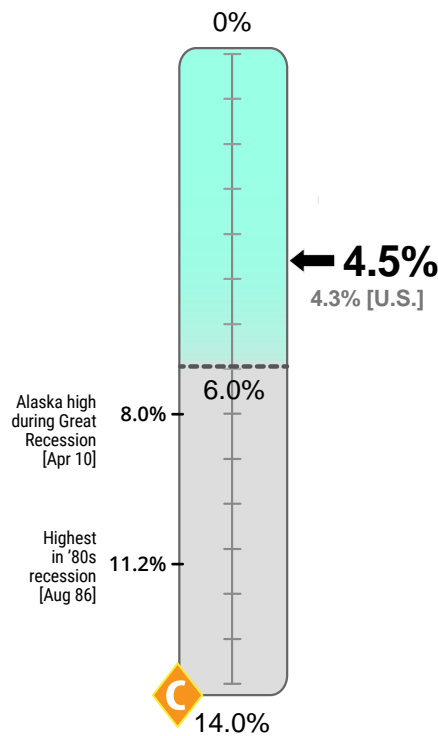[1]The building category in the American Community Survey that includes single-family homes excludes townhouses but includes mobile structures if permanent add-ons have been built.

Gauging The Economy

Job Growth

July 2024
Over-the-year percent change

16.0%

Post-'80s high [Mar 90] 6.6%

← **2.0%**
1.6% [U.S.]

-0.1%

Recession low, '80s [Jan 87] -7.5%

C

-16.0%

Alaska's July employment was 2 percent above last July while national employment was up 1.6 percent over the same period.

Unemployment Rate

July 2024
Seasonally adjusted

0%

← **4.5%**
4.3% [U.S.]

6.0%

Alaska high during Great Recession [Apr 10] 8.0%

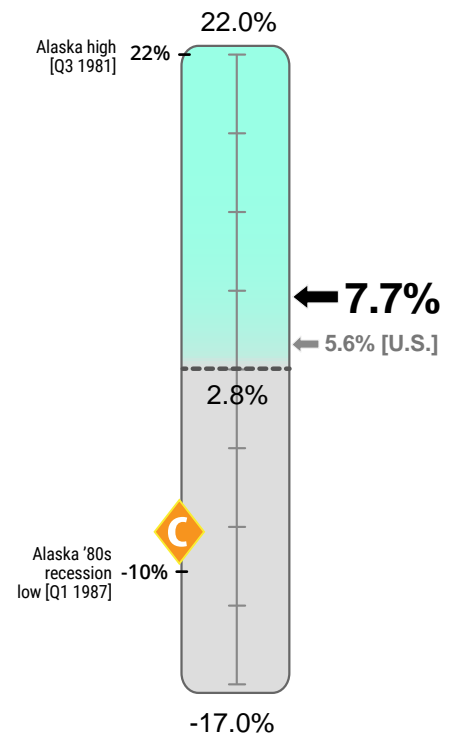Highest in '80s recession [Aug 86] 11.2%

C

14.0%

Alaska's unemployment rate has been less useful as an economic measure since the pandemic because of data collection and other technical difficulties.

It's clear, however, that unemployment rates in Alaska and the U.S. are historically low and that the shortage of workers is a bigger economic challenge than unemployment.

Wage Growth

1st Quarter 2024
Over-the-year percent change

22.0%

Alaska high [Q3 1981] 22%

← **7.7%**
← 5.6% [U.S.]

2.8%

Alaska '80s recession low [Q1 1987] -10%

C

-17.0%

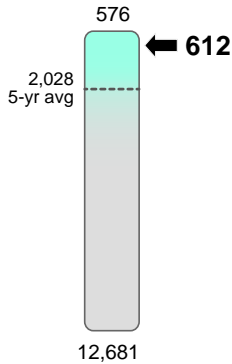Total wages paid by Alaska employers have shown strong growth in recent quarters.

Wages were up 7.7 percent from year-ago levels in the first quarter of 2024 — well above the 5.6 percent growth for the U.S. — and 25.7 percent above first quarter 2019.

Gauging The Economy
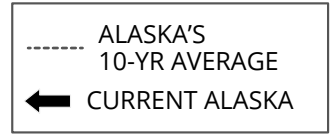
Initial Claims

Unemployment, week
ending Aug. 10, 2024*
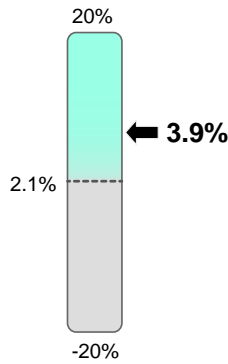
576
◀ **612**

2,028
5-yr avg

12,681

Pandemic-driven high claims
loads have fallen, and new
claims for benefits are well
below their long-term average.

*Four-week moving average ending
with specified week

GDP Growth

1st Quarter 2024
Over-the-year percent change*
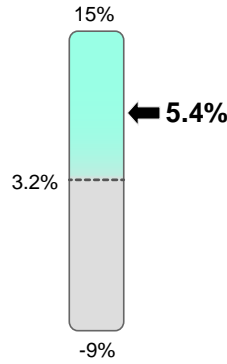
20%

◀ **3.9%**

2.1%

-20%

Gross domestic product is the
value of the goods and
services a state produces. It's
an important economic
measure but also a volatile
one for Alaska because
commodity prices influence
the numbers so much —
especially oil prices.

*In current dollars

Personal Income Growth

1st Quarter 2024
Over-the-year percent change

15%

◀ **5.4%**

3.2%

-9%

Personal income consists of
three main parts: 1) wages
and salaries; 2) dividends,
interest, and rents; and 3)
transfer payments (payments
from governments to
individuals).

Change in Home Prices

Single-family, percent change
from prior year, Q1 2024

12%

3.8%
◀ **3.2%**

-4%
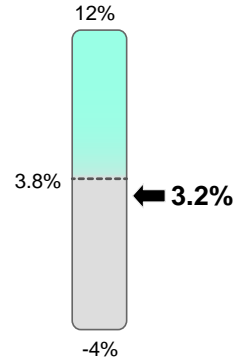
Home prices shown include
only those for which a
commercial loan was used.
This indicator tends to be
volatile from quarter to
quarter.

Population Growth

2022 to 2023

5%

-0.01%
◀ **0.04%**

-5%
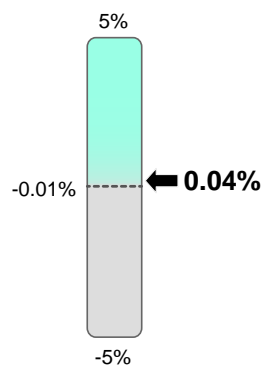
After four years of decline,
Alaska's population has grown
slightly in each of the last three
years as natural increase
(births minus deaths) has
slightly exceeded migration
losses.

Net Migration

2022 to 2023

+17,000

◀ **-3,246**

-5,527

-27,000
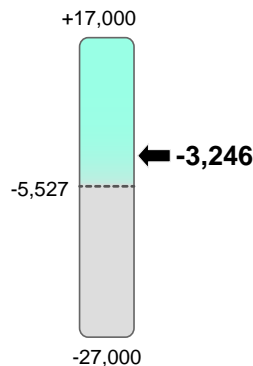
The state had net migration losses
for the 11th consecutive year in
2023. Losses were larger than the
previous two years but smaller
than the late 2010s. Net migration
is the number who moved to
Alaska minus the number who left.

Employment Growth by Region

Percent change in jobs, July 2023 to July 2024

4.5% Northern Region

2.9% Interior Region

1.6% Statewide

-3.7% Southwest Region

-1.6% Gulf Coast Region

3.0% Anchorage/Mat-Su

1.2% Southeast Region

North Slope, Northwest Arctic, Nome, Yukon-Koyukuk, Fairbanks, Southeast Fairbanks, Denali, Matanuska-Susitna, Copper River, Chugach, Kenai Peninsula, Anchorage, Kusilvak, Bethel, Dillingham, Bristol Bay, Lake & Peninsula, Kodiak Island, Aleutians West, Aleutians East, Yakutat, Haines, Skagway, Juneau, Hoonah-, Petersburg, Wrangell, Sitka, Prince of Wales-Hyder, Ketchikan

Unemployment Rates

Seasonally adjusted

	Prelim.	Revised	
	7/24	6/24	7/23
United States	4.3	4.1	3.5
Alaska	4.5	4.5	4.3

Not seasonally adjusted

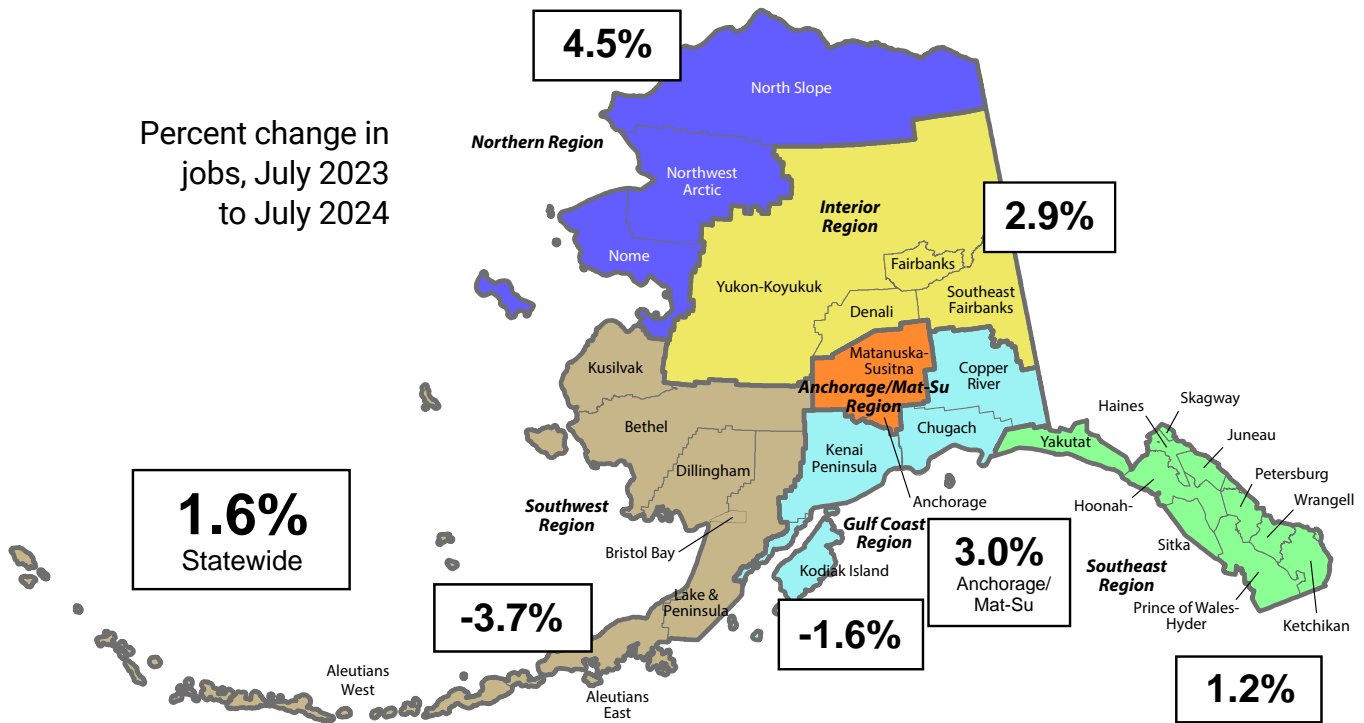|	Prelim.	Revised	
	7/24	6/24	7/23
United States	4.5	4.3	3.8
Alaska	4.4	4.9	3.8

Regional, not seasonally adjusted

	Prelim.	Revised	
	7/24	6/24	7/23
Interior Region	**4.2**	**4.7**	**3.6**
Denali Borough	2.6	2.8	2.4
Fairbanks N Star Borough	4.0	4.4	3.4
Southeast Fairbanks Census Area	5.5	6.2	4.7
Yukon-Koyukuk Census Area	8.1	8.8	7.9
Northern Region	**8.7**	**8.9**	**7.3**
Nome Census Area	9.5	9.4	8.0
North Slope Borough	5.7	6.5	4.9
Northwest Arctic Borough	10.8	10.6	8.9
Anchorage/Mat-Su Region	**4.0**	**4.5**	**3.5**
Anchorage, Municipality	3.7	4.2	3.2
Mat-Su Borough	5.0	5.5	4.4

	Prelim.	Revised	
	7/24	6/24	7/23
Southwest Region	**8.0**	**8.9**	**6.4**
Aleutians East Borough	1.8	2.3	1.3
Aleutians West Census Area	3.0	4.4	2.1
Bethel Census Area	12.1	11.9	10.1
Bristol Bay Borough	1.5	2.5	1.0
Dillingham Census Area	6.8	8.5	5.5
Kusilvak Census Area	22.7	20.4	18.9
Lake and Peninsula Borough	4.9	6.8	3.9
Gulf Coast Region	**4.3**	**5.0**	**3.6**
Kenai Peninsula Borough	4.5	5.0	3.9
Kodiak Island Borough	3.6	5.0	2.9
Chugach Census Area	3.5	4.4	2.5
Copper River Census Area	4.7	5.8	4.4

	Prelim.	Revised	
	7/24	6/24	7/23
Southeast Region	**3.5**	**4.0**	**3.1**
Haines Borough	4.7	5.8	4.0
Hoonah-Angoon Census Area	3.0	3.6	3.2
Juneau, City and Borough	3.0	3.6	2.7
Ketchikan Gateway Borough	3.3	3.8	2.9
Petersburg Borough	3.7	4.4	3.8
Prince of Wales-Hyder Census Area	7.3	7.6	6.3
Sitka, City and Borough	2.9	3.3	2.4
Skagway, Municipality	2.3	2.8	2.1
Wrangell, City and Borough	5.2	5.9	4.0
Yakutat, City and Borough	5.7	6.0	5.7

How Alaska Ranks

Unemployment Rate[1]

1st
S. Dakota
2.0%

43rd*
4.5%

50th
Nevada
5.4%

Tied with Ohio and Rhode Island

Job Growth[2]

1st
S. Carolina
4.1%

18th*
2.0%

50th
Maryland
and Wyoming
0.4%

Tied with New York and Texas

Job Growth, Private[2]

1st
S. Carolina
4.4%

17th*
2.1%

50th
Wyoming
and Maryland
-0.3%

Tied with Pennsylvania

Job Growth, State Government[2]

1st
Kansas
10.6%

40th
0.9%

50th
Tennessee
-0.9%

Job Growth, Leisure and Hospitality[2]

1st
Vermont
8.8%

38th
0.2%

50th
N. Carolina
-4.6%

Note: Government employment includes federal, state, and local government plus public schools and universities.
[1]July seasonally adjusted unemployment rates
[2]July employment, over-the-year percent change

Sources: U.S. Bureau of Labor Statistics; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

Other Economic Indicators

	Current		Year ago	Change
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	264.367	1st half 2024	257.938	+2.5%
Commodity prices				
Crude oil, Alaska North Slope,* per barrel	$84.65	July 2024	$82.46	+2.7%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	$2.21	July 2024	$2.63	-16.0%
Gold, per oz. COMEX	$2,416.70	8/22/2024	$1,926.00	+30.7%
Silver, per oz. COMEX	$29.47	8/22/2024	$23.76	+24.0%
Copper, per lb. COMEX	$4.19	8/22/2024	$3.79	+10.5%
Bankruptcies	69	Q2 2024	70	-1.4%
Business	6	Q2 2024	6	0%
Personal	63	Q2 2024	64	-1.6%
Unemployment insurance claims				
Initial filings	2,299	July 2024	2,705	-15.0%
Continued filings	15,159	July 2024	15,967	-5.1%
Claimant count	3,602	July 2024	3,652	-1.4%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Energy Information Administration; U.S. Census Bureau; COMEX; NASDAQ; Alaska Department of Revenue; and U.S. Courts, 9th Circuit