

# Alaska's 'Young' Housing

Unlike the U.S., most homes were built in the '70s and '80s



Compared to the rest of the nation, Alaskans have a similar mix of housing types — most of its 304,000 homes are single-family, with a smaller number of multi-family units and just 5 percent mobile homes. Where Alaska differs is in the age of its housing, with few historical structures and just 4 percent of homes built before 1949 in contrast to nearly 20 percent for the nation as a whole. (See exhibits 1 and 2.)

Homes that are more than 100 years old are not at all unusual in most of the United States, but in Alaska they are rare or nonexistent with the exception of Southeast, where housing is considerably older than elsewhere in the state.

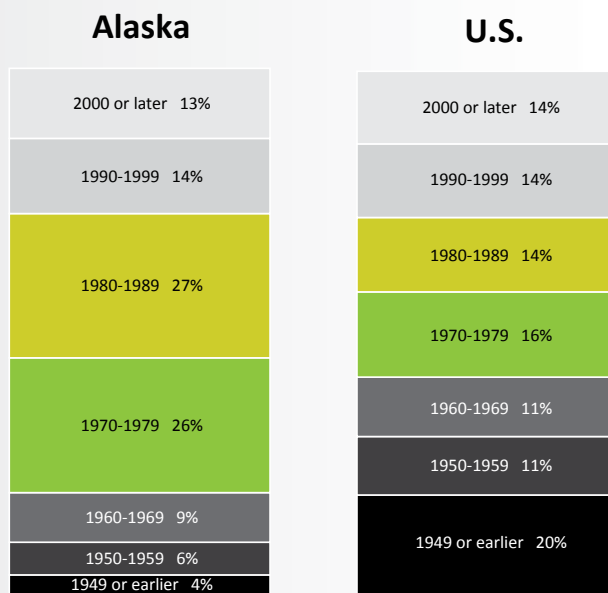
The economic conditions of the 1970s and 1980s are what made Alaska's housing pattern unique. More than half of Alaska's homes were built between 1970 and 1989, a time when the population grew at least three times as fast as the rest of the nation's.

## The boom began in the 1970s

Between 1970 and 1979, more housing units were built in Alaska than in all previous decades. The '70s were an extraordinary time in Alaska's economic history, spurred by the construction of the Trans-Alaska Oil Pipeline.

During that decade, the state's population grew from 308,500 to 419,800, and of that growth, 58,000 came from new residents moving in. In 1975 alone, the state's population grew by more than 30,000 via migration, the single largest annual increase in Alaska's history. (See Exhibit 3.) Alaska had become the nation's land of opportunity, and a massive influx of new home construction followed.

## 1 Alaska Homes Are Newer Versus U.S., years built



Source: U.S. Census Bureau, American Community Survey, 2007-2011

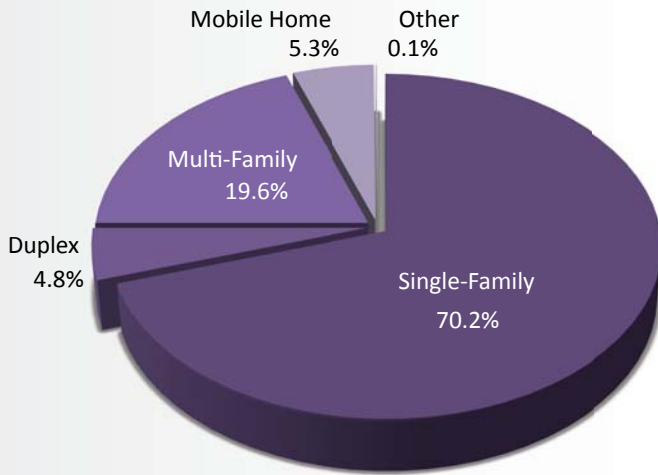
## The '80s were big but rough

Alaska's housing construction growth continued in the first half of the 1980s. With now-massive amounts of oil flowing down the new pipeline and oil prices tripling, the state was awash in petrodollars. In 1979, the state collected \$850 million from Prudhoe Bay and by 1982, the amount grew to \$3.3 billion. This injection of cash had a massive effect on all corners of the state's economy.

Meanwhile, the nation was in the midst of its worst post-war recession, which meant a number of job seekers moved north looking for opportunities. Between 1980 and 1985, the state's popula-

## 2 Homes Mainly Single-Family

Alaska housing units, 2007 to 2011



Source: U.S. Census Bureau, American Community Survey, 2007-2011

tion grew by 124,000, with 76,000 of those attributed to in-migration.

Tens of thousands of new homes were built to accommodate these new residents. In 1983, Anchorage permitted 9,100 new residential units, more in a single year than the total permitted between 2002 and 2012 in a city that's nearly a third larger today.

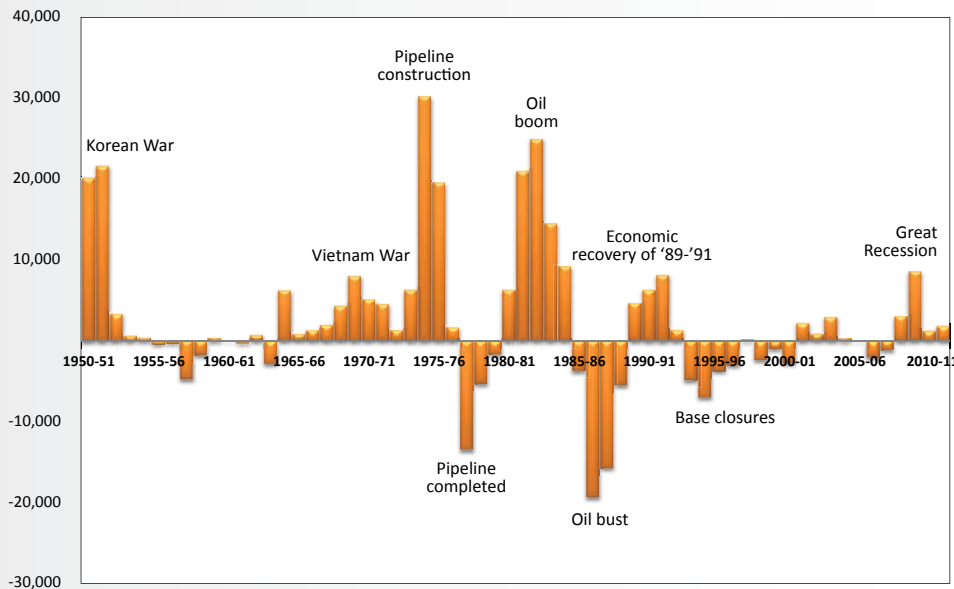
What followed this boom was the infamous economic bust of the late 1980s. Between 1985 and 1989, 44,000 more people left Alaska than arrived, and the housing industry was hit harder than any other. The new housing stock would take years, sometimes as much as a decade, to be absorbed.

### Similar to U.S. the past 20 years

The market recovered, and between 1990 and 2011, the housing patterns for Alaska and the U.S. as a whole became almost identical. Alaska's population grew a bit faster than the nation's since 1990 — 1.3 percent versus 1.1 percent annually — and these years have been the most moderate period of population growth in the state's history.

## 3 Swings in Alaska's Net Migration\*

1959 to 2011



\*Net migration is the number of people who move to Alaska minus those who move out.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section