



stewart
title



AXIOMS:

An Outlook & Forecast for the
Economy, Real Estate and Life

Ted C. Jones
Chief Economist

ax·i·om

/ˈaksēəm/ 

noun

plural noun: **axioms**

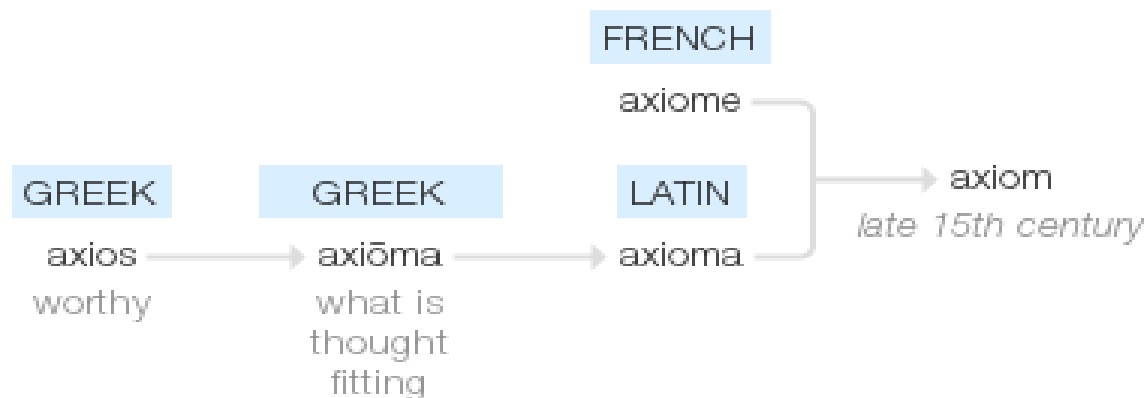
a statement or proposition that is regarded as being established, accepted, or self-evidently true.
"the axiom that supply equals demand"

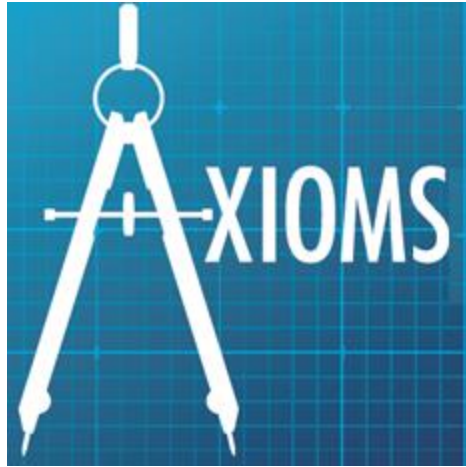
synonyms: accepted truth, general truth, **dictum**, **truism**, **principle**

- MATHEMATICS**

a statement or proposition on which an abstractly defined structure is based.

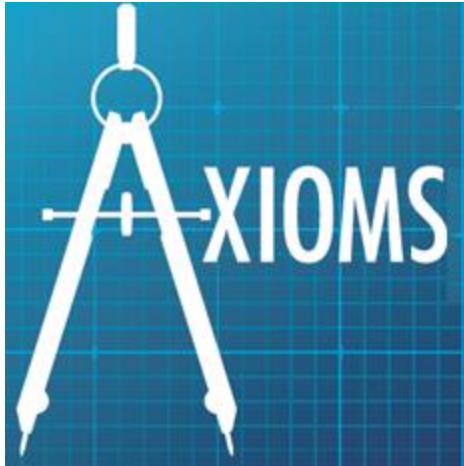
Origin



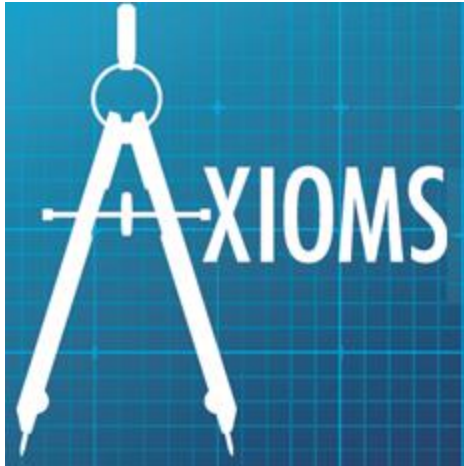


**When Getting On An
Airplane, the Person
On the Aisle Always
Gets There First**

stewart
title



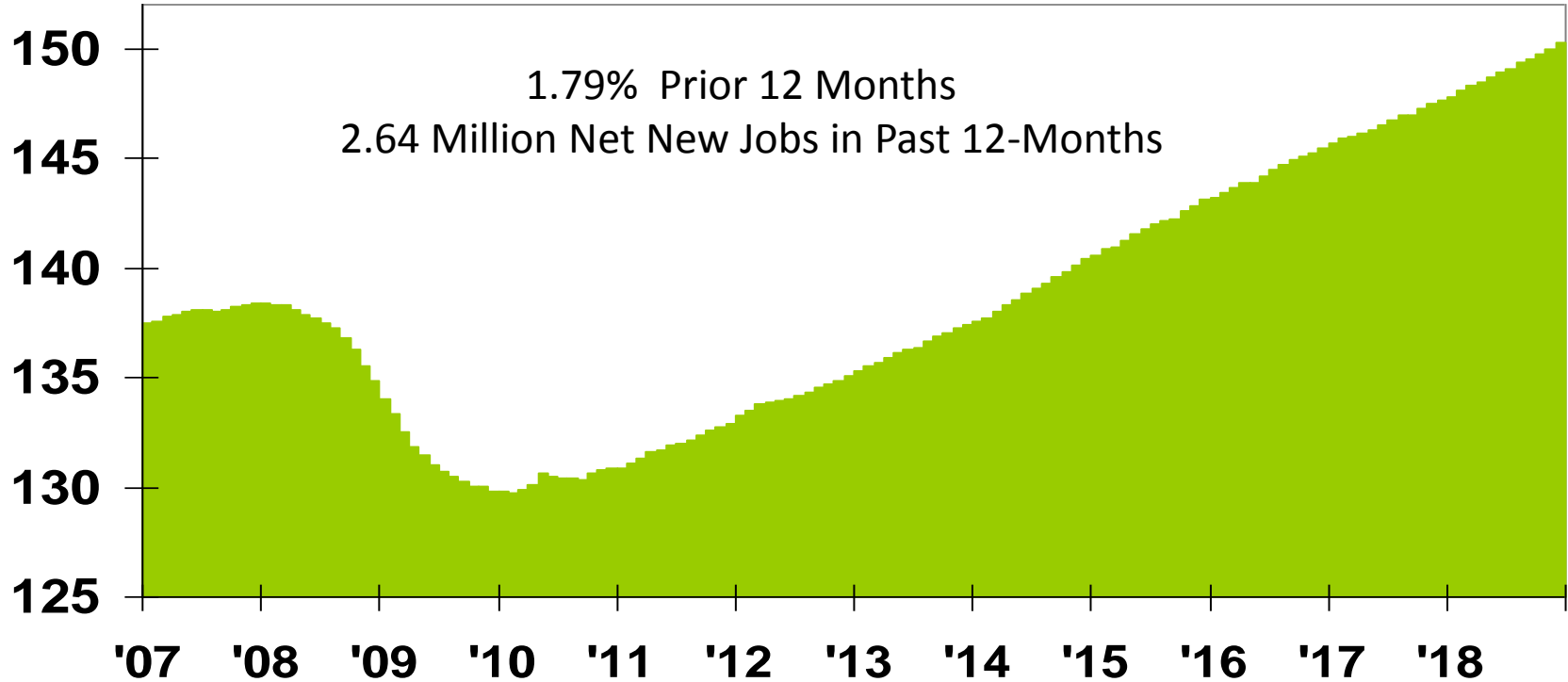
Things Change



**Jobs are Everything
Period**

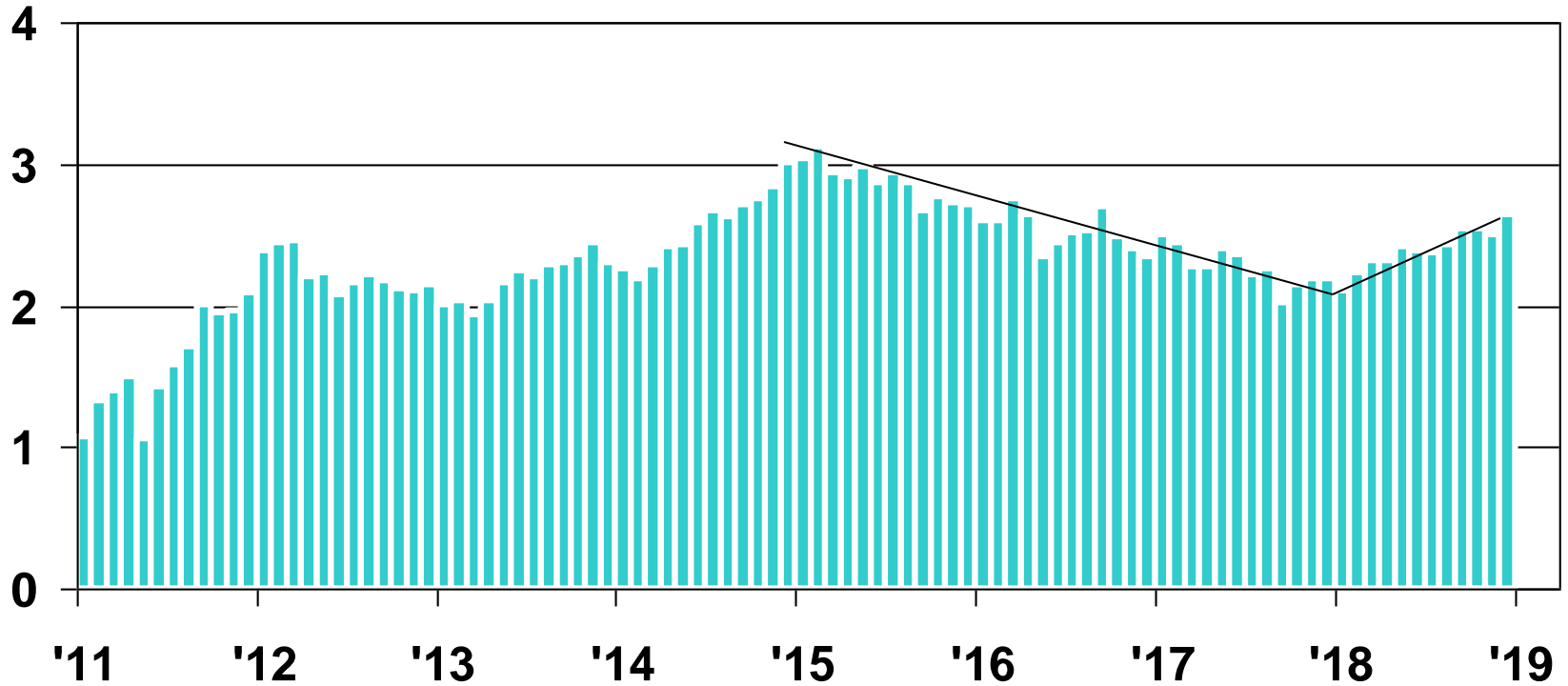
U.S. Jobs

Jobs (Millions) *Seasonally Adjusted*



U.S. Net Job Gains – *Trailing 12-Months*

Jobs - *Millions*

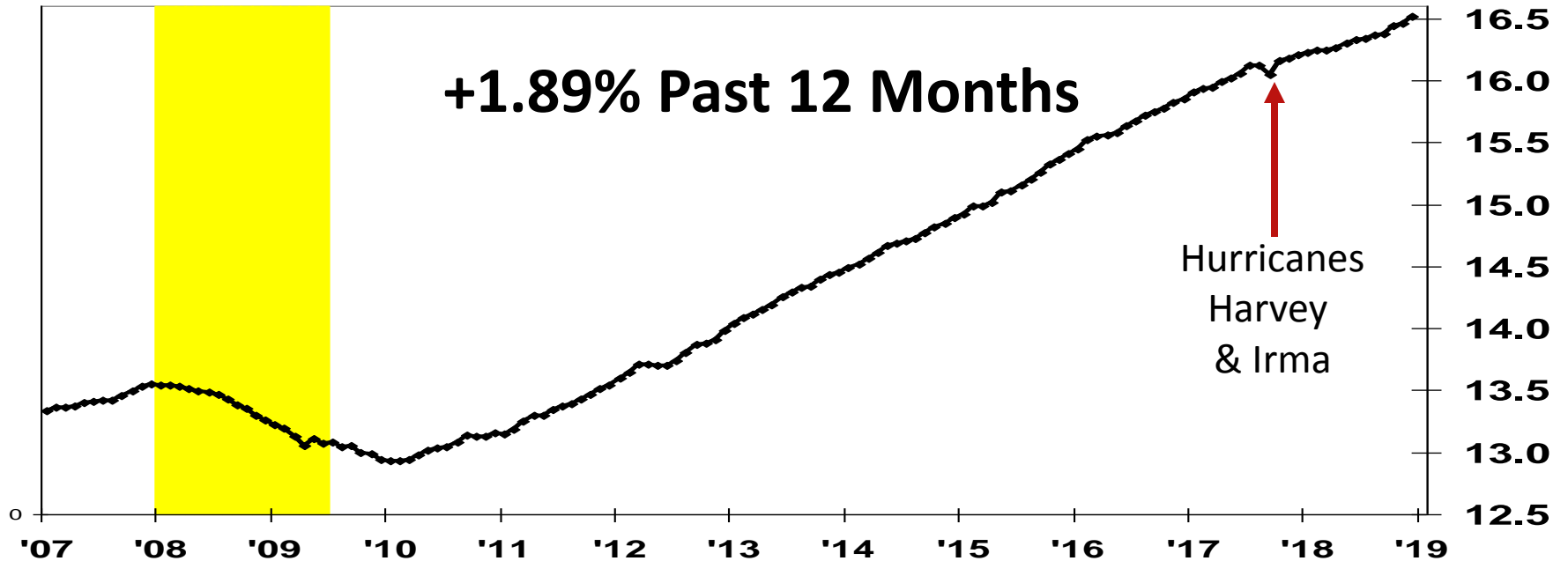


U.S. Leisure & Hospitality Jobs

The Blood Pressure Test of the U.S. Economy

Millions of Jobs
Seasonally-Adjusted

 Recession



3.2%

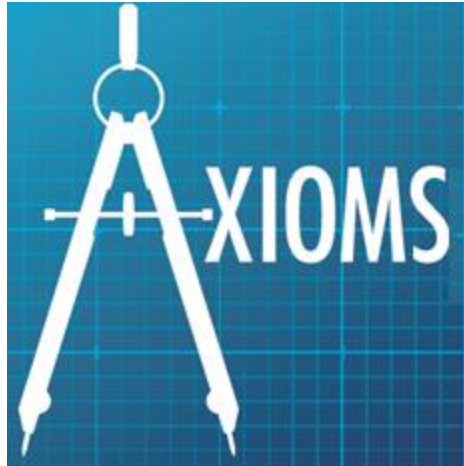
**12-Month
Income
Increase**

Largest Since 2009

3.9%

**Unemployment
Rate**

**48-Year Low
(was 3.7% last
month 49 Yrs)**



When You Get a Raise You Are Simply Broke at a Higher Level

Dr Ivan Schmedemann, Professor Emeritus

90%

Pay Less
Taxes



\$80

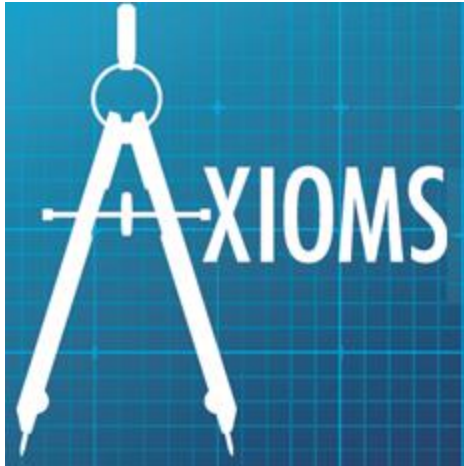
Billion

Extra Money Spent
on Real Estate Annually
Due to Tax Cuts



State Job Growth -- 12 Months Ending December 2018

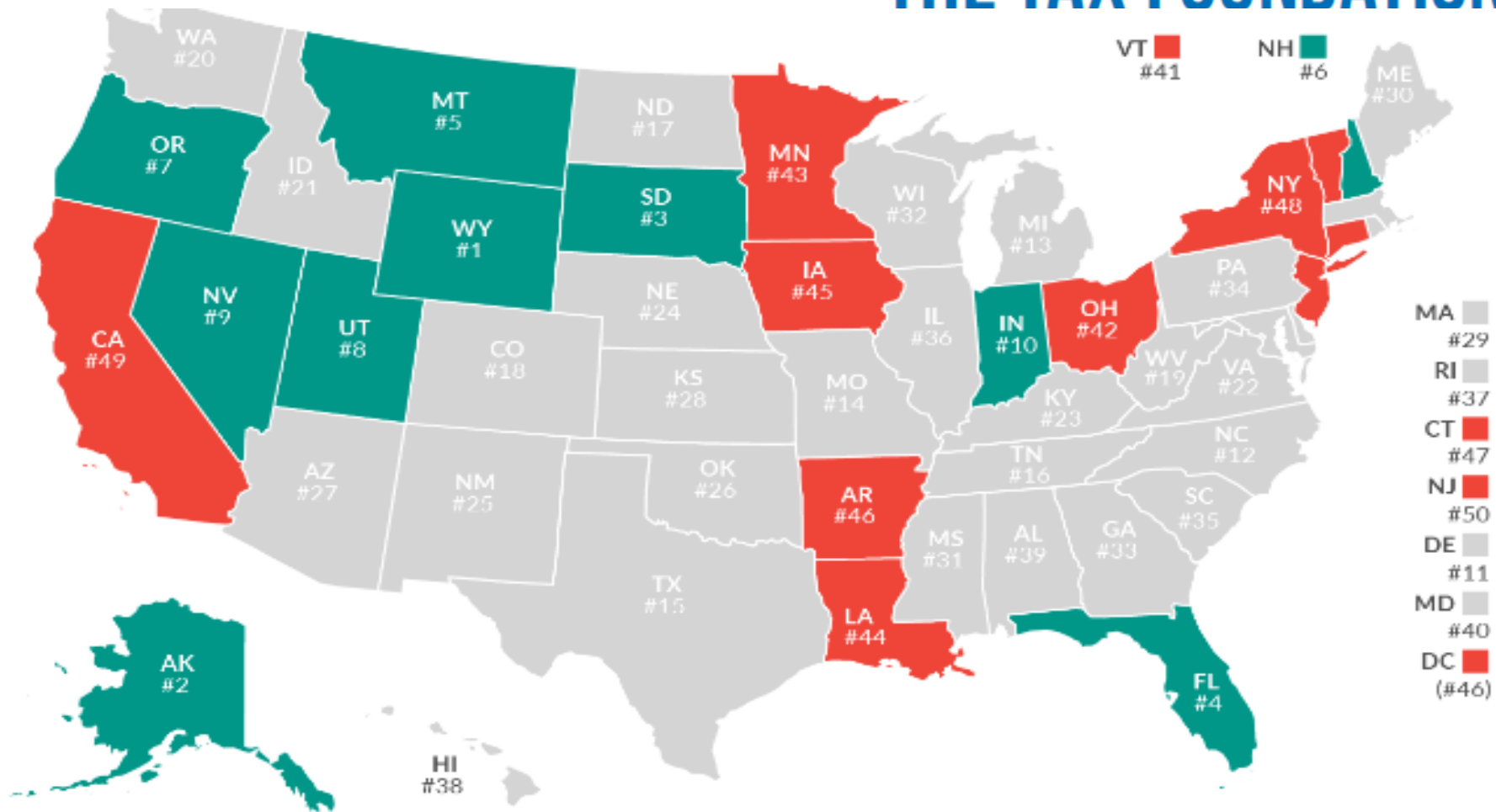
Nevada	3.85%	North Carolina	1.96%	New York	1.27%
Arizona	3.37%	South Carolina	1.95%	Michigan	1.25%
Texas	3.17%	Tennessee	1.95%	Pennsylvania	1.25%
Utah	3.11%	Virginia	1.95%	Nebraska	1.24%
Washington	3.09%	Maryland	1.87%	Connecticut	1.18%
Wyoming	2.82%	Oregon	1.85%	Illinois	1.17%
Colorado	2.81%	Massachusetts	1.81%	Louisiana	1.11%
New Hampshire	2.67%	California	1.67%	Kentucky	1.11%
Florida	2.67%	Wisconsin	1.64%	Minnesota	1.09%
Georgia	2.54%	Oklahoma	1.52%	Montana	0.99%
New Mexico	2.38%	New Jersey	1.49%	Iowa	0.98%
Delaware	2.24%	Hawaii	1.45%	Mississippi	0.95%
Alabama	2.16%	Indiana	1.43%	Maine	0.69%
North Dakota	2.11%	Rhode Island	1.43%	West Virginia	0.63%
Ohio	2.11%	Kansas	1.42%	Dist of Columbia	0.29%
South Dakota	2.01%	Arkansas	1.38%	Vermont	-0.06%
Idaho	1.99%	Missouri	1.35%	Alaska	-0.12%



Taxes – or Lack There of – Influences Where People Live & Businesses Relocate

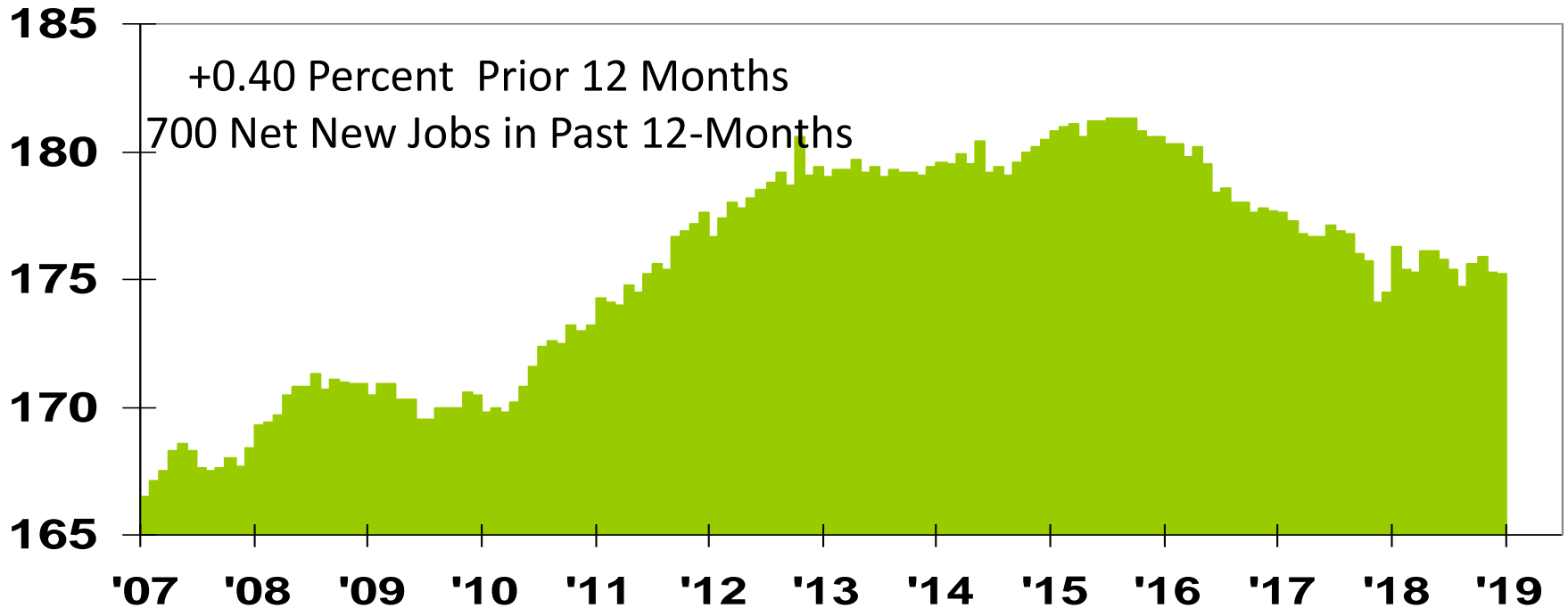
Taxes Matter

THE TAX FOUNDATION



Anchorage MSA Jobs

Jobs (Thousands) *Seasonally Adjusted*



Anchorage Supersector Job Growth Analysis -- December 2018

Not Seasonally Adjusted

Employment Supersector	Total Jobs Thousands Dec 2018	Percent of All Jobs		12-Months		5 Years	
		Today	5-Years Ago	Net New Jobs Thousands	Percent Change	Net New Jobs Thousands	Percent Change
Total	172.6	100.0%	99.8%	0.3	0.2%	(5.2)	-2.9%
Mining & Logging +Oil & Gas	3.0	1.7%	2.0%	0.3	11.1%	(0.6)	-16.7%
Construction	8.6	5.0%	5.1%	0.1	1.2%	(0.5)	-5.5%
Manufacturing	1.6	0.9%	1.3%	(0.2)	-11.1%	(0.7)	-30.4%
Trade-Transport-Utilities	37.0	21.4%	21.4%	-	0.0%	(1.1)	-2.9%
Information	4.0	2.3%	2.5%	(0.2)	-4.8%	(0.5)	-11.1%
Financial Activities	7.8	4.5%	4.6%	(0.2)	-2.5%	(0.4)	-4.9%
Professional and Business Service	19.4	11.2%	12.3%	0.6	3.2%	(2.5)	-11.4%
Education and Health Services	31.2	18.1%	16.5%	0.4	1.3%	1.9	6.5%
Leisure & Hospitality	18.7	10.8%	10.5%	(0.7)	-3.6%	-	0.0%
Other	6.7	3.9%	3.7%	0.4	6.3%	0.2	3.1%
Government	34.6	20.0%	20.0%	(0.2)	-0.6%	(1.0)	-2.8%

Source: U.S. Bureau of Labor Statistics, Stewart Title Guaranty Company

Not Seasonally Adjusted

Employment Supersector	Percent of All Jobs		12-Month Job Growth	
	USA	Anchorage	USA	Anchorage
Mining & Logging (+ Oil & Gas)	0.5%	1.7%	8.4%	11.1%
Construction	4.8%	5.0%	4.1%	1.2%
Manufacturing	8.5%	0.9%	2.3%	-11.1%
Trade-Transport-Utilities	19.0%	21.4%	1.3%	0.0%
Information	1.8%	2.3%	-0.8%	-4.8%
Financial Activities	5.7%	4.5%	1.3%	-2.5%
Professional and Business Service	14.1%	11.2%	2.8%	3.2%
Education and Health Services	15.9%	18.1%	2.2%	1.3%
Leisure & Hospitality	10.7%	10.8%	2.0%	-3.6%
Other	3.9%	3.9%	1.2%	6.3%
Government	15.1%	20.0%	0.4%	-0.6%

Source: U.S. Bureau of Labor Statistics, Stewart Title Guaranty Company

MSA & Division Job Growth -- 12 Months Ending December 2018

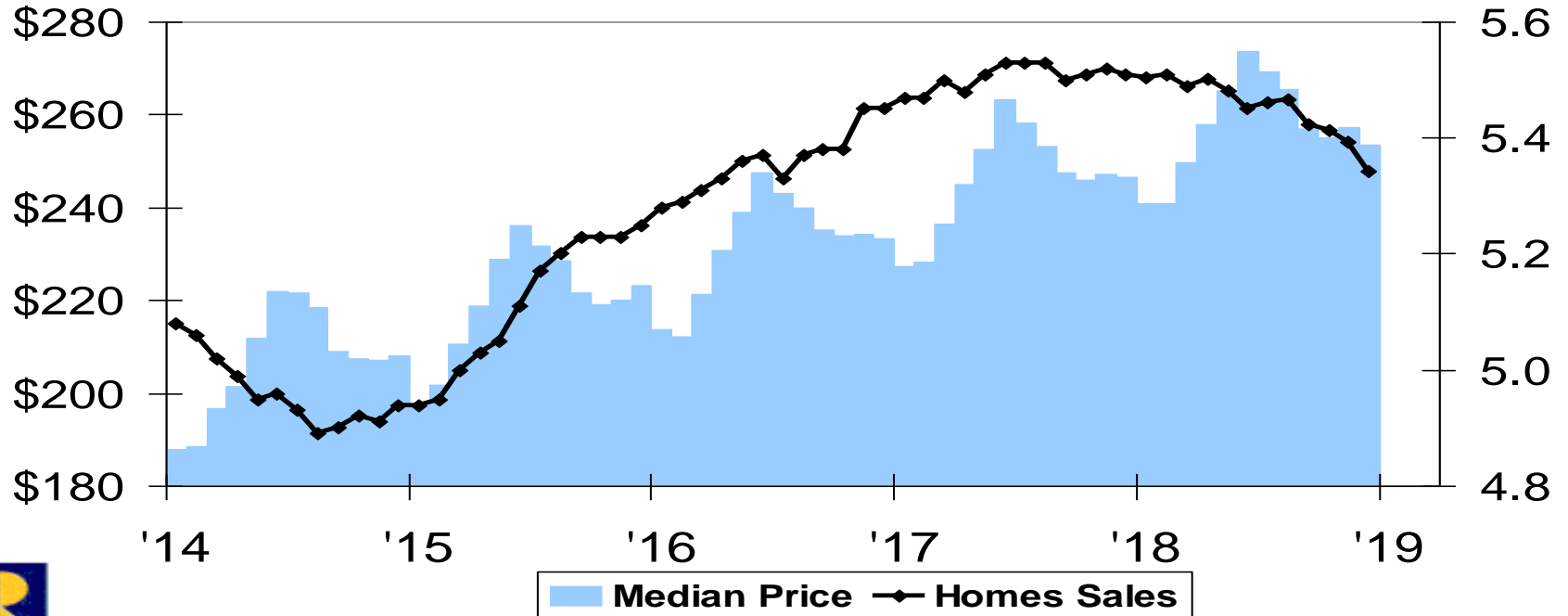
Rank	MSA-Division	State	12-Months		
			Percent Change	New Jobs-Thousands	Total
427	Yuba City	California	-0.90%	(0.4)	43.8
428	Pine Bluff	Arkansas	-0.91%	(0.3)	32.5
429	Jackson	Michigan	-1.02%	(0.6)	58.2
430	Fairbanks	Alaska	-1.06%	(0.4)	37.2
431	Elmira	New York	-1.09%	(0.4)	36.2
432	Beckley	West Virginia	-1.11%	(0.5)	44.5
433	Charleston	West Virginia	-1.11%	(1.3)	115.6
434	Lima	Ohio	-1.12%	(0.6)	53.1
435	Victoria	Texas	-1.23%	(0.5)	40.2
436	Panama City	Florida	-1.40%	(1.2)	84.7

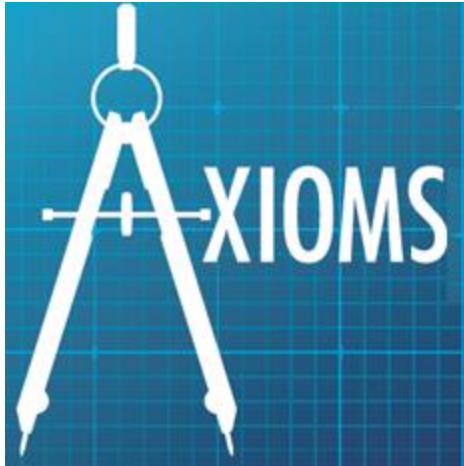
U.S. Existing Home Sales & Median Prices

Sales Trailing 12 Months

Median Price *\$ Thousands*

Home Sales *12-Months Millions*





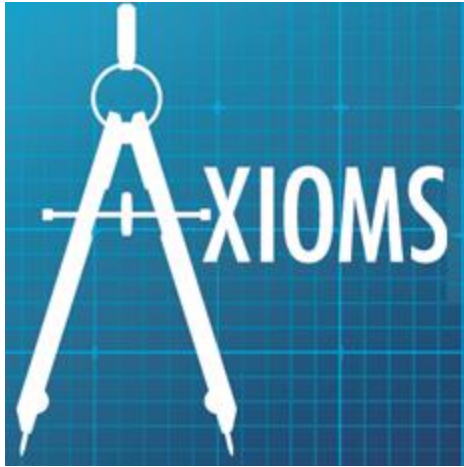
Millennials Are the Future and the Present

13.6%

**Percent of
U.S.
Population
Aged 25-34**

36%

**Percent of
Homes
Purchased
Past 12-Months**



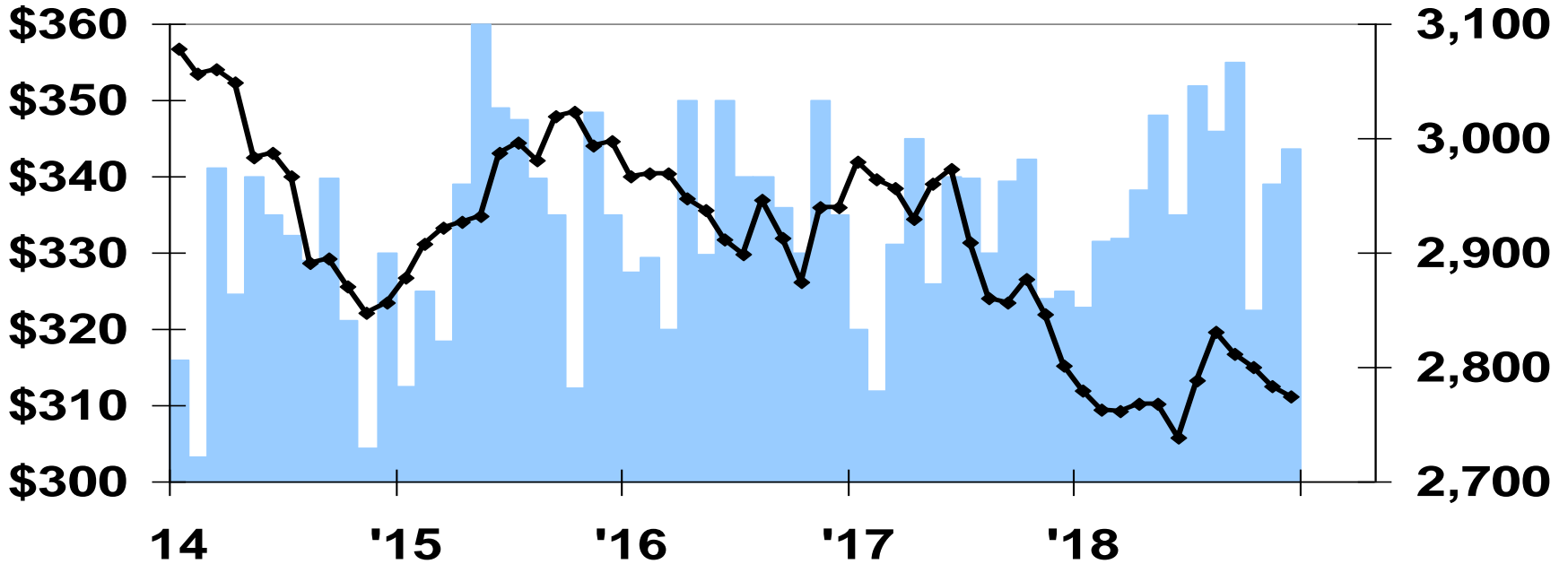
There is No Such Thing as a National Real Estate Market (Or Economy)

TINSTAANREM Axiom -- Ted C Jones

Anchorage Home Sales

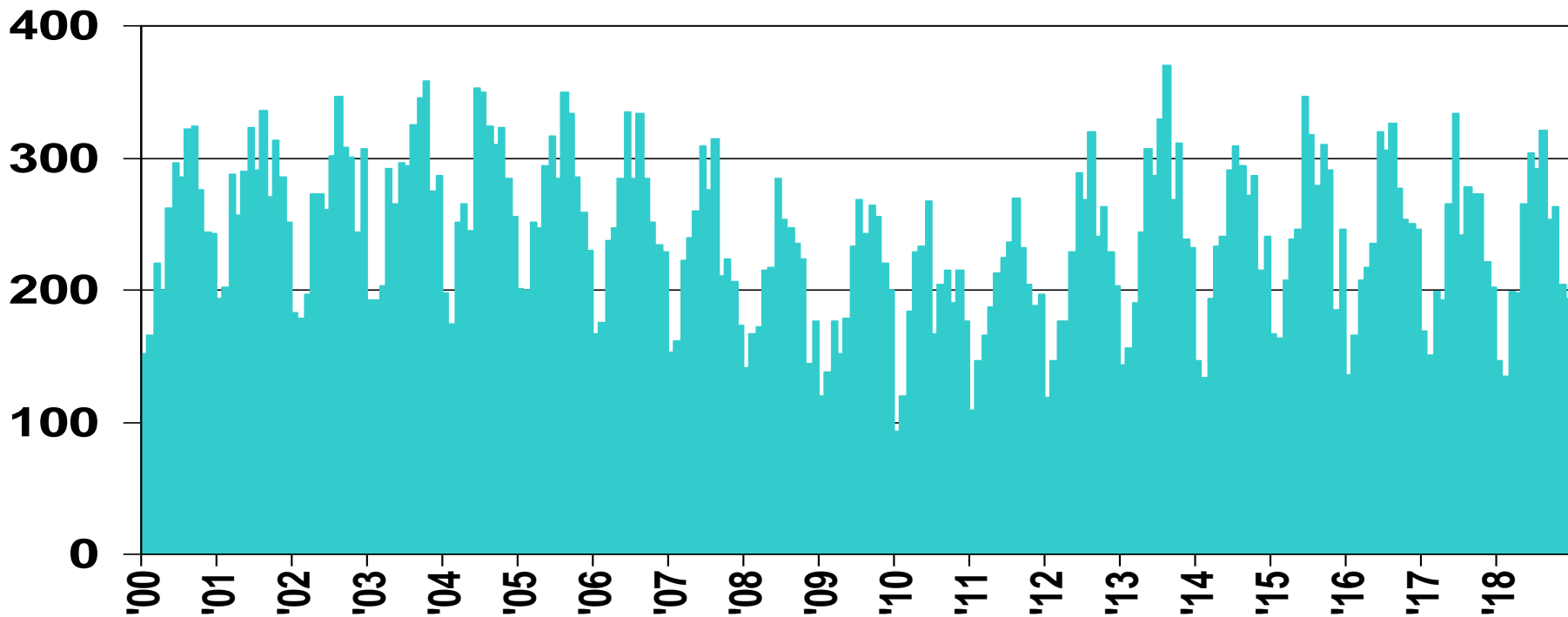
Sales Trailing 12 Months

Home Sales *12-Months*



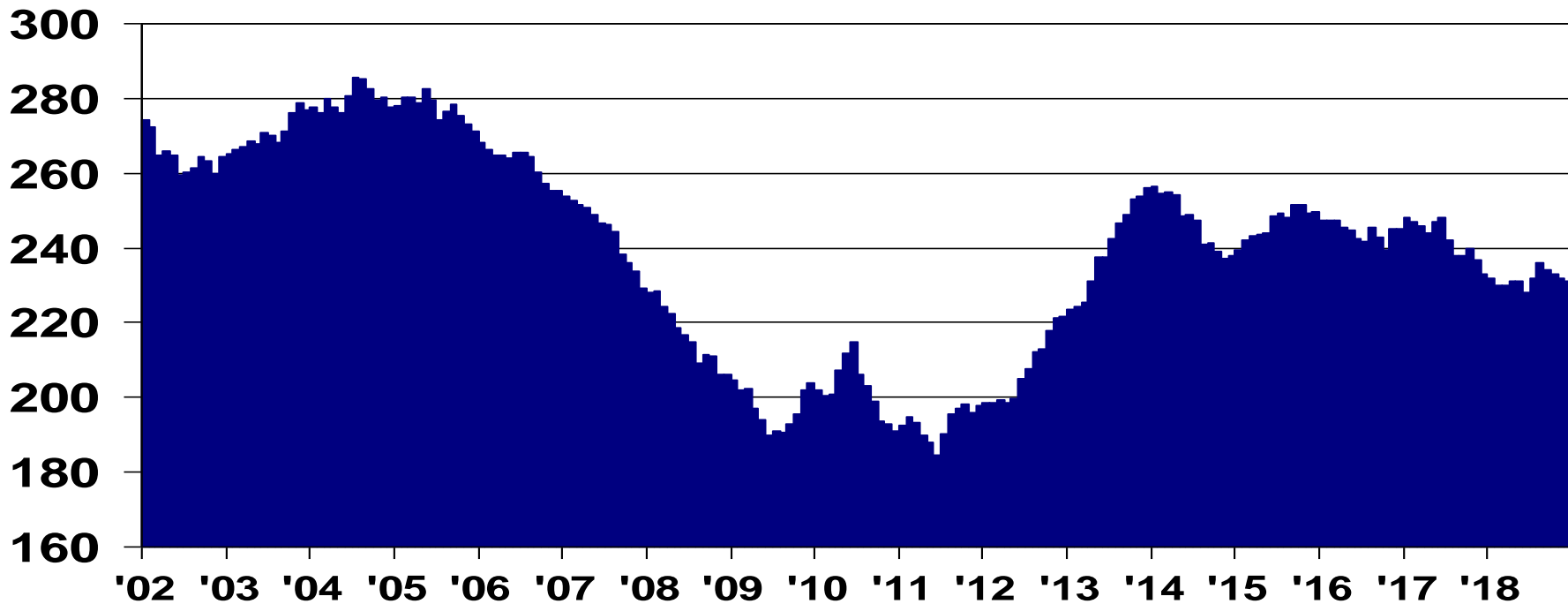
Anchorage Residential Closings

Number Per Month



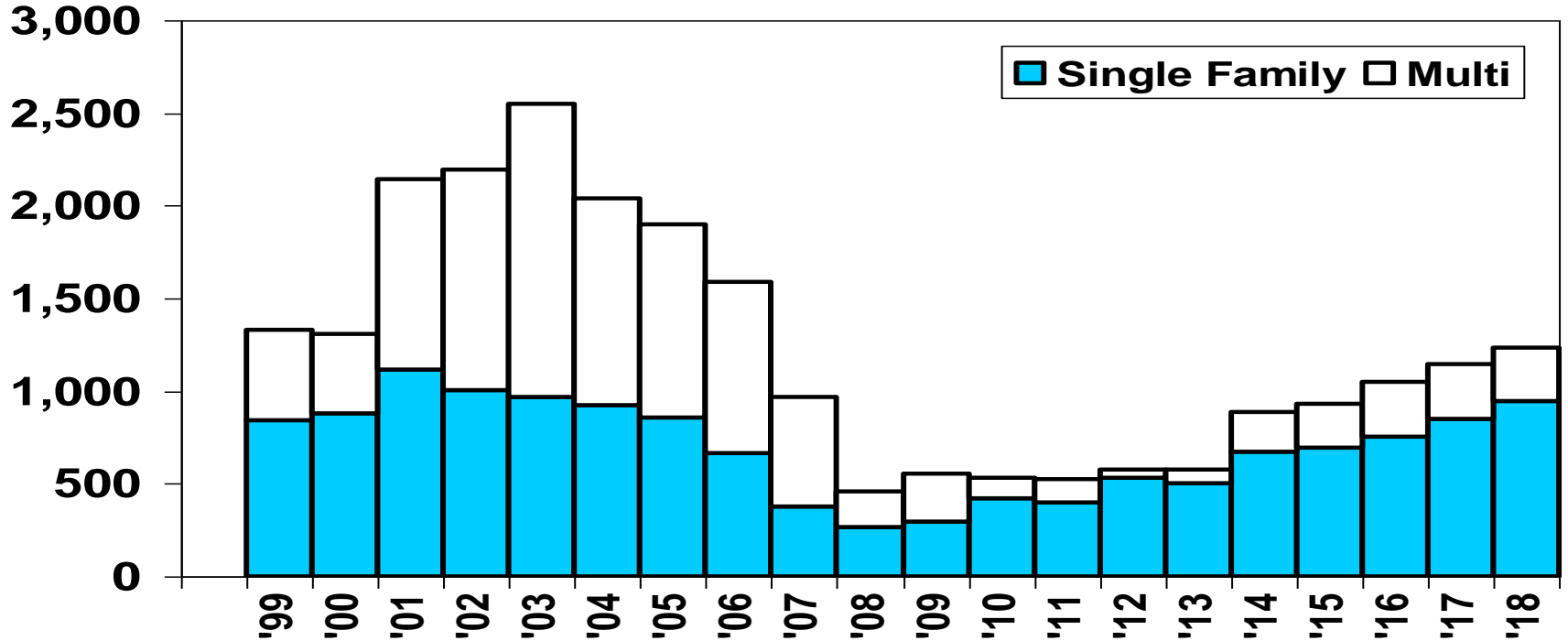
Anchorage Residential Closings

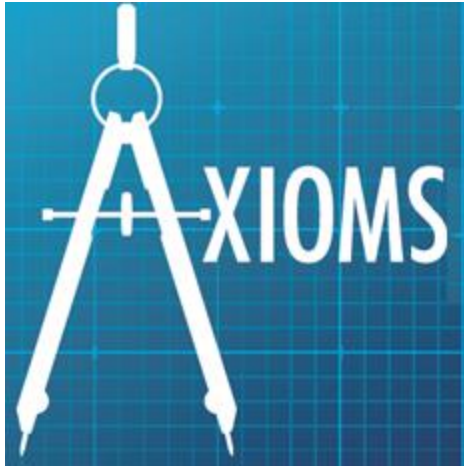
Average Number Per Month For Prior 12 Months



Anchorage Residential Building Permits

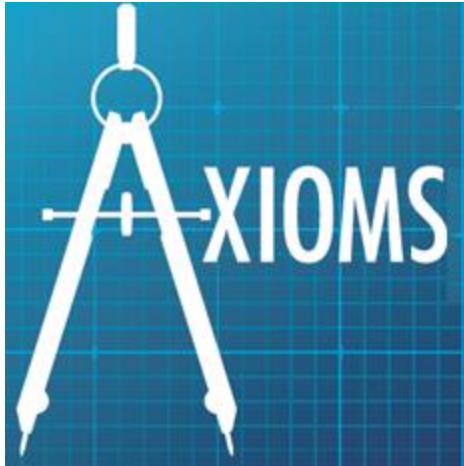
Number of Dwelling Units





**No Where is It
Written That Home
Values Will Always
Go Up**

The Same Goes for Rent Also

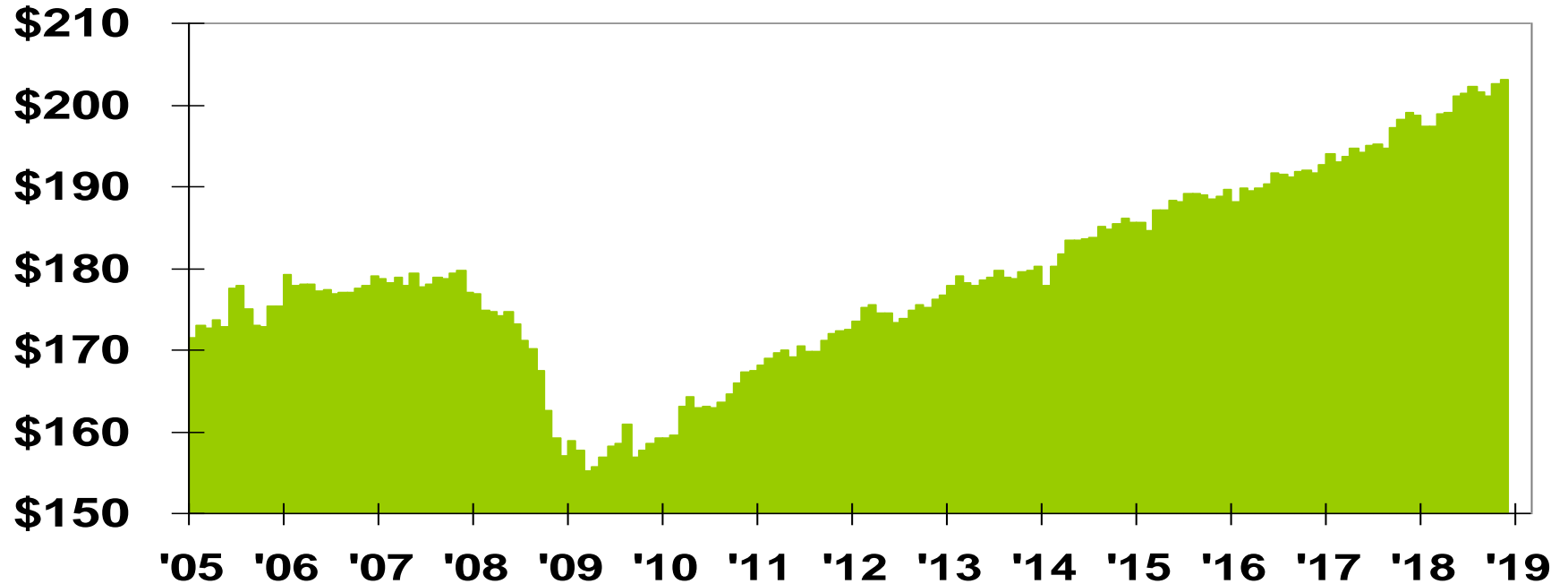


There are Three Kinds of People That Can Buy a Home Without a Job

People with Gray Hair, Blue Hair or No Hair: Retirees

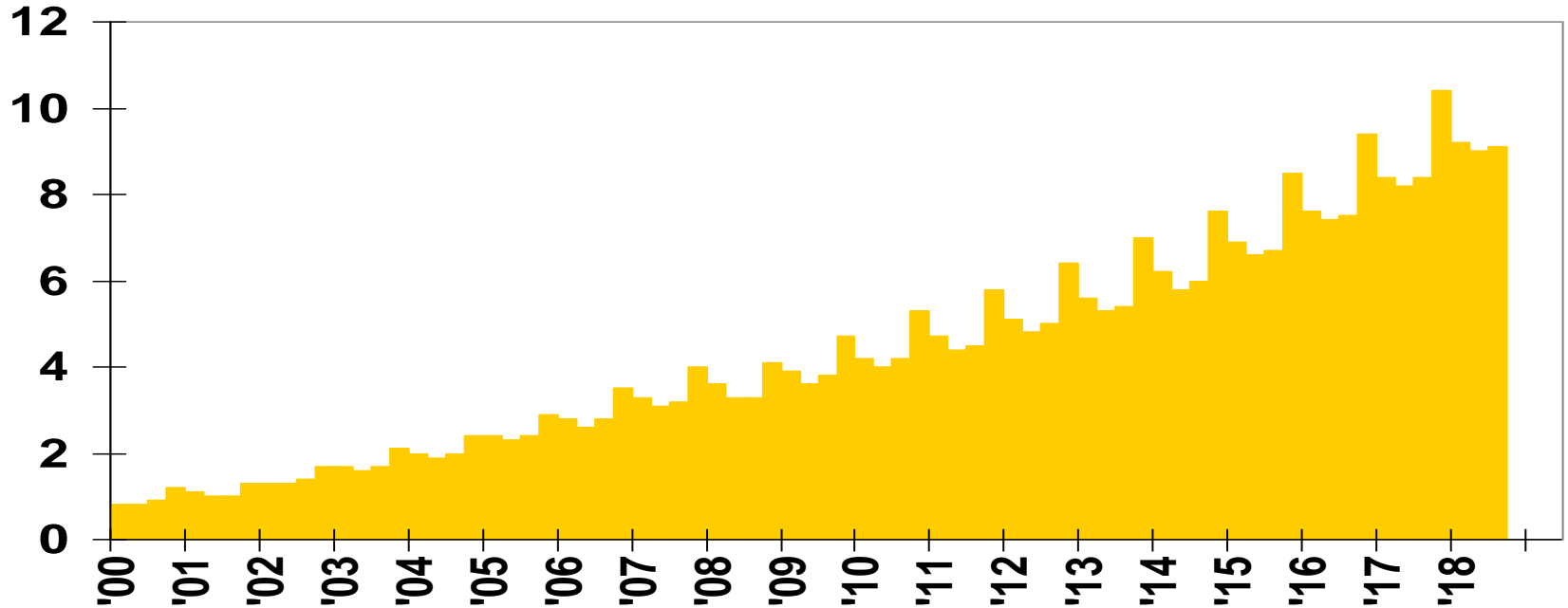
U.S. Real Retail & Food Service Sales

\$ Billions – Seasonally Adjusted



E-Commerce Sales

Percent of Total Sales – *Not Seasonally Adjusted*



Omnichannel Marketing

om·ni·chan·nel
/'äm·nə, CHanl/

adjective

adjective: **omnichannel**; adjective: **omni-channel**

denoting or relating to a type of retail that integrates the different methods of shopping available to consumers (e.g., online, in a physical store, or by phone).

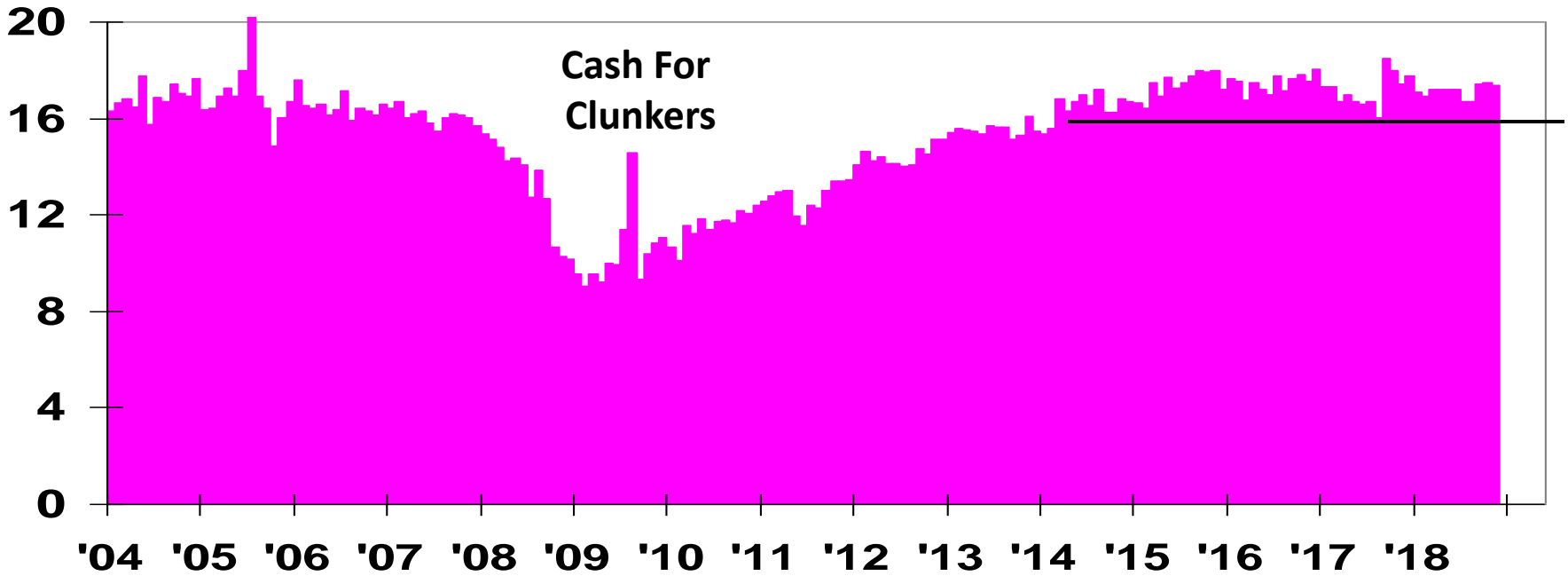
"80 percent of sales for omnichannel retailers happen in the offline world"

Omnichannel Marketing

- **The number of people who shopped both online and in-store Cyber Monday was up nearly 40% over 2017**
- **Multichannel shoppers outspent single-channel shoppers by up to \$93 on average**
- **49% of all e-commerce traffic came from smartphones**

Light Weight Vehicle Sales

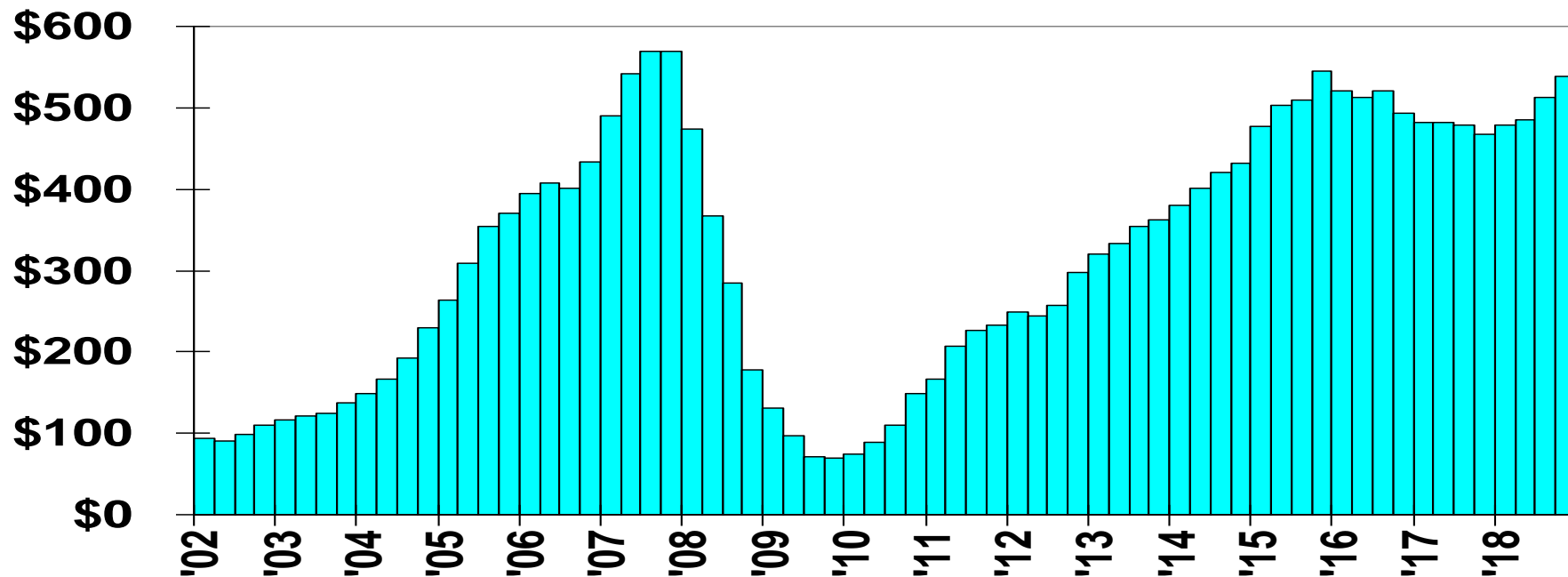
Millions – *Seasonally Adjusted Annual Rate*



U.S. Commercial Real Estate Sales Volume

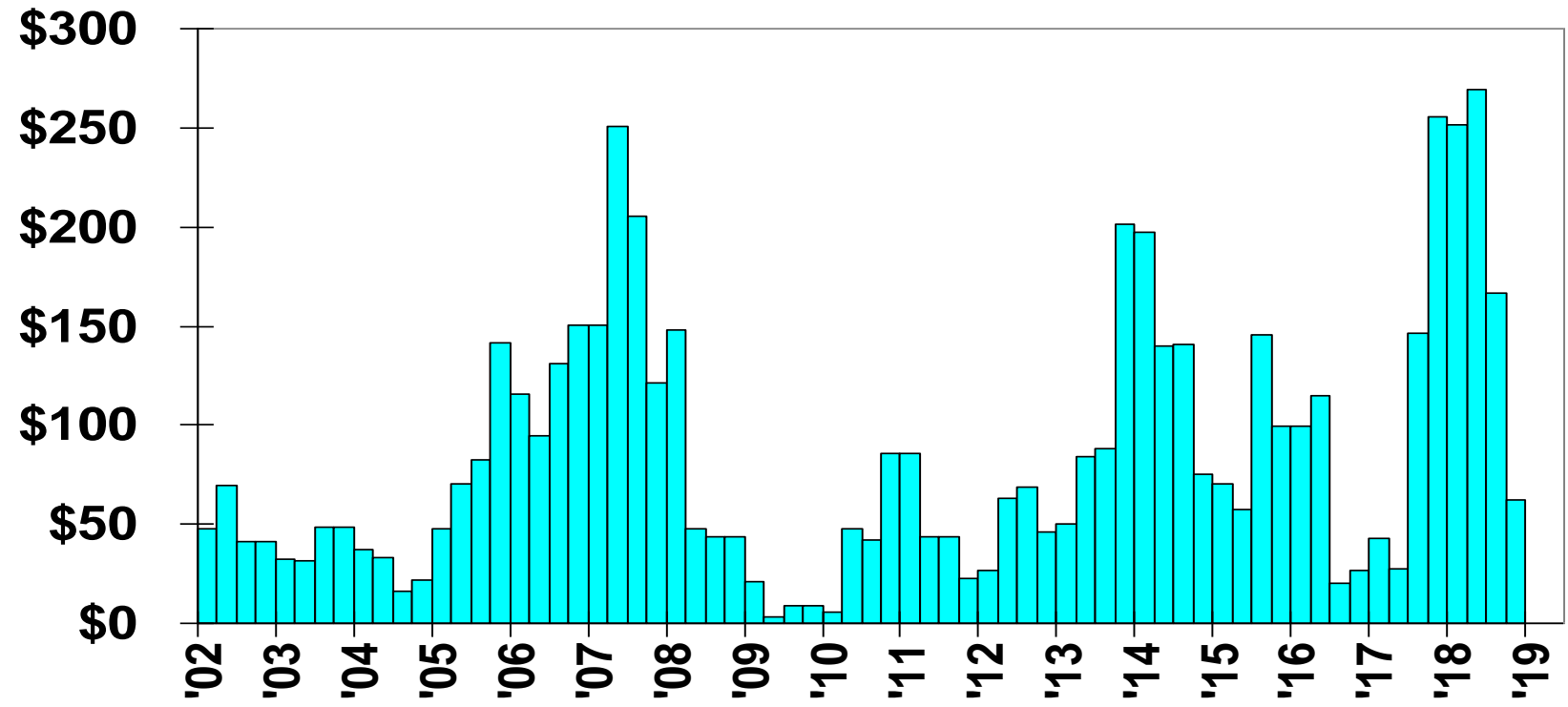
\$ Billions – *Trailing 12 Months*

+6.1 Percent Year-Over-Year



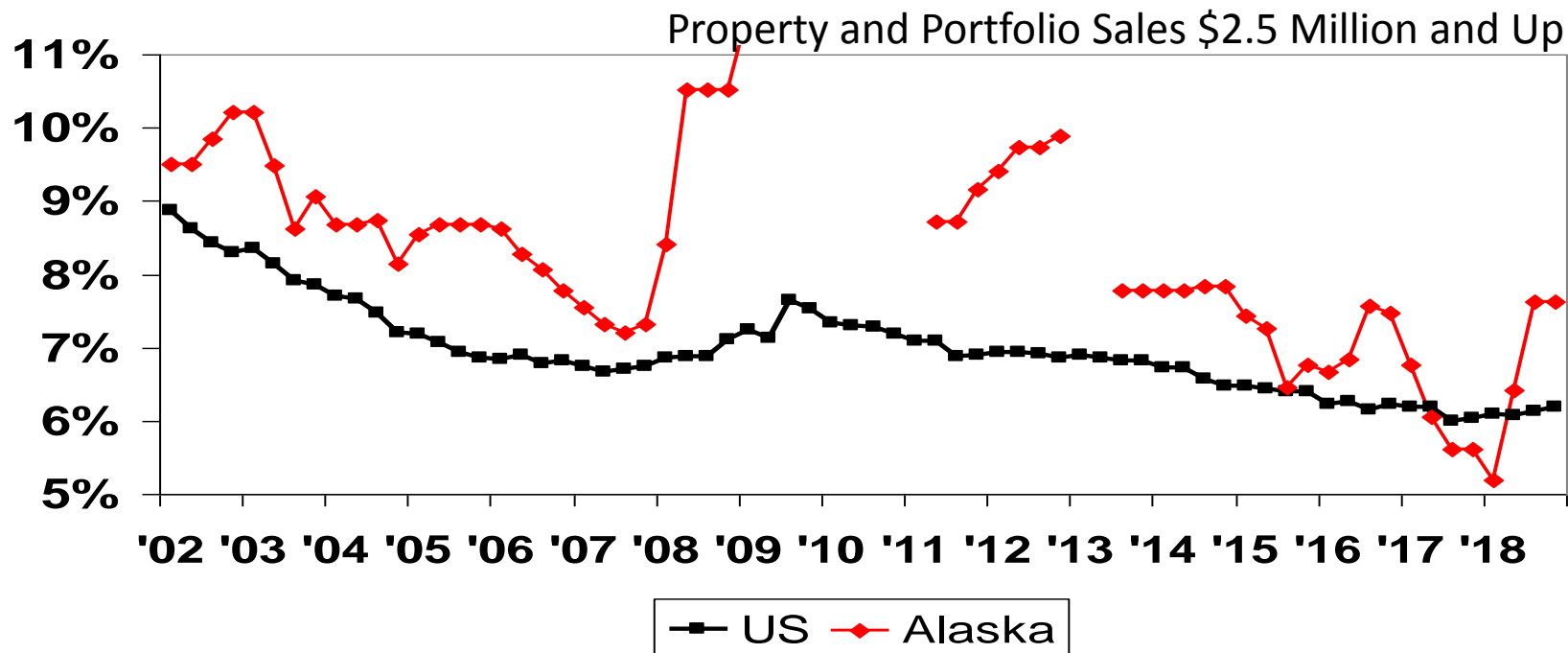
Alaska Commercial Real Estate Sales Volume

\$ Millions – *Trailing 12 Months*

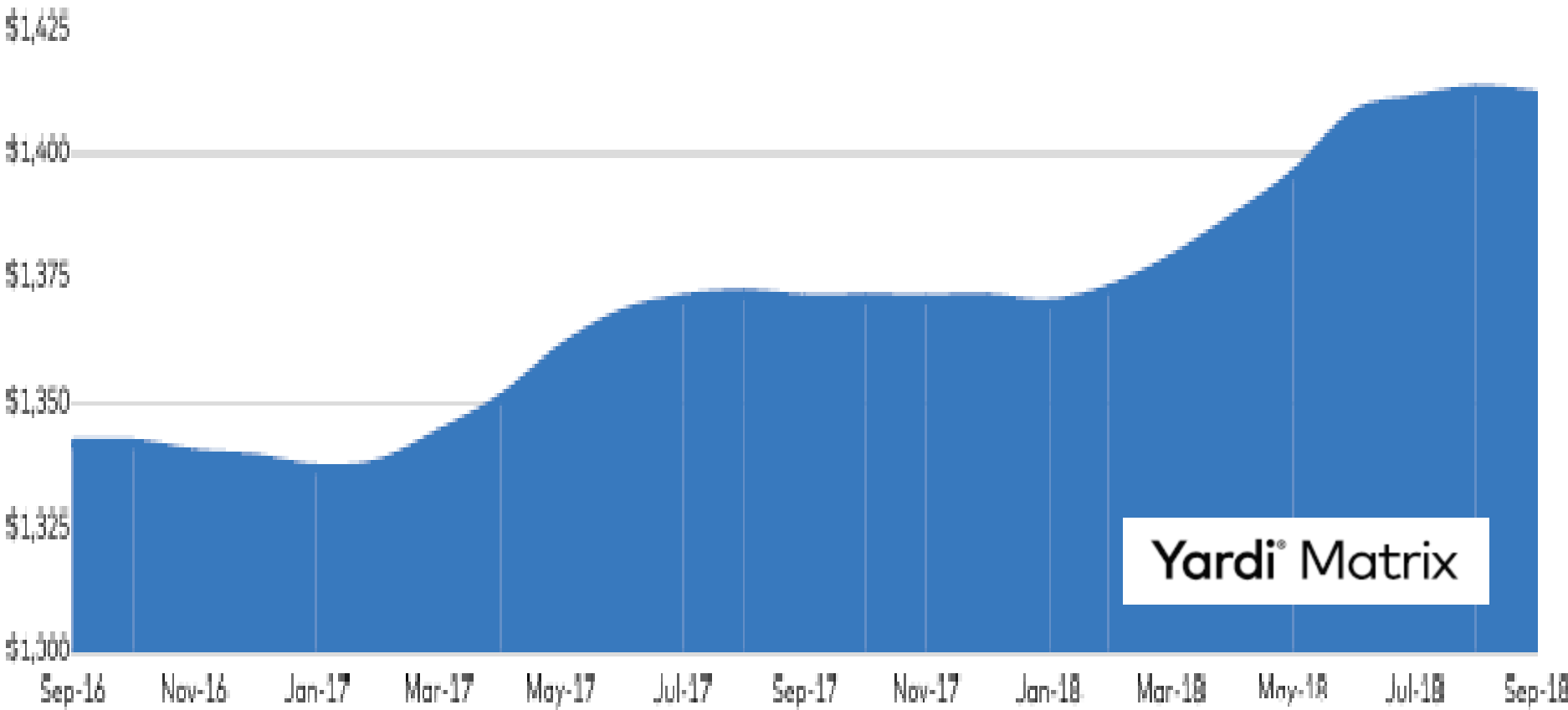


Commercial Real Estate Cap Rates

Percent – 12-Month Moving Average



National Average Apartment Rents



Yardi® Matrix

**Fed Funds
Rate Up 25 bp
to
1.75% to 2.0%
Percent
June 13, 2018**

**\$2.2 Billion
More Per
Year in Just
Credit Card**

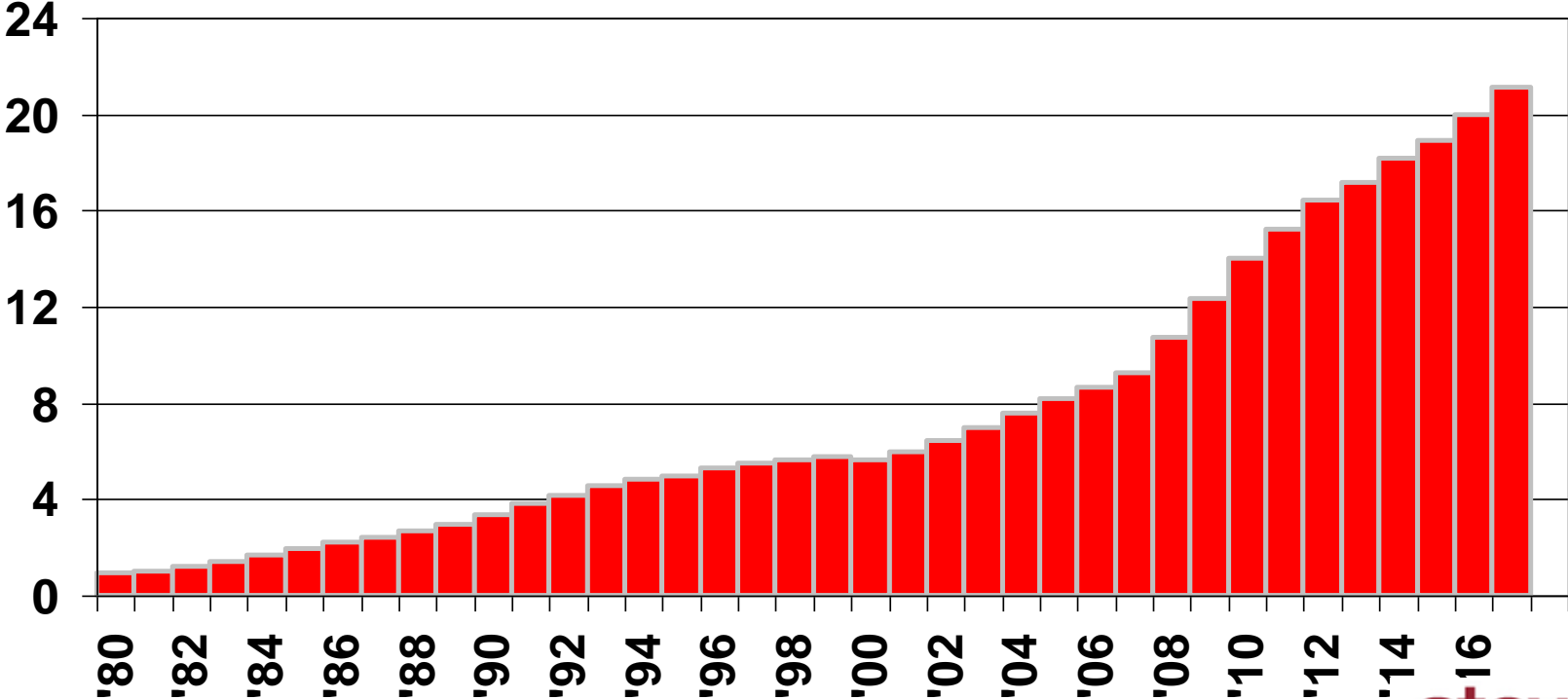
30-Year Fixed-Rate Forecast

December 2018

Year	Fannie	Freddie	MBA	Average
2017	4.6%	4.6%	4.8%	4.7%
2018	4.8%	4.6%	5.0%	4.8%
2019	4.8%		5.1%	5.0%
2020	5.0%		5.1%	5.1%

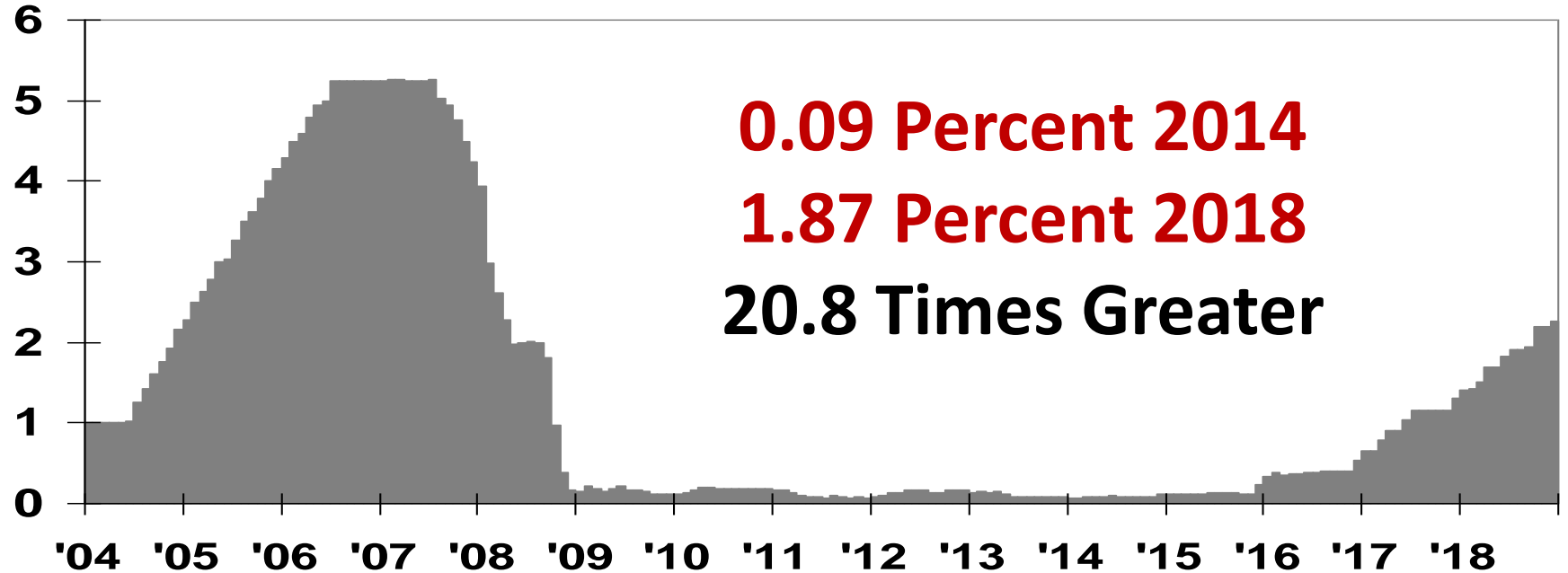
Federal Debt – Total Public Debt

\$ Trillions



Average Monthly Fed Funds Rate

Percent



Federal Debt

Interest Payments

+30% March 2017 Vs 2016

+10.7% March 2018 Vs 2017

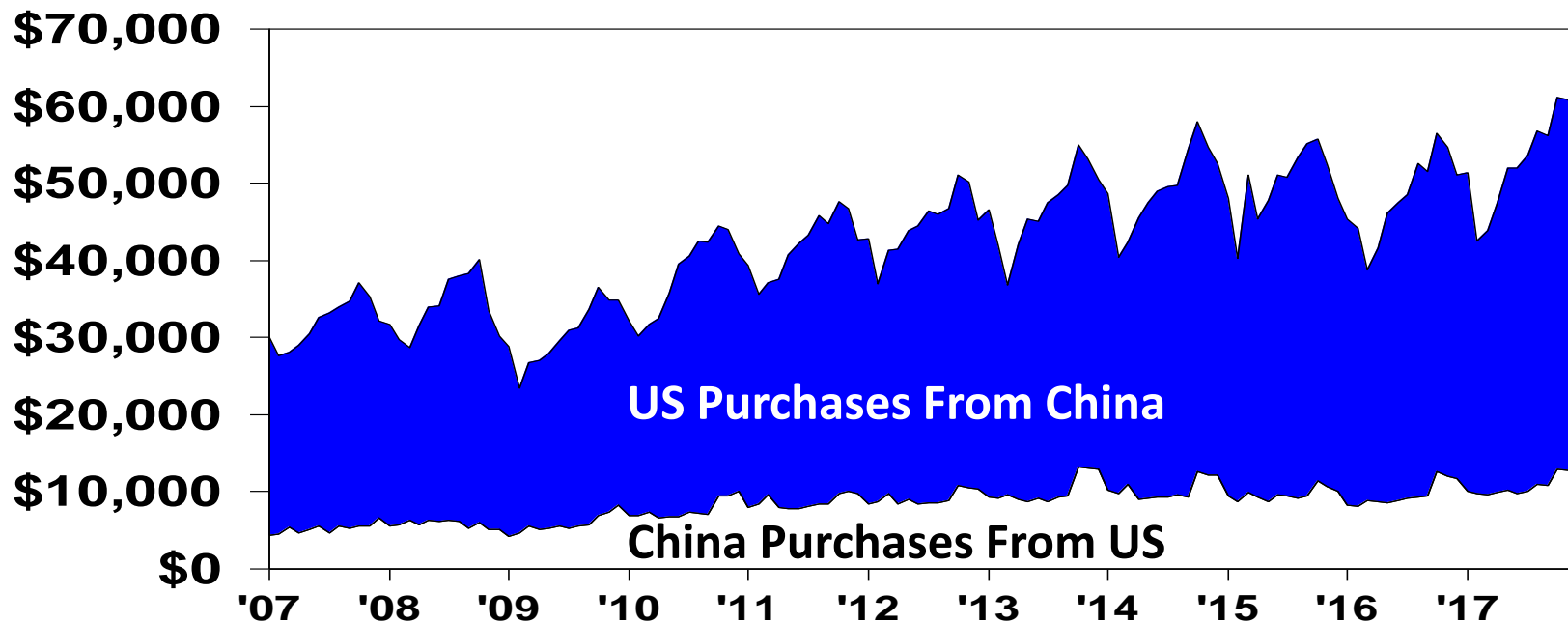
Tariffs

Latin for “It’s Going to Cost More.”

U.S. & China Trade



\$ Millions



What the U.S. Bought from China in 2017



U.S. goods deficit
with China in 2017:
\$375.2 billion

\$ Billions

What the China Bought from U.S. in 2017



\$ Billions

Warren Buffett on Cryptocurrencies



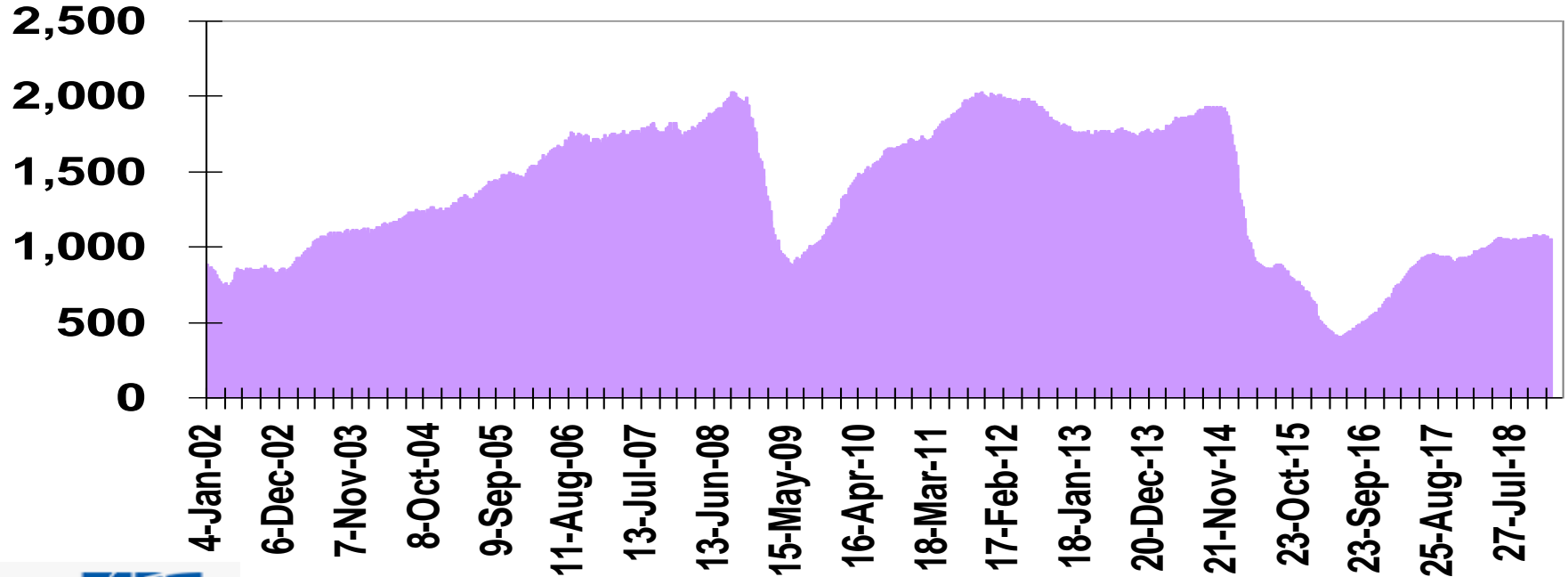
“It’s not a currency. It does not meet the test of a currency. I wouldn’t be surprised if it’s not around in 10 or 20 years. Stay away from it – it’s a mirage.”

**\$4,758 Electricity
Cost to Mine 1 Bitcoin
In U.S.**

**1st Time in 75 Years
U.S. is a Net Oil
Exporter**

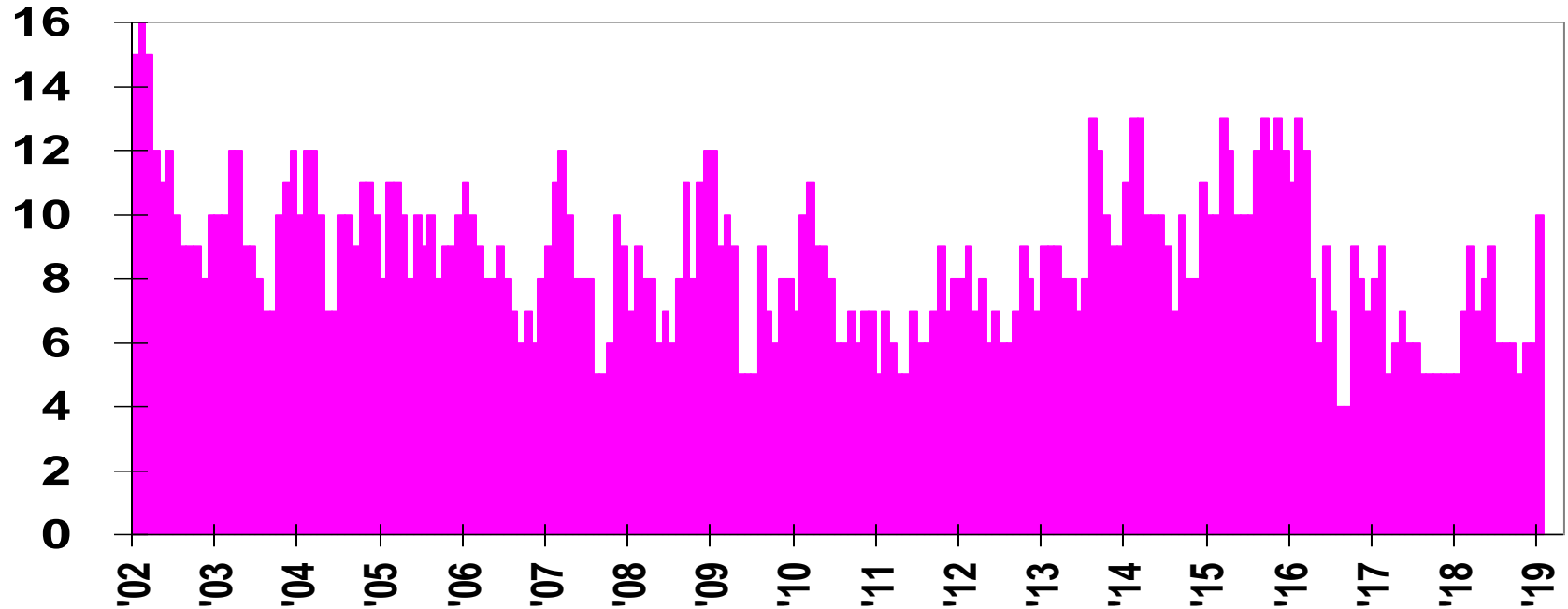
North American Drilling Rig Counts

Number of Operating Rigs



Alaska Drilling Rig Counts

Number of Operating Rigs



Oil \$50-\$60

2019

Twitter

DrTCJ

2019 Economic Outlook

The logo for Stewart Title, featuring the words "stewart" and "title" stacked vertically in a white, lowercase, sans-serif font, set against a dark red square background.

Strong Economy

Growing Jobs & Wages

Rising Interest Rates

Rising Home Prices (Albeit at a Lower Pace)

Cheap (But Profitable) Energy

Manufacturing Comeback Continues

1

**Paper Straw
Manufacturer
In the U.S.**

**We use
500 Million
Straws Daily**



**JOYECO Stainless Steel Drinking Straws,
Gold Reusable Drink Straw for 20oz
Tumblers Rumlbers Cold Beverage (Set
of 8,4 Bent+4 Straight + 2Brushes)**

Price: \$9.98 & FREE Shipping.



Reusable Silicone Straws - MCIRCO Silicone Straws for 30 oz Tumbler Yeti/Rtic Complete Bundle - Reusable Silicone Straws and Stainless Steel Straws Extra Long Set of 10 with Cleaning Brushes and STO

by Mcirco



131 customer reviews

| 18 answered questions

Amazon's Choice

for "permanent straws"

List Price: ~~\$13.99~~

Price: **\$9.99** & **FREE Shipping**. [Details](#)

You Save: **\$4.00 (29%)**

TIFFANY & CO.

Monkey Straw

\$425

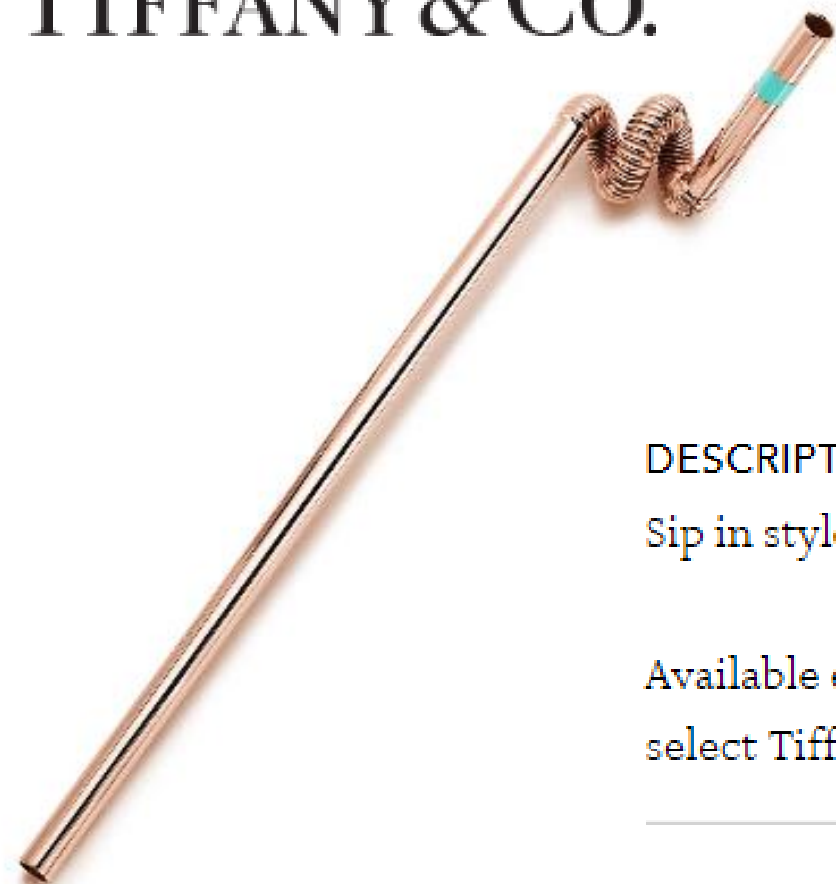


Sip in style. Straw in sterling silver. 7.25" long.

Available exclusively at [Tiffany.com](https://www.tiffany.com), the New York flagship and select Tiffany stores.

FREE SHIPPING & RETURNS

TIFFANY & Co.



EVERYDAY OBJECTS

Rose Gold Vermeil Crazy Straw

\$375

DESCRIPTION & DETAILS

Sip in style. Straw in sterling silver. 7.25" long.

Available exclusively at [Tiffany.com](https://www.tiffany.com), the New York flagship and select Tiffany stores.

FREE SHIPPING & RETURNS

TIFFANY & CO.

Ladybug Straw

\$425



DESCRIPTION & DETAILS

Straw in sterling silver. 9" long.

Available exclusively at [Tiffany.com](https://www.tiffany.com), the New York flagship and other select Tiffany stores.

FREE SHIPPING & RETURNS

Global Residential Market Data

<https://www.globalpropertyguide.com/>

<https://www.globalpropertyguide.com/faq/guide-transaction-costs>



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title



AXIOMS:

An Outlook & Forecast for the
Economy, Real Estate and Life

Ted C. Jones
Chief Economist