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## Mat-Su economy keeps exploding

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WASILLA - Business owners, managers and entrepreneurs sat elbow-to-elbow at the Greater Wasilla Chamber of Commerce luncheon Tuesday. Packed around crowded dining tables, they listened to state economist Neal Fried crunch burgeoning numbers on Mat-Su's unparalleled growth.

An exploding population, new jobs, more students and rising property values all indicate that the Mat-Su's economic engine is strong and gaining momentum, Fried told the energized business community.

"Alaska is expected to finish up a record 18th year of uninterrupted job growth," he explained. "It really does excite me."

Much of that growth has occurred along the former dirt roads, empty wooded lots and hay fields of the Mat-Su. Area population over the last 15 years grew from 39,683 to more than 70,000 in 2004 and is expected to continue its dramatic rise, with possibly 75,000 by the close of 2005. In just 11 years, Fried said Mat-Su will pass the 100,000 mark.

While Mat-Su growth is no secret, it flies in the face of statewide trends. On average, population in the state grows by about 5 percent annually. Mat-Su's 18 percent population growth dominates both state numbers and Anchorage's 7 percent growth.

If it weren't for Anchorage, however, Fried said the Valley's bright future would look far different.

Over the last four years, Mat-Su commuter traffic into Anchorage has hovered around 10,000 annually, with one in three Valley workers now employed in Anchorage.

"The Valley does not sit by itself. Anchorage and the Valley are one economy," Fried said after the luncheon. "If Anchorage wasn't sitting there, growth wouldn't be happening. In fact, if a person was objectively looking down on this place, they would just see it as one large area."

As Anchorage fills up, however, the population center is spilling north, where homes and land are far cheaper and more plentiful.

Even with rapidly increasing housing prices, the average Mat-Su home is still almost \$70,000 cheaper than in Anchorage.

In the first half of 2005, the average price of a single-family home in Mat-Su was \$210,937, compared with an Anchorage cost of \$277,530, Fried said.

As demand for homes grows, prices continue to rise. Last year, the average price for a Mat-Su single-family home was \$203,415.

"Part of this is the availability of land," Fried explained. He said the Valley still only has 2.9 people per square mile, a relatively small number when compared with Anchorage's 163 people per square mile.

Job growth is another reason for the Valley's growth, Fried told the audience.

Last year, more than 1,200 new jobs were created in the Mat-Su, which usually translates into more people, more disposable income, more houses and continued economic development.