

Good morning,

Inflation data and rising interest rates continue to be front and center in the market. On Friday the May U.S. Consumer Price Index rose by 8.6% on a year-over-year basis, its fastest increase since 1981. Core CPI, which strips out volatile food and energy prices, rose 6%. As of Friday morning futures indicate drops in major indices of approximately 4-5% for the week. CPI is backwards looking so numbers have likely not captured some areas in which inflation has already peaked.

A few years ago, I had the onerous task of cleaning out my childhood home. My father had died a few years earlier and my mother had just moved into a nursing home. As an only child I had the responsibility of dealing with a house with 60 years of accumulated “stuff.” I contacted a few people that purchased antiques, and was very surprised when one of the antique dealers showed considerable interest in an old wooden yard stick. It turns out that Winnipeg has a thriving film industry due to Provincial tax credits and some great filming locations, including a wide variety of building types going back 150 years. The old-fashioned brick streets of the city’s Exchange District can and have doubled for Chicago, New York, and even Texas. It turns out the antique dealer figured the yard stick would be a good background prop in an upcoming film. Unfortunately, that was about all he was interested in. What do I do with the all of the furniture, silverware, crystal, china and encyclopaedias that my parents had?

“The parents of baby boomers, the oldest generation alive today, were savers, having learned in the lean times of war and the Great Depression to treasure what they owned. Their children were consumers. Together, they will leave behind houses jammed with mahogany dining room sets, silver platters, crystal figurines and all manner of tchotchkes that their kids don’t want. And, even if they did want them, this Great Intergenerational Dump is happening just as millennials are facing a housing crisis, which will leave many of them either renting or living in much smaller homes. Grandma’s massive china cabinet is not going to fit.”

This is one of the reasons Dymon Storage facilities seem to be popping up on every corner in Ottawa... their number only surpassed by new cannabis dispensaries. Growth of storage facilities is happening all across the country.

“Sorting, culling, and tossing all that “accumulation of life,” as the junk experts call it, makes for lucrative business. According to an investor presentation this month, Storage Vault, the country’s largest publicly traded storage business, went from owning 10 locations in 2014 to 197 in 2022 – with a combined capacity of 10.8 million square feet of space. The company’s share price has soared from 50 cents to more than \$6. The association of Professional Organizers in Canada, which started in 1999 with 30 people, now has 600 members ready to help with the handwringing over those cherished Royal Doultons.”

An interesting read with some good advice on how to declutter your house...

As for me...I promised my son (also an only child) that when the time comes, he will only have a wooden yard stick to dispose of.

Enjoy your weekend!

*Penned by Garry Heidinger*

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