The EIS (18 year) property clock...

Residential activity recovers first, then commercial.
Hours 1 to 16 - 14 years up (approx.)
Hours 17 to 24 - 4 years down (approx.)

- stocks start climbing
- wreckage is cleared away
- wipe out of debts / stagnation
- economic activity stalls
- credit creation institutions reverse policies

- credit growth
- easy credit
- expansion of banks

- mid-cycle slowdown
- rapid expansion in new construction

- increased building activity absorbs vacant land
- net rents rise
- higher net rents equals higher prices for established buildings

- net rents improve
- more profitable to build
- real estate activity frenetic: the peak

- real estate cycle in full swing
- lavish government spending for public works

- the land boom (world's tallest buildings)
- complaints about property taxes

- stocks enter a bear market from past all-time highs

With thanks to Wenzlick, Hoyt and Harrison, the three giants of real estate cycle analysis.

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What We Do...
Economic Indicator Services Ltd (EIS) is a London based company that teaches subscribers how to accurately forecast economic cycles.

2007/8 - where we've been!
There is a crystal clear - for those who really know how to study history - approximate 18-year cycle in real estate...

The Secret Life of Real Estate
The latest real estate downturn in the USA, and now worldwide...

The more things change...
...and the more they stay the same...

Subscriber Mail...
How the cycle starts again - emailed to subscribers

UPDATE...
The financial crisis is a predictable cyclical downturn. How do we know where we are in it? The secret is all in land prices, says Phil Anderson, (HomesWeetHomes UK cover article).

Some Recent EIS Forecasts...
Jan 20, 2008, The man who predicted today's housing 1992 crash...

The Power in the Land: Fred Harrison's 1983 Book and Forecast for the UK Housing Crash of 1992

Fred Harrison

This book was easy to follow. Published in 1983, Fred Harrison analyzed the economic trends in terms of the 18 year cycle in prices that could be traced to the land market. With the previous trough in 1974, 18 years of growth would be terminated in "yet another deep seated depression of even greater magnitude that the structural recession which began in 1974.

That dated the next trough to 1992, as per the published forecast.

History proved the forecast correct. In Britain, the bottom of the depression was acknowledged to be in the first quarter of 1992. There was no magic about the prediction said Fred later: "It merely required an unprejudiced analysis of those factors that destabilize the industrial economy."

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The Power in the Land
The EIS (18 year) property clock...

Residential activity recovers first, then commercial. Hours 1 to 16 – 14 years up (approx.), hours 17 to 24 – 4 years down (approx.).

A stock market crash

Rapid expansion of new construction

Credit creation institutions reverse policies

Foreclosures and bankruptcies increase

Activity slackens (but confidence remains high)

Real estate activity frenetic: the peak

Lavish government spending for public works

The land boom (world’s tallest buildings)

Complaints about property taxes

 inning buildup activity absorbs vacant land

Greater retail sales

Higher rental returns

More profitable

Growing rents

Rapid expansion of new construction

Credit tight

Real estate activity stalls

Wipe out of debt / stagnation

Stocks start climbing

Stocks enter a bear market from past all-time highs

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With thanks to Sheddick, Hoyo and Harrison, the three giants of real estate cycle analysis.
makes this *(more familiar)* one redundant.

1830's, 1850's acceleration in bank lending *(was no different to the current cycle)*:

Bank numbers and loans outstanding, 1820 - 1860

Current events were forecast in 1997, "The Chaos Makers". Harrison's 1997 release:

“Governments always seek election with the promise that they will deliver a stable economy,” wrote Fred Harrison in The Chaos Makers. But “as the economy begins to grow buoyantly, the rent of land and of the resources of nature becomes a larger proportion of national income. This ought to be welcome: a larger surplus means more to be spent on the good things in life. And yet, it is not at this point that the crisis breaks out and the economy launches itself into a tailspin.

History clearly repeats in cycles:

THE AGE, Thursday, May 27, 1971

Government curbs sought to cut building costs

City land boom out of control

From MICHAEL RICHARDSON, in Canberra

On Sunday night and home buying and building costs are developing suburbs. He claims the price of every house, North in Melbourne, is $100,000. By Mr Whittle is a local real estate agent. It would certainly be anathema to the private developers. And Mr. Whittle has never terms at any time since June, 1962. The average sale price of re...
Some UK Figures:

[Graph showing indices for Land Price, House Price, Earnings, and Build Costs from March 1983 to March 2007.]

2006 U.S. Headline *(the land speculation always peaks first)*

[Image from The Wall Street Journal showing the rush to invest in land.]
"Every cycle has been the same - almost month perfect since the 1955 land price low": Secret Life of Real Estate, page 341.
“The Secret Life of Real Estate”
by Phillip J Anderson

Meet the Author
@ the Educated Investor Bookshop
500 Collins Street, Melbourne
12 noon to 1:30pm, Thursday 30th July 2009

“The Secret Life of Real Estate” is on the shortlist in the UK for the “People’s Book Prize” in the non-fiction category.

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