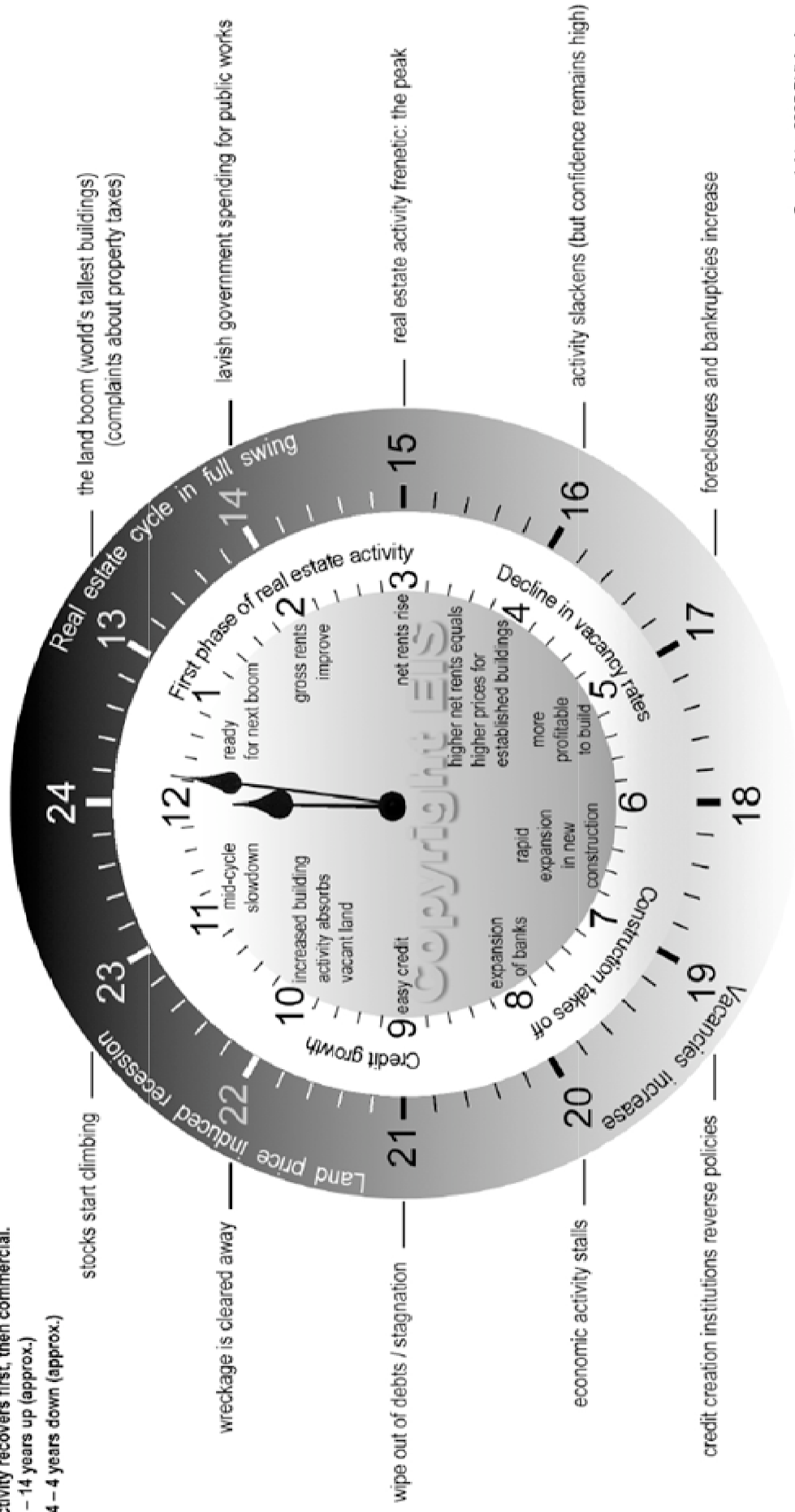


# The EIS (18 year) property clock...


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




With thanks to Wenzlick, Hoyt and Harrison,  
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2007/8 - where we've been!

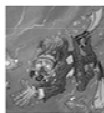
There is a crystal clear - for those who really know how to study history - approximate 16-year cycle in real estate...  
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## ECONOMIC INDICATOR SERVICES

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

FRED HARRISON

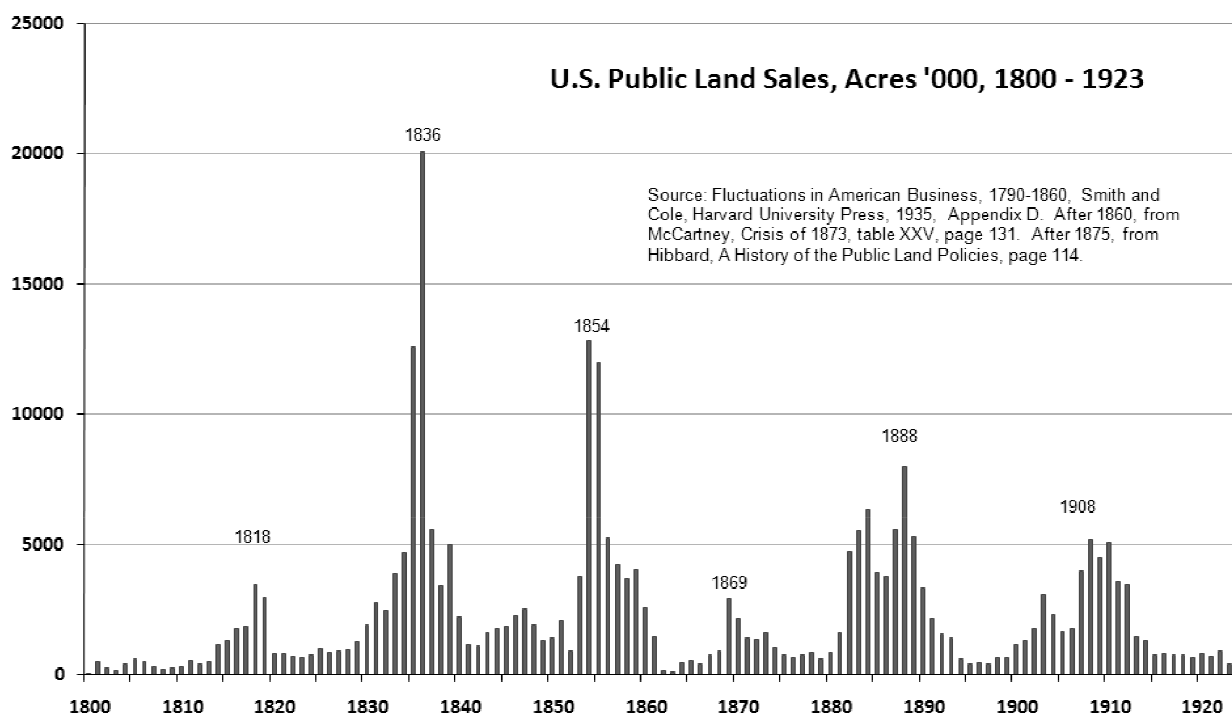
## THE POWER IN THE LAND

UNEMPLOYMENT, THE PROFITS CRISIS  
AND THE LAND SPECULATOR

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.

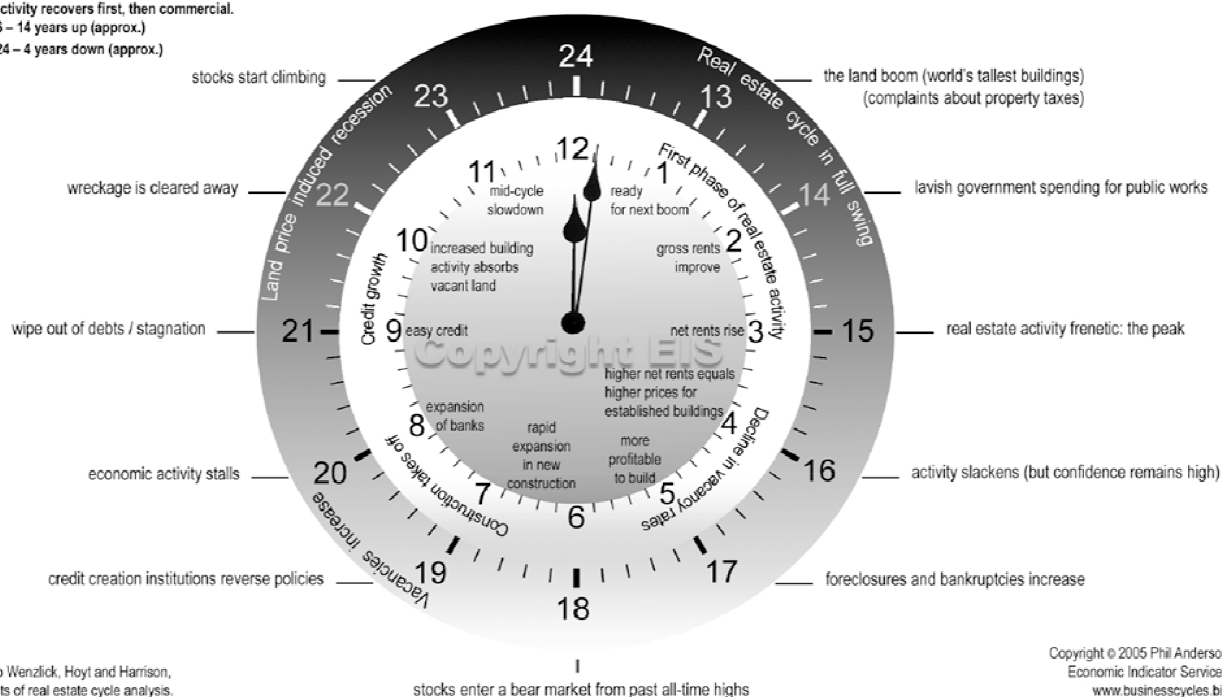
That dated the next trough to 1992, as per the published forecast.

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."



## ***The EIS (18 year) property clock...***

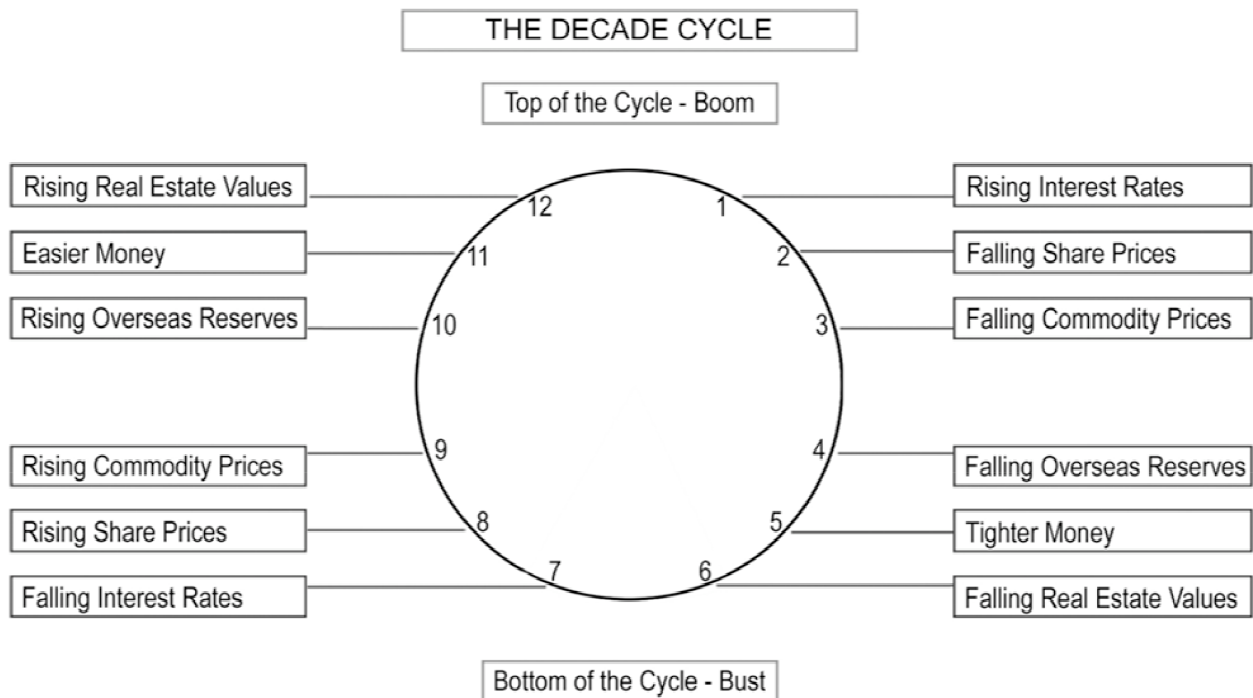
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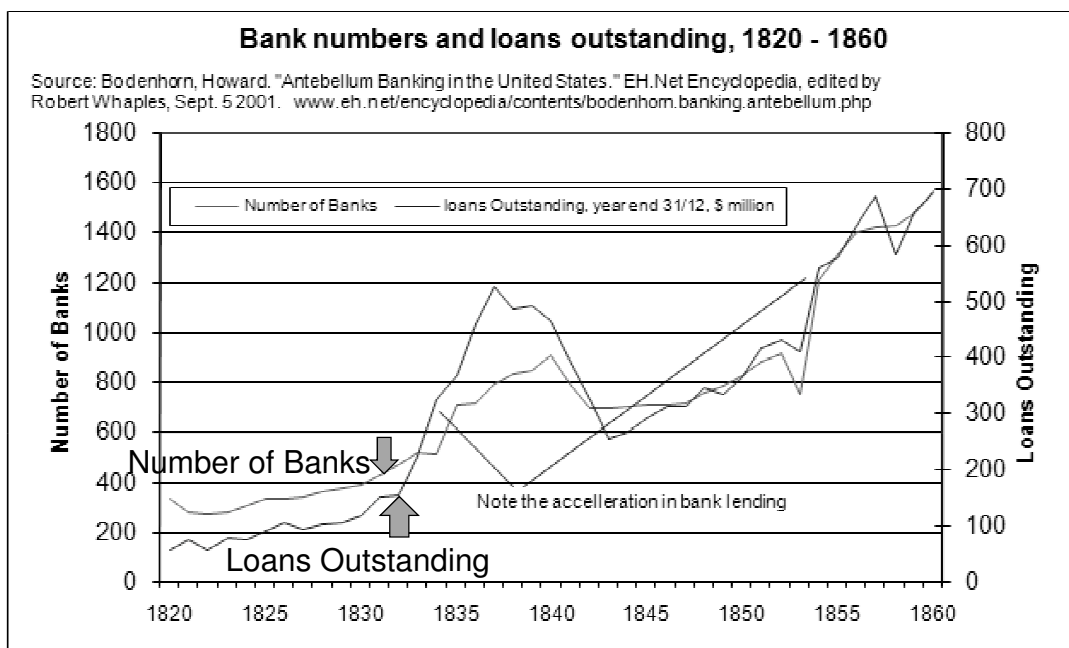
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***makes this (more familiar) one redundant.***



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



# Current events were forecast in 1997,

**"The Chaos Makers". Harrison's 1997 release:**



**The Chaos Makers**  
*The Butterfly & the Cusp*  
*A study of economic catastrophes*  
Fred Harrison

The Dream, the Deceit & The Coming 'Housing' Crash  
Fred Harrison

"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 just at this point that the crisis breaks out and the economy launches itself into a tailspin.

Just as the production of goods and services increases at an accelerating rate, as the manufacturers and the providers of commercial services get into their stride, as the index of growth in gross domestic product assumes an exciting tempo - the system collapses. Boom / bust: the fateful economic duality which is the bane of governments."

For this 1997 publication, Fred declared that "the property boom of 2000 will come as a shock to Gordon Brown; who, if he is still presiding in Britain's Treasury in the first decade of the millennium, will... be politically traumatised by the astronomical unearned gains from land that will be pocketed by shrewd operators who know how to manipulate the tax system."

Fred stated further that: "the consequence is predictable. By 2007 Britain and most of the other industrially advanced economies will be in the throes of frenzied activity in the land market equal to what happened in 1988/9. Land

## 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



For example, last October average price for a land sale at Mt. Waverley was \$51,000, at Templestowe \$4700, at Rowood \$4285 and at Rosanna (golf links estate) \$7100. Cheltenham the following month the average bid was \$3554.

Prices can be lower, of course, but—unlike Canberra—you have to do without some important services, including sewage.

What happens in the A.C.T. is that the NCDC, by careful planning and judgment, supervising subdivision and servicing "feeds" blocks into the auction market — there were 2238 under the hammer in 1969-70 to meet, but not exceed, demand.

The cost of development is at least covered by the resale prices put on residential blocks and profit — it was more than \$3 million in the January 64 mostly from business sale leases—is paid into consolidated revenue.

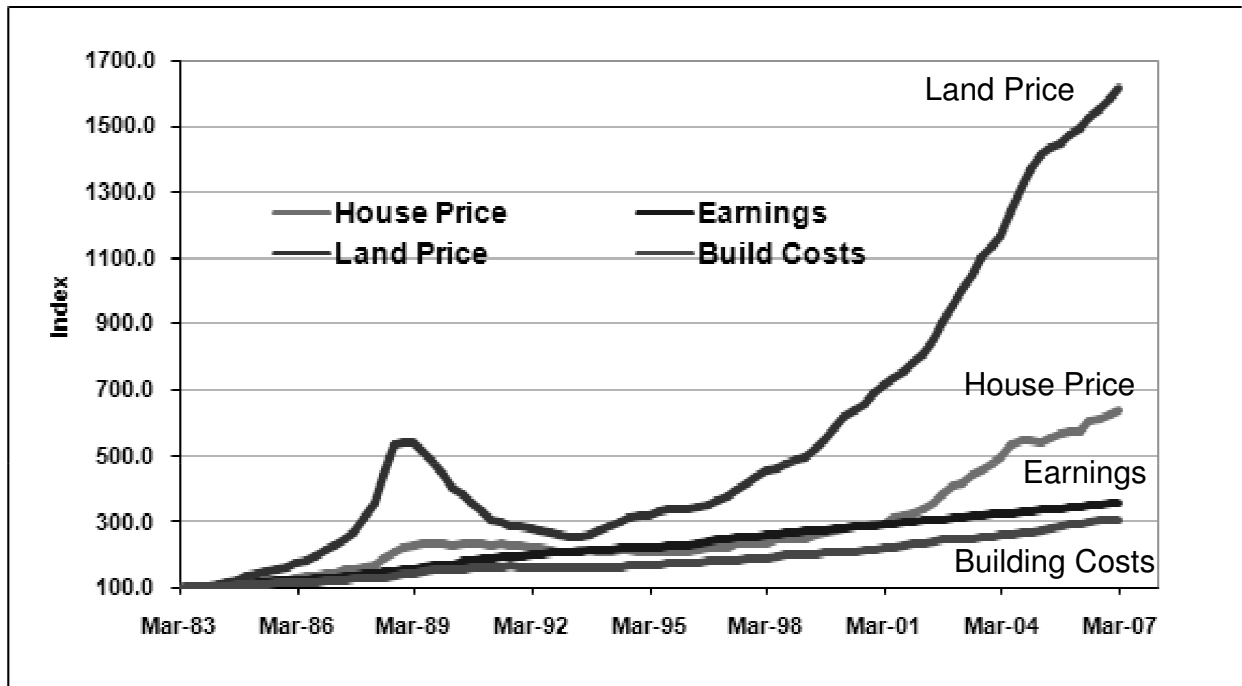
On Sunday night and home buying and building costs in developing suburbs. He claims the price of every house built in Australia is set.

by Mr. Whitlam is a moot point. It would certainly be anathema to the private developers. And Mr. Whitlam has never

been at any time since June, 1962. The average sale price of re-

I

## Some UK Figures:



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

THE WALL STREET JOURNAL.

### The Rush to Invest in Land

**Undeveloped Plots Draw Buyers As the Housing Market Softens; The 'Jed Clampett' Problem**

By JEFF D. OPIYKE

THE RURAL-ESTATE market has a new cry: Land ho!

As the nation's housing market cools, there's a rush to snap up undeveloped property as buyers stake their

canyon in southwestern Colorado. They've put in a well and set up temporary living quarters above a barn to use when they visit. "This is where we want to spend our retirement," says the 59-year-old Mr. Payden, an information-technology consultant. The land "fits our hobbies, since there's horseback riding, skiing and golf nearby." Their eventual plan: "Put up a small house they can use there."

In the face of demand like this, prices for undeveloped land in many parts of the country are shooting up. Around the country last year, farmland values rose at their highest year-over-year rate—11%—since 1981, according to the Agriculture Department. Rural land in Texas hit a historic high of nearly \$1,500 an acre on average last

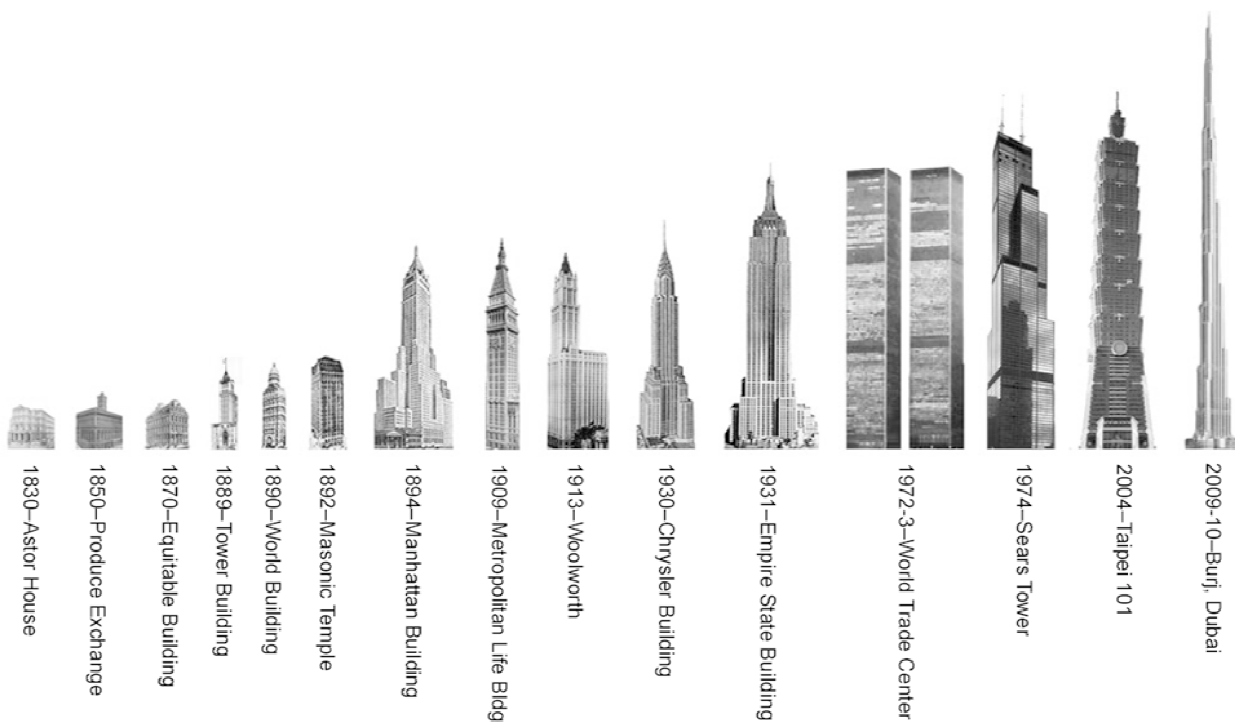
through leases for farming, hunting, fishing, ranching or mineral rights. And in both cases, first three rules of a successful purchase are location, location and location.

Some buyers are heading farther afield to affordable acreage. Charlie Chormak, owner of Bear Island Land Co., in Lily, Minn., near Canadian border, says "remote backlands are becoming popular because people are getting priced out of lakeshore properties."

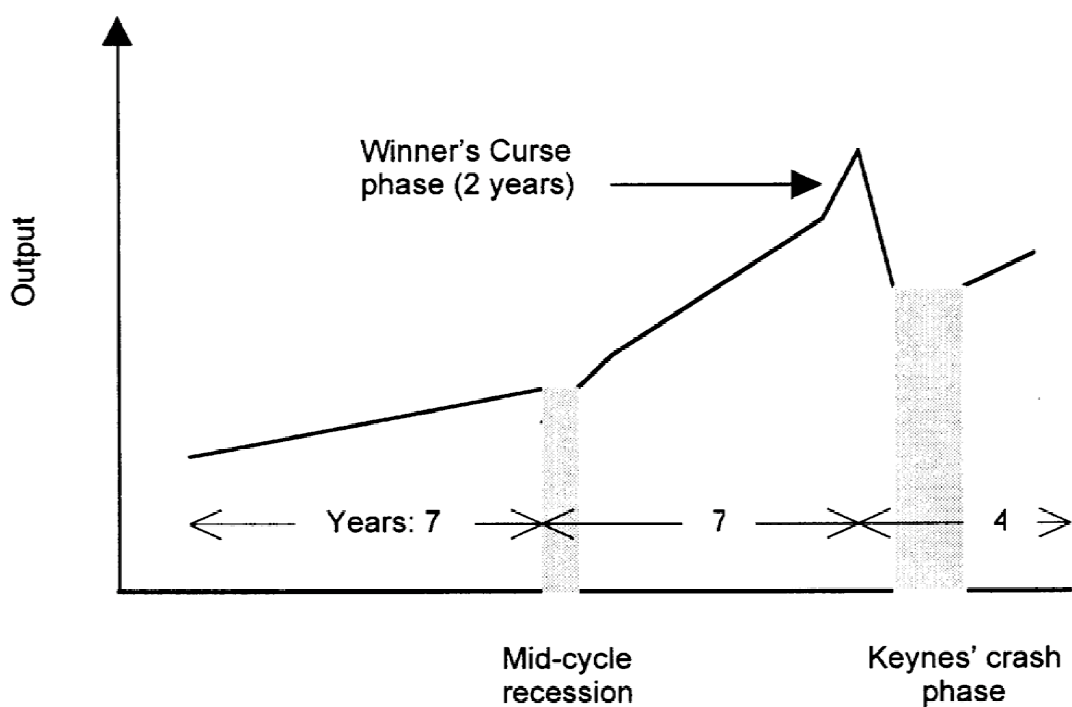
Land also comes with its own set of snafus. It can quickly turn a picture-perfect parcel into, that—something that's pretty to look at, but much else. Among the important questions: If plan to build a vacation home there or eventu



## ***The world's tallest help tell us where we are...***

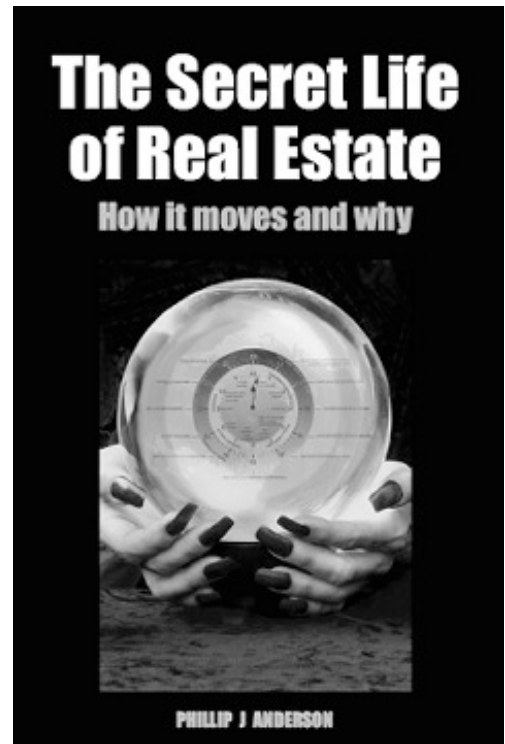


***“Every cycle has been the same - almost month perfect since the 1955 land price low”: Secret Life of Real Estate, page 341.***



# “The Secret Life of Real Estate”

by Phillip J Anderson



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