

Real Estate Cycles

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The real-estate cycle in the U.S. can be summarized with the following table:

Peaks in land value	Interval (years)	Peaks in Construction	Interval (years)	Depressions interval
1818	--	--	--	1819 --
1836	18	1836	—	1837 18
1854	18	1856	20	1857 20
1872	18	1871	15	1873 16
1890	18	1892	21	1893 20
1907	17	1909	17	1918 25
1925	18	1925	16	1929 11
1973	48	1972	47	1973 44
1979	6	1978	6	1980 7
1989	10	1986	8	1990 10
2006	17	2006	20	2008! 18
2024?	18	2024?	18	2026? 18

Real-estate values and construction have peaked one to two years before a depression, and have stayed at peak levels until the onset of the downturn.

The historical evidence is consistent with the theory that speculative booms in real-estate prices and construction act as an impetus for the downturn itself.

For an explanation, see:

"The Business Cycle: A Georgist-Austrian Synthesis." *American Journal of Economics and Sociology* 56 (4) (October 1997): 521-41. An updated explanation (2007) is in *The Depression of 2008*, by the Gutenberg Press.

Source: <http://www.foldvary.net/works/cycle.html>
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