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# Is a global property crash coming in 2027? 'House price prophet' still thinks so

• Fred Harrison successfully predicted the last two property downturns

By ED MAGNUS

UPDATED: 06:00 GMT, 12 December 2024

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The house price prophet who predicted the last two downturns says that prices remain on course to peak in 2026, before they crash once again.

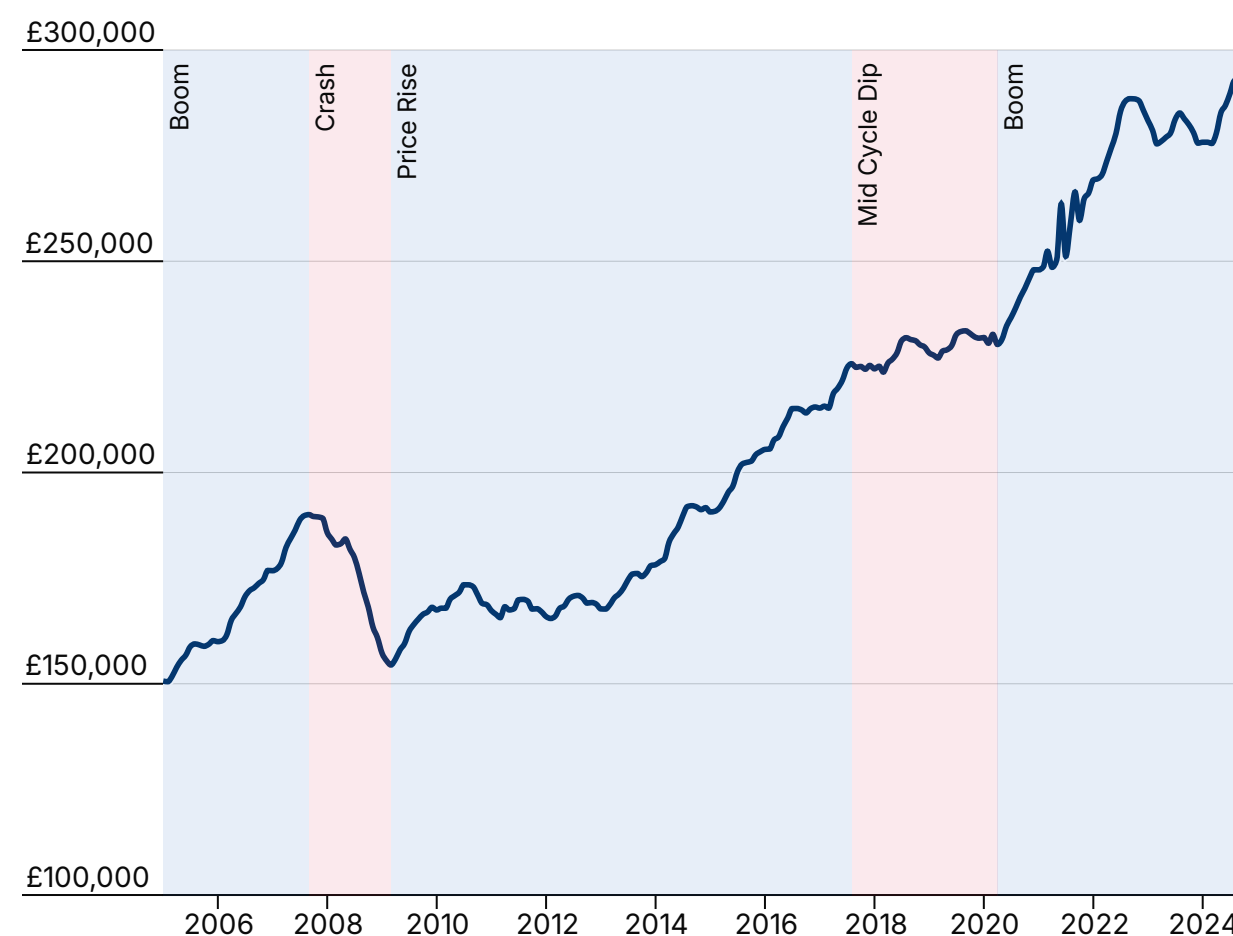
Fred Harrison, an author and economic commentator, is expecting house prices to continue rising until late 2026 before the next big property crash occurs.

He is sticking by this prediction despite only modest house price growth being recorded this year.

On a year-on-year basis, Nationwide said that house prices were up 3.7 per cent, with prices still 1 per cent below the all-time peak recorded in summer 2022.

Harrison is famous for his theory of an 18-year economic cycle, and he refuses to accept that the cycle has gone off-course, despite black swan events such as the pandemic.

## 18 Year Property Cycle



Source: Fred Harrison

Mail Online

'Since World War Two, the UK – and the global economy – has passed through three business cycles lasting 18 years,' he told This is Money.

'These cycles were driven and shaped by a 14-year property cycle. This starts with affordable house prices, passes through a mid-cycle ninth-year downturn in house prices, and then surges on to the peak in house prices at the end of 14 years.

'The cycles are predictable. They adhere to basic economic theory, and I have tested it against historical evidence stretching over centuries.

'The most recent cycles came in on time, ending in 1974, 1992 and 2010. The OECD's real house price index has tracked this phenomenon since 1970 and the peaks and troughs are visible for all to see.'

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## What is the 18-year property cycle theory?

The property cycle it is made up of two main phases, according to Harrison.

After each crash happens, the property market takes about four years to restart its upward trajectory again.

This, he says, is followed by six or seven years of modest growth in what is known as the recovery phase.

Next, there is a mid-cycle dip, often a one or two-year downturn in the market, before another phase of growth ensues, which typically lasts for another six or seven

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