



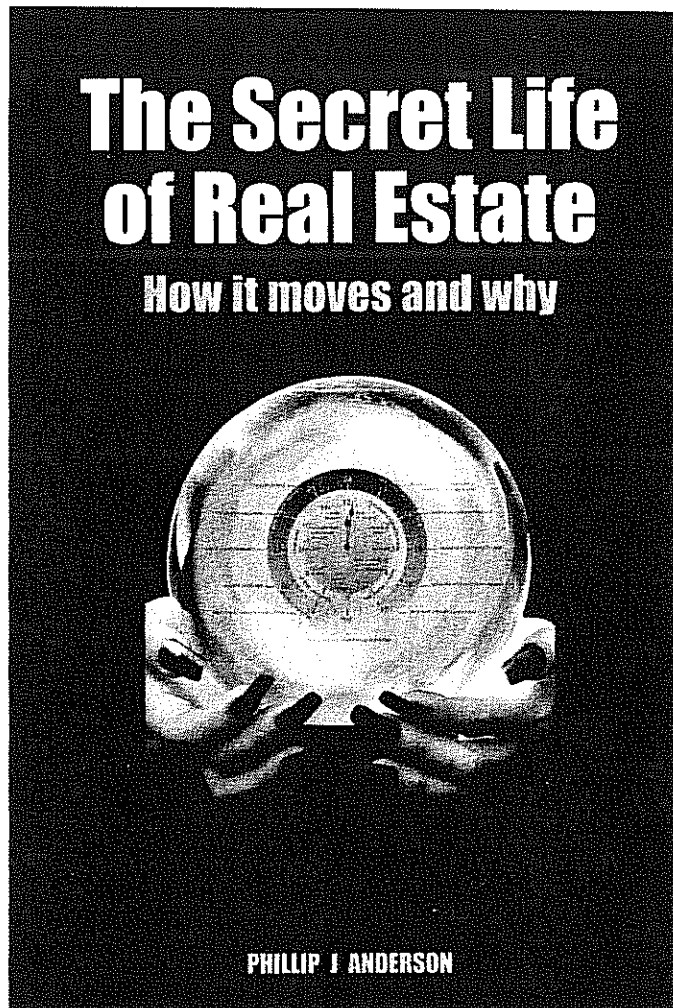
by Bryan Kavanagh

Publishers:
Shepherd-Walwyn Limited, London,
2008, 448 pp.

"It's mine!" has always won out over the more correct "it's ours!"

Phillip Anderson's "The Secret Life of Real Estate: how it moves and why" is a remarkable study in 22 chapters and ten substantial appendices about real estate-induced financial panics in the United States, commencing with William Duer's land intrigues in the 1790s.

Beginning with the immodest assertion: "Congratulations! You have just picked up the best book you will ever read about real estate cycles", Anderson recovers quickly from this challenging piece of hubris to make his point thoroughly, documenting a compelling two century account of the names, dates, place names and political events surrounding US real estate booms and busts he demonstrates to be contained within cycles closely approximating 18 years. An obvious question arises. In



up for financial collapse and social turmoil. One is left wondering whether Benjamin Franklin's opinion in a letter to Alexander Small on 28 September 1787 may, 221 years on, still offer a valid explanation for all this fixated stolidity: "Our legislators are all landholders, and they are not yet persuaded that all taxes are finally paid by the land." Who cares about responding with intellectual rigour to obviating financial collapse when an honest approach might have implications for one's own real estate holdings, eh?

Anderson re-visits in fine detail each of the boom-bust cycles from 1800, until we start to discern that, despite a parade of distinctly different circumstances, events and characters, it may be seen that the one constant, the same fatal flaw over all the years in this ongoing Shakespearean tragedy has been private profiteering in community-

generated land rent. "It's mine!" has always won out over the more correct "it's ours!"

Just when I was beginning believe that "The Secret Life of Real Estate" is the property investor's guide without equal, Phil Anderson broke through the historical phantasmagoria to confide that while this is the way it has been, it's not the way it always should be. And, while it would be nice to think that "The Secret Life of Real Estate" might be a better seller amongst social reformers, human rights advocates and taxation policymakers than it will be amongst people wishing to turn a dollar from real estate 'investing', it's such a well-documented read for everyone that it's probably going to be a line-ball.

Ed: Our Hardware Lane bookshop has just loaded up with plenty of copies of Phil's book, selling for \$45 plus another \$10 to have it posted to you.

the same fatal flaw over all the years in this ongoing Shakespearean tragedy has been private profiteering in community-generated land rent

formulating fiscal policy over a period greater than 200 years, how is it that all shades of US governments have managed to make these regular land price bubbles disappear into the ether? So successful has been this carefully-manufactured blind spot, that if we were to judge the bubbles from all the analyses surrounding the current financial collapse, it seems we are permitted to discuss them in terms such as sub-prime loans, whether or not to bail out company x, or, whether or not to re-regulate our financial institutions - but never, ever, in terms of the elimination of the very land price bubble that continues to bedevil US society, regularly setting it