

# Broken Britain at a tipping point if interest rates wer...

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Shelter [has reported this morning that](#):

*One in eleven people in Britain fear they won't be able to afford their rent or mortgage at the end of this month, according to new research from Shelter released today.*

*The research, based on a YouGov survey of over 4,000 British adults, shows household budgets across the country at breaking point, and suggests that millions of us will start the New Year worried about keeping our homes.*

*Families are the worst affected, with over 70% of rent or mortgage payers with children currently struggling or falling behind with their payments, compared to 63% of the general population.*

And remember, this is before a significant number of UK households face the risk of a mortgage rate rise this year.

The average current UK mortgage rate [is, apparently, about 3.4%](#) whilst the average balance is about £96,000. No doubt many of the households facing problems have bigger loans balances than that; by definition they're not in the middle of the range. But even for those on such balances a rate rise of 1% (which is entirely plausible within 18 months) increases their annual cost £80 a month. When you can't already make ends meet that tips you over the edge. When you already can't make ends meet finding another £1,000 a year is impossible.

The biggest question that many politicians will have to face in the next year is what they will do for those who will find themselves in this situation and how they will handle the consequences. I suspect few have answers.

Broken Britain may look to be in deep trouble as 2014 progresses.