

Pray to anyone you believe in that we don't have a prop...

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Brexit contagion is spreading. Yes I know the FTSE 100 has more than recovered its losses. But the FTSE 250, which reflects British economic activity much more accurately than the 100, has not and is heading down again right now.

The pound remains seriously devalued.

And this afternoon all the signs of a property crash are developing as insurance companies have had to [close withdrawals from their property funds](#).

I stress: this may be a blip. I hope it is. But it's clear that the Bank of England is worried and everyone else should be too.

A property crash seems like good news for many in the UK, especially for the young people not in the property market right now. But it is not. What they need is a controlled and steady fall in prices compared to incomes. What no one needs is a crash.

In a crash 85% of UK bank lending is vulnerable to not having the security within it that repayment can be paid, because that's how much of bank lending is property related in the UK. The risk of bank insolvency in this situation is very high indeed. I know that banks are much better capitalised now than in 2008, but a crash is something no stress test can really predict.

And people, maybe millions of people, will move into negative equity which means they owe more on their mortgages than their properties are worth. This means they cannot move. Their household risk rises. And the burden of debt crushes their quality of life even more than it might have already. The impact on them at a social and economic level is simply ghastly.

We also have to now factor in the buy-to-let market, whose influence was almost unknown in the past. With so much housing now owned by this sector there is a real risk of panic selling firstly exacerbating price falls and secondly leading to large numbers of people being given notice to quit without there necessarily being places to move to.

None of this may happen: I rather it would not. But I hope there is a contingency plan and equally suspect very strongly that there is not.

The risk that we are on the brink of major economic failure with massive social consequences grows by the day. In the meantime Gove, Cameron, Osborne, Farage and Johnson will all no doubt head off to make enormous gains in their future careers leaving mayhem in their wake.

And if you sense both anger and profound worry in this blog then you should. I feel both, by the bucket load.