

POLITICS AND THE ECONOMY - BREXIT DAY

THREE AND A HALF YEARS AFTER THE UK VOTED TO LEAVE THE EUROPEAN UNION, AT 11PM ON FRIDAY 31ST JANUARY WE OFFICIALLY LEFT, BUT WHAT NOW AND WHAT WILL BE THE IMPACT ON THE COMMERCIAL PROPERTY MARKET IN 2020?



Well the short answer is, not much.

The transition period is now in-play, in which the UK has until the end of December 2020 to negotiate a new trade arrangement with the EU. If a deal by December looks unlikely, then we have until 30th June to notify the EU that we would like to extend our transition period past the December cut off point. A date most Conservative MPs, including the Prime Minister have sworn we will not go past.

Early February will see the battle lines drawn, largely around fish (which accounts for less than 1% of UK GDP) and the automotive industry, both of which are hugely symbolic to the Midlands and Northern regions which voted Tory in December, as well as the financial services industry.

The compromise will have to come, between 'Taking Back Control' and allowing and aligning the EU to our market, particularly when negotiating around the emblematic issue of fishing rights. (Unless we all going to eat Pollock!)

Outside of trade negotiations and another potential December 2020 cliff-edge, the noises, and data, since the General Election have been positive. Mortgage approvals were up in December, whilst consumer credit, house prices and business sentiment surveys were all on the rise.

So whilst nobody quite knows what the UK/EU relationship will look like come 1st January 2021, the most recent data is certainly supportive of a growing UK economy throughout this year.

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www.dtre.com



WRITTEN BY

Robert Taylor
020 3328 9106
robert.taylor@dtre.com

DTRE
2nd Floor, Coin House
2 Gee's Court, London W1U 1JA

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