

## Brexit and the Moon

That's one small step for man, one giant leap for mankind. Neil Armstrong (1969)[1]

It may seem like a very odd conflation to talk about Brexit in the same breath as the moon landings and to link both to the world of real estate but, bear with me, there is method to my madness. Both events represent historic moments in my life (interestingly, entering the Common Market in the 1970s is never seen as such) and the supposition and conjecture about the future, that is a feature of each moment in time, could fill tombs of opinion. But, the moon landing of 50 years past (the anniversary of which we are commemorating today) has not necessarily left the legacy as then predicted.

I was a wide-eyed and eager nine-year old, 50 years ago, when the Neil Armstrong said those immortal words above. In fairness, at the time, although I was filled with awe, I was not aware of the significance of the event and the apparent watershed that mankind had passed but it was one of the most significant events of my lifetime. Whilst my parents and grandparents had experience worldwide events of a much more catastrophic nature, for my generation this small step in peacetime was the beginning of a new era. Maybe the desire for space exploration has stalled in the interim years but the world of the late 1960s is, quite literally, a lifetime away from the world that we live in today. It was both a momentous moment and yet, with the passage of time, it has also faded into technological insignificance. The computing power used by that space mission is now dwarfed by the technology of today. A smartphone is much smarter than a 1960s' spacecraft.

The world is unrecognisable from the world of 50 years past. What we thought, at the time, was such a singularly important event was quickly surpassed by subsequent events and the world readjusted and changed and forgot. How many of us remember the names of the ten other astronauts that have trod the moon surface? In some ways it was important, in others it was no more than a footnote in the world's unrelenting progression.

And there comes the conflation. The whole of the UK and Europe think that Brexit will so significant and will alter the economic and political landscape forever. And, do not get me wrong, it will cause ripples (whether with a deal or not) and the markets will need to adjust but, like the moon landings, it is just another date on a continuous path. Markets will adapt; property prices will fluctuate; opportunities will counter the difficulties created and the world will move on. Fifty years from now, the next generation will look at Brexit as an event of many. The significance that we attach to it today will fade with each passing year. It will be a moment in history but it would not be a defining moment that so many commentators suggest.

I have seen property markets rise and fall. Property developers come and go. Property professionals succeed and fail. The passage of time has a way of finding equilibrium. So am I worried about the impact of Brexit? No. The UK and continental Europe will continue. Different paths but not necessarily diverging. In the short term, all the doom and gloom will be countered by pent up demand, ironically, due to the uncertainty surrounding the event itself. And, once that demand has abated, we will return to riding the economic cycles as normal. Yes, we are going through a period where political risk is higher than anytime since the 1940s. Yes, economic fundamentals are



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being challenged as investors invest to protect capital rather than make returns but, ultimately, the last three years and the next few to come, will be another footnote in the history of the UK property market.

Editorial

**Nick French**

**Note**

1. Astronaut Neil Armstrong's famous words on stepping onto the Moon's surface for the first time on 20th July 1969.

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