

Press Release Contact Information:

Michael Oakes
Young Group
Communications Manager
71 New Bond Street
London, London
United Kingdom, W1S 1DE
Voice: 0845 356 1000
E-Mail: [Email us Here](mailto:Michael.Oakes@younggroup.com)
Website: [Visit Our Website](http://www.younggroup.com)

Bank of England Ready to Slash Base Rate?

This Thursday's Monetary Policy Committee (MPC) decision on the UK's base rate could bring the news that millions of homeowners on tracker mortgages are waiting for. Here, Neil Young, CEO of property portfolio managers Young Group assesses the potential impact of a rate cut.

LONDON, ENGLAND, October 09, 2008 **/24-7PressRelease/** -- Bank of England Ready to Slash Base Rate?

This Thursday's Monetary Policy Committee (MPC) decision on the UK's base rate could bring the news that millions of homeowners on tracker mortgages are waiting for.

It is widely predicted that the Bank of England's Monetary Policy Committee (MPC) will cut the base rate by at least 25 basis points (from 5.0% to 4.75%) when it announces the outcome of its deliberations on 9 October.

Neil Young, CEO of Property Portfolio Managers, Young Group, comments; "In recent months, the MPC has been engaged in a delicate balancing act. On the one hand, stagnating financial markets prompted calls for a rate reduction; on the other, inflationary pressure was in danger of racing out of reach of the Government's 2.0% target. The MPC steadfastly held to its inflationary-led remit and since April has kept the base rate at 5.0%."

However, Neil Young now expects the MPC to call time on the 5.0% base rate; "Conditions in the wider economy have changed markedly since April when the prevailing 5.0% rate was set. The economy is now at a stage whereby a rate cut could be made without jeopardising the Government's inflation target. The current general economic slowdown will cool inflation; demonstrated by price of Oil this week falling to an eight month low, below \$90 a barrel.

"Historically, the MPC has made small, 25 basis point rate adjustments, so although the time may be right for a 50 basis point reduction, we may well only see the interest rate cut to 4.75%. But the Australian government took the bull by the horns last night, announcing a dramatic base rate slash of 100 basis points, despite the nation's rate of inflation remaining well above target."

"We will find out on Thursday whether the MPC believes that the UK economy will benefit in the medium term from a cut in base rate. Furthermore, whether a reduction in base rate will be reflected in lenders' standard variable rates remains to be seen. But for the millions of homeowners on tracker mortgages who would see immediate benefits, Thursday 9 October could just bring the good news they've been waiting for."

Even a modest 25 basis point reduction in the interest rate, would shave 400 a year off the mortgage repayments of an average priced UK property.

-ends-

Neil Young, CEO - Young Group, is available for interview

About Young Group

Young Group specialises in providing Property Portfolio Management services to private investors, identifying the best off-plan opportunities in London on their behalf and managing the entire investment process - from sourcing the property through to financing, furnishing and letting.

Young Group is a wealth manager with a focus on property as an asset class. Young Group owns all the property it sells, and also retains a number of properties for its own portfolio. As the principal in every transaction, Young Group does not realise any profits until completion, giving investors 100% confidence that properties will 'value up' and that financing will be secured.

Young Group has transacted in excess of 1,500 apartments, with a retail value of 630m. The majority of our units are bought

by clients for their private portfolios. The Group's lettings division, Young Lettings, has successfully let all investors' apartments within a week of completion.

For each property exchange, Young Group donates 50 to Children with Leukaemia, the UK's leading charity dedicated exclusively to fighting Britain's biggest childhood cancer through pioneering research, new treatment and support of children with Leukaemia and their families, and to Norwood, the Children and Families First charity which provides support to families facing social difficulties.