



YOUNG GROUP[®]

Property Portfolio Managers

PRESS INFORMATION

8 October 2008

0.5% Base Rate Cut in Surprise BoE Announcement

The Bank of England's surprise announcement to cut the UK's base rate has brought good news to millions of homeowners currently on tracker mortgages – but Neil Young (CEO, Young Group) questions whether the benefit will be widespread.

It was widely predicted that the Bank of England's Monetary Policy Committee (MPC) would cut the base rate this month, but the announcement, made a day ahead of schedule is a signal of the seriousness of the situation.

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 comments; *"Conditions in the wider economy have changed markedly since April when the 5.0% rate was set. The economy is now at a stage whereby such a rate cut can be made without jeopardising the Government's inflation target. The current general economic slowdown will cool inflation; demonstrated by the 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 today's 50 basis point reduction, coupled with the £50billion bank rescue package is an effort to jolt the economy."

"Whether this dramatic 0.50% 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 will see immediate benefits, this has been just the good news they've been waiting for."

The 50 basis point reduction in the interest rate, would shave £800 a year off the mortgage repayments of an average priced UK property.

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

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About Young Group

Young Group specialises in providing Property Portfolio Management services to private investors, offering the best off-plan direct investment opportunities in London.

Young Group manages the entire investment process from sourcing the opportunities through to financing, furnishing and letting. Young Group owns all the property that it sells, and also retains a number of units in each development for its own portfolio. As the principal in every transaction, Young Group does not realise any profits until completion and has transacted in excess of 1,700 apartments, with a retail value of more than £700 million. The majority of our units are bought by clients for their private portfolios. The Group's portfolio managers liaise with the **Young London** (www.younglondon.co.uk) estate agency team in advance of completion to let investors' apartments to quality tenants, often through corporate lets.

Young Group clients have access to all available finance products via Young Group's FSA regulated mortgage desk, **Young Finance** (www.youngfinance.co.uk). Young Finance is an appointed representative of Thinc Assured Network, one of the UK's largest financial advisory firms and is not tied to any group of lenders, nor does it charge commission or transaction fees.

- Young Group's iconic Canary Wharf development, **The Landmark** (www.thelandmarke14.com), has been awarded two **Daily Mail Property Awards** in the categories of *best high rise development* and *best high rise architecture*. The Landmark East Tower rises to a height of 459 ft, making it one of the tallest residential properties in Europe.
- Young Group's COO, Sylvana Young, has been named Bradford and Bingley's **Property Woman of the Year**, 2008 for London.

Young Group supports NORWOOD and CHILDREN with LEUKAEMIA, two charities particularly close to our heart, donating £50 per property exchange and providing additional support throughout the year. Visit www.younggroup.co.uk to learn more.

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