

Rate cut must be passed on

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The Bank of England's decision to cut the base rate by 0.5 per cent this week must be passed on across the banking sector to help people with mortgages or looking to take them out, It has been stated.

Commenting on the news of the move and the banking rescue package announced by the government, chief executive officer of Chesterton estate agents Robin Bartlett said: "The rate cuts must be fed through to current mortgage holders. The lending doors must also be opened to new buyers and to those needing to remortgage."

Such moves could help boost mortgage lending and help improve the housing market.

For some people, the rate reduction has already guaranteed good news, Neil Young, the chief executive at property portfolio management firm Young Group has pointed out.

Speaking of those with tracker mortgages, whose repayments are now certain to fall, he stated this was just the good news they've been waiting for".

The trimming of the rate was the first reduction of more than 0.25 per cent the Bank of England has made since 2001.