



PRESS INFORMATION

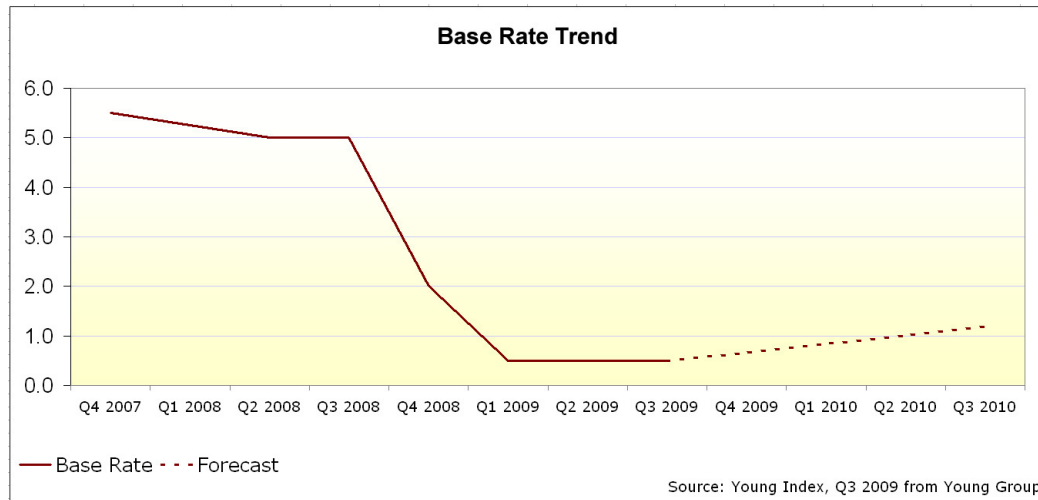
6 October 2009

Latest 12 Month Base Rate Forecast is 1.2%

Results from Young Group's latest Young Index investor sentiment survey shows that residential property investors expect the base rate to rise slightly over the next 12 months to just over 1%, but to remain well below the long term average throughout 2010.

In line with the survey respondents' forecasts Neil Young, CEO of [Young Group](#), does not expect the base rate to change when the Monetary Policy Committee announces the decision of this month's deliberations. He comments; *"The Bank of England's Monetary Policy Committee is widely expected to delay making any decision regarding changes to its programme of Quantitative Easing until after it has had a chance to evaluate November's quarterly inflation report. Base rate is unlikely to change until the Quantitative Easing policy has ceased.*

"Our Young Index results show that investors expect to see an upward movement in base rate from the current historic low of 0.5%, but that the uplift will be gradual, as you would perhaps expect when emerging from an economic downturn."



A hi-res copy of the graph is available upon request

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Young Index: Headline Results for Q3 2009

- 98% of investors intend to hold their residential property investments for the next 12 months. 44% intend to hold their assets for at least 10 years (up from 41% in Q2 2009) and 27% of private residential property investors intend to retain their property investments for the next 20 years or more (up from 25% last quarter).

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YOUNG GROUP®

Property Portfolio Managers

- On average, residential property investors now intend to hold their investment assets for the next 12 years, two years more than this time last year.
- 53% of investors are considering purchasing additional residential property assets within London during the next 12 months, compared to 26% who are looking at opportunities in the UK outside of the capital.
- The outlook for London property prices is stronger than for the rest of the UK. 77% of investors believe that London prices will be at current levels or higher by this time next year (up from a low of 36% in Q4 2008).
- The expectation for the pace of property price recovery is conservative. Landlords forecast an average property price rise of 0.73% for London property – and a fall of 1.62% for UK property outside the capital.
- 51% expect UK property prices outside of the capital to be at current levels or higher within 12 months; the first time since the start of the credit crunch that the majority of respondents point to a UK-wide positive price sentiment.
- 22% of respondents expect the Bank of England base rate to be at the current all time low of 0.5% in 12 months time and 98% believe that it will remain below 2.0%, well below the long term average of 5.0%. According to latest Young Index results, the average 12 month base rate outlook is 1.2%.
- 57% of respondents cite a lack of lending in the mortgage market as the principal barrier to investment property acquisitions.

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About Young Index

Young Index is a quarterly gauge of market sentiment within the buy-to-let sector, polling Young Group's client base of around 500 active investors who hold UK investment property.

About Young Group (www.younggroup.co.uk)

Young Group specialises in delivering Property Portfolio Management services to private and institutional investors. The Group's activity spans the entire investment cycle from identifying opportunities and financing their acquisition, through to managing the asset (furnishing through **Young Furnishing**; tenanting through **Young London**; financing/refinancing through **Young Finance**), regularly reviewing the performance of the property holdings and advising on strategic direction, through to realising returns in the most tax efficient manner. Young Group supports NORWOOD and CHILDREN with LEUKAEMIA, charities doing valuable work which is particularly close to our hearts.

Visit www.younggroup.co.uk to learn more.

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