



**7 October 2009**

## Young Group predicts 0.7% Base Rate hike in 2010

Results from Young Group's latest investor sentiment survey shows that residential property investors expect the Bank 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 Bank Base Rate to change this month when the Monetary Policy Committee announces the decision of this month's deliberations.

He said: "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. The Bank Base Rate is unlikely to change until the quantitative easing policy has ceased.

"Our results show that investors expect to see an upward movement in Bank 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."