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Base rate 'to go on being held'

The Bank of England will hold the base rate at 0.5 per cent throughout 2010, it has been predicted.

Economists at the centre for economic and business research (CEBR) have said there are two factors that will prompt the Monetary Policy Committee to maintain the current level.

CEBR Economist Benjamin Williamson explained these are "partly to counteract the expected sharp fiscal contraction, but also because the recovery does remain weak, so they have got to keep borrowing costs down".

There may also be more quantitative easing, he said.

Those looking to apply for a loan may find the situation is favourable for them, due to the persistence of low rates.

However, some have predicted a rate rise in 2010, with the Confederation of British Industry tipping it to reach two per cent.

The Young Group of property portfolio managers found in its poll that the average investor expects a rise of around 0.7 per cent over the next 12 months.