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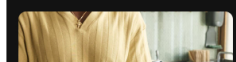
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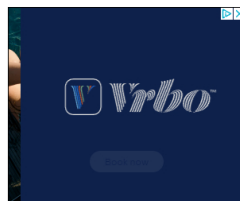
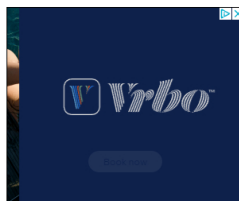
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Property investors 'ponder whether to tango or tiptoe out of the market' amid the 5% interest rate hike

WRITTEN BY LLP FINANCE REPORTER | 22ND JUN 23 1:07 PM



The Bank of England has raised interest rates to 5% which is the highest in 15-years which will make borrowing more expensive.

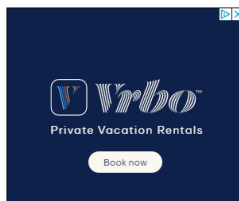


The banks monetary policy committee raised the base rate by half a percentage point on Thursday morning which will push many over the cliff.

Following the Bank of England's decision to increase the base rate to 5%, UK newswire, Newspage, sought the views property experts.

Will Rice, CEO of residential mortgage lender, Generation Home: "The immediate impact of this hike will be to lenders' standard variable rates, which react most often in proportion with the base rate increase.

"Lenders may boast that they're not passing the entire increase along to their SVR customers, but unless they are passing along the benefit of those high interest rates to their savings customers, it's all just lip service. Another SVR increase could put some households in serious financial difficulty.



"The other immediate impact will be changes to lenders' affordability calculations. Following a base rate hike, lenders might choose to offer less to mortgage applicants. Aspiring buyers who could afford their dream home on Wednesday may not be able to on Thursday.

"The right kind of mortgage support could lessen the burden of this extremely difficult landscape on homeowners. But any solutions need to support renters, too, who are also facing extremely high monthly payments and even less security than homeowners."

Kevin Dunn, mortgage and protection adviser at Leicester-based financial planner and mortgage broker, Furnley House: "The mortgage fixed rate markets seem to have already priced this in, so I would not expect any further great changes beyond what we have seen over the last month.

"Although clearly not welcome for mortgage holders, I believe this was the correct call, as the previous rate changes have had little effect on curbing inflation. The definition of insanity is to do the same thing and expect a different outcome. Hopefully this means those in

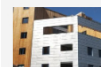
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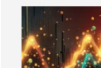


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charge may be sane after all.”

Kundan Bhaduri, director of London-based property developer and portfolio landlord, The Kushman Group: “This latest hike, without a doubt, could slow down the property market as potential buyers scuttle away.

“As for savers, they get to do a victory dance. Higher interest rates could mean a little extra cha-ching in their savings accounts. It’s like finding a forgotten twenty-pound note in the back pocket of your jeans.

“Sadly, the value of those extra returns will be overshadowed by inflation. It’s like winning a dance competition, only to realize you spent more on sequined costumes than the prize money itself. Investors and the markets are left doing a jittery jive. The rate hike introduces a dose of uncertainty, leaving property investors to ponder whether to tango or tiptoe out of the market.”

Ashley Thomas, director of London-based mortgage broker, Magni Finance: “Not surprisingly, the Monetary Policy Committee have significantly increased the base rate. You would hope this would get inflation under control quicker. This will have an impact on people who are on tracker rates and those looking to remortgage in the next six months.”

Joe Garner of residential and commercial property consultants, Joe Garner Consulting: “It seems the Bank’s attempt to bring inflation down has taken a hilariously futile turn. It’s as if they’re playing a game of whack-a-mole, but instead of moles, it’s prices that keep popping up everywhere. They swing their mallets with all their might, but each strike only seems to send prices soaring higher. It’s like they’re using a feather duster to fight a hurricane. Maybe they should try a different approach, like hiring a team of clowns armed with water guns to cool down the overheated economy. It’s a comedy of errors that leaves us wondering if the government and Bank of England are secretly moonlighting as a stand-up comedy troupe, because their attempts at tackling inflation are nothing short of a hilarious pun.”

Gary Bush, financial adviser at the Potters Bar-based MortgageShop.com: “The inflation figure is to blame for the 0.5% increase in the Bank of England base rate today, well that and the Bank being too cautious back in December 2021 when the increases should have been whole numbers like 1%-2% to truly hit the early signs of inflation. The London and South East property markets will slow to a grinding halt now I think. Any growth will be in the areas of the UK that still have cost-effective properties of small portions to incomes (North East/North West). Savers will “eventually” benefit from this 0.5% hike.”

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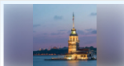


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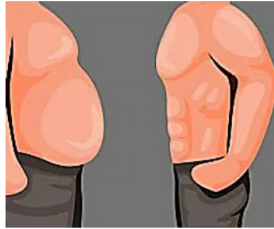
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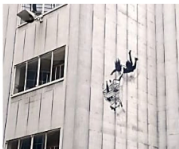
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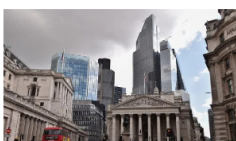
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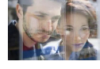
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