

Look to future with an interest rate rise

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The Council of Mortgage Lenders is still talking about the bad weather and the effect it had on lending figures in January.

It doesn't seem to think it was anything to do with its members not lending to certain types of borrowers, high house prices or restrictions on lending criteria.

I think it's about time we stopped mentioning the weather and looked to the future. Talking of which, the future could be busy if what Legal & General Investment Management says is true.

It claims that 90% of home owners are on a variable rate mortgage and that this is down to the lack of remortgage activity in the market. If this is correct it would mean a lot of mortgage business for the banks to deal with in the coming years when the base rate starts to rise.

We are now into the second year since any base rate movement and it seems to have gone quickly.

Andrew Sentance, the Monetary Policy Committee member who has been calling for a rate hike, is leaving the committee in June and I wonder if his replacement - Goldman Sachs economist Ben Broadbent - will be so keen to raise rates.