

For immediate release: 1st March 2012

22 YEARS SINCE MORTGAGE RATES PEAKED

Then and Now - what has changed?

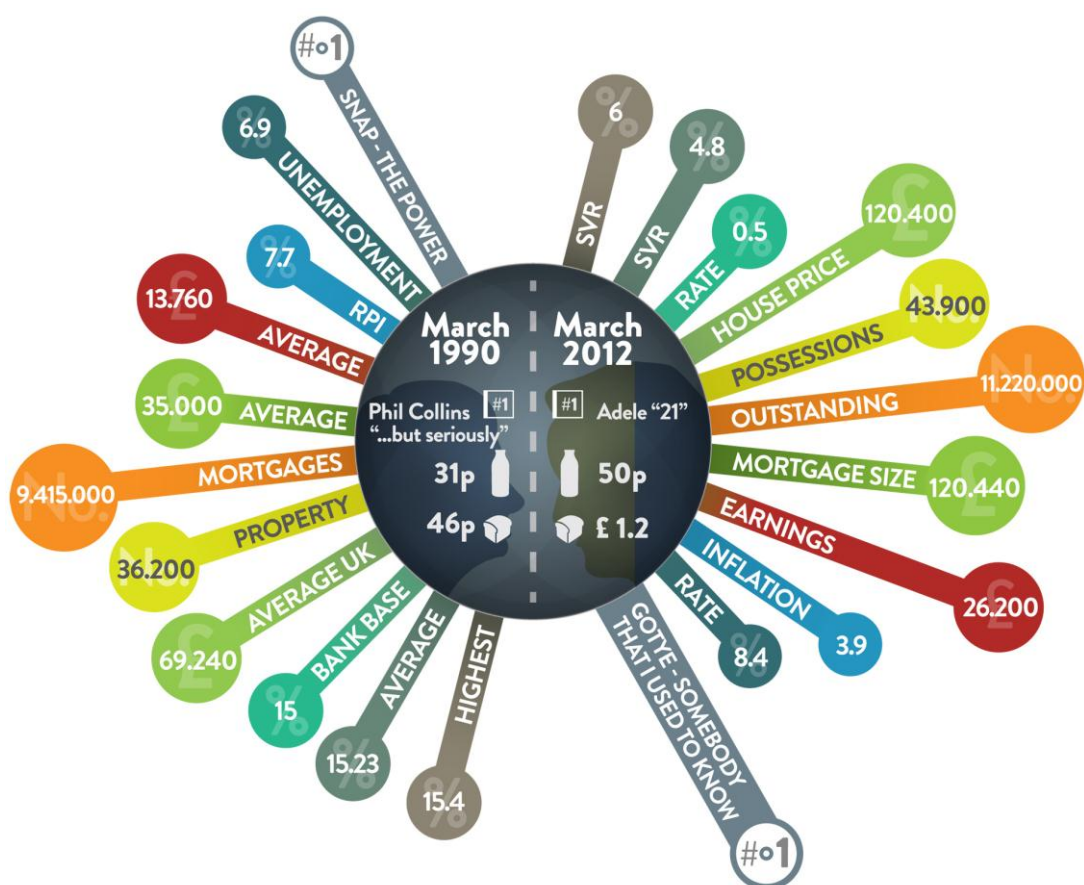
This weekend heralds the 3rd anniversary (3rd March) of the base rate reduction to an historic low of 0.5%, and the 22nd anniversary (4th March) of mortgage interest rates peaking at 15.4%. HSBC rings in the changes over the past 22 years.

	March 1990	March 2012
Cost of Borrowing		
Highest SVR	15.4%	6.00%
Average SVR	15.23%	4.80%
Bank Base Rate	15%	0.5%
Average UK House Price	£69,240	£160,907
Average mortgage size	£35,000	£120,400
No. Mortgages Outstanding	9,415,000	11,220,000
No. Property Possessions	36,200	43,900
Cost of Living		
Average Earnings	£13,760	£26,200
RPI Inflation	7.7%	3.9%
Unemployment rate	6.9%	8.4%
Loaf of sliced white bread	46p	£1.20
Pint of milk	31p	50p
Other		
Prime Minister	Margaret Thatcher	David Cameron
Political Party in power	Conservative	Lib-Con Coalition
Number 1 Single	Snap, <i>"The Power"</i>	Gotye featuring Kimba <i>"Somebody That I Used to Know"</i>
Number 1 Album	Phil Collins, <i>"...but seriously"</i>	Adele <i>"21"</i>

Peter Dockar, Head of [Mortgages](#) at HSBC commented: "The evidence suggests in many ways we are now better off than in the last downturn of the early 1990s. Inflation is half what it was then while the bank rate is a thirtieth lower, meaning borrowing is far more affordable.

"It is unlikely we will ever see rates peak as high as they did in 1990 in our lifetimes, however, there is no doubt that rates can only go one way from their historic low in future so it is essential that borrowers are prepared financially for future fluctuations in the cost of borrowing."

ENDS



Note to Editors

Data taken from CML, Bank of England, Moneyfacts, ONS and Halifax

For further press information please contact:

Suman Hughes
 020 7992 2748
suman.hughes@hsbc.com

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