

Bank of England cuts interest rates – BCIS chief economist warns market confidence still fragile

6 months ago



In response to the Bank of England's decision on interest rates this week, Dr David Crosthwaite, chief economist at the [Building Cost Information Service](#) (BCIS) has shared his comments.

BCIS provides the built environment industry with data and analysis for the built environment industry.

Dr David Crosthwaite, chief economist at BCIS said: "As expected, the Bank of England has lowered the base rate by 25 basis points, but whether this will be enough to energise the construction sector remains to be seen.

"Market confidence is still fragile, and with warnings of a fiscal shortfall likely to dominate the Autumn Budget, there's limited enthusiasm for construction investment.

"Despite recent government announcements, the recovery in demand hasn't materialised. Further proof of this has been seen in other data published this week – the latest data show brick and concrete block deliveries remain sluggish and sentiment across the supply chain is subdued.

"Many investors appear to be pressing pause and awaiting greater clarity post-Budget before committing to major schemes.

"Inflationary pressures, planning delays and cost uncertainty continue to act as strong headwinds.

"While today's rate cut may ease financing pressures at the margins, it's unlikely to be the turning point

the sector needs without broader policy and market support.”