



Macro and Market News

Week 50 2023 – Week ending 15/12/2023

15 DECEMBER 2023





Macro/Economic News

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- **The Institute for Fiscal Studies** reports that a total of 45% of first-time home buyers aged between 20 and 29 said they received loans or cash gifts towards their first homes. Of these, 8 out of 10 said the money came from their parents, with a further 7% saying they received help from their grandparents.
- **Moneyfacts** reports that rates on a typical 2-year fixed deal have fallen below 6% for the first time since mid-June. Competition among providers has intensified as they face a battle to attract a small pot of new homeowners, and to maintain current custom.
- **Hampton's**, a property agent, has reported that rents on new tenancies rose 10.2% year-on-year in the year to November, the highest since it began keeping records in 2014.
- **The CBI** says that following GDP growth of 0.6% in 2023, the CBI expects 0.8% growth in 2024, picking up to 1.6% in 2025. The CBI expects growth in consumer spending to remain weak next year (0.4%, unchanged from 2023), as higher interest rates bite harder on household incomes.
- **Zoopla** suggests that house prices in the UK will drop by 2% next year. It says that, even with incomes likely to rise, 'to see a meaningful reset when it comes to affordability, house prices will need to fall further as incomes increase.' Zoopla also has opined that the rapid rate of increase in rents has peaked. It says rents in October were up 9.7% on the same month last year but adds that it expects the rate of increase to slow. Rents, however, are unlikely to fall in absolute terms. UK Finance reports that it believes UK lending for house purchases will fall by 8% in 2024. It has also reported that the number of mortgages in arrears in the UK is hitting eight-year highs. It says that the number of arrears is likely to grow by as much as 22% this year to something like 129k before hitting 138k in 2025.
- **The ONS** reports that the UK's annual wage growth slowed slightly to 7.3% in the three months to October versus 7.7% the previous month. Including bonuses, the rate was 7.2%.
- **The ONS** reports that 'monthly real gross domestic product (GDP) is estimated to have shown no growth in the three months to October 2023, compared with the three months to July 2023.' It says that 'monthly GDP is estimated to have fallen by 0.3% in October 2023, following growth of 0.2% in September 2023.'
- **The UK government** has announced that circa 8 million eligible households across the UK will receive a £299 cost of living payment in February. It is one of three means-tested cost of living payments being made over 2023/24, worth up to £900 in total.
- **GfK** has released its UK Consumer Confidence index saying that 'Christmas cheer sees December headline score up two points at minus 22.' All five measures were up in comparison to last month's announcement.



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- **Fireaway**, a fast pizza brand, is to launch a crowdfunding campaign through Crowdcube on Monday, 18 December. The goal is to expand its central operations and brand reach and enhance its technology platform. The business, which is expected to end the year with 161 sites, is looking to raise £2m in return for 9% of the company. In 2022, Fireaway opened 39 stores and is on track to open 31 this year, having already opened 27 and with four under construction. Similar rate of growth is expected to continue in the next year with planned opening of further 30 sites. The brand has already secured investment from six new backers in October last year and plans to have 500 sites within the next five years.
- **Wingstop** is to open its largest site yet at Westfield Stratford City in London, in early 2024. Located on the first floor opposite the scheme's World Food Court, the site is circa 5,000 square feet and will comprise over 160 covers. Wingstop UK currently operates 39 sites and has opened 11 new sites this year. The business is expected to exceed that openings figure in 2024. It already has openings for next year lined up in Hounslow, Wood Green, Clapham, Croydon Leisure Park and Merry Hill. In the meantime, this week the brand has opened a second site in Edinburgh's Fountain Park, just west of Edinburgh city centre. It marks Wingstop's third dine-in site in Scotland, having opened in Glasgow's St Enoch Centre last month.
- **Chopstix** has introduced value deals and doubled certain reward points on its app as part of its "Stixmas Value" campaign. The campaign sees Chopstix introduce new products such as its first ever family bundle, which feeds a family of four for under £25. This has been rolled out alongside multiple festive meal deals, while Chopstix app users will be eligible to earn double reward points on selected meals throughout December. The Chopstix Group includes more than 100 Chopstix sites, ten operating as Yangtze and 25 franchises under the Chozen Noodle brand. It is set to start 2024 with two new equity site openings in January.
- **Wagamama** has opened a site at Teesside Park in Stockton. The venue has 126 internal covers and 26 external. It is Wagamama's 159th UK restaurant and created 70 jobs. Alongside its traditional offer, the site has the new Korean-inspired menu, including Korean street food favourite k-dogs, made with a vegan twist and a crunchy noodle crumb, and Wagamama's first hot pots. Meanwhile, Wagamama has reopened its Aberdeen restaurant following a refurbishment. Located in Union Square, the restaurant offers an additional 80 covers and created 20 more jobs.
- **Which Wich**, a US premium sandwich shop, is aiming to reach 100 UK sites within 6-7 years after opening its first restaurant in London's Covent Garden and a delivery kitchen in Shoreditch. Managing director Rami Awada stated the brand is now seeking franchise partners across the country to open 30 locations in 3 years.

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- **Caprinos Pizza** has lined up its first opening in Edinburgh as it closes in on 100 UK locations. The business, founded in 2014 in Didcot, Oxfordshire, plans to open a site in the Scottish capital's Home Street. Caprinos currently operates three sites in Scotland, in and around Glasgow. In October, the brand made its international debut with an opening in the DHA Lahore development in Pakistan. Caprinos now has more than 90 UK locations following recent openings in Newcastle, Colchester, Melksham and London's Canary Wharf.
- **Proper Pubs**, the community-wet led operator division of Admiral Taverns, has opened its 200th pub, The Chrystal Bell, in Gallowgate, Glasgow. Proper Pubs, which launched in August 2021, operates across England, Scotland, and Wales. Admiral said the division has gone from "strength-to-strength this year", investing more than £10m to support its local communities, opening 32 pubs, with 17 coming in the last two months alone. Chris Jowsey, chief executive of Admiral Taverns, told Propel that the 1,500-strong business was converting one site a week to Proper Pubs, which he thinks will eventually make up 20% of the group's overall estate.
- **Blank Street Coffee**, which made its debut in the UK last July and currently has 23 stores in London, has opened its first regional café on the former Caffè Nero site in Manchester's Piccadilly Gardens. Blank Street hopes to have more than 30 sites in the UK within the next year.
- **Megan's** has said it is set for record year, with revenue on track to exceed £30m and Ebitda £5m, as it relaunches in Parson's Green. The 19-strong business closed its original site in the south west London suburb, Megan's by the Green – which was the brand's second restaurant when it opened in 2017 – due to its limited capacity. It has now reopened in the former Le Pain Quotidien site on Parsons Green Lane, directly opposite its original home, which is now a second venue for Ollie's House, the new concept from former Gail's operations manager Oliver Norcliffe. The Megan's team has built a pipeline of four new site openings in 2024 – including locations in Farnham, Twickenham and Weybridge.
- **German Doner Kebab's** new online ordering app has seen 270,000 downloads in the five months since launching, with a current run rate of 10,000 per week. The app was launched in July after being developed by online ordering technology provider, Hungrrr. It works across GDK's estate of more than 150 restaurants across the UK and worldwide, as well as integrating delivery services from Uber Eats.
- **Greggs** has opened its 500th franchise site, in Monktonhall, East Lothian, with its franchise partner MFG. In 2023, Greggs has opened 71 franchised units, with these now accounting for approximately 20% of the total estate. Greggs today works with 16 franchise partners across the UK, and the company said they play an important role in providing access to restricted locations such as motorway services areas, petrol filling stations, educational establishments and smaller high street convenience locations.

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