



Macro and Market News

Week 51 2023 – Week ending 22/12/2023

22 DECEMBER 2023





Macro/Economic News

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- **The Halifax** says it could see UK house prices falling by up to 4% next year as high interest rates continue to impact affordability. The Halifax says, 'the combination of cost-of-living pressures and interest rate levels that are still much higher than even two years ago' and it adds 'we will likely see continued mild downward pressure on house prices.'
- **KPMG's** global economic outlook suggests that the UK's economic growth in 2024 is expected to be modest, with an estimated GDP rise of 0.5%, similar to 2023. This forecast is a slight upgrade from their previous estimates and is more optimistic than the Bank of England's projection of zero growth in 2024.
- **The Welsh government** has extended business rates relief at a lower rate of 40% but bills are set to rise by 5% next year. Pubs, shops and restaurants will see their business rates go up as part of plans to put more money into Wales' struggling health service. This reduced level of support now leaves businesses in Wales at a competitive disadvantage to businesses in England. A typical local pub or restaurant in Wales will, for example, be paying £6,400 more than one in England.
- **The ONS** has reported that inflation in the UK in the year to November as measured by the CPI fell to 3.9% compared with 4.6% in the year to October and 6.7% in the year to September. Food price inflation has fallen below 10% for the first time in almost two years. They rose by 9.2% in the year to November. Food prices are nonetheless some 29% higher than they were in September 2021.
- **The Scottish government** is to introduce another rate of income tax to give it six different rates compared with the three that are charged in the rest of the UK. Workers in Scotland earning between £75k and £125k will pay 45% in income tax with those over £125k of taxable income paying 48% rather than the 47% that was previously charged.
- **VisitBritain** predicts that inbound travel to the UK will not recover to pre-pandemic 2019 levels until early 2025.



Market News

Week 47 2023 – Week ending 24/11/2023

Market News (1 of 2)

Week 51 2023 – Week ending 22/12/2023

- **Wingers** has signed a 30-store development deal for west London and the Thames Valley. It has brought on board five “experienced quick service restaurant (QSR) investors” who will “grow the brand within the agreed territory in line with a long-term development agreement”. There are currently six Wingers restaurants open in the Midlands, with seven more set to open in the first half of next year with other franchise partners. Wingers expects to more than double the size of its estate by the end of 2024, with potential locations for the new partners to include the likes of Windsor, Maidenhead, Chiswick, Ealing, Slough and Watford.
- **Pieminister**, a pie and mash restaurant operator, has taken on a new franchisee, Black 29 Holdings, based in West Lancashire, as it looks to expand in the north. Pieminister currently has 15 restaurants, including two in Manchester and one each in Liverpool, Leeds, Sheffield and Stoke. The company opened its first two franchise sites this year – in Bath and Derby – and also rebranded its Nottingham site as Long Row Social, with an extended offering, full alcohol license and amended opening hours.
- **Coyote Ugly** is set to open in Bristol for its seventh UK site, with two more to follow in 2024. Coyote Ugly will open at Bristol Waterfront in February, joining its two London locations and further sites in Cardiff, Birmingham, Swansea and Liverpool. The UK franchise for Coyote Ugly is held by Steve Lewis, owner of Breaking Brands Management, who told Propel in January he is aiming for six more UK bars by 2026, as he prepares to take the brand to Europe and the Middle East. “Breaking Brands Management is so excited that Bristol will become our seventh UK site,” Lewis told Propel. “Bristol has always been key to our expansion as the second largest city in the south of England. We aim to launch in the week of 12 February, with more sites in both England and Scotland in the planning phase, along with new partnership sites opening this year in Asia. There’s two more planned for 2024 but they are still under heads of terms so we cannot divulge locations apart from both being in England and a new south east Asia location. Trading has been improving since covid with pre-bookings being a key driver as customers habits change to planning nights out in advance.”
- **The Breakfast Club** is to open a third site in London’s Soho. The 15-strong company already operates two sites in Soho, at D’Arblay Street and in Berwick Street and is set to take on the ex-Patty & Bun site in Old Compton Street, which closed earlier this year as part of the burger brand’s company voluntary arrangement process. The Breakfast Club is to make its train station debut next year, at London’s St Pancras station, in partnership with SSP Group. Earlier this year, The Breakfast Club partnered with SSP Group to launch its debut travel hub site, at Gatwick airport. The Breakfast Group most recently launched a new site in London’s Covent Garden, at 55 Neal Street in Seven Dials.

Market News (2 of 2)

Week 51 2023 – Week ending 22/12/2023

- **Crêpeaffaire** is set to launch a site under its Crepe & Roll format in the Gravity Max venue in London's Wandsworth. The launch will be in cooperation with Reef Technology. Daniel Spinath founded Crepeaffaire in 2005, since then it has expanded to 14 UK sites as well as 15 in the Middle East and one in the Netherlands. Crepe & Roll – is the brand's smaller footprint concept, which originally operated as a food truck in London's Old Spitalfields Market, in 2022.
- **Fireaway** has launched a £500,000 crowdfunding campaign to expand its central operations and brand reach and enhance its technology platform. Fireaway, which will end the year with 161 sites, is offering 2.43% equity in return for the investment, giving the business a pre-money valuation of £20,049,056. The business said it already has an external investor committed to £200,000. In 2022, the brand opened 39 stores and are on track to open 31 this year, having already opened 27 and with four under construction. Fireaway, which was launched in south London in 2017, plans to open a further 30 sites next year.
- **Just Eat** has partnered with supermarket chain Morrisons for on-demand delivery across its Morrisons Daily convenience stores. The partnership will initially roll-out to almost 60 stores this month, with plans to expand to more than 650 stores early next year. Just Eat said it reaches 97% of all UK postcodes and its grocery and convenience estate in the UK has seen rapid growth this year to meet consumers' growing demand for convenience shopping.
- **Amigos Burgers & Shakes** has outlined plans for a 100-strong UK estate in the next five years. Amigos was launched in Acton, west London, in 2011 by Waqas Siddique and Kasim Akhter and has since expanded to 20 sites across the capital with a further eight stores planned for Birmingham. The brand said expansion was driven by increased demand from franchisees with potential new locations being discussed for cities up and down the country.
- **BrewDog** is to extend its partnership with SSP Group with two more UK venues opening in early 2024. A new BrewDog bar will launch at Edinburgh Waverley station and a new "BrewDog pub" will open at London Waterloo, which will be a "modern take on the traditional commuter pub". Located within Waterloo's main concourse, the pub will have 16 taps of craft beer and a range of spirits and cocktails. On the food menu will be a range of pub classics, as well as BrewDog's signature wings and burgers. The venue will enhance BrewDog's presence at Waterloo station – which already includes the brand's landmark bar and restaurant at The Sidings, serving more than 15,000 people per week. The two new locations follow openings at London Gatwick's North Terminal and Amsterdam Centraal station in 2023. The business' portfolio now spans more than 100 bars and hotels across the world, with plans to open another 200 venues in key markets across the globe over the next seven years.

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