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News in Review

10 January 2024

“The traditional retailers always tend to do well in the run up to Christmas and this year was no exception”



There was good news for supermarkets last week, as new data from market research firm Kantar showed they experienced their busiest Christmas in four years. During the four-week period to Christmas Eve, Britons made 488 million visits to supermarkets, 12 million more trips than the same period the previous year, and the highest number since before the pandemic.

The data shows that the average household spent a record high of £477 during the four weeks running up to the big day, with £13.7bn ringing through the tills. The prime shopping day during the run-up to Christmas was Friday 22 December, when over 25 million trips were made and £803m was spent in shops (excluding online purchases), this represents an 85% uplift in average spending compared with Fridays last year.

Strong performances were experienced by supermarkets' own-label ranges, while sales of premium ranges also saw a healthy uptick, with sales of ranges such as Tesco Finest and Sainsbury's Taste the Difference increasing by almost 12% from last year, to total £790m (5.7% of all grocery sales).

Fraser McKevitt, Head of Retail and Consumer Insight at Kantar commented on the findings, *“The traditional retailers always tend to do well in the run-up to Christmas and this year was no exception...*

“We're creatures of habit when it comes to Christmas and our data shows that the classic festive plate remains much the same.”

From a specific retailer perspective, growth in market share was recorded by Tesco, Sainsbury's, Lidl and Aldi.

Boxing Day property bounce

A record number of sellers took to the market on Boxing Day, new data has highlighted, with a 26% increase in new sellers, overtaking the previous record set the year before. In addition to sellers pondering their plans and taking action, buyers also leapt into action on Boxing Day, with enquiries to estate agents about homes for sale 17% higher than Boxing Day 2022. An increase in activity is usually expected during this period. Data from Rightmove shows that visits to its website increased year-on-year by 8% on 26 December. Reflecting on the figures, Tim Bannister, Rightmove's Property Expert, said that the *“scale of this year's Boxing Day bounce is an early positive sign at the start of the year that buyers and sellers are out there and taking action, likely including some movers who had put their plans on hold last year.”*

Although acknowledging that it's early days, Mr Bannister added that *“it will be key to monitor activity as it ramps up through the end of winter and into spring, particularly to track whether sellers are pricing attractively enough to agree a sale*

with a buyer quickly, given buyers now have more choice to consider than last year and are still very price sensitive.”

Average 2-year mortgage rates lower

The new year rung in some changes to mortgage rates, with data from Moneyfacts showing that the average rate on a two-year fixed mortgage reduced to its lowest level for almost seven months in the first week of 2024. According to Moneyfacts, the average rate fell to 5.87% (from 5.92%), as lenders look to compete for customers. Although potentially providing some relief for homeowners, mortgage rates are still higher than many people have been accustomed to, and with around 1.6 million homeowners currently on a fixed-rate mortgage due to expire during the next year, the vast majority could still see their monthly repayments rise.

General Election H2 2024?

Last week Rishi Sunak suggested he is working on the assumption that he will hold the General Election *“in the second half of this year,”* adding that *“I've got lots to get on with and I'm determined to keep delivering for the British people.”* The latest the election needs to legally be held is 28 January 2025.

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated.

All details are correct at time of writing (10 January 2024)