London emerges as the UKâ€™s new business hotspot amid lockdown

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The highest rate of new businesses created during the first lockdown took place in the capital, according to a study commissioned by Royal Mail.

London postcodes scored the highest both in terms of the raw number of new businesses set up over the course of the lockdown measures as well as looking at new businesses per head of the population. Of the ten postcodes to see the highest numbers of new businesses, eight of these were in the Greater London area.

However, the results are much less London-centric when considering the year-on-year percentage change in the number of new businesses. When doing this, eight of the top ten highest figures are outside the capital. Worcester, Leicester and Manchester experienced marked growth in new business creation. The highest percentage change in the number of business incorporations took place in the WR9 postcode (in Worcester), which saw growth of over 820 per cent when comparing March – July 2020 with the same period in 2019. This was followed by the B18 (in Birmingham) and LS10 (in Leeds), which saw growth rates of 580 per cent and 440 per cent, respectively.

Urban vs. regional

Most of the new business creation between March – July 2020 took place in urban areas. Just over 11 per cent of new incorporations were registered in rural locations in England and Wales. Interestingly, the number of new incorporations in hamlets and isolated dwellings - the smallest unit of analysis - exceeded that of new corporations in villages, which are deemed to be slightly larger.

In Scotland, new business creation was also driven by urban areas. However, compared to England and Wales, Scotland experienced a greater proportion of incorporations taking place in rural locations – 15 per cent of incorporations took place in rural areas*.

Nick Landon, Chief Commercial Officer at Royal Mail, said: “We have seen an increase in new business creation despite the challenges of lockdown. It is encouraging to see that new business creation is taking place in both urban and rural areas. We are proud to offer the Universal Service which ensures that all areas of the UK get the same service for the

same one-price-goes-anywhere.

"The ecommerce sector has experienced a real boom and at Royal Mail we understand the importance of the postal service in keeping the UK connected at this time. In doing so, we also take the health and safety of our colleagues, our customers and the local communities in which we operate very seriously."

Royal Mail recently revealed that when looking at the lockdown period from March to July 2020, 315,000 companies were incorporated during this time - a 7 per cent increase compared to the same period in 2019. There has been a boom in new ecommerce businesses as UK entrepreneurs capitalise on consumers' shift to online shopping. Nearly 16,000 businesses falling into this category were created between March and July 2020.

Source: Royal Mail

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