



PlanningPortal



Powered By
TerraQuest

Q2 2025:

Is the industry building momentum?

TerraQuest

The Planning Application Index

What does the latest Planning Portal data tell us about the country's housing targets?

Foreword

Welcome to the latest Planning Application Index from TerraQuest.

In the previous report, we drew attention to the promising signals we were seeing throughout our Q1 data. Application volumes during the first part of 2025 saw a notable rise against most metrics, setting the stage for the pivotal months ahead. If subsequent quarters exhibited similarly encouraging signs, then we could assume the government's reforms were stimulating lasting change for housing development at scale.

That was the theory, but is it translating into practice?

According to our Q2 data, the sentiment is certainly positive and – perhaps unexpectedly – momentum continues to build following record-breaking figures seen at the beginning of the year. We've been pleasantly surprised by the pace of planning activity in this latest quarter.

Q1 was exceptionally high, so it's no surprise Q2's figures look lower by comparison. However, this kind of drop between Q1 and Q2 isn't new – it's a pattern we've seen for many years. What's notable is that Q2 still saw more applications submitted than during the same period in 2024. This suggests signs of recovery and potential future growth, which is particularly significant given that planning applications act as an early indicator of wider industry activity at a time when other areas of the sector are still reporting losses or stagnation.

Beyond the historical dip seen between Q1 and Q2, it's also important to recognise that this report arrives at the beginning of a new financial year, and with the government only just marking one year in office. These milestones may naturally skew some of the planning activity we're indexing, so a nuanced interpretation of the data is essential.

Releasing these stats around the year anniversary of Labour's landslide election feels a poignant way to track progress thus far. Perhaps more so than Q1, this report is the real 'stage setter' for what's to come in Q3 and Q4, arguably the most critical quarters for determining the impact of the government's planning reforms.

Planning minister Matthew Pennycook expects a "sharp uptick" for the remainder of 2025 and has called on the industry to take advantage of the sweeping changes his department has implemented. Whether these materialise remains to be seen – but you can be sure TerraQuest will be the first to report on it.

Thank you for reading.



Geoff Keal
CEO of TerraQuest

How TerraQuest obtains its data



As the provider of Planning Portal, TerraQuest processes around 95% of all planning applications submitted to local planning authorities across England. This unique dataset (excluding London) is captured at the point of submission, providing early insights into proposed development trends.

Contents

4 The National Picture

12 The Regional Picture

17 Analysis



Glossary

Net gain	Change in the dwelling stock calculated by adding new builds, conversions and changes of use and minusing existing units that are to be removed.
Proposed units	The number of new homes or residential units that the applicant is seeking permission to build as part of a development.
Quarter	In this report, quarters are based on calendar year rather than financial year – i.e. Q1 is January–March, Q2 is April–June etc.



The National Picture

Encouraging signs of development to come

Short on time?

Here are the key findings:

Proposed units – the most important metric for gauging developer intent – is trending in the right direction.



Proposed units saw a **significant increase** in Q2 year on year, bucking a downward trend that started in 2022.



Year-to-date totals also showed a **marked increase** compared with 2024, approaching 2023 levels (40,000 more proposed units than 2024; only 6,500 behind 2023).

Q2 2025 performed better than Q2 2024 in terms of overall application numbers, indicating year-on-year growth and a reversal of the downward trend in application numbers that has been seen since 2022.

Q2 2024

Total application numbers:
215,789



Q2 2025

Total application numbers:
232,962

Houses continue to gain ground on other property types.



Houses accounted for **67%** of applications submitted in Q2 2025, rising from 64% in Q1.

Reforms require both time and industry buy-in before their impact becomes clear.

This is especially true in 2025. The government's changes have been substantial since taking office, prioritising centralised efficiency, empowerment at a local level and a more strategic use of land across the country. Much of this vision was outlined in the latest version of the National Planning Policy Framework (NPPF), published in December 2024.

However, we're still in the midst of change, with the flagship planning and infrastructure bill having only recently cleared the Commons at the time of writing.¹ This bill has been described as critical to the delivery of Labour's ambitious 1.5 million homes target, with certainty and more effective decision-making in the planning system two of its central features.

The £100 million raised through planning fee increases and the recruitment of 300 new planning officers are two good examples of recent changes that will take time to implement.

Measuring their impact with good data will also require some patience.

We are now far enough into the new government's term to understand its intentions and direction of travel, yet also relatively early in the process of transformation towards an updated planning system.

As such, this Q2 data can be considered the earliest indication of what's to come. And it's this early glimpse that provides the rationale for TerraQuest's entire Planning Application Index series. It offers a rare window into the housebuilding process, well ahead of the Ministry of Housing, Communities and Local Government figures on starts and completions.

Our insights are published much more quickly following the end of each quarter, giving the industry a more immediate look at what is happening on the ground.

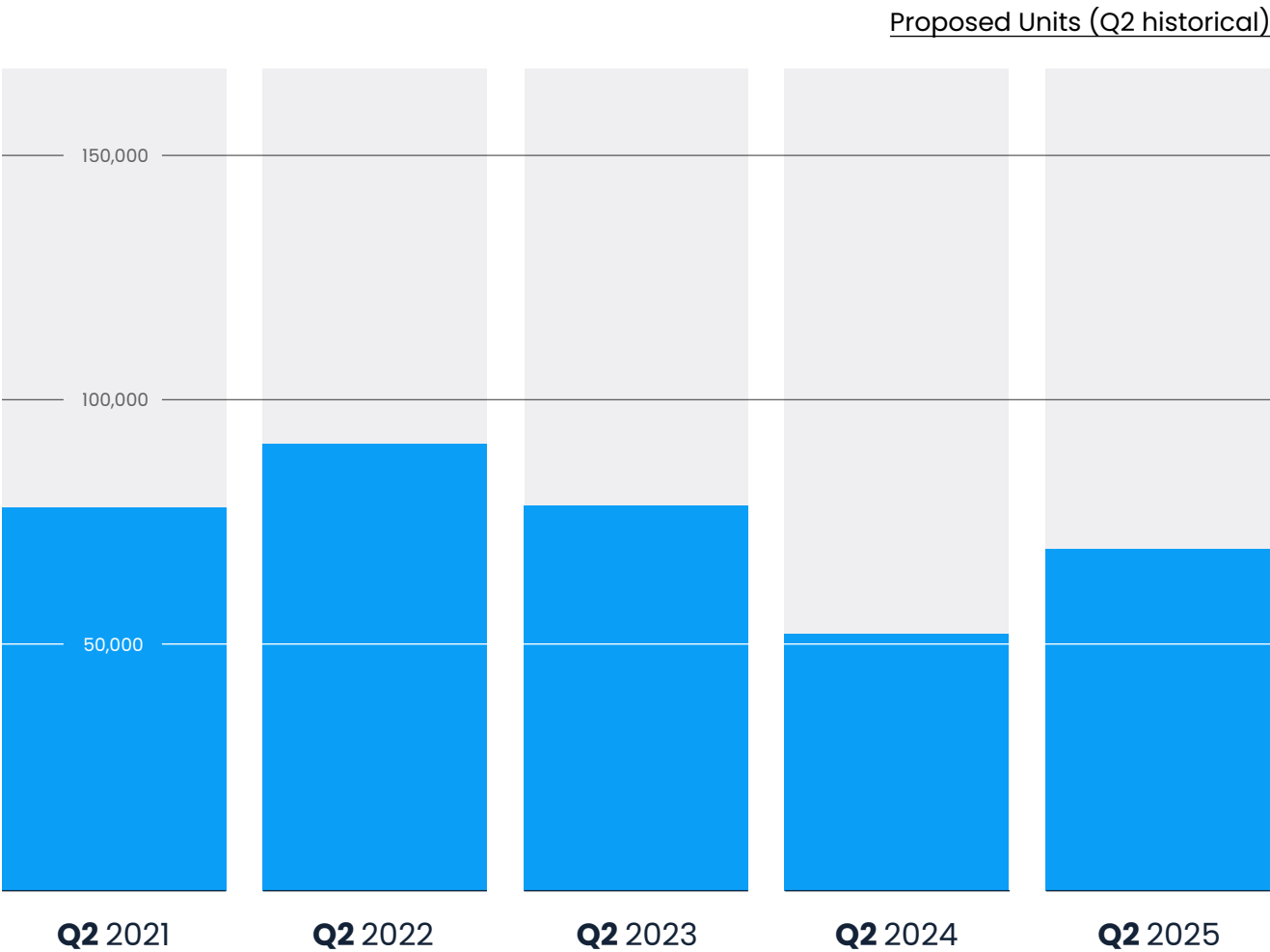
So, what are we seeing?



¹ Planning reforms 'critical' to 1.5m homes pledge delivery clear Commons | The Independent

1. There are grounds for optimism...

When compared with a record-breaking Q1, some Q2 figures may appear to show a drop in activity. However, a closer look reveals a more optimistic picture, with notable improvements emerging against more meaningful and relevant metrics.

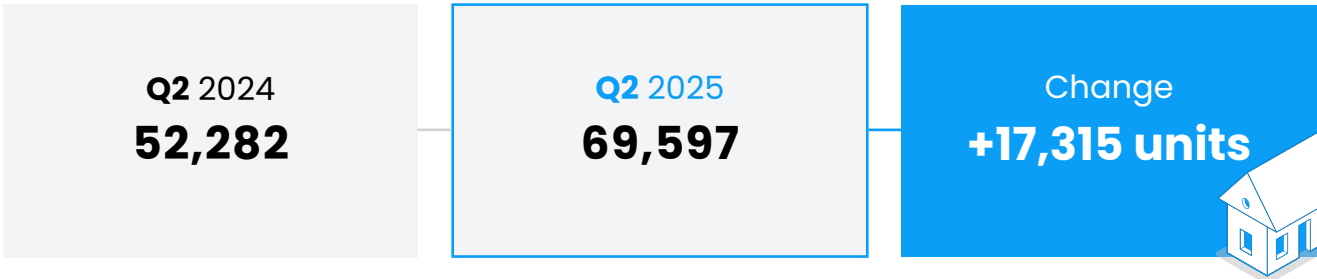


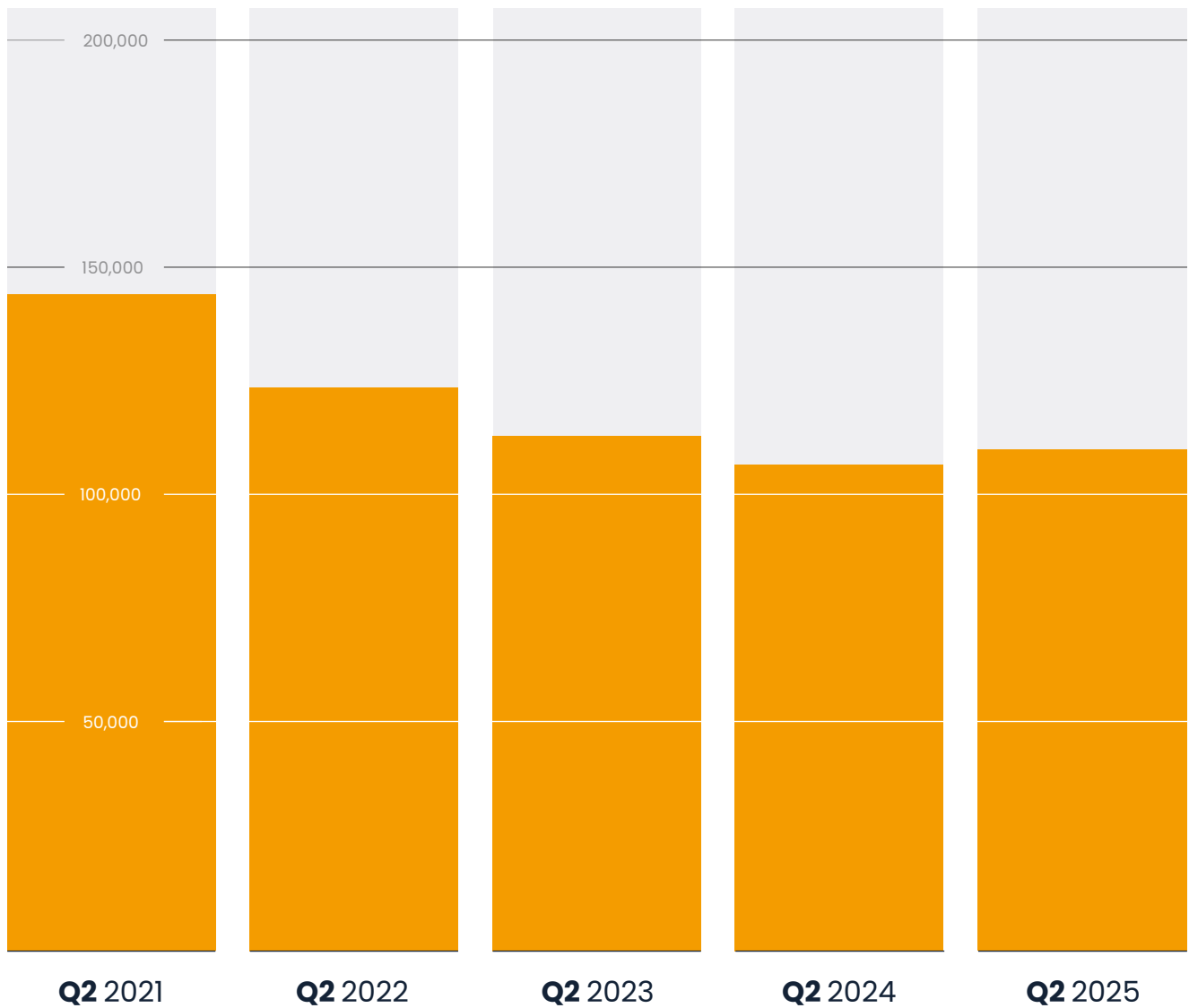
Proposed Units

Proposed units saw a significant increase on the same quarter a year previously. In Q2 2024, the number of proposed units submitted in planning applications stood at 52,282; in Q2 2025, it was 69,597,

representing a difference of 17,315 units. This rise has bucked a downward trend that started in 2023, indicating a much greater level of confidence among developers in what

is arguably one of the most important quarters of the year. Q2 represents the start of a new financial year for many businesses, so a greater level of activity in these earliest stages should be recognised as an encouraging sign.



Total Planning Portal Applications (Q2 historical)**Planning Applications**

In terms of total application numbers, Q2 2025 outperformed the same quarter a year earlier. This also signifies a reversal of the downward trend in application numbers observed since 2022.

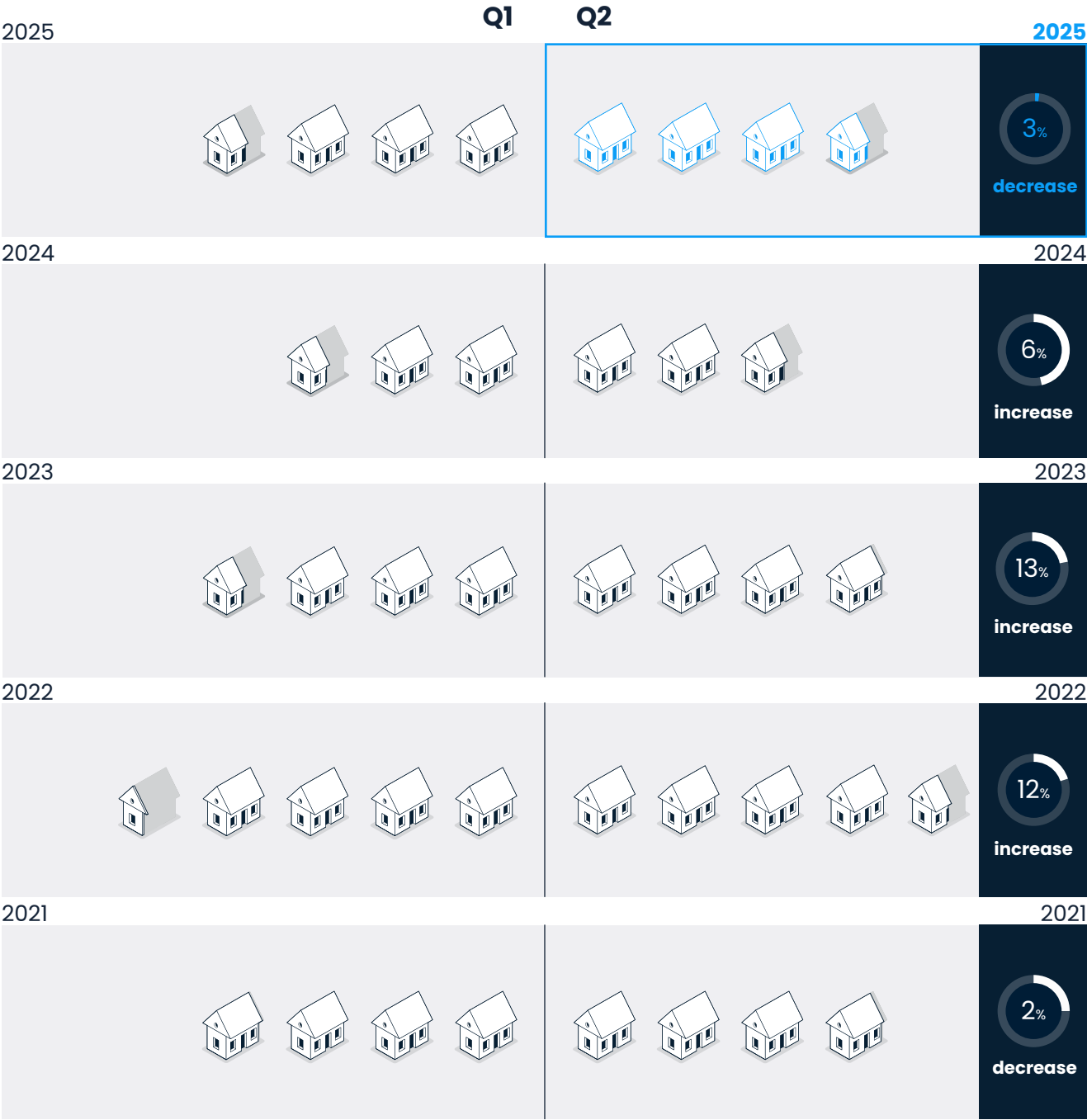


2. Q1-Q2 splits cannot be taken at face value

Proposed Units

As expected, Q2’s proposed units dropped against Q1 by 2,216. However, it’s important to note even with this drop, the level seen at the end of Q2 2025 is a considerable improvement on the same quarter a year previously.

Proposed Units Change Q1 vs Q2 (historical)



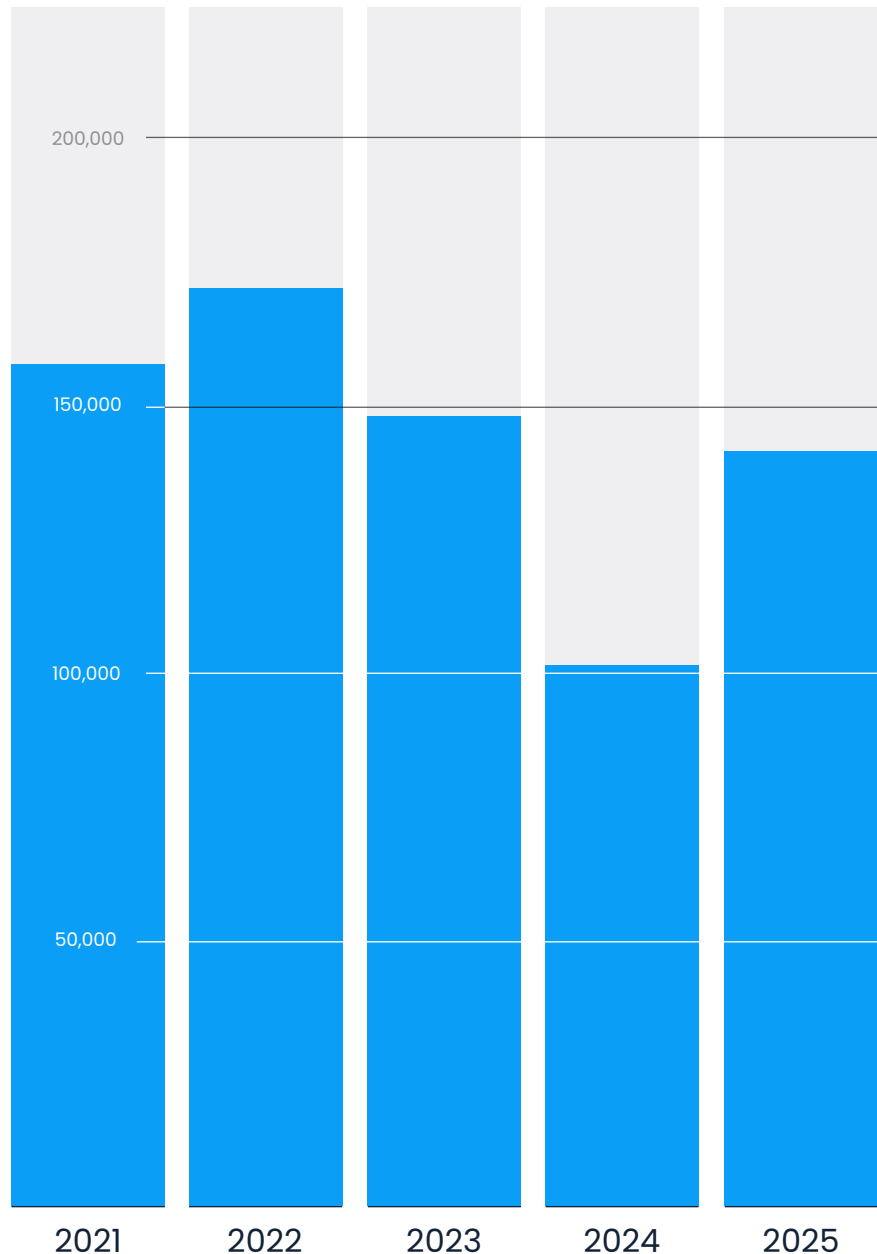
 = 20,000 units

Proposed Units Year-to-Date Total (historical)

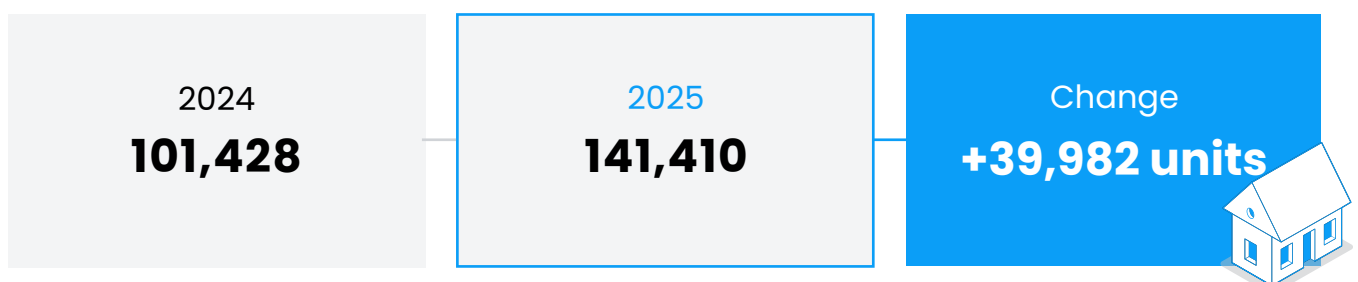
Given that fees did not increase substantially for new dwellings, some might ask why proposed units were affected to such an extent between Q1 and Q2 2025.

Industry 'noise' is one theory. It's possible the extensive coverage that fee increases received leading up to the change created a stronger sense of urgency in Q1. The end of the financial year and greater certainty following publication of the NPPF may also have contributed to the surge in the first part of this year.

Either way, the government's implementation of the changed fee schedule has clearly had an impact on activity for proposed units over the first two quarters of 2025.



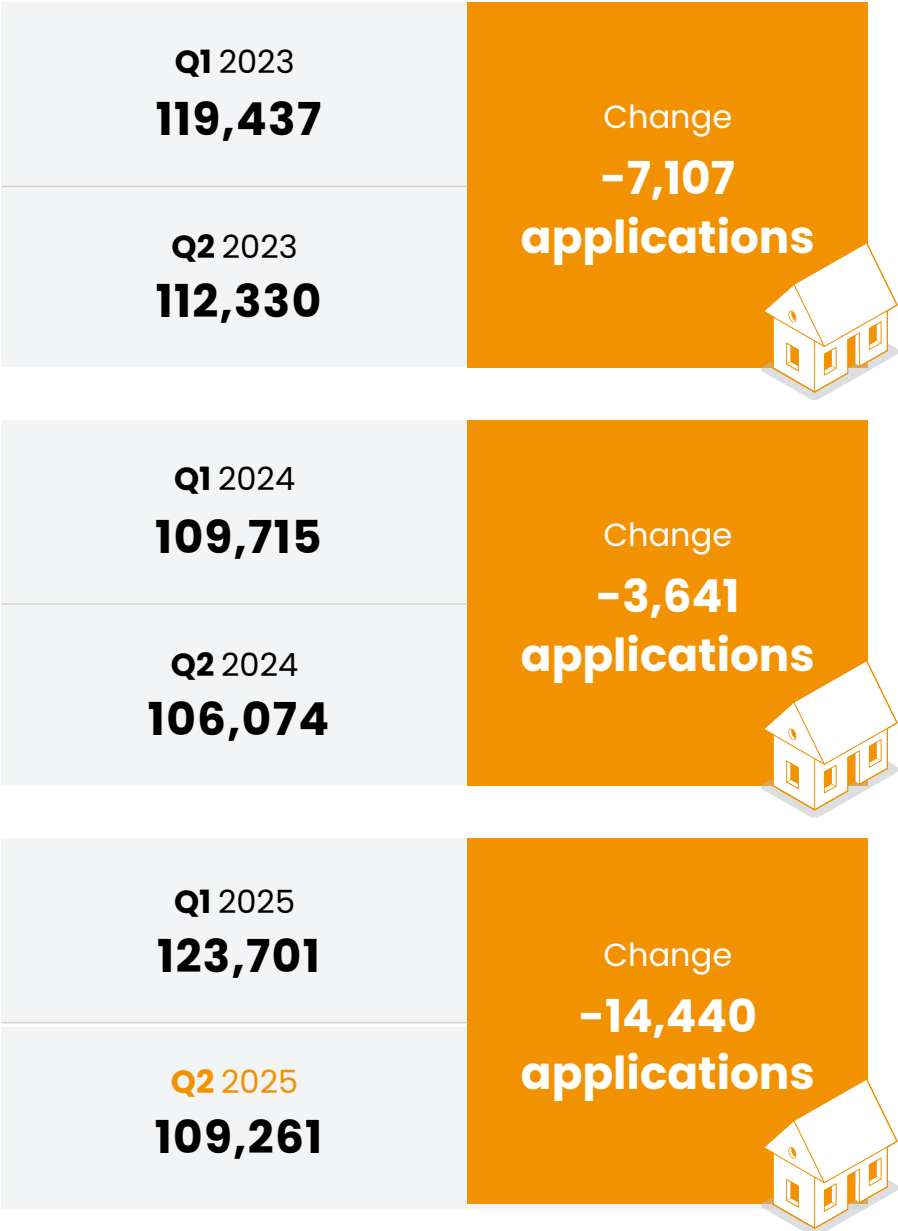
Year-to-date totals also give cause for optimism. There was a significant increase in the number of proposed units submitted by the end of Q2 when compared with 2024. At this point last year, 101,428 units had been recorded. In contrast, 2025 is tracking closer to 2023 levels, with 141,410 units. Regardless of the factors driving this shift, the year-to-date trend in proposed units has moved from steady decline to a clear upward trajectory – that shift alone is noteworthy.



Total Number of Planning Applications

There has historically been a decrease in applications submitted between Q1 and Q2 each year since 2021. Q1-Q2 2025 was no different in this respect, although this time the drop was much steeper than in previous years.

For Q1-Q2 2023 and Q1-Q2 2024, the changes were -7,107 and -3,641 respectively. In 2025, it was -14,440. This is by far the greatest change between these two quarters over the past five years. But we're confident that's not the full picture. While Q2 2025 shows a sharp decline – and may appear negative at first glance – it can largely be explained by the planning application fee increases introduced at the end of Q1. This dip points to a short-term adjustment in response to an external anomaly, rather than evidence of a deeper or longer-term downturn.



As we reported at the time, the data for Q1 was skewed by a surge in applications driven by urgency ahead of the fee increase – the most significant for certain application types in recent history – with a record number of applications submitted on a single day just before the rise took effect. It therefore would be unfair to give too much weight to this quarterly comparison, not least because of the success seen with proposed unit numbers in Q2.

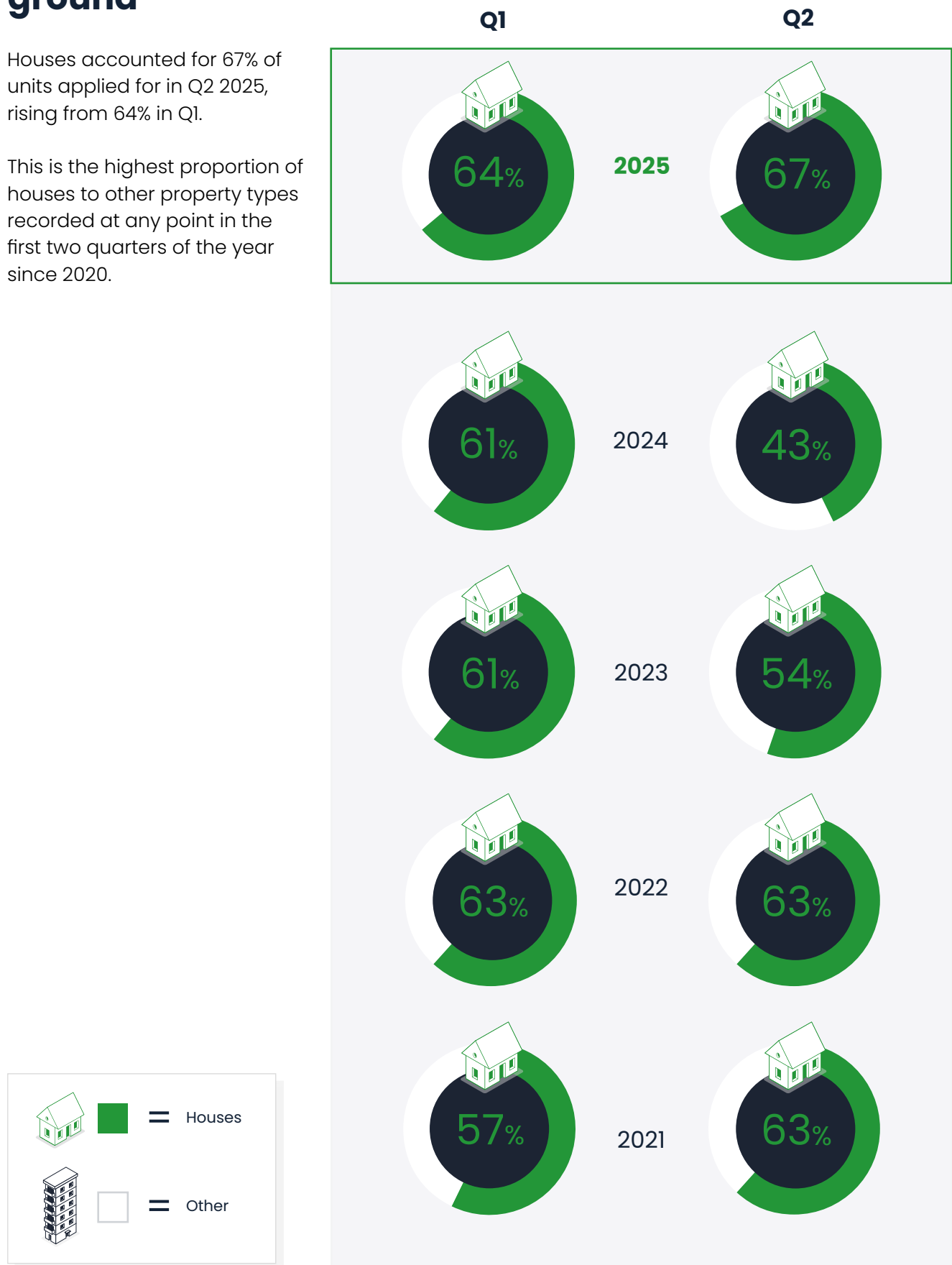
It's important to note that **householder applications (which exclude new dwellings)** make up a large portion of planning permission submissions. Changes in this category can therefore have a disproportionate effect on total application numbers recorded each quarter. Put simply, **proposed units are the more important metric for monitoring housing delivery.**

3. Houses continue to gain ground

Houses accounted for 67% of units applied for in Q2 2025, rising from 64% in Q1.

This is the highest proportion of houses to other property types recorded at any point in the first two quarters of the year since 2020.

What's Being Built Q1 vs. Q2 (historical)



The Regional Picture

This section focuses on comparisons of the second quarter over the past three years in each region. Working this way allows us to analyse the data on a like-for-like basis, accounting for the expected changes in activity that are usually observed at this point in the year. It also enables us to more easily highlight the standout regions – i.e. those that have performed below expectations.

So, which regions are tracking in the right direction?

Short on time?

Here are the key findings:

Q2 2025 outperformed Q2 2024 in every region bar the North West.

Notable increases to planning activity were observed in seven of the eight regions over Q2 2025, with the East Midlands and West Midlands experiencing the highest percentage gains for residential units.



Standout Q2 2025 regions vs. Q2 2022

Q2 2025 outperformed Q2 2022 in only one region:

the **West Midlands**, where the units applied for rose by 23.01%.

Quarterly Net Gain Residential Units

North West

Q2 2022	8,983
Q2 2025	8,480
Increase	-5.60%

North East

Q2 2022	2,694
Q2 2025	2,201
Increase	-18.30%

Yorkshire and the Humber

Q2 2022	8,273
Q2 2025	4,458
Increase	-46.12%

East Midlands

Q2 2022	6,717
Q2 2025	6,063
Increase	-9.74%

West Midlands

Q2 2022	6,714
Q2 2025	8,259
Increase	+23.01%

East of England

Q2 2022	19,299
Q2 2025	11,594
Increase	-39.92%

South West

Q2 2022	14,918
Q2 2025	9,949
Increase	-33.31%

South East

Q2 2022	17,817
Q2 2025	14,044
Increase	-21.18%

Standout Q2 2025 regions vs. Q2 2023

Q2 2025 outperformed Q2 2023 in four regions:

East of England, **North East**, **South West** and **West Midlands** where the units applied for rose by 4.45%, 13.05%, 19.88% and 36.90% respectively.

Quarterly Net Gain Residential Units

North West

Q2 2023	14,723
Q2 2025	8,480
Increase	-42.40%

North East

Q2 2023	1,947
Q2 2025	2,201
Increase	+13.05%

Yorkshire and the Humber

Q2 2023	4,553
Q2 2025	4,458
Increase	-2.09%

East Midlands

Q2 2023	8,626
Q2 2025	6,063
Increase	-29.71%

West Midlands

Q2 2023	6,033
Q2 2025	8,259
Increase	+36.90%

East of England

Q2 2023	11,100
Q2 2025	11,594
Increase	+4.45%

South West

Q2 2023	8,299
Q2 2025	9,949
Increase	+19.88%

South East

Q2 2023	17,094
Q2 2025	14,044
Increase	-17.84%

Standout Q2 2025 regions vs. Q2 2024

Q2 2025 outperformed Q2 2024 in all regions except the **North West**.

Quarterly Net Gain Residential Units

North West

Q2 2024	8,689
Q2 2025	8,480
Increase	-2.41%

North East

Q2 2024	1,539
Q2 2025	2,201
Increase	+43.01%

Yorkshire and the Humber

Q2 2024	3,242
Q2 2025	4,458
Increase	+37.51%

East Midlands

Q2 2024	3,316
Q2 2025	6,063
Increase	+82.84%

West Midlands

Q2 2024	4,810
Q2 2025	8,259
Increase	+71.70%

East of England

Q2 2024	9,351
Q2 2025	11,594
Increase	+23.99%

South West

Q2 2024	6,117
Q2 2025	9,949
Increase	+62.65%

South East

Q2 2024	8,509
Q2 2025	14,044
Increase	+65.05%

What do these results show?

The regions continue to follow a similar pattern set in Q1 – i.e. overall, **most are exhibiting signs of improvement on last year**, albeit with one outlier.

This is good news and shows that the **uptick in units applied for is well distributed across the country**. Moreover, four regions have seen particularly strong growth of more than 60% against Q2 2024.



Analysis

Early indicators of meaningful change

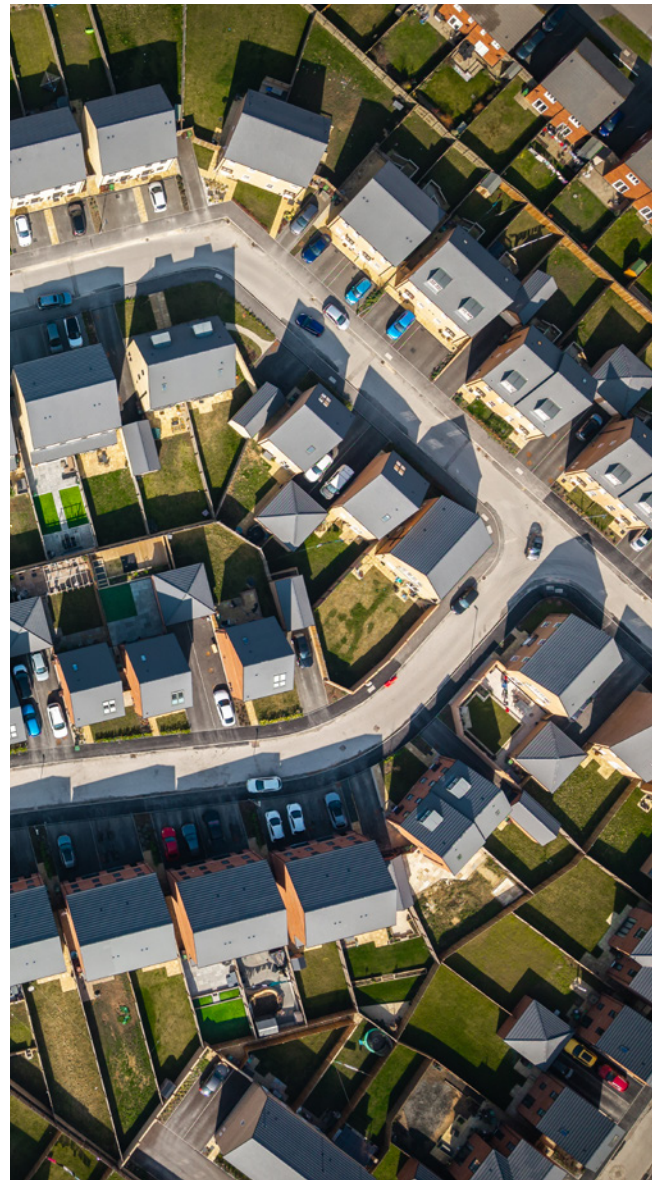
It's easy to forget that the government is still only just reaching its first year in office, such is the pace of legislative change that has taken place so far. Because of this, the industry is still acclimatising to a new playing field and, consequently, the data featured in this report is still heavily influenced by that adjustment.

Applications typically take several months or more to submit – particularly those for larger proposed developments – so it would be unreasonable to expect an immediately positive response to reforms. Still, both the national and regional data has revealed nascent signs of growth, bringing us closer to what the government has in mind for housing delivery. We may still be some way off the volume required to deliver 1.5 million homes before the next general election, though at this stage the trend line is what really counts – and it's showing us something positive.

Some of this report has analysed consecutive quarters, as has been done for other editions of The Planning Application Index. It's important to understand how these periods relate because they give the reader an understanding of what's gone before and how the quarter in question has performed. On this basis, some might conclude Q2 was underwhelming, but that would be a judgement lacking important context.

Q1 was host to a major surge. This, coupled with the traditional drop-off typically seen in Q2, must be kept front of mind in any assessment. While performance in Q2 was modest in comparison, it also features the hallmarks of greater successes to come. Against the same quarter a year previously, applications were up. That must not be overlooked.

Ultimately, we have seen proposed units increase in both quarters of 2025, which is by far the more important metric examined in this report. As such, it's not unreasonable to suggest the government's reforms are having the desired effect. However, definitive conclusions will emerge in Q3 and Q4, making the next index particularly telling.





Powered By

TerraQuest

For more information, visit

information@terraquest.co.uk | 0121 234 1300

Sixth Floor Suite, 31 Temple Street, Birmingham, B2 5DB