



PlanningPortal



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TerraQuest

Q3 2025:

An auspicious moment
for housing delivery

TerraQuest

The Planning Application Index

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

Foreword

Welcome To the Planning Application Index from TerraQuest.

Those in our industry looking for positive news need look no further. The data in this latest report shows momentum has shifted gear over the past three months, with application activity building on the tentative signs of growth seen in Q2. All our key metrics have seen a notable increase and are trending upwards – exactly the change we hoped to see at the close of the previous quarter.

Housing is the story of Q3 2025. Numbers of housing units applied for are not only up on Q3 2024 – confirming year-on-year growth – but we’ve also seen the highest number of proposed units applied for in any three-month period since Q4 2021. This reverses an established trend and signals the industry is now keen to press ahead with development.

We’ve also seen notably positive movement in terms of housing type. Looking at our data from 2020 onwards,

Q3 2025 received the highest number of applications for both affordable housing and affordable rent sector homes in a single quarter. This comes with market homes also reaching their highest point since Q4 2023, not to mention a more even spread of planning activity across the country.

It is a clear step forward for one of the government’s flagship election promises.

While the sentiment is certainly positive, it would be remiss to overlook the climate in which this data arrives. Sustained economic growth is still yet to materialise and inflation remains stubbornly above the Bank of England’s 2% target rate.¹

Readers may also notice our numbers tend to reflect a more positive picture than the government’s own validated and approved statistics. Our data captures applications at submission – and most importantly numbers of individual housing units – offering a real-time view of developer intent and market confidence. In contrast,

government statistics only include planning applications that have been validated, and for housing data they track only the number of approved units. We track total submissions for both. This is why The Planning Application Index exists. By tracking submissions as they occur, we provide the clearest early signal of developer activity, progressing industry conversations and highlighting challenges as soon as they emerge. If the number of submissions increases but the number of validated applications does not, it prompts important questions about the underlying reasons for this disparity.

What we’re seeing is encouraging, but we also need to witness this uninterrupted growth continue into Q4 and beyond. And, most important of all, we need to address the issues that hamper later stages of delivery. Tackling challenges post-submission will result in more applications translating into actual housing – without question the country’s most in-demand resource.

Thank you for reading.



Geoff Keal
CEO of TerraQuest

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Glossary

Net gain	Change in the dwelling stock calculated by adding new builds, conversions and changes of use, minus 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.
Affordable rent sector	Three rental housing categories grouped together (social rented housing, affordable rented housing, intermediate rented housing).

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.

¹ <https://www.bbc.com/news/live/c62ldgvl24et>
² <https://thenegotiator.co.uk/news/land-new-homes/new-housing-secretary-slams-unacceptable-planning-figures/>

The National Picture

Growth for all the key metrics



Short on time?
Here are the key findings:

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



At c. 68%, this quarter saw a **significant year-on-year increase** when compared with the same period in 2024.



Year-to-date total also showed a marked increase, **up 50% on the same point last year**, bringing activity above 2023 levels and moving closer to those last seen in 2022.



Q3 2025 proposed units are up considerably on Q2 2025, **establishing a positive trend moving into the final months of the year**. Historically, Q4 has delivered more proposed dwellings than Q3 – on average c. 25% more – so the upward trajectory looks set to continue.



Total application numbers are up on all counts, including Q3 2024 and Q2 2025.

Applications for market homes reached their highest level since Q4 2023.



TerraQuest received its **highest number of applications** for affordable homes and affordable rent sector homes in a single quarter this decade.

The sentiment running through our Q2 2025 index was cautious optimism. The quarter exhibited tentative signs of growth across the most relevant and meaningful metrics – i.e. proposed units – despite fee increases having an influence on the volume and scope of planning activity recorded between Q1 and Q2.

For Q3 2025, however, the outlook is decidedly positive. Both application numbers and proposed units are now trending firmly in the

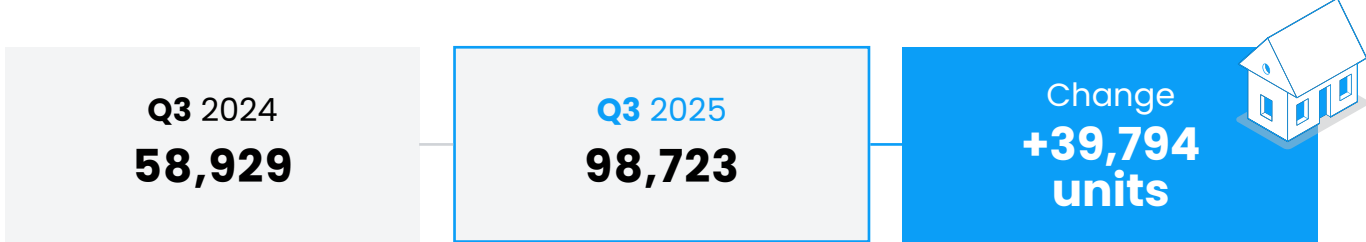
right direction, with the latter experiencing a noticeable spike over the past three months. This is significant because the Q3 time frame comes with fewer caveats. Applicants will now be moving ahead with development plans in full knowledge of the legislative changes announced over late 2024/early 2025. The data is also less influenced by any tendency to 'watch and wait', which may have occurred ahead of the 2024 general election. As such, it represents a more definitive picture of the market's intentions and outlook.



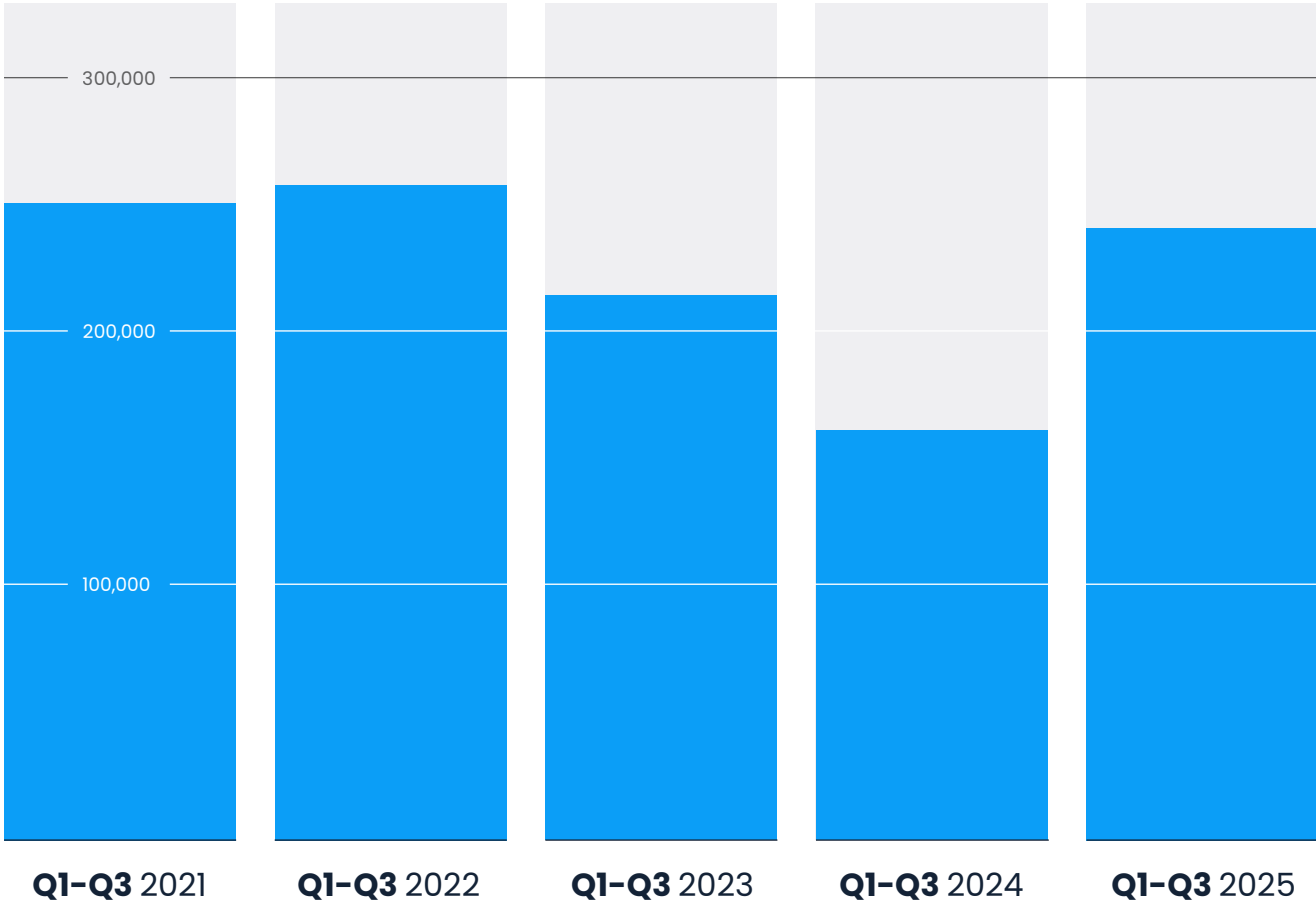
1. Growing confidence year on year

Proposed Units

Applications for proposed units in Q3 2025 saw a large increase on the same quarter a year previously. In Q3 2024, the number of units submitted in planning applications stood at 58,929; in Q3 2025, it was 98,723. This difference of 39,794 units represents a year-on-year increase of approximately 68%.



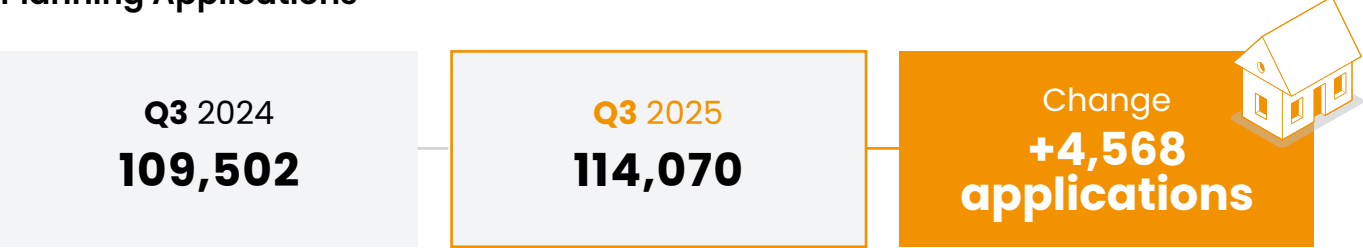
Proposed Units Year to Date



Year-to-date figures also showed similarly encouraging signs when compared with 2024. For example, the total number of units applied for at the end of Q3 2024 stood at 160,357. At the close of Q3 2025, the year-to-date total is already tracking well ahead at 240,142. In other words, proposed units are currently up c. 50%.

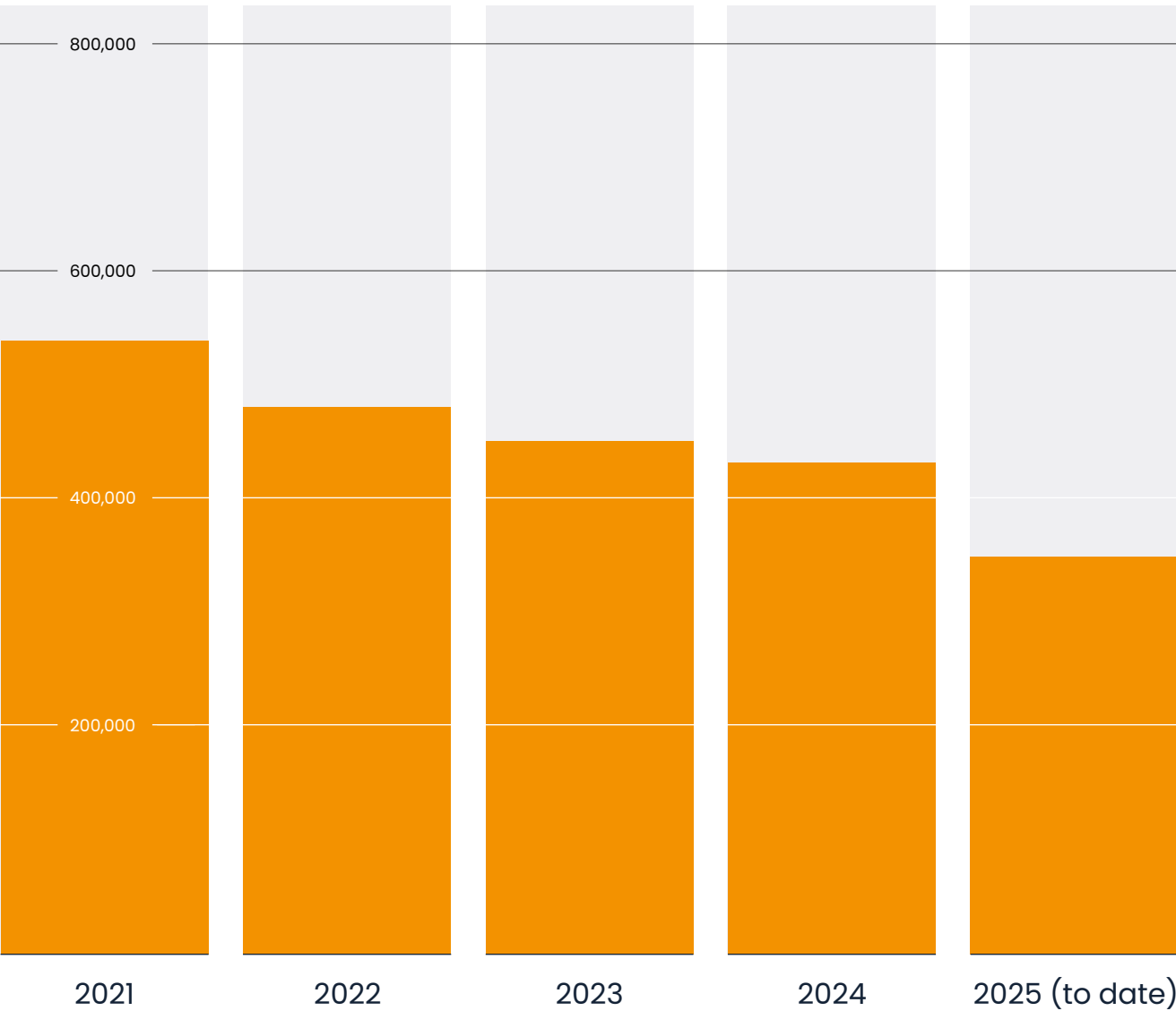
While these application numbers come at the earliest stages of the housing delivery funnel, they represent an important change of direction for the industry, building on the nascent signs of recovery seen in TerraQuest’s previous index.

Planning Applications



Q3 2025 also outperformed Q3 2024 and Q3 2023 in terms of application numbers. In Q3 2024, a total of 109,502 submissions were made. In Q3 2025, that figure was up more than 4,500 at 114,070. Barring the noticeable increase recorded in Q1 2025, this quarter’s total represents the highest number of submissions made in any quarter since early 2023. At 347,032, these are also the most submissions year to date since 2022.

Total Planning Portal Applications



2. Similarly positive splits between Q2 and Q3

Given 2024's relatively low output, year-on-year quarterly comparisons only tell part of the story. To give a more complete picture, it's important to look at consecutive quarters in 2025, as this determines the staying power of emerging trends first observed in our previous index.

Q1 2025 experienced high volumes of planning application activity, leading to a slight drop in proposed units over Q2 2025. Nevertheless, Q2 still tracked closely to its predecessor, signalling growth to come.

Based on the latest figures, we can now confirm this early indication was accurate. Between Q2 and Q3 2025, proposed units applied for rose by 29,126 – an increase of approximately 42%.

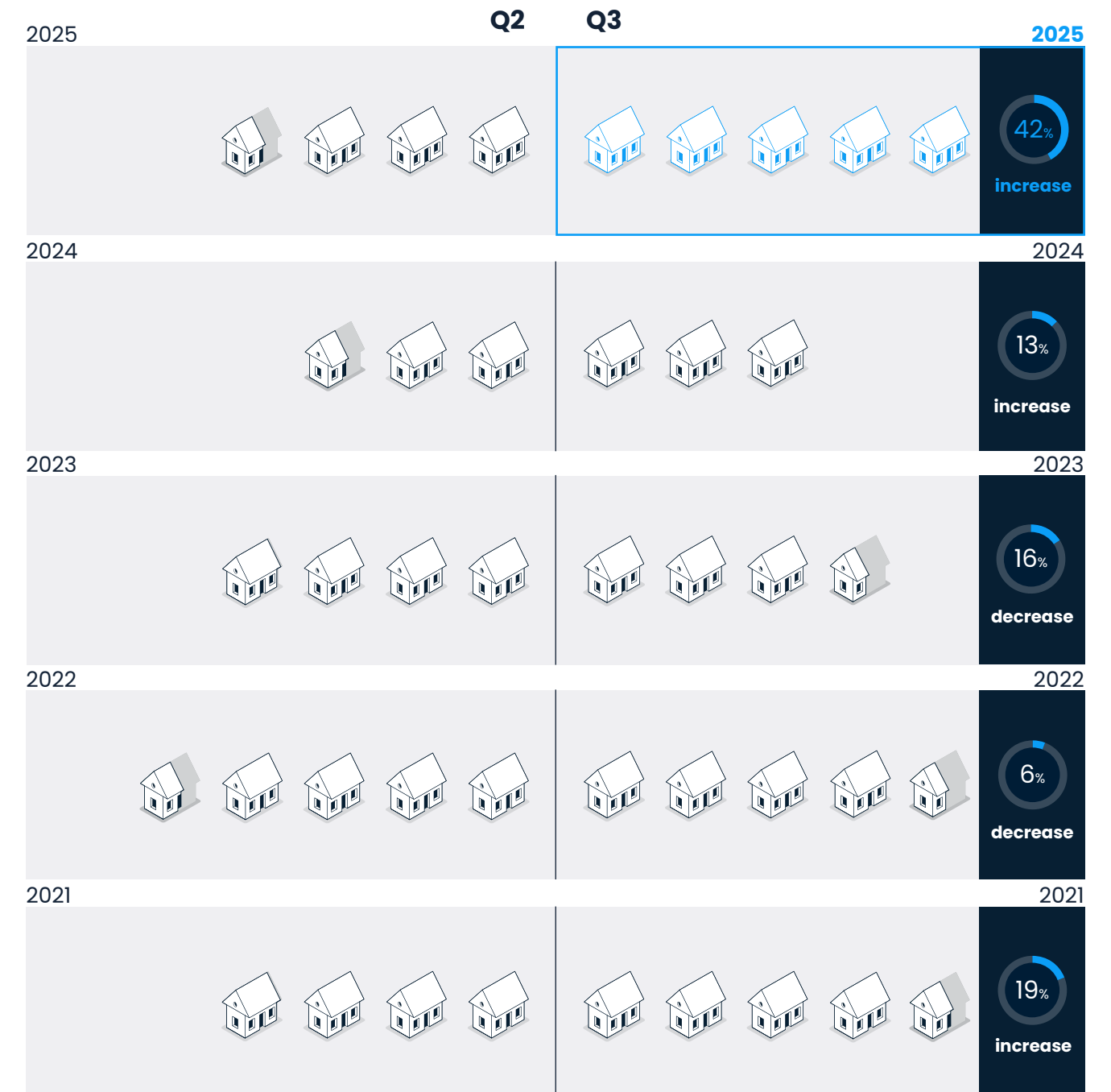
This is the largest quarter-on-quarter increase seen at this point in the year since the beginning of the decade.



With the government's agenda largely set in motion and the new financial year well under way, the significance of this increase should not be overlooked. It's the cementing of a positive trend for housing delivery, now observed across two consecutive quarters.

These are encouraging indicators that we're moving closer to the growth rate required to meet the government's target of 1.5 million homes by 2029.³ As such, it would not be unreasonable to suggest that reforms have – at the very least – been well received by developers, with good reason to expect further activity during the final months of the year.

Proposed Units Change Q2 vs Q3 (historical)



= 20,000 units

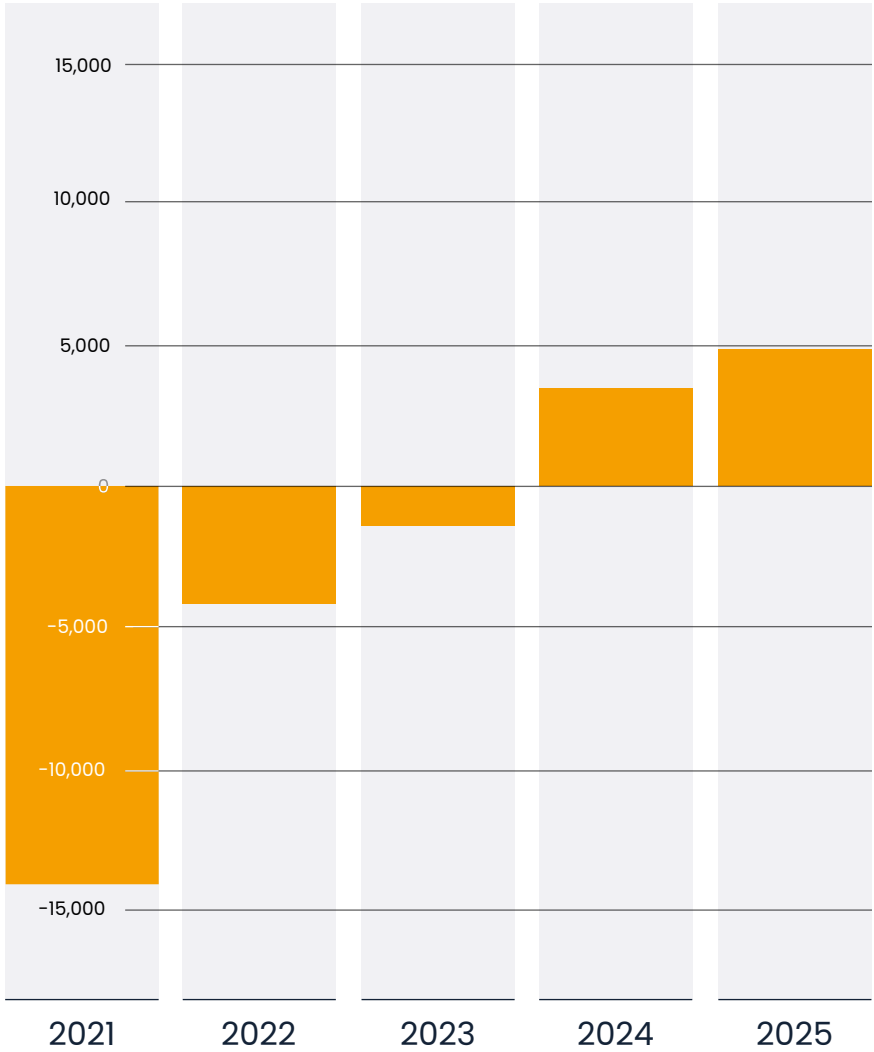
Total Number of Planning Applications

Some readers may have noticed total application numbers have not risen as sharply as proposed units between Q2 and Q3. This is explained by a higher number of large-scale residential applications featuring more units per submission.

In terms of proposed units, TerraQuest received its largest-ever residential application through the portal in Q3 2025, with plans to deliver a substantial number of homes. This is a promising sign as government priorities shift towards new town development and appetite grows for large-scale projects. We anticipate more major applications of this kind, with larger schemes set to play an increasingly important role in shaping the modern housing delivery landscape.

Even allowing for this outlier, unit applications still grew significantly in Q3, building on the momentum established in Q2.

Applications Q2 vs. Q3 (historical)

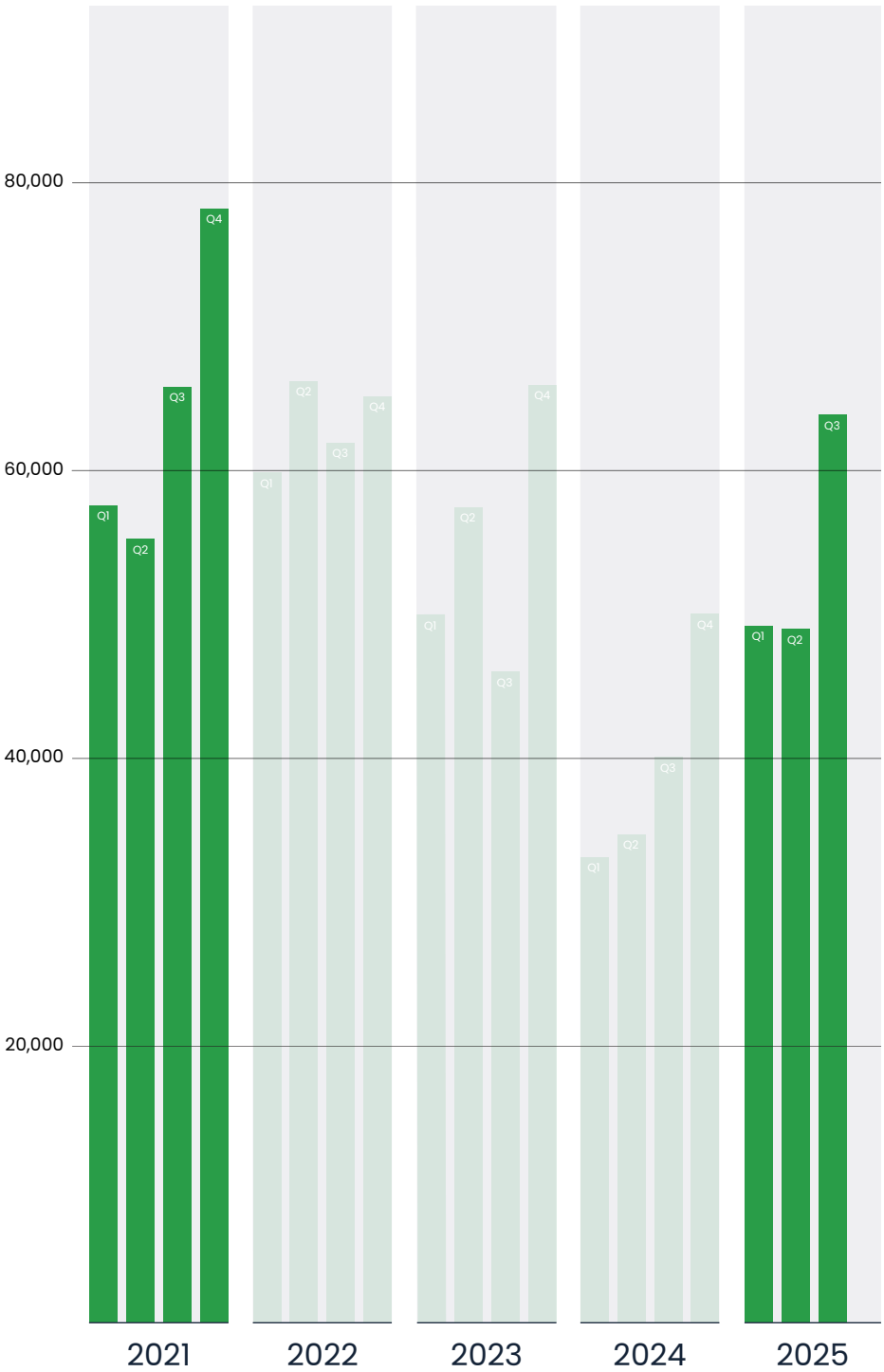


3. Record levels for affordable and market housing

As expected, market homes continue to dominate development plans.

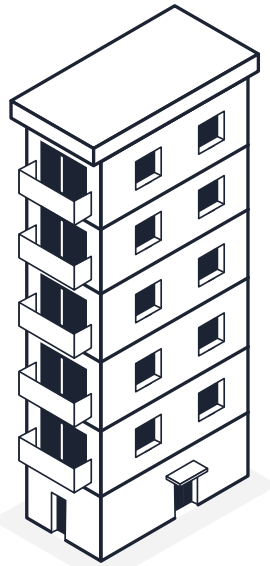
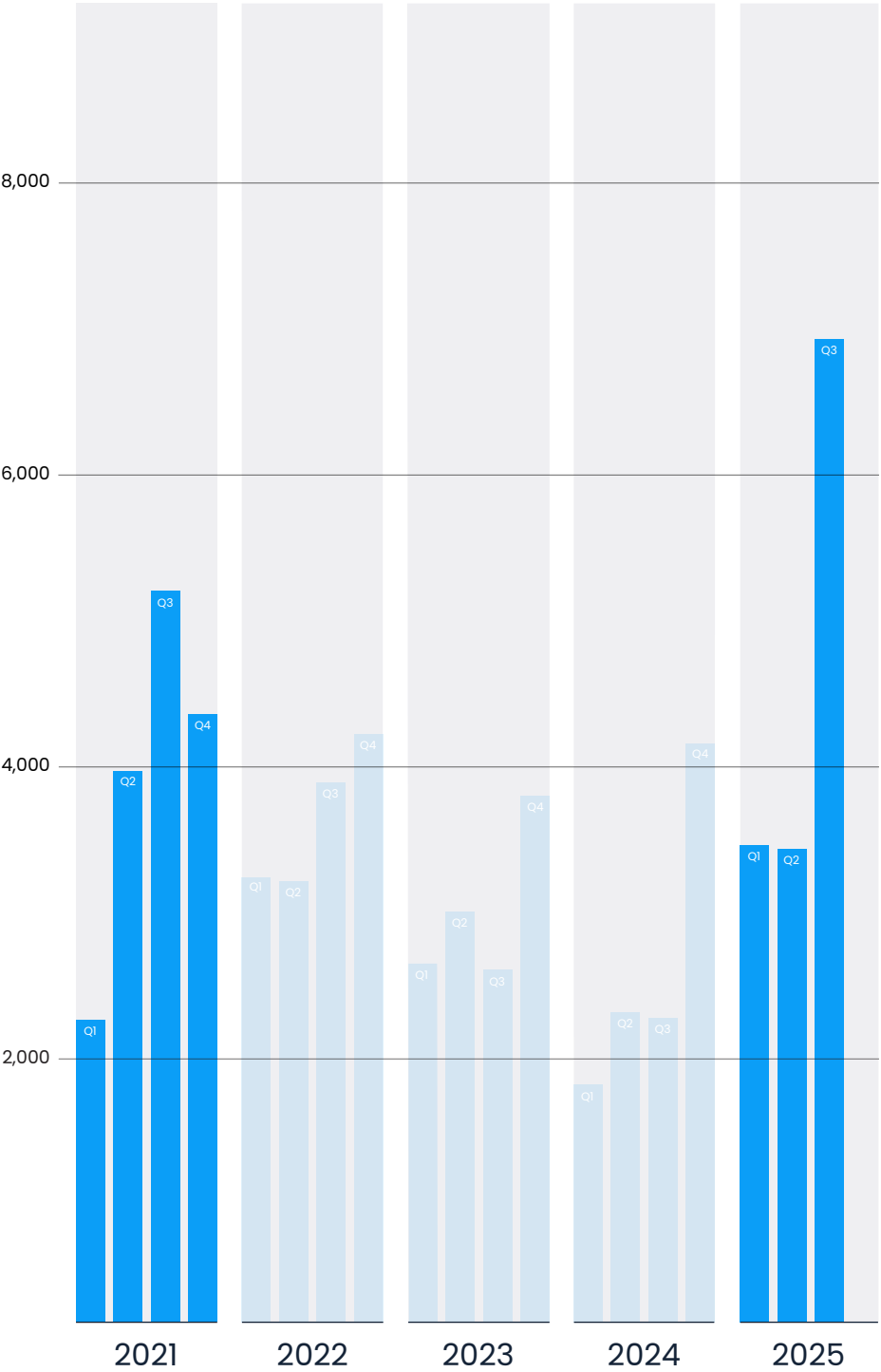
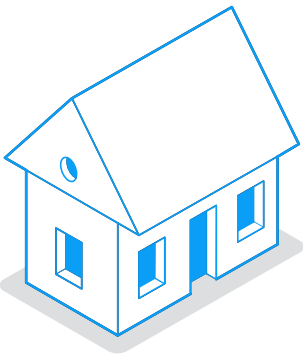
The number of applications featuring this housing type reached its highest level since Q4 2023.

Marketing Housing (5 year historical)

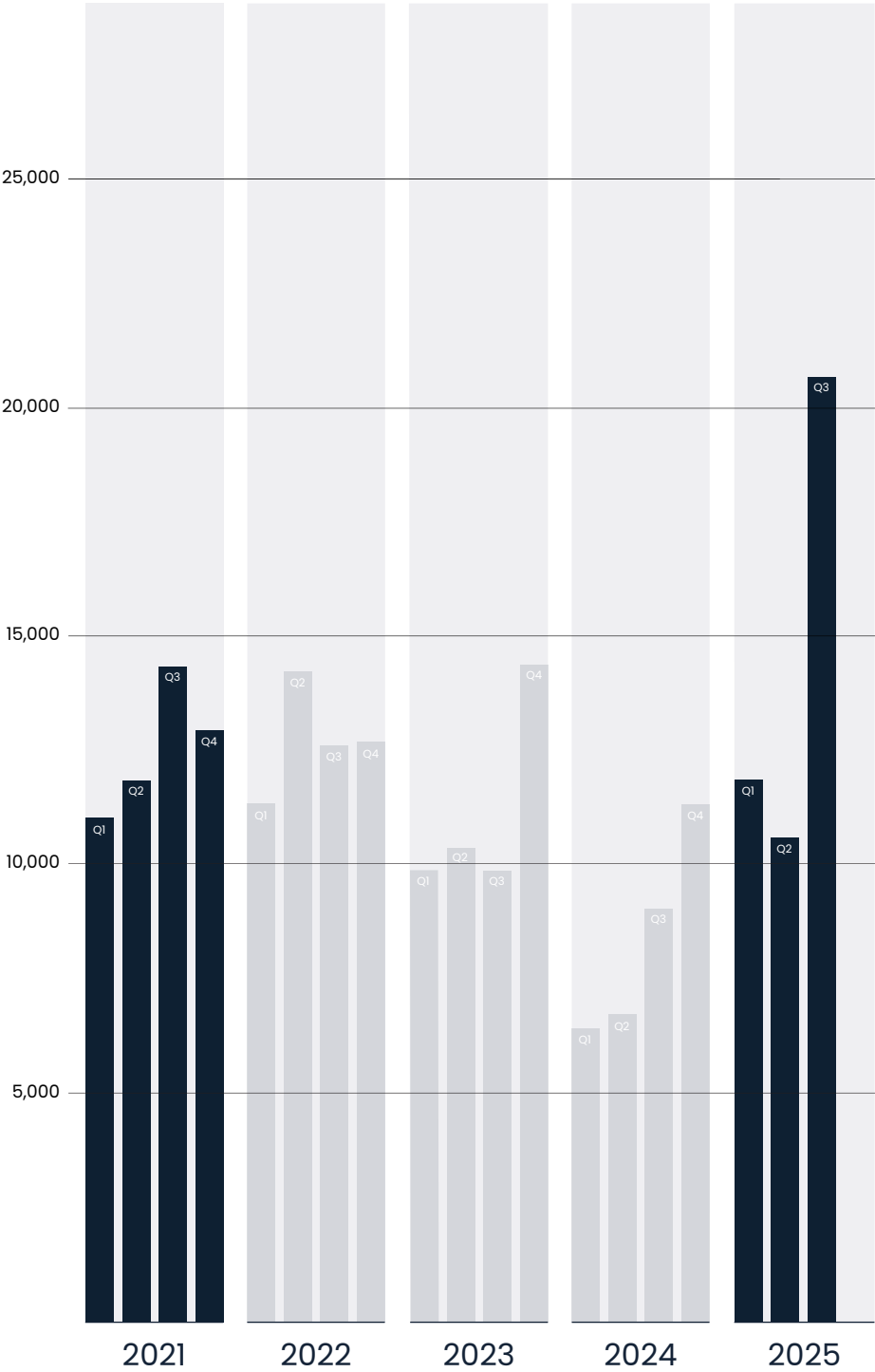


Affordable Home Applications Quarterly (historical)

↑
However, Q3 2025 also delivered the highest number of applications for both affordable homes and affordable rent sector homes in a single quarter since 2021.



Affordable Rent Applications Quarterly (historical)



The Regional Picture

A return to form

This section focuses on historical comparisons of Q3 in each region over the past three years. 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 different points in the year.

It also enables us to more easily highlight the standout regions – i.e. those that have performed above or below expectations.

So, which regions are tracking in the right direction?

Standout Q3 2025 regions vs. Q3 2022

Q3 2025 outperformed Q3 2022 in four regions, with the **East of England** making considerable gains on the same period three years earlier.

Quarterly Net Gain Residential Units

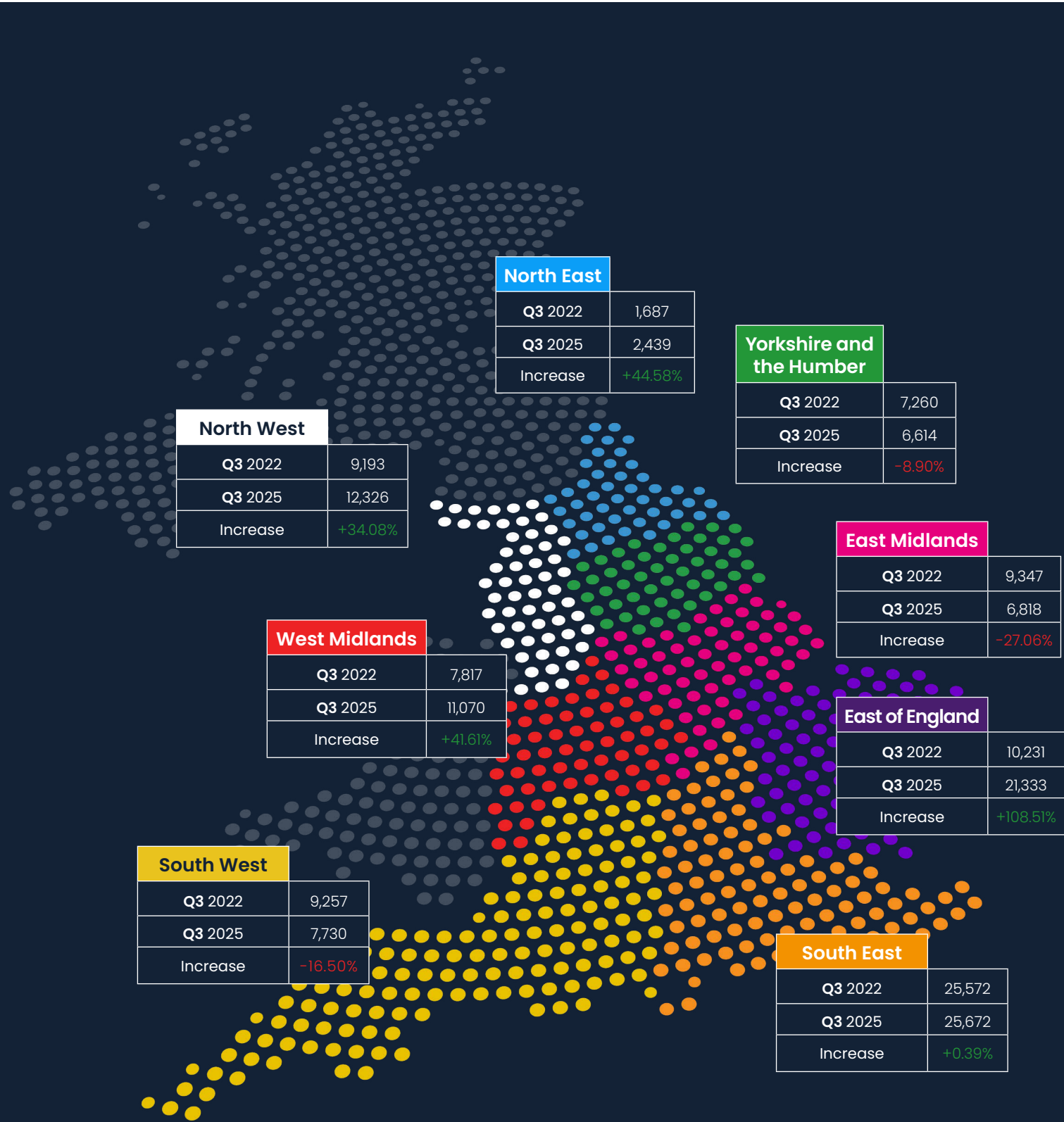
Short on time?
Here are the key findings:

Regional results show no major disparity when compared with the national picture
– i.e. the majority are trending upwards.

Q3 2025 outperformed Q3 2024 in all regions except the North East and South West,
where net gain residential units fell by 4.47% and 6.25% respectively.

Q3 2025 performed strongly when compared with the same quarter in 2022 and 2023
– i.e. when planning activity was closer to the peak level seen in 2021.

The North West, East of England and South East posted particularly strong numbers in Q3 2025,
achieving triple-digit percentage increases on Q3 2024.



Standout Q3 2025 regions vs. Q3 2023

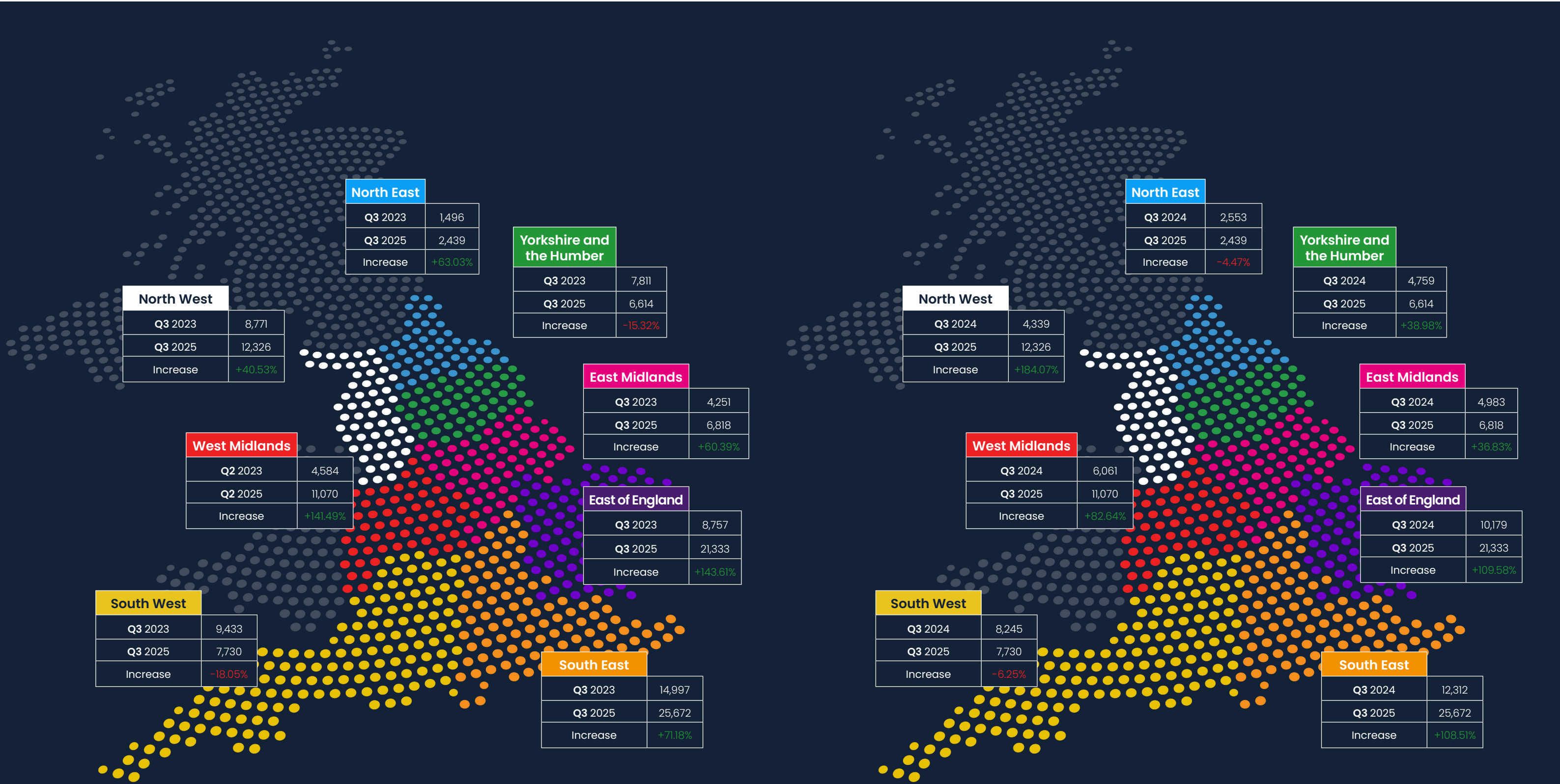
Q3 2025 outperformed Q3 2023 in all regions besides the **South West** and **Yorkshire and the Humber**. The **East of England** and the **West Midlands** posted particularly strong numbers this year when compared with 2023.

Quarterly Net Gain Residential Units

Standout Q3 2025 regions vs. Q3 2024

Q3 2025 outperformed Q3 2024 in all regions except the **North East** and **South West**. Activity in the **North West** was particularly strong this quarter, which recorded a triple-digit percentage increase on the same period a year earlier.

Quarterly Net Gain Residential Units



What do these results show?

By region, planning activity continues to build on the growth seen in Q2 2025 – considerably in certain parts of the country.

The South East, for instance, dipped by 16% between Q1 and Q2, but rebounded with a 83% increase in Q3. It's also important to note that **Q3 2025 has performed strongly when compared with the higher-volume quarters recorded in 2022 and 2023.**

Analysis

Will increased applications translate to delivery?

Overall, application submission numbers have improved significantly. Our data shows Q4 has historically performed strongly and, with the momentum from Q2 and Q3 this year, there are encouraging signs that we'll see similarly strong numbers in the final months of 2025.

Based on these figures alone, there is little reason to be discouraged. Rising submissions are a necessary condition for meeting housing targets and their performance is a critical indicator for the direction of national development. However, it's important to recognise the submissions we receive come at an early stage of a process, with a high rate of attrition from inception to delivery.

Naturally, submission gains this quarter will not mirror a direct increase in approvals or even validations in Q3. We know, for example, that major residential applications face a statutory 13-week determination period, and recent legislative changes alongside local authority capacity pressures mean many submissions are unlikely to be determined until later in this year or even next.

This raises a broader question: are wider conditions – both economically and legislatively – conducive to housing delivery on a scale not seen for several decades? The only way to fully answer this question is by examining every point in the chain. Approvals and completions, for example, are both key metrics for giving the most accurate picture of where housing delivery stands across the country.

Our data shows there has been a marked increase in application submissions, no doubt to some degree motivated by the prospect of government-backed growth and a clearer policy direction for development. The intention to build is clearly there and in increasing volume. The challenge now is to convert that intent into tangible outcomes.

This perspective aligns with recent comments from Steve Reed, the new secretary of state for housing, communities and local government. As Reed emphasised in one of his first media engagements in post, through reforms the government aims to create the right climate for development by removing *“every barrier [that’s] stopping construction going ahead”*.⁴

In other words, if the momentum we're seeing at submission doesn't lead to more validations, approvals and delivery, it's a valuable chance to ask why and identify the barriers holding projects back.

At the time of writing, the government has just released its long-anticipated new towns report, revealing the recommended locations of 12 new towns, each expected to deliver at least 10,000 homes.⁵ Coupled with the rise in Q3 submissions, this should boost confidence among those responsible for housing delivery.

If we are in a period of renewed growth – as the data suggests – then TerraQuest's next index will be key for confirming expectations. For reasons explained above, it will also be the first place this important news emerges, so stay tuned for our Q4 findings.

⁴ <https://www.independent.co.uk/news/business/steve-reed-government-keir-starmmer-angela-rayner-england-b2825144.html>
⁵ <https://www.gov.uk/government/news/expert-taskforce-recommends-locations-for-new-towns>

