

PEXA Mortgage Insights Report

FINANCIAL YEAR 2022

 **PEXA** Insights

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Home loan lending grew strongly in FY22

Over 472K new loans were taken out in the eastern states in FY22 to fund the purchase of property, with volumes well up for both residential and commercial properties compared to FY21. All three eastern states recorded in excess of 150K loans each as borrowing reached record levels driven by the booming property market of 2021.

A further 331K refinances were recorded in FY22, as property owners, driven by the prospect of rising interest rates, sought out better deals on their home loan. All eastern states experienced significant rises in FY22 in refinancing, with QLD up 49.8%, NSW up 25.8% and VIC up 23.7% year on year. These volumes were on top of the already high volumes of FY21 during a period of ultra low interest rates.



Mike Gill, Head of Research PEXA

RESIDENTIAL HIGHLIGHTS

- > **QLD recorded the most residential new loans in FY22 at nearly 160K**, edging out VIC and NSW. The volumes in QLD were up 10.3% on FY21.
- > **Postcode 3029 (Truganina) topped all postcodes in FY22 in the eastern states for total residential new loans**. Over 5.3K new loans were completed in the postcode in FY22.

COMMERCIAL HIGHLIGHTS

- > **VIC posted the highest number of commercial new loans at just over 7K in FY22**, up a huge 35.8% year on year.
- > **Postcode 3175 (Dandenong) topped all postcodes in the eastern states for the most commercial new loans in FY22**. Other VIC postcodes, 3029 (Truganina) and 3076 (Epping) rounded out the top 3.

This report aims to provide a comprehensive view of mortgage trends for the eastern states of NSW, VIC and QLD, including new loans and refinances. Loan figures quoted include all residential and commercial properties unless otherwise stated. Any non-monetary settlements such as family transfers or gifts have been excluded.

Our analysis only includes sale settlements and refinances lodged digitally via PEXA. As at Jun-22, over 98% of property sales in NSW & VIC, and over 73% in QLD were settled via PEXA.

It should be noted our analysis counts sale settlements that were funded with a loan as a new loan, regardless of whether an existing loan facility was used

As at Jun-22 over 95% of property refinances in NSW, VIC & QLD were lodged via PEXA. Refinances include external refinances (where the home loan is refinanced with a different lender) and excludes internal refinances (where the home loan is refinanced with the same lender).

QLD recorded the most residential new loans in FY22 at nearly 160K

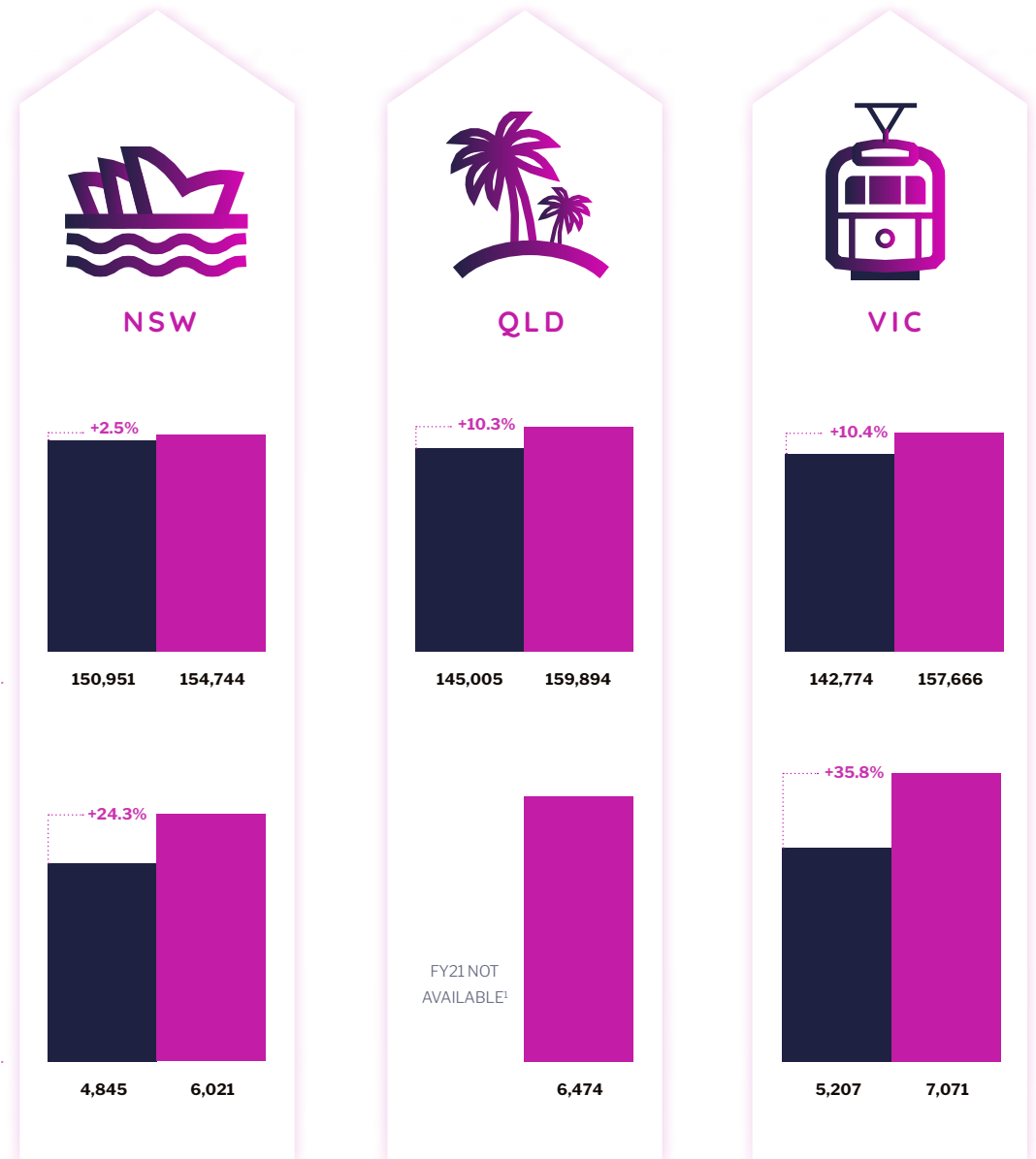
Whilst VIC posted the highest number of commercial new loans at just over 7K

RESIDENTIAL NEW LOANS, TOTAL VOLUME

Residential new loans grew in all eastern states with QLD and VIC leading, up over 10% year-on-year.

COMMERCIAL NEW LOANS, TOTAL VOLUME

Significant growth in FY22 was observed in commercial new loans across all states, with VIC up 35.8% year-on-year.



FY21 FY22

Source: PEXA, QLD Government

¹ FY21 not available due to gradual uptake of the PEXA exchange during the year. Estimate provided for QLD in FY22.

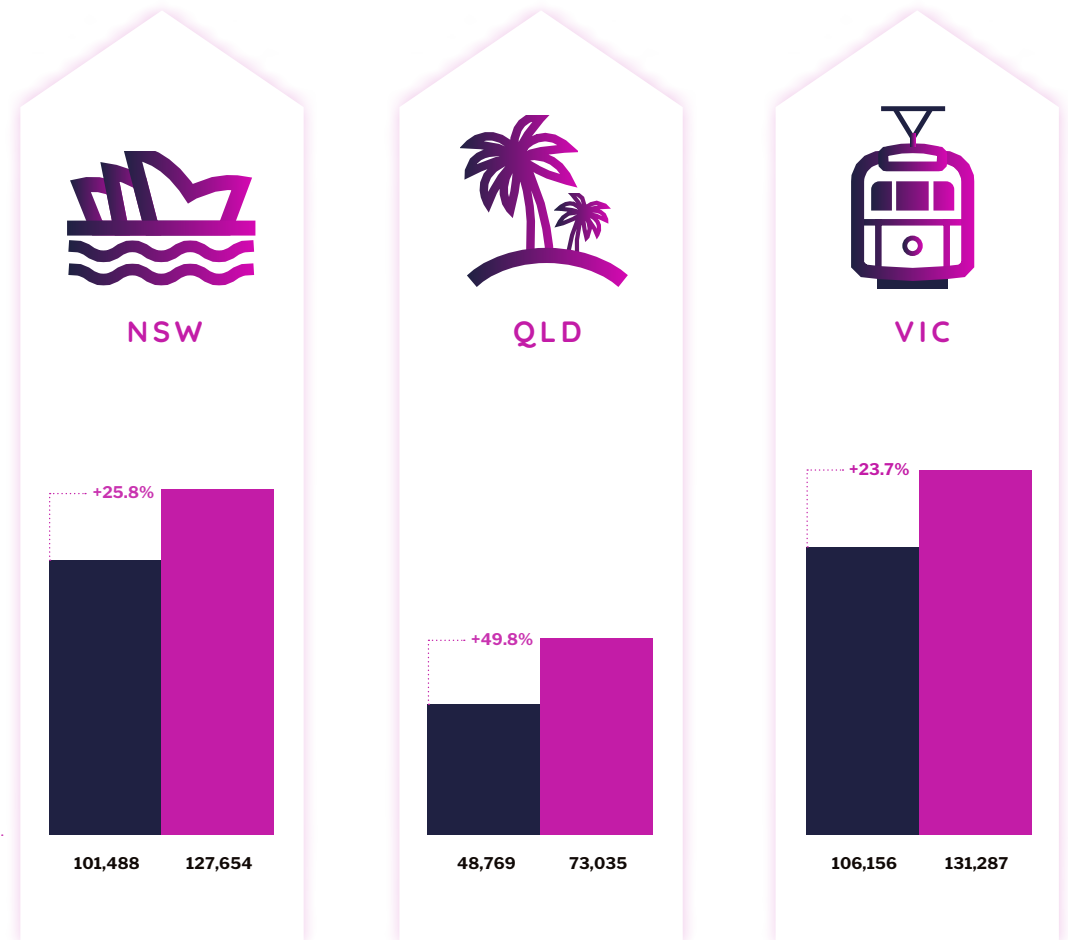
Over 331K refinances were completed in FY22 in the eastern states

Refinances in QLD surged a huge 49.8% year-on-year from FY21 to FY22

REFINANCES (RESIDENTIAL & COMMERCIAL), TOTAL VOLUME

VIC saw over 131K refinances during FY22, with NSW close behind on over 127K.

VIC topped the eastern states for the second year running, recording the most refinances in both FY21 and FY22.



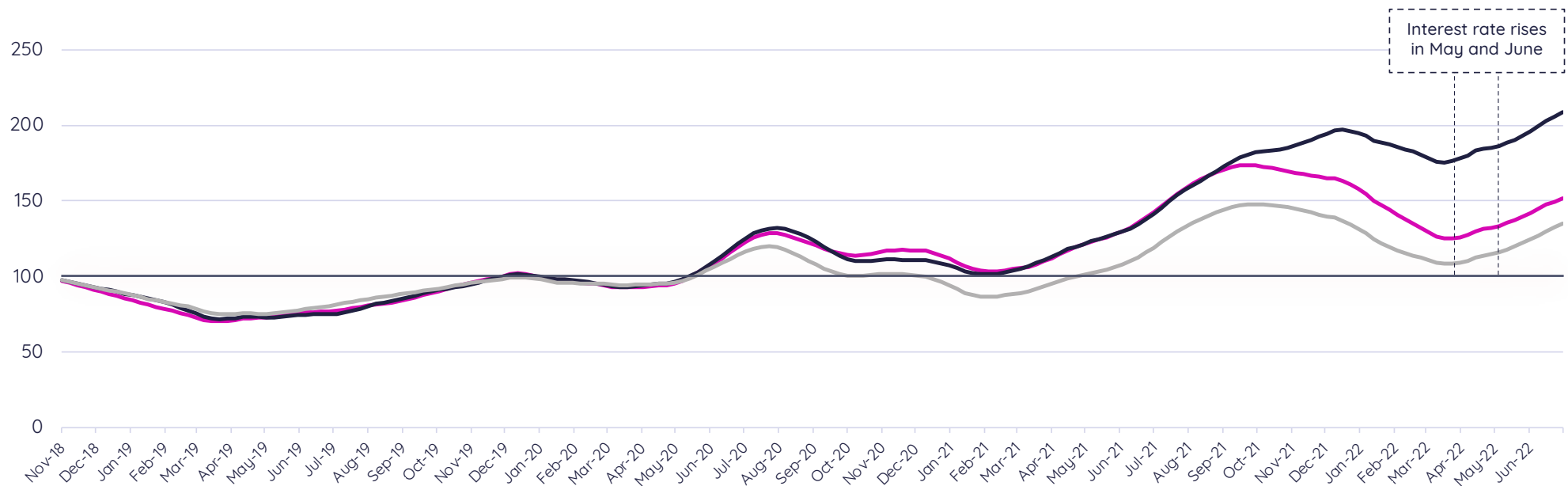
■ FY21 ■ FY22

Source: PEXA, QLD Government

Refinancing continued to trend upwards as the RBA increased interest rates in 2022

QLD hit record highs, with the index topping 200 for the first time

PEXA REFINANCE INDEX - SEASONALLY ADJUSTED



NSW
 QLD
 VIC

PEXA Refinance Index:

PEXA's **Refinance Index** provides timely insights into property refinancing in Australia. The seasonally adjusted index shows weekly changes in the number of refinances, by state, since the start of the index in Oct-2018. For example, if the index rises from 120 points to 140 points (increase of 20-points), this represents an increase of 20% compared to the starting point of the index. View the full index [here](#).

Seasonal variations have been smoothed to show the underlying trends more clearly.

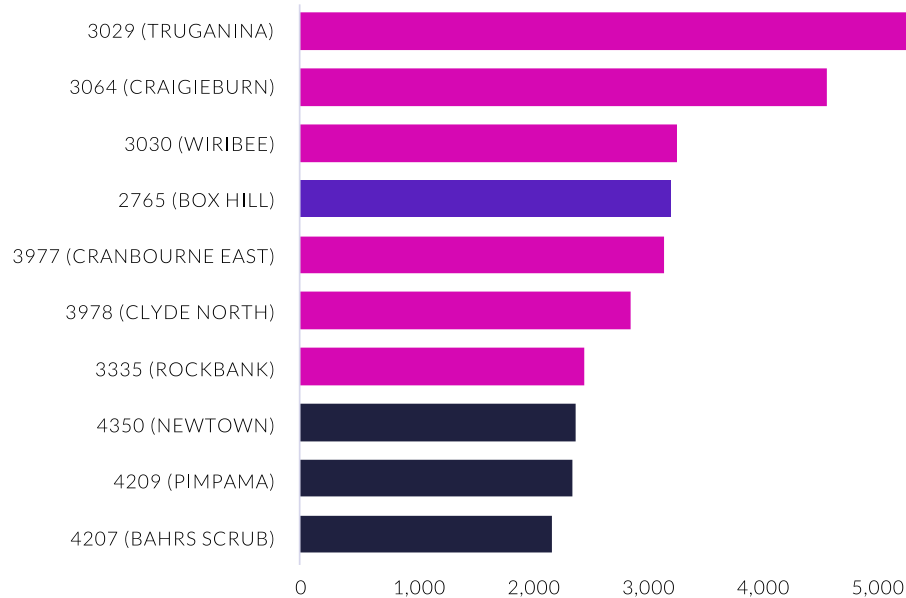
Source: PEXA, QLD Government, NSW Land Registry Services

VIC dominated the top postcodes for residential and commercial new loans

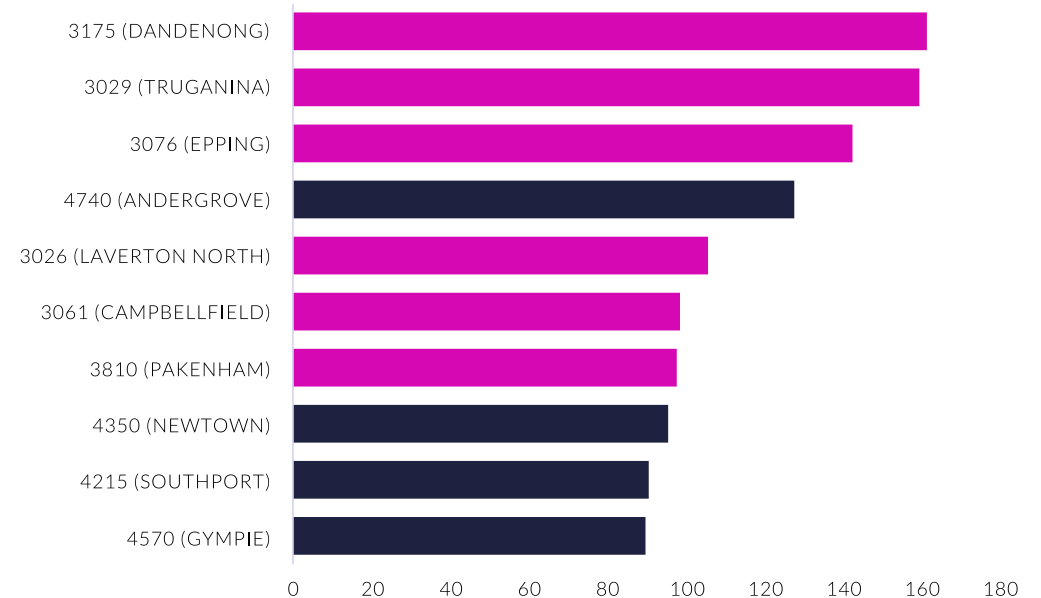
A number of QLD postcodes also ranked highly including 4350 (Newtown) which appeared in both residential and commercial top 10.

3029 (Truganina) and 3175 (Dandenong) topped the lists for residential and commercial new loans respectively

TOP 10 POSTCODES FOR RESIDENTIAL NEW LOANS, TOTAL VOLUME FY22



TOP 10 POSTCODES FOR COMMERCIAL NEW LOANS, TOTAL VOLUME FY22



■ NSW
 ■ QLD
 ■ VIC

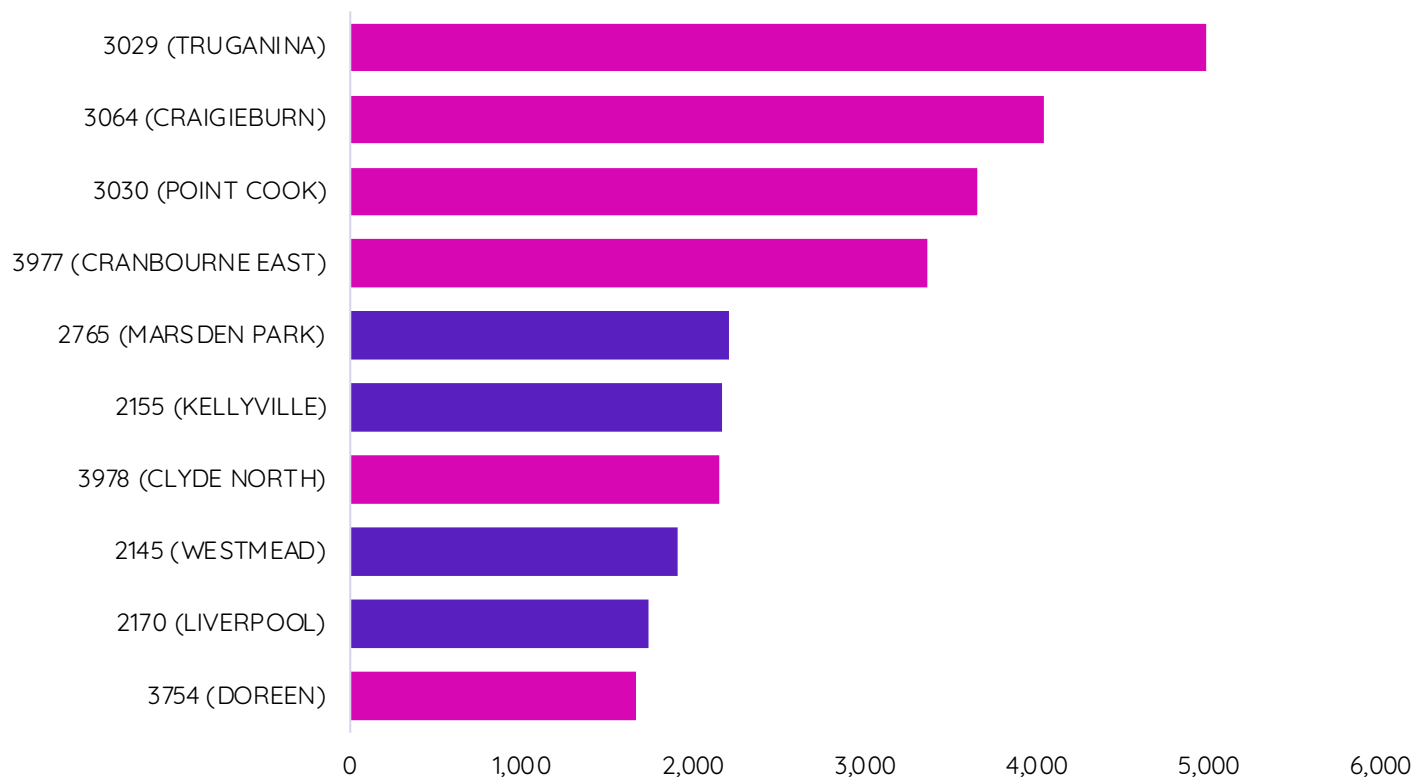
Analysis only includes properties settled digitally through PEXA Exchange. Data analysed at postcode level with the prominent suburb in that postcode shown for convenience. Analysis includes VIC, NSW & QLD only.

Source: PEXA

Postcode 3029 (Truganina) also topped the list for refinances in FY22 with just under 5K

Whilst postcodes in VIC led the ranking, 2765 (Marsden Park) and 2155 (Kellyville) in NSW also recorded high levels of refinancing

TOP 10 POSTCODES FOR REFINANCES (RESIDENTIAL & COMMERCIAL), TOTAL VOLUME FY22, NSW & VIC



■ NSW ■ VIC

Analysis includes properties settled digitally through PEXA Exchange in VIC and NSW only (QLD not available). Data analysed at postcode level with the prominent suburb in that postcode shown for convenience

Source: PEXA

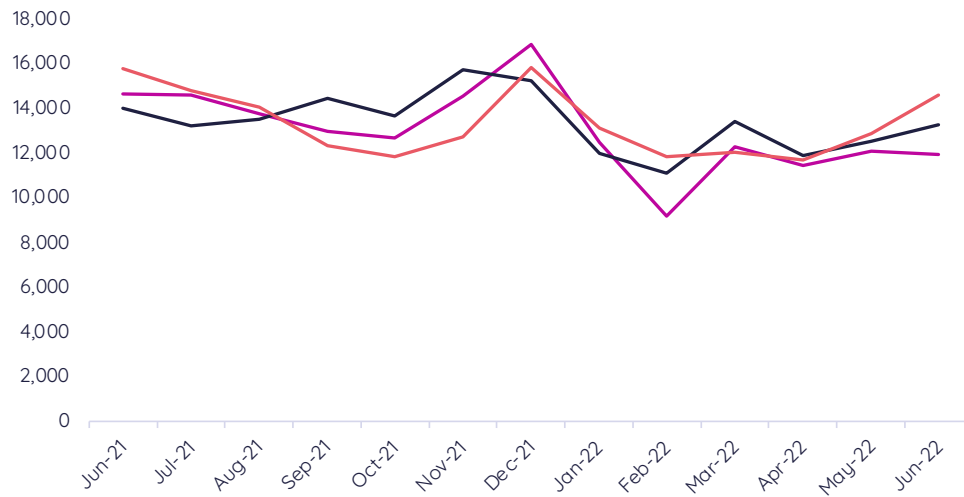
New Loans



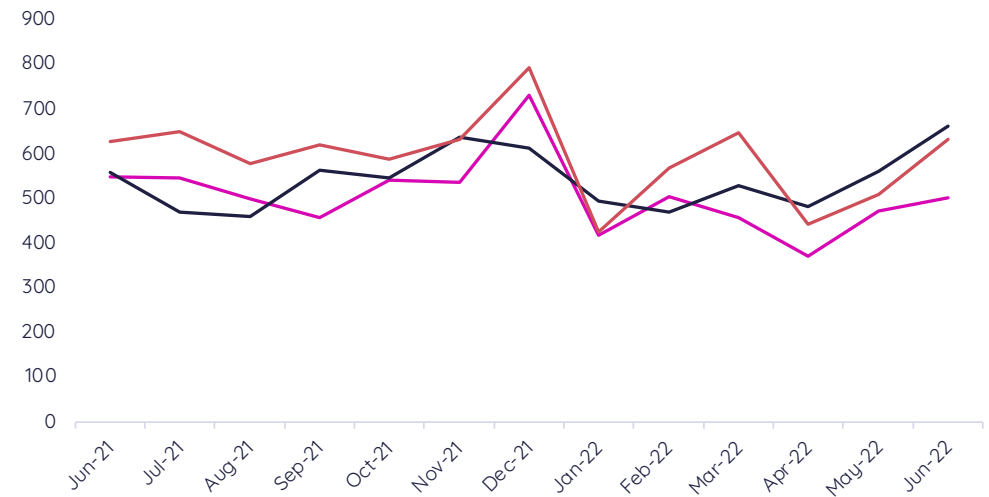
Despite a peak in Dec-21, residential new loans trended downwards throughout FY22

Commercial new loans followed a similar trend, although all eastern states finished the year strongly with uplift in Jun-22

TOTAL RESIDENTIAL NEW LOANS, BY STATE



TOTAL COMMERCIAL NEW LOANS, BY STATE



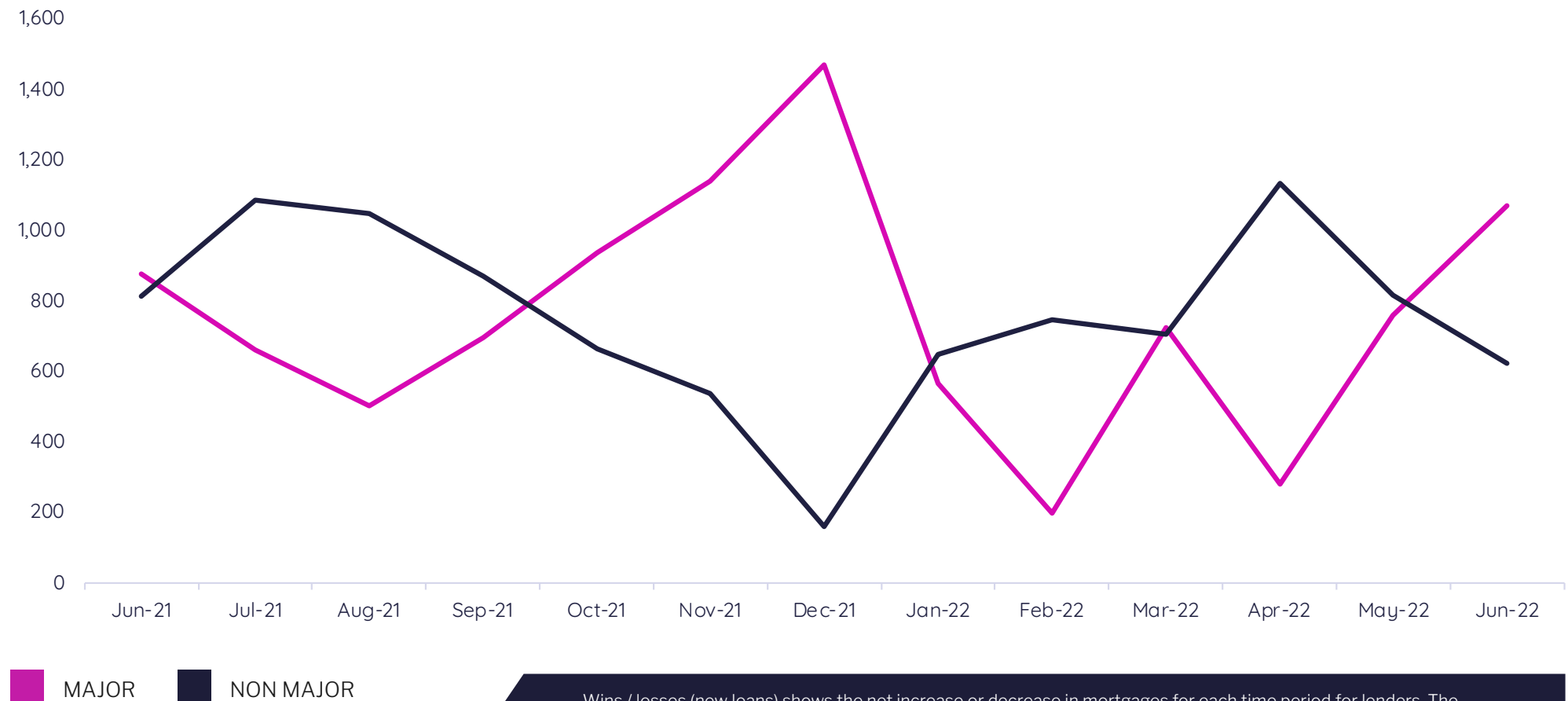
NSW
 QLD
 VIC

Source: PEXA, QLD Government

Both Major and Non-major lenders maintained a positive net position throughout FY22 in NSW

The Majors moved into a slight lead in June

NSW - WINS/LOSSES, NEW LOANS (RESIDENTIAL & COMMERCIAL)



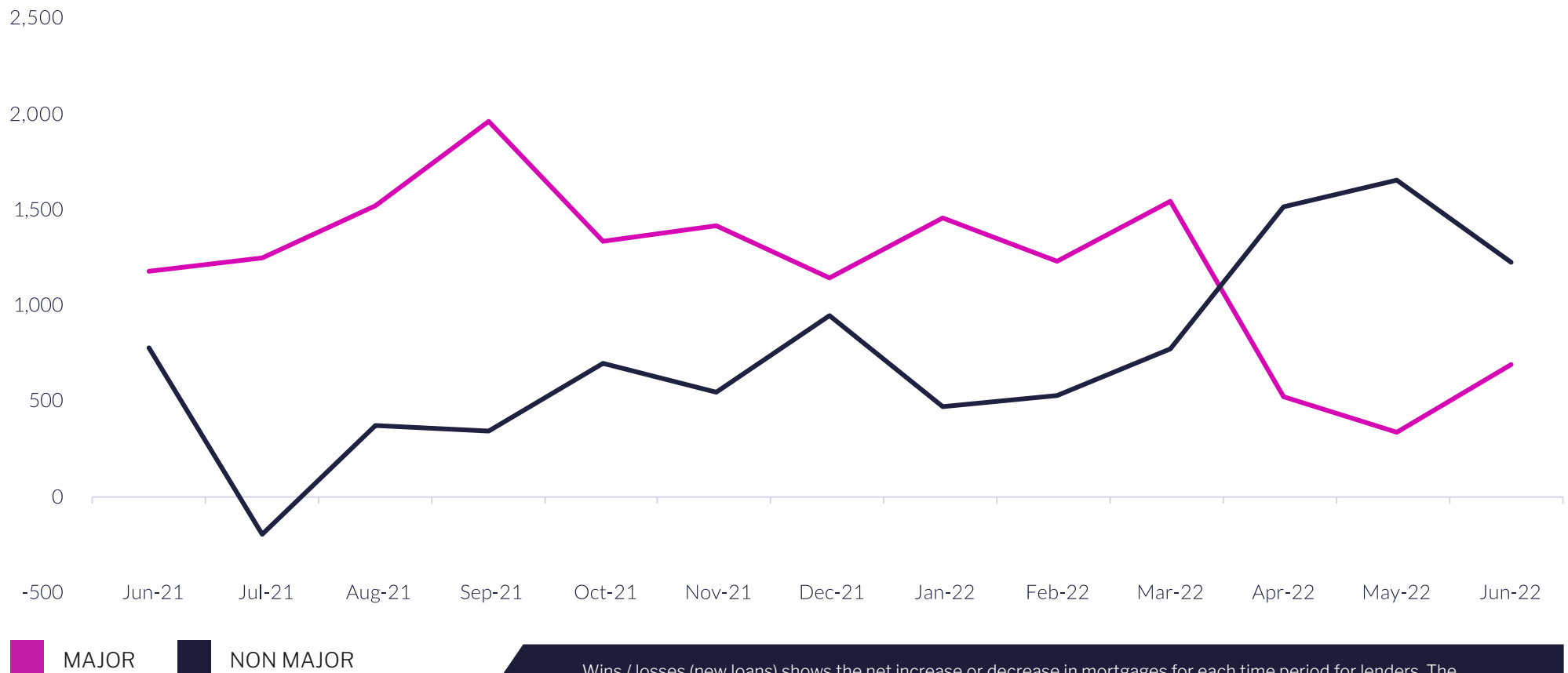
Source: PEXA

Wins / losses (new loans) shows the net increase or decrease in mortgages for each time period for lenders. The calculation takes the total number of new mortgages and subtracts the total number of discharged mortgages for properties that settled in that time period. Importantly, it only includes property sale settlements (not refinances) and excludes properties not part of a sale (e.g. if the loan is completely repaid and the mortgage is discharged). 'Major banks' include their sub brands and subsidiaries unless otherwise stated.

After ceding ground to the Majors, the Non-majors pulled ahead in the final 3 months of FY22 in VIC

Non-majors won over 1,000 new loans more than they lost in each of the final 3 months of FY22

VIC - WINS/LOSSES, NEW LOANS (RESIDENTIAL & COMMERCIAL)



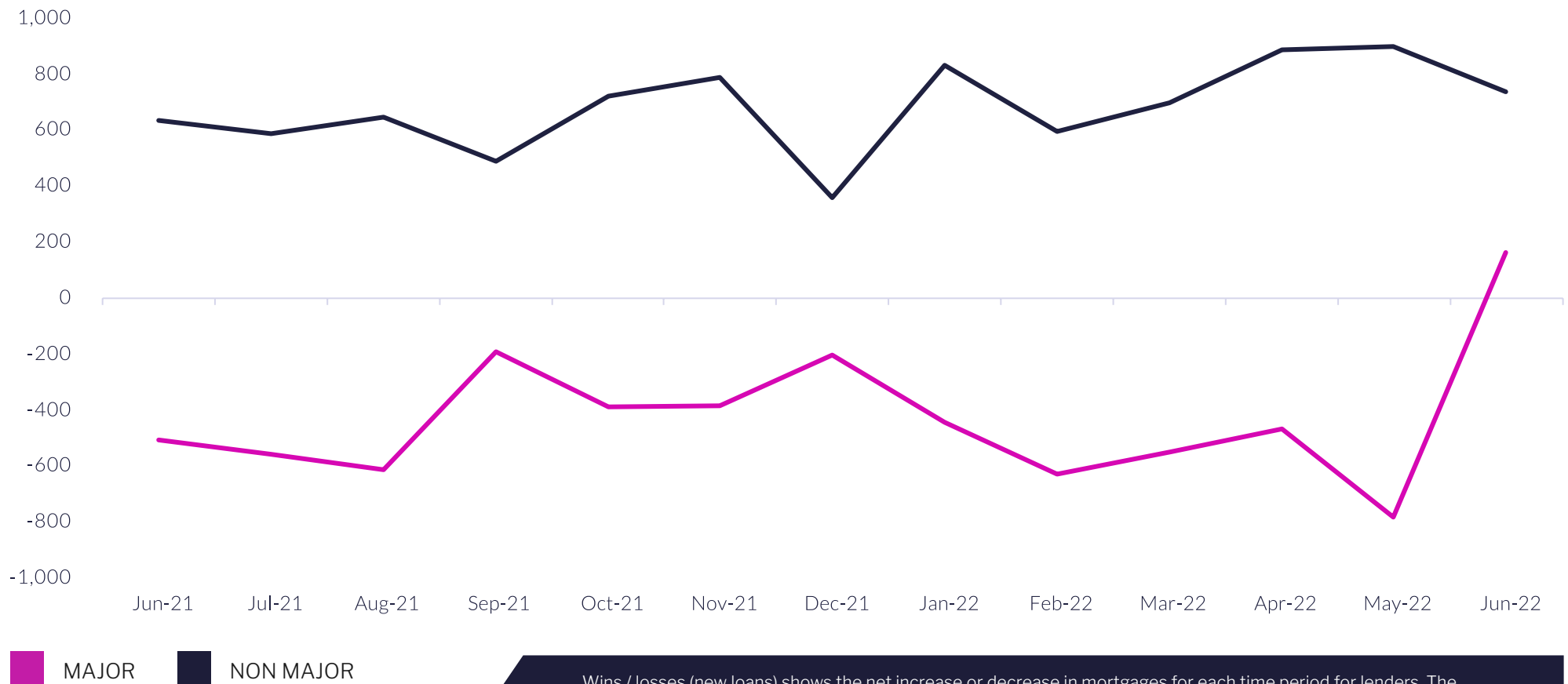
Source: PEXA

Wins / losses (new loans) shows the net increase or decrease in mortgages for each time period for lenders. The calculation takes the total number of new mortgages and subtracts the total number of discharged mortgages for properties that settled in that time period. Importantly, it only includes property sale settlements (not refinances) and excludes properties not part of a sale (e.g. if the loan is completely repaid and the mortgage is discharged). 'Major banks' include their sub brands and subsidiaries unless otherwise stated.

The Non-majors maintained a leading position over the Majors for new loans in QLD in FY22

However the Majors did improve in Jun-22 to move into a positive position for new loans

QLD - WINS/LOSSES, NEW LOANS (RESIDENTIAL & COMMERCIAL)



Source: PEXA

Wins / losses (new loans) shows the net increase or decrease in mortgages for each time period for lenders. The calculation takes the total number of new mortgages and subtracts the total number of discharged mortgages for properties that settled in that time period. Importantly, it only includes property sale settlements (not refinances) and excludes properties not part of a sale (e.g. if the loan is completely repaid and the mortgage is discharged). 'Major banks' include their sub brands and subsidiaries unless otherwise stated.

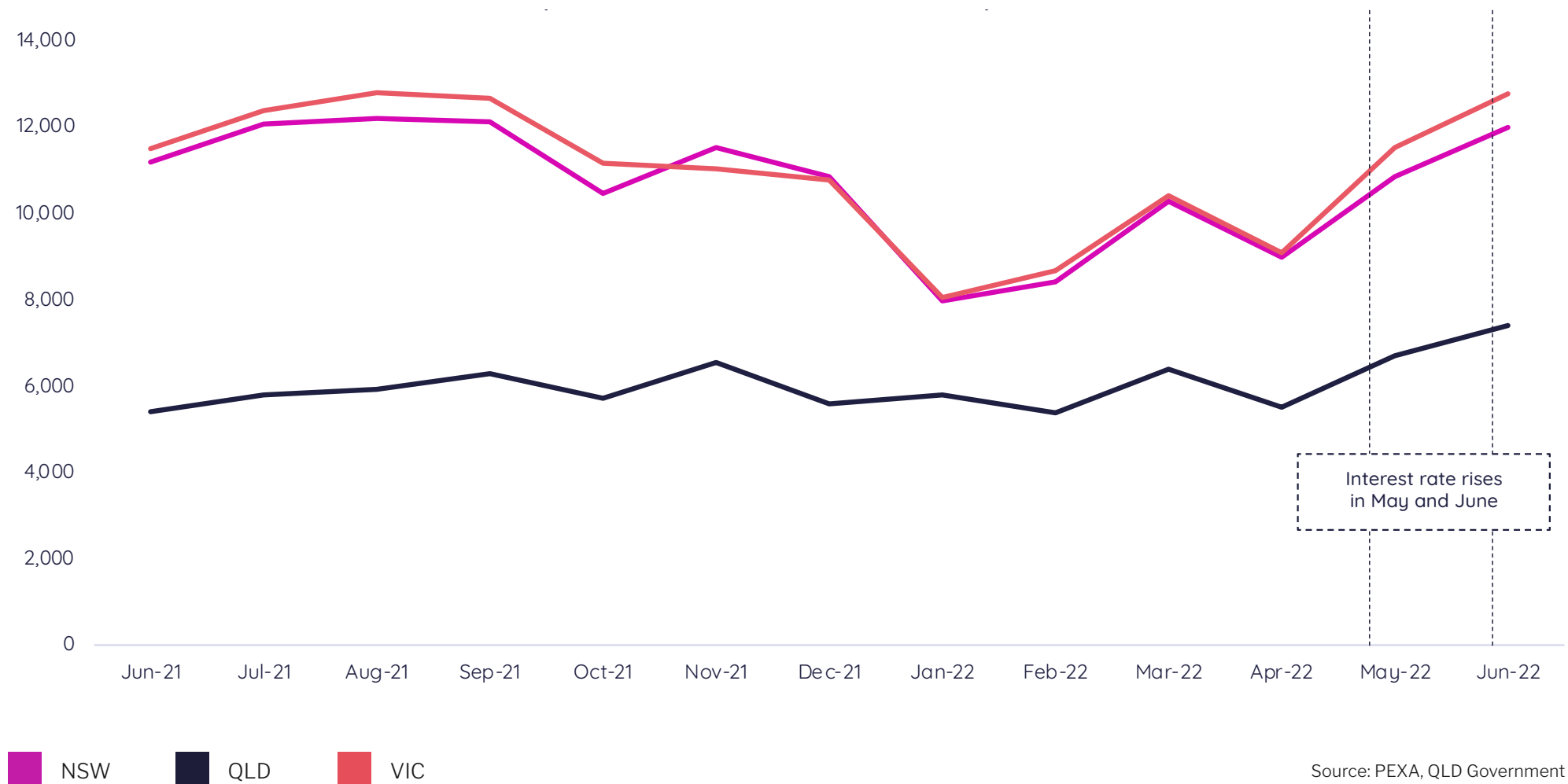
Refinances



Refinancing levels remained elevated throughout FY22

All eastern states saw significant increases in refinances in the final quarter of FY22, coinciding with the RBA lifting interest rates

REFINANCES (RESIDENTIAL & COMMERCIAL), TOTAL VOLUME

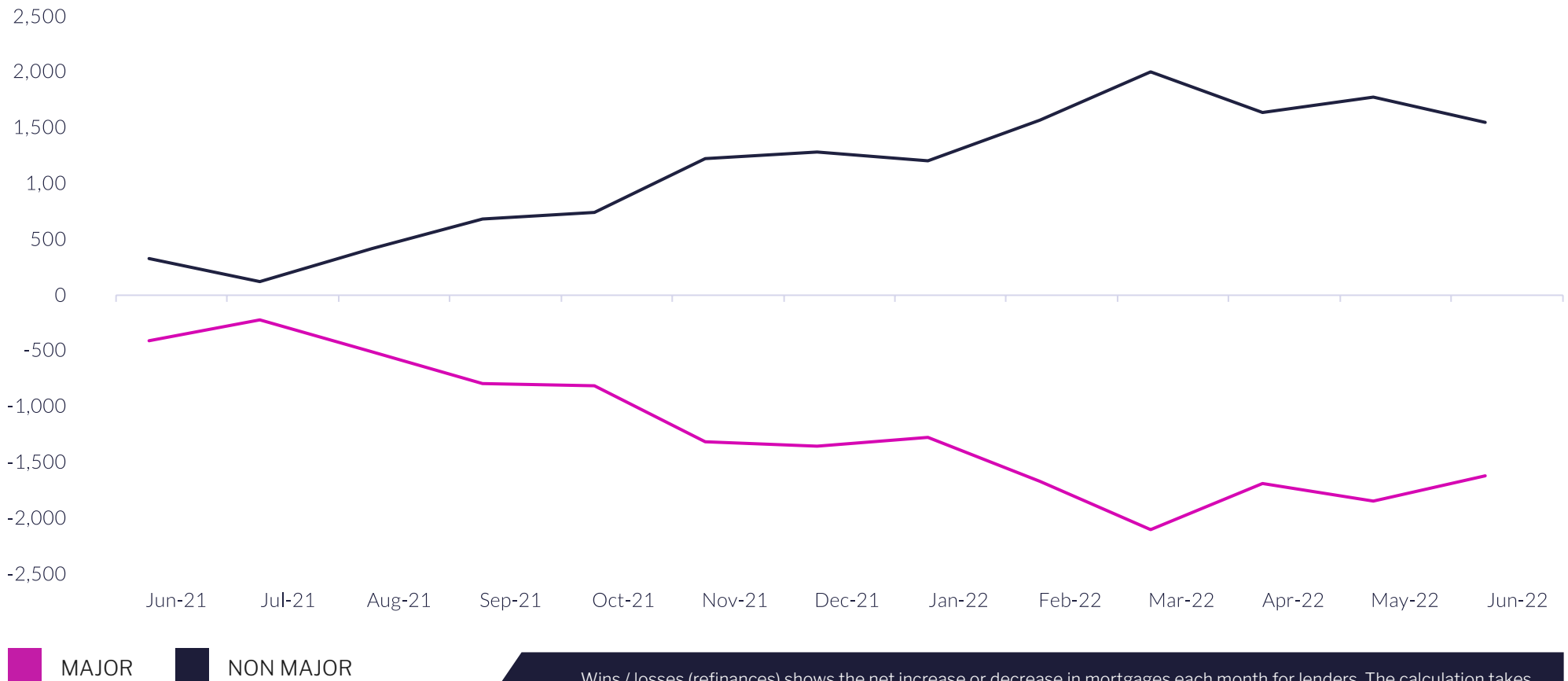


Source: PEXA, QLD Government

Non-majors moved into a dominant position against the Majors for refinances in NSW

The lead continued to grow throughout FY22, with Non-majors successful in winning more refinances than they lost

NSW - WINS/LOSSES, REFINANCES (RESIDENTIAL & COMMERCIAL)



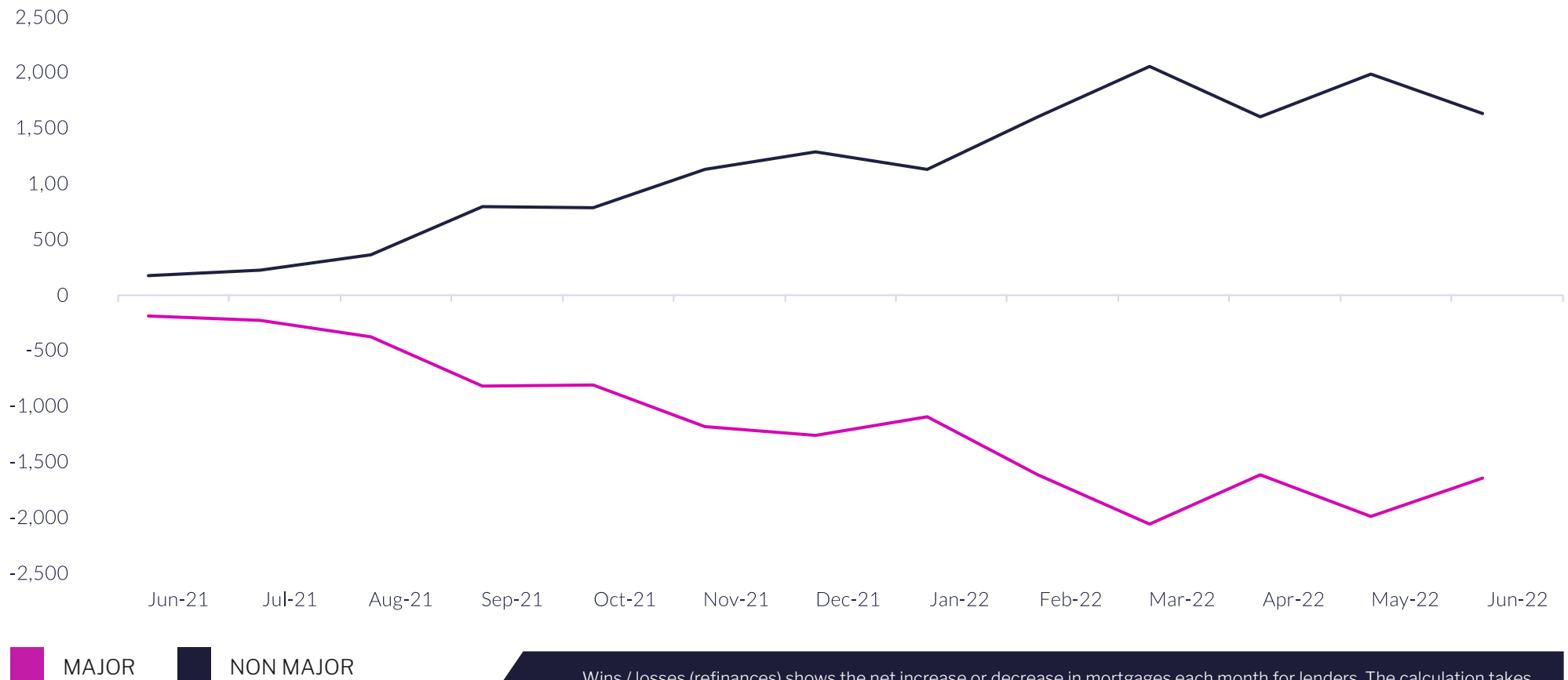
Source: PEXA

Wins / losses (refinances) shows the net increase or decrease in mortgages each month for lenders. The calculation takes the total number of new refinances and subtracts the total number of discharged mortgages for properties that have refinanced in that month. It only includes property refinance settlements (not sale settlements) and excludes properties not part of a refinance (e.g. if the loan is completely repaid and the mortgage is discharged). 'Major banks' include their sub brands and subsidiaries.

Similar to NSW, Non-majors in VIC dominated for refinances

The Non-majors grew their lead over the Majors throughout FY22

VIC - WINS/LOSSES, REFINANCES (RESIDENTIAL & COMMERCIAL)



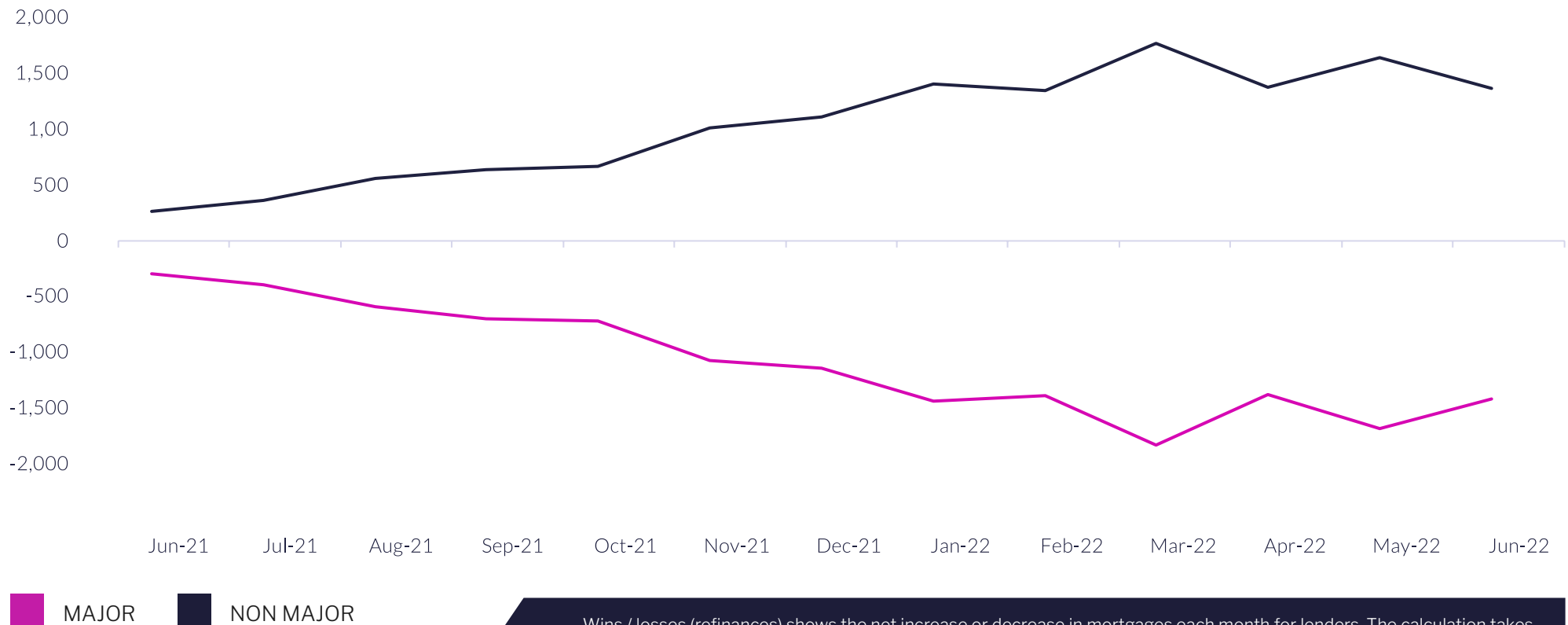
Source: PEXA

Wins / losses (refinances) shows the net increase or decrease in mortgages each month for lenders. The calculation takes the total number of new refinances and subtracts the total number of discharged mortgages for properties that have refinanced in that month. It only includes property refinance settlements (not sale settlements) and excludes properties not part of a refinance (e.g. if the loan is completely repaid and the mortgage is discharged). 'Major banks' include their sub brands and subsidiaries.

Non-majors were also successful in QLD for winning more refinances than they lost

This lead was built by customers switching from the Majors

QLD - WINS/LOSSES, REFINANCES (RESIDENTIAL & COMMERCIAL)



Source: PEXA

Wins / losses (refinances) shows the net increase or decrease in mortgages each month for lenders. The calculation takes the total number of new refinances and subtracts the total number of discharged mortgages for properties that have refinanced in that month. It only includes property refinance settlements (not sale settlements) and excludes properties not part of a refinance (e.g. if the loan is completely repaid and the mortgage is discharged). 'Major banks' include their sub brands and subsidiaries.

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