

PEXA On-Time-Settlement Report

DECEMBER 2022 QUARTER



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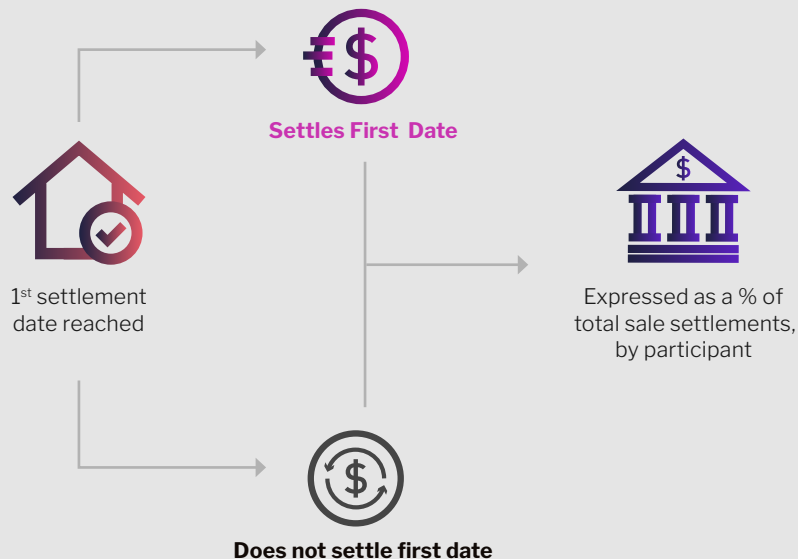
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Our approach

In order to measure the on-time-settlement performance of participants involved in the settlement process, PEXA has developed a metric called **Settled First Date (SFD)**. This metric has been used to assess the performance of both Lenders and Practitioners (Practitioners being property lawyers or conveyancers and Lenders as the providers of a mortgage to the buyer).

SFD measures the percentage of total sale settlements for each participant group that successfully settled on the scheduled day via the PEXA Exchange. The metric is designed to align with buyers' expectations of taking possession of their new property on the agreed settlement date.

How Settled First Date (SFD) is calculated



SETTLED FIRST DATE (SFD)

To most accurately represent the performance of participants, the SFD calculation only includes:

1. Settlements arising from a sale of a property (i.e. property transfers),
 2. For Lenders, where a Lender is providing a mortgage to the buyer
- SFD only counts a missed settlement once, e.g. if a property is due to settle on Monday, but settles on Wednesday after two missed attempts, it is counted as a single missed settlement.

The SFD calculation excludes:

1. Settlements that are not identified to be a sale (e.g., related party transfers, estate matters) and
2. Refinance settlements.

Importantly, SFD is only calculated for the participants on the 'buy' side of the transaction, it does not consider the lender or practitioner on the 'sell' side of the transaction.

Based on this 94.4% of total sale settlements lodged in the PEXA Exchange over the 15-month period Oct-21 to Dec-22 qualified.

Whilst Lenders and Practitioners are critical to the settlement process, it should be noted that consumers (buyers and sellers) also influence the outcome of a successful settlement and should be considered when interpreting the results in this report. PEXA research identified operational delays, documentation delays, complex settlements (i.e. involving more than one property) and funding issues as the most common reasons for missed settlements. PEXA remains committed to work with industry to continually improve.

Key findings

Lenders in Australia successfully settled 88.1% of property sales on the first date via the PEXA Exchange in the Dec-22 quarter, nationally.¹

This result was slightly down on the Sep-22 quarter (down 0.1%) but was an improvement compared to the Dec-21 quarter. Lenders in Queensland posted a record high average SFD of 90.4%, with VIC coming in second place on 88.2%. Lenders in SA trailed the other states with an average result of 85.0% during the quarter.

Nationally, Practitioners achieved an SFD of 87.3%, which was slightly lower than the prior quarter (down 0.2%). Similar to the lenders, average Practitioner SFD was the highest of all states in QLD at 90.2% during the Dec-22 qtr.

Notes on the report

We have shown the on-time-settlement performance of Lenders in Australia by grouping them into six lender segments and reporting averages for each segment.

1. **Major banks**
2. **Major bank subsidiaries**
3. **Other domestic banks**
4. **Customer owned banks**
5. **Foreign ADIs**
6. **Non-ADIs**



Nationally, Foreign ADIs performed strongest, with an average SFD of 91.2%, followed by Customer-owned banks on 91.0%.

These two lender segments held a leadership position in most states. Combined they made up 8.5% of the total settlements analysed in the Dec-22 quarter.

Major Banks continued to perform above the national average, settling 89.4% of properties on the first date. Major bank subsidiaries were slightly lower at 87.9%.

These two segments accounted for 65.9% of total settlements analysed in the Dec-22 quarter.

Non-ADIs recorded the lowest result, averaging 80.6% of properties settled on the first date.

This result was a slight decrease from the previous quarter when 81.2% of properties were settled on the first date

¹ National refers to NSW, VIC, QLD, WA, SA & ACT

Foreign ADIs performed strongest nationally in the Dec-22 quarter achieving an average SFD of 91.2%

Non-ADIs trailed other lender segments at 80.6%

SFD by Lender Segment, National, Dec-22 Qtr



Source: PEXA



The national average for SFD in the Dec-22 qtr was **88.1%**

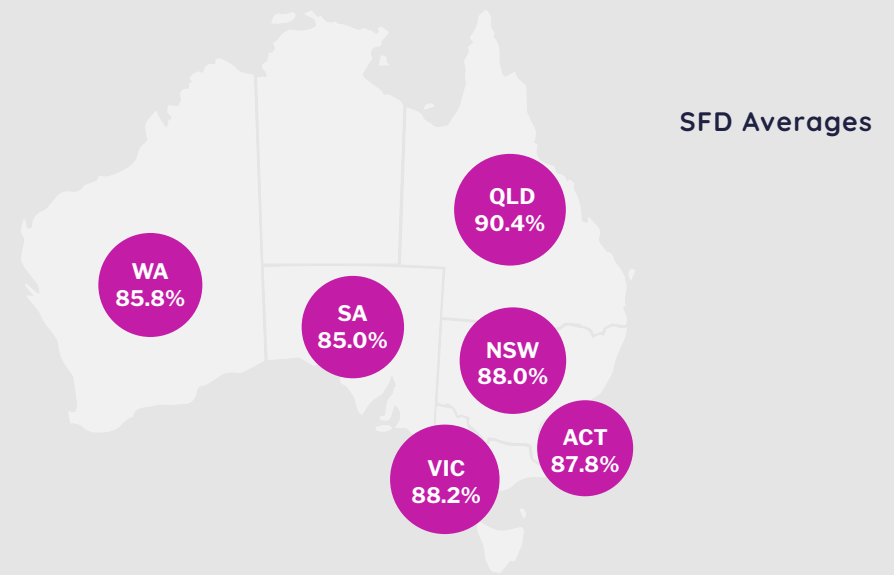
This was marginally down from 88.2% in the Sep-22 qtr



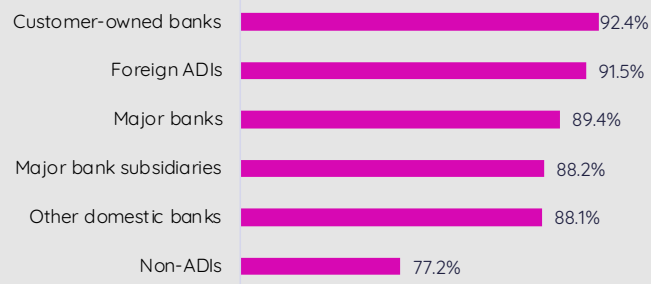
The total volume of settlements included in the SFD analysis for the Dec-22 qtr was **118,682**

SFD performance was highest in QLD at 90.4% and lowest in SA at 85.0% in the Dec-22 qtr

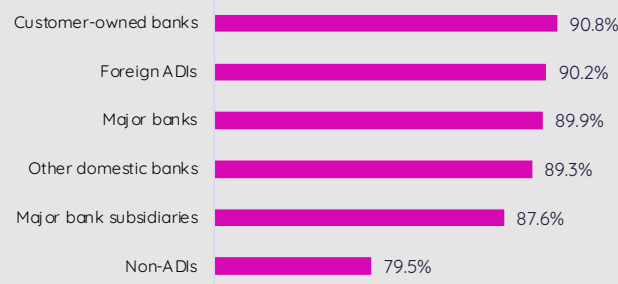
Customer-owned banks topped other Lenders for SFD in 4 states, with the Major banks performing stronger in ACT (90.2%) & QLD (91.7%)



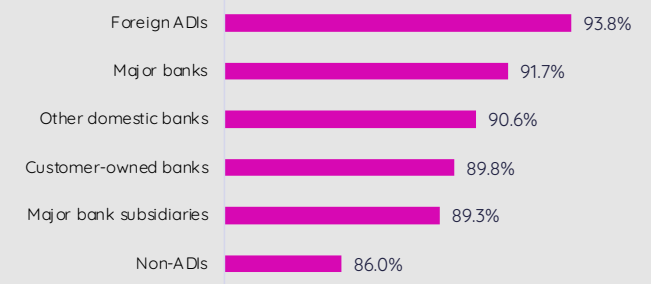
SFD by Lender Segment, NSW, Dec-22 Qtr



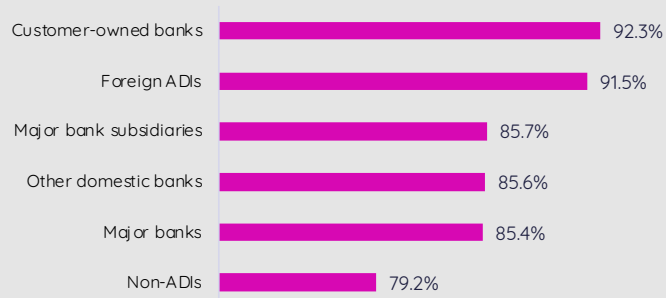
SFD by Lender Segment, VIC, Dec-22 Qtr



SFD by Lender Segment, QLD, Dec-22 Qtr



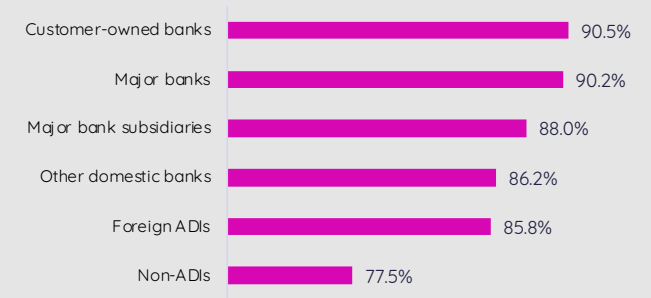
SFD by Lender Segment, SA, Dec-22 Qtr



SFD by Lender Segment, SA, Dec-22 Qtr



SFD by Lender Segment, ACT, Dec-22 Qtr



Nationally, Practitioners were successful in settling 87.3% of settlements on the first time

The highest Practitioner SFD was recorded in QLD at 90.2%

SFD for Practitioners, National, Dec-22 Qtr



87.3%

Practitioners' performance remained broadly unchanged in the Dec-22 quarter, slightly down from 87.5% in the prior quarter



90.2%

QLD Practitioner SFD, Dec-22 Qtr



86.9%

NSW Practitioner SFD, Dec-22 Qtr



86.7%

VIC Practitioner SFD, Dec-22 Qtr



86.5%

ACT Practitioner SFD, Dec-22 Qtr



85.9%

WA Practitioner SFD, Dec-22 Qtr



84.5%

SA Practitioner SFD, Dec-22 Qtr

Detailed findings

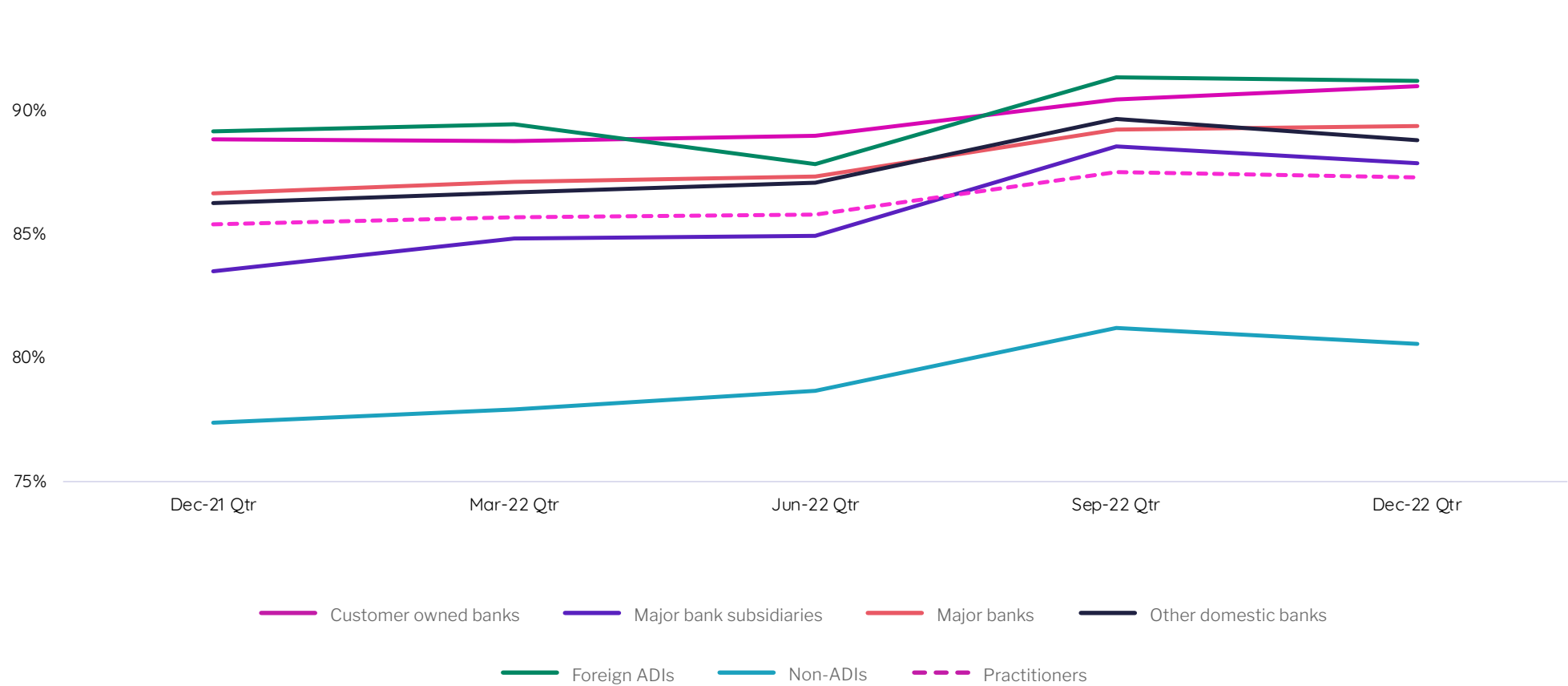


Nationally, SFD performance improved for Major banks and Customer-owned banks in the Dec-22 qtr



Customer-owned banks improved the most to record an average SFD for the quarter at 91.0%

SFD by Lender Segment, National

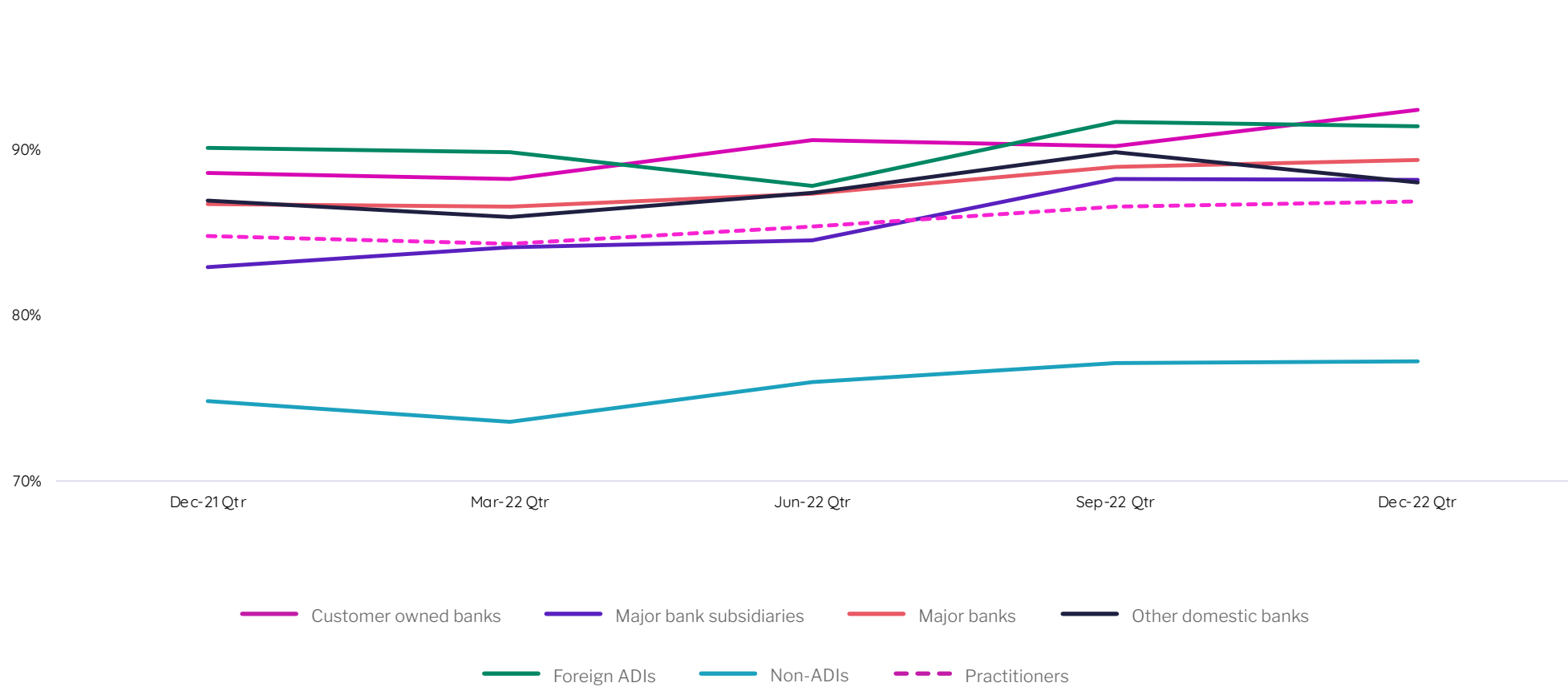


Customer-owned banks performed strongest in the Dec-22 qtr in NSW with a SFD of 92.4%



However, Foreign ADIs retained the lead in Greater Sydney

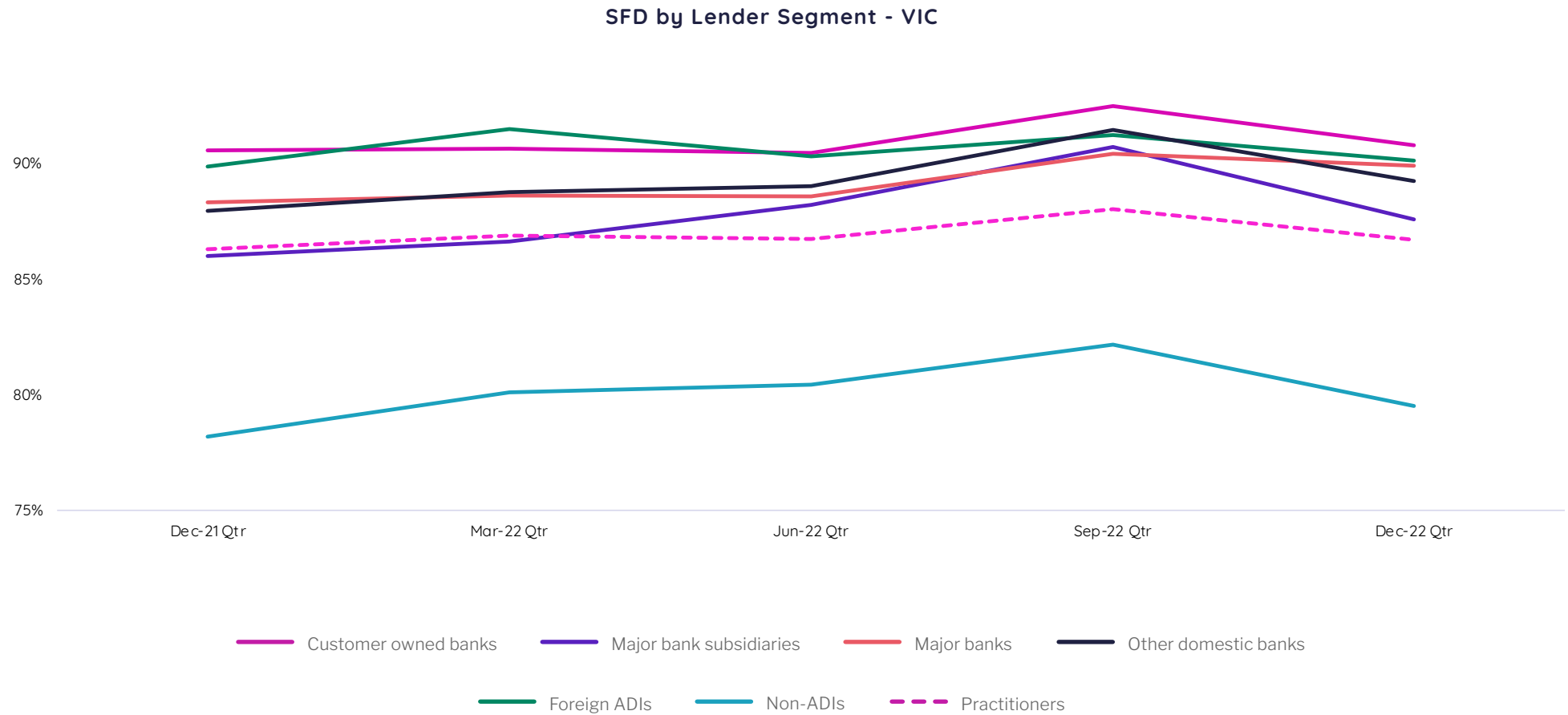
SFD by Lender Segment - NSW



Although dipping slightly, Customer-owned banks remained ahead in VIC in the Dec-22 qtr



Customer-owned banks recorded an average SFD of 90.8%, ahead of Foreign-ADIs



Foreign ADIs retained their lead in QLD in the Dec-22 qtr



Non-ADIs continued their upwards trajectory moving to their highest average SFD in the Dec-22 qtr

SFD by Lender Segment - QLD

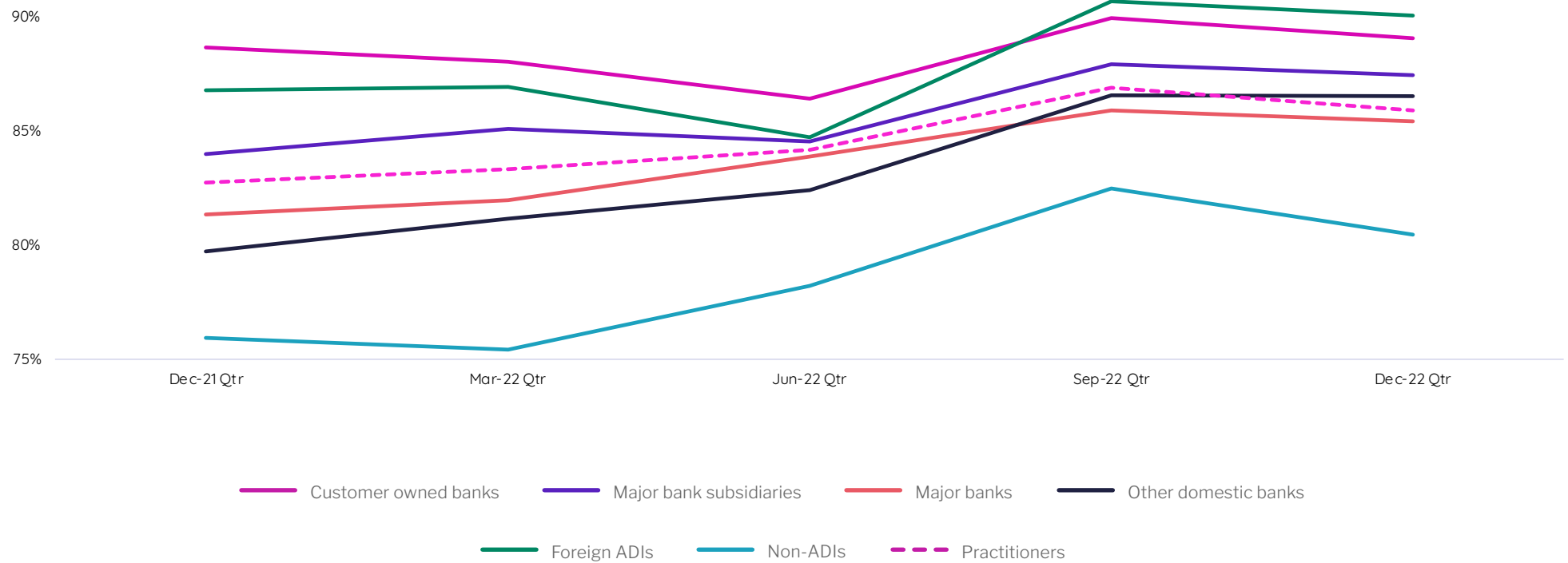


Foreign ADIs retained their leadership position in WA in the Dec-22 qtr

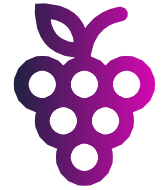


All lender segments and Practitioners maintained similar average SFD results to the prior quarter

SFD by Lender Segment - WA

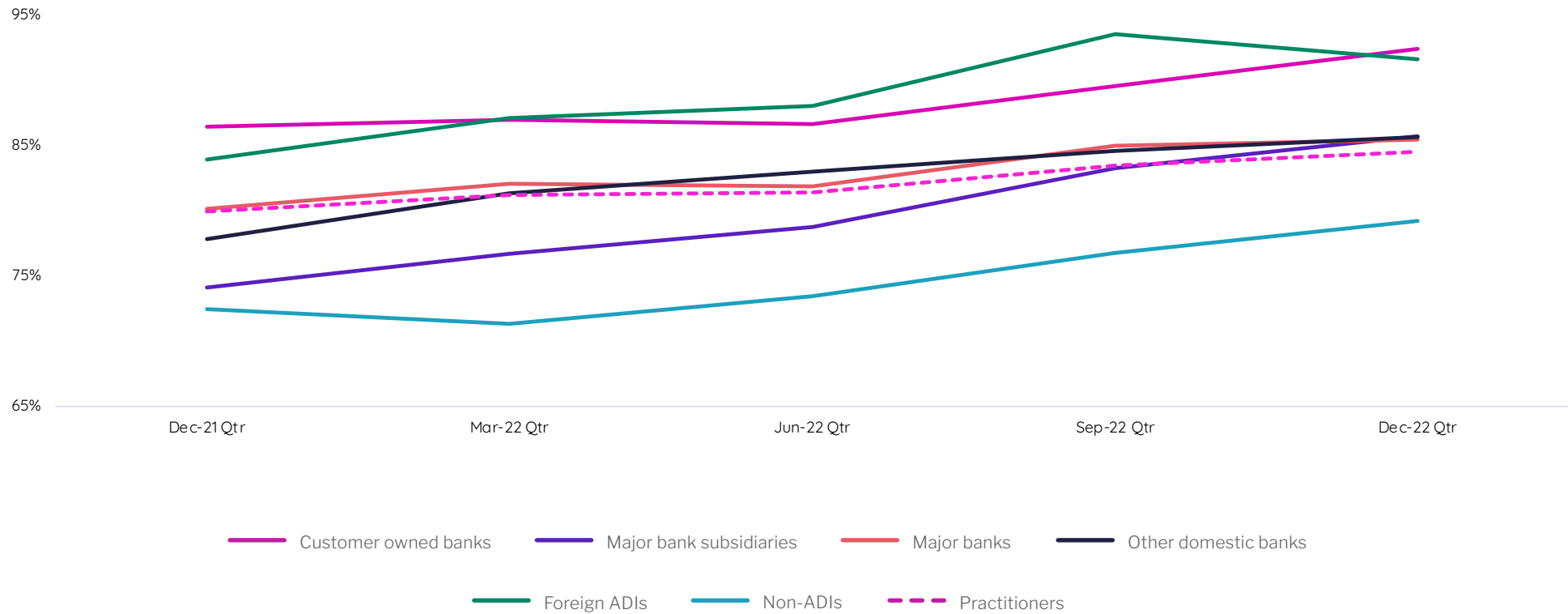


Customer-owned banks moved to a leadership position in SA, recording SFD of 92.3% in the Dec-22 qtr



All lender segments improved in the Dec-22 qtr with the exception of Foreign-ADIs

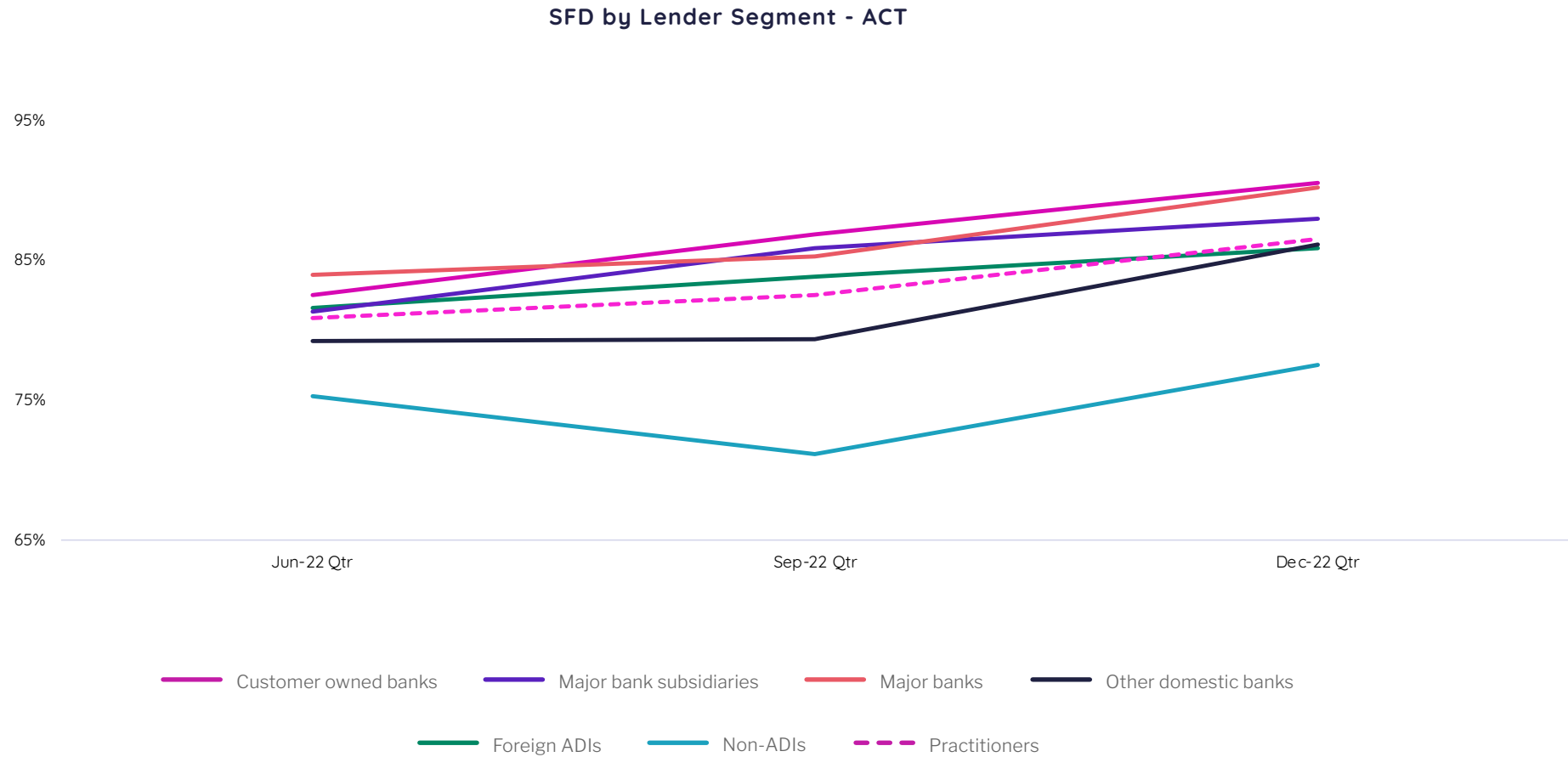
SFD by Lender Segment - SA



Customer-owned banks led other lenders in the ACT in the Dec-22 qtr, achieving an average SFD of 90.5%



Major banks were close behind recording SFD of 90.2% for the same period



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