

PEXA Refinance Report

CALENDAR YEAR 2021

 **PEXA** Insights

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Calendar Year 2021 Highlights

PROPERTY REFINANCES REACHED NEW HIGHS IN 2021

A record high of 363,978 property refinances were recorded in 2021, up 27.9% on the prior year, and the most recorded in a single year on the PEXA exchange. Although the RBA kept interest rates on hold throughout 2021, increasing speculation by the market of interest rates rises drove property owners to refinance, particularly in the second half of the year. Moving into Jan-22, refinancing activity has remained high, with the PEXA Refinance Index up 50% compared to the same time in the previous year¹.



MIKE GILL
HEAD OF RESEARCH,
PEXA



The [PEXA Refinance Index](#) hit a record high of 168.3 in the week ending 17 October 2021, seasonally adjusted. The index climbed in the second half of 2021 and has remained at elevated levels.



VIC recorded the highest volume of property refinances in 2021 with 125,071, closely followed by NSW on 121,640. All states experienced double digit growth, with WA growing fastest, up 58.5% on 2020.



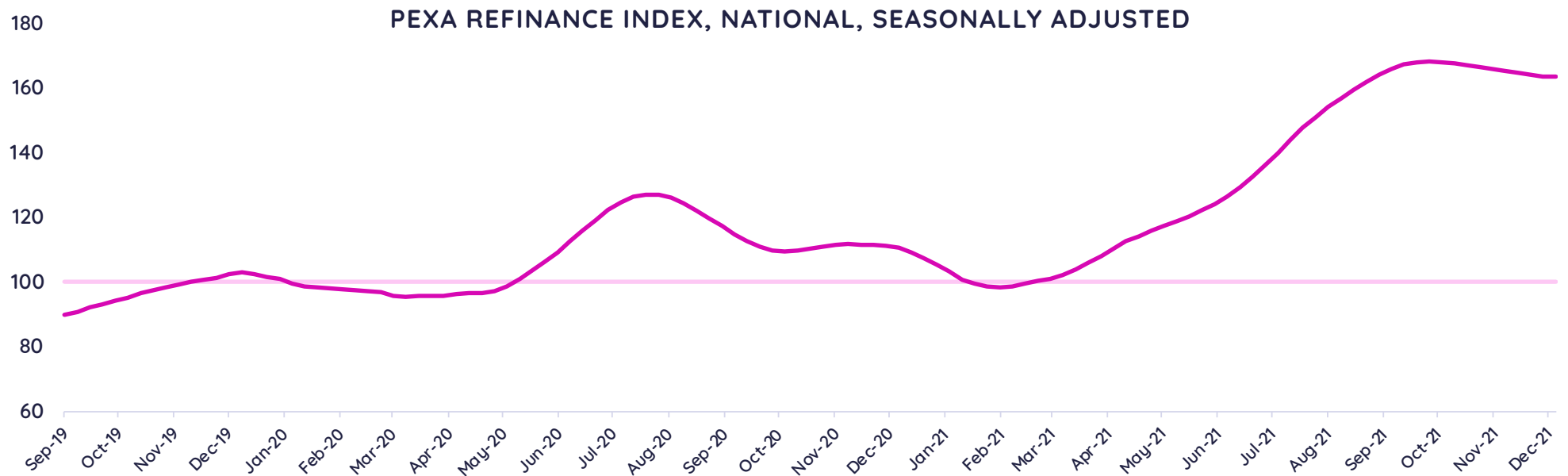
The Non-major lenders moved to a strong winning position for refinances in the second half of 2021. This trend was pronounced in the largest markets of VIC and NSW, where in Nov-21, the major banks moved to their weakest position in 2 years.

This PEXA Insights report aims to provide a comprehensive view of property refinancing in Australia, using the unique data captured in the PEXA digital property settlement exchange. This analysis only includes refinances lodged digitally via PEXA (excludes any paper based refinances). As of Dec-21, over 95% of all refinances nationally were lodged via PEXA. In this report 'national' is defined as the five mainland states: NSW, VIC, QLD, WA & SA (our analysis excludes TAS, ACT & NT). Refinance numbers reported only include external refinances (where the home loan is refinanced with a different lender) and exclude internal refinances (where the home loan is refinanced with the same lender). We trust you will find the unique data and insights in this report valuable and we hope it delivers a new perspective on the health of the Australian property market. We always welcome your feedback – if you have any comments or ideas to contribute, please contact us at research@pexa.com.au.

¹ [PEXA Refinance Index](#), Week ending 30 January 2022, Seasonally adjusted

Refinancing volumes peaked in the lead up to Christmas, following a strong rise in the second half of 2021

The PEXA Refinance Index hit a high of 168.3 in the week ending 17 October 2021. Since reaching that milestone, the index has remained elevated.



PEXA Refinance Index:

PEXA's Refinance Index provides timely insights into property refinancing in Australia. The national, seasonally adjusted index shows weekly changes in the number of refinances 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](#).

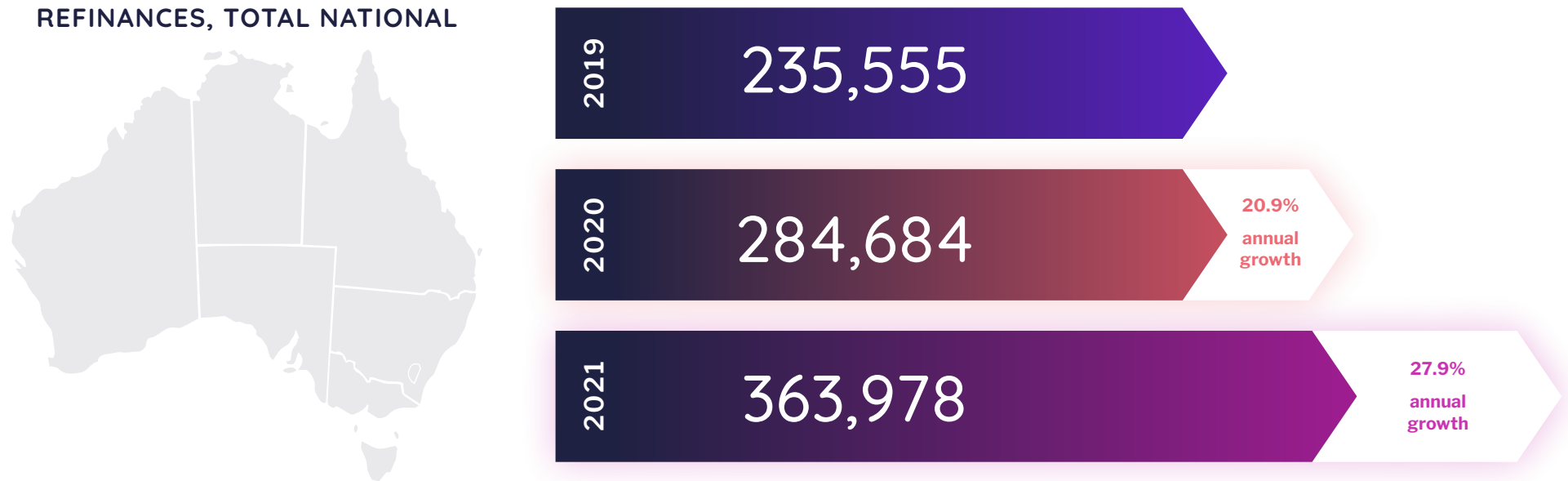
NOTE: Seasonal variations have been smoothed to show the underlying trends more clearly.



363,978 property refinances were recorded in 2021, up 27.9% on the prior year

The growth in 2021 came on top of 20.9% growth in 2020, highlighting how many property owners took the opportunity to secure a better deal on their home loan during the pandemic.

The current high volume of refinances is well above historic levels, driven by record low interest rates and the recent market speculation of pending interest rate rises.



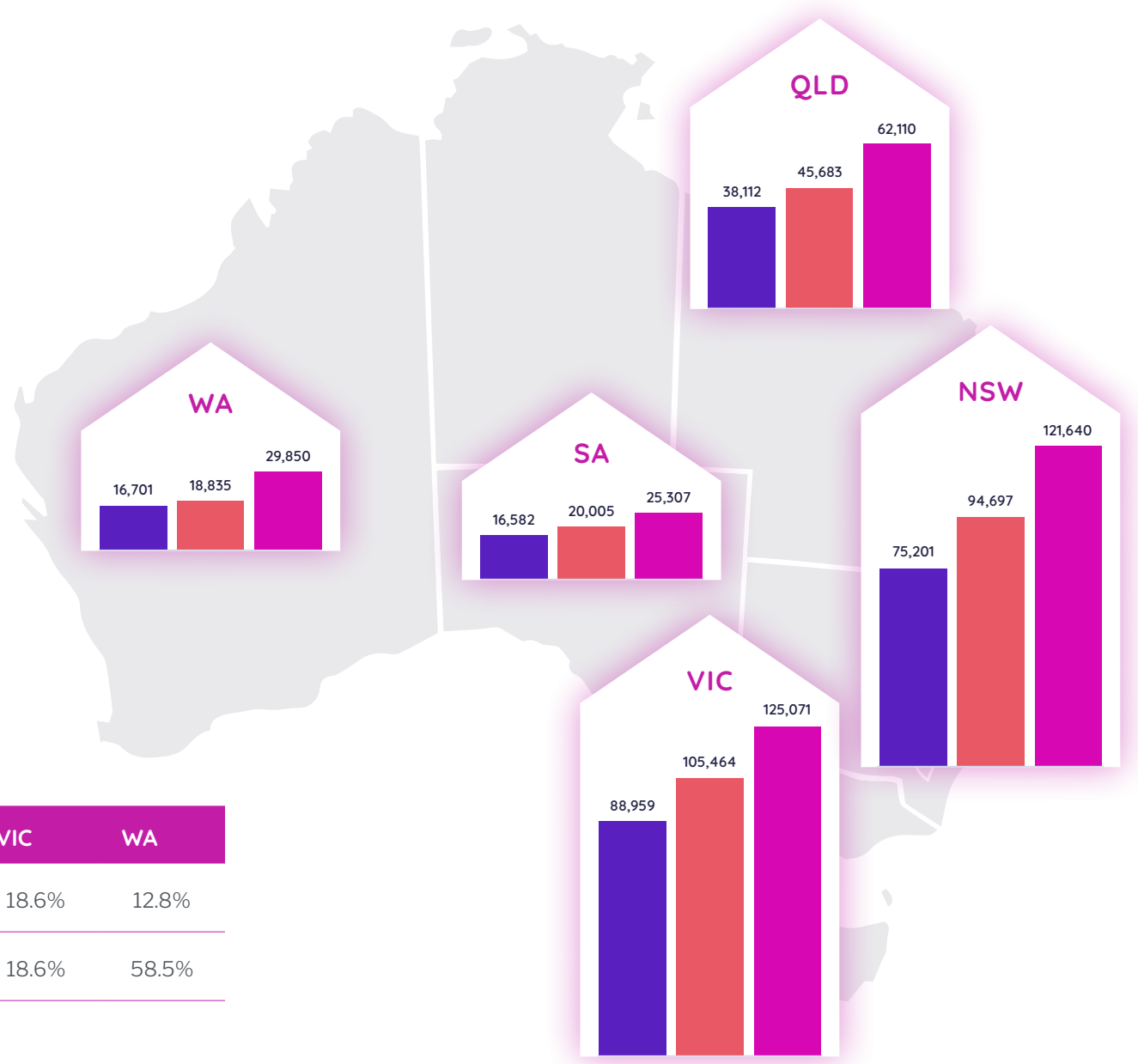
Source: PEXA, Land Services SA

All states posted double digit growth in refinances for 2021, led by WA which was up 58.5%

For the third year running VIC recorded the highest volume of refinances at 125,071, closely followed by NSW on 121,640.

REFINANCES, TOTAL VOLUME BY STATE

2019 2020 2021

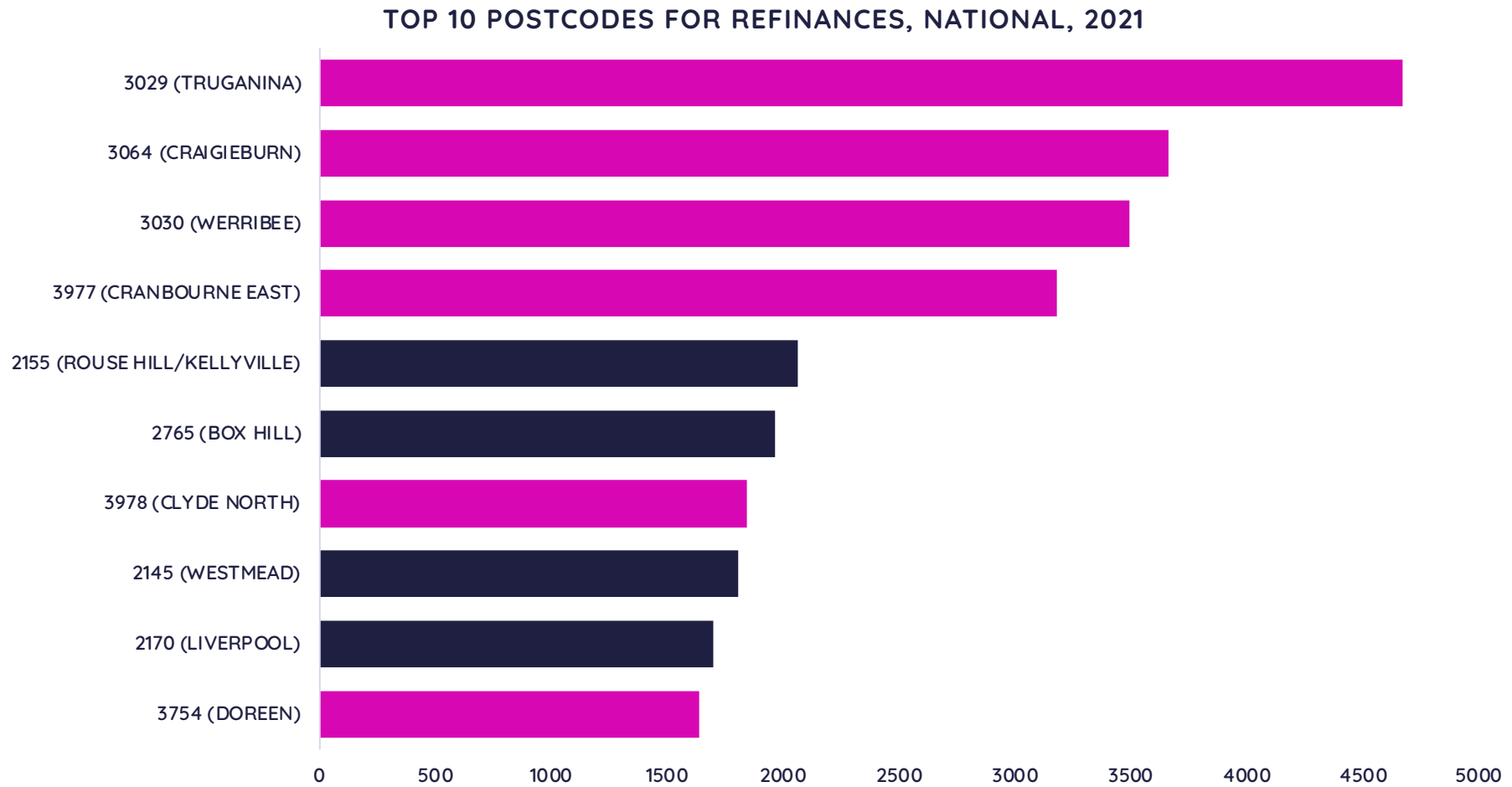


Annual growth	NSW	QLD	SA	VIC	WA
19/20	25.9%	19.9%	20.6%	18.6%	12.8%
20/21	28.5%	36.0%	26.5%	18.6%	58.5%

Source: PEXA, Land Services SA

3029 (Truganina) in VIC recorded the most refinances of any postcode in 2021

6 of the top-10 suburbs were in VIC with the remaining 4 in NSW



■ VIC ■ NSW

Source: PEXA. Analysis only includes properties settled digitally through PEXA Exchange. Not available for QLD and SA. Data analysed at postcode level with the prominent suburb in that postcode shown for convenience

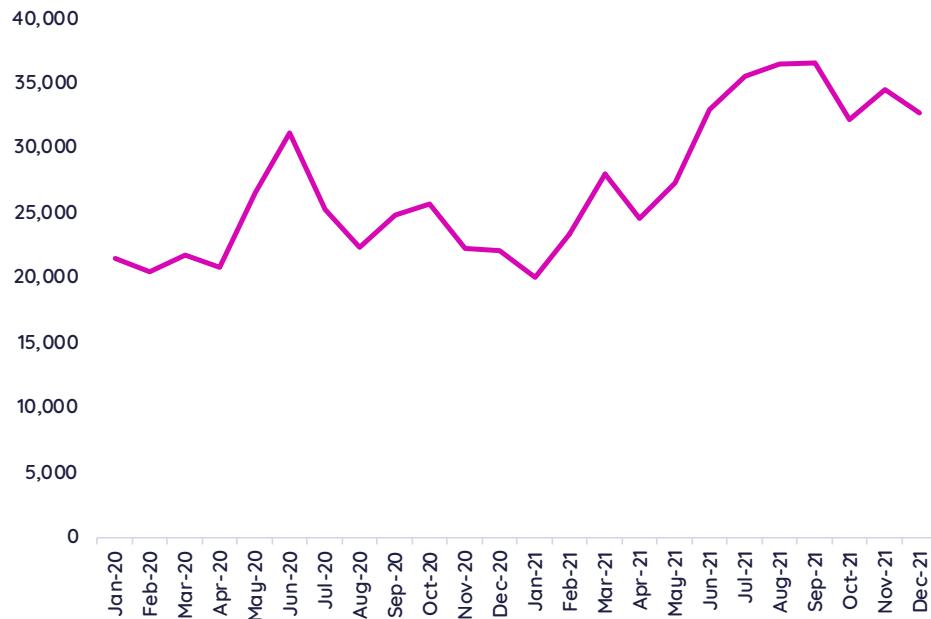
Geographical Insights



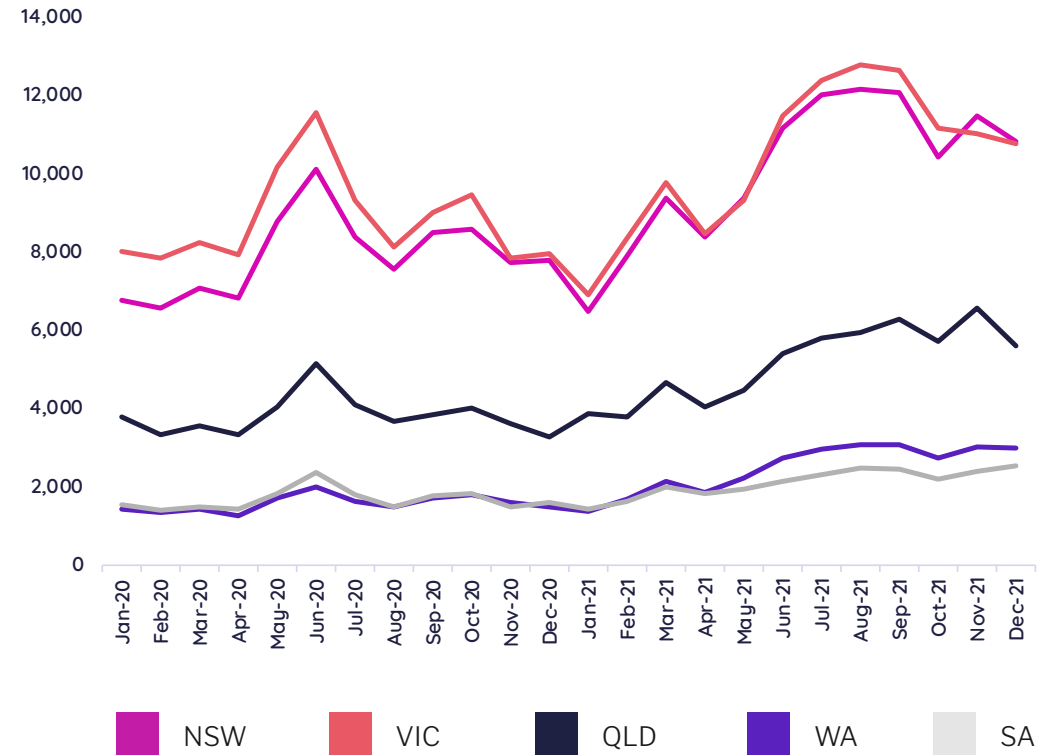
Refinancing increased throughout 2021, with all states following the national trend

The states moved in lock-step with each other mirroring rises and falls in refinancing activity. This characteristic shows that the drivers of refinancing were common across states.

TOTAL SALE SETTLEMENTS, NATIONAL




TOTAL SALE SETTLEMENTS, BY STATE



Source: PEXA, Land Services SA

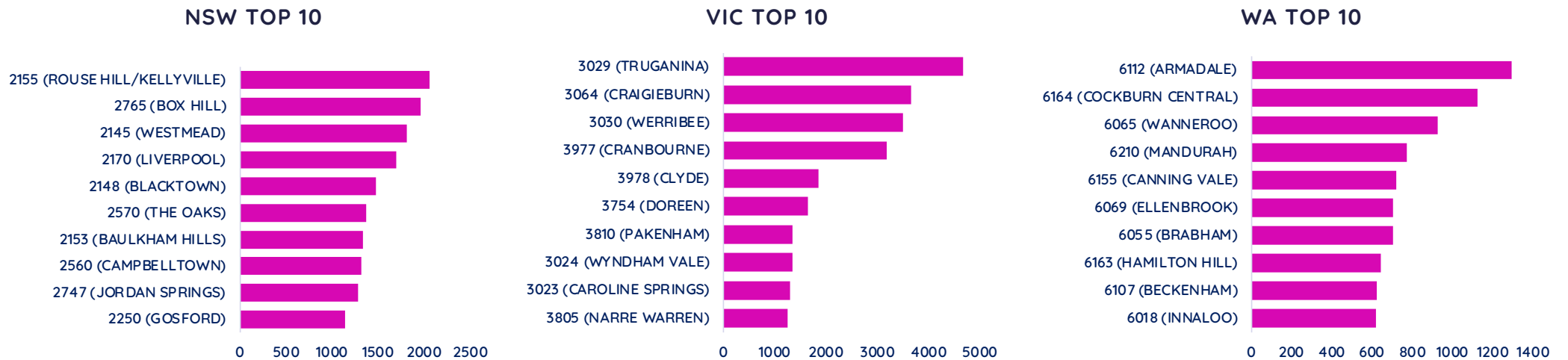
Capital city postcodes dominated the top postcodes for refinancing in 2021

No regional postcodes made the top-10 lists, with outer-suburban areas, particularly those with high levels of development, ranked highest. This highlights that refinancing was most common in more affordable capital city areas, especially those with high levels of new builds.



The top 10 suburbs analysis only includes refinances settled digitally via PEXA (excludes any paper based refinances). In Sep-21, over 95% of refinances were lodged digitally nationally. List of top-10 suburbs not available for QLD and SA.

TOP-10 POSTCODES FOR REFINANCES, BY STATE, CALENDAR YEAR 2021

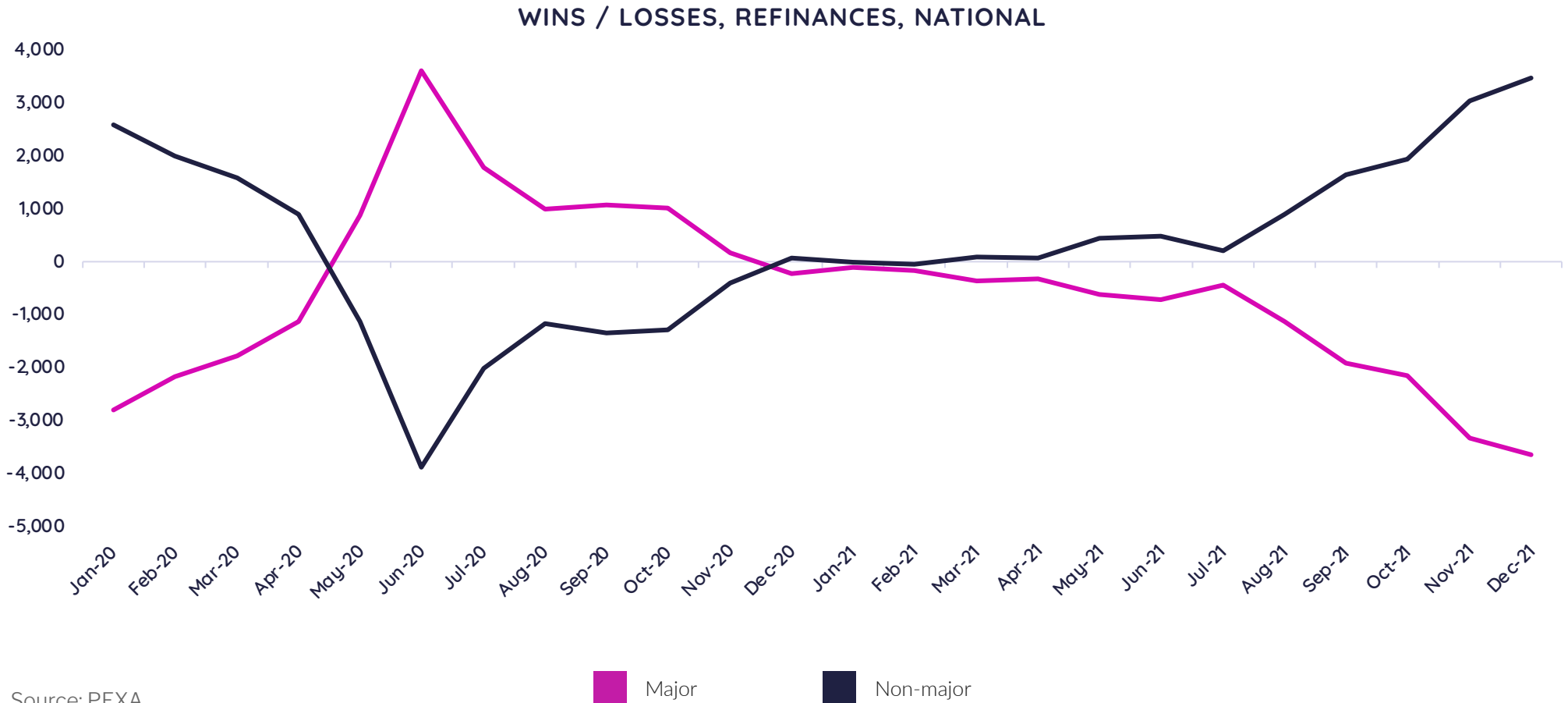


Source: PEXA

The Non-majors pulled away sharply in the second half of 2021, moving to a strong winning position for refinances

Conversely in Dec-21 the Major banks moved to their weakest position for refinances in the past 2-years.

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.

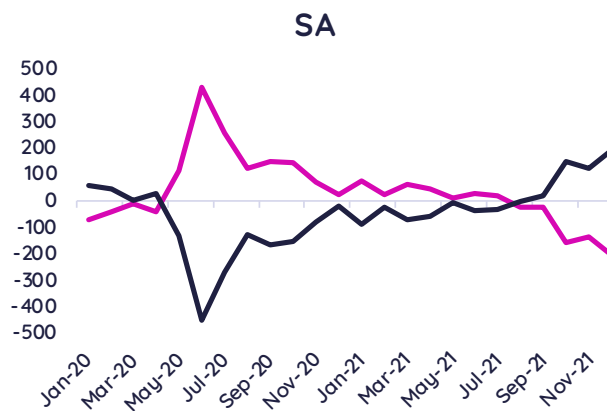
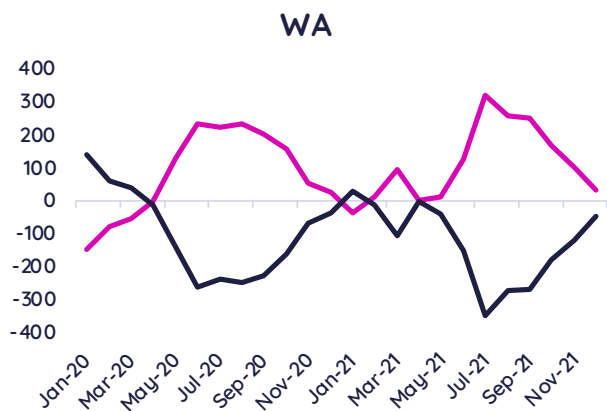
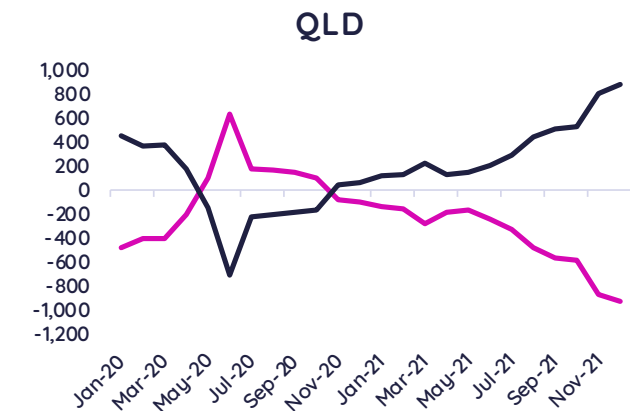
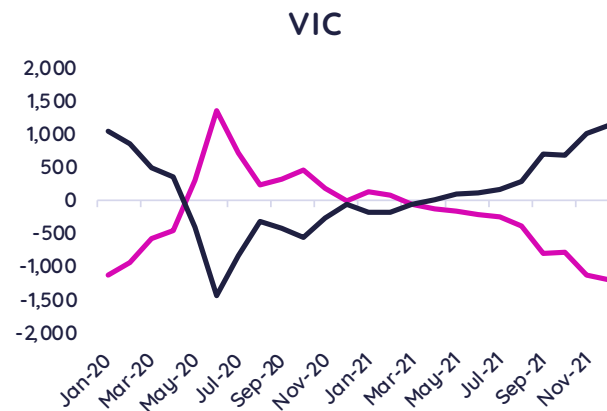
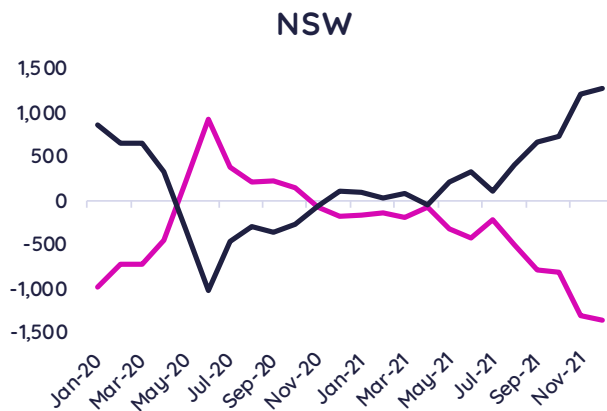


Source: PEXA

The Non-majors moved into strong leading positions for refinances in NSW, VIC, QLD and SA

WA was the only state where the Major banks held a slight lead for refinances at the end of 2021.

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.



Major (Pink) Non-major (Black)

Source: PEXA

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our insights offering or PEXA Data, please contact:



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