

PEXA On-Time-Settlement Report

SEPTEMBER 2022 QUARTER



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A message from Marielle Yeoh



Marielle Yeoh
Chief Marketing, Corporate Affairs & Financial Institutions Officer

Welcome to the second edition of the PEXA On-Time-Settlement report. This report aims to provide regular insights into the on-time performance of participants involved in property settlements.

Since its inception, the PEXA Exchange has transformed the way property is settled in Australia, providing a simple and efficient way to transfer ownership of property. As a world leading digital property exchange, PEXA is proud to help over 20K families settle their property each week.

This report is intended to provide useful and timely insights to optimise the settlement experience for all stakeholders involved in the transaction, and to help consumers move into their new home on time as planned.

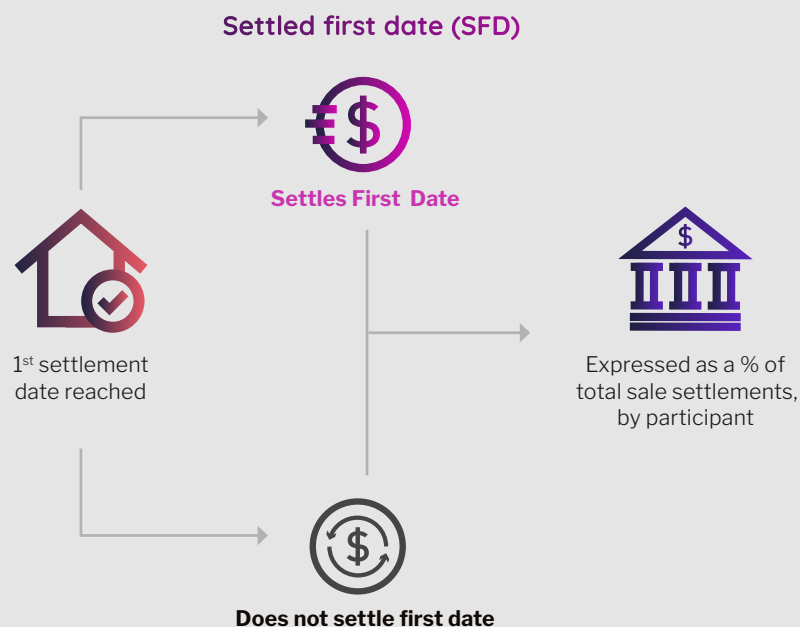
A new addition to this report is the inclusion of the ACT. The PEXA Exchange launched in the ACT in Sep-21, since then, lenders and legal practitioners in the territory have embraced e-conveyancing. This report now covers New South Wales, Victoria, Queensland, Western Australia South Australia and the ACT, for both residential and commercial property (our analysis excludes TAS, NT). As of Sep-22, over 85% of sale settlements nationally were lodged via PEXA.

We hope you'll find the data and insights in this report valuable and that it delivers a new perspective for on-time-settlement performance in Australia. We always welcome your feedback – if you have any comments or ideas to contribute, please connect with us at insights@pexa.com.au.

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).

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.



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 12-month period Nov-21 to Sep-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

Australian lenders successfully settled **88.2%** of property sales on the first date via the PEXA Exchange in the Sep-22 quarter, nationally.¹

This result was an improvement on the Jun-22 quarter where a national SFD of 86.1% was recorded. In fact SFD performance increased for all lender types during the quarter.

Lenders in Queensland posted a record high SFD average of 90.1%, with VIC coming in second place on 89.3%. Lenders in the ACT trailed the other states with an average result of 82.8% during the quarter.

Nationally, practitioners achieved an average SFD of 87.5%, which was also up on the prior quarter.

Practitioners in QLD lead the nation with an average SFD of 90.0% over this period.

Notes on the report

We have shown the on-time-settlement performance of Australian lenders 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 91.3%, followed by Customer-owned banks on 90.5%.

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

Major Banks continued to perform above the national average, settling 89.2% of properties on the first date. Major bank subsidiaries were slightly lower at 88.6%.

These two segments accounted for 64.5% of total settlements analysed in the Sep-22 quarter.

Non-ADIs recorded the softest result, averaging 81.2% of properties settled on the first date.

However this result was an improvement on the prior quarter and was the first time this lender segment had exceeded 80.0% over a quarter since our reporting commenced.

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

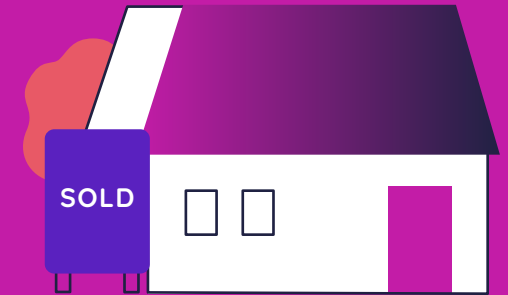
Foreign ADIs performed strongest nationally in the Sep-22 quarter, achieving an average SFD of 91.3%

Non-ADIs trialled other lenders at 81.2%

SFD by Lender Segment, National, Sep-22 Qtr



Source: PEXA



The national average for SFD in the Sep-22 qtr was **88.2%**

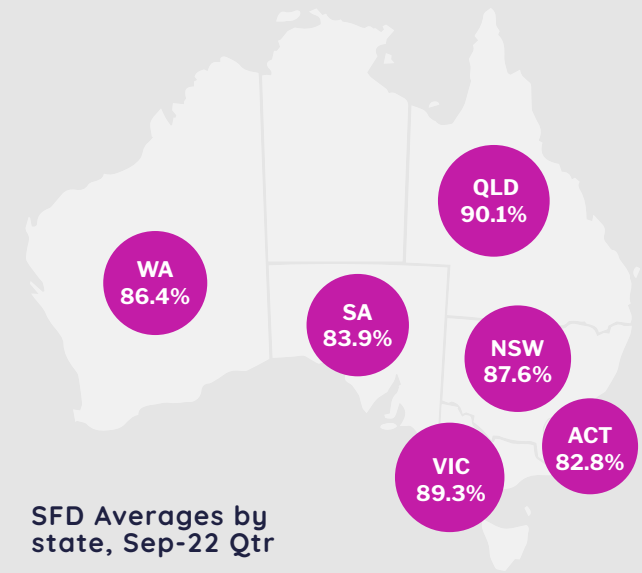
This was up from 86.1% in the Jun-22 quarter



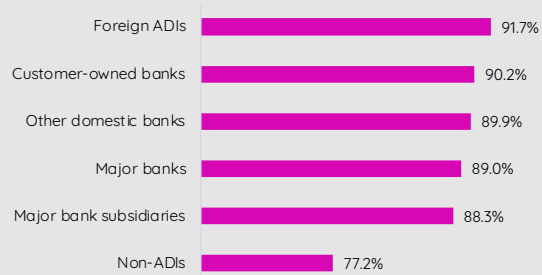
The total volume of settlements included in the SFD analysis for the Sep-22 quarter was **118,464**

Average SFD performance was highest in QLD at 90.1% and lowest in the ACT at 82.8% in the Sep-22 Qtr

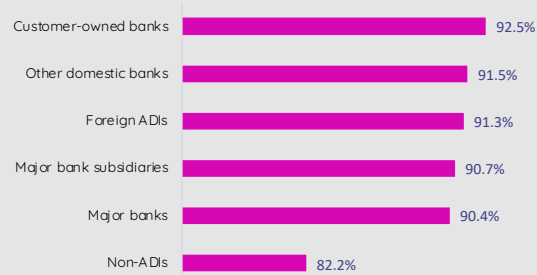
Foreign ADIs topped other lenders for SFD in NSW, QLD, SA & WA



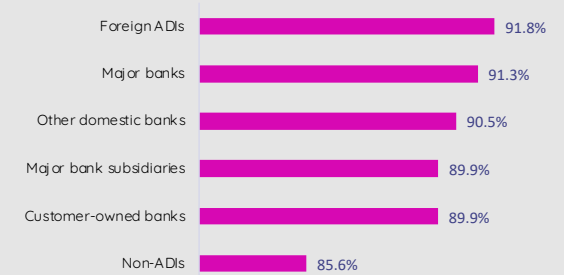
SFD by Lender Segment, NSW, Sep-22 Qtr



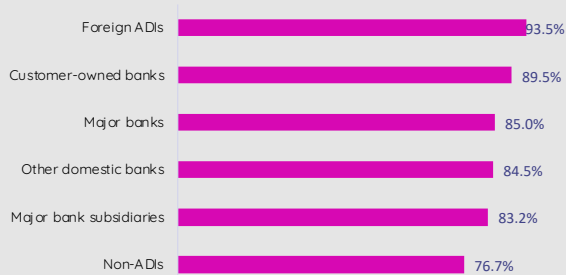
SFD by Lender Segment, VIC, Sep-22 Qtr



SFD by Lender Segment, QLD, Sep-22 Qtr



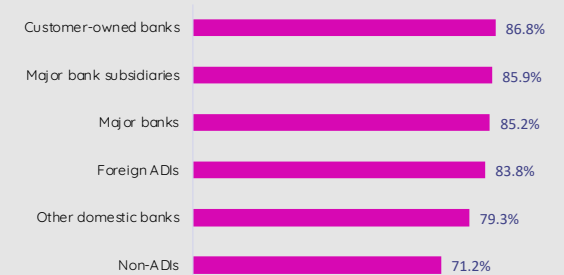
SFD by Lender Segment, SA, Sep-22 Qtr



SFD by Lender Segment, SA, Sep-22 Qtr



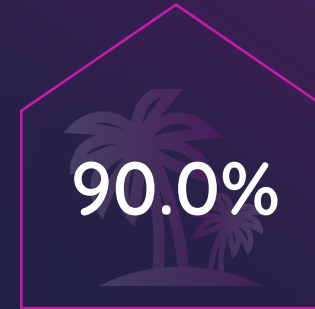
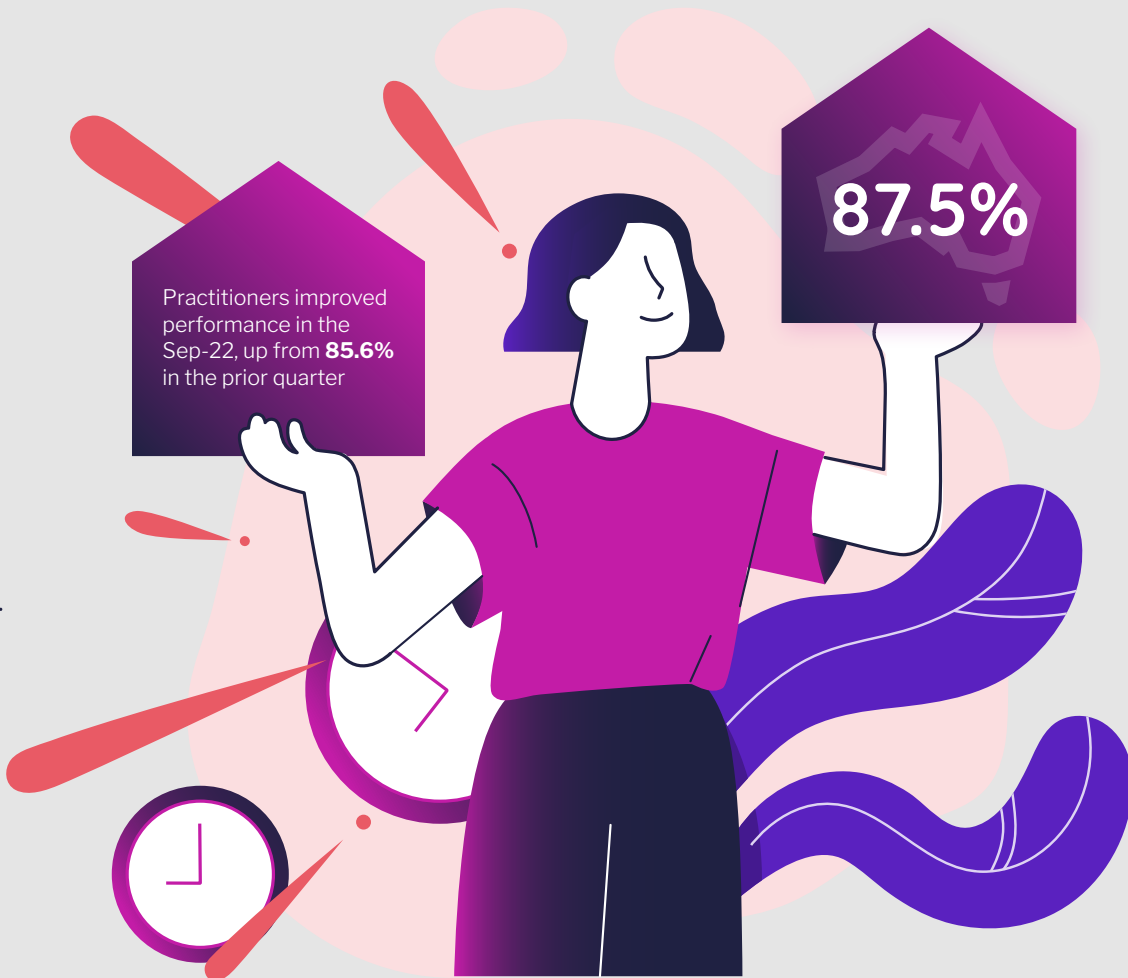
SFD by Lender Segment, ACT, Sep-22 Qtr



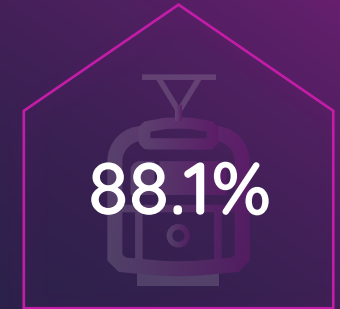
Nationally, practitioners were successful in settling 87.5% of settlements on the first time

The highest Practitioner SFD was recorded in QLD at 90.0%

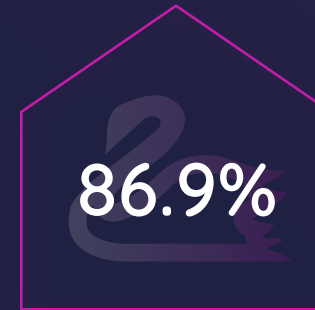
SFD for Practitioners, National, Sep-22 Qtr



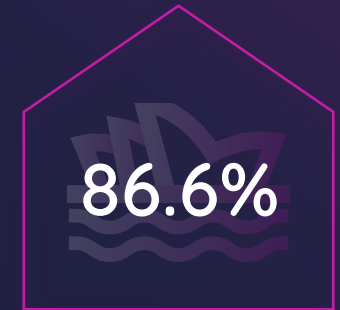
QLD Practitioner SFD, Sep-22 Qtr



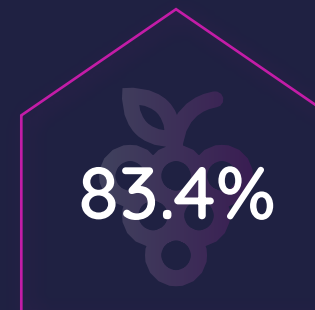
VIC Practitioner SFD, Sep-22 Qtr



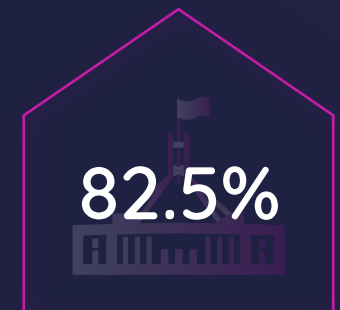
WA Practitioner SFD, Sep-22 Qtr



NSW Practitioner SFD, Sep-22 Qtr



SA Practitioner SFD, Sep-22 Qtr



ACT Practitioner SFD, Sep-22 Qtr

Detailed findings

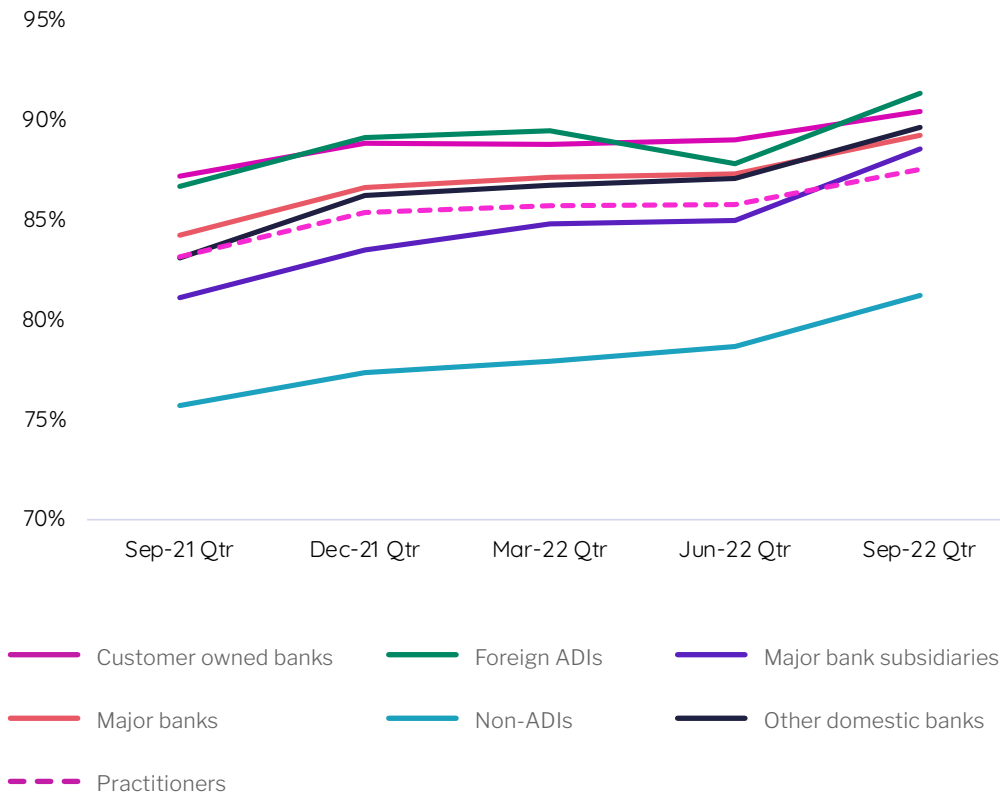


Nationally, SFD performance increased for all lender types and Practitioners in the Sep-22 qtr

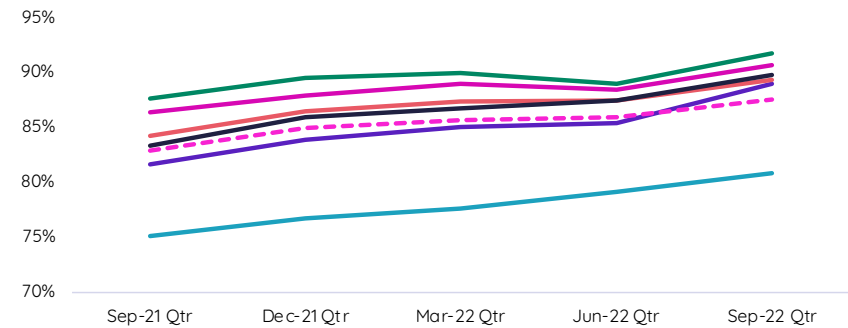


Foreign ADIs improved markedly to record the highest SFD for the quarter at 91.3%

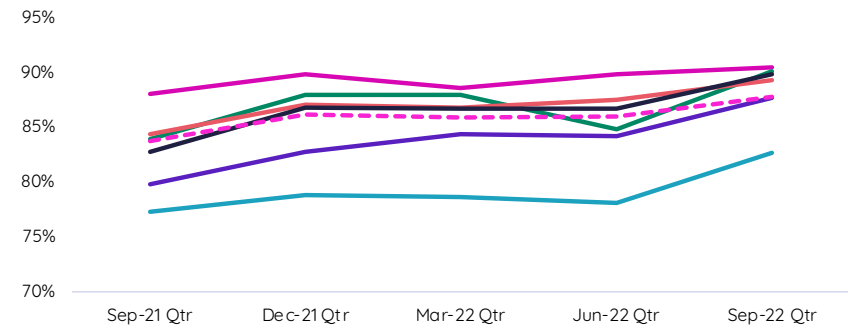
SFD by Lender Segment, National



SFD by Lender Segment - GCCSA*, National



SFD by Lender Segment - Regional, National



Source: PEXA

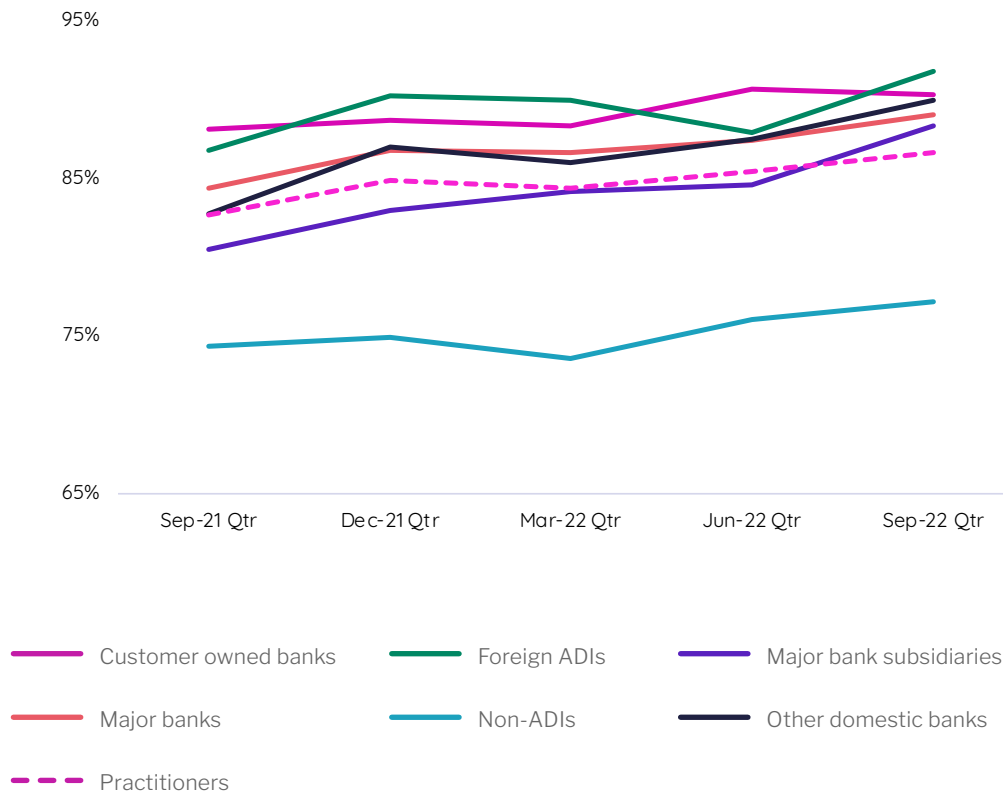
*GCCSA refers to the Greater capital city statistical areas as defined by ABS

Foreign ADIs moved ahead of Customer-owned banks in the Sep-22 qtr to take a leadership position in NSW

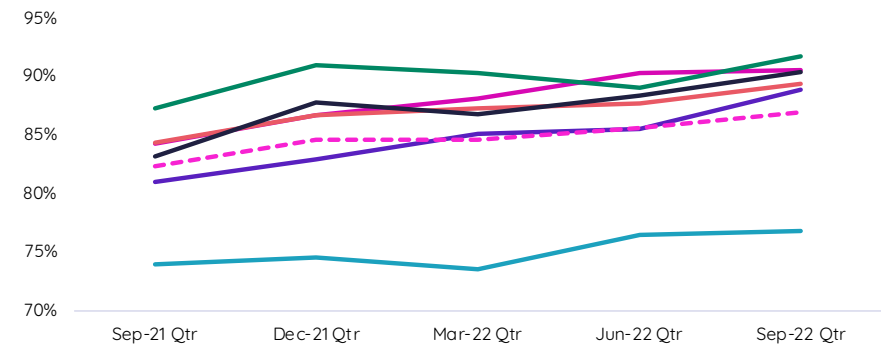


This was the case in both metro and regional areas

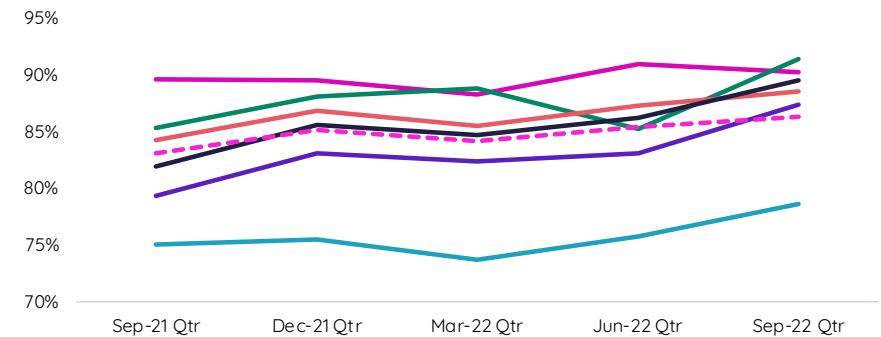
SFD by Lender Segment - NSW



SFD by Lender Segment - GCCSA*, NSW



SFD by Lender Segment - Rest of State, NSW



Source: PEXA

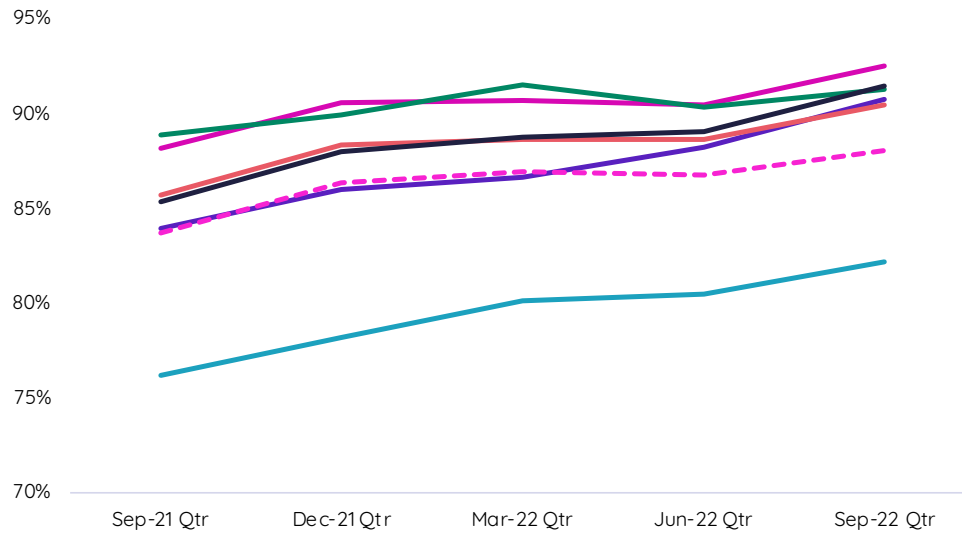
*GCCSA refers to the Greater capital city statistical areas as defined by ABS

Customer-owned banks drew ahead in VIC in the Sep-22 qtr, recording average SFD of 92.5%



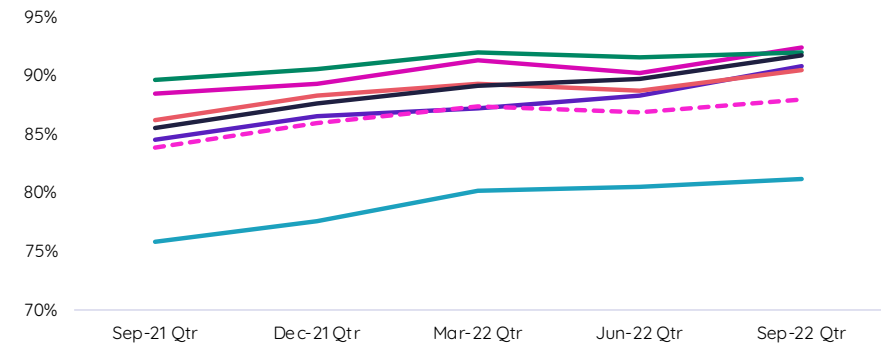
Customer-owned banks performed strongest in metro and regional Victoria

SFD by Lender Segment - VIC

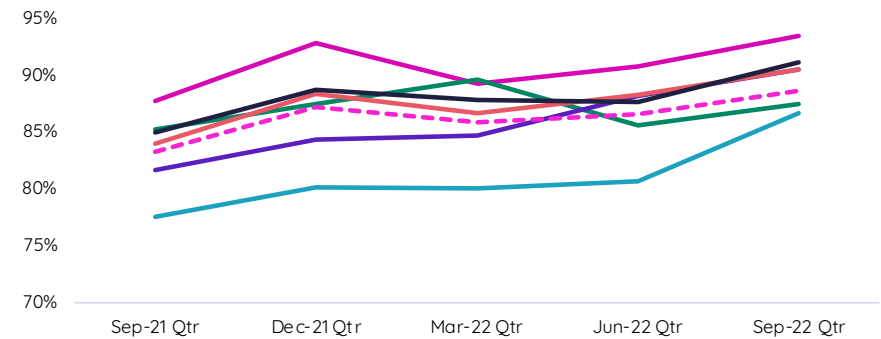


- Customer owned banks
- Foreign ADIs
- Major bank subsidiaries
- Major banks
- Non-ADIs
- Other domestic banks
- - - Practitioners

SFD by Lender Segment - GCCSA*, VIC



SFD by Lender Segment - Rest of State, VIC



Source: PEXA

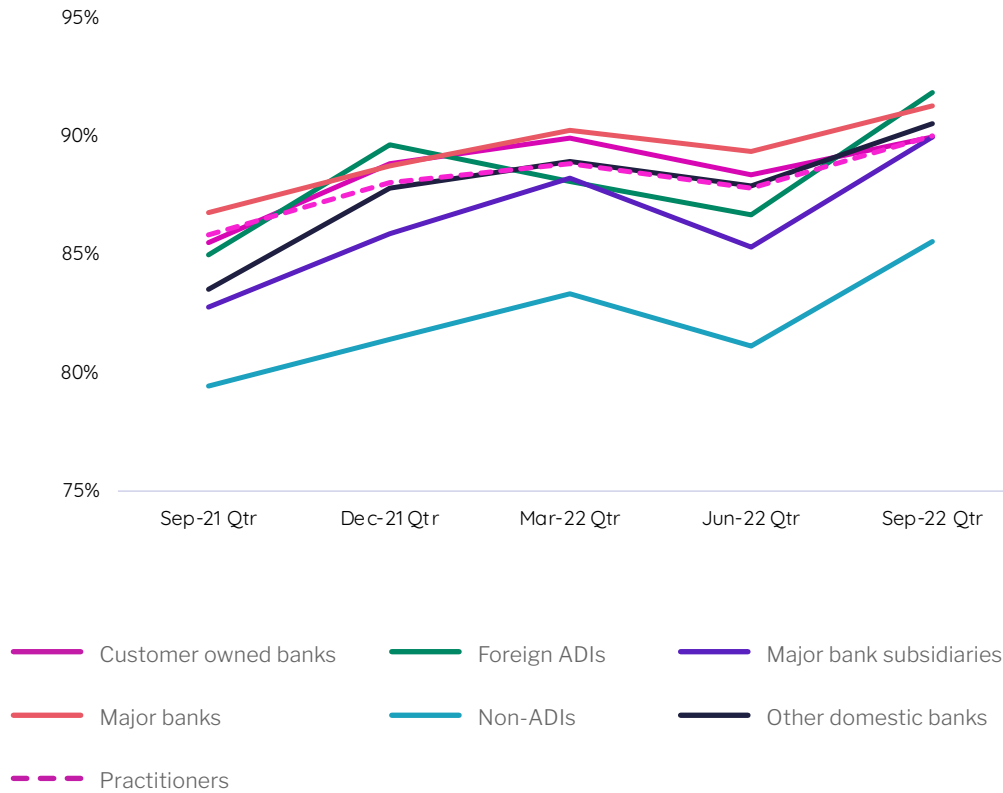
*GCCSA refers to the Greater capital city statistical areas as defined by ABS

Foreign ADIs moved ahead of Major banks in QLD in the Sep-22 qtr

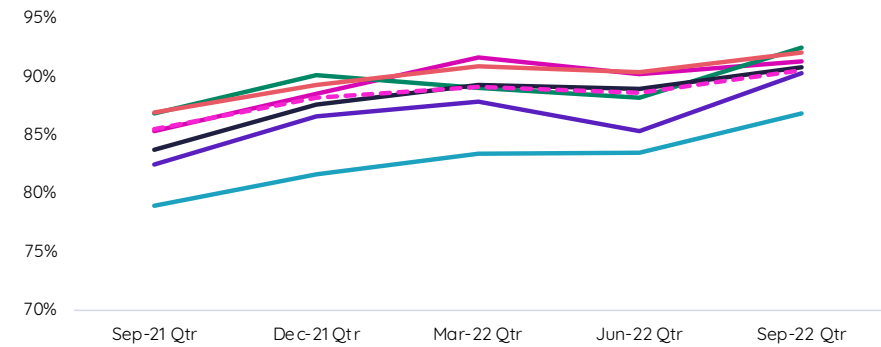


Foreign ADIs led in metro and regional QLD

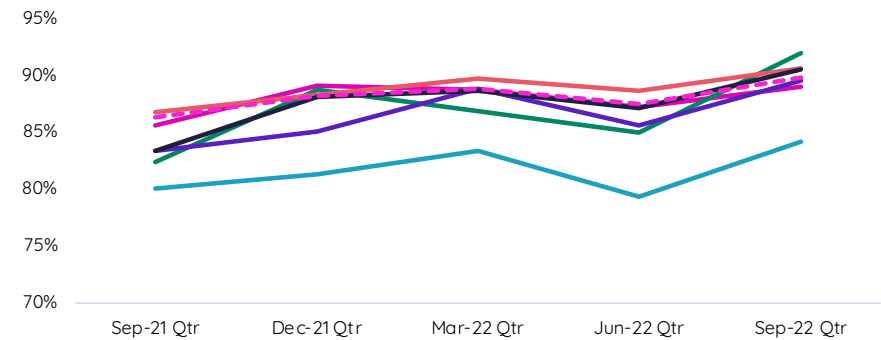
SFD by Lender Segment - QLD



SFD by Lender Segment - GCCSA*, QLD



SFD by Lender Segment - Rest of State, QLD



Source: PEXA

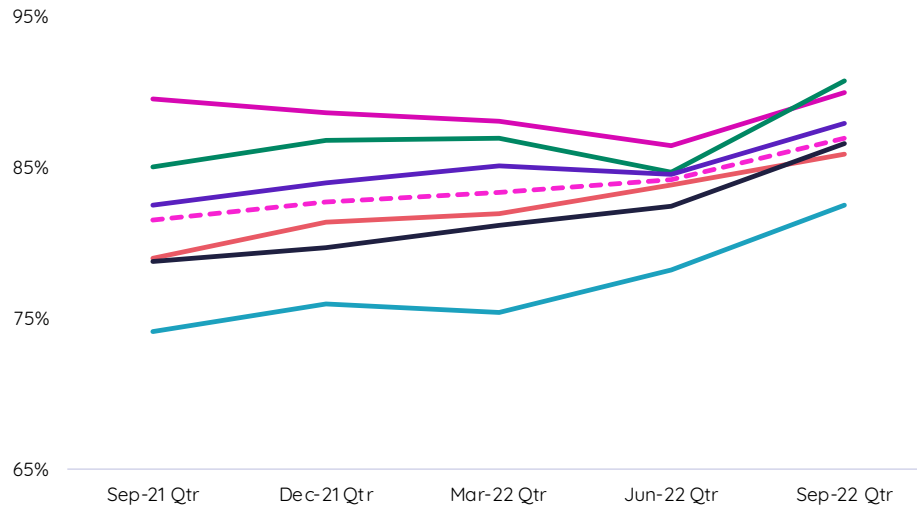
*GCCSA refers to the Greater capital city statistical areas as defined by ABS

All lenders improved in WA in the Sep-22 qtr, with Foreign ADIs moving into a leadership position

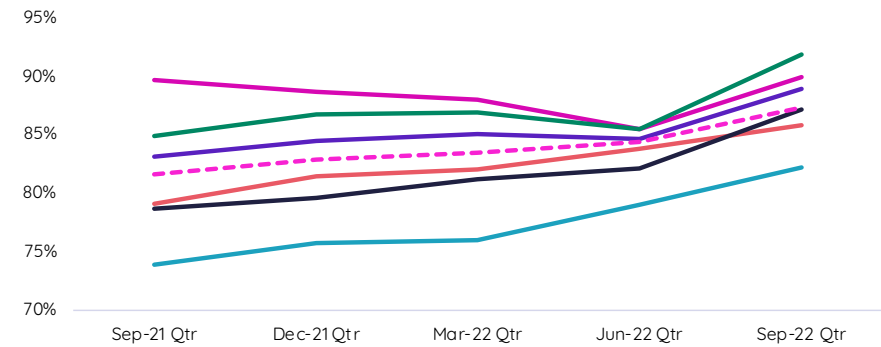


Customer-owned banks maintained the lead in regional WA

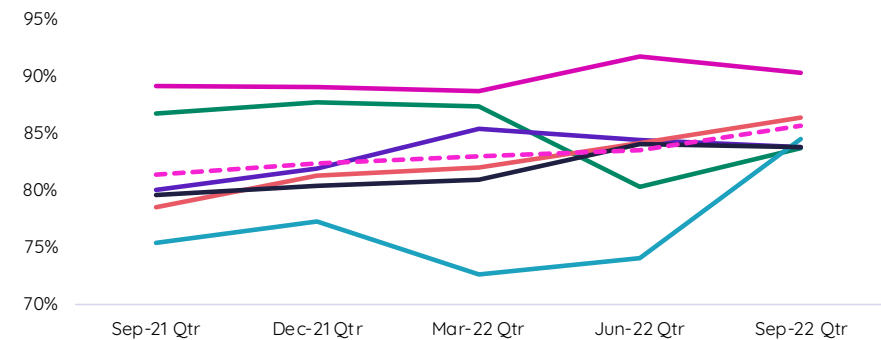
SFD by Lender Segment - WA



SFD by Lender Segment - GCCSA*, WA



SFD by Lender Segment - Rest of State, WA

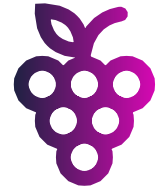


- Customer owned banks
- Foreign ADIs
- Major bank subsidiaries
- Major banks
- Non-ADIs
- Other domestic banks
- - - Practitioners

Source: PEXA

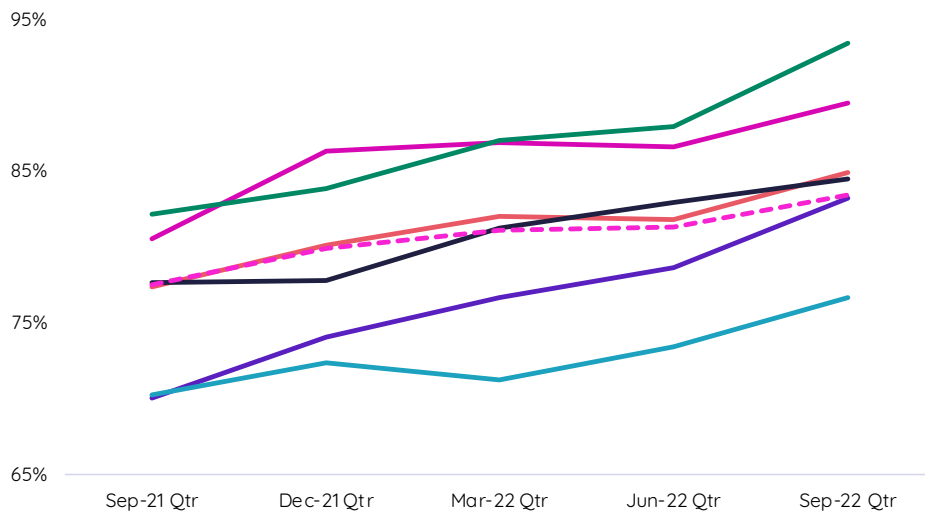
*GCCSA refers to the Greater capital city statistical areas as defined by ABS

Foreign-ADIs moved to a dominant position in SA, recording SFD of 93.5% in the Sep-22 qtr



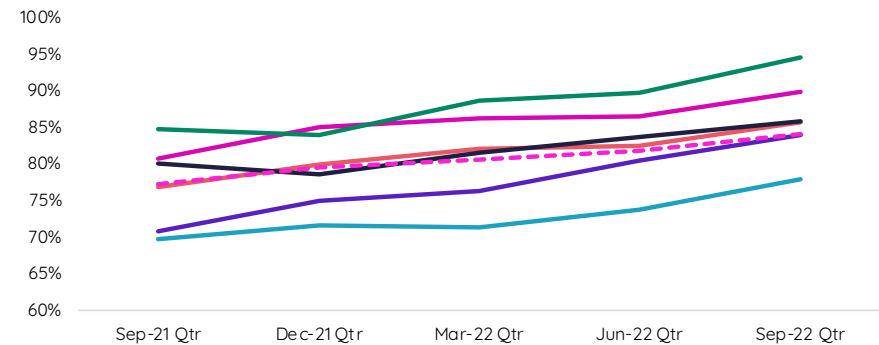
Customer-owned banks trailed Foreign ADIs in Adelaide, however were slightly ahead in regional SA

SFD by Lender Segment - SA

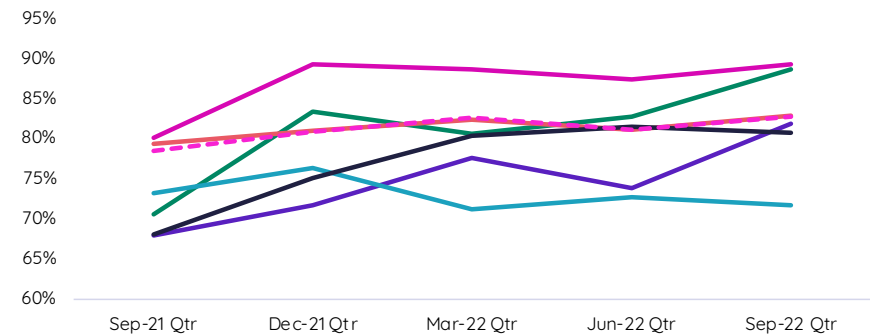


- Customer owned banks
- Foreign ADIs
- Major bank subsidiaries
- Major banks
- Non-ADIs
- Other domestic banks
- Practitioners

SFD by Lender Segment - GCCSA*, SA



SFD by Lender Segment - Rest of State, SA



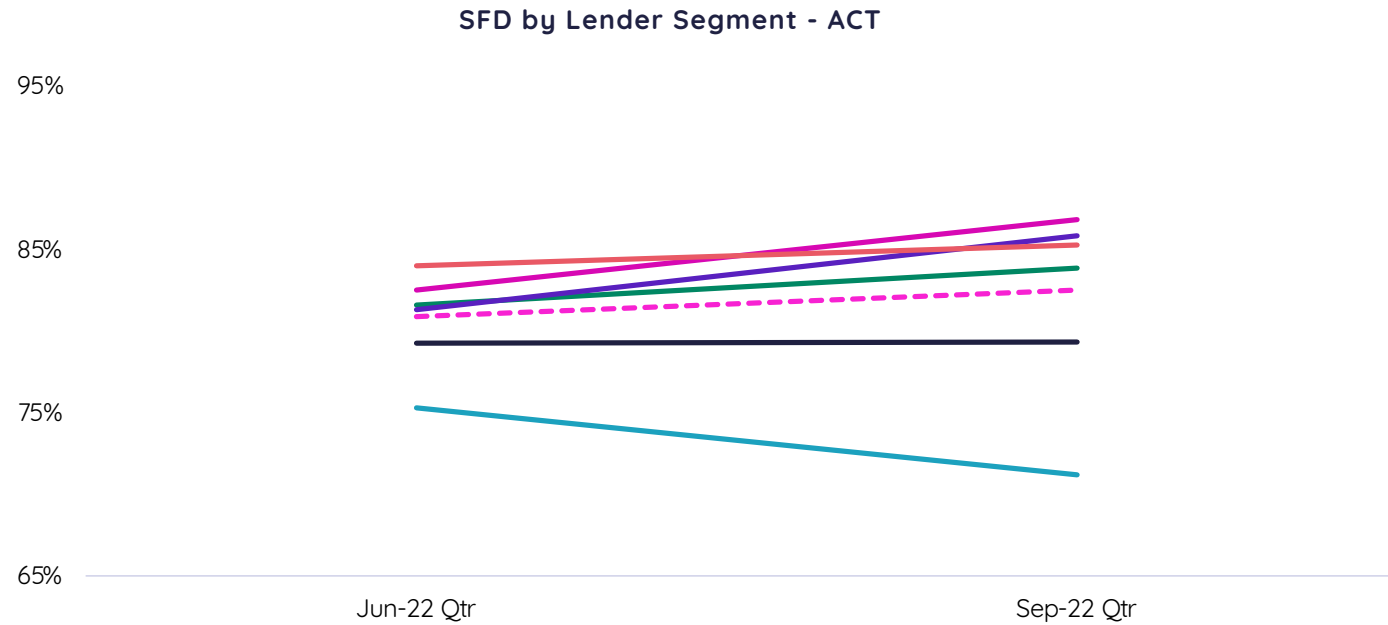
Source: PEXA

*GCCSA refers to the Greater capital city statistical areas as defined by ABS

Customer-owned banks led other lenders in the ACT in the Sep-22 qtr, achieving an average SFD of 86.8%



Non-ADIs were the only lender segment whose SFD declined over the quarter



- Customer owned banks
- Major banks
- Practitioners
- Foreign ADIs
- Non-ADIs
- Major bank subsidiaries
- Other domestic banks

Source: PEXA

NOTE: Data for ACT available from the Jun-22 qtr due to PEXA Exchange uptake. Data not available at a GCCSA/Rest of State level for ACT

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