

PEXA On-Time-Settlement Report

MARCH 2023 QUARTER



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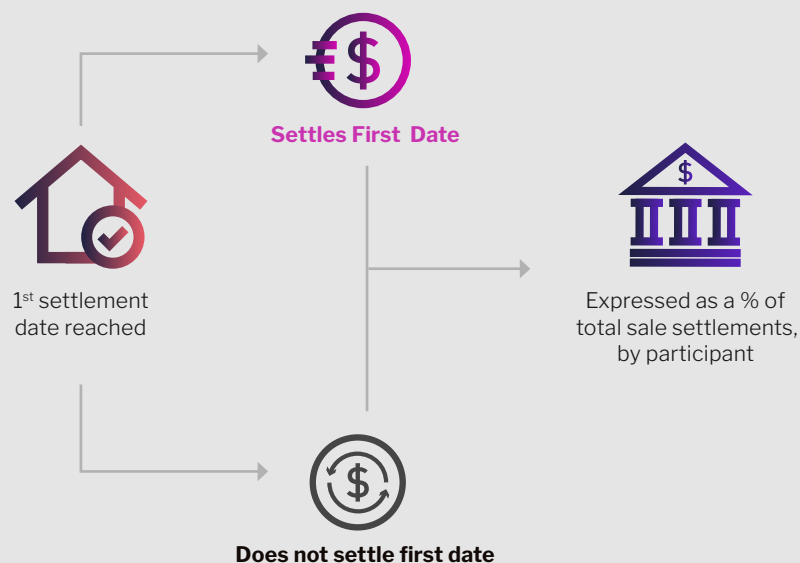
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Our approach

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 conveyances 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, 92.4% of total sale settlements lodged in the PEXA Exchange over the 15-month period Jan-22 to Mar-23 qualified.

Key findings

Australian lenders successfully settled **88.1%** of property sales on the first date via the PEXA Exchange in the Mar-23 quarter, nationally.¹

This result was unchanged on the Dec-22 quarter result but was an improvement compared to the prior year (+2.4%). Lenders in Queensland posted a record high average SFD of 91.0%, with VIC coming in second place on 89.0%. Lenders in ACT trailed the other states with an average result of 85.0% during the quarter.

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**

Whilst lenders are critical to the settlement process, a number of other stakeholders are involved including lawyers, conveyancers and consumers. Each group influences the outcome of a successful settlement and should be considered when interpreting the results in this report.



Nationally, Foreign ADIs performed strongest, with an average SFD of 91.6%, followed by Customer-owned banks on 91.2%.

These two lender segments held a leadership position in most states. Combined they made up 8.9% of the total settlements analysed in the Mar-23 quarter.

Major Banks continued to perform slightly above the national average, settling 89.2% of properties on the first date. Major bank subsidiaries were lower at 86.8%.

These two segments accounted for 65.3% of total settlements analysed in the Mar-23 quarter.

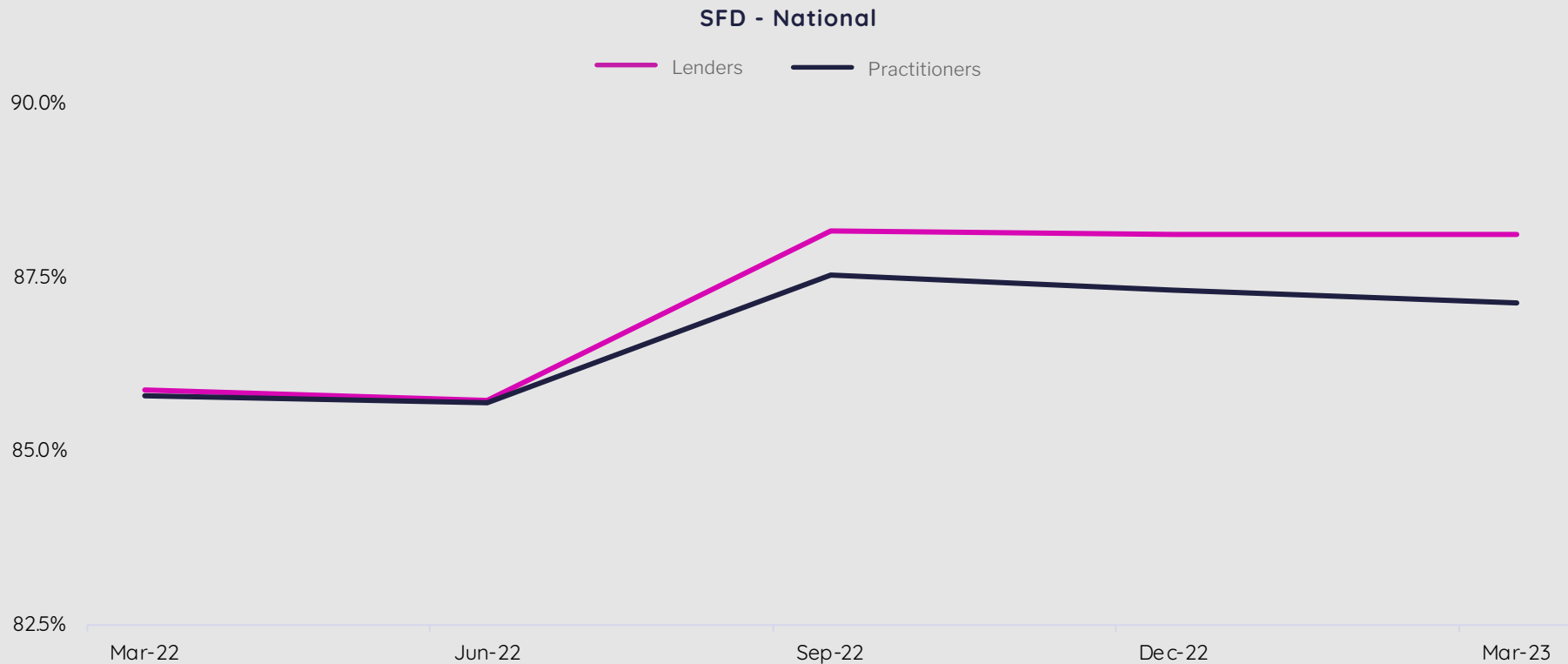
Non-ADIs recorded the lowest result, averaging 80.0% of properties settled on the first date.

This result was a deterioration from the previous quarter when 80.6% of properties were settled on the first date.

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

Nationally, Foreign ADIs and Customer-owned banks were the top performers in Mar-23

Other domestic banks were the most improved from the previous quarter, achieving an average SFD of 90.2%



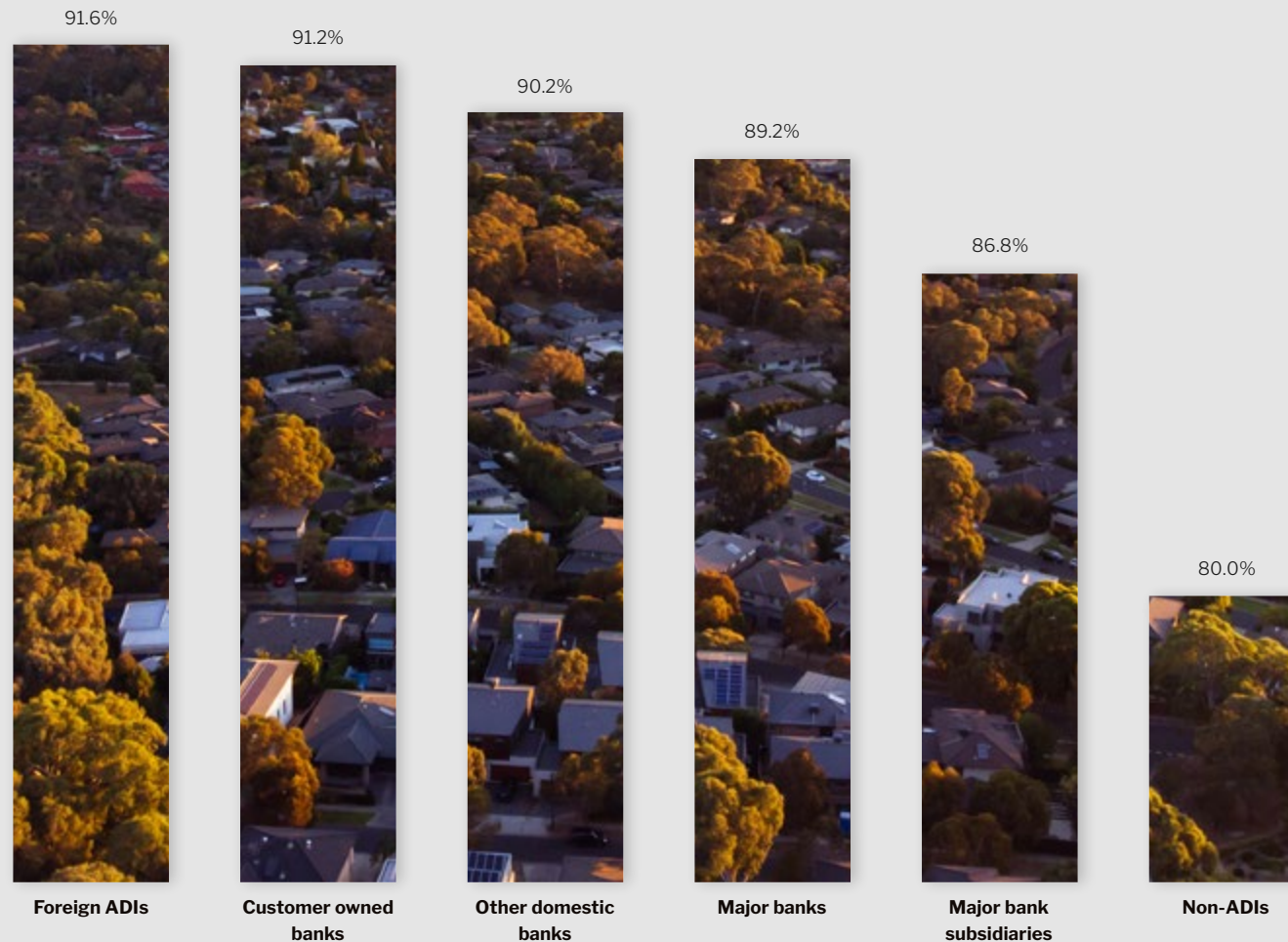
“Pleasingly, the on-time-settlement performance of lenders and practitioners continues to trend at a high level. This reflects the ongoing commitment from the industry and supported by PEXA, to ensure consumers are able to move into their home on time as planned.”

Les Vance, Chief Customer & Commercial Officer, PEXA

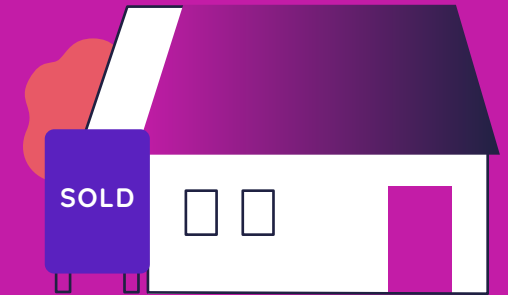
Foreign ADIs performed strongest nationally in the Mar-23 quarter achieving an average SFD of 91.6%

Foreign ADIs have been the top performing segment for three quarters in a row

SFD by Lender Segment, National, Mar-23 Qtr



Source: PEXA



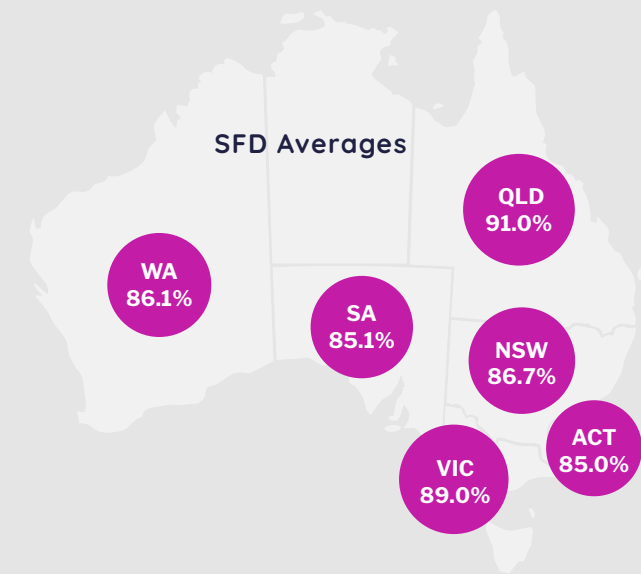
Other domestic banks were the most improved, increasing their average SFD by 1.4% from the previous quarter.



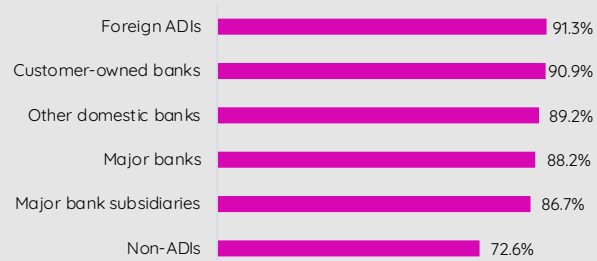
The total volume of settlements included in the SFD analysis for the Mar-23 quarter was **137,188**

SFD performance was highest in QLD at 91.0% and lowest in the ACT at 85.0% in the Mar-23 Qtr

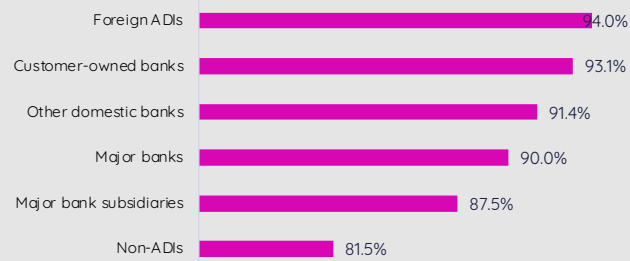
Major banks topped other lenders for SFD in QLD, whereas Foreign ADIs and Customer-owned banks performed stronger in every other state



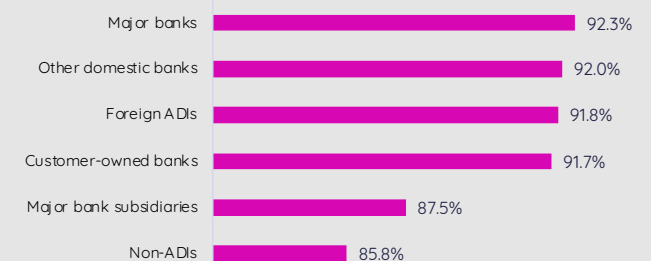
SFD by Lender Segment, NSW, Mar-23 Qtr



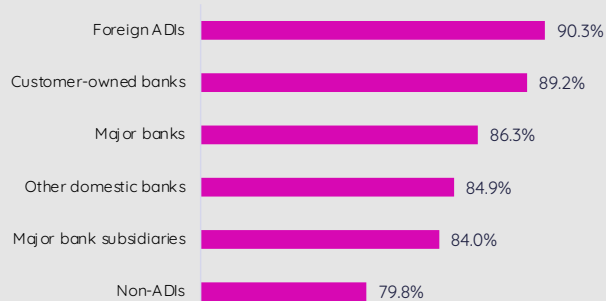
SFD by Lender Segment, VIC, Mar-23 Qtr



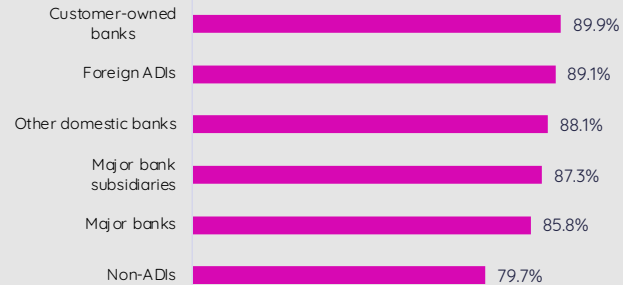
SFD by Lender Segment, QLD, Mar-23 Qtr



SFD by Lender Segment, SA, Mar-23 Qtr



SFD by Lender Segment, SA, Mar-23 Qtr



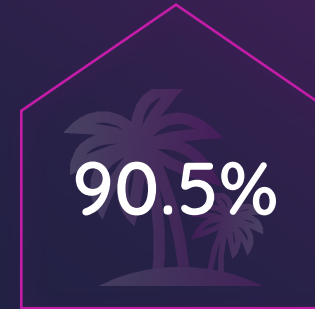
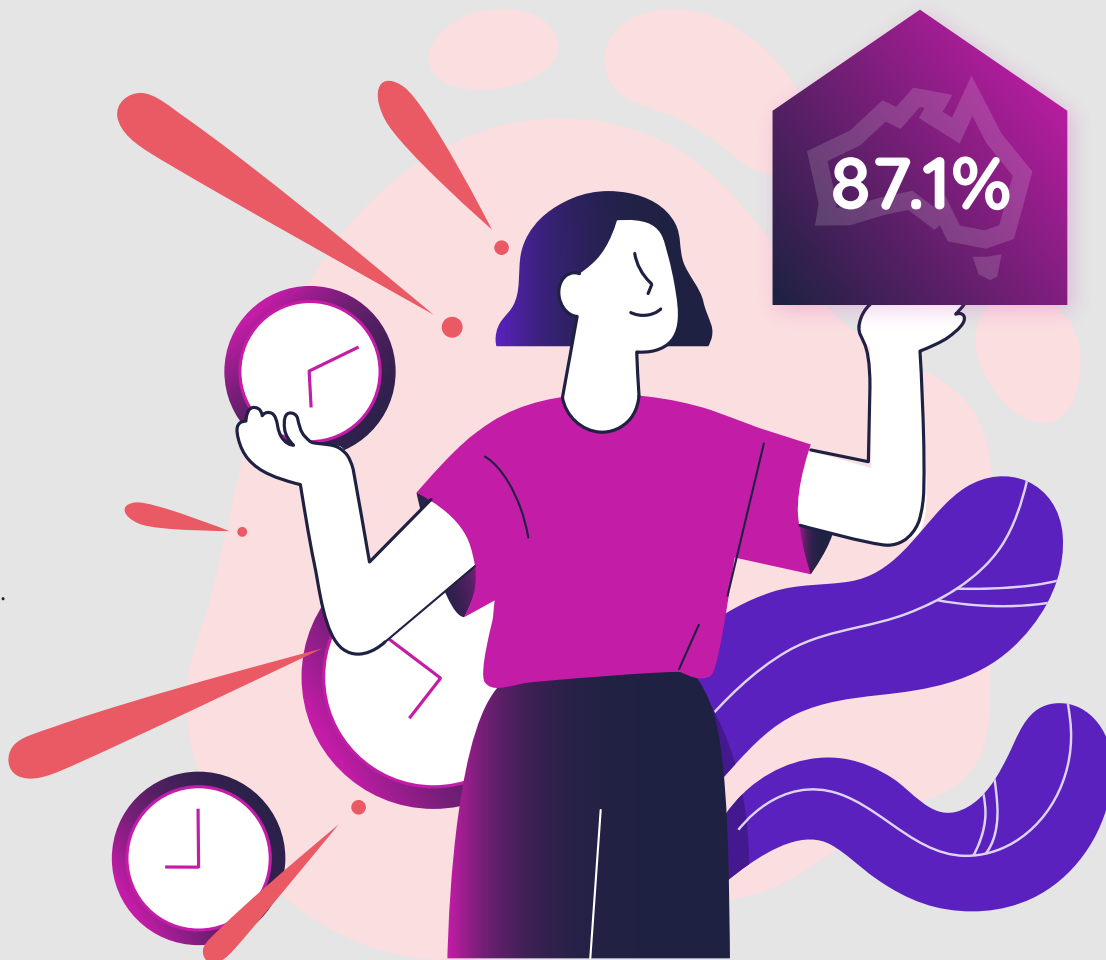
SFD by Lender Segment, ACT, Mar-23 Qtr



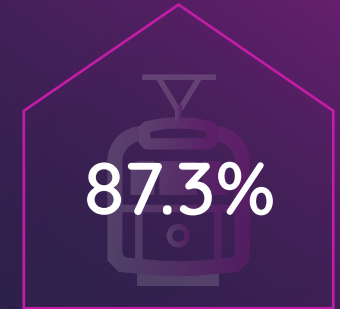
Nationally, Practitioners were successful in settling 87.1% of settlements on the first time

Practitioners in VIC showed the greatest improvement, as average SFD increased by 0.5% from the previous quarter.

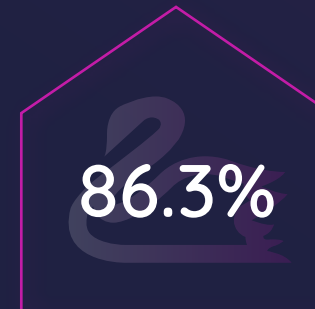
SFD for Practitioners, National, Mar-23 Qtr



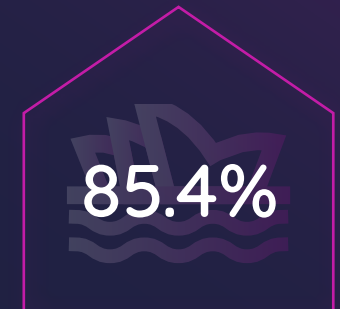
QLD Practitioner SFD, Mar-23 Qtr



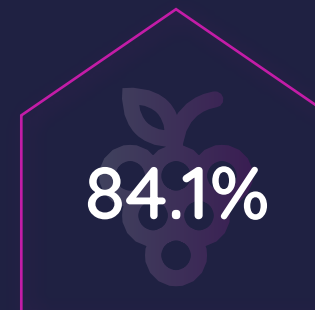
VIC Practitioner SFD, Mar-23 Qtr



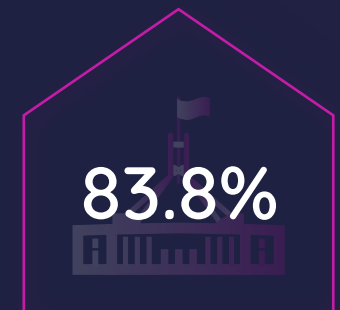
WA Practitioner SFD, Mar-23 Qtr



NSW Practitioner SFD, Mar-23 Qtr



SA Practitioner SFD, Mar-23 Qtr



ACT Practitioner SFD, Mar-23 Qtr

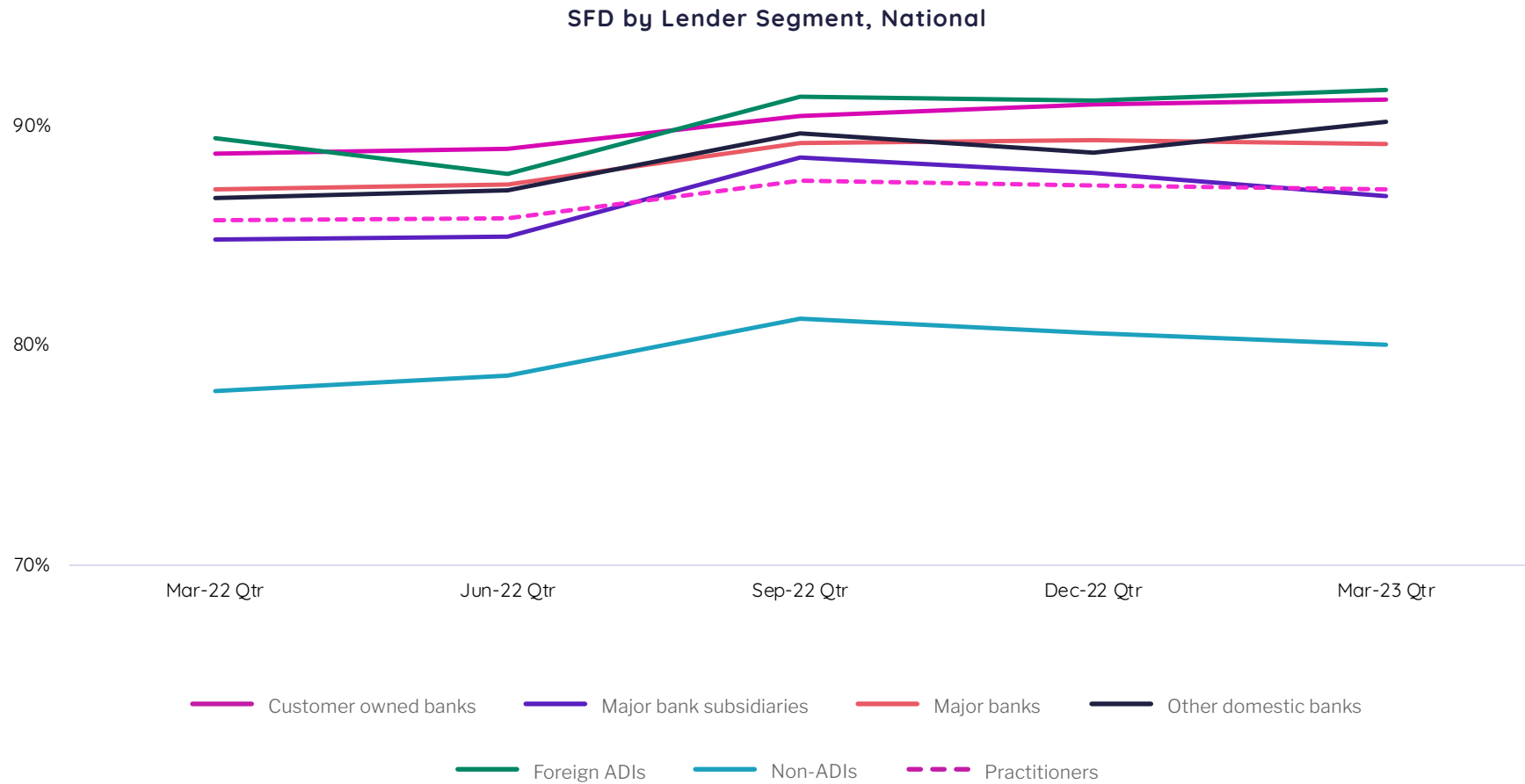
Detailed findings



Nationally, Foreign ADIs and Customer-owned banks topped other lender segments for SFD



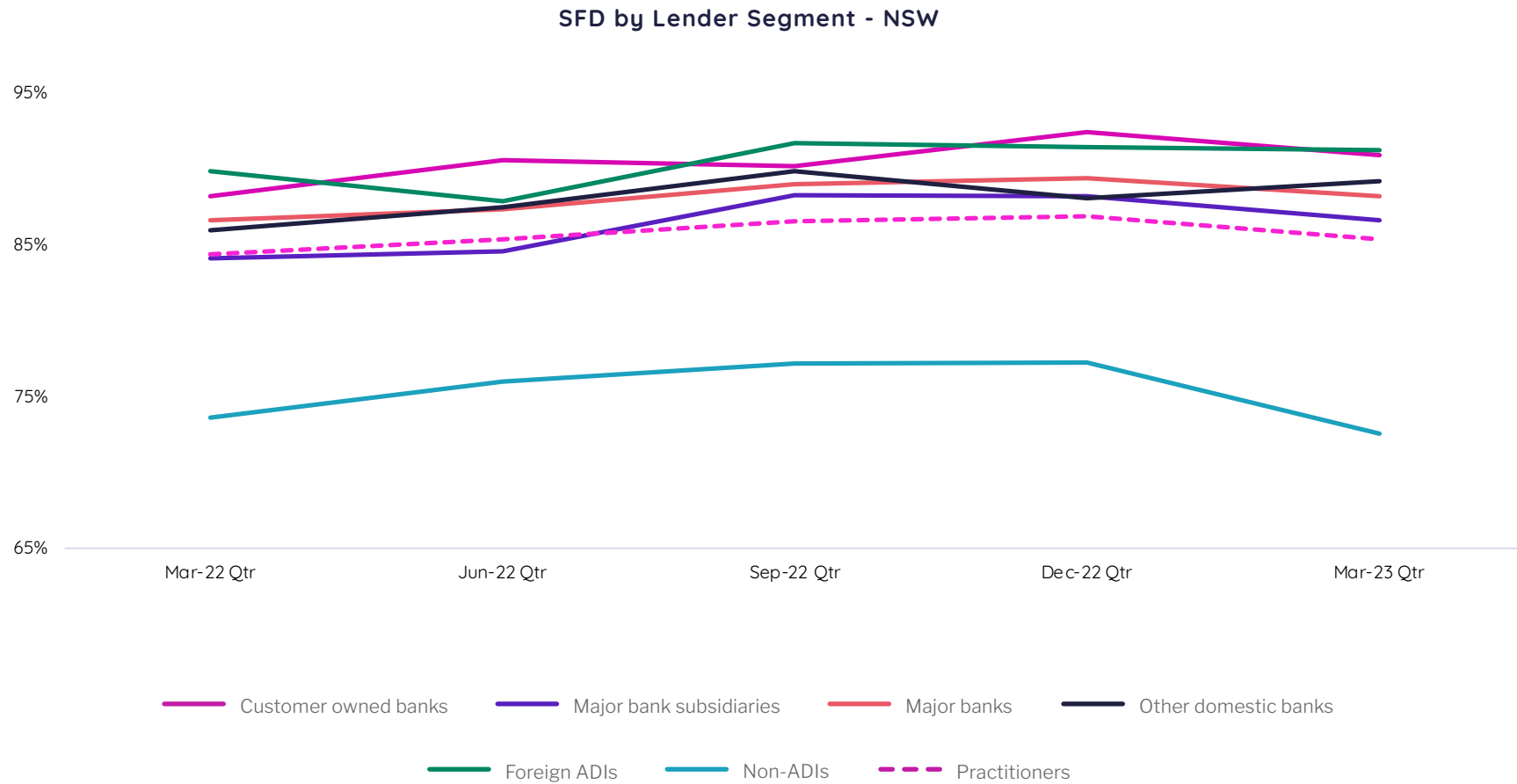
Other domestic banks showed the greatest improvement from 88.8% in Dec-22 to 90.2% in Mar-23



Foreign ADIs retook the leadership position from Customer-owned banks in NSW



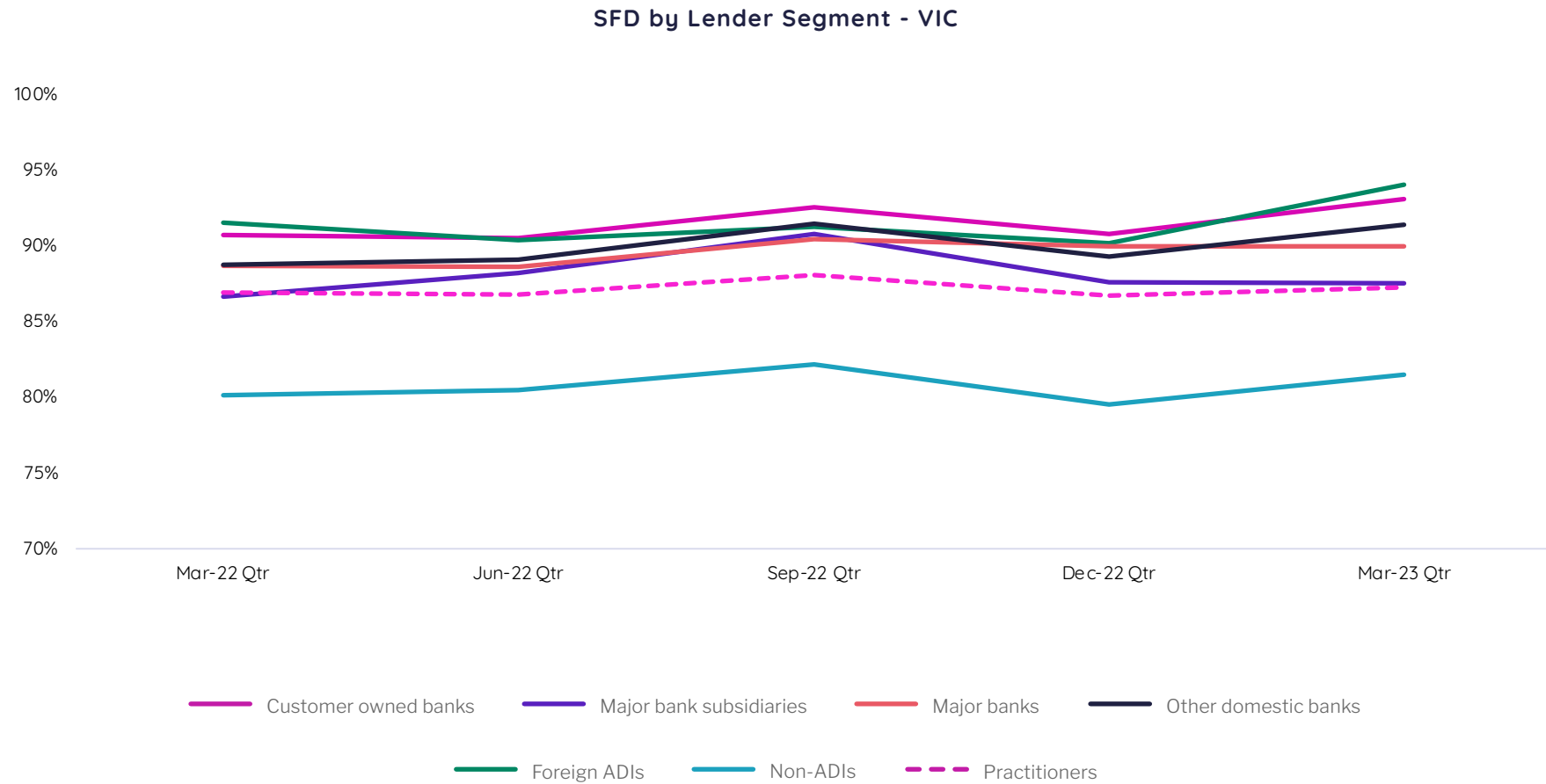
However, only Other domestic banks improved their SFD in NSW from the previous quarter



Foreign ADIs narrowly beat Customer-owned banks as the best performer in VIC



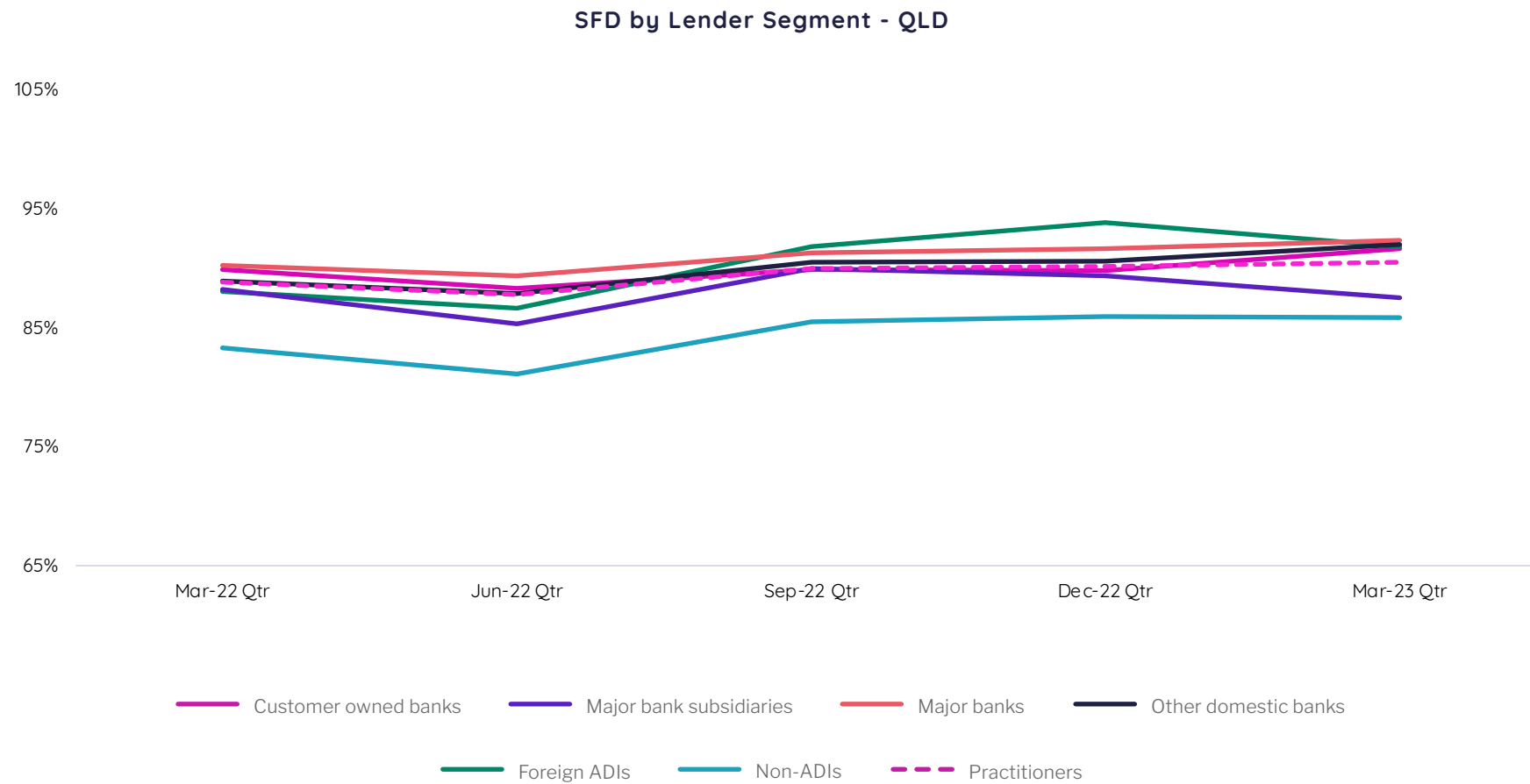
Most lenders and practitioners improved compared upon their Dec-22 Qtr result



Major banks took the lead in QLD in the Mar-23 Qtr with an average SFD of 92.3%



Other domestic banks narrowly beat Foreign ADIs and Customer-owned banks for second place

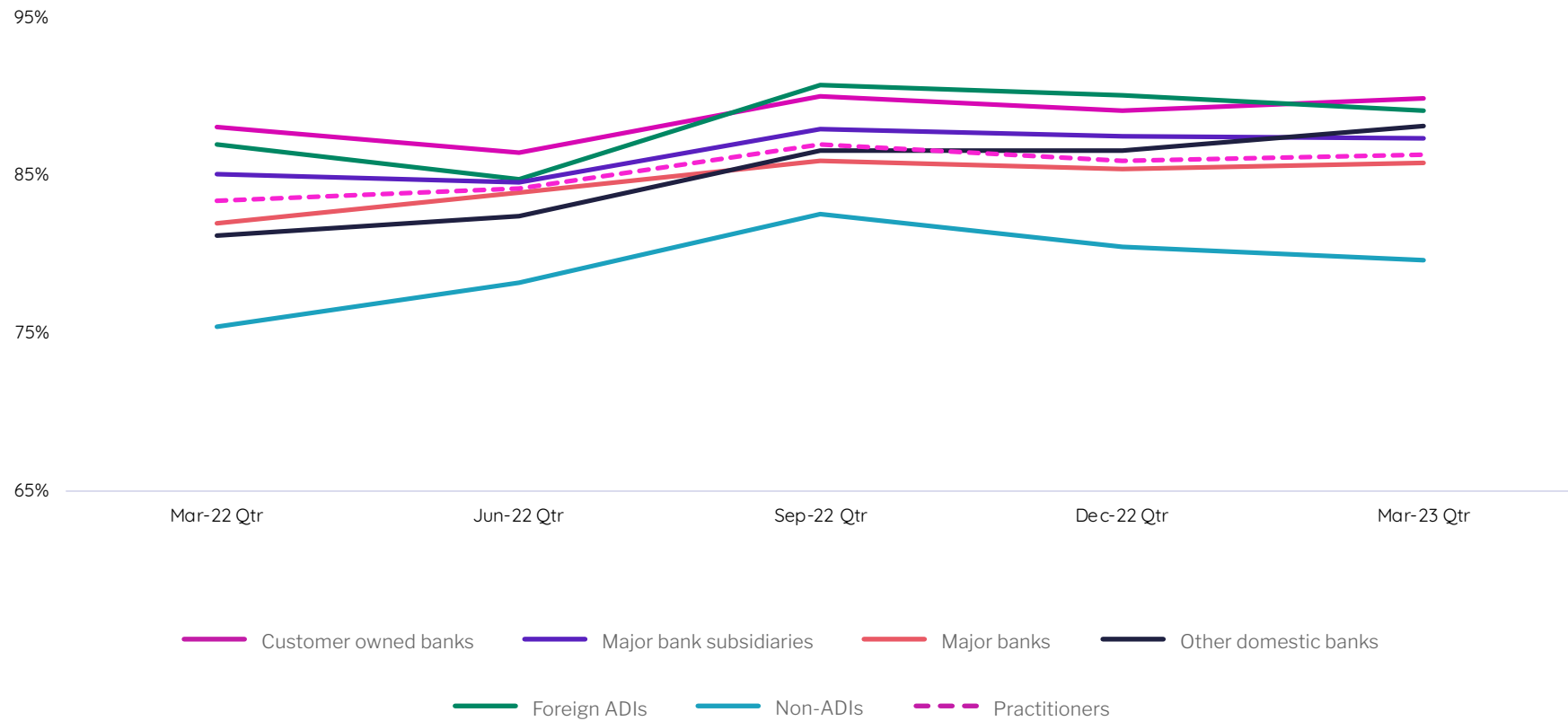


Customer-owned banks gained the leadership position in WA

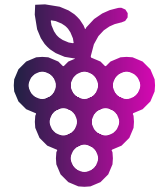


All lender types and Practitioners have substantially improved their average SFD results compared to the prior year

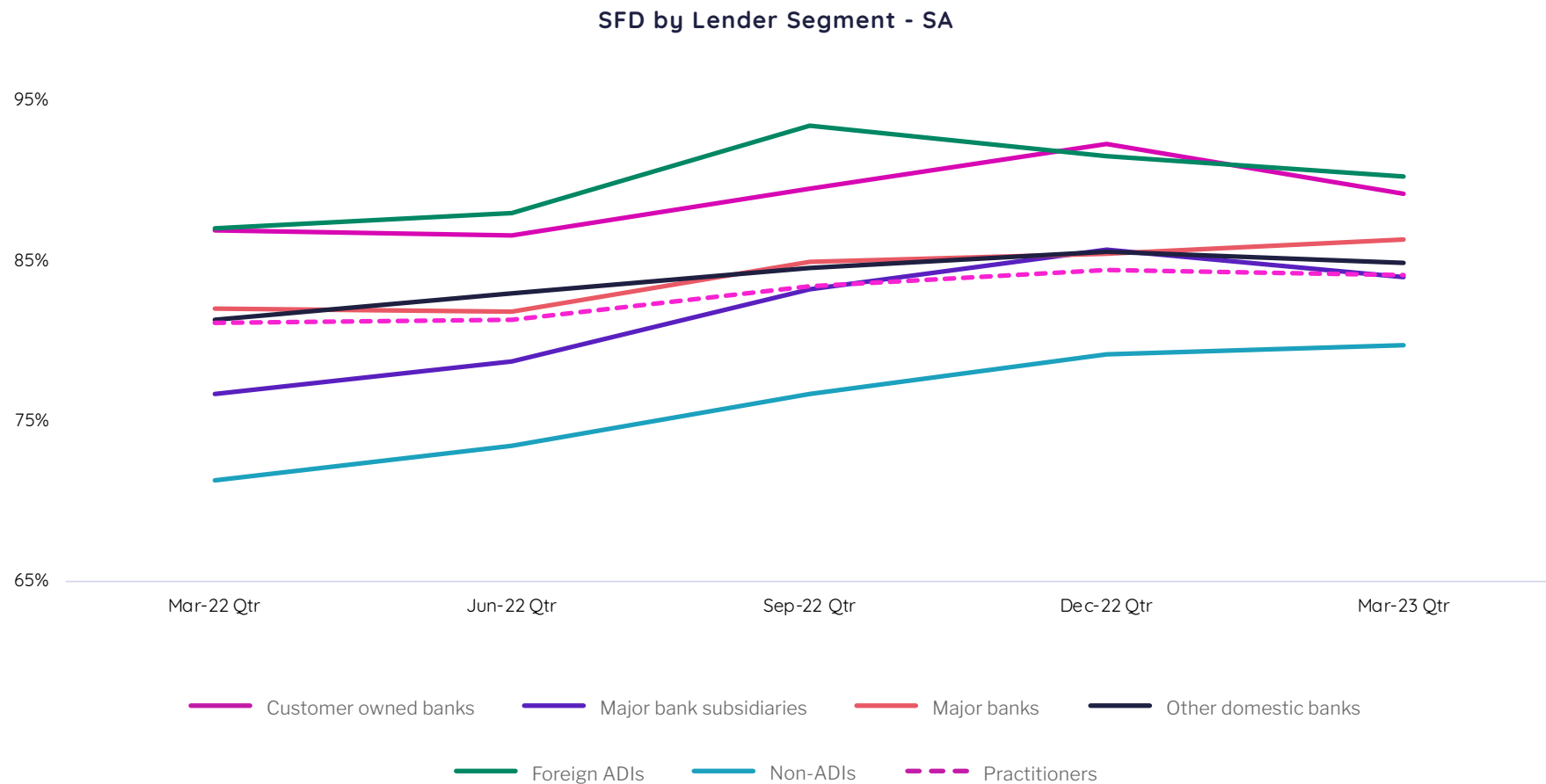
SFD by Lender Segment - WA



Foreign ADIs retook their leadership position in SA, recording SFD of 90.3% in the Mar-23 Qtr



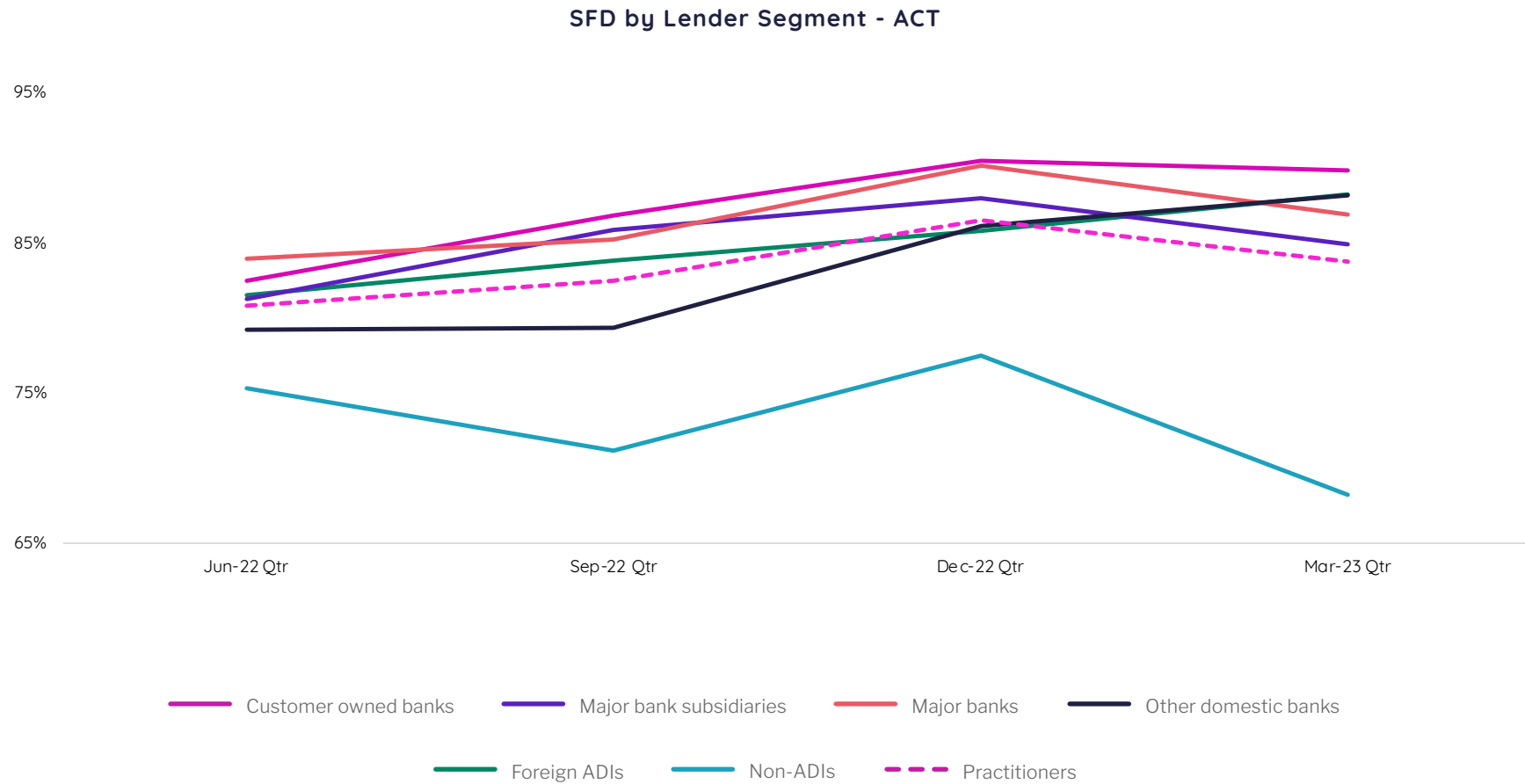
Lenders and practitioners in SA improved the most out of all states compared to the prior year



Customer-owned banks retained their leadership position in the ACT in the Mar-23 Qtr



Foreign ADIs shown the biggest improvement from the previous quarter, increasing their average SFD to 88.2%



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