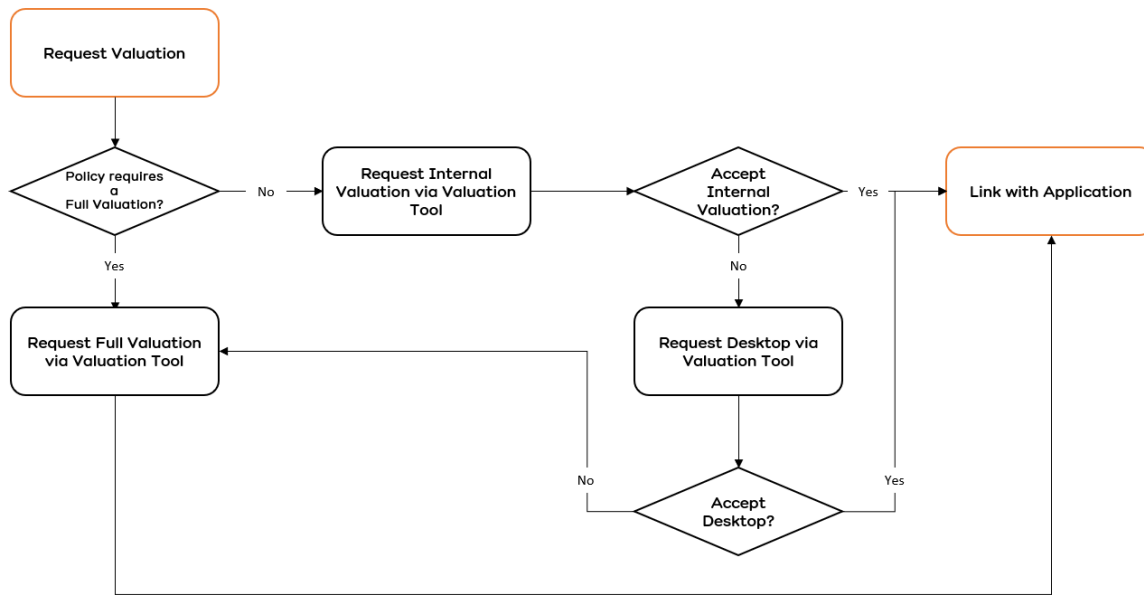


Valuations – Retail lending

The following outlines the general requirements for retail lending residential valuations and is to be used as a guide only.

At a glance



Business rules

Within Bankwest, the market value is validated through a valuation.

Where there is a variance between the valuation amount and the contract of sale / offer and acceptance, the lower amount must be used.

Must	<ul style="list-style-type: none"> be prepared by an approved Bank panel valuer or be obtained via an approved service provider. be completed in accordance with the Residential Valuation Standing Instructions developed by the Australian Property Institute (API) be completed on a vacant possession basis (and not the 'in use' value) – (non-construction deals only.) be prepared for Bankwest First Mortgage lending purposes. be addressed to Bankwest and its mortgage insurer (if applicable). be read to fully understand the assumptions and comments.
Cannot	<ul style="list-style-type: none"> be released to the customer. be re-assigned to Bankwest. (Customer / OFI instructed).

Minimum requirements

All new and increased credit facilities must have the security valued or revalued.

A revaluation is to be considered whenever a credit application involves a variation in the terms or conditions of an existing approval e.g. the Bank is requested to consent to a plan of subdivision, the registration of a lease, or the creation of a covenant.

The Bank's systems will in most instances, determine the type of valuation. The Bank's systems will use the following parameters to determine the most appropriate valuation type:

- Purpose of Loan
- Product
- Location of security property
- Loan to value ratio (LVR)
- Security property value and / or type

Valuation type	Definition / Requirements
Full	<p>Provides the highest level of assurance as the valuer physically visits the property. A full valuation may be either Long or Short Form and can be relied on for a period of 12 months from the date of valuation.</p> <ul style="list-style-type: none">• Short form: Suitable in most scenarios. Prepared in line with Australian Property Institute (API) standing instructions, providing an assessment of property value (land and improvements) and relevant risks to be considered.• Long form: Utilised for more complex properties, reports include a comprehensive assessment of property characteristics (planning and zoning) as well as prevailing market and economic conditions.

Valuation type	Definition / Requirements
	<p>A full valuation must be obtained in the following instances:</p> <ul style="list-style-type: none"> • Bridging Finance • Land Area >2 hectares • Construction and Renovation loans² • High Density LVR >70%^ • Leasehold property (excluding ACT) • Loans requiring Lenders Mortgage Insurance (LMI) • National Post Code (refer LMI Location guide) and LVR >60%^ • Properties subject to non-standard lease agreements (e.g. National Rental Affordability Scheme (NRAS), Defence Housing, Display Home)¹ • Off The Plan Purchases³ • Properties in Category 'B' locations (refer Maximum Loan to Value Ratios) • Property with living area of less than 50sqm • Property value greater than \$3m* • Related Party purchase⁴ • Rural Property • Where an applicant is an overseas citizen without an Australian residency Visa <p>* Note: Houses in selected locations can use Internal Valuations up to \$5m. This will be determined by the Bank's systems at time of assessment.</p> <p>^ Note: Selected postcodes are eligible for Desktop valuations (up to 80% LVR and \$2m property value), including established High-Density properties and National Postcode locations. This will be determined by the Bank's systems at the time of application.</p>
Desktop	<p>Desktop reports are completed without physical inspection of the property. Bankwest systems will advise where Desktop reports can be utilised. Desktop reports are acceptable:</p> <ul style="list-style-type: none"> • Established dwellings valued up to \$2m • Selected locations as outlined by the API. <p>Desktop requests may be escalated to a Full valuation at the discretion of the valuer.</p>

Valuation type	Definition / Requirements
Internal Valuation	<ul style="list-style-type: none"> Provides an estimate of the market value using statistical modelling. Internal valuations calculated from provided inputs, any variance on inputs may impact Internal Valuation validity. Internal valuations are returned directly to Lendnet or Valuation Tool. Usability of Internal Valuations is determined by Bankwest systems.

Notes:

1. Non-Standard Lease arrangements:

- A full valuation is required irrespective of loan to value ratio (LVR).
- The following must be provided to the valuer
 - Full copy of the Contract of Sale (COS) / Offer and Acceptance (O&A) with all attachments and appendices; and
 - Fixed price-building contract (if a house and land construction package).
- The valuation report must note that the property is subject to a non-standard lease, including the nature of the lease.

2. Construction / Renovation loans - As If Complete valuation

- A formal As If Complete valuation is to be undertaken.
- The valuer must sight the plans and specifications for the construction and the offer and acceptance / contract of sale for the land portion.
- Construction loans that involve construction of more than two properties on one title should always be completed via an 'in one line' valuation methodology.

3. Off the Plan Purchases – As If Complete valuation

- A formal As If complete valuation is to be undertaken.
- The valuer must sight the plans and specifications for the construction and the offer and acceptance / contract of sale for the land portion.

4. Related Party Loans

A property is being purchased or transferred between related parties may result in the contract of sale price not reflecting the current market value. Where lenders are aware that:

- the transaction is a result of a related party transaction; and
- the purchase price as detailed on the contract of sale or offer and acceptance is insufficient to meet the proposed level of borrowings,

The originator may obtain and rely on a valuation as confirmation of property value for lending purposes.

Where this is the case, the originator must:

- Order a full valuation, instructed by the Bank, to be completed by a Bank preferred valuer;
- As part of the instruction process, the valuer must:

- be made aware that the transaction is an advantageous purchase or a transaction between related parties; and
- be provided the offer and acceptance or transfer of land.
- The valuer must make comment within the final report that the property is an advantageous purchase and what supporting evidence was provided.
- If the originator was not aware that the transaction was between related parties, and therefore a full valuation is not ordered, the Bank can continue to rely on the valuation ordered.

ValEx contact details

External Valuation requests (Full, Construction and Desktop) made via the Bankwest Valuation Tool are managed via ValEx.

All documentation and correspondence with Valuers is to be managed via [ValEx](#) or the [ValEx Valuation Status Tool](#).

ValEx support can be contacted via ValEx “Connect with Us” or by calling 1300 660 051

Note that the allocation of a valuation request is controlled by ValEx and cannot be overridden.

Effective: 12th July 2024