

Digital reforms set to revolutionise industry

THE PROCESS OF BUYING AND SELLING A HOME IS BECOMING SIMPLER AND FASTER DUE TO THE GROWING USE OF AN ONLINE TRANSACTION PLATFORM, WRITES AIDAN DEVINE

REMEMBER how internet banking changed personal finance? Real estate is undergoing a similar change.

A digital revolution has transformed the way property deals are being carried out across NSW, reducing settlement delays and errors and ushering in an era of greater transparency for buyers and sellers.

Research from the office of the NSW Registrar General has revealed nearly a third of state property transactions are now being conducted online across a digitised conveyancing platform. It's a marked change for a state industry where fewer than 10 per cent of contracts were exchanged electronically at the end of 2016.

More change is expected, with the state government aiming to have all property transactions conducted online by mid-2019.

Electronic conveyancing offers some of the same efficiencies provided by digital technologies introduced in the share market and banking sector more than a decade ago, such as online share trading.

Some of the benefits include the ability for sellers, buyers, solicitors

and banks to exchange real estate in a paperless environment where funds and documents are transferred immediately instead over a few days.

The online transactions have been made possible through a national digitised conveyancing platform created by Property Exchange Australia Limited (PEXA).

PEXA has already helped the mortgage lending and conveyancing industries transact more than \$85 billion worth of property online and they're hoping to reach \$100 billion by the end of this year's first quarter.

PEXA group executive Mike Cam-

eron said the company's inception came from a 2008 Council of Australian Governments plan to create a seamless Australian economy.

Mr Cameron said sellers receive their money immediately rather than waiting three days for bank cheques

to clear. "You're also lodged on title immediately as opposed to the paper world where it can take up to several weeks before your name is on the title, and you own the property," he said.

Information can also be shared and cross checked between parties before settlement, removing errors that can slow down settlements.

"Misspelled names or where you can't settle if the bank cheque is five cents out — in PEXA, that all goes away. Twenty two to 30 per cent of settlements in the paper world fail or move because of the errors that can occur," Mr Cameron said.

Lawyers and bankers don't need to physically meet to exchange print documents and bank cheques, he added. The system is already being used by lenders as part of their refinancing processes.

"With banks, it's halved the time," Mr Cameron said, adding that security was similar to banking platforms.

"We are heavily regulated by AR-NECC — Australian Registrars' National Electronic Conveyancing Council — and we have to be com-

pliant there from a security perspective, be it cyber process and so forth. It's audited annually and we have the same protections in place," he said.

NSW Registrar General Jeremy Cox said the real estate industry was embracing the change because of the clear benefits to sellers.

Some of the push for digital transactions was coming from agents who had realised the benefits and were encouraging their buyers and sellers to seek out conveyancers who used the platform, Mr Cox said. "It's viewed as a competitive advantage," he said.

There has been some resistance to the change but much of it was from a lack of awareness of security, Mr Cox said. "There is some uncertainty. But part of the reform includes very strong rules around integrity and powerful controls. Ultimately, there's actually fewer risks," he said.

PEXA is available in Western Australia, South Australia, NSW, Victoria and Queensland. About 5000 practitioner firms and 133 financial institutions use the platform, according to the company.

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