



Electronic conveyancing to make completion of property transactions cheaper and more efficient

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In brief - E-conveyancing will remove the inefficiencies of the paper-based system

The national electronic conveyancing platform created through the Property Exchange Australia (PEXA) system will allow land registries, banks and conveyancers to transact together online and will create greater transparency for property buyers and sellers.

What is e-conveyancing?

Friends, clients, conveyancers, lend me your ears! For huge change is upon us, whether we wish it or not. The traditional conveyance is drawing ever closer to extinction and in its place dawns the electronic property transaction.

After the international success of e-conveyancing, there was great demand within the Australian property industry to move with the times and invest in the development of electronic conveyancing. To answer this call, the Australian government formed National Electronic Conveyancing Development Limited (NECDL). NECDL was established to deliver a national electronic conveyancing platform through its Property Exchange Australia (PEXA) system.

PEXA was designed to remove the manual processes and paperwork associated with the current transfer of property by allowing land registries, banks and conveyancers to transact together online.

When will PEXA be launched?

The first release in NSW is scheduled to happen shortly with two of the major banks. This release will encompass the settlement of single party property transactions (i.e. standalone discharge, standalone mortgage, refinances etc). This first release has already been successfully launched in Victoria.

The second release, originally planned for August 2014 in NSW, is now on course to happen in May 2014. The second release will facilitate the settlement of multiple party transactions (i.e. transfers, settlements, caveats and notices) and will involve conveyancers, land registries and more financial institutions.

How will settlements happen under e-conveyancing?

Following the second release, conveyancers will open an online workspace where the Registry documents and the settlement schedule are created and information is shared with all parties to the transaction. Once all the funds are made available, PEXA will securely transfer the funds at the allocated time for settlement.

Following a successful settlement, PEXA will then lodge the relevant documents automatically with the land registry and pay stamp duty and any other potential third party beneficiaries (councils, Sydney Water etc).

Is PEXA safe and secure?

While PEXA is bound by the same security standards currently expected of online banking, it will also go further to provide protection against flawed or even fraudulent transactions through its error-checking program.

If the applicable bank cannot verify the information entered into PEXA, a notification will be sent to the relevant party to correct the error before settlement may occur.

What are the benefits of e-conveyancing for property buyers and sellers?

Generally speaking, the inefficiencies of the current paper-based conveyance will be removed. There will be less reliance on the phone and the fax to complete the transaction and greater transparency for property buyers and sellers as the status of both sides of the transaction will be visible to the parties.