

## **REIA Fact Sheet**

### **E-conveyancing is here**

Buying and selling property is set to become simpler, quicker and more transparent thanks to the roll-out of Australia's first national e-conveyancing platform, PEXA.

PEXA is owned and operated by Property Exchange Australia and is a national property exchange open to all States and Territories (Excluding the ACT at this stage) banks, financial institutions, non-banking financial institutions, and property lawyers and conveyancers.

The new online platform is set to remove the manual processes and paperwork associated with the exchange of property and will provide significant benefits for purchasers and vendors through time savings, greater transparency and immediate access to the proceeds of sale.

Essentially, the new streamlined process will allow lodgements and property settlements to be completed online in a simple transaction including the disbursement of funds.

### **What is e-Conveyancing?**

With e-Conveyancing, a vast range of transactions can now take place online, including;

- Lodging the Land Title dealing documents and related instruments needed to register changes in property ownership and interests
- Allowing the different and accredited parties involved in the transaction to view and complete the documents to conclude the property exchange or transaction
- Allowing for the electronic settlement of all financial transactions at a nominated date including settlement monies, duties, taxes and any disbursements
- Lodging electronically Land Title instruments for registration with the relevant State or Territory Land Registry for electronic processing.

### **How will the PEXA platform benefit the real estate sector?**

With close to a million property transactions potentially occurring each year, the unique PEXA platform will provide tangible time and cost efficiencies to the conveyancing industry by reducing the time spent preparing instruments, removing the need to physically attend settlement and using technology to greatly reduce the prevalence of errors and failures in land transactions.

PEXA Subscribers (lawyers and conveyancers) will be able to open an online workspace where the registry documents and settlement schedule are created and information is shared with all parties to the transaction.

All participants must be PEXA Subscribers to perform an online property transaction by first registering with PEXA. There is no joining fee or cost per user with PEXA operating on a pay-per-transaction model. Pricing is currently being finalised.

Once preparation is complete and the settlement date and time is reached, PEXA will automatically lodge documents with the Land Registry, exchange loan funds and pay stamp duty and other third party beneficiaries (provided that certain criteria have been met).

PEXA does not require the use of bank cheques and there is no need to be logged in during an electronic settlement. The new platform also ensures that settlement between financial institutions occurs in real time. Typically, disbursements will appear in the destination account within 24 hours of settlement.

### **Greater transparency**

To ensure the platform remains safe and secure, PEXA Subscribers must first have their identity verified by PEXA during the registration process. Once a PEXA Subscriber's identity has been verified, it will then be the responsibility of all members to verify the identity of the client/s they represent. Client verification of identity can be conducted by members themselves or alternatively by a service provider that specialises in this area.

PEXA Subscribers who have digital signing rights must be issued with their own unique Digital Signing Certificate before undertaking any online transactions. At least one Digital Signature Certificate is required to use PEXA.

This enhanced e-process has the potential to also improve the regulation of foreign investment in Australia's real estate industry; an area that has caused some concern in recent times. The platform also has the potential to allow for earlier detection of irregular activity and help ensure that all appropriate checks and balances are in place.

### **When will PEXA be available?**

In October this year, PEXA will launch to property lawyers and conveyancers in New South Wales and Victoria and then be followed in early 2015 by Queensland, Western Australia, South Australia, Tasmania and the Northern Territory.

Pre-selected property lawyers and conveyancers in the Melbourne and Sydney metropolitan regions will participate in the first stage of the new platform's roll-out. A staggered rollout has been adopted to allow existing members of the PEXA community the opportunity to gain familiarity and confidence in the additional functionality before broadening it to the wider market.

While the metropolitan network is developing, PEXA will also launch in select regional hubs including, in the first instance, Wollongong (NSW). These hubs will form community networks, allowing those property lawyers and conveyancers that transact together on a day-to-day basis to all transaction to e-Conveyancing together. The PEXA team will work closely with each community to ensure the transition from a paper world into an electronic environment is as seamless as possible.

Shortly, the entire Victorian and New South Wales markets will be invited to join.

Property lawyers and conveyancers will be able to subscribe to PEXA directly or through one of PEXA's partners - InfoTrack, SAI Global Property, GlobalX Legal Solutions and Veda.

Registration and training sessions will be available through PEXA directly and will be advertised shortly via the PEXA website - [www.pexa.com.au](http://www.pexa.com.au)

For more information, head to PEXA or contact REIA's research officer, Evgeniya Hawthorne via email at [evgeniya.hawthorne@reia.com.au](mailto:evgeniya.hawthorne@reia.com.au)