

## 2015: the year of e-conveyancing

When you buy or sell a property, there is a lot of paperwork needed to effect the transfer, and settlement can prove to be a lengthy and frustrating process. For a property to settle, both the vendor and the purchaser's representatives must meet to exchange paperwork. If there is an outgoing and an incoming mortgagee, as there very often is, representatives of those banks must also attend. Multiply that by the number of real estate transactions that occur every day around Australia, and you have quite a crowd.

Conveyancers and property lawyers, in fact, are restricted in how many files they can take on by the physical limitations of the settlement process. Banking representatives cannot be in two places at once, meaning that settlements are often delayed until someone is free to attend. Practitioners who work in outer suburbs or country areas are especially disadvantaged, as they must either lose hours of productive time in travelling to city settlements, or incur further costs by appointing a settlement agent.

That is all about to change. After several unsuccessful attempts at moving the process online, national e-conveyancing is about to become a reality. A purpose-built system, due to be rolled out nationally throughout 2015, will allow practitioners from around the country to exchange documents relating to real estate transactions electronically and instantaneously. Both vendor and purchaser representatives may 'attend' electronically, along with the financial institutions, meaning that there will no longer be a limit to the number of real estate transactions happening at any one time.

Less delays mean less costs to the customer, and hopefully a decrease in settlement times. Because the system allows for immediate release of settlement funds, vendors will receive their money as soon as the property changes hands, and not after the funds have cleared through the discharged bank.

So far, so positive, but there are other changes that may not be so easy to sell to the consumer.

Titles to real estate will no longer be kept in physical form. Electronic titles will be the only record. This reduces the chance of the records being lost, but for people who are used to holding tangible proof of ownerships, it might feel like a loss of security. Real estate practitioners should make sure that their clients understand that this change doesn't represent a threat to their asset.

Because practitioners will be signing transfer documents on behalf of their clients, using electronic signatures, it is important that clients are identified before the property settles. Both vendors and purchasers will need to undertake a Verification of Identity process, similar to the 100-point ID check required for passport applications. The Verification of Identity must be undertaken face to face. Where it is impossible for clients to attend their lawyer or conveyancer directly, a verification agent may be used.

Such a radical change to an established system will mean to both property lawyers and clients will have to make adjustments. Ultimately, though, the introduction of e-conveyancing, with its cost- and time- saving abilities, can only mean good news for the real estate industry.