



PROPERTY UPDATE

E- CONVEYANCING

With the move to mandatory electronic conveyancing in Victoria (all property transactions must be lodged electronically by 1 August 2019) it is hoped those in the property market stand to realise some significant time-saving benefits. Time will tell if this ambition is achieved.

Electronic conveyancing - or e - conveyancing for short, is the process of conducting a conveyancing transaction entirely online. Many of you will be familiar with paper-based conveyancing, which often involved at times a lot of running around to meet the settlement deadline.

E-conveyancing changes all this.

Traditional paper-based conveyancing required the parties to the transaction to execute forms, get them back to their lawyer; arrange for the banks to issue bank cheques; and then finally, all parties representing the purchaser and seller would attend a physical settlement at which time the transaction would be completed.

E-conveyancing means all this is done on what is called a virtual workspace. All parties representing the purchaser and seller – i.e. usually a bank on each side of the transaction and the respective legal practitioners/conveyancers – have access to the virtual workspace (PEXA) to complete the formalities to ensure settlement is completed.

For both parties, an e-conveyancing transaction will entail firstly that the purchaser establishes their identity with either their legal practitioner or conveyancer (if they don't already have an established relationship). This will mean attending Australia Post (or other providers) to complete a Verification of Identity (VOI) process, the results of which are emailed to your legal practitioner/conveyancer. In some cases, the solicitor or conveyancer will do this for you for an additional fee and upon presentation of the necessary identification. The VOI process is central to the shift to electronic conveyancing and establishes vigorous identification requirements which aim to reduce fraud in the transacting of land in Victoria.

In tandem with establishing your identity, any party using the e-conveyancing platform will need to sign a client authorisation form. This form enables your legal practitioner/conveyancer to do all things necessary on your behalf to effect the conveyance and bring about settlement. This includes electronically signing documents (such as the transfer of land), submitting/authorising documents to be submitted for lodgement (e.g. with Land Victoria); and authorising any financial settlement involved in the

conveyancing transaction, including liaising with any mortgagee.

However, the authority provided by a client authorisation form does not cover the State Revenue Office (SRO), which sits outside of the e-conveyancing process as far as authorisation processes are concerned. Although the SRO is rapidly moving lodgements/assessments online, the client must sign off on the Duties Form prior to settlement occurring. Parties should remember that unless they have signed the Duties form, settlement cannot proceed.

As the banks are also a member of the virtual workspace, purchasers no longer have to ensure sufficient bank cheques are ready for settlement. Rather, most payments now occur electronically and settlement funds are transferred into the seller's account as clear funds on the same day.

RENTRIGHT

RentRight is a free smartphone app produced by Consumer Affairs Victoria. The app enables both landlords and renters to enter information and provides tools to help landlords manage their properties and help tenants manage their tenancies.

Using the RentRight app, landlords can send emails to renters about upcoming inspections, set reminders about property related activities such as rent payments and end of lease; generate conditions and inspection reports, which can be customised for the individual property; and obtain information about landlord rights and responsibilities.

Renters can send emails to landlords regarding repairs and ending the lease, calculate rent on a fortnight, monthly, six monthly or yearly basis; store information such as reminders on tenancy end dates, and budget for their move using a moving-in cost-calculator. Renters can also obtain information about tenant's rights and responsibilities.

For further information see:

<https://www.consumer.vic.gov.au/housing/renting/rentright-app>

Important: Clients should not act solely on the basis of the material contained in Client Alert. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. Client Alert is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.