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NEW PLATFORM for Property

PEXA is changing the face of property transactions for the modern era with its world-first operating model.

Images courtesy of PEXA

“PEXA is unique because you’re dealing with the legal profession on one side and the banking sector on the other, and then you’ve got the state governments in between them.”

- Marcus Price

PEXA (Property Exchange Australia) has been welcomed enthusiastically onto the property scene with the country’s major banks, state governments, and other organisations all pledging support. It is the first electronic conveyancing system of its kind in the world and provides a secure platform for transactions between land registries, banks and financial institutions, property lawyers, and conveyancers. PEXA is taking the process of electronic lodgement and financial settlement in a new direction as it collaborates with all the key players in the property transaction to ensure a successful outcome. It is similar to the ASX in that it removes the manual processes and paperwork associated with the exchange of property. In short, with the introduction of PEXA, property transactions can now occur online.

In the past, each state government had a different e-conveyancing method, which the nationalised banking sector found hard to navigate despite the fact they were involved with more than 90 per cent of all dealings. So, in the late 2000s, the Australian Bankers’ Association, in conjunction with the Law Council of Australia, approached the federal government to put the issue of

e-conveyancing onto the national COAG agenda. PEXA was then conceived in 2010 and Alan Cameron AO was appointed as chairman, while Marcus Price was recruited as foundation CEO. PEXA is a privately owned company with several shareholders: the Victorian, New South Wales, Queensland, and Western Australian governments, Australia’s four largest banks, as well as Macquarie Capital, Little Group, and Link Group.

“Before we started anything, we had to get the business model right,” Marcus explains. “We had to establish how we could align all the parties that were needed to make this work. We wanted all of them to focus on a national way of doing things, and we ended up adopting a commercial model to do that. Everyone wanted to call this an e-conveyancing business, and we realised very early on, particularly with Alan’s influence and knowledge, that this is an exchange. We are a property exchange, and we are doing to property titles what the ASX did to shares.

“PEXA is unique because you’re dealing with the legal profession on one side and the banking sector on the other, and then you’ve got the state governments in between them. So to get all three parties into the room and cooperatively

working together to bring about a single outcome was a pretty remarkable achievement. It’s a great testament to the people involved that they had the foresight to do that.”

Marcus says the process of buying and selling properties hasn’t really changed in 130 years. “You turn up and meet someone, exchange a cheque for a paper document, and take that to a land registry. We are basically replacing that with an electronic forum, a digital way of exchanging information which is more efficient for everyone. It’s kind of like a very special social network allowing members of that network to complete their dealings online rather than through manual channels. An easy analogy to draw would be internet banking. You no longer need to line up in a branch to provide or gain access to funds—it can all be done electronically. PEXA is the same.”

By making the conveyancing process faster, safer, and more efficient, it can alleviate the stress associated with buying or selling a house, giving customers faster access to the proceeds of sale, eliminating the need to deal in bank cheques, and dramatically reducing the volume of paperwork associated with the purchase and sale of property. It also makes the property process more secure, as





any change on title is recorded with the relevant land registry within moments of settlement—a process that can take weeks in the paper world.

To deliver this full-service exchange, PEXA's employees are all behind the same vision. "We all succeed or we all fail together," Marcus says. "It's not a business where you can get partial success. It's a real pressure-cooker environment and there is a tremendous feeling which permeates the company. We want them to look back with pride in terms of what we have done to a very important industry in this country and feel good about it. The reality is that, in any job, if you can find a time when you are genuinely creating value and you are actually changing whatever corner of the world it is, that's a great experience. I'm pleased that all the young people in this company are having that experience early in their careers because it will really help them in all their future travels as well. It's a high-energy situation because people are excited about

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- Marcus Price

what they are doing. It's a really great place to be."

The business has made it a priority to collaborate with other organisations rather than contesting against them in various parts of the market. SAI Global Property, Veda, InfoTrack, and GlobalX Legal Solutions are all sponsor companies and are strategically aligned. Furthermore, Australia Post and ZipID are on board to help with the verification of identities—a necessary component of a property transaction. "We could have gone into these types of businesses, but we thought, 'No, let's work with these companies like partners'. Those sorts of alliances have delivered incredible value to us. We're creating enough disruption and changing the world enough that we don't want to be picking fights in a whole lot of other areas in the market. It is much more important to align ourselves and work out how we fit in the

ecosystem, rather than trying to displace everybody."

Marcus believes PEXA is a "tremendous" example of governments and the private sector working together to produce an outcome that is in everyone's best interest. "I have never worked in a business that has been able to garner such collective support. You hear a lot of horror stories about public/private partnerships falling apart, but you don't hear enough about the success stories—I think this is a great success story. It's going to be something that everyone will know about within two or three years, and it's going to be something that will change the way we view property transactions.

"It's kind of like being on the field at a grand final: we've got all these people supporting us. It's a fantastic feeling. No-one ever says we shouldn't be doing this; everyone is supporting it and willing us to succeed in what is a really tough and technically demanding area" •

PEXA

Property and Identity made simple

When it comes to property, Veda has it covered.

Through VedaCheck, our web-based search portal, you can search for national land titles, obtain property valuations and connect to PEXA.

You can also integrate IDMatrix™ into your PEXA workflow to:

- > Verify the identities of parties to a property settlement through the DVS
- > Reduce the risk of fraud
- > Comply with PEXA Model Participation Rules



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