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The future of the Australian conveyancing industry 2025 and 2030

June 2018

The conveyancing industry is undergoing a transformation as components of the process become increasingly digitised. This report identifies key industry and technology trends that are likely to impact practitioners, buyers and sellers of property in Australia between 2022 and 2030

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Executive Summary

The conveyancing industry is undergoing a transformation as components of the process become increasingly digitised. This report identifies key industry and technology trends that are likely to impact practitioners, and buyers and sellers of property in Australia between 2022 and 2030. It paints a picture of four potential futures that could emerge for the industry based on critical uncertainties including the distinctiveness of conveyancing as a standalone service, and the degree to which the process becomes digitally led.

Across each of the four potential futures outlined in the report, there are a number of consistent outcomes:

- There will be **greater professionalism**, as practitioners will become more **service driven** in their approach, placing **greater emphasis on advisory** rather than manual components of a property transaction. These could become automated, with quality of service likely to become a point of competitive differentiation
- **Aggregator platforms** will improve the overall quality of service as practitioners will be referred online and selected based on crowdsourced ratings, **making professionalism and quality of service the new source of competition**
- Improvements in **technology will enable greater transparency for customers**, who will have visibility and peace of mind about the end-to-end conveyancing process
- The rise in technology will see an **increased importance placed on cyber security**, with the ability to provide **secure networks becoming a minimum requirement**, or 'ticket to play'
- **Time and cost savings** can be reinvested or potentially banked, leading to **higher margins** or **greater investment in technology** to underpin success at scale. This will occur due to the **relatively low price elasticity of conveyancing**, which is a relatively small fee within a property transaction
- **Varying degrees of consolidation** are seen across the potential futures, but **not to a drastic extent.** Consolidation ranges from 5% to 25% across various potential futures

Overall, digitising conveyancing will have benefits for customers, practitioners, regulators, banks and government. The impact of technology and competition will likely lead to a more professional, transparent, service driven and profitable industry, underpinned by the ability to conduct transactions in a faster, more efficient and automated way. Ultimately, across all potential futures, it will be the enterprises able to deliver on these outcomes for customers who will survive and thrive.

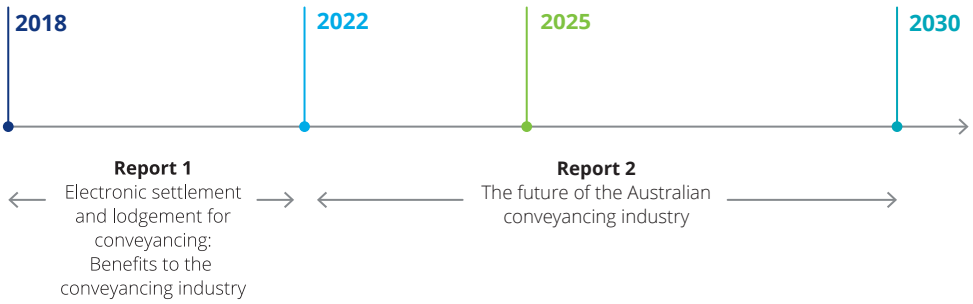
Introduction

Following on from Deloitte Access Economics' 2018 report 'Electronic settlement and lodgement for conveyancing: Benefits to the conveyancing industry' (Report 1) forecasting the impact of digitisation of lodgement and settlement in the conveyancing industry between 2018 and 2022, this report lays out predictions for four potential futures that could emerge from 2022, with a medium term focus on 2025 and long term focus on 2030. These potential futures outline what a digitised conveyancing industry may look like for customers (buyers and sellers of property) and practitioners.

This report focuses on the industry and technological changes most relevant to the conveyancing community, with consideration of the high level implications for the industry. In particular, this is an age of technological change which has radically reshaped customer expectations. Customers no longer differentiate between industries when considering experiences: what was once a comparison between the experience at two grocery stores is now a comparison between a grocery experience and an Uber or Amazon experience. In addition, customers have the technological literacy to interact with more advanced systems and to undertake more complex tasks themselves. These same expectations are beginning to impact the property industry, and are likely to flow through to conveyancing.

The report highlights two critical uncertainties driving potential futures; the extent to which technology means conveyancing becomes digitally enabled or digitally led, and the degree to which conveyancing is a standalone versus bundled service as part of the property purchasing process. When combined, these factors help us contemplate potential outcomes.

In this context, this report is intended to raise questions and support dialogue about opportunities and implications for practitioners and customers, where change is most likely to occur and which potential futures may emerge.



Forecast

What will conveyancing look like in 2022?

By 2022 the conveyancing industry will have moved to '100% eConveyancing'.

'100% eConveyancing' is where the preparation, settlement and lodgement stages of the conveyancing process are performed through an electronic lodgement network operator (ELNO) such as Property Exchange Australia (PEXA) (see diagram below).

By 2022, a critical mass of relative instruments will be available through ELNOs, and the majority of transactions will be conducted electronically, including but not limited to transfers, mortgages, discharges and caveats.

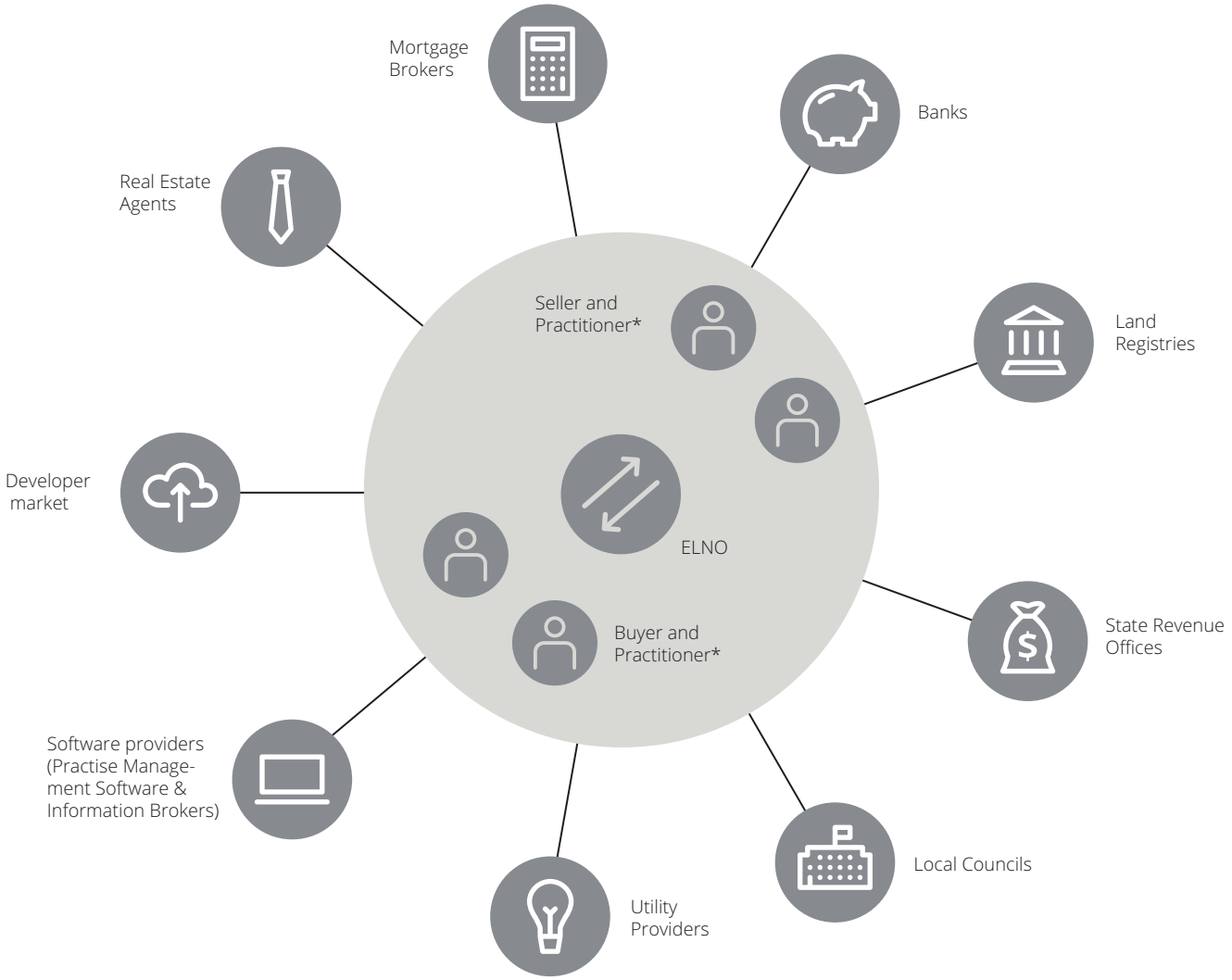
This is for states where ELNOs are currently deployed, including New South Wales, Victoria, Western Australia, Queensland and South Australia, acknowledging that the pace of transition to '100% eConveyancing' will likely differ between states.

As a result, it is foreseeable that by 2022, the industry will no longer be operating a dual system of paper and e-conveyancing. As noted in the Deloitte Access Economics report, this is estimated to provide an average time saving of 4 hours, contributing to a $89m per annum benefit to the conveyancing industry. Although this represents progress from today (2018), given the complexity of the conveyancing ecosystem and number of stakeholders involved in the process, there will likely still be inefficiencies and opportunities for improvement (see next page for details).

Forecast eConveyancing process in 2022

	Contract Prepare contract documents	**Preparation** Prepare contract documentation	**Settlement** Property and money is exchanged	**Lodgement** Transfer documents are lodged with government bodies	**Post-lodgement** Notifications of settlement completion
Activities completed	Complete verification and authorisation forms, and prepare, negotiate and exchange contract	Parties prepare documents – contracts, loans, land transfer, other relevant instruments	Confirm and exchange money and settlement documents	Lodge settlement document with land title office	Notifying other relevant authorities of transfer and providing final report to client
PEXA's role	Outside PEXA – all in paper	Set up work space and invite all parties. This can be done by any of the participants	Settlement funds reserved and released for payment immediately after lodgement through PEXA	Done immediately with settlement in PEXA	Notices and reports can be accessed from PEXA

= Current ELNO functionality



* Practitioners include: 1. Conveyancers, 2. Settlement agents (WA only), 3. Lawyers specialising in conveyancing (small and large), 4. Lawyers who occasionally conduct conveyancing services to serve existing clients (small and large)

In 2022 – as today – the conveyancing stakeholder ecosystem is still likely to be quite complex

A conveyancing transaction requires touch points not only with a buyer or seller, their respective conveyancers and the State Land Registry, but also banks, State Revenue Offices, local councils, utility providers, real estate agents and mortgage brokers. As practice management software becomes more integrated with ELNO platforms and other elements of the process are automated, software providers will become increasingly involved (see graphic above).

Across this ecosystem, a number of manual processes are likely to still exist in 2022. These can provide further opportunities to digitise and automate elements of the process to save time for practitioners, improve customer experience, and lower the cost of conducting transactions. These are documented at a high-level on the next page, and explored in further detail throughout the report.

Further opportunities

Preparation

Digitisation of customer onboarding (e.g. verification of identity, document upload and review, data entry) could save time in the onboarding and preparation phase.

Contract development and review

Digitisation and automation of contract development, review and signing could potentially save time and significantly reduce paper from the process.

Enhanced data and automation

Use of enhanced data could enable automation of a number of manual tasks and easier hand-offs between various stakeholders (e.g. entering and exiting ELNO platforms). In addition, the ability to capture, analyse and monetise data presents new opportunities to create value.

Schedule settlements and bank payouts

Automating the process for checking payout numbers and scheduling settlements has the potential to reduce the time and effort required by practitioners.

Post settlement notifications

Automating post settlement notifications with State Revenue Offices, utility companies and local councils has the potential to reduce time and effort required by practitioners.

Game changers

Key trends shaping the conveyancing industry in Australia:

The conveyancing industry in Australia is being shaped by industry and technology trends

These trends have been chosen and prioritised following an assessment and evaluation of trends across the industry, leveraging Deloitte research and subject matter expert interviews to determine the trends most likely to have the greatest impact on the conveyancing industry.

Industry Trends

The conveyancing industry is likely to evolve significantly over the next few years, impacting customers and practitioners.

Key changes for customers:

- Customer demand for control, and more transparency
- Emergence of 'proptech' and customer experience innovation

Key changes for practitioners:

- Shift in value of services provided
- Bundling of services and new providers
- Shift to cloud based subscription practice management software and enhanced user interfaces
- Privatisation and digitisation of remaining land registries

Technology Trends

As conveyancing transitions from a paper-based process to become digitised, new technologies are likely to be harnessed to transform how services are delivered.

Current technology trends:

- Platform, Cloud & Application Programming Interfaces (APIs)
- Cyber security
- eContracts
- Robotic Process Automation

Longer term technology trends likely to impact the sector:

- Artificial Intelligence (AI)
- Internet of Things (IoT)
- Virtual & Augmented Reality (VR & AR)
- Distributed ledgers
- Digital Identities

Regulatory Environment

This report assumes there will not be dramatic change in the regulatory environment over the next decade. Aspects including the Torrens title system and state based real property acts regulate how property is transferred between parties and provide a traceable and transparent system for the industry and customers.

As a result, this report assumes that from a regulatory standpoint, the legal framework governing conveyancing will not change drastically. However, it should be noted that many trends and changes in technology will be subject to regulatory considerations, and this will be a critical factor in contributing to the potential pace of change (e.g. digital identities).

Industry trends 1/2

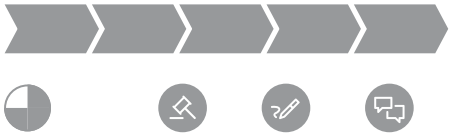
What is it?

Degree of impact

Customer impact

Customer demand for control, and a more transparent, easy experience

Customers have higher digital capabilities and access to devices, creating demand for more transparent, easy experiences. They expect to use customer friendly platforms across industries, compounded by small and medium enterprises (SMEs) blurring the line between professional and personal expectations. For home buyers / sellers facing a stressful and significant financial decision, this is acute.



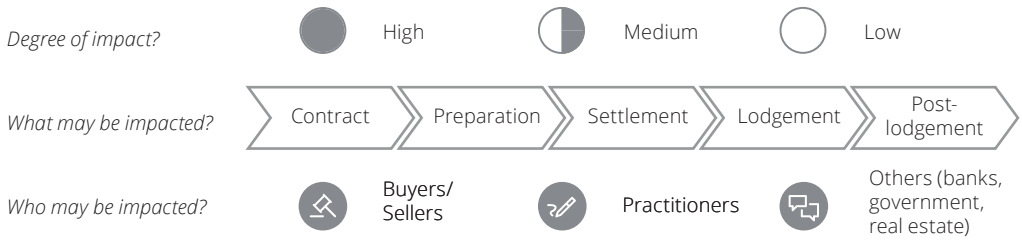
Emergence of 'proptech' and customer experience innovation

Start-ups operate at the intersection of customer tension and profit. Across the property industry, there is emerging innovation in 'proptech' and in customer experience by start-ups, smaller lenders and accelerators who are enabling innovation.

Practitioner impact

Shift in value of services provided

As of 2018, conveyancing prices for services provided by both lawyers and conveyancers have remained static for a decade. Although the services and roles vary by state, competition between lawyers and conveyancers has generally contributed to a customer expectation of more value for the same price, eroding margins. However, margins may improve in coming years due to digital efficiencies.



What might the impact look like?		*Examples*
Dashboards, transparent process and fees The need to include multiple stakeholders across a complex and fragmented ecosystem, encompassing pricing, sales, contracts, conveyancing, and inspections is prompting a growing desire for a transparent and easy to follow process and fee structure. This could be delivered through a digital dashboard.	**Accessing digital asset histories** The creation of digital asset histories, a readily available and accessible data source of modifications, inspections and other information regarding a property asset of interest to a potential buyer.	• The emerging 'one stop shop' model offered by a number of real estate agents and banks (e.g. LJ Hooker). • Ability to track a customer's order in the process of it being delivered provides greater transparency and security for the buyer.
New business models Firms such as BrickX and Rent Roll are developing platforms to create new business models and investment options for buyers.	**New online real estate and services** Purple Bricks, Loop, ConveyPal and ConveyerPower are providing new experiences for customers looking to buy and sell homes. For instance, Purple Bricks are offering customers a platform with a transparent online process, charging fees considerably lower than a traditional realtor. There is an opportunity for conveyancers to partner with these services.	• Charter Hall and Collective Campus 2017 partnership to develop a property tech accelerator.
Consolidation and economies of scale Digitisation of conveyancing may contribute to some consolidation in the industry, leading to larger, more profitable firms.	**Value added opportunities** As the time and cost of providing conveyancing services potentially decreases, there may be opportunities for conveyancers to provide value added services such as advice to clients as a means of differentiating to increase price and margin. This is likely to lead to a greater emphasis on professionalism and service.	• Digitisation has enabled the banking industry to reduce the time and cost to serve customers, refocusing staff on value add services or creating cost saving opportunities.

Industry trends 2/2

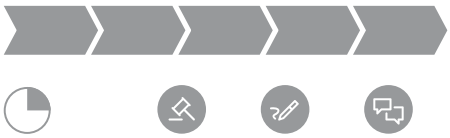
What is it?

Degree of impact

Practitioner impact

Privatisation and digitisation of remaining land registries

In recent years, NSW and SA land registries have been privatised (with VIC and WA registries in the process of becoming privatised). They operate on long term contracts, which has prompted the digitisation of registries to maximise returns and improve customer experience.

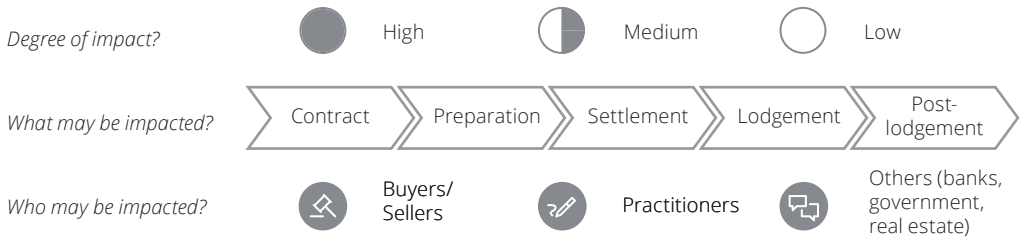


Bundling of services and new providers

Bundling of services is the provision of multiple services together for a customer – often designed to address a single (or interconnected) customer need. This is occurring in the property industry, public sector and telecommunications amongst established players and new entrants.

Shift to cloud based subscription practice management software and better user interfaces

Cloud based software is hosted online. Conveyancing software has a subscription and title search driven revenue model, and provides regular ongoing updates to keep practitioners up to date on changes to laws and precedents. Improved user interface and software integration has the potential to enable conveyancers to manage their entire business digitally.



What might the impact look like?		*Examples*
End-to-end digitisation Currently, only the preparation, settlement and lodgement of property exchange has been digitally enabled by ELNOs. However, there is an opportunity for further value to be extracted by digitising early stages in the conveyancing process along with other manual handoffs such as State Revenue Offices and utility activities.	End-to-end digitisation of the exchange of properties may result in a better, more seamless customer experience for buyers and sellers.	• Privatisation of government utilities such as Telstra has allowed the telco to enhance its customers experience, and focus on becoming a world class technology company. • The Australian Tax Office enables customers to lodge tax returns online.
'One stop buy / sell shop' There is an opportunity for the bundling of a number of legal and conveyancing services across contracts, legal advice, inspections, reports, exchange, lodgement and settlement. There is also a wider scope of services in the property industry – for example, banks, realtors and smaller lenders seeking to provide end-to-end 'home ownership' services.	**Specialise at scale, bundle through a third party** Rather than providing all bundled services, some may specialise in a particular service at scale, sold standalone or bundled by a third provider.	• LJ Hooker provide a realtor, lawyer and conveyancer under one roof. • Service NSW as a 'one stop shop' for government. • Telcos are providing combined internet and entertainment deals.
The paperless practice Historically, practice management software has included tools such as letters, calendars and customer relationship management (CRM). However this has been separate to processing and service delivery, which have involved paper elements. Some are beginning to provide integration with ELNOs, (e.g. triggering a new workspace when a new customer is added to the CRM).	However, there is an opportunity to create more practitioner friendly interfaces with the tools required to integrate service delivery and practice management into a single digital workflow.	• Matters Centre by GlobalX has a pay per search / low fee model to the conveyancing industry. • Online credit card or insurance application processes which provide a fully online process.

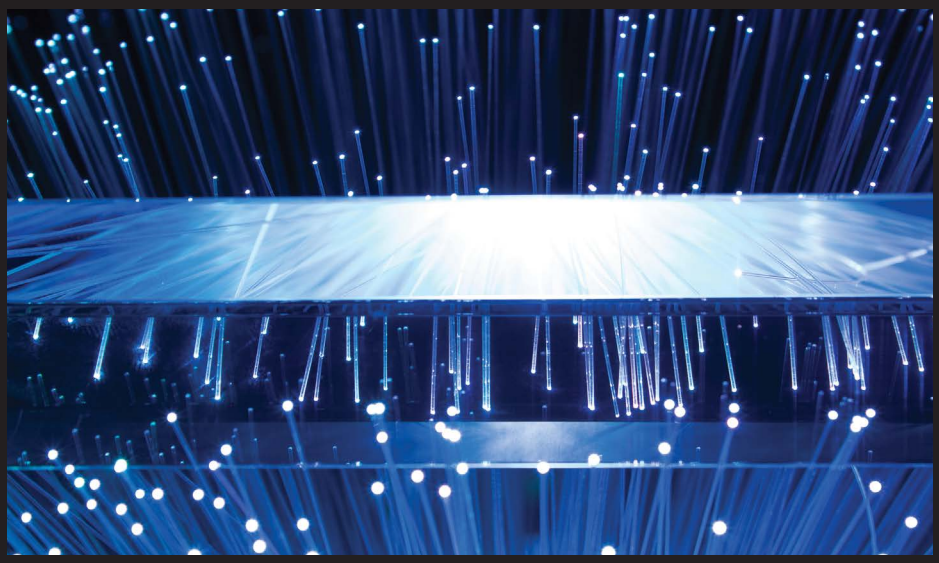
Technology trends

As conveyancing transitions from a paper-based process to become digitised and potentially automated, new technologies will be harnessed to transform the buyer and seller experience by changing how services are delivered by practitioners.

Key trends in technological development that are likely to have the greatest impact on the conveyancing sector have been prioritised. They address technologies that are already in use, or represent opportunities to improve future processes. An indication as to when these might be applied in the conveyancing industry is shown below.

Timeline of selected technology trends

Across these technologies, digitisation is already occurring, and this can enable automation



Digitisation to automation spectrum

Digitisation	*Robotic Process Automation*	*Cognitive Automation*	*Cognitive Insights*	*Artificial Intelligence*
Converts data into a digital form	**Mimics human actions**	**Mimics human judgement**	**Augments human intelligence**	**Mimics human intelligence**
• Enables a computer to process information • Faster, lower cost, easier to transact information	• Used for rules based processes (simple to complex) • Faster, higher volumes, reduced errors and cost	• Used for judgement based processes • Machine learning capability • Interprets human behaviour	• Used for predictive 'decisioning' • Dynamically self-adaptable and managing	• Acquires human-like thought processing and thinking capabilities

Technology trends 1/3

What is it?

Degree of impact

Current use cases

Platforms, Cloud & APIs support ease of use and scale

Platforms create value by enabling buyers and sellers to connect and exchange products or services. They enable other services to plug in via APIs to create ecosystems. This is where customers can access a range of services from one central site, sometimes from multiple vendors. Platforms capture a large volume of customer data, which can be stored in cloud-based software. Cloud is a storage and computing service provided by global platforms (AWS and others), which enables fast, cost effective and powerful computing which is paid for on a usage basis.

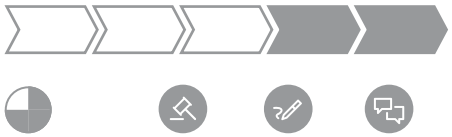
Robotic Process Automation (RPA) automating repetitive tasks; ChatBots answering questions

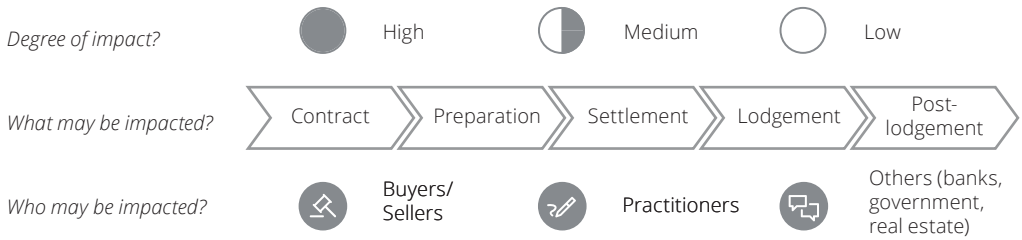
Process robotics is gaining popularity as a relatively low cost, non-invasive and flexible tool to automate repetitive manual tasks and as an alternative to complex systems integration.

ChatBots are a customer facing tool that are programmed to respond to certain terms or questions, and taught when to filter complex enquiries through to human operators. Machine learning can enable chat bots to learn to provide increasingly better responses.

Cyber security for risk mitigation

Cyber risk and security is a burgeoning challenge shared across industries and geographies. As the world becomes increasingly digitised the risk of digital attacks has increased. The protection of systems, networks and programs from being destroyed or having sensitive information accessed has led to a proliferation of cyber security offerings to protect customers' identities and personal data. As a result, we may see regulators create minimum standards for data and cyber security, certainly for companies transacting customer data, and potentially for users of these systems.





What might the impact look like?		*Examples*
Cloud based practice management platforms for connectivity and integration Platforms enable better connection between practitioners, banks, agents and customers. Cloud based practice management software can manage workflow whilst enabling integration through API plug-ins to perform other activities along the value chain. Platform based services may lead to a more professional and profitable approach to conveyancing.	**Data monetisation** Capturing property data in cloud-based software allows information to be accessed with greater speed and ease. The data captured in this process leads to a new privileged asset which can be monetised – however this can come with challenges around customer trust and government regulation.	• Amazon as an ecommerce platform allows users to purchase goods online from multiple vendors from one site. • Aggregator sites such as Home Alliance and Conveyancing Calculator in the UK allow customers to view and select the service and pricing that meets their needs.
Removing manual hand offs and accelerating standard transactions The current conveyancing process has a large number of manual hand offs and extensive communication. There is an opportunity to automate these tasks with RPA, reducing time for standard transactions through workflow management. RPA can simplify the process through prescriptive analytics to enable automated approvals of lodgement documents by	state registry offices as well as fast-tracking credit, eligibility checks for mortgages and utility adjustments.	• Insurance companies use telematics to triage motor claims based on recognition of common characteristics. • Customer service chat bots used by airlines help to direct customer queries and escalate to human intervention when specialist advice is required. • RPA in banks to automatically perform loan eligibility checks.
Cyber security measures in place for all software solutions Cyber security measures can be embedded into every digitised aspect of the conveyancing process. Examples include smart contracts, communications and cloud storage. Cyber security will be crucial to ensure that customers feel safe, adoption is high and digital solutions can function seamlessly.	**There may be minimum standards to adhere to** Maintaining strong cyber security protocols along the entire value chain will likely require training in order to provide more efficient and more secure services to buyers and sellers, and to develop a greater level of trust with customers. Cyber security measures will be a ticket to play for conveyancing.	• As transactions are increasingly digitised and data is stored in the cloud, it will be crucial to invest in software such as Norton Security which protects against viruses, ransomware and malware. • Communications should be protected from conveyancing fraud, with Cisco building firewalls and intrusion prevention systems to address phishing.

Technology trends 2/3

What is it?

Degree of impact

Customer impact

eContracts eliminate the need for wet signatures

An eContract is a legally binding contract enacted through purchasing goods or services online between an electronic agent and parties who have no personal contact or relationship. eContracts are signed when the purchaser clicks "I agree" or "I accept" to signify acceptance of the terms and conditions of the seller. In future, this could extend to electronic development and reviewing. More complex versions can include fillable fields, data that can be readily transferred between systems, and are accessible on various devices (e.g. an agent's iPad).

Practitioner impact

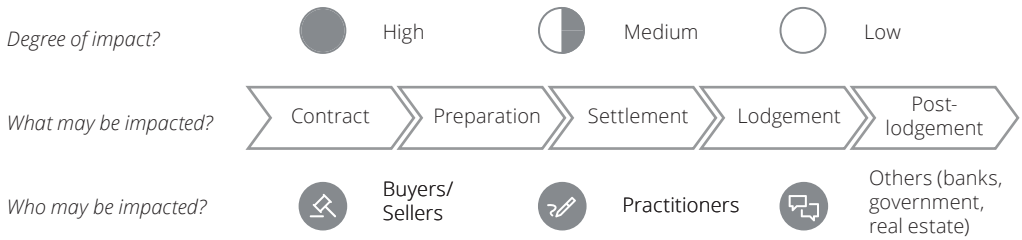
Progression of cognitive insights through AI

AI is the creation of software that is capable of mimicking human judgement. It can be used to augment human actions. This is harnessed through cognitive computing where systems are configured to self-learn through pattern recognition and natural language processing. AI sits at the end of the automation spectrum, as it exhibits highly sophisticated processing, and is capable of more complex tasks. This underpins opportunities for exponential impact – for instance the emergence of AI driven advice.

IoT: connecting to your home at all times

IoT allows objects to be measured, sensed and controlled remotely, creating opportunities to adjust or turn systems on or off from elsewhere, and capturing large volumes of data on how a property is used.

Customers with smart systems could be able to track their energy use and receive real time data on billing estimates. However, as more and more devices become connected, the risk of compromise and attack increases.



What might the impact look like?		*Examples*
eSigning Digital contracts can be signed online, which providers such as DocuSign support by embedding electronic signing capabilities, reducing travel time to sign documents in person. These tools can also be programmed to alert parties when variations are made and resigning is required.	**eContracts to enable development & review** RPA tools, and increasingly AI, can be taught to recognise terms, perform data analytics and assess risk by identifying suboptimal clauses in eContracts. eContracts could also help to simplify the process of building and managing contracts by enabling practitioners to select from standard and specialised terms to ensure consistency and transparency.	• DocuSign, Adobe eSignatures have enabled people to sign contracts and documents remotely. • In April 2018, the first digital mortgage was signed in the UK and entered into the HM Land Register Gov.UK. Verify was used to verify the identity of the borrow remotely enabling them to sign the mortgage deed online.
Machine learning for workflow management, judgment calls to escalate complex tasks End-to-end digitisation of the conveyancing process provides multiple opportunities for AI to be embedded into workflow and practice management software including exchange, contracting and settlement. Systems could use machine learning to trigger the initiation of the next activity (cognitive automation) once notification that tasks have been completed. By	building AI capability for cognitive insights, the system could theoretically compile required documents, and obtain funds and permissions independently of a practitioner, and make judgments of where escalation to human user intervention is required. Longer term this may even lead to the delivery of advice by an AI tool.	• Siri (by Apple) and Alexa (by Amazon) recognise voice commands and complete requests based on natural language processing abilities. • Data Visioning can be used to assess the damage of car crashes by comparing photos from claimants and determining the severity and credibility of the story through accessing the data history of similar incidents.
Smart buildings to feed data into digital asset records The 'smarter' buildings become, the more opportunity property managers may have to remotely monitor, maintain and gather data about the physical asset. This information could feed into a 'digital twin' asset record for prospective buyers to assess as part of the conveyancing process, potentially eliminating the need for inspections and reports in the long term	and enabling focused inspection activity in the near term. However, it may be some time until there is sufficient scale of homes connected to IoT for property data to be widely used in conveyancing.	• An Australian bank has added sensors to crops to predict the productivity and risk portfolio of agribusinesses. • Smart hubs (Google Home and Amazon Echo) can remotely adjust lighting, temperature, turn appliances on, play music or order groceries at a voice command. • Singapore has an intelligent transport system, with congestion optimisation and dynamic tolling.

Technology trends 3/3

What is it?

Degree of impact

Practitioner impact

Convergence of physical and digital through Virtual and Augmented Reality (VR & AR)

VR is a computer-generated simulation of a three-dimensional image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment.

AR is a technology that layers computer-generated enhancements over an existing reality to make it more meaningful or interactive.

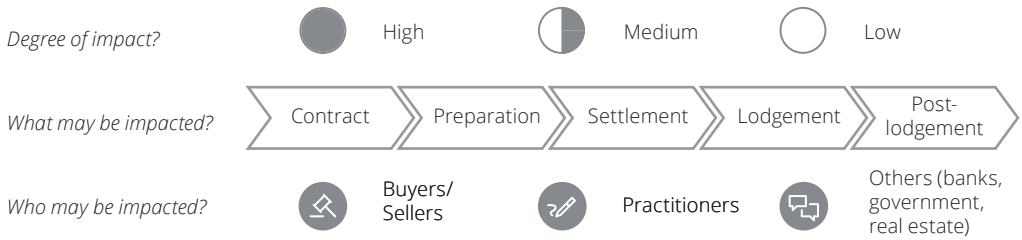
Face-to-face (F2F) verification of identity (VOI) requirements

Currently as part of digital regulatory requirements, verification of identity must occur in person. However, given trends toward digital identities, and the possibility that government may create a digital identity, it is likely that this requirement is relaxed or replaced over time. Industries are already seeing a shift towards multi-factor authentication access models that could over time become more accurate than face to face verification of identity.

Distributed ledger technology and smart contracts for direct buyer to seller transactions

Blockchain is a type of digital record that tracks financial, physical or electronic assets. It facilitates a continuous ledger, which can be shared and corroborated by anyone with appropriate permissions. It is typically distributed and spread across multiple sites, countries or institutions.

Smart contracts enable exchange whilst avoiding the services of a middle vendor by defining and enforcing the rules and penalties associated with an agreement.



What might the impact look like?	*Examples*

VR & AR enabling remote or enhanced inspections via digital property twins

Developing 'digital twins' for properties as part of an asset record could be amplified by creating VR or AR property simulations.

Assuming high quality simulations, a 'digital twin' could enable remote inspections, or prospective home owners to 'visit' the property to assess need for contract conditions.

VR and AR also support teleconferencing, enabling parties to communicate directly from their own offices or homes, cutting down unnecessary time spent commuting.

- Oculus Rift is a VR product that uses a helmet with a screen, fitted with sensors to adjust images to the user's movement.
- Spectre is a company which creates immersive AR and VR models of developments to help potential off the plan buyers understand their potential purchases.

Single recognised legal identity

The Australian Federal Government is working to develop a legal digital identity for citizens (Govpass) where individuals' information is embedded in a unique identifier to eliminate the need for further verification. This could support digital signatures on eContracts, enable a secure transfer of funds and minimise the chance of fraud, as well as save buyers, sellers and practitioners time commuting to perform F2F VOI. Govpass is being developed in consultation with Australia Post to explore how Digital ID can be integrated.

- The Australian Government's Govpass project aims to make proving who you are to government services online simple, safe and secure.
- Australia Post Digital ID provides a way of verifying your identity without providing 100 points.
- BPAY PayID allows users to pay anyone with a unique code.

Smart contracts and blockchain-enabled settlement

By maintaining an asset record, purchasers can immediately access the history of a building including when it was built, serviced, modifications made, results of inspections and so on.

Coupled with RPA and smart contracts where permitted parties can transact directly through digital identities through terms coded into the blockchain, this could provide further time savings.

However, there is limited impetus to build blockchain in conveyancing in Australia in the near term, as the benefits of the trusted and transparent Torrens title system already exist. As a result, blockchain is more likely to come from external parties (e.g. banks or foreign entrants) who have already invested in the infrastructure.

- To ensure safety, security and protect against cyber threat, the Estonian government developed a blockchain to enable secure, digital government services and store citizen's information.
- Smart contracts can be written in code, shared and executed over blockchain, allowing parties to engage directly without a middle vendor.

Future state

What does the future of conveyancing look like?

Potential futures are...

- Rich, data-driven stories about tomorrow which overcome the tendency to project current state, allowing us to see multiple possibilities for the future
- Imaginative narratives that stretch thinking, challenge conventional wisdom, and are always plausible and logical
- Descriptions of an external environment in which organisations may need to operate – not descriptions of organisations themselves
- A framework to recognise and adapt to change over time, ahead of time, helping to navigate uncertainty and surface key considerations

Potential futures are not predictions, forecasts, descriptions of trends in isolation, or strategies

Potential futures help predict what the future may hold, and how it might occur

How to read this section

The next section provides a high-level overview of four potential futures and comparator industry transformations that may eventuate in the conveyancing industry by 2030. Following is a deep dive into each of the four potential worlds, with a narrative outlining what that world might look like, high-level signals of change in 2025 and 2030, how it may feel for buyers, sellers and practitioners, and the outcomes for these stakeholders. Comparative industry and business case studies are also provided to help bring these potential worlds to life. Ultimately, while these are not predictions, they should provoke thought and reflection about what the future may bring.

Potential futures

Four potential futures have been developed based on two critical uncertainties:

01. The degree to which conveyancing is digitally enabled versus digitally led: how fast actors take up continued digitisation, move towards automation and integrate new technologies into the industry such that conveyancing becomes a digitally enabled service delivered by people, or a digitally led service requiring less human input. This will be dependent on investment cost, customer demand, government regulation or the industry working together to establish new standards.

02. The visibility of conveyancing as a distinct or embedded service: the extent to which customers and the industry move toward purchasing conveyancing as a separate, standalone service, or to which it becomes horizontally integrated into other elements of the property transaction process – such as real estate sales or banking and mortgage broking. This will be dependent on customer preferences, industry business models, cost and competition.

When combined, these factors help us contemplate potential outcomes.

2. 'The Digital Advisor'

- Digitised end-to-end
- Automation of simple components of the value chain
- Shift in focus to delivering value add advisory services
- SaaS allows conveyancers to streamline service and provide greater transparency
- Technology will likely result in some consolidation
- Example comparator industry: cloud-based accounting

More embedded

3. 'One Stop Property Shop'

- Shift to digital may make a case for real estate agents, banks and mortgage brokers to bundle conveyancing
- Split in advisory services and 'DIY' approaches where customers supported to step through the process online
- Consolidation from acquisitions likely
- Example comparator industry: travel. Traditional players faced competition from online travel agencies, acquired to compete

Digitally enabled

Digitally led

1. 'More Professional'

- Minimal change from what is anticipated in 2022 (100% digitisation of settlement and lodgement)
- Conveyancers are likely to be fewer but more profitable due to economies of scale and some process automation
- Conveyancers are likely to maintain local presence to provide a personal, trust based service and provide reassurance
- Example comparator industry: the local café or restuarant

More distinct

4. 'The iConveyancer'

- Online DIY conveyancers enable customers to use a 'skinny' platform to conduct direct conveyancing for relatively simple transactions (~90%)
- The industry may split to cater towards one-off transaction vs regular traders (developers / investors)
- Complex transactions are likely to still require in-depth conveyancing advisory (~10%). Buyers and sellers may demand local presence
- Example comparator industry: stockbroking

Imagining the future of conveyancing

In order to articulate the future of conveyancing, experiences across comparative industries that are widely relatable for most Australian businesses and customers were used.

The transformations experienced across these sectors are a plausible proxy for the potential futures of conveyancing as they shared similar critical uncertainties as highlighted on the previous page.

These transformations also resulted in beneficial outcomes for customers in terms of pricing models, and an increased focus on enhancing customer experience.

Further detail around the transformations of these industries over the past five years is provided in each potential future.

Local Café

Local knowledge, relationships and assurance

Accounting

Trusted advisor

Travel

Provide a mix of bundled and bespoke services

Stockbroking

Self-serve transactions with advisors for complex cases

How this is quantified

For each of these potential worlds, leveraging work from Deloitte Access Economics' report and comparator industries, there are indicative numbers for the possible size of industry, number of transactions, number of key players, time and money saved for practitioners, the indicative price customers may pay for services and the potential degree of industry consolidation.

Limitations

The quantitative analysis is high-level and based on assumptions derived from the potential future narratives and comparative changes seen in similar industries. For a full documentation of limitations and assumptions, see Appendix page 53.

Drivers of consolidation

There are four potential drivers of consolidation in the conveyancing industry forecast to range from 5% - 25% across potential futures

Research has revealed there are four key drivers of potential consolidation in the conveyancing industry – forecast to range from 5% - 25% across potential futures. The first hypothesis was that a smaller number of conveyancers and lawyers would service the market, as commercial drivers result in lower cost conveyancer businesses with fewer employees. Research suggests that in addition to this, consolidation will occur as businesses that are well placed to use digital technology expand their customer base and compete for market share, while those not ready to adapt struggle to compete and potentially cease trading.

Driver 1: Changes to cost structure

The largest benefit from electronic lodgement and settlement is time savings. Practitioners have indicated that time savings are unlikely to drive customer prices lower but enable businesses to process larger volumes of transactions for the same fixed costs, improving their profit margins.

While lawyers' profit margins from conveyancing are not high relative to other work they do, the continual stream of work and short turn around for payment makes it an attractive revenue source.

Driver 2: Market expansion

Electronic conveyancing reduces the need for proximity to clients as practitioners no longer have to physically attend settlement. However conveyancers are still bound by state laws, so their ability to expand will be limited. Lawyers are not bound by the same constraints and can operate on a national settlement / lodgement system – particularly if unencumbered by face to face verification of identity requirements. However it is plausible that buyers and sellers will still value a local presence.

Driver 3: Methods of attracting new customers

Conveyancers already using streamlined electronic conveyancing are likely to attract more customers than late adopters. Real estate agents often provide recommendations to clients on which practitioners to use and will funnel customers to those businesses who provide the best experience for them.

Customers often do not have strong preferences for certain conveyancing businesses. They tend to choose by price or word of mouth especially from real estate agents and the shift toward aggregator platforms will enhance this, meaning conveyancers will need to be on platforms in order to win work.

Property developers are also another source of referral, creating an incentive to batch settlements together.

Driver 4: Requirement to lodge electronically

Larger and more progressive businesses expect to expand their market share – others are likely to drop out of the market given their lack of readiness and willingness to move to an electronic conveyancing platform. This will be mostly driven by the requirement to lodge electronically.

Potential industry structures

Based on the potential drivers of consolidation and the potential futures identified, there are four high-level potential industry structures

Today, in part due to the state based nature of conveyancing regulations and the traditional need for proximity in order to settle, there are few large national brands: instead conveyancing is a local service provided by sole practitioners and small businesses. Across the industry, there are roughly 12,000 enterprises (~9,000 law firms that offer conveyancing services and ~3,000 conveyancing practitioners) with an average size of four employees. Of this 12,000 enterprises, roughly 40% (predominately conveyancing practitioners and larger law firms) are responsible for 92% of conveyancing transactions, with the remainder filled by a long tail of smaller law practices who perform a handful of transactions for existing clients. In each potential future below, consolidation is likely to occur in a number of ways:

1. 'More Professional'

Some initial consolidation from practitioners who retire early rather than transition to digital. Practitioners either join or are acquired by large firms with scale to invest in technology, or subscribe to platforms and networks which provide software to their users.

2. 'The Digital Advisor'

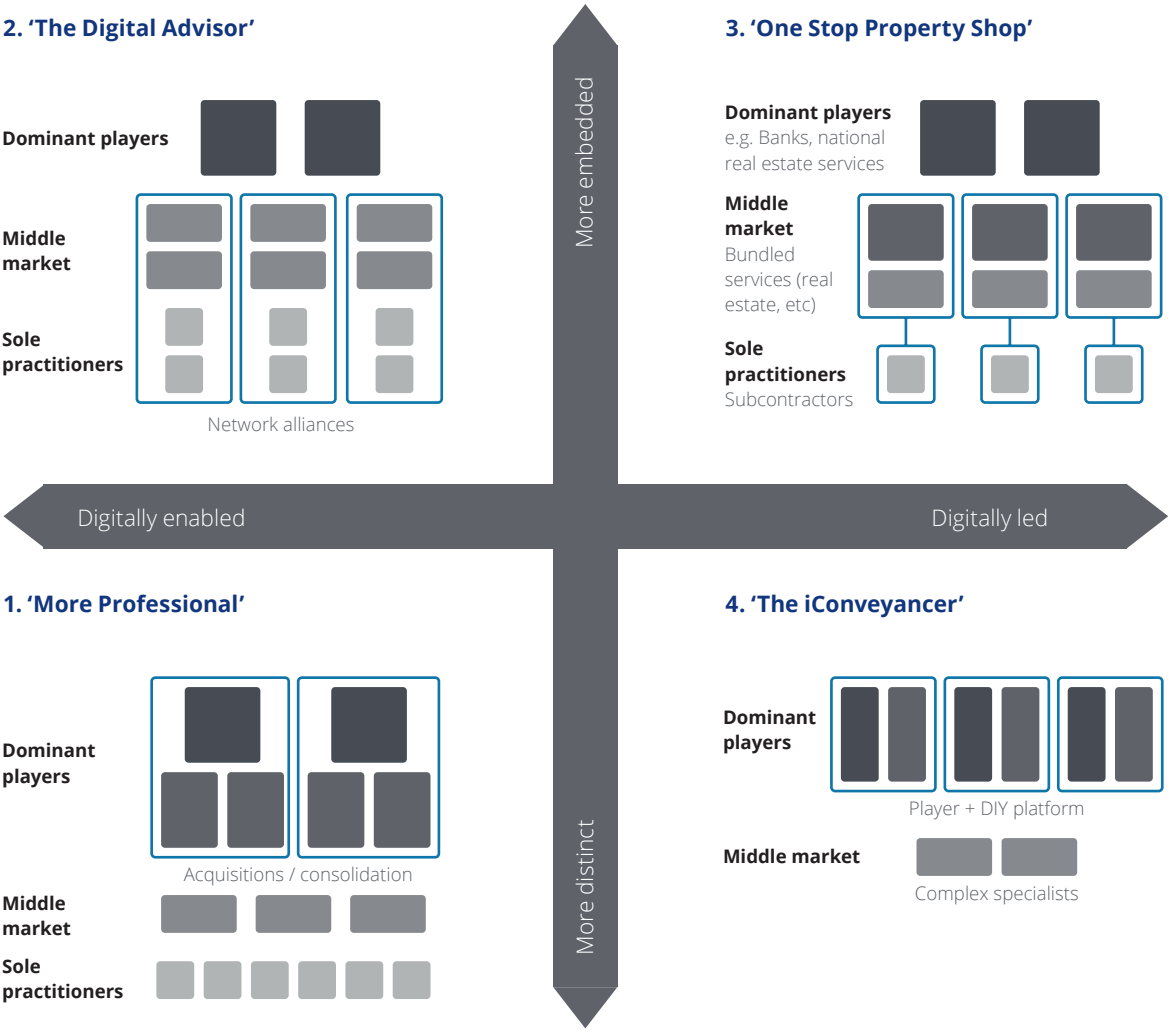
Greater time saving enables conveyancers to compete on customer service, leverage software platforms and white label solutions to enable the transaction and underpin advice. Competition and use of online aggregators drives consolidation, with the emergence of dominant players, and a middle market allied to various software network providers and contracting to law firms outsourcing small volumes of conveyancing work

3. 'One Stop Property Shop'

Technological innovation and time saving reduces the human effort required to conduct a conveyancing transaction. Coupled with customer demand for bundled services and a fight to own the customer, this leads to consolidation of industry verticals, conveyancers move in house with banks and real estate agents, or contract to bundled providers and law firms

4.'The iConveyancer'

Automated apps effectively enable customers to self-serve a conveyancing transaction. Firms with scale to invest in this technology prosper, whilst others move toward serving the ~10% of complex transactions that cannot be automated


2. 'The Digital Advisor'
Dominant players
Middle market
Sole practitioners
Network alliances
3. 'One Stop Property Shop'
Dominant players
e.g. Banks, national real estate services
Middle market
Bundled services (real estate, etc)
Sole practitioners
Subcontractors
More embedded
Digitally enabled
Digitally led
More distinct
1. 'More Professional'
Dominant players
Acquisitions / consolidation
Middle market
Sole practitioners
4. 'The iConveyancer'
Dominant players
Player + DIY platform
Middle market
Complex specialists

1. 'More Professional'

If you believe that conveyancing will become technologically enabled, and that it will remain a distinct service where buyers and sellers engage conveyancers in a similar way to today, you are likely to see a world with a largely fragmented industry, with some initial consolidation due to the shift to 100% eConveyancing, as well as some time savings for practitioners.

Market

5%
Fewer enterprises[1]

The initial wave of digitisation may see a small drop off in standalone practitioners who choose not to take up digital practices. There may also likely be some consolidation as sole practitioners and mid market firms join or are acquired by larger firms. Large law firms may invest in technologies to streamline parts of the conveyancing process.
ELNOs will continue to facilitate preparation, settlement and lodgement stages. However these can support plug-ins from practice management software solutions to enable title search and workflow management. This could advantage practitioners with scale, who may be able to complete a high volume of exchanges at speed. Given the fragmentation of the industry, margins are likely to be steady as practitioners use time savings to compete on price to achieve scale efficiencies.

Process improvement

4.5
Hours saved[2]

Conveyancing could be completed on cloud based platforms that can be accessed by APIs and workflows for other software to integrate.
This could allow RPA digitisation of a number of manual hand-offs including contract review, which could lead to half an hour in time savings.
Practitioners may still engage with buyers and sellers in-person, particularly given VOI requirements. However, digital enablement could fast track elements by allowing buyers and sellers to view a dashboard online and keep track of the status of their settlement, enabling a more professional service and experience.
The cost to practitioners of developing complex technology solutions is predicted to be high, likely limiting the extent of process improvements as only a few large organisations will have the appetite to invest.

Customer acquisition

Customer acquisition is unlikely to change, occurring through real estate/bank referrals, or through friends and family locally. Smaller conveyancing practices (and individuals) may partner with banks, mortgage brokers and real estate agents to become their conveyancer of choice.
A few digital boutique conveyancers may emerge, providing an entirely online service. This could minimise the requirement for physical interaction with buyers and sellers who might prefer to engage online. This could be customers in the younger demographic, rural customers who might like to minimise travel time, or buyers / sellers who have more experience in executing property transactions.
However, the desire for face to face reassurance may persist, limiting demand for fully digitally led solutions.

How will we know it's happening?

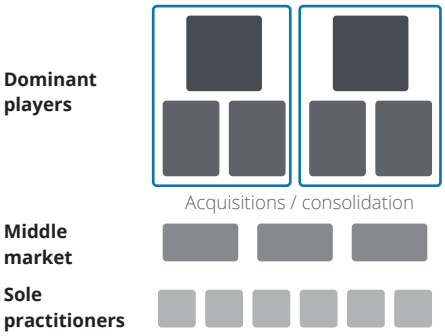
2025

- Initial wave of consolidation driven by requirement to lodge electronically and licensing framework as some practitioners elect not to transition to digital
- Industry partnerships form to ensure referral channels
- Proptech companies such as Purplebricks integrate conveyancing offerings, and capture a small percent of transactions

2030

- Consolidation slows, but firms with scale become more profitable and professional
- Further savings are realised from automation

Structure



Outcomes for users

Buyers and sellers

$1,100 - $1,250
Avg Price Range[3]

- Opportunity for improvements in process speed, transparency and visibility in the longer term (e.g. dashboards), and professionalism
- Opportunity to reduce fragmentation, however some digital handoffs still exist along the value chain
- Physical experience, minimal cost savings
- E-conveyancing take up strongest rurally to minimise travel for physical signing and settlement
- Complex cases to be processed by lawyers

Practitioners

17%
Profit margins

- Opportunity for better integration across the value chain with digital handoffs between steps
- In person experience and local expertise
- Some time savings, but incremental beyond those forecast in Report 1
- Digital process easier and faster, but minimal translation of time savings into scale or additional services
- Leaves practitioners open to being disrupted if potential efficiencies are not operationalised or realised

Others (incl. banks, real estate agents, councils)

- By streamlining the customer journey and reducing manual processes, there are time and cost savings for a number of players in the ecosystem. However, this requires significant investment from State Registries, ADIs, real estate agencies and practice management software companies
- Partnerships developed between conveyancers and banks / real estate agents to formalise referral process

How it will feel for users -*"Faster and more transparent"*

Conveyancing stage	Customer step	Related Technology
Pre-conveyancing Selection of property and conveyancer	Rob has saved up and is interested in purchasing a house. He looks on Domain.com.au and RealEstate.com.au to compare properties and finds one he likes.	
	Rob speaks to his bank about gaining pre-approval for a loan, and determines how much he can afford in repayments.	
	His bank refers him to a local conveyancing service to support the process. Rob hires Alice as his conveyancer.	
Contract Prepare contract documents	Alice provides Rob with **access to an online portal** where he can view the disclosure documents including previous inspection reports, and an **eContract** for the property of interest.	Platform, Cloud, API eContract
	Rob contacts the real estate agent to make an offer on the property and is successful.	
	Rob applies for and receives approval for a loan from his bank. Alice connects with the bank via a conveyancing **platform**, enabling the **bank to enter** their own **information.**	Platform, Cloud, API
Preparation All parties prepare relevant documentation	Alice populates the necessary documentation, adding her **digital signature** to the contract on Rob's behalf, and readies the documents to be locked in the workspace with the vendor's conveyancer.	Platform, Cloud, API Digital ID
Settlement Property and money is exchanged	Once **both parties give permission**, the platform locks in the documents and **funds** are **transferred electronically.**	Platform, Cloud, API Electronic funds transfer
Lodgement Transfer documents are lodged with government bodies	The **system generates a notification** for all parties that the settlement was successful, and Rob is instructed where to pick up the keys. Documentation is **automatically lodged** with the **state land registry.**	Platform, Cloud, API Automation
Post-lodgement Notifications of settlement completion	The system **automatically notifies** any additional authorities or parties of the successful property transfer (however does not yet cover set up functions such as utilities in the new property).	Automation

Technology icon legend

- Platform, Cloud, API
- eContract
- Digital ID
- Electronic funds transfer
- Internet of Things
- Chatbot
- Blockchain
- Automation
- Augmented / Virtual reality

Case studies

- Launched in the 1980s, eftpos introduced a fast, simple and secure payment system which was rapidly embraced by both shoppers and merchants
- Each day, Australians make ~6.5m eftpos transactions, accounting for over 50% of card transactions, with the use of cash rapidly declining in the Australian market
- Payments evolved further with the introduction of tap and go functionality as well as Apple Pay, allowing customers to pay without the hassle of signing a receipt, entering a pin (for purchases less than $100), or with their mobile device
- While cash is still accepted, advances in payments technologies have considerably accelerated the purchasing experience

Comparative industries

Café & restaurant industry snapshot

Technology

The café & restaurant industry has seen a transformation in the payments process, with significant growth in the use of cards and 'tap and go' at point of sale. Some establishments have taken digitisation further, logging orders via digital systems.

Services

The way that services are delivered has changed, with waiters logging orders on tablets or computers, taking payment via a terminal and using the time saved on additional tasks such as cleaning tables, supporting more efficient table turnaround.

Competition

Digitising food and beverage service has created efficiencies in the process, however it has also become a point of differentiation. Some establishments allow customers to order their own food on a tablet, or to pre-order via a mobile app.

Notes:

(1) Arrows refer to the directional change in the number of firms (baseline: 12,000), the time required to process one transaction (baseline: 10 hours), pricing compared to baseline ($1,100-1,250) and the margin uplift or decrease from current (2018) margins (17%). See assumptions for more details.

(2) Time savings are compared to aggregated savings compared to paper based process and PEXA 2022 baseline established in Deloitte Access Economics' report. See assumptions for more details.

(3) Price ranges are calculated as the weighted average prices nationally for buyers and sellers to purchase conveyancing services from law firms, conveyancers and settlement agents. As they are averages, they may be higher than current prices in some states. See assumptions for more details.

2. 'The Digital Advisor'

If you believe that technological adoption will mean conveyancing becomes technologically enabled, and that conveyancing will become more embedded, integrated and service focused, the property exchange process will likely be further digitised to allow practitioners to focus on providing customer support. This could lead to service differentiation and contribute to consolidation and margin improvement.

Market

10%
Fewer enterprises[1]

Purchasing property is not a simple task, especially given the legal requirements and specialist knowledge required. The customer desire to make the complex simple drives further digitisation of the conveyancing process beyond just settlement and lodgement to accelerate preparation, exchange and post-lodgement and improve customer visibility and communications throughout the process. Time savings gained through digitisation are redeployed by conveyancers providing 'value-add' services, such as specialist contract review and purchase advice. Conveyancing practices become differentiated on value, causing some consolidation as the market preferences providers that are more professional, leading to some margin improvement.

Process improvement

5.4
Hours saved[2]

There may be more automation and digitisation, and Software as a Service could be used to manage conveyancing workflows. APIs could be built to manage manual interventions (e.g. communication between parties). These advancements are contingent on funding, sufficient incentive to build (i.e. time and cost savings), ability to ensure cyber security and data protection as well as practitioner motivation to learn and use these functionalities (i.e. training might be required). Given the time and cost associated, if larger firms invest in software, they are likely to white label it for wider use to benefit from scale, whilst practice management developers might develop more advanced and integrated systems for smaller practitioners to leverage.
By 2030 there may be a 'physical-digital' convergence, with digital tools used to inform personal conversations and increase process transparency.

Customer acquisition

Buyers and sellers could find conveyancers via aggregator platforms where conveyancing services can be rated and reviewed, and prices compared.
Large scale law and conveyancing firms that have invested in technology could provide conveyancing services to a wider swathe of the population through digital channels, particularly if digital identity technology is developed and legalised as a form of digital authentication and enables a relaxing of F2F VOI requirements. Large firms that have not invested in technology may likely move away from conveyancing services, as they might not be able to compete on cost. Smaller conveyancers could form alliances as they join practice management software 'networks', or purchase white label software from law firms to provide a similar style of service.

How will we know it's happening?

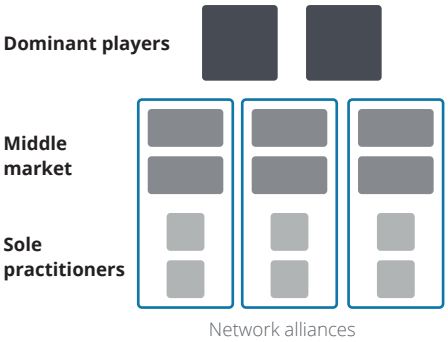
2025

- Aggregator platforms emerge, allowing buyers and sellers to compare the market on price and rate their conveyancer
- Competing software packages in pre-exchange and exchange of contracts can plug into ELNO platforms
- Network alliances emerge as smaller players leverage white labelled software

2030

- Software that automates manual handoffs, saving time and giving practitioners that use it an advantage
- The visibility of conveyancing as a service is enhanced as practitioners provide value-add services and become trusted advisors
- Digital ID tech built and adopted

Structure



Outcomes for users

Buyers and sellers

$990 - $1,200
Avg Price Range[3]

- Experiencing the blurring of physical and digital as customers are given the option of fully digital, or enhanced physical experiences where personalised conversations are informed by data
- Most providers may have customer facing dashboards which improve buyer/seller experience by providing process transparency, enabling reduction in silos and cost savings
- Choice of large scale provider or smaller local service

Practitioners

10-24%
Profit margins

- Smoother online experience, as practitioners are able to manage end-to-end conveyancing process without multiple hand-offs or silos (single sign on – SSO), resulting in time savings
- Choice of different user facing 'front ends' to software to suit needs
- Opportunities for upskilling and training to support practitioners to deliver advisory services to buyers/sellers, improving professionalism
- Practitioners provide local expertise and personalised service

Others (incl. banks, real estate agents, councils)

- Practice management software develops NextGen offerings
- Multiple 'customer interface providers' develop overlays that are drawn on to support customer conversations

How it will feel for users -*"I can choose a provider that suits me"*

Conveyancing stage	Customer step	Related Technology
Pre-conveyancing Selection of property and conveyancer	Rob has saved up and is interested in purchasing a house. He looks on Domain.com.au and RealEstate.com.au to compare properties and finds one he likes.	
	Rob speaks to his bank about gaining pre-approval for a loan, and determines how much he can afford in repayments.	
	His bank refers him to a local conveyancing service to support the process. Rob searches for the referred conveyancer, Alice, on **ratemyconveyancer.com.** After benchmarking her against conveyancers in the area and establishing that she would be a good fit, Rob hires Alice.	
Contract Prepare contract documents	Alice provides Rob with access to an online portal where he can view the disclosure documents including property condition reports, an **AR-powered inspection,** and an **eContract** for the property of interest. As Rob can access this all himself, Alice instead provides **high quality advice** on the contract terms, and the risk profile of purchasing properties like the one of interest.	
	Rob contacts the real estate agent to make an offer on the property and is successful.	
	Rob applies for and receives approval for a loan from his bank. Alice connects with the bank via a conveyancing platform with **APIs** to **request data from the bank's** internal systems. Once approved, **the bank provides an automated data transfer** with the required information.	
Preparation All parties prepare relevant documentation	Alice populates the remaining information in the documentation, adding her **digital signature** to the contract on Rob's behalf, and readies the documents to be locked in the workspace with the vendor's conveyancer.	
Settlement Property and money is exchanged	**Once both parties give permission**, the platform locks in the documents and **funds** are **transferred electronically.**	
Lodgement Transfer documents are lodged with government bodies	The **system generates a notification** for all parties that the settlement was successful, and Rob is instructed where to pick up the keys. **Settlement triggers** the **submission** of pre-populated documentation **to** the **state land registry**.	
Post-lodgement Notifications of settlement completion	The system **automatically notifies** any additional authorities or parties of the successful property transfer. **Rob provides a review** of the conveyancer to an online aggregator to maintain high service standard.	

Technology icon legend

- Platform, Cloud, API
- eContract
- Digital ID
- Electronic funds transfer
- Internet of Things
- Chatbot
- Blockchain
- Automation
- Augmented / Virtual reality

Case studies

- MYOB, Xero and QuickBooks are cloud-based accounting software providers that allow practitioners to automatically access bank and credit card account feeds, invoicing, accounts payable, expense claims, fixed asset depreciation, inventory, purchase orders, and standard business and management reporting
- Cloud-based software has transformed accounting, allowing accountants to focus on advisory rather than basic bookkeeping

Comparative industries

Accounting industry snapshots

Technology

The accounting industry has undergone significant transformation over the past five years as cloud-based accounting and software solutions have enabled automation of basic accounting functions.

Services

This technology has streamlined operations and provides greater transparency to customers. However, practitioners have given greater focus to providing value add advisory services rather than transactional functions such as tax returns.

Competition

Large accounting firms have acquired smaller players to expand their suite of services and expertise, resulting in some consolidation in the industry (partially offset by positive economic conditions and growth in demand for services).

Notes:

(1) Arrows refer to the directional change in the number of firms (baseline: 11,400 - in all future worlds, the consolidation in 'More Professional' is assumed as a baseline for additional consolidation), the time required to process one transaction (baseline: 10 hours), pricing compared to baseline ($1,100-1,250) and the margin uplift or decrease from current (2018) margins (17%). See assumptions for more details.

(2) Time savings are compared to aggregated savings compared to paper based process and PEXA 2022 baseline established in Deloitte Access Economics' report. See assumptions for more details.

(3) Price ranges are calculated as the weighted average prices nationally for buyers and sellers to purchase conveyancing services from law firms, conveyancers and settlement agents. As they are averages, they may be higher than current prices in some states. See assumptions for more details.

3. 'One Stop Property Shop'

If you believe that technological adoption will occur swiftly resulting in a digitally led conveyancing process, and that conveyancing will become more focused on the customer and embedded in the property purchasing process, this will likely result in a world where an innovation ecosystem develops, enabling digital bundling of the entire property purchasing process, enabling greater customer choice and the emergence of advocates.

Market

14%
Fewer enterprises[1]

The end-to-end conveyancing process, and most of the property purchasing process is digitised. This leads to a consolidation of verticals covering the property purchasing process. The platform ecosystem spurs competition and innovation in 'proptech' to create new capabilities and experiences for practitioners and customers, covering search, purchase, exchange, settlement and lodgement. National brands emerge, whilst catering to state specific requirements, allowing some players to achieve scale – which could be further enabled by harmonisation of regulation. The conveyancing industry likely splits between bundled in person services provided through banks, brokers and realtors who provide a property purchase 'one-stop-shop' designed to enhance stickiness, and digitised online commodity services, where reliable AI advice is administered.

Process improvement

9 Low

5 High
Hours saved[2]

There are fewer barriers to automation and innovation, as processes become increasingly standardised. Continued investment into the UX and technology underpinning the platform enables innovative proptech companies to plug and play through APIs and workflows, improving and automating the experience of property purchase/sale for practitioners and end users. eContracts, with standard clauses and optional terms emerge either through regulation, or through digital providers seeking to streamline processes, coupled with digital identities removing the need for wet signatures and in person VOI. IoT could enable the ongoing monitoring of property, automating inspections and enabling the real time generation of property reports to be maintained on digital asset histories. It could also remove the pain point of last minute utility rates reconciliation as live feeds could connect to the settlement platform.

Customer acquisition

In person conveyancers may become advocates, providing a suite of value add services designed to help customers navigate the overall process of either buying or selling property. These advocates could likely be based in one stop shop real estate agencies or banks.
Conveyancers, buyers and sellers could leverage VR and AR for everything from property inspection to digitally enabled meetings, as physical and digital channels converge. Competition for customers means buyers and sellers may be given the option of purchasing levels of service (i.e. high advisory support, medium and low – DIY supported by AI) for each aspect of the process (e.g. advertising the property, going to auction, conveyancing) and may be able to develop a custom mix depending on their needs and preferences.

How will we know it's happening?

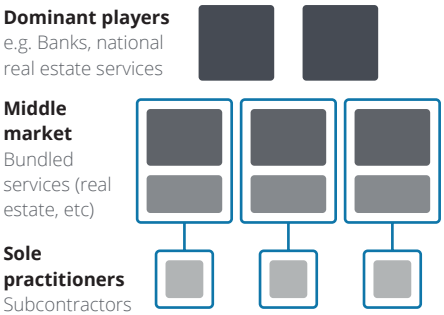
2025

- Plug ins and interfaces with the ELNO platform become increasingly common as end-to-end conveyancing is largely automated
- Consolidation leads to alliances between real estate agents / banks / conveyancers as conveyancers either come in-house or contract from home
- AI advice begins to emerge

2030

- End-to-end property purchase / sale is digitised and automated enabling in person and AI driven DIY services
- Consolidation accelerates, one stop shops become common and practitioners rebrand as advocates and compete for customers
- Advocates use physical interactions with customers as an opportunity for on-sell

Structure



Outcomes for users

Buyers and sellers

$880 - $1,100
Avg Price Range[3]

- Fast, transparent and affordable conveyancing process, with optionality for levels of services (either automated and DIY online with AI advisory, or highly supported, likely performed in person or via VR/AR but with digital interfaces)
- Seamless and paperless end-to-end experience with no manual handoffs and visibility across the entire property purchasing process through dynamic digital dashboards
- Clarity and transparency of choices

Practitioners

2% Low
13% High
Profit margins[3]

- Most manual inefficiencies eliminated
- The role of conveyancers may converge with mortgage broking or real estate agent to become a buyer/seller advocate with the potential to earn higher wages and capture a larger portion of the overall transaction fees by providing a highly professional service
- Large firms may seek to operate at scale with advocate networks and improve margins by providing value add services underpinned by advanced technology

Others (incl. banks, real estate agents, councils)

- Likely that various players explore bundling options and integration across the value chain – either through the development of partnerships and ecosystems, or through acquisition
- Depending on the degree to which customers trust AI advice, the role of advocates may be diminished in the longer term
- Investments in cyber security will be increasingly important, and security service providers will play an important role alongside software vendors

How it will feel for users - *"All the choice, from a single source"*

Conveyancing stage	Customer step	Related Technology
Pre-conveyancing Selection of property and conveyancer	Rob has saved up and is interested in purchasing a house. He looks on Domain.com.au and RealEstate.com.au to compare properties and finds one he likes.	
	Rob speaks to his bank about gaining pre-approval for a loan, and determines how much he can afford in repayments.	
	Rob contacts the real estate agent advertising the property and is directed to an **in-house conveyancer**, Alice. Rob speaks to Alice about his conveyancing needs and selects a package from the **high, medium and low level options** available. Because Rob is a first-home buyer and wants thorough advice, he selects the medium level of support.	
Contract Prepare contract documents	Alice provides Rob with access to an online portal to view the disclosure documents including **property condition reports informed by onsite IoT**, an **AR-powered inspection**, and an **eContract** for the property of interest. Alice provides **high quality advice** on the contract terms, research on the market and comparative valuations of properties like the one of interest. **They communicate online**, although Rob has the **option to call or visit.**	
	Rob asks the estate agent to make an offer on the property and is successful.	
	Alice organises the application for **Rob's loan** as part of the service, and receives approval from his bank. Alice connects with the bank via a conveyancing platform with **APIs** to **request data from the bank's** internal systems. Once approved, **the bank provides an automated data transfer** with the required information.	
Preparation All parties prepare relevant documentation	**The documentation is automatically populated** from data provided by Rob initially, the bank, and the property profile. Alice adds her **digital signature** to the contract on Rob's behalf, and checks that the documents are ready to be locked in the workspace with the vendor's conveyancer.	
Settlement Property and money is exchanged	**Once both parties give permission**, the platform locks in the documents and **funds** are **transferred electronically.**	
Lodgement Transfer documents are lodged with government bodies	The system **automatically lodges** documentation **to the state land registry**. **Rob provides a review** of the conveyancer to an online aggregator to maintain high service standards.	
Post-lodgement Notifications of settlement completion	The system **automatically notifies** any additional authorities or parties of the successful property transfer, **including notifying utilities and local councils of rate adjustments.**	

Technology icon legend

- Platform, Cloud, API
- eContract
- Digital ID
- Electronic funds transfer
- Internet of Things
- Chatbot
- Blockchain
- Automation
- Augmented / Virtual reality

Case studies

- Flight Centre is one of Australia's largest travel booking agents and operates across domestic and international travel for consumer (leisure) and business segments
- The arrival of online travel agents (OTAs), as well as reduced airfares and airlines engaging customers directly, put significant pressure on Flight Centre's margin and fee structure (commission)
- Metasearch engines such as TripAdvisor have disrupted the industry further, providing transparency of prices across airlines and hotels
- As a result, Flight Centre pivoted the way they deliver service, developing expertise for complex travel arrangements, and acquiring BYOjet to compete in the OTA space

Comparative industries

Travel industry snapshots

Technology

The travel industry has been transformed by online travel agents like Expedia, allowing customers to reserve and book travel and accommodation independently. Metasearch websites have enabled greater transparency in prices through comparison tools.

Services

The traditional bricks-and-mortar travel agency has been challenged by the rapid uptake of online booking platforms, prompting an increased focus on providing specialist knowledge, and bundling of services such as booking flights, hotels and tours.

Competition

Major players, such as Flight Centre and Helloworld, have responded by introducing their own online platforms or acquiring existing firms.

Notes:

(1) Arrows refer to the directional change in the number of firms (baseline: 11,400 - in all future worlds, the consolidation in 'More Professional' is assumed as a baseline for additional consolidation), the time required to process one transaction (baseline: 10 hours), pricing compared to baseline ($1,100-1,250) and the margin uplift or decrease from current (2018) margins (17%). See assumptions for more details.

(2) Time savings are compared to aggregated savings compared to paper based process and PEXA 2022 baseline established in Deloitte Access Economics' report. See assumptions for more details.

(3) Price ranges are calculated as the weighted average prices nationally for buyers and sellers to purchase conveyancing services from law firms, conveyancers and settlement agents. As they are averages, they may be higher than current prices in some states. See assumptions for more details.

4. 'The iConveyancer'

If you believe that technological adoption in conveyancing will occur swiftly resulting in a digitally led conveyancing process, and customers will continue to see conveyancing as a standalone transaction, you are likely to see a world where online 'skinny' platforms emerge, allowing simple transactions to be processed largely independently, with complex exchanges receiving specialist support.

Market

25%
Fewer enterprises[1]

The shift towards fully digital conveyancing could likely prompt consolidation, as law firms, realtors and large conveyancing players who are able to invest in a strong AI platform offering dominate the industry, and smaller firms or standalone operators join these practices or commit to a career change. Large firms who do not invest in tech will not be able to compete. Competing on technology and a user experience may place pressure on operators to maintain low prices for customers. These firms could benefit from volume, however smaller practitioners might need to be significantly differentiated to survive – which may lead to a premiumised offering for complex cases. An international entrant or banks may disrupt the industry, potentially introducing new technology propositions such as blockchain to conveyancing in Australia.

Process improvement

10 Low

4 High
Hours saved[2]

Conveyancing services may be fully integrated in one end-to-end process where banks, land registries and offices of state revenue (OSR) plug into a central practice management space. This could create a smoother customer experience. Some players may begin to experiment with blockchain for enhanced cyber security, and advanced AI capabilities. Transitioning to a distributed ledger could be cheaper than using a central authority, however would be contingent on regulatory approval. Proptech start-ups may offer conveyancing as part of the fractional ownership model where each component is represented on the land registry. Buyers and sellers could be able to access digital asset records to understand information on the property and perform remote inspections. However, it may take some time to achieve scale here, as the technology takes time to become a standard.

Customer acquisition

Conveyancing services with a high degree of automation may limit the customers awareness of the conveyancing process (particularly if conveyancing becomes as simple as the click of a button), making the role of the conveyancer an almost invisible yet standalone transaction for customers, with any necessary advice provided by AI. Online conveyancing channels may be available via retail banking apps, who, like in the stockbroking industry, could transact on behalf of their customers in a way that feels like customers are doing it themselves. Alternatively, buyers and sellers could direct the entire property purchase / sale through property apps and websites.
Meanwhile, complex specialists will operate via referrals and industry relationships.

How will we know it's happening?

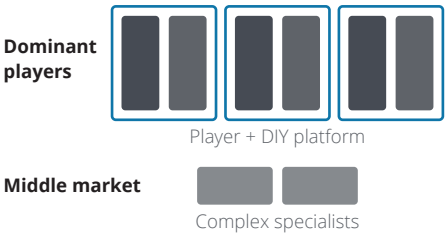
2025

- Platforms offering fully digital services and AI advice emerge and start to build scale through developers and the investor community
- Some practitioners choose to focus on high value, high margin complex transactions
- Online real estate websites and banks start to expand into end-to-end property purchase/sale services

2030

- Digital ID technology built and legalised for authentication
- A potential international entrant / banks develop a blockchain offering to facilitate payments and smart contracts. This causes a fractured market as small players use a central authority and large players operate across both
- Stratas implement IoT for remote maintenance / inspections

Structure



Outcomes for users

Buyers and sellers

$760 - 1,500
Avg Price Range[3]

- Buyers and sellers could be able to choose from conveyancing or property purchase / sale platforms based on price / UX / offering integration
- Online exchange may be facilitated by a Digital ID, removing physical interaction with conveyancers
- Competitive pressure on price could result in lowest cost to customers

Practitioners

8% DIY

43% Complex
Profit margins

- Practitioners pivot toward complex transactions that cannot be automated, which command higher fees and margins
- Simple transaction advisory facilitated via AI

Others (incl. banks, real estate agents, councils)

- Property stakeholders such as banks and real estate agents fight for the best customer relationships to direct conveyancing and sales through their platforms
- Online platforms will need to integrate smoothly with banks, offices of state revenue, land registries and each other, as well as facilitate digital ID and electronic funds transfer to enable a fully digitised process

How it will feel for users -*"It feels like I'm doing it myself"*

Conveyancing stage	Customer step	Related Technology
Pre-conveyancing Selection of property and conveyancer	Rob has saved up and is interested in purchasing a house. He looks on Domain.com.au and RealEstate.com.au to compare properties and finds one he likes.	
	Rob speaks to his bank about gaining pre-approval for a loan, and determines how much he can afford in repayments. His **loan eligibility** is **established by the bank's RPA** and Rob proceeds with his property enquiry.	
	Rob logs onto his **bank** or **property account** and into the **conveyancing platform** attached to the server to access an **online conveyancing Chatbot called Alice.**	
Contract Prepare contract documents	Rob can view the disclosure documents including **property condition reports informed by onsite IoT**, an **AR-powered inspection**, and an **eContract** for the property of interest. He also has **access to research** on the market and **comparative valuations** of properties like the one of interest. There is a **Q&A functionality embedded** so Rob can chat to Alice if necessary.	
	Once he is content with the property and contract terms, Rob **submits a request online** to the estate agent to **make an offer** on the property. He is **notified online** that his **bid was successful**. Rob logs this information into his bank / property account's conveyancing platform.	
	Rob applies for and **receives** approval for a **loan** from his bank. This **information flows** through to the **conveyancing platform via a plug-in.**	
Preparation All parties prepare relevant documentation	The **platform pre-populates** a series of documents from the real estate information, and Rob's data from Rob's bank. It **prompts Rob** to **populate** any **remaining fields**, and asks Rob to **provide** his **digital ID** to approve settlement. **Chatbot Alice** is available to answer questions.	
Settlement Property and money is exchanged	Once **both parties give permission**, the platform **locks in the documents** and **transfers funds via blockchain.**	
Lodgement Transfer documents are lodged with government bodies	The **system generates a notification** for all parties that the settlement was successful, and Rob is instructed where to pick up the keys. **Settlement triggers** the **submission** of pre-populated documentation **to the state land registry**.	
Post-lodgement Notifications of settlement completion	The system **automatically notifies** any additional authorities or parties of the successful property transfer, **including notifying utilities and local councils of rate adjustments,** which have been **automatically calculated.**	

Technology icon legend

- Platform, Cloud, API
- eContract
- Digital ID
- Electronic funds transfer
- Internet of Things
- Chatbot
- Blockchain
- Automation
- Augmented / Virtual reality

Case studies

- Commonwealth Securities ('CommSec') is part of the Commonwealth Bank and is the largest online and mobile brokerage in Australia
- The trading platform allows CBA's retail customers to buy and sell stocks in a more personalised, convenient, transparent and cheaper way than with traditional brokers
- As compliance costs increase and traditional brokers are forced to consolidate, CommSec has thrived due to the increase in transaction volumes as a result of improvements to the speed of clearance on the ASX
- Other Australian retail banks have also developed brokerage platforms. Independent platforms include CMC markets and Amscot

Comparative industries

Stockbroking industry snapshots

Technology

The introduction of online trading platforms has enabled retail investors to have better visibility and control over their portfolios. The industry will see further disruption as exchanges (such as the ASX) move onto the blockchain, speeding up transactions.

Services

Advisory from brokers in person or over the phone is largely reserved for investors with complex portfolios; many retail investors prefer a transactional approach to building their portfolios where they buy and sell shares via an online platform or mobile app.

Competition

Platforms such as CommSec and CMC markets have stolen significant share from traditional brokers by acting as a broker on behalf the individual who has a 'DIY experience'.

Notes:

(1) Arrows refer to the directional change in the number of firms (baseline: 11,400 - in all future worlds, the consolidation in 'More Professional' is assumed as a baseline for additional consolidation), the time required to process one transaction (baseline: 10 hours), pricing compared to baseline ($1,100-1,250) and the margin uplift or decrease from current (2018) margins (17%). See assumptions for more details.

(2) Time savings are compared to aggregated savings compared to paper based process and PEXA 2022 baseline established in Deloitte Access Economics' report. See assumptions for more details.

(3) Price ranges are calculated as the weighted average prices nationally for buyers and sellers to purchase conveyancing services from law firms, conveyancers and settlement agents. As they are averages, they may be higher than current prices in some states. See assumptions for more details.

What's next?

What to look out for...

Based on the observable trends in the conveyancing industry, and in technology more broadly, practitioners should be on the look out for whether digital capabilities are supporting or leading the process and extent to which conveyancing is an embedded or distinct service.

Proliferation of software as a service

For the degree to which conveyancing is digitally led, be on the look out for a proliferation of new SaaS providers offering new and innovative solutions to customers and to practitioners. Take note as established practice management software companies potentially begin to invest in technology or acquire these innovative start-ups.

Regulatory change

Additionally, keep an eye out for any regulatory changes which may reduce the complexity, cost or regulatory hurdles required for technology to be implemented in the industry.

Emergence of aggregators

In terms of the how conveyancing is purchased as a service, if conveyancing is to remain a standalone service, look out for aggregator platforms, or online conveyancers which provide a fast, cheap, digital solution that is limited to conveyancing. For bundling, watch to see whether the provision of multiple property services under one roof or website (likely either a bank or a real estate agent) becomes more common.

What to do...

Regardless of which potential future begins to emerge, there are a number of similarities across these worlds, based on the trends observable across the industry. As a result, there are opportunities to take 'no regrets' actions to capitalise on some of these opportunities, including:

- **Engaging with** and responding to **customer preferences**
- **Enhancing professionalism** by offering in depth, personalised **property advice** with a **service mentality**
- **Improve transparency** by leveraging digital to ensure customers have greater comfort and clarity about the process and options available to them
- **Investing in digital technology** to gain process efficiencies and first mover advantage, including cyber security and personal data protection
- **Building core capabilities** to effectively leverage technology and **adapt to new offerings** that enter the market
- **Innovating service offerings** and business models to benefit from new efficiencies
- **Looking out for new technologies** and service providers that may benefit your practice
- **Build closer relationships** with real estate agents, banks and mortgage brokers to position for potential future industry structures – (e.g. provider alliances or single provider service bundling)

Meet the team

Simon Pelletier
Partner

Simon is a Partner in Deloitte's Monitor Deloitte Strategy practice with over 15 years' experience in financial services and strategy consulting. His background is in financial services, spanning retail and investment banking, insurance, superannuation and wealth management, and he brings a unique and expert perspective to shaping his clients' strategic plans.

Simon has focused on helping financial services clients grow and adapt in the face of customer and technology driven change as well as respond to evolving regulatory challenges. Simon is particularly known for working with strategy, digital, technology, innovation and business teams and has extensive experience in corporate strategy, digital transformation, innovation, digital strategy and customer experience.

Simon Cooper
Director

Simon is a Director in Monitor Deloitte focused on strategy and transformation for public sector clients. He is a digital transformation specialist with a focus on enhancing citizens' experiences. Simon's career at Deloitte has seen him work with the NSW and Federal Governments as well as private sector clients on engagements ranging from setting up a digital marketplace, developing innovation strategies, enterprise model design, writing industry thought leadership and reviewing the effectiveness of government departments.

Simon was previously a Senior Manager in Government in roles covering high-profile digital, strategy, ministerial and operational challenges. Simon holds an Executive MBA with Distinction and has received awards including for Innovation in Government.

Michael Goldman
Senior Consultant

Michael is a Sydney based Consultant in Monitor Deloitte's Strategy Consulting team with four years experience. In his career at Deloitte, he has worked across the consumer, retail and financial and professional service industries. His work has been focused in corporate, business unit and M&A strategy, encompassing growth, transformation and digital disruption. Prior to this, he worked as a consultant in the non-profit space for three years, directing the Asia-Pacific Region of 180 Degrees Consulting, the world's largest volunteer consultancy.

Samantha Twibill
Analyst

Sam is an Analyst in Monitor Deloitte's Sydney practice. She has worked across a range of industries including telecommunications, financial services and the public sector. Sam has helped clients to develop market expansion strategies and design new customer service experiences and operating models. She has developed pricing strategies, and built simulations for experience-led "war-gaming" strategy simulations.
Prior to this, Sam completed an internship in corporate advisory at a large investment bank in Sydney.

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Appendix

Technical Appendix

Trends selection

Trends were used to develop an understanding of current changes that are impacting the conveyancing industry and the world more broadly.

They were categorised in three ways, and selected based on the following criteria:

01. **Industry trends** – relating to conveyancing, property and law firms to a lesser extent

02. Technology trends – changes in technologies that are available today, or being developed, that could realistically be applied in the conveyancing process

03. **Regulatory trends** – regulatory change that will impact on the conveyancing process, platforms, licensing of practitioners, standardisation and data sharing requirements. As minimal change is anticipated to regulation or Australia's legal tenants of the Torrens system and state based real property acts, other relevant regulatory impacts have been addressed in the industry and technology sections (e.g. F2F VOI requirements, data availability)

Potential futures development

Outlining potential futures helps to predict what the future may hold.

The worlds were developed using a Monitor Deloitte scenario development framework that draws on trends affecting an industry, and identifies the two greatest uncertainties to form an axis. Potential futures were then built around these critical uncertainties.
Based on research and consultation, it was determined that the two greatest uncertainties for the future of the conveyancing industry are:

- The extent to which conveyancing is digitally enabled versus digitally led, largely stemming from the speed of technological change and adoption in the industry
- The degree of embeddedness of conveyancing with other property purchasing services (i.e. will it be recognisable as a standalone service, or bundled into real estate / banking / property search tools and so on. This will impact on how visible conveyancing is to buyers and sellers and how customer acquisition will play out)

To communicate how the potential worlds will operate, comparator industries were established to give greater tangibility to the role of customers, practitioners and other stakeholders in the conveyancing ecosystem. Industries were selected that could be characterised by the two critical uncertainties (i.e. had been disrupted by technology and had transformed to develop distinct or embedded services). From research, it was determined that the following comparator industries would be used to shape the potential futures:

1. The Local Café

The local café faced disruption in the form of digital payments, online orders (e.g. through applications such as Hey You), and internal communication (e.g. computer communications between waiters and kitchen staff) however the service itself experienced minimal change.

- Case studies: included examining the impact of digital payments such as eftpos, ApplePay, tap and go, and Hey You.
- Consolidation: Australia's coffee culture, and its growing number of speciality cafés and coffee shops contributed to high industry competition, low barriers to entry and low industry concentration (~12% consolidation forecast between 2012 – 2022, see input 4.1). Industry revenue is forecast to continue growing over the next five years, however, growth is projected to slow as the industry reaches saturation.

2. Accounting

Accounting was transformed by cloud based accounting software that streamlined basic accounting processes, giving accountants time to shift focus to higher value advisory services. Today, accounting is still purchased as standalone service, but enhanced through technology.

- Case studies: included leading accounting software providers Xero, MYOB and Quickbooks.
- Consolidation: The emergence of accounting software led to some degree of industry consolidation (~10% consolidation between 2012 – 2022, see input 4.2) as large accounting firms acquired smaller players and others outsourced basic accounting functions to overseas providers. However the degree of consolidation may be less than expected due to the entry of new accounting enterprises enabled by technology, who were able to move up the value chain.

3. Travel

Traditional travel agents disrupted by online providers were the focus of this comparison. They acquired online travel agents (OTAs) to compete in the space and segmented services to offer online, DIY approach to travel, tour and accommodation reservations or high value advisory services involving more exotic locations and complex logistics.

- Case studies: included Flight Centre, Expedia and TripAdvisor.
- Consolidation: Consolidation in the industry was ~14% between 2012 and 2022 (see input 4.3). The travel industry adopted technology as reservations became a platform service, combining digital and advisory services, resulting in consolidation as larger companies became a one stop shop. Online 'DIY' services and aggregators emerged to allow customers to compare on price, likely impacting margins and contributing to consolidation.

4. Stockbroking

Traditional broking houses (e.g. Macquarie, UBS, Goldman Sachs) were disrupted by online broking sites that allowed mum and dad investors to enter the market at a lower price and via online channels. Retail banks such as Commonwealth Bank built platforms (CommSec) that facilitate a vast volume of transactions at lower margins, and have benefited from scale. However, stockbroking has remained a distinct service (not bundled).

- Case studies: included Macquarie and UBS (traditional), CommSec and CMC Markets (online), as well as a market scan of other players (retail banks and independent players with platforms).
- Consolidation: Consolidation in the industry between 2012 and 2022 was 32% as online brokers began to serve the retail market, offering a faster service at a lower price point than traditional players. However, the rate of consolidations was also likely influenced by ongoing effects of the GFC, as a result the degree of consolidation in potential future 4 was moderated.

Based on the critical uncertainties underpinning the potential futures, it is believed the conveyancing industry is likely to transform in a similar manner to either one or a mix of the industries above. However, the use of potential futures is intended as a way of framing possibilities, and is not intended to be understood as a prediction or forecast. Deloitte accepts no responsibility for actions undertaken as a result of the information contained within this report.

Technical Appendix

#	Input Category	Value	Rationale	Source
Modelling and baseline inputs				
1	**Number of transactions**	FY18: 2,235,448 FY22: 2,477,303 FY30: 2,846,698	Transaction volumes (or number of instruments lodged) between 2017-18 and 2021-22 are based on BIS Oxford Economics forecasts. BIS forecasts were based on data from the State land registries. Under these forecasts, the CAGR of total national transactions between 2016-17 and 2021-22 is 1.7%. Transaction volumes have been extrapolated out by Deloitte Access Economics for 2025 and 2030. Drivers used by BIS Oxford Economics to forecast transaction volumes include: • Short term: interest rates, unemployment, building costs, affordability, real estate prices, investor sentiment, access to finance, leverage ratios, customer style / taste trends, the exchange rate, and perceptions of risk. • Long run: real income levels, population growth, demographic changes, the industrial structure, and employment growth.	BIS Oxford Economics Deloitte Access Economics
2	**Size of industry**	FY18: $2,598m - $2,802m FY30: $2,156m – $4,237m	• Assumes volume of transactions in 2030 (as forecast by BIS Oxford Economics and Deloitte Access Economics) multiplied by price range (see price range inputs). The volume of transactions in 2030 assumes transaction volumes will grow from 2018 volume. Example calculation (FY18): • 2,235,448 (volume) * 1162 (low end of average price FY18) = $2,156m.	BIS Consulting Deloitte Access Economics
3	**Baseline number of conveyancing firms**	12,000	Based on the following data points: 1. At the time of publication, ~6000 firms were registered on PEXA (prior to requirement to lodge electronically). PEXA estimated 50% of practitioners were registered. 2. This was triangulated with research by Deloitte Access Economics using the number of conveyancers in real estate services and legal services using Australian census data (ABS). This established a baseline of ~9,000 enterprises, excluding sole practitioners and some legal firms.	PEXA Deloitte Access Economics (using ABS data)

#	Input Category	Value	Rationale	Source
3	**Baseline number of conveyancing firms**		3. It was determined that given the current fragmentation of the market, the proportion of sole practitioners and the potential for lawyers who occasionally provide conveyancing services to be categorised outside of the scope of the ABS search, another third of practitioners may not be covered in this number. This aligned to the overall estimate of ~12,000 practitioners across Australia.	

Parameters and calculations

4	**Number of enterprises**	5-25% consolidation from 12,000 baseline (varies by potential future)	• Based on consolidation seen in comparator industries. The percentage change in the number of enterprises from over a ten year period (from 2012 – 2022) during which each of these industries were disrupted. This time frame was taken to control for the impact of other macro events in Australia and globally, and to demonstrate the potential movement of the conveyancing industry over the period from 2022 to 2030. Consolidation in these industries was used as a proxy for the likely degree of consolidation in conveyancing in each of the potential worlds. The consolidation in 'More Professional' was used as a baseline for consolidation in other worlds, as this change form 2018-2022 is seen as a likely starting point for all possible future worlds. • This was triangulated with bottom up analysis using the number of transactions (input 3), time savings (input 5), cost stacks (input 6) and margin change (driven by directional comparator industry research) to ensure alignment with the economic narrative.	IBIS World

Potential world	Industry consolidation	Potential world Consolidation	Rationale
4.1. Local Café ('More Professional')	12%	5%	Café consolidation also driven by significant margin pressure, which did not align with our view of the 'more professional' world. Also driven by customers willing to pay a premium which did not align with the incremental improvement in this world. Approximately halved projected consolidation.
4.2. Accounting ('The Digital Advisor')	10%	10%	Accounting consolidation aligned with expectations of potential world two, given the shared margin direction, similarity in changing services to advisory focused and time savings expected from digitisation.

Potential world	Industry consolidation	Potential world Consolidation	Rationale
4.3. Travel ('One Stop Property Shop')	14%	14%	Travel consolidation aligned with expectations for potential world three, given the shared division of service types (online DIY and complex advisory), proliferation of online players and margin pressure on traditional services.
4.4. Stockbroking ('The iConveyancer')	32%	25%	Potential world consolidation aims to capture digital disruption impact only and was triangulated with margin and time saving parameters to adjust for additional ongoing effects of the GFC.

#	Input Category	Value	Rationale	Source
5	**Hours saved across potential futures**	Baseline: >10 hours on paper, 6 hours on PEXA, Savings across potential worlds: 4 – 10 hours (varies by potential future)	Baseline based on time savings between paper based system and using PEXA for preparation, settlement and lodgement established by Deloitte Access Economics in Report 1. Additional time savings for activities in other parts of the value chain (e.g. post-settlement) established through consultation with conveyancing practitioners and calculations regarding the introduction of technology used across each potential future (please see the user journeys and the potential future development guidelines).	KPMG Report Deloitte Access Economics Consultations with conveyancing practitioners Consultation with Deloitte subject matter experts (regarding time savings from technology e.g. RPA)

Potential world	Time savings	Rationale
5.1. Local Café ('More Professional')	4.5 hours	This world assumes there is incremental development in technology from when preparation, settlement and lodgement are 100% digitised, in line with the requirement to lodge electronically, and expressed in Deloitte Access Economics' report on benefits. Thus, the initial 4 hours (on average) that are projected to be saved between the paper system versus using PEXA or another ELNO may be extended by half an hour to cover potential improvement to developing contracts through standardised templates and digital handoffs.
5.2. Accounting ('The Digital Advisor')	5.4 hours	In addition to the benefits in potential world 1, this world considers the impact of streamlining information flows through the use of APIs and reducing travel time by administering digital signatures to increase time savings from the PEXA baseline to 5.4 hours.
5.3. Travel ('One Stop Property Shop')	5-9 hours	The 'One Stop Property Shop' shows a divergence in time savings. • DIY process (9 hour saving): practitioners will likely experience significant time savings through APIs, digitised property inspections and document revisions and tracking, removing the need for in person meetings, as well as automation to prepopulate fields and generate digital communications with stakeholders in the ecosystem when prompted (e.g. rates data). • High value advisory services (5 hour saving): will not benefit from as many time savings as meetings may be in person, and additional time may be spent on reviewing complex contract terms, creating more bespoke options and providing detailed updates on the progress of the transaction.
5.4. Stockbroking ('The iConveyancer')	4-10 hours	Similarly to the previous world, there are two service approaches impacting time savings. • DIY process (10 hour saving): "CommSec" style of service will involve the automation of most processes within the transaction, allowing for automatic retrieval of information from existing digitised databases, secure exchange of contracts and funds potentially through blockchain, and 'as-needed' assistance from ChatBots. This process would be almost instantaneous, but forecast within half an hour. • High value advisory services (4 hour saving): personalised service for complex transactions would result in no time savings from 2018's system. This is for a number of reasons, including the potential for difficult transfers to not be possible digitally (too unique to be automated), required instruments not available on ELNOs and greater advisory support hypothesised for transactions that are not straightforward.

#	Input Category	Value	Rationale	Source
6	**Cost per transaction**	$700 - $1,100 (varies by potential future)	**6.1 Cost stack & wages (time savings)** Comprised of: • Fixed costs (rent, depreciation) • Variable costs (utilities, wages, purchases, other).	IBIS World Flight Centre annual report CMC markets annual report Australian Financial Review (law firms investment in technology) Interview with Titlexchange Consultation with Deloitte subject matter experts (regarding cost of capital investment in RPA and platforms) Cross-checked with quotes from Automation Anywhere, blueprism, UiPath Cross-checked with AFR reports of technology spend in law firms

Potential world	Source	Rationale
6.1.1. Local Café ('More Professional')	Real Estate Services, IBIS World	This potential world anticipates minimal change from the current state of conveyancing, but with slightly more digitisation. The most appropriate reflection of cost was considered to be the current industry cost stack (however conveyancing specific cost stacks are not readily available, so real estate was used as a proxy).
6.1.2. Accounting ('The Digital Advisor')	Real Estate Services, IBIS World	This potential world anticipates a similar industry configuration, but with the conveyancing process accelerated and therefore fewer FTE requirements (however, this is partially offset by potentially higher wages due to advisory emphasis). The Real Estate cost stack was used to reflect this balance of fewer employees with higher wages.
6.1.3. Travel ('One Stop Property Shop')	Flight Centre annual report (2017) Helloworld annual report (2017)	This potential world anticipates a significantly different industry structure, particularly given lower margins and one-stop-shop configuration. It was deemed more appropriate to draw on the travel industry cost stack due to the nature of disruption. Flight Centre was the central case study and considered the most accurate reflection of the potential world (one stop shop). This was triangulated with the Helloworld cost stack.
6.1.4. Stockbroking ('The iConveyancer')	CMC Markets annual report	Similarly to travel, this potential world anticipates significant digital disruption. Therefore, the projected industry structure is too different to use real estate as a proxy. Instead a stockbrocking industry comparator (CMC Markets) was used to reflect DIY conveyancing cost structure. Cost stacks for CommSec (and other banking trade platforms) were not accessible, and costs were instead based on assumptions of estimates of technology investments coupled with reductions in FTE and other overhead costs.

Note: The wage cost varied across potential worlds depending on the projected hours saved (see input #5).

#	Input Category	Value	Rationale	Source
6.2	**Disbursements**		Cost per transaction also accounts for: • PEXA fees ($110 at time of publication – and assumes pricing remains constant). • Search fees ($20 minimum as specified by GlobalX at time of publication – and assumes pricing remains constant). • Digital VOI fees ($5.50 as specified by InfoTrack at time of publication – and assumes pricing remains constant). • any other (e.g. land registry fees).	
6.3	**Capital investment in technology**		Capital investment in platform technology also included as a variable cost across potential futures, depending on the type of technology used (please see the user journeys). Approximate investment requirements were determined in consultation with Deloitte RPA and platform engineering SMEs. • Cost to build and maintain a platform was estimated as ~$500k - $3m (depending on the software packages). • Cost of integration estimated at ~$1.5 - $10m (depending on how many plug-ins were required). • Cost of RPA was estimated as ~$250k - $300k to build and operate. Capex cost per transaction = capex / (# of firms adopting platform / # of platform players) * average # employees per firm * average transactions per employee.	

Potential world	Capex (per platform player)	Context
6.3.1. Local Café ('More Professional')	-	Assumes no capital investment in RPA or additional platform technology.
6.3.2. Accounting ('The Digital Advisor')	$2m - $5.5m	Assumes four platform players in the market, with 60% uptake by practitioners. Platform build and integration only (no RPA).
6.3.3. Travel ('One Stop Property Shop')	$2m - $8m	Assumes six platform players in the market with 80% uptake by practitioners. Platform build and integration only (no RPA).

Potential world	Capex (per platform player)	Context
6.3.4. Stockbroking ('The iConveyancer')	$2.3m - $13.3m	Assumes two platform players in the market with 90% uptake by practitioners. Platform build and integration and RPA platform, software and maintenance.

#	Input Category	Value	Rationale	Source
7	**Baseline price per transaction**	In 2018 – 2022: Average seller rate: $1,100 Average buyer rate: $1,250	Based on industry research on the current price of conveyancing services for buyers and sellers of property across each state of Australia, a weighted average of services provided by lawyers, conveyancers and settlement agents was used (taking into account current transaction volumes per state) to determine a baseline price range. From practitioner consultations administered by Deloitte Access Economics, conveyancing practitioners have indicated that they do not anticipate pricing of services to change by 2022 (the baseline for the report). Note: it is acknowledged that prices can be higher or lower than this baseline due to the significant variability across states, and between service types and providers.	Consults with ten conveyancing practitioners around Australia and desktop research of rates
8	**Baseline average # of employees per firm**	4	Calculated as the ratio of employees in the real estate services industry to the number of enterprises.	IBIS World
9	**Average # of employees per firm**	3 – 5 (varies by potential future)	Calculated as a function of time savings and number of enterprises. Hours saved is translated to FTE savings across the industry and divided by the number of enterprises projected for each potential future. # employees per firm = total employees / enterprises. Total employees = baseline employment – ((hours saved * # of transactions) / annual working hours) * (1+ consolidation rate).	Calculation

Number of enterprises calculations:

Local Café

11,400 = 12,000*(12-0.05)

# of enterprises | 2018 baseline # of enterprises | 5% consolidation rate

Accounting

10,260 = 11,400*(1-0.1)

# of enterprises | 2022 baseline # of enterprises | 10% consolidation rate

Travel

9,804 = 11,400*(1-0.14)

# of enterprises | 2022 baseline # of enterprises | 14% consolidation rate

Stockbroking

8,550 = 11,400*(1-0.25)

# of enterprises | 2022 baseline # of enterprises | 25% consolidation rate

Triangulated with:

# of transactions	Hours saved	Cost per transaction	Margins
2,846,698	4.5 hrs	0.3% increase	-%
2,846,698	5.4 hrs	10% - 11% decrease	7% decrease - 7% increase
2,846,698	5-9 hrs	6-12% decrease	2-15% decrease
2,846,698	4-10 hrs	3% - 29% increase	9% decrease - 26% increase

Acronyms

Acronym	Full name
ADI	Authorised Deposit-taking Institutions
AI	Artificial Intelligence
ANZ	Australia & New Zealand Bank
API	Application Programme Interface
AR	Augmented Reality
ASX	Australian Stock Exchange
AWS	Amazon Web Services
CBA	Commonwealth Bank of Australia
CRM	Customer Relationship Management
DAE	Deloitte Access Economics
DIY	Do It Yourself
ELNO	Electronic Lodgement Network Operator
F2F	Face to face
ID	Identification
IoT	Internet of Things
LR	Land Registry
NPP	New Payments Platform
OSR	Office of State Revenue
OTA	Online Travel Agency
PEXA	Property Exchange Australia Ltd
PMS	Practice Management Software
REA	Real Estate Agents
RPA	Robotic Process Automation
SaaS	Software as a Service
SME	Small and Medium Enterprise
SRO	State Revenue Office (same as OSR)
SSO	Single Sign On
UI	User Interface
UX	User Experience
VOI	Verification of Identity
VR	Virtual Reality

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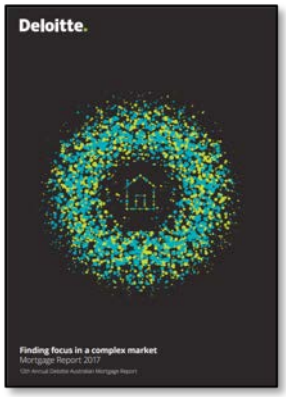

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Limitations and exclusions

The scope of this report does not include the following:

- Defining 'how' the industry will get to 100% e-conveyancing of preparation, settlement and lodgement
- The benefits and transition costs of 100% eConveyancing (see Report 1)
- Detailed focus on banks and other players in the ecosystem outside of practitioners and end users

The development of this report was based upon the following:

- Consultations with 10 practitioners in total from NSW, VIC, SA,WA and QLD
- Interviews with PEXA and Titlexchange
- Interviews with Deloitte subject matter experts
- Desktop research
- Quantitative modelling with a validated baseline extrapolated from current state, and hypothesis driven potential futures based on industry comparisons
- Developed over a 2 month period in March-April 2018
- This report was funded by PEXA
- Deloitte accepts no responsibility for actions undertaken as a result of the information contained within this report

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