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# Bricklet uses blockchain to settle housing sales instantly



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Proptech business Bricklet is offering instant property settlement to fractional owners, cutting the traditional six-week process to as little as six seconds on a new blockchain-based platform that it intends to expand into conventional transactions.

Bricklet, [owned by unlisted investment company Lakeba](#), expects all owners of the \$155 million-worth of commercial and residential property in its portfolio to be able to trade their stakes instantly and much more cheaply – for \$10, rather than the current \$1000 – by year-end.

They will do this by the Australian Property Co-Ownership Register, a distributed ledger (a synchronised database across multiple sites) that creates an immutable record of transactions and which will in time directly link to each state land title register.

NSW is the first state to be linked.

“The first properties to be recorded with the NSW Land Registry are the next step in the property revolution, using blockchain to genuinely make life better,” said Bricklet chief executive Darren Younger.



Faster entry: Bricklet says its new blockchain-based platform will help speed the process and cut costs of property purchase. **Joe Armao**

“The future of this technology is broadening its use to register single ownership properties, taking cost and time out of the process for all buyers, sellers and taxpayers.”

The pandemic that accelerated the use of technology, by changing rules and driving acceptance of tools such as electronic signatures, is upending traditional real estate transactions to make processes quicker, cheaper and – provided they can withstand hacking – safer.



Bricklet CEO Darren Younger

Bricklet’s co-ownership register won’t compete with the services offered by existing e-conveyancing platforms such as PEXA or rival Sympli as such an operator will still be needed to register the new ownership on title.

But the register will update state records by placing caveats with information about co-ownership on the official title of a property.

Record-low borrowing costs have driven investment in real estate by people hoping to get a toehold on the housing market – paying the minimum \$20,000 stake – and by investors buying into commercial assets. Bricklet’s portfolio currently totals residential property worth \$23 million and commercial assets worth \$123 million.

But rising rates and a growing sense of caution have cut appetite for investment in proptech businesses. Bricklet, which [set out in March to raise capital](#), subsequently settled for a smaller, undisclosed amount than the \$25 million in equity it had initially sought and pulled a planned \$100 million residential mortgage-backed security issue.

Even so, within the next two years Bricklet – in which developer Mirvac owns 5 per cent and Stockland 4.3 per cent – will roll the platform out to the much wider traditional market of single-owner deals, expanding the scope for faster and cheaper transactions.



Lakeba executive chairman Giuseppe Porcelli.

The move, which will only require minimal extra investment, would provide a new source of data open and available for the market, permitting the development of new products and services, the company said.

“Since the invention of the Torrens Title in 1858, Australia has always been steps ahead of the rest of the world with innovation for the industry,” Lakeba and Bricklet executive chairman Giuseppe Porcelli said.

“With technologies like Bricklet, we want to continue that journey.”

Tim Lawless, the research director of data company CoreLogic, welcomed any effort to increase the speed of property data being made available to people and parts of the economy linked to the residential real estate market, but said it was important to know how Bricklet would make its transaction data available.

NSW minister for customer service and digital government Victor Dominello said development of the co-ownership register was positive for boosting access to home ownership and cutting costs.



Minister for Customer Service Victor Dominello.

“Blockchain has the potential to be a game changer in the property sector and it is exciting to see it being applied here in NSW,” Mr Dominello said.

“If marketplace completion can enhance and speed up the property registration process, then that’s a good thing.”

**Michael Bleby** covers commercial and residential property, with a focus on housing and finance, construction, design & architecture. He also dabbles in the business of sport.

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