



# Methodology to Review Torrens Systems

Jude Wallace

# Torrens systems provide -

- accurate text identifying owners and interests
- accurate boundaries. Now they are georeferenced boundaries.

Valuable, but disorganised information.

**THEY CREATE LEGAL TITLE BY  
REGISTRATION**

# Torrens depends on -...

- Simple transactions - forms and registration processes
- Risk spreading for forgeries
- Risk compensation for administrative error

This is not title insurance

# Markets

- We sell rights, not land. Abstractions not physicals.
- Basic markets sell simple rights -
  - ownership
  - leaseholds
  - securities
- Mature markets invent new rights

# Good basic rights

- Clear time frames (perpetuity, life or years)
- Rights to use
- Rights to dispose of or securitise
- Rights to devolve on death
- **Opportunity to make decisions in relation to the land**
- Clear obligations, responsibilities and public controls

# Land registration is about markets

- Torrens systems presuppose good basic rights
- They provide a registration process which is reasonable and effective
- Ideally registration should be inclusive, cheap and not populated by professionals

# Complex property commodities

- Add corporations - risk spreading, capital raising engines
- Introduce flexibility into the LANDscape (interests and enterprises)
- Reduce transaction costs - interests, shares and units, not land titles

# Wealth acceleration

- Mix them all together
- Allow complex integration of land interests, securitisation and capitalisation
  - property investment trusts
  - secondary mortgage markets
  - capitalisation and securitisation of future income streams for local government rates, landlord's rents
    - » and so on .....

# A GOOD LAND INFORMATION SYSTEM

- Tells you what you need to know about
  - A parcel of land
  - The area of land
  - National land policies

# A GOOD REGISTER

- Only legal tenure information
- Mature administration standards
- Integration and access

# FUTURE FOR TORRENS

- Tight, well managed and narrow
- Responsibility to interact with other information systems
- Focused on market
- Best available product - a secure land title

# MAJOR ISSUES

- Registration of privately sourced rights
- Inclusion or availability of land related business information
- Building standards
- Recording of bad news