



Settled Land Act 1925

1925 CHAPTER 18 15 and 16 Geo 5

PART II

POWERS OF A TENANT FOR LIFE

Sale and Exchange

38 Powers of sale and exchange.

A tenant for life—

- (i) May sell the settled land, or any part thereof, or any easement, right or privilege of any kind over or in relation to the land; and
- (ii)^{F1}
- (iii) May make an exchange of the settled land, or any part thereof, or of any easement, right, or privilege of any kind, whether or not newly created, over or in relation to the settled land, or any part thereof, for other land, or for any easement, right or privilege of any kind, whether or not newly created, over or in relation to other land, including an exchange in consideration of money paid for equality of exchange.

Textual Amendments

F1 S. 38(ii) repealed by [Statute Law \(Repeals\) Act 1969 \(c. 52\)](#), [Sch. Pt. III](#)

Modifications etc. (not altering text)

C1 S. 38 extended by [Leasehold Reform Act 1967 \(c. 88\)](#), [s. 6\(2\)\(a\)](#)

39 Regulations respecting sales.

- (1) Save as hereinafter provided every sale shall be made for the best consideration in money that can reasonably be obtained.

Changes to legislation: There are currently no known outstanding effects for the Settled Land Act 1925, Cross Heading: Sale and Exchange. (See end of Document for details)

- (2) A sale may be made in consideration wholly or partially of a perpetual rent, or a terminable rent consisting of principal and interest combined, payable yearly or half yearly to be secured upon the land sold, or the land to which the easement, right or privilege sold is to be annexed in enjoyment or an adequate part thereof.

In the case of a terminable rent, the conveyance shall distinguish the part attributable to principal and that attributable to interest, and the part attributable to principal shall be capital money arising under this Act:

Provided that, unless the part of the terminable rent attributable to interest varies according to the amount of the principal repaid, the trustees of the settlement shall, during the subsistence of the rent, [^{F2}accumulate the profits from the capital money by investing them and any resulting profits under the general power of investment in section 3 of the Trustee Act 2000 and shall add the accumulations to capital.]

- (3) The rent to be reserved on any such sale shall be the best rent that can reasonably be obtained, regard being had to any money paid as part of the consideration, or laid out, or to be laid out, for the benefit of the settled land, and generally to the circumstances of the case, but a peppercorn rent, or a nominal or other rent less than the rent ultimately payable, may be made payable during any period not exceeding five years from the date of the conveyance.
- (4) Where a sale is made in consideration of a rent, the following provisions shall have effect:—
- (i) The conveyance shall contain a covenant by the purchaser for payment of the rent, and [^{F3}the statutory powers and remedies for the recovery of the rent shall apply];
 - (ii) A duplicate of the conveyance shall be executed by the purchaser and delivered to the tenant for life or statutory owner, of which execution and delivery the execution of the conveyance by the tenant for life or statutory owner shall be sufficient evidence;
 - (iii) A statement, contained in the conveyance or in an indorsement thereon, signed by the tenant for life or statutory owner, respecting any matter of fact or of calculation under this Act in relation to the sale, shall, in favour of the purchaser and of those claiming under him, be sufficient evidence of the matter stated.
- (5) The consideration on a sale to any company incorporated by special Act of Parliament or by provisional order confirmed by Parliament or by any other order, scheme or certificate having the force of an Act of Parliament, may, with the consent of the tenant for life, consist, wholly or in part, of fully-paid securities of any description of the company, and such securities shall be vested in the trustees of the settlement and shall be subject to the provisions of this Act relating to securities representing capital money arising under this Act, and may be retained and held by the trustees in like manner as if they had been authorised by this Act for the investment of capital money.
- (6) A sale may be made in one lot or in several lots, and either by auction or by private contract, and may be made subject to any stipulations respecting title, or evidence of title, or other things.
- (7) On a sale the tenant for life may fix reserve biddings and may buy in at an auction.

Changes to legislation: There are currently no known outstanding effects for the Settled Land Act 1925, Cross Heading: Sale and Exchange. (See end of Document for details)

Textual Amendments

- F2** Words in the proviso to s. 39(2) substituted (1.2.2001) by 2000 c. 29, s. 40(1), **Sch. 2 Pt. II para. 8** (with s. 35); S.I. 2001/49, **art. 2**
- F3** Words substituted by **Law of Property (Amendment) Act 1926** (c. 11), **Sch.**

Modifications etc. (not altering text)

- C2** S. 39 excluded by **Housing Associations Act 1985** (c. 69, SIF 61), **s. 8(2)(3)**
S. 39 excluded (1.10.1996 subject to savings in S.I. 1996/2402, art. 3, **Sch. para. 11**) by 1996 c. 52, **s. 8(2)(3)**; S.I. 1996/2402, **art. 3**
- C3** S. 39 excluded (1.4.2010) by **Housing and Regeneration Act 2008** (c. 17), **ss. 188**, 325(1) (with s. 189); S.I. 2010/862, art. 2 (with Sch.)
- C4** S. 39(2) saved by **Compulsory Purchase Act 1965** (c. 56), **s. 24(6)**

40 Regulations respecting exchanges.

- (1) Save as in this Part of this Act provided, every exchange shall be made for the best consideration in land or in land and money that can reasonably be obtained.
- (2) An exchange may be made subject to any stipulations respecting title, or evidence of title, or other things.
- (3) Settled land in England or Wales shall not be given in exchange for land out of England and Wales.

Changes to legislation:

There are currently no known outstanding effects for the Settled Land Act 1925, Cross Heading: Sale and Exchange.