



Law of Property Act 1925

1925 CHAPTER 20 15 and 16 Geo 5

PART I

GENERAL PRINCIPLES AS TO LEGAL ESTATES, EQUITABLE INTERESTS AND POWERS

3 Manner of giving effect to equitable interests and powers.

- (1) All equitable interests and powers in or over land shall be enforceable against the estate owner of the legal estate affected in manner following (that is to say):—
- (a) Where the legal estate affected is settled land, the tenant for life or statutory owner shall be bound to give effect to the equitable interests and powers in manner provided by the ^{M1}Settled Land Act, 1925;
 - (b) Where the legal estate affected is vested in trustees for sale—
 - (i) The trustees shall stand possessed of the net proceeds of sale after payment of costs and of the net rents and profits of the land until sale after payment of rates, taxes, costs of insurance, repairs, and other outgoings, upon such trusts and subject to such powers and provisions as may be requisite for giving effect to the equitable interests and powers affecting the same respectively, of which they have notice, and whether created before or after the disposition upon trust for sale, according to their respective priorities:
 - (ii) Where, by reason of the exercise of any equitable power or under any trust affecting the proceeds of sale, any principal sum is required to be raised, or any person of full age becomes entitled to require a legal estate in the land to be vested in him in priority to the trust for sale, then, unless the claim is satisfied out of the net proceeds of sale, the trustees for sale shall (if so requested in writing) be bound to transfer or create such legal estates, to take effect in priority to the trust for sale, as may be required for raising the money by way of legal mortgage or for giving legal effect to the rights of the person so entitled:

Provided that, if the proceeds of sale are held in trust for persons of full age in undivided shares absolutely free from incumbrances affecting undivided shares, those

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persons cannot require the land to be conveyed to them in undivided shares, but may (subject to effect being given by way of legal mortgage to incumbrances affecting the entirety) require the same to be vested in any of them (not exceeding four) as joint tenants on trust for sale; and if the conveyance purports to transfer the land to any of them in undivided shares or to more than four such persons, it shall operate only as a transfer to them or (if more than four) to the four first named therein as joint tenants on trust for sale:

- (c) Where the legal estate affected is neither settled land nor vested in trustees for sale, the estate owner shall be bound to give effect to the equitable interests and powers affecting his estate of which he has notice according to their respective priorities. This provision does not affect the priority or powers of a legal mortgagee, or the powers of personal representatives for purposes of administration.
- (2) Effect may be given by means of a legal mortgage to an agreement for a mortgage, charge or lien (whether or not arising by operation of law) if the agreement, charge or lien ought to have priority over the trust for sale.
- (3) Where, by reason . . . ^{F1}of an equitable right of entry taking effect, or for any other reason, a person becomes entitled to require a legal estate to be vested in him, then and in any such case the estate owner whose estate is affected shall be bound to convey or create such legal estate as the case may require.
- (4) If any question arises whether any and what legal estate ought to be transferred or created as aforesaid, any person interested may apply to the court for directions in the manner provided by this Act.
- (5) If the trustees for sale or other estate owners refuse or neglect for one month after demand to transfer or create any such legal estate, or if by reason of their being out of the United Kingdom or being unable to be found, or by reason of the dissolution of a corporation, or for any other reason, the court is satisfied that the transaction cannot otherwise be effected, or cannot be effected without undue delay or expense, the court may, on the application of any person interested, make a vesting order transferring or creating a legal estate in the manner provided by this Act.
- (6) This section does not affect a purchaser of a legal estate taking free from an equitable interest or power.
- [^{F2}(7) The county court has jurisdiction under this section where the land which is to be dealt with in the court does not exceed [^{F3}£30,000] in capital value ^{F4} . . .]

Textual Amendments

- F1** Words repealed by [Reverter of Sites Act 1987](#) (c. 15, SIF 98:1). ss. 6(1), 8(2)(3)(4), Sch.
- F2** [S. 3\(7\)](#) added by [County Courts Act 1984](#) (c. 28, SIF 34), s. 148(1), **Sch. 2 Pt. II para. 2(1)(3)**
- F3** Words in [s. 3\(7\)](#) substituted (1.7.1991) by [S.I. 1991/724](#), art. 2(8), **Sch. Pt.I** (with art. 12)
- F4** Words in [s. 3\(7\)](#) omitted (1.7.1991) by virtue of [S.I. 1991/724](#), art. 2(8), **Sch. Pt.I** (with art. 12)

Modifications etc. (not altering text)

- C1** [S. 3](#) extended (1.7.1991) by [S.I. 1991/724](#), **art. 2(3)** (with art. 12)
- C2** [S. 3\(7\)](#) modified by [County Courts Act 1984](#) (c. 28, SIF 34), s. **24(1)(2)(c)**
- C3** [S. 3\(7\)](#) amended by [S.I. 1990/776](#), **art. 4(1)(b)**

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Marginal Citations

M1 1925 c. 18.

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