



# Land Registration Act 2002

## 2002 CHAPTER 9

VALID FROM 13/10/2003

### PART 3

#### DISPOSITIONS OF REGISTERED LAND

##### *Powers of disposition*

#### **23 Owner's powers**

- (1) Owner's powers in relation to a registered estate consist of—
  - (a) power to make a disposition of any kind permitted by the general law in relation to an interest of that description, other than a mortgage by demise or sub-demise, and
  - (b) power to charge the estate at law with the payment of money.
- (2) Owner's powers in relation to a registered charge consist of—
  - (a) power to make a disposition of any kind permitted by the general law in relation to an interest of that description, other than a legal sub-mortgage, and
  - (b) power to charge at law with the payment of money indebtedness secured by the registered charge.
- (3) In subsection (2)(a), "legal sub-mortgage" means—
  - (a) a transfer by way of mortgage,
  - (b) a sub-mortgage by sub-demise, and
  - (c) a charge by way of legal mortgage.

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## **24 Right to exercise owner's powers**

A person is entitled to exercise owner's powers in relation to a registered estate or charge if he is—

- (a) the registered proprietor, or
- (b) entitled to be registered as the proprietor.

## **25 Mode of exercise**

- (1) A registrable disposition of a registered estate or charge only has effect if it complies with such requirements as to form and content as rules may provide.
- (2) Rules may apply subsection (1) to any other kind of disposition which depends for its effect on registration.

## **26 Protection of disponees**

- (1) Subject to subsection (2), a person's right to exercise owner's powers in relation to a registered estate or charge is to be taken to be free from any limitation affecting the validity of a disposition.
- (2) Subsection (1) does not apply to a limitation—
  - (a) reflected by an entry in the register, or
  - (b) imposed by, or under, this Act.
- (3) This section has effect only for the purpose of preventing the title of a donee being questioned (and so does not affect the lawfulness of a disposition).

### *Registrable dispositions*

## **27 Dispositions required to be registered**

- (1) If a disposition of a registered estate or registered charge is required to be completed by registration, it does not operate at law until the relevant registration requirements are met.
- (2) In the case of a registered estate, the following are the dispositions which are required to be completed by registration—
  - (a) a transfer,
  - (b) where the registered estate is an estate in land, the grant of a term of years absolute—
    - (i) for a term of more than seven years from the date of the grant,
    - (ii) to take effect in possession after the end of the period of three months beginning with the date of the grant,
    - (iii) under which the right to possession is discontinuous,
    - (iv) in pursuance of Part 5 of the Housing Act 1985 (c. 68) (the right to buy), or
    - (v) in circumstances where section 171A of that Act applies (disposal by landlord which leads to a person no longer being a secure tenant),
  - (c) where the registered estate is a franchise or manor, the grant of a lease,

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- (d) the express grant or reservation of an interest of a kind falling within section 1(2)(a) of the Law of Property Act 1925 (c. 20), other than one which is capable of being registered under the Commons Registration Act 1965 (c. 64),
  - (e) the express grant or reservation of an interest of a kind falling within section 1(2)(b) or (e) of the Law of Property Act 1925, and
  - (f) the grant of a legal charge.
- (3) In the case of a registered charge, the following are the dispositions which are required to be completed by registration—
- (a) a transfer, and
  - (b) the grant of a sub-charge.
- (4) Schedule 2 to this Act (which deals with the relevant registration requirements) has effect.
- (5) This section applies to dispositions by operation of law as it applies to other dispositions, but with the exception of the following—
- (a) a transfer on the death or bankruptcy of an individual proprietor,
  - (b) a transfer on the dissolution of a corporate proprietor, and
  - (c) the creation of a legal charge which is a local land charge.
- (6) Rules may make provision about applications to the registrar for the purpose of meeting registration requirements under this section.
- (7) In subsection (2)(d), the reference to express grant does not include grant as a result of the operation of section 62 of the Law of Property Act 1925 (c. 20).

#### *Effect of dispositions on priority*

### **28 Basic rule**

- (1) Except as provided by sections 29 and 30, the priority of an interest affecting a registered estate or charge is not affected by a disposition of the estate or charge.
- (2) It makes no difference for the purposes of this section whether the interest or disposition is registered.

### **29 Effect of registered dispositions: estates**

- (1) If a registrable disposition of a registered estate is made for valuable consideration, completion of the disposition by registration has the effect of postponing to the interest under the disposition any interest affecting the estate immediately before the disposition whose priority is not protected at the time of registration.
- (2) For the purposes of subsection (1), the priority of an interest is protected—
  - (a) in any case, if the interest—
    - (i) is a registered charge or the subject of a notice in the register,
    - (ii) falls within any of the paragraphs of Schedule 3, or
    - (iii) appears from the register to be excepted from the effect of registration, and

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- (b) in the case of a disposition of a leasehold estate, if the burden of the interest is incident to the estate.
- (3) Subsection (2)(a)(ii) does not apply to an interest which has been the subject of a notice in the register at any time since the coming into force of this section.
- (4) Where the grant of a leasehold estate in land out of a registered estate does not involve a registrable disposition, this section has effect as if—
  - (a) the grant involved such a disposition, and
  - (b) the disposition were registered at the time of the grant.

**Modifications etc. (not altering text)**

- C1** S. 29(2)(a) modified (10.11.2008) by [The Land Registration Rules 2003 \(S.I. 2003/1417\)](#), rule 196B (as inserted by [The Land Registration \(Amendment\) Rules 2008 \(S.I. 2008/1919\)](#), rules 2(1), 4(1), [Sch. 1 para. 63](#))

**30 Effect of registered dispositions: charges**

- (1) If a registrable disposition of a registered charge is made for valuable consideration, completion of the disposition by registration has the effect of postponing to the interest under the disposition any interest affecting the charge immediately before the disposition whose priority is not protected at the time of registration.
- (2) For the purposes of subsection (1), the priority of an interest is protected—
  - (a) in any case, if the interest—
    - (i) is a registered charge or the subject of a notice in the register,
    - (ii) falls within any of the paragraphs of Schedule 3, or
    - (iii) appears from the register to be excepted from the effect of registration, and
  - (b) in the case of a disposition of a charge which relates to a leasehold estate, if the burden of the interest is incident to the estate.
- (3) Subsection (2)(a)(ii) does not apply to an interest which has been the subject of a notice in the register at any time since the coming into force of this section.

**31 Inland Revenue charges**

The effect of a disposition of a registered estate or charge on a charge under section 237 of the Inheritance Tax Act 1984 (c. 51) (charge for unpaid tax) is to be determined, not in accordance with sections 28 to 30 above, but in accordance with sections 237(6) and 238 of that Act (under which a purchaser in good faith for money or money's worth takes free from the charge in the absence of registration).

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