



# Settled Land Act 1925

## 1925 CHAPTER 18

### 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) Where the settlement comprises a manor, may sell the seignory of any freehold land within the manor, with or without any exception or reservation of all or any mines or minerals, or of any rights or powers relative to mining purposes, so as in every such case to effect an extinguishment of the manorial incidents; and
- (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.

#### **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.
- (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.

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*Status: This is the original version (as it was originally enacted).*

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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, accumulate the income of the said capital money in the way of compound interest by investing it and the resulting income thereof in securities authorised for the investment of capital money 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 a condition of re-entry on the rent not being paid within a time therein specified not exceeding thirty days;
  - (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.

#### **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.