

What is a 'Bundle Of Rights'

A bundle of rights is a set of legal rights afforded to the real estate title holder specifying, proscribing, or authorizing actions on the part of the owner. These rights include the right of possession, the right of control, the right of exclusion, the right of enjoyment and the right of disposition. Real estate ownership carries with it a complex set of rights, and the bundle of rights concept has traditionally been the way in which those rights are assigned.

When a person purchases a piece of property, he is not necessarily afforded all of the rights in the bundle of rights if a mortgage is part of the property transfer. Partial dominion may also apply to situations where the property is leased to another party, limiting the property owner's rights based on local landlord tenant laws and regulations.

Right of Possession

The right of possession refers to the rights given to the title holder of a particular property. These rights may be limited in certain instances, such as when a title holder fails to pay required property taxes or mortgage payments, but in most regards, the title holder is considered the owner of the property.

Right of Control

The right of control allows the title holder the ability to manage the use of the property in any means deemed legal within the jurisdiction in which the property exists. Entry into an area regulated by a homeowners' association may lead to additional restrictions being in place, though the restrictions are not technically legal standards.

Right of Exclusion

The right of exclusion allows the title holder to limit who may or may not enter the property. This applies to most situations except when certain legal easements are in place, or when a warrant authorizing the search of the property is properly acquired and served by a member of the law enforcement community. Within a homeowners' association the vote of the title holders regulates access to the private property.

Right of Enjoyment

The right to enjoyment asserts the title holder's right to participate in any activities he finds pleasurable while on the property. The activities in question must fall within the confines of the municipality law.

Right of Disposition

The right of disposition protects the title holder's right to transfer ownership, either permanently or temporarily, to another qualified party at will. An exclusion exists if the property owner owes a current mortgage on the property, as he must pay off the debt before ownership can be transferred. An exclusion also applies in cases where the property is subject to a lien, such as when a homeowner has failed to pay property taxes.