

## **Virtual Assignment is not Assignment**

A 'virtual assignment' is a device by which a tenant effectively appoints another organisation to deal with the practical aspects of its tenancy, in effect acting as attorney for the tenant.

Since most leases contain a clause which prohibits the tenant from parting with possession of the let property without the landlord's consent, it was inevitable that eventually a case would come before the courts to consider whether a virtual assignment breached a lease.

Last year, a case on this issue came before the High Court, which ruled that the virtual assignment was in breach of the covenant in the lease not to share or part with possession of the property.

The Court of Appeal has now overruled that decision, considering that the virtual assignment in this case was in effect an agency agreement and the tenant had not parted with possession of the property or been sharing possession of it.

*For more information contact PCB Solicitors on 01743 248148  
or visit our website – [www.pcblaw.co.uk](http://www.pcblaw.co.uk)*

**PCB**

SOLICITORS