

Short Punch & Greatorix

Solicitors and Attorneys

GOOD NEWS FOR SERVICED APARTMENTS AND THE TOURISM INDUSTRY

The serviced apartment industry, the owners of Management Rights, lot owners who let out serviced apartments and indeed the tourism industry of Queensland particularly can all be very relieved to know that the Supreme Court of Victoria Court of Appeal has resoundingly held that serviced apartments are not required to be classified as hotel buildings in order to be let out on a short term basis.

It has been an extraordinary road to reach this Court determination. The Melbourne City Council Officers in charge of the classification of constructed buildings had stepped in to declare that the short term letting of apartments in Docklands could only occur if the apartments were reclassified as hotel accommodation (from Class 2 multi-unit buildings to Class 3 hotel accommodation). This led to a series of cases and Appeals.

Previously the Supreme Court decision had been against the Melbourne City Council findings and the Appeal by the Melbourne City Council against that decision has now been dismissed. Consequently, the length of term of stay of a person in an apartment is not relevant to the classification of the building under the various State laws.

In Queensland, the Minister for Planning has confirmed that there are no plans to change the wording of the law covering the classification of buildings. Similarly the Australian Building Codes Board, covering all States in consultation, had previously announced that no changes to the wording of the National Construction Code were occurring.

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