

Section 17 Review Application
for Proposed Flat (In-situ
Conversion of Existing Hotel-like
Service Apartment) in
“Commercial (7)” Zone, K11
ARTUS, 18 Salisbury Road, Tsim
Sha Tsui, Kowloon (Application
No. A/K1/273)

Review Statement

v.1 | June 2026

This report takes into account the particular instructions and requirements of our client. It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 316167

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EXECUTIVE SUMMARY

This Review Statement supports the Application under Section 17 of the Town Planning Ordinance (Cap. 131) (TPO) for the proposed in-situ conversion of an existing hotel-like serviced apartment at K11 ARTUS, 18 Salisbury Road, Tsim Sha Tsui, Kowloon (“**the Site**”) into proposed ‘Flat’ within the “Commercial (7)” zone. The Proposal involves **internal reconfiguration only**, with **no increase in gross floor area, building height or bulk**, and has attracted **no adverse departmental comments**, confirming its technical feasibility.

The Application was refused only on the basis of the reason that:

“the proposed development is not in line with the planning intention of the “Commercial” zone, which is intended primarily for commercial development. There is no strong planning justification in the submission for a departure from such planning justification, particularly having regard to the prime harbourfront location of the concerned site at Tsim Sha Tsui being the major commercial and tourism node of Hong Kong.”

This Statement addresses that reason, and seeks to demonstrate that **strong planning justification clearly exists**, and that the Proposal is **policy-aligned, functionally necessary, beneficial**, and fully compatible with the underlying planning intention.

Thus, the Proposal responds appropriately to national and local policy directions to strengthen Hong Kong’s role as an **international financial centre, international asset management centre, and international hub for high-calibre talents**. It also addresses a clear structural shift in demand towards **high-quality long-stay accommodation** driven by internationally mobile professionals, family offices and other high-value economic actors. At the same time, prime CBD locations such as Tsim Sha Tsui are uniquely well placed to accommodate such demand, given their proximity to business, cultural and lifestyle infrastructure.

There is also a clear **functional necessity** for the Proposal. The existing restriction of the Site’s use as ‘hotel’ only is inherently incompatible with long-stay residential use, while the Premises’ design, layout and ancillary facilities are already more closely aligned with ‘Flat’ use. The Proposal therefore represents a **necessary and logical realignment of use** to reflect the practical reality.

Importantly, the Proposal gives rise to **no adverse planning impact**. It is entirely confined within the existing building envelope, with **no change to building bulk, skyline or development intensity**, and has been confirmed acceptable by relevant Government departments. It also represents an efficient optimisation of an existing asset, delivering **clear planning benefits without negative planning impacts**, such that there is no evidential basis to support refusal on impact grounds.

The Proposal is also **highly site-specific**. It relies on a unique combination of an existing accommodation component, integrated ownership and management, stringent lease controls, and a limited scale of only about **10% of the overall development GFA**. These characteristics are not readily replicable elsewhere and therefore **do not give rise to any concern about setting a general precedent**.

Nor is the planning intention of the “Commercial” zone undermined. ‘Flat’ is expressly provided as a Column 2 use, allowing flexibility where justified and does not support a rigid or exclusionary interpretation adopted in the refusal. The Proposal retains the dominant **commercial, hotel and tourism functions** of Victoria Dockside, with no loss of core uses, and continues to support externally oriented economic activity. Properly viewed, it is a **refinement within the accommodation spectrum**, not a departure from the planning intention.

The Proposal would also make a **positive contribution** to the Site and the wider harbourfront. By introducing a stable resident population into a major mixed-use waterfront destination, it would

enhance **round-the-clock vibrancy**, support the continued evolution of Victoria Dockside as an integrated **commercial, cultural and tourism node**, and align with the wider international trend towards more **resilient, mixed-use CBD environments**, which were not fully considered in the Committee’s assessment.

All concerns raised by the MPC have been fully addressed. The Proposal does not alter the building form or skyline, introduces **no additional GFA**, and remains subject to multiple layers of **lease, statutory and management control**, ensuring that no “loophole” or uncontrolled conversion risk can arise, and accordingly this concern is not supported by the actual control framework governing the development. Its scale remains limited and proportionate, and the development will continue to operate as a coherent and professionally managed integrated development.

Overall, the Proposal represents a **carefully controlled, policy-aligned and site-specific optimisation** of an existing development. It delivers clear economic and planning benefits, introduces no adverse impacts, preserves and enhances the Site’s commercial and tourism role, and does not create any precedent or regulatory risk. **Strong planning justification is therefore clearly established**, and the conclusion that “no strong planning justification exists” is therefore not tenable. As there remains no defensible planning basis to sustain the refusal, the Application **plainly merits approval on review**.

行政摘要

（內文如與英文版本有任何差異，應以英文版本為準）

本覆核陳述旨在支持根據《城市規劃條例》（第 131 章）第 17 條提出的申請。該申請擬將位於尖沙咀梳士巴利道 18 號維港文化匯內之寓館（下稱「申請地點」）現有酒店式的附服務設施住宅，原址改裝作「分層住宅」用途。該用地劃為「商業（7）」地帶，而擬議改建僅涉及內部重新配置，並無增加總樓面面積、建築物高度或體積，且已獲相關政府部門確認無負面意見，充份證明其技術上可行性。

本申請僅以以下理由遭拒絕：

「擬議發展不符合「商業」地帶的規劃意向。該地帶的意向，主要是作商業發展。申請書內無有力的規劃理據，以支持偏離此規劃意向，尤其考慮到該申請地點位於尖沙咀的優越海濱地段，而尖沙咀亦為香港主要的商業及旅遊樞紐。」

本陳述旨在回應該理由，並清楚證明確實存在**有力的規劃理據**，且該建議符合政策方向、具**明確功能必要性**、並具**規劃效益**，同時亦完全符合整體規劃意向。

擬議發展適當回應國家及本地政策方向，以鞏固香港作為**國際金融中心、國際資產管理中心及國際高端人才集聚高地**的地位。它亦應對了市場需求明確的結構性轉變，即由國際流動專業人士、家族辦公室及高價值經濟參與者所驅動的高質素長期住宿的需求。同時，尖沙咀等核心商業區，基於其完善的商業、文化及生活配套，具備獨特優勢承載相關需求。

此外，本申請亦具備明確的**功能必要性**。現時將該地點用途限制為僅作「酒店」用途，本質上與長期住宅用途並不相容；而該物業的設計、佈局及附屬設施實際上更貼近「分層住宅」用途。因此，擬議改建屬於一項必要且合理的用途調整，以反映實際情況。

重要的是，擬議發展**不會產生任何不良規劃影響**。項目完全限制在現有建築範圍內，不涉及**建築體積、天際線或發展密度的改動**，並已獲相關政府部門確認可接受。該建議亦屬對現有資產的高效優化，帶來**實質規劃效益而無負面規劃影響**，使得拒絕理據缺乏證據支持。

本申請亦具備高度**用地個案特定性**。它建基於多項獨特條件的結合：現有住宿用途組成部份、整合的業權及集中管理架構、嚴格地契限制規管，以及僅佔**整體發展總樓面面積約 10%**的有限規模。這些特點在其他地方難以輕易複製，因此**不會引起任何關於建立一般先例的疑慮**。

擬議發展亦**不會削弱「商業」地帶的規劃意向**。在分區計劃大綱圖中，「分層住宅」已明確列為第二欄用途，在具備充份理據時容許靈活性，可按個別情況作出批准。項目在保留維港文化匯的既有**商業、酒店及旅遊主導功能**，並無削減核心用途，亦持續支持外向型經濟活動。正確而言，該建議屬於**住宿用途層面的優化調整**，而非規劃意向的偏離。

擬議發展亦可對項目及整體海濱環境帶來**正面規劃效益**。透過在大型綜合用途海濱發展中引入穩定的居住人口，將有助提升**全天候活力**，促進維港文化滙的持續演變為一個融合**商業、文化及旅遊功能**的綜合節點，並符合全球中央商業區邁向**高韌性及多元用途發展模式**的趨勢。

申請已全面回應城規會的所有關注。擬議發展不會改變建築形態或天際線，亦不涉及任何**新增樓面面積**，並受多層次的地契、法定及管理機制規管，確保不存在任何所謂「漏洞」或失控轉換風險。其規模屬合理及適度，整體發展將持續以一個連貫且受專業管理的模式運作。

總體而言，擬議發展屬一項**經過審慎控制、符合政策方向及具用地獨特性的優化方案**。它帶來明確的經濟及規劃效益，不引入不良影響，同時**維持並提升用地的商業及旅遊角色**，亦不會造成任何先例或制度風險。因此，本申請已**充份證明具備強而有力的規劃理據**，理應在覆核中獲得批准，而「不存在有力的規劃理據」的結論，亦並不成立。由於目前並無任何具合理依據的規劃理據支持維持拒絕決定，故本申請在覆核中顯然應獲批准。

1. INTRODUCTION

- 1.1.1.1 This Review Statement (“**Statement**”) is submitted to the Town Planning Board (“**the Board**”) in support of the Application for Review under Section 17 of the Town Planning Ordinance (Cap. 131) (“**TPO**”) for the Proposed Flat (In-situ Conversion of Existing Hotel-like Service Apartment) at K11 ARTUS, 18 Salisbury Road, Tsim Sha Tsui, Kowloon (“**the Site**”). The Site falls within an area zoned “Commercial (7)” (“**C(7)**”) on the Approved Tsim Sha Tsui Outline Zoning Plan (“**OZP**”) No. S/K1/30 (Planning Application No. A/K1/273). According to the Notes of the OZP for “C” zone, ‘Flat’ is a Column 2 use which requires planning permission from the Board, reflecting the statutory framework that allows flexibility where justified by planning merits.
- 1.1.1.2 The Applicant proposes an in-situ conversion of the existing hotel-like serviced apartment comprising 287 guestrooms at the Site into a maximum of 205 flat units (“**the Proposal**”), with a view to enriching accommodation types to meet the demand for long-term accommodation. The proposed conversion is confined within the existing as-built floor area and involves internal reconfiguration only, with no increase in GFA, building height or overall bulk of the existing development. In addition, a series of supporting improvements are proposed, including pedestrian enhancement measures and the provision of dedicated layby facilities within the basement to facilitate pick-up and drop-off, thereby enhancing accessibility and operational efficiency within the development.
- 1.1.1.3 Technical feasibility in terms of traffic, environmental, air quality and sewerage is ascertained, with no adverse comments from relevant Government departments. As confirmed in the Metro Planning Committee (MPC) Paper No. A/K1/273A, relevant Government departments including Transport Department, Highways Department, Environmental Protection Department, Drainage Services Department, etc. have raised no objection to or no adverse comment on the application. Adverse traffic, environmental and sewerage impacts arising from the proposal are not anticipated. The Planning Department has no objection to the application based on the planning considerations and assessments and having taken into account the public comments.
- 1.1.1.4 On 13 March 2026, the application was considered by the MPC of the Board and was not approved. The only reason for rejection stated in the decision letter dated 27 March 2026 was, in essence, that the proposal was not in line with the planning intention of “C(7)” zone and there was no strong planning justification for such departure.
- 1.1.1.5 This Review Statement is therefore directed at addressing the central issue identified by the Board, namely whether strong planning justification exists to support the Proposal. In this regard, the Statement demonstrates that: (1) the Proposal is supported by compelling policy and planning considerations; (2) the Proposal is functionally necessary to enable long-term accommodation aligned with current economic needs; and (3) when properly understood, the Proposal is consistent with , and supportive of, the substantive planning intention of the “C(7)” zone. The key sections of this Statement are outlined as follows:
- **Section 2** highlights the reason for rejection, concerns raised by the Board during the MPC meeting as set out in the minutes of the said meeting, and the rationale for this Statement;

- **Section 3** sets out the major grounds for review and provides additional supplementary information for consideration; and
- **Section 4** summarises the key findings and highlights the main grounds presented in this Statement.

1.1.1.6 It is important to recognise that the Proposal does not involve redevelopment, intensification or material alteration to the existing development. Rather, it represents a targeted refinement of the accommodation use within a large-scale integrated mixed-use development, undertaken in response to evolving economic conditions and policy directions. As elaborated in the following sections, the Proposal should therefore be assessed not merely as a change of use classification, but as a planning response to structural shifts in Hong Kong’s economic positioning and accommodation needs.

2. THE REJECTION REASON

- 2.1.1.1 In the decision letter dated 27 March 2026, the MPC rejected the Section 16 application, and the reason for such rejection was specified as follows (see also the Executive Summary above):

“The proposed development is not in line with the planning intention of the ‘Commercial’ zone, which is intended primarily for commercial development. There is no strong planning justification in the submission for a departure from such planning intention, particularly having regard to the prime harbourfront location of the concerned site at Tsim Sha Tsui being the major commercial and tourism node of Hong Kong.”

- 2.1.1.2 It is noted that this constitutes the only reason for refusal, and no adverse technical impacts or infrastructure constraints were identified in the MPC’s consideration of the Application. This reason for refusal makes it clear that the central issue for the MPC’s determination is not one of technical infeasibility or objectionable impacts, but whether strong planning justification exists for the proposed use within the subject site context.

- 2.1.1.3 In this regard, the reference to the “planning intention” must be understood in conjunction with the requirement for “strong planning justification”, which is the determinative factor identified by the Board. The Applicant respectfully submits that MPC’s conclusion may have placed insufficient emphasis on certain relevant considerations, including the evolving policy context, functional characteristics and site-specific circumstances underpinning the Proposal, which warrant further elaboration for the Board’s consideration. It is therefore respectfully submitted that the present case should be assessed as a policy-aligned and site-specific refinement of accommodation function, supported by strong planning justifications, for the Board’s further deliberation and reconsideration of the Application in light of the broader planning objectives and the continued vitality of this important commercial and tourism node.

3. GROUNDS FOR REVIEW

3.1.1.1 This section sets out the comprehensive planning grounds in support of the Application. It is structured to address directly the central issue identified by the Board, namely whether strong planning justification exists for the proposed development. In this regard, the Applicant submits that the Proposal is supported by:

- strategic policy alignment at both national and local levels;
- clear functional necessity, including regulatory and design constraints;
- sound planning and technical merits, with no adverse impacts; and
- distinct site-specific characteristics, which limit any wider precedent implications.

3.1.1.2 These matters are elaborated below, followed by an appropriate interpretation of the planning intention and a response to the concerns raised by the MPC.

3.2 Strong Planning Justifications Exist in light of Evolving Economic and Accommodation Needs

3.2.1 Strategic Policy Alignment

National Development Context

3.2.1.1 The Proposal should be considered within the current **strategic framework of the National 15th Five-Year Plan**, which expressly supports Hong Kong in:

- consolidating and enhancing its status as an international financial centre (國際金融中心);
- strengthening Hong Kong's function as an international asset management centre (國際資產及財富管理中心); and
- building an international hub for high-calibre talents (國際高端人才集聚高地)¹.

3.2.1.2 These policy directions carry relevant implications for land use planning. In particular, the emphasis on financial services development and talent attraction necessitates not only the provision of business infrastructure, but also the availability of appropriate residential accommodation capable of supporting the long-term presence of internationally mobile individuals, including family office principals, professional executives, investors and entrepreneurs. Such individuals do not participate merely as short-term visitors, but as long-term economic actors whose activities require stability, continuity and integration within Hong Kong's economic fabric.

3.2.1.3 In spatial and planning terms, this translates into a requirement for high-quality, long-stay residential accommodation within prime commercial nodes, where proximity to business, cultural and lifestyle amenities is essential. Locations such as Tsim Sha Tsui and the Victoria Harbour waterfront, established international commercial and tourism hubs with

¹ HKSAR Press Releases (March 2026) HKSAR Government actively aligns with National 15th Five-Year Plan and presses ahead with high-quality development (Source: <https://www.info.gov.hk/gia/general/202603/12/P2026031200856.htm>).

excellent connectivity and integrated mixed-use environments, are particularly suited to fulfilling this role.

- 3.2.1.4 Against this backdrop, the distinction between hotel and residential accommodation becomes critical. Hotel use is inherently transient, serving short-term visitation or consumption-based activity, whereas residential use supports anchored, long-term occupation and a deeper level of economic engagement that aligns with Government policy objectives. The policy emphasis on talent attraction and capital inflow reflects a shift towards resident-based economic participation, as opposed to purely visitor-driven activity.
- 3.2.1.5 The Proposal responds to this strategic policy direction by enabling long-term residential occupation within a premier commercial node, thereby providing the necessary accommodation infrastructure to support sustained economic presence. Importantly, this is achieved through the in-situ optimisation of an existing accommodation component, without any increase in development intensity or adverse planning impact. Accordingly, the Proposal constitutes a policy-aligned planning response to national development objectives that supports approval.

Alignment with HKSAR Government Policy and Initiatives

- 3.2.1.6 At the local level, the strategic direction articulated in the National Development Framework has been actively operationalised through a series of policy initiatives by the HKSAR Government. These initiatives are designed to attract high-value economic participants and to reinforce Hong Kong's position as a global financial and talent hub. Specifically, the Government's *Policy Statement on Developing Family Office Businesses in Hong Kong (March 2023)*² delineates a clear objective: to establish Hong Kong as a leading international centre for family offices. This objective is underpinned by measures pertaining to taxation, market facilitation, and the enhancement of the living environment. The emphasis on this policy underscores the notion that Hong Kong's competitiveness as a financial and investment hub is intrinsically linked to its business infrastructure and its ability to provide high-quality, long-term living accommodations for internationally mobile capital owners and professionals.
- 3.2.1.7 The implementation of the New Capital Investment Entrant Scheme (New CIES) further bolsters this strategic direction, having attracted a considerable number of applications and investment commitments. Government data indicate that the scheme has garnered over 3,000 applications, with a projected total investment of approximately HK\$95 billion, highlighting the substantial inflow of capital and high-net-worth individuals seeking a long-term presence in Hong Kong³. Furthermore, statistics released in February 2026 demonstrate that more than 3,380 single-family offices were operational in Hong Kong as of the end of 2025, representing an increase of over 25% within two years, with additional growth expected under Government initiatives. In line with the 2025 Policy Address, the Government aims to assist more than 220 family offices in establishing or expanding their operations in Hong Kong from 2026 to 2028.

² Financial Services and the Treasury Bureau (24 March 2023) Policy Statement on Developing Family Office Businesses in Hong Kong (Source: https://gia.info.gov.hk/general/202303/24/P2023032300717_415645_1_1679627481405.pdf).

³ InvestHK (2026) Two-year milestone: New Capital Investment Entrant Scheme attracts nearly 3 200 applications with expected investment of about HK\$95 billion, reflecting global confidence in Hong Kong (Source: <https://www.newcies.gov.hk/en/resources/news/two-year-milestone-new-capital-investment-entrant-scheme-attracts-nearly-3-200-applications-with-expected-investment-of-about-hk-95-billion-reflecting-global-confidence-in-hong-kong-with-photos/>)

- 3.2.1.8 Simultaneously, the broader talent attraction strategy of the Government, which includes various admission schemes for top talent and professionals, has expanded the pool of internationally mobile individuals residing and working in Hong Kong. This policy-driven influx has resulted in escalating demand for high-quality, long-stay residential accommodations, particularly within prime urban districts. According to the *Hong Kong Monthly Property Market Report (May 2026)*⁴, heightened demand arising from multinational corporate relocations and inflows of Mainland Chinese families is resulting in the accelerated absorption of premium housing stock, outpacing the rate of new supply provision. Consequently, operators and investors face increasing challenges in meeting the expectations of business travellers and expatriates who seek flexible leases, in-room amenities and exceptional service standards.
- 3.2.1.9 Recent market evidence illustrates the robust demand within Hong Kong's high-end residential sector, particularly for premium, well-situated accommodations. A report by JLL⁵ indicates that during the first quarter of 2026, demand in the luxury residential leasing market remained strong, bolstered by the return of expatriate professionals and sustained relocation demand from individuals and families from Mainland China. This demand was reflected in a quarter-on-quarter increase of 1.2% in luxury residential rental values and a significant rise in transaction activity. Notably, transaction volumes for properties valued at HKD 20 million or above surged by 120% in the initial two months of 2026 compared to the same period in 2025, indicating a robust rebound in demand for high-end housing.
- 3.2.1.10 The focus of housing demand is increasingly shifting towards a cohort of mobile and professional residents, driven by government policy initiatives. Recent studies conducted by Our Hong Kong Foundation⁶ and Colliers⁷ demonstrate the growing impact of the Government's talent attraction initiatives, including the Capital Investment Entrant Scheme (CIES) and the Top Talent Pass Scheme (TTPS), which are expanding the population base and demand pool for high-quality housing, particularly in the prime residential and leasing markets.
- 3.2.1.11 These trends are evident in rising luxury rental values, increased transaction volumes in high-end residential properties, and a growing preference among occupiers for flexible, service-oriented, long-term housing options that merge residential comfort with accessibility to business and lifestyle amenities.
- 3.2.1.12 From a planning perspective, these policy initiatives and market trends collectively suggest a structural shift in accommodation demand, transitioning from short-term visitor stays to long-term, residency-based occupancy by high-value economic actors. This demand is inherently location-specific, characterised by a strong preference for accommodations within established commercial cores that provide ready access to offices, cultural facilities and international connectivity. In this regard, locations such as Tsim Sha Tsui and the Victoria Harbour waterfront are particularly well-positioned to meet this

⁴ Hong Kong Monthly Property Market Report (Knight Frank, May 2026). Source: <https://research.hktdc.com/en/article/MjMzNzQyOTU2MQ>

⁵ Hong Kong Residential Market Dynamics Q1 2026 (JLL, May 2026).

⁶ Hong Kong Housing Landscape Navigator 2026 (Our Hong Kong Foundation, April 2026). Source: https://s3.ourhkfoundation.org.hk/s3fs-public/2026-04/housing-landscape-navigator-2026_full-report-en.pdf?ext=1

⁷ Hong Kong's luxury residential market: The quiet repricing of prestige (Colliers, September 2025) Source: <https://www.colliers.com/en-hk/news/2025-09-hong-kong-luxury-residential-market>

demand, given their established roles as premier commercial and tourism nodes with integrated mixed-use environments.

- 3.2.1.13 In light of this context, the Proposal aligns strategically with the Government's policy framework by offering high-quality, long-stay residential accommodations within a prime commercial area.

Spatial and Planning Implications

- 3.2.1.14 The national and local policy directions outlined above carry relevant implications for land use planning, particularly in relation to the provision and location of accommodation that supports Hong Kong's evolving economic role. In particular, the emphasis on attracting family offices, high-net-worth individuals and internationally mobile professionals gives rise to a form of demand that is not generic, but highly location-sensitive. Such users typically require accommodation that is:
- located in close proximity to established business districts and commercial activity centres;
 - integrated with high-quality retail, cultural and lifestyle amenities; and
 - supported by convenient international and cross-boundary connectivity.
- 3.2.1.15 In this context, Tsim Sha Tsui and the Victoria Harbour waterfront - being among Hong Kong's most prominent commercial and tourism nodes - are uniquely positioned to accommodate such demand. The area is characterised by a highly developed mixed-use environment comprising retail, office, hotel, cultural and tourism facilities, and serves as a key interface between Hong Kong and the international community. From a planning perspective, the provision of suitable long-stay accommodation within such locations is consistent with the objective of sustaining vibrant, high-intensity economic nodes, where activity is not confined to business hours but extends into a continuous, integrated urban environment.
- 3.2.1.16 Furthermore, the demand arising from policy-led economic transformation cannot be adequately met through conventional hotel accommodation. Hotel use, by its nature, is geared towards short-term visitation and lacks the flexibility, privacy and stability required for long-term occupation. It is also subject to regulatory constraints that limit its suitability as a primary place of residence. Accordingly, the provision of high-quality, long-stay residential accommodation within prime commercial nodes is a necessary planning response to the structural shift in demand arising from Hong Kong's economic repositioning.
- 3.2.1.17 The Proposal addresses this planning need by introducing residential use within an existing accommodation component in a prime harbourfront location, thereby aligning land use provision with both policy direction and spatial planning logic.

Economic and Functional Distinction Between Hotel and Flat Use

- 3.2.1.18 In addition to spatial considerations, it is important to recognise the fundamental economic and functional distinction between hotel accommodation and residential accommodation, which is central to the assessment of the Proposal.
- 3.2.1.19 As mentioned, hotel use is inherently designed to serve transient, short-term occupants, typically visitors or tourists, whose interaction with the local economy is primarily consumption-based and temporary in nature. While such use is an integral component of a commercial and tourism node, it does not facilitate sustained presence or deeper integration within the local economic structure.
- 3.2.1.20 By contrast, residential accommodation enables long-term occupation, providing a stable base from which individuals can live, work, conduct business and make investments in Hong Kong. This form of occupation supports a more enduring pattern of economic activity, including:
- ongoing business operations and professional engagement;
 - investment and wealth management activities; and
 - participation in local economic and social networks.
- 3.2.1.21 From a planning perspective, this distinction is material. The policy emphasis on talent attraction, capital inflow and family office development reflects a clear objective to transition towards resident-based economic participation, rather than reliance solely on visitor-based activity. In this context, the provision of residential accommodation is not simply an alternative to hotel use, but represents a different and complementary economic function that supports the long-term strengthening of Hong Kong's economic base.
- 3.2.1.22 The Proposal embodies this functional shift by facilitating accommodation for users who are expected to maintain a long-term presence within Hong Kong, including high-net-worth individuals, senior professionals and business operators. In so doing, it enables a deeper and more durable form of economic engagement that is consistent with both national and local policy directions. Accordingly, the Proposal should not be viewed as a departure from the intended function of the "Commercial" zone, but rather as a refinement of its accommodation component, enhancing its capacity to support the evolving economic role of Hong Kong as a global financial and talent hub.

3.2.2 Functional Necessity

- 3.2.2.1 The Proposal is supported not only by strategic policy alignment, but also by clear functional necessity, arising from the interaction between regulatory constraints, physical configuration of the Premises, and the nature of demand for long-term accommodation. It is noted that the MPC, in the meeting, considered that the intended changes could be achieved under the existing hotel regime. However, this conclusion is materially incomplete and cannot be sustained upon closer examination of the regulatory framework.

Regulatory Constraints under the Hotel Licensing Framework

- 3.2.2.2 Under the Hotel and Guesthouse Accommodation Ordinance (Cap. 349), premises are subject to hotel licensing control where accommodation is intended to be provided to

persons for periods of less than 28 consecutive days. The regulatory framework governing licensed hotel premises is therefore fundamentally designed for short-term, transient occupation, and imposes operational and compliance requirements tailored to such use.

3.2.2.3 According to the guidelines by the Office of the Licensing Authority (“OLA”), the operation of licensed premises is subject to:

- strict licensing conditions governing occupancy and management;
- mandatory compliance with registered layouts and operational arrangements; and
- approval requirements for any alteration or refurbishment affecting internal configuration.

3.2.2.4 In particular, the OLA has made clear that any alteration to the layout of licensed premises, including changes to internal configuration and fittings, requires prior approval and compliance verification before implementation. These controls are appropriate for hotel operation but significantly constrain the Premises in functioning as genuine long-term residential accommodation, particularly in relation to:

- adaptation of units, use of space or fixtures, for long-term residential occupation;
- provision of domestic appliances and facilities; and
- configuration of domestic space to meet the needs of permanent occupants which is not the intended regulatory outcome of a hotel licence.

3.2.2.5 For instance, alterations and refurbishment such as installing a domestic appliance (e.g. washing machines) and replacement of sofa/mattress as illustrated in **Figure 3-1** would require approval from the OLA. These controls are restrictive and constrain the ability to adapt the premises to suit long-stay residential occupation, particularly where flexibility in internal layout, fixtures and fittings is required to create a home-like living environment.

4. In general, any changes that alter the layout of the premises from the registered drawings will constitute alteration to the licensed premises. The following are the typical examples of alteration or refurbishment works. Please note that the examples below serve as indication only and are not exhaustive.

- (a) change in the numbers of guestroom/ bedspace;
- (b) change in the gross floor area of the licensed premises;
- (c) change in the capacity within licensed area;
- (d) alteration of layout of licensed area (e.g. putting a domestic appliance (such as washing machine) that narrows a corridor);
- (e) change in use of room(s) within licensed area (e.g. opening up a staff-only pantry to all guests);
- (f) alteration of seating layout of licensed area;
- (g) refurbishment of licensed premises involving the fabric or fixture within the licensed area (e.g. replacement of sofa/mattress, addition of appendages to fire rated door); or
- (h) alteration of fire services installations within licensed area.

Figure 3-1 Examples of Alteration or Refurbishment Works that Requires Permission to OLA⁸

⁸ Letter for Application for Alteration / Refurbishment in Licensed Premises issued on 30 May 2024 by the Office of Licensing Authority under Home Affairs Department. Source: [https://www.hadla.gov.hk/filemanager/common/docs/Circular%20Letter%20of%20Application%20for%20A&A%20in%20Licensed%20Premises\(ENG\)\(30.5.2024\)_w%20letter%20head.pdf](https://www.hadla.gov.hk/filemanager/common/docs/Circular%20Letter%20of%20Application%20for%20A&A%20in%20Licensed%20Premises(ENG)(30.5.2024)_w%20letter%20head.pdf)

- 3.2.2.6 Accordingly, the hotel licensing framework is not designed to support, and is in both substance and practice incompatible with, long-term residential use, resulting in a structural regulatory misalignment. The issue is therefore not whether some modifications can be made, but whether the Premises can functionally operate as long-term residences under the hotel regime.

Internal Configuration - Design Requirements for Flats

- 3.2.2.7 The functional misalignment between hotel use and the intended operation of the Premises is further demonstrated by the internal configuration of the units. As referred to the *Standard Licensing Requirements for Hotel Licence*, in-room kitchens with cooking facilities cannot be provided under hotel licenses. Such requirement reflects the limitation of the current hotel license that **modifications could not be made** to suit the need for long-stay.
- 3.2.2.8 Under the Proposal, selected units are designed to include dual-kitchen arrangements, which are typical of high-end residential developments aimed at high-net-worth individuals and long-term occupants. This layout is common in upscale comparable units, such as Hong Kong Parkview, The Legacy in Mid-Levels West and JARDINI in Tai Hang in **Figure 3-2** to **Figure 3-4**, catering to the same demographics. These configurations serve specific functional purposes, including:
- separation between formal and service kitchens;
 - support for household staff and private hosting arrangements; and
 - provision of flexibility for long-term domestic living.

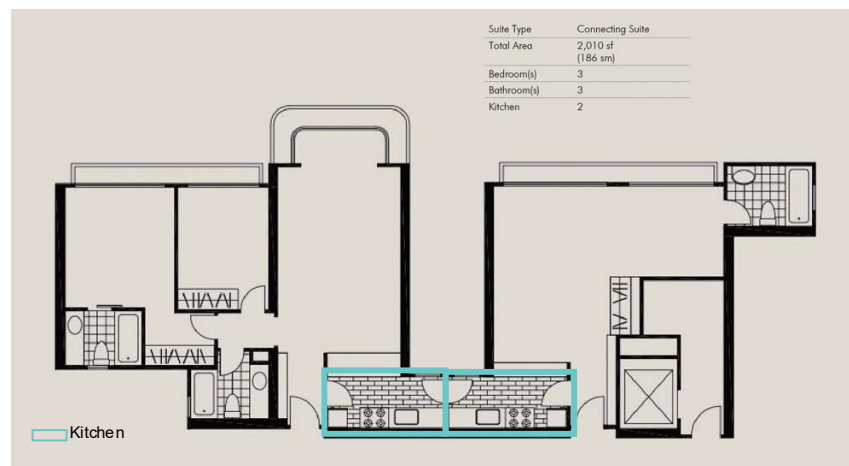


Figure 3-2 Floor Plan Dual-Kitchen Arrangement in Hong Kong Parkview (Apartment-like Serviced Apartment)⁹

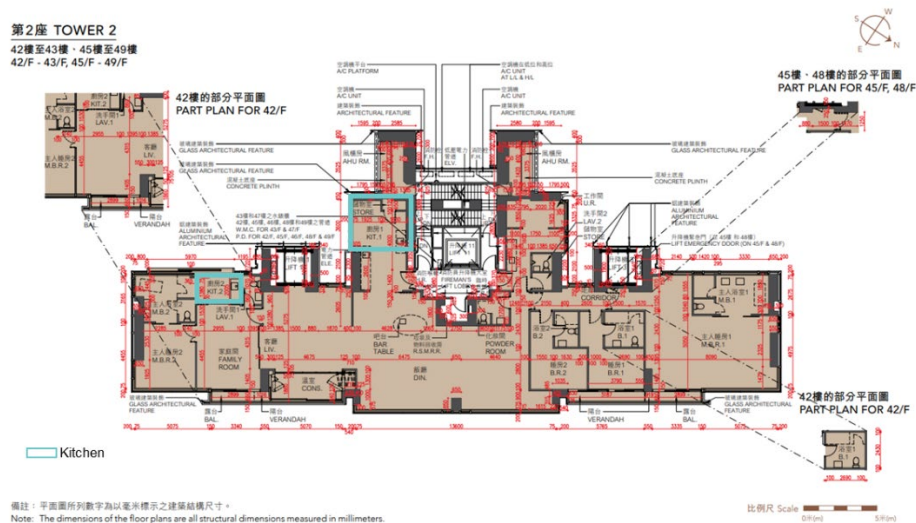


Figure 3-3 Floor Plan with Dual-Kitchen Arrangement at The Legacy in Mid-Levels West¹⁰ (Modified by Author)

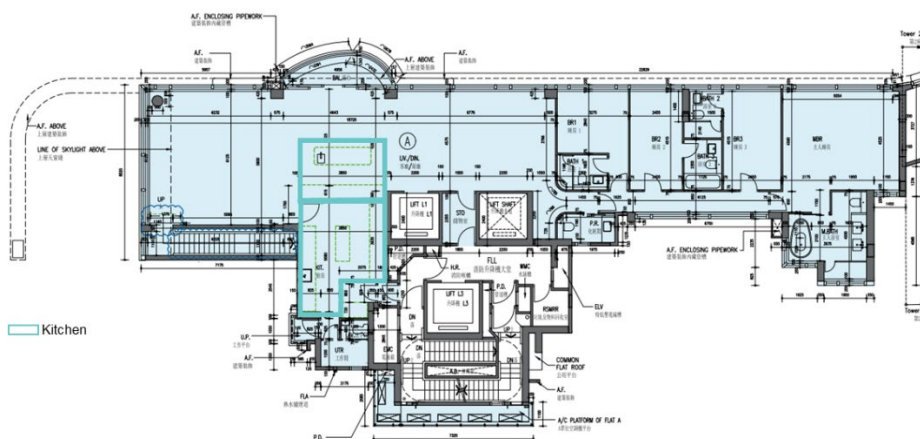


Figure 3-4 Floor Plan with Dual-Kitchen Arrangement at JARDINI in Tai Hang¹¹ (Modified by Author)

⁹ Serviced Apartment in Hong Kong Parkview (Source: <https://hongkongparkview.com/serviced-apartment/>)

¹⁰ Sales Brochure of The Legacy (2026). (Source: https://salesfile.hld.com.hk/SalesBrochure/www.thelegacy.com.hk.1/sb_PC0042_20260529_10_00.pdf)

¹¹ Sales Brochure of JARDINI (2026). (Source: https://www.jardini.com.hk/api/uploads/JARDINI_Sales%20Brochure_20260327_Whole.pdf)

- 3.2.2.9 These features are essential for genuine residential living and are not typical of hotel accommodations. Furthermore, such arrangements cannot easily meet hotel licensing requirements due to constraints on permitted layouts (particularly viz. only “pantries” are allowed), operational limitations inherent to hotel management, and regulatory oversight governing licensed premises.
- 3.2.2.10 This clearly demonstrates that the Premises, in both physical and operational terms, are better suited for flat use rather than hotel use, reinforcing the need for the proposed conversion.

Ancillary Facilities – Transition to “Live-Work” Environment

- 3.2.2.11 The functional necessity of the Proposal is further evidenced by the nature of the ancillary facilities. Under the Proposal, the existing clubhouse is to be reconfigured into:
- event rooms for private functions; and
 - business function spaces to support meetings and professional activities.
- 3.2.2.12 These facilities are designed to support the operational needs of the intended occupiers, including family office activities, private client engagement and ongoing professional and social functions.
- 3.2.2.13 Such uses are fundamentally different from conventional hotel facilities, which are geared towards transient guests and short-term stays. Instead, they reflect the emergence of a hybrid “live-work” environment, where residential accommodation is integrated with business and lifestyle functions to support long-term occupation by high-value economic participants. This further reinforces that the Premises are intended to function as a base for sustained economic activity, rather than transient lodging. The Proposal is therefore not a matter of operational choice, but a necessary planning response to align land use with regulatory reality and contemporary economic function. The MPC’s finding that modifications can be achieved under the GBP/licensing regime addresses physical alteration, but not the regulatory and operational nature of use as long-term accommodation.

3.2.3 Planning and Technical Merits

- 3.2.3.1 The Proposal demonstrates clear and compelling planning merits, particularly in that it achieves identifiable policy and economic benefits without giving rise to any adverse planning consequences, which is a key consideration in assessing applications involving a use transition.
- 3.2.3.2 Firstly, the Proposal is entirely confined within the existing building envelope, involving only internal reconfiguration of units and associated ancillary facilities. There is no increase in GFA, no change in building height or bulk, and no alteration to the overall skyline profile or visual envelope of the development. This distinguishes the Proposal fundamentally from redevelopment or intensification scenarios, where planning concerns may arise in relation to density, urban design, or infrastructure capacity.
- 3.2.3.3 Secondly, the technical assessments submitted in support of the Application, and as recorded in the MPC Paper, confirm that the Proposal will not result in adverse impacts in respect of traffic and transport, environmental and air quality considerations, sewerage

and drainage capacity, and infrastructure provisions. Relevant Government departments, including Transport Department, Environmental Protection Department, Drainage Services Department and others, have raised no objection or adverse comment on the Proposal. From a planning perspective, this demonstrates that the Proposal does not give rise to any of the typical externalities or planning disbenefits that would normally require mitigation, such as increased infrastructure demand, environmental impacts or traffic pressure.

- 3.2.3.4 Thirdly, the Proposal represents an efficient form of in-situ optimisation of an existing development, whereby the internal configuration and use of space are adjusted to better reflect current economic conditions, without requiring new development or resource input. This aligns with broader planning principles relating to efficient utilisation of existing built assets; avoidance of unnecessary redevelopment; and reduction in construction-related environmental impacts.
- 3.2.3.5 In addition, the Proposal maintains the overall balance of uses within the Victoria Dockside, with the vast majority of floor area continuing to be dedicated to retail, office and hotel uses. The primary commercial and tourism functions of the development therefore remain fully intact.
- 3.2.3.6 Taken together, the absence of negative planning impacts, combined with the demonstrable, positive outcomes in terms of policy alignment and economic function, indicate that the Proposal represents a rare “high-benefit, no-disbenefit” planning scenario. In such circumstances, the planning merits of the Proposal weigh strongly in favour of approval.

3.2.4 Site-specific Justification

- 3.2.4.1 In addition to the general planning merits previously outlined, the Proposal is further substantiated by a set of distinct site-specific characteristics that render it a unique case and constrain any broader precedent implications.
- 3.2.4.2 First, the Site is part of Victoria Dockside, a landmark, master-planned integrated development encompassing retail, office, hotel, cultural, and accommodation components. This development is meticulously designed to function as a comprehensive mixed-use destination, characterised by a high degree of internal integration among its various uses. Within this context, the accommodation component under consideration (K11 ARTUS) has consistently operated as a high-end, serviced residence-style offering. Thus, the proposed conversion aligns with the existing operational character of the premises, rather than introducing a fundamentally new use.
- 3.2.4.3 Second, the Proposal is significantly constrained by lease conditions that impose a cap on total GFA and establish a minimum requirement for hotel GFA within the lot. As demonstrated, the proposed conversion does not result in an increase in GFA and continues to meet, and in fact exceed, the minimum hotel GFA requirement stipulated in the lease (i.e. 159,657 m² as compared to the required 145,000 m², see **Figure 3-5 - Lease Modification Letter of Kowloon Inland Lot No. 9844**). These lease controls ensure that the primary commercial and hotel functions of the Site are preserved, providing a robust safeguard against any material alterations in the overall land use character.

(8) (a) Subject to these Conditions, upon development or redevelopment (which term refers solely to redevelopment contemplated in General Condition No. 2) of the lot or any part thereof:-

- (iii) upon development or redevelopment of the lot or any part thereof, the total gross floor area of any building or buildings erected or to be erected on the lot shall not exceed 324,078 square metres and the total gross floor area of any building or buildings erected or to be erected on the lot for use for hotel purposes shall not be less than 145,000 square metres. For the avoidance of doubt, it is hereby agreed and declared that there is no guarantee that the building or buildings erected or to be erected on the lot or any part thereof can attain the maximum gross floor area of 324,078 square metres referred to in this sub-clause;

Figure 3-5 Lease Modification Letter of Kowloon Inland Lot No. 9844

- 3.2.4.4 Third, the scale of the Proposal is both limited and proportionate, involving only approximately 10% of the total GFA of the Victoria Dockside development. This restricted scope reinforces the notion that the proposed conversion does not alter the overall character of the development; the predominant commercial and tourism uses remain unaffected, with any potential impacts confined within a clearly defined portion of the Site.
- 3.2.4.5 Fourth, the Proposal is not merely inherently non-replicable - it is structurally incapable of forming a general precedent, due to the concurrent presence of:
- The existence of an established long-stay accommodation component;
 - The integrated ownership and management structure of the development;
 - Specific lease controls governing GFA and use; and
 - The absence of any redevelopment or intensification.
- 3.2.4.6 Such conditions are not commonly encountered in other “Commercial” zones and cannot be easily replicated in other developments. Therefore, the Proposal does not establish a general development model that could be broadly applied.
- 3.2.4.7 Lastly, the Proposal must be evaluated in the context of its prime harbourfront location, which, while sensitive, is uniquely well-suited to support the type of high-value, long-term residential occupation envisaged under current policy, given their concentration of commercial, cultural and international connectivity. The integration of long-stay residential accommodation within such a location, when appropriately controlled and limited in scale, represents an optimal and policy-aligned utilisation of a strategic site, contributing positively to the vibrancy, continuity and economic functionality of the harbourfront environment.

3.3 The Planning Intention of “Commercial” Zone is not undermined

3.3.1 Proposed In-situ Conversion Brings NO Loss in the Core Functions of “Commercial” Zone

The Planning Intention of “C(7)” Zone

- 3.3.1.1 As referred to the Notes of the Approved Tsim Sha Tsui Outline Zoning Plan (OZP) No. S/K1/30, the planning intention of “C” zone is *“intended primarily for commercial developments, which may include uses such as office, shop, services, place of entertainment, eating place and hotel, functioning as a territorial business centre and regional or district commercial/shopping centres. The areas under this zoning are major employment nodes”*. In other words, the planning intention of the “C(7)” zone is to sustain a high-intensity commercial and tourism node of strategic importance, accommodating a mix of commercial, hotel and supporting uses that facilitate externally oriented economic activities.
- 3.3.1.2 Under the OZP, ‘Flat’ is specified as a Column 2 use within the “C” zone, thereby recognising that residential use may be permitted subject to planning permission supported by sufficient planning justification. This reflects that the planning intention is not to impose an absolute bar against residential use, but expressly allows the Board to assess, **on a case-by-case basis**, whether a proposal would preserve or undermine the substantive economic function of the zone.
- 3.3.1.3 In this context, planning intention should therefore be interpreted by having regard to the substantive economic role of the Site. Where that role is maintained or enhanced, a refinement within the accommodation spectrum does not merely remain consistent with the planning intention, but **positively reinforces its underlying objective of sustaining externally oriented economic activity and long-term economic engagement**.

3.3.2 No Conflict with the Core Function of the Zone

- 3.3.2.1 A key consideration in assessing compliance with planning intention is whether the Proposal would result in a substantive conflict with the core economic function of the Site.
- 3.3.2.2 In the present case, the core function of the Victoria Dockside development, comprising retail (K11 MUSEA), hotel (Rosewood Hotel & serviced accommodation), office (K11 ATELIER), and cultural uses, remains fully intact. The Proposal involves only a limited in-situ conversion of an existing accommodation component, within a development that will continue to be overwhelmingly commercial in nature.
- 3.3.2.3 Importantly, the Proposal does not result in any loss of retail, office or hotel floor space beyond the confined portion proposed as detailed in **Table 3-1**. It does not affect the operational or economic viability of the development as a tourism and commercial destination, nor diminish the Site’s role as part of a premier harbourfront node. On the contrary, the nature of the proposed residential occupation - targeted at long-term business travellers, corporate executives and globally mobile professionals - continues to support external-facing economic activities, which are consistent with the underlying planning intention. Accordingly, the Proposal should not be regarded as a departure from the core

function of the “C(7)” zone, but instead it more effectively fulfils its underlying objective of sustaining externally-oriented economic activity.

Table 3-1 Comparison Table of GFA Breakdown Before and Upon In-situ Conversion

Use	GFA (Before In-situ Conversion)	GFA (Upon In-situ Conversion)	Implications / Changes
Service Apartment (K11 ARTUS)	Hotel-Like Service Apartment: 35,290 m ²	Apartment-like Service Apartment : 33,358 m ²	No change in business / tourism function with necessary refinement of accommodation function aligning with the evolving economic and policy context
Other Commercial Uses		1,932 m ²	
Commercial Mall (K11 Musea)	88,631 m ²	88,631 m ²	No change in shopping centre / tourism function
Office (K11 ATELIER)	40,427 m ²	40,427 m ²	No change in business function
Hotel (Rosewood Hotel & serviced accommodation)	102,714 m ²	102,714 m ²	No change in business / tourism function
Architectural Features	14 m ²	14 m ²	No change in building bulk and overall appearance
Fuel Tank Room and Remote Radiator	50 m ²	50 m ²	No change
Hotel (Regent Hong Kong)	56,943 m ²	56,943 m ²	No change in business / tourism function
Total	324,069 m ²	324,069 m ²	No change in overall GFA

3.3.3 Functional Continuity and Refinement Rather than Planning Departure

3.3.3.1 The Proposal represents a functional refinement within the accommodation component rather than a fundamental alteration in land use. As demonstrated in Section 3.2, the Premises currently operate as an accommodation entity, and the proposed modifications do not introduce a fundamentally different use. Instead, the changes are designed to:

- Preserve the accommodation function;
- Transition from transient hotel use to long-term residential occupancy; and
- Continue to facilitate external-facing economic activities.

3.3.3.2 This is further substantiated by the proposed reconfiguration of internal layouts and ancillary facilities, which include dual-kitchen configurations that align with high-end residential living patterns, as well as business-supportive ancillary facilities such as event rooms and meeting spaces that are conducive to professional and family office activities.

3.3.3.3 These facilities foster business, professional, and investment-related activities undertaken by occupants, thereby directly strengthening the commercial viability of the development rather than diluting it. In this context, the ancillary facilities function as an extension of the Site’s commercial ecosystem.

3.3.3.4 Ultimately, these characteristics demonstrate that the Proposal does not introduce an unrelated residential use. Rather, it facilitates the Premises’ operation as an integrated residential and economic environment that corresponds with the evolving demands for accommodation. Furthermore, this highlights that the distinction between hotel and residential use is not absolute, but exists along a continuum of accommodation forms serving diverse economic functions.

3.3.4 Site-Specific Nature and Absence of Alternative Planning Equivalents

- 3.3.4.1 While other sites zoned “Commercial” may exist within Tsim Sha Tsui, they do not share the same planning and physical characteristics as the subject Site. In particular, the Proposal is dependent upon:
- A unique lease structure, including capped total GFA and designated hotel components;
 - An existing purpose-built accommodation component capable of in-situ conversion;
 - The integrated nature of Victoria Dockside, which enables mixed-use synergy; and
 - The confined scale and footprint of the proposed conversion.
- 3.3.4.2 The existence of alternative sites does not negate planning justification where those sites cannot achieve the same planning outcome under equivalent constraints. Accordingly, the Proposal is site-contingent, not transferable, and cannot be replicated elsewhere in a planning-equivalent manner.

3.3.5 Positive Contribution to Commercial and Tourism Function

Foster Vitality and Liveliness of the Existing Harbourfront Area

- 3.3.5.1 Importantly, the Proposal does not merely avoid conflict with the planning intention but contributes positively to the functioning of the Site and the wider harbourfront area. The introduction of long-term residential occupation supports a stable and continuous user base, which enhances interaction between the retail, office, hotel and cultural components within Victoria Dockside. This contributes to a more balanced and resilient pattern of activity, extending vibrancy beyond peak tourism and business hours and reinforcing the Site’s role as a dynamic mixed-use destination.
- 3.3.5.2 The Proposal is also fully compatible with the well-established mixed-use character of Tsim Sha Tsui, where commercial, hotel and residential uses coexist within an integrated urban environment. The introduction of a limited residential component within a large-scale mixed-use development is consistent with this prevailing pattern and supports a diverse and sustainable urban structure.
- 3.3.5.3 The Proposal is firmly grounded in the well-established structural transition of global Central Business Districts (CBDs) away from single-use office developments towards resilient, mixed-use ecosystems in the post-COVID era. The conventional model of mono-functional office districts is increasingly outdated and unable to respond to evolving economic patterns, changing workplace behaviours, and demand for urban vibrancy beyond office hours. In contrast, the integration of residential, leisure and community uses has become an essential planning response to enable sustainable, 24-hour “live-work-play-learn” environments that enhance both economic competitiveness and place-making quality^{12,13}.

¹² Nomura Research Ltd (2021). Global Central Business Districts 2.0 – New World of Opportunities – A view beyond COVID-19 (Source: <https://www.nri.com/content/900013171.pdf>).

¹³ Centre for Liveable Cities Singapore and Arup (2025). Shaping Future Central Business Districts: Perspectives from Global Stakeholders (Source: <https://isomer-user-content.by.gov.sg/50/7d9ce70c-a7f6-4513-843f-68cf87b3c942/Shaping%20Future%20Central%20Business%20Districts.pdf>).

3.3.5.4 This paradigm shift is clearly evidenced in leading international CBDs. The Azabudai Hills in Tokyo (completed in 2023, **Figure 3-6**) demonstrates the deliberate incorporation of substantial residential components - accounting for approximately 20% of total GFA - alongside offices, retail, hospitality, cultural and institutional uses, to support a globally competitive and liveable urban environment¹⁴. Similarly, the Midtown South Mixed-Use Neighborhood Plan in New York (adopted in 2025, **Figure 3-7**) explicitly recognises the limitations of legacy single-use zoning and seeks to introduce residential uses across 42 blocks to revitalise the district as a vibrant, 24-hour neighbourhood¹⁵. These examples are not relied upon as direct precedents, but demonstrate a widely recognised planning direction in global commercial districts.

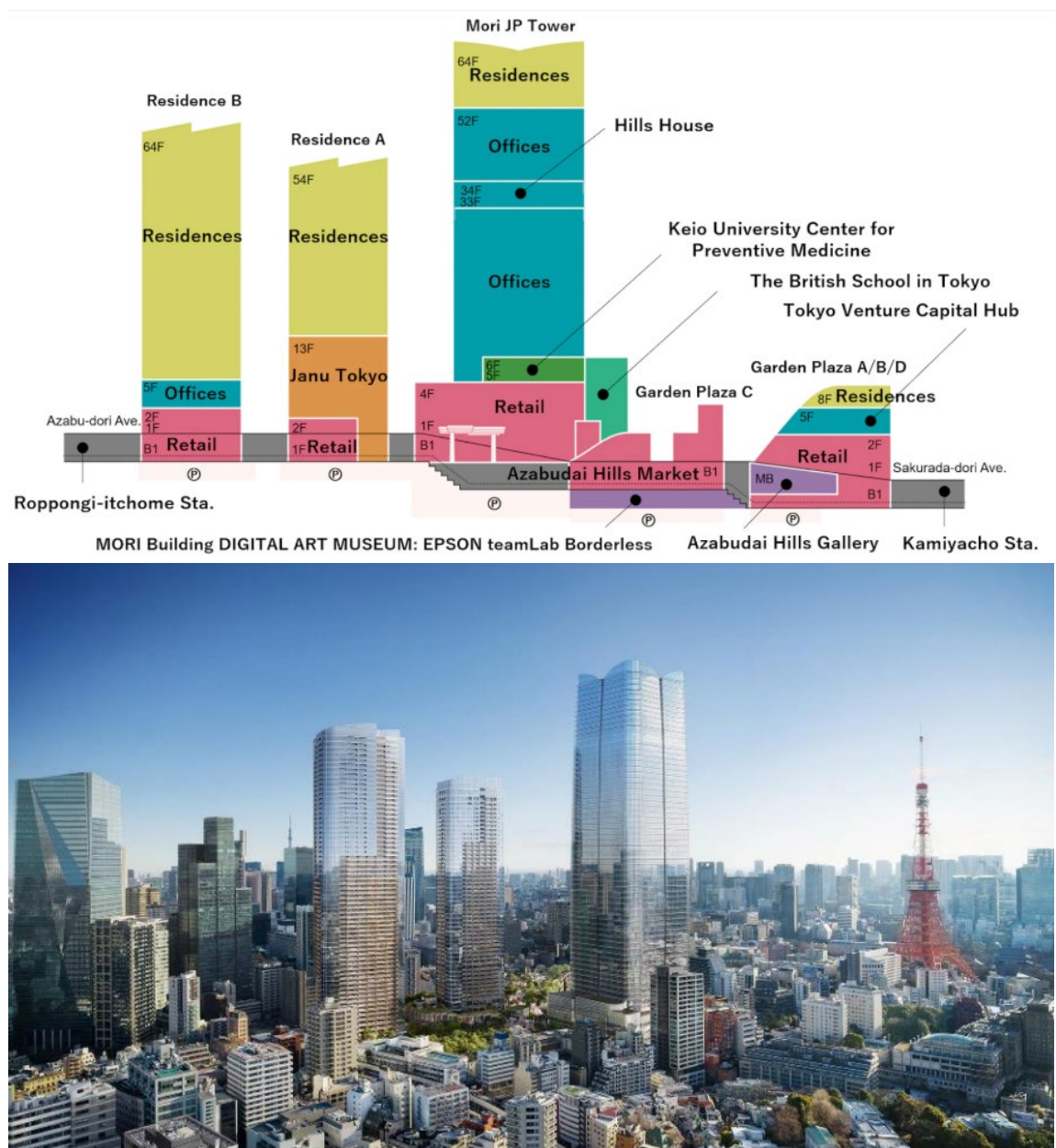


Figure 3-6 Azabudai Hills - Cross Section and Overall Development¹⁴

¹⁴ Mori Building Co., Ltd (2023) Azabudai Hills Fact Book 2023 (Source: https://www.mori.co.jp/_mori_assets/files/assets/3f2dbd9a710d4daaa8451a27e512959/10cb1992b5ff421d8b8806564ebccd1b/230808_2.pdf)

¹⁵ Department of City Planning, NYC (2025) Midtown South Mixed-Use Plan (Source: <https://www.nyc.gov/content/planning/pages/our-work/plans/manhattan/midtown-south-mixed-use-plan>).

Section 17 Review Application for Proposed Flat (In-situ Conversion of Existing Hotel-like Service Apartment) in "Commercial (7)" Zone, K11 ARTUS, 18 Salisbury Road, Tsim Sha Tsui, Kowloon (Application No. A/K1/273)

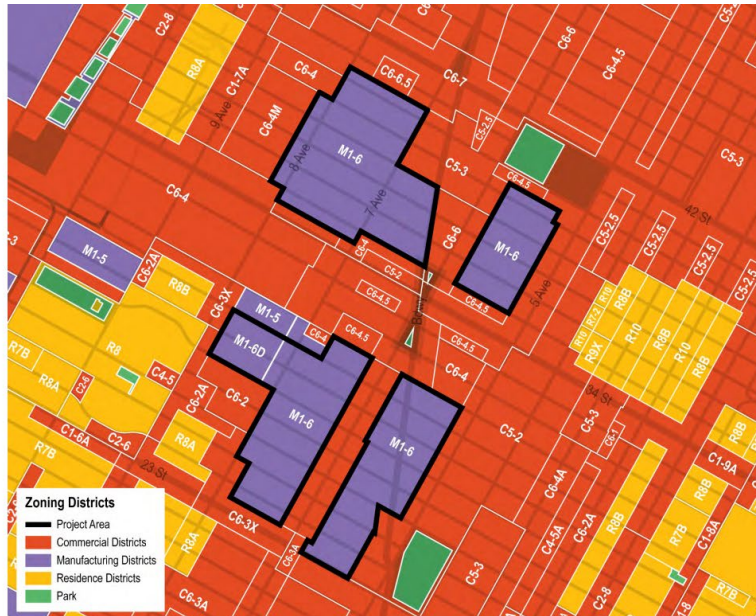
Outdated zoning limits new housing in the area

M1-6 Zoning District

- Largely mapped over 50 years ago
- Allows light manufacturing, commercial and some community facility uses
- Housing not permitted

M1-6D Zoning District

- Rezoned in 2011
- Prioritizes non-residential use in large buildings
- Allows limited housing



Scope Determination

MSMX Neighborhood Plan Proposed Actions

Zoning Map Amendment	Zoning Text Amendment
▪ Rezone M1-6 & M1-6D districts to paired manufacturing and residential mixed-use districts ▪ Establish a new Special Midtown South Mixed-Use District (MSX) ▪ Eliminate Special Garment Center District ▪ Reconfigure boundaries of special Hudson Yards and Midtown districts to remove overlap and align with proposal	▪ Map MIH Options 1, 2 & 3 ▪ Urban design requirements to reinforce loft character & enhance pedestrian experience ▪ Remove restrictions on residential conversions in neighboring C6-4M zoning district ▪ Expand transit bonus and apply Covered Pedestrian Space bonus ▪ Bulk flexibility for landmark sites ▪ Reduce required minimum distance between buildings ▪ Prohibit flashing signs ▪ 150,000 sf exemption for public school ▪ Remove 10,000 sf cap on retail uses

Figure 3-7 Midtown South Mixed-Use Plan in New York¹⁵

3.3.5.5 In this context, the Proposal is necessary for aligning with the prevailing international planning practice. Retaining a rigid single-use office framework would be incompatible with contemporary CBD development trends and would undermine the long-term vibrancy, adaptability and competitiveness of the area. Notably, the Site has been zoned “Commercial” since 1993, reflecting a legacy planning framework formulated under markedly different market and economic conditions. The Proposal represents a timely and pragmatic response to these structural changes by introducing high-quality long-stay accommodation at a prime harbourfront location without any increase in building bulk, height or total GFA, while continuing to support the commercial and tourism function of the Victoria Dockside.

3.3.5.6 The Victoria Dockside development, including the Site located within its low-rise block, is uniquely positioned as an “Art and Cultural Compound” along the Tsim Sha Tsui harbourfront. It already adopts an integrated mixed-use model, incorporating retail, cultural, hospitality and office uses to create a vibrant, experience-led waterfront

destination. The inclusion of long-stay accommodation will serve as a critical enhancement by introducing a resident population, thereby fostering continuous, round-the-clock activity and reinforcing its role as a major commercial, cultural and tourism node.

- 3.3.5.7 By contrast, nearby areas such as Tsim Sha Tsui East (see **Figure 3-8**) illustrate the inherent limitations of a predominantly commercial-led development model without a residential component. Shaped by earlier planning approaches, Tsim Sha Tsui East is characterised by a more fragmented urban form with hotel and commercial uses but limited functional synergy. The absence of a resident population constrains its ability to sustain vibrancy beyond peak hours, resulting in comparatively subdued activity levels outside daytime and visitor-intensive periods. This comparison underscores the importance of integrating a stable residential presence within major mixed-use nodes to ensure sustained economic and social vitality.



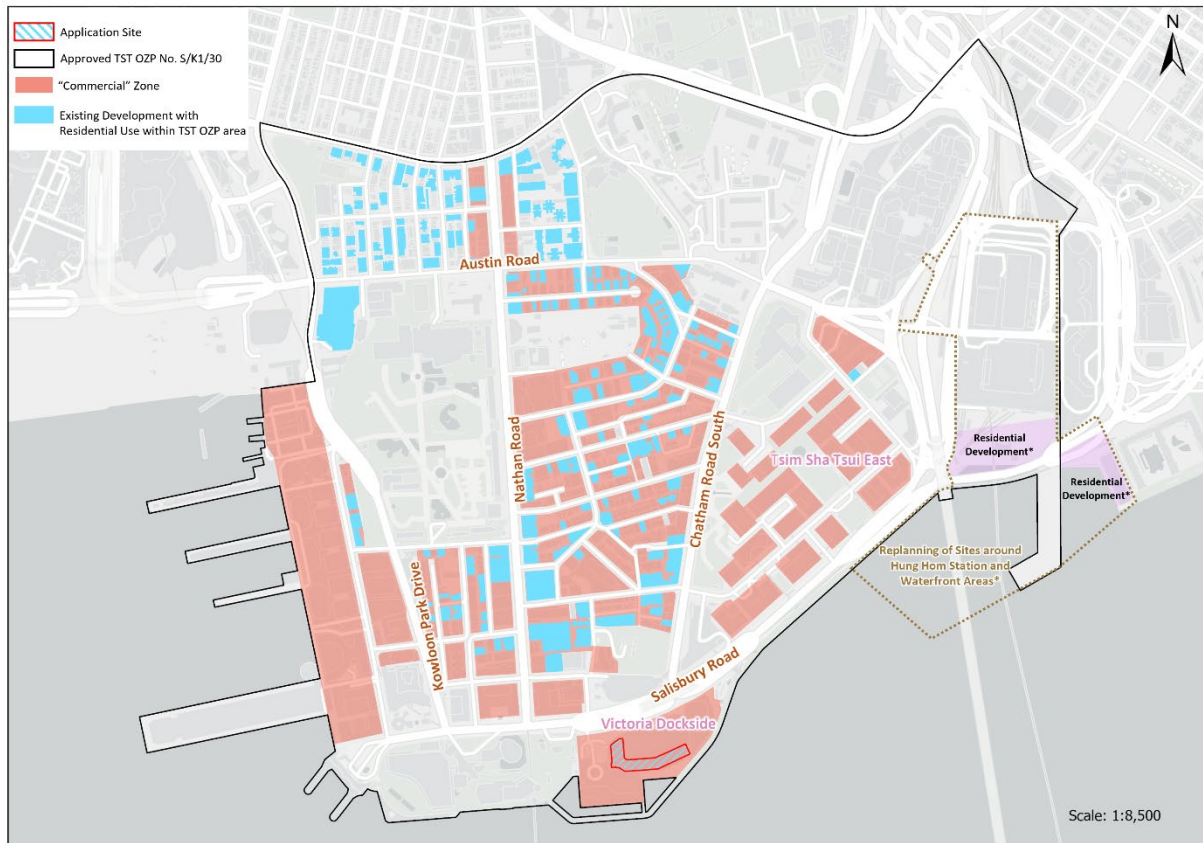
Figure 3-8 A Predominantly Commercial-led Development at Tsim Sha Tsui East

- 3.3.5.8 As such, the Proposal effectively optimises the utilisation of an existing prime asset in a low-impact and immediately implementable manner, with no adverse planning implications. Instead, it delivers tangible planning gains by diversifying accommodation typologies within the CBD fabric and enhancing round-the-clock vibrancy. Importantly, the provision of world-class, home-like accommodation directly supports the Government's policy objectives of attracting and retaining global talent, by offering a high-quality living environment tailored to international professionals and their families.

Compatible with the Well-Established Mixed-use Character of Tsim Sha Tsui

- 3.3.5.9 The surrounding planning context of the Site is characterised by a well-established and highly integrated mixed-use urban environment. Tsim Sha Tsui comprises a diverse mix of commercial, hotel, residential and commercial/residential developments, creating the distinctive image of a busy and diverse neighbourhood with local eateries and eclectic

boutiques, as well as luxury shopping malls and hotels¹⁶. As demonstrated in **Figure 3-9**, about 42% of the existing buildings in Tsim Sha Tsui contain a residential component. The introduction of a limited long-stay residential component within Victoria Dockside is a natural extension of the established mixed-use core along Nathan Road and its adjoining Chatham Road South and Kowloon Park Drive, and does not give rise to any land-use conflict with surrounding developments as supported by the technical assessments conducted. The nearest established residential cluster within the “Commercial” zone is located approximately 190 metres from the Site, demonstrating the immediate interface between residential and non-residential uses in the locality and confirming that the proposed long-stay accommodation is entirely compatible with the prevailing urban pattern.



*Remarks: Information extracted from TPB Paper No. 11007 (dated 13 Jun 2025) – Preliminary Development Proposal of Sites around Hung Hom Station and Waterfront Areas

Figure 3-9 Existing Development Comprising Residential Component within the Approved TST OZP Area

Positive Enhancement

3.3.5.10 Furthermore, the Proposal incorporates specific planning enhancements, including:

- Provision of four dedicated tourist coach laybys within the basement;
- Associated pedestrian improvements to enhance accessibility and circulation; and
- Landscape enhancements at the pedestrian level, including vertical greening and edge planting.

¹⁶ Timeout (2023). Tsim Sha Tsui: Ultimate Guide (Source: <https://www.timeout.com/hong-kong/things-to-do/tsim-sha-tsui-ultimate-guide>).

- 3.3.5.11 The provision of laybys and pedestrian improvements enhances the operational efficiency and accessibility of the Site as a tourism destination, representing a functional enhancement rather than mitigation for any adverse impact (of which there is none). Taken together, these measures directly support and strengthen the tourism and commercial functionality of the Site, demonstrating that the Proposal contributes to, rather than detracts from, the intended role of the zone.

3.4 Responses to MPC's Concerns

3.4.1 Prime Harbourfront Location and Site Sensitivity

- 3.4.1.1 The MPC has expressed the view that the Site, being a prime harbourfront location within an iconic development, should be preserved for commercial and tourism uses. While the Applicant fully acknowledges the importance of the Site and its role within the harbourfront, the issue is not whether residential use is permissible in a harbourfront location, but whether it represents an appropriate and beneficial use of a strategic site. When properly assessed, the Proposal clearly satisfies this criterion.
- 3.4.1.2 Firstly, the Proposal entails no change to building form, massing, height or skyline profile, and therefore has no impact on the visual or urban design qualities of the harbourfront. Importantly, prime harbourfront commercial nodes like the subject Site are uniquely equipped to support high-value, long-term economic participants due to their concentration of commercial, cultural, and international connectivity. The proposed use therefore represents an appropriate and policy-aligned utilisation of a strategic location, rather than a departure from its intended function.
- 3.4.1.3 Secondly, the dominant commercial, cultural and tourism functions of Victoria Dockside are fully retained. Retail (K11 MUSEA), hotel (Rosewood Hotel and associated facilities), office (K11 ATELIER) and cultural uses remain unchanged and continue to define the character of the development.
- 3.4.1.4 Thirdly, the Proposal introduces a form of occupation that complements rather than competes with tourism use, by:
- supporting long-term business visitors and professionals;
 - reinforcing economic activity associated with commercial uses; and
 - contributing to a stable and continuous user base.
- 3.4.1.5 In this regard, the Proposal is consistent with broader harbourfront planning objectives relating to vibrancy, diversity and sustained activity, and should not be regarded as undermining the significance of the Site.

3.4.2 Availability of Alternative Sites and “Loophole”/ Precedent Concerns

- 3.4.2.1 The MPC noted that there are other areas zoned “Commercial” within Tsim Sha Tsui and questioned whether the proposed use is required at the subject Site. The MPC also raised concern that approval of the Proposal may give rise to a precedent or “loophole” for similar conversions elsewhere.

- 3.4.2.2 The Applicant respectfully submits that these concerns, when assessed against the specific characteristics of the Proposal and the Site, do not arise in planning terms under comparable statutory, physical and operational constraints. As detailed in Section 3.2.4, the proposal relies on a unique combination of site-specific characteristics, including:
- The presence of a purpose-built accommodation component that can be converted in-situ;
 - Specific lease conditions governing the total GFA and minimum hotel provision;
 - The integrated ownership and management structure of Victoria Dockside; and
 - The limited scope and footprint of the proposed conversion.
- 3.4.2.3 These factors allow for the proposal to be implemented as a contained and controlled adjustment within an existing development, without increasing development intensity or disrupting the overall land use composition. Such conditions are not commonly found in other “Commercial” sites and cannot be easily replicated.
- 3.4.2.4 Therefore, the existence of other sites zoned “C” does not undermine the planning merits of this proposal, as those sites would not be able to achieve the same outcomes under similar constraints. The proposal is thus inherently site-specific and cannot be transferred to other developments.
- 3.4.2.5 In this context, the concerns regarding a potential precedent or the creation of a “loophole” are misconceived and unfounded. The proposal does not establish a generalised development model as it:
- Does not involve any increase in GFA or development intensity;
 - Is strictly limited to reconfiguration in situ;
 - Is subject to site-specific lease controls and operational constraints; and
 - Relies on an existing accommodation component that is not typically found in conventional commercial developments.
- 3.4.2.6 Approval of this proposal would not provide any planning or development advantage that could be logically pursued in other commercial developments, nor would it facilitate a systemic pathway for similar conversions elsewhere.
- 3.4.2.7 It is well established that planning applications should be assessed based on their individual merits, particularly when unique site conditions significantly limit their general applicability. In this case, the combination of physical, operational, and lease-related constraints ensures that the proposal remains a distinct and exceptional case, without undermining the integrity of the broader planning framework.
- 3.4.2.8 Approval of the proposal would not undermine the integrity of the prevailing planning framework, nor should it be construed as creating any precedent for the inclusion of residential use along the Victoria Harbour or within areas zoned “C” in the Yau Tsim

Mong District and the wider Hong Kong context. Instead, this approach is consistent with the Board's established practice and aligns with its previous decisions.

Residential Use along the Victoria Harbour

- 3.4.2.9 As illustrated in **Figure 3-10**, a total of six planning applications/proposed amendment involving residential development within the designated harbourfront areas identified by the Harbourfront Commission have been approved by the Board over the past 15 years (see **Table 3-2**).
- 3.4.2.10 These approved cases reflect a consistent recognition that with appropriate design and feasibility support from the technical assessments, residential use could complement commercial and cultural functions and contribute positively to a more flexible and vibrant mix of uses along the harbourfront. In this regard, the proposed conversion should not be considered as an isolated precedent, but rather in line with the prevailing planning approach and as a means to enhance diversity of the waterfront environment.

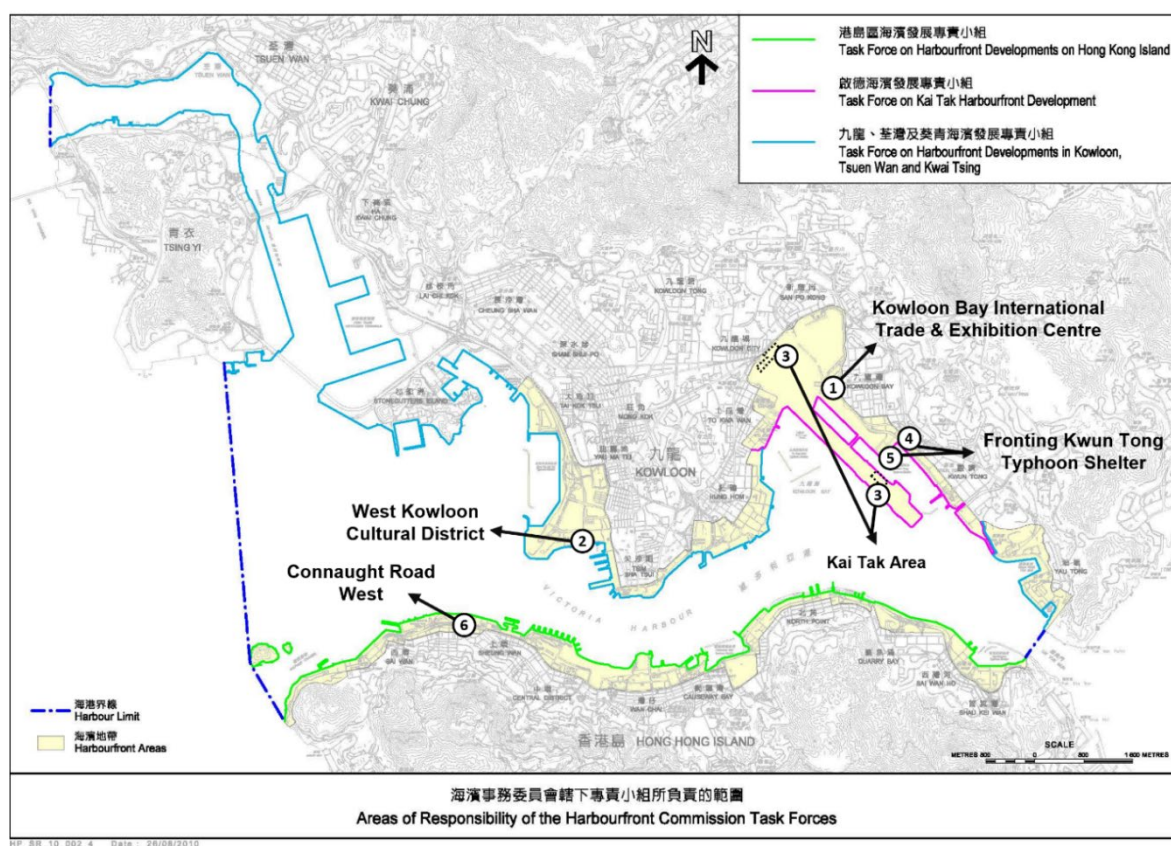


Figure 3-10 Approved Planning Applications/Proposed Amendment for Residential Development along the Victoria Harbour over the past 15 years
(Image Source: Official Website of the Harbourfront Commission)

Table 3-2 Details of the Approved Planning Applications/Proposed Amendment for Residential Development along the Victoria Harbour over the past 15 Years

	Approved Application No. (Date of Approval)	Applied Use	Development Parameters
1	A/K22/42 (18 Jul 2025)	Proposed Composite Development (Residential) in KITEC zoned “Other Specified Uses (Trade Mart and Commercial Development)”	• Site Area: 22,280 m² • Proposed PR: 7.45 (DPR: 2.96) • Proposed BHR: Not more than 140mPD
2	A/K20/138 (20 Jun 2025)	Proposed Private Housing Development in WKCD zoned “Other Specified Uses (Mixed Use)”	• Site Area: 1.99 ha (development site) • Proposed PR: 2.08 • Proposed BHR: Not more than 84 -100mPD
3	Proposed Amendment on the Approved Kai Tak OZP No. S/K22/8 (18 Oct 2022)	/	• Site Area: / • Proposed PR: 7.5 – 8.0 (DPR: 6.6 -7.0) • Proposed BHR: 100 – 125mPD
4	A/K22/31 (18 Feb 2022)	Proposed Private Housing Development in Existing Go-down Building	• Site Area: 15,404 m² • Proposed PR: 5.0 (DPR: 4.96) • Proposed BHR: Not more than 100mPD
5	A/K22/13 (30 Mar 2012)	Proposed Flat and Minor Relaxation of PR Restriction in Existing Warehouse	• Site Area : 4,293 m² • Proposed PR: 5.12 (DPR: 5.0) • Proposed BHR: Not more than 100mPD
6	A/H3/398 (28 Jan 2011)	Proposed Conversion to ‘Flat’ in Composite Building in Connaught Road West	• Site Area : / • Proposed GFA: 416.23 m² • Proposed BHR: 78.65mPD

*Remark: PR = Plot Ratio; DPR = Domestic Plot Ratio; BHR = Building Height Restriction

Residential Use within “C” Zone

- 3.4.2.11 A substantial number of planning applications for composite developments comprising both residential and commercial components within “C” zone, and wholesale conversions of existing hotels for ‘Flat’ use have been approved by the Board over the past 15 years, spanning from the urban commercial node including Yau Tsim Mong district (see **Figure 3-11** and **Table 3-3**) to Hong Kong Island and New Territories (see **Figure 3-12** and **Table 3-4**). These approvals demonstrate that ‘Flat’ has been consistently accepted as a compatible use with the surrounding context and does not undermine the primary commercial function, with scale and compatibility being relevant considerations.
- 3.4.2.12 Given that the current proposal remains consistent with the established mixed-use character of Tsim Sha Tsui and entails only a minor scale of GFA conversion from hotel to residential use, there is no planning justification whatsoever to warrant a departure from the Board’s established practice in considering similar composite developments within the “C” zone.

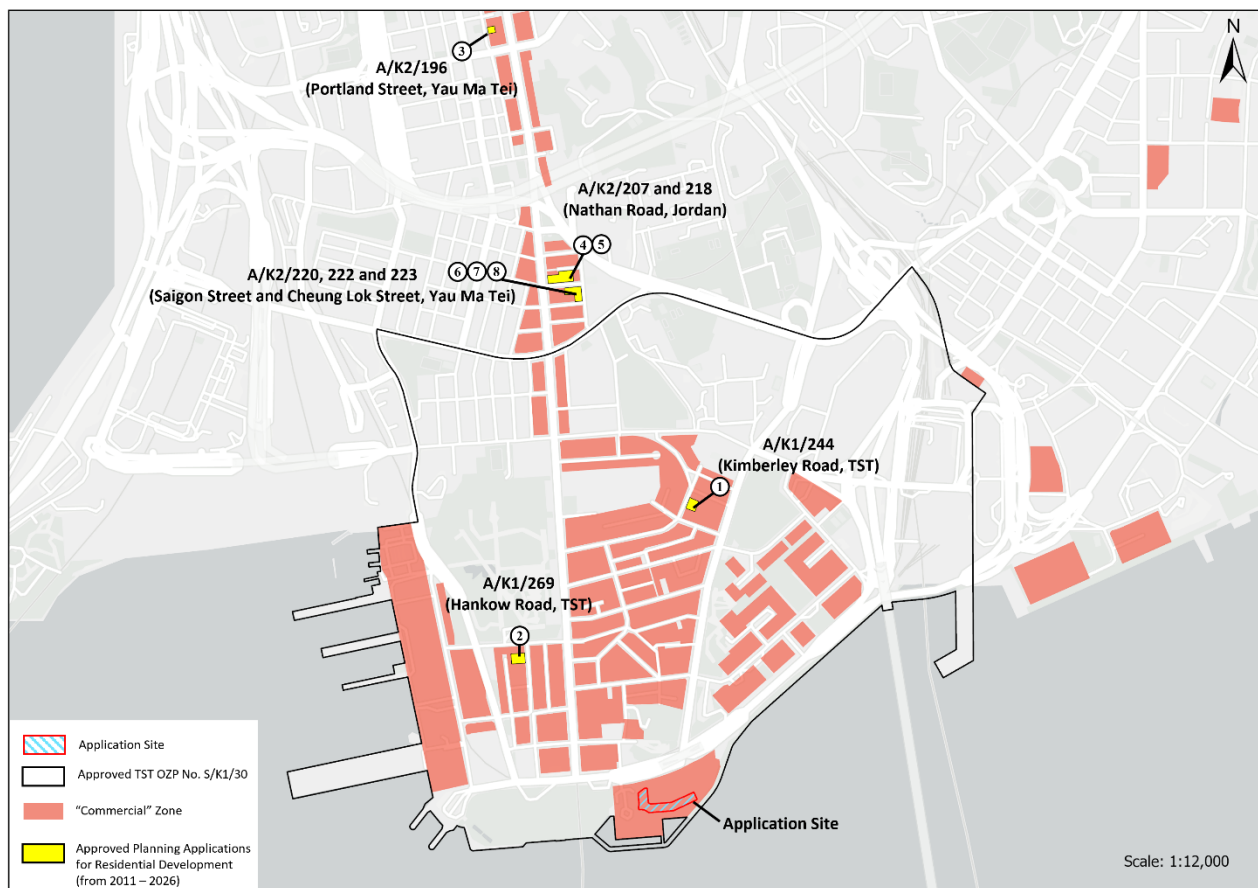


Figure 3-11 Approved Planning Applications within “C” Zone with Residential Component in Yau Tsim Mong District (Yau Ma Tei and Tsim Sha Tsui)

Table 3-3 Details of the Approved Planning Applications within “C” Zone with Residential Component in Yau Tsim Mong District (Yau Ma Tei and Tsim Sha Tsui)

	Approved Application No. (Date of Approval)	Applied Use	Development Parameters
1	A/K1/244 (22 May 2015)	Proposed Flat and Shop and Services/Eating Place Uses	- Site Area: 843 m² - Proposed PR: 8.15 (DPR: 4.06) - Proposed BHR: 16 storeys
2	A/K1/269 (12 Jan 2024)	Proposed Flat with Permitted Office, Shop and Services and Eating Place Uses	- Site Area: 1,075 m² - Proposed PR: 12 (DPR: 3.428) - Proposed BHR: 28 storeys
3	A/K2/196 (3 Feb 2012)	Proposed Flat, Shop and Services (Retail Shop)	- Site Area: 376 m² - Proposed PR: 8.44 (DPR: 7.5) - Proposed BHR: 28 storeys
4	A/K2/207 (19 Jul 2013)	Proposed Composite Residential, Hotel and Retail Development	- Site Area: 1,969 m² - Proposed PR: 12 (DPR: 6) - Proposed BHR: 28 storeys
5	A/K2/218 (26 Feb 2021)	Proposed Composite Development with Shop and Services/Eating Place, Office and Flat Uses	- Site Area: 1,969 m² - Proposed PR: 12 (DPR: 6) - Proposed BHR: 28 storeys
6	A/K2/220 (18 Feb 2022)	Proposed Composite Development with Flat and Shop and Services/Eating Place Uses	- Site Area: 778 m² - Proposed PR: 9.14 (DPR: 8.79) - Proposed BHR: 28 storeys

Section 17 Review Application for Proposed Flat (In-situ Conversion of Existing Hotel-like Service Apartment) in “Commercial (7)” Zone, K11 ARTUS, 18 Salisbury Road, Tsim Sha Tsui, Kowloon (Application No. A/K1/273)

7	A/K2/222 (24 Jun 2022)	Proposed Composite Development with Flat, Shop and Services/Eating Place Uses	- Site Area: 297 m² - Proposed PR: 9.04 (DPR: 8.93) - Proposed BHR: 28 storeys
8	A/K2/223 (17 Feb 2023)	Proposed Composite Development with Flat, Shop and Services/Eating Place Uses	- Site Area: 1,305 m² - Proposed PR: 10.126 (DPR: 9.747) - Proposed BHR: 28 storeys

*Remark: PR = Plot Ratio; DPR = Domestic Plot Ratio; BHR = Building Height Restriction

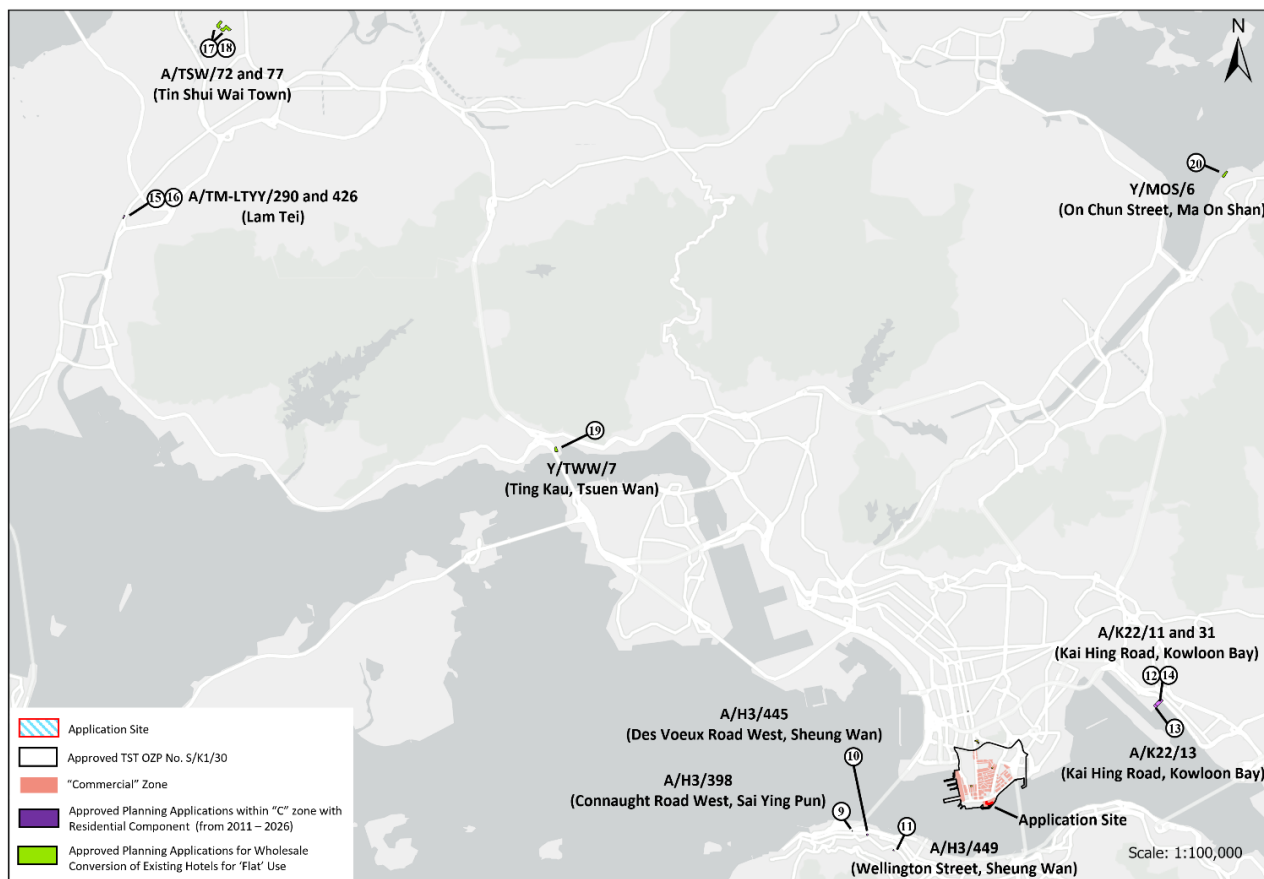


Figure 3-12 Approved Planning Applications within “C” Zone with Residential Component, and Wholesale Conversion of Existing Hotels for ‘Flat’ Use in Other Districts

Table 3-4 Details of the Approved Planning Applications within “C” Zone with Residential Component, and Wholesale Conversion of Existing Hotels for ‘Flat’ Use in Other Districts (Kai Tak, Sai Ying Pun & Sheung Wan, Lam Tei and Yick Yuen, Tin Shui Wai, Tsuen Wan West and Ma On Shan)

	Approved Application No. (Date of Approval)	Applied Use	Development Parameters
Approved Planning Applications within “C” Zone with Residential Component			
9	A/H3/398 (28 Jan 2011)	Proposed Flat	- Site Area : / - Proposed GFA: 416.23 m² - Proposed BHR: 78.65mPD
10	A/H3/445 (24 Jun 2022)	Proposed Flat with Permitted Shop and Services/Eating Place	- Site Area: 1,355 m² - Proposed PR: 9.18 (DPR: 8.73) - Proposed BHR: 136.95mPD
11	A/H3/449 (6 Dec 2024)	Proposed Flat with Permitted Shop and Services and Eating Place Uses	- Site Area: 615 m² - Proposed PR: 10.4 (DPR: 9.747)

Section 17 Review Application for Proposed Flat (In-situ Conversion of Existing Hotel-like Service Apartment) in “Commercial (7)” Zone, K11 ARTUS, 18 Salisbury Road, Tsim Sha Tsui, Kowloon (Application No. A/K1/273)

			9.06) Proposed BHR: 30 storeys
12	A/K22/11 (21 Mar 2014)	Proposed Residential Development including a Pier (Landing Steps), Eating Place and Shop and Services uses (Proposed Amendments to Approved Scheme under Application No. A/K22/9)	- Site Area: 15,404 m² - Proposed PR: 5 (DPR: 4.96) - Proposed BHR: 21 storeys
13	A/K22/13 (30 Mar 2012)	Proposed Residential Development and Minor Relaxation of PR to include Residents' Club House Ancillary to the Residential Development	- Site Area: 4,293 m² - Proposed PR: 5.12 (DPR: 5) - Proposed BHR: 31 storeys
14	A/K22/31 (18 Feb 2022)	Proposed Residential Development with Public Waterfront Promenade, a Pier (Landing Steps) and Shop and Services/Eating Place	- Site Area: 15,404 m² - Proposed PR: 5 (DPR: 4.96) - Proposed BHR: 21 storeys
15	A/TM-LTTY/290 (27 Mar 2015)	Proposed Flat Development and Minor Relaxation of Plot Ratio and Building Height Restriction	- Site Area: 1,717 m² - Proposed PR: 3.69 - Proposed BHR: 12 storeys
16	A/TM-LTTY/426 (19 May 2023)	Proposed Minor Relaxation of Plot Ratio and Building Height Restrictions for Residential Development with Shop and Services Use	- Site Area: 1,569 m² - Proposed PR: 5 (DPR: 4.957) - Proposed BHR: 19 storeys
17	A/TSW/72 (18 Dec 2020)	Proposed 'Flat' and Permitted Commercial Development with Minor Relaxation of Gross Floor Area Restriction	- Site Area: 27,900 m² - Proposed PR: 6.718 (DPR: 5) - Proposed BHR: 53 storeys
Approved Applications for Wholesale Conversion of Existing Hotels for 'Flat' Use			
18	A/TSW/77 (14 Oct 2022)	Proposed Wholesale Conversion of an Existing Hotel for 'Flat' and Permitted Commercial Use	- Site Area: 27,900 m² - Proposed PR: 3.873 (DPR: 1.995) - Proposed BHR: 26-27 storeys
19	Y/TWW/7 (2 Jun 2022)	Rezone the application site from "Comprehensive Development Area (1)", "Green Belt" and area shown as 'Road' to "Residential (Group B)2"	- Site Area: 6,431 m² - Proposed PR: 4.85 - Proposed BHR: 76.45mPD (15 storeys)
20	Y/MOS/6 (26 Feb 2021)	To rezone the application site from "Other Specified Uses" annotated "Hotel" to "Residential (Group A)12"	- Site Area: 8,000 m² - Proposed PR: 6.301 (DPR: 5.608) - Proposed BHR: 47.28mPD (16 storeys)

*Remark: PR = Plot Ratio; DPR = Domestic Plot Ratio; BHR = Building Height Restriction

- 3.4.2.13 Notably, many of these approved developments involve larger scale, redevelopment or intensification and/or less constrained context, while the present Application is subject to a more restrictive and unjustified, giving rise to inconsistency in decision-making. Approval of the Proposal will not create at all any planning or development advantage that could be rationally pursued in other commercial developments, and therefore does not give rise to any systemic or replicable “loophole”. The unique statutory, operational and lease-based constraints applicable to the Site render replication virtually impossible in practice.
- 3.4.2.14 Additionally, planning approval would not by itself in any way authorise an unregulated pathway for “*commercial GFA becoming domestic GFA*”. Any relevant building works, GFA exemption (including use of areas originally exempted under hotel development) remain under the control of the processes established by the Building Authority and Lands Department, in addition to the OZP and lease conditions. This ensures that any “hotel concession” assumptions are not automatically transferable and remain controlled through Building Authority’s statutory processes. Changes to the total GFA and/or the GFA for hotel purposes, upon the submission of GBP, shall be also scrutinised by the Lands Department. These multiple approval “gateways” operate cumulatively, not alternatively. As such, planning approval does not create any automatic, unconditional or uncontrolled mechanism by which commercial or hotel GFA may be converted to domestic GFA. Any such conversion remains subject to detailed, multi-layered scrutiny on a case-by-case basis by the relevant authorities, with no scope of circumvention.

3.4.3 Scale of the Proposal

- 3.4.3.1 The MPC has placed emphasis on the absolute quantum of floor area involved in the proposed conversion (approx. 33,358 m²), suggesting that the Proposal is not small in scale and therefore not justified. However, this assessment does not reflect the proper planning approach to scale.
- 3.4.3.2 In planning terms, the scale of a proposal should not be assessed solely by reference to nominal size or absolute floor area, but rather in terms of its relative proportion within the overall development and its effect on the planning character of the site. In the present case, the Proposal accounts for only approximately 10% of the total GFA of the “C(7)” zone within Victoria Dockside. The development will remain overwhelmingly commercial and tourism-oriented in nature, with the vast majority of floorspace continuing to be devoted to retail, office and hotel uses. As such, the Proposal does not result in any material shift in the overall commercial character or land use composition of the Site.
- 3.4.3.3 When properly assessed on this basis, the scale of the Proposal is clearly proportionate and immaterial in planning terms. The MPC’s concern therefore arises from an incorrect application of the scale test and cannot constitute a legitimate ground for refusal.

3.4.4 Strata-title and Long-term Land Use Concerns

- 3.4.4.1 The MPC raised concerns regarding potential long-term implications, including strata-title ownership, fragmentation and irreversible land use change. These concerns, speculative in nature, are addressed by the existing control framework governing the Site. In particular:
- the development is subject to Deed of Mutual Covenant (Principal DMC) and Sub-

Deed of Mutual Covenant (Sub-DMC) provisions, which ensure centralised management and control over building operations and external appearance;

- management and operational arrangements maintain the development as a coherent and integrated entity; and
- the overall land use composition remains predominantly commercial and tourism-oriented.

3.4.4.2 Multiple safeguards, including the Government Lease¹⁷, Principal DMC¹⁸, Sub-DMC¹⁹ and Management Agreements²⁰, are in place, providing a robust mechanism to maintain architectural coherence, visual quality and the overall design intent across the entirety of Victoria Dockside, irrespective of individual use or ownership arrangements. An additional safeguard has been introduced following submission of the Application: the recently registered Third Schedule of the Sub-DMC dated 24 March 2026, as stated in its Clauses 12 and 13, expressly reserves to the Applicant the right to control the external appearance of the development, including the putting up of external signs (see **Figure 3-13**).

12. External appearance

Subject to the rights and privileges reserved unto the Registered Owner under Clause 8 of Section II of the Principal Deed and Clause 3.1 of this Sub-Deed, no Owner shall, without the prior written consent of the Registered Owner, do or permit to be done any act or thing which may or will interfere with or alter the external appearance of the Reserved Portion and in particular, no external shades, awnings, fences, metal grilles, partitions or any other structure or thing shall be placed, installed, exhibited, affixed, erected or attached or caused or permitted to remain in or about or on or at any part of the external wall or flat roofs or roofs of the Reserved Portion or cause or permit or suffer any part of the external walls or curtain walls of the Reserved Portion.

13. External signs, etc.

Subject to the rights and privileges reserved unto the Registered Owner under Clause 8 of Section II of the Principal Deed and Clause 3.1 of this Sub-Deed, no external signs, signboards, notices, advertisements, flags, banners, poles, cages, brackets, flowers, shelves or other projection or structures whatsoever extending outside the exterior of the Reserved Portion shall be erected, installed or otherwise affixed or projected from the Reserved Portion or any part thereof without the prior written consent of the Reserved Portion Manager and (if necessary) the relevant Government authorities and no Owner shall erect, affix, install or attach or permit or suffer to be erected, affixed, installed or attached in or on external part of or to be displayed from any part of the Reserved Portion owned by him any advertising or other sign of any description without the prior written approval of the Reserved Portion Manager (such approval shall not be unreasonably withheld).

Figure 3-13 Clauses 12 and 13 of the Third Schedule of the Sub-DMC

3.4.4.3 The DMC and Sub-DMC operate as a binding and enforceable private-law mechanism that is independent of, and complementary to, statutory planning control. They ensure that any future alterations affecting the external envelope, façade treatment or architectural expression of the building are subject to overarching design control, thereby preserving the unified visual identity of the harbourfront development.

¹⁷ The existing Government Lease (i.e. Agreement and Conditions of Exchange No. 11172 of Kowloon Inland Lot No. 9844 as varied and modified by seven modification letters) (“**Government Lease**”)

¹⁸ Deed of Mutual Covenant of Kowloon Inland Lot No. 9844 dated 18 May 2001 (“**Principal DMC**”)(as supplemented by the Supplemental Deed to the Principal DMC dated 24 August 2018)

¹⁹ Sub-Deed of Mutual Covenant and Management Agreement of the Reserved Portion, No. 18 Salisbury Road, Kowloon dated 24 March 2026 (“**Sub-DMC**”)

²⁰ Management Agreement of Kowloon Inland Lot No. 9844 dated 18 May 2001 and Management Agreement of Kowloon Inland Lot No. 9844 dated 20 July 2018) (collectively the “**Management Agreements**”)

- 3.4.4.4 Importantly, the current application does not involve any external physical modification to the building. There are no proposed changes to the façade, massing, building height, skyline profile or external architectural treatment of K11 ARTUS or Victoria Dockside as a whole. The proposal is confined entirely to internal reconfiguration and use conversion within the existing built envelope.
- 3.4.4.5 Accordingly, any concern that the Proposal adversely affects the harbourfront cityscape, skyline composition or architectural coherence of the development is not supported by the scope or physical nature of the Proposal. When viewed together with the continued operation of the DMC and Sub-DMC controls, there is no realistic basis upon which the proposed use could undermine the visual integrity of this strategic waterfront development.
- 3.4.4.6 Additionally, Victoria Dockside is subject to a fully established centralised management regime operated by a single professional manager, with clear and enforceable powers under the DMC and Sub-DMC. Pursuant to the Sub-DMC, the Manager under the Management Agreement (currently K11 Property Management Company Limited) has been duly appointed to exercise comprehensive management and control over the Common Areas and Facilities of Victoria Dockside, including the Site. The Manager is vested with full authority to enforce compliance and to ensure that all Common Areas (including external appearance) and Facilities are maintained at all times in a proper, clean and safe condition.
- 3.4.4.7 By way of illustration, major integrated developments in Hong Kong have historically accommodated a residential component within a broader commercial and tourism framework without undermining their primary commercial function. For example, the Hong Kong Convention and Exhibition Centre development at the harbourfront includes Convention Plaza Apartments (see **Figure 3-14**), where a dedicated residential tower has been developed as part of a larger complex comprising exhibition, hotel and commercial uses. With the introduction of domestic units (approx. 600 units), the overall development has continued to function effectively as a premier commercial and exhibition node of international significance. This precedent demonstrates that the inclusion of a residential component within a major commercial/tourism node is both compatible and well-established in Hong Kong’s planning practice.



Figure 3-14 Conventional Plaza Apartments as Part of the Hong Kong Convention and Exhibition Centre development (Source: Google Street View)

- 3.4.4.8 This precedent further demonstrates that, where appropriate lease conditions and management structures are in place, the presence of a residential component does not in itself lead to uncontrolled fragmentation, nor does it dilute the core commercial function of a major integrated development. In the present case, the Proposal is significantly more limited in scale and remains subject to comparable, if not more stringent, lease and management controls.
- 3.4.4.9 There is therefore no reasonable basis to conclude that the Proposal would result in fragmentation or undermine the integrity of the development from a planning perspective. When properly analysed, the MPC's concerns do not withstand scrutiny:
- The Proposal is not contrary to planning intention when that intention is correctly interpreted;
 - The functional necessity for conversion is real and material;
 - No adverse planning impacts arise; and
 - No precedent or policy risk is created.
- 3.4.4.10 Accordingly, the conclusion that “no strong planning justification exists” is not tenable. The Application therefore satisfies - and indeed clearly exceeds - the threshold required for approval under Section 17.

4. CONCLUSION

- 4.1.1.1 The Application has been evaluated based on the MPC's central concern: whether strong planning justification exists for the Proposed Development. This Review Statement demonstrates that such justification is clearly established. Further, this Review Statement directly addresses each of the MPC's stated concerns.
- 4.1.1.2 First, the Proposal is firmly supported by national and local policy frameworks, which emphasise Hong Kong's role as an international financial centre and a global hub for high-calibrate talents and high-value investments. These policy directions necessitate the provision of appropriate long-term accommodation to support sustained economic participation, particularly within prime commercial nodes. The Proposal directly responds to this policy imperative through the in-situ optimisation of an existing accommodation component, without any increase in development intensity or adverse planning implications.
- 4.1.1.3 Secondly, the Proposal is underpinned by clear functional necessity. The existing hotel licensing regime imposes structural constraints that are incompatible with long-term residential occupation, while the physical configuration and ancillary facilities of the Premises are inherently designed to support such use. The Proposal therefore represents a necessary planning response to align land use with regulatory reality and contemporary economic function, rather than a matter of operational preference.
- 4.1.1.4 Thirdly, there are no adverse planning impacts. The Proposal is confined within the current building envelope, does not increase the GFA and has received no objections from relevant Government departments. It provides positive planning outcomes, including enhanced functionality and improved accessibility.
- 4.1.1.5 Lastly, the Proposal is justified by unique site-specific circumstances, such as an existing long-stay accommodation component and lease constraints. Its limited scope ensures no replicable precedent or loophole implications, and is distinguishable from other cases by its unique integration within an existing composite commercial development.
- 4.1.1.6 Overall, the Proposal aligns with the "C(7)" zone's planning intentions, enhances the Site's commercial and tourism roles, and supports high-value economic activity. It represents a carefully controlled development that yields clear benefits without adverse impacts.
- 4.1.1.7 The Applicant therefore respectfully submits that the Proposal is indeed supported by strong planning justification, and that the concerns identified by the MPC have been comprehensively addressed. The Proposal also represents a suitable, site-specific and beneficial refinement within a strategically important commercial and tourism node.
- 4.1.1.8 For the reasons set out above, and with all relevant planning considerations cumulatively weighing in favour of the Proposal, it is respectfully requested that the Board, upon review under Section 17 of the Town Planning Ordinance, approve the Application on review. The proposal is a tightly limited, in-situ and non-bulk-generating adjustment within an existing comprehensive mixed-use development. It does not involve redevelopment, increase total GFA, increase building bulk, or undermine the primary commercial and tourism role of Victoria Dockside.