

By Hand and By Email (tpbpd@pland.gov.hk)
17 April 2026

The Secretary
Town Planning Board
15/F, North Point Government Offices
333 Java Road
North Point, Hong Kong


arup.com

Our ref 5263/01/202604/02/WSTY/WLL/05765

Dear Sir/Madam

Submission of Section 17 Review Application – 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)

We refer to the decision of the Metro Planning Committee (MPC) of the Town Planning Board (the Board) made on 13 March 2026 regarding the subject Section 16 (S16) Planning Application. On behalf of the Applicant, we do hereby apply to you for a review of the Board’s decision on the S16 application, and the grounds for the review are set out in this letter. An authorisation letter signed by the Applicant is enclosed.

The Reason for the MPC’s Decision

In the decision letter dated 27 March 2026, the MPC rejected the S16 application, citing the reason: *“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.”*

A Review of the Proposal is warranted

We respectfully submit that a review of the proposal is warranted based on its individual merits. Specifically, we contend that: (i) the proposal represents a tightly limited, in-situ and non-bulk-generating adjustment within a comprehensive commercial/tourism destination; and (ii) the proposed “Flat” use is, in planning substance, intended for long-stay accommodation and remains allied to the accommodation function already present at the site.

In addition, the Applicant respectfully submits that the MPC’s reliance on planning intention as an absolute prohibition was inconsistent with the Board’s established practice, the statutory framework

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of Column 2 uses under the Outline Zoning Plan (OZP), and the professional assessment of PlanD, which raised no objection to the application.

Furthermore, we consider that members' concerns recorded in the confirmed minutes may not be comprehensively conceived with sufficient substance. This particularly applies to the issues raised during the deliberation that led to the refusal, including (a) planning intention for a prime harbourfront tourism node, (b) consideration of similar applications, (c) potential "loophole" regarding the conversion of commercial GFA to domestic use, and (d) the concerns surrounding potential strata title ownership.

For completeness, the Applicant notes that several of these concerns were speculative in nature, not supported by technical evidence, and fall outside the proper scope of statutory planning considerations under sections 16 and 17 of the Town Planning Ordinance.

"Strong planning justifications" indeed exist in the context of Hong Kong's economic positioning and talent-attraction objectives

The Applicant submits that the Committee's conclusion of "*no strong planning justification*" did not fully consider, among the other planning merits and justifications put forward by the Applicant in the planning statement and submissions in the S16 application, the broader, well-established Government objective of positioning Hong Kong as a leading international centre for wealth and asset management, including the attraction of family offices, business leaders and top talents.

The Applicant further submits that these policy considerations are directly relevant to the assessment of planning intention, which must be applied flexibly and contextually rather than rigidly or as an absolute bar. The OZP expressly lists "Flat" as Column 2 use within the "Commercial (7)" ("C(7)") zone, indicating that the Board anticipated circumstances where residential accommodation may be appropriate subject to planning merits.

Further, there is a growing demand from these groups for long-term, high-quality residential accommodation located within or in close proximity to major commercial nodes, enabling their sustained physical presence, long-term commitment to making the city their home and deeper engagement with Hong Kong's business environment – benefits that cannot be offered in other locations. International experience in major global cities has also shown that providing professionally managed, long-stay accommodation within prime commercial districts can enhance, rather than weaken, the economic functions of these areas.

In this regard, the MPC's conclusion that there was no strong planning justification did not engage with the detailed planning justifications already provided, nor with PlanD's professional assessment that the proposal was compatible with the mixed-use character of Tsim Sha Tsui (TST) and would not undermine the commercial/tourism function of the area.

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In this context, the proposal addresses a specific functional demand in a unique site context, rather than an introduction of general mass residential use that would be inconsistent with the planning intention of the “C(7)” zone. In lieu of detracting from the area, the limited residential function will enhance livability and round-the-clock vibrancy in a manner that complements a major commercial and tourism node. Notably, while some members raised questions about the planning intention of the “Commercial” (“C”) zone, the planning justifications provided by the Applicant were not articulated or substantiated during the deliberation, including how the proposal is in line with Government’s policy initiatives, complements the planning intention of the “C” zone and the wider TST area, etc.

The proposed development preserves the planning intention of the “Commercial (7)” zone

We recognise that the subject “C(7)” zone has a commercial positioning and is intended *primarily* for commercial developments (which may include hotel uses). We also understand the MPC’s point that the site is at a prime and unique waterfront location and forms part of a prominent commercial and tourism destination. However, planning intention is not a statutory prohibition. The Board has consistently applied planning intention as a guiding principle to be balanced against compatibility, scale, impacts, and the specific characteristics of the site. The MPC’s approach effectively treated planning intention as determinative, without undertaking the required balancing exercise.

As noted by the MPC, the proposed in-situ conversion is very limited in scale, encompassing only approximately 10% of the total GFA of the “C(7)” zone. In the Applicant’s respectful submission, this small scale is a material consideration that the MPC did not give any or due weight, particularly when PlanD expressly confirmed that the primary commercial function would be maintained, with 90% of the GFA remaining dedicated to commercial purposes. Thus, this is fundamentally not a shift away from the commercial focus of the Victoria Dockside development; instead, it introduces a minor adjustment to a carefully-contained accommodation component that maintains the majority of the zone’s commercial and tourism functions.

In addition, the proposed in-situ conversion will not result in any increase in building bulk or development intensity of the “C(7)” zone, including the total GFA, and that the proposal would be subject to relevant authorities’ requirements at the detailed design stage. This materially distinguishes the current proposal from scenarios where residential conversions lead to redevelopment intensification or a change to the skyline. PlanD and other departments raised no objection on urban, landscape or harbourfront ground.

Consideration of “previous applications”

We note the concern raised regarding a previous rejection of a wholesale conversion at another harbourfront “Commercial” site. However, the Applicant respectfully submits that the MPC’s selective reliance on a single rejected case (Hung Hom) without equal regard to multiple approved cases cited by the Chairperson was inconsistent with the principle that each application must be assessed on its own merits, which is also stated in the confirmed minutes.

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The Applicant further submits that the previous planning application in Hung Hom (No. A/K9/282) involved materially different circumstances, including wholesale conversion, a significantly larger scale, and a different planning context. It is therefore not an appropriate comparator.

On the other hand, there have been other approved applications involving hotel-to-flat conversions in Hong Kong, with scale and compatibility being relevant considerations.

For instance, a composite development of flat and commercial uses in the area was previously approved under planning application No. A/K1/269. Additionally, conversion proposals from hotel to flat in prominent waterfront locations have also been approved (notably, approved application Nos. Y/MOS/6 in Ma On Shan and Y/TWW/7 in Ting Kau). These approvals demonstrate that hotel-to-flat conversions are not inherently incompatible with commercial or waterfront zones, provided that scale and impacts are acceptable – which PlanD confirmed in this case.

As is clear from the MPC’s decision, however, the MPC’s reasoning did not explain why the positive precedents were discounted while the negative precedent was elevated. This is inconsistent with rational and even-handed decision-making.

Each application must be evaluated on its own merits

In this connection, the Board is reminded of past Judicial Review decisions regarding planning applications, which assert that each application must be evaluated on its **individual case-by-case merits**, while the subject site is characterised by:

- A large-scale, master-planned comprehensive development.
- Stringent lease controls governing total GFA and hotel GFA.
- A small-scale, in-situ conversion with no physical modifications and increase in building bulk.

MPC’s concern over potential “loophole” regarding commercial GFA to domestic use

We are aware of the concern raised at the MPC meeting regarding the possibility that granting approval could create a “loophole” encouraging similar conversions. However, this concern was speculative and unsupported by evidence. The statutory system already contains multiple safeguards – including the OZP, lease controls, Building Authority oversight, and LandsD approval – which prevent any automatic or uncontrolled conversion of commercial GFA to domestic GFA.

In this case, the proposal does not create additional floor area, bulk or intensity. Any GFA exemption and building works (including use of areas originally exempted under hotel development) are subject to detailed assessment by the Building Authority at the General Building Plan submission stage. This ensures that any “hotel concession” assumptions are not automatically transferable and remain

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controlled through Building Authority's statutory processes. Moreover, any changes to the total GFA and/or the GFA for hotel purposes will also require an application to Lands Department. These mechanisms ensure that there is no automatic "windfall" created by planning approval alone, and the land administration stage serves as an additional safeguard to prevent any misuse of the system.

Consequently, approving this review will not create an unregulated pathway for "*commercial GFA becoming domestic GFA*"; instead, it will remain under the control of the processes established by the Building Authority and Lands Department, as explicitly outlined in the confirmed minutes. Accordingly, the MPC's concern about a "loophole" was not a valid planning ground and should not form the basis for rejecting a small-scale, impact-free conversion.

Clear and enforceable safeguards addressing cityscape and harbourfront concerns

We note from the meeting minutes that potential strata title ownership of proposed flats/service apartment units may undermine the planning intention for a comprehensive and iconic commercial development, adversely affecting the harbourfront cityscape.

In this context, the Applicant would like to draw the Board's attention to the control over the external appearance of Victoria Dockside (VD) that is expressly reserved to Hong Kong Island Development Limited ("HKIDL") under paragraph 12 of the Third Schedule of **the Sub-Deed of Mutual Covenant (Sub-DMC) dated 24 March 2026 (recently registered)** for the VD development, including K11 ARTUS. This covenant provides HKIDL with continuing authority to maintain architectural coherence, visual quality and overall design integrity of the development as a whole, independent of individual occupiers or operational arrangements. In this regard, the proposed use under the application does not entail any external physical modification works, and no changes are proposed to the building façade, massing, or external architectural treatment.

Accordingly, this application does not prejudice, undermine or supersede the existing Sub-DMC provisions, nor does it seek to limit HKIDL's rights to regulate and enforce control over the external appearance of VD. It is therefore respectfully submitted that the existence of this enforceable private-law control provides additional assurance which the concerns raised by members regarding cityscape impact and visual integrity will not materialise. The acceptability of the proposed use should be assessed on its planning merits, having regard to statutory planning controls and established deed-based safeguards, rather than on assumptions relating to long-term rental or quasi-domestic accommodation arrangements. The existing Sub-DMC framework already provides a robust mechanism to ensure that the external appearance and overall design intent of VD will continue to be properly controlled and managed.

While the Sub-DMC provides an additional private-law safeguard, the Applicant emphasises that no external physical modifications are proposed, and PlanD and CTP/UD&L raised no concerns regarding urban design or harbourfront impact. The MPC's concerns were therefore not supported by technical evidence.

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Summary

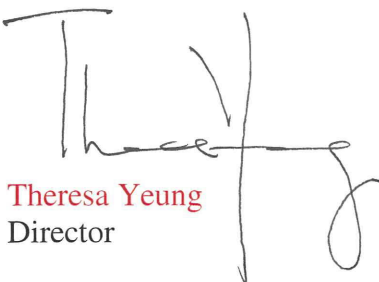
For the reasons stated above, the proposal represents a tightly controlled, in-situ, non-bulk-generating adjustment that preserves the primary commercial and tourism functions of the “C(7)” zone, while addressing a clear need for long-stay accommodation. The Board’s key concerns regarding “similar” applications, potential loopholes, and impacts on cityscapes can be viewed as unwarranted due to (i) the Applicant’s commitment to ensuring no increase in bulk, intensity or GFA, (ii) the proactive gatekeeping measures established by the Building Authority and Lands Department, as noted in the meeting minutes, and (iii) the robust Sub-DMC provision addressing any harbourfront cityscape concerns.

In summary, the Applicant respectfully submits that the MPC’s decision did not give any or due weight to PlanD’s professional assessment, relied on speculative concerns outside the statutory planning framework, and applied planning intention in an overly rigid manner inconsistent with TPB practice. The proposal is compatible, small-scale, non-impactful, and aligned with Government policy objectives.

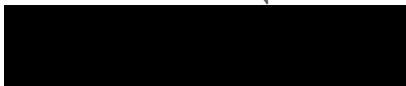
The Applicant therefore respectfully invites the Board to review the MPC’s decision and approve the Section 16 application.

Should you have any queries, please contact the undersigned.

Yours faithfully



Theresa Yeung
Director



Enc Authorisation letter signed by the Applicant
cc Client

Hong Kong Island Development Limited

Town Planning Board Secretariat
15/F, North Point Government Offices
333 Java Road
North Point, Hong Kong

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**Submission of S.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
(Planning Application No. A/K1/273)**

Authorization Letter

We hereby appoint Arup Hong Kong Limited as our authorized agent on the submission of S.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 (Planning Application No. A/K1/273), and dealing with the related matters.

Thank you for your attention.

Yours faithfully,

For and on behalf of
Hong Kong Island Development Limited
CI No.: 24632

For and on behalf of
HONG KONG ISLAND DEVELOPMENT LIMITED


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Authorized Signature(s)

Authorized Signature with Company Chop