MARKETBEAT
TAIPEI
GRADE A OFFICE Q4 2024

CUSHMAN & WAKEFIELD
戴 德 梁 行

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8.4% Vacancy Rate	▲	▲
848,300 Stock, ping	▲	▲
2,800 Average Rent (NTD/PING/MO)	▲	▬

ECONOMIC INDICATORS Q3 2024

	2024 Q2	12-Month Forecast
4.2% GDP Growth	4.9%	▲
4.2% Service Sector GDP Growth	5.2%	N/A
2.3% CPI Growth	2.2%	▼
3.4% Unemployment Rate (Sep.)	3.4%	N/A

Note: Growth figure is y-o-y growth
Source: Ministry of the Interior, Moody's Analytics

UPGRADE DEMAND SEES MULTI-YEAR HIGH NET ABSORPTION

The Taipei Grade A office market welcomed the Yuanta Bank Headquarters property in Q4 2024, adding approximately 13,000 pings of new space to the office market, all fully allocated for owner-occupation.

The overall vacancy rate dropped 0.7 percentage points q-o-q to record 8.4% in Q4. Newer properties in the Western and Nanjing/Songjiang submarkets attracted companies seeking to upgrade from older buildings within the same areas, with the submarkets' vacancy rates dropping 2.9 and 3.8 percentage points, respectively.

For 2024 overall, the completion of new buildings across submarkets has driven strong demand for corporate upgrades. At the same time, the financial and insurance sectors have exhibited strong demand for owner-occupied office spaces. Total annual net absorption reached 36,700 pings, marking a five-year high.

AVERAGE RENT REMAINS STABLE

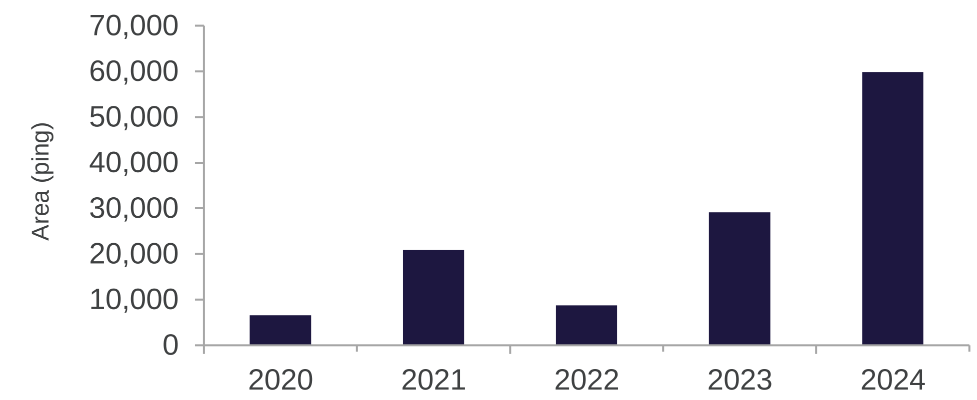
Average rent for Grade A office space in Q4 remained at NT$2,800 per ping per month.

Within the submarkets, Xinyi submarket commands the highest rent at NT$3,470 per ping per month, followed by Western at NT$2,620 per ping per month.

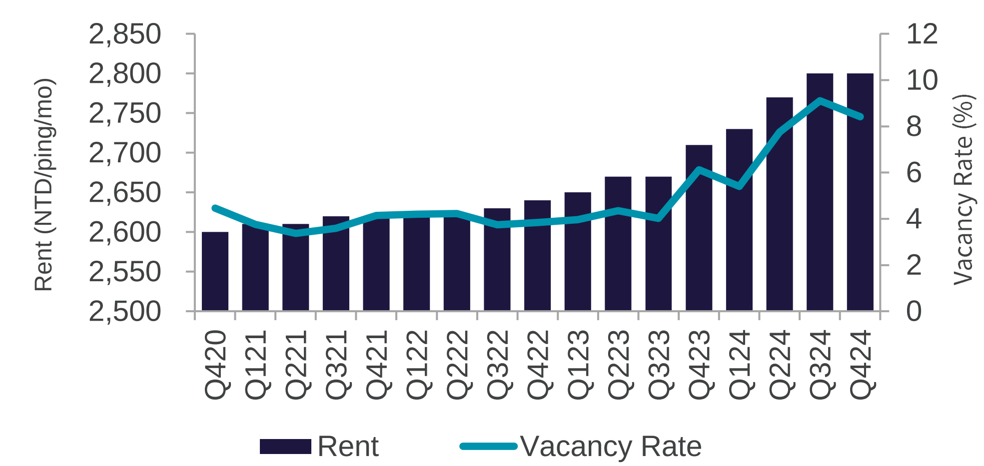
UPGRADED TRADITIONAL CBD OFFICES TO LEAD DEMAND

Older buildings in the traditional city center district are increasingly falling short of current ESG standards. However, concerns over potential employee attrition mean tenants are hesitant to relocate to Xinyi submarket, despite its concentration of newer office properties. The traditional CBD will see new supply, including six office properties in the Western and Nanjing/Songjiang submarkets, between 2024 and 2026, in turn driving further tenant demand through 2025.

SUPPLY PIPELINE



RENT & VACANCY RATE



MARKET STATISTICS

SUBMARKET	INVENTORY (PING)	VACANCY RATE	UNDER CONSTRUCTION ~2027 (PING)	GRADE A RENT		
				NTD/PING/MO	US$/SF/MO	EUR/SF/MO
Western	68,400	17.8%	114,100	2,620	US$2.26	€ 2.15
Nanjing/Songjiang	48,900	12.3%	7,500	2,420	US$2.09	€ 1.99
Dunbei/Minsheng	232,400	4.7%	53,800	2,410	US$2.08	€ 1.98
Dunnan	113,100	4.4%	27,400	2,550	US$2.20	€ 2.09
Xinyi	385,500	9.7%	90,000	3,470	US$3.00	€ 2.85
Taipei City	848,300	8.4%	292,800	2,800	US$2.42	€ 2.30

1 USD = 32.5244 TWD; 1 EUR = 34.2145 TWD as of December 16, 2024

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	PING	TYPE
Walsin Xinyi Building	Xinyi	Jing Chi Biomed	680	Expansion
Central Plaza	Western	Nidec	590	Relocation
Cathay Landmark	Xinyi	Kronos Research	450	Relocation
Yuanta Songjiang Jinxing Building	Nanjing/Songjiang	Top Path	430	New Lease
Hung Kuo Building	Dunbei/Minsheng	Kaulin Manufacturing	320	New Lease
Dunnan Commercial Building	Dunnan	KT&G	320	Relocation
Dunnan Commercial Building	Dunnan	Liang & Partners Law Offices	320	Relocation

(Area rounded to the nearest ten.)

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	PING	COMPLETION DATE
Kindom Songshan Minquan Building	Dunbei/Minsheng	Kindom Development	9,800	2025
Cathay Huanyu Building	Dunbei/Minsheng	Cathay Life Insurance	12,900	2025
Shin Kong Hangzhou North Building	Western	Shin Kong Life Insurance	8,700	2025
TransGlobe Life Taipei Headquarters	Dunbei/Minsheng	TransGlobe Life Insurance	18,600	2025
Yuanta Songjiang Yinxing Building	Nanjing/Songjiang	Yuanta Life Insurance	7,500	2026
Homax Landmark	Dunnan	Homax Development	17,100	2027
Fubon Insurance Building	Dunnan	Fubon Insurance	10,300	2027
Tatung Building	Dunbei/Minsheng	Yuanta Financial Holding / Chang Hwa Commercial Bank / China Life Insurance	12,500	2027
Core Pacific Plaza	Xinyi	Core Pacific Development	65,000	2027
Taipei Twin Towers	Western	Taipei Twin Towers	89,300	2027
Hiyes International Building	Western	Hi-yes Group	16,100	2027
Nanshan A26	Xinyi	Nan Shan Life Insurance	25,000	2027

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Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of $9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

MARKETBEAT

TAIPEI

Industrial-Office Q4 2024

CUSHMAN & WAKEFIELD
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MARKET FUNDAMENTALS

NT$1,550
Xihu Section rents (NTD/ Ping/ month)

3.4%
Xihu Section vacancy (vacancy rate in %)

Source: Cushman & Wakefield Research

TAIWAN ECONOMIC INDICATORS Q3 2024

	Q2 2024	12-Month Forecast
4.2% GDP Growth	4.9%	▲
8.2% Secondary Sector Growth	9.3%	N/A
2.3% CPI Growth	2.2%	▼

Note: Growth figure is y-o-y growth
Source: Directorate-General of Budget, Accounting and Statistics, Moody's Analytics

NHTP VACANCY RATE RISES SLIGHTLY

The vacancy rate in Xihu Section edged up 0.1 percentage points to 3.4% in Q4 2024, with only modest absorption of 320 pings by an apparel retail tenant at Chonghong New Century. In Wende Section, the vacancy rate dropped by 0.5 percentage points to 5.5%, mainly due to the absorption of 160 pings by a wholesale and retail tenant at Shi Ji Guo Pao, and 680 pings by the optoelectronics industry at Boss World DC. Jiuzong Section saw vacancy climb 1.4 percentage points to 12.8%, with just 200 pings absorbed by a biotech company at Wei Mon Industry Building.

RENTALS HOLD STEADY, CAPITAL VALUES EDGE UP

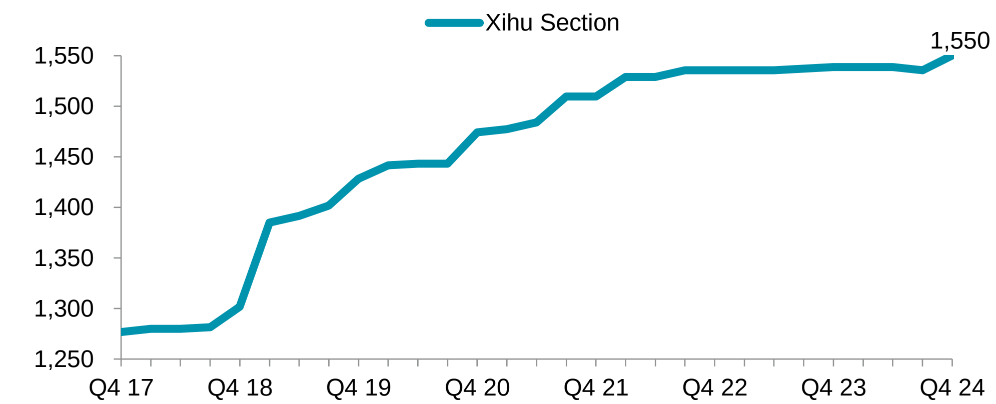
Rental levels remained steady in Q4, with Xihu Section seeing a slight increase to NT$1,550 per ping per month. Rent in Wende Section held steady at NT$1,100 per ping per month, while Jiuzong Section remained at NT$1,000 per ping per month. Capital values in each section also remained stable, with Xihu Section ranging from NT$630,000 to NT$900,000 per ping, Wende Section from NT$470,000 to NT$560,000 per ping, and Jiuzong Section from NT$440,000 to NT$540,000 per ping. The most notable market transaction in Q4 was Silver Lake International Asset Management Limited's acquisition of eight pre-sale I/O units at Kuo Yang Intercontinental Headquarters in Jiuzong Section for NT$1.214 billion, with an average price of approximately NT$796,000 per ping.

UPGRADED DEMAND RISES AMID AGING FACILITY COMPETITION

The aging specifications and planning of older industrial offices developed in the early stages of the NHTP mean that many of these facilities are increasingly unable to meet current standards for energy efficiency, green building certifications, and human-centric workplaces aligning with ESG trends. Consequently, newly completed industrial office buildings are becoming more attractive to those enterprises with more ambitious ESG targets, while older facilities are gradually facing increased competitive pressures.

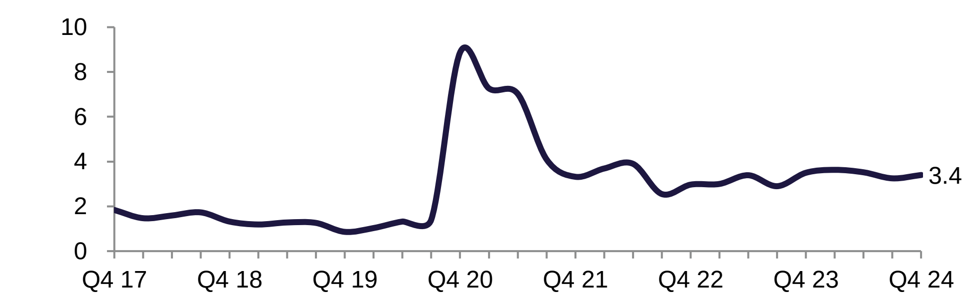
Rent Level in Xihu Section

Average Rents (NTD/ Ping/ month)



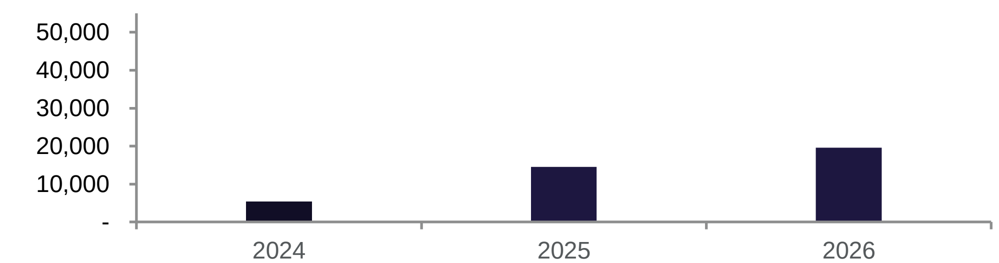
Vacancy Rate in Xihu Section (%)

Vacancy Rate (by %)



Future Supply

Area (Ping)



RENT LEVELS Q4 2024

	I/O RENT			Q-O-Q CHANGE
	NTD/PING/MO	USD/SF/MO	EUR/SF/MO	
Xihu	1,550	1.34	1.27	0.9%
Wende	1,100	0.95	0.90	0.0%
Jiuzong	1,000	0.86	0.82	0.0%
NHTP AVERAGE	**1,220**	**1.0**	**1.0**	**0.8%**

Area Conversion: 1 Ping=35.58 Square Feet =3.3 Square Meters
Exchange Rate: 1USD = 0.9506EUR = 32.5244NTD (as of Dec 16, 2024)

VACANCY RATE Q4 2024

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Xihu	3.5%	3.6%	3.5%	3.3%	3.4%
Wende	6.4%	6.1%	6.3%	6.0%	5.5%
Jiuzong	12.2%	12.3%	11.7%	11.4%	12.8%
NHTP AVERAGE	**6.1%**	**6.1%**	**6.0%**	**5.7%**	**6.0%**

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SECTION	TENANT INDUSTRIAL CLASSIFICATION	PING	Type
Chonghong New Century	Xihu	Apparel Retail	320	New Lease
Shi Ji Guo Pao	Wende	Wholesale and Retail	160	Expansion
Boss The World D.C.	Wende	Optoelectronics Industry	680	Expansion
Wei Mon Industry Building	Jiuzong	Biotech Company	200	New Lease

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MARKETBEAT
TAIPEI
RETAIL Q4 2024

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MARKET FUNDAMENTALS

	12-Month Forecast
12,300 Average Rent (NTD/PING/MO)	–
4.9% Vacancy Rate	–

Source: Cushman & Wakefield

ECONOMIC INDICATORS Q3 2024 TAIWAN

	YOY Chg	12-Month Forecast
4.2% GDP Growth	▲	▲
2.3% CPI Growth	▼	▼
4.2% Cumulative Sales of General Merchandise	▲	N/A

Source: Directorate-General of Budget, Accounting and Statistics, Moody's Analytics

STABLE RETAIL DEMAND DRIVES REVENUE GROWTH

Retail sales revenues at general merchandise stores grew 4.4% y-o-y for the January to November 2024 period. Department stores saw modest growth of 1.3%, impacted by reduced operating days from typhoon holidays, combined with a high base effect. Convenience store revenues climbed 5.4%, supported by store expansion and diversified marketing strategies. Supermarket and hypermarket sales rose 6.4% and 4.1%, respectively, driven by typhoon-related necessities demand. Other general merchandise retailers continued to benefit from cross-border tourism, driving an 7.9% y-o-y increase in sales.

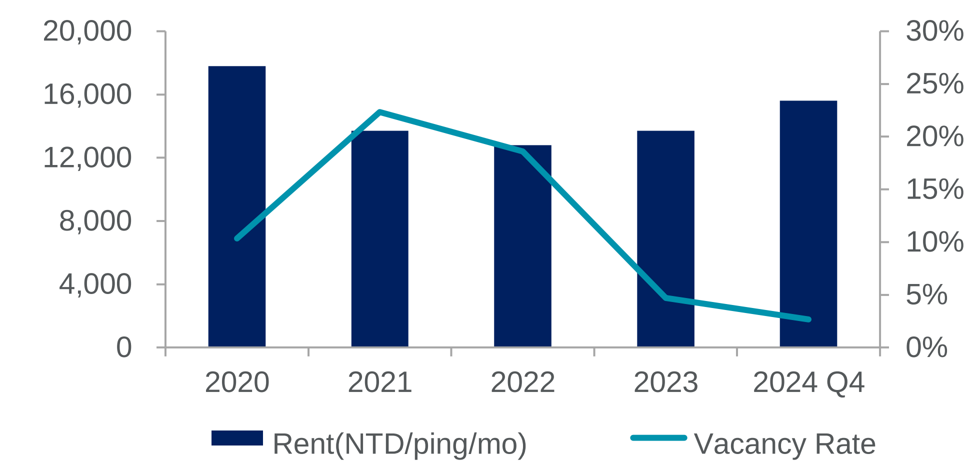
RECOVERY SIGNS EVIDENT IN ZHONGXIAO DISTRICT

Storefront occupancy levels near the Taipei Dome side of the Zhongxiao district strengthened in Q4, with the overall vacancy rate dropping from 11.67% to 10.06%. A widely known pre-owned luxury retailer leased a storefront at NTD12,000 per ping per month in August, indicating signs of recovery, despite not yet reaching the historical highs of more than NTD20,000 per ping per month. In Ximen district, vacancy rates showed no significant movements, mainly reflecting storefront renovations, with the district's overall rate dropping from 3.82% to 2.65%. Similarly, the Zhongshan/Nanjing district remained stable, with just a slight 0.7% increase in the vacancy rate to 4.03%.

CONFIDENCE IN 2025 RETAIL MARKET FUELS BRAND EXPANSION

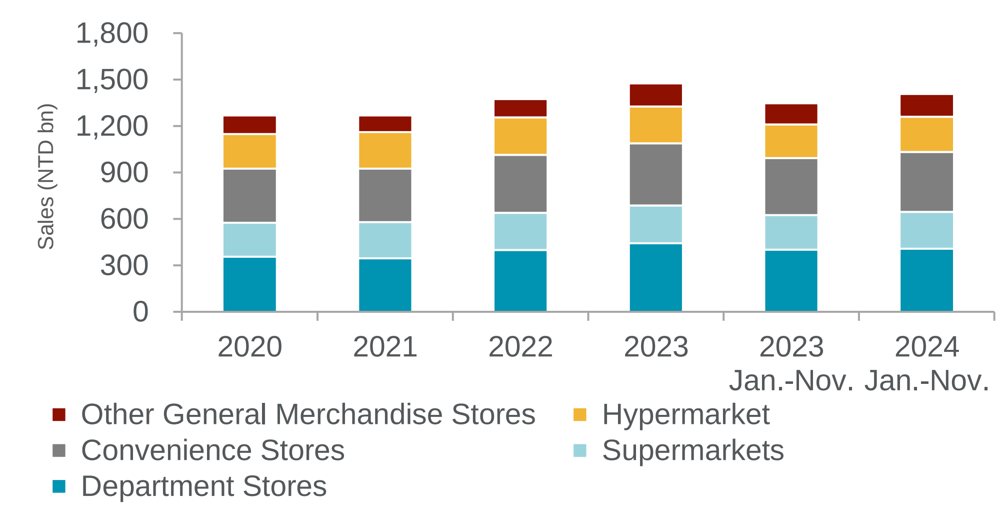
Looking ahead, domestic consumption is expected to remain robust, driven by solid economic growth, while inbound tourism continues on a steady recovery path. The retail market is anticipated to again progress in 2025. In Zhongxiao, ongoing events at Taipei Dome, coupled with the full opening of the Far Eastern Garden City in 2025, are boosting brand interest in the area. Meanwhile, the tourism-oriented Ximen district is set to benefit from the continued growth in visitor numbers.

RENT / VACANCY RATE IN XIMEN



Source: Cushman & Wakefield

CUMULATIVE SALES OF GENERAL MERCHANDISE



Source: Directorate-General of Budget, Accounting and Statistics

MARKET STATISTICS

RETAIL HUB	VACANCY RATE	RETAIL RANGE			12- MONTH OUTLOOK
		NTD/ PING/ MO	USD/ SF/ MO	EURO/ SF/ MO	
Zhongxiao	10.06%	8,000~11,000	6.9~9.5	6.6~9.0	▬
Zhongshan/Nanjing	4.03%	7,200~12,200	6.2~10.5	5.9~10.0	▬
Ximen	2.65%	9,500~16,000	8.2~13.8	7.8~13.1	▲

**Only high street store in prime retail hubs are taken into account. All data is based on gross floor area unless otherwise specified. Rentals are exclusive of management fees or other expenses.*
Area Conversion: 1 Ping=35.58 Square Feet =3.3 Square Meters
Currency Exchange Rate: 1USD = 0. 9506EURO = 32.5244NTD as of Dec 16, 2024

SIGNIFICANT OPENINGS IN Q4 2024

RETAIL HUB	LOCATION	TENENT	SIZE (PING)
Zhongxiao	Sec. 4, Zhongxiao E. Rd.	Lion Travel	18
Zhongxiao	Sec. 4, Zhongxiao E. Rd.	2nd STREET	28

SIGNIFICANT RETAIL PROJECTS - UNDER CONSTRUCTION/DECORATION

PROJECT	LOCATION	EXPECTED OPENING YEAR	GFA (Ping)
Mitsui Shopping Park LaLaport (Nangang)	Nangang District, Taipei City	2025	47,000
Far Eastern Garden City	Xinyi District, Taipei City	2025	42,000
Dream Plaza	Xinyi District, Taipei City	2025	7,500

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MARKET FUNDAMENTALS

	YoY Chg
147.9B YTD Investment Volume (NTD)	13.6%
30.6B Q4 Investment Volume (NTD)	-36.4%
37 Q4 Deals	15.6%

Source: Cushman & Wakefield Research

ECONOMIC INDICATORS

Q3 2024	YOY Chg	12-Month Forecast
4.2% GDP growth	▲	▲
2.3% CPI growth	▼	▼
3.3% Prime Leading Loan Rate	▲	N/A

Source: Ministry of the Interior, Moody's Analytics

INVESTORS DRIVE 2024 TRANSACTION VOLUME TO NT$148B

Taiwan commercial real estate transactions reached NT$30.6 billion In Q4 2024. The top two deals were completed by Siliconware Precision Industries, acquiring facilities in Yunlin Technology Industrial Park for NT$3.7 billion and Central Taiwan Science Park for NT$3.0 billion, to expand advanced packaging capacity. Significant investment-driven deals included TransGlobe Life Insurance acquiring a logistics center in Dayuan District, Taoyuan City, for NT$2.59 billion. Chunghwa Post also purchased office building space in Hsinchu City for NT$2.17 billion, and Fubon No.1 REIT acquired I/O facility space in Zhubei City, Hsinchu County for NT$1.74 billion. These properties attracted favor with established tenants providing stable rental incomes. Total transaction volume for 2024 came to NT$147.9 billion, the second-best performance in a decade, trailing only the NT$152.7 billion recorded in 2021. Corporate self-use transactions, led by technology firms, dominated in the year, comprising 75% of transactions.

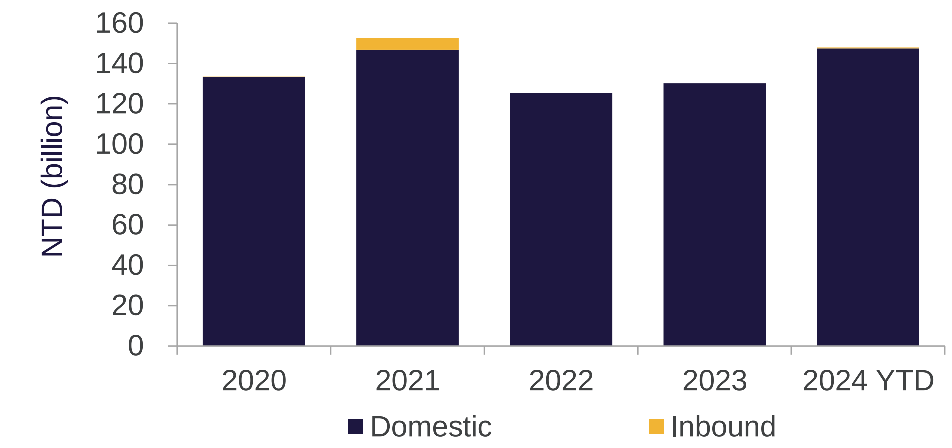
HOUSING MARKET MESAURES PROMPTING DEVELOPER CAUTION

Land market transaction volume in Q4 was NT$45.0 billion, with the full-year 2024 total of NT$263.2 billion the highest since 2022. The largest deal was Taishin Life Insurance's NT$5.36 billion logistics center purchase in Taoyuan Tech-Industrial Park. TCC Group Holdings followed with a NT$3.28 billion sale of residential land in Zhudong, Hsinchu, to Zhong Tai United Development. Cathay Life Insurance's NT$2.73 billion purchase in Guanyin, Taoyuan, was for warehouse logistics. A booming residential market in the first three quarters of the year boosted developer confidence. However, government credit controls in Q4 curtailed residential transactions, making developers cautious and somewhat stabilizing the land market.

STRONG BUYER DEMAND CONTINUES IN CAPITAL MARKETS

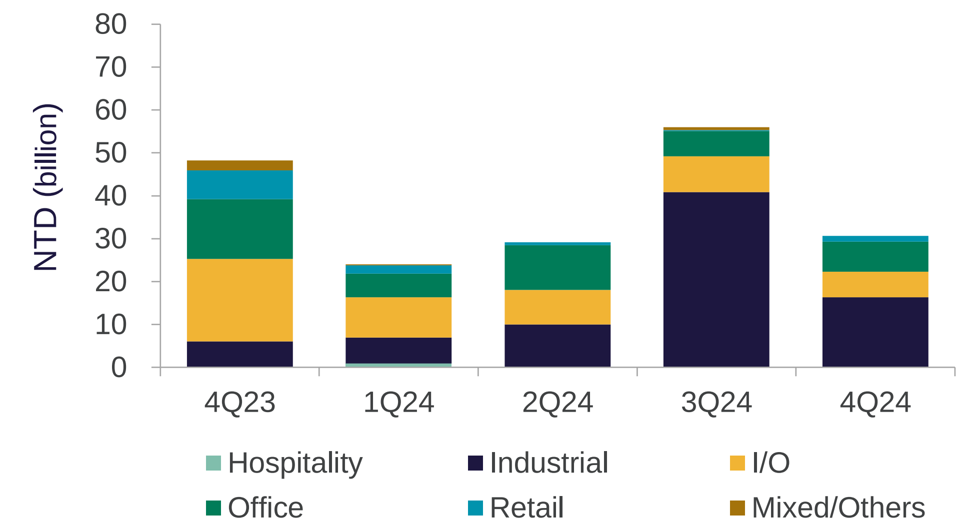
With the U.S. election settled, new trade policies may impact Taiwan's economic momentum. However, the AI boom will drive semiconductor expansion and sustain real estate demand. We expect end-users to focus on high-quality, ready-to-use factories to support capacity expansion. The unfreezing of policy-regulated offshore Taiwanese investor capital and potential easing of insurance return restrictions have also enhanced investor liquidity. Buyers are well-capitalized and focused on income-generating assets, awaiting the right opportunities.

INVESTMENT VOLUME BY CAPITAL SOURCE



Source: Cushman & Wakefield Research

INVESTMENT VOLUME BY SECTOR

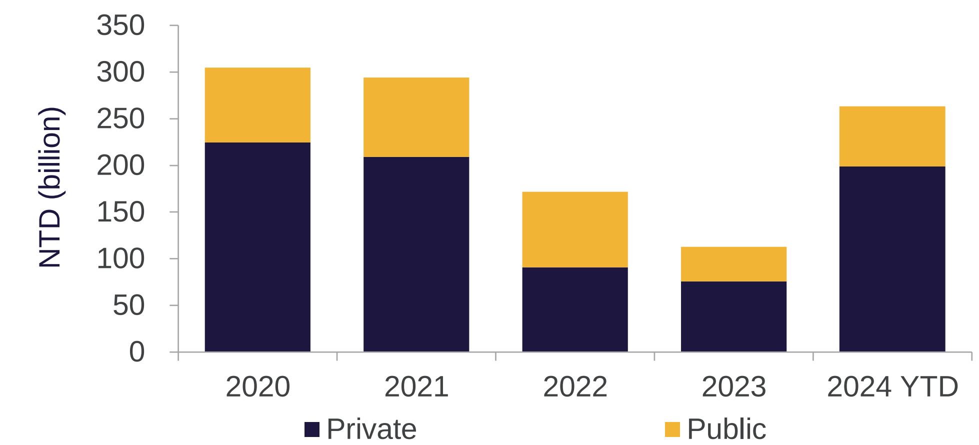


Source: Cushman & Wakefield Research

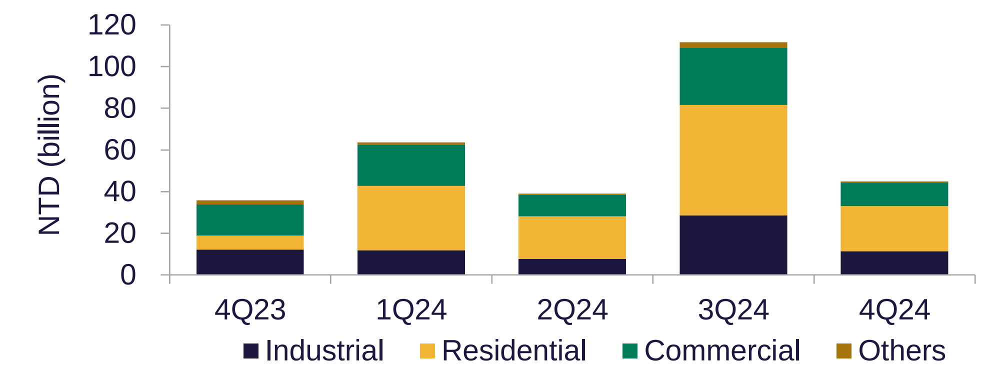
SIGNIFICANT SALES

PROPERTY	LOCATION	SECTOR	PRICE (NTD BN)	VENDOR	PURCHASER	DEAL TYPE
Factory in Yunlin Technology Industrial Park	Douliu City, Yunlin County	Industrial	3.70	Ming Hwei Energy Co., Ltd.	Siliconware Precision Industries Co., Ltd.	Self-used
Factory in Central Taiwan Science Park	Houli Dist., Taichung City	Industrial	3.02	NEWMAX TECHNOLOGY CO.,LTD.	Siliconware Precision Industries Co., Ltd.	Self-used
Logistics Center in Dayuan Dist., Taoyuan City	Dayuan Dist., Taoyuan City	Industrial	2.59	Tung Wei Construction Co., Ltd.	TransGlobe Life Insurance Inc.	Investment
Office in East Dist., Hsinchu City	East Dist., Hsinchu City	Office	2.17	TransGlobe Life Insurance Inc. Fu Yu Property Co., Ltd.	Chunghwa Post Co., Ltd.	Investment
Office in Datong Dist., Taipei City	Datong Dist., Taipei City	Office	1.80	Yuanta Commercial Bank Co., Ltd.	Sonlaw Investment	Investment

Land Transactions Volume by Supply Source



Land Transactions Volume by Land Use



Source: Cushman & Wakefield Research

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