MARKETBEAT

TAIPEI

GRADE A OFFICE Q1 2025

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
7.2% Vacancy Rate	▲	▬
847,500 Stock, ping	▲	▲
2,800 Average Rent (NTD/PING/MO)	▲	▲

ECONOMIC INDICATORS Q4 2024

	2024 Q3	12-Month Forecast
2.9% GDP Growth	4.2%	▼
3.2% Service Sector GDP Growth	4.2%	N/A
2.0% CPI Growth	2.2%	▼
3.3% Unemployment Rate (Dec.)	3.4%	N/A

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

NEW ENTRANTS SUPPORT MARKET LEASING PERFORMANCE

Total Taipei Grade A office market quarterly net absorption reached approximately 11,000 pings in Q1 2025, representing the highest single-quarter figure since 2020, excluding space occupied by owner-user headquarters.

The overall office market vacancy rate dropped by 1.2 percentage points q-o-q to record 7.2% in Q1. Notably, Nanjing-Songjiang and Xinyi submarkets recorded significant absorption at newly entered projects, leading to their vacancy rates declining 3.4 and 2.2 percentage points, respectively.

AVERAGE RENTAL LEVEL REMAINS STABLE

Overall market demand remained stable through the Q1 period. The average Grade A office space rental level in the quarter remained at NT$2,800 per ping per month.

Within the submarkets, Xinyi submarket commands the highest monthly rent at NT$3,470 per ping, followed by Western at NT$2,640 per ping.

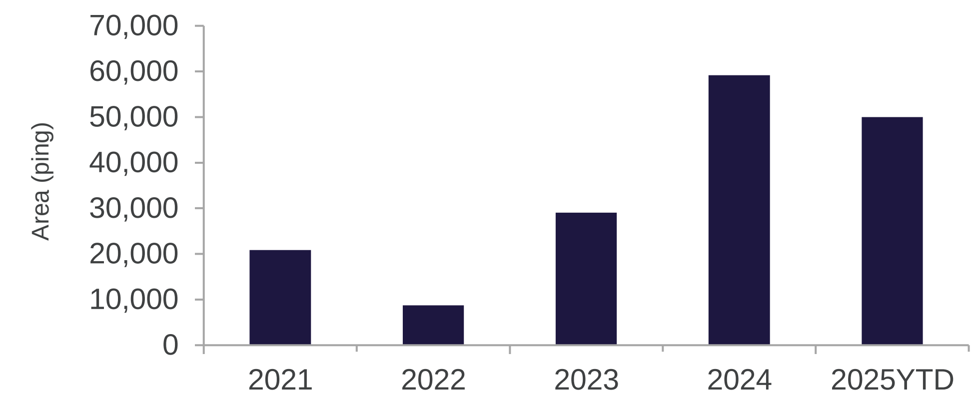
MARKET DEMAND REMAINS HEALTHY AND STABLE

Recently completed Grade A office buildings have seen steady absorption, confirming occupiers' continued preference for premium workspaces. If supply and demand factors remain balanced, we can expect the upcoming supply pipeline through 2027 to be absorbed quite steadily. For projects currently scheduled beyond 2027, delivery timelines may be adjusted in response to actual take-up, helping to ease markets pressures arising from concentrated releases of new space.

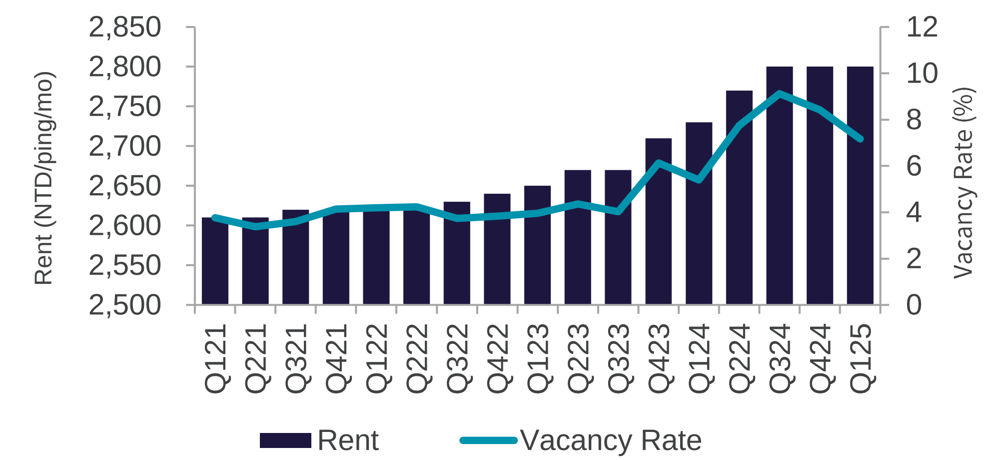
Nonetheless, global economic uncertainties remain elevated and may influence the pace of future expansion and space planning decisions by multinational firms in Taiwan.

Overall, the market structure outlook remains resilient for the short-term, with new premium supply continuing to support rental levels and ensuring steady development momentum.

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	17.0%	114,200	2,640	US$2.25	€ 2.07
Nanjing/Songjiang	48,900	8.9%	7,500	2,420	US$2.06	€ 1.90
Dunbei/Minsheng	232,400	4.5%	53,800	2,410	US$2.05	€ 1.89
Dunnan	113,100	4.9%	27,400	2,550	US$2.17	€ 2.00
Xinyi	384,700	7.5%	90,000	3,470	US$2.96	€ 2.72
Taipei City	847,500	7.2%	292,900	2,800	US$2.38	€ 2.20

1 USD = 32.9977 TWD; 1 EUR = 35.7910 TWD as of March 14, 2025

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	PING	TYPE
Taipei 101 Building	Xinyi	Coupang	920	Expansion
Central Plaza	Western	Taiwan Kirin	590	Relocation
Fubon A25	Xinyi	Wells Fargo	300	Relocation
Hung Tai Financial Plaza	Dunbei/Minsheng	E.SUN Securities	260	Expansion

(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	8,800	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 Greater China, a network of 23 offices serves local markets across the region. In 2024, the firm reported revenue of $9.4 billion across its core services of Valuation, Consulting, Project & Development Services, Capital Markets, Project & Occupier Services, Industrial & Logistics, Retail, and others. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

MARKET FUNDAMENTALS

	12-Month Forecast
NT$1,550 Xihu Section rents (NTD/ Ping/ month)	–
3.9% Xihu Section vacancy (vacancy rate in %)	–

Source: Cushman & Wakefield Research

TAIWAN ECONOMIC INDICATORS Q4 2024

	Q3 2024	12-Month Forecast
2.9% GDP Growth	4.2%	▼
5.8% Secondary Sector Growth	7.9%	N/Aa
2.0% 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 increased by 0.5 percentage points in Q1 2025 to reach 3.9%, with just 110 pings absorbed by a broadcasting & media industry firm at the Wall Street Technology Headquarters building. In Wende Section, the vacancy rate rose by 1.9 percentage points to 7.4%, primarily due to the relocation of a motorcycle brand's showroom, which added approximately 1,350 pings of vacant space. In Jiuzong Section, the vacancy rate decreased by 1.1 percentage points to 11.7%, with key absorption activity including a fintech company leasing an additional 310 pings at Solomon Technology Corp. Building; and a building materials retailer occupying approximately 115 pings at Farglory Zurich Trading Center.

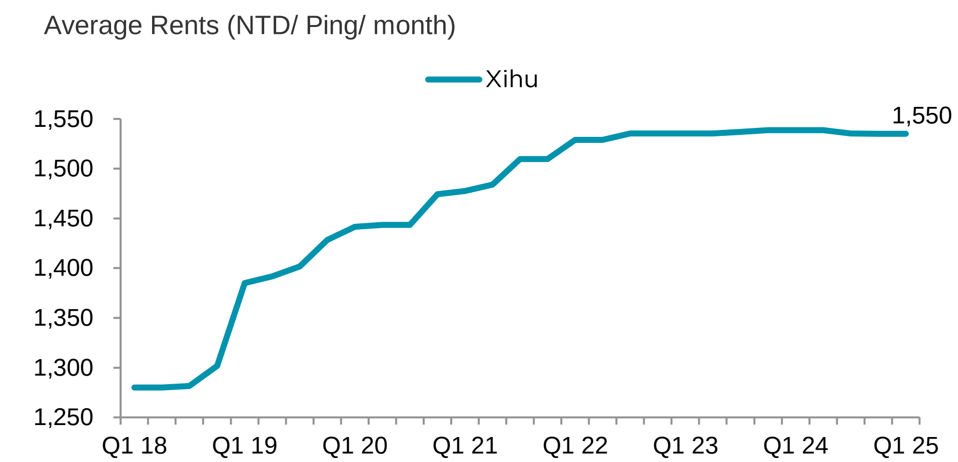
RENTALS HOLD STEADY, CAPITAL VALUES EDGE UP

Rental levels remained stable in Q1, maintaining the levels of the previous quarter. Rent in Xihu Section held steady at NT$1,550 per ping per month, while Wende Section remained at NT$1,100 per ping per month, and Jiuzong Section at NT$1,000 per ping per month. Capital values also remained stable across all sections, with Xihu Section rising slightly to NT$640,000 to NT$900,000 per ping, Wende Section at NT$470,000 to NT$560,000 per ping, and Jiuzong Section at NT$440,000 to NT$540,000 per ping. The most notable transaction in the quarter was Hengstyle's NT$1.056 billion acquisition of eight pre-sale I/O units at the under-construction Kuo Yang Intercontinental Headquarters in Jiuzong Section, with an average price of approximately NT$760,000 per ping.

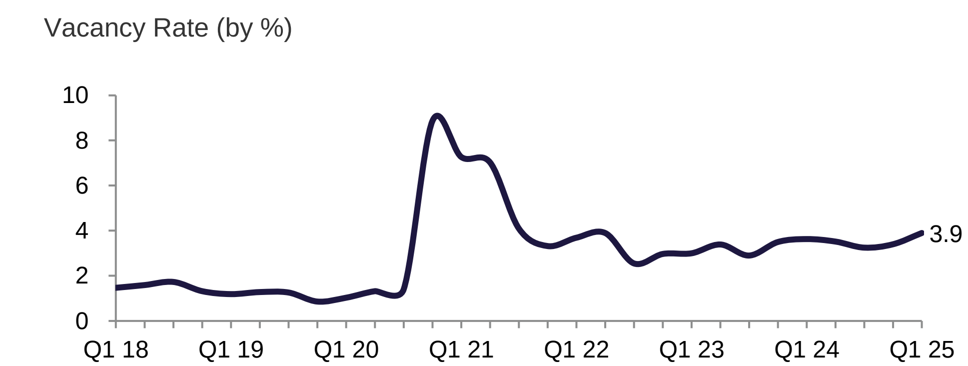
MOST NHTP I/OS NEARING 30 YEARS, FACING REDEVELOPMENT

Most I/O buildings in NHTP were developed around the year 2000, with many building ages now approaching 30 years. In addition to outdated designs that no longer meet many firms' ESG-driven demands for energy efficiency, green facilities, and sustainability certifications, the aging structures also meet the criteria for urban renewal under the Urban Renewal Act. As a result, some tenants have relocated to newly completed I/O buildings, while older buildings are increasingly facing market competition from newer facilities, together with redevelopment pressures.

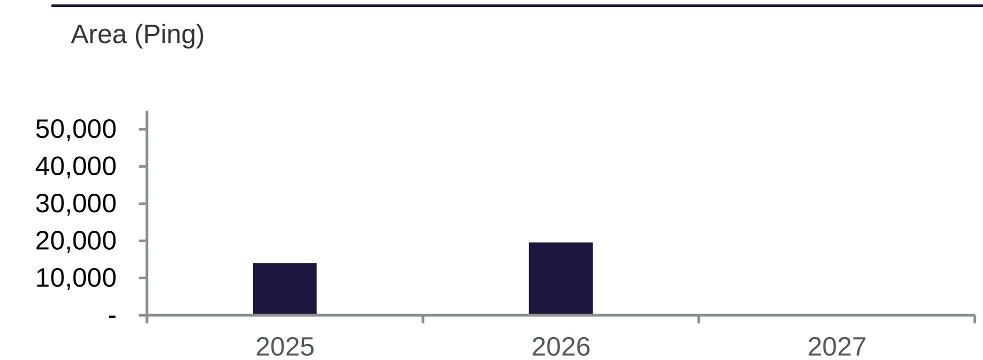
Rent Level in Xihu Section



Vacancy Rate in Xihu Section (%)



Future Supply



RENT LEVELS Q1 2025

	I/O RENT			Q-O-Q CHANGE
	NTD/PING/MO	USD/SF/MO	EUR/SF/MO	
Xihu	1,550	1.32	1.22	0.0%
Wende	1,100	0.94	0.86	0.0%
Jiuzong	1,000	0.85	0.79	0.0%
NHTP AVERAGE	**1,220**	**1.0**	**1.0**	**0.0%**

Area Conversion: 1 Ping=35.58 Square Feet =3.3 Square Meters
Exchange Rate: 1USD = 0.9220EUR = 32.9977NTD (as of Mar 14, 2025)

VACANCY RATE Q1 2025

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Xihu	3.6%	3.5%	3.3%	3.4%	3.9%
Wende	6.1%	6.3%	6.0%	5.5%	7.4%
Jiuzong	12.3%	11.7%	11.4%	12.8%	11.7%
NHTP AVERAGE	**6.1%**	**6.0%**	**5.7%**	**6.0%**	**7.0%**

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SECTION	TENANT INDUSTRIAL CLASSIFICATION	PING	TYPE
Wallstreet Technology Headquarters	Xihu	Broadcasting & Media	110	Relocation
Solomon Technology Corp. Bldg.	Jiuzong	Fintech	310	Expansion
Farglory Swiss Trading Center	Jiuzong	Building Materials Retail	115	New Lease

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MARKETBEAT
TAIPEI
RETAIL Q1 2025

MARKET FUNDAMENTALS

	12-Month Forecast
12,400 Average Rent (NTD/PING/MO)	–
5.7% Vacancy Rate	–

Source: Cushman & Wakefield

ECONOMIC INDICATORS Q4 2024 TAIWAN

	YOY Chg	12-Month Forecast
2.9% GDP Growth	▼	▼
2.0% CPI Growth	▼	▼
2.7% Cumulative Sales of General Merchandise	▲	N/A

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

HOLIDAYS BOOST RETAIL MOMENTUM, BUT GROWTH MODERATES

Sales revenues at general merchandise stores were supported by Lunar New Year purchasing and Valentine's Day promotions in Q1, growing 2.7% y-o-y for the January to February 2025 period. Sales revenues in the same period climbed by 2.1% for department stores, 3.7% for convenience stores, 4.4% for supermarkets, 0.5% for hypermarkets, and 3.6% for other general merchandise retailers. Despite overall retail sales reaching a record high for the period, growth momentum has begun to moderate due to a high base effect combined with a shift in consumer spending toward overseas travel.

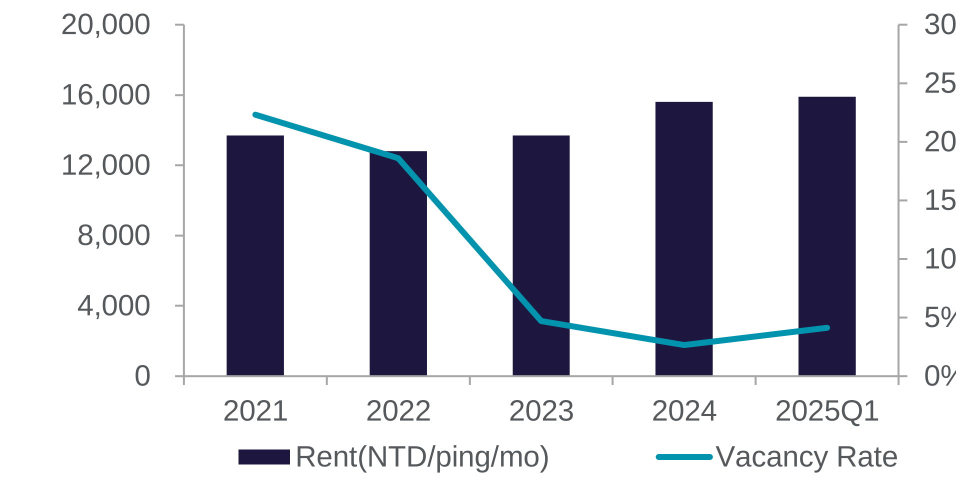
ZHONGXIAO DISTRICT VACANCY DROPS BELOW 10%

The Zhongxiao district vacancy rate declined from 10.06% to 8.94% in Q1, marking the first return to single digits since 2020. The strengthened occupancy is primarily attributed to continued leasing demand for storefronts adjacent to the Taipei Dome, where growing brand presence has stimulated greater commercial activity. In Ximen district, a notable lease transaction at NT$29,700 per ping per month reflected robust market dynamics, although the vacancy rate rose slightly to 4.12% due to tenant refurbishments. The Zhongshan/Nanjing district remained stable, with the vacancy rate standing at a low level of 5.37%.

LALAPORT NANGANG GRAND OPENING DRAWS MARKET ATTENTION

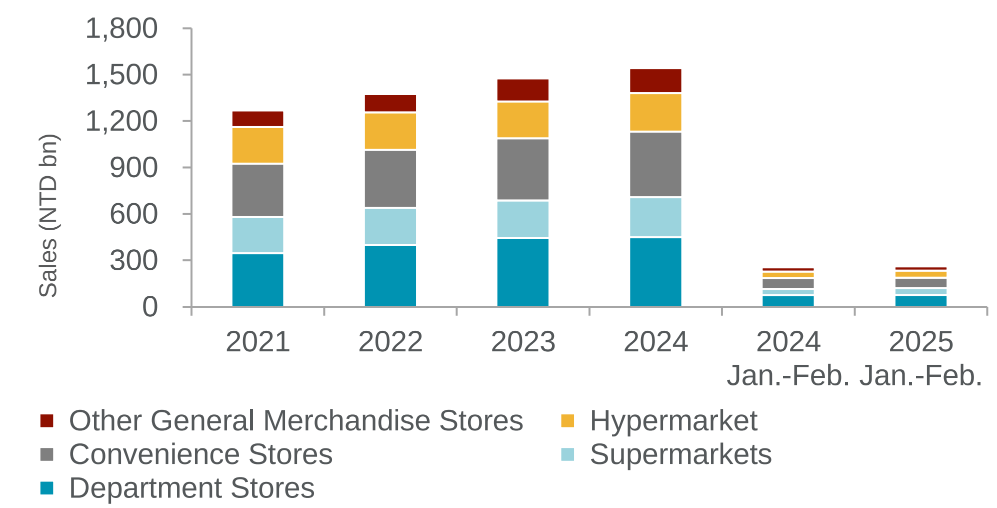
The LaLaport Nangang mall project officially opened on March 20, with a total gross floor area of 47,000 ping. Featuring several brand debuts in Taiwan and generating strong social media appeal, LaLaport Nangang is expected to initially draw consumers from other Taipei retail districts. Overall, retail demand remains solid, with brands actively securing prime locations across retail hubs. Looking ahead, with the full opening of Far Eastern Garden City at Taipei Dome later this year, retail market vitality is expected to further strengthen.

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	8.94%	8,000~11,200	6.8~9.5	6.3~8.8	▬
Zhongshan/Nanjing	5.37%	7,200~12,200	6.1~10.4	5.7~9.6	▬
Ximen	4.12%	9,600~16,000	8.2~13.6	7.5~12.6	▬

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 = 0.9220EUR = 32.9977NTD (as of Mar 14, 2025)

SIGNIFICANT OPENINGS IN Q1 2025

RETAIL HUB	LOCATION	TENENT	SIZE (PING)
Zhongxiao	Sec. 4, Zhongxiao E. Rd.	FamilyMart	75
Zhongxiao	Sec. 4, Zhongxiao E. Rd.	Dead Sea Premier	18
Zhongxiao	Sec. 4, Zhongxiao E. Rd.	Klower Pandor	12
Ximen	Chengdu Rd.	COSMED	54
Ximen	Kunming St.	Xiyufish	16

SIGNIFICANT RETAIL PROJECTS - UNDER CONSTRUCTION/DECORATION

PROJECT	LOCATION	EXPECTED OPENING YEAR	GFA (PING)
Far Eastern Garden City	Xinyi District, Taipei City	2025	42,000
Dream Plaza	Xinyi District, Taipei City	2025	7,500

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MARKETBEAT
TAIWAN
CAPITAL MARKETS Q1 2025

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戴 德 梁 行

MARKET FUNDAMENTALS

	YoY Chg
26.5B YTD Investment Volume (NTD)	10.6%
26.5B Q1 Investment Volume (NTD)	10.6%
29 Q1 Deals	-12.1%

Source: Cushman & Wakefield Research

ECONOMIC INDICATORS

Q4 2024	YOY Chg	12-Month Forecast
2.9% GDP growth	▼	▼
2.0% CPI growth	▼	▼
3.3% Prime Leading Loan Rate	▲	N/A

Source: Ministry of the Interior, Moody's Analytics

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STRONG INDUSTRIAL DEMAND PERSISTS, END-USERS LEAD MARKET

Taiwan commercial real estate transactions totaled NT$26.53 billion in Q1 2025. The largest deal was a judicial auction of the former Chunghwa Picture Tubes, Ltd. factory in Taoyuan City for NT$5.59 billion. Uni-President Enterprises Corp.'s acquisition of the V-Park office building in Neihu District, Taipei City, from Homax Development Corp. was the second-largest deal at NT$4.3 billion. Micron Memory Taiwan Co., Ltd. followed with a NT$3.05 billion purchase of a production facility in Central Taiwan Science Park (Houli) from AUO Crystal Corp. Fueled by global AI advancements, capital expenditure by technology and manufacturing firms continues to grow, driving demand for industrial properties. Market momentum from 2024 has sustained into 2025, with strong interest in corporate HQ upgrades and production capacity expansion. High-spec, ready-to-use factories and office assets remain a key focus for investors.

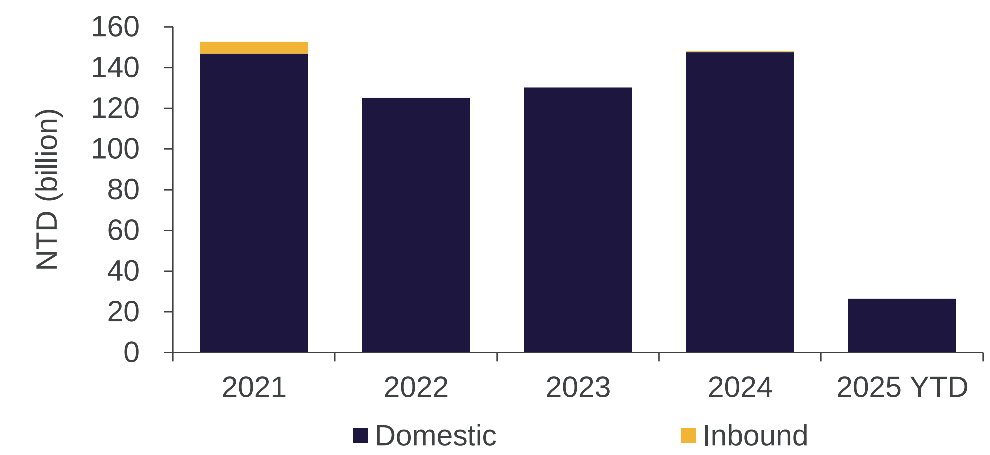
DEVELOPERS TURN CAUTIOUS, TARGET PRIME LAND PARCELS

Land market transactions in Q1 2025 totaled NT$56.1 billion, down 11.9% y-o-y. The largest deal was Farglory Land Development Co., Ltd.'s NT$13.6 billion acquisition of residential land in Gushan District, Kaohsiung City, from Lin Shan Hao Plywood Corp. A private investor acquired commercial land in Xitun District, Taichung City, through a government auction for the second-largest transaction at NT$3.79 billion. The third-largest was JSL Construction & Development Co., Ltd.'s NT$3.6 billion purchase of industrial land in Daliao District, Kaohsiung City, from Sun-Yu Timber Co., Ltd. Following tighter credit controls in Q3 2024, housing transactions have slowed, and limited financing access has made developers more cautious in land acquisitions. However, cash-rich investors and developers continue to target high-quality sites to replenish land banks and sustain future project momentum.

BALANCING OPPORTUNITIES AND RISKS WITH CAUTIOUS PROGRESS

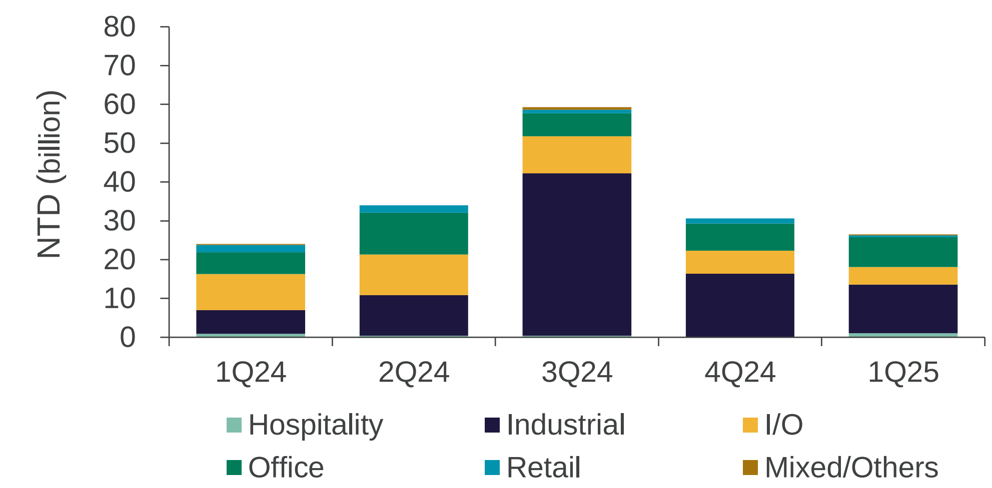
Entering 2025, Taiwan's economy is expected to grow steadily, driven by the booming high-tech sector, in turn providing a solid foundation for real estate investment. However, rising geopolitical risks, rapid shifts in global dynamics, and the resurgence of potential global trade conflicts introduce uncertainties that will test investor strategies.

INVESTMENT VOLUME BY CAPITAL SOURCE



Source: Cushman & Wakefield Research

INVESTMENT VOLUME BY SECTOR

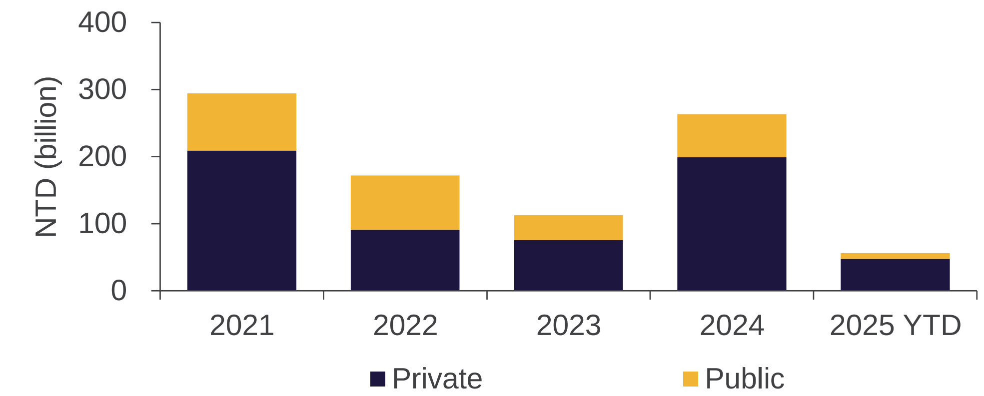


Source: Cushman & Wakefield Research

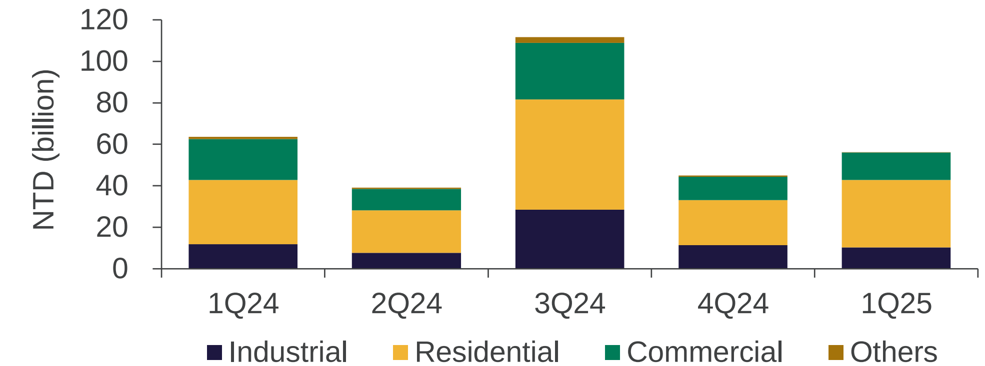
SIGNIFICANT SALES

PROPERTY	LOCATION	SECTOR	PRICE (NTD BN)	VENDOR	PURCHASER	DEAL TYPE
CPTY Factory	Yangmei Dist., Taoyuan City	Industrial	5.59	Court	N/A	Self-used
V-Park Building	Neihu Dist., Taipei City	Office	4.30	Homax Development Corp.	Uni-President Enterprises Corp..	Self-used
Factory in Central Taiwan Science Park at Houli	Houli Dist., Taichung City	Industrial	3.05	AUO Crystal Corp.	Micron Memory Taiwan	Self-used
Kuo Yang Global Innovation and Technology Center	Xindian Dist., New Taipei City	I-O Building	1.90	Wille International Development	ASMedia Technology Inc.	Self-used
Kuo Yang Global Innovation and Technology Center	Xindian Dist., New Taipei City	I-O Building	1.27	Wille International Development	Wendell Industrial Co., Ltd.	Self-used

Land Transactions Volume by Supply Source



Land Transactions Volume by Land Use



Source: Cushman & Wakefield Research

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