

MARKETBEAT

16.0

INVESTMENT VOLUME
(NTD bn)

-43%

VOLUME GROWTH
RATE (QOQ)

21

DEALS

WHAT'S
NEXT

KEY TAKEAWAYS

- In Q3, investment totaled NT\$16.0 billion, led by office and industrial sectors at 45% and 39% of the quarterly consideration, respectively.
- The biggest deal for the year to date was the NT\$6.4 billion acquisition of the Global One by Synnex Technology, Winbond Electronics and others, accounting for over 40% of volume for the quarter.
- Amid the absence of big-ticket deals in Q4, investment may stay flat through the end of the year.
- Investment in the land sector for the year to date has amounted to NT\$ 231.8 billion, already setting a new record high.

MARKET OVERVIEW

The biggest deal for the year to date was buoyed by the strong demand for owner-occupied HQ space. Over 40% of the quarter's investment stemmed from the NT\$6.4 billion sale of the 15-floor office space at the Global One in Nankang, acquired by Synnex Technology, its affiliate Winbond Electronics, Mei An Cultural Foundation, and Y. S. Educational Foundation.

The transaction for the decentrally-located project was at an average unit price of NT\$ 1 million per ping, reflecting the built-to-suit commitment and the right to name the office building. The lack of tradeable office assets in Central Taipei and solid demand for owner-occupied office properties were expected to drive office demand and push up prices in decentralized areas in Taipei City.

Meanwhile, the industrial sector also claimed a strong share of quarterly investment volume at 39%, closely following the 45% share of the office sector. Increasing manufacturing activities and rising demand for e-commerce logistics kept the momentum rolling for industrial properties.

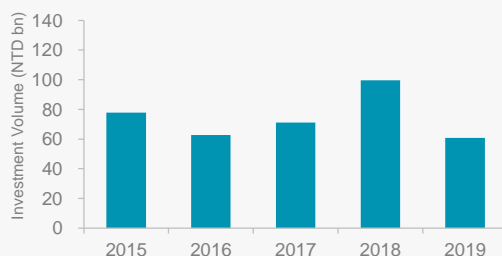
Notable deals included Millerful No.1 REIT's NT\$2.5 billion sale-leaseback acquisition of DSV Logistics Center in Guanyin; and several other transactions of factories located in Taoyuan and Taichung for less than NT\$1 billion for each deal.

ECONOMIC INDICATORS

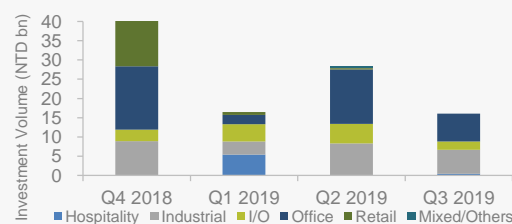
	Q1 2019	Q2 2019	2019–2020 Forecast
GDP Growth	1.8%	2.4%	▼
CPI Growth	0.3%	0.8%	▲
Prime Leading Loan Rate	2.63%	2.64%	N/A

Source: Ministry of the Interior | Note: Growth figure is y-o-y growth

INVESTMENT VOLUME



Source: Cushman & Wakefield Research

INVESTMENT VOLUME
BY SECTOR

Source: Cushman & Wakefield Research

With NT\$88.1 billion recorded in Q3, a total of NT\$231.8 billion worth of land parcels have been purchased in the past three quarters, already setting a new record high for annual consideration. Notably, the most significant deal was the bid on Living Mall in Taipei, won by Ding-Yue Development for NT\$37.2 billion, the highest price recorded for an individual property transaction. Other than this deal, developers continued to drive land sales in residential areas in Taichung and New Taipei City, and showed interest in parcels slated for office building development in Beitou Shilin Technology Park.

OUTLOOK

Land sales, already setting a new record high for annual consideration, are projected to close this year at a value more than NT\$250 billion. While for other sectors, amid the absence of big-ticket deals in the pipeline, investment may stay flat through the end of the year. As manufacturing production continue to expand and there are still very few office buildings available for transaction, industrial and office assets will remain as prized assets in Q4.

INVESTMENT VOLUME BY SECTOR, Q3 2019

SECTOR	DEALS	NTD (BN)	CHANGE (Q-O-Q)
Office	3	7.2	-49%
Retail	0	0.0	-100%
I/O	6	2.1	-58%
Industrial	11	6.3	-25%
Hospitality	1	0.4	100%
Mixed/Others	0	0.0	-100%
OVERALL	21	16.0	-43%

SIGNIFICANT INVESTMENT TRANSACTIONS, Q3 2019

PROPERTY	PURCHASER	LOCATION	SECTOR	PRICE (NTD BN)
The Global One	Synnex Technology, Winbond Electronics, Mei An Cultural Foundation and Y. S. Educational Foundation	Nankang, Taipei City	Office	6.4
DSV Logistics Center in Guanyin	Millerful No.1	Guanyin, Taoyuan City	Industrial	2.5
Factory in Central Taiwan Science Park	Siliconware Precision Industries	Daya, Taichung City	Industrial	0.7
Factory in Luzhu, Taoyuan	Tai Tung Communication	Luzhu, Taoyuan City	Industrial	0.6
Union House Lukang	Millerful No.1	Lukang, Changhua County	hotel	0.4

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Research Publication

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