

XIHU SECTION

12-Mo.
Forecast**1,440**

Average Rent (NTD/PING/MO)

0.9%

Rent Growth Rate (QOQ)

1.0%

Vacancy Rate

Source: Cushman & Wakefield Research

TAIPEI ECONOMIC INDICATORS
Q4 2019**3.3%**

GDP Growth

Q3
2019**3.0%**12-Mo.
Forecast**1.8%**Secondary Sector
Growth**1.6%**

N/A

0.7%

CPI Growth

0.4%Source: Directorate-General of Budget,
Accounting and Statistics, Oxford Economics
Note: Growth figure is y-o-y growth

Vacancy Rate in Jiuzong Continues to Edge Down

No new I/O supply was added in Neihsu Technology Park (NHTP) in Q1. With move-ins and move-outs offsetting each other, Xihu Section's vacancy rate edged up just 0.1 percentage points q-o-q to 1.0%. In Wende Section the vacancy rate was 5.4%. Take-up in Wende included a printing industry firm taking a lease of approximately 190 pings at the Sweden Technology Center, and CakeResume taking approximately 120 pings at the Century Kuobao Building. In Jiuzong Section the vacancy rate edged down again, at 0.3 percentage points q-o-q to 15.5%. Diageo Taiwan Inc. took a lease of approximately 410 pings.

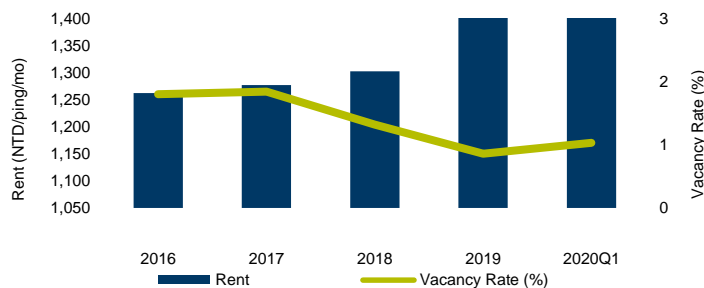
Rent Holds Firm in Wende and Jiuzong

In Q1 average monthly rental in Xihu Section rose 0.9% q-o-q to NT\$1,440 per ping per month. Rental levels in Jiuzong and Wende remain steady at NT\$1,000 and NT\$940 per ping per month respectively. In capital values, there was a large transaction of NT\$330 million in the Oxford Building in Wende section by Hwanan Asset Management in Q1. Capital values in each Section have also remained steady: Xihu at NT\$560,000-680,000, Wende at NT\$420,000-480,000, and Jiuzong at NT\$400,000-450,000 per ping.

Rent Rises in Xihu Driven by Expected New Supply

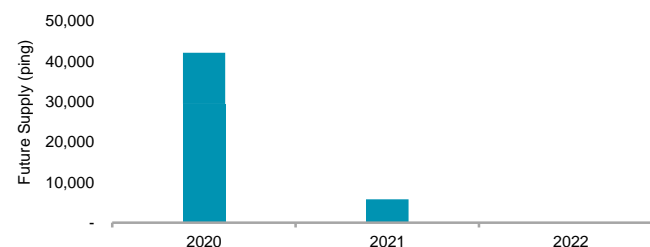
New project Hong Hui Rui Guan Plaza in Xihu section is expected to be certificated with a usage license in Q2 2020. This is anticipated to attract corporations with headquarters spaces to relocate, and the rental level is expected to rise. In Wende Section take-up was stable and the rental level remained firm. In Jiuzong the vacancy rate is expected to edge up in response to new supply comprising 12,700 pings of new industrial office space scheduled for 2020. With little new industrial space available in Wende and Xihu, corporations are now looking beyond just NHTP and venturing into Nangang, which is expected to become an emerging I/O destination.

RENT & VACANCY RATE (XIHU SECTION)



Source: Cushman & Wakefield Research

FUTURE SUPPLY



Source: Cushman & Wakefield Research



SECTION	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (PING)	I/O RENT		
			NTD/PING/MO	USD/SF/MO	EUR/SF/MO
Xihu	1.0%	29,500	1,440	US\$1.35	€ 1.22
Wende	5.4%	-	1,000	US\$0.94	€ 0.84
Jiuzong	15.5%	18,500	940	US\$0.88	€ 0.79

1 USD = 29.8721TWD; 1 EUR = 33.2967TWD as of March 3, 2020

KEY LEASING TRANSACTIONS Q1 2020

PROPERTY	SECTION	TENANT INDUSTRIAL CLASSIFICATION	PING	LEASE TYPE
Sweden Technology Center	Wende	Printing Industry	190	Expansion
Century Guobao Building	Wende	TMT	120	Relocation
Gen Ding Jiuzong Building	Jiuzong	Wholesale Industry	410	Expansion

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SECTION	MAJOR TENANT	PING	COMPLETION DATE
Hong Hui Rui Guan Plaza	Xihu	-	29,500	2020
Shanyuan Chuangke Building	Jiuzong	-	5,300	2020
Lianhong Technology Building	Jiuzong	-	4,100	2020
Fulin Twin Stars	Jiuzong	-	3,300	2020
Chonghong New Generation	Jiuzong	-	5,800	2021

Wendy Hsueh

Director, Valuation & Advisory Services |
Research, Taiwan
6/F, Capital Square,
101 Song Ren Road, Xin Yi District, Taipei 110, Taiwan
Tel: +886 2 8788 3288 / wendy.hj.hsueh@cushwake.com

cushmanwakefield.com

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