

12- Mo. Forecast

12,600
Average Rent (NTD/PING/MO)



0%
Rental Growth Rate (QOQ)



9.2%
Vacancy Rate



Source: Cushman & Wakefield ((Figures are growth rates as of Q3 2020)

TAIWAN ECONOMICS INDICATORS Q2 2020

-0.6%
GDP Growth

YoY Chg



12-Mo Forecast



-1.0%
CPI Growth



0.8%
Cumulative Sales of General Merchandise



N/A

Source: Directorate-General of Budget, Accounting and Statistics

Voucher Scheme and Retail Promotions Drive Rebound in Retail Sales

Government efforts to reinvigorate the economy with voucher schemes have been supported by retailers' own promotions to encourage spending. General merchandise sales for the January-August period grew by 0.8% y-o-y. Consumer traffic is gradually recovering from the impact of the pandemic, with a great variety of sales promotions from department stores narrowing the y-o-y deficit in customer footfall to 5% in Q3. Supermarkets, wholesalers, and convenience stores, on the other hand, enjoyed revenue growth of 12.3%, 10.1% and 9.0%, respectively. Other retail sales were boosted by duty-free shopping from domestic tourism to outlying islands, but this only partially mitigated the revenue losses coming from global travel restrictions, with sales sliding 29.3% y-o-y in the quarter.

Xinzhuang Welcomes Its First Large-Scale Mall

Vacancies at Taipei Main Station Retail Hub spiked by 3%, with a few retail and restaurant closures, while other retail hubs witnessed only slight changes. Beleaguered souvenir storeowners were replaced by fashion retailers and F&B owners in Ximen, where domestic shopping helped rein in the impact of absent tourists, vacancy edging up just 0.2%. The vacancy rate rose 1.4% in Zhongxiao and dropped 0.8% in Zhongshan/Nanjing, with few stores undergoing renovation. Xinzhuang welcomed its first major shopping mall, Honhui Plaza, serving the Xinzhuang, Sanchong, Luzhou, Wugu and Taishan areas. With 30,000 ping of retail space, the complex includes a virtual reality amusement park area and a Japan-themed live music venue, Zepp New Taipei, aiming to attract and retain domestic spending.

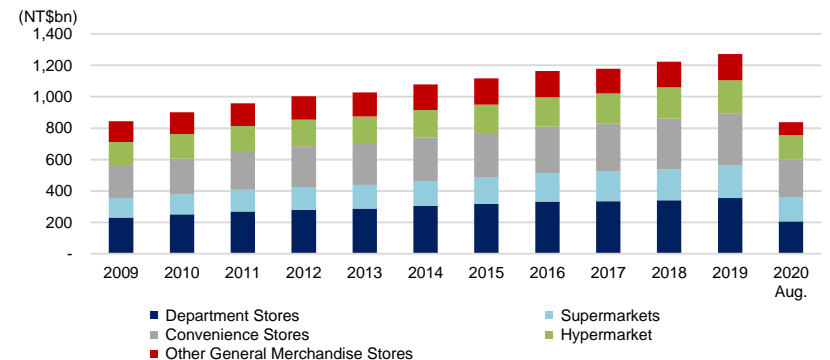
Department Store Annual Sales Expect to Meet Pent-Up Shopping Demand

The COVID-19 outbreak disrupted retail sales performance for department stores and malls in the first half of the year. However, with the impact of the pandemic now ebbing, retailers are expecting a "revenge shopping" spree in the coming annual sales period, helping to offset the losses experienced in the previous two quarters.

RENT / VACANCY RATE IN XIMEN



CUMULATIVE SALES OF GENERAL MERCHANDISE FROM JAN TO AUG (NT \$ bn)



PRIMARY RETAIL VACANCY AND AVERAGE RENTS IN Q3 2020

RETAIL HUB	VACANCY RATE	RETAIL RANGE (NTD/PING/MO)	RENTAL RANGE (USD/SF/MO)	12-MONTH OUTLOOK
Zhongxiao	13.7%	8,000~15,000	7.6~14.3	▼
Taipei Main Station	9.4%	9,000~11,500	8.6~11.0	▼
Zhongshan/Nanjing	3.3%	7,000~12,000	6.7~11.5	▼
Ximen	9.0%	17,000~20,000	16.2~19.1	▼

Note: Only storefronts 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 =29.4311 NTD as of August 24, 2020

SIGNIFICANT OPENING IN Q3 2020

RETAIL HUB	LOCATION	TENANT	SIZE (Ping)
Zhongxiao	Section 4, Zhongxiao East Road	Bonage	20
Ximen	Kunming Street	Znd STREET	70
Zhongshan/Nanjing	Section 2, Zhongshan North Road	IROO	30
Taipei Main Station	Section 4, Zhongxiao West Road	7-11	50
Taipei Main Station	Section 1, Kaifeng Street	GossipBite	30

SIGNIFICANT RETAIL PROJECTS - UNDER CONSTRUCTION/DECORATION

PROJECT	LOCATION	EXPECTED COMPLETION	GFA (Ping)
Mitsui Shopping Park LaLaport (Nangang)	Nangang District, Taipei City	2021	61,900
Yulong Town	Xindian District, New Taipei City	2022	-

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