

12- Mo. Forecast

**12,900**  
Average Rent (NTD/PING/MO)



**-\***  
Rental Growth Rate (QOQ)



**9.1%**  
Vacancy Rate



Source: Cushman & Wakefield  
\*The rental growth rate is temporarily incalculable due to the extent of shifts within retail hubs.

### TAIWAN ECONOMICS INDICATORS Q3 2020

**+3.9%**  
GDP Growth



**-0.5%**  
CPI Growth



**1.5%**  
Cumulative Sales of General Merchandise



Source: Directorate-General of Budget, Accounting and Statistics

### Annual Sales Period and Double Eleven Festival Drive Footfall

Retail performance improved notably in Q4, with sales and shopping festival activities helping to drive consumer traffic during the annual promotion season. General merchandise sales for the January to November period grew by 1.5% y-o-y. Malls have partially recovered from the blow of COVID-19 border closures, seeing growing domestic demand for luxury goods and cosmetics, and hence annual turnover dropped relatively softly, down 0.8% y-o-y. Supermarkets and convenience stores, on the other hand, enjoyed annual revenue growth of 10.9% and 8.9% respectively, boosted by promotion events and new store development. Hypermarkets enjoyed growth of 9.1% y-o-y, gaining from e-commerce. However, other general retail sales have still been impacted heavily by pandemic-related restrictions and loss of international travellers, falling 29.3% y-o-y.

### Zhongshan / Nanjing Retail Hub Maintains Appeal With Younger Demographic

The Zhongshan / Nanjing retail hub continued a robust performance in Q4, proving resilient to market headwinds and welcoming several new F&B and seeing store renovation. The vacancy rate dropped gently, 0.6 pp q-o-q, to record 2.6%. The area's mix of cultural and creative stores, F&B outlets, bazaars and art events, coupled with the open space afforded by Linear Park, has proven successful with the important younger shopper demographic. Ximen has suffered from the curtailment of international tourism, with falling sales prompting move-outs by cosmetics and sports stores. Vacancy in the district rose 1.3 pp q-o-q to reach 10.3%. In Zhongxiao the market maintained the status quo, vacancy falling slightly, 2 pp q-o-q, to 11.8%, as a few discount stores moved in to occupy space vacated by jewelry and watch shops.

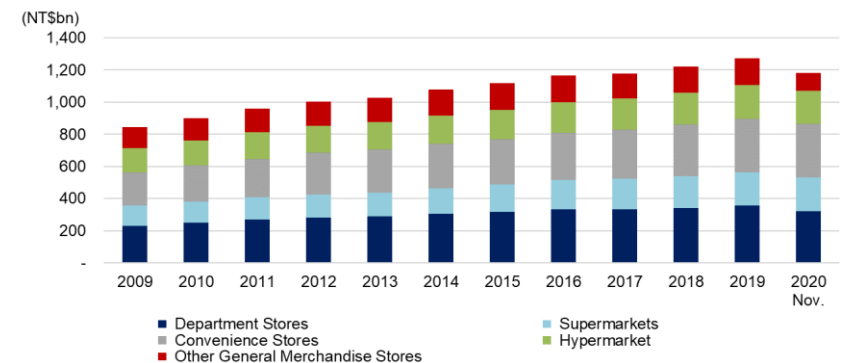
### Market Pivot to Domestic Demand

Many operators in the major retail hubs have been forced to fundamentally review their business strategies as a result of the impact of the pandemic, shifting to predominantly target and service the local customer base and domestic-driven demand. In Ximen the disruption is particularly visible, with the former tenant mix of tourist-reliant cosmetics and souvenir stores undergoing radical change.

### RENT / VACANCY RATE IN XIMEN



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





## PRIMARY RETAIL VACANCY AND AVERAGE RENTS IN Q4 2020

RETAIL HUB	VACANCY RATE	RETAIL RANGE (NTD/PING/MO)	RENTAL RANGE (USD/SF/MO)	12-MONTH OUTLOOK
Zhongxiao	11.8%	8,000~15,000	7.9~14.8	▼
Zhongshan/Nanjing	2.6%	7,000~12,000	6.9~11.8	▼
Ximen	10.3%	16,000~19,000	15.8~18.8	▼

Note: 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 = 28.4780 NTD as of November 25, 2020

## SIGNIFICANT OPENINGS IN Q4 2020

RETAIL HUB	LOCATION	TENANT	SIZE (Ping)
Ximen	Chengdu Rd.	Xiaonanmen	30*
Zhongshan/Nanjing	Nanjing W. Rd.	New Jeju Korean style tofu pot	107
Zhongshan/Nanjing	Sec. 1, Zhongshan N. Rd.	Sancoffee	123
Zhongxiao	Sec. 4, Zhongxiao E. Rd.	Gontran Cherrier Bakery	62
Zhongxiao	Sec. 4, Zhongxiao E. Rd.	Bonage Paris	30

\* Rent with Bootien

## 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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