

XIHU SECTION

12-Mo. Forecast

1,480
Average Rent (NTD/PING/MO) ▲

0.2%
Rent Growth Rate (QQQ) ▲

7.3%
Vacancy Rate ▼

Source: Cushman & Wakefield Research

Vacancy Falling in Jiuzhong Section

With financial, IT software and leasing industry firms moving into the Honhui Sparkle Square project, the vacancy rate in Xihu Section dropped down 1.6 percentage points q-o-q to 7.3%. In Wende Section the vacancy rate was 6.8%, with F&B operators' expansion of 300 pings in the Sweden Technology Center and ICT industry's take-up of 650 pings in Asia Plaza. In Jiuzhong Section a 990-ping space taken at Gending Juizjing Building helped the vacancy rate fall 0.8 percentage points q-o-q to 14.6%.

Transactions Over NT100 Million Boom

Rental levels in Xihu Section grew 0.2% q-o-q to average NT\$1,480 per ping per month. Rents in Wende and Jiuzhong Sections remained stable at NT\$1,000 and NT\$940 per ping per month. Notable transactions included First Life Insurance's acquisition of 380 pings on the 12th floor of the Chonghong Crystal Diamond Technology Building in Xihu Section for NT\$226 million. Hotai Finance Corporation acquired 1,200 pings of space in Lianhong Technology Building for NT\$720 million. Capital values in each section also remained steady: Xihu at NT\$560,000-680,000 per ping, Wende at NT\$420,000-480,000, and Jiuzhong at NT\$400,000-450,000.

New Tenants at Xihu Section Drive Vacancy Down

With the release of Honhui Sparkle Square into the I/O market in Q4 2020 tenants rapidly started to move in, and the vacancy rate is now expected to drop in Xihu Section. In Wende Section take-up was stable and the rental level is expected to remain flat. In Jiuzhong Section, where it is easier to find a whole I/O building and with prices better meeting buyers' budgets, more firms are considering establishing headquarters. However, 18,600 pings of new supply is expected to be released into the I/O market this year. Jiuzong Section may face take-up pressure and the rental level is expected to remain steady in 2021.

TAIWAN ECONOMIC INDICATORS Q4 2020

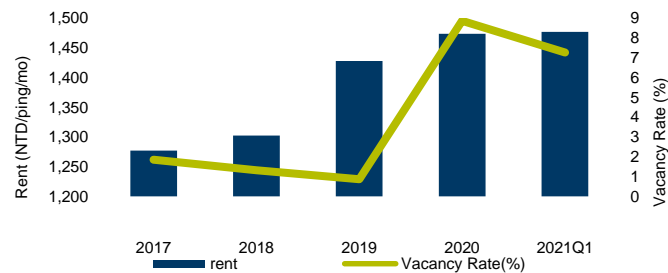
	Q3 2020	12-Mo. Forecast
5.1%	4.3%	▲
GDP Growth		

8.3%	5.8%	N/A
Secondary Sector Growth		

0.0%	-0.5%	▲
CPI Growth		

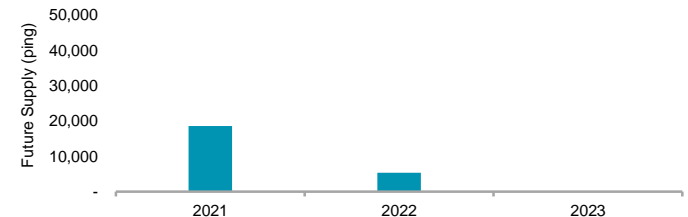
Source: Directorate-General of Budget, Accounting and Statistics
Note: Growth figure is y-o-y growth

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	7.3%	-	-	1,480	US\$1.47	€ 1.24
Wende	6.8%	-	-	1,000	US\$0.99	€ 0.84
Jiuzong	14.6%	23,900	-	940	US\$0.93	€ 0.79

1 USD = 28.2715TWD; 1 EUR = 33.6367TWD as of Mar. 10, 2021

KEY LEASING TRANSACTIONS Q1 2021

PROPERTY	SECTION	TENANT INDUSTRIAL CLASSIFICATION	PING	LEASE TYPE
Honhui Sparkle Square, Building A	Xihu	Financial industry	1,300	Relocation
Honhui Sparkle Square, Building A	Xihu	IT software industry	900	Relocation
Honhui Sparkle Square, Building A	Xihu	Leasing industry	1,700	Expansion
Sweden Technology Center	Wende	F&B	300	Expansion
Asia Plaza, Building C	Wende	Information and Communications Technology	650	Relocation
Gending Juizhong Building	Jiuzong	Information and Communications Technology	990	Expansion

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SECTION	MAJOR TENANT	PING	COMPLETION DATE
Chonghong New Generation	Jiuzong	-	5,800	2021
Shanyuan Chuangke Building	Jiuzong	-	5,300	2021
Lianhong Technology Building	Jiuzong	-	4,100	2021
Fuqing Xingshan Enterprise Building	Jiuzong	-	3,400	2021
CMP Building	Jiuzong	-	5,300	2022

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