

**2,610**  
Average Rent (NTD/PING/MO)

12-Mo.  
Forecast

**0.4%**  
Rental Growth Rate (QOQ)

**3.8%**  
Vacancy Rate

Source: Cushman & Wakefield Research

## TAIWAN ECONOMIC INDICATORS Q4 2020

**5.1%**  
GDP Growth

Q3  
2020 **4.3%** ▲  
12-Mo.  
Forecast

**2.8%**  
Service Sector  
GDP Growth

**2.3%** N/A

**0.0%**  
CPI Growth

**-0.5%** ▲

**3.8%**  
Unemployment Rate  
(December)

**3.8%** N/A

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

## Overall Vacancy Marks Ten-Year Low

There were 16,200 pings of new Grade A office added to the supply in Q1 2021, coming from the China Life Headquarters in the Dunbei/Minsheng area for China Development Financial's self-use. The office market's overall vacancy rate dropped 0.7 percentage points q-o-q to 3.8%, marking a ten-year low. In terms of submarket vacancy rate variance, compared with the prior quarter, Dunnan saw the biggest change of a 5 pp drop q-o-q, chiefly due to leasing supply suspended from Dunnan Financial Building while its urban renewal plan was confirmed. Nanjing/Songjiang's variance ranked second, with a rise of 1.1 pp q-o-q as some financial industry tenants relocated to other areas. Vacancy rates in the remaining submarkets remained mostly unchanged.

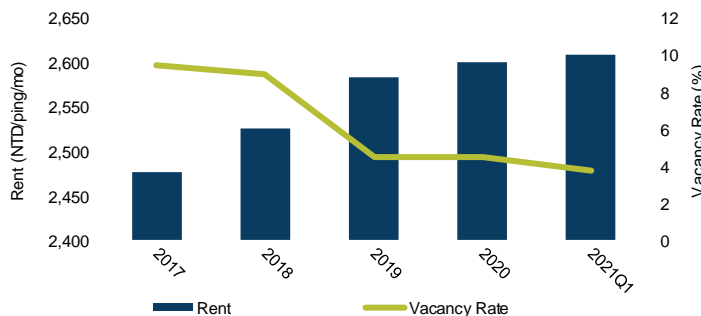
## Average Rent Remains Steady

Average rent for Grade A office space rose 0.4% in Q1 at NT\$2,610 per ping per month. Xinyi led the way with NT\$3,210 per ping per month, followed by Dunnan at NT\$2,420 per ping per month. Average rent levels have remained high, yet with the lack of new supply, further rental growth is limited for the short-term.

## Leasing Activity Continues to be Moderate

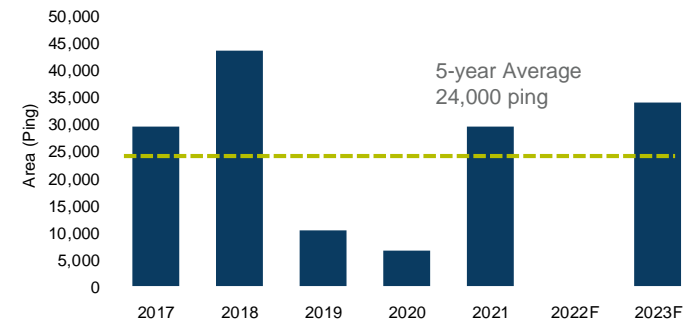
The COVID-19 pandemic remains active, and the global economic environment still faces challenges. Most international firms, especially in technology and fin-tech sectors have been conservative and are extending their evaluation period for new leasing plans. In addition, due to the scarcity of leasable area, it is expected that leasing activities will continue to be subdued in 2021. We expect large-scale relocation or expansion activities to be scarce in the short-term. On the other hand, companies have made good use of flexible working spaces to cope with economic changes and demand for remote backup office facilities, resulting in stable demand for co-working spaces.

## RENT & VACANCY RATE



Source: Cushman & Wakefield Research

## SUPPLY PIPELINE



Source: Cushman & Wakefield Research

SUBMARKET	INVENTORY (ping)	VACANCY RATE	PLANNED & UNDER CONSTRUCTION (Ping)	NTD/Ping/MO	GRADE A RENT	
					US\$/SF/MO	EUR/SF/MO
Western	46,800	10.4%	0	2,200	US\$2.19	€ 1.84
Nanjing/Songjiang	36,600	3.1%	4,600	2,030	US\$2.02	€ 1.70
Dunbei/Minsheng	223,700	5.3%	8,700	2,360	US\$2.35	€ 1.97
Dunnan	95,100	0.9%	0	2,420	US\$2.41	€ 2.02
Xinyi	343,800	2.7%	0	3,210	US\$3.19	€ 2.68
Taipei City	746,000	3.8%	13,300	2,610	US\$2.59	€ 2.18

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

## KEY LEASING TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	PING	LEASE TYPE
Union Jiajia Building	Nanjing/Songjiang	Daiichi Sankyo	560	Relocation
Union Jiajia Building	Nanjing/Songjiang	Dairen Chemical Corporation	560	Expanded Lease
Hung Kuo Building	Dunbei/Minsheng	Taiwan Ratings	350	Expanded Lease
Uni-President International Building	Xinyi	Garena	340	Expanded Lease

## SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	PING	COMPLETION DATE
Hope Square	Nanjing/Songjiang	Panasonic	4,600	2021
E.SUN Second Headquarters	Dunbei/Minsheng	E.SUN Financial	8,700	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](http://cushmanwakefield.com)

### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and 60 countries. Across Greater China, 22 offices are servicing the local market. The company won four of the top awards in the Euromoney Survey 2017, 2018 and 2020 in the categories of Overall, Agency Letting/Sales, Valuation and Research in China. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.