

TAIWAN

Capital Markets Q2 2021



74.0B
YTD Investment Volume (NTD) **+174%** YoY Chg

27.6B
Q2 Investment Volume (NTD) **+97%** YoY Chg

38
Q2 Deals **+58%** YoY Chg

ECONOMIC INDICATORS Q1 2021

+8.9%
GDP growth (annualized) **▲** YoY Chg **▲** 12-Mo. Forecast

0.8%
CPI growth **▲** YoY Chg **▲** 12-Mo. Forecast

2.4%
Prime Leading Loan Rate **▼** YoY Chg **N/A** 12-Mo. Forecast

Source: Ministry of the Interior, Moody's Analytics

Transactions Focus on Industrial Properties, Neihu District Draws Attention

Total consideration was at NT\$27.6 billion in Q2, down 40.4% q-o-q but growing 96.6% y-o-y. Local buyers dominated the market, with demand from owner-occupiers accounting for 75.5% of the total. The three biggest deals in Q2 were all industrial offices, with the biggest being Media Tek's acquisition of Far EastOne Neihu Building for NT\$3.3 billion, planning for a future R&D base. The second deal was Adata Technology's purchase of Chonghong Cloud Technology Building at Tanmei St, Neihu District, for NT\$2.6 billion; and the third was ASE Group's acquisition of the K25 Industrial Building in Kaohsiung for NT\$2.3 billion. These transactions represented 29.4% of total investment volume in Q2, marking stable demand from the TMT sector for industrial properties. Transactions in the quarter concentrated on industrial offices and factories, accounting for 76.0% for NT\$21.0 billion, of which NT\$8.0 billion was in Neihu District.

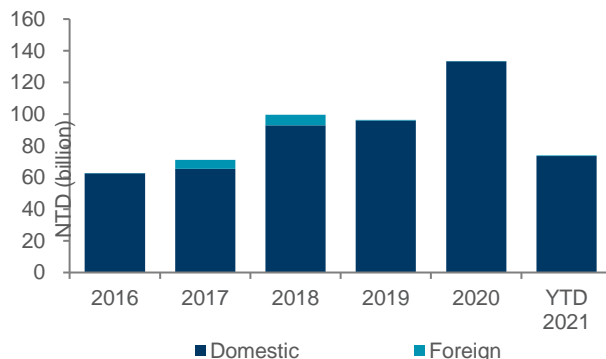
Lands Sale Activity Continues

Total consideration for the land market in Q2 was at NT\$66.9 billion, up 35.5% q-o-q, with commercial land parcels accounting for 53.0%. Notable deals included Highwealth Construction's acquisition of a commercial land parcel in Xinzhuang Fuduxin for NT\$8.5 billion. An individual buyer bid for a land parcel zoned as cultural and commercial for NT\$7.2 billion in Shuinan Trade and Economic Park, while Dali Construction and Delpha Construction bid for two commercial land parcels near HSR Taichung Station for NT\$4.4 billion and NT\$3.9 billion, respectively. Land auctions in Taichung City drew much attention as developers moved into new developing areas in the city.

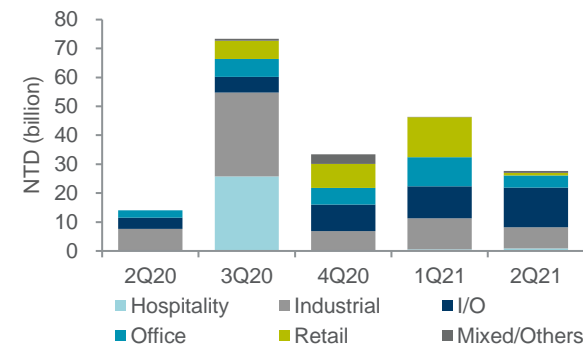
Land Sales Still Booming Despite Pandemic Alert Escalation

Developers have continued searching for land parcels despite the new Level 3 pandemic alert. The hotel sector has been most impacted, yet hotels with full property rights and qualified for reconstruction status were still attractive for potential buyers in light of the benefits for developers of reconstruction and re-use. With the stay-at-home economy now booming, supply chains of related industries have also benefited, driving new demand for warehouse and logistics facilities and data centers.

INVESTMENT VOLUME BY CAPITAL SOURCE



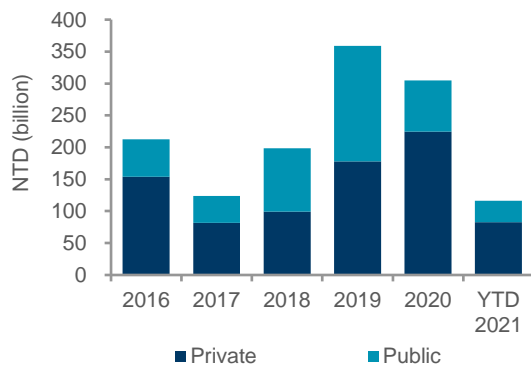
INVESTMENT VOLUME BY SECTOR



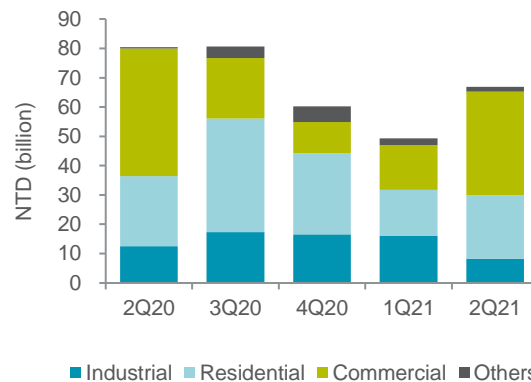
KEY SALE TRANSACTIONS

PROPERTY	LOCATION	SECTOR	PRICE (NTD BN)	VENDOR	PURCHASER	DEAL TYPE
Far EasTone Neihu Building	Neihu Dist., Taipei City	I-O Building	3.3	New Century Infocomm Tech	MediaTek	Self-use
Chonghong Cloud Technology Building	Neihu Dist., Taipei City	I-O Building	2.6	Chonghong Construction	Adata Technology	Self-use
K25 Industrial Building	Nanzi Dist., Kaohsiung City	I-O Building	2.3	ASE HCC	ASE Group	Self-use
United Technology Center	Xizhi Dist., NewTaipei City	I-O Building	1.6	Founding Construction	Weiyi Corp.	Investment

Land Transactions Volume by Supply Source



Land Transactions Volume by Land Use



Wendy Hsueh

Director, Valuation & Advisory Services |

Research, Taiwan

+886 2 8788 3288/wendy.hj.hsueh@cushwake.com

Eagle Lai

Director

Head of Capital Markets, Taiwan

+886 2 8788 3288/eagle.yi.lai@cushwake.com

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