

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

12-Mo.  
Forecast

**0.0%**  
Rental Growth Rate (QOQ)

**3.4%**  
Vacancy Rate

Source: Cushman & Wakefield Research

### Overall Vacancy Remains Low

The office market's overall vacancy rate dropped 0.4 percentage points q-o-q to 3.4%, marking a ten-year low again following the market momentum from Q1. Among submarkets, as the Taiwan Life Insurance Zhongshan Building in Western experienced large take-up of around 1,890 pings, Western saw the biggest vacancy drop of 4.7 percentage points, down to 5.7%. Movement in other submarkets remained limited. Although the COVID-19 situation worsened to the Level 3 alert at mid-May, most corporations have responded with measures such as split-site office, office work in shifts, or work from home, and indicators of tenancy surrenders have not yet been observed.

### Average Rent Remains Stable

With demand steady, average Grade A rents also remained stable at NT\$2,610 per ping per month. Xinyi submarket led the way at NT\$3,210 per ping per month, followed by Dunnan at NT\$2,420 per ping per month. The escalating pandemic situation has weighed on companies' relocation plans. Most leasing activities in the period have been lease renewals with stable rental level.

### Pandemic Continues to Constrain Decision Making

As pandemic control measures continued worldwide and Taiwan's own COVID-19 alert level was raised in Q2, companies have adjusted operating strategies and extended their evaluation and observation periods regarding relocation plans. Significant impact has yet not been observed among Grade A office demand, but we can expect overall rental growth to weaken in the short-term.

### TAIWAN ECONOMIC INDICATORS Q1 2021

**8.9%**  
GDP Growth

Q4 2020: **5.2%**

12-Mo. Forecast: **5.2%**

**5.8%**  
Service Sector GDP Growth

Q4 2020: **2.8%**

12-Mo. Forecast: **N/A**

**0.8%**  
CPI Growth

Q4 2020: **0.0%**

12-Mo. Forecast: **0.0%**

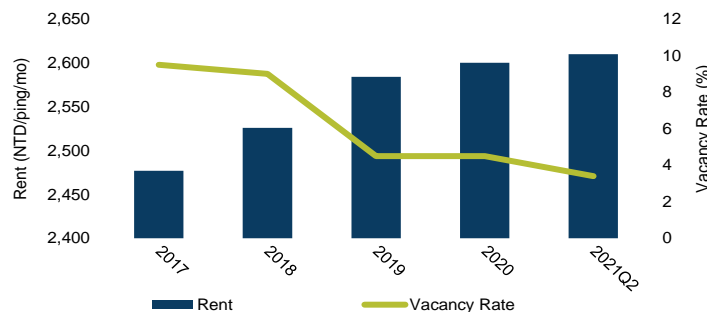
**3.7%**  
Unemployment Rate (March)

Q4 2020: **3.8%**

12-Mo. Forecast: **N/A**

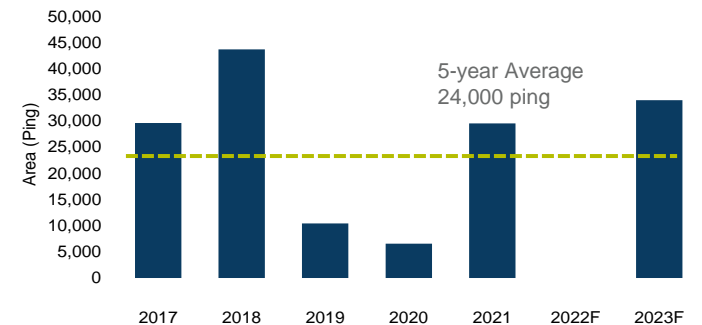
Source: Ministry of the Interior, Moody's Analytics  
Note: Growth figure is y-o-y growth

### 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	5.7%	0	2,200	US\$2.23	€ 1.83
Nanjing/Songjiang	36,600	2.7%	4,600	2,030	US\$2.06	€ 1.69
Dunbei/Minsheng	223,700	5.8%	8,700	2,360	US\$2.40	€ 1.97
Dunnan	95,100	0.6%	0	2,420	US\$2.46	€ 2.02
Xinyi	343,800	2.3%	0	3,210	US\$3.26	€ 2.67
Taipei City	746,000	3.4%	13,300	2,610	US\$2.65	€ 2.17

1 USD = 27.6760 TWD; 1 EUR = 33.7329 TWD as of June 8, 2021

### KEY LEASING TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	PING	LEASE TYPE
Taiwan Life Insurance Zhongshan Bldg.	Western	Keyence Taiwan	1,260	Relocation
Farglory Financial Center	Xinyi	Future Tech Development	310	Relocation

### 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

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