

XIHU SECTION

12-Mo. Forecast

1,535
Average Rent (NTD/PING/MO)

0.0%
Rent Growth Rate (QOQ)

3.0%
Vacancy Rate

Source: Cushman & Wakefield Research

TAIWAN ECONOMIC INDICATORS
Q4 2022

-0.4%
GDP Growth

Q3 2022: **3.6%** ▲
12-Mo. Forecast

-4.0%
Secondary Sector Growth

Q3 2022: **3.0%** ▲
12-Mo. Forecast: **N/A**

2.6%
CPI Growth

Q3 2022: **2.9%** ▼
12-Mo. Forecast

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

Cooler Leasing Demand in NHTP, Vacancy Rises Slightly

The vacancy rate in Xihu Section remained at 3.0% in Q1, with no significant leasing changes. In Wende Section, the vacancy rate was stable at 5.5%, with some technology tenants surrendering leases, hence releasing around 240 pings of space into market, while an auto service and repair business took 250 pings of space at Golden Plaza. In Juizong Section, vacancy rose 0.7 percentage points q-o-q to record 13.6%, primarily due to some technology tenants exiting from the Solomon Technology Corp. Building, Farglory Swiss Trading Center, and the Wei Mon Industry Building, together releasing approximately 790 pings of space.

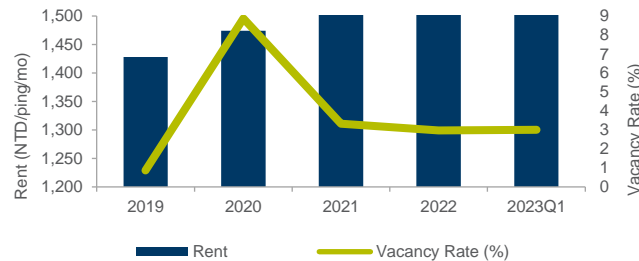
Rental Levels Constant, Capital Values Remain Supported

Rental levels remained constant in Q1. The average rent at Xihu Section was at NT\$1,535 per ping per month. Average rent in Wende Section was at NT\$1,100 per ping per month, and in Juizong Section was at NT\$995 per ping per month. Capital values in each Section also remained constant in the quarter. Xihu was at NT\$610,000-760,000 per ping, with Wende at NT\$470,000-550,000, and Juizong at NT\$440,000-530,000. A major transaction at NHTP was the acquisition by Topco Scientific of the under-construction CREM Building project for NT\$5.35 billion, equivalent to an average unit price of NT\$836,000 per ping. However, the transaction did not exceed the price record set by China Life's acquisition of the ECS building last year, which was at NT\$860,000 per ping.

Buyers Turn More Cautious, Leasing Demand Slows

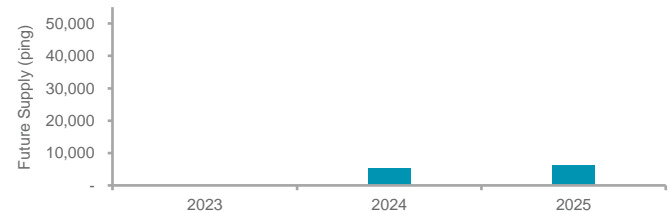
Investment and self-use buyers were more conservative in their bidding in Q1, adopting a wait-and-see approach to the market. Sellers' asking prices remain unchanged, and the price expectations gap between buyers and sellers is reducing transaction numbers. The NHTP occupancy rate has generally slowed somewhat, and the outlook for the I/O leasing market is now sluggish, with the rental level expected to remain stable.

RENT & VACANCY RATE (XIHU SECTION)



Source: Cushman & Wakefield Research

FUTURE SUPPLY



Source: Cushman & Wakefield Research

SECTION	VACANCY RATE	UNDER CONSTRUCTION (PING)	I/O RENT		
			NTD/PING/MO	USD/SF/MO	EUR/SF/MO
Xihu	3.0%	-	1,535	US\$1.40	€ 1.32
Wende	5.5%	-	1,100	US\$1.00	€ 0.95
Jiuzong	13.6%	-	995	US\$0.91	€ 0.86

1 USD = 30.8679TWD; 1 EUR= 32.6996TWD as of Mar. 10, 2023

KEY LEASING TRANSACTIONS Q1 2023

PROPERTY	SECTION	TENANT INDUSTRIAL CLASSIFICATION	PING	LEASE TYPE
Wallstreet Technology Headquarters	Xihu	Retail	130	New Lease
Golden Plaza	Wende	Maintenance and Repair of Motor Vehicles	250	Expantion

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SECTION	MAJOR TENANT	PING	COMPLETION DATE
CREM Building	Xihu	-	5,400	2024
Hong Pu International Trade Building 2.0	Jiuzong	-	6,200	2025

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