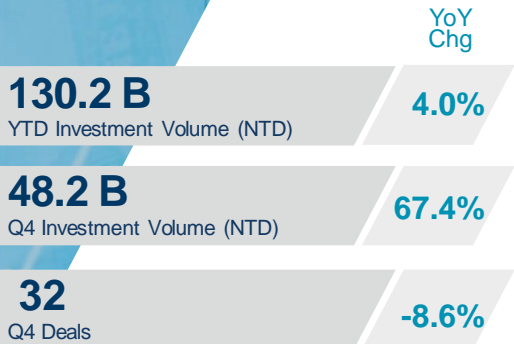
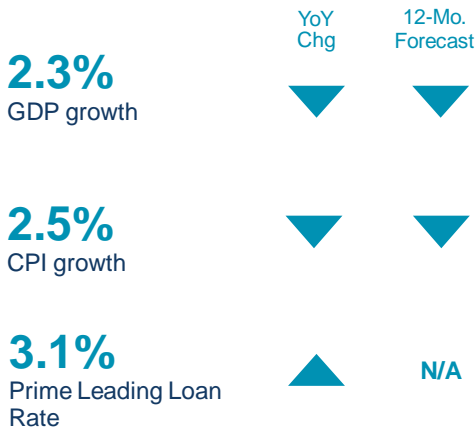


## Capital Markets Q4 2023



### ECONOMIC INDICATORS Q3 2023



### Significant Deals Propel Total 2023 Transaction Volume Beyond 2022 Level

Taiwan investment market volume surged in Q4 to hit NT\$48.2 billion, up 205.9% from the prior quarter. Key transactions included Kee Tai Properties' sale of the Kee Tai Zhongxiao Building for NT\$12.5 billion and Hon Hai Technology Group's (Foxconn) acquisition of BES Cloudverse AI Park for NT\$7.6 billion. Uni-President's NT\$4.9 billion stake purchase in Uni-President International Tower was the third largest deal.

Reviewing the 2023 capital market, initial forecasts predicted a contraction in total transaction volume. However, the successful Shin Kong No.1 REITs liquidation in the 1H period, coupled with other significant transactions, propelled 2023 total volume past the 2022 level of NT\$125.8 billion to reach NT\$130.2 billion. Investment transactions in 2023 have been somewhat concentrated in a few large deals, indicating that the market still shows some resilience. By transaction asset type, office building transactions, representing stable income, saw a 30% decline in investment volume y-o-y, highlighting that major investors, particularly life insurance companies, have been constrained by lower returns amid rising interest rates.

### Land Market Weakens, Developers Shift to More Diverse Development

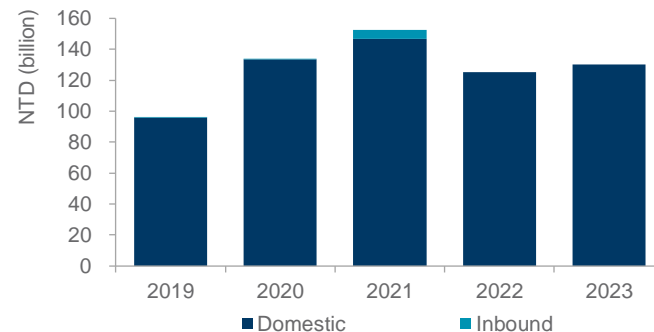
Land market transactions remained sluggish in Q4, totaling NT\$35.8 billion, down 6.26% q-o-q. The largest deal was Cathay Life Insurance's acquisition of an industrial zone in Taichung for NT\$3.3 billion. In the second-largest deal, Hontai Life Insurance sold an industrial plot in Taipei's Nangang District for NT\$3.0 billion, while Fu Yu Construction secured a commercial land plot in Taichung for NT\$2.7 billion as the third-largest transaction.

Full-year 2023 land transaction volume dropped to a six-year low at NT\$112.9 billion. Government regulations have led developers to diversify acquisition channels, including urban renewal, joint ventures, and metro-related developments. This has eased the pressure on land inventory while sustaining development operational energy.

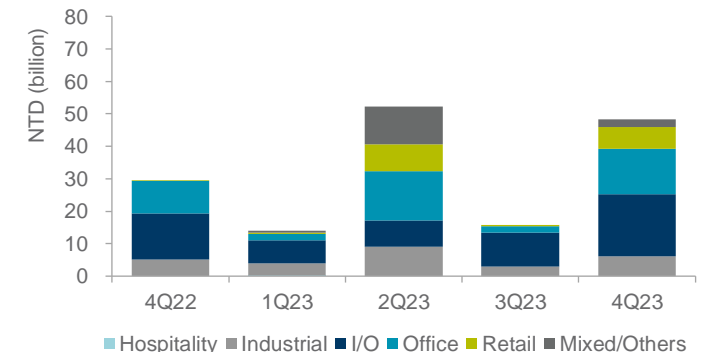
### Future Outlook: Navigating Through Capital Market Challenges

As we enter 2024, there is optimism for economic recovery in Taiwan. However, whether major funds will significantly return to the investment market still depends on interest rate fluctuations and the direction of economic policies post-election, making these the crucial factors dictating future capital momentum.

### INVESTMENT VOLUME BY CAPITAL SOURCE



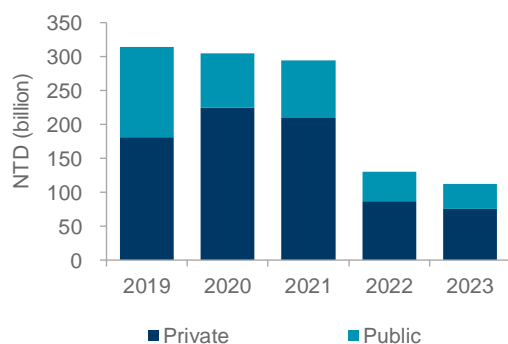
### INVESTMENT VOLUME BY SECTOR



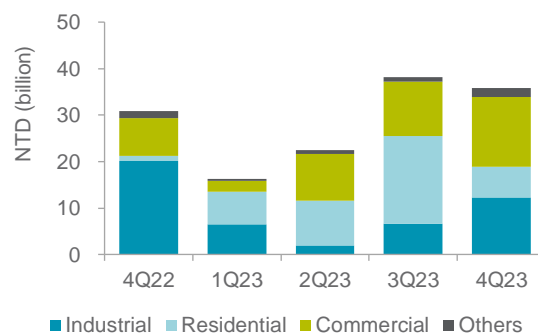
### KEY SALE TRANSACTIONS

PROPERTY	LOCATION	SECTOR	PRICE (NTD BN)	VENDOR	PURCHASER	DEAL TYPE
Kee Tai Zhongxiao Building	Zhongzheng Dist., Taipei City	Office	12.5	Kee Tai Properties	Personal	Investment
BES Cloudverse AI Park	Tucheng Dist., New Taipei City	I/O Building	7.6	BES Engineering	Hon Hai Technology Group (Foxconn)	Self-used
Uni-President International Tower	Xinyi Dist., Taipei City	Retail	4.9	Tainan Spinning	Uni-President	Self-used
Pre-sale I/O building in Neihu Dist., Taipei City	Neihu Dist., Taipei City	I/O Building	2.4	Long Yuan holding	Shuttle	Self-used
Futai Business Hotel	East Dist., Hsinchu City	Mix used	2.3	Personal	Yea Shin international development	Investment

### Land Transactions Volume by Supply Source



### Land Transactions Volume by Land Use



#### Eason Lee

Associate Director, Valuation & Advisory Services | Research, Taiwan

+886 2 8788 3288 / eason.ih.lee@cushwake.com

#### Eagle Lai

Executive Director  
Head of Capital Markets, Taiwan

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

#### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

©2024 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.

[cushmanwakefield.com](https://www.cushmanwakefield.com)