

12-Mo.  
Forecast

**2,710**  
Average Rent (NTD/PING/MO)

**1.5%**  
Rental Growth Rate (QOQ)

**6.1%**  
Vacancy Rate

Source: Cushman & Wakefield Research

### Overall Office Vacancy Rate Rises as Fubon A25 Completes in Xinyi Submarket

The Fubon A25 project in Xinyi submarket launched in Q4, adding 29,100 pings of new supply to the Grade A office market. While Fubon Group have taken around one-third of the space for internal use, the balance available for external leasing prompted the overall vacancy rate to rise by 2.1 points to record 6.1%. Among the submarkets, Xinyi saw the biggest vacancy rise at 5.4 percentage points, followed by Nanjing/Songjiang with a rise of just 0.4 percentage points, while other submarkets experienced falls in vacancy rates. Additionally, the completion of the Huang Hsiang Taiwan Motor North Station Building in Western has been postponed to Q1 2024, introducing 14,200 pings of space to the market for full external leasing.

### Xinyi Submarket Rental Level Continues Upward Trend

The completion of Fubon A25 contributed to a rise in rents at both new and existing buildings in Xinyi submarket. The overall average Grade A office rental level rose at 1.5% in Q4 to record NT\$2,710 per ping per month. Xinyi submarket led the way with a rental level of NT\$3,420 per ping per month, followed by Dunnan submarket at NT\$2,440 per ping per month.

### Fierce Competition in Recruiting New-Gen Talent, Businesses Leveraging Premium Office Spaces

The pandemic-induced economic and digital transformations have reshaped work dynamics significantly. In a low birth rate context, recruiting the new generation is a growing challenge due to preferences for remote work, work-life balance, and versatile career paths. Businesses are strategically selecting office locations with a focus on not only transportation accessibility but also on flexible, smart communal spaces and amenities. This trend emphasizes a human-centric approach, fostering employee well-being, creating adaptable and friendly work environments, and aligning with the ESG sustainable development trend to meet the demands of the new generation of employees.

### TAIWAN ECONOMIC INDICATORS Q3 2023

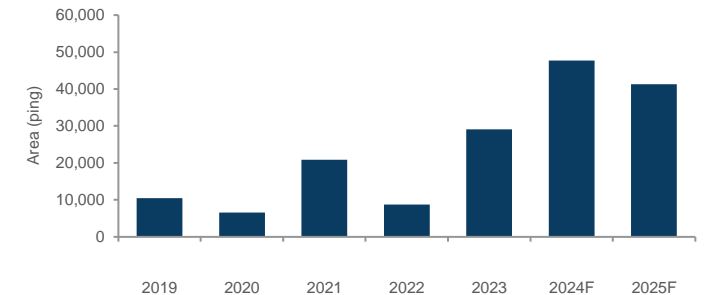
Indicator	Q2 2023	12-Mo. Forecast
GDP Growth	2.3%	1.4% ▼
Service Sector GDP Growth	5.1%	N/A
CPI Growth	2.5%	2.0% ▼
Unemployment Rate (September)	3.5%	N/A

### RENT & VACANCY RATE



Source: Cushman & Wakefield Research

### SUPPLY PIPELINE



Source: Cushman & Wakefield Research

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

SUBMARKET	INVENTORY (PING)	VACANCY RATE	UNDER CONSTRUCTION (PING)	NTD/PING/MO	GRADE A RENT	
					US\$/SF/MO	EUR/SF/MO
Western	46,800	1.5%	22,100	2,250	US\$2.02	€ 1.84
Nanjing/Songjiang	41,200	1.8%	0	2,150	US\$1.93	€ 1.76
Dunbei/Minsheng	232,400	6.2%	41,300	2,390	US\$2.15	€ 1.95
Dunnan	95,100	1.7%	13,700	2,440	US\$2.19	€ 2.00
Xinyi	372,900	8.3%	11,900	3,420	US\$3.07	€ 2.80
Taipei City	788,400	6.1%	89,000	2,710	US\$2.43	€ 2.22

1 USD = 31.2889 TWD; 1 EUR = 34.3734 TWD as of December 15, 2023

### KEY LEASING TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	PING	LEASE TYPE
Shin Kong Life Tower	Western	Microbio Group	1,690	Relocation
Shin Kong Life Tower	Western	Himax Technologies	800	Relocation
Nanshan Dunnan Building	Dunbei/Minsheng	MSIG Mingtai Insurance	410	Expansion
CEC Dunnan Building	Dunnan	Bausch + Lomb	400	In-house Relocation

### SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	PING	COMPLETION DATE
Huang Hsiang Taiwan Motor North Station Building	Western	-	14,200	2024
SCSB Headquarters	Western	Shanghai Commercial & Savings Bank	7,900	2024
Farglory Dome	Xinyi	-	11,900	2024
Yuanta Bank Headquarters	Dunnan	Yuanta Bank	13,700	2024
Kindom Songshan Minquan Building	Dunbei/Minsheng	-	9,800	2025
Cathay Huanyu Building	Dunbei/Minsheng	-	12,900	2025
TransGlobe Life Taipei Headquarters	Dunbei/Minsheng	TransGlobe Life	18,600	2025

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