

XIHU SECTION

12-Mo. Forecast

1,540
Average Rent (NTD/PING/MO)

0%
Rent Growth Rate (QOQ)

3.6%
Vacancy Rate

Source: Cushman & Wakefield Research

NHTP Vacancy Rate Rises Modestly

Partial lease terminations seen in Q1 led to new vacancies opening in Xihu and Jiuzong Sections. Xihu Section experienced a 0.1 percentage point rise in vacancy q-o-q to reach 3.6%, Wende Section vacancy moved down 0.3 percentage points q-o-q to record 6.1%, and Jiuzong Section saw a 0.1 percentage point rise in vacancy to 12.3%.

Rental Levels Remain Steady, Capital Values Show Slight Gain

Overall rental levels remained stable in Q1. The average rent in Xihu Section was at NT\$1,540 per ping per month. Average rent in Wende Section was at NT\$1,100 per ping per month, and in Jiuzong Section was at NT\$1,000 per ping per month. Capital values also showed a stable pattern, with Xihu Section averaging around NT\$630,000-770,000 per ping, Wende Section at NT\$470,000-550,000 per ping, and Jiuzong Section at NT\$440,000-530,000 per ping. The significant market transaction in this quarter was Delta Electronics' acquisition of industrial offices in Wende Section for NT\$4.79 billion, with an average price of approximately NT\$535,000 per ping.

Technology Industries Are Adjusting Strategies, Focus on Self-Use Properties

The continuous business expansion of TSMC domestically and internationally is driving a new wave of expansion demand in the semiconductor industry. The NHTP is benefiting from the trend of AI development work, and related industries are expected to continue adjusting their strategies, including office space expansion or reserving production line expansion space. However, the supply of industrial office space in Xihu Section is limited, and the vacancy rate is expected to remain low with stable rental trends. In contrast, in Jiuzong Section, the continuous expansion in new completed buildings in the coming years means there is some pressure for absorption, although rental rates are expected to remain steady.

TAIWAN ECONOMIC INDICATORS Q4 2023

4.9%
GDP Growth

Q3 2023: **2.2%** (12-Mo. Forecast)

-0.5%
Secondary Sector Growth

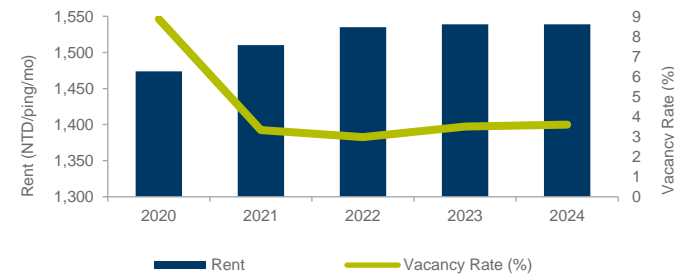
Q3 2023: **-4.9%** (12-Mo. Forecast)

2.9%
CPI Growth

Q3 2023: **2.5%** (12-Mo. Forecast)

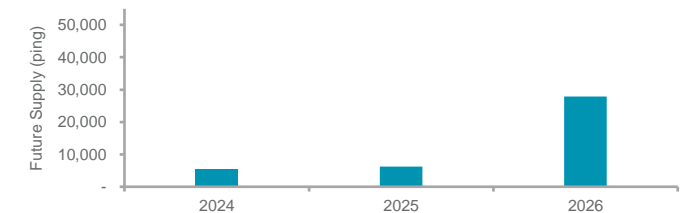
Note: Growth figure is y-o-y growth
Source: Directorate-General of Budget, Accounting and Statistics, Moody's Analytics

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 | 3.6% | 5,400 | 1,540 | US\$1.37 | € 1.26 |
| Wende | 6.1% | - | 1,100 | US\$0.98 | € 0.90 |
| Jiuzong | 12.3% | 34,100 | 1,000 | US\$0.89 | € 0.82 |

1 USD = 31.6394TWD; 1 EUR= 34.4405TWD as of Mar. 15, 2024

KEY LEASING TRANSACTIONS Q1 2024

| PROPERTY | SECTION | TENANT INDUSTRIAL CLASSIFICATION | PING | LEASE TYPE |
|------------------------------|---------|---------------------------------------|------|------------|
| Times Plaza | Wende | Retail | 250 | Expansion |
| Times Plaza | Wende | IT Software | 310 | New Lease |
| Times Plaza | Wende | Mechanical and Electrical Engineering | 140 | Expansion |
| Washington Technology Center | Wende | Retail | 170 | Relocation |
| Washington Technology Center | Wende | Medical and Health Retail | 140 | New Lease |

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 |
| Kuo Yang Intercontinental Headquarter | Jiuzong | - | 8,400 | 2026 |
| Wistron Taipei Digital Content Innovation Center | Jiuzong | Wistron Corporation | 19,500 | 2026 |

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