

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8.4% Vacancy Rate	▲	▲
848,300 Stock, ping	▲	▲
2,800 Average Rent (NTD/PING/MO)	▲	▬

ECONOMIC INDICATORS Q3 2024

	2024 Q2	12-Month Forecast
4.2% GDP Growth	4.9%	▲
4.2% Service Sector GDP Growth	5.2%	N/A
2.3% CPI Growth	2.2%	▼
3.4% Unemployment Rate (Sep.)	3.4%	N/A

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

UPGRADE DEMAND SEES MULTI-YEAR HIGH NET ABSORPTION

The Taipei Grade A office market welcomed the Yuanta Bank Headquarters property in Q4 2024, adding approximately 13,000 pings of new space to the office market, all fully allocated for owner-occupation.

The overall vacancy rate dropped 0.7 percentage points q-o-q to record 8.4% in Q4. Newer properties in the Western and Nanjing/Songjiang submarkets attracted companies seeking to upgrade from older buildings within the same areas, with the submarkets' vacancy rates dropping 2.9 and 3.8 percentage points, respectively.

For 2024 overall, the completion of new buildings across submarkets has driven strong demand for corporate upgrades. At the same time, the financial and insurance sectors have exhibited strong demand for owner-occupied office spaces. Total annual net absorption reached 36,700 pings, marking a five-year high.

AVERAGE RENT REMAINS STABLE

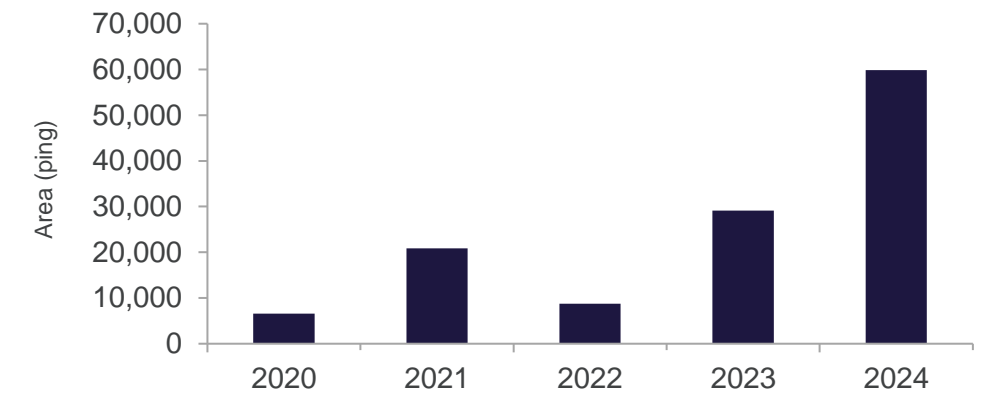
Average rent for Grade A office space in Q4 remained at NT\$2,800 per ping per month.

Within the submarkets, Xinyi submarket commands the highest rent at NT\$3,470 per ping per month, followed by Western at NT\$2,620 per ping per month.

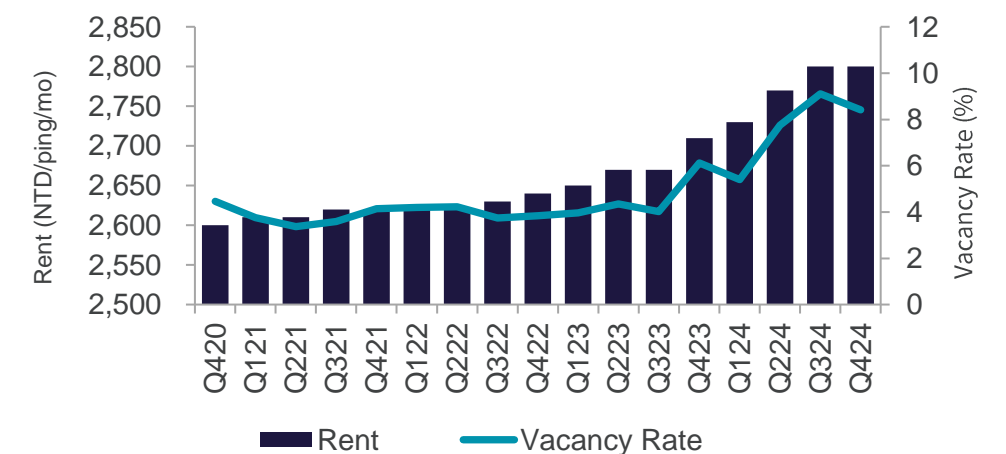
UPGRADED TRADITIONAL CBD OFFICES TO LEAD DEMAND

Older buildings in the traditional city center district are increasingly falling short of current ESG standards. However, concerns over potential employee attrition mean tenants are hesitant to relocate to Xinyi submarket, despite its concentration of newer office properties. The traditional CBD will see new supply, including six office properties in the Western and Nanjing/Songjiang submarkets, between 2024 and 2026, in turn driving further tenant demand through 2025.

SUPPLY PIPELINE



RENT & VACANCY RATE



MARKET STATISTICS

SUBMARKET	INVENTORY (PING)	VACANCY RATE	UNDER CONSTRUCTION ~2027 (PING)	NTD/PING/MO	GRADE A RENT	
					US\$/SF/MO	EUR/SF/MO
Western	68,400	17.8%	114,100	2,620	US\$2.26	€ 2.15
Nanjing/Songjiang	48,900	12.3%	7,500	2,420	US\$2.09	€ 1.99
Dunbei/Minsheng	232,400	4.7%	53,800	2,410	US\$2.08	€ 1.98
Dunnan	113,100	4.4%	27,400	2,550	US\$2.20	€ 2.09
Xinyi	385,500	9.7%	90,000	3,470	US\$3.00	€ 2.85
Taipei City	848,300	8.4%	292,800	2,800	US\$2.42	€ 2.30

1 USD = 32.5244 TWD; 1 EUR = 34.2145 TWD as of December 16, 2024

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	PING	TYPE
Walsin Xinyi Building	Xinyi	Jing Chi Biomed	680	Expansion
Central Plaza	Western	Nidec	590	Relocation
Cathay Landmark	Xinyi	Kronos Research	450	Relocation
Yuanta Songjiang Jinxing Building	Nanjing/Songjiang	Top Path	430	New Lease
Hung Kuo Building	Dunbei/Minsheng	Kaulin Manufacturing	320	New Lease
Dunnan Commercial Building	Dunnan	KT&G	320	Relocation
Dunnan Commercial Building	Dunnan	Liang & Partners Law Offices	320	Relocation

(Area rounded to the nearest ten.)

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	DEVELOPER	PING	COMPLETION DATE
Kindom Songshan Minquan Building	Dunbei/Minsheng	Kindom Development	9,800	2025
Cathay Huanyu Building	Dunbei/Minsheng	Cathay Life Insurance	12,900	2025
Shin Kong Hangzhou North Building	Western	Shin Kong Life Insurance	8,700	2025
TransGlobe Life Taipei Headquarters	Dunbei/Minsheng	TransGlobe Life Insurance	18,600	2025
Yuanta Songjiang Yinxing Building	Nanjing/Songjiang	Yuanta Life Insurance	7,500	2026
Homax Landmark	Dunnan	Homax Development	17,100	2027
Fubon Insurance Building	Dunnan	Fubon Insurance	10,300	2027
Tatung Building	Dunbei/Minsheng	Yuanta Financial Holding / Chang Hwa Commercial Bank / China Life Insurance	12,500	2027
Core Pacific Plaza	Xinyi	Core Pacific Development	65,000	2027
Taipei Twin Towers	Western	Taipei Twin Towers	89,300	2027
Hiyes International Building	Western	Hi-yes Group	16,100	2027
Nanshan A26	Xinyi	Nan Shan Life Insurance	25,000	2027

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