

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
6.9% Vacancy Rate	▼	▲
847,500 Stock, ping	▲	▲
2,810 Average Rent (NTD/PING/MO)	▲	▲

ECONOMIC INDICATORS
Q1 2025

	2024 Q4	12-Month Forecast
5.5% GDP Growth	3.8%	▼
2.7% Service Sector GDP Growth	3.3%	N/A
2.2% CPI Growth	2.0%	▼
3.4% Unemployment Rate (Mar.)	3.3%	N/A

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

TENANTS OPTING FOR IN-SUBMARKET RELOCATIONS AND UPGRADES

The Taipei City office market remained generally stable in Q2 2025, with no new project completions in the quarter. Net absorption reached approximately 2,100 pings in Q2, with larger tenants primarily adopting same-district relocation strategies. Approximately 18,600 pings of new supply is scheduled for completion in 2H 2025, bringing total market stock to 866,100 pings.

The overall office market vacancy rate dropped by 0.3 percentage points q-o-q to record 6.9% in Q2. Notably, Nanjing-Songjiang submarket benefited from stable absorption of newly completed projects, with the district's vacancy rate dropping by 5.5 percentage points. Leasing activities included several large-scale transactions, chiefly driven by tenants upgrading from older office buildings within the same area.

AVERAGE RENTAL GROWTH REMAINS MODEST

Overall office market demand remained stable through the Q2 period. The average Grade A office space rental level in the quarter remained at NT\$2,810 per ping per month, reflecting a slight rise of 0.4% from the previous quarter.

Within the key submarkets, Xinyi submarket commands the highest monthly rent at NT\$3,480 per ping, followed by Western at NT\$2,660 per ping.

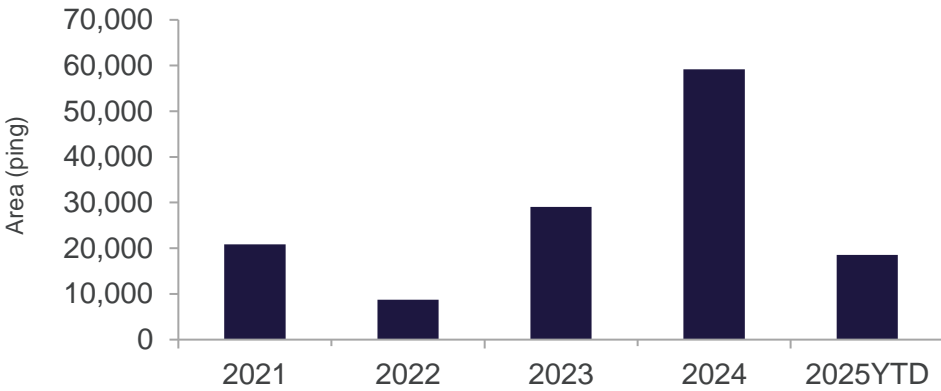
MARKET STRUCTURE CONTINUES TO ADJUST

Amid ongoing global economic uncertainty, corporate expansion strategies in Taiwan have turned more cautious, prompting a more measured approach to office leasing. Some tenants are extending negotiation periods and shifting away from planned relocations and towards lease renewals.

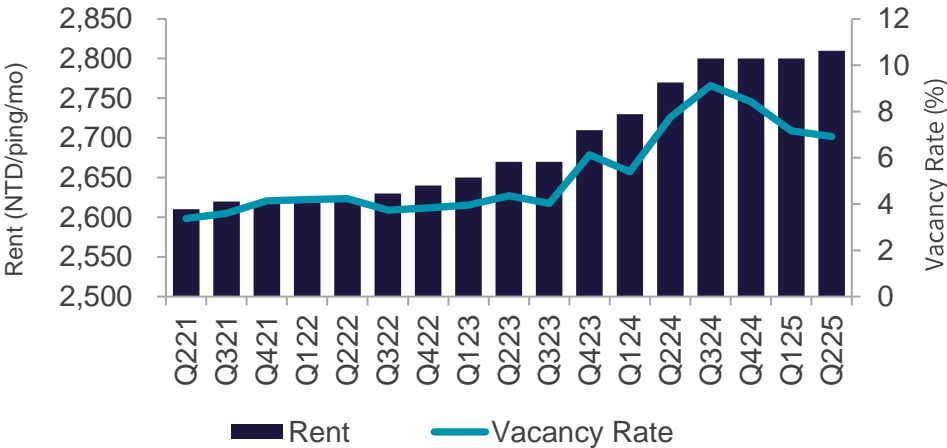
Nonetheless, leasing activity remains largely concentrated in newer buildings, reflecting sustained demand for upgraded office environments and talent-focused workplace strategies.

With additional supply gradually entering the market, some landlords of older properties are responding by enhancing competitiveness through building and system upgrades, as well as offering more flexible lease terms.

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	17.0%	114,200	2,660	US\$2.53	€ 2.19
Nanjing/Songjiang	48,900	3.4%	7,500	2,430	US\$2.31	€ 2.00
Dunbei/Minsheng	232,400	4.2%	53,800	2,410	US\$2.29	€ 1.99
Dunnan	113,100	4.7%	27,400	2,560	US\$2.43	€ 2.11
Xinyi	384,700	7.9%	90,000	3,480	US\$3.31	€ 2.87
Taipei City	847,500	6.9%	292,900	2,810	US\$2.67	€ 2.32

1 USD = 29.5565 TWD; 1 EUR = 34.0961 TWD as of June 16, 2025

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	PING	TYPE
Yuanta Songjiang Jinxing Building	Nanjing/Songjiang	TAIWAN MURATA ELECTRONICS	854	New Lease
Hung Tai Ctr.	Dunbei/Minsheng	Pasona Taiwan / MGR Consulting	496	New Lease
Yuanta Songjiang Jinxing Building	Nanjing/Songjiang	BASF TAIWAN	427	New Lease

(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
Shin Kong Hangzhou North Building	Western	Shin Kong Life Insurance	8,800	2025
Yuanta Songjiang Yinxing Building	Nanjing/Songjiang	Yuanta Life Insurance	7,500	2026
Cathay Huanyu Building	Dunbei/Minsheng	Cathay Life Insurance	12,900	2026
TransGlobe Life Taipei Headquarters	Dunbei/Minsheng	TransGlobe Life Insurance	18,600	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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