

Rivalry to be intense among landlords with Premium Grade and Grade A offices

Paul Lee Director | Taiwan

We estimate that total stock of Premium Grade and Grade A office in Taipei will increase by 17% between now and end-2020. Since the vacancy rates for Premium Grade and Grade A offices are highest at present, we therefore anticipate intense competition between landlords with Premium Grade and Grade A properties.

Forecast at a glance



Demand

Net-take up in Q3 mainly came from the Taiwan Cooperative Bank moving into its own buildings. Firm economic growth rates are positive for office leasing demand.



Supply

We predict 96,780 ping (319,374 sq m) of new supply by end-2020. Around 70% of new buildings will be situated in the Hsin Yi district and 40% will be owner-occupied. Our new supply estimate implies a 6% increase over current office stock.



Vacancy rate

The vacancy rates in all districts were below 10% in Q3. With new supply completed and large tenant relocations, we expect vacancy rates in the Hsin Yi, MS TN and NK SC areas to climb back over 10% in 2018

頂級與 A 級大樓業主將面臨強烈的競爭

李日寶 董事 | 台灣

由於 2020 年年底前頂級與 A 級大樓的存量將較目前增加 17%且這兩等級大樓現在的空置率最高，我們預期未來這兩等級大樓的業主將面臨強烈的競爭。

預測一覽表



需求

合作金庫銀行遷入總部大樓係本季主要的去化來源。經濟成長表現良好有助於增加辦公室租賃需求。



供給

預計 2020 年年底前的新增供給合計約 96,780 坪(319,374 平方公尺)，其中，70% 位處信義區、40% 主要供業主自用。新增供給約佔目前辦公室存量的 6%



空置率

本季各商圈的空置率皆低於 10%，但隨著未來兩年新供給釋出與大型承租人的搬遷，信義區、民生敦北區與南京松江區的空置率明年將再度超過 10%



Rent

The average rent is not likely to climb sharply in the short term since the total vacant office area still stands at 106,586 ping (351,734 sq m) at present and there should be 54,000 ping (178,200 sq m) new space for let by end-2018



租金

由於全體辦公室市場空置面積仍達 106,586 坪 (351,734 平方公尺) 且 2018 年年底前有 54,000 坪 (178,200 平方公尺) 供給釋出，使平均租金難以在短期內大幅上漲

Office stock unchanged in Q3 2017

Taipei's total office stock was unchanged at end-Q3 2017 at 1,564,797 ping (5,163,830 sq m) owing to lack of new supply in Q3. We estimate that there will be 96,780 ping (319,374 sq m) of new supply by end-2020, implying a 6% increase over current stock. Around 70% of the new supply will be situated in the Hsin Yi district and 40% of new buildings are likely to be owner-occupied.

Net-take up mainly came from the TCB moving into its own buildings

Thanks to release of new iPhone models, Taiwan's export value of electronics components in September 2017 was USD10.18 billion, increasing by USD1.75 billion or 21% YoY. This is the first time that exports of electronic components have exceeded USD10.0 billion in a month, breaking the previous record. Total export value in Q3 performed well, reaching USD83.76 billion, up by 17.5% YoY. As a result, Oxford Economics has revised up Taiwan's 2017 real GDP growth forecast to 2.5%. The institute forecasts Taiwan's average real GDP growth rate between 2017 and 2021 to be 2.5%. Firm economic growth rates are positive for office leasing demand.

Total net absorption in Q3 was 16,800 ping (55,440 sq m), increasing by 9,100 ping (30,030 sq m) or 117% QoQ and 13,600 ping (44,880 sq m) or 422% YoY. The major contributor was the Taiwan Cooperative Bank's moving into the Taiwan Cooperative Building A and B, where it occupied 16,100 ping (53,130 sq m). In addition, some buildings including the Cathay Landmark on 2,200 ping (7,260 sq m), the Great Taipei Gas Building on 850 ping (2,805 sq m) and the National Enterprise Centre on 800 ping (2,640 sq m) performed well in terms of net take-up in Q3. The total occupied area of the Taipei office market was 1,458,211 ping (4,812,096 sq m) at end-Q3 2017 and the vacancy rate was 6.8%, down 1.1% QoQ and 2% YoY. This was the lowest vacancy rate since Q3 2008.

本季辦公室存量維持不變

本季市場沒有新增供給，使辦公室存量維持 1,564,797 坪 (5,163,830 平方公尺)。預計 2020 年年底前的新增供給合計約 96,780 坪 (319,374 平方公尺)，係目前辦公室存量的 6%，其中，70% 位處信義區、40% 主要供業主自用。

合作金庫銀行遷入總部大樓係本季主要的去化來源

新款 iPhone 發售帶動 2017 年 9 月台灣電子零組件出口較去年同月增加 17.5 億美元或 21%，達 101.8 億美元，係首度突破百億美元並創歷年單月最高記錄。累計第 3 季台灣出口 837.6 億美元，較去年同季增加 17.5%，表現良好，使 Oxford Economics 調高台灣今年的經濟成長率到 2.5%。該機構預測台灣 2017 到 2021 年的平均經濟成長率為 2.5%。經濟成長表現良好有助於增加辦公室租賃需求。

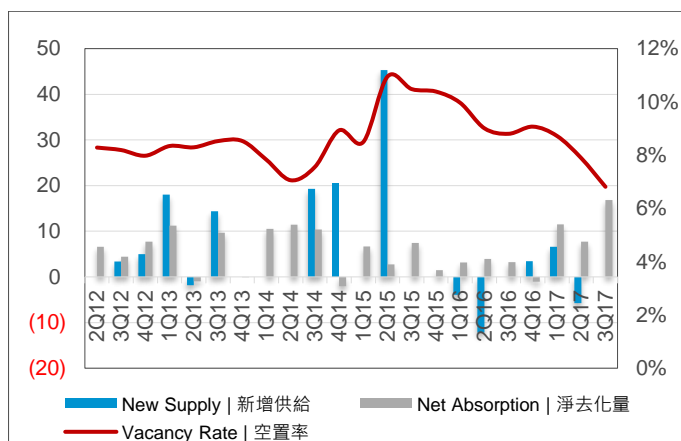
合作金庫銀行搬入總部大樓 A 棟與 B 棟，共使用 16,100 坪 (53,130 平方公尺)，使本季淨去化量為 16,800 坪 (55,440 平方公尺)，分別較上季與去年同期增加 9,100 坪 (30,030 平方公尺) 與 13,600 坪 (44,880 平方公尺)。去化表現較好的大樓包括國泰置地廣場 (2,200 坪或 7,260 平方公尺)、台北瓦斯大樓 (850 坪或 2,805 平方公尺) 與國家企業中心 (800 坪或 2,640 平方公尺) 等。目前，台北市已使用的辦公室總面積為 1,458,211 坪 (4,812,096 平方公尺)，使空置率成為 6.8%，分別較上季及去年同期下降 1.1% 與 2%，係 2008 年第 3 季以來的最低值。

The vacancy rates in all districts were below 10% in Q3

The net take-up in MS TN district amounted to 14,638 ping (48,305 sq m) in Q3 2017, the highest among all districts. The vacancy rate in the district declined by 4.7 percentage points to 8.1%, falling below 10% for the first time since Q1 2015. The net-take up in the district mainly came from the Taiwan Cooperative Bank moving into its own buildings. In addition, the vacancy rate in the NK 4/5 district declined by 2.6% to 0.3% since the net take-up was 1,811 ping (5,976 sq m) in the district. The main contributors were the Great Taipei Gas Building and the National Enterprise Centre.

The vacancy rates in all districts were below 10% in Q3 2017. With new supply completed and large tenant relocation, we expect that the vacancy rates in the Hsin Yi, MS TN and NK SC districts will climb back above 10% next year.

Fig. 1: Taipei Office Quarterly New Supply, Net Absorption and Vacancy Rate (000 ping)
圖 1：台北辦公室新增供給、淨去化量及空置率 (千坪)



Source: Colliers International

The vacancy rate for Premium Grade office is still above 10%

Except for Grade AB, the net take-up for the other office grades was positive. Premium Grade, Grade A, Grade AB and Grade B offices saw net take-up of 3,330 ping (10,989 sq m), 14,492 ping (47,824 sq m), negative 1,445 ping (negative 4,769 sq m) and 467 ping (1,541 sq m) respectively.

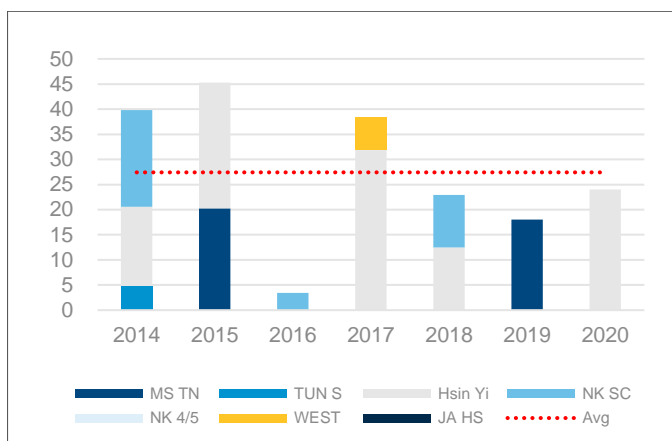
The absorption pace for some newly completed Premium Grade buildings has been slower than expected. As a result, the vacant area for Premium Grade offices was 32,915 ping (108,620 sq m) and the vacancy rate of the grade was the highest at 12.4%. Following this were Grade A office on 7.6%, Grade AB office on 6.8% and

本季各商圈的空置率皆低於 10%

以各商圈來看，民生敦北區本季去化面積最多，達 14,638 坪(48,305 平方公尺)，使該區空置率下降 4.7%到 8.1%，係 2015 年第 1 季以來首次低於 10%，主要的去化來自合作金庫銀行搬入總部大樓 A 棟與 B 棟。其次，本季南京東路 4/5 段去化 1,811 坪(5,976 平方公尺)，使該區空置率下降 2.6%到 0.3%，主要的去化來自台北瓦斯大樓與國家企業中心。

本季各商圈的空置率皆低於 10%，但隨著未來兩年新供給釋出與大型承租人的搬遷，信義區、民生敦北區與南京松江區的空置率明年將再度超過 10%。

Fig. 2: Taipei Office Annual New Supply by District (000 ping)
圖 2：台北辦公室各商圈每年新增供給(千坪)



資料來源：高力國際

頂級大樓的平均空置率仍維持 10%以上

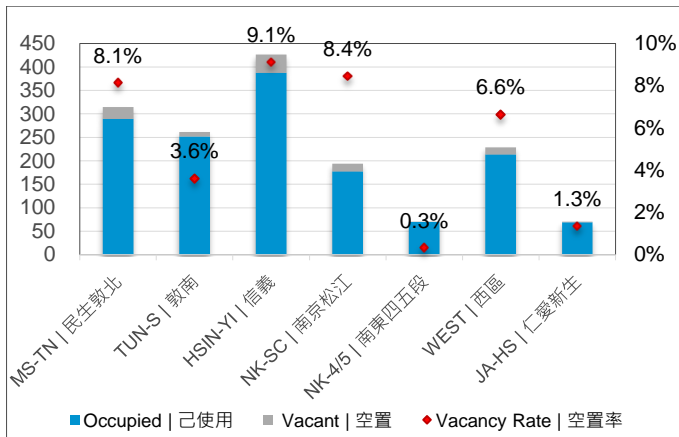
以辦公室等級來看，除 AB 級大樓外，本季其餘各等級大樓的去化皆為正數。頂級大樓去化 3,330 坪(10,989 平方公尺)、A 級大樓 14,492 坪(47,824 平方公尺)、AB 級大樓-1,445 坪(-4,769 平方公尺)與 B 級大樓 467 坪(1,541 平方公尺)。

部分近年落成的頂級大樓去化速度緩慢，使該等級大樓的空置面積達 32,915 坪(108,620 平方公尺)，空置率為 12.4%，係各等級中唯一超過 10%的。其餘各等級辦公

Grade B office on 4.2%.

Fig. 3: Taipei Office Occupied and Vacant Area by District (000 ping)

圖 3：台北辦公室各商圈已用及空置面積(千坪)



Source: Colliers International

Growth in average rent is limited

The average rent for the Taipei office market was NTD1,834 per ping per month (NTD556 or USD18.3 per sq m per month) in Q3 2017, unchanged QoQ. Among all districts, only the rent in Hsin Yi is above NTD2,000 at NTD2,187 per ping per month (NTD663 or USD21.9 per sq m per month). The average rent is not likely to climb sharply in the short term since the total vacant office area still stands at 106,586 ping (351,734 sq m) at present and we estimate that there will be 54,000 ping (178,200 sq m) of new office space available for renting by end-2018. The overall vacancy rate is 6.8%.

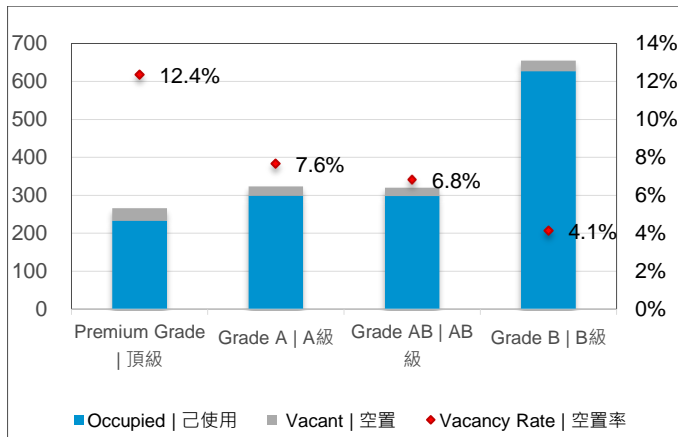
Fig. 5: Taipei Office Average Rent and Growth Rate (NTD per ping per month);

圖 5：台北辦公室平均租金及其成長率(新台幣每坪每月)

室的空置率，依序為 A 級 7.6%、AB 級 6.8%與 B 級 4.2%。

Fig. 4: Taipei Office Occupied and Vacant Area by Grades (000 ping)

圖 4：台北辦公室各等級已用及空置面積(千坪)



資料來源：高力國際

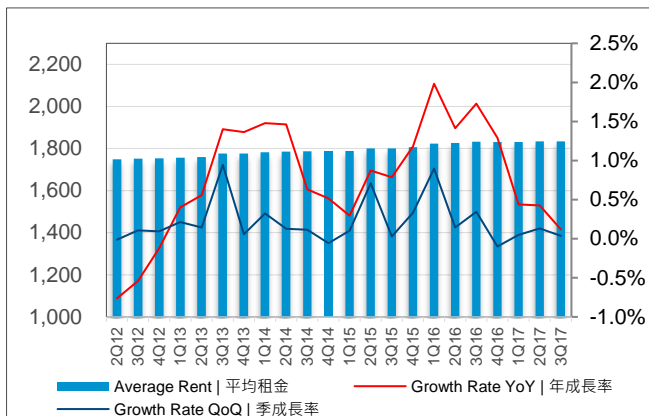
1.

平均租金成長有限

2017 年第三季，台北辦公室的平均租金為每坪每月新台幣 1,834 元(每平方公尺每月新台幣 556 元或美金 18.3 元)，幾乎與上季持平。在各個商圈中，僅有信義區的每坪每月租金超過新台幣 2,000 元，為 2,187 元(每平方公尺每月 663 元或美金 21.9 元)。由於全體辦公室市場空置面積仍達 106,586 坪(351,734 平方公尺)且 2018 年年底前有 54,000 坪(178,200 平方公尺)供給釋出，使平均租金難以在短期內大幅上漲。2017 年第三季的空置率為 6.8%。

Fig. 6: Taipei Office Average Rent by Area (NTD per ping per month);

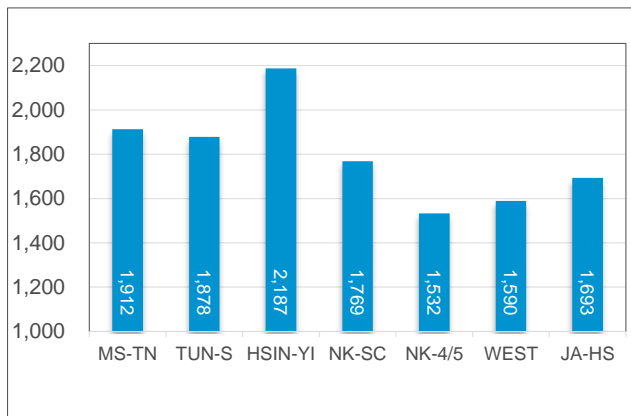
圖 6：台北辦公室各商圈平均租金(新台幣每坪每月)



Source: Colliers International

Competition among landlords with Premium Grade and Grade A offices will be intense

We estimate that total stock of Premium Grade and Grade A office in Taipei will increase by 17% between now and end-2020. The Taipei Nanshan Plaza and the UDN Headquarter Building have lease commitments amounting to thousands of ping whilst the China Life Insurance Building and the Fubon Hsinyi Headquarter should be mainly occupied by their owners. Since total vacant area for the Premium Grade and Grade A offices currently stands at 57,643 ping (190,222 sq m), we believe that competition among landlords will be intense.



資料來源：高力國際

頂級與 A 級大樓業主將面臨強烈的競爭壓力

2020 年年底前頂級與 A 級大樓的存量將較目前增加 17%。預計 2020 年年底前新增供給合計約 96,780 坪 (319,374 平方公尺)，其中，台北南山廣場與聯合報企業總部分別與承租人簽訂了數千坪的租賃契約；中國人壽大樓與富邦信義總部大樓則以自用為主。由於本季頂級與 A 級大樓的空置面積仍達 57,643 坪 (190,222 平方公尺)，未來兩年頂級與 A 級大樓業主將面臨強烈的競爭壓力。

For more information:

Andrew Liu
 Managing Director |
 Taiwan
 +886 2 8101 2000
 andrew.liu@colliers.com

Amanda Yang
 Senior Executive Director |
 Office Services & Industrial
 Services
 +886 2 8101 2000
 amanda.yang@colliers.com

Paul Lee
 Director | Research
 +886 2 8101 2000
 paul.lee@colliers.com

Copyright © 2017 Colliers International.
 The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.



Accelerating success.