

FIGURES | TAIPEI OFFICE | Q1 2026

# Flight-to-quality demand for Grade A office space underpins modest rental growth



Note: Arrows indicate change from previous quarter.

## EXECUTIVE SUMMARY

- Total net absorption of quality office space in Taipei’s CBD surged from 568 ping in Q4 2025 to 8,459 ping in Q1 2026 on the back of improved occupancy in newly completed office buildings. Growth in absorption was primarily led by the Grade A segment, which saw several medium and large sized relocation transactions concluded during the quarter.
- With no new supply delivered in Q1 2026, average Grade A and Grade B vacancy rates fell by 1.2 pps and 0.1 pps q-o-q to 9.9% and 4.8%, respectively. The marginal decline in Grade B vacancy was partly due to several SMEs upgrading to Grade A buildings.
- Increased take-up in selected buildings commanding higher rents ensured average Grade A and Grade B office rents grew by 0.4% and 0.3% q-o-q to NT\$3,103 and NT\$1,953 per ping, respectively.
- Around 11,000 ping of leasable space is scheduled for completion in the next two quarters. Given the manageable supply pipeline and stable leasing enquiries, most landlords are set to hold asking rents firm in the near term. However, large new supply due to be released next year will likely prompt some landlords to offer more flexible terms to retain tenants.

FIGURE 1: Office Market Figures

Submarket	Total Stock (ping)	Grade A Rent (NT\$/ping/mth)	Grade B Rent (NT\$/ping/mth)	Grade A Vacancy	Grade B Vacancy
Taipei Main Station	86,078	2,813	1,853	39.2%	2.1%
Zhongshan North Road	35,863	--	1,944	--	0.7%
Nanjing-Songjiang Area	157,796	2,533	2,046	0.8%	8.7%
Minsheng-Dunhua Area	267,577	2,549	1,930	14.7%	6.5%
Nanjing-Guangfu Area	49,938	2,050	1,848	8.3%	7.5%
Dunhua South Road	167,320	2,609	1,989	2.0%	3.7%
Xinyi-Jilong Area	387,209	3,597	1,876	8.1%	3.5%

Source: CBRE Research, Q1 2026.

### Net Absorption and Vacancy

Total net absorption of quality office space in Taipei’s CBD surged from 568 ping in Q4 2025 to 8,459 ping in Q1 2026. This quarter’s improved performance was driven by stronger activity in the Grade A segment, which saw several large-scale relocations. Other tailwinds included an increase in occupancy rates at selected newly built offices. Grade A net absorption amounted to 7,867 ping this quarter. Taipei Main Station and Xinyi-Jilong Area outperformed other districts, with both areas recording Grade A net absorption in excess of 3,000 ping, underpinned by leasing activity in new buildings completed since 2022. With no new completions and increased take-up, average Grade A vacancy decreased by 1.2 pps q-o-q to 9.9%.

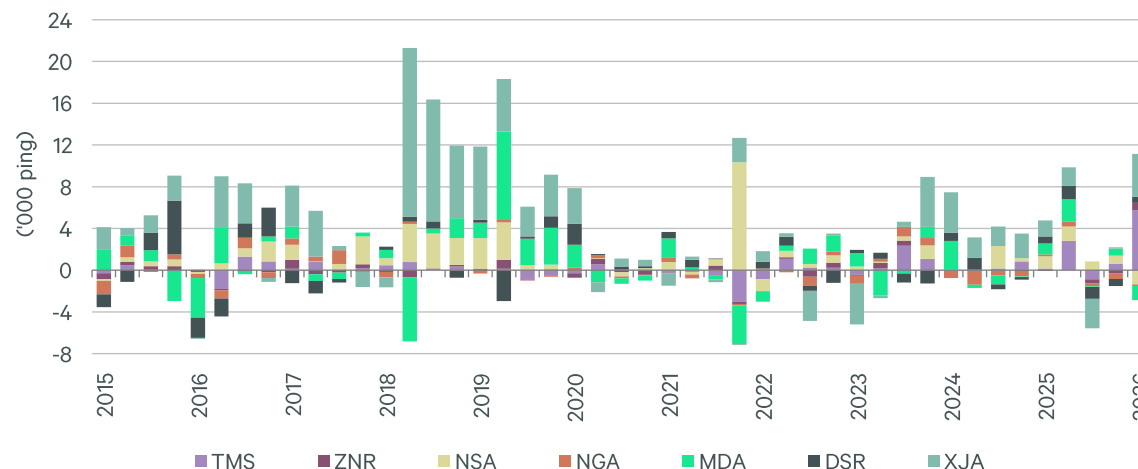
Grade B office net absorption rebounded from -423 ping in Q4 2025 to 593 ping in Q1 2026. However, leasing activity in the Grade B segment remained relatively subdued compared with the Grade A sector, partly due to several SMEs relocating to Grade A offices in pursuit of better building quality and amenities. Relocation demand in the Grade B office segment was largely driven by occupiers seeking smaller office units. Average Grade B vacancy edged down by 0.1 pps q-o-q to 4.8%, supported by the absence of new supply over the quarter.

### Leasing Activity

Leasing enquiries were robust in Q1 2026, with a growing number of requirements exceeding 300 ping concentrated in office buildings commanding higher rents. CBRE data show approximately 79% of relocation activity in recent months has involved occupiers upgrading to buildings with better specifications or in more central locations. This reflects corporates’ strong preference for quality office space despite elevated rental costs.

The ongoing AI boom ensured tech firms continued to be the dominant source of relocation demand. During the quarter, U.S. semiconductor company Texas Instruments leased 1,725 ping in the newly completed Cathay Cosmos Building for expansion. Elsewhere, several local and Japanese enterprises upgraded their working environment by taking up Grade A office space. The period also saw selected international flexible workspace operators expand their footprint in Taipei, reflecting rising demand for multifunctional space on flexible terms. These included Regus, which opened a new centre in a green-certified building in Shihlin to target tech companies in North Taipei; and the The Executive Centre, which rented an additional floor in Taipei 101 to cater to demand for prime office space.

FIGURE 2: Net Absorption



Source: CBRE Research, Q1 2026.

FIGURE 3: Selected Leasing Transactions

Tenant	Size (ping)	Building	District	Industry
Texas Instruments	1,725	Cathay Cosmos Building	MDA	Semiconductors
Pacific SOGO	1,014	Fubon Dun Nan Building	DSR	Retail
The Executive Centre	914	Taipei 101	XJA	Flexible Workspace
Shin Ruenn Group	562	Hung Sheng International Financial Center	NSA	Construction
Evonik Taiwan	312	Far Glory International Center	XJA	Chemicals

Source: CBRE Research, Q1 2026.

### Rents

Average Grade A office rents edged up by 0.4% q-o-q to NT\$3,103 per ping in Q1 2026, supported by robust take-up in selected prime buildings. By submarket, Taipei Main Station recorded the strongest rental growth, with Grade A rents rising by 3.9% q-o-q, largely driven by improving occupancy in newly completed buildings. Owing to the limited new supply expected this year and the prevailing flight-to-quality trend, most Grade A office landlords have maintained asking rents at current levels, leaving limited room for tenants to negotiate.

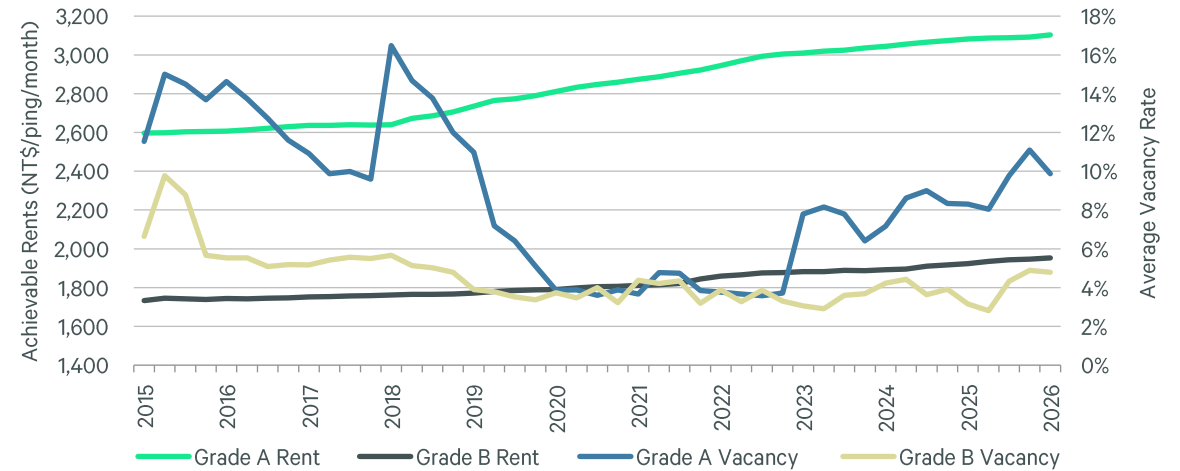
Average Grade B office rents rose slightly by 0.3% q-o-q to NT\$1,953 per ping this quarter. Although tenants are increasingly opting for better-grade offices, the widening rental gap between the Grade A and Grade B segments has led some cost-conscious tenants to relocate to newer Grade B buildings offering relatively favourable terms, balancing leasing costs against office quality. This ensured that Grade B leasing activity remained stable during the quarter.

### Outlook

Amid surging global investment in AI infrastructure, Taiwan’s exports continue to soar, underpinned by strong demand for semiconductors and ICT products. According to the latest official data, Taiwan’s GDP growth reached an estimated 13.69% y-o-y in Q1 2026, the highest quarterly growth recorded in 39 years. Against the backdrop of buoyant economic performance, corporates are placing greater emphasis on employee experience to attract and retain top talent, with relocation to well-equipped offices remaining a key strategy. As a result, flight-to-quality is expected to remain the main driver of leasing activity in Taipei’s office market.

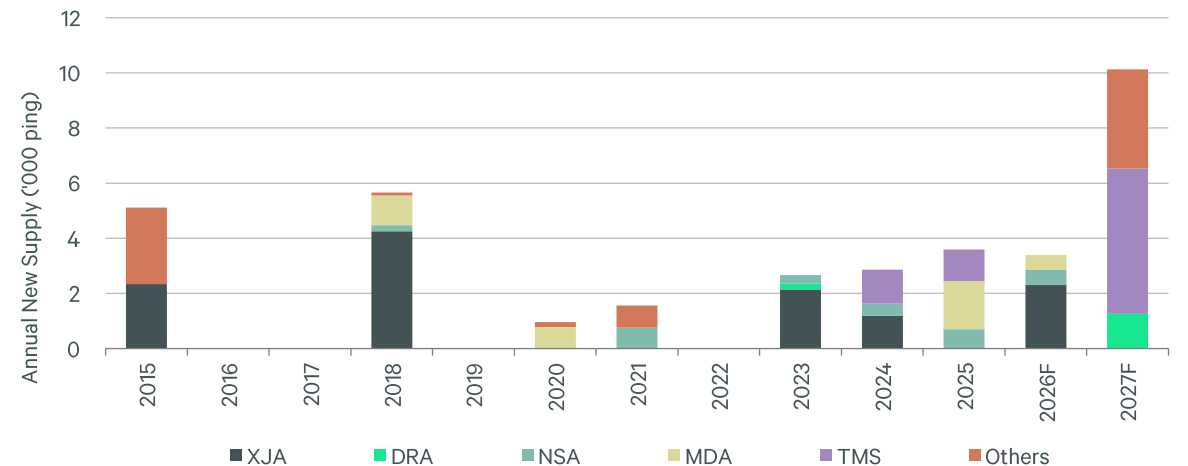
Three new office buildings are slated for completion in Taipei’s CBD over the next six months, adding nearly 11,000 ping of leasable space to the market. With a manageable supply pipeline, solid pre-commitment activity at selected buildings under construction, and the possibility of institutional landlords reserving more space for owner-occupation than originally planned, average vacancy is forecasted to rise moderately in the coming quarters. Most landlords are therefore expected to hold rents firm, sustaining landlord-favourable market conditions in the near term. However, the substantial influx of new supply in 2027, coupled with an increase in new office completions in the Nangang area, will likely exert significant upward pressure on vacancy across CBD submarkets. This may compel more landlords to offer more incentives to retain existing tenants during lease renewal negotiations.

FIGURE 4: Average Rents and Vacancy



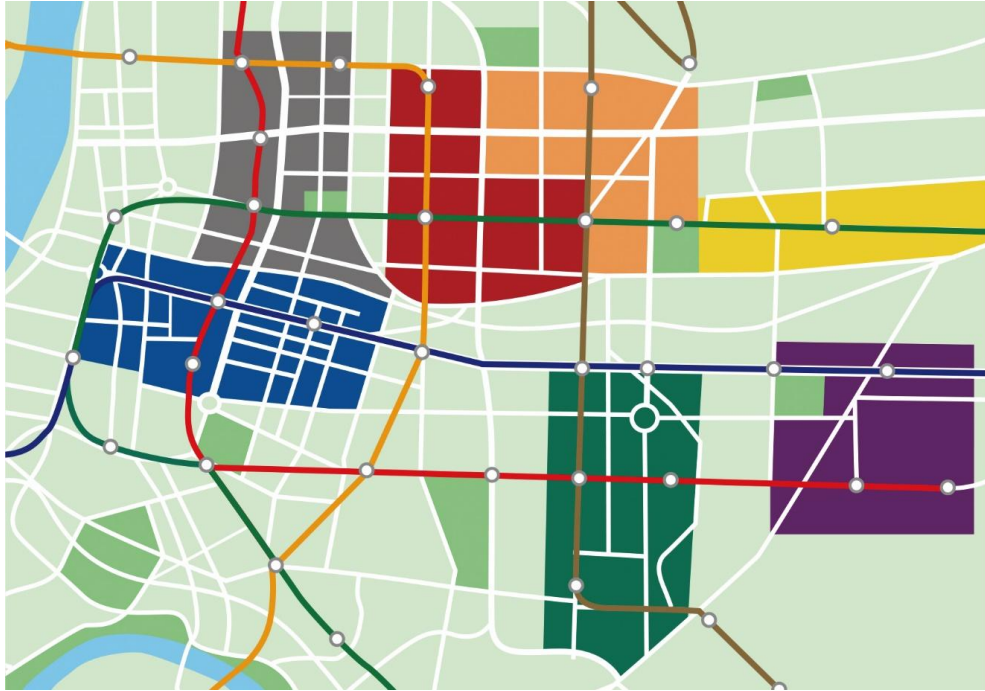
Source: CBRE Research, Q1 2026.

FIGURE 5: Development Pipeline



Source: CBRE Research, Q1 2026.

### Market Area Overview



- Taipei Main Station (TMS)
- Zhongshan North Road (ZNR)
- Nanjing-Songjiang Area (NSA)
- Minsheng-Dunhua Area (MDA)
- Nanjing-Guangfu Area (NGA)
- Dunhua South Road (DSR)
- Xinyi-Jilong Area (XJA)

### Classification

CBRE's classification of Taipei office buildings follows a structured grading system that considers a building's location, quality, leasing conditions, and building management. Under these four categories, ten detailed criteria are used to grade an office building, summing to a maximum score of 50 points. Buildings that receive 36 points or higher are classified as Grade A office buildings. Those receiving 24 points or higher and less than 36 points are classified as Grade B office buildings.

The Taipei Quality Office Market includes both Grade A and Grade B office buildings.

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