Strong relocation demand drives continued rental growth

▲ $2,573
Average Rent (NTD)

▲ 17,161
Total Net Absorption (ping)

▼ 6.1%
Average Vacancy

Note: Arrows indicate change from previous quarter.

EXECUTIVE SUMMARY

- Several large occupiers moved into new premises in Q3 2026, lifting total net absorption of quality office space in Taipei's CBD to 17,161 ping, the highest quarterly volume in seven years. The Grade A segment once again led leasing activity, supported by solid flight-to-quality demand.
- One new office building was completed this quarter, adding 10,674 ping of leasable space to Taipei's Grade A office market. Despite the new addition, average Grade A vacancy fell by 0.5 pps q-o-q to 8.2% on account of strong take-up. With no new supply and stable leasing demand, average Grade B vacancy declined by 0.7 pps q-o-q to 3.8%.
- Average Grade A and Grade B office rents rose by 0.8% and 0.6% q-o-q to NT$3,142 and NT$1,979 per ping, respectively. Take-up continued to be concentrated in newly completed and premium buildings, pushing up average rents.
- Two new office buildings are slated for completion in Taipei's CBD by year-end, collectively providing 9,000 ping of leasable space. Amid solid economic fundamentals and positive leasing sentiment, average vacancy is expected to rise only marginally in the coming months.

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	2,913	1,880	30.8%	2.7%
Zhongshan North Road	35,863	--	1,955	--	1.7%
Nanjing-Songjiang Area	157,796	2,536	2,101	0.4%	4.9%
Minsheng-Dunhua Area	278,251	2,648	1,947	16.4%	5.6%
Nanjing-Guangfu Area	49,938	2,072	1,872	8.3%	6.4%
Dunhua South Road	167,320	2,616	2,011	1.7%	4.2%
Xinyi-Jilong Area	387,209	3,620	1,905	4.9%	2.7%

Source: CBRE Research, Q3 2026.

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Net Absorption and Vacancy

Total net absorption of quality office space in Taipei's CBD surged from 9,154 ping in Q2 2026 to 17,161 ping in Q3 2026, the highest quarterly volume in seven years. Grade A net absorption rose significantly to 12,956 ping as several large occupiers moved into newly fitted-out office units that they had pre-committed to a year earlier. By submarket, Xinyi-Jilong Area recorded the highest Grade A net absorption of 6,075 ping, with its core location continuing to lure tenants. Over the quarter, a new Grade A office building, Cathay R&D Center, was completed, offering 10,674 ping of leasable space. Strong relocation activity drove average Grade A vacancy down by 0.5 pps q-o-q to 8.2% despite this quarter's new addition.

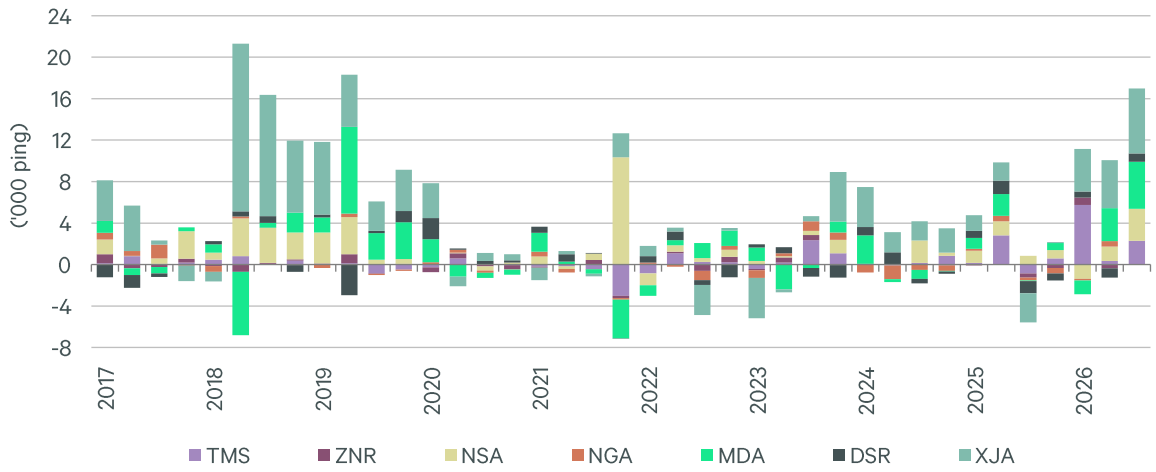
In the Grade B segment, total net absorption climbed to 4,205 ping in Q3 2026. While leasing sentiment in the Grade B category was weaker than in the Grade A segment, this was partly due to limited new supply and consistently low vacancy, which prompted cost-conscious tenants to defer relocation decisions. With no new supply delivered this quarter, average Grade B vacancy declined by 0.7 pps q-o-q to 3.8%.

Leasing Activity

Leasing enquiries remained strong in Q3 2026, with most occupiers requiring more than 500 ping targeting newly completed or Grade A office buildings in convenient locations. Flight-to-quality demand continued to drive relocation activity, as corporates displayed greater willingness to lease better-quality space at higher rents amid Taiwan's strong economic performance. However, most leasing transactions involved tenants moving within the same building grade, driven by a preference for better locations or newer building design. This suggests that the wide rental gap between Grade A and Grade B office buildings continues to weigh on tenants' leasing strategy. Many occupiers also opted to stay in the same office district when relocating in order to minimise disruption to employees.

Companies in the technology and financial services industries are turning more active in the leasing market, supported by their capacity to pay higher rents. Similarly, tenants relocating from old buildings awaiting redevelopment are displaying strong demand for larger offices in good locations despite a likely sharp increase in total rental costs. With quality office buildings under 10 years old accounting for only 13% of total office stock in Taipei's CBD, new buildings have become the preferred relocation choice for tenants seeking flight-to-quality moves.

FIGURE 2: Net Absorption



Source: CBRE Research, Q3 2026.

FIGURE 3: Selected Leasing Transactions

Tenant	Size (ping)	Building	District	Industry
Taiwan Obayashi	359	Taiwan Cooperative Bank HQ Building	NSA	Construction
Wiselink	353	Yuanta Silver Star Building	NSA	Tech/Software
OWNDAYS	281	National Enterprise Center	NGA	Retail
Hioki Taiwan	257	National Farmers Association Taipei Building	Other	Manufacturing/ Machinery
Shacom.com	147	Ruentex Songshan Station Building	Other	Fintech

Source: CBRE Research, Q3 2026.

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Rents

Grade A office rents increased by 0.8% q-o-q to NT$3,142 per ping in Q3 2026, underpinned by the flight-to-quality trend. Taipei Main Station recorded the strongest rental growth of any submarket, logging a gain of 3.3% q-o-q, as occupancy in new office buildings in the area rose steadily. Around 30% of Grade A office landlords in Taipei's CBD have raised their asking rents to above NT$4,000 per ping, spanning vacant space in newly completed buildings as well as vacated units in older prime buildings situated in certain submarkets. With Taipei remaining a landlords' market, tenants seeking space in these specific buildings should expect substantially higher headline rents than the market average.

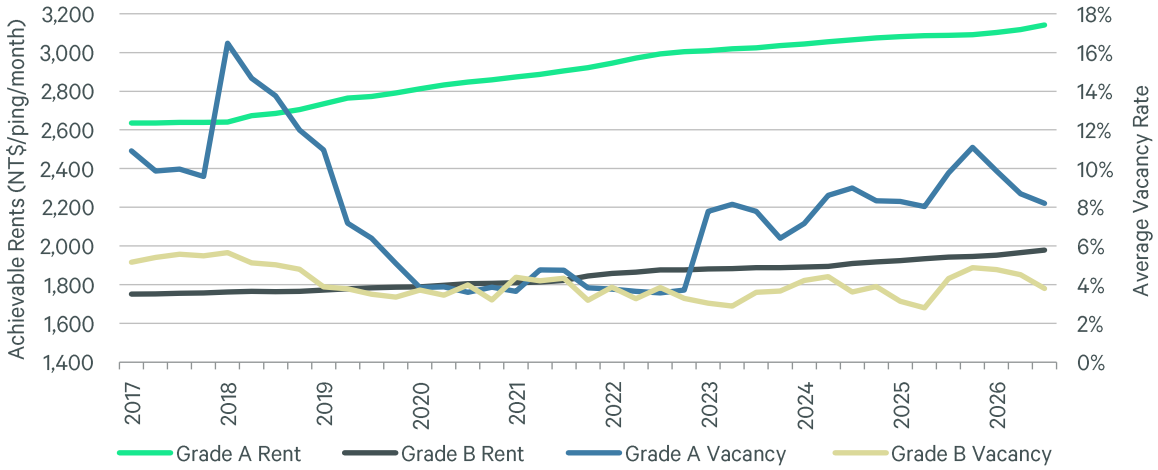
In the Grade B segment, average achievable rents edged up by 0.6% q-o-q to NT$1,979 per ping, with all submarkets registering modest rental growth. Average Grade B office rents in Nanjing-Songjiang Area rose by 1.6% q-o-q to NT$2,101 per ping, the highest growth in this segment across major districts. This was mainly attributable to strong take-up in several office buildings completed in the last three years, which command higher asking rents than some ageing Grade A office buildings in the CBD. This underscores occupiers' desire for newly completed buildings regardless of grade and with good transport access.

Outlook

Fueled by global demand for AI chips and hardware, Taiwan's GDP surged by 14.4% y-o-y in Q3 2026. While the AI boom largely benefits the manufacturing sector, it has also spilled over into the stock market, supporting robust growth in the financial services and retail segments. Companies in these industries are expected to remain active in expanding and upgrading their office space in the next few quarters. On the other hand, inflationary pressure has gradually increased at home, with CPI growth staying above 2% y-o-y for six consecutive months. A possible rake hike by Taiwan's Central Bank (CBC) could affect highly leveraged firms, prompting them to turn more cautious toward leasing decisions.

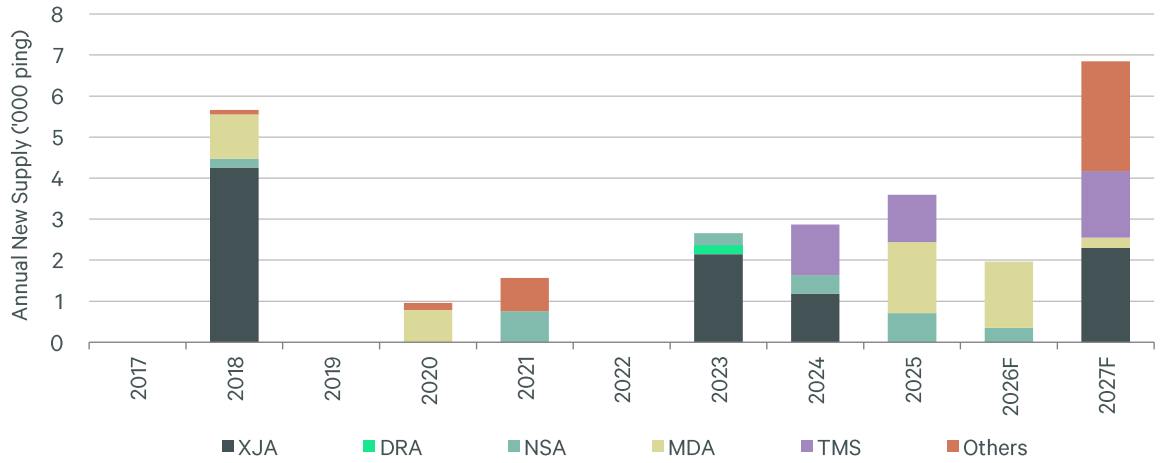
Two new office buildings scheduled for completion in Q4 2026 will add around 9,000 ping of leasable space to Taipei's CBD. Despite this new supply, continued positive leasing momentum should ensure the rise in vacancy remains marginal in the coming months. Given delays to some development projects slated for 2027, Taipei will remain a landlords' market in the year ahead, with rents continuing to rise moderately amid sustained flight-to-quality demand.

FIGURE 4: Average Rents and Vacancy



Source: CBRE Research, Q3 2026.

FIGURE 5: Development Pipeline



Source: CBRE Research, Q3 2026.

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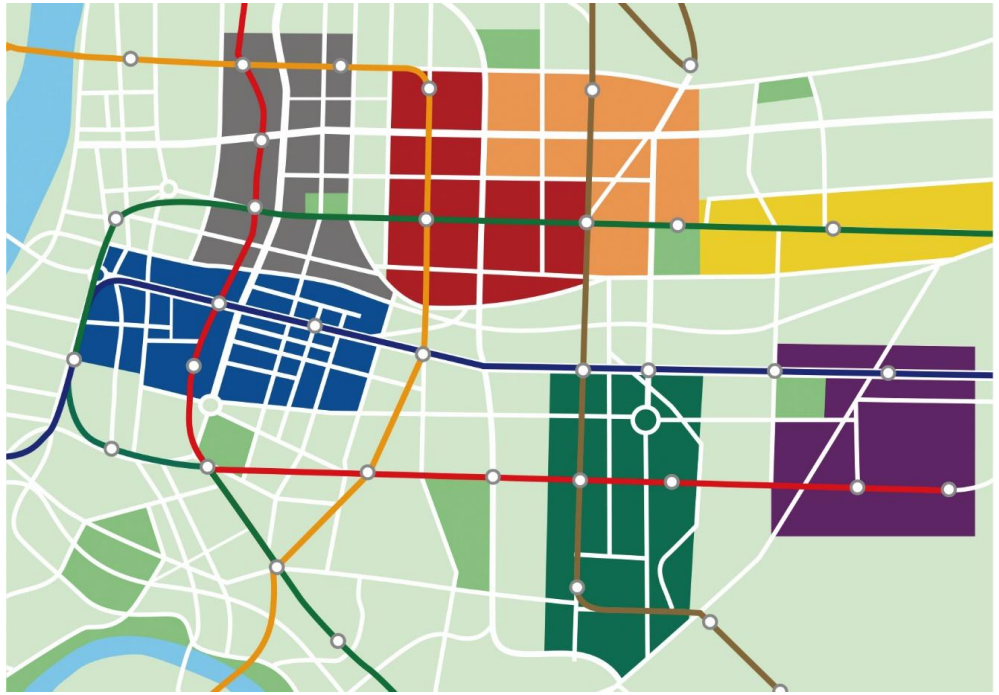
Market Area Overview



- 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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