

GLOBAL SPOTLIGHT

Taipei, Taiwan



As the capital of Taiwan, Taipei has been at the center of rapid economic development in the country and has become a global city in the production of high technology and its components.

- Taipei's economic growth rate continues to increase. The 10%+ growth in international trade plays a key role in driving and sustaining the economy.
- The total office inventory in Taipei is 1.4 million pings (approximately 50 million SF), and about 70% is occupied. With very limited new supply, vacancies are expected to decrease and rental rates are expected to gradually increase. Office rental rates have been decreasing over the last decade with 600,000 pings (21.4 million SF) of new supply added during the past 15 years in the Nei Hu submarket, a 15-minute drive from the Taipei CBD. Its high quality office space and low cost have attracted many institutional buyers for investment and IT companies for relocation.
- The Nei Hu submarket accounted for approximately 50% of the overall investment in new office properties. Its 6-6.5% IRR based on gross rent is among the highest in Taiwan. Future office development will move to focus on new areas, as less than 5% of area remains for new development in Nei Hu.
- The industrial market in Taiwan has been directed by the government to encourage strategic industries. Most industrial parks near Taipei are privately owned and serve for Taipei metropolitan functions. Hsin Chu Science Park has been the most successful park with annual production value over NT \$30 billion. Due to lack of availability for new land development within the Science Park, the nearby industrial parks, such as Hsin Chu Industrial Park are benefiting by attracting many IT satellites. The newly developed South Science Park in Tainan began working on its Phase II to accommodate surplus demand.

Taipei At A Glance

Population	10,072,918 (Greater Metro Area)
Location	Capital of Taiwan
GDP	\$346.7 billion (2006 est.)
Inflation	0.6% (2006 est.)
Interest	2.705 (Bank of Taiwan-3 yrs)
Unemployment	3.9% (2006 est.)
Conversion	1 US \$ = NT \$32.50 1 ping = 35.58 SF

Property	Rent/SF/Month Low	High	Effective Avg.	Vacancy Rate
Overall (A+B)	\$1.12	\$2.42	\$1.72	8.35%
Downtown Office Class A	\$1.56	\$2.42	\$1.96	8.00%
Suburban Office Class A	\$0.74	\$1.30	\$0.95	8.50%
Industrial Bulk Warehouse	\$0.35	\$0.56	\$0.48	5.00%
Retail Downtown	\$5.62	\$22.48	\$8.65	3-5%

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At A Glance

375	Offices
55	Countries
8,000	Professionals
\$45 billion	Annual Transaction Volume
250	MSF of Property Management

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