RESEARCH

MARKET IN MINUTES

TAIPEI Office Leasing

Office – Taiwan – November 2026

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Rental gaps continue to narrow

KEY TAKEAWAYS

- Robust economic momentum and improving corporate performance continued to support business expansion and office upgrade demand.
- Sustained leasing demand lifted Grade A office rents to NT$3,298 per ping in Q3, up 0.2% QoQ and 1.5% YoY, although rental growth moderated from 1H/2026.
- Strong absorption in newly completed buildings drove Grade A vacancy down by 0.5 ppts QoQ to 4.8%, with declining vacancy and steady rental growth maintaining a positive market trajectory.
- Full-year take-up is expected to reach a three-year high, driven by office upgrades, relocations and headquarters consolidation.
- Rental levels have increasingly converged across major submarkets, although Xinyi continues to maintain a clear rental lead.

MARKET OVERVIEW

Taiwan's economic momentum remained robust, prompting the DGBAS to raise its 2026 GDP growth forecast to 11.05% in August. In 1H/2026, sales in Taipei's manufacturing and financial & insurance sectors rose by 23.81% and 19.26% YoY, respectively. Stronger business performance and corporate earnings have provided occupiers with greater capacity to pursue expansion and office upgrades.

Taipei's Grade A office market maintained steady momentum in Q3, supported by moderate growth in leasing demand. The average vacancy rate was down 0.5 percentage points QoQ to 4.8%, while average rents edged up 0.2% QoQ to NT$3,298 per ping, although rental growth moderated from 1H/2026. Rental growth was more pronounced in the Dunhua N. and Dunhua S. submarkets. Although one building was completed in the Non-core submarket during the quarter, the building comprises primarily owner-occupied and strata-sale space and therefore had no impact on leasing market vacancy or rents. Overall, market fundamentals remained resilient, underpinned by declining vacancy and sustained rental growth.

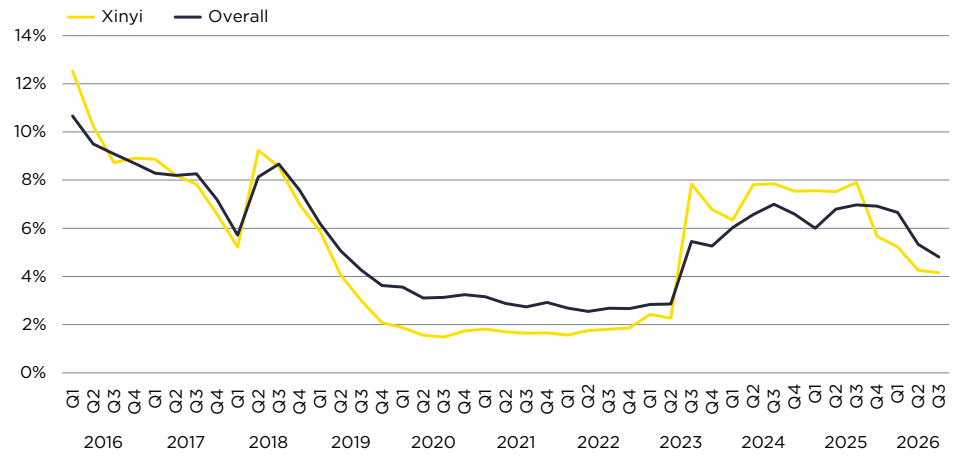
Major leasing transactions during the quarter were concentrated in the Xinyi and Non-core submarkets. In Xinyi, Taipei Dome International Center recorded approximately 352 ping of take-up on the sixth floor, while the remaining space on the upper floors was fully occupied. New tenants included a US manufacturer, a Japanese optoelectronics company and a domestic investment firm, lifting occupancy to over 90% within two years of completion. In the Non-core submarket, Fabulous International Commercial Building recorded

TABLE 1: GRADE A OFFICE VACANCY RATES BY SUBMKARET, Q3/2026

DISTRICT	VACANCY RATE (%)	QOQ CHANGE (PPTS)	YOY CHANGE (PPTS)
Xinyi	4.2%	-0.1	-3.7
Dunhua North	5.0%	0.1	-4.0
Dunhua South	3.5%	-0.9	0.2
Non-core	6.9%	-2.1	2.3
Taipei Overall	**4.8%**	**-0.5**	**-2.2**

Source: Savills Research & Consultancy

FIGURE 1: GRADE A OFFICE VACANCY RATES, Q1/2016 – Q3/2026



Source: Savills Research & Consultancy

> Continued flight-to-quality demand is expected to drive further divergence between newer and ageing office stock, particularly in rental performance and absorption.
>
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approximately 1,200 ping of take-up year-to-date, with demand largely driven by Japanese occupiers upgrading from Grade C buildings within the same submarket.

Leasing momentum near Songjiang Nanjing station, within the Non-core submarket, has strengthened notably since 2H/2025. In addition to Fabulous International Commercial Building, Yuanta Silver Star Building has recorded steady take-up since its completion in Q4/2025. Looking ahead, approximately 22,000 ping of new leasable space is expected to enter the area over the next three years. Despite the sizeable supply pipeline, recent leasing activity has been supported by flight-to-quality moves from within the submarket and relocations from ageing office stock in Dunhua N., underpinned by strong MRT connectivity and competitive rental positioning. As more high-specification developments are delivered, the emerging concentration of quality office stock should further strengthen Songjiang Nanjing's positioning as an office submarket.

Full-year take-up is expected to reach a multi-year high, underpinned by sustained flight-to-quality and relocation demand, as well as sizeable leasing requirements arising from headquarters consolidation and urban redevelopment. Improving occupier affordability has encouraged tenants to upgrade from Grade B and C buildings to newly completed Grade A buildings, despite higher rents and fit-out costs. Pre-leasing has also absorbed part of the pipeline ahead of completion, helping to mitigate supply-side pressure. Cumulative take-up reached approximately 26,000 ping in the first three quarters, driving the average vacancy rate down from 6.7% in Q1 to 4.8% in Q3 and highlighting stronger-than-expected market absorption.

SUPPLY

Rich Development's Headquarter was completed in the Non-core submarket during the quarter, bringing Taipei's Grade A office stock to 80 buildings with a total gross floor area of 839,000 ping. Primarily intended for owner-occupied, the building will accommodate affiliated companies, with rents ranging from NT$3,600 to NT$3,800 per ping per month. Part of the space has also been earmarked for sale, with some units already acquired by affiliated companies. The development provides approximately 7,300 ping of office space and has obtained LEED Gold certification.

TABLE 2: GRADE A OFFICE RENTS BY SUBMARKET, Q3/2026

DISTRICT	RENT (NT$ PER PING PER MONTH)	QOQ CHANGE (%)	YOY CHANGE (%)	3-YEAR CHANGE (%)
Xinyi	$3,930	0.1%	1.3%	5.4%
Dunhua North	$2,796	0.4%	4.5%	9.6%
Dunhua South	$2,694	0.4%	0.9%	4.2%
Non-core	$2,701	0.2%	3.2%	12.8%
Taipei Overall	**$3,298**	**0.2%**	**1.5%**	**5.9%**

Source: Savills Research & Consultancy

Looking ahead to Q4, three new buildings are scheduled for completion, adding approximately 46,000 ping of gross floor area. Tatung Building will be predominantly owner-occupied, while TransGlobe Headquarters will comprise a leasable north tower and an owner-occupied south tower. Cathay Industry R&D Center will be primarily lease-oriented, with its tenant mix focused on industry-academia collaboration. Together, the three buildings are expected to release approximately 16,000 ping of leasable office space. Notably, the latter two projects reflect a shift beyond conventional office use towards campus-style, mixed-use environments, with greater emphasis on communal amenities, shared spaces and supporting commercial services.

Elevated construction costs and labour shortages have delayed several major projects, easing near-term supply pressure and limiting vacancy risk over the next two years.

VACANCY

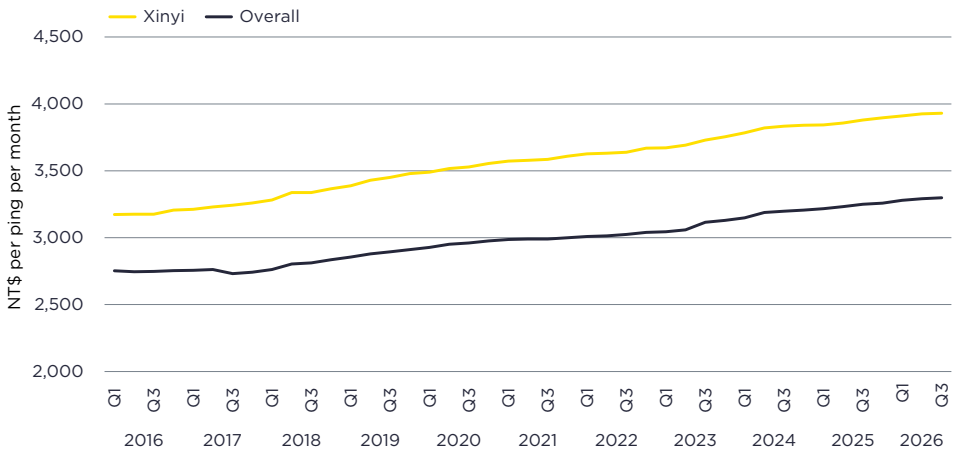
Taipei's Grade A office vacancy rate was down 0.5 percentage points QoQ to 4.8% in Q3. The Non-core and Dunhua S. submarkets recorded the most notable improvements, with vacancy declining by 2.1 and 0.9 percentage points QoQ to 6.9% and 3.5%, respectively.

Newly completed office buildings have generally achieved occupancy rates of over 70% within two years of completion, demonstrating the market's healthy absorption capacity for new stock. Assuming economic momentum remains resilient, continued corporate expansion and flight-to-quality demand should support the lease-up of upcoming supply, resulting in a more moderate increase in vacancy than previously anticipated.

RENT

Average Grade A office rents reached NT$3,298 per ping in Q3, up 0.2% QoQ and 1.5% YoY, although rental growth moderated from 1H/2026. Dunhua N. and Dunhua S.

FIGURE 2: GRADE A OFFICE RENTS, Q1/2016 – Q3/2026



Source: Savills Research & Consultancy

TABLE 3: MAJOR LEASING TRANSACTIONS, Q3/2026

DATE	BUILDING	SUBMARKET	AREA (PING) (INCL PARKING)	RENT (NT$ PER MONTH INCL PARKING)	AVERAGE RENT (NT$ PER PING PER MONTH EXCL PARKING)
Jul	3/F, Baohong Dunnan Commercial Building	Dunhua South	88	354,000	4,410
Jul	15/F, Shin Kong Huashan Financial Center	Non-core	351	1,133,000	3,228
Jul	6/F, Taipei Dome International Center	Xinyi	375	1,458,000	3,888
Aug	15/F, Yuanta Silver Star Building	Non-core	352	1,300,000	3,693
Sep	13/F, Fabulous International Commercial Building	Non-core	130	430,000	3,308

Source: Savills Research & Consultancy

recorded the strongest rental growth among the major submarkets, with average rents in Dunhua S. rising 0.4% QoQ to NT$2,694 per ping, marking the largest quarterly increase in a year. A notable transaction at Baohong Dunnan Commercial Building recorded 88 ping of lower-floor space at NT$4,410 per ping, approximately 20% above the building's previous registered rental level and around 60% above the Dunhua S. submarket average.

Over the past three years, Xinyi has maintained a clear rental lead, while rental differentials across the other major submarkets have gradually narrowed. The concentration of new completions in the Non-core and Dunhua N. submarkets has driven rental growth of 12.8% and 9.6%, respectively, significantly outpacing the 4.2% increase in Dunhua S. and bringing rental levels across the three submarkets closer together. This convergence suggests that location alone is becoming less decisive in rental performance, as asset quality, building specifications, connectivity and industry clustering increasingly shape occupier decisions. High-quality developments outside Xinyi are therefore becoming more competitive in attracting leading occupiers.

OUTLOOK

Supported by declining vacancy, steady rental growth and AI-sector expansion, Taipei's Grade A office market is expected to remain resilient. Improving corporate performance and occupier affordability are raising expectations for workplace quality, with new developments placing greater emphasis on power capacity, smart property management and shared amenities. Continued flight-to-quality demand is expected to drive further divergence between newer and ageing office stock, particularly in rental performance and absorption.

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