

TAIWAN Investment

Investment – Taiwan – October 2026



Commercial property market polarised

KEY TAKEAWAYS

- Strong AI-related demand continued to support Taiwan's semiconductor and server supply chains, leading the DGBAS to raise its 2026 GDP growth forecast to 11.05%.
- Commercial property transaction volume reached a record NT\$106.2 billion in Q3, bringing year-to-date (YTD) volume to NT\$274.4 billion, up 123% YoY.
- Factory transactions reached NT\$71 billion in Q3 and NT\$202.2 billion YTD, around three times the level recorded a year earlier, with deal sizes continuing to increase.
- Strong technology sector expansion pushed industrial property transaction volume to NT\$86.3 billion in Q3 and a record NT\$247 billion YTD, with activity concentrated in Miaoli and Taoyuan.
- Land transaction volume reached NT\$26.8 billion in Q3, up 2.9% QoQ, while YTD transactions amount fell around 20% YoY to NT\$107.6 billion.
- Developers invested NT\$13.9 billion in land during Q3. Despite subdued market conditions, leading developers continued to target large-scale sites in prime locations.

COMMERCIAL PROPERTY MARKET OVERVIEW

Strong AI-related demand and continued investment in data centers supported Taiwan's semiconductor and server supply chains, sustaining robust export and corporate investment momentum. The DGBAS raised its 2026 GDP growth forecast to 11.05%, the highest since 1987. With inflation remaining manageable and the housing market continuing to cool, the Central Bank kept its benchmark rate at 2% while easing housing control policies for the first time since 2024.

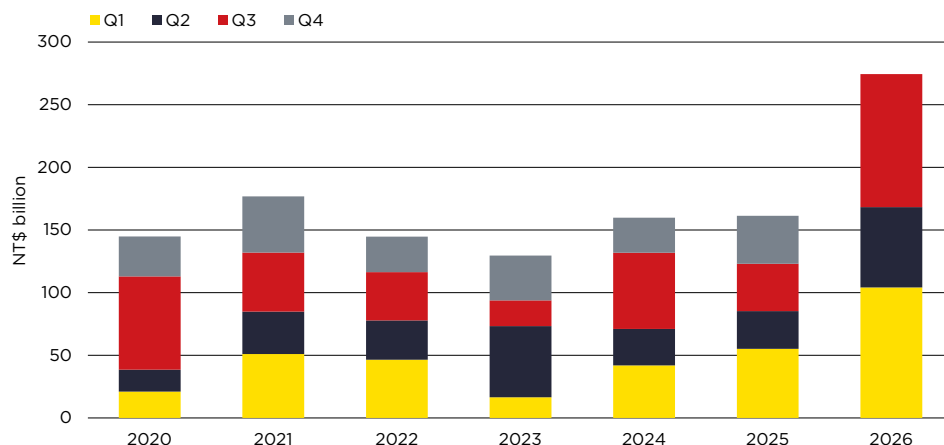
Commercial property transaction volume reached a record NT\$106.2 billion in Q3/2026, bringing YTD volume to NT\$274.4 billion, up 123% YoY and setting a new high. The three largest deals each exceeded NT\$10 billion, led by KGI Life's NT\$20.6 billion acquisition of Ruentex Yucheng Plaza in Taipei City, the largest office transaction on record. This was followed by Quanta Computer's NT\$19.7 billion acquisition of a factory in Hwa Ya Technology Park in Taoyuan and Unimicron Technology's NT\$10.1 billion acquisition of a factory in Hsinchu Industrial Park. Limited availability of large-scale industrial assets

TABLE 1: MAJOR ECONOMIC INDICATORS, 2026

INDICATOR		COMMENTS
2026 GDP growth forecast	11.05%	2025 GDP growth: 8.63%
2026 CPI forecast	2.07%	2025 CPI: 1.66%
2026 GDP per capita forecast	US\$45,332	2025 GDP per capita: US\$39,477
US\$ exchange rate (Sep 2026)	NT\$31.716	2025 average: NT\$31.39
Export growth (Jan to Sep 2026)	46.2% YoY	2025 export growth: 34.9% YoY
Unemployment rate (Sep 2026)	3.33%	2025 average: 3.3%
Inbound tourist arrivals (Jan to Aug 2026)	5,564,858	2025 inbound tourist arrivals: 8,574,547 (+9% YoY)
Benchmark interest rate (Jun 2026)	2.0%	March 2024: revised up by 0.125 ppts
Terms of mortgage (Jun 2026)	Rate* = 2.4%-3.0% LTV* = 50%-70%	

Source: Directorate-General of Budget, Accounting and Statistics, the Central Bank, Savills Research & Consultancy
* Property base rate and loan ratio may vary from investors' credit terms.

FIGURE 1: COMMERCIAL REAL ESTATE TRANSACTION VOLUMES, 2020 – Q3/2026



Source: Savills Research & Consultancy

supported competitive bidding, with the Hsinchu factory achieving a premium of approximately 20% and an implied land value significant above previous market levels.

Despite record commercial property transaction volume, market performance remained highly polarized, with activity concentrated in factory assets. Factory transactions totalled NT\$71.0 billion in Q3, accounting for 67% of overall activity, while YTD volume reached NT\$202.2 billion, around three times the level recorded a year earlier. Technology occupiers continued to target factories near their existing production bases and established supply chain clusters. Scarcity of large-scale assets strengthened competition for suitable properties, driving up both pricing and deal sizes.

Office transactions ranked second in Q3, totalling NT\$26.9 billion and accounting for 25% of overall activity, bringing YTD volume to NT\$46.7 billion. Activity was largely driven by KGI Life's NT\$20.6 billion acquisition of Ruentex Yucheng Plaza, with an estimated yield of around 3%, above the current 2.72% minimum yield requirement for insurance property investment. Other transactions were mainly driven by related-party deals and owner-occupier demand for office upgrades.

The technology sector remained the largest buyer in Q3, investing NT\$59.9 billion and bringing YTD acquisitions to NT\$184.9 billion, more than three times the level recorded a year earlier. Insurers ranked second, investing NT\$28.5 billion during the quarter and accounting for 27% of overall activity. Year-to-date commercial property investment by insurers reached NT\$38.3

billion, with demand focused on income-producing assets offering yields above 3%. Key transactions included KGI Life's acquisition of Ruentex Yucheng Plaza and Nan Shan Life's NT\$5.16 billion purchase of an en-bloc industrial office building in Hsinchu County, with an estimated yield above 4%. With the minimum property investment yield set to rise in 2027, insurers have accelerated acquisitions, while assets meeting the higher yield requirement are expected to become increasingly scarce.

LAND MARKET OVERVIEW

Land market activities remained subdued amid weaker residential sales and slower development activity. Land and superficies transactions totalled NT\$26.8 billion in Q3, bringing YTD volume to NT\$107.6 billion, down around 20% YoY. Developers remained cautious, with acquisitions in the first three quarters falling around 40% YoY to NT\$54.42 billion.

TABLE 2: MAJOR COMMERCIAL REAL ESTATE* TRANSACTIONS, Q3/2026

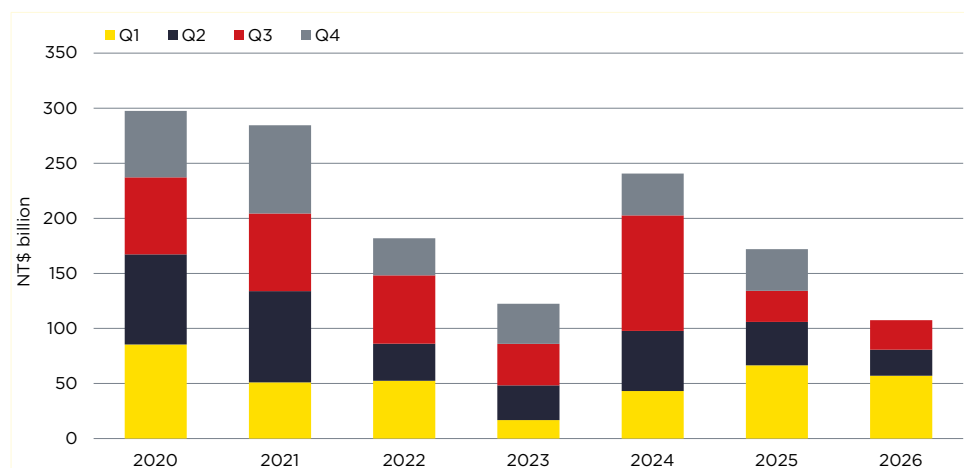
PROPERTY	LOCATION	TRANSACTION AMOUNT (NT\$ BILLION)	AREA (PING)	PROPERTY TYPE	BUYER
Ruentex Yucheng Plaza	Taipei City	20.6	20,580	Office	KGI Life Insurance
AUO L3D/L5D factory in Hwa Ya Technology Park	Taoyuan City	19.7	49,254	Factory	Quanta Computer
Bridgestone factory in Hsinchu Industrial Park	Hsinchu County	10.1	17,601	Factory	Unimicron Technology
AUO C5E factory in Southern Taiwan Science Park-Kaohsiung Park	Kaohsiung City	6.3	29,212	Factory	Advanced Semiconductor Engineering
Kuai Kuai factory in Zhongli Industrial Park	Taoyuan City	5.6	8,861	Factory	Advanced Semiconductor Engineering

Source: Savills Research & Consultancy



AI infrastructure investment is expected to deepen further, supporting continued technology sector expansion into 2027.

ERIN TING, RESEARCH

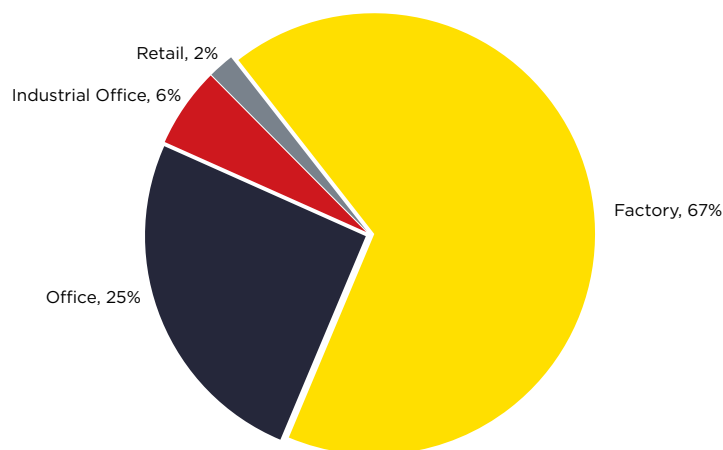
FIGURE 2: LAND AND SUPERFICIES TRANSACTION VOLUMES, 2020 – Q3/2026

Source: Savills Research & Consultancy

TABLE 3: SIGNIFICANT LAND TRANSACTIONS, Q3/2026

PROPERTY	LOCATION	TRANSACTION AMOUNT (NT\$ BILLION)	AREA (PING)	BUYER
Private school campus in Xindian District	New Taipei City	3.5	1,719	Hiyes International and other investors
Special Tourism and Leisure Zone in West Central District	Tainan City	2.6	3,088	Individual
Residential land in Banqiao District	New Taipei City	2.2	924	Continental Development
Industrial land in Yangmei District	Taoyuan City	1.9	9,323	SAN CHANG Development (Related parties' transaction)
Industrial land in Luzhu District	Taoyuan City	1.6	4,431	WT Microelectronics

Source: Savills Research & Consultancy

FIGURE 3: MAJOR TRANSACTIONS* BY PROPERTY TYPE, Q3/2026

Source: Savills Research & Consultancy

* Major transactions refer to individual transactions exceeding NT\$300 million.

Despite subdued market conditions, leading developers continued to pursue large-scale sites in prime locations. The quarter's largest transaction involved a private school campus in Xindian District, where Hiyes International and other investors committed a further NT\$3.52 billion to consolidate the site for future urban renewal, bringing total investment to NT\$9.0 billion. Kunyue Development also expanded its landholding in Taichung's 7th Redevelopment Zone through a NT\$1.05 billion related-party acquisition.

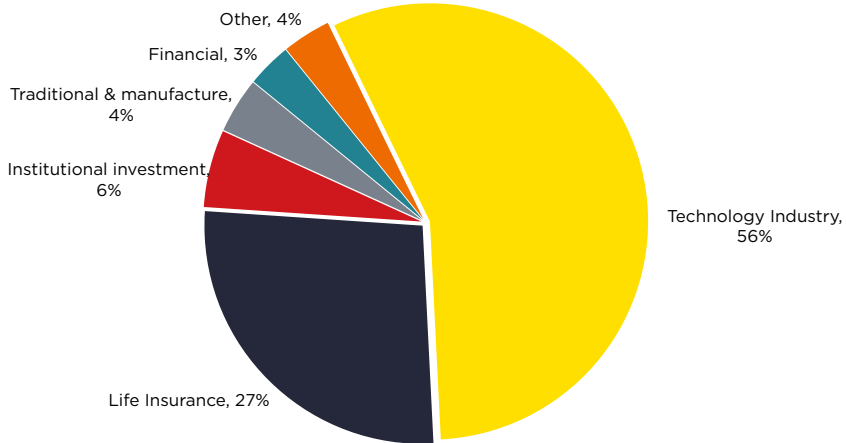
The slightly easing of housing control policies should provide some support to the subdued housing market. However, developers are unlikely to significantly increase land acquisitions in the near term given their ample land banks. Demand is expected to remain selective, focusing on prime locations, large-scale sites and long-term development opportunities.

PREFERRED ASSET CLASSES AND LOCATIONS

Strong expansion demand from the technology sector continued to drive industrial property activity. Factory transactions totalled NT\$71.0 billion in Q3, accounting for 67% of commercial property volume and pushing overall industrial transactions to NT\$86.3 billion. Year-to-date industrial property volume reached a record NT\$247.0 billion, up 164% YoY. Miaoli County and Taoyuan City were the two most active sub-markets, supported by established technology clusters and spillover demand from Hsinchu Science Park. In particular, the availability of large-scale factories has strengthened Miaoli's position as an emerging expansion location for technology occupiers in northern Taiwan.

In the middle of Taiwan, Largan Precision, a leading optical equipment manufacturer, continued to expand its footprint in Taichung, acquiring seven factories during June and September for a combined NT\$8.0 billion and securing nearly 17,000 ping of land. Continued expansion by major technology companies supported industrial property demand, resulting in an approximately 10% increase in land prices in the Taichung Industrial Park over the past six months.

FIGURE 4: MAJOR TRANSACTIONS BY INVESTOR TYPE, Q3/2026



Source: Savills Research & Consultancy

* Major transactions refer to individual transactions exceeding NT\$300 million.

INVESTOR PROFILE

The market was dominated by the technology sector accounting for 57% of total transaction volume (NT\$59.93 billion). AI-driven expansion continued to broaden beyond semiconductors to servers and related infrastructure, diversifying the technology sector's buyer

base. This trend was highlighted by Quanta Computer's NT\$19.7 billion acquisition of a factory in Hwa Ya Technology Park for AI server production.

Insurers ranked as the second-largest buyer group in Q3, accounting for 27% of total transaction volume. Year-to-date

investment in commercial property and land reached NT\$48.48 billion, with around 83% allocated for investment purposes. KGI Life was the most active insurer, investing NT\$37.0 billion YTD across the right of superficies, logistics and office assets. Institutional investors and traditional manufacturers remained relatively subdued, accounting for 6% and 4% of Q3 volume, respectively.

OUTLOOK

AI infrastructure investment is expected to deepen, supporting continued technology sector expansion into 2027. Strong occupier demand is also encouraging some traditional manufacturers to release underutilized industrial assets to the market, creating additional transaction opportunities. Meanwhile, higher minimum yield requirements for insurers are expected to tighten asset selection, with demand increasingly focused on assets offering full ownership, long-term leases and stable cash flows.



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