



# Taichung Rental Market

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## Setting the Right Expectations

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PEOPLE FIRST RELOCATION

## Taichung Rental Market – Setting the Right Expectations

*Please note, this article is for relocation management companies or human resource professionals relocating people to Taichung. The goal is to build a better understanding of the market norms and better set expectations for the relocating professional. If you like more information on Taichung or Central Taiwan market conditions, please feel free to contact me.*

Below is a deep dive into the Taichung rental market. I've broken down the most popular districts of 7<sup>th</sup> Redevelopment Zone, The Greenway, and Nantun & Beitun Districts. I also provided expectations before, during, and pre-departing the rental property. Many of the conditions are unique to the Taichung market and recommend review with your assignee pre-arrival. I would love to hear your experiences,

### The Top 4 Districts

*Xitun District* - 7th Redevelopment Zone (high rents) is where half of our assignees end up settling-in down. They like this area as it has modern infrastructure, close to department stores Top City/Shinkong Mitsukoshi, and easy access to Taiwan's Highway 1/Expressway 71. The apartment building makeup is single-zone, new, and high-rise towers. Other attractions in the area include the National Opera Theatre, Maple Garden, and Taichung City Hall.



7<sup>th</sup> Redevelopment Zone, buildings are new and modern



Greenway, mix use zone of mid-to-high rise apartments

*West District* - The Greenway Neighborhood (med-high rents), is an 8-block park which is bookended with Natural History Museum & Conservatory on one end and Museum of Fine Arts on the other. Many assignees will choose apartments directly on the park or nearby. The area, more densely populated than the 7<sup>th</sup> Redevelopment Zone, but also has many boutique shops and restaurants. Buildings are mix-zone commercial/apartment use, mid-high-rises, 10-15 years old.

*Nantun District* - (medium rents), is less densely populated, and home of the big box stores Ikea and Costco. Larger families like this area as there are more choices for three or more bedroom apartments. There's also lots of green space around Wenxin park and the amphitheater. The building makeup is a mix of old and new high-rise apartments and primarily dedicated to single-use apartment living.



Nantun District, mix of old and new high-rise apartments



Beitun, mostly low-rise apartments and townhouses

Beitun District (low-medium rents), more on the outer ring of the city, assignees live here usually because it is close to the two international schools Morrison Academy and American School Taichung. Having a car will be a must as most shops and restaurants will not be walking distance. Buildings can be mix-use, smaller low-rise apartments, and local style townhouses.

## Leasing Conditions

Documentation – tenant's passport, some landlords may require an alien resident certificate (ARC)

Deposit – two month's rent

Initial payment – the expectation of deposit and 1<sup>st</sup> months rent wired before move-in. However, this cannot be very easy if funds are coming from overseas. Depending on the landlord, they may accept the initial payment received after move-in but might attach conditions.

Ongoing Payment Terms – can be monthly but many landlords will push for quarterly payment, particularly if wired from overseas

Diplomatic Clause/Termination – one month notice and one- or two-months fee

Lease Template – landlords will accept government template which is in English and Chinese, with Chinese being the language used in any arbitration

Notarization – not required but landlord may request signing with notary

## Landlord Background

Although new apartments are abundant in Taichung, many of the owners are reluctant to rent them out. A lot of them are having factories in neighboring Chunghua county and use the apartments as investment properties. As they are usually not under heavy pressure to pay mortgages, they do not want to become landlords. Some of the hesitations come from requiring to be exposed to rental tax, tenancy management, and risk of getting a bad tenant.

Though it takes time, we are gaining more listings by building trust with potential landlords. In tandem with the rental agents we work with, we help educate them on the upside in working with us. Having a physical office in Taichung is reassuring to the landlords that we can manage any issues that may come up.

## Lease Negotiations

The Taichung market has some space for negotiating on the price and add-ons. Although not guaranteed, if there are no additional requests, the amount can be reduced by 5-10%. Usually, our assignees will opt for additions or upgrades to the items in the property. Frequently, the requests are family-size washing machines/separate dryer, dishwasher, or family size oven. Leases signed for two years; the landlords are more willing to accommodate these requests.

Apartments will usually be semi or fully furnished at the time of renting. Assignees will often request items to take out during their rental of the apartment. These requests cannot always be agreed to as the landlords may not have the space to store the items. For them to rent a storage locker could cost 2-3 times the value of the items. We tell our customers to inform us of their wishes, and we work with the landlord on the best solution.

## Amenities

Swimming pools, exercise facilities, and concierge are standard in most apartment buildings. On top of that, some places will have indoor basketball courts, bowling alleys, restaurants, and much more. Our assignees have had different feedback, with some saying they've only used the amenities a couple of times during their stay. While others, usually families, tell us they use the facilities almost daily.

One surprise to some of our customers is the limitations placed on amenities in Taichung apartments. Examples of this would be an outdoor swimming pool only open three months of the year, requiring building management to open public rooms or limited operating hours. The simple explanation is the facilities infrequently used, therefore the building management may place these types of restrictions to keep management fees down.



2-lane bowling alley in 7<sup>th</sup> Zone apartment

## Tenancy Management & Apartment Departure

Many times, the assignee may be the first person to live in the apartment. Therefore, it's not uncommon to have minor issues crop up during the first few months. Due to the hot summers, air conditioner units require the most attention, but other problems can arise during your stay. Minor repairs generally take a few days to complete. Taichung's construction quality is good but not great. During the home finding service, we set the expectation that some minor repairs may come up and contact us directly for handling the repairs.

Rule of thumb is you need to hand back the property is the same condition it was received. Unique to the Taichung market, landlords professionally clean the apartments before the assignee moves in. Therefore, professionally cleaning is required before departure. I recommend having a pre-inspection with the agent/landlord performed 3-4 weeks before the handover date: this way, any issues can be addressed, and repairs made in plenty of time before departing. The worst thing is having the negotiations at the handover of the property. As the situation can then become very emotive, and the landlord has all the leverage.



Water filter system, appliance translation  
may be required