

YoY
Chg 12-Mo.
Forecast**9.9%**

Vacancy Rate

**-10.5K**

Net Absorption, SF

**\$22.38**

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q4 2020YoY
Chg 12-Mo.
Forecast**181.3K**Savannah
Employment**4.7%**Savannah
Unemployment Rate**6.7%**U.S.
Unemployment Rate

Source: BLS

ECONOMIC OVERVIEW: Significant Rebound in Regional Economy

According to Georgia Southern University's latest Savannah Economic Monitor, the Savannah metro economy experienced significant signs of recovery in Q3 2020. These included a 54% increase in the number of single-family permits issued from the prior quarter and a return of TEUs passing through the Port of Savannah to pre-COVID-19 and record levels. The tourism and retail trade sectors continue to languish due to the pandemic but are forecast to rebound in the second half of 2021 once the pandemic vaccine program has been implemented and business and leisure travel restabilize. The continued stability of the regional economy and rebound from the pandemic are attributable to the diversity of Savannah's third largest and fastest growing container port, a strong base of manufacturing and distribution employment, the military complexes at Fort Stewart and Hunter Army Airfield, two regional hospitals and more than 40,000 local area college students. From a positive standpoint, the pandemic has resulted in a significant influx of retirees and pre-retirees into the Savannah region. Overall economic conditions are expected to improve in 2021 most notably in the hospitality and retail trade sectors.

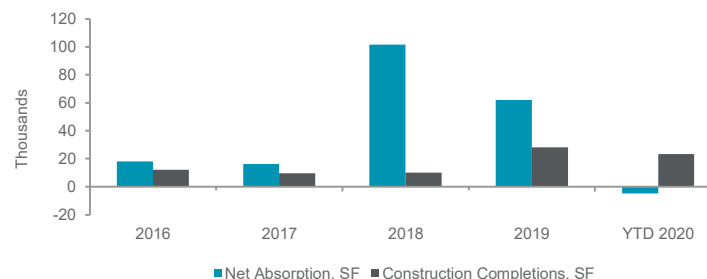
SUPPLY AND DEMAND: No Significant Changes in Terms of New Inventory

There have been no groundbreakings on the 27,190-square foot (sf) Class A building planned for 110 Park of Commerce, the 80,000-sf Class A building proposed for the Eastern Wharf or the 20,000-sf Class A building under design for the Downtown East project as no anchor Tenants have committed. Several developers continue to target the development of medical office buildings in Pooler, proximate to the new Candler/St. Joseph's micro-hospital, but no projects have broken ground or been formally announced.

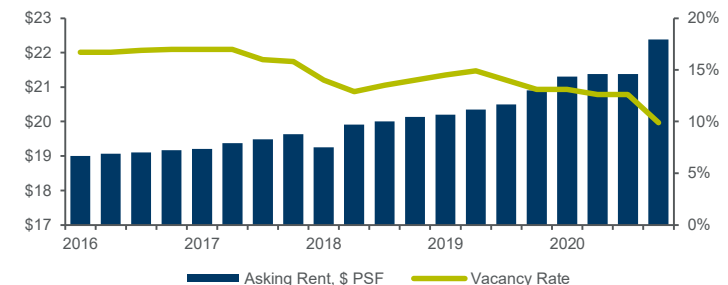
PRICING: Asking Rents Post Increase

Savannah's overall vacancy rate decreased from 12.6% in Q2 2020 to 9.9% in Q4 2020. This significant decrease is primarily attributable to significant new leasing activity in the CBD and Southside office market sectors. The overall gross average asking rental rate increased from \$21.38 per square foot (psf) in Q2 2020 to \$22.38 psf in Q4 2020, as free rent and overall concessions remained largely unchanged. Effective rental rates and overall occupancy should remain essentially unchanged for the first half of 2021 as many corporate office Tenants resume normal operations and, most likely, no speculative office buildings break ground.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	NO. OF BUILDINGS	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD – Historic Downtown	1,267,759	9.1%	43	0	\$24.30	\$24.18
Southside	1,159,605	8.4%	68	0	\$19.85	\$22.75
Westside	1,084,870	10.9%	48	23,373	\$20.25	\$24.73
Midtown	191,783	14.8%	13	0	\$23.23	\$30.00
Islands	204,508	8.1%	13	0	\$23.05	\$26.25
MSA TOTALS	3,908,525	9.9%	185	23,373	\$22.38	\$24.80

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
7 East Congress Street	CBD	EPRA	10,220	New Lease
6001 Chatham Center	Westside	Barnard Williams Co	7,985	Renewal*
30 Park of Commerce Way	Westside	N/A	7,353	New Lease
25 Bull Street	CBD	N/A	4,731	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
107 Southern Blvd	Westside	Coastal Real Estate Investments, LLC/G. Kovach Investments LLC	20,300	\$2.80 M / \$137.93
1000 Towne Center Blvd	Westside	900 Godley Building, LLC/Southcoast Medical Group, LLC	16,000	\$4.97M / \$311.65
530 Stephenson Ave	Southside	Stephenson Avenue Financial Center, LLC/Chiva Property Management LLC	10,000	\$1.84M / \$183.68

LOCAL MARKET RESEARCH LEAD

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