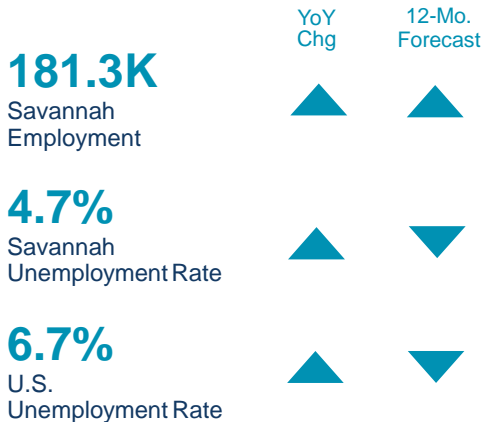


ECONOMIC INDICATORS Q4 2020



Source: BLS

ECONOMIC OVERVIEW: Continued Stability

The Savannah regional economy continues to experience stability and momentum in the industrial sector. The continued expansion of Savannah's well-grounded market can be attributed to the region's economic diversity centered around the Georgia Ports and local Tourism. Savannah is home to the nation'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 along with a continued influx of retirees and pre-retirees. Upon the arrival of COVID-19 in the U.S., the economy entered a recession in March 2020, recording the worst decline in post-war history in Q2 2020. By the middle of Q3 the local economy began to rebound led by significant rebound in the total TEU throughput at the Port of Savannah to pre-COVID-19 and record levels which continued through the end of 2020.

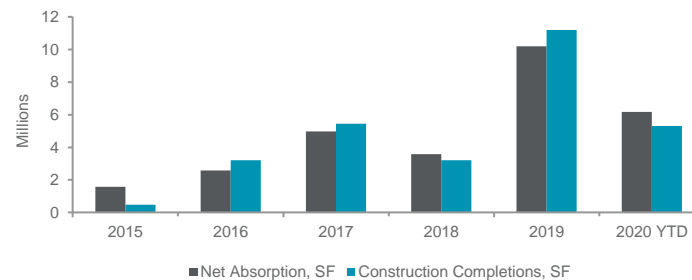
SUPPLY AND DEMAND: Another Year of Record-Low Vacancy

Savannah's industrial sector, once again, maintained a near record-low vacancy rate of 3.7%, representing the sixth consecutive year with a vacancy below 4.0% despite an overall market inventory increase of 28.9 million square feet (msf) since fourth quarter 2014. The below-average vacancy rate can be attributed to another record-breaking year of throughput and expansion at the Georgia Ports Authority. The long-term outlook for the Georgia Ports remains favorable, with the recent completion of the Panama Canal Expansion Project and pending completion of the Savannah Harbor Deepening Project. Over 5.2 msf of new construction delivered in 2020 with more than 85.0% leased prior to completion. Additionally, several notable leases totaling 3.1 msf were signed in the Q4 2020 to include a 798,560 sf build-to-suit for Hooker Furniture at Tradeport East. Currently, there is a total of 9.5 msf of new construction underway and scheduled for completion by year-end 2021. Less than 41.0% of this inventory is being built on a speculative basis and will likely lease prior to completion. Notable transactions in Q4 included SLM Warehousing's acquisition of a 166,400 sf rear-load at the entrance to CenterPoint Intermodal Center and Lexington's acquisition of a 419,667 sf distribution center located in Georgia International Trade Center at a record low 5.1% cap rate.

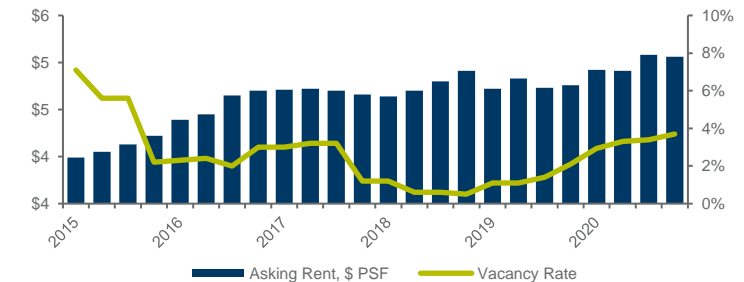
OUTLOOK: Continued Momentum

The outlook for 2021 is very favorable thanks to the continued recovery at the Georgia Ports Authority after several months of reduced throughput in early 2020 and record months posted during the second half of the year. Several significant lease transactions are pending and expected to sign before end of Q1 2021 that would absorb in excess of 1.2 msf of existing vacant or speculative product that is under construction and continuing the six-year trend with market demand outpacing delivery of speculative product.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS – Q4 2020

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Downtown/Eastside	3,302,474	32,250	1.0%	0	0	\$8.45	\$5.00
Port Corridor	23,769,409	288,727	1.2%	2,122,900	0	\$8.50	\$5.55
Crossroads / Dean Forest	27,883,230	914,510	3.3%	1,078,814	232,000	\$9.75	\$5.08
Southside / Highway 17	3,718,598	459,489	12.4%	0	0	N/A	\$4.91
Westside	12,999,002	1,224,124	9.4%	1,994,200	280,000	\$10.00	\$4.84
Highway 21	3,418,055	0	0.0%	1,832,515	998,400	N/A	\$4.45
I-16 West	2,831,000	0	0.0%	1,218,400	0	N/A	N/A
I-95 South	2,648,732	0	0.0%	1,000,000	0	N/A	N/A
Jasper County	150,000	94,000	62.7%	329,000	0	N/A	\$5.25
SAVANNAH TOTALS	80,720,500	3,013,100	3.7%	9,575,829	1,510,400	\$9.09	\$4.84

*Rental rates reflect weighted net asking \$psf/year OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
500 Islands Highway – Tradeport East	I-95 South	Hooker Furniture	798,560	Direct
1 Knowlton Way	Crossroads/Dean Forest	Outsource Logistics	784,000	Direct
307 International Trade Parkway	Port Corridor	Shaw Industries	420,640	Direct
4601 McCall Road	Highway 21	Bissell	388,400	Direct
175 Portside Court	Crossroads/Dean Forest	Supply Chain Management	322,500	Direct
100 Brampton Road	Port Corridor	DSI Logistics	317,880	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
8 Sonny Perdue Boulevard	Crossroads/Dean Forest	Strategic / SLM Warehousing	166,400	\$17.3M/\$104

LOCAL MARKET RESEARCH LEAD

Stephen Ezelle, SIOR

Partner

+1 912 441 3083 / sezelle@gilbertezelle.com

KEY CONSTRUCTION COMPLETIONS Q4 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
4601 McCall Road	Highway 21	A&R Logistics	998,400	Broe
400 Morgan Lakes Industrial	Westside	WDS	280,000	Northpoint
8 Sonny Perdue Boulevard	Crossroads/Dean Forest	SLM Warehousing	166,400	SLM / Strategic
421 Armstead Avenue	Crossroads/Dean Forest	Rolls-Royce	65,600	Rolls-Royce

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