

	YoY Chg	12-Mo. Forecast
9.5% Vacancy Rate	▼	▲
4.1K Net Absorption, SF	▲	▼
\$22.13 Asking Rent, PSF	—	—

(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
187.9K Savannah Employment	▲	▲
4.3% Savannah Unemployment Rate	▼	▼
5.9% 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 has been experiencing significant growth and signs of recovery from the pandemic. Port activity, boardings at the airport, electricity sales, consumer confidence and retail trade all registered double-digit quarterly growth, from 14% to 20%. Hotel room rentals rebounded 8.4% while overall employment growth was 3.4%. The tourism economy is beginning to improve, but activity remains well below pre-pandemic levels. The economic forecast for 2021 predicts Savannah's hospitality sector will recover more quickly than the national sector, in part because Savannah is a drive-in destination and less reliant on international and air travel. More robust recovery is anticipated in the second half of 2021, as the general population makes substantial progress toward herd immunity from COVID-19.

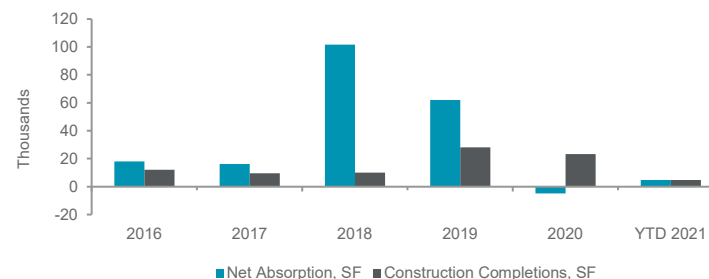
SUPPLY AND DEMAND: No Significant Changes in Terms of New Inventory

There has been a groundbreaking on the 28,000-square foot (sf) Class A building planned for 110 Park of Commerce. The building will be anchored by DAI Commercial, Omega Construction's Georgia Division, and Broughton Partners. 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, are still awaiting groundbreaking, 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.

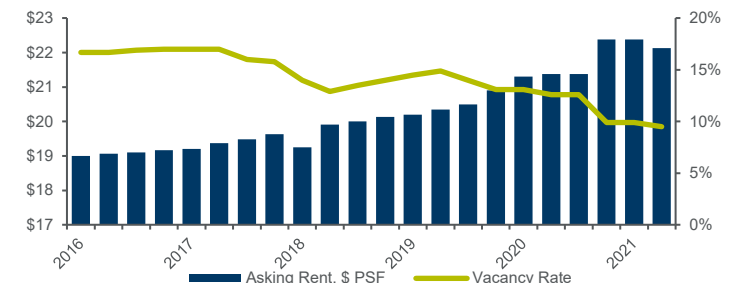
PRICING: Asking Rents Remain Relatively Steady

Savannah's overall vacancy rate slightly decreased from 9.9% in Q4 2020 to 9.5% in Q2 2021. This decrease is primarily attributable to new leasing activity in downtown office sector. The overall gross average asking rental rate decreased from \$22.38 per square foot (psf) in Q4 2020 to \$22.13 psf in Q2 2021, as free rent and overall concessions remained largely unchanged. Effective rental rates and overall occupancy should remain essentially unchanged for the second 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	8.8%	43	0	\$24.27	\$24.18
Southside	1,159,605	8.4%	68	0	\$19.85	\$22.75
Westside	1,089,587	10.8%	49	4,717	\$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	3,913,242	9.5%	186	4,717	\$22.18	\$24.30

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
33 Bull Street	CBD	GSA	4,736	New Lease

KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
139 Southern Blvd	Westside	Flaherty Family Ents LLC/SGP LLC	16,211	\$4.05 M / \$249.83

LOCAL MARKET RESEARCH LEAD

Harvey Gilbert, CRE
 Managing Partner and Broker-in-Charge
 +1 912 236 8992/hgilbert@gilbertezelle.com

Ryan Drusano
 Associate
 +1 912 236 8992/rdrusano@gilbertezelle.com

cushmanwakefield.com

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