

	YoY Chg	12-Mo. Forecast
8.7% Vacancy Rate	▼	▼
4K Net Absorption, SF	▲	▼
\$22.13 Asking Rent, PSF	▬	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
194.9K Savannah Employment	▲	▲
2.8% Savannah Unemployment Rate	▼	▬
4.2% 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 continued to roar back from the height of the pandemic for the fourth consecutive quarter. The significant return of the tourism sector was evidenced by a 24% increase in hotel sales and 19% increase in airplane boardings in Q3 2021. Overall employment growth was 2.3% with the tourism and hospitality sector adding 1,400 jobs. The seasonally adjusted number of single-family homes permitted for construction rose 20%. The economic forecast for 2022 predicts Savannah's hospitality sector will continue to recover more quickly than the national sector, in part because Savannah is a drive-in destination and less reliant on international and air travel. The near-term prospects for continued growth in the metro Savannah economy are favorable in light of the continued strength in tourism, the logistics industry and increasing land development and associated construction activity.

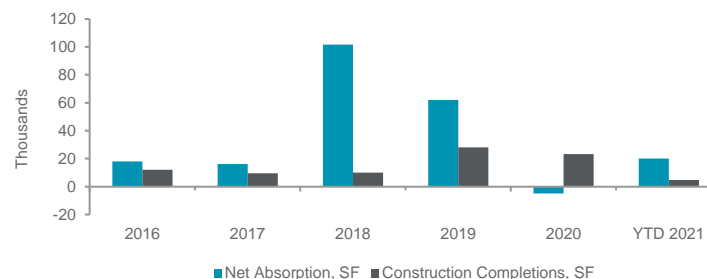
SUPPLY AND DEMAND: No Significant Changes in Terms of New Inventory

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 and is 100% leased. The 80,000-sf Class A building proposed for the Eastern Wharf and the 20,000-sf Class A building under design for the Downtown East project, are still awaiting groundbreaking, as no anchor Tenants have been secured. 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.

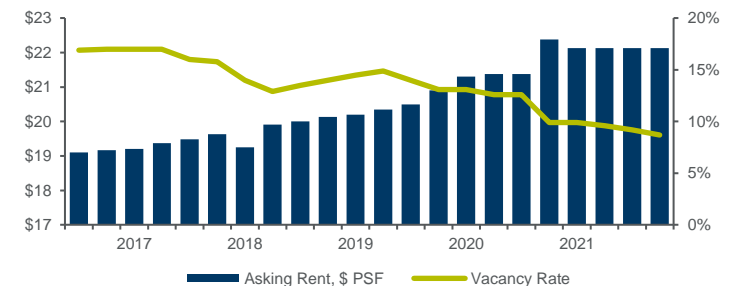
PRICING: Asking Rents Remain Relatively Steady

Savannah's overall vacancy rate decreased from 9.6% in Q2 2021 to 8.7% in Q4 2021. This decrease is primarily attributable to new leasing activity in the CBD and Westside office sector. The overall gross average asking rental rate remained steady from \$22.13 per square foot (psf) in Q2 2021 to \$22.13 psf in Q4 2021, as free rent and overall concessions remained largely unchanged. Effective rental rates and overall occupancy should remain essentially unchanged for the first half of 2022 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	7.5%	43	0	\$24.27	\$24.14
Southside	1,159,605	6%	68	0	\$19.84	\$22.69
Westside	1,089,587	7.1%	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	8.7%	186	4,717	\$22.13	\$24.29

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
10 Chatham Center South Drive	Westside	Unknown	9,247	New Lease
24 Drayton	CBD	Unknown	5,483	New Lease
27 Chatham Center South Drive	Westside	Unknown	4,500	New Lease

KEY SALES TRANSACTIONS 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
349 Mall Boulevard	Southside	Greg Hirsch / Teal Lake Development, LLC	17,390	\$209.89

LOCAL MARKET RESEARCH LEAD

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

cushmanwakefield.com

Independently Owned and Operated / A Member of the
 Cushman & Wakefield Alliance

©2022 All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.