

	YoY Chg	12-Mo. Forecast
0.6% Vacancy Rate	—	▲
4.9M YTD Net Absorption, SF	▲	▲
\$6.12 Asking Rent, PSF	▲	—

Overall, Net Asking Rent

ECONOMIC INDICATORS Q2 2022

	YoY Chg	12-Mo. Forecast
198.7K Savannah Employment	▲	▲
2.9% Savannah Unemployment Rate	—	—
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMIC OVERVIEW: Continued Stability

The Savannah regional economy continues to experience rapid expansion and strong absorption 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 Authority ("GPA") 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. The GPA continues to be a major regional economic generator handling 5.6 million twenty-foot equivalent ("TEU") units in 2021 with continued momentum in the first half of 2022 with monthly throughputs exceeding 20% year-over-year growth and setting course to surpass the 6.0 M TEU mark before the end of 2022. The recent announcement of Hyundai Motor Group's \$5.5 billion ("B") Electric Vehicle Manufacturing Plant projected to generate 8,100 jobs will serve as a major economic generator with a planned opening in Q4 2025.

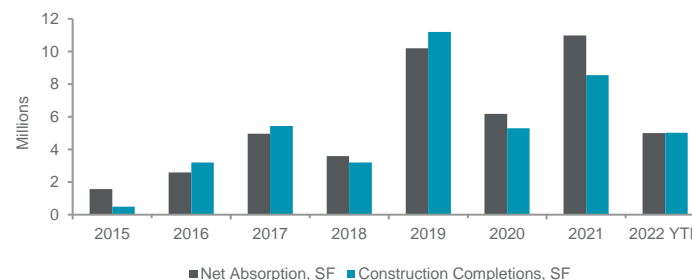
SUPPLY AND DEMAND: Another Quarter of Record-Low Vacancy

Savannah's industrial sector, once again, maintained a record-low vacancy rate of 0.6%, representing the seventh consecutive year with a vacancy below 4.0% despite an overall market inventory increase of 42.5 million square feet (msf) since 2015. Leasing activity remains brisk with 8.1 msf of new leases executed the first half of 2022, setting the pace for another record-breaking year of net absorption. Currently, there is a total of 22.4 msf of new construction underway with over 60.0% of this inventory currently pre-leased. Notable lease transactions in Q2 2022 include 1.1 msf signed by Webstaurant Store at Interstate West and 1.0 msf leased by NFI at Old Augusta Commerce Center. Based on the number of pending leases and tenants in the market, it is likely that all speculative space under construction and delivering in the next 12 months will be leased prior to completion and the market will maintain a vacancy rate below 1.0% through at least the first half of 2023.

OUTLOOK: Continued Momentum

The outlook for Savannah's industrial market is very favorable thanks to the continued growth at the GA Ports with conservative projections to eclipse 8.0M TEU's of throughput by 2030. The operational efficiency offered by the GPA and shift in import cargo from the West Coast and NY/NJ are the key drivers in the growth of Savannah's industrial market. 2022 is on track to be another record-breaking year in terms of net absorption with several significant lease transactions expected to sign before end of Q3 2022 that will absorb in excess of 3.0 msf of speculative product and continuing the seven-year run with market demand outpacing delivery of speculative product.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS – Q2 2022

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF) YTD 2022	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Downtown/Eastside	3,302,474	22,250	0.7%	0	0	\$10.16	\$5.88
Port Corridor	25,892,309	7,260	0.1%	0	0	\$10.87	\$6.10
Crossroads / Dean Forest	29,299,848	14,000	0.1%	7,615,736	221,215	\$12.20	\$6.16
Southside / Highway 17	3,718,598	5,001	0.2%	1,355,440	0	\$11.00	\$5.95
Westside	14,996,934	221,303	1.5%	3,674,509	1,378,000	\$11.21	\$5.95
Highway 21	6,340,970	273,601	4.3%	4,763,687	2,307,025	N/A	\$5.85
I-16 West	4,049,400	0	0.0%	4,143,156	0	N/A	\$5.25
I-95 South	5,558,784	0	0.0%	647,530	0	N/A	\$4.95
Jasper County	1,087,371	0	0.0%	206,546	1,114,273	N/A	\$6.00
SAVANNAH TOTALS	94,246,688	543,415	0.6%	22,406,604	5,020,513	\$10.86	\$5.90

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

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
Interstate West – Building C	I-16 Corridor	Webstaurant Store	1,157,333	Direct
Old Augusta Commerce Centre – Building 2	Highway 21	NFI	1,026,606	Direct
951 Interstate Centre Parkway	I-16 Corridor	Dorel Home Furnishings	604,930	Renewal
3000 Tremont Road	Southside/Highway 17	Tradition Transportation	311,209	Direct
RiverPort Commerce Center – Building 4	Jasper County	LT Foods	99,000	Direct
27-1 Artley Road	Crossroads/Dean Forest	Transrepublica	75,000	Direct

*Renewals not included in leasing statistics

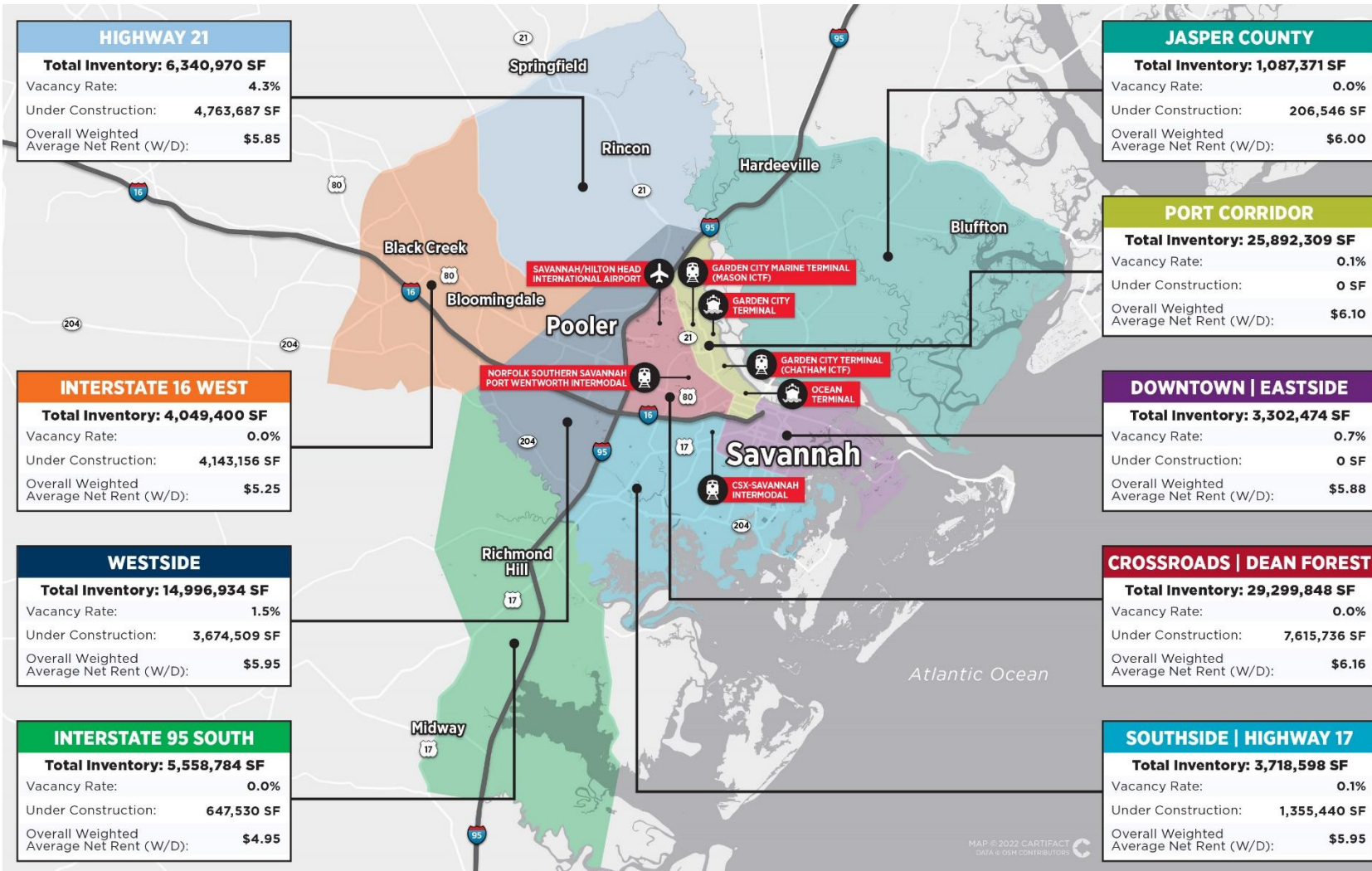
KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2016 Trade Center Parkway	Highway 21	Stonemont Financial Group / Invesco	1,165,425	\$94.5M / \$81
350 Morgan Lakes Industrial Boulevard	Westside	Ifit / EQT	358,400	\$50M / \$139
195 Nordic Way	Westside	195 Nordic, LLC / TerraCap	230,400	\$33M / \$143

KEY CONSTRUCTION COMPLETIONS Q2 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
2016 Trade Center Parkway	Highway 21	Serena & Lily	1,165,425	Chesterfield / Stonemont
Savannah Gateway – Building 2	Highway 21	DHL	790,400	OmniTrax - Broe
RiverPort – Building 2	Jasper County	RBW/ONL	608,371	North Signal
Main Gate – Building 4	Crossroads / Dean Forest	UNIS	505,902	McCraney Development
Lion Brand Yarns	Highway 21	Lion Brand Yarns	300,000	Lion Brand Yarns / Broe

INDUSTRIAL SUBMARKETS – Q2 2022



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