

	YoY Chg	12-Mo. Forecast
9.8% Vacancy Rate	▲	▼
(40.8K) YTD Net Absorption, SF	▼	▲
\$22.24 Asking Rent, PSF	▬	▬

(Overall, All Property Classes)

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: Significant Rebound Continues in Regional Economy

According to Georgia Southern University's latest Savannah Economic Monitor, the Savannah metro economy has continued to grow at a moderate, but slower pace in the first half of 2022 as compared to the dramatic pace of growth for all of 2021. Regional employment is now 3% higher than at the onset of the pandemic and tourism and hospitality employment have returned to pre-pandemic levels. The GPA shipping terminal continues to be a major regional economic generator handling 5.6 million TEUs in 2021 and 2.4 million TEUs in the first five months of 2022. The recent announcement of a \$5.5 billion Hyundai EVM plant projected to generate 8,100 jobs on the Bryan County mega-site twenty minutes west of Savannah will serve as a major economic generator with a projected opening in Q2 of 2025. The near-term prospects for continued growth in the metro Savannah economy are favorable given the continued strength in tourism, the Port and supportive logistics industry and continued land development and associated construction activity.

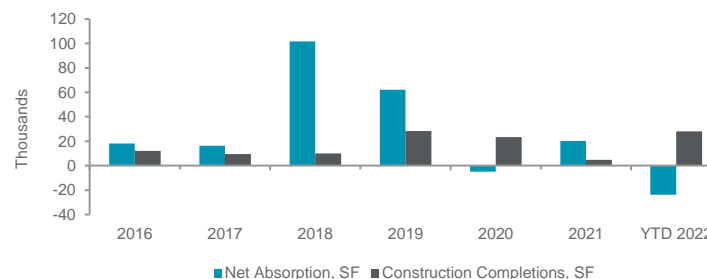
SUPPLY AND DEMAND: No Significant Changes in Terms of New Inventory

The 28,000-square foot (sf) Class A building located at 110 Park of Commerce is nearing completion and 95% preleased. The 80,000-sf Class A building proposed for the Eastern Wharf is still on the drawing board with commencement of construction contingent on securing an anchor tenant. The 20,000-sf Class A building under design for the Downtown East project, is on hold. Several developers continue to target the development of medical and/or professional office buildings in Pooler, proximate to the new Candler/St. Joseph's micro-hospital, but no projects have broken ground.

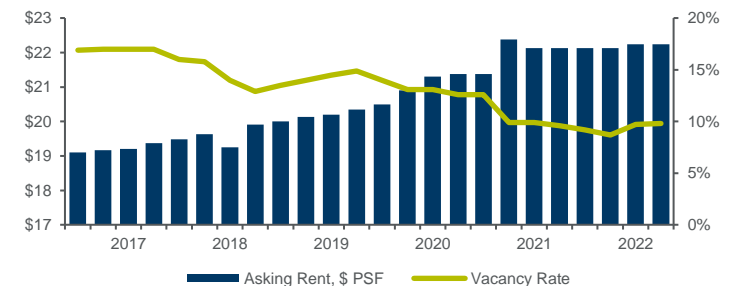
PRICING: Asking Rents Remain Relatively Steady

Savannah's overall vacancy rate increased from 8.7% in Q4 2021 to 9.8% in Q2 2022. This increase is primarily attributable to several consolidations of sizable tenants within the banking, financial services and legal sectors. The overall gross average asking rental rate remained steady from \$22.13 per square foot (psf) in Q4 2021 to \$22.24 psf in Q2 2022, as free rent and overall concessions remained largely unchanged. Effective rental rates and overall occupancy should remain essentially unchanged for the second 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	8.2%	43	0	\$24.04	\$24.59
Southside	1,159,605	11.9%	68	0	\$20.17	\$23.63
Westside	1,117,587	10.0%	50	28,000	\$20.61	\$24.87
Midtown	191,783	13.0%	13	0	\$23.23	\$30.00
Islands	204,508	6.4%	13	0	\$23.15	\$26.25
MSA TOTALS	3,951,242	9.8%	187	28,000	\$22.24	\$24.71

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
8001 Chatham Center Drive	Westside	Total Quality Logistics	11,000	New Lease
1601 Chatham Center Drive	Westside	Consolidated Chassis Mgmt	9,247	New Lease
613 Stephenson Avenue	Southside	Unknown	3,770	New Lease

KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/PSF
4849 Paulsen Street	Southside	Clifford Investment Co. / SG Paulsen MOB, LLC	39,696	\$143.59
110 E. President Street	CBD	SOB Bros. LLC / Sam 110E LLC	17,527	\$251.04
145 Southern Boulevard	Westside	Greenland Developers / Tigers 98, LLC	10,400	\$221.15

LOCAL MARKET RESEARCH LEAD

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