

	YoY Chg	12-Mo. Forecast
9.2% Vacancy Rate	▲	▼
-14.0K YTD Net Absorption, SF	▼	▲
\$22.37 Asking Rent, PSF	▬	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS Q3 2022

	YoY Chg	12-Mo. Forecast
200.6K Savannah Employment	▲	▲
2.7% Savannah Unemployment Rate	▼	▬
3.7% 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 three quarters 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 4.0 million TEUs in the first eight 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. Additional employment and development will be generated by Hyundai's future same day suppliers. 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.

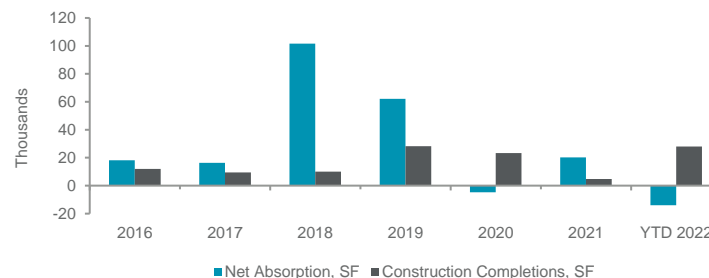
SUPPLY AND DEMAND: No Significant Changes in Terms of New Inventory

The 28,000-square foot (sf) Class A building located at 110 Park of Commerce is complete 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. Several developers continue to target the development of medical and/or professional office buildings in Pooler. The Central Business District (CBD) submarket could see a significant decrease in office inventory as at least two large buildings are planned for conversion to residential condominium and/or hotel use over the next six to twelve months with tenants now relocating.

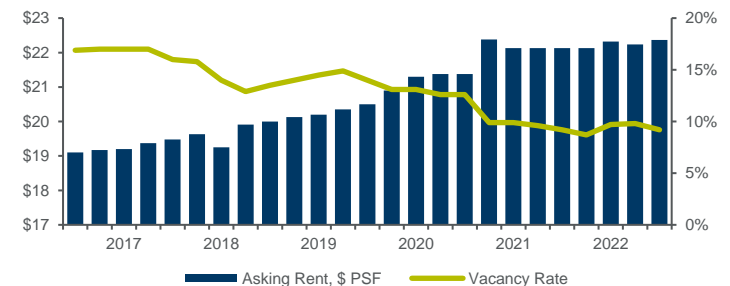
PRICING: Asking Rents Remain Relatively Steady

Savannah's overall vacancy rate decreased from 9.8% in Q2 2022 to 9.2% in Q3 2022. This decrease is primarily attributable to several expansions/relocations of sizable tenants within the banking, financial services and legal sectors. The overall gross average asking rental rate increased from \$22.24 per square foot (psf) in Q2 2022 to \$22.37 psf in Q3 2022, as free rent and overall concessions remained largely unchanged. Effective rental rates and overall occupancy should remain essentially unchanged for the balance 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	7.8%	43	0	\$24.24	\$24.86
Southside	1,169,605	10.8%	68	0	\$20.38	\$24.38
Westside	1,117,587	9.5%	50	28,000	\$20.61	\$24.87
Midtown	191,783	13.9%	13	0	\$23.23	\$30.00
Islands	204,508	5.4%	13	0	\$23.40	\$26.75
MSA TOTALS	3,951,242	9.2%	187	28,000	\$22.37	\$25.02

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
200 Stephenson Avenue	Southside	Morgan & Morgan	137,446	New Lease
10 Chatham Center Drive South	Westside	Dulohery Weeks	5,000	New Lease
23 Chatham Center Drive South	Westside	Caliber	5,000	New Lease

KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/PSF
125 Park of Commerce Drive	Westside	MCS Real Estate, LLC / N/A	7,243	\$171.89
1719 Abercorn Street	Midtown	1719 Abercorn, LLC / Heyward Street, LLC	6,606	\$249.77
3-7 Perry Street	CBD	Bolch / Freeman	6,584	\$539.19

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