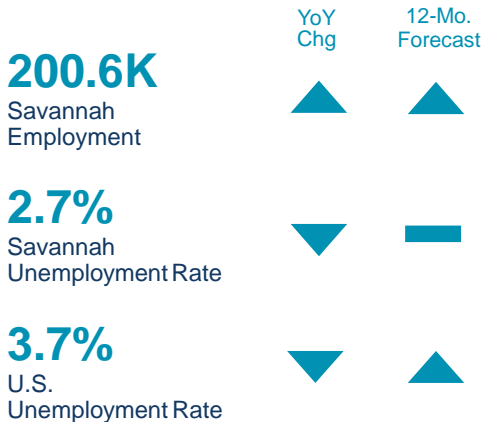


ECONOMIC INDICATORS Q4 2022



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 5.8 million twenty-foot equivalent (“TEU”) units in 2022 with continued momentum through Q3 2022 with monthly throughputs exceeding 20% year-over-year growth. Savannah is also beginning to see the positive effects of growth generated by Hyundai Motor Group’s \$5.5 billion Electric Vehicle Manufacturing Plant which is projected to generate 8,100 jobs and will serve as a major economic generator with a planned opening in Q4 2025.

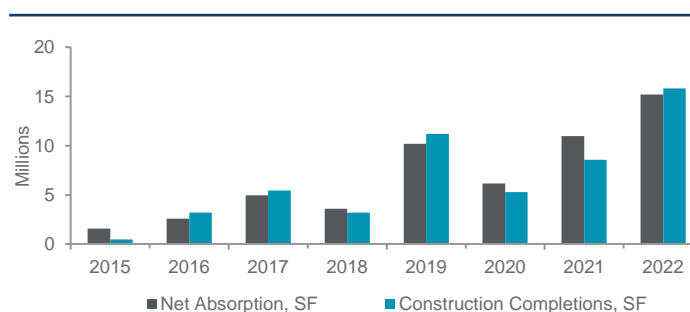
SUPPLY AND DEMAND: Another Quarter of Record-Low Vacancy

Savannah’s industrial sector, once again, maintained a record-low vacancy rate of 0.7%, representing the seventh consecutive year with a vacancy below 4.0% despite an overall market inventory increase of 53.3 million square feet (msf) since 2015. Leasing activity remained brisk with 11.4 msf of new leases executed in 2022 and 15.2 msf of net absorption as the result of notable build-to-suit deliveries, including Amazon’s 3.2 msf sort facility. Currently, there is a total of 20.4 msf of new construction underway with over 40.0% of this inventory within build-to-suit or pre-leased speculative product. Notable lease transactions in Q4 2022 included 1 msf signed by Maersk Performance Team at Southeast Gateway and 442,606 sf leased by Loktek 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 continue to boast a sub-2.0% vacancy rate 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 TEUs 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. This past year was another record-breaking year in terms of net absorption, continuing the seven-year run with market demand keeping up with delivery of speculative product. Despite the moderation of container trade nationally, Savannah is expected to continue a balanced expansion as the result of the Hyundai’s announcement and continued shift in container trade from the West Coast to the East Coast with Savannah increasing its market share.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS – Q4 2022

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF) 4Q 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	\$6.06
Port Corridor	25,892,309	7,260	0.0%	219,400	0	\$10.87	\$6.35
Crossroads / Dean Forest	33,568,198	14,000	0.0%	3,695,490	0	\$12.20	\$6.28
Southside / Highway 17	3,718,598	5,001	0.1%	1,355,440	0	\$11.00	\$6.20
Westside	17,565,134	6,501	0.0%	1,106,309	1,688,200	\$11.21	\$6.30
Highway 21	7,810,182	0	0.0%	4,589,375	0	N/A	\$6.25
I-16 West	5,669,983	0	0.0%	7,112,032	463,250	N/A	\$5.35
I-95 South	6,206,314	647,530	10.4%	1,875,387	647,530	N/A	\$5.10
Jasper County	1,293,917	0	0.0%	402,491	0	N/A	\$6.15
SAVANNAH TOTALS	105,027,109	702,545	0.7%	20,355,924	2,798,980	\$10.86	\$6.15

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

KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
Southeast Gateway - Bldg 2	Westside	Maersk Performance Team	1,004,400 SF	Direct
OACC - Bldg 1	Highway 21	Loctek	442,606 SF	Direct
CICG #1	Crossroads Dean Forest	Port City Logistics	348,584 SF	Direct
500 Morgan Lakes - A	Westside	Logipia	280,500 SF	Direct
500 McCall Road	Highway 21	DHL Expansion	273,600 SF	Direct
AltaBird Belfast	Interstate 95 South	Port Jersey Logistics	281,067 SF	Direct
Southeast Gateway - Bldg 1	Westside	Swiss Madison	184,080 SF	Direct

*Renewals not included in leasing statistics

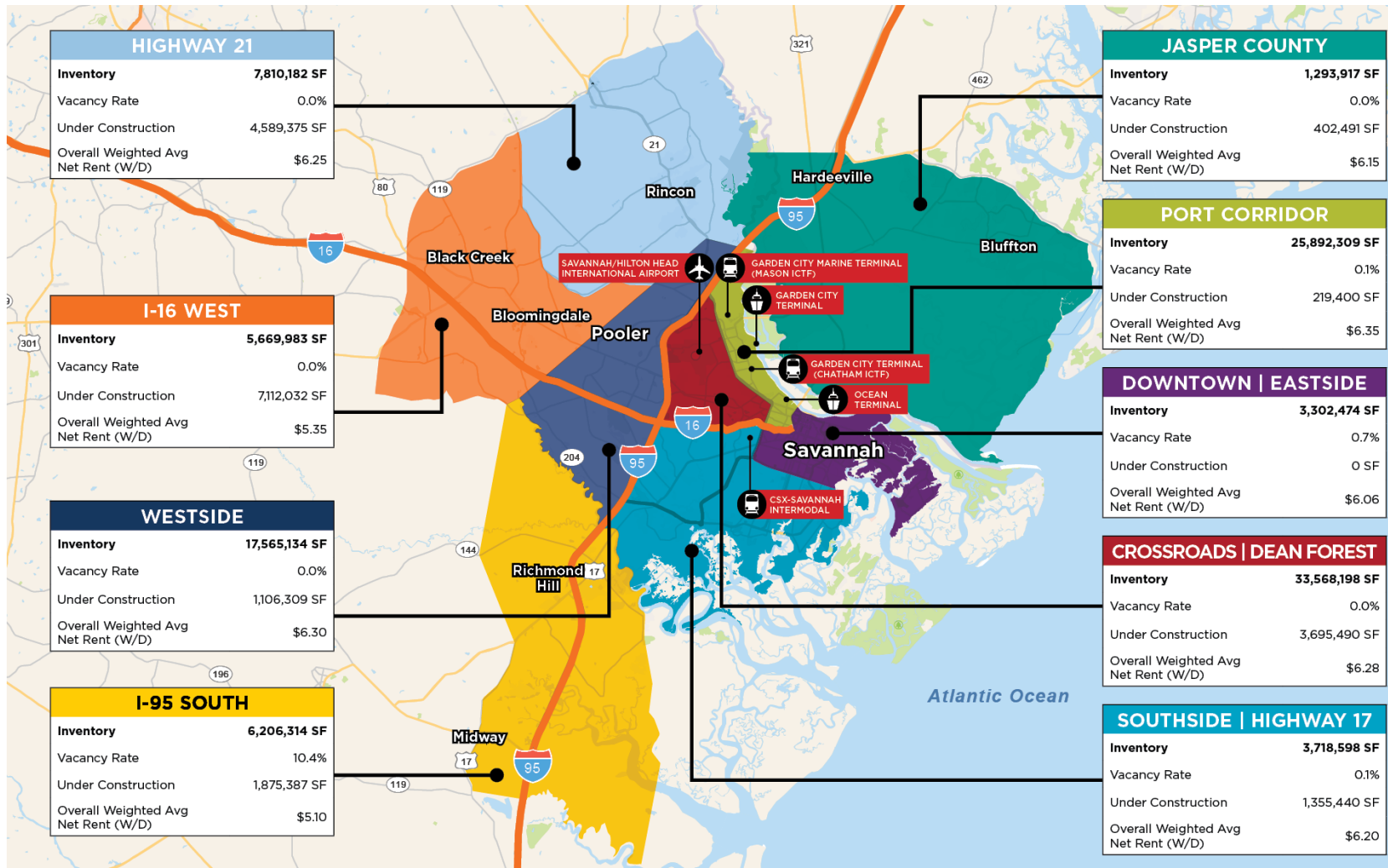
KEY SALES TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Coastal Commerce 1 & 2	Crossroads Dean Forest	Strategic / Stream	862,250 SF	\$113M / \$131
Rooms2Go – Cubes Bldg E	Interstate 16 West	CRG / TA Realty	463,250 SF	\$50.5M / \$109

KEY CONSTRUCTION COMPLETIONS Q4 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Southeast Gateway - Bldg 2	Westside	Maersk Performance Team	1,004,400 SF	Connor Commercial
MSI Surfaces	Westside	MSI	683,800 SF	CA Ventures
Tradeport East - BlueScope	Interstate 95 South	TBD	647,530 SF	BlueScope
Cubes @ Interstate Center - Bldg E	Interstate 16 West	Rooms 2 Go	463,250 SF	CRG

INDUSTRIAL SUBMARKETS – Q4 2022



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