

	YoY Chg	12-Mo. Forecast
<b>8.4%</b> Vacancy Rate	▲	▼
<b>16.1K</b> YTD Direct Net Absorption	▼	▲
<b>\$22.47</b> Asking Rent, PSF	▬	▬

(Overall, All Property Classes)

**ECONOMIC INDICATORS Q4 2022**

	YoY Chg	12-Mo. Forecast
<b>200.6K</b> Savannah Employment	▲	▲
<b>2.7%</b> Savannah Unemployment Rate	▼	▬
<b>3.7%</b> U.S. Unemployment Rate	▼	▲

Source: BLS

**ECONOMIC OVERVIEW: Modest But Sustained Continues in Regional Economy**

According to Georgia Southern University's latest Savannah Economic Monitor, the Savannah metro economy continued to grow at a moderate, but slower pace in all four quarters of 2022 as compared to the dramatic pace of growth for all of 2021. Moderate gains in employment were largely offset by modest declines in retail sales and hotel room rentals and a 12% decline in single family residential building permits from Q3 2022. The GPA shipping terminal continues to be a major regional economic generator handling 5.6 million TEUs in 2021 and 5,5 million TEUs in the first eleven months of 2022. The development of a \$5.5 billion Hyundai EVM plant projected to generate 8,100 jobs in Northern Bryan County and recent announcement of a 1.2 million square foot (msf) Hyundai Mobis plant with an additional 1,500 employees at Belfast Commerce Park will serve as major economic generators with projected openings 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 GA Port Authority and supportive logistics industry and continued land development and associated construction activity.

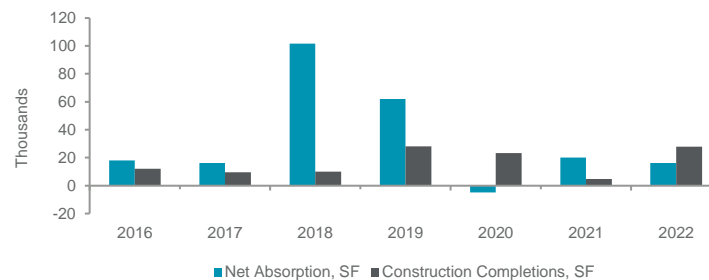
**SUPPLY AND DEMAND: No Significant Changes in Terms of New Inventory**

The proposed 80,000 square foot (sf) Class A building for the Eastern Wharf and 75,000-sf medical office building at Memorial Health are still on the drawing board with commencement of construction contingent on securing anchor tenants. Several developers continue to target the development of medical and/or professional office buildings in Pooler. The Central Business District (CBD) submarket should 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 within the CBD and Midtown submarkets.

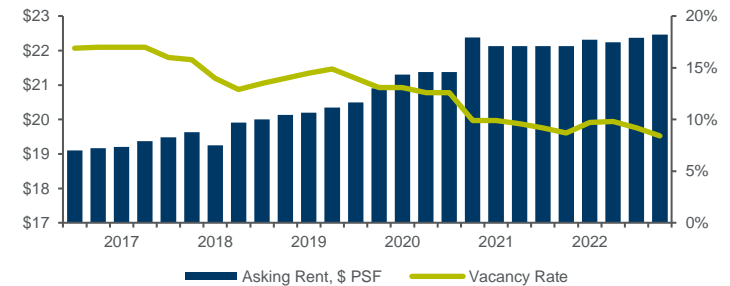
**PRICING: Asking Rents Remain Relatively Steady**

Savannah's overall vacancy rate decreased from 9.2% in Q3 2022 to 8.4% in Q4 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 \$22.37 per square foot (psf) in Q3 2022 to \$22.47 psf in Q4 2022, as free rent and overall concessions remained largely unchanged. Effective rental rates and overall occupancy should remain essentially unchanged for the first half of 2023 as many corporate office tenants resume normal operations and, most likely, no speculative office buildings deliver additional space..

**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	7.4%	43	0	\$24.51	\$25.09
Southside	1,171,630	10.3%	68	0	\$20.53	\$24.69
Westside	1,117,587	7.7%	50	28,000	\$20.68	\$25.05
Midtown	191,783	13.9%	13	0	\$23.23	\$30.00
Islands	202,483	5.4%	13	0	\$23.40	\$26.75
<b>MSA TOTALS</b>	<b>3,951,242</b>	<b>8.4%</b>	<b>187</b>	<b>28,000</b>	<b>\$22.47</b>	<b>\$25.23</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
7402 Hodgson Memorial Drive	Southside	Morgan Stanley	5,030	New Lease
7414 Hodgson Memorial Drive	Southside	ACC	3,180	New Lease
6001 Chatham Center Drive	Westside	AlphaCo., Inc	2,947	New Lease

## KEY SALES TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/PSF
7 East Congress Street	CBD	Manger Building LLC/Manger Building PO LLC	119,000	\$151.26
35105 Paulsen Street	Midtown	Executive Court Partnership / Candler Hospital	29,000	\$113.79
301 West York Street	CBD	Zlb Investors Llc/Mid City LLC	3,840	\$416.67

## LOCAL MARKET RESEARCH LEAD

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