

	YoY Chg	12-Mo. Forecast
<b>8.0%</b> Vacancy Rate	▲	▼
<b>15.4K</b> YTD Direct Net Absorption	▼	▲
<b>\$22.79</b> Asking Rent, PSF	▬	▬

(Overall, All Property Classes)

**ECONOMIC INDICATORS Q1 2023**

	YoY Chg	12-Mo. Forecast
<b>200.3K</b> Savannah Employment	▲	▲
<b>2.9%</b> Savannah Unemployment Rate	▲	▲
<b>3.5%</b> U.S. Unemployment Rate	▼	▲

Source: BLS

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

According to Georgia Southern University's latest Savannah Economic Monitor, the Savannah metro economy grew at a moderate, but slower pace in 2022 as compared to the dramatic pace of growth for 2021. The GPA shipping terminal continues to be a major regional economic generator, handling 5.9 million TEUs in 2022. The Savannah tourism and hospitality sectors have surpassed pre-pandemic heights with 2021 having generated 15.2 million annual visitors and visitor spending in excess of \$3.3 billion. Estimates for 2022 have not yet been published but are forecast to exceed the 2021 numbers. The opening of a \$5.5 billion Hyundai EVM plant in Ellabell and \$929 million Hyundai Mobis plant in Richmond Hill by Q2 2025 are projected to generate 9,600 direct jobs and 5,000 indirect jobs among same-day suppliers. The near-term prospects for continued growth in the metro Savannah economy are favorable given the continued strength in tourism, the Georgia Port Authority and supportive logistics industry, and continued land development and associated construction activity. The favorable impacts of the Hyundai plants are expected to offset any contraction in the regional and/or national economies over the next 12 to 24 months.

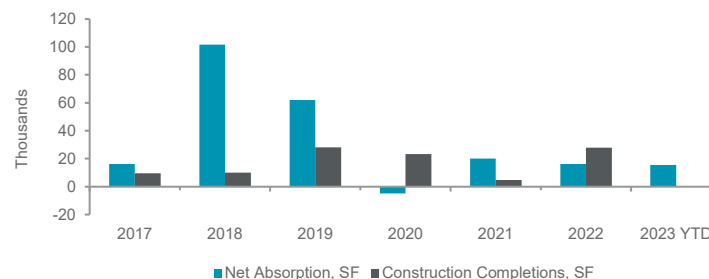
**SUPPLY AND DEMAND: No Significant Changes in Terms of New Inventory**

The proposed 80,000 square foot (sf) Class A building for the Eastern Wharf has not yet landed any tenants and has no official construction commencement date. Pre-leasing is under way for the 75,000-sf medical office building at Memorial Health which has broken ground with a projected 2024 delivery date. Several developers continue to target the development of medical and/or professional office buildings in Pooler. The Central Business District (CBD) is experiencing the relocation of several tenants to the Midtown and Southside submarkets as conversion plans for the 119,000 SF Manger Building from a multi-tenant office building to a five-star hotel begin to unfold. Given current construction costs and rental rates, no other sizable office buildings are proposed for development at this time.

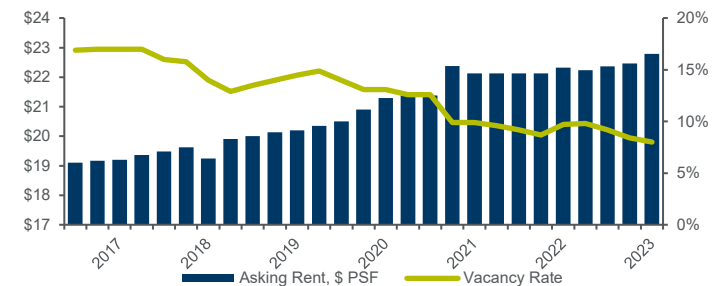
**PRICING: Asking Rents Remain Relatively Steady**

Savannah's overall vacancy rate decreased from 8.4 % in Q4 2022 to 8.0 % in Q1 2023. 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 \$22.47 per square foot (psf) in Q4 2022 to \$22.79 psf in Q1 2023, as free rent and overall concessions remained largely unchanged. Effective rental rates and overall occupancy should remain essentially unchanged for the balance 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	7.6%	43	0	\$24.61	\$25.23
Southside	1,171,630	8.9%	68	0	\$20.80	\$24.81
Westside	1,117,587	8.3%	50	0	\$21.30	\$25.41
Midtown	191,783	12.2%	13	0	\$23.23	\$30.00
Islands	204,508	3.9%	13	0	\$24.03	\$26.75
<b>MSA TOTALS</b>	<b>3,953,267</b>	<b>8.0%</b>	<b>187</b>	<b>0</b>	<b>\$22.79</b>	<b>\$25.42</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
7402 Hodgson Memorial Drive	Southside	Morgan Stanley	17,785	Renewal
300 Bull Street	CBD	James W Buckley & Associates	8,019	New Lease
6600 Abercorn Street	Southside	Urological Associates	4,454	New Lease

## KEY SALES TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/PSF
5400 Sutlive Street	Midtown	WI Square Associates LLC / 5400 Sutlive Street LLC	9,600	\$250.00
6203 Abercorn Street	Southside	WJWDT LLC / HHPSM 100, LLC	7,800	\$275.64
17 East Perry Street	CBD	Mary Jane Liakakis / 17 E. Perry Street LLC	7,310	\$205.20

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