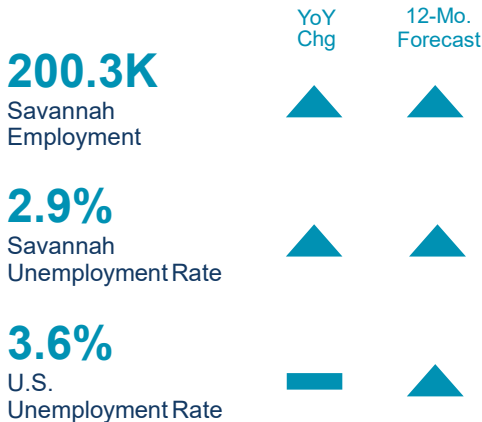


ECONOMIC INDICATORS Q2 2023



Source: BLS

ECONOMIC OVERVIEW: Continued Stability

The Savannah regional economy continues to experience expansion and strong absorption in the industrial sector despite a slowing economy across the U.S. Markets. 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 2.3 million twenty-foot equivalent (“TEU”) units in the first half of 2023 while increasing its share and handling 11.1% of the nation’s imports. 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.

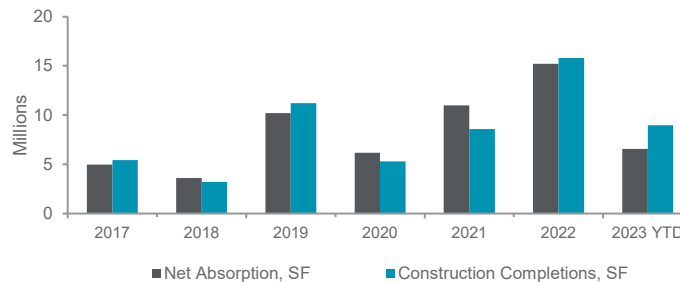
SUPPLY AND DEMAND: Demand from Port Related Users Remains Strong

Savannah’s industrial sector, once again, maintained a historically low vacancy rate of 3.6%, representing the eighth consecutive year with a vacancy rate below 4.0% despite an overall market inventory increase of 62.2 million square feet (msf) since 2015. Leasing activity slowed for the larger 500,000 sf and larger spaces, a trend that is consistent across the U.S. while demand and absorption for the smaller spaces in the range of 100,000-300,000 sf has remained strong with 6.3 msf of net absorption year-to-date. Currently, there is a total of 23.9 msf of new construction underway with over 30.0% of this inventory within build-to-suit or pre-leased speculative product. Notable lease transactions in Q2 2023 included 198,343 sf signed by DILE Solutions at Rockingham Farms and 157,066 sf leased by Palmer Logistics at Coastal Commerce Center II.

OUTLOOK: Gaining Market Share

The outlook for Savannah’s industrial market is still favorable thanks to the continued growth at the Georgia Ports with conservative projections to eclipse 8.0 million 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. Despite the moderation of container trade nationally, Savannah is expected to continue a balanced expansion as the result of Hyundai’s announcement and continued shift in container trade from the west coast to the east coast with Savannah increasing its market share resulting in continued absorption of well-located light industrial warehouse space.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS – Q2 2023

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF) Q2 2023	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Downtown/Eastside	3,302,474	14,750	0.5%	0	0	\$10.23	\$7.25
Port Corridor	26,111,709	153,404	0.6%	1,353,500	0	\$11.87	\$7.68
Crossroads / Dean Forest	36,022,063	1,510,327	4.2%	2,137,385	1,903,865	\$12.20	\$6.57
Southside / Highway 17	5,074,038	1,159,597	22.9%	2,438,800	1,355,440	\$12.00	\$6.17
Westside	18,433,101	289,592	1.6%	1,010,762	867,967	\$11.21	\$6.86
Highway 21	9,661,782	310,290	3.2%	5,889,435	2,144,355	N/A	\$6.40
I-16 West	7,598,841	637,868	8.4%	7,041,554	1,346,858	N/A	\$5.95
I-95 South	6,487,381	1	0.0%	2,794,320	281,067	N/A	\$5.75
Jasper County	1,293,917	1	0.0%	1,324,186	0	N/A	\$6.25
SAVANNAH TOTALS	113,985,306	4,075,830	3.6%	23,989,942	7,899,552	\$11.16	\$7.35

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

KEY LEASE TRANSACTIONS Q2 2023

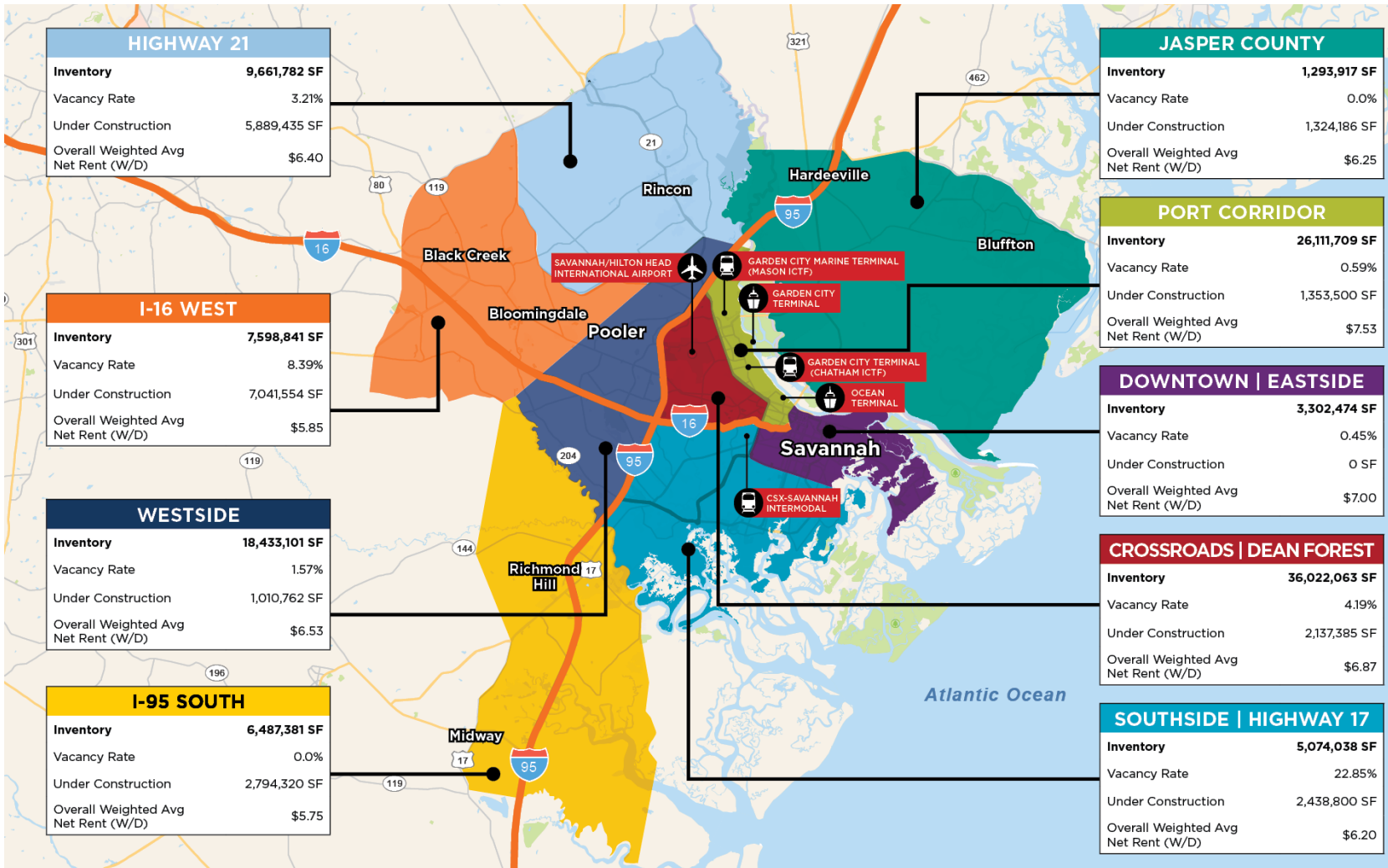
PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
Rockingham Farms - Building 10	Southside / Highway 17	DILE Solutions	198,343	Direct
Coastal Commerce II - Bldg 2	Crossroads / Dean Forest	Palmer Logistics	157,066	Direct
I-16 Port Logistics - Bldg 3	Westside	Green Worldwide	58,000	Direct

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS Q2 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Lowe's Bulk Distribution Center	Highway 21	Lowe's	1,500,815	Chesterfield
SunPort - Bldg 1	Crossroads / Dean Forest	TBD	944,260	SunCap
Rockingham Farms - Bldg 9	Southside / Highway 17	TBD	942,210	Scannell
I-16 Port Logistics - Bldg 1	Westside	Ferguson Supply	711,975	CA Ventures
Cubes @ Interstate Center - Bldg B	I-16 West	KISS	708,990	CRG
Interstate West - Bldg A	I-16 West	TBD	637,868	VanTrust
Rockingham Farms - Bldg 10	Southside / Highway 17	DILE Solutions	413,230	Scannell
Cowan Industrial Park - Bldg 2	Highway 21	SCM	333,250	Cowan Investments
Centerpoint County Parcel - Bldg 2	Crossroads / Dean Forest	Maersk Performance Team	331,339	Centerpoint

INDUSTRIAL SUBMARKETS – Q2 2023



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