

YoY  
Chg 12-Mo.  
Forecast

4.6%

Vacancy Rate



13.2M

YTD Net Absorption, SF



\$6.97

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS  
Q3 2023YoY  
Chg 12-Mo.  
Forecast

203.9K

Savannah  
Employment

2.9%

Savannah  
Unemployment Rate

3.7%

U.S.  
Unemployment Rate

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 3.3 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.

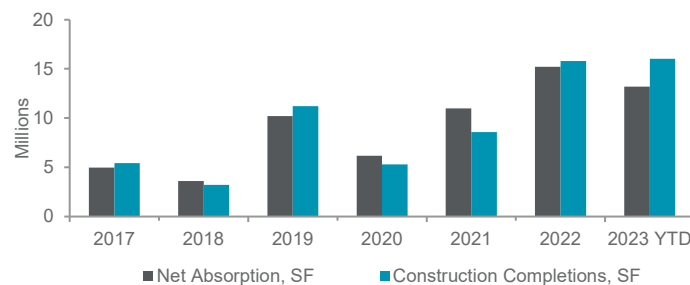
## SUPPLY AND DEMAND: Demand from Port Related Users Remains Strong

Savannah's industrial sector, once again, maintained a low vacancy rate of 4.6%. While leasing activity slowed throughout the first half of 2023 for the 500,000 square feet (sf) and larger spaces, a trend that is consistent across the U.S., Savannah experienced a significant increase in tenants in the market with 400,000-600,000 sf requirements. The demand and absorption for the smaller spaces in the range of 100,000-300,000 sf remained strong with 13.2 msf of net absorption year-to-date. Currently, there is a total of 30 msf of new construction underway with over 14 msf of this attributed to the new Hyundai EV Plant and the remainder representing speculative distribution warehouse space. Notable lease transactions in Q3 2023 included 2.1 msf signed by Burlington Distribution at Interstate West and 507,096 sf leased by GigaCloud at SunPort Building 2.

## 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 &amp; ASKING RENT





## MARKET STATISTICS – Q3 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	0.4%	1,173,700	0	\$10.37	\$7.35
Port Corridor	26,291,509	153,404	0.6%	1,287,224	179,800	\$11.87	\$8.27
Crossroads / Dean Forest	36,927,224	757,577	2.1%	2,438,800	905,161	\$12.35	\$7.90
Southside / Highway 17	5,074,038	1,159,597	22.9%	2,405,070	0	\$12.25	\$7.11
Westside	19,598,443	1,093,859	5.6%	3,761,835	1,165,342	\$11.21	\$7.84
Highway 21	12,027,150	960,940	8.0%	15,787,411	2,624,858	N/A	\$7.68
I-16 West	8,830,534	637,868	7.2%	2,241,600	1,231,693	N/A	\$6.85
I-95 South	7,040,101	552,721	7.9%	921,695	552,720	N/A	\$6.35
Jasper County	1,696,408	217,491	12.8%	1,173,700	402,491	N/A	\$7.35
<b>SAVANNAH TOTALS</b>	<b>120,787,881</b>	<b>5,548,207</b>	<b>4.6%</b>	<b>30,017,335</b>	<b>7,062,065</b>	<b>\$11.25</b>	<b>\$7.40</b>

\*Rental rates reflect weighted net asking \$psf/year

OS = Office Service/Flex W/D = Warehouse/Distribution

## KEY LEASE TRANSACTIONS – Q3 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
Interstate West	I-16 West	Burlington Distribution	2,057,067	Direct
SunPort - Building 2	Crossroads / Dean Forest	GigaCloud	507,096	Direct
Tradeport East	I-95 South	Hankook Tire	502,854	Renewal
602 Expansion Boulevard	Crossroads / Dean Forest	LoneStar Transportation	400,000	Direct

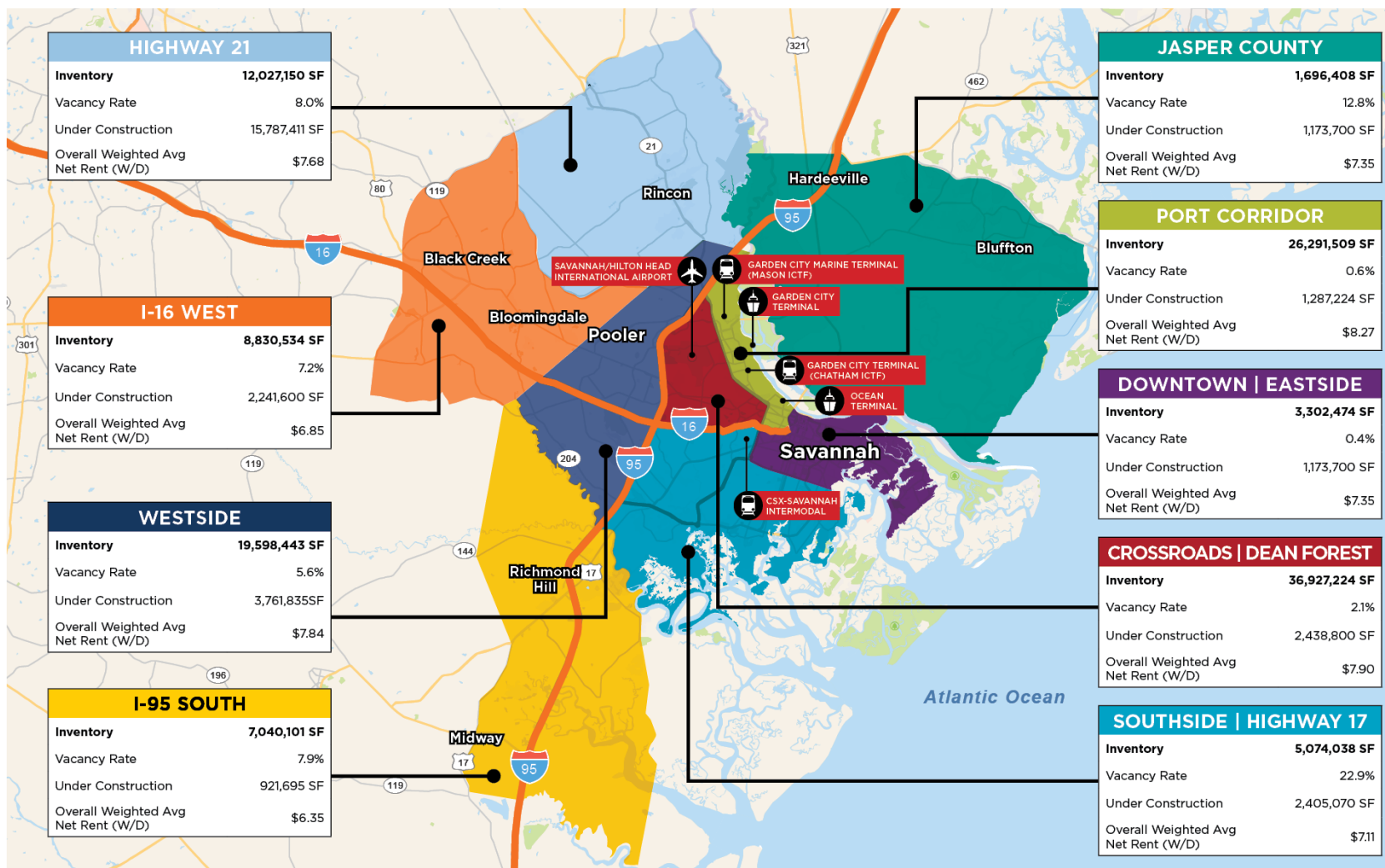
\*Renewals not included in leasing statistics

## KEY CONSTRUCTION COMPLETIONS – Q3 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Lowe's BDC	Highway 21	Lowe's	1,500,518	Chesterfield
Savannah Portside - Building 2	I-16 West	Bradshaw Home	1,231,693	PCCP/Panattoni
Beltway Logistics Center - Building 1	Westside	ONL/RBW	927,000	TPA/MDH
Xebek - Building 1	I-95 South	TBD	552,720	Xebek
RiverPort - Building 6	Jasper County	ArchPoint	402,491	North Signal Capital
Cowan Old Augusta - Building 1	Highway 21	TBD	382,850	Cowan
Savannah Gateway - Building E	Highway 21	TBD	380,800	OmniTrax/Broe
Main Gate - Building 3	Crossroads / Dean Forest	Open E Logistics	331,641	McCraney Development
Northgate - Building 1	Highway 21	HYTX	310,290	Burns/Thrifty



## INDUSTRIAL SUBMARKETS – Q3 2023



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