

## Industrial Q4 2023

YoY Chg 12-Mo. Forecast

**7.0%**

Vacancy Rate



**15.6M**

YTD Net Absorption, SF



**\$6.89**

Asking Rent, PSF



Overall, Net Asking Rent

### ECONOMIC INDICATORS Q4 2023

YoY Chg 12-Mo. Forecast

**204.3 K**

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 most 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 4.5 million twenty-foot equivalent ("TEU") units through November 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.

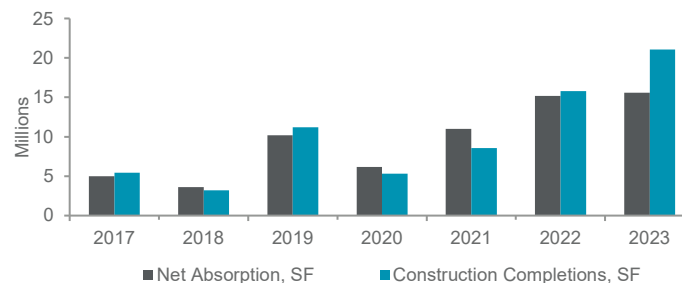
### SUPPLY AND DEMAND: Demand from Port Related Users Remains Strong

Savannah's industrial sector ended 2023 with an overall vacancy rate of 7.0%. While leasing activity slowed throughout 2023 for the 500,000 square feet (sf) and larger spaces, a trend that is consistent across the U.S., Savannah registered a significant increase in tenants in the market with 150,000-300,000 sf requirements. The demand and absorption for the smaller spaces in the range of 100,000-300,000 sf remained strong with 15.6 million square feet (msf) of net absorption year-to-date. Currently, there is a total of 28 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 with 20% being pre-leased. Notable lease transactions in Q4 2023 included 669,682 sf signed by Win.IT at Live Oak Logistics and 516,695 sf leased by Rowan/CoCam at Rockingham Farms.

### 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 improving its market share resulting in continued absorption of well-located light industrial warehouse space. As a result of these favorable conditions the market vacancy is expected to peak out around 2Q2024 at or below 8% vacant and steadily decreasing in the second half of 2024.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



### MARKET STATISTICS – Q4 2023

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF) Q4 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	\$10.37	\$7.35
Port Corridor	27,026,509	1,122,054	4.2%	438,700	735,000	\$11.87	\$7.37
Crossroads / Dean Forest	37,330,808	282,317	0.8%	1,083,205	403,584	\$12.35	\$7.31
Southside / Highway 17	5,074,038	642,902	12.7%	2,438,800	0	\$12.25	\$7.10
Westside	20,253,813	1,838,349	9.1%	2,232,455	655,370	\$11.21	\$7.34
Highway 21	12,774,679	1,286,583	10.0%	3,014,306	747,529	N/A	\$7.36
I-16 West	11,355,005	3,162,339	27.9%	14,392,940	2,524,471	N/A	\$6.19
I-95 South	7,040,101	291,068	4.1%	3,067,214	0	N/A	\$6.35
Jasper County	1,696,408	107,345	6.3%	1,370,975	0	N/A	\$7.35
<b>SAVANNAH TOTALS</b>	<b>125,853,835</b>	<b>8,747,707</b>	<b>7.0%</b>	<b>28,038,595</b>	<b>5,065,954</b>	<b>\$11.25</b>	<b>\$6.88</b>

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

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

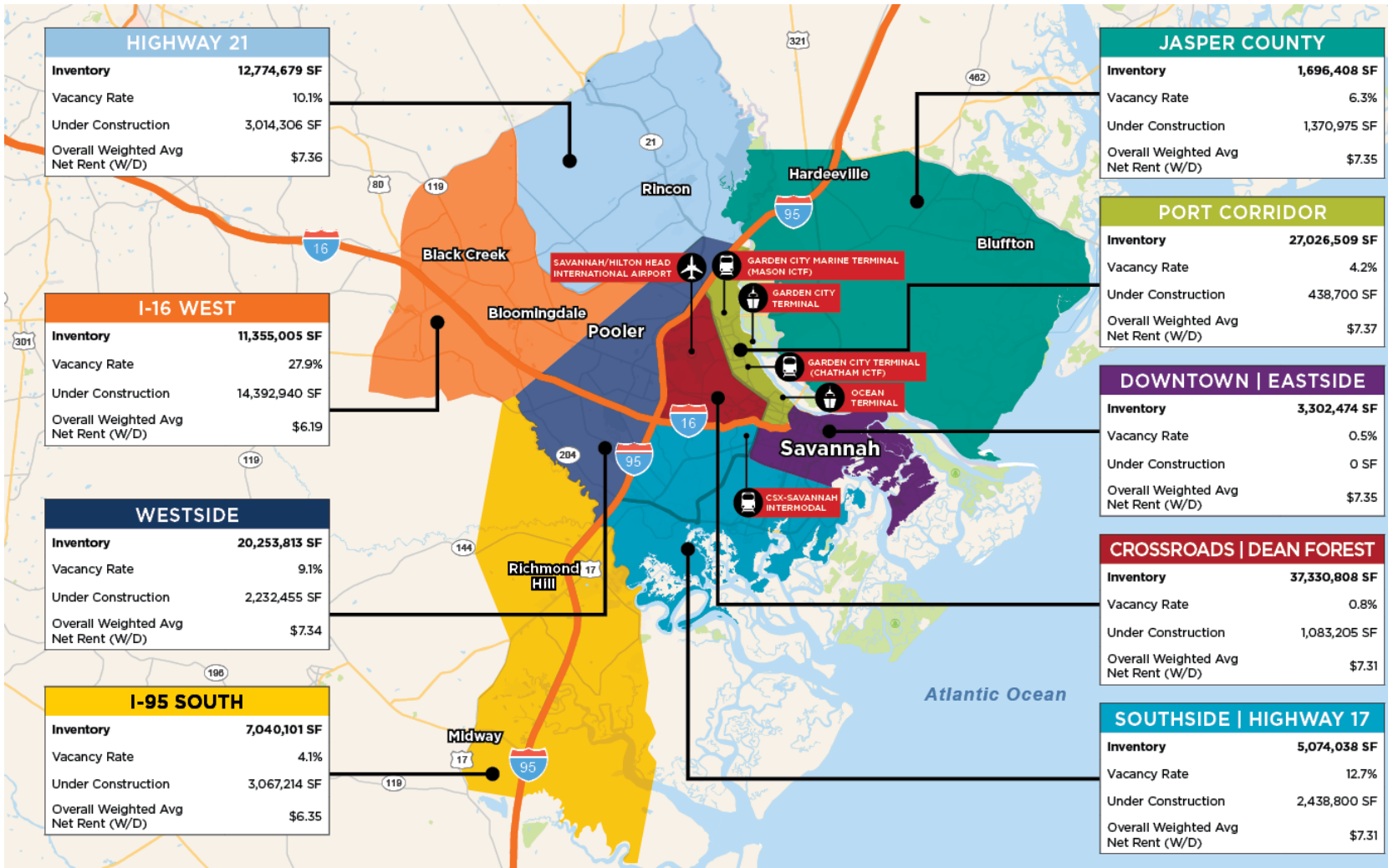
### KEY LEASE TRANSACTIONS – Q4 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
Live Oak Logistics - Building C	Crossroads / Dean Forest	Win.IT	669,682	Direct
Rockingham Farms - Building 9	Southside / Highway 17	Creative Innovations / Rowan	516,695	Direct
SunPort 95	Crossroads / Dean Forest	Gulfstream Aerospace	475,260	Direct
Xebek - Building 1	I-95 South	Customized Distribution Services	261,653	Direct
Rockingham Farms - Building 10	Southside / Highway 17	DKW Logistics	214,887	Direct

### KEY CONSTRUCTION COMPLETIONS – Q4 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Interstate West - Bldg B	I-16 West	TBD	992,000	VanTrust
GICC - Bldg 2	I-16 West	TBD	983,751	SJP/Chesterfield
Terminal East - Bldg 3	Port Corridor	TBD	735,000	Crow Holdings/Sansone
Beltway Logistics Center - Bldg 2	Westside	TBD	655,370	TPA
DSP I-16 Logistics	I-16 West	TBD	548,720	Dayton Street Partners
Centerpoint Industrial City Gardens - Bldg 1	Crossroads / Dean Forest	Port City Logistics	348,584	CenterPoint
Northgate - Bldg 2	Highway 21	HYTX / Prime Source	310,229	Thrifty Oil/Greenland

INDUSTRIAL SUBMARKETS – Q4 2023



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