

	YoY Chg	12-Mo. Forecast
7.0% Vacancy Rate	▲	▲
3.6M YTD Net Absorption, SF	▲	▬
\$6.78 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
206.4 K Savannah Employment	▲	▲
2.8% Savannah Unemployment Rate	▲	▲
3.8% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMIC OVERVIEW: Continued Stability

The Savannah regional economy continues to expand and record positive 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 451,670 twenty-foot equivalent container units (“TEUs”) in February, for an increase of 14.4% compared to the same month last year. 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 plans on track to roll the first vehicle off of the assembly line in October 2024.

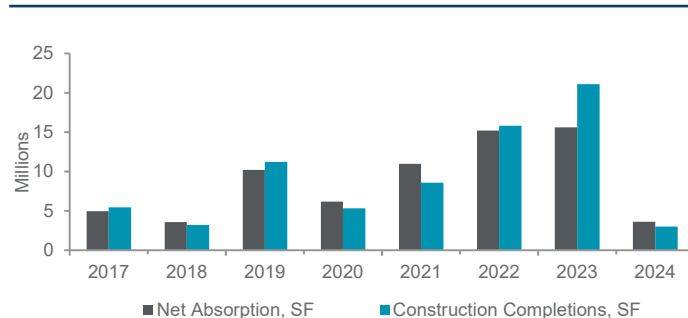
SUPPLY AND DEMAND: Demand from Port Related Users Remains Strong

Savannah’s industrial sector ended Q1 with an overall vacancy rate of 7.0% despite over 3 msf of new construction deliveries. Leasing activity in Q1 outpaced Q1 2023 with 3.6 msf of net absorption compared to 2.7 msf in Q1 2023. Several speculative buildings also delivered 100% pre-leased in Q1 such as Live Oak Logistics – Building C consisting of 669,760 sf leased to Win.IT Logistics. Currently, there is a total of 29 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 of which 28% is pre-leased. Notable lease transactions in Q1 2024 included 733,821 sf signed by Armstrong Logistics at Georgia International Trade Center and 655,370 sf leased by GigaCloud at Beltway Logistics followed by ten additional lease transactions for space ranging between 100,000 and 500,000 sf.

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 several key drivers in the growth of Savannah’s industrial market. Market vacancy is expected to peak in the coming quarters around the 8% mark before steadily declining the remainder of the year.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS – Q1 2024

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF) Q1 2024	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Downtown/Eastside	3,302,474	14,750	0.4%	0	0	\$10.37	\$7.35
Port Corridor	27,026,509	1,319,380	4.9%	438,700	669,760	\$11.87	\$7.51
Crossroads / Dean Forest	38,214,448	551,130	1.4%	737,159	88,800	\$12.35	\$7.49
Southside / Highway 17	5,074,038	233,894	4.6%	2,438,800	0	\$12.25	\$7.12
Westside	20,342,613	531,712	2.6%	2,232,455	213,880	\$11.21	\$7.32
Highway 21	13,886,785	2,398,689	17.3%	3,264,600	0	N/A	\$6.99
I-16 West	11,355,005	2,658,939	23.4%	16,392,940	2,033,801	N/A	\$6.14
I-95 South	7,040,101	291,068	4.1%	3,317,214	0	N/A	\$6.35
Jasper County	2,618,103	1,007,040	38.5%	449,280	0	N/A	\$7.17
SAVANNAH TOTALS	128,860,076	9,006,602	7.0%	29,271,148	3,006,241	\$11.25	\$6.87

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

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

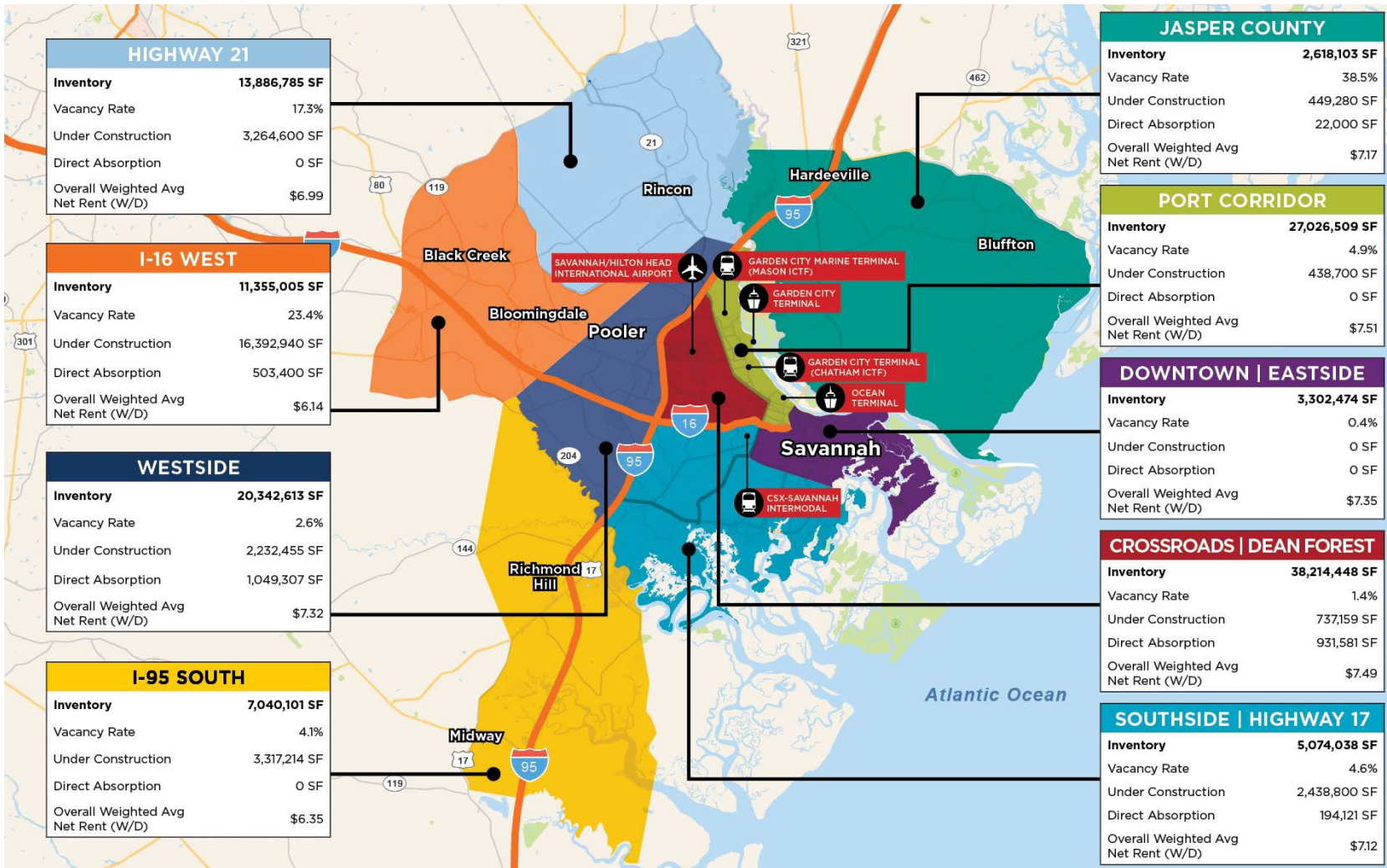
KEY LEASE TRANSACTIONS – Q1 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
Georgia International Trade Center – Building 4A	Highway 21	Armstrong Logistics	733,821	Direct
Beltway Logistics	Westside	GigaCloud	655,370	Direct
521 Morgan Lakes	Westside	East Coast Logistics	499,200	Sublease
455 Jimmy DeLoach	Westside	Mayrock	305,137	Direct
Interstate West - Bldg A	I-16 West	Glovis	305,000	Direct

KEY CONSTRUCTION COMPLETIONS – Q1 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Old Augusta Commerce Centre - Building 3	Highway 21	TBD	1,112,106	VanTrust
RiverPort - Building 7	Jasper County	TBD	791,259	North Signal
Live Oak Logistics - Building C	Crossroads / Dean Forest	Win.IT	669,760	Seefried / Affinius
Main Gate - Building 2	Crossroads / Dean Forest	TriCap	213,880	McCraney Development
RiverPort – Building 5	Jasper County	TBD	130,436	North Signal

INDUSTRIAL SUBMARKETS – Q1 2023



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