

	YoY Chg	12-Mo. Forecast
<b>7.9%</b> Vacancy Rate	▲	▲
<b>7.3M</b> YTD Net Absorption, SF	▲	▬
<b>\$6.54</b> Asking Rent, PSF	▲	▲

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
<b>207.4 K</b> Savannah Employment	▲	▲
<b>2.7%</b> Savannah Unemployment Rate	▲	▲
<b>4.1%</b> 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 as we approach the second half of an election year. 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 490,332 twenty-foot equivalent container units (TEUs) in May, for an increase of 22.4% 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 plans on track to roll the first vehicle off the assembly line ahead of schedule in October 2024.

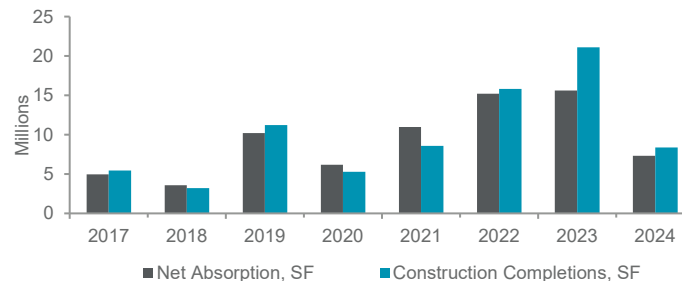
### SUPPLY AND DEMAND: Demand from Port Related Users Remains Strong

Savannah’s industrial sector ended Q2 with an overall vacancy rate of 7.9% despite over 5.4 million square feet (msf) of new construction deliveries. The majority of the vacancy is within seven buildings greater than 700,000 square feet (sf) representing 65% of the total 10.6 msf of vacant space, consistent with the national trends and lack of demand for bulk space. Leasing activity YTD outpaced 2023 with 7.3 msf of net absorption compared to 6.6 msf YTD in Q2 2023. Currently, there is a total of 23.8 msf of new construction underway with over 15 msf of that being the new Hyundai EV Plant and the remainder representing speculative distribution warehouse space of which 34% is pre-leased. Notable lease transactions in Q2 2024 included a 660,000 sf renewal by Home Depot and 380,800 sf leased by Aertssen Transport at Savannah Gateway, followed by 10 additional lease transactions for space ranging between 99,000 and 350,000 sf. Demand in this 100,000-300,000 sf range has been strong for the past 18 months and we expect this to continue as Savannah attracts new 3PL and e-commerce occupiers to the region.

### 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 later this year around the 9% mark before steadily declining in 2025 as demand for the larger bulk warehouses, greater than 500,000 sf, returns to the market and absorbs the larger speculative built facilities that represent over 65% of the current market vacancy.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



### MARKET STATISTICS – Q2 2024

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF) Q2 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	27,358,959	1,553,710	5.7%	106,250	332,450	\$11.87	\$7.69
Crossroads / Dean Forest	38,214,448	118,200	0.3%	341,159	0	\$12.35	\$7.64
Southside / Highway 17	6,056,838	2,500	0.0%	1,456,000	982,800	\$12.25	\$7.12
Westside	20,577,893	531,712	2.6%	1,997,175	235,280	\$11.21	\$7.32
Highway 21	15,123,985	2,289,389	15.1%	2,027,400	1,237,200	N/A	\$6.62
I-16 West	12,617,945	3,764,418	29.8%	15,130,000	1,262,940	N/A	\$5.90
I-95 South	8,357,763	1,317,662	15.8%	1,999,552	1,317,662	N/A	\$6.04
Jasper County	2,618,103	1,007,040	38.5%	772,116	0	N/A	\$7.09
<b>SAVANNAH TOTALS</b>	<b>134,228,408</b>	<b>10,599,381</b>	<b>7.9%</b>	<b>23,829,652</b>	<b>5,368,332</b>	<b>\$11.25</b>	<b>\$6.54</b>

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

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

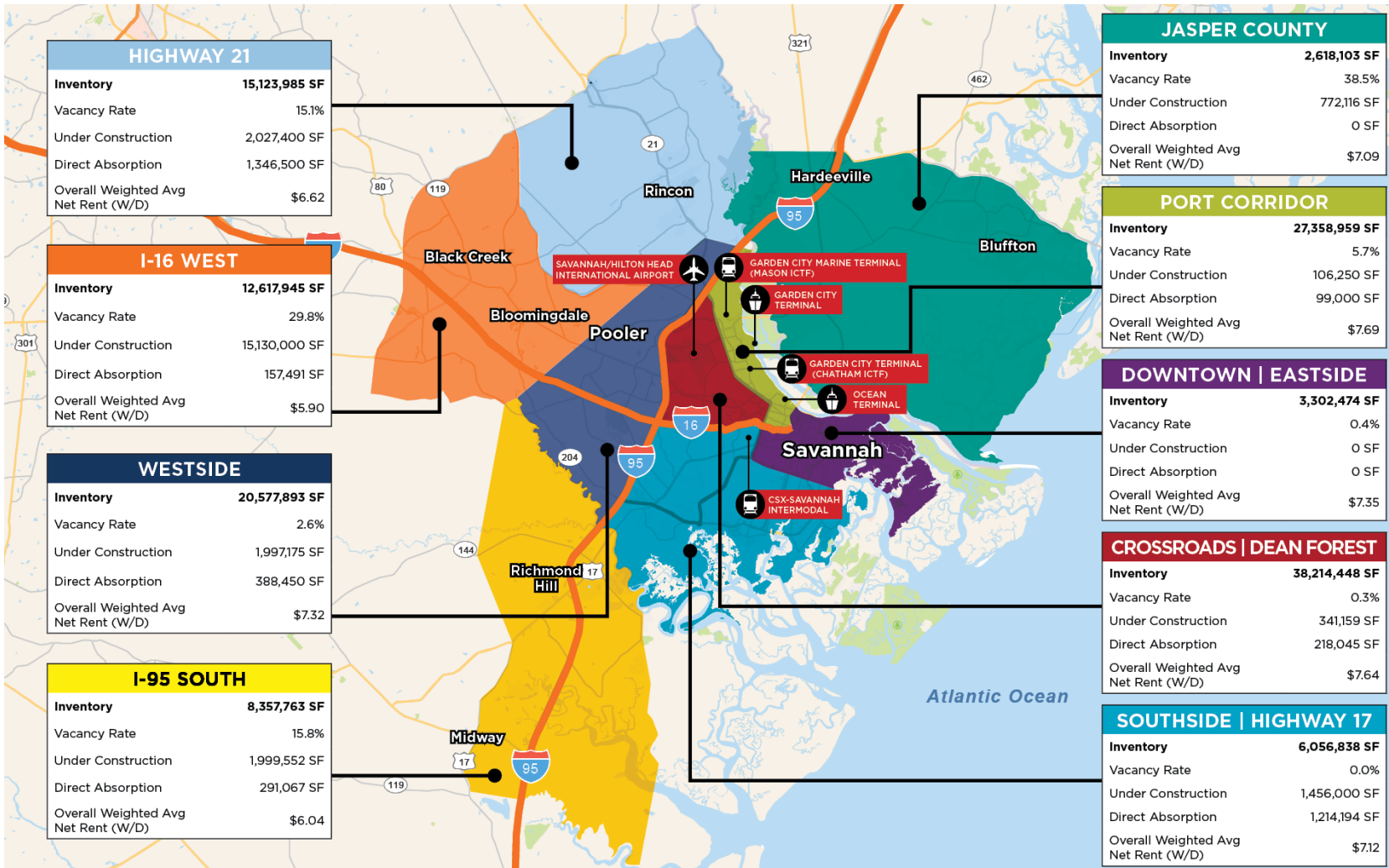
### KEY LEASE TRANSACTIONS – Q2 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
112 Little Hearst Parkway	Port Corridor	Home Depot - Renewal	660,000	Direct
Savannah Gateway - Bldg E	Highway 21	Aertssen Transport	380,800	Direct
302 International Trade	Port Corridor	Aukey	350,933	Direct
Xebek Logistix - Bldg 2	I-95 South	Delta Brands	291,067	Direct
Ottawa Farms - Bldg 200	Westside	Linemart	235,280	Direct

### KEY CONSTRUCTION COMPLETIONS – Q2 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Cubes @ Interstate Center - Bldg 3	I-16 West	TBD	1,262,940	CRG/Clayco
Xebek Commerce Center - Building 2	I-95 South	TBD	1,041,600	Xebek
Central Port Logistics - Bldg 2	Southside / Highway 17	Plastic Express	982,800	Capital Development
GITC - Bldg 4A	Highway 21	Armstrong Logistics	733,200	Chesterfield/The Davis Companies
GIRP - Bldg 1	Highway 21	TBD	504,000	Greenland Development

INDUSTRIAL SUBMARKETS – Q2 2024



**Stephen Ezelle, SIOR**  
 Partner  
 Tel: +1 912 441 3083  
[sezelle@gilbertezelle.com](mailto:sezelle@gilbertezelle.com)

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