

	YoY Chg	12-Mo. Forecast
5.3% Vacancy Rate	▲	▼
-33.4 K* YTD Net Absorption SF	▼	▲
\$25.60 Asking Rent, PSF	▬	▬

*Overall, All Property Classes

**ECONOMIC INDICATORS
Q2 2024**

	YoY Chg	12-Mo. Forecast
207.4 K Savannah Employment	▲	▲
2.7% Savannah Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMIC OVERVIEW: Modest But Sustained Growth Continues in Regional Economy

According to Georgia Southern University's Savannah Economic Monitor, the slower growth of the Savannah metro economy over the last six quarters is being offset by continued growth in the regional logistics industry and the ramping up of the Hyundai EV plant and supportive same-day suppliers. 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. The Savannah tourism and hospitality sectors have surpassed pre-pandemic heights with 2023 having generated 10 million annual overnight visitors, visitor spending more than \$4.8 billion, and 27,700+ hospitality related jobs. The opening of a \$5.5 billion Hyundai EVM plant in Ellabell and \$929 million Hyundai Mobis plant in Richmond Hill by Q2 2025 are projected to generate 9,600 direct jobs and 5,000 indirect jobs among same-day suppliers. The favorable impacts of the Hyundai plants are expected to offset any contraction in the regional and/or national economies over the next 12 to 24 months.

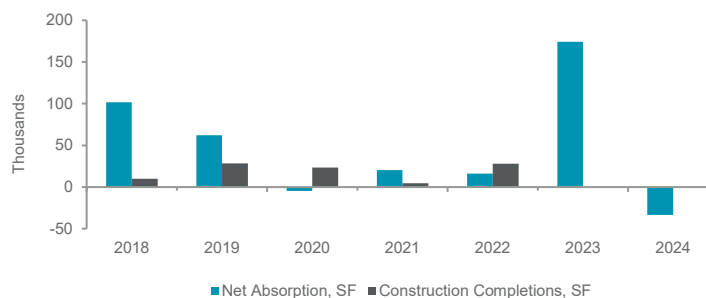
SUPPLY AND DEMAND: Continued Relocation of Tenants in CBD Creates Demand for New Construction

The developer of a 100,000 square foot (sf) multi-tenant building to be located in the Southwest Quadrant of Forsyth Park is in the final permitting stage and has secured anchor tenants in anticipation of a groundbreaking in early 2025. The 80,000 sf Class A building proposed for the Eastern Wharf has not yet secured anchor tenants. The exodus of tenants from the Morgan and Johnson Square Financial Center buildings continues with several tenants in the 10,000 to 20,000 sf range looking to relocate into Class A space. We anticipate additional Class A space to be developed in the southern portions of the CBD over the next 18 to 36 months.

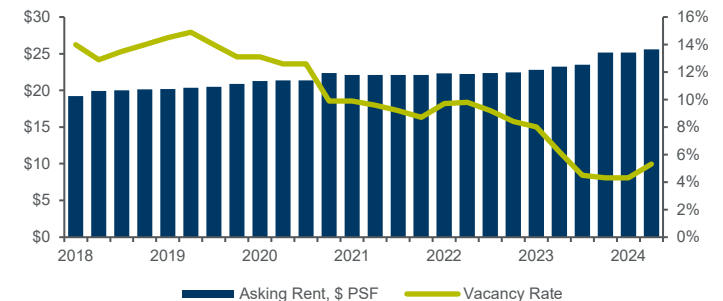
PRICING: Asking Rents Will Continue to Increase

Savannah's overall vacancy rate increased to 5.3% from 4.3% in Q1 2024. The overall gross average asking rental rate increased from \$25.16 per square foot (psf) in Q1 2024 to \$25.60 psf in Q2 2024, as free rent and overall concessions decreased. Effective rental rates are expected to increase, while overall occupancy is projected to remain stable throughout 2024 as many corporate office tenants resume normal operations and others continue to relocate from both the Manager and Johnson Square Financial Center buildings.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	NO. OF BUILDINGS	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD - Historic Downtown	1,058,283	2.9%	42	0	\$29.77	\$31.29
Southside	1,171,630	6.6%	68	0	\$24.52	\$26.44
Westside	1,117,587	5.9%	50	0	\$23.64	\$28.68
Midtown	189,099	3.5%	13	0	\$24.33	\$30.00
Islands	221,961	8.4%	13	0	\$25.73	\$30.17
MSA TOTAL	3,758,560	5.3%	186	0	\$25.60	\$29.32

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
24 Oglethorpe Professional Blvd	Southside	Ellis Painter Attorneys At Law	8,486	Direct
712 Mall Blvd	Southside	The Pinyan Company	5,401	Direct
5000 Business Center	Westside	Undisclosed	3,791	Direct
7001 Hodgson Memorial	Southside	Cornerstone Health	3,232	Direct
1335 Lynah Ave	Westside	Undisclosed	3,000	Direct

KEY SALES TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/PSF
Chatham Center Portfolio	Westside	PHRM Holdings / Gene R Slivka	175,402	\$152.51
4849 Paulsen Street	Midtown	Sg Paulsen Mob LLC / The Laramar Group, LLC	39,696	\$216.65
503 Eisenhower Dr	Southside	Alliance Savannah II / Coastal Imaging Partners, LLC	6,651	\$390.17

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