

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.6% Vacancy Rate	▲	▲
-47.3K YTD Net Absorption, SF	▼	▼
\$26.45 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▬	▬

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
207.5K Savannah Employment	▲	▲
3.1% Savannah Unemployment Rate	▲	▲
4.1% United States Unemployment Rate <i>Source: BLS</i>	▲	▼

ECONOMIC OVERVIEW: MODEST BUT SUSTAINED GROWTH CONTINUES

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 490,041 twenty-foot equivalent container units (TEUs) in August, for an increase of 18.6% 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 in October of 2024 and a \$929 million Hyundai Mobis plant in Richmond Hill in 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.

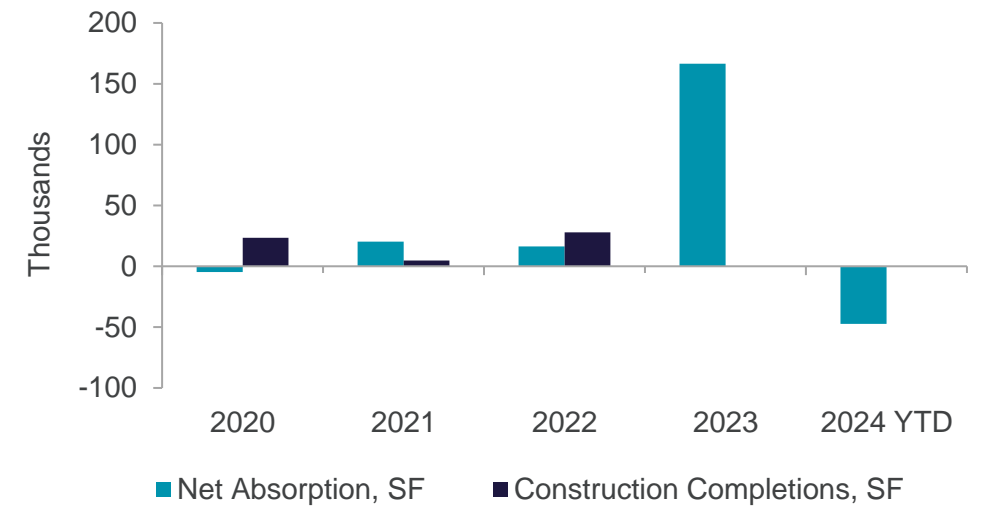
SUPPLY AND DEMAND: DEMAND FOR NEW CONSTRUCTION

The developer of a 125,000 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 Manger 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.

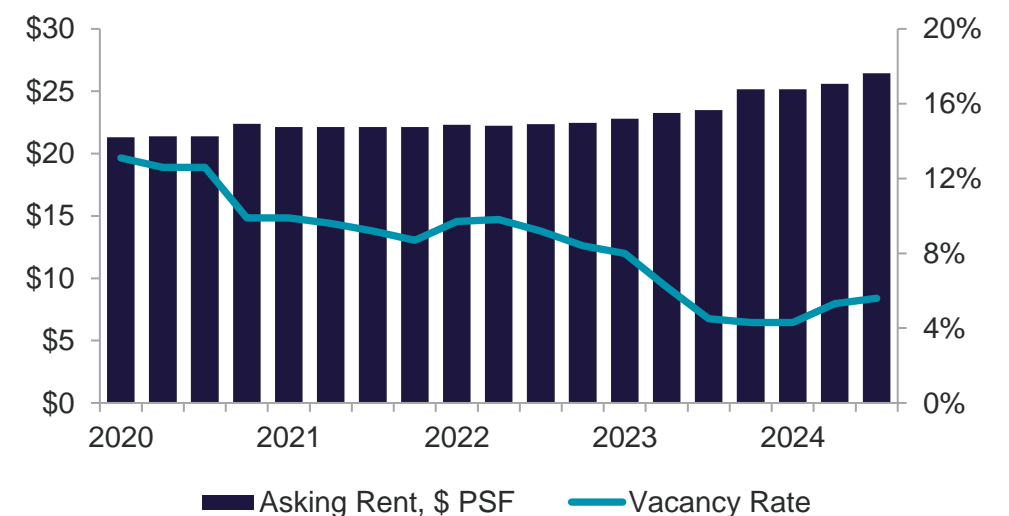
PRICING: ASKING RENTS WILL CONTINUE TO INCREASE

Savannah's overall vacancy rate increased to 5.6% from 5.3% in Q2 2024. The overall gross average asking rental rate increased from \$25.60 per square foot (psf) in Q2 2024 to \$26.45 psf in Q3 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. Rental rates for newly declared Class A buildings have escalated as a function of increasing development costs.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	NO. OF BUILDINGS	OVERALL VACANCY RATE	UNDER CONSTRUCTION COMPLETIONS (SF)	YTD CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD - Historic Downtown	1,058,283	42	3.9%	0	0	\$29.77	\$31.29
Southside	1,171,630	68	6.0%	0	0	\$24.52	\$26.44
Westside	1,117,587	50	6.8%	0	0	\$23.64	\$28.68
Midtown	189,099	13	3.5%	0	0	\$24.33	\$30.00
Islands	221,961	13	8.4%	22,454	0	\$25.73	\$30.17
MSA TOTALS	3,758,560	186	5.6%	22,454	0	\$25.60	\$29.32

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
325 W Montgomery Cross Rd	Southside	Undisclosed	8,110	Direct
325 W Montgomery Cross Rd	Southside	Undisclosed	7,815	Sublease
401 Mall Blvd	Southside	Undisclosed	5,700	Sublease
24 Drayton Street	CBD	Undisclosed	5,400	Direct
1018 Highway 80 W	Westside	CMB Entertainment	4,000	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
2812 Williams Street	Southside	Alliance 5303 Montgomery, LLC / Chalex Investments, LLC	6,542	\$1.73M / \$264
340 Eisenhower Drive	Southside	Sunfish LLC / Undisclosed	4,586	\$582K / \$127
821 E 71 st Street	Southside	Cpa Tax Shelter LLC / Undisclosed	1,885	\$450K / \$239
115 Charlotte Road	Islands	Carla J Haddad / Suzanne M Braddy	5,400	\$430K / \$80

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