

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>5.2%</b> Vacancy Rate	▲	▲
<b>13.5K</b> YTD Net Absorption, SF	▼	▼
<b>\$27.19</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	—	—

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>207.9K</b> Savannah Employment	▼	▲
<b>3.1%</b> Savannah Unemployment Rate	▲	▲
<b>4.1%</b> U.S. Unemployment Rate	▲	▲

Source: BLS

**ECONOMIC OVERVIEW: MODEST BUT SUSTAINED GROWTH CONTINUES**

The GPA continues to be a major regional economic generator handling 1.4 million twenty-foot equivalent container units (TEUs) year-to-date. 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.

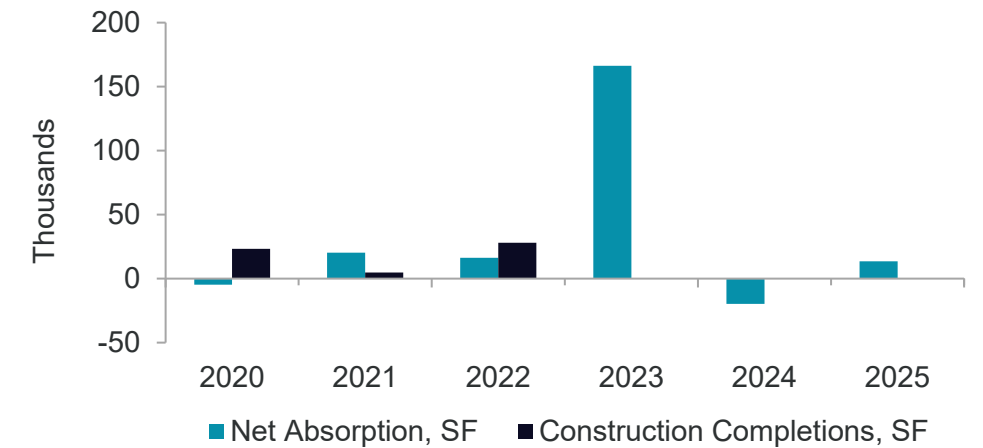
**SUPPLY AND DEMAND: DEMAND FOR NEW CONSTRUCTION**

A proposed 25,000 square foot (sf) Class A mixed-use office building, 25 Lincoln Street, is being marketed for delivery in Q1 2027 in the Downtown Business District. The proposed 125,000 sf multi-tenant building in the Southwest Quadrant of Forsyth Park continues to move through the remaining approval processes in hopes of a construction start later this year. A 30,000 sf Class A building has broken ground in Rincon and will serve as the headquarters for the Effingham County Industrial Development Authority (ECIDA). The new facility will offer 13,000 sf of leasable office suites to the market. Construction is set for completion in late 2025.

**PRICING: ASKING RENTS WILL CONTINUE TO INCREASE**

Savannah's overall vacancy increased from 4.9% in Q4 2024 to 5.2%. The overall gross average asking rental rate increased from \$26.93 per square foot (psf) in Q4 2024 to \$27.19 psf, as free rent and overall concessions decreased. Effective rental rates are expected to increase, while overall occupancy is projected to remain stable throughout 2025 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 completed Class A buildings have escalated as a function of increasing development costs and the limited availability of space for tenants forced to relocate.

**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	1,012,983	41	4.1%	0	0	\$32.60	\$34.46
Southside	1,171,630	68	4.2%	0	0	\$25.44	\$27.13
Westside	1,117,587	50	7.5%	0	30,000	\$25.06	\$29.45
Midtown	189,099	13	2.9%	0	0	\$25.67	\$30.00
Islands	221,961	13	6.2%	0	22,454	\$27.18	\$32.83
NON-CBD	<b>2,700,277</b>	<b>144</b>	<b>5.6%</b>	<b>0</b>	<b>52,454</b>	<b>\$25.84</b>	<b>\$29.53</b>
<b>MSA TOTALS</b>	<b>3,713,260</b>	<b>185</b>	<b>5.2%</b>	<b>0</b>	<b>52,454</b>	<b>\$27.19</b>	<b>\$30.38</b>

\*Rental rates reflect full service asking

\*\*Under Construction was revised and is not reflective of U.S. Office MarketBeat

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1091 Waters Ave	Midtown	Sanctuary of Praise	10,810	Direct
7002 Skidaway Road	Southside	The Nelson Group	5,000	Direct
1719 Abercorn Street	Midtown	GHD Services, Inc.	3,475	Direct
340-352 Martin Luther King Jr Blvd	CBD	-	3,291	Direct
114 Barnard Street	CBD	First Third Bank	2,575	Direct

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
7208 Hodgson Memorial Dr	Southside	DRBLD LLC and DRFCP LLC / CVS Hodgson LLC	15,069	\$7.0M / \$464.53
135 Canal St	Westside	J Canal Properties, LLC / Augusta ASC, LLC	15,000	\$2.85M / \$190
1705 Chatham Pkwy	Westside	Enmark Stations, Inc. / EM AINour of GA, LLC	10,000	\$11.2M / \$1,120

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