MARKETBEAT

# SAVANNAH, GA

## OFFICE Q3 2025

CUSHMAN & WAKEFIELD | GILBERT & EZELLE

### MARKET FUNDAMENTALS

| | YOY Chg | Outlook |
|---|---|---|
| **3.8%** Vacancy Rate | ▲ | ▲ |
| **-35.3K** YTD Net Absorption, SF | ▼ | ▼ |
| **$35.26** Asking Rent, PSF | — | — |

*(Overall, All Property Classes)*

### ECONOMIC INDICATORS

| | YOY Chg | Outlook |
|---|---|---|
| **207.8K** Savannah Employment | ▼ | ▲ |
| **3.0%** Savannah Unemployment Rate | ▲ | ▲ |
| **4.3%** U.S. Unemployment Rate | ▲ | ▲ |

*Source: BLS*

### ECONOMIC OVERVIEW: MODEST BUT SUSTAINED GROWTH CONTINUES

The Georgia Ports Authority (GPA) continues to be a major economic driver, though some short-term port activity was impacted by economic uncertainty. The GPA handled 534,037 million twenty-foot equivalent container units (TEUs) in August 2025, up 9% year-over-year. In September, the closure of International Paper's Savannah mill led to the loss of 800 local jobs, with an additional 300 jobs cut at its nearby Riceboro facility. The full impact of these cuts is expected to be reflected in the Q4 economic data. Economists expect the Savannah economy to continue slowing moderately in the fourth quarter, with some ongoing uncertainty. However, the long-term forecast remains positive, supported by the strength of manufacturing and logistics and the diversification of the construction sector.

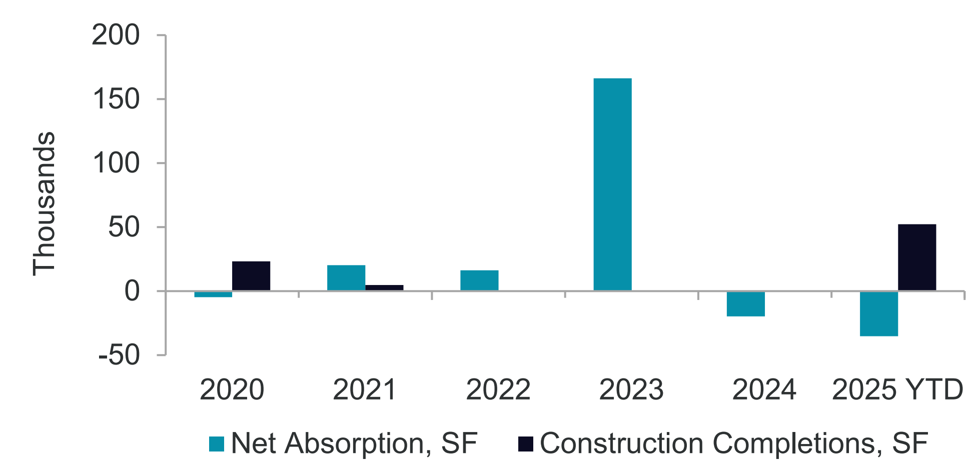
### SUPPLY AND DEMAND: DEMAND FOR NEW CONSTRUCTION

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 and is rumored to begin construction early 2026 with several potential tenants committing to the new space. The proposed 125,000 sf multi-tenant building in the Southwest Quadrant of Forsyth Park is still being met with neighborhood opposition, and a construction start date has not been made available.  Three proposed building in the Eastern Wharf are being marketed but no construction start dates have been announced.  These 3 buildings would add roughly 200K sf of new office space.  A proposed 17,600 sf Savannah Harbor Gateway Office building is being market as available late 2026.

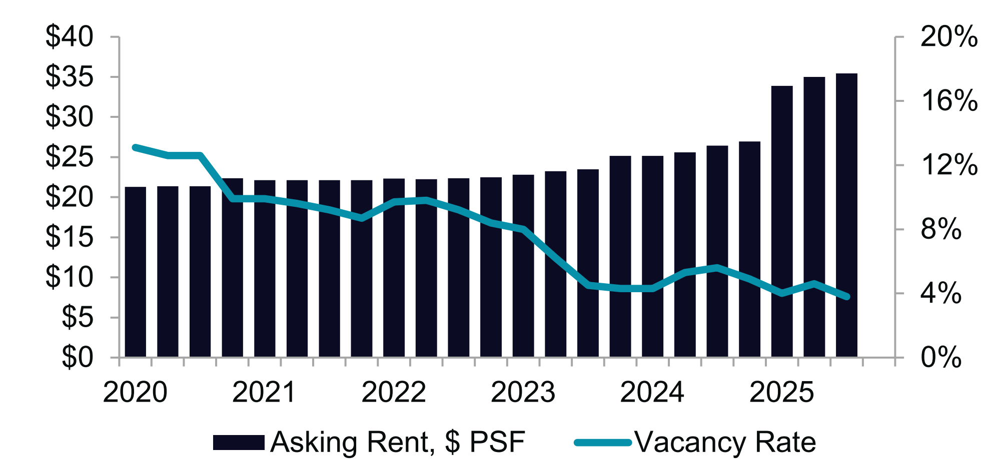
### PRICING: ASKING RENTS WILL CONTINUE TO INCREASE

Savannah's overall vacancy decreased from 4.6% in Q2 2025 to 3.8% in Q3 2025. The overall average asking rental rate for all property classes is $35.26 per square foot (psf), continuing to increase as free rent and overall concessions decrease. 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



# SAVANNAH, GA
## OFFICE Q3 2025

### MARKET STATISTICS

| SUBMARKET | INVENTORY (SF) | DIRECT VACANT (SF) | SUBLET VACANT (SF) | OVERALL VACANCY RATE | CURRENT QTR OVERALL NET ABSORPTION (SF) | YTD OVERALL NET ABSORPTION (SF) | YTD LEASING ACTIVITY (SF)** | UNDER CNSTR (SF)** | OVERALL AVG ASKING RENT (ALL CLASSES)* | OVERALL AVG ASKING RENT (CLASS A)* |
|---|---|---|---|---|---|---|---|---|---|---|
| CBD - Historic Downtown | 1,289,688 | 26,709 | 0 | 2.1% | -4,365 | -10,250 | 7,346 | 0 | $37.14 | $36.84 |
| Greater Savannah Non-CBD | 2,828,529 | 130,496 | 0 | 4.5% | 12,007 | -25,019 | 38,713 | 0 | $34.97 | $32.76 |
| **MSA TOTALS** | **4,158,467** | **157,205** | **0** | **3.8%** | **7,642** | **-35,269** | **46,059** | **0** | **$35.26** | **$32.32** |

*Rental rates reflect full service asking

**Not reflective of U.S. Office MarketBeat Tables

### KEY LEASE TRANSACTIONS Q3 2025

| PROPERTY | SUBMARKET | TENANT | SF | TYPE |
|---|---|---|---|---|
| 5 Mall Ter | Non-CBD | P.A.C.K | 6,500 | Direct |
| 7001 Chatham Center Dr | Non-CBD | TBD | 5,551 | Direct |
| 250 Durham Park Blvd | Non-CBD | TBD | 5,403 | Direct |
| 7426 Hodgson Memorial | Non-CBD | Palmetto Infusion | 4,600 | Renewal |
| 9 Chatham Center South Dr | Non-CBD | U.S. Postal Inspection Services | 4,572 | Renewal |

### KEY SALES TRANSACTIONS Q3 2025

| PROPERTY | SUBMARKET | SELLER/BUYER | SF | PRICE / $ PSF |
|---|---|---|---|---|
| 2141 Rowland Ave | Non-CBD | Speros Holdings / Rowland Healthcare Properties | 3,880 | $1.45M / $373.71 |
| 207 E 31st St | Non-CBD | Morrison Asset Management / 9 Mill Creek Circle | 3,788 | $960K / $253.43 |
| 310 Eisenhower Dr | Non-CBD | Timms Surgery Building LLC / Durkin Eisenhower Clinic LLC | 2,706 | $756K / $279.38 |

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