

YoY
Chg 12-Mo.
Forecast**2.6%**

Vacancy Rate

**3.1M**

YTD Net Absorption, SF

**\$5.12**

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q2 2021YoY
Chg 12-Mo.
Forecast**187.9K**Savannah
Employment**4.3%**Savannah
Unemployment Rate**5.9%**U.S.
Unemployment Rate

Source: BLS

ECONOMIC OVERVIEW: Continued Stability

The Savannah regional economy continues to experience rapid expansion and strong absorption in the industrial sector. The continued expansion of Savannah's well-grounded market can be attributed to the region's economic diversity centered around the Georgia Ports 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 along with a continued influx of retirees and pre-retirees. Upon the arrival of COVID-19 in the U.S., the economy entered a recession in March 2020, recording the worst decline in post-war history in Q2 2020. By the middle of Q3 2020 the local economy began to rebound led by significant rebound in the total twenty-foot equivalent unit ("TEU") throughput at the Georgia Ports Authority ("GPA") to pre-COVID-19 and record levels which have continued into 2021 with an all-time record throughput this fiscal year of 4.9 M TEU's and setting course to surpass the 5 M TEU mark this fiscal year.

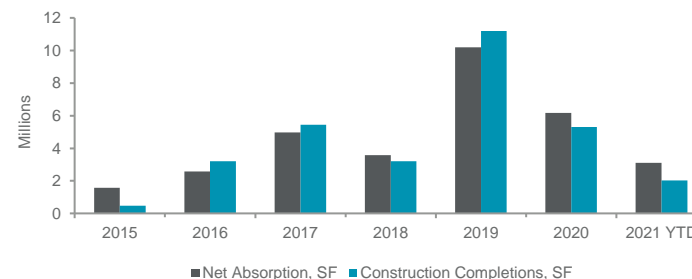
SUPPLY AND DEMAND: Another Year of Record-Low Vacancy

Savannah's industrial sector, once again, maintained a near record-low vacancy rate of 2.6%, representing the seventh consecutive year with a vacancy below 4.0% despite an overall market inventory increase of 30.9 million square feet (msf) since fourth quarter 2014. The long-term outlook for the GPA remains favorable with continued commitment to invest in new infrastructure in excess of \$2.5B before the end of this decade. This continued investment will ensure the GPA is able to maintain capacity well above the expected 8M TEU throughput expected in 2030. The operational efficiency offered by the GPA is one of the key drivers in the growth of the GPA and Savannah's industrial market and a key contributor to its ability to maintain that efficiency the past few months while the throughputs were approaching levels not expected until 2026 and beyond. Several notable leases were signed in Q2 posting a net absorption of 3.1 msf year-to-date. Currently, there is a total of 13.3 msf of new construction underway and scheduled for completion by year-end 2021 or early 2022. Less than 55.0% of this inventory is being built on a speculative basis and will likely lease prior to completion. Notable transactions the first half of 2021 included Invesco's acquisition of a 1.1 msf crossdock at Georgia International Trade Center at a record low 4.7% cap rate.

OUTLOOK: Continued Momentum

The outlook for the balance of 2021 is very favorable thanks to the continued recovery at the Georgia Ports Authority after several months of reduced throughput in early 2020 and record months posted 2021. Several significant lease transactions are pending and expected to sign before end of Q3 2021 that would absorb in excess of 2.5 msf of existing vacant or speculative product that is under construction and continuing the six-year trend with market demand outpacing delivery of speculative product.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS – Q2 2021

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF) YTD 2021	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Downtown/Eastside	3,302,474	32,250	1.0%	0	0	\$8.45	\$5.00
Port Corridor	24,769,409	7,260	0.1%	1,122,900	1,000,000	\$8.50	\$5.55
Crossroads / Dean Forest	27,883,230	678,140	2.4%	3,539,645	0	\$9.75	\$5.16
Southside / Highway 17	3,718,598	322,209	8.6%	0	0	N/A	\$4.98
Westside	12,999,002	226,124	1.7%	1,970,720	0	\$10.00	\$6.62
Highway 21	3,418,055	0	0.0%	2,922,915	0	N/A	\$5.00
I-16 West	3,531,000	700,000	19.8%	518,400	700,000	N/A	\$4.35
I-95 South	2,932,884	0	0.0%	2,426,000	0	N/A	\$4.25
Jasper County	479,000	164,500	34.3%	810,546	329,000	N/A	\$5.50
SAVANNAH TOTALS	83,033,652	2,130,483	2.6%	13,311,126	2,029,000	\$9.09	\$5.12

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

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

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
521 Morgan Lakes Industrial Boulevard	Westside	Walker Edison Furniture	498,800	Direct
500 McCall Road	Highway 21	Lion Brand Yarns	300,000	Direct
110 Little Hearst Parkway	Port Corridor	NFI	281,467	Direct
200 RiverPort Parkway	Jasper County	Jonathan Y	164,500	Direct
100 RiverPort Parkway	Jasper County	SeaWest Logistics	59,200	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2021 YTD

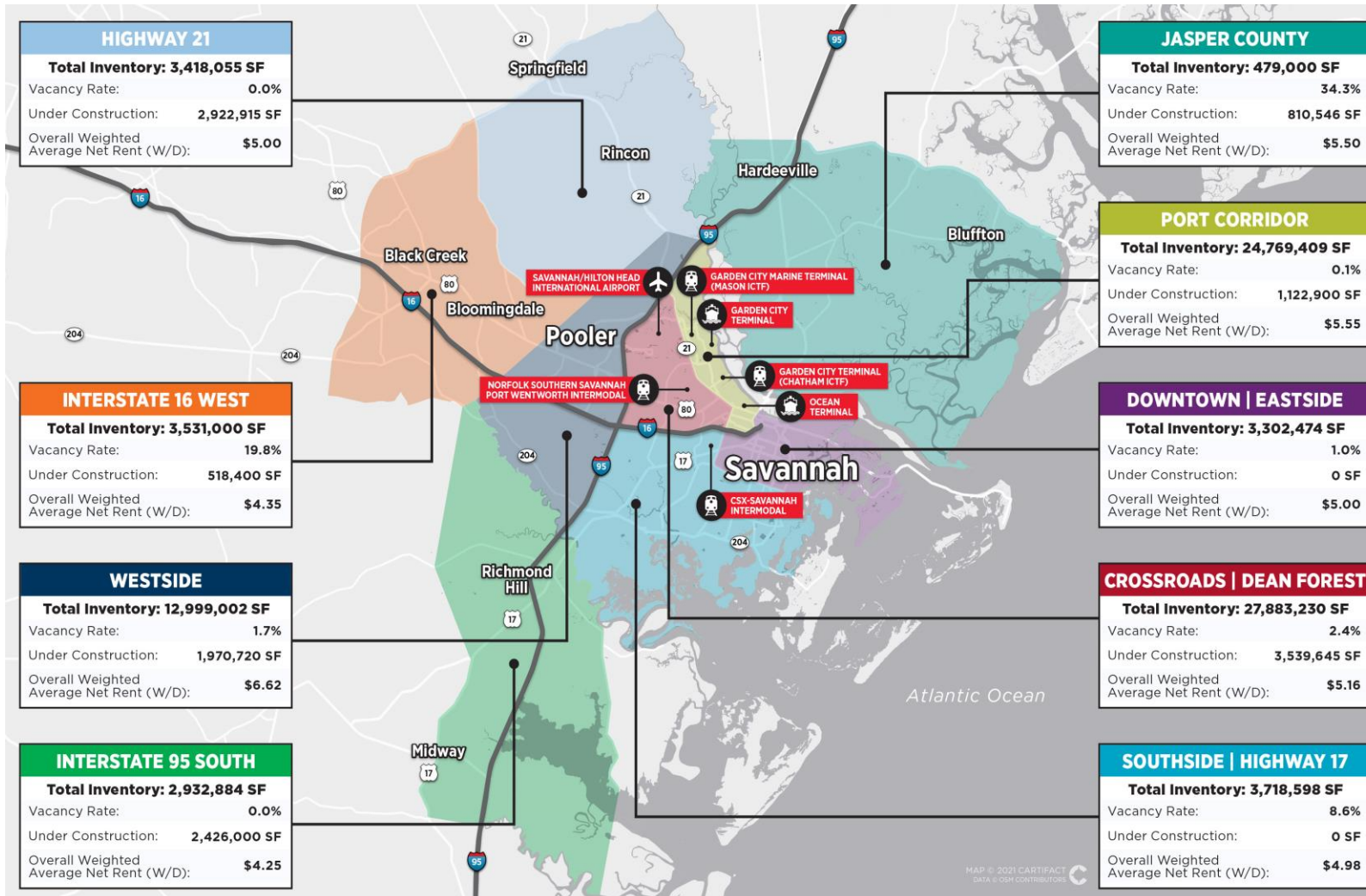
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Morgan Lakes/Dist. Drive Portfolio	Westside/Crossroads	Link/Stockbridge	1,470,600	\$116M / \$79
2008 Trade Center Boulevard	Highway 21	Chesterfield-Stonemont / Invesco	1,067,674	\$92M / \$86
437 Telfair Road	Crossroads/Dean Forest	Citi-Mark / EQ Exeter	207,000	\$19M / \$92

KEY CONSTRUCTION COMPLETIONS 2021 YTD

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
202 International Trade Parkway	Port Corridor	Anatolia Tile	1,000,000	Anatolia Tile / Solution Property Group
951 Interstate Centre Boulevard	I-16 West	Spec. Vacant	700,000	CRG/Clayco
300 RiverPort Parkway	Jasper County	Spec. Vacant	329,000	North Signal



INDUSTRIAL SUBMARKETS – Q2 2021



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