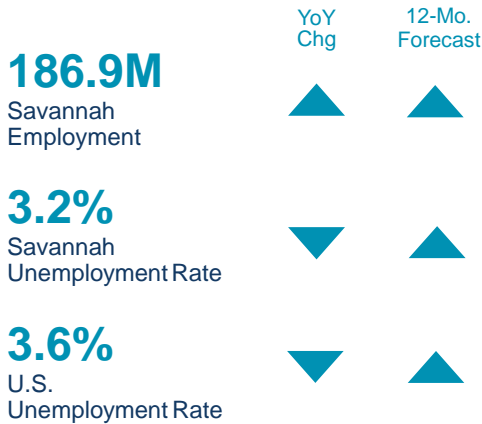


### ECONOMIC INDICATORS Q4 2019



Source: BLS

### ECONOMIC OVERVIEW: Continued Stability

The Savannah regional economy continues to experience stability and momentum in employment, port activity, and tourism growth. This well-grounded expansion, particularly in the warehouse/distribution sector, can be attributed to the region's economic diversity. Savannah is home to the nation's fourth largest and second busiest 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.

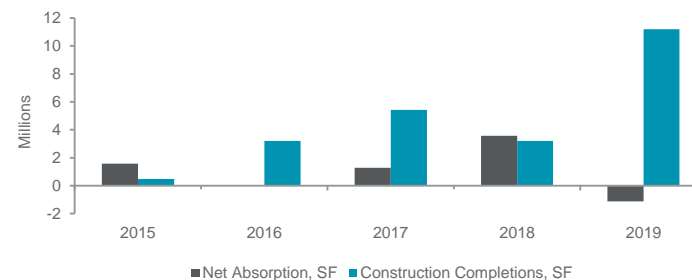
### SUPPLY AND DEMAND: Record Number of Completions in 2019

Savannah's industrial sector, once again, maintained a near record-low vacancy rate of 2.1%, representing the fifth consecutive year with a vacancy below 3.0% despite an overall market inventory increase of 23.4 million square feet (msf) since fourth quarter 2014. The below-average vacancy rate can be attributed to another record-breaking year of throughput and expansion at the Georgia Ports Authority. The long-term outlook for the Georgia Ports remains favorable, with the recent completion of the Panama Canal Expansion Project and approval of the Savannah Harbor Deepening Project. Over 11.1 msf of new construction delivered in 2019 with more than 90.0% leased prior to completion. Additionally, several notable leases were signed for new space that will deliver in 2020, to including 1.0 msf leased to A&R Logistics and over 1.2 msf leased to Shaw. Currently, there is a total of 5.9 msf of new construction scheduled for completion by year-end 2020. Nearly 35.0% of this inventory is being built on a speculative basis and will likely lease prior to completion. Notable transactions in 2019 included Anatolia's acquisition of a 391,990-square-foot (sf) distribution center in the Savannah River International Trade Park and Home Depot leasing 660,990 sf at Little Hearst Parkway located in the same industrial park. Several significant investment sales occurred in 2019 with cap rates in the 5.3% to 5.8% range with several other pending sales expected to close in early 2020 with cap rates expected to be in the 5.0 to 5.5% range.

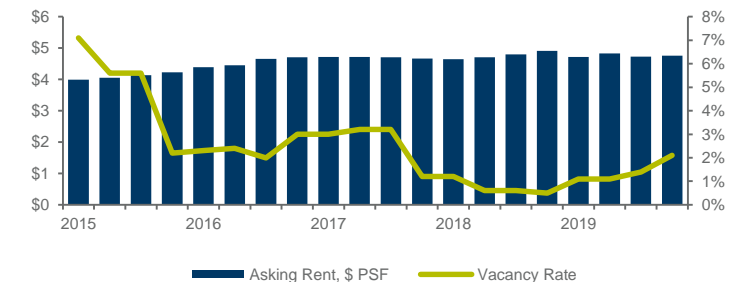
### OUTLOOK: Continued Momentum

The outlook for 2020 is very favorable thanks to the continued growth in container throughputs at the Georgia Ports Authority. Despite the additional 6.5 msf that will deliver by the end of 2020, market demand will continue to outpace delivery of speculative product.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



### MARKET STATISTICS – Q4 2019

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Downtown/Eastside	3,302,474	7,250	0.2%	0	0	\$8.45	\$6.05
Port Corridor	23,651,739	7,260	0.1%	1,000,000	0	\$8.50	\$8.00
Crossroads / Dean Forest	27,551,230	237,216	0.9%	509,630	35,000	\$9.00	\$4.72
Southside / Highway 17	2,677,832	93,200	3.5%	285,000	338,400	\$8.00	\$6.50
Westside	12,856,197	1,104,724	8.6%	4,202,460	3,127,595	\$9.00	\$4.50
<b>SAVANNAH TOTALS</b>	<b>70,039,472</b>	<b>1,449,650</b>	<b>2.1%</b>	<b>5,997,090</b>	<b>3,500,995</b>	<b>\$8.54</b>	<b>\$4.67</b>

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

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

### KEY LEASE TRANSACTIONS 2019

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
1320 Highway 80 West	Westside	Plastic Express	1,075,000	Direct
2004 Trade Center Boulevard	Westside	Shaw Industries	778,475	Direct
309 Little Hearst Parkway	Port Corridor	Home Depot	660,490	Direct
307 International Trade Parkway	Port Corridor	Shaw Industries	420,650	Direct
110 SH Morgan Parkway	Westside	Cal Cartage	347,525	Direct
100 Clyde Alexander	Crossroads/Dean Forest	Best Choice Home Products	344,700	Direct
500 Morgan Lakes Industrial Boulevard	Westside	Factory Direct Warehousing	325,867	Direct
2008 Trade Center Boulevard	Westside	Shaw Industries	291,950	Direct

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
Morgan Center Portfolio	Westside	Pro-Logis / Ares	1,381,860	\$94M / \$68
LogistiPort Building A	Crossroads/Dean Forest	JLA / Granite	689,400	\$47.5M / \$69
Morgan Lakes Buildings	Westside	Scannell / Prudential	1,724,927	\$112M / \$65

### KEY CONSTRUCTION COMPLETIONS 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
311 International Trade Parkway	Port Corridor	JLA / OA Logistics	1,276,240	JLA / Chesterfield
302 International Trade Parkway	Port Corridor	Wayfair	1,164,800	Safavieh
1320 Highway 80 West	Westside	Plastics Express	1,075,000	Capital Development Partners
521 Morgan Lakes Industrial Blvd	Westside	Spec. Vacant	998,000	Prudential / Scannell
2004 Trade Center Parkway	Westside	Shaw	778,475	Chesterfield and Stonemont
300 International Trade Parkway	Port Corridor	Electrolux	752,000	Safavieh

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