

	YoY Chg	12-Mo. Forecast
13.1% Vacancy Rate	▲	▲
29K Net Absorption, SF	▲	▲
\$21.29 Asking Rent, PSF	▬	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS QX 20XX

	YoY Chg	12-Mo. Forecast
186.9M Savannah Employment	▲	▲
3.2% Savannah Unemployment Rate	▼	▲
3.6% U.S. Unemployment Rate	▼	▲

Source: BLS

ECONOMIC OVERVIEW: Regional Economy Posts Modest Gains

According to Georgia Southern University's latest Savannah Economic Monitor, the Savannah metro economy grew at an annualized pace of 3.1% during the third quarter of 2019. Port activity led the growth increasing 9.0% from the previous quarter but hotel/motel tax receipts fell 2% during Q4 2019. Airport boardings increased 1.9% relative to second quarter 2019. While both retail sales and hotel/motel room rentals slipped as compared to second quarter 2019, both indicators remain above year-ago levels. The forecast is for modest employment growth in the range of 0.5% to 1.0% through mid-2020.

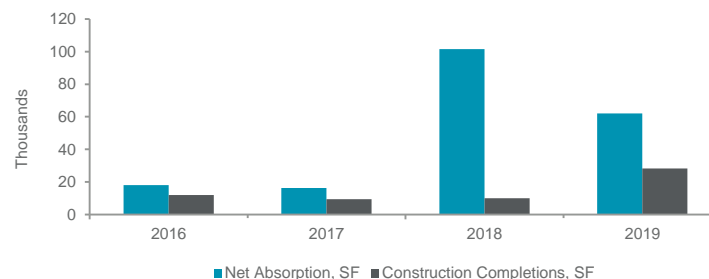
SUPPLY AND DEMAND: Leasing Activity is Sustained

No new office buildings have commenced construction since second quarter 2019. The 27,190-square foot (sf) Class A building to be constructed at 110 Park of Commerce and the 80,000-sf Class A building proposed for the Eastern Wharf project remain in the preleasing stage with no commitments from anchor tenants. The 20,000-sf Class A building under design for the Downtown East project is fully permitted and slated for immediate groundbreaking without anchor tenant in place. Several developers are still targeting the development of medical office buildings in Pooler, proximate to the new Candler/St. Joseph's micro-hospital, but no projects have broken ground or been formally announced. The Savannah Economic Development Authority has acquired a vacant building in the CBD and after extensive renovations plans to relocate its 25,000-sf office from its current location on Hutchinson Island in Q4 2020.

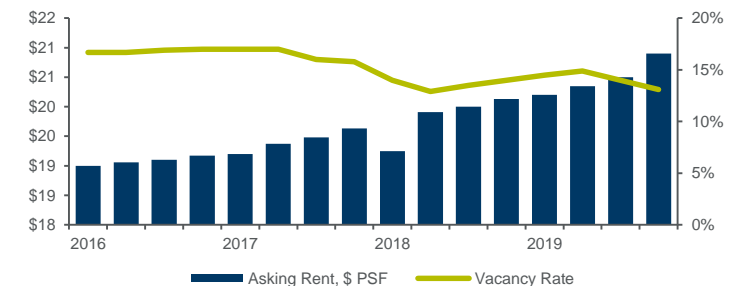
PRICING: Asking Rents Post Modest Increase

Savannah's overall vacancy rate decreased from 14.9% in second quarter 2019 to 13.1% in Q4 2019. The overall gross average asking rental rate increased from \$20.74 per square foot (psf) in second quarter 2019 to \$21.29 psf in Q4 2019, as free rent and overall concessions decreased slightly and most notably within the CBD and Southside submarkets. Effective rental rates and overall occupancy should continue the trend of gradual improvement in the first half of 2020.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANCY RATE	NO. OF BUILDINGS	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD – Historic Downtown	1,129,591	10.9%	38		\$23.28	\$23.94
Southside	868,172	11.0%	40	0	\$20.88	\$23.69
Westside	874,845	19.5%	37	38,692	\$21.57	\$25.65
Effingham County	229,004	10.1%	24	0	\$18.75	N/A
Bryan County	170,346	13.2%	17	0	\$21.45	\$22.50
Islands	161,542	8.3%	9	0	\$21.83	\$26.50
MSA TOTALS	504,594	13.1%	165	38,692	\$21.29	\$24.46

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2019

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
24 Drayton Street	CBD	Lewis Brisbois	5,483	New Lease
101 Mulberry Boulevard	Westside	C.H. Robinson	5,149	Renewal*
33 Bull Street	CBD	Boyd & Jenrette	3,345	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
28 Abercorn Street	Grand Central	Georgia Power/Chatham Water Utility	11,400	\$3.7M / \$324

KEY CONSTRUCTION COMPLETIONS 2019

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
Pooler Professional Center	Westside	N/A	10,800	Ameri Development

LOCAL MARKET RESEARCH LEAD

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