

Lee & Associates | Year End 2017 Savannah Industrial Market Report



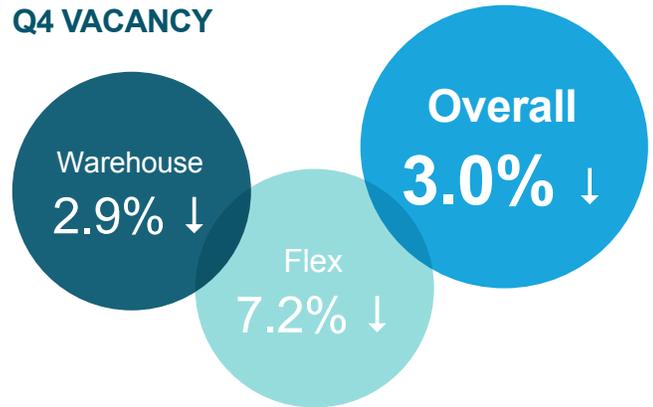
MARKET HIGHLIGHTS

In the second half of 2017, Savannah's industrial market remains strong, ending with 3,527,463 SF in Q3 and Q4 positive year to date net absorption, totaling 4.49M for the year net absorption, and a total vacancy rate of 3.0%.

Construction and development activities continue to push forward with 5,527,669 SF delivering since January 2017, with an additional 1,919,884 SF of projects under construction.

Overall rental rates increased, ending Q4 at \$4.62 PSF. With a growing demand for inventory, the Savannah Industrial sector can expect a push for more speculative development as 2018 begins.

Q4 VACANCY



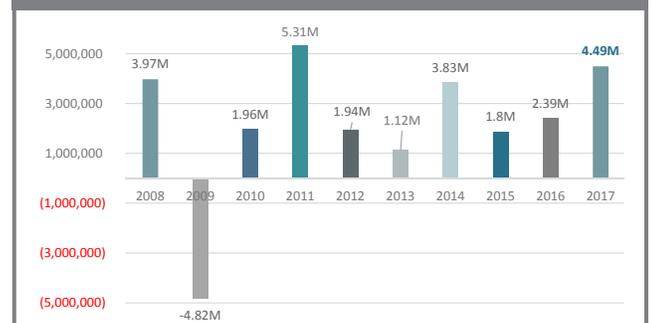
LARGEST PROJECTS UNDER CONSTRUCTION

as of Q4 2017

| Project Location | Building SF | Tenant | Developer | Delivery |
|-----------------------------|--------------|--------|-----------|----------|
| 445 Northport Pky | Shaw Carpets | Spec | CRG | Q2-18 |
| Northport Pky | 752,000 | Spec | WBA | Q4-18 |
| 100 International Trade Pky | 391,040 | Spec | Rooker | Q4 -17 |
| Pooler Pky | 356,800 | Spec | PNK Group | Q3 -18 |

ABSORPTION

in SF, 2008 - 2017



2017 TOP LEASES

| Property Name | Address | Submarket | Tenant Name | SF | Quarter |
|--------------------------------|-----------------------|------------------------|-------------------|-----------|---------|
| Northport Commerce Center I | 590 Northport Pky | Port Wentworth | Shaw Carpets | 1,000,000 | Q3 |
| Northport Commerce Center II | 445 Northport Pky | Port Wentworth | Shaw Carpets | 832,000 | Q3 |
| 435 Jimmy Deloach | 435 Jimmy Deloach Pky | N Savannah/Garden City | Noble House | 630,598 | Q3 |
| 100 Logistics | 100 Logistics Way | N Savannah/Garden City | Withheld | 388,500 | Q4 |
| Interstate 95 Logistics Center | 455 Jimmy Deloach Pky | N Savannah/Garden City | ONL-RBW Logistics | 305,067 | Q2 |

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data sources: CoStar Group, Inc., Real Capital Analytics, Georgia State Economic Forecasting Center and the Georgia Ports Authority.

The Lee & Associates Savannah Industrial Market Report compiles market data by using a third-party database for the proprietary analysis of over 8 million Industrial properties in the Savannah area.

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**THE LARGEST
SINGLE CONTAINER
TERMINAL IN
NORTH AMERICA**

THE PORT OF SAVANNAH

LOCATION AND INFRASTRUCTURE

The Port of Savannah, located 250 miles from Metro Atlanta, is the nation's fastest-growing and fourth-largest container port. The Port of Savannah offers the complete logistics package and a location that is 100 miles closer to Atlanta than any other port. The Metro Atlanta area of more than 5.8 million residents establishes an important retail market and Atlanta remains an important logistics hub for reaching the Southeast and beyond, bringing exports to the coast.

THE PORT'S IMPACT ON THE METRO ATLANTA REGION

An economic engine, Georgia's ports stimulate growth statewide. Based on the amount of imports and exports from the Port of Savannah, the Metro Atlanta region makes up nearly 49% and 34% of TEU (twenty unit equivalent) and Short Ton total statewide volume. Lee & Associates - Atlanta continues to track South Atlanta's Industrial net absorption in relation to the Port of Savannah TEU totals. As TEUs have grown over the past 10 years, South Atlanta has experienced a growing positive net absorption. As the Georgia Port's Authority projects container capacity to double during in the coming decade, South Atlanta warehouse space will be in demand.



About Lee & Associates

In 2010, our Atlanta office joined Lee & Associates, the largest broker-owned commercial real estate sales organizations in the U.S. As a local office of this highly respected national firm, the Atlanta team capitalizes on Lee's stellar reputation to continue its paradigm of establishing long-term, client-driven relationships to develop customized solutions for every client's specific real estate requirement.