

Lee & Associates Atlanta

Savannah Industrial Market Report

Q4 2021



MARKET HIGHLIGHTS

Savannah's industrial market has experienced tremendous growth over the last few years due to having the fourth busiest US port, and its strategic location in the Southeast. The port has set records almost every month this year as container volume has risen 21%, roughly 900,000 TEU's over 2020.

Major infrastructure improvements such as the Mason Mega Rail Terminal and ongoing channel deepening, set to complete early 2022, has attracted increased interest from third party logistics and ecommerce firms which has pushed vacancy rates from 7.7% in Q4-20 to 3.3% in Q4-21. Strong leasing activity will keep the market tight in the near-to-midterm; however, macro trends that have boosted East Coast port traffic have resulted in 21.6 million SF under construction. This makes Savannah as one of the largest pipelines on a percentage basis representing 24% of total inventory, which will add supply side pressure to the market. Rental rates have grown 9.8% from \$4.97 to \$5.44/SF over the last 12 months. Rates are also very competitive compared to nearby port cities of Jacksonville and Charleston.

LARGEST PROJECTS UNDER CONSTRUCTION

Project Location	Building SF	Tenant	% Leased	Delivery
Bloomingdale/Pooler	2,400,000	Amazon	100%	Q2-2022
Effingham County	1,265,600	Spec	0%	Q2-2022
Bloomingdale/Pooler	1,193,920	Spec	100%	Q1-2022
Effingham County	1,165,425	Spec	100%	Q1-2022

Q4 2021 TOP 3 LEASES & SALES

LEASES	Address	City	SF	Landlord	Tenant	Tenant Industry
	2016 Trade Center Blvd	Rincon	1,165,425	Chesterfield / Stonemont	Serena & Lily	Retail / Wholesale
	Old River Road	Bloomingdale	1,101,600	Panattoni Development	Merch Source	Retail / Wholesale
	1 Knowlton Way	Savannah	784,000	GK Management Co, Inc	Outsource Log.	Transp. & Warehousing

SALES	Address	City	SF	Sale Price	Price PSF	Buyer	Seller
	2008 Trade Center Blvd	Rincon	1,067,674	\$92,000,000	\$86.17	Invesco Real Estate	Stonemont
	1338 Interstate Centre Blvd	Ellabell	700,000	\$81,800,000	\$116.86	Realty Income Corp.	CRG
	951 Interstate Centre Blvd	Black	604,930	\$55,930,000	\$92.46	Mapletree Investments	Blackstone

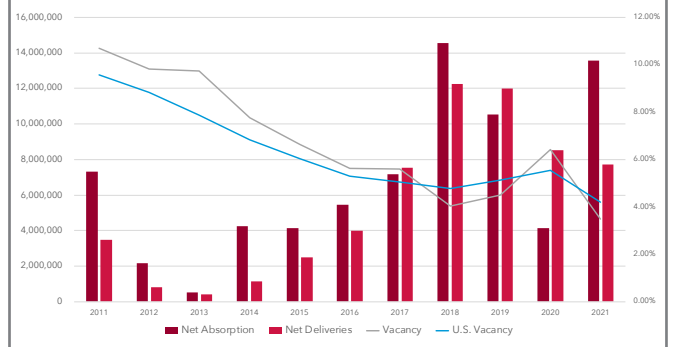
Q4 2021 QUICK STATS

↑ 9.6 M SF Net Absorption

↑ 22 M SF Under Construction

↓ 3.3% Vacancy Rate

VACANCY & NET ABSORPTION 2011 - 2021



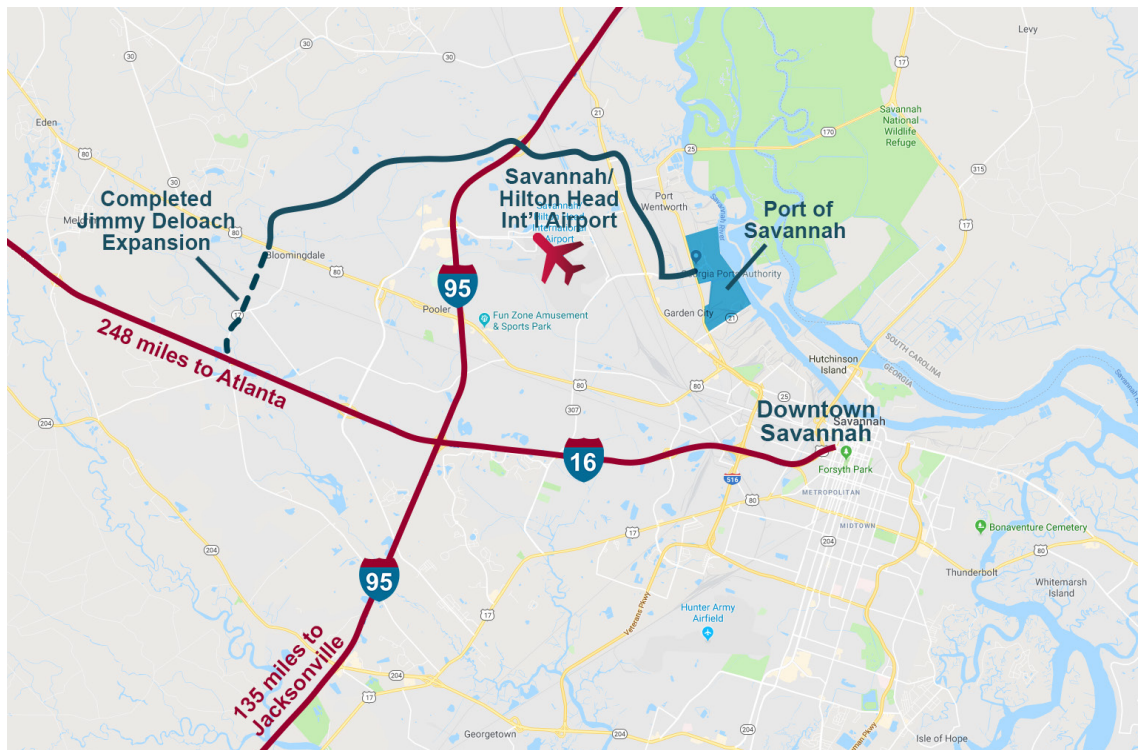
THE LARGEST SINGLE CONTAINER TERMINAL IN NORTH AMERICA

- Georgia Ports Authority

MARKET INDICATORS

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
12 Mo. Net Absorption (SF)	9,636,788	7,310,395	4,499,756	4,218,540	3,408,352
Vacancy Rate (%)	3.3	5.1	8.3	7.7	7.8
Avg NNN Asking Rate PSF (Annual)	\$5.44	\$5.15	\$4.99	\$4.96	\$4.97
Under Construction (SF)	21,662,242	17,703,670	14,663,397	7,306,426	6,033,593
Inventory (SF)	87,860,866	85,580,926	84,855,994	82,337,754	81,227,754

SAVANNAH LOCATION MAP



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