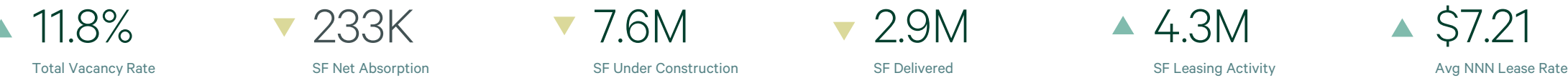


FIGURES | SAVANNAH INDUSTRIAL | Q1 2025

Strong Leasing in Q1 2025 as Larger, Bulk Deals Re-enter the Market



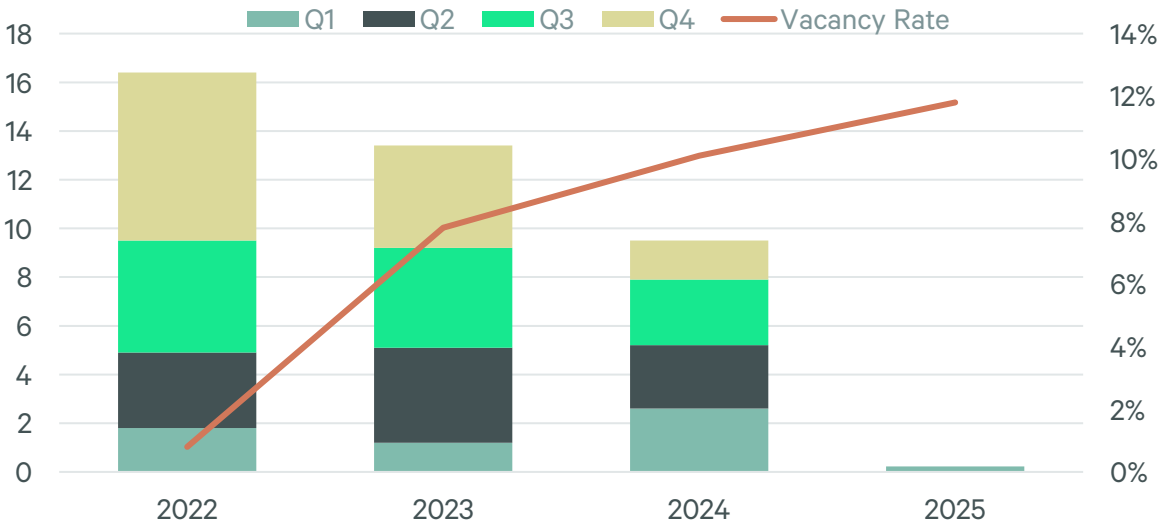
Note: Arrows indicate change from previous quarter.

Key Takeaways

- Leasing activity picked up in Q1 2025, reaching 4.3-million sq. ft., the highest since Q1 2024.
- The first quarter’s net absorption was 219K sq. ft.; leasing activity will convert to additional net absorption as tenants take occupancy in the coming quarters.
- The vacancy rate increased to 11.8% in Q1, the highest in the last fifteen years.
- The average NNN rent in Savannah increased to \$7.21 per sq. ft., a 2.0% increase YoY.

In Q1 2025, the Savannah industrial market experienced a significant rebound in leasing activity, reaching 4.3-million sq. ft., the highest since Q1 2024. This marked a notable turnaround from previous quarters, where zero deals over 500K SF were signed since Q1 2024. This quarter saw three deals over 500K sq. ft. signed. Despite the rebound, net absorption declined to 219K sq. ft., the lowest since 2019. This is mostly due to the slower leasing activity in the second half of 2024. As a result, the market’s vacancy rate reached a fifteen-year high of 11.8%, primarily due to the addition of newer, first-generation developments built since 2023, which account for 76.6% of the total vacancy in the market. In contrast, older buildings remain tight, with a 4.2% vacancy rate. The average NNN rent increased to \$7.21 per sq. ft., a 2.0% increase YoY, with infill rents growing due to land scarcity near the port. As tenant activity picks up and the construction pipeline diminishes, the vacancy rate is expected to decrease in the second half of 2025 and early 2026.

FIGURE 1: Quarterly Net Absorption and Total Vacancy Rate
Million Sq. Ft.



Source: CBRE Research, Q1 2025

Market Overview

- The Savannah industrial market continues to be one of the most attractive in the country for investors and occupiers.
- Savannah is one of the fastest growing markets as a percentage of inventory, having grown more than 66 MSF in the last 5 years.
- Georgia's largest economic development project in history - the \$5-billion Hyundai Metaplant – is now operational, generating an additional pool of supplier demand that has already leased and is expected to continue leasing distribution product as the plant ramps up production.
- The **Georgia Ports Authority** is the key driver for the Savannah Industrial Market:
 - Two Terminals: Ocean & Garden City Terminal; modern & deep water.
 - The Port of Savannah is the third busiest and fastest growing port in the nation. GPA is underway on growth projects to increase overall container capacity from the current level of 8.0-million twenty-foot equivalent units (TEU) to 12-13-million TEU's by 2032.
 - GPA has invested \$1.2-billion in its facilities in the last 10 years and plans to invest another \$2.5-billion over the next 10 years to expand its container handling capabilities.
 - Unlike all other major ports in the nation, GPA operates its own facilities providing for a much more efficient and tailored customer experience.

Survey Criteria

Includes all classes of competitive industrial space 10,000 sq. ft. and greater in Bryan, Chatham, Bulloch, Effingham, and Liberty County, Georgia, and Jasper County, South Carolina. Buildings under construction are evidenced by site excavation or foundation work. Excludes self-storage, specialized manufacturing, data centers, and industrial outdoor storage.

*Note: Beginning 2024, CBRE Research expanded the Savannah industrial market to include Bulloch County and Liberty County in Georgia. Historical adjustments were made to data going back to the beginning of 2023.

FIGURE 2: Market Statistics

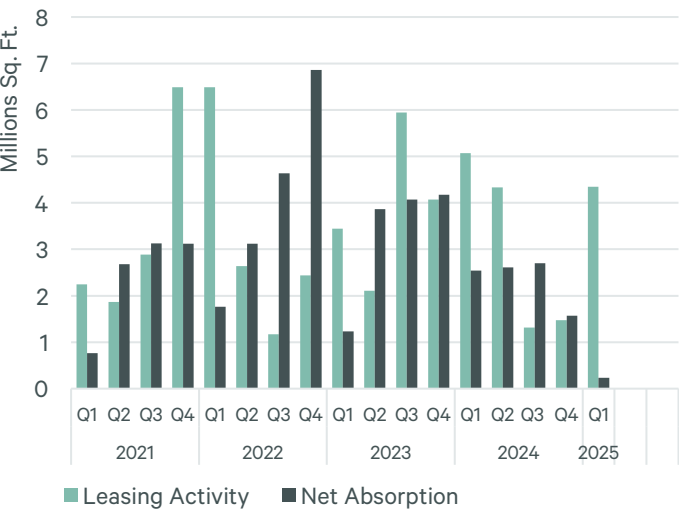
Quarter/Year	Market Rentable Area (sq. ft)	Total Vacancy Rate %	Total Avail Rate %	Net Absorption (sq. ft.)	YTD Net Absorption (sq. ft.)	Under Construction (sq. ft.)	Avg. NNN Lease Rate (\$/sq. ft./Yr)
Q1 2025*	150,117,211	11.8	12.1	233,165	233,165	7,582,798	\$7.21
Q4 2024*	147,268,791	10.2	11.5	1,598,644	9,281,743	9,913,338	\$7.07
Q3 2024*	144,852,304	9.8	10.8	2,522,387	7,683,099	10,834,197	\$7.12
Q2 2024*	141,527,637	9.4	9.5	2,608,215	5,160,712	14,421,189	\$7.20
Q1 2024*	136,282,965	7.9	10.4	2,552,497	2,552,497	17,876,210	\$7.07
Q4 2023*	133,428,806	7.8	9.8	4,173,269	13,338,182	17,365,883	\$7.30
Q3 2023*	126,757,965	6.2	6.8	4,068,008	9,164,913	20,136,588	\$7.20
Q2 2023*	119,965,673	4.3	4.3	3,863,053	5,096,905	25,830,552	\$6.34
Q1 2023*	112,311,136	1.3	2.0	1,233,852	1,233,852	27,488,379	\$6.24
Q4 2022	100,367,620	0.8	1.6	6,858,881	16,455,221	26,269,775	\$6.09
Q3 2022	94,415,220	0.5	0.5	4,632,622	9,596,340	25,435,509	\$6.02
Q2 2022	91,402,603	0.7	1.9	3,133,220	4,963,718	23,024,169	\$5.79
Q1 2022	88,028,901	1.2	4.5	1,830,498	1,830,498	21,282,226	\$5.48
Q4 2021	86,731,654	3.1	5.7	3,070,295	9,608,076	17,657,211	\$5.48

Source: CBRE Research, Q1 2025

Net Absorption and Leasing Highlights

Coming off a sluggish second half of 2024, leasing activity picked back up in Q1 2025, reaching 4.3-million sq. ft., the highest since Q1 2024. This quarter marked a rebound in bulk leasing activity with three deals above 500K sq. ft. signed, including SLM Logistics leasing 800K sq. ft. at 150 Portside Ct. The other two deals were signed by Asian 3PLs in Bryan County. With the Q1 2025 grand opening of the Hyundai plant in Bryan County, its impact on leasing activity and suppliers looking for space is expected to drive further growth in this submarket. Due to minimal leasing activity in the second half of 2024, net absorption fell to 2K sq. ft, the lowest since 2019. However, the reactivation of bigger deals in Q1 should positively impact net absorption moving forward in 2025.

FIGURE 3: Net Absorption and Leasing Activity



Source: CBRE Research, Q1 2025

Vacancy

The Savannah industrial market has reached its highest mark in fifteen years, with a total rate of 11.8%. The primary driver of this vacancy is the newer, first-generation product built in 2023 and later, with 33.6% of this product remaining vacant. In total, these developments account for 76.6% of the total market vacancy in Savannah. In contrast, the product built before 2023 remains tight, with a vacancy rate of 4.2%. As tenant activity picks up and the construction pipeline diminishes from its record highs, the vacancy rate is expected to decline in the second half of 2025.

FIGURE 4: Vacancy by Size Category

Size	Q4 Vacancy %
750K+	12.7%
500-750K	17.7%
300-500K	6.8%
150-300K	11.3%
Under 150K	6.1%

FIGURE 6: Key Leasing Transactions

Tenant	Location	Size (sq. ft.)	Submarket	Transaction Type
SLM Logistics	150 Portside Ct	800,000	N Savannah/Garden City	New Lease
Sino Logistics	Georgia International Commerce Centre – Bldg. 2	506,391	Bryan County	New Lease
JW Fulfillment	1086 Oracal Pkwy	504,300	Bryan County	New Lease
CFS Brands	Georgia International Commerce Centre – Bldg. 2	447,832	Bryan County	New Lease

Source: CBRE Research, Q1 2025

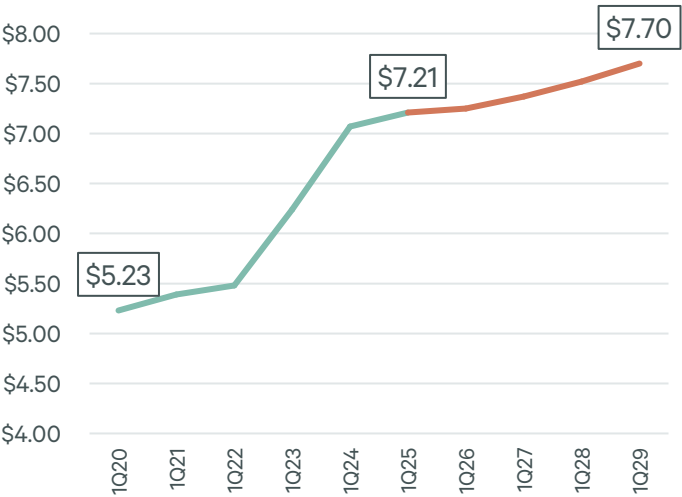
FIGURE 5: Warehouse/Distribution Total Vacancy



Rental Rates

The average NNN rent has rose to \$7.21 per sq. ft. this quarter, a 2.0% increase YoY. Infill rents continue to grow due to the scarcity of land within 10 miles of the port, driving overall rent growth in the market. The under 150K sq. ft. class B segment also contributed to rent growth, with vacancy in this segment decreasing by 150 bps YoY. However, deeper analysis reveals challenges in other segments. Older buildings, despite their proximity to the port, are facing operational challenges that make them less attractive to tenants. As a result, landlords are being forced to lower rents and offer more tenant improvements. Meanwhile, speed and operational features are becoming increasingly critical for companies. With the high availability of buildings, tenants are taking their time to thoroughly assess their options. As the vacancy rate peaks, rent growth is expected to moderately increase.

FIGURE 7: Historic & Projected Warehouse/Distribution Rental Rates



Source: CBRE Research, Q1 2025

Construction & Deliveries

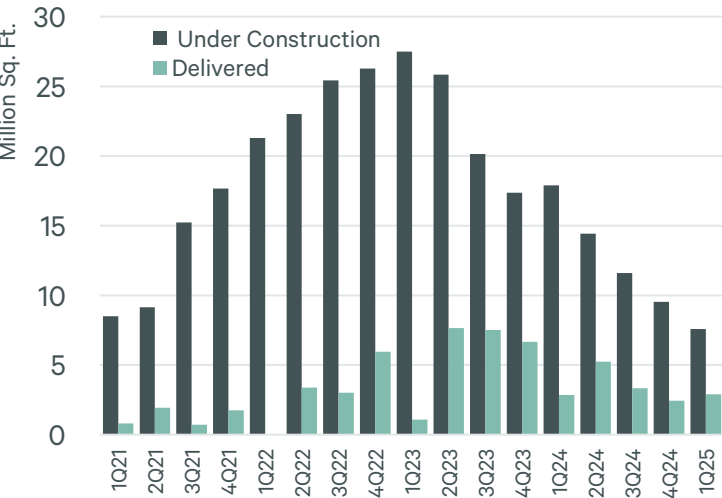
The construction pipeline for the Savannah industrial market has declined to 7.6-million sq. ft., the lowest level since 2020. Additionally, deliveries remained flat YoY at 2.9-million sq. ft. in Q1. Despite this decline, the Effingham County submarket delivered the most inventory in the market, with 1.4-million sq. ft. coming online, led by Coastal Trade Center – Bldgs. 4 and 5. This submarket's prime location near major transportation routes, including rail, the Port of Savannah, and I-95 and I-16, has driven its strong construction pipeline. Construction starts were moderate in Q1, with only 268K sq. ft. breaking ground. The high cost of land and the large amount of new, vacant deliveries have kept new projects in check. This trend is expected to continue, with activity remaining stagnant within the next few quarters.

FIGURE 9: Top Deliveries in Quarter

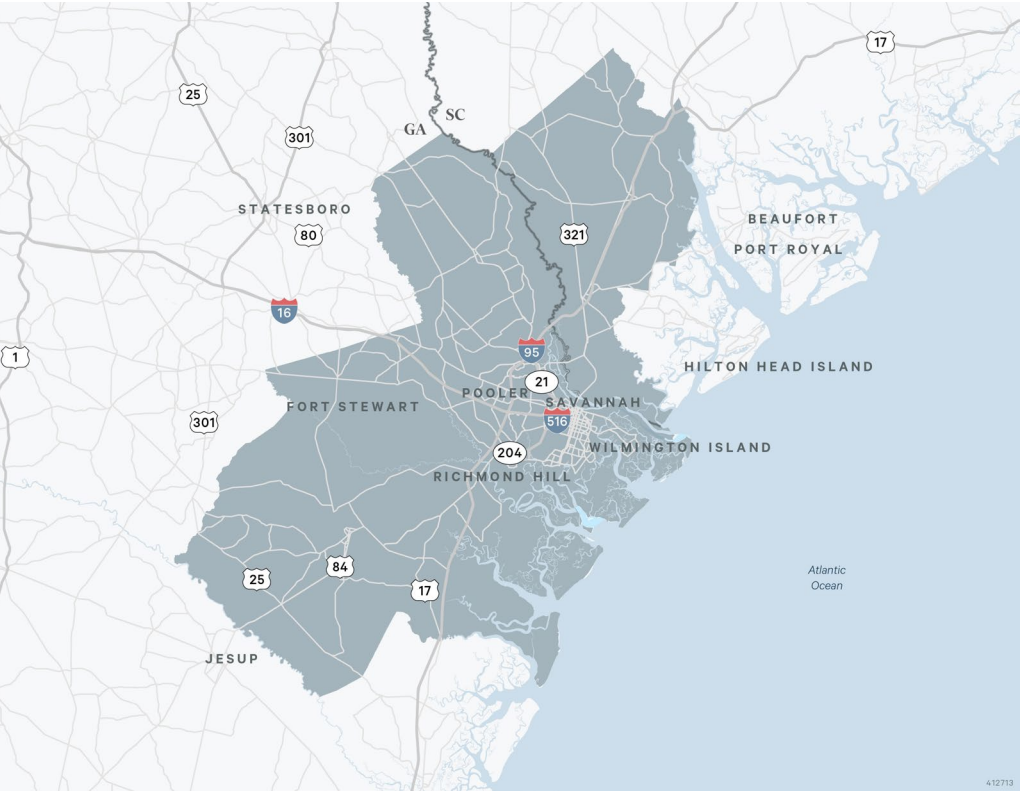
Property Name	Property City	Building Size (sq. ft.)	Distance to Port (miles)	Month Completed	Developer
Coastal Trade Center – Bldg. 4	Rincon	640,640	14	February 2025	Trammell Crow Co.
Live Oaks Logistics Center – Bldg. B	Pooler	611,442	7	March 2025	Seefried Properties
Coastal Trade Center – Bldg. 5	Rincon	473,760	14	February 2025	Trammell Crow Co.
Clarius Park Hardeeville – Bldg. C	Hardeeville	301,275	10	March 2025	Clarius Partners
Savannah Gateway Industrial Hub – Bldg. 2E	Rincon	248,000	12	March 2025	Broe Real Estate
Total Delivered Q1 2025		2,904,203			

Source: CBRE Research, Q1 2025

FIGURE 8: Under Construction & Deliveries



Market Area Overview



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Definitions

- Available Sq. Ft.:** Space in a building ready for occupancy within six months; can be occupied or vacant.
- Availability Rate:** Total available sq. ft. divided by the total building area.
- Big-Box:** An industrial property totaling 200,000 sq. ft. or greater.
- Capitalization Rates:** Also known as “cap rates”; a measure used to estimate rates of return on commercial real-estate properties.
- Clear Height:** The usable height in a building to which an occupier can store its goods on racking. Clear height is measured below any ceiling obstructions such as lights or sprinklers.
- Deliveries:** Completion of required construction for a building.
- Distribution/Logistics:** An industrial property subtype of warehouse/storage designed to accommodate the efficient movement of goods. Distribution space is at least 100,000 sq. ft., office area less than 10%, and clear heights 30 ft. and higher.
- Leasing Activity:** Square footage committed to and signed under a lease obligation for a space in a given period.
- Net Absorption:** The change in physically occupied square feet from one period to the next period.
- Net Net Net (NNN) Lease Rate:** Rent excludes “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate.
- Occupied Sq. Ft.:** Building area not considered vacant.
- Total Rentable Area:** The total rentable floor area square feet of the building.
- Vacant Sq. Ft.:** Existing space not occupied by a tenant. Vacant space can be available or not available.
- Vacancy Rate:** Total vacant sq. ft. divided by the total building area.
- Warehouse/Storage:** An industrial property subtype designed for the warehousing and storage of materials, goods and merchandise. Office area is less than 15% of the space, clear heights of at least 18 ft.

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