



Savannah

Industrial 23Q4

Photo courtesy of Georgia Ports Authority

“The Savannah market finished off 2023 on a high note, posting over 2.7 million square feet of net absorption in Q4 and an impressive 12,657,000 square feet for the year. This level of net absorption, as a percent of total inventory (10.2%), will once again place Savannah among the highest growth markets in the U.S. The average size bulk warehouse lease in 2023 (including renewals) was 337,000 square feet. Over 63% of leases signed were between 100,000 and 300,000 square feet while those in the 300,000 – 500,000 square feet range represented 20% and leases over 500,000 square feet made up 17% of transactions in 2023.

Currently, the Savannah area has 13,182,000 square feet under construction of which 9,250,000 square feet is spec across 16 buildings. Ten of the spec buildings are scheduled to deliver Q1 2024 totaling 5.4 million square feet with an average size of 544,000 square feet. Spec deliveries taper off substantially after Q1 with 4 buildings totaling 2.8 million square feet. slated for Q2, none for Q3, and just 2 buildings totaling 1.1 million square feet scheduled for completion Q4. The vacancy rate increased by 300 basis points to close out 2023 and is expected to further increase to start off 2024, then stabilize as we see far less product added to the market.”

David Sink, SIOR | Principal

Accelerating success.



Savannah Industrial 23Q4

Key Takeaways

- Total inventory steadily climbs, now at 124 million square feet
- Vacancy rate jumps to 7.23% due to several bulk spec deliveries
- 6,259,867 square feet of new supply added to the market
- 13,181,951 square feet under construction (9.2 MSF spec, 3.9 MSF BTS)
- 12,657,737 square feet net absorption in 2023



Market Overview

The Savannah industrial market continues to grow, with total inventory now exceeding 124 million square feet. The addition of 6,259,867 square feet of new supply further underscores the market's attractiveness to developers and investors. With 13,181,951 square feet currently under construction, the market remains dynamic and forward-looking. In Q4, there was net absorption of 2,714,694 square feet, contributing to year-end net absorption of 12,657,737 square feet. These figures collectively paint a picture of a thriving Savannah industrial market, poised for continued expansion and investment opportunities.

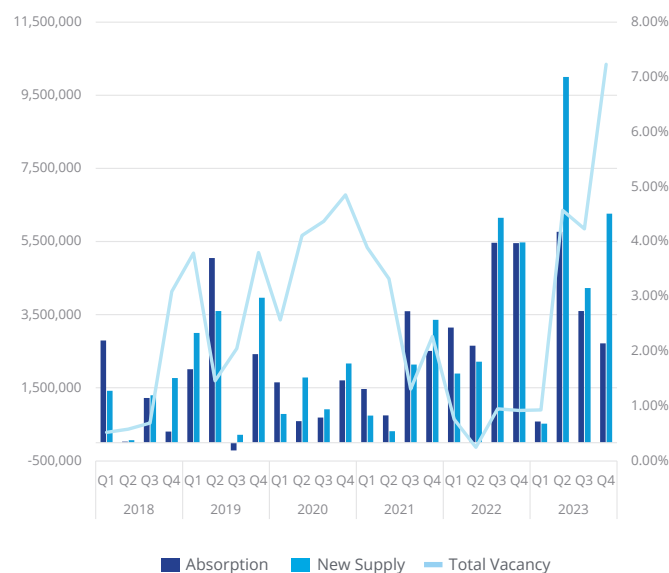
Market Indicators



Historic Comparison

	22Q4	23Q3	23Q4
Total Inventory	99,847,587	118,123,681	124,383,548
New Supply	5,475,930	4,226,168	6,259,867
Net Absorption	5,455,086	3,598,567	2,714,694
Overall Vacancy	0.92%	4.23%	7.23%
Under Construction	19,247,428	17,579,889	13,181,951

Market Graph



Recent Transactions



Lease
Win.IT America
Live Oak Logistics Center - C
669,760 SF



Lease
Rowan/Creative Innovations
Rockingham Farms - 9
516,695 SF



Lease
Gulfstream
SunPort 95 - 1
437,164 SF



Lease
Shaw
595 Northport Parkway
578,288 SF



Lease
Customized Distr. Services
Logistix Hub Savannah - 2
261,653 SF

* Hardeeville (Jasper County), South Carolina is included in this report as of Q1 2023 which added 3,138,084 SF of total inventory in addition to New Supply.

Quarter	Total Inventory SF	Under Construction SF	Vacant SF	Vacancy Rate	Absorption SF (Quarterly)	Absorption SF (YTD)	Bulk Inventory SF (100K SF+)	Bulk Vacant SF	Bulk Vacancy Rate	Bulk Absorption (Quarterly)	Bulk Absorption (YTD)
Savannah Quarterly Comparisons and Totals											
23Q4	124,383,548	13,181,951	8,998,717	7.23%	2,714,694	12,657,737	108,501,680	8,496,105	7.83%	2,834,193	12,618,768
23Q3	118,123,681	17,579,889	4,999,296	4.23%	3,598,567	9,943,043	102,308,813	4,835,418	4.73%	3,283,601	9,784,575
23Q2	113,661,513	16,106,285	5,194,145	4.57%	5,768,151	6,344,476	98,208,045	4,776,547	4.86%	5,847,977	6,500,974
23Q1	103,514,071*	24,599,071	963,872	0.93%	576,325	576,325	88,372,721	785,200	0.88%	656,997	656,997
22Q4	99,847,587	19,247,428	921,130	0.92%	5,455,086	16,718,660	86,122,527	921,130	1.06%	5,455,086	16,509,500

Savannah Market Forecast

Fifteen buildings totaling 6,259,867 square feet were completed in Q4, within which 5,179,323 square feet remains available. Another 9,250,236 square feet of spec space is currently under construction, of which 724,760 square feet has been pre-leased. The lack of new construction starts in 2023 will result in fewer deliveries in the second half of 2024 and should allow the market to absorb the new buildings and vacancy to stabilize.

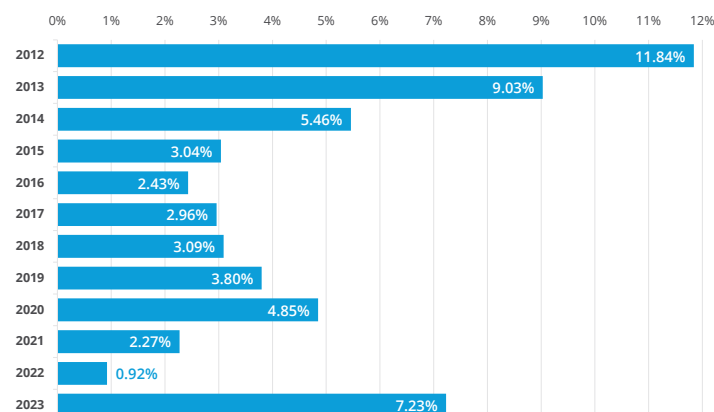
Vacancy

The overall vacancy rate increased from 4.23% in Q3 to 7.23% in Q4 due to several bulk spec buildings delivering at the end of 2023.

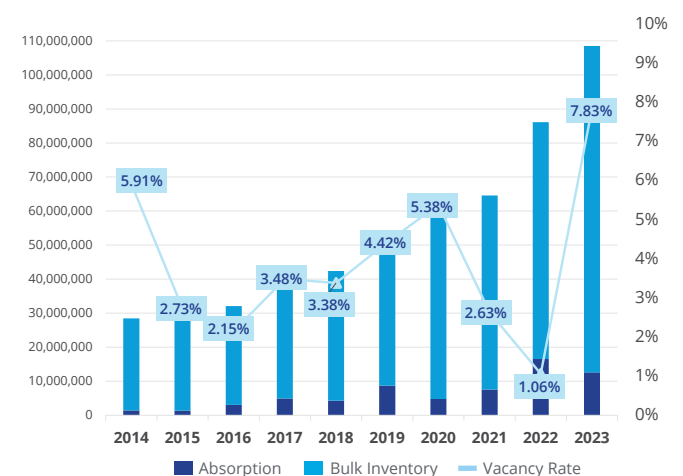
Absorption

The Savannah market had 2,714,694 square feet of overall net absorption Q4, bringing YTD absorption to a healthy 12,657,737 square feet. Bulk inventory (100,000 SF+) increased to 108,501,680 square feet and had 2,834,193 square feet of net absorption and a vacancy rate of 7.83% in Q4. This level of absorption, as a percentage of total inventory, will once again place Savannah among the highest growth markets in the United States.

Vacancy Rate



Bulk Inventory, Absorption and Vacancy (100,000 SF+)



New Warehouse Construction



Under Construction
Total
13,181,951 SF



Build-to-Suit
Under Construction
3,931,715 SF (30%)



Speculative
Under Construction
9,250,236 SF (70%)

Development Overview - Warehouse/Distribution

There are currently 21 buildings under construction (footers in, at a minimum), 16 of which are spec, with 9 of them being buildings over 500,000 square feet accounting for 81% of the spec square footage under construction. Additionally, there are 5 build-to-suits averaging 786,343 square feet.

The most active submarkets for spec construction are Bryan County with 4,813,262 square feet, Outlying Chatham County with 2,380,160 square feet, Effingham County with 1,237,000 square feet and Bloomingdale/Pooler with 1,117,800 square feet.

Below is a summary of spec buildings that delivered in 2023 as well as a timeline of projected deliveries in 2024.

2023 Spec Building Deliveries

Total 2023 Deliveries: 48 Buildings | ±21 Million Square Feet | Average Size: ±437,613 Square Feet



2 Buildings
Delivered in Q1 2023
±521,067 SF Total



19 Buildings
Delivered in Q2 2023
±9,998,324 SF Total



12 Buildings
Delivered in Q3 2023
±4,226,168 SF Total



15 Buildings
Delivered in Q4 2023
±6,259,867 SF Total

2023 ● Q1 Q2 Q3 Q4 ● 2024

2024 Spec Building Delivery Timeline

Projections based on delivery schedules at the publishing of this report.



10 Buildings
±5.4 MSF Total
Avg. Size: ±543,800 SF



4 Buildings
±2.8 MSF Total
Avg. Size: ±709,600 SF

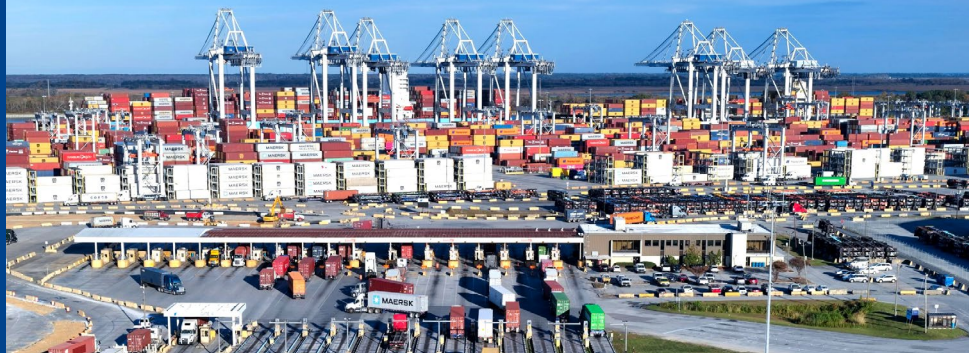


0 Buildings
0 SF Total
Avg. Size: 0 SF



2 Buildings
±1.1 MSF Total
Avg. Size: ±552,000 SF

2024 ● Q1 Q2 Q3 Q4 ○ 2025



The Georgia Ports Authority
Handles One Out of Every
8.8 Loaded TEUs in the U.S.



On-terminal Class I Rail
Service Provided by
CSX and Norfolk Southern



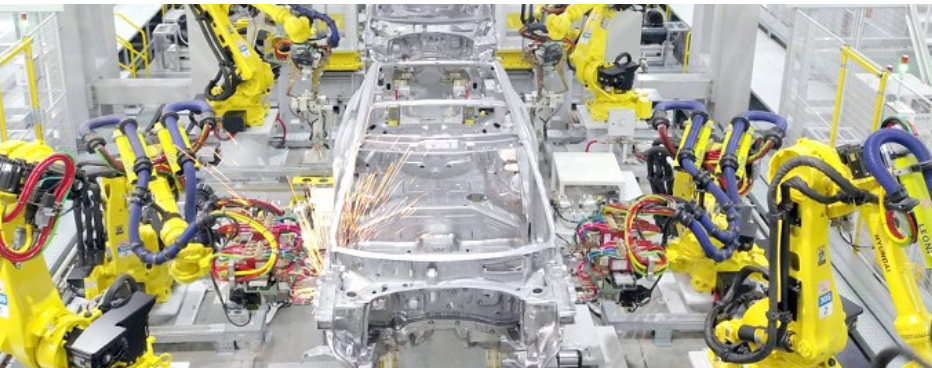
Fast and Easy Access to
44% of the U.S.
Consumers & Manufacturers

Port of Savannah

Home to the single largest and fastest-growing container terminal facility in North America, comprised of two modern, deepwater terminals: Garden City Terminal and Ocean Terminal. Together, these facilities exemplify the Georgia Ports Authority's (GPA) standards of efficiency and productivity.

The Port of Savannah ships to more than 160 countries and has direct shipping access to over 800 ports. In October 2023, GPA leaders presented an update on their \$1.9 billion master plan to expand infrastructure. The ongoing Peak Capacity Project is adding 1.2 million TEUs to the Garden City Terminal, and the Garden City West Terminal Project will add another 90 AC of container storage and one million TEUs by 2024. In November, GPA reopened Berth 1 at Garden City Terminal after a two-year renovation that allows the dock to serve ships in the 16,000+ TEU range. With all berths now on line, vessel service has returned to previous speeds with ship queues cleared.

Photo and Information courtesy of Georgia Ports Authority



HYUNDAI
MOTOR GROUP



Approx. 17,000,000 SF
State-of-the-Art Facility
on 2,967 AC Site



Hyundai Motor Group
investing \$5.545 Billion at
Metaplant America



Delivering an Estimated
8,500 New Jobs to
Georgia's Coastal Region

Metaplant America

Hyundai Motor Group Metaplant America (HMGMA) is Hyundai Motor Group's first dedicated Electric Vehicle mass-production plant located in Bryan County, GA. Construction began in January 2023 and is expected to begin full production in early 2025. The plant is expected to produce 300,000 vehicles per year under the Hyundai, Kia and Genesis brands.

Significant Lease Activity

Bold Denotes Colliers Transaction

Address	Size	Tenant	Type
Live Oak Logistics Center - Building C	669,760 SF	Win.IT America	New
595 Northport Parkway	578,288 SF	Shaw Industries	Renewal
Rockingham Farms Logistics Park - Building 9	516,695 SF	Rowan/Creative Innovations	New
SunPort 95 - Building 1	437,164 SF	Gulfstream	New
6030 Commerce Boulevard	394,539 SF	The Kearney Companies	Renewal
Logistix Hub Savannah - Building 2	261,653 SF	Customized Distribution Services	New
Rockingham Farms Logistics Park - Building 10	214,887 SF	DKW Logistics (Kawasaki)	New
Georgia Commerce Center - Building 200	201,020 SF	EFL	Renewal
Rockingham Farms Logistics Park - Building 9	194,121 SF	Awesung	New
Main Gate Logistics - Building 2	112,085 SF	Tricap	New
421 Telfair Road	27,000 SF	Electrosteel USA, LLC	New
540 Jimmy DeLoach Parkway	23,880 SF	D7 Transportation	Sublease

Significant Sale Activity

Bold Denotes Colliers Transaction

Address	Size	Buyer	Sales Price
Beltway Logistics Center	655,370 SF	MDH Partners, LLC	\$57,000,000
Coastal Commerce Center II - Building 2	314,288 SF	L&B Realty Advisors, LLP	\$45,000,000
232 Bourne Boulevard	180,000 SF	Sanders Equities, LLC	\$19,980,000
250 Jimmy DeLoach Parkway	125,400 SF	Sanders Equities, LLC	\$13,919,400
163 Pine Barren Road	16,375 SF	Savannah Owner Holdings, LLC	\$2,250,000

Significant Land Sale Activity

Bold Denotes Colliers Transaction

Address	Size	Buyer	Miles from Port
Fort Argyle Road (SAV Interchange Park), Savannah, GA	155.57 AC	Core5	19 Miles
Eldora Road, Ellabell, GA	63.6 AC	Rushmark	22 Miles
322 Grange Road, Port Wentworth, GA	8.18 AC	NFI	2.6 Miles

Sampling of Availability

Savannah | As of January 2024

Existing

501 offices in 66 countries around the world



\$4.5B
in revenue



2B
square feet under management



18,000 +
professionals and staff

About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 66 countries, our 18,000 enterprising professionals work collaboratively to provide expert real estate and investment advice to clients. For more than 28 years, our experienced leadership with significant inside ownership has delivered compound annual investment returns of approximately 20% for shareholders. With annual revenues of \$4.5 billion and \$98 billion of assets under management, Colliers maximizes the potential of property and real assets to accelerate the success of our clients, our investors and our people. Learn more at corporate.colliers.com, Twitter @Colliers or LinkedIn.

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Colliers

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25 YEARS OF EXCELLENCE
in the Greater Savannah Area

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