

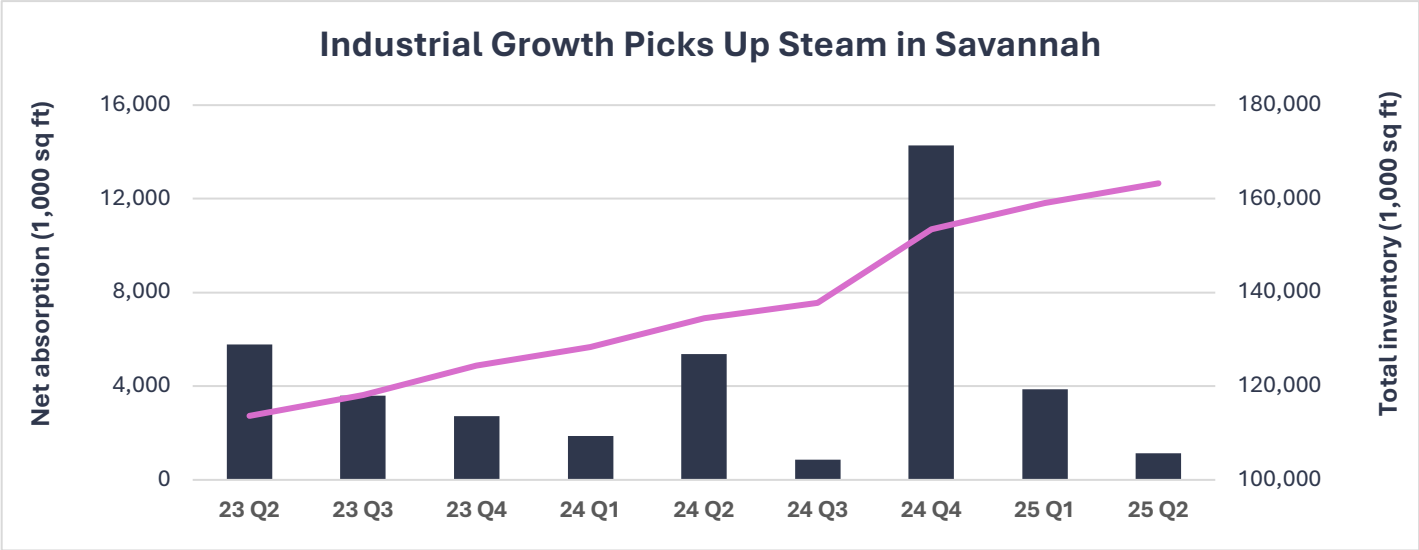
# Industrial surge in Savannah drives demand for multifamily

Demand for multifamily housing moves in tandem with employment availability. But we do not view all sources of jobs as being equal in this calculation. In our opinion, distribution and manufacturing often make up the most crucial employment engine by generating jobs that are both numerous and difficult to replace.

Despite its relatively modest size, Savannah has fast emerged as one of the country’s leading industrial hubs. In 2023, it recorded the largest big-box growth (*net absorption/current inventory*) in all North America. Leasing activity has remained robust with net industrial absorption amounting to 22.4 million square feet in 2024 and 5 million square feet this year through June even amid general economic uncertainty.\* It is little surprise that non-farm employment growth in Savannah has jumped 7.8% since the start of 2020 versus 5.1% nationwide during that span.

The surge in industrial activity has helped spur Savannah’s recent population boom. The city recorded a 9.5% increase in size over the past five years, compared with 3% nationwide. Multifamily has seen a direct benefit, particularly in certain submarkets where new construction has not kept up with demand. Southside Savannah, for instance, has the lowest vacancy rate in the metro region and has seen effective rents surge 43.6% in the past five years. East Savannah has similarly benefited with rents climbing 37.7% higher.

We believe that industrial growth can provide a powerful anchor of support for multifamily. And in the case of Savannah, we are encouraged by the diversified scope of industry with major contributors including port management, aircraft manufacturing, electric vehicle production and rail servicing.



\*Includes special mega facility and its related suppliers in 2024