Q3 2025

SAVANNAH

MULTIFAMILY MARKET REPORT

MARKET SNAPSHOT

AVERAGE RENT
$1,650 Q3 2025

ANNUAL RENT CHANGE
-1.7% Q3 2025

OCCUPANCY RATE
90.8% Q3 2025

ANNUAL OCCUPANCY CHANGE
-160 BASIS PTS Q3 2025

NET ABSORPTION
1,254 YTD Q3 2025

UNIT COMPLETIONS
2,447 YTD Q3 2025

KEY TAKEAWAYS

1. Savannah defied national trends in Q3 2025, with rental absorption accelerating to 600 units and annual demand reaching 1,650 units—well above the long-term average—highlighting the metro's resilient renter demand amid broader supply headwinds.

2. Despite moderating in Q3, construction activity remained elevated, with roughly 900 units completed and a 12-month total exceeding 3,100 units—nearly double the pace of absorption, reinforcing ongoing supply-demand imbalance.

3. Near-term fundamentals are likely to stay soft as new projects lease up, but Savannah's strong job and population growth—driven by port expansion and industrial investment—positions the market for renewed balance and recovery over the medium term.

SUPPLY & DEMAND

Q3 2025

QUARTERLY NET ABSORPTION

604

QUARTERLY COMPLETIONS

535

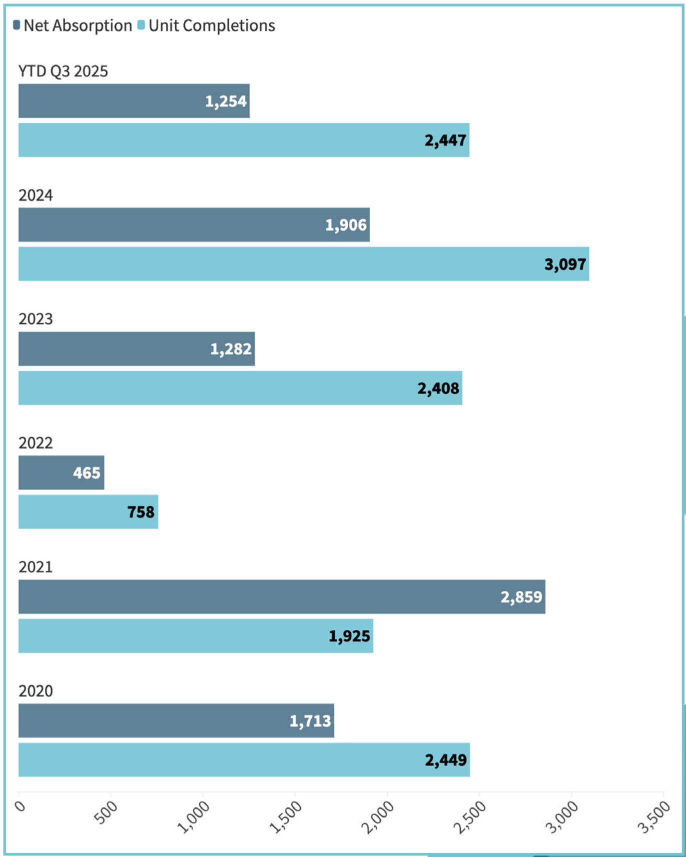
DEMAND TRENDS

Contrary to the national trend, Savannah's rental absorption strengthened from the second to the third quarter of 2025, rising to 600 units from 225 in the prior quarter. Over the 12 months ending September 2025, the metro absorbed approximately 1,650 units, well above its 10-year annual average of 1,200 units, signaling resilient renter demand despite broader headwinds at the national level.

The Westside/Port Wentworth submarket accounted for the largest share of recent leasing activity, recording roughly 505 absorbed units, or about 30% of the metro's annual total. Positioned along the Savannah River, this area benefits from proximity to the Port of Savannah—one of the nation's busiest container terminals—and the Savannah/Hilton Head International Airport. The submarket's strong industrial and manufacturing base has attracted sustained investment and population growth. However, the completion of more than 900 new multifamily units over the past year placed downward pressure on occupancy, which declined to 90.3% by the end of the third quarter.

Downtown Savannah also demonstrated healthy leasing momentum, with 350 net units absorbed over the past 12 months. Limited new supply contributed to stronger performance here, making Downtown one of only two submarkets in the metro to post a year-over-year occupancy gain through Q3 2025.

// UNIT COMPLETIONS VS NET ABSORPTION



CONSTRUCTION TRENDS

Multifamily construction activity has remained exceptionally strong in Savannah this year, even as many markets across the country have experienced declining deliveries. In fact, the second quarter of 2025 marked a record-setting period for the metro, with more than 1,700 units delivered, the highest quarterly total on record, dating back to 2000, according to CoStar data. While completions moderated in the third quarter, they remained elevated by historical standards, with 535 units finalized. This brought the rolling 12-month total to more than 3,100 units—nearly twice the level of net absorption during the same period.

Development was most concentrated in the Pooler/Bloomingdale submarket, which added approximately 1,279 new units over the past year, followed by the Westside/Port Wentworth submarket with around 900 units completed. Both areas continue to attract significant attention from developers given their proximity to major employment nodes and logistics infrastructure.

Construction activity is expected to remain elevated in the near term as new projects continue to break ground. Through the first three quarters of 2025, developers have started construction on roughly 1,800 units, pushing the total number of units underway to about 2,395 as of early October. This represents 6.1% of existing inventory, more than double the national average of 2.6%, underscoring Savannah's position as one of the most active development markets in the Southeast.

RENT & OCCUPANCY

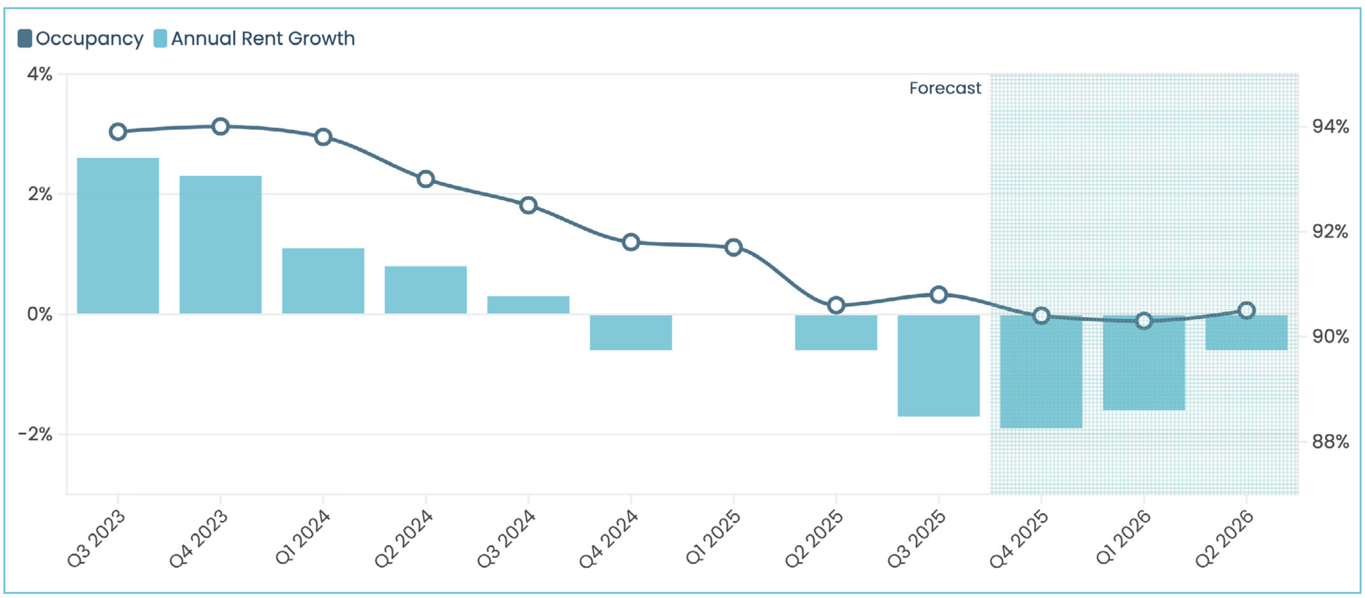
RENT TRENDS

The recent wave of new supply continues to weigh on multifamily rent performance across the Savannah region. Average effective rent declined 1.7% year over year to $1,670 as of the third quarter of 2025, marking the second consecutive quarter of annual rent contraction. Current rent growth remains well below Savannah's pre-pandemic norm of 2.9%. To compete amid heightened supply, many newly delivered properties have offered significant concessions, widening the gap between asking and effective rents, a trend that first emerged in early 2022.

By class segment, only Class C properties managed to record positive annual rent growth, rising 1.9%. Class A effective rents declined 2.4% year over year to $1,817, while Class B rents fell 3.1% to $1,707. Submarket performance was mixed. Downtown Savannah, Southside Savannah, and Bryan County were the only areas to post rent gains—up 2.1%, 1.4%, and 0.4%, respectively. Conversely, the Pooler/Bloomingdale submarket, which saw the largest influx of new units over the past year, experienced the sharpest decline with average rents down 4.0% year over year to $1,754 in the third quarter.

In total, seven of Savannah's ten submarkets recorded annual rent declines. Notably, many of these areas still achieved positive net absorption, suggesting that while demand has remained resilient, the elevated pace of completions has continued to place downward pressure on pricing.

// ANNUAL RENT GROWTH & OCCUPANCY



OCCUPANCY TRENDS

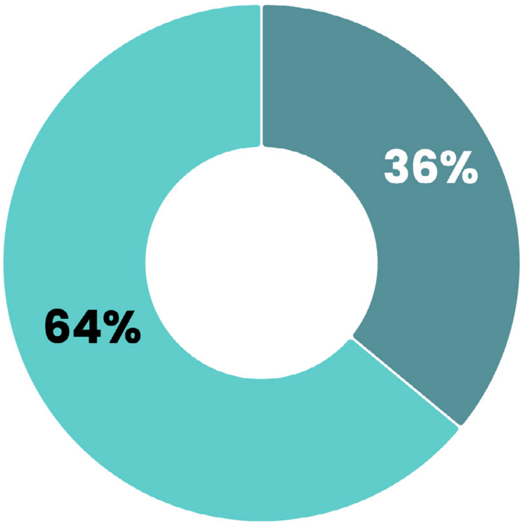
The average stabilized occupancy rate in Savannah declined 160 basis points year over year to 90.8% in the third quarter of 2025. Occupancy has trended downward for the past two years and now sits 250 basis points below the market's 10-year average of 93.3%.

By asset class, Class C properties maintained the highest occupancy at 93.3%, supported by limited exposure to new competitions and steady renter demand. Class A stabilized occupancy measured 91.2%, while Class B assets trailed at 89.4%, reflecting greater competitive pressure from newly delivered lease-up properties.

At the submarket level, Bryan County and Southside Savannah recorded the strongest stabilized occupancy rates, each exceeding 93%. In contrast, Pooler/Bloomingdale posted the lowest rate at 86.8%, underscoring the submarket's elevated level of recent deliveries. Midtown Savannah and Westside/Port Wentworth also reported below-average occupancy, influenced by substantial new supply and softer near-term absorption.

MONTHLY MORTGAGE AS SHARE OF INCOME

Average Monthly Mortgage / Remaining Monthly Income

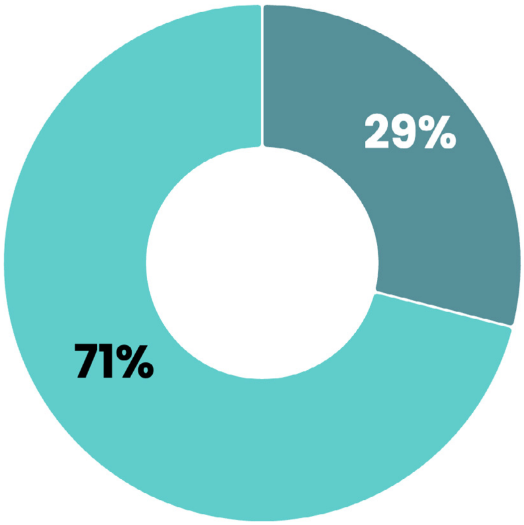


AVERAGE MONTHLY MORTGAGE

$2,040

MONTHLY RENT AS SHARE OF INCOME

Average Monthly Rent / Remaining Monthly Income



AVERAGE MONTHLY RENT

$1,670

// SUBMARKET TOP 5 EFFECTIVE ANNUAL RENT GROWTH

#	Submarket	Inventory of Units	Q3 2025 Occupancy	Annual Occupancy Change	Q3 2025 Effective Annual Rent Growth	Annual Effective Rent/Unit
1	Downtown Savannah	3,173	92.3%	-1.4%	2.1%	$2,158
2	Southside Savannah	5,511	93.3%	-0.8%	1.4%	$1,423
3	Bryan County	1,086	94.3%	-1.5%	0.4%	$1,766
4	Effingham County	1,636	90.5%	-0.7%	-0.4%	$1,756
5	Midtown Savannah	2,912	90.4%	-0.1%	-0.5%	$1,691

FULL SUBMARKET TABLE IN APPENDIX

MARKET OUTLOOK

Savannah's multifamily market remains in a period of supply-driven imbalance, as the volume of new deliveries continues to outpace absorption, placing sustained pressure on rents and occupancy.

Savannah's multifamily market remains in a period of supply-driven imbalance, as the volume of new deliveries continues to outpace absorption, placing sustained pressure on rents and occupancy. Over the past year, completions have totaled more than 3,100 units, nearly twice the level of net absorption, pushing stabilized occupancy down to 90.8% and marking the metro's second consecutive quarter of annual rent contraction. The construction pipeline remains sizable, with roughly 2,400 units underway as of early Q4 2025, equal to 6.1% of existing inventory and well above the national average.

Market fundamentals are expected to remain soft in the near term as these projects work through lease-up, but longer-term conditions remain favorable. Strong employment and population growth, anchored by continued port expansion and industrial investment, should help the market gradually regain balance. As new supply moderates and absorption catches up through 2026, occupancy is expected to stabilize near historical norms, setting the stage for rent growth to return to positive territory by late-2026.

Sources: Costar; U.S. Census Bureau; Federal Reserve Bank of St. Louis; National Association of Realtors

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APPENDIX

// SUBMARKET FUNDAMENTALS

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6	Georgetown	5,865	92.5%	-0.7%	-1.5%	$1,609
7	Westside/Port Wentworth	6,268	90.3%	-3.5%	-2.0%	$1,599
8	East Savannah	3,356	90.6%	-4.2%	-2.1%	$1,734
9	Outer Islands	1,339	92.1%	-0.5%	-2.5%	$1,715
10	Pooler/Bloomingdale	7,477	86.8%	-1.7%	-4.0%	$1,754