

Savannah, Georgia: Linking the Past to the Future

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Savannah, Georgia, is one of the oldest cities in the country and is the oldest city in the state of Georgia; it was also the state's first capital. Given this rich history, the city boasts the country's largest contiguous historic district, which has been integral to the success of Savannah's hotels and restaurants since its inception in 1955.

River Street, which winds along the Savannah River, has undergone explosive commercial and tourism development over the last decade; there are now 57 hotels and inns within the one-mile **Savannah Historic Landmark District**, and five more are in varying stages of completion. One shining example of the recent growth is the 419-room **JW Marriott**, which was completed in July 2020. This hotel is the capstone of the sprawling **Savannah Plant Riverside District** mixed-use development, which also features over a dozen restaurants, numerous retail shops, and a museum dedicated to preserving the legacy of Savannah.



With Savannah's historic significance, it is also one of the most desirable tourist destinations in the country. In October 2023, **Condé Nast Traveler** named the city the "#5 Best City to Visit in the United States" and ranked the **Savannah/Hilton Head International Airport** as the top domestic airport for the second year in a row. As international destinations remained difficult for travelers to reach in the post-pandemic era, attractive domestic destinations like Savannah have surged in popularity. Visitor spending, which was recorded at \$3.1 billion in 2019, skyrocketed to \$4.4 billion in 2022, and the number of overnight visitors grew from 8.4 million to 9.7 million during the same period.

Savannah is also a major hub for meetings and conventions. In 2021, groundbreaking took place to expand the **Savannah Convention Center**. Following an infusion of over \$100 million in funding from the State of Georgia, the expanded convention center is expected to open in May 2024. The facility is expected to add a 100,000-square-foot exhibition hall, a 40,000-square-foot ballroom, 15 meeting rooms, and 900+ parking spaces. Reservations for the convention center are already in place for June 2024, when the convention center is expected to host the **National Beta Club's** annual **National Convention**. **Visit Savannah** officials have expressed optimism for the positive impact of the project on the city's hotels and restaurants.

The shipping and manufacturing industries, which are significant demand generators for local hotels, are also expanding. Two of these major projects are detailed below.

- In October 2023, the **Georgia Ports Authority** (GPA) announced updated plans for a **new 200-acre Savannah Container Terminal on Hutchinson Island**, which is expected to expand the **Port of Savannah's** capacity by more than 50%. GPA purchased 145 acres adjacent to the Port in early 2020 and

Summary

Savannah is one of the most desirable tourist destinations in the country, and visitation has skyrocketed since the onset of the pandemic. Some major expansion and development projects underway in the market should help support hotel metrics going forward.

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approved more than \$300 million in funding in 2020 and early 2021 to accommodate the expansion. Construction is expected to begin in 2026 and should be completed by 2030.

- In August 2023, **Georgia officials announced** that **Hyundai Motor Group** and **LG Energy Solution** have expanded the scope of their planned Savannah-based joint-venture electric vehicle and battery production plant by \$2 billion, bringing the total project investment to \$7.6 billion. The project is expected to bring over 8,500 jobs to the market over the next decade and represents one of the largest EV production developments in the country.

Both of these projects are expected to greatly bolster the hotel industry in Savannah during construction and after completion. They should also create new demand for hotels and restaurants throughout Chatham County.

Our work within local markets empowers us to conduct primary interviews with key market participants. This approach ensures we obtain real-time insights and current data for each market we operate in. For more information about the Savannah market or for help making informed investment decisions that align with your goals and risk tolerance, please **contact Brett Testa** with **HVS Atlanta**.

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Brett Testa, a Manager with the HVS Atlanta office, graduated from Regynald G. Washington Master of Global Hospitality Management program at Georgia State University in 2021. He also holds a Bachelor of Business Administration in Hospitality Management from the Cecil B. Day School of Hospitality at Georgia State University. Brett twice competed in the Student STR Market Study Competition, once during his undergraduate program and again during his graduate program. Additionally, he taught the undergraduate class focusing on market studies while completing his master's degree. Contact Brett at (770) 280-7674 or [\[email protected\]](#).