The unusually rainy and dreary spring weather was not able to stifle the robust industrial real estate market in West Michigan during the 2nd quarter. Vacancy rates remain at all time lows, while property values continue to hold steady or climb.

Construction has been active so far in 2019 in most market sectors, including industrial. The lack of available space combined with a healthy economy has put many area companies in a position where growth through construction is necessary.

New industrial builds are also on the rise from a speculative standpoint. There are several industrial spec buildings under construction in the Grand Rapids area. As these projects reach completion, we should see some, but not much, relief to the current state of overwhelming demand.

For companies looking to purchase an industrial building, the market continues to be extremely tight. This is especially true for buildings in the 10,000 – 50,000 SF range. Properties that do come available are selling quickly, sometimes before they even hit the market.

Industrial investors continue to seek opportunities in West Michigan for multi-tenant industrial buildings, or single tenant sale/lease backs. A large amount of capital on the sidelines combined with a desire to own real estate in West Michigan means this should hold true well into 2020.

There has never been a better time to engage the services of a Commercial Realtor specializing in industrial properties. Not only do they have their finger on the pulse of the local market, they can help assess your needs and provide timely advice that could lead to your next opportunity to buy, sell, or lease industrial space. As a reminder, our agents are based and work primarily in West Michigan. However, through our relationship with NAI Global, we can work with you wherever your real estate needs take you throughout our country or around the world.
Market Activity

- Wolverine Glass Products, a fabricator of glass products, opened a 130,000-square-foot facility located at 3400 Wentworth Dr. SW in Wyoming. The move of WPG has increased its footprint by 150%. The project cost for the new facility, including increased production space and equipment upgrades, was $10 million. In 2010, WGP had 25 employees and now has 60, with plans to hire five more in the next six weeks.

- Grand Haven-based R&R Fixtures will change its name to Renishaw Metrology Fixturing Solutions later this year and move to a new facility in Norton Shores in early 2020. The manufacturer is changing its name and expanding to meet demand from its fastest-growing market. The site will house a 52,000-square-foot facility which is three times larger than the current facility and will allow Renishaw to increase manufacturing capabilities as well as continue expansion into the global market for metrology fixturing.
## West Michigan Industrial Submarket Statistics

### Q2 2019 Industrial Snapshot

<table>
<thead>
<tr>
<th>Submarket</th>
<th>Total RBA</th>
<th>Vacant Available SF</th>
<th>Vacancy Rate</th>
<th>Total Average NNN Rate ($/SF/Yr)</th>
<th>Total Net Absorption (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lakeshore</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse</td>
<td>19,673,747</td>
<td>395,680</td>
<td>2.0%</td>
<td>$3.43</td>
<td>178,885</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>28,584,476</td>
<td>462,542</td>
<td>1.6%</td>
<td>$4.01</td>
<td>-229,320</td>
</tr>
<tr>
<td>Hightech Flex</td>
<td>1,864,641</td>
<td>183,892</td>
<td>9.9%</td>
<td>$6.91</td>
<td>-2,415</td>
</tr>
<tr>
<td>Total</td>
<td>50,122,864</td>
<td>1,042,114</td>
<td>2.1%</td>
<td>$3.89</td>
<td>-52,850</td>
</tr>
<tr>
<td><strong>Northeast</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse</td>
<td>5,548,117</td>
<td>119,246</td>
<td>2.1%</td>
<td>$4.42</td>
<td>-29,228</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7,092,025</td>
<td>11,475</td>
<td>0.2%</td>
<td>$2.04</td>
<td>-1,451</td>
</tr>
<tr>
<td>Hightech Flex</td>
<td>549,383</td>
<td>0</td>
<td>0%</td>
<td>$7.25</td>
<td>1,825</td>
</tr>
<tr>
<td>Total</td>
<td>13,189,525</td>
<td>130,721</td>
<td>0.9%</td>
<td>$3.26</td>
<td>-28,854</td>
</tr>
<tr>
<td><strong>Northwest</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse</td>
<td>5,195,480</td>
<td>249,900</td>
<td>4.8%</td>
<td>$5.40</td>
<td>-2,700</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12,539,507</td>
<td>519,161</td>
<td>4.1%</td>
<td>$2.95</td>
<td>0</td>
</tr>
<tr>
<td>Hightech Flex</td>
<td>1,236,526</td>
<td>23,149</td>
<td>1.9%</td>
<td>$7.25</td>
<td>-4,200</td>
</tr>
<tr>
<td>Total</td>
<td>18,971,513</td>
<td>792,210</td>
<td>4.2%</td>
<td>$3.90</td>
<td>-6,900</td>
</tr>
<tr>
<td><strong>Southeast</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse</td>
<td>23,094,791</td>
<td>278,164</td>
<td>1.2%</td>
<td>$4.46</td>
<td>112,725</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>25,944,014</td>
<td>469,620</td>
<td>1.8%</td>
<td>$3.11</td>
<td>-196,936</td>
</tr>
<tr>
<td>Hightech Flex</td>
<td>3,033,127</td>
<td>33,949</td>
<td>1.1%</td>
<td>$8.01</td>
<td>-370</td>
</tr>
<tr>
<td>Total</td>
<td>52,071,932</td>
<td>781,733</td>
<td>1.5%</td>
<td>$3.99</td>
<td>-84,581</td>
</tr>
<tr>
<td><strong>Southwest</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse</td>
<td>9,145,216</td>
<td>295,289</td>
<td>3.2%</td>
<td>$4.47</td>
<td>-3,002</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>22,095,613</td>
<td>43,141</td>
<td>0.2%</td>
<td>$4.40</td>
<td>17,585</td>
</tr>
<tr>
<td>Hightech Flex</td>
<td>697,925</td>
<td>0</td>
<td>0%</td>
<td>$6.99</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>31,938,754</td>
<td>338,430</td>
<td>1.0%</td>
<td>$4.48</td>
<td>14,583</td>
</tr>
<tr>
<td><strong>Total Overall</strong></td>
<td>166,294,588</td>
<td>3,085,208</td>
<td>1.8%</td>
<td>$3.99</td>
<td>-158,602</td>
</tr>
</tbody>
</table>

### Industrial Statistical Changes Year-over-Year and Quarter-over-Quarter

**2Q18 vs. 2Q19**

- **Net Absorption**: Decrease
- **Vacancy Rate**: Increase
- **Construction**: Increase
- **Asking Rates**: Increase

**1Q19 vs. 2Q19**

- **Net Absorption**: Decrease
- **Vacancy Rate**: Increase
- **Construction**: Increase
- **Asking Rates**: Increase

*Disclaimer: Historical data figures are subject to change based upon the timing of when CoStar receives market information. NAIWWM uses the numbers available at the time each quarterly report is published.*
Industrial Overall Market Report

Vacancy Rate

- Vacancy Rates - Warehouse
- Vacancy Rates - Manufacturing
- Vacancy Rates - Hightech Flex

Triple Net Rental Rates

- Triple Net Rental Rates - Warehouse
- Triple Net Rental Rates - Manufacturing
- Triple Net Rental Rates - Hightech Flex

New Construction

- New Construction Warehouse
- New Construction Manufacturing
- New Construction Hightech Flex
Absorption (Net)

The change in occupied space in a given time period.

Available Square Footage

Net rentable area considered available for lease; excludes sublease space.

Average Asking Rental Rate

Rental rate as quoted from each building’s owner/management company. For office space, a full service rate was requested; for retail, a triple net rate requested; for industrial, a NN basis.

Building Class

Class A Product is office space of steel and concrete construction, built after 1980, quality tenants, excellent amenities & premium rates. Class B product is office space built after 1980, fair to good finishes & wide range of tenants.

RBA

Rentable Building Area - Mainly used for office and industrial.

SF/PSF

Square foot/per square foot, used as a unit of measurement.

Under Construction

Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place.

Deliveries

Buildings that have their certificate of occupancy and are allowed to be moved into by the tenant/purchaser.

Vacancy Rate

All physically unoccupied lease space, either direct or sublease.

*The Lakeshore submarket was expanded to include Muskegon, MI.*
NAI Wisinski of West Michigan was formed in the spring of 2011 when NAI West Michigan merged with The Wisinski Group. This merger brought together two successful, reputable companies to form what is now the largest independently owned commercial real estate firm in West Michigan.

Our focus is simple: building client relationships for life. We do this by utilizing the rich diversity of skills and specialties of our agents and staff, actively listening to our clients, offering market appropriate advice, providing access to the industry’s most current and proven technologies, and delivering the best possible service to each and every client. NAI Wisinski of West Michigan is headquartered in Grand Rapids, MI and maintains a second location in Kalamazoo, MI. Our company provides all facets of commercial real estate services, including brokerage and property management, throughout the entire West Michigan region.

Through our relationship with NAI Global, we have access to over 375 affiliate offices throughout the world. NAI Wisinski of West Michigan: Local Knowledge, Global Reach, Achieve More.

By The Numbers

REAL ESTATE PROFESSIONALS

51

CCIM

8

SIOR

8

Industrial Specialists

Jim Badaluco, SIOR
616.575.7029
jimb@naiwwm.com

Chris Prins
616.242.1107
chrisp@naiwwm.com

Kara Schroer, CCIM
269.459.0435
karas@naiwwm.com

Dave Smies, CCIM, SIOR
616.242.1122
daves@naiwwm.com

Doug Taatjes, CCIM, SIOR
616.242.1117
dougt@naiwwm.com

Cameron Timmer
616.485.4131
cameron@naiwwm.com

Jeremy Veenstra
616.617.1346
jeremyv@naiwwm.com

Chadwick Versluis, SIOR
616.242.1125
chadv@naiwwm.com

Stan Wisinski, CCIM, SIOR
616.575.7015
sjw@naiwwm.com

Andrew Kapanowski
616.242.1111
andrewk@naiwwm.com

Stu Kingma, SIOR
616.575.7022
skingma@naiwwm.com

Kurt Kunst, CCIM, SIOR
616.242.1116
kurtk@naiwwm.com

Jaclyn Brohl
269.459.0431
jaclynb@naiwwm.com

David Krhovsky
616.575.7003
davidk@naiwwm.com

Joshua Jacobs
269.459.0430
joshuaj@naiwwm.com

Kurt Kunst, CCIM, SIOR
616.242.1116
kurtk@naiwwm.com

Stu Kingma, SIOR
616.575.7022
skingma@naiwwm.com

Kurt Kunst, CCIM, SIOR
616.242.1116
kurtk@naiwwm.com