The Market

As we move into the second half of 2016, the lack of inventory for Class A space will be the biggest challenge, unless new construction starts to pick up. Class B absorption will continue to be positive and vacancy rates should continue to decrease across all sectors.

Vacancies Continue Downward Trend

The West Michigan Retail market continues to remain active. There is a nice mix of deals being done in both the prime retail markets of West Michigan and the secondary markets. The 2nd quarter vacancy rates dropped in every West Michigan retail market. Overall, vacancy rates have fallen below 10%.

The prime retail markets of Rivertown, 28th/Beltline and Knapp’s Corner are continuing to see deals get done with regional and national retailers. However, availability in these markets is tight. The lack of available Class A retail space has spurred growth in the secondary markets. Corridors such as Plainfield, Division, and 44th (east of Rivertown) have experienced nice activity in the 2nd quarter.

With prime retail space being hard to come by and secondary markets beginning to fill up, landlords have regained the upper hand. Landlords are less likely to give concessions to tenants in this market. And, in many cases, landlords are able to become more selective about the tenants who are filling their vacancies.

Downtown Retail Opportunity

* The information contained herein has been given to us by sources we deem reliable. We have no reason to doubt its accuracy, however, we do not make any guarantees. All information should be verified before relying thereon.
SOLD

7750 20th Ave.
$564,593 - Final Sale Price
$40.10 - Price Per Square Foot

SOLD

2115 Plainfield Ave. NE
$230,000 - Final Sale Price
$77.70 - Price Per Square Foot
New Brewery

SOLD

2150 Plainfield Ave. NE
$180,000 - Final Sale Price

LEASED

2241-2249 44th St. SE
4,800 SF
B H Beauty House

LEASED

3500 Remembrance Rd.
2,000 SF
Village Hair Salon

LEASED

3700 Rivertown Parkway SW
In Rivertown Crossings Mall
Sushi Go Go
### West Michigan Retail Submarket Statistics

#### 2016 Q2 Retail 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>Community</td>
<td>1,476,132</td>
<td>69,687</td>
<td>4.7%</td>
<td>$8.29</td>
<td>31,327</td>
</tr>
<tr>
<td>Neighborhood</td>
<td>1,476,132</td>
<td>68,304</td>
<td>4.6%</td>
<td>$8.29</td>
<td>31,327</td>
</tr>
<tr>
<td>Strip</td>
<td>1,022,191</td>
<td>73,031</td>
<td>7.2%</td>
<td>$12.28</td>
<td>19,372</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,974,455</td>
<td>211,022</td>
<td>5.3%</td>
<td>$9.62</td>
<td>82,026</td>
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<tr>
<td><strong>Northeast</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>445,573</td>
<td>141,856</td>
<td>3.2%</td>
<td>$4.72</td>
<td>18,400</td>
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<tr>
<td>Neighborhood</td>
<td>1,094,518</td>
<td>121,723</td>
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<td>$10.34</td>
<td>349</td>
</tr>
<tr>
<td>Strip</td>
<td>675,188</td>
<td>60,751</td>
<td>9.0%</td>
<td>$9.24</td>
<td>5,070</td>
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<tr>
<td><strong>Total</strong></td>
<td>2,215,279</td>
<td>324,330</td>
<td>14.6%</td>
<td>$8.10</td>
<td>23,819</td>
</tr>
<tr>
<td><strong>Northwest</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>959,799</td>
<td>30,987</td>
<td>3.2%</td>
<td>$13.10</td>
<td>2,525</td>
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<tr>
<td>Neighborhood</td>
<td>726,480</td>
<td>66,888</td>
<td>9.2%</td>
<td>$9.04</td>
<td>-</td>
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<tr>
<td>Strip</td>
<td>555,660</td>
<td>38,073</td>
<td>6.9%</td>
<td>$9.06</td>
<td>19,305</td>
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<tr>
<td><strong>Total</strong></td>
<td>2,241,939</td>
<td>135,948</td>
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<td>$10.40</td>
<td>21,830</td>
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<td><strong>Southeast</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Community</td>
<td>740,015</td>
<td>4,800</td>
<td>0.6%</td>
<td>$20.40</td>
<td>11,015</td>
</tr>
<tr>
<td>Neighborhood</td>
<td>2,521,133</td>
<td>374,906</td>
<td>14.9%</td>
<td>$9.70</td>
<td>53,433</td>
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<tr>
<td>Strip</td>
<td>1,702,216</td>
<td>129,182</td>
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<td>$11.20</td>
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<tr>
<td><strong>Total</strong></td>
<td>4,963,364</td>
<td>508,888</td>
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<td>$13.76</td>
<td>79,222</td>
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<tr>
<td><strong>Southwest</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community</td>
<td>1,651,066</td>
<td>224,491</td>
<td>13.6%</td>
<td>$10.56</td>
<td>6,105</td>
</tr>
<tr>
<td>Neighborhood</td>
<td>966,819</td>
<td>115,207</td>
<td>12.0%</td>
<td>$7.92</td>
<td>-809</td>
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<tr>
<td>Strip</td>
<td>947,445</td>
<td>63,954</td>
<td>6.6%</td>
<td>$9.97</td>
<td>1,549</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,565,330</td>
<td>403,580</td>
<td>11.3%</td>
<td>$9.48</td>
<td>6,845</td>
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<tr>
<td><strong>Overall Total</strong></td>
<td>16,960,367</td>
<td>1,583,840</td>
<td>9.4%</td>
<td>$10.27</td>
<td>213,742</td>
</tr>
</tbody>
</table>

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

**1Q16 vs. 2Q16**

- **Net Absorption**: Decreased
- **Vacancy Rate**: Increased
- **Construction**: Decreased
- **Asking Rates**: Increased

**2Q15 vs. 2Q16**

- **Net Absorption**: Increased
- **Vacancy Rate**: Decreased
- **Construction**: Increased
- **Asking Rates**: Decreased
Methodology: The retail market report includes community, neighborhood, and strip retail buildings within each of the defined submarkets. For definition of product type, please see below.

**Community Center**
A shopping center development that has a total square footage between 10,000 - 350,000 SF. Generally will have 2-3 large anchored tenants, but not department store anchors. Community Center typically offers a wider range of apparel and other soft goods than the Neighborhood Center. Among the more common anchors are supermarkets and super drugstores.

**Strip Center**
A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores.

**Neighborhood Center**
Provides for the sale of convenience goods (food, drugs, etc) and personal services (laundry, dry cleaning, etc.)

**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 retail, a triple net rate is requested.

**RBA**
The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant’s rental obligation.

**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.

**SF/PSF**
Square foot/per square foot, used as a unit of measurement.
In the spring of 2011, two successful and reputable companies, The Wisinski Group and NAI West Michigan merged. The merger represents collaboration, rich traditions, innovative technologies, unique cultures and diversity of skills and specialties which ultimately benefit our clients. We’re going back to our fundamentals, strengthening our core, and becoming stronger in the services we provide our clients. Our focus is simple, building client relationships for life by offering market appropriate advice and then executing. Our success is a direct result of its unwavering commitment to providing the best possible service to each and every client. Our Brokers, with their 630 plus years of combined experience (20 years average), possess the knowledge and expertise to manage the most complex transactions in industrial, office, retail, and multifamily specialities throughout West Michigan.

Through our affiliation with NAI Global, we can also assist you with your needs throughout the US & globally from right here in West Michigan.

Meet Our Team

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