

# Industrial Snapshot

West Michigan | Q3 2018

## Market Activity

### Population



1,066,195

### Total Employees



547,127

### WSJ Prime Rate



5.25%

### Unemployment Rate



3.5%  
compared to 3.7%  
for United States

Grand Rapids-Wyoming, MI Metropolitan Statistical Data  
Source: U.S. Census Bureau, Costar, bankrate.com

› a.j. Veneklasen, Inc. broke ground in August on a 113,600 SF addition to the industrial park at 5300 Broadmoor Ave. SE, in Kentwood. Three prospective tenants are planning to move in: a maker of electronic components, a printer, and a bearings manufacturer. The \$6.5 million project is expected to be completed by Spring of 2019.

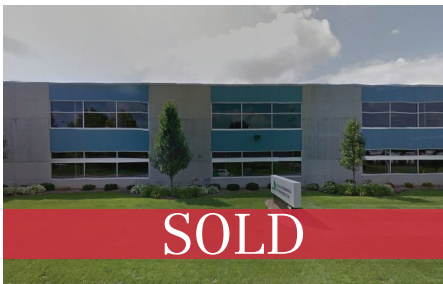
› Arcanum Alloys, a Silicon Valley California based alloy manufacturer, is moving to West Michigan. The \$693,000 investment is located at 4460 44th St. SE, in Kentwood. This space will serve as the new headquarters and R&D center. Relocating is going to create 25 jobs and allow them to be closer to their production partner, suppliers, and manufacturing

› TGW Systems, a growing warehouse automation manufacturer, invested \$2.5 million in a vacant industrial building in Norton Shores. The 170,000 SF building at 1300 E Mt Garfield Road is planned to be fully occupied this month. A 20,000 SF office expansion is in the process to host both engineers and support staff. The company was attracted to this space because of the potential to expand to three times its current size.

› Hudsonville Ice Cream expanded their facility recently, creating 25 new jobs. The \$1.5 million expansion is located at 345 E. 48th St. Renovations include a new test kitchen, silo alcove for storage and pilot plant to allow more flavor creations.

## Industrial Sales

Q3 2018



**2140 Oak Industrial Dr. NE,  
Grand Rapids**  
62,988 SF



**6266 Division Ave.  
Grand Rapids**  
6,208 SF



**860 Lafayette Ave. NE  
Grand Rapids**  
4,152 SF

\*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.

### 2018 Q3 Industrial Snapshot

Submarket	Total RBA	Vacant Available SF	Vacancy Rate	Total Average NNN Rate (\$/SF/Yr)	Total Net Absorption (SF)
<b>Lakeshore</b>					
Warehouse	11,191,974	314,900	2.8%	\$3.57	10
Manufacturing	23,413,014	373,412	1.6%	\$3.45	96,108
Hightech Flex	1,767,807	164,775	9.3%	\$5.64	-485
<b>Total</b>	<b>36,372,795</b>	<b>853,087</b>	<b>2.3%</b>	<b>\$3.59</b>	<b>95,633</b>
<b>Northeast</b>					
Warehouse	5,485,590	43,311	0.8%	\$6.15	-37,711
Manufacturing	7,045,641	11,750	0.2%	\$5.20	-239
Hightech Flex	572,054	6,448	1.1%	\$7.25	-6,448
<b>Total</b>	<b>13,103,285</b>	<b>61,509</b>	<b>0.5%</b>	<b>\$5.69</b>	<b>-44,398</b>
<b>Northwest</b>					
Warehouse	5,171,083	206,552	4.0%	\$3.89	-34,240
Manufacturing	12,602,983	466,262	3.7%	\$3.90	-277,552
Hightech Flex	1,228,879	12,904	1.1%	\$7.25	-12,904
<b>Total</b>	<b>19,002,945</b>	<b>685,718</b>	<b>3.6%</b>	<b>\$4.11</b>	<b>-324,696</b>
<b>Southeast</b>					
Warehouse	22,892,941	380,237	1.7%	\$3.65	729
Manufacturing	26,136,428	322,625	1.2%	\$4.22	20,020
Hightech Flex	3,033,127	2,225	0.1%	\$8.01	24,150
<b>Total</b>	<b>52,062,496</b>	<b>705,087</b>	<b>1.3%</b>	<b>\$4.19</b>	<b>44,899</b>
<b>Southwest</b>					
Warehouse	9,174,356	14,480	0.2%	\$8.92	49,700
Manufacturing	22,101,896	65,534	0.3%	\$4.04	4,461
Hightech Flex	758,750	0	0%	\$6.99	0
<b>Total</b>	<b>32,035,002</b>	<b>80,014</b>	<b>0.2%</b>	<b>\$5.51</b>	<b>54,161</b>
<b>Total Overall</b>	<b>152,576,523</b>	<b>2,385,415</b>	<b>1.6%</b>	<b>\$4.44</b>	<b>-174,401</b>

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

3Q17 vs. 3Q18



NET ABSORPTION



VACANCY RATE



CONSTRUCTION



ASKING RATES

2Q18 vs. 3Q18



NET ABSORPTION



VACANCY RATE



CONSTRUCTION



ASKING RATES