

Office Market Report

West Michigan | Q1 2017



NAI Wisinski of
West Michigan

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Grand Rapids, MI 49503
616. 776. 0100 www.naiwwm.com

Also serving the Kalamazoo & Southwest Michigan areas from our Kalamazoo office

Office • Industrial • Retail • Multi-Family

GRAND RAPIDS, MI
The Market

“I see the office market in a similar position as it was last quarter... inventory of properties for sale is down and demand is still high; properties for lease have stabilized. We are still seeing office users looking for space in or near downtown and the SE quadrant, however the demand in other areas of town has increased. Overall, the office market is in a good position through the first quarter of 2017.”

- Mary-Anne Wisinski-Rosely,
CCIM, SIOR, Principal

Dedicated to Achieving The Results You Deserve

401 Hall St. SW, Grand Rapids



The Opportunity



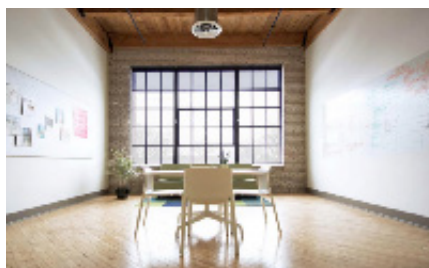
NAI Wisinski of West Michigan began property management and leasing operations of 401 Hall in Summer 2015.

The Idea



In order to increase the amount of occupancy at 401 Hall, an 8,000 SF building on the property was demolished to allow more space for parking.

The Result



The close working relationship between our NAI agents and our NAI property management team has allowed for 32 leases to be signed since Summer 2015 with multiple spaces still available.

Committed to West Michigan. Connected to the World.

SOLD



5251 36th St. SE

162,969 SF

13.70 Acres

LEASED



3322 East Beltline Ct. NE

14,551 SF

Tenant: Christian Healthcare
Center



SOLD



5537 Glenwood Hills Pkwy.

39,820 SF

Buyer: Lake Michigan
Credit Union



LEASED

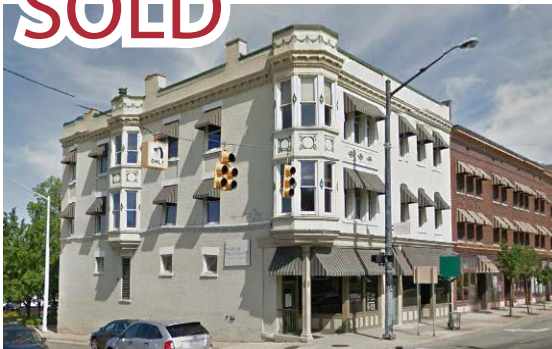


2505 East Paris Ave.

6,936 SF

Tenant: Grand Rapids Surgical Suites

SOLD



347 S. Division Ave. & 354

Commerce

9,600 SF

LEASED



5675 Burlingame Ave. SE

3,787 SF

Tenant: River Ridge Dentistry

West Michigan

Office Submarket Statistics

Methodology: The office market report includes office buildings within each of the defined submarkets. Excluded are government buildings and institutional properties.

2017 Q1 Snapshot

Submarket	Total RBA	Vacant Available SF	Vacancy Rate	Total Average Rate (\$/SF/Yr)	Total Net Absorption (SF)	Total Under Construction SF
Downtown						
Class A	1,613,576	121,638	7.5%	\$22.15	20,762	-
Class B & C	7,357,612	508,569	6.9%	\$16.76	8,759	162,800
Total	8,971,188	630,207	7.0%	\$17.73	29,521	162,800
Northeast						
Class A	371,004	5,229	1.4%	\$19.61	1,601	-
Class B & C	3,149,717	135,097	4.3%	\$13.85	10,466	30,000
Total	3,520,721	140,326	4.0%	\$14.46	12,067	30,000
Northwest						
Class B & C	2,475,668	146,943	5.9%	\$11.67	31,576	-
Southeast						
Class A	1,091,208	47,851	4.4%	\$15.36	-2,180	-
Class B & C	9,995,071	664,356	6.6%	\$11.76	195,693	19,816
Total	11,086,279	712,207	6.4%	\$12.11	193,513	19,816
Southwest						
Class B & C	2,958,048	229,433	7.8%	\$9.86	38,496	-
Overall Total	29,011,856	1,859,116	6.4%	\$13.87	305,173	212,616

Office Space Statistical Changes: Year-over-Year and Quarter-over-Quarter

1Q17 vs. 1Q16



NET ABSORPTION



VACANCY RATE



CONSTRUCTION



ASKING RATES

1Q17 vs. 4Q16



NET ABSORPTION



VACANCY RATE



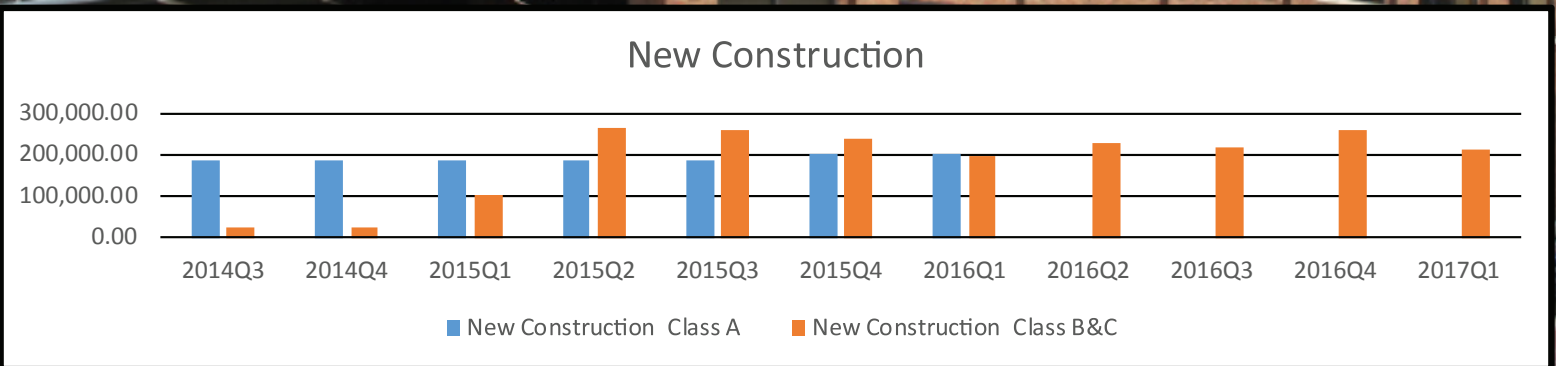
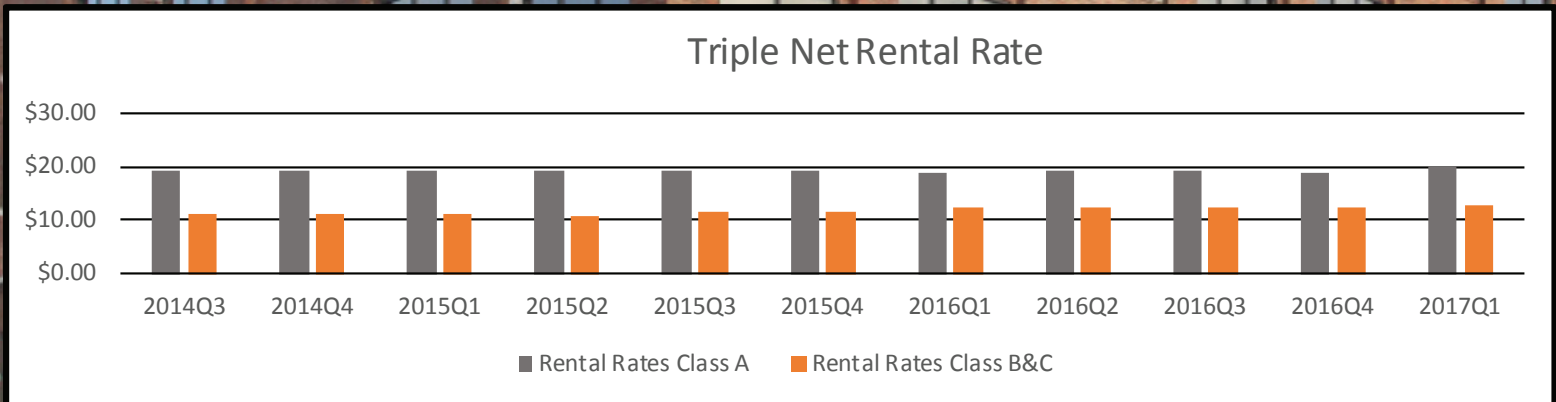
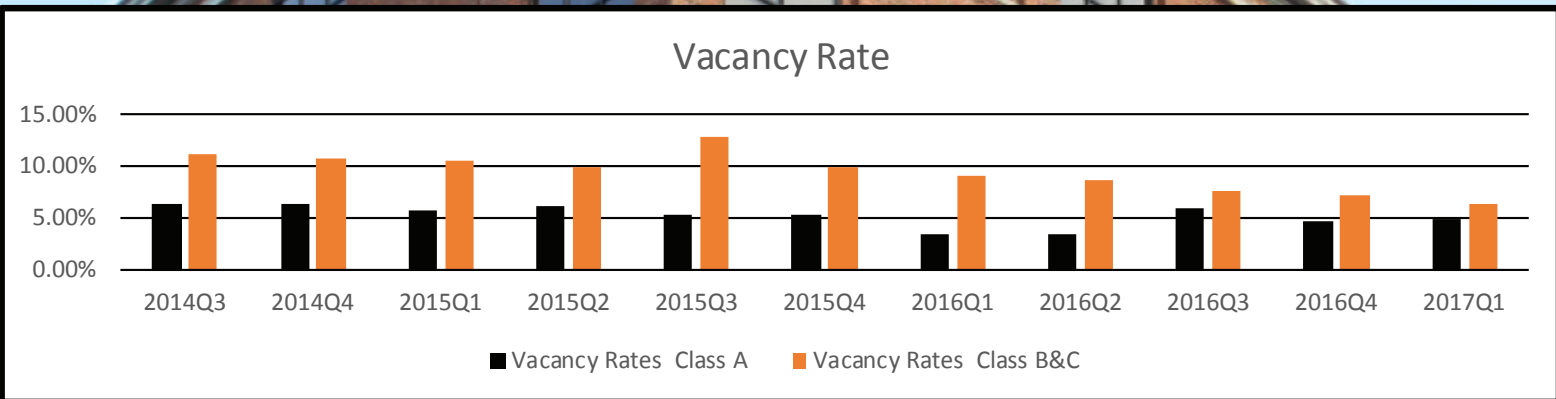
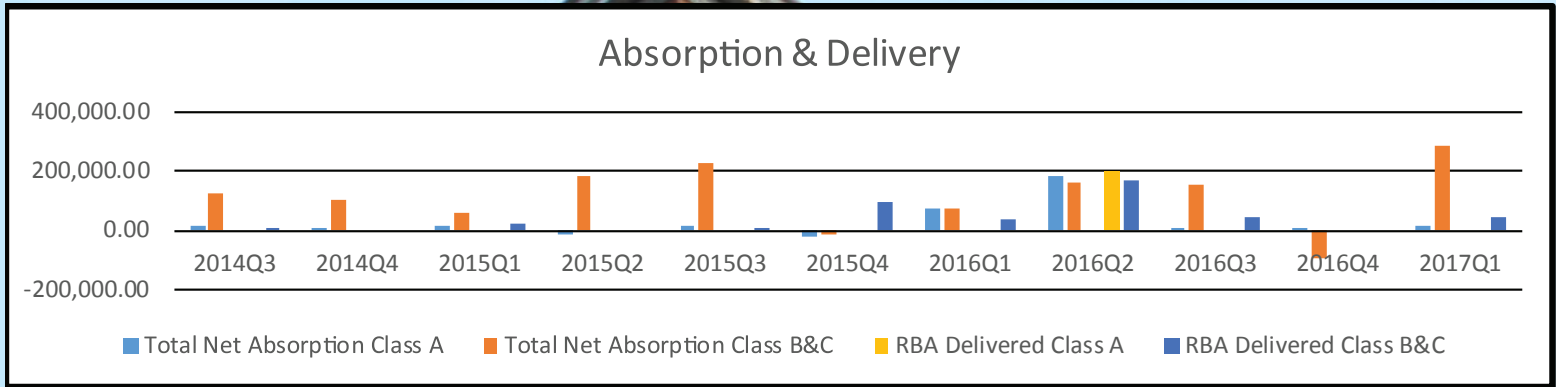
CONSTRUCTION

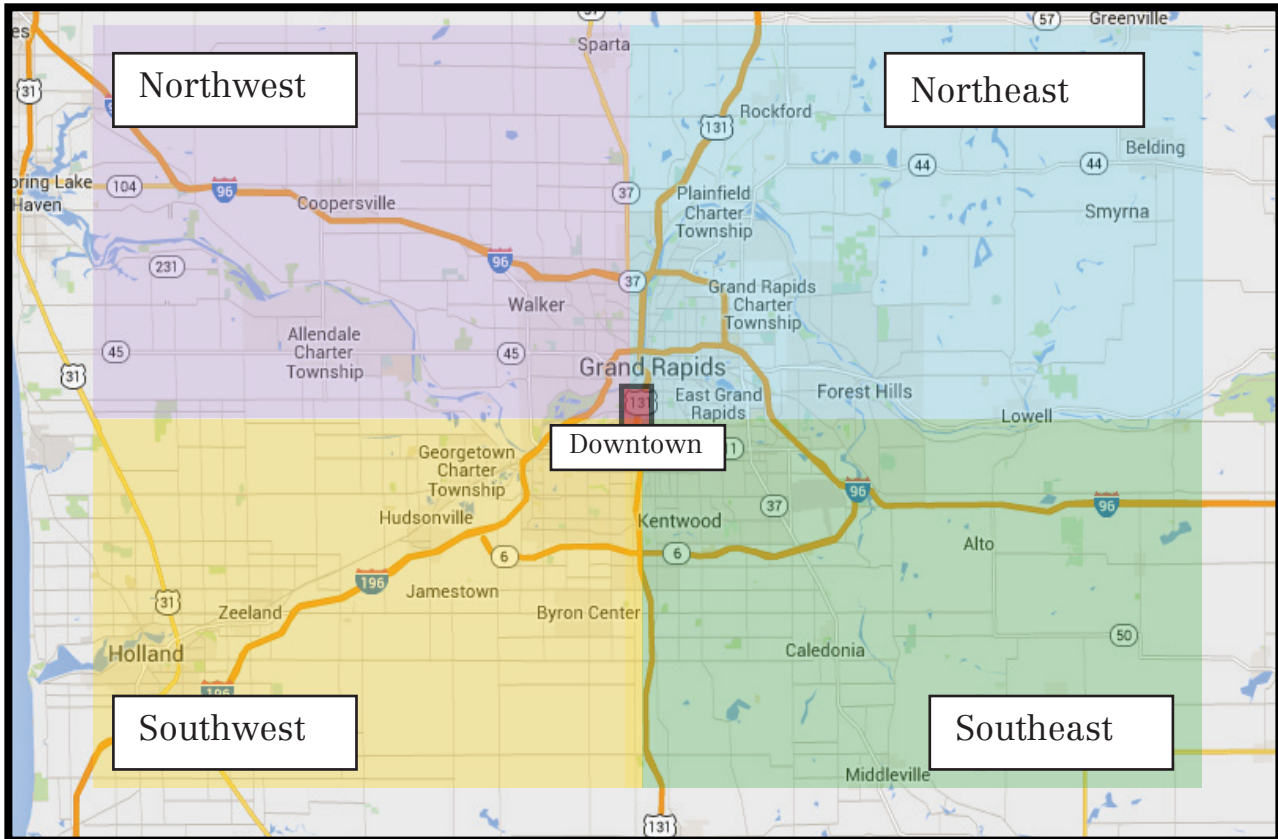


ASKING RATES

*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.

Office Overall Market Report





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.

Local Knowledge. Global Reach. Achieve More.

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 an average of over 20 years experience, possess the knowledge and expertise to manage the most complex transactions in industrial, office, retail, and Multi-Family specialties throughout West Michigan.

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

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