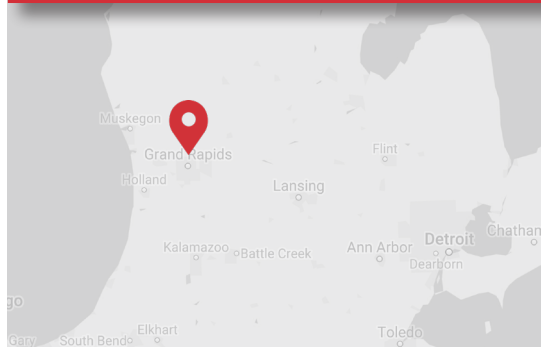


Q2'
2021

West Michigan
Office
Market Report

Office • Industrial • Retail • Multifamily • Investment

GRAND RAPIDS The Market



Grand Rapids is the state's second-largest city, located between Chicago and Detroit in western Michigan.



1,081,642

Total Population



130+

International Companies



\$64,257

Average Household Income



37

Median Age

Grand Rapids-Wyoming, MI Metropolitan
Statistical Data.

Source: U.S. Census Bureau,
The Right Place

Office Market Trends

Q2 2021 is starting to see how the effects of Covid and work restrictions impacted the Grand Rapids office market. Everyone was waiting to see how the office market would react to the lifting of the office work restrictions which took place during this quarter. Parking lots have seen more cars in them than in the last 15 months but are still not "full". Some businesses are back to pre-Covid normal, while some are cautiously moving back to in person work, and others are still working remotely. The trend that we are seeing is that smaller, local businesses are back to the new normal while many larger, national/global companies are still working remotely with limited in-person work. Some companies are committed to coming back to the office 100% while others find that remote work is possible either full time or on a hybrid model.

As a result, vacancy rates have seen a slight increase as companies decide how to move forward. Some have given up their space entirely and others have downsized their current location or moved to a smaller space if their lease allowed. There are a few companies that have actually increased their space needs to better spread out their employees. The only market segment that saw a slight decrease in vacancy rates was the SE Class B&C market. The suburban markets seem to be doing better than the downtown market in general. In addition, lease rates have increased slightly in all areas with the exception of the NW office market that saw a slight decrease in lease rates.

On a positive note, Acrisure has completed their downtown office building and is getting ready to bring its employees to Downtown Grand Rapids. Perrigo also continues to work on the construction of their new building in Downtown Grand Rapids. In addition, Spectrum Health has demolished the existing buildings in the North Monroe area of downtown to prepare for the construction of their new office building. Overall, the office market remains relatively flat. As time goes on, it will be interesting to see how Covid will further impact the office sector.



Mary Anne Wisinski-Rosely, SIOR, CCIM
Partner/Office Specialist

Q2' 2021 Office Transactions



**1188 East Paris Ave. SE,
Grand Rapids**

Suite 120: 3,855 SF
Suite 200: 4,342 SF



**930-948 52nd St. SE,
Grand Rapids**

3 Buildings - 25,242 SF



**4328 3 Mile Rd. NW,
Grand Rapids**

5,395 SF



**2501 Plainfield Ave. NE,
Grand Rapids**

7,521 SF



**2930 & 2750 Lucerne Dr.
SE, Grand Rapids**

4,583 SF



**2663 44th St. SW,
Walker**

11,411 SF

Market Activity

- › Vitreo-Retinal Associates, an ophthalmology practice providing eye care services in Grand Rapids, Kalamazoo, Muskegon, and Ionia, is doubling their Kalamazoo space. Currently located in a 4,800 SF space at 1080 N. 10th St, the new location will be a new single-tenant building at 1060 N. 10th St in the West Pointe Office Park.
- › Taking place in 2022, MCPc will be moving to 1601 Madison Ave. SE. The Cleveland-based technology logistics and data security company will be replacing the building that sat vacant for decades and break ground on the new project in July. This move to the heart of Madison Square is expected to bring roughly 100 new jobs to the local community.

Q2' 2021

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.

SUBMARKET	TOTAL RBA	VACANT AVAILABLE SF	VACANCY RATE	TOTAL AVERAGE RATE (\$/SF/YR)	TOTAL NET ABSORPTION (SF)	TOTAL UNDER CONSTRUCTION (SF)
Downtown						
Class A	1,976,710	124,010	6.3%	\$23.37	76,083	375,000
Class B & C	7,466,260	400,330	5.4%	\$16.20	-33,388	0
Total	9,442,970	524,340	5.6%	\$17.70	42,695	375,000
Northeast						
Class A	331,585	34,901	10.5%	\$22.13	-36,008	0
Class B & C	3,454,376	196,031	5.7%	\$15.72	-46,843	0
Total	3,785,961	230,932	6.1%	\$16.28	-82,851	0
Northwest						
Class B & C	2,793,475	142,737	5.1%	\$14.75	-41,948	0
Southeast						
Class A	1,312,603	141,406	10.8%	\$15.33	-49,424	0
Class B & C	10,709,586	614,023	5.7%	\$14.06	37,254	10,000
Total	12,022,189	755,429	6.3%	\$14.20	-12,170	10,000
Southwest						
Class B & C	4,006,361	264,010	6.6%	\$14.61	-40,354	0
Overall Total	32,050,956	1,917,448	6.0%	\$15.58	-134,628	385,000

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

2Q21 vs. 2Q20



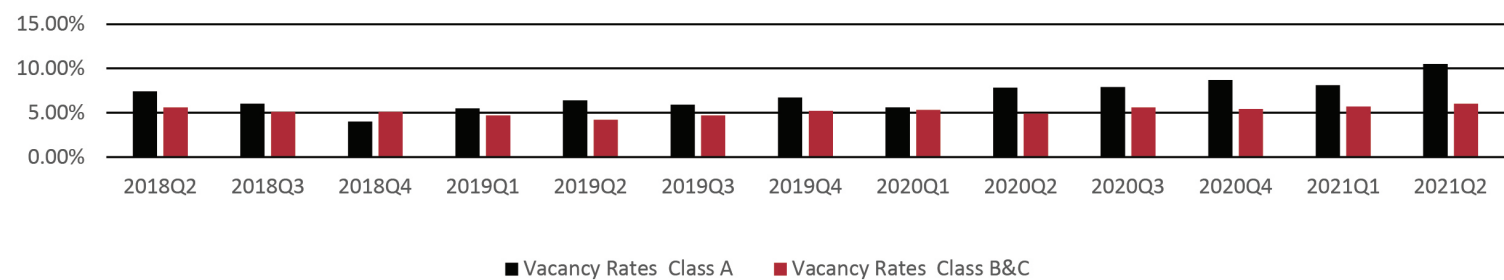
2Q21 vs. 1Q21



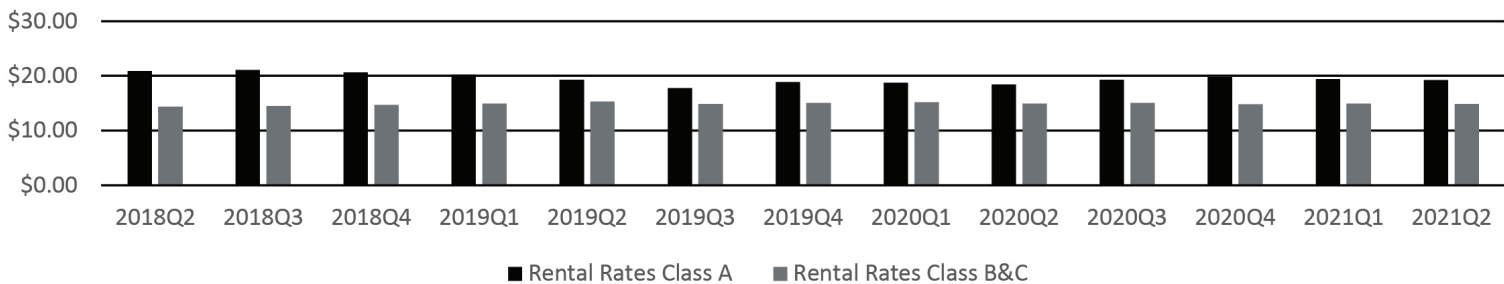
*Disclaimer: Historical data figures are subject to change based upon the timing of when CoStar receives market information. NAIWWM uses the numbers available at the time each quarterly report is published.

Office Overall Market Report

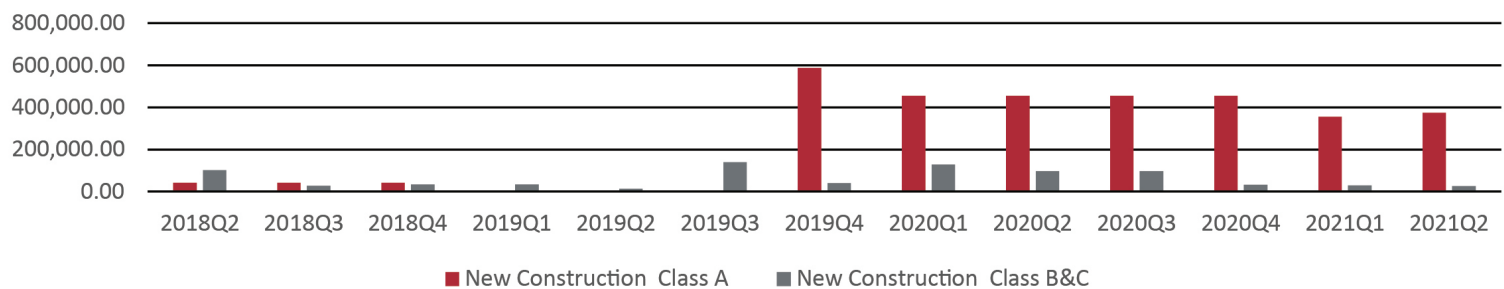
Vacancy Rate



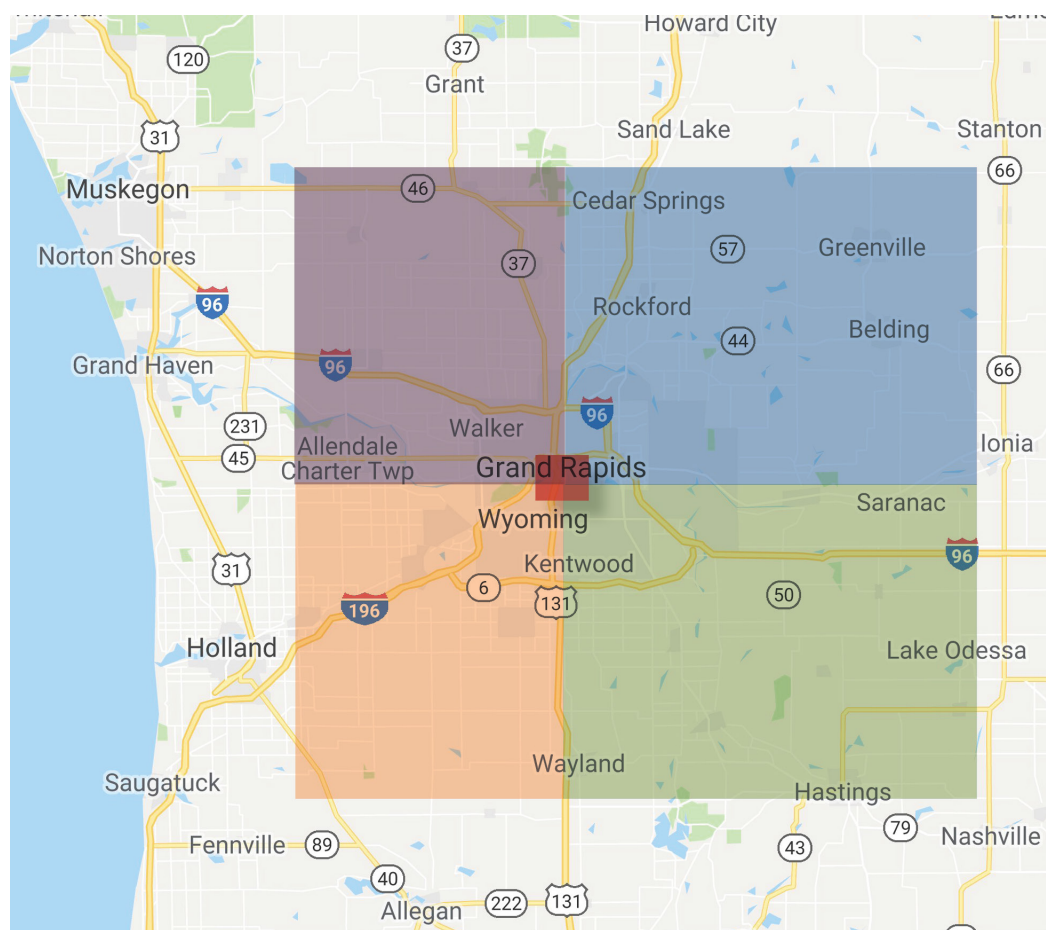
Triple Net Rental Rate



New Construction



Methodology | Definitions | Submarket Map



Submarket Key

- Northwest
- Northeast
- Downtown
- Southwest
- Southeast

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.

Our Team

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 300 affiliate offices throughout the world.
NAI Wisinski of West Michigan: Local Knowledge, Global Reach, Achieve More.*

By The Numbers

Office Specialists

REAL ESTATE PROFESSIONALS

52



7

CCIM 

DESIGNEES

8

SIOR  **SIOR**

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