NAI Wisinski of West Michigan

Q3' 2020

WEST MICHIGAN OFFICE SNAPSHOT

MARKET ACTIVITY

› Interphase Interiors has plans to move its entire business (operations, design, and sales staff) from 3036 Eastern Ave. SE to a $5 million construction project at 415 Leonard St. NW, Grand Rapids. The building is scheduled to be completed in January or February of 2021. This move will create 12 to 15 new positions for the company. Interphase's facility in Traverse City will remain operational.

› Gateway Pediatric Therapy, a clinic that offers applied behavior analysis services, recently opened its first West Michigan clinic at 346 68th St. SW in Kentwood. They operate out of six private therapy rooms, as well as offering in-home services. Their current space is 2,760 square feet and they have plans to expand further throughout Michigan in the coming year.

› West Michigan Community Bank, a bank based out of Hudsonville, MI recently opened its seventh location at 4797 Cascade Rd. SE, Grand Rapids. The 8,000-square-foot location will be occupied by approximately 15 staff members: the first floor comprised of everyday banking needs while the second floor will serve as the commercial lending center. Due to COVID-19, the bank is limiting the number of guests allowed at one time as well as taking other precautions.

RECENT OFFICE SALES & LEASES

625 Kenmoor Ave. SE, Ste 11, Grand Rapids
11,418 SF

6681 Crossings Dr. SE, Grand Rapids
3,225 SF

545 Michigan St. Ste 201 & 301, Grand Rapids
8,247 SF

Q3' 2020 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	1,714,710	71,160	4.1%	$22.91	-32,146	455,000
Class B & C	7,418,797	357,451	4.8%	$16.98	-105,170	0
Total	9,133,507	428,611	4.7%	$18.09	-137,316	455,000
NORTHEAST						
Class A	331,585	23,734	7.2%	$24.74	11,602	0
Class B & C	3,375,848	136,408	4.0%	$15.15	-14,902	0
Total	3,707,433	160,142	4.3%	$16.01	-3,300	0
NORTHWEST						
Class B & C	2,792,496	106,374	3.8%	$15.94	-19,395	0
SOUTHEAST						
Class A	1,287,542	127,945	9.9%	$15.48	13,970	0
Class B & C	10,625,507	663,652	6.2%	$14.21	-52,318	88,667
Total	11,913,049	791,597	6.6%	$14.35	-38,348	88,667
SOUTHWEST						
Class B & C	3,939,884	175,181	4.4%	$15.12	38,916	0
OVERALL TOTAL	31,486,369	1,661,905	5.3%	$15.87	-159,443	543,667

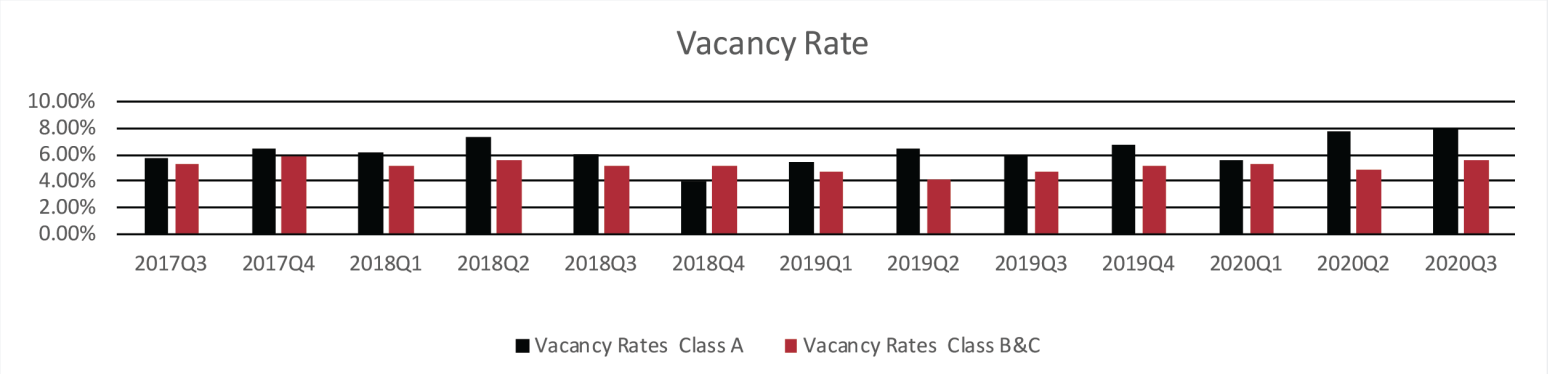
Office Space Statistical Changes: Year-over-Year and Quarter-over-Quarter

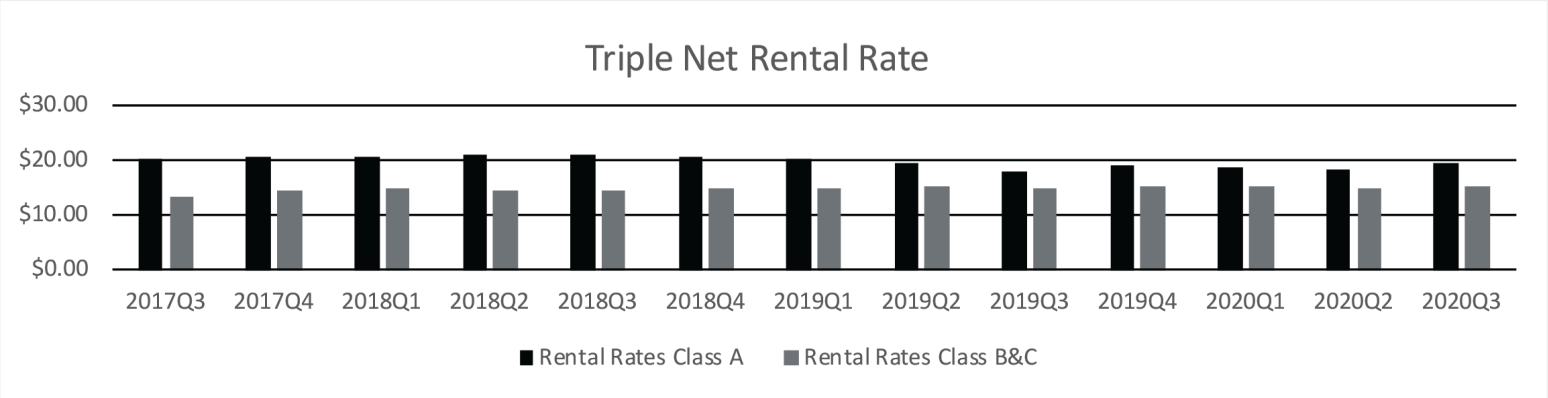
3Q20 vs. 3Q10

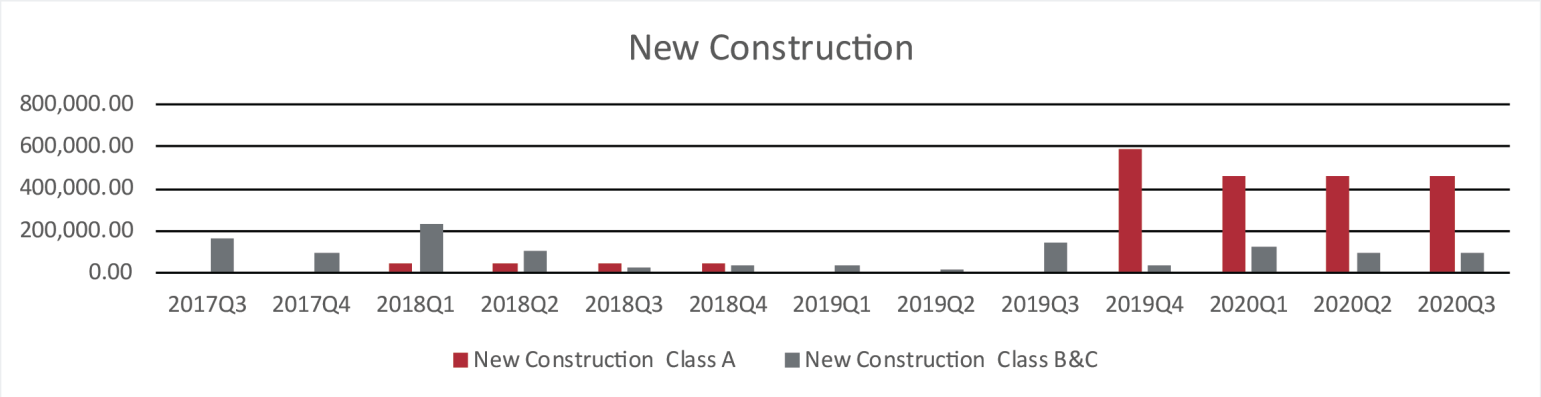
3Q20 vs. 2Q20

*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.

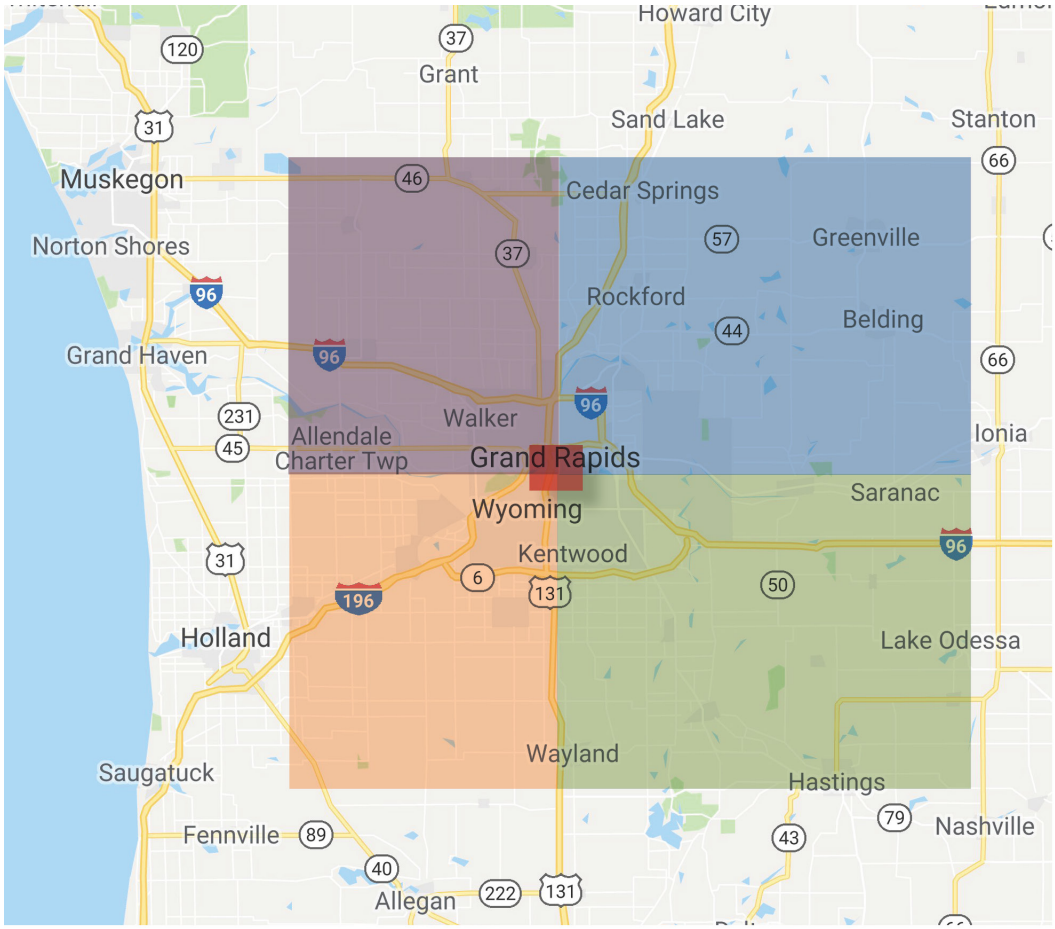
Office Overall Market Report







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.