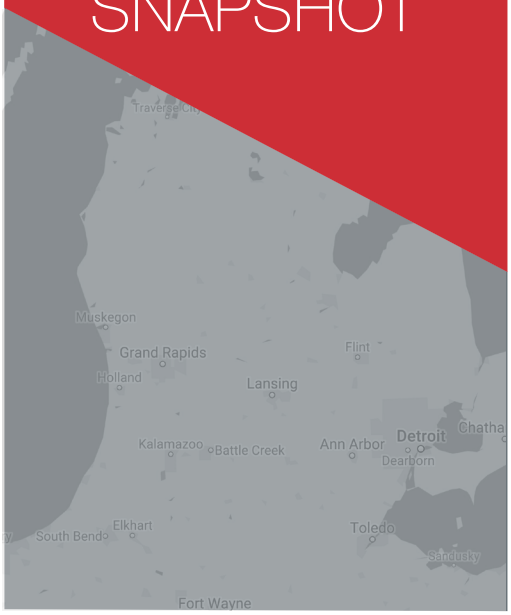
NAI Wisinski of West Michigan

Q3' 2020

WEST MICHIGAN RETAIL SNAPSHOT



MARKET ACTIVITY

› The Saucy Crab, a Louisiana and Cajun style seafood chain based out of Tinley Park, Illinois has recently opened a new location at 5039 28th St. SE in Cascade Township. The new restaurant opened August 17th and is the chain's first Michigan location. They are currently looking to expand further, opening more locations in Michigan: possibly Ann Arbor, Lansing, and Traverse City. The Saucy Crab is open from 11:30 a.m. to 10 p.m. Sunday through Thursday and 11:30 a.m. to 10:30 p.m. Friday and Saturday.

› Canopy by Hilton Hotel has recently opened the highly anticipated Studio Park location in Downtown Grand Rapids. Located at 131 Ionia Ave. SW, the eight story, 155 room upscale hotel offers many amenities including: meeting and event spaces, several restaurants, complimentary Canopy bikes to tour the city, lockers, private showers for guests who arrive early, and a retail wall with local products.

› KCM, a Korean and Japanese eatery, has recently opened in the former Gaia Café at 209 Diamond Ave. SE in Grand Rapids. KCM is currently open from 11:30 a.m. to 8 p.m. Tuesday through Saturday and noon to 7 p.m. on Sunday, with plans to extend hours to seven days a week after more staff is hired. For more information and to see menus, visit their website: kcmgr.com.

RECENT RETAIL SALES & LEASES

4505 Canal Ave. SW, Grandville

Buyer: Silver Lake Chicken Shack

6,651 SF

1294 Perry Ave., Big Rapids

Tenant: Arby's

2,320 SF (proposed)

1984 - 1988 Mall Place, Benton Harbor

5,000 SF

Q3' 2020 WEST MICHIGAN RETAIL SUBMARKET STATISTICS

Methodology: The retail market report includes retail 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)
LAKESHORE					
Community	1,766,914	148,013	8.4%	$8.35	14,108
Neighborhood	1,766,914	148,013	8.4%	$8.35	14,108
Strip	1,538,142	60,215	3.9%	$10.81	10,273
Total	5,071,970	356,241	7.0%	$9.10	38,489
NORTHEAST					
Community	456,497	121,563	26.6%	$4.06	-22,668
Neighborhood	1,053,103	151,750	14.4%	$8.92	-55,168
Strip	661,993	71,648	10.8%	$11.40	-11,010
Total	2,171,593	344,961	15.8%	$9.02	-88,846
NORTHWEST					
Community	471,422	2,200	0.5%	$32.00	6,975
Neighborhood	404,406	2,900	0.7%	$10.98	1,300
Strip	599,792	73,088	12.2%	$13.94	3,255
Total	1,475,620	78,188	5.3%	$18.90	11,530
SOUTHEAST					
Community	503,044	21,828	4.3%	$10.75	-21,828
Neighborhood	2,523,493	158,220	6.3%	$12.90	-13,747
Strip	1,740,767	92,759	5.3%	$11.76	-4,669
Total	4,767,304	272,807	5.7%	$12.49	-40,244
SOUTHWEST					
Community	1,634,205	183,161	11.2%	$5.41	19,540
Neighborhood	722,706	23,467	3.2%	$11.99	-100
Strip	1,069,220	74,935	7.0%	$13.76	-5,100
Total	3,426,131	281,563	8.2%	$9.38	14,340
TOTAL OVERALL	16,912,618	1,333,760	7.8%	$10.97	-64,731

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

3Q19 vs. 3Q20

NET ABSORPTION

VACANCY RATE

CONSTRUCTION

ASKING RATES

2Q20 vs. 3Q20

NET ABSORPTION

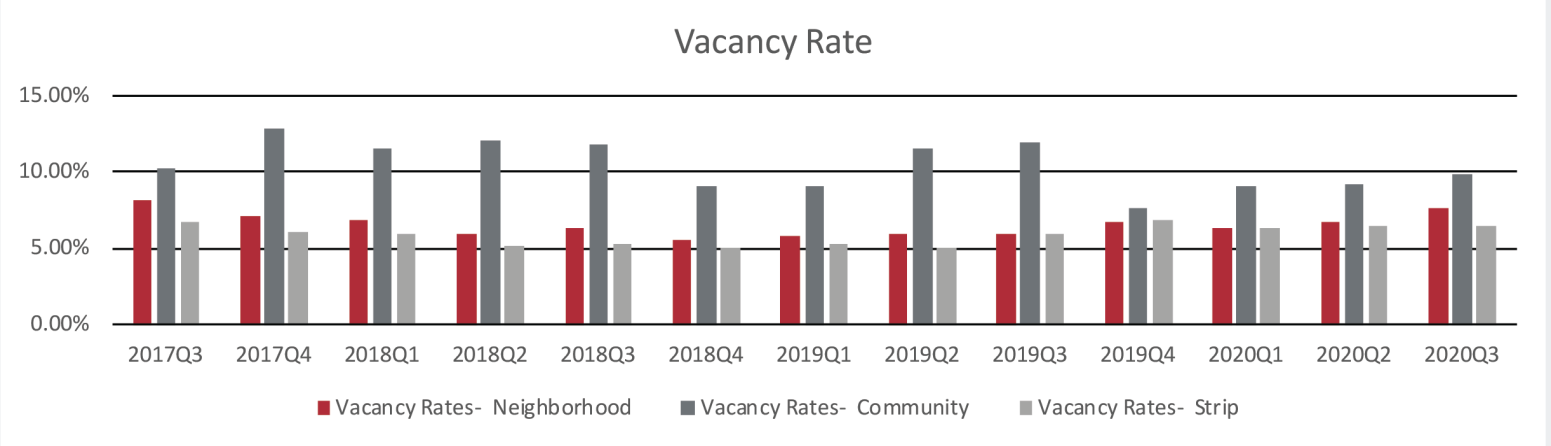
VACANCY RATE

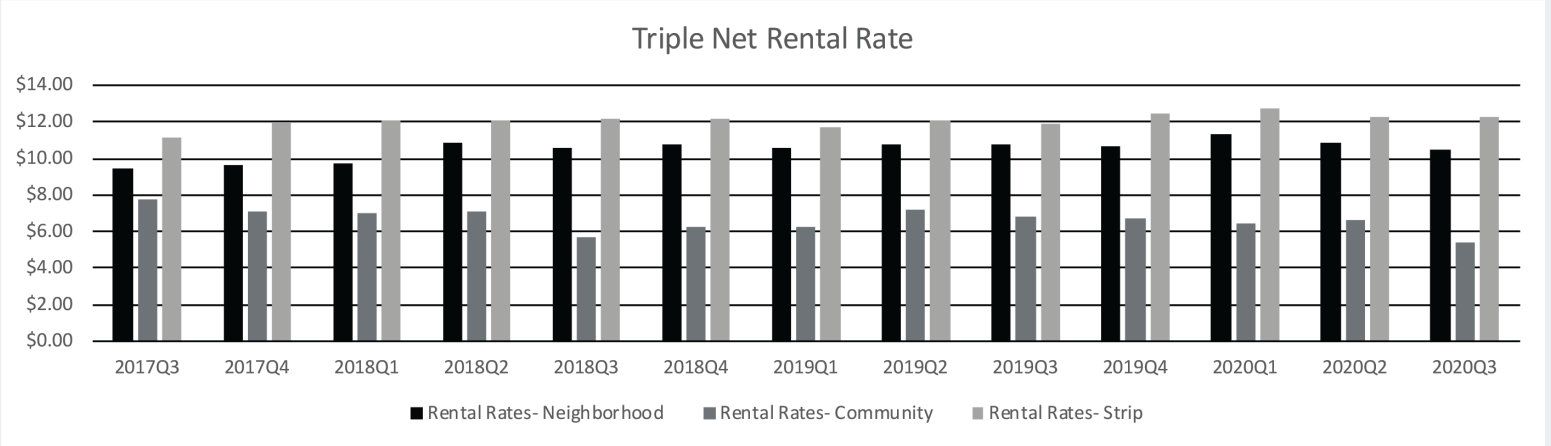
CONSTRUCTION

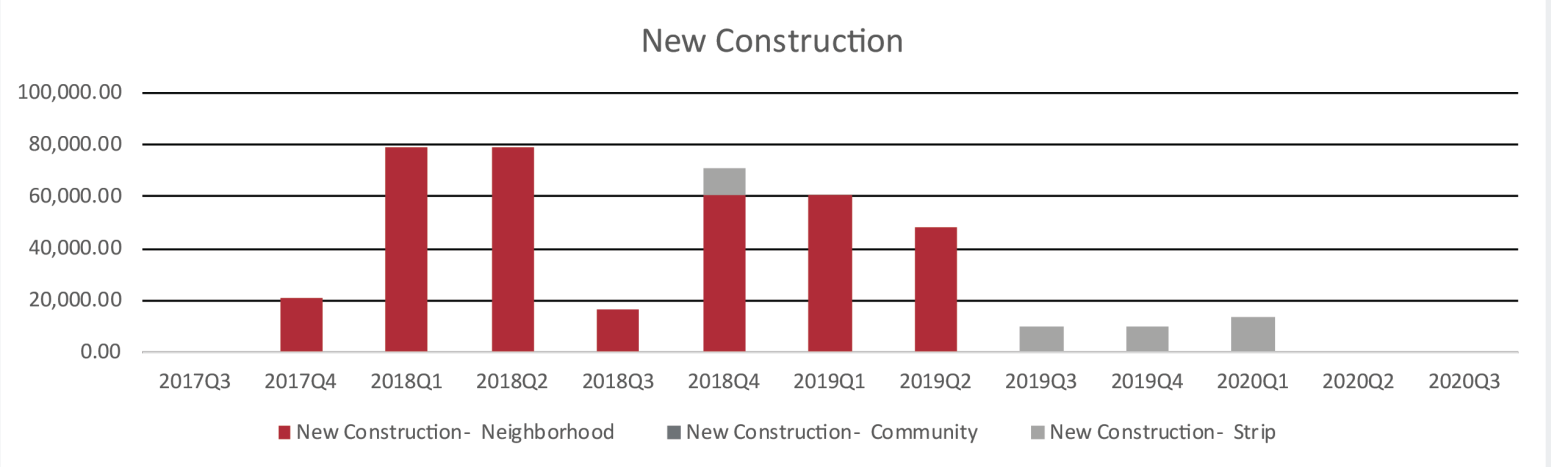
ASKING RATES

*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.

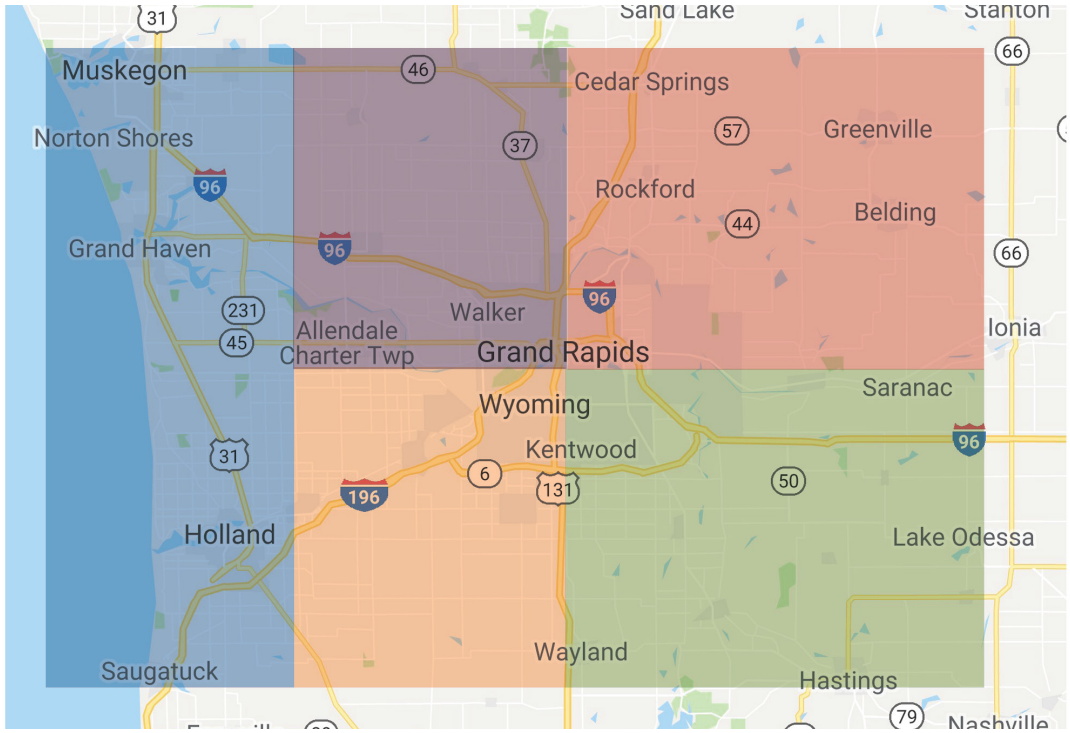
Retail Overall Market Report







Methodology | Definitions | Submarket Map



Submarket Key

- Lakeshore
- Northwest
- Northeast
- 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.

Community Center

Typically offers a wider range of apparel and other soft goods than neighborhood centers. Among the most common anchors are supermarkets, super drugstores, and discount department stores.

Neighborhood Center

Provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the neighborhood with a supermarket being the principal tenant.

RBA

Rentable Building Area - Mainly used for office and industrial.

SF/PSF

Square foot/per square foot, used as a unit of measurement.

Strip Center

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.

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.

*The Lakeshore submarket was expanded to include Muskegon, MI.