

Q4'
2020

West Michigan
Retail
Market Report



GRAND RAPIDS The Market



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



1,080,710

Total Population



130+

International Companies



\$61,947

Median Household Income



36.7

Median Age

Grand Rapids-Wyoming, MI Metropolitan
Statistical Data.

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

Retail Market Trends

The Fourth Quarter of 2020 ended with mixed signals, as well as a degree of uncertainty headed into 2021. Q4 retail holiday sales grew by 3% as opposed to the projected 2.4%, signaling stronger than expected consumer resiliency. E-Commerce sales increased 49% year over year. Shoppers also began holiday shopping in October, which marks a much earlier start than previous years (Fortune). However, overall retail sales decreased in December as added measures were imposed to slow the spread of COVID, with decreased spending in restaurants and malls. (MSNBC)

Overall, QSR (fast food) performed incredibly well in 2020, and drive thru locations will continue to command a premium in the market place in the future. Home and sporting goods performed well through the balance of 2020. Retailers in grocery, home improvement, sporting goods, recreational vehicles, pharmacy, and discount retailers exceeded 2020 expectations.

The biggest West Michigan news was the announcement of Whole Foods securing space on 28th St. in Kentwood. Retail leasing activity increased in the fourth quarter, as net absorption increased year over year - a positive sign for local retail.

Segments of the retail market will continue to be challenged in 2021 by the uncertainty of the government mandated restrictions. Those challenges, especially for sit down restaurants, have been well documented. Further, Junior Box and Big Box leasing has been sluggish in 2020, and the growth plans for many larger format retailers remains uncertain for 2021. Also, there is uncertainty as to the impact that stimulus payments to individuals and small businesses (PPP loans) will have on retail spending and keeping struggling businesses afloat.



- Todd Leinberger, MBA
Retail Specialist

Q4' 2020 Retail Transactions



**1664 Sternberg E,
Muskegon**
Tenant: Jersey Mike's Subs
1,675 SF



**2733 28th St. SE,
Grand Rapids**
Tenant: Sleep Doctor
3,520 SF



**Marquette Woods Dr.,
Stevensville**
Tenant: Starbucks Corporation
SF - TBD



**Ste D, E & F of The Shops
at Stadium Village,
Kalamazoo**
5,231 SF



**6300 28th St. SE,
Grand Rapids**
Investment Sale
4,750 SF



**3641 Byron Center Ave. SW,
Wyoming**
Investment Sale
6,000 SF

Market Activity

- › With the recent closure of Wheelhouse at 67 Ottawa Ave. SW, Meritage Hospitality Group plans to convert the space to a Stan Diego Baja Taco Kitchen. There is currently no set date for the space's re-opening, however renovations to the restaurant are already underway. This will be Meritage's second Stan Diego location, the first being at 355 Wilson Ave NW.
- › Stella's Cloud Kitchen, a delivery only restaurant created by Stella's Lounge and HopCat Holland, is opening at 80 W. Eighth St (HopCat Holland). This will allow HopCat Holland to serve items offered at Stella's Lounge and Underground Cookie Club. The opening of this Cloud Kitchen is one of many popping up throughout the country as a response to COVID-19 and the social distancing requirements.

Q4' 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	1,763,937	176,405	10.0%	\$8.01	-28,392
Neighborhood	1,763,937	176,045	10.0%	\$8.01	-28,392
Strip	1,538,142	72,068	4.7%	\$12.10	-11,853
Total	5,066,016	424,878	8.4%	\$9.25	-68,637
Northeast					
Community	457,497	121,563	26.6%	\$4.06	0
Neighborhood	1,053,103	103,796	9.9%	\$9.22	47,954
Strip	661,993	69,573	10.5%	\$11.57	2,075
Total	2,172,593	294,932	13.6%	\$8.85	50,029
Northwest					
Community	471,422	2,200	0.5%	\$32.00	0
Neighborhood	404,406	3,652	0.9%	\$12.17	-752
Strip	599,792	43,924	7.3%	\$11.68	29,164
Total	1,475,620	49,776	3.4%	\$18.31	28,412
Southeast					
Community	503,044	8,010	1.6%	\$10.75	13,788
Neighborhood	2,523,493	181,368	7.2%	\$12.71	-23,148
Strip	1,740,767	106,336	6.1%	\$11.43	-13,577
Total	4,767,304	295,714	6.2%	\$12.04	-22,937
Southwest					
Community	1,634,205	138,441	8.5%	\$5.40	44,720
Neighborhood	722,706	15,894	2.2%	\$12.32	7,573
Strip	1,069,255	87,249	8.2%	\$13.84	-12,314
Total	3,426,166	241,584	7.1%	\$9.49	39,979
Total Overall					
Total Overall	16,907,699	1,306,884	7.7%	\$10.82	26,846

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

4Q20 vs. 4Q19



NET ABSORPTION



VACANCY RATE



CONSTRUCTION



ASKING RATES

4Q20 vs. 3Q20



NET ABSORPTION



VACANCY RATE



CONSTRUCTION

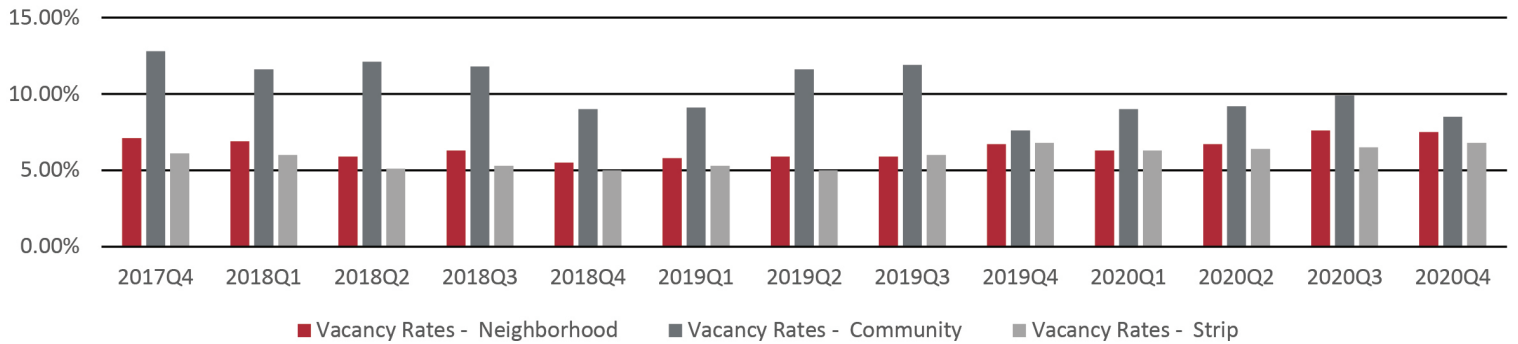


ASKING RATES

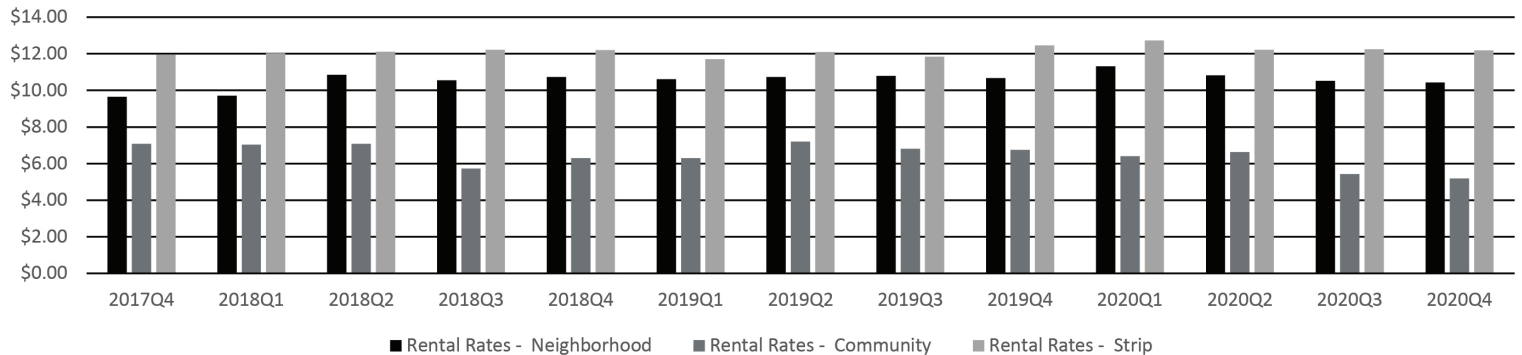
*Disclaimer: Historical data figures are subject to change based upon the timing of when CoStar receives market information. NAIWWM uses the numbers available at the time each quarterly report is published.

Retail Overall Market Report

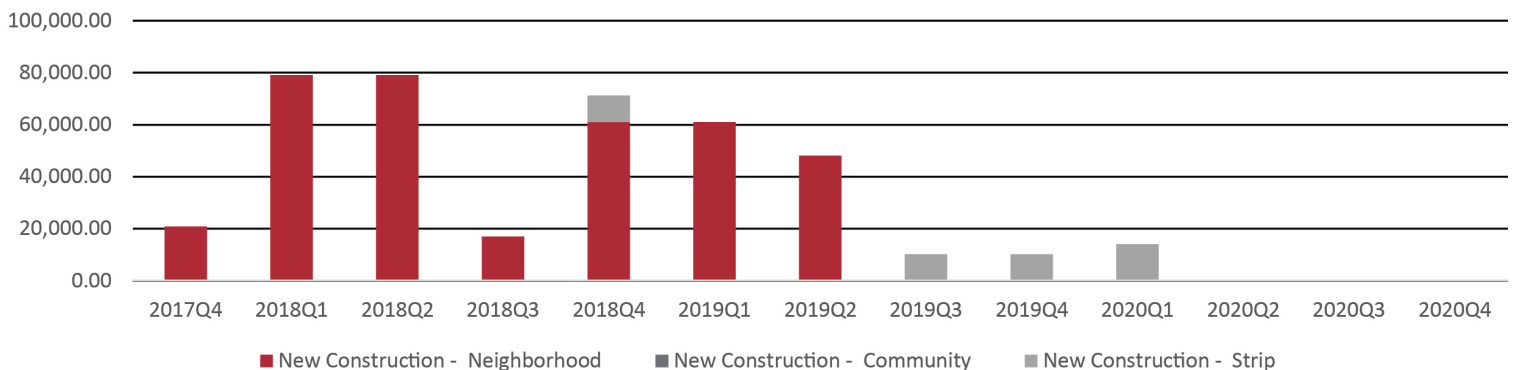
Vacancy Rate



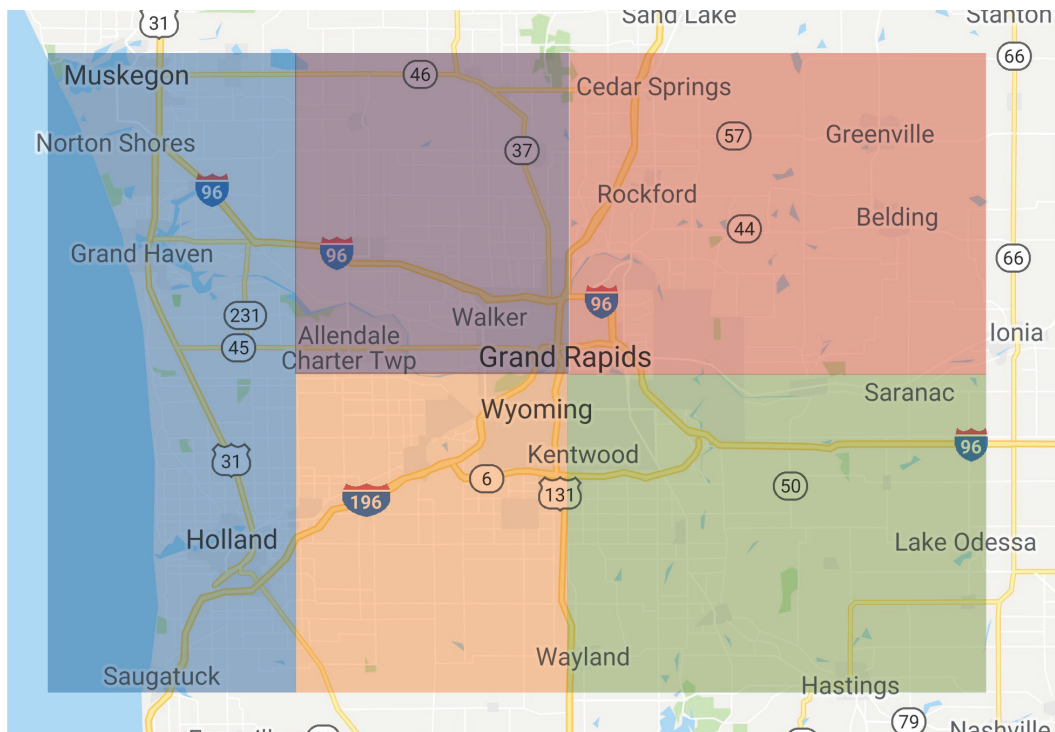
Triple Net Rental Rate



New Construction



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.

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

By The Numbers

REAL ESTATE PROFESSIONALS

52



7

CCIM 
DESIGNEES

8

SIOR  SIOR
DESIGNEES

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