

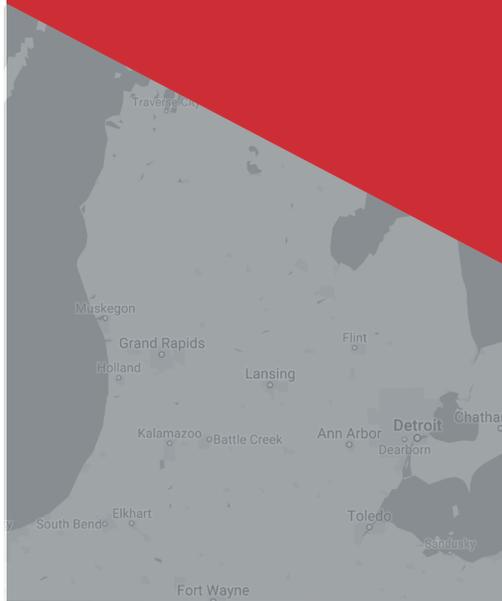
Q1'  
2020

WEST MICHIGAN  
INDUSTRIAL  
SNAPSHOT



## MARKET ACTIVITY

- › Chaco, a brand of Rockford-based Wolverine Worldwide, is repurposing a local sandal repair factory to produce face masks as well as other necessary equipment to help combat the current COVID-19 pandemic. Chaco is currently working alongside Wolverine Worldwide and local authorities in Grand Rapids to create cotton blend masks to go over the medical-grade N95 masks, allowing the N95 masks to be reused.
- › A joint venture of Grand Rapids-based Blitzblow USA and Ohio-based U.S. Advanced Systems has acquired Walker-based Laser Access. Laser Access employs 28 people at its location at 3691 Northridge Drive NW, Suite 10, in Walker and will be investing \$1.6 million into an expansion of this facility following the recent transaction.
- › The demolition of the old B.C. Cobb power plant site in Muskegon is nearing an end and will soon be refocusing on redevelopment. The facility has a 1,200-foot dock that allows cargo to be loaded and unloaded on both sides. The site is located on the shore of Muskegon Lake, just over a mile from Lake Michigan. Forsite Development plans to convert the area into a deep-water maine terminal, where Verplank Dock Co., a Michigan-based port terminal operator, will plan to consolidate its operations.



## RECENT INDUSTRIAL SALES



3188 Wilson Dr NW,  
Grand Rapids  
51,789 SF



4303 3 Mile Rd NW,  
Grand Rapids  
16,800 SF



3470 3 Mile Rd NW,  
Grand Rapids  
14,623 SF

# Q1' 2020

## WEST MICHIGAN

# INDUSTRIAL SUBMARKET STATISTICS

**Methodology:** The industrial market report includes industrial 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)
<b>LAKESHORE</b>					
Warehouse	19,941,875	332,613	1.7%	\$3.74	249,902
Manufacturing	29,458,551	1,194,806	4.1%	\$3.68	-828,694
Hightech Flex	2,133,153	511,209	24.0%	\$8.36	-650
Total	51,533,579	2,038,628	4.0%	\$3.68	-579,442
<b>NORTHEAST</b>					
Warehouse	5,563,925	94,745	1.7%	\$4.11	-4,300
Manufacturing	7,130,916	127,981	1.8%	\$6.00	-34,218
Hightech Flex	579,383	0	0%	\$7.95	0
Total	13,274,224	222,726	1.7%	\$5.29	-38,518
<b>NORTHWEST</b>					
Warehouse	5,631,325	53,508	1.0%	\$5.24	17,852
Manufacturing	12,702,998	572,388	4.5%	\$2.83	12,400
Hightech Flex	1,294,486	36,191	2.8%	\$7.25	0
Total	19,628,809	662,087	3.4%	\$3.81	30,252
<b>SOUTHEAST</b>					
Warehouse	23,617,533	621,825	2.6%	\$3.94	-94,260
Manufacturing	27,318,431	1,901,285	7.0%	\$3.19	-650,906
Hightech Flex	3,033,127	76,460	2.5%	\$8.87	-19,064
Total	53,969,091	2,599,570	4.8%	\$3.84	-764,230
<b>SOUTHWEST</b>					
Warehouse	9,150,857	328,455	3.6%	\$4.45	7,780
Manufacturing	22,484,947	216,795	1.0%	\$4.25	-171,022
Hightech Flex	698,975	0	0%	\$6.99	0
Total	32,334,779	545,250	1.7%	\$4.31	-163,242
<b>TOTAL OVERALL</b>	<b>170,740,482</b>	<b>6,068,261</b>	<b>3.6%</b>	<b>\$4.05</b>	<b>-1,515,180</b>

### Industrial Statistical Changes Year-over-Year and Quarter-over-Quarter

#### 1Q20 vs. 1Q19



NET ABSORPTION



VACANCY RATE



CONSTRUCTION



ASKING RATES

#### 1Q20 vs. 4Q19



NET ABSORPTION



VACANCY RATE



CONSTRUCTION



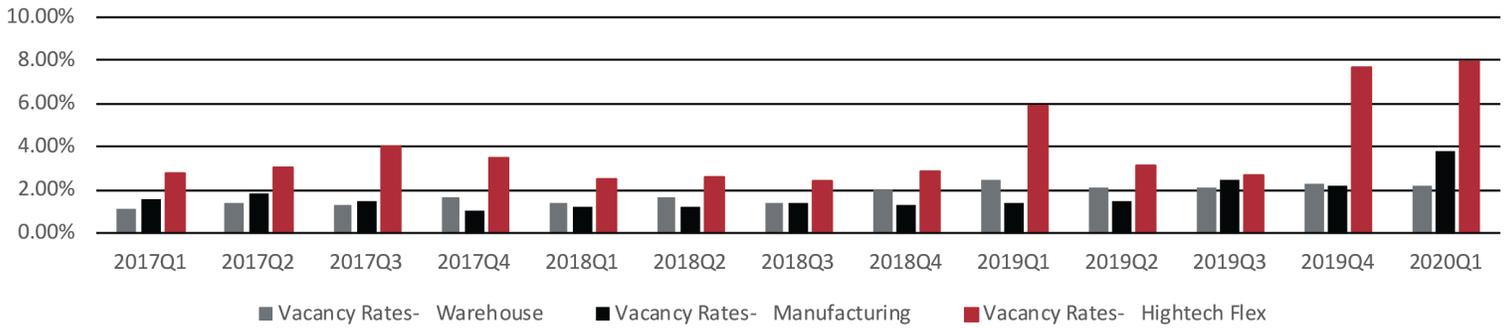
ASKING RATES

\*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.

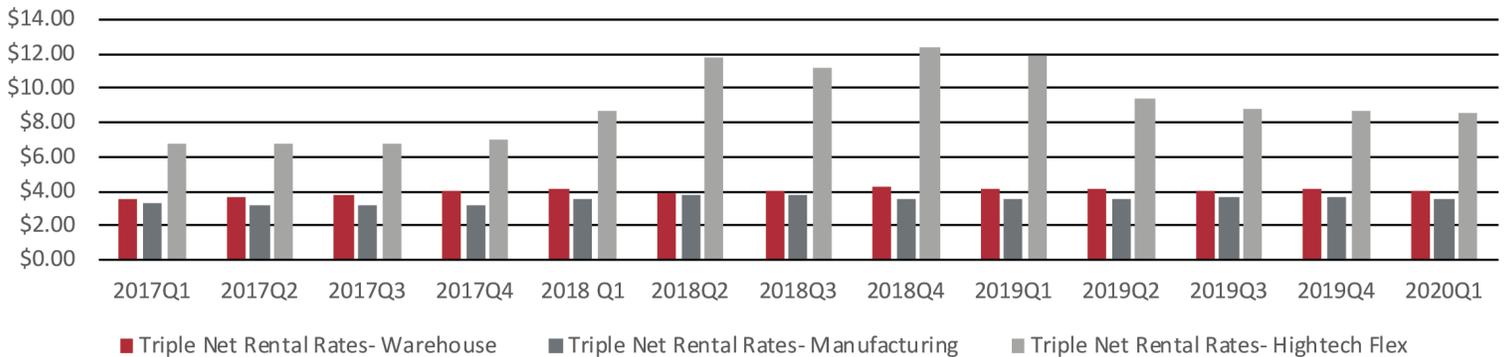
# Industrial Overall Market Report

We expect data in all markets to be affected by COVID-19. While it will take some time to fully understand the impact, with certain businesses and industries closed, the vacancy data will adjust in the coming months.

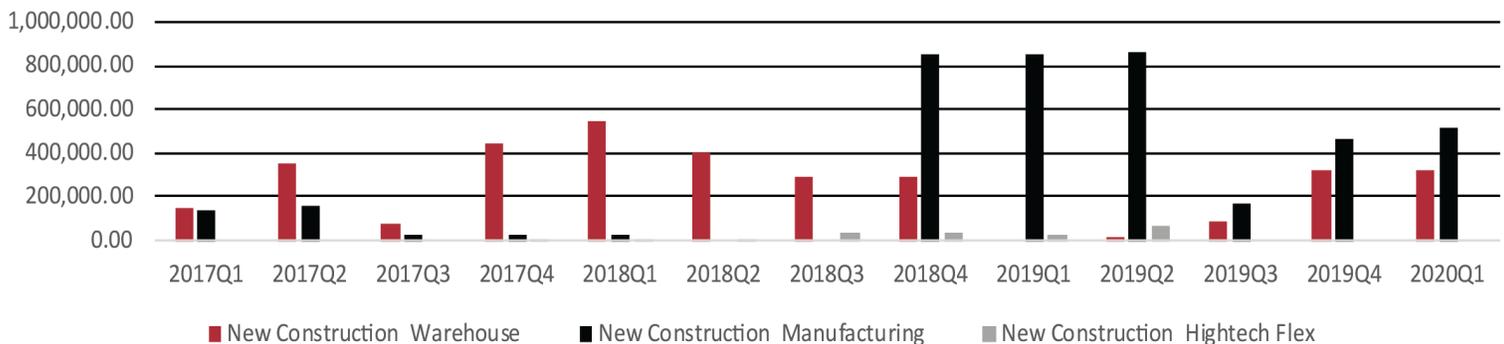
### Vacancy Rate



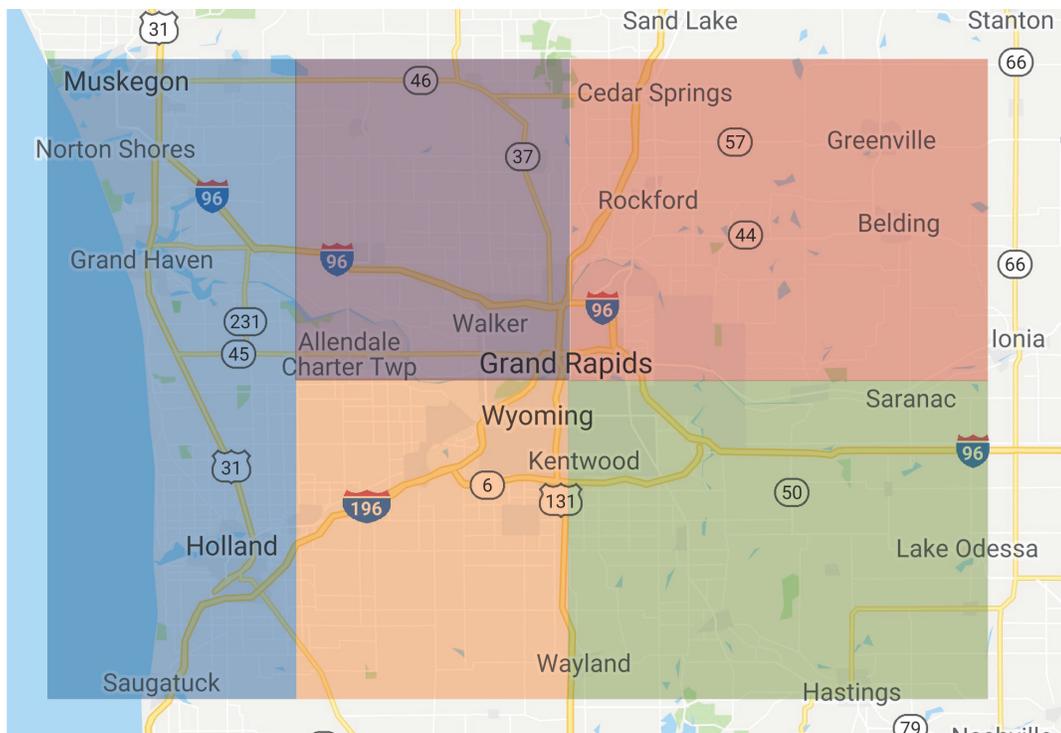
### Triple Net Rental Rates



### 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.

## Deliveries

Buildings that have their certificate of occupancy and are allowed to be moved into by the tenant/purchaser.

## Hightech Flex

This type of space is only found in Flex buildings. It can be used as office, medical, industrial, warehouse, distribution, quasi-retail, or research and development space.

## Manufacturing

A sub-type of industrial building primarily used for manufacturing products may also include warehousing or distribution areas.

## 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.

## Vacancy Rate

All physically unoccupied lease space, either direct or sublease.

## Warehouse

A secondary type of industrial building generally used for storage and or distribution.

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