

Industrial Market Report

West Michigan | Q2 2019



GRAND RAPIDS The Market



1,064,215

Total Population



130+

International Companies



\$61,298

Average Household Income



36

Median Age



2.8%

Unemployment Rate

Grand Rapids-Wyoming, MI Metropolitan
Statistical Data.

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

Industrial Market Trends

The unusually rainy and dreary spring weather was not able to stifle the robust industrial real estate market in West Michigan during the 2nd quarter. Vacancy rates remain at all time lows, while property values continue to hold steady or climb.

Construction has been active so far in 2019 in most market sectors, including industrial. The lack of available space combined with a healthy economy has put many area companies in a position where growth through construction is necessary.

New industrial builds are also on the rise from a speculative standpoint. There are several industrial spec buildings under construction in the Grand Rapids area. As these projects reach completion, we should see some, but not much, relief to the current state of overwhelming demand.

For companies looking to purchase an industrial building, the market continues to be extremely tight. This is especially true for buildings in the 10,000 – 50,000 SF range. Properties that do come available are selling quickly, sometimes before they even hit the market.

Industrial investors continue to seek opportunities in West Michigan for multi-tenant industrial buildings, or single tenant sale/lease backs. A large amount of capital on the sidelines combined with a desire to own real estate in West Michigan means this should hold true well into 2020.

There has never been a better time to engage the services of a Commercial Realtor specializing in industrial properties. Not only do they have their finger on the pulse of the local market, they can help assess your needs and provide timely advice that could lead to your next opportunity to buy, sell, or lease industrial space. As a reminder, our agents are based and work primarily in West Michigan. However, through our relationship with NAI Global, we can work with you wherever your real estate needs take you throughout our country or around the world.



Kurt Kunst, CCIM, SIOR
Partner/Industrial Specialist



Brad Bruinsma
General Manager

Cover Feature: Industrial Space For Lease
2000 Oak Industrial Dr. NE, Grand Rapids, MI

Industrial Transactions Q2 2019



SOLD

3565 Highland Drive
Lots 9 & 10
84,006 SF



SOLD

1800 Keating Ave. E
169,739 SF



LEASED

103 76th St. SW, Suite D
Tenant: Grimco, Inc.
10,500 SF



SOLD

1250 Front St. NW
22,752 SF



LEASED

5949 Clay Ave. SW
26,530 SF



LEASED

650 Airport Place
Tenant: Lowe & Fletcher
21,875 SF

Market Activity

- › Wolverine Glass Products, a fabricator of glass products, opened a 130,000-square-foot facility located at 3400 Wentworth Dr. SW in Wyoming. The move of WGP has increased its footprint by 150%. The project cost for the new facility, including increased production space and equipment upgrades, was \$10 million. In 2010, WGP had 25 employees and now has 60, with plans to hire five more in the next six weeks.
- › Grand Haven-based R&R Fixtures will change its name to Renishaw Metrology Fixturing Solutions later this year and move to a new facility in Norton Shores in early 2020. The manufacturer is changing its name and expanding to meet demand from its fastest-growing market. The site will house a 52,000-square-foot facility which is three times larger than the current facility and will allow Renishaw to increase manufacturing capabilities as well as continue expansion into the global market for metrology fixturing.

West Michigan

Industrial Submarket Statistics

*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.

Q2 2019 Industrial Snapshot

Submarket	Total RBA	Vacant Available SF	Vacancy Rate	Total Average NNN Rate (\$/SF/Yr)	Total Net Absorption (SF)
Lakeshore					
Warehouse	19,673,747	395,680	2.0%	\$3.43	178,885
Manufacturing	28,584,476	462,542	1.6%	\$4.01	-229,320
Hightech Flex	1,864,641	183,892	9.9%	\$6.91	-2,415
Total	50,122,864	1,042,114	2.1%	\$3.89	-52,850
Northeast					
Warehouse	5,548,117	119,246	2.1%	\$4.42	-29,228
Manufacturing	7,092,025	11,475	0.2%	\$2.04	-1,451
Hightech Flex	549,383	0	0%	\$7.25	1,825
Total	13,189,525	130,721	0.9%	\$3.26	-28,854
Northwest					
Warehouse	5,195,480	249,900	4.8%	\$5.40	-2,700
Manufacturing	12,539,507	519,161	4.1%	\$2.95	0
Hightech Flex	1,236,526	23,149	1.9%	\$7.25	-4,200
Total	18,971,513	792,210	4.2%	\$3.90	-6,900
Southeast					
Warehouse	23,094,791	278,164	1.2%	\$4.46	112,725
Manufacturing	25,944,014	469,620	1.8%	\$3.11	-196,936
Hightech Flex	3,033,127	33,949	1.1%	\$8.01	-370
Total	52,071,932	781,733	1.5%	\$3.99	-84,581
Southwest					
Warehouse	9,145,216	295,289	3.2%	\$4.47	-3,002
Manufacturing	22,095,613	43,141	0.2%	\$4.40	17,585
Hightech Flex	697,925	0	0%	\$6.99	0
Total	31,938,754	338,430	1.0%	\$4.48	14,583
Total Overall					
Total Overall	166,294,588	3,085,208	1.8%	\$3.99	-158,602

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

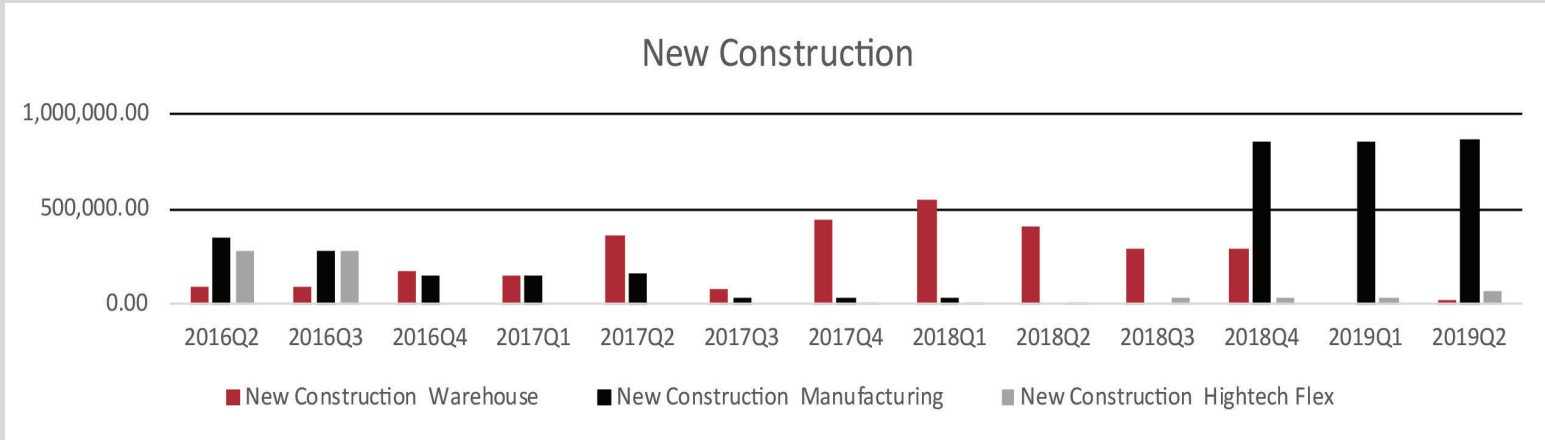
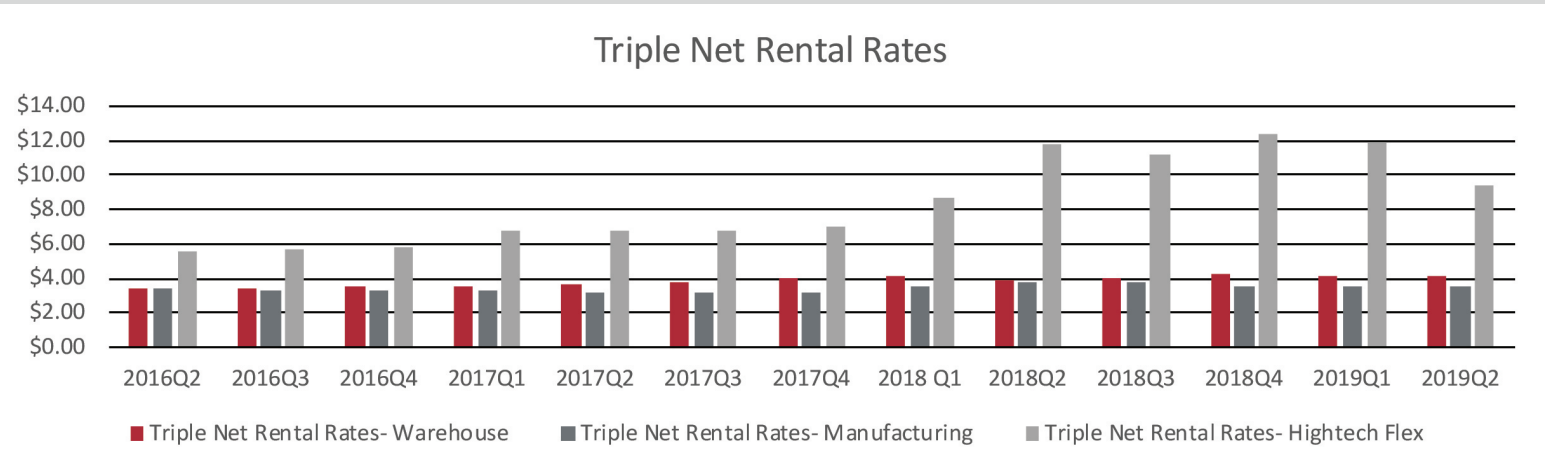
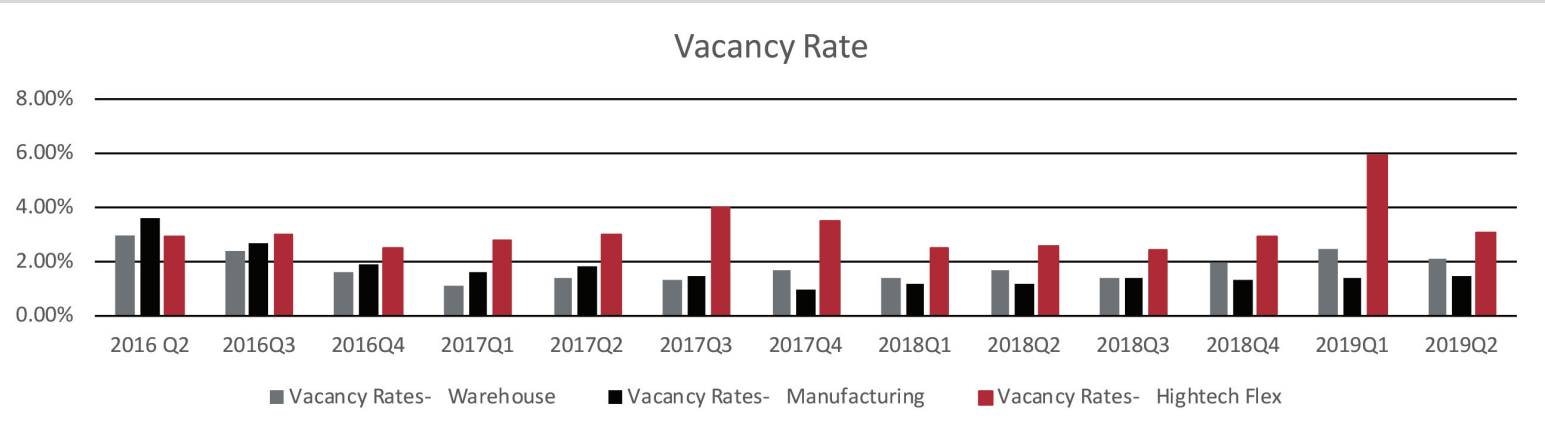
2Q19 vs. 2Q18

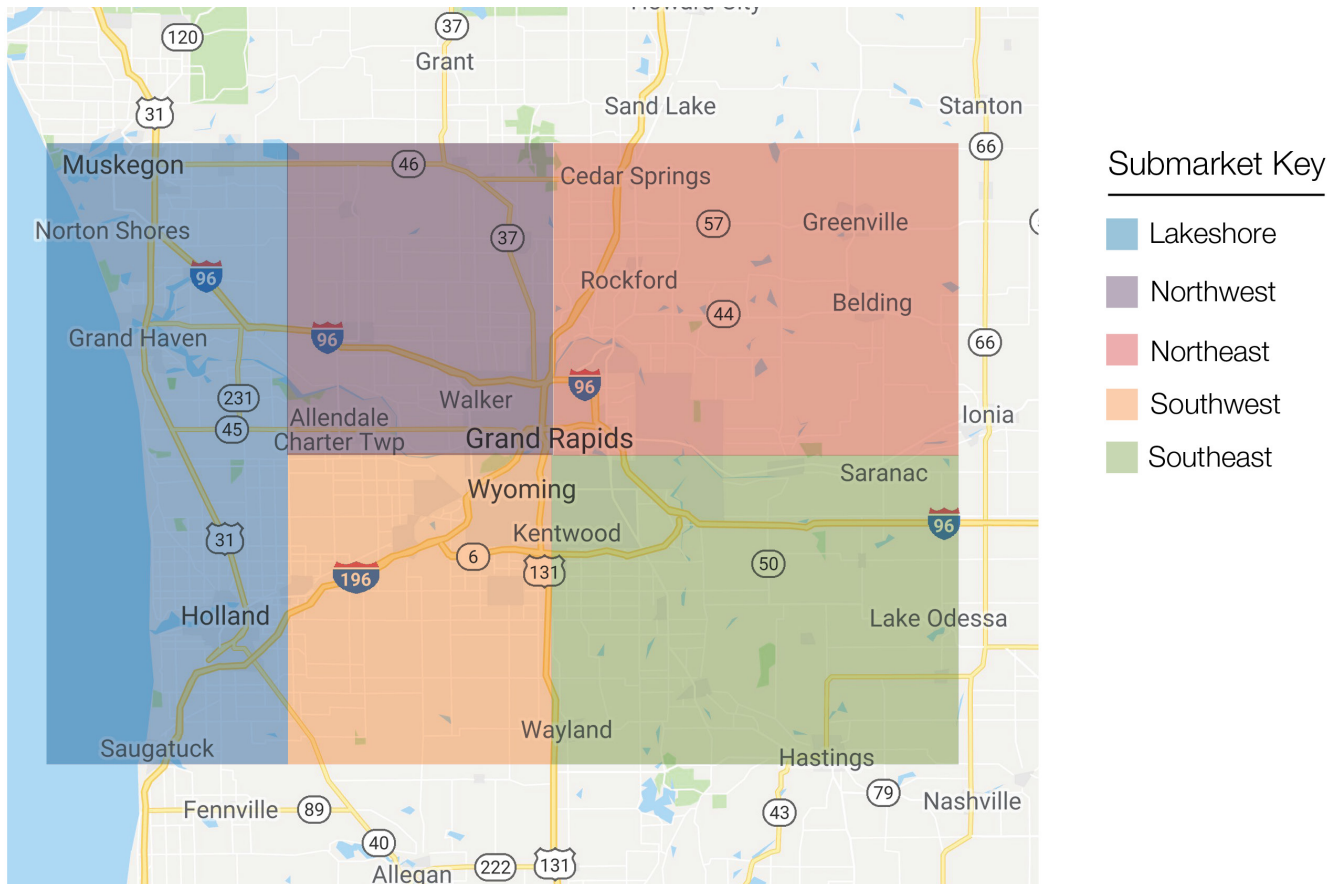


2Q19 vs. 1Q19



Industrial Overall Market Report





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.

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



Commercial Real Estate Services, Worldwide.

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

51



8

CCIM 
DESIGNEES

8

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DESIGNEES

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