

Retail Market Report

West Michigan | Q2 2019



GRAND RAPIDS The Market



1,064,215

Total Population



130+

International Companies



\$61,298

Median Household Income



36

Median Age



2.8%

Unemployment Rate

Retail Market Trends

The retail sector in West Michigan continues to be very strong and active along the primary retail corridors. In addition, the urban areas near downtown are also very busy with several new and eclectic shop openings, such as Sweetwaters Coffee & Tea on Monroe Avenue and Blue Bridge Games on Fulton Avenue.

The 2nd Quarter of 2019 Retail Market vacancy rates continue to remain healthy. The overall vacancy rate is now at 6% and the Southeast and Northwest quadrants of the market are even lower at 5.7% and 3.1%, respectively. The Lakeshore Market has a slightly higher vacancy rate of 6.2%, but this is still remarkably strong.

Bob's Discount Furniture, Buddy's Pizza and REI are three of the more notable openings that occurred in the 2nd Quarter of 2019. In addition, Buddy's Pizza has secured a second location in the Northeast Quadrant and Mission Barbecue has leased the former Bagger Dave's in this same area. Construction began on the new Cheesecake Factory that took over the former Bar Louie location at Woodland Mall. Lastly, now that the Medical Marijuana lottery has concluded, several sites will be hitting the market once again at price levels more in-line with traditional retail pricing.

The remainder of 2019 is projected to continue this exciting trend for our Retail Market. The overall positive buzz and economic strength of West Michigan will keep our market on the radar for several new restaurants and retailers looking to capture a part of our economic vitality.



- Bob Lotzar, Senior Vice President



SOLD

454 68th St. SW
2,968 SF



LEASED

1633 28th St. SW
Tenant: Wing Stop
1,950 SF



LAND LEASE

620 State St.
Tenant: Auto Zone
1.04 Acres



LEASED

4550 Breton St. SE
Suites 4466 & 4472
Tenant: Anytime Fitness
6,500 SF



LEASED

5121 28th St. SE
Tenant: Cookie Cutters
1,508 SF



LEASED

1760 44th St. SW,
Suite 1B
Tenant: Hello Yoga
1,630 SF

Market Activity

- › A local restaurant that closed last fall is reopening under a new concept to appeal to a wider demographic. Owner Rachel Lee has reopened her restaurant at 2115 Plainfield Ave. NE in the Creston neighborhood under the new name River North Public House. Lee first opened the restaurant as a tiki bar called Citizen. River North's menu will feature shareables, salads, burgers, sandwiches, main plates and desserts.
- › Anytime Fitness is relocating to Bretwood Centre at 4450 Breton Rd. SE. The 6,500-square-foot fitness club will include new amenities and services, additional private bathrooms and showers, modern equipment and training spaces. Anytime Fitness Kentwood anticipates a grand re-opening this August. The 24-hour fitness club currently has 4,000 locations in 50 countries.
- › A wine and restaurant company will be opening its first West Michigan location at 4515 28th St. SE, inside the former Paulina's Mexican Restaurant. Chicago-based Cooper's Hawk Winery and Restaurant will feature a variety of dishes as well as suggested wine pairings. The 12,726-square-foot restaurant has an indoor dining area for 300 people and a covered patio that seats 52 people. Cooper's Hawk Winery and Restaurant offers modern casual dining and handcrafted wines at more than 40 locations in the US.

Retail Submarket Statistics

Q2 2019 Retail Snapshot

Submarket	Total RBA	Vacant Available SF	Vacancy Rate	Total Average NNN Rate (\$/SF/Yr)	Total Net Absorption (SF)
Lakeshore					
Community	1,864,632	120,336	6.5%	\$8.00	-18,647
Neighborhood	1,864,632	120,336	6.5%	\$8.00	-18,647
Strip	1,551,543	86,650	5.6%	\$12.64	16,018
Total	5,280,807	327,322	6.2%	\$9.36	-21,276
Northeast					
Community	445,573	119,515	26.8%	\$3.84	-4,000
Neighborhood	922,350	26,407	2.9%	16.77	-3,540
Strip	684,822	25,133	3.7%	\$9.80	-1,277
Total	2,052,745	171,055	8.3%	\$11.64	-8,817
Northwest					
Community	473,200	2,200	0.5%	\$17.85	0
Neighborhood	788,741	25,168	3.2%	\$10.21	2,180
Strip	602,710	31,316	5.2%	\$12.33	-2,902
Total	1,864,651	58,684	3.1%	\$12.83	-722
Southeast					
Community	582,038	4,440	0.8%	\$10.75	0
Neighborhood	2,423,413	189,643	7.8%	\$11.46	36,167
Strip	1,741,403	75,567	4.3%	\$12.38	-7,520
Total	4,746,854	269,650	5.7%	\$11.71	28,647
Southwest					
Community	1,738,952	143,389	8.2%	\$6.21	3,280
Neighborhood	726,215	31,081	4.3%	\$12.81	6,968
Strip	1,071,643	54,028	5.0%	\$13.19	3,356
Total	3,536,810	228,498	6.5%	\$9.68	13,604
Overall Total	17,481,867	1,055,209	6.0%	\$10.70	11,436

Retail Statistical Changes Year-over-Year and Quarter-over-Quarter
2Q19 vs. 2Q18

NET ABSORPTION



VACANCY RATE



CONSTRUCTION



ASKING RATES

2Q19 vs. 1Q19



NET ABSORPTION



VACANCY RATE



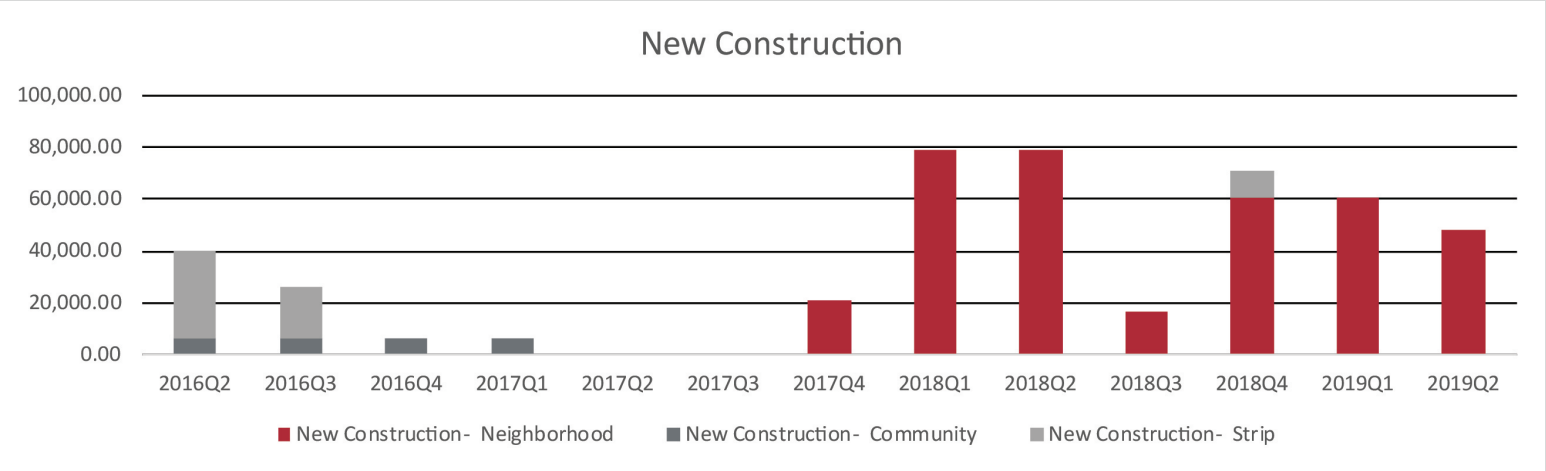
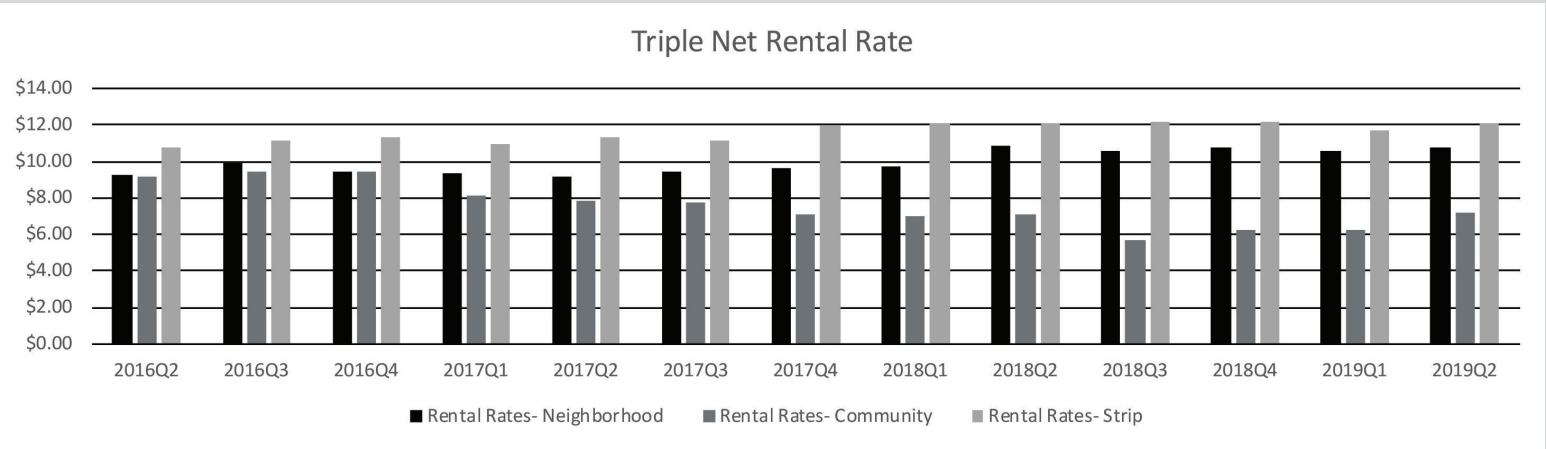
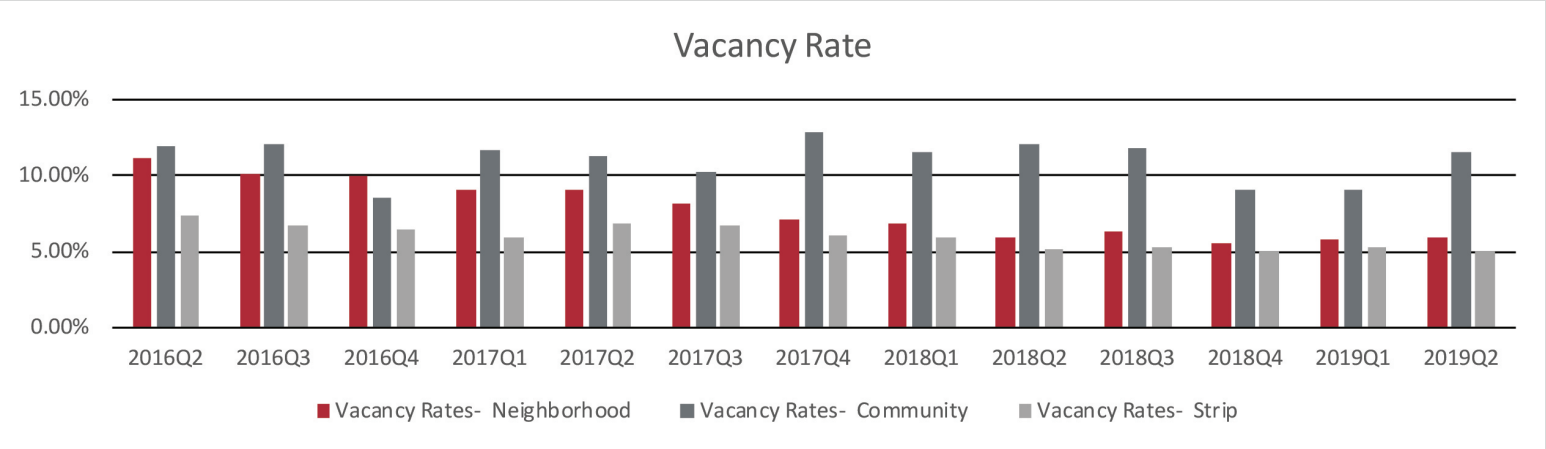
CONSTRUCTION

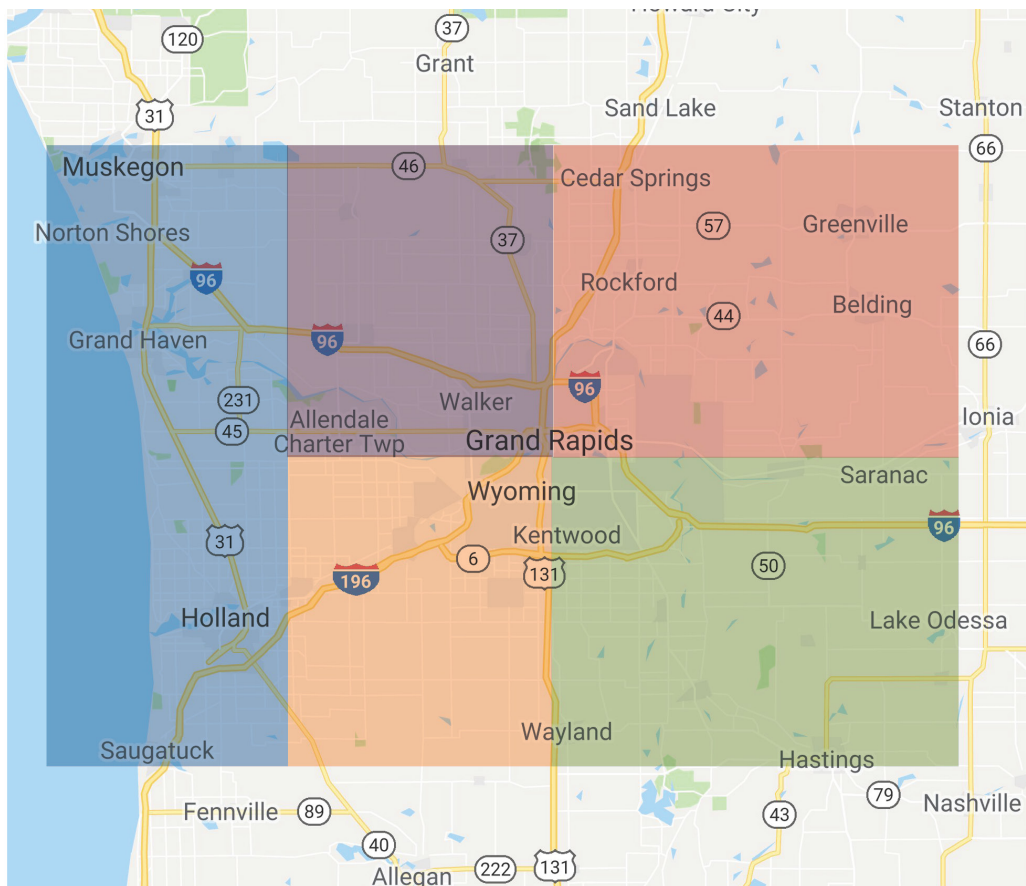


ASKING RATES

*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





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.

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

SIOR  SIOR
DESIGNEES

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