

Retail Market Report

West Michigan | Q1 2017

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NAI Wisinski of
West Michigan

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*Also serving the Kalamazoo & Southwest
Michigan areas from our Kalamazoo office*

Office • Industrial • Retail • Multi-Family

GRAND RAPIDS, MI
The Market

“Overall Retail Real Estate activity around West Michigan remains strong. Vacancy rates continue to decline and inventory remains a challenge, requiring creative solutions for finding the right location for retailers or restaurants in the key corridors such as 28th Street, Kalamazoo Ave /M-6, Alpine Ave, Rivertown Parkway and East Beltline near Knapps corner.

First Quarter 2017 Investment property sales are robust, with many multi-tenant retail centers having been put on the market only to quickly go under contract. The majority of activity is from out of state buyers.”

-Bill Tyson
Principal | Retail Advisor

Dedicated to Finding The Space You Deserve

3176 44th St. SW, Grandville



The Opportunity



Kesslers Diamonds, a Wisconsin based jewelry store, was considering entering the Grand Rapids market. An NAI Wisinski of West Michigan agent was referred to Mr. Kessler. Finding the perfect space became the challenge.

The Idea



After an extensive search of the marketplace, there was a build to suit option available in Grandville. Kesslers Diamonds decided to sign a long term lease at 3176 44th St. SW.

The Result



Due to the close working relationship between Mr. Kessler and NAI Wisinski of West Michigan, Kesslers Diamonds was able to build the space out exactly how they wanted it, near major regional anchors, RiverTown Crossings, Target & Cabella's.

Committed to West Michigan. Connected to the World.

SOLD



147-193 W. River Valley Dr.
Newaygo, MI
Investment Sale

LEASED



1145 W. Randall St., Suite A
Coopersville, MI
1,848 SF
Tenant: Biggby Coffee



SOLD



4236 Kalamazoo Ave. SE
3,466 SF
Investment Sale

LEASED



9608 Village Place Blvd., Brighton
13,800 SF
Tenant: Petco



SOLD



401 Charles Ave. & 724 Wealthy St. SE
2,860 SF



LEASED



6695 S. Westnedge Ave., Portage
23,800 SF
Tenant: Watson's



Retail Submarket Statistics

2017 Q1 Retail Snapshot

Submarket	Total RBA	Vacant Available SF	Vacancy Rate	Total Average NNN Rate (\$/SF/Yr)	Total Net Absorption (SF)
Lakeshore					
Community	1,468,123	44,429	3.0%	\$7.85	7,124
Neighborhood	1,468,123	44,429	3.0%	\$7.85	7,124
Strip	1,026,145	62,894	6.1%	\$9.72	6,742
Total	3,962,391	151,752	3.8%	\$8.33	20,990
Northeast					
Community	445,573	141,856	31.8%	\$4.72	-28,936
Neighborhood	1,128,440	53,452	4.7%	\$10.15	6,572
Strip	680,295	32,239	4.7%	\$9.82	7,165
Total	2,254,308	227,547	10.1%	\$8.98	-15,199
Northwest					
Community	465,565	30,939	6.6%	\$16.02	-6,000
Neighborhood	726,480	108,985	15.0%	\$7.17	2,112
Strip	555,142	45,152	8.1%	\$11.30	2,036
Total	1,747,187	185,076	10.6%	\$10.84	-1,852
Southeast					
Community	863,815	1,440	0.2%	\$10.75	13,060
Neighborhood	2,560,280	326,275	12.7%	\$10.22	39,993
Strip	1,724,927	105,158	6.0%	\$12.15	23,072
Total	5,149,022	432,873	8.4%	\$10.96	76,125
Southwest					
Community	1,600,770	204,523	12.8%	\$8.27	-117,412
Neighborhood	964,493	74,766	7.8%	\$9.48	-2,804
Strip	971,549	62,418	6.4%	\$10.82	23,813
Total	3,536,812	341,707	9.7%	\$9.30	-96,403
Overall Total	16,649,720	1,338,955	8.0%	\$9.70	-16,339

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

1Q17 vs. 1Q16



NET ABSORPTION



VACANCY RATE



CONSTRUCTION



ASKING RATES

1Q17 vs. 4Q16



NET ABSORPTION



VACANCY RATE



CONSTRUCTION

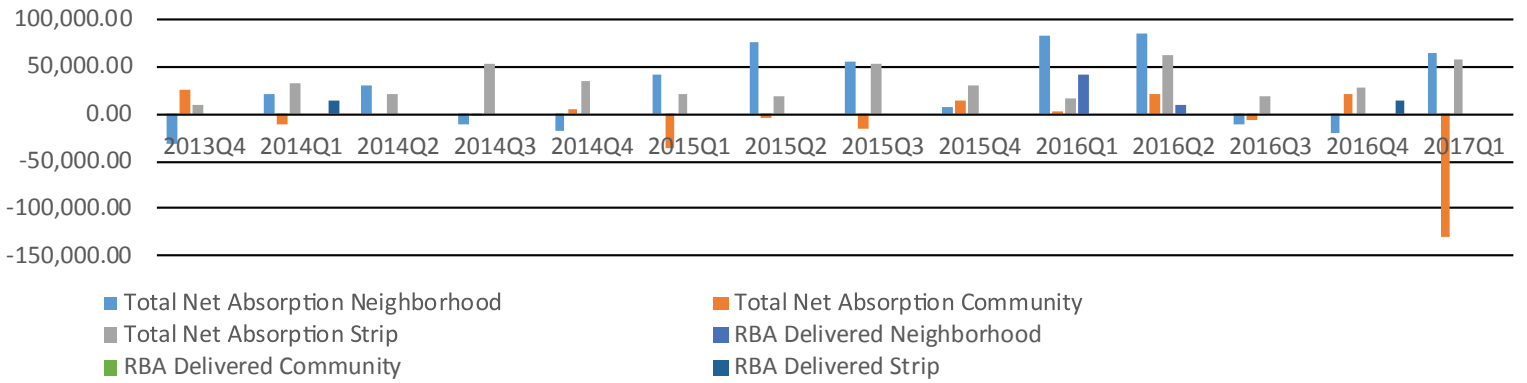


ASKING RATES

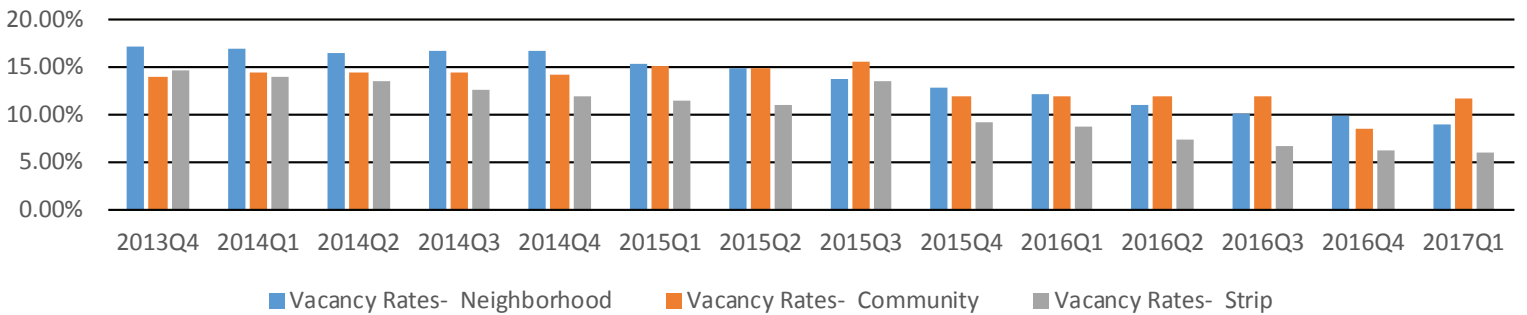
*Disclaimer: Historical data figures are subject to change based upon the timing of when CoStar receives market information. NAIWWM uses the numbers available at the time each quarterly report is published.

Retail Total Market Report

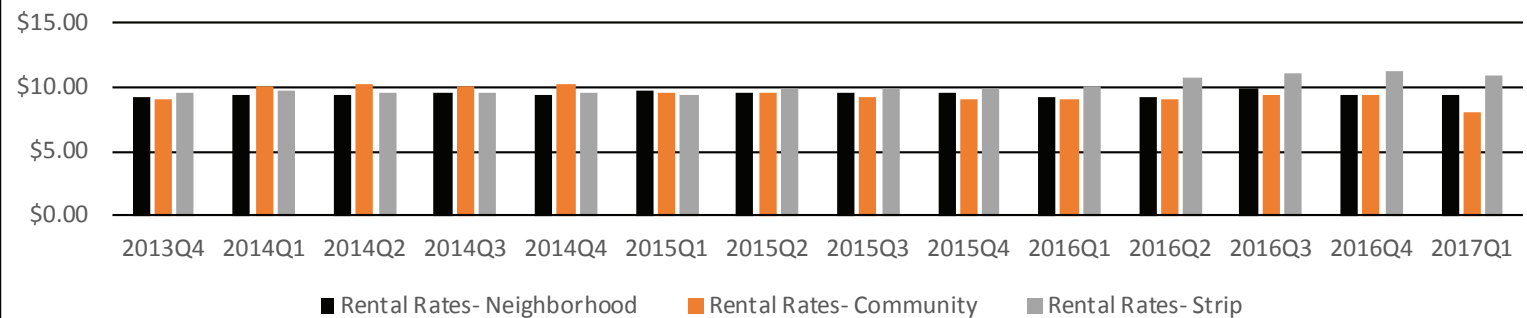
Absorption & Delivery



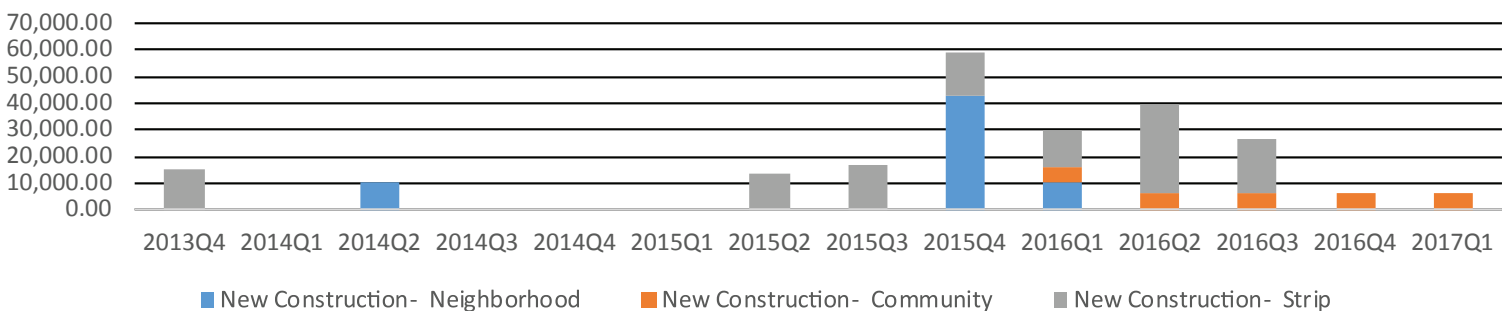
Vacancy Rate



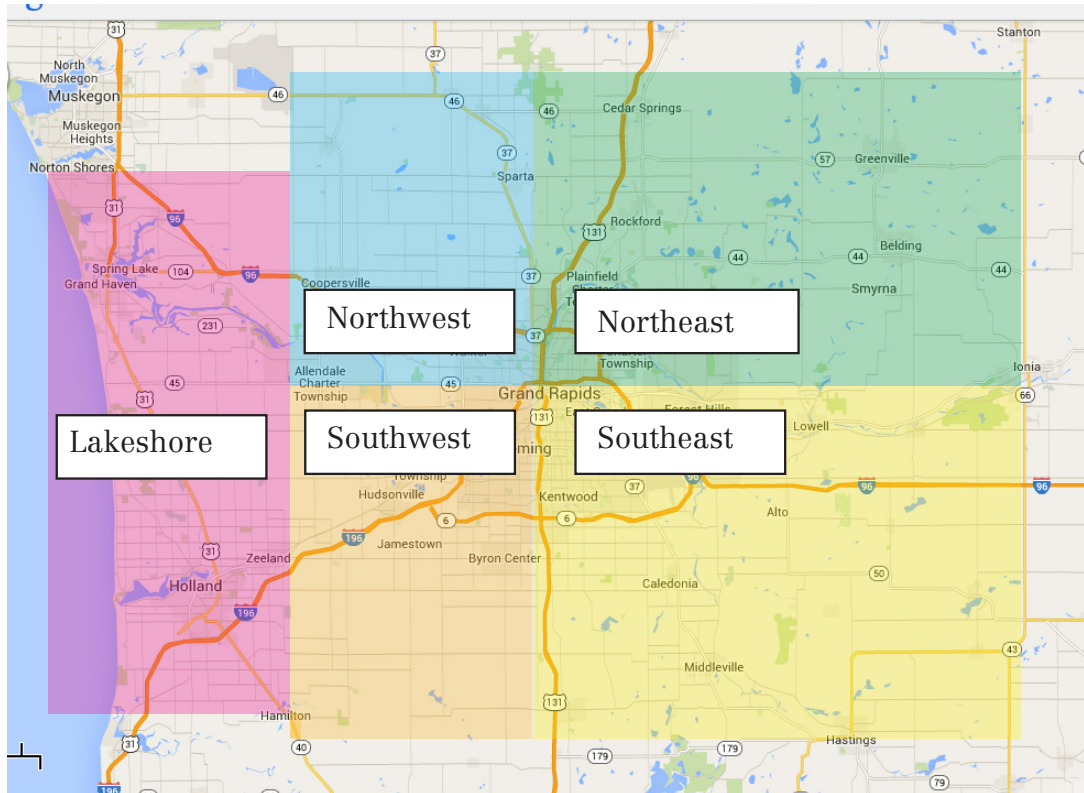
Triple Net Rental Rate



New Construction



Methodology: The retail market report includes community, neighborhood, and strip retail buildings within each of the defined submarkets. For definition of product type, please see below.



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 retail, a triple net rate is requested.

RBA

The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation.

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.

SF/PSF

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

Community Center

A shopping center development that has a total square footage between 10,000 - 350,000 SF. Generally will have 2-3 large anchored tenants, but not department store anchors. Community Center typically offers a wider range of apparel and other soft goods than the Neighborhood Center. Among the more common anchors are supermarkets and super drugstores.

Strip Center

A strip center is 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. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores.

Neighborhood Center

Provides for the sale of convenience goods (food, drugs, etc) and personal services (laundry, dry cleaning, etc.)



Local Knowledge. Global Reach.
Achieve More.

In the spring of 2011, two successful and reputable companies, The Wisinski Group and NAI West Michigan merged. The merger represents collaboration, rich traditions, innovative technologies, unique cultures and diversity of skills and specialties which ultimately benefit our clients. We're going back to our fundamentals, strengthening our core, and becoming stronger in the services we provide our clients. Our focus is simple, building client relationships for life by offering market appropriate advice and then executing. Our success is a direct result of its unwavering commitment to providing the best possible service to each and every client. Our Brokers, with an average of over 20 years experience, possess the knowledge and expertise to manage the most complex transactions in industrial, office, retail, and multifamily specialties throughout West Michigan.

Through our affiliation with NAI Global, we can also assist you with your needs throughout the US & globally from right here in West Michigan.

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