

# Retail Market Report

West Michigan | Q2 2018





GRAND RAPIDS  
**The Market**



**1,058,079**

Total Population



**130+**

International Companies



**\$60,212**

Median Household Income



**35.7**

Median Age



**3.5%**

Unemployment Rate

Grand Rapids-Wyoming, MI Metropolitan  
Statistical Data.

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

# Retail Market Trends

The retail sector in West Michigan remains strong within the prime retail corridors, with several new retailers entering the market and new retail construction taking place.

The near Downtown areas are experiencing retail growth, highlighted by two significant grocers that will open in the city. Gordon Food Service will open an urban format store in Diamond Place, which is a new mixed-use development in the Michigan Street corridor. Meijer will open its Bridge Street Market on Bridge Street just west of US 131, which will be Meijer's first small-format grocery store. Both stores are expected to open in the fall of 2018.

On the suburban retail front, there are several multi-tenant buildings under development. These properties have experienced strong lease-up with national tenants. Sierra Trading Post and Ashley HomeStore are new to Grand Rapids and have each opened within the 28th St. SE corridor.

West Michigan continues to follow the national trend of growth in the restaurant sector in the Fast Casual and Quick Service Restaurants categories, as well as seeing a resurgence of Casual Dining. There are several out of market chains, yet to be announced, that plan to open in Grand Rapids later this year.

On a national retail basis, it is no secret that the retail landscape is changing. With the surge in e-commerce changing the shopping habits of many consumers, retailers have been forced to re-think their long-range plan in order to thrive in this changing market. You don't have to look too far to find a list of well-known retailers who have closed their doors in 2018.

The retailers who are well-capitalized and effectively addressing the omni-channel retail experience for its clients are best positioned to weather the changing retail environment. In addition, many national retailers have employed some combination of adding new locations, updating current stores, and relocating existing stores to more favorable locations, in order to remain well positioned to meet the needs of consumers.



- Todd Leinberger, Retail Specialist

**Cover Feature: Knapp North Development For Lease  
2365 E Beltline Ave. NE**



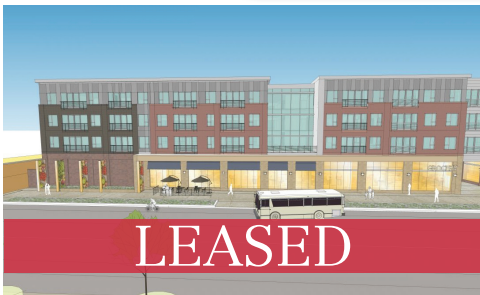
**2909 Breton Rd. SE**  
 Tenant: Pure Hot Yoga GR  
 3,258 SF



**2926 29th St. SE**  
 Buyer: TruCare Pharmacy  
 17,250 SF



**701 68th St. SW**  
 Tenant: Tractor Supply Co.  
 38,574 SF



**1003 Michigan St.**  
 Tenant: GFS Marketplace  
 15,600 SF



**3343 Alpine Ave. NW,  
 Suite A**  
 Tenant: B2 Outlet  
 7,000 SF



**5250 Westnedge Ave. S**  
 Tenant: Arbor Financial  
 Credit Union  
 3,600 SF



## Market Activity

- › Gordon Food Service plans to open their first downtown Grand Rapids location this fall on Michigan St. It will be on the ground floor of Diamond Place, a \$42 million four story building. The development will include 165 apartments, 240- space parking ramps and 22,000 SF of retail.
- › CDKI Holdings is opening their third restaurant this spring, in the former Brian's Books space on Fulton St. The local group owns Zoko in Grand Rapids, and Sandy Point Beach House in West Olive. Their new restaurant, MeXo, is a fusion of Mexican and Mesoamerican cuisine.
- › Uccello's Hospitality Group recently opened a sports bar downtown Grand Rapids. The new restaurant on Monroe Center replaced Mazzo Cucina D'Italia. This is now the 6th location Uccellos has opened, not including Herb & Fire Pizzeria locations.

## Retail Submarket Statistics

## 2018 Q2 Retail Snapshot

Submarket	Total RBA	Vacant Available SF	Vacancy Rate	Total Average NNN Rate (\$/SF/Yr)	Total Net Absorption (SF)
<b>Lakeshore</b>					
Community	1,531,745	21,928	1.4%	\$8.41	3,468
Neighborhood	1,531,745	21,928	1.4%	\$8.41	3,468
Strip	1,032,095	71,939	7.0%	\$11.24	13,080
Total	4,095,585	115,795	2.8%	\$9.12	20,016
<b>Northeast</b>					
Community	445,573	115,515	25.9%	\$4.83	-1,595
Neighborhood	1,109,287	28,443	2.6%	\$8.63	57,213
Strip	684,822	31,616	4.6%	\$9.46	2,654
Total	2,239,682	175,574	7.8%	\$8.13	58,272
<b>Northwest</b>					
Community	473,200	5,436	1.1%	\$17.85	6,975
Neighborhood	839,973	24,089	2.9%	\$9.69	5,750
Strip	565,613	30,407	5.4%	\$12.52	13,151
Total	1,878,786	59,932	3.2%	\$12.60	25,876
<b>Southeast</b>					
Community	700,914	4,440	0.6%	\$10.75	0
Neighborhood	2,628,418	298,720	11.4%	\$11.25	-1,165
Strip	1,717,546	92,893	5.4%	\$13.12	11,191
Total	5,046,878	396,053	7.8%	\$11.82	10,026
<b>Southwest</b>					
Community	1,701,572	256,721	15.1%	\$7.57	-19,228
Neighborhood	911,624	29,989	3.3%	\$12.82	5,915
Strip	1,029,020	17,887	1.7%	\$13.38	17,695
Total	3,642,216	304,597	8.4%	\$10.53	4,382
Overall Total	16,903,147	1,051,951	6.2%	\$10.48	118,572

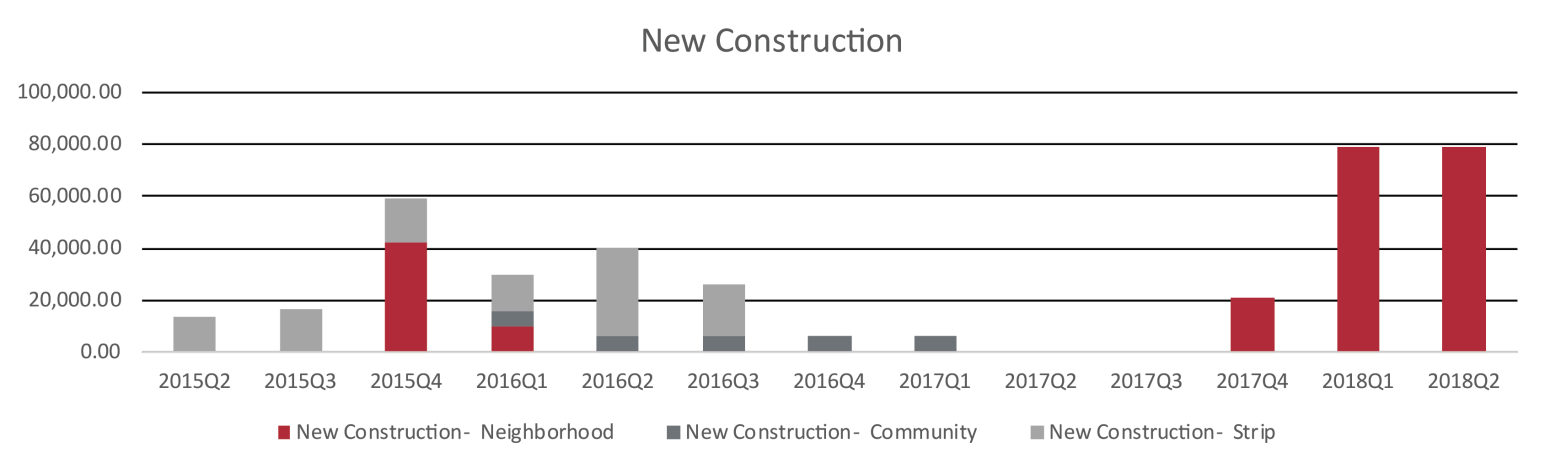
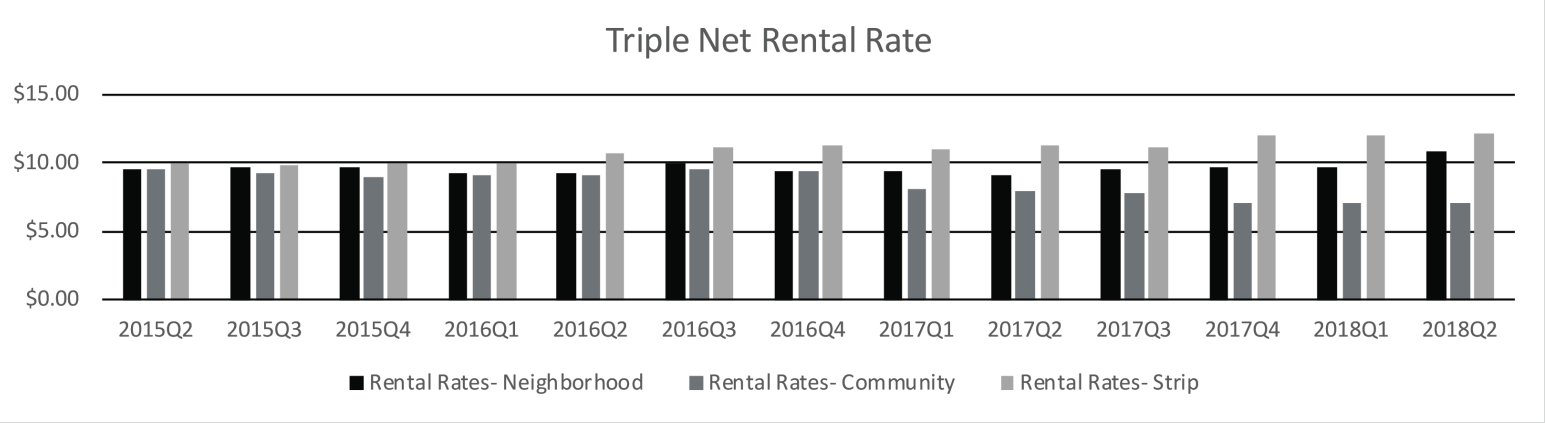
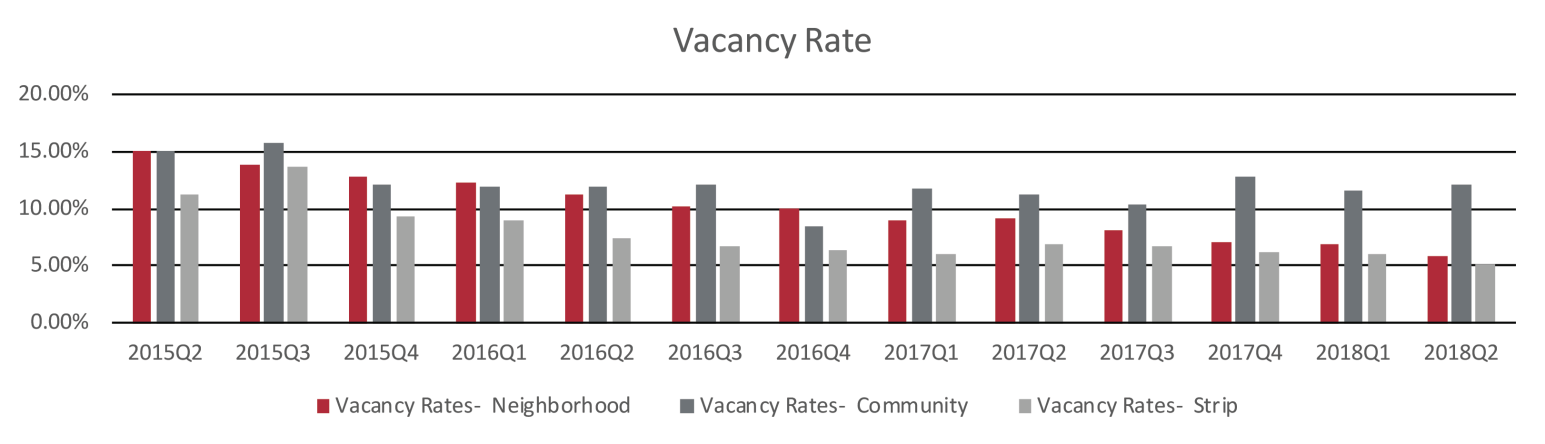
Retail Statistical Changes Year-over-Year and Quarter-over-Quarter  
2Q18 vs. 2Q17

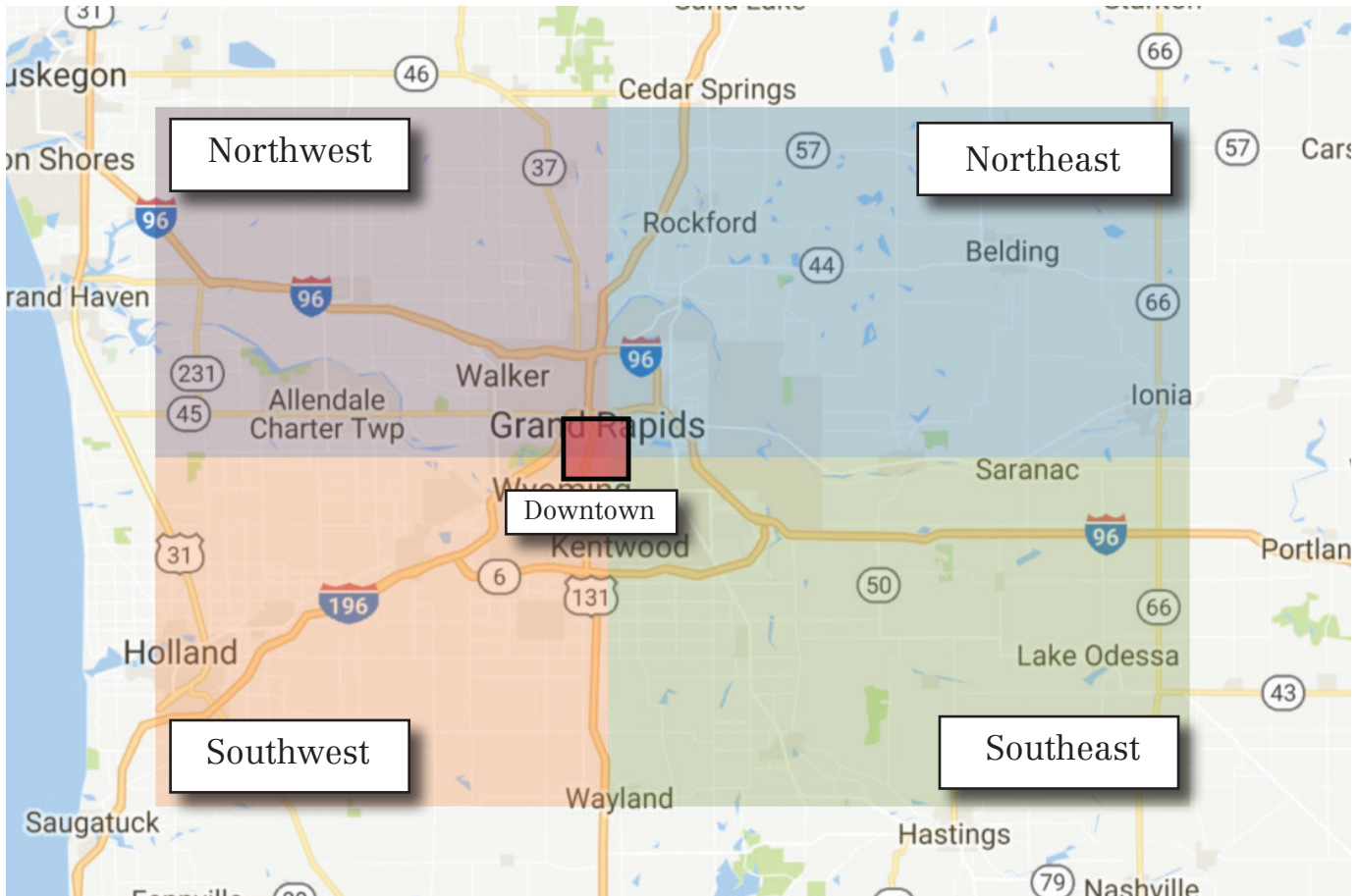
## 2Q18 vs. 1Q18



\*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





### 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.



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

## By The Numbers

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# 51



# 8

CCIM   
 DESIGNEEES

# 7

SIOR  SIOR  
 DESIGNEEES

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