INDUSTRIAL MARKET
OVERVIEW

West Michigan's industrial market remained one of the region's strongest commercial real estate sectors, supported by low vacancy, steady tenant demand, and a disciplined development pipeline. Demand for warehouse, distribution, and manufacturing space continued to outpace new supply, helping keep vacancy well below national averages. Despite broader economic uncertainty, industrial users remained active, particularly in facilities that offered modern functionality and strategic access to transportation corridors.

Leasing activity and occupancy fundamentals remained healthy throughout the year, with positive absorption and continued rent growth reflecting a balanced, landlord-favorable market. Average asking rents continued to increase, while new construction remained measured due to elevated development costs and selective project underwriting. As a result, available industrial inventory remained limited, particularly for high-quality space.

The market also benefited from a strong regional manufacturing economy. While certain industries, such as office furniture manufacturing, continued to face challenges, overall industrial sentiment remained positive.

Looking ahead, the outlook for West Michigan's industrial sector remains favorable. Strong occupancy levels, limited speculative construction, and continued demand from manufacturing and logistics users position the market for continued stability. While tenants are approaching decisions more cautiously than in previous years, industrial real estate fundamentals remain among the strongest of all commercial property types in the region.

2.0%	$6.78	183,224
VACANCY	ASKING RENT	CONSTRUCTION

MARKET	TOTAL RBA	VACANT AVAILABLE SF	VACANCY RATE	TOTAL AVERAGE NNN RATE ($/SF/YR)	TOTAL NET ABSORPTION (SF)
LAKESHORE					
WAREHOUSE	21,216,680	485,296	2.3%	$4.38	87,628
MANUFACTURING	32,893,671	932,159	2.8%	$8.23	(56,271)
HIGHTECH FLEX	1,626,975	21,320	1.3%	$8.97	(14,112)
TOTAL	**55,737,326**	**1,438,775**	**2.6%**	**$6.79**	**17,245**
NORTHEAST					
WAREHOUSE	6,365,606	180,503	2.8%	$5.34	(38,600)
MANUFACTURING	8,657,887	87,951	1.0%	$6.89	73,006
HIGHTECH FLEX	575,665	7,128	1.2%	$12.00	-
TOTAL	**15,599,158**	**275,582**	**1.8%**	**$6.45**	**34,406**
NORTHWEST					
WAREHOUSE	5,952,784	1,730	0.0%	$5.77	-
MANUFACTURING	15,201,990	631,211	4.2%	$6.84	(71,276)
HIGHTECH FLEX	1,244,348	665	0.1%	-	1,640
TOTAL	**22,399,122**	**633,606**	**2.8%**	**$6.18**	**(69,636)**
SOUTHEAST					
WAREHOUSE	24,571,695	677,098	2.8%	$7.96	149,162
MANUFACTURING	27,924,727	332,863	1.2%	$6.09	73,139
HIGHTECH FLEX	2,882,881	51,732	1.8%	$10.07	(8,429)
TOTAL	**55,379,303**	**1,061,693**	**1.9%**	**$7.13**	**213,872**
SOUTHWEST					
WAREHOUSE	8,881,388	67,009	0.8%	$7.62	5,253
MANUFACTURING	23,061,743	204,227	0.9%	$6.11	432,409
HIGHTECH FLEX	1,096,071	10,560	1.0%	$12.95	296,070
TOTAL	**33,039,202**	**281,796**	**0.9%**	**$6.74**	**733,732**
TOTALS	**182,154,111**	**3,691,452**	**2.0%**	**$6.78**	**929,619**

Disclaimer: Data may change as CoStar updates market information; figures reflect what was available at the time of publication.