# RETAIL MARKET
## OVERVIEW

West Michigan's retail market remained healthy through the third quarter, supported by steady consumer spending, limited new retail construction, and continued demand for well-located space. Vacancy rates remained relatively low by historical standards, particularly in the Grand Rapids metro, where retail corridors continued to attract both regional and national tenants.

Investor demand for retail assets also stayed strong. Grocery-anchored centers, quick-service restaurant properties, medical-adjacent retail, and single-tenant net-leased investments remained the most sought-after product types. Buyers continued to favor properties with long-term leases and credit tenants, helping support stable pricing and cap rates despite a higher interest rate environment than in prior years. Pricing held through the quarter, though September's rise in the 10-year Treasury will test whether it holds into 2027.

Leasing activity was concentrated along major retail corridors such as 28th Street, Alpine Avenue, and East Beltline, while available inventory remained constrained. Asking rents showed modest growth, reflecting the limited supply of quality space and ongoing tenant demand. New development remained measured due to construction and financing costs, which helped keep existing retail occupancy levels elevated.

**5.4%** VACANCY

**$12.81** ASKING RENT

**10,000** CONSTRUCTION

| MARKET | TOTAL RBA | VACANT AVAILABLE SF | VACANCY RATE | TOTAL AVERAGE NNN RATE ($/SF/YR) | TOTAL NET ABSORPTION (SF) |
|---|---|---|---|---|---|
| **LAKESHORE** | | | | | |
| COMMUNITY | 1,676,494 | 133,833 | 8.0% | $11.28 | 13,257 |
| NEIGHBORHOOD | 1,676,494 | 133,833 | 8.0% | $11.28 | 13,257 |
| STRIP | 1,522,983 | 62,810 | 4.1% | $12.65 | 3,015 |
| **TOTAL** | **4,875,971** | **330,476** | **6.8%** | **$11.71** | **29,529** |
| **NORTHEAST** | | | | | |
| COMMUNITY | 355,610 | 53,883 | 15.2% | $6.01 | - |
| NEIGHBORHOOD | 989,654 | 58,835 | 5.9% | $12.44 | 13,102 |
| STRIP | 629,811 | 23,868 | 3.8% | $14.62 | (8,416) |
| **TOTAL** | **1,975,075** | **136,586** | **6.9%** | **$11.98** | **4,686** |
| **NORTHWEST** | | | | | |
| COMMUNITY | 490,289 | 22,801 | 4.7% | $20.32 | 8,400 |
| NEIGHBORHOOD | 205,321 | 14,147 | 6.9% | $11.42 | (4,935) |
| STRIP | 555,552 | 35,400 | 6.4% | $17.11 | (1,478) |
| **TOTAL** | **1,251,162** | **72,348** | **5.8%** | **$17.43** | **1,987** |
| **SOUTHEAST** | | | | | |
| COMMUNITY | 510,610 | - | - | - | - |
| NEIGHBORHOOD | 2,591,810 | 159,858 | 6.2% | $14.72 | (31,394) |
| STRIP | 1,757,961 | 75,795 | 4.3% | $14.89 | 223 |
| **TOTAL** | **4,860,381** | **235,653** | **4.8%** | **$13.24** | **(31,171)** |
| **SOUTHWEST** | | | | | |
| COMMUNITY | 1,646,270 | 37,685 | 2.3% | $8.56 | (19,936) |
| NEIGHBORHOOD | 726,997 | 55,124 | 7.6% | $12.55 | (7,060) |
| STRIP | 1,229,416 | 30,750 | 2.5% | $18.00 | 21,187 |
| **TOTAL** | **3,602,683** | **123,559** | **3.4%** | **$12.59** | **(5,809)** |
| **TOTALS** | **16,565,272** | **898,622** | **5.4%** | **$12.81** | **(778)** |

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