



Grand Rapids

Retail

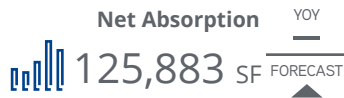
22Q2

Accelerating success.



Grand Rapids

# Retail 22Q2



## Market Overview

Grand Rapids area retailers are feeling confident going into the second half of 2022, as the West Michigan retail sector bounced back from COVID-19-related slowdowns.



## Market Indicators



## Historic Comparison

	21Q4	22Q1	22Q2
<b>Total Inventory (in Thousands of SF)</b>	20,786,165	20,975,096	20,890,646
<b>Net Absorption (in Thousands of SF)</b>	77,369	-52,644	125,883
<b>Overall Vacancy</b>	5.85%	6.2%	5.4%
<b>Under Construction (in Thousands of SF)</b>	105,938	172,194	21,830
<b>Overall Asking Lease Rates (NNN)</b>	\$13.44	\$13.91	\$13.69

## Asking Rent Range by Corridor



## Recent Transactions



**Lease**  
545 S State St  
1,200 SF



**Lease**  
820 Forest Hill Ave SE  
1,472 SF



**Lease**  
2380 Health Dr SW  
2,435 SF



**Sale**  
12368 Riley St  
\$225.12 PSF



**Sale**  
3345 28th St SE  
\$161.19 PSF



**Sale**  
3500 Remembrance Rd NW  
\$89.42 PSF

## Activity and Trends

Retailers have made great strides since COVID-19-related shutdowns after having to get creative and flexible when they were not able to operate at full capacity.

Inflation is affecting all industries, and it remains a question mark for retail. Customers across the board have noticed increased pricing when shopping for everyday goods. Large-scale retailers have seen stock prices fall over concerns of inflation.

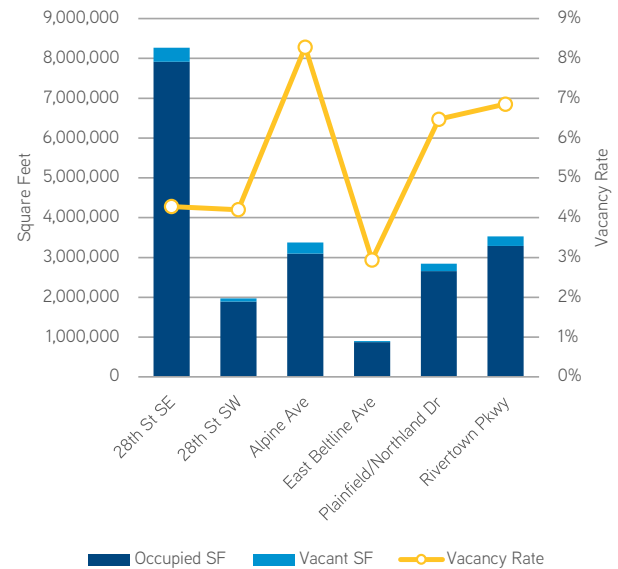
Retail space in West Michigan has a low vacancy rate at 3 percent overall, and the most popular retail areas are Comstock and Alpine north of downtown Grand Rapids, which had the highest sales volume over the last year. Area malls have higher vacancy rates at 9 percent because they are most impacted by declining occupancy rates.

Rental rates have experienced growth in Q2 at \$13.33 per square foot, with the popular retail corridors experiencing the highest growth. The market indicates investors have noted the West Michigan retail sector's recovery, and as a result sale activity is on an upward trend. Aside from Comstock and Alpine, southwest Grand Rapids and Holland continue to be popular retail areas.

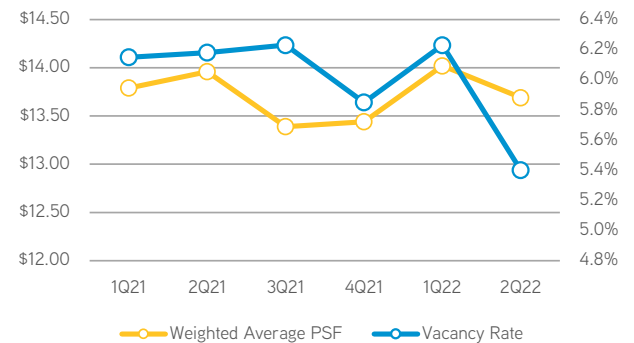
In West Michigan, there is currently 180,000 square feet of retail space under construction, which is small enough not to have an impact on the vacancy rate and rent growth.

Significant leases in Q2 included 9,935 square feet for Goldfish Swim School at Wilson Town Center in Wyoming. Also, in Wyoming at Rogers Plaza Town Center, 5,344 square feet of space was leased to Events by EyeCandy.

## Vacancy % of Total Inventory



## Weighted Average Asking Rate Compared to Vacancy Rate

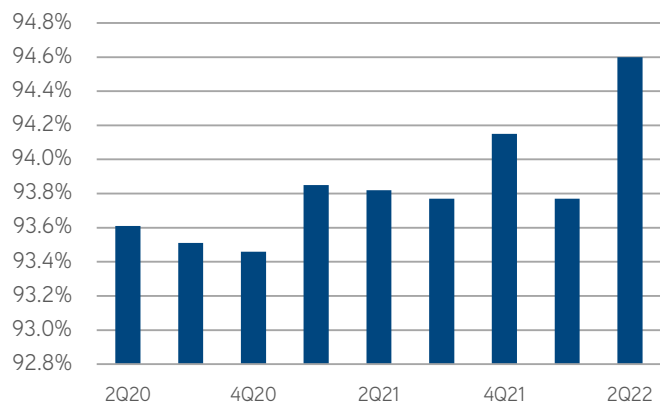




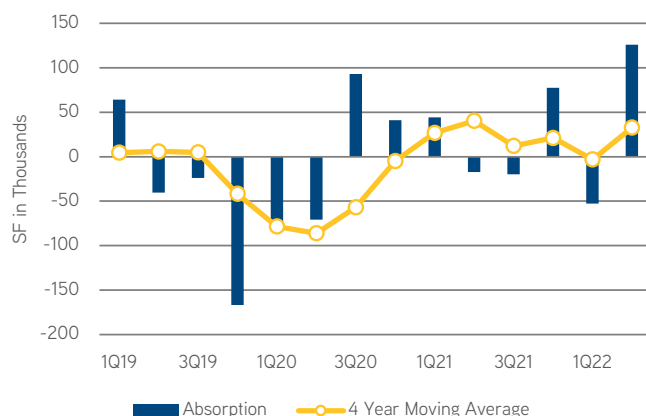
## Retail | Market Statistics

Submarket	Number of Buildings	Existing Inventory (SF)	Vacancy (SF)	Vacancy Rate	Occupied Spcae (SF)	Net Absorption (SF)	1Q22 Weighted Average Asking Rate	2Q22 Weighted Average Asking Rate
28th St Southeast	422	8,268,891	353,997	4.3%	7,915,690	-7,544	\$16.03	\$16.05
28th St Southwest	195	1,974,467	88,274	4.5%	1,886,193	65,301	\$10.69	\$11.18
Alpine Avenue	191	3,376,268	247,299	7.3%	3,128,969	81,831	\$11.28	\$10.20
E Beltline Avenue	48	897,949	26,393	2.9%	871,556	-2,180	\$22.85	\$20.08
Plainfield Avenue/ Northland Drive	284	2,844,512	184,108	6.5%	2,660,404	-8,905	\$6.60	\$6.85
Rivertown Parkway	88	3,528,559	241,834	6.9%	3,286,725	-2,620	\$16.02	\$17.75
<b>TOTAL</b>	1,228	20,890,646	1,141,905	5.4%	19,749,537	125,883	\$13.91	\$13.69

## Occupancy Rate



## Quarterly Absorption



## Activity and Trends

- Inflation will continue to impact the customer experience, but sales could normalize later in the year.
- Popular retail corridors will continue their growth.
- The overall retail vacancy rate will remain below the national average.

### FOR MORE INFORMATION

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