

Key Takeaways

- Advisors are keeping an eye on potential slowdowns following a boom in activity after pandemic restrictions were lifted
- Restaurants and retailers may need to increase wages or offer additional benefits to attract workers
- Some users may be priced out of the market if rental rates and sales costs continue to go up

Market Overview

The Holland market saw a slight return to normal this year as the Tulip Time festival reappeared and tourism led to an influx of business for retailers and restaurants. While the Holland market is recovering from COVID-19 slowdowns, some issues that existed before the pandemic are continuing, including a lack of supply and a shortage of workers. As a result, vacancy is low and while downtown Holland is at capacity for retailers, businesses are struggling to find workers during the busy summer months on the Lakeshore. While issues persist, Q2 remained busy, and some new projects were announced.

Construction Tracker

8
PROJECTS

315,000
SQUARE FEET

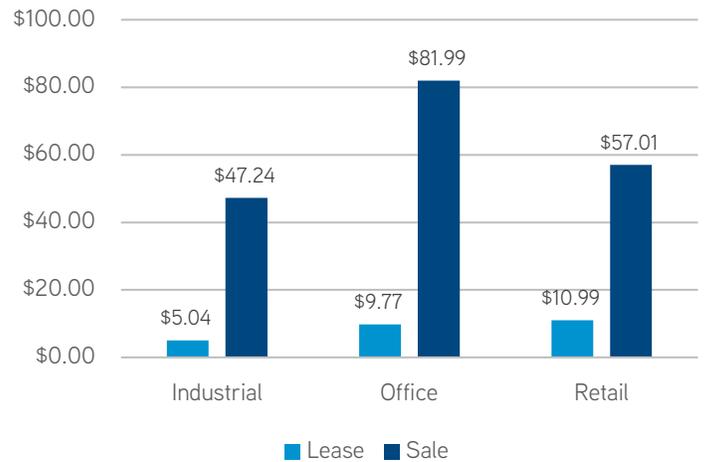
MARKET INDICATORS

RELATIVE TO PRIOR PERIOD

	Q2 2020	Q2 2021
VACANCY	↓	↓
NET ABSORPTION	—	—
CONSTRUCTION	↓	↔
RENTAL RATE	↑	↑

Note: Construction is the change in Under Construction.
*Projected

Average Listed Price Per SF



Recent Transactions



Lease
170 College Ave
2,907 SF
Office



Lease
430 W 18th St
52,534 SF
Industrial



Lease
12659 Riley St
2,166 SF
Office



Sale
3114 84th Ave
\$45,000 Per Acre



Sale
12350 James Street
\$1,182,795 Per Acre



Sale
880 E 16th St
\$125.00 PSF

Activity and Trends

Activity in Q2 came from an equal mix of tenants and buyers, filled vacancies by retailers and industrial land sales.

Multiple new projects were announced in Q2, including a \$22 million workforce housing development in Holland Township on Felch Street west of 120th Avenue and a \$27 million luxury condo project in downtown Holland that will take the place of a vacant one-story building.

The vacancy rate remains low, and rental rates have increased due to the lack of inventory, particularly in the industrial sector.

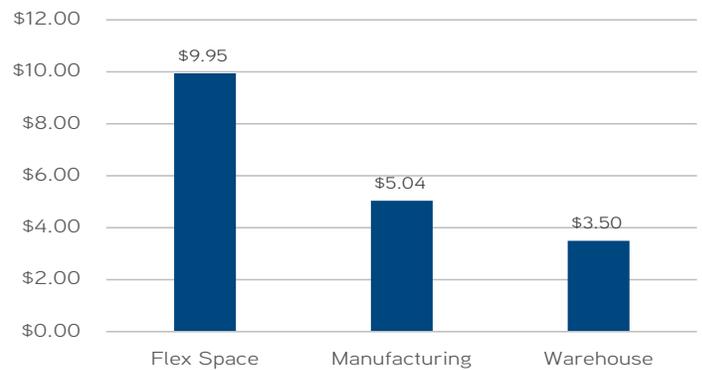
Vacant land or buildings, especially those that are more affordable, are in high demand but are extremely hard to find. And while retail vacancies in downtown Holland filled back up, employers are having a hard time expanding or coming into the Lakeshore area because of the lack of available talent.

Advisors also noted it's been a challenge to get deals processed quickly because title companies, financing, approvals and environmental audits are taking more time than before the pandemic.

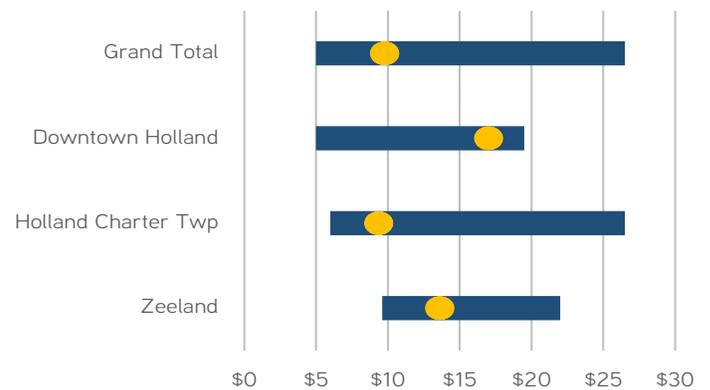
Advisors predict the vacancy rate will continue to decrease while rental rates increase. Sales costs are also projected to continue increasing beyond Q2 while absorption and concessions are very limited.



Industrial Average Asking Lease Rate



Office Asking Rent Range by Submarket



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