

BOMA Building Owners and Managers Association of Greater Grand Rapids

Survey

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BOMA OFFICE OCCUPANCY SURVEY 2000

Summary of Findings

Each year since 1970 BOMA has surveyed the Grand Rapids office market; with the earliest reports focusing solely on downtown. Over the years, this Occupancy Survey has grown to take in buildings as small as 5,000 sq.ft. in an area reaching out into most of the developed parts of Kent County; and, in this report, even into eastern Ottawa County. With this year's report, BOMA has surveyed 432 buildings, downtown and suburban; which is 71 more than in the last report.

In expanding the survey to take in more buildings not previously counted, we find the Grand Rapids area office market to be 1.8 million sq.ft. larger than was measured in 1998, the year of the last report which was published in February 1999. Of that increase, new construction since 1998 represents about 642,00 sq.ft.

Downtown Market

After adding 318,000 sq.ft. in new construction between 1997 and 1998, the downtown market area took a breather over the past two years and added only 197,000 sq.ft., an increase of 2.6% over the total amount of downtown space surveyed in 1998.

The pause in downtown growth gave the market valuable time to absorb more occupancy as vacancy declined by 21,000 sq.ft., bringing that rate down to 14% compared to 16% in the last report. With respect to asking rents for full service leases in the downtown market, responses to the survey showed a median average of \$15.00/sq.ft., compared to \$14.50 in 1998; showing, perhaps, that good market absorption may have led to a little price strengthening.

Suburban Sub-Markets

While new office building development in the suburban market added a robust 465,000 sq.ft. of newly constructed space, demand nearly kept pace as occupancy grew by about 1 million sq.ft.; resulting in a 91% occupancy rate, the same as the 1999 report.

The big gainers in the suburban market included the East Beltline corridor (Sub-market 1) which added 126,000 sq.ft. of space in seven new buildings, while occupancy increased from 90% to 94%. Sub-market 4, Cascade/I-96 and East Fulton, added the most new suburban space with seven new buildings. Significantly, the occupancy rate increased from 91% to 93% despite the addition of 289,000 sq.ft. Also worth noting, the Grandville Sub-market (Area 10) added 50,000 sq.ft. in four buildings.

Please refer any questions regarding this Occupancy Report to:

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Summary Table of SubMarkets