



### MARKET AT A GLANCE



**OCCUPANCY RATE** 96.5%  
Down 20 bps since 2Q19



**EFFECTIVE RENT** \$942  
Up 2.7% since 2Q19



**TOTAL INVENTORY** 101,461

### OCCUPANCY AND RENT TRENDS

#### AS RENTERS SEEK MORE AFFORDABLE APARTMENTS, OCCUPANCY RISES

With the rising cost of homeownership, apartment leasing accelerated in West Michigan during the second quarter. Affordable housing amid economic uncertainty appeared to be the focus of renters as net apartment absorption was highest in the Muskegon/Holland and the East Kalamazoo/Portage/Battle Creek submarkets, where monthly effective rent was lower than the region average of \$942 in the second quarter. Leasing activity in these areas exceeded apartment additions, which resulted in occupancy elevating 60 basis points quarter over quarter to 97.3% in Muskegon/Holland and 40 basis points to 96.0% in East Kalamazoo/Portage/Battle Creek. This trend for the submarkets was reflected in the region. At an average rate of 96.5% in the second quarter, West Michigan apartment occupancy increased 30 basis points since the first quarter. Builder worked to meet housing demand with the help of 14 in-development properties that are scheduled to bring 2,025 units online over the next two years. Sufficient available rentals will be needed as in-person instruction for the fall at Western Michigan University resumes, where historically 13,000 students seek off-campus housing.



# WEST MICHIGAN

MULTIFAMILY REPORT

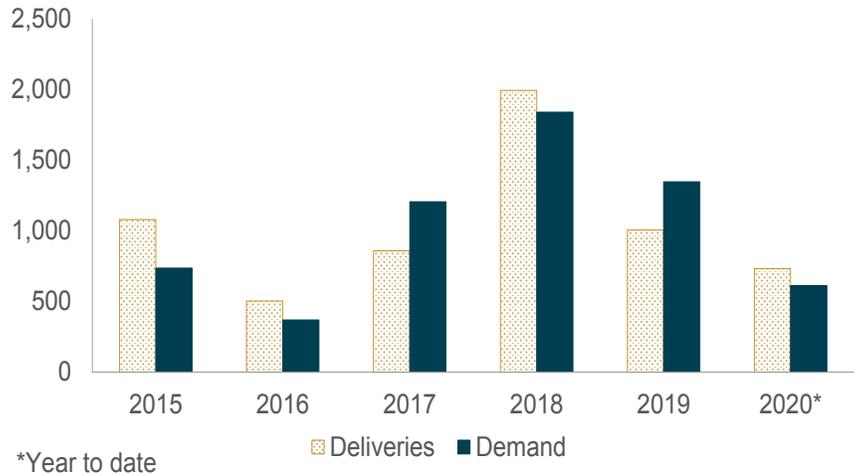
## DELIVERIES AND DEMAND



**DELIVERIES** 733  
Units YTD



**NET ABSORPTION** 613  
Units YTD



## ECONOMIC TRENDS

2019 3.1% ..... **UNEMPLOYMENT\*** 1,470 BPS CHANGE ..... 2020 17.8%

2019 718.4k ..... **EMPLOYMENT\*\*** -11.1% CHANGE ..... 2020 638.6k

2019 21.4k ..... **EXISTING SFH SALES\*\*** -18.2% CHANGE ..... 2020 17.5k

2019 1.4m ..... **POPULATION\*\*** 0.4% CHANGE ..... 2020 1.4m

2019 2.07% ..... **10-YEAR TREASURY\*\*** -130 BPS CHANGE ..... 2020 0.73%

\*May; \*\*June



# WEST MICHIGAN

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY			EFFECTIVE RENT			NET ABSORPTION		DELIVERED UNITS	
	2Q20	Q-o-Q Change (BPS)	Y-o-Y Change (BPS)	2Q20	Q-o-Q Change	Y-o-Y Change	2Q20	Annual	2Q20	Annual
Central Grand Rapids	96.6%	60	-50	\$1,131	0.1%	1.2%	198	306	93	399
East Kalamazoo/Portage/Battle Creek	96.0%	40	-30	\$811	0.2%	3.0%	206	254	124	323
Kentwood/South Grand Rapids	96.3%	30	-30	\$982	1.4%	3.3%	55	156	30	192
Muskegon/Holland	97.3%	60	70	\$919	2.4%	2.1%	212	298	94	209
North Grand Rapids	96.6%	0	-140	\$978	0.9%	2.4%	-3	-47	0	80
West Kalamazoo/University	96.2%	-40	20	\$885	0.9%	1.8%	-56	94	0	64
Wyoming/Grandville	96.5%	-20	-80	\$935	2.6%	7.3%	45	-15	69	69
<b>TOTALS</b>	<b>96.5%</b>	<b>30</b>	<b>-20</b>	<b>\$942</b>	<b>1.1%</b>	<b>2.7%</b>	<b>657</b>	<b>1,044</b>	<b>410</b>	<b>1,336</b>



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