

Greater Lansing Area, Michigan / H1 2021

Retail Vacancies Continue to Rise While New Developments Hit Market

Market at a Glance:

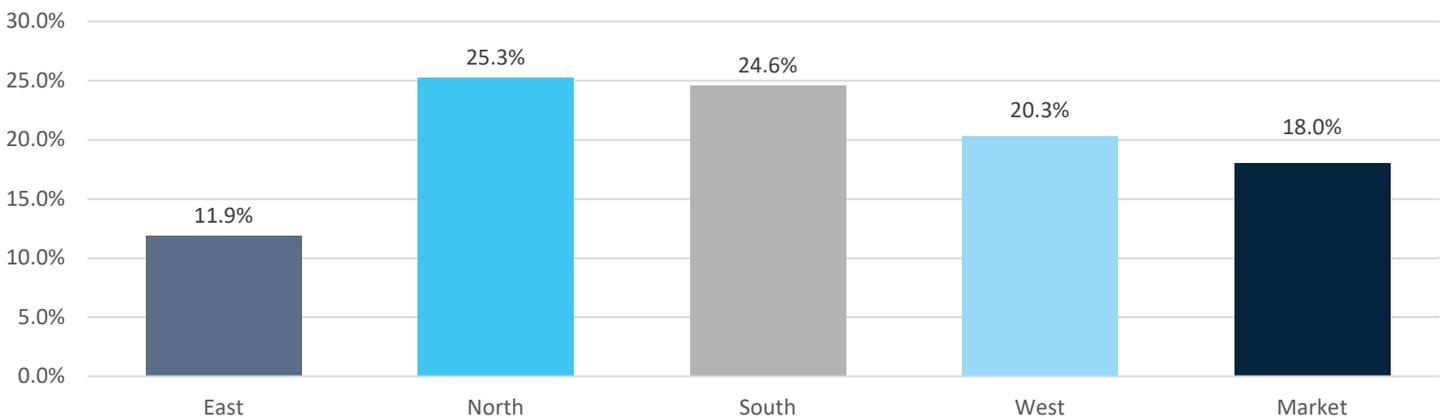
Arrows indicate change from previous period.

 **Vacancy Rate**
18.0%

 **Completions**
13,000 SF

 **Absorption**
36,131 SF

Figure 1: Market Vacancy



Source: Martin Commercial Properties, Inc.

Market News

- Vacancy escalated from 17.0% in H2 2020 to 18.0% in H1 2021.
- Absorption improved from -244,414 SF in H2 2020 to 36,131 SF in H1 2021.
- Leasing was slow-to-moderate this period; however, investors remained bullish with investment transactions escalating. Notable sales in H1 2021 included the **Lansing Mall** on W. Saginaw (\$9.2 Million - West Submarket); **Edgewood Towne Center** @ 426 E. Edgewood (\$6.2 Million - South Submarket); **Jolly-Oak Convenience Center** (\$4.5 Million - East Submarket); **Jolly-Cedar Plaza** @ 5128 S. Cedar St. (\$2 Million - South Submarket); **Wendy's** @ 980 E. Saginaw (\$1.72 Million - West Submarket); **MC Center** @ 5000 W. Saginaw (\$1.6 Million - West Submarket); **Red Robin** @ 6524 W. Saginaw (\$1.6 Million - West Submarket); and **Domino's** @ 2015 N. Larch (\$715,000 - North Submarket)
- 13,000 SF of ground-floor retail came online in H1 2021 with apartments, parking and a **Graduate**

Hotel in a mixed-use development at Abbot and Albert, joining a host of successful new projects across from **Michigan State University** (East Submarket).

- Commercial developers that control the best sites in the area remain optimistic about the market. The two most prominent projects now under construction include the **Red Cedar Mixed-Use Project** on Michigan Avenue, across from **MSU** and **Frاندor** (East Submarket) and **Delta Crossings Mixed-Use Project** at W. Saginaw & I-96 (West Submarket). Both are nearing grand opening status, and both will welcome strong retailers to the area. It should be noted that an additional mixed-use development, **The Village of Okemos**, will soon be underway at Hamilton and Okemos Rds. (East Submarket), and a prominent developer is drawing up plans for the 14-acre former **Sears** site in the Frاندor area (East Submarket).

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Figure 2: Market Statistics | H1 2021

SUBMARKET	MARKET RENTABLE AREA (SF)	MARKET SHARE (%)	VACANT (SF)	VACANCY RATE (%)	ABSORPTION (SF)	ASKING LEASE RATES (\$/SF/YR)
EAST	3,761,862	41.1	446,321	11.9	57,219	12-45.00
NORTH	812,493	8.9	205,273	25.3	-3,211	8-32.00
SOUTH	1,636,634	17.9	402,370	24.6	-10,957	7-16.00
WEST	2,950,441	32.2	599,466	20.3	-6,920	9-18.00
MARKET	9,161,430	100.0	1,779,016	19.4	36,131	7-45.00

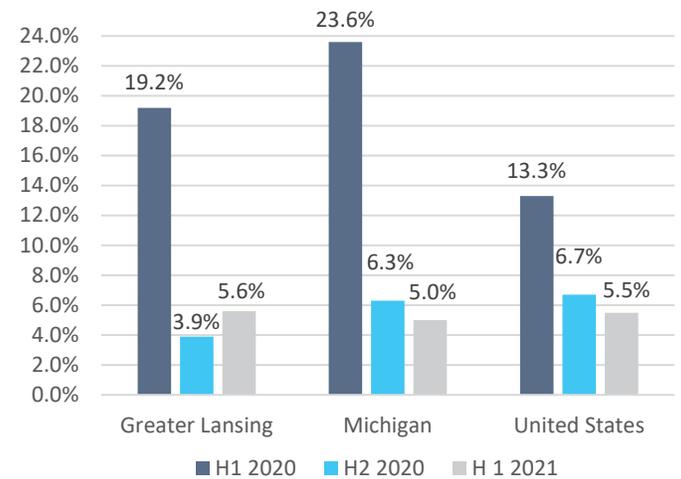
Source: Martin Commercial Properties, Inc.

Greater Lansing Area



Figure 3: Unemployment Statistics

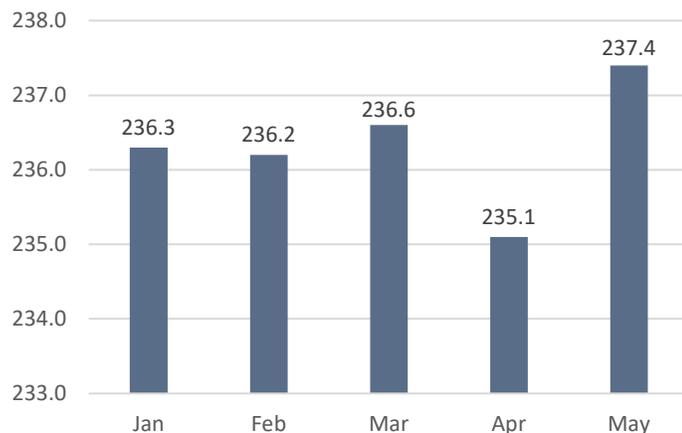
History of Unemployment / Local, State, U.S.



Source: Bureau of Labor Statistics

Figure 4: Employment Statistics

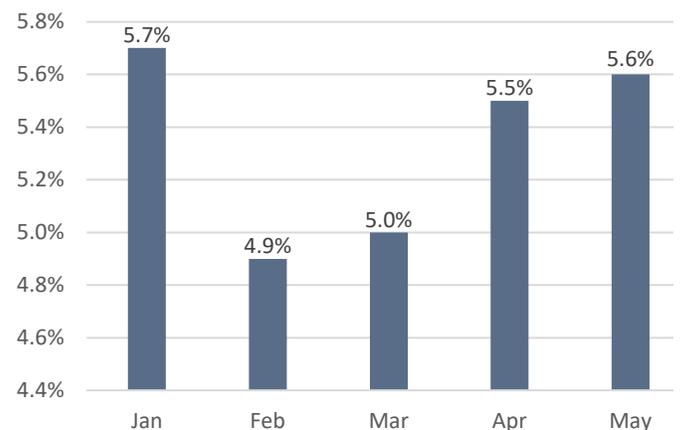
Number Employed - Greater Lansing Area (x 1000)



Source: Bureau of Labor Statistics

Figure 5: Unemployment Statistics

History of Greater Lansing Unemployment / 2021 by Month



Source: Bureau of Labor Statistics

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Market News

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- New eatery activity is on the rise. Examples include **Gravity Smokehouse**, who will soon open on the site of the former **Champion's Bar & Grill** @ 2440 Cedar (South Submarket); **Popeyes**, who will build on the lot formerly occupied by **China East Buffet** @ 7050 S. Cedar (South Submarket); **Everything is Cheesecake** opened @ Jolly-Cedar Plaza (South Submarket); **Hungry Howie's** and **Koi Tea** leased space @ 2160 W. Grand River (East Submarket); **BJ's Brewhouse** opened in 7,630 SF on Lake Lansing Road (North Submarket); **Graduate Rock Bar** and **Dunkin' Donuts** opened in a new mixed-use development at Abbot & Albert (East Submarket); **Conrad's** will open soon on Jolly Road near I-96; and **Papa Roti** is slated to replace the closed **Wendy's** on Trowbridge Road.
- Klingman's Furniture** opened in the 24,400 SF former **Toys R Us** building on Newman Road (East Submarket).

Market Composition

Over 9.1 million SF of leasable retail space was surveyed throughout the Greater Lansing Area. The largest submarket is the East Submarket, home to **Michigan State University** and the **Meridian Mall**, and the smallest submarket is the North Submarket, home to **Eastwood Towne Center**.

The most dynamic retail corridors in the market include Grand River Ave. from **MSU** to the **Meridian Mall** (East Submarket); West Saginaw Hwy. from Waverly to I-96 (West Submarket); Lake Lansing Rd. from Coolidge to Wood St. and Old US-27 in Dewitt near the I-69 interchange (North submarket); and Cedar St. from Jolly Rd. to Willoughby Rd. (South Submarket).

Vacancies

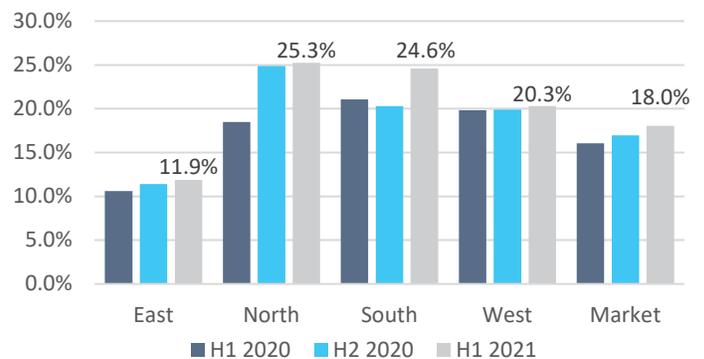
Leasing activity was slow and vacancies rose in all submarkets this period. The average vacancy rate for Greater Lansing retail space rose from 17.0% in H2 2020 to 18.0% in H1 2021.

The East Submarket is the area's strongest submarket, averaging 11.9% vacancies, up from 11.4% in H2 2020.

The North Submarket is Greater Lansing's weakest submarket, averaging 25.3% vacancy, up from 24.9% charted in H2 2020.

The South Submarket is 24.6% vacant, up from 20.3% in H2 2020, while Greater Lansing's West Submarket is 20.3% vacant, up from 19.9% in H2 2020. 

Figure 6: History of Vacancies



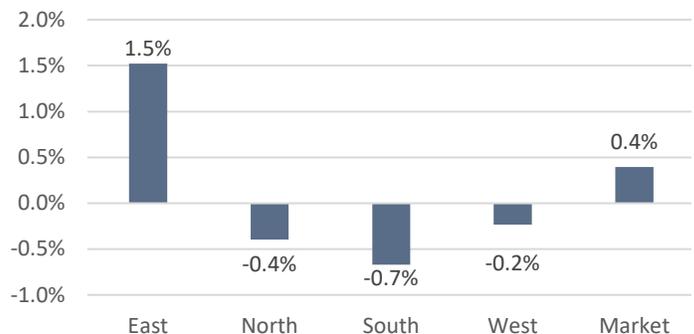
Source: Martin Commercial Properties, Inc.

Absorption

Absorption is the net change in physically occupied space from one period to the next. Over the past six months, the Greater Lansing retail market absorbed 36,131 SF (0.4%), a significant improvement over the -244,414 SF of absorption charted during H2 2021.

The East Submarket charted positive absorption during H1 2021 (57,219 SF or 1.5%) while the remaining sectors showed negative absorption. 

Figure 7: Absorption During H1 2021



Source: Martin Commercial Properties, Inc.

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Greater Lansing Area, Michigan



Coolidge Court Shopping Center
Lake Lansing Road @ Coolidge Road, East Lansing
1,221 - 1,683 SF Available for Lease - Now with Sunday Hours!

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For nearly 60 years, Martin Commercial Properties has provided commercial real estate services to owners and occupiers and across five core business lines: Brokerage, Property Management, Project Management, Investment and Corporate Services.

Since 1988, Martin has produced comprehensive market insights for the Greater Lansing Area, detailing local office, retail and industrial statistics, major transactions, industry trends and market forecasts. *Martin Commercial Properties is the source for local market knowledge.* We welcome the opportunity to be of service.

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- Brokerage
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