

Greater Lansing Area, Michigan / H1 2022

Greater Lansing's Retail Recovery Sustains Momentum

Market at a Glance:

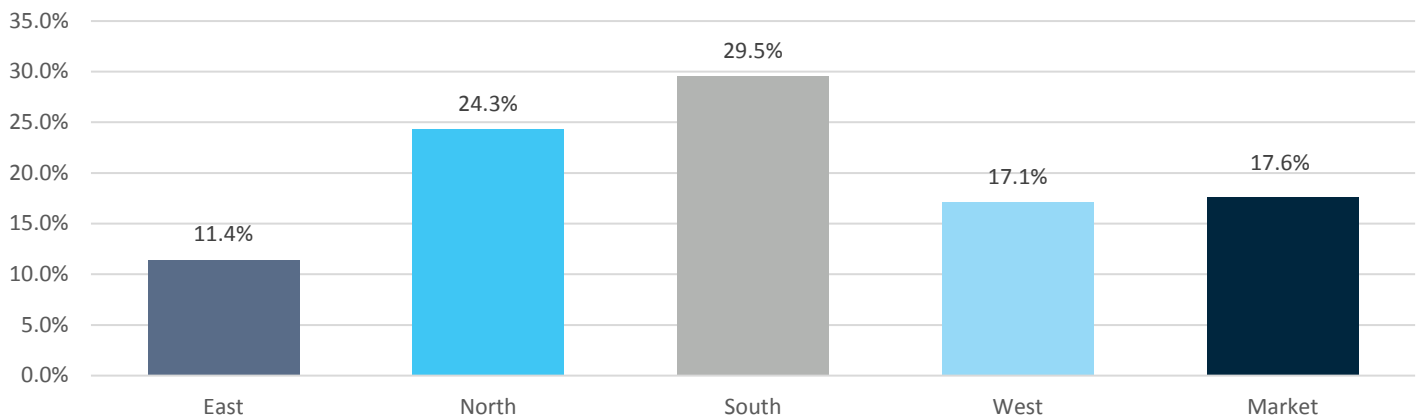
Arrows indicate change from previous period.

 **Vacancy Rate**
17.6%

 **Completions**
101,506 SF

 **Absorption**
176,695 SF

Figure 1: Market Vacancy



Source: Martin Commercial Properties, Inc.

Market News

- Vacancy fell from 18.6% in H2 2021 to 17.6% in H1 2022
- Absorption fell from 217,263 SF in H2 2021 to 176,695 SF in H1 2022.
- BJ's Wholesale** and **Texas Roadhouse** opened new buildings in **Delta Crossings** (West Submarket).
- Zap Zone** leased the former **Younkers** space in the **Lansing Mall** (West Submarket).
- Crumbl Cookies** will soon open its first mid-Michigan store at **Marketplace at Delta Township** (West Submarket).
- Greater Lansing's first **Trader Joe's** is under construction on Grand River Avenue in Okemos (East Submarket).
- A new mixed-use project at the corner of Haslett and Marsh Roads (East Submarket) will soon be underway on the **Haslett Village Square** site.
- Raising Cane's** will open their first Michigan location in downtown East Lansing.
- The area near **Meijer** and **Costco** in Bath Twp. (East Submarket) is continuing to grow, with a **Taco Bell** and a new strip center under construction.
- Olive Garden** is under construction and a big box development for **At Home** is planned near I-96 in Delta Crossings (West Submarket).
- A full center redevelopment is planned at **Coolidge Court**, across from **Meijer** on Lake Lansing Rd. (East Submarket).
- Retail investment activity continues to be strong. Some of the largest transactions during H1 2022 are the **BJ's Wholesale** building on West Saginaw (\$22.4 Million); the downtown E. Lansing **Target** (\$12.5 Million); 192-212 Albert St (13.0 Million); **PNC Bank** building on S. Cedar (\$2.9 Million); **Texas Roadhouse** building on W. Saginaw Hwy. (\$2.6 Million); **Stone Ridge Center** on W. Saginaw Hwy. (\$1.9 Million); and **Walgreens** building on E. Saginaw (\$1.6 Million).

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Figure 2: Market Statistics | H1 2022

SUBMARKET	MARKET RENTABLE AREA (SF)	MARKET SHARE (%)	VACANT (SF)	VACANCY RATE (%)	ABSORPTION (SF)	ASKING LEASE RATES (\$/SF/YR)
EAST	3,794,884	40.2	433,405	11.4	15,394	17-35.00
NORTH	784,754	8.3	190,608	24.3	-19,207	10-27.00
SOUTH	1,693,797	17.9	500,306	29.5	5,745	7-16.00
WEST	3,181,149	33.6	543,685	17.1	174,763	9-30.00
MARKET	9,454,584	100.0	1,668,004	17.6	176,695	7-35.00

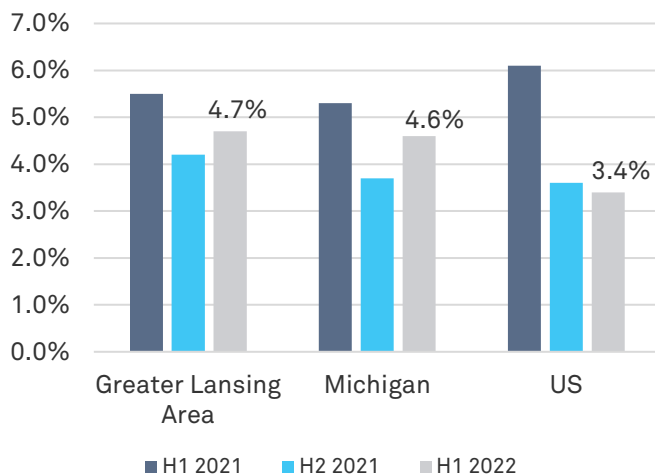
Source: Martin Commercial Properties, Inc.

Greater Lansing Area



Figure 3: Unemployment Statistics

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



Source: Bureau of Labor Statistics

Market Composition & Growth

The Greater Lansing Area comprises over 9.4 million SF of leasable retail space, which includes 101,506 SF of new big box construction in the West Submarket (**BJ's Wholesale in Delta Crossings**).

The largest concentrations of retail space are found in the East Submarket (3.8 million SF), home to **MSU** and the **Meridian Mall**, and the West Submarket (3.2 million SF), home to **Delta Crossings** and the **Lansing Mall**; while the smallest sector is the North Submarket (784,754 SF), home to **Eastwood Towne Center**.

The most dynamic retail corridors in the area include Grand River Ave. from **MSU** to the **Meridian Mall** (East Submarket); West Saginaw Hwy. from Waverly Rd. to Broadbent Rd. (West Submarket); Lake Lansing Rd. from Coolidge Rd. to Wood St. (North Submarket); and Cedar St. from Jolly Rd. to Willoughby Rd. (South Submarket).

Although limited construction was completed this period, several projects are underway in the East Submarket including **Trader Joe's** on Grand River Ave.; a new mixed-use project at the corner of Haslett and Marsh Roads; **The Village of Okemos**, a mixed-use development at Hamilton Rd. and Okemos Rd.; an 8,000 SF strip center across from **Meijer** on E. Saginaw St.; a new **Taco Bell** in front of **Meijer** on E. Saginaw St.; a 2,500 SF strip center to include **Biggby** on Trowbridge Road; and the redevelopment of the former **Spartan Hall of Fame Cafe** site including a **Wellnow Urgent Care** on Lake Lansing Road.

In the West Submarket, another big box development will soon be underway for **At Home** in **Delta Crossings**.

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Vacancies

Market vacancies in H1 2022 averaged 17.7%, down from 18.6% charted in H2 2021.

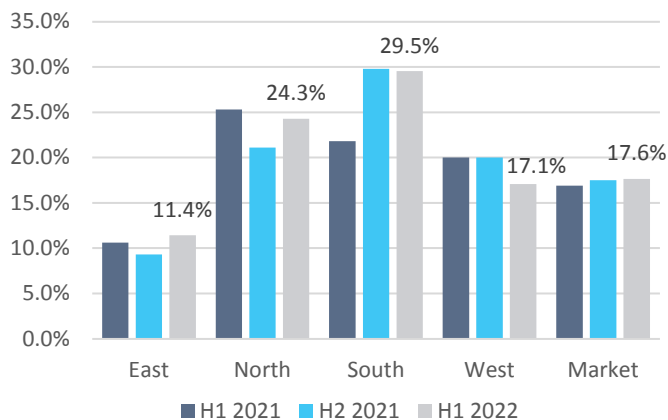
The strongest sector in the market is the East Submarket, where vacancies dipped from 11.8% in H1 2021 to 11.4% in H1 2022. New lease activity in the submarket was steady. Examples include **Doordash** at **Frاندor Plus**; **emPOWER Lansing** expansion at **The Venue at East Town**; **Old Bag of Nails**, and **Tropical Smoothie** at **Red Cedar Development**; **Everything Lashes** at **Coolidge Court**; and **Wild Wild West Tobacco** in **Haslett Shop Town**.

The North Submarket is Greater Lansing's smallest retail sector and vacancies rose from 21.1% in H2 2021 to 24.3% in H1 2022 largely due to the **YMCA** vacating nearly 20,000 SF in the **DeWitt Shopping Center**.

The South Submarket is the area's weakest sector, with vacancies averaging 29.5%, down from 29.8% in H2 2021. Leasing activity was slow. Examples of new leases this period include **Urban Styles** and **Deep Closets** in **Cedar Park Shopping Center**; and **Detroit Wing Company** on South Cedar St.

Though leasing volume was slow, vacancies in the West Submarket fell to 17.1%, down from 20.0% in H2 2021, largely due to **Zap Zone** leasing 60,000 SF in the former **Younkers** space in the **Lansing Mall**. **Zap Zone's** current location on Mall Drive will be repurposed for self storage.

Figure 4: History of Vacancies



Source: Martin Commercial Properties, Inc.

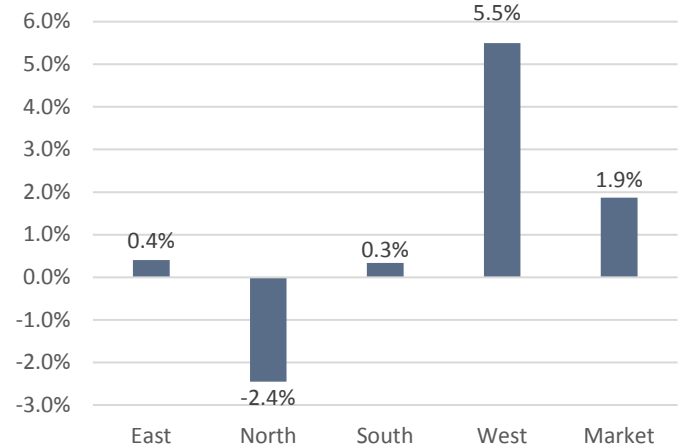
Absorption

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 176,695 SF (1.9%), down from 217,263 SF charted during H2 2021. The majority of the absorption was due to occupancy by **BJ's Wholesale** in **Delta Crossings** and **Zap Zone** in **Lansing Mall**.

All submarkets charted positive absorption except the South Submarket, which experienced negative 29,290 SF absorption.

Figure 5: Absorption During H1 2022



Source: Martin Commercial Properties, Inc.

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Greater Lansing Area, Michigan



Red Cedar Mixed-Use Development
Michigan Avenue, Near Michigan State University
1,200-4,309 SF for Lease

About Martin Commercial Properties

For 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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