



# RETAIL

## '23 Market Insights

Greater Lansing Area, Michigan | H1 2023

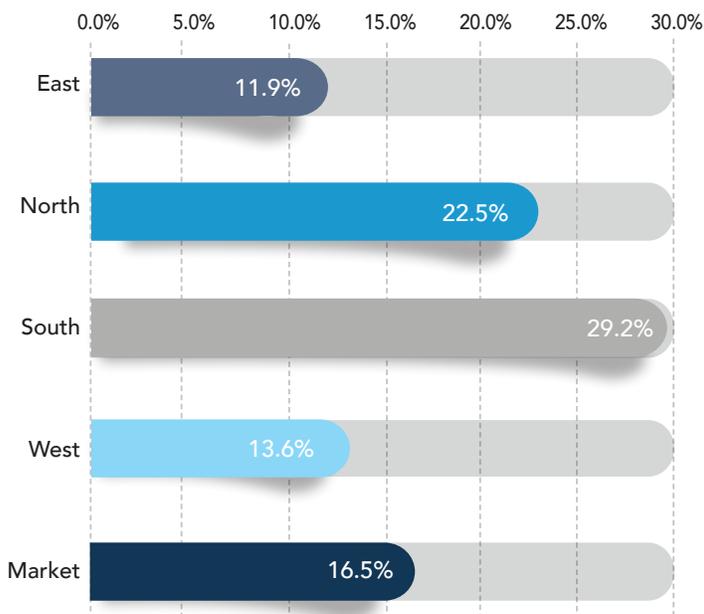
## Local Retail Activity Robust; New Retailers Entering Market

### Market at a Glance

Arrows indicate change from previous period.



Figure 1: Market Vacancy  $\geq$ 5,000 SF Leased Space



Source: Martin Commercial Properties, Inc.

## MARKET NEWS

- Average vacancies rose from 15.8% in H2 2022 to 16.5%; however, retail interest is up and deals are getting done.
- Big box retailers continue to make commitments to the market: **Trader Joe's** is under construction on Grand River Ave. (East Submarket); **Dave & Busters** will soon break ground on Lake Lansing Rd. (North Submarket); **Ross Dress for Less** will open this fall at **Marketplace at Delta Township**; **Harbor Freight** will build on S. Cedar St. near Pennsylvania Ave; and **FunCity Adventure Park** leased 54,000 SF in the **Delta Center**, the former **Hobby Lobby** space that was temporarily occupied by **Dicks Sporting Goods Warehouse Sale** last period.
- **Crumbl Cookies** opened its first store in the area at **Marketplace at Delta Twp.** (West Submarket) and its second location will open this fall at **East Oak Square** (East Submarket), while scores of other eateries have signed new leases across the market, including **Baskin Robbins**, **Firehouse Subs**, **Pepinos**, **Dave's Hot Chicken**, **Gong Cha Tea**, **Pita Way**, **Blue Owl**, **King Pho**, **Toscana Kitchen & Wine Market**, **Okemos Coffee House**, **KPOT Korean Barbeque**, **Noosh Afghan** among others.
- Renovations are underway to welcome **Soldan's Pet Supplies** to a 7,500 SF bldg. on Michigan Ave. across from **Frاندor Shopping Center** (formerly **O'Leary Paints**).
- **DeWitt Wellness Center** leased 20,000 SF vacated by **YMCA** in **DeWitt Shopping Center** (North Submarket).
- **Lansing Mall** (West Submarket) continues to shed vacancies; recent leases include a new **Hela's Kitchen** and a 5,000 SF expansion of **The Fretail Store**.
- **Bed, Bath & Beyond** closed its 21,500 SF location at **Delta Center** (West Submarket).
- **Big Boy** purchased the former **Zeus' Coney Island** bldg. on S. Pennsylvania Ave. (South Submarket).
- Construction will soon be underway for **Haslett Village**, a new \$65 Million mixed-use project at the corner of Haslett and Marsh Rds. (East Submarket).
- Prominent investment sales this period included the **Culvers** building @ 8488 W. Saginaw Hwy. (\$3.6 Million); the **MC Center** @ 5000 West Saginaw Hwy. (\$2.6 Million); and **PFCU Plaza** @ 644 Migaldi Ln., (\$2.3 Million).

# RETAIL '23 Market Insights

Greater Lansing Area, Michigan | H1 2023

Figure 2: Market Statistics | H1 2023

SUBMARKET	MARKET RENTABLE AREA (SF)	MARKET SHARE (%)	VACANT (SF)	VACANCY RATE (%)	COMPLETIONS (SF)	NET ABSORPTION (SF)	ASKING LEASE RATE (\$/SF/YR)
East	3,732,211	39.2	445,086	11.9	0	-7,751	17.00-45.00
North	784,975	8.2	176,931	22.5	0	27,212	10.00-27.00
South	1,720,848	18.1	502,193	29.2	0	-21,361	7.00-16.00
West	3,285,658	34.5	448,112	13.6	0	-22,156	9.00-30.00
Market	9,523,692	100.0	1,572,322	16.5	0	-24,056	7.00-45.00

Source: Martin Commercial Properties, Inc.



## MARKET COMPOSITION AND GROWTH

The Greater Lansing Area comprises over 9.5 million SF of leasable retail space. The largest concentrations of space are found in the East Submarket (3.7 million SF), home to **MSU** and the **Meridian Mall**, and the West Submarket (3.3 million SF), home to **Delta Crossings** and the **Lansing Mall**; while the smallest sector is the North Submarket (0.8 million 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 no construction was completed this period, projects are underway throughout the market:

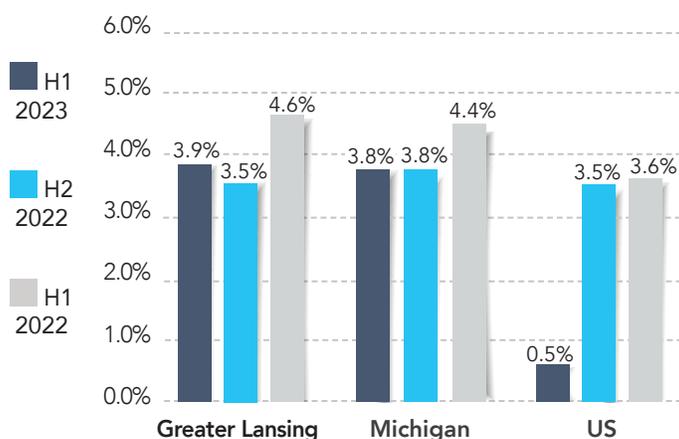
**East Submarket:** **Trader Joe's** on Grand River Ave.; **Haslett Village**, a mixed-use project at the corner of Haslett and Marsh Rds.; **ROECO**, a proposed commercial development on the former **Sears** site; and **The Village of Okemos**, a mixed-use development at Hamilton and Okemos Rds.

**North Submarket:** **Dave & Busters** will be built near **Eastwood Towne Center** on Lake Lansing Road.

**West Submarket:** an 8,300 SF strip center is under construction on W. Saginaw Hwy.

**South Submarket:** **Harbor Freight** will be built on S. Cedar St. near Pennsylvania Ave., behind **Panera Bread**.

Figure 3: Unemployment Statistics  
History of Unemployment / Local, State, U.S.



Source: Bureau of Labor Statistics

## VACANCIES

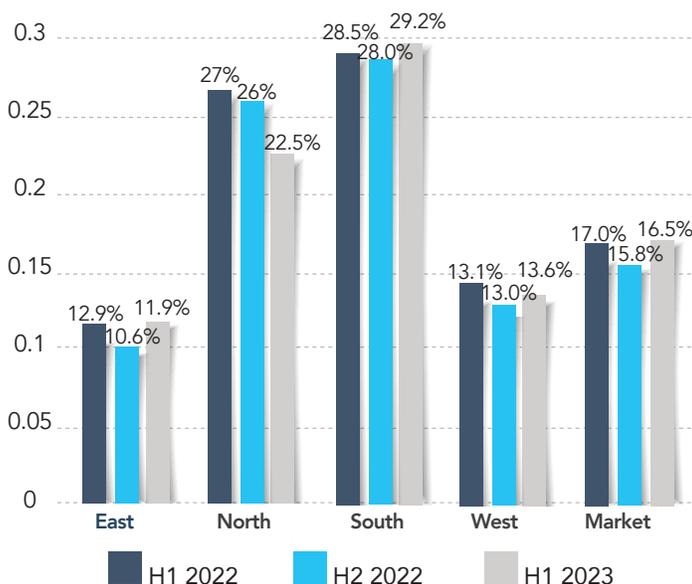
Market vacancies averaged 16.5%, up from 15.8% in H2 2022.

The strongest sector in the market is the East Submarket, where vacancies rose from 10.6% in H2 2022 to 11.9%. Despite this uptick, new leasing activity was brisk and plentiful, and included **Soldan's Pet Supplies** (fmr. **O'Leary Paint** bldg.), **Dave's Hot Chicken** (**City Center**), **Gong Cha Tea** (fmr. **Clean Juice** space downtown E. Lansing), **Pita Way** (fmr. **Georgio's Pizza** space in the **Hub on Campus**), **Pepinos** (**Brookfield Plaza**), **Crumbl Cookies** (**East Oak Square**), **Dollar General** (**Meridian Pointe**); **Okemos Coffee House** (Hamilton near Dobie), **Blue Owl** (relocation to **Trowbridge Village**) and **Toscana Kitchen & Wine Market** (**Red Cedar Project**), among others.

The North Submarket is Greater Lansing's smallest retail sector and vacancies fell from 26.0% in H2 2022 to 22.5% due in large part to **DeWitt Wellness Center** leasing the 20,000 SF fmr. **YMCA** space in **DeWitt Shopping Center**.

The South Submarket is the area's weakest sector, with vacancies averaging 29.2%, up from 28.0% in H2 2022.

**Figure 4:** History of Market Vacancies - Leased Buildings Comprising  $\geq 5,000$  SF



During H1 2023, **Office Max** vacated 24,000 SF in **Edgewood Towne Center** and leasing activity was slow, with most deals falling under 2,000 SF. Nonetheless, **Harbor Freight** has committed to building a new location on S. Cedar St., near S. Pennsylvania Ave.

Despite **Bed Bath & Beyond** vacating 21,500 SF in **Delta Center**, vacancies in the West Submarket increased only slightly from 13.0% in H2 22 to 13.6%. Leasing activity was steady, with most deals moderate in size. Examples include **Firehouse Subs** at Saginaw & Creyts, **Baskin Robbins** at **The Marketplace at Delta Twp.** and **The Fretail Store** in the **Lansing Mall**. Large deals were also inked, including 54,000 SF for **FunCity Adventure Park**, who took previously occupied space in **Delta Center** and **Ross Dress for Less**, leasing 20,400 SF at **The Marketplace at Delta Township**.

## 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 negative 24,056 SF (-0.3%), down from 299,955 SF charted during H2 2022.

**Figure 5:** H1 2023 Absorption - Leased Buildings Comprising  $\geq 5,000$  SF



Source: Martin Commercial Properties, Inc.

# RETAIL '23

Market Insights Greater Lansing Area, Michigan | H1 2023



**New Mixed-Use Development Adjacent to MSU - Incl. Attractive Tenant Improvement Allowance**  
1,200 - 4,309 SF Ground Floor Retail/Service Space for Lease  
Join Tropical Smoothie, Feng Cha Tea, Hooked, Old Bag of Nails Pub, Toscana Kitchen & Wine Market & More!

## Trusted Commercial Real Estate Services . . . Since 1962

For 60 years, Martin Commercial Properties has provided comprehensive commercial real estate services across five core business lines: Brokerage, Property Management, Property Development, Investment and Corporate Services.

*Martin Commercial Properties is your source for local market knowledge.* Since 1988, Martin has produced extensive Greater Lansing Area market insights detailing office, retail and industrial statistics, major transactions, industry trends and market forecasts.

### FIVE SERVICES - ONE COMPANY

Brokerage



Services

Property



Management

Property



Development

Investment



Services

Corporate



Services



**Van W. Martin**, SIOR, CCIM, CRE  
President  
Chief Executive Officer  
van.martin@martincommercial.com



**Carson Patten**  
Vice President | Retail Advisor  
carson.patten@martincommercial.com



**Samantha Le**  
Associate | Retail Advisor  
samantha.le@martincommercial.com