

# RETAIL

## '24 Market Insights

Greater Lansing Area, Michigan | H2 2023

### Market Activity Escalates; Regional Malls Shed Major Vacancies



#### MARKET NEWS

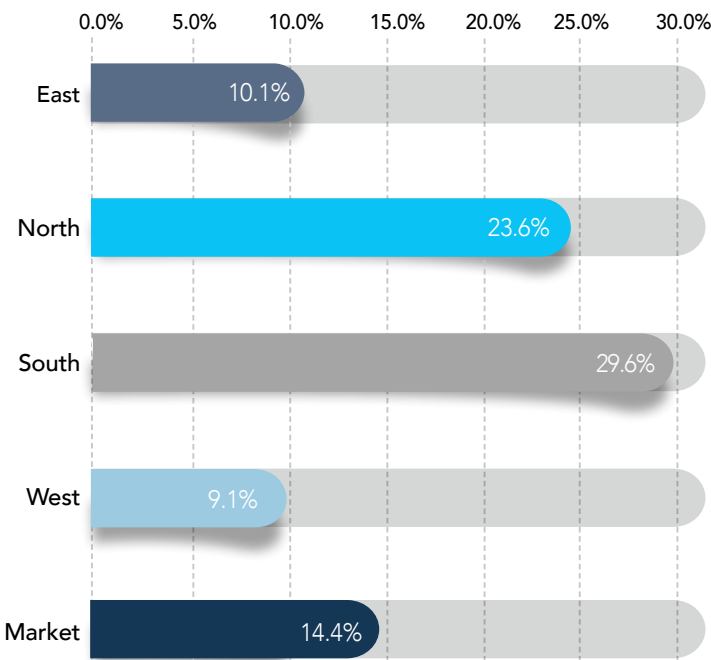
- Average market vacancies fell from 16.1% in H1 2023 to 14.4% at year-end.
- **Best Furniture Outlet** leased the 103,000 SF former **Macy's** space in the **Lansing Mall**, while the regional mall also welcomed **Zap Zone** into the 125,000 SF former **Younkers** space and **The Goat Marketplace & Bistro**.
- **GymKind Academy** leased 20,000 SF in the **Meridian Mall**, which also welcomed **Schinn Taekwondo Martial Arts**.
- **J.Crew Factory** opened a 6,000 SF store at **Eastwood Towne Ctr.**
- New eateries flowed into the area. This period, the market welcomed **Dave's Hot Chicken** and **Mash East Lansing** to **City Center**; **Toscana Kitchen & Wine Market** and **Dunk'd** leased space at the **Red Cedar** mixed-use project on Michigan Ave.; **Kuiyo Sushi & Grill** and **Yellow Waffle** opened at **Central Park Place**; **Chipotle** opened a new location on W. Lake Lansing Rd. near US-127; **El Catrin Tacos** opened on E. Michigan Ave.; **Sachura Grill** and **I Heart Mac and Cheese** leased space in **Hannah Plaza**; **Elsa's Chicken & Waffles** opened on W. Jolly Road; **Baskin Robbins** leased space at **The Marketplace at Delta Twp**; and **Noosh Afghan Cuisine** opened in **The Shops at 301**.
- A new 8,600 SF retail building was completed on W. Saginaw Highway (West Submarket) and available for lease.
- Renovations continue for a 7,500 SF **Soldan's Pet Supplies** on Michigan Ave. across from **Frandor Shopping Center**.
- 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).
- **Dave & Busters** and **Panda Express** will soon be under construction along Lake Lansing Rd. (North Submarket).
- Notable sales this period included the 15,000 SF strip center at 125 E. Kipp (\$2.2 Million); the 8,200 SF strip center at 5601 S. Cedar St. (\$1.6 Milion); the former **Champps** building at 2800 Preyde Blvd. (\$1.8 Million); the 7,000 SF strip center at 4749 Central Park Dr. (\$850,000); the 21,000 SF strip center at 4738 Central Park Dr. (\$590,371); and the former **Tim Horton's** building on Coleman Rd. (\$500,000).

#### Market at a Glance

Arrows indicate change from previous period.



Figure 1: Market Vacancy ≥5,000 SF Leased Space



Source: Martin Commercial Properties, Inc.

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Figure 2: Market Statistics | H2 2023

SUBMARKET	MARKET RENTABLE AREA (SF)	MARKET SHARE (%)	VACANT (SF)	VACANCY RATE (%)	COMPLETIONS (SF)	NET ABSORPTION (SF)	ASKING LEASE RATE (\$/SF/YR)
East	3,753,796	39.0	377,857	10.1	0	78,317	17.00-45.00
North	784,975	8.2	185,151	23.6	0	-8,220	10.00-27.00
South	1,760,512	18.3	520,850	29.6	0	-7,708	7.00-16.00
West	3,314,463	34.5	300,340	9.1	8,600	116,345	9.00-30.00
Market	9,613,746	100.0	1,384,198	14.4	8,600	178,734	7.00-45.00

Source: Martin Commercial Properties, Inc.



## MARKET COMPOSITION AND GROWTH

The Greater Lansing Area comprises over 9.6 million SF of leasable retail space. The largest concentrations of space are found in the East Submarket, home to **MSU** and the **Meridian Mall**, and the West Submarket, home to **Delta Crossings** and the **Lansing Mall**; while the smallest sector is the North Submarket, home to **Eastwood Towne Center**.

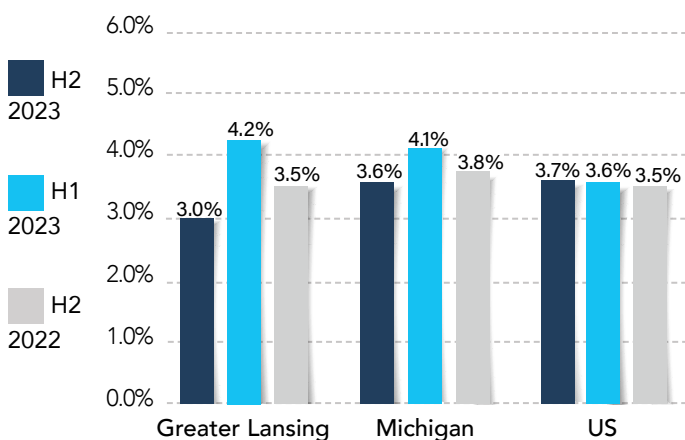
The most dynamic retail corridors in the area include Grand River Ave. from **MSU** to the **Meridian Mall** (East Submarket); West Saginaw Hwy., from Waverly Rd. to Broadbent Rd. (West Submarket); Lake Lansing Rd. from Coolidge Rd. to Wood St. (North Submarket); and Cedar St. from Jolly Rd. to Willoughby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

8,600 SF of new construction was completed this period in the West Submarket; other 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** and **Panda Express** will be built near **Eastwood Towne Center** on Lake Lansing Road.

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



Source: Bureau of Labor Statistics

## VACANCIES

Market vacancies averaged 14.4%, down from 16.1% in H2 2022.

The strongest sector in the market is the East Submarket, where vacancies fell from 11.9% in H1 2023 to 10.1%. New leasing activity was plentiful. In addition to many new eateries such as **Dunk'd** at the new **Red Cedar** mixed-use project adjacent to **Michigan State University**, the **Morning Post** leased 6,000 SF in the **Brookfield Plaza** (former **Punk Taco** space), the **Student Book Store** will soon expand by 7,000 SF on E. Grand River; and **GymKind Academy** leased 20,000 SF in **Meridian Mall**.

The North Submarket is Greater Lansing's smallest retail sector and vacancies increased slightly from 22.5% in H1 2023 to 23.6% due in large part to **David's Bridal** canceling its lease at **Eastwood Towne Center**. **J. Crew Factory** (6,000 SF) was one of few sizable leases to be inked this period.

The South Submarket is the area's weakest sector, with vacancies averaging 29.6%, up from 29.1% in H1 2023. Despite weaker numbers, leasing activity of smaller suites was steady, and included **Doctors of Physical Therapy**, who opened alongside **Leo's Coney Island** in a new building completed in H1 2023 on E. Jolly Rd.

West side vacancies decreased from 12.4% in H1 2023 to 9.1%, largely due to **Best Furniture Outlet** leasing 103,000 SF in the former **Macy's** space in the **Lansing Mall**. Other notable transactions included **B2 Outlets**, leasing 8,000 SF at 3800 W. Saginaw Hwy. and **Dollar General**, leasing 7,000 SF at 105 N. Waverly Rd.

## 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 178,734 SF (1.9%), up from 25,296 SF absorbed during H1 2023.

Figure 4: History of Market Vacancies - Leased Buildings Comprising ≥5,000 SF

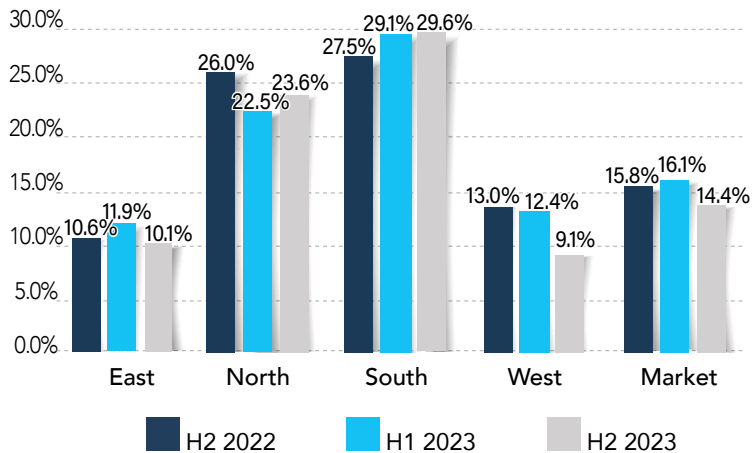
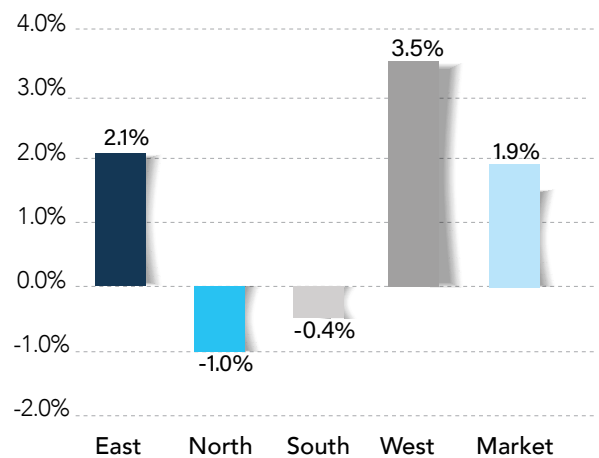


Figure 5: H2 2023 Absorption - Leased Buildings Comprising ≥5,000 SF



Source: Martin Commercial Properties, Inc.

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**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