



RETAIL

'24 Market Insights

Greater Lansing Area, Michigan | H1 2024

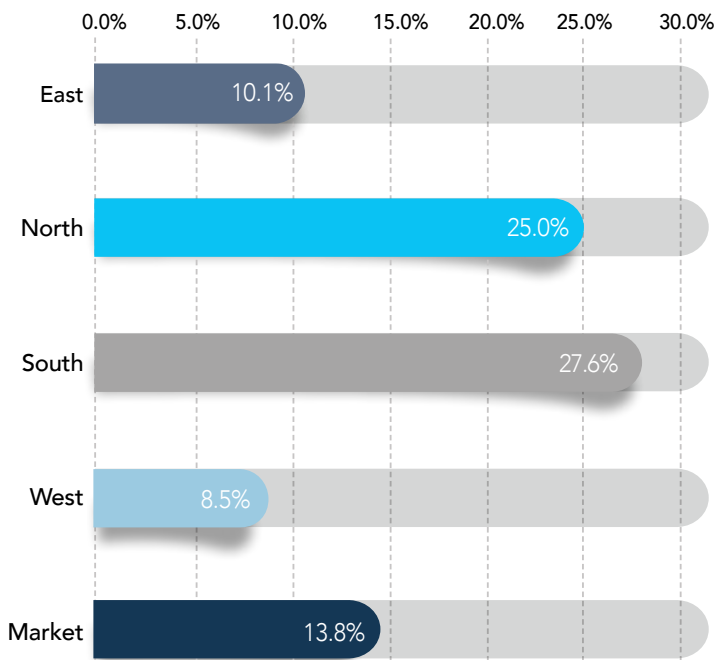
Market Stabilizes; Prompts Surge in Build-to-Suit Development

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 market vacancies fell from 14.3% in H2 2023 to 13.8% in H1 2024.
- › **Funcity Adventure Park** leased 52,000 SF in **Delta Ctr.** (West).
- › **Ace Hardware** to open a new 11,000 SF store in **Meridian Crossing** (East).
- › **Crunch Fitness** lease expansion to 11,000 SF on E. Grand River across from **Trader Joe's** (East).
- › **Schuler Books** relocated to the 30,200 SF fmr. **Bed, Bath & Beyond** space; and **Planet Fitness** expanded by 27,000 SF in **Meridian Mall** (East)
- › Scores of new eateries continue to emerge throughout the market, reflecting a vibrant and evolving dining scene.
- › Despite inflated debt, land & construction costs, development activity extends to every sector of the market:
 - **Trader Joe's** opened at 2755 E. Grand River Ave. in East Lansing (East).
 - The **Outback Steakhouse** on Marsh Rd. will be demolished to welcome **Tidal Wave Auto Spa** (East).
 - 2025 will bring a new **Dave & Buster's** and **Cooper's Hawk Winery** near **Eastwood Towne Ctr.** (North).
 - **Fiesta Charra** is building adjacent to **Culvers** in DeWitt (North).
 - **Panda Express** opened a new location near **Eastwood Towne Center** (North) and another is underway on S. Cedar St., adjacent to **Meijer** (South).
 - **Chipotle** will open in a renovated **Pizza Hut** at 6200 S. Cedar St. (South).
 - The fmr. **Long John Silvers** at 6333 S. Cedar has been razed to create space for **Dunkin'** and **Wingstop** (South).
 - **Burlington** will relocate from 75,000 SF across from **Lansing Mall** to a new 25,000 SF bldg. in **Delta Crossings** at I-96/W. Saginaw Interchange (West).
 - A major sporting goods retailer has selected **Delta Crossings** for the site of its first mid-Michigan store.
- › Several closures impacted the market this period. In the East sector, **Foods for Living**, **Old Chicago Pizza**, **Big Lots** and **Stillwater Grill** shut down. In the South, **Rite Aid** on N. Cedar St. and **B2 Outlet** at **Edgewood Towne Ctr.** closed. With **Rite Aid** exiting the Michigan market soon, and **Burlington** to vacate 75,000 SF in the West sector, we expect a moderate uptick in vacancies.
- › Recent notable sales include the 40,200 SF strip center at Clippert and Vine-\$4.85 Million (East) and the vacated 135,300 SF former **Stock & Field** bldg. at 340 Edgewood-\$4.2 Million (South).

RETAIL '24 Market Insights

Greater Lansing Area, Michigan | H1 2024

Figure 2: Market Statistics | H1 2024

SUBMARKET	MARKET RENTABLE AREA (SF)	MARKET SHARE (%)	VACANT (SF)	VACANCY RATE (%)	COMPLETIONS (SF)	NET ABSORPTION (SF)	ASKING LEASE RATE (\$/SF/YR)
East	3,811,755	39.6	384,117	10.1	0	-6,260	17.00-45.00
North	784,975	8.2	196,267	25.0	0	-11,116	10.00-27.00
South	1,696,443	17.6	468,887	27.6	0	-26,524	7.00-16.00
West	3,329,032	34.6	281,436	8.5	0	18,904	9.00-30.00
Market	9,622,205	100.0	1,330,707	13.8	0	-24,996	7.00-45.00

Source: Martin Commercial Properties, Inc.



MARKET COMPOSITION

The Greater Lansing Area features a substantial retail footprint with over 9.6 million SF of leasable space in buildings $\geq 5,000$ SF. The following is a closer look at its five submarkets and most dynamic retail corridors:

EAST SUBMARKET

The area's largest retail sector and home to **MSU**, **Frandor Shopping Ctr.** and **Meridian Mall**.

Most Dynamic Corridors:

Grand River Ave. from **Frandor** to **Meridian Mall**; Lake Lansing Road, just east of US-127; intersection of Jolly and Okemos Rds. (near I-96 Interchange) and the emerging Bus-69/Coleman Rd/Marsh Rd. quadrant.

NORTH SUBMARKET

The area's smallest retail sector and home to **Eastwood Towne Center**, **Heights of Eastwood** and **Sam's Club**.

Most Dynamic Corridor:

Lake Lansing Road from US-127 to Wood St.

SOUTH SUBMARKET

The retail sector with lowest household income coupled with robust traffic counts.

Most Dynamic Corridor:

Cedar St. from Jolly Rd. to Willoughby Rd. (near I-96)

WEST SUBMARKET

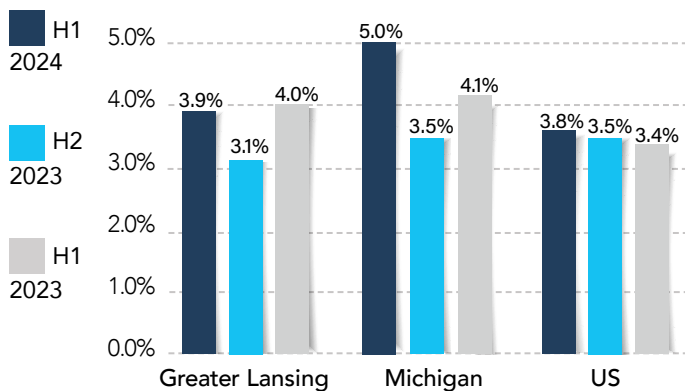
The market's second-largest retail sector featuring the regional **Lansing Mall** and **Delta Crossings**, a new \$200 Million mixed-use development at the Saginaw/I-96 interchange.

Most Dynamic Corridors:

West Saginaw @ I-96 and West Saginaw near Lansing Mall.

Figure 3: Unemployment Statistics

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



Source: Bureau of Labor Statistics

VACANCIES

Market vacancies averaged 13.8%, down from 14.3% in H2 2023.

The strongest sector in the market is the West Submarket, where vacancies fell from 9.04% in H2 2023 to 8.5%. New leasing activity was moderate, yet significant. The largest transactions included **Bass Pro Shops**, **Funcity Adventure Park**, **Dick's Warehouse** and **KPOT Korean BBQ**.

The East Submarket is the most active sector, although vacancies rose slightly from 9.9% in H2 2023 to 10.1% in the first half of 2024, primarily due to closures of **Foods for Living** and **Big Lots**. During this period, leasing activity was predominantly driven by small food-related tenants. Notable new leases include **Domino's**, **King of the Grill**, **The Local Epicurean**, **Big Moe's Kitchen**, **Fry Nation**, **Veg-N**, **Middle Eats**, **Bobcat Bonnie's**, **Subway** and more. The most significant leases include **Schuler Books** (30,200 SF), **Planet Fitness** (27,000 SF expansion) and **Crunch Fitness** (10,723 SF expansion).

Though the North and South Submarkets average more than double the vacancies at 25.0% and 27.6%, respectively, the primary retail corridors within each of these sectors are thriving. On Lake Lansing Rd. near **Eastwood Towne Center** in the North Submarket, a new **Panda Express** opened this period, and construction will soon be underway for a new **Dave & Buster's** and **Cooper's Hawk Winery**. On South Cedar Street, just north of I-96 in the South sector, **Panda Express** is under construction in a **Meijer** outlot, **Chipotle** leased the former **Pizza Hut** building and a new building is planned for **Dunkin'** and **Wingstop**.

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 -24,996 SF (-0.3%), down from 178,756 SF absorbed during H2 2023.

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

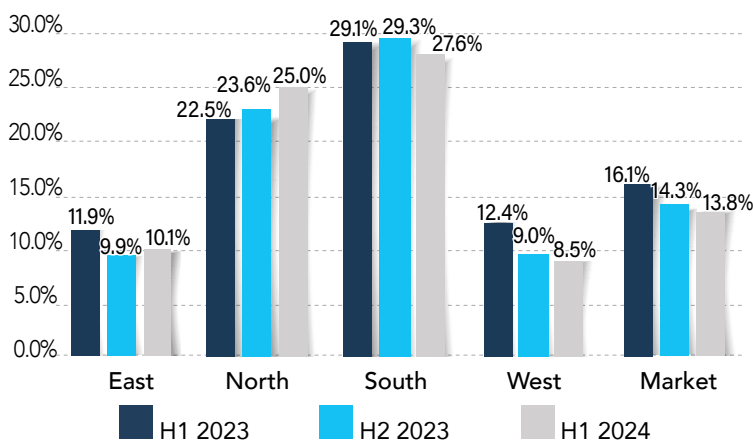
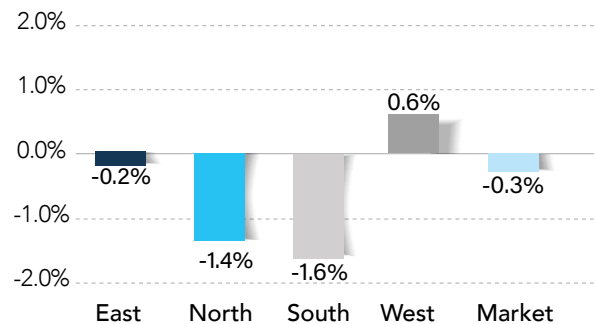


Figure 5: H1 2024 Absorption - Leased Buildings Comprising ≥5,000 SF



Source: Martin Commercial Properties, Inc.

RETAIL '24

Market Insights Greater Lansing Area, Michigan | H1 2024



Meridian Crossing
Popular Retail Center Near Okemos/I-96 Interchange
1,403 - 3,750 SF for Lease

Trusted Commercial Real Estate Services . . . Since 1962

For over 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.

Brokerage



Services

Property



Management

Property



Development

Investment



Services

Corporate



Services

Reliability you can trust. Results you can depend on.



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
Senior Associate | Retail Advisor
samantha.le@martincommercial.com