

# INDUSTRIAL

## '24 Market Insights



# Martin

Greater Lansing Area, Michigan | H2 2024

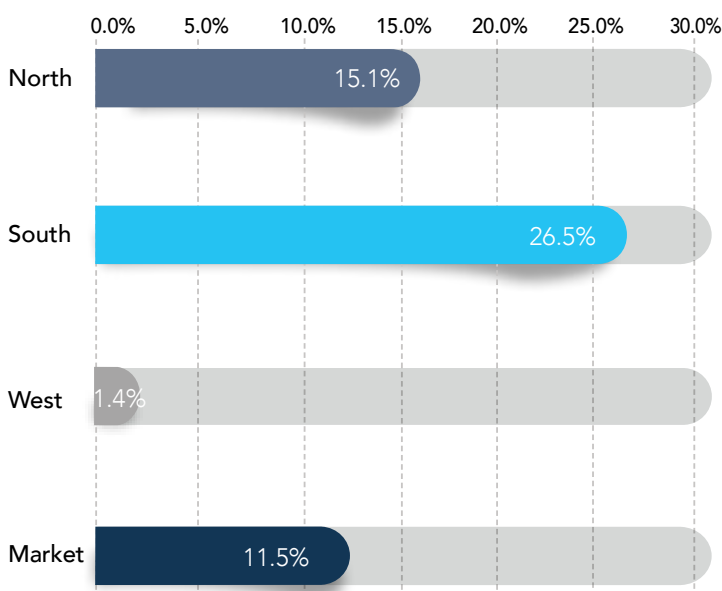
## Market is Strong with Healthy Demand Across Most Properties

### Market at a Glance

Arrows indicate change from previous period.



Figure 1: Market Vacancy  $\geq 20,000$  SF Leased Space



Source: Martin Commercial Properties, Inc.

### MARKET NEWS

- ▶ The average vacancy rate for leased industrial space increased from 8.9% in H1 2024 to 11.5% in H2 2024.
- ▶ The uptick in market vacancies was primarily driven by significant vacancies within a few South-side buildings, while the overall market remains strong and stable with healthy demand across most properties.
- ▶ **Temperpack Technologies** leased 135,000 SF at 2510 Snow Road (West Submarket) only days after the space was vacated by the **State of Michigan**.
- ▶ **General Motors** secured a \$500 Million federal grant to bolster the production of hybrid and electric vehicles at its Lansing Grand River plant (South Submarket).
- ▶ **Ultium Cells'**, the new 2.8 Million SF battery plant under construction on Davis Hwy., (West Submarket) is expected to be fully operational this year.
- ▶ **Neogen's** 176,000 SF, \$208 million research and manufacturing facility is under construction on its campus east of the **Stadium District**.
- ▶ **Gestamp** has committed \$400 Million to expand its manufacturing facility in Mason (South Submarket).
- ▶ Investors and occupiers continue to view the Greater Lansing Area as a stable and promising market for long-term investment.
- ▶ The largest owner-user sales in H2 2024 included 65,000 SF at 3366 Remy Dr. selling for \$2.2 Million and 2200 Olds, 55,000 SF that sold for \$1.1 Million.

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Figure 2: Market Statistics | H2 2024  
≥20,000 SF Leased Space

SUBMARKET	MARKET RENTABLE AREA (SF)	MARKET SHARE (%)	VACANT (SF)	VACANCY RATE (%)	COMPLETIONS (SF)	NET ABSORPTION (SF)	ASKING LEASE RATE (\$/SF/YR)
North	3,130,432	25.0	471,472	15.1	0	-6,403	5.00-7.00
South	3,313,321	26.5	877,935	26.5	0	-236,307	6.50-8.00
West	6,074,884	48.5	84,969	1.4	0	63,096	6.00-9.00
Market	12,518,637	100.0	1,434,376	11.5	0	-179,614	5.00-9.00

Source: Martin Commercial Properties, Inc.



## MARKET COMPOSITION AND GROWTH

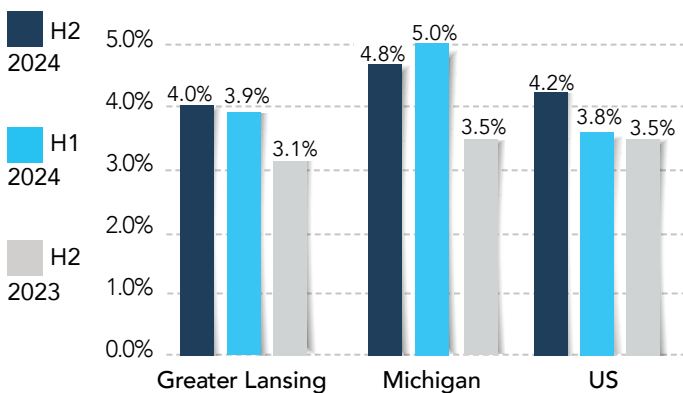
Greater Lansing's industrial landscape is dominated by its active West, South, and North Submarkets, which collectively encompass over 12.5 million SF of leased industrial space in buildings comprising a minimum of 20,000 SF. The majority of Greater Lansing's industrial space is owner-occupied.

The West Submarket is the largest and most dynamic, hosting key facilities such as **General Motors'** 3.6 million SF **Delta Assembly Plant** and a 2.3 million SF warehouse. Additionally, it houses over 3 million SF of warehouse and distribution space for **Meijer**, as well as ±3 million SF dedicated to manufacturing and distribution for **Shyft Group**. Recent developments include **Amazon's** new 1.1 million SF fulfillment center, alongside ongoing projects like the 2.8 million SF **Ultium Cells** battery plant, a new 110-megawatt energy plant for the **Lansing Board of Water & Light**, and **Consumers Energy's** new service center.

The South Submarket is considered the weakest industrial sector, with many smaller and obsolete buildings. Key players include **General Motors**, **Michigan Forge**, **Dart Container** and **Gestamp**. The submarket increased in size this period due to the addition of warehouse space now being marketed in two vacated big-box retail buildings: 80,000 SF in the 200,000 SF fmr. Sears bldg. and 68,500 SF in the 140,000 SF fmr. Stock+Field bldg.

The North Submarket is home to **Peckham**, **Dakkota Integrated Systems**, **ITC Michigan**, and **LOC Performance Products**.

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



Source: Bureau of Labor Statistics



## VACANCIES

During H2 2024 vacancies for leased space in industrial buildings of 20,000 SF or more in the Greater Lansing Area averaged 11.5%, up from 8.9% recorded in H1 2024, due to significant vacancies that came on the market within a few South-side buildings.

Tenant demand is strongest in the West Submarket, where vacancies average 1.4%. The sector continues to be Greater Lansing's most robust and highly sought-after industrial sector. In addition to several moderately sized leases that were inked this period, **Temperpack Technologies** leased the 135,000 SF space on Snow Road that was vacated only days earlier by the **State of Michigan**.

The North sector emerges as the second strongest submarket in the Greater Lansing Area, although its average vacancy rate increased to 15.1% from 14.9% in H1 2024. A significant portion of the vacancies, totaling over 300,000 SF, is located in the former **Sav-A-Lot** warehouse in St. Johns, and limited alternative leasing options are available. Overall, the North Submarket experienced minimal changes this period and no major leases were signed. Several lease renewals occurred, including nearly 30,000 SF for the **State of Michigan**.

The South Submarket posted the highest vacancy in the market. Vacancies are scattered throughout the sector, and averaged 26.5% during H2 2024, up from 15.6% in H1 2024. This increase was largely caused by **Ryder Integrated Logistics'** vacancy of 170,000 SF on Holloway Drive and the addition of approximately 140,000 SF of warehouse space placed on the market for lease in the long-vacated **Sears** and **Stock+Field** buildings. Several notable leases were inked, one to a confidential tenant in **Oakwood Executive Park** (75,000 SF), and **Pratt & Whitney** (26,000 SF).

## ABSORPTION

Absorption refers to the net change in physically occupied space from one period to the next.

In H2 2024, net absorption in the Greater Lansing industrial market totaled -179,614 SF. The North Submarket held steady, absorbing -6,403 SF; the South Sector lost the most ground due to the 170,000 SF **Ryder** vacancy along with a 40,000 SF vacancy on S. Washington Ave. (-236,307 SF absorbed), and the West Submarket enjoyed positive absorption of 63,096 SF.

Figure 4: History of Market Vacancies - Leased Buildings Comprising ≥20,000 SF

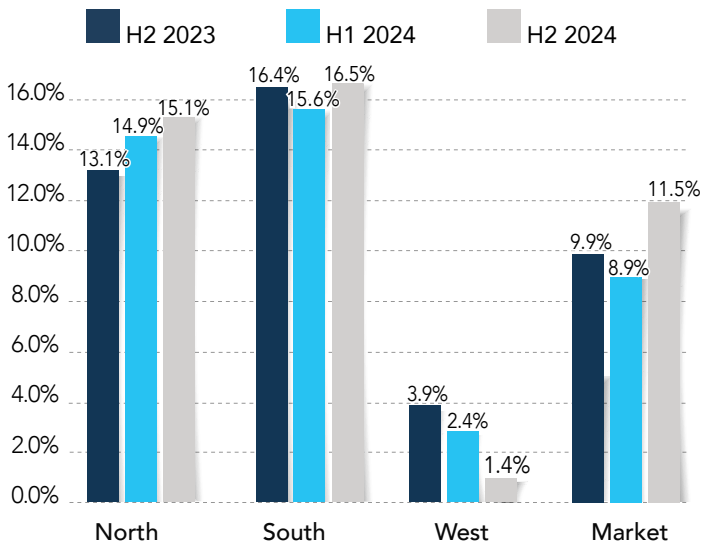
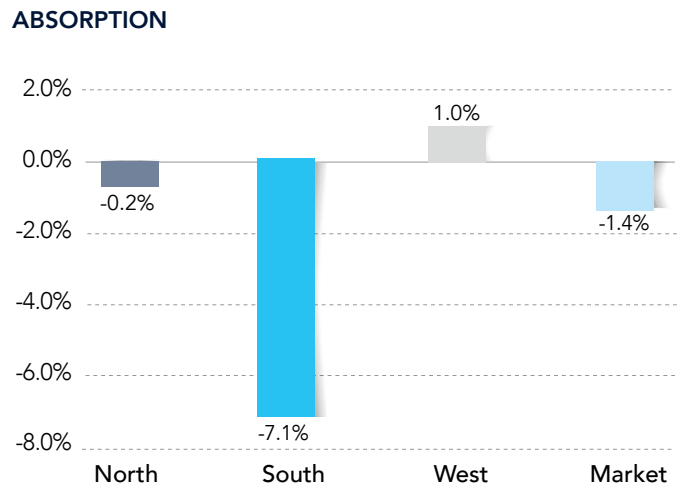


Figure 5: H2 2024 Absorption - Percent Change Leased Buildings Comprising ≥20,000 SF



Source: Martin Commercial Properties, Inc.

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Greater Lansing Area, Michigan | H2 2024



4908 Contec Drive, Lansing  
30,770 SF Warehouse Fully Leased, Single Tenant

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