

RETAIL

'25 Market Insights

Greater Lansing Area, Michigan | H1 2025

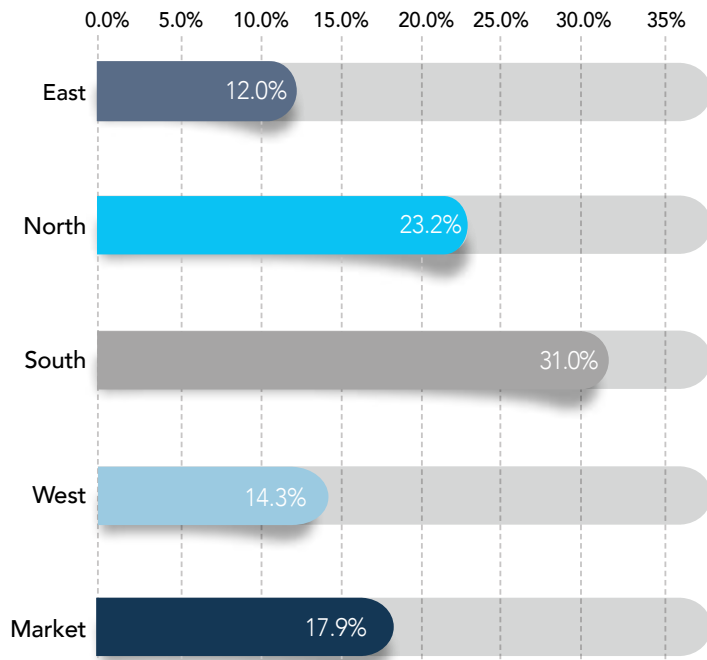
National Chain Closures Fuel Opportunities for New Tenants

Market at a Glance

Arrows indicate change from previous period.



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



Source: Martin Commercial Properties, Inc.

MARKET NEWS

- Market **vacancies dipped** from 18.0% in H2 2024 to 17.9% in H1 2025, while absorption rose from negative 247,464 to negative 6,449 SF during the same period.
- A wave of national bankruptcies (**Jo-Ann**, **Party City**, **Big Lots** and **Rite Aid**) contributed to the negative absorption; however, this trend contrasts with the underlying strength of the market. Despite box turnover, negative net absorption remained modest—indicating that tenant demand has largely kept pace with recent vacancies.
- New vacancy brought much-needed liquidity to areas previously constrained by low-quality inventory. Notable examples in the East Submarket include the swift lease-up of the former **Rite Aid** on E. Lake Lansing Rd. by **Dollar Tree**; the renovation of the **Frondor Rite Aid** to accommodate **Shake Shack**, **Wingstop**, and **Smoothie King**; **Barnes & Noble's** lease of the former **Party City** space; and a pending lease in place for the former **Jo-Ann's** box, both also in **Frondor**.
- Rent growth** remains uneven, with newer or fully renovated properties achieving significantly higher rates compared to older inventory.
- A national trend is creating meaningful upside for **vintage retail centers**. As much of the existing retail inventory continues to age, high land and construction costs have made new development increasingly challenging, as many tenants are unable to support the rents needed to justify new builds. **Strategic upgrades** to existing assets are proving to be a cost-effective path to drive occupancy, increase rents, and enhance asset value.
- The area's relatively young population—especially in the student-driven East Submarket—continues to support strong demand for experiential and fitness-oriented retail concepts. This trend is reflected by **Dave & Buster's** (now open) and **Planet Fitness** (coming soon) in the North Submarket, as well as **Recharged Pilates** (East Submarket); and **Crunch Fitness** and **REACH Athletics** (West Submarket).
- Ashley Furniture** has expanded its regional footprint by leasing the 95,000 SF box formerly occupied by **Younkers** in **Meridian Mall** (East Submarket), vacant since 2018.
- Dining options continue their strong upward trend across the market. In the East sector, recent additions include **Shake Shack**, **Wingstop**, **Smoothie King**, **Fat Boy Pizza**, **Savvy Sliders**, **DQ**, and more. In the North Submarket, **Cooper's Hawk** opened near **Eastwood Towne Center**, while in the South, **Wing Snob**, **Smoothie King**, **Auntie Anne's**, and **Cinnabon** secured new leases. **Anna's House** is also slated to open in the **PFCU Plaza** across from **Delta Crossings**.
- Market growth remains focused in West Lansing's **Delta Crossings**, where 30,000 SF is under construction for **Best Buy** and 85,000 SF is underway for **Bass Pro Shops**. A neighboring 83,000 SF site is being marketed due to **At Home's** withdrawal from the project after groundbreaking amid legal disputes.
- The passing of the **One Big Beautiful Bill Act** marks a transformative moment for commercial real estate, introducing a range of **tax incentives** and **deregulatory measures** designed to stimulate investment and accelerate development. Accordingly, we expect to see increased market activity and investment throughout the Greater Lansing Area.

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Figure 2: Market Statistics | H1 2025

SUBMARKET	MARKET RENTABLE AREA (SF)	MARKET SHARE (%)	VACANT (SF)	VACANCY RATE (%)	COMPLETIONS (SF)	NET ABSORPTION (SF)	ASKING LEASE RATE (\$/SF/YR)
East	2,859,280	36.4	342,091	12.0	0	514	17.00-45.00
North	784,975	10.0	181,985	23.2	0	6,160	10.00-27.00
South	1,696,443	21.5	525,241	31.0	0	-26,241	7.00-16.00
West	2,519,517	32.1	361,403	14.3	0	13,118	9.00-30.00
Market	7,860,215	100.0	1,410,720	17.9	0	-6,449	7.00-45.00

Source: Martin Commercial Properties, Inc.



MARKET COMPOSITION

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 the regional **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

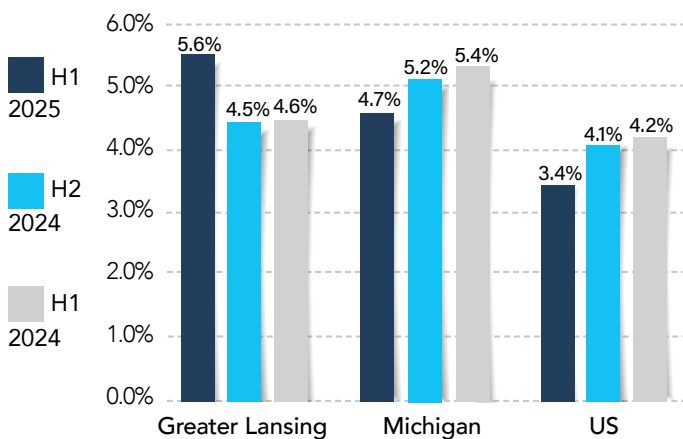
The market's second-largest retail sector featuring the regional **Lansing Mall** and mixed-use development **Delta Crossings**.

Most Dynamic Corridors:

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

Note: Martin Commercial has updated its criteria for surveyed space to include leased retail space comprising a minimum of 5,000 SF and excluding regional mall space. Historical stats have been revised to reflect current retail thresholds. Building inventories will be evaluated bi-annually to ensure they remain the most comprehensive and accurate representation of the market.

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



Source: Bureau of Labor Statistics

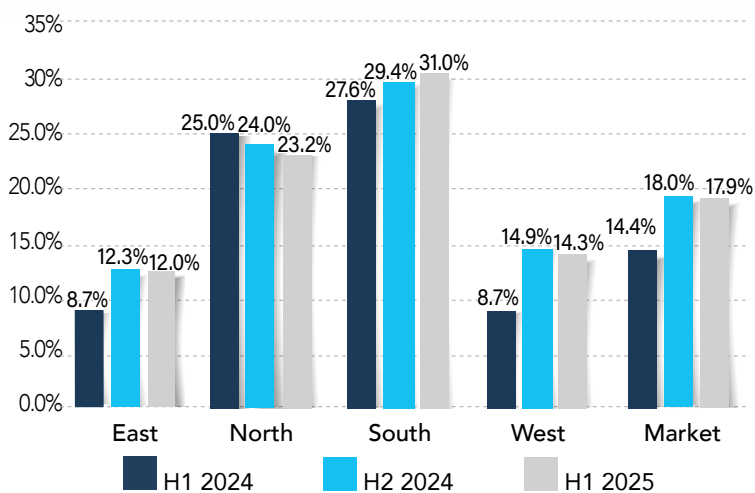
VACANCIES

Vacancy trends across the Greater Lansing retail market were mixed in the latest period, with modest improvements in most areas offset by challenges in the South Submarket. In the East Submarket, vacancy declined slightly from 12.3% to 12.0%, supported by several notable leases including **DollarTree's** 11,777 SF commitment at **Haslett Shop Town**, **Barnes & Noble's** 16,800 SF lease in **Frandor**, and **Uptown Cheapskate's** new occupancy in **Hannah Plaza**. However, the impact was tempered by **Jo-Ann** vacating 30,000 SF in **Frandor**.

The North Submarket also saw modest improvement, with vacancy dropping from 24.0% to 23.2%, driven largely by **Planet Fitness** leasing 20,000 SF on Showtime Drive in **Eastwood Towne Center**. This gain was partially offset by **Physical Therapy Connection** exiting space at **Clark Corners**.

In contrast, the South Submarket experienced a rise in vacancy—from 29.4% to 31.0%—due to several move-outs, including **Adventure Credit Union** and **Queen's Market** vacancy at **Cedars Edge**, and **Daily Dealz** leaving over 13,000 SF at **Logan Square**.

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



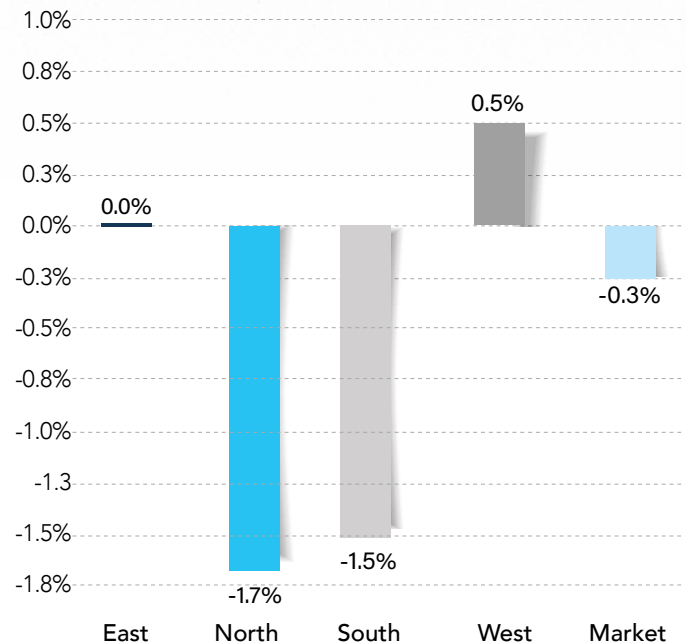
The West Submarket posted a slight improvement, with vacancy falling from 14.9% to 14.3%. The shift was led by **Crunch Fitness** leasing 25,000 SF at the former **Big Lots** space, partially offset by **Dance City** vacating over 5,000 SF at 5206 W. Saginaw Highway.

ABSORPTION

Absorption measures the net change in physically occupied retail space over a given period.

Over the past six months, the Greater Lansing retail market recorded -6,449 SF in net absorption—a notable improvement from the -24,996 SF posted in the second half of 2024. This performance came despite a wave of large-format vacancies, including move-outs by **Big Lots**, **Jo-Ann**, and **Party City**, underscoring the market's ability to partially offset losses through new leasing activity.

Figure 5: H1 2025 Absorption - Percent Change Leased Buildings Comprising ≥5,000 SF



Source: Martin Commercial Properties, Inc.

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Meridian Crossing Near I-96, Okemos
1,340-7,400 SF for Lease

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