

# INDUSTRIAL

## '25 Market Insights



Greater Lansing Area, Michigan | H1 2025

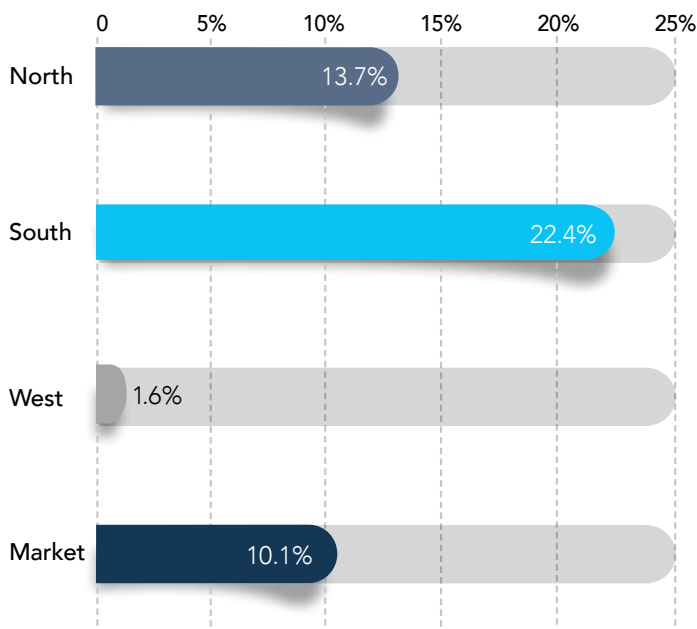
## Rents Climb While the Market Tightens

### 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

- Market **vacancy dropped** from 11.0% in H2 2024 to 10.1% in H1 2025, with the West Submarket recording the lowest rate among all sectors at just 1.6%.
- Although vacancies declined, leasing activity remained limited, primarily due to the shortage of high-quality space. Notable H1 2025 leases included **Lanter Delivery Systems** (49,000 SF) and **Priority Express** (33,000 SF) in the South Submarket, as well as **Bay Logistics** (26,000 SF) and **Herc Rentals** (18,000 SF) in the West Submarket.
- IONETIX** is expanding its medical technology operations in Delta Township (West Submarket).
- Markdom Michigan Plastics** will soon launch operations at 400 Parkland Drive in Charlotte (West Submarket).
- Ultium Cells'** new \$2.6 billion battery plant is slated to be fully operational in 2025 (West Submarket).
- Construction continues on **Neogen's** \$208 million research and manufacturing facility (East Submarket).
- Strong investment activity occurred this period with the sale of the **Dakota Keller** bldg. (220,000 SF in the South Submarket), the **Vital Records** bldg. (60,000 SF in the East Submarket), the **TFT Global** bldg. (50,000 SF in the West Submarket), and the **Extend Your Reach** bldg. (31,000 SF in the South Submarket).
- 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.
- There is a nationwide trend toward the expansion of **data center infrastructure**. This growth is driven by escalating demand for cloud computing, digital services, and emerging technologies such as artificial intelligence and 5G. The combination of state tax incentives, the **One Big Beautiful Bill Act**, strategic land availability with access to major highways, and the existing industry presence positions the Greater Lansing Area as a promising location for future data center investments.

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**Figure 2:** Market Statistics | H1 2025  
≥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	25.4	430,132	13.7	0	41,340	5.00-7.00
South	3,201,608	26.0	716,888	22.4	0	49,344	6.50-8.00
West	5,991,604	48.6	94,413	1.6	0	39,056	6.00-9.00
Market	12,323,644	100.0	1,241,433	10.1	0	129,730	5.00-9.00

Source: Martin Commercial Properties, Inc.



## MARKET COMPOSITION AND GROWTH

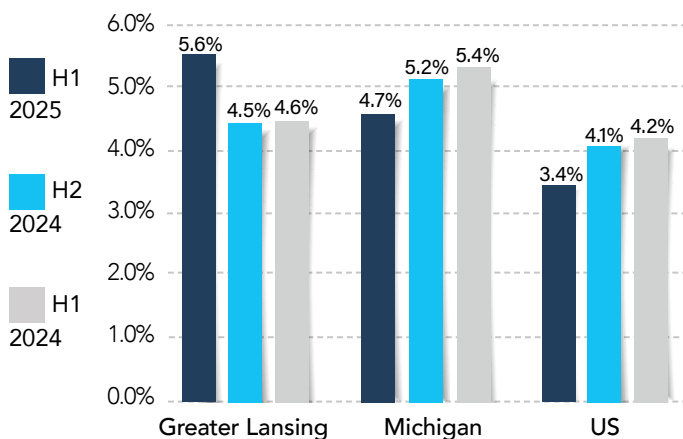
Greater Lansing's industrial landscape is dominated by its active West, South, and North Submarkets, which collectively encompass over 12 million SF of leased space in buildings comprising a minimum of 20,000 SF. The majority of the area's industrial space is owner-occupied.

The West Submarket is the largest and most dynamic sector, hosting key facilities for **General Motors**, **Meijer**, **Amazon** and **Shyft Group**, among others. The submarket will soon welcome a 2.8 million SF **Ultium Cells** battery plant, a 110-megawatt energy plant for **Lansing Board of Water & Light**, and a new service center for **Consumers Energy**.

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 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



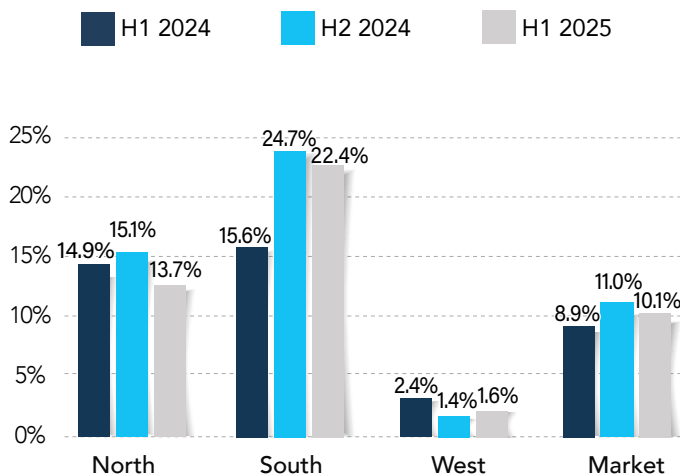
## VACANCIES

Vacancy in the Greater Lansing industrial market improved to 10.1% in H1 2025, down from 11.0% in H2 2024, although still above the 9.0% recorded a year earlier. While leasing activity remains measured, this improvement signals steady demand and a resilient market outlook despite broader uncertainties.

The West Submarket continues to lead the region with an average vacancy rate of 1.6%, up slightly from 1.4% at the end of 2024. The South Submarket remains the softest, though vacancy has improved to 22.4% from 24.7% in H2 2024. Meanwhile, the North Submarket reports a 13.7% vacancy rate, but availability remains limited for users seeking space.

Lack of available space has prompted the planning of several speculative buildings in the West Submarket.

**Figure 4:** History of Market Vacancies - Leased Buildings Comprising  $\geq 20,000$  SF



## ABSORPTION

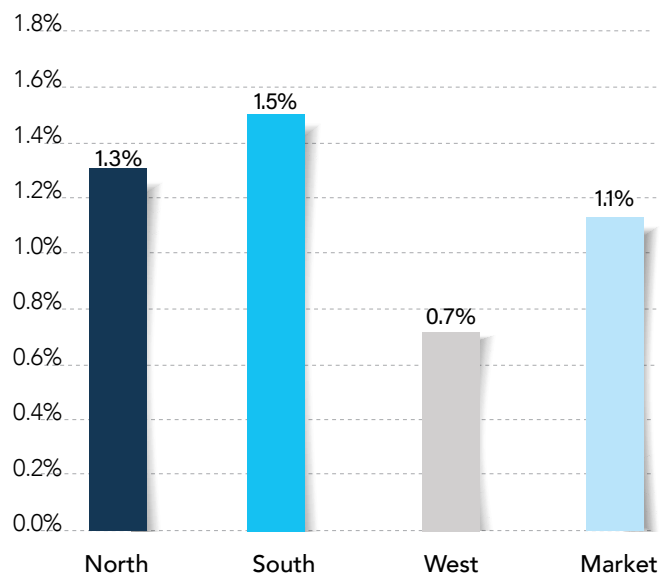
Absorption refers to the net change in physically occupied space from one period to the next.

In the first half of 2025, the Greater Lansing industrial market recorded 129,730 SF of positive net absorption, a significant rebound from the -178,114 SF posted in H2 2024. All submarkets experienced positive absorption, with the South Submarket leading at 1.5%, followed by the North at 1.3% and the West at 0.7%.

The increase in absorption reflects growing market confidence, supported by several significant lease commitments—among them **Lanter Delivery Systems** (48,750 SF) and **Priority Express** (33,000 SF) in the South Submarket, along with **Bay Logistics** (26,000 SF) and **Herc Rentals** (18,000 SF) in the West Submarket.

**Figure 5:** H1 2025 Absorption - Percent Change Leased Buildings Comprising  $\geq 20,000$  SF

### ABSORPTION



Source: Martin Commercial Properties, Inc.

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Greater Lansing Area, Michigan | H1 2025



2325-2329 Jarco Drive, Holt  
85,000 SF Warehouse Space for Lease

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*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.

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