INDUSTRIAL

'26 Market Insights

Greater Lansing Area, Michigan | H1 2026

Industrial Fundamentals Remain Stable as Modern Space Scarcity Continues

Market at a Glance

Arrows indicate change from previous period.

Vacancy Rate	Completions	Absorption
12.3%	0 SF	-49,737 SF

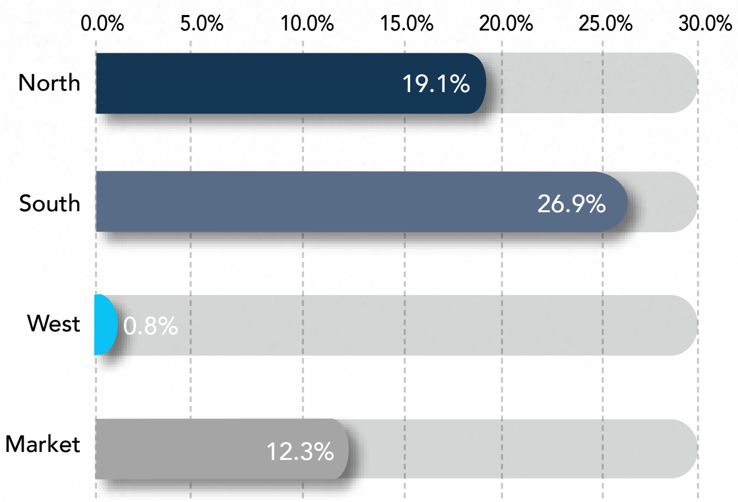

Figure 1: Market Vacancy

Source: Martin Commercial Properties, Inc.

MARKET NEWS

- Market fundamentals remain stable despite ongoing economic uncertainty, supported by historically strong rental rates, limited availability of modern industrial space, and continued investment in the region's manufacturing base.
- Industrial vacancy basically remained unchanged (from 12.5% in H2 2025 to 12.3% in H1 2026). Much of the available inventory remains concentrated in a handful of large vacancies, while smaller industrial buildings continue to experience limited availability.
- The West Submarket remains the region's strongest industrial sector, posting the lowest vacancy rate at just 0.8%. Home to much of Greater Lansing's newest and most efficient industrial inventory, it continues to attract manufacturing, logistics, and distribution users.
- Despite negative net absorption, market performance was largely influenced by several large vacancies rather than widespread weakening in tenant demand. The 265,000 SF facility at **511 Mead Road**, approximately 170,000 SF at **1875 Holloway Drive**, and approximately 85,000 SF at **2525 Jarco Drive** account for a significant portion of available inventory.
- Leasing activity continued to be driven primarily by renewals and extensions. Notable transactions included **Yazaki's** 150,000 SF renewal on **Ena Drive**, **APCO's** 105,000 SF extension in **Midway Industrial Park**, and **Overhead Door Corporation's** 25,000 SF renewal on **Felton Road**.
- The limited supply of modern facilities capable of accommodating large industrial users continues to constrain transaction volume while supporting occupancy levels and rental rates across the market.
- New industrial construction remains limited. The primary project underway is a 40,000 SF facility on **Ena Drive** in the West Submarket, developed for **Bay Insulation's** 25,000 SF requirement, with approximately 15,000 SF available for lease.
- Greater Lansing remains well positioned for long-term manufacturing and technology investment, anchored by **General Motors'** Lansing-area operations, the **LG** battery facility, and **Neogen's** expanding research and manufacturing presence.
- Moderately sized owner-user acquisitions—including **3340 Ranger Road**, **3310 Ranger Road**, **1322 Rensen**, **7636 Northport Drive**, and **6000 Lansing Road**—accounted for much of the market's sales activity during the first half of 2026, reflecting continued confidence among local businesses despite broader economic uncertainty.
- Looking ahead, industrial fundamentals are expected to remain stable. Limited large tenant requirements, modest construction activity, constrained availability of modern industrial facilities, and continued investment in advanced manufacturing projects should support market conditions through the remainder of 2026.

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SUBMARKET	SF	MARKET SHARE (%)	VACANT (SF)	VACANCY RATE (%)	COMPLETIONS (SF)	NET ABSORPTION (SF)	RENTAL RATES
North	3,425,432	27.4	652,585	19.1	0	-9,035	$4-9
South	3,093,867	24.8	832,333	26.9	0	-48,186	$4-10
West	5,957,836	47.8	50,303	0.8	0	7,484	$7-10
Market	12,477,135	100	1,535,221	12.3	0	-49,737	$4-10

Figure 2: Market Statistics | **H1 2026**

Source: Martin Commercial Properties, Inc.

MARKET COMPOSITION

This report tracks approximately 12 million square feet of leased industrial space within industrial buildings 20,000 square feet and larger throughout the Greater Lansing Area. Strategically positioned in the center of Michigan's lower peninsula, Greater Lansing benefits from direct access to the I-96, I-69, and US-127 transportation corridors, providing efficient connections to Detroit, Grand Rapids, Chicago, Indianapolis, Toronto, and other major Midwest markets. Owner-occupied facilities comprise the majority of the region's broader industrial inventory and are not included in this analysis.

The **West Submarket** is the region's largest and most sought-after industrial sector, accounting for nearly half of the leased inventory tracked in this report. Home to major employers including **General Motors**, **Meijer**, **Amazon**, and **The Shyft Group**, the submarket continues to attract investment in advanced manufacturing, logistics, and distribution. Recent development activity includes the recently operational **Ultium Cells** battery manufacturing facility, a new **Lansing Board of Water & Light** energy plant, a **Consumers Energy** service center, and a new 40,000-square-foot industrial facility on Ena Drive.

The **South Submarket** contains a larger concentration of smaller and older industrial buildings and generally offers some of the region's most affordable industrial space. Major occupants include **General Motors**, **Michigan Forge**, **Dart Container**, and **Gestamp**. The submarket also contains several of the market's largest vacant facilities, accounting for a disproportionate share of the region's available inventory.

The **North Submarket** features a diverse mix of manufacturing, utility, defense, and automotive-related users, including **Peckham**, **Dakkota Integrated Systems**, **ITC Michigan**, and **LOC Performance Products**. The submarket remains an important source of industrial employment and contributes to the region's diverse manufacturing base.

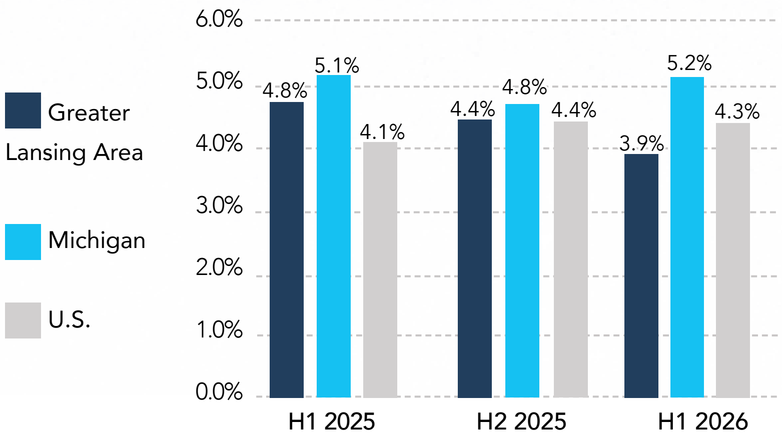

Figure 3: Unemployment Statistics

Source: Bureau of Labor Statistics

VACANCIES

Industrial vacancy in the Greater Lansing market declined modestly during the first half of 2026, falling from 12.8% in H2 2025 to 12.3%. While vacancy remains elevated relative to historical norms, much of the market's available space is concentrated within a small number of large facilities rather than reflecting broad-based weakness in tenant demand. The 265,000 SF former **Federal-Mogul** manufacturing facility at **511 Mead Road** in **St. Johns** (North Submarket), approximately 170,000 SF at **1875 Holloway Drive** (South Submarket), and approximately 85,000 SF at **2525 Jarco Drive** (South Submarket) account for a significant share of the market's available inventory. Excluding these large blocks of space, vacancy conditions across much of the Greater Lansing industrial market is relatively tight.

The **West Submarket** continued to outperform the rest of the market, posting a vacancy rate of just 0.8%, down from 1.5% in H2 2025 and the lowest among all submarkets. The submarket contains much of the region's newest and most functionally efficient industrial inventory, making it the preferred location for manufacturing, logistics, and distribution users. As a result, vacancy is exceptionally low despite limited tenant expansion activity. The **North Submarket** recorded a vacancy rate of 19.1%, up slightly from 18.8% in H2 2025, largely influenced by the long-vacant former **Federal-Mogul** facility and the vacant **Sav-A-Lot** distribution center in St. Johns. The **South Submarket** posted a vacancy rate of 26.9%, improving from 27.5% in H2 2025, though it continues to account for a disproportionate share of the market's available inventory due to several large vacancies and an older inventory base.

Despite elevated vacancy in portions of the market, industrial fundamentals are stable. Leasing activity continues to be driven primarily by renewals and extensions, while large tenant requirements remain limited. Although Greater Lansing is a smaller industrial market and does not experience the transaction volume of larger Midwest distribution hubs, limited availability within modern industrial facilities and a lack of significant new construction continue to support occupancy levels and rental rates across much of the market.

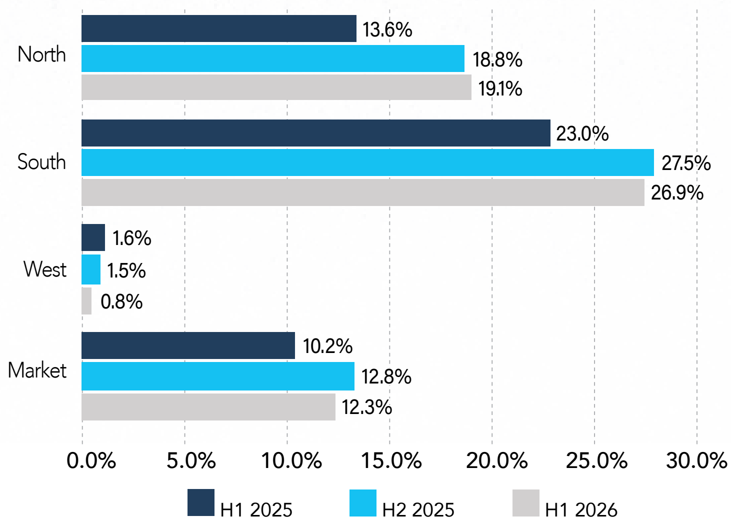

Figure 4: History of Vacancies

Source: Martin Commercial Properties, Inc.

ABSORPTION

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

During the first half of 2026, net absorption totaled negative 49,737 SF (-0.4%), an improvement from negative 88,088 SF (-0.7%) recorded in H2 2025. Absorption activity was relatively limited throughout the period, reflecting a market characterized by lease renewals and extensions rather than significant tenant relocations or expansions. The largest contributor to negative absorption was **TemperPack's** departure from approximately 85,000 SF at **2525 Jarco Drive** in the **South Submarket**. Aside from this vacancy, changes in occupied space were generally limited to smaller transactions with minimal impact on overall market conditions.

The **West Submarket** was the only segment of the market to record positive absorption, posting 7,484 SF (0.1%) during the period. The **North Submarket** recorded negative absorption of 9,035 SF (-0.3%), while the **South Submarket** posted negative absorption of 48,186 SF (-1.6%), largely attributable to the vacancy at **2525 Jarco Drive**. Despite negative absorption overall, vacancy declined modestly during the period, illustrating how a small number of large vacancies continue to influence market statistics.

While absorption activity was limited, leasing activity was steady. Significant transactions included **Yazaki's** 150,000 SF renewal on **Ena Drive** in the **West Submarket**, **APCO's** 105,000 SF lease extension in **Midway Industrial Park** in the **South Submarket**, and **Overhead Door Corporation's** 25,000 SF renewal on **Felton Road** in the **North Submarket**. A new lease for more than 25,000 SF at **3101 Grand Oak Drive** in **Oakwood Executive Park** represented one of the few notable occupancy gains during the period. As has been the case in recent years, many occupiers elected to renew existing leases rather than relocate, reflecting both limited availability within modern industrial facilities and the relatively low volume of large tenant requirements in the Greater Lansing market.

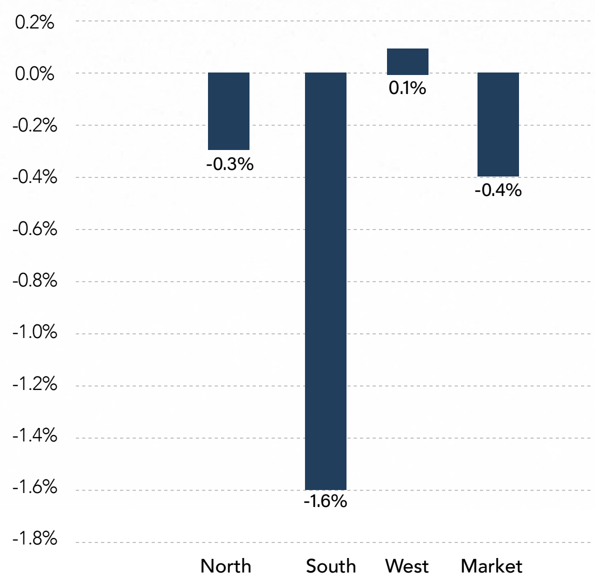

Figure 5: H1 2026 Absorption

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Property Spotlight

2960 Ena Dr., Lansing, MI
14,300 SF Available

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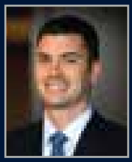
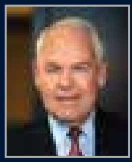


Chris Miller, SIOR
Senior Vice President | Industrial/Investment Advisor
christopher.miller@
martincommercial.com



Van W. Martin, SIOR, CCIM, CRE
President | Chief Executive Officer
van.martin@
martincommercial.com