RETAIL
‘26 Market Insights

Greater Lansing Area, Michigan | H1 2026

New Tenants Keep Pace with Market Turnover

Market at a Glance

Arrows indicate change from previous period.

Vacancy Rate	Completions	Absorption
17.1%	0 SF	-9,550 SF

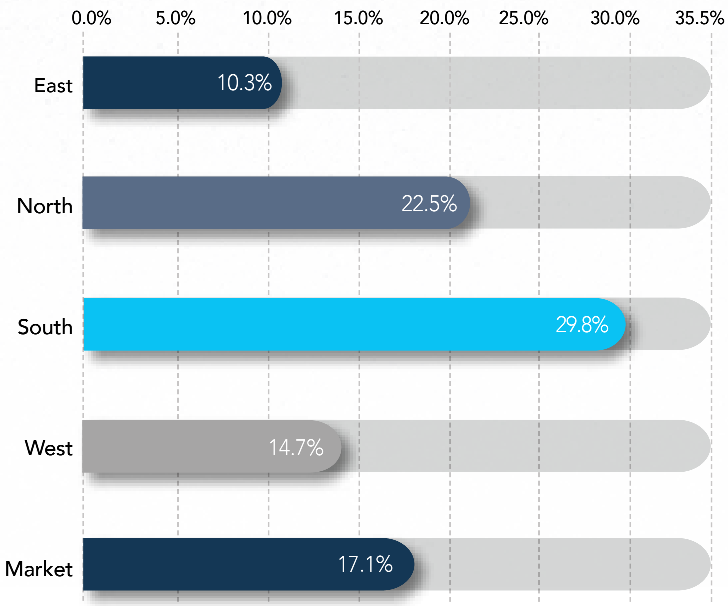

Figure 1: Market Vacancies

Source: Martin Commercial Properties, Inc.

Martin

MARKET NEWS

- Market vacancy held steady at 17.1% during H1 2026, matching H2 2025 and improving from 17.4% one year ago. Net absorption totaled negative 9,550 SF; however, new tenant demand largely offset vacancies created by retailer turnover and business closures.
- The East Submarket remained the region's strongest performer, reducing vacancy from 11.0% to 10.3% while recording positive absorption. Numerous restaurant, beverage, and service-oriented concepts opened or signed leases, reinforcing the submarket's position as Greater Lansing's most active retail trade area.
- Leasing activity continues across the market, although tenant decision-making timelines have lengthened. Elevated construction, tenant improvement, and occupancy costs continue to influence site selection and project feasibility, resulting in a more deliberate leasing process despite healthy demand across multiple retail categories.
- Restaurant operators remain among the market's most active users. Recent openings and announced projects include **YaYa's Chicken**, **Sunrise Chinese Food**, **Terra Firma**, **For Crepe Sake's** relocation, **Assembly** in Mason, **Morning Post**, and **D'Nulffos Seafood & Chophouse**. National brands including **Chick-fil-A**, **Sheetz**, **Raising Cane's**, **Panda Express**, and **7 Brew Coffee** also remain active through planned or ongoing development.
- Fitness, convenience, experiential, and service-oriented retailers continue to expand as consumers seek offerings that cannot be replicated online. At the same time, a widening performance gap persists between newer, well-located retail centers and older properties requiring capital investment, with retailers favoring strong visibility, traffic counts, and complementary tenancy.
- Adaptive reuse continues to reshape the retail landscape as former drug stores, junior boxes, and second-generation restaurant spaces are repositioned for new users. Greater Lansing has experienced this trend through the redevelopment of former **Rite Aid**, **Party City**, **Jo-Ann Fabrics**, and other legacy retail locations, reflecting a broader national shift driven by rising construction costs.
- Large-format retail activity remains concentrated in the West Submarket. **Gardner White's** 109,075 SF showroom in the former Value City Furniture building further solidifies the corridor as the region's leading destination for major furniture, home furnishings, and other big-box retailers.
- New retail construction remains limited as elevated land, labor, and material costs continue to challenge project feasibility. Combined with growing retailer interest in secondary and tertiary markets, Greater Lansing's stable employment base, Michigan State University, and limited new retail supply position the market for continued leasing activity.

Looking ahead, we expect vacancy to trend downward as announced tenants commence operations and projects currently under construction are delivered. While retailers continue to navigate inflation, tariffs, and shifting consumer spending patterns, Greater Lansing's retail market remains fundamentally healthy and well positioned for continued activity through the remainder of 2026.

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SUBMARKET	SF	MARKET SHARE (%)	VACANT (SF)	VACANCY RATE (%)	COMPLETIONS (SF)	NET ABSORPTION (SF)	RENTAL RATES
East	2,895,403	36.0%	297,561 SF	10.3%	0	2,662 SF	$17-45
North	790,539	9.8%	178,101 SF	22.5%	0	-4,730 SF	$10-27
South	1,708,354	21.2%	508,881 SF	29.8%	0	6,884 SF	$7-16
West	2,657,255	33.0%	389,464 SF	14.7%	0	-14,366 SF	$9-30
Market	8,051,551	100.0%	1,374,007 SF	17.1%	0	-9,550 SF	$7-45

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

Source: Martin Commercial Properties, Inc.

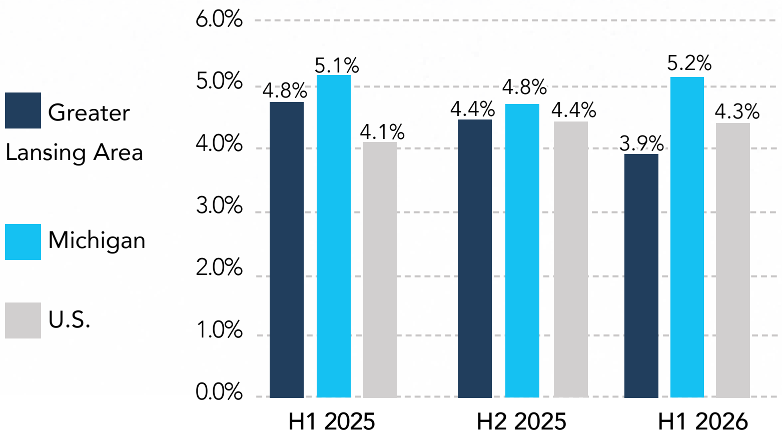

Figure 3: Unemployment Statistics

Source: Bureau of Labor Statistics

MARKET COMPOSITION

EAST SUBMARKET: The region's largest and most active retail sector, anchored by **Michigan State University**, **Frandor Shopping Center**, and **Meridian Mall**. Strong demographics, a steady student population, and continued residential growth support the market's highest concentration of retail and restaurant activity.

Key Corridors: Grand River Avenue from Frandor to Meridian Mall; Lake Lansing Road east of US-127; Jolly and Okemos Roads near I-96; and the emerging Coleman Road/Marsh Road corridor.

NORTH SUBMARKET: The market's smallest retail sector, anchored by Eastwood Towne Center, The Heights at Eastwood, and Sam's Club. The submarket serves as a regional destination for entertainment, dining, and lifestyle-oriented retail.

Key Corridor: Lake Lansing Road from US-127 to Wood Street.

SOUTH SUBMARKET: A value-oriented retail corridor characterized by some of the region's strongest traffic counts and a concentration of national discount, automotive, convenience, and service-oriented retailers.

Key Corridor: Cedar Street from Jolly Road to Willoughby Road near I-96.

WEST SUBMARKET: The market's second-largest retail sector and the region's primary growth corridor, anchored by **Lansing Mall** and the mixed-use **Delta Crossings** development. The submarket continues to attract large-format retailers, restaurants, and new development activity.

Key Corridors: West Saginaw Highway at I-96 and West Saginaw Highway near Lansing Mall.

Note: Martin Commercial surveys multi-tenant retail properties and single-tenant retail buildings containing at least 5,000 SF. Regional mall space is excluded from market statistics. Building inventories are reviewed and updated bi-annually to ensure consistency with current survey criteria.

VACANCIES

Vacancy trends across the Greater Lansing retail market were generally stable during H1 2026, with the overall market vacancy rate holding at 17.1%. While absorption remained slightly negative, ongoing leasing activity and adaptive reuse of former retail spaces helped offset vacancies created by tenant turnover and business closures.

The East Submarket posted the strongest performance, with vacancy declining from 11.1% to 10.3%. The improvement was driven by continued leasing activity throughout the corridor, including **Street Corner Urban Market's** 6,207 SF lease at **Hannah Plaza**, and numerous restaurant-oriented openings throughout East Lansing and Okemos, some of which include **Einstein Bros. Bagels**, **For Crepe Sake**, **BB.Q. Chicken**, **Sunrise Chinese Food** and many more. The submarket continues to benefit from strong demographics, university-driven demand, and limited availability in many of its most desirable retail corridors.

The South Submarket also recorded improvement, with vacancy falling from 30.5% to 29.8%. While still the market's highest-vacancy sector, the decline reflects ongoing redevelopment activity along the South Cedar corridor, including the sale and planned re-tenanting of several former drug store properties including the former **Rite Aid** at 2701 South Cedar, which will soon feature **Saroki's Crispy Chicken**, and the repurposing of the former **CVS** store at 5118 South MLK Jr. Blvd. to medical office. New projects such as **Chick-fil-A**, which opened at 6430 South Cedar further demonstrate continued retailer interest in the area.

The North Submarket experienced a modest increase in vacancy from 20.5% to 22.5%. Recent closures at **Eastwood Towne Center**, including **Banana Republic** and **Smokey Bones**, contributed to the increase; however, new tenants such as **BoxLunch** and **WaveMax** continue to add activity within the submarket. **Eastwood Towne Center** remains one of the region's premier retail destinations and is expected to continue attracting replacement tenants for recently vacated space.

Vacancy in the West Submarket increased from 14.1% to 14.7%, largely due to **Going Going Gone** closing in the **Delta Center**. Despite the increase, leasing activity remained healthy, highlighted by **Gardner White's** opening in the former **Value City Furniture** building on West Saginaw Highway, and continued development activity within **Delta Crossings**. The West Submarket remains one of the market's most sought-after retail corridors and continues to attract large-format retailers and new investment.

ABSORPTION

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

During H1 2026, the Greater Lansing retail market recorded negative 9,550 SF of net absorption. Despite continued tenant turnover and several high-profile business closures, including **Going Going Gone** (Delta Plaza), **Big Boy** (Mason), **Smokey Bones** and **Banana Republic** (Eastwood Towne Center) and **Coral Gables** (East Lansing), absorption remained relatively stable as new leases and openings across the market offset much of the vacated space. The result underscores the resilience of the local retail market, where demand for well-located retail space continues to support occupancy levels despite ongoing shifts in the retail landscape.

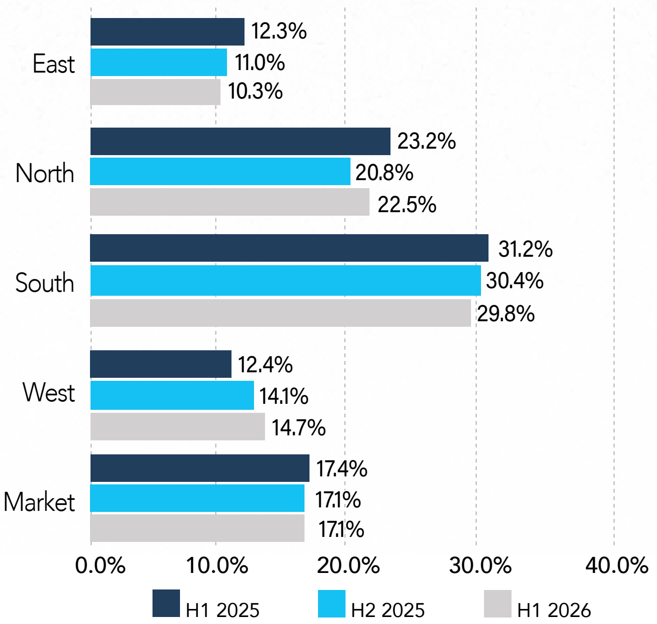

Figure 4: History of Vacancies

Source: Martin Commercial Properties, Inc.

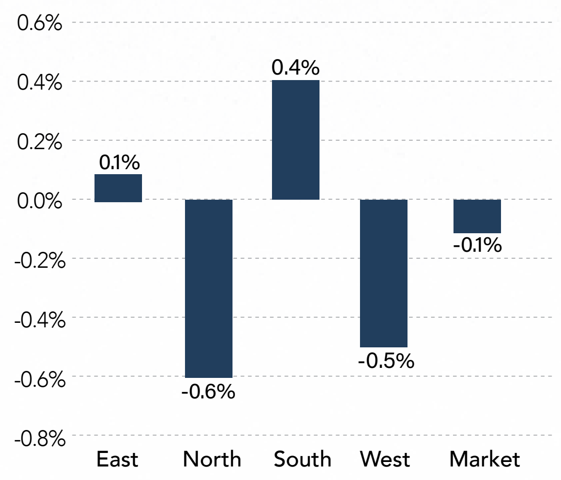

Figure 5: H1 2026 Absorption

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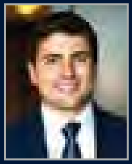
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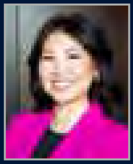
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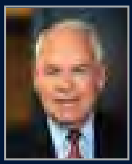
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