

The Colliers logo is located in the top right corner. It consists of the word "Colliers" in a white serif font, centered within a dark blue rounded rectangle. Below the rectangle are three horizontal stripes in yellow, red, and blue from top to bottom.

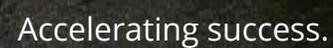
Colliers

The word "Lansing" is written in a white serif font on a dark blue background. A thin white horizontal line is positioned below the text.

Lansing

The text "21Q2" is displayed in a large, bold, white serif font on a dark blue background. A thin white horizontal line is positioned above the text.

21Q2

The tagline "Accelerating success." is located in the bottom right corner. It is written in a white sans-serif font and is preceded by a thin white horizontal line.

Accelerating success.



Lansing

21Q2

Key Takeaways

- The home improvement and home furnishings & décor category has experienced strong sales through the pandemic and advisors expect more of these retailers to enter the market for increased competition. Restaurants continue to rebound and evolve post-COVID-19
- While many companies are bringing their employees back to the office, there remains much uncertainty surrounding office space requirements
- The industrial market remains tighter than ever post-COVID-19 as the demand for additional warehousing and manufacturing spaces continue to escalate

Market Overview

The commercial real estate market is emerging from COVID-19 shutdowns and social distancing guidelines, as evidenced by the increase in activity in Q2. Though some are not back to pre-pandemic levels, all real estate sectors saw a significant increase in activity in the Lansing market as tenants, buyers and consumers grow more confident. Advisors have a positive outlook moving forward as the Lansing market begins a return to “normal” with restaurants and retailers returning to full capacity, planned developments progressing, manufacturing gaining full force and workers returning to the office.

Construction Tacker

13
PROJECTS

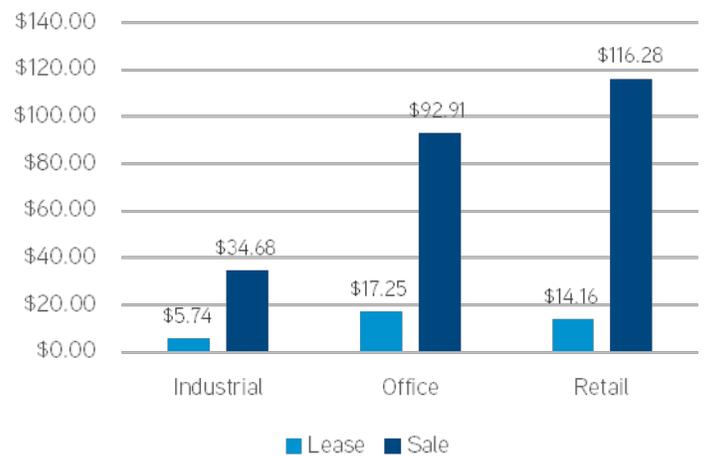
2,131,117
SQUARE FEET

MARKET INDICATORS

RELATIVE TO PRIOR PERIOD

	Q2 2020	Q2 2021
VACANCY	↔	↓
NET ABSORPTION	+	+
CONSTRUCTION	↓	↑
RENTAL RATE	↓	↑

Average Listed Price Per SF



Recent Transactions



Lease
2556 Alamo Drive
4,120 SF
Industrial



Lease
1403 Lake Lansing Rd
6,000 SF
Industrial



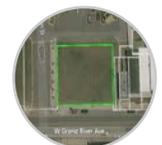
Lease
4127 English Oak Dr
74,795 SF
Industrial



Sale
206 S Washington Ave
\$77.00 PSF



Sale
3315 S Pennsylvania
\$51.20 PSF



Sale
130 Grand River Ave
\$44,800 Per Acre

Activity and Trends

RETAIL

Retail tenants and buyers were busy in the Lansing market in Q2, with lease activity being particularly strong in the regional destination sites including Delta Crossings at I-96/69 and W. Saginaw Highway. These areas have the strongest growth projections.

Site work continued at Delta Crossings for BJ's Wholesale and began on Texas Roadhouse while Bob's Discount Furniture, TJ Maxx and Hobby Lobby are being completed for these tenants to take possession and complete their interior buildouts.

Activity increased from buyers including car washes, restaurants and auto retailers who acquired vacant land sites or repurposed older retail buildings. Medical related-service users remain active, with continued growth in the market by physical therapy groups, urgent cares, dental and eye care practices, all seeking exposure in prime retail corridors.

There is continued growth from marijuana related occupiers, including a 44,000 SF building under construction in Windsor Township and a 52-Acre Ground lease which will house up to 100,000 SF of greenhouse space for a marijuana production and processing located in Corunna. Dispensary owners are breaking ground on projects in south Lansing and East Lansing. These users have paid large sums to secure sites and licenses were allowed by local municipalities through-out Mid-Michigan.

OFFICE

Office vacancy continues to remain high, particularly in the Central Business District, however advisors expect the vacancy rate to decrease slightly as companies begin to bring employees back to the office. While more employers are offering hybrid work schedules, companies are analyzing the productivity and cost effectiveness of employees working remote versus in office, in turn impacting their space requirements. In addition, office users are evaluating concerns brought on the pandemic, such as open/shared space concepts, improved HVAC needs, touchless accessibility and increased janitorial services. While they figure out what their

new "normal" looks like, many office tenants will continue to favor short-term, flexible leases and renewals.

Office rental rates are largely unchanged due to the abundance of existing supply available. Advisors note that landlords are offering less incentives such as build-out or improvement allowances, particularly for users seeking short-term lease options.

INDUSTRIAL

The demand for industrial space continues to escalate as many manufacturers seek a regional presence in the market and e-commerce requirements look for additional distribution and warehousing sites. An already low vacancy rate continues to decline as Class A and Class B space becomes increasingly difficult to find for both lease and sale opportunities. Flex space continues to be in high demand. Lease and sales rates stay consistent or are on the rise. Workforce recruitment continues to be an issue.

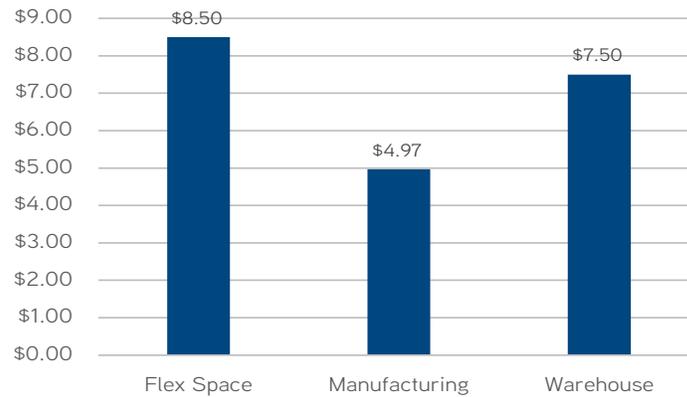
While new industrial construction is low, global healthcare supply chain company McKesson is investing in a pharmaceutical distribution center in Delhi Township, which will create 80 jobs over the next few years.

NEW CONSTRUCTION

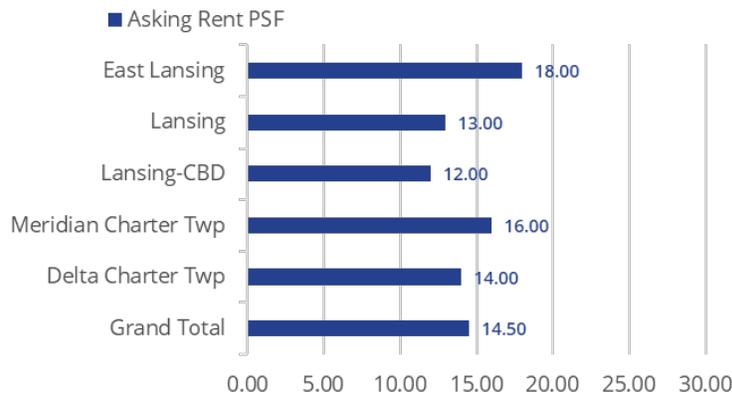
Although new construction in the market is not what it was in 2019, given the impact of supply chain setbacks, the high costs of materials and labor shortages, there are more than 13 active commercial projects in the market. Many that were postponed or delayed by the pandemic are now progressing. The most notable are the 530,000 SF new McLaren Hospital and the mixed-use Red Cedar Development, which currently has over 550,000 SF under construction and will total over 1M square-feet upon completion. Current commercial projects break down as follows:

Industrial/Warehouse/Storage:	164,000 SF
Office/Medical:	858,721 SF
Retail:	344,755 SF
Multi-family/Senior housing:	763,641 SF

Industrial Average Asking Lease Rate



Retail Asking Rent Range by Corridor



Office Asking Rent by Asset Type

