

EXECUTIVE SUMMARY

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Downtown Lansing

...

Lansing, Michigan



Downtown

August 1, 2023
Prepared by:



LandUseUSA
UrbanStrategies

In Collaboration with:

SMITHGROUP



Acknowledgements

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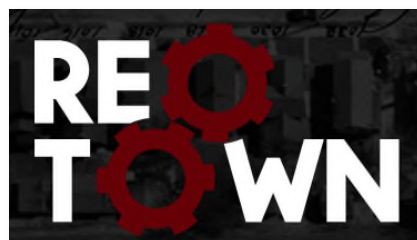
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DOWNTOWN
LANSING INC.



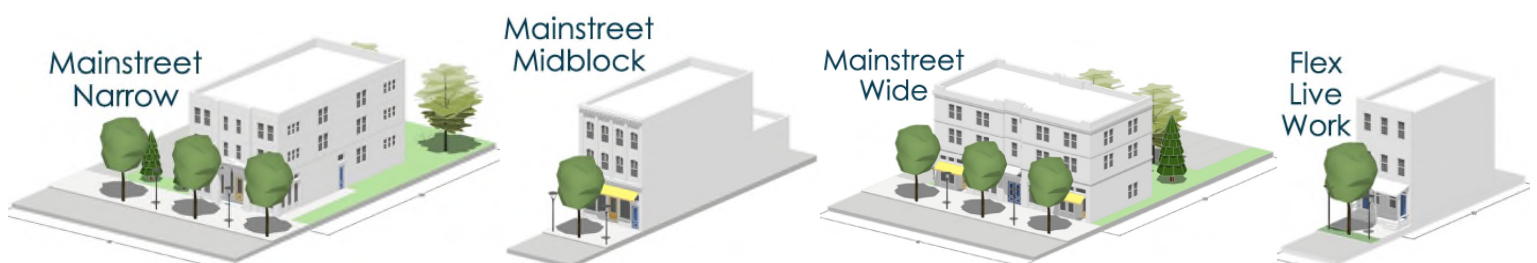
Downtown Lansing

Retail Summary

Retail Potential – There is an opportunity to lease up to 60,000 square feet (sf) of existing and new commercial space in Downtown Lansing within the next five years. New retail tenants should be concentrated in the heart of the downtown, primarily north and south along Washington Square, short cross streets (Allegan, Washtenaw, and Kalamazoo streets), and South Grand Avenue. The space could be allocated among 27 establishments with considerable flexibility in aggregate square feet (sf). New buildings could include up to 6 levels of lofts; and a small number of live-work units also could be tested cautiously.

The recommendations have been carefully customized to leverage the Downtown Lansing's existing strengths while also filling clear gaps and opportunities. Traditional merchants and discovery types of retailers, restaurants, and entertainment venues should be concentrated together in the downtown core, whereas non-retail services and overnight accommodations should be located at the periphery or along perpendicular side streets.

- ❖ 8,000 sf | A small pharmacy with vitamins and supplements and small grocer with take-away meals should be located anywhere along Washington Square.
- ❖ 3,500 sf | A family apparel store and a specialty store with party dresses and bridal should be located near the established Kositchek's Menswear department store.
- ❖ 17,500 sf | Discovery types of merchants offering easy-to-assemble furniture, sporting goods, collectibles (similar to a Hallmark), vintage five-and-dime, kitchen and restaurant supplies, Made-in-Michigan novelty gifts, party supplies, and art supplies should be located anywhere along Washington Square and in the Downtown Core.
- ❖ 6,000 sf | A small hardware store like True Value or Do-It Center should be located where it can serve not only the residents of Downtown Lansing, but also the Old Town district to the north. A location along Saginaw St or Oakland Ave would be ideal.
- ❖ 7,500 sf | Hardline categories like an automotive parts and supplies; and home improvement support services like interior design and remodeling, plumbing and electrical contractors, and paint supply should be in peripheral locations near the new hardware store, along perpendicular or side streets, or along South Grand Avenue.
- ❖ 5,000 sf | An entertainment venue such as a comedy club, dueling piano bar, or perhaps a modern dance club with live music and/or DJs could be located near the core and ideally near one or two late night eateries.
- ❖ 12,500 sf | A convenience store plus non-retail services like a laundromat, printing and shipping, recording studio, health club / gym, yoga studio, commercial cleaning services, and photography studio should be located along the side streets or South Grand Avenue.



Retail Gaps and Opportunities Downtown Lansing - Core and Periphery

Count	General Retail Category	General Retail Category	Sq. Ft.
1	Apparel - Family	Trendy fashion outlet for entire family	2,000
2	Apparel - Bridal, Infants	Party dresses, bridal, tuxedo rental	1,500
3	Sporting Goods	Bicycles, skateboards, and repair svcs	1,500
4	Greeting Cards, Other Collectibles	Replacement Hallmark store or similar	1,500
5	General Merchandise, Variety	Vintage style five-and-dime store	2,000
6	Home Furnishings	Kitchen, restaurant supply and novelty	2,000
7	Arts, Gifts, Novelty	Made and Grown in Michigan	1,500
8	Florists with some gifts	Edible arrangements, party supplies	1,500
9	Gallery, Framing, Photography	Photo studio, event photographer	1,500
10	Art Supply Store	Reopen the Grand Art Supply store	2,000
11	Furniture - General	Furniture showroom, ready-to-assemble	4,000
12	Home Improve - Materials	Nbhd hardware store near Old Town	6,000
13	Grocery - Neighborhood Specialty	Healthy choices with take-away meals	4,000
14	Pharmacy - Neighborhood	Central Pharmacy or similar brand	3,500
15	Vitamins and Supplements	Include within the nbhd pharmacy	<u>500</u>
		Subtotal Downtown Core	35,000
17	Convenience w/out Gas	Wine + Cheese cellar, beer cave, deli	2,000
18	Laundry and Dry Cleaning	Modern laundromat, not dry cleaning	2,000
19	Auto Parts, Supplies	Auto parts, supplies, plus stereos	2,000
20	Office Supplies	UPS, FedEx, printing, shipping svcs	2,000
21	Marketing - Recording Studio	Recording studio, karaoke bar, DJ svc	1,500
22	Home Improve - Interior Design	Interior designers and remodelers	1,500
23	Home Improve - Plumbing, Electric	Plumbing, electrical svc contractors	1,500
24	Home Improve - Paint	Paint supply store, most likely a chain	1,500
25	Home Improve - Cleaning	Cleaning services, offices included	1,000
16	Entertain - Comedy, Piano, Dance	Comedy, piano duel, and/or dance club	5,000
26	Overnight Accommodations	Boutique style hotel, no meeting facility	.
27	Fitness Centers, Health Clubs, Gyms	Health club, gym, spin class, yoga studio	<u>5,000</u>
		Subtotal Downtown Periphery	25,000
		Total Estimated Square Feet	<u><u>60,000</u></u>

Source: Based on a Comprehensive Market Analysis and retail study prepared by LandUseUSA | Urban Strategies; 2023.

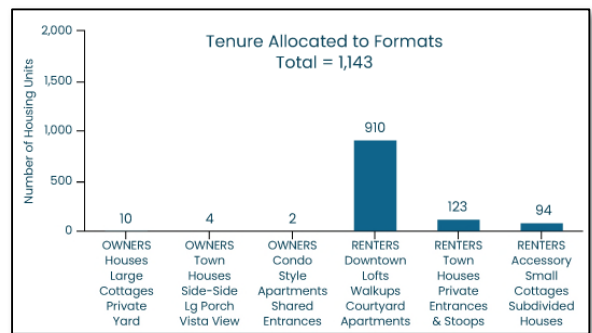
Downtown Lansing

Owner Potential – Avoid over-building new detached houses for owners and explore alternative formats like side-by-side duplexes and townhouses. Build no more than ten (10) detached houses for owners each year. Also strive to build six (6) townhouses with private entrances and porches, or a few condo style apartments with shared entrances. Attached units should have vista views of the Grand River, State Capitol, and/or retail core; and townhouses should have private porches.

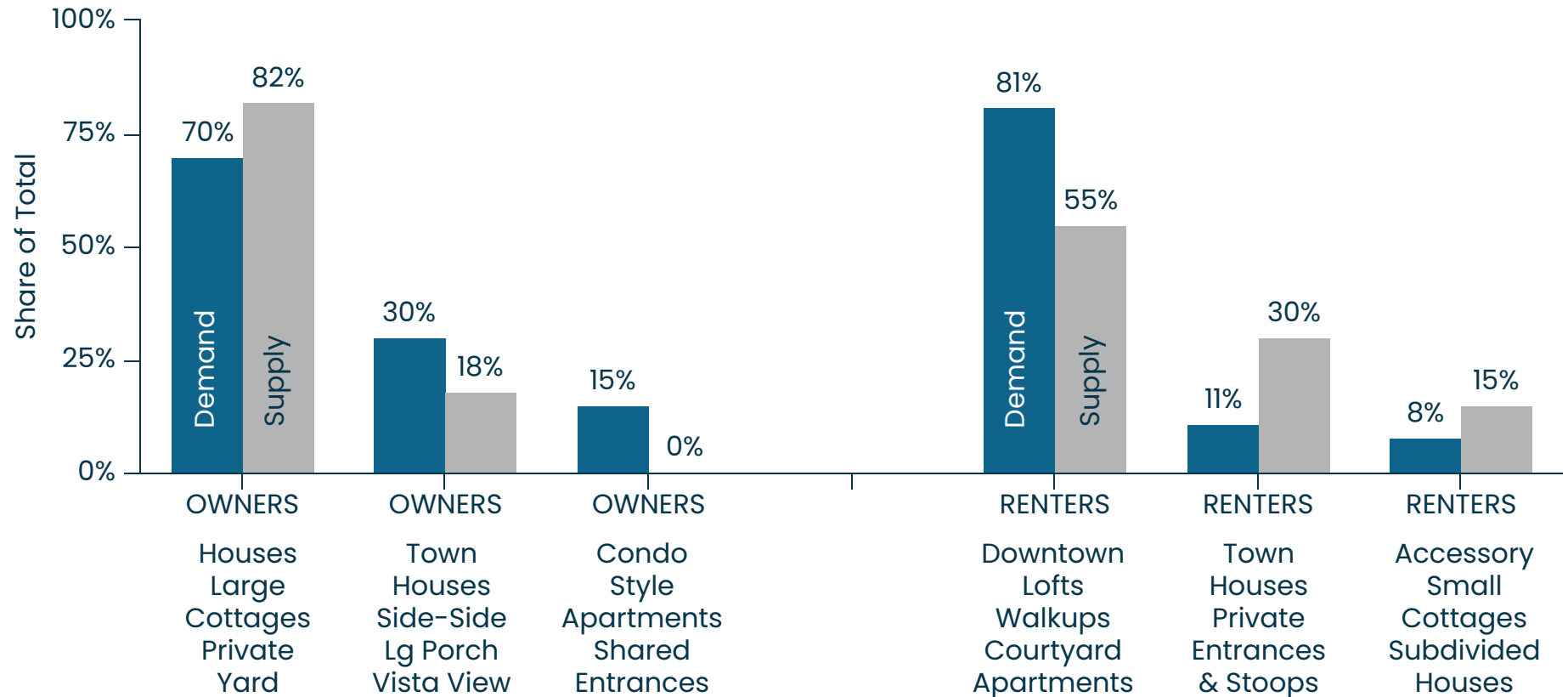
Renter Potential – For renters, focus on the development of up to 1,127 new units throughout the downtown each year, including 910 lofts, walkups, and courtyard apartments. Diversify the choices with 123 new for-lease townhouses with private entrances and stoops; and 94 accessory dwellings, small cottages, and units in small apartment houses.

Additional Notes – About 85% of the new renters will be “Colleges and Cafes” and “Striving Singles” target markets with exceptionally high movership rates. They tend to turn-over the housing stock quickly and removing them from the analysis reduces the renter market potential to about 170 units annually. For every new residential unit that is constructed, at least one existing unit should be rehabilitated, renovated, remodeled. Some optimal Step Building © formats are shown below and would be ideal for sites located adjacent to Downtown Lansing’s retail core.

Residential Summary



The Housing Mismatch | Lansing Downtown Capture with New Builds v. Existing Units | 2025

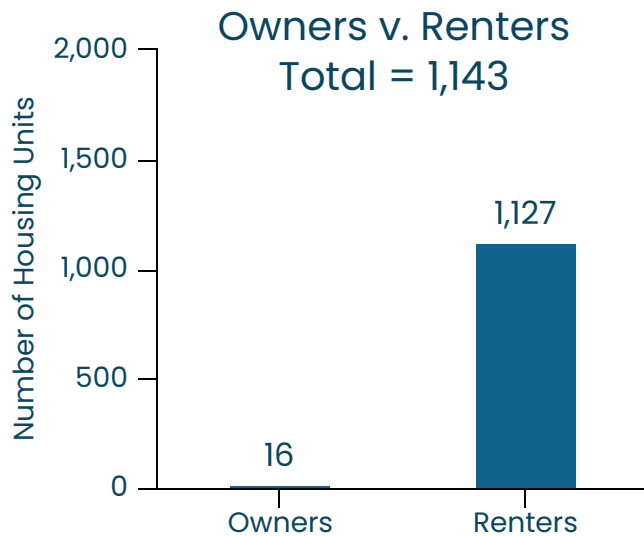


Supply represents all existing housing units as reported by the American Community Survey with one-year and five-year estimates through 2021. Demand is based on the number of new households migrating into the Downtown Lansing study area each year. All figures are unadjusted for out-migration; internal movership among existing households; vacancies; and new projects that might be in pipeline for future development.



Based on the results of a comprehensive Residential Target Market Analysis and analysis prepared by LandUseUSA | Urban Strategies; 2022-2023.

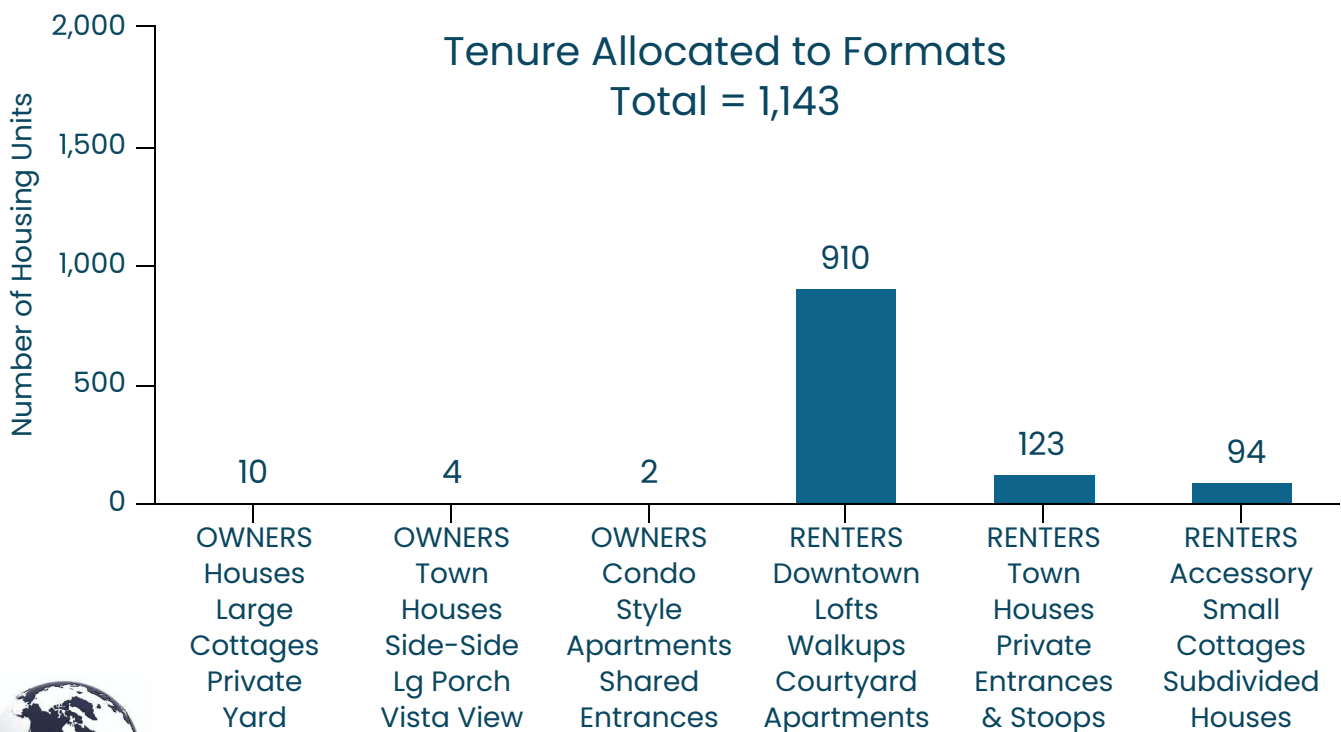
Annual Market Potential | Lansing Downtown Capture with New Builds | Year 2025



Note: Includes about 956 in-migrating students (i.e., the Colleges & Cafes and Striving Singles lifestyle clusters) who tend to seek out student housing choices.



All charts represent the minimum and conservative market potential based on in-migration only, and excluding internal movership. There is a need to CAPTURE these new households that are moving into Downtown Lansing by building new units every year. All figures are unadjusted for out-migration, current vacancies, and competing developments that might be in the construction pipeline.



Annual Market Potential | Downtown Capture of New Owners | Year 2025

all other lifestyle clusters	
Family Funtastic B09	
Suburban Attainment D18	1
Status Seeking Singles G24	1
Bohemian Groove K40	
Rooted Flower Power L42	1
Infants Debit Cards M45	1
Full Steam Ahead O50	
Digital Dependents O51	1
Urban Ambition O52	1
Colleges Cafes O53	1
Striving Singles O54	4
Family Troopers O55	
Mid-Scale Medley P56	1
Humble Beginnings P61	
Senior Discount Towers Q65	2
Daring to Dream R66	
Hope for Tomorrow R67	
Small Town Pockets S68	
Urban Survivors S69	1
Tough Times S71	1

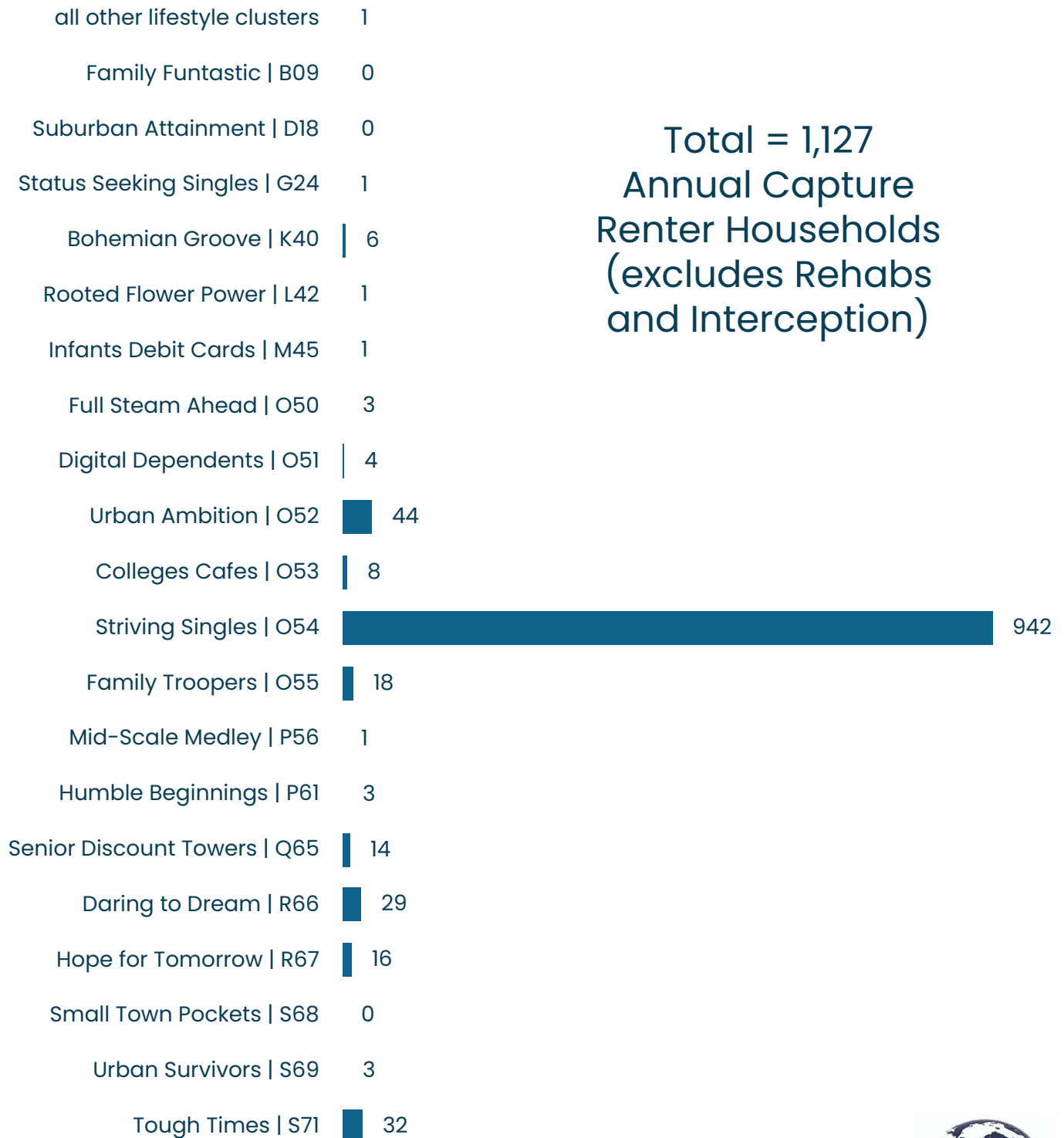
Total = 16
Annual Capture
Owner Households
(excludes Rehabs
and Interception)

Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through 2021, and with forecasts through 2025. Analysis & exhibit prepared by LandUseUSA on behalf of Downtown Lansing, Inc.; 2022 - 2023.



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Annual Market Potential | Downtown Capture of New Renters | Year 2025



Underlying Mosaic Lifestyle Clusters provided by Experian Decision Analytics through 2021, and with forecasts through 2025. Analysis & exhibit prepared by LandUseUSA on behalf of Downtown Lansing, Inc.; 2022 - 2023.



Preferred Home Values | Downtown Capture with New-Builds | Year 2025

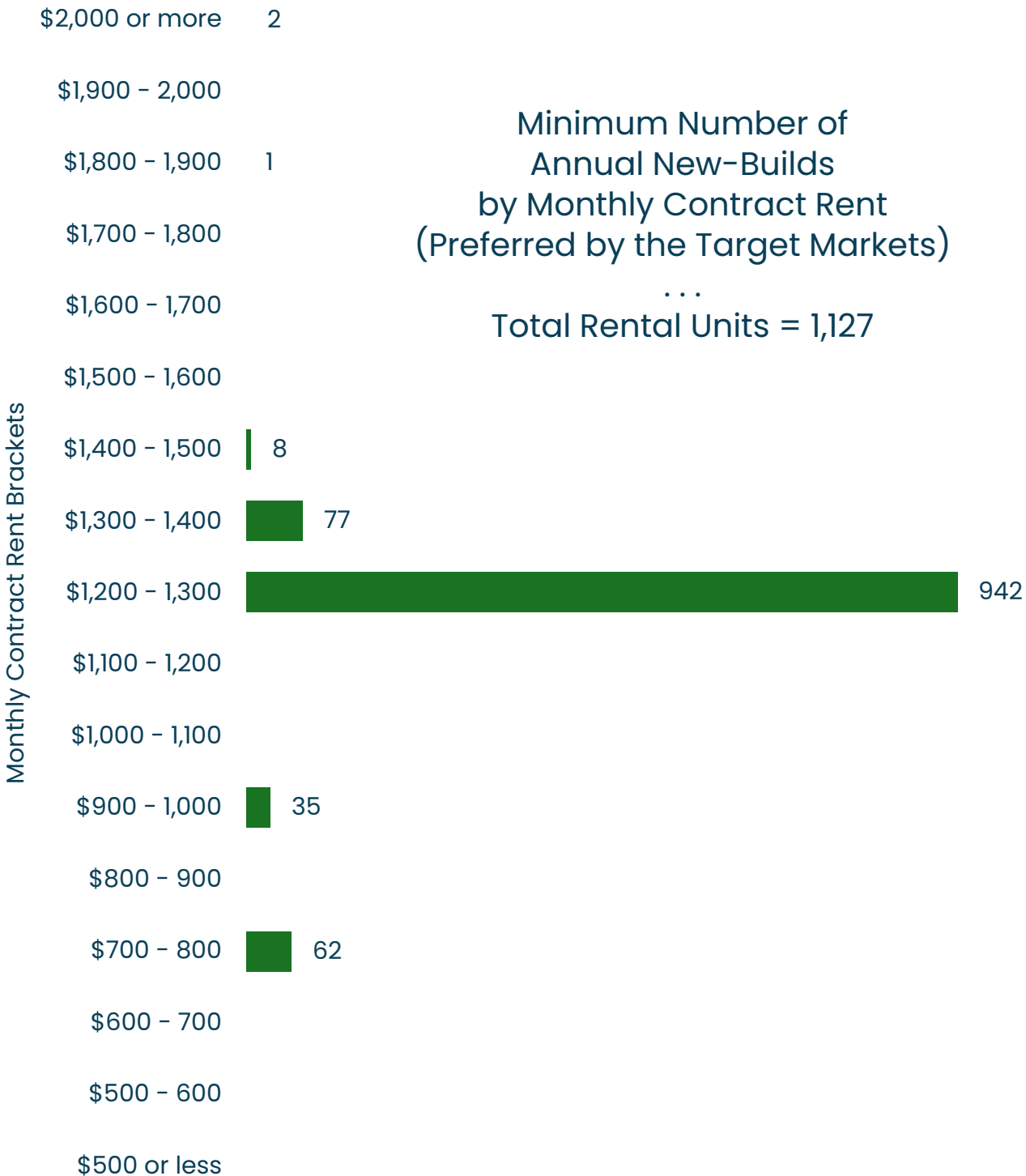
New-Build Home Value Brackets		Minimum Number of Annual New-Builds by Total Home Value (Preferred by the Target Markets)
\$500,000 or more		
\$475 - 500,000		
\$450 - 475,000		
\$425 - 450,000		
\$400 - 425,000	2	...
\$375 - 400,000		Total Owner Units = 16
\$350 - 375,000		
\$325 - 350,000		
\$300 - 325,000	2	
\$275 - 300,000	2	
\$250 - 275,000		
\$225 - 250,000	6	
\$200 - 225,000		
\$175 - 200,000		
\$150 - 175,000	1	
\$150,000 or less	3	

Based on the results of a Target Market Analysis and study of households moving into the local market. Analysis & exhibit prepared by LandUseUSA | Urban Strategies on behalf of Downtown Lansing, Inc.; 2022 - 2023.



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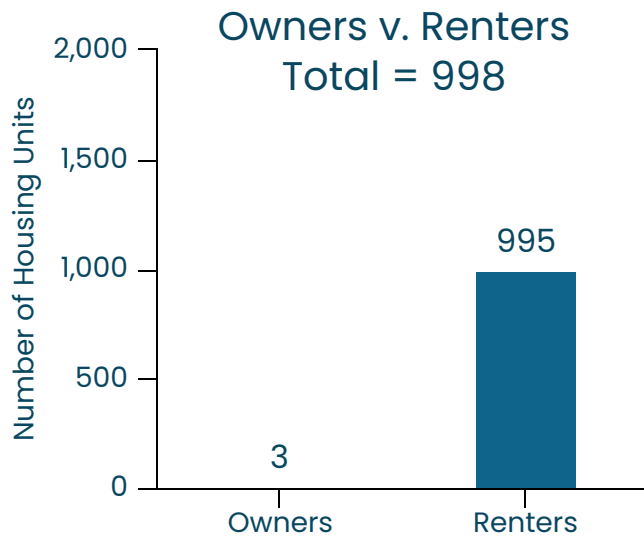
Preferred Contract Rents | Downtown Capture with New Builds | Year 2025



Based on the results of a Target Market Analysis and study of households moving into the local market. Analysis & exhibit prepared by LandUseUSA | Urban Strategies on behalf of Housing Lenawee; 2022 - 2023.



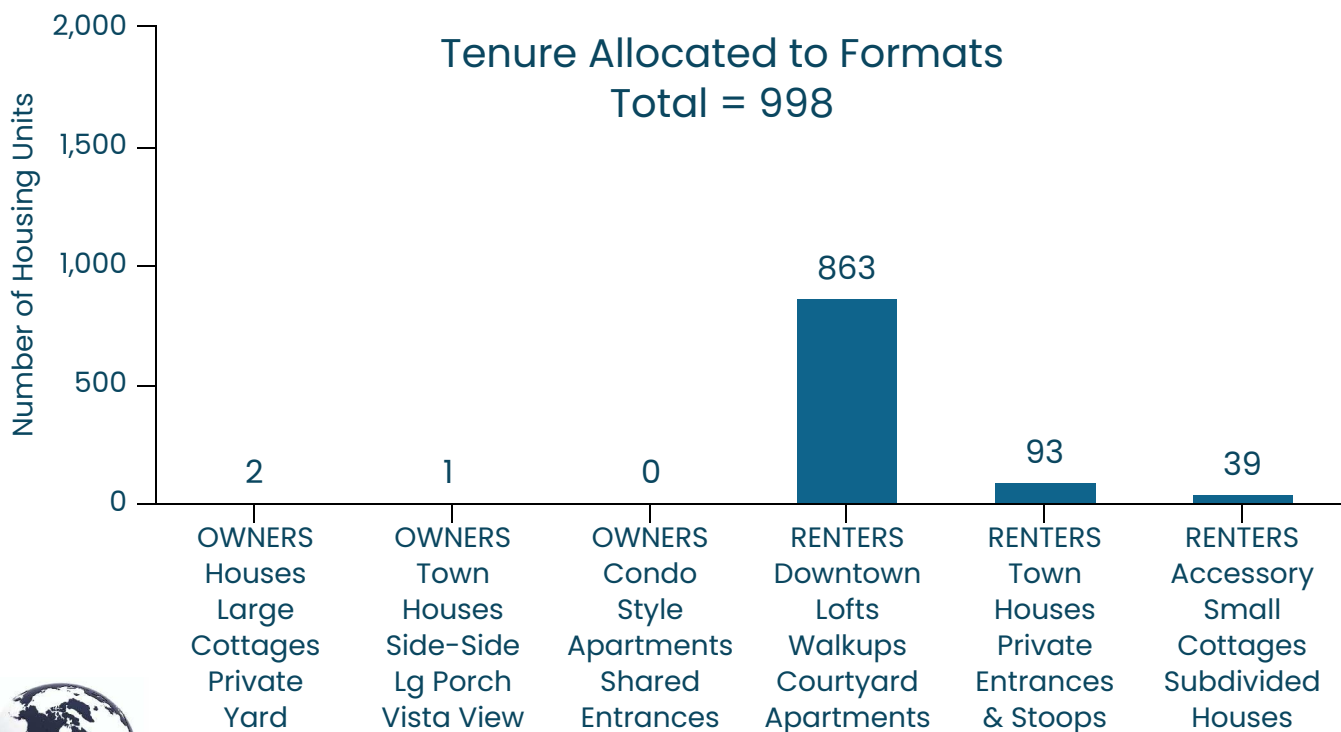
Annual Market Potential | Lansing Downtown Intercept with New Builds | Year 2025



Note: Includes about 947 students (i.e., the Colleges & Cafes and Striving Singles lifestyle clusters) who are on the move but currently bypassing Downtown Lansing each year.

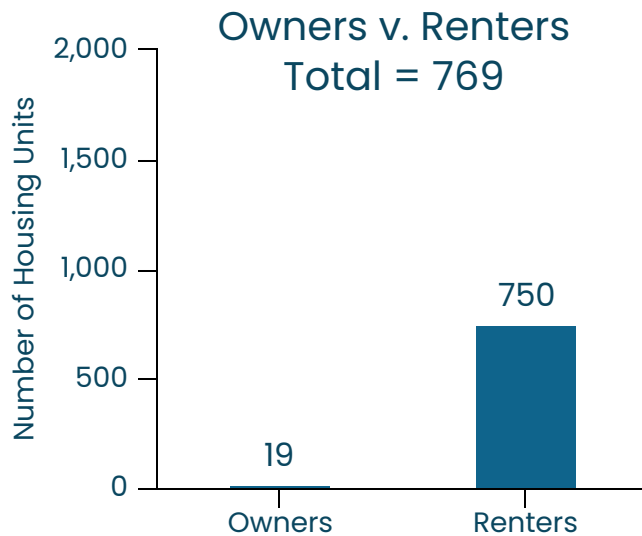


Both charts are based on the history of in-migration for Downtown Lansing over the past five years, and excluding internal movership. There is an upside opportunity to INTERCEPT these households that are on the move but currently bypassing the Downtown. All figures are unadjusted for out-migration, current vacancies, and competing developments that might be in the construction pipeline.



Annual Market Potential | Lansing Downtown

Retain with Rehabs | Year 2025



Note: Includes about 500 existing students (i.e., the Colleges & Cafes and Striving Singles lifestyle clusters) who are swapping addresses within Downtown Lansing each year.



Both charts represent a conservative market potential based on internal movership only, and excluding in-migration. There is a need to RETAIN these existing households that are moving within Downtown Lansing by rehabbing outdated units every year. All figures are unadjusted for out-migration, current vacancies, and competing developments that might be in the construction pipeline.

