

EXECUTIVE SUMMARY

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REO Town District

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Lansing, Michigan

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Prepared by:



LandUseUSA
UrbanStrategies

In Collaboration with:

SMITHGROUP



REO Town

Acknowledgements

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DOWNTOWN
LANSING INC.



REO Town District

Retail Summary

Retail Potential – There is an opportunity to lease up to 40,000 square feet of existing and new commercial space in the REO Town District within the next five years. New retail tenants should be concentrated in the established retail core, primarily north and south along South Washington Avenue, short cross streets (E Hazel, South, Elm, and South Streets). The aggregate space could be allocated among 25 small businesses with considerable flexibility in aggregate square feet (sf). Depending on the location, some of the new retail buildings could include up to six levels of for-lease lofts above.

The recommendations have been carefully customized to leverage the REO Town District'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 district core, whereas non-retail services and overnight accommodations should be located at the periphery, along the short cross streets, or south of the railroad.

- ❖ 7,000 sf | A variety of discovery types of stores selling sporting goods (bicycles, skateboards); game and puzzle store (with other teaching and learning supplies); artisan studios with classes, supplies and kiln; gently used vintage and refurbished furniture. Their storefronts should face S Washington Avenue for optimal visibility.
- ❖ 6,000 sf | Specialty food stores like a food co-op; traditional bakery; Hispanic or Mexican market; and sweet shop should be located along S Washington Ave with good visibility to traffic.
- ❖ 3,000 sf | Unique apparel like a novelty costume shop and/or unique custom gowns; plus a beauty supply store with cruelty-free, cottage industry, and other types of specialty products. Again, storefronts must face onto S Washington Ave.
- ❖ 6,000 sf | Several unique eateries are recommended with unique offerings of African, Hispanic / Mexican, and/or Middle Eastern cuisine. In addition, a tearoom inside a bed-and-breakfast could be rented to small parties.
- ❖ 7,000 sf | Entertainment venues also are recommended, including a music venue (comedy/dueling piano/dance), summer music series, movie nights, museum in the Grand Trunk Depot, and community center.
- ❖ 4,000 sf | A REO Town themed vintage car showroom (with specialty body shop in the back or nearby) could be located anywhere in the retail core.
- ❖ 7,000 sf | Other non-retail services like a laundromat, lawncare and tree services, heating/venting/air conditioning contractor, commercial janitorial services, traditional bank or credit union, and catering services should be located at the periphery of the retail core, including along side streets or south of the railroad.

Home
Workshop



Shophouse
Combo



Retail
Spaces



Mainstreet
Corner



Retail Gaps and Opportunities

REO Town District - Core and Periphery

Count	General Retail Category	General Retail Category	Sq. Ft.
1	Apparel - Bridal, Infants	Costume shop, unique custom gowns	2,000
2	Beauty Supplies	Cruelty-free, cottage industry products	1,000
3	Sporting Goods	Bicycles, skateboards, and repair svcs	1,500
4	Hobby, Toys, Games	Mindbending games and puzzles	1,000
5	Art Supply Stores	Artisan studio, classes, supplies, kiln	1,500
6	Furniture - General	Gently used, refurbished, vintage furn	3,000
7	Entertain - Music Venues	Summer music series, movie nights	.
8	Entertain - Comedy, Piano, Dance	Comedy, piano duel, and/or dance club	4,000
9	Specialty Grocer - Neighborhood	Healthy choices locally grown, co-op	2,000
10	Specialty Grocer - Neighborhood	Hispanic, Mexican market, tortilla bakery	2,000
11	Specialty Foods - Bakery, Sweets	Daily bakery, breads, cupcakes, orders	1,000
12	Specialty Foods - Snacks	Snack, sweet shop, organic, gluten free	1,000
13	Restaurant - African Cuisine	Unique eateries, African Cuisine	1,500
14	Restaurant - Hispanic, Mexican	Unique eateries, Authentic Mexican	1,500
15	Restaurant - Middle Eastern	Unique eateries, Middle Eastern buffet	<u>2,000</u>
		Subtotal REO Town Core	25,000
16	Entertain - Cultural Arts	REO Town Museum, Grand Trunk Depot	3,000
17	Laundry and Dry Cleaning	Modern laundromat, not dry cleaning	2,500
18	Auto Dealer - Used, Other	Vintage car showroom, body shop	4,000
19	Lawn Care, Trees, Fences	Lawncare, tree services in general	1,000
20	Home Improve - HVAC	Heating, venting, air condition services	1,000
21	Home Improve - Cleaning	Commercial janitorial services	.
22	Overnight Accommodations	Retro B&B with reservable tearoom	1,000
23	Event Halls, Meeting Venues	Community center in general	.
24	Financial - Banks, Credit Unions	Traditional non-membership banking	1,000
25	Non-Restaurant Catering Svcs	Specialty catering, special order svcs	<u>1,500</u>
		Subtotal REO Town Periphery	15,000
		Total Estimated Square Feet	<u>40,000</u>

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

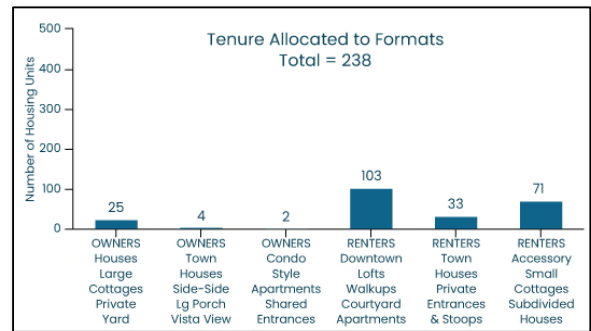
REO Town District

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 25 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 glimpses of the retail core or bluffs along the Grand and Cedar Rivers; and townhouses should have private porches.

Renter Potential – For renters, focus on the development of up to 207 new units throughout the district each year, including 103 lofts, walkups, and courtyard apartments. Diversify the choices with 33 new for-lease townhouses with private entrances and stoops; and 71 accessory dwellings, small cottages, and units in small apartment houses.

Additional Notes – About half 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 100 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 transitioning into the residential neighborhood located to the east.

Residential Summary



Duplex Stacked



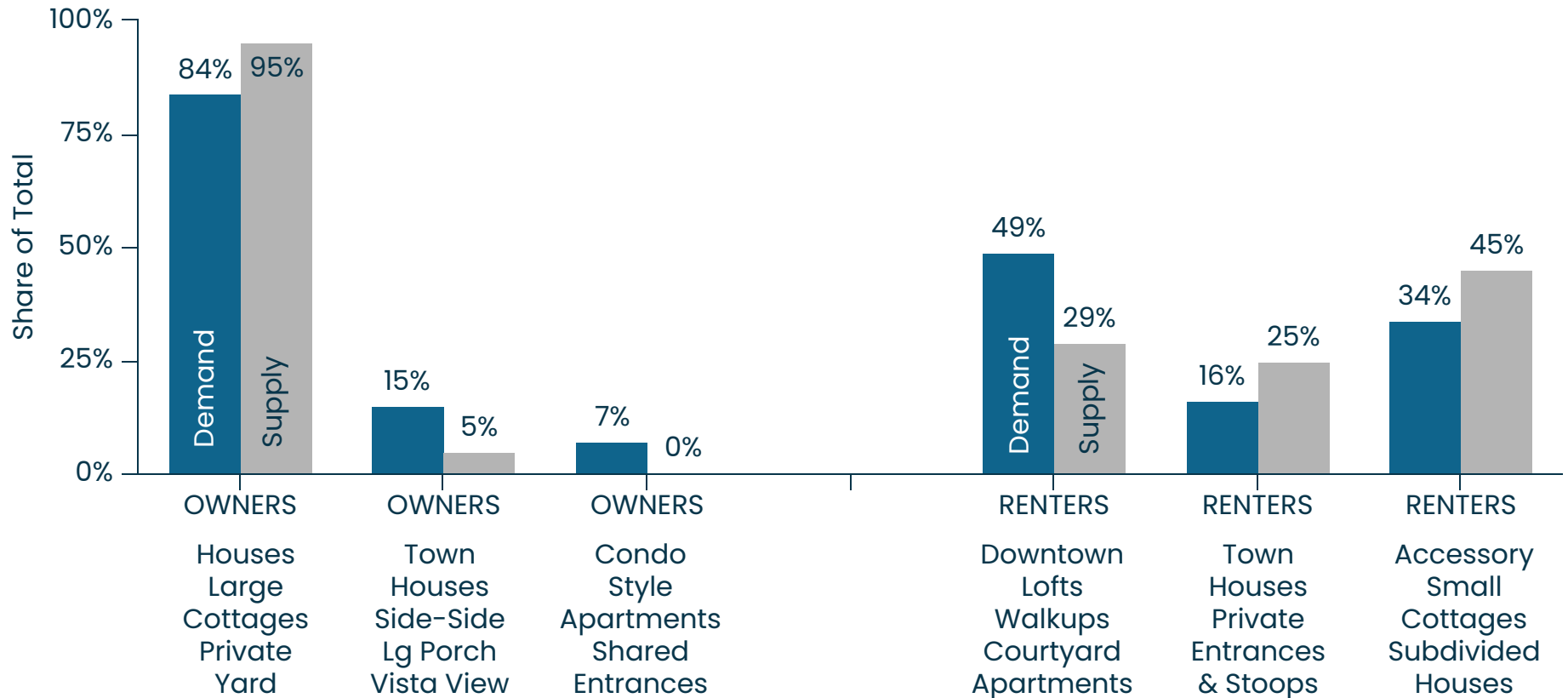
Rowhouse



Apartment House



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

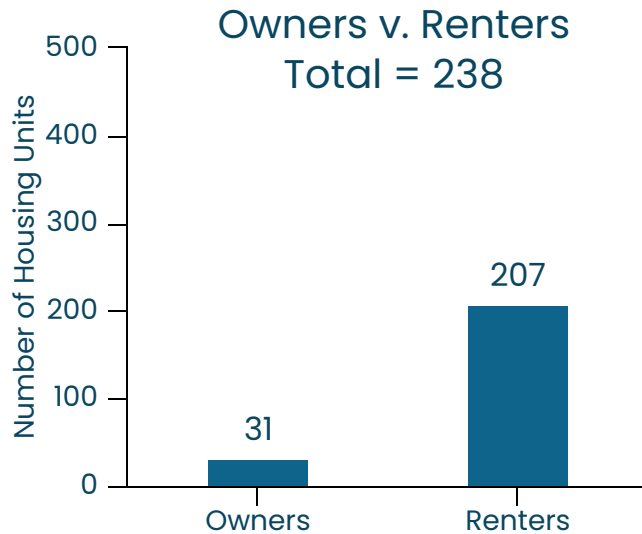


Supply represents all existing housing units as reported by the American Community Survey with one-year and five-year estimates through 2021. Demand is based on the number of new households migrating into the REO Town Lansing study area each year. All figures are unadjusted for out-migration; internal 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.

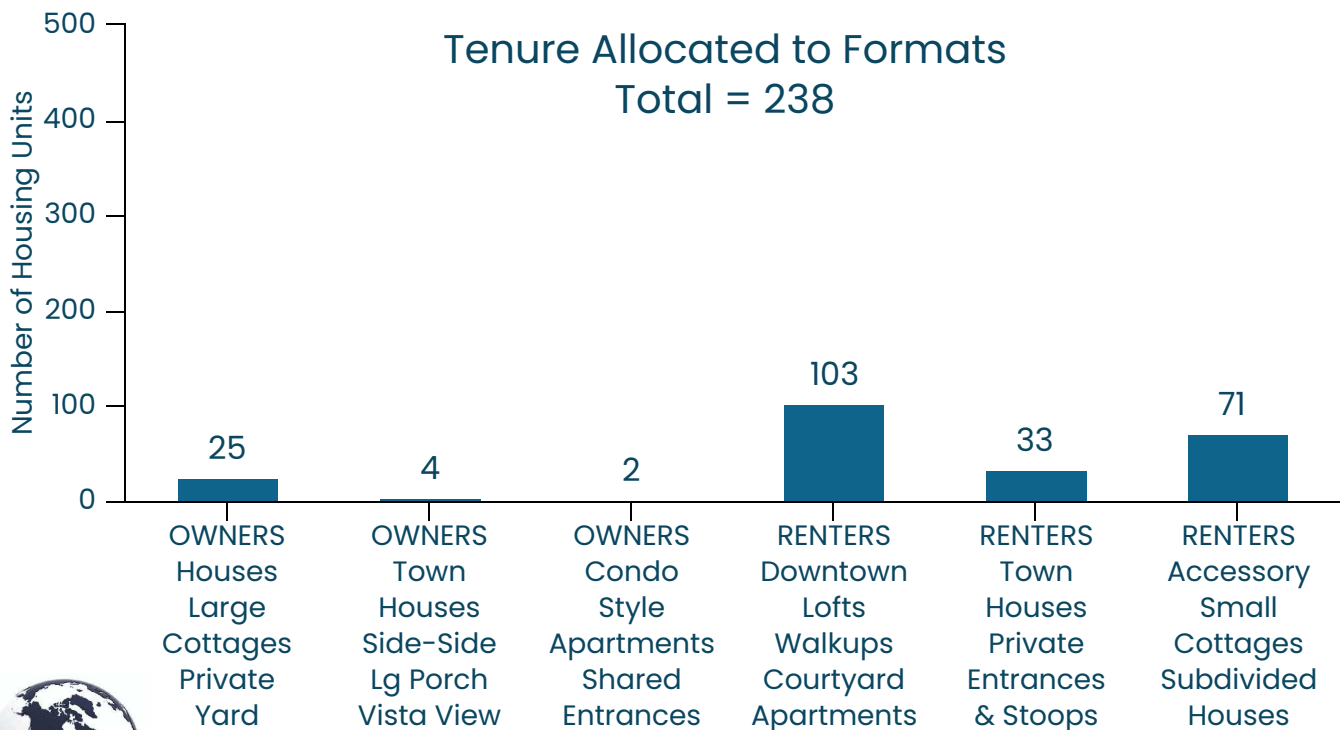
Annual Market Potential | Lansing REO Town Capture with New Builds | Year 2025



Note: Includes about 99 in-migrating singles (i.e., the Colleges & Cafes and Striving Singles lifestyle clusters) who tend to seek student housing formats.



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 REO Town 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 | REO Town Capture of New Owners | Year 2025

all other lifestyle clusters		5
Family Funtastic B09		1
Suburban Attainment D18		1
Status Seeking Singles G24		1
Bohemian Groove K40		
Rooted Flower Power L42		2
Infants Debit Cards M45		3
Full Steam Ahead O50		
Digital Dependents O51		10
Urban Ambition O52		1
Colleges Cafes O53		
Striving Singles O54		1
Family Troopers O55		
Mid-Scale Medley P56		2
Humble Beginnings P61		
Senior Discount Towers Q65		1
Daring to Dream R66		1
Hope for Tomorrow R67		
Small Town Pockets S68		1
Urban Survivors S69		1
Tough Times S71		

Total = 31
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 REO Town Lansing; 2022 - 2023.



Annual Market Potential | REO Town Capture of New Renters | Year 2025

all other lifestyle clusters	0
Family Funtastic B09	0
Suburban Attainment D18	0
Status Seeking Singles G24	1
Bohemian Groove K40	2
Rooted Flower Power L42	1
Infants Debit Cards M45	4
Full Steam Ahead O50	4
Digital Dependents O51	19
Urban Ambition O52	26
Colleges Cafes O53	1
Striving Singles O54	98
Family Troopers O55	7
Mid-Scale Medley P56	2
Humble Beginnings P61	1
Senior Discount Towers Q65	1
Daring to Dream R66	23
Hope for Tomorrow R67	11
Small Town Pockets S68	2
Urban Survivors S69	2
Tough Times S71	2

Total = 207
Annual Capture
Renter 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 REO Town Lansing; 2022 - 2023.



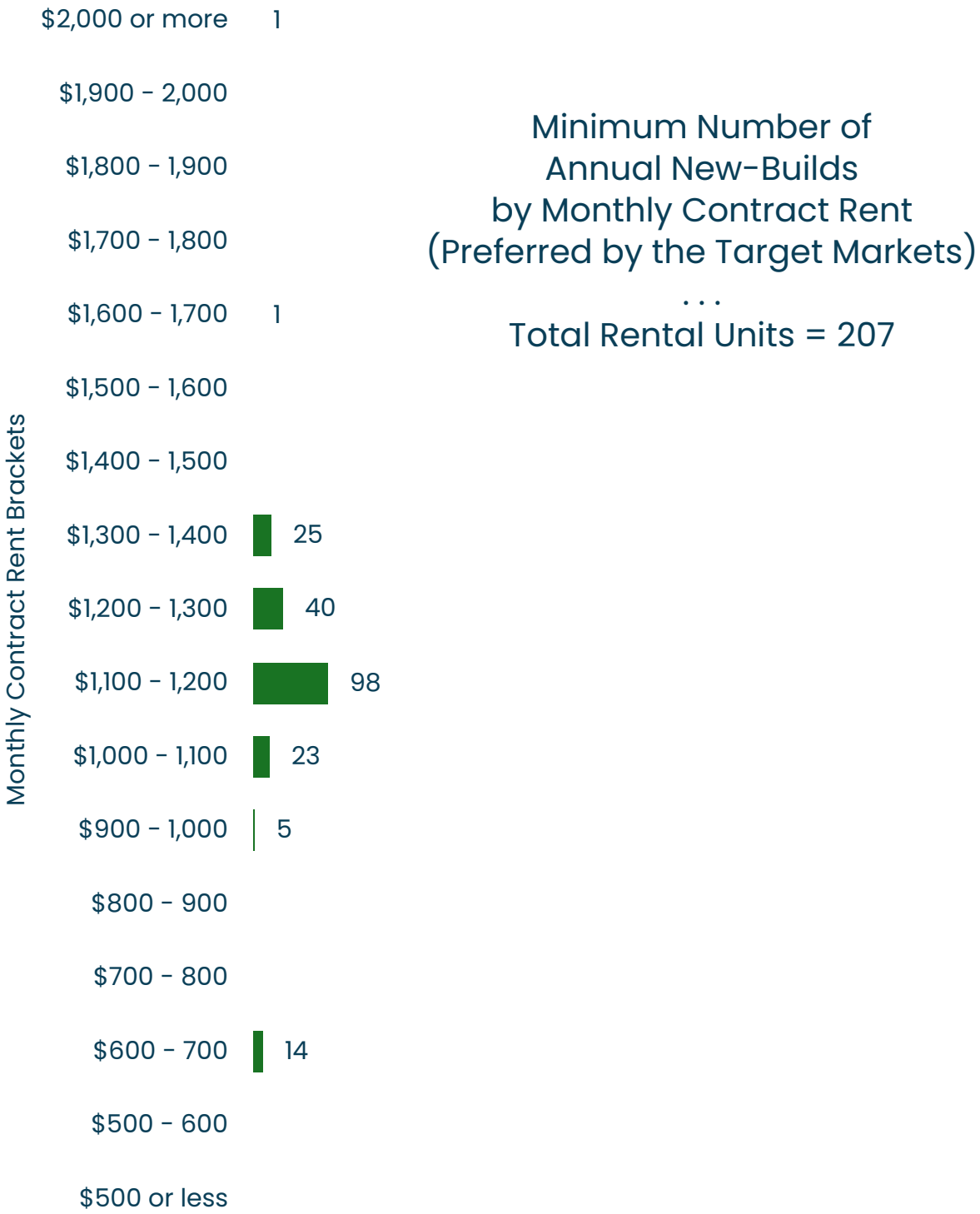
Preferred Home Values | REO Town Capture with New-Builds | Year 2025

New-Build Home Value Brackets	Minimum Number of Annual New-Builds by Total Home Value (Preferred by the Target Markets)	
	Units	Total Owner Units = 31
\$500,000 or more	1	Total Owner Units = 31
\$475 - 500,000		
\$450 - 475,000		
\$425 - 450,000		
\$400 - 425,000		
\$375 - 400,000		
\$350 - 375,000	1	
\$325 - 350,000		
\$300 - 325,000	2	
\$275 - 300,000		
\$250 - 275,000	2	
\$225 - 250,000	12	
\$200 - 225,000	2	
\$175 - 200,000	3	
\$150 - 175,000	4	
\$150,000 or less	4	

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.



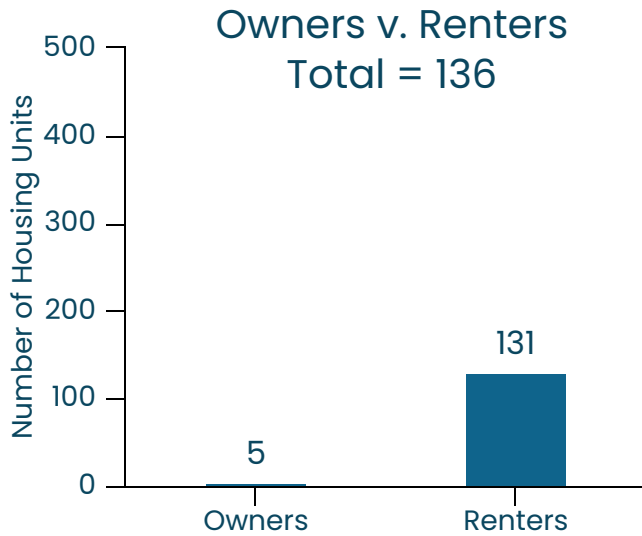
Preferred Contract Rents | REO Town Capture with New Builds | Year 2025



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.



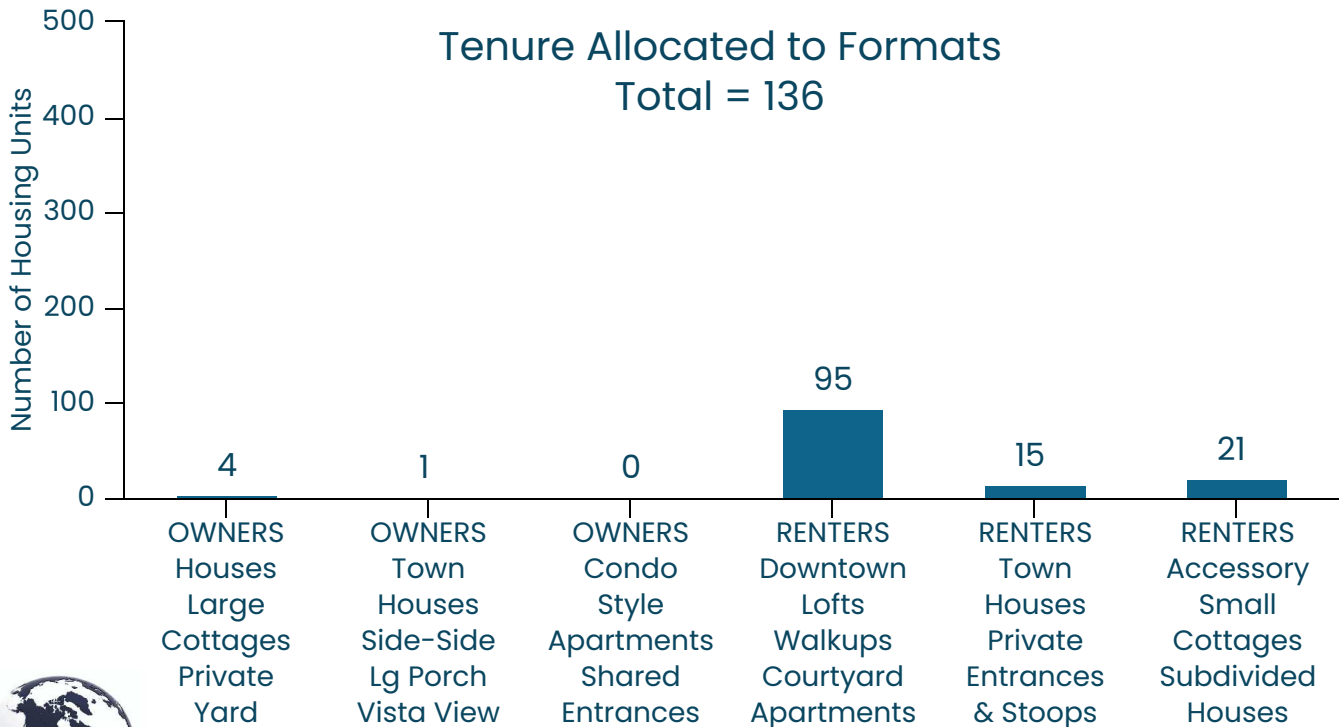
Annual Market Potential | Lansing REO Town Intercept with New Builds | Year 2025



Note: Includes about 98 singles (i.e., the Colleges & Cafes and Striving Singles lifestyle clusters) who are on the move but currently bypassing Lansing's REO Town District each year.

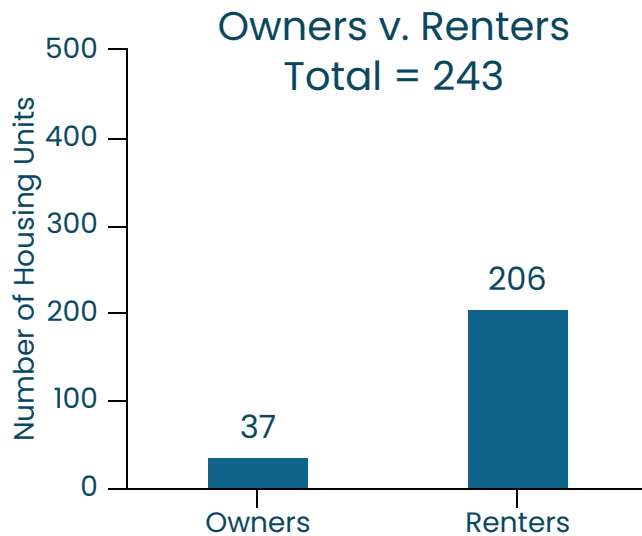


Both charts are based on the history of in-migration for Lansing's REO Town District over the past five years, and excluding internal movership. There is an upside opportunity to INTERCEPT these households that are on the move but currently bypassing the district. All figures are unadjusted for out-migration,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



Annual Market Potential | Lansing REO Town

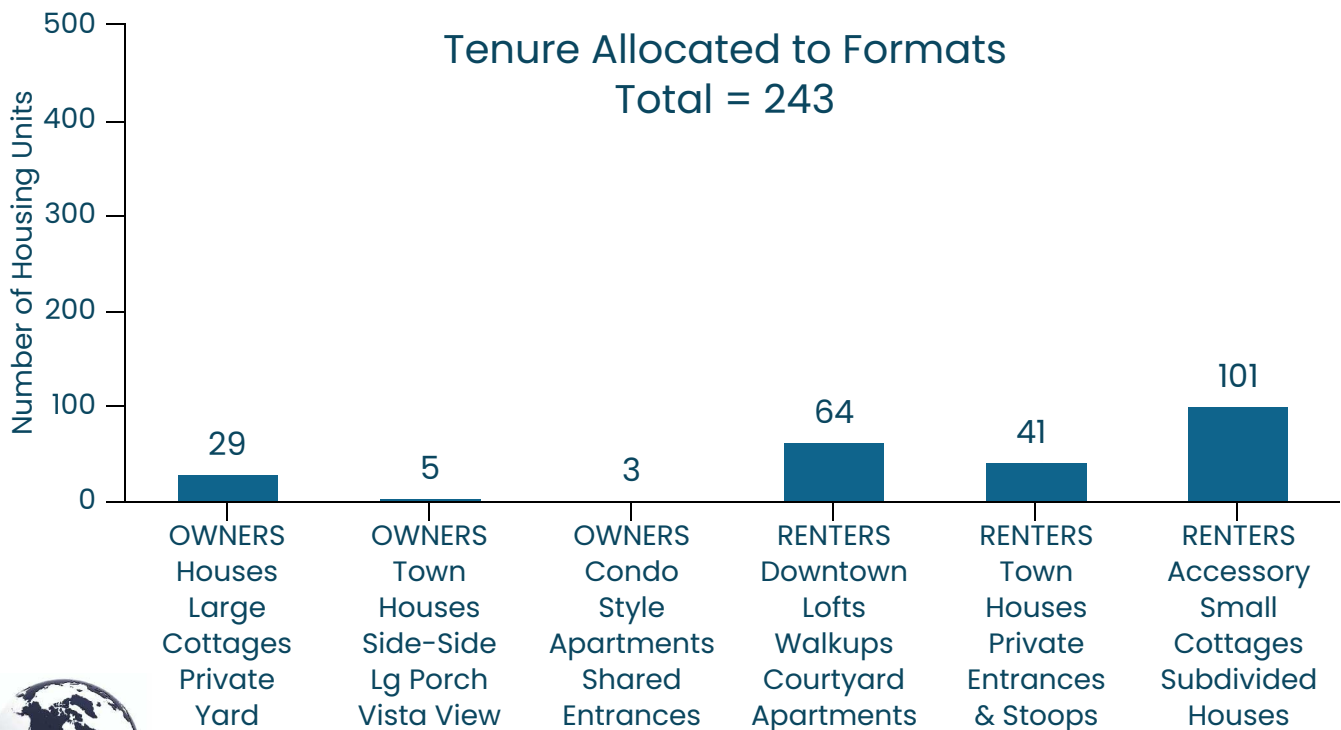
Retain with Rehabs | Year 2025



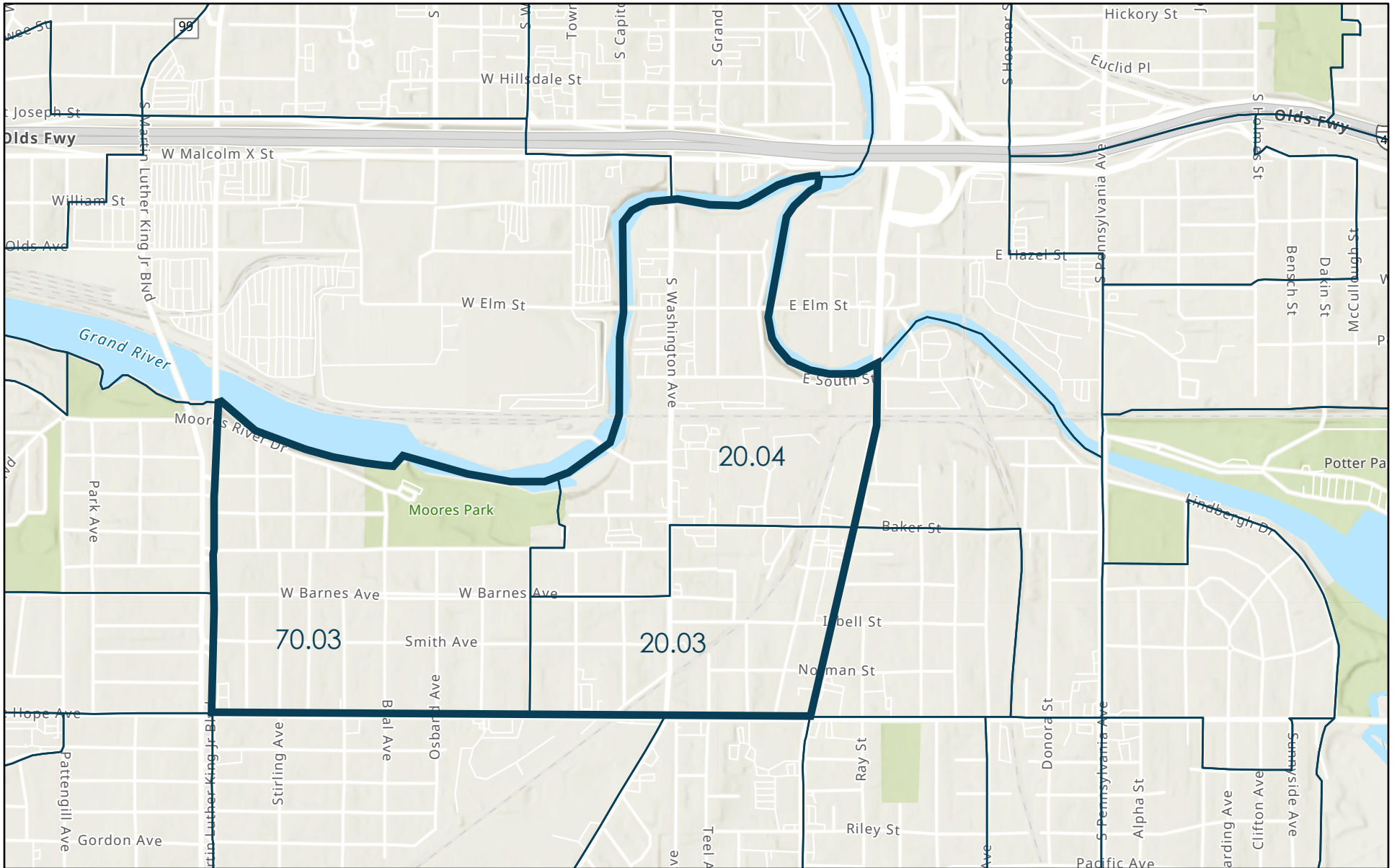
Note: Includes about 52 existing singles (i.e., the Colleges & Cafes and Striving Singles lifestyle clusters) who are swapping addresses within Lansing's REO Town District each year.



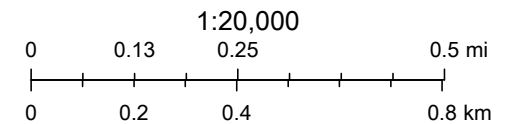
Both charts represent a conservative market potential based on internal movership only, and excluding in-migration. There is a need to RETAIN these existing households that are moving within Lansing's REO Town District by rehabbing outdated units every year. All figures are unadjusted for out-migration,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



Block Groups | Residential CMA REO Town Study Area | 2020 Census



4/7/2023



Esri, NASA, NGA, USGS, FEMA, Michigan State University, Province of Ontario, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/