

### South Westnedge Avenue

The South Westnedge Avenue retail corridor makes up the largest portion of the area's retail market with 4.8 million SF of retail space, or 53% of the total inventory. The vacancy rate for this corridor remains low with a slight increase from 10.99% in Q2 2022 to 11.10% in Q2 2023.

This 2nd quarter vacancy total of 537,479 SF is primarily attributed to the Crossroads Mall, an enclosed shopping center, which accounts for 344,534 SF, or 64% of the total vacancy in the corridor. Both Sears and Burlington Coat Factory remain vacant and interior vacancy within Crossroads is expected to increase. Other large vacancies include the former D&W grocery store, Bed Bath & Beyond, and Gander Mountain. New retailers and restaurants to the corridor in the last year include AutoZone, WellNow Urgent Care, RnR Tire, McAlister's Deli, Pita Way, and City Barbeque.

Over the next 12 months, we expect to see the larger spaces fill as several discount retailers take advantage of second-generation space in this tight retail market. There is continuous demand for retail and restaurant sites as well as land in this corridor. Finding a prime location is challenging given the low vacancy rate and mature market. We expect the remaining spaces to backfill, as small businesses and new concepts continue to test the market.

### West Main Street

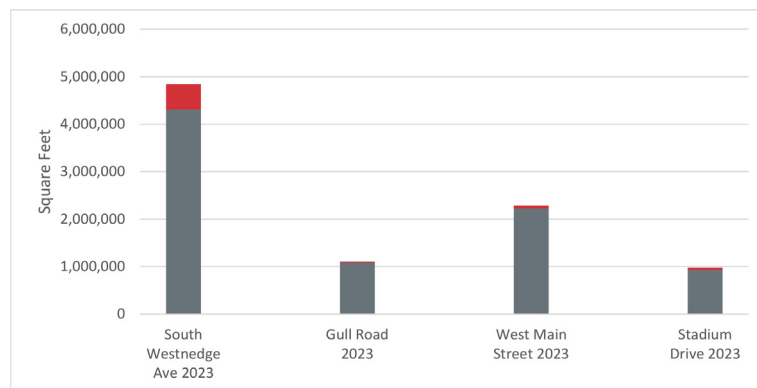
The West Main Street retail corridor makes up approximately 25% or 2.28 million SF of the market inventory. Vacancy along the West Main Corridor has decreased by 9% or 5,781 SF from Q2 2022 to Q2 2023. Overall, West Main vacancy is 2.56% in this mature corridor. New retailers to the corridor include Aspen Dental, True Sleep Mattress Store, and the relocation of Burlington Coat Factory from Crossroads Mall. West Main continues to show retail and restaurant demand. There is limited real estate available that is zoned for development with utilities between US-131 and 9th Street.

### Stadium Drive

The Stadium Drive retail corridor makes up approximately 10.5% of the market inventory, with a total of 973,695 SF. Vacancy has increased by 38%, from 33,383 SF to 46,134 SF, which represents a change of 12,751 SF in one year. Stadium Drive corridor vacancy stands at 4.74%. The largest vacancy in the corridor is in University Commons and includes the former 15,000 SF Save-A-Lot store. The Corner@Drake continues to be successful as vendors such as Zen Lens and Condado Taco have filled and maintained space. We expect the former Wayside 4-acre site will be redeveloped in the next year and auto dealerships will continue to expand.

### Total Retail Inventory

■ Vacant SF ■ Occupied SF



### Gull Road

The Gull Road corridor represents 12% of the market inventory at a total of 1,102,262 SF. Vacancy rates along Gull Road have decreased the largest percent, decreasing by 19%; from 20,448 SF to 16,627 SF. The major change in vacancy can be attributed to the former Family Dollar being filled by Lighthouse Autism Center, now occupying 7,000 SF of the previously vacant space. Small spaces continue to turnover along Gull Road and immediately backfill. Gull Road remains a strong corridor within the Kalamazoo area, but very little real estate is available for new development close to Meijer and Walmart.

### Market Outlook

Overall, vacancies of large retailers will continue to fill, while smaller spaces will continue to exchange tenants in search of the right locations. The Crossroads Mall current vacancies, as well as expected new vacancies, will be challenging for the primary S. Westnedge Ave corridor. While it is a candidate for redevelopment, the number of owners required to agree will be a challenge. In addition, it will likely need to be a public/private partnership to spark affordable change.

Well-placed assets and proactive landlords are continuing to attract tenants. We expect the gap between the highest and lowest rates to continue to grow, as well-maintained spaces in secure locations raise rates and harder-to-lease locations drop rates to fill vacancies. Improvements and remodeling of older spaces will be imperative to close this gap and keep locations competitive.

### KALAMAZOO RETAIL MARKET STATISTICS

Corridor	Occupied SF		Vacant SF		Total SF	
	2022	2023	2022	2023	2022	2023
South Westnedge Ave	4,286,437	4,306,697	529,391	537,479	4,815,828	4,844,176
Gull Road	1,077,596	1,085,635	20,448	16,627	1,098,044	1,102,262
West Main Street	2,215,219	2,228,488	64,336	58,555	2,279,555	2,287,043
Stadium Drive	940,312	927,561	33,383	46,134	973,695	973,695
<b>TOTAL</b>	<b>8,519,564</b>	<b>8,548,381</b>	<b>647,558</b>	<b>658,795</b>	<b>9,167,122</b>	<b>9,207,176</b>