

Coffee Site Selection Analysis

Royal Oak Main & 3rd vs. East Lansing Grand River & M.A.C.

Independent case study deliverable | Uses real public-source data and supplied scenario assumptions

Executive verdict

Base-case recommendation: Royal Oak, with lease and operating guardrails. The recommendation is conditional, not absolute. East Lansing has cheaper recurring occupancy and a strong MSU-driven pedestrian market; however, the historical data and directional 2026 status scan show a denser and more dynamic competitive corridor around East Lansing, while Royal Oak shows stronger review-affinity signals, a more compact historical competitive universe, and less dependence on the student calendar.

- Royal Oak has the stronger base case if the lease preserves the \$40,000 TI allowance, patio rights, visible storefront/signage, and a workable mobile-pickup/parking flow.
- East Lansing remains viable if the landlord improves economics or if ownership deliberately wants a student-first operating model with seasonal controls.
- This is not a sales forecast. Google reviews are used as a demand, affinity, and competitive-pressure proxy; final LOI approval still needs sales/margin assumptions or comparable-store economics.

Decision factor	Royal Oak	East Lansing	Read
Annual occupancy cost	\$108,150 / \$9,013 monthly	\$96,000 / \$8,000 monthly	East Lansing is \$12,150/year cheaper before TI.
First-year net after TI	\$68,150	\$71,000	Royal Oak is \$2,850 better year one because of the larger TI allowance.
Five-year net after TI	\$500,750	\$455,000	East Lansing is \$45,750 cheaper over five years.
Screened current competitor count*	15	22	Directional status screen favors Royal Oak on lower crowding; not an exhaustive census.
Weighted competitor units	7.7	13.4	Royal Oak has lower normalized direct pressure.
Included negative review share	7.7%	11.0%	Royal Oak has lower historical complaint share.

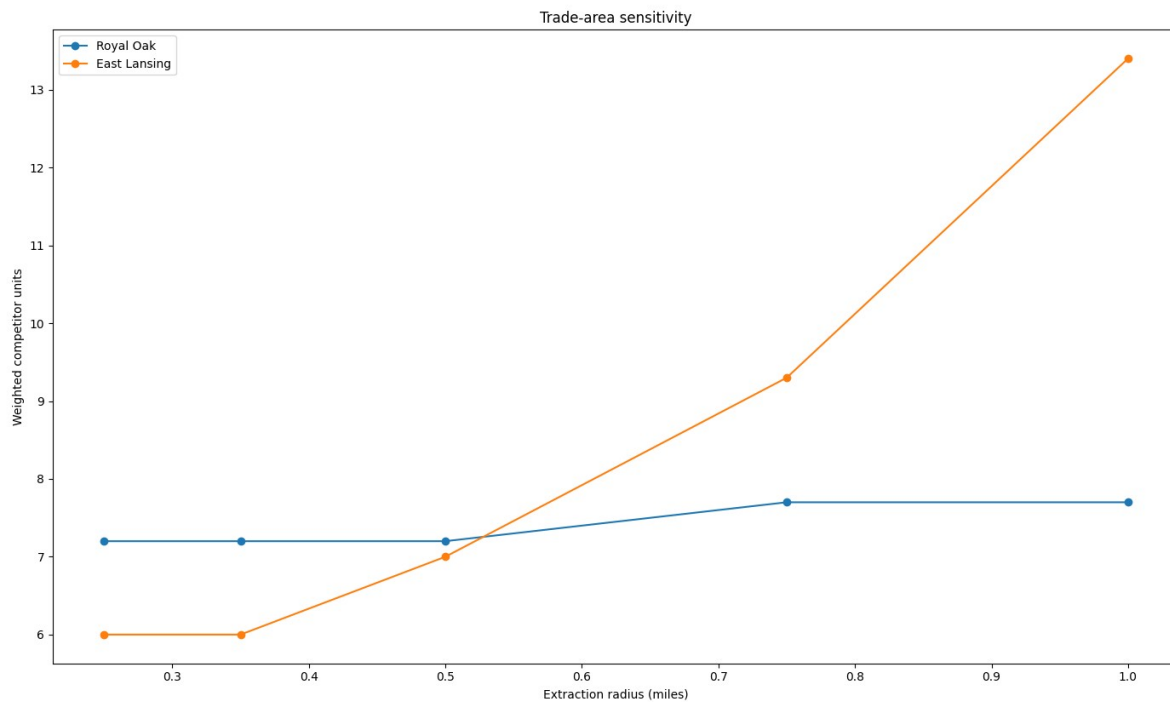
1. Methodology: what was actually processed

The analytical workflow intentionally keeps Excel out of the raw-data stage. DuckDB was used to process the Michigan metadata and review extracts, then export client-sized tables for the workbook. This addresses the original 20M-row problem without asking Excel to open the source dataset.

Step	Output / control
Raw metadata	Michigan metadata file containing 158,819 Google Local business records was filtered by location and category.
Category discovery net	Initial net used coffee/cafe/espresso/roaster/bakery terms. Bakery was included broadly, then validated so pastry-heavy competitors were not missed.
Trade area extraction	Royal Oak used a 0.75-mile downtown extraction; East Lansing used a 1.0-mile campus/corridor extraction. Sensitivity checks were run at 0.25, 0.35, 0.50, 0.75, and 1.0 miles.
Review extraction	The full Michigan review file was reduced to 12,079 records for 45 target locations: 6,525 Royal Oak reviews and 5,554 East Lansing reviews.
Competitor classification	Locations were classified as included, demand-evidence-only, or excluded; then separated into independent/local, regional/franchise, national, and institutional/indirect groups.
Current-market reconciliation	Selected material post-2021 entrants, moves, same-address replacements, and closures were checked against current official/business sources. The status scan is directional and non-exhaustive; 2021 historical data is not treated as current truth.

2. Trade-area design and sensitivity

The two sites should not be compared using identical five-mile circles. Royal Oak is a compact downtown corridor. East Lansing is a campus-facing market where the relevant walking/corridor footprint expands along Grand River and MSU-adjacent pedestrian paths. The sensitivity test below shows that Royal Oak pressure is already mostly captured within 0.25 miles, while East Lansing keeps adding competitors as the campus/corridor envelope expands.

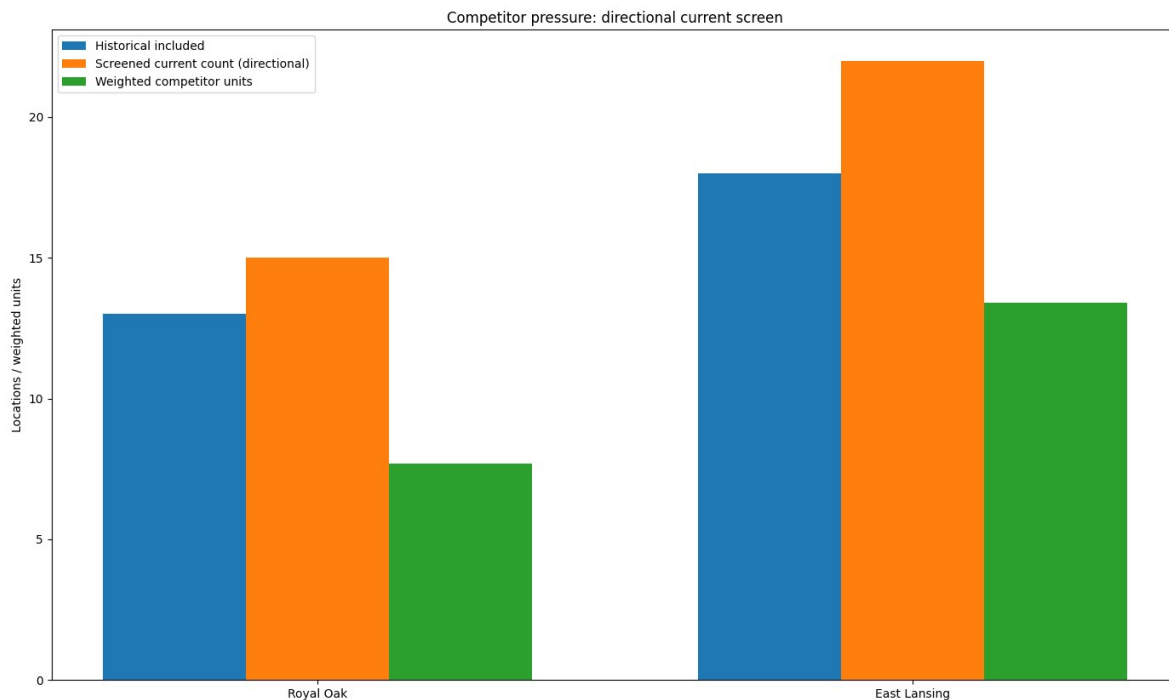


Weighted competitor units by radius. Royal Oak is compact; East Lansing expands along the campus corridor.

Radius	Royal Oak weighted units	East Lansing weighted units	Interpretation
0.25 mi	7.2	6.0	Royal Oak immediately concentrates downtown competitors; East Lansing captures its core corner cluster.
0.50 mi	7.2	7.0	Markets look similar if constrained narrowly.
0.75 mi	7.7	9.3	East Lansing pressure starts to expand along the corridor.
1.00 mi	7.7	13.4	East Lansing becomes materially more crowded once the full campus/downtown corridor is included.

3. Competitor universe and current-market reconciliation

The 2021 dataset alone is insufficient for a 2026 location decision. It identifies historic demand and competition, but it misses new entrants, moves, rebrands, and closures. The current-market reconciliation is therefore a risk-control layer, not a full census: selected material changes were checked against current official/business sources and should be read directionally.



Historical vs. screened current competitor pressure. Current counts combine the historical included set with selected verified entrant/closure/move adjustments and are directional, not an exhaustive 2026 business census.

Metric	Royal Oak	East Lansing	Meaning
Raw candidates after discovery floor	17	28	East Lansing produced the larger candidate universe.
Included active historical locations	13	18	2021 active historical locations retained after competitor classification.
Demand-evidence / ghost locations	4	6	Historic demand evidence, not current competitor count.
Screened current additions / adjustments	2 net-new	5 additions / 1 move-out = net +4	Royal Oak avoids a Rehla/Goldfish double count. East Lansing adds five screened current concepts but Blue Owl moved outside the selected 1.0-mile corridor.
Screened current competitor count (directional)	15	22	15 vs. 22 is a risk-screening estimate, not a complete 2026 census.

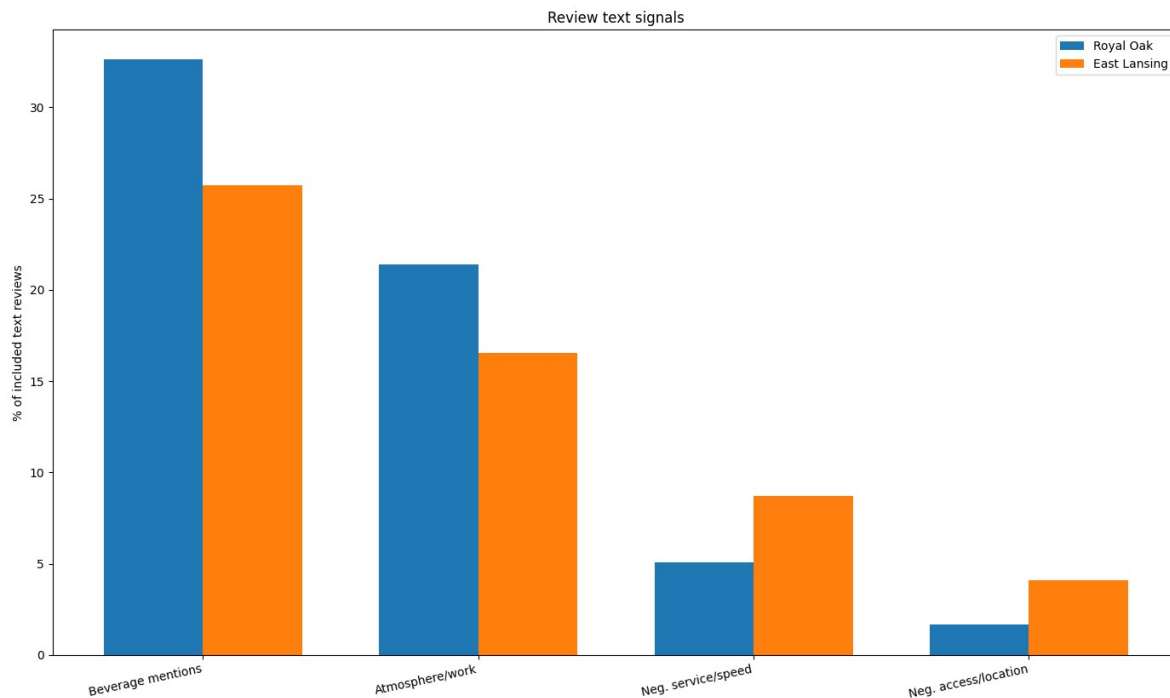
Material current-market checks:

- Royal Oak: The Office Coffee Shop closed in March 2026. Current listing sources also indicate The Proving Grounds is closed, but final QA did not locate a first-party or local-news closure announcement, so that status is treated with lower confidence and the location remains demand-evidence-only. Seven Sundays and Sabbath were added as current competitors; Rehla is treated as the current successor at/near the Goldfish Tea Cafe location rather than double counted.
- East Lansing: Chateau Coffee Co., Foxtail Coffee Co., Haraz Coffee House, Moka & Co., and Gong Cha are screened as current additions not represented in the 2021 extracted roster. Blue Owl moved from 213 Ann St to 1034 Trowbridge Rd in late 2023; using the project site center, the new location is about 1.27 miles away and therefore outside the selected 1.0-mile trade area. The historic Bruegger's address at 505 E Grand River is currently listed as Einstein Bros. Bagels, so it is treated as a one-for-one brand replacement rather than an additive competitor. Net effect for the directional screen: +4 versus the 18-location historical included base, or 22 screened current competitors. This is not an exhaustive current-market census.

4. Review normalization and customer-affinity signals

The analysis does not pool all reviews as votes. A Starbucks location with hundreds of reviews counts as one competitor location with high presence, not hundreds of votes against a smaller independent cafe. The workbook evaluates business-level metrics, confidence bands, direct-weight classification, and theme rates separately.

Metric	Royal Oak	East Lansing	Interpretation
Included review records	6,525 extracted / 13 active historical included businesses	5,554 extracted / 18 active historical included businesses	Royal Oak has fewer businesses but deeper historical review density.
Median included reviews	412.0	207.5	Royal Oak has deeper median evidence per included business.
Weighted affinity rating	4.47	4.31	Royal Oak's direct-weighted affinity signal is higher.
Local/indie average rating	4.58	4.61	Both markets show strong independent/local affinity.
Negative review share	7.7%	11.0%	Royal Oak has lower historic complaint share.



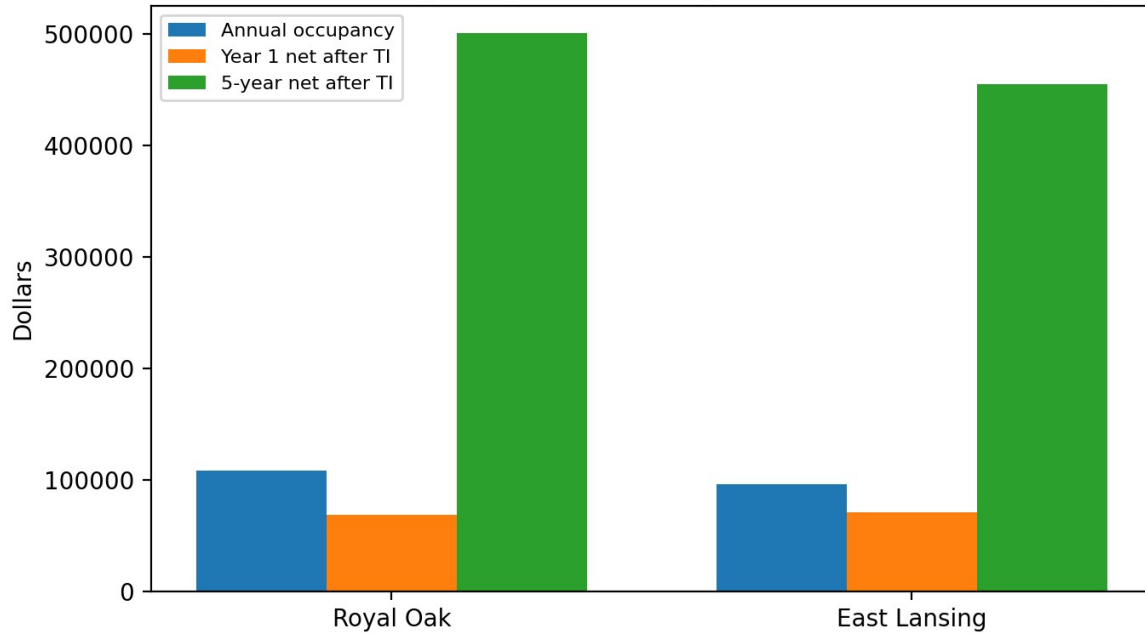
Review text themes from included businesses. Theme extraction is lexical and transparent, not a black-box sentiment model.

The text themes are useful directional signals, not a substitute for reading reviews manually. Royal Oak has stronger beverage and atmosphere/workspace mention rates, and materially lower negative access/location mentions. East Lansing shows more negative service/speed and access/location friction, which fits a high-volume campus corridor where throughput matters.

5. Lease economics and scenario logic

East Lansing is the lower recurring-cost lease. Royal Oak is only economically defensible if the stronger market signals translate into enough incremental gross profit to cover the recurring rent premium and if the lease locks in the operational features that make the downtown site work.

Lease economics: Royal is year-one competitive, but costlier over 5 years



Royal Oak's larger TI allowance improves year-one economics, but East Lansing remains cheaper over five years.

Lease metric	Royal Oak	East Lansing	Delta / read
Space	2,100 SF	2,400 SF	East Lansing offers 300 more square feet.
Occupancy cost / SF	\$51.50	\$40.00	Royal Oak is 28.75% higher per square foot.
Annual occupancy	\$108,150	\$96,000	Royal Oak premium = \$12,150/year.
Monthly occupancy	\$9,012.50	\$8,000	Royal Oak premium = \$1,012.50/month.
TI allowance	\$40,000	\$25,000	Royal Oak receives \$15,000 more landlord contribution.
First-year net after TI	\$68,150	\$71,000	Royal Oak is \$2,850 lower in year one.
Five-year net after TI	\$500,750	\$455,000	Royal Oak is \$45,750 higher over five years.

Break-even test: Royal Oak needs approximately \$1,013/month of incremental gross profit versus East Lansing. At assumed contribution margins of 65%, 70%, and 75%, that equals about \$1,558, \$1,446, or \$1,350 in additional monthly sales. These are scenario calculations only; the analysis does not claim Google reviews can forecast sales or margins.

6. Recommendation and guardrails

Recommended base case: Royal Oak. The site has the better balance of historical customer-affinity evidence, normalized competitive pressure, market diversification, and year-one landlord contribution,

while the directional current-market scan does not overturn that read. The choice is not risk-free: Royal Oak's recurring rent premium and the 2026 closure of The Office Coffee Shop are real caution flags. That is why the recommendation is conditional rather than a blank check.

Guardrail	Required position
Lease economics	Do not let annual occupancy move materially above the supplied \$108,150 without offsetting TI, rent abatement, or verified sales support. The five-year premium is already \$45,750 after TI.
Access / pickup	Because there is no drive-thru, the lease/operations plan must include visible pickup flow, mobile-order staging, clear parking guidance, and curb/structure signage if possible.
Concept differentiation	Royal Oak should not be another generic coffee shop. It needs specialty beverage credibility plus strong workspace/patio/atmosphere positioning to separate from Starbucks/Dessert Oasis/Atomic and new entrants.
Exit / contingency	Build a lease position that can survive lower-than-expected foot traffic. The Office closure is evidence that downtown demand exists, but also that rising cost + reduced foot traffic can break the model.

When East Lansing would win instead:

- If the East Lansing landlord improves economics enough to preserve its recurring-cost advantage while offsetting added current-market crowding.
- If ownership specifically wants a student-first brand, late-night/student-cycle strategy, and campus-focused mobile-pickup model.
- If Royal Oak cannot secure patio rights, pickup flow, parking/wayfinding support, or the supplied TI allowance.

Appendix A - Decision matrix

Factor	Favors	Evidence logic
Recurring occupancy cost	East Lansing	East Lansing is \$12,150/year cheaper before TI; Royal Oak needs about \$1,013/month incremental gross profit to cover recurring occupancy premium.
First-year landlord contribution	Royal Oak	Royal Oak has \$15,000 more TI allowance; first-year occupancy net of TI is slightly lower for Royal Oak by \$2,850.
Five-year occupancy burden	East Lansing	Over five years after TI, Royal Oak remains \$45,750 more expensive.
Historical active competitor pressure	Royal Oak	Historical active included locations: Royal Oak 13 vs East Lansing 18; weighted competitor units: Royal Oak 7.7 vs East Lansing 13.4.
Current-market crowding / turnover	Royal Oak	East Lansing screen identifies five current additions not represented in the 2021 extracted roster, offset by Blue Owl's move outside the selected 1.0-mile corridor (net +4). Royal Oak adds two net-new competitors after avoiding a Rehla/Goldfish double count. Current counts are directional, not exhaustive censuses.
Independent/local affinity	Tie / slight Royal Oak	Both markets show strong local affinity; local avg rating is 4.58 Royal Oak vs 4.61 East Lansing, but Royal Oak has larger median local review depth.
Review sentiment risk	Royal Oak	Included negative share is lower in Royal Oak (7.7%) than East Lansing (11.0%). Negative access/location theme is also lower in Royal Oak.
Demand base diversification	Royal Oak	Royal Oak is less dependent on student calendar cycles; East Lansing benefits from MSU proximity but requires off-term sensitivity planning.
Mobile pickup / curbside fit	East Lansing	East Lansing has shared rear alley/mobile-order curbside viability; Royal Oak must solve pickup flow without drive-thru.

Final base-case site	Royal Oak	Recommended only with lease guardrails; East Lansing is viable if rent is negotiated down or if student-focused strategy is deliberate.
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Appendix B - Source and limitation notes

Source type	Use in analysis
UCSD Google Local Reviews	Business metadata and review records. Historical data only; not a 2026 current-market census.
Broker/LOI inputs	Lease economics, square footage, TI allowance, access notes. These are client-supplied assumptions.
Current business and municipal sources	Used to check selected material closures, current entrants, moves/rebrands, addresses, and business status. Directional status scan only; not a complete 2026 census.
Census/MSU/downtown context	Used for directional market context; not used as a substitute for site-specific foot-traffic or POS data.

Key limitation: This deliverable does not include proprietary foot-traffic counts, POS sales, buildout bids, labor scheduling, menu margin analysis, or a broker/legal review. The 2026 business-status checks are a directional screen rather than a complete census. These items should be completed before signing an LOI.

Source URLs used for current-market and context checks

- https://mcauleylab.ucsd.edu/public_datasets/gdrive/googlelocal/
- <https://www.cityofeastlansing.com/m/newsflash/home/detail/2484>
- <https://www.cityofeastlansing.com/BusinessDirectoryii.aspx>
- <https://www.foxtailcoffee.com/locations/foxtail-coffee-grand-river-ave%2C-mi>
- <https://harazcoffeehouse.com/pages/michigan-locations>
- <https://mokanco.com/lansing-msu/>
- <https://fostercoffee.co/>
- <https://www.sevensundayscoffee.com/locations>
- <https://sabbathcoffeeroasters.com/pages/contact>
- <https://rehlacoffee.com/>
- <https://www.cbsnews.com/detroit/news/royal-oak-coffee-staple-shuttering-its-doors/>
- <https://www.census.gov/quickfacts/fact/table/royaloakcitymichigan/PST045224>
- <https://www.census.gov/quickfacts/fact/table/eastlansingcitymichigan/PST045224>
- <https://opb.msu.edu/functions/institution/enrollment/index.html>
- <https://www.romi.gov/329/Parking>
- <https://www.mygongcha.com/location/gong-cha-grand-river/>
- <https://eastlansinginfo.news/blue-owl-pops-back-to-its-roots-as-it-gears-up-for-move/>
- <https://restaurantguru.com/The-Proving-Grounds-Coffee-and-Ice-Cream-Royal-Oak>