

# Q3 2024 CITY OF MANASSAS MARKET REPORT



The City of Manassas commercial real estate market is maintaining recent trends for overall low vacancy and strong demand into the 3rd quarter of 2024. Average market rent continues to climb with an all-time high of \$21.47/sf (per square foot). In this year's second quarter, vacancy across commercial types dropped to an all-time low of 1.9%. In Q3, the vacancy rate increased to 3.1%, but still remains substantially lower than the region's 10.9% average vacancy.

Additionally, months on market dropped from 9.7 to 7.5 this quarter, indicating that commercial real estate in Manassas continues to move quickly. Months to lease (5) and months vacant (5.3) increased slightly but remain lower than average.

Over the past several years, the market sales price has had a slower growth trajectory than market rent, however last quarter saw a \$4 jump from the first to second quarter of 2024. That number has since leveled out to \$220/sf in Q3.

Of the three market types – industrial, office, and retail – office was the only real estate category in the City that decreased in vacancy. Industrial and retail properties had slight increases in vacancy, which is connected to singular

projects discussed below. Flex and retail saw continued growth in market rent price per square foot, while office and industrial had minor declines.

Despite the continued nationwide challenges related to inflation, the strength of the City of Manassas' commercial real estate market is likely attributed to the expanding Northern Virginia technology ecosystem, ongoing tourism attraction, and steady retail activity in the City's most visited corridors.

## INDUSTRIAL & FLEX MARKET

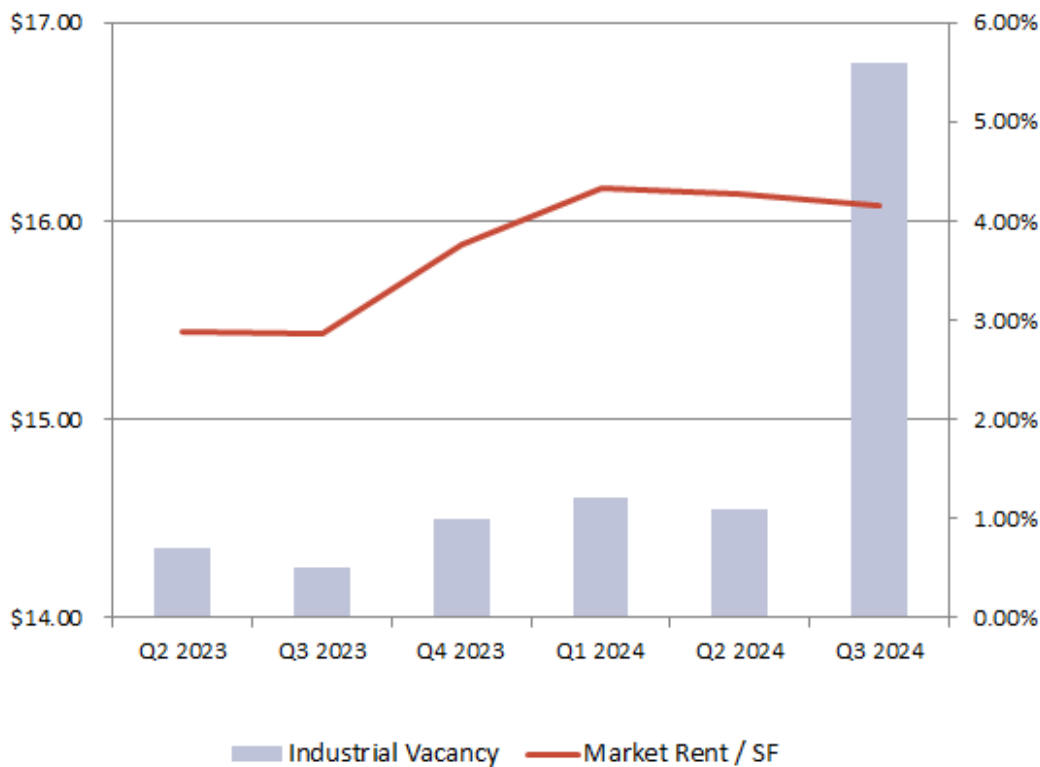
This quarter, industrial real estate in the City increased to a 5.6% vacancy rate from the extremely low (near 0%) rating that was the norm of the past two years. This is largely due to National Tire Wholesalers consolidating operations in the City, freeing up over 83.5K space for a sublease [available immediately at 9073 Euclid Avenue](#). Likely in large part due to that listing, industrial market rent reduced slightly from \$16.14/sf last quarter to \$16.08/sf in Q3.



Flex vacancy maintains recent trends with an all-time low of .5%. Market rent increased slightly to \$16.63/sf.

Market sales prices for both property types have remained relatively stable since Q1 2023. Flex now sits at \$209/sf (same as Q2) and industrial increased \$2 to \$239/sf.

Notable developments include site work and early stage construction for two new data centers, 256,000 square feet each, at 9496 Technology Drive (pictured above).



## RETAIL MARKET



The City’s ongoing focus on beautification and revitalization of commercial corridors helps result in a strong and growing retail market. The 3.4% vacancy rate, though .7% higher than the Q2 reporting, still slightly outperforms the regional average of 3.6%. Market rent marginally increased to \$27.80 this quarter (up from \$27.61), with the

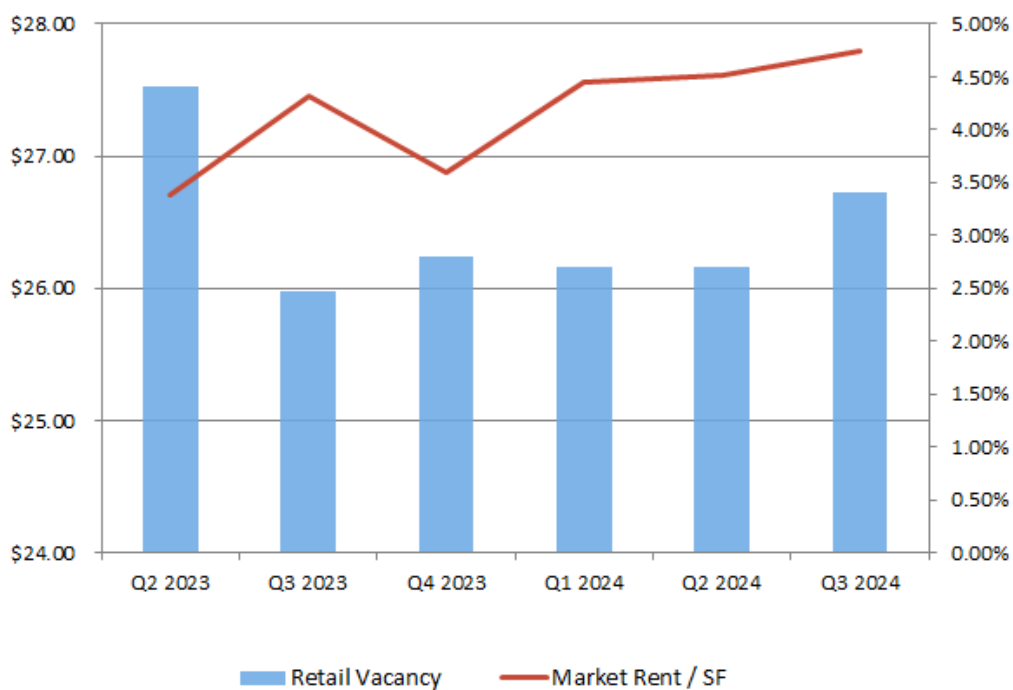
market sales price increasing from \$218/sf to \$220/sf.

A majority of the new vacancy is attributed to 9,000 square feet of retail space at 9107 Mathis Avenue, which recently became available for lease. With the City EDA's recent purchase of the outdated [Manassas Shopping Center](#), we expect the Mathis corridor to continue to evolve as the City aligns with the City’s comprehensive plan and [Community Conversations](#) dating back to 2006.

Recently, the City welcomed several new retail establishments. While we always have a steady influx of new businesses in Historic Downtown (like Studio Luxe, pictured above), this quarter saw several retail openings in our corridors, including:

- [Diner's Choice/ Saladmaster Dealership](#): John and Gladys Evidente currently operate the highest volume Saladmaster dealership in the United States, and recently chose 8636 Centreville Road to expand their footprint in the DMV.
- [TakeOne Airsoft Arena](#): JT Henderson recently purchased the TakeOne Airsoft Arena, making improvements to the building at 9508 Center Street.
- [Cannon Branch Dental](#): Dr. Mohammad Kashif recently opened Cannon Branch Dental at 9749 Buchanan Loop in The Landing at Cannon Branch. All space in the 20,000 square foot office/retail building in The Landing is now 100% leased.
- [Elite Medical Center](#): Dr. Mohammad Azim purchased and renovated space at 8420 Quarry Road for a general medical practice. Dr. Azim has had a loyal following of patients since 1996, and plans for the facility to serve local residents looking for routine, personalized medical care.

Additionally, we're excited to be formally celebrating with the City's first Wawa convenience store at 8704 Sudley Road! Please join us for their [ribbon cutting](#) on November 14 at 10 am.



## OFFICE MARKET

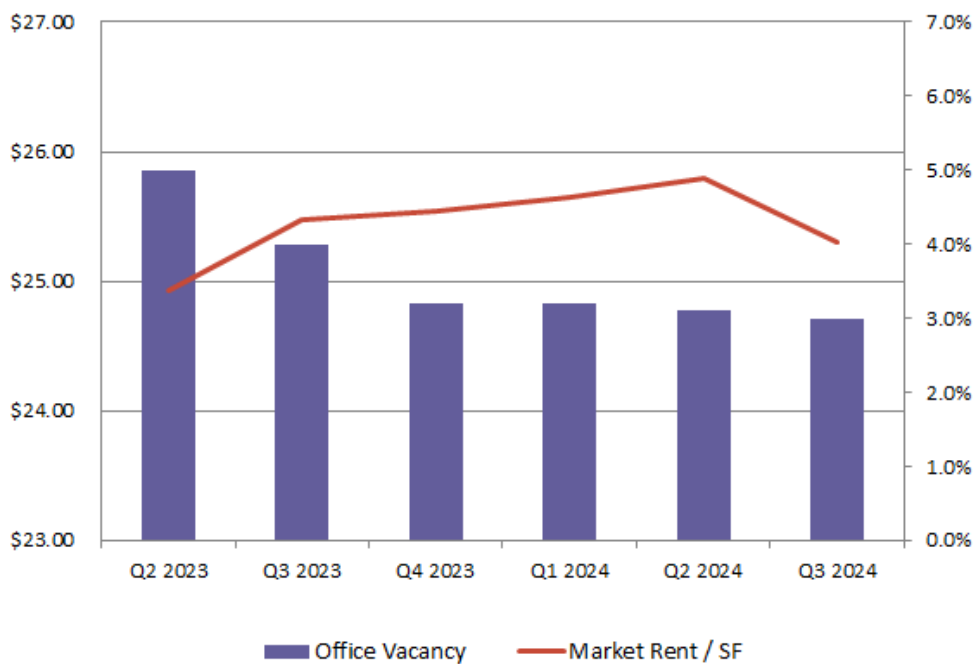
A stark contrast to Northern Virginia's 18.9% office vacancy, Manassas continues an almost historic low vacancy of 3.0% in available office space Citywide. This is compelling given the

decrease in demand for corporate office space nationally. Market rent in the City has steadily trended upward since Q4 of 2020, but decreased slightly from \$25.79/sf in Q2 to \$25.30/sf in Q3.



Given the high demand for our limited real estate, the City of Manassas routinely partners with property managers to monitor and market availability. The Morais Building (pictured above) at 9255 Center Street recently advertised new space available at affordable price points, which you can view [here](#). Check out additional opportunities at [ChooseManassas.org](http://ChooseManassas.org).

New housing developments and in-fill projects are expected to continue Citywide, boding well for office real estate opportunities. Readers should keep an eye on this report and our [bi-weekly newsletters](#) for announcements.



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## WHO WE ARE

Here, at the Department of Economic Development, our team is driven by a commitment to help businesses like yours thrive and grow. Please consider us as your personal concierge for any business-related needs. From permitting and licensing assistance, to access to capital or finding solutions to workforce demands, we are here for you.

We understand that location is one of the most significant factors in whether a business succeeds and we thank you for choosing Manassas.

We also encourage your feedback. Please share ideas and information directly with us about anything that would be helpful to our local businesses. Also, don't forget to follow us on [Facebook](#), [Instagram](#), and [LinkedIn](#) for updates on Manassas happenings.



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