

2023 Q1 MARKET REPORT



The first quarter of 2023 came to a close with the City abuzz in celebration of the [150th Anniversary](#) of its founding in 1873. Between the return of warm weather, several major developments taking their first steps, and the Manassas economy's continued growth, the City is off to a strong start to 2023.

On the commercial real estate front, heightened demand for office, retail, and especially industrial/flex space showed little sign of abating during the first quarter. Overall vacancy for commercial property in the City dropped to 2.7% compared to the regional 4.8% vacancy rate across property types. Activity was well distributed across the City's main commercial corridors, with several significant projects taking shape in the Mathis Avenue area, The Landing at Cannon Branch, Historic Downtown, Sudley Road, and Liberia Avenue.

The biggest news of the year so far came from the City as it announced plans to [acquire the Olde Towne Inn in Historic Downtown Manassas](#). The City is currently working to relocate existing tenants as it considers the future redevelopment path of the 1-acre block to continue the transformation of Historic Downtown Manassas.



SAVE THE DATE

2023 City of Manassas Business Appreciation Breakfast

Friday May 5th, 2023

8:00—10:00 AM

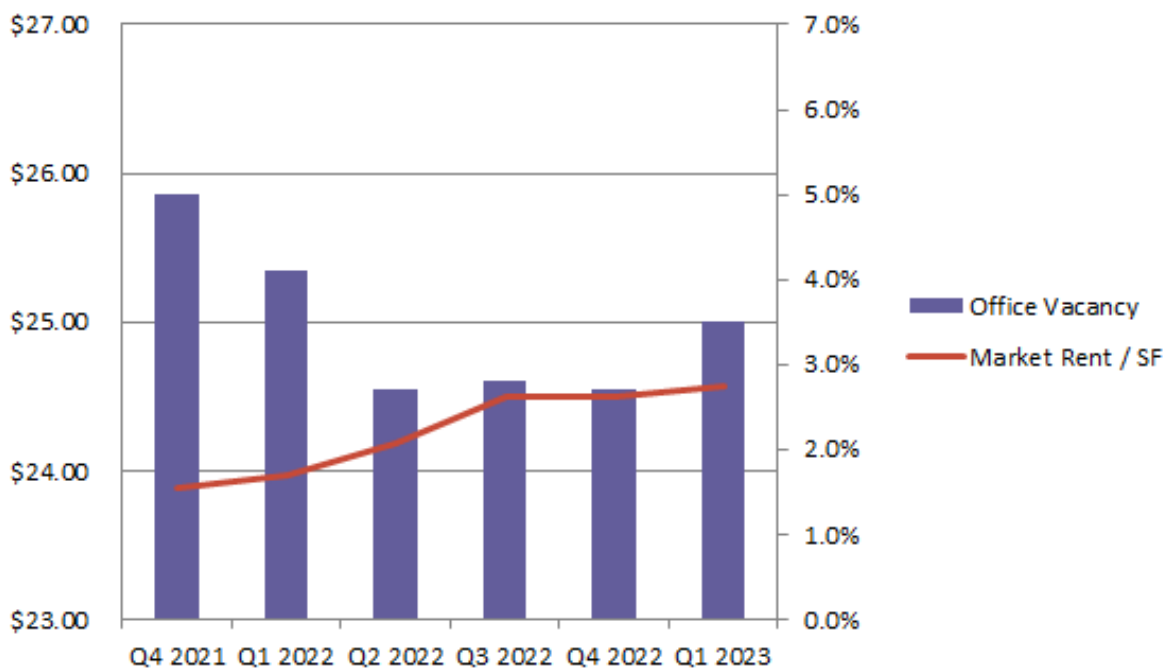
The Salisbury Center
8890 Mathis Ave, Manassas, VA 20110
RSVP by: April 28, 2023



OFFICE MARKET

The first quarter of 2023 was relatively quiet for office activity in the City as vacancy slightly increased from 2.5% to 3.5% (though still down from 4.1% the this time in 2022). Despite this, market rents rose 1% to end the quarter at \$24.57 per square foot.

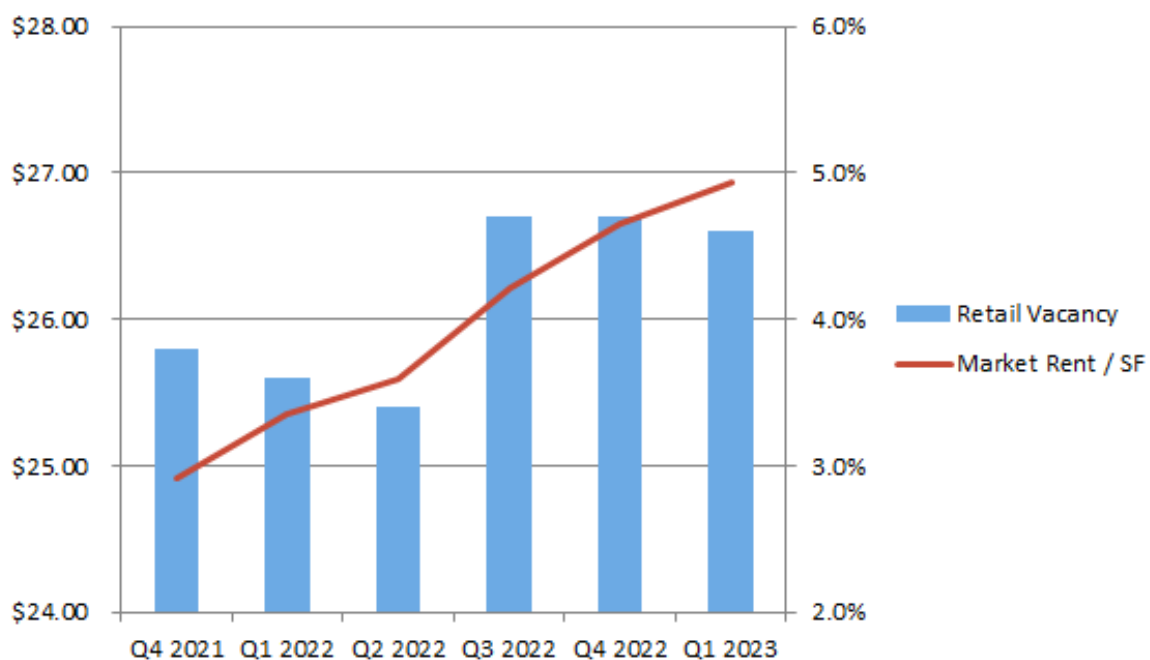
Buoying future office activity in Manassas was the news that the [federal HUBZone](#) - which can provide significant advantages to government contractors - will renew its designation and expand this summer to include a large portion of Downtown and areas south in the City. Other leasing and office activity include the build out of tenant spaces at [The Landing at Cannon Branch](#), the [Loveless Porter](#) restoration of the historic Meredith House, and a number of smaller renewals along Sudley Road.



RETAIL MARKET

The retail sector in Manassas continued its run of heightened activity over the first three months of 2023. Vacancy rates dropped slightly to 4.6% (down from 4.7%) as rents continued their rise to \$26.94 per square foot, up 5.4% year over year.

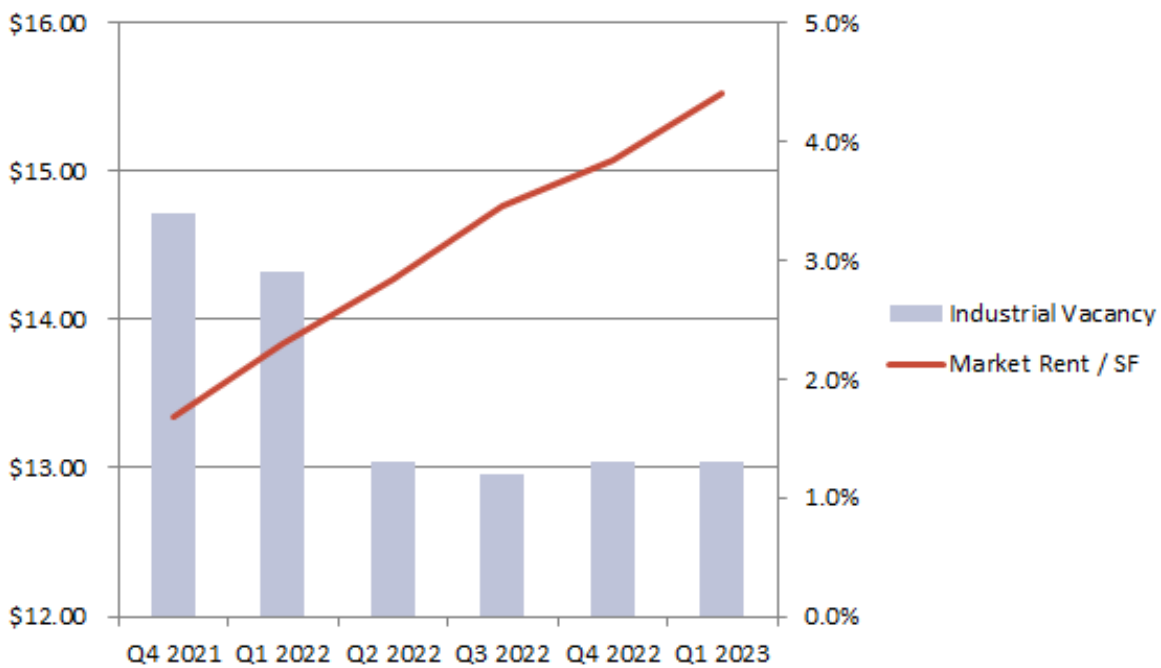
Notable activity this quarter includes several auto-oriented businesses changing hands along Mathis Avenue and the [\\$6 million new Tommy's Express Car Wash](#) nearing completion on Liberia. Downtown again gained significant attention with the announcement that [Fillagreen, a sustainable life products store](#), will open on Center Street and the Great Eats Hospitality group (the same owners behind Zandra's Taqueria) will convert the former Okra's restaurant into two new restaurant concepts: [Zengo's and the Gadfly Gastro Pub](#).



INDUSTRIAL/FLEX MARKET

Industrial activity in the City remains largely constrained due to a limited supply of available industrial and flex space. Vacancy for warehouse and flex use remained low at a mere 1.3%, while market rents continued their rise ending the quarter at \$15.52 per square foot (up nearly 10% from \$14.01 per square foot this same time last year).

With the scarcity of existing industrial space and developable land in Manassas, the private sector continues to shift to redevelopment opportunities that still take advantage of the City's favorable business climate and lower cost of doing business. Notable quarterly activity includes the demolition of former Glen-Gery brick plant for a future industrial user and several auto-service oriented leases off Liberia Avenue.



ABOUT MANASSAS ECONOMIC DEVELOPMENT

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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City of Manassas Economic Development Department
9027 Center Street, Suite 401, Manassas, VA 20110
[Visit us online](#) or call 703-257-8881



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