

Q1 2024 CITY OF MANASSAS MARKET REPORT



So far 2024 looks to be shaping up like years past with strong demand and low vacancy rates across all commercial real estate sectors in City of Manassas. The commercial sector has maintained its historically low 2% vacancy and all-time high rent price of \$21.29 (7 cents higher than last quarter). Unlike the market rent price, which has had a sharp, consistent climb for 10 years straight, the market sales price has had a slower growth trajectory. The \$217/sf sales price is a slight uptick from \$215/sf in Q4 2023. This price is still \$34 higher than the 10-year median, but \$12 lower than the peak sales price of \$229 in Q2 2022.

These high rent and low vacancy trends are consistent with industrial, retail, and office properties alike with the exception of a negligible increase in industrial vacancy from 1.1% in Q4 2023 to 1.2% in Q1 2024. These rates far outperform the regional average making demand from businesses for new or larger spaces hard to fill. As we've said in the past, low supply and high demand should present opportunity for new and redevelopment – we are [ready to assist](#) developers who wish to build or expand in Manassas. Our office is also primed to

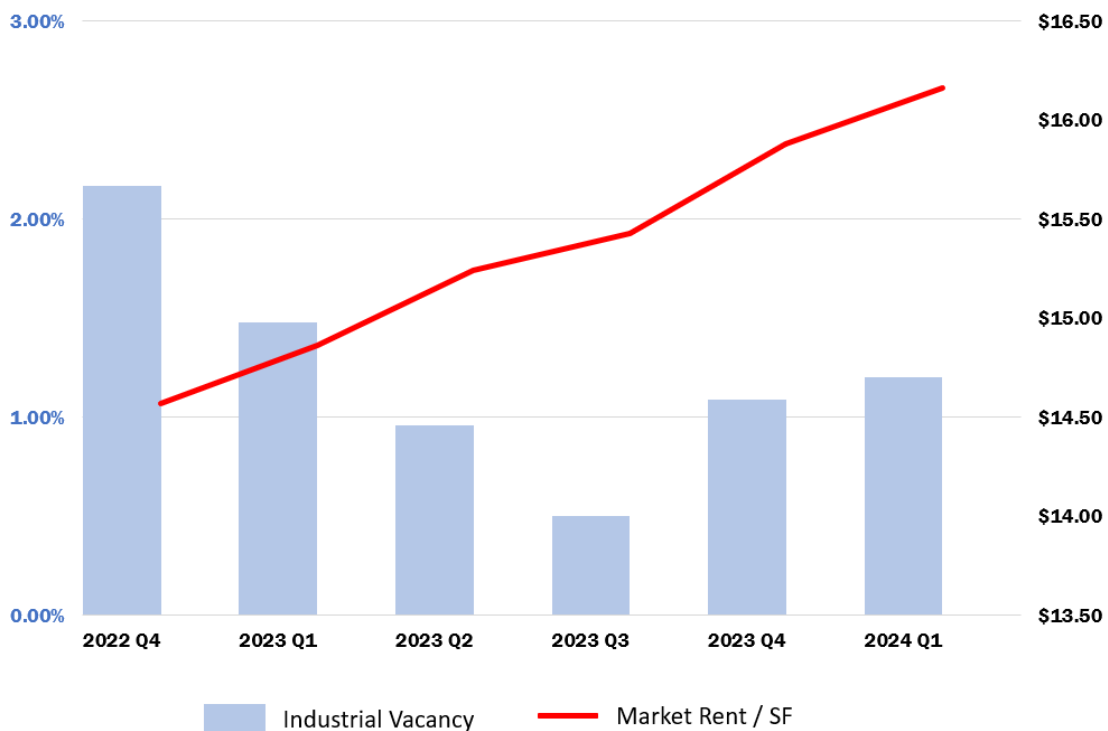
help businesses connect with brokers and prepare for growth needs within the City market. Learn more about our business development services on our website [here](#).

INDUSTRIAL & FLEX MARKET

As the industrial and flex real estate sectors continue near-zero vacancy rates for 12 straight months, the industry is seeing an 8% rental rate increase within a one-year span. The Q1 2024 market rent is \$15.94/sf for industrial and \$16.35/sf for flex. Meanwhile, vacancy dropped from .63% (Q4 2023) to .61% (Q1 2024) for flex and ticked up from 1.1% (Q4 2023) to 1.8% (Q1 2024) for industrial.



The time on market for industrial and flex space remains exceptionally low — 1.1 months for flex and 2.7 months for industrial. It's literally a first-come, first-served market when a space opens up.



RETAIL MARKET

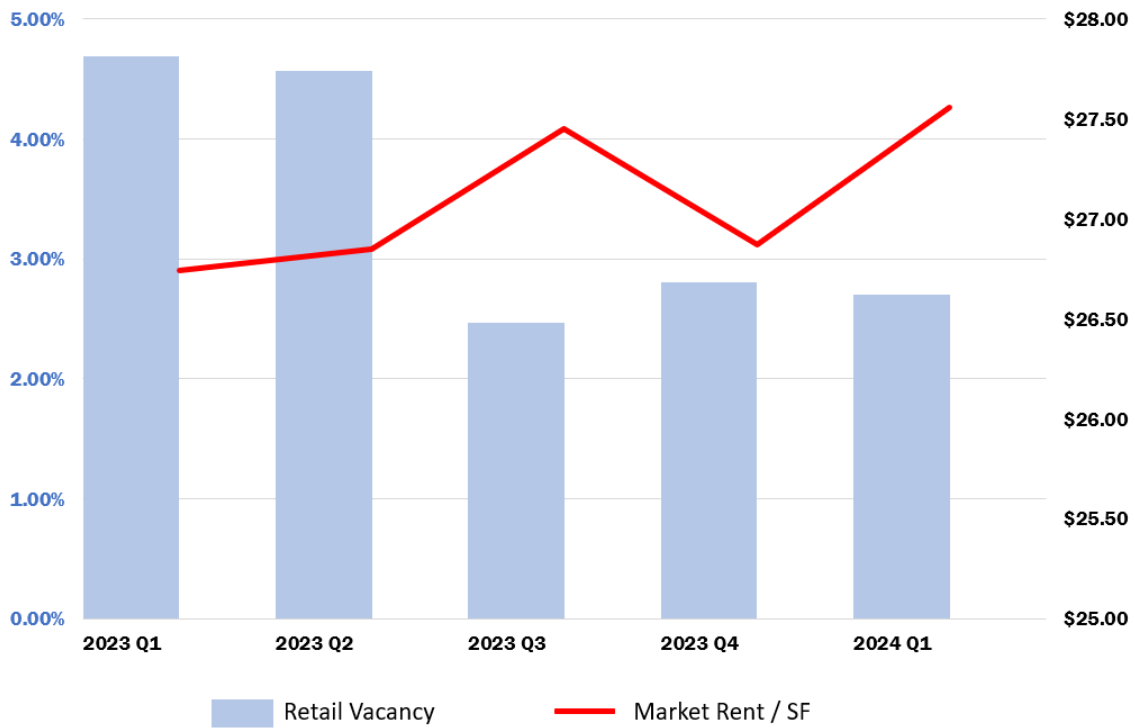
The City's focus in revitalizing and



improving commercial corridors is evidenced by continued private sector investment resulting in a 2.7% vacancy rate that out performs the regional average of 3.73%.

In Q4 2023, reports showed a drop in market rents from \$17.45/sf to \$26.87/sf, which has since rebounded in Q1 2024. Market rents now sit at \$27.56/sf. This rate is still well above historical averages, but has somewhat leveled out since Q3 2023.

Earlier this spring, the City's Economic Development Authority announced intent to purchase [Manassas Shopping Center](#), an outdated retail center with high vacancy on the edge of Historic Downtown. Future plans for the shopping center are inspired by decades of community feedback and compliment a long awaited streetscape project for Mathis Avenue. The City anticipates the retail sector will only grow stronger with these types of development projects, especially given retail continues to be a highly active sector in Manassas thanks to the City's rising incomes and increasing residential density within and around the City limits.



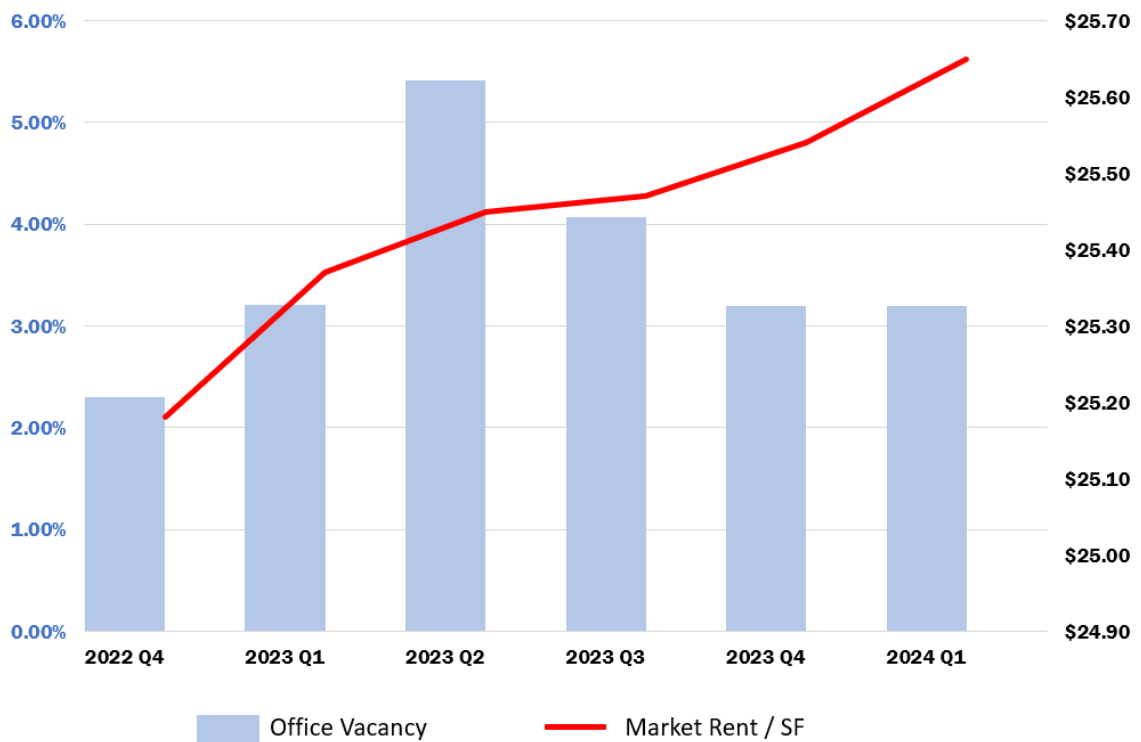
OFFICE MARKET

Manassas office space also continues to outperform the region. Currently, vacancy

has stayed constant at an almost historic low 3.2% with rents rising slightly to \$25.65/sf. Meanwhile, Northern Virginia experienced a slight increase in vacancy from 16.4% in Q4 2023 to 17.9% this quarter.



Real estate experts have predicted these types of office vacancies increasing for a couple years now, but Manassas has historically shown resiliency despite broader market trends.



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.



CONTACT US



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