

2022 Q2 MARKET REPORT



New Checkers & Rally's drive-through restaurant being dropped off by crane in Manassas on Liberia Avenue.

The City of Manassas's commercial real estate market experienced significant growth and activity during the first six months of 2022. Across industrial, office, and retail sectors, demand for business space in the City reached record levels in the second quarter, resulting in steady rent growth and spurring redevelopment in the City's commercial corridors.

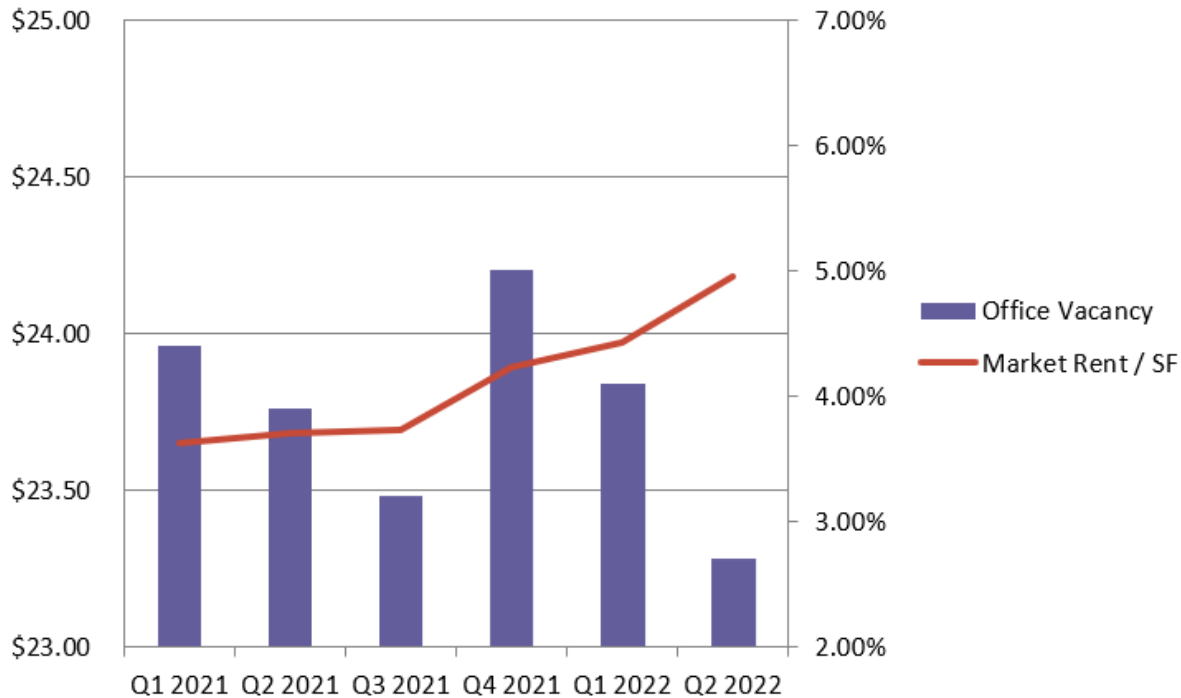
OFFICE MARKET

Bucking national and regional trends of limited demand for office space, Manassas saw significant activity and growth during the first half of 2022. Total office leasing activity accounted for over 48,000 square feet of net absorption. The vacancy rate for office property in the City dropped to 2.7%, down from 3.9% the year prior. Likewise, asking rent saw a modest rise to \$24.18 per square foot, up 2% from the year prior.

Office leasing activity during the first half of the year is highlighted by [First Care Women's Health relocating to Downtown Manassas](#) and [Bristow Pediatrics](#) opening as the first office tenant at The Landing. [The Landing](#), which is expected

to begin its second phase of development this summer, is a growing asset for the City in attracting private investment and new job creation.

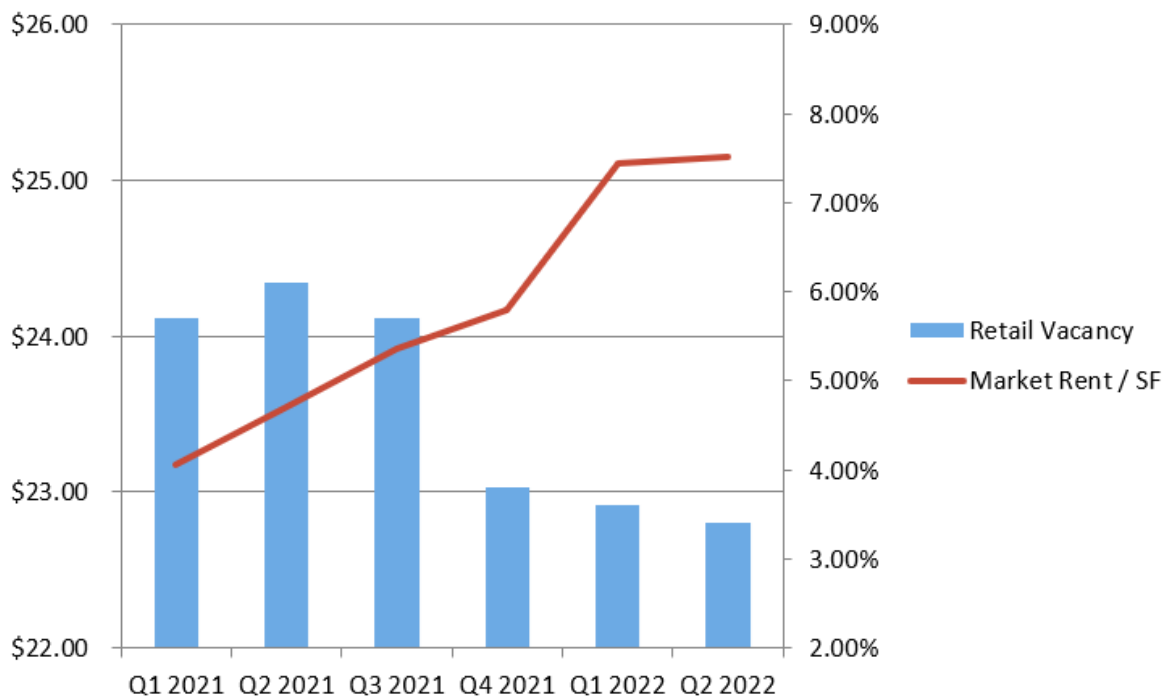
As a whole, Manassas continues to outperform its regional counterparts in attracting new office users thanks to the City's comprehensive approach to its business climate – maintaining a low-cost operating environment, providing exceptional customer service, and proactive City-business partnerships.



RETAIL MARKET

Retail activity in the City of Manassas was particularly robust during the first half of 2022 with several sizable leases and new construction underway. Availability of retail space in the City hit an all-time low, with 96.6% of all retail locations currently under lease. Accordingly, asking rents continue to grow (6.3% year over year) having reached an average of \$25.15 per square foot at the end of the quarter.

As a sign of the City's strong retail sector, several notable developments occurred in the first half of the year including construction of a new Checkers and Rally's on Liberia Avenue, Dollar General leasing the former Walgreens on Sudley Road, and [Wawa receiving approval](#) for plans to create a new station across from the UVA Health Prince William Medical Center. These developments underscore the City's strong wage growth and residents' rising purchasing power, the City's efforts to revitalize its commercial corridors, and increased development activity in the Greater Manassas area.

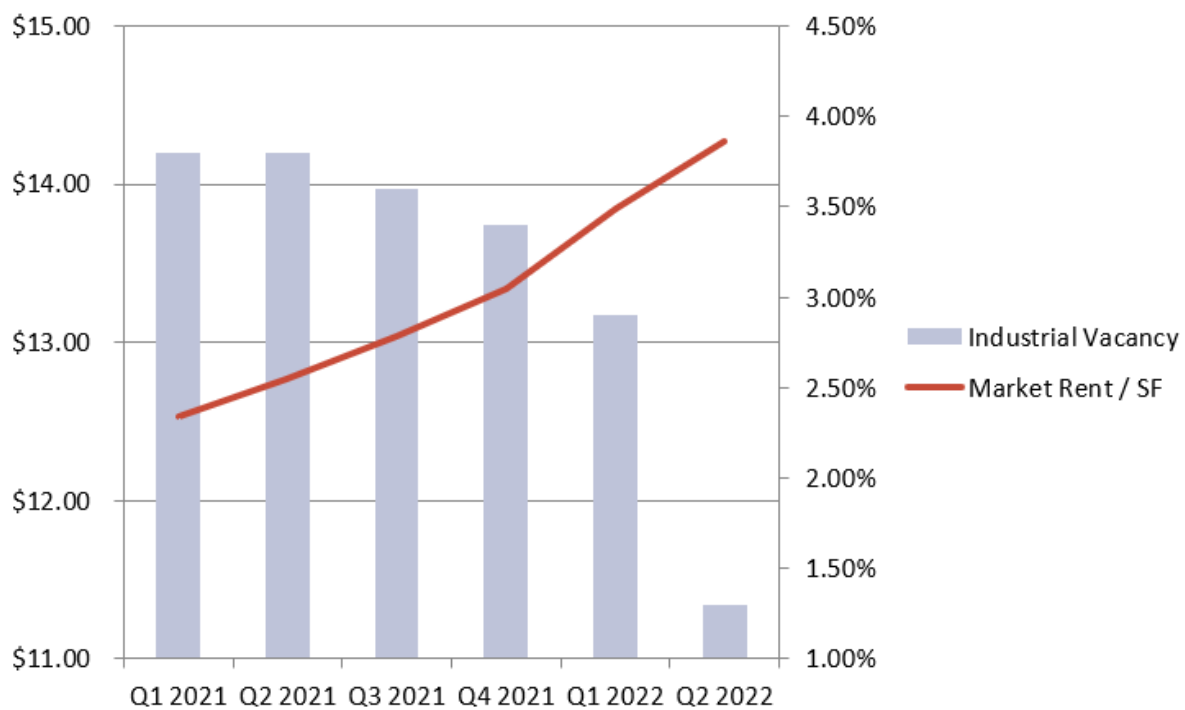


INDUSTRIAL & FLEX MARKET

Across the nation and Northern Virginia, there is no real estate in higher demand than industrial space. In the City of Manassas, demand for industrial and flex opportunities far outstrips supply, with less than 1.3% of the City's 4.2 million square feet of industrial/flex space currently available. This high demand has helped push asking rent on industrial space to \$14.27 per square foot, up 11% year over year.

Despite a lack of available inventory, a number of motivated industrial users made their way into the City during the first half of 2022. Notable developments include

[A. Duie Pyle](#) opening a logistics operation off Godwin Drive, a large lease at the former Arlington Iron Works building, and several large, multitenant property sales in the City's established industrial areas off Euclid Avenue. These developments reflect the cost-effectiveness of establishing a Manassas operation and employer's faith in the City's workforce.



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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