

2023 CITY OF MANASSAS MARKET REPORT



The City of Manassas, with its historic charm and robust business community, had an active first half of economic activity in 2023. While larger economic trends like rising interest rates and post-pandemic real estate changes likely affected demand for new office space, both industrial and retail space in the City were highly sought after by new commercial tenants.

Commercial property vacancy in the City ended the first half at only 3.1% across property types, while asking rents took a small pause from their rapid increase over the last several years. The underlying metrics tell the story that many are familiar with: Manassas continues to be a highly desired place for businesses to invest in and succeed.

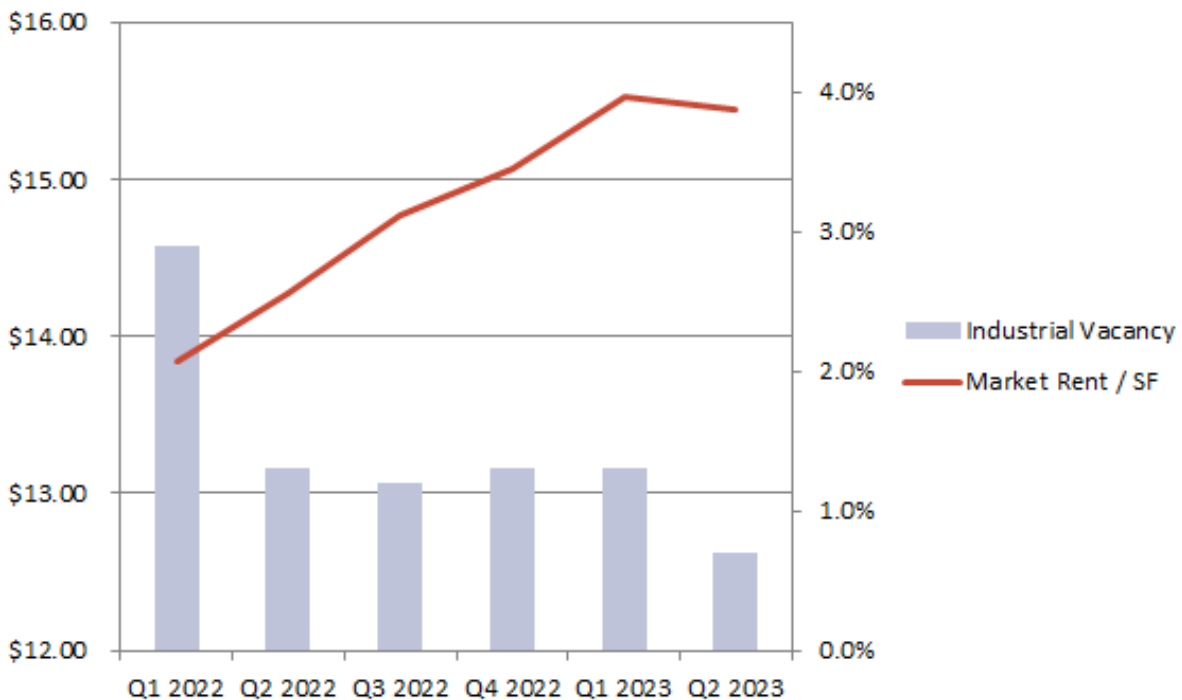
INDUSTRIAL & FLEX MARKET

While major manufacturers like

Micron, Leidos, and Lockheed Martin account for the bulk of the City industrial space, the City's other industrial corridors house a variety of businesses in warehousing, construction, automotive, and other flex uses. Given the location and talent advantages the City offers, this property type is in highest demand and continues to be constrained by a lack of available space. Vacancy for flex and industrial space reached an all time low of 0.7% at the end of the 2nd quarter with asking rents up 8% year over year.



Smaller flex leases accounted for the majority of industrial activity in the first half of the year, including [B&G Construction's new headquarters](#) in the City, several leases in the Phoenix Drive industrial area, and a few service firms taking space off Godwin Drive. The City's industrial sites saw activity as well, as the Glen Gery brickyard is being redeveloped for a data center user and the City [wrapped up improvements to Dean Drive](#) (which is home to several of the City's remaining undeveloped industrial properties).



RETAIL MARKET

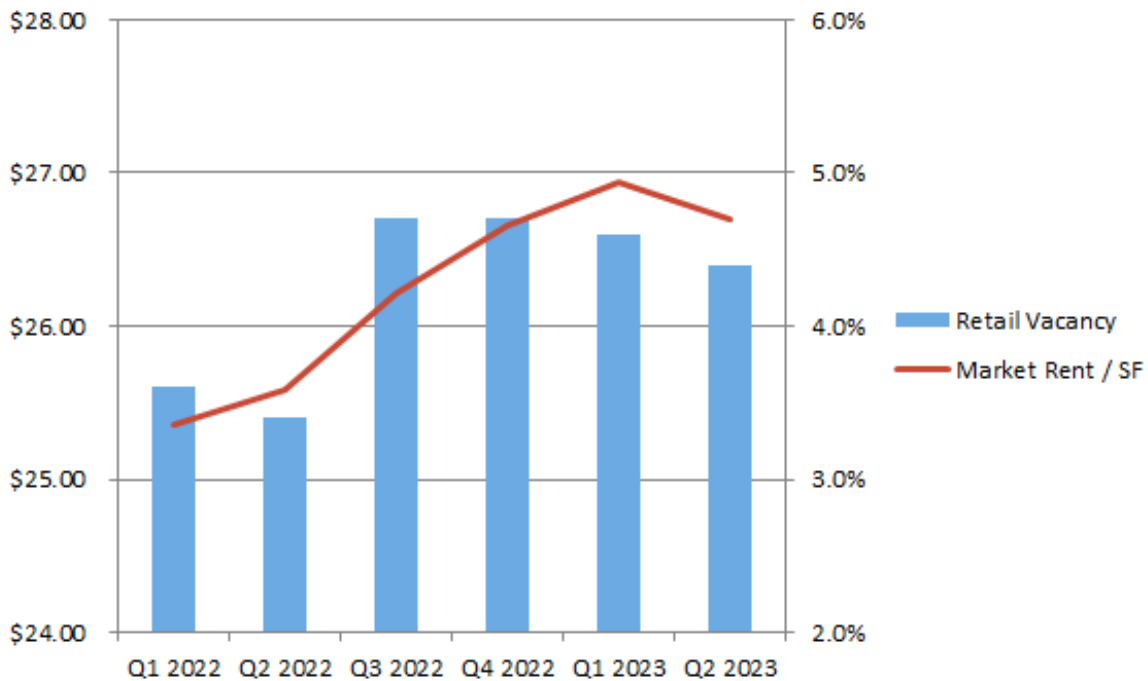
Retail continues to be a highly active sector in Manassas thanks to the City's



rising incomes and increasing density within and outside City limits. The growth of the City's retail corridors and resurgence of Historic Downtown Manassas helped retail vacancy drop further during the second quarter to 4.4%. Accordingly, asking rents reached \$26.70 per square foot, up 4% year over year (though data shows a

\$0.20 per square foot decline from the previous quarter).

Notable retail activity in the City includes several food establishments opening in the Hastings Marketplace, [Tommy's Express Car Wash](#) nearing completion on Liberia Avenue, and a host of activity occurred in the Downtown area (which will be detailed in our next Downtown real estate report).



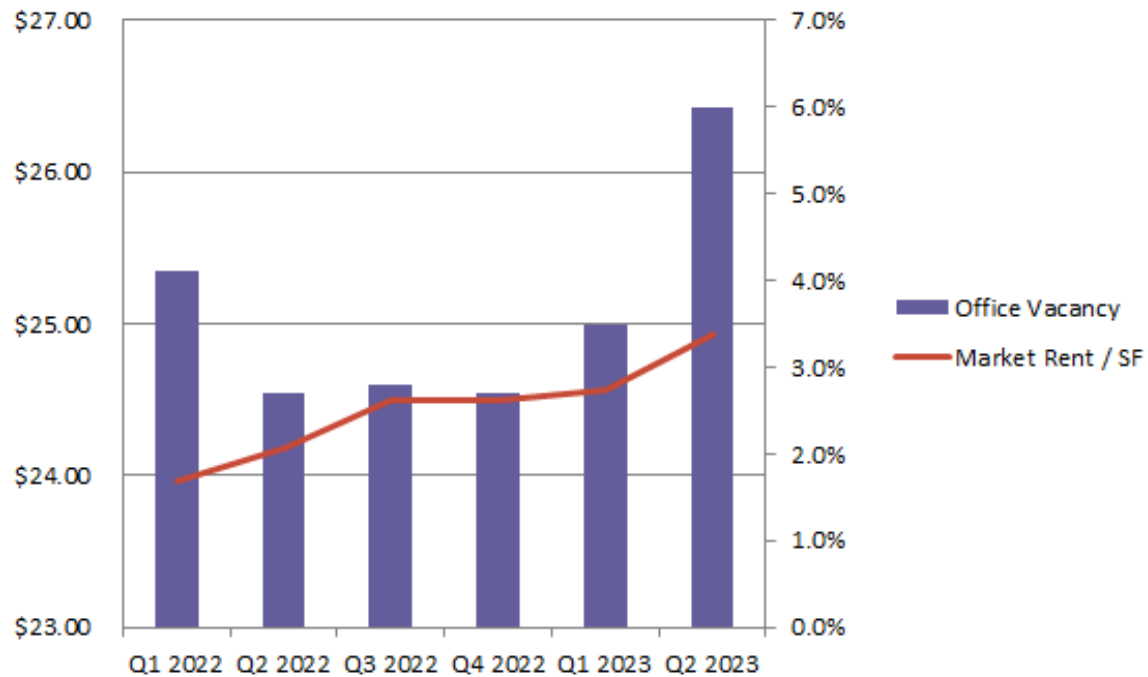
OFFICE MARKET

While the City remained insulated from major shocks in its office market coming out of the pandemic, the first half of 2023 showed signs that change may be coming. Vacancy in office space grew to 6% at the end of the second quarter, up from a historically low 2.7% a year prior. The data change comes as several larger office leases expire or are set to expire and marketing



for those properties began this quarter (including the City-occupied Piedmont Building). Despite the increase, 6% vacancy gives Manassas the lowest rate in the Northern Virginia region by far, which currently has a 19.6% overall office vacancy rate.

Asking price for office rent rose slightly to \$24.93 per square foot, up 3% year over year. Notable leasing activity during the first half of the year includes [Behavioral Innovation's lease and Summit Bank's 2,080 square foot new office at The Landing at Cannon Branch](#), several small law office renewals in the Downtown area, and a number of medical office leases on Sudley Road.



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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