

Q2 2024 CITY OF MANASSAS MARKET REPORT



The City of Manassas commercial real estate market continues to show strong demand and low vacancy into the 2nd quarter of 2024. Average market rent has hit an all-time high of \$21.39/sf, while vacancy dropped to an all-time low of 1.9%. Additionally, months on market (9.7), months to lease (4.4), and months vacant (3.8) all trended downward from last quarter to near record lows.

Over the past several years, the market sales price has had a slower growth trajectory than market rent, but jumped \$4 since last quarter to \$221/sf. We predict the especially low vacancy in industrial and flex property significantly contributes to the 1.9% Citywide average, but as you will read below the retail and office sectors are also outperforming the regional market and trending upward based on previous reporting.

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.

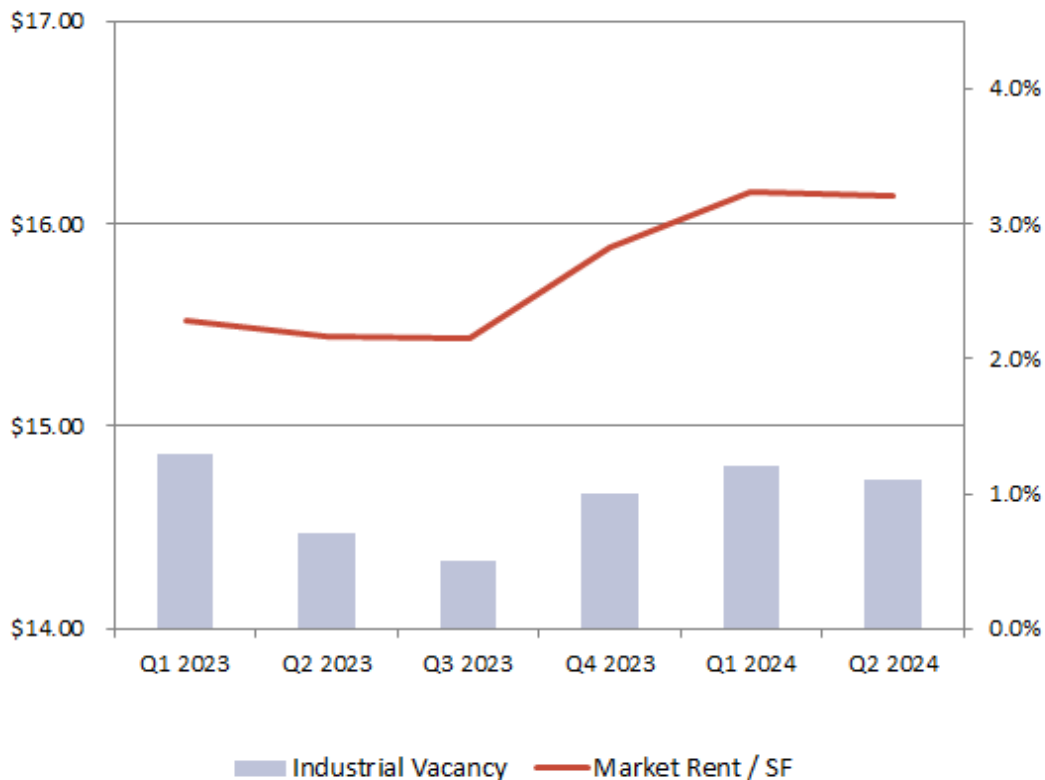
INDUSTRIAL & FLEX MARKET

Real estate inventory remains at near non-existent levels, with .7% vacancy in flex properties and 1.1% in industrial. While the industrial rental rate has risen 4% since Q3 2023, we're seeing some easing in the average market rent price, down slightly at \$16.14/sf since last quarter's reporting. Alternatively, rent for flex properties has climbed to an all-time high of \$16.42/sf.



Market sales prices for both property types have remained relatively stable since Q1 2023, with slight bumps this quarter. Flex now sits at \$212/sf and industrial increased to \$241/sf from \$239/sf in Q1.

The time on market for industrial and flex space remains low —3.4 months for flex (slightly up) and 1.7 months for industrial (slightly down). Given the high demand and quick turnaround on existing inventory, our office is primed and [ready to assist](#) developers who wish to build or expand in Manassas.



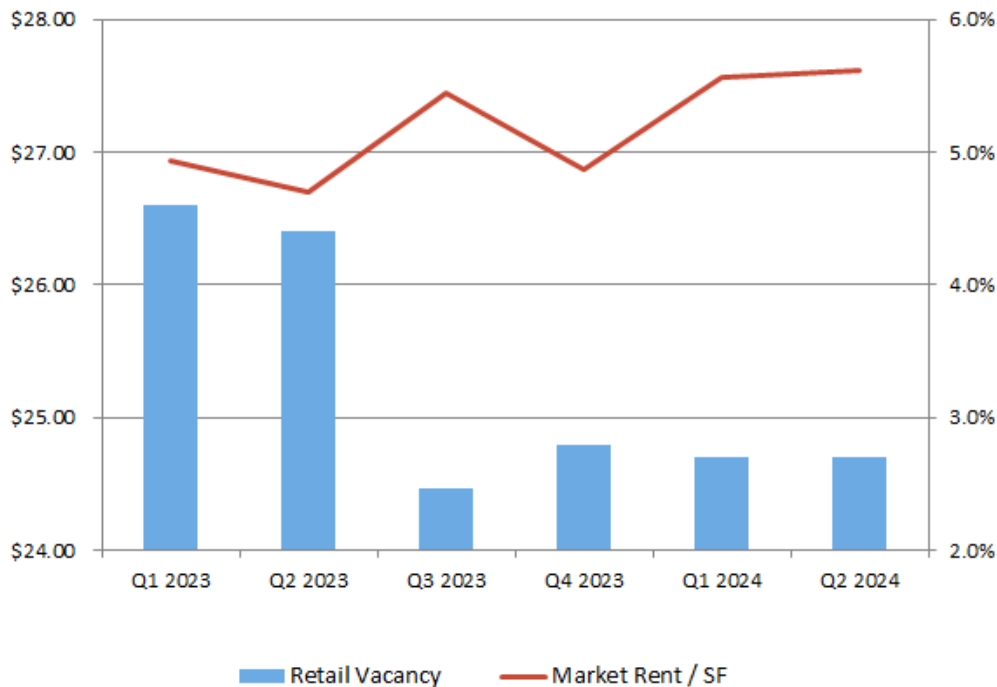
RETAIL MARKET



The City's ongoing focus on beautification and revitalization of commercial corridors helps result in a strong and growing retail market. The 2.7% vacancy rate, though steady since Q1, outperforms the regional average of 3.5%. Market rent slightly increased to \$27.61 this quarter, with the market sales price leveling out at \$221/sf.

Downtown Manassas welcomed a number of new establishments in Q1. District Hemp returned to Main Street after relocating from the former Olde Towne Inn retail space. Voodoo Brothers Cajun Creole (pictured above) and Millie's Gelato both recently celebrated soft openings on Center Street. Additional City corridors gained Brightworks Brewing (Cavalry Village), Jeslout Beauty (Hastings Marketplace), and Dunkin Donuts (newly constructed on Sudley Road).

In combination with the early spring announcement of the City EDA's intent to purchase the outdated [Manassas Shopping Center](#), the City anticipates the retail sector will grow even stronger in the months and years ahead.



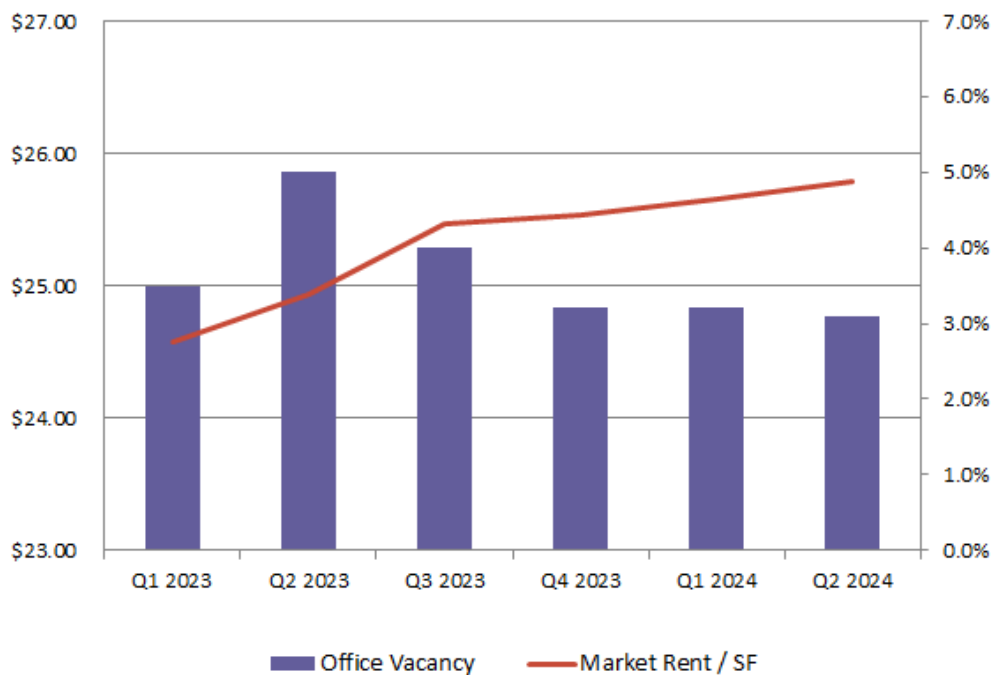
Pictured Above: Voodoo Brothers Creole Cuisine | Photo credit: Paul Tomaselli

Compared to Northern Virginia's 10.6% office vacancy, Manassas is at an almost record low 3.1%. This vacancy rate is compelling given the decrease in demand for corporate office space nationwide. Market rent in the City also continues trending upward, now sitting at \$25.79/sf.



This quarter brought the return of employees to the newly renovated City Hall, and ribbon cuttings for Injury Relief Chiropractic at Sudley Road and New Day Counseling in Mosby Square.

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.



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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