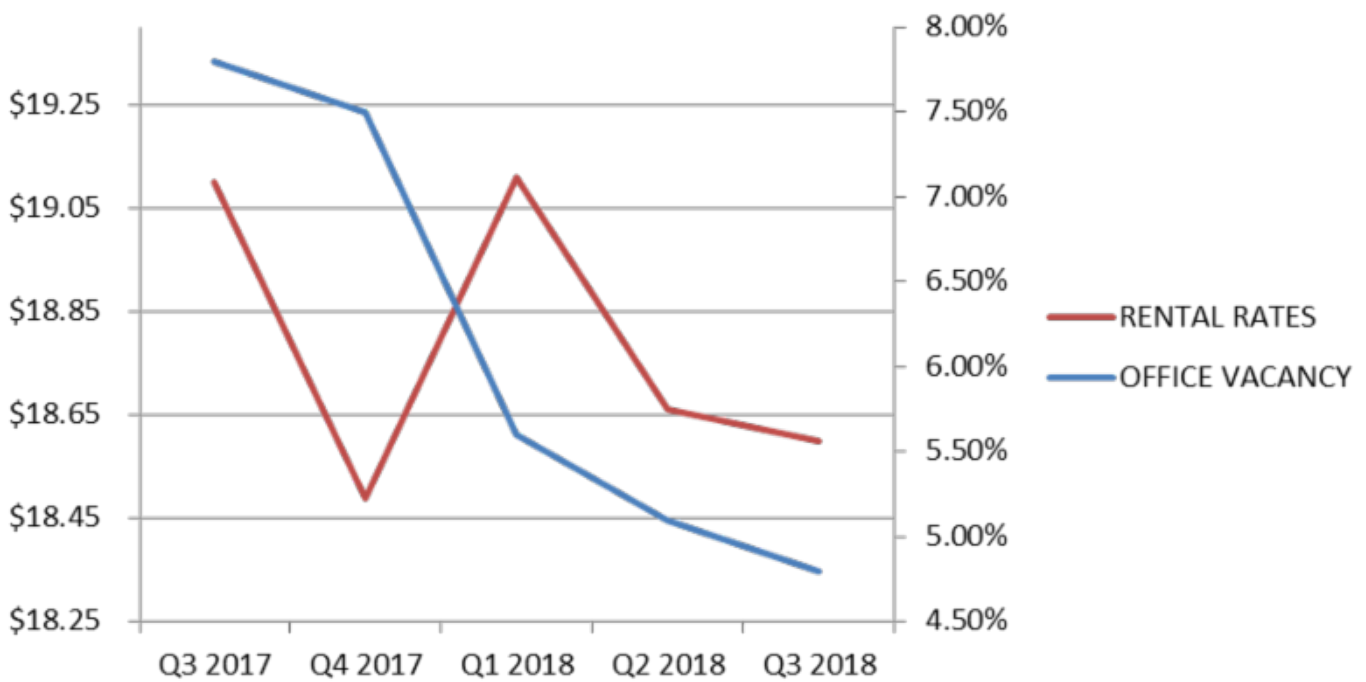




2018 Commercial Market Report: 3rd Quarter

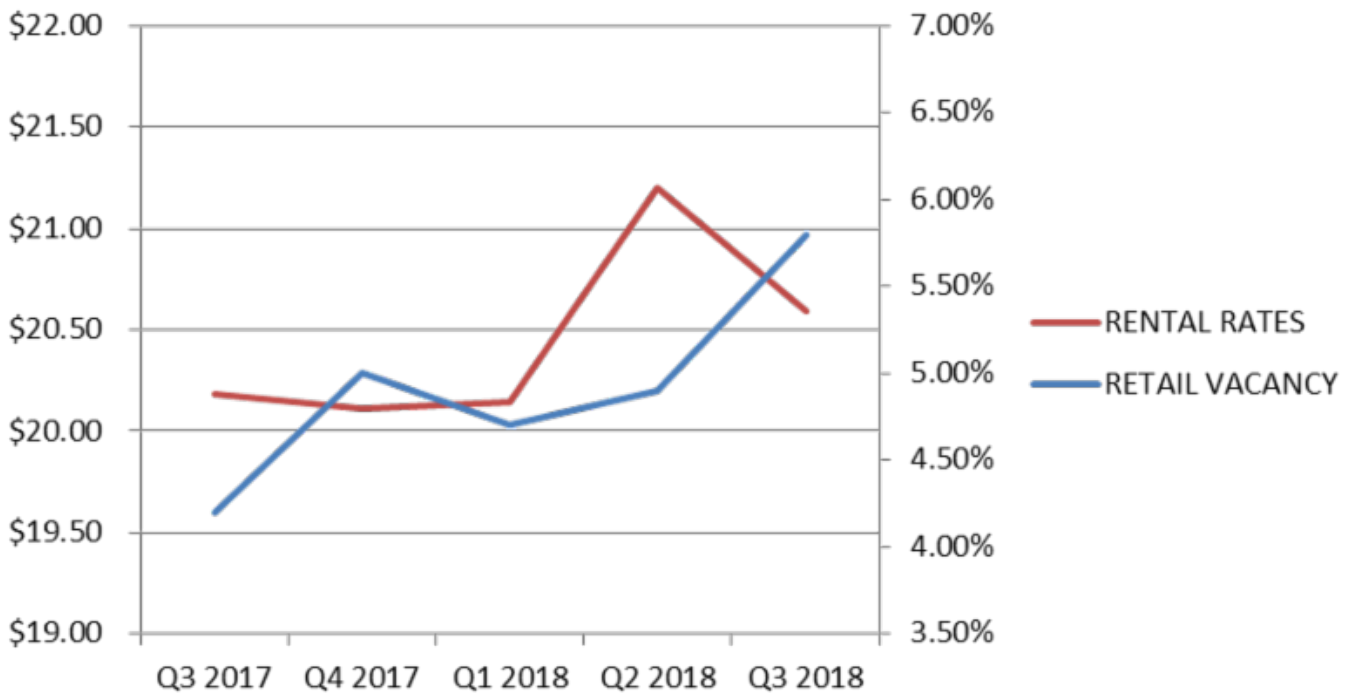
OFFICE MARKET

For the fourth consecutive quarter, office vacancy in the City continued to decline, falling to an unprecedented 4.6%. Such a tight market is nearly unheard of in our region, a result of the City's pro-business environment and affordable rental rates. The City's rental rates are 48% less than the regional average of \$35.90.



RETAIL MARKET

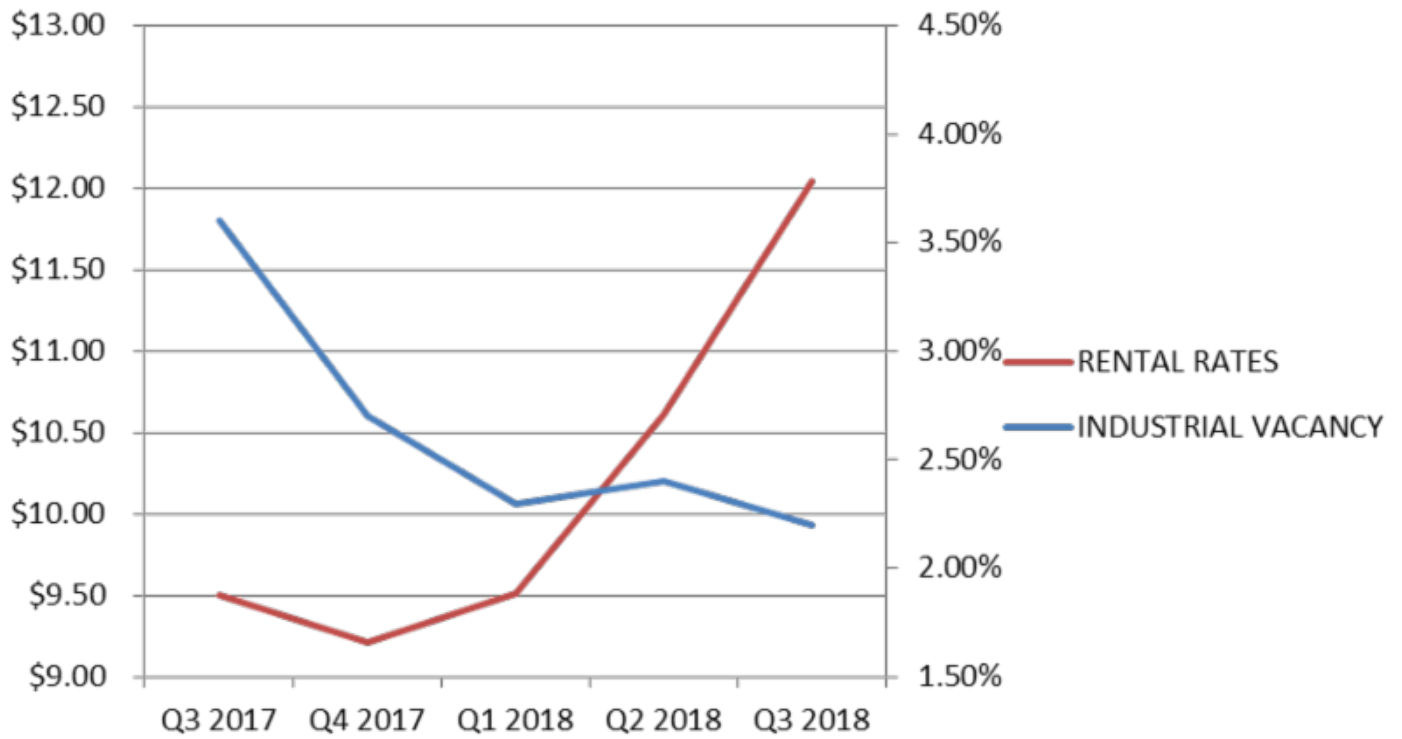
The last quarter saw an uptick in retail vacancy; however at 5.8% we are well within the 5-7% range of what the City considers a healthy market. The number of months on market, i.e., how long a property is available for lease or sale, has precipitously declined to 14 months, emphasizing the strength of the retail market throughout Manassas. Historic Downtown specifically remains a highly sought after destination and key factor in the City's overall success.



INDUSTRIAL/FLEX MARKET

Quality flex and industrial space continues to be in high demand. At just over 2% vacancy, the City's

flex and industrial product is nearly fully leased, which has put upward pressure on rents. Rents increased by 30% during the third quarter surpassing the five-year average. Space will remain in high demand as there is no new construction anticipated in the immediate future.



The Economic Development Office maintains an inventory of available commercial space which can be found on the City webpage at www.manassasva.gov/ED or call 703-257-8881.