

2021 Q3 MARKET REPORT



Harris II Building



If you've spent time in Manassas this summer, you know there is a LOT going on. From a full slate of summer events in Historic Downtown to major public works construction and private business expansion projects, the City is in the midst of an incredible stretch of economic and community growth.

The industrial real estate market in Manassas continues to pace the local economy with Micron nearing completion of the first phase of their \$3 billion expansion and several other City economic development projects nearing the finish line. However, the limited amount of developable land and existing industrial space in the City remains a constraint. Industrial vacancy continued its march downward (3.6% for the quarter), leading to a nearly 7.5% year-over-year increase in market rent.

Despite the headlines predicting the "end of the office", the office market in Manassas continues to see a strong amount of lease activity. Office vacancy for the quarter continued its decline from its COVID peak of 5.3%, ending the third quarter at 3.2% for the City (compared to 20.5% for the Northern Virginia region). Notable new office activity in the City includes [Habitat for Humanity's new office expansion](#), several new leases in the 9300 West Courthouse Road building, and [Family Beeginnings opening their new clinic](#) on Sudley Road.

Elsewhere in the Sudley Road corridor, WaWa announced plans to redevelop a large block of obsolete office space near the Prince William Medical Center with their newest area location. The move, which is pending final approvals, is one of several recent investments enabled by the City's strategic efforts to reinvigorate and beautify its commercial corridors.

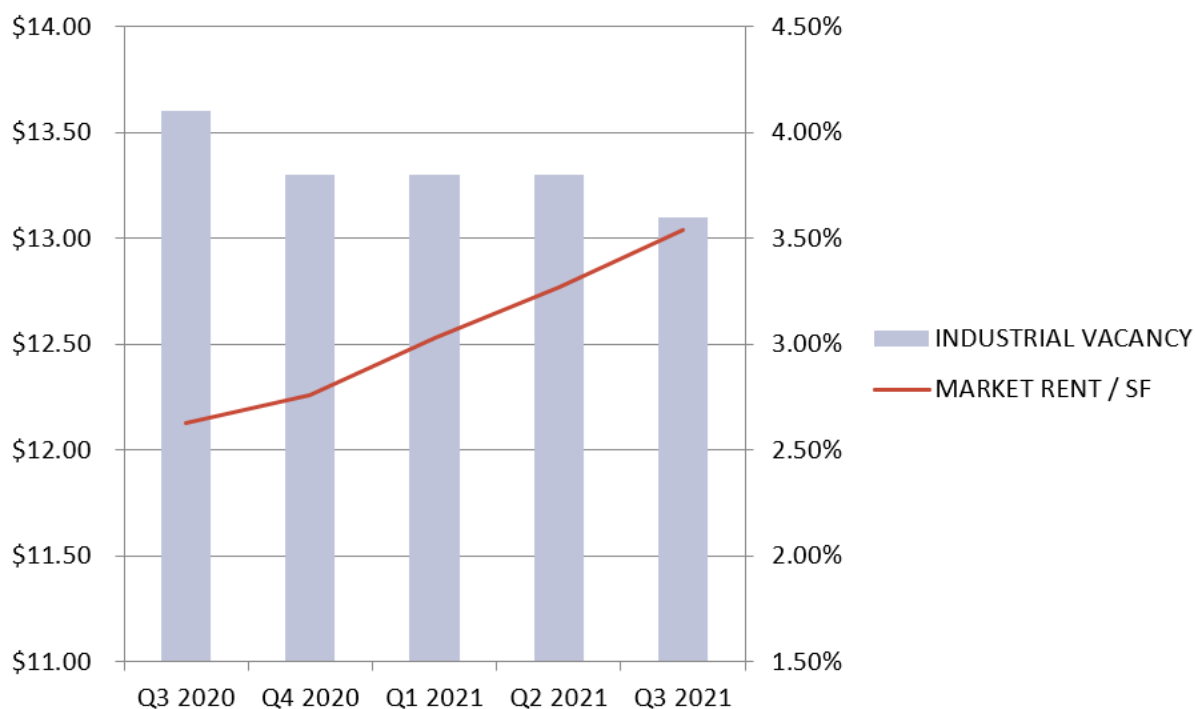
A major investment in Historic Downtown Manassas also kicked off during the third quarter with construction beginning on the ["Harris II Building."](#) The project will convert an existing, privately-owned parking lot at 9414 Battle Street into three

new retail storefronts and 16 apartment units.

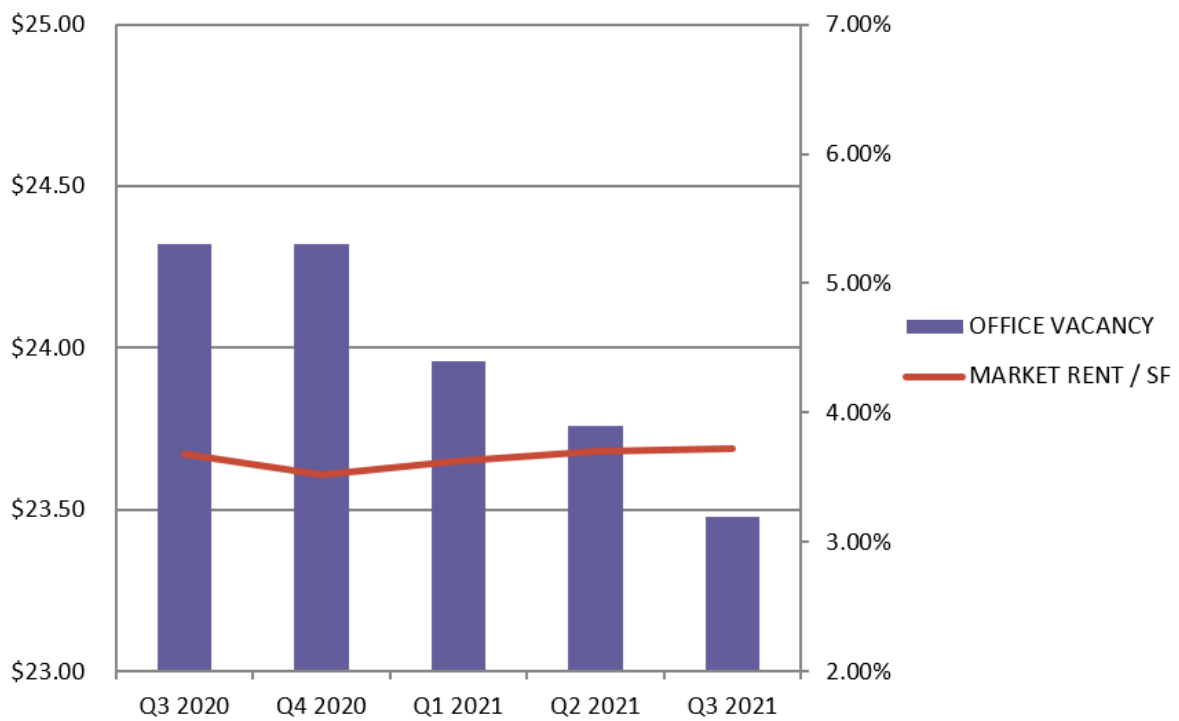
These new development projects are indicative of a growing retail sector in the City, which saw both decreases in vacancy (down to 5.7%) and strong rent growth (up 3.3% year-over-year) despite the economic slowdown.

Overall, the City's economic development pipeline and real estate market remain strong, and we look forward to announcing a number of exciting new business openings in the coming weeks!

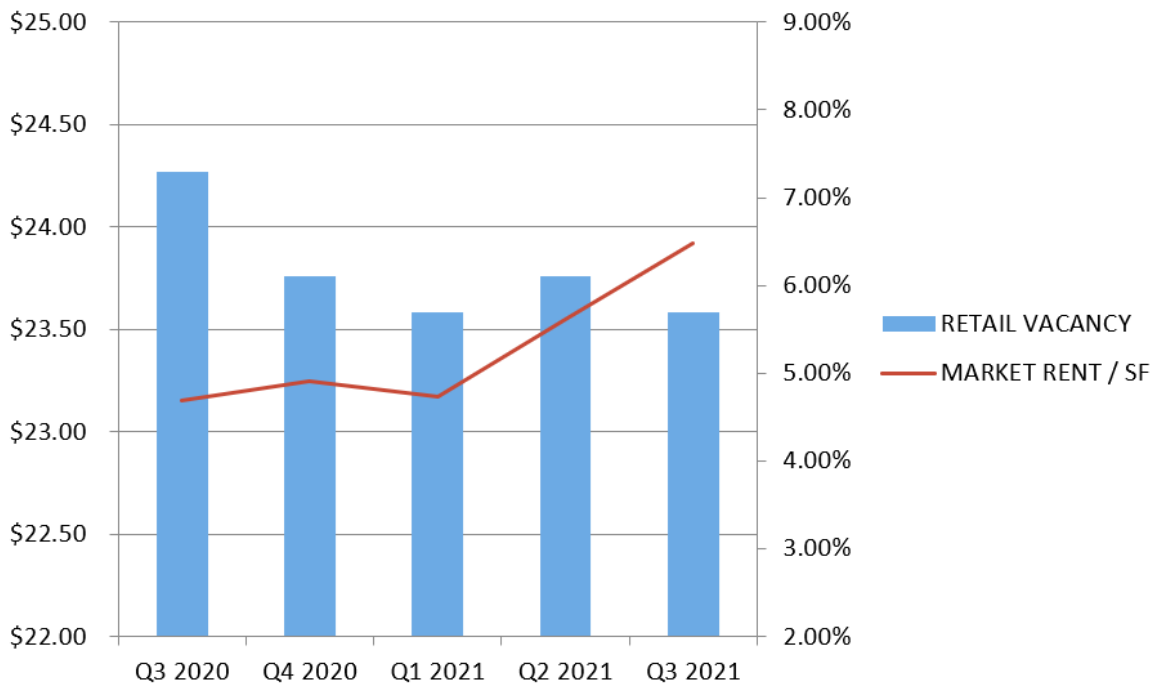
INDUSTRIAL & FLEX MARKET



OFFICE MARKET



RETAIL MARKET



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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City of Manassas Economic Development Department
9027 Center Street, Suite 401, Manassas, VA 20110
[Visit us online](#) or call 703-257-8881

