

2022 Q3 MARKET REPORT



In the City of Manassas, the third quarter of 2022 brought exciting new job announcements, long-awaited business openings, and continued positive growth in the City's commercial real estate market. Demand for a City-based business location remained strong over the summer, fueling significant activity across office, retail, and industrial sectors.

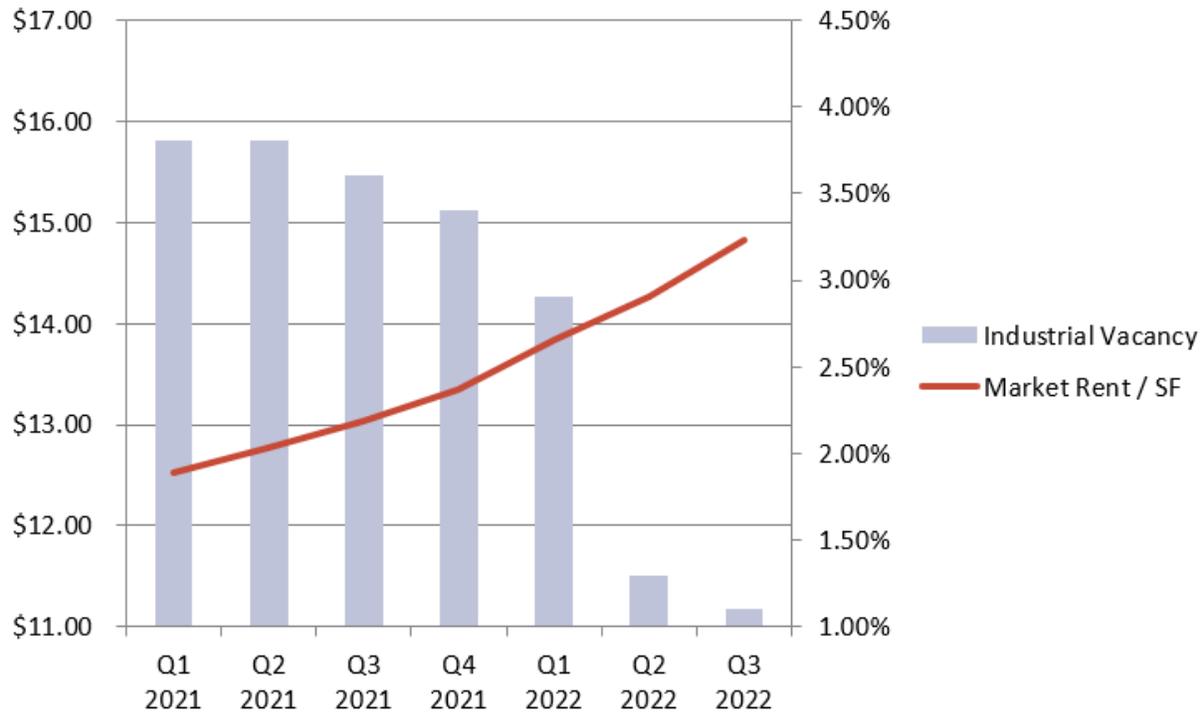
INDUSTRIAL & FLEX MARKET

The biggest highlight of the third quarter in Manassas was the recent announcement of new unmanned aircraft systems (UAS) developer [RapidFlight landing in the City](#). Working with the City's Economic Development team and Virginia Governor's office, [RapidFlight](#) announced they would open their development and production operation in the former Georator building on Center Street creating 119 new jobs. The company is in the midst of significant renovations and upfitting of their 25,500 square-foot facility, where they will invest upwards of \$5.5 million over the next three years.

The City also announced the arrival of [Electra](#), a hybrid-electric aerospace company, that opened a [research and development facility in Manassas](#). Electra leased a newly-built 18,000 square-foot hangar at Manassas Regional Airport, which the company will use for assembly and testing. The City also celebrated the grand opening of [A. Duie Pyle](#), a logistics company that announced this spring that they would open a cross-dock service center and [create 30 new jobs](#)

[in Manassas.](#)

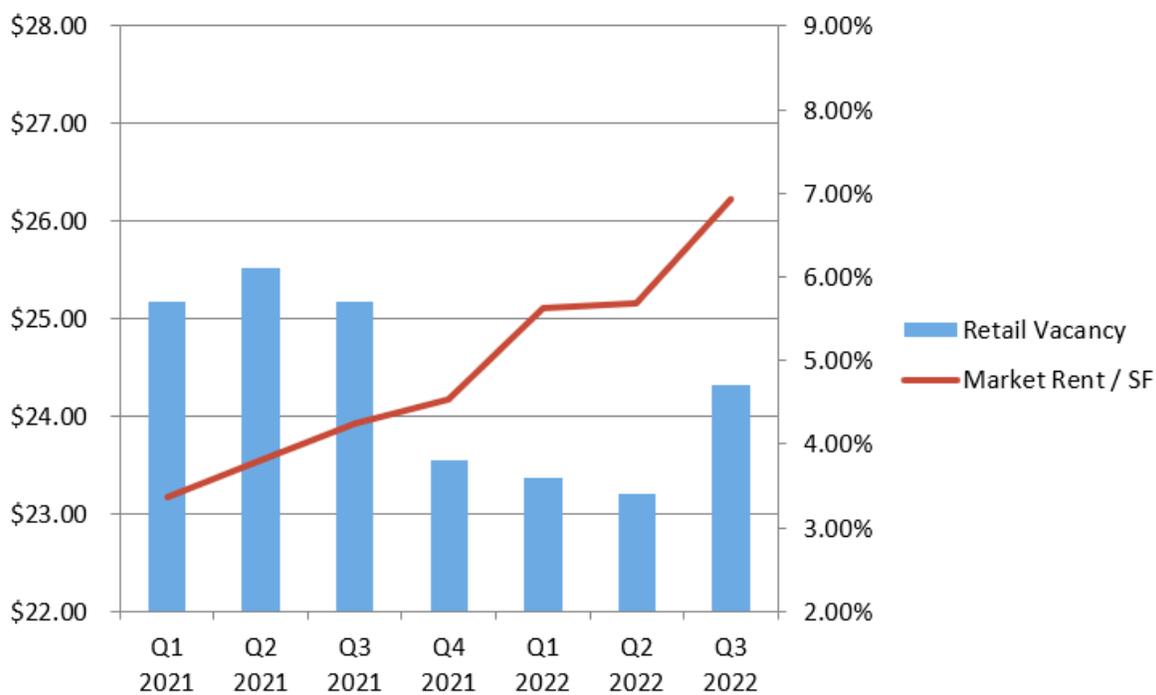
These recent announcements have propelled demand for industrial and flex property in Manassas to record highs, evidenced by a record low 1.1% vacancy rate (down from 3.2% from the year prior). Correspondingly, market rent for industrial and flex space rose to \$14.83 per square foot, a 12% increase for lease costs over the same time last year.



RETAIL MARKET

Manassas's retail sector was highly active in the third quarter with several notable new developments occurring along Liberia Avenue. After its building was [whisked in to the City overnight](#) earlier in the year, [Checkers and Rally's](#) opened at the Signal Hill Shopping Center. Nearby, [Chick-fil-A](#) is in the final stages of its facility upgrade and [Hangry Joe's](#), a Korean hot-chicken restaurant, began serving customers in the former Strofi building. Elsewhere in the City, DC-favorite [Roaming Rooster expanded with a Manassas location](#) and [Benny Capalago's](#) pizza opened in Historic Downtown.

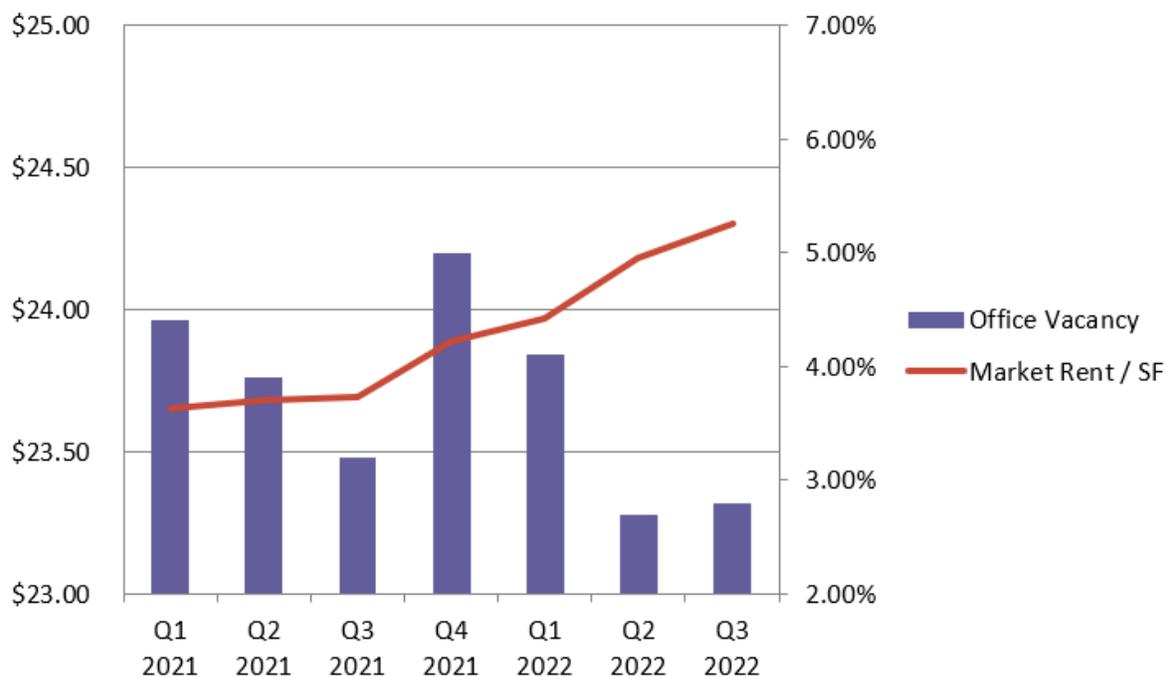
Asking rent for retail property spiked in the 3rd quarter to reach \$26.22 per square foot, up nearly 10% from the same period last year. Despite a slight uptick this quarter, vacancy remained low at 4.7%, well below the 5.7% vacancy rate at this time last year.



OFFICE MARKET

Office-related market activity was relatively low over the third quarter with the lack of available office property constraining activity in the City. Office vacancy remained low in the City at 2.8%, well below the regional average of nearly 16%. Market rent for office property did increase over the third quarter with the average cost for a City-based office reaching \$24.30 per square foot (up 2.5% year-over-year).

After a summer-long renovation, [First Care Women’s Health](#) completed their relocation to Historic Downtown Manassas and celebrated the clinic’s grand opening. Along Liberia Avenue, [MINT Dentistry](#) opened its first Virginia-based dental clinic, and leases for several professional and medical offices in the Sudley Medical Corridor were also finalized.



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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