

2021 Q4 MARKET REPORT



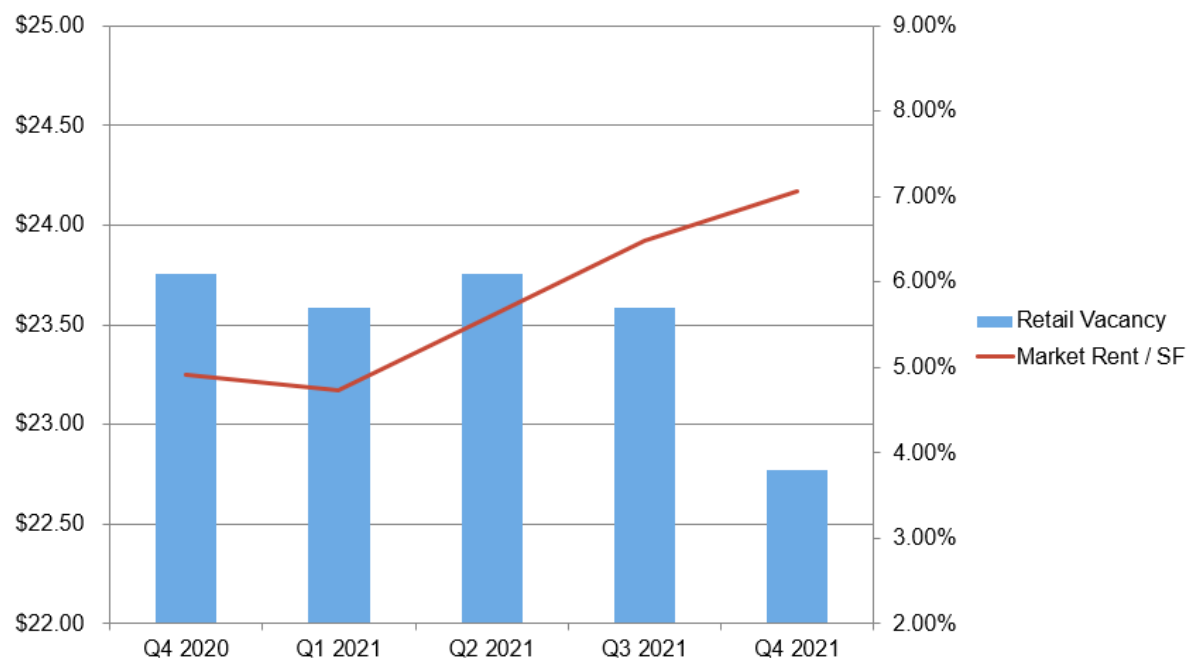
2021 was one of the busiest years on record for commercial and economic activity in Manassas. The development was spread across the City and included major projects in [Historic Downtown](#), at the [Manassas Regional Airport](#), along Mathis Avenue, and in every other targeted development area. In other words, it was a banner year for the City of Manassas.

RETAIL MARKET

The City's retail sector saw the most significant gains - many of which occurred in the last quarter of 2021. Since peaking at 7.3% in late 2020, the vacancy rate for retail space in the City dropped to 3.8% in December – representing the second lowest rate over the last 10 years. Correspondingly, market rents increased by 3.8% year-over-year ending at an average of \$24.17 per square foot.

One highlight includes the opening of the Salisbury Event Center in the old movie theater space on Mathis Avenue. In addition to acclaimed performances and events, the Salisbury Event Center offers the community an accessible and affordable alternative to holding private events outside the City. On a sad note,

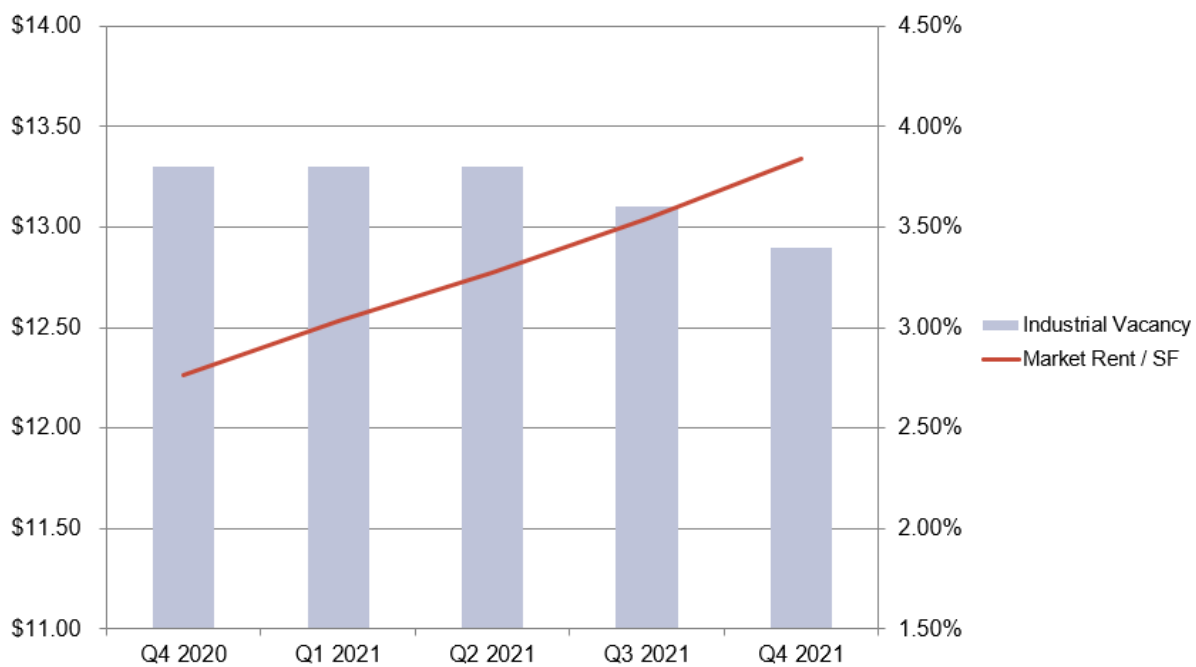
2021 marked the end of an era in Historic Downtown when Okra's closed. Charles Gilliam and Okra's helped spark the revitalization in Historic Downtown many years ago and his influence will be missed by customers and civic leaders alike. While no plans have been made public for the large restaurant storefront, its location and visibility make it a marquee location for prospective restaurateurs.



INDUSTRIAL & FLEX MARKET

The market for flex and industrial space in the City remains strong and the scarcity of available space continues to push rents higher. Q4 saw vacancy hovering below 3.5% while rents climbed to \$13.34 per square foot; an 8.1% increase year-over-year.

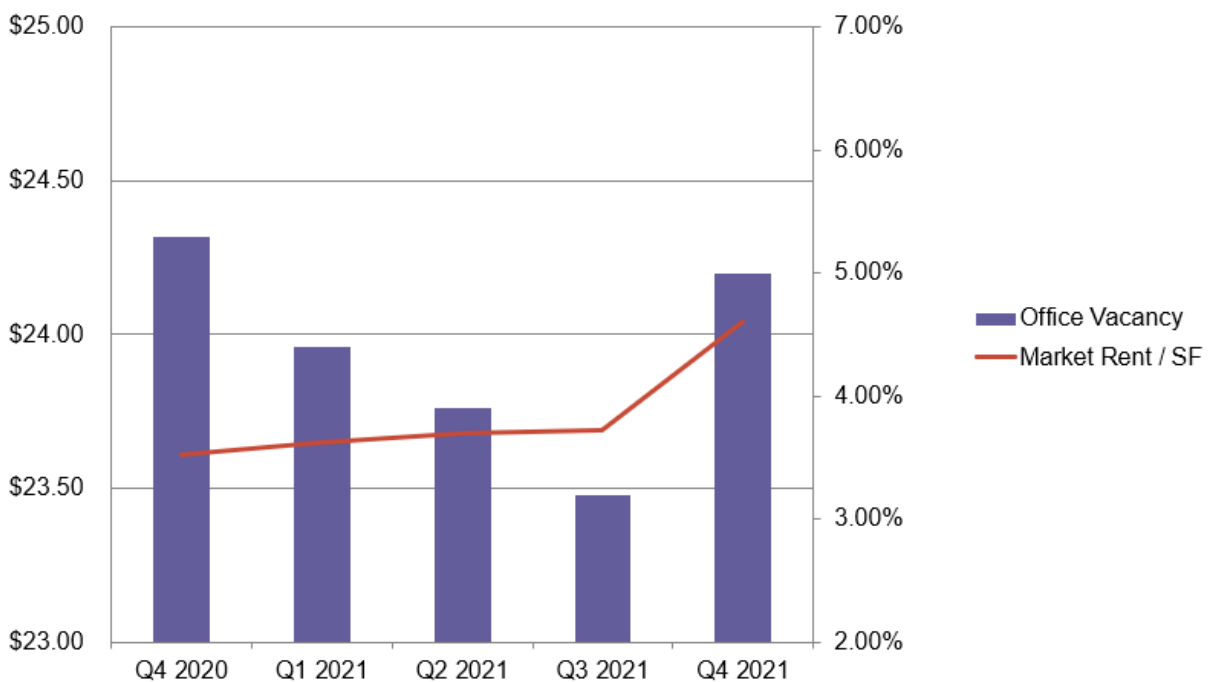
After three years of planning and construction, in late December the City issued a Certificate of Occupancy to Micron on Phase 1 of the company's [\\$3B capital construction and investment project](#). Micron is expected to create over 1,100 new jobs by 2030, and their expansion in Manassas has had an impact offsite as well. Multiple contractors and suppliers to Micron have located in the City since the announcement.



OFFICE MARKET

Q4 was fairly quiet for the office market in the City. Asking rents saw a marginal increase of 1% for the quarter (and 2% year-over-year), but the vacancy rate increased from 3.2% to 5%. This remains a very constrained market with new space desperately needed to accommodate companies who want to move into the City. Manassas continues to outperform the DC metro area by a significant margin with the regional vacancy rate reaching nearing 15% to end the year.

Activity in the City's office sector was led by a number of smaller office condo sales, new availabilities for medical office space in the Sudley Road corridor, and the City of Manassas beginning the temporary relocation of staff from City Hall for the building's first-ever renovation. Lam Research, a Fortune 500 company and supplier to Micron, [also opened offices in the City](#).



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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