

FIGURES | SALT LAKE CITY INDUSTRIAL | Q3 2026

Asking rents climb amid steady occupier demand

▲ 7.3%

Vacancy Rate

▲ 1.8M

SF Net Absorption

▼ 383,00

SF Construction Delivered

▲ 3.4M

SF Under Construction

▲ \$0.87

SF/Mo NNN Direct Lease Rate

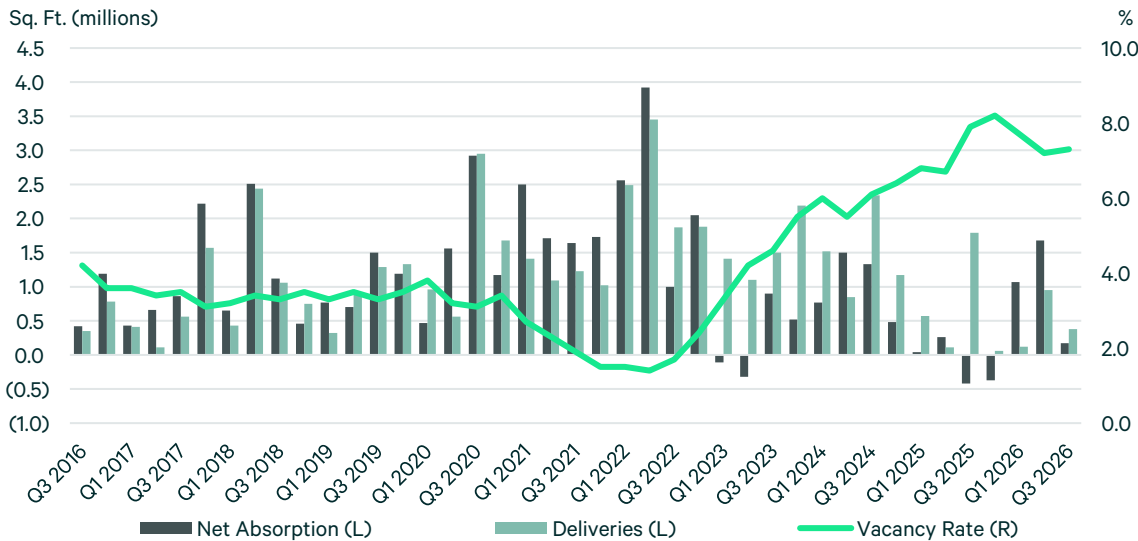
Market Overview

The Salt Lake City industrial market recorded modest positive demand in Q3 2026, as overall conditions softened slightly from Q2 2026. Net absorption for the quarter totaled 168,000 sq. ft., down from 1.7 million sq. ft. in Q2 2026, while leasing activity eased from 3.3 million sq. ft. to 2.3 million sq. ft. Absorption from steady leasing activity throughout the year is expected to hit.

Vacancy edged up 10 basis points (bps) to 7.3% and availability rose 30 bps to 8.2%, which impacted the average asking rent by increasing from \$0.82 per sq. ft. to \$0.87 per sq. ft. Availability within newer, more expensive product, as well as overall pricing increases drove this jump. Pricing remains very nuanced depending on space and property size, as well as location, amenities, and power.

The market reflects a state of normalization from the supply-driven cycle of recent years. Vacancy reached a series low of 1.4% in Q2 2022 as construction under way peaked at nearly 10.9 million sq. ft., then climbed to a cycle high of 8.2% by Q4 2025 amid several quarters of negative absorption. Leasing volumes, while well below the 4.2 million sq. ft. peak recorded in Q2 2021, have remained within the broader historical range. The combination of rising rents and a growing pipeline in Q3 2026 suggests developers and landlords are reading demand as more durable and overall market stability as positive.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy Rate

Overall vacancy edged up 10 bps to 7.3% in Q3 2026, a modest increase from 7.2% in Q2 2026 but 60 bps below the 7.9% recorded in Q3 2025, signaling some easing from the elevated levels reached during the cycle. The improvement relative to a year ago is encouraging, though vacancy remains 270 bps above the 4.6% level recorded in Q3 2023, underscoring that the market has not yet returned to pre-supply-wave conditions.

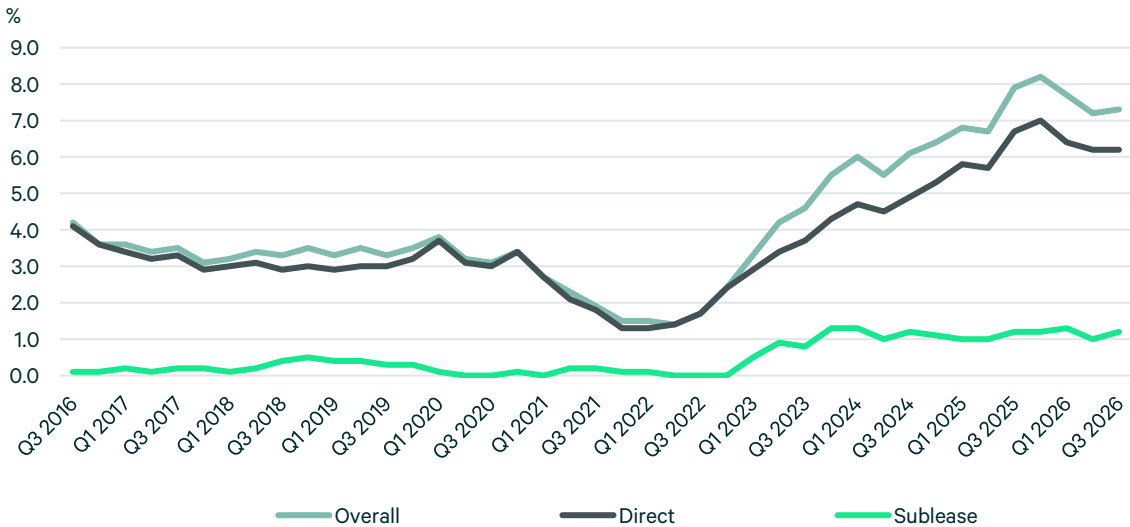
Vacancy distribution across the market remained uneven in Q3 2026. Sandy and South Salt Lake posted the tightest conditions at 2.9% and 3.5%, while Airport recorded the highest overall vacancy at 12.8%, with West Jordan at 10.2% and Bluffdale at 10.1% also carrying elevated availability. The concentration of vacancy in Airport and West Jordan reflects the disproportionate share of recent deliveries those submarkets absorbed, and lease-up of that space will be a key driver of broader market improvement. Sublease vacancy ticked up 20 bps quarter-over-quarter to 1.2%, with sublease space totaling 2.0 million sq. ft. across the market.

Asking Rent

The average asking rent reached \$0.87 per sq. ft. in Q3 2026, up 6.1% quarter-over-quarter and 10.1% year-over-year, the strongest annual gain in the current recovery. The average asking rent has climbed from \$0.55 per sq. ft. in Q4 2020 to a peak of \$0.95 per sq. ft. in Q4 2022, then settled within the range of \$0.78 to \$0.81 per sq. ft. between Q1 2023 and Q2 2025 as new supply weighed on pricing. Growth turned positive again from late 2025, with modest sequential gains of 1.3% in Q1 2026 and 1.2% in Q2 2026 before the more pronounced increase in Q3 2026. Asking and taking rents within individual properties remains dependent on size, location, and features of the property.

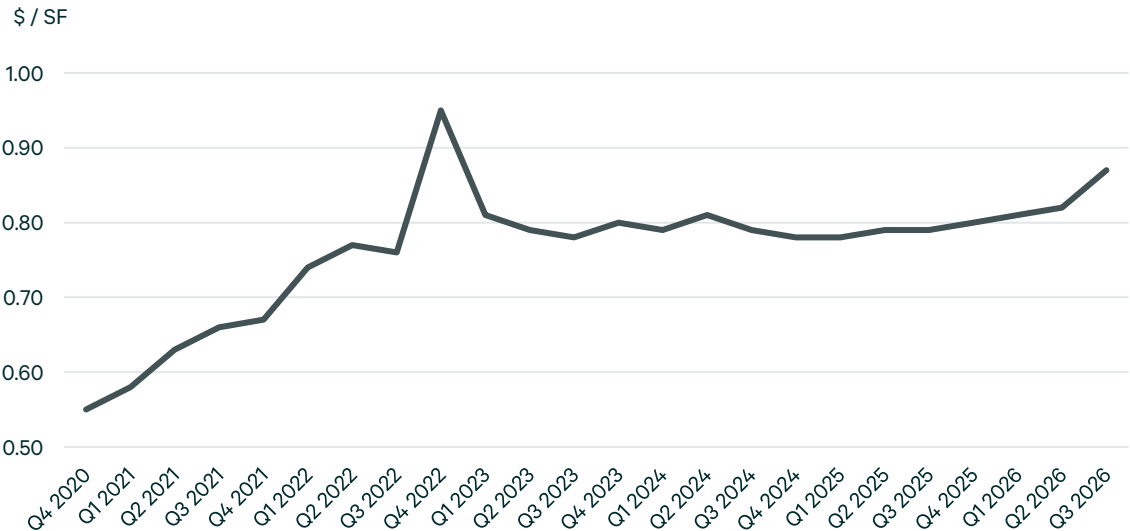
Submarket pricing showed a wide range, with Bluffdale and Draper leading at \$1.33 per sq. ft. and \$1.32 per sq. ft., reflecting tight conditions and limited options in the South Valley. West Jordan, Murray, and South Salt Lake (collectively known as the Northeast Quadrant) ranged from \$0.94 per sq. ft. to \$0.89 per sq. ft. California Ave, West Valley, and Airport (the market’s most active quadrant known as the Northwest Quadrant) ranged between \$0.70 and \$0.87 per sq. ft. Bulk distribution being the primary product type in the Northwest Quadrant likely contributed to the apparent discount.

Figure 2: Vacancy Rate



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

Net Absorption

Net absorption totaled 168,000 sq. ft. in Q3 2026, marking continued occupancy growth but at a slower pace than the 1.7 million sq. ft. recorded in Q2 2026. The quarterly step-down is notable, though the rolling four-quarter average rose 29.7% quarter-over-quarter and up 602.2% year-over-year. This indicates that occupancy continued to improve on a trailing basis. Leasing activity remained strong at 2.3 million sq. ft., which will positively impact occupancy gains reflected at year-end.

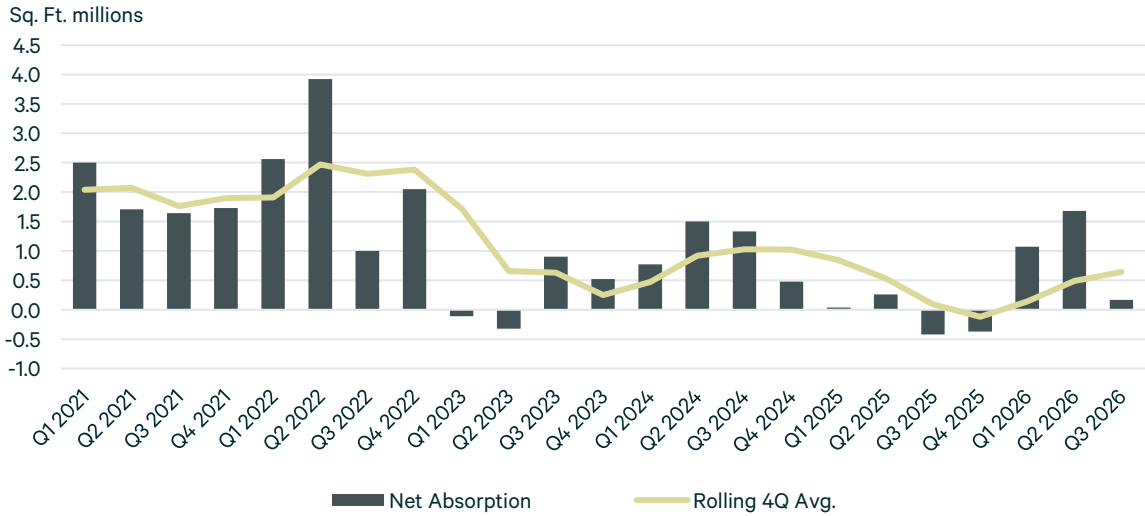
Submarket performance was mixed, with gains concentrated in a handful of submarkets and quadrants. California Ave led with 367,000 sq. ft. of positive net absorption, followed by Airport with 94,000 sq. ft. and Bluffdale with 91,000 sq. ft. Few submarkets experienced negative net absorption, such as South Salt Lake with negative 134,000 sq. ft. and Draper at negative 95,000 sq. ft. The divergence underscores a market where demand remains selective, concentrated in well-located logistics submarkets with modern product, while submarkets carrying older or less competitive inventory continue to face occupancy pressure.

Leasing Activity

Leasing activity totaled 2.3 million sq. ft. in Q3 2026, down 28.8% quarter-over-quarter and 11.8% year-over-year, reflecting a moderation from recent elevated levels. Despite the slight pullback, trailing four-quarter leasing volume reached 11.4 million sq. ft., underscoring that demand has remained durable across the broader period even as individual quarters fluctuate. The 2.3 million sq. ft. of activity executed this quarter is expected to translate into occupancy gains in coming periods, supporting a stronger absorption outlook at year end and early 2027.

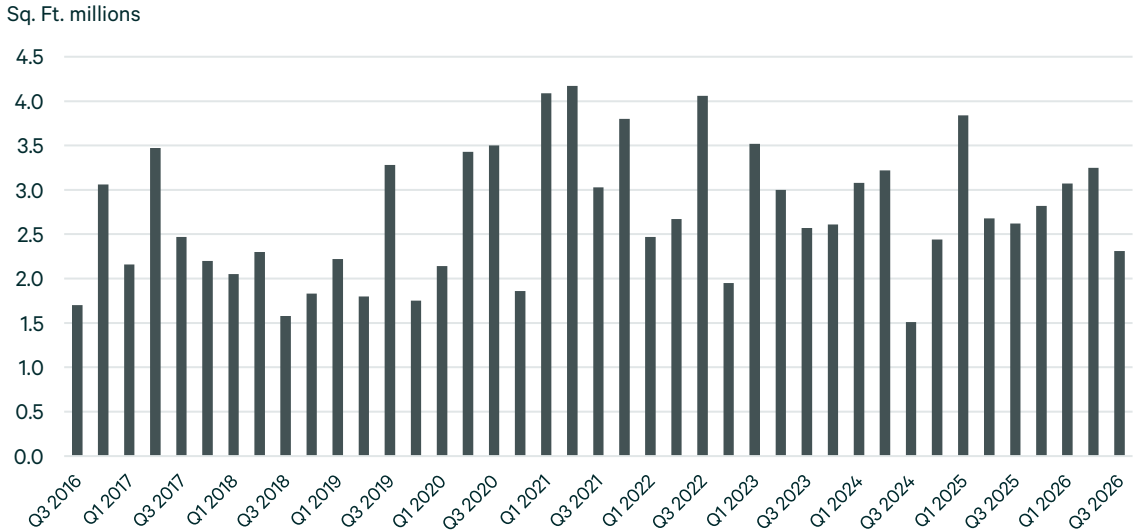
Activity was concentrated in the market’s primary region, the Northwest Quadrant. California Ave led all submarkets with 1.1 million sq. ft. leased, followed by Airport with 596,000 sq. ft., together accounting for approximately 71% of total quarterly volume. Positive leasing was recorded across the remainder of the market as well, with West Valley contributing 294,000 sq. ft., Sandy 115,000 sq. ft., South Salt Lake 104,000 sq. ft., West Jordan 72,000 sq. ft., Downtown 49,000 sq. ft., and Murray 33,000 sq. ft. The breadth of activity across submarkets, even with volume weighted toward California Ave and Airport, points to demand that extends beyond the market’s core logistics nodes and reflects continued occupier interest.

Figure 4: Net Absorption Trend



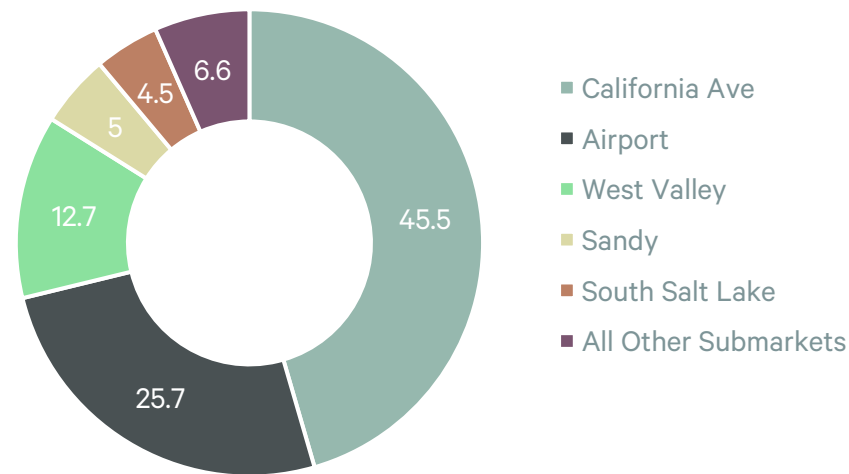
Source: CBRE Research, Q3 2026

Figure 5: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q3 2026

Construction Activity

The Salt Lake City construction pipeline expanded meaningfully in Q3 2026, with space under construction totaling 3.4 million sq. ft., up 28.4% quarter-over-quarter and 159.3% higher year-over-year. The growth in the pipeline reflects developers adding new projects even as near-term completions slowed. The combination of a growing pipeline and slowing deliveries suggests construction activity is shifting toward a new wave of future supply rather than wrapping up the prior cycle. About 50% of the pipeline is expected to deliver by year end, and absent additional preleasing, this new supply will add to vacancy.

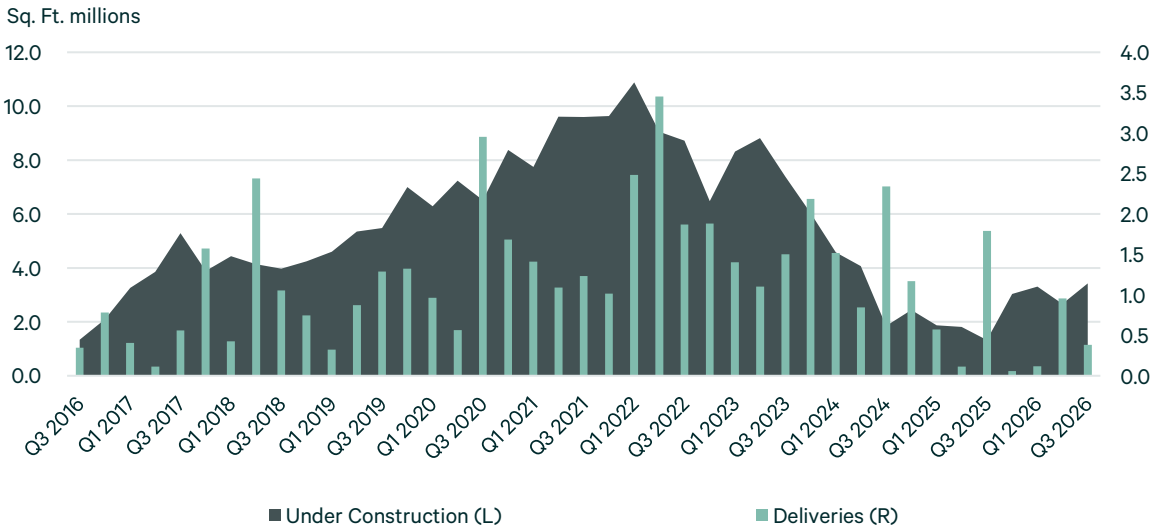
Airport led all submarkets with nearly 1.0 million sq. ft. under construction, followed by California Ave with 237,000 sq. ft., with West Jordan also containing active projects. The concentration of new development in Airport is notable given that the submarket already carries the highest vacancy in the market at 12.8%, and the addition of new supply will extend the timeline for lease-up of existing available space there. More broadly, the pipeline's expansion from current levels remains well below the cycle peak of 10.9 million sq. ft. recorded in early 2022, and the pace of new starts will likely remain sensitive to vacancy trends and leasing velocity.

Figure 7: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Boart Longyear	256,000	Renewal	2455 S 3600 W	West Valley
Expeditors International	175,000	Renewal	350 N John Glenn Rd	Airport
Omega Morgan	163,000	New Lease	1195 N 6550 W	Airport
Gofo	159,000	New Lease	6195 W 300 S	California Ave
Confidential Tenant	150,000	New Lease	821 N 6550 W	Airport
Pacific Bridge Advisors	100,000	New Lease	9160 S 500 W	Sandy
The Boeing Company	100,000	Renewal	1760 N 2200 W	Airport
Diversified Transfer and Storage	94,000	Renewal	2385 W 1500 S	California Ave

Source: CBRE Research, Q3 2026

Figure 8: Construction Activity



Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	28.64M	12.8	13.2	9.8	3.4	0.70	94,000	1,470,000	175,000	1,020,000
Bluffdale	3.27M	10.1	11.0	11.0	-	1.33	91,000	179,000	208,000	-
California Ave	58.75M	6.1	6.5	5.8	0.7	0.87	367,000	1,870,000	-	770,000
Downtown	12.98M	5.2	5.9	5.8	0.1	0.81	13,000	(139,000)	-	-
Draper	4.71M	4.3	11.0	8.5	2.5	1.32	(95,000)	(95,000)	-	-
Murray	3.60M	5.2	8.5	8.5	-	0.90	(50,000)	(60,000)	-	-
Sandy	5.67M	2.9	3.7	3.7	-	0.87	(24,000)	(45,000)	-	-
South Salt Lake	17.18M	3.5	4.0	3.1	0.9	0.89	(134,000)	15,000	-	-
West Jordan	13.82M	10.2	10.5	8.9	1.6	0.94	(6,000)	52,000	-	1,050,000
West Valley	22.82M	7.6	9.7	7.4	2.3	0.85	(88,000)	(322,000)	-	586,000
Total	171.43M	7.3	8.2	6.8	1.4	0.87	168,000	2,920,000	383,000	3,430,000

Source: CBRE Research, Q3 2026

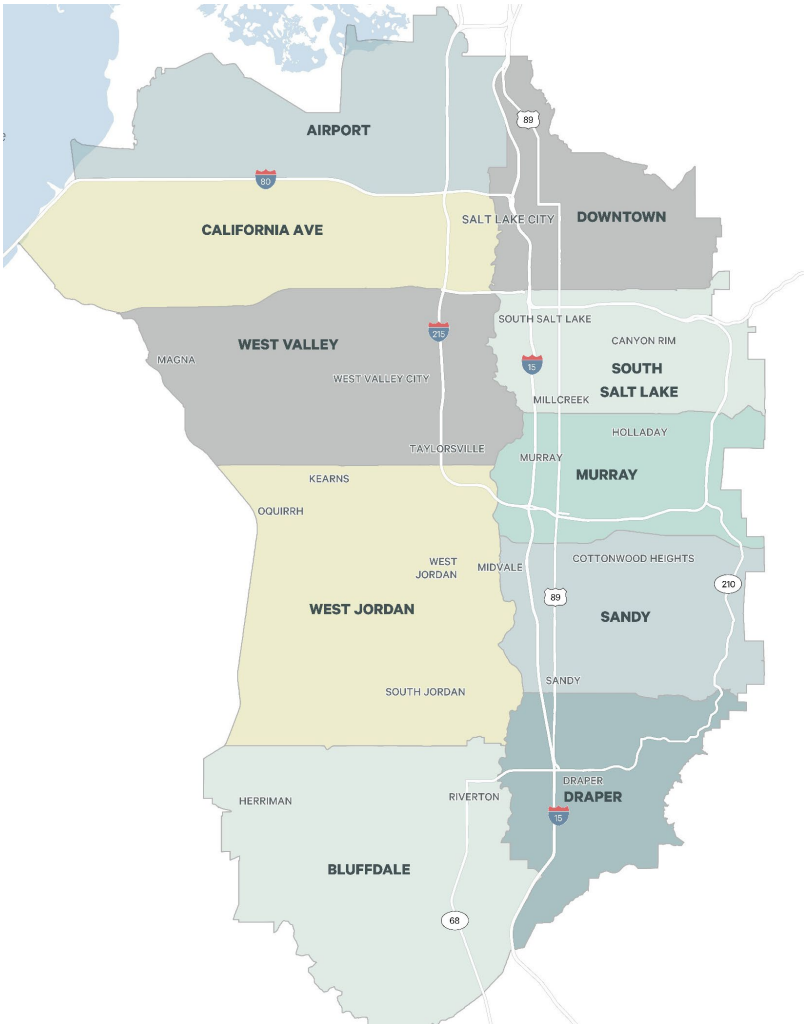
Market Statistics by Size

Figure 13

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	43.41M	2.6	3.6	3.4	0.2	1.12	(78,000)	(278,000)	35,000	35,000
50K-99,999 SF	26.35M	5.5	6.9	6.0	0.9	1.13	(16,000)	(200,000)	-	854,000
100K-249,999 SF	40.09M	11.1	12.0	10.1	1.9	0.87	144,000	313,000	348,000	1,930,000
250K-499,999 SF	35.04M	8.6	9.6	7.8	1.8	0.73	316,000	746,000	-	-
500K-749,999 SF	9.57M	7.3	7.3	4.7	2.5	0.71	(90,000)	1,230,000	-	607,000
750,000 SF +	16.98M	10.9	10.9	8.3	2.6	0.65	(108,000)	1,110,000	-	-
Total	171.43M	7.3	8.2	6.8	1.4	0.87	168,000	2,920,000	383,000	3,430,000

Source: CBRE Research, Q3 2026

Market Area Overview



Definitions

- Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant.
- Availability Rate: Total available sq. ft. divided by the total building Area.
- Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage.
- Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building.
- Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions.
- Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance.
- Net Absorption: The change in occupied sq. ft. from one period to the next.
- Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a gross lease rate.
- Occupied Sq. Ft.: Building area not considered vacant.
- Vacancy Rate: Total vacant sq. ft. divided by the total building area.
- Vacant Sq. Ft.: Space that can be occupied within 30 days.
- Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all existing industrial properties over 10,000 sq. ft. in Salt Lake County. Leasing activity includes renewals, new leases, and extensions. Property must fit within a subtype. Property may be owner-user. Buildings which have begun construction are evidenced by site excavation or foundation work. Positive net absorption is calculated by lease signed date. Only existing buildings are included in vacancy and availability rate calculations.

Numbers presented throughout this report have been rounded for readability. As a result, individual line items may not sum to totals shown. All figures should be considered approximate.

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