

FIGURES | SALT LAKE CITY INDUSTRIAL | Q4 2025

Lease Activity Keeps Vacancy Balanced Amid New Supply

▶ 7.1%

Vacancy Rate

▼ 718,902

SF Net Absorption

▼ 0

SF Construction Delivered

▲ 2.8M

SF Under Construction

▲ \$0.80

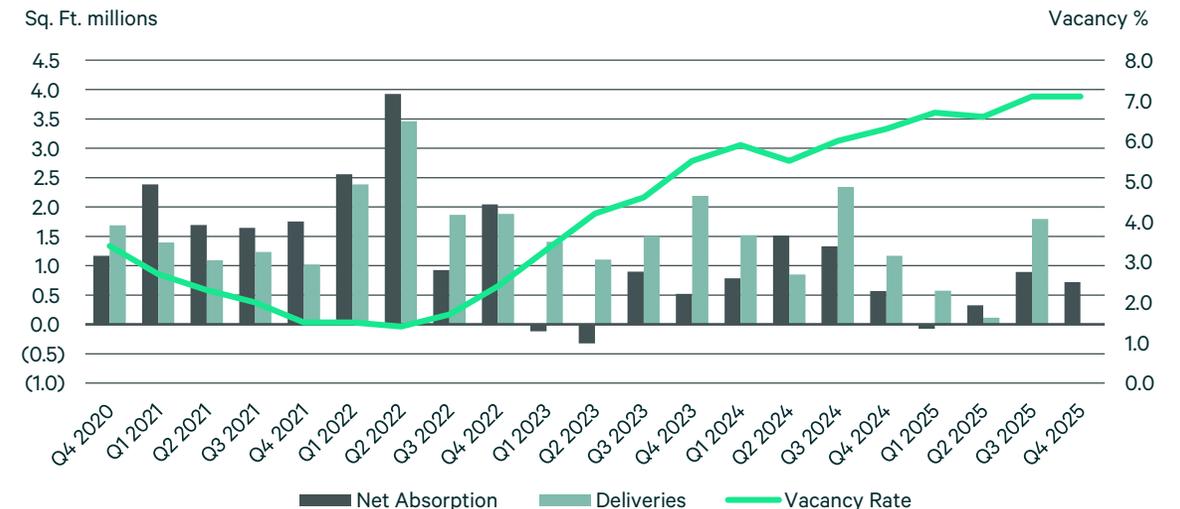
NNN/MTH Direct Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

Throughout 2025, Salt Lake City's industrial market maintained healthy leasing trends, a shrinking development pipeline, and resilient vacancy. Strong leasing momentum in the first half of the year, driven in part by renewals, kept the market on track despite the typical seasonal slowdown in the final quarter. Nearly 12 million sq. ft. of leases were signed in 2025, up from 9.5 million in 2024, and consistent with activity seen in 2023 and 2022. Demand within existing properties helped maintain vacancy levels as speculative projects continued to deliver, many of them initially vacant. Nearly 2.5 million sq. ft. was delivered in 2025, although none occurred in the final quarter of the year, marking the first quarter in recent history without any new completions. Construction activity has tapered as developers worked through the existing pipeline, with fewer new groundbreakings reflecting tighter financing conditions and a more disciplined approach to starts. This right-sized development strategy has supported vacancy stability and steady performance across most size segments. Overall, Salt Lake City's long-term fundamentals remained firmly intact. Strategic location, robust logistics infrastructure, and sustained population growth continued to support demand. Businesses remained confident in the region's ability to support growth, making Salt Lake City a reliable hub for industrial users seeking efficiency and scalability.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



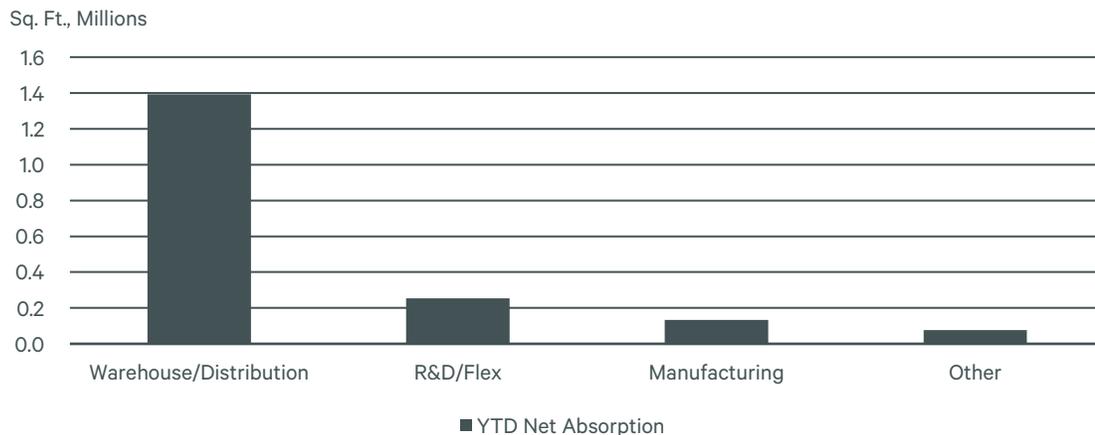
Source: CBRE Research, Q4 2025

Market Activity

The Salt Lake City industrial market recorded over 700,000 sq. ft. of positive net absorption in Q4 2025 and nearly 2.0 million sq. ft. for the year. This highlighted a steady continuation of tenant demand despite a modest pullback from the approximately 900,000 sq. ft. absorbed in Q3 2025 and record highs in 2022. While this represents a slight deceleration from record years, more than 85% of the 2.0 million sq. ft. that absorbed in 2025 occurred in the second half of the year. As in prior quarters, absorption was supported by a combination of new lease executions and tenant expansions, with demand remaining concentrated in modern distribution and logistics facilities, a sector that continues to anchor market performance. Occupancy gains were widespread across user types, reinforcing the depth of tenant requirements driving quarterly momentum.

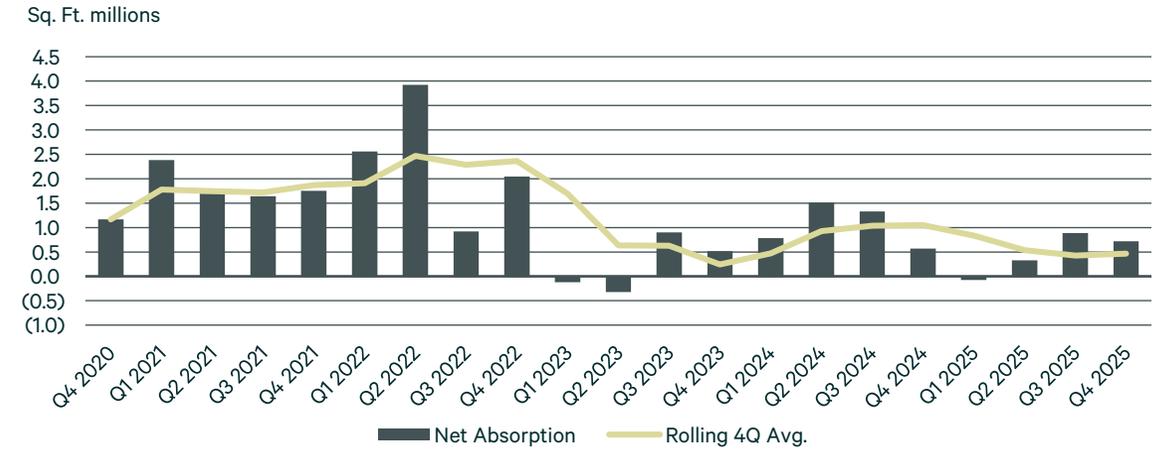
Despite steady demand, vacancy held flat throughout 2025, largely due to the volume of new construction delivering to the market. While these additions introduced pockets of unleased space, strong lease activity helped offset upward pressure on vacancy. However, limited preleasing within newly built projects signaled a more measured sensitivity towards higher asking rates within new construction. This dynamic underscores a market undergoing recalibration, balancing near-term supply additions with sustained tenant interest.

Figure 2: Net Absorption (SF) by Subtype



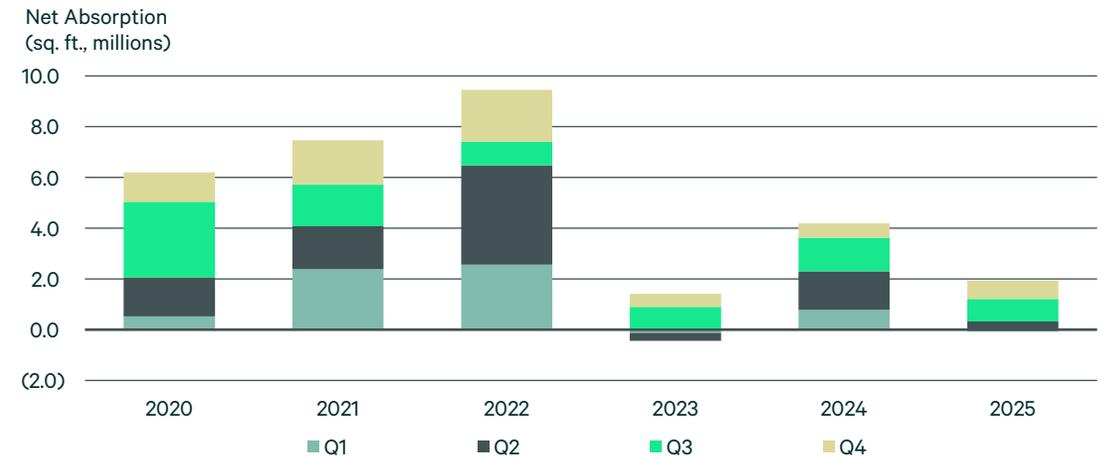
Source: CBRE Research, Q4 2025

FIGURE 3: Net Absorption Trend



Source: CBRE Research, Q4 2025

Figure 4: Net Absorption (SF) by Quarter



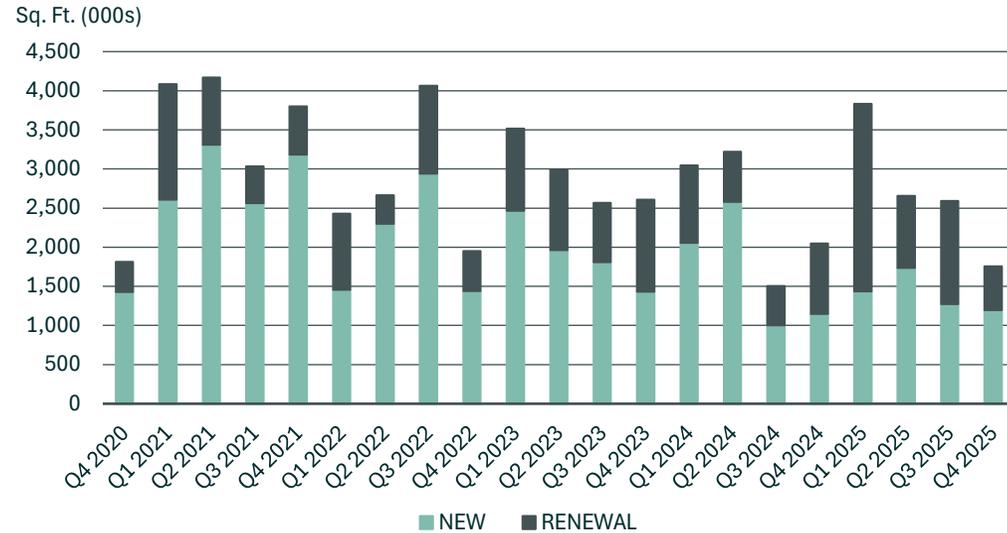
Source: CBRE Research, Q4 2025

Availability and Vacancy

Salt Lake City’s industrial market closed Q4 2025 with vacancy largely stable, even in some sectors decreasing, despite the amount of new construction being added to the market. Total availability declined 30 bps quarter-over-quarter to 8.9%, though remains 160 bps above year-ago levels. Strong leasing in existing inventory helped offset speculative completions with limited preleasing, preventing vacancy from climbing further. Few large blocks in existing buildings became vacant and available, underscoring that most vacancy shifts stemmed from new product rather than tenant turnover.

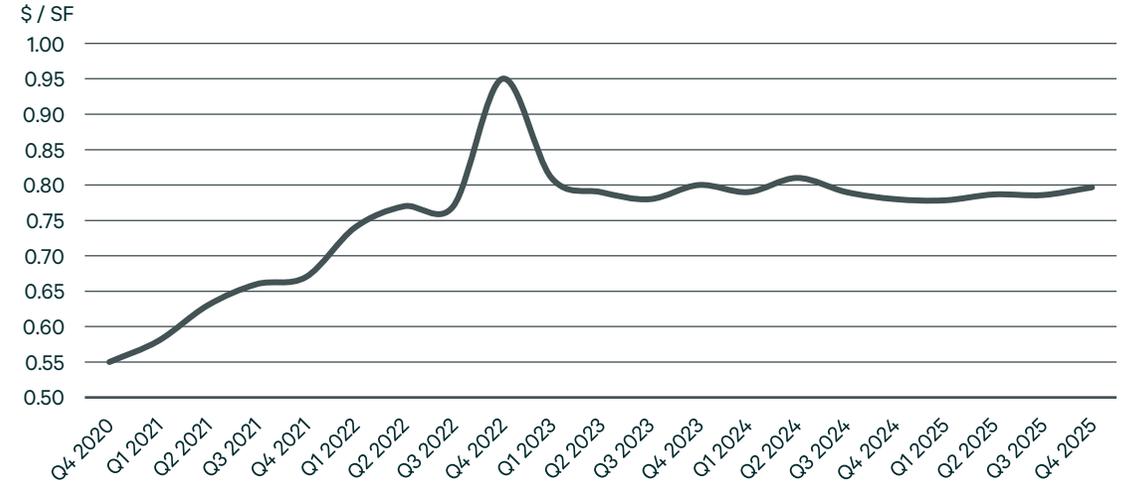
Looking ahead, the delivery of more than 3.0 million sq. ft. of new inventory through 2026 is expected to influence availability and lease-up timelines. Competitive positioning will remain key as developers navigate these shifts in the market. Despite near-term pressure, Salt Lake City’s fundamentals, including strategic location and strong logistics connectivity, are important components that drive demand to the region.

FIGURE 5: Leasing Activity Trend – New Lease vs Renewal



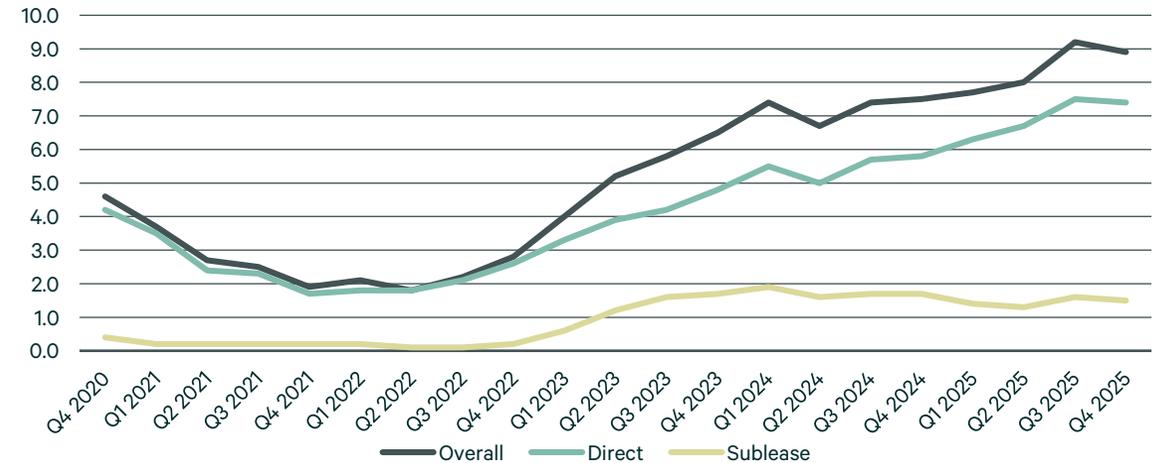
Source: CBRE Research, Q4 2025

FIGURE 6: Avg. Direct Asking Rate (NNN/Month)



Source: CBRE Research, Q4 2025

FIGURE 7: Availability Rates



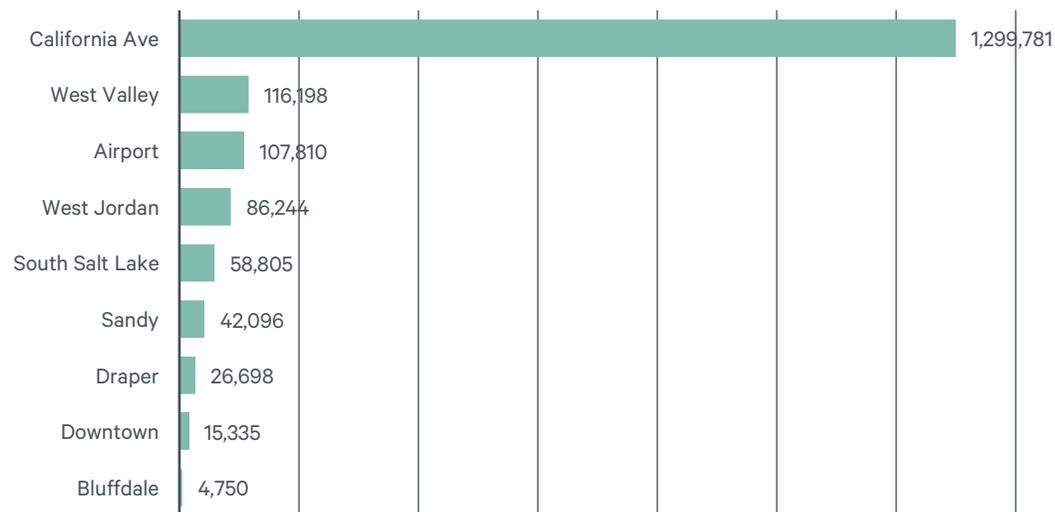
Source: CBRE Research, Q4 2025

Leasing Activity

Leasing activity in Salt Lake City’s industrial market demonstrated resilience in 2025, though momentum moderated after a strong start to the year. In Q4 2025 alone, a total of 1.7 million square feet was leased across 42 transactions, marking a quarter-over-quarter decline of 800,000 square feet and a year-over-year decrease of roughly 290,000 square feet. While activity remained healthy, it trailed the market’s historical rhythm, landing 40.8% below the five-year quarterly average of 2.9 million square feet.

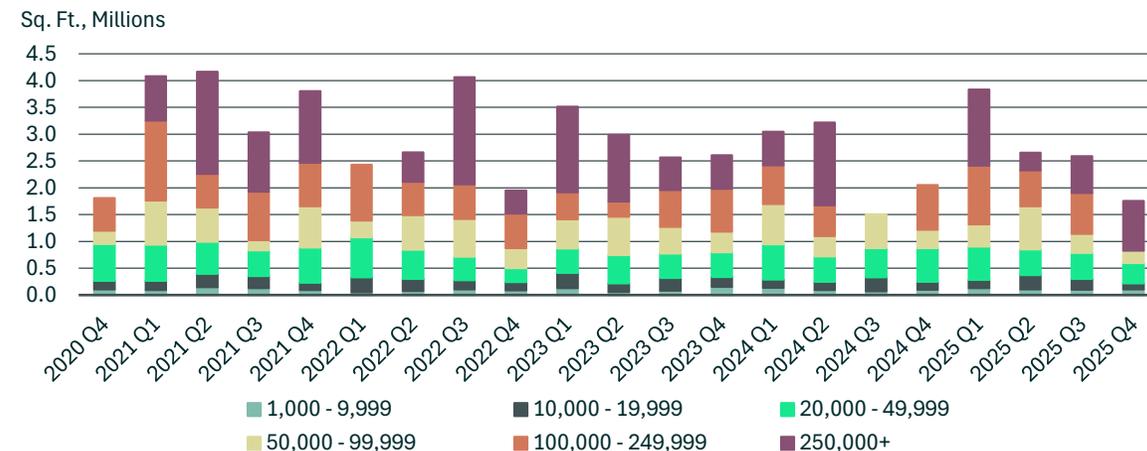
The Northwest Quadrant dominated leasing activity in Q4 2025, accounting for 86.7% of all signed leases for the quarter. Comprising the Airport, California Avenue, and West Valley submarkets, the Northwest Quadrant also delivered 75.4% of the market’s new supply this year highlighting tenants’ strong appetite for new Class A space. Direct access to Salt Lake City International Airport, major interstates, and rail lines, along with its close connection to downtown, continues to make that region a highly attractive location for prospective logistics and distribution tenants.

FIGURE 8: Q4 2025 Leasing Activity by Submarket



Source: CBRE Research, Q4 2025

FIGURE 9: Historical Leased Area (New Lease & Renewals only)



Source: CBRE Research, Q4 2025

FIGURE 10: Notable Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Property Name	Submarket
Torus	544,948	New Lease	Property Reserve Bldg. G	California Ave
Undisclosed E-Commerce	383,892	Renewal	RWK Legacy Logistics Center 2	California Ave
MEI Rigging & Crating	94,505	New Lease	5600 Logistics Bldg. A	California Ave
Radians	82,423	New Lease	SLC GLC Bldg. 8	Airport
Biovation Labs	55,762	New Lease	Commerce Park Bldg. C	West Valley
Laborie Medical Technologies	49,503	Renewal	Ninigret II	California Ave
Gemco Medical	46,188	New Lease	Dalfen 9000 S Logistics Center II	West Jordan
Salt Lake Shipping & Fulfillment	44,387	New Lease	Ninigret VII	California Ave
Aqua Yield Operations	42,096	New Lease	Parkland Industrial	Sandy
Anixter	35,705	Renewal	Central Valley Industrial Park	South Salt Lake

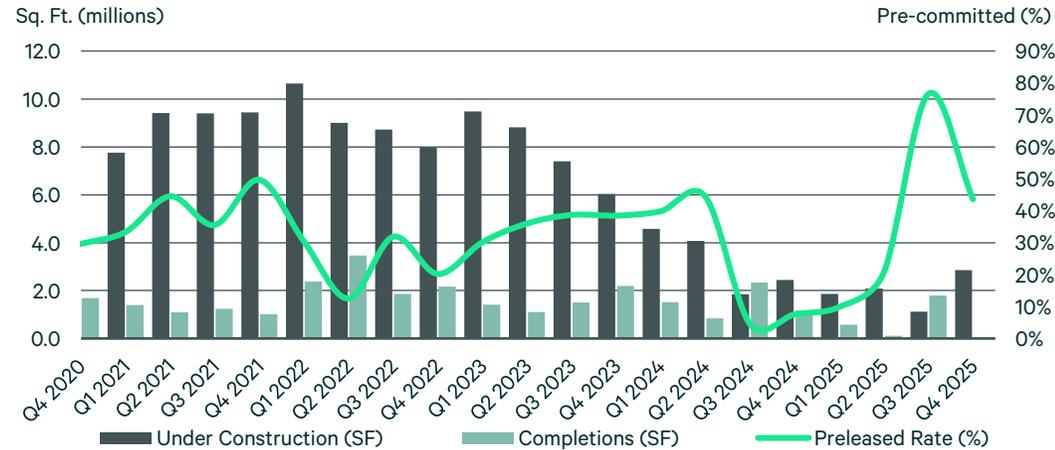
Source: CBRE Research, Q4 2025

Construction Activity

In Q4 2025, the Salt Lake City industrial market had 17 projects under construction totaling 2.8 million sq. ft., marking an acceleration from the 1.1 million sq. ft. underway the previous quarter. Construction activity also increased meaningfully from 2.4 million sq. ft. year-over-year. Despite this growing pipeline, no new projects delivered in Q4 2025, following 1.8 million sq. ft. of deliveries in Q3 2025. Over the past year, total deliveries reached 2.5 million sq. ft., underscoring how sustained development continues to feed new supply into the market even as absorption has moderated.

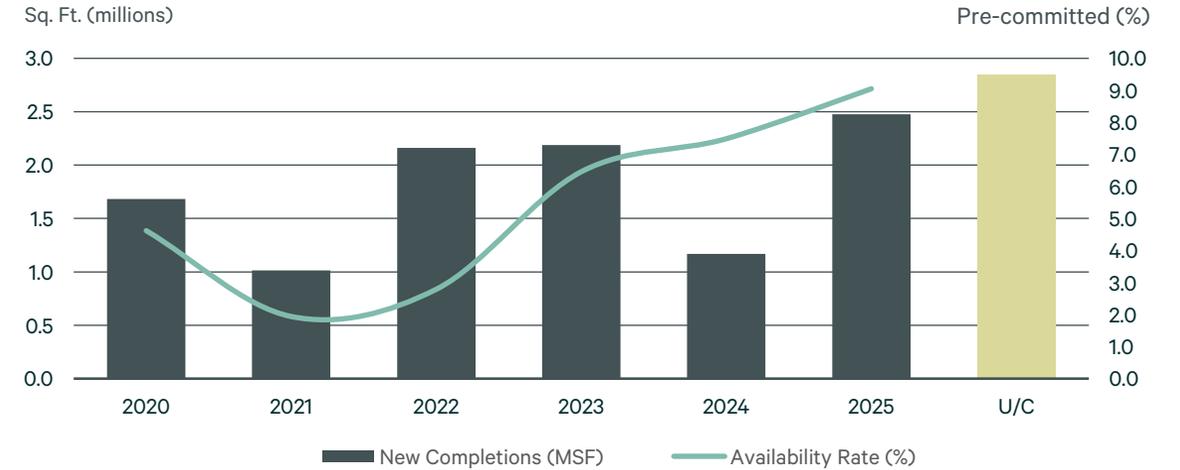
Looking ahead, the construction pipeline suggests another significant wave of space entering the market through 2026. Estimated completions include approximately 200,000 sq. ft. in Q1 2026, 1.4 million sq. ft. in Q3 2026, and 800,000 sq. ft. in Q4 2026. When combined with the recently delivered 1.8 million sq. ft., the market is positioned to add well over 3.0 million sq. ft. of new inventory by year-end 2026. With annual absorption averaging approximately 1.3 million sq. ft., the upcoming pipeline will deliver more than three years of new industrial supply within a roughly two years. This imbalance is expected to influence vacancy rates, lease-up timelines, and landlord strategies well into 2027.

FIGURE 11: Construction Completions and Delivered Preleased Rate



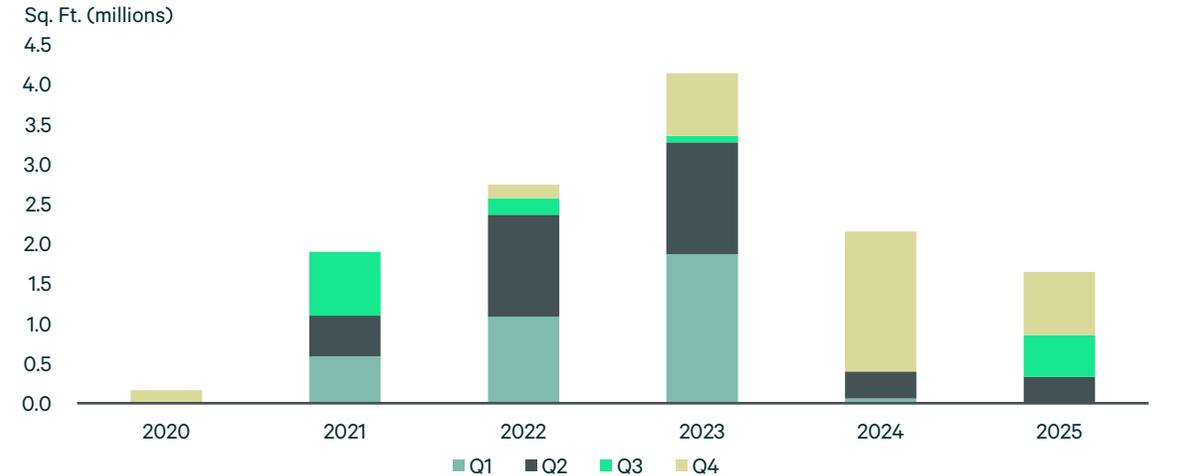
Source: CBRE Research, Q4 2025

FIGURE 12: Construction Completions, Under Construction and Availability Rate



Source: CBRE Research, Q4 2025

FIGURE 13: Under Construction Area



Source: CBRE Research, Q4 2025

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/MTH)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Market Total	170,628,530	7.1	8.9	7.4	1.5	0.80	718,902	1,857,876	0	2,849,478
Northwest	109,810,183	8.6	10.8	9.0	1.8	0.79	555,454	1,608,694	0	2,206,424
Airport	27,437,481	11.9	14.4	11.6	2.7	0.71	61,089	517,655	0	1,620,238
California Ave	59,131,536	8.4	10.1	8.4	1.6	0.81	307,632	1,145,478	0	0
West Valley	23,241,166	5.0	8.3	7.2	1.1	0.81	186,733	(54,449)	0	586,186
Northeast	34,005,327	2.5	3.8	3.0	0.8	0.80	11,336	(239,180)	0	0
Downtown	13,204,720	4.0	4.2	4.1	0.1	0.78	(40,001)	(245,262)	0	0
Murray	3,604,530	3.4	5.1	5.1	0.0	0.68	0	3,874	0	0
South Salt Lake	17,196,077	1.1	3.2	1.8	1.4	0.89	51,337	2,208	0	0
South	26,813,020	6.7	7.7	6.7	1.0	0.93	152,112	488,372	0	643,054
Bluffdale	2,873,722	6.8	7.4	6.7	0.7	1.09	31,741	186,025	0	172,720
Draper	4,686,729	1.5	2.8	2.2	0.6	1.01	25,012	47,638	0	0
Sandy	5,663,162	1.3	3.3	2.6	0.7	0.98	17,849	151,165	0	0
West Jordan	13,589,407	10.8	11.4	9.9	1.5	0.89	77,510	103,544	0	470,334

Market Statistics by Size

	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (NNN/MTH)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	69,535,476	2.2	3.4	3.1	0.3	1.01	133,345	79,778	0	217,249
100,000-199,999 sq. ft.	29,744,361	7.6	10.6	8.3	2.3	0.89	133,062	754,379	0	1,559,843
200,000-299,999 sq. ft.	16,967,703	10.1	12.8	9.2	3.6	0.83	77,197	387,558	0	218,499
300,000-499,999 sq. ft.	28,362,113	8.8	12.5	11.3	1.2	0.73	382,916	252,870	0	328,387
500,000-749,999 sq. ft.	9,038,530	16.3	11.9	7.8	4.1	0.75	0	75,151	0	525,500
750,000 sq. ft.	16,980,347	15.3	17.0	15.3	1.7	0.65	(7,618)	308,140	0	0
Total	170,628,530	7.1	8.9	7.4	1.5	0.80	718,902	1,857,876	0	2,849,478

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (NNN/MTH)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	136,587,251	8.0	10.3	8.6	1.7	0.78	423,737	1,388,271	0	1,924,820
Manufacturing	19,639,613	5.0	4.8	3.5	1.4	0.96	92,064	132,890	0	0
R&D / Flex	10,587,174	0.8	1.7	1.7	0.0	0.94	190,420	254,355	0	0
Other Industrial	3,814,492	0.0	1.9	1.9	0.0	0.00	12,681	82,360	0	924,658
Total	170,628,530	7.1	8.9	7.4	1.5	0.80	718,902	1,857,876	0	2,849,478

Market Area Overview



CBRE Offices

Downtown Salt Lake City

222 South Main Street, 4th Floor
Salt Lake City, UT 84101

Lehi Tech Center

3300 North Triumph Blvd, Suite 360
Lehi, UT 84043

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.

Methodology

Positive absorption is based on the date the lease is signed. Achieved lease rates are calculated from base monthly rent for transacted deals, weighted by size/SF of deal. Sublease space can be vacant or occupied. Total Vacancy includes both direct and sublease. Lease activity is the sum of the square footage of leases signed during a designated time period. Data in previous publications is subject to change.

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