

FIGURES | SALT LAKE CITY-PROVO OFFICE | Q3 2026

Occupancy gains extend to two full years



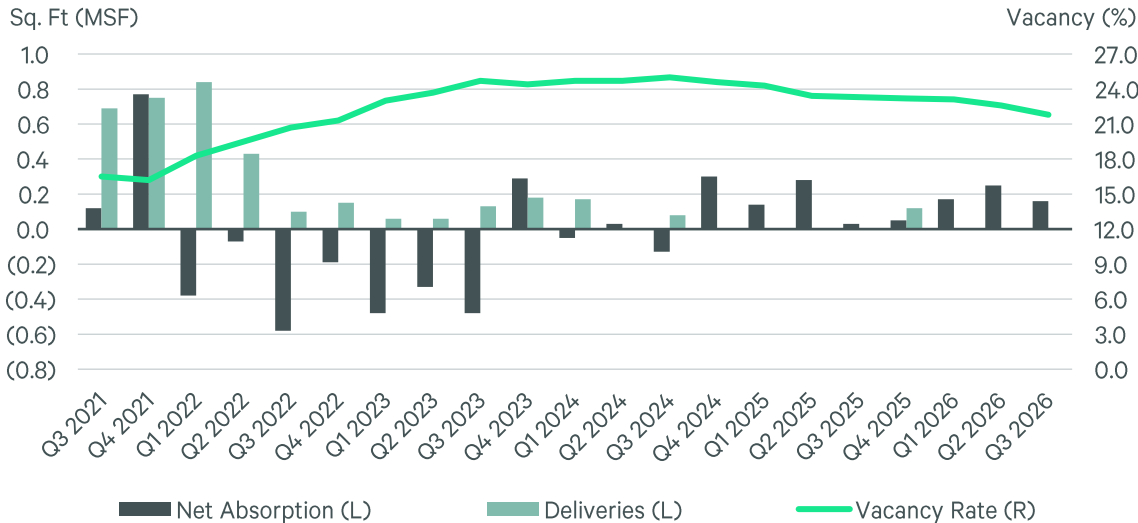
Note: Arrows indicate change from previous quarter.

Market Overview

Office fundamentals in the Salt Lake City–Provo market continued to improve in Q3 2026 as resilient tenant demand drove another quarter of occupancy gains. Net absorption totaled 161,000 sq. ft., extending the market’s streak of positive absorption to eight consecutive quarters. This sustained demand continued to tighten availability, with direct availability declining 60 basis points (bps) quarter-over-quarter to 19.7%. Sublease availability edged up 10 bps to 3.4% as several high-quality, plug-and-play options entered the market, but overall availability still declined 50 bps to 23.1%, its lowest level since early 2023.

Tightening availability was reinforced by increasingly constrained supply. Overall vacancy declined 80 bps to 21.8%, marking eight consecutive quarterly declines and two full years of improvement. The market recorded a third consecutive quarter with no office projects under construction, while conversions, demolitions and owner-user acquisitions continued to reduce competitive inventory. Over the past 12 months, approximately 1.2 million sq. ft. was removed, compared with just 120,000 sq. ft. of new deliveries. Looking ahead, continued leasing momentum and the absence of new construction should support further vacancy compression, with tenants increasingly limited to renewing in place or absorbing existing vacant space.

Figure 1: Historical Net Absorption, Deliveries, and Total Vacancy



Source: CBRE Research, Q3 2026

Vacancy

Overall vacancy declined for an eighth consecutive quarter in Q3 2026, marking two full years of continuous improvement. Vacancy fell 80 basis points (bps) quarter-over-quarter to 21.8% and was down 140 bps year-over-year. Direct vacancy declined to 19.4%, while sublease vacancy edged lower to 2.5% and remained well below year-ago levels. Vacancy compression has also been supported by the continued removal of obsolete, high-vacancy space from competitive inventory through conversions, demolitions, and value-oriented owner-user and government acquisitions. In Q3 2026, the State of Utah acquired the 312,234-sq.-ft. former FranklinCovey headquarters, while Intermountain Health acquired the 235,000-sq.-ft. Fairbourne Station Tower for conversion into a medical campus.

Class A assets continued to outperform the broader market, with vacancy declining to 17.5%, while Class B remained the market’s primary pressure point at 27.3% despite a 260-bps decline year-over-year. Vacancy also continued to compress Downtown, falling to 22.4% overall, while Class A vacancy declined 132 bps quarter-over-quarter to 14.1% and was down 316 bps year-over-year. Looking ahead, with no new office product scheduled to deliver in the near term and several additional properties under contract for owner-user acquisition, further removals from competitive inventory should support continued vacancy compression.

Asking Rent

Average direct asking rents remained relatively stable in Q3 2026, increasing 0.3% quarter-over-quarter to \$26.87 FSG per sq. ft. while rising 2.2% year-over-year. Rent performance continued to favor higher-quality space, with Class A asking rents increasing 1.1% quarter-over-quarter to \$32.32 FSG per sq. ft., while Class B rents rose 0.4% to \$25.01 FSG per sq. ft. The most notable shift occurred in the sublease market, where asking rents increased 5.5% quarter-over-quarter to \$27.03 FSG per sq. ft., driven by a change in inventory composition as several premium, move-in-ready sublease spaces entered the market.

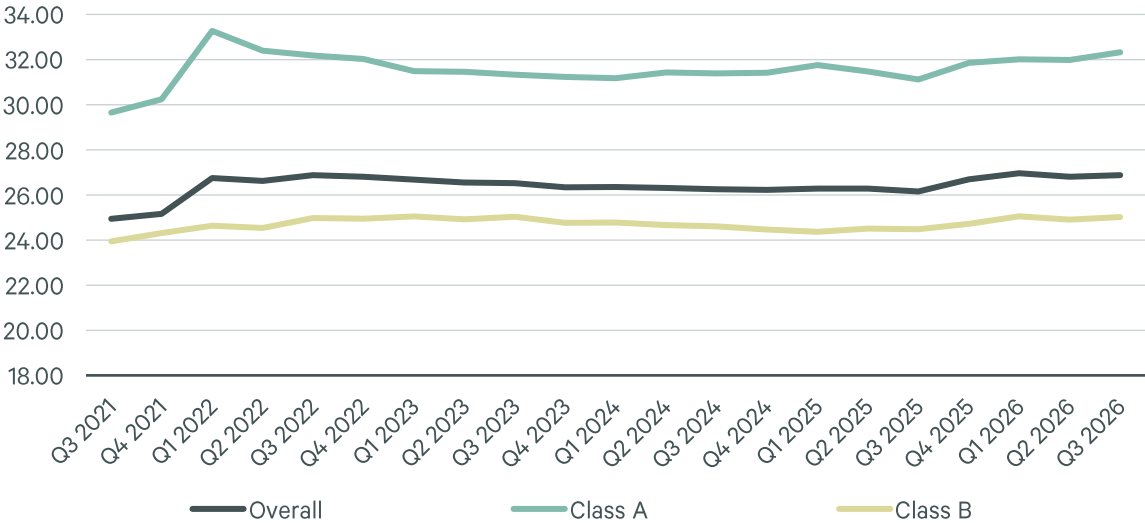
Class A space in the Central Business District remained the market’s highest-priced segment, with asking rents reaching a record \$40.08 FSG per sq. ft. in Q3 2026. This represented a 2.6% increase quarter-over-quarter and 10.9% year-over-year, as tightening availability among the CBD’s top-tier assets continued to support pricing. Asking rents at select best-in-class properties surpassed \$50 FSG per sq. ft. for the first time in market history. Looking ahead, sustained demand for highly amenitized space and the absence of new construction are expected to maintain upward pressure on Class A rents in the near term. As availability tightens within the market’s most desirable properties, spillover demand into well-located Class B assets is expected to gain momentum and support pricing and leasing activity within the segment.

Figure 2: Vacancy Rates by Class (%)



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class (\$/SF/Yr FSG)



Source: CBRE Research, Q3 2026

Net Absorption

Occupancy gains continued in Q3 2026, with 161,000 sq. ft. of net absorption extending the market's positive absorption streak to eight consecutive quarters. While demand moderated from the previous quarter's elevated pace, absorption remained well above year-ago levels, bringing year-to-date net absorption to 577,000 sq. ft. and surpassing the 488,000 sq. ft. recorded during all of 2025. Demand broadened beyond the highest-quality assets during the quarter, with Class B properties accounting for more than 95% of absorption and recording 155,000 sq. ft. of occupancy gains. Class A properties also remained positive with 36,000 sq. ft. of absorption, while Class C product recorded 29,000 sq. ft. of occupancy losses. Notable move-ins included Swire Coca-Cola taking occupancy of 106,083 sq. ft. at Jordan Valley Tech Center I in the Sandy South Towne submarket and Utah Housing Corporation moving into 44,408 sq. ft. at Stonebridge Building 3 in the West Valley/Lake Park submarket.

Suburban Salt Lake County led demand, posting 94,000 sq. ft. of net absorption driven by occupancy gains in Sandy South Towne and West Valley/Lake Park. Conversely, Draper recorded 49,000 sq. ft. of occupancy losses as several large blocks of vacant and sublease space entered the market, including multiple floors marketed by BILL at 136 Center II. Utah County returned to positive territory with 60,000 sq. ft. of net absorption, marking its first quarter of occupancy growth in 2026, while Downtown Salt Lake City remained positive with 7,000 sq. ft. of net absorption.

Construction Activity

Office development remained at a standstill in Q3 2026, with no projects under construction as challenging economics and elevated vacancy continued to weigh on project feasibility. Development volume remained at 0 sq. ft., a sharp reversal from the market's 2020 peak, when nearly 2.9 million sq. ft. was underway across 16 projects. Although several proposed developments remained in advanced planning, projects remained dependent on securing significant preleasing commitments that had yet to materialize. Meanwhile, opportunities to acquire existing office assets below replacement cost provided a more economical alternative to new construction, further limiting the near-term case for development.

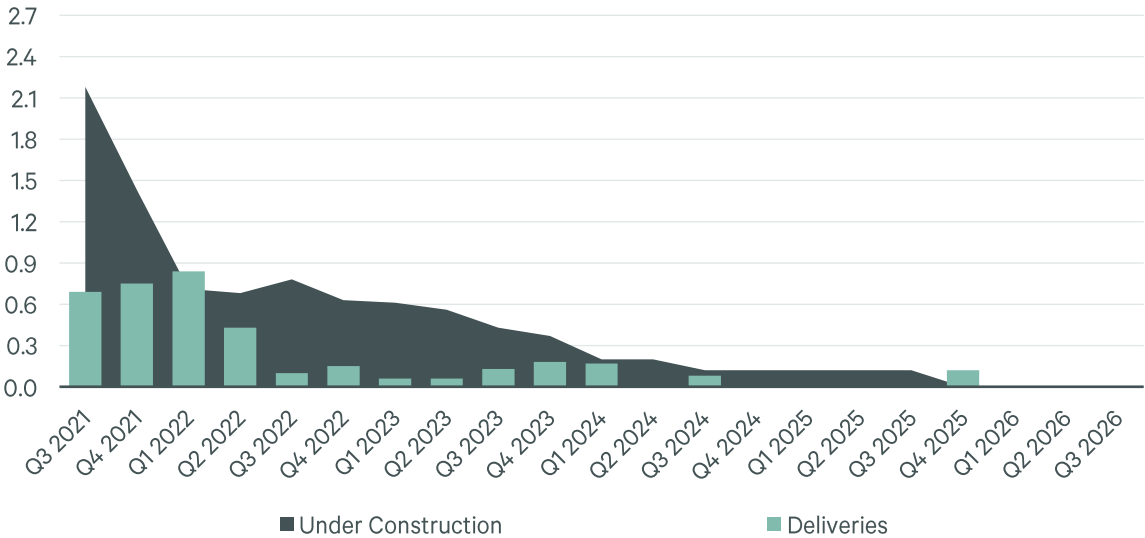
Looking ahead, office development is expected to remain limited as market conditions continue to discourage speculative construction. However, with no projects underway and demolitions and conversions continuing to outpace new construction, the already limited supply of high-quality office space is expected to tighten further. With large contiguous blocks already scarce across premier office buildings in the market's most desirable locations, continued absorption is expected to further constrain options for larger occupiers. As availability tightens, demand is expected to increasingly shift toward the next tier of buildings and alternative submarkets, gradually strengthening the fundamentals needed to support future Class A development.

Figure 4: Net Absorption Trend (Sq. Ft. Millions)



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity (Sq. Ft. Millions)



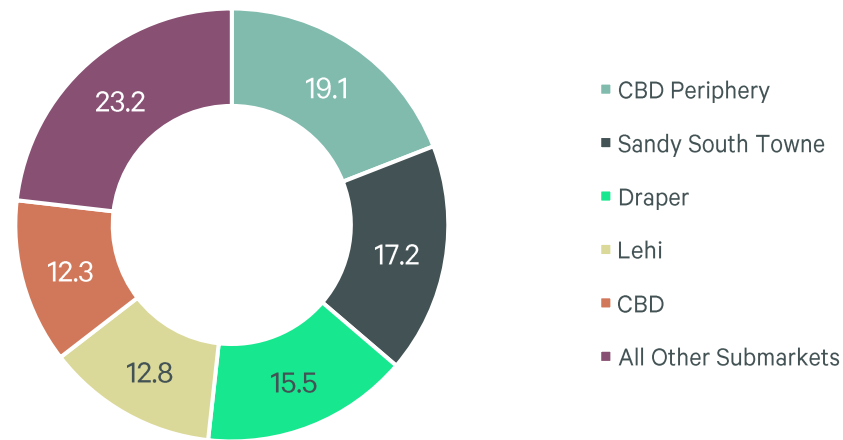
Source: CBRE Research, Q3 2026

Leasing Activity

Leasing activity totaled 1.52 million sq. ft. across 95 transactions in Q3 2026, with volume 29% above the five-year quarterly average despite transaction count falling to a five-year low. Demand continued to favor higher-quality space, with Class A properties capturing 74% of quarterly volume (1.12 million sq. ft.), compared with 24% in Class B (370,000 sq. ft.) and 2% in Class C (30,000 sq. ft.). Financial services and insurance firms led this demand, accounting for 32% of quarterly volume, followed by professional services at 25% and technology at 18%. New leases accounted for 71% of transactions, while renewals represented 29%. Tenants also continued to capitalize on plug-and-play sublease opportunities, which accounted for 21% of quarterly volume despite the lowest sublease transaction count in nearly two years.

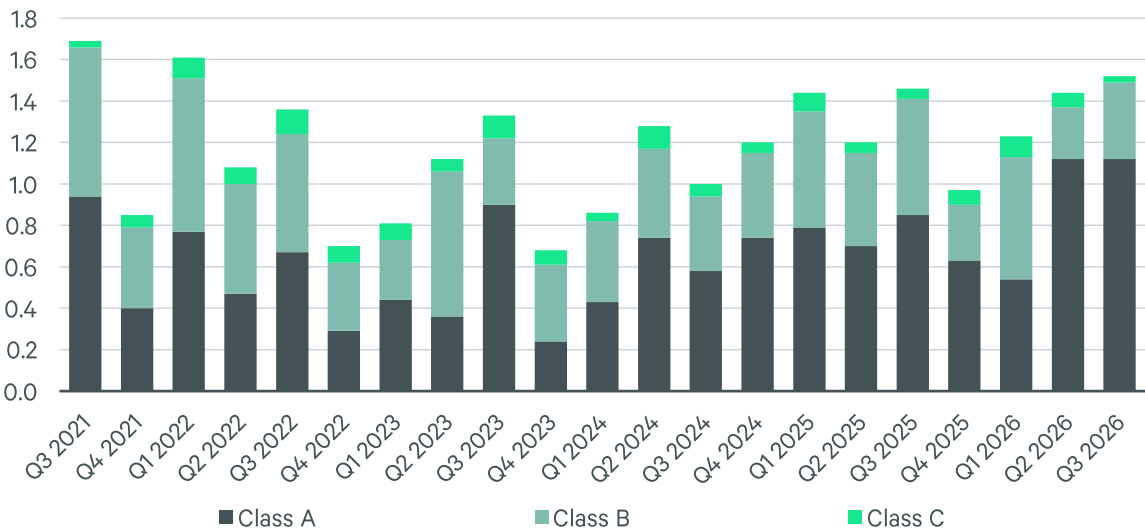
Year-to-date leasing activity reached 4.19 million sq. ft. across 341 transactions. Despite several large leases boosting quarterly volume, smaller deals remained the market's primary source of activity, with leases below 10,000 sq. ft. accounting for 72% of transactions year-to-date. Mid-sized users (10,000–20,000 sq. ft.) represented 13% of activity, while tenants seeking more than 20,000 sq. ft. accounted for the remaining 15%. Demand also remained concentrated in the market's primary employment hubs, with Silicon Slopes (Sandy South Towne, Draper and Lehi) capturing 34% of year-to-date volume and Downtown Salt Lake City (CBD and CBD Periphery) accounting for 26%.

Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend (Sq. Ft. Millions)



Source: CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	218,000	Renewal	Confidential	CBD Periphery
Pattern	141,000	Renewal/Expansion	1441 W Innovation Way	Lehi
1-800 Contacts	125,000	Renewal	261 West Data Drive	Draper
Swire Coca-Cola, USA	106,000	New Lease	698 W 9900 S	Sandy South Towne
Prog Leasing	70,000	Renewal/Contraction	256 W Data Dr	Draper
Holland and Hart, LLP	68,000	Renewal/Contraction	222 S Main St	CBD
Packsize International	63,000	Sublease	10377 S Jordan Gtwy	Sandy South Towne
Redo	55,000	Sublease	42 E Future Way	Draper

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 9: Metro Market Statistics by Submarket

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Market Total	51.89	21.8	23.1	19.7	3.4	26.87	161,000	577,000	-	-
Downtown Salt Lake City	11.60	22.4	22.4	20.3	2.1	30.73	7,000	73,000	-	-
CBD	8.52	21.5	22.0	19.9	2.1	31.89	33,000	7,000	-	-
CBD Periphery	3.08	24.7	23.3	21.3	1.9	27.74	(26,000)	66,000	-	-
Suburban Salt Lake County	27.15	21.9	22.6	19.2	3.4	25.85	94,000	742,000	-	-
Airport/International Center	2.07	22.5	22.6	19.2	3.4	23.64	28,000	51,000	-	-
Central Valley	3.12	22.2	22.9	19.2	3.7	23.36	13,000	20,000	-	-
Central Valley East	2.09	9.8	10.7	10.7	-	23.48	(2,000)	11,000	-	-
Cottonwood	2.36	21.3	21.4	16.3	5.1	33.94	(13,000)	15,000	-	-
Draper	4.90	23.2	23.1	17.1	6.0	27.40	(49,000)	253,000	-	-
Foothill Corridor	0.20	23.5	15.8	15.8	-	24.23	-	5,000	-	-
Interchange	0.64	18.5	21.3	19.7	1.6	22.70	-	(2,000)	-	-
Research Park	0.58	11.6	33.2	11.6	21.5	23.00	-	-	-	-
Sandy South Towne	5.85	15.9	15.5	14.1	1.4	26.68	88,000	199,000	-	-
Southwest Valley	0.52	24.6	21.0	18.6	2.4	29.40	2,000	33,000	-	-
Sugarhouse	0.56	12.7	14.2	14.2	-	32.99	(4,000)	12,000	-	-
Union Park District	1.88	21.6	23.2	20.8	2.4	27.10	(2,000)	15,000	-	-
West Valley/Lake Park	2.38	49.5	49.8	48.1	1.7	23.27	33,000	130,000	-	-
Suburban Utah County	13.14	21.2	24.9	20.2	4.8	25.44	60,000	(238,000)	-	-
Central Grove	3.33	26.9	27.0	22.4	4.6	24.94	25,000	(2,000)	-	-
Lehi	5.49	13.2	21.5	14.4	7.2	29.93	9,000	(171,000)	-	-
Provo-Orem	4.32	27.0	27.7	25.9	1.8	22.60	26,000	(65,000)	-	-

Source: CBRE Research, Q3 2026

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

Market Statistics

Figure 10: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	17.03	18.4	21.6	14.6	7.0	30.63	(29,000)	146,000	-	-
Class B	18.81	26.2	26.6	24.9	1.7	23.67	204,000	376,000	-	-
Class C	4.45	15.1	16.3	15.3	1.0	21.84	(21,000)	(18,000)	-	-
Total	40.29	21.7	23.3	19.5	3.8	25.71	154,000	504,000	-	-

Source: CBRE Research, Q3 2026

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Figure 11: Urban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	4.88	14.1	13.8	11.4	2.4	39.85	65,000	174,000	-	-
Class B	5.09	30.7	30.1	27.6	2.4	29.46	(50,000)	(52,000)	-	-
Class C	1.63	21.0	24.1	23.9	0.2	22.30	(8,000)	(49,000)	-	-
Total	11.60	22.4	22.4	20.3	2.1	30.73	7,000	73,000	-	-

Source: CBRE Research, Q3 2026

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Market Statistics by Class

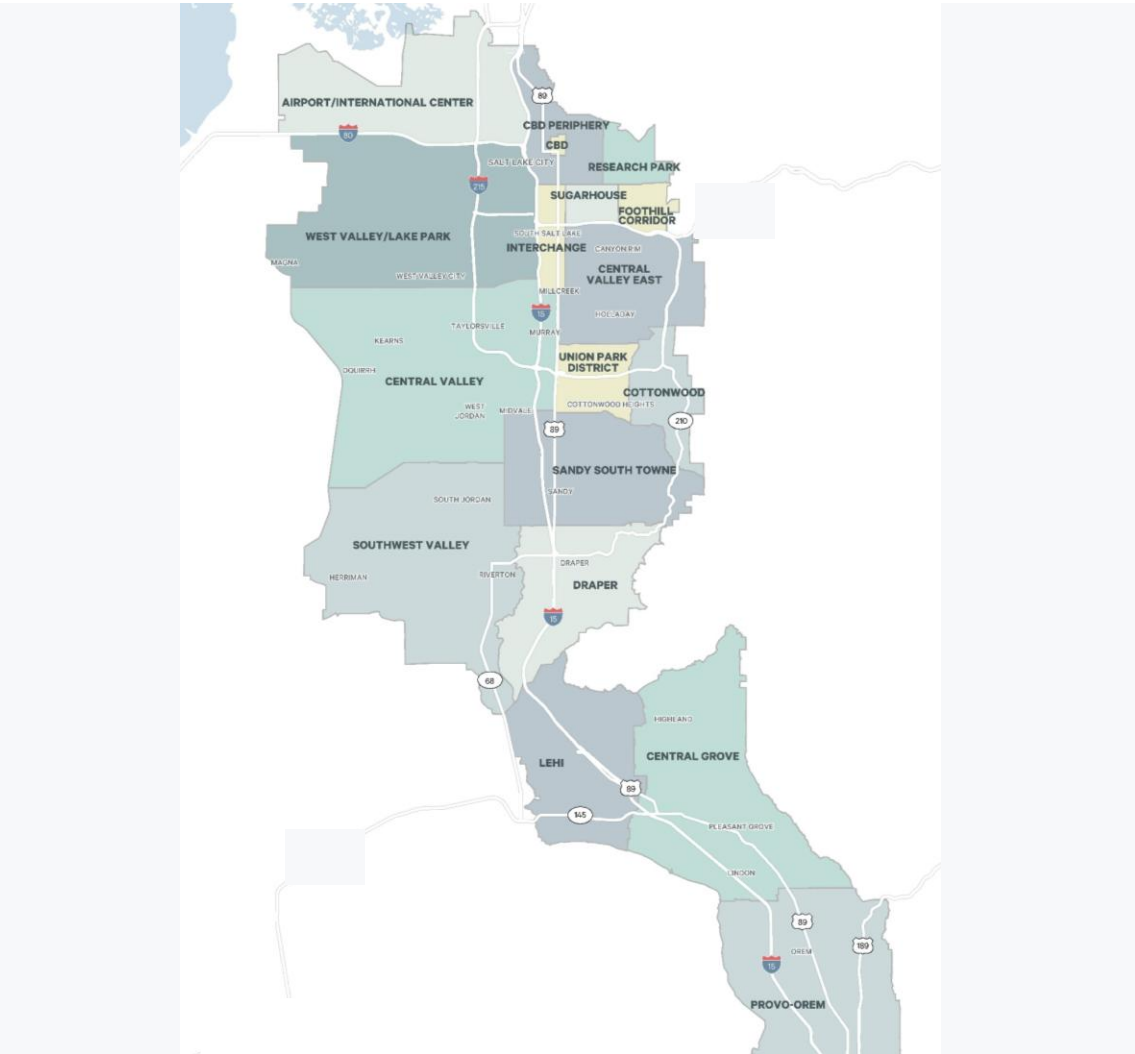
Figure 12: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	21.91	17.5	19.9	13.9	5.9	32.32	36,000	320,000	-	-
Class B	23.90	27.3	27.3	25.5	1.8	25.01	155,000	324,000	-	-
Class C	6.08	16.7	18.4	17.6	0.8	22.01	(29,000)	(67,000)	-	-
Total	51.89	21.8	23.1	19.7	3.4	26.87	161,000	577,000	-	-

Source: CBRE Research, Q3 2026

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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.

Survey Criteria

The Salt Lake City-Provo office market is comprised of both Salt Lake County and Utah County. It spans the state's two major metropolitan cities: Salt Lake City and Provo. Property survey criteria includes all existing office buildings 20,000 sq. ft. and greater in size, excluding owner-user and medical office. Buildings which have begun construction are evidenced by site excavation or foundation work.

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