

1Q25

Greater Salt Lake Industrial Market

Overviews for Salt Lake, Davis, Weber and Utah Counties



Market Observations

Economy

- The Wasatch Front maintained labor market strength with a 3.3% unemployment rate in February 2025, outperforming the 4.1% national average.
- Southern California’s ports, the country’s primary trade hubs, posted their second-busiest year in 2024, though expectations for 2025 remain subdued.
- [Widespread tariffs](#) on foreign goods from the Trump Administration sent shockwaves across global financial markets in early April.
- Key uncertainties around the tariffs—including duration, global retaliation, and policy direction—continue to cloud near-term economic forecasts.
- Consumer confidence is weakening; if prices rise and unemployment climbs, a sharp drop in retail sales is likely.

Major Transactions

- The Northwest Quadrant continues to attract industrial users across sectors due to its connectivity to the Inland Port and Salt Lake City International Airport.
- 3PLs and manufacturers remain active, with some retrofitting non-industrial properties to compensate for limited manufacturing inventory.
- Institutional capital remains focused on Utah’s industrial market, drawn by its resilience and long-term growth fundamentals.

Leasing Market Fundamentals

- Construction outpaced demand on the Wasatch Front, with 1.8 million SF delivered versus 1.3 million SF absorbed.
- Demand for specialized and small-bay spaces remains high, commanding rental premiums amid tight supply.
- Salt Lake County trailed other regional markets in rental rate growth this quarter.
- Inflationary pressures and 4% annual rent escalations are driving cost-conscious occupiers toward Class B and C assets.
- Overall leasing rose, driven by renewals as many tenants opted to remain in place rather than take on higher relocation costs.

Outlook

- Uncertainty tied to new tariffs is prompting a wait-and-see approach among occupiers, slowing near-term leasing momentum.
- The recent drop in the 10-Year Treasury may stall transactions as buyers and sellers recalibrate expectations.
- Extended tariffs will raise raw material and replacement costs, further slowing construction activity.
- Landlords are leaning on concessions and tenant improvements to remain competitive in a more cautious leasing environment.

1. Economy
2. Salt Lake City Market Fundamentals
3. Additional Markets
 - Davis and Weber Counties
 - Utah County
4. Utah Capital Markets Overview
5. Appendix

1Q25

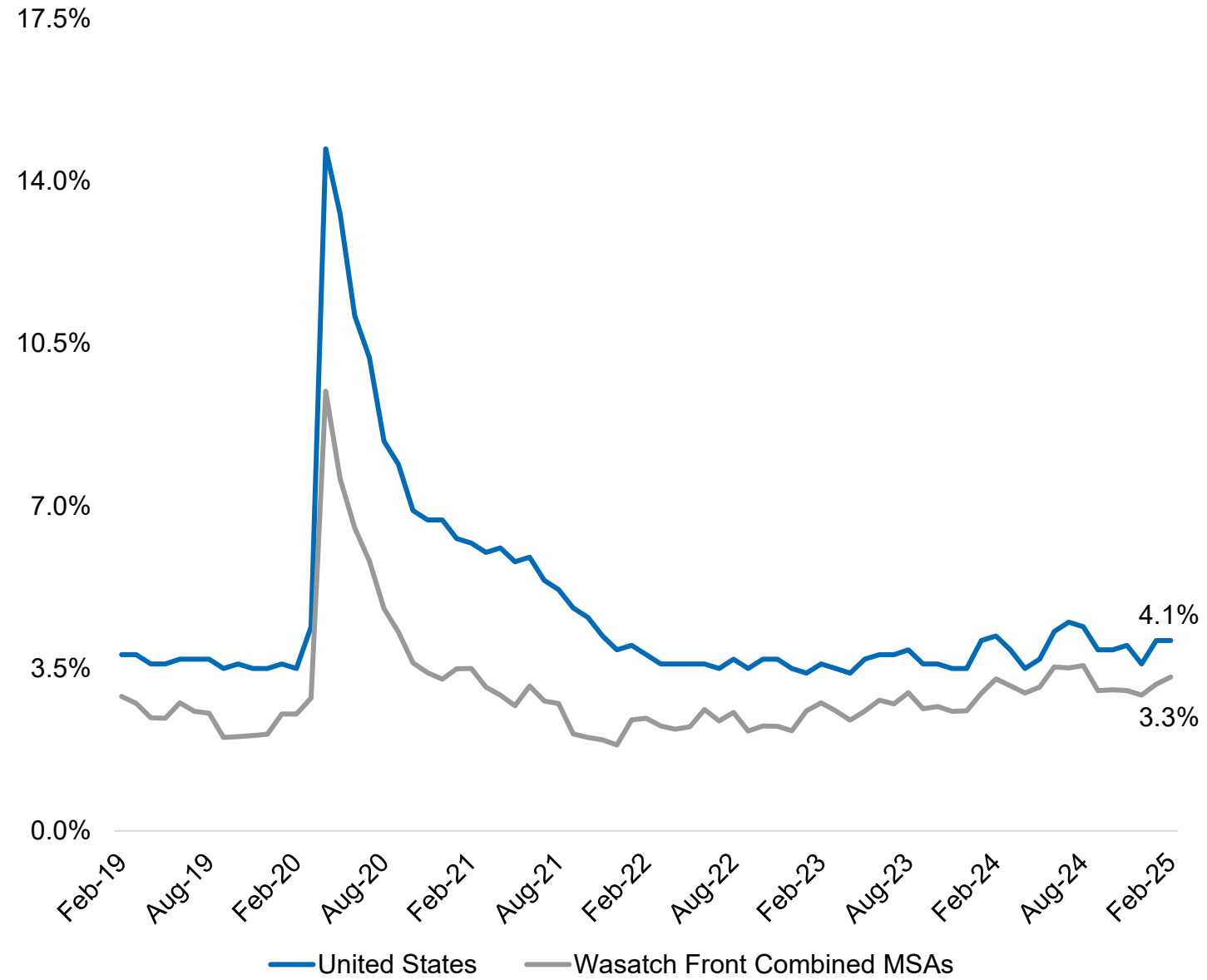
Economy



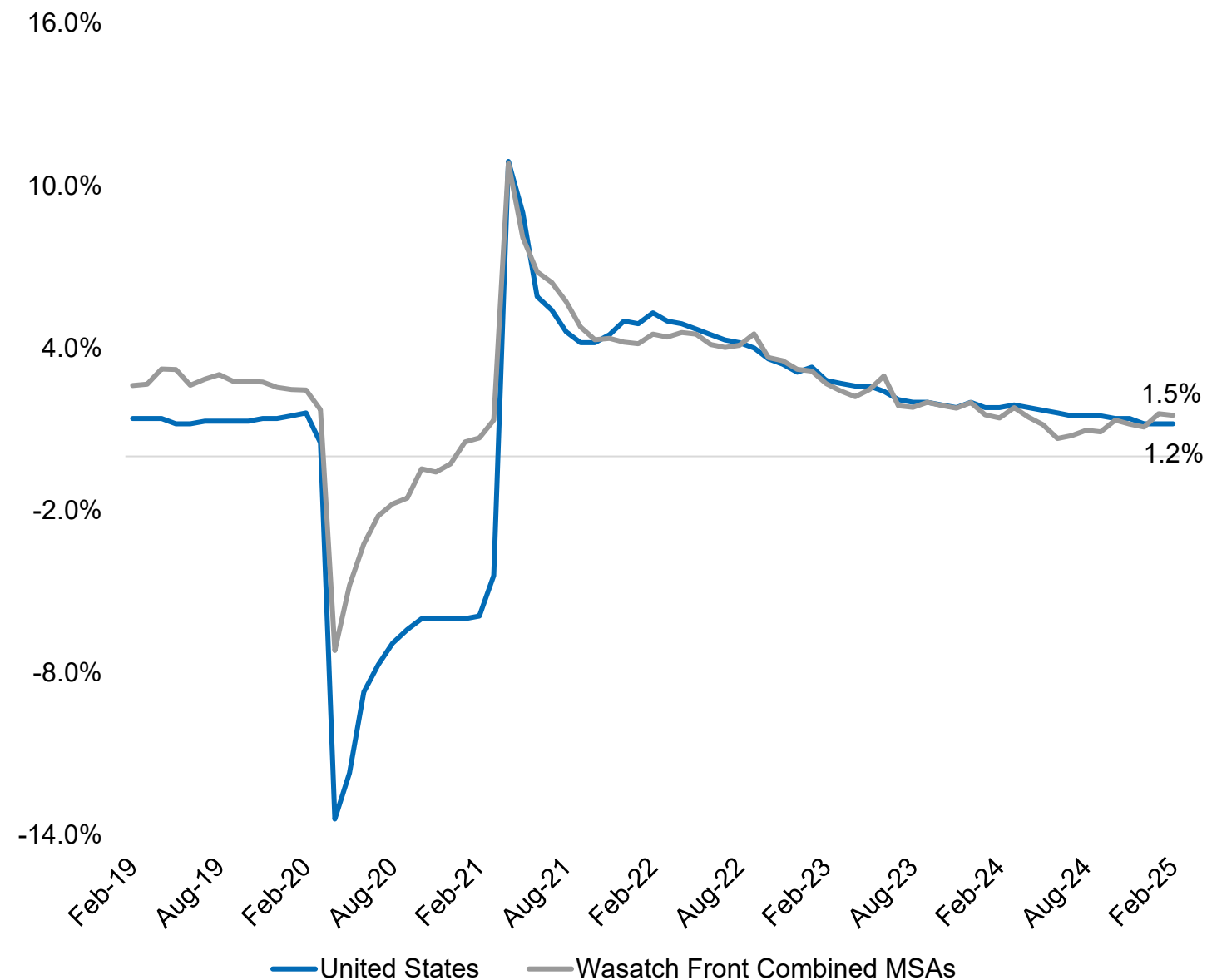
Wasatch Front Outpaces National Labor Trends with Low Unemployment and Steady Job Growth

The Wasatch Front continues to outperform national labor market indicators, maintaining an unemployment rate 80 basis points below the U.S. average as of February 2025. Despite broader economic uncertainty, the region’s job market has held strong, with annual employment growth of 1.5%, modestly outpacing the national rate of 1.2%.

Unemployment Rate, Not Seasonally Adjusted



Nonfarm Payroll Employment, Non-Seasonally Adjusted, 12-Month % Change



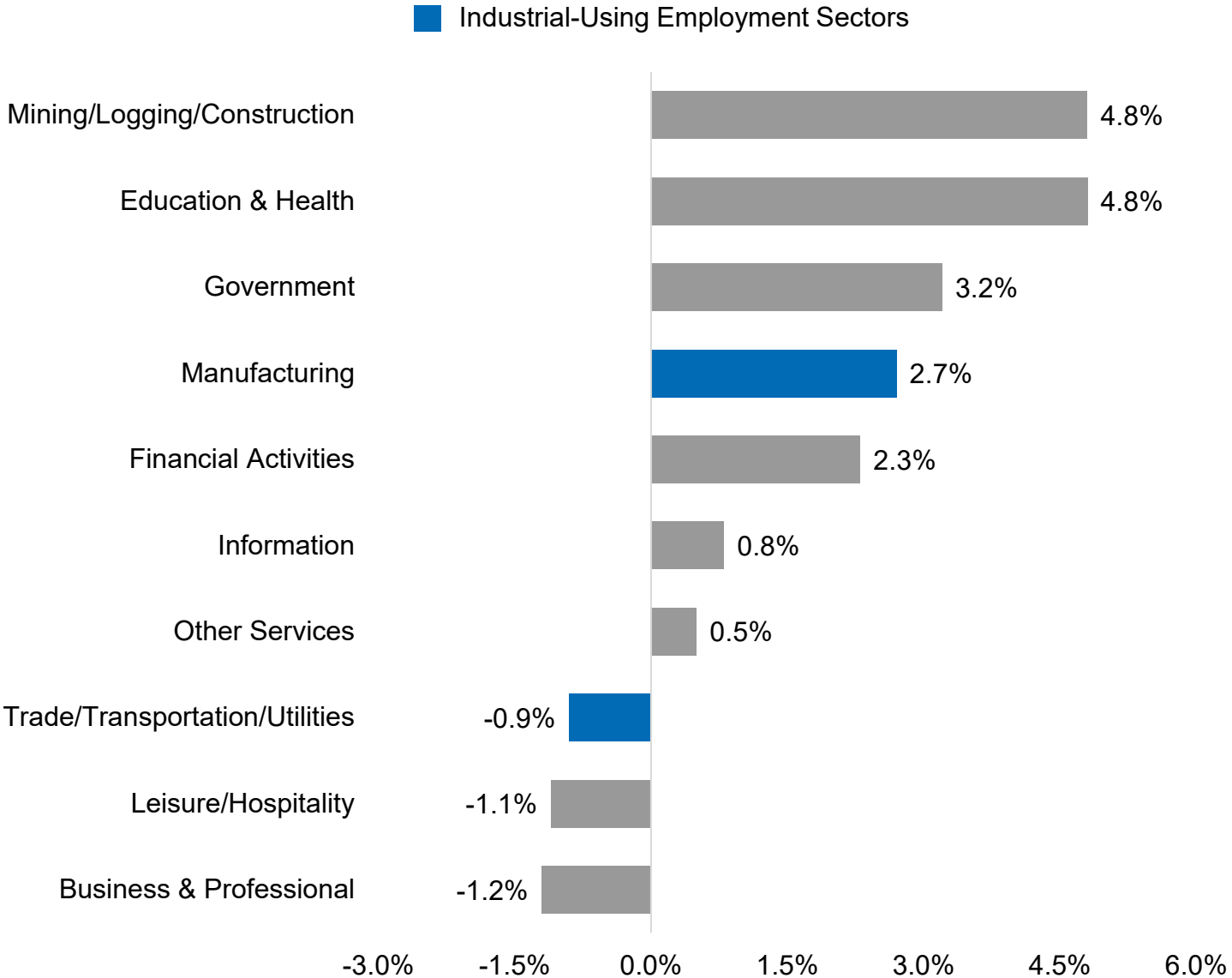
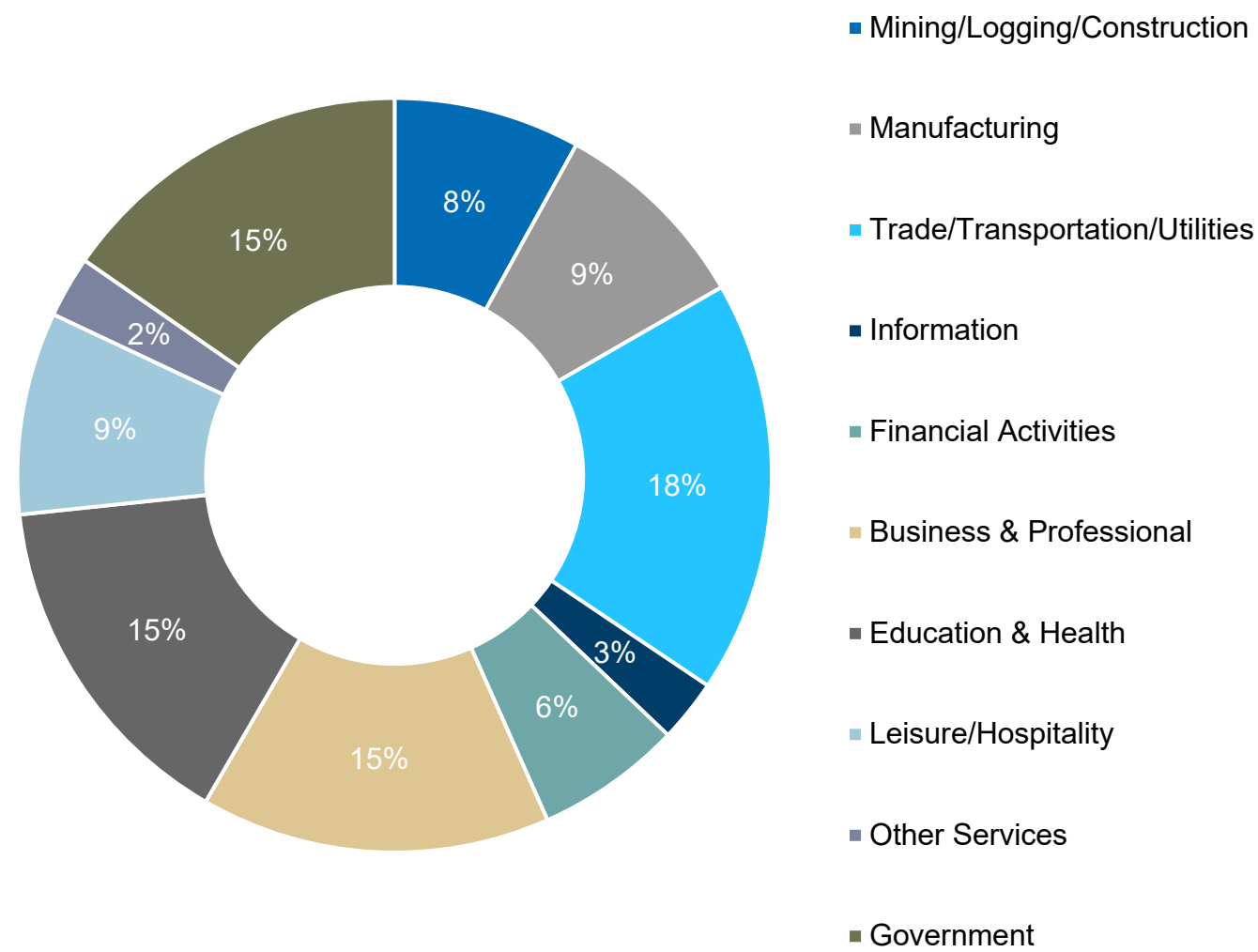
Source: U.S. Bureau of Labor Statistics
*Wasatch Front Combined MSAs include: Salt Lake City MSA, Provo-Orem MSA and Ogden-Clearfield MSA

Mixed Sector Employment Growth Across the Wasatch Front

Year-over-year nonfarm job growth across the Wasatch Front was largely driven by gains in the mining/logging/construction and education and health sectors (both +4.8%), as well as government (+3.2%). These sectors helped to offset declines in business and professional services (-1.2%), leisure and hospitality (-1.1%), and trade/transportation/utilities (-0.9%)—losses that hint at the headwinds consumer-driven and service-oriented companies are facing. While core public and infrastructure sectors remain strong, continued softness in other segments may temper broader economic momentum in the near term.

Wasatch Front Employment by Industry, February 2025

Wasatch Front Employment Growth by Industry, 12-Month % Change, February 2025

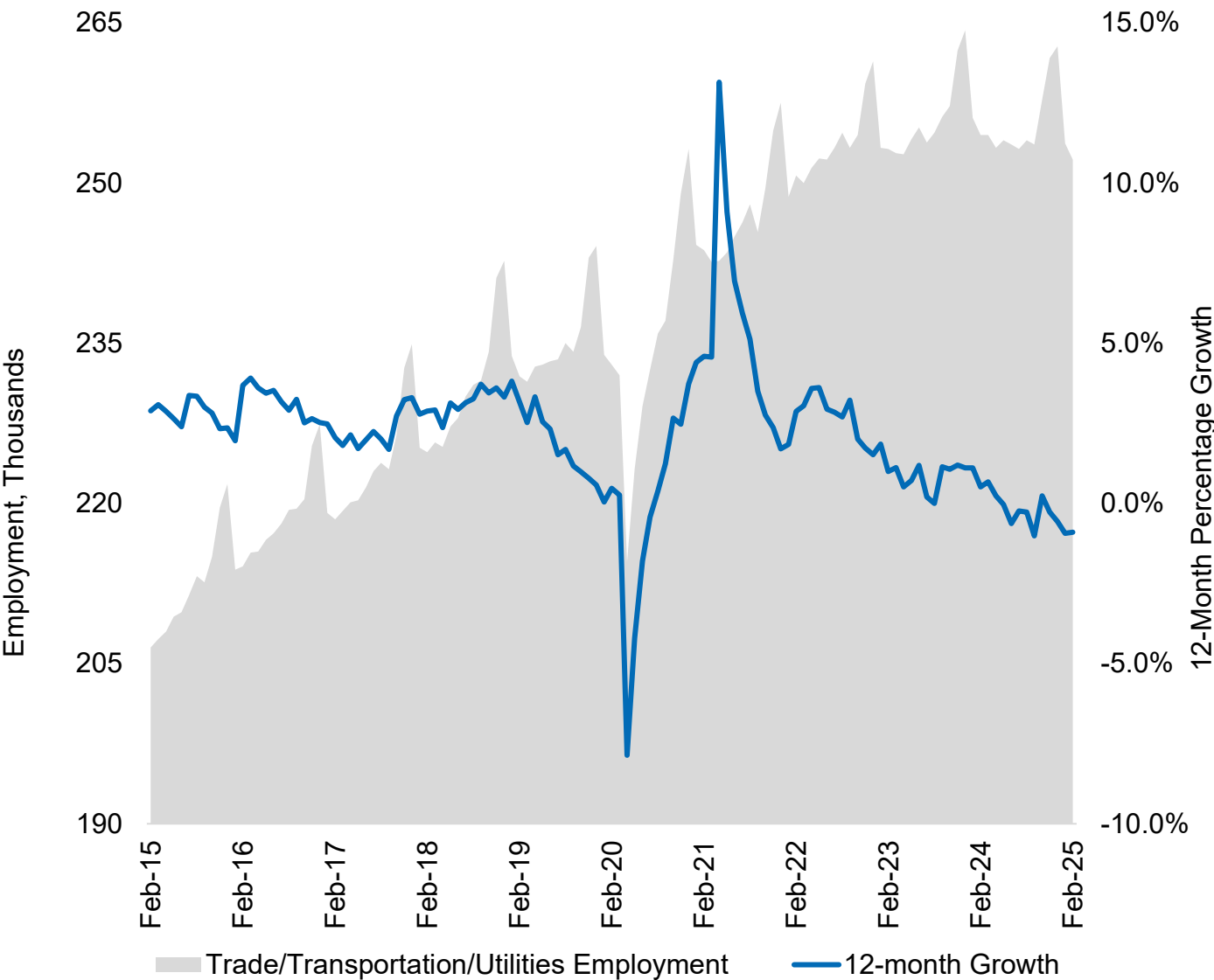


Source: U.S. Bureau of Labor Statistics
*Wasatch Front Combined MSAs include: Salt Lake City MSA, Provo-Orem MSA and Ogden-Clearfield MSA

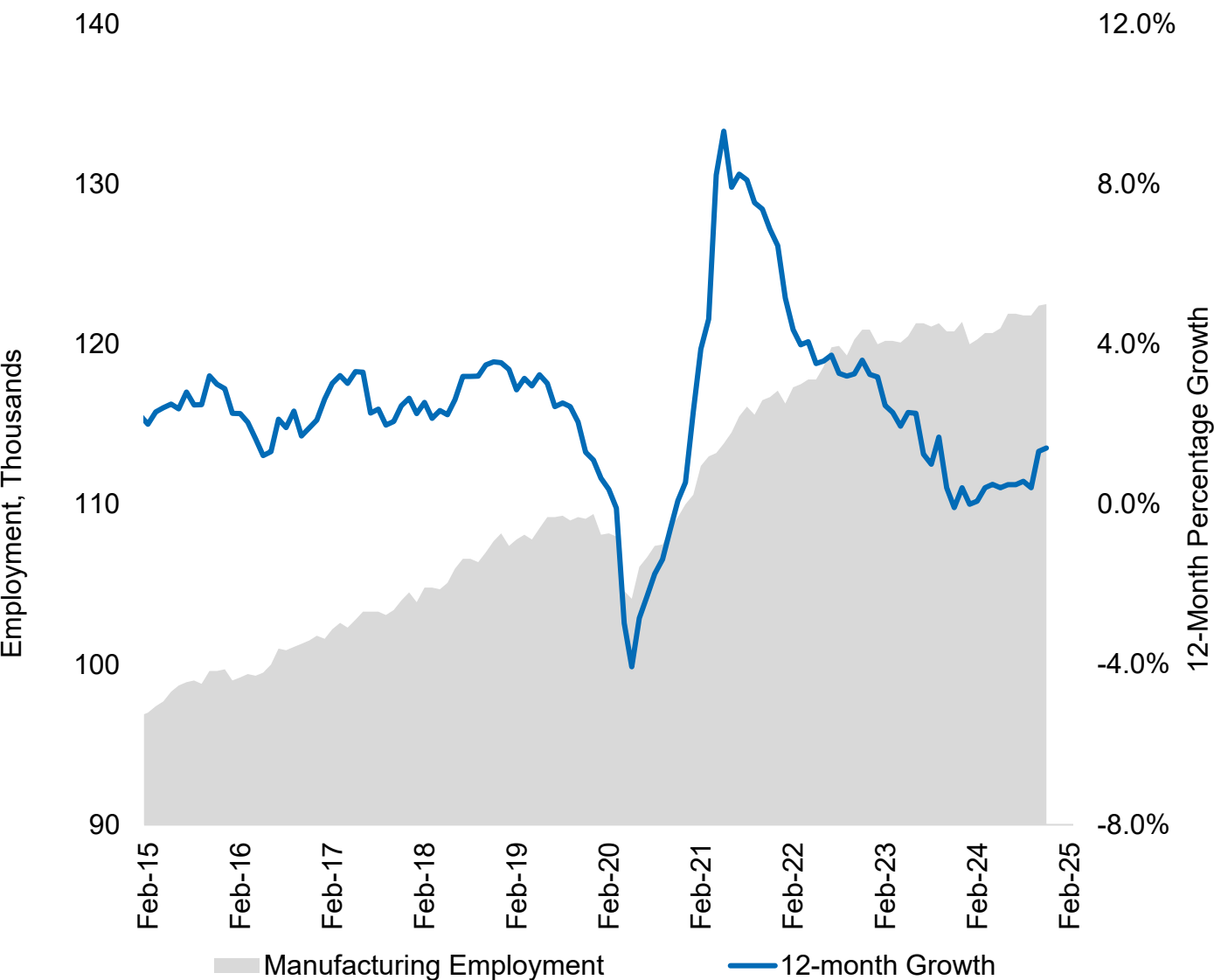
Industrial Employment Growth Stabilizing Among Market Right-Sizing

After three years of strong growth, the trade/transportation/utilities sector is stabilizing in response to softer demand for consumer goods. Manufacturing employment contracted during the final four months of 2023 but rebounded as anticipated in 2024, driven by recent announcements of new manufacturing projects. This sector's recovery highlights the region's capacity for industrial growth, bolstered by strategic investments and sustained demand for high-value production.

Wasatch Front Trade/Transportation/Utilities Employment and 12-Month Growth Rate



Wasatch Front Manufacturing Employment and 12-Month Growth Rate



Source: U.S. Bureau of Labor Statistics
*Wasatch Front Combined MSAs include: Salt Lake City MSA, Provo-Orem MSA and Ogden-Clearfield MSA

Diverse Industry Growth Strengthens Wasatch Front, While Provo-Orem Faces Tech Sector Challenges



Please reach out to your
Newmark business contact for this information

U.S. Consumer Confidence Dropped for Fourth-Straight Month



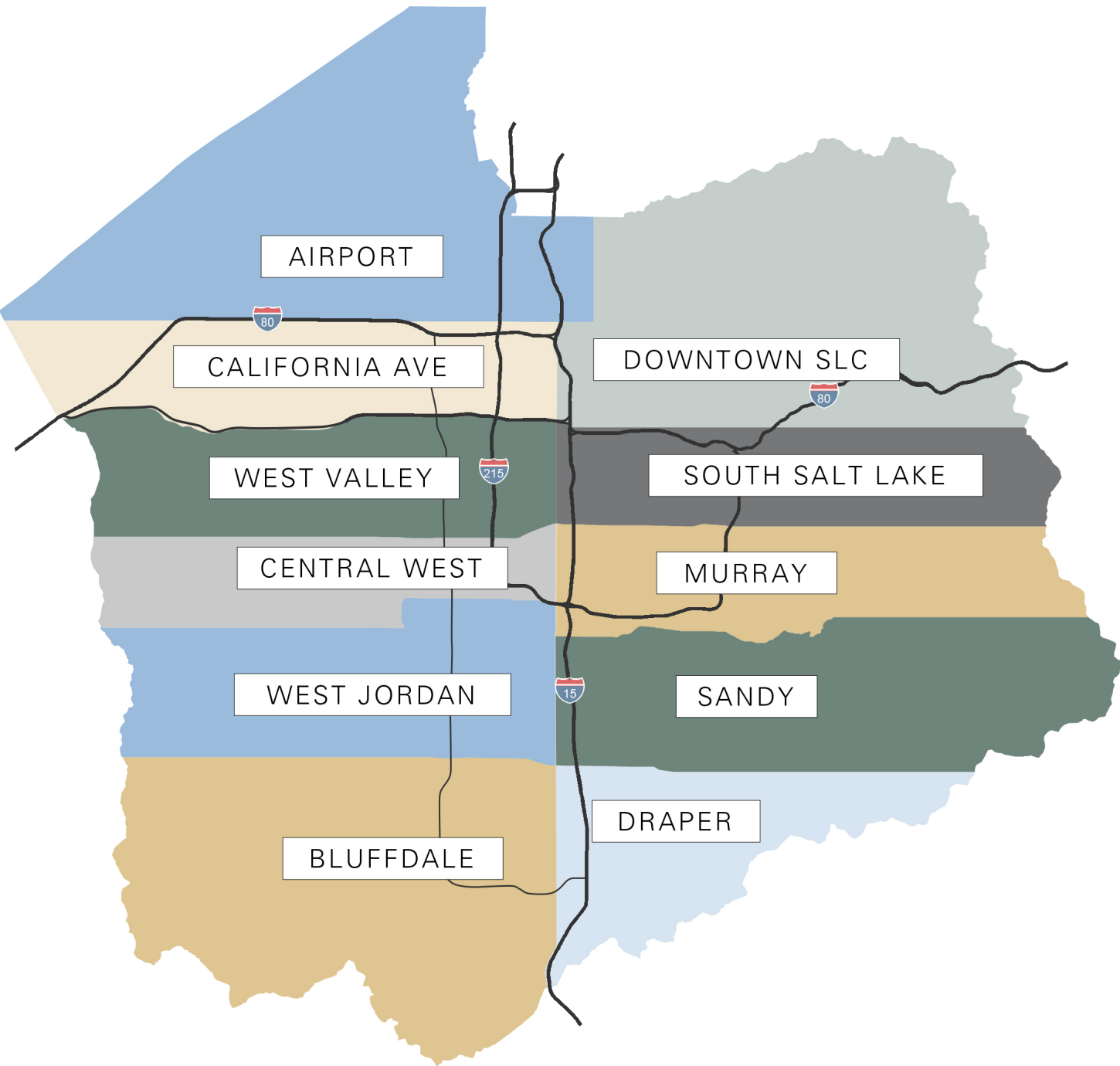
Please reach out to your
Newmark business contact for this information

1Q25

Salt Lake City Market Fundamentals



Salt Lake County Submarket Map and High-Level Statistics | 1Q25



Marketwide Statistics | 1Q25

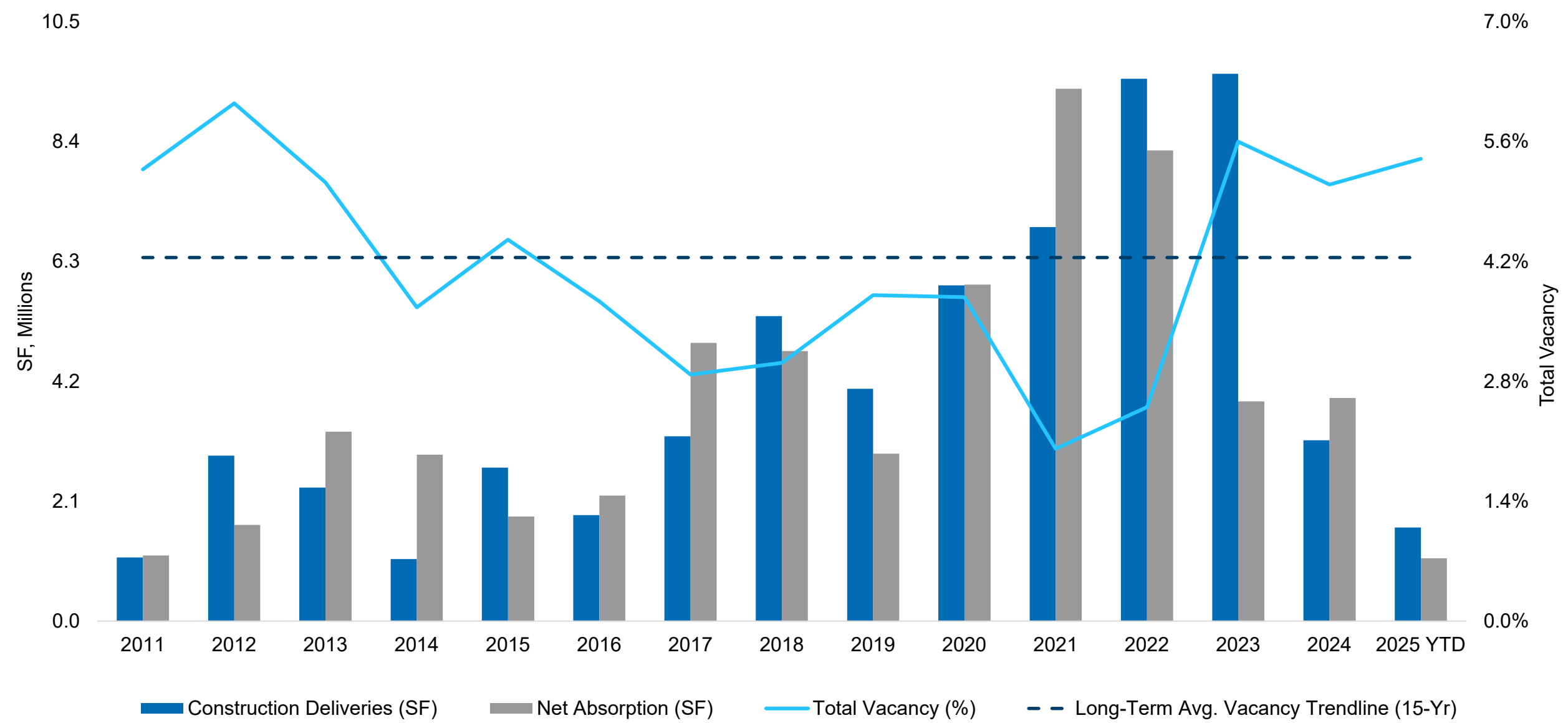
	Current Quarter	Prior Quarter	Year Ago	12-Month Forecast
Total Inventory (SF)	186.7M	185.1M	182.2M	↑
Total Vacancy Rate	5.4%	5.1%	4.5%	↓
Qtr. Net Absp. (SF)	1.1M	-356.3K	2.4M	↑
Average Asking Rent/SF/Month	\$0.80 NNN	\$0.81 NNN	\$0.88 NNN	↑
Deliveries (SF)	1.6M	0.5M	0.4M	→
Under Const. (SF)	2.8M	4.1M	5.1M	→

Source: Newmark Research
Total Vacancy Rate = Direct Vacancy and Sublet Vacancy Combined

Vacancy Rises, But Slower Construction Starts Stage for Stronger Absorption in 2025

Total vacancy increased by 30 basis points from year-end 2024 to 5.4%, as construction deliveries once again outpaced net absorption in the first quarter of 2025. However, with a noticeable slowdown in new construction starts, net absorption is projected to exceed deliveries later in the year. Pre-leasing activity has declined, though completed buildings are seeing steady lease-up, typically reaching 50% absorption within two quarters and full occupancy within 18 months, or sooner for top-tier properties.

Historical Construction Deliveries, Net Absorption, and Vacancy

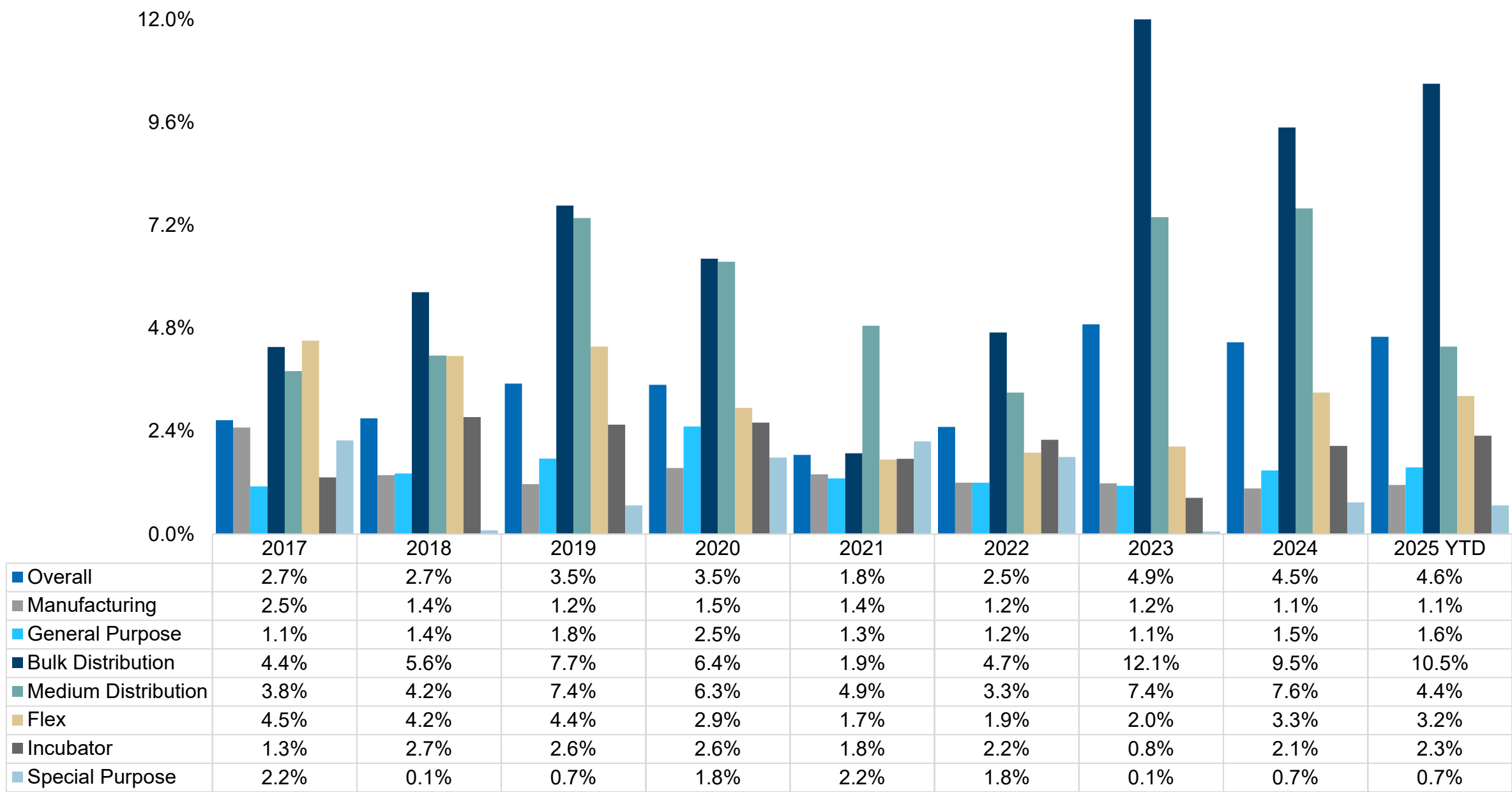


Source: Newmark Research

Direct Vacancy Gains Moderate While Medium Distribution Fills

Vacancy rates remained flat or experienced modest increases across most property types in the first quarter of 2025, except for medium distribution, which saw a notable 220-basis-point decline quarter-over-quarter. Bulk distribution continues to comprise most of the market’s available space.

Direct Vacancy Rates

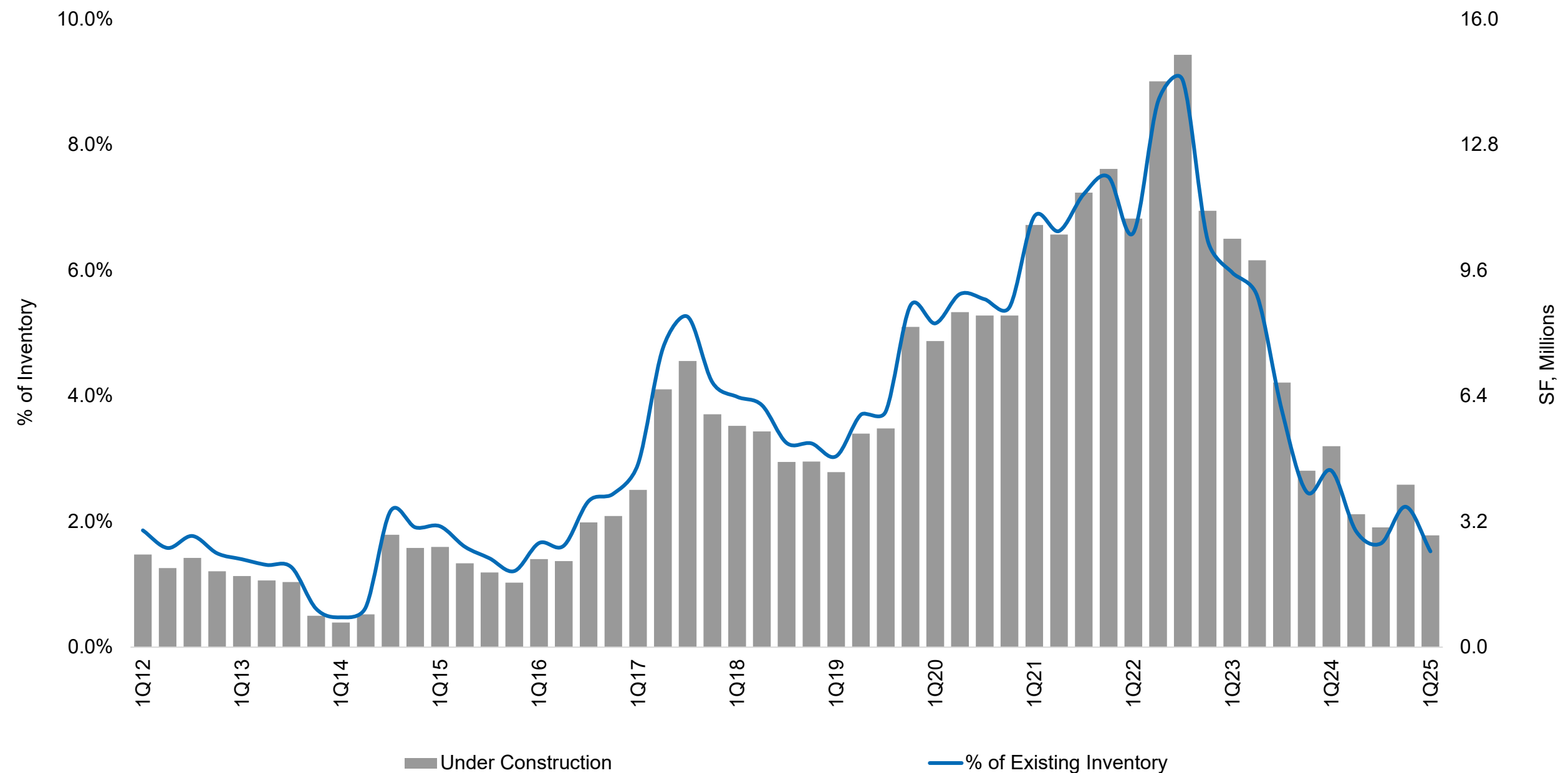


Source: Newmark Research

Industrial Development Slows as Costs and Tariffs Weigh on Starts

Following a peak of 15.1 MSF in 2022, under-construction activity has steadily declined. Elevated construction costs, inflationary pressures, and tariff-related concerns have tempered developers' appetite for new industrial projects in early 2025. However, demand is anticipated to exceed new supply as the year advances.

Industrial Under Construction and % of Existing Inventory

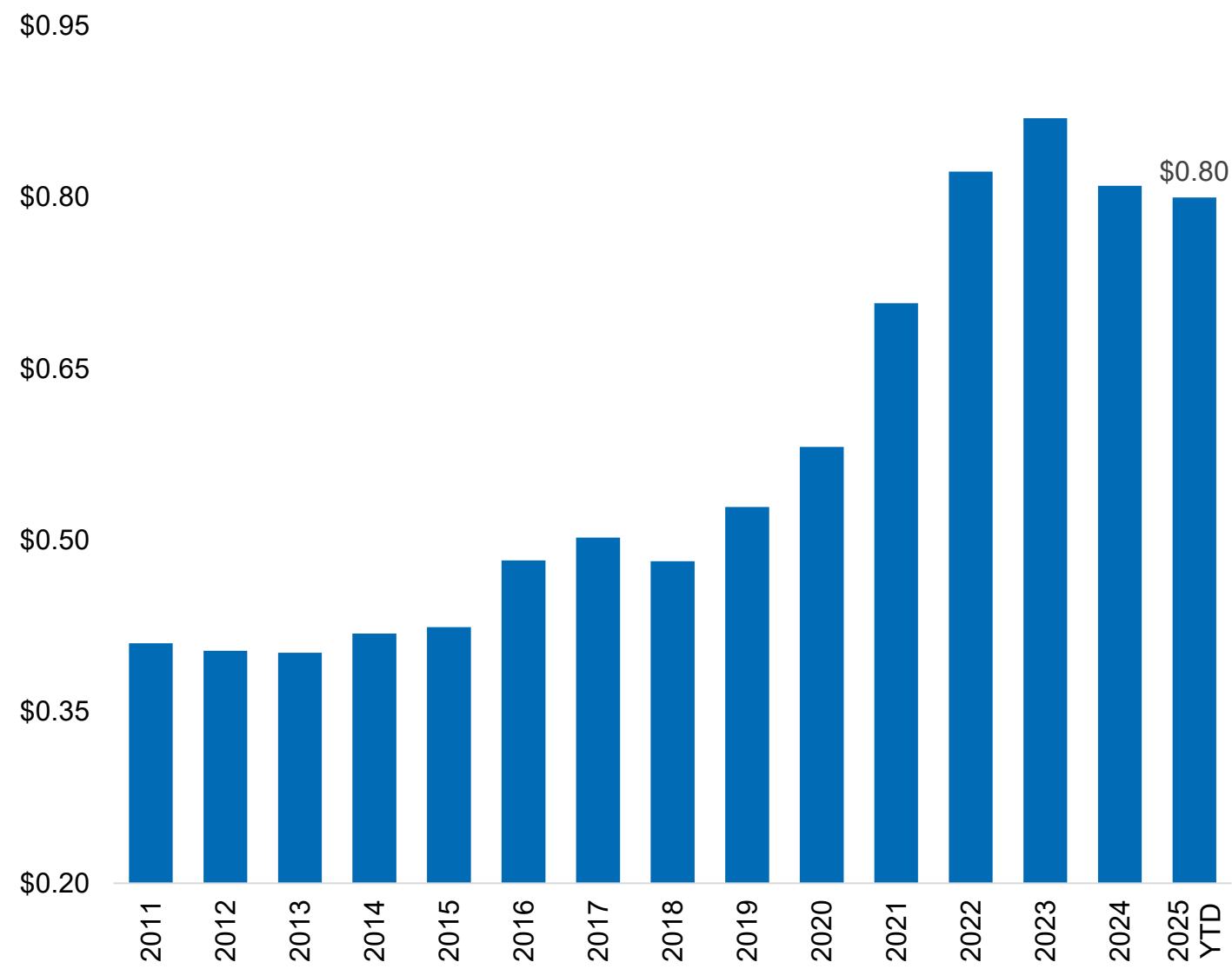


Source: Newmark Research

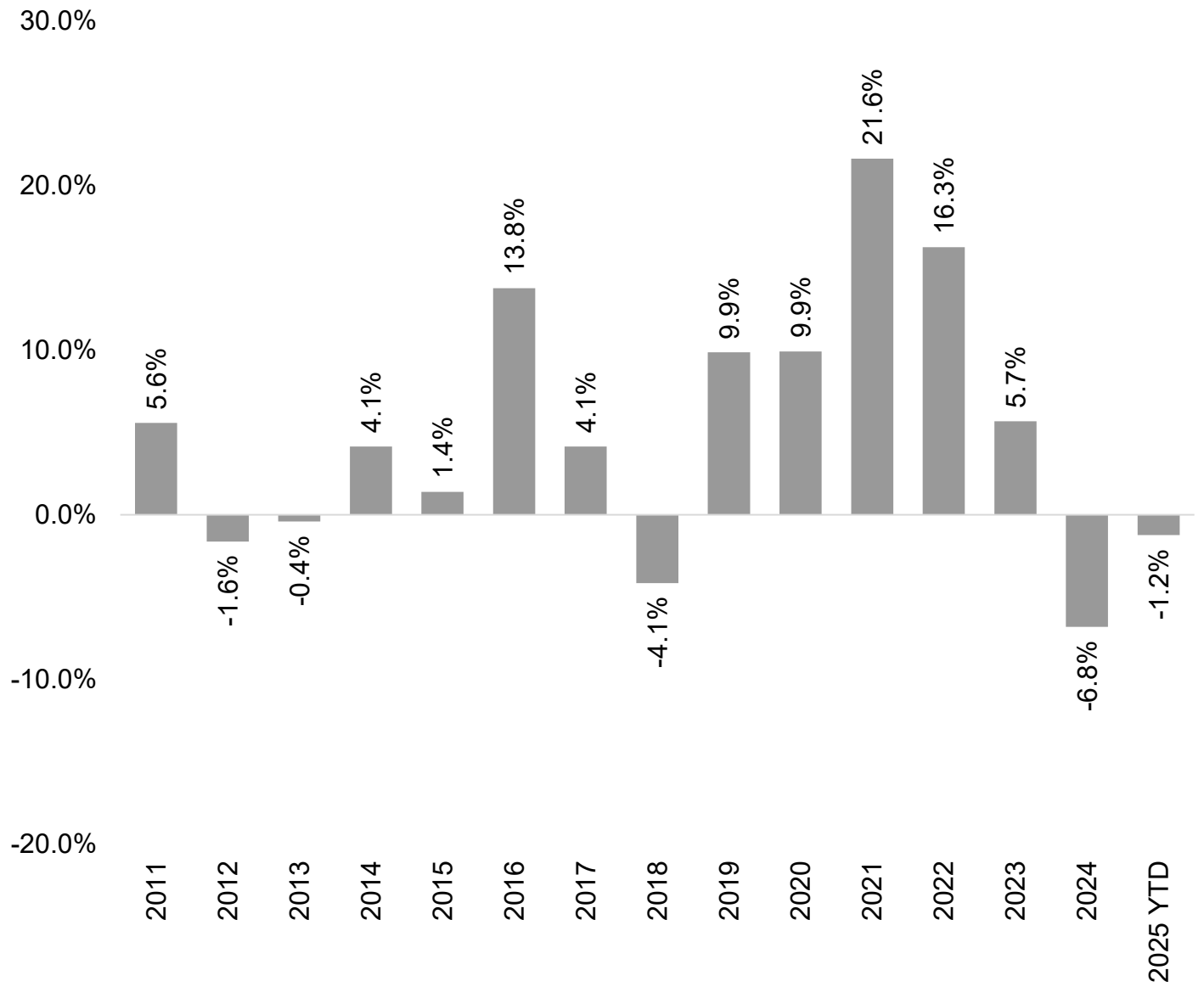
Rents Recalibrate as Market Rebalances

Following two years of rent growth surpassing 15%, average asking rents rose 5.7% in 2023 before declining 6.8% in 2024, returning to slightly below 2022 levels. Early 2025 saw a continued but marginal dip. This correction reflects occupier right-sizing and increased sublease availability. With demand now exceeding supply, landlords may regain pricing power, supporting rent stabilization or modest growth in the near term.

Industrial Average Asking Rent, \$/SF/Month, NNN



Year-over-Year Asking Rent Growth Rate % Change

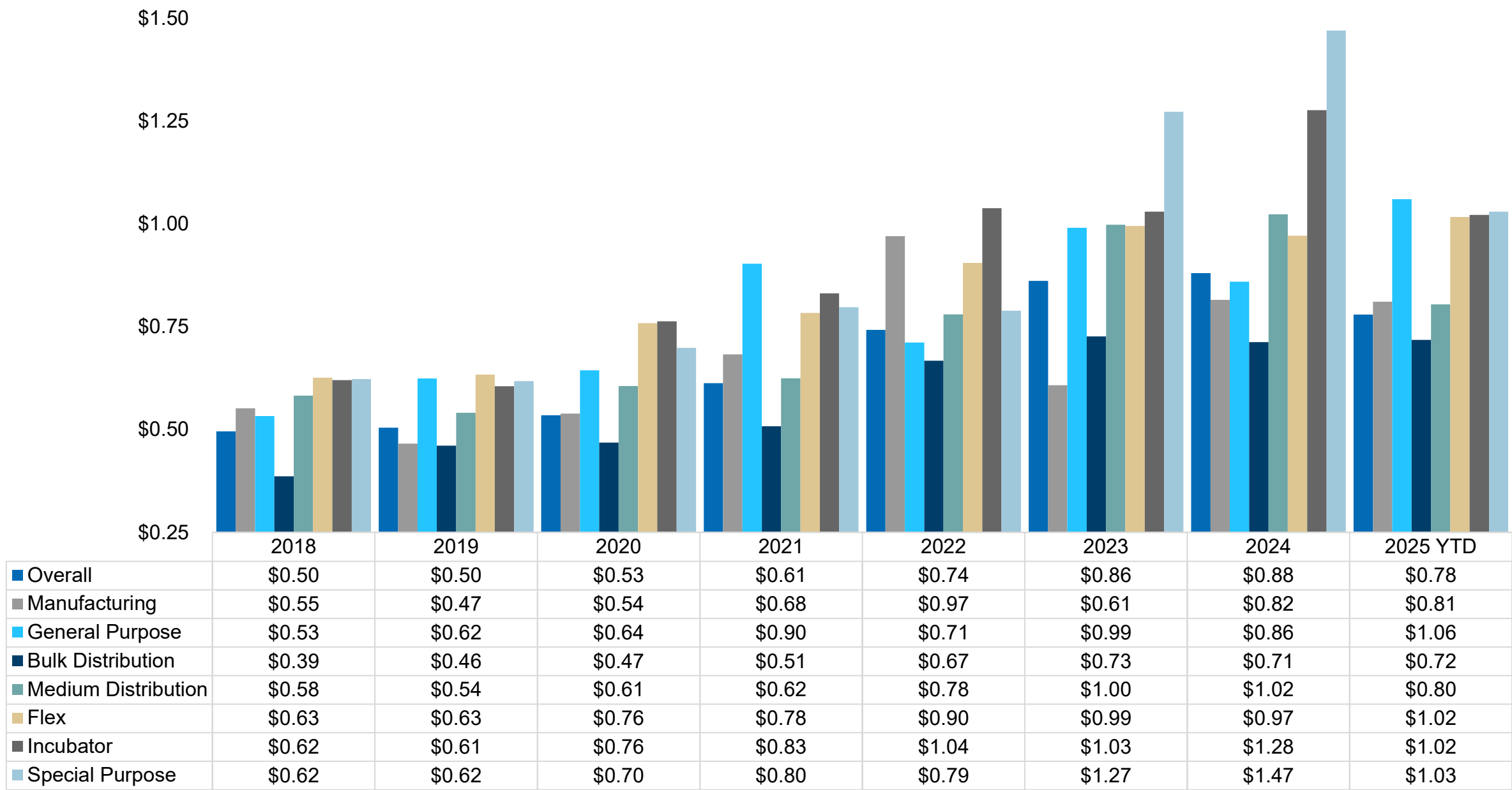


Source: Newmark Research

Achieved Rents Remain Resilient Despite Market Softening

While asking rents have fallen below 2022 levels, achieved rents remain 5.4% higher than 2022, underscoring underlying market strength. Increased landlord concessions in early 2025 have moderated first-year rents, but sectors like general purpose and flex continue to command rate increases, driven by strong demand and tenant preference for quality, specialized space. This divergence signals sector-specific resilience amid broader market recalibration.

Achieved Average First-Year Lease Rates, Monthly PSF NNN

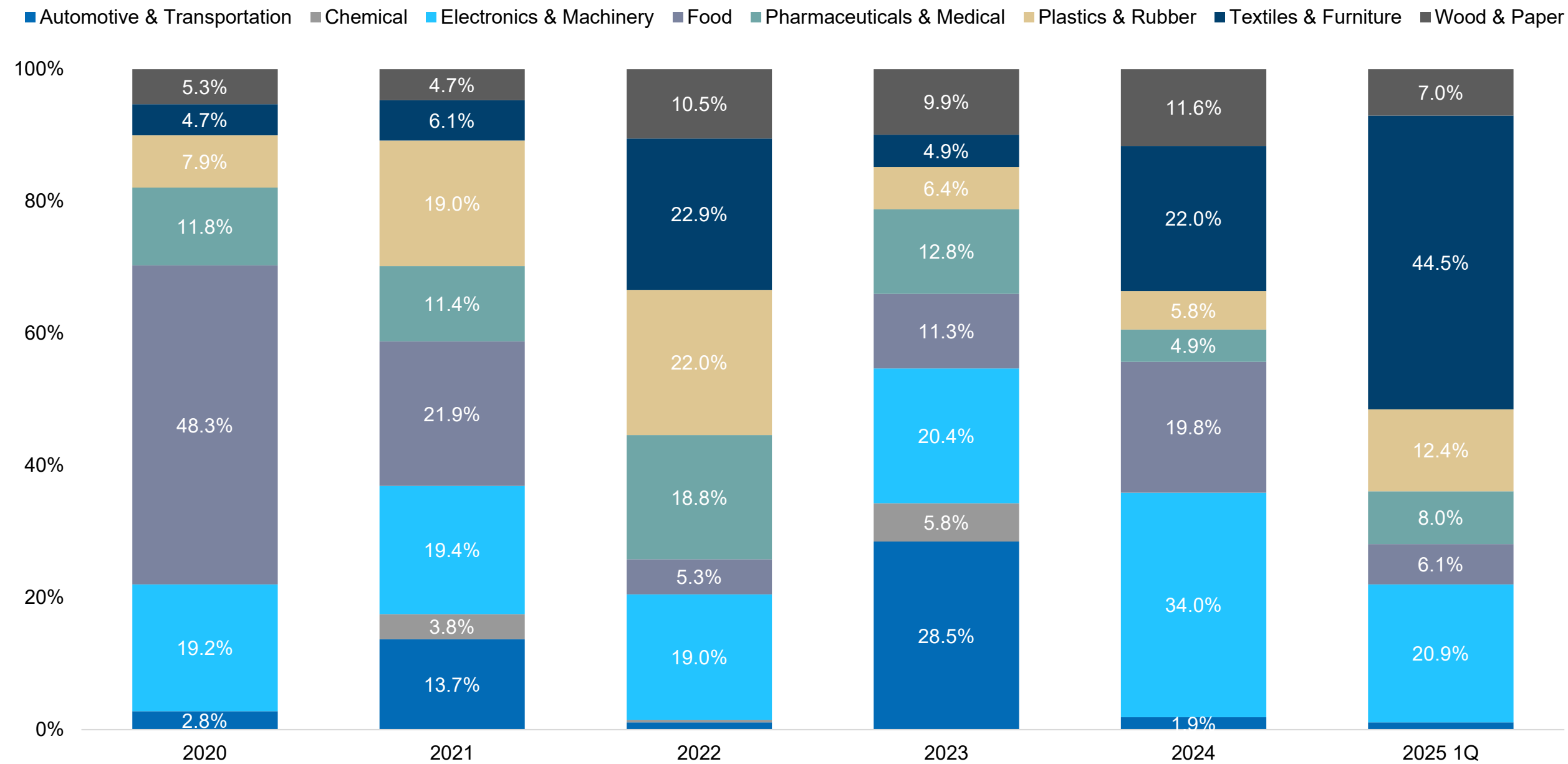


Source: Newmark Research

Salt Lake County Manufacturing Leasing Trends

Salt Lake County’s manufacturing sector has rapidly evolved, attracting strong tenant interest despite limited specialized inventory. The market has adapted by retrofitting traditional warehouse and distribution spaces to meet power, lab, and other manufacturing requirements. Over the past five years, leasing activity has varied by sector, with electronics/machinery and wood/paper maintaining steady demand, while textiles and furniture have posted the strongest recent growth.

Percentage of Leasing Activity by Manufacturing Type



Source: Newmark Research

Notable 1Q25 Lease Transactions

The Northwest Quadrant (Airport, California Avenue and West Valley submarkets) dominated leasing activity in Salt Lake County. New direct leases and renewals were prominent in the first quarter of 2025.

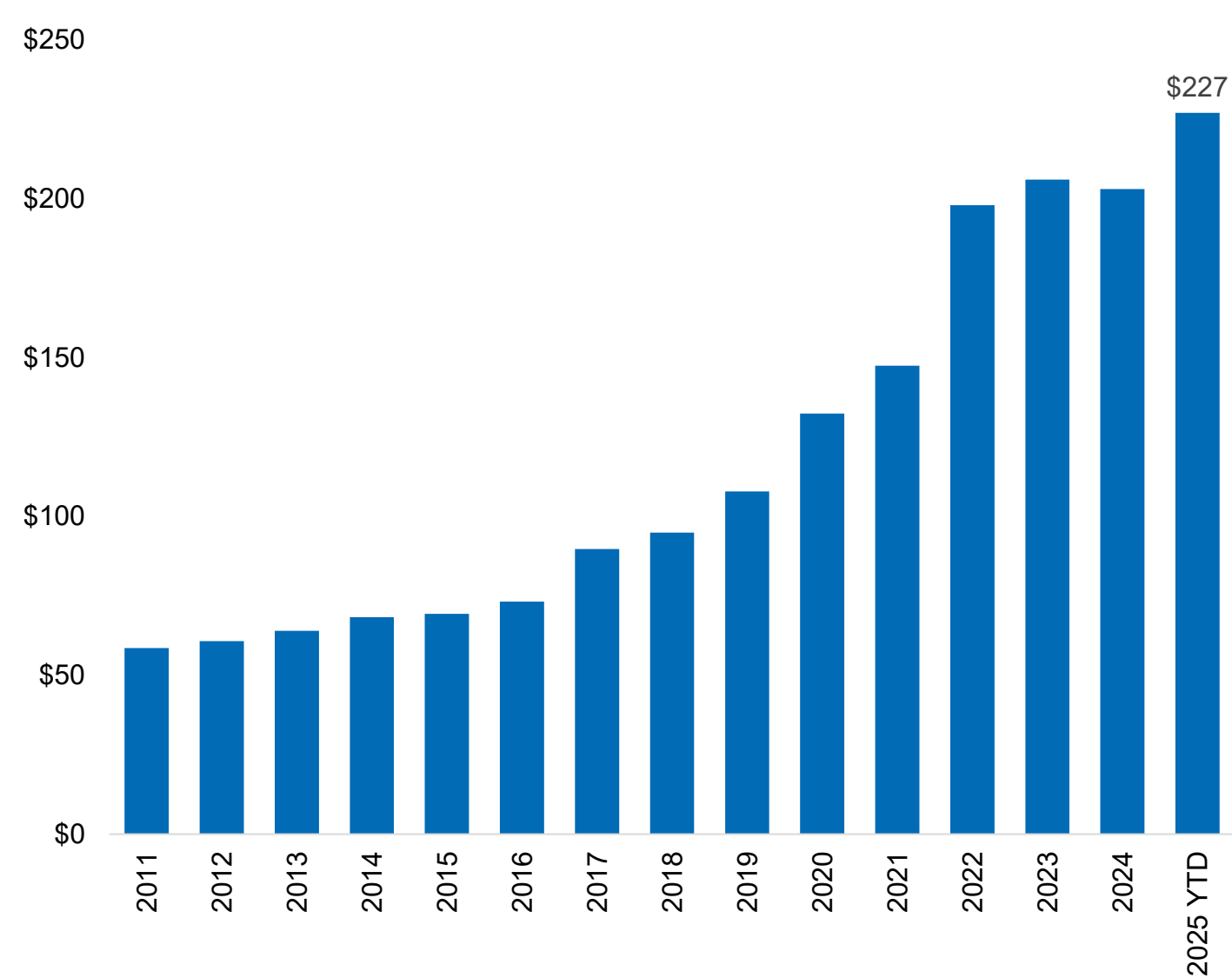
Select Lease Transactions				
Tenant	Building	Submarket	Lease Type	Square Feet
ID Logistics	Principal Pacific Summit Logistics Center	Airport	Direct New	394,090
Logistics company, ID Logistics, leased the northern portion of Principal's Pacific Summit Logistics Center.				
Anchor 3PL	580 N. Wright Brothers Dr.	Airport	Lease Renewal	270,206
Anchor 3PL recommitted to its footprint at 580 N. Wright Brothers Dr. for another term.				
Alfwear	Landmark 2	California Avenue	Direct New	232,040
Apparel company, Alfwear, combined existing sublease occupation into a direct lease at Freeport West's Landmark 2.				
Maersk Warehousing & Distribution Services	ARA Building C	West Valley	Lease Renewal	202,236
ARA Building C kept Maersk Warehousing & Distribution Services as a tenant in the first quarter.				
Purple Innovation	West Valley Logistics Center 2	California Avenue	Direct New	198,000
Purple Innovation took the entire second building in Invesco's West Valley Logistics Center.				

Source: Newmark Research

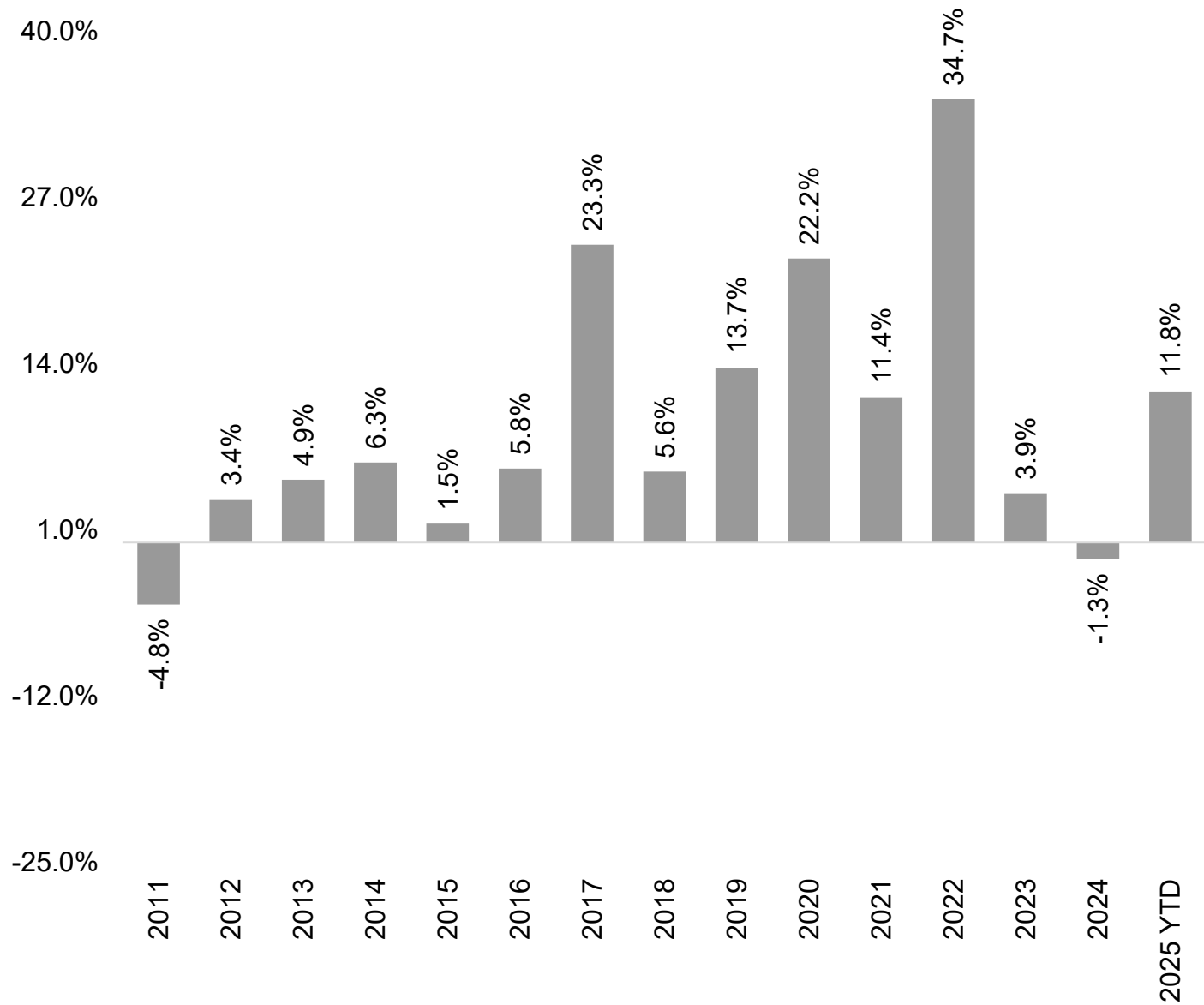
Owner-User Demand Pushes Sale Prices to New Highs

Owner-user sale prices surged in the first quarter of 2025 as demand for space ownership grew amid limited supply. Sellers capitalized on tight market conditions, achieving record pricing. Rising construction costs have prompted users to seek cost-effective alternatives, favoring the purchase and retrofit of existing properties over ground-up development.

Industrial Achieved Average Owner-User Sale Price PSF



Year-over-Year Owner-User Sale Price PSF % Change



Source: Newmark Research

Notable 1Q25 Sale Transactions

Sale transactions continue to be sparse given the difficulty in sourcing debt, as well as the increased cost. The northwest region of the county continues to attract investors, particularly in well-performing single-tenant/sale-leaseback transactions.

Select Sale Transactions				
Buyer	Building	Submarket	Sale Type	Square Feet
STAG Industrial	5 South Commerce Center	California Avenue	Investment	172,845
ViaWest sold the 172,845 SF bulk distribution warehouse to STAG Industrial.				
LBA Realty	3510 W. Directors Row	California Avenue	Investment	105,262
LBA Realty purchased the 78,330-SF building in a sale-leaseback transaction with Flynn Roofing.				
Moca, LLC	8095 S. Welby Park Dr.	West Jordan	Owner-User	41,090
Intermountain Life Sciences sold the building located to 8095 S. Welby Park Dr. to a new user.				
Land Dynamics	3255 W. 500 S.	California Avenue	Investment	36,913
Land Dynamics purchased the 36,913-SF building alongside an additional 2.5 acres in the same transaction.				

Source: Newmark Research

Utah Inland Port: Development and Expansion Overview

What started as one location in the Northwest Quadrant of Salt Lake County has now expanded to multiple projects across the state. The main purpose of the project, according to the governing body, the Utah Inland Port Authority (UIPA), is to establish Utah as a pivotal hub in the global freight industry.

Timeline of Utah Inland Port Development

- Initially proposed in 2016, the Utah Inland Port was conceived to ease congestion at the Long Beach and Los Angeles ports by creating a trans-loading facility adjacent to the Salt Lake Union Pacific Railroad. After legal challenges regarding overreach and constitutionality were resolved in 2022, development was cleared to proceed.
- By the end of 2024, the Utah Inland Port Authority has expanded its scope across multiple counties, including Iron, Utah, Box Elder, Juab, Beaver, Carbon, Millard, Sanpete, and Tooele. Its portfolio now encompasses over 100,000 acres. The Northwest Quadrant of the Inland Port is a key area of development, with 1.9 MSF of industrial space under construction.
- While the port represents a significant economic opportunity, concerns about air quality, traffic congestion, and wetland preservation have been raised by various stakeholders.
- Shipping by rail is up to three times more cost-effective than by truck, and the new locations will enhance connectivity to local and regional trade corridors. Additionally, the UIPA aims to address gaps in air cargo operations to improve efficiency and better meet demand.
- The ongoing expansion highlights Utah's strategic role in regional and national logistics while spotlighting the need for sustainable growth practices.

UIPA Project Area Locations



Source: Newmark Research, Utah Inland Port Authority

Salt Lake City Submarket Statistics | 1Q25 (page 1 of 4)

Submarket Statistics – All Classes

	Total Inventory (SF)	Under Construction (SF)	Total Availability Rate	Qtr Absorption (SF)	2025 YTD Total Absorption (SF)	Direct Asking Rent (Price/SF)	Sublet Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Airport	28,562,014	1,161,600	10.9%	972,907	972,907	\$0.70	\$0.83	\$0.71
Manufacturing	4,531,361	0	2.4%	0	0	\$0.92	\$-	\$0.92
General Purpose	2,100,124	0	0.7%	0	0	\$-	\$-	\$-
Bulk Distribution	18,471,850	1,161,600	14.9%	976,147	976,147	\$0.68	\$0.85	\$0.69
Medium Distribution	1,270,462	0	13.7%	17,000	17,000	\$0.83	\$-	\$0.83
Flex	841,590	0	6.5%	(22,706)	(22,706)	\$0.87	\$0.63	\$0.83
Incubator	282,043	0	0.0%	2,466	2,466	\$-	\$-	\$-
Special Purpose	1,064,584	0	1.2%	0	0	\$-	\$-	\$-
Downtown SLC	10,539,628	0	3.5%	(49,032)	(49,032)	\$0.74	\$1.00	\$0.74
Manufacturing	2,345,953	0	0.0%	12,000	12,000	\$-	\$-	\$-
General Purpose	5,110,853	0	3.1%	(30,307)	(30,307)	\$0.91	\$-	\$0.91
Bulk Distribution	180,670	0	85.8%	0	0	\$0.60	\$-	\$0.60
Medium Distribution	432,427	0	5.2%	(22,565)	(22,565)	\$-	\$-	\$-
Flex	892,000	0	3.6%	(8,160)	(8,160)	\$1.00	\$1.00	\$1.00
Incubator	418,796	0	0.0%	0	0	\$-	\$-	\$-
Special Purpose	1,158,929	0	0.0%	0	0	\$-	\$-	\$-
California Ave	67,120,007	366,444	9.4%	52,516	52,516	\$0.86	\$0.68	\$0.77
Manufacturing	10,630,852	0	3.9%	(80,092)	(80,092)	\$0.66	\$0.85	\$0.73
General Purpose	13,089,960	0	1.5%	(4,483)	(4,483)	\$0.99	\$1.21	\$1.00
Bulk Distribution	27,565,928	302,360	17.6%	(223,374)	(223,374)	\$0.84	\$0.67	\$0.75
Medium Distribution	5,947,387	0	6.2%	363,495	363,495	\$0.84	\$0.63	\$0.67
Flex	3,987,455	38,084	5.0%	(15,572)	(15,572)	\$1.00	\$-	\$1.00
Incubator	1,274,996	0	5.4%	2,622	2,622	\$0.99	\$-	\$0.99
Special Purpose	4,623,429	26,000	4.1%	9,920	9,920	\$1.13	\$-	\$1.13

Source: Newmark Research

Salt Lake City Submarket Statistics | 1Q25 (page 2 of 4)

Submarket Statistics – All Classes

	Total Inventory (SF)	Under Construction (SF)	Total Availability Rate	Qtr Absorption (SF)	2025 YTD Total Absorption (SF)	Direct Asking Rent (Price/SF)	Sublet Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
West Valley	27,987,946	210,997	6.1%	(216,608)	(216,608)	\$0.88	\$0.79	\$0.86
Manufacturing	3,397,590	0	2.4%	(18,000)	(18,000)	\$0.84	\$-	\$0.84
General Purpose	6,522,690	19,184	2.0%	(24,307)	(24,307)	\$0.82	\$0.90	\$0.85
Bulk Distribution	7,044,622	0	11.5%	(203,942)	(203,942)	\$-	\$0.80	\$0.80
Medium Distribution	3,563,385	147,791	10.1%	30,222	30,222	\$0.85	\$-	\$0.85
Flex	2,774,611	0	4.7%	629	629	\$0.99	\$-	\$0.99
Incubator	1,744,403	44,022	4.2%	(1,210)	(1,210)	\$0.96	\$0.55	\$0.86
Special Purpose	2,940,645	0	4.5%	0	0	\$-	\$-	\$-
South Salt Lake	12,299,154	0	2.6%	6,004	6,004	\$0.92	\$-	\$0.92
Manufacturing	2,024,877	0	3.4%	23,039	23,039	\$0.86	\$-	\$0.86
General Purpose	5,808,992	0	2.9%	(8,745)	(8,745)	\$0.88	\$-	\$0.88
Bulk Distribution	0	0	0.0%	0	0	\$-	\$-	\$-
Medium Distribution	422,944	0	1.4%	0	0	\$0.88	\$-	\$0.88
Flex	1,843,311	0	3.0%	(5,409)	(5,409)	\$1.05	\$-	\$1.05
Incubator	1,244,342	0	1.4%	(2,881)	(2,881)	\$1.00	\$-	\$1.00
Special Purpose	954,688	0	0.0%	0	0	\$-	\$-	\$-
Central West	2,557,732	142,851	0.8%	0	0	\$-	\$-	\$-
Manufacturing	1,811,717	0	0.8%	0	0	\$-	\$-	\$-
General Purpose	482,783	0	1.2%	0	0	\$-	\$-	\$-
Bulk Distribution	84,853	0	0.0%	0	0	\$-	\$-	\$-
Medium Distribution	34,157	142,851	0.0%	0	0	\$-	\$-	\$-
Flex	0	0	0.0%	0	0	\$-	\$-	\$-
Incubator	0	0	0.0%	0	0	\$-	\$-	\$-
Special Purpose	144,222	0	0.0%	0	0	\$-	\$-	\$-

Source: Newmark Research

Salt Lake City Submarket Statistics | 1Q25 (page 3 of 4)

Submarket Statistics – All Classes

	Total Inventory (SF)	Under Construction (SF)	Total Availability Rate	Qtr Absorption (SF)	2025 YTD Total Absorption (SF)	Direct Asking Rent (Price/SF)	Sublet Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Murray	5,452,290	0	4.5%	32,921	32,921	\$0.78	\$-	\$0.78
Manufacturing	411,212	0	1.1%	0	0	\$-	\$-	\$-
General Purpose	2,441,091	0	8.2%	36,389	36,389	\$0.77	\$-	\$0.77
Bulk Distribution	0	0	0.0%	0	0	\$-	\$-	\$-
Medium Distribution	47,512	0	0.0%	0	0	\$-	\$-	\$-
Flex	1,143,149	0	2.1%	0	0	\$0.80	\$-	\$0.80
Incubator	871,973	0	2.1%	(3,468)	(3,468)	\$1.00	\$-	\$1.00
Special Purpose	537,353	0	0.0%	0	0	\$-	\$-	\$-
West Jordan	16,511,596	669,400	11.4%	224,081	224,081	\$0.96	\$1.05	\$1.01
Manufacturing	4,239,763	0	0.9%	37,090	37,090	\$0.48	\$-	\$0.48
General Purpose	3,513,708	0	7.8%	190,630	190,630	\$1.03	\$-	\$1.03
Bulk Distribution	4,123,096	0	24.9%	0	0	\$-	\$-	\$-
Medium Distribution	1,127,069	0	9.3%	0	0	\$1.15	\$-	\$1.15
Flex	972,755	33,400	12.2%	18,750	18,750	\$1.10	\$-	\$1.10
Incubator	683,948	0	5.2%	(22,389)	(22,389)	\$1.06	\$0.91	\$1.02
Special Purpose	1,851,257	636,000	15.7%	0	0	\$-	\$1.05	\$1.05
Sandy	6,853,629	0	4.5%	(67,547)	(67,547)	\$1.22	\$1.03	\$1.15
Manufacturing	1,273,383	0	2.9%	0	0	\$-	\$1.00	\$1.00
General Purpose	1,729,155	0	2.1%	(9,582)	(9,582)	\$1.35	\$-	\$1.35
Bulk Distribution	120,800	0	0.0%	0	0	\$-	\$-	\$-
Medium Distribution	735,714	0	13.5%	(42,327)	(42,327)	\$-	\$-	\$-
Flex	1,387,327	0	5.9%	(9,309)	(9,309)	\$1.12	\$1.25	\$1.14
Incubator	879,470	0	2.7%	(6,329)	(6,329)	\$1.29	\$-	\$1.29
Special Purpose	727,780	0	3.7%	0	0	\$-	\$-	\$-

Source: Newmark Research

Salt Lake City Submarket Statistics | 1Q25 (page 4 of 4)

Submarket Statistics – All Classes

	Total Inventory (SF)	Under Construction (SF)	Total Availability Rate	Qtr Absorption (SF)	2025 YTD Total Absorption (SF)	Direct Asking Rent (Price/SF)	Sublet Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Bluffdale	3,452,361	296,239	3.6%	110,004	110,004	\$1.10	\$-	\$1.10
Manufacturing	841,301	0	0.0%	0	0	\$-	\$-	\$-
General Purpose	320,715	0	0.0%	0	0	\$-	\$-	\$-
Bulk Distribution	0	232,239	0.0%	0	0	\$-	\$-	\$-
Medium Distribution	520,630	64,000	6.1%	110,004	110,004	\$-	\$-	\$-
Flex	1,252,932	0	6.8%	0	0	\$1.10	\$-	\$1.10
Incubator	452,247	0	1.7%	0	0	\$-	\$-	\$-
Special Purpose	64,536	0	0.0%	0	0	\$-	\$-	\$-
Draper	5,388,889	0	5.0%	34,835	34,835	\$1.15	\$0.78	\$1.05
Manufacturing	1,346,724	0	0.0%	0	0	\$-	\$-	\$-
General Purpose	799,657	0	3.0%	0	0	\$1.15	\$-	\$1.15
Bulk Distribution	413,714	0	9.8%	0	0	\$-	\$0.75	\$0.75
Medium Distribution	579,444	0	12.1%	0	0	\$1.09	\$-	\$1.09
Flex	1,970,229	0	6.8%	34,835	34,835	\$1.33	\$-	\$1.33
Incubator	179,779	0	0.6%	0	0	\$-	\$1.90	\$1.90
Special Purpose	99,342	0	0.0%	0	0	\$-	\$-	\$-
Market	186,725,246	2,847,531	7.9%	1,100,081	1,100,081	\$0.80	\$0.76	\$0.80
Manufacturing	32,854,733	0	2.3%	(25,963)	(25,963)	\$0.74	\$0.89	\$0.78
General Purpose	41,919,728	19,184	2.9%	149,595	149,595	\$0.93	\$0.95	\$0.93
Bulk Distribution	58,005,533	1,696,199	16.6%	548,831	548,831	\$0.73	\$0.69	\$0.72
Medium Distribution	14,681,131	354,642	8.4%	455,829	455,829	\$0.90	\$0.63	\$0.83
Flex	17,065,359	71,484	5.4%	(6,942)	(6,942)	\$1.03	\$0.91	\$1.02
Incubator	8,031,997	44,022	3.1%	(31,189)	(31,189)	\$1.01	\$0.73	\$0.97
Special Purpose	14,166,765	662,000	4.6%	9,920	9,920	\$1.13	\$1.05	\$1.05

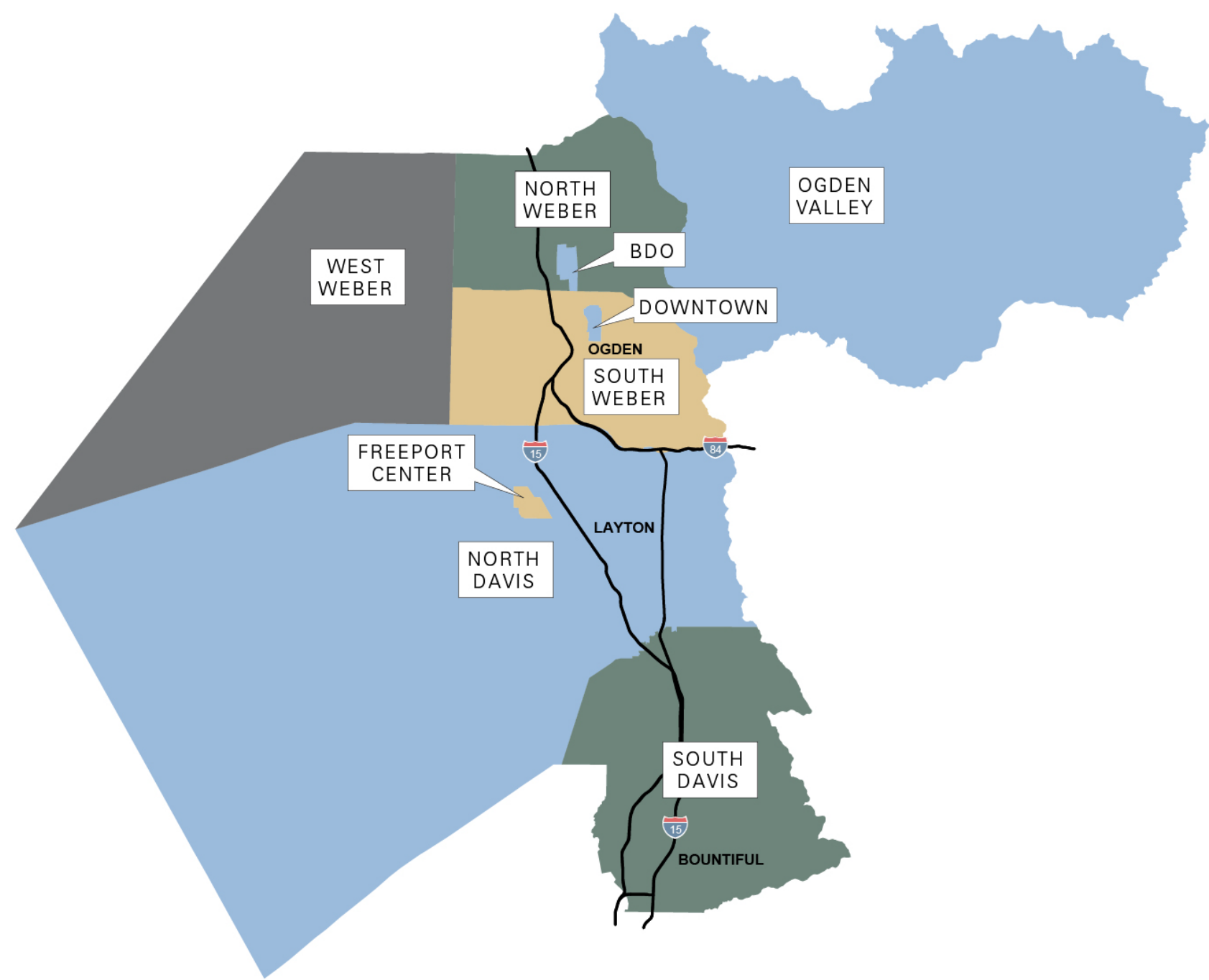
Source: Newmark Research

1Q25

Additional Markets – Davis and Weber Counties



Davis and Weber Counties Submarket Map and High-Level Statistics | 1Q25



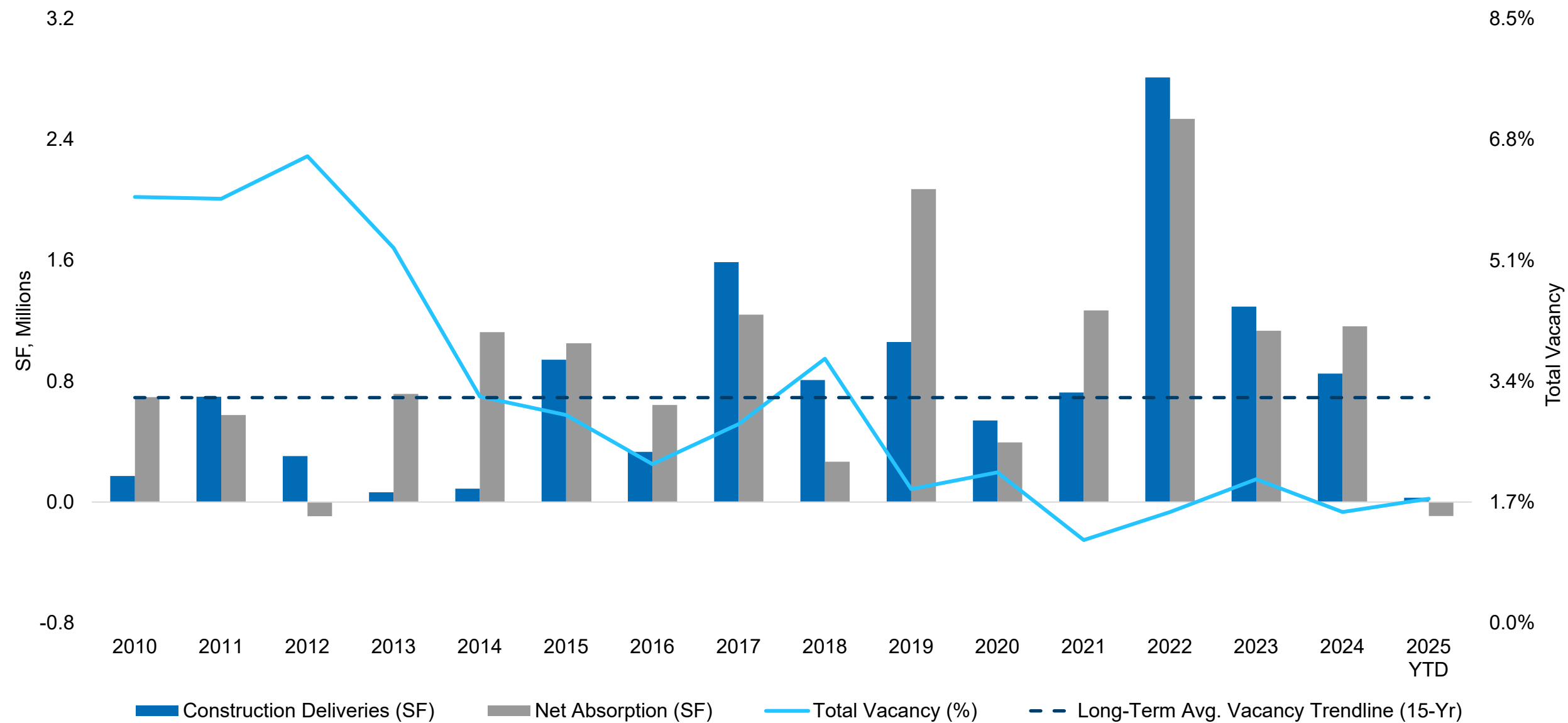
Marketwide Statistics 1Q25				
	Current Quarter	Prior Quarter	Year Ago	12-Month Forecast
Total Inventory (SF)	63.8M	63.8M	63.4M	↑
Total Vacancy Rate	1.7%	1.6%	2.1%	→
Qtr. Net Absp. (SF)	-0.1M	0.3M	0.4M	→
Average Asking Rent/SF/Month	\$0.87 NNN	\$0.82 NNN	\$0.72 NNN	→
Deliveries (SF)	28.5K	0.1M	0.5M	↑
Under Const. (SF)	0.7M	0.3M	0.4M	→

Source: Newmark Research
Total Vacancy Rate = Direct Vacancy and Sublet Vacancy Combined

Davis and Weber Counties Maintain Tightest Vacancy Along the Wasatch Front

Minimal new deliveries and modest tenant givebacks led to a slight uptick in vacancy; however, Davis and Weber Counties continue to post the lowest vacancy rates along the Wasatch Front—well below the historical average of 3.2%. Minor near-term fluctuations are anticipated as construction slows and occupiers adjust footprints amid shifting consumer demand.

Historical Construction Deliveries, Net Absorption, and Vacancy

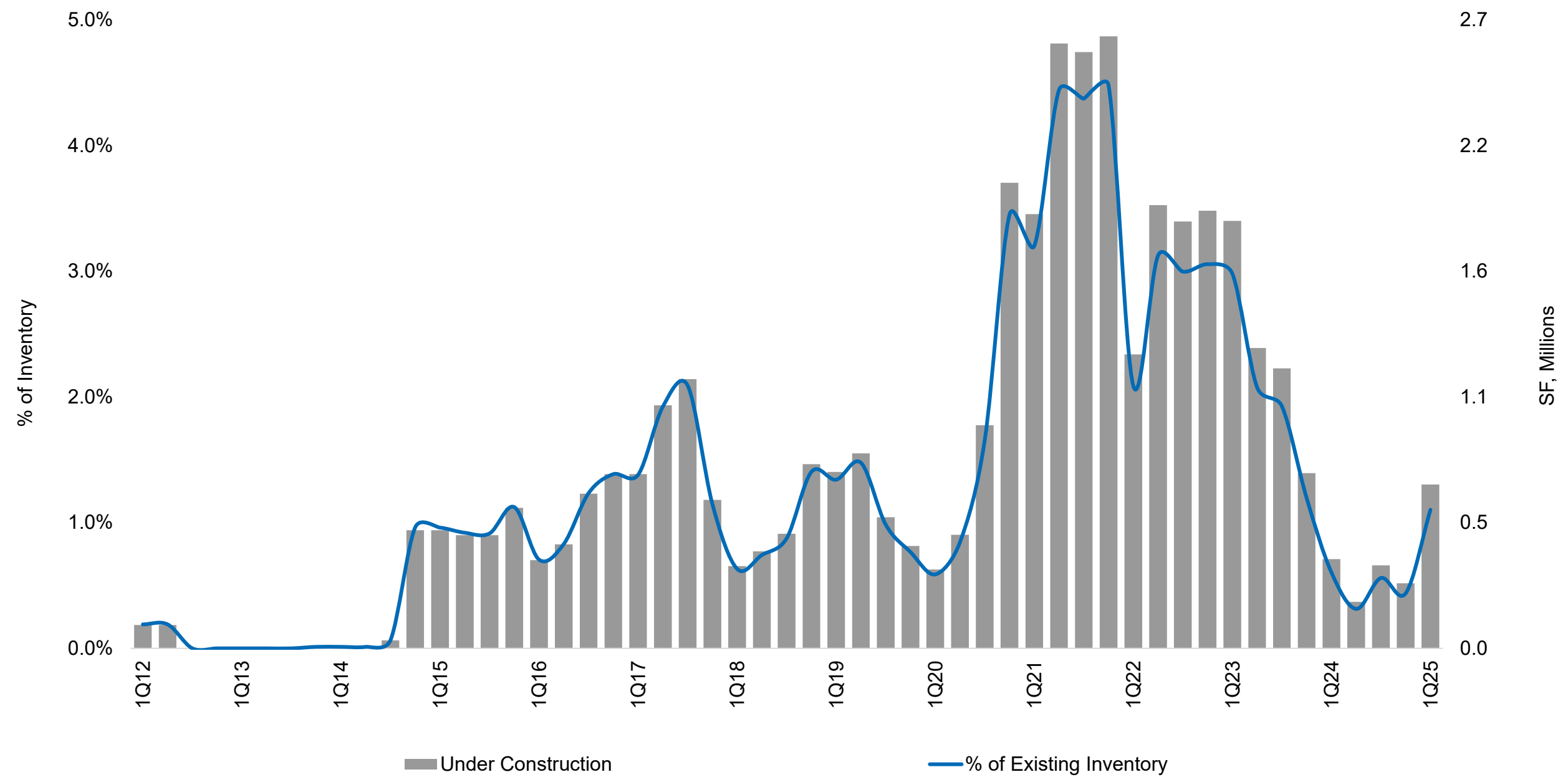


Source: Newmark Research

HAFB Contributes to 1Q Construction Activity

The construction pipeline has declined steadily since peaking at 2.6 MSF in the fourth quarter of 2021. However, activity around Hill Air Force Base boosted development in the first quarter of 2025. As occupier right-sizing stabilizes and demand aligns with limited new supply, the region may face emerging supply constraints in other portions of the region.

Industrial Under Construction and % of Existing Inventory

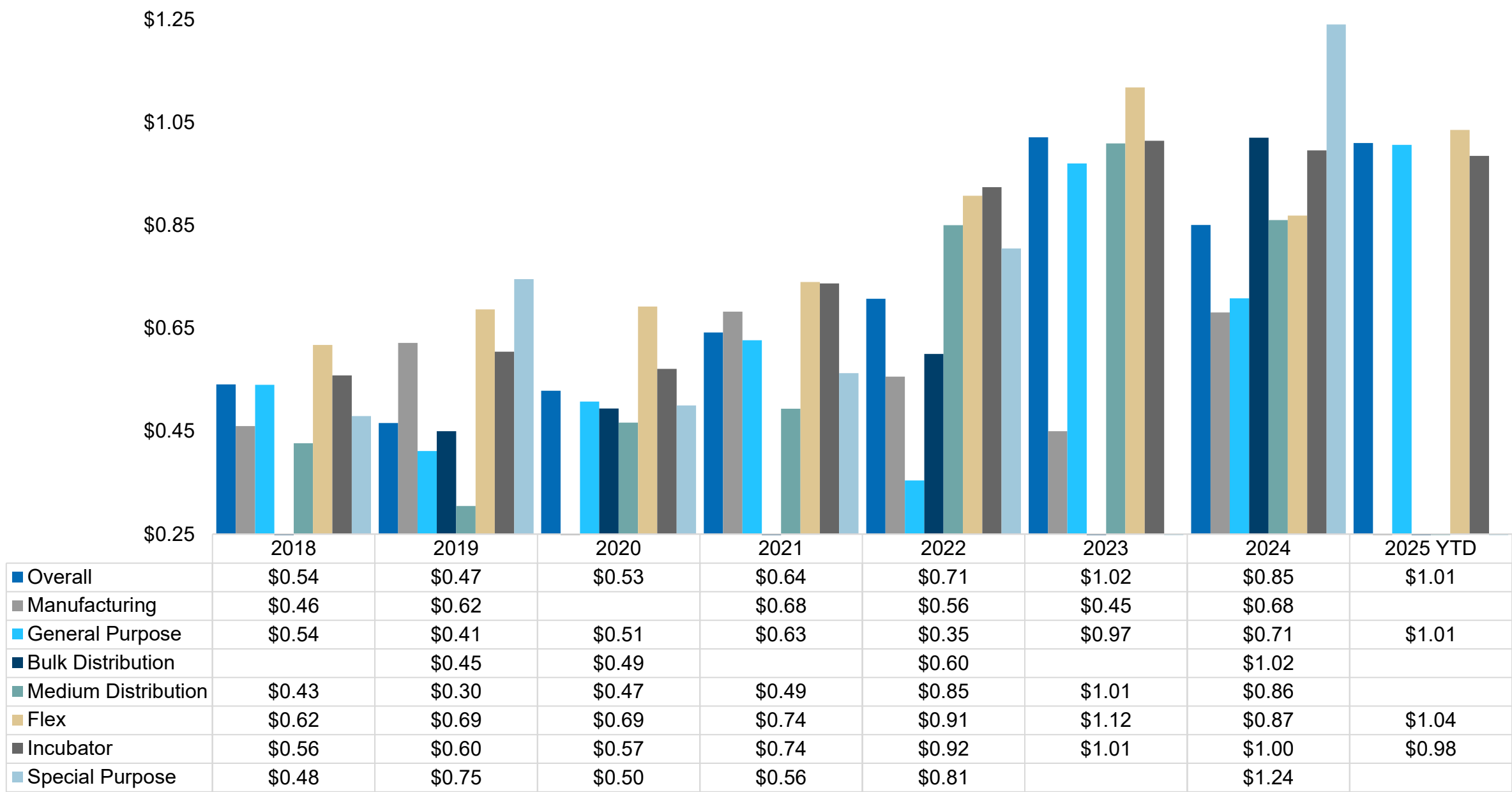


Source: Newmark Research

High-Quality Space Drives Rate Growth in Early 2025

Achieved rental rates edged higher in the first quarter of 2024, driven by smaller, specialized deals and the lease-up of newer, high-quality space.

Achieved Average First-Year Lease Rates, Monthly PSF NNN

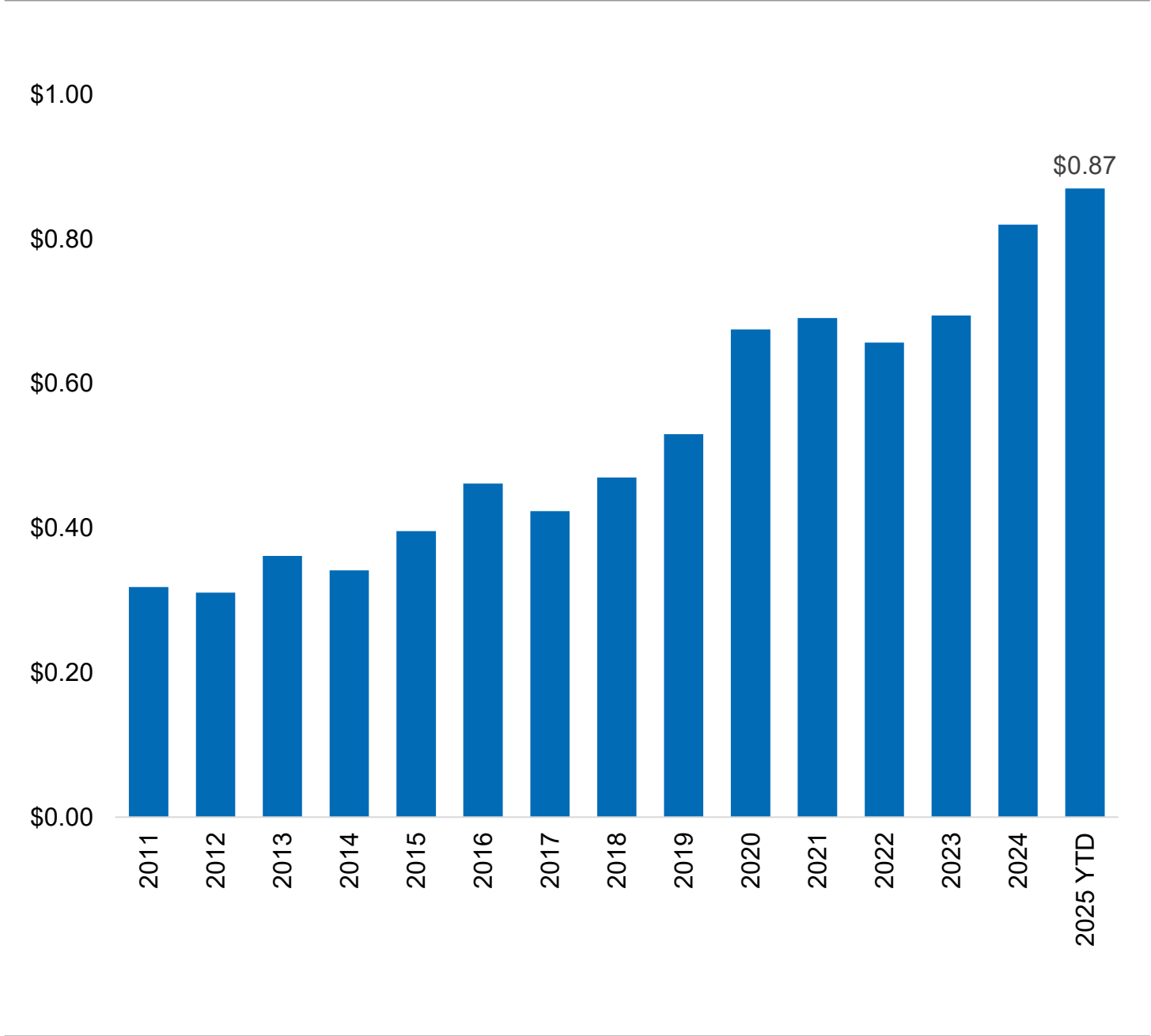


Source: Newmark Research

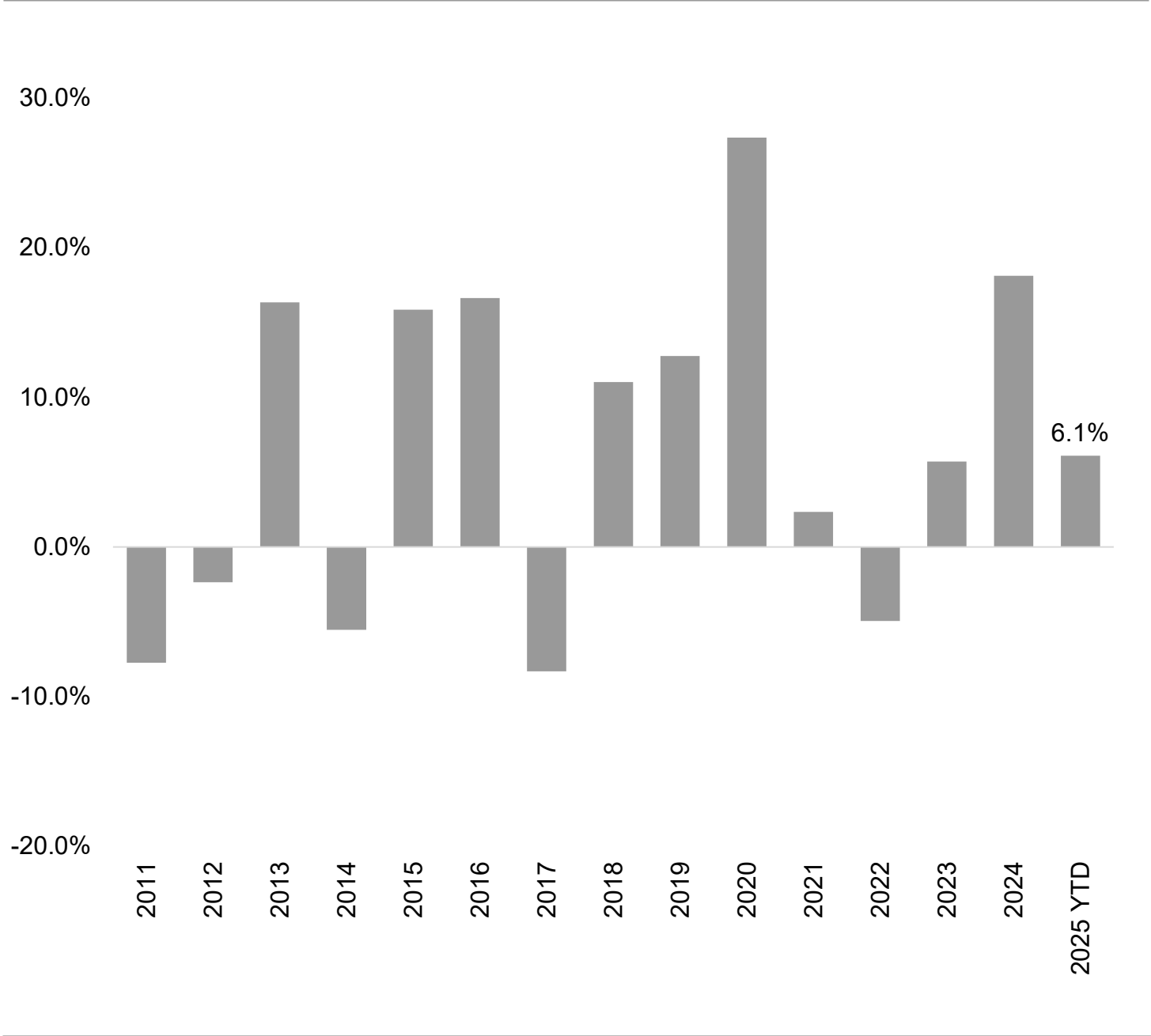
Rent Growth Persists but Expected to Moderate Amid Economic Uncertainty

Following a decline in 2022, average asking rents have steadily increased, reaching \$0.87/SF. While early 2025 saw continued growth, rising economic uncertainty is expected to temper further rent escalation as both landlords and tenants adopt a more cautious approach.

Industrial Average Asking Rent, \$/SF/Month, NNN



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research

Notable Davis and Weber Counties Transactions

Buoyed by BDO Ogden and Hill Air Force Base, Davis and Weber Counties welcomed activity from a diverse range of industrial users in the first quarter of 2025.

Select 1Q25 Transactions				
Buyer/Tenant	Building	Submarket	Transaction Type	Square Feet
JAS Family Properties	25 W. Union Ave.	South Davis	Property Sale	39,960
The 39,960-SF manufacturing building sold to JAS Family Properties.				
Stepsaver	1673 W. 2650 S.	West Weber	Property Sale	17,680
Stepsaver purchased the Ogden building to occupy later in 2025.				
Sonny's Enterprises	Antelope Business Park 2	North Davis	Direct New Lease	16,200
Car wash company, Sonny's Enterprises, signed to occupy 16,200 SF in Antelope Business Park.				
Grant Victor	Kaysville Business Campus 2	North Davis	Lease Renewal	15,038
Grant Victor signed on for another lease term within the Kaysville Business Campus.				
System Service Specialist, Inc	382 Marshall Way	North Davis	Direct New Lease	12,800
Fire technician company, System Service Specialist, Inc., leased 12,800 SF at 382 Marshall Way in Layton.				

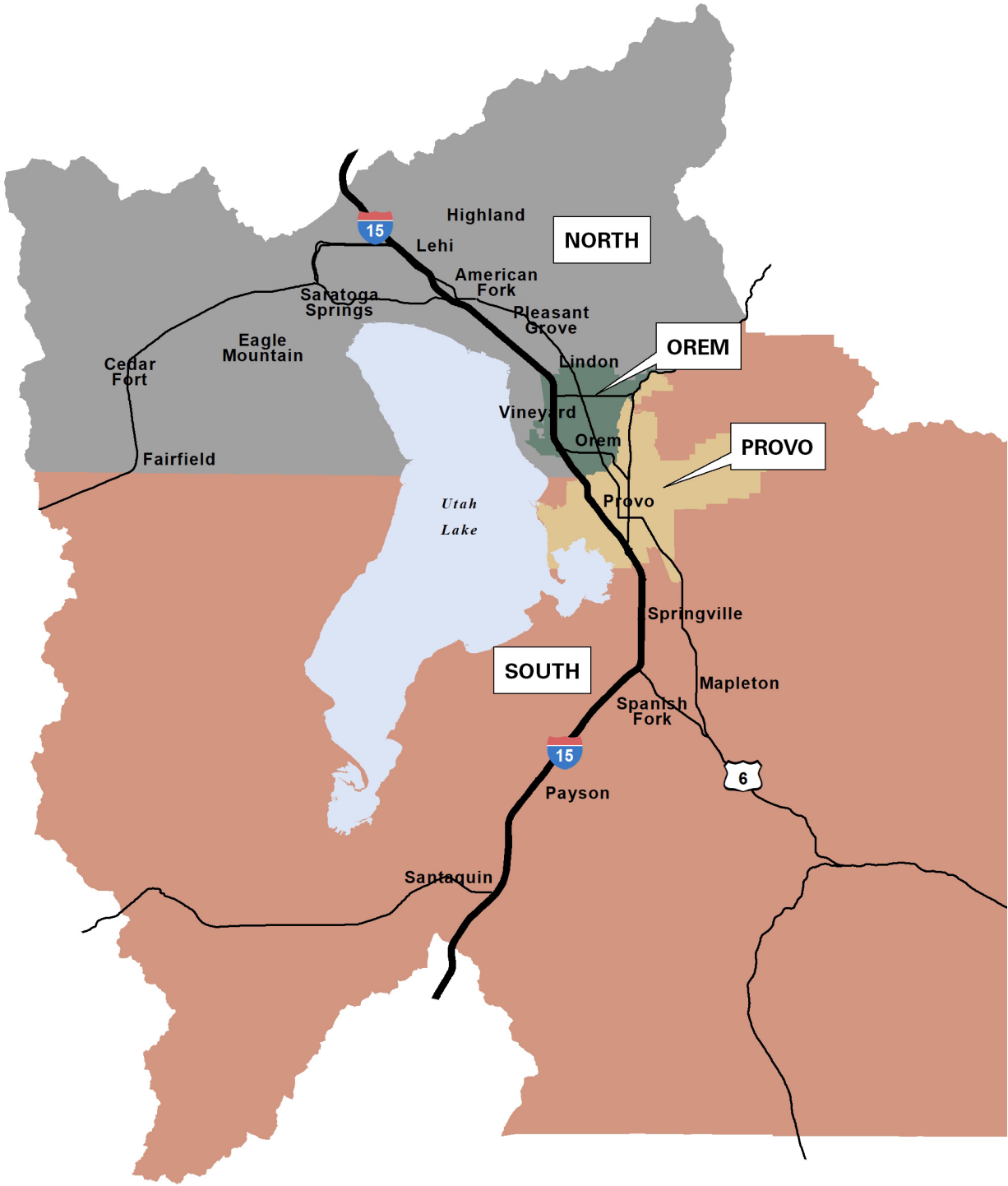
Source: Newmark Research

1Q25

Additional Markets – Utah County



Utah County Submarket Map and High-Level Statistics | 1Q25



Marketwide Statistics | 1Q25

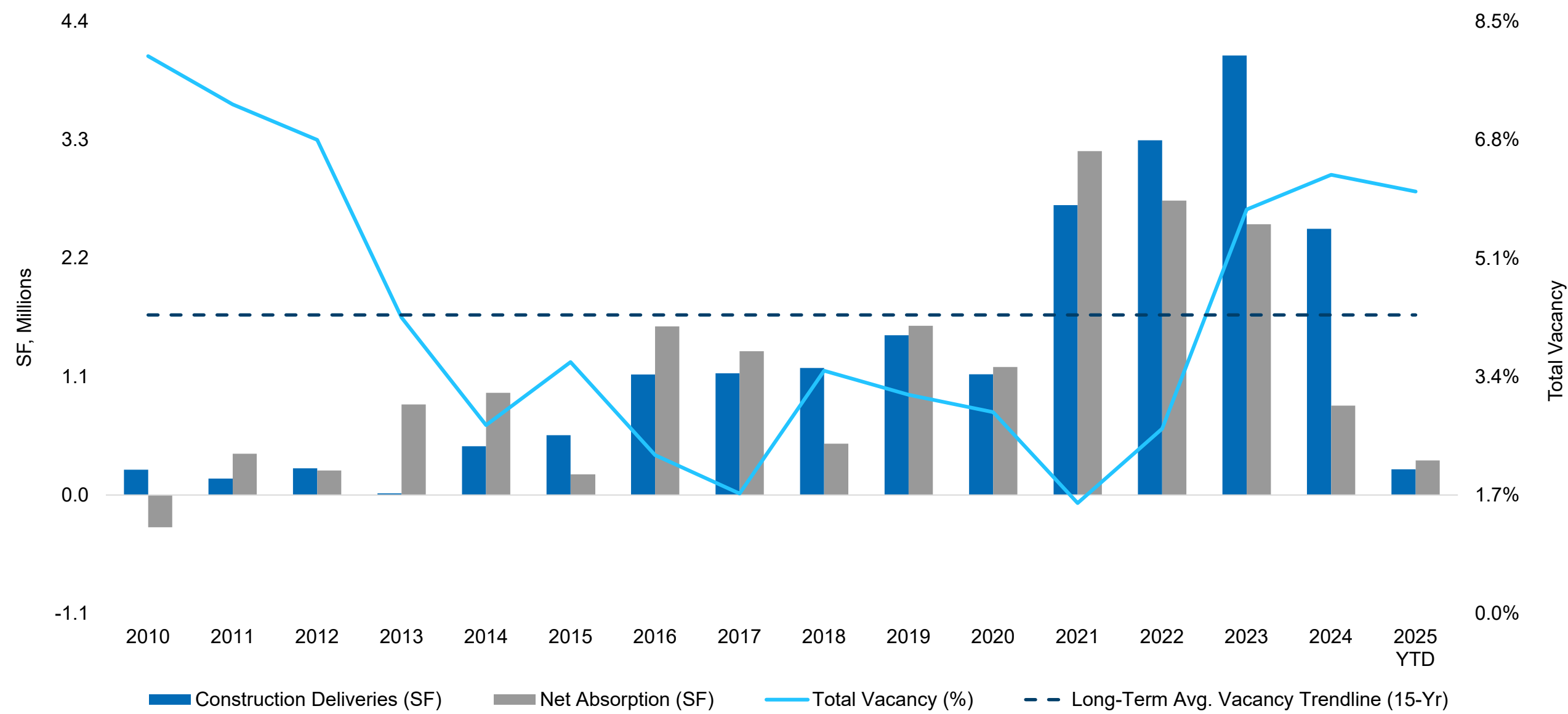
	Current Quarter	Prior Quarter	Year Ago	12-Month Forecast
Total Inventory (SF)	53.2M	53.0M	52.2M	↑
Total Vacancy Rate	6.1%	6.2%	5.1%	↓
Qtr. Net Absp. (SF)	0.3M	-0.1M	0.7M	↑
Average Asking Rent/SF/Month	\$0.98 NNN	\$0.97 NNN	\$0.93 NNN	→
Deliveries (SF)	0.2M	0.2M	0.4M	↑
Under Const. (SF)	0.9M	1.1M	1.1M	↓

Source: Newmark Research
Total Vacancy Rate = Direct Vacancy and Sublet Vacancy Combined

Vacancy Declines Slightly as Absorption Outpaces Deliveries

Total vacancy declined by 10 basis points quarter-over-quarter as net absorption slightly exceeded construction deliveries. With fewer large projects breaking ground and several pre-leased developments set to deliver, vacancy levels are expected to stabilize through the remainder of 2025.

Historical Construction Deliveries, Net Absorption, and Vacancy

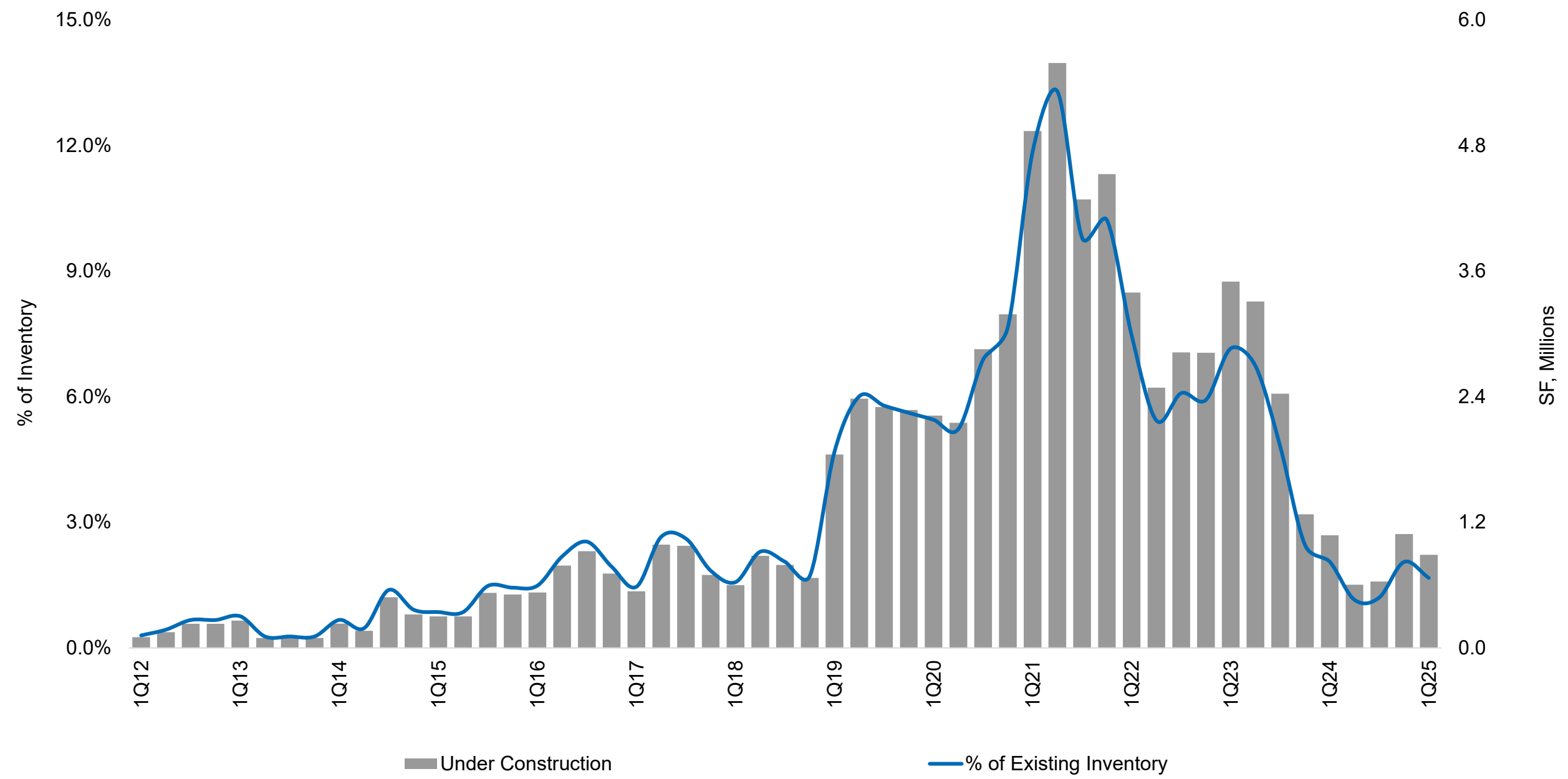


Source: Newmark Research

Shift Toward Smaller-Bay Development as Large Spec Projects Slow

New construction starts have decelerated, especially for large speculative projects, compared to peak activity from 2020 to 2022. In contrast, demand for small-bay product remains strong, with over half of active developments featuring footprints under 50,000 SF and multi-bay configurations.

Industrial Under Construction and % of Existing Inventory

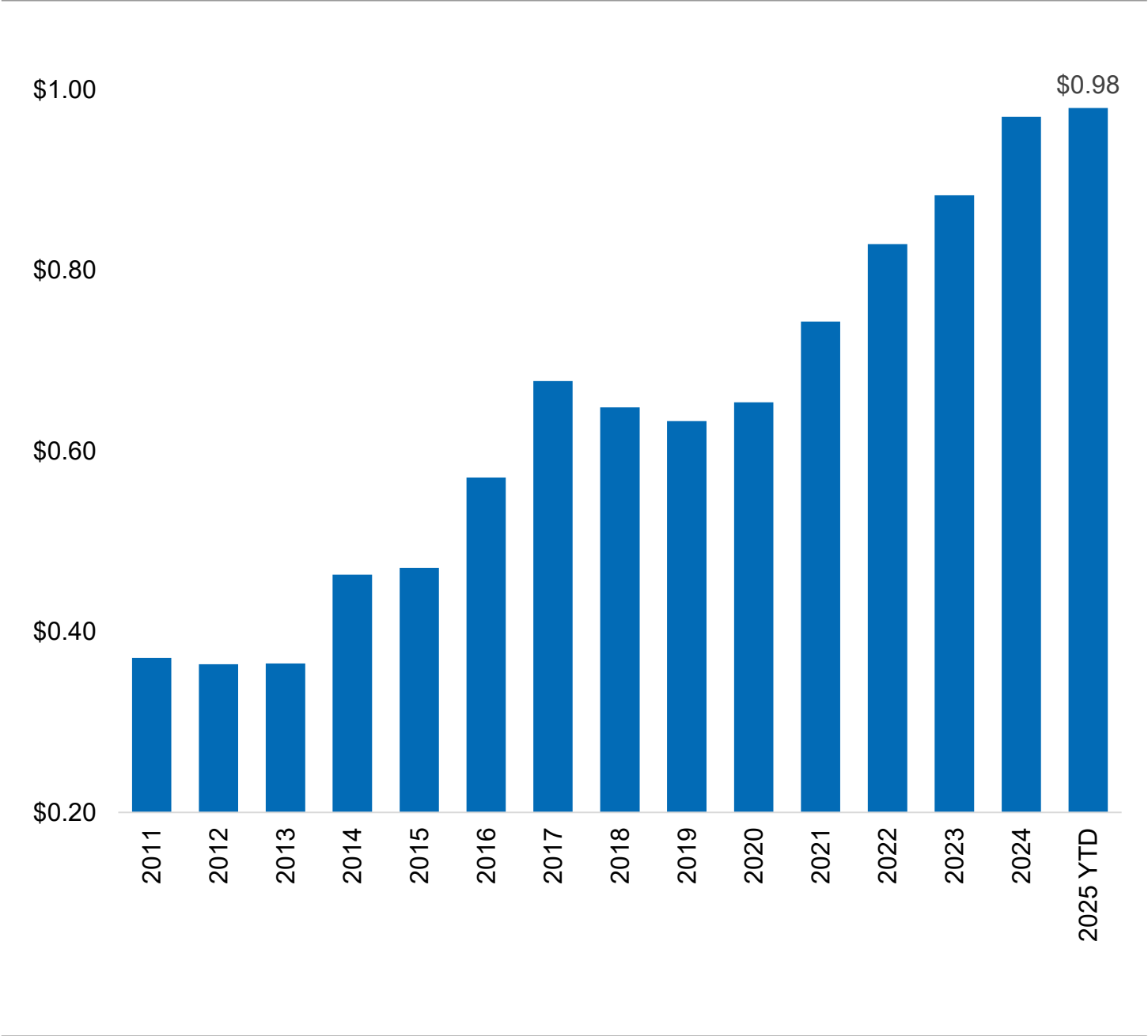


Source: Newmark Research

Utah County Leads Asking Rents Amid Strong Demand and Limited Supply

Utah County commands the highest average asking rents along the Wasatch Front at \$0.98/SF, driven by robust demand for specialized flex and incubator spaces. A limited pipeline of speculative construction has kept new supply constrained, allowing landlords to uphold aggressive pricing strategies.

Industrial Average Asking Rent, \$/SF/Month, NNN



Year-over-Year Asking Rent Growth Rate % Change

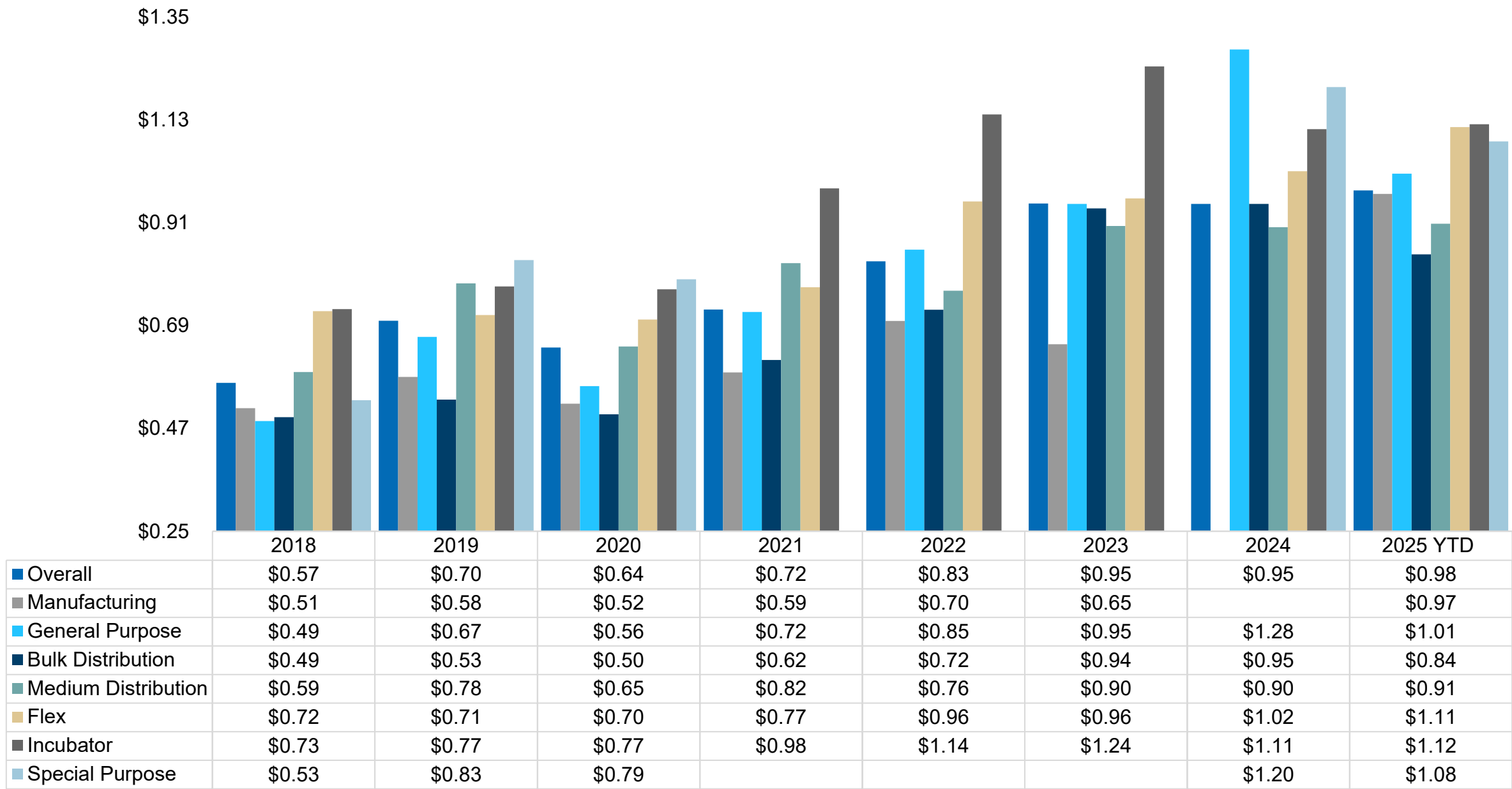


Source: Newmark Research

Flex Demand Drives Growth in Achieved Lease Rates

First-year achieved lease rates increased quarter-over-quarter, led by notable gains in flex product. Tenant demand for adaptable, versatile space continues to rise, positioning flex assets to lead rate growth in the quarters ahead.

Achieved Average First-Year Lease Rates, Monthly PSF NNN



Source: Newmark Research

Notable Utah County Transactions

Utah County attracted a variety of tenants in early 2025, signing new leases across all the submarkets.

Select 1Q25 Transactions				
Buyer/Tenant	Building	Submarket	Transaction Type	Square Feet
Alliance Fence & Supply, Inc	225 E. 900 S.	Provo	Direct New Lease	47,915
<i>Alliance Fence and Supply, Inc., took 47,915 SF in Provo.</i>				
Plant Science	American Fork Business Park 2	Utah County North	Direct New Lease	35,633
<i>Supplement manufacturing company, Plant Science, leased 35,633 SF in American Fork Business Park.</i>				
Copper State Bolt & Nut Company	Call Commercial Center 1	Orem	Direct New Lease	32,360
<i>The fastener supply company opened a Utah County location in Orem for 32,360 SF.</i>				
Primo Golf	Holbrook Industrial Park 3	Utah County North	Direct New Lease	29,151
<i>Boyer welcomed Primo Golf as a tenant in the Holbrook Industrial Park during the first quarter of 2025.</i>				
Ballerina Farm	Stack Lakeshore Industrial	Utah County South	Direct New Lease	28,385
<i>Ballerina Farm leased 28,385 in Stack’s Lakeshore Industrial building in Springville.</i>				

Source: Newmark Research

1Q25

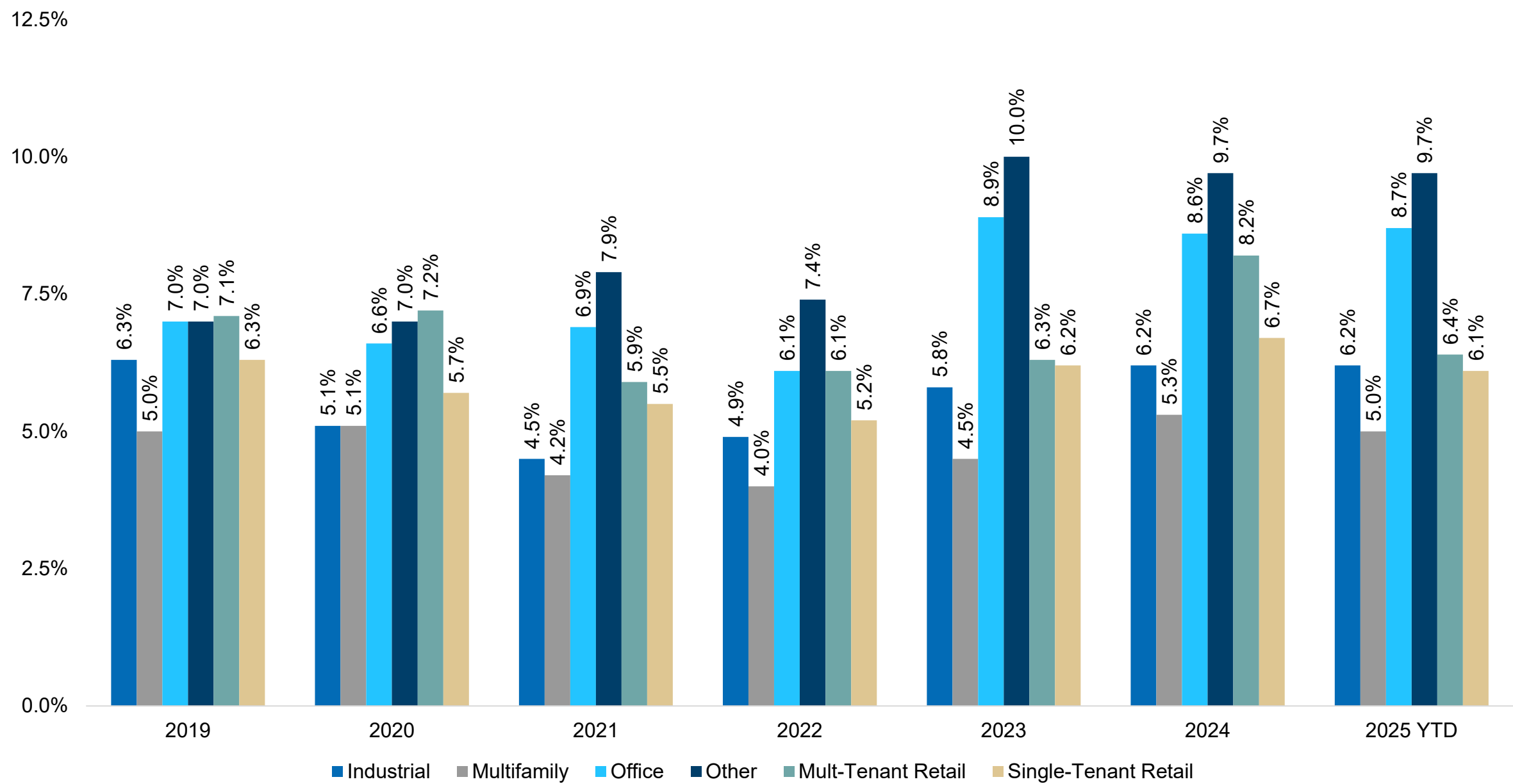
Utah Capital Markets Overview



Investor Hesitation Amid Stable Cap Rates and Shifting Capital Flows

Cap rates in 2025 have remained stable overall, except for retail assets, which have seen declines across both multi- and single-tenant properties. Steady federal interest rates have supported investment activity, yet broader economic factors—including tariffs and a pullback from cross-border investors—have tempered capital deployment in Utah, reflecting national trends of asset sell-offs over acquisitions.

State of Utah Price-Weighted Achieved Average Cap Rates

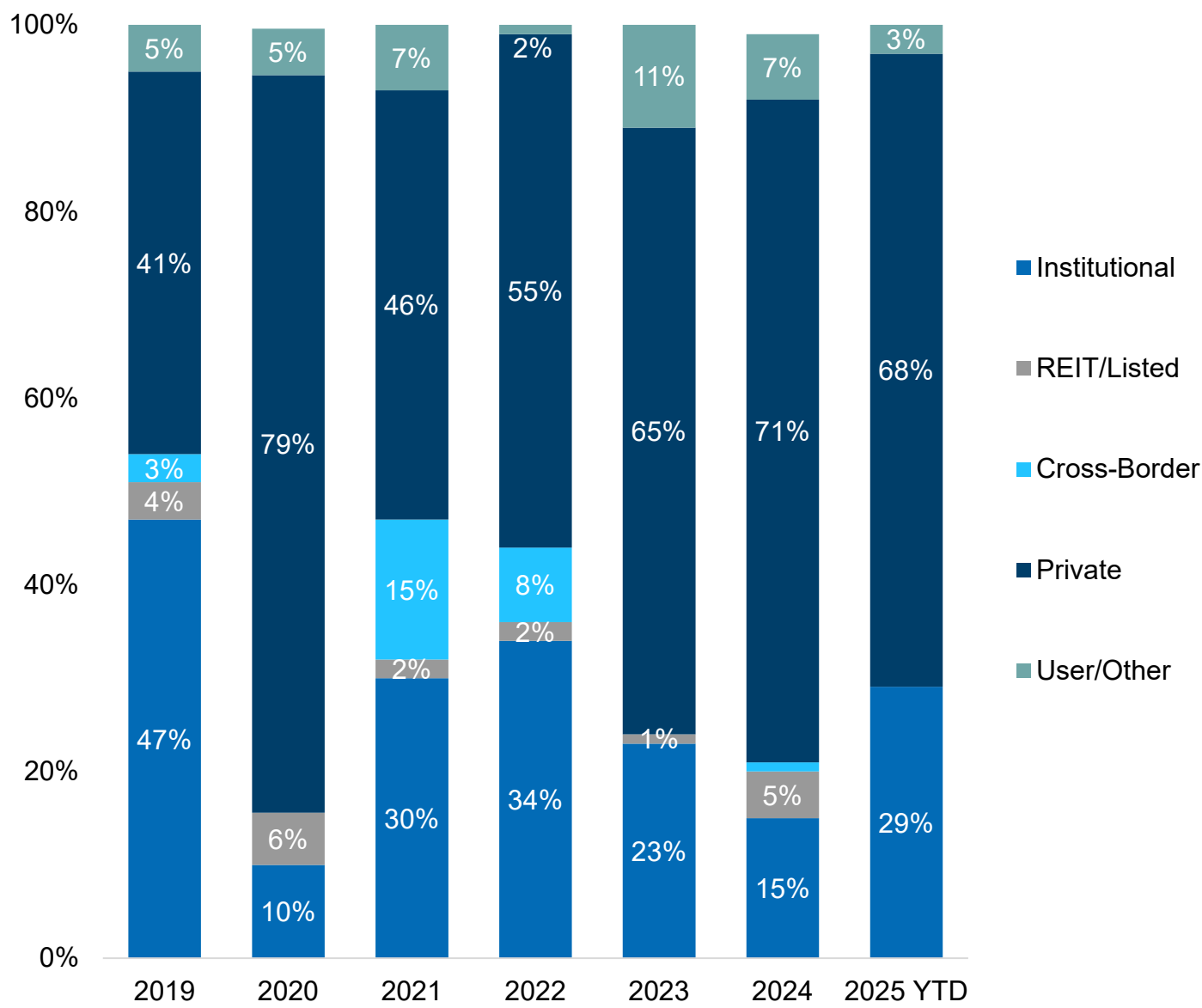


Source: Newmark Research

Investor Activity Trends Amid High-Cost Debt Environment

High-net-worth individuals remain active during periods of elevated debt costs in which "cash is king." Although institutional transaction volumes have slowed, institutional investors continue to focus on Utah’s industrial sector, favoring strong locations due to its resilience and growth potential despite broader economic challenges.

Utah: Industrial Buyer Composition, by Year | Based on Sales Volume



Utah: Most Active Industrial Buyers | Last 12 Months

Company	Investor Type	# of Properties
Hyde Development	Private	7
Walmart	User/Other	1
Longpoint Realty Partners	Private	3
Exeter	Institutional	1
TIAA-CREF	Institutional	2
Ares Management	Institutional	1
Fortress	Institutional	3
Koll Company	Private	6
Bailard	Institutional	1
Lincoln Property Co	Private	1
LBA Realty	Institutional	2
Stadler US Inc	Private	1

Source: Newmark Research
Note: Preliminary data is cited for the first quarter of 2025.

1Q25 Notable Capital Market Transactions

Local buyers had a strong showing during the first quarter of 2025.

1Q25 Notable Transactions				
Buyer	Building	City	Type	Square Feet
Fort Street Partners/Cummings Capital Management	Lehi Spectrum Portfolio	Lehi	Office	264,925
Boyer sold both buildings in the Lehi Spectrum Office Park in a portfolio transaction to Fort Street Partners and Cummings Capital Management.				
STAG Industrial	5 South Commerce Center	Salt Lake City	Industrial	172,845
ViaWest sold the 172,845-SF bulk distribution warehouse to STAG Industrial.				
Boyer Company	Thanksgiving Center	Lehi	Office	127,741
Fully occupied by Vivint Solar, Nuveen sold Thanksgiving Center to Boyer Company.				
LBA Realty	3510 W. Directors Row	Salt Lake City	Industrial	105,262
LBA Realty purchased the 78,330-SF building in a sale-leaseback transaction with Flynn Roofing.				
Stablewood Properties	Cottonwood Plaza	Cottonwood Heights	Retail	31,109
Magna Investment & Development sold the fully-occupied Cottonwood Plaza to Stablewood Properties.				

Source: Newmark Research

1Q25

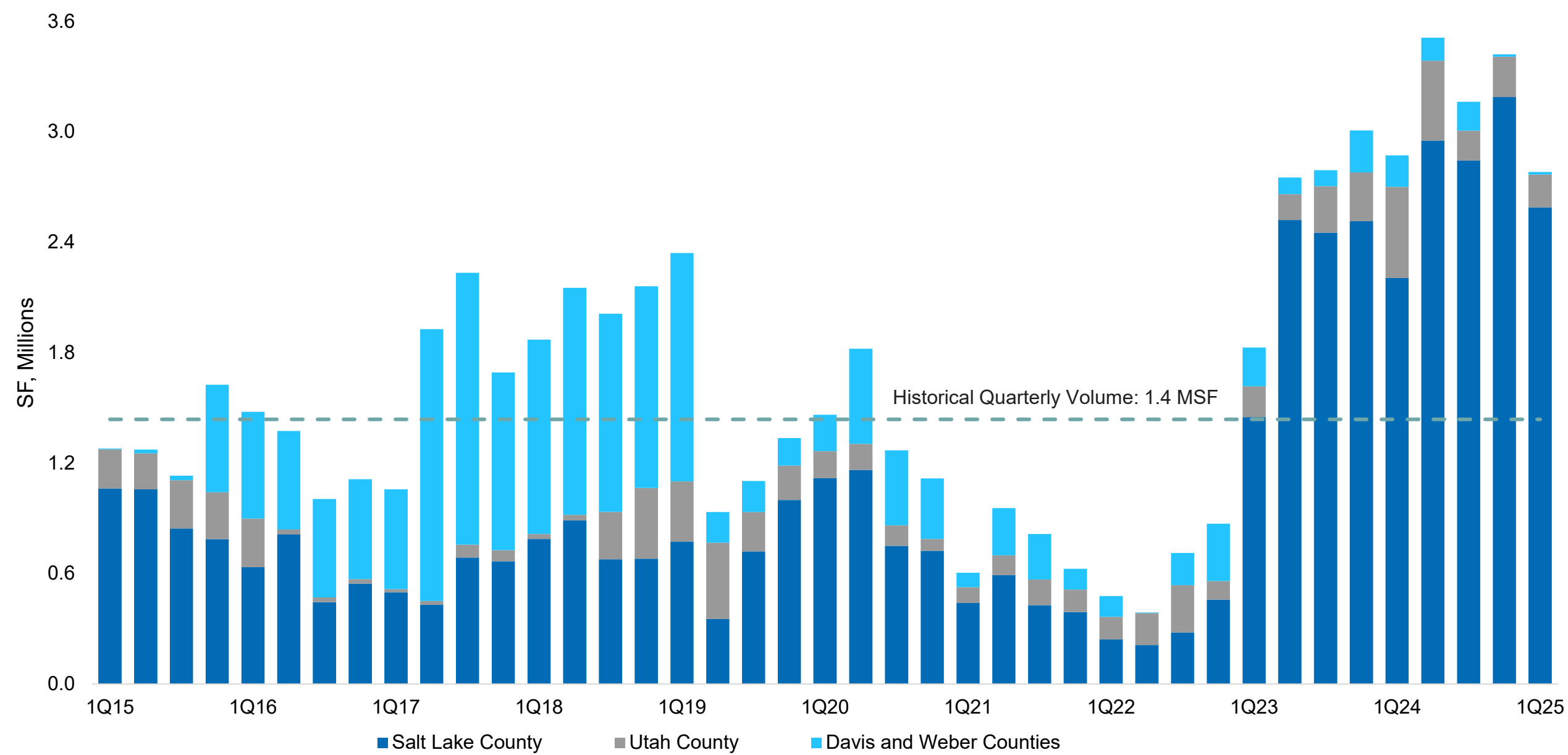
Appendix



Sublease Availability Declines, Salt Lake County Remains Key Market to Watch

Available sublease space decreased by 18.7%, with Salt Lake County seeing the most significant reduction. Despite this drop, the county continues to account for the bulk of sublease inventory due to large tenants downsizing. Sublease absorption in the coming quarters will be pivotal in influencing direct availability as lease expirations near.

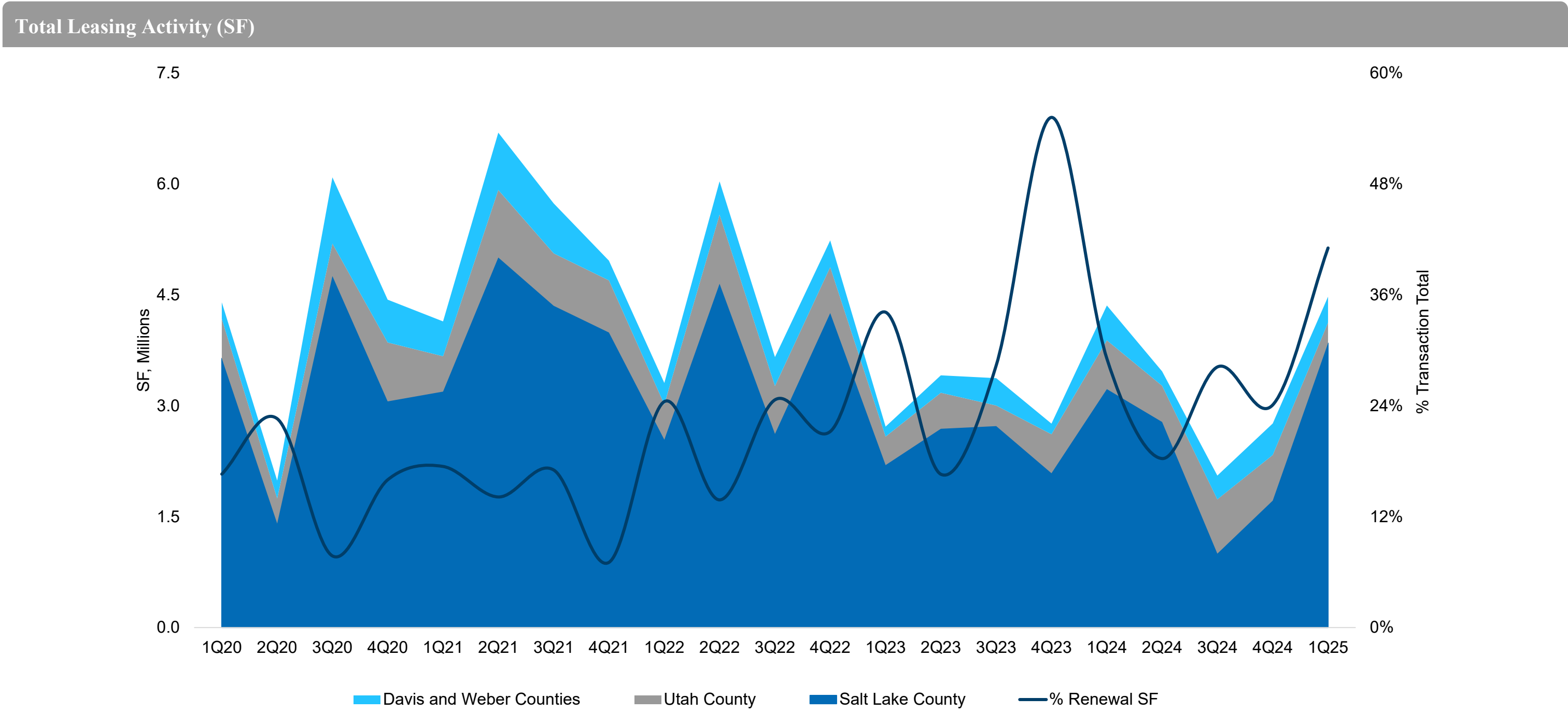
Available Industrial Sublease Volume (MSF)



Source: Newmark Research

Renewals Drive Industrial Leasing Activity Amid Elevated Rates

Industrial leasing across the Wasatch Front has risen, led by Salt Lake County. Renewals account for over 40% of total transaction volume in recent quarters, as many tenants opt to remain in place. Those facing renewals are encountering a pricing landscape roughly 30% higher than pre-pandemic lease rates, influencing decisions to stay rather than relocate or expand.

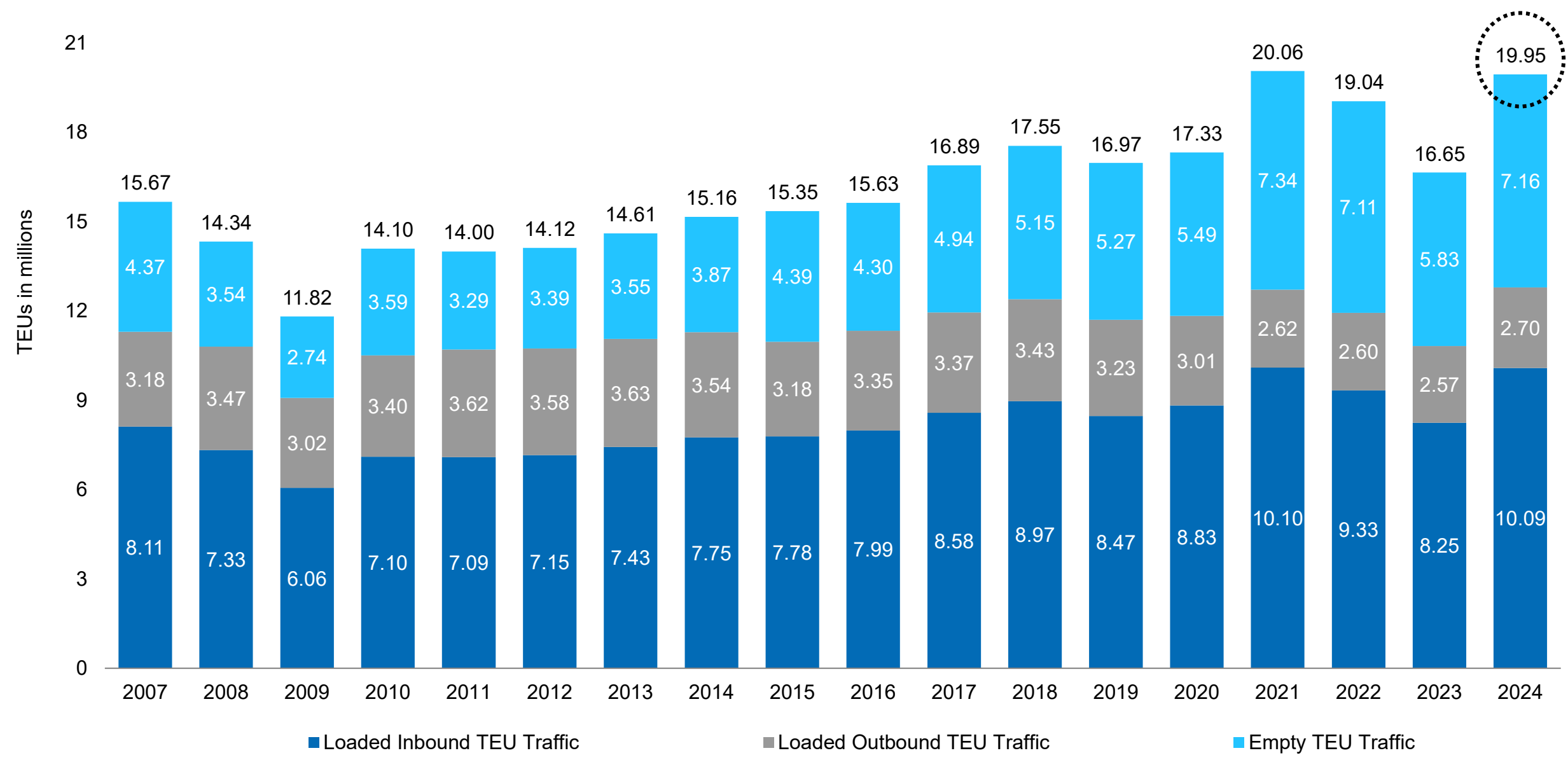


Source: Newmark Research

Southern California’s Ports: 2024 Was the Second Busiest Year on Record

The inflated growth of 2021-2022 (due to strong retail sales from stay-at-home measures, government stimulus and distributors stockpiling goods) has passed. Southern California’s ports then contended with an influx of imports in 2024 due to labor contract negotiations with Gulf and East Coast dockworkers and the frontloading of cargo as a hedge against potential tariffs.

The Ports of Los Angeles and Long Beach: Combined TEU Volume | Loaded Imports, Loaded Exports and Empty Containers | By Year

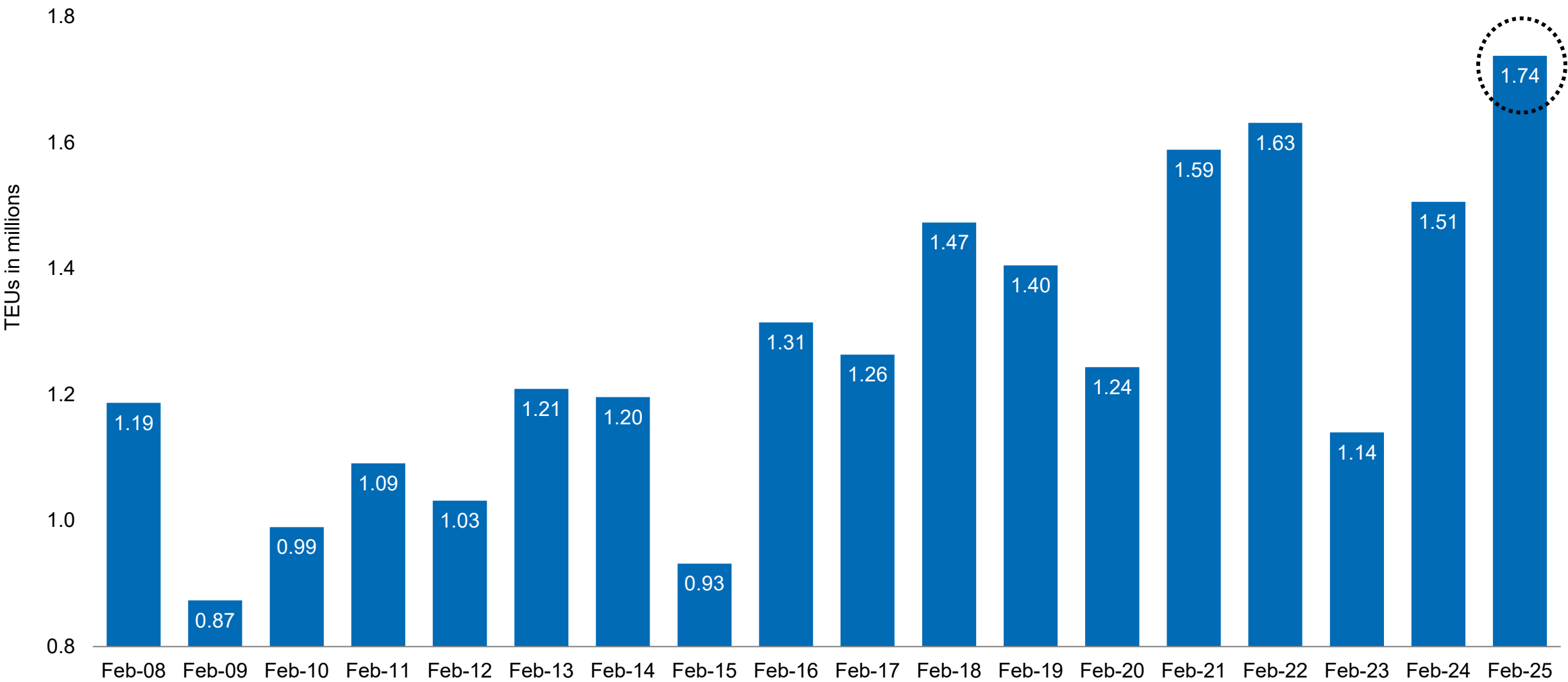


Source: Newmark Research, The Port of Long Beach and Los Angeles
Note: TEUs are a standard measure for the steel cargo containers commonly used interchangeably on ships, trucks and trains. A TEU or 20-foot equivalent unit is the industry measure used to tally cargo containers, whether the containers are 20-foot long, 40-foot long or some other size.

Loaded Import Volume in the First Two Months of 2025 Was Highest on Record

Import activity is expected to decelerate amid President Trump’s new (and potentially escalating) tariffs. Resolved labor concerns at U.S. Gulf and East Coast ports is another factor.

The Ports of Los Angeles and Long Beach: Loaded Imports | First Two Months of a Given Year

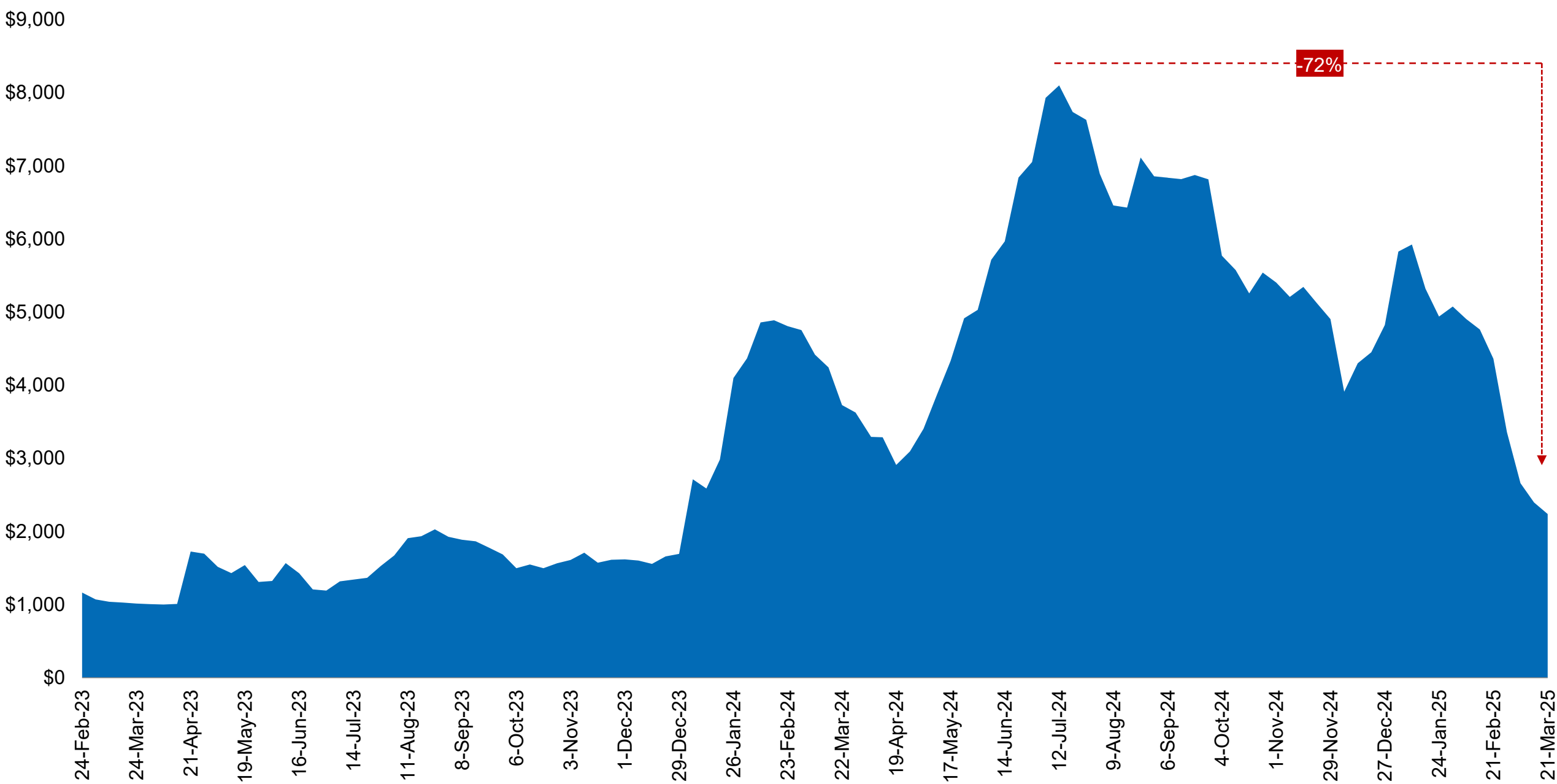


Source: Newmark Research, The Port of Long Beach and Los Angeles
Note: TEUs are a standard measure for the steel cargo containers commonly used interchangeably on ships, trucks and trains. A TEU or 20-foot equivalent unit is the industry measure used to tally cargo containers, whether the containers are 20-foot long, 40-foot long or some other size.

Ocean Container Spot Rates Are Coming Down

Spot rates are cooling after 1) U.S. Gulf and Eastern Seaboard dockworkers signed a new six-year contract and 2) The Trump Administration introduced additional tariffs on Chinese goods. Rates will slide further if U.S. consumer spending decelerates.

Ocean Container Spot Rates from China/East Asia to North America’s West Coast

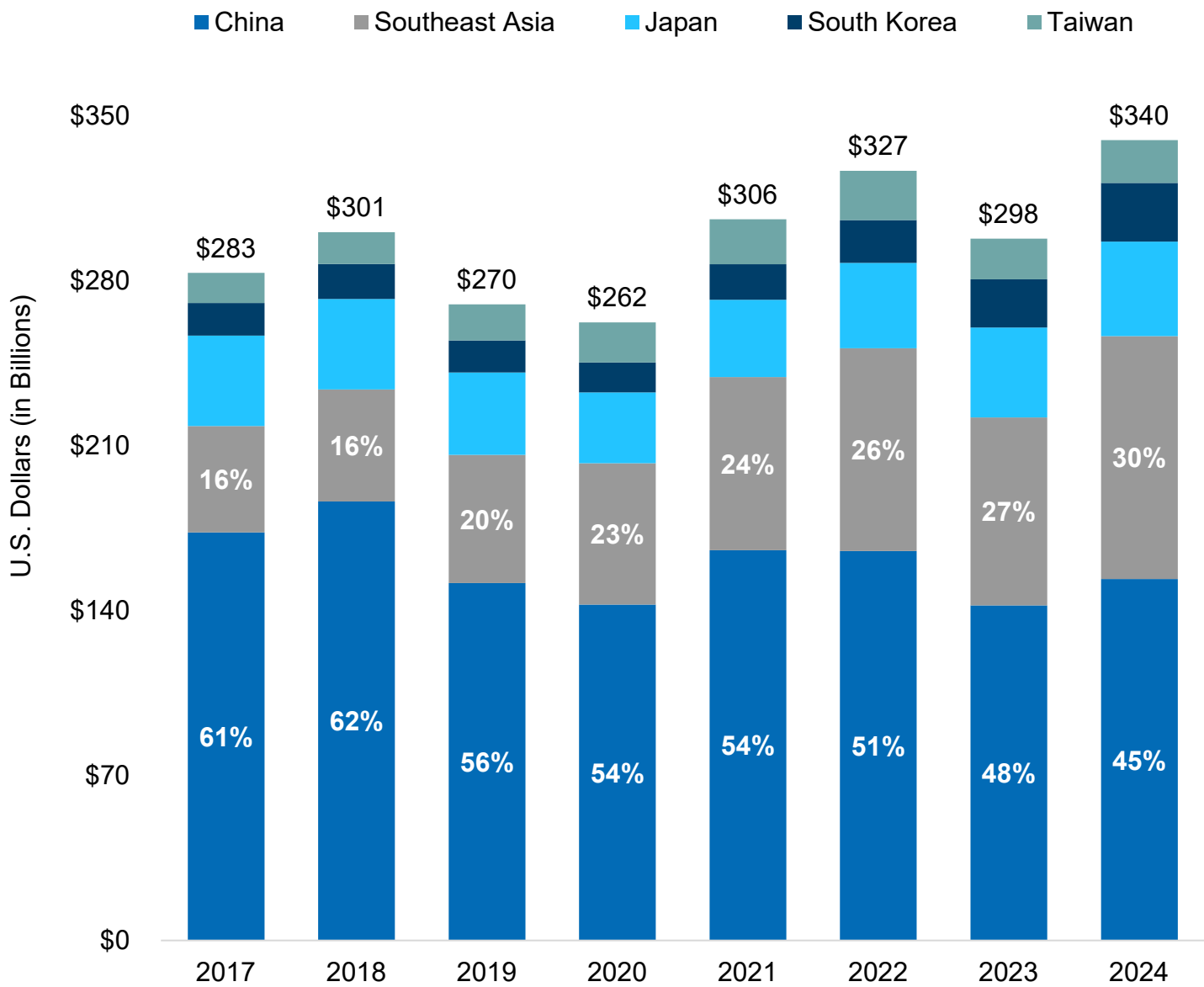


Source: Freightos, Newmark Research
Note: A spot rate is a one-time rate based on supply and demand, or shipment volume compared to available equipment. Because spot rates reflect current market conditions, they fluctuate continually. So, when load volumes are high and capacity is limited, pricing tends to increase.

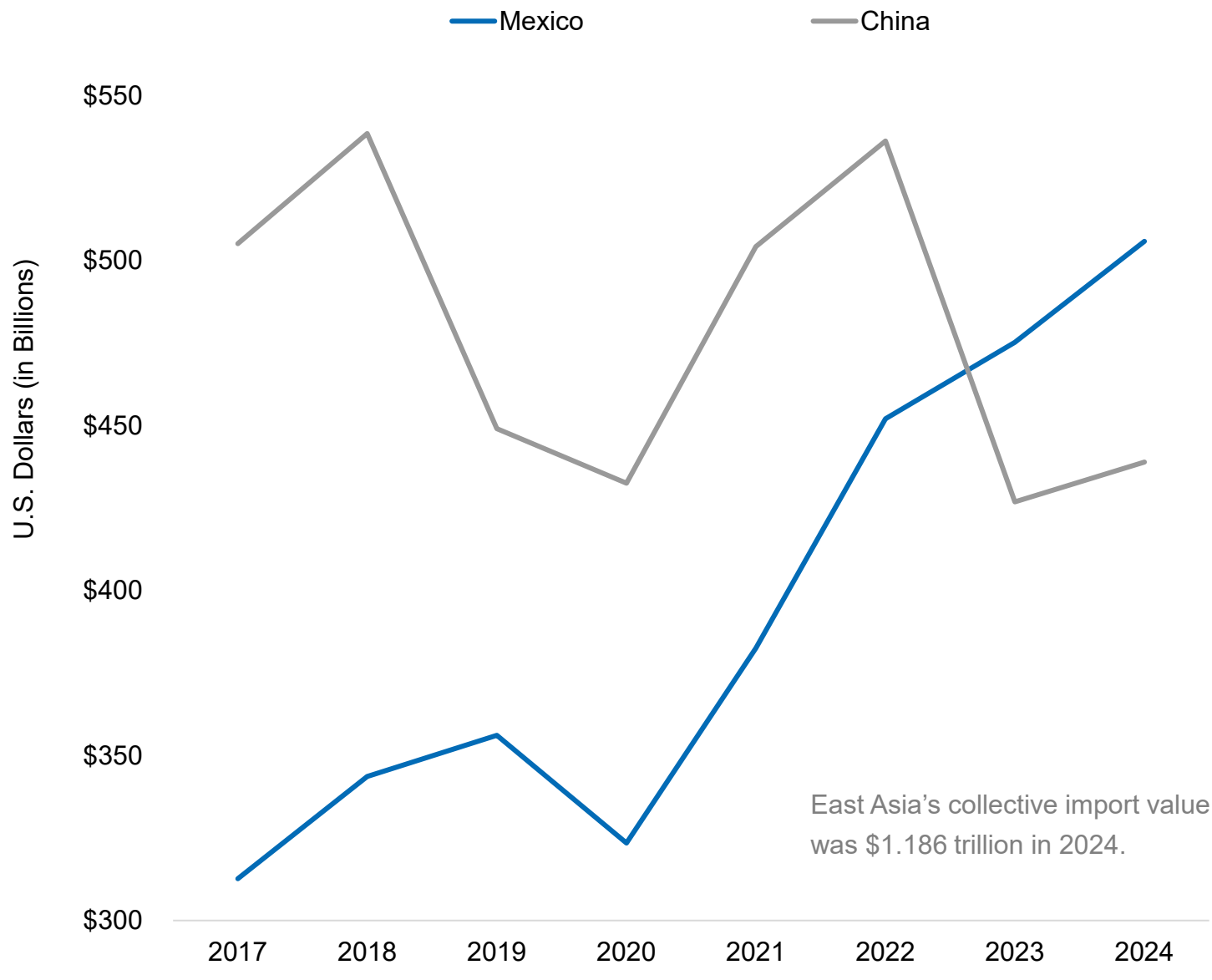
Southeast Asia Imports to POLA-POLB are Growing; Mexico Remains U.S.’ Top Trade Partner

China’s exporter-dominance is narrowing due to lower manufacturing wages in other countries; escalating U.S. tariffs (began in 2018 and grew more contentions in early 2025); and stringent lockdown measures during the height of COVID-19 that stalled production and riled global supply chains. Although Mexico’s manufacturing industry is rising, East Asia will continue to produce the bulk of the world’s goods; Southern California’s seaports will remain the dominant point of entry for trans-Pacific routes.

Annual Import Value from East Asia to Ports of Los Angeles and Long Beach



Annual Import Value to U.S. from Mexico and China (All Ports of Entry)



Source: Newmark Research, USA Trade Online, US Census Bureau
Note: Southeast Asia includes the following countries: Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam

West Coast Dockworkers Signed a New Contract in 2023; Their Eastern Counterparts Just Settled

The ILWU and PMA signed a new labor contract in September 2023, restoring a sense of much-needed stability at U.S. West Coast seaports through late 2029. For Gulf and East Coast Ports: After a contentious negotiation period since late 2023 (that gave shippers the jitters—causing some imports to be rerouted to western ports of entry), a Master Contract between the ILA and USMX was finally signed, restoring stability.

West Coast Ports Agreement Reached; New Contract Good Through Mid-2028

- The International Longshore Warehouse Union (ILWU) represents dockworkers at 29 ports from Washington State to California. The Pacific Maritime Association (PMA) represents ocean carriers and terminal operators.
- The prior contract expired on July 1, 2022.
- The ILWU has a history of work disruptions in prior negotiation periods, ranging from strikes, to deliberate work slowdowns to under-staffing shifts.
- These disruptions have cost major retailers billions of dollars in the past.
- A tentative agreement was reached on June 15, 2023 for what became a new six-year contract. Longshore workers secured a 32% salary increase.
- Many Asian importers temporarily pushed inbound goods to East and Gulf Coast ports before an agreement was reached.



Gulf and East Coast Ports Strike a Deal in March 2025

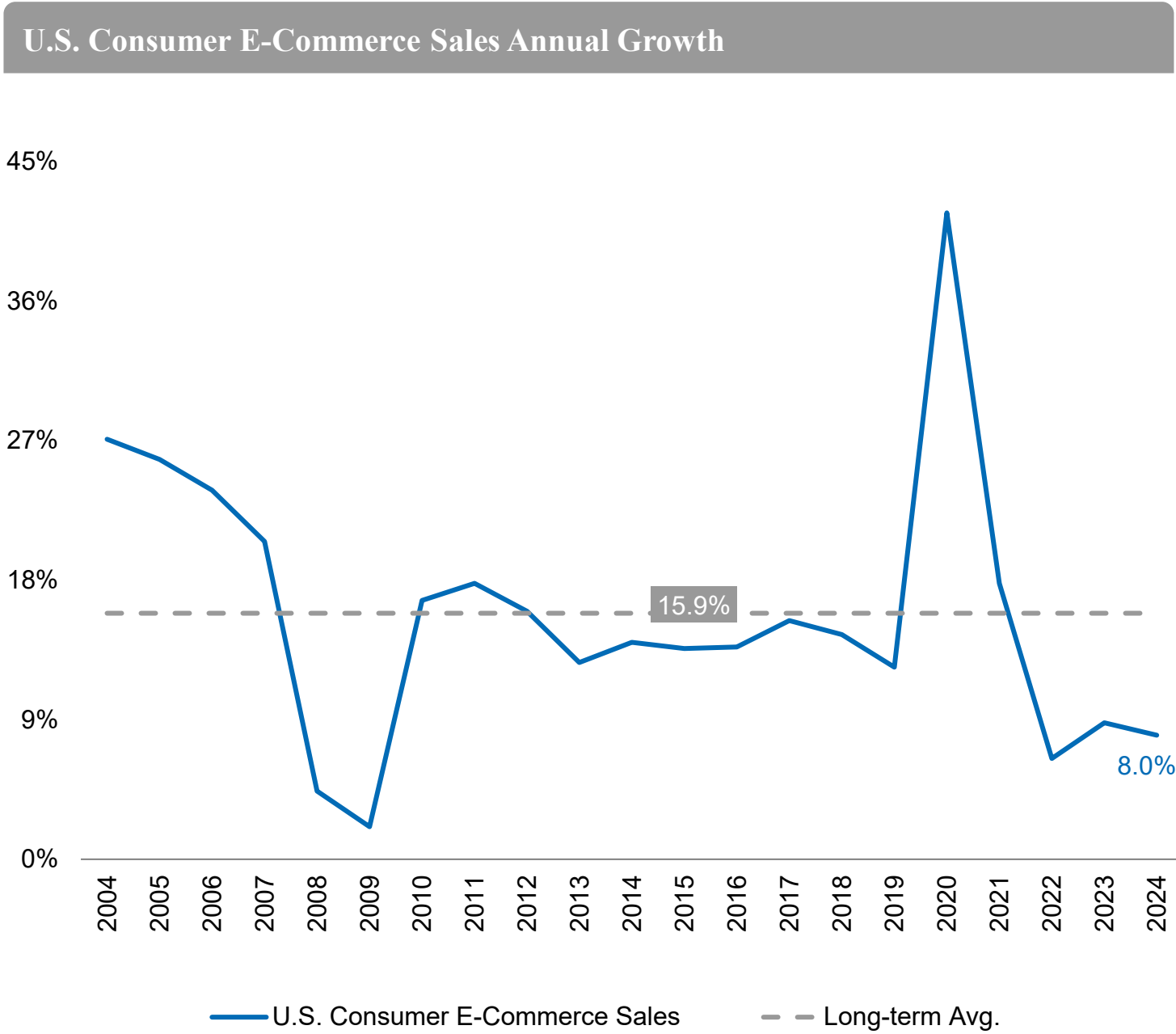
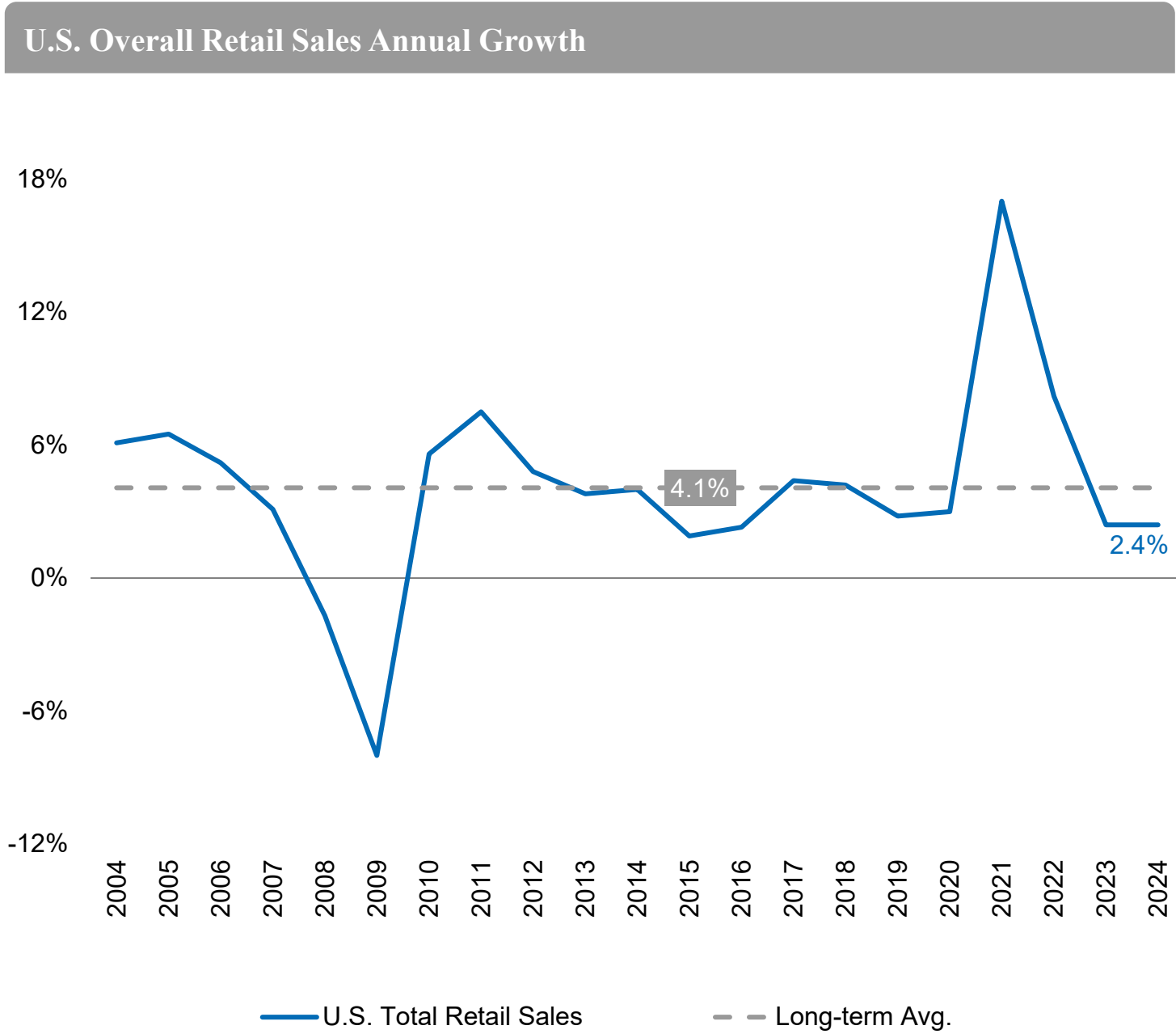
- The International Longshoremen's Association (ILA) represents dockworkers at 36 ports from Maine to Texas. The United States Maritime Alliance (USMX) represents ocean carriers and terminal operators.
- Their last contract expired on September 30, 2024.
- Harold Daggett, International President of the ILA, initiated a strike on October 1, 2024 that ended two days later.
- A new six-year Master Contract was signed on March 11, 2025. It is effective from October 1, 2024 through September 30, 2030.
- Job protection from automation and higher pay (a 62% wage increase over six years) for longshore workers are highlights from the new contract.
- Imports that were temporarily diverted to western ports of entry will return.



Source: Newmark Research, CNBC, Journal of Commerce, Reuters

Retail Sales (an Indicator of Warehouse Demand) Continue to Moderate

Consumer e-commerce sales were up 2.4% in 2024 relative to 2023. Although e-commerce sales growth exceeded total retail sales (+8.0% over the same period), the decline from 2021 onward is noticeable as consumer spending registers slower gains. Economists are lowering their retail growth projections due to economic uncertainty from tariffs.

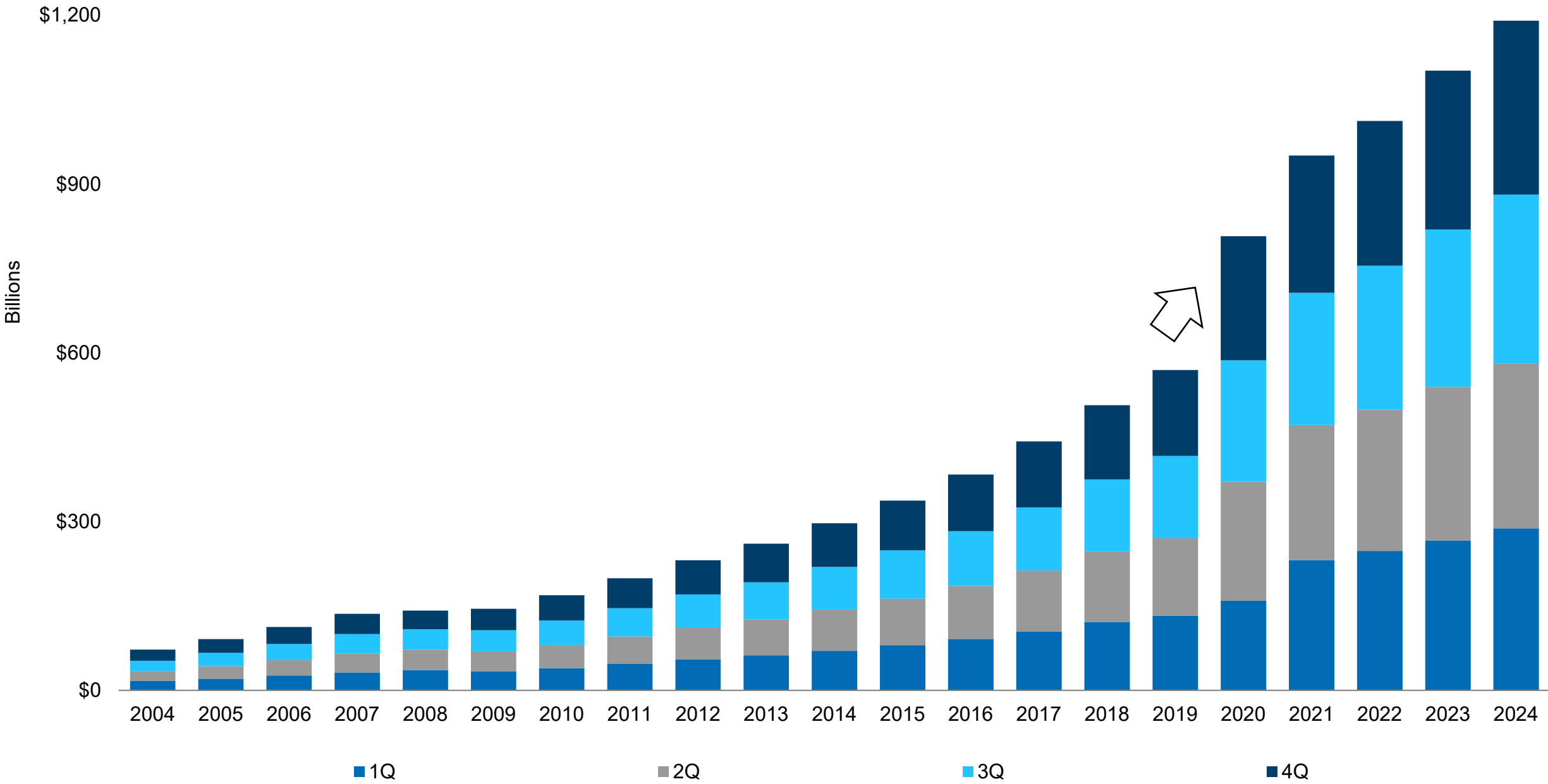


Source: US Census Bureau (consumer adjusted retail sales); most current data available

The Pandemic Accelerated E-Commerce Sales Growth and Adoption Rates

Every \$1.0 billion in e-commerce sales is supported by roughly 1.2 MSF of logistics space. More e-commerce facilities are to be expected, especially in markets with large populations.

U.S. Consumer E-Commerce Sales Volume | By Quarter



Source: US Census Bureau (consumer adjusted retail sales); most current data available.

For more information:

Amelia Yates
Research Manager
Salt Lake City, Phoenix, Las Vegas
amelia.yates@nmrk.com

Dain Fedora
Head of Research
Southwest
dain.fedora@nmrk.com

Salt Lake City Office
376 E. 400 S., Suite 120
Salt Lake City, UT 84111
t 801-578-5555

New York Headquarters
125 Park Ave.
New York, NY 10017
t 212-372-2000

nmrk.com

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights.

All information contained in this publication (other than that published by Newmark) is derived from third party sources. Newmark (i) has not independently verified the accuracy or completeness of any such information, (ii) does not make any warranties or representations, express or implied, concerning the same and (iii) does not assume any liability or responsibility for errors, mistakes or inaccuracies of any such information. Further, the information set forth in this publication (i) may include certain forward-looking statements, and there can be no guarantee that they will come to pass, (ii) is not intended to, nor does it contain sufficient information, to make any recommendations or decisions in relation to the information set forth therein and (iii) does not constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of any offer to buy, or any recommendation with respect to, any securities. Any decisions made by recipient should be based on recipient's own independent verification of any information set forth in this publication and in consultation with recipient's own professional advisors. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains with any third party. This publication is for informational purposes only and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter. If you received this publication by mistake, please reply to this message and follow with its deletion, so that Newmark can ensure such a mistake does not occur in the future.

NEWMARK