

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 May 2025, outperforming the 4.2% national average.
- [Broad U.S. tariffs](#) on foreign goods in early April were followed by deadline extensions, country-by-country negotiations, and warnings of additional duties. U.S. importers are in a cat-and-mouse game as they race to bring in product before new duties go into effect.
- Business leaders have cautioned that an inconsistent tariff policy will increase inflation risk and keep volatility high.
- Consumer Confidence has fallen in recent months, and U.S. retail sales are expected to slow. The sales drop will be steep if domestic unemployment sharply increases.
- The Fed maintained its benchmark interest rate at 4.25%-4.5%.

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

- Demand for specialized and small-bay spaces remains high, commanding rental premiums amid tight supply.
- All Wasatch Front counties experienced modest rental growth in the first half of 2025.
- Inflationary pressures and 4% annual rent escalations are driving cost-conscious occupiers toward Class B and C assets.
- Overall leasing activity is stronger in 2025 than in 2024 but leasing velocity has slowed just slightly (2.4% QOQ) as users await to see the impact of tariffs.
- 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.
- 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

2Q25

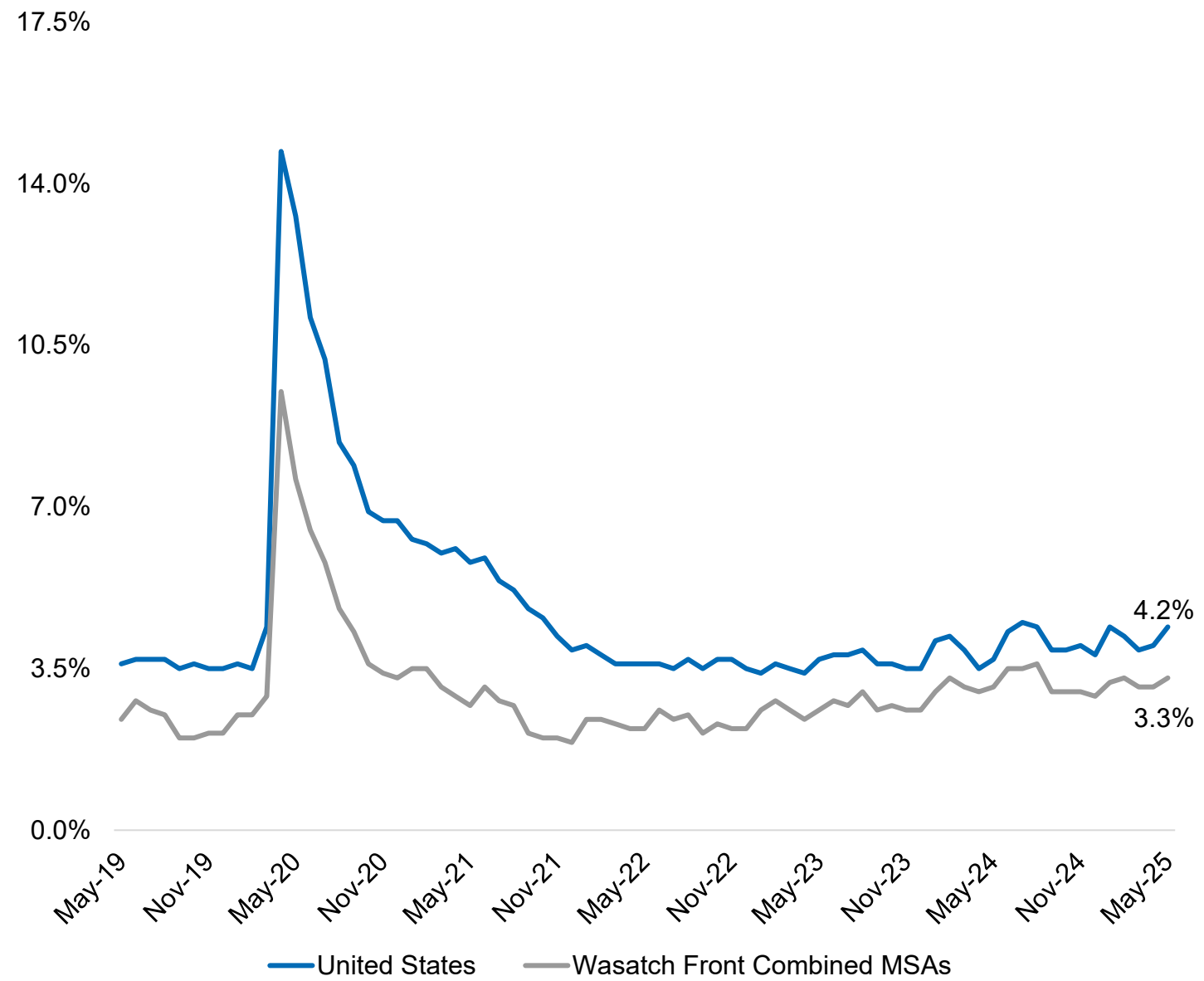
Economy



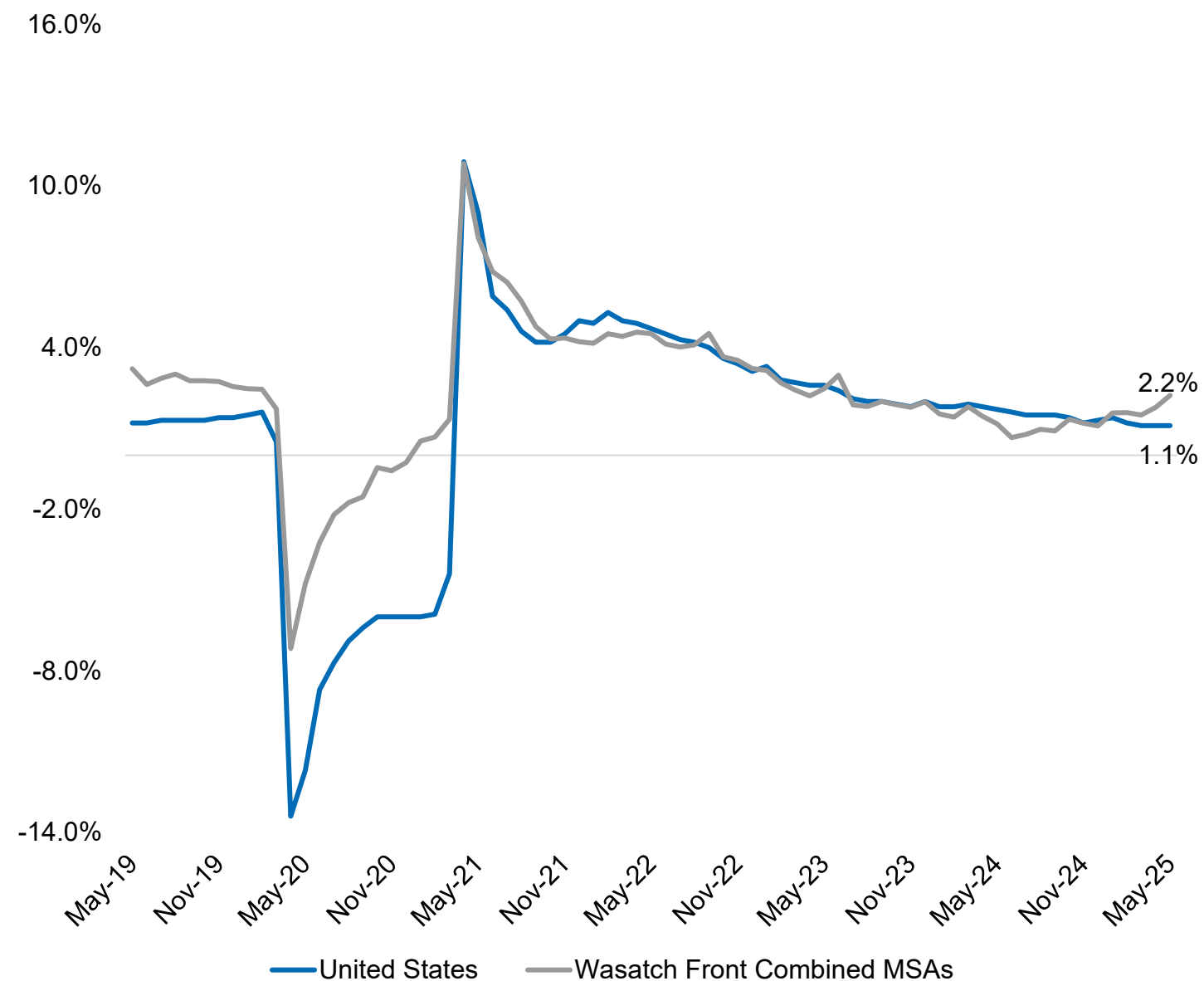
Wasatch Front Labor Market Outpaces National Trends

As of May 2025, the Wasatch Front continues to outperform national labor market benchmarks, boasting an unemployment rate 90 basis points below the U.S. average. Despite ongoing economic uncertainty, the region’s job market remains resilient, posting a robust 2.2% year-over-year employment growth, doubling the national pace of 1.1%.

Unemployment Rate, Not Seasonally Adjusted



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



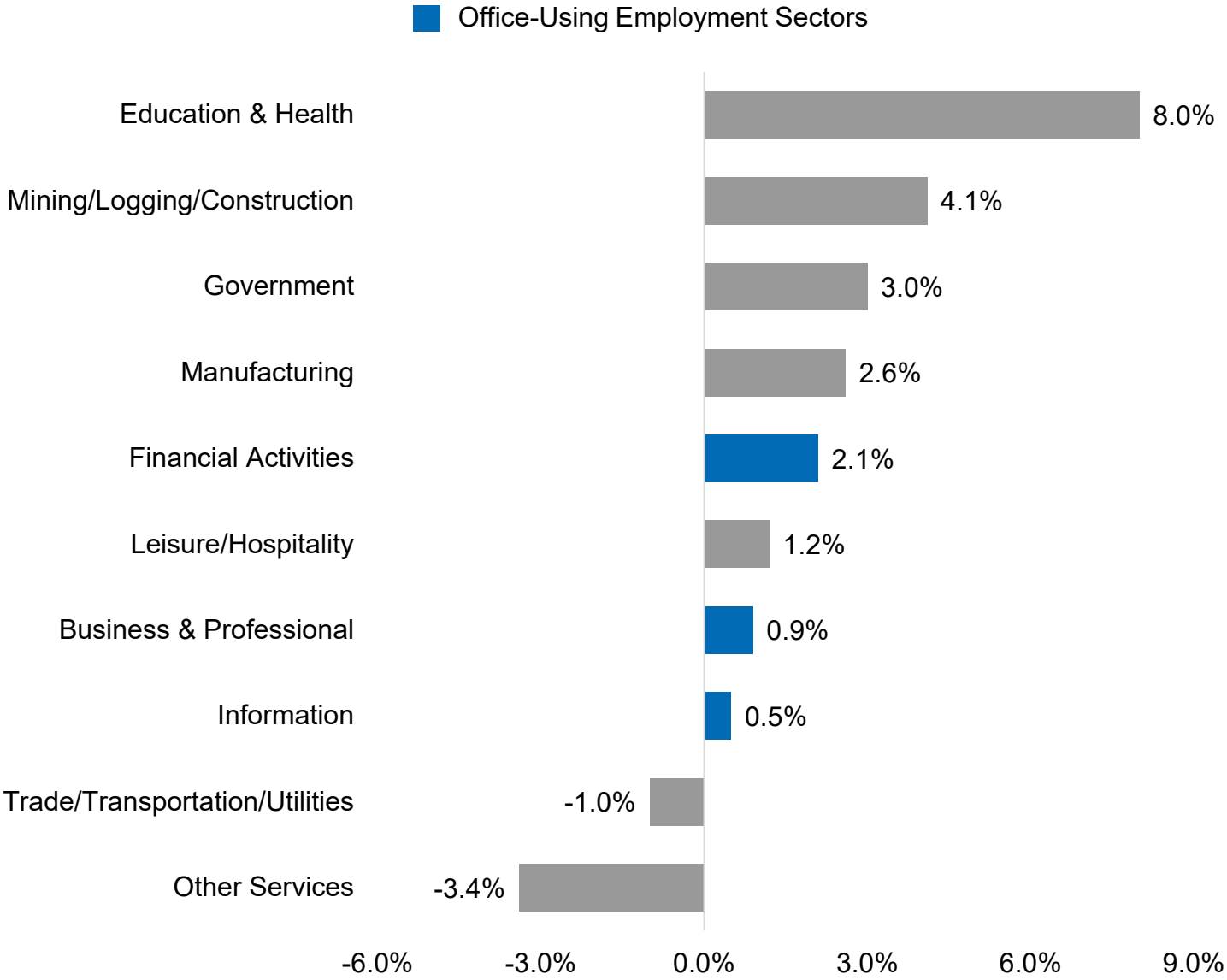
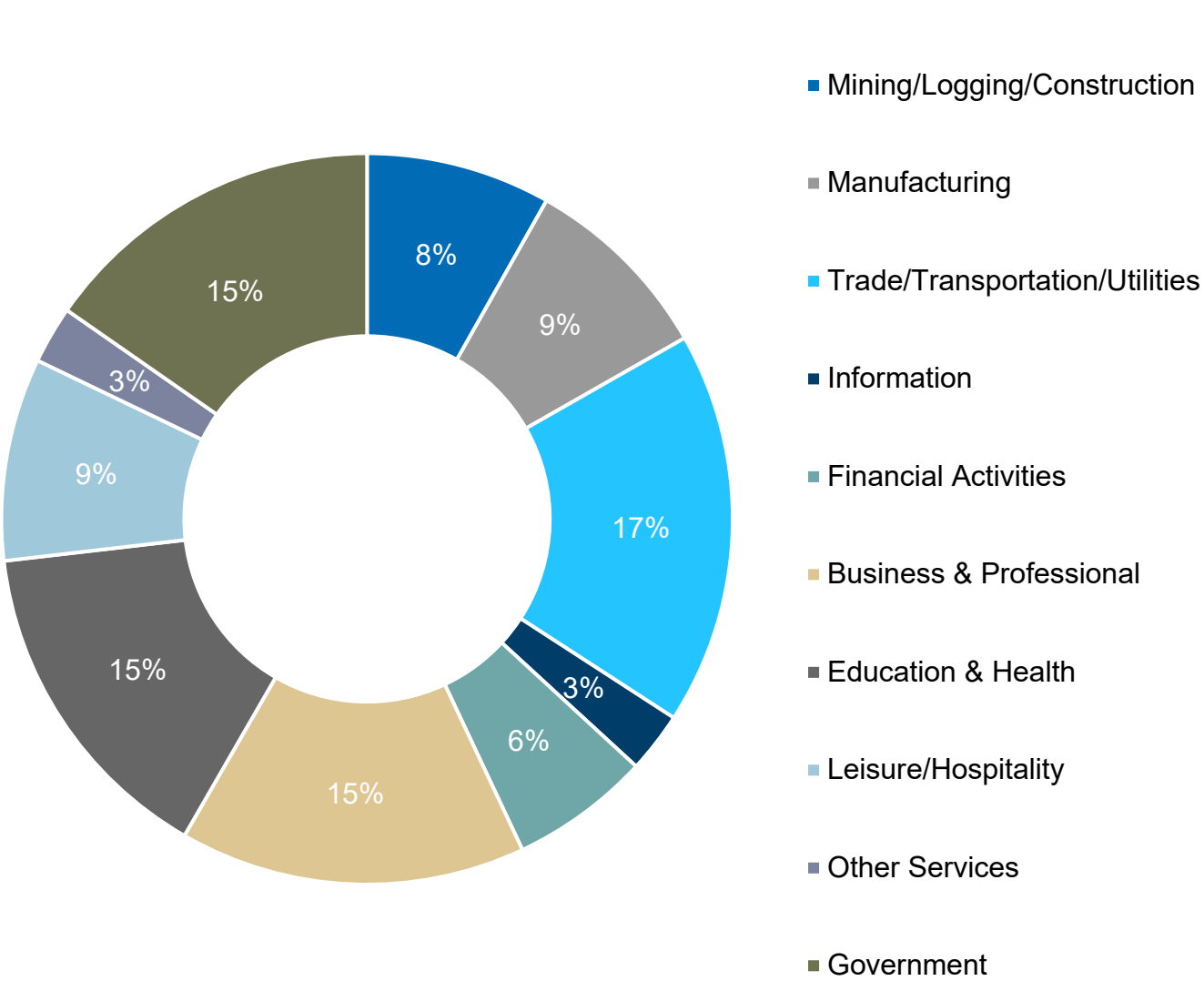
Source: U.S. Bureau of Labor Statistics
*Wasatch Front Combined MSAs include: Salt Lake City MSA, Provo-Orem MSA and Ogden-Clearfield MSA

Population Growth Fuels Core Sector Hiring, But Service Jobs Lag

Year-over-year nonfarm job growth across the Wasatch Front was led by education and health (+8.0%), construction (+4.1%), and government (+3.0%). A growing population has intensified demand for teachers and healthcare workers, prompting employers to expand hiring to address persistent shortages. In contrast, job losses in other services (–3.4%) reflect shifting consumer behavior amid inflation and tariff pressures. While core public and infrastructure sectors remain strong, weakness in discretionary service employment may weigh on broader economic momentum moving forward.

Wasatch Front Employment by Industry, May 2025

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

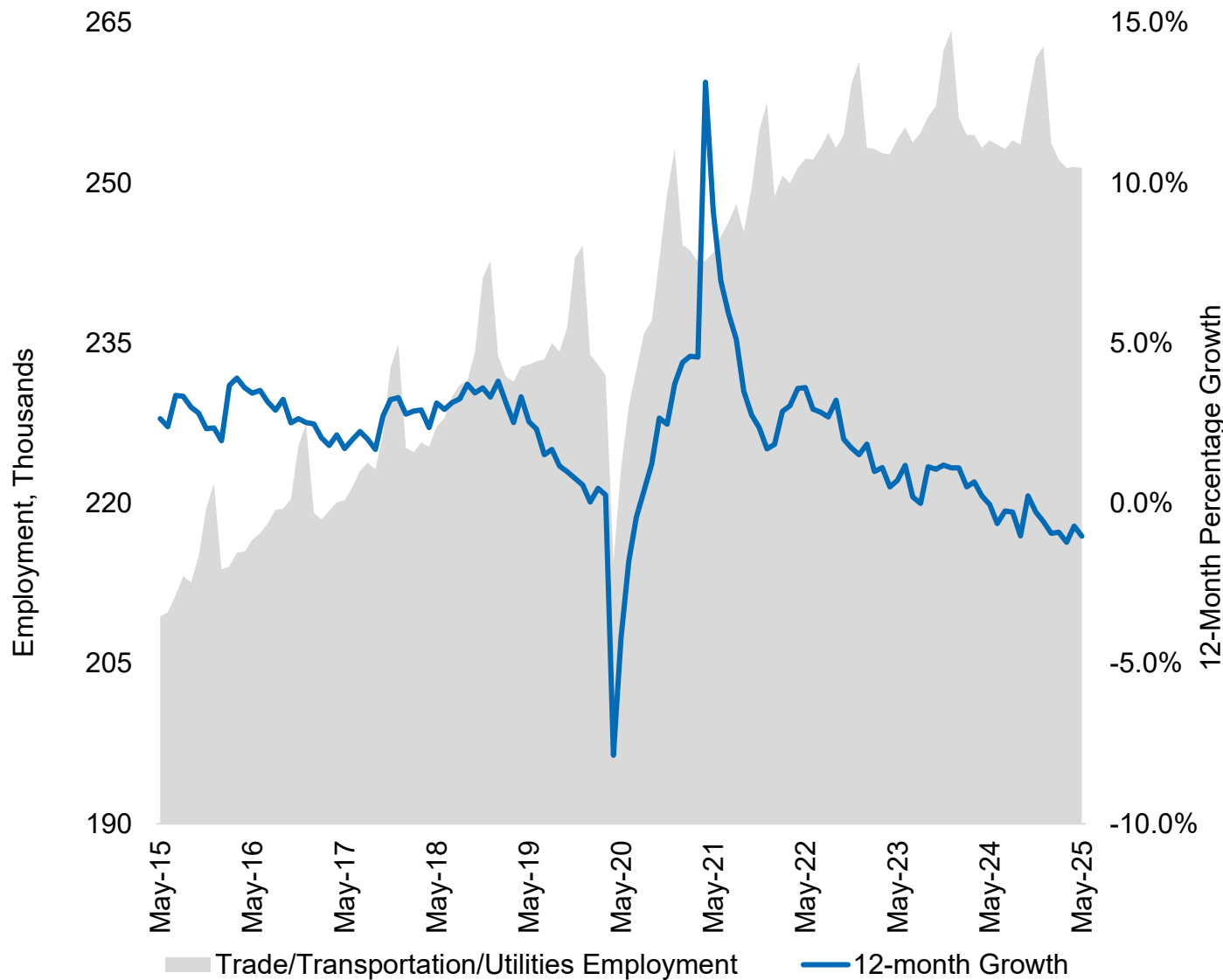


Source: U.S. Bureau of Labor Statistics
*Wasatch Front Combined MSAs include: Salt Lake City MSA, Provo-Orem MSA and Ogden-Clearfield MSA

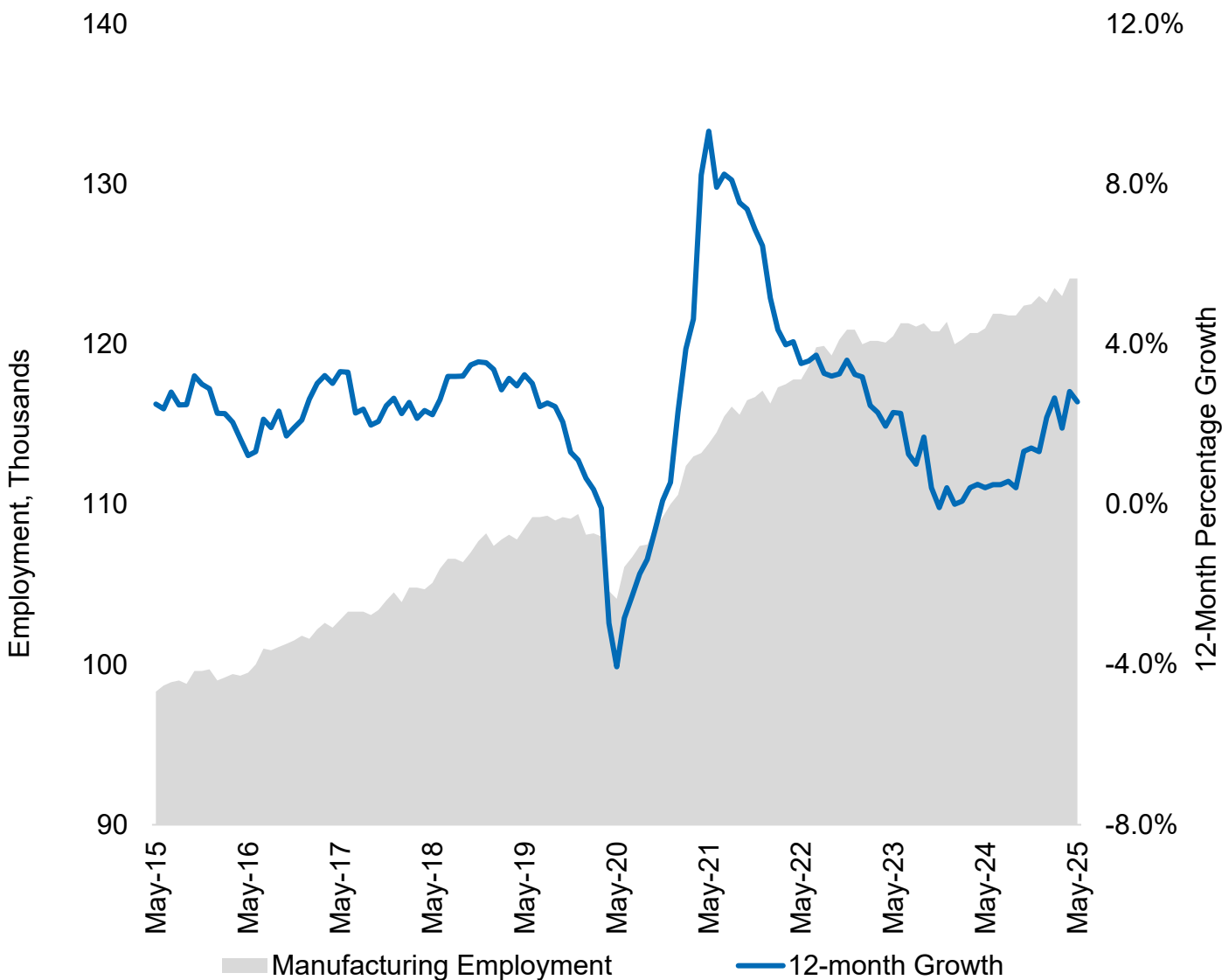
Manufacturing Employment Rebounds as Trade Sector Levels Off

Following three years of rapid expansion, the trade, transportation, and utilities sector is stabilizing amid cooling consumer demand. Manufacturing employment, which declined in late 2023, has rebounded in recent quarters as new projects and business expansions take hold across the Wasatch Front. This recovery underscores the region’s growing industrial base, supported by strategic investment and 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

Balanced Growth Across Wasatch Front, Provo-Orem Facing Office Sector Headwinds



Please reach out to your
Newmark business contact for this information

U.S. Consumer Confidence is Down



Please reach out to your
Newmark business contact for this information

2Q25

Salt Lake City Market Fundamentals



Salt Lake County Submarket Map and High-Level Statistics | 2Q25

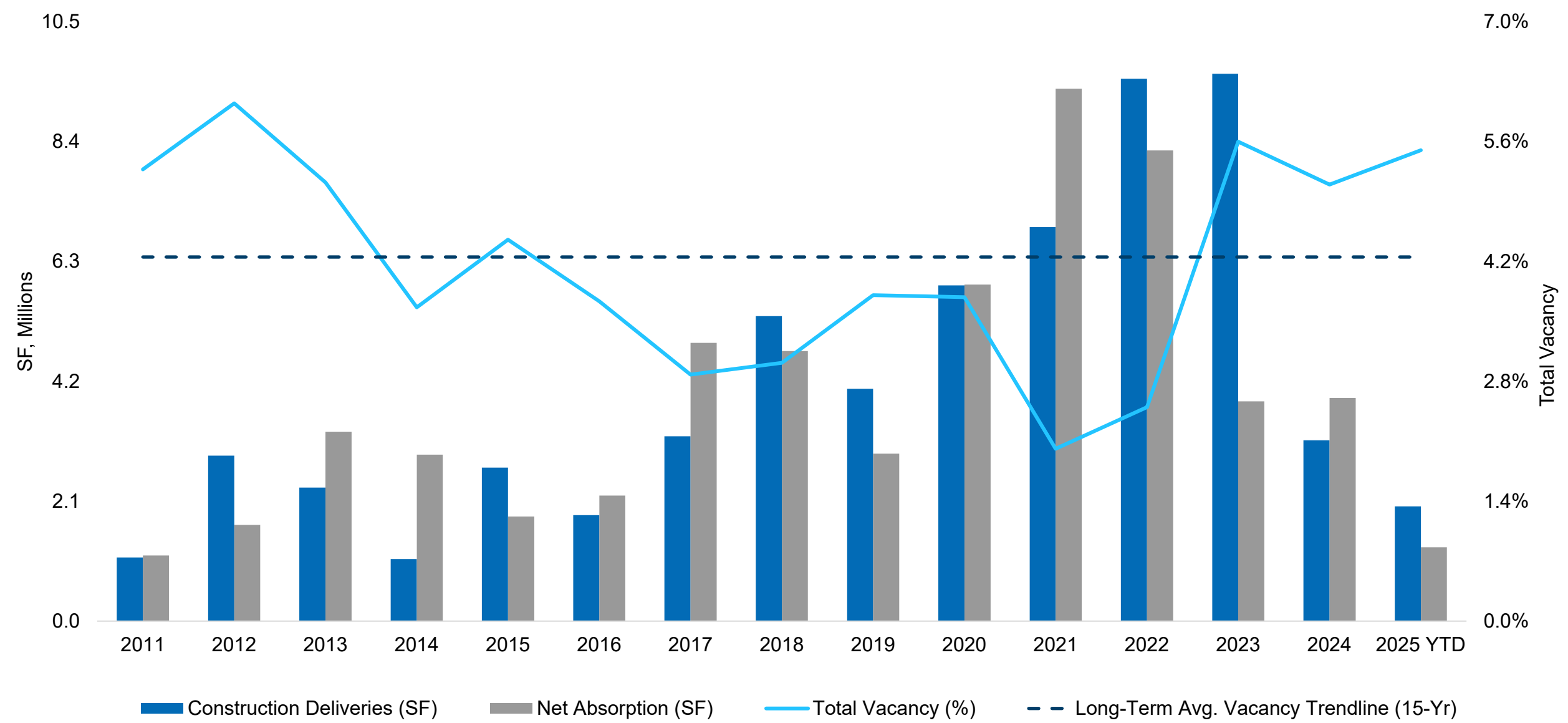


Please reach out to your
Newmark business contact for this information

Vacancy Rises Slightly, But Slower Construction Signals Stronger Absorption Ahead

Total vacancy rose 40 basis points to 5.5% in the first half of 2025, as new deliveries once again outpaced net absorption. However, with construction starts slowing significantly, absorption is expected to surpass deliveries later this year. While pre-leasing has declined, newly completed buildings are leasing steadily—averaging 50% occupancy within two quarters and achieving full lease-up within 18 months, or faster for top-tier assets.

Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research

Stable Vacancy Across Property Types, with Strong Absorption in Medium Distribution

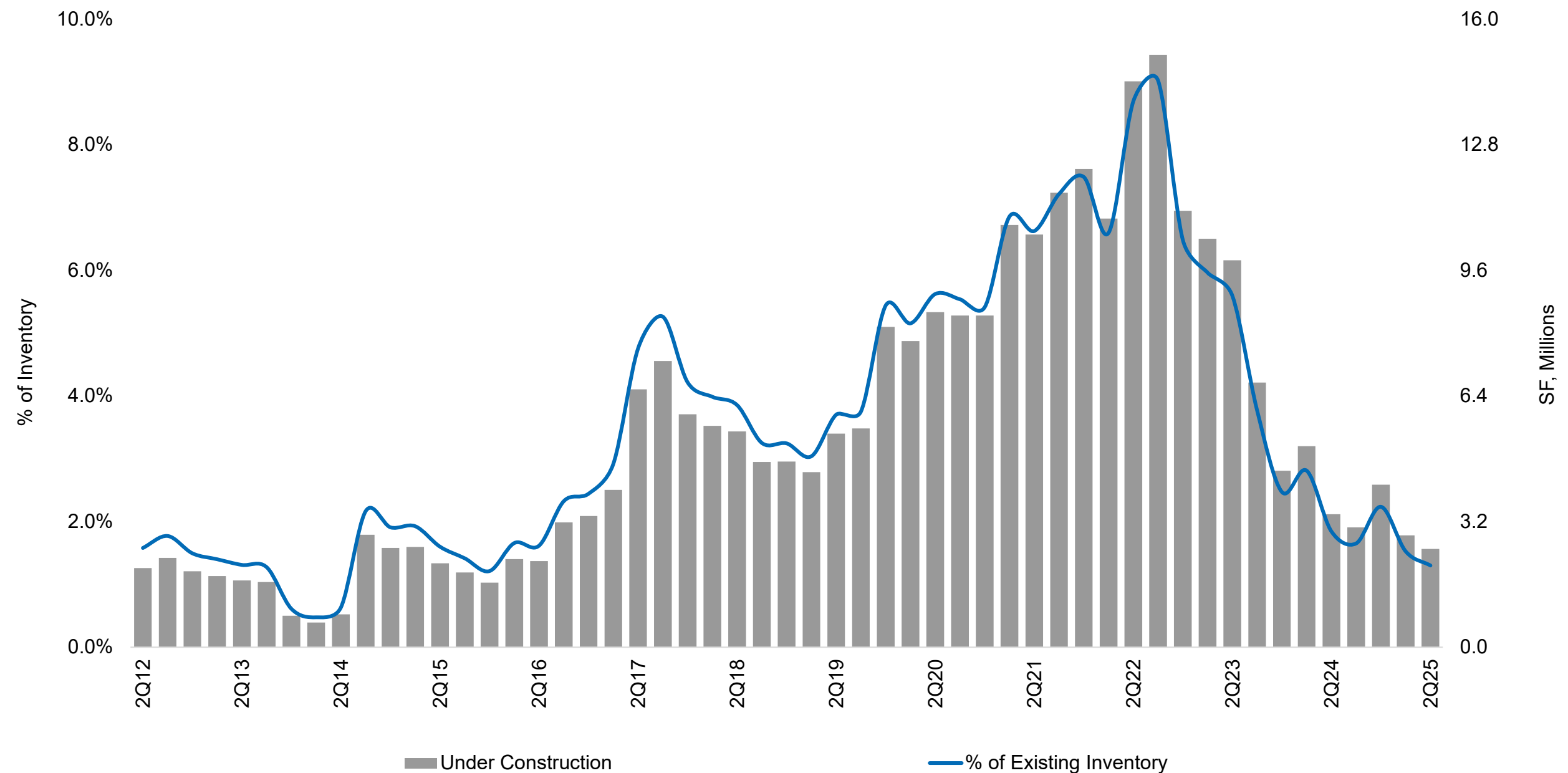


Please reach out to your
Newmark business contact for this information

Industrial Construction Cools as Costs and Caution Reshape Development

Under-construction activity has declined steadily since peaking at 15.1 MSF in 2022. In 2025, elevated construction costs, inflationary pressures, and tariff-related uncertainties have dampened developer interest in new industrial projects. As a result, construction starts have been largely limited to smaller flex buildings and build-to-suit developments.

Industrial Under Construction and % of Existing Inventory

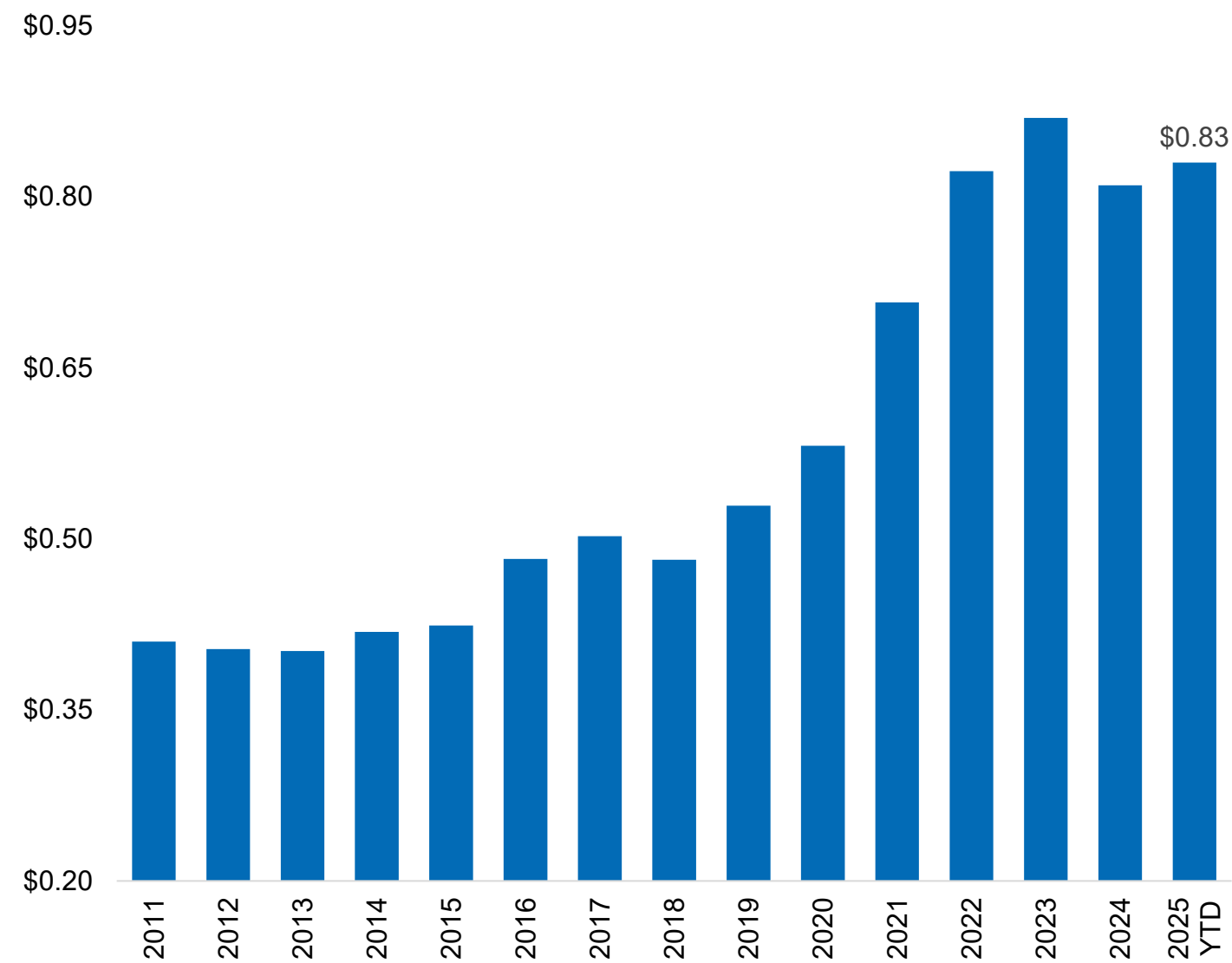


Source: Newmark Research

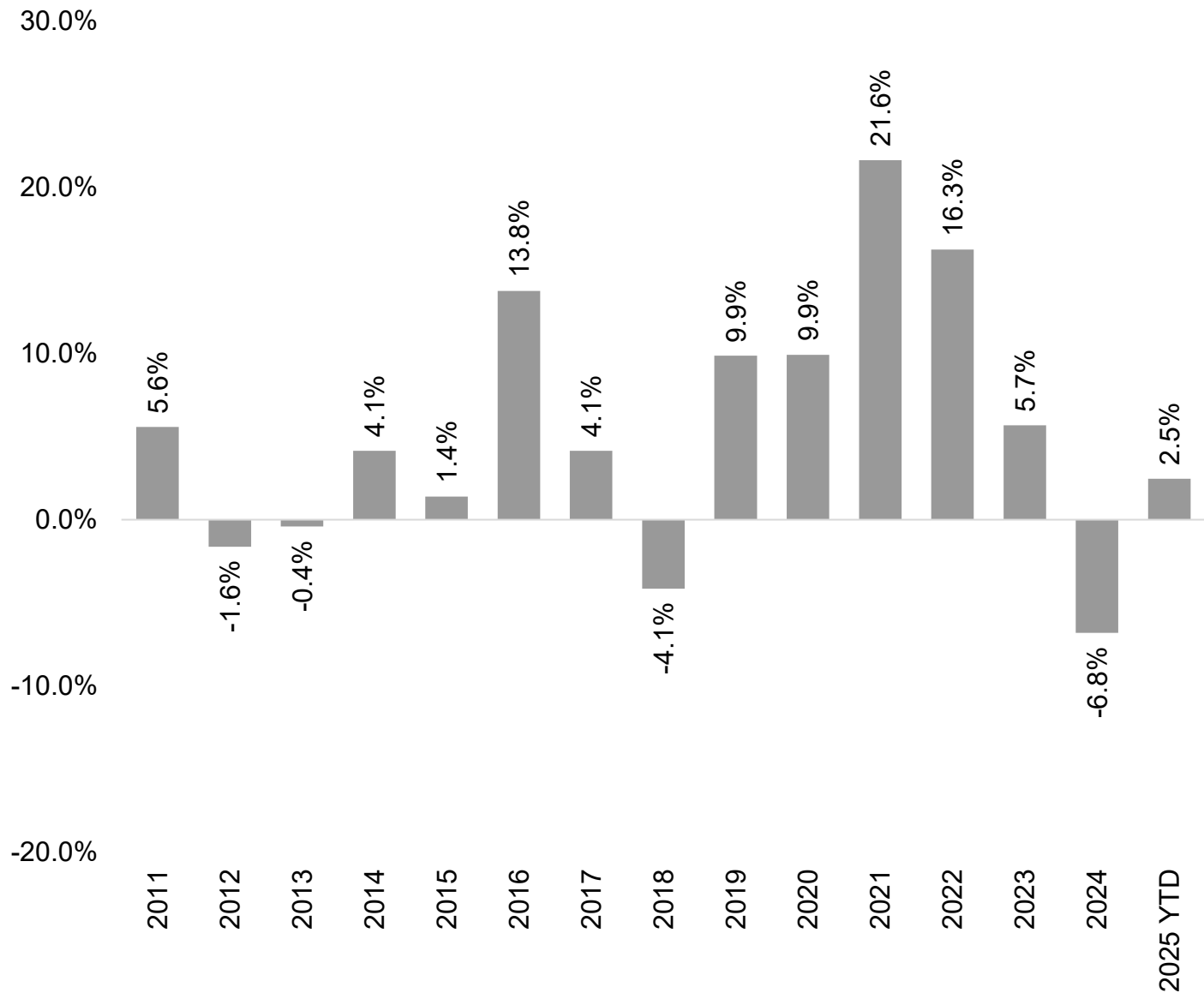
Rents Stabilize After Market Correction, with Modest Growth on Horizon

After two years of double-digit growth, average asking rents rose 5.7% in 2023 before correcting by 6.8% in 2024—bringing rates just below 2022 levels. In 2025, rents are showing modest growth, currently averaging \$0.83/SF, though still below 2023 figures. The correction reflects occupier right-sizing and increased sublease availability. With demand now outpacing supply, landlords may regain pricing leverage, positioning the market for rent stabilization or slight increases ahead.

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



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research

Rent Trends Diverge by Product Type as Market Recalibrates



Please reach out to your
Newmark business contact for this information

Lease Term Trends Reflect Tenant Caution and Flexibility Needs



Please reach out to your
Newmark business contact for this information

Notable 2Q25 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 second quarter of 2025.

Select Lease Transactions				
Tenant	Building	Submarket	Lease Type	Square Feet
IQS	Landmark 4	California Avenue	Direct New	686,865
IQS leased the entirety of Landmark 4 for 686,865 SF.				
Packaging Corporation of America	Landmark 3	California Avenue	Lease Renewal	404,040
Packaging Corporation of America recommitted for another term in Landmark 3.				
Central Garden & Pet Company	Ritchie Quadrant 2	Airport	Direct New	329,331
Ritchie Quadrant 2 welcomed Central Garden & Pet Company as its last tenant to fill occupancy after the building was delivered in 4Q 2023.				
The Tondo Group	Link – M #1	California Avenue	Direct New	135,153
Link Logistics leased 135,153 SF to the Tondo Group, an e-commerce fulfillment group.				
Rugby Holdings	2850 S 900 W	West Valley	Lease Renewal	127,432
Building product company, Rugby, renewed for 127,432 SF.				

Source: Newmark Research

Owner-User Demand Pushes Sale Prices to New Highs



Please reach out to your
Newmark business contact for this information

Notable 2Q25 Sale Transactions

The northwest region of the county continues to attract investors, particularly in well-performing single-tenant/sale-leaseback transactions or larger portfolio packages.

Select Sale Transactions				
Buyer	Building	Submarket	Sale Type	Square Feet
Confidential	SLC Global Logistics Center 4	Airport	Investment	1,032,248
Colmena Group sold the over 1 million SF building to a confidential buyer.				
Longpoint Realty Partners	Starwood Portfolio – Utah Portion	California Avenue	Investment	480,550
In a large multi-state transaction, Longpoint Realty Partners picked up 480,500 SF for the Utah portion of the portfolio from Starwood Capital.				
Nuveen	Bullfrog Spas International	Bluffdale	Investment	264,524
Nuveen purchased the Bullfrog Spas International building from Dogwood Industrial.				
Warespace	391 S. Orange St.	California Avenue	Owner-User	185,599
Warespace, an industrial coworking company, purchased the 185,599-SF building in the California Avenue submarket.				



Please reach out to your
Newmark business contact for this information



Please reach out to your
Newmark business contact for this information



Please reach out to your
Newmark business contact for this information



Please reach out to your
Newmark business contact for this information

2Q25

Additional Markets – Davis and Weber Counties



Davis and Weber Counties Submarket Map and High-Level Statistics | 2Q25

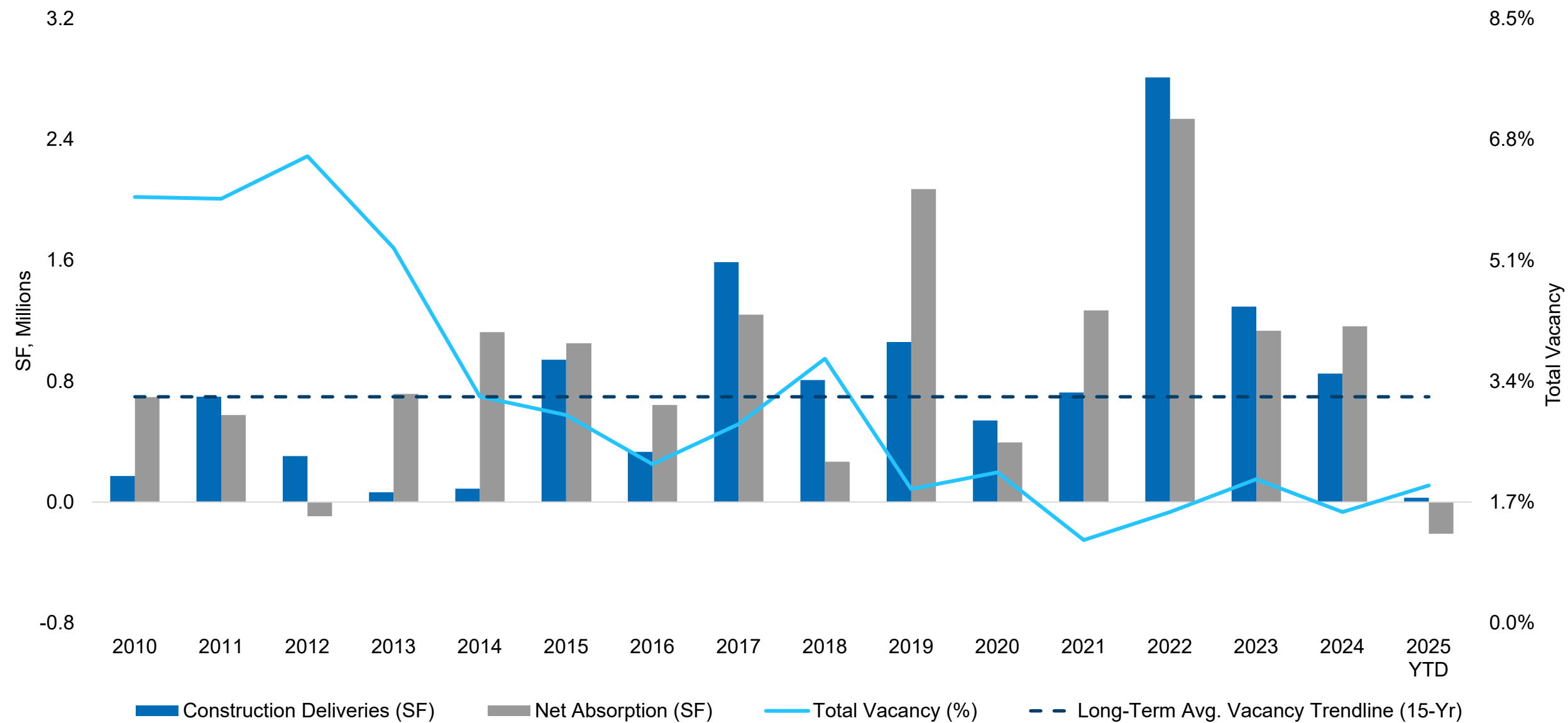


Please reach out to your
Newmark business contact for this information

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

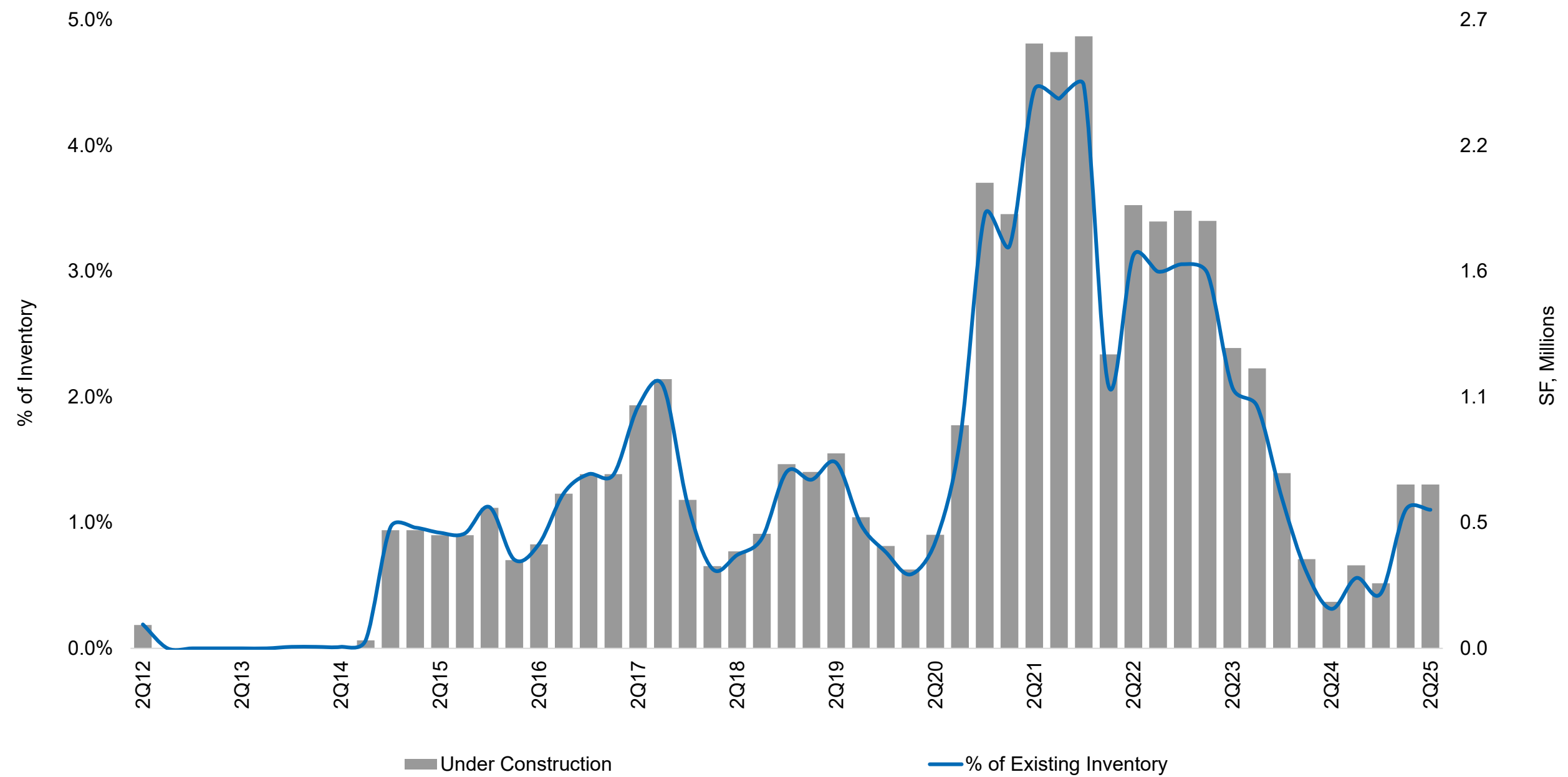


Source: Newmark Research

HAFB Contributes to 1H 2025 Construction Activity

The construction pipeline has declined steadily since peaking at 2.6 MSF in the fourth quarter of 2021. Activity around Hill Air Force Base boosted development in the first half 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 2025

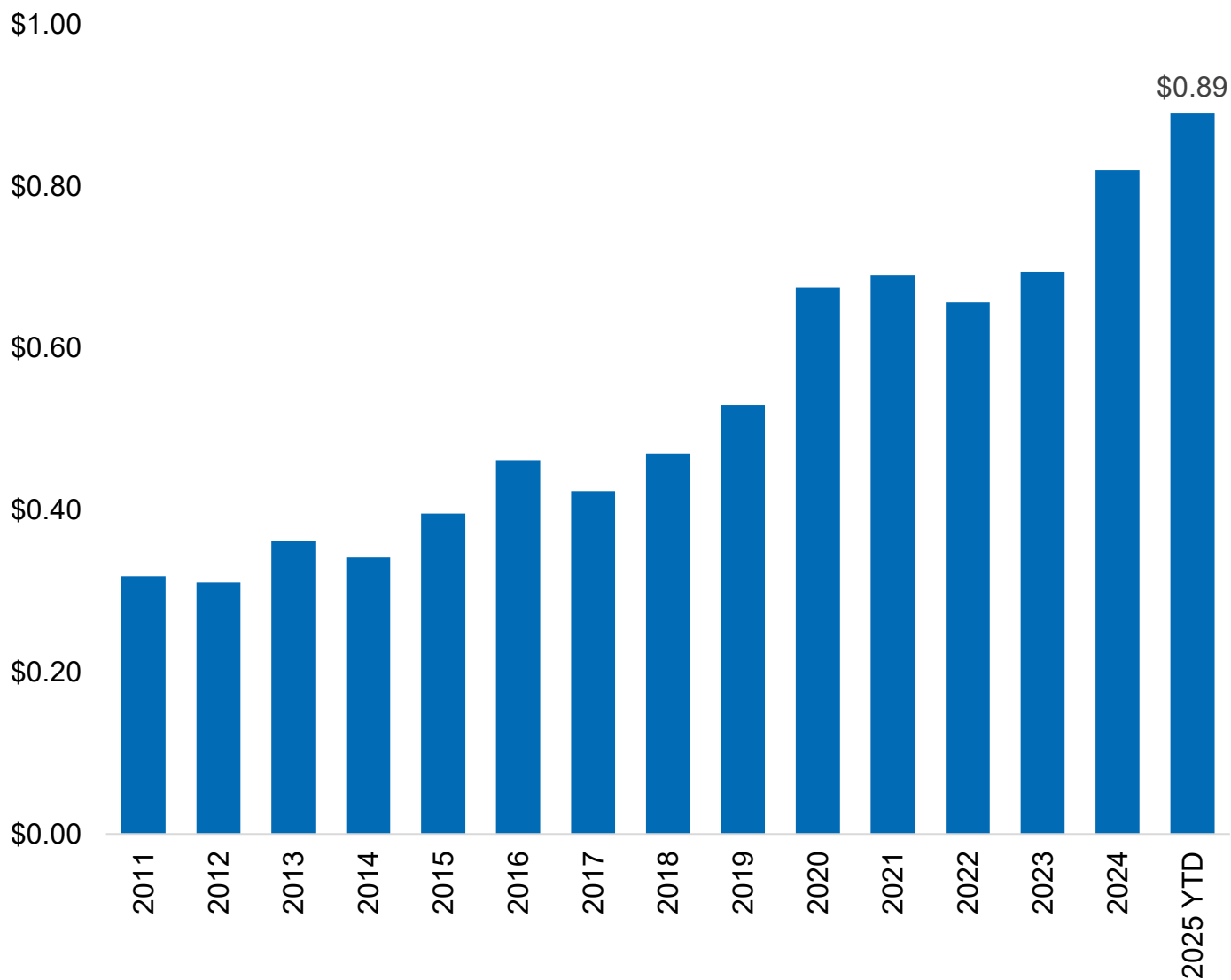


Please reach out to your
Newmark business contact for this information

Rent Growth Persists but Expected to Moderate Amid Economic Uncertainty

Following a decline in 2022, average asking rents have steadily increased, reaching \$0.89/SF. While 2025 has experienced 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 second quarter of 2025.

Select 2Q25 Transactions				
Buyer/Tenant	Building	Submarket	Transaction Type	Square Feet
ACS Manufacturing	200 E. 700 S. – Clearfield Industrial	North Davis	Direct New Lease	324,720
ACS Manufacturing leased the entirety of the 324,720-SF building in Clearfield.				
Flexpak	BDO 11A & 12A	Business Depot Ogden	Lease Renewal	133,770
Flexpak renewed leases in BDO 11A (44,590 SF) and BDO 12A (89,180 SF) for a total of 133,770 within the business park.				
Utah Wholesale Industrial Supply	2044 W. 2425 S. – Woods Cross Industrial	South Davis	Direct New Lease	20,000
Utah Wholesale Industrial Supply took 20,000 SF during the second quarter of 2025.				
OptConnect Management	Kaysville Business Campus 1	North Davis	Lease Renewal	13,052
OptConnect Management signed on for another lease term within the Kaysville Business Campus.				
Wise Cabinetry	Alex Industrial Park	North Davis	Lease Renewal	12,292
Wise Cabinetry leased 12,292 SF in Layton’s Alex Industrial Park for another term.				

Source: Newmark Research

2Q25

Additional Markets – Utah County



Utah County Submarket Map and High-Level Statistics | 2Q25

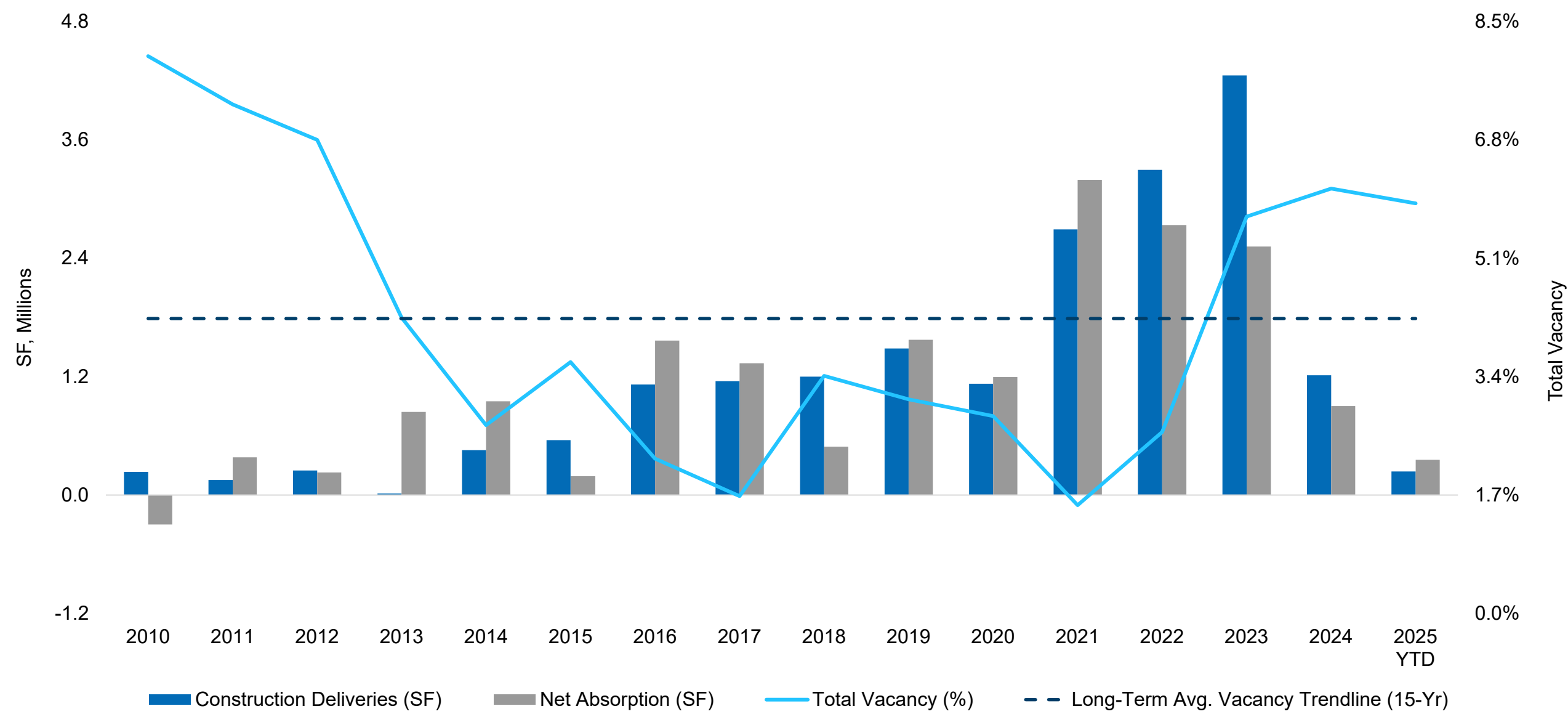


Please reach out to your
Newmark business contact for this information

Vacancy Declines Slightly as Absorption Outpaces Deliveries

Total vacancy declined by 20 basis points in the first six months of 2025 as net absorption slightly exceeded construction deliveries. With 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

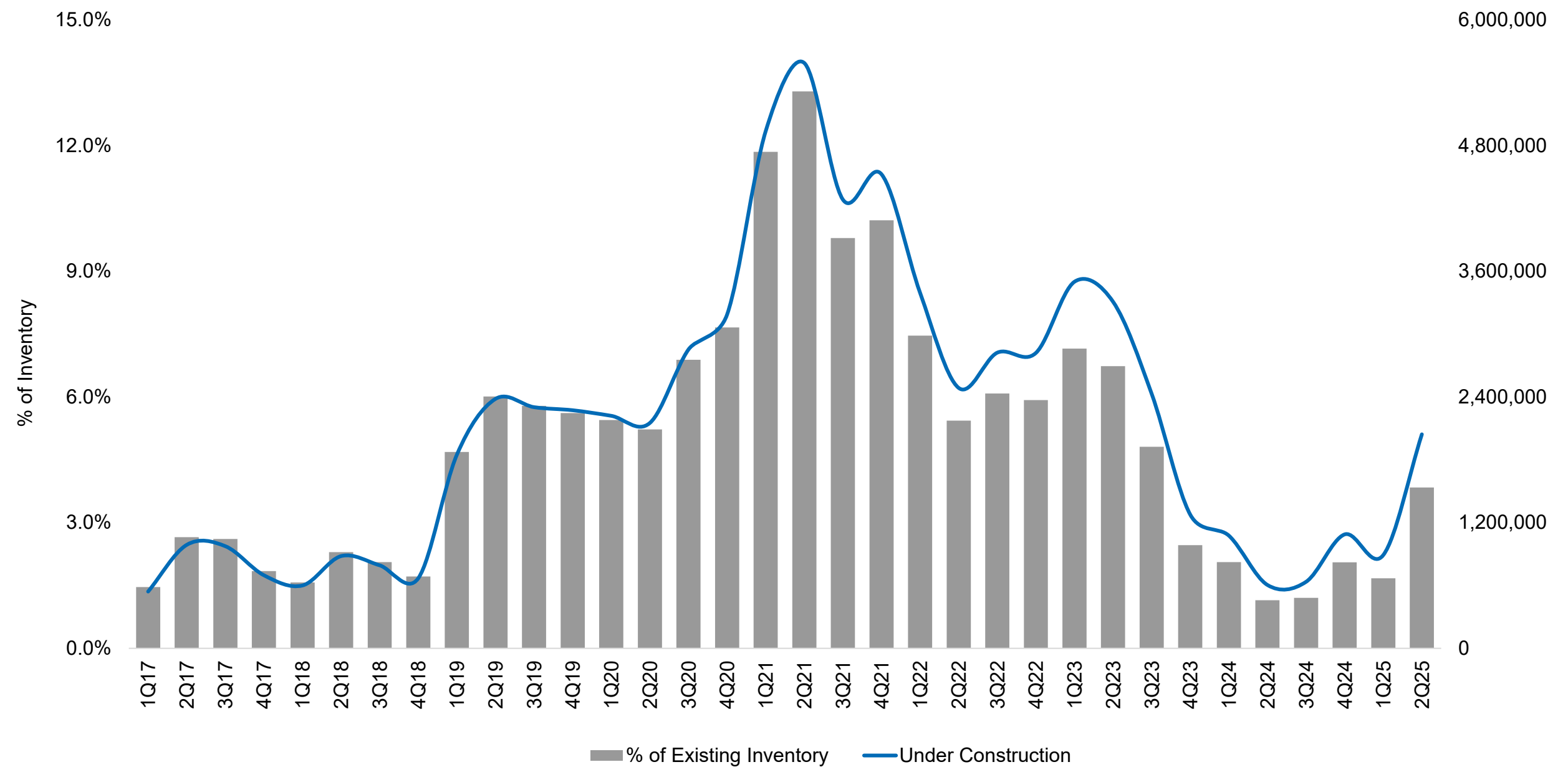


Source: Newmark Research

Southern Utah County Sees Renewed Activity Amid Lower Land Costs and Growth Potential

New construction starts have slowed in recent quarters, remaining well below the 2020–2022 peak. However, in Q2 2025, several large projects broke ground in southern Utah County. Demand for small-bay product remains strong, and developers are also launching select speculative projects to capitalize on the area’s lower land costs and long-term growth potential.

Industrial Under Construction and % of Existing Inventory



Source: Newmark Research

First-Year Lease Rates Climb as Demand Grows for Flexible and Mid-Sized Space



Please reach out to your
Newmark business contact for this information

Notable Utah County Transactions

Some strong lease renewals and subleases contributed to strong activity in Utah County during 2Q25.

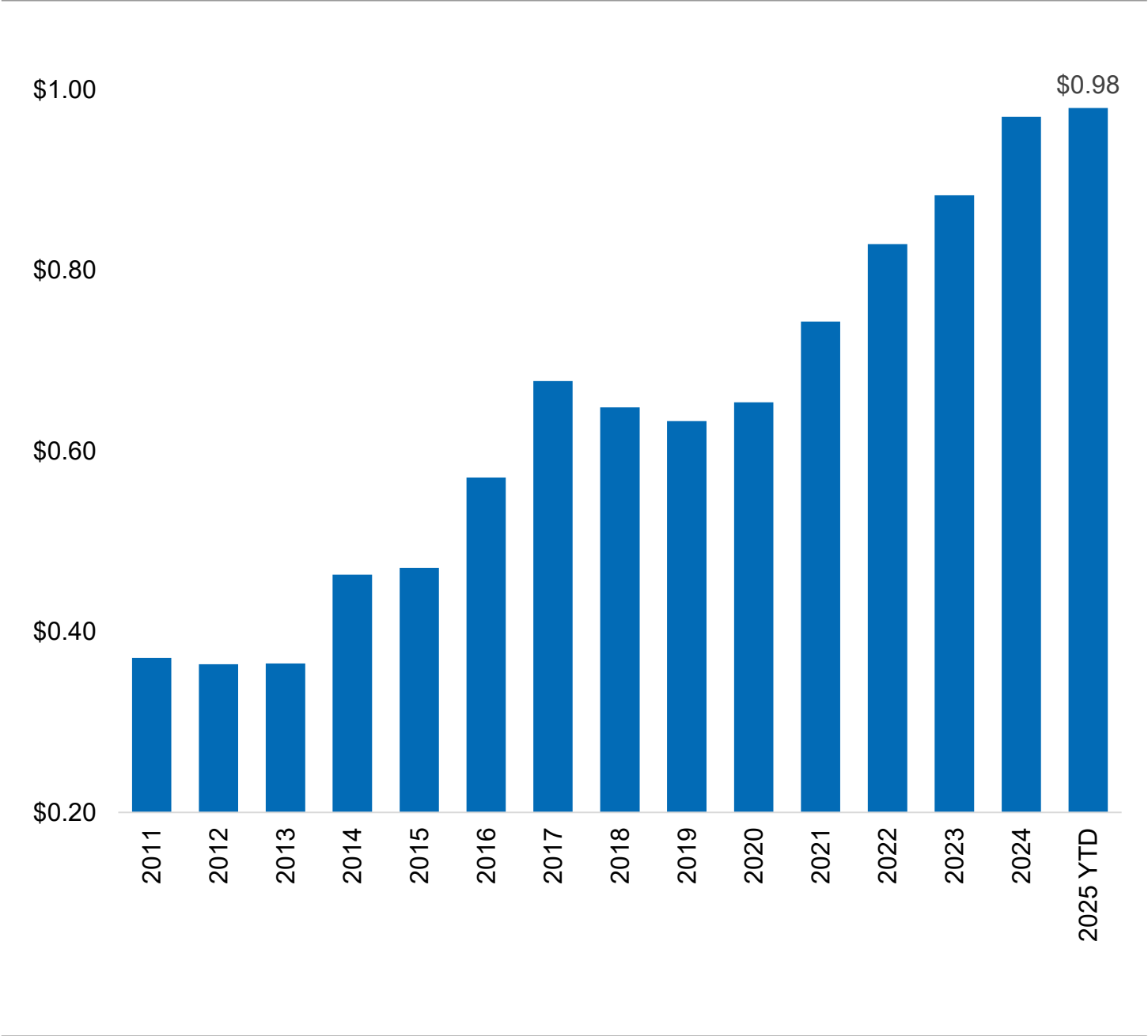
Select 2Q25 Transactions				
Buyer/Tenant	Building	Submarket	Transaction Type	Square Feet
EZARC	Holbrook Industrial 4	Utah County North	Sublease	247,078
EZARC took the entirety of Pegasus Research Group’s sublease at Holbrook Industrial 4.				
2.7 Seconds	Creer Industrial Portfolio	Orem	Investment Sale	75,600
Creer Industrial Park, consisting of seven smaller flex-style buildings, was purchased in a portfolio sale in 2Q25.				
Graybar Electric Supply	24 S. 1500 W.	Orem	Lease Renewal	30,320
Graybar Electric Supply signed on for another term.				
Theralight	Lindon Flats 1	Utah County North	Lease Renewal	21,300
Medical equipment supplier, Theralight, renewed at Lindon Flats.				

Source: Newmark Research

Utah County Leads Asking Rents Amid Strong Demand

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. Rental growth has moderated in 2025 but is expected to remain positive as 2025 progresses.

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



Year-over-Year Asking Rent Growth Rate % Change



Source: Newmark Research

Utah County Submarket Statistics | 2Q25



Please reach out to your
Newmark business contact for this information

2Q25

Utah Capital Markets Overview



Investment Activity Steady Amid Select Trades and Broader Headwinds



Please reach out to your
Newmark business contact for this information

Investor Activity Trends Amid High-Cost Debt Environment



Please reach out to your
Newmark business contact for this information

2025 YTD Notable Capital Market Transactions

Portfolio sales, in which buyers purchased multiple buildings at a discount, have been common thus far in 2025.

2025 YTD Notable Transactions				
Buyer	Building	City	Type	Square Feet
Confidential	SLC Global Logistics Center 4	Salt Lake City	Industrial	1,032,248
Colmena Group sold the over 1-million-SF building to a confidential buyer.				
Longpoint Realty Partners	Starwood Portfolio – Utah Portion	Various	Industrial	480,550
In a large multi-state transaction, Longpoint Realty Partners picked up 480,500 SF for the Utah portion of the portfolio from Starwood Capital.				
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.				
Boyer Company	Thanksgiving Center	Lehi	Office	127,741
Fully occupied by Vivint Solar, Nuveen sold Thanksgiving Center to Boyer Company.				
Stablewood Properties	Cottonwood Plaza	Cottonwood Heights	Retail	31,109
Magna Investment & Development sold the fully-occupied Cottonwood Plaza to Stablewood Properties.				

Source: Newmark Research

2Q25

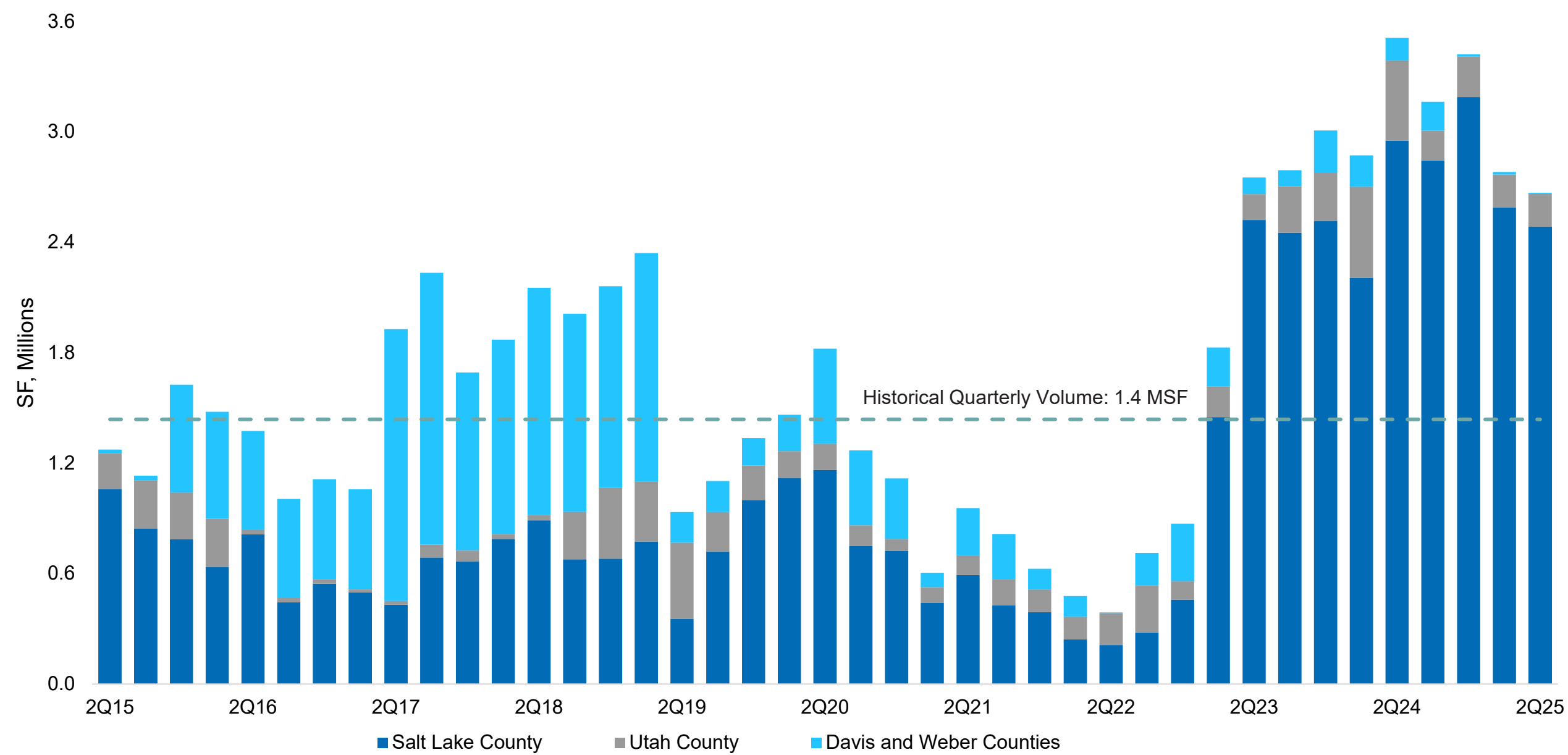
Appendix



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

Available sublease space decreased again in 2025, dropping by an additional 4.1% quarter-over-quarter, 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.

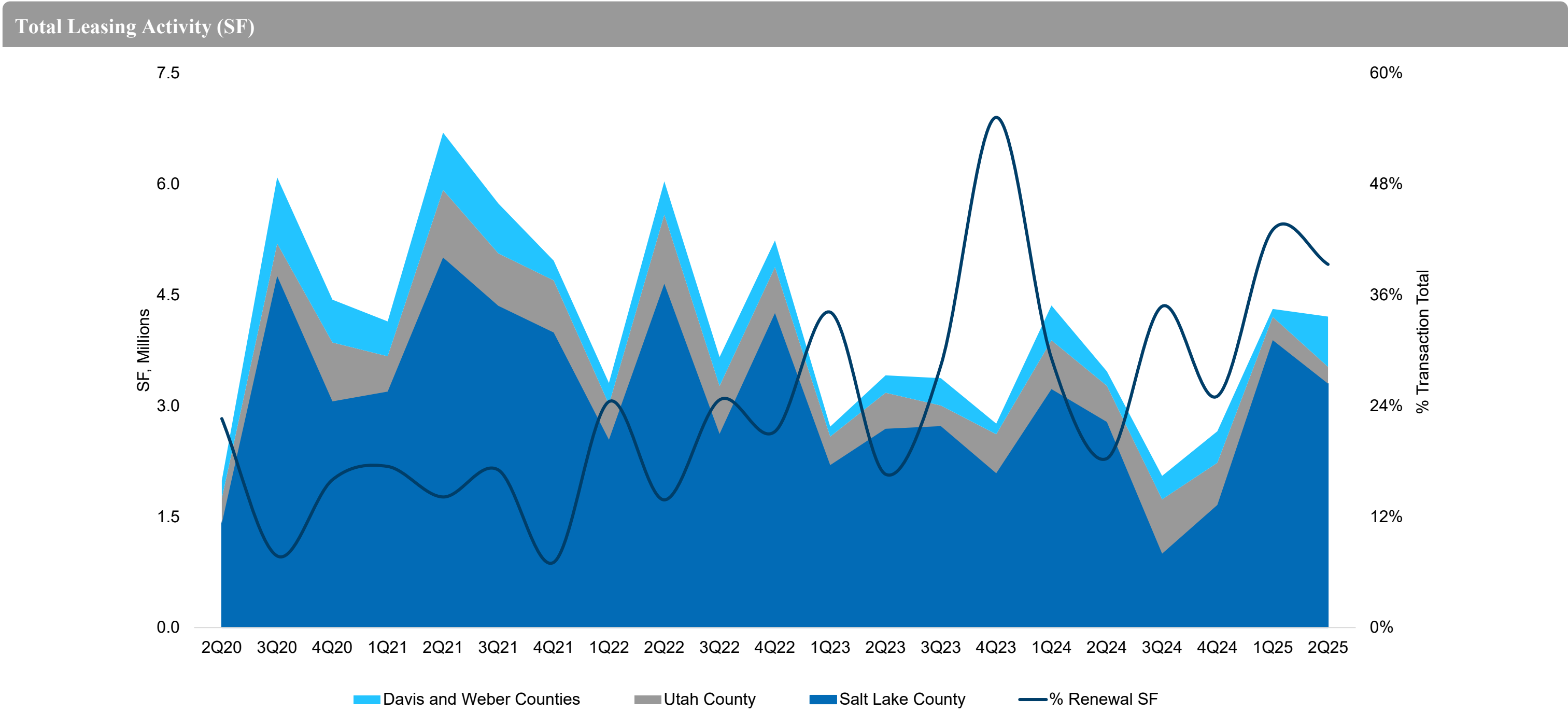
Available Industrial Sublease Volume (MSF)



Source: Newmark Research

Industrial Leasing Holds Strong as Tenants Favor Renewals Amid Higher Rates

Industrial leasing across the Wasatch Front remained stable in the second quarter, with transaction volume dipping just 2.4% quarter-over-quarter, still ranking among the highest since 2022. Renewals have made up nearly 40% of recent activity, as many tenants choose to stay in place. Facing lease rates approximately 30% above pre-pandemic levels, occupiers are weighing the cost of relocation or expansion more carefully, contributing to the surge in renewal-driven transactions.



Source: Newmark Research

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



Please reach out to your
Newmark business contact for this information

Loaded Import Volume in the First Five Months of 2025 Third Highest on Record



Please reach out to your
Newmark business contact for this information

Southern California Ports Lead the Nation in Imports—Most of Which Originate from China



Please reach out to your
Newmark business contact for this information

Ocean Container Spot Rates Remain Volatile



Please reach out to your
Newmark business contact for this information

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



Please reach out to your
Newmark business contact for this information

Retail Sales (an Indicator of Warehouse Demand) Up, But Projected to Slow



Please reach out to your
Newmark business contact for this information

The Pandemic Accelerated E-Commerce Sales Growth and Adoption Rates



Please reach out to your
Newmark business contact for this information

U.S. Wage Growth is Outpacing Inflation While Unemployment Remains Low



Please reach out to your
Newmark business contact for this information

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