

# INVESTMENT FORECAST

Office  
Salt Lake City

IPA  
INSTITUTIONAL  
PROPERTY  
ADVISORS

2026

## Migration Momentum Gives Retailers Toolkit Not Available in All Metros, Aiding Investment Outlook

**Demographic tailwinds in place.** Routinely robust in-migration into Salt Lake City is benefiting retailers and shaping new residential nodes. In some cases developers are pursuing large scale mixed-use projects designed to emulate the residential density, job drivers, and entertainment options of downtown areas. Prominent examples include the planned-300 acre redevelopment of the former Geneva Steel Works known as Utah City as well as Daybreak in South Jordan, which recently completed its first phase. In addition to new retail space envisioned for both areas, access to commuter rail could affect foot traffic across the greater Provo-Orem area, where retail vacancy was already under 4 percent ending 2025. While vacancy is comparatively elevated in the market's traditional downtown, entering 2026 at 5.6 percent, plans are underway to bring in future foot traffic. The Salt Lake Temple will reopen this year, and a more formal entertainment district is being considered for around Delta Center. The apartment construction pipeline here is also the largest in the metro. Ambitions from Intermountain Health for a new hospital campus would only serve as an additional catalyst.

**Improved investment momentum appears broad-based.** A growing consumer base continues to foster an active retail investment landscape across Davis-Weber, Salt Lake, and Utah counties. Multi-tenant trading reached a three-year high in 2025, reflecting in part the targeting of older strip centers for repositioning from investors focusing on value add strategies. The market for single-tenant assets is also liquid, with buyers interested in net lease assets likely to favor service-related tenants or properties with built in foot traffic. The share of storefronts in residential buildings among total transactions has steadily expanded in recent years.

## 2026 MARKET FORECAST

+0.9%



**Employment:** Hiring will continue to outpace the national rate this year, with 12,500 jobs created in the market. More roles are expected to be added in white-collar and health professions.

485,000  
sq. ft.



**Construction:** Completions will fall below half of the 2025 level and are largely pre-leased. More than half of the deliveries are slated for south Salt Lake or the Provo-Orem area.

+20 bps



**Vacancy:** After a 90 basis-point jump last year, the metrowide vacancy rate is expected to inch up to 4.1 percent in 2026. While at a six-year high, the metric remains just below the long-term average.

+0.7%

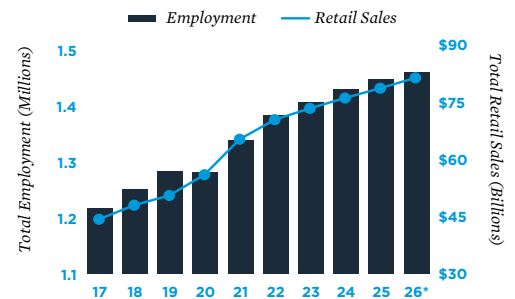


**Rent:** Increasing tenant demand and speculative development coming to market will result in a slightly higher average asking rent this year of \$22.61 per square foot.

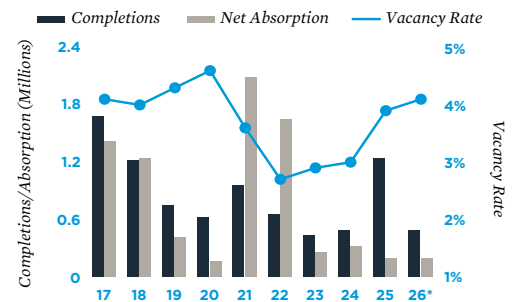
### INVESTMENT:

*The addition of 11 gates at Salt Lake City International Airport slated to open this fall bodes well for tourism-driven foot traffic in the CBD and Wasatch Mountains, potentially boosting investor interest.*

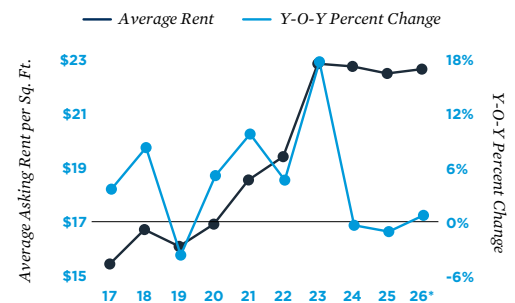
### Economic Trends



### Supply and Demand



### Rent Trends



\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Retail

Gregory A. LaBerge

Senior Vice President, National Division Leader

Tel: (818) 212-2250 | glaberge@ipausa.com

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of January 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Sales data includes transactions valued at \$1,000,000 and greater unless otherwise noted. Forecasts for employment and office data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.