

INVESTMENT FORECAST

Office
Salt Lake City Metro Area

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Silicon Slopes' Talent Pipeline Gains Reinforcements as Capital Targets Tight Southern Submarkets

Flexible leasing and a deep labor base support core office nodes. Salt Lake City's office market is set for modest tightening in 2026, as tenants expand selectively and construction stays limited. The Silicon Slopes corridor should continue to anchor demand, led by Lehi. Here, vacancy fell under 7 percent last year amid measured tech sector growth. Autonomous Solutions Inc. using the largest space at a WeWork location shows how firms are using flex space to add capacity without long-term commitments. As U.S. immigration policy tightens, the metro's fast-growing 20- to 34-year-old cohort, driven by natural increases and domestic migration, may further strengthen its competitive position among tech markets. Other professional services firms should also help sustain leasing, particularly in the CBD, where vacancy fell by over 100 basis points last year. Still, some secondary hubs remain challenged. Vacancy in West Valley has reached a record-high 25 percent. Construction of an \$855 million hospital and health campus for the University of Utah, however, may support a deeper medical office ecosystem moving forward.

Premium assets clear, while private investment broadens. Improving fundamentals in select submarkets should help sustain investment, following Salt Lake City's third-largest jump in sales activity among major markets last year. Institutions seeking Class A assets are likely to stay active in Lehi, where tight vacancy underpins confidence in lease-up strategies. Private investors may continue to favor areas with more diversified tenant bases, such as nearby Orem, where Utah Valley University is set to open its \$88 million engineering facility this year. In Salt Lake County, South Jordan may attract more capital after healthcare-led demand fueled its strongest leasing since 2020, coinciding with the opening of a new downtown TRAX station that enhanced accessibility.

2026 MARKET FORECAST

+0.4%



Employment: Hiring will remain modest in 2026, with the creation of 6,000 new roles. After contracting last year, the metro's traditionally office-using sector will grow by about 1,500 positions.

200,000
sq. ft.



Construction: Deliveries will fall further this year to a new low. The sharpest slowdown is in the CBD, with most new supply consisting of sub-30,000-square-foot medical offices in Utah County.

-30 bps



Vacancy: Minimal completions should help vacancy edge lower. At 14.3 percent, the metro's rate will be slightly below the U.S. average and trail only Las Vegas as the lowest among Mountain West metros.

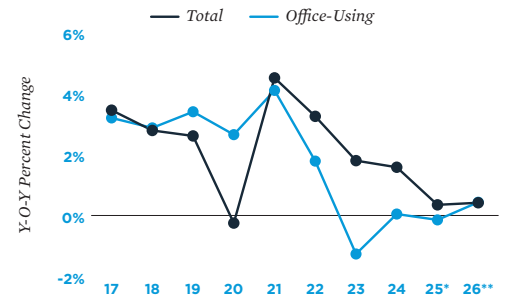
+0.6%



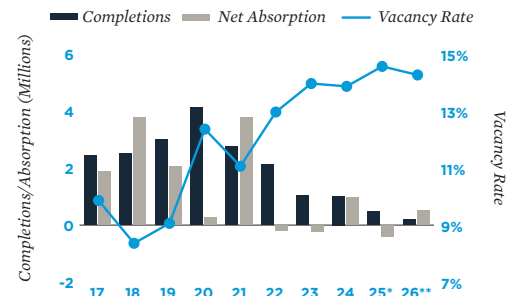
Rent: The market's 14-year streak of rent growth extends in 2026, though the gain is expected to remain minimal. As such, the average asking rent reaches \$26.10 per square foot by year-end.

INVESTMENT: Investors may acquire and upgrade older offices in Ogden. Here, Class A vacancy fell below 5 percent last year, with the area's large defense presence supporting one of the nation's fastest-growing economies.

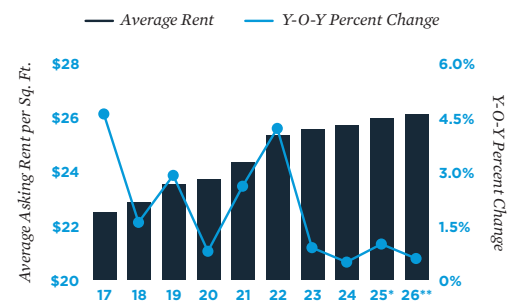
Employment Trends



Supply and Demand



Rent Trends



* Estimate ** Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

IPA Office

Alan L. Pontius

Senior Managing Director, National Division Leader
Tel: (415) 963-3000 | apontius@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.