MARKETBEAT

SALT LAKE CITY

MEDICAL OFFICE Q2 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.6% Vacancy Rate	▲	▲
-45.3K Net Absorption, SF	▼	▼
$26.78 Asking Rent, PSF *(Overall, All Property Classes)*	▲	—

ECONOMIC INDICATORS

	YOY Chg	Outlook
84.9K Salt Lake City Healthcare Employment	▲	▲
23.2M U.S. Healthcare Employment	▲	—
5,600 Salt Lake City New Healthcare Jobs	▲	▼
800K U.S. New Healthcare Jobs	▼	▼

Sources: [1]www.bls.gov [2]Moody's Analytics BOC

ECONOMIC OVERVIEW

In Q2 2025, the Salt Lake City market reported an employment level of 844,100 jobs, with the unemployment rate holding steady year-over-year (YOY) at 3.2%.[1] The Salt Lake City economy of $120.6 billion, as measured by 2025 gross metro product, is forecasted to climb to $123.9 billion in 2026 and $128.2 billion in 2027.[2]

SUPPLY AND DEMAND

In Q2 2025, the overall vacancy rate for medical office buildings (MOBs) in the Salt Lake City market rose by 90 basis points, increasing from 3.7% in Q4 2024 to 4.6%. On-campus vacancy continued its upward trajectory, reaching 5.3%, up from 4.7% in the previous quarter and significantly higher than the 1.5% recorded a year earlier. Off-campus vacancy also experienced a notable increase, climbing to 4.3% from 2.9% YOY. The rise in vacancy was largely driven by new availabilities, including approximately 19,000 square feet (sf) at Pinehurst Plaza – Building B in the Utah County South submarket (off-campus), and 10,500 sf at Medical Plaza – 24 S. 1100 E. in the Periphery submarket (on-campus). Net absorption for the first half of 2025 was negative, totaling -45,300 sf. Of this, on-campus properties accounted for -7,500 sf, while off-campus properties contributed -37,800 sf, reflecting a softening in demand across both segments.

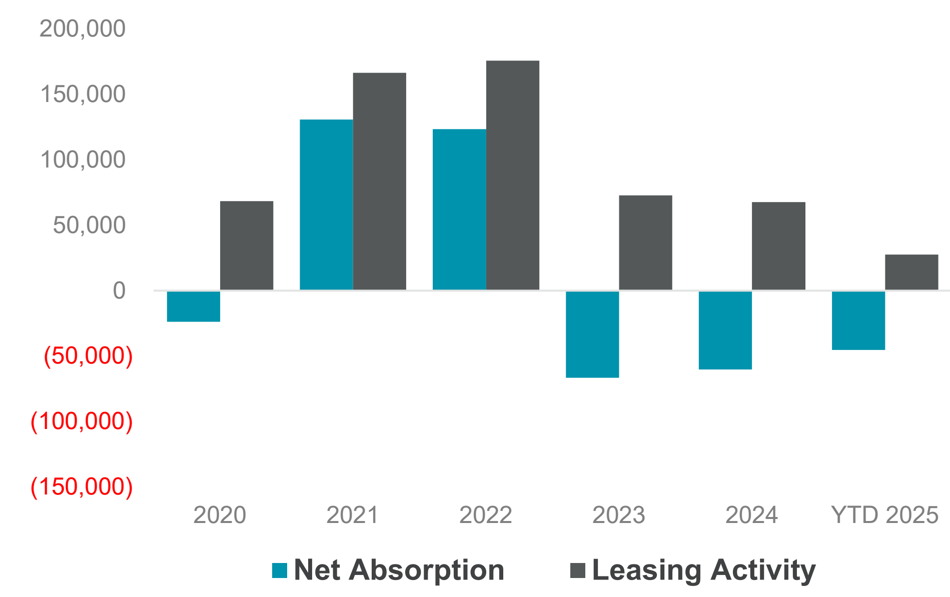
PRICING

In the second quarter of 2025, the overall asking rate for MOBs rose by $1.12, or 4.4%, reaching $26.78 per square foot (psf) on an annual full-service basis compared to Q4 2024. Year-over-year, this represents a substantial increase of $4.63 psf. On-campus MOBs saw average asking rates climb to $28.09 psf, up from $27.52 at the end of 2024. Off-campus properties also experienced growth, with average asking rates rising to $24.28 psf from $23.79 in Q4 2024. The Utah County North submarket recorded the highest asking rate at $36.25 psf. This elevated rate was driven by limited availability—specifically, a single space listed in a newly constructed building at 4263 N. Pony Express Parkway, which significantly influenced the submarket average.

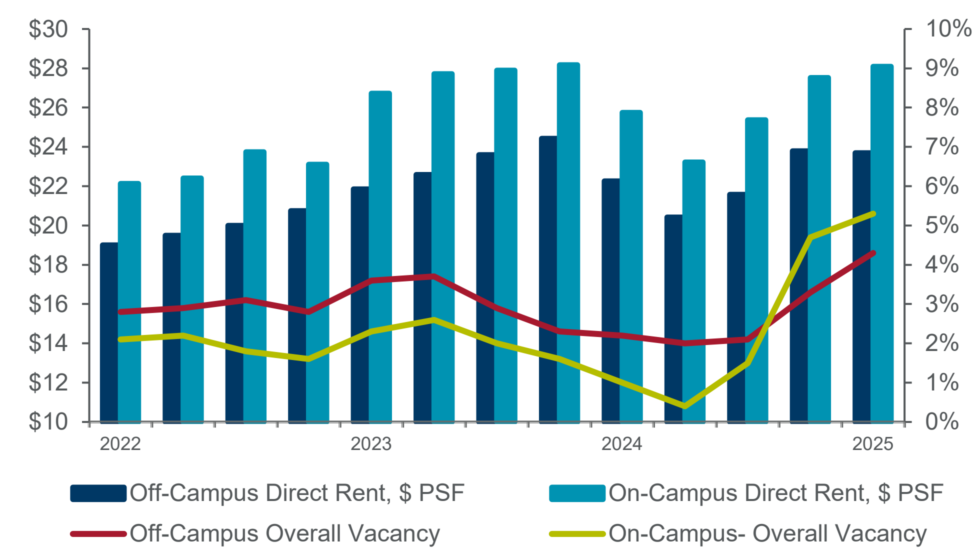
LEASING ACTIVITY

Leasing activity for MOBs slowed in the first half of 2025, totaling 27,500 sf across both on- and off-campus properties. This represents a decline from the 36,500-sf leased during the same period in 2024. The largest transaction year-to-date was a 9,600-sf lease signed by Saela Holding at Pinehurst Plaza – Building C, an off-campus property located in Utah County South. The second-largest lease was executed by West Valley Oral Surgery, which took 4,600 sf at 3715 W. 4100 S. in the off-campus Central West submarket. Smaller leases dominated the market, with approximately 85% of transactions involving spaces under 5,000 sf.

NET ABSORPTION VS. LEASING ACTIVITY



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	24,449	0	0	0.0%	0	0	0	0	N/A	N/A
Periphery	505,426	51,721	0	10.2%	-10,586	-10,586	0	0	$31.63	N/A
North East	495,695	9,966	0	2.0%	0	0	0	0	$23.00	N/A
North West	438,288	5,081	0	1.2%	0	1,136	0	0	$31.69	$34.25
Central East	918,976	65,123	11,013	8.3%	-20,865	-22,484	4,149	21,570	$24.64	N/A
Central West	412,636	16,320	0	4.0%	4,647	-712	7,779	0	$22.54	N/A
South East	449,425	10,554	0	2.4%	-754	3,917	4,495	0	$25.89	N/A
South West	337,015	5,545	0	1.7%	2,666	-1,379	1,500	0	$23.80	N/A
Utah County North	388,679	5,725	0	1.5%	19,275	19,275	0	0	$36.25	$36.25
Utah County South	782,102	34,566	2,275	4.7%	-24,921	-34,516	9,595	0	$24.32	N/A
MARKET TOTALS	4,752,691	204,601	13,288	4.6%	-30,538	-45,349	27,518	21,570	$26.78	$35.87
Class A	610,517	7,059	0	1.2%	19,275	19,275	0	0	$35.87	$35.87
Class B	3,634,414	152,124	13,288	4.6%	-37,598	-52,359	23,346	21,570	$27.29	
Class C	507,760	45,418	0	8.9%	-12,215	-12,265	3,172	0	$23.76	
MARKET TOTALS	**4,752,691**	**204,601**	**13,288**	**4.6%**	**-30,538**	**-45,349**	**27,518**	**21,570**	**$26.78**	**$35.87**
On-Campus Totals	1,336,782	70,626	0	5.3%	-8,758	-7,587	4,992	0	$28.09	
Off-Campus Totals	3,415,909	133,975	13,288	4.3%	-21,780	-37,762	22,526	21,570	$24.28	
MARKET TOTALS	**4,752,691**	**204,601**	**13,288**	**4.6%**	**-30,538**	**-45,349**	**27,518**	**21,570**	**$26.78**	**$35.87**

Rental rates reflect full service asking

KEY LEASE TRANSACTIONS YTD 2025

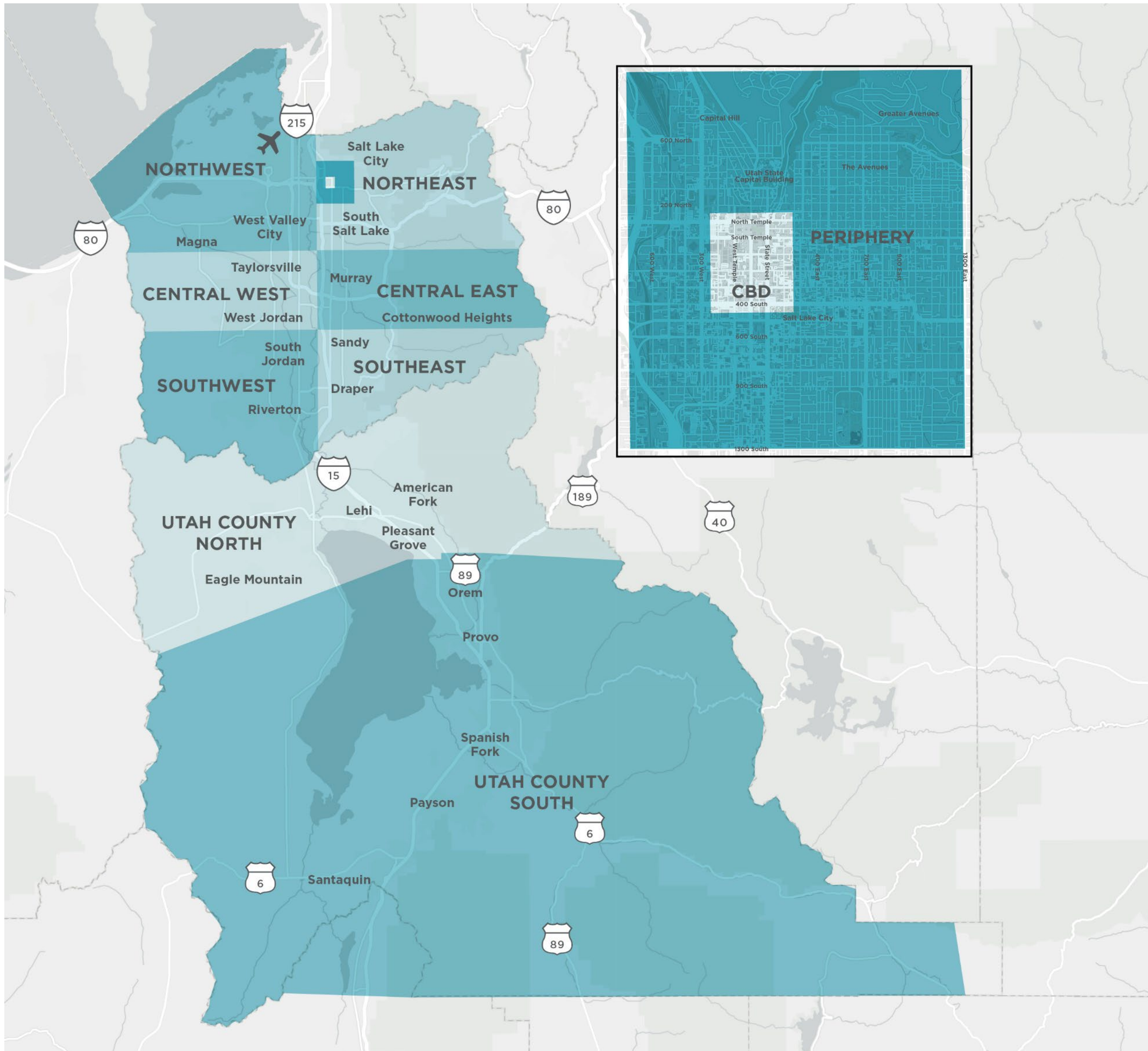
PROPERTY	SUBMARKET	TENANT	SF	QUARTER LEASED / TYPE
Pinehurst Plaza – Building C (490 – 540 W. 800 N.)	Utah County South	Saela Holding	9,595	Q2 / Direct
3715 W. 4100 S.	Central West	West Valley Oral Surgery, PC	4,607	Q2 / Direct
38 W. 13775 S.	South East	Awaken Consultants	2,232	Q1 / Direct
Redwood Professional Plaza – (6243 S. Redwood Rd.)	Central West	Familia America	2,160	Q1 / Renewal*
Blake Professional Plaza – (2828 – 2888 W. 4700 S.)	Central West	Undisclosed	1,838	Q1 / Direct
Millcreek Professional Plaza – (3920 S. 1100 E.)	Central East	Episcopal Community Services	1,816	Q1 / Direct

Renewals not included in leasing statistics

KEY SALE TRANSACTIONS YTD 2025

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $ PSF
6000 Medical Plaza – (6287 - 6321 S. Redwood Rd.)	Central West	Bailey-Gibson Ventures / Wheatfield Capital	37,262	$7,550,000 / $203

MEDICAL OFFICE SUBMARKETS



REBECCA LLOYD
Research Manager
Tel: +1 801 303 5444
Rebecca.Lloyd@cushwake.com

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