

LAS VEGAS SOUTHERN UTAH NORTHERN UTAH AUSTIN SAN ANTONIO

# 2025 MIDYEAR

SOUTHERN UTAH

MARKET REPORT

VOLUME 36

**NAIExcel**  
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

C O M M E R C I A L   R E A L   E S T A T E



# 2025 Mid-year Outlook

Commercial real estate markets are adapting to the new political economy in 2025. Interest rates maintain upward pressure on capitalization rates, and projects that commenced years ago continue to deliver inventory into the marketplace, elevating vacancy in some areas where demand has eased. Business owner and investor sentiment is mixed as growth and innovation are met with more expensive debt financing and changing world policy.

## **Cash and Tax Incentives**

Significant cash and strong business performance continue to drive investment activity. Tariffs and Presidential policy have negotiated hundreds of billions of dollars in future foreign investment in the United States. The Presidents “One Big Beautiful Bill” is now law, bringing favorable tax treatment for many business owners and real estate investors including 100% bonus depreciation.

## **Facility Costs**

Building operating costs continue to increase, creating financial pressure on both landlords and tenants. Insurance and property tax costs can remain mostly flat for years, then increase shockingly with little notice. Changes in interest rates, property taxes, and building operating expenses are giving owners greater cause to reevaluate their investments.

## **Real Estate is Local**

The market for commercial real estate is local and each building and buyer requirement can be highly unique. While availability is increasing generally, it is still not uncommon for buyers and tenants to experience a lack of inventory in some market locations and property types. While less favorable properties can be slow to absorb, quality real estate at reasonable prices continues to move quickly.

Overall, the former market conditions of hyper demand and extremely limited inventory have moved to a more balanced marketplace. In 2025, buyers and tenants can expect to see more product availability, and sellers and landlords should expect more typical market conditions.

Jon Walter  
*President*  
*Principal Broker, Utah*

Todd Manning  
*Principal Broker, Nevada*

Neil Walter  
*Chief Executive Officer*

Tom DeWine  
*Principal Broker, Texas*





SOUTHERN UTAH



# Office

## WASHINGTON COUNTY

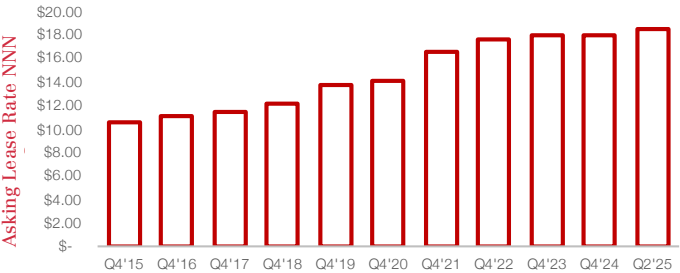
The average vacancy rate for the office market rose from 2.5% at the end of 2024 to 3.3% at mid-year 2025. Property in the St George central business district held the highest demand with a vacancy rate of 1.5% while the Class C vacancy rate rose the furthest to 5.2%. The average asking lease rate increased slightly to \$18.50 per square foot NNN.

With approximately 119,000 square feet of office space completed in the first half of 2025, the office market has already delivered more space than a typical year. Properties completed year-to-date include Kiln and Save Dental at River Crossing, two medical office buildings on Foremaster and Mall Drive, and Enviroguard Pest Control's Headquarters on Sundland Drive.

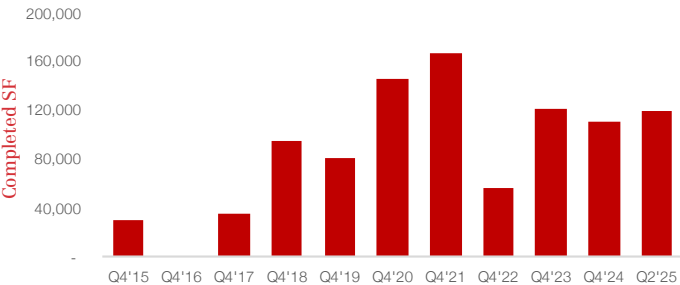
3.3% VACANCY

18.50 ASKING RENT

6-7% CAP RATE



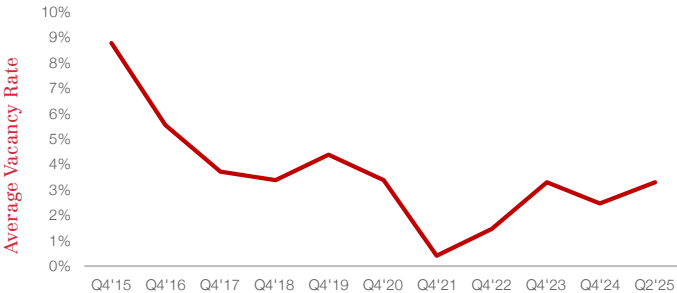
Asking Lease Rates (Annual PSF NNN)	Class A	Class B	Class C
Low	\$16.00	\$15.00	\$9.00
High	\$26.00	\$22.00	\$16.00
Average	\$22.00	\$18.00	\$14.00
Vacancy	3.7%	3.1%	5.2%
Total Vacancy	3.3%		
2024 Year End Inventory	4,117,000		
Built in 2025 Mid Year	119,000		
2025 Mid End Inventory	4,236,000		
Land Value PSF	\$16-24		
CAP Rates	6.0-7.0%		
Under Construction	37,000		
YTD Absorption	85,000		



1382 Foremaster Dr

Office 40,000 Completed 2025

Office	Q4'15	Chart	Q2'25
All	8.8%		3.3%
A	4.9%		3.7%
B	10.9%		3.1%
C	8.1%		5.2%
CBD	11.1%		1.5%
Downtown	7.0%		4.0%
Suburban	10.5%		4.0%
Medical	9.5%		1.5%



# Industrial

## WASHINGTON COUNTY

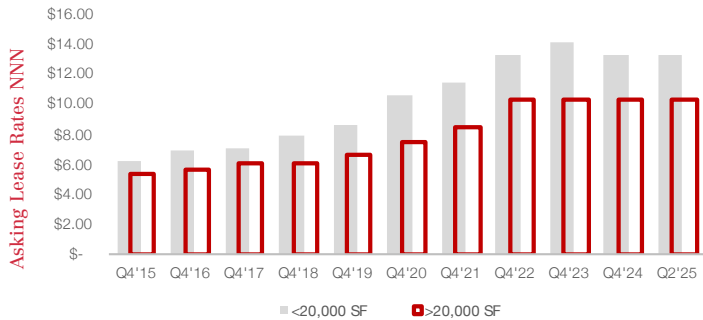
The vacancy rate for industrial space increased from 1.4% at year-end 2024 to 2.5% at mid-year 2025. While the vacancy rate for buildings over 20,000 square feet remained low, at 1.6%, the vacancy rate for buildings under 20,000 square feet rose from 3.0% to 6.1% during the same period. Tenants that were having a difficult time finding small space for lease, now have more options to select from. Average asking lease rates remained steady from year-end 2024, at \$10.20 per square foot NNN for properties larger than 20,000 square feet and \$13.20 NNN for those under 20,000 square feet.

Approximately 446,000 square feet of industrial space was completed in the first half of 2025, with an additional 360,000 square feet currently under construction. Key projects completed in the first half of 2025 include the Amazon Distribution warehouse, Wilson Electronics, SupplyLink Global's expansion, Gateway Industrail North Distribution warehouse and many smaller buildings.

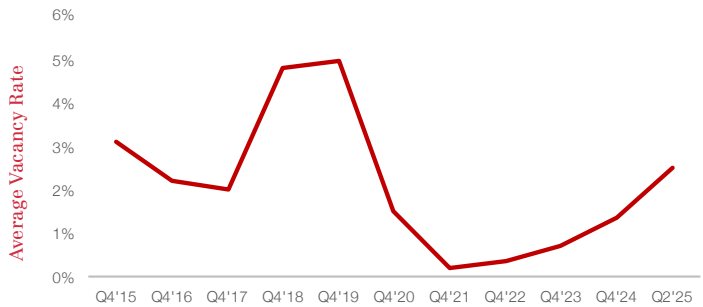
Asking Lease Rates (Annual PSF NNN)	< 20k SF	> 20K SF
Low	\$10.80	\$8.40
High	\$15.00	\$12.00
Average	\$13.20	\$10.20
Vacancy	6.1%	1.6%
Total Vacancy	2.5%	
2024 Year End Inventory	13,285,000	
Built in 2025 Mid Year	446,000	
2025 Mid End Inventory	13,731,000	
Land Value PSF	\$8-14	
CAP Rates	6.0-7.0%	
Under Construction	360,000	
YTD Absorption	293,000	

1444 E Venture Dr

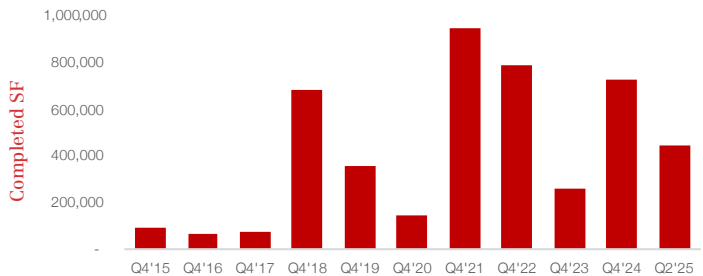
Industrial 90,000 Completed 2025



Industrial	Q4'15	Chart	Q2'25
All	3.1%		2.5%
Fort Pierce	4.1%		3.0%
Mill Creek	2.9%		<1.0%
Rio Virgin	2.9%		7.3%
STG	1.1%		1.6%
Gateway	1.6%		1.1%
Riverside	3.7%		4.6%
Sunset	2.9%		<1.0%



2.5% VACANCY \$11.20 ASKING RENT 6-7% CAP RATE



# Retail

## WASHINGTON COUNTY

The overall vacancy rate for the retail market rose from 1.3% at year-end 2024 to 2.2% at mid-year 2025. The average asking lease rate increased slightly to \$26.50 NNN. Most of the availability is for smaller space. New construction at higher lease rates is driving an increase in average asking rates. More affordable second generation space with finished improvements is leasing faster.

Approximately 113,000 square feet of space was completed in the first half of 2025. Notably, River Crossing and Nichols Landing saw the completion of multiple buildings. Several high-profile announcements were made including a new Costco warehouse planned near Exit 2 and a WinCo Foods location adjacent to the recently completed Exit 11. At South Bluff Street, construction continues for the 230,000 square foot redevelopment of St George Place.

^

2.2%

VACANCY

^

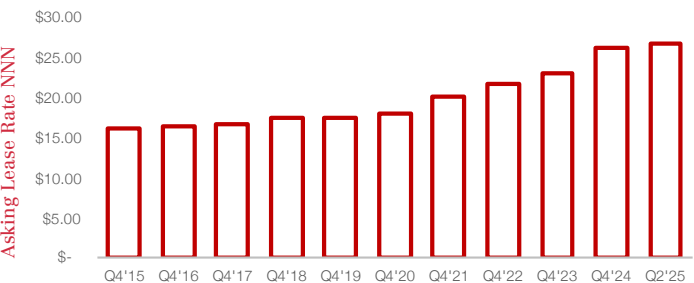
\$26.50

ASKING RENT

^

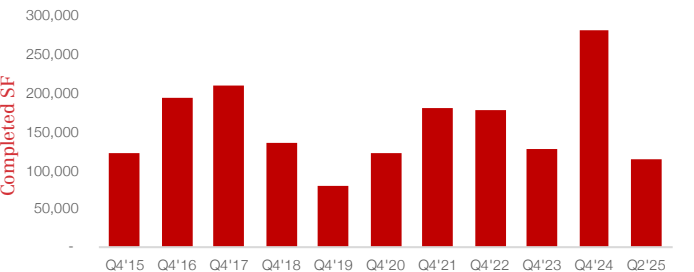
5.5-6.5%

CAP RATE



Asking Lease Rates (Annual PSF NNN)	Anchor	No Anchor
Low	\$18.00	\$14.00
High	\$50.00	\$44.00
Average	\$30.00	\$25.00
Vacancy	1.6%	2.4%

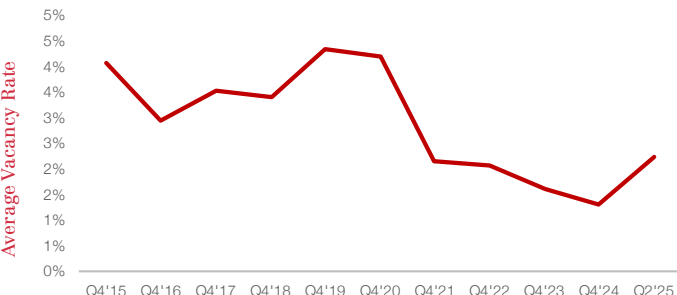
Total Vacancy	2.2%
2024 Year End Inventory	7,959,000
Built in 2025 Mid Year	113,000
2025 Mid End Inventory	8,072,000
Land Value PSF	\$18-35
CAP Rates	5.5-6.5%
Under Construction	171,000
YTD Absorption	39,000



1450 S River Rd | Leased by NAI Excel

Retail 29,000 Completed 2025

Retail	Q4'15	Chart	Q2'25
All	4.1%		2.2%
Anchored	3.9%		1.6%
Unanchored	5.6%		2.4%
Free Standing	2.1%		2.8%



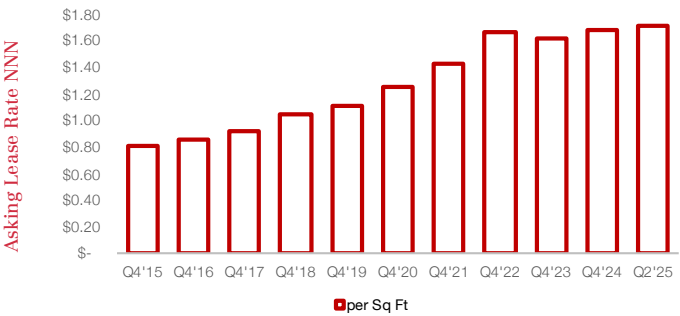


# Multifamily

## WASHINGTON COUNTY

Southern Utah’s multifamily market grew in the first half of 2025. The average multifamily lease rate rose 1.5% from \$1.68 at year-end 2024 to \$1.71 per square foot at mid-year 2025.

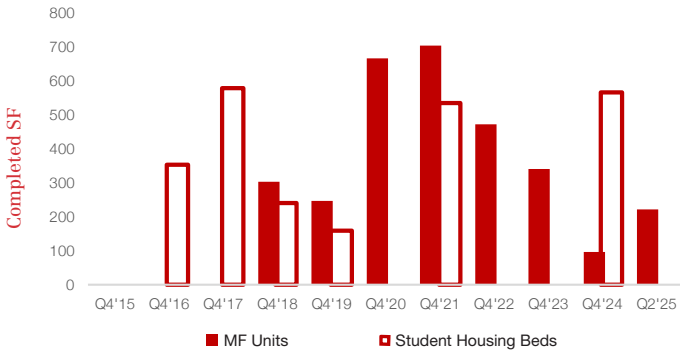
The average vacancy rate rose from 5.3% at the end of 2024 to 7.3% at mid-year 2025. This rise was largely driven by the addition of two recently completed developments, Desert Color and Whitedome Apartments. Both of these projects contributed significantly to the increase in the vacancy rate. Excluding these projects, the vacancy rate would have declined slightly to 5.2%.



Vacancy	Q4'15		Q2'25
1 Bed 1 Bath	<1.0%		6.9%
2 Bed 1 Bath	<1.0%		5.7%
2 Bed 2 Bath	<1.0%		7.7%
3 Bed 2 Bath	3.6%		9.1%
Average	1.1%		7.3%

Rent	Q4'15		Q2'25
1 Bed 1 Bath	\$664		\$1,497
2 Bed 1 Bath	\$726		\$1,362
2 Bed 2 Bath	\$812		\$1,702
3 Bed 2 Bath	\$980		\$1,876
Average	\$776		\$1,620

Rent/SF	Q4'15		Q2'25
1 Bed 1 Bath	\$1.02		\$2.03
2 Bed 1 Bath	\$0.74		\$1.50
2 Bed 2 Bath	\$0.80		\$1.65
3 Bed 2 Bath	\$0.76		\$1.52
per Sq Ft	\$0.80		\$1.71



### 5088 South Desert Color Pkwy

Multifamily   180 Units   Completed 2025



**7.3%**  
VACANCY

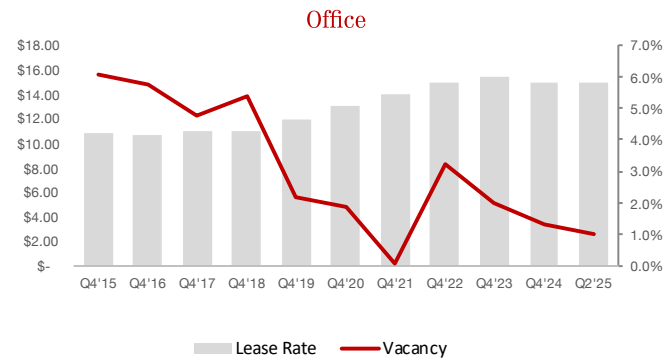
**\$1.71**  
ASKING RENT

**5.5-6.5%**  
CAP RATE

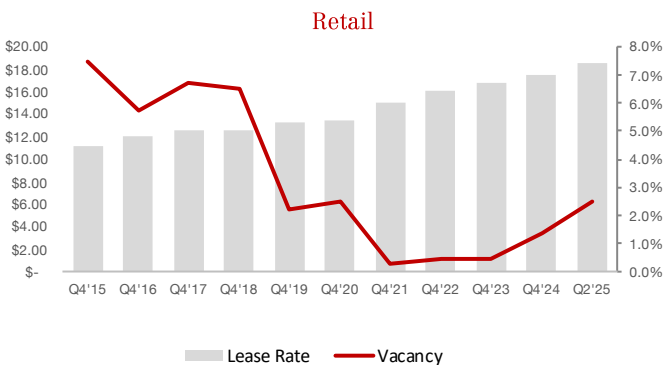


# Iron County

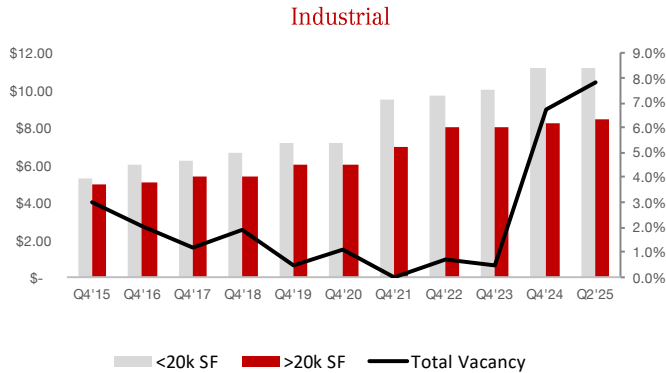
The Iron County commercial real estate market continues to grow with approximately 200,000 square feet of buildings completed in the first half of 2025 across thirteen separate projects. Several additional developments are either under construction or announced, including several large projects for Southern Utah University and local government. The industrial sector is positioned for growth with several business parks along Highway 56 announced and under development.



In the first half of 2025, Southwest Spine & Pain opened a new facility on North Main Street, and a modern two-story office building was completed near 3325 West and Highway 56. These are the first private sector office completions in several months. The average asking lease rate for the office market held at \$15.00 per square foot NNN and the average vacancy rate declined below 1.0%.



Expansion in the retail market continued in the first half of 2025 with Corner Crossing North strip mall and Terribles Convenience Store completed at Exit 62. Dbat Baseball and Softball Academy completed their building off Hwy 56 and 3325 W. The retail vacancy rate increased slightly to 2.5% at mid-year from 1.4% at year-end 2024. The average asking lease rate rose from \$17.50 NNN at the end of 2024 to \$18.50 NNN at mid-year 2025.



The industrial market underwent some rebalancing in the first half of 2025. Four buildings were completed in the first six months, compared to nineteen completed throughout 2024. Several business parks with multiple projects have grading occurring, primarily west of Cedar City, and construction is anticipated to commence soon. NAI Excel represented the buyer in the purchase of the 269,000 square foot Mueller building, listed for \$27 Million, with a future announcement to be made. The average vacancy rate rose to 7.8% at mid-year 2025, up from 6.7% at the end of 2024. The primary contributors to the vacancy were the 215,000-square-foot Genpack East manufacturing plant and 58,000 square feet of vacant space in the Nautilus I building at Innovation Park. Excluding these two properties, the overall vacancy rate would be 1.0%. The average industrial lease rate rose slightly from \$10.60 NNN at the end of year 2024 to \$10.80 NNN at mid-year 2025.

Asking Lease Rates (Annual PSF NNN)	Office	Retail	Industrial
Low	\$13.00	\$12.00	\$7.80
High	\$20.00	\$30.00	\$15.00
Average	\$15.00	\$18.50	\$10.80
Vacancy	1.0%	2.5%	7.8%
2025 Mid Year Inventory	823,000	2,013,000	4,038,000
CAP Rates	6.0 - 7.5%	6.0 - 7.0%	6.0 - 7.5%

355 E 3000 N | For Lease by NAI Excel

Retail 9,000 Completed 2025





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750+

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**SOLD | INDUSTRIAL**

**\$27,000,000**

± 269,000 SF / 57 ACRES  
AGENT: Meeja McAllister



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A UFP INDUSTRIES COMPANY

**LEASED | INDUSTRIAL**

± 188,950 SF

AGENTS: Eric Larkin, Mike Kenny,  
Leslie Houston



**SOLD | RETAIL**

**\$10,222,900**

± 15.11 ACRES

AGENTS: Zach Hatch & Jay Blacker



**Intersection**

**SOLD | INDUSTRIAL**

**\$8,750,000**

± 46,860 SF

AGENT: Erik Sexton



**LEASED | INDUSTRIAL**

± 161,463 SF

AGENTS: Eric Larkin, Mike Kenny,  
Leslie Houston

3970 PARADISE RD

**LEASED | HOSPITALITY**

**\$8,910,000**

251 UNITS

AGENT: Anders Graciano

789 & 791 MIDDLEGATE

**SOLD | INDUSTRIAL**

**\$3,250,00**

± 13,400 SF

AGENTS: Bryan Houser &  
Asim Mehmood

1420 KATY FORT BEND

**SOLD | RETAIL**

**\$6,450,000**

± 2.161 ACRES | 19,971 SF

AGENTS: Jorge Rodriguez, Ernest  
Brown & Juan Carlos Flores



**SOLD | INDUSTRIAL**

**\$4,125,000**

± 13,500 SF

AGENT: Neil Walter










**THE DWELLINGS**

**SOLD | HOSPITALITY**

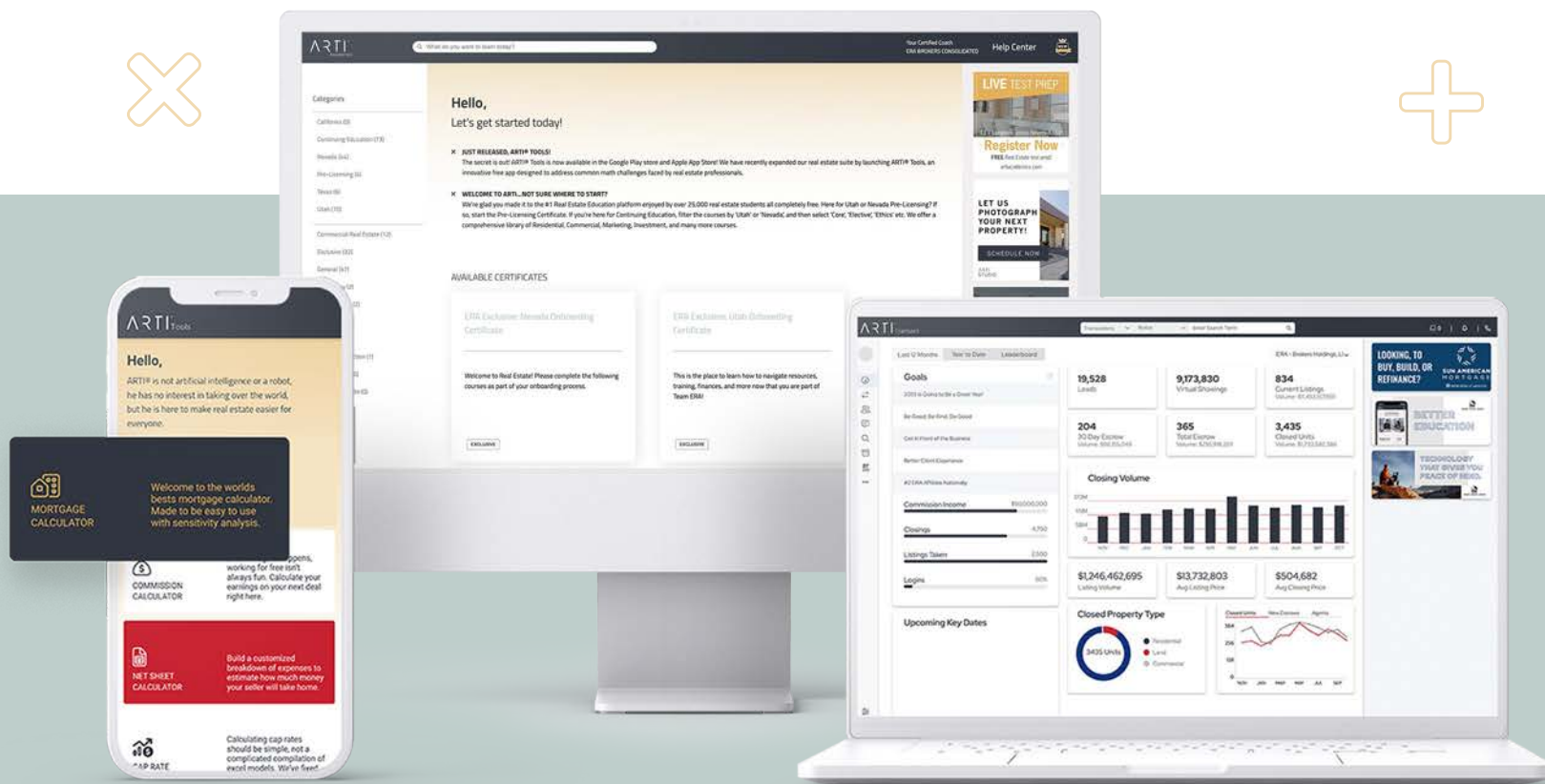
**\$5,000,000**

AGENTS: Kevin O'Brien & Jon Walter

<p>QUAIL CREEK INDUSTRIAL PARK Multiple Transactions</p> <p><b>SOLD   INDUSTRIAL</b></p> <p><b>\$11,760,000</b> ± 8.26 ACRES / 38,713 SF AGENT: Curren Christensen</p>	<p>421 N MEDINA</p> <p><b>SOLD   INDUSTRIAL</b></p> <p><b>\$4,200,000</b> ± 2.27 ACRES AGENT: Tom Rohde</p>	<p>8903 W MILITARY DR</p> <p><b>SOLD   RETAIL</b></p> <p><b>\$2,300,000</b> ± 3,785 SF AGENT: Scott Cummings</p>	<p>RED WATERS Multiple Transactions</p> <p><b>SOLD   INDUSTRIAL</b></p> <p><b>\$3,674,000</b> ± 11.96 ACRES AGENT: Wes Davis</p>
<p> CASCAD COLLISION REPAIR</p> <p><b>SOLD   INDUSTRIAL</b></p> <p><b>\$3,276,900</b> ± 11,388 SF AGENT: Jason Griffith</p>	<p>RIVER RIDGE PARKWAY</p> <p><b>SOLD   LAND</b></p> <p><b>\$1,500,000</b> ± 7.05 ACRES AGENT: Tom DeWine</p>	<p>3503 S SAM HOUSTON PARKWAY</p> <p><b>SOLD   RETAIL</b></p> <p><b>\$4,800,000</b> ± 2.18 ACRES   16,017 SF AGENTS: Jorge Rodriguez, Ernest Brown &amp; Juan Carlos Flores</p>	<p>7830 ELDORADO</p> <p><b>LEASED   INDUSTRIAL</b></p> <p>± 6,890 SF AGENT: Maria Herman</p>
<p>3625 WEST AVENUE</p> <p><b>LEASED   RETAIL</b></p> <p><b>\$1,898,987</b> ± 14,077 SF AGENT: Carla Villarreal</p>	<p> Parkland FUEL CORPORATION Multiple Transactions</p> <p><b>SOLD   RETAIL/C-STORES</b></p> <p><b>\$5,945,000</b> AGENT: Rina Fonua</p>	<p>7150 W GATES AVE</p> <p><b>SOLD   INDUSTRIAL</b></p> <p>± 7,875 SF AGENT: Jaden Malan</p>	<p>SIENNA HILLS AUTO MALL</p> <p><b>SOLD   LAND</b></p> <p><b>\$2,178,000</b> ± 8.14 ACRES AGENTS: Greg Whitehead &amp; Gregg McArthur</p>
<p>3370 PALM PARKWAY</p> <p><b>SOLD   INDUSTRIAL</b></p> <p><b>\$2,875,000</b> ± 10,280 SF AGENT: Erik Sexton</p>	<p>125 W ST GEORGE BLVD Multiple Transactions</p> <p><b>SOLD   MULTIFAMILY</b></p> <p><b>\$4,000,000</b> ± 12,766 SF AGENTS: Jon Walter &amp; Kevin O'Brien</p>	<p> TCB GLOBAL</p> <p><b>LEASED   INDUSTRIAL</b></p> <p>± 49,250 AGENT: Bryan Houser</p>	<p> W WAUSAU COATED</p> <p><b>LEASED   INDUSTRIAL</b></p> <p>± 46,800 SF AGENTS: Eric Larkin, Mike Kenny, Leslie Houston</p>
<p>3857, 3859 &amp; 3875 EAST SOUTHCROSS</p> <p><b>SOLD   OFFICE</b></p> <p><b>\$2,465,000</b> ± 43,156 SF AGENTS: Jorge Rodriguez, Ernest Brown &amp; Juan Carlos Flores</p>	<p> NAI Excel TEXAS HQ 1390 BITTERS</p> <p><b>SOLD   OFFICE</b></p> <p><b>\$4,580,000</b> ± 14,740 SF   2.9 ACRES</p>	<p> Shipdudes</p> <p><b>LEASED   INDUSTRIAL</b></p> <p>± 22,990 SF AGENT: Bryan Houser</p>	<p> Las Vegas DC Warehousing</p> <p><b>LEASED   INDUSTRIAL</b></p> <p>± 82,240 SF AGENTS: Eric Larkin, Mike Kenny, Leslie Houston</p>



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38,825 SF RETAIL | TEXAS



**Lin's Anchored Retail**  
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**Northgate Distribution Center**  
180 ACRES INDUSTRIAL | NEVADA



**Oakridge Dental**  
10,600 SF OFFICE | NORTHERN UTAH

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# NEW TEXAS HQ

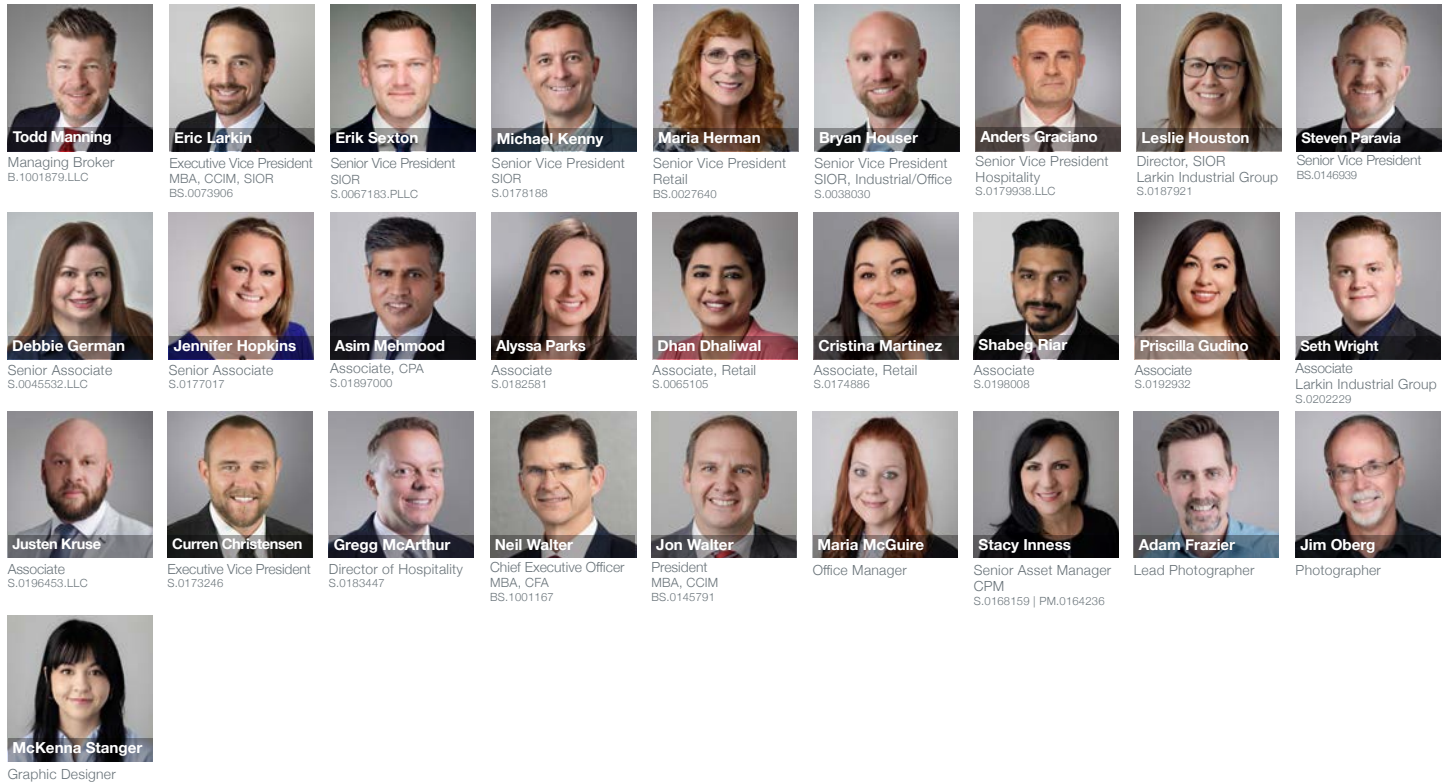
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San Antonio, TX 78216

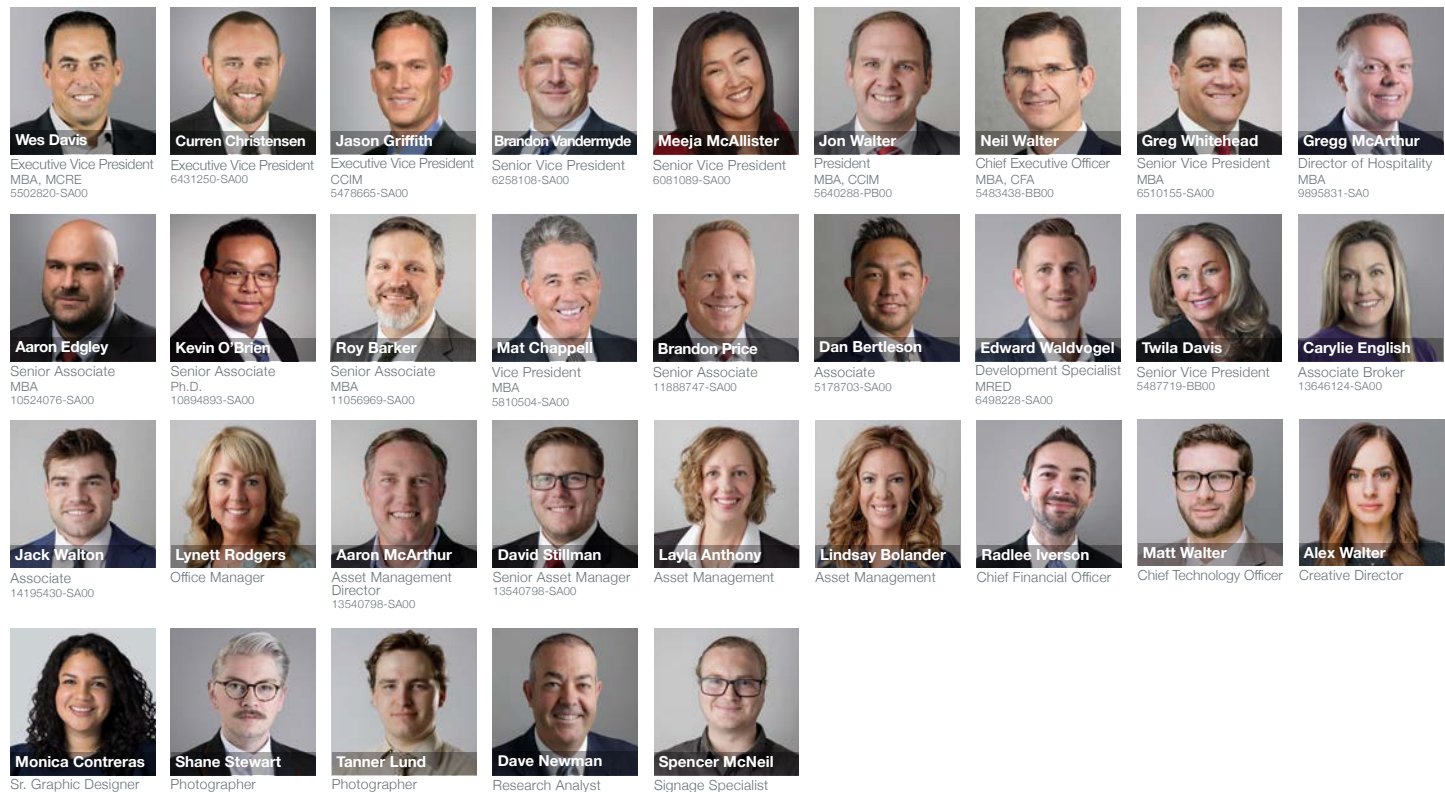


# Our Team

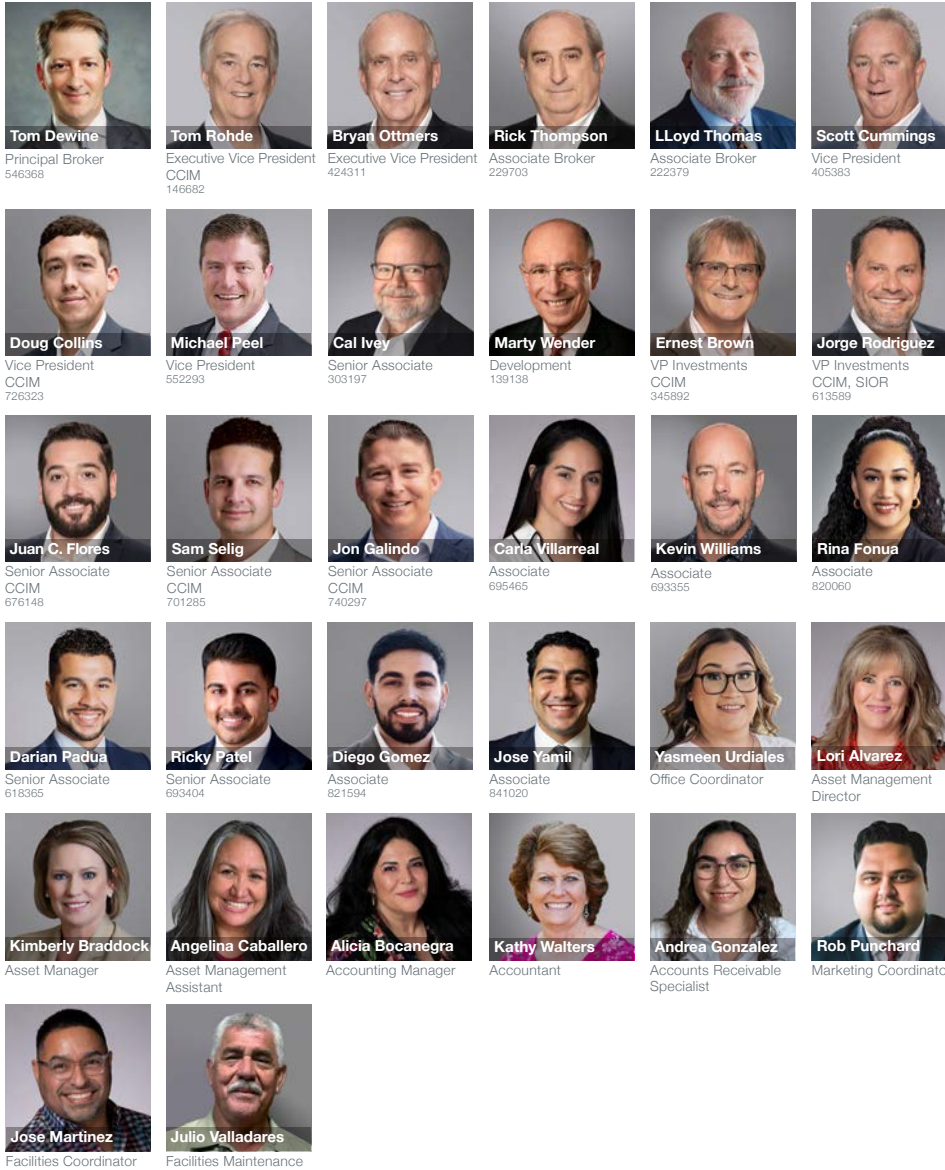
## Las Vegas



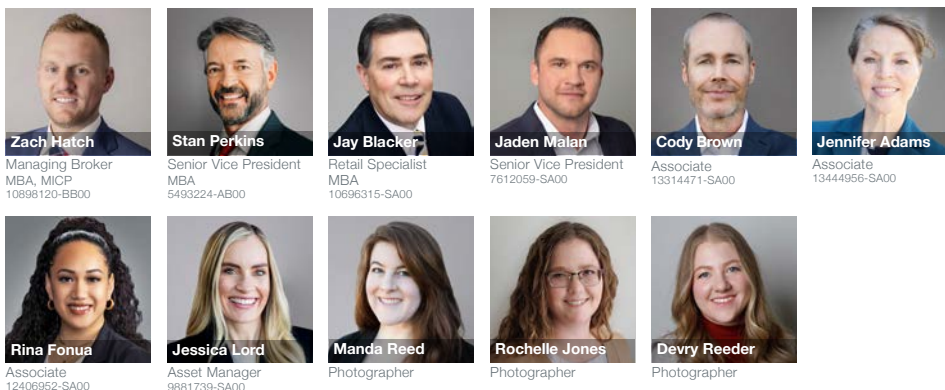
## Southern Utah



## Texas



## Northern Utah



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Cedar City, UT 84720  
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