MARKETBEAT

Billings

MULTIFAMILY Q3 2025



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.0% Stabilized Vacancy Rate	▲	–
30 Net Absorption, units	▲	▲
$1,516 Effective Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
97.8K Billings Employment	▲	–
3.0% Billings Unemployment Rate	▲	–
0.8% Billings Household Growth Rate	▲	–

Source: BLS, census.gov, stlouisfed

ECONOMY: DIVERSIFIED BASE SUPPORTS STEADY GROWTH

Billings sustained stable economic momentum in Q3 2025, with metro population growth of 0.8% annually, reaching approximately 195,130 residents. This expansion is supported by in-migration and a diversified economy anchored by healthcare, energy, and agriculture, with emerging contributions from tech and renewables. Nonfarm employment averages 97,800, with year-over-year (YOY) growth of 1.6%, driven by leisure and hospitality gains while construction and financial activities posted slight declines. Healthcare remains a critical driver, supported by major hospital networks and regional providers, alongside continued investment in professional services. Median household income climbed to $75,878, while per capita income approaches $44,000. The unemployment rate remains low at 3.0%, positioning Billings among Montana's most resilient labor markets.

SUPPLY: LEASING MOMENTUM SIGNALS MARKET STABILITY

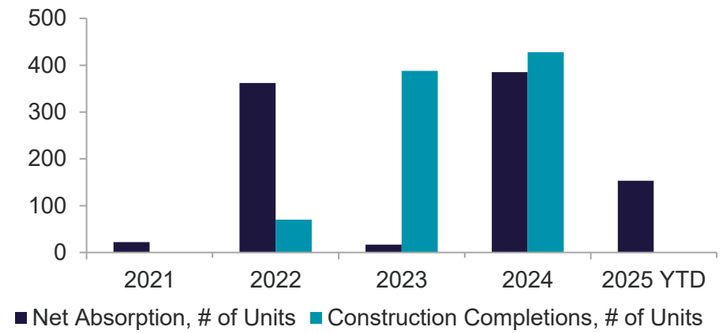
The Billings multifamily market closed Q3 2025 with healthy rental demand, as stabilized vacancy declined 60 basis points quarter-over-quarter (QOQ) and surged just 20 basis points YOY, settling at 5.0%. This marked improvement in vacancy moved closer to the 10-year average of 4.1%, with a forecast of stability. Missoula's pipeline remains robust, with 50 units actively under construction and another 360 in planning.

While demand has fluctuated over time, notable highlights include exceptional absorption in 2022 (362 units) despite limited new supply, followed by a record surge in 2024 with 385 units absorbed alongside 428 completions. In contrast, 2023 saw muted demand with only 17 units absorbed against 388 deliveries, reflecting a temporary supply-demand imbalance. Year-to-date 2025 absorption of 153 units signals renewed strength amid no new deliveries.

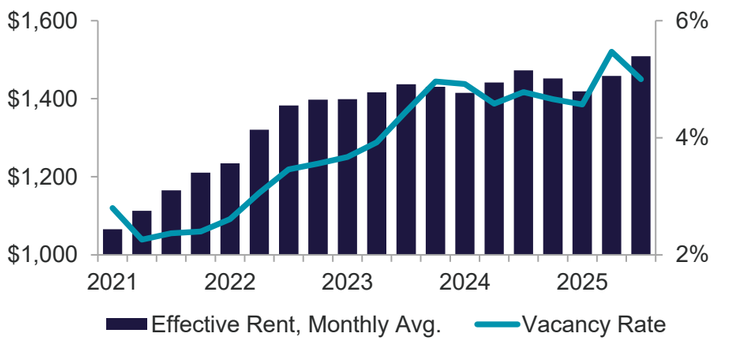
PRICING: RENT GROWTH PERSISTS WITH CONCESSION UPTICK

Effective rents continued to rise, reaching $1,516 in Q3 2025 after increasing 1.4% QOQ and 2.5% YOY, building on a 6.1% gain from Q1 2023 to Q3 2024. Concessions became more prevalent, with 9.5% of properties offering them in Q3, up 100 basis points YOY. As a share of overall rental rates, concessions fell 90 basis points YOY to 7.2%, while discretionary (Class A) concessions remained flat.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



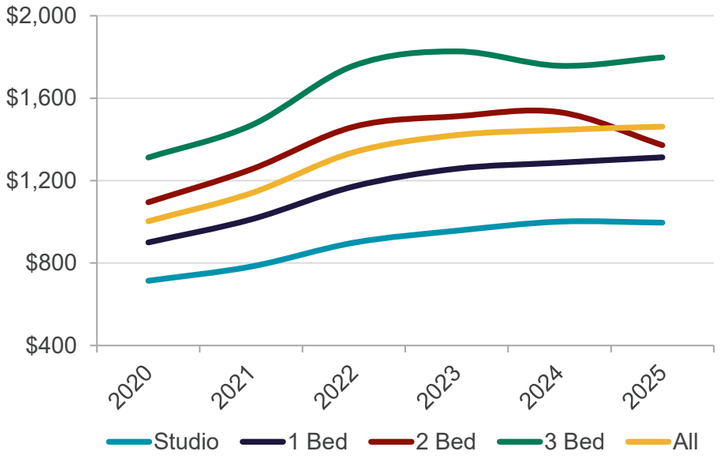
Source: Yardi Matrix, ESRI, bls, stlouisfed, ycharts, explorecity, lmi.mt.gov, bber.umt.edu

© 2025 Cushman & Wakefield

BILLINGS
MULTIFAMILY Q3 2025

AVERAGE RENT PER UNIT HISTORY

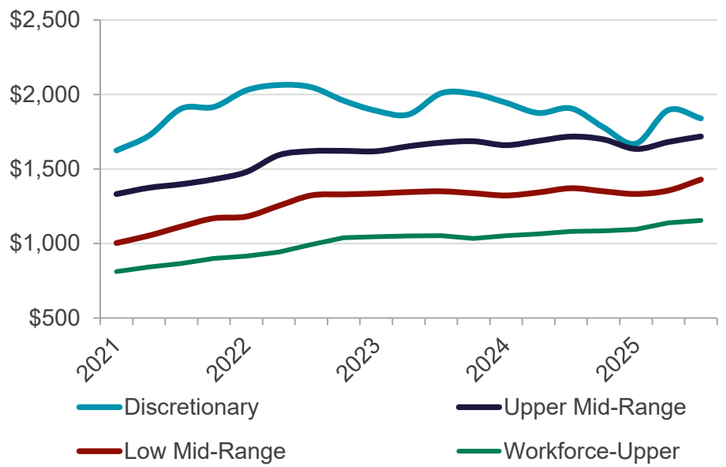
RENTS PEAKED IN 2024 ACROSS MOST UNIT TYPES, WITH STUDIOS AND 3-BEDROOM UNITS HOLDING NEAR HIGHS, WHILE 2-BEDROOMS EASED SLIGHTLY AND 1-BEDROOMS CONTINUED TO RISE IN 2025.



Source: Yardi Matrix

ASKING RENT PER UNIT BY ASSET CLASS

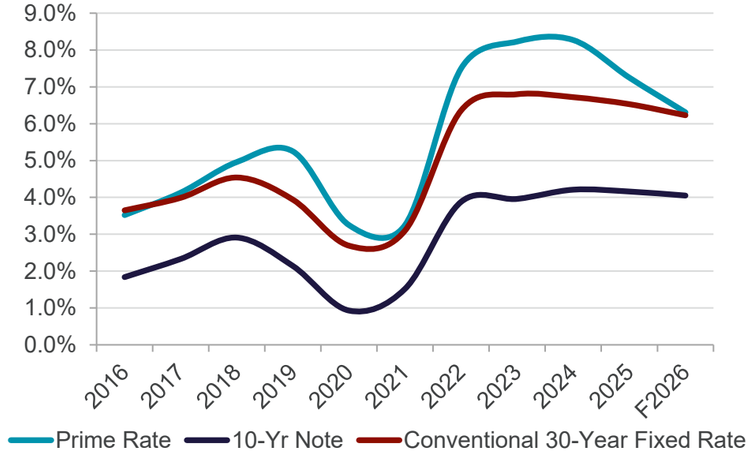
MID-RANGE AND WORKFORCE SEGMENT RENTS CLIMBED STEADILY THROUGH 2023, PEAKED IN 2024, AND CONTINUED HIGHER IN 2025 ACROSS ALL CATEGORIES.



Source: Yardi Matrix

INTEREST RATES

THE FEDERAL RESERVE CUT ITS BENCHMARK INTEREST RATE BY 0.25%. INTEREST RATES REMAIN ELEVATED ACROSS ALL BENCHMARKS COMPARED TO PRE-2022 AVERAGES..



Source: Federal Reserve Board, Wells Fargo

MARKET STATISTICS

Market	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	YOY % EFFECTIVE RENT GROWTH
Billings	4,434	0	0.0%	50	153	5.0%	20	$1,516	2.5%
Montana	16,,719	1,862	12.5%	2,855	1,369	4.2%	0	$1,697	-0.9%
United States	15,127,946	431,361	2.9%	805,986	494,234	5.3%	0	$1,750	0.6%

Source: Yardi Matrix – 50+ Units; excluding Fully Affordable properties

LOCAL ECONOMIC ANNOUNCEMENTS

- Billings-Logan International Airport completed a major terminal upgrade and launched a long-term master plan, improving connectivity and positioning the city as a regional transportation hub.
- Big Sky Economic Development is driving investment through redevelopment initiatives and workforce programs, signaling confidence in Billings' growth and housing demand.
- The Bureau of Business and Economic Research Economic Outlook Seminar will convene in Billings in early 2025, focusing on statewide trends and technology's impact on Montana's economy.
- Billings' strategic plan emphasizes infill development, infrastructure upgrades, and neighborhood revitalization to support sustained economic vibrancy and quality of life.

CHRISTOPHER S. ISON
Research Analyst
Tel: +1 208 287 8448
christopher.ison@cushwake.com

JEFF COOLEDGE
Senior Research Manager
Tel: +1 602 224 4448
jeffrey.cooledge@cushwake.com

©2025 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities.
You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

© 2025 Cushman & Wakefield