MARKETBEAT

Billings

MULTIFAMILY Q2 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.7% Stabilized Vacancy Rate	▲	–
36 YTD Net Absorption, Units	▲	–
$1,493 Effective Rent, PSF	▲	–

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
96.6K Billings Employment	▼	–
2.8% Billings Unemployment Rate	–	–
2.1% Billings Household Growth Rate	▲	–

Source: BLS, census.gov, ESRI

ECONOMY: DIVERSIFIED BASE SUPPORTS STEADY GROWTH

Billings continues to benefit from a diversified economy anchored by healthcare, energy, transportation, and professional services. The metro area's population reached an estimated 196,403 residents in 2026, while households increased 2.1% annually to 82,101. Employment totaled approximately 96,600 workers during Q2 2026, while the unemployment rate remained low at 2.8%, reflecting stable labor market conditions. Median household income reached $82,799 and per capita income exceeded $45,700, supporting long-term housing demand across the region.

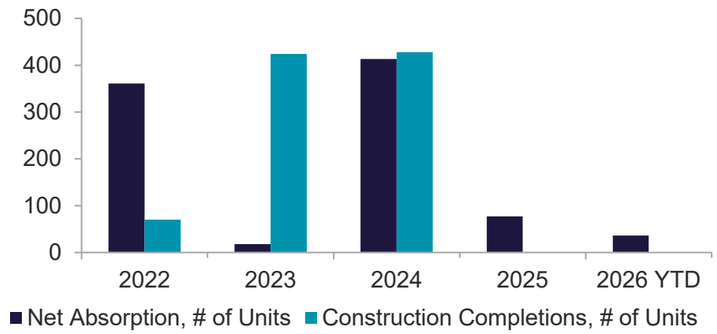
SUPPLY: LIMITED DEVELOPMENT SUPPORTS STABILITY

The Billings multifamily market remained stable through Q2 2026, with stabilized vacancy increasing 30 basis points (bps) year-over-year (YOY) to 5.7%. Leasing activity remained positive, with 36 units absorbed year-to-date (YTD), while no new units were delivered during the first half of the year. The absence of new deliveries helped support occupancy despite softer leasing activity than in recent years. Inventory remained unchanged at 4,486 units, while only 140 units remain under construction, representing one of the smallest development pipelines among Montana's major multifamily markets. Limited construction activity and modest inventory growth continue to support a relatively balanced supply-demand environment.

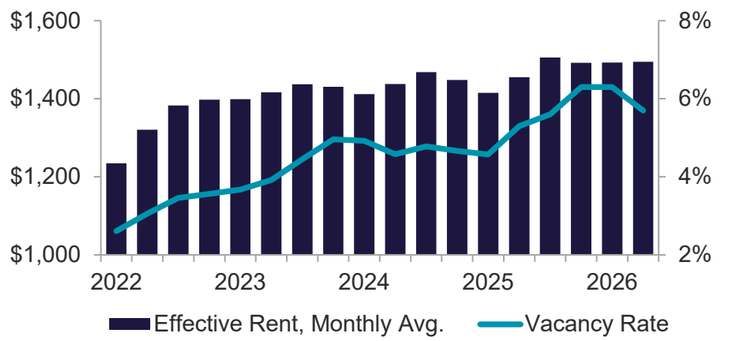
PRICING: RENT GROWTH REMAINS MODEST

The average effective rent reached $1,493 per unit in Q2 2026, rising $2.00 YOY. While rent growth remained modest, average rent continued to increase despite elevated leasing incentives across the state. Across Montana, the share of multifamily properties offering concessions increased from 6.6% to 9.7% YOY, while discretionary concessions increased from 9.0% to 10.4% of asking rents, reflecting competition among higher-end properties. Rent growth remained broad-based in Billings, with studio, 1-bedroom, 2-bedroom, and 3-bedroom rents all posting annual gains in 2026. Asking rents also remained elevated, with upper mid-range and workforce properties reaching new highs.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



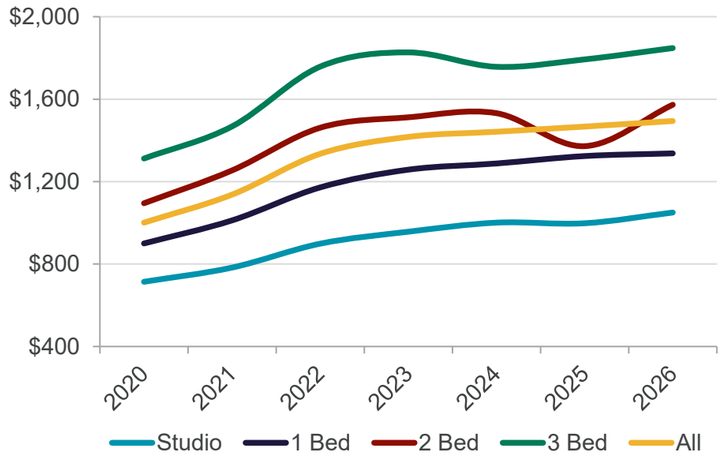
Source: Yardi Matrix, Montana Department of Labor & Industry, BLS, census.gov, ESRI

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BILLINGS
MULTIFAMILY Q2 2026

AVERAGE RENT PER UNIT HISTORY

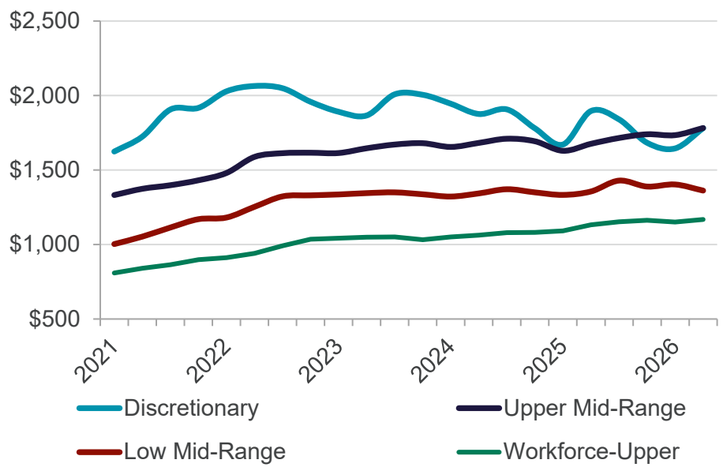
RENTS REACHED NEW HIGHS IN 2026, SUPPORTED BY GROWTH ACROSS ALL UNIT TYPES.



Source: Yardi Matrix

ASKING RENT PER UNIT BY ASSET CLASS

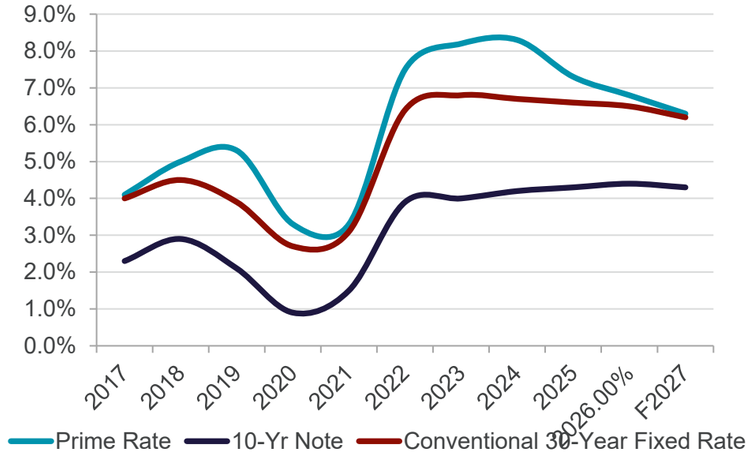
ASKING RENTS REMAINED ELEVATED IN 2026, WITH UPPER MID-RANGE AND WORKFORCE PROPERTIES REACHING NEW HIGHS.



Source: Yardi Matrix

INTEREST RATES

THE FEDERAL RESERVE HELD RATES STEADY AS BORROWING COSTS REMAINED ELEVATED.



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	4,486	0	0.0%	140	36	5.7%	30	$1,493	0.1%
Montana	18,411	563	3.2%	3,206	878	4.7%	-30	$1,752	1.2%
United States	15,546,639	173,826	1.1%	253,996	159,619	4.5%	-70	$1,741	-1.0%

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

LOCAL ECONOMIC ANNOUNCEMENTS

- Billings Logan International Airport continues advancing its 20-year master plan and a five-year, $110 million capital improvement program, supporting terminal enhancements, infrastructure upgrades, and long-term regional connectivity
- Big Sky Economic Development continues to support investment, redevelopment, workforce initiatives, and business expansion across the Billings region, reinforcing Billings' role as Montana's primary commercial and distribution hub.
- The Bureau of Business and Economic Research's 2026 Economic Outlook Seminar returned to Billings, providing forecasts on Montana's economy, housing market, labor force trends, and key industry sectors.

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