MARKETBEAT

Bozeman

MULTIFAMILY Q2 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.2% Stabilized Vacancy Rate	▼	–
518 Net Absorption, Units	▲	▲
$2,207 Effective Rent, PSF	▼	–

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
76.1K Bozeman Employment	▲	▲
2.3% Bozeman Unemployment Rate	▼	–
2.6% Bozeman Household Growth Rate	▲	▲

Source: Montana Dept. Labor & Industry, BLS, ESRI

ECONOMY: GROWTH REMAINS STRONG DESPITE MODERATION

Bozeman continues to benefit from one of the fastest-growing economies in Montana, supported by healthcare, education, professional services, technology, and tourism. The metro area's population reached an estimated 136,111 residents in 2026, while households increased 2.6% annually to 54,472, reflecting continued in-migration and housing demand. Employment reached approximately 76,100 workers during Q2 2026, while the unemployment rate remained exceptionally low at 2.3%. Median household income reached $108,766 and per capita income exceeded $59,000, reinforcing Bozeman's position as one of the state's most affluent markets. Strong demographics and high incomes continue to support multifamily demand.

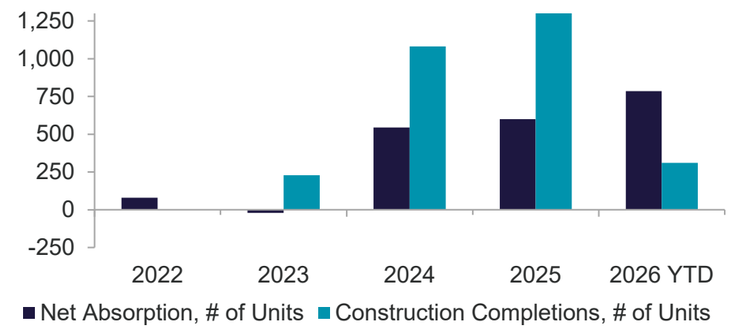
SUPPLY: DEMAND CONTINUES TO OUTPACE DELIVERIES

The Bozeman multifamily market remained fundamentally healthy through Q2 2026, with stabilized vacancy declining 210 basis points (bps) year-over-year (YOY) and 100 bps quarter-over-quarter (QOQ) to 5.2%. Leasing activity strengthened during the quarter, with 518 units absorbed, up 448 units YOY and 251 units QOQ. Demand continued to outpace supply growth, as YTD absorption totaled 785 units compared to 311 units delivered during the first half of the year. Inventory expanded to 5,327 units, while 732 units remained under construction and an additional 1,103 units are in the planning stage. Although the development pipeline remains active, strong absorption trends suggest the market is effectively digesting new supply.

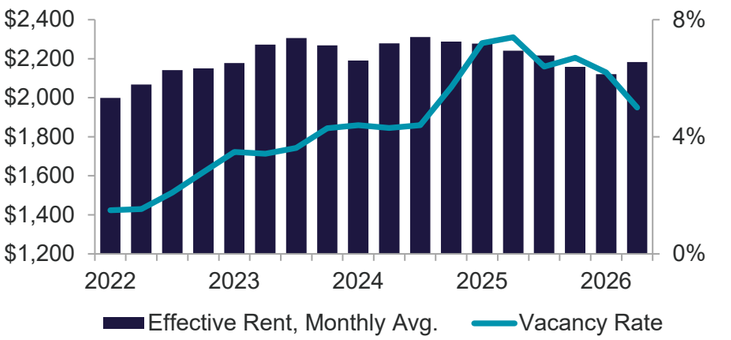
PRICING: RENTS STABILIZE AS LEASING CONDITIONS IMPROVE

The average effective rent reached $2,207 per unit in Q2 2026, rising $49.00 per unit QOQ but remaining down $46.00 YOY. Bozeman's average rent continued to exceed the Montana average of $1,752 despite recent rent moderation. 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 continued competition among recently delivered properties. The recent rent moderation remained most pronounced among discretionary and upper mid-range properties, while workforce rents continued to demonstrate greater pricing stability despite ongoing supply additions.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT

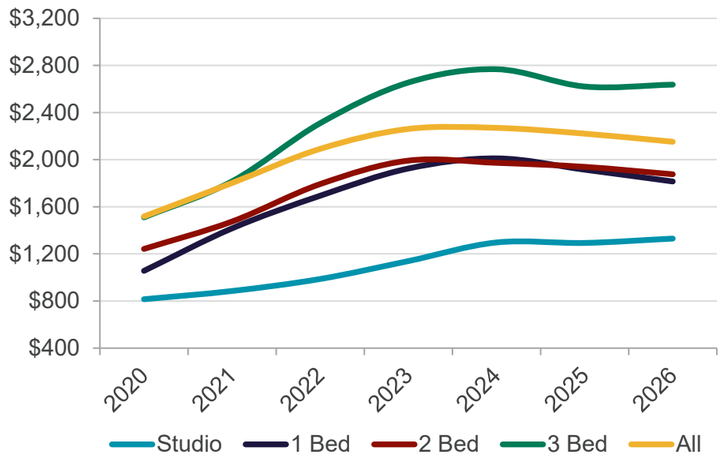


Source: Yardi Matrix, Montana Department of Labor & Industry, BLS, census.gov, ESRI

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AVERAGE RENT PER UNIT HISTORY

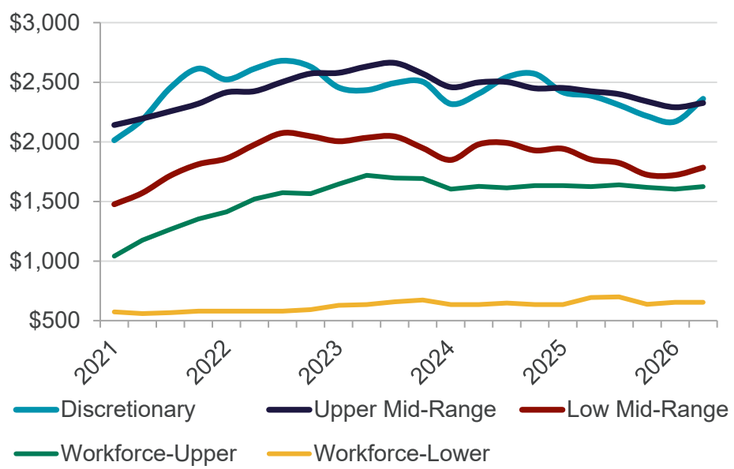
RENTS REMAINED ELEVATED IN 2026 DESPITE CONTINUED MODERATION ACROSS MOST UNIT TYPES FOLLOWING THE MARKET'S 2024 PEAK.



Source: Yardi Matrix

ASKING RENT PER UNIT BY ASSET CLASS

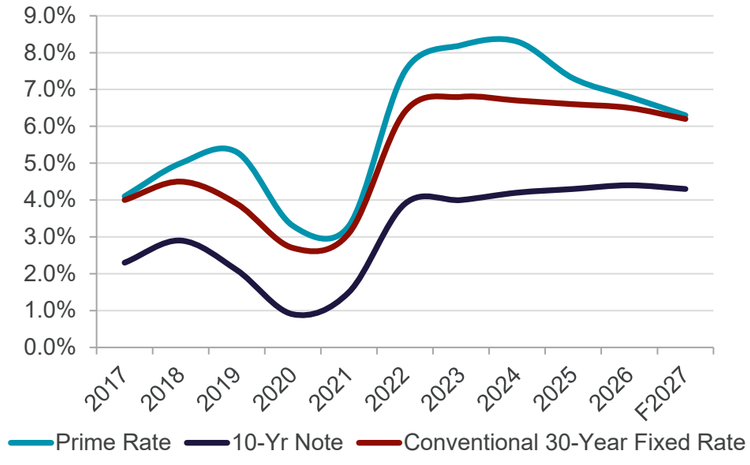
ASKING RENTS CONTINUED TO MODERATE IN 2026, WITH DISCRETIONARY AND MID-RANGE ASSET CLASSES TRENDING BELOW PRIOR PEAKS WHILE WORKFORCE RENTS REMAINED STABLE.



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
Bozeman	5,327	311	6.2%	732	785	5.2%	-210	$2,207	-2.0%
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

- The City of Bozeman is investing nearly $29 million across 14 infrastructure projects in 2026, including transportation improvements, utility upgrades, and capacity-expansion projects designed to support continued population growth.
- Bozeman Yellowstone International Airport continues its multi-phase terminal expansion and airfield planning efforts, reinforcing the region's role as a major economic and tourism gateway to southwest Montana.
- Bozeman's downtown revitalization efforts continue through the Montana Main Street Program and Urban Renewal District initiatives, supporting infrastructure investment, placemaking, workforce housing, and small-business growth.

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