MARKETBEAT

Helena

MULTIFAMILY Q3 2025



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.8% Stabilized Vacancy Rate	▲	–
8 Net Absorption, units	▲	▲
$1,690 Effective Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
46.3K Helena Employment	▲	▲
2.7% Helena Unemployment Rate	▼	–
0.7% Helena Household Growth Rate	▲	▲

Source: BLS, census.gov, stlouisfed

ECONOMY: GOVERNMENT AND HEALTHCARE ANCHOR GROWTH

Helena maintained stable economic momentum through Q3 2025, with metro population growth of roughly 1.8% annually, reaching an estimated 94,042 residents. Expansion is supported by in-migration and a diversified base anchored by state government, healthcare, and professional services, with emerging contributions from technology and construction. Nonfarm employment averages 46,300, reflecting modest year-over-year (YOY) gains, while healthcare and public administration remain dominant sectors. Median household income stands near $80,006, with per capita income exceeding $51,000, underscoring strong wage trends. The unemployment rate remains exceptionally low at 2.7%, positioning Helena among Montana's most resilient labor markets.

SUPPLY: LEASING MOMENTUM SIGNALS MARKET STABILITY

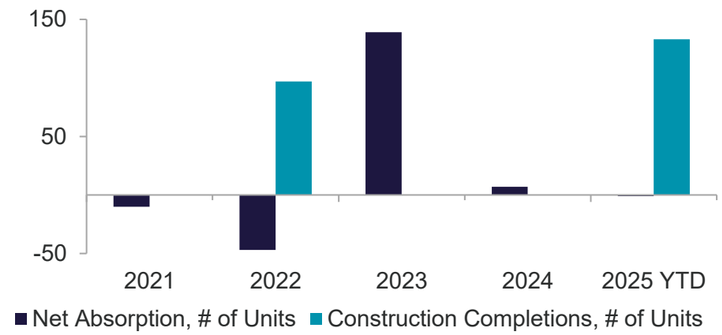
The Helena multifamily market closed Q3 2025 with healthy rental demand, as stabilized vacancy declined 130 basis points quarter-over-quarter (QOQ) but rose 80 basis points YOY, settling at 3.8%. Vacancy now sits below the 10-year average of 4.3%, with a forecast for continued stability. Helena's pipeline remains robust, with 198 units actively under construction.

While demand has varied over time, notable highlights include a sharp absorption rebound in 2023 with 139 units absorbed despite no new deliveries, following a challenging 2022 when absorption declined by 47 units against 97 completions. In contrast, 2024 saw minimal demand with only 7 units absorbed and no new supply. Year-to-date 2025 reflects renewed construction activity with 133 completions, though absorption remains slightly negative, indicating near-term vacancy pressure as new inventory enters the market.

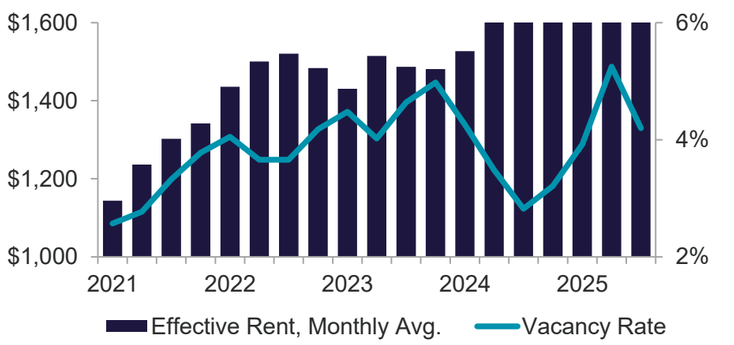
PRICING: RENTS RISE MODESTLY AS CONCESSIONS SHIFT

Effective rents continued to rise, reaching $1,690 in Q3 2025 after increasing 1.4% QOQ and 0.4% YOY, following a 14.6% gain from Q1 2023 to Q3 2024. Concessions grew more common, 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



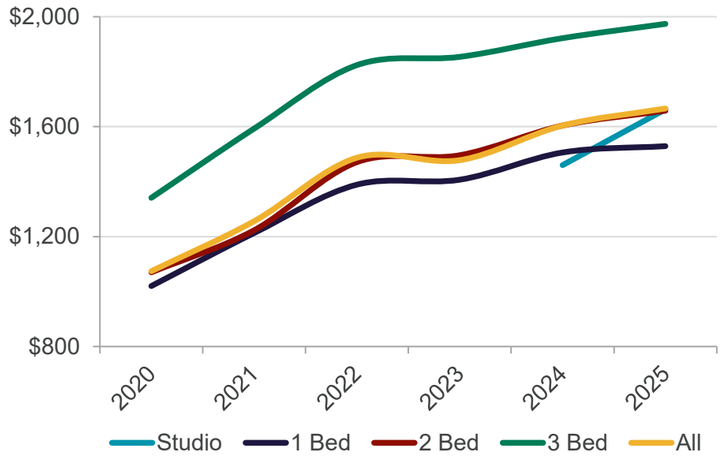
Source: Yardi Matrix, ESRI, BLS, stlouisfed, bber.umt.edu

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HELENA
MULTIFAMILY Q3 2025

AVERAGE RENT PER UNIT HISTORY

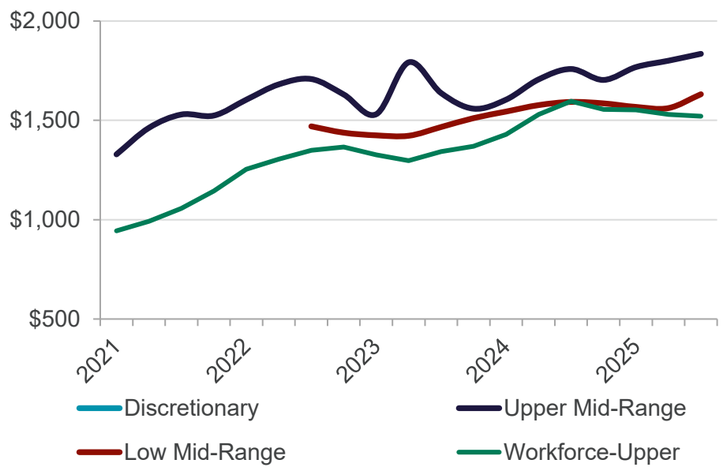
RENTS CONTINUED CLIMBING IN 2025, LED BY STUDIOS AND 3-BEDROOM UNITS REACHING NEW HIGHS, WHILE 2-BEDROOM RATES REBOUNDED AND 1-BEDROOMS POSTED MODEST GAINS.



Source: Yardi Matrix

ASKING RENT PER UNIT BY ASSET CLASS

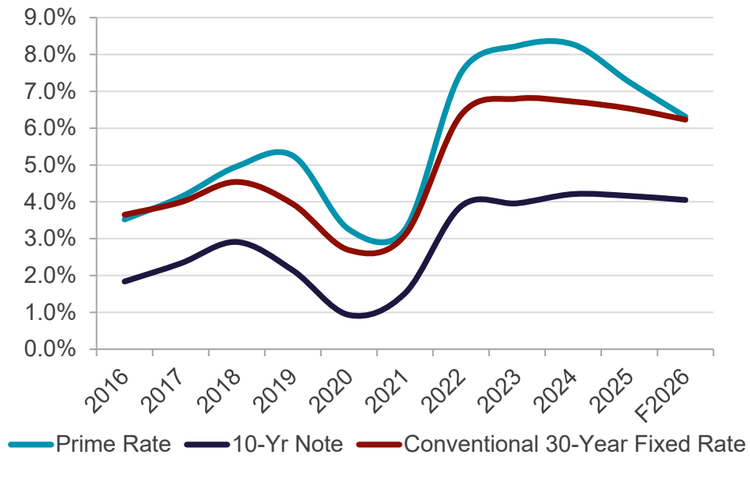
UPPER MID-RANGE RENTS HIT NEW HIGHS IN 2025, WHILE LOW MID-RANGE AND WORKFORCE UPPER SEGMENTS POSTED STEADY GAINS.



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
Helena	736	133	22.1%	198	-1	3.8	80	$1,690	0.4%
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

- Helena Regional Airport launched a long-term master plan with terminal upgrades, enhancing connectivity and reinforcing its role as a regional transportation hub.
- The 406 JOBS workforce initiative is expanding training programs in healthcare, manufacturing, and technology, strengthening Helena's labor market and economic resilience.
- The Bureau of Business and Economic Research will host its 50th annual Economic Outlook Seminar in Helena, spotlighting statewide growth trends and AI-driven innovation.
- Helena's BUILD strategy and updated land use plan prioritize infill development, housing affordability, and infrastructure investment to support sustainable growth.

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