

Real Estate and Construction

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Three Housing Periods



2017 - 2019

4% mortgage rates

- Ambient second home market
- “Normal” strong migration
- Steady appreciation

Three Housing Periods



2020 - 2022

- Below 3% mortgage rate
- Cash buyers
- Strong second home demand
- **Historic** domestic in-migration
- **Rapid** housing cost appreciation

Three Housing Periods

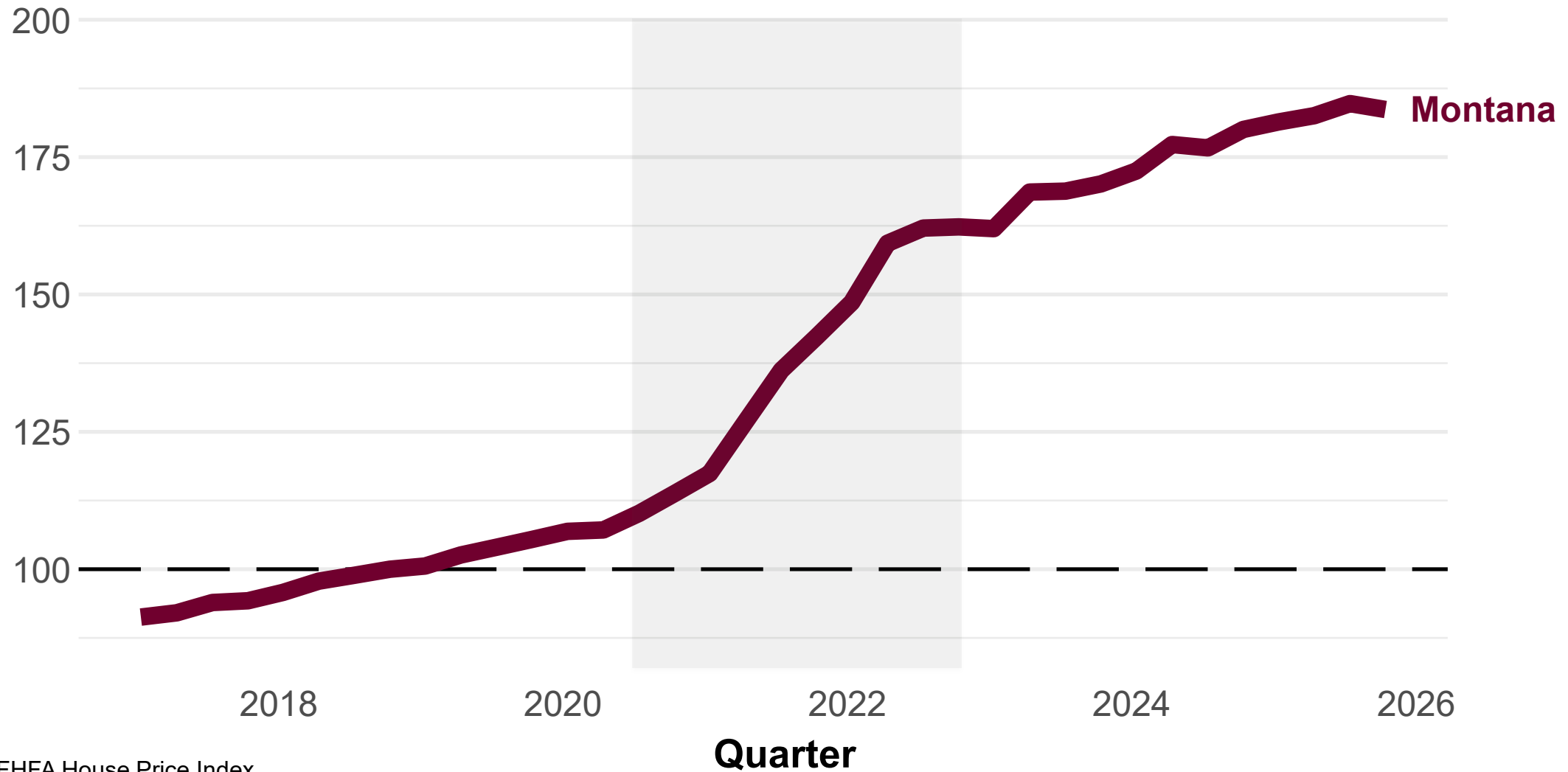


2023 - 2025

- Above 6% mortgage rates
 - Rate lock fades slowly
- “Normal” strong migration
- Higher housing costs, but returning to steady appreciation
- Generally strange housing conditions
 - Low transaction volume

House Price Index

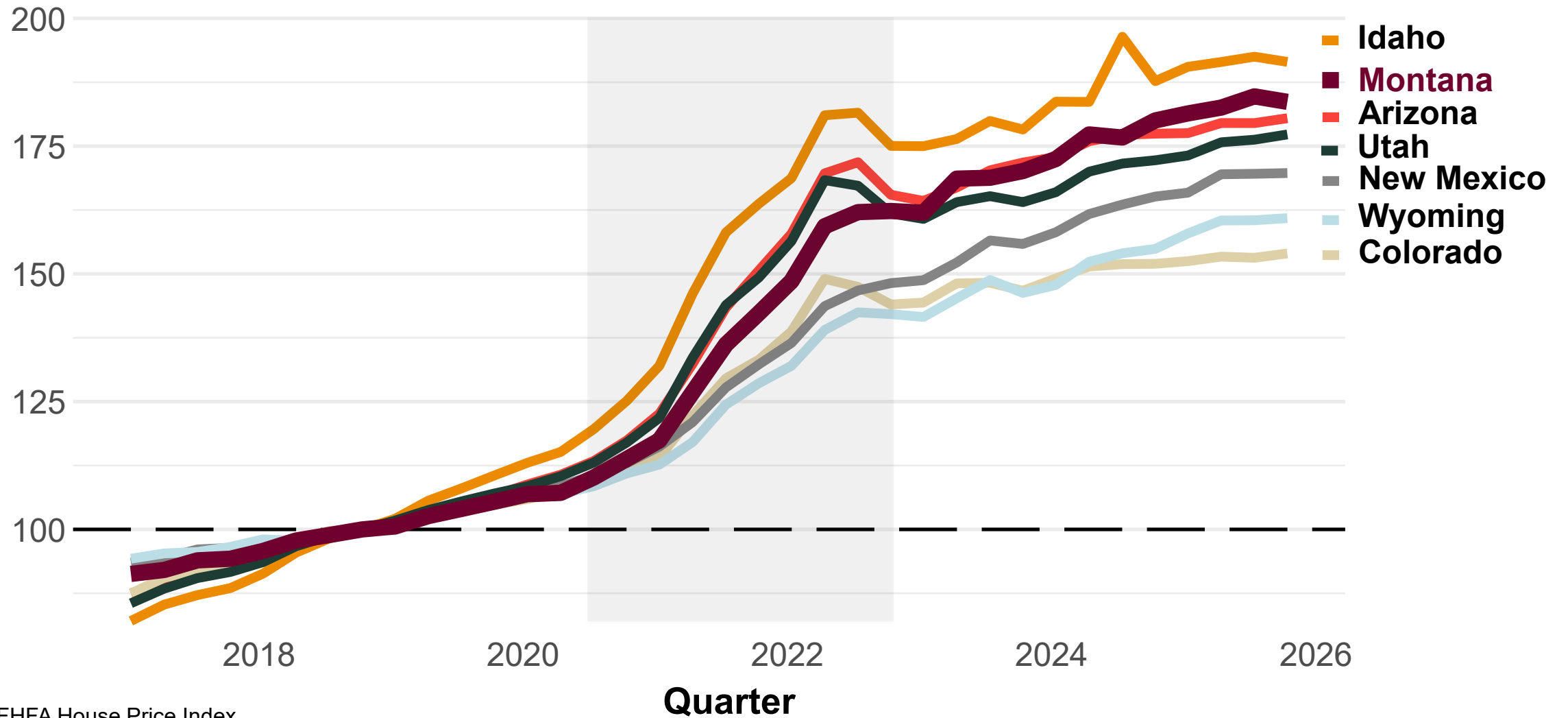
Base: Q4 2018



Source: FHFA House Price Index

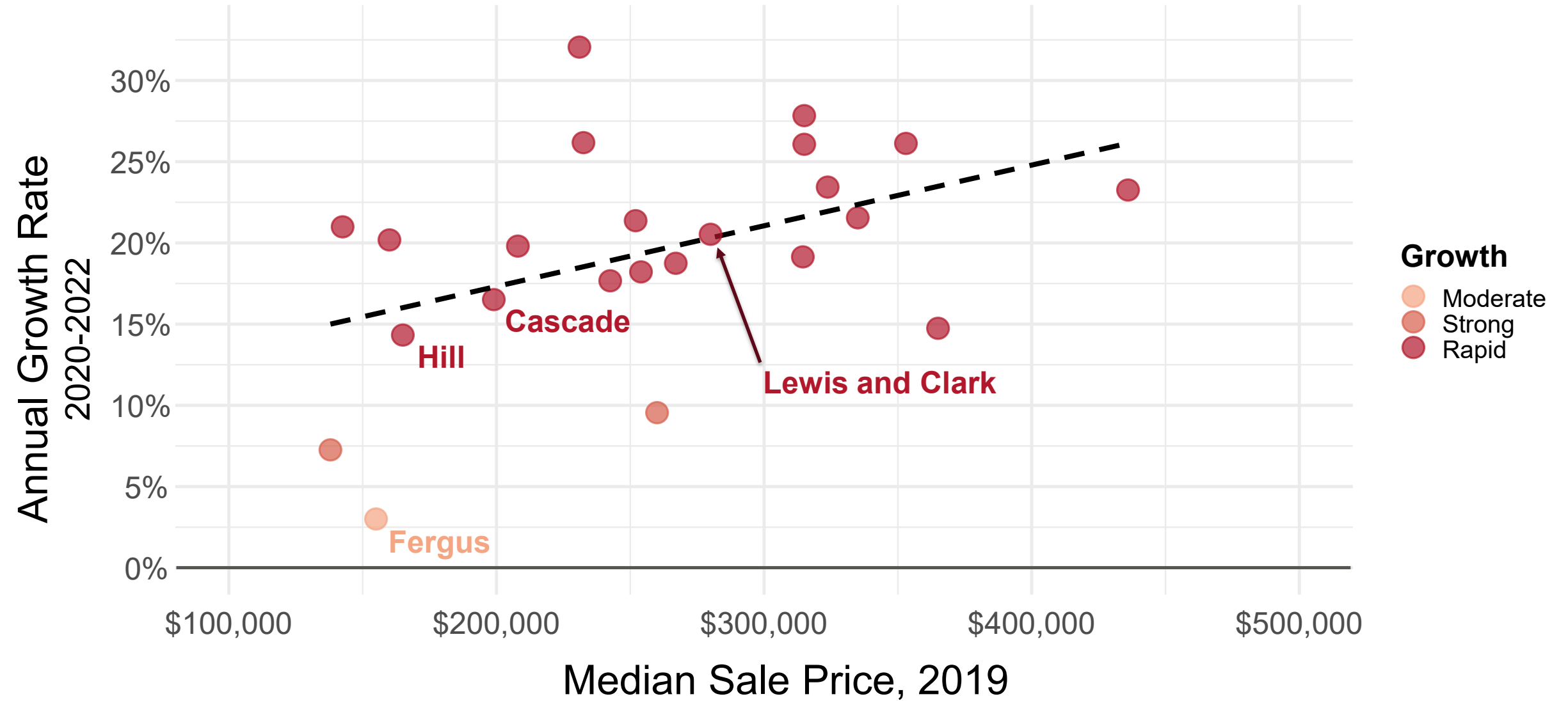
House Price Index

Base: Q4 2018



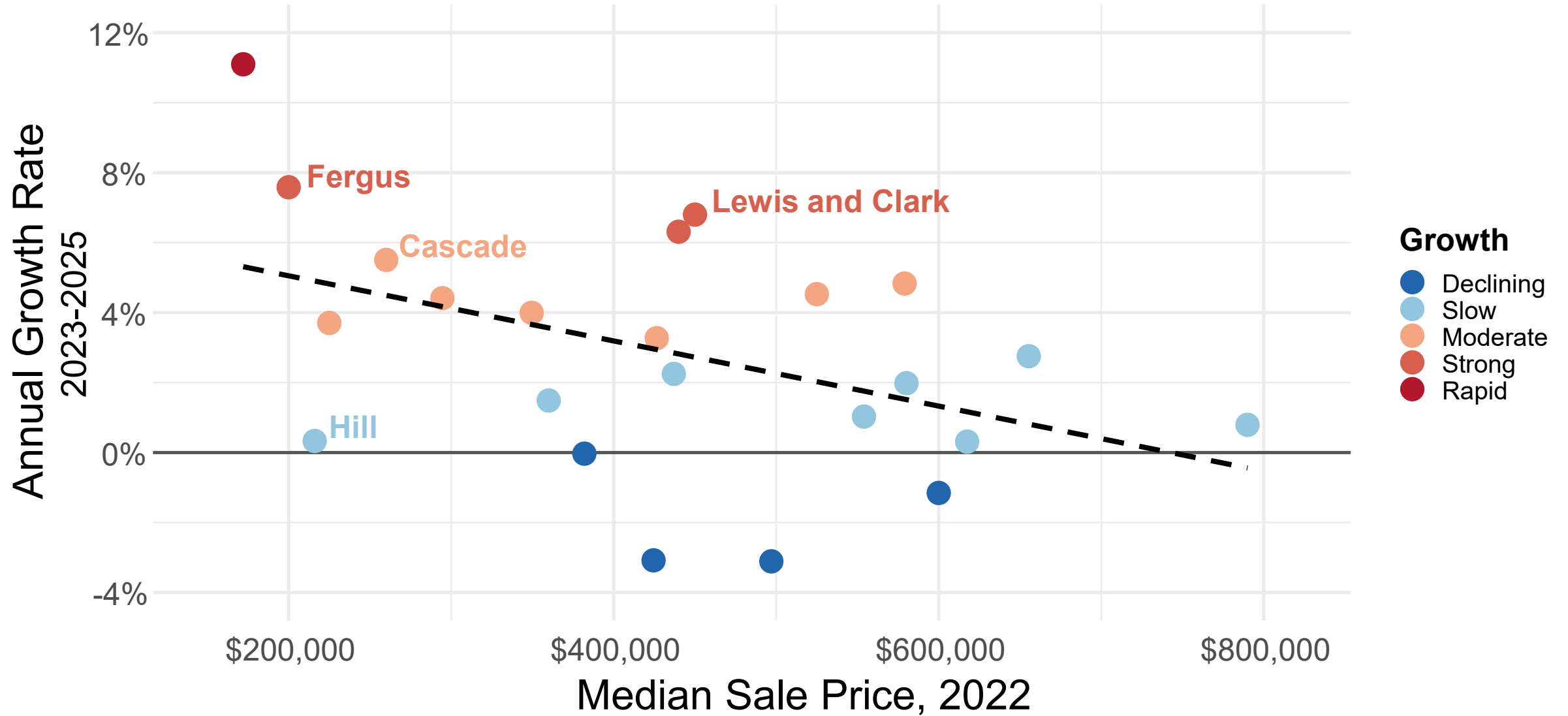
Source: FHFA House Price Index

Higher-priced markets grew faster between 2020-2022.



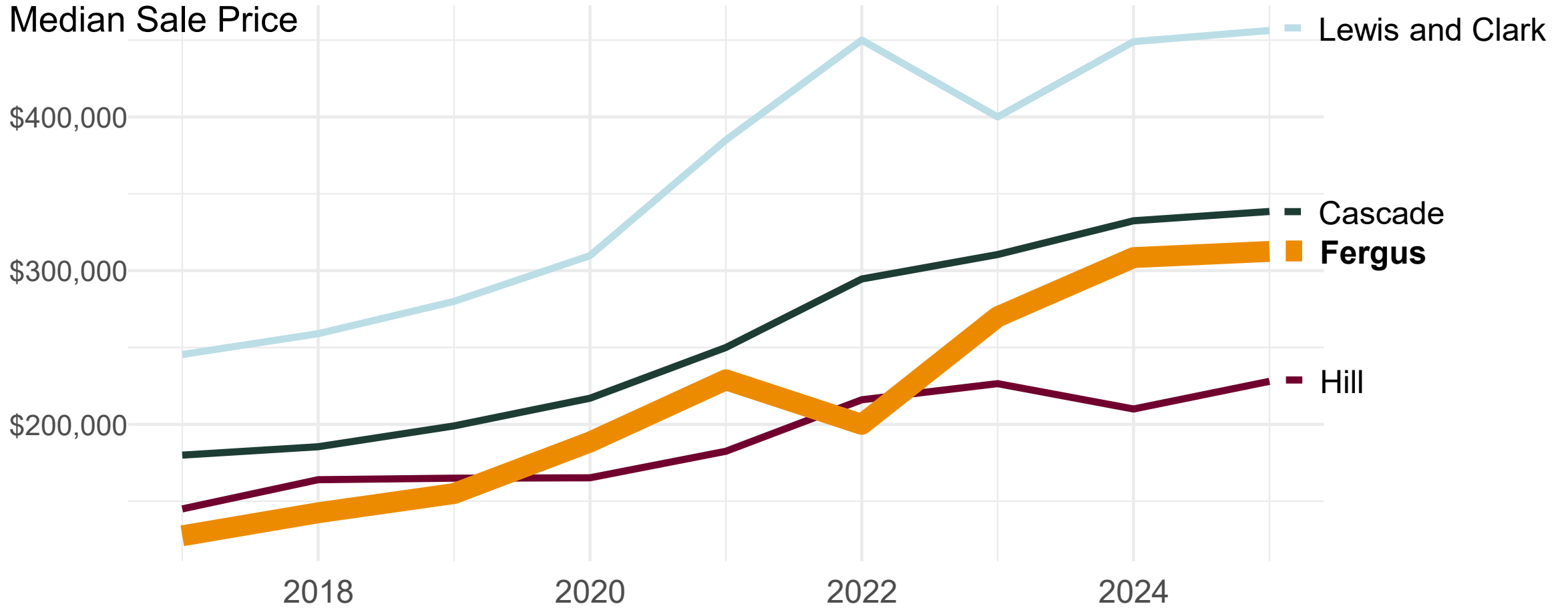
Sources: BBER Analysis, Montana Regional MLS, Missoula Organization of Realtors, Great Falls Association of Realtors, Big Sky Country MLS, Billings and High Line MLS

Higher-priced markets cooled through 2023-2025.



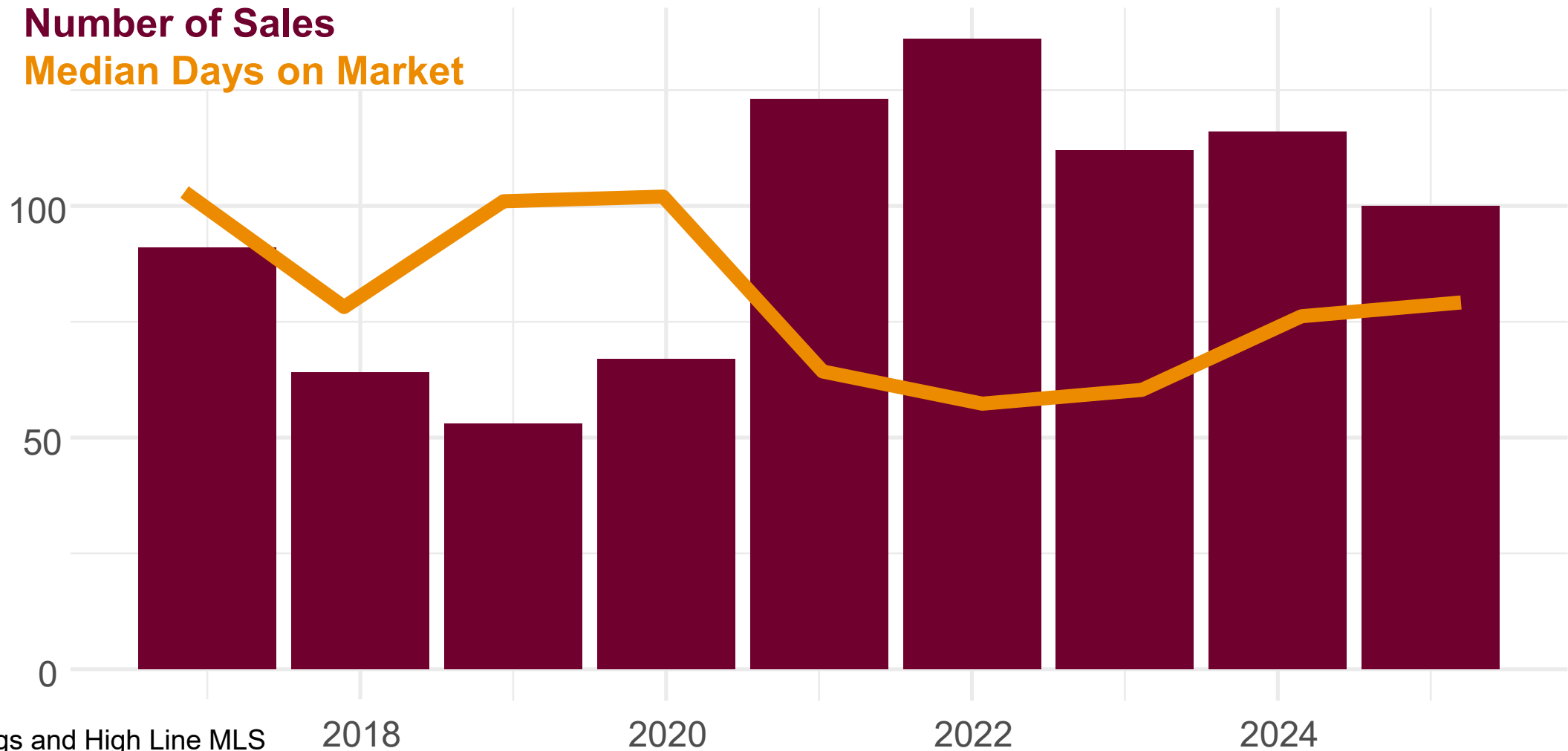
Sources: BBER Analysis, Montana Regional MLS, Missoula Organization of Realtors, Great Falls Association of Realtors, Big Sky Country MLS, Billings and High Line MLS

Single Family Home Sale Prices



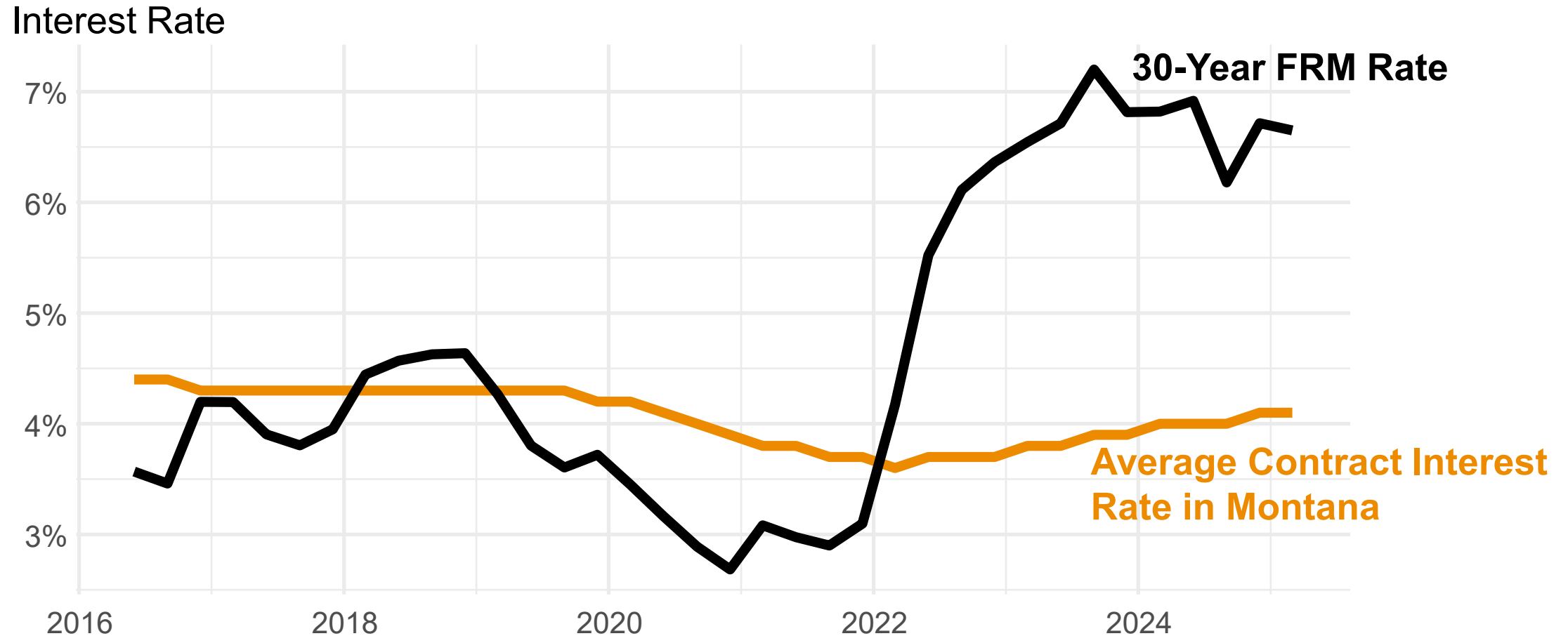
Sources: Billings and High Line MLS, Great Falls Association of Realtors, Montana Regional MLS

Fergus County Single Family Home Sales



Source: Billings and High Line MLS

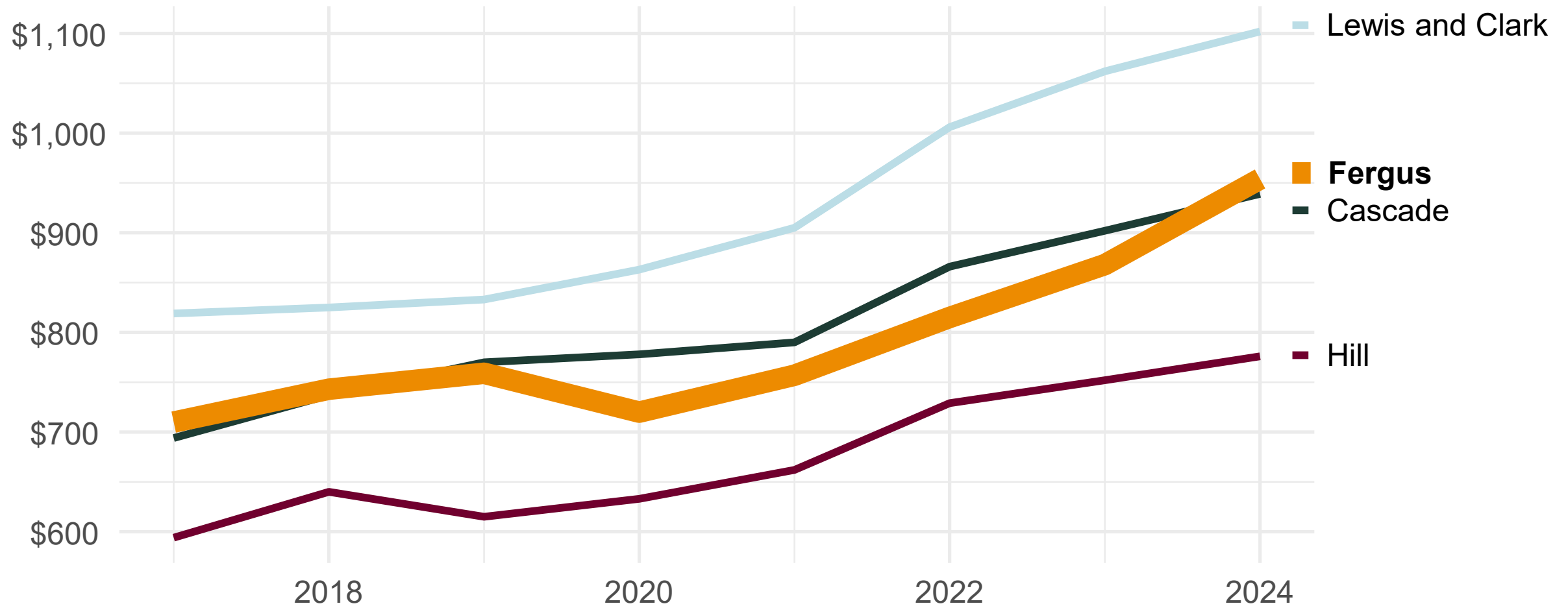
Current homeowners hold onto lower interest rates than 30-Year FRM rates.



Source: FreddieMac, National Mortgage Database

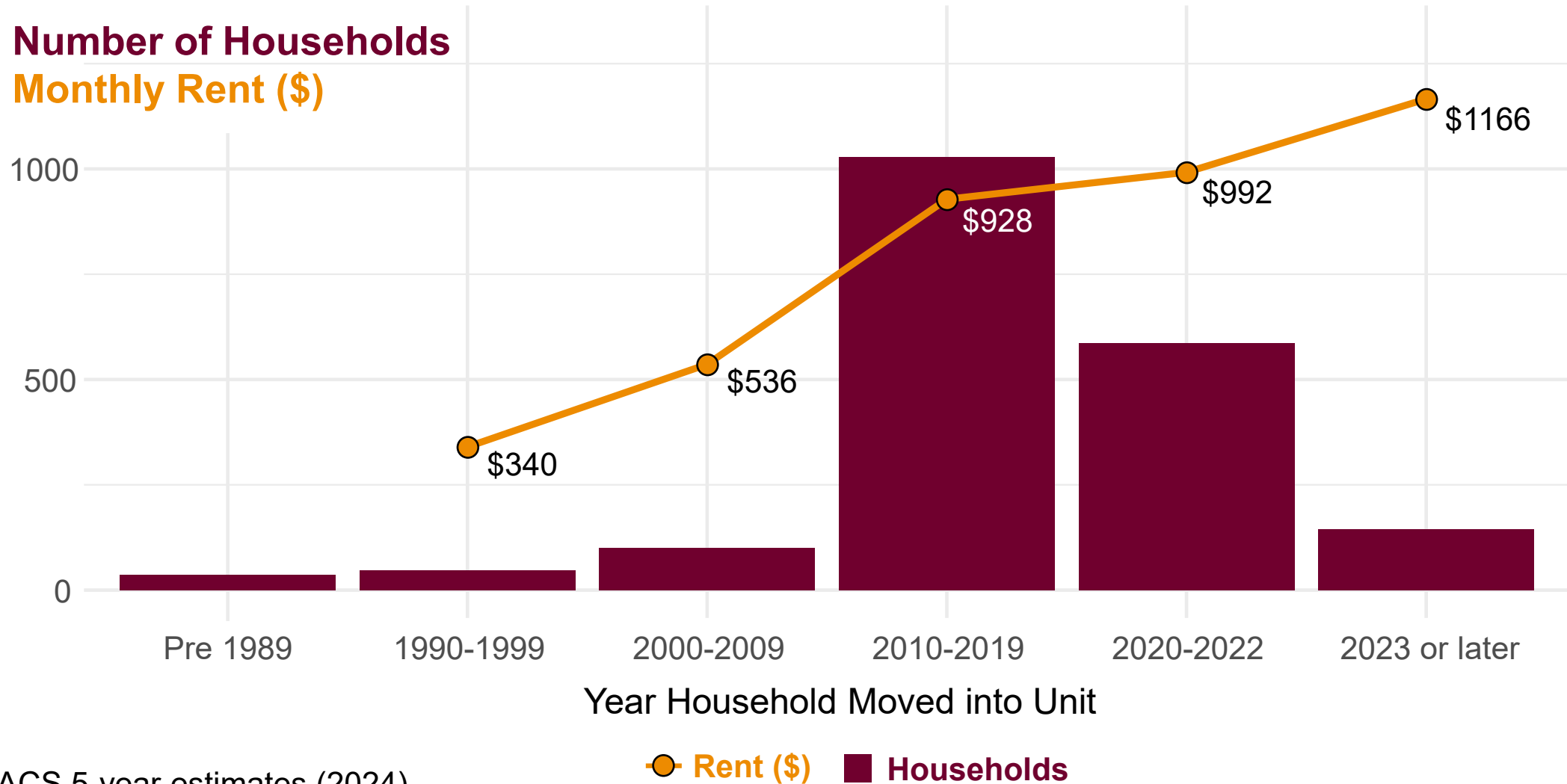
Median rent for all residents continues to rise.

Median Rent (trailing 5-year average)



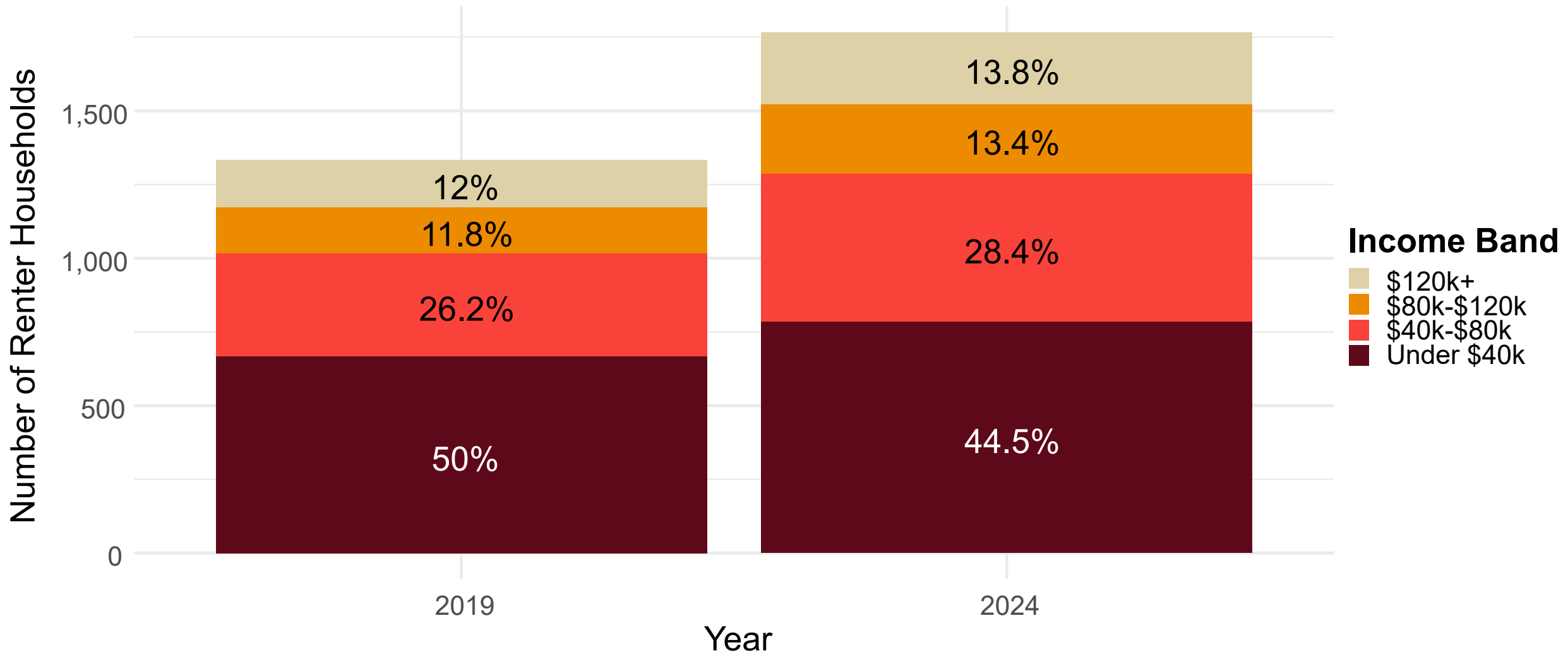
Source: ACS 5-year estimates (2024)

New renters face higher costs.



Source: ACS 5-year estimates (2024)

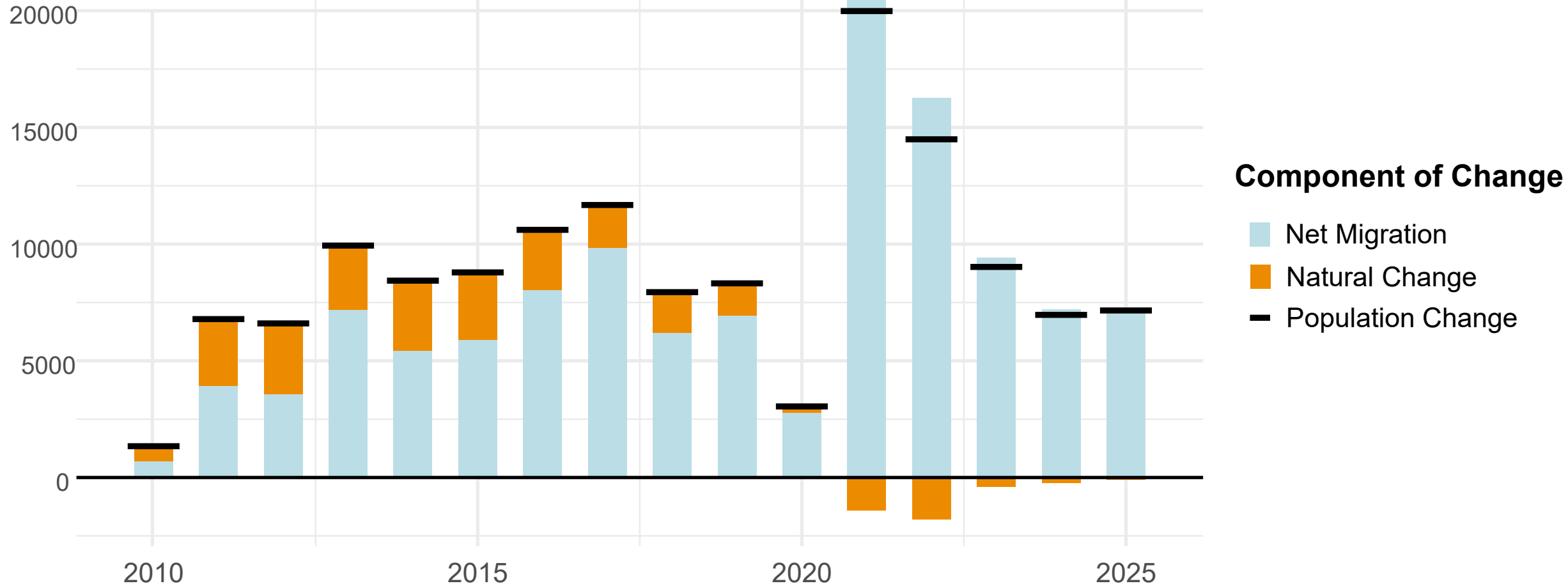
Renters have higher incomes.



Source: ACS 5-year estimates, 2019 adjusted to 2024 dollars using CPI-U

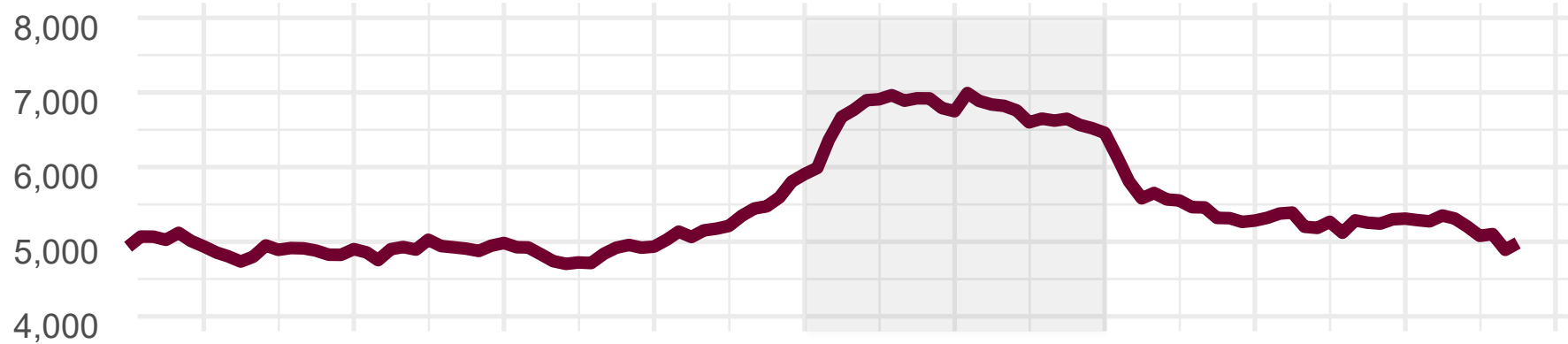
Migration in Montana is slowing down but continues to increase the population.

Population Change

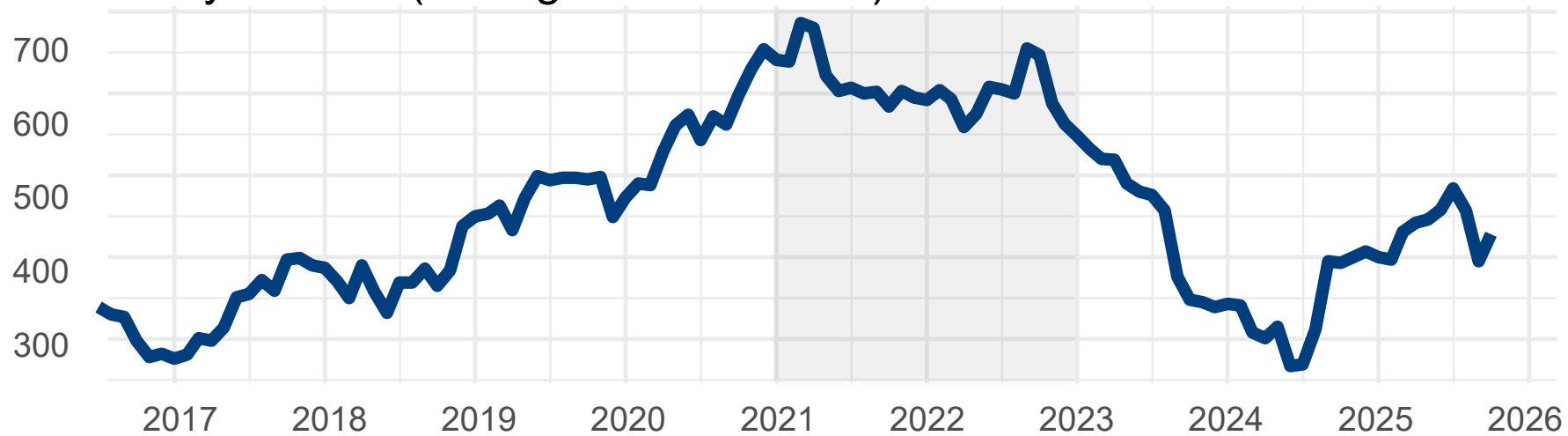


Montana Construction Permits

Single-family Permits (trailing 12-month sum)

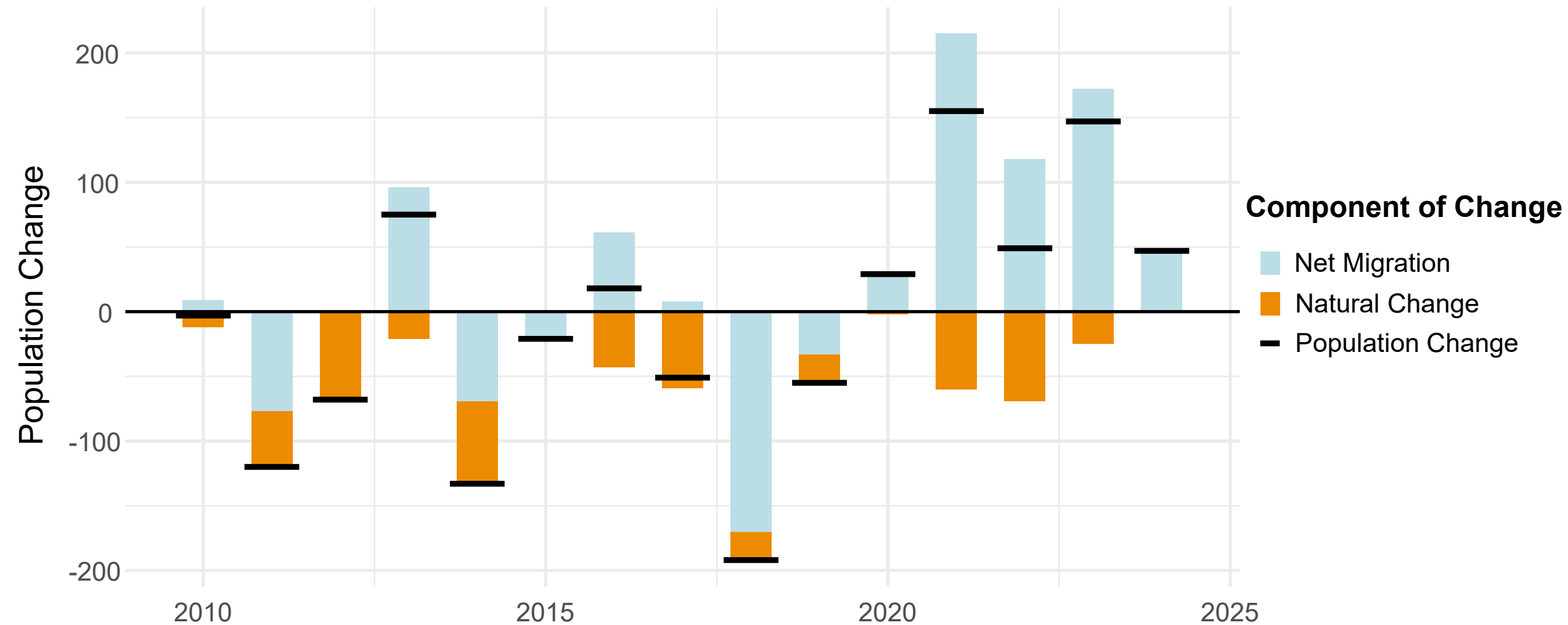


Multi-family Permits (trailing 12-month sum)



Sources: BBER Analysis, U.S. Census Building Permits Survey, MT Dept of Labor and Industry

Growing population in Fergus County driven by migration.

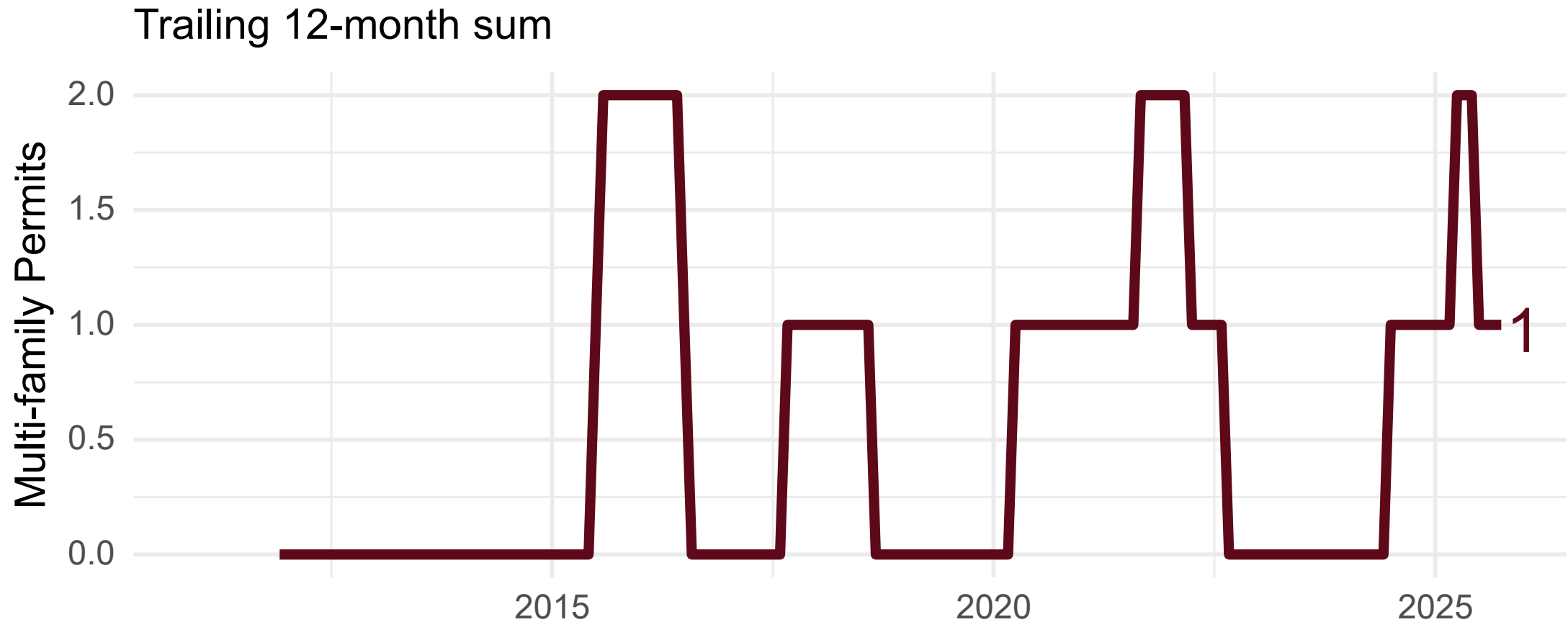


Fergus County: Single-family Permits



Sources: BBER Analysis, U.S. Census Building Permits Survey, MT Dept of Labor and Industry

Fergus County: Multi-family Permits



Sources: BBER Analysis, U.S. Census Building Permits Survey, MT Dept of Labor and Industry

Statewide Summary

- **Past permitting wave delivering now**
 - Increased housing stock, especially multi-family housing
 - Affordability improving, but remains a challenge
- **Migration returning to normal levels**
- **Overall, housing transactions remain low**
 - ~75% of Montana mortgages are locked-in

Fergus County Summary Summary

- **Population growth driven by migration**
 - Aging populations: 26% of Fergus county above 65 years
 - Expected labor market growth
 - Rental demand increasing, prices rising
- **Leading state in recent home price growth**
 - Transactions remain above pre-Covid levels
- **Consistent single-family permitting in recent years**
 - Potential multi-family construction in the works