IRONHORSE
MANAGEMENT LLC

Gallatin County Rentals

Market Briefing

Bozeman · Belgrade · Gallatin Valley

01 Bottom Line For Owners

Gallatin County's apartment market is still soft — but it is absorbing. The 2025 high in large multifamily vacancy was real; newer public readings show vacancy down from that high while competition at turnover remains. For owners of established units, the practical takeaway is disciplined leasing at turnover — not a reason to treat durable tenancies as a problem.

KEY FINDINGS

12.2%

Apartment vacancy, Bozeman metro area

April–June 2026 · HUD (CoStar data) · down from 17.9% a year earlier

18.5%

Highest Gallatin multifamily vacancy in this City/EPS series

July–Sep 2025 · City of Bozeman / Economic & Planning Systems · 2020–2025 series

44.2%

Vacancy rate, Bozeman units built 2024–25

July–Sep 2025 · City/EPS age-cohort split

9.2%

Vacancy rate, Bozeman units built before 2024

July–Sep 2025 · same City/EPS age-cohort split

DIFFERENT DATA SETS These four figures are not one series: 12.2% is Bozeman metro-area apartments (HUD reporting CoStar); 18.5%, 44.2%, and 9.2% are City of Bozeman / Economic & Planning Systems (EPS) July–September 2025 multifamily readings. Not directly comparable.

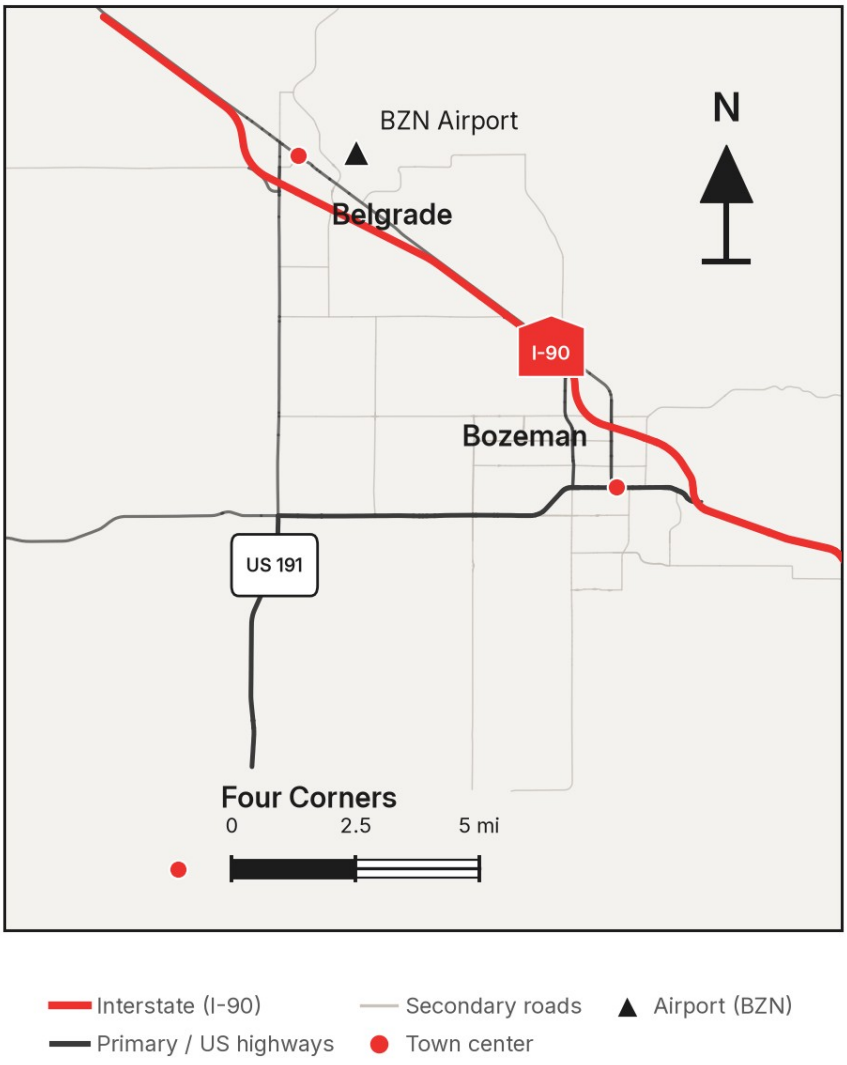
Still soft, but absorbing — Bozeman metro apartment vacancy down from mid-2025 soft-market levels, with net absorption (net new occupied units) outrunning completions (finished apartments) in the 12 months ending June 2026.

Ironhorse Management works in Gallatin County's Bozeman and Belgrade rental market. In a soft but absorbing multifamily environment, our focus is a disciplined leasing and management process grounded in local experience — careful readiness before marketing, clear communication with owners, and protecting good long-term tenancies where that fits the owner's goals.

02 Where This Market Sits

Ironhorse Management's long-term residential work is focused on Gallatin County — Bozeman, Belgrade, and nearby Four Corners. This briefing stays inside that local market. The map is for orientation only; it is not a property map and does not mark any development sites or Ironhorse locations.

Gallatin Valley Orientation — Bozeman, Belgrade, Four Corners



Orientation only — not a property map; no development sites or Ironhorse locations marked. North at top. Scale bar = 5 miles.

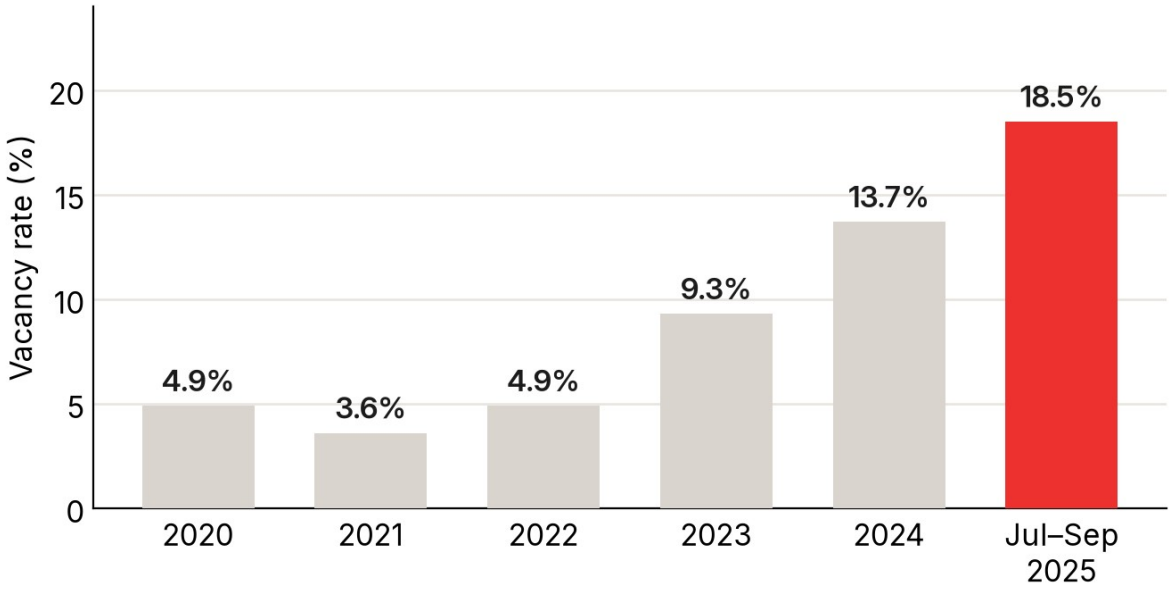
Road geometry and place nodes: © OpenStreetMap contributors, ODbL 1.0 (openstreetmap.org/copyright). Extract via Overpass API, 2026-11-06. BZN position from public airport coordinates.

03 The Local Supply Wave

City of Bozeman / Economic & Planning Systems (EPS), published December 2025, shows Gallatin multifamily vacancy reaching 18.5% by July–September 2025 — the highest reading in that 2020–2025 series (not an all-time claim). The U.S. Department of Housing and Urban Development (HUD) Rocky Mountain report for April–June 2026 (CoStar apartment data as reported by HUD) puts Bozeman metropolitan statistical area (metro) apartment vacancy at 12.2%, down 5.7 percentage points from 17.9% in April–June 2025. Different data sets — not directly comparable.

At July–September 2025, City/EPS age-cohort vacancy was 44.2% among Bozeman units built in 2024–25 (~1,943 units) vs 9.2% among units built before 2024 (~7,279 units) — a mid-2025 snapshot, not a 2026 reading. Large 2024–25 deliveries (Uplands, The Edison, Avion, Yellowstone Landing) help explain the wave.

Gallatin Multifamily Vacancy Rate — City/EPS Series



Metric: multifamily vacancy. Geography: Gallatin County (City of Bozeman / Economic & Planning Systems). As of: July–September 2025. Source: City/EPS, Dec. 2025 (Table 18). 18.5% is the highest reading in this 2020–2025 series.

What This Shows. In the City/EPS Gallatin multifamily series, vacancy rose from the low-single digits in 2020–22 into a series high of 18.5% by July–September 2025 — a documented supply-driven soft reading in that series, not an all-time claim beyond it.

04 Supply Wave — 2026 HUD / CoStar Reading

Separate data set from City/EPS — Bozeman metro apartment vacancy at April–June 2026 (HUD Policy Development and Research / CoStar).

12.2%

Bozeman metro apartment vacancy

April–June 2026 · U.S. Dept. of Housing and Urban Development (HUD), reporting CoStar Group apartment data

Down 5.7 percentage points from 17.9% in April–June 2025.

HUD still describes the market as soft.

Not directly comparable with City/EPS data.

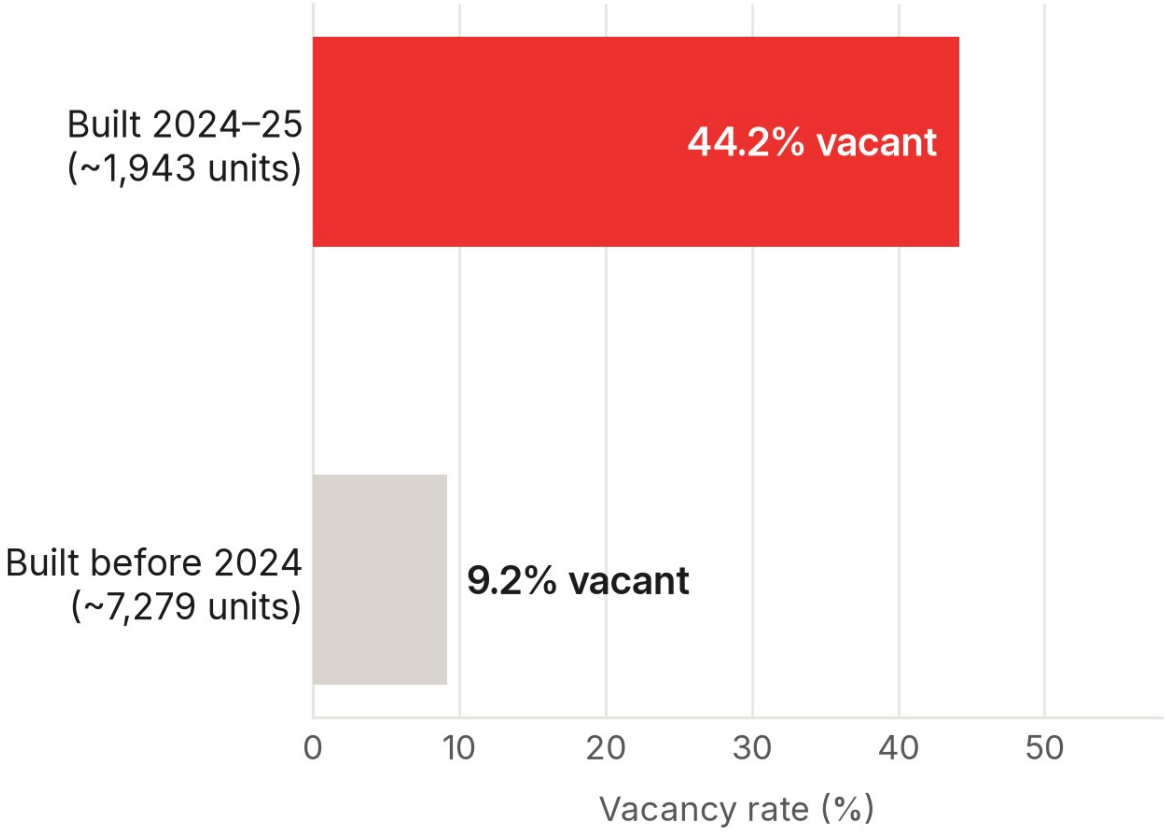
Metric: apartment vacancy rate. Geography: Bozeman metropolitan statistical area as reported by HUD. As of: April–June 2026. Source: HUD Rocky Mountain 2Q2026 (CoStar Group data as reported by HUD).

WHAT THIS SHOWS By April–June 2026, HUD/CoStar put Bozeman metro apartment vacancy at 12.2% — down 5.7 percentage points from 17.9% a year earlier, still described as soft. Not directly comparable with City/EPS data.

05 Supply Wave — New Vs. Established Stock

Age-cohort vacancy split inside the City of Bozeman / Economic & Planning Systems (EPS) Bozeman reading at July–September 2025. Bar length is the vacancy rate (share vacant), not unit counts.

New Vs. Established Bozeman Vacancy (City/EPS, July–September 2025)



Bar length = share vacant. Metric: apartment vacancy by year-built cohort. Geography: Bozeman (City/EPS). As of: July–September 2025 — not a 2026 reading. Source: City of Bozeman / Economic & Planning Systems, Dec. 2025 (Table 21).

WHAT THIS SHOWS At July–September 2025, City/EPS vacancy was concentrated in brand-new Bozeman stock (44.2% among 2024–25 deliveries) while units built before 2024 read 9.2%. That split is a mid-2025 snapshot — not a 2026 reading.

06 2026: Still Soft, Absorbing

HUD Rocky Mountain report for April–June 2026 (CoStar as reported by HUD's Policy Development and Research office): Bozeman metro apartment vacancy 12.2%, down 5.7 percentage points from 17.9% in April–June 2025. HUD still calls conditions soft. In the 12 months ending June 2026, net absorption (net increase in occupied units) was 1,125 vs 720 completions (finished apartments; completions down 23 percent from the prior 12 months). Average monthly apartment rent $2,162 vs $2,169 a year earlier (published change less than 1 percent down).

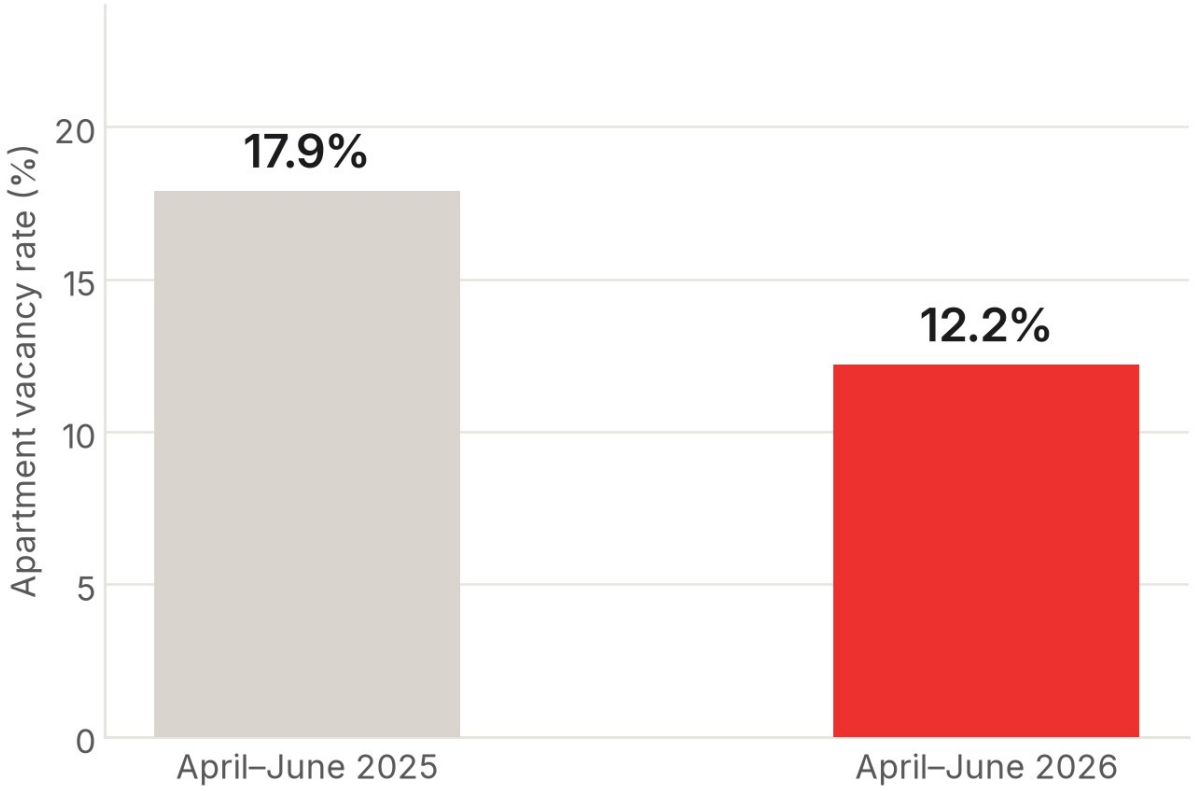
Occupancy was catching up with a slower delivery pace in that period. See the chart on page 13 under "How Long Could Excess Inventory Take To Clear?" for the visual comparison of 720 completions versus 1,125 net absorbed units.

- Census Building Permits Survey (Gallatin County / Bozeman metro), January–September 2026: 1,197 total units authorized (+7.0 percent year over year vs the same period in 2025); 384 units in buildings with five or more units (−8.6 percent from 420). Full-year 2025 five-plus authorizations: 567 units. These are permit authorizations with imputation — not finished apartments or occupied units.
- Zillow Observed Rent Index (ZORI) asking-rent measure, September 2026 (files Last-Modified October 16, 2026): Gallatin County all-homes $2,200.58 (+3.83 percent year over year); Bozeman metro multifamily $2,018.44 (+4.67 percent year over year). Asking-rent index — not CoStar average rent and not a vacancy rate.
- Rental Beast listing sample, January–March 2026 (published May 6, 2026): 86.6 percent of sampled active Bozeman listings offered an incentive; overall days on market (time from listing to lease) averaged 26. Listing-sample estimate — not a census of all rental units.
- Pipeline / projection: Montana Board of Housing (MBOH) May 2026 packet lists Copper Ranch, Belgrade (320 units) and Copper Grove, Bozeman (264 units) as incoming — not completed. Belgrade's May 2026 plan projects 4,394 additional units by 2045 (planning projection only).

Rent series are not interchangeable: ZORI is an asking-rent index; HUD/CoStar reports average monthly apartment rent; the U.S. Census Bureau American Community Survey (ACS) 2025 median gross rent for Gallatin County was $1,825 ±$122 (released October 29, 2026). Do not mix those levels.

07 2026 — Vacancy Still Soft

Observed Bozeman metro apartment vacancy, April–June 2025 vs April–June 2026 (HUD / CoStar as reported by HUD).



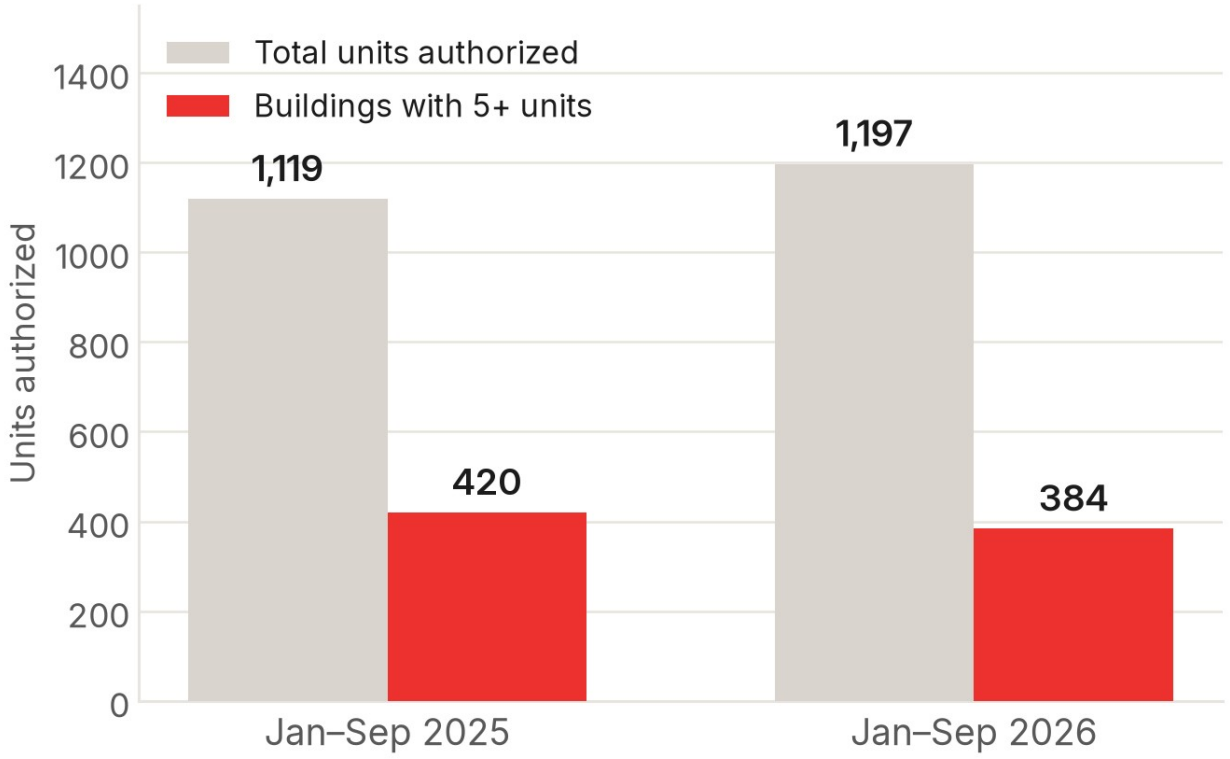
Metric: apartment vacancy rate. Geography: Bozeman metropolitan statistical area. Period: April–June 2025 vs April–June 2026 (−5.7 percentage points). Source: HUD Rocky Mountain 2Q2026 (CoStar as reported by HUD).

WHAT THIS SHOWS Same HUD/CoStar Bozeman metro apartment series: vacancy fell from 17.9% (April–June 2025) to 12.2% (April–June 2026). Soft, but absorbing — not a claim that competition at turnover has ended.

08 2026 — Building Permits Year To Date

U.S. Census Bureau Building Permits Survey authorizations for Gallatin County / Bozeman metro, January–September comparison. Authorizations (with imputation) are permissions to build — not finished apartments or occupied units.

Gallatin / Bozeman Metro Building Permits — January–September



Metric: units authorized (with imputation). Geography: Gallatin County / Bozeman metro (Census Building Permits Survey). Totals +7.0% year over year; buildings with 5+ units −8.6% (384 vs 420). Not completions. Source: Census BPS files co2509y / co2609y; 2026 year-to-date Last-Modified Oct 27, 2026.

WHAT THIS SHOWS January–September 2026 authorizations rose overall (+7.0% year over year) while buildings with five or more units fell (−8.6% to 384). These are Census Building Permits Survey authorizations with imputation — not finished apartments or occupied units.

09 Ironhorse Management In This Market

Tight occupancy is the standard we work toward — through preparation, presentation, and local leasing discipline.

In a multifamily environment that remains soft even as it absorbs, Ironhorse Management brings a clear operating approach: prepare each unit before it is marketed, price and present it with care, make showings straightforward, and protect good long-term tenancies when that matches the owner's goals. That is how we pursue tight occupancy — with process and local experience, not slogans. Results vary by property, price, condition, and timing; nothing here promises a particular lease-up speed or occupancy level.

Turnover is part of rental ownership. Some vacancies take longer to fill when many units are available elsewhere in the valley. Owners work with Ironhorse Management for a local process in that environment: readiness before posting, prompt follow-through, and steady communication while a unit is on the market.

HOW WE WORK — PRACTICALLY Large complexes may advertise concessions and staffed leasing desks. On the units we manage, we focus on accurate marketing when a unit is ready, speed and clarity for renters, and judgment that protects durable tenancies when that fits the owner's goals.

Market percentages from City/EPS, HUD/CoStar, or brokerages describe different rental universes than a mixed book of smaller and older long-term units. We do not present Ironhorse Management results as a direct percentage comparison to the 18.5% City/EPS high in the 2020–2025 series, the 12.2% HUD/CoStar Bozeman metro apartment vacancy rate (April–June 2026), or new-lease-up vacancy.

10 Owner Checklist

Practical steps grounded in how we work this market — not guarantees, and not a promise of any particular leasing result.

01 Protect Good Tenancies First

Keep good residents when the relationship and rent still work for both sides — turnover is costly in a soft market.

02 Make Readiness The Gate

Treat readiness as the gate for marketing: accurate details, current media, and a clear showing path before a unit goes public.

03 Track The Path That Matters

Measure from ready date to signed lease so remodel or prep time is not confused with advertised days on market.

04 Review Stuck Listings With Real Comps

If a ready unit stalls, review price and presentation with similar local comps and actual inquiry patterns — not a blanket increase campaign.

05 Revisit Conditions Periodically

Local absorption and leasing conditions move in chapters, not a single headline. Revisit them as new public readings arrive.

11 Outlook

Local sources still point both ways. Planning for more competitive leasing seasons is reasonable. Claiming that vacancy will only rise for years is not required by the 2026 evidence — nor is claiming that softness has ended.

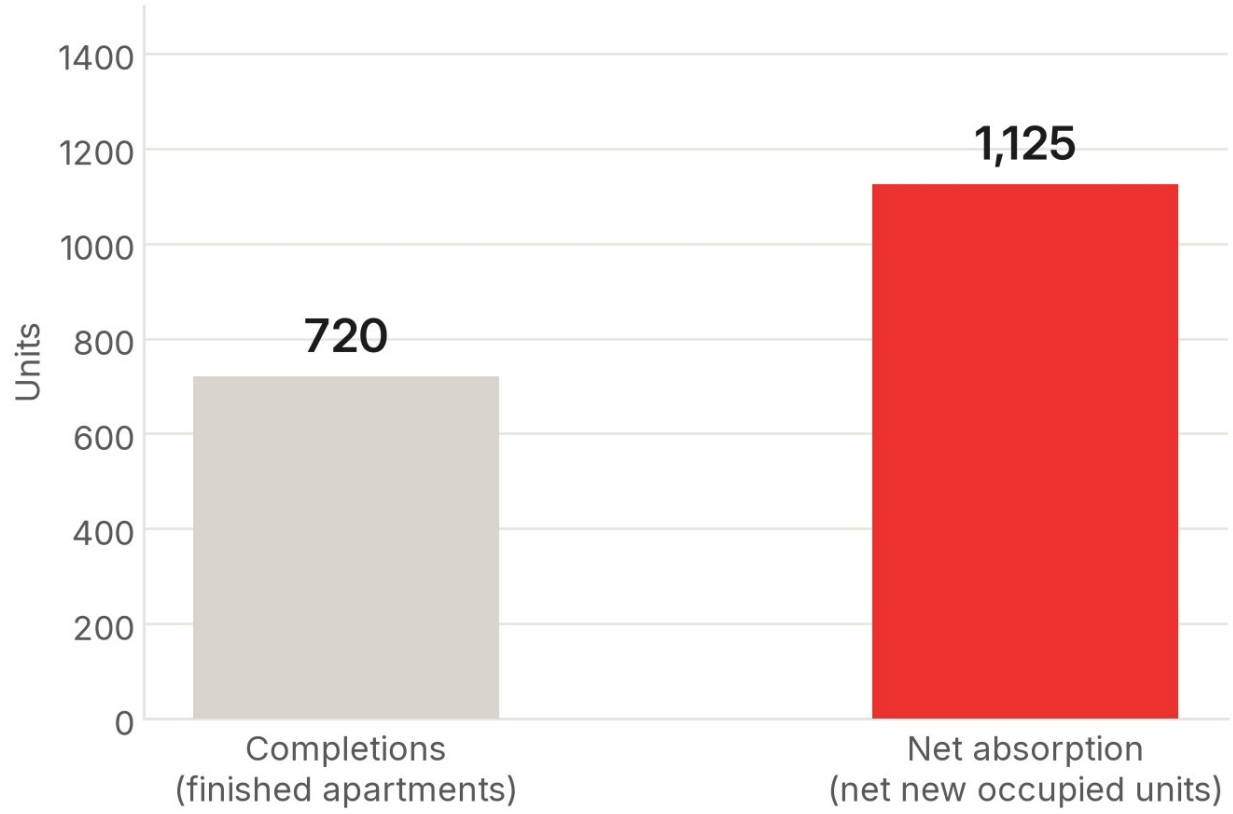
WHAT PUBLIC SOURCES SHOW NOW

Evidence	Why competition can stay elevated	Why conditions may ease
HUD / CoStar · Apr–Jun 2026	12.2% Bozeman metro apartment vacancy still soft (HUD)	Down 5.7 percentage points from 17.9% in Apr–Jun 2025
Absorption · 12 mo to Jun 2026	New amenity stock still competing at turnover	1,125 net occupied units vs 720 finished apartments
City/EPS · Jul–Sep 2025	18.5% Gallatin multifamily series high (2020–2025)	Age-cohort: 9.2% on pre-2024 Bozeman stock vs 44.2% on 2024–25
Census permits · Jan–Sep 2026	1,197 total units authorized (+7.0% year over year)	5+ unit buildings 384 (−8.6% from 420) — authorizations, not finished apartments
Broker forecast (ERES Companies)	Proprietary universe; not HUD/CoStar	Published year-end 2026 apartment vacancy forecast 10.7% — forecast, not observed

12 How Long Could Excess Inventory Take To Clear?

HUD/CoStar reports Bozeman metro apartment vacancy fell from 17.9% in April–June 2025 to 12.2% in April–June 2026. Over the 12 months ending June 2026, the same series shows 1,125 net occupied units absorbed (net absorption) and 720 apartments completed (finished and delivered). That combination is the observed past-year pattern this estimate extends — as a transparent conditional calculation, not an unconditional recovery forecast.

Past Year — Completions Vs Net Absorption (12 Months Ending June 2026)



Observed 12 months ending June 2026. Completions = finished apartments; net absorption = net increase in occupied units. Geography: Bozeman metro (HUD/CoStar as reported by HUD). Source: HUD Rocky Mountain 2Q2026.

Under compatible-universe assumptions, net vacant units fall by about 405 (1,125 − 720). That unit reduction is arithmetic from the published flows — not a separately published vacant-unit count.

13 Conditional Estimate — If Trailing Flows Continue

If the past year's absorption and completion pattern continues from April–June 2026, a 5% local modeling reference could first be reached in roughly 1.5 years — about late 2027 / early 2028. Under the same flows, a 3% tight-market sensitivity/reference is about 2 years out.

Primary conditional estimate. Starting from the April–June 2026 origin (not from the date of this briefing), continuing +1,125 net occupied units and +720 net additions per year reaches a 5% local modeling reference in about 1.5 years — approximately late 2027 / early 2028. Under the same continuation, a 3% tight-market sensitivity/reference is about 2 years out. These are rounded public figures from exact stock-flow arithmetic (about 1.53 and 2.02 years).

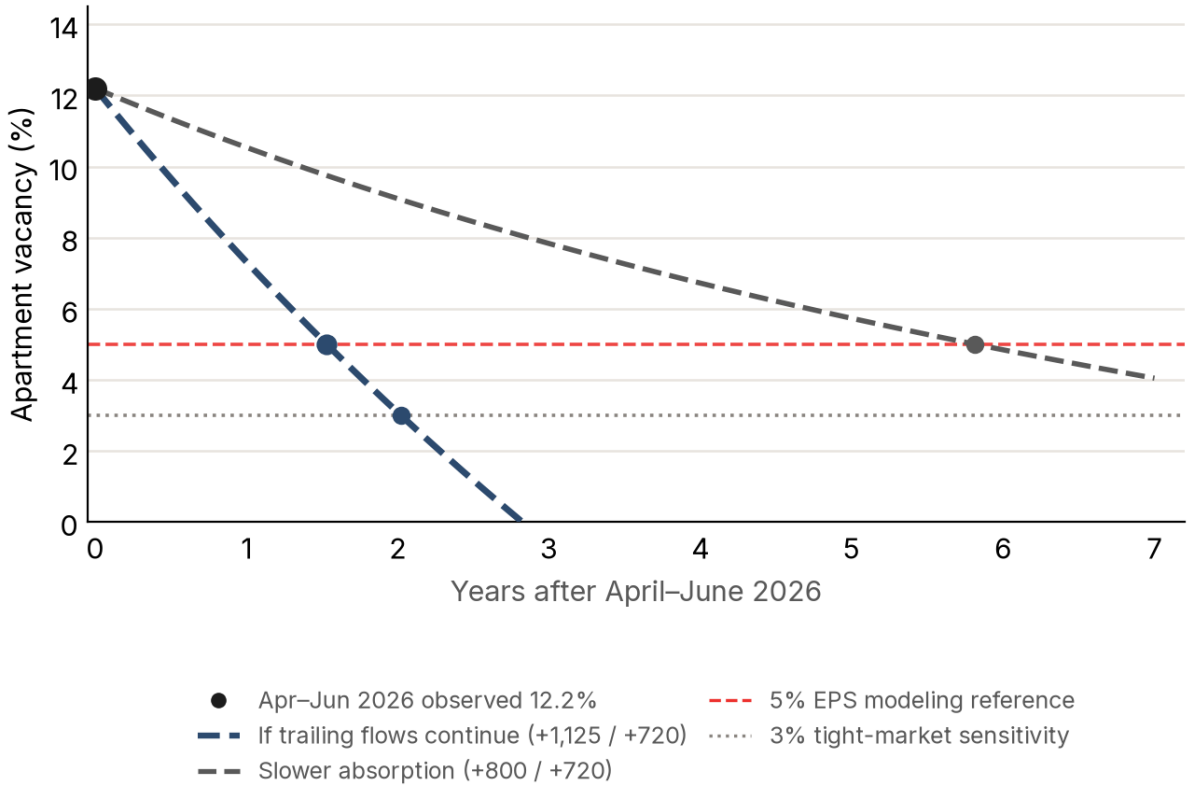
HOW TO READ 5% AND 3% Neither 3% nor 5% is a verified equilibrium vacancy rate for Bozeman. 5% is the City of Bozeman / EPS October 2023 normalized-vacancy modeling assumption — a local analyst reference, not an official healthy-market rule. 3% is shown as a tight-market sensitivity/reference for this conditional path, not a claim that 3% is generally healthy or IREM-endorsed. HUD guidance is that each housing market has its own balanced vacancy rate. A local broker has described roughly 5%–10% as healthy (Montana Free Press, June 2025) — attributed judgment, not ordinance. No annual 2019 vacancy rate was verified. The 2.8% reading at April–June 2020 is early-pandemic, not a pre-pandemic baseline.

ASSUMPTIONS USED IN THE CALCULATION

HUD's public April–June 2026 table does not publish a matching apartment inventory denominator. The model infers about 9,366 units of inventory at April–June 2026 (and about 8,646 at April–June 2025) by assuming: (1) the same HUD/CoStar apartment coverage at both dates; (2) the 720 completions equal net stock growth — zero removals; (3) no material reclassification or coverage change; and (4) published rounded inputs treated as exact for this arithmetic. These market inventory figures are model-inferred for the CoStar/HUD apartment universe — not Ironhorse portfolio counts, and not independently observed Census totals.

14 Conditional Vacancy Path

Forward Conditional Vacancy — Dashed Paths From April–June 2026



Dashed lines are forward conditional paths (not forecasts). Markers: blue path crosses 5% at ~1.5 years (~late 2027 / early 2028) and 3% at ~2 years; gray slower-absorption path crosses 5% at ~5.8 years. Inferred inventory ≈ 9,366 apartments at April–June 2026 (not independently published). Assumes same coverage, completions = net stock growth, zero removals. 5% = City/EPS (Economic & Planning Systems) local modeling reference. Source: HUD Rocky Mountain April–June 2026 report (CoStar as reported by HUD).

SENSITIVITY — NOT A CONFIDENCE RANGE A slower-absorption case holding +800 net occupied units per year with the same +720 additions reaches 5% in about 5.8 years. That is an assumed rate to show how sensitive the timing is — not a prediction. If net additions persistently outrun occupied-unit growth, vacancy does not converge to 5% or 3% under unchanged flows. Do not read 1.5 and 5.8 years as a statistical confidence band or as base/downside forecasts.

15 Pipeline — Separate From The Constant-Flow Case

Permitted and planned units are not guaranteed completions. The constant +720 additions case repeats the past year's HUD completions meter; it does not claim that the full identified pipeline is already baked into that figure.

Identified under-construction (incomplete City of Bozeman snapshot, MMG tracking as of Aug 19, 2026): Oxbow II 132, Wallace Works 65, Compass 112, Victoria Flats 82 — 391 units with anticipated delivery windows spanning late 2026 into 2027 (project dates are forecasts, not certified certificates of occupancy). Separately, City of Bozeman Hidden Creek (~182 affordable units) broke ground May 1, 2026, with leasing anticipated around July 2027. Combined identified minimum: 573 units. MMG also lists 1,414 planned units at conceptual/design stage — not committed construction. The Census Building Permits Survey shows 384 units in buildings with five or more units authorized January–September 2026 — authorizations, not finished apartments, and may overlap named projects. Pre-lease/lease-up stock delivered in 2025 (about 701 units on the MMG list) is already in trailing inventory, not future supply.

Net migration is not an extra absorption add-on. Census Vintage 2025 puts Gallatin County net migration at 799 people for the year to July 1, 2025 — people, not apartment units. Occupied-unit absorption already reflects demand from migration, household formation, and local tenure shifts. Future changes in those drivers would change the pace; they are not layered on top of the 1,125 figure.

16 How To Read This Estimate

ILLUSTRATIVE TREND-BASED ESTIMATE This is a transparent conditional calculation from the past year's HUD/CoStar flows — not a guarantee, not an independently validated forecast, and not investment advice. Future demand, deliveries, financing, household formation, and sample or coverage changes can move actual timing. The clock starts at April–June 2026, not at the date of this briefing.

Bottom line for owners: the market was soft at the 2025 City/EPS series high; by April–June 2026 HUD/CoStar showed lower — still soft — vacancy with absorption ahead of completions. If that past-year pattern continues, excess vacancy relative to the 5% local modeling reference could clear on a roughly one-and-a-half-year horizon from mid-2026 (about two years to a 3% tight-market sensitivity/reference under the same flows). Planning for competitive leasing remains reasonable; treating any single date as assured does not.

IRONHORSE
MANAGEMENT LLC

Request A Proposal

Own rental property in Bozeman, Belgrade, or elsewhere in Gallatin County? We welcome a conversation about leasing in this market.

WEB ironhorsemgmt.com **PHONE** 406-586-4933

SOURCES

References & Limitations

Each figure below keeps its metric, geography, as-of date, publication date, and status (series high, forecast, projection, estimate, permit, pipeline, or conditional scenario). American Community Survey (ACS), City/EPS, HUD/CoStar, Zillow Observed Rent Index (ZORI), listing samples, and broker forecasts are different universes. CoStar figures appear as reported by HUD Policy Development and Research.

1. HUD Policy Development and Research, Rocky Mountain 2Q2026 — Bozeman metro apartment vacancy rate 12.2% (April–June 2026) vs 17.9% (April–June 2025); 1,125 units absorbed / 720 units completed (12 months ending June 2026); average monthly apartment rent $2,162. CoStar Group data as reported by HUD. https://www.huduser.gov/portal/sites/default/files/periodicals/USHMC/reg/Rocky-Mountain-rr-2Q2026.pdf

2. City of Bozeman / Economic & Planning Systems (EPS), Bozeman 2025 Economic and Market Update (published Dec. 2025) — Gallatin multifamily vacancy 18.5% at July–September 2025 (series high 2020–2025); age-cohort 44.2% (built 2024–25) vs 9.2% (built before 2024).

3. HUD Policy Development and Research, Comprehensive Housing Market Analysis, Bozeman MT (as-of June 1, 2025; published Dec. 12, 2025) — historical CoStar apartment vacancy 2.8% at April–June 2020 (pandemic-period reading in that series — not a pre-pandemic baseline); absorption averages 2010–19 and 2020–23.

4. City of Bozeman / EPS, 2023 Economic and Market Update — 5% normalized vacancy modeling assumption (modeling benchmark, not an official equilibrium target).

5. Montana Free Press, June 23, 2025 — broker commentary describing roughly 5%–10% as a “healthy” vacancy range (judgment, not official).

6. Census Building Permits Survey — Gallatin / Bozeman metro January–September 2026 vs 2025 (co2509y / co2609y); authorizations with imputation.

7. Zillow Observed Rent Index (ZORI) — Gallatin County all-homes and Bozeman metro multifamily asking-rent measure, September 2026 (Last-Modified Oct 16, 2026).

8. Rental Beast listing sample, Q1 2026 (published May 6, 2026) — incentive share and days on market; sample estimate.

9. Outlaw Real Estate / ERES Companies April–June 2026 recap (Sept 25, 2026) — proprietary year-end 2026 apartment vacancy forecast 10.7% (forecast, not observed).

10. MMG Real Estate Advisors, Montana July–September 2026 Pipeline Report (data tracked as of Aug 19, 2026) — City of Bozeman under-construction / planned lists (incomplete vs Greater Bozeman).

11. City of Bozeman — Hidden Creek groundbreaking (May 1, 2026); ~182 affordable units; leasing anticipated July 2027.

12. US Census Bureau Vintage 2025 county population estimates (released March 26, 2026) — Gallatin County population and components of change.

13. OpenStreetMap contributors (ODbL 1.0) — Gallatin Valley road and place geometry for the orientation map; extract via Overpass API, 2026-11-06.

METHOD — CONDITIONAL CLEARANCE ARITHMETIC

Let S_o be implied April–June 2025 apartment stock and $S_1 = S_o + 720$ implied April–June 2026 stock. Matching the published vacancy rates and net absorption gives $[(1 - 0.122) \times (S_o + 720)] - [(1 - 0.179) \times S_o] = 1{,}125$, so $S_o \approx 8{,}646$ and $S_1 \approx 9{,}366$. Forward vacancy under constant annual absorption A and additions D is $v(t) = [S_1 + D{\cdot}t - (O_1 + A{\cdot}t)] / (S_1 + D{\cdot}t)$, with $O_1 = (1 - 0.122){\cdot}S_1$. Years to target share q: $t = [(1 - q){\cdot}S_1 - O_1] / [A - (1 - q){\cdot}D]$, when the denominator is positive. Primary case uses A = 1,125 and D = 720 (HUD flows for the 12 months ending June 2026). The 5% reference is the City/EPS 2023 normalized-vacancy modeling assumption (https://archive.legmt.gov/content/Committees/Interim/2023-2024/Local-Government/Meetings/January-24-2024/2.06-2023_Market_Update-Bozeman.pdf). Slower-absorption sensitivity uses A = 800, D = 720 (~5.8 years to 5%). If $A \le (1 - q){\cdot}D$, the path does not converge. The 3% path is a tight-market sensitivity/reference on physical vacancy — not a verified Bozeman equilibrium, and not an IREM universal healthy-market standard. HUD notes each housing market has its own balanced vacancy rate (https://www.huduser.gov/portal/pdf/hsg_mrkt/browne_vacancy_rates.pdf). Figures are market-level (HUD/CoStar apartment universe), not Ironhorse portfolio counts.

IMPORTANT INFORMATION

This briefing is general market information for educational and marketing use. It is not legal, tax, accounting, appraisal, or investment advice, and it is not a prediction of future rents, vacancy, occupancy, or returns for any property. Past market results do not predict future results for any property or owner. Conditional scenario timings are assumption-driven and are not guarantees.

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