Q3 | 2025

MARKET SNAPSHOT

BOZEMAN, MT

RETAIL

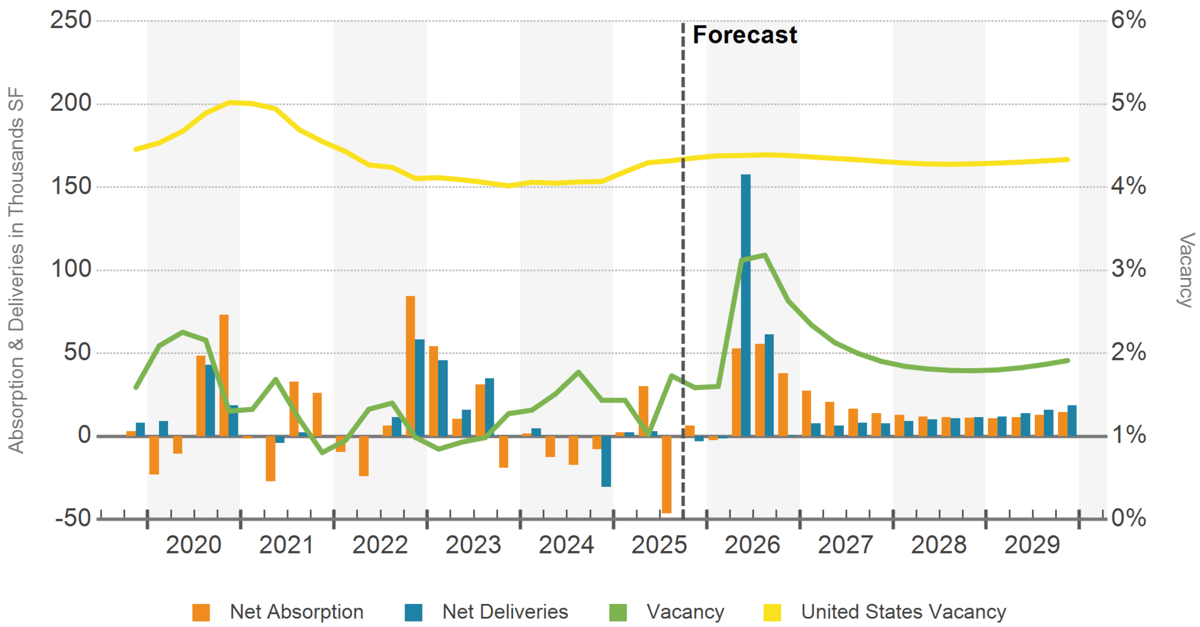
The Bozeman retail market remains remarkably tight, with a vacancy rate of just 1.5%, slightly above its five-year average (1.3%) but still outperforming most markets nationwide.

Despite modest net absorption losses, 260,000 +/- SF of retail space remains available while new development activity is heating up. 230,000 +/- SF of retail space is currently under construction, more than double the 10-year average of 100,000 SF.

Asking rents in Bozeman remain stable, currently averaging $20.00/SF with a modest year-over-year increase of 0.2%. Over the past five years, the market has sustained an average annual rent growth of 2.4%, underscoring its long-term resilience and desirability. Prime retail corridors, including historic Main Street, continue to command premium rates exceeding $50.00/SF, further validating demand.

Retail availability remains limited as the cost of new construction continues to far outpace achievable rental rates for most retailers. As a result, nearby Belgrade has emerged as an increasingly compelling alternative for tenants seeking accessibility, visibility, and value. High-exposure locations (such as ERES's 3,988 SF listing at 31 E Main Street) provide strong positioning within the market at competitive pricing.

ABSORPTION, NET DELIVERIES & VACANCY



*All data points sourced from CoStar 2025
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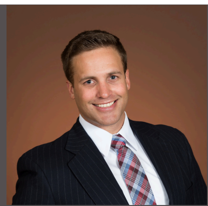

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Q3 | 2025

MARKET SNAPSHOT

GREATER BOZEMAN

MULTIFAMILY

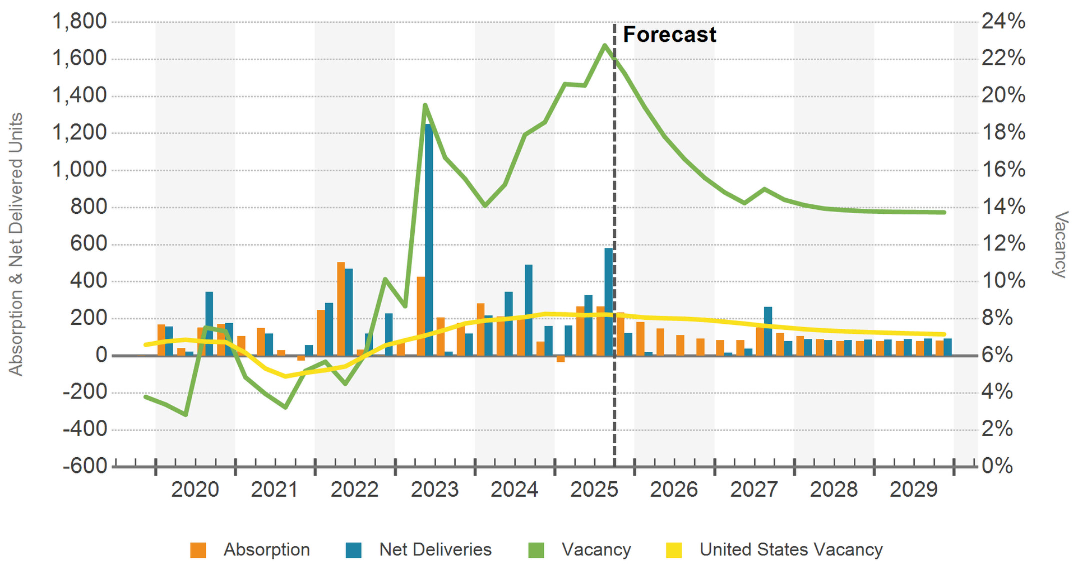
The Greater Bozeman multifamily sector is facing significant headwinds as elevated vacancy, rent softening, and oversupply continue to weigh on the market. As of Q4 2025, the vacancy rate is hovering around 15%, higher than the historical 5-year average of 12.6% and the 10-year average of 8.5%. This increase was driven by a mismatch between new supply and leasing activity. Around 1,300 units were delivered over the past 12 months, while just 606 were absorbed. Rent growth has followed a similar downward trend, with asking rents falling 8.3% year-over-year to an average of $2,105/month.

New development activity is beginning to moderate, and Q3 saw several notable deliveries, including The Boots (71 units of student housing), The Cooper (52 units), Highmark (162 units), Boulder Creek (42 units), The Beaumont (155 affordable housing units) and Freestone on Main (121 units). The Greater Bozeman market contains upwards of 9,100 units total, with nearly 54% considered 4 & 5 Star inventory. Over the past several years, Bozeman has seen an unprecedented influx of high-end product delivered to the market, contributing to the oversaturation and subsequent pressure on both occupancy and rents. It's estimated that 1,200+ units are still under construction in the valley.

Sales activity has also slowed. At least four multifamily properties traded hands in the past year, accounting for 55 units and a total recorded sales volume of $1.4 million. Average pricing was $283,000 per unit, slightly above the national average of $230,000.

The long-term outlook for Bozeman remains optimistic, despite rising vacancies and landlord concessions. The region continues to benefit from consistent population growth, strong in-migration trends, and a resilient outdoor-driven lifestyle appeal. Importantly, future development is taking a more thoughtful, mixed-use approach, such as Yellowstone Landing's Phase II, which not only introduces additional residential inventory but also incorporates a planned retail component. This live-work concept is designed to support neighborhood vibrancy and could help alleviate tightness in the retail sector, where availability remains constrained. Projects like Yellowstone Landing exemplify the evolving market response: community-forward development that creates lifestyle-driven destinations for residents, while meeting broader commercial and service needs in a growing metro.

ABSORPTION, NET DELIVERIES & VACANCY



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ERES

Q3 | 2025

MARKET SNAPSHOT

GALLATIN & PARK COUNTY

HOSPITALITY

The Gallatin & Park County hospitality market (encompassing approximately 8,000 rooms across 130 properties) continues to experience steady, if slightly softening, performance metrics. Occupancy for the trailing 12 months stands at 64.2%, a modest year-over-year decline of 4.0%. Despite this, Average Daily Rate (ADR) increased slightly to $220, resulting in a RevPAR of $141, down 3.0% from the previous year.

Performance varies by class, with Upscale & Upper Midscale hotels leading the region in occupancy (67.4%) and capturing a RevPAR of $132. Luxury & Upper Upscale properties maintain the highest ADR at $449, though occupancy trails the average at 62.0%.

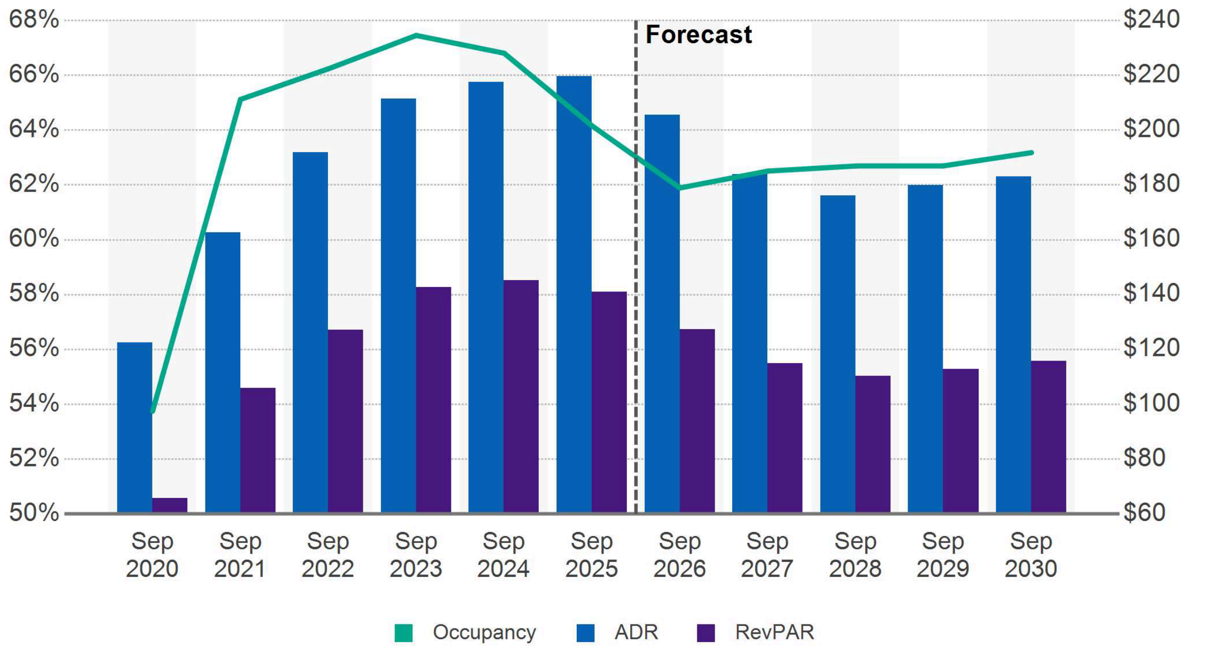
Construction activity remains elevated, with 820 rooms across seven projects currently underway, equivalent to 10.2% of existing inventory. Over the past year, 423 rooms were delivered across four buildings. Notable among these is ERES's upcoming 125-room Hampton Inn & Suites, which is on track for delivery in Q2 2026, alongside other highly anticipated projects in the market.

With just three sales over the past 12 months (and limited reporting), market pricing remains strong, with an estimated value of $196,712 per room and a market cap rate of 8.6%.

The EVEN Hotel in Belgrade by ERES continues to be a high performer in this market, benefiting from its strong brand alignment, strategic location near Bozeman Yellowstone International Airport, and elevated amenity offerings that appeal to both leisure and business travelers.

With a resilient ADR, ongoing development, and a well-diversified room supply, the Gallatin & Park county hospitality sectors remains some of the most robust in the state. The addition of new branded hotels, especially those backed by local expertise like ERES, is expected to help maintain demand and elevate guest experiences across the region.

OCCUPANCY, ADR & REVPAR



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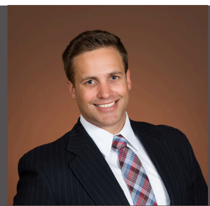

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Q3 | 2025

MARKET SNAPSHOT

BOZEMAN, MT

INDUSTRIAL

Bozeman's industrial market remained healthy and resilient as of Q3 2025, even amid a modest rise in vacancy. The market recorded 160,000 SF of net absorption over the past 12 months, precisely offsetting 160,000 SF of new deliveries. This balance kept the vacancy rate essentially flat, ticking up just 0.01% year-over-year to a still-tight 3.2%. Despite 200,000 +/- SF currently under construction (largely attributable to an 88,000 +/- SF warehouse and distribution center) future supply remains limited, which should support continued stability in the months ahead.

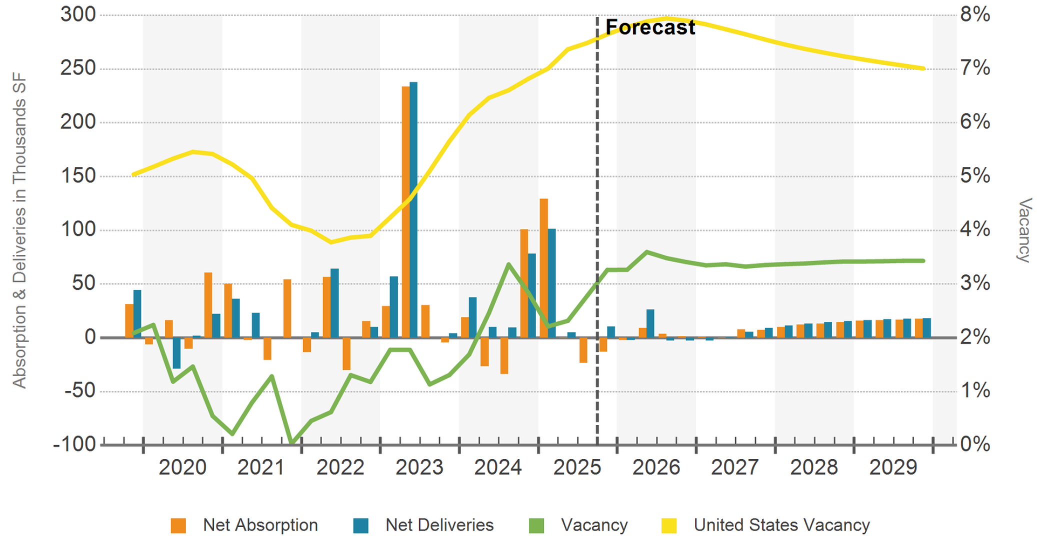
Tenant demand remains focused on well-located, flexible space. Approximately 200,000 SF of space is currently listed as available, equating to a 4.0% availability rate. The market's 4.9 million SF inventory includes a healthy mix of logistics (3.2M SF), flex (770K SF), and specialized (910K SF) assets. Average asking rents sit at $13.20/SF, with flex space commanding the highest rates at $17.60/SF. Year-over-year rent growth has moderated to 0.9%, but long-term averages remain strong, with five- and ten-year annual growth rates at 4.6% and 4.2%, respectively.

ERES is proud to support the Bozeman industrial sector with two sublease opportunities in high-visibility locations on I90 and Huffine Lane. 165 All West Trail offers approximately 13,500 SF of versatile warehouse space with an attractive retail component, while the adjacent 167 All West Trail is a 9,750 warehouse with class A office space. With modern finishes, flexible layouts, and a prime location in Bozeman's rapidly expanding west side, these properties present ideal opportunities for businesses looking to establish a presence in one of the region's most dynamic and in-demand commercial corridors. Whether for logistics, showroom, or light manufacturing use, both listings deliver the visibility, functionality, and market positioning today's tenants are seeking.

Additionally, just outside Bozeman in Manhattan, ERES is representing an 80,000 +/- SF warehouse (formerly the Blackhawk headquarters) zoned M-1 on I-90 frontage road.

Looking ahead, the industrial pipeline in Bozeman remains relatively limited, which should help preserve rent growth and keep vacancy low. With modern product in high demand and well-located sites becoming harder to find, properties like those offered by ERES are well-positioned to capture continued interest from expanding businesses and out-of-state operators seeking a strategic footprint in Gallatin County.

ABSORPTION, NET DELIVERIES & VACANCY



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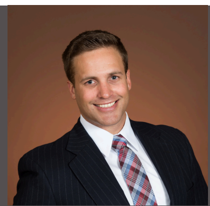

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Q3 | 2025
MARKET SNAPSHOT

BOZEMAN, MT

OFFICE

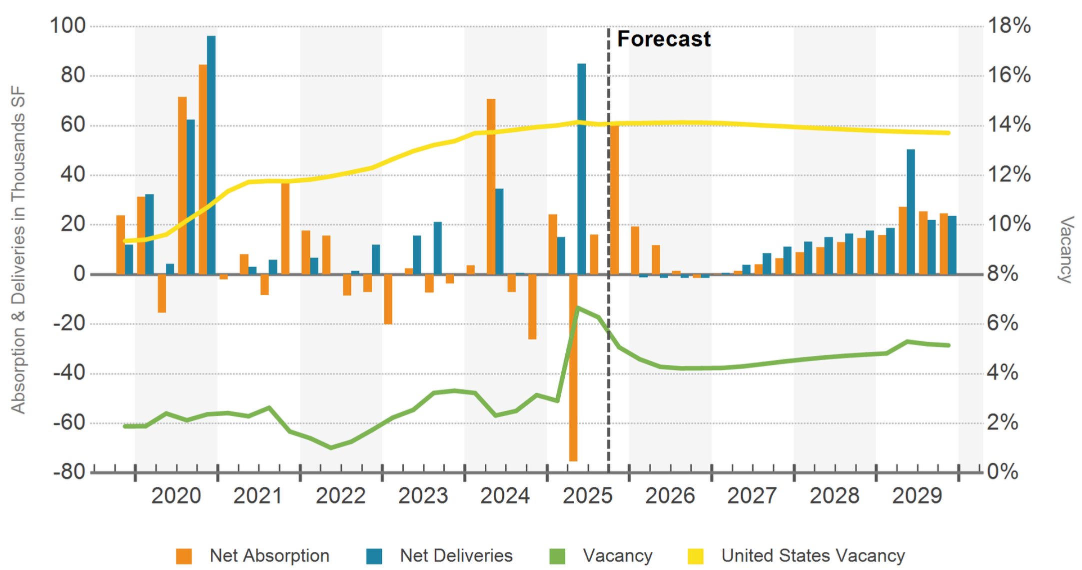
The Bozeman office market is beginning to show signs of leveling out following several years of sustained growth. As of Q3 2025, the vacancy rate rose to 5.7%, nearly double the five-year average of 2.9% and well above the 10-year average of 2.4%. Contributing to this increase is the notable listing of 701 Gold Avenue, the 64,052 +/- SF former headquarters for Barnard. Further adding to these statistics is the introduction of Kiln Bozeman, a 30,000 +/- SF coworking space set to open next month.

Availability remains manageable, with 250,000 SF currently listed, representing a 5.8% availability rate. Construction activity has also moderated in response to cooling demand, with only 31,000 SF of office space currently reported underway, far below the 10-year average of 78,000 SF. This more cautious development pipeline could help restore equilibrium in the coming quarters.

The market's total inventory sits at approximately 4.2 million SF, with 3 Star properties making up the majority at 2.7 million SF. Bozeman continues to be one of the highest-priced office markets in Montana, with average asking rents at $30.00/SF, bolstered by strong demand in previous years. Year-over-year, rent growth remains in positive territory around 2.0%, outpacing the national average of 0.8%.

Though Bozeman's office market is navigating a correction, the fundamentals remain solid by regional standards. The city's strong demographic profile, vibrant entrepreneurial community, and quality-of-life appeal continue to underpin long-term demand. As absorption catches up to supply and new construction remains limited, the market is expected to gradually stabilize heading into 2026.

ABSORPTION, NET DELIVERIES & VACANCY



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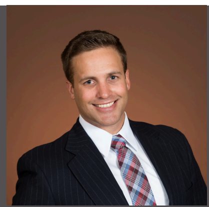

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