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## **MOR's Annual Missoula Housing Report Shows Signs of Market Stabilizing**

*Though the return of a “normal” market isn’t here quite yet.*

MISSOULA – The Missoula housing market shows mixed signs of stabilizing after three years of declining sales and rapidly rising prices. The Missoula Organization of REALTORS® (MOR) presented their 2025 Five Valleys Housing Report on Friday, February 28<sup>th</sup>, and provided an in-depth review of the 2024 Missoula housing market. This year’s report shows the average price of a home increased only 2.25%. Additionally, the volume of home sales ticked upward to 964 units sold, higher than 2023’s 924 units. This is the first increase in sales volume Missoula has seen since 2020. For perspective, the decade between 2011-2020 saw an annual average of 1,352 units sold.

The median<sup>1</sup> sales price of a Missoula home finished the year at \$562,400, and the 2.25% annual increase was a steep drop compared to increases of 15.5% in 2022 and 28.6% in 2021. Even last year’s 5.8% increase was higher than the market norm of 3%. The slower price acceleration and increase in sales volume could be signs the market is returning to traditional norms after several years of skyrocketing prices and decreasing sales volume.

“It’s worth noting this is the first time we’ve seen sales volume increase since 2020,” said Mandy Snook, MOR’s Data Committee Chairperson. “Prices appear to be stabilizing, there’s a return of negotiations and time-on-market has increased which are characteristics of a more normal market. However, Missoula continues to have supply challenges.”

While pricing and sales volume point to a return to normalization, there were several indicators that a full, healthy market is not here quite yet:

- The rental vacancy rate dropped throughout most of 2024, finishing the year at an annual rate of 2.9%. The preferred vacancy rate is 5% to 8%.
- The Absorption<sup>2</sup> rate remains on the lower end of the spectrum for a healthy market at 3.14 months of supply. A normal market range is 3-9 months. The Missoula Urban Area supply has not consistently been in that range since 2016.
- The number of lot sales in Missoula continued a four-year decline ending the year with 62 sales, the lowest since 2012 and down from the 194 sold in 2021, the highest since 2007.

“This data reflects a credible and impartial overview of housing in the Missoula community,” said Sheena Comer Winterer, President of MOR. “We endeavor to provide accurate and relevant housing data to empower the community, including businesses, nonprofits and policymakers so they can make informed decisions to meet the housing needs of Missoula.”

To view the 2025 Five Valleys Housing Report including all interactive data visualizations, please visit [missoularealestate.com](http://missoularealestate.com) under “Market Data.”

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<sup>1</sup> “Median” describes the point at which half of the sales are above that price and half are below.

<sup>2</sup> Absorption rate is calculated by dividing the total number of available homes in the market by the number sold in the last month.

Report Data Sources; Montana Regional MLS, U of M Bureau of Business and Economic Research, the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, the Montana Department of Labor and Industry, the Missoula Housing Authority, Homewood, the City of Missoula and Missoula County. The report uses the most recent available data, which is typically from 2024 but in some cases is from 2020.

The Missoula Organization of REALTORS® (MOR) is a trade association, representing 784 members in four western counties, dedicated to advocating for equal housing opportunities and private property rights. Chartered in 1947, MOR is committed to helping build a better Missoula and surrounding areas by providing superior service to members and the community.

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