



INVESTOR GUIDE | BILLINGS, MONTANA

The Billings Real Estate Investor Playbook

How to define your strategy, evaluate the whole opportunity, and invest in Billings with realistic numbers instead of optimistic assumptions.



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OPENING NOTE

A better way to evaluate investment property

The strongest investment decisions start before a property reaches your inbox.

Investing is often presented as a hunt for deals. In practice, the harder work is defining what qualifies as a deal for you. A property can be a strong long-term rental and a poor flip. It can offer real upside and still be wrong for an investor without the capital, time, contractors or tolerance for uncertainty it requires. A low price can hide high operating costs, and a strong projected return can disappear once rent, vacancy, repairs, financing and exit costs are replaced with realistic numbers.

My role is not to make every opportunity look attractive. It is to help you see what would need to be true for the investment to work, find the assumptions carrying the most risk, and compare the likely outcome with your goals.

The investor decision chain

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|----|--------------------------|---|
| 01 | Which path fits? | Stable income, value-add, or renovate and resell. |
| 02 | What is the buy box? | Strategy only helps once it becomes acquisition criteria. |
| 03 | Do the numbers hold up? | Test returns against complete costs and conservative assumptions. |
| 04 | What can break the plan? | Condition, financing, permits, insurance, tenants and operations. |
| 05 | Who owns each job? | Clear expectations on both sides of the relationship. |
| 06 | What is the decision? | Every review ends with pursue, revise, monitor or pass. |



CHOOSE A PATH

Three ways investors create a return

The same property can produce very different results depending on the strategy applied to it.

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- | | | |
|----|--------------------|---|
| 01 | Buy for income | A stable or nearly stable property meant to produce durable rent with limited renovation. Fits investors who want predictable operations, long ownership and lower execution risk. |
| 02 | Create value | Improve the property, operations or income to raise cash flow and equity over time. Fits investors with capital, patience, operating capacity and a realistic stabilization plan. |
| 03 | Improve and resell | Buy with enough margin to renovate and sell after construction, financing, holding and selling costs. Fits investors with dependable contractors, disciplined scopes, reserves and a set exit window. |
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Rental strategies I work with in Billings

Long-term leases and furnished rentals with a 30-day minimum. A 30-day furnished rental falls outside the city's short-term rental permit and Montana's lodging tax, and may qualify for the lower long-term rental property tax rate if it meets the state's test (page 8). For nightly rentals, ask for the Billings Short-Term Rental Guide.

Do not force every property into the strategy you prefer. Choose the strategy first, then see whether the property supports it.

START WITH THE INVESTOR

Your objective decides what matters

A return target without context is not a strategy.

QUESTION	WHAT TO DEFINE
Primary outcome	Monthly income, long-term equity, forced appreciation, resale profit, tax planning or diversification
Time horizon	Months, several years or indefinite ownership. The holding period changes which costs and risks matter.
Available capital	Down payment, closing costs, renovation, reserves, operating shortfalls and contingency
Operating capacity	Self-management or a manager, construction oversight, bookkeeping, leasing, decision speed
Risk tolerance	Vacancy, renovation variance, tenant issues, financing changes, market movement, resale timing
Exit flexibility	Sell, refinance, hold, convert strategy, or accept a lower return if conditions change

Build the buy box

A buy box filters out noise, speeds decisions and keeps you from changing the rules to justify an exciting property.

CRITERION	EXAMPLE
Strategy	Income, value-add, resale, house hack, or small multifamily
Geography	Billings, Laurel, Lockwood, or defined surrounding markets
Property	Single-family, duplex, 2 to 4 units, 5+ units, condo, townhome, mixed-use
Capital	Maximum cash in, renovation budget, reserves and total exposure
Performance	Minimum yield, cash flow, debt coverage, equity margin or resale profit
Condition and operations	Acceptable project complexity, management plan, utilities, yard and snow duties
Exit	Minimum hold, refinance requirements, resale assumptions, fallback use

A useful buy box has firm limits and a few variables that can move. If everything is negotiable, it is not a buy box.

SCREEN THE OPPORTUNITY

Separate the first look from full underwriting

Speed should come from a repeatable process, not skipped analysis.

01	Fit	Do location, type, price, condition and strategy match the buy box?
02	Directional math	Do conservative income, expense, repair and financing assumptions justify deeper work?
03	Evidence	Which assumptions are supported by leases, market rent, sales, bids, records and inspections?
04	Stress test	What happens if rent is lower, renovation runs higher, vacancy lasts longer, financing changes or resale takes longer?
05	Decision	Pursue, revise terms, monitor or pass, with the reason written down.

Access is not value

An off-market property can reduce competition, but it does not fix weak economics. A listed property can still work when the price and terms reflect the whole opportunity. Every channel gets the same standard.

UNDERWRITE THE WHOLE PROPERTY

The return lives below the headline numbers

LINE	WHAT IT MEANS
Gross scheduled income	Rent and other recurring income at full occupancy
Less vacancy and credit loss	A realistic allowance for turnover, late payment and downtime
Effective gross income	Income expected after vacancy and collections
Less operating expenses	Taxes, insurance, utilities, management, maintenance, repairs, admin, landscaping, snow
Net operating income	Income before debt service, depreciation, income taxes and major capital items
Less debt service and reserves	Loan payments plus the capital buffer durable ownership needs
Cash flow	What remains after operations, debt and planned reserves

Cap rate

Net operating income divided by price or total basis. Compares unleveraged income, but is sensitive to expense assumptions.

Cash-on-cash

Annual pre-tax cash flow divided by total cash invested. Useful for leveraged returns, not a full measure of risk.

Debt coverage (DSCR)

Net operating income divided by annual debt service. Shows whether the property supports the loan under your assumptions.

A conservative model

Not a pessimistic one. A model that survives ordinary ownership without every assumption breaking your way.

FIND THE MISSING COSTS

Optimism usually hides in the expenses

The easiest way to inflate a return is to leave out costs that will eventually arrive.

- ☐ Property management, even if you self-manage today
- ☐ Vacancy, leasing time, turnover labor, cleaning, locks and make-ready work
- ☐ Repairs plus reserves for roof, exterior, mechanicals, appliances, paving and common areas
- ☐ Owner-paid water, sewer, garbage, gas, electricity, internet, lawn care and snow removal
- ☐ Insurance priced for the intended use, not the seller's current premium
- ☐ Property taxes at the rate for your use (page 8), plus any special assessments
- ☐ Bookkeeping, licensing, professional fees, pest control and safety items
- ☐ Financing fees, appraisal, title, due diligence, travel, carrying and closing costs
- ☐ Selling costs and taxes when the exit depends on resale

The property must survive the capital structure

LAYER	PLAN FOR
Acquisition	Down payment, earnest money, closing costs, lender fees, appraisal, inspections, immediate repairs
Renovation	Scope, deposits, draws, permits, materials, contingency and carrying costs during work
Operating reserves	Vacancy, turnover, deductibles, failed systems, utilities, tenant issues
Debt terms	Rate, amortization, term, balloon, recourse, prepayment, covenants, refinance assumptions

Never let the refinance be the only version of the plan that works.



BILLINGS NUMBERS FOR INVESTORS

What the 2026 market and tax rules show

Closed residential sales with a Billings address, January 1 through October 21, 2026 (Billings MLS), plus Montana's 2026 property tax rates.

24.1%

Share of Billings sales
that closed with cash

\$389,900

Median Billings sale
price

25

Median days on market

35

Median days from
accepted contract to
closing

Property tax depends on how the home is used

2026 MONTANA RESIDENTIAL TAX RATE	APPLIES TO
0.76% of the first \$378,000 of market value	Homesteads and qualifying long-term rentals (tiered rates continue above that)
0.90% from \$378,001 to \$756,000	Same, next tier
1.10% from \$756,001 to \$1,511,999	Same, next tier
1.90%	Non-qualifying residential property, including most nightly rentals

A long-term rental qualifies when it is rented in periods of at least 28 days for at least seven months of the year to a tenant who lives there as a residence. On a home with a \$378,000 market value, that is a taxable value of \$2,873 at the qualifying rate and \$7,182 at 1.90%, under the same mill levy. A seller's tax bill may reflect a different use, so recalculate for yours.

Sources: Billings MLS export, closed residential sales with a Billings address, January 1 through October 21, 2026 (1,661 sales; financing type as reported). Montana Department of Revenue, 2026 homestead and long-term rental rates and Long-Term Rental FAQ, checked October 2026. Not tax advice; confirm with a CPA.



— WHAT AN INVESTOR CLIENT SAYS

“Found Gene after looking for an investor-friendly realtor in Billings, MT. Gene ended up being the perfect professional for the job. ... he quickly came back with a couple unique ideas, one of which we implemented.”

— ROBERT CLARK, GOOGLE REVIEW (EXCERPT)

PROPERTY-LEVEL DILIGENCE

Verify the assumptions carrying the return

An inspection is one input. Investment diligence is broader.

AREA	VERIFY
Income and tenancy	Leases, deposits, concessions, late payments, tenant-paid utilities, notices and actual collections
Physical condition	Structure, roof, exterior, drainage, electrical, plumbing, HVAC, life-safety, appliances, common areas
Legal use	Zoning, unit count, permits, rental restrictions, HOA documents, whether current use is legal
Operating history	Utility bills, repairs, contracts, taxes, insurance, management and owner statements
Market support	Comparable rents, vacancy, demand, competing supply and resale comparables for the planned exit
Exit risk	Buyer pool, financing eligibility, holding costs and an alternate use if the main exit fails

Billings conditions that change the underwriting

ITEM	INVESTIGATE AND PRICE IN
Hail and exterior	Roof age, siding, windows, prior claims, insurability, deductibles
Basements and drainage	Grading, gutters, seepage, sump systems, foundation, finished-space risk
Older housing stock	Electrical service, plumbing materials, sewer line, insulation, additions, permits
Small multifamily utilities	Metering, owner-paid services, shared systems, parking, snow and lawn duties
Rural and edge properties	Well, septic, propane, private roads, floodplain, irrigation, water rights
Insurance and financing	Confirm both early. Roof, electrical, unit count and use change availability and cost



SMALL MULTIFAMILY AND REMOTE OWNERSHIP

More units do not automatically mean less risk

- ☐ Reconcile the rent roll with leases, deposits, collections and bank or management records
- ☐ Separate current rent, market rent and rent achievable after turnover or improvements
- ☐ Confirm unit count, legal use, parking, egress, safety requirements and permit history
- ☐ Learn which utilities are separately metered and which stay with the owner
- ☐ Inspect shared roofs, foundations, mechanicals, sewer, common areas and drainage
- ☐ For 5+ units, expect commercial underwriting and lender focus on income and coverage

A rent roll is a claim. Leases, collections, expenses, condition and legal use decide how much confidence it deserves.

Investing from outside Billings

01	Before the search	Strategy, financing, ownership entity, management, renovation capacity, decision authority and travel.
02	During evaluation	Live video, street context, records, leases, bids, inspections, rent evidence and written assumptions.
03	Under contract	Lender, title, insurance, inspectors, contractors, management and remote signing on firm deadlines.
04	After closing	Utilities, deposits, keys, leases, vendor access, management records, repair priorities and an emergency plan.

SOURCING AND EXECUTION

The channel does not create the economics

SOURCE	WHAT IT OFFERS, WHAT IT NEEDS
MLS and broker-listed	Broad exposure and documentation can improve speed and transparency. Competition does not erase value.
Agent and investor network	Earlier awareness or context, but every opportunity still needs independent evaluation.
Direct and off-market	Possible flexibility or less competition. Often more work to establish condition, title, tenancy and price.
Distressed or complex	A discount can be offset by title, condition, occupancy, financing, legal and timeline risk.

Negotiation starts with the investment thesis

TERM	PROTECT
Price and basis	Tie the offer to verified income, condition, scope, financing, holding costs and exit
Due diligence	Time and access for inspections, leases, financials, insurance, zoning, bids, lender review and title
Financing and appraisal	Deadlines aligned with the lender, property type, condition and intended use
Tenants and possession	Leases, deposits, notices, prorations, keys, records and transition duties
Repairs and credits	Weigh the investment impact instead of treating every defect as a dollar-for-dollar demand
Closing certainty	Earnest money, deadlines, proof of funds and clean execution strengthen an offer

WORKING TOGETHER

Clear roles on both sides

What you get from me

01	Before we search	Clarify the strategy, define the buy box, discuss capital and financing, and set decision criteria.
02	When a property appears	Gather documents, add local sales and rent context, coordinate access and compare it with the buy box.
03	Diligence to closing	Coordinate inspectors, contractors, lender, title, insurance and management, and track every deadline.
04	After closing	A local resource for future purchases, sales, valuation context and vendor connections.

What I need from you

- ☐ Your objective, experience, capital, financing, management plan and decision authority
- ☐ Lender readiness or proof of funds, entity and signing requirements, and your professionals
- ☐ Fast review of opportunities and documents, without skipping the analysis
- ☐ Expectations based on current rent, costs and financing, not on unsupported assumptions
- ☐ Ownership of the final decision, and follow-through on deadlines and due diligence

Clear boundaries

I am not your attorney, accountant, financial adviser, appraiser, property manager, inspector, contractor or insurance professional. I help you ask the right questions and connect with the right people.

OPPORTUNITY SCORECARD

End every review with a clear decision

A conversation framework, not a substitute for complete underwriting or professional advice.

CHECK	QUESTION	NOTES
Strategy fit	Does it serve the planned income, value-add or resale strategy?	
Basis	Is total cost supported by income, condition and exit?	
Evidence	Which assumptions are verified, estimated or unknown?	
Capital	Is acquisition, renovation, reserve and contingency capital available?	
Execution	Are management, contractors, lender, insurance and timeline workable?	
Downside	What is the loss, delay or workload if the main assumptions miss?	
Exit	Is there a realistic primary exit and a tolerable fallback?	
Decision	Pursue, revise, monitor or pass, and why?	

Official research starting points

- Montana cadastral property records
- City of Billings permits and planning
- Yellowstone County property taxes
- FEMA Flood Map Service Center
- Montana Department of Revenue, long-term rental rate rules

NEXT STEP

Book an investor strategy session

We will cover your objectives, capital, financing, preferred property type, operating plan and the criteria a property must meet before we start searching.

Define your Billings buy box

Bring your target returns and constraints. You will leave with a written buy box and the next decision to make.

[BOOK AN INVESTOR SESSION](#)

95

Transactions closed since 2022,
\$37.6 million in volume, as of
October 2026

35

Google reviews, all five stars, as
of October 2026

2026

FastExpert Top Agent, Billings,
MT



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SOURCES AND NOTES

Where the figures come from

Billings market. Billings MLS export, closed residential sales with a Billings address, January 1 through October 21, 2026: 1,661 sales; 24.1% reported as cash; median sale price \$389,900; median 25 days on market; median 35 days from accepted contract to closing. Market-wide figures, not tied to any one property.

Property tax. Montana Department of Revenue, 2026 residential rates for homesteads and qualifying long-term rentals and the Long-Term Rental FAQ, checked October 2026. Example: $\$378,000 \times 0.76\% = \$2,873$; $\$378,000 \times 1.90\% = \$7,182$.

Short-term rental rules. City of Billings Short-Term Rental Permit Application (2025); Montana Department of Revenue, lodging facility sales and use tax.

Review. Robert Clark, Google review of Gene Hauck, September 2026, quoted word for word (excerpt). Review count as of October 2026.

Production and award. 95 transactions and \$37.6 million in volume since 2022, as of October 2026. FastExpert 2026 Top Agent, Billings, MT.

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