



# MONTANA HOUSING

Molly DelCurto, LFD

# PRE-2000'S MONTANA HOUSING MARKET

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Rural Economy – driven by agriculture, mining, and natural resource industries



Low Population Density Housing, primarily single-family home



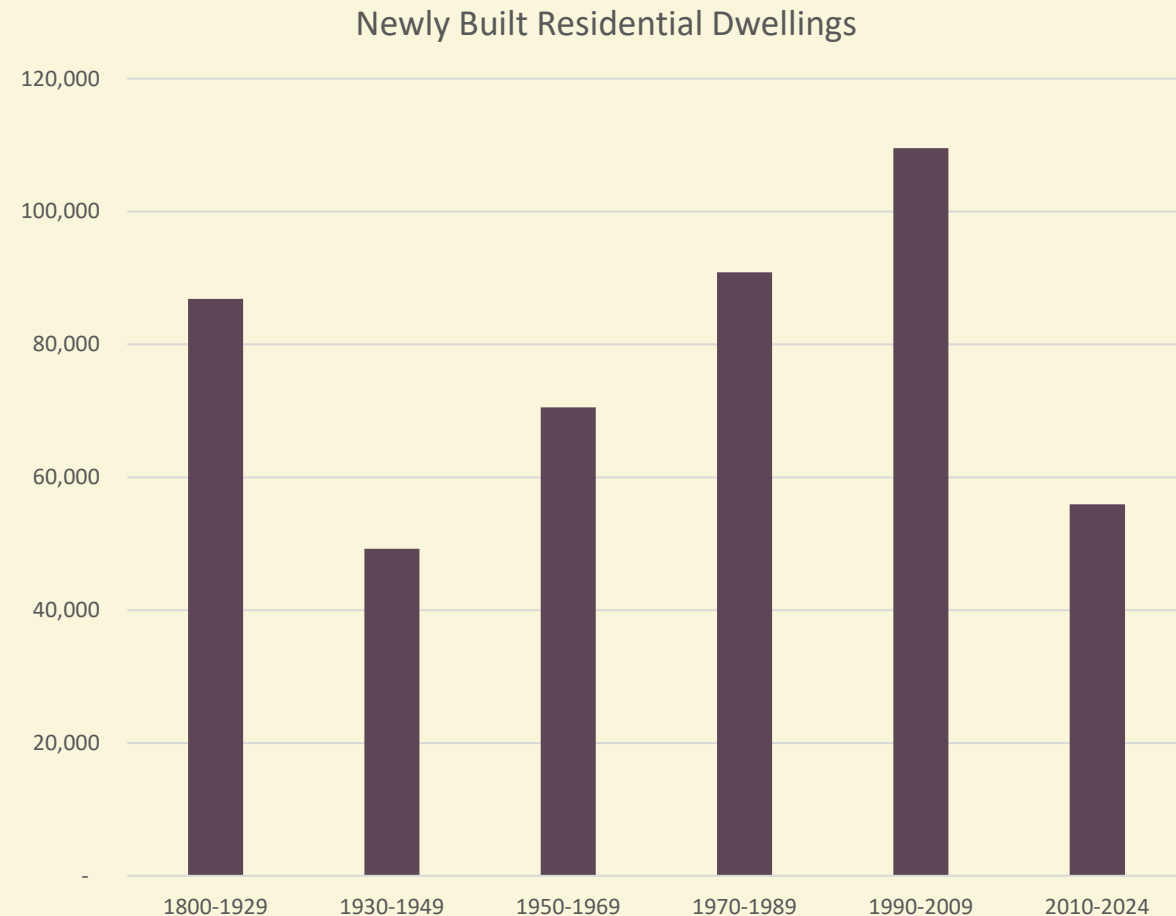
Affordable Housing – Median Home Value below US Median



Small Urban Centers – little pressure to expand housing

# POST-2000'S MONTANA HOUSING MARKET

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Population Growth

Rising Home Prices

Low Housing Development

Increase in Second Home / Vacation Home Market

Source: Department of Revenue, Department of Commerce, Montana State Library

# POST-COVID-19 PANDEMIC HOUSING MARKET

**Population**  
*(2019-2023)*

**Increased**  
**5.8%**

**Remote Workers**  
*(2019-2022)*

**Increased**  
**71.0%**

**Housing Sales Prices**  
*(2019-2024)*

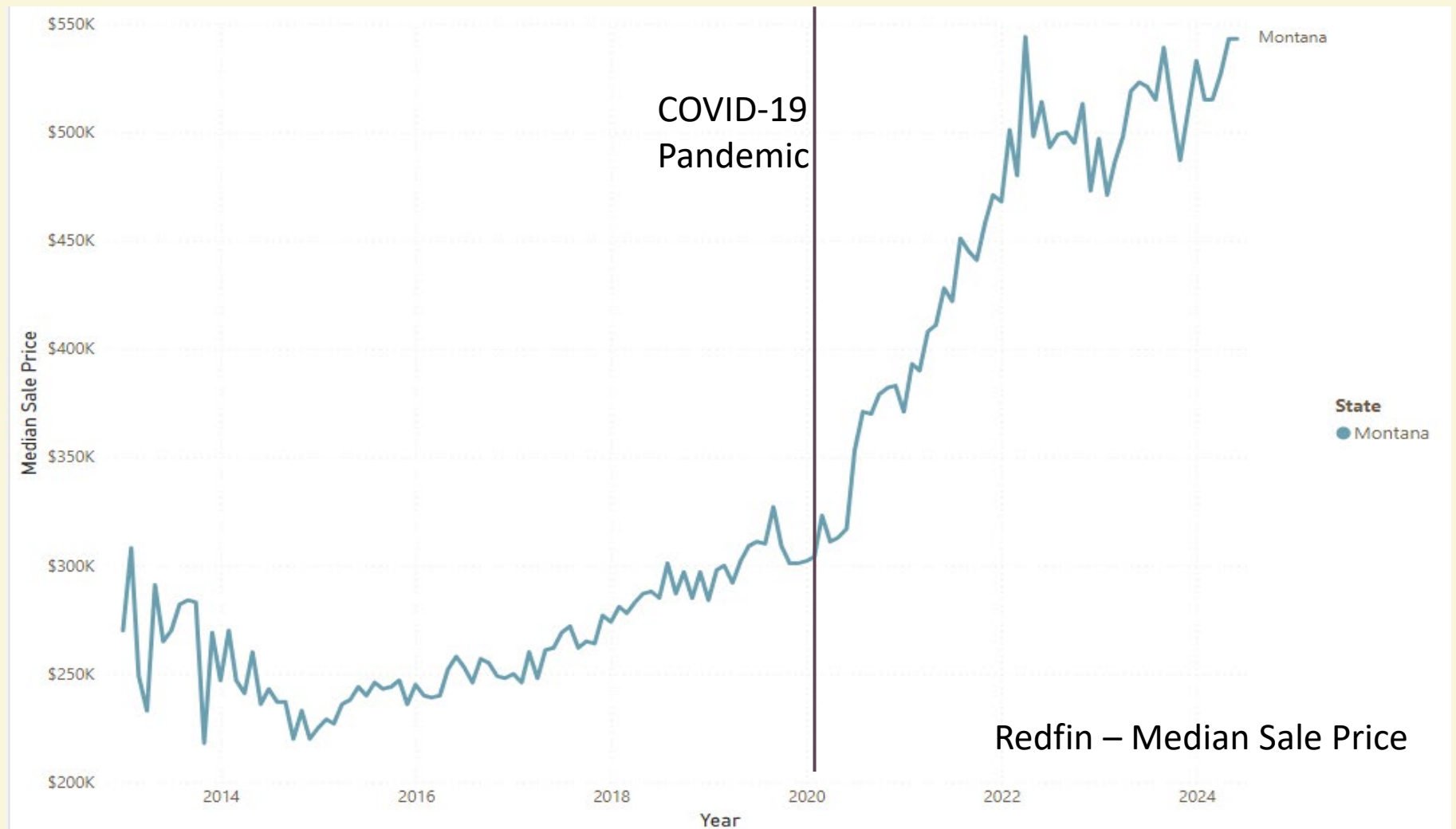
**Increased**  
**72.2%**

**Home Sales Inventory**  
*(2019-2024)*

**Decreased**  
**7.7%**



# MONTANA MEDIAN SALE'S PRICE



June 2014 – June 2019

**Growth: 30.7%**

**Growth in Real Dollars: 21.7%**

June 2019 – June 2024

**Growth: 72.2%**

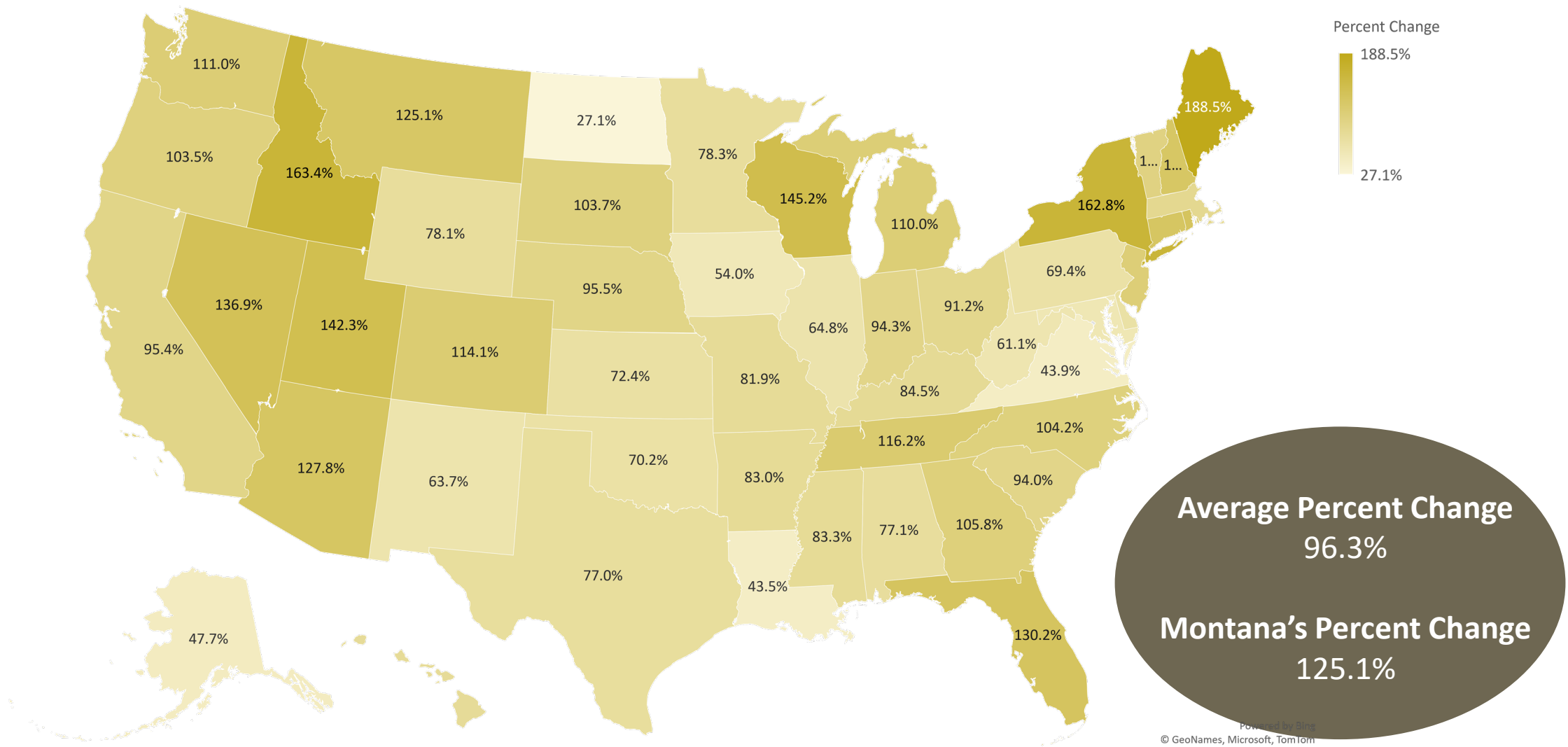
**Growth in Real Dollars: 40.4%**

June 2014 – June 2024

**Growth: 125.1%**

**Growth in Real Dollars: 70.8%**

# PERCENT CHANGE IN SALES PRICES 2014-2024



Redfin – Median Sale Price

# TOP 12 MEDIAN HOUSING SALES PRICE

*JUNE 2014*

Median Sales Rank	State	Median Sales Price	Median Income Rank	Median Household Income	Mortgage as Percent of Household Income Rank*	Mortgage as Percent of Household Income
1	Hawaii	\$454,000	5	\$69,592	2	30.6%
2	California	\$438,000	10	\$61,933	1	33.2%
3	Massachusetts	\$361,000	6	\$69,160	3	24.5%
4	Virginia	\$328,000	9	\$64,902	5	23.7%
5	Washington	\$308,000	12	\$61,366	6	23.6%
6	Maryland	\$287,000	1	\$73,971	17	18.2%
7	Colorado	\$284,000	13	\$61,303	9	21.7%
8	Alaska	\$266,000	3	\$71,583	28	17.4%
9	New Jersey	\$263,000	2	\$71,919	29	17.2%
10	Oregon	\$259,000	28	\$51,075	4	23.8%
11	Wyoming	\$233,000	19	\$57,055	15	19.2%
12	Montana	\$231,000	41	\$46,328	7	23.4%

Redfin – Median Sale Price, American Census Survey – Median Household Income

# TOP 10 MEDIAN HOUSING SALES PRICE

## *JUNE 2024*

Median Sales Rank	State	Median Sales Price	Median Income Rank	Median Household Income	Mortgage as Percent of Household Income Rank*	Mortgage as Percent of Household Income
1	Hawaii	\$995,000	4	\$92,458	1	65.3%
2	California	\$890,000	5	\$91,551	2	59.0%
3	Massachusetts	\$702,000	3	\$94,488	6	45.1%
4	Washington	\$681,000	6	\$91,306	4	45.3%
5	Colorado	\$664,000	8	\$89,302	5	45.1%
6	Utah	\$599,000	9	\$89,168	11	40.8%
7	New Jersey	\$573,000	1	\$96,346	22	36.1%
8	New York	\$564,000	16	\$79,557	8	43.0%
9	Maryland	\$546,000	2	\$94,991	24	34.9%
<b>10</b>	<b>Montana</b>	<b>\$543,000</b>	<b>35</b>	<b>\$67,631</b>	<b>3</b>	<b>48.7%</b>

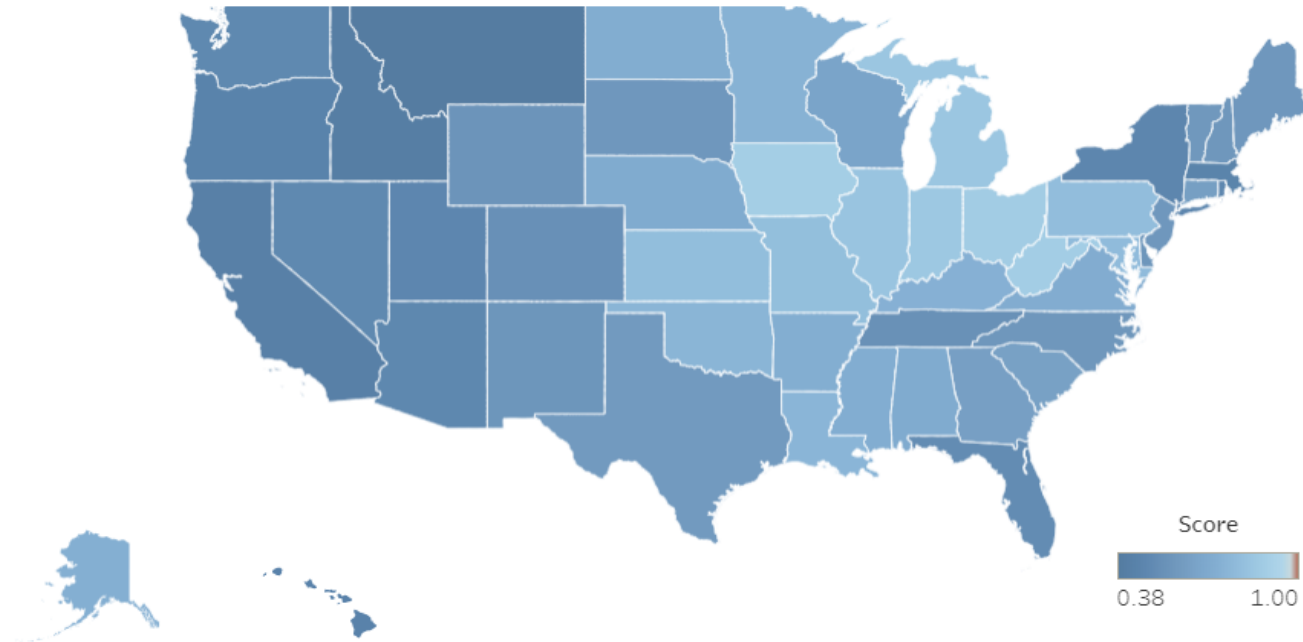
Redfin – Median Sale Price, American Census Survey – Median Household Income



# NATIONAL ASSOCIATION OF REALTORS HOUSING AFFORDABILITY INDEX

United States REALTORS® Affordability Score: **0.62**

See below the Score for each state (by hovering over the map)



## Most Affordable States

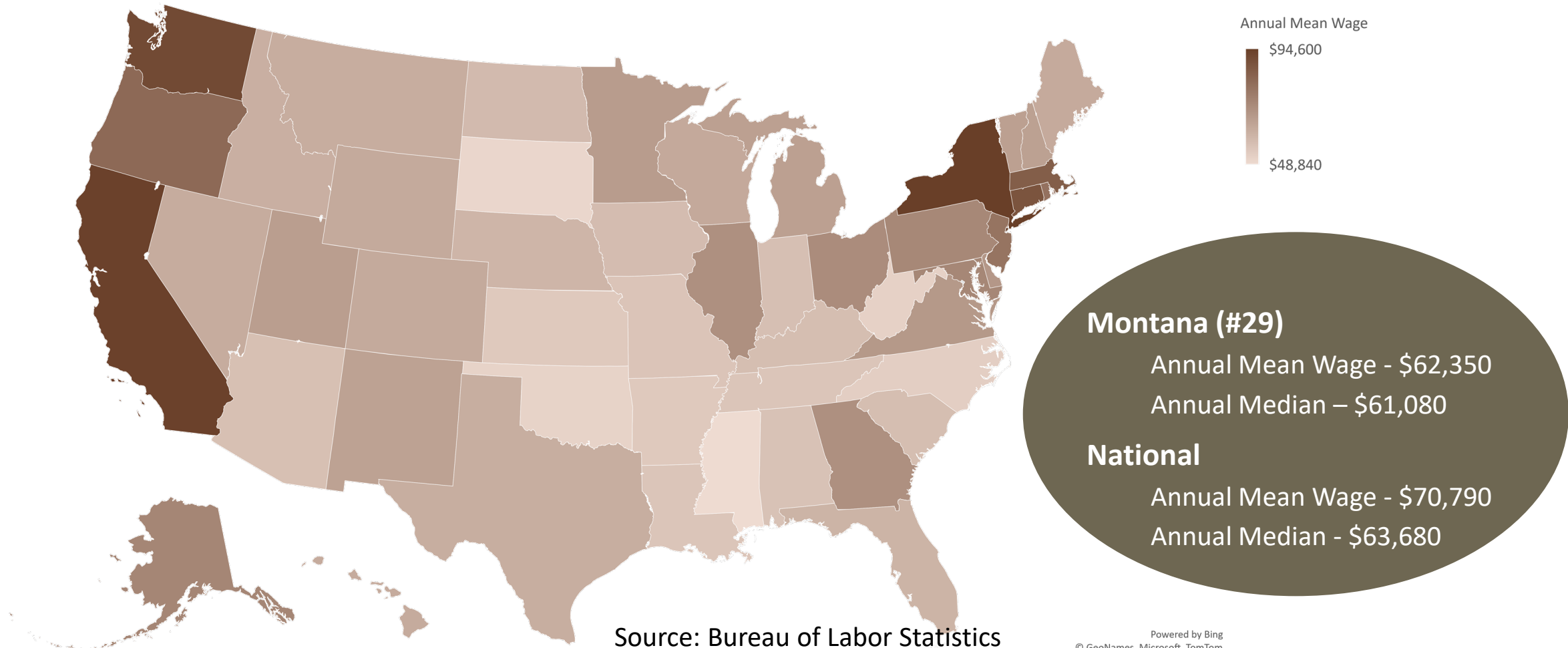
Iowa (0.89)  
West Virginia (0.88)  
Ohio (0.87)  
Indiana (0.85)  
Michigan (0.84)

## Least Affordable States

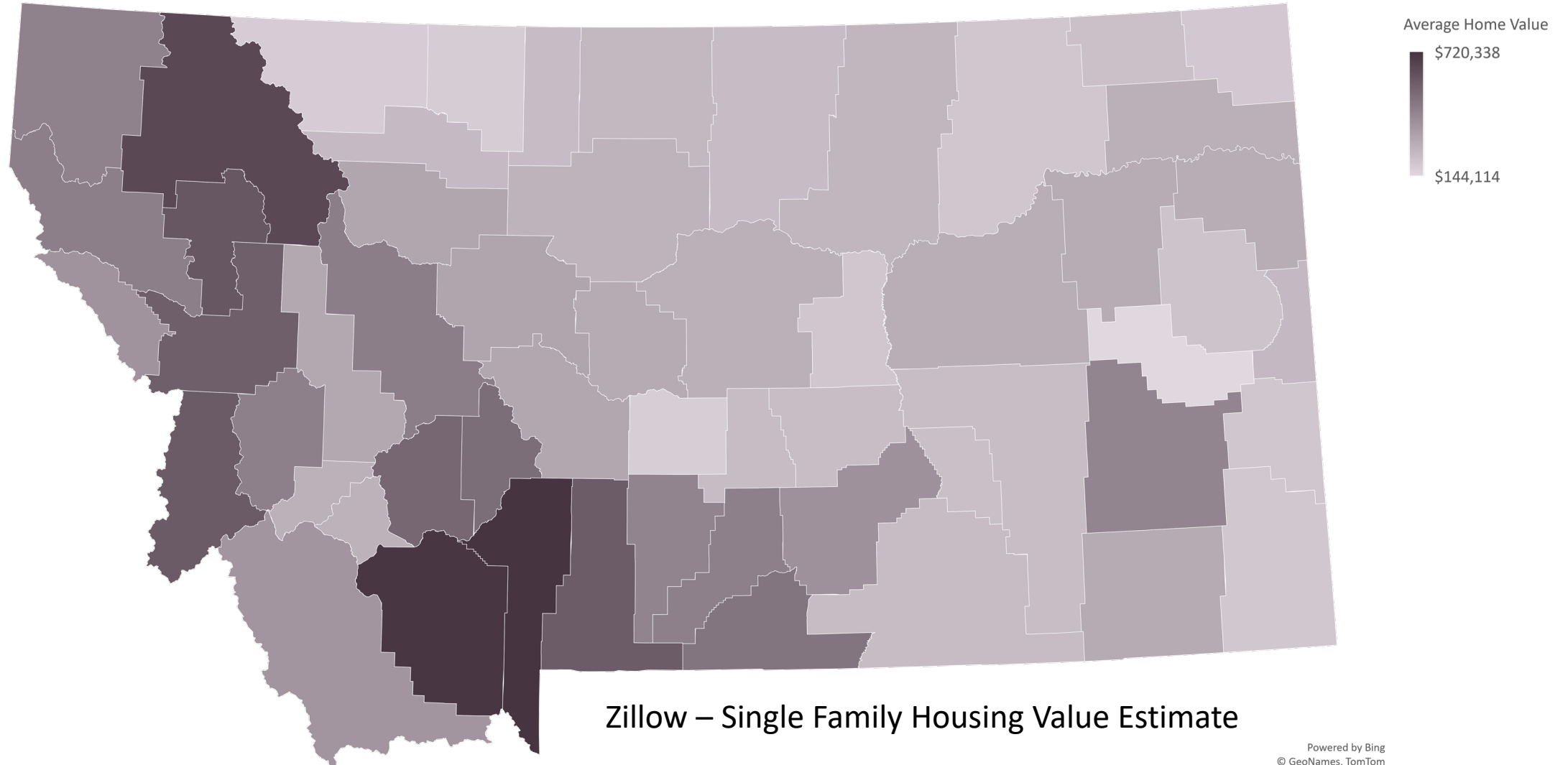
Montana (0.38)  
Idaho (0.40)  
California (0.42)  
Hawaii (0.44)  
Oregon (0.44)

# K-12 TEACHER SALARY

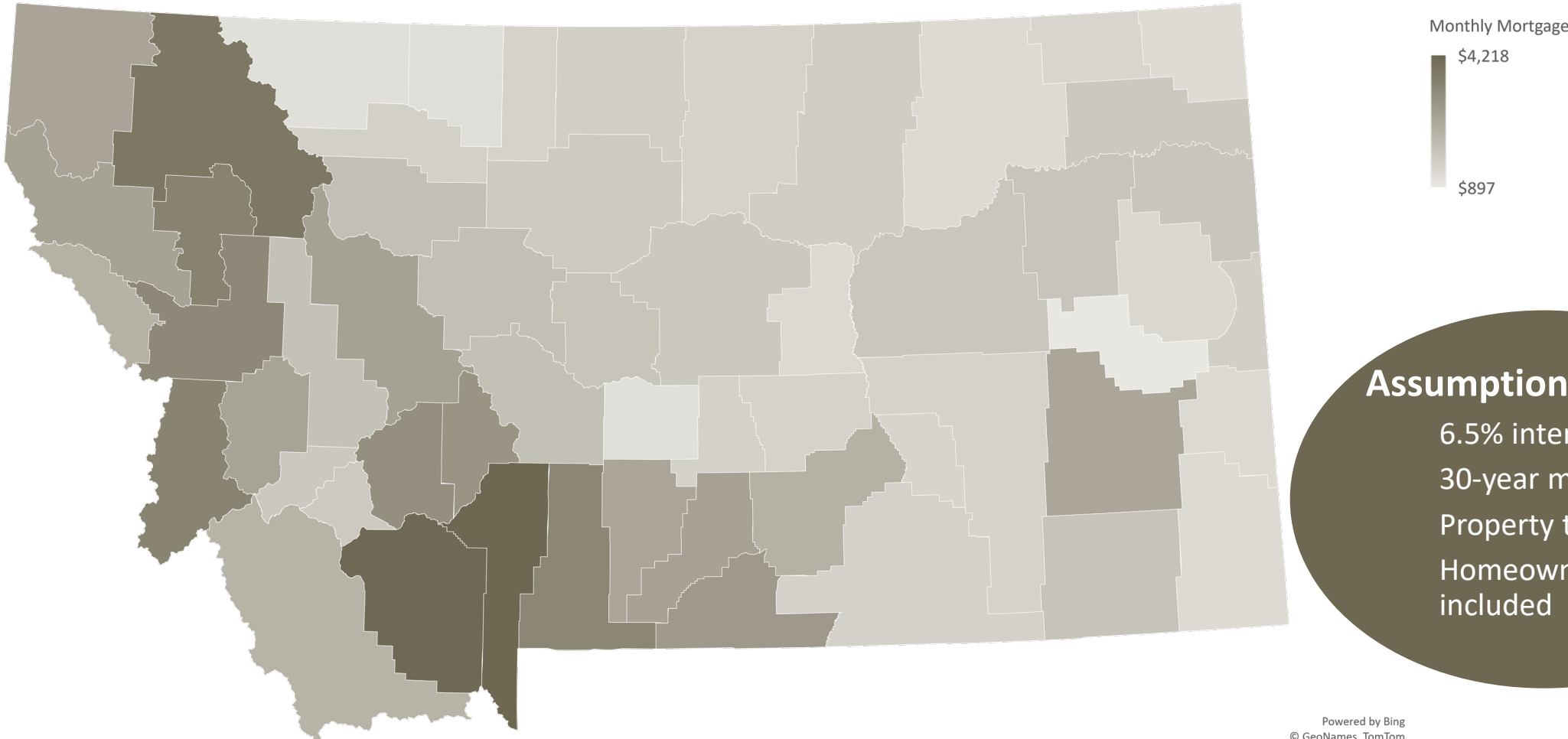
Annual Mean Wage of Elementary School Teachers, May 2023



# Zillow Typical Single Family Home Value - 2024



# Estimated Monthly Mortgage



## Assumptions:

# 6.5% interest

## 30-year mortgage

Property tax included

## Homeowners insurance included

# LENDER'S MORTGAGE RULE OF THUMB



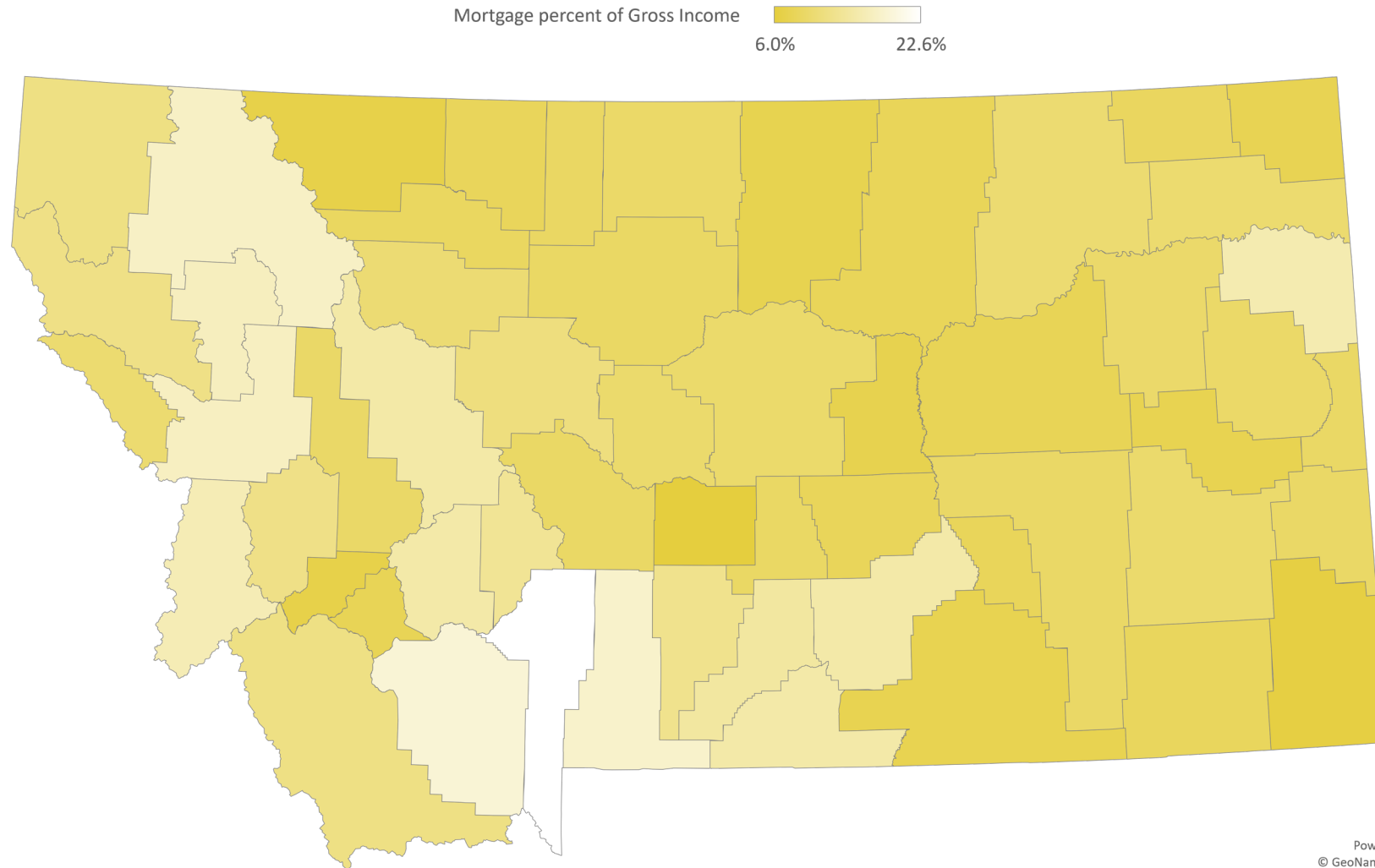
HOUSING EXPENSES SHOULD NOT EXCEED  
28.0% OF GROSS MONTHLY INCOME



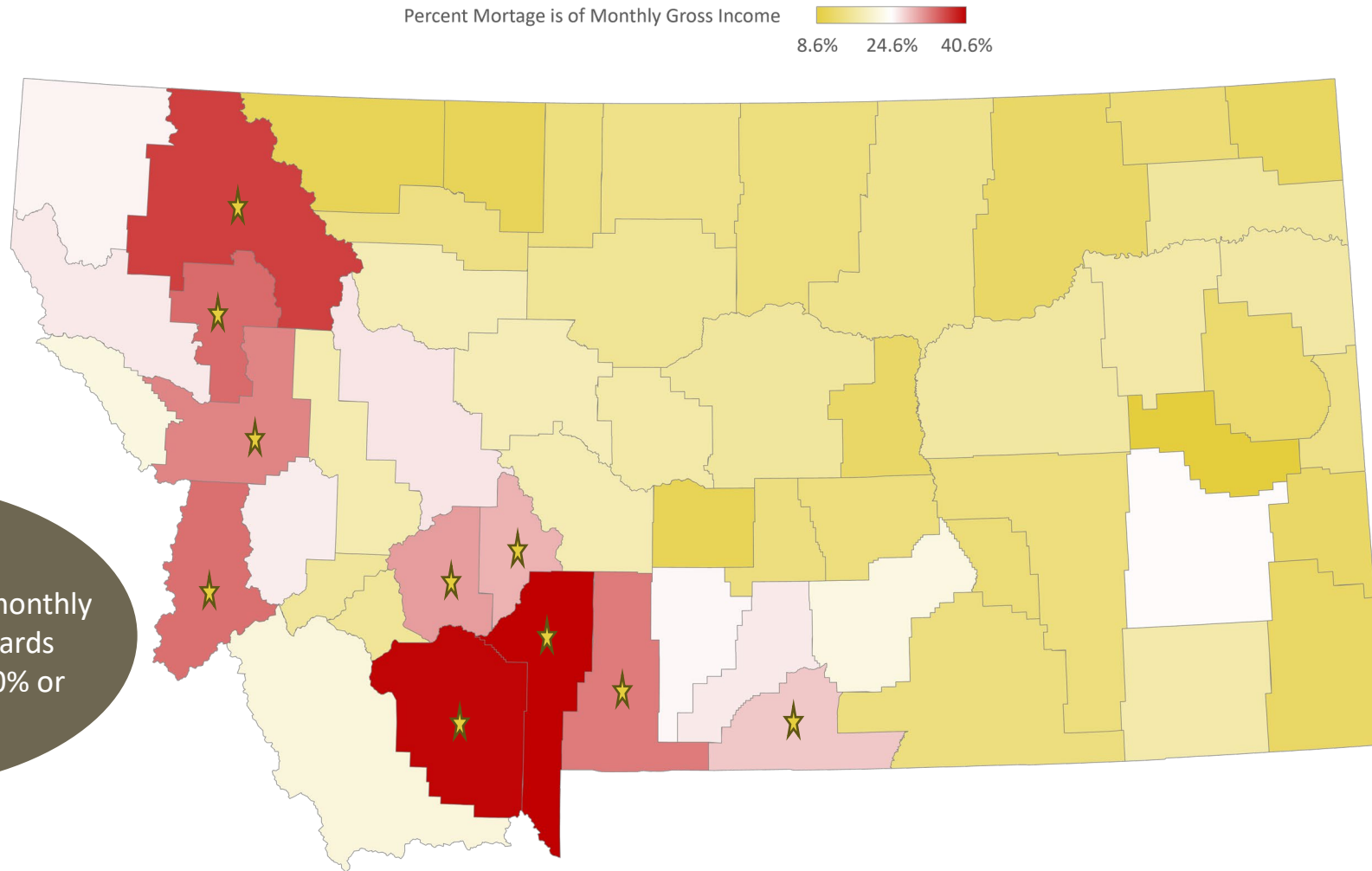
TOTAL DEBT EXPENSES SHOULD NOT EXCEED  
36.0% OF GROSS MONTHLY INCOME



# PERCENT OF MONTHLY GROSS INCOME GOING TOWARDS MORTGAGE PAYMENTS FOR A TWO TEACHER HOUSEHOLD IN 2014



# PERCENT OF MONTHLY GROSS INCOME GOING TOWARDS MORTGAGE PAYMENTS FOR A TWO-TEACHER HOUSEHOLD IN 2024



Counties with percent of monthly gross income going towards mortgage payments 28.0% or greater

# PERCENT OF MONTHLY GROSS INCOME GOING TOWARDS MORTGAGE PAYMENTS FOR A TWO TEACHER HOUSEHOLDS IN MONTANA CITIES

Percent of Monthly Gross Income Going Towards Housing Payments For A Two-Teacher Household in 2024					
City	Two Teacher Median Income	Monthly Gross Income	Average Home Value	Monthly Mortgage	Housing Payment % of Gross Income
Belgrade	\$ 100,322	\$ 8,360	\$ 558,194	\$ 3,271	39.1%
Billings	\$ 113,714	\$ 9,476	\$ 390,166	\$ 2,480	26.2%
Bozeman	\$ 100,322	\$ 8,360	\$ 747,327	\$ 4,691	56.1%
Butte	\$ 100,322	\$ 8,360	\$ 277,117	\$ 1,792	21.4%
Great Falls	\$ 104,432	\$ 8,703	\$ 322,933	\$ 1,936	22.2%
Helena	\$ 102,084	\$ 8,507	\$ 467,111	\$ 2,949	34.7%
Kalispell	\$ 107,252	\$ 8,938	\$ 554,120	\$ 3,248	36.3%
Missoula	\$ 100,322	\$ 8,360	\$ 559,257	\$ 3,536	42.3%

# 2023 LEGISLATIVE SESSION LEGISLATION

## Regulatory Reform

SB 382 (Land Use Planning Act)

SB 323 (Duplexes)

SB 245 (Commercial Infill)

SB 528 (ADUs)

## Financial Incentives

### HB 819

- CROs
- HOMES
- Coal Trust Multifamily Home Loans

# SB 382 Progress

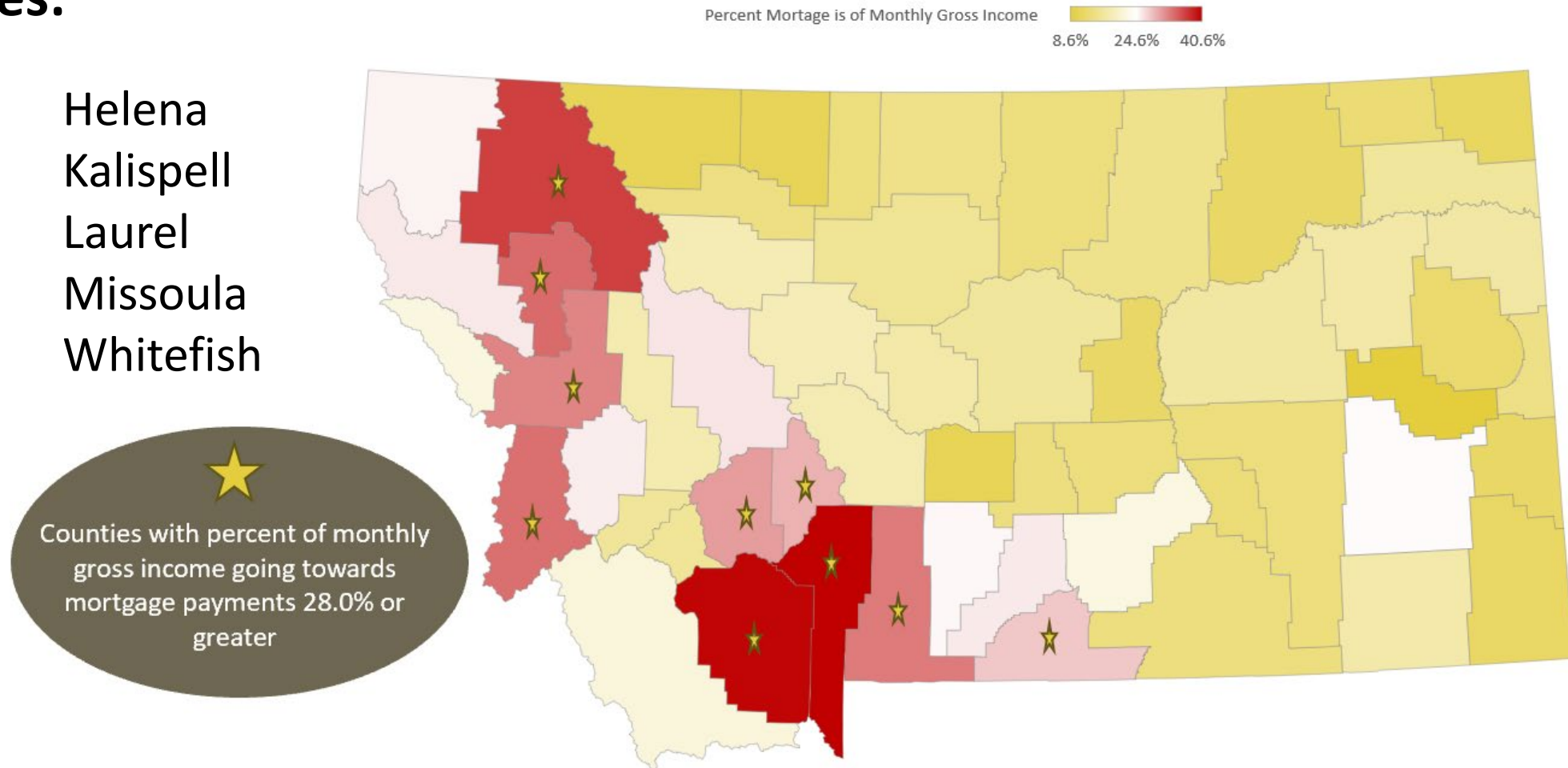
## 10 Required Cities:

Belgrade  
Billings  
Bozeman  
Columbia Falls  
Great Falls

Helena  
Kalispell  
Laurel  
Missoula  
Whitefish

## 1 “Opt-in”:

City of Lewistown





# SB 382 Progress

**By May of 2026, must have  
analysis/inventory of:**

Housing stock

Local Services & Facilities

Economic Development

Natural Resources

Environment

Hazards

## **Basic Premise:**

Identification of needs  
and/or concerns allows for  
less site-specific review =  
more streamlined process  
with front loaded public  
participation

# SB 382 Progress



## PRO HOUSING

Pathways to Removing Obstacles

[www.hud.gov/program\\_offices/comm\\_planning/pro\\_housing](http://www.hud.gov/program_offices/comm_planning/pro_housing)

ROUND 2  
\$100 MILLION

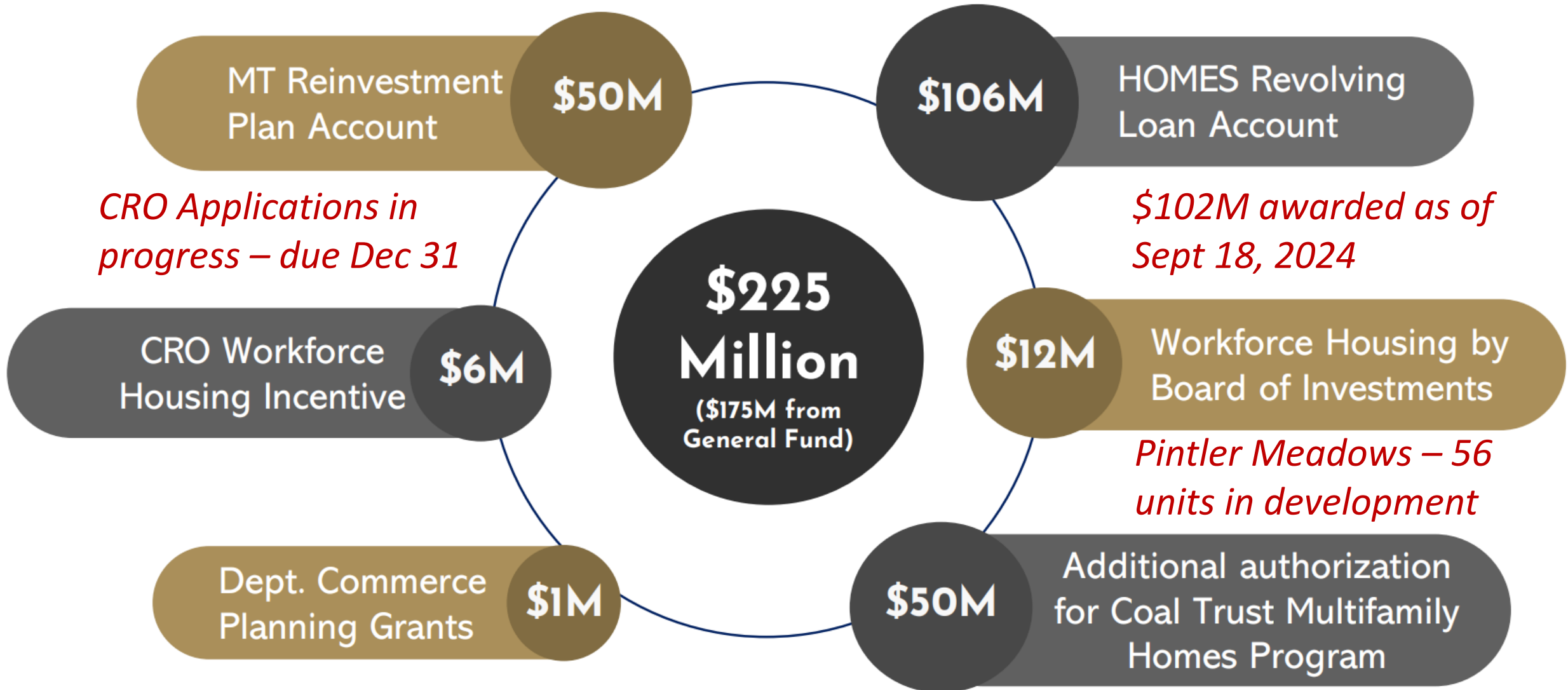
Through competitive grants, round two of the Pathways to Removing Obstacles to Housing (PRO Housing) competition will provide \$100 million in funding for communities across the country to identify and remove barriers to affordable housing production and preservation.

# Litigation

## *Montanans Against Irresponsible Densification (MAID) v State*

- Plaintiffs sought permanent injunctions for SB 382, SB 323, SB 245, and SB 528
  - Dec 29, 2023: District Court granted preliminary injunction for SB 323 (duplexes) and SB 528 (ADUs)
- Sept 3, 2024: Supreme Court reversed District Court decision, remanding case back to District Court

# HB 819 Progress



# HB 819 Progress

*Various local gov'ts  
received grants of up to  
\$30K*

Dept. Commerce  
Planning Grants

**\$1M**

*Funds fully utilized by  
Sept 2024*

**\$50M**

Additional authorization  
for Coal Trust Multifamily  
Homes Program



# MONTANA HOUSING TASK FORCE RECOMMENDATIONS – JUNE 11, 2024

## Regulatory Solutions

- Building Code Reform
- Zoning Code Reform
- Insurance Reform
- Support to Local Governments

## Financial Solutions

- New Housing Funding Programs
- Funding for Existing Housing Programs
- Funding for State Revolving Funds
- Affordable Housing Investments
- Opportunities for Housing Improvement Districts

### GOVERNOR'S HOUSING TASK FORCE

Recommendations and Strategies to Increase the Supply of  
Affordable, Attainable Workforce Housing


JUNE 11, 2024

COMPARISON OF MONTANA HOUSING DEVELOPMENT SUCCESSES AND  
CHALLENGES USING COMMON THEMES, KEY FACTORS, AND ROOT-CAUSE ANALYSIS




A REPORT BY THE MONTANA GOVERNOR'S HOUSING TASK FORCE

# Minneapolis Fed Housing Dashboard

FEDERAL RESERVE BANK  
OF MINNEAPOLIS

ABOUT USREGION & COMMUNITYRESEARCHBANKINGPOLICY




## Montana Housing Dashboard


Minneapolis Fed tool tracks data to inform housing policy and planning in Montana

July 18, 2024


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# Questions

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