

BOZEMAN'S TAX CHALLENGES

One of the nation's fastest-growing markets, Bozeman boasts a thriving economy and quickly evolving community in which it is becoming increasingly expensive to live.

BOZEMAN IS UNDERGOING EXTREME GROWTH.

- A once agricultural community, today Bozeman has a thriving photonics industry and many IT startups.
- Bozeman's quality of life and natural splendor lure visitors, many of whom purchase second homes or move here permanently.

Only **38.5%** of residents are native to Montana.

Top place to live and retire

as voted by Time Magazine, Money Magazine, Outside Bozeman Magazine, and Retirement Places Report.

BOZEMAN BASICS

Population **46,596**

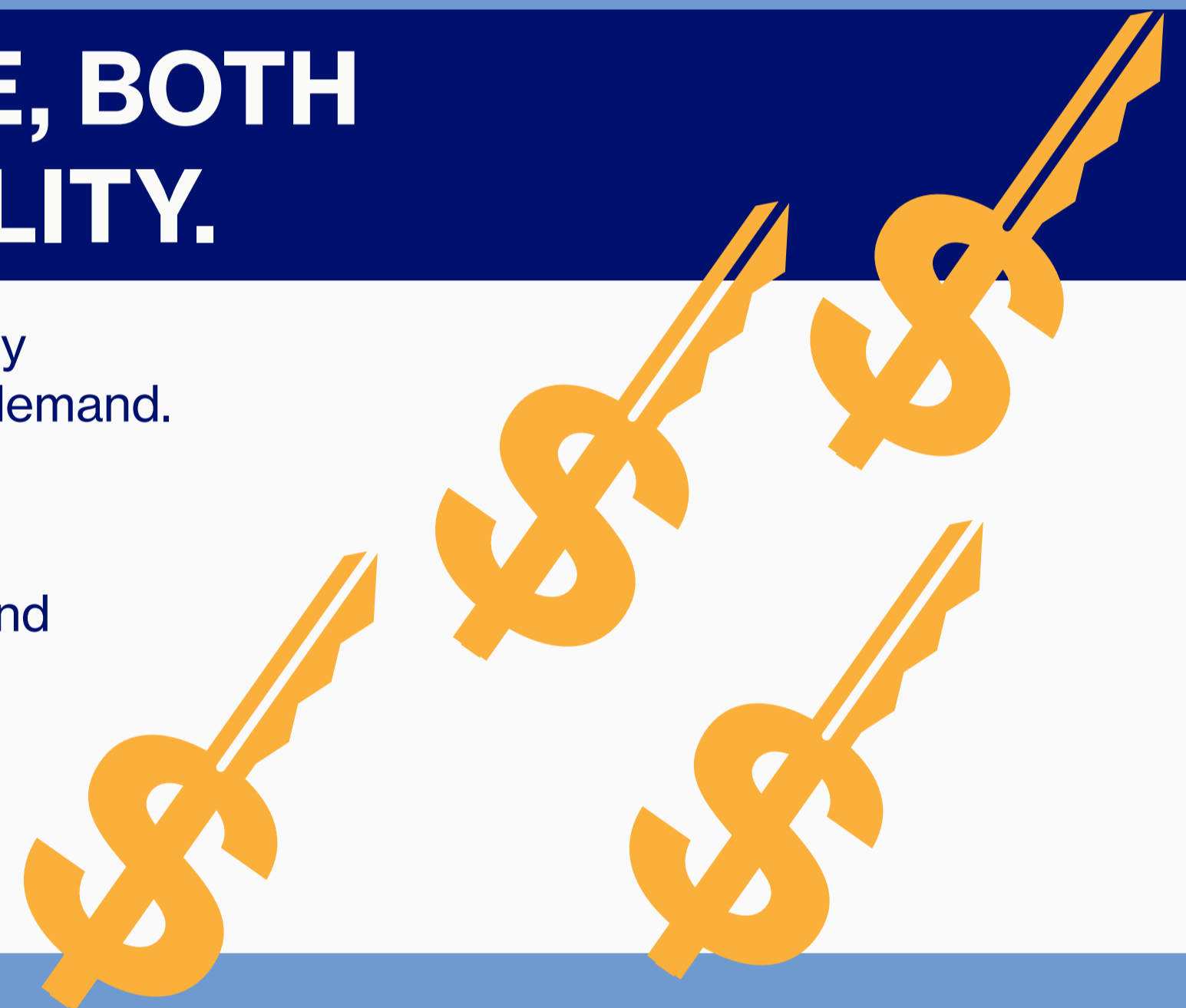
#1 Fastest-growing micropolitan* in the nation

on pace to reach **50k** residents by **2020**

*>10,000 but <50,000 residents

HOUSING IS A SERIOUS ISSUE, BOTH INVENTORY AND AFFORDABILITY.

- According to a recent study, Bozeman falls short in nearly every housing category, and new construction has not kept up with demand.
- Bozeman's current rental market is considered non-functional, because vacancies average about 1%.
- When vacancy rates are this low, new employees struggle to find housing in an expanding economy, and rents increase at rates much faster than incomes do.
- Local rentals are not priced at levels that are affordable for the majority of residents.



estimated **Catch up & Keep up** housing needs:

Units Needed by 2025: **5,405 to 6,340**
 Units Needed Per Year: **770 to 905**
 Affordable Housing* Units Needed: **3,210 to 3,765**

*Housing priced below \$350,000 and rentals below \$1,000/mo

% Cost-Burdened*

RENTERS

55% cost-burdened

30% extremely cost-burdened

OWNERS

24% cost-burdened

*2017 figures

ANNUAL INCREASE SINCE 2012

Rental Rates

7% or more +

Area Wages

2.6%

481 RENTAL UNITS NEEDED TO GROW VACANCY RATE TO **5%**

LOCAL HOMEOWNERS CARRY TOO MUCH OF THE TAX BURDEN.



The typical Bozeman homeowner will pay

\$2,373 in city taxes and fees each year.

If property taxes keep increasing, middle class residents will not be able to afford to live in Bozeman and future generations will leave.

SOURCES: Bozeman, Montana Community Housing Needs Assessment 2019. Study presented to the Bozeman City Commission and conducted by Navigate, LLC. <https://www.bozeman.net/Home/ShowDocument?id=8773> Surratt, Andrea. The Bozeman City Manager's Recommended Budget for Fiscal Year 2019 open house presentation, June 2019.



Let's keep homeownership in Bozeman affordable. We need smart growth strategies and smarter tax policies.

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