

# 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**

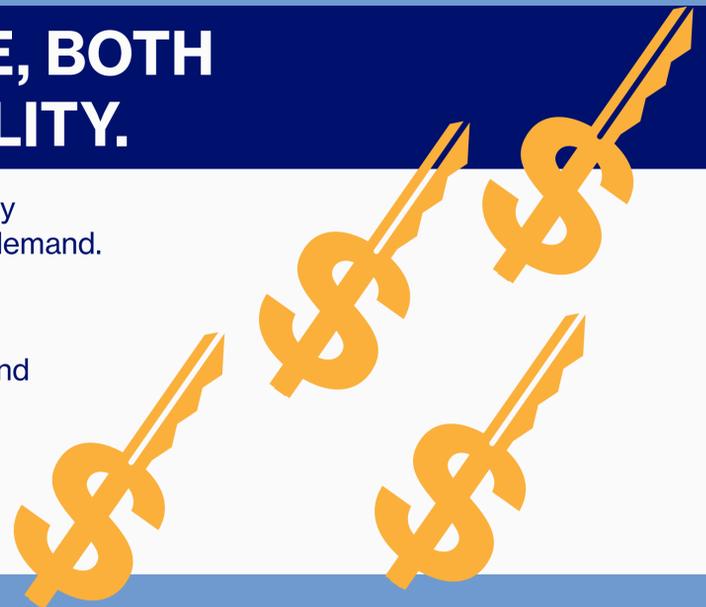
**#1** Fastest-growing micropolitan\* in the nation

\*>10,000 but <50,000 residents

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

## 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.

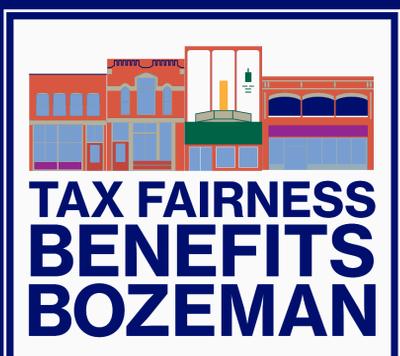


The typical Bozeman homeowner will pay

**\$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.

## REALTORS® Can Help

As trusted community partners, REALTORS® support healthy, sustainable growth.

Visit [KnowYourBozemanTaxes.com](http://KnowYourBozemanTaxes.com) for more information about securing a brighter future for Bozeman.