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# GALLATIN VALLEY HOUSING REPORT

TRACKING THE PERFORMANCE OF MONTANA'S MOST VIBRANT HOUSING MARKET



# ACKNOWLEDGEMENTS

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## About this Report

This report is the result of a collaborative effort among real estate professionals, local leaders, lenders, and researchers to provide a comprehensive snapshot of the Gallatin Valley's housing market. The data was compiled and analyzed by the Bureau of Business and Economic Research (BBER) at the University of Montana, with contributions from regional partners. This report is intended to serve as a reliable, data-driven resource to support informed decision-making and productive community conversations.

This report is available as a downloadable PDF document on our website.

<https://www.swmtrealtors.com/gallatin-valley-housing-report>

## OUR COMMITMENT IN OUR COMMUNITIES



Big Sky Country MLS plays a vital role in fostering cooperation and transparency across the real estate community. By providing a centralized, reliable marketplace, the MLS ensures that buyers and sellers have access to the most complete and accurate property information available.

Through cooperation among real estate professionals, the MLS creates a level playing field—allowing consumers to work with the professional of their choice while benefiting from broad market exposure and equal access to listings.

Big Sky Country MLS supports its members with high-quality data, tools, and services that enhance professionalism and efficiency. In doing so, it strengthens the real estate marketplace and helps ensure better outcomes for consumers across Southwest Montana.



ENSURING THE LAST BEST PLACE IS ELEVATED BY OUR MEMBERS.

Our mission is to empower members in an ever-evolving industry by fostering excellence and innovation to build vibrant communities through the power of real estate.

ADVANCING PROPERTY RIGHTS, HOUSING ACCESS & HOMEOWNERSHIP

Southwest Montana REALTORS® is a leading advocate for private property rights, housing access, and homeownership in our region. We work to ensure that policies at the local, state, and federal levels protect the ability to own, use, and transfer property—foundations of strong communities and economic opportunity.

Through active engagement in public policy, we support solutions that promote housing access, responsible development, and fair, balanced regulation. We also educate policymakers and the public on issues impacting housing affordability, land use, and property ownership, ensuring decisions are grounded in reliable data and local insight.

We are proud founding members of the Regional Housing Coalition, working alongside community partners to advance solutions that address housing attainability and affordability in Gallatin County.

Through the Southwest Montana REALTORS® Foundation, we have made meaningful investments in housing initiatives. This includes a \$100,000 pledge to support HRDC's Homeward Point development—fulfilled in just three years—as well as additional contributions to local organizations and disaster-impacted communities nationwide.

Our members are deeply engaged in their communities, with 66% volunteering monthly—well above the national average—and collectively supporting hundreds of local nonprofit organizations each year.

We believe the most effective way to expand homeownership is to increase the supply of housing. We support policies that encourage new construction, including public-private partnerships, streamlined regulations, infrastructure investment, and zoning flexibility to meet the region's growing housing needs.

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# INTRODUCTION

## Joanna Harper – Housing Report Workgroup Leader



What does a kale salad and the southwest Montana housing market have in common? They are both healthy and no one is enjoying either one of them.

In all seriousness, in many ways, this housing market is the healthiest marketplace that I have experienced in decades. Buyers finally have some choices, some negotiation power and the time to consider their purchases. Sellers are no longer questioning if they had undervalued their properties. They are more motivated to negotiate and still achieve a solid return on their investment when their home sells. Renters are experiencing a meaningful if not spectacular moderation in rental rates and have more options than in years past.

In terms of affordability, our marketplace has shown to be particularly resistant. This resistance and corresponding high cost of living in our area has continued to frustrate everyone especially employers, elected officials and would be buyers. But we should not ignore the improvements. A slow but steady moderation of housing costs could ultimately prove to be more sustainable and encourage ongoing investment in our communities.

Now more than every, the value proposition of retaining an experienced REALTOR® to assist oneself in navigating this healthy but still frustrating market is clear. REALTORS®, like experienced chefs, know how to make the most of the kale salad that is currently on the menu. This report in many ways is an illustration of REALTORS® commitment to understanding all the factors that impact the housing market and providing impartial information and analysis to REALTOR® members and the wider community .

We want to extend our gratitude to all the individuals and organizations that assisted the Bureau of Business and Economic Research at the University of Montana in pulling together the data used from multiple resources in order to create this report. I would like to extend a special thank you to the CEO's of Southwest Montana REALTORS® and Big Sky Country MLS. Cindi Siggs and Mike Lake's commitment to this annual housing report has proved invaluable to its production.

## Cindi Siggs – Chief Executive Officer of the Southwest Montana REALTORS®



Southwest Montana's housing market continues to reflect both the strength of our region and the growing challenges that come with it. As demand remains high and supply struggles to keep pace, affordability and access to housing are becoming increasingly critical issues for our communities.

The data in this report makes it clear that these challenges are not temporary. They are shaping the ability of individuals and families to live and work here, and they are impacting the long-term sustainability of our local economy.

Addressing these issues will require thoughtful, coordinated action. Expanding housing supply, supporting responsible development, and advancing policies that promote access to housing at all income levels must remain a priority.

This report provides the data needed to move those conversations forward. By working together—across the public, private, and nonprofit sectors—we have the opportunity to create solutions that ensure Southwest Montana remains a place where people can build their future.

## OVERVIEW

The 2025 Housing Report provides a comprehensive look at the forces shaping Southwest Montana’s housing market—highlighting both the region’s continued growth and the challenges that come with it.

Southwest Montana remains one of the most desirable places to live in the state, driven by strong economic conditions, population growth, and sustained in-migration. These trends continue to fuel demand for housing across all price points and communities. At the same time, the market is transitioning from the rapid pace of recent years to a more stable, yet still constrained, environment where buyers and sellers must navigate changing conditions more strategically.

Despite some signs of stabilization, housing supply continues to lag behind demand. Inventory levels have improved modestly, but not enough to fully meet the needs of a growing population. As a result, home prices remain elevated, and affordability challenges persist for both renters and prospective homebuyers. Across Montana, rising rents and limited availability—particularly for lower-income households—underscore a broader structural shortage of attainable housing.

These pressures are not limited to individuals and families. Housing constraints are increasingly affecting workforce availability, economic development, and the long-term sustainability of communities throughout the region. The mismatch between local wages and housing costs continues to be a central issue, impacting who can live and work in Southwest Montana.

This report brings together data from multiple sources to provide a clear, objective picture of these trends. By examining population growth, housing supply, pricing, rental conditions, and income dynamics, it offers a foundation for informed conversations and decision-making.

Ultimately, the findings point to the need for coordinated, forward-looking solutions. Expanding housing supply, supporting a broader range of housing types, and aligning policy with market realities will be essential to ensuring Southwest Montana remains a place where people at all income levels can live, work, and thrive.

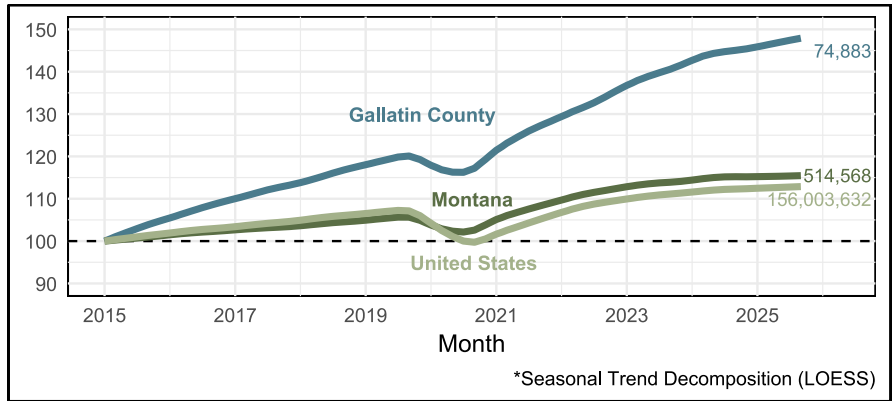


# I. HOUSING DEMAND

## 1.1 Economic Trends

Gallatin County remains the economic engine of the valley and one of the strongest growth stories in Montana and the country. Employment surged well ahead of state and national trends before and after the COVID-related dip in 2020, averaging roughly 4 percent year-over-year for much of the post-pandemic period. The latest data, however, point to a notable shift: growth has moderated to approximately 1 percent, bringing the county closer to broader trends while still outpacing both Montana and the U.S. At 74,540 payroll jobs, Gallatin County has added nearly 47 percent more employment since 2015, more than triple the gains seen statewide or nationally over the same period.

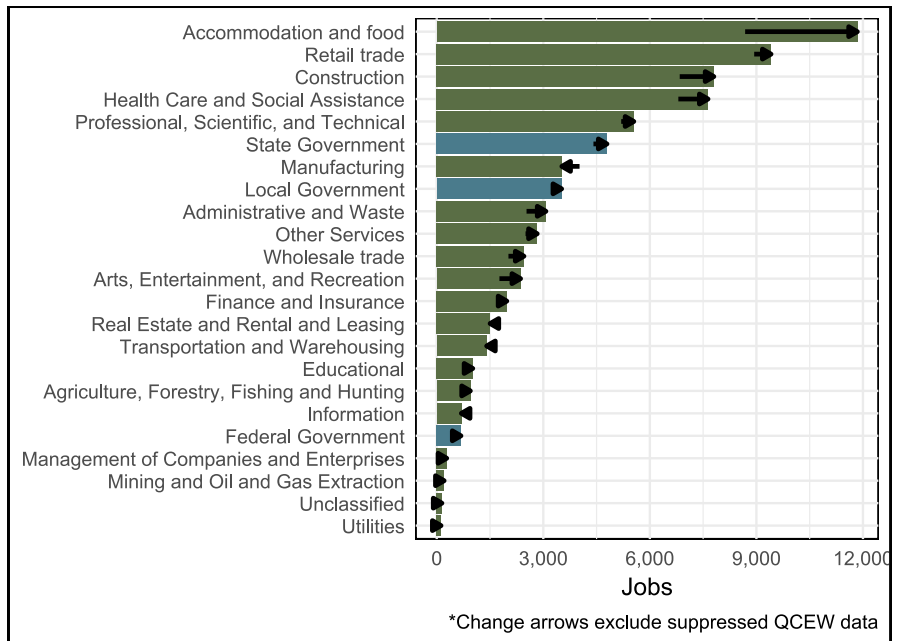
Figure 1: Payroll Employment Index, Gallatin County



Source: U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages

Job growth in Gallatin County has been broadly distributed across industries, though the picture is more nuanced than in prior years. The bars in Figure 2 show employment by industry, ranked by size, with growth arrows indicating the change in each sector since 2021. Accommodation and food remains by far the largest employer and has posted the greatest absolute job gains over the period, reflecting the continued strength of the visitor economy. Construction and health care follow as the next largest sources of new jobs.

Figure 2: Employment by Industry Sector, Including Government, 2021 to 2025, Gallatin County



Source: U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages

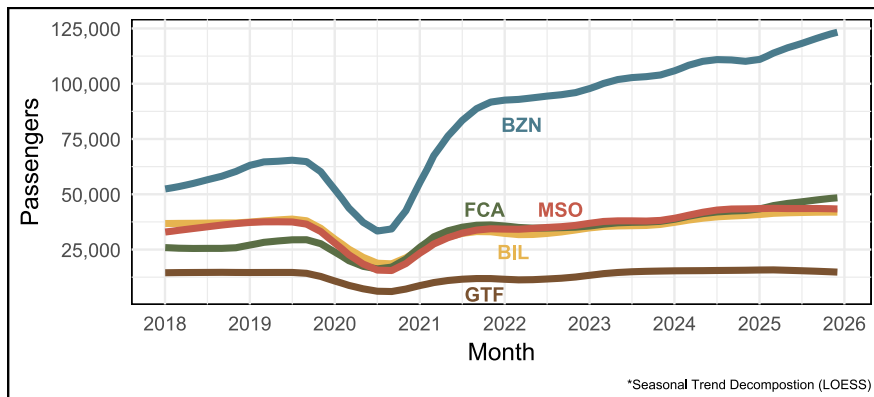
Not all sectors have shared in that growth, however. Manufacturing is the only sector to show a significant net decline over the past four years, a trend that mirrors broader statewide patterns, where Montana's manufacturing sector expanded quickly in the immediate post-pandemic period but has since pulled back toward national norms.

Smaller retractions are also visible in Local Government and Mining and oil and gas extraction. Federal government employment has reversed course in recent years but had not yet fallen below 2021 levels through the third quarter of 2024. These data do not yet capture the federal workforce reductions that began later in the year.

Professional, scientific, and technical services, which captures a portion, though not all, of the county's high-tech sector, continues to rank among the larger industries and has seen steady growth, reinforcing Gallatin County's gradual diversification beyond its hospitality, construction, and healthcare base.

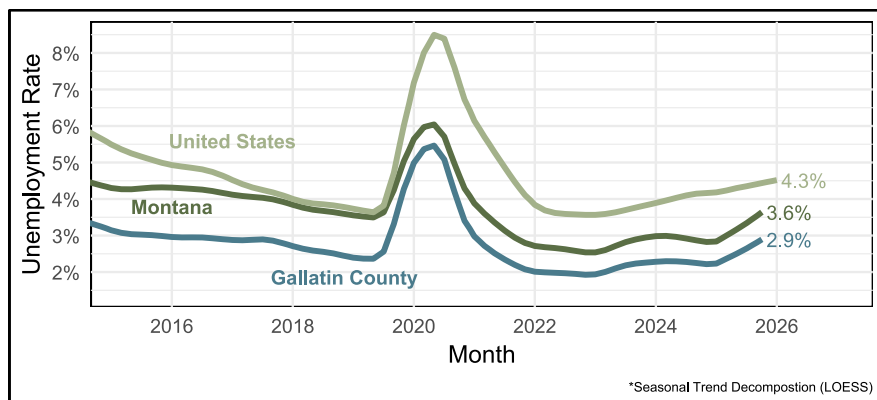
The importance of visitor spending in the economy is also reflected in the growth of enplanements at Bozeman Yellowstone International Airport (BZN), the state’s largest. The much faster trend in passenger volume at BZN shown in Figure 3 is both cause and effect of the region’s economic growth — and the gap between BZN and every other Montana airport has continued to widen. Higher visitor volumes have expanded tourism-related infrastructure and employment, while faster growth in business travel tied to the high-tech, advanced manufacturing, and other non-visitor industries has added further demand. BZN now connects to approximately 29 destinations across the United States, with a mix of year-round and seasonal routes spanning both coasts, major hub cities, and key Sun Belt markets.

Figure 3: Inbound Passenger Traffic, Montana Airports (2018 to Nov 2024)



Source: U.S. Bureau of Transportation Statistics, T-100 Market

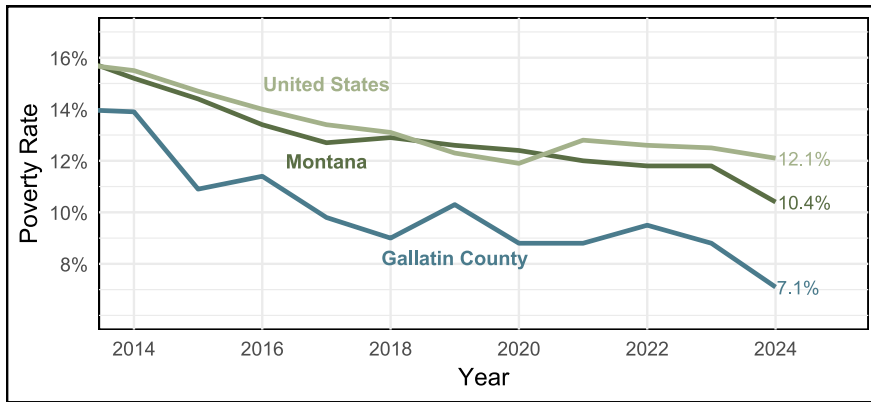
Figure 4: Unemployment Rate, Gallatin County



Source: U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages

As shown in Figure 4, Gallatin County’s unemployment rate reached a low of around 2 percent in 2023 following a period of extraordinary labor market tightness. Since then, the trend has shifted, ticking up across all three geographies. However, by any standard the labor market remains tight. At 2.9 percent, Gallatin County’s unemployment rate is roughly where it stood in 2018, still well below both the state (3.6 percent) and the national rate (4.3 percent). Labor market stress driven by limited worker availability, while somewhat eased from peak tightness, remains a defining characteristic of the Gallatin County economy.

Figure 5: Poverty Rate, Gallatin County



Source: U.S. Census Bureau Small Area Income and Poverty Estimates

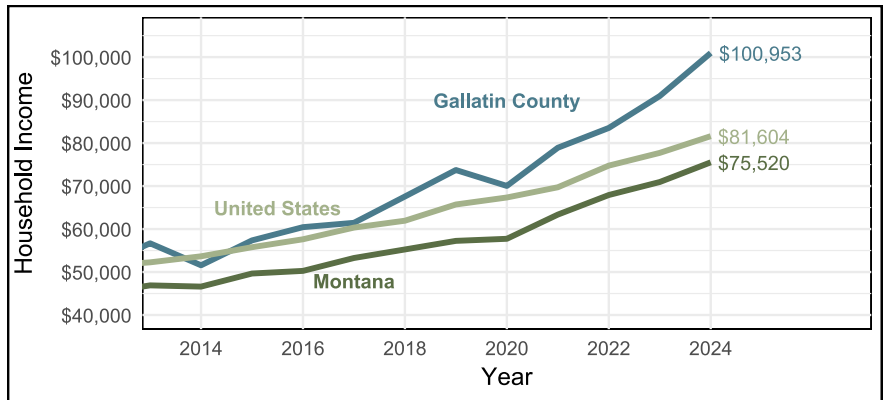
Robust economic growth has boosted household income and improved poverty outcomes. As shown in Figure 5, Gallatin County’s poverty rate has declined sharply in recent years, reaching 7.1 percent in 2024, well below both Montana at 10.4 percent and the U.S. at 12.1 percent. After a relatively flat period between 2019 and 2023, the recent drop represents a meaningful improvement and reflects the broad-based nature of the county’s economic gains. It is worth noting that poverty rates reflect where people live rather than where they work. In a county with rising housing costs, some portion of the decline may reflect lower-income households relocating to surrounding areas rather than a genuine improvement in economic outcomes for all residents.

Gallatin County households are earning more than ever. Median household income (MHI) in the county has crossed the \$100,000 threshold, reaching \$100,953 in 2024, the highest of any county in the state and surpassing the national median of \$81,604 by a substantial margin. Montana’s MHI stands at \$75,520.

Several forces have driven household income growth. The prolonged tightness of the local labor market has put upward pressure on wages across industries, as employers compete for a limited pool of available workers.

The composition of the county’s economy has also shifted in ways that favor higher earners. Manufacturing jobs, which tend toward moderate wages, have declined, while employment has grown in higher-paying sectors such as health care and professional, scientific, and technical services. Strong in-migration of workers with employment ties outside the area has further skewed the county workforce toward higher earners.

Figure 6: Median Household Income, Gallatin County



Source: U.S. Census Bureau Small Area Income and Poverty Estimates

## 1.2 Population and Household Demographics

The composition, size, and trends of Gallatin County’s population, including its age structure, household types, and migration patterns, have a direct influence on housing demand and market conditions. Population change is driven by two components: natural change, the annual difference between births and deaths, and net migration, the difference between the number of people moving into an area and those moving out. Each carries distinct implications for housing demand.

Southwest Montana grew steadily over the past decade, with growth rates accelerating across all five counties since 2020, driven largely by net migration. Gallatin, Madison, and Park counties led the region, posting annualized growth rates between 1.3 and 2.5 percent, while Beaverhead and Sweet Grass counties saw comparatively slower growth, each adding residents at under one percent per year, as shown in Table 1.

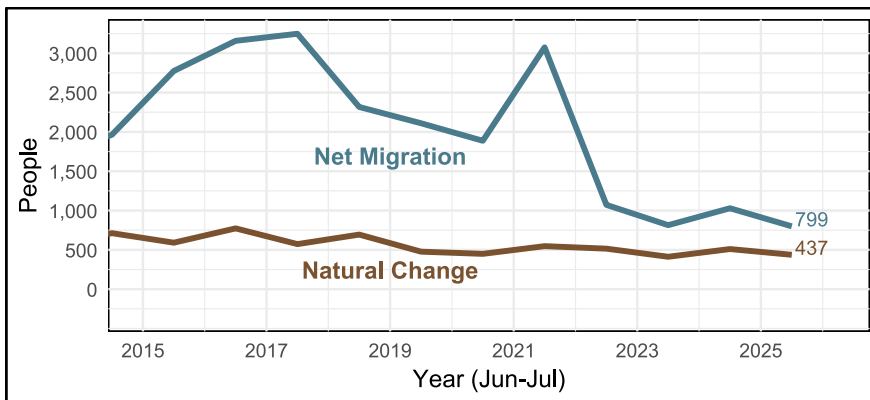
Table 1: Southwest Montana Counties, Population Change

County	2015 Population	2025 Population	Change	Ann. Change (%)
Beaverhead	9,303	10,043	740	0.8%
Gallatin	101,043	128,740	27,697	2.5%
Madison	8,033	10,026	1,993	2.2%
Park	16,013	18,214	2,201	1.3%
Sweet Grass	3,618	3,762	144	0.4%
Wheatland	2,110	2,100	(10)	(0%)

Source: U.S. Census Bureau Population and Housing Unit Estimates Program

Note: Ann. Change (%) reflects the compound annual growth rate (CAGR) averaged across 2015-2025

Figure 7: Components of Population Change, Gallatin County



Source: Census Bureau Population and Housing Unit Estimates Program

Across the region, natural change has been a modest drag on population growth, with four of the five counties recording negative natural change over the period. Net migration has been the dominant growth driver across all five counties, surging in the early 2020s before returning toward pre-pandemic levels over the past two to three years. Madison County stands out as an exception, continuing to attract new residents at rates above its historical norm even as migration has cooled elsewhere in the region.

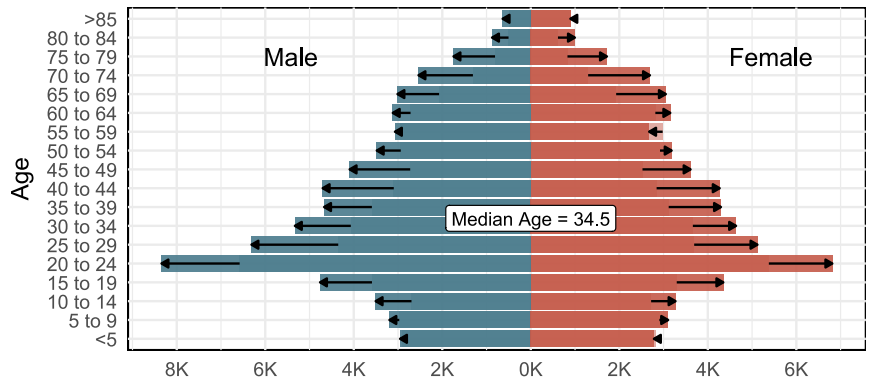
A closer look at Gallatin County illustrates how these two components play out in the region’s largest and fastest growing county. Unlike most of its Southwest Montana peers, Gallatin County has maintained a steady positive natural change rate throughout the decade, coming in at a little over 400 people in 2025, reflecting the county’s relatively low median age and a higher share of residents in their prime family-forming years. Net in-migration has been larger and much more variable, surging to over 3,000 people in 2021 before falling sharply to 799 people in 2025, a level not seen since before 2014, reflecting a stabilization of migration patterns following the post-pandemic wave.

The age structure of the population, shown for both women and men in Gallatin County in Figure 8, shapes housing demand in important ways. First-time home buyers, households moving up or down the housing ladder according to their changing needs, and apartment rental demand are all influenced by how the population is distributed across age groups. The growth arrows in the figure indicate the change in each age and sex cohort over the last decade.

The dominant story in the age structure is the substantial growth in the prime working-age population, particularly the 30 to 54 cohorts, which have seen some of the largest gains over the past decade. This reflects both the strength of the local labor market and the in-migration of working-age adults and their families. The large 20 to 24 cohort is partly a reflection of the MSU student population, while the relatively smaller size of the youngest cohorts mirrors the broader national trend of declining birth rates.

At 34.5, the County’s median age remains comparatively low. The sizable in-migration over the past decade has largely offset the progressive aging of the population that would otherwise occur, keeping the County’s age structure relatively young compared to much of Montana.

Figure 8: Population Pyramid, 2014 to 2024, Gallatin County



Source: Census Bureau Population and Housing Unit Estimates Program

Note: U.S. Census has not released 2025 population breakdowns by age, sex, and race.

Updated: April 8th 2026

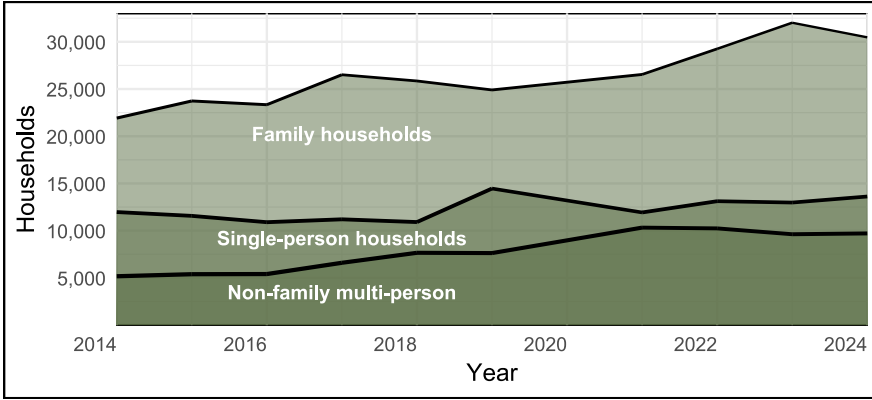
Table 2: Population in Households Summary, Gallatin County, 2024

Household Type	Population	Households	Avg. Household Size
Nonfamily households	35,155	23,328	1.51
Family households	87,841	30,474	2.88
<b>Households</b>	<b>122,996</b>	<b>53,802</b>	<b>2.29</b>

Source: U.S. Census Bureau American Community Survey, 1-year estimates

Housing demand depends not just on population but on how people sort into households and the composition of people who share a housing unit. As Table 2 shows, non-family households make up just over 43 percent of all households in Gallatin County, many consisting of just one person, with an average size of 1.51. Family households make up the majority of households and are considerably larger, averaging 2.88 persons. Together, family households account for 71.4 percent of the county’s 122,996 residents living in households.

Figure 9: Households by Type, 2014 to 2024, Gallatin County



Source: U.S. Census Bureau American Community Survey, 1-Year Estimates

Figure 9 shows that all three household types have grown over the last decade, but at very different rates. Family households, already the largest category, grew from about 22,000 in 2014 to over 30,000 by 2024. Non-family multi-person households saw the most dramatic relative growth, doubling from roughly 5,000 to 10,000 over the period.

Single-person households, by contrast, have only ticked up slightly, with some of that modest growth likely reflecting elderly family households losing a member. Rising housing costs over this period may also help explain the patterns, as the rapid growth in non-family multi-person households suggests more residents are turning to shared living arrangements.



## 2. HOUSING SUPPLY AND OCCUPANCY

### 2.1 Housing Stock

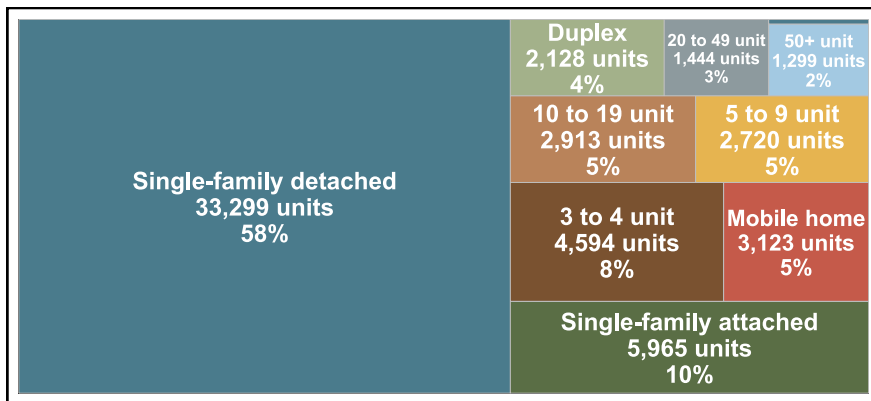
U.S. Census Bureau estimates put the total housing stock in Gallatin County at 57,568 units, as shown in Table 3. Of those, 51,215 are occupied and 6,353, or about 11 percent, are vacant. Vacant units include a mix of seasonal or occasional use properties (3,120), units for rent (1,335), units for sale (265), and other vacancies (1,633). The seasonal category captures vacation homes, short-term rentals, and timeshares, while the group quarters population (e.g., university dormitories) is counted separately.

Table 3: Housing Stock Estimates Summary

	Belgrade	Bozeman	Gallatin County
<b>Total Housing Units</b>	<b>4,994</b>	<b>25,908</b>	<b>57,568</b>
<b>Occupied Housing Units</b>	<b>4,852</b>	<b>23,970</b>	<b>51,215</b>
Owner-Occupied Units	2,722	10,721	31,270
Renter-Occupied Units	2,130	13,249	19,945
<b>Vacant Housing Units</b>	<b>142</b>	<b>1,938</b>	<b>6,353</b>
Seasonal/Occasional Use	--	488	3,120
For Rent	126	701	1,335
For Sale	--	79	265
Other	16	670	1,633

Source: Census Bureau American Community Survey, 5-Year Estimates

Figure 10: Occupied Housing Units by Type of Structure, Gallatin County



Source: U.S. Census Bureau American Community Survey, 5-Year Estimates

Single-family detached homes make up the bulk of the housing stock at 58 percent, a share that has held steady in recent years. The rest is spread across a variety of housing types, with single-family attached units at 10 percent and multi-family structures of various sizes accounting for roughly a quarter of the total.

Where change has occurred is in the multi-family segment, particularly in structures with five or more units. Growth in these categories points to a shift toward higher-density development as the market responds to rising demand and constrained affordability. The housing development section that follows examines this trend in greater detail.

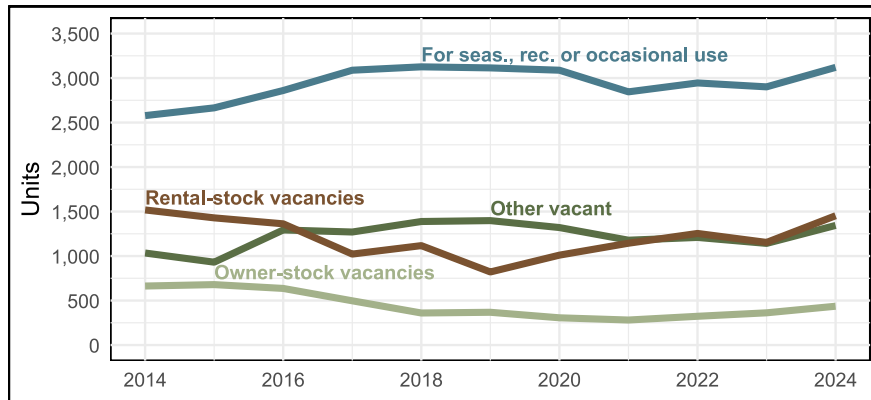


Figure 11 breaks out vacant housing units by type over the last decade. Some level of vacancy is normal and necessary for a healthy housing market, as units turn over between occupants, undergo renovation, or sit temporarily empty during a sale or lease. But a significant share of Gallatin County’s vacant units fall outside this natural churn.

The largest category by far is seasonal, recreational, or occasional use, which grew significantly before 2017 and has hovered around 3,100 units since. Combined with the “other vacant” category at roughly 1,400 units, these represent housing that is largely unavailable to local residents seeking a permanent home.

The units that are actually on the market tell a tighter story. Rental-stock vacancies have declined from their 2014 levels and owner-stock vacancies have fallen from around 700 to under 500 by 2024, pointing to limited options for prospective buyers and renters.

Figure 11: Vacant Housing Units by Type, Gallatin County

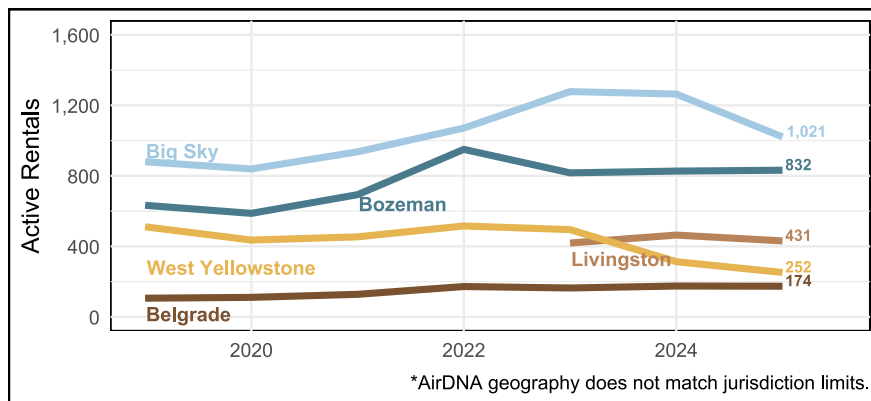


Source: U.S. Census Bureau American Community Survey, 1-year Estimates

Another category of housing that has received considerable attention is short-term rentals. As shown in Figure 12, the number of active short-term rentals grew substantially across the county’s communities beginning around 2019, with Big Sky and Bozeman seeing the sharpest increases. That growth has since reversed in most areas. Big Sky peaked above 1,200 active rentals around 2023 before falling to 1,021, and Bozeman has declined steadily from its 2022 peak to 832.

Bozeman’s decline is at least partly a policy story. In late 2023, the Bozeman City Commission banned new non-owner-occupied short-term rentals (Type 3) within city limits. Existing units were grandfathered in, but the ordinance also raised the residency requirement for owner-occupied rentals (Type 2) from 50 to 70 percent of the year. West Yellowstone, Livingston, and Belgrade have seen more modest numbers overall, though West Yellowstone has also pulled back from its earlier peak. It is worth noting that AirDNA’s geographic boundaries do not align precisely with jurisdiction limits.

Figure 12: Active Short-Term Rentals by Submarket, Annual Average, 2019 to 2025

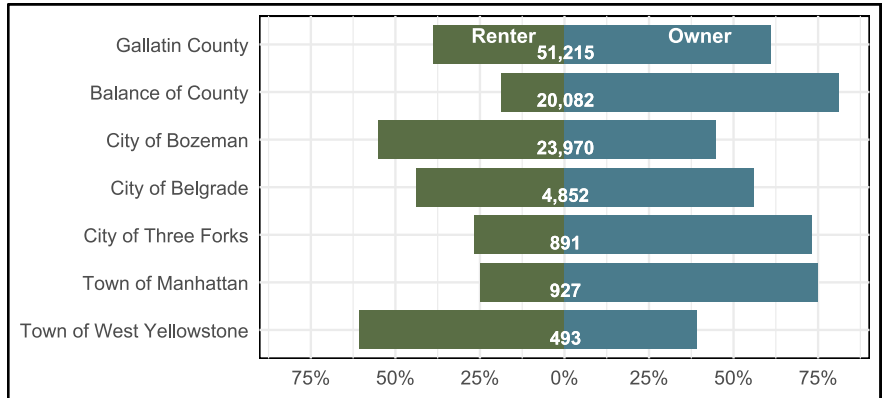


\*AirDNA geography does not match jurisdiction limits.

Sources: AirDNA, City of Bozeman

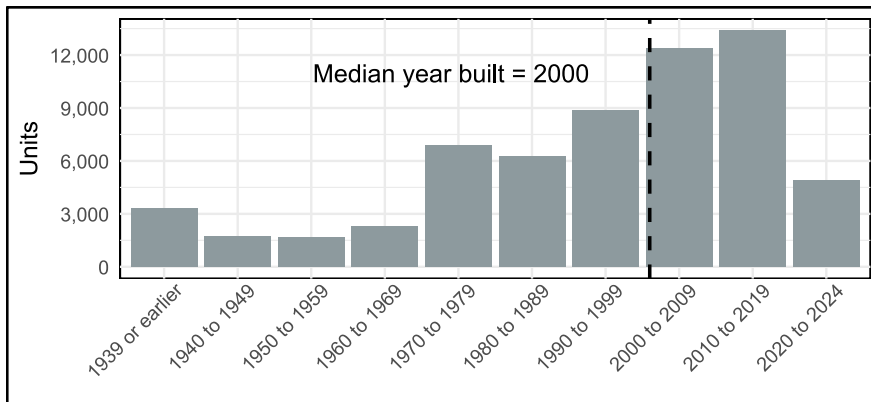
The split between renters and owners varies considerably across the county's communities, as shown in Figure 13. Bozeman and West Yellowstone stand out with the highest shares of renter-occupied housing, each approaching or exceeding 50 percent, reflecting Bozeman's role as a university town and employment center and West Yellowstone's tourism-driven economy. The balance of the county tilts heavily toward owner-occupied housing, as do the smaller communities of Three Forks, Manhattan, and Belgrade. Countywide, owners make up roughly 61 percent of the 51,215 occupied housing units.

Figure 13: Occupied Housing Units by Tenure and Municipality



Sources: U.S. Census Bureau American Community Survey, 5-Year Estimates

Figure 14: Occupied Housing Units by Year Built, Gallatin County



Sources: U.S. Census Bureau American Community Survey, 1-Year Estimates

Gallatin County's housing stock is relatively young. As Figure 14 shows, the bulk of construction has occurred since the 1990s, with the 2000s and 2010s each adding over 12,000 units. The median year built is 2000, meaning more than half of the county's occupied housing is less than 25 years old. Roughly 4,600 units have been added since 2020 alone. At the other end of the spectrum, about 8,000 units were built before 1970. Many of these older homes will need significant upgrades or eventual replacement to remain viable housing.

## 2.2 Housing Development

Construction, and residential construction in particular, is a robust part of the Gallatin Valley economy. Gallatin County has a higher share of worker earnings in construction than any other county in the state, which is not surprising given the region's strong employment and population growth. But has the production of new housing kept pace with demand?

As shown in Table 4, preliminary figures for 2025 show 1,622 housing units permitted across Gallatin County. The composition of that new construction varies by community. Bozeman's 1,056 permitted units skew heavily toward multi-family development, with 912 units in structures of five or more. Belgrade's 154 permits, by contrast, lean toward single-family construction at 100 units. Countywide, multi-family units account for about two-thirds of all permits issued.

Table 4: Housing Development Summary \*2025 prelim

	Belgrade	Bozeman	Gallatin County
<b>Total Permitted Units</b>	<b>154</b>	<b>1,056</b>	<b>1,622</b>
<b>Single-family Units</b>	<b>100</b>	<b>85</b>	<b>557</b>
<b>Multi-family Units</b>	<b>54</b>	<b>971</b>	<b>1,065</b>
2 Units	4	14	24
3-4 Units	7	45	55
5+ units	43	912	986

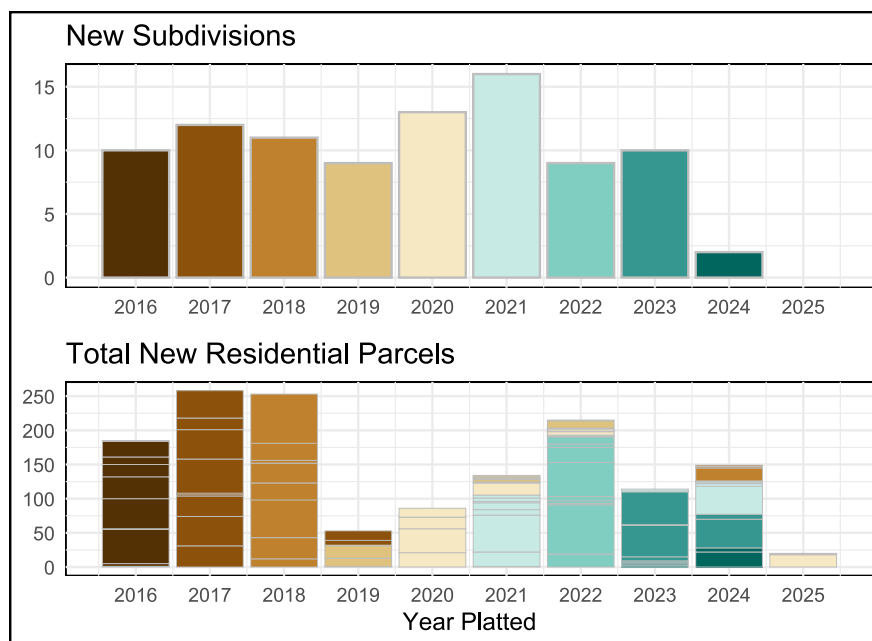
Sources: U.S. Census Bureau Building Permits Survey, City of Bozeman Community Development Reports

Beyond permits, local planning activity in 2025 reflects both continued pressure on housing supply and some early steps toward addressing it. The County Commission approved 14 preliminary plats during the year, and several multifamily projects moved forward. Notably, 389 units were approved or tracked under workforce housing designations, representing a meaningful, if partial, step toward improving attainability for local wage earners. No units were formally designated as affordable housing under income-restricted definitions. Looking ahead, the most significant structural constraint on new development in unincorporated Gallatin County is the limited availability of public water and sewer infrastructure, which continues to restrict where and how densely new housing can be built.

Manufactured housing remains a concern in the county. While no parks were lost outright in 2025, two mobile home parks changed ownership, creating uncertainty for residents who depend on that segment of the market for attainable housing.

For the city of Bozeman, more detailed data on the intermediate stages of housing production are available. Figure 15 shows new subdivisions platted each year (top panel) and the total number of residential parcels created (bottom panel). The colors link the two panels: each subdivision’s color carries through to the parcels it produces over time, illustrating how a single subdivision platted in one year can generate new parcels for years afterward. For example, the parcels shown in 2025 trace back to a subdivision platted in 2020. Only two new subdivisions were created in 2024, a marked decrease from previous years, though the total number of new residential parcels ticked up modestly as parcels continued to be created within previously approved subdivisions.

Figure 15: New Subdivisions and Parcels, City of Bozeman



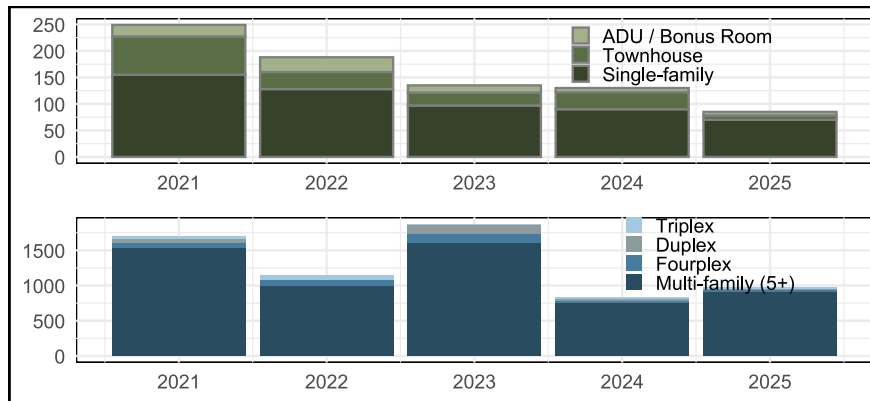
Sources: City of Bozeman, ArcGIS REST Services, Open Data

Figure 16 breaks Bozeman’s new dwelling units permitted into finer detail. The top panel shows single-family, townhouse, and ADU/bonus room permits, which have declined steadily from a combined total of roughly 240 units in 2021 to under 100 in 2025. Single-family permits in particular have fallen sharply.

The bottom panel shows multi-family dwelling units permitted, where the picture is more volatile. After peaking

at roughly 1,800 units in 2023, multi-family permits dropped to around 850 in 2024 before recovering slightly in 2025. The vast majority of these are in structures with five or more units, with duplexes, triplexes, and fourplexes making up only a thin slice. Taken together, the two panels reinforce a clear shift in Bozeman’s new housing production toward larger multi-family projects, even as the overall pace of permitting has cooled from its recent highs.

Figure 16: Permitted Housing Units, City of Bozeman

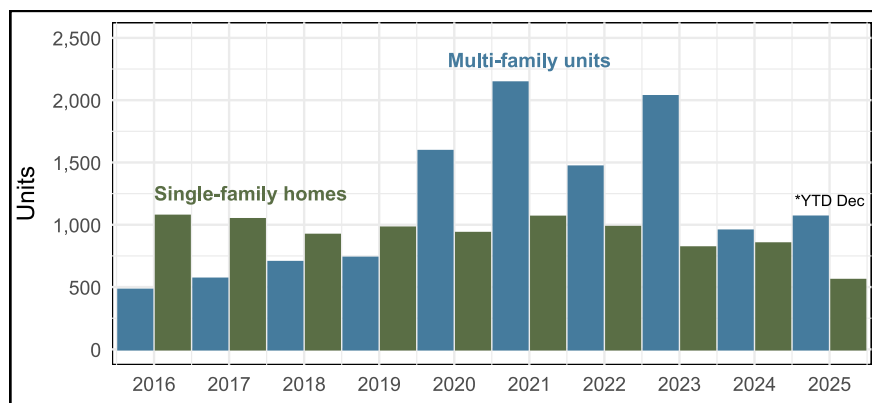


Source: City of Bozeman, Community Development Reports

Zooming out to the full county, Figure 17 shows that residential construction responded forcefully to the region’s economic and population growth, particularly on the multi-family side. Multi-family permitting surged beginning in 2020, peaking above 2,000 units in both 2021 and 2023. Single-family permits, by comparison, have been steadier over the decade but have gradually declined, falling to around 600 in preliminary 2025 figures.

Both categories pulled back noticeably in 2024 as higher interest rates, slower in-migration, and the natural cooling that follows several years of elevated building weighed on development decisions. Early 2025 data suggest multi-family permitting has begun to recover, while single-family construction continues to soften.

Figure 17: Permitted Housing Units, Gallatin County

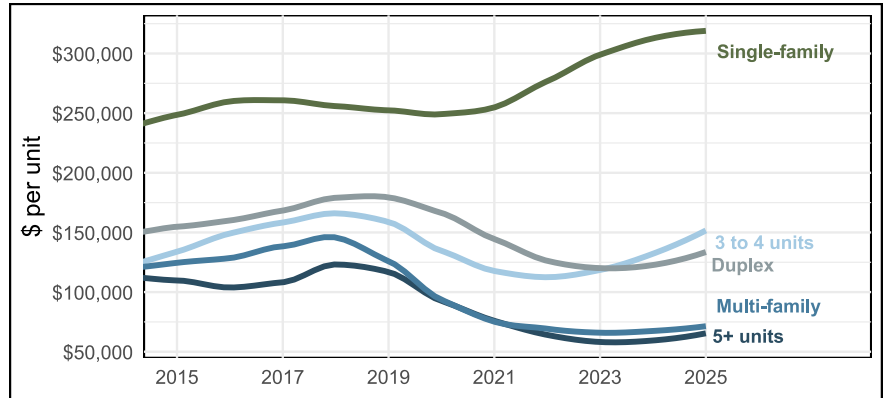


Sources: U.S. Census Bureau Building Permits Survey, City of Bozeman Community Development Reports

Construction costs on a per-unit basis are shaped by materials prices, labor, and overall project scale. One window into these costs is the dollar value reported on building permits, which likely understates actual construction costs but is nonetheless useful for tracking trends over time.

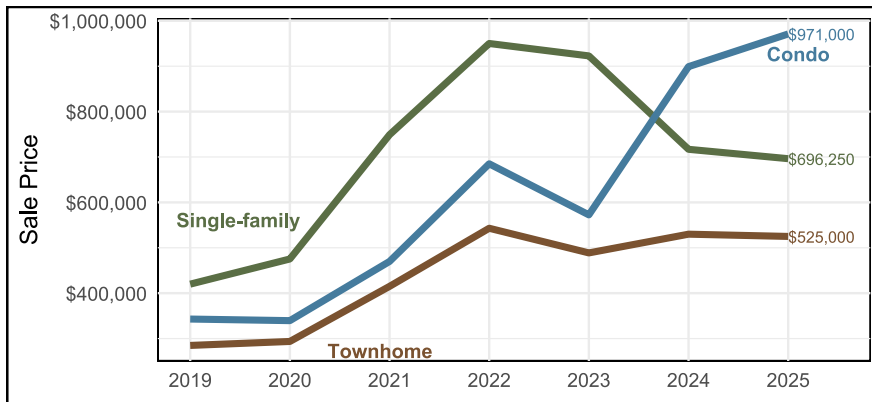
As Figure 18 shows, per-unit valuations for single-family homes, the most expensive housing type to build, have risen strongly in recent years in Gallatin County, reaching over \$300,000 per unit. Per-unit valuations for multi-family housing, particularly structures with five or more units, are significantly lower on a per-unit basis and have trended slightly downward, falling below \$75,000 per unit. This gap highlights the cost efficiencies that come with building at greater density.

Figure 18: Permitted Value Per-Unit, Gallatin County



Source: U.S. Census Bureau Building Permits Survey

Figure 19: New Construction Median Sale Prices by Structure Type Gallatin County

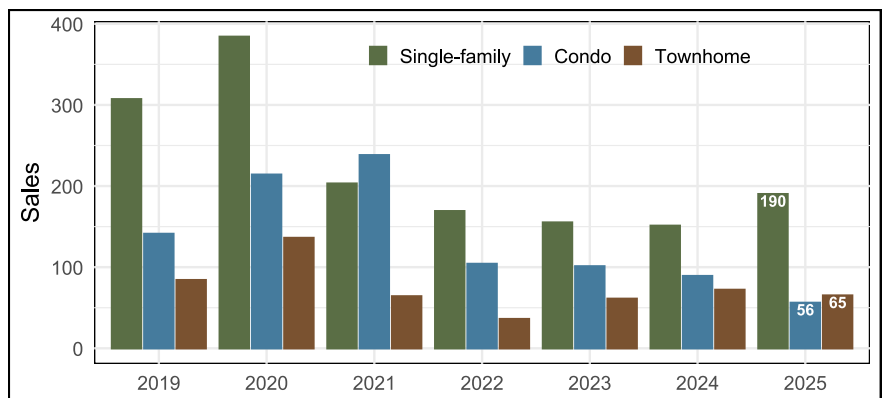


Source: Big Sky Country Multiple Listing Service

Among newly constructed homes, there are three main types: single-family detached homes, condominiums, and townhomes. Sale prices for each depend on a mix of factors including demand, location, lot type, and the size and characteristics of the unit. As Figure 19 shows, all three categories saw dramatic price increases from 2020 through 2022 but have since diverged. Single-family homes have pulled back from their 2022 peak, while townhomes have leveled off. Condos, by contrast, have surged past both categories, likely reflecting a shift in the mix of what is being built toward higher-end developments rather than a broad acceleration in condo prices.

These price trends are closely linked to sales volumes. As Figure 20 shows, single-family detached home sales have fallen sharply from nearly 400 in 2020 to 190 in 2025, consistent with the steep run-up in prices. Condo sales followed a different path, surging in 2021 when prices were still relatively accessible before collapsing to just 56 as prices climbed. Townhomes, now the most affordable of the three, have bucked the broader trend, with sales rising in each of the last two years. Price sensitivity is increasingly shaping what gets built and what gets sold in Gallatin County’s new construction market.

Figure 20: New Construction Sales by Structure Type, Gallatin County



Source: Big Sky Country Multiple Listing Service

### 3. OWNER-OCCUPIED HOUSING MARKET TRENDS

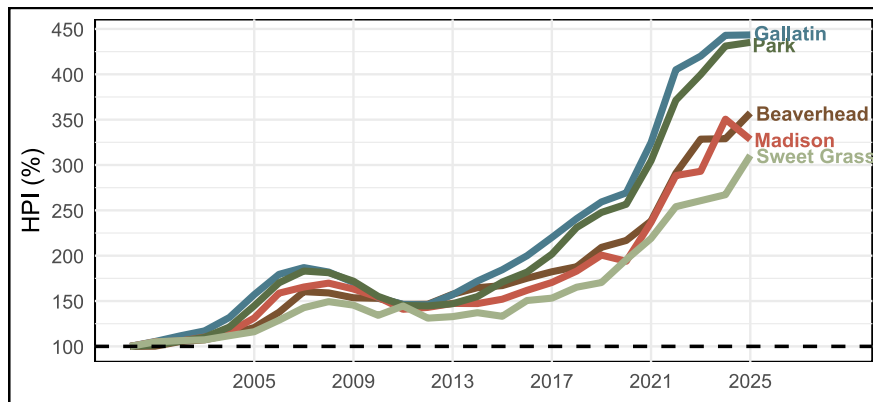
How markets have responded to these difference forces that influence outcomes is the central focus of this report. We begin with the owner-occupied side of the marketplace.

#### 3.1 Regional Sales Trends

A useful perspective on price trends for owner-occupied housing comes from the U.S. Federal Housing Finance Agency’s Housing Price Index (HPI) for Gallatin and nearby counties. The index tracks price changes by matching the same homes across repeat sales over time, meaning it captures how the value of a given home has changed rather than reflecting shifts in the mix of homes being sold. As an index, it measures housing prices relative to a specific year, which is the year 2000 in Figure 21.

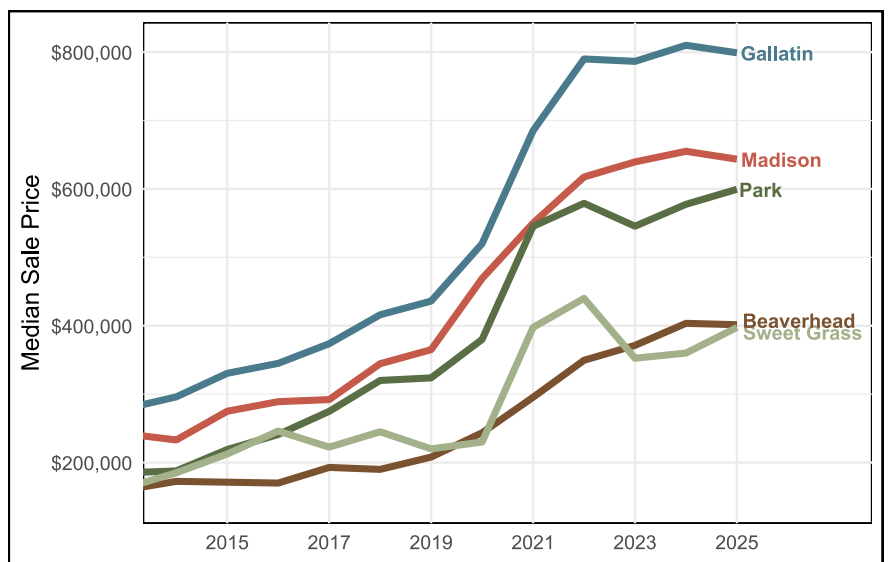
It is striking how the rapid price growth in Gallatin County is echoed in other southwest Montana counties, especially in Park County. Even those counties considered to be more affordable, such as Sweet Grass County, have home prices that are more than three times as high as they were in 2000. Gallatin County’s price growth has been strongest, with 2025 prices more than four times higher than 2000 levels.

Figure 21: Housing Price Index for Select Counties



Source: Federal Home Finance Agency County Housing Price Index

Figure 22: Median Home Price for Select Counties



Source: Big Sky Country Multiple Listing Service

Median sale prices over the last decade tell a somewhat different story than the longer-run HPI trends. Gallatin, Madison, and Park counties all experienced dramatic price increases between 2019 and 2022, but have since leveled off considerably. Gallatin County’s median sale price, for example, has hovered around \$800,000 in recent years after nearly doubling in just a few years. Meanwhile, the more affordable markets of Beaverhead and Sweet Grass counties have continued to see prices tick up through at least 2024, suggesting that buyer demand may have shifted toward lower-cost areas as prices in the region’s higher-end markets moved sideways.

Extending the sales index back to 2015 tells a similar story but adds useful context. Beaverhead County was already on an upward trend in sales activity before the pandemic, regularly exceeding its 2015 baseline by 20 to 35%. Gallatin, Park, and Madison counties, by contrast, were relatively stable through the late 2010s, fluctuating close to their 2015 levels. Sweet Grass County shows the most volatility throughout the period, which is common in smaller markets where a handful of transactions can swing the index considerably. The pandemic-era surge and subsequent collapse hit all five counties, but the pre-existing growth trend in the lower-cost markets helps explain why their recovery has been somewhat stronger.

The persistent slump that began in 2022 reflects constraints on both sides of the market. Elevated prices and higher mortgage rates have reduced buyer purchasing power, while many existing homeowners locked into low pandemic-era rates have little incentive to sell and take on costlier financing. With fewer listings and fewer qualified buyers, most counties in the region sit well below their 2015 sales volumes, and a return to those levels does not appear likely in the near term.

Figure 23: Sales Index for Select Counties

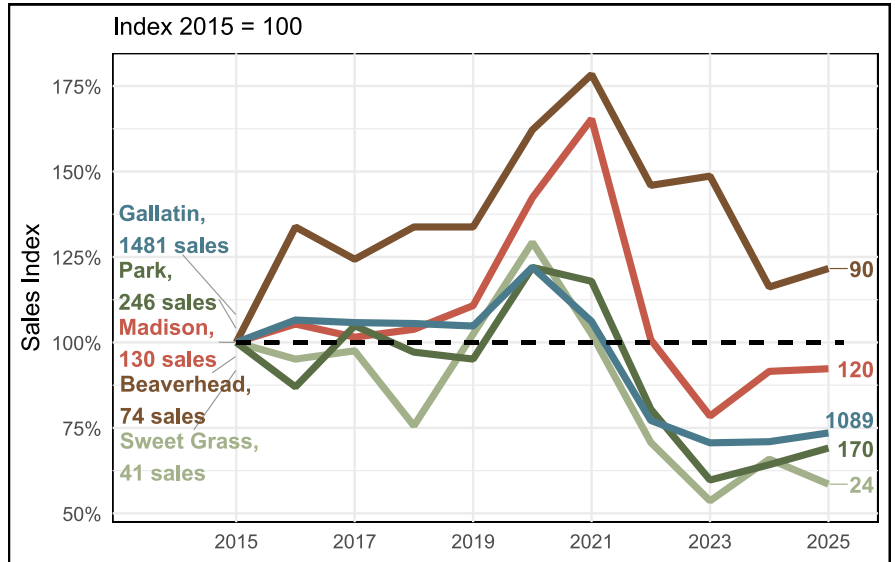
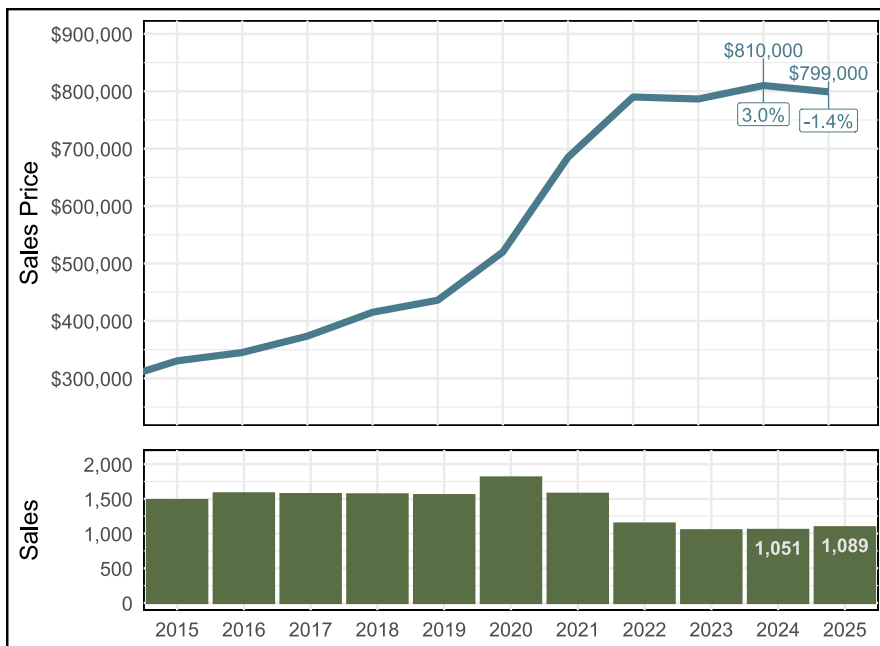


Figure 24: Single-Family Sales and Median Sale Price, Gallatin County



Source: Big Sky Country Multiple Listing Service

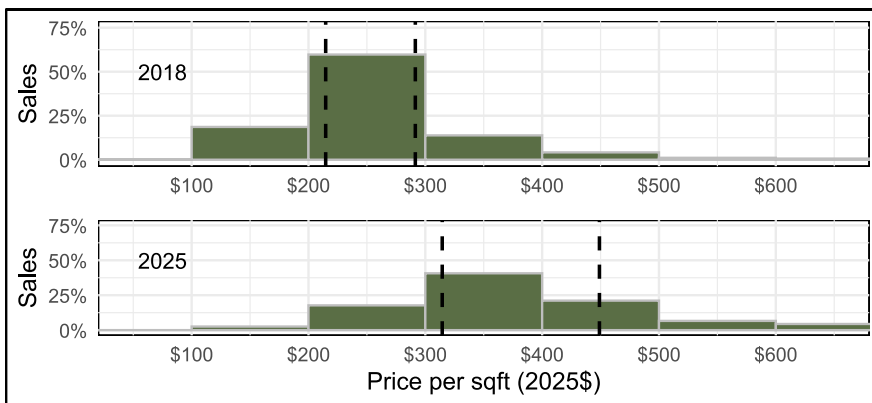
### 3.2. Gallatin County Sales Trends

Sale price information from the Multiple Listing Service (MLS) summarize the actual sales prices, as well as sales volumes, for REALTOR® assisted sales. The trend in median sales prices for Gallatin County shown in the top panel of Figure 24 show a significant deceleration in price growth. Although the median price of \$810,000 for single-family homes in the County in 2024 is the highest on record, the relatively modest -1.4 percent decline last year marks a pause in the much more rapid price growth before 2022.

Sales volumes, shown in the bottom panel of the Figure, have fallen to just over 1,000 homes sold. This reflects constraints on supply, which, in turn, have been influenced by higher interest rates.

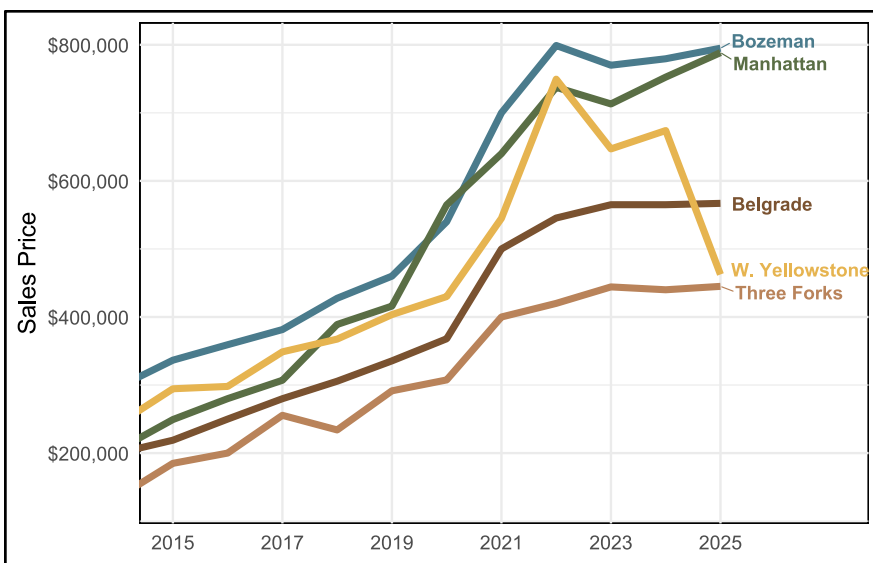
Of course, the segments of the market that are most active, and the characteristics of homes have a bearing on price outcomes. It is useful to consider the price per square foot of each sale as a first attempt to correct for some of these influences. The two panels of Figure 25 show that the ranges of square footage prices that contain half of the homes sold, the area between the vertical dashed lines in each panel, have moved up considerably since 2018. The prices in both panels are expressed in terms of 2025 purchasing power, which correct for changes that are due to overall inflation.

Figure 25: Single-Family Sale Price Per Square Foot, Gallatin County



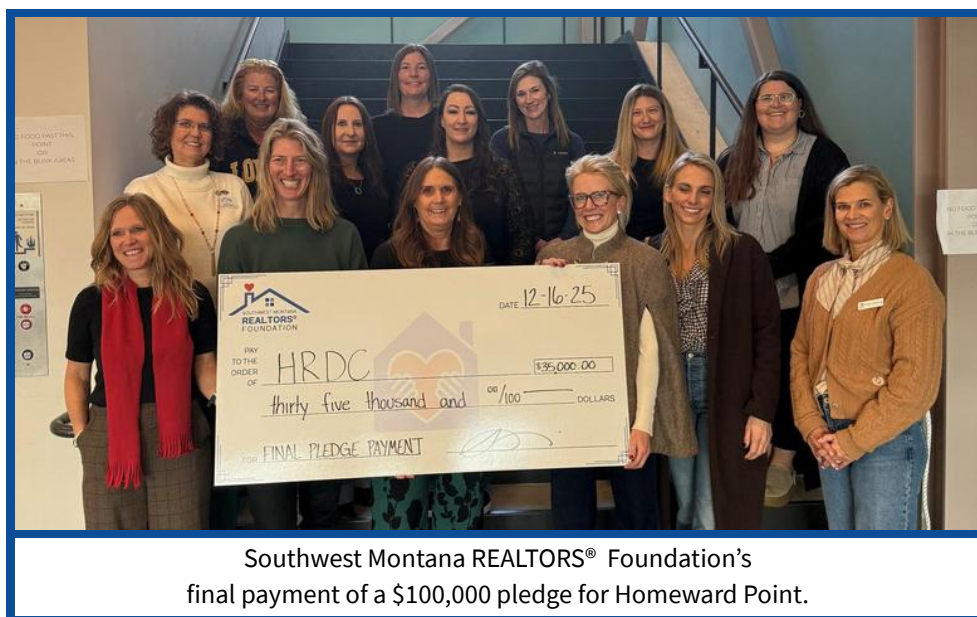
Source: Big Sky Country Multiple Listing Service, BBER Analysis

Figure 26: Single-Family Median Sales Prices by City and Town Limits



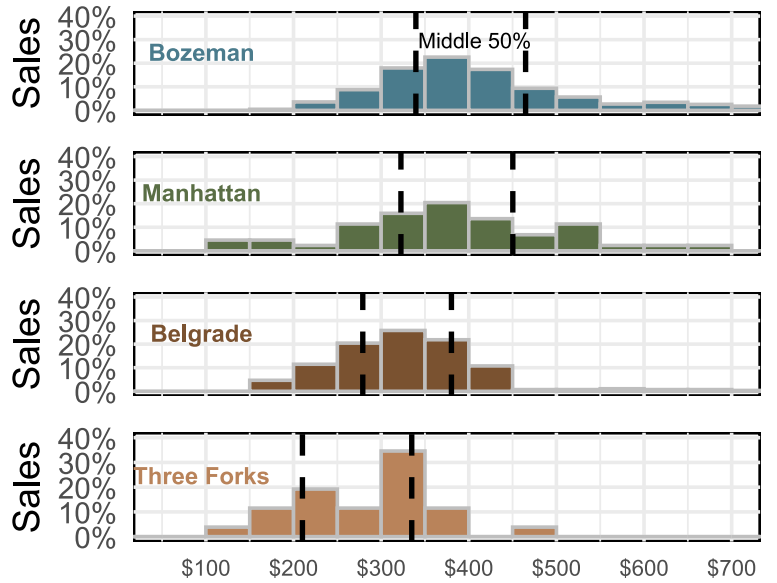
Source: Big Sky Country Multiple Listing Service

There are considerable differences in single-family home price trends across municipalities within Gallatin County, as shown in Figure 26. While all areas have registered significant price growth over the past decade, the spread between the highest priced market, Bozeman, and the lowest, Three Forks, has widened considerably over this time.



Southwest Montana REALTORS® Foundation's final payment of a \$100,000 pledge for Homeward Point.

Figure 27: City and Town Comparison  
Single-Family Sale Price Per Square Foot



Source: Big Sky Country Multiple Listing Service, BBER Analysis

The distribution of sales volumes by price per square foot in the four largest municipalities shown in the panels of Figure 27 give more insights into the price differences between the various geographies. Bozeman in particular has a prominent “tail” in the high side of the distribution, reflecting the number of very high prices homes that were sold last year.

Table 5: City and Town Comparison of Median Home Characteristics, 2024

variable	Bozeman	Belgrade	Manhattan	Three Forks
<b>Sale Price</b>	<b>\$799,000</b>	<b>\$565,000</b>	<b>\$788,500</b>	<b>\$444,200</b>
Beds	4	4	4	4
Baths	2.0	2.0	3.0	2.5
Home Size (sqft)	2,360	1,600	2,540	1,370
Lot Size (sqft)	6,760	7,730	15,250	7,010

Source: Big Sky Country Multiple Listing Service, BBER Analysis

The characteristics of the homes, not to mention the value of amenities, schools, and physical locations, are important factors in these price outcomes. Some of the characteristics of homes sold in 2025 are shown in Table 5.

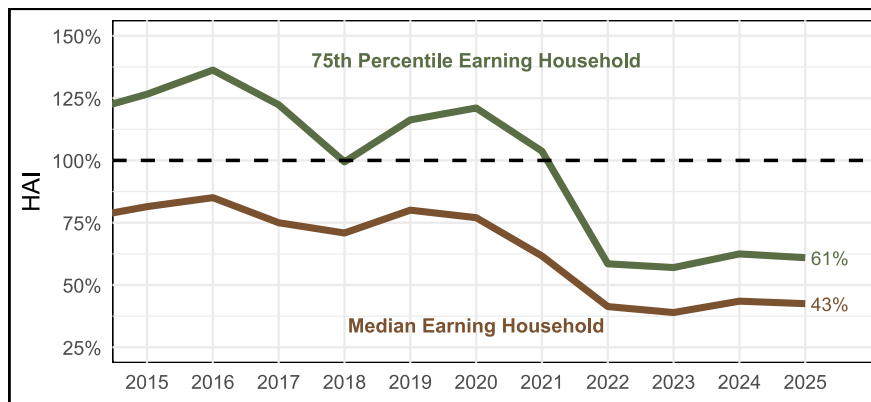


### 3.3 Home Ownership Affordability

Home affordability in general involves a comparison of home prices and income that is available to support the purchase. Broadly speaking, as defined by the U.S. Department of Housing and Urban Development (HUD), the housing affordability index (HAI) for purchases of single-family homes compares the monthly payment for a median priced home to median household income. A simple interpretation of the index, shown in Figure 28 for Gallatin County, is that it is the percentage of the loan payment a median earning household can make on the median priced home without becoming “housing stressed.” Housing stress is defined as devoting more than an agreed upon fraction of pre-tax income to pay for servicing housing debt. Typically 30 percent. A HAI of 100 means that the median house is “just” affordable by this measure.

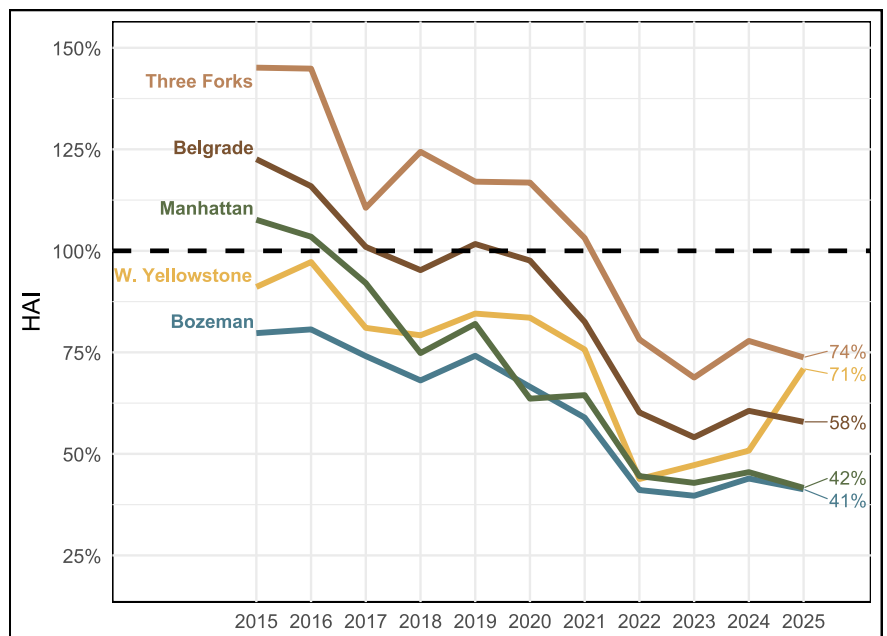
Thus the lower line showing affordability index for the median earning household hit a low of 39 percent in 2024 means that median earners fall far short of being able to service a mortgage payment that a median priced Gallatin County home would require. In fact, since the top line depicting the situation of those earning in the 75<sup>th</sup> quartile of the income distribution in Gallatin County do not come close to affording a median priced home either. Affordability has clearly declined over the last decade, particularly in the years immediately following the pandemic.

Figure 28: Housing Affordability Index by Household Income Quartile, 2014-2024, Gallatin County



Sources: U.S. Census American Community Survey, Big Sky Country MLS, Freddie Mac, BBER Analysis

Figure 29: Housing Affordability Index by City and Town Limits

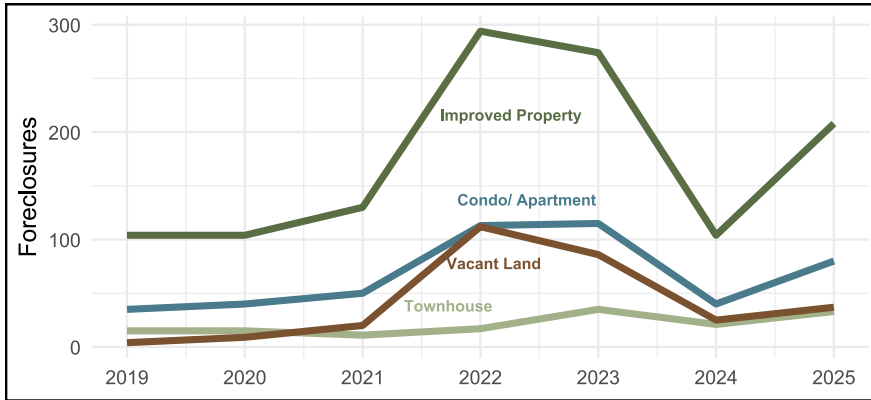


Sources: U.S. Census American Community Survey, Big Sky Country MLS, Freddie Mac, BBER Analysis

Affordability challenges have spread throughout the cities and towns of Gallatin County, as shown in Figure 29. Communities like Three Forks that were once considered affordable have in recent years fallen below HUD’s affordability threshold.

Although prices are the most significant driver, declining affordability reflects more than just rising home prices. The recent increase in mortgage interest rates has added substantially to monthly payments, and while rising household incomes have provided some offset, that relief has been modest at best. The HAI figures shown reflect the confluence of those factors.

Figure 30: Gallatin County Foreclosure Filings by Property Type, 2019–2025



Source: Chicago Title - Southern Montana

Foreclosure counts in Gallatin County remain well below the levels recorded during the Great Recession, an important baseline for interpreting the trend shown in Figure 30. The overall increase in filings since 2021 reflects two reinforcing forces: the strained affordability conditions described above, particularly for households who purchased near the peak of the market at elevated prices and high mortgage rates, and the simple growth in the housing stock itself. That is that more units means more potential filings even if the underlying foreclosure rate holds steady.

Foreclosure activity has followed a broadly similar trajectory to state and national trends over the period. The sharp spike in 2022 and 2023 is partly mechanical, reflecting the release of activity that had been suppressed by pandemic-era forbearance programs rather than a sudden deterioration in household financial health. Filings on improved properties, condos, and townhouses do warrant monitoring, rising from 3.0 to 5.6 per 1,000 housing units between 2019 and 2025. Both figures remain low in historical context, though the upward trend takes on greater significance in the context of the declining affordability conditions described above.

### 3.4 Housing Finance

The financial community is closely linked to housing markets as buyers seek to finance the home purchase price with a variety of methods. From the data on the share of each financing option used for the 1,051 single-family homes that were purchased through REALTORS® in 2025 shown in Table 6, the impact of higher interest rates is apparent. The 8.4 percentage point decline in the use of conventional mortgages was offset by gains in virtually every other purchase method. The largest gain in share was cash purchases, which were 2.2 percentage points higher in 2025 than three years ago.

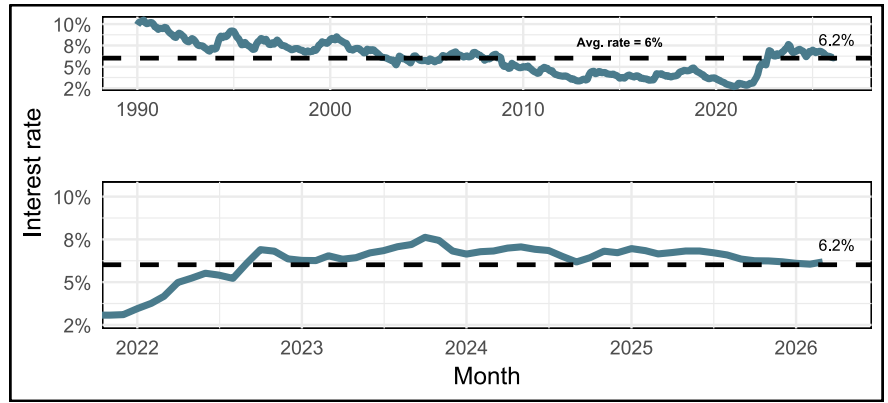
Table 6: Single-Family Sales by Method of Purchase, 2025, Gallatin County

Method of Purchase	Sales	Share of Sales	Share in 2021
Conventional	616	56.6%	65.0%
Cash	341	31.3%	26.5%
VA	47	4.3%	3.9%
FHA	42	3.9%	1.8%
1031 Exchange	23	2.1%	1.6%
Other	11	1.0%	0.6%
Trust Indenture	6	0.6%	0.2%
Contract for Deed	2	0.2%	0.3%
Assumption	1	0.1%	0.0%
Rural Development	0	0.0%	0.1%
<b>Total</b>	<b>1,089</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Big Sky Country Multiple Listing Service

Figure 31: Average 30-Year Fixed Rate Mortgage

The growth in conventional interest rates is well known, but the longer term behavior of conventional, 30-year mortgage rates shown in the top panel of Figure 31 makes it clear that in a longer historical perspective, current rates of about 6.8 percent are only slightly elevated from historical norms. As the focused view in the lower panel of the figure shows, there was little significant change in interest rates over the course of last year.



Source: Freddie Mac Primary Mortgage Market Survey



### 3.5 Homeownership Programs

Federal programs—such as those administered by Fannie Mae, Freddie Mac, and FHA—play a crucial role. Limits on conventional and FHA loans are important factors in borrowing capacity.

Table 7: Conforming Loan Limits for Selected Montana Counties, 2025

County	One-Unit	Two-Unit	Three-Unit	Four-Unit
Beaverhead County	\$806,500	\$1,032,650	\$1,248,150	\$1,551,250
Gallatin County	\$806,500	\$1,032,650	\$1,248,150	\$1,551,250
Madison County	\$806,500	\$1,032,650	\$1,248,150	\$1,551,250
Park County	\$806,500	\$1,032,650	\$1,248,150	\$1,551,250
Sweet Grass County	\$806,500	\$1,032,650	\$1,248,150	\$1,551,250
Wheatland County	\$806,500	\$1,032,650	\$1,248,150	\$1,551,250

Sources: Federal Housing Finance Agency, Fannie Mae and Freddie Mac Conforming Loan Limits

Table 8: FHA Loan Limits by County, 2026

County	One-Family	Two-Family	Three-Family	Four-Family	Median Sale Price
Beaverhead	\$541,287	\$693,050	\$837,700	\$1,041,125	\$316,000
Gallatin	\$718,750	\$920,150	\$1,112,250	\$1,382,250	\$620,000
Madison	\$541,287	\$693,050	\$837,700	\$1,041,125	\$438,000
Park	\$563,500	\$721,400	\$872,000	\$1,083,650	\$488,000
Sweet Grass	\$541,287	\$693,050	\$837,700	\$1,041,125	\$392,000

Source: U.S. Department of Housing and Urban Development FHA Mortgage Limits

Table 9: USDA Rural Development, Guaranteed Housing Program, Income Limits by County and Household Size, 2026

County	Very Low Income		Low Income		Moderate Income	
	1-4 Person	5+ Person	1-4 Person	5+ Person	1-4 Person	5+ Person
Beaverhead	\$43,650	\$57,650	\$69,850	\$92,250	\$119,850	\$158,250
Gallatin	\$59,500	\$78,550	\$95,200	\$125,700	\$136,850	\$180,650
Madison	\$43,650	\$57,650	\$69,850	\$92,250	\$119,850	\$158,250
Park	\$50,300	\$66,400	\$80,500	\$106,300	\$119,850	\$158,250
Sweet Grass	\$47,700	\$63,000	\$76,300	\$100,750	\$119,850	\$158,250
Wheatland	\$43,650	\$57,650	\$69,850	\$92,250	\$119,850	\$158,250

Source: USDA – Guaranteed Housing Program

Table 10: Down Payment Assistance Programs, Gallatin County

Program Name	Eligible Loan Types	First-Time Buyer Education
Montana Board of Housing	FHA, VA, USDA	Required
Montana Community Development Program	FHA, VA, USDA, Conv FNMA HomeReady	Not Required
Lakeview National DPA	Conv FNMA, Conv FMCC, FNMA HomeReady, FMCC Home Possible	Not Required
Chenoa Fund	FHA	Not Required

## 4. RENTAL HOUSING MARKET

Gallatin County’s rental market is the largest in the region at nearly 23,800 units, with Bozeman accounting for the majority. Vacancy rates hover around 5% across Gallatin County and its cities, while Livingston stands out with an exceptionally tight 1.4% rate. Median rents are highest in Gallatin County, where Bozeman and Belgrade both exceed \$1,700 per month, roughly double the rents in Park and Beaverhead counties.

Table 11: Rental Housing Stock Summary

	Gallatin			Park		Beaverhead	
	County	Bozeman	Belgrade	County	Livingston	County	Dillon
Total Rental Units	23,758	13,983	2,256	2,677	1,738	1,509	854
Vacancy Rate	5.6%	5.0%	5.6%	4.5%	1.4%	4.9%	8.4%
Median Gross Rent	\$1,917	\$1,717	\$1,877	\$976	\$1,046	\$837	\$864
Renter Occupied Units	22,305	13,249	2,130	2,556	1,713	1,435	782
Single-family	35.5%	32.4%	37.1%	51.1%	45.5%	49.1%	44.6%
2 units	6.2%	7.2%	4.1%	6.7%	6.5%	8.6%	12.3%
3-4 units	16.9%	18.6%	31.1%	8.2%	9.5%	11.5%	11.9%
5-19 units	24.1%	27.4%	15.3%	13.5%	17.9%	7.0%	9.8%
20-49 units	7.6%	7.4%	3.5%	11.5%	17.0%	3.9%	7.2%
50+ units	6.0%	6.4%	0.8%	0.5%	0.8%	3.4%	6.3%
Mobile home/ Other	3.7%	0.7%	8.1%	8.5%	2.7%	16.4%	7.9%

Sources: U.S. Census American Community Survey 5-year and 1-year estimates, BBER Analysis

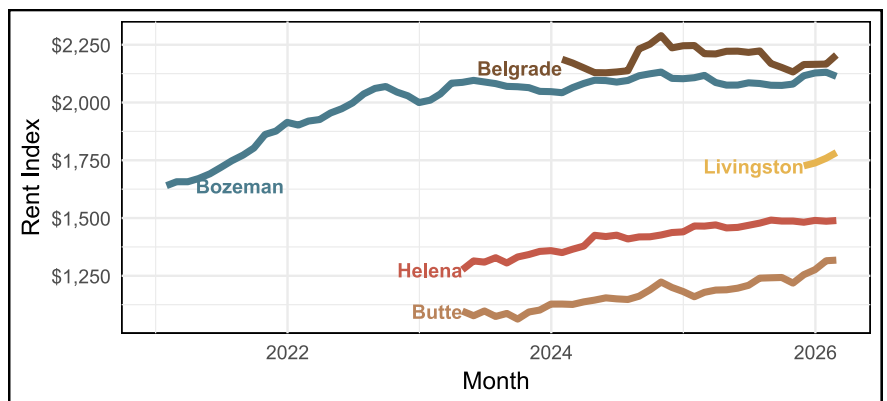
The rental stock composition varies meaningfully by location. Bozeman and Belgrade have a higher share of units in mid-density structures (3 to 19 units), reflecting more traditional apartment development. Park and Beaverhead counties rely more heavily on single-family rentals, which make up roughly half of their occupied rental stock. Beaverhead County also has the highest share of mobile home rentals at 16.4%, underscoring its dependence on lower-cost housing types. Dillon’s vacancy rate of 8.4% is the highest in the table but generally sits within a healthy range.

### 4.1 Trends in Rents and Vacancies

Two publicly available data sources inform the rental market analysis in this report. The Zillow Observed Rent Index (ZORI) is a dollar-denominated index derived from data collection and statistical modeling by Zillow. As shown in Figure 32, ZORI data for Bozeman show continued rent growth through 2025, though at a considerably slower pace than earlier in the decade. Belgrade rents, for which Zillow has produced estimates since early last year, show a similar trend.

The slowdown in Bozeman rent growth is consistent with two converging forces: the significant additions to the multifamily housing stock since 2021 and the moderation in net in-migration over the past two to three years.

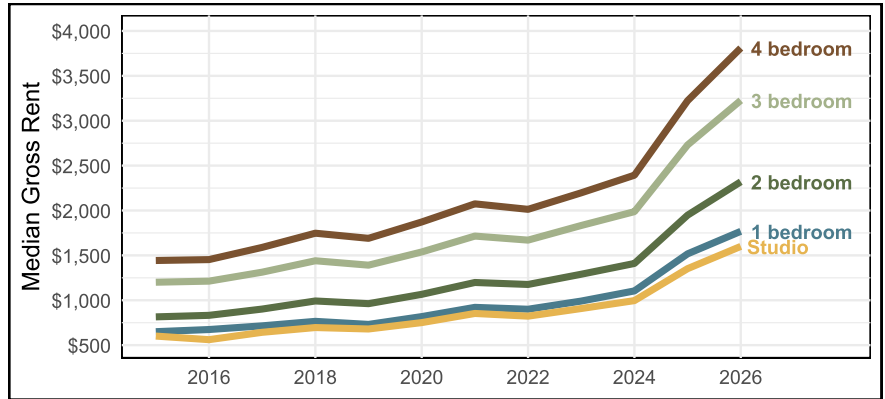
Figure 32: Zillow Observed Rent Index – Select Cities



Source: Zillow Economic Research Observed Rent Index

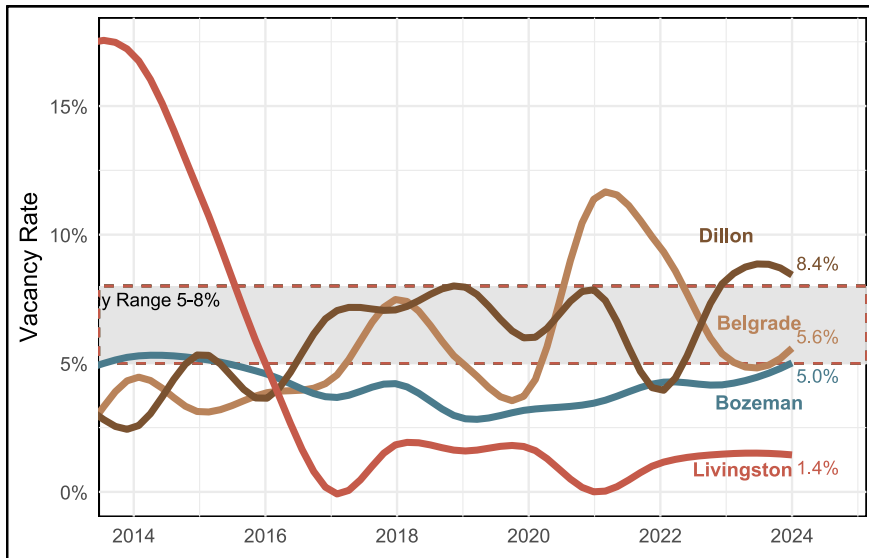
The U.S. Department of Housing and Urban Development (HUD) produces a more comprehensive rental dataset, covering a range of housing types and unit sizes. For Gallatin County as a whole, the HUD data tell a somewhat different story than the Zillow figures. As shown in Figure 33, median rents accelerated sharply in 2024 across all reported residential property sizes. This divergence largely reflects differences in methodology. The HUD figures are derived from American Community Survey data, which lags the current year by one to three years, meaning they are slower to capture recent market shifts and may reflect conditions that have since changed. The ZORI, by contrast, is based on observed asking rents in near real time and tends to reflect current conditions more quickly.

Figure 33: Median Rent Estimates by Number of Bedrooms, Gallatin County



Source: U.S. Department of Housing and Urban Development

Figure 34: Rental Vacancy Rates

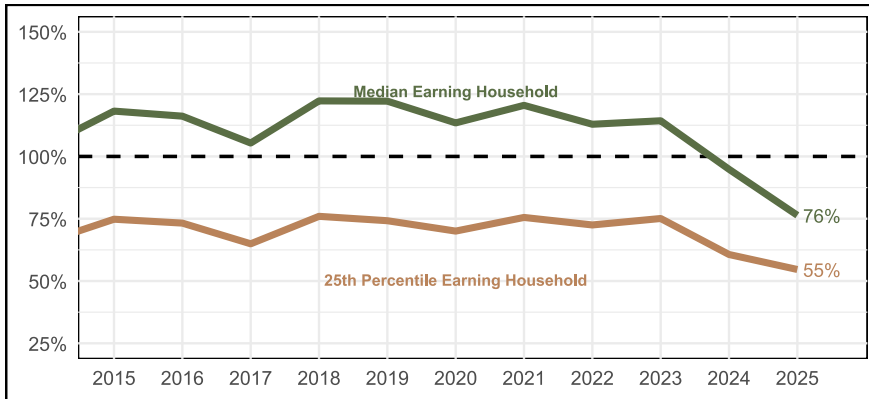


Sources: U.S. Census American Community Survey 5-year estimates, Housing Vacancy Survey, BBER Analysis.

Changes in vacancy rates for rental housing units shown in Figure 34 are broadly consistent with the rise in rents. The vacancy rate data are drawn from the Census Bureau’s American Community Survey, which is available through 2024. Bozeman has remained consistently below the 5 percent lower bound of the healthy range throughout the period, ending 2024 at exactly 5.0 percent. Livingston tells a more acute story, with a vacancy rate of just 1.4 percent in 2024, suggesting an extremely tight rental market. Belgrade and Dillon both generally oscillate around the healthy range, with their swings largely driven by the timing of multi-family housing completions. Dillon’s smaller market size makes it harder to place much confidence in any single year’s estimate.



Figure 35: Rental Affordability Index by Household Income Quartile, 2014-2024, Gallatin County



Sources: U.S. Census American Community Survey, U.S Department of Housing and Urban Development, BBER Analysis

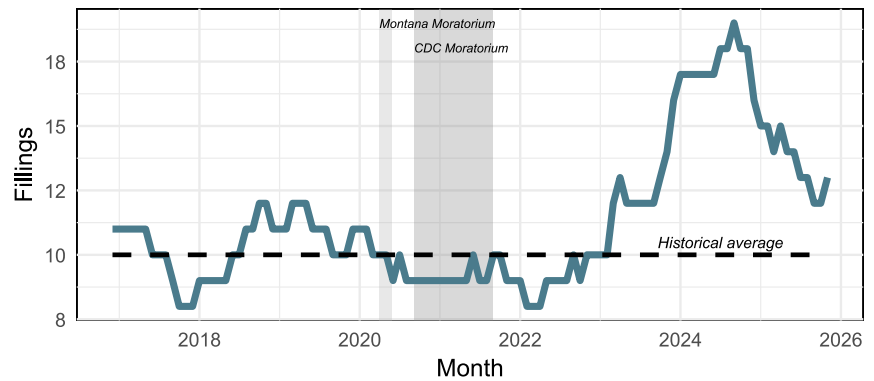
#### 4.2 Rental Affordability

The rental affordability index (RAI) shown in Figure 35 is analogous to the home affordability index presented previously, measuring the financial burden that median rent places on a household relative to its income. A parallel calculation is carried out for households at the 25th percentile of the renter income distribution, recognizing that housing demand spans all income levels.

Both measures show notable deterioration in recent years, with the sharpest declines occurring between 2023 and 2025. The median earning household, which remained above the 100 percent affordability threshold for most of the period, fell to 76 percent in 2025, meaning the typical renter household can no longer afford the median rent without becoming financially stressed. The picture is considerably worse for lower-income renters, with the 25th percentile household ending 2025 at just 55 percent.

Eviction filings in Gallatin County, shown in Figure 36, followed a pattern broadly consistent with national trends. Filings remained near the historical average of roughly 10 per month through the pre-pandemic period before dropping sharply during the Montana and CDC eviction moratoriums in 2020 and 2021. Following the expiration of those protections, filings recovered and then surged well above historical norms, peaking at nearly 19 per month in early 2025. The most recent data suggest some moderation, with filings pulling back toward 12 per month, though still above the long-run average, indicating continued pressure in the rental market.

Figure 36: Eviction Filings, Trailing 12-month average



Source: Civil Court Data Initiative. Legal Services Corporation, 2022 (Accessed Feb 2026).

## 5. AFFORDABLE HOUSING

The rising cost of rent in Gallatin County has created significant affordability challenges across the income distribution. As shown in Figure 35, the median-earning household fell below the affordability threshold in 2024 and ended 2025 at just 76 percent of the income needed to afford a typical rental without becoming financially stressed. For households at the 25th percentile of the renter income distribution, the situation is more severe, with an affordability index of just 55 percent in 2025, a level that has never approached affordability over the period shown.

This section examines the number of renter households eligible for various housing assistance programs and the degree of cost burden across the county’s renter population, comparing that need against the current supply of federally assisted housing units in Gallatin County.

A key metric in this analysis is Area Median Income (AMI), which represents the midpoint of the household income distribution for a given area and serves as the basis for determining eligibility across a range of housing assistance programs. Table 12 shows the distribution of renter households across AMI categories in Gallatin County. The Low Income Housing Tax Credit (LIHTC) program, for example, offers tax credits to developers in exchange for reserving units for households below specified AMI thresholds, typically 50 or 60 percent of AMI, with rents set well below market rate. Even so, many households in these units require additional assistance, such as Section 8 Housing Choice Vouchers, to bridge the remaining affordability gap.

Table 12: Renter Households by Income, 2024

Renter Households Less than (or Above Area Median Income)			
Income Category	Income Threshold	Households	% Households
Extremely Low Income	≤ \$32,700	5,380	24.9%
Very Low Income	≤ \$54,500	8,909	41.2%
Low Income	≤ \$87,200	13,880	64.1%
Middle Income	≤ \$109,000	16,316	75.4%
<b>Above AMI</b>	<b>&gt; \$109,000</b>	<b>5,333</b>	<b>24.6%</b>
<b>Total</b>	--	<b>21,649</b>	<b>0.0%</b>

Sources: U.S. Department of Housing and Urban Development FY 2024 Income Limits, U.S. Census Bureau American Community Survey 1-year estimates, U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, BBER Analysis



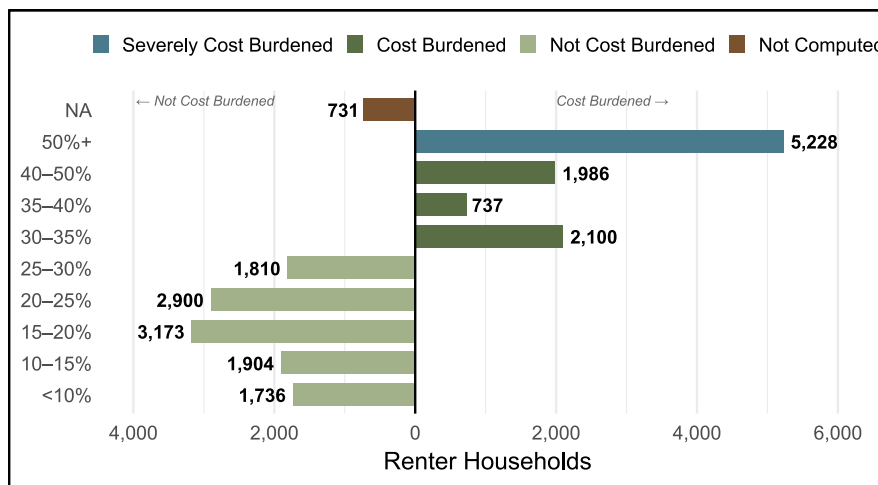
Another measure of the need for affordable housing is the number of households spending more than 30 percent of their income on rent. By a commonly used rule of thumb, households allocating more than 30 percent of income toward rent are considered cost-burdened, while those spending more than 50 percent are considered severely cost-burdened.

Figure 37 displays the distribution of Gallatin County renter households by the share of income spent on rent, split at the 30 percent threshold. Bars extending to the right represent cost-burdened households, while bars extending to the left represent those whose housing costs remain below the 30

percent benchmark. The largest single category is renters spending 50 percent or more of their income on rent, roughly 5,228 households. In total, about 10,051 renter households in Gallatin County are cost-burdened, compared to roughly 11,523 that are not.

The not-cost-burdened side of the figure reflects units that are attainable for local wage earners at market rates, without relying on rent-restricted or subsidized programs. This group serves as a useful benchmark for the share of the rental market that is accessible to individuals earning typical local wages without causing undue financial strain.

Figure 37: Percent of Household Income Spent on Rent, Gallatin County, 2024



Source: U.S. Census Bureau American Community Survey 1-year estimates



While a majority of Gallatin County renters spend less than 30 percent of their income on rent, a significant share, roughly 10,000 households, are cost-burdened. Of those, more than half are severely cost-burdened, spending 50 percent or more of their income on rent. Even though the rental market works for most households at current income levels, it falls short for a substantial minority. The mismatch between income levels and rental costs limits housing options for many residents, particularly those in lower and middle-income brackets, and makes it difficult for the workforce to live where they work.

When housing costs outpace local wages, the effects extend beyond individual households. Employers struggle to attract and retain workers, and the broader economy faces constraints on growth. Federal housing programs help offset some of this pressure, either by financing rent-restricted units through programs like the Low-Income Housing Tax Credit (LIHTC) and USDA Rural Development Section 515 loans, or by providing direct rental assistance through Section 8 Housing Choice Vouchers.

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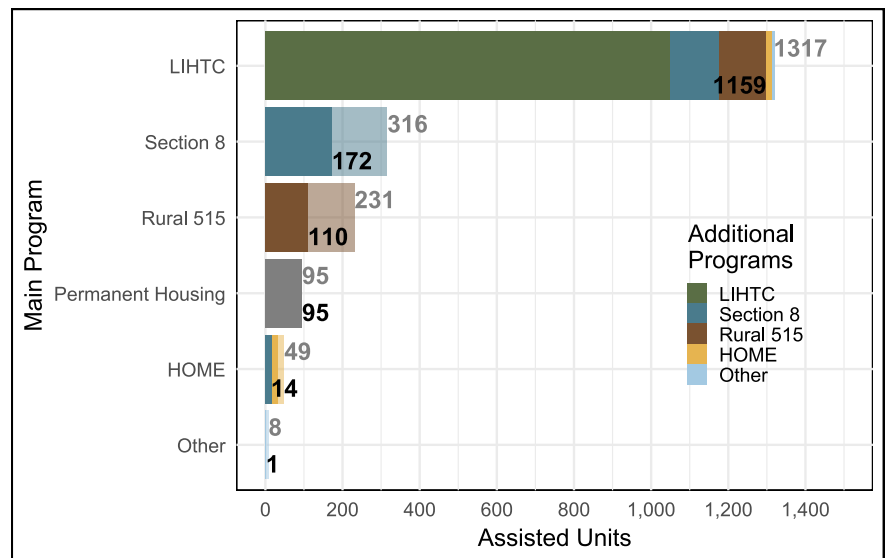
In Gallatin County, several key federal programs are working to address this issue, including:

- Low-Income Housing Tax Credit (LIHTC): A program designed to encourage the development of affordable rental housing for low-income households by providing tax incentives to private developers.
- Section 8 Housing Choice Vouchers: A subsidy program that helps low-income renters afford rental housing by paying part of their rent directly to the landlord.
- Rural 515 HUD-Insured Loans: A program providing funding for the construction, rehabilitation, and operation of rental housing in rural areas, aimed at increasing the availability of affordable housing for low-income residents.
- Moderate Rehabilitation (Mod Rehab): A program that offers rental assistance for units that are rehabilitated to meet housing quality standards, assisting low-income renters.
- HOME Investment Partnerships Program (HOME): A federal program that provides grants to states and localities to fund affordable housing projects, including the construction and rehabilitation of rental housing for low-income households.

Across all federal programs reported in Gallatin County, there are a total of 2,016 units, representing the raw sum of all units under each program as shown in Figure 38. This figure includes overlaps where a single unit may be supported by more than one program. Given the gap between incomes and rents, it is common for households to require assistance from multiple programs to secure housing. A household may live in a unit constructed under the LIHTC program, which restricts rents below market rate, but may also require a Section 8 Housing Choice Voucher to make that unit fully affordable. This overlap applies to approximately 465 units that receive more than one form of assistance.

Adjusted for this overlap, the total number of unique assisted units in Gallatin County is 1,551, with each unit counted once based on the program covering the most units per property. This adjusted figure is reflected in the bottom numbers shown in Figure 38.

Figure 38: Rent Subsidies or Rent-Restricted Units



Source: National Housing Preservation Database

The stack of assistance shows that LIHTC is the most substantial program, covering over 800 units by itself, as shown by the brown bar in Figure 38. The second and third most utilized programs are Section 8 and Rural 515, which, along with both HUD-insured and HOME units, contribute to a total of 1,317 units under the LIHTC program. This illustrates that a significant portion of units receiving federal assistance are supported by multiple programs. While this reduces the total number of unique available units, it allows a larger gap to be filled for individual households by combining resources, helping bridge the difference between their income and the rent they can afford.

An example of this is depicted in the two bars for Section 8 units in Figure 38, where 172 units are covered by Section 8 alone, but another 144 households also require residency within a rent-restricted unit, such as in a LIHTC or HOME property. This highlights the complex and layered nature of affordable housing assistance, where many households rely on multiple programs to make housing more affordable, ensuring that the gap between their income and housing costs can be effectively bridged.

There are also 108 HUD-insured properties, though this program is never the main program for its units. In most cases, LIHTC and HOME also restrict the rent charged for these units, illustrating that the HUD-insured program operates as a secondary form of assistance in Gallatin County.

To better understand the scale of coverage for assisted (rent-restricted) or subsidized units in relation to cost burdens and the number of qualified households, Figure 39 breaks down the number of renters that fall into the categories discussed previously relative to the number of units receiving some form of assistance.

This comparison provides a clear picture of how federal housing programs are addressing the housing needs of low-income renters in Gallatin County. By examining the numbers of cost-burdened and severely cost-burdened renters, as well as the number of renters eligible for assistance, and comparing that to the availability of rent-restricted or subsidized units, we can assess the effectiveness and adequacy of current assistance programs in meeting the demand for affordable housing in the county.

For renters who are classified as cost-burdened—those spending over 30% of their income on rent—there are 6 households for every assisted unit. This reflects the high demand for housing assistance in the county. The situation is even more pressing for severely cost-burdened renters, who are spending more than 50% of their income on rent. For these households, there are 3 households for every available unit, indicating the severe competition for these households to find an available rent restricted or subsidized unit.

Figure 39 also breaks down the number of renters who qualify as extremely low-income, those earning less than \$32,700, showing that there are 3 households qualifying for each assisted unit. For those in the very low-income category, earning less than \$54,400, the ratio increases to 6 households per unit, emphasizing the significant gap between the demand for affordable rentals and the limited supply of rent-restricted or subsidized units.

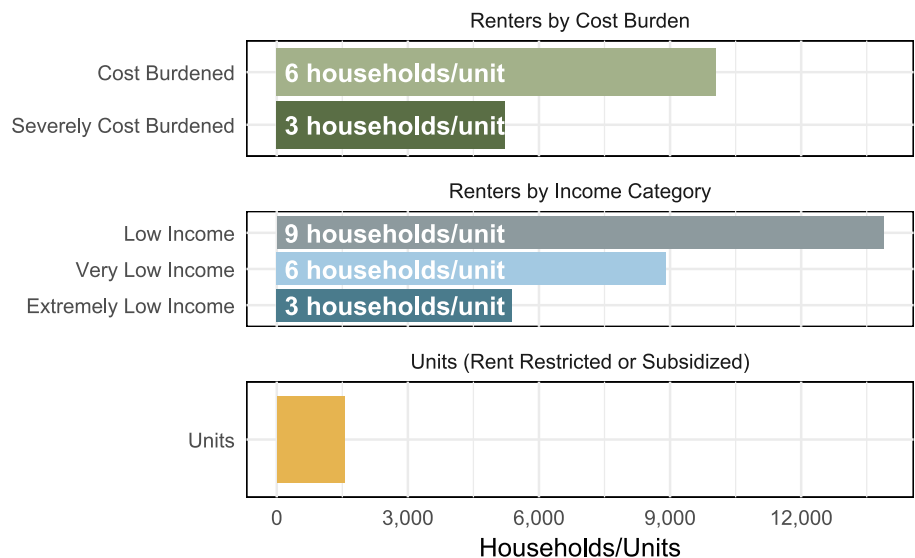


Figure 39: Number of Renters by Income Category and Costburden vs. Rent Subsidies or Rent-Restricted Units m

Overall, Figure 39 illustrates a significant mismatch between the number of households in need of housing assistance and the availability of rent-restricted or subsidized units in Gallatin County. With many households in the cost-burdened and low-income categories struggling to afford rent, the number of available assisted units falls far short of meeting the demand. This highlights the clear need for subsidized housing in the region but also underscores the inadequacy of market-rate rents to provide housing for those with lower incomes.

The need for assistance primarily stems from the limited housing supply in the county. If there were a substantial increase in housing construction—across all types, from market-rate to subsidized units—the demand for housing assistance would decrease. More housing availability would not only reduce the number of households needing assistance but also shorten the length of time households require support. This would create opportunities for some households to transition from assistance to self-supported renting, and eventually for renters to move into homeownership. Without addressing the broader supply issue, housing assistance will remain inadequate, unable to fully meet the demand driven by the current housing shortage.

## Explore Montana Property Tax Relief Options



### Property Tax Assistance Program

If you own a home and make under \$29,037 filing single or \$38,917 filing as married/head of household.



### Elderly Homeowner / Renter Credit

If you own or rent a home, are 62+ years old, and make less than \$45,000/year.



### MT Disabled Veterans Assistance Program

If you own a home, have a Service-Connected Disability and make under roughly \$63,000/year.

[www.mtpropertytaxhelp.com](http://www.mtpropertytaxhelp.com)

Scan to learn more about  
Montana Property Tax Programs  
through the Montana Department of Revenue.



# C O N C L U S I O N

The data presented in this report point to a consistent pattern: Southwest Montana’s housing market continues to be shaped by strong demand and constrained supply, with ongoing consequences for affordability and access across the region. Economic growth, in-migration, and rising incomes reflect a vibrant and desirable place to live, but these same forces have intensified pressure on the housing market. Many households, both renters and prospective homebuyers, face significant barriers, and the gap between housing costs and local wages remains a central concern. Progress in areas such as multifamily development is evident, but the pace of new housing creation has not kept up with demand.

These challenges are not isolated. They affect workforce stability, economic development, and the long-term sustainability of communities across the region. Meaningful progress will require coordinated, data-driven action, including policies that expand housing supply, encourage responsible development, invest in infrastructure, and create opportunities for housing at all income levels. Collaboration among local governments, industry professionals, community organizations, and residents will be essential to advancing effective solutions.

Southwest Montana has an opportunity to take a proactive approach, one that balances growth with livability and ensures that housing remains accessible for those who live and work here. By using the insights in this report as a foundation, stakeholders can work together to shape a housing future that is both sustainable and inclusive.



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