

Resolution #2026-3

HOUSING

BACKGROUND

Housing prices continue to outpace average incomes in Montana, making it difficult if not impossible for many Montanans to own or rent a suitable residence for themselves and their families. According to Zillow, an online real estate marketplace, the typical Montana home value was approximately \$467,919 as of spring 2026, which is up 1.3% over the prior year, but far above pre-pandemic levels. Zillow data show the typical Montana home rose roughly 61% between the start of 2020 and the start of 2024, and the Montana Department of Revenue estimates the median residential property value climbed 66% over four years, from \$228,000 to \$378,000. After several years of rapid escalation, home prices in some of the hottest markets have plateaued or eased slightly while remaining near peak levels. These values vary widely from community to community. As of April 2026, the current median home value in the city of Bozeman is \$740,173, Kalispell \$537,630, Helena \$445,567, Whitehall \$429,670, Big Timber \$430,142, Billings \$398,212, Dillon \$365,420, Roundup \$234,497, Choteau \$257,076, and Glendive \$217,083. These prices are outside the reach of most Montanans.

Rentals are similarly higher than many Montanans are able to pay. The majority, nearly 61%, of the poorest Montanans (0-30% of area median income) must pay over 50% of their income on housing costs and utilities. This income category constitutes a quarter of all Montana renters. The majority, approximately 67%, of the next highest income level (31-50% of area median income) must pay over 30% of their income on housing related costs. Almost 20% of Montanans earning the average median income are similarly cost-burdened.

Exacerbating this inequity is a lack of units for those now seeking housing in Montana. Montana's population has grown by 52,000 people since 2020, reaching an estimated 1.14 million people, with growth driven largely by in-migration from other states. In combination with this growth, tight labor markets, material costs, high land values, inflation, and lack of infrastructure capacity have all contributed to Montana's housing crisis, and many different actions at all levels of government will need to be taken to solve it.

The impacts of housing affordability and availability can have direct impacts on municipalities, particularly when housing costs outpace what residents can pay. The result for many is houselessness, which places direct and growing demands on municipal budgets, public safety, and emergency services. State, federal or local programs or resources, while limited, can provide subsidized sustainable, affordable housing options helping to reduce the long-term costs that otherwise fall on cities and towns.

During the 2023 Session, the League with a coalition of organizations supported passage of the Montana Land Use Planning Act (MLUPA), a comprehensive update and modernization of Montana's land use and planning laws. Municipalities that achieve compliance with MLUPA are able to create more predictable and more efficient processes for residential development review and approval at the local level, while preserving local decision-making for community planning and zoning. The League will continue to work with municipalities, seek funding for, and propose revisions as necessary to successfully implement the new law.

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Municipalities are committed to continuing to work with state and federal agencies, other local governments, the private sector, and the public to identify and implement solutions to the housing crisis. However, while cities and towns seek and implement ways to make housing development more affordable, they must retain their ability to make local decisions about the form, density, and impacts of land development based on community desires, needs, and capacity.

ACTION

1. Identify, disseminate, and support ideas and tools that municipalities can implement to lower housing costs and boost housing supply to support available and affordable housing for all income levels, with particular emphasis on missing middle homeownership.
2. Support bills that strengthen and support community-generated choices for increasing the local supply of housing, while preserving local decision-making, protecting the public's right to know and participate, mitigating impacts to the environment, reduces the burdens placed on public safety or emergency services, and ensuring the local government's ability to provide critical public services.
3. Increase coordination and collaboration between state and local governments to maintain predictable and efficient processes for residential development.