



# 2010 MISSOULA HOUSING REPORT

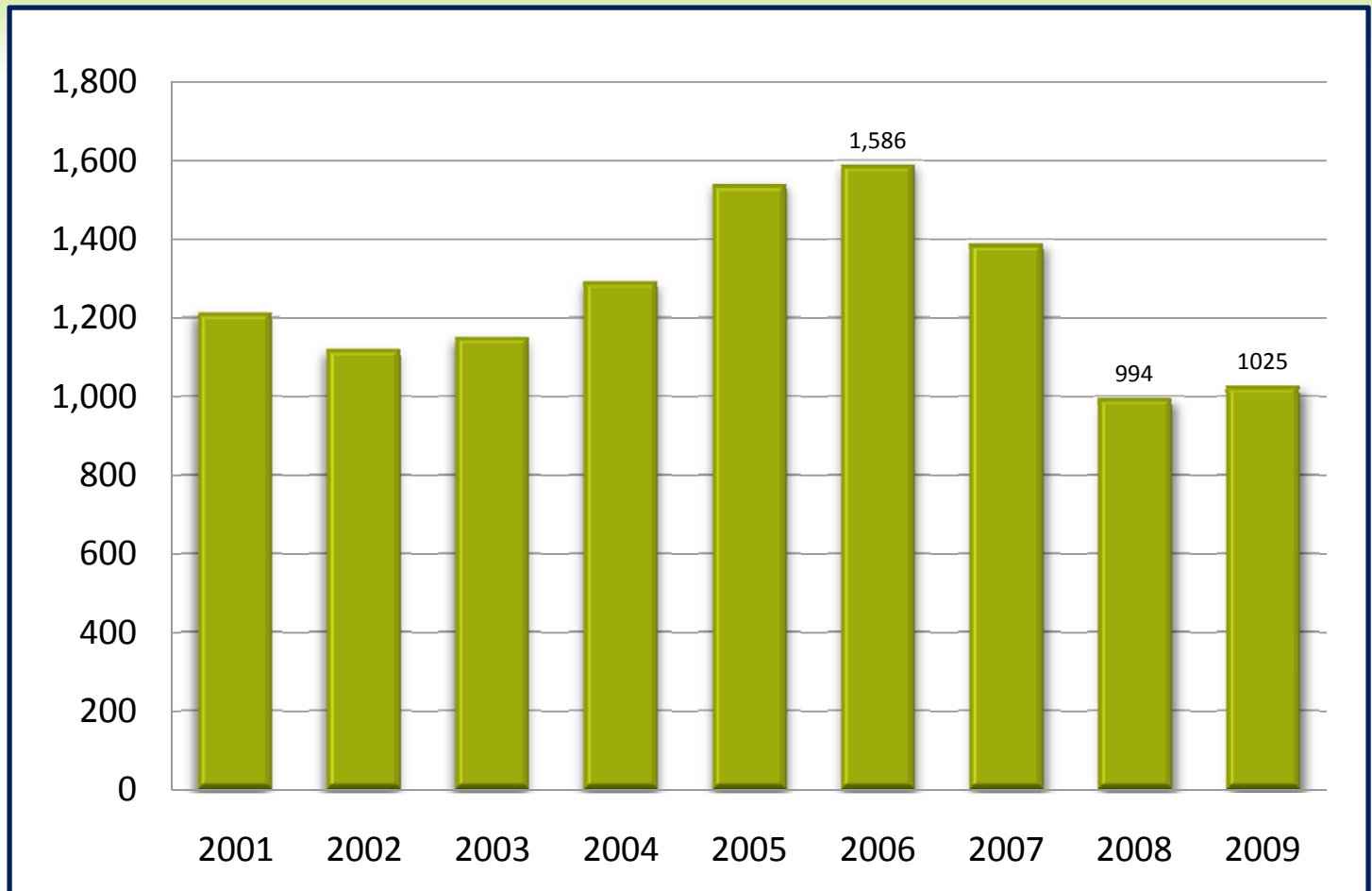
Current Knowledge, Common Vision: Growing a Missoula to Treasure



# COORDINATING COMMITTEE

- ◎ **George Masnick**
- ◎ **Nick Kaufman**, WGM Group
- ◎ **Sheila Lund**, First Security Bank
- ◎ **Louise Rock**, Professional Property Management and NARPM
- ◎ **Collin Bangs**, Coldwell Banker Steinbrenner
- ◎ **Jim Sylvester**, BBER
- ◎ **Ruth Link & Mae Hassman**, MOR

# NUMBER OF HOMES SOLD IN MISSOULA URBAN AREA



Source: MOR Multiple Listing Service

# MEDIAN PRICE OF HOMES SOLD IN MISSOULA URBAN AREA

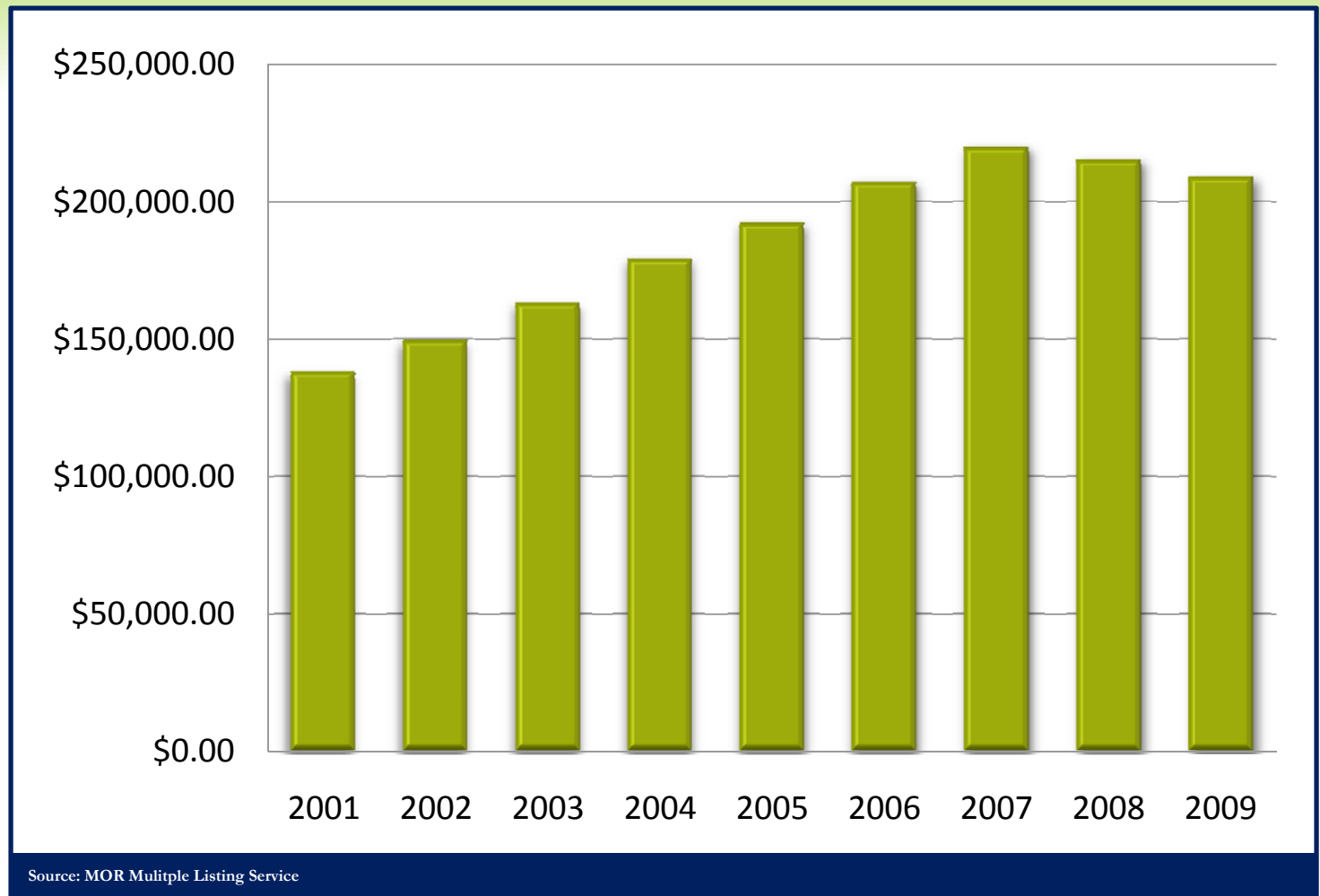


Figure 2  
Page 4

# NUMBER OF SALES ACCORDING TO PRICE RANGE

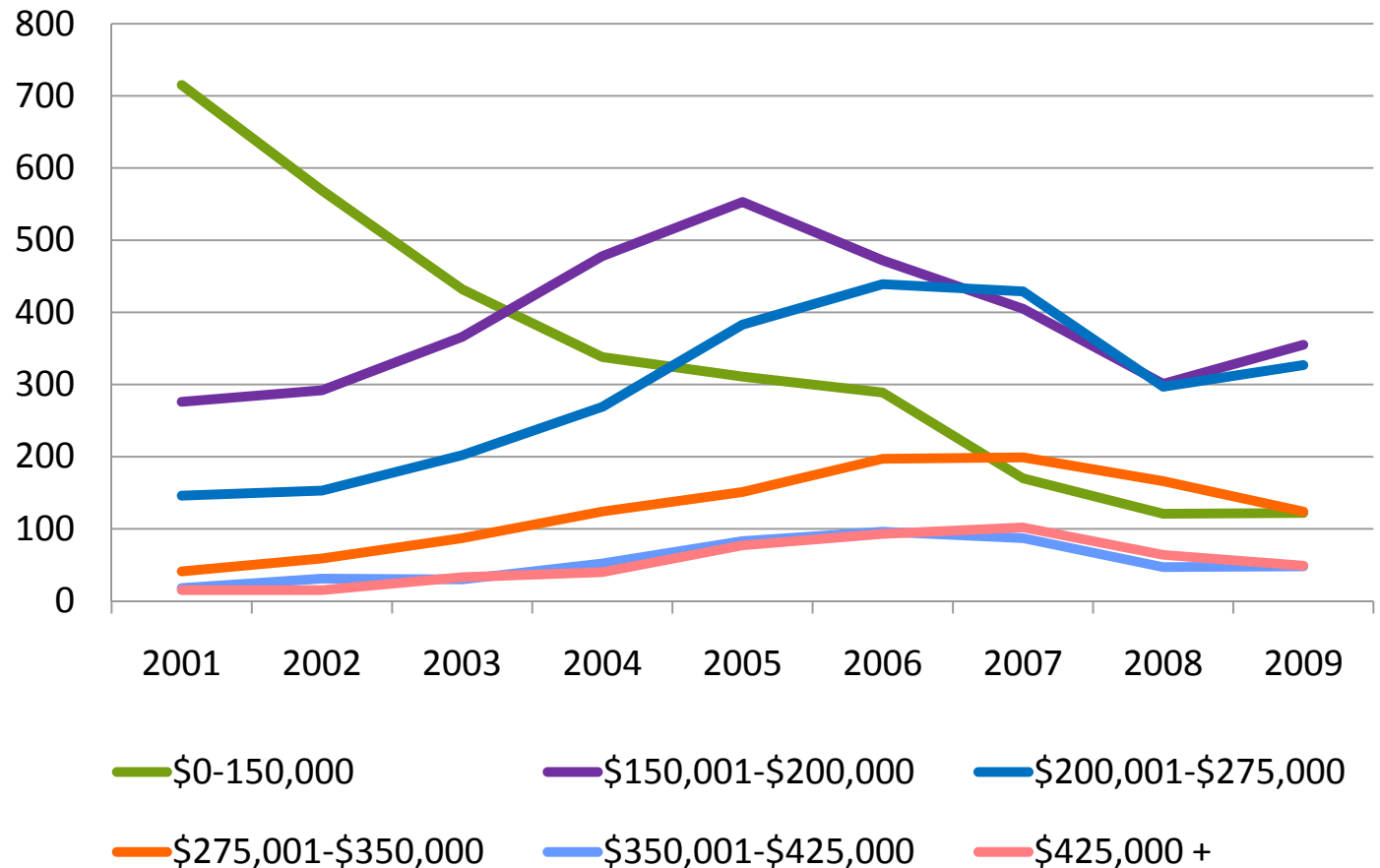


Figure 5  
Page 5

Source: MOR Multiple Listing Service

# FHFA HOUSING PRICE INDEX

## 1<sup>ST</sup> QTR 2000-4<sup>TH</sup> QTR 2009

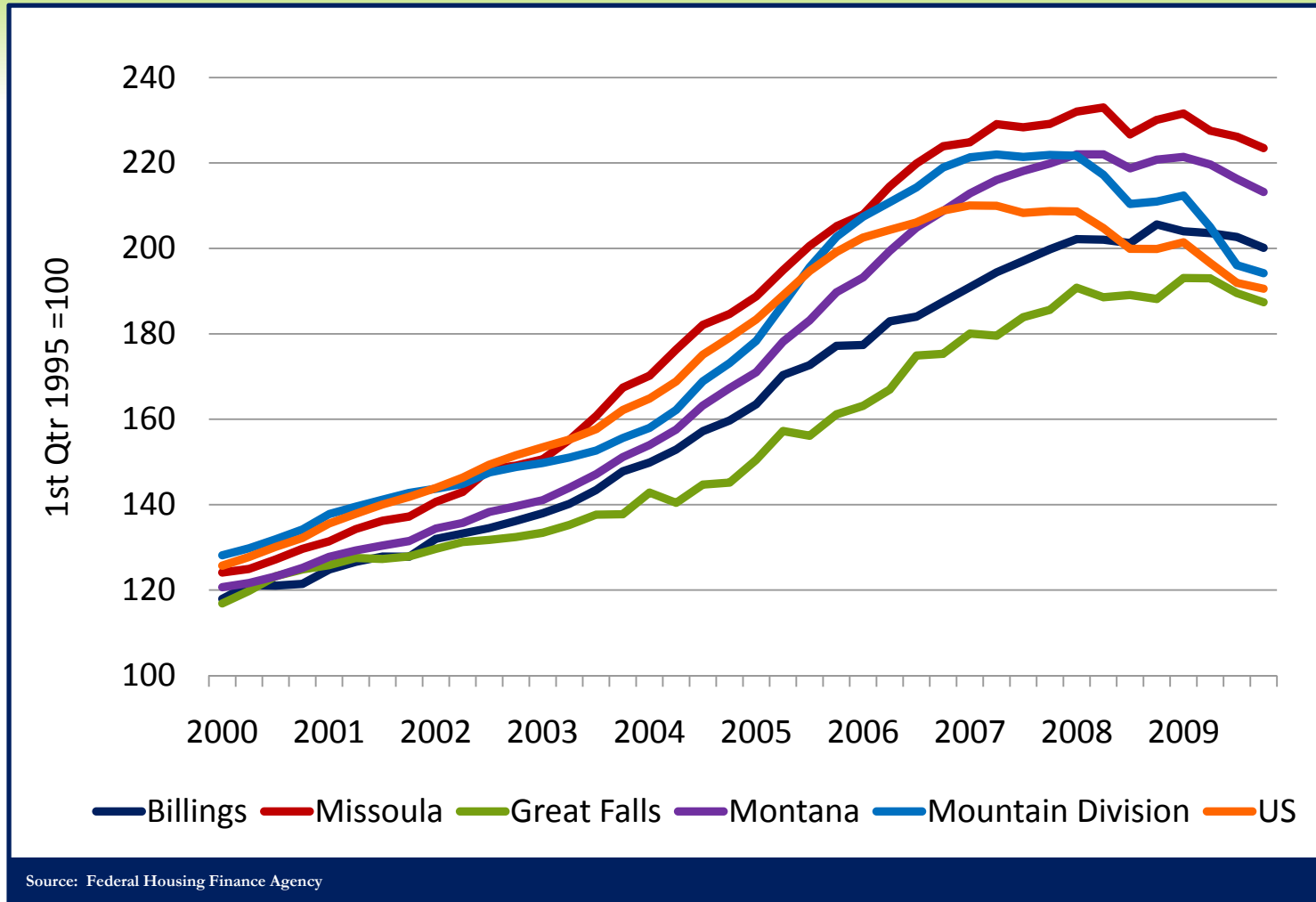


Figure 10  
Page 6

# MISSOULA URBAN AREA DAYS ON MARKET

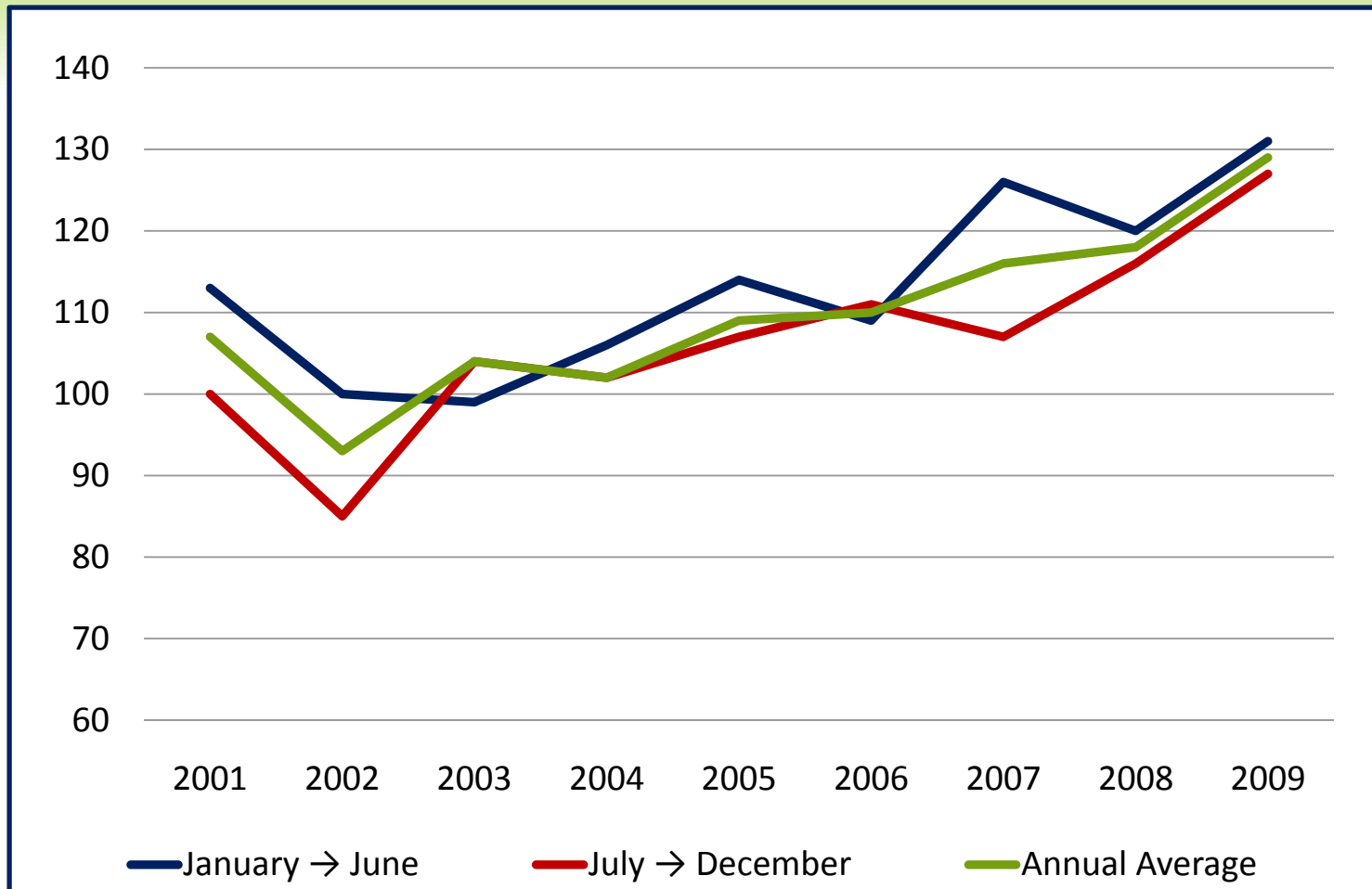


Figure 11  
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Source: MOR Multiple Listing Service

# ANNUAL NET FORECLOSURES

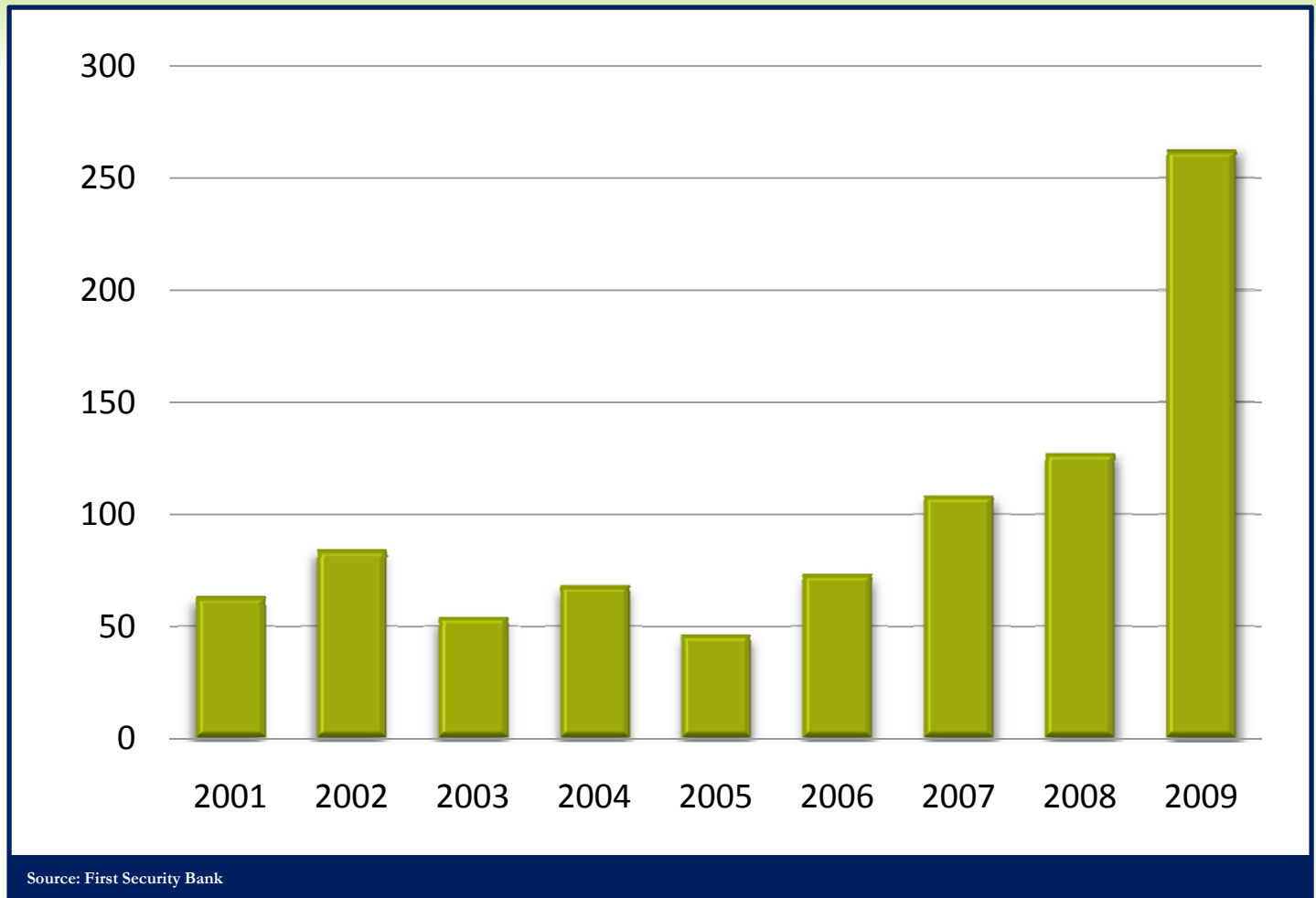


Figure 14  
Page 10

# FORECLOSURE NOTICES & CANCELLATIONS

Missoula Quarterly Foreclosure Notices and Cancellations

		Notice of Sale	Cancellation of Sale	Net Foreclosures
<b>2008</b>	Q1	69	46	23
	Q2	58	46	12
	Q3	67	48	19
	Q4	119	46	73
<b>2009</b>	Q1	147	70	77
	Q2	141	71	70
	Q3	127	83	44
	Q4	150	79	71

Source: First Security Bank

# MISSOULA URBAN AREA LOT SALES

	Lot Sales	Median Price
2001	28	\$43,450
2002	74	\$79,900
2003	58	\$75,900
2004	65	\$89,500
2005	95	\$82,200
2006	96	\$84,950
2007	188	\$68,000
2008	84	\$79,950
2009	43	\$72,000

Table 7  
Page 13

Source: MOR Multiple Listing Service

# LAND SALES, NUMBER OF LOTS SOLD

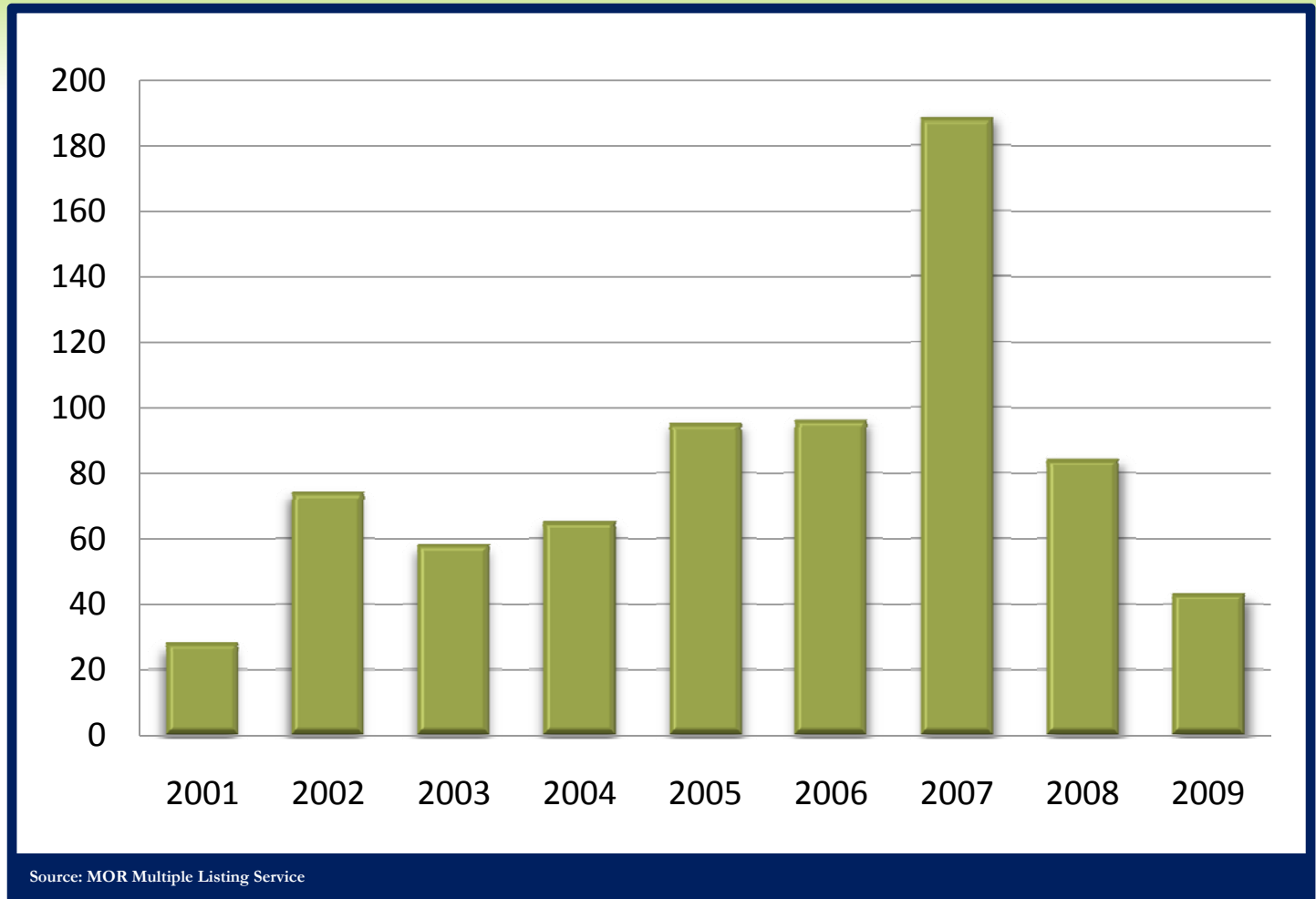


Figure 18  
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# CITY OF MISSOULA BUILDING PERMITS

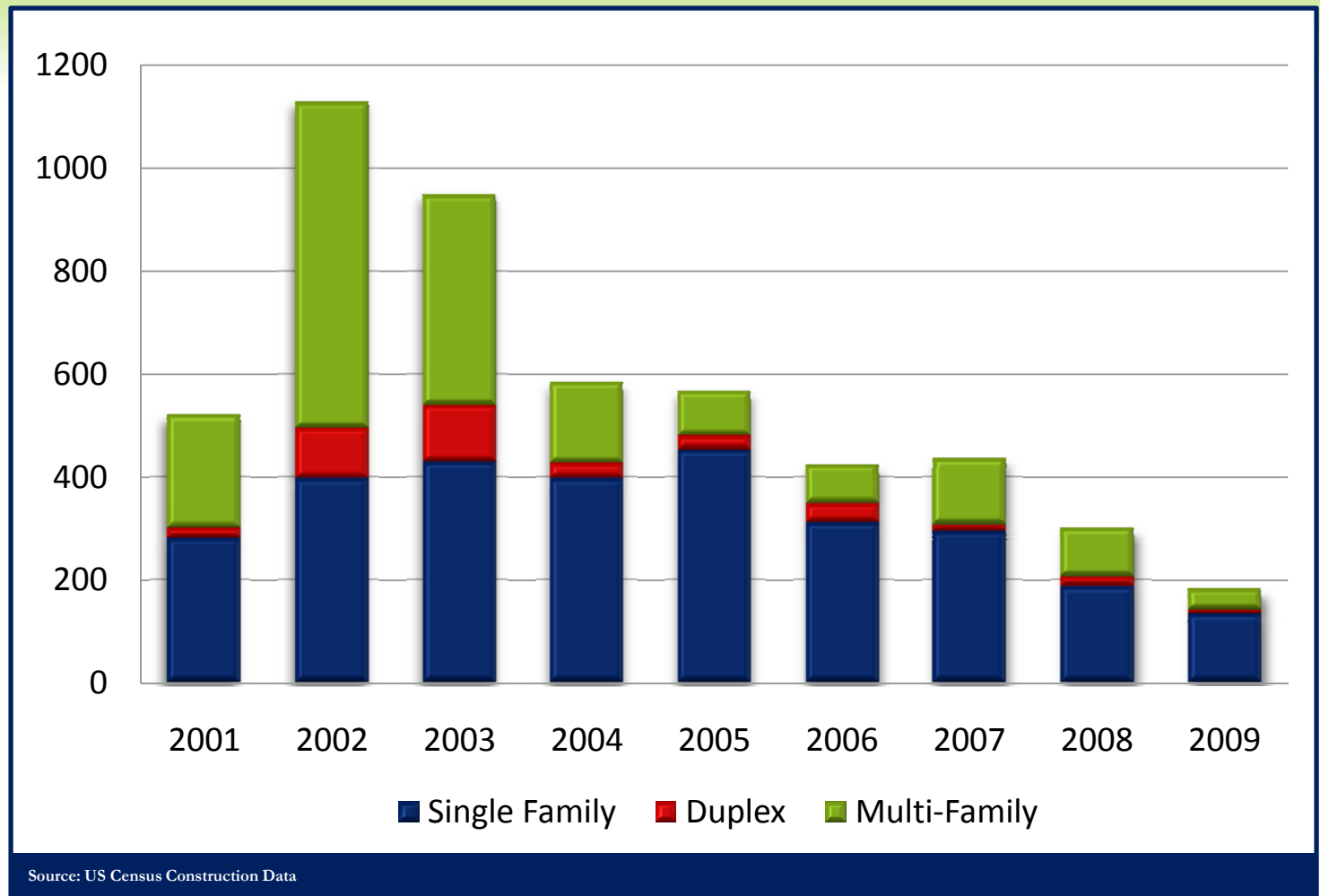


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# HOUSING AFFORDABILITY INDEX

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Median Home Price</b>	\$138,000	\$149,500	\$163,000	\$179,000	\$192,000	\$206,850	\$219,550	\$215,000	\$208,775
<b>Down payment</b>	10.0%	10.0%	10.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
<b>Interest Rate</b>	6.3%	5.8%	5.5%	5.5%	6.8%	6.3%	6.0%	5.4%	5.3%
<b>Loan Term</b>	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years
<b>Median Family Income</b>									
<b>1 person</b>	\$30,000	\$31,600	\$34,200	\$37,000	\$37,400	\$37,800	\$38,800	\$41,600	\$43,000
<b>2 person</b>	\$34,300	\$36,200	\$39,000	\$42,200	\$42,800	\$43,200	\$44,300	\$47,500	\$49,200
<b>3 person</b>	\$38,600	\$40,700	\$43,900	\$47,500	\$48,100	\$48,600	\$49,900	\$53,500	\$55,300
<b>4 person</b>	\$42,900	\$45,200	\$48,800	\$52,800	\$53,500	\$54,000	\$55,400	\$59,400	\$61,400
<b>Housing Affordability Index</b>									
<b>1 person</b>	68	69	71	66	55	54	54	62	67
<b>2 person</b>	78	80	80	75	64	62	61	71	77
<b>3 person</b>	88	89	91	85	71	70	69	80	86
<b>4 person</b>	98	99	101	94	79	78	77	89	96
<b>Median Family Income Needed to Purchase Median Priced Home</b>									
<b>Income</b>	\$43,896	\$45,502	\$48,460	\$56,156	\$67,392	\$69,460	\$72,089	\$66,716	\$63,992
<b>KEY:</b>									
100 - A median income family can marginally qualify for housing									
>100 - A median income family has xx% more income than minimum									
<100 - A median income family has xx% of the income required to qualify									
*Includes taxes and homeowners insurance on a 30 year fixed loan									
Source: MOR Multiple Listing Service									

# HOUSING AFFORDABILITY INDEX

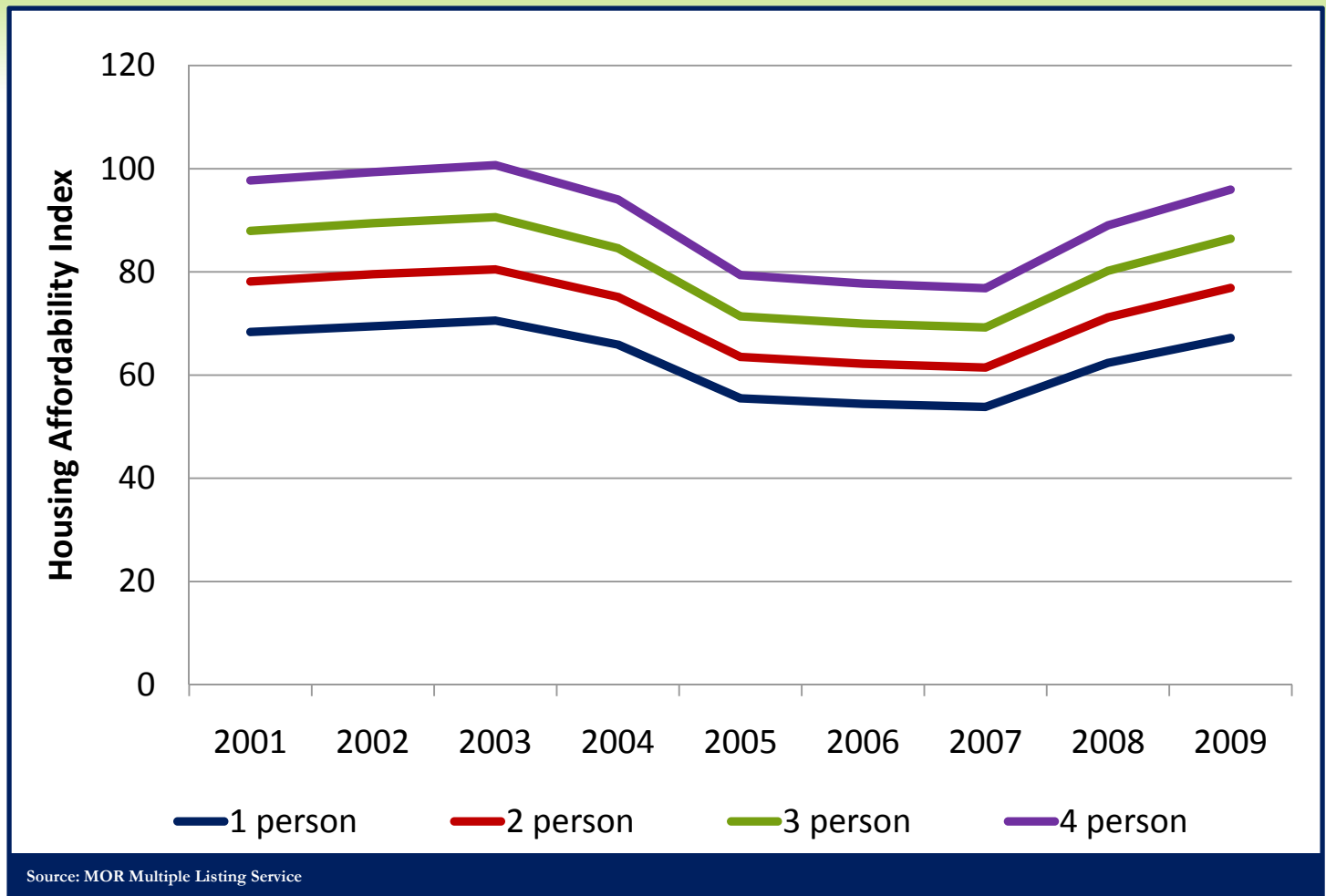


Figure 31  
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# PERCENT OF INCOME SPENT ON HOUSING

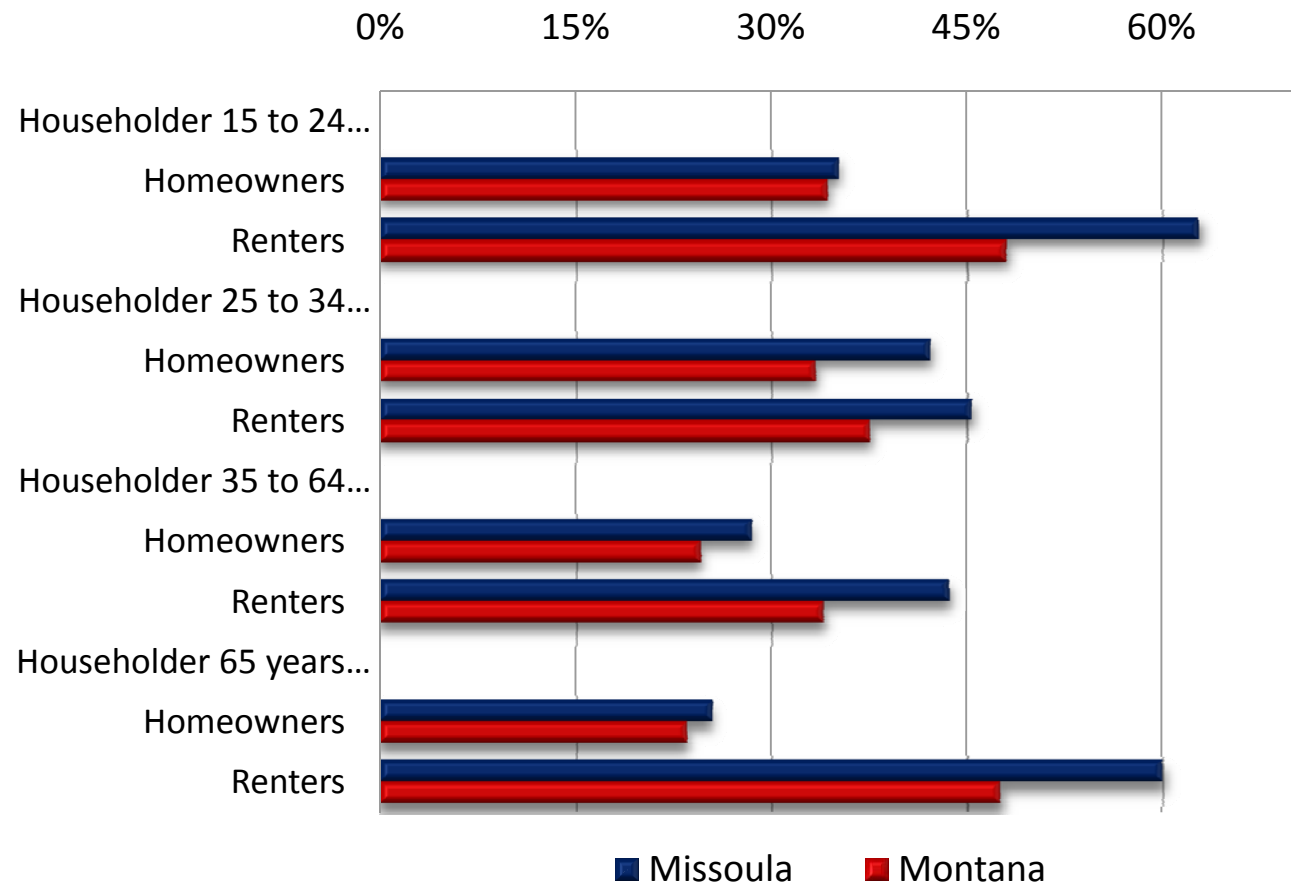


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# 2009 MEDIAN COST OF RENT

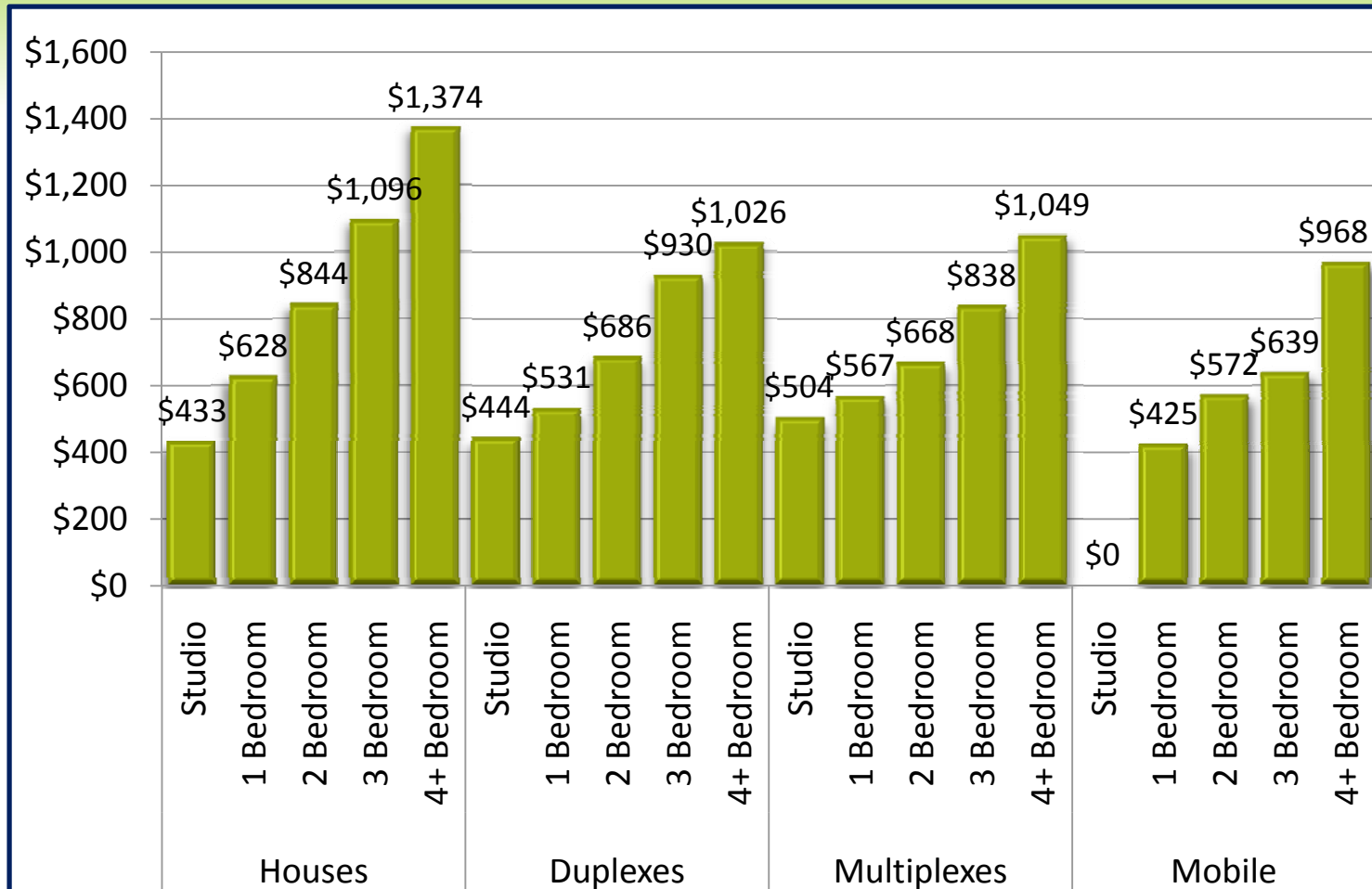


Figure 16  
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Source: National Association of Residential Property Managers

# 2009 AVERAGE VACANCY RATE

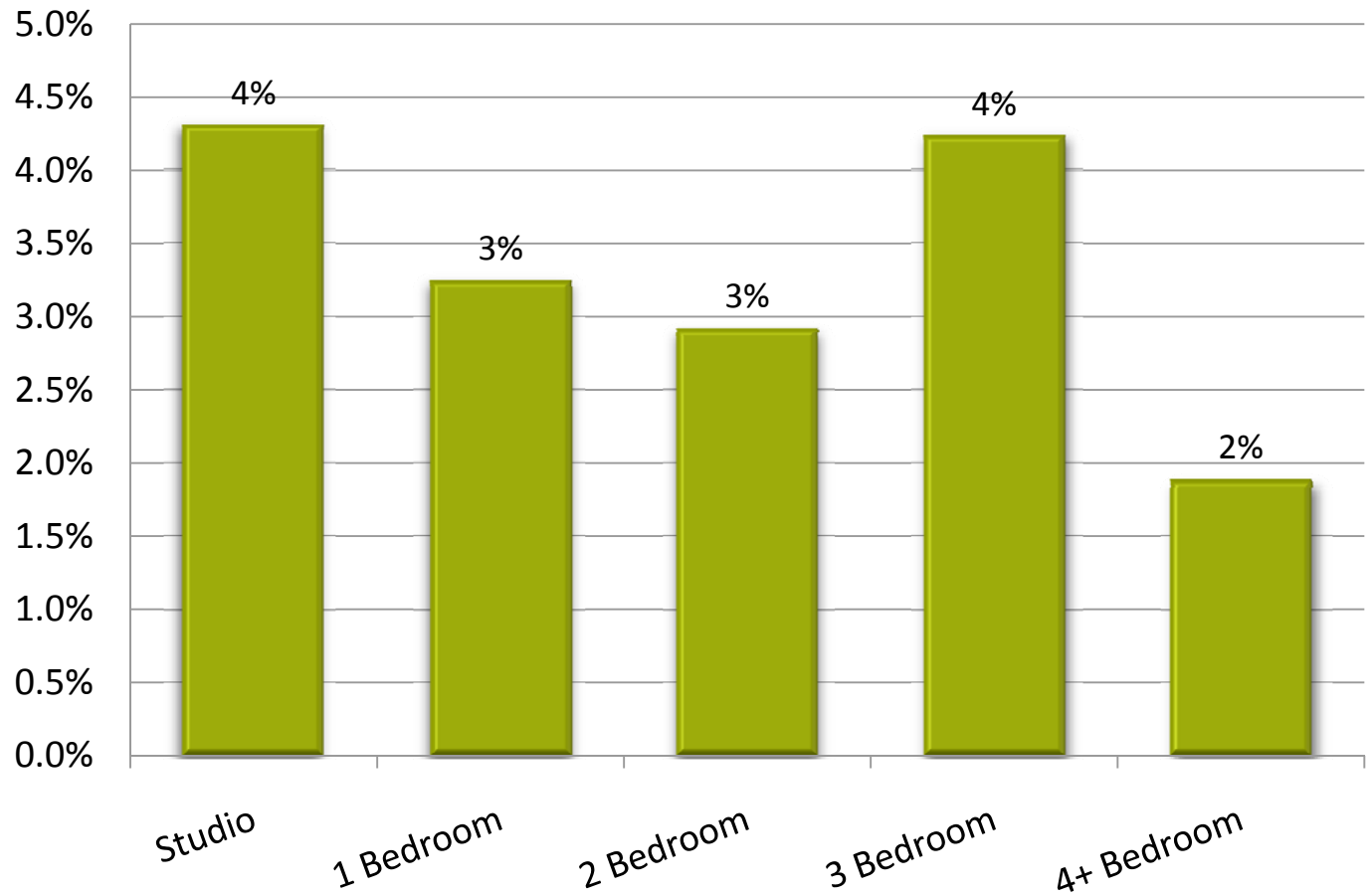


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# NET MIGRATION BY SOURCE

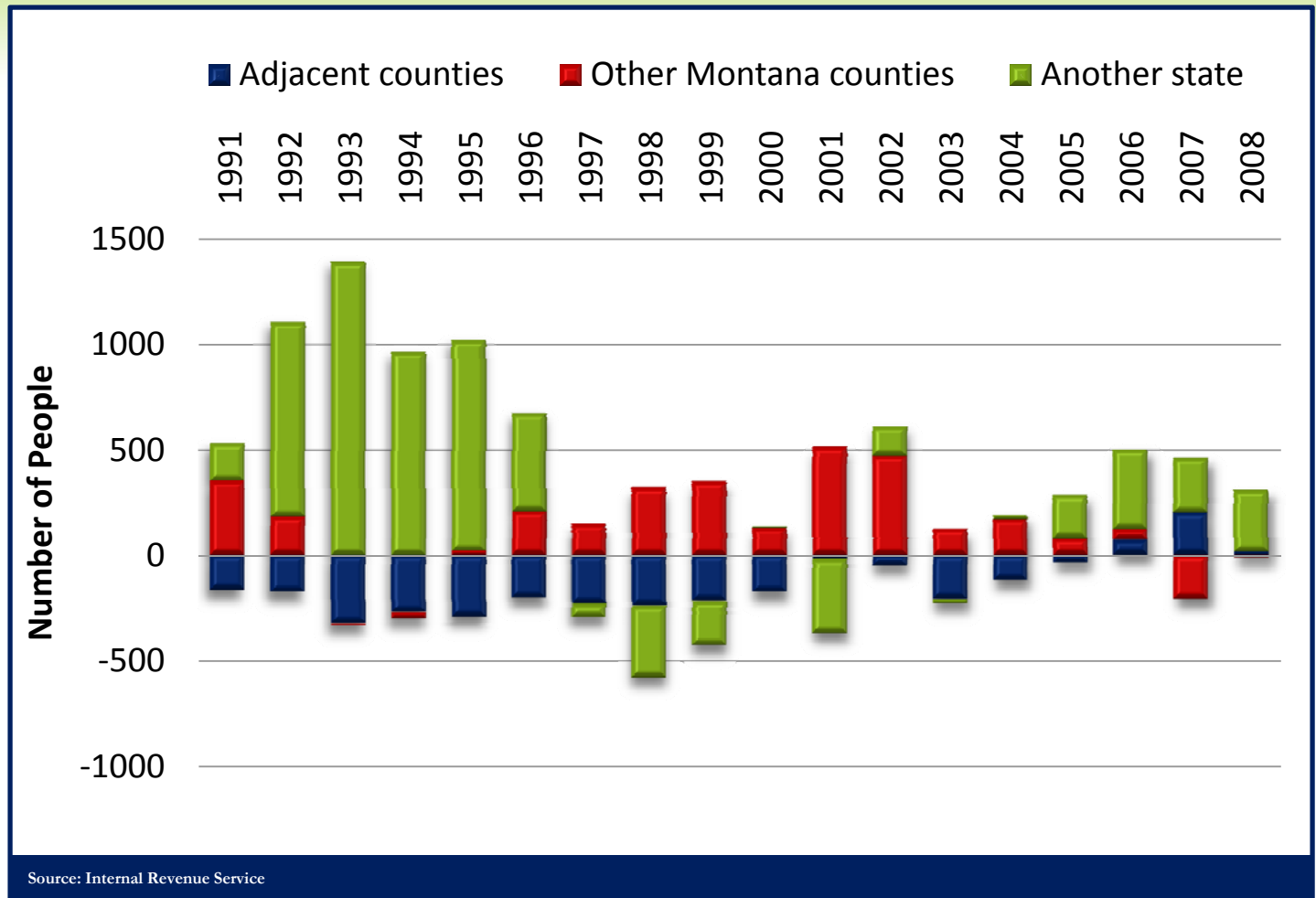
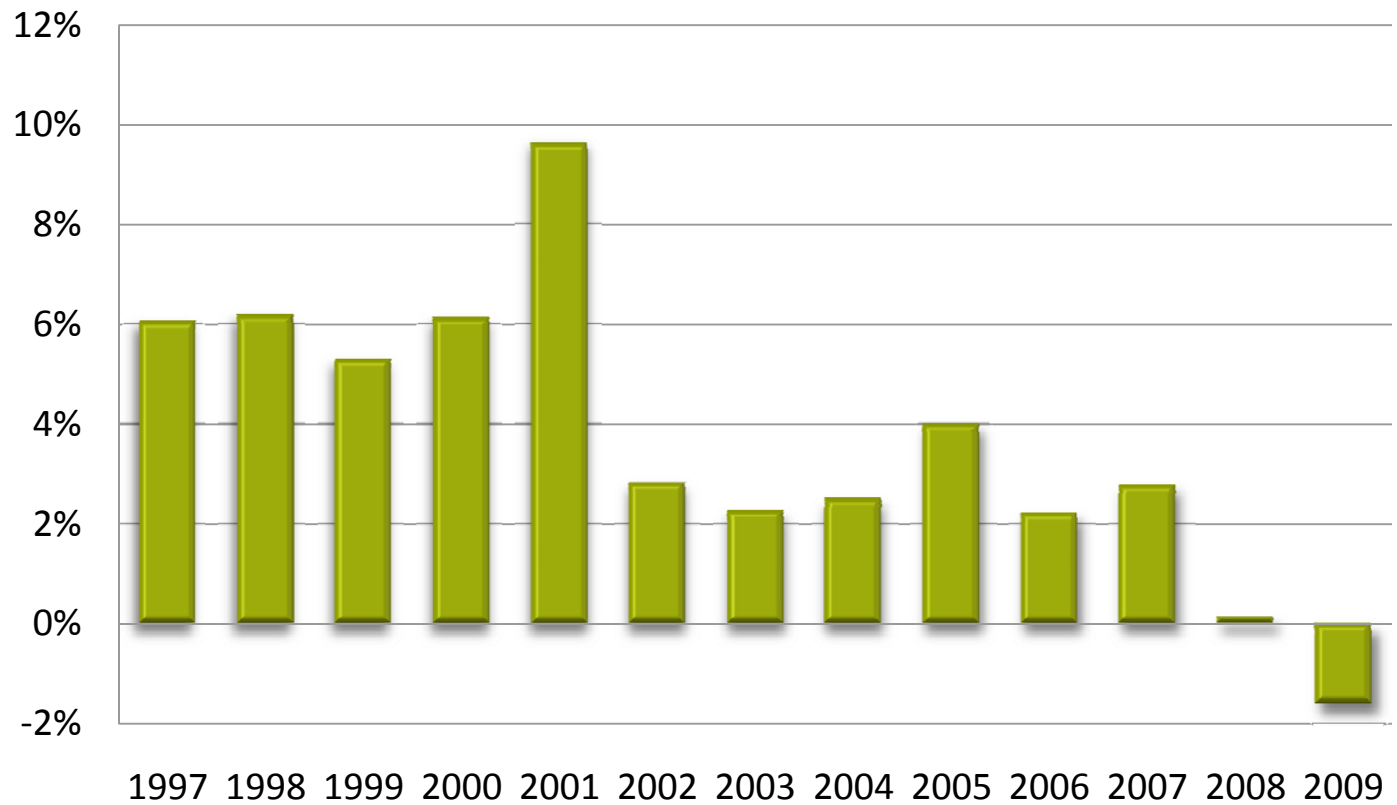


Figure 23  
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# CHANGE IN NON-FARM LABOR INCOME



Source: US Bureau of Economic Analysis, Bureau of Business & Economic Research

# ANNUAL UNEMPLOYMENT RATE



Figure 28  
Page 18

Source: Montana Department of Labor & Industry

# CONCLUSION

[www.MissoulaRealEstate.com](http://www.MissoulaRealEstate.com), under Market Trends



# HOUSING PREFERENCES IN MISSOULA

# Outline

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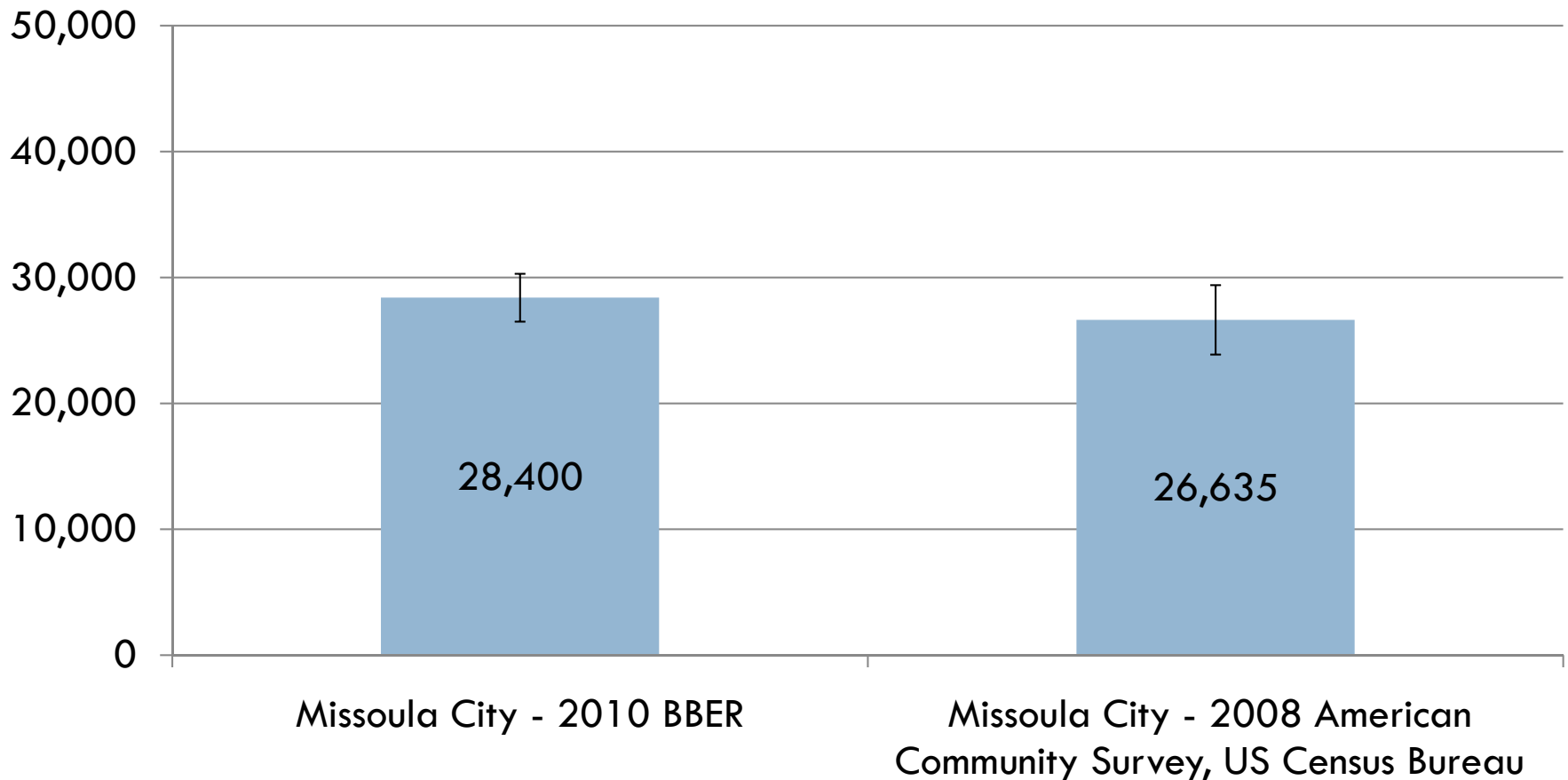
- Survey methods
- Very broad overview of selected Missoula County housing market preferences and demographics
- Low and moderate income housing market preferences snapshot
- Median income and above housing market preferences snapshot
- Selected housing choice considerations
- Key survey results summary

# Survey Methods

- Sponsors: City of Missoula, Missoula County, Missoula Redevelopment Agency, The University of Montana, Associated Students of the University of Montana
- Conducted by: Bureau of Business and Economic Research, The University of Montana
- Population: Missoula County residents age 18+ who live in households with a working telephone (landline or cell)
- Response Rate: 51.5 % using American Association for Public Opinion Research (2008) standard definition (RR3)
- Sampling error: +/- 2.8 %
- Survey administered February 2010
- Questionnaire and additional methods info available upon request

# Survey Quality Benchmark

## Missoula City Adults (18+) Who Live in an Owner-Occupied Dwelling, February 2010



# Key Definitions

- Geography (geo-coded location of respondent's residence)
- OPG Planning Areas
  - Missoula city
  - Missoula Urban Area outside City
  - Lolo
  - Western county
  - Seeley-Swan
  - Blackfoot-Clark Fork

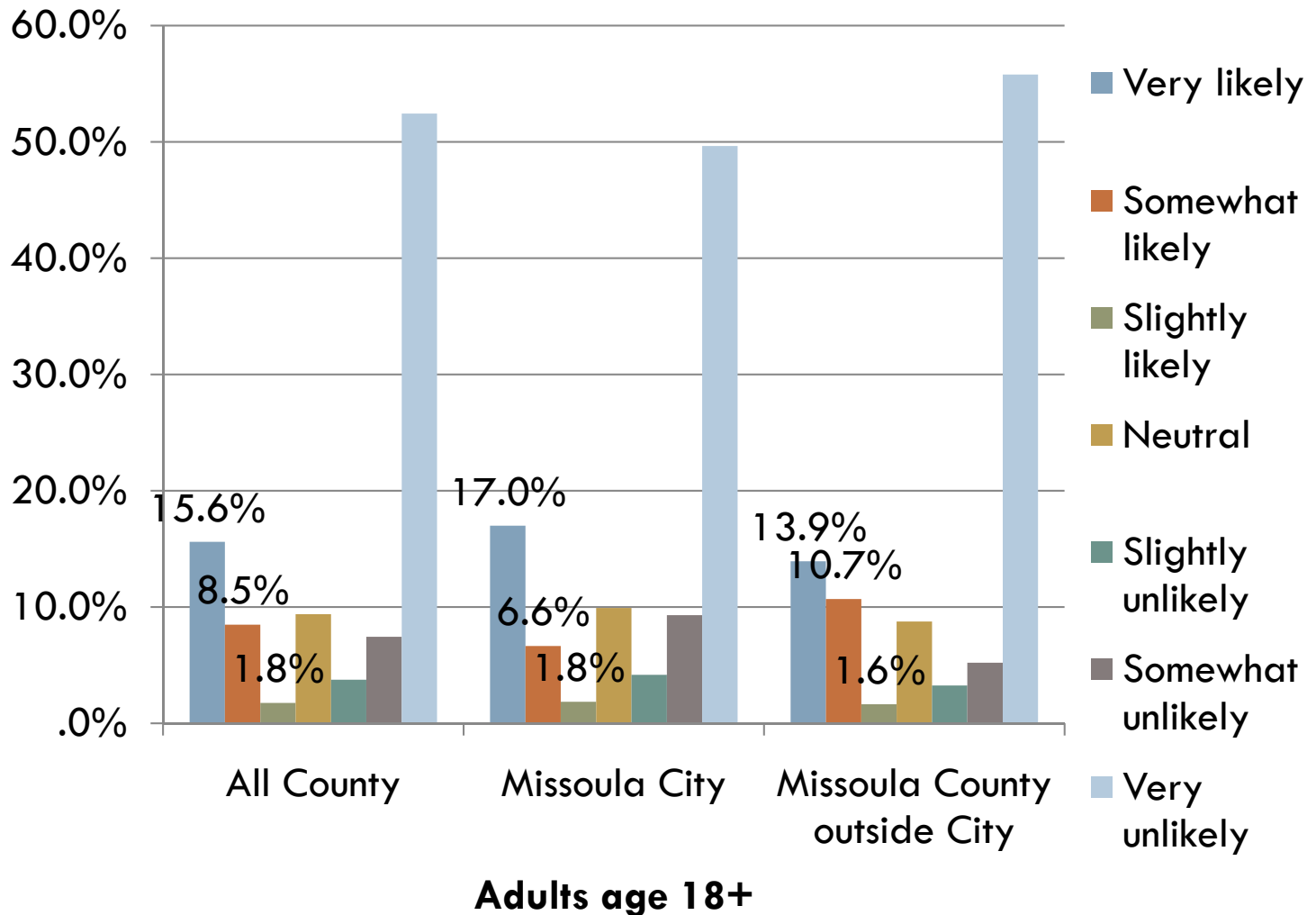
# Key Definitions - continued

- Income: 2009 US Department of Housing and Urban Development definitions for Missoula County
  - ▣ Very low (30% of median)
    - \$17,800 – family of four
  - ▣ Low (50% of median)
    - \$29,700 – family of four
  - ▣ Moderate (80% of median)
    - \$47,500 – family of four
  - ▣ Median
    - \$59,400 – family of four

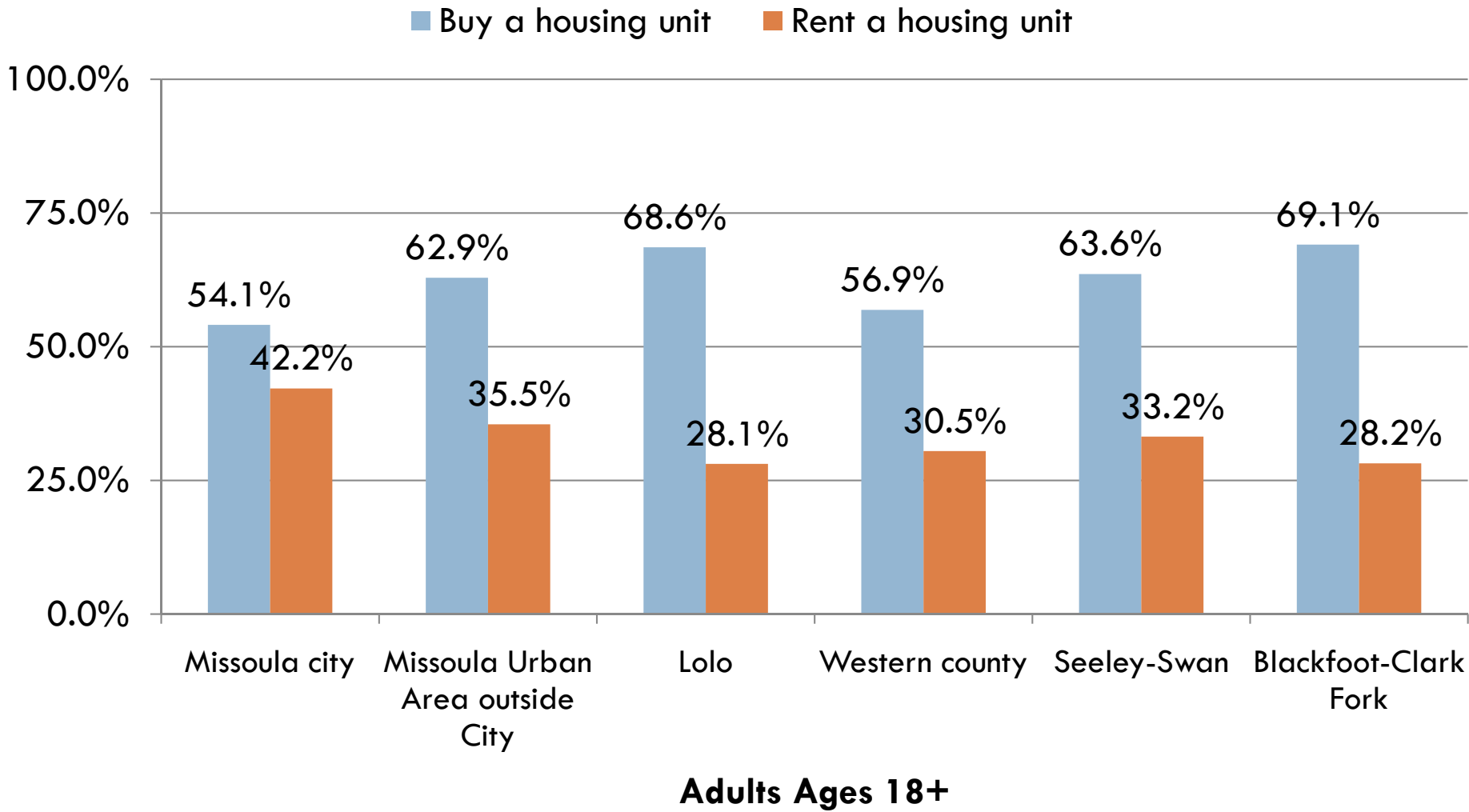
# How likely are you, if at all, to move in the next year?

25.8% of 2010 Missoula County adult residents said they were at least slightly likely to move in the next year.

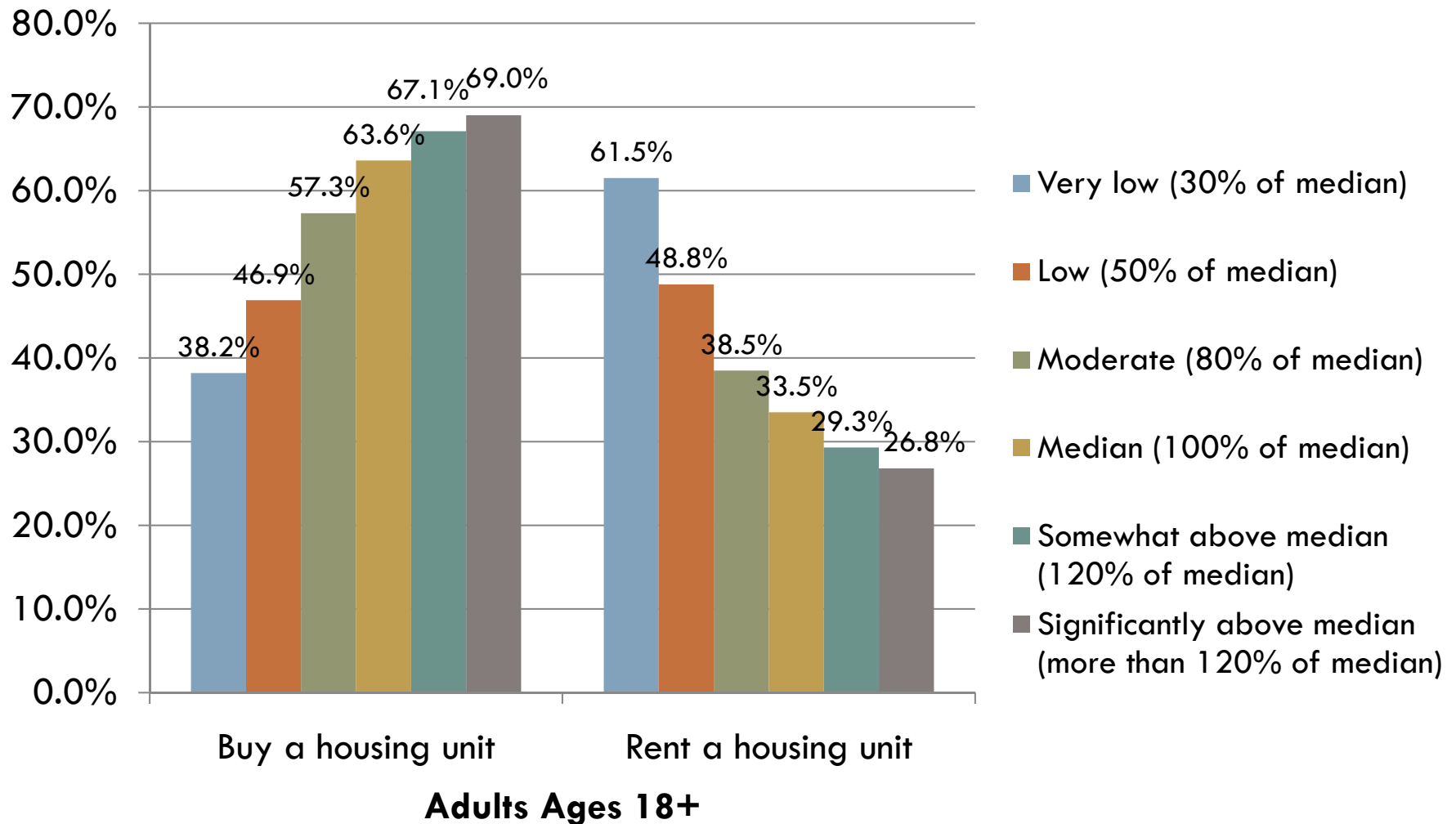
20.1% of all Missoula County residents moved in 2007 according to the 2008 U.S. Census Bureau American Community Survey.



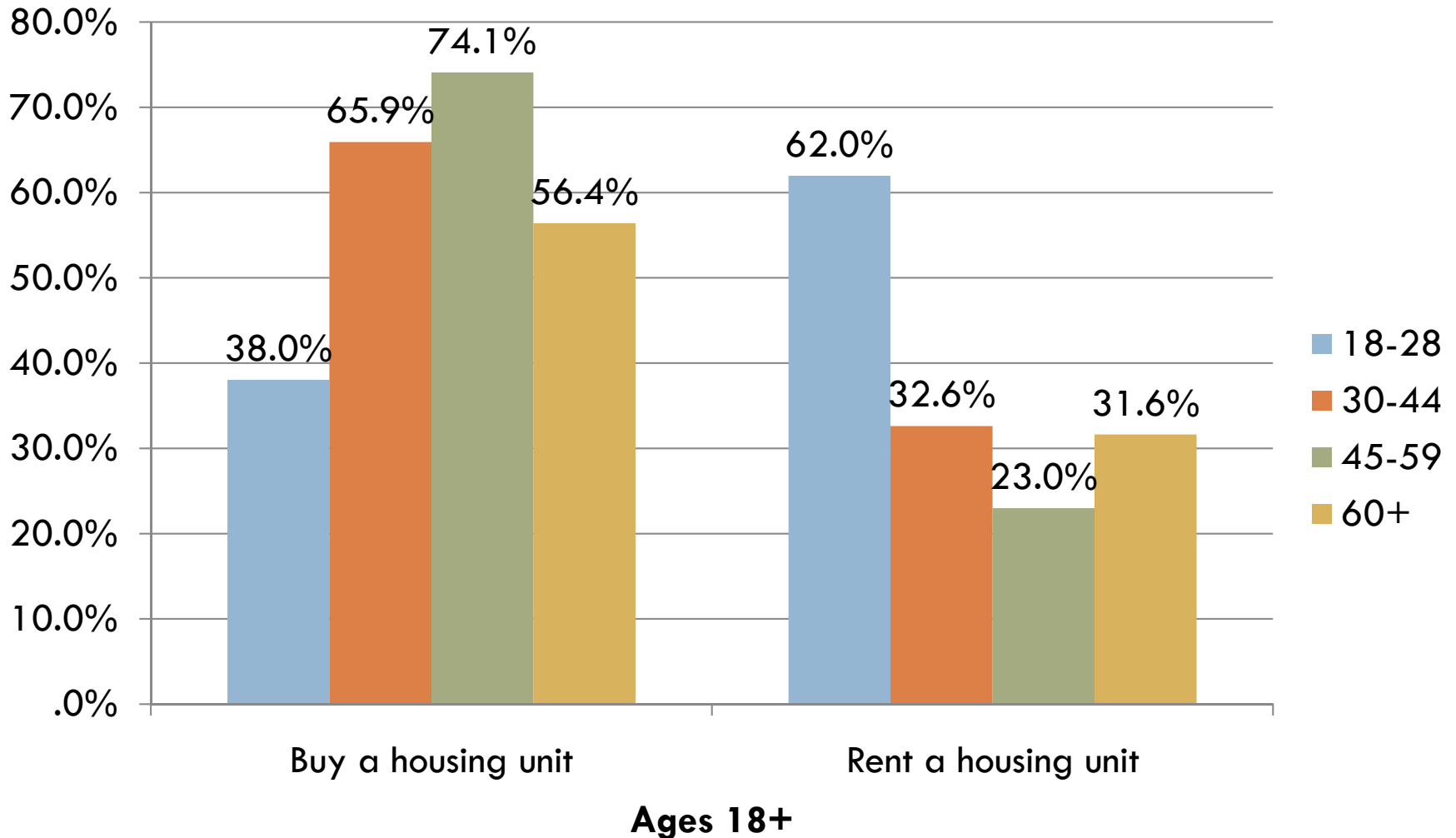
# Buy or Rent: February 2010



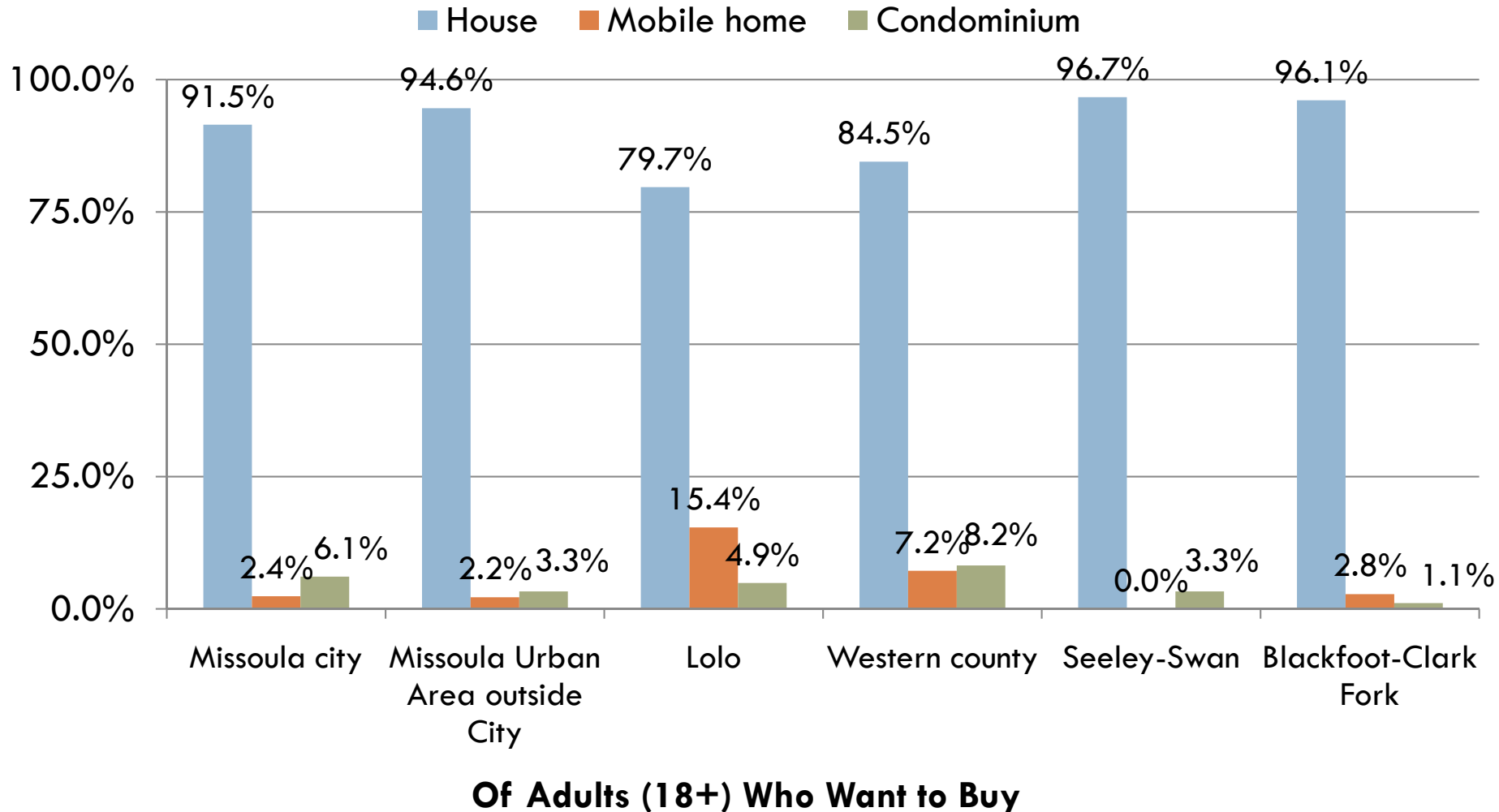
# Buy or Rent by 2008 Household Income, February 2010



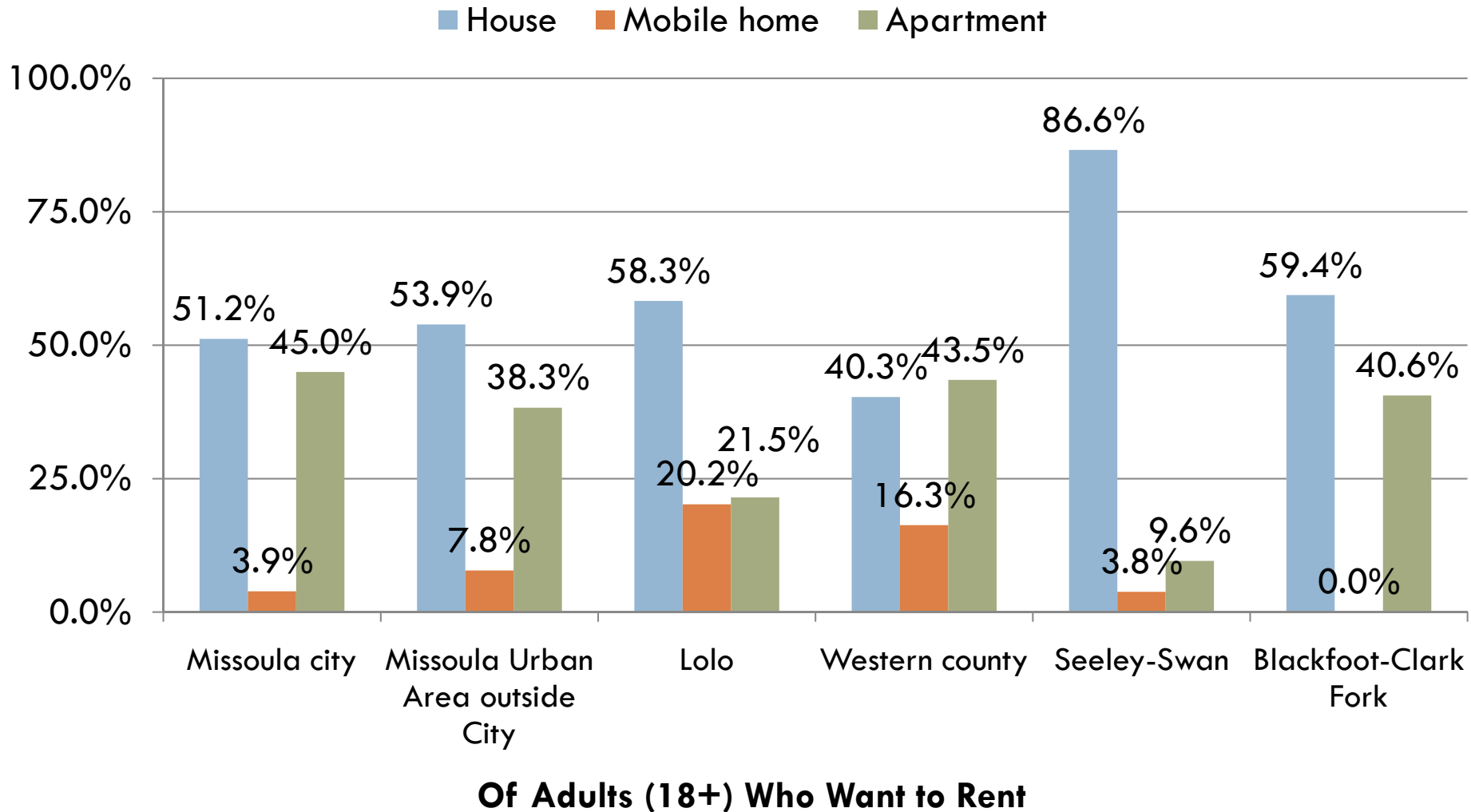
# Buy or Rent by Age of Respondent, February 2010



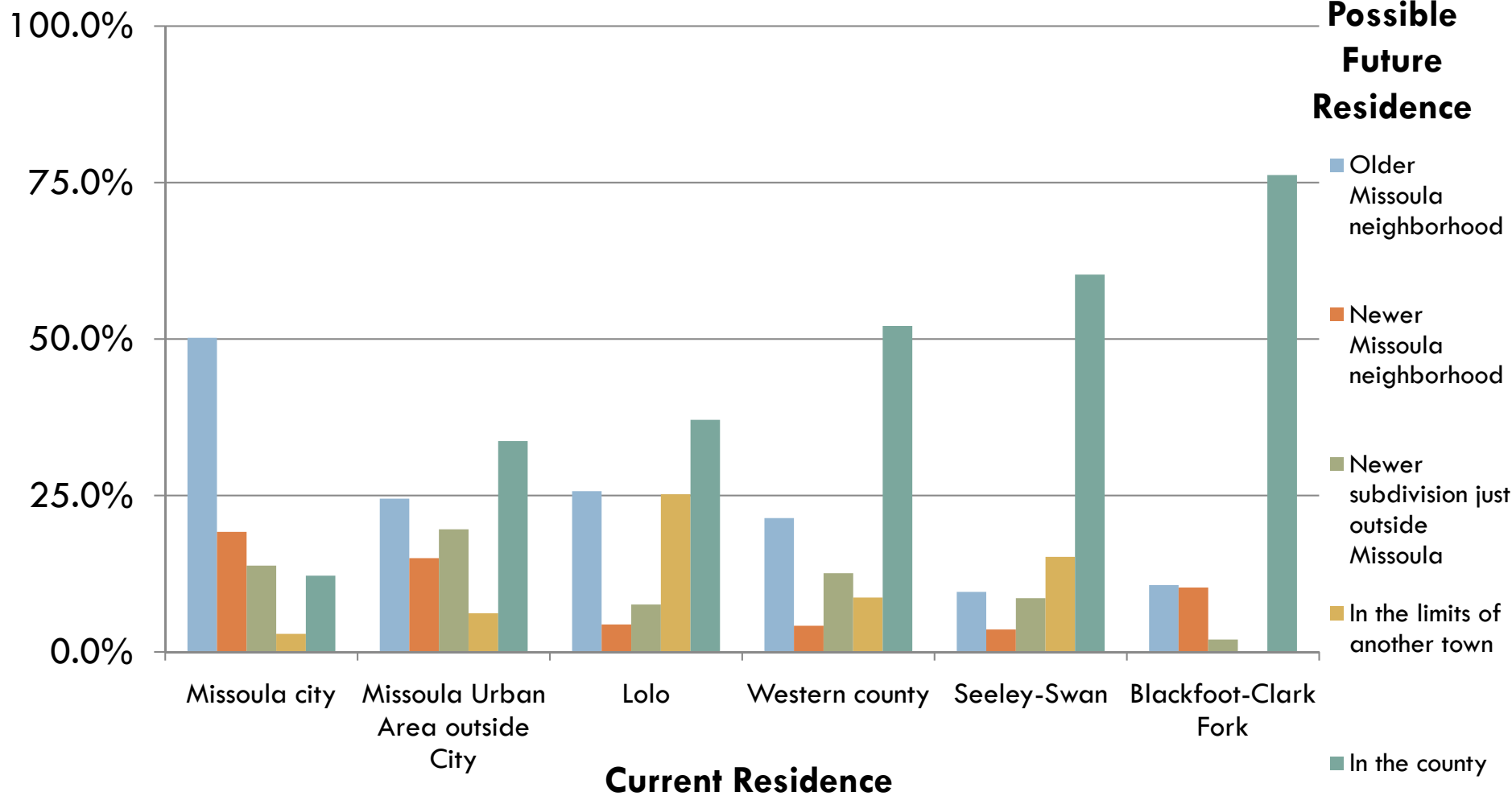
# Type of Dwelling to Buy: February 2010



# Type of Dwelling to Rent: February 2010

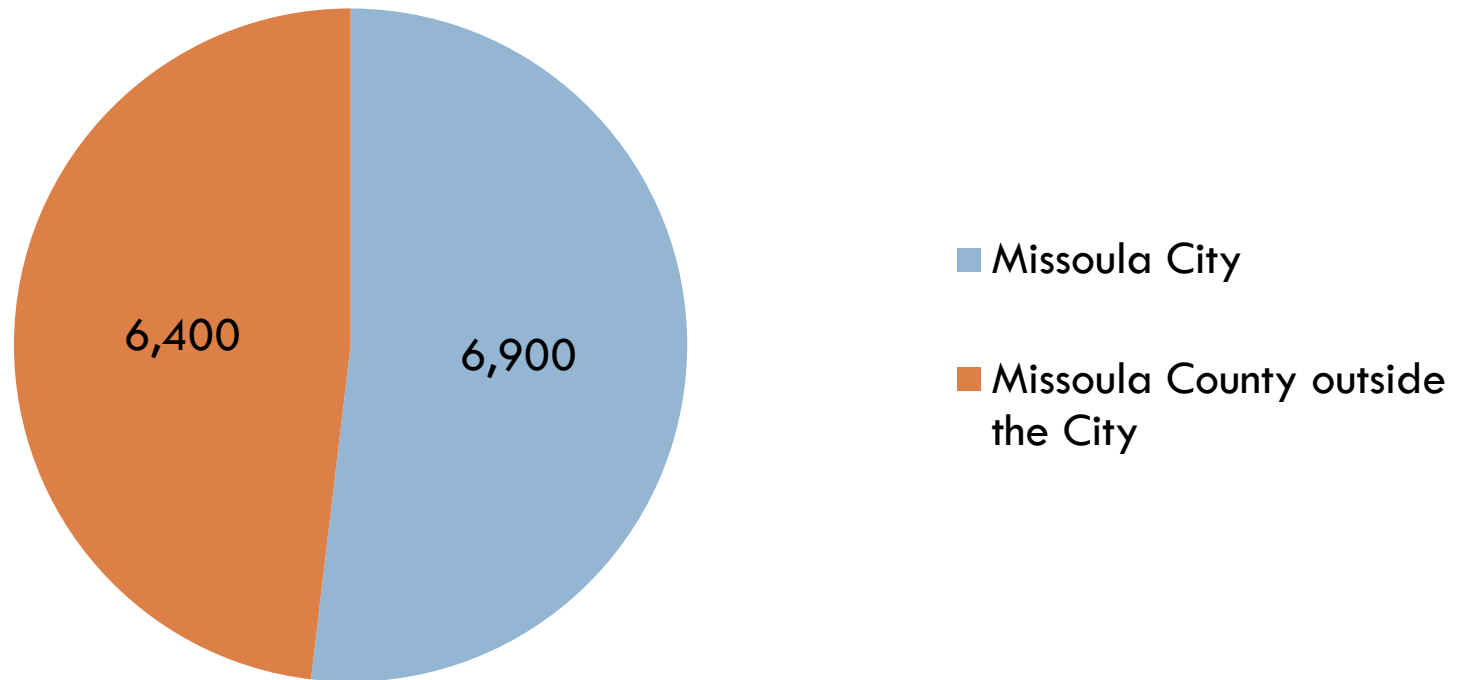


# Missoula County Area Where Respondent Would Buy or Rent by Location of Current Residence

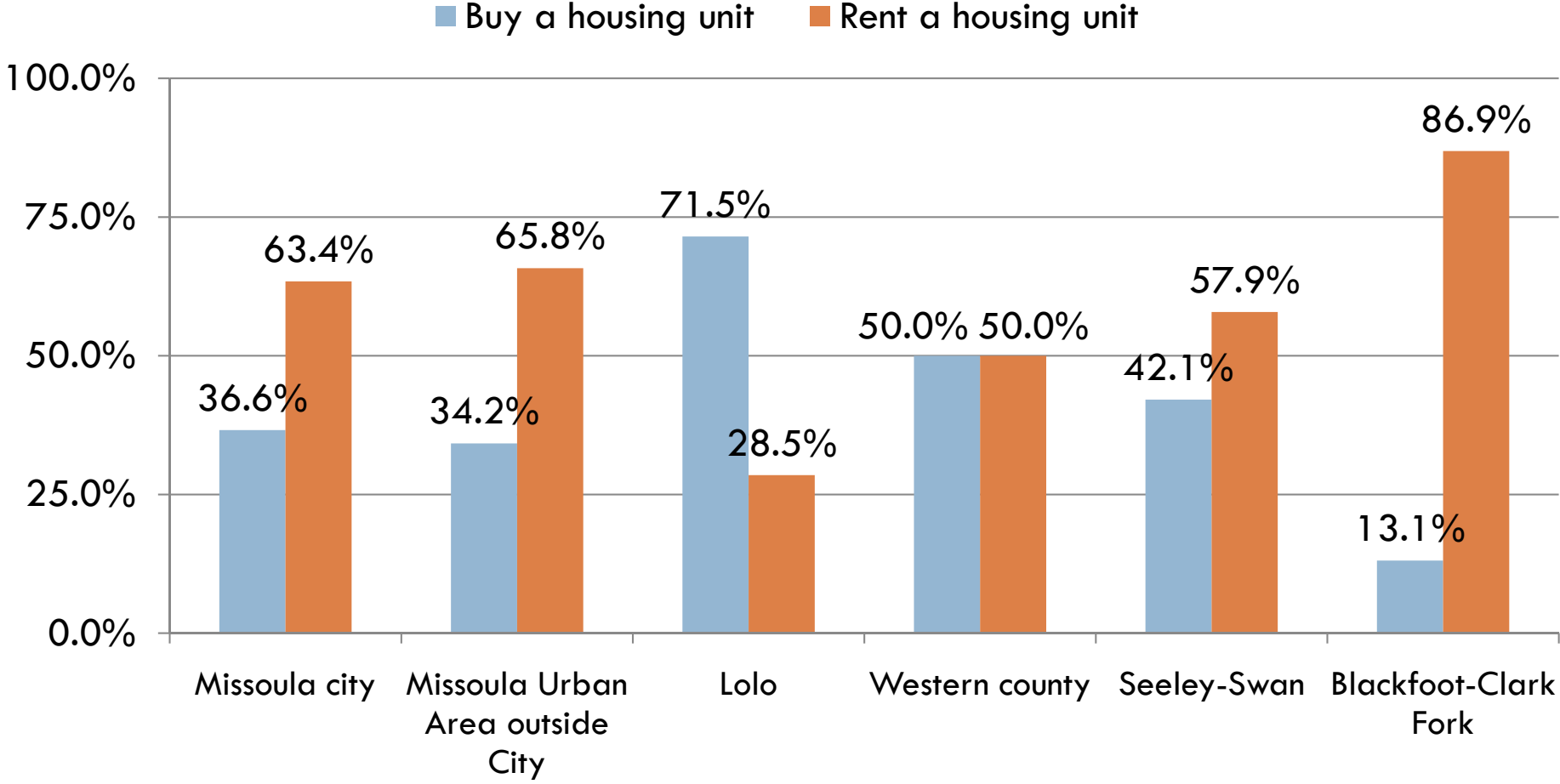


# Low or Moderate Income Housing Market, February 2010

**Missoula County Adults (18+) Who Are At Least Slightly Likely to Move in the Next Year and Who Have Household Incomes at 80% of Median and Below**

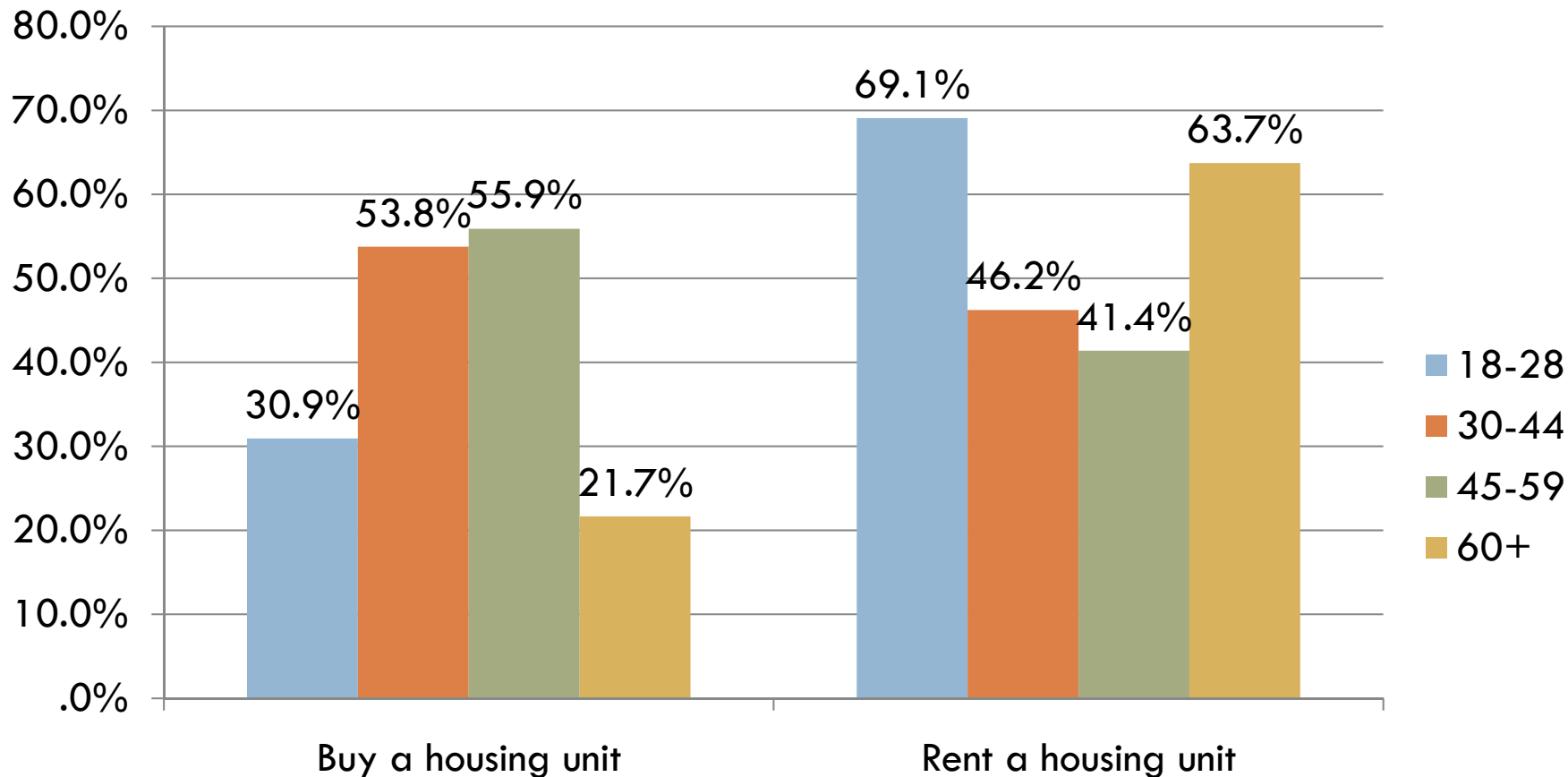


# Buy or Rent: February 2010



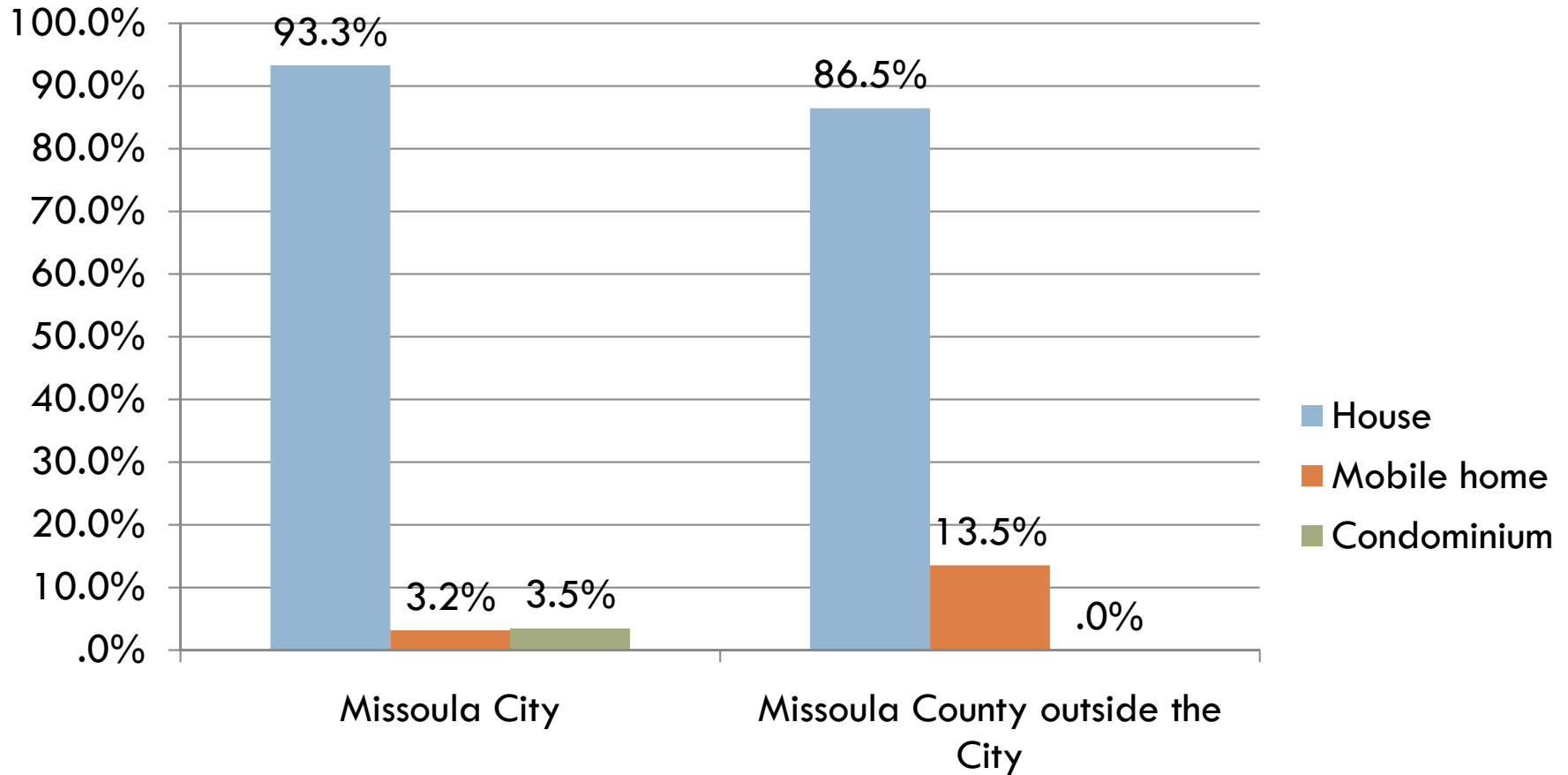
**At least Slightly Likely Movers Who Have Household Incomes at 80% of Median and Below**

# Buy or Rent by Age of Respondent, February 2010



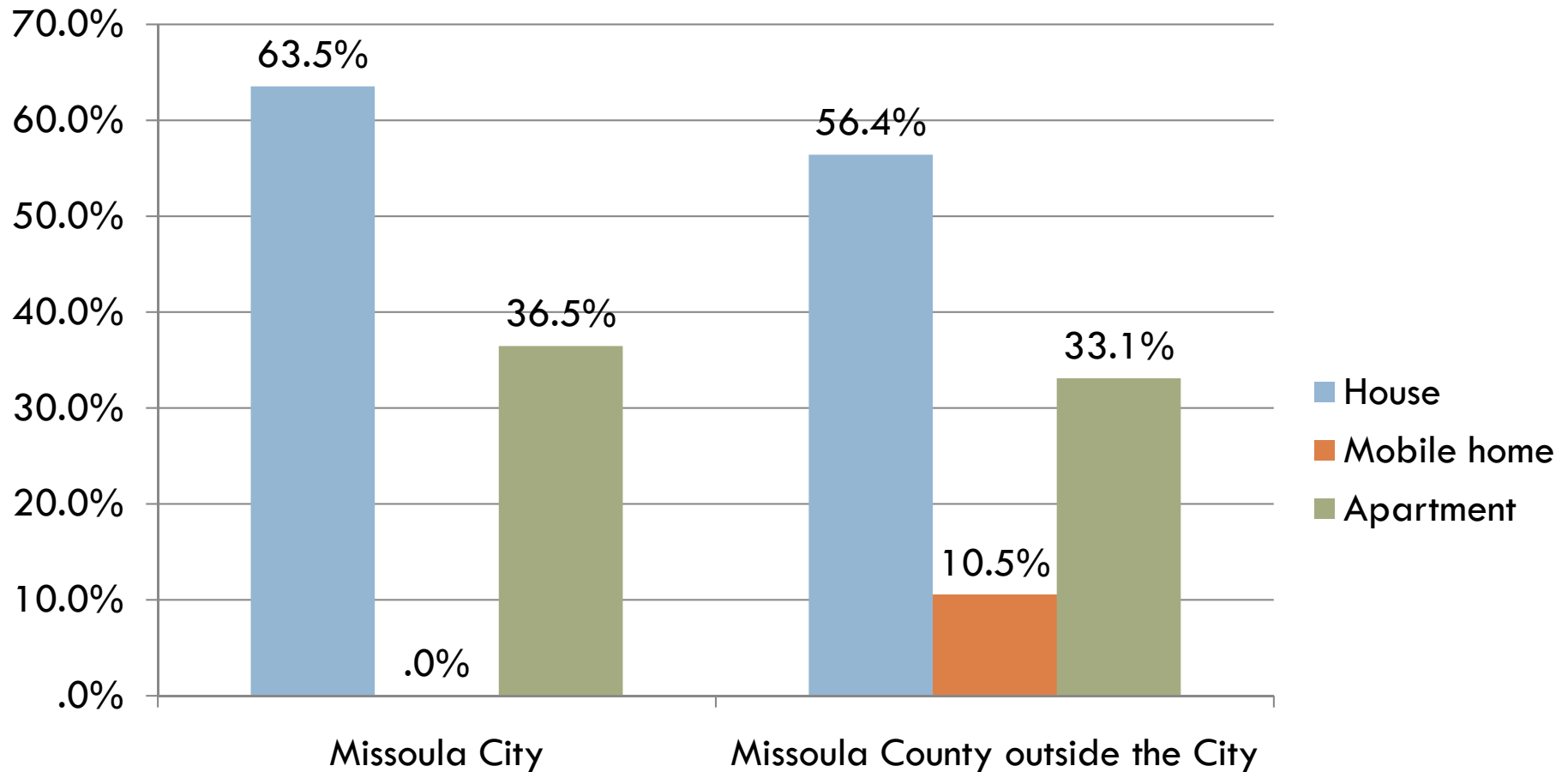
**At least Slightly Likely Movers Who Have Household Incomes at 80%  
of Median and Below**

# Type of Dwelling to Buy: February 2010



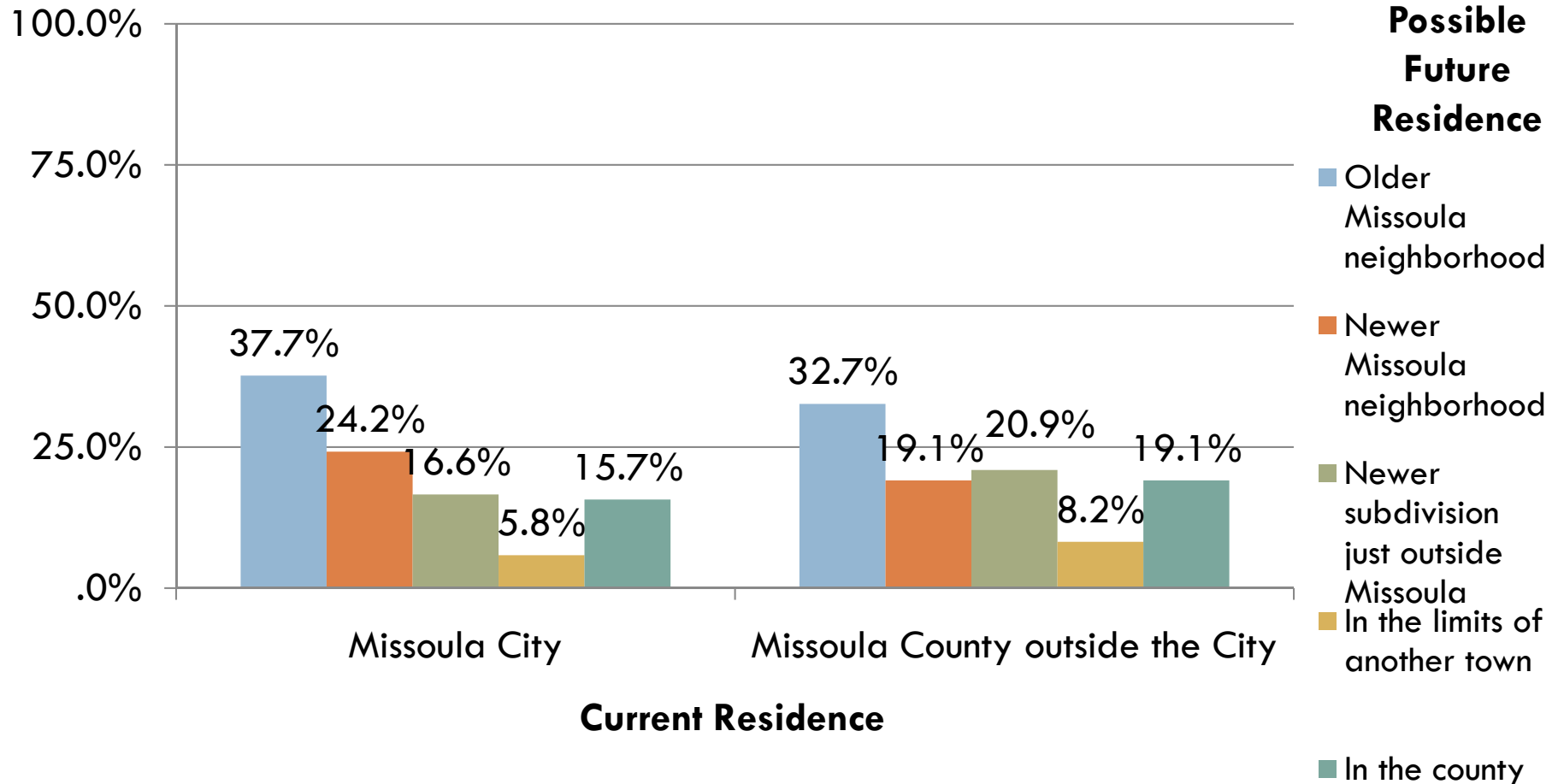
**At least Slightly Likely Movers Who Have Household Incomes at 80% of Median and Below**

# Type of Dwelling to Rent: February 2010



**At least Slightly Likely Movers Who Have Household Incomes at 80% of Median and Below**

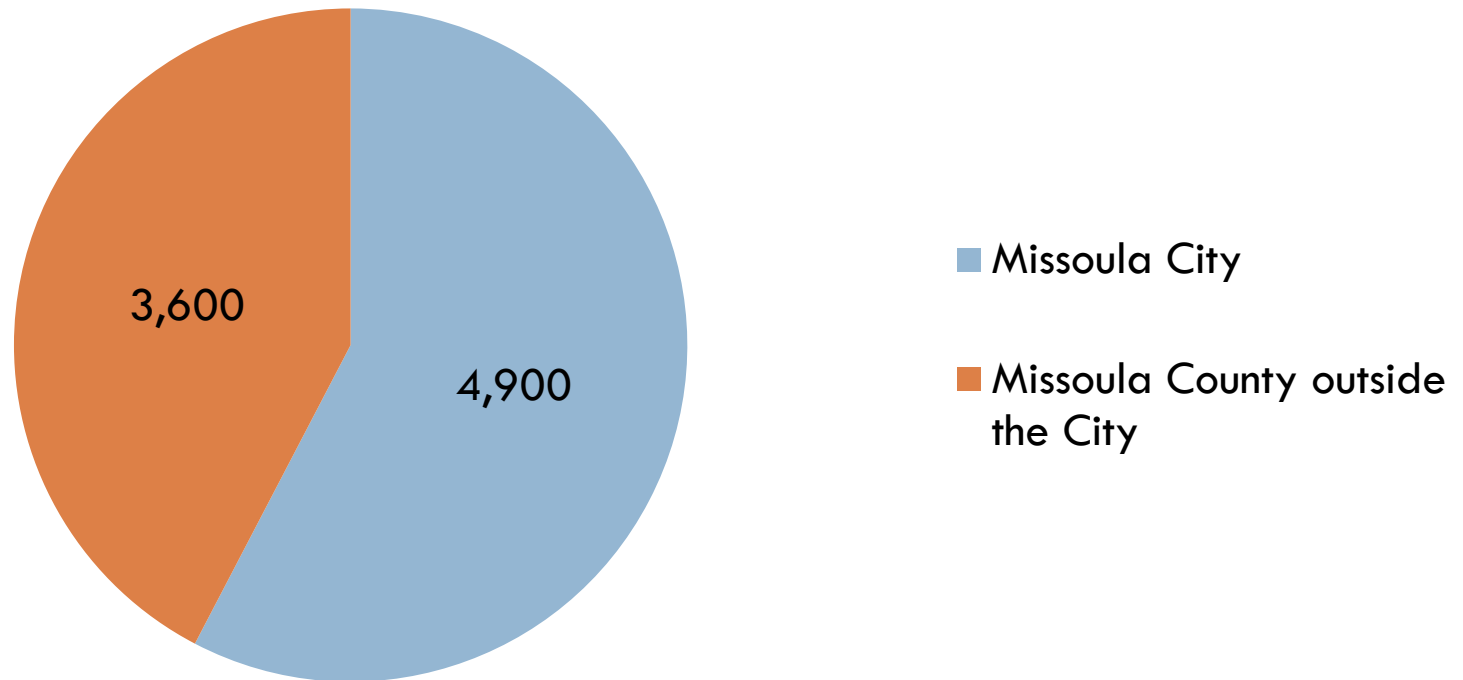
# Missoula County Area Where Respondent Would Buy or Rent by Location of Current Residence



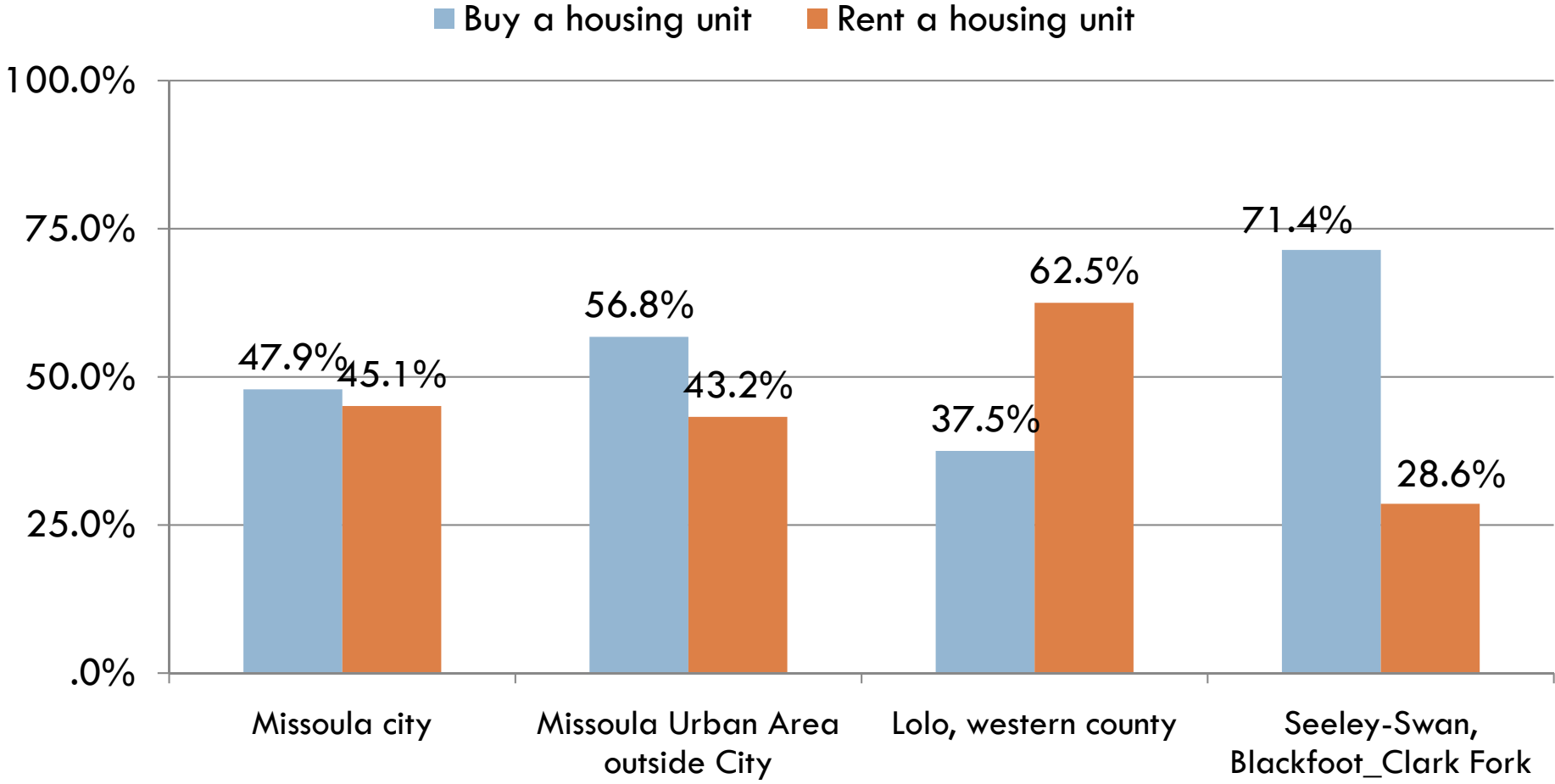
**At least Slightly Likely Movers Who Have Household Incomes at 80% of Median and Below**

# Median Income or Above Housing Market, February 2010

**Missoula County Adults (18+) Who Are At Least Slightly Likely to Move in the Next Year and Who Have Household Incomes at 100% of Median and Above**

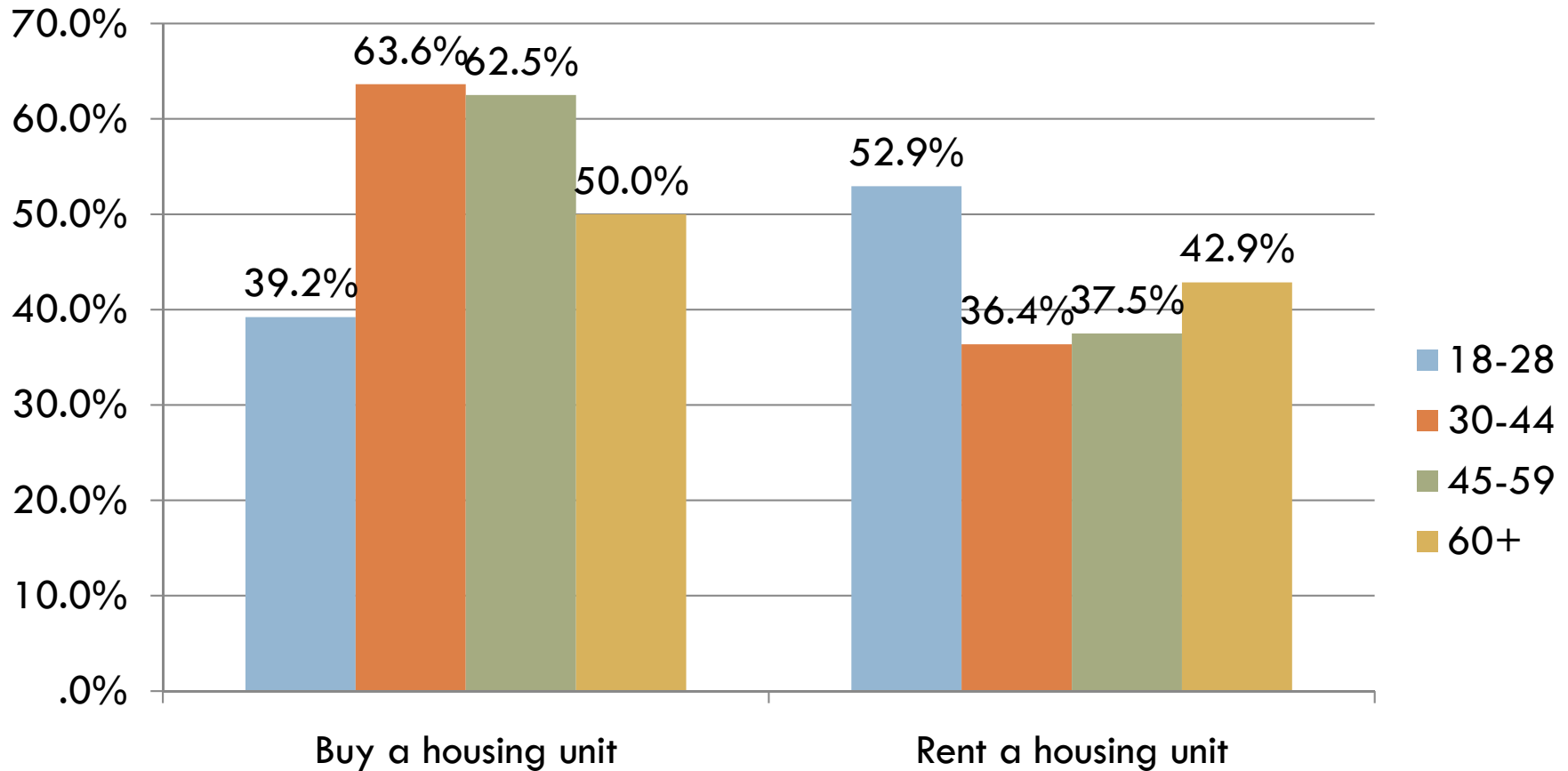


# Buy or Rent: February 2010



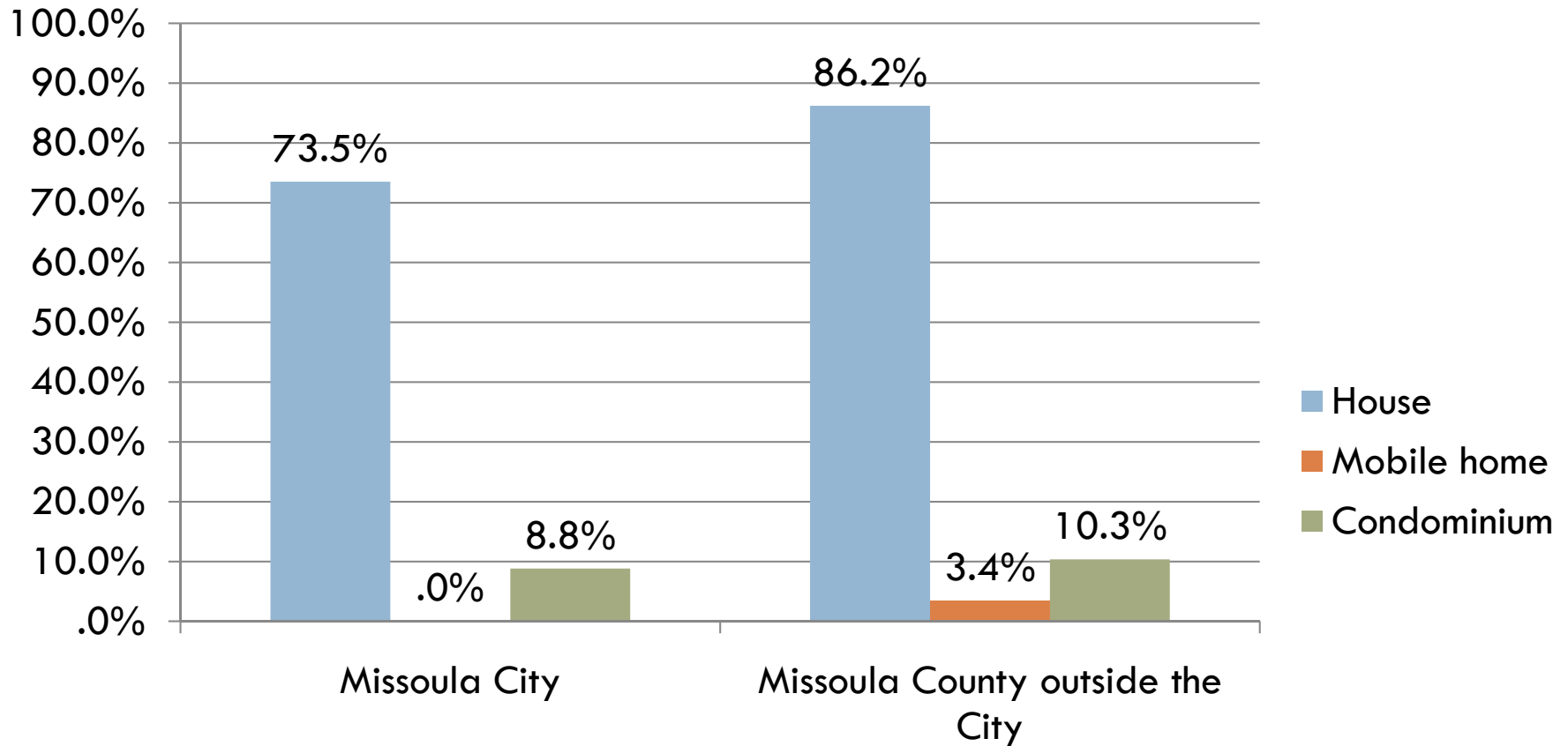
**At Least Slightly Likely Movers Who Have Household Incomes at 100% of Median and Above**

# Buy or Rent by Age of Respondent, February 2010



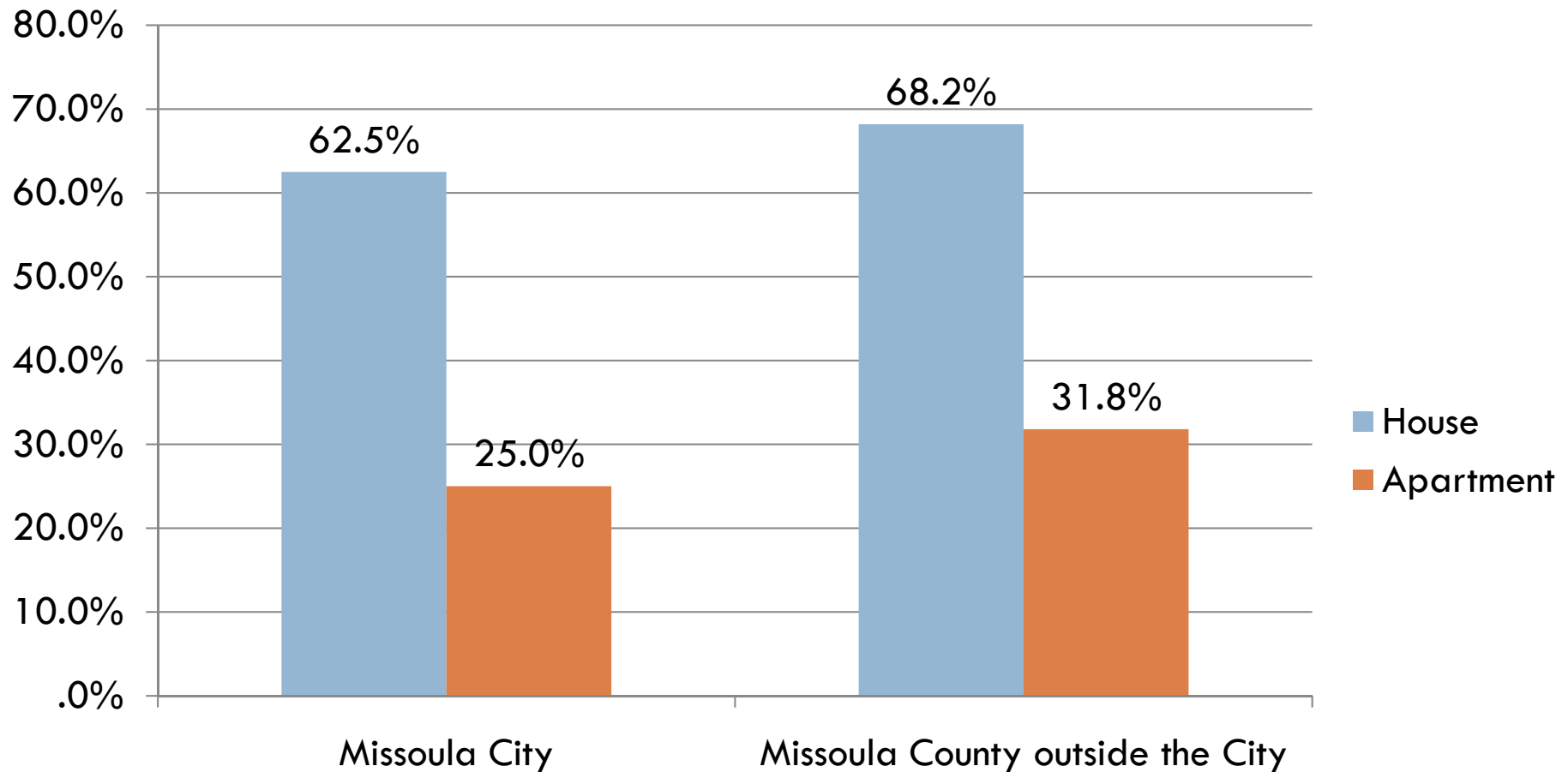
**At Least Slightly Likely Movers Who Have Household Incomes at  
100% of Median and Above**

# Type of Dwelling to Buy: February 2010



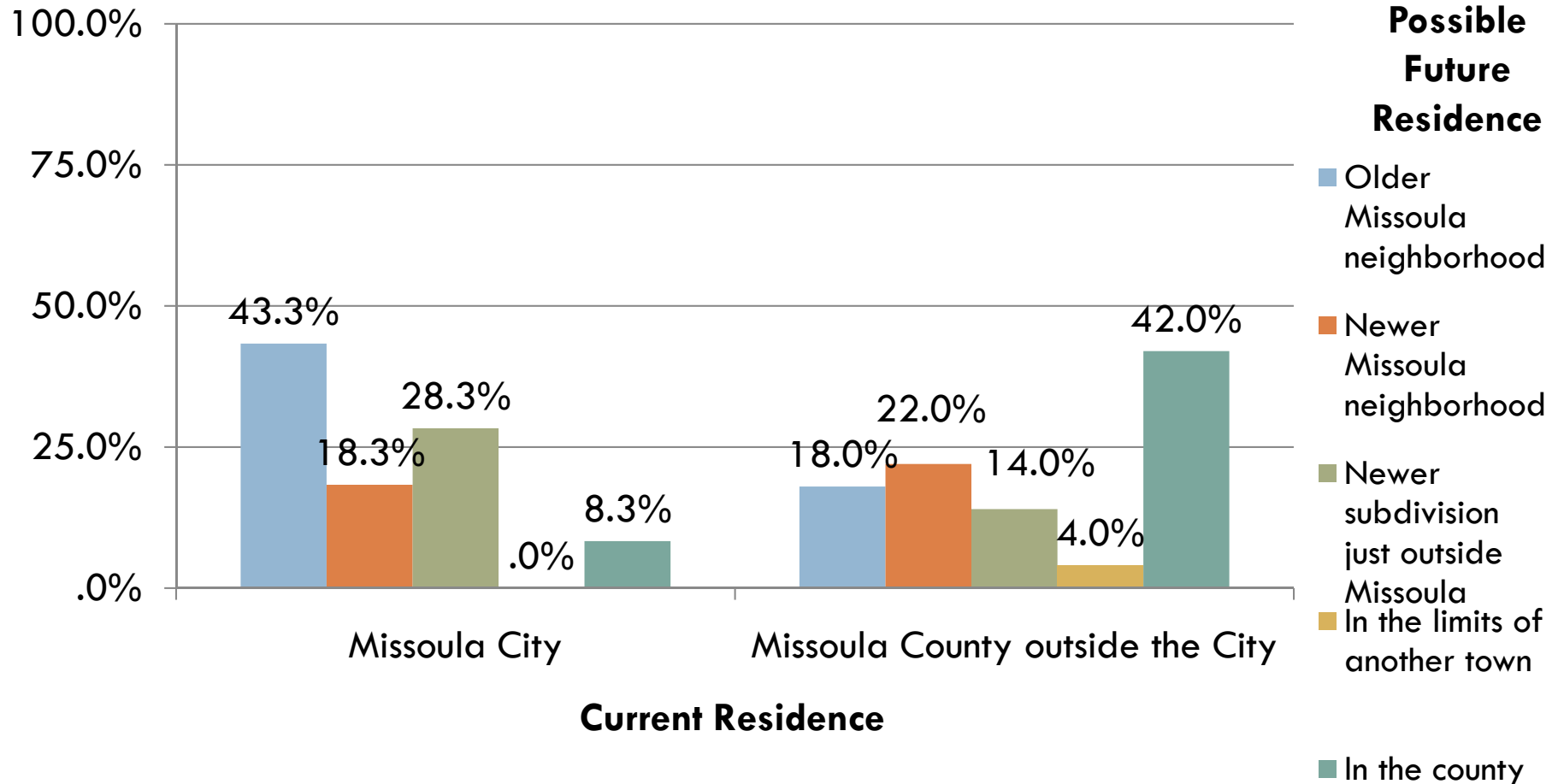
**At Least Slightly Likely Movers Who Have Household Incomes at 100% of Median and Above**

# Type of Dwelling to Rent: February 2010



**At Least Slightly Likely Movers Who Have Household Incomes at 100% of Median and Above**

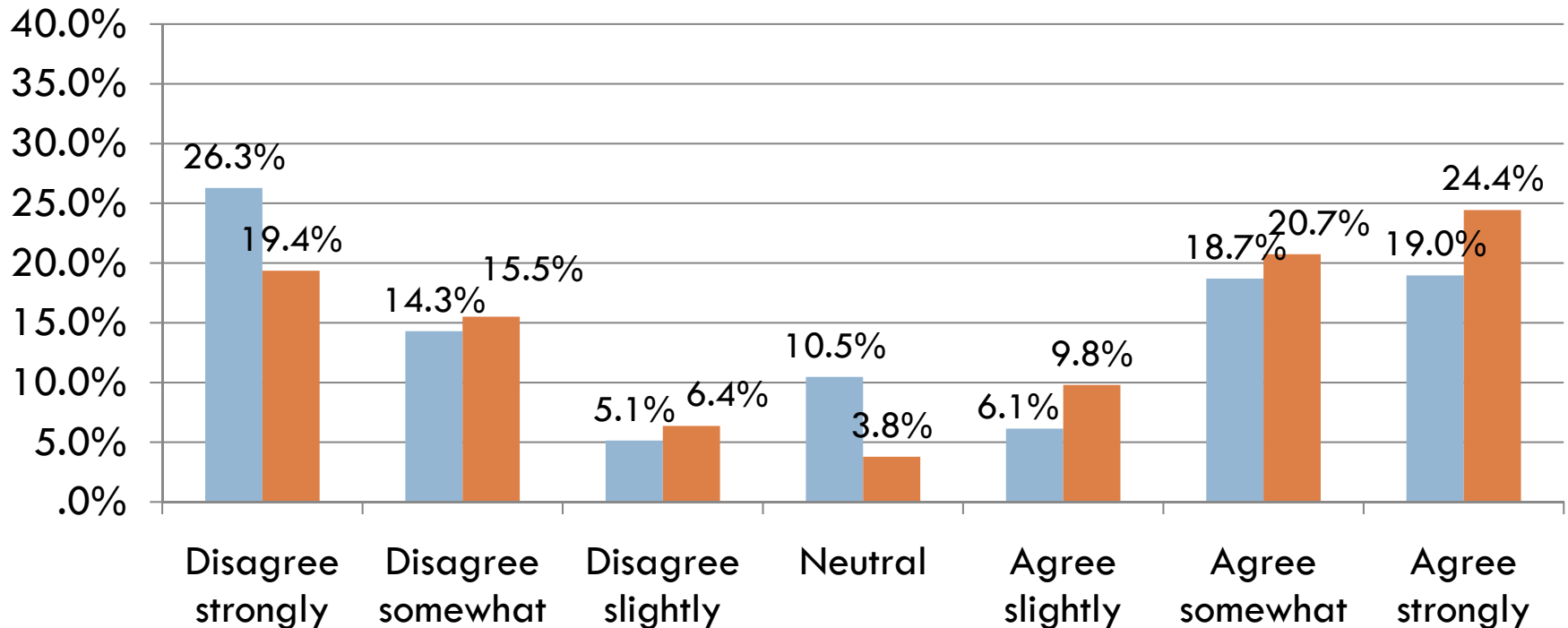
# Missoula County Area Where Respondent Would Buy or Rent by Location of Current Residence



**At Least Slightly Likely Movers Who Have Household Incomes at 100% of Median and Above**

# Housing Choice Considerations

I would live in a townhouse rather than a detached house if it meant I could afford to live in a neighborhood I prefer.



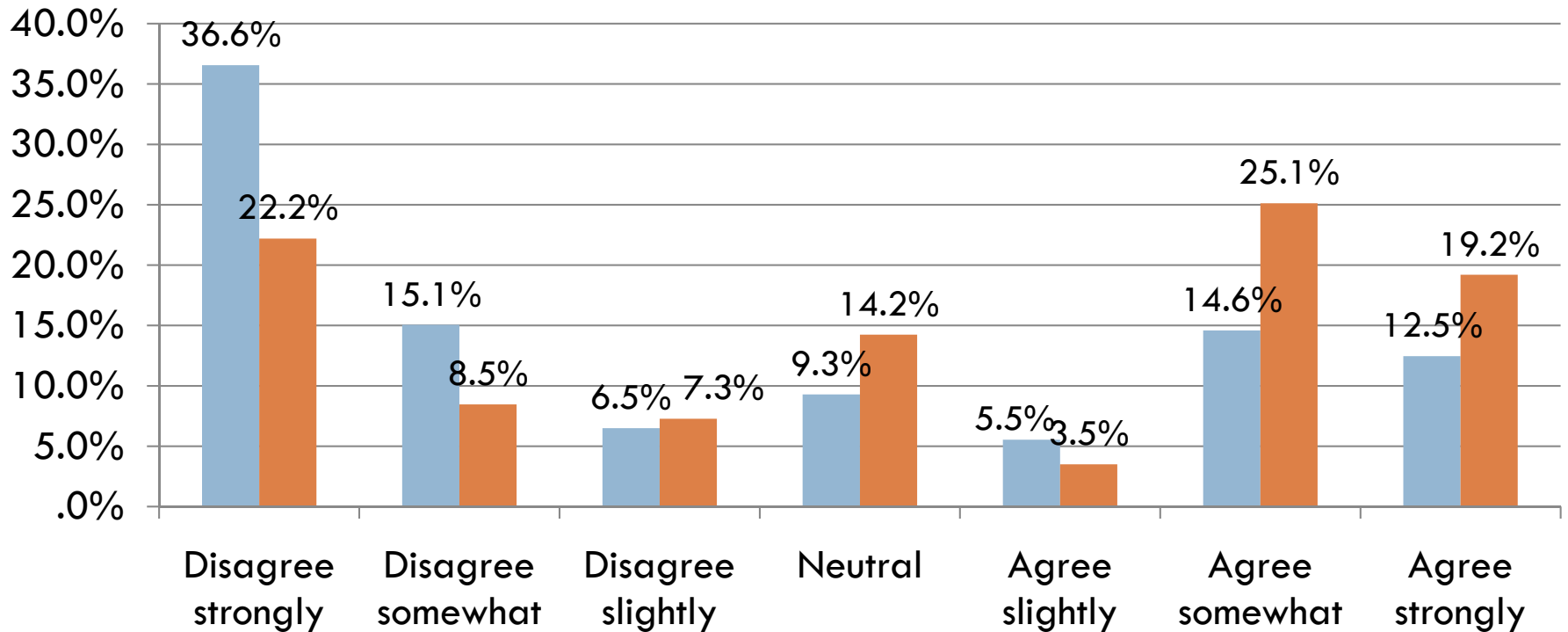
**Missoula City Residents Age 18+**

■ All ■ Likely movers

63% of those who strongly agree with this question prefer to rent a home.

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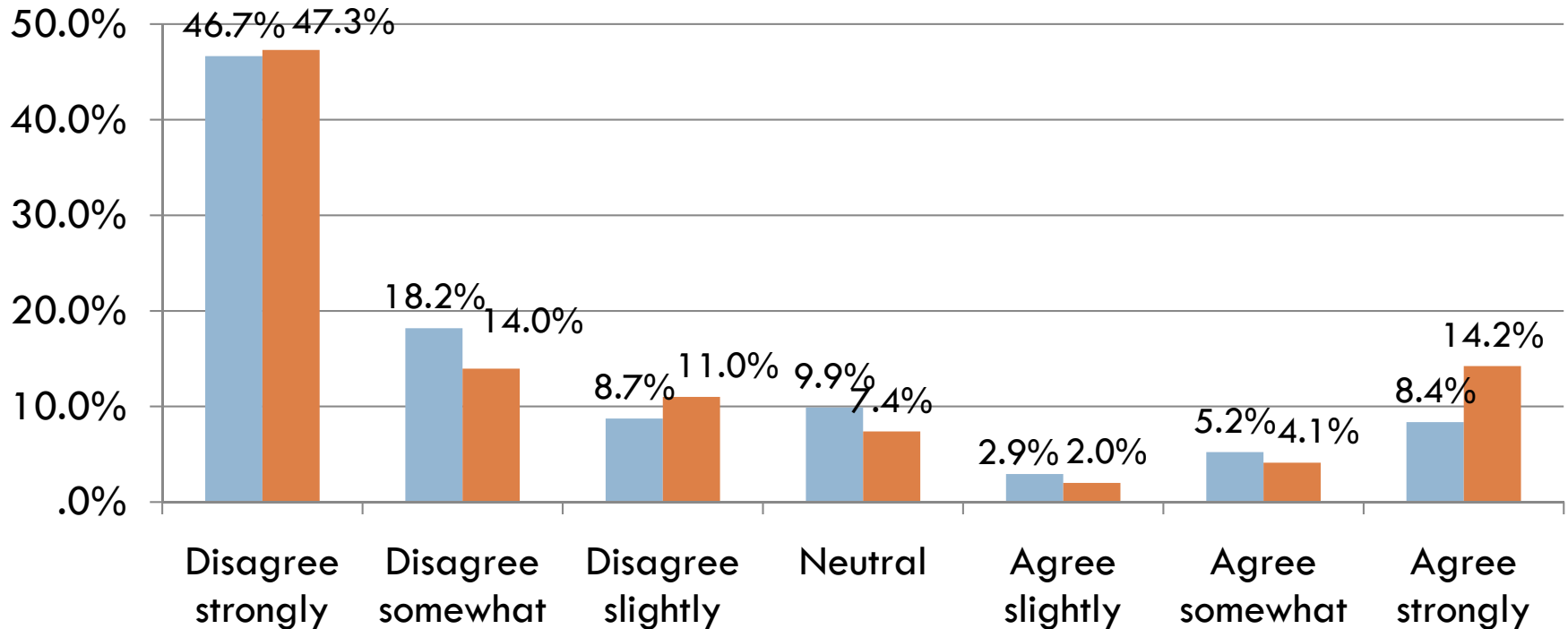
**Missoula County Residents Who Live Outside The City Age 18+**

■ All ■ Likely movers

63% of those who strongly agree with this question prefer to rent a home.

# Housing Choice Considerations

I would live in a neighborhood I don't like in order to live in a single family home that I could afford.

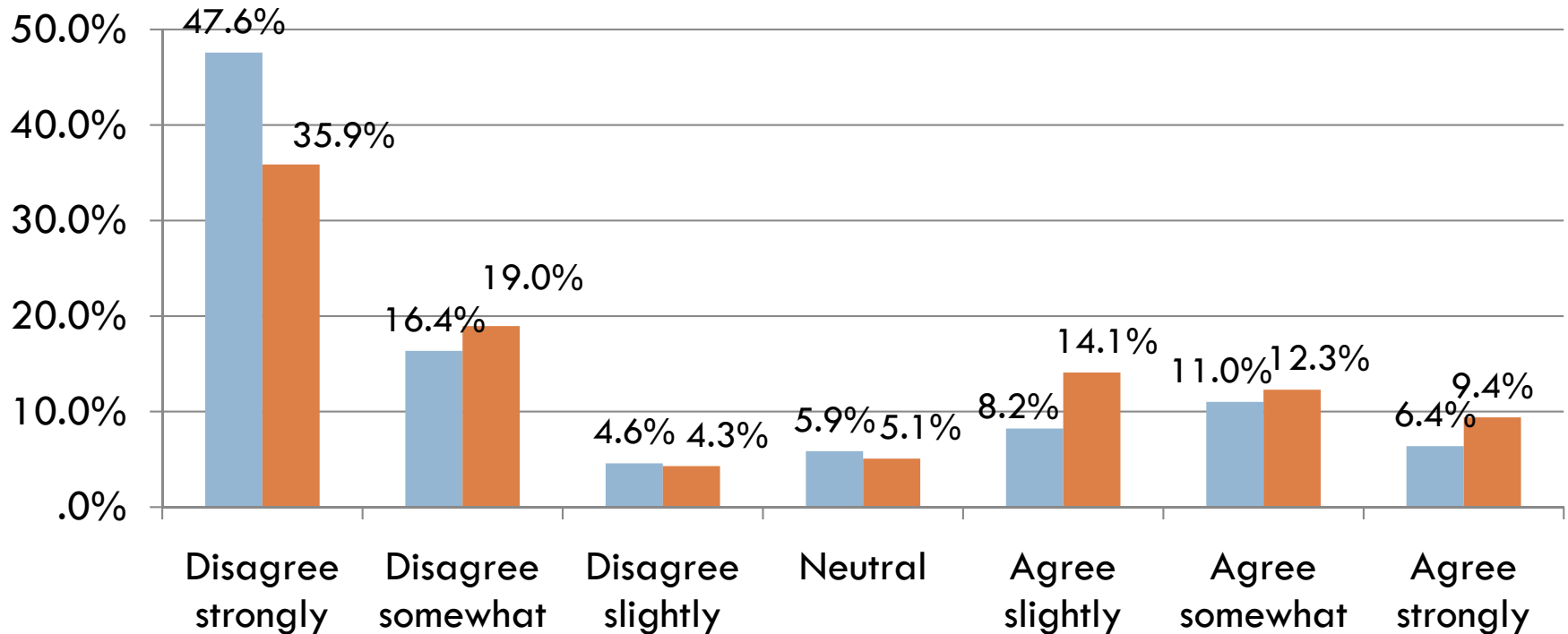


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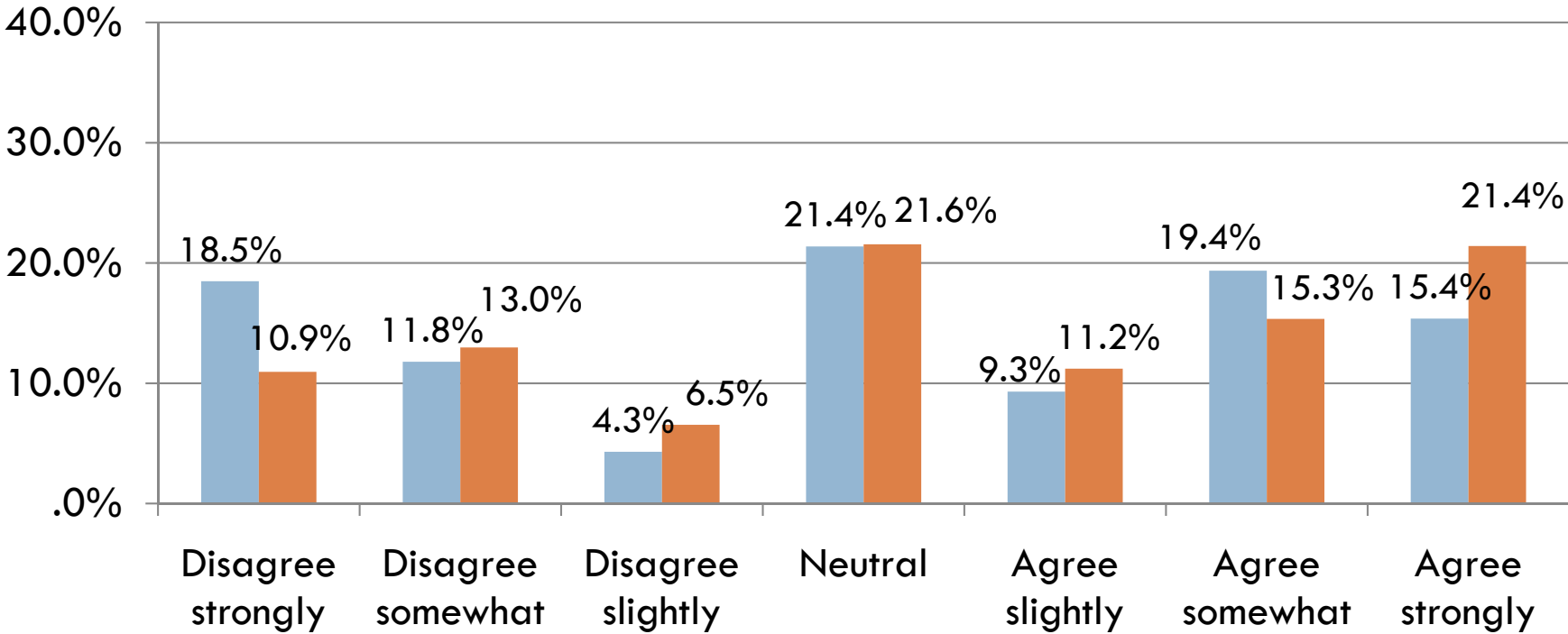


**Missoula County Residents Who Live Outside The City Age 18+**

■ All ■ Likely movers

# Housing Choice Considerations

I would like to have a mix of housing types (single family, condominium, and apartment) in my neighborhood.

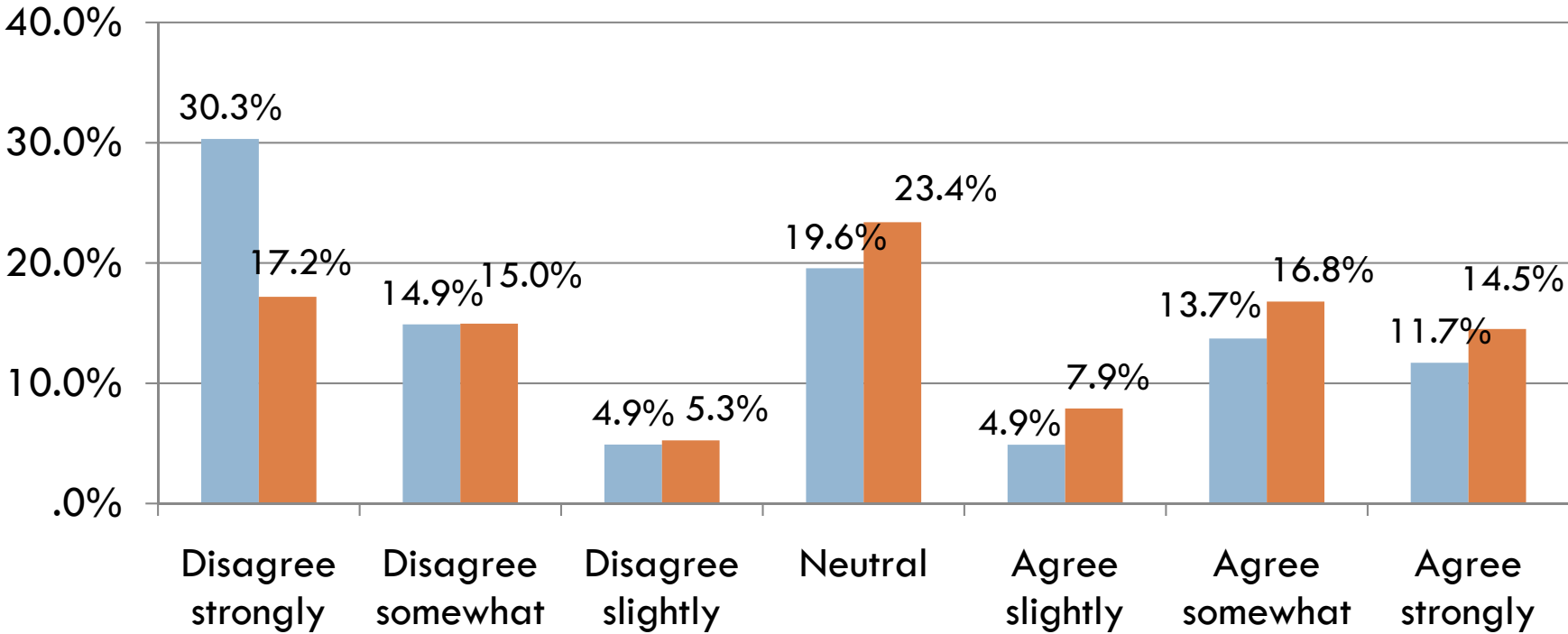


Missoula City Residents Age 18+

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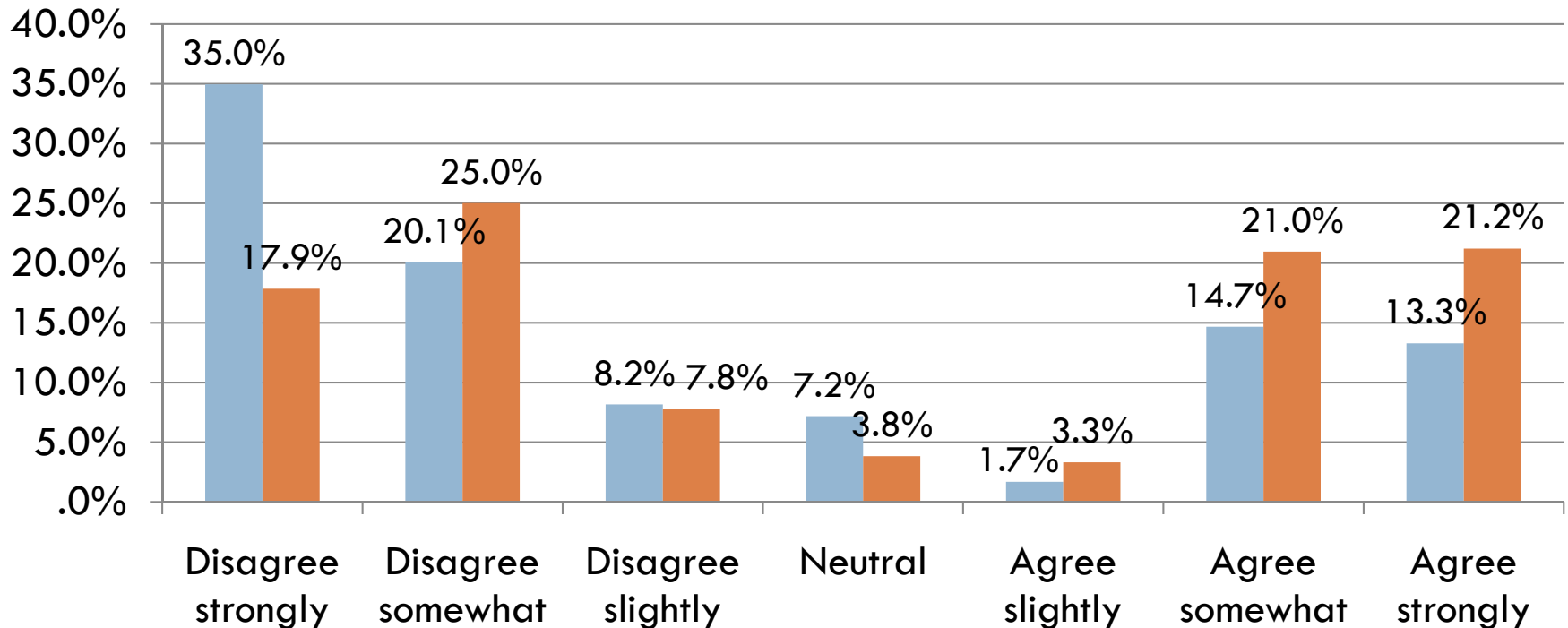


**Missoula County Residents Who Live Outside The City Age 18+**

■ All ■ Likely movers

# Housing Choice Considerations

I would be willing to commute a longer distance to live in a bigger house with a bigger yard.

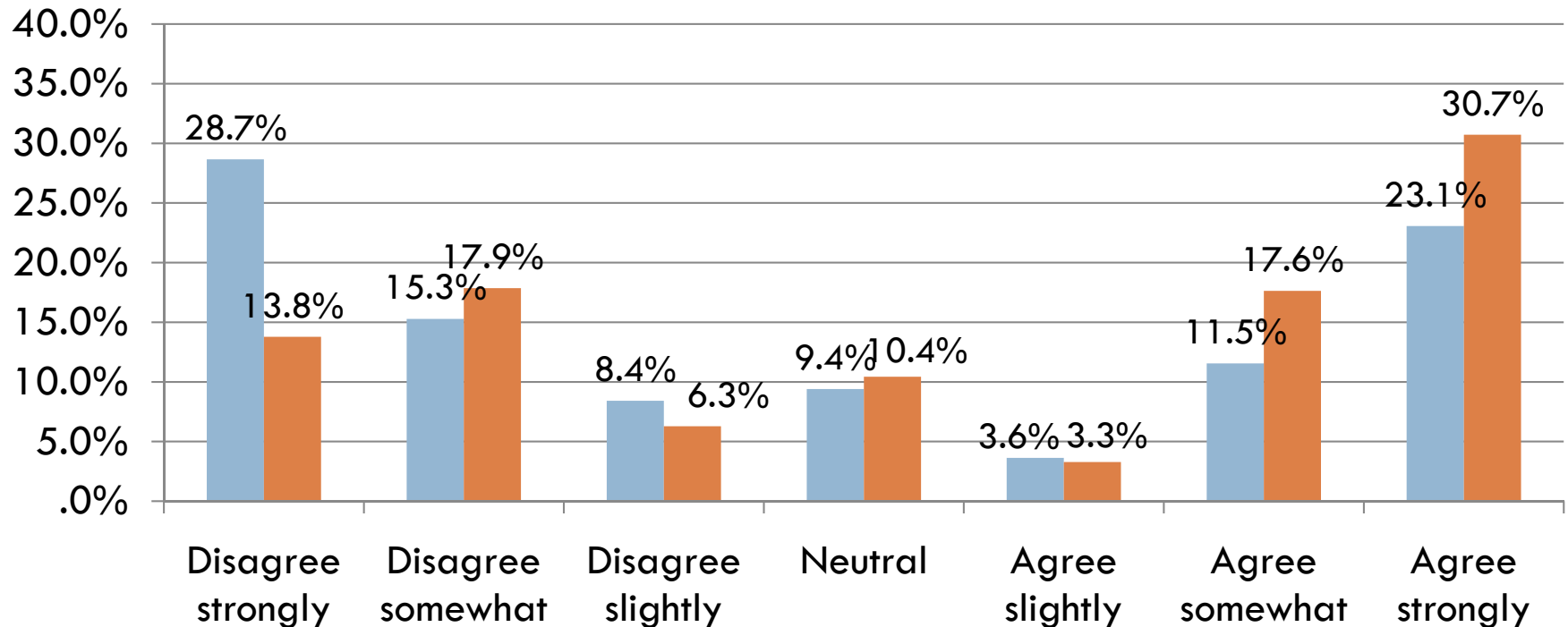


**Missoula City Residents Age 18+**

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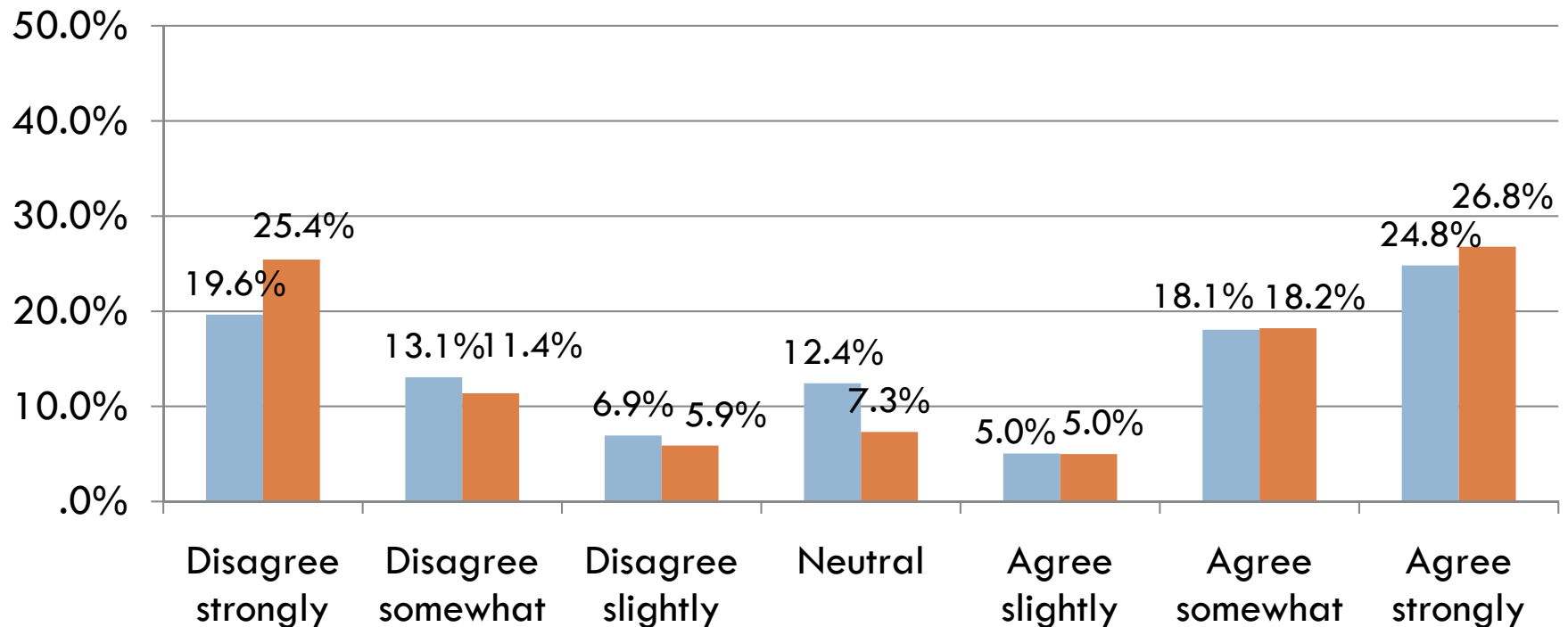


**Missoula County Residents Who Live Outside The City Age 18+**

■ All ■ Likely movers

# Housing Choice Considerations

Living within walking or biking distance of shopping is important to me.

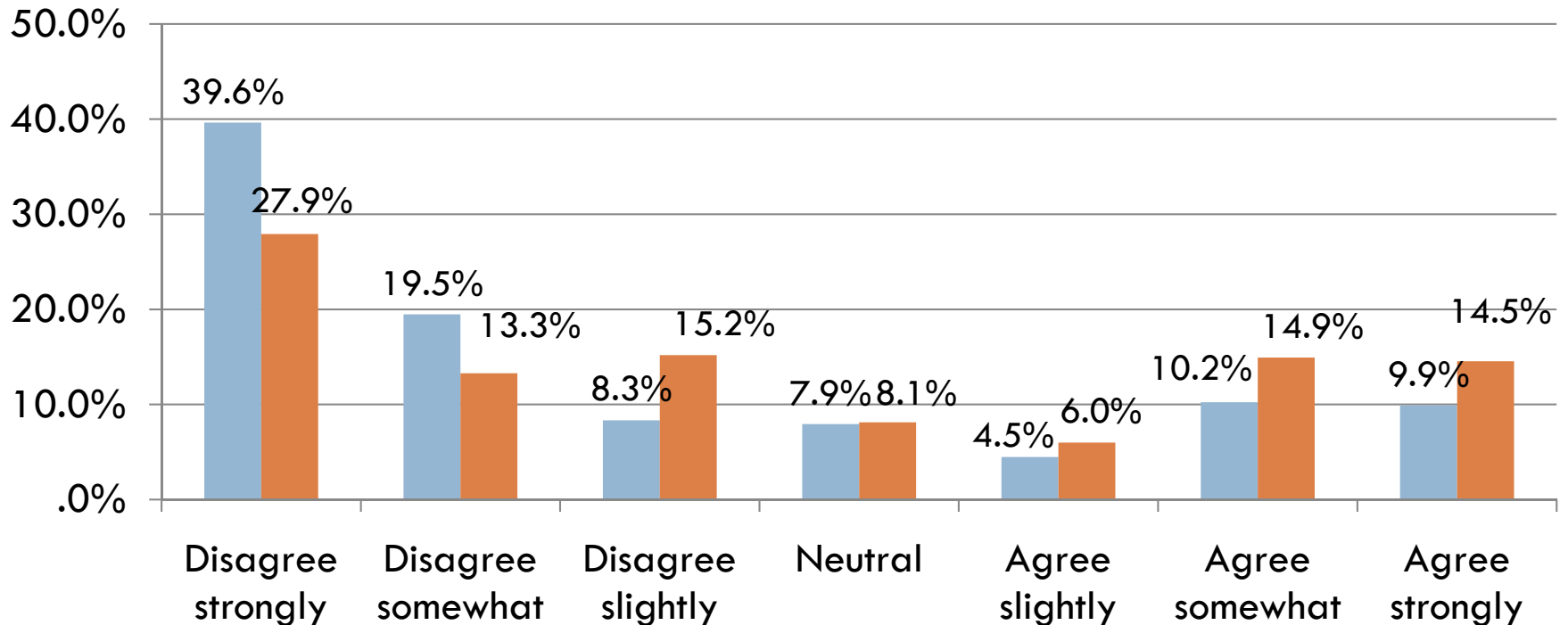


**Missoula City Residents Age 18+**

■ All ■ Likely movers

# Housing Choice Considerations

Living within walking or biking distance of shopping is important to me.



**Missoula County Residents Who Live Outside The City Age 18+**

■ All ■ Likely movers

# Key Survey Results

- Of Missoula City residents who live in households at 80% of median income or below and are at least slightly likely to move in the next year:
  - 6 in 10 are looking for rental housing, predominantly houses as opposed to apartments.
- Of County residents outside the City who live in households at 80% of median income or below and are at least slightly likely to move in the next year:
  - Most also seek rental housing, predominantly houses as opposed to apartments.
- 6,400 residents of Missoula City and 6,900 County residents outside the City fit this description.

# Key Survey Results: continued

- Of Missoula City residents who live in households at 100% of median income or above and are at least slightly likely to move in the next year:
  - Half want to buy a house, and
  - Half want to rent.
  - Most possible renters prefer to rent a house as opposed to an apartment.
- Of County residents outside the City who live in households at 100% of median income or above and are at least slightly likely to move in the next year:
  - Larger proportions (56% - 71%) want to buy a house, depending on where they live in the County.
- 4,900 residents of Missoula City and 3,600 County residents outside the City fit this description.

# Key Survey Results: continued

- 21,800 adult residents of Missoula County say they are at least slightly likely to move in the next year.
  - 13,000 Missoula City adults, and
  - 8,800 Missoula County outside the City adults.
- Location or neighborhood is a key factor in dwelling choice for Missoula City and County residents.
- Condominium demand appears low throughout Missoula County.
- There is, however, shared-wall demand; for rented apartments and “townhouses.”