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### Housing costs strain Montanans' budget

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**NEWS RELEASE**

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July 13, 2009

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**HOUSING COSTS STRAIN MONTANANS' BUDGETS**

**MISSOULA –**

Housing costs are pushing the limits of Montanans' pocketbooks, with four markets – Kalispell, Bozeman, Missoula and Hamilton – failing the housing affordability criterion, according to an article published in the latest issue of the Montana Business Quarterly.

In each of these communities, median-income households cannot afford the payment on a median-priced home without devoting a higher proportion of their income to housing, authors Patrick Barkey and James Sylvester wrote in the article titled "Housing Affordability and Montana's Real Estate Markets."

"Housing prices in the last 20 years have surged ahead much faster than the income used to pay them," the article said. "Over the span of time that the median price for a Montana home grew by 96 percent, the per capita income of Montanans rose by about a quarter as much, or 26 percent."

Throughout Montana, the article said, substantial numbers of households pay more than 30 percent of their incomes toward housing, which makes them housing-stressed according to HUD standards.

While the current recession has caused housing price growth to slow throughout Montana, it hasn't made housing more affordable because income growth has stalled at the

same time, the authors wrote. Furthermore, it will take more than a few years of tepid price declines to significantly alter the effects of almost a decade of rapid price growth.

Other articles in the summer Montana Business Quarterly include "The Economic Cost of Alcohol Abuse in Montana," "Pre-Existing Health Conditions Limit Job Flexibility," "Four Wheeling: Off-Highway Vehicle Use Growing" and "Long-Term Care Insurance: Could Montana's New Partnership Plan Have Helped the Smiths?"

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