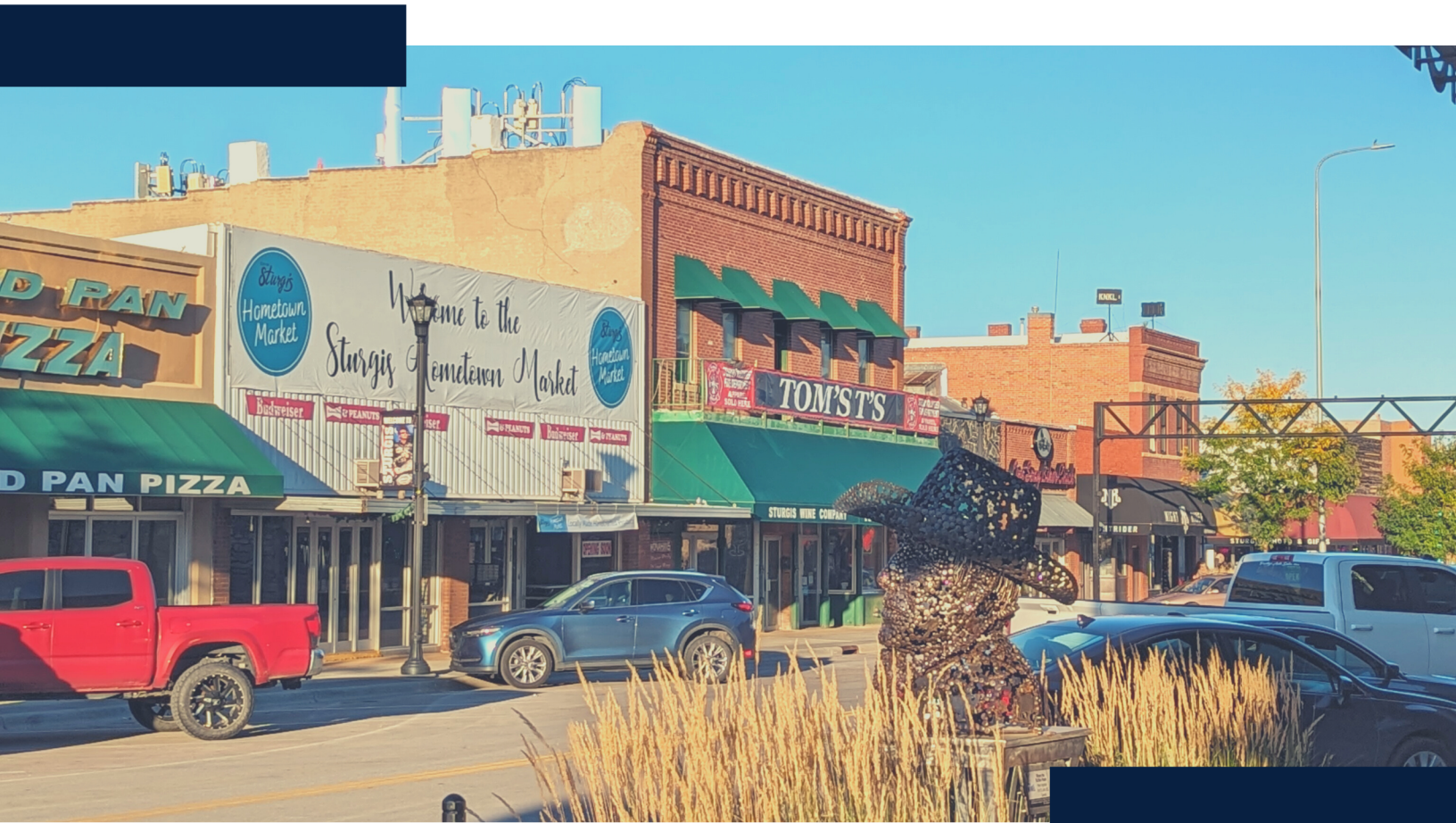


STURGIS, SD HOUSING NEEDS ASSESSMENT



PREPARED BY
The Augustana Research Institute



AUGUSTANA RESEARCH INSTITUTE
AUGUSTANA UNIVERSITY
SIOUX FALLS, SOUTH DAKOTA

Suzanne Smith, Ph.D.

This report was commissioned by the Sturgis Economic Development Corp. (SEDC) with support from South Dakota Housing's Housing Needs Study Program.

Portions of this document include intellectual property of Esri and its licensors and are used under license. Copyright © 2023 Esri and its licensors. All rights reserved.

Executive Summary

The rate of population growth in Sturgis has picked up in recent years. Still, it lags behind the national rate of growth, and Sturgis has been growing more slowly than surrounding Meade County. Since 2020, the rate of population growth has continued to increase, and population growth in the area has been driven increasingly by domestic migration rather than natural increase. Over the past decade, Sturgis has seen the greatest population growth among older adults, and the number of non-family households has increased more rapidly than family households.

In Sturgis and Meade County, the rate of housing unit growth increased from 2010 to 2020 as compared to the previous decade. This runs counter to regional and national trends, where housing unit growth slowed over the same period. As a result of this housing production, Sturgis's housing vacancy rate increased from 2010 to 2020, though more recent data suggests it dropped substantially after 2020.

In Sturgis, residential construction was slow to pick up coming out of the 2008 recession. Residential permits did not exceed 11 units for the year until 2015. Since then, the number of residential units permitted has remained steadily at or above 30, reaching a high of 58 in 2016. Over the last decade, most residential construction has been for single-unit structures. During this period, multifamily construction in Sturgis has been entirely in the conventional market rate segment of the market, with no additional tax credit or subsidized properties added to the housing stock.

While the rest of the state and country saw owner-occupied vacancy rates decline from 2010 to 2020, in Sturgis the vacancy rate stayed steady, increasing just slightly from 1.6% in 2010 to 1.7% in 2020. This steady vacancy rate suggests that Sturgis's owner-occupied housing production was able to keep up with local demand. Yet home values and sales price have increased drastically over the last few years: from 2010 to 2022, median sale price increased 111%.

Meanwhile, from 2010 to 2020, the production of rental units slowed to a 5% increase, compared to an 11% increase the decade before. Compared to local and national rates, the rental vacancy rate in Sturgis is low, and results of the rental property survey conducted for this study found a rental vacancy rate in early 2024 of just under 1%. Rent levels have also increased over the past decade, though not as drastically as home sales prices. In 2022, the median gross rent in Sturgis was \$763, up 38% from 2010.

Both homeownership and renting have become less affordable over recent years. Since 2010, the home value to income ratio in Sturgis has climbed from between 3.0 and 3.5 to as high as 5.0 or more, and an estimated one-fourth of homeowners are housing cost burdened. About half of renter households are cost burdened, spending more than 30% of their income on rent.

Compared to other communities of similar size and geography, Sturgis ranks near the middle in terms of population size and growth rate. Relative to the comparison communities, Sturgis stands out for its low-income levels: at \$49,564, Sturgis's median household income ranks ninth among nine comparison communities examined for this study. Both home values and rent levels in Sturgis are relatively low compared to the comparison cities. Despite relatively low housing costs, Sturgis nevertheless ranks low in terms of affordability for homeowners and renters due to its low-income levels: the city ranks eighth out of nine for homeowner

affordability, measured in terms of median owner housing costs as a percentage of income. Similarly, Sturgis ranks last in terms of affordability for renters (measured as median gross rent as a percentage of income). Unsurprisingly, given the relative unaffordability of housing in Sturgis, the city ranks last among the comparison cities in terms of the percentage of all households with a cost burden; that is, Sturgis has the highest rate of cost-burdened households among the comparison cities.

Indeed, typical incomes in Sturgis are much lower than in the surrounding areas, and they have seen less growth over recent years. Nevertheless, the income distribution in Sturgis has shifted upwards from 2010 to 2022, and this trend is expected to continue with Sturgis projected to gain households at income levels of \$50,000. Many Sturgis residents commute for work, and those who work outside of Sturgis tend to earn higher wages.

In interviews, stakeholders identified inventory and affordability as Sturgis's greatest housing challenges, particularly for first-time homebuyers. Stakeholders also described a slate of challenges related to housing development, including limited land availability.

A survey of residents likewise highlighted community concern with housing affordability. Survey results generally corroborated patterns seen from other data sources. Additionally, the survey responses suggest significant potential demand for owner-occupied housing among current renters, provided renters are able to overcome barriers to homeownership, which renters reported are primarily related to inventory and affordability.

Throughout the survey, responses to open-ended questions revealed a stark divide between a large, generally pro-growth segment of the population that would like to see more housing—of all types, and placed wherever possible—and a smaller segment of the population that voiced opposition to further housing development, saying they wished to see Sturgis keep its small-town characteristics and natural spaces.

Over the next five years, Sturgis is expected to see continued growth, with a five-year household growth rate of between 2.9 and 4.6%, or between 19 and 30 households per year. Growth will be concentrated among higher income households as well as retirement-age adults, ages 65 and older.

In addition to housing demand due to population growth, the resident survey—along with demographic data—indicate high levels of pent-up demand.

With the number of both lower income households and younger households projected to remain steady or decrease, demand for rental units due to population growth is projected to be low, from zero to 10 units per year. However, there is significant pent up demand for rental housing. This study recommends annual average production of zero to 10 rental units at higher rent levels (\$1,200 to \$2,500) to accommodate demand due to growth among higher income households. Additionally, it recommends production of 12 to 16 units of affordable rentals (with rents of \$875 or less) in order to address pent-up demand, bring the rental vacancy rate back to a healthy level, and address housing cost burdens among renters.

Among homeowners, projections suggest greater demand due to growth: both the income and age segments expected to see the most rapid growth are those households more likely to be in the owner-occupied market. Thus, the projections are for an estimated 18 to 25 new owner-occupied homes annually for the next five years.

New owner-occupied homes should include a mix of affordable starter homes, step-up homes for growing families and mid- to late-career professionals with higher incomes, and new senior housing options. Senior housing options should be offered at various price points for both low-to-moderate- and higher-income households. In order to achieve affordability and accommodate a limited land base, up to 15 to 25% of new owner-occupied housing should be attached units, such as twin homes or townhomes. This would represent about three to eight attached units per year.

The following recommendations are offered as suggestions for furthering housing investments in order to meet the demand projections:

- Establish housing preservation and neighborhood revitalization programs.
- Establish a mobile home park improvement program.
- Identify opportunities to preserve or increase the supply of affordable rentals through conversion, rehabilitation, or new construction.
- Develop more variety in senior living options, including single-level townhomes and rentals.
- Incentive production of affordable starter homes and maximize and publicize first-time homebuyer opportunities.
- Simplify and streamline the development process, especially for affordable and multifamily housing.
- Partner with community organization on creative housing solutions.
- Partner with employers on creative housing solutions.
- Consider measures to balance the needs of short-term rentals and year-round residents.
- Establish a community housing strategic plan, in coordination with economic development planning.

Contents

- Executive Summary..... 2
- Table of Tables..... 8
- Table of Figures..... 11
- Acknowledgments..... 13
- Introduction..... 14
- Section 1: Population Patterns and Projections 15
 - 1.0 Key Findings 15
 - 1.1 Demographic Patterns: Population..... 16
 - 1.2 Demographic Patterns: Households 20
 - 1.3 Demographic Projections 25
- Section 2: Income and Employment 29
 - 2.0 Key Findings 29
 - 2.1 Income and Employment Patterns 29
 - 2.2 Commuting Patterns..... 35
 - 2.3 Income and Employment Projections..... 37
- Section 3: Housing Tenure..... 42
 - 3.0 Key Findings 42
 - 3.1 Housing Tenure Patterns 42
- Section 4: New Construction 51
 - 4.0 Key Findings 51
 - 4.1 Residential Permits 51
- Section 5: Homeowners 57
 - 5.0 Key Findings 57
 - 5.1 Existing Unit Characteristics, Occupancy, and Vacancy 57
 - 5.2 Home Value and Sales Activity 60
- Section 6: Renters 66
 - 6.0 Key Findings 66
 - 6.1 Existing Unit Characteristics, Occupancy, and Vacancy 66
 - 6.2 Rent Levels 69
 - 6.3 Rental Property Survey 73
 - 6.4 Conventional Rentals 74
 - 6.5 Independent, Assisted Living, and Nursing Homes 76
 - 6.6 Tax Credit (LIHTC) Rentals..... 78

6.7 Subsidized Rentals	78
6.8 Short-term Rentals	81
Section 7: Housing Affordability.....	83
7.0 Key Findings	83
7.1 Income Levels	83
7.2 Homeowner Housing Costs	85
7.3 Rental Housing Costs.....	88
7.4 Other Housing Problems	92
Section 8: Comparison Communities.....	94
8.0 Key Findings	94
8.1 Population Change and Demographic Comparisons	94
8.2 Economic and Housing Affordability Comparisons	100
Section 9: Stakeholder Perspectives.....	106
9.0 Key Findings	106
9.1 Community Strengths	107
9.1.1 Recent Housing Developments	107
9.1.2 Community Appeal	107
9.2 Community Needs and Challenges	108
9.2.1 Lack of Inventory and Affordability	108
9.2.2 Uneven Demographic Growth	109
9.2.3 Short-term Rentals, Rally, and Tourism	109
9.2.4 First-Time Homebuyers	110
9.2.5 Demand for Rentals/Apartment Buildings.....	110
9.2.6 Senior Housing	110
9.2.7 Landlocked	111
9.2.8 Development Cost.....	111
9.2.9 Unpredictable Development Environment	112
9.2.10 Anti-Growth Attitudes	112
9.2.11 No Dire Rehab Needs	112
9.3 SEDC and City Role	113
9.3.1 Planning for Best Use	113
9.3.2 Workforce and Economic Development.....	113
9.3.3 Streamlining Development Process.....	114
9.3.4 Catalyze Housing Development	114

9.4 Opportunities	114
9.4.1 Housing Types.....	115
9.4.2 Land and Locations to Develop	115
9.4.3 Creative Incentives	115
9.4.4 Cautions and Caveats.....	116
Section 10: Community Input	117
10.0 Key Findings	117
10.1 Survey Methodology and Response	118
10.2 Respondent Characteristics: Tenure	119
10.3 Housing Condition and Satisfaction	122
10.4 Homeowners	127
10.5 Renters	133
10.6 Housing Security	136
10.7 Potential Demand	137
10.8 Demographic Characteristics.....	149
Section 11: Projected Demand and Recommendations	155
11.0 Key Findings	155
11.1 Projected Demand	156
11.2 Recommendations	160
11.2.1 Establish housing preservation and neighborhood revitalization programs.	161
11.2.2 Establish a mobile home park improvement program.	162
11.2.3 Identify opportunities to preserve or increase the supply of affordable rentals through conversion, rehabilitation, or new construction.	162
11.2.4 Develop more variety in senior living options, including single-level townhomes and rentals.	163
11.2.5 Incentive production of affordable starter homes and maximize and publicize first-time homebuyer opportunities.	163
11.2.6 Simplify and streamline the development process, especially for affordable and multifamily housing.	163
11.2.7 Partner with community organization on creative housing solutions.	164
11.2.8 Partner with employers on creative housing solutions.	164
11.2.9 Consider measures to balance the needs of short-term rentals and year-round residents.	165
11.2.10 Establish a community housing strategic plan, in coordination with economic development planning.	165
Appendix	167

Table of Tables

Table 1. Population growth, 2000 - 2020	16
Table 2. Average annual net change in population, 2010 - 2020 and 2020 - 2022	17
Table 3. Population by age, Sturgis, 2010 - 2020.....	18
Table 4. Sturgis population by race, 2010 - 2020.....	19
Table 5. Sturgis population by ethnicity, 2010 - 2020	19
Table 6. Sturgis residents with a disability by age, 2022.....	20
Table 7. Sturgis residents with a disability by disability type, 2022	20
Table 8. Household growth, 2000 - 2020.....	21
Table 9. Average household size, 2000 - 2022	22
Table 10. Household composition, Sturgis, 2010 - 2022	22
Table 11. Sturgis households by race, 2010 - 2020.....	23
Table 12. Sturgis households by ethnicity, 2010 - 2020	23
Table 13. Housing unit growth: Total housing units, 2000 - 2020.....	24
Table 14. Housing unit growth: Occupied housing units, 2000 - 2020.....	24
Table 15. Housing unit growth: Vacant housing units, 2000 - 2020.....	24
Table 16. Housing vacancy rate, 2000 - 2020	25
Table 17. Housing vacancy detail, Sturgis and Meade County, 2020	25
Table 18. Sturgis population projections to 2028	26
Table 19. Sturgis household projections to 2028	27
Table 20. Projected population change by age, Sturgis, 2023 - 2028	27
Table 21. Median household and family income, 2022	30
Table 22. Real median household income, 2010 - 2022	30
Table 23. Household income distribution, Sturgis, 2010 - 2022.....	31
Table 24. Household income distribution, Meade County, 2010 - 2022.....	31
Table 25. Median household income by household size, Sturgis and Meade County, 2022	32
Table 26. Median household income by age of householder, Sturgis and Meade County, 2022	33
Table 27. Commute times for Sturgis residents, 2022	35
Table 28. Commute times for Sturgis employees, 2022	35
Table 29. Commuting patterns for Sturgis residents and employees*, 2021	36
Table 30. Commuting patterns by monthly earnings, Sturgis, 2021	37
Table 31. Average household income projections, Sturgis, 2023 - 2028.....	37
Table 32. Projected income distribution of households in Sturgis, 2023 - 2028.....	38
Table 33. Employment by occupational group, Rapid City MSA, May 2022	39
Table 34. Employment by occupational group, West SD Balance of State (Nonmetropolitan Areas), May 2022.....	40
Table 35. Housing tenure in Sturgis, 2010 - 2020.....	43
Table 36. Households by tenure and age of householder, Sturgis, 2010 - 2020	44
Table 37. Households by tenure and composition, Sturgis, 2022	46
Table 38. Households with children by tenure, Sturgis, 2022	46
Table 39. Household size by tenure, Sturgis, 2022.....	47
Table 40. Household income by tenure, Sturgis, 2022.....	48
Table 41. Monthly housing costs by tenure, Sturgis, 2022	49
Table 42. Year household moved into housing unit by tenure, Sturgis, 2022	50

Table 43. Residential building permits: Units permitted by project size, Sturgis and Meade County, 2010 - 2022	52
Table 44. Single and multifamily construction, Sturgis, 2010 - 2022.....	53
Table 45. Residential building permits: Units permitted by project size, Sturgis, 2010 - 2023	54
Table 46. Multifamily construction by market segment (units), 2010 - 2023	55
Table 47. Sturgis as a share of regional housing permitting	56
Table 48. Housing unit growth: Owner-occupied housing units, 2000 - 2020	58
Table 49. Owner-occupied housing vacancy rate, 2000 - 2020.....	58
Table 50. Sturgis owner-occupied housing units by number of units in structure, 2022	59
Table 51. Sturgis owner-occupied housing units by year structure was built, 2022	59
Table 52. Sturgis owner-occupied housing units by number of bedrooms, 2022	60
Table 53. Home value for owner-occupied homes, Sturgis, 2022.....	61
Table 54. Median owner-occupied home value in Sturgis and Meade County.....	62
Table 55. Sturgis residential sales activity, Meade County residential sales within city limits, 2010 - 2022	63
Table 56. Sturgis home sales by price range, 2022.....	64
Table 57. Black Hills-area home sales, 2020 - 2023.....	65
Table 58. Housing unit growth: Renter-occupied housing units, 2000 - 2020	66
Table 59. Renter-occupied units as a percentage of all occupied housing units, 2000 - 2020 .	67
Table 60. Renter-occupied housing vacancy rate, 2000 - 2020.....	67
Table 61. Sturgis renter-occupied housing units by number of units in structure, 2022	68
Table 62. Sturgis renter-occupied housing units by year structure was built, 2022	68
Table 63. Sturgis renter-occupied housing units by number of bedrooms, 2022	69
Table 64. Gross rent rates, Sturgis, 2022	70
Table 65. Median gross rent in Sturgis and Meade County, 2010 - 2022	71
Table 66. Rental unit distribution by rent range, Sturgis, 2010 - 2022	72
Table 67. Median gross rent by number of bedrooms, Sturgis, 2017 - 2022.....	73
Table 68. Rent level by number of bedrooms, Sturgis, 2022	73
Table 69. Conventional rentals: Single family, duplex, townhomes, and mobile homes	74
Table 70. Conventional rentals: Multifamily buildings.....	75
Table 71. Independent, assisted living, and nursing home facilities	77
Table 72. Tax credit rentals	78
Table 73. Subsidized rentals	78
Table 74. Subsidized housing in Sturgis, 2023.....	79
Table 75. Subsidized housing in Sturgis: Average months since moved in, 2023	80
Table 76. Subsidized units at risk of loss, Sturgis	81
Table 77. HUD income limits for Meade County, SD HUD Metro FMR Area by household size, FY 2023.....	84
Table 78. Affordable monthly housing costs by household size and percentage of MFI, Sturgis, FY 2023	84
Table 79. Sturgis households by percentage of area median family income (MFI)	85
Table 80. Home value to income ratio, Sturgis, 2010 - 2022	86
Table 81. Home value to income ratio, Meade County, 2010 - 2022	87
Table 82. Sturgis cost burdened households by % of median family income, owners	87
Table 83. Households by affordable rent based on income versus units by rent range, Sturgis, 2022.....	89
Table 84. Sturgis cost burdened household by % of median family income, renters	90

Table 85. Overcrowding by tenure, Sturgis, 2022	92
Table 86. Housing quality by tenure, Sturgis, 2022	93
Table 87. Population change, core city and MSA/county, 2010 - 2020	95
Table 88. Population change, core city and MSA/county, 2020 - 2022	96
Table 89. Contributing components of population change, MSA/county, 2010 - 2020	97
Table 90. Contributing components of population change, MSA/county, 2020 - 2021	98
Table 91. Selected demographic comparisons (core cities only), 2022, part 1	99
Table 92. Selected demographic comparisons (core cities only), 2022, part 2	100
Table 93. Wages and unemployment (MSA/county only)	101
Table 94. Housing affordability: Median income and housing costs, core cities, 2022	102
Table 95. Housing affordability: Cost burdened households, core cities, 2022	103
Table 96. HUD-subsidized rental units in comparison cities, 2022	104
Table 97. Tax credit units in comparison cities (core cities only)	105
Table 98. Resident survey: Residential location	119
Table 99. Resident survey: Housing tenure	119
Table 100. Resident survey: Length of time in current home by housing tenure	120
Table 101. Resident survey: Type of home (current residence) by housing tenure	122
Table 102. Resident survey: Physical condition of home by housing tenure	124
Table 103. Resident survey: Satisfaction with current home by housing tenure	125
Table 104. Resident survey: Areas of town in need of improvement	126
Table 105. Resident survey: Housing costs as a percentage of household income for homeowners with and without a mortgage	129
Table 106. Resident survey: Homeowners renting out their homes	133
Table 107. Housing costs as a percentage of household income for renters	134
Table 108. Resident survey: Renter interest in purchasing a home	135
Table 109. Resident survey: Renters required to vacate during the Rally	136
Table 120. Resident survey: Doubled up residents	137
Table 110. Resident survey: Community housing challenges	138
Table 111. Resident survey: Types of housing missing in Sturgis	138
Table 112. Resident survey: Housing types not fit for Sturgis	140
Table 113. Resident survey: Preferred housing type	141
Table 114. Resident survey: Desired areas for housing development	144
Table 115. Resident survey: Areas to avoid housing development	145
Table 116. Resident survey: Housing priorities	146
Table 117. Resident survey: Other comments about housing in Sturgis	147
Table 118. Resident survey: Total household size	149
Table 119. Resident survey: Travel time to work	151
Table 121. Projected demand for rental housing to 2029, Sturgis	159
Table 122. Projected demand for owner-occupied housing to 2029, Sturgis	160

Table of Figures

Figure 1. Population by age, Sturgis, 2010 - 2020	18
Figure 2. Sturgis projected population change by age, 2023 - 2028.....	28
Figure 3. Change in households by income, 2010 - 2022	32
Figure 4. Median household income by household size, 2022	33
Figure 5. Median household income by age of householder, 2022	34
Figure 6. Sturgis commuting patterns, 2021 (Source: U.S. Census Bureau, On the Map)	36
Figure 7. Housing tenure in Sturgis, 2010 - 2020	43
Figure 8. Housing tenure by age, Sturgis, 2010 and 2020	44
Figure 9. Change in the number of households by tenure and age of householder, Sturgis, 2010 - 2020	45
Figure 10. Household size by tenure, Sturgis, 2022	47
Figure 11. Household income by tenure, Sturgis, 2022.....	48
Figure 12. Monthly housing costs by tenure, Sturgis, 2022.....	49
Figure 13. Year householder moved into housing unit by tenure, Sturgis, 2022.....	50
Figure 14. Sturgis housing permitting activity by project size, 2010 - 2022	52
Figure 15. Sturgis's share of Meade County annual housing permitting, 2010 - 2022	56
Figure 16. Owner-occupied housing units by year structure was built, Sturgis, 2022	60
Figure 17. Home value for owner-occupied homes, Sturgis, 2022	61
Figure 18. Median owner-occupied home value in Sturgis and Meade County, 2010 - 2022	62
Figure 19. Sturgis residential sales activity, 2010 - 2022.....	64
Figure 20. Renter-occupied housing units by year structure was built, Sturgis, 2022	69
Figure 21. Rental unit distribution by rent range, Sturgis, 2022.....	70
Figure 22. Median gross rent in Sturgis and Meade County, 2010 - 2022	71
Figure 23. Rental unit distribution by rent range, Sturgis, 2010 - 2022	72
Figure 24. Home value to income ratio, Sturgis and Meade County, 2010 - 2022	86
Figure 25. Selected monthly owner costs as a percentage of household income, Sturgis, 2022	88
Figure 26. Households by affordable rent based on income versus units by rent range, Sturgis, 2022.....	90
Figure 27. Gross rent as a percentage of household income, Sturgis, 2022.....	91
Figure 28. Cost burdened renter households by household income, Sturgis, 2010 - 2022	92
Figure 29. Resident survey: Length of time in current home.....	120
Figure 30. Resident survey: Number of moves in previous 5 years	121
Figure 31. Resident survey: Type of home.....	121
Figure 32. Resident survey: Physical condition of home	123
Figure 33. Resident survey: Satisfaction with current home	125
Figure 34. Resident survey: Home value	127
Figure 35. Resident survey: Monthly housing expenses by mortgage status.....	128
Figure 36. Resident survey: Amount spent on maintenance	130
Figure 37. Resident survey: Likelihood of future home improvements	131
Figure 38. Resident survey: Type of future home improvements.....	131
Figure 39. Resident survey: Interest in moving (homeowners).....	132
Figure 40. Resident survey: Homeowners seeking to upgrade or downsize	132
Figure 41. Resident survey: Barriers to moving (homeowners).....	133
Figure 42. Resident survey: Monthly housing expenses (renters)	134

Figure 43. Resident survey: Renter satisfaction with renting experience	135
Figure 44. Resident survey: Barriers to purchasing a home (renters)	136
Figure 52. Resident survey: Housing insecurity in past 6 months	137
Figure 45. Resident survey: Preferred housing type by housing tenure.....	142
Figure 46. Resident survey: Perceived community housing needs	143
Figure 47. Resident survey: Industry of employment	150
Figure 48. Resident survey: Length of time with current employer	151
Figure 49. Resident survey: Employer location	152
Figure 50. Resident survey: Annual household income	153
Figure 51. Resident survey: Annual household income by housing tenure	154

Acknowledgments

The research team wishes to acknowledge and express their gratitude to the many community members in Sturgis who shared their professional and personal insights.

Thank you to Amanda Anglin with SEDC for coordinating study activities in Sturgis and making connections, to Corina Tibbitts and city staff who made data available to the study team, and to the many community members who weighed in on the resident survey and who attended public information sessions to share their perspectives. Thank you to landlords and property managers who graciously provided information for the rental survey, as well as to those who participated in stakeholder interviews.

Introduction

This study was commissioned by the Sturgis Economic Development Corp. (SEDC) through South Dakota Housing's Housing Needs Study Program.

The purpose of this study is to analyze housing needs by compiling data on current demographic and economic characteristics of the community and projecting future demographic change. This study includes an analysis of current housing conditions, including inventory, affordability, and quality of housing stock. It also examines current patterns of housing production in order to identify housing needs.

The data for this report were compiled from a variety of sources, including records and data from the city of Sturgis, the South Dakota Department of Revenue, the South Dakota Department of Labor and Regulation, the U.S. Census Bureau, and the U.S. Bureau of Labor Statistics.

Community input was collected by interviewing housing stakeholders, as well as by inviting residents to response to a resident survey. A rental property phone survey was used to gather up-to-date information about rental vacancy rates and rent levels.

Throughout this report, reference is made to previous studies, including 2014 and 2019 Sturgis housing studies completed by Community Research Partners, the 2023 Rapid City Housing Market Study by MSA Professional Services, Inc., and the 2023 Meade School District Demographics and Facility Master Plan Report by Architecture Incorporated.

Like all studies, this one has some limitations. It is based on data available at the time of the study. Projections are based on careful study of historical patterns and present conditions, but projections are subject to change due to unanticipated economic or policy changes or other unanticipated events.

Much of the demographic data is derived from the 2020 Census and the American Community Survey. Both include data collected during the COVID-19 pandemic, which affected data collection operations. Additionally, the American Community Survey is a sample survey with a margin of error, and the numbers are presented are best estimates within those margins.

Section 1: Population Patterns and Projections

1.0 Key Findings

The rate of population growth in Sturgis has picked up in recent years. Still, it lags behind the national rate of growth, and Sturgis has been growing more slowly than surrounding Meade County. From 2000 to 2010, the Sturgis population grew 3%; in the following decade, from 2010 to 2020, the population increased by 6%, adding approximately 400 people to its population, or about 40 individuals annually.

Since 2020, the rate of population growth has continued to increase, and population growth in the area has been driven increasingly by domestic migration rather than natural increase. The long-term effects of this change on population trends will depend on the duration of the domestic in-migration boom and the age structure of in-migrants (i.e., whether in-migrants are young families who will contribute to natural increase or retirees who are unlikely to do so).

Over the past decade, from 2010 to 2020, Sturgis has seen the greatest population growth among older adults, adding an estimated 48 adults aged 55 or older each year. If aging population patterns continue in Sturgis, the city will likely see an attendant increase in the number of residents seeking accessible housing. In Sturgis, as in most communities, rates of disability are higher for older adults. Among adults 65 to 74, about one-third have a disability; among adults aged 75 and over, about half do.

In terms of household composition, since 2010, Sturgis has seen more growth among non-family households (that is, single individuals or unrelated individuals living together). The number of non-family households has increased an estimated 13% compared to a 5% increase among family households.

To accommodate household formation, the number of housing units must grow. In Sturgis and Meade County, the rate of housing unit growth increased from 2010 to 2020 as compared to the previous decade. This runs counter to regional and national trends, where housing unit growth slowed over the same period.

Much of the regional growth in housing units has been in Meade County, outside of Sturgis. In Sturgis, the number of occupied housing units has increased more slowly than in Meade County as a whole. From 2010 to 2020, the number of occupied housing units in Sturgis increased by 6% compared to 15% in Meade County.

Although Sturgis's housing vacancy rate increased from 2010 to 2020, more recent data suggests it dropped substantially after 2020. In Sturgis, about one-third of vacant housing units are for seasonal, recreational, or occasional use.

Over the next five years, Sturgis is expected to see continued growth. Both moderate and higher growth scenarios are projected. The moderate growth projections assume a similar rate of growth as observed over the decade from 2010 to 2020. Per these projections, the population of Sturgis is projected to increase by 2.9% over the next five years, or just over 40 people per year. The projections for household growth are similar, with an estimated increase in the number of households of 2.9%, or about 19 households per year on average.

These moderate growth projections are conservative compared to the growth that has occurred from 2020 to 2023. In the years since the 2020 decennial Census, Sturgis’s annual population and household growth rates roughly doubled, from around 0.5 to 0.6% to around 0.9 to 1.0% per year.

The higher growth projections reflect these more recent growth trends, assuming an annual growth rate of 0.9%, or a five-year growth rate of about 4.6%. At this rate, Sturgis’s population is projected to reach about 7,592 by 2028, with about 3,383 households. In annual terms, this would mean Sturgis would add around 67 individuals and 30 households each year.

In terms of the age structure of the population, Sturgis is projected to continue to see stagnant or declining numbers of working-age adults (ages 25 to 64), a slight increase in children and young adults (ages birth to 14), and a significant increase in older adults (ages 65 and over). The increase in older adults will be due both to current residents aging in place as well as to retirees moving into Sturgis from other locations.

1.1 Demographic Patterns: Population

Over the past decade, from 2010 to 2020, the pace of population growth declined nationally as compared to the growth rate observed in the previous decade. Bucking this trend, both the city of Sturgis and Meade County saw an uptick in the rate of population growth. From 2000 to 2010, the Sturgis population grew 3%; in the following decade, from 2010 to 2020, the population increased by 6%. The uptick in population growth was even more marked for Meade County, where the rate increased from 5% in the decade leading up to 2010 to 17% in the decade from 2010 to 2020.

Table 1. Population growth, 2000 - 2020

	2000 Census	2010 Census	2020 Census	% change 2000-2010	% change 2010-2020
Sturgis	6,442	6,627	7,020	3%	6%
Meade County	24,253	25,434	29,852	5%	17%
Rapid City MSA*	112,818	126,382	139,074	12%	10%
South Dakota	754,844	814,180	886,667	8%	9%
USA	281,421,906	308,745,538	331,449,281	10%	7%

* The definition of the Rapid City MSA has changed over the years. In this report, it consistently refers to Meade and Pennington Counties together.

Source: U.S. Census Bureau, 2000, 2010, and 2020 Decennial Censuses

Between 2010 and 2020, the city of Sturgis added approximately 400 people to its population, or about 40 individuals annually. This increase, which surpassed projections from the 2014 Sturgis housing study by nearly 200 people, was primarily the result of domestic migration (people moving from other parts of the United States) and from natural increase (births exceeding deaths). This rate of increase was slower than forecast in the 2019 Sturgis housing study. Since 2020, the rate of population growth has continued to increase, and population growth in the area has been driven increasingly by domestic migration.

The U.S. Census Bureau’s population estimates program provides county estimates of the components of population change, as well as year-to-year estimates of annual population change.¹ In Meade County, from 2010 to 2020, annual estimated population change was 311 individuals; in more recent years, from 2020 to 2022, annual estimated population change increased to 399 people per year. This rate of growth has far outpaced population projections from the 2014 Sturgis housing study, which had projected a Meade County population of 26,730 by 2020, compared to the actual 29,852, more than triple the projected growth rate.

Table 2. Average annual net change in population, 2010 - 2020 and 2020 - 2022

	2010 to 2020	2020 to 2022
Meade County	311	399
Pennington County	1,467	2,449
South Dakota	7,652	11,013

Source: U.S. Census Bureau, Population Estimates Program, Vintage 2020 and Vintage 2022

In Meade County, from 2010-2020, population change was composed of 30% natural increase, 14% international net migration, and 55% domestic net migration. From 2020-22, it was 3% natural increase, 7% international net migration, and 88% domestic net migration. This pattern represents a major shift toward domestic migration-led population growth and a decrease in natural increase. The shift in components of population change is likely due both to an increase in domestic migration to the area as well as an aging population that results in a lower rate of natural increase. The long-term effects of this change on population trends will depend on the duration of the domestic in-migration boom and the age structure of in-migrants (i.e., whether in-migrants are young families who will contribute to natural increase or retirees who are unlikely to do so).

Pennington County has seen a similar phenomenon: From 2010-2020, population change in Pennington County was composed of 44% natural increase, 9% international migration, and 48% domestic migration. From 2020 - 2022, domestic migration became the most important component of change, with 9% of growth due to natural increase, 6% to international migration, and 85% to domestic migration.

The state of South Dakota has also witnessed this effect, though to a slightly lesser degree. From 2010-2020, population change statewide was composed of 58% natural increase, 25% international migration, and 17% domestic migration. From 2020 - 2022, it was 15% natural increase, 18% international migration, and 66% domestic migration.

Over the past decade, from 2010 to 2020, Sturgis has seen the greatest population growth among older adults, adding an estimated 48 adults aged 55 or older each year. In part, this increase in older adults is due to the Baby Boomer generation advancing through the life course. Population change data suggests it may also be due to in-migration of older adults and retirees.

¹ Figures are based on Vintage 2020 estimates (for 2010 to 2020) and Vintage 2022 estimates (for 2020 to 2022).

By comparison, the number of early-to-mid career adults, aged 25 to 54, has remained essentially unchanged, and there has been a net decline in young people under the age of 15 as well as a net loss of young adults aged 15 to 24.

Table 3. Population by age, Sturgis, 2010 - 2020

Age Range	2010 Census	2020 Census	Average annual change	% change 2010 - 2020
0 to 4	510	393	-11.7	-23%
5 to 9	407	435	2.8	7%
10 to 14	405	469	6.4	16%
15 to 24	787	728	-5.9	-7%
25 to 34	767	825	5.8	8%
35 to 44	714	826	11.2	16%
45 to 54	914	737	-17.7	-19%
55 to 64	880	980	10	11%
65 to 74	547	828	28.1	51%
75 to 84	481	499	1.8	4%
85 +	215	300	8.5	40%
Total	6,627	7,020	39.3	6%

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

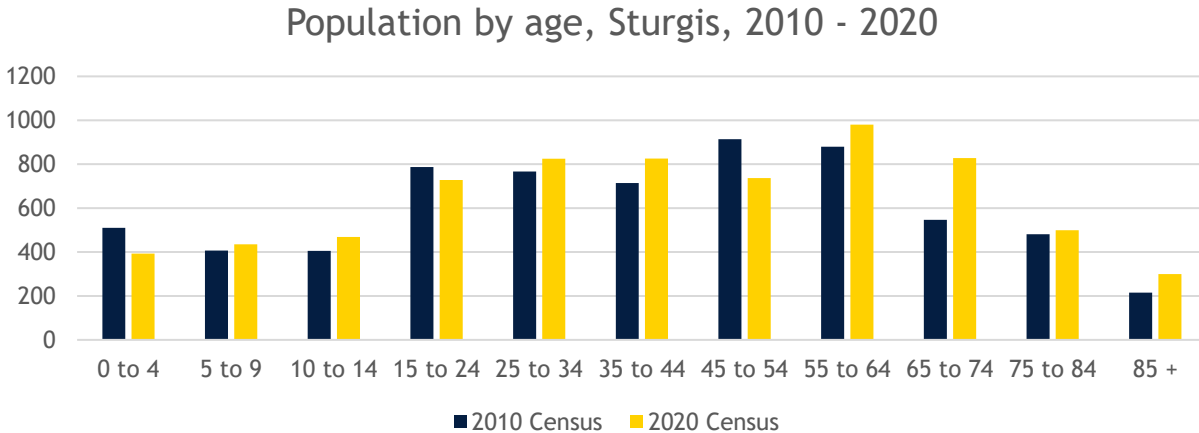


Figure 1. Population by age, Sturgis, 2010 - 2020

The population of Sturgis remains predominantly white, with 89% of residents identifying as white in the 2020 decennial Census. However, while people of color make up only an estimated 11% of the Sturgis population, they accounted for nearly 95% of the population growth from 2010 to 2020. Over the decade, the population growth rate for the white population is estimated at near 0%, while population growth rates among other racial groups (except Asian) were much higher, ranging from 38% to 193%.

Table 4. Sturgis population by race, 2010 - 2020

	2010 Census	2020 Census*	Change, 2010 - 2020	% change, 2010 - 2020
White	6,220	6,239	19	0%
Black or African American	15	44	29	193%
American Indian and Alaska Native	152	209	57	38%
Asian	26	24	-2	-8%
Native Hawaiian and Other Pacific Islander	3	3	0	0%
Some other race	39	60	21	54%
Two or more races	172	441	269	156%
Total	6,627	7,020	393	6%

* In 2020, the Census changed its approach to asking, processing, and coding the two questions about race and ethnicity. As a result, caution should be used in making direct comparisons between 2010 and 2020, especially with regard to the "Two or more races" category. Changes in racial distribution may be due in part to differences in method as well as to actual demographic change.

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

Similarly, the Hispanic or Latino population in Sturgis has grown at a faster rate than the non-Hispanic or Latino population. Over the decade, growth in the Hispanic or Latino population accounted for about 22% of the total population growth in Sturgis.

Table 5. Sturgis population by ethnicity, 2010 - 2020

	2010 Census	2020 Census	Change, 2010 - 2020	% change, 2010 - 2020
Hispanic or Latino (of any race)	175	263	88	50%
Not Hispanic or Latino	6,452	6,757	305	5%
Total	6,627	7,020	393	6%

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

The prevalence of disability can inform decisions about the types of housing needed in a community. In Sturgis, as in most communities, rates of disability are higher for older adults. Among adults 65 to 74, about one-third have a disability; among adults aged 75 and over, about half do. If aging population patterns continue in Sturgis, the city will likely see an attendant increase in the number of residents seeking accessible housing.

Table 6. Sturgis residents with a disability by age, 2022

	Total*	With a disability	% with a disability
Under 5	337	0	0%
5 to 17	1,128	14	1%
18 to 34	1,388	97	7%
35 to 64	2,851	719	25%
65 to 74	700	233	33%
75 and over	543	273	50%

* Total civilian noninstitutionalized population

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S1810

The most common type of disability among the Sturgis population is ambulatory difficulty, with about 8.3% of the civilian, non-institutionalized population experiencing a mobility-related disability.

Table 7. Sturgis residents with a disability by disability type, 2022

	With a disability	% with a disability*
Hearing difficulty	339	4.9%
Vision difficulty	152	2.2%
Cognitive difficulty	429	6.5%
Ambulatory difficulty	550	8.3%
Self-care difficulty	241	3.6%
Independent living difficulty	372	6.8%

* As a percentage of the total civilian noninstitutionalized population

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S1810

1.2 Demographic Patterns: Households

The term “household” refers to all of the people who occupy a housing unit. A household can consist of a single person living alone, roommates living together, or a family of related people who share a home.

People who do not live in households live in group quarters, often institutional settings. In Sturgis, according to the 2020 Census, there were 192 people living in group quarters, mostly in skilled nursing facilities. This is similar to the 2010 Census, which counted 178 Sturgis residents in group quarters, mostly skilled nursing facilities.

While the rate of population growth has been ramping up, household growth across the region and nationally has remained relatively flat or even declined. Changes in the rate of household formation relative to population growth can be due to a number of factors, including a preference for a larger household size or population growth occurring primarily within existing households (i.e., through the birth of children). However, this pattern may also indicate the effects of a housing shortage, which inhibits the formation of new households. In light of the reduced role of natural increase in driving population growth, it is likely that

lower rates of household formation reflect constrained housing choices rather than a preference for population growth within households.

In the decade from 2000 to 2010, the rate of household growth outpaced the rate of population growth in Sturgis, the surrounding counties, the state, and nationally. For example, Meade County saw its population grow by 5% but the number of households in the county increased by 12%. In Sturgis, population grew by 3% while households increased 6%. This rapid household formation was attributed in part to a preference for smaller household sizes, as young adults chose to live alone or delay marriage or childrearing.

However, this pattern shifted in the decade from 2010 to 2020. During those years, population growth in Meade County outpaced household growth, 17% compared to 15%. In Sturgis, population growth and household growth were matched at 6%.

Table 8. Household growth, 2000 - 2020

	2000 Census	2010 Census	2020 Census	% change 2000-2010	% change 2010-2020
Sturgis	2,752	2,916	3,092	6%	6%
Meade County	8,837	9,903	11,365	12%	15%
Rapid City MSA*	43,499	51,154	56,274	18%	10%
South Dakota	290,336	322,282	350,560	11%	9%
USA	105,539,122	116,716,292	126,817,580	11%	9%

* Meade and Pennington Counties

Source: U.S. Census Bureau, 2000, 2010, and 2020 Decennial Censuses

In Sturgis, household growth from 2010 to 2020 was roughly on target with projections from the 2014 Sturgis housing study, which projected 3,106 housing units in 2020 as compared to the actual 3,092. Household growth was slower over the decade than was estimated in the 2019 Sturgis housing study, with annual average growth of about 17.5 households, compared to the 2019 study estimate of 37 to 54.

Meade County, on the other hand, surpassed 2014 study projections by nearly 750 housing units—nearly double the rate of growth projected in the study. The 2014 housing study had projected 10,626 Meade County housing units by 2020, as compared to the actual 11,365. This rate of growth was slightly slower than estimated in the 2019 housing study, which projected annual average growth of 158 to 210 households over the decade for Meade County.

Predictably, given the disparate population and household growth rates, average household size increased across the region from 2000 to 2010. From 2010 to 2022, household size in Meade County increased as population growth outpaced household growth. During that same period, Sturgis saw a negligible decrease in household size.

Table 9. Average household size, 2000 - 2022

	2000 Census	2010 Census	2022 ACS	% change 2000-2010	% change 2010-2022
Sturgis	2.29	2.21	2.18	-3%	-1%
Meade County	2.66	2.49	2.53	-6%	2%
Rapid City MSA*	N/A	2.4	2.41	N/A	0%
South Dakota	2.5	2.42	2.44	-3%	1%
USA	2.59	2.58	2.57	0%	0%

* Meade and Pennington Counties

Source: U.S. Census Bureau, 2000 and 2010 Decennial Censuses; American Community Survey 2022 5-year estimates, Table S1101

In terms of household composition, since 2010, Sturgis has seen more growth among non-family households (that is, single individuals or unrelated individuals living together). The number of non-family households has increased an estimated 13% compared to a 5% increase among family households. Among family households (i.e., two or more related individuals living together), the number of family households with children has increased while the number of families without children has decreased.

Table 10. Household composition, Sturgis, 2010 - 2022

	2010	2022	% change 2010-2022	# change 2010-2022
<u>Family households with children</u>				
Married couple with related children	410	590	44%	180
Single or cohabiting parent with related children	228	163	-29%	-65
Total families with related children	638	753	18%	115
<u>Family households without children</u>				
Married couple without children	779	716	-8%	-63
Other family without children	206	232	13%	26
Total families without children	985	948	-4%	-37
<u>Non-family households</u>				
Single person	1,193	1,352	13%	159
Two or more person	78	85	9%	7
Total family households	1,623	1,701	5%	78
Total non-families	1,271	1,437	13%	166

Source: U.S. Census Bureau, American Community Survey 2010 and 2022 5-year estimates, Tables DP02, S1101, and S2501

In terms of race and ethnicity, household growth patterns in Sturgis are similar to overall population growth patterns. From 2010 to 2020, the number of white householders grew by about 2% for the decade, compared to much higher rates of growth among householders of color. Still, as of 2020, white householders account for about 92% of the households in Sturgis.

Table 11. Sturgis households by race, 2010 - 2020

	2010 Census	2020 Census*	Change, 2010 - 2020	% change, 2010 - 2020
White	2,796	2,858	62	2%
Black or African American	5	11	6	120%
American Indian and Alaska Native	47	61	14	30%
Asian	10	7	-3	-30%
Native Hawaiian and Other Pacific Islander	2	0	-2	-100%
Some other race	12	23	11	92%
Two or more races	44	132	88	200%
Total	2,916	3,092	176	6%

* In 2020, the Census changed its approach to asking, processing, and coding the two questions about race and ethnicity. As a result, caution should be used in making direct comparisons between 2010 and 2020, especially with regard to the "Two or more races" category. Changes in racial distribution may be due in part to differences in method as well as to actual demographic change.

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

The pattern is similar for Hispanic or Latino householders as compared to non-Hispanic or Latino householders. While non-Hispanic or Latino householders still make up the vast majority of householders, the number of Hispanic or Latino householders has increased relatively more rapidly over the last decade.

Table 12. Sturgis households by ethnicity, 2010 - 2020

	2010 Census	2020 Census	Change, 2010 - 2020	% change, 2010 - 2020
Hispanic or Latino (of any race)	54	85	31	57%
Not Hispanic or Latino	2,862	3,007	145	5%
Total	2,916	3,092	176	6%

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

To accommodate household formation, the number of housing units must grow. In Sturgis and Meade County, the rate of housing unit growth increased from 2010 to 2020 as compared to the previous decade. This runs counter to regional and national trends, where housing unit growth slowed over the same period.

From 2010 to 2020, the number of housing units in Sturgis increased by an estimated 8%, similar to the statewide and national rate.

Table 13. Housing unit growth: Total housing units, 2000 - 2020

	2000 Census	2010 Census	2020 Census	% change 2000-2010	% change 2010-2020
Sturgis	2,995	3,154	3,412	5%	8%
Meade County	10,149	11,000	12,357	8%	12%
Rapid City MSA*	47,398	55,949	61,510	18%	10%
South Dakota	323,208	363,438	393,375	12%	8%
USA	115,904,641	131,704,730	140,498,736	14%	7%

* Meade and Pennington Counties

Source: U.S. Census Bureau, 2000, 2010, and 2020 Decennial Censuses

Change in the number of occupied and vacant housing units is related both to the addition of new housing units as well as population growth and household formation trends. In Sturgis, the number of occupied housing units has increased more slowly than in Meade County as a whole. From 2010 to 2020, the number of occupied housing units in Sturgis increased by 6% compared to 15% in Meade County.

Table 14. Housing unit growth: Occupied housing units, 2000 - 2020

	2000 Census	2010 Census	2020 Census	% change 2000-2010	% change 2010-2020
Sturgis	2,732	2,916	3,092	7%	6%
Meade County	8,805	9,903	11,365	12%	15%
Rapid City MSA*	43,446	51,154	56,274	18%	10%
South Dakota	290,245	322,282	350,560	11%	9%
USA	105,480,101	116,716,292	126,817,580	11%	9%

* Meade and Pennington Counties

Source: U.S. Census Bureau, 2000, 2010, and 2020 Decennial Censuses

Over the same period, from 2010 to 2020, Sturgis saw a 34% increase in the number of vacant housing units. This high rate of increase in vacant units was observed over a decade when the United States as a whole as well as Meade County both saw a decrease in vacant units.

Table 15. Housing unit growth: Vacant housing units, 2000 - 2020

	2000 Census	2010 Census	2020 Census	% change 2000-2010	% change 2010-2020
Sturgis	263	238	320	-10%	34%
Meade County	1,344	1,097	992	-18%	-10%
Rapid City MSA*	3,952	4,795	5,236	21%	9%
South Dakota	32,963	41,156	42,815	25%	4%
USA	10,424,540	14,988,438	13,681,156	44%	-9%

* Meade and Pennington Counties

Source: U.S. Census Bureau, 2000, 2010, and 2020 Decennial Censuses

It should be noted that the growth rate in vacant units is a relative number, calculated off the number of vacant units observed at the beginning of the decade to the number at the end. Further, change in the number of vacant units should be considered in the context of overall population growth and the addition of new housing units.

The housing vacancy rate offers a better point of comparison for understanding how vacant units fit into a community’s overall housing availability. In 2010, Sturgis had a housing vacancy rate of 7.5%, lower than the rate in the surrounding area, statewide, and nationally. Even with Sturgis’s relatively high rate of increase in the number of vacant units, the city’s overall housing vacancy rate only grew to 9.4% in 2020, still slightly lower than the national and statewide rates, though higher than the vacancy rates in the surrounding area.

Table 16. Housing vacancy rate, 2000 - 2020

	2000 Census	2010 Census	2020 Census
Sturgis	8.8%	7.5%	9.4%
Meade County	13.2%	10.0%	8.0%
Rapid City MSA*	8.3%	8.6%	8.5%
South Dakota	10.2%	11.3%	10.9%
USA	9.0%	11.4%	9.7%

* Meade and Pennington Counties

Source: U.S. Census Bureau, 2000, 2010, and 2020 Decennial Censuses

The housing vacancy rate includes units that are vacant and for rent or for sale, as well as units that have been rented or sold but not yet occupied. The vacancy rate also includes housing units that are vacant because they are only used occasionally throughout the year. In Sturgis, about one-third of vacant housing units are for seasonal, recreational, or occasional use.

Table 17. Housing vacancy detail, Sturgis and Meade County, 2020

	Sturgis		Meade County	
	Units	Percent	Units	Percent
Vacant housing units (total)	320	9.4%	992	8.0%
For rent	77	2.3%	219	1.8%
Rented, not occupied	11	0.3%	19	0.2%
For sale only	33	1.0%	84	0.7%
Sold, not occupied	4	0.1%	56	0.5%
For seasonal, recreational, or occasional use	100	2.9%	257	2.1%
All other vacant units	95	2.8%	357	2.9%

Source: U.S. Census Bureau, 2020 Decennial Census

1.3 Demographic Projections

The following tables present two sets of projections for population and household growth in Sturgis. The moderate growth projections reflect a return to the trends seen between 2010

and 2020, while the higher growth projections assume that the recent uptick in growth from 2020 to 2023 will be sustained through 2028.

Following the moderate growth projections, from 2023 to 2028, the population of Sturgis is projected to increase by 2.9%, or just over 40 people per year. The projections for household growth are similar, with an estimated increase in the number of households of 2.9% from 2023 to 2028. That rate amounts to about 19 households per year, on average. At this rate, Sturgis is projected to be home to about 3,330 households in 2028. The moderate growth projects reflect rates of growth observed over the last decade, from 2010 to 2020. At this rate, Sturgis’s population in 2028 is projected to be about 7,467, with a projected 3,330 households.

These moderate growth projections may be conservative. While these projections are in line with growth trends from 2010 to 2020, they are lower than the estimated population growth that has occurred from 2020 to 2023. In the years since the 2020 decennial Census, Sturgis’s annual population and household growth rates roughly doubled, from around 0.5 to 0.6% to around 0.9 to 1.0% per year.

The higher growth projections in the tables below reflect an annual growth rate of 0.9%, or a five-year growth rate of about 4.6%. At this rate, Sturgis’s population is projected to reach about 7,592 by 2028, with about 3,383 households. In annual terms, this would mean Sturgis would add around 67 individuals and 30 households each year.

The moderate growth projections are more closely in line with projections from the 2019 Sturgis housing study, which projected annual average growth of 44 to 47 households. However, the higher growth projections align more closely with Sturgis growth projections from the 2023 Rapid City housing study. That study, which includes projections for surrounding communities, projected annual growth in Sturgis of 72.2 individuals and 31.9 households.

Table 18. Sturgis population projections to 2028

	2020 Census	2023 estimate	2028 projection	Average annual change	% change 2023 - 2028
Moderate growth	7,020	7,259	7,467	41.6	2.9%
Higher growth	7,020	7,259	7,592	66.6	4.6%

Source: U.S. Census Bureau, 2020 Decennial Census; Esri; author’s calculations

Over a two-year time period, the moderate growth scenario would result in population growth of about 80 individuals. The higher growth scenario would add about 130 people to the Sturgis population.

Over a 10- to 15-year period, growth rates are likely to stabilize around the moderate growth rate of approximately 0.5 to 0.6% annually. At the end of 10 years, by 2033, this would result in a projected population of about 7,670. Over 15 years, the Sturgis population would be projected to reach about 7,880.

Table 19. Sturgis household projections to 2028

	2020 Census	2023 estimate	2028 projection	Average annual change	% change 2023 - 2028
Moderate growth	3,092	3,235	3,330	19	2.9%
Higher growth	3,092	3,235	3,383	29.6	4.6%

Source: U.S. Census Bureau, 2020 Decennial Census; Esri; author's calculations

For household growth over a two-year time period, the moderate growth scenario would yield an additional 40 households, while higher growth projections would result in an additional 60.

As with population growth generally, over a 10- to 15-year period, household growth is projected to return to a moderate growth rate of 0.5 to 0.6% annually. At this rate, by 2033, Sturgis would have a projected 3,434 households. By 2038, after 15 years, Sturgis is projected to have about 3,540 households.

Through 2028, Sturgis is projected to continue to see stagnant or declining numbers of working-age adults (ages 25 to 64), a slight increase in children and young adults (ages birth to 14), and a significant increase in older adults (ages 65 and over). The increase in older adults will be due both to current residents aging in place as well as to retirees moving into Sturgis from other locations.

Table 20. Projected population change by age, Sturgis, 2023 - 2028

Age Range	2023 estimate	2028 projection	Average annual change	% change 2023 - 2028
0 to 4	442	464	4.4	5.0%
5 to 9	420	411	-1.8	-2.1%
10 to 14	428	464	7.2	8.4%
15 to 24	689	695	1.2	0.9%
25 to 34	849	770	-15.8	-9.3%
35 to 44	718	777	11.8	8.2%
45 to 54	834	830	-0.8	-0.5%
55 to 64	958	867	-18.2	-9.5%
65 to 74	1,008	1,091	16.6	8.2%
75 to 84	631	784	30.6	24.2%
85 +	282	314	6.4	11.3%
Total	7,259	7,467	41.6	2.9%

Source: Esri; author's calculations

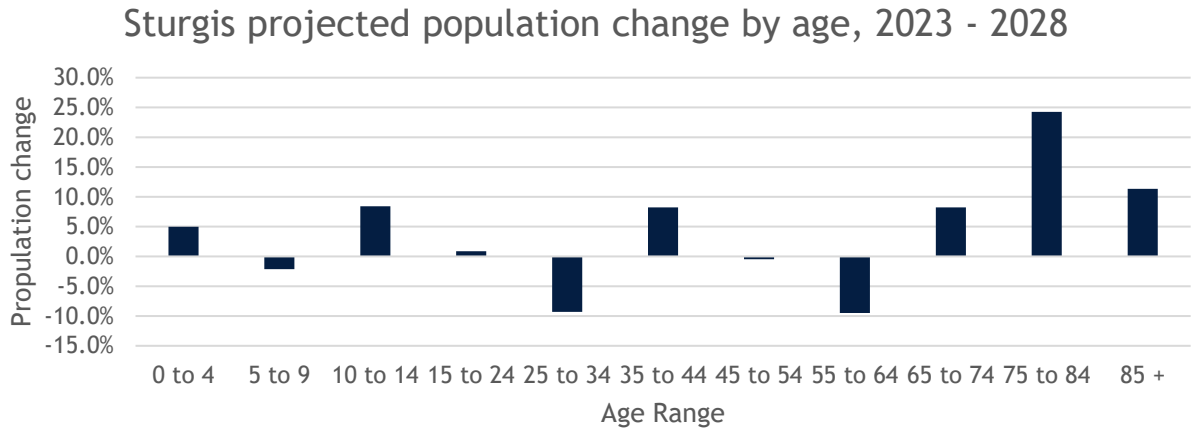


Figure 2. Sturgis projected population change by age, 2023 - 2028

Section 2: Income and Employment

2.0 Key Findings

Typical incomes in Sturgis are much lower than in the surrounding areas, statewide, or nationally. In 2022, the median household income in Sturgis was \$49,564, compared to \$70,256 in Meade County as a whole and \$69,457 statewide in South Dakota.

Not only is household income in Sturgis low relative to other places, but it has also grown more slowly, falling further behind. In real terms (accounting for inflation), Sturgis saw about a 4% increase in median household income from 2010 to 2022. By comparison, in Meade County as a whole, real median household income increased by about 17% during the same time period; statewide, it increased 15%.

Nevertheless, the income distribution in Sturgis has shifted upwards from 2010 to 2022. Since 2010, the number of households at the lowest income levels has decreased while the number of households with incomes of \$50,000 or more has increased. While only an estimated 125 households, or less than 5%, have incomes over \$150,000 per year, the highest rate of population growth has been among households at the highest income levels, those with incomes of \$100,000 or more. These trends are projected to continue. From 2023 to 2028, Sturgis is projected to continue to gain households at income levels of \$50,000 and above, while continuing to see a decrease in the number of households at lower income levels.

The unemployment rate in the Sturgis area remains very low, around 2%. The community sees quite a bit of commuting activity. Of the people who work in Sturgis, about 61% live outside of Sturgis and commute into town for work. Of people who live in Sturgis, about 67% commute to a different community for work. On each workday, Sturgis experiences a net outflow of people leaving to work elsewhere. Commuters who live in Sturgis and work elsewhere tend to be higher earners than people who live and work in Sturgis or who commute in to Sturgis for work.

2.1 Income and Employment Patterns

Typical incomes in Sturgis are much lower than in the surrounding areas, statewide, or nationally. In 2022, the median household income in Sturgis was \$49,564, compared to \$70,256 in Meade County as a whole and \$69,457 statewide in South Dakota. Median family income tends to be higher than median household income because it is measured among family households—that is, households with two or more related individuals living together. In Sturgis, median family income is both higher than median household income and slightly more in line with statewide levels (though still lower). In 2022, median family income in Sturgis was \$75,625, compared to \$87,931 in Meade County as a whole and \$88,996 statewide.

Table 21. Median household and family income, 2022

	Median Household Income	Median Family Income
Sturgis	\$49,564	\$75,625
Meade County	\$70,256	\$87,931
Rapid City MSA	\$68,363	\$86,487
South Dakota	\$69,457	\$88,996
USA	\$75,149	\$92,646

Source: American Community Survey 2022 5-year estimates, Table S1901. Estimates are in inflation-adjusted 2022 dollars.

In real terms (accounting for inflation), Sturgis saw about a 4% increase in median household income from 2010 to 2022. By comparison, in Meade County as a whole, real median household income increased by about 17% during the same time period; statewide, it increased 15%. In short, household income in Sturgis is low relative to other places and it has grown more slowly, falling further behind.

Table 22. Real median household income, 2010 - 2022

	Median Household Income, 2010	Median Household Income, 2022	% Change
Sturgis	\$47,684	\$49,564	4%
Meade County	\$59,918	\$70,256	17%
Rapid City MSA	N/A	\$68,363	N/A
South Dakota	\$60,163	\$69,457	15%
USA	\$67,358	\$75,149	12%

Source: American Community Survey 2010 and 2022 5-year estimates, Table S1901. Estimates are in inflation-adjusted 2022 dollars.

Median income is a limited measure in that it shows the midpoint for income: half of households have higher incomes and half have lower. But the median alone does not reveal much about the distribution of income. Looking at the distribution of income levels can show whether most households are clustered toward the middle, with incomes near the median, or concentrated at the extremes, with very high or very low incomes.

In Sturgis, the income distribution has shifted from 2010 to 2022. Since 2010, the number of households at the lowest income levels has decreased while the number of households with incomes of \$50,000 or more has increased. About half of the households in Sturgis now have incomes between \$50,000 and \$150,000, while the other half have incomes of less than \$50,000. Only an estimated 125 households, or less than 5%, have incomes over \$150,000 per year. However, the highest rate of growth has been among households at the highest income levels, with incomes of \$100,000 or more.

Table 23. Household income distribution, Sturgis, 2010 - 2022

Annual Income	Households 2010	Households 2022	Change	% Change
Less than \$15,000	497	325	-172	-35%
\$15,000 - \$24,999	408	351	-57	-14%
\$25,000 - \$34,999	411	343	-68	-17%
\$35,000 - \$49,999	482	186	-296	-61%
\$50,000 - \$74,999	555	933	378	68%
\$75,000 - \$99,999	267	382	115	43%
\$100,000 - \$149,999	231	493	262	113%
\$150,000+	43	125	82	191%

Source: American Community Survey 2010 and 2022 5-year estimates, Table B19001

Like Sturgis, Meade County also saw its income distribution shift toward the higher end over the last decade. However, the shift in Meade County as a whole has been more marked than in Sturgis specifically. By 2022, only about one-third of households in Meade County had incomes of less than \$50,000, while over 10% had incomes of \$150,000 or more.

Table 24. Household income distribution, Meade County, 2010 - 2022

Annual Income	Households 2010	Households 2022	Change	% Change
Less than \$15,000	963	670	-293	-30%
\$15,000 - \$24,999	1136	869	-267	-24%
\$25,000 - \$34,999	1360	912	-448	-33%
\$35,000 - \$49,999	1939	1447	-492	-25%
\$50,000 - \$74,999	2087	2008	-79	-4%
\$75,000 - \$99,999	1131	1941	810	72%
\$100,000 - \$149,999	852	2282	1430	168%
\$150,000+	246	1291	1045	425%

Source: American Community Survey 2010 and 2022 5-year estimates, Table B19001

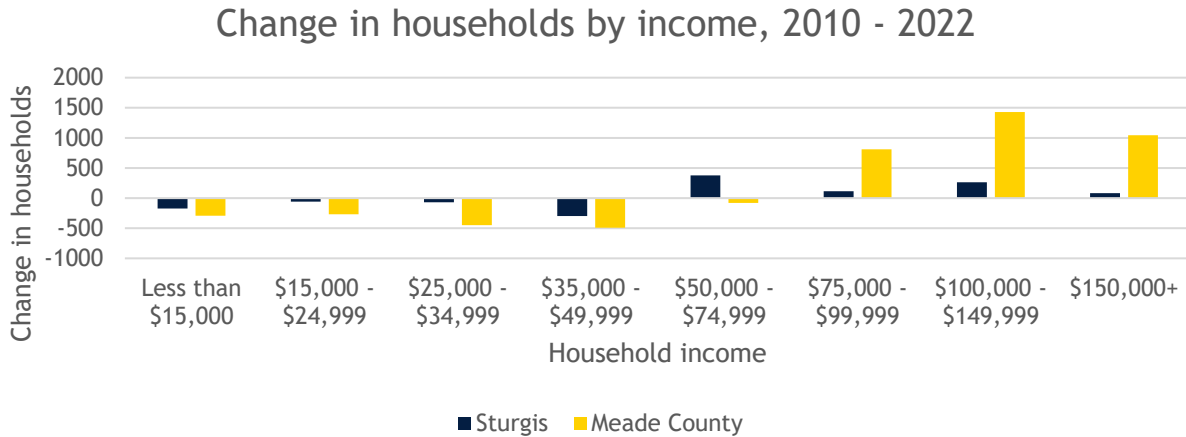


Figure 3. Change in households by income, 2010 - 2022

Income tends to vary with household size. Single-person households, which have at most one earner, typically have the lowest incomes. In 2022 in Sturgis, median income among single-person households was \$28,481, compared to \$36,557 statewide. Four-person households in Sturgis had a median income of \$88,200.

Table 25. Median household income by household size, Sturgis and Meade County, 2022

	Sturgis	Meade County	South Dakota
1 person	\$28,481	\$31,660	\$36,557
2 people	\$74,464	\$85,263	\$81,604
3 people	\$47,216	\$83,617	\$91,731
4 people	\$88,200	\$102,527	\$105,241
5 people	\$107,574	\$97,902	\$103,780
6 people	-	\$142,650	\$97,729
7+ people	-	\$80,688	\$83,929
Total (overall median)	\$49,564	\$70,256	\$69,457

Source: American Community Survey 2022 5-year estimates, Table B19019

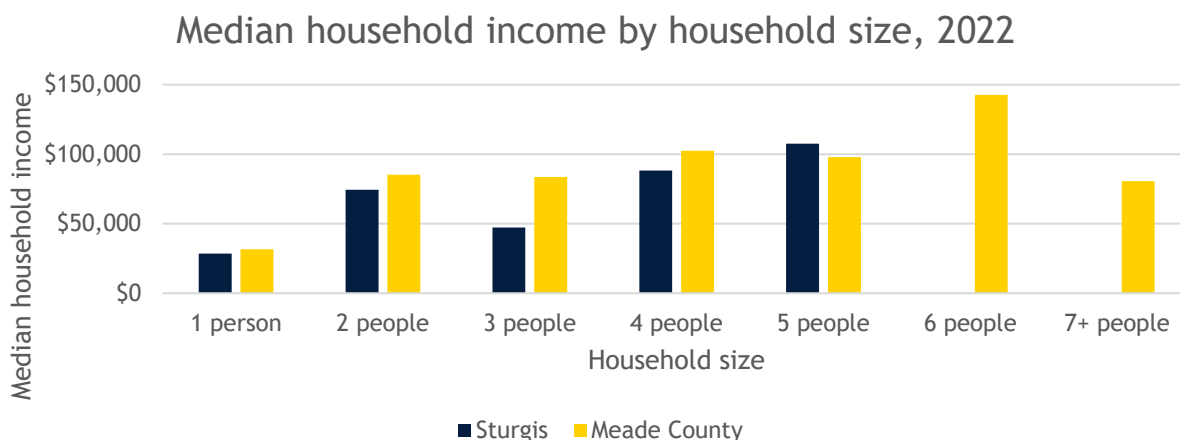


Figure 4. Median household income by household size, 2022

Income also tends to vary with age. Typically, income increases during the first part of adulthood, as young adults move into careers and gain experience; it then decreases in older adulthood with retirement. This pattern is evident in Meade County and statewide. However, in Sturgis, this income pattern is less pronounced. While median income does increase from young adult (under 25) to mid-career, it does not increase as much as in Meade County as a whole or the rest of the state. In Sturgis, early- to mid-career adults entering their peak earning years, ages 25 to 44, have a median household income of \$56,418, compared to closer to \$80,000 in the rest of the state.

In part, this flat income trajectory in Sturgis demonstrates that the city’s relatively low incomes are not just due to demographic effects. That is, median income in Sturgis is not depressed as a result of a large number of young people who are not yet established in careers or older adults in retirement. Rather, even those in their prime earning years have incomes that are low relative to the rest of the state.

Table 26. Median household income by age of householder, Sturgis and Meade County, 2022

	Sturgis	Meade County	South Dakota
Under 25 years	\$40,063	\$47,167	\$39,841
25 to 44 years	\$56,418	\$79,778	\$78,360
45 to 64 years	\$49,326	\$83,344	\$84,713
65+ years	\$44,500	\$52,435	\$51,181
Total (overall median)	\$49,564	\$70,256	\$69,457

Source: American Community Survey 2022 5-year estimates, Table B19049

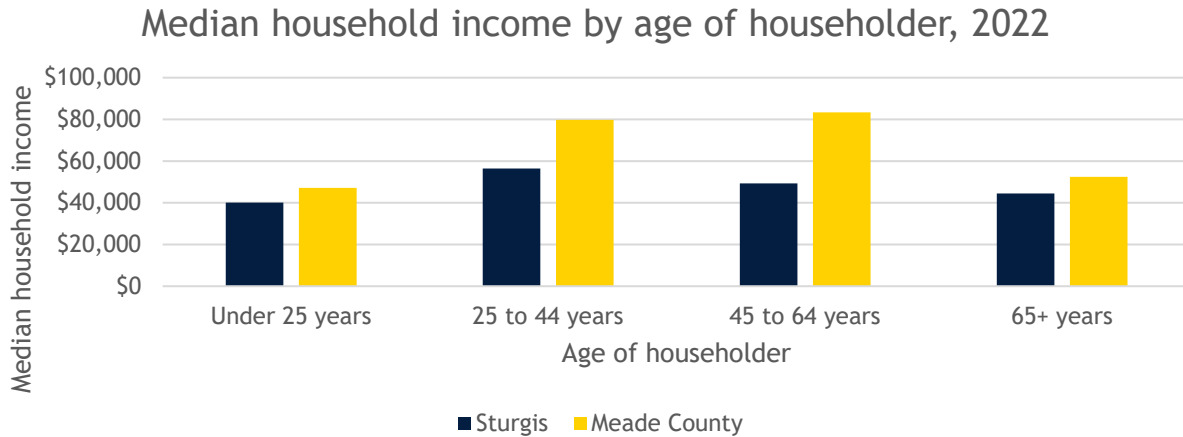
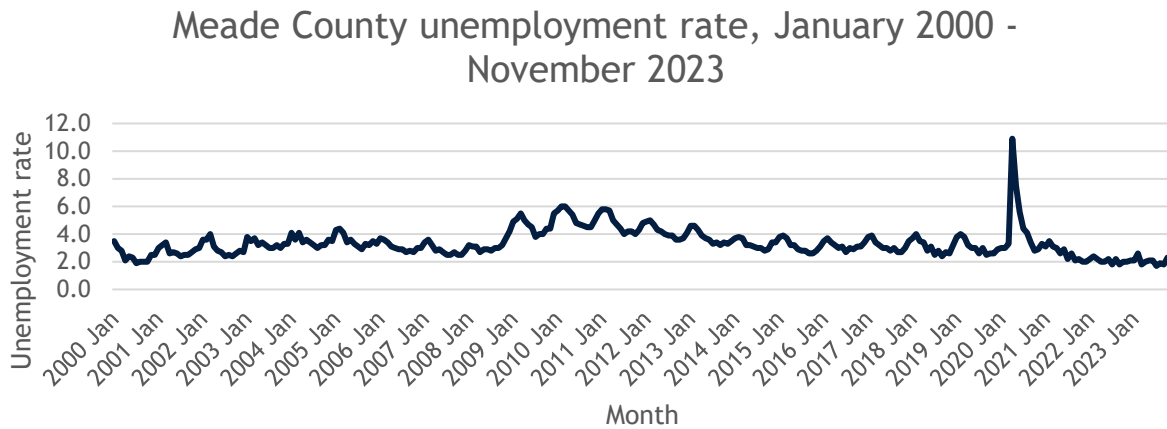


Figure 5. Median household income by age of householder, 2022

The unemployment rate in the Sturgis area remains very low, around 2%. As in most places, the Sturgis area saw a pandemic-related jump in unemployment in 2020 and 2021, but since then, unemployment rates have remained low and steady at about 2%.



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, Unemployment Rates for Counties, Not Seasonally Adjusted

2.2 Commuting Patterns

Most Sturgis residents commute at least 10 minutes to work, with about one-fourth of residents commuting 30 minutes or more. Slightly less than one-third of Sturgis residents, about 30%, commute less than 10 minutes to work.

Table 27. Commute times for Sturgis residents, 2022

Travel time	Percent*
Less than 10 minutes	30.5%
10 to 19 minutes	31.5%
20 to 29 minutes	11.9%
30 minutes or more	26.0%
Total workers*	3,622

* Percentage of workers 16 years and over who lived in Sturgis and did not work from home.

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S0802

For employees who work in Sturgis, commuting patterns are similar: just under 30% commute less than 10 minutes, while about one-fifth commute 30 minutes or more.

Table 28. Commute times for Sturgis employees, 2022

Travel time	Percent*
Less than 10 minutes	28.9%
10 to 19 minutes	36.0%
20 to 29 minutes	14.5%
30 minutes or more	20.7%
Total workers*	3,499

* Percentage of workers 16 years and over who worked in Sturgis and did not work from home.

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S0804

Many of the people with longer commutes live and work in different communities. Of the people who work in Sturgis, about 61% live outside of Sturgis and commute into town for work. Of people who live in Sturgis, about 67% commute to a different community for work.

In absolute numbers, an estimated 1,023 people live and work in Sturgis, whereas 2,105 live in Sturgis but leave for work, and 1,625 work in Sturgis but live elsewhere. In other words, on each workday, Sturgis experiences a net outflow of people leaving to work elsewhere.

Table 29. Commuting patterns for Sturgis residents and employees*, 2021

	Count	Share
Employed in Sturgis	2,648	
Employed in Sturgis but living outside	1,625	61.40%
Employed and living in Sturgis	1,023	38.60%
Living in Sturgis	3,128	
Living in Sturgis but employed outside	2,105	67.30%
Living and employed in Sturgis	1,023	32.70%

* Employment is based on primary (highest paying) job (one job per person) and includes both public and private employment.

Source: U.S. Census Bureau, Center for Economic Studies, LEHD (OnTheMap)
 (https://lehd.ces.census.gov/applications/help/onthemap.html#!data_sources)

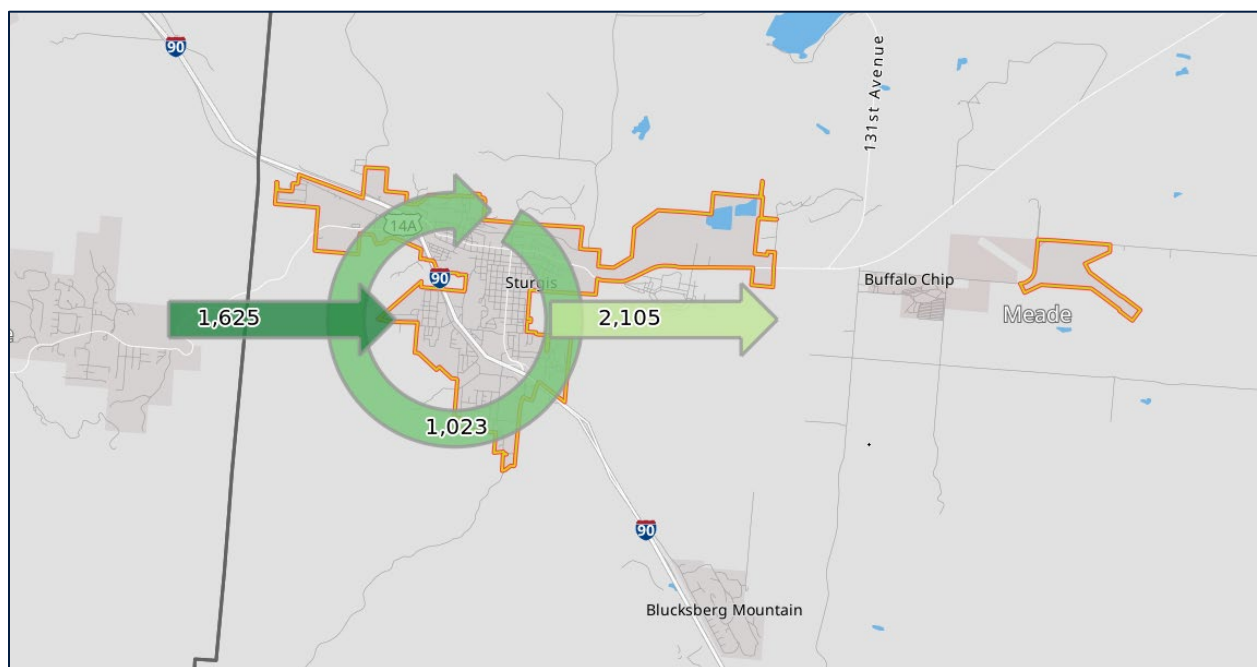


Figure 6. Sturgis commuting patterns, 2021 (Source: U.S. Census Bureau, On the Map)

Commuters who live in Sturgis and work elsewhere tend to be higher earners than people who live and work in Sturgis or who commute in to Sturgis for work. About 54% of Sturgis residents who commute elsewhere for work earn more than \$3,333 per month, compared to 46% of workers who commute in to Sturgis and 41% of Sturgis residents who work locally.

Table 30. Commuting patterns by monthly earnings, Sturgis, 2021

	Inflow (internal jobs filled by outside workers)		Outflow (external jobs filled by residents)		Interior flow (internal jobs filled by residents)	
	Count	Share	Count	Share	Count	Share
Total jobs*	1,625		2,105		1,023	
Workers earning \$1,250 or less	340	20.90%	308	14.60%	225	22%
Workers earning \$1,251 to \$3,333	543	33.40%	656	31.20%	374	36.60%
Workers earning more than \$3,333	742	45.70%	1,141	54.20%	424	41.40%

* Employment is based on primary (highest paying) job (one job per person) and includes both public and private employment. Earnings are monthly.

Source: U.S. Census Bureau, Center for Economic Studies, LEHD (OnTheMap)

2.3 Income and Employment Projections

From 2023 to 2028, average household income in Sturgis is projected to increase from \$63,625 to \$72,978. Note that average household income is not the same as median income. Average household income is more sensitive to very high incomes; a relatively small increase in the number of extremely high-income households could disproportionately increase average income.

Table 31. Average household income projections, Sturgis, 2023 - 2028

	2023	2028	% change
Average household income	\$63,625	\$72,978	14.7%

Source: Esri

It is more helpful to consider the projected change in the income distribution of households. From 2023 to 2028, Sturgis is projected to continue to gain households at income levels of \$50,000 and above, while continuing to see a decrease in the number of households at lower income levels. This change in distribution suggests that the projected increase in average household income is not due solely to new very high-income households, but to an across-the-board shift of households into higher income ranges.

Of the increase in higher income households, most will occur in the \$50,000 to \$150,000 range, with about 28% of growth among households with incomes between \$50,000 and \$74,999; 20% of growth among households with incomes between \$75,000 and \$99,999; and 28% of growth among households with incomes between \$100,000 and \$149,999. Beyond that, about 15% of growth will come from households with incomes between \$150,000 and \$199,999; and about 9% of growth from households with incomes of \$200,000 or more.

Table 32. Projected income distribution of households in Sturgis, 2023 - 2028

Income	Number of Households 2023	Number of Households 2028	Change 2023 - 2028
Less than \$15,000	288	230	-58
\$15,000 - \$24,999	388	363	-25
\$25,000 - \$34,999	382	370	-12
\$35,000 - \$49,999	657	593	-64
\$50,000 - \$74,999	705	776	71
\$75,000 - \$99,999	391	443	52
\$100,000 - \$149,999	285	356	71
\$150,000 - \$199,999	78	116	38
\$200,000+	61	83	22
Total households	3,235	3,330	95

Source: Esri, calculations by analyst

The South Dakota Department of Labor & Regulation Long-term Occupational Projections offer insight into which occupations may see the most growth through 2030. These projections are available for the Rapid City MSA and for the balance of western South Dakota (outside of the Rapid City MSA). Local economic development activity in Sturgis will be a better predictor of occupational growth in that city, but these projections for larger geographic areas can offer some context for considering growth potential.

Table 33. Employment by occupational group, Rapid City MSA, May 2022

Occupation	Employment	Location Quotient*	Annual Median Wage	Projected Annual Change (2020-2030)	Projected Annual Change % (2020-2030)
Office and Administrative Support Occupations	9,650	1.09	\$35,960	8	0.08%
Sales and Related Occupations	7,840	1.26	\$30,790	42	0.54%
Food Preparation and Serving Related Occupations	7,630	1.29	\$27,470	74	0.97%
Healthcare Practitioners and Technical Occupations	6,030	1.41	\$62,920	75	1.25%
Transportation and Material Moving Occupations	5,190	0.81	\$34,330	48	0.92%
Construction and Extraction Occupations	4,470	1.56	\$46,090	39	0.88%
Business and Financial Operations Occupations	3,520	0.77	\$65,560	33	0.95%
Educational Instruction and Library Occupations	3,280	0.82	\$47,440	23	0.69%
Building and Grounds Cleaning and Maintenance Occupations	3,130	1.53	\$28,870	36	1.15%
Installation, Maintenance, and Repair Occupations	2,920	1.06	\$47,750	28	0.97%
Production Occupations	2,490	0.60	\$36,830	8	0.34%
Healthcare Support Occupations	2,350	0.73	\$34,230	32	1.35%
Management Occupations	2,280	0.49	\$96,060	18	0.79%
Personal Care and Service Occupations	2,070	1.54	\$27,870	21	1.02%
Community and Social Service Occupations	1,320	1.21	\$45,460	12	0.90%
Protective Service Occupations	1,260	0.78	\$46,950	7	0.55%
Computer and Mathematical Occupations	1,200	0.51	\$73,860	17	1.38%
Architecture and Engineering Occupations	1,040	0.89	\$76,040	17	1.62%
Life, Physical, and Social Science Occupations	880	1.42	\$59,450	9	1%

Arts, Design, Entertainment, Sports, and Media Occupations	770	0.79	\$39,460	5	0.60%
Legal Occupations	410	0.72	\$72,010	6	1.51%
Farming, Fishing, and Forestry Occupations	140	0.63	\$43,660	0	0.25%
All Occupations	69,880	1.00	\$38,340	558	0.80%

* The location quotient represents the ratio of an occupation's share of employment in a given area to that occupation's share of employment in the U.S. as a whole. For example, an occupation that makes up 10 percent of employment in a specific metropolitan area compared with 2 percent of U.S. employment would have a location quotient of 5 for the area in question.

Source: Bureau of Labor Statistics, Occupational Employment Statistics, May 2022; South Dakota Department of Labor & Regulation Long-term Occupational Projections, Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates

Table 34. Employment by occupational group, West SD Balance of State (Nonmetropolitan Areas), May 2022

Occupation	Employment	Location Quotient*	Annual Median Wage	Projected Annual Change (2020-2030)	Projected Annual Change % (2020-2030)
Office and Administrative Support Occupations	8,040	1.04	35,710	-2	-0.02%
Food Preparation and Serving Related Occupations	6,290	1.21	27,040	75	1.19%
Sales and Related Occupations	6,050	1.10	29,290	37	0.61%
Educational Instruction and Library Occupations	5,420	1.54	46,140	36	0.66%
Transportation and Material Moving Occupations	4,950	0.88	33,970	48	0.97%
Construction and Extraction Occupations	3,840	1.52	41,600	30	0.78%
Healthcare Practitioners and Technical Occupations	3,810	1.01	63,820	35	0.91%
Business and Financial Operations Occupations	3,220	0.80	60,200	27	0.83%
Building and Grounds Cleaning and Maintenance Occupations	2,820	1.57	29,350	28	1.01%
Installation, Maintenance, and Repair Occupations	2,560	1.06	47,280	28	1.10%
Management Occupations	2,120	0.52	87,530	16	0.74%
Healthcare Support Occupations	1,890	0.67	32,550	17	0.89%

Production Occupations	1,790	0.49	37,510	12	0.67%
Personal Care and Service Occupations	1,730	1.47	28,800	13	0.78%
Protective Service Occupations	1,620	1.14	40,350	8	0.47%
Community and Social Service Occupations	1,230	1.28	46,280	8	0.63%
Computer and Mathematical Occupations	990	0.48	69,990	11	1.12%
Life, Physical, and Social Science Occupations	930	1.70	57,030	8	0.90%
Architecture and Engineering Occupations	660	0.64	68,990	7	1.13%
Arts, Design, Entertainment, Sports, and Media Occupations	590	0.69	38,190	2	0.42%
Farming, Fishing, and Forestry Occupations	450	2.36	32,980	1	0.24%
Legal Occupations	410	0.82	64,800	4	1.07%
All Occupations	61,400	1.00	37,820	450	0.73%

* The location quotient represents the ratio of an occupation's share of employment in a given area to that occupation's share of employment in the U.S. as a whole. For example, an occupation that makes up 10 percent of employment in a specific metropolitan area compared with 2 percent of U.S. employment would have a location quotient of 5 for the area in question.

Source: Bureau of Labor Statistics, Occupational Employment Statistics, May 2022; South Dakota Department of Labor & Regulation Long-term Occupational Projections, Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates

Section 3: Housing Tenure

3.0 Key Findings

In Sturgis, about 63% of households own their home, while the remaining 37% rent. Housing tenure changes over the life course, with younger adults more likely to rent, then move into homeownership as they age, advancing in their careers and forming families.

Housing tenure also varies with household composition. In Sturgis, homeowners are more likely to be family households, and especially married couples (with or without children). Nearly two-thirds (63%) of owner-occupied homes are home to family households, while 61% of rentals are occupied by non-family households.

Households in owner-occupied homes also tend to be larger than those in renter-occupied homes. In Sturgis, an estimated 35% of owner-occupied homes are occupied by a single person, compared to 57% of rentals. At the other end of the spectrum, an estimated 21% of owner-occupied homes are home to households made up of four or more people, compared to just 8% of rentals.

On average, homeowners tend to have higher income than renters. In 2022 in Sturgis, the median household income among homeowners was \$71,507, compared to \$31,476 among renters. Very few homeowners in Sturgis (8%) have household incomes below \$25,000, but nearly half (45%) of renters do. At income levels of \$35,000 to \$49,999, rates of renting and homeownership are roughly equal. At higher income levels, households are more likely to own their homes. At lower income levels, they are more likely to rent.

Renters in Sturgis also tend to have somewhat lower monthly housing costs as compared to homeowners. In 2022, the median monthly housing costs for homeowners in Sturgis amounted to \$1,286, compared to \$763 for renters.

Homeowners in Sturgis tend to have lower rates of residential mobility. That is, they stay in one home longer, as compared to renters. In 2022, about one-fifth of homeowners (21%) said they had moved into their home at least 20 years ago, while a similar number (23%) had moved within the last 5 years. By comparison, just 5% of renters had been in their home for at least 20 years, and 64% had moved in within the last 5 years.

3.1 Housing Tenure Patterns

Housing tenure refers to the legal, financial, or other arrangements by which a household occupies a housing unit. Most commonly, housing tenure refers to homeownership or tenancy (i.e., renter occupancy).

In Sturgis, about 63% of households own their home, while the remaining 37% rent. This ratio has remained fairly steady over recent years, with homeownership increasing just slightly from 62% in 2010 to 63% in 2020.

Table 35. Housing tenure in Sturgis, 2010 - 2020

	2010		2020	
Owner	1,817	62%	1,939	63%
Renter	1,099	38%	1,153	37%
Total occupied housing units	2,916		3,092	

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

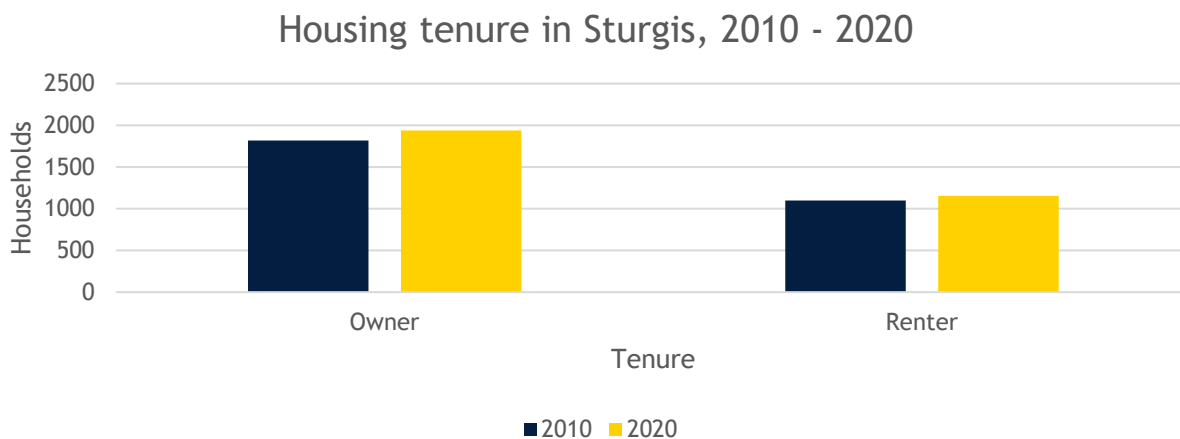


Figure 7. Housing tenure in Sturgis, 2010 - 2020

Housing tenure changes over the life course. Younger adults are more likely to rent, then move into homeownership as they age, advancing in their careers and forming families. In Sturgis, households headed by people aged 15 to 24 are more likely to rent than own their homes. From ages 25 to 34, householders are about equally likely to rent or own. Beginning with householders aged 35 to 44, homeownership is more common, and this remains the case for all older age groups, with the exception of older adults aged 85 or older. Among this oldest age group, householders are about equally likely to rent or own their homes.

For the most part, this pattern has not changed between 2010 and 2020, with two exceptions: Among householders aged 35 to 44, homeownership has become more common over the last decade, with the number of homeowners increasing and the number of renters decreasing. The same has been true, though to a slightly lesser extent, among householders aged 55 to 59.

Table 36. Households by tenure and age of householder, Sturgis, 2010 - 2020

Age of householder	Owners 2010	Owners 2020	Owners change 2010 to 2020	Renters 2010	Renters 2020	Renters change 2010 to 2020
15 to 24	41	26	-15	107	92	-15
25 to 34	197	215	18	181	207	26
35 to 44	260	307	47	159	146	-13
45 to 54	383	315	-68	183	124	-59
55 to 59	196	201	5	97	85	-12
60 to 64	192	237	45	62	124	62
65 to 74	251	357	106	112	174	62
75 to 84	212	192	-20	139	113	-26
85 +	85	89	4	59	88	29

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

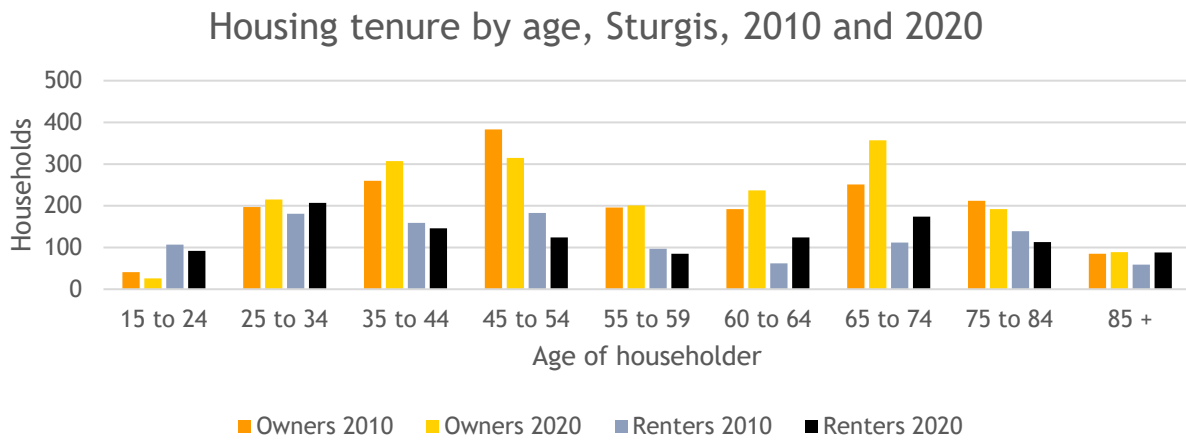


Figure 8. Housing tenure by age, Sturgis, 2010 and 2020

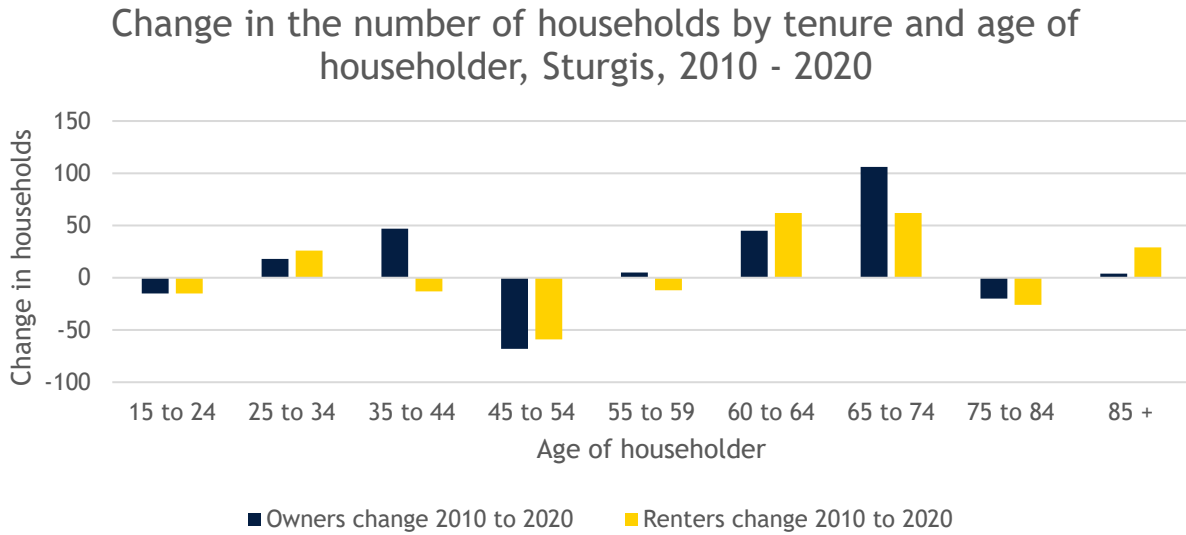


Figure 9. Change in the number of households by tenure and age of householder, Sturgis, 2010 - 2020

Housing tenure also varies with household composition. In Sturgis, homeowners are more likely to be family households, and especially married couples (with or without children). Nearly two-thirds (63%) of owner-occupied homes are home to family households (i.e., two or more related people living together). By contrast, rentals are more likely to be home to non-family households. About 61% of rentals are occupied by non-family households (i.e., individuals living alone or two or more unrelated people living together).

Table 37. Households by tenure and composition, Sturgis, 2022

	Owner-occupied	% of owner-occupied households	Renter-occupied	% of renter-occupied households
Total households	2,009		1,129	
Nonfamily households	753	37%	684	61%
Family households (total)	1,256	63%	445	39%
Married-couple family (subtotal):	1,092	54%	214	19%
With own children of the householder under 18 years	445	22%	145	13%
No own children of the householder under 18 years	647	32%	69	6%
Other family (subtotal):	164	8%	231	20%
Male householder, no spouse present:	106	5%	41	4%
With own children of the householder under 18 years	54	3%	0	0%
No own children of the householder under 18 years	52	3%	41	4%
Female householder, no spouse present:	58	3%	190	17%
With own children of the householder under 18 years	37	2%	72	6%
No own children of the householder under 18 years	21	1%	118	10%

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25115

Households with children are more often in owner-occupied homes than rentals. Overall, about 27% of owner-occupied homes in Sturgis are occupied by households with children. Among renter-occupied homes, about 21% are occupied by households with children.

Table 38. Households with children by tenure, Sturgis, 2022

	Owner-occupied	%	Renter-occupied	%
Households with children	536	27%	232	21%
Total households	2,009		1,129	

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25012

Households in owner-occupied homes also tend to be larger than those in renter-occupied homes. In Sturgis, an estimated 35% of owner-occupied homes are occupied by a single person, compared to 57% of rentals. At the other end of the spectrum, an estimated 21% of owner-occupied homes are home to households made up of four or more people, compared to just 8% of rentals.

Table 39. Household size by tenure, Sturgis, 2022

	Owner-occupied	%	Renter-occupied	%
1 person	706	35.1%	646	57.2%
2 people	746	37.1%	202	17.9%
3 people	135	6.7%	187	16.6%
4+ people	422	21.0%	94	8.3%
Total households	2,009		1,129	

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2501

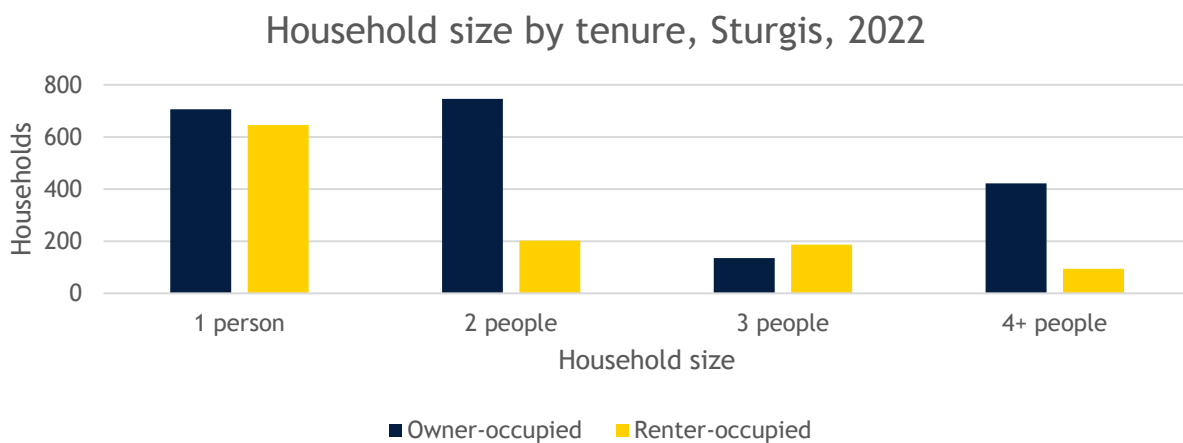


Figure 10. Household size by tenure, Sturgis, 2022

On average, homeowners tend to have higher income than renters. In 2022 in Sturgis, the median household income among homeowners was \$71,507, compared to \$31,476 among renters. Very few homeowners in Sturgis (8%) have household incomes below \$25,000, but nearly half (45%) of renters do.

Table 40. Household income by tenure, Sturgis, 2022

Household income	All occupied housing units		Owner-occupied		Renter-occupied	
		%		%		%
Less than \$5,000	187	6.0%	61	3.0%	126	11.2%
\$5,000 to \$9,999	83	2.6%	0	0.0%	83	7.4%
\$10,000 to \$14,999	55	1.8%	0	0.0%	55	4.9%
\$15,000 to \$19,999	165	5.3%	34	1.7%	131	11.6%
\$20,000 - \$24,999	186	5.9%	72	3.6%	114	10.1%
\$25,000 - \$34,999	343	10.9%	253	12.6%	90	8.0%
\$35,000 - \$49,999	603	19.2%	302	15.0%	301	26.7%
\$50,000 - \$74,999	516	16.4%	349	17.4%	167	14.8%
\$75,000 - \$99,999	382	12.2%	345	17.2%	37	3.3%
\$100,000 - \$149,999	493	15.7%	493	24.5%	0	0.0%
\$150,000+	125	4.0%	100	5.0%	25	2.2%
Median (\$)	\$49,564		\$71,507		\$31,476	

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2503

As the chart below shows, at income levels of \$35,000 to \$49,999, rates of renting and homeownership are roughly equal. At higher income levels, households are more likely to own their homes. At lower income levels, they are more likely to rent.

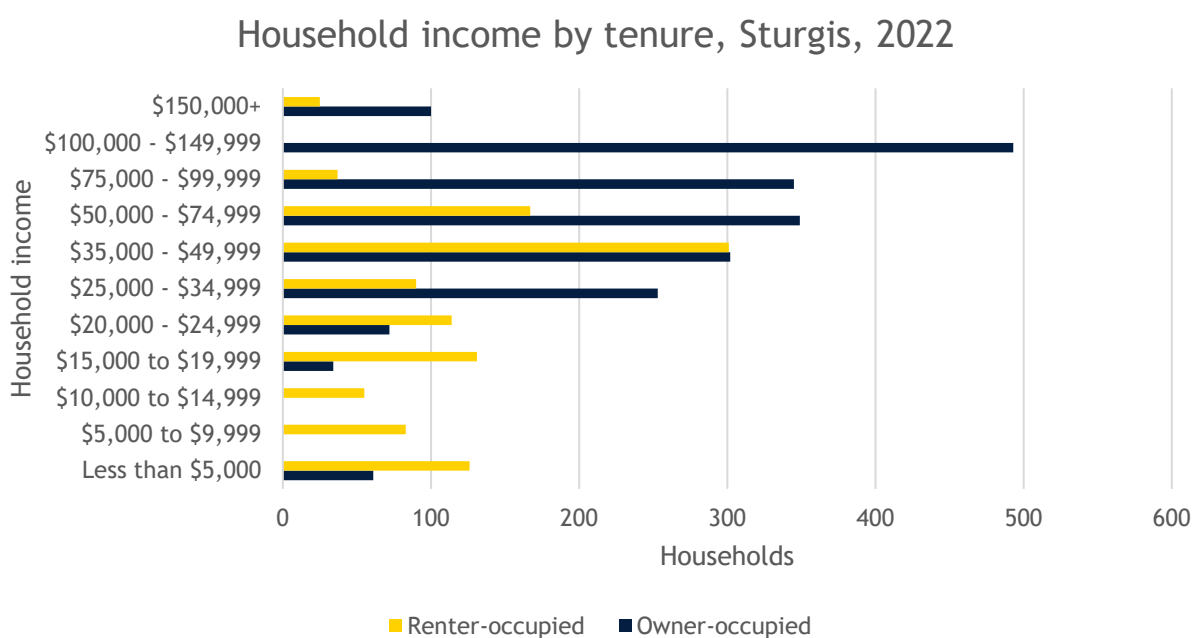


Figure 11. Household income by tenure, Sturgis, 2022

Renters in Sturgis also tend to have somewhat lower monthly housing costs as compared to homeowners. In 2022, the median monthly housing costs for homeowners in Sturgis amounted to \$1,286, compared to \$763 for renters. Most homeowners in Sturgis have monthly housing

costs of \$1,000 to \$1,999, while most renters have monthly housing costs in the range of \$500 to \$1,499.

Table 41. Monthly housing costs by tenure, Sturgis, 2022

Monthly housing costs	All occupied housing units	%	Owner-occupied	%	Renter-occupied	%
Less than \$300	296	9.4%	91	4.5%	205	18.2%
\$300 to \$499	211	6.7%	144	7.2%	67	5.9%
\$500 to \$799	665	21.2%	341	17.0%	324	28.7%
\$800 to \$999	186	5.9%	45	2.2%	141	12.5%
\$1,000 to \$1,499	1,084	34.5%	767	38.2%	317	28.1%
\$1,500 to \$1,999	421	13.4%	412	20.5%	9	0.8%
\$2,000 to \$2,499	149	4.7%	149	7.4%	0	0.0%
\$2,500 to \$2,999	63	2%	44	2.2%	19	1.7%
\$3,000 or more	31	1%	16	0.8%	15	1.3%
No cash rent	32	1%	-	-	32	2.8%
Median (\$)	\$1,117		\$1,286		\$763	

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2503

Monthly housing costs by tenure, Sturgis, 2022

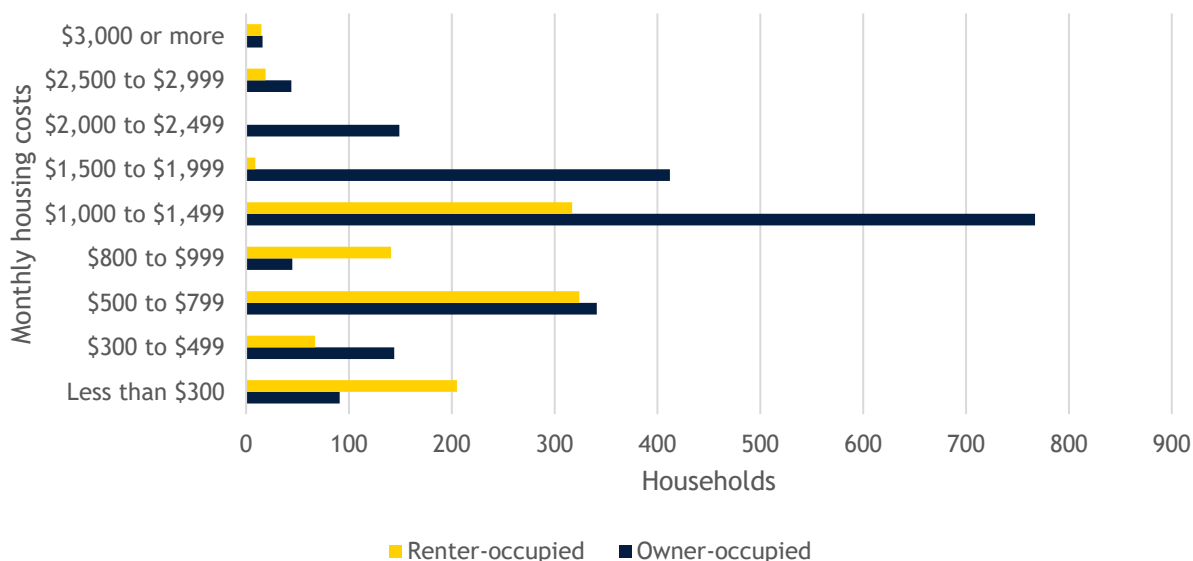


Figure 12. Monthly housing costs by tenure, Sturgis, 2022

Homeowners in Sturgis tend to have lower rates of residential mobility. That is, they stay in one home longer, as compared to renters. In 2022, about one-fifth of homeowners (21%) said they had moved into their home at least 20 years ago, while a similar number (23%) had moved within the last 5 years. By comparison, just 5% of renters had been in their home for at least 20 years, and 64% had moved in within the last 5 years.

Table 42. Year household moved into housing unit by tenure, Sturgis, 2022

	Owner-occupied	%	Renter-occupied	%
Moved in 1989 and earlier	213	11%	0	0%
Moved in 1990 to 1999	196	10%	51	5%
Moved in 2000 to 2009	457	23%	28	2%
Moved in 2010 to 2017	690	34%	326	29%
Moved in 2018 to 2020	342	17%	634	56%
Moved in 2021 or later	111	6%	90	8%
Total households	2,009		1,129	

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25038

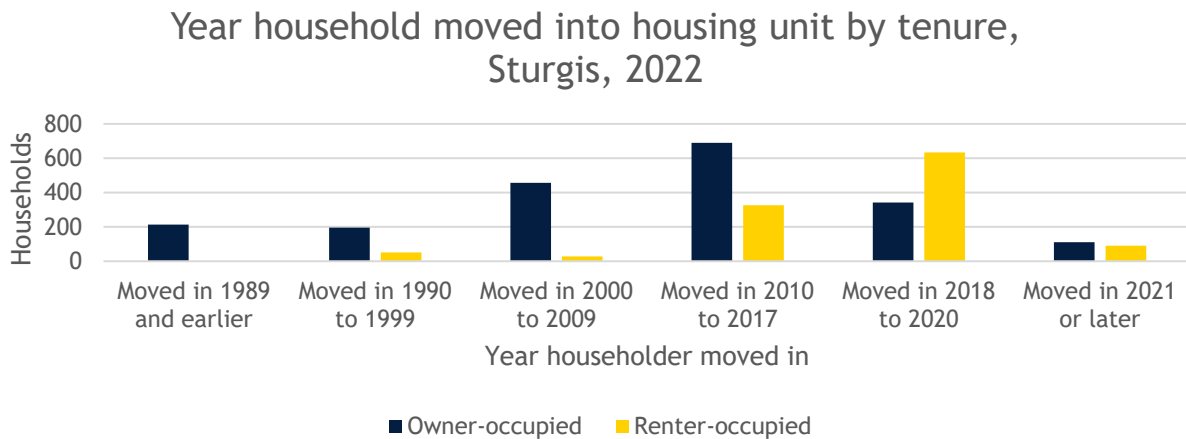


Figure 13. Year householder moved into housing unit by tenure, Sturgis, 2022

Section 4: New Construction

4.0 Key Findings

In Sturgis, residential construction was slow to pick up coming out of the 2008 recession. Residential permits did not exceed 11 units for the year until 2015. Since then, the number of residential units permitted has remained steadily at or above 30, reaching a high of 58 in 2016.

Over the last decade, most residential construction has been for single-unit structures. About one-fourth of units permitted have been in multifamily buildings with five or more units. During this period, multifamily construction in Sturgis has been entirely in the conventional market rate segment of the market, with no additional tax credit or subsidized properties added to the housing stock.

Overall since 2010, building activity in Sturgis has accounted for about 20% of all Meade County residential permitting. That ratio has fluctuated over the years from less than 10% between 2010 and 2014 to as much as 30% between 2015 and 2019. Most recently, since 2020, Sturgis has contributed just under 20% of residential permitting in Meade County.

4.1 Residential Permits

The table below shows the number of residential units permitted in the city of Sturgis and in Meade County (including Sturgis), from 2010 to 2022. Residential construction was slow to pick up coming out of the 2008 recession. In Sturgis, residential permits did not exceed 11 units for the year until 2015. Since then, the number of residential units permitted has remained steadily at or above 30, reaching a high of 58 in 2016.

In both Sturgis and Meade County as a whole, most residential construction has been for single-unit structures. Less than 10% of units permitted have been in buildings with five or more units. Since 2010, most units in multifamily buildings with five or more units were permitted during the period between 2014 and 2018.

Table 43. Residential building permits: Units permitted by project size, Sturgis and Meade County, 2010 - 2022

Year	Sturgis					Meade County				
	1 Unit	2 Unit	3-4 Unit	5+ Units	Total	1 Unit	2 Unit	3-4 Unit	5+ Units	Total
2010	4	0	0	0	4	87	0	0	0	87
2011	6	0	0	0	6	63	0	0	0	63
2012	9	0	0	0	9	87	4	8	0	99
2013	11	0	0	0	11	137	0	0	0	137
2014	10	0	0	0	10	100	6	3	12	121
2015	17	0	0	16	33	130	0	0	16	146
2016	42	0	0	16	58	133	0	0	16	149
2017	35	2	0	0	37	115	2	0	36	153
2018	45	0	0	0	45	136	0	0	12	148
2019	35	0	0	0	35	115	2	0	0	117
2020	29	0	0	0	29	150	0	0	0	150
2021	32	0	0	0	32	175	0	0	0	175
2022	31	2	0	0	33	178	2	0	12	192
Total	306	4	0	32	342	1,606	16	11	104	1,737

Source: U.S. Census Bureau, Building Permits Survey

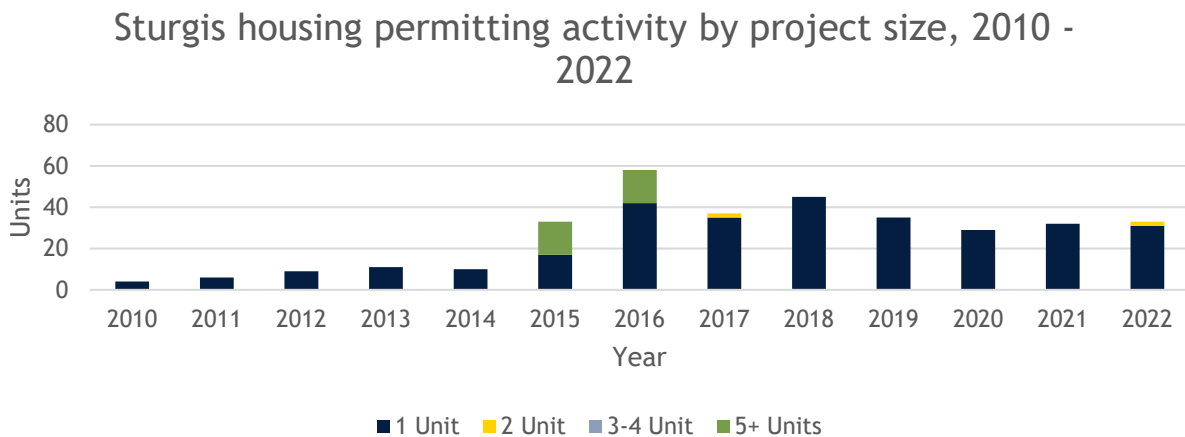


Figure 14. Sturgis housing permitting activity by project size, 2010 - 2022

The following table shows the number of buildings associated with multifamily units permitted in each year. In each of the years 2015 and 2016, Sturgis permitted 16 multifamily units, each in a new building of 16 apartments.

Table 44. Single and multifamily construction, Sturgis, 2010 - 2022

Year	Single family	Multi-family units	Multi-family buildings	Total units
2010	4	0	0	4
2011	6	0	0	6
2012	9	0	0	9
2013	11	0	0	11
2014	10	0	0	10
2015	17	16	1	33
2016	42	16	1	58
2017	35	2	1	37
2018	45	0	0	45
2019	35	0	0	35
2020	29	0	0	29
2021	32	0	0	32
2022	31	2	1	33

Source: U.S. Census Bureau, Building Permits Survey

Whereas previous tables in this section use building permit numbers as reported to the U.S. Census Bureau’s Building Permits Survey, the following table summarizes permitting data directly from the City of Sturgis Planning and Permitting Department. This data includes more recent permitting activity as well as information about modular homes. It may differ slightly from U.S. Census Bureau reports due to differences in timing and categorizing permit types.

The overall pattern seen in local Sturgis permitting data is the same: slow construction coming out of the 2008 recession, followed by a buildup to more active production of housing from 2015 onward. Note that this local permitting data indicates a higher rate of multifamily permitting, with nearly one-fourth of units permitted in buildings with five or more units. This discrepancy with the U.S. Census Bureau permitting data is due to the inclusion of the recent Dolan Creek Senior Living and 12th Street Apartments developments in the local data.

Table 45. Residential building permits: Units permitted by project size, Sturgis, 2010 - 2023

Year	Detached, single family	2 Unit (includes townhome, twin home, and duplex units)	3-4 Unit	5+ Units	Modular homes	Total
2010	4	0	0	0	0	4
2011	5	0	0	0	0	5
2012	2	2	0	0	0	4
2013	4	0	0	0	0	4
2014	10	0	0	0	0	10
2015	14	2	0	16	0	32
2016	31	4	0	16	0	51
2017	26	8	4	0	0	38
2018	28	4	0	0	0	32
2019	27	2	0	0	0	29
2020	28	0	0	0	0	28
2021	18	2	0	50	24	94
2022	30	2	0	14	0	46
2023	26	6	0	0	1	33
Total	253	32	4	96	25	410

Source: City of Sturgis, Planning and Permitting

The following table breaks down the number of multifamily units constructed according to the market segment they serve. Since 2010, multifamily construction in Sturgis has been entirely in the conventional market rate segment of the market. The 50 units of senior housing, though restricted by age, are private pay units without income restrictions or subsidies.

Table 46. Multifamily construction by market segment (units), 2010 - 2023

Year	Conventional market rate	Income-restricted tax credit	Senior	Income-restricted subsidized units for physically disabled	Special needs/group home	Condos	Total
2010	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0
2015	16	0	0	0	0	0	16
2016	16	0	0	0	0	0	16
2017	4	0	0	0	0	0	4
2018	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0
2021	0	0	50	0	0	0	50
2022	14	0	0	0	0	0	14
2023	0	0	0	0	0	0	0

Source: U.S. Census Bureau, Building Permits Survey; South Dakota Housing Development Authority Low Income Housing Tax Credit

Multifamily developments since 2010 have included the following:

- **Sierra Vista Apartments** (1104 Ballpark Rd) - The Sierra Vista Apartments are a conventional, market rate apartment project that consists of two buildings of 16 units each, permitted in 2015 and 2016. Units in the buildings have two to four bedrooms.
- **Wildflowers Townhouses** (751 Boulevard St) - The Wildflowers Townhouses consist of four conventional, market rate townhomes designed as one-level, carefree living, with lawn care and snow removal included. The units were permitted in 2017; the project broke ground in 2018 and was completed in 2019. Each townhome is a two-bedroom rental unit with an attached garage. Two additional fourplexes are planned, so the development will eventually total 12 units.
- **Dolan Creek Senior Living** (2171 Moose Dr) - Dolan Creek Senior Living, permitted in 2021 and completed in 2023, is a private pay senior living facility. Its 50 units are divided between 14 assisted living units on the first floor and 36 independent living units on the second and third floors.
- **12th Street Apartment** (715 12th St) - The 12th Street Apartments include 14 units of conventional, market rate housing. Permitted in 2022 and completed in 2023, the building includes both one- and two-bedroom units.

Overall since 2010, building activity in Sturgis has accounted for about 20% of all Meade County residential permitting. That ratio has fluctuated over the years. From 2010 to 2014, Sturgis accounted for less than 10% of Meade County construction. Between 2015 and 2019, the city made up 20 to 30% of residential construction in the county. Most recently, since 2020, Sturgis has contributed just under 20% of residential permitting in Meade County.

Table 47. Sturgis as a share of regional housing permitting

Year	Sturgis	Remainder of Meade County
2010	4	83
2011	6	57
2012	9	90
2013	11	126
2014	10	111
2015	33	113
2016	58	91
2017	37	116
2018	45	103
2019	35	82
2020	29	121
2021	32	143
2022	33	159
Total	342	1,395

Source: U.S. Census Bureau, Building Permits Survey

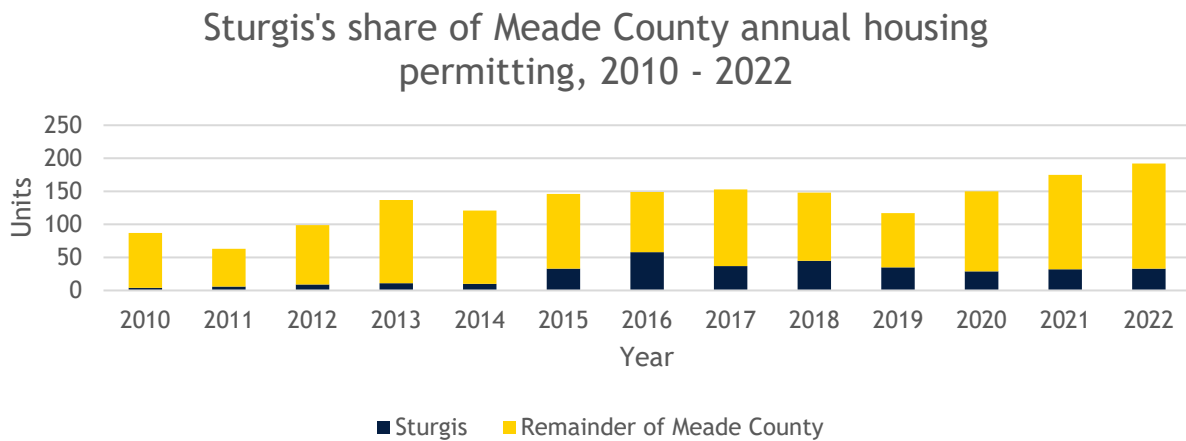


Figure 15. Sturgis's share of Meade County annual housing permitting, 2010 - 2022

Section 5: Homeowners

5.0 Key Findings

Sturgis defied regional and national trends in construction of owner-occupied homes: in the Rapid City area, statewide in South Dakota, and across the United States, owner-occupied housing production from 2010 to 2020 was lower than in 2000 to 2010. But in Sturgis, between 2010 and 2020, the number of owner-occupied housing units increased by 7%, nearly double the rate of growth in owner-occupied homes from the previous decade.

Still, Sturgis was playing catchup. From 2000 to 2010, owner-occupied housing production in Sturgis had been much lower than other areas, at just 4% growth over the decade. Sturgis's increased pace of bringing owner-occupied housing units online in the more recent decade brought its construction rate roughly on par with the Rapid City area and statewide averages, and slightly above national averages. Compared to the rest of Meade County, Sturgis continued to lag in owner-occupied housing production, even in the most recent decade.

While the rest of the state and country saw owner-occupied vacancy rates decline from 2010 to 2020, in Sturgis the vacancy rate stayed steady, increasing just slightly from 1.6% in 2010 to 1.7% in 2020. This steady vacancy rate suggests that Sturgis's owner-occupied housing production was able to keep up with local demand.

In Sturgis, most (80.7%) owner-occupied homes are single-family detached units. About 15.5% of owner-occupied homes are mobile homes, while the remaining 3 or 4% are attached homes in multiunit structures, such as townhomes. Nearly all (97%) owner-occupied homes in Sturgis have at least two bedrooms, and 30.5% have four or more bedrooms. About two-thirds (66.5%) of owner-occupied homes are moderately sized, with two or three bedrooms.

Altogether, homes built before 1980 make up more than three-fifths (63.5%) of the owner-occupied housing stock in Sturgis, including 28% built prior to 1960. These older homes can bring natural affordability to the market; they also may require increased maintenance to keep them in good condition and preserve them as part of the existing housing stock.

Home values and sales price have increased drastically over the last few years. Sales price data from the South Dakota Department of Revenue indicates that, from 2010 to 2022, median sale price increased 111%. The largest year-to-year price increases occurred from 2020 to 2021 (21%) and from 2021 to 2022 (14%, tied with the increase from 2010 to 2011).

In 2022 in Sturgis, about one-third (34%) of home sales were for property priced at less than \$200,000. Another 37% were priced between \$250,000 and \$399,999. Nearly one-fifth (19%) were priced at \$400,000 or more.

Data from the Mount Rushmore Area MLS likewise reflect significant increases in sales price from 2020 to 2021 (19% increase) and again from 2021 to 2022 (13% increase). However, these data, which are available through 2023, also hint at a cooling to the market. From 2022 to 2023, average sales price increased just 3%, and average days on market increased for the first time since 2020.

5.1 Existing Unit Characteristics, Occupancy, and Vacancy

Between 2010 and 2020, the number of owner-occupied housing units in Sturgis increased by 7%, nearly double the rate of growth in owner-occupied homes from the previous decade.

Sturgis also defied regional and national trends: in the Rapid City area, statewide in South Dakota, and across the United States, owner-occupied housing production from 2010 to 2020 was lower than in 2000 to 2010.

Still, Sturgis was playing catchup. From 2000 to 2010, owner-occupied housing production in Sturgis had been much lower than other areas, at just 4% growth over the decade. Sturgis’s increased pace of bringing owner-occupied housing units online in the more recent decade brought it roughly on par with the Rapid City area and statewide averages, and slightly above national averages. Compared to the rest of Meade County, Sturgis continued to lag in owner-occupied housing production, even in the most recent decade.

Table 48. Housing unit growth: Owner-occupied housing units, 2000 - 2020

	2000 Census	2010 Census	2020 Census	% Change 2000-2010	% Change 2010-2020
Sturgis	1,744	1,817	1,939	4%	7%
Meade County	6,006	7,339	8,165	22%	11%
Rapid City MSA	28,936	34,131	36,891	18%	8%
South Dakota	197,940	219,558	234,956	11%	7%
USA	69,815,753	75,986,074	80,051,358	9%	5%

Source: U.S. Census Bureau, 2000, 2010, and 2020 Decennial Censuses

While the rest of the state and country saw owner-occupied vacancy rates decline from 2010 to 2020, in Sturgis the vacancy rate stayed steady, increasing just slightly from 1.6% in 2010 to 1.7% in 2020. This steady vacancy rate suggests that Sturgis’s owner-occupied housing production was able to keep up with local demand.

Table 49. Owner-occupied housing vacancy rate, 2000 - 2020

	2010 Census	2020 Census
Sturgis	1.6%	1.7%
Meade County	1.4%	1.0%
Rapid City MSA	1.9%	1.3%
South Dakota	1.6%	1.5%
USA	2.4%	1.5%

Note: Owner vacancy rate is calculated as units for sale only / (units for sale only + sold not occupied + owner-occupied)

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

In Sturgis, most (80.7%) owner-occupied homes are single-family detached units. About 15.5% of owner-occupied homes are mobile homes, while the remaining 3 or 4% are attached homes in multiunit structures, such as townhomes.

Table 50. Sturgis owner-occupied housing units by number of units in structure, 2022

	Estimate	Percent
1, detached	1,621	80.7%
1, attached	64	3.2%
2 apartments	0	0.0%
3 or 4 apartments	0	0.0%
5 to 9 apartments	12	0.6%
10 or more apartments	0	0.0%
Mobile home or other type of housing	312	15.5%

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2504

Over one-third (35.5%) of owner-occupied homes in Sturgis were built during the 1960s or 1970s. Another 28% were built prior to 1960. Altogether, homes built before 1980 make up more than three-fifths (63.5%) of the owner-occupied housing stock in Sturgis. These older homes can bring natural affordability to the market; they also may require increased maintenance to keep them in good condition and preserve them as part of the existing housing stock.

The 1980s and 1990s were slow production years in Sturgis, with just 9.4% of the current owner-occupied housing stock built during those two decades. However, construction has picked up in recent years, with about 27% of owner-occupied units having been built since 2000.

Table 51. Sturgis owner-occupied housing units by year structure was built, 2022

	Estimate	Percent
1939 or earlier	224	11.1%
1940 to 1959	339	16.9%
1960 to 1979	714	35.5%
1980 to 1999	188	9.4%
2000 to 2009	335	16.7%
2010 to 2019	200	10.0%
2020 or later	9	0.4%

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2504

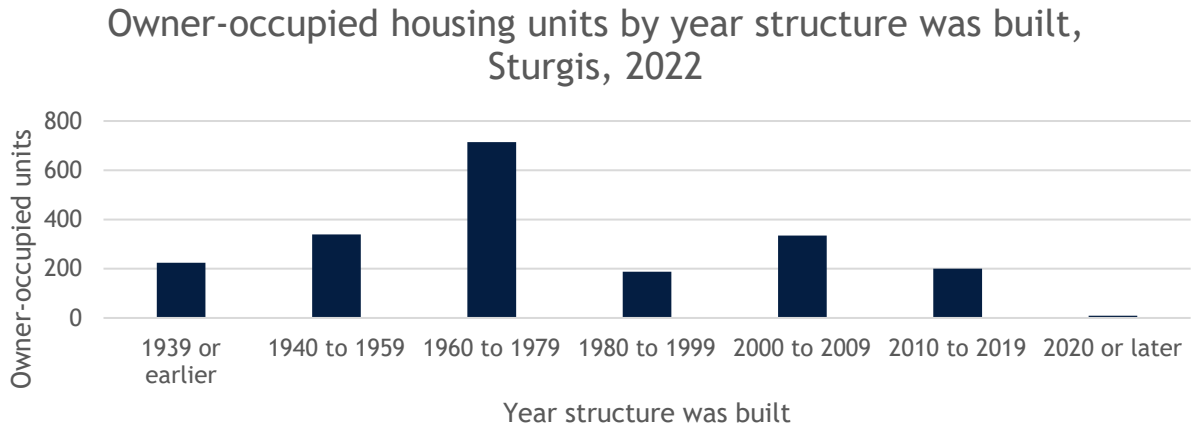


Figure 16. Owner-occupied housing units by year structure was built, Sturgis, 2022

Nearly all (97%) owner-occupied homes in Sturgis have at least two bedrooms, and 30.5% have four or more bedrooms. About two-thirds (66.5%) of owner-occupied homes are moderately sized, with two or three bedrooms.

Table 52. Sturgis owner-occupied housing units by number of bedrooms, 2022

	Estimate	Percent
No bedroom	0	0.0%
1 bedroom	61	3.0%
2 or 3 bedrooms	1335	66.5%
4 or more bedrooms	613	30.5%

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2504

5.2 Home Value and Sales Activity

The U.S. Census Bureau’s American Community Survey reports home values for owner-occupied homes. These home values are based on homeowners’ self-reports, and the figures shown in the following tables and charts are based on five years of pooled data. As a result, they may underestimate current home values, especially during periods of rapid increases in home values.

Based on American Community Survey data, nearly half (48.5%) of the owner-occupied homes in Sturgis are valued at less than \$200,000. About one-fifth (21.2%) are valued at between \$300,000 and \$400,000, and about 6.3% are valued at \$400,000 or more.

Table 53. Home value for owner-occupied homes, Sturgis, 2022

	Units	%
Less than \$100k	367	18.3%
\$100k to \$149k	227	11.3%
\$150k to \$199k	379	18.9%
\$200k to \$249k	350	17.4%
\$250k to \$299k	134	6.7%
\$300k to \$399k	425	21.2%
\$400k to \$499k	111	5.5%
\$500k to \$749k	16	0.8%
\$750k to \$999k	0	0.0%
\$1M+	0	0.0%

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25075

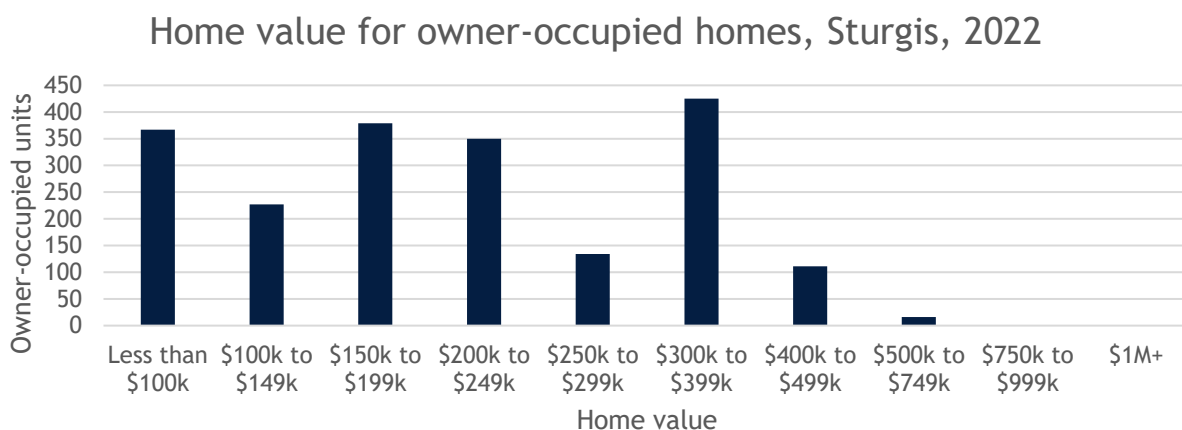


Figure 17. Home value for owner-occupied homes, Sturgis, 2022

Median owner-occupied home value is the midpoint of home values among all owner-occupied homes: 50% of homes have higher values and 50% have lower values. Between 2010 and 2022, the estimated median owner-occupied home value in Sturgis increased 75%, from \$116,600 in 2010 to \$204,500 in 2022 (not adjusted for inflation). The two largest one-year increases in median home value occurred from 2014 to 2015 (22.5% increase) and from 2021 to 2022 (20.8% increase).

Table 54. Median owner-occupied home value in Sturgis and Meade County

	Sturgis	Meade County
2010	\$116,600	\$145,800
2011	\$115,000	\$153,400
2012	\$122,800	\$160,500
2013	\$114,200	\$157,100
2014	\$118,500	\$158,100
2015	\$145,200	\$162,700
2016	\$153,100	\$166,200
2017	\$147,100	\$168,400
2018	\$154,000	\$180,500
2019	\$162,000	\$190,500
2020	\$158,400	\$207,700
2021	\$169,300	\$214,600
2022	\$204,500	\$252,300

Note: Table and chart are based on 5-year estimates, which may underestimate year-to-year changes. Dollars are nominal in the reported year, not adjusted for inflation.

Source: U.S. Census Bureau, American Community Survey 2010-22 5-year estimates, Table DP04

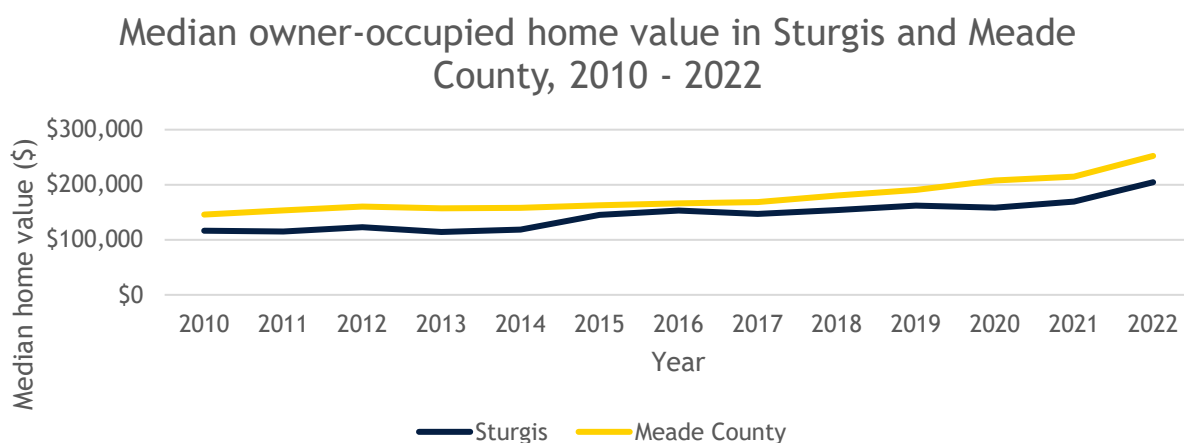


Figure 18. Median owner-occupied home value in Sturgis and Meade County, 2010 - 2022

The South Dakota Department of Revenue also records the sales price for property sales. The following table show the number of residential sales, median sale price, and the highest and lowest sale price recorded each year, from 2010 through 2022. Empirical sales prices reflect actual market conditions, as opposed to self-reported home values, which include home values for homeowners who may not have been in the market for years.

The sales data show an even steeper increase in home values over the past decade: from 2010 to 2022, median sale price increased 111%. The largest year-to-year price increases occurred

from 2020 to 2021 (21%) and from 2021 to 2022 (14%, tied with the increase from 2010 to 2011). These recent large jumps in price come after a decade-long period (2011 to 2020) during which the average annual increase in median sale price was just 3%.

Table 55. Sturgis residential sales activity, Meade County residential sales within city limits, 2010 - 2022

	Number of sales	Median sale price	Highest sale	Lowest sale
2010	97	\$124,950	\$284,000	\$16,000
2011	89	\$142,000	\$325,000	\$22,000
2012	113	\$133,500	\$280,000	\$15,000
2013	133	\$135,000	\$517,000	\$19,500
2014	150	\$141,750	\$415,000	\$10,000
2015	163	\$143,000	\$525,000	\$26,000
2016	169	\$154,000	\$325,000	\$20,000
2017	206	\$156,458	\$810,000	\$5,000
2018	196	\$171,250	\$400,000	\$20,000
2019	197	\$183,000	\$500,000	\$16,000
2020	184	\$191,000	\$605,000	\$11,000
2021	192	\$231,600	\$750,000	\$18,000
2022	232	\$263,250	\$1,777,248	\$12,500

Source: SD Department of Revenue

Note: Sales data are reported by county boards of equalization to the state department of revenue. Because these data are collected for ratio studies, they primarily consist of sales of existing homes with an established tax value (i.e., not new construction). Each year's data reflects sales that took place between November 1 and October 31. Sales data in the table include non-agricultural properties within Meade County and the Meade School District that are property class D (i.e., platted land in city limits (D or D1)). Data excludes property under commercial use (DC or DC2) as well as reject sales (for sales ratio study).

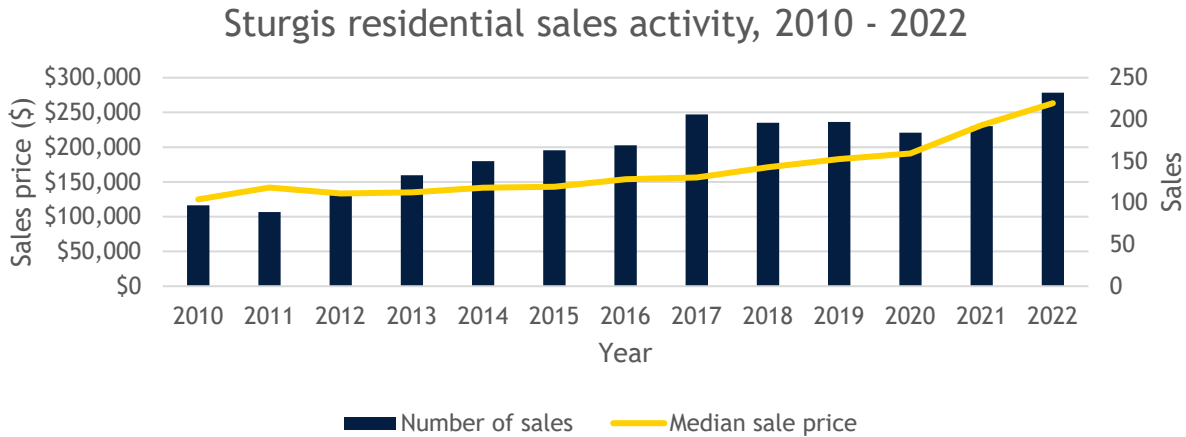


Figure 19. Sturgis residential sales activity, 2010 - 2022

In 2022 in Sturgis, about one-third (34%) of home sales were for property priced at less than \$200,000. Another 37% were priced between \$250,000 and \$399,999. Nearly one-fifth (19%) were priced at \$400,000 or more. As expected, these home values are higher than those reported to the American Community Survey. They also demonstrate a more marked shift toward higher priced homes (sales price over \$400,000) than is evidenced in the American Community Survey data.

Table 56. Sturgis home sales by price range, 2022

Sale price	Number of sales	Percent of sales
Less than \$50,000	10	4%
\$50,000 to \$99,999	29	13%
\$100,000 to \$124,999	9	4%
\$125,000 to \$149,999	12	5%
\$150,000 to \$174,999	7	3%
\$175,000 to \$199,999	11	5%
\$200,000 to \$224,999	12	5%
\$225,000 to \$249,999	14	6%
\$250,000 to \$299,999	44	19%
\$300,000 to \$349,999	21	9%
\$350,000 to \$399,999	20	9%
\$400,000 to \$449,999	18	8%
\$450,000 to \$499,999	11	5%
\$500,000 or more	14	6%
Total	232	

Source: SD Department of Revenue

Note: Sales data are reported by county boards of equalization to the state department of revenue. Because these data are collected for ratio studies, they primarily consist of sales of existing homes with an established tax value (i.e., not new construction). Each year's data

reflects sales that took place between November 1 and October 31. Sales data in the table include non-agricultural properties within Meade County and the Meade School District that are property class D (i.e., platted land in city limits (D or D1)). Data excludes property under commercial use (DC or DC2) as well as reject sales (for sales ratio study).

Data from the Mount Rushmore Area MLS likewise reflect significant increases in sales price from 2020 to 2021 (19% increase) and again from 2021 to 2022 (13% increase). However, these data, which are available through 2023, also hint at a cooling to the market. From 2022 to 2023, average sales price increased just 3%, and average days on market increased for the first time since 2020.

Table 57. Black Hills-area home sales, 2020 - 2023

	2020	2021	2022	2023
Average list price	\$303,792	\$355,566	\$404,947	\$422,012
Average sold price	\$294,584	\$351,527	\$398,108	\$410,175
Average days on market	77	35	33	44
Number of residences sold	1,665	1,717	1,629	1,405

Source: Mount Rushmore Area MLS

Section 6: Renters

6.0 Key Findings

From 2010 to 2020, the number of renter-occupied housing units in Sturgis increased by 5%, compared to an 11% increase the decade before. Compared to local and national rates, the rental vacancy rate in Sturgis is low, despite a small increase from 4.2% in 2010 to 6.2% in 2020. Results of the rental property survey conducted for this study found a rental vacancy rate in early 2024 of about 5.5%, or just under 1% when excluding assisted and independent senior living facilities.

In Sturgis, about one-third (34.7%) of renter-occupied units are in multifamily apartment buildings with 10 or more individual units, while the other two-thirds are in smaller buildings, including single-family houses, duplexes, townhouses, or small multifamily buildings, as well as mobile homes, which house just under 10% of renter households.

In terms of age, the renter-occupied housing stock in Sturgis is older than the owner-occupied stock, with over half of the renter-occupied housing units built prior to 1980. Only about 10.3% of the renter-occupied housing units in Sturgis have been built since 2000.

Sturgis has a somewhat bimodal rent distribution: that is, rents cluster around two different points. About 20% of units rent for between \$500 and \$700, while another 19.9% rent for between \$1,250 and \$1,499. In 2022, the median gross rent in Sturgis was \$763, up 38% from 2010. In 2010, Sturgis had an estimated 738 rental units with monthly rents between \$400 and \$699. By 2022, the city had just 265 units in that range. Over the same period, the number of rental units with rents of \$1,000 or more increased from virtually none to an estimated 360.

In part, the shift of the rent distribution is a result of inflation as rent rates increase over time. Low vacancy rates and high demand for rental units can also drive rents up. The construction of new rental units can help alleviate rent pressure from demand and supply dynamics, but at the same time, without tax credits or subsidies, newly constructed rental units tend to enter the market toward the upper end of the rent distribution.

Rent varies by the number of bedrooms in a rental unit, with larger units tending to rent at higher levels. In 2022, the typical rent for a one-bedroom rental in Sturgis was \$392, compared to \$793 for a two-bedroom unit or \$1,334 for a three-bedroom unit. Most renter-occupied units in Sturgis, about 61.6%, have two or three bedrooms. Another 23.7% are single-bedroom units. An estimated 6.9% are studio or efficiency apartments, and 7.8% have four or more bedrooms.

6.1 Existing Unit Characteristics, Occupancy, and Vacancy

From 2010 to 2020, the number of renter-occupied housing units in Sturgis increased by 5%, a slower rate than in the previous decade. While Meade County, South Dakota, and the nation increased the rate of production of renter-occupied housing, Sturgis's rate of introduction of renter-occupied units fell from 11% the decade before.

Table 58. Housing unit growth: Renter-occupied housing units, 2000 - 2020

	2000 Census	2010 Census	2020 Census	% Change 2000-2010	% Change 2010-2020
Sturgis	994	1,099	1,153	11%	5%

Meade County	2,799	2,564	3,200	-8%	25%
Rapid City MSA	14,510	17,023	19,383	17%	14%
South Dakota	92,305	102,724	115,604	11%	13%
USA	35,664,348	40,730,218	46,766,222	14%	15%

Source: U.S. Census Bureau, 2000, 2010, and 2020 Decennial Censuses

Nationwide, rental housing has come to make up a greater proportion of the total housing stock, increasing from 33.8% of all occupied housing units in 2000 to 36.9% in 2020. In Sturgis, that increase has been less evident, with rental housing making up 36.3% of occupied units in 2000 and just slightly more at 37.3% in 2020. While the proportion of rental housing in Sturgis is similar to nationwide averages, it is higher than the proportion seen in Meade County as a whole or statewide in South Dakota.

Table 59. Renter-occupied units as a percentage of all occupied housing units, 2000 - 2020

	2000 Census	2010 Census	2020 Census
Sturgis	36.3%	37.7%	37.3%
Meade County	31.8%	25.9%	28.2%
Rapid City MSA	33.4%	33.3%	34.4%
South Dakota	31.8%	31.9%	33.0%
USA	33.8%	34.9%	36.9%

Source: U.S. Census Bureau, 2000, 2010, and 2020 Decennial Censuses; calculations by analyst

Compared to local and national rates, the rental vacancy rate in Sturgis is low, despite a small increase from 2010 to 2020. In 2010, the renter-occupied housing vacancy rate in Sturgis was just 4.2%. By 2020, it increased to 6.2%, similar to the rest of Meade County but below the overall average for the Rapid City area, the state of South Dakota, and the nation.

Table 60. Renter-occupied housing vacancy rate, 2000 - 2020

	2010 Census	2020 Census
Sturgis	4.2%	6.2%
Meade County	12.5%	6.4%
Rapid City MSA	7.4%	7.7%
South Dakota	9.1%	9.3%
USA	9.2%	7.4%

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

Note: Renter vacancy rate is calculated as for rent / (for rent + rented not occupied + renter-occupied)

The table below shows the distribution of renter-occupied housing units in Sturgis by the type of structure they are in. Overall, about one-third (34.7%) of renter-occupied units are in multifamily apartment buildings with 10 or more individual units. About one-fourth (26.7%)

are single-family, detached units. Another 28.6% are part of duplexes, townhouses, or small multifamily buildings, while 9.9% of renter-occupied housing units are mobile homes.

Table 61. Sturgis renter-occupied housing units by number of units in structure, 2022

	Estimate	Percent
1, detached	302	26.7%
1, attached	100	8.9%
2 apartments	14	1.2%
3 or 4 apartments	87	7.7%
5 to 9 apartments	122	10.8%
10 or more apartments	392	34.7%
Mobile home or other type of housing	112	9.9%

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2504

In terms of age, the renter-occupied housing stock in Sturgis is older than the owner-occupied stock. Over half of the renter-occupied housing units were built prior to 1980. Another 37.6% were built between 1980 and 1999. Only about 10.3% of the renter-occupied housing units in Sturgis have been built since 2000.

Table 62. Sturgis renters-occupied housing units by year structure was built, 2022

	Estimate	Percent
1939 or earlier	56	5.0%
1940 to 1959	153	13.6%
1960 to 1979	379	33.6%
1980 to 1999	424	37.6%
2000 to 2009	25	2.2%
2010 to 2019	92	8.1%
2020 or later	0	0.0%

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2504

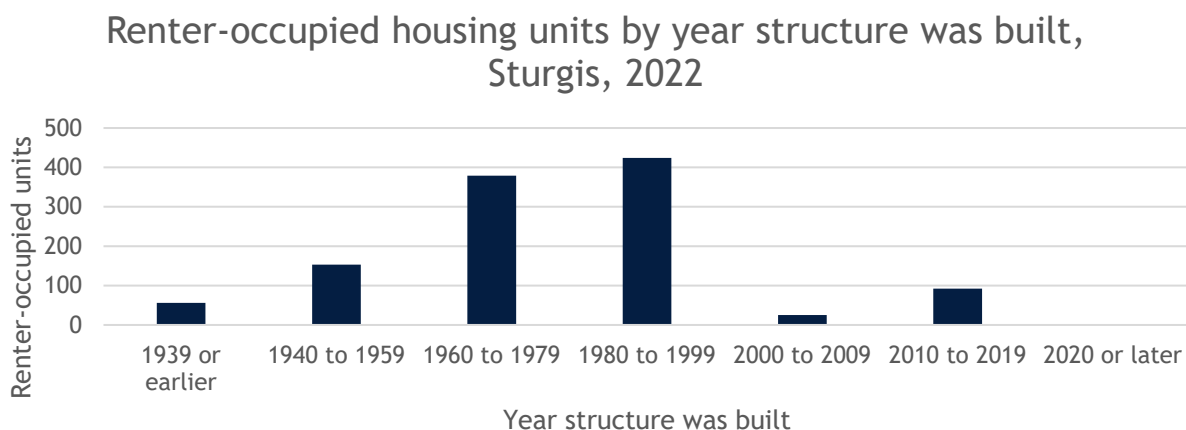


Figure 20. Renter-occupied housing units by year structure was built, Sturgis, 2022

Most renter-occupied units in Sturgis, about 61.6%, have two or three bedrooms. Another 23.7% are single-bedroom units. An estimated 6.9% are studio or efficiency apartments, and 7.8% have four or more bedrooms.

Table 63. Sturgis renter-occupied housing units by number of bedrooms, 2022

	Estimate	Percent
No bedroom	78	6.9%
1 bedroom	268	23.7%
2 or 3 bedrooms	695	61.6%
4 or more bedrooms	88	7.8%

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2504

6.2 Rent Levels

Sturgis has a somewhat bimodal rent distribution: that is, rents cluster around two different points. About 20% of units rent for between \$500 and \$700, while another 19.9% rent for between \$1,250 and \$1,499.

The table below shows rent rates as self-reported by renters to the U.S. Census Bureau’s American Community Survey. These data encompass all types of rental units, including conventional and subsidized rentals, tax credit properties, and some specialized senior housing. However, given the overall composition of the Sturgis rental market, the vast majority of units reported are conventional rentals.

For the most part, rental units with rents below \$500—and especially those shown with rent of less than \$250—are subsidized units or units rented by households with tenant-based rental assistance such as a Housing Choice Voucher.

Table 64. Gross rent rates, Sturgis, 2022

	Units	%
Less than \$250	157	14.3%
\$250 to \$399	69	6.3%
\$400 to \$499	46	4.2%
\$500 to \$599	146	13.3%
\$600 to \$699	73	6.7%
\$700 to \$799	105	9.6%
\$800 to \$899	78	7.1%
\$900 to \$999	63	5.7%
\$1,000 to \$1,249	99	9.0%
\$1,250 to \$1,499	218	19.9%
\$1,500+	43	3.9%

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25063

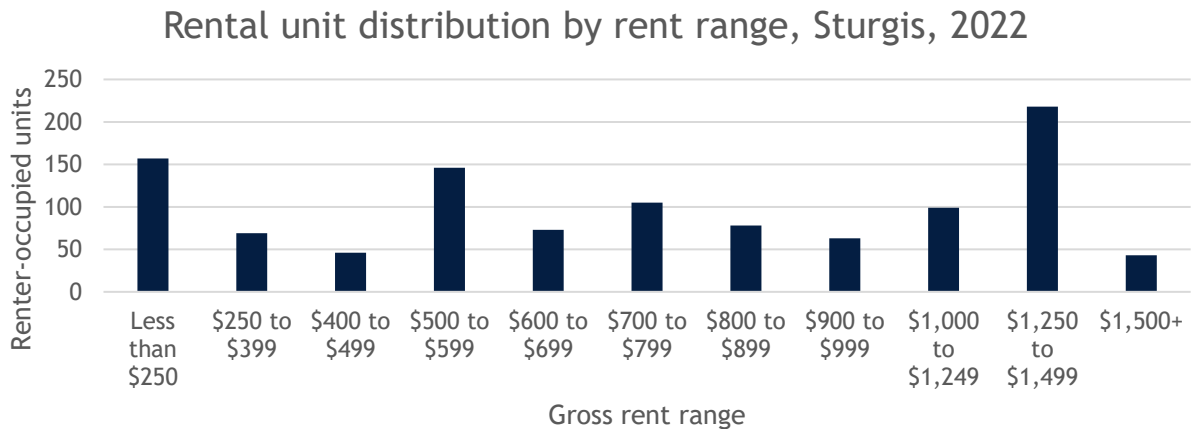


Figure 21. Rental unit distribution by rent range, Sturgis, 2022

Median gross rent is the midpoint of the rent rate distribution: half of the rent rates are above the median and half are below. In 2022, the median gross rent in Sturgis was \$763, up 38% from 2010. Sturgis experienced less rent inflation than Meade County as a whole. In Meade County, median rent increased from \$612 in 2010 to \$1,109 in 2022, an increase of 81%.

Table 65. Median gross rent in Sturgis and Meade County, 2010 - 2022

Year	Sturgis	Meade County
2010	\$553	\$612
2011	\$549	\$615
2012	\$569	\$650
2013	\$567	\$728
2014	\$578	\$770
2015	\$524	\$772
2016	\$604	\$795
2017	\$535	\$837
2018	\$512	\$860
2019	\$530	\$877
2020	\$703	\$952
2021	\$628	\$1,002
2022	\$763	\$1,109

Median gross rent figures are based on 5-year estimates and may underestimate year-to-year changes.

Source: U.S. Census Bureau, American Community Survey 2010 - 2022 5-year estimates, Table B25064

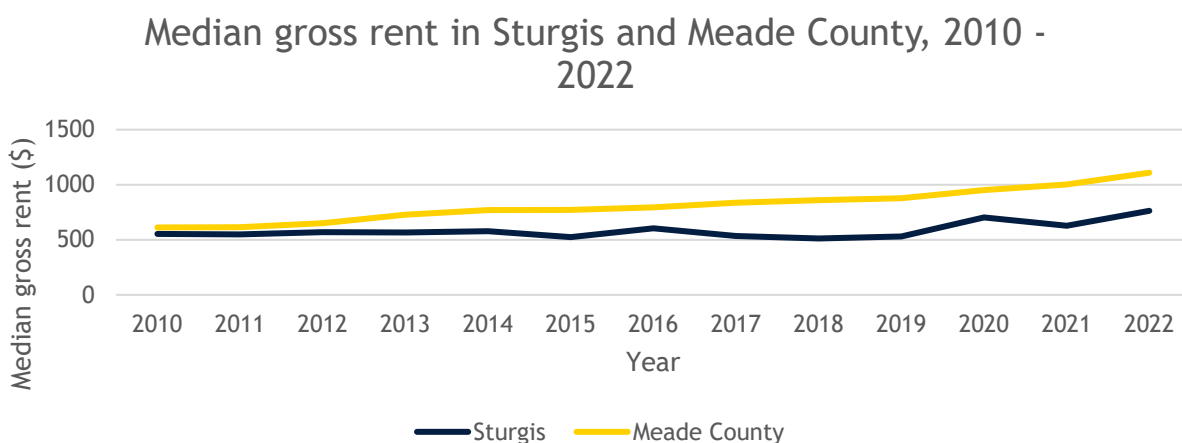


Figure 22. Median gross rent in Sturgis and Meade County, 2010 - 2022

Over the past decade, distribution of rental units by rent range has shifted upward, with more units renting at higher levels and fewer at low or moderate levels. In 2010, Sturgis had an estimated 738 rental units with monthly rents between \$400 and \$699. By 2022, the city had just 265 units in that range. Over the same period, the number of rental units with rents of \$1,000 or more increased from virtually none to an estimated 360.

In part, the shift of the rent distribution is a result of inflation as rent rates increase over time. Low vacancy rates and high demand for rental units can also drive rents up. The construction of new rental units can help alleviate rent pressure from demand and supply

dynamics, but at the same time, without tax credits or subsidies, newly constructed rental units tend to enter the market toward the upper end of the rent distribution.

Table 66. Rental unit distribution by rent range, Sturgis, 2010 - 2022

	2010	2015	2020	2022
Less than \$250	101	234	158	157
\$250 to \$399	72	210	86	69
\$400 to \$499	195	188	37	46
\$500 to \$599	382	161	190	146
\$600 to \$699	161	201	70	73
\$700 to \$799	60	100	152	105
\$800 to \$899	32	66	143	78
\$900 to \$999	49	51	13	63
\$1,000 to \$1,249	0	131	199	99
\$1,250 to \$1,499	0	0	36	218
\$1,500+	0	36	0	43

Median gross rent figures are based on 5-year estimates and may underestimate year-to-year changes.

Source: U.S. Census Bureau, American Community Survey 5-year estimates, Table B25063 (in 2010, 2015, 2020, and 2022 dollars, respectively)

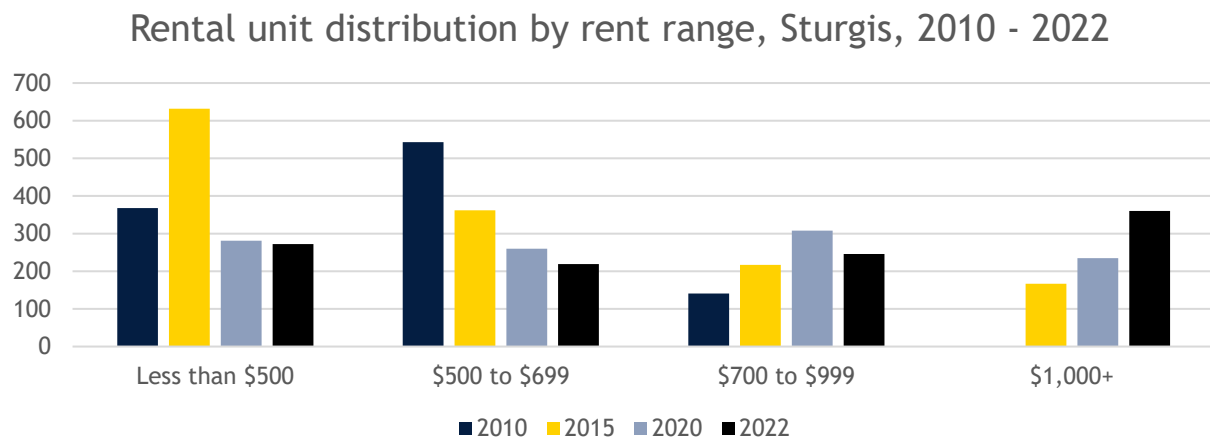


Figure 23. Rental unit distribution by rent range, Sturgis, 2010 - 2022

Rent varies by the number of bedrooms in a rental unit, with larger units tending to rent at higher levels. In 2022, the typical rent for a one-bedroom rental in Sturgis was \$392, compared to \$793 for a two-bedroom unit or \$1,334 for a three-bedroom unit.

Table 67. Median gross rent by number of bedrooms, Sturgis, 2017 - 2022

	2017	2022
No bedroom	\$239	-
1 bedroom	\$251	\$392
2 bedrooms	\$540	\$793
3 bedrooms	\$769	\$1,334
4 bedrooms	-	\$1,186
5 or more bedrooms	-	-
Total (all unit sizes)	\$535	\$763

Source: U.S. Census Bureau, American Community Survey 2017 and 2022 5-year estimates, Table B25031

The table below shows the estimated distribution of renter-occupied units, broken down by both rent level and the number of bedrooms in the unit. Most of the units renting for under \$500 are studio apartments or one-bedroom units, while most of those renting at \$1,000 or more have three or more bedrooms.

Table 68. Rent level by number of bedrooms, Sturgis, 2022

	No bedroom	1 bedroom	2 bedrooms	3+ bedrooms
Less than \$300	58	108	33	6
\$300 to \$499	0	67	0	0
\$500 to \$749	5	76	137	42
\$750 to \$999	0	0	205	0
\$1,000 to \$1,499	0	0	75	242
\$1,500 or more	15	0	0	28
No cash rent	0	17	0	15
Total	78	268	450	333

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25068

6.3 Rental Property Survey

For this study, a survey was conducted of rental properties in Sturgis. Property managers were contacted by phone between January 12 and February 6, 2024. In total, properties encompassing 705 rental units were surveyed.

The survey focused on multifamily properties with at least four units; it undersampled single unit detached rentals. Overall in the rental survey, 20 (2.8%) of the 705 units surveyed were single family detached homes; 39 (5.5%) were duplexes or town homes; and 597 (84.7%) were multifamily (including 67 assisted living units). The survey also covered 49 (7%) mobile homes.

The 705 units in the survey encompassed 216 conventional (market rate) rentals, 103 independent and assisted living units, 24 tax credit (LIHTC) units, and 362 subsidized rentals. With all property types taken together, across the 705 units surveyed, the rental survey

recorded a rental vacancy rate of 5.5%. Excluding independent and assisted living, the survey found a rental vacancy rate of just under 1%.

6.4 Conventional Rentals

The survey of Sturgis rental properties conducted for this study included 216 units in conventional rental properties. Across those 216 units, there were 4 vacancies reported at the time of the survey, a vacancy rate of 1.9%. Previous Sturgis housing studies found conventional rental vacancy rates of 1.9% (2019) and 0.7% (2014).

Of the conventional rentals surveyed for this study, most rent for \$500 to \$1,000 and have two bedrooms. The survey also covered several larger rental units, including single family homes, three- or four-bedroom apartments, and townhomes; these larger units typically rent for \$1,100 to \$1,800. The highest rent seen across conventional rentals was \$2,200 for a three-bedroom townhome. The lowest was \$450 for a studio apartment.

While collecting information for the rental survey, project staff learned from managers of mobile home parks that there are several mobile homes currently under renovation and planned for sale, plus additional mobile homes that have been abandoned by owners and are not in a condition to be sold or rented. These mobile homes may be removed and destroyed or renovated for future use.

The following table provides an overview of conventional rental properties and units surveyed for this study, focused specifically on single family homes, duplexes, townhomes, and mobile homes.

Table 69. Conventional rentals: Single family, duplex, townhomes, and mobile homes

Property	Description	Rent Level
Properties Unlimited single-family homes	6 single-family homes, ranging from 1 bedroom to 4 bedrooms. Rent does not include utilities. One home includes a garage. No vacancies.	\$850 to \$1,800
Properties Unlimited townhomes	5 townhomes, most with 3 bedrooms and 1 unit with 2 bedrooms. Rent does not include utilities. Units have garages, and 3 include snow and lawn care with an additional HOA fee. No vacancies.	\$1,500 to \$2,200
Properties Unlimited duplexes	6 duplexes with 2 bedrooms each. Rent does not include utilities. Units have single car garages. Two are side-by-side duplexes and one is vertical. No vacancies.	\$650 to \$900
Comanche Court duplex	2-bedroom units of around 700 square feet. Rent does not include utilities. No vacancies.	\$650
Peck single-family homes	2 single-family homes with 2 bedrooms each. Rent does not include utilities. No vacancies.	\$500
Terranova single-family homes	4 single-family homes with 2 bedrooms each. Rent does not include utilities. Homes have garages. No vacancies.	\$1,500 to \$3,000

410 Properties	5 single-family homes with 2 bedrooms. No vacancies.	Not disclosed
The Real Estate Center duplexes	2 duplexes (4 units) with 2 bedrooms per unit. Rent does not include utilities. One unit has a carport. No vacancies.	\$500 to \$800
The Real Estate Center mobile homes	16 mobile homes, most with 3 bedrooms but 2 with 2 bedrooms. Some homes have sheds and 1 has a carport. No vacancies.	\$600 to \$1,000
Williams Properties single-family homes	3 houses located in mobile home parks, including 2, 3, and 4 bedrooms. Rent includes water, sewer, and garbage. No vacancies.	\$675 to \$1,100
Williams Properties mobile home parks	23 rental mobile homes across 3 parks, including 2, 3, and 4-bedroom units. Rent includes water, sewer, and garbage. Reported 4 vacancies. These parks also include 131 owner-occupied mobile homes with lot rent of \$350/month. No vacant lots were reported. These units are not included in this rental survey.	\$675 to \$1,100
A&A Property Management mobile homes	10 mobile homes with 2 bedrooms. No vacancies.	\$700

The following table provides an overview of conventional rental properties and units surveyed for this study, focused specifically on units in larger, multifamily buildings.

Table 70. Conventional rentals: Multifamily buildings

Property	Description	Rent Level
Properties Unlimited 4-plex	2-bedroom units. Utilities not included. No vacancies.	\$800
Peck 4-plex	3 1-bedroom units and 1 studio apartment. Rent does not include utilities. No vacancies.	\$450 to \$500
Peck triplex	1-bedroom units. Rent does not include utilities. No vacancies.	\$500
Hartman apartment building	5 1-bedroom units. Rent includes water, sewer, and garbage. 4 units occupied and 1 unit currently in remodeling (not included in vacant count).	\$700 to \$1,000
S. Baldwin 4-plex	2-bedroom units. Rent does not include utilities. No vacancies.	\$600
Williams St. 4-plex	2-bedroom units, around 700 square feet each. Rent does not include utilities. No vacancies.	\$650

12th Street Apartments	14 units with 1 and 2 bedrooms. Rent includes water, sewer, and garbage. Newly opened in 2023. No vacancies.	\$1,300 to \$1,350
The Real Estate Center multifamily properties	28 units across a 4-plex and 3 8-plex buildings. Primarily 2-bedroom units, except for 3 1-bedroom units. Rent includes water, sewer, and gas. 27 units occupied and 1 unit currently in remodeling (not included in vacant count).	\$650 to \$1,000
Sierra Vista Apartments	32 units, including 2-, 3-, and 4-bedroom units. Renter includes water, sewer, and garbage. No vacancies.	\$975 to \$1,500
Jenter Properties	32 units across an 8-plex and 2 12-unit buildings. All 2-bedroom units. Rent does not include utilities. No vacancies.	\$800 to \$850

6.5 Independent, Assisted Living, and Nursing Homes

Sturgis has seen the addition of several independent and assisted living options over the past decade. In 2013, the Aspen Grove Assisted Living opened with 40 licensed beds across 34 apartments. Very recently, in 2023, Dolan Creek Senior Living opened with 36 independent living units and 16 beds across 14 assisted living units.

In general, rent levels and fees for assisted living vary with the level of service residents select. Rent and fees also vary depending on payment type (i.e., private pay or Medicaid). Private pay senior housing and assisted living tends to be more expensive. Dolan Creek Senior Living, which is all private pay, has rent of \$2,800 to \$3,450 for independent living and \$3,900 to \$4,500 for assisted living, with additional fees for services such as meal plan, housekeeping, and assisted living level of care. While the facility meets a definite need in the community, this price structure may be render it unaffordable for some senior households.

The rental survey conducted for this study included 67 assisted living units. It found an overall vacancy rate for assisted living of 7.5%.

For independent living, 36 units were surveyed, all at Dolan Creek Senior Living. At the time of the survey, the facility reported 28 vacancies, a 78% vacancy rate. However, the project is very new and is not expected to have reached capacity yet, so this rate should not be taken as an indicator of demand.

Table 71. Independent, assisted living, and nursing home facilities

Property	Description	Rent Level
Dolan Creek Senior Living independent living	36 units, including 28 1-bedroom and 8 2-bedroom units. Independent living. Private pay. All utilities are included in rent. Optional meal plan and housekeeping for an additional fee. Opened in June 2023. 28 vacancies.	Varies with level of service. All private pay. \$2,800 to \$3,450
Dolan Creek Senior Living assisted living	Licensed for 16 beds, which are divided across 14 units. Assisted living. Private pay. Includes 12 1-bedroom and 2 2-bedroom units. A separate level of care fee is charged in addition to resident fee. Opened in 2023. 2 vacancies.	Varies with level of service. All private pay. \$3,900 to \$4,500
Aspen Grove Assisted Living	40 licensed assisted living beds in 34 apartments. Opened in 2013. When surveyed, there was one opening that was expected to be filled within a day.	Varies with level of service and payment type
Key City Assisted Living	16 licensed assisted living beds in 10 apartments. 3 openings at time of survey.	Varies with level of service and payment type
Mountain Flower Retirement Home	10 licensed assisted living beds, though the facility operates with 9. No openings.	Varies with level of service and payment type
Monument Health Sturgis Care Center	45 bed nursing facility	Varies with level of service and payment type

6.6 Tax Credit (LIHTC) Rentals

Several properties in Sturgis have been built or rehabilitated with support from the Low-Income Housing Tax Credit (LIHTC) program. However, only Hunter’s Run Townhomes are reported here. The other tax credit properties in Sturgis (Bluff’s Edge and Heritage Acres) are also subsidized, so they are reported in the following section with subsidized rentals.

The rental survey conducted for this report covered 24 units in tax credit properties. There were no reported vacancies, for a tax credit vacancy rate of 0%.

Table 72. Tax credit rentals

Property	Description	Rent Level
Hunter’s Run Townhomes	24 townhomes, including 12 2-bedroom and 12 3-bedroom units. Rent includes water, sewer, and garbage. Homes include garages and in-unit washer and dryer. No vacancies.	\$400 to \$1,000

6.7 Subsidized Rentals

The rental survey conducted for this report covered 362 subsidized units across five different housing developments. There were two vacancies, for a subsidized rental vacancy rate of 0.6%. This is a significant decrease from the 2019 housing study, which found a vacancy rate among subsidized rentals of 4.2%.

The following table provides an overview of multifamily developments in Sturgis with subsidized housing. For subsidized rentals, rent level is based on tenants’ income. The rent level column of the report, rather than showing a specific dollar value, indicates the tenant type served by the project.

Table 73. Subsidized rentals

Property	Description	Rent Level
Butte Ridge	56 units, mostly 2-bedroom units except for 3 1-bedroom accessible units. Subsidized through USDA Rural Housing (Sections 515 and 521). Rent includes water, sewer, and garbage. On-site laundry facilities. 1 reported vacancy with around 50 applications on a waiting list to fill it.	Income-based (Family)
Bluff’s Edge	24 units, including 4 1-bedroom, 14 2-bedroom, and 6 3-bedroom units. Subsidized through USDA Rural Housing (Sections 515 and 521); received a LIHTC allocation in 1992 and another LIHTC for acquisition and rehab in 2023. Rent includes water, sewer, and garbage. On-site laundry facilities. No vacancies.	Income-based (Family)
Heritage Acres	170 units, including 11 2-bedroom and 159 1-bedroom units. Several phases of construction were supported by LIHTC	Income-based (Elderly/Disabled)

	allocations, with the first awarded in 1997. Subsidized by USDA Rural Housing (Sections 515 and 521). Senior congregate housing. No vacancies.	
Hillsview Highrise	80 units, including 78 1-bedroom and 2 2-bedroom units. Public housing. No vacancies.	Income-based (Public Housing)
Key City Manor	32 units, including 16 1-bedroom and 16 studio apartments. Project-based Section 8 subsidy. Rent includes utilities. 1 vacancy reported.	Income-based (Family)

The U.S. Department of Housing and Urban Development (HUD) also provides data on public housing, subsidized housing, and tenant-based vouchers. For Sturgis, HUD reports 79 units available through Public Housing, serving 84 individuals. Additionally, there are 31 units with Project Based Section 8 rental assistance through HUD. This type of rental assistance is tied to the unit, not the tenant. Finally, HUD reports 122 Housing Choice Vouchers, which provide tenant-based rental assistance that follows tenants and can be used in tax credit or conventional properties, provided the property owner accepts the assistance and the units meet rent level and housing quality guidelines.

Table 74. Subsidized housing in Sturgis, 2023

Program	Units Available	Number of People
Public Housing	79	84
Project Based Section 8	31	23
Housing Choice Vouchers	122	188
Summary of all HUD programs (total)	232	295

Source: U.S. Department of Housing and Urban Development, A Picture of Subsidized Households, 2023 based on 2020 Census. "Units available" is defined as "Number of units under contract for federal subsidy and available for occupancy." Accessed 01/23/2024 at <https://www.huduser.gov/portal/datasets/assthsg.html>

On average, households in subsidized housing moved in about five years (60 months) ago. Long-term use of assistance is common, considering many recipients of rental assistance are on fixed incomes because they are elderly or disabled.

Table 75. Subsidized housing in Sturgis: Average months since moved in, 2023

Program	Units Available	Number of People	Average Months Since Moved In
Public Housing	79	84	59
Project Based Section 8	31	23	59
Housing Choice Vouchers	122	188	67
Summary of all HUD programs (total)	232	295	63

Source: U.S. Department of Housing and Urban Development, A Picture of Subsidized Households, 2023 based on 2020 Census. "Units available" is defined as "Number of units under contract for federal subsidy and available for occupancy." Accessed 01/23/2024 at

<https://www.huduser.gov/portal/datasets/assthsg.html>

It is important for communities to monitor the stock of affordable housing. Affordability requirements tied to funding programs typically come with a defined period of affordability, after which a project may revert to market rate. Between the 2014 and 2019 housing studies, Sturgis indeed saw the conversion of some affordable housing projects to conventional market rate. However, since 2019, there do not appear to have been any additional affordable units lost.

The table below shows a summary of subsidized housing units at risk of loss based on the date at which their current affordability periods expire. Note that the table shows the number of units under each subsidy program that expire in a given year. However, because subsidized units may be tied to more than one funding program, they may be obligated to remain affordable when one subsidy ends due to the continuation of another. The final column shows the total number of affordable units losing all subsidies in a given year and can be taken as a summary number.

Table 76. Subsidized units at risk of loss, Sturgis

	LIHTC	Section 8	HUD			Total units losing all subsidies (latest end date)
			Insured	HOME	RHS 515	
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	24	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	56	-	-	-	28	24
2029	-	-	-	-	-	-
2030	-	-	-	9	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	32	-	-	45	88
>2035	32	-	-	-	141	96
Total	112	32	0	9	214	208

Source: National Housing Preservation Database, accessed 01/24/2024

Note: Units per subsidy do not total to total units losing all subsidies because units may be covered by multiple programs.

In 2024, the 24 LIHTC units exiting affordability are Bluff’s Edge. However, that property received a new LIHTC award in 2023 that will extend its affordability period.

In 2028, the LIHTC units and RHS 515 subsidized units shown in the table are associated with Hunter’s Run Townhomes and Heritage Acres III.

In 2030, the HOME subsidies are associated with Heritage Acres IV.

In 2034, the Section 8 and RHS 515 subsidies are associated with Key City Manor and Butte Ridge.

In 2035 and beyond, the LIHTC units and RHS 515 subsidies are associated with Heritage Acres III and IV, Sherman Street Apartments, and Bluff’s Edge.

6.8 Short-term Rentals

This study did not include an in-depth analysis of short-term rentals. However, a flexible search of AirBnB for short-term rentals in Sturgis with week-long availability in March - August 2024 turns up about 200 units. Nearly all listings are for the entire home (162 listings) rather than for a room within a home (17 listings). Of the approximately 200 properties listed, 90 have three or more bedrooms and 127 have two or more. In terms of housing type, 153 are houses and 21 are apartments.

In a town with about 3,000 housing units, the existence of 200 short-term rentals suggests about 5% of housing units are operating as short-term rentals. This is likely an underestimate, since it is based on a search of just one short-term rental listing service for a six-month period.

Section 7: Housing Affordability

7.0 Key Findings

In Sturgis, as in most communities, homeowners have higher incomes in general than renters. An estimated 26.8% of Sturgis renter households have household incomes that are at or below 30% of the Area Median Family Income (MFI), while only about 4.1% of homeowner households fall in this extremely low-income range. At the other end of the income spectrum, an estimated 43.7% of homeowners have household incomes above 100% of MFI, while just 8.2% of renter households do.

Homeownership in Sturgis has become less affordable in recent years. Since 2010, the home value to income ratio in Sturgis has climbed from between 3.0 and 3.5 to as high as 5.0 or more. As a general rule of thumb, a ratio of less than 3.0 is considered affordable, while a ratio over 3.5 is less affordable. The home value to income ratio has climbed more rapidly in Sturgis than in Meade County as a whole; this is likely due to a combination of rising home prices and stagnant incomes.

In Sturgis, about one-quarter (25.3%) of homeowners are cost burdened, paying more than 30% of their income for housing. An estimated 7.1% are severely cost burdened, directing more than 50% of their income toward housing. Housing cost burden is more prevalent among lower income households. In Sturgis, between one-third and one-half of homeowners with incomes below 100% of MFI experience a housing cost burden. In terms of annual income, the vast majority of homeowners with annual incomes below \$50,000 face housing costs equal to 30% or more of their incomes.

Renters likewise face affordability challenges. In Sturgis, the number of low-income renter households who can afford less than \$500 per month in rent exceeds the number of rental units available at that rent level by about 123. About half of renter households are cost burdened, spending more than 30% of their income on rent. About 4.5% of renter households are estimated to be severely cost burdened. Housing cost burden appears to be most common among renters with incomes between 30% and 50% of MFI, with an estimated 92.9% of renters in this income category experiencing a housing cost burden.

In terms of annual income, below \$35,000 in annual income, the vast majority of renters are cost burdened, devoting more than 30%—and often more than 40%—of household income to housing. Between \$35,000 and \$49,999, about half of renter households are cost burdened. For renter households with incomes between \$20,000 and \$34,999, the rate of housing cost burden has been on a consistent upward trajectory over the last decade, increasing from around 25% in 2010 to nearly 90% in 2022. For this income category, renting in Sturgis has become unaffordable.

Other housing problems—including overcrowding and incomplete plumbing or kitchen facilities—do not appear widespread in Sturgis.

7.1 Income Levels

Housing affordability is a function of both housing costs and household income levels. Many housing assistance programs and policies are based around income thresholds set by HUD. These income limits divide households into tiers based on that household's income relative to the median family income (MFI) in the local area. The table below shows the HUD income

limits for households in Sturgis for different income categories, including extremely low-income households (those with incomes below 30% MFI), very low-income households (between 30% and 50% MFI), and low-income households (50% to 80% MFI). Income limits are adjusted for family size.

Table 77. HUD income limits for Meade County, SD HUD Metro FMR Area by household size, FY 2023

Income Limit Category (% MFI)	Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low (30%)*	\$18,250	\$20,850	\$24,860	\$30,000	\$35,140	\$40,280	\$45,420	\$50,560
Very Low (50%)	\$30,400	\$34,750	\$39,100	\$43,400	\$46,900	\$50,350	\$53,850	\$57,300
Low (80%)	\$48,650	\$55,600	\$62,550	\$69,450	\$75,050	\$80,600	\$86,150	\$91,700

* The 30% MFI income limit is adjusted by HUD such that the federal HHS poverty guideline is used where a calculated 30% of MFI would fall below poverty. Slightly different limits are used for tax credit properties.

Source: HUD FY2023 Income Limits Documentation System, Meade County, SD HUD Metro FMR Area

In general, and in many policy contexts, housing is considered affordable when monthly housing costs make up less than 30% of a household’s monthly income. Using that standard, the table below shows the maximum threshold for affordable monthly housing costs for households at each MFI income category.

Table 78. Affordable monthly housing costs by household size and percentage of MFI, Sturgis, FY 2023

Income Limit Category (% MFI)	Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low (30%)	\$456	\$521	\$622	\$750	\$879	\$1,007	\$1,136	\$1,264
Very Low (50%)	\$760	\$869	\$978	\$1,085	\$1,173	\$1,259	\$1,346	\$1,433
Low (80%)	\$1,216	\$1,390	\$1,564	\$1,736	\$1,876	\$2,015	\$2,154	\$2,293

Source: Calculated by analyst. Affordable is defined as housing costs (including utilities) at or below 30% of gross monthly income.

In Sturgis, an estimated 26.8% of renter households have household incomes that are at or below 30% MFI, while only about 4.1% of homeowner households fall in this extremely low-income range. At the other end of the income spectrum, an estimated 43.7% of homeowners have household incomes above 100% of MFI, while just 8.2% of renter households do.

Table 79. Sturgis households by percentage of area median family income (MFI)

% of MFI	Owner-occupied		Renter-occupied		Total	
	#	%	#	%	#	%
< = 30%	80	4.1%	295	26.8%	375	12.3%
30 to 50%	335	17.1%	210	19.1%	545	17.8%
50 to 80%	320	16.4%	355	32.3%	675	22.1%
80 to 100%	365	18.7%	150	13.6%	515	16.9%
> 100%	855	43.7%	90	8.2%	945	30.9%
Total	1955		1100		3055	

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), a special tabulation of 2020 American Community Survey 5-year estimates

7.2 Homeowner Housing Costs

One measure of the affordability of homeownership is the ratio of home value to income. The chart and table below show the ratio of median home value to median household income in Sturgis and Meade County. For each data point, median household income is based on five-year estimates from the American Community Survey. Two different measures of home value are shown: median home value as estimated by the American Community Survey, and median selling price as reported by South Dakota Department of Revenue (DOR) property tax division. American Community Survey data include home value estimates for all owner-occupied homes, both those listed for sale in a given year and those continuously occupied by the same owner. DOR estimates, on the other hand, are based only on data from home sales.

As a general rule of thumb, a ratio of less than 3.0 is considered affordable, while a ratio over 3.5 is less affordable.² Since 2010, the home value to income ratio in Sturgis has climbed from between 3.0 and 3.5 to above 4.0 (or, using DOR selling price data, over 5.0). The home value to income ratio has climbed more rapidly in Sturgis than in Meade County as a whole; this is likely due to a combination of rising home prices and stagnant incomes.

² Historically, national home price to income ratios were between 3.0 and 3.5 from the 1970s through 2000, when they climbed to a peak of over 4.5 prior to the 2008 crash. See Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing* (2018).

Home value to income ratio, Sturgis and Meade County, 2010 - 2022

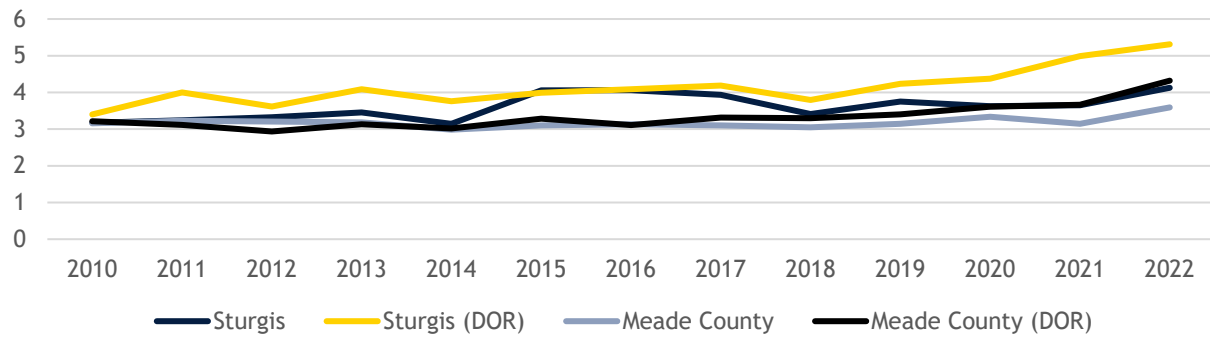


Figure 24. Home value to income ratio, Sturgis and Meade County, 2010 - 2022

Table 80. Home value to income ratio, Sturgis, 2010 - 2022

	Income (median)	Home value (median)	Median selling price (SD DOR)	Ratio	Ratio (DOR)
2010	\$36,751	\$116,600	\$124,950	3.2	3.4
2011	\$35,504	\$115,000	\$142,000	3.2	4.0
2012	\$36,935	\$122,800	\$133,500	3.3	3.6
2013	\$33,043	\$114,200	\$135,000	3.5	4.1
2014	\$37,697	\$118,500	\$141,750	3.1	3.8
2015	\$35,818	\$145,200	\$143,000	4.1	4.0
2016	\$37,688	\$153,100	\$154,000	4.1	4.1
2017	\$37,388	\$147,100	\$156,458	3.9	4.2
2018	\$45,138	\$154,000	\$171,250	3.4	3.8
2019	\$43,214	\$162,000	\$183,000	3.7	4.2
2020	\$43,679	\$158,400	\$191,000	3.6	4.4
2021	\$46,402	\$169,300	\$231,600	3.6	5.0
2022	\$49,564	\$204,500	\$263,250	4.1	5.3

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Tables S1901 and DP04; SD Department of Revenue

Note: Median household income is for all households combined, both owners and renters.

Table 81. Home value to income ratio, Meade County, 2010 - 2022

	Income (median)	Home value (median)	Median selling price (SD DOR)	Ratio	Ratio (DOR)
2010	\$46,180	\$145,800	\$148,500	3.2	3.2
2011	\$47,504	\$153,400	\$148,000	3.2	3.1
2012	\$50,077	\$160,500	\$147,000	3.2	2.9
2013	\$49,324	\$157,100	\$154,500	3.2	3.1
2014	\$52,967	\$158,100	\$159,900	3.0	3.0
2015	\$52,473	\$162,700	\$172,250	3.1	3.3
2016	\$53,069	\$166,200	\$165,000	3.1	3.1
2017	\$54,286	\$168,400	\$180,000	3.1	3.3
2018	\$59,218	\$180,500	\$195,250	3.0	3.3
2019	\$60,578	\$190,500	\$206,000	3.1	3.4
2020	\$62,275	\$207,700	\$225,000	3.3	3.6
2021	\$68,242	\$214,600	\$250,000	3.1	3.7
2022	\$70,256	\$252,300	\$303,500	3.6	4.3

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Tables S1901 and DP04; SD Department of Revenue

Note: Median household income is for all households combined, both owners and renters.

A second measure of housing affordability among homeowners is housing cost burden. Households are considered cost burdened when their monthly housing costs amount to more than 30% of their monthly income. Households with housing costs making up more than 50% of their monthly income are considered severely cost burdened.

In Sturgis, about one-quarter (25.3%) of homeowners are cost burdened, and an estimated 7.1% are severely cost burdened. Housing cost burden is more prevalent among lower income households. In Sturgis, between one-third and one-half of homeowners with incomes below 100% of MFI experience a housing cost burden.

Table 82. Sturgis cost burdened households by % of median family income, owners

% of MFI	Cost burden > 30%		Cost burden > 50%		Total
	#	%	#	%	
< 30%	49	61.3%	4	5.0%	80
30 to 50%	150	44.8%	95	28.4%	335
50 to 80%	120	37.5%	40	12.5%	320
80 to 100%	175	47.9%	0	0.0%	365
> 100%	0	0.0%	0	0.0%	855
Total	494	25.3%	139	7.1%	1,955

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), a special tabulation of American Community Survey 2020 5-year estimates

The chart below shows homeowner housing costs as a percentage of household income. For most homeowner households with incomes of at least \$50,000, housing costs make up less

than 30% of their income. However, for homeowners with annual incomes below \$50,000, many face housing costs equal to 30% or more of their incomes.

Selected monthly owner costs as a percentage of household income, Sturgis, 2022

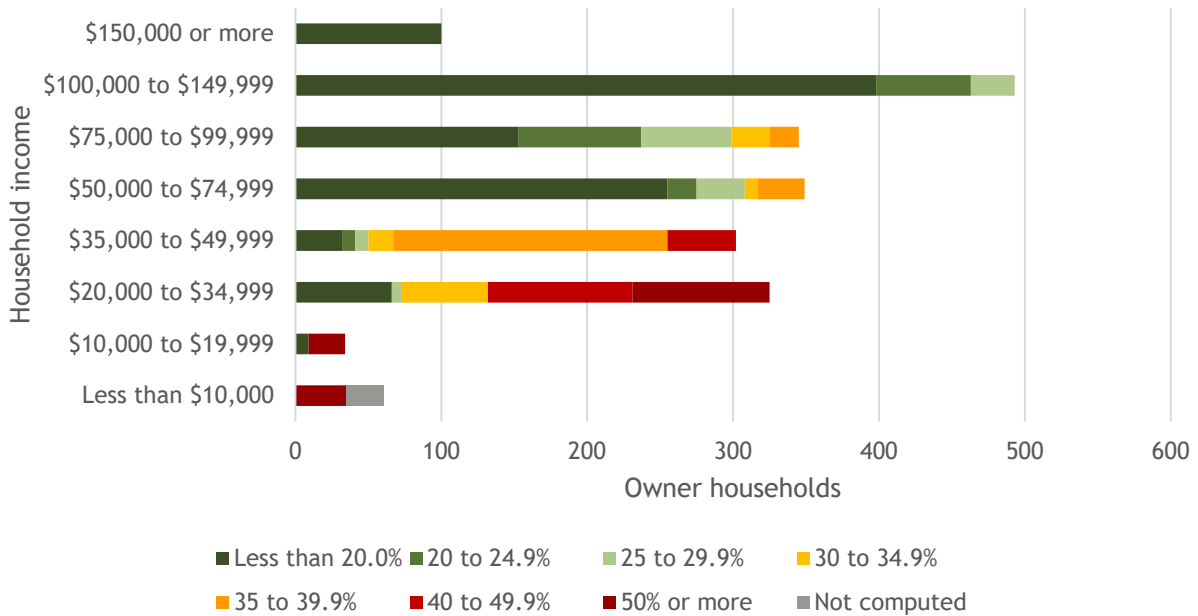


Figure 25. Selected monthly owner costs as a percentage of household income, Sturgis, 2022

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25095

7.3 Rental Housing Costs

For renters, housing affordability depends on the distribution of rent levels as compared to the distribution of household incomes among renters. In Sturgis, the number of low-income renter households who can afford less than \$500 per month in rent exceeds the number of rental units available at that rent level. The estimated unit gap is about 123: that is, Sturgis would need an additional 123 rental units with rents of less than \$500—or the equivalent rental assistance to reduce the effective rent of higher priced units.

Table 83. Households by affordable rent based on income versus units by rent range, Sturgis, 2022

	Units	Renter households
Less than \$250	157	209
\$250 to \$399	69	81
\$400 to \$499	46	105
\$500 to \$599	146	91
\$600 to \$699	73	50
\$700 to \$799	105	36
\$800 to \$899	78	47
\$900 to \$999	63	80
\$1,000 to \$1,249	99	201
\$1,250 to \$1,499	218	67
\$1,500+	43	162

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Tables B25063 and S2503, calculations by analyst

At higher income levels, a simple comparison of numbers suggests there is likewise a shortage of rental units. However, renters with higher income levels who could afford to pay upwards of \$1,500 per month in rent may simply choose to rent down, renting a unit that is very affordable relative to their income. These higher income renters are less likely to struggle with affordability, and they may instead represent unmet demand for higher amenity, higher cost rental developments. However, this unmet demand is relatively small: compared to the number of renter households who could afford rent of \$1,000 or more, there is a shortage of about 70 rental units with rents at or above \$1,000.

Households by affordable rent based on income versus units by rent range, Sturgis, 2022

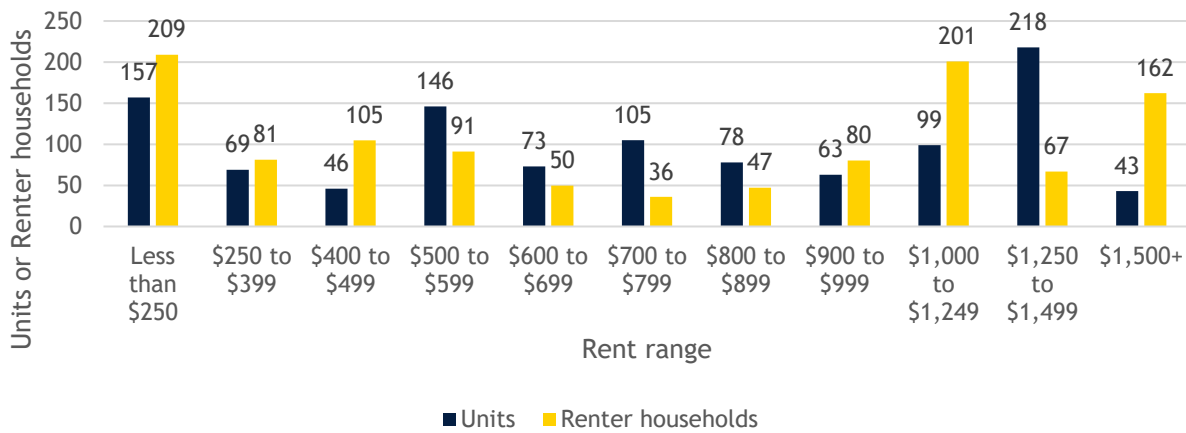


Figure 26. Households by affordable rent based on income versus units by rent range, Sturgis, 2022

Housing cost burden is another way of measuring housing affordability. Households are considered cost burdened when their monthly housing costs amount to more than 30% of their monthly income. Households with housing costs making up more than 50% of their monthly income are considered severely cost burdened.

In Sturgis, about half of renter households are cost burdened, spending more than 30% of their income on rent. Only about 4.5% of renter households are estimated to be severely cost burdened. The prevalence of housing cost burdens varies by income: lower income renters are more likely to incur a housing cost burden. For the lowest income renters, assistance programs such as Housing Choice Vouchers and public housing may reduce the rate of cost burden. In Sturgis, housing cost burden appears to be most common among renters with incomes between 30% and 50% of MFI, with an estimated 92.9% of renters in this income category experiencing a housing cost burden.

Table 84. Sturgis cost burdened household by % of median family income, renters

% of MFI	Cost burden > 30%		Cost burden > 50%		Total
	#	%	#	%	
≤ 30%	155	52.5%	15	5.1%	295
30 to 50%	195	92.9%	35	16.7%	210
50 to 80%	150	42.3%	0	0.0%	355
80 to 100%	0	0.0%	0	0.0%	150
> 100%	0	0.0%	0	0.0%	90
Total	500	45.5%	50	4.5%	1,100

Source: HUD Comprehensive Housing Affordability Strategy (CHAS), a special tabulation of American Community Survey 2020 5-year estimates

The chart below shows gross rent as a percentage of household income among renter households in Sturgis. Below \$35,000 in annual income, the vast majority of renters are cost burdened, devoting more than 30%—and often more than 40%—of household income to housing. Between \$35,000 and \$49,999, about half of renter households are cost burdened. At annual incomes above \$50,000, very few renter households experience a housing cost burden.

Gross rent as a percentage of household income, Sturgis, 2022

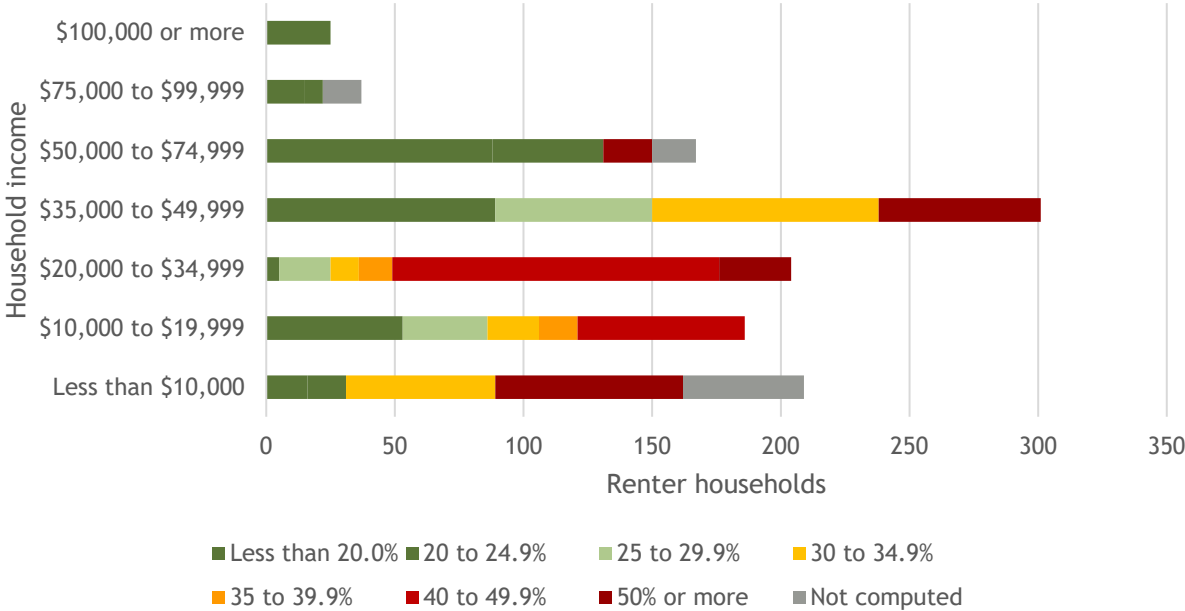


Figure 27. Gross rent as a percentage of household income, Sturgis, 2022

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25074

Since 2010, for renter households as a whole, the rate of housing cost burden has remained fairly steady at around 40%, only briefly dipping down to about 20% around 2018. However, for renter households with incomes between \$20,000 and \$34,999, the rate of housing cost burden has been on a consistent upward trajectory over the last decade, increasing from around 25% in 2010 to nearly 90% in 2022. For this income category, renting in Sturgis has become unaffordable.

Cost burdened renter households by household income, Sturgis, 2010 - 2022

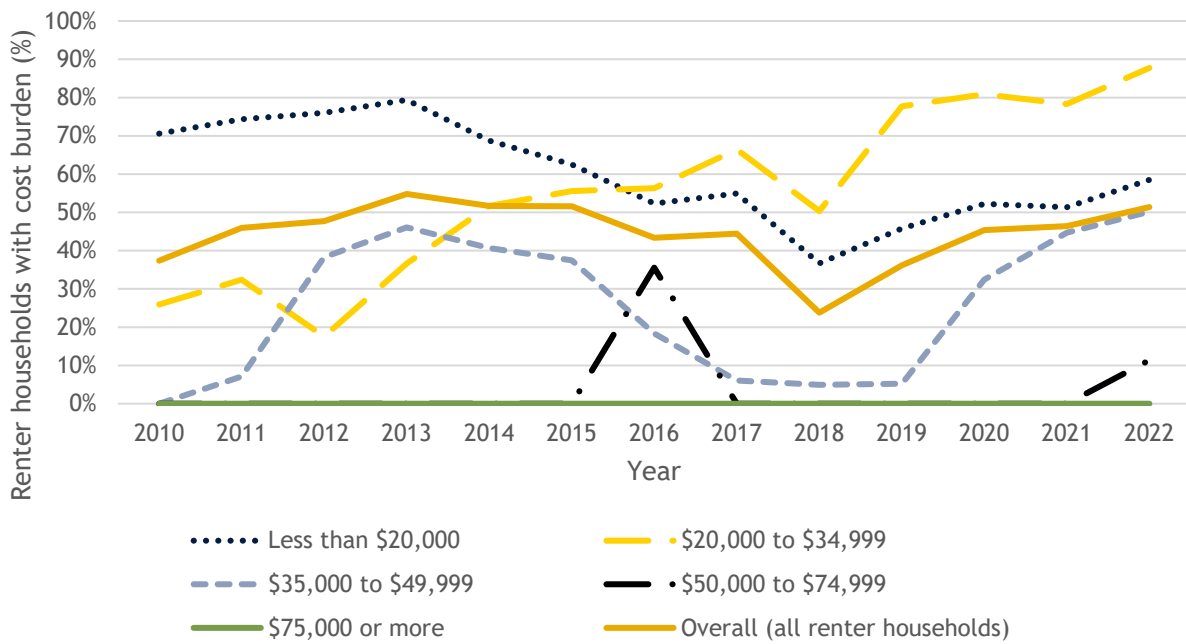


Figure 28. Cost burdened renter households by household income, Sturgis, 2010 - 2022

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25074

7.4 Other Housing Problems

When households are unable to find affordable housing, they may choose to live in housing that is too small for their household size, resulting in overcrowding. Or, they may settle for housing with serious quality problems. In Sturgis, neither overcrowding nor poor housing quality are widespread.

Table 85. Overcrowding by tenure, Sturgis, 2022

	Renter households		Owner households	
	households	%	households	%
0.50 or less occupants per room	761	67.4%	1,720	85.6%
0.51 to 1.00 occupants per room	347	30.7%	289	14.4%
1.01 to 1.50 occupants per room	21	1.9%	0	0.0%
1.51 to 2.00 occupants per room	0	0.0%	0	0.0%
2.01 or more occupants per room	0	0.0%	0	0.0%
Total households	1,129		2,009	

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25014

Overcrowded households are those with more than 1 person per room. Overall, an estimated 1.9% of renter households in Sturgis are overcrowded, and no homeowner households are.

Virtually all housing units—both renter and owner occupied—are estimated to have complete plumbing and kitchen facilities.

Table 86. Housing quality by tenure, Sturgis, 2022

	Renter households		Owner households	
		%		%
Complete plumbing facilities	1,129	100%	2,009	100%
Complete kitchen facilities	1,129	100%	1,993	99.20%
Total households	1,129		2,009	

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table S2504

Section 8: Comparison Communities

8.0 Key Findings

This section compares Sturgis and its surrounding metropolitan statistical area (MSA) with eight other communities and their MSAs or counties: Spearfish, Rapid City, Brandon, and Madison in South Dakota as well as Gunnison, CO; Chadron, NE; Laurel, MT; and Cody, WY.

Among the nine cities selected for comparison in this report, Sturgis ranks near the middle in terms of population size and population growth. Sturgis, like other communities in the Black Hills and mountain west, is experiencing population change driven primarily by domestic migration. Since 2020, the rate of growth from natural increase has decreased relative to the rate from domestic migration. This could signal a change to come in the characteristics of population growth for the area.

Communities with higher rates of natural increase tend to have larger household sizes, a larger proportion of the population aged 17 or younger, and higher proportions of households with children. Relative to the comparison communities, Sturgis has a smaller average household size and an older population. Although Sturgis's population trends older than comparison communities, it is not disproportionately made up of retirement-age individuals. Sturgis ranks fifth in the percentage of the population age 65 or older.

The Rapid City MSA, of which Sturgis is a part, compares favorably in average weekly wages and unemployment rate. The area ranks third for highest average weekly wages and for 2022 annual average unemployment. However, the economic situation in Sturgis diverges from the patterns observed in the Rapid City MSA as a whole. Despite the MSA's high weekly wages, median household income in Sturgis is quite low: at \$49,564, Sturgis's median household income ranks ninth among nine comparison communities.

Moreover, Sturgis housing is expensive relative to income, due largely to low incomes, not high housing costs. Both home values and rent levels in Sturgis are relatively low compared to the comparison cities. Despite relatively low housing costs, Sturgis nevertheless ranks low in terms of affordability for homeowners and renters: the city ranks eighth out of nine for homeowner affordability, measured in terms of median owner housing costs as a percentage of income. Similarly, Sturgis ranks last in terms of affordability for renters (measured as median gross rent as a percentage of income).

Unsurprisingly, given the relative unaffordability of housing in Sturgis, the city ranks last among the comparison cities in terms of the percentage of all households with a cost burden; that is, Sturgis has the highest rate of cost-burdened households among the comparison cities, with nearly two-fifths (39.2%) of households experiencing a housing cost burden. Sturgis's relative rank is similar across both owner and renter households.

Sturgis also has a large number of subsidized rental units relative to its population. The proportion of tax credit units in Sturgis is roughly similar in proportion to other comparison communities.

8.1 Population Change and Demographic Comparisons

Among the nine cities selected for comparison in this report, Sturgis ranks sixth in terms of population size and population growth. The largest city in the comparison group is Rapid City, while the smallest is Chadron, Nebraska. In terms of population growth from 2010 to 2020,

Brandon, South Dakota saw the most rapid increase in population (25.8% over the decade), while Chadron saw the least growth (a population loss amounting to 11% over the decade).

Communities have also been compared based on the characteristics of the county or metropolitan statistical area (MSA) of which each city is a part. Sturgis, which is part of the Rapid City MSA, is tied for third in terms of population size and tied for fourth in population growth. Brandon, part of the Sioux Falls MSA, ranks first for both population size and growth, while Chadron, part of Dawes County, ranks ninth.

Table 87. Population change, core city and MSA/county, 2010 - 2020

City	City population, 2010 (Rank)	City population, 2020 (Rank)	% population change, 2010 - 2020 (Rank)	MSA/County population, 2010 (Rank)	MSA/County population, 2020 (Rank)	% population change, 2010 - 2020 (Rank)
Sturgis, SD (Rapid City MSA)	6,627 (6)	7,020 (6)	5.9% (6)	126,382 (3T)	139,074 (3T)	10.0% (4T)
Spearfish, SD (Lawrence County)	10,494 (2)	12,193 (2)	16.2% (2)	24,097 (6)	25,768 (6)	6.9% (6)
Rapid City, SD (Rapid City MSA)	67,956 (1)	74,703 (1)	9.9% (4)	126,382 (3T)	139,074 (3T)	10.0% (4T)
Brandon, SD (Sioux Falls MSA)	8,785 (4)	11,048 (3)	25.8% (1)	228,261 (1)	276,730 (1)	21.2% (1)
Madison, SD (Lake County)	6,474 (7)	6,191 (8)	-4.4% (8)	11,200 (8)	11,059 (8)	-1.3% (8)
Gunnison, CO (Gunnison County)	5,854 (8)	6,560 (7)	12.1% (3)	15,324 (7)	16,918 (7)	10.4% (3)
Chadron, NE (Dawes County)	5,851 (9)	5,206 (9)	-11.0% (9)	9,182 (9)	8,199 (9)	-10.7% (9)
Laurel, MT (Billings MSA)	6,718 (5)	7,222 (5)	7.5% (5)	158,050 (2)	184,167 (2)	16.5% (2)
Cody, WY (Park County)	9,520 (3)	10,028 (4)	5.3% (7)	28,205 (5)	29,624 (5)	5.0% (7)

Source: U.S. Census Bureau, 2010 and 2020 Decennial Censuses

The table below shows the same rankings, but based on the years from 2020 - 2022. During this more recent period, Sturgis maintained its rank near the middle of the group, again sixth in terms of population size but moving up to fifth when it comes to population growth rate. The most rapid population growth occurred in Spearfish and Lawrence County.

Table 88. Population change, core city and MSA/county, 2020 - 2022

City	City population, 2020 (Rank)	City population, 2022 (Rank)	% population change, 2020 - 2022 (Rank)	MSA/County population, 2020 (Rank)	MSA/County population, 2022 (Rank)	% population change, 2020 - 2022 (Rank)
Sturgis, SD (Rapid City MSA)	7,098 (6)	7,170 (6)	1.0% (5)	139,463 (3T)	145,159 (3T)	4.1% (3T)
Spearfish, SD (Lawrence County)	12,222 (2)	12,914 (2)	5.7% (1)	25,838 (6)	27,214 (6)	5.3% (1)
Rapid City, SD (Rapid City MSA)	74,924 (1)	78,824 (1)	5.2% (2)	139,463 (3T)	145,159 (3T)	4.1% (3T)
Brandon, SD (Sioux Falls MSA)	11,030 (3)	11,110 (3)	0.7% (7)	277,681 (1)	289,592 (1)	4.3% (2)
Madison, SD (Lake County)	6,160 (8)	6,097 (8)	-1.0% (9)	11,008 (8)	10,972 (8)	-0.3% (9)
Gunnison, CO (Gunnison County)	6,575 (7)	6,794 (7)	3.3% (3)	16,945 (7)	17,267 (7)	1.9% (7)
Chadron, NE (Dawes County)	5,174 (9)	5,223 (9)	0.9% (6)	8,150 (9)	8,241 (9)	1.1% (8)
Laurel, MT (Billings MSA)	7,219 (5)	7,203 (5)	-0.2% (8)	184,703 (2)	190,208 (2)	3.0% (5)
Cody, WY (Park County)	10,042 (4)	10,224 (4)	1.8% (4)	29,664 (5)	30,518 (5)	2.9% (6)

Source: U.S. Census Bureau, Population Estimates Vintage 2022

Note: Components may not sum to total due to rounding. Population estimates are based on July 1 estimates and may differ slightly from Census population estimates reported in other tables.

Population change may occur as the result of natural increase, when births exceed deaths, or through migration, both domestic (within the United States) and international. The following table shows the total population change for each MSA or county, the breakdown of how much of that population change can be attributed to domestic or international migration or to natural increase, and the leading factor accounting for the greatest share of population growth in each area (in *bold italics*).

From 2010 to 2020, communities in the Black Hills and mountain west saw population change driven primarily by domestic migration—that is, in-migration from other states. During this decade, the population of the Rapid City MSA (of which Sturgis is a part) grew 6.9% as a result of domestic migration. Though natural increase accounted for less of this area’s population change, the Rapid City MSA nevertheless ranked second among comparison communities in terms of the amount of population growth due to natural increase.

Table 89. Contributing components of population change, MSA/county, 2010 - 2020

MSA/County	% total population change, 2010 - 2020 (Rank)	% change from domestic migration, 2010 - 2020 (Rank)	% change from international migration, 2010 - 2020 (Rank)	% change from natural increase, 2010 - 2020 (Rank)
Sturgis, SD (Rapid City MSA)	14.0% (3T)	6.9% (3T)	1.3% (3T)	5.8% (2T)
Spearfish, SD (Lawrence County)	8.3% (7)	6.2% (7)	2.2% (2)	-0.2% (9)
Rapid City, SD (Rapid City MSA)	14.0% (3T)	6.9% (3T)	1.3% (3T)	5.8% (2T)
Brandon, SD (Sioux Falls MSA)	19.4% (1)	6.7% (5)	3.6% (1)	9.0% (1)
Madison, SD (Lake County)	10.7% (5)	8.4% (2)	0.8% (6)	1.4% (6)
Gunnison, CO (Gunnison County)	15.1% (2)	10.0% (1)	0.2% (9)	4.7% (4)
Chadron, NE (Dawes County)	-8.8% (9)	-10.7% (9)	1.2% (5)	0.6% (8)
Laurel, MT (Billings MSA)	9.7% (6)	6.5% (6)	0.6% (7)	2.6% (5)
Cody, WY (Park County)	3.9% (8)	2.5% (8)	0.5% (8)	0.9% (7)

Source: U.S. Census Bureau, Population Estimates Vintage 2020

Note: Components may not sum to total due to rounding. For each MSA/county, **bold italics** show the component of population change that contributed the most to population growth between 2010 and 2020.

The following table shows the same breakdown of population change and its driving components for the most recent years available, from 2020 to 2021. For Sturgis and the Rapid City MSA, the trends are similar to the prior decade, with growth still driven primarily by domestic migration. Though the Rapid City MSA still ranks near the top in growth due to natural increase, the rate of growth from natural increase has decreased relative to the rate from domestic migration. This could signal a change to come in the characteristics of population growth for the area.

Table 90. Contributing components of population change, MSA/county, 2020 - 2021

MSA/County	% total population change, 2020 - 2021 (Rank)	% change from domestic migration, 2020 - 2021 (Rank)	% change from international migration, 2020 - 2021 (Rank)	% change from natural increase, 2020 - 2021 (Rank)
Sturgis, SD (Rapid City MSA)	1.9% (2T)	1.7% (3T)	0.1% (2T)	0.1% (3T)
Spearfish, SD (Lawrence County)	1.2% (7)	1.5% (5)	0.1% (2T)	-0.4% (9)
Rapid City, SD (Rapid City MSA)	1.9% (2T)	1.7% (3T)	0.1% (2T)	0.1% (3T)
Brandon, SD (Sioux Falls MSA)	1.6% (4T)	1.0% (7)	0.2% (1)	0.5% (1)
Madison, SD (Lake County)	-1.3% (9)	-1.4% (9)	0.0% (7T)	0.1% (3T)
Gunnison, CO (Gunnison County)	2.1% (1)	1.9% (1T)	0.0% (7T)	0.3% (2)
Chadron, NE (Dawes County)	-0.2% (8)	0.0% (8)	0.0% (7T)	-0.3% (7T)
Laurel, MT (Billings MSA)	1.3% (6)	1.4% (6)	0.1% (2T)	-0.1% (6)
Cody, WY (Park County)	1.6% (4T)	1.9% (1T)	0.1% (2T)	-0.3% (7T)

Source: U.S. Census Bureau, Population Estimates Vintage 2022 (MSA components of change for 2022 not available as of date of reporting)

Note: Components may not sum to total due to rounding. For each MSA/county, **bold italics** show the component of population change that contributed the most to population growth between 2020 and 2021.

A comparison of demographic characteristics sheds some light on difference in population growth trends. Communities with higher rates of natural increase, such as Brandon, tend to have larger household sizes, a larger proportion of the population aged 17 or younger, and higher proportions of households with children. Relative to the comparison communities, Sturgis has a smaller average household size, ranking sixth with an average household size of 2.18 compared to first-ranked Brandon's average household size of 2.67.

Sturgis also has an older population, ranking eighth with a median age of 42. The youngest communities (Gunnison, Colorado and Chadron, Nebraska) are college towns with significant populations of college students. Yet even compared to other communities with few college students (such as Rapid City and Laurel, Montana) Sturgis has a relatively older population.

Table 91. Selected demographic comparisons (core cities only), 2022, part 1

City	Persons per household (Rank)	Median age (Rank: lowest = 1)	% enrolled in post-secondary education (Rank)	% age 17 and younger (Rank)
Sturgis, SD (Rapid City MSA)	2.18 (6)	42.0 (8)	3.4% (7)	20.6% (6)
Spearfish, SD (Lawrence County)	2.07 (8)	38.4 (6)	12.9% (3)	18.1% (8)
Rapid City, SD (Rapid City MSA)	2.29 (4)	38.6 (7)	5.8% (5)	22.0% (3)
Brandon, SD (Sioux Falls MSA)	2.67 (1)	38.2 (5)	3.3% (8)	29.5% (1)
Madison, SD (Lake County)	2.36 (2)	37.5 (4)	12.2% (4)	21.3% (5)
Gunnison, CO (Gunnison County)	1.92 (9)	24.9 (1)	27.6% (1)	14.0% (9)
Chadron, NE (Dawes County)	2.09 (7)	28.6 (2)	24.1% (2)	18.6% (7)
Laurel, MT (Billings MSA)	2.32 (3)	36.5 (3)	3.8% (6)	23.5% (2)
Cody, WY (Park County)	2.23 (5)	44.1 (9)	2.4% (9)	21.9% (4)

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates

Although Sturgis’s population trends older than comparison communities, it is not disproportionately made up of retirement-age individuals. Sturgis ranks fifth in the percentage of the population age 65 or older, ahead of Cody, Wyoming, Rapid City, Madison, and Spearfish, all of which have larger proportions of retirement-age population.

Sturgis ranks fourth among comparison communities when it comes to homeownership rate, with 64% of households living in homes they own. By comparison, first-ranked Brandon has a homeownership of 79.1%, while ninth-ranked Gunnison has a homeownership rate of 40.6%.

Table 92. Selected demographic comparisons (core cities only), 2022, part 2

City	% of households with children (Rank)	% owner-occupied housing units (Rank)	% age 65 or older (Rank: lowest = 1)
Sturgis, SD (Rapid City MSA)	24.0% (4)	64.0% (4)	19.1% (5)
Spearfish, SD (Lawrence County)	17.8% (8)	52.0% (8)	22.5% (9)
Rapid City, SD (Rapid City MSA)	22.3% (6)	61.7% (5)	20.0% (7)
Brandon, SD (Sioux Falls MSA)	37.9% (1)	79.1% (1)	11.7% (2)
Madison, SD (Lake County)	21.2% (7)	58.3% (7)	21.1% (8)
Gunnison, CO (Gunnison County)	16.8% (9)	40.6% (9)	10.8% (1)
Chadron, NE (Dawes County)	26.2% (3)	59.7% (6)	13.6% (3)
Laurel, MT (Billings MSA)	26.5% (2)	64.6% (3)	16.3% (4)
Cody, WY (Park County)	23.7% (5)	69.1% (2)	19.9% (6)

8.2 Economic and Housing Affordability Comparisons

The Rapid City MSA, of which Sturgis is a part, compares favorably in average weekly wages and unemployment rate. The area ranks third for highest average weekly wages and for 2022 annual average unemployment, with weekly wages averaging \$1,005 and unemployment averaging 2.10% in 2022. The area maintained a very low unemployment rate in the most recent month available, November 2023, at just 1.80%.

Table 93. Wages and unemployment (MSA/county only)

MSA/County	Average weekly wage, 2022 annual average (Rank)	Unemployment rate, 2022 annual average (Rank: lowest = 1)	Unemployment rate, November 2023 (Rank: lowest = 1)
Sturgis, SD (Rapid City MSA)	\$1,005 (3T)	2.10% (3T)	1.80% (4T)
Spearfish, SD (Lawrence County)	\$918 (7)	1.90% (2)	1.60% (2T)
Rapid City, SD (Rapid City MSA)	\$1,005 (3T)	2.10% (3T)	1.80% (4T)
Brandon, SD (Sioux Falls MSA)	\$1,165 (1)	1.80% (1)	1.50% (1)
Madison, SD (Lake County)	\$974 (5)	2.10% (3T)	1.60% (2T)
Gunnison, CO (Gunnison County)	\$949 (6)	2.50% (8)	2.90% (8)
Chadron, NE (Dawes County)	\$734 (9)	2.10% (3T)	1.90% (6)
Laurel, MT (Billings MSA)	\$1,089 (2)	2.40% (7)	2.60% (7)
Cody, WY (Park County)	\$904 (8)	3.60% (9)	3.20% (9)

Source: U.S. Bureau of Labor Statistics LAUS and QCEW 2022 annual averages

Note: QCEW data reflects Total, all industries; Total covered (ownership); All establishment sizes

However, the economic situation in Sturgis diverges from the patterns observed in the Rapid City MSA as a whole. Despite the MSA's high weekly wages, median household income in Sturgis is quite low: at \$49,564, Sturgis's median household income ranks ninth among nine comparison communities.

Moreover, Sturgis housing is expensive relative to income, due largely to low incomes, not high housing costs. Home values in Sturgis are relatively low compared to the comparison cities, ranking seventh out of nine. Despite these relatively low home values, Sturgis nevertheless ranks low in terms of affordability for homeowners: the city ranks eighth out of nine for affordability, measured in terms of median owner housing costs as a percentage of income. Similarly, for renters, although Sturgis ranks first in terms of low rent, it still ranks last in terms of affordability for renters (measured as median gross rent as a percentage of income).

Table 94. Housing affordability: Median income and housing costs, core cities, 2022

City	Median household income (Rank)	Median owner housing value (Rank)	Median owner housing costs as % of income (Rank: lowest = 1)	Median gross rent (Rank: lowest = 1)	Median gross rent as % of income (Rank: lowest = 1)
Sturgis, SD (Rapid City MSA)	\$49,564 (9)	\$204,500 (7)	19.7% (8)	\$763 (1)	31.6% (9)
Spearfish, SD (Lawrence County)	\$58,734 (7)	\$271,400 (4)	15.7% (2)	\$913 (5)	27.2% (3)
Rapid City, SD (Rapid City MSA)	\$62,784 (4)	\$244,500 (5)	17.9% (6)	\$975 (8)	29.2% (7)
Brandon, SD (Sioux Falls MSA)	\$101,747 (1)	\$304,700 (2)	15.9% (3)	\$972 (7)	24.0% (1)
Madison, SD (Lake County)	\$62,756 (5)	\$157,200 (8)	13.3% (1)	\$806 (2)	30.8% (8)
Gunnison, CO (Gunnison County)	\$63,229 (3)	\$408,600 (1)	21.1% (9)	\$1,101 (9)	28.1% (6)
Chadron, NE (Dawes County)	\$53,728 (8)	\$144,400 (9)	17.1% (4)	\$832 (3)	27.3% (4)
Laurel, MT (Billings MSA)	\$62,250 (6)	\$221,700 (6)	19.2% (7)	\$907 (4)	26.3% (2)
Cody, WY (Park County)	\$67,764 (2)	\$301,900 (3)	17.6% (5)	\$964 (6)	27.8% (5)

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates

Note: Owner costs as percent of income is calculated among owner-occupied households (with or without a mortgage); rent as percent of income is calculated among renter-occupied households with cash rent.

Unsurprisingly, given the relative unaffordability of housing in Sturgis, the city ranks last among the comparison cities in terms of the percentage of all households with a cost burden; that is, Sturgis has the highest rate of cost-burdened households among the comparison cities, with nearly two-fifths (39.2%) of households experiencing a housing cost burden. Sturgis's relative rank is similar across both owner and renter households.

Table 95. Housing affordability: Cost burdened households, core cities, 2022

City	% of all households with a cost burden (Rank: lowest = 1)	% owner households with a cost burden (Rank: lowest = 1)	% renter households with a cost burden (Rank: lowest = 1)
Sturgis, SD (Rapid City MSA)	39.2% (9)	32.4% (9)	51.4% (8)
Spearfish, SD (Lawrence County)	28.8% (5T)	15.7% (4)	42.9% (5)
Rapid City, SD (Rapid City MSA)	30.9% (7)	22.0% (6)	45.3% (6)
Brandon, SD (Sioux Falls MSA)	13.8% (1)	11.1% (3)	24.0% (1)
Madison, SD (Lake County)	26.3% (4)	8.2% (1)	51.5% (9)
Gunnison, CO (Gunnison County)	34.6% (8)	17.9% (5)	46.0% (7)
Chadron, NE (Dawes County)	20.6% (2)	8.9% (2)	38.0% (3)
Laurel, MT (Billings MSA)	26.2% (3)	22.8% (8)	32.5% (2)
Cody, WY (Park County)	28.8% (5T)	22.7% (7)	42.6% (4)

Source: U.S. Census Bureau, American Community Survey 2022 5-year estimates, Table B25106

The following table summarizes HUD-subsidized rental units available in Sturgis as well as comparison communities. In Sturgis, an estimated 20.5% of rental units are subsidized (whether through project-based assistance or tenant-based rental assistance). By comparison, in most other core cities, about 5% of rental units are subsidized. Exceptions are Rapid City and Madison, South Dakota, which also have subsidy rates upwards of 20%.

Table 96. HUD-subsidized rental units in comparison cities, 2022

City or MSA/County	Housing Vouchers	Public Housing	Project Section 8	Other	Total	% of Rentals 2022
Sturgis, SD	122	79	31	0	232	20.5%
Rapid City MSA	1,551	579	1,004	19	3,154	18.7%
Spearfish, SD	221	0	69	0	289	10.8%
Lawrence County	319	0	122	0	441	11.3%
Rapid City, SD	1,211	472	867	19	2,569	21.3%
Rapid City MSA	1,551	579	1,004	19	3,154	18.7%
Brandon, SD	31	0	16	0	47	5.5%
Sioux Falls MSA	2,062	95	1,020	253	3,431	9.2%
Madison, SD	139	90	15	0	244	24.0%
Lake County	150	90	17	0	257	21.2%
Gunnison, CO	13	0	88	0	101	5.6%
Gunnison County	18	0	88	0	106	3.7%
Chadron, NE	28	0	18	0	46	5.3%
Dawes County	32	0	18	0	50	3.9%
Laurel, MT	57	0	30	0	87	8.1%
Billings MSA	1,441	216	886	193	2,736	12.1%
Cody, WY	38	0	40	0	78	5.6%
Park County	78	0	59	0	137	4.0%

Source: U.S. Department of Housing and Urban Development; U.S. Census Bureau, American Community Survey 2022 5-year estimates

The proportion of tax credit units in Sturgis is about 9.9% of rental units, roughly similar in proportion to other comparison communities.

Table 97. Tax credit units in comparison cities (core cities only)

City	Tax credit units	No longer monitored for compliance	Tax credit units as % of renter-occupied units 2022
Sturgis, SD (Rapid City MSA)	112	0	9.9%
Spearfish, SD (Lawrence County)	141	48	5.3%
Rapid City, SD (Rapid City MSA)	1,166	204	9.7%
Brandon, SD (Sioux Falls MSA)	217	8	25.4%
Madison, SD (Lake County)	62	62	6.1%
Gunnison, CO (Gunnison County)	36	0	2.0%
Chadron, NE (Dawes County)	71	30	8.2%
Laurel, MT (Billings MSA)	40	8	3.7%
Cody, WY (Park County)	115	0	8.3%

Source: HUD Low Income Housing Tax Credit Database; U.S. Census Bureau, American Community Survey 2022 5-year estimates

Note: Includes units placed in service through 2021. Unit count includes all units in tax credit properties, so it may overestimate the number of affordable units in cases where tax credit properties also include market rate units. The count of units no longer monitored for compliance includes units that have exited their mandatory affordability period; it does not include properties whose compliance status is unknown. Tax credit units as a percentage of renter-occupied households is calculated using the total number of tax credit units, inclusive of those that are no longer monitored for compliance.

Section 9: Stakeholder Perspectives

9.0 Key Findings

In order to better understand local context and history around housing development in Sturgis, analysts conducted interviews with community stakeholders. These stakeholders included business and organizational leaders across a range of sectors, including property management and real estate, building and construction, banking and finance, insurance, energy, healthcare, education, and both current and former public servants. Names and contact information for stakeholders were compiled and provided to analysts by SEDC, which also facilitated introductions and invitations to interview. In total, 15 individuals were interviewed. Interviews took place between November 6, 2023 and January 22, 2024.

This section provides a summary of common themes across interviews.

In discussing community strengths, stakeholders pointed to recent housing developments and highlighted Sturgis's general appeal as a community. Turning to community needs and challenges, stakeholders focused primarily on inventory and affordability. They added nuance to this overarching challenge by describing how affordability is related to uneven demographic growth and pressure from short-term rentals and tourism. Many also suggested that affordability challenges are especially acute for first-time homebuyers, while there is also high demand for rentals and apartment buildings from households not yet ready to buy a home. Though stakeholders recognized the recent addition of new private pay senior housing options, they noted that more affordable senior housing is lacking.

Stakeholders also described a slate of challenges related to housing development. As many noted, the geography of Sturgis makes growth and development difficult: the community is landlocked by public lands and privately-owned land as well as being located in a valley. Development costs have escalated in recent years, and the cost of development hills and outlying lands that might be annexed is especially high. A few stakeholders also noted that the city has a reputation among developers and contractors for being difficult to work with and unpredictable, and a group of Sturgis residents embrace anti-growth attitudes that raise further challenges to development.

Asked specifically about any needs related to neighborhood revitalization and rehabilitation, stakeholders widely concurred that Sturgis does not have a concentration of dilapidated properties in any one neighborhood.

When asked to comment on the role they believe SEDC and the city government should play, most stakeholders saw these agencies' roles not as constructing housing, but rather planning for the best use of land, promoting workforce and economic development (which they pointed out are connected to housing), working to streamline the development process, and catalyzing housing development.

Stakeholders outlined several opportunities they see for Sturgis, including specific housing types they believed would do well in the market, plots of land and locations they would like to see developed as housing, and creative incentives to catalyze housing. They also shared a few cautions and caveats for future housing developments.

9.1 Community Strengths

Stakeholders were asked to describe Sturgis's strengths as a community, focusing especially on housing. Many responded by noting that Sturgis has seen increased activity in housing construction over recent years, listing standout housing developments. Turning more broadly to community strengths, stakeholders lauded Sturgis's small-town feel, proximity to natural amenities such as trails and forests, and convenient location between Spearfish and Rapid City.

9.1.1 Recent Housing Developments

Stakeholders observed that there has been an increase in housing development activity in Sturgis in recent years, which they saw as a strength. Several long-time residents reflected that, for many years, they had seen no new housing development at all. But recently, they noted, there have been many irons in the fire with possible developments. For example, one stakeholder attributed part of the increase in development to a motivated group of young business people and local developers who are open to creative development. Others points to city investments in infrastructure, such as building a new wastewater treatment plant, which they characterized as evidence of a more proactive, less reactive, approach to development.

Stakeholders cited several examples of what they saw as successful housing developments. Most often mentioned was the Trailhead Subdivision, 23 owner-occupied housing units and storage units located along Vanocker Canyon Drive north of Pine View Drive. The project achieved a more affordable sales price for homes by using prefabricated modular homes. While one stakeholder acknowledged there is some stigma associated with modular homes and this higher density development, they nevertheless observed a high level of demand and "a big potential to do more." Another stakeholder described the Trailhead development as hitting "a niche we might struggle to hit again" in terms of creating affordable new homeownership opportunities.

Other developments lifted up as successful examples included the Dolan Creek Estates subdivision, the Davenport Ranch subdivision, and the new independent and assisted living facility (Dolan Creek Senior Living). Dolan Creek Estates was described as affordable with great houses that sold quickly, though stakeholders noted the area has now been fully developed and homes sold. Davenport Ranch was described as moderately, if not fully, affordable and helping to meet demand. Dolan Creek Senior Living was seen as not only offering new options for senior living, but also helping to take pressure off of other homes in the community as older homeowners are able to move and sell single-family homes. One stakeholder also noted that if the development near Avalanche Road (Harvest Meadow Estates and Valley View Subdivision) ends up as affordable as promised, it is poised to be a significant community asset.

One stakeholder, while agreeing that these new housing developments have been positive and truly needed, offered a caveat: recent owner-occupied housing developments have not provided housing priced affordably for first-time homebuyers seeking starter homes.

9.1.2 Community Appeal

In addition to describing strengths specific to housing, many stakeholders commented on Sturgis's community appeal. They praised the town's climate, small-town feel, and location near natural amenities and other communities. Commenting on location, one stakeholder

noted that Sturgis serves as a hub for smaller towns and surrounding rural areas. Several others focused instead on Sturgis's location between Spearfish and Rapid City, which lends the town to being a commuter or bedroom community.

Sturgis's location and appeal influence housing demand. Stakeholders observed that new housing developments seem to cater to commuters rather than the local workforce—that is, households with higher wages. For dual-earner households looking for a community with a small-town feel located within community distance of Spearfish or Rapid City, Sturgis is a prime location. Other stakeholders observed that the town's role as a rural hub makes it a retirement destination for rural residents who wish to move closer to services or social networks.

9.2 Community Needs and Challenges

Asked to describe community needs and challenges around housing, stakeholders focused primarily on inventory and affordability. They added nuance to this overarching challenge by describing how affordability is related to uneven demographic growth and pressure from short-term rentals and tourism. Many also suggested that affordability challenges are especially acute for first-time homebuyers, while there is also high demand for rentals and apartment buildings from households not yet ready to buy a home. Though stakeholders recognized the recent addition of new private pay senior housing options, they noted that more affordable senior housing is lacking.

Stakeholders also described a slate of challenges related to housing development. As many noted, the geography of Sturgis makes growth and development difficult: the community is landlocked by public lands and privately-owned land as well as being located in a valley. Development costs have escalated in recent years, and the cost of development hills and outlying lands that might be annexed is especially high. A few stakeholders also noted that the city has a reputation among developers and contractors for being difficult to work with and unpredictable, and a group of Sturgis residents embrace anti-growth attitudes that raise further challenges to development.

Finally, asked specifically about any needs related to neighborhood revitalization and rehabilitation, stakeholders widely concurred that Sturgis does not have a concentration of dilapidated properties in any one neighborhood.

9.2.1 Lack of Inventory and Affordability

Stakeholders unanimously agreed that the greatest housing challenge facing Sturgis is lack of inventory and affordability. Those who work in housing development and real estate noted inventory has been a challenge over the last couple years, as inventory has decreased at the same time more buyers are coming into the market. Though they noted things seem to have slowed down over the past six months or so, low inventory still makes for a challenging market. Others suggested that despite all of the recent development, there does not appear to be excess inventory: new developments are largely presold already.

Low inventory appears to be impeding household formation. Several stakeholders shared stories—both client stories and personal stories—of potential homebuyers living with family for months or years while trying to find an affordable home to buy (or in some cases an affordable home to rent).

When it comes to affordability, new developments can increase housing supply and reduce price pressures from low supply. However, stakeholders widely observed that the housing development happening over the past few years has been priced for professionals or homeowners moving up to larger, nicer homes; it has not been affordable, workforce housing for local residents or first-time buyers. Stakeholders from local employers, including healthcare and education providers, said they see this divide among their own workforce: higher paid employees in leadership positions are able to find housing, but frontline caregivers and teachers struggle, even turning down jobs because they cannot find an affordable place to live in Sturgis. While they acknowledged some employees can and do find housing elsewhere in the region and commute to Sturgis, these employers also reported they would prefer to hire people who live in Sturgis and become part of the community, which not only benefits the local economy but also promotes employee retention.

Consistent with demographic and economic data for the community, stakeholders pinpointed a mismatch between local wages and local housing costs. Many observed that local wages have not kept up with housing costs. As one stakeholder pointed out, local jobs in the service industry and tourism do not pay wages that can support local housing costs.

This stakeholder also noted that finding affordable and available housing is especially difficult for local workers with any additional challenges layered on top of low wages, such as a history of incarceration or lack of funds for a security deposit. But even without those additional challenges, this stakeholder reported, the local workforce and young professionals struggle to find affordable housing in Sturgis.

9.2.2 Uneven Demographic Growth

Along with economic factors, changing demographics shape the contours of housing demand. Stakeholders observed that demographic growth in Sturgis appears to be driven by retirees and domestic migration—that is, people moving into town to retire as well as out-of-state buyers. According to stakeholders, these households tend to have more accumulated wealth and higher wages than local residents. They expressed concern this is inflating housing prices, as new buyers bring more cash to buy homes than local residents are able to offer. The dynamics of the current housing market are shaped in part by this uneven demographic growth driven by higher wealth, high wage buyers who crowd out young families in the real estate market.

9.2.3 Short-term Rentals, Rally, and Tourism

Like many towns in the mountain west, Sturgis faces added pressure on the housing market and wages due to tourism. Sturgis has the unique challenge of hosting the annual Sturgis Motorcycle Rally. Stakeholders described how tourism in general and the Rally in particular have distorted the housing market, increasing short-term rentals and absentee owners: people buy vacation homes in Sturgis and rent them out as short-term rentals or leave them vacant for most of the year, only occupying them when they visit. Rally-goers likewise may purchase property and hold it for the few weeks per year they spend in Sturgis, while the property sits empty the rest of the year. Various factors that take houses off the market contribute to lack of inventory, higher housing costs, and a generally tighter housing market.

9.2.4 First-Time Homebuyers

There was consensus among stakeholders that the highest levels of unmet demand in Sturgis come from first-time homebuyers. Lack of inventory and rising prices hit this segment of the market especially hard. The lack of starter homes priced at under \$300,000 makes it difficult for renters to transition to homeownership, whether those are young families starting a family, newcomer to Sturgis who plan to plant their roots, and young people entering the workforce. One stakeholder explained the lack of starter home developments as related to contractors' economic interests: contractors are able to build fewer projects at higher margins by focusing on more expensive homes, whereas starter home developments are less attractive from a profit standpoint.

From the buyer's perspective, rapidly rising home prices have made it difficult not only to afford a home, but also to find financing. Stakeholders returned to the observation that Sturgis has extremely limited inventory of lower priced homes, and some noted that first-time homebuyers who are able to buy one of these homes may find themselves without extra cash to do upgrades that lower priced homes are likely to need (e.g., replacing a fuse box, exterior painting or siding, or upgrading HVAC or appliances). First-time homebuyers may also struggle to find financing in a market where home prices are climbing rapidly. One stakeholder described the difficulties seen among first-time homebuyers who qualify for FHA loans as households but who cannot find homes that are affordable and qualify for FHA financing. Another barrier for first-time homebuyers, according to stakeholders, is the inability to save for a down payment while struggling to afford rent.

The shortage of affordable starter homes is exacerbated by the same general dynamics driving low inventory and low affordability in Sturgis. For example, one stakeholder reported that affordable single-family homes may be bought by investors who convert them into rentals or Rally homes, putting extra pressure on this market segment.

Several stakeholders emphasized the importance of making first-time homebuying possible so that residents can begin to build equity. They suggested pursuing denser developments or smaller homes in order to lower costs and start more households on the homeownership path. For instance, one stakeholder shared a vision of more duplexes or townhomes in denser neighborhoods within walking distance of commercial amenities.

9.2.5 Demand for Rentals/Apartment Buildings

Many stakeholders highlighted a need for apartment buildings or rentals in general, which could serve as affordable workforce housing as well as temporary housing for newcomers to the community who are not yet ready to purchase a home. Stakeholders who manage rentals said they have seen very low vacancy rates and believe they could easily fill additional units. Many stakeholders commented on the difficulty newcomers face in finding a rental when they first come to Sturgis, circumstances they said impede workforce recruitment.

9.2.6 Senior Housing

A broad cross-section of stakeholders agreed that Sturgis needs additional senior housing options for retirees. Even with the new independent and assisted living available at Dolan Creek Senior Living, they saw limited options for older homeowners who want to downsize or move to a lower maintenance home. As a result, older homeowners may stay in their homes

longer than they wish, whereas with more senior housing options, they could move out and open up that home for another household.

Stakeholders observed that the senior housing being developed in recent years is too expensive for many households; while stakeholders agreed that these higher end senior projects are wonderful and a boon to the community, they pointed out that they are not for everyone. To get seniors out of homes and open up affordable workforce housing, there have to be affordable senior projects for older adults to move into, including seniors on a fixed income.

Regarding the type of senior housing they believe Sturgis needs, stakeholders described single-level twin homes, townhomes, or apartments, with both options to rent or buy, and an HOA or similar arrangement for low-maintenance living. One stakeholder suggested it would be advantageous to add amenities that would enhance quality of life and attract retirees.

9.2.7 Landlocked

Turning to challenges to expanding housing inventory, stakeholders noted that Sturgis is landlocked. Several stakeholders described limited land as the biggest barrier to development. Sturgis is bordered by public lands, including BLM land, national forest, country land, as well as privately owned land. Additionally, Sturgis is located in a valley, and it is expensive to bring infrastructure like water and sewer over the hill to open more land for development.

Faced with limited land, the city, SEDC, and developers have focused on identifying land for infill development. As a few stakeholders pointed out, another way to address limited land is to pursue denser housing options, such as twin homes, townhomes, apartments, and condos.

9.2.8 Development Cost

The cost to develop land—from infrastructure to construction—is also a challenge. Some stakeholders, with experience in housing development, observed that even with TIFs and reducing contractor costs by doing work themselves, it can be difficult to get much return on rental developments because the cost to develop is too high for rent levels that prevailing wages in Sturgis can support. Other stakeholders observed that construction costs have come down slightly during the winter and spring of 2024, but not significantly.

In part, stakeholders explained, the cost of constructing new housing is linked to Sturgis's geography. With limited ground for development, options are narrowed to what developers believe will bring the best return. Additionally, the high cost of running infrastructure to annexed land can make it difficult to balance growth and affordability while maintaining the same level of services.

Others noted that the limited pool of contractors in the Sturgis area can increase building costs. One stakeholder pointed out that Sturgis currently has more lots available than ten years ago, but it is difficult to find people who want to build, especially at an affordable price point. In some cases, they shared, there are property owners who have a lot and are ready to build but cannot find a builder to build at the price they want. Other stakeholders shared their own struggles finding contractors for renovation projects. Overall, stakeholders said it is hard to find contractors willing to work on affordable housing projects. Given high demand for contractors and short supply, contractors can pick and choose the projects they

work on. Rationally, they bid where they can get the best margins, which means larger, more expensive homes.

9.2.9 Unpredictable Development Environment

A handful of stakeholders shared that, among developers and contractors in the region, there is a perception that Sturgis is an unpredictable work environment and that the city offices can be difficult to work with. As one stakeholder put it, “We don’t have a set of standard operating procedures when it comes to development that’s predictable for developers. We make up the rules as we go, and that makes it challenging.... It’s like we build the plane while it’s in flight sometimes and that makes it challenging for our developers: they lose motivation to come work in the city because it’s a difficult town to make progress in.” This stakeholder related an example of a development where costs increased after the city opted for wider streets in response to public comment at a public meeting. Another stakeholder shared, “The city doesn’t have the best reputation, and they’ve been known to sometimes step on toes and it’s hard to work with them (perceived or otherwise). They have that reputation, and that’s not healthy.” Recent turnover in the city manager’s office has contributed to this issue.

9.2.10 Anti-Growth Attitudes

Stakeholders surmised that NIMBYism and anti-growth attitudes can also be a challenge to constructing new housing. One stakeholder characterized these attitudes as fear that growth would be bad and bring negative consequences. Another described the attitude as a general resistance to change. A third stakeholder acknowledged that, given the geography of Sturgis, there is probably a cap to growth, though public sentiment is not necessarily based on that.

Stakeholders also acknowledged that many people are attracted to Sturgis because of the community’s small-town feel and its proximity to open land, national forest, wildlife, and recreation. Residents may fear losing those amenities with the construction of new housing. Yet most stakeholders agreed growth is necessary, and new housing in particular is critical. As one stakeholder put it, it can be hard to find anyone in Sturgis to speak up as an advocate of growth, but the effects of the lack of housing inventory of evident, and “that should lead every community member to say we’re not doing the housing market properly because we’re not able to provide housing for people who live here.” Another stakeholder pointed out that NIMBYism and resistance can be greatest with regard to rentals and manufactured homes, but that these types of housing are a key component of bringing affordability to the market. Ultimately, most stakeholders agreed with the sentiment that Sturgis needs more advocates for growth—or, as one person put it, “we’ve gotta have more of a backbone when we know we’re doing the right thing.”

9.2.11 No Dire Rehab Needs

During interviews, stakeholders were asked to comment on any needs for neighborhood revitalization or rehabilitation. By and large, they agreed that although there are properties here and there that could use work, Sturgis does not have a concentration of homes in need of rehabilitation in any one neighborhood. As one stakeholder put it, Sturgis is fortunate not to have one side of town or one area that is run down; there are individual houses owned by families without the resources to keep up with maintenance and improvements, but no neighborhood that stands out as a whole.

A few stakeholders speculated on how the tight rental market and increase in vacation homes and short-term rentals might affect property maintenance. One stakeholder observed that Rally homes are not always well maintained, while another noted that with very low vacancy rates, landlords have little incentive to maintain or improve properties they are assured of renting regardless. Other stakeholders noted that the tight housing market has actually improved housing quality: with housing costs so high, they reasoned, even older, rundown homes are being bought, remodeled, and sold. The downside to this pattern, as another stakeholder observed, is that rehabbed properties are often no longer in an affordable price range, so while the trend improves housing quality, it does not solve the affordability challenge.

While stakeholders by and large agreed there is no single neighborhood in Sturgis in need of revitalization, a few did suggest consideration of investment in older, more central areas—especially north of Sturgis Elementary between I-90 and Main Street. Another stakeholder also observed that Sturgis has quite a few mobile homes, and some are not in good condition.

9.3 SEDC and City Role

Asked what role the SEDC and city government should play when it comes to housing, stakeholders generally agreed that they should not be actively developing housing. Rather, their roles are to plan for the best use of scarce land, promote workforce and economic development (which relates to housing), find ways to streamline the development process to make it easier and more appealing for developers to work in Sturgis, and find creative ways to catalyze housing development.

9.3.1 Planning for Best Use

As one stakeholder put it, “Sturgis doesn’t have enough land left to make a mistake.” Therefore, as several pointed out, it is important to put available land to its best use. Stakeholders described the role of SEDC and the city as defining a vision for Sturgis and undertaking strategic planning to define the kind of community Sturgis will be and build around that goal. One stakeholder highlighted what seem like two competing visions of Sturgis’s future: a bedroom community for commuters, or a community where people live, work, play, and shop.

One stakeholder shared a vision of Sturgis as an ideal community for families and year-round residents, but lamented that the city seems to spend too much effort marketing the Rally and tourism rather than promoting that ways in which Sturgis is great for residents and families. In this person’s words, “I’d like to see the city do a better job of promoting the community for what it is that we have. We’ve got things nobody else has or can get, and we do a real poor job of relaying that message. We spend too much time promoting the Rally and other tourists. We need to be able to grow healthy. Sturgis is great for families. It’s a small community with a strong school system with great teachers, we’ve got outdoor activities that are within walking distance of your front doors, multiple access points to get into the hills and hike or bike trails or if you’re a horse person ride the trails. Nobody else has that the way we do.”

9.3.2 Workforce and Economic Development

Most stakeholders agreed that it is not the job of the city or SEDC to “fund, finance, design, and develop housing.” These entities can market, promote, and improve relationships with

developers, but they are not ultimately responsible for ensuring the community has affordable housing available.

Yet most stakeholders also believed SEDC and the city should take on the role of promoting growth and economic development, which are closely tied to housing. As one observed, SEDC cannot bring in new businesses without first having housing for new employees. One stakeholder summed up the relationship between economic development goals and housing as a chicken and egg problem: “we just don’t have the jobs that allow people to get into the buying market. And it’s a chicken egg problem: no inventory, so people can’t move [to Sturgis] in the first place.”

9.3.3 Streamlining Development Process

Several stakeholders believed that the city needs to proactively streamline the development process to make it more appealing for developers and builders to come to Sturgis. Others suggested SEDC can assist by facilitating building relationships. As one stakeholder put it, “developers don’t want to swim upstream,” and it takes good government to make development happen and to overcome anti-growth resistance and keep everything moving smoothly. The city’s role, in this view, is to create an environment that is good for developers. Another stakeholder characterized the city’s role as taking on more of a customer service orientation, striving to be predictable and work with developers toward solutions. “Their answer should never be ‘no,’” explained this stakeholder, “it should always be ‘how can we make this happen?’” In this vein, the stakeholder continued, city offices ought to be receptive to the expertise among developers and contractors who can help come up with solutions. As another stakeholder saw it, the city should avoid being too hands on and getting in the way of developers.

9.3.4 Catalyze Housing Development

Ultimately, while stakeholders agreed that the city and SEDC should not be actively developing housing, they did see a role for both entities to creatively catalyze housing development. Several highlighted ways in which this already happens. For example, one stakeholder observed that SEDC does, can, and should focus on identifying properties that can be developed. Another reflected that the city is very in tune with community housing needs and praised how they have used TIFs, worked with Meade County, and proactively undertaken infrastructure projects. The city’s work to locate four Governor’s Houses in Sturgis was also lifted up as an example of success, as was the city’s work with SEDC in the industrial park to create a process for co-locating temporary housing for new businesses.

Stakeholders acknowledged that this type of action can be challenging, and that it can sometimes be seen as political. Others noted that tools like TIFs come with potential downsides and should be used carefully so as not to undermine the ability to provide services, facilities, schools, and other infrastructure needs. They urged expanding the toolbox for catalyzing development.

9.4 Opportunities

Stakeholders outlined several opportunities they see for Sturgis, including specific housing types they believed would do well in the market, plots of land and locations they would like to see developed as housing, and creative incentives to catalyze housing. They also shared a few cautions and caveats for future housing developments.

9.4.1 Housing Types

Regarding types of housing, stakeholders urged a focus on affordable starter homes, including smaller and denser developments, as well as more multifamily rental properties.

For homebuyers, stakeholders saw an opportunity to get creative around building affordable homes. For instance, one stakeholder suggested tiny homes could work for a certain segment of the new homebuyer market (i.e., single adults or couples without children). Generally, stakeholders saw an opportunity for denser development, especially attached dwellings such as twin homes, townhomes, and duplexes. One stakeholder, with experience in real estate, believed two-story townhomes for first-time buyers would do well in the Sturgis market; this type of home has a small footprint and does not require much land yet can offer three bedrooms. Another stakeholder saw an opportunity for more townhouses or duplexes, observing that the Wildflowers townhouses sold out quickly. This type of housing can be good for people who are retiring and moving into town to be closer to services as well as for snowbirds and part-time residents. Others suggested more affordable housing could be produced if amenities were scaled back slightly to keep prices down (e.g., laminate countertops instead of granite).

Broadly, stakeholders believed these creative approaches to building more affordable homes would promote homeownership. By getting people into homes, they pointed out, those households can start to build equity, eventually moving on to larger or more expensive homes.

On the rental sides, stakeholders saw an opportunity for more multifamily housing. One stakeholder noted that the apartments that were constructed recently filled right away, but also cautioned against large projects that might oversaturate the market.

9.4.2 Land and Locations to Develop

Several stakeholders said that housing is often the highest and best use for land within Sturgis city limits, and land should be acquired, repurposed, and developed wherever possible. Stakeholders who named specific areas focused on those already slated for development. Otherwise commented generally on a preference for infill to use up available land in town. One stakeholder suggested the city carefully examine its own land holdings to identify opportunities to move or consolidate municipal functions and release land for housing developments.

9.4.3 Creative Incentives

Stakeholders supported the search for creative incentives to encourage housing development in general and affordable workforce housing specifically. As one stakeholder put it, “Money is the root of it all. Homebuilders are in it to make money, so they build fewer high-end homes. There have to be incentives,” to make more affordable building happen.

Stakeholders pointed out that Sturgis has certain advantages, such as options through USDA Rural Development, willingness to use TIFs for development, and abatements available through the Meade County discretionary formula. They also pointed to partnerships like those with Habitat for Humanity that have been successful in developing new homes. Yet most concluded these existing resources and partnerships are not sufficient.

9.4.4 Cautions and Caveats

Finally, a couple stakeholders offered cautions and caveats around housing development. With all opportunities and housing developments, one stakeholder noted, Sturgis must be careful that efforts to create affordable housing for a year-round workforce do not inadvertently create housing that could become campgrounds for the Rally or that out-of-state buyers might buy up to use for short-term rentals or Rally homes. This stakeholder also observed that growth itself can be a double-edged sword, so Sturgis needs smart growth: while there is demand and need for growth, that demand comes in part because people are attracted to Sturgis for its small-town feel, which it would be ideal to preserve while also building housing to meet community needs.

Section 10: Community Input

10.0 Key Findings

A survey of residents yielded 497 responses, collected from October 2023 through January 2024. Responses indicate residents are largely satisfied with their current homes' characteristics, particularly location and amenities related to location in the Black Hills. Dissatisfaction with current residences was highest along the dimension of affordability. Across all dimensions (affordability, amenities, quality and condition of their homes, size (number of bedrooms), and location), renters tend to be less satisfied with their current housing than homeowners.

Respondents consistently identified the availability of housing and the cost of housing as the two greatest housing-related challenges facing Sturgis, followed by the cost of repair and maintenance.

Homeowners were asked about their current home value, housing costs, affordability, and expenses related to maintenance and improvements. Survey results suggest that more than half of homeowners with a mortgage are cost burdened, with housing expenses that total 30% or more of their monthly income. Only 43.5% of homeowners with a mortgage reported affordable monthly housing costs. Among homeowners without a mortgage, housing cost burden is less prevalent, with over three-fifths (62.8%) reporting affordable housing costs.

In order to gauge potential demand and real estate activity, the survey asked current homeowners in Sturgis about their level of interest in moving to a new home in Sturgis. The majority of homeowners (69.7%) said they are not interested in an in-town move, while 11.3% said they are interested in moving in the near-term (within the next three years). About half (50.5%) of those who expressed interest in moving said they wanted to upgrade, while about one-fourth wished to downsize (23.2%). Among homeowners, the most commonly cited barrier to moving was the affordability of available housing in Sturgis, identified as a barrier by 54.9% of respondents.

Renters were asked about their housing expenses and affordability, as well as their intentions and desires related to homeownership. Overall, renters reported lower monthly housing expenses than homeowners. Although renters had lower monthly housing costs than homeowners, they nevertheless reported higher rates of housing cost burden. About 70% of renters said their housing expenses account for more than 30% of their income, with one-quarter saying housing costs total more than half of their household income.

Survey responses suggest significant potential demand for owner-occupied housing among current renters, provided renters are able to overcome barriers to homeownership. About half of renters who responded to the survey (54%) said they are interested in purchasing a home in Sturgis, including about 40% who said they would like to do so within the next three years. Renters reported the greatest barriers to realizing their wish to purchase a home in Sturgis are lack of available housing and affordability (both monthly payments that would be too high and lack of a down payment).

Survey respondents were asked two questions that were directly related to housing security: first about struggles with housing costs, and second about individuals doubled up and living in their home. Overall, 29% of respondents said they had struggled with housing costs within the

last six months—including 19% of homeowners and 58% of renters. Additionally, 8% of respondents indicated there was someone living with them who did not have a permanent place to live, which suggests unmet demand for housing is limiting new household creation.

Asked to identify areas of Sturgis in need of investment in housing quality, respondents most frequently identified downtown, central neighborhoods and older neighborhoods. Many also cited mobile homes generally as in need of repair or improvements.

Both renters and homeowners were asked about housing during the Rally. Homeowners were also asked whether they rent out the homes that they own. The vast majority (81.2%) said they never do, while an additional 13.9% said that they do rent out their homes, but only during the Rally. Renters were asked whether their current rental agreement requires that they leave during the Rally. About 15% of renters reported that they are required to vacate during the Rally.

When asked about the types of housing they would like to see developed in Sturgis, about one-fourth of respondents saw a need for more rentals of all types, including apartments and attached units such as duplexes. Just as frequently, respondents said they did not see any particular type of housing missing in Sturgis, but rather saw an overall need for greater affordability. Others identified a need for single-family homes (with many specifying *affordable* single-family homes), as well as starter homes for first-time buyers. Other types of needed housing—identified by just a handful of respondents—included condos or townhomes with HOAs for low-maintenance living as well as senior housing (ranging from assisted living to single-floor homes).

In terms of personal preference, most respondents (75%) said if they themselves were to move to a new home in Sturgis, they would prefer a single-family home. Another 9% expressed a preference for a townhome, duplex, or twin home, followed by about 5% who said they would prefer senior housing.

Throughout the survey, responses to open-ended questions revealed a stark divide between a large, generally pro-growth segment of the population that would like to see more housing—of all types, and placed wherever possible—and a smaller segment of the population that voiced opposition to further housing development, saying they wished to see Sturgis keep its small-town characteristics and natural spaces.

10.1 Survey Methodology and Response

A resident survey was designed in order to gather input directly from Sturgis residents. The survey was administered as an online questionnaire. Responses were collected anonymously. Paper surveys were made available for those who requested them. Invitations to complete the survey, including a link and QR code, were posted by the Sturgis Economic Development Corporation on their website and social media. The survey was also promoted during the public kickoff meeting at the commencement of the housing study.

Responses were collected from October 14, 2023 through January 18, 2024. In total, 514 responses were received; after removing duplicates and incomplete responses, 497 valid surveys were used for analysis.

10.2 Respondent Characteristics: Tenure

Overall, respondents reported close residential ties to Sturgis. The vast majority (81.9%) of respondents indicated they live in Sturgis; another 10.3% live in Meade County (outside of Sturgis), 3.6% in Lawrence County, and the remaining 4.2% in Butte (1.8%), Pennington (1.0%), or another county (1.4%) (n = 497). Of the 1.4% who indicated they live in another county, most (71%) said they have a second home or other residence in the Sturgis area (n = 7).

Table 98. Resident survey: Residential location

Where do you live? If you have more than one home, where is your primary residence? (n = 497)	
Sturgis	81.9%
Meade County (outside of Sturgis)	10.3%
Butte County	1.8%
Lawrence County	3.6%
Pennington County	1.0%
Other	1.4%

Compared to the actual population of Sturgis, homeowners were overrepresented among respondents, with 78.2% of respondents saying they own their own home, compared to 18.7% who said they rent (n = 487). By comparison, U.S. Census Bureau data suggest about 37% of Sturgis residents rent their homes (see Table 36. Housing tenure in Sturgis, 2010 - 2020).

Table 99. Resident survey: Housing tenure

Do you own or rent your home? (n = 487)	
Own	78.2%
Rent	18.7%
Other	3.1%

About half (53.3%) of survey respondents have lived in their current home for six years or longer. Another one-fourth (26.7%) have been in their current home for three to five years, while the remaining quarter of respondents have moved recently and only been in their current homes for up to two years.

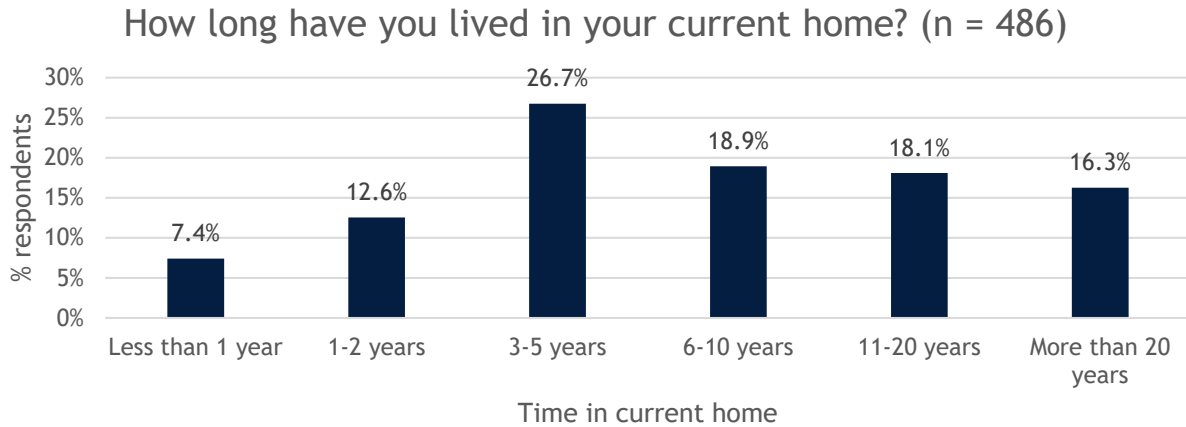


Figure 29. Resident survey: Length of time in current home

Residential mobility varies with tenure. In general, mobility tends to be higher among renters, who move more frequently. In this survey, most renters (89.1%) have lived in their current home for five years or less, whereas the majority of homeowners (62.8%) have lived in their current home for six years or more (n = 486).

Table 100. Resident survey: Length of time in current home by housing tenure

How long have you lived in your current home? (n = 486)			
	Own (n = 380)	Rent (n = 91)	Other (n = 15)
Less than 1 year	5.0%	17.6%	6.7%
1-2 years	9.2%	27.5%	6.7%
3-5 years	22.9%	44.0%	20.0%
6-10 years	21.8%	6.6%	20.0%
11-20 years	21.3%	3.3%	26.7%
More than 20 years	19.7%	1.1%	20.0%

Among recent movers—those respondents who have lived in their current home for five years or less—about half (52.3%) said they had moved once during the past five years, while 23.8% said they had moved twice, and 14.9% said they had moved three or more times (n = 214).

How many times have you moved in the last 5 years?
(n = 214)

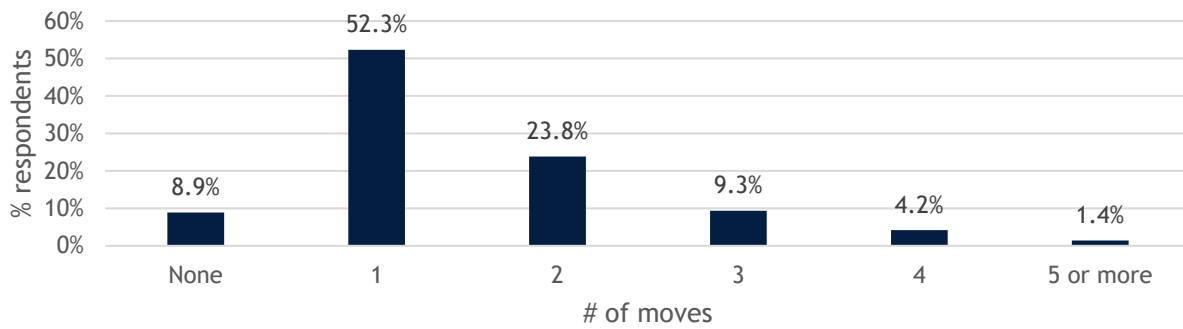


Figure 30. Resident survey: Number of moves in previous 5 years

Overall, 80.3% of survey respondents live in single-family homes, followed by 7.8% who live in mobile homes and 3.9% who live in duplexes or twin homes (n = 462).

What type of home do you live in? (n = 462)

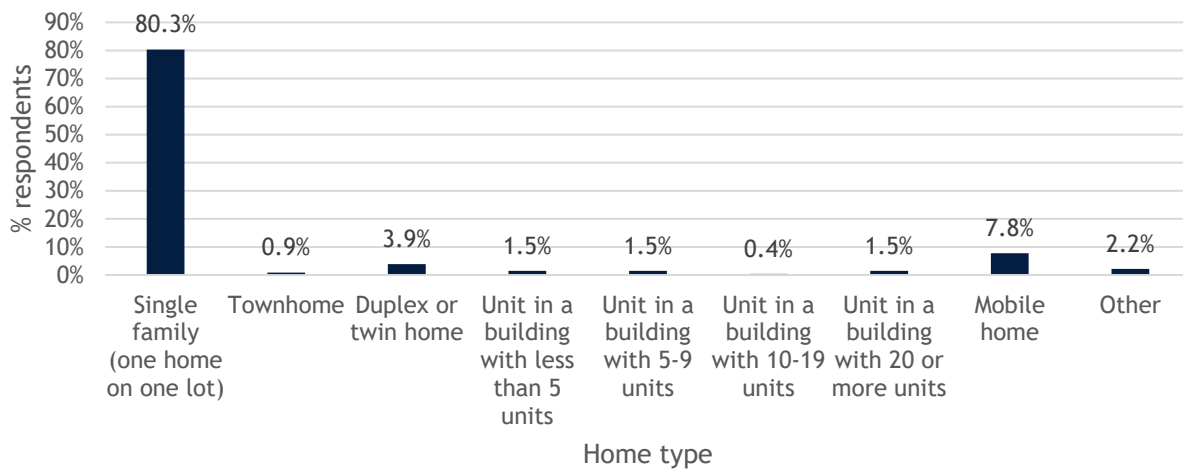


Figure 31. Resident survey: Type of home

Nearly all homeowners (91.4%) and about one-third (34.5%) of renters reported living in single-family homes. Among renters, another 18.4% live in a duplex or twin home, 17.1% live in a multifamily building with five or more units, 16.1% live in a mobile home, and 8.0% live in a multifamily building with four or fewer units (n = 87).

Table 101. Resident survey: Type of home (current residence) by housing tenure

What type of home do you live in? (n = 462)			
	Own (n = 360)	Rent (n = 87)	Other (n = 15)
Single family (one home on one lot)	91.4%	34.5%	80.0%
Townhome	0.6%	2.3%	0.0%
Duplex or twin home	0.6%	18.4%	0.0%
Unit in a building with less than 5 units	0.0%	8.0%	0.0%
Unit in a building with 5-9 units	0.0%	8.0%	0.0%
Unit in a building with 10-19 units	0.3%	1.1%	0.0%
Unit in a building with 20 or more units	0.0%	8.0%	0.0%
Mobile home	5.6%	16.1%	13.3%
Other	1.7%	3.4%	6.7%

10.3 Housing Condition and Satisfaction

Respondents were asked about their perceptions of their homes' condition as well as their satisfaction with their homes.

Most respondents rated the physical condition of their home as "Excellent (solid roof, foundation, contributes positively to community's housing stock)" (50.8%) or "Good (structurally sound, may need minor repairs such as shingles, paint, or new doors)" (39.1%) (n = 463).

How would you rate the current physical condition of your home? (n = 463)

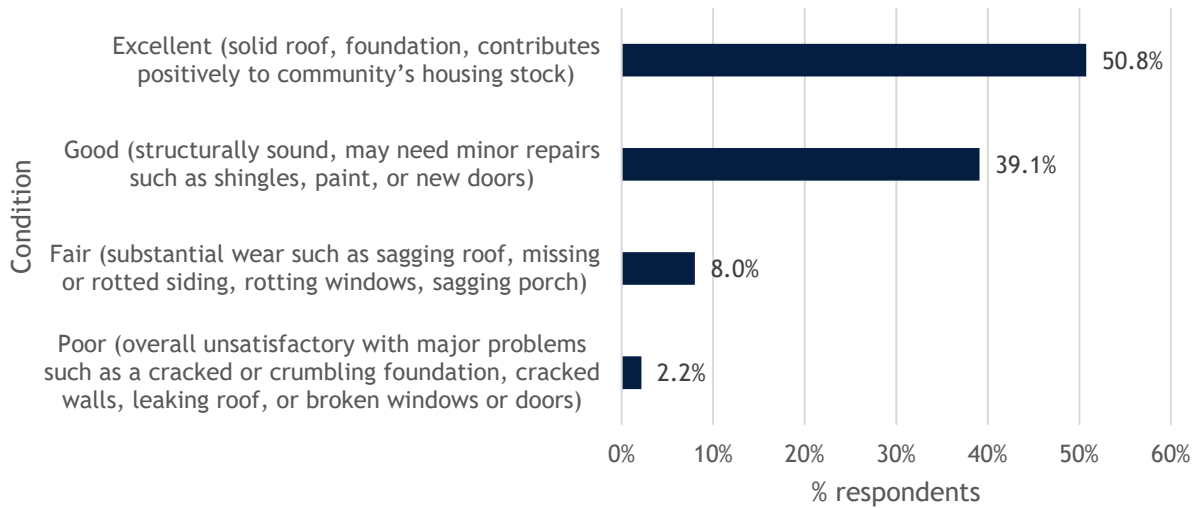


Figure 32. Resident survey: Physical condition of home

Renters were less likely to rate the condition of their home as “Excellent” (17.2% compared to 60.4% of homeowners), and they were more likely to rate their homes’ condition as “Fair (substantial wear such as sagging roof, missing or rotted siding, rotting windows, sagging porch)” (25.3% compared to 13.3% of homeowners) or “Poor (overall unsatisfactory with major problems such as a cracked or crumbling foundation, cracked walls, leaking roof, or broken windows or doors)” (8.0% compared to 0.8% of homeowners).

Table 102. Resident survey: Physical condition of home by housing tenure

How would you rate the current physical condition of your home? (n = 463)			
	Own (n = 361)	Rent (n = 87)	Other n = 15)
Excellent (solid roof, foundation, contributes positively to community’s housing stock)	60.4%	17.2%	13.3%
Good (structurally sound, may need minor repairs such as shingles, paint, or new doors)	35.2%	49.4%	73.3%
Fair (substantial wear such as sagging roof, missing or rotted siding, rotting windows, sagging porch)	3.6%	25.3%	13.3%
Poor (overall unsatisfactory with major problems such as a cracked or crumbling foundation, cracked walls, leaking roof, or broken windows or doors)	0.8%	8.0%	0.0%

Overall, most respondents were satisfied with their current home’s characteristics; however, satisfaction levels tended to be highest for location and lowest for affordability, with 78.8% of respondents “Extremely” or “Somewhat” satisfied with their home’s location, compared to 58.6% with their home’s affordability.

How satisfied are you with your current home when it comes to...

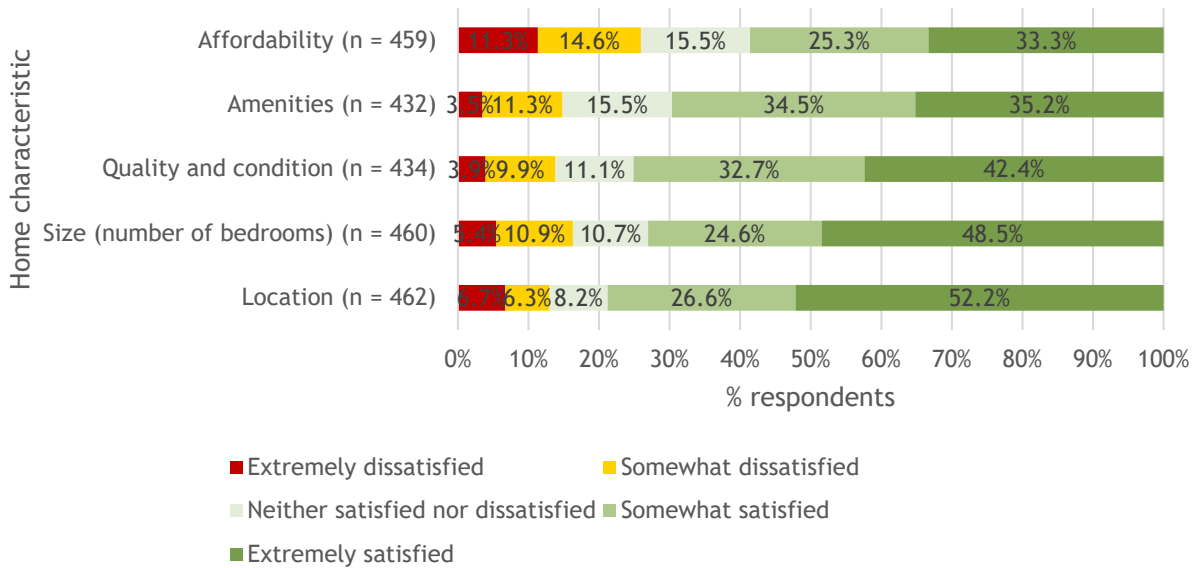


Figure 33. Resident survey: Satisfaction with current home

Across all dimensions, renters tend to be less satisfied with their current housing than homeowners are. In the following table, lower scores represent greater satisfaction, with a score of 1 meaning “Extremely satisfied” and 5 meaning “Extremely dissatisfied.” For instance, owners tend to be more satisfied with location (average score 1.77) than affordability (average score 2.30). Across the board, owners have higher levels of satisfaction than renters with affordability, amenities, quality and condition of their homes, size (number of bedrooms), and location.

Table 103. Resident survey: Satisfaction with current home by housing tenure

How satisfied are you with your current home when it comes to...? (mean satisfaction score: 1 = Extremely satisfied, 5 = Extremely dissatisfied)			
	Own (n = 360)	Rent (n = 87)	Other (n = 15)
Affordability	2.30	2.92	3.47
Amenities	1.96	2.85	2.43
Quality and condition	1.81	2.70	2.54
Size (number of bedrooms)	1.82	2.72	2.29
Location	1.77	2.24	2.60

The survey also asked respondents to comment on the condition of housing in Sturgis as a whole. The question asked, “Which areas of Sturgis are most in need of housing repairs or improvements?” Of 497 survey respondents, 183 wrote in optional comments. Comments centered around a few themes. The percentage of comments mentioning each theme, as well

as illustrative examples, are provided in the table below (note that some comments touched on more than one theme). The most frequently mentioned areas were older neighborhoods in the center of town or near downtown as well as the north and northwest parts of town. Other comments focused less on geographic areas and instead highlighted types of housing they perceived to need repair, including mobile homes, older housing in general, and rental properties in general. Finally, several commenters suggested that individual homes in need of repair were scattered throughout town, not concentrated in any one area.

Table 104. Resident survey: Areas of town in need of improvement

Which areas of Sturgis are most in need of housing repairs or improvements? (n = 183)	
Theme and illustrative comments	%
Downtown, central neighborhoods, older neighborhoods	23%
<ul style="list-style-type: none"> • “Seems like the areas around Main Street and the elementary school could use some improvements.” • “Downtown, there are many dilapidated older homes that have lots of potential to be single family starter homes. They just need updates.” • “Some areas near downtown are pretty dilapidated. Maintenance and repairs and general care would be good.” • “Main / downtown. Many homes have been left in disarray and are only truly used for rental income.” 	
Mobile homes	20%
<ul style="list-style-type: none"> • “The trailer courts. Especially the eye sore before entering Boulder Canyon.” • “Pick a trailer park they all do” • “Mobile home parks need to be brought up to standards and owners held accountable to city codes.” 	
North and northwest parts of town	16%
<ul style="list-style-type: none"> • “North side of town” • “North of the creek” • “The north side where I live is pretty bad and out west towards boulder.” 	
Older housing stock	10%
<ul style="list-style-type: none"> • “Seems the older smaller homes just get torn down for commercial development which is eating up any diversity.” • “The older parts of town, retired elderly cant keep up with rising costs and repair/maintenance” • “Lot of rundown houses in the heart of Sturgis, no need to make repairs when out of state owners live in them 2 weeks a year” 	
All over and in no specific area	9%
<ul style="list-style-type: none"> • “There really is no specific area...There are houses in all areas that could use some improvement however the people living in those houses are barley getting by” • “Hard to say, I see houses in need of repair all around town, but are next to or near very nice and well maintained homes.” • “All over town, except for new additions” 	
Rental properties and apartment buildings, including but not only Rally rentals	7%
<ul style="list-style-type: none"> • “The apartment complexes.” • “Some rentals are in need to repairs.” 	

<ul style="list-style-type: none"> • “Rally houses tend to be in greater disrepair than occupied homes. They are sprinkled throughout town.” 	4%
<hr/>	
None, or upkeep is the property owner’s private concern	4%
<ul style="list-style-type: none"> • “None, city looks great.” • “None. Let property owners worry about their property. It’s the property owners business and theirs alone.” 	

Other areas were mentioned by less than 3% of respondents, including the area around McDonald’s, the Mountain View Mobile Home Estates, and the west side of town. Additionally, just under 3% of respondents mentioned difficulty finding affordable and reliable contractors to carry out repairs to their homes.

10.4 Homeowners

Homeowners were asked about their current home value, housing costs, affordability, and expenses related to maintenance and improvements.

Homeowners’ reported home values were in line with other data sources. Most homeowners reported their home’s current assessed value as between \$200,000 and \$299,999 (24.0%) or \$300,000 and \$399,999 (25.5%). This is similar to the distribution of home values reported by the U.S. Census Bureau’s American Community Survey (see Table 56. Home value for owner-occupied homes, Sturgis, 2022).

What is the approximate assessed value of your home?
(n = 329)

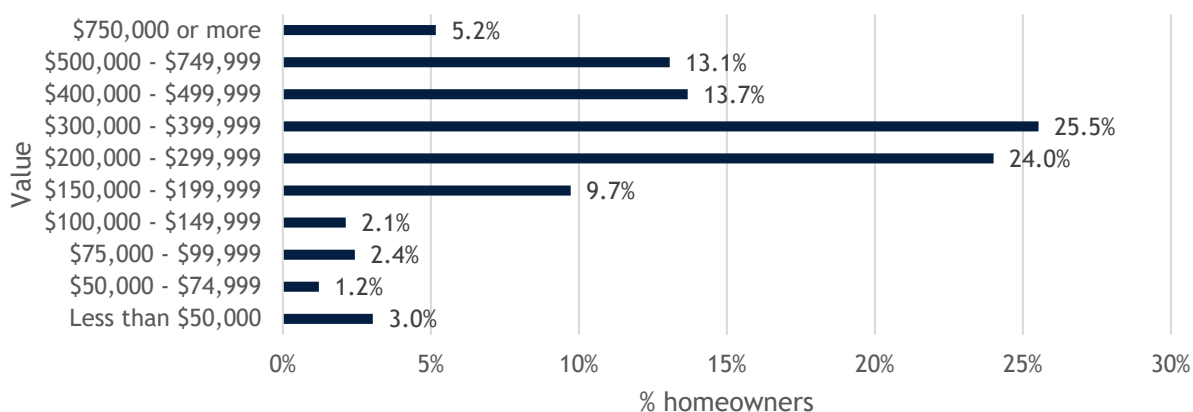


Figure 34. Resident survey: Home value

Homeowners were also asked about their monthly housing expenses, and results were broken out for homeowners with and without a mortgage. Typical monthly housing costs for homeowners with a mortgage range from \$1,000 to over \$2,500, with over one-fifth (21.2%) of homeowners with a mortgage paying \$2,500 per month or more. Homeowners without a mortgage predictably have lower monthly housing costs, with roughly half (53.2%) paying less than \$800 per month.

What are your total monthly housing expenses? Include mortgage, insurance, property taxes, and utilities.
(n = 325)

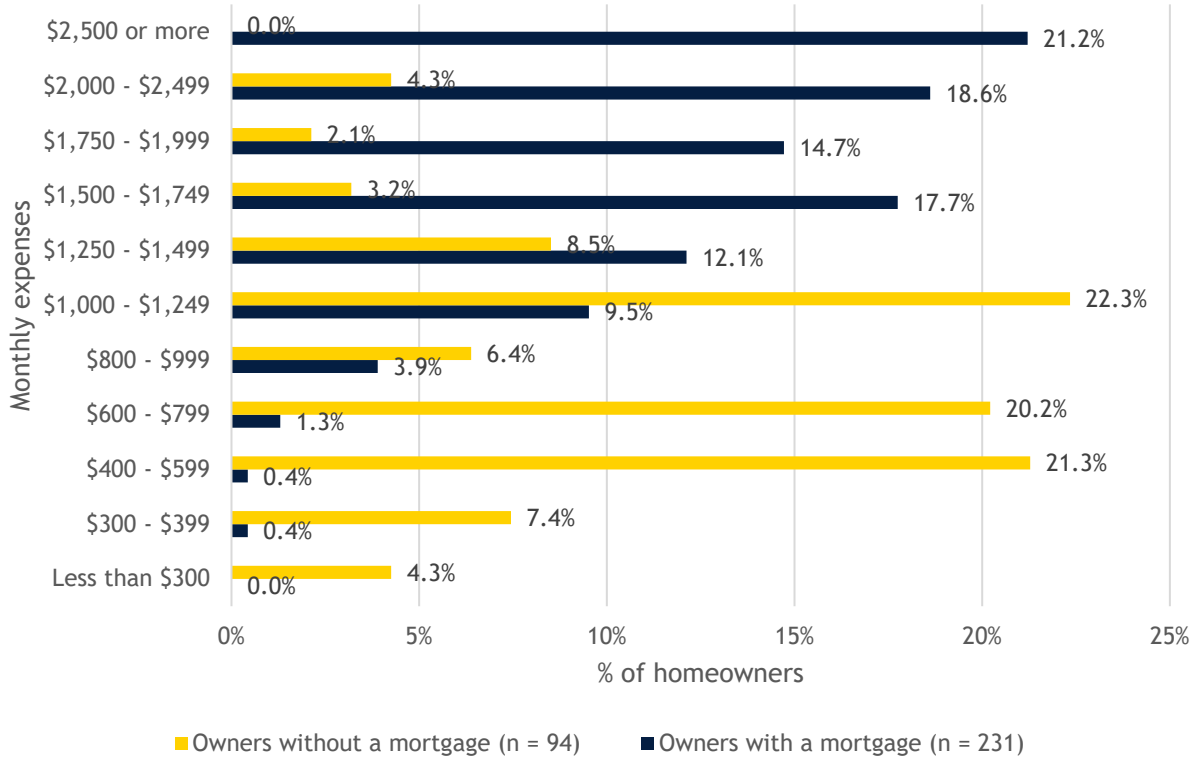


Figure 35. Resident survey: Monthly housing expenses by mortgage status

Survey results suggest that more than half of homeowners with a mortgage are cost burdened, with housing expenses that total 30% or more of their monthly income. Only 43.5% of homeowners with a mortgage report affordable monthly housing costs (i.e., less than 30% of their monthly income).

Among homeowners without a mortgage, housing cost burden is less prevalent, with over three-fifths (62.8%) reporting affordable housing costs. Still, almost one-fourth (23.4%) of homeowners without a mortgage report that their monthly housing costs are more than 30% of their income.

Table 105. Resident survey: Housing costs as a percentage of household income for homeowners with and without a mortgage

Which best describes your housing cost (mortgage, property taxes, insurance, utilities, etc.) as a share of your household's total income? (n = 326)		
	Owners with a mortgage (n = 232)	Owners without a mortgage (n = 94)
Less than 30%	43.5%	62.8%
30% to 50%	40.1%	23.4%
More than 50%	9.5%	4.3%
I do not pay for my housing.	0.0%	3.2%
I don't know.	6.9%	6.4%

For homeowners, part of the cost of housing includes expenses for maintenance and improvements. Survey respondents were asked how much they have spent on these activities over the last five years. Only about 5% of homeowners reported zero spending on maintenance and improvements. For the rest, the total spent over the last five years ranged as high as \$100,000 or more. The median total spent by homeowners over five years was about \$10,000, with roughly half spending less than that amount and half spending more.

How much have you spent on maintenance and improvements for your home over the last 5 years? (For example, painting, roofing, additions, remodels, appliance upgrades. Do not include repairs due to storm damage.) (n = 324)

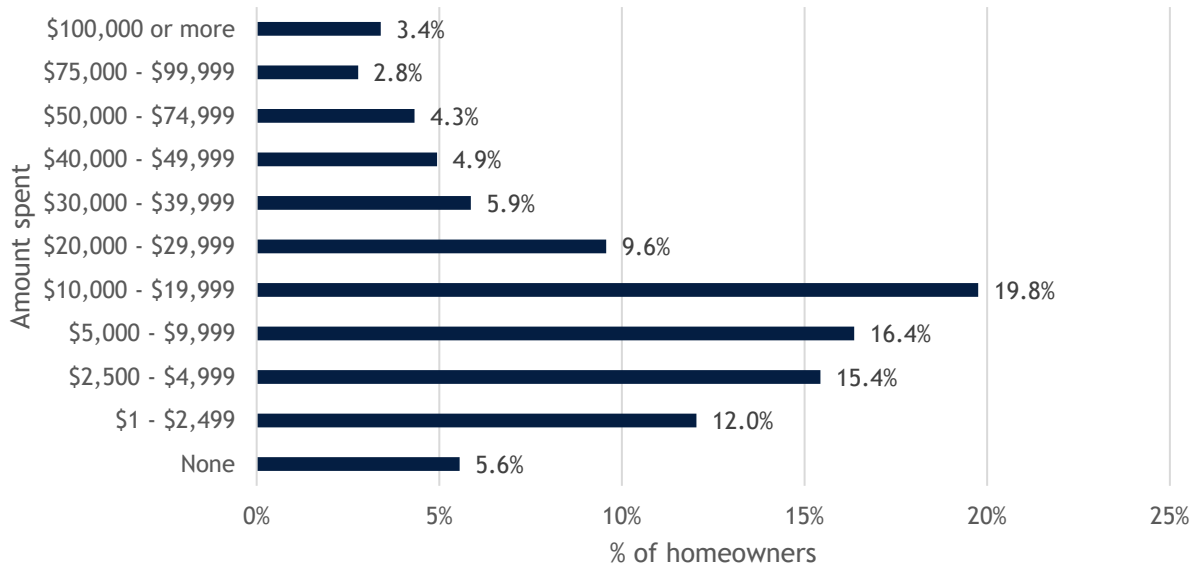


Figure 36. Resident survey: Amount spent on maintenance

About three-fourths of homeowners (76.2%) have plans to invest additional funds in home maintenance and improvement over the next five years. Another 9.2% are on the fence, while 14.7% reported they are unlikely to invest additional funds in maintenance or improvement in the next five years.

How likely are you to invest additional funds in maintenance and improvements for your home over the next 5 years? (n = 327)

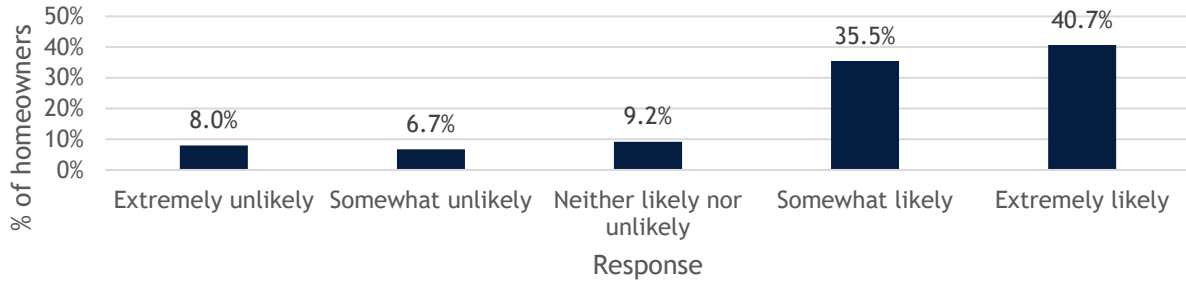


Figure 37. Resident survey: Likelihood of future home improvements

The most frequently reported plans for upcoming maintenance and improvement were for siding or exterior painting (33.2%), a partial remodel or renovation (33.2%), or appliance upgrades (27.6%). About one in ten homeowners (11.5%) said they planned to finish basement living space.

What types of maintenance or improvements are you most likely to make over the next 5 years? (n = 322)

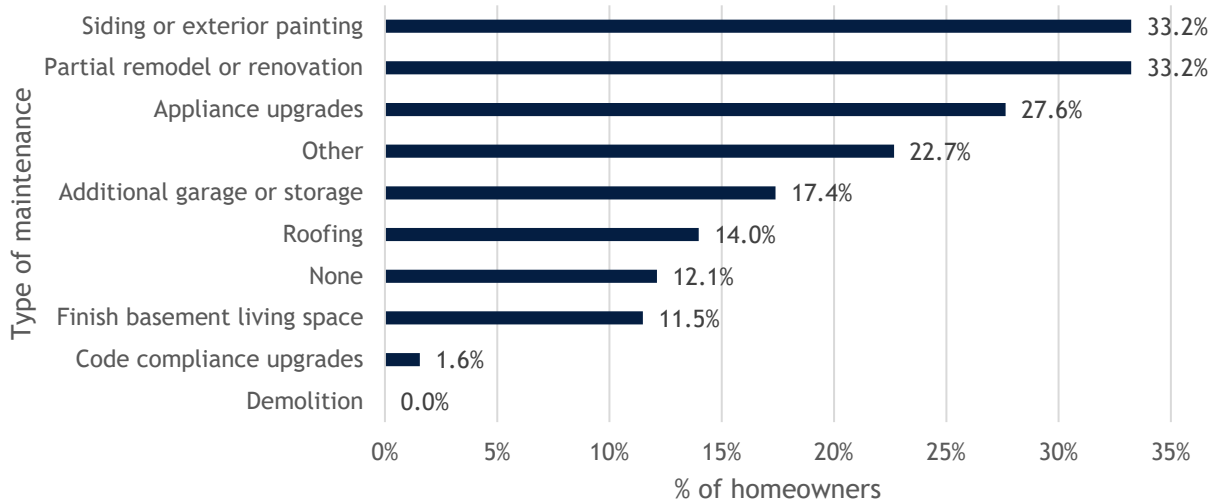


Figure 38. Resident survey: Type of future home improvements

Respondents planning to undertake “Other” types of maintenance or improvement listed items such as fencing, sheds, landscaping, interior cosmetic upgrades (e.g., paint), windows or doors, decks, radon mitigation, insulation, and sidewalk or driveway repairs.

In order to gauge potential demand and real estate activity, the survey asked current homeowners in Sturgis about their level of interest in moving to a new home in Sturgis. The majority of homeowners (69.7%) said they are not interested in an in-town move, while 11.3% said they are interested in moving in the near-term (within the next three years). Another 18.9% of homeowners expressed some interest in moving, but no definite plans, saying either that they were “Maybe” interested in moving or that they were interested in moving but more than three years from now.

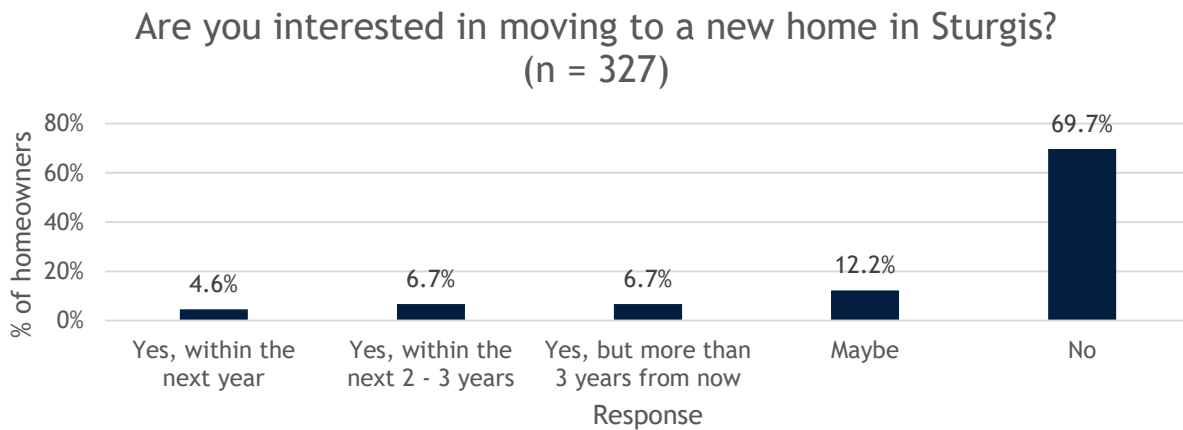


Figure 39. Resident survey: Interest in moving (homeowners)

About half (50.5%) of those who expressed interest in moving said they wanted to upgrade, while about one-fourth wished to downsize (23.2%). These results suggest that among current homeowners, there is demand for continued production of larger homes or higher end homes. At the same time, there is also demand for homes that would allow owners to downsize.

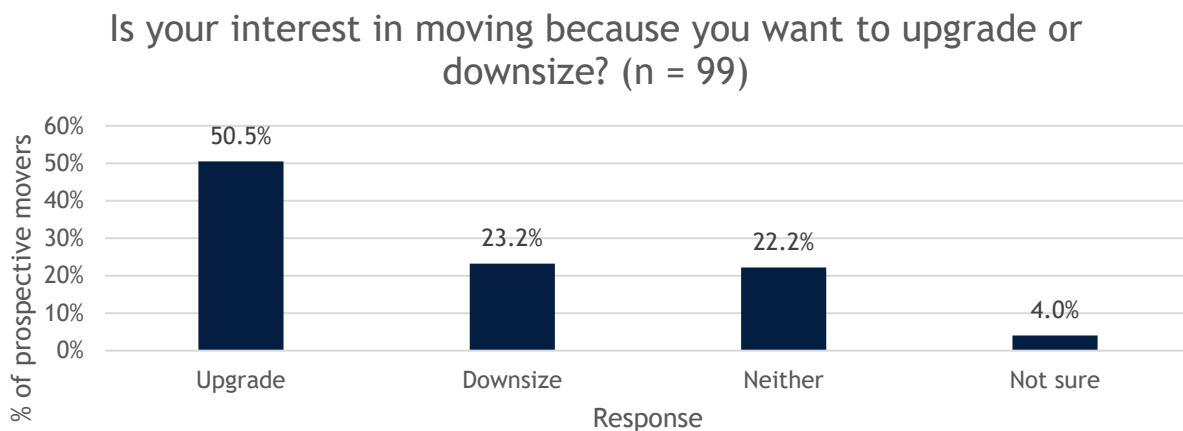


Figure 40. Resident survey: Homeowners seeking to upgrade or downsize

Among homeowners, the most commonly cited barrier to moving was the affordability of available housing in Sturgis, identified as a barrier by 54.9% of respondents. Another 28.3% of respondents said that lack of available housing presents a barrier, while 13.3% cited lack of available lots or building sites.

What are the greatest barriers you face in moving to a new home in Sturgis? (n = 286)

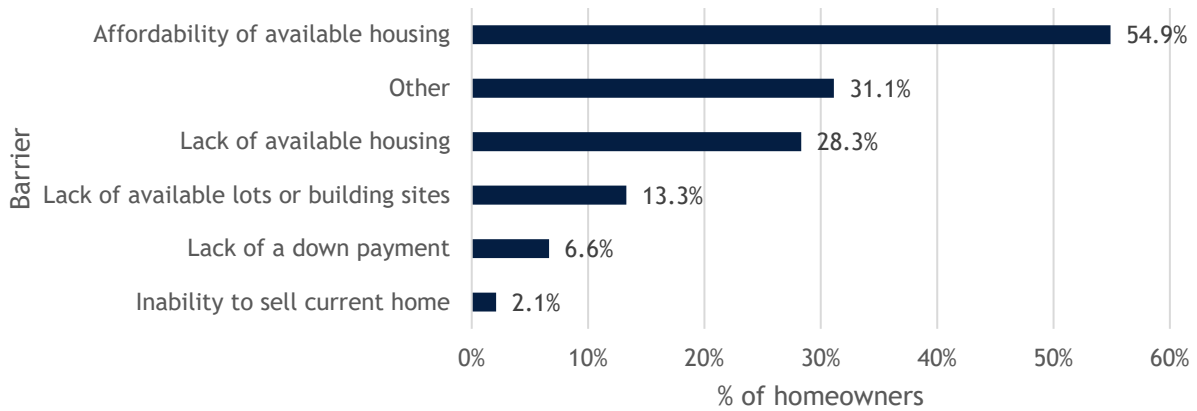


Figure 41. Resident survey: Barriers to moving (homeowners)

Of homeowners who responded to the question about barriers to moving, 31.1% chose to write in another type of barrier. The majority of these homeowners commented that they did not have a desire to move because they were content in their current homes. Many also noted they did not face any barriers to moving. Several said that current interest rates posed a barrier.

Homeowners were also asked whether they rent out the homes that they own. The vast majority (81.2%) said they never do, while an additional 13.9% said that they do rent out their homes, but only during the Rally. Another 1.9% of homeowners said they rent their homes out year-round. Of the 3.1% who responded with “Other,” most wrote in comments that they have rented their home during the Rally in the past or plan to in the future, but not in the current year.

Table 106. Resident survey: Homeowners renting out their homes

Do you rent out your home? (n = 324)	
Yes, but only during the Rally	13.9%
Yes, year-round	1.9%
No, never	81.2%
Other	3.1%

10.5 Renters

Renters were asked about their housing expenses and affordability, as well as their intentions and desires related to homeownership.

Overall, renters reported lower monthly housing expenses than homeowners. Among survey respondents, most renters (52%) pay between \$800 and \$1,500 in monthly housing expenses. At the low end of the rent range, about 14.6% of renters said they pay less than \$800 per month. At the high end, about one-third (32.9%) said they pay \$1,500 per month or more.

The distribution of housing expenses for renters looks less obviously bimodal than the U.S. Census Bureau’s ACS data suggests (see, for comparison, Figure 21. Rental unit distribution by rent range, Sturgis, 2022). This pattern could be the result of underrepresentation among survey respondents of renters living in subsidized units.

What are your total monthly housing expenses? Include rent and utilities. (n = 82)

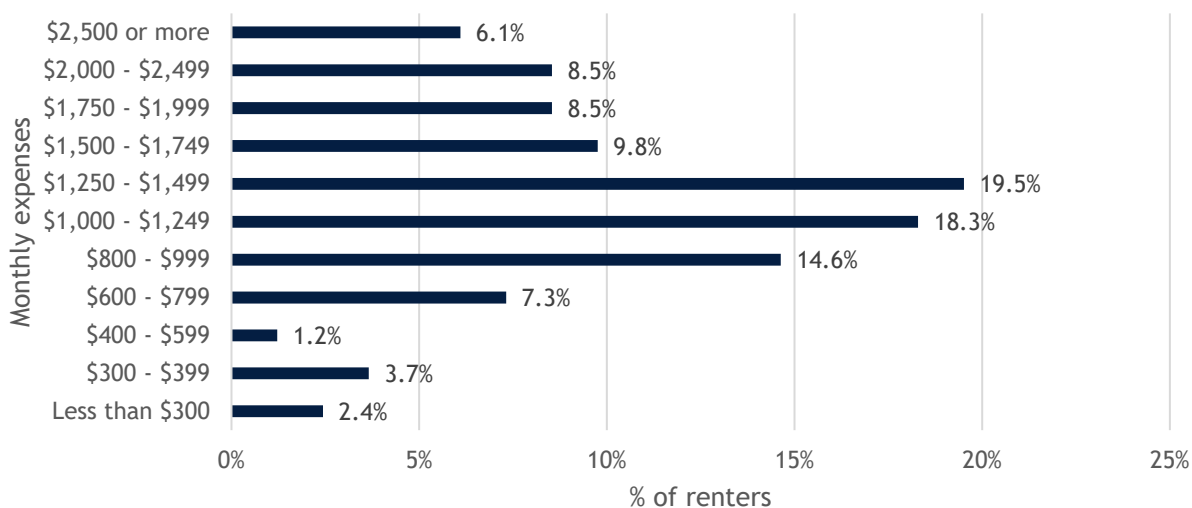


Figure 42. Resident survey: Monthly housing expenses (renters)

Although renters had lower monthly housing costs than homeowners, they nevertheless reported higher rates of housing cost burden. That is, for renters in Sturgis, housing is less affordable relative to their incomes. Whereas around half of the homeowners who responded to the survey indicated their housing expenses are affordable (less than 30% of their income), only about one-fifth of renters reported affordable housing expenses. About 70% of renters said their housing expenses account for more than 30% of their income, with one-quarter saying housing costs total more than half of their household income.

Table 107. Housing costs as a percentage of household income for renters

Which statement best describes your housing cost (mortgage, property taxes, insurance, utilities, etc.)? (n = 82)	
My housing cost is less than 30% of our household’s total income.	22.0%
My housing cost is between 30% - 50% of our household's total income.	42.7%
My housing cost is greater than 50% of our household’s total income.	26.8%
I do not pay for my housing.	2.4%
I don’t know.	6.1%

Renters were also asked about their satisfaction with several dimensions of the renting experience. In general, renters said they were satisfied with security deposit handling, with only about 15% expressing some level of dissatisfaction. The highest rates of dissatisfaction

were seen with repair response (37% extremely or somewhat dissatisfied), followed by communication with property manager (32.9% extremely or somewhat dissatisfied) and professionalism of property manager (29.5% extremely or somewhat dissatisfied).

How satisfied are you with your renting experience when it comes to...

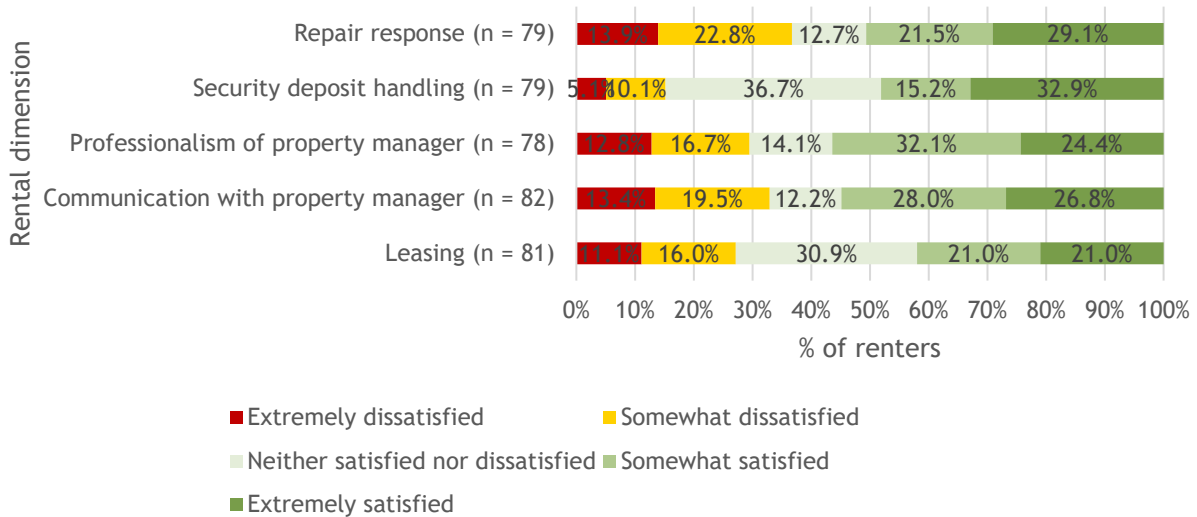


Figure 43. Resident survey: Renter satisfaction with renting experience

About half of renters who responded to the survey (54%) said they are interested in purchasing a home in Sturgis, including about 40% who said they would like to do so within the next three years. This represents significant potential demand for owner-occupied housing, provided renters are able to overcome barriers to homeownership.

Table 108. Resident survey: Renter interest in purchasing a home

Are you interested in purchasing a home in Sturgis? (n = 82)	
Yes, within the next year	20.7%
Yes, within the next 2 - 3 years	19.5%
Yes, but more than 3 years from now	13.4%
Maybe	23.2%
No	23.2%

According to renters responding to the survey, the greatest barriers to realizing their wish to purchase a home in Sturgis are lack of available housing and affordability (both monthly payments that would be too high and lack of a down payment).

What are the greatest barriers you face to purchasing a home in Sturgis? (n = 82)

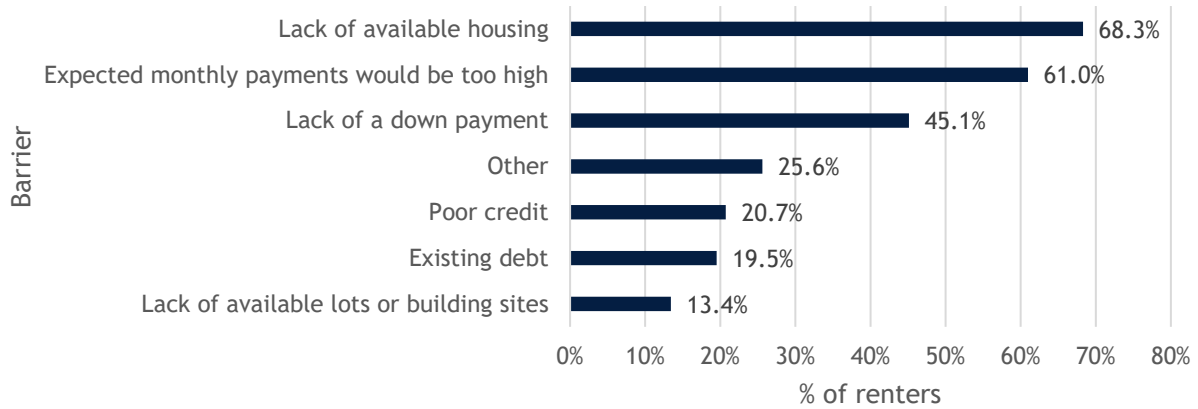


Figure 44. Resident survey: Barriers to purchasing a home (renters)

In total, 25.6% of renter respondents volunteered “Other” barriers to purchasing a home. These barriers included preferring to rent, a sense that home prices are too inflated, or a desire to move to a different town. However, over half of the renters who volunteered other barriers in fact focused on affordability (e.g., commented on the unaffordability of buying a home in the current market).

Renters were also asked whether their current rental agreement requires that they leave during the Rally. About 15% of renters reported that they are required to vacate during the Rally.

Table 109. Resident survey: Renters required to vacate during the Rally

Does your rental agreement require you to leave during the Rally? (n = 81)	
Yes	14.8%
No	85.2%

10.6 Housing Security

Survey respondents were asked two questions that were directly related to housing security: first about struggles with housing costs, and second about individuals doubled up and living in their home.

Overall, 29% of respondents said they had struggled with housing costs within the last six months (n = 386). There were significant differences between homeowners and renters: only 19% of homeowners reported recent struggles with housing costs, compared to 58% of renters.

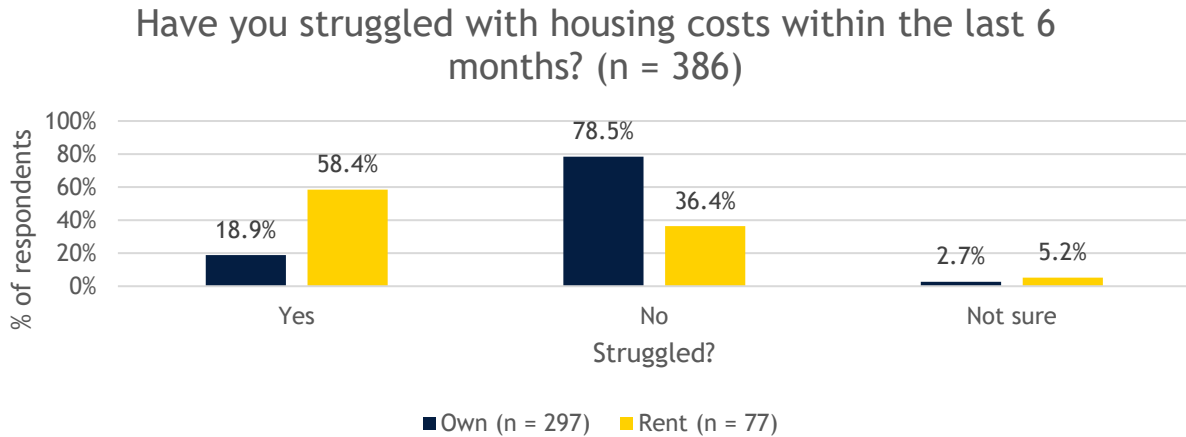


Figure 45. Resident survey: Housing insecurity in past 6 months

Additionally, 8% of respondents indicated there was someone living with them who did not have a permanent place to live. The survey did not ask about the reasons why these individuals were doubled up. Regardless, these results suggest unmet demand for housing is limiting new household creation.

Table 110. Resident survey: Doubled up residents

Is there anyone living in your home who does not have a permanent place to live? (n = 386)	
Yes	8.3%
No	91.2%
Not sure	0.5%

10.7 Potential Demand

All survey respondents—homeowners and renters alike—were asked to weigh in on their perceptions of community-wide housing needs and challenges, as well as their preferences for new types of housing that might be developed.

Respondents consistently identified the availability of housing and the cost of housing as the two greatest housing-related challenges facing Sturgis, followed by the cost of repair and maintenance. Other types of housing challenges were not seen as highly prevalent, including vacant or dilapidated homes, housing discrimination, safety, or homelessness.

Table 111. Resident survey: Community housing challenges

Rank the housing-related challenges facing Sturgis. Rank the greatest challenge as 1 and the lowest challenge as 7. (n = 367)			
Housing Challenge	Average	Median	
Availability of housing options (different types of housing)	1.85	2.0	
Cost of housing or rent	2.02	2.0	
Cost of repair, maintenance, or ADA accessibility accommodations	3.03	3.0	
Presence of vacant or dilapidated homes and properties	4.85	5.0	
Housing discrimination	5.07	5.0	
Neighborhood safety	5.47	6.0	
Homelessness	5.72	6.0	

Respondents were asked, “What types of housing (if any) are missing in Sturgis? Where should that missing housing be built?” In total, 207 of 497 respondents volunteered a response. Most responses focused on type of housing rather than location; comments about location tended to be very general and suggested developing to the east and west of town or on any available land.

Comments about the type of housing missing in Sturgis clustered around several themes, which are summarized in the following table. About one-fourth of respondents saw a need for more rentals of all types, including apartments and attached units such as duplexes. Just as frequently, respondents said they did not see any particular type of housing missing in Sturgis, but rather saw an overall need for greater affordability. Several commenters also identified a need for single-family homes (with many specifying *affordable* single-family homes), as well as starter homes for first-time buyers. Other types of needed housing—identified by just a handful of respondents—included condos or townhomes with HOAs for low-maintenance living as well as senior housing (ranging from assisted living to single-floor homes).

A relatively small group of respondents—about 9%—voiced opposition to further housing development, saying they wished to see Sturgis keep its small-town characteristics rather than add more residents.

Table 112. Resident survey: Types of housing missing in Sturgis

What types of housing (if any) are missing in Sturgis? Where should that missing housing be built? (n = 207)	
Theme and illustrative comments	%
Rentals, including apartments and duplexes	25%
<ul style="list-style-type: none"> • “Reasonably priced apartments and homes” • “Town homes, apartments and more affordable housing options. Duplexes or pocket homes.” • “Affordable apartments are needed” 	
Affordability is most important, rather than type	25%
<ul style="list-style-type: none"> • “None missing just need more affordable housing.” • “I don’t really know other than people are struggling to find affordable housing” 	

<ul style="list-style-type: none"> • “Affordable low cost homes that are still decent.” 	
Single family homes	19%
<ul style="list-style-type: none"> • “Single family homes and wherever possible” • “Affordable single family homes” • “Single family homes that didn't need 100k of upgrade/fixes” 	
Starter homes for first-time buyers	12%
<ul style="list-style-type: none"> • “Always a need for affordable, single-family housing, especially for first-time home buyers.” • “Quality housing for first-time home buyers, and young families is lacking in our area. It is hard to imagine young people and couples being able to purchase any properties in the current market. I would like to see small, high quality home developments, with a focus on quality to add the visual appeal of our town.” 	
None	9%
<ul style="list-style-type: none"> • “Please don't build more houses. More houses means more people” • “No types are missing and no locations are available.” • “Nothing is missing. We have everything the market can support. Do not invest public funds into creating more housing.” 	
Condos, townhomes, HOA-style living	6%
<ul style="list-style-type: none"> • “condos, high end mainstreetliving” • “Twin homes, condos, Association type developments” • “Condos, where the next generation can start to build equity if they cannot afford a single-family home.” 	
Senior housing, including assisted living, single-floor homes	6%
<ul style="list-style-type: none"> • “Townhouses with Maintenance included. A lot of folks are empty nesters and want less house and no yardwork or repairs.” • “As in every town, I think Sturgis could benefit with a tiny home community for the elderly. There are many who do not need assisted living or nursing home placement, but also do not want the upkeep of a larger single family home” • “More homes for people 55 and up. More assisted living and memory care units, more condos, townhomes, duplexes for elderly.” 	
All types	4%
<ul style="list-style-type: none"> • “All types, higher density to single family homes” • “All types. Everywhere” 	

Additional topics mentioned 3% of respondents or less were nicer mobile homes and mobile home parks and tiny homes.

Conversely, respondents were also asked, “**Are there any housing types that would not work well in Sturgis? If so, why?**” In total, 142 of 497 respondents volunteered an answer to this question. The most frequently mentioned themes are summarized in the following table.

Many respondents countered the premise of this question, urging that no types of housing be excluded because all types of housing are needed. Those that identified types of housing that would be a poor fit for Sturgis focus on rentals (especially tall apartment buildings that would obscure views), large luxury homes, short-term rentals, condos or townhomes, and mobile homes.

Table 113. Resident survey: Housing types not fit for Sturgis

Are there any housing types that would not work well in Sturgis? If so, why? (n = 142)	
Theme and illustrative comments	%
Rentals, especially apartment buildings <ul style="list-style-type: none"> • “Large Apartment Complexes” • “High rise apartments. Keep the skyline” • “Low income apartments” • “High dollar apartments” 	23%
No types to exclude; all types of housing are needed <ul style="list-style-type: none"> • “None” • “I think Sturgis can and does support all types of housing.” • “None, all are needed” 	22%
Large, expensive, luxury homes <ul style="list-style-type: none"> • “High end single family homes and more mobile homes. Extremes on the spectrum. High end raises taxes. Mobile homes reduce values.” • “Limited high-end buyers, not a lot of high income jobs” • “Extremely large houses, just not enough room” 	19%
Short-term rentals and Rally rentals <ul style="list-style-type: none"> • “Vacant, vacation homes, short term rental distract from providing housing for people who'd like to live permanently in Sturgis” • “Air BnBs or similar. Waste of space, most are only rented for the Rally.” 	11%
Condos and townhomes <ul style="list-style-type: none"> • “Condos-I don’t see a huge need for this in our community” • “Townhomes seems to be wildly impractical for the family types the gravitate to the community?” 	8%
Mobile homes <ul style="list-style-type: none"> • “Trailer parks. Degrade the entire community.” • “Mobile homes. Easily run down and not maintained, not building community value.” • “We do not need more mobile home parks in Sturgis.” 	7%

Additionally, a few comments emphasized a desire for variety in housing, contributing to curb appeal and community building.

Overall, residents expressed a preference for single-family homes, but about one-fourth were seeking other types of housing as their top choice. Most respondents (75%) said if they were to move to a new home in Sturgis, they would personally prefer a single-family home. Another 9% expressed a preference for a townhome, duplex, or twin home, followed by about 5% who said they would prefer senior housing.

The 3.9% of respondents who selected “Other” were more or less evenly split between those who said they were not interested in staying in Sturgis, regardless of the type of housing available, and those who said they were content in their current homes and would not consider moving.

Table 114. Resident survey: Preferred housing type

If you were to move to a new home in Sturgis, what type of housing would you prefer (regardless of affordability)? (n = 386)	
Single family	75.4%
Townhome	6.0%
Condominium	1.6%
Duplex or twin home	2.8%
Rental house	2.3%
Rental apartment	1.6%
Senior housing	5.4%
Mobile home	1.0%
Other	3.9%

Housing type preferences were fairly similar across renters and homeowners. Both renters and homeowners alike have a strong preference for single-family homes. However, nearly 7% of homeowners would prefer to move into a townhome, and another 6% would prefer senior housing. Among renters, 10.4% said they would wish to live in a rental house.

If you were to move to a new home in Sturgis, what type of housing would you prefer (regardless of affordability)?
(n = 386)

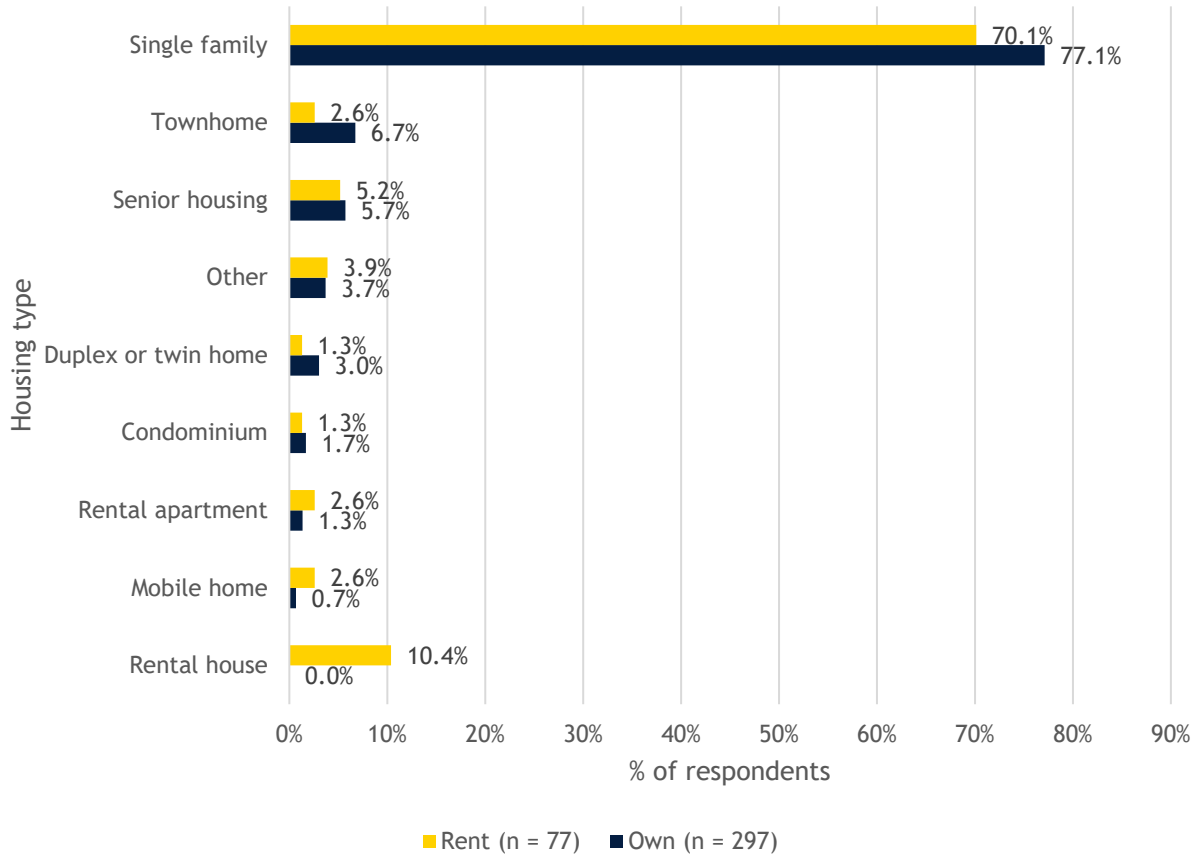


Figure 46. Resident survey: Preferred housing type by housing tenure

Respondents were asked to characterize the level of need for several categories of housing. The following chart summarizes responses. Overall, respondents see the greatest need for affordable homes for first-time buyers (87% said the community needs “a little” or “much” more), followed by single-family homes (79% “a little” or “much” more), rental houses (74% “a little” or “much” more), and multifamily rental units/apartment buildings (66% “a little” or “much” more).

On balance, respondents also favored more accessible housing for people with physical disabilities, senior housing, housing with supportive services, income-based or subsidized housing, and assisted living.

Only two types of housing were deemed to be in already adequate or surplus supply: condominiums and short-term rentals. In particular, about 40% of respondents said Sturgis needs “much” or “a little” less of short-term rentals.

In your opinion, what level of need is there in Sturgis for each type of housing?

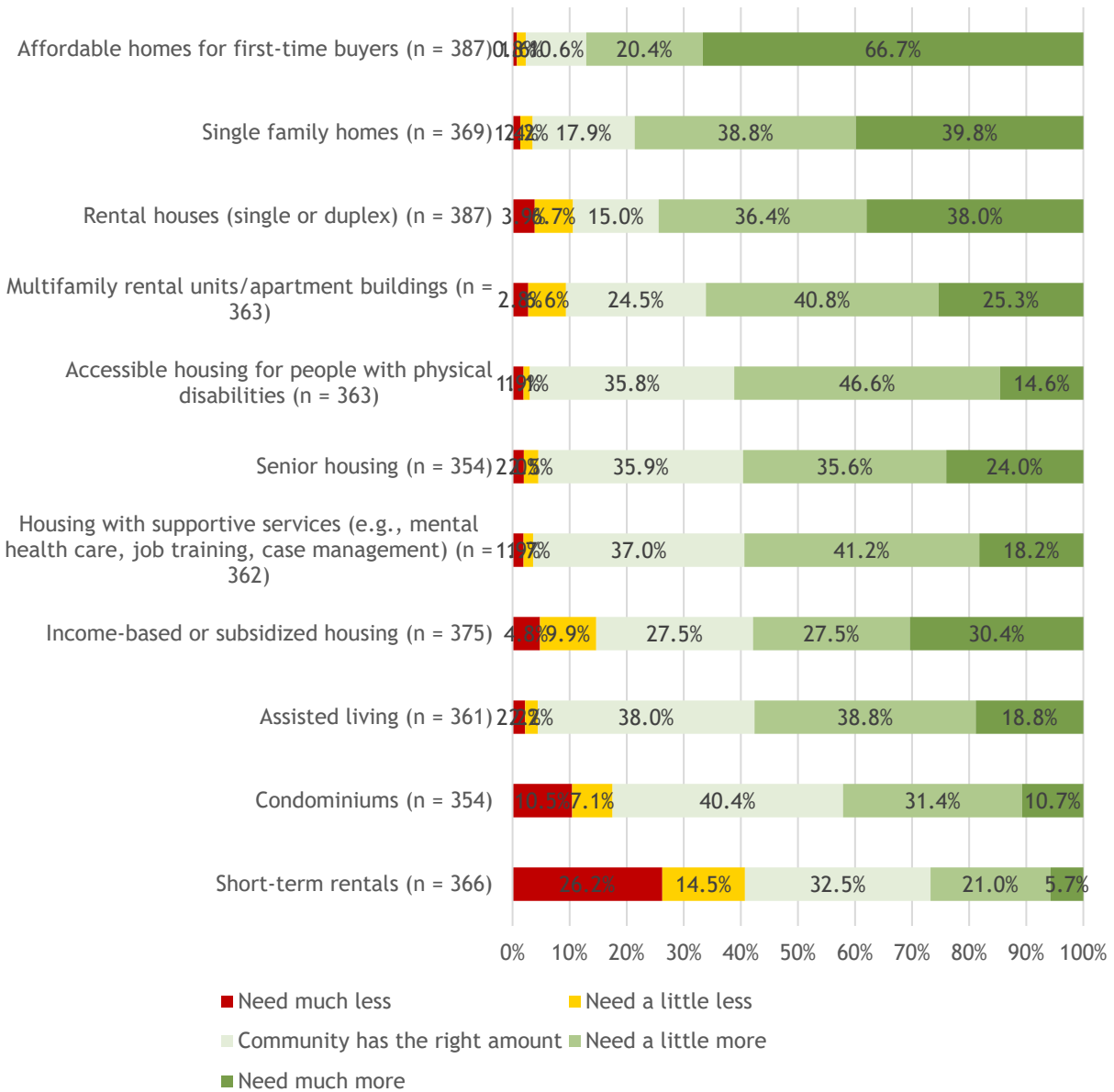


Figure 47. Resident survey: Perceived community housing needs

In addition to the responses shown in the chart above, 50 respondents wrote in comments about other types of housing. No consistent theme emerged across these comments. They mentioned a desire for more upscale rentals, more affordable housing in general, rentals that accept pets, transitional housing, addiction treatment, veteran housing, tiny homes, and a senior 55+ mobile home park.

The survey asked respondents to share their opinions about the geography of housing development—that is, areas or pieces of land they believed should (or should not) be developed for housing.

First, respondents were asked, “Which specific areas or piece of land (if any) would you like to see developed for housing?” Of 497 respondents, 173 wrote in an optional comment. Comments centered around a few themes. The percentage of comments mentioning each theme, as well as illustrative examples, are provided in the table below (note that some comments touched on more than one theme).

Most frequently, commenters rejected the premise of the question and wrote in that open spaces should be preserved, not developed. Those respondents who named specific areas for development most frequently identified the Marcotte Property, fairgrounds, land near the high school and Fort Meade, the area west of town along the Whitewood Service Road, or the land between Vanocker Canyon Road and I-90. Additionally, about 10% of commenters said housing should be developed anywhere and everywhere possible.

Table 115. Resident survey: Desired areas for housing development

Which specific areas or piece of land (if any) would you like to see developed for housing? (n = 173)	
Theme and illustrative comments	%
None (i.e., do not pursue housing development anywhere)	21%
<ul style="list-style-type: none"> • “None. Pieces of land that are left are part of GOD's green EARTH. Leave it that way for many a residence to enjoy as is.” • “None. Too much new construction already.” 	
Develop the Marcotte Property	10%
<ul style="list-style-type: none"> • “It's too bad the Marcotte (spelling?) development didn't get approved, that is a perfect place for nice development” • “Most of the Marcotte and Richards property should be housing at some point - but not all - open space, parks and rec trails should be designed into them.” 	
Develop the fairgrounds or rodeo grounds	10%
<ul style="list-style-type: none"> • “Why aren't we utilizing the fairgrounds for something” • “Old rodeo grounds. I know it's contentious but it's worth more as housing.” 	
Develop housing anywhere and everywhere possible	10%
<ul style="list-style-type: none"> • “Any and all” • “Anywhere that doesn't interfere with protected areas” 	
Near the high school and Fort Meade	9%
<ul style="list-style-type: none"> • “Land around high school.” • “Any available parcels near Fort Meade and the high school.” 	
West of town along the Whitewood Service Road, near Dairy Queen, and toward Whitewood generally	8%
<ul style="list-style-type: none"> • “Near dairy queen. Whitewood service road.” • “Anything west of Sturgis: growth towards Whitewood.” 	
Between Vanocker Canyon Road and I-90 or near the Sturgis Brewing Company	8%
<ul style="list-style-type: none"> • “south towards vanocur and east by new brewery” 	

- “Between Vanoccer Drive and the interstate. Adjacent and across from Scott Peterson Motors. There is a TON of land in there.”

Other areas mentioned by 3% of respondents or less include near Boulder Canyon, in place of the water park or lake, and infill generally.

Respondents were also asked, “Which areas of Sturgis should not be developed or should not have additional housing development or rehabilitation?” Of 497 respondents, 142 wrote in an optional comment in response to this question. Comments centered around a few themes. The percentage of comments mentioning each theme, as well as illustrative examples, are provided in the table below (note that some comments touched on more than one theme).

Responses mirrored those to the previous question: about one-fourth of commenters said they would like open spaces to be preserved, while about 14% of respondents said housing should be developed wherever possible. Several specific areas came to the fore as salient and contested for development, with many respondents urging development and others urging preservation. These included the Marcotte Property and the fairgrounds.

Table 116. Resident survey: Areas to avoid housing development

Which areas of Sturgis should not be developed or should not have additional housing development or rehabilitation? (n = 142)	
Theme and illustrative comments	%
Preserve natural spaces, such as forest, canyons, parks, and open areas <ul style="list-style-type: none"> • “The hills and natural surroundings. Definitely not anymore towards the open spaces of Ft Meade.” • “The great space that’s left. Getting smaller all the time. Once it’s gone, it’s gone. You cannot make more.” • “Any more of the Black Hills. People come here for the beauty and peacefulness of the area.” 	26%
Do not develop the Marcotte Property <ul style="list-style-type: none"> • “MARCOTT PROPERTY. Property is already developed by the greatest developer known to mankind. We need to respect as is.” • “Marcotte property. Keep it green!” 	21%
Do not develop the fairgrounds or rodeo grounds <ul style="list-style-type: none"> • “The old fairgrounds should be used for recreation as it was intended.” • “Fairgrounds should be developed into courts, fields, parks—not housing.” 	12%
Do not develop the area near Vanocker Canyon <ul style="list-style-type: none"> • “Areas into Vanocker Canyon and Areas toward the Marcott property. These are used a ton by our community members and those who visit for outdoor activities and building into these areas only deters people from coming into our town for recreation and to spend money.” • “Vanocker Canyon and other scenic trail areas” 	7%
Do not develop housing in existing retail or commercial areas, including downtown generally and Main Street specifically <ul style="list-style-type: none"> • “Maybe avoid Main Street area due to the rally.” • “Places where there is business development or where business/factory development can occur in a high profile or high traffic place.” 	4%

Develop all available space	14%
<ul style="list-style-type: none"> • “Sturgis is limited on growth areas as we are surrounded by Black Hills National Forest. All easily developable areas should be considered.” • “Opportunity for growth comes from everywhere as there are many types of buyers out there.” 	

The survey also asked a general question about housing priorities: “**In your opinion, what should Sturgis be concerned with regarding future housing demand?**” Of 497 survey respondents, 245 wrote in an optional comment. Comments centered around a variety of themes. The following table summarizes the most commonly mention themes, along with the percentage of comments mentioning each theme and illustrative examples, are provided in the table below (note that some comments touched on more than one theme).

A majority of respondents said they saw affordability as the top housing priority for Sturgis. No other theme approached affordability in terms of salience among commenters. Two related themes were mentioned by about 10% of commenters: the need for housing opportunities for young adult and first-time home buyers (for whom affordability is difficult to overcome) and concern with property tax rates (which factor into total housing costs).

Additionally, about one-fifth of respondents expressed concern related to the Rally and tourism’s pressure on housing, including short-term rentals, as well as pressure from out-of-state buyers. Several of these comments noted that the local Sturgis economic is heavily dependent on seasonal tourism, lacking year-round businesses and retail opportunities for local residents as well as limiting local income.

Table 117. Resident survey: Housing priorities

In your opinion, what should Sturgis be concerned with regarding future housing demand? (n = 245)	
Theme and illustrative comments	%
Affordability, need for more affordable housing, mismatch between rising housing prices and low ages <ul style="list-style-type: none"> • “Lack of affordable single family homes available or being constructed.” • “Too many out of state buyers buying houses at prices locals cannot afford.” • “Cost!!! People do not have the money required for a nice livable house” 	51%
Focus on local needs instead of Rally rentals, short-term rentals, tourists, and out of state buyers—including a need to focus on year-round businesses and retail stores <ul style="list-style-type: none"> • “Too many out of state buyers buying houses at prices locals cannot afford.” • “rental properties that dont require move out during the rallies” • “Stop concentrating on vacation rentals and focus more on people who live here year round” • “The town needs services so people can get everything they need in town and not have to travel to Spearfish or RC for good quality groceries and apparel. Stop constantly focusing on the rally and start building up the town. Sturgis should be bustling year round.” 	18%
Housing opportunities for young adults and first-time home buyers	10%

<ul style="list-style-type: none"> • “Affordable housing, rental or purchase, for young people starting out.” • “Housing in price range of first time home buyers.” 	
Property tax rates	8%
<ul style="list-style-type: none"> • “Locals are being taxed out of their homes.” • “High cost of property taxes.” 	

In addition to the themes summarized in the table above, the following themes occurred in 3% of comments or less:

- Concern with crime
- Desire for larger lots and less dense developments
- Difficulty finding rental housing that allows pets
- Concerns with the quality of new construction
- Need for property maintenance and repairs, especially of rentals
- Need for infrastructure to support population growth, particularly schools
- Need for senior housing
- Desire to preserve a “small town” feel

Finally, respondents were asked to “**Please share any other comments you have regarding housing in Sturgis.**” In total, 107 respondents volunteered comments. The most frequently mentioned themes are summarized in the following table.

Most frequently, commenters again focused on affordability, with about one-third commenting on housing affordability, the need for more affordable housing, or the mismatch between rising housing prices and low wages. About one-fourth of commenters focused on issues with rental options in Sturgis, including affordability, property upkeep, general availability, a desire for higher end apartments and rentals with more amenities, and concerns about pressure from short-term rentals and the Rally.

Other comments broached topics related to housing, but more generally about community development and vitality. For example, about one-fifth of commenters talked about attitudes toward growth in general. These comments were split between pro-growth and anti-growth sentiments. Other commenters returned to the need for year-round retailers and local businesses, as well as higher pay jobs, in order to support and sustain year-round local residents. Finally, several commenters urged attention to infrastructure ahead of housing development, as well as general concern about foresight and strategy in city planning.

Table 118. Resident survey: Other comments about housing in Sturgis

Please share any other comments you have regarding housing in Sturgis. (n = 107)	
Theme and illustrative comments	%
Affordability, need for more affordable housing, mismatch between rising housing prices and low wages	32%
<ul style="list-style-type: none"> • “It is not possible, even with 2 jobs, to afford anything regarding housing! The available incomes for the average person are way too low to be able to afford housing without housing assistance!” 	

<ul style="list-style-type: none"> • “I’m 23 and I don’t see myself ever buying a house or owning land in Sturgis or even in South Dakota. With inflation & the wages here, it’s not something I see happening often for our generation or the next.” 	
<p>Issues with rental options, including affordability, property upkeep, availability, desire for apartments with more amenities, and pressure from short-term rentals and the Rally</p> <ul style="list-style-type: none"> • “It appears there are a significant amount of rally only rentals that are allowed to look degraded and unkempt.” • “My husband and I would like to sell our home in the next five years and be able to stay in Sturgis but do not think there is enough affordable apartments or townhomes geared toward older retired residents who do not qualify for low income housing.” • “Private landlords charge way too much for rent, when issues arise, we have to deal with them not being resolved, and we can’t afford to move due to lack of availability, or having to move during rally.” • “Need more middle class apartment options.” 	24%
<p>Attitudes toward growth, both positive and negative (e.g., less focus on growth, more focus on current residents; or, need for growth)</p> <ul style="list-style-type: none"> • “Let’s focus a lot less on building more houses and a lot more on improving what’s here... Those who live here already deserve more focus than people who wish to move here.” • “If Sturgis does not soon accept growth retailers will continue to expand in Spearfish and Summerset. If people want more restaurants and retail and lower taxes, there needs to be some growth” 	22%
<p>Need for year-round retailers and local businesses, plus better local jobs</p> <ul style="list-style-type: none"> • “I don’t think there’s a housing shortage in Sturgis, I think there’s a jobs and services shortage in Sturgis. Without those things, Sturgis is never going to reach its potential. I don’t want it to be a big town, but I do want it to be a self-sufficient town. It should have bustling downtown during the day, and a thriving restaurant scene at night.” • “Our town can’t grow if everything is based around the rally. We need year round jobs, year round restaurants, year round places to live.” 	15%
<p>Need for infrastructure and planning to support growth</p> <ul style="list-style-type: none"> • “We sure as heck should not be building developments without infrastructure and larger capacity schools, with teachers to staff them. The Dolan Creek road situation was a nightmare in 2023. Should have been done before the houses and assisted living place were built. Always the cart before the horse it would seem.” • “Careful planning is key. Develop a comprehensive master plan and adhere to it.” 	8%

Other comments mentioned a variety of topics, though none occurred in more than 3% of comments. These other topics included concern over property tax rates and assessments, uneven code enforcement, difficulty finding contractors for repairs, and complaints about city leadership.

10.8 Demographic Characteristics

Among survey respondents, the median household size was three with an average household size of 2.87.

Table 119. Resident survey: Total household size

Household size (adults and children) (n = 370)	
1	14.3%
2	35.4%
3	16.2%
4	18.9%
5 or more	15.1%

Most respondents (68%) reported the number of adults in their household as two. About half of respondents (54%) reported no children in their household, while 13% reported one child, 21% reported two, and 12% reported three or more children.

Respondents predominantly identified as white (95%), with 3% identifying their race as “Other,” 2% as American Indian, 2% as Hispanic or Latino, and less than 1% as Black or Asian.

About two-thirds of respondents (68%) fell between the ages of 35 and 64, representing mid- to late-career adults. About 17% of respondents were young adults or early career adults, ages 18 to 34, and 15% were retirement age (65 or older).

Consistent with this age distribution, most respondents (72%) reported being employed full-time, and another 5% said they were employed part-time. About 20% of respondents said they were retired. Less than 1% said they were unemployed, while about 2% said they were not working and not looking for work.

Of those who reported being unemployed or out of the labor force, 36.8% said they lived in a household where another adult was currently employed. Overall, 85.3% of survey respondents lived in a household where at least one adult was working.

Most respondents reported working in a service industry, including education or health care; finance, insurance or real estate; professional or scientific fields; or public administration.

What industry do you work in? (n = 292)

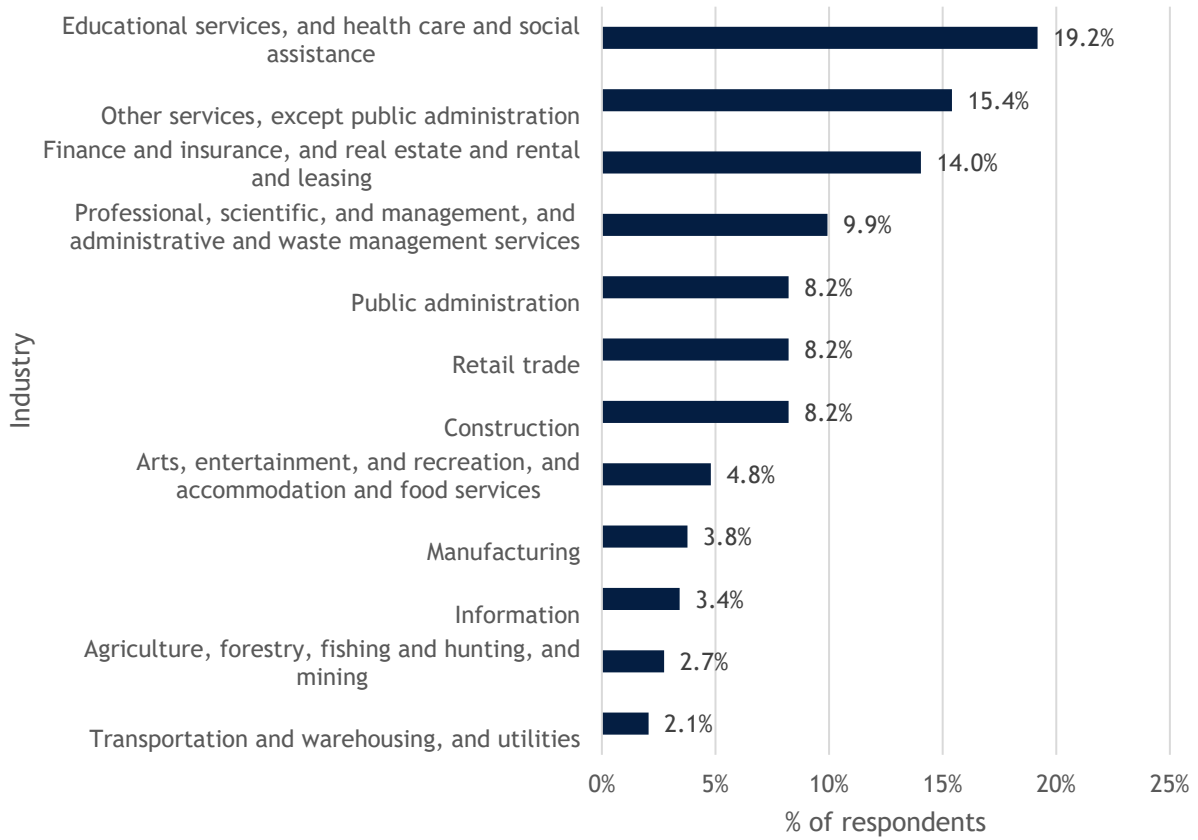


Figure 48. Resident survey: Industry of employment

Most respondents (72%) indicated they have worked at their current place of employment for at least three years.

How long have you worked at your current place of employment? (n = 295)

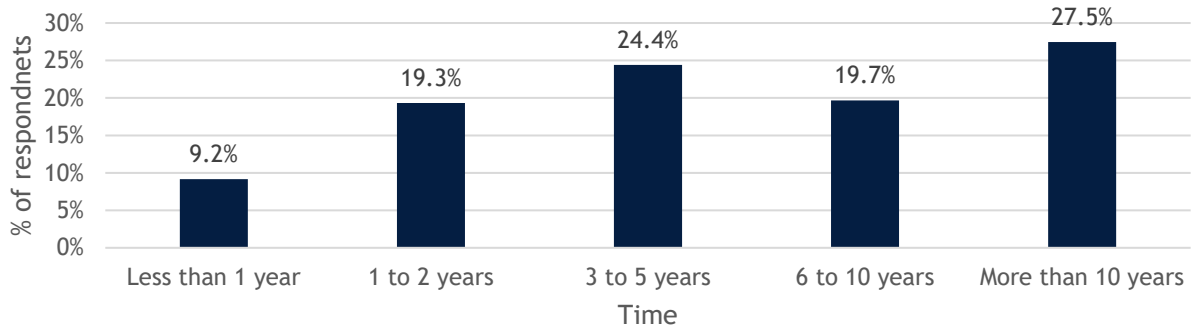


Figure 49. Resident survey: Length of time with current employer

While about half of respondents (54%) said their daily commute is less than 10 minutes, more than one-fourth (27%) said they commute between 20 minutes and one hour each day.

Table 120. Resident survey: Travel time to work

How long do you travel to get to work? (n = 295)	
Less than 10 minutes	53.9%
10 to 14 minutes	8.1%
15 to 19 minutes	5.1%
20 to 29 minutes	10.2%
30 to 44 minutes	11.9%
45 to 59 minutes	3.4%
60 minutes or more	1.7%
N/A - Work from home	5.8%

Consistent with these commuting patterns, about three-fifths (59%) of respondents said they work in Sturgis, while 16% reported commuting to Pennington County, 9% to Lawrence County, 7% to elsewhere in Meade County, 1% to Butte County, and 9% to another county. Of the 9% who reported working in another county, about half said they worked elsewhere in South Dakota or a bordering state, just under a third worked remotely for a more distant out-of-state employer, and a fifth reported being self-employed and working from home.

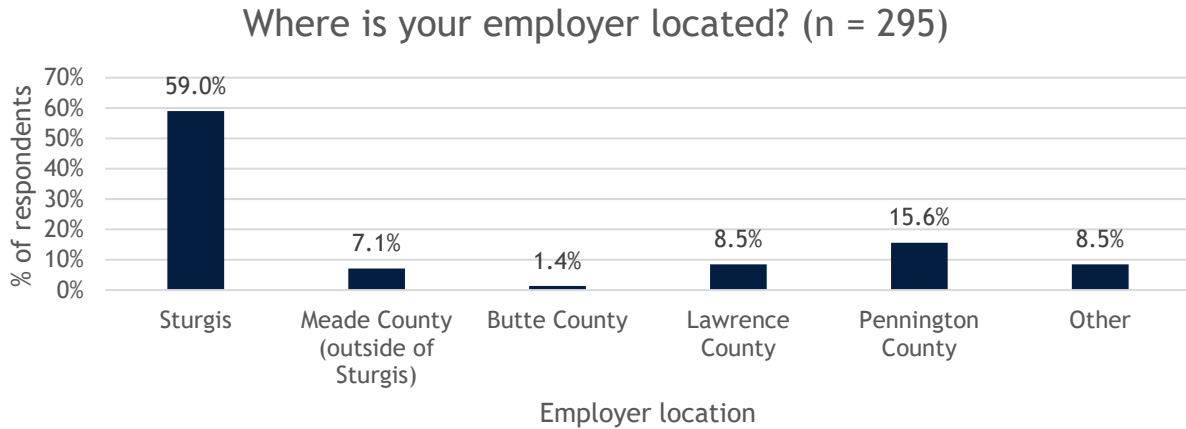


Figure 50. Resident survey: Employer location

The modal income of respondents was between \$100,000 and \$149,999, with about 26% of respondents reporting a household income in this range. The median income was in the range of \$75,000 to \$99,999. About 8% of respondents reported household income in excess of \$200,000, while about 11% reported income of less than \$35,000.

What is the combined annual income of all of the people who live in your home? Please report gross income, including wages, bonuses, interest and dividends, social security or retirement, SSI, TANF, unemployment, alimony, etc. (n = 373)

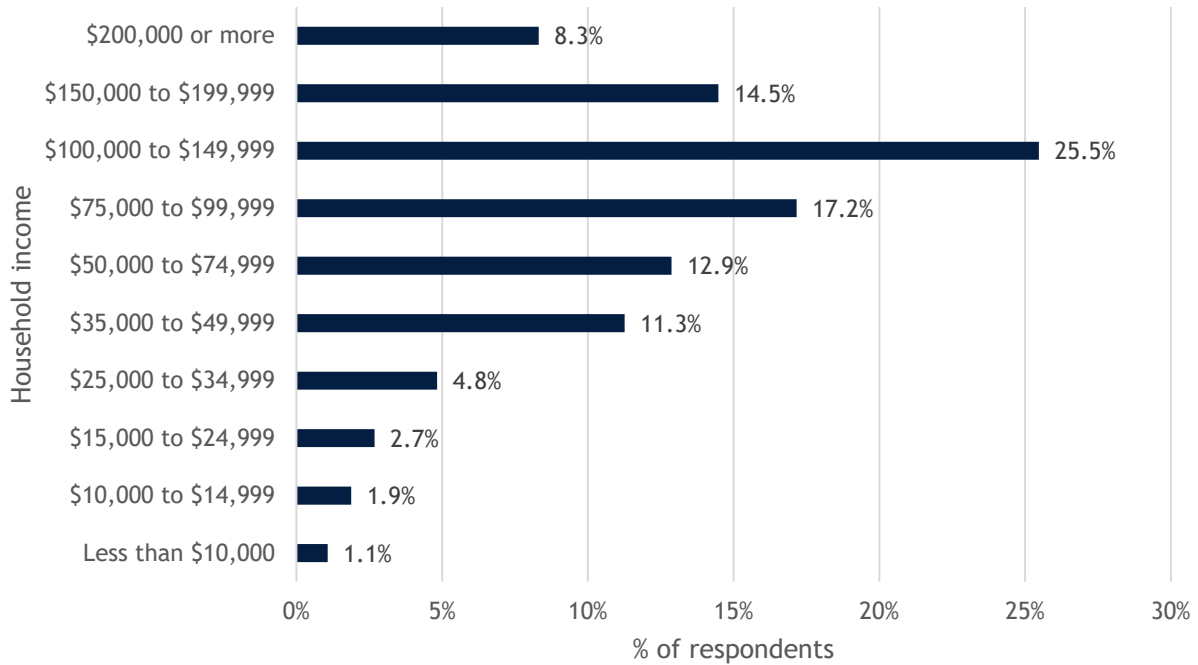


Figure 51. Resident survey: Annual household income

On average, renters in the survey reported lower household incomes than did homeowners. Median income among homeowner households fell in the \$100,000 to \$149,999 range, whereas median income among renters fell in the \$35,000 to \$49,999 range.

Combined annual household income by housing tenure
(n = 373)

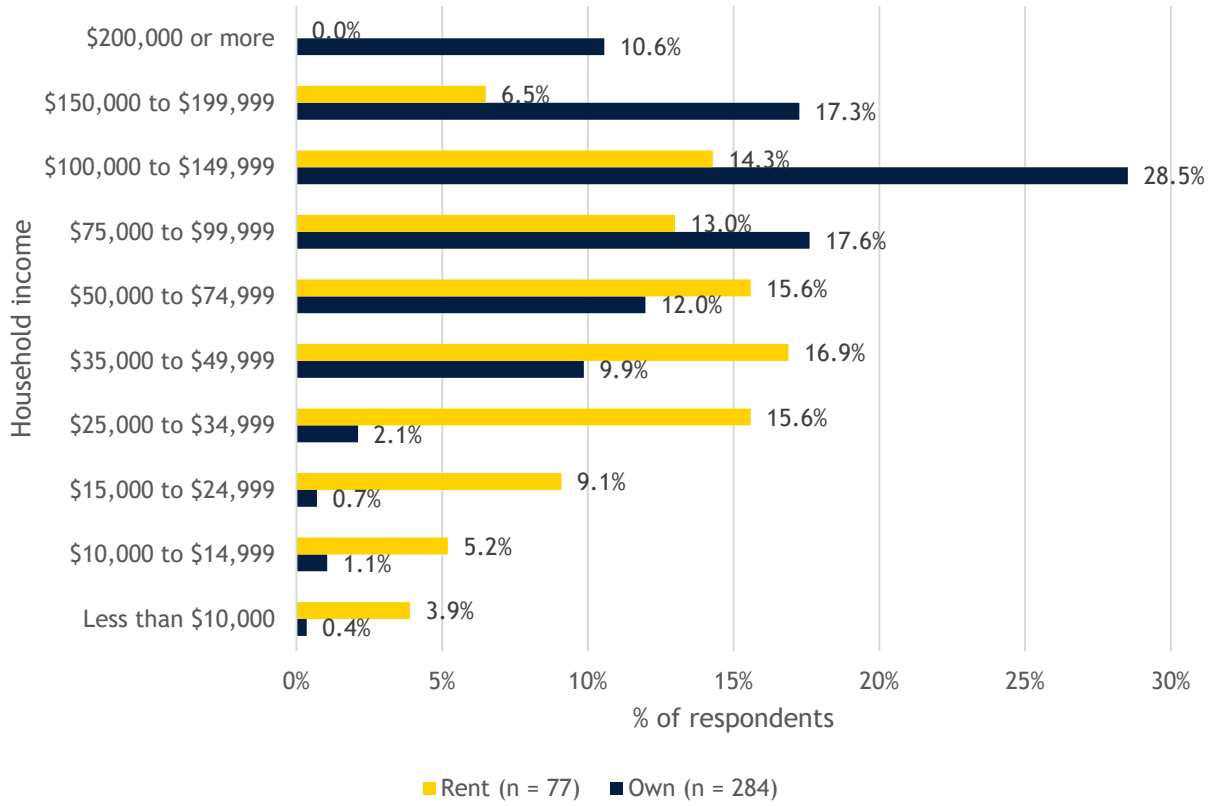


Figure 52. Resident survey: Annual household income by housing tenure

Section 11: Projected Demand and Recommendations

11.0 Key Findings

From 2023 - 2028, Sturgis is projected to add between 95 and 150 households, or between 19 and 30 households per year. Growth is expected to occur primarily among higher income households, those with annual incomes of \$50,000 or more.

In terms of age structure, over the next five years, Sturgis is projected to see a net loss in the number of households headed by young adults, those under age 35. The city is expected to see an annual average gain of 5 to 10 households ages 35 to 44, an average loss of 10 to 20 households in the 45 to 64 age range, and an annual average increase of 25 to 45 households aged 65 to 84. Among households age 85 and over, Sturgis is projected to experience an annual average increase of 4 to 6 households.

The resident survey—along with demographic data—indicate high levels of pent-up demand. Based on the survey, an estimated 5 to 10% of households may have someone living with them who does not have a permanent place to live. This population represents an estimated 155 to 310 potential new households that could form if housing were available and affordable to them.

With the number of both lower income households and younger households projected to remain steady or decrease, demand for rental units due to population growth is projected to be low, from zero to 10 units per year. However, there is significant pent up demand for rental housing. This study recommends annual average production of zero to 10 rental units at higher rent levels (\$1,200 to \$2,500) to accommodate demand due to growth among higher income households. Additionally, it recommends production of 12 to 16 units of affordable rentals (with rents of \$875 or less) in order to address pent-up demand, bring the rental vacancy rate back to a healthy level, and address housing cost burdens among renters.

Among homeowners, projections suggest greater demand due to growth: both the income and age segments expected to see the most rapid growth are those households more likely to be in the owner-occupied market. Thus, the projections are for an estimated 18 to 25 new owner-occupied homes annually for the next five years.

New owner-occupied homes should include a mix of affordable starter homes, step-up homes for growing families and mid- to late-career professionals with higher incomes, and new senior housing options. Senior housing options should be offered at various price points for both low-to-moderate- and higher-income households. In order to achieve affordability and accommodate a limited land base, up to 15 to 25% of new owner-occupied housing should be attached units, such as twin homes or townhomes. This would represent about three to eight attached units per year.

The following recommendations are offered as suggestions for furthering housing investments in order to meet the demand projections:

- Establish housing preservation and neighborhood revitalization programs.
- Establish a mobile home park improvement program.
- Identify opportunities to preserve or increase the supply of affordable rentals through conversion, rehabilitation, or new construction.
- Develop more variety in senior living options, including single-level townhomes and rentals.
- Incentive production of affordable starter homes and maximize and publicize first-time homebuyer opportunities.
- Simplify and streamline the development process, especially for affordable and multifamily housing.
- Partner with community organization on creative housing solutions.
- Partner with employers on creative housing solutions.
- Consider measures to balance the needs of short-term rentals and year-round residents.
- Establish a community housing strategic plan, in coordination with economic development planning.

11.1 Projected Demand

From 2023 - 2028, Sturgis is projected to add between 95 and 150 households. At the lower end, the addition of 95 households would be an annual average of about 19 additional households. This would represent a slower annual growth rate than Sturgis has seen over recent years, a return to the slower growth patterns of the 2010 - 2020 decade. However, if growth continues at the pace observed since 2020, Sturgis might expect to add closer to 150 households over five years, or about 30 per year.

It is worth noting that Sturgis has been growing at between half and one-third the rate of surrounding areas, including Meade and Pennington counties. The addition of housing alone is unlikely to be sufficient to induce new residents to move to Sturgis instead of other communities, without also appealing to employment and quality of life considerations. However, available and affordable housing is necessary to enable newcomers to move to Sturgis.

Between 2023 - 2028, Sturgis is projected to lose around 159 households with incomes below \$50,000, while gaining around 254 households with incomes of \$50,000 or higher, a net gain of 95 households. In a higher growth environment, growth is still likely to occur at higher income ranges, as Sturgis remains a community of working adults.

In terms of age structure, over the next five years, Sturgis is projected to see the following changes:

- Under 35: Projections are for an average annual loss of 10 to 15 households in this age range. Young households in this age range are typically early in their careers, with some starting families. They typically have higher rental rates than other segments, though they are also a good proportion of the first-time homebuyer market. A loss of

this segment of the population is like to result in reduced rental demand and a slight reduction in starter home demand.

- Age 35 to 44: Projections suggest an annual average gain of 5 to 10 households in this age range. Households in this age range are often headed by mid-career adults and are more likely to also have children living at home, resulting in a larger household size. Growth in this segment of the population may result in increased demand for starter homes (for households that have delayed buying a home) as well as for step-up homes with three, four, or five bedrooms for growing families.
- Age 45 to 64: Projections are for an annual average loss of 10 to 20 households in this age range, which typically represents late-career adults nearing retirement, as well as empty nesters. In large part, this age group is projected to shrink as people age into the 65+ range. The effect of this particular segment of the population shrinking will depend on the housing options available to people as they approach retirement. Potentially, it could open up homebuying opportunities for younger age groups if this segment is able and willing to downsize or move into available senior housing options.
- Age 65 to 84: Sturgis is projected to see an annual average increase of 25 to 45 households in this age range. This represents enormous potential demand for new senior housing options. Increasingly, people in this age range wish to live independently in their own homes for as long as possible. However, they may seek new types of housing with aging friendly features, which will allow them to stay in their homes and out of assisted living for as long as possible (i.e., features such as a single-floor design and an HOA to cover exterior maintenance).
- Age 85+: Projections are for an annual average increase of 4 to 6 households in this age range. At ages 85 and above, growth in this age group is likely to increase demand for assisted living.

Additionally, based on the resident survey, between 5 and 10% of households may have someone living with them who does not have a permanent place to live. This population represents potential new households that could form if housing were available and affordable to them. If this pattern can be extrapolated to the Sturgis population at large, this would represent between 155 and 310 potential new households (5 to 10% of 3,092 existing households)—based on pent-up demand. Although this study did not collect concrete information about household size or income for these potential new households, it is assumed they most likely would seek affordable rentals or starter homes.

Actual demographic change and housing demand will depend on economic conditions, among other factors. Development of housing itself can affect household growth, and a significant change in in-migration could alter the projected age structure of the population. However, based on historical and present patterns, the following projections suggest growth will be driven by higher income homeowners, with smaller gains among higher income renters, and low growth—or possible losses—of lower income households.

With the number of both lower income households and younger households projected to remain steady or decrease, demand for rental units due to population growth is projected to be low, from zero to 10 units per year. With population growth occurring primarily among moderate- and higher-income households, demand from growth will likely be for rental units at market rate, including potentially some higher rent and higher amenity rental opportunities.

In part, low projected demand due to growth is related to the projected loss of lower income renters. This trend may result in vacant rental units that could help meet demand due to growth among higher income renters or address some of the pent-up demand for affordable rentals. However, there may be a mismatch between the types of rental properties vacated and new renters.

Though demand due to growth is projected to be low, there is significant pent up demand for rental housing. Over the next five years, additional production of rental housing will be necessary to restore a healthy vacancy rate. In order to restore a rental vacancy rate of 4%, Sturgis would need to add 40 to 50 rental units, or about nine per year over the next five years. Additionally, an estimated five units per year should be added to account for replacement of rental units that become unavailable (e.g., through demolition, conversion to owner-occupied or short-term rental, or other reasons).

Pent-up demand is concentrated at lower income levels, with over half of current renters in Sturgis experiencing a housing cost burden. About half of Sturgis renters have incomes at or below 50% of the Area Median Family Income—that is, below \$30,000 for a single-person household or about \$43,000 for a four-person family. Producing affordable housing for this segment of the rental market would require rents in the \$450 to \$875 range.

As observed earlier in this report, Sturgis has a bimodal rental market, with high demand for very affordable rentals and growing demand for higher rent, higher amenity rentals. This study recommends annual average production of zero to 10 rental units at higher rent levels (\$1,200 to \$2,500) to accommodate demand due to growth among higher income households. Additionally, it recommends production of 12 to 16 units of affordable rentals (with rents of \$875 or less) in order to address pent-up demand, bring the rental vacancy rate back to a healthy level, and address housing cost burdens among renters.

Table 121. Projected demand for rental housing to 2029, Sturgis

Market segment (household income range in 2029)	Calculated annual demand from growth	Affordable target rent structure	Level of pent-up demand
Extremely Low Income (below \$25,000 or < 30% MFI)	Loss of 10 to 15	\$450 - \$625	High
Very Low Income (\$25,000-\$35,000 or 30-50% MFI)	Loss of 0 to 5	\$600 - \$875	Moderate
Low Income (\$35,000-\$50,000 or 50-80% MFI)	Loss of 5 to 10	\$800 to \$1,250	High
Middle Income (\$50,000-\$100,000 or 80-110% MFI)	5 to 12	\$1,200 to \$1,750	Low
High Income (> \$100,000 or >110% MFI)	0 to 5	\$1,700 to \$2,500+	Moderate
Subtotal: demand from growth (net)	0 to 10	\$1,200 to \$2,500+	
Subtotal: pent-up demand and replacement	12 to 16	\$450 - \$875	
Total	12 to 26		

Among homeowners, projections suggest greater demand due to growth: both the income and age segments expected to see the most rapid growth are those households more likely to be in the owner-occupied market. Thus, the projections are for an estimated 18 to 25 new owner-occupied homes annually for the next five years.

In addition, Sturgis may need to produce between three and five owner-occupied homes annually to maintain a healthy vacancy rate of around 1.5%. Real estate data suggests that the very tight homebuying market in Sturgis is beginning to loosen up, but at least in the short-term of up to five years, the market is likely to support this additional production.

New owner-occupied homes should include a mix of affordable starter homes, step-up homes for growing families and mid- to late-career professionals with higher incomes, and new senior housing options. Senior housing options should be offered at various price points for both low-to-moderate- and higher-income households.

In order to achieve affordability and accommodate a limited land base, up to 15 to 25% of new owner-occupied housing should be attached units, such as twin homes or townhomes. This would represent about three to eight attached units per year.

Table 122. Projected demand for owner-occupied housing to 2029, Sturgis

Market segment (household income range in 2029)	Calculated annual demand from growth	Affordable target sales price	Level of pent-up demand
Extremely Low Income (below \$25,000 or < 30% MFI)	Loss of 0 to 5	< \$100,000	Low
Very Low Income (\$25,000-\$35,000 or 30-50% MFI)	Loss of 0 to 5	< \$100,000	Low
Low Income (\$35,000-\$50,000 or 50-80% MFI)	Loss of 5 to 10	\$135,000	Low
Middle Income (\$50,000-\$100,000 or 80-110% MFI)	8 to 11	\$250,000	Very high
High Income (> \$100,000 or >110% MFI)	10 to 15	> \$250,000	Moderately high
Subtotal: demand from growth (net)	18 to 25		
Subtotal: pent-up demand and replacement	3 to 5		
Total	20 to 30		

11.2 Recommendations

The following recommendations are offered as suggestions for furthering housing investments in order to meet the demand projections. These recommendations are general in nature, and they are not an exhaustive list of options. They also recognize that SEDC and city government are limited in the ways in which they can directly influence housing development, so they focus on the tools available to these entities. In any case, SEDC, city leaders, and local stakeholders should consider what is feasible within the local budgetary, policy, and political context. Further focused study may be needed before implementing any given strategy.

These recommendations proceed from the assumption that Sturgis is facing what has been called the “amenity trap”—when the natural attractions and community characteristics that make a town a great place to live also put it at risk of being “loved to death.” High amenity communities like Sturgis often find it difficult to balance growth and preservation of amenities. When it comes to housing, tourism-dependent amenity areas face the challenge of income disparities, limited land, and, often, contentious public debate around any proposed

developments.³ Ultimately, in order to meet the demands of growth and given limited land, communities like Sturgis have two choices for expanding housing supply: optimize building on land that is available or acquire new land, ideally while maintaining the unique character of the place. The following recommendations focus on preserving and expanding housing supply on existing land.

11.2.1 Establish housing preservation and neighborhood revitalization programs.

Given limited land availability, it is crucial to maintain and preserve the existing supply of affordable housing. Neighborhoods with smaller, older homes are naturally more affordable, but this older housing stock may be lost to disrepair or high-cost redevelopment. To preserve this natural supply of affordable housing, consider implementing a homeowner repair program, landlord maintenance program, and/or comprehensive neighborhood revitalization strategy.

A homeowner repair program can provide financial assistance to low- or moderate-income homeowners to maintain their properties in decent, safe, and sanitary condition. Assistance may be given in the form of a grant, zero or low-interest loan, and/or as a deferred payment loan due upon sale of the home. The types of work that can be funded through such a program can be limited to repairs that keep the home habitable, such as plumbing and electrical repair, repairing a leaking roof, insulation and winterization, or necessary exterior painting. Assistance might also be made available for accessibility improvements. Eligibility for this program can be restricted based on household income or other conditions.

Note that other homeowner repair programs are already available, and any new local homeowner repair program should be tailored to complement existing programs (e.g., by expanding the income ranges able to access such repair funds). SEDC and the city can also promote these other programs in order to raise awareness among Sturgis residents. For example, Sturgis is an eligible area for the USDA Section 504 Home Repair program, which provides loans to very low-income homeowners and grants to elderly very low-income homeowners. The South Dakota Housing Development Authority's Community Home Improvement Program also provides low interest loans for home repair. Additionally, Community Action Agencies and nonprofits such as Habitat for Humanity and Western Resources for Independent Living may be able to help homeowners with repairs and home modifications.

Similarly, a landlord-focused program may make grants or loans to owners of rental housing in order to bring units up to code. Eligibility for assistance may be tied to rent limits, which may expire once the loan has been repaid. As a more flexible incentive, loans may have variable interest rates tied to a property's rent level, with low or zero interest loans made to the most affordable rental properties.

Outside of direct investments in housing quality, the city can invest in neighborhood quality. Specifically, the city can invest in public infrastructure in naturally affordable neighborhoods to preserve the quality of the neighborhood as whole (e.g., street conditions, lighting, parks).

³ For further discussion of the amenity trap and examples of how other high amenity communities have addressed related challenges, see Kris Smith, "Amenity Trap: How high-amenity communities can avoid being loved to death," Headwaters Economics, May 2023. Available online at <https://headwaterseconomics.org/outdoor-recreation/amenity-trap>

11.2.2 Establish a mobile home park improvement program.

In Sturgis, an estimated 15.5% of owner-occupied homes and 9.9% of rentals are mobile homes. In interviews, stakeholders shared that while many mobile homes are in good repair, some are in poor condition. A mobile home park improvement program can provide financial assistance to owners of mobile homes to keep them in decent, safe, and sanitary condition.

Mobile home improvement programs can be modeled in a variety of ways. For example, some communities offer grants or loans to mobile home owners. Often, eligibility is based on the owner's household income and the type of repair to be made, and the amount of assistance available may be capped at a given dollar amount. Assistance can be provided as a grant, loan, or a forgivable or deferred loan.

Other communities have structured mobile home improvement programs as guaranteed buy-back programs. In this case, owners of substandard mobile homes can sell the mobile home to the city or another agency at a fixed minimum price. The mobile home is then removed and demolished or salvaged, and the owner can use the funds from the sale to purchase a new home. This type of program focuses less on repairing mobile homes and instead tries to avoid the accumulation of abandoned, dilapidated mobile homes.

11.2.3 Identify opportunities to preserve or increase the supply of affordable rentals through conversion, rehabilitation, or new construction.

While SEDC and the city government may not directly develop or build affordable rentals, they can catalyze creation of affordable rentals by opening up opportunities and introducing incentives.

Repair and preservation programs like those described in previous recommendations can help maintain the supply of affordable rentals, especially if rental repair funds are linked to affordability requirements. Additionally, the city or other local agencies can proactively address the trend of investors buying up properties to use as short-term or seasonal vacation rentals with a rental buyback program. Through rental buyback programs, local agencies buy back rental properties from investors in order to preserve them as affordable rentals.

A variety of measures can also be introduced to encourage construction of new, more affordable rental properties. Conventionally, financial incentives such as LIHTC allocations, TIF districts, and tax abatement can enable developers to bring units to market at more affordable levels. Another set of measures can enable and encourage increased density, which makes it possible to develop more rental units on the same amount of land. Measures might include reviewing and updating zoning to maximize places where attached and multifamily buildings are allowed, opening more areas to mixed use development as Sturgis has done in downtown commercial and industrial park areas, allowing for smaller lots or reducing setback or parking requirements, and allowing or encouraging accessory dwelling units (ADUs).

ADUs can both bring in extra income for homeowners and create more affordable housing for renters. However, it is important to consider how ADUs might fit into the tourism and short-term rental market. Some communities have legalized ADUs while also introducing incentives or restrictions to encourage rental by year-round residents. For example, Durango, CO created an ADU incentive program in 2022 that reimburses homeowners up to \$8,000 to construct new ADUs; however, to be eligible for this "ADUs for Locals Rebate Program"

incentive, ADUs must be rented to a resident who works at least 32 hours per week in the county.⁴

11.2.4 Develop more variety in senior living options, including single-level townhomes and rentals.

Recent construction of new independent and assisted living in Sturgis has opened up more options for seniors and retirees. However, options are still limited for low- or moderate-income seniors, especially those wishing to downsize or reduce their home maintenance obligations without yet moving into an assisted living community. Given projected demographic trends and anticipated growth in this segment of the population, there will likely be sustained demand for more variety in senior living options, including both owner-occupied and rented attached homes (townhomes, twin homes, and duplexes) with senior friendly design features. These design features should include single-level layouts, as well as an HOA to cover maintenance, lawn care, and snow removal.

11.2.5 Incentive production of affordable starter homes and maximize and publicize first-time homebuyer opportunities.

When it comes to the owner-occupied market, affordable starter homes and opportunities for first-time homebuyers are a top need and challenge. The current market is unlikely to support the construction of new, affordable started homes without incentives. Programs to preserve affordable housing (including mobile homes), like those mentioned in previous recommendations, can help prevent backsliding while efforts are undertaken to incentivize the construction of new starter homes. Given limited land as well as a limited labor supply in the construction trades, modular or manufactured homes may be a key piece of the solution; off-site construction of these homes can reduce costs and building time as well as overcome local labor shortages. Governor's Houses might similarly help, as well as partnerships with local nonprofits as discussed below. SEDC and the city can facilitate identifying available lots, and can also work with developers to ensure any new affordable developments meet criteria (e.g., being built on permanent foundations) so that buyers can be eligible for programs such as down payment assistance and FHA financing.

Additionally, SEDC and the city can publicize available first-time homebuyer opportunities, raising awareness to ensure these programs are used to their maximum potential. For example, first-time homebuyer mortgages and down payment assistance are available through participating lenders via South Dakota Housing's homebuyer programs. USDA Rural Development financing may also be advantageous for new homebuyers. Additionally, first-time homebuyers may benefit from homebuyer education through NeighborWorks or other types of assistance offered by local nonprofit organizations.

11.2.6 Simplify and streamline the development process, especially for affordable and multifamily housing.

Stakeholders suggested that Sturgis has gained a reputation among some developers for being unpredictable to work with. To counteract and improve this reputation, the city and SEDC can work to improve relationships with builders and developers. Additionally, they can identify

⁴ For more information, see the City of Durango's ADU Program Information page at <https://www.durangoco.gov/850/ADU-Program-Information>

opportunities to simplify and streamline the housing development process, especially for affordable and multifamily housing.

Some examples of the types of measures that could be taken include reviewing zoning to find areas where it is possible to allow for increased density, i.e., residential or mixed-use areas that could be opened up for multifamily development, especially smaller projects such as duplexes, triplexes, or small apartment buildings.

It may also be possible to simplify and streamline the permitting and development process, especially for multifamily buildings, by making the typical process shorter, more transparent, and less uncertain. For example, the city might identify and review potentially restrictive policies, including minimum lot size or setback requirements, parking requirements, or prohibitions against mixed use developments. It may also be possible to establish by-right development processes and more predictable permitting—essentially greenlighting buildings that meeting zoning requirements and reducing the number of procedural steps and hearings they need to go through before approval. This can save developers time and effort, bringing units to market more quickly and potentially more affordably.

11.2.7 Partner with community organization on creative housing solutions.

While stakeholders widely agree that city government and SEDC should not be in the business of building housing, these entities can nevertheless encourage housing development by partnering with community organizations on creative housing solutions. It is recommended to continue to foster collaborative working relationships with organizations such as Habitat for Humanity and NeighborWorks Dakota.

Additionally, given the regional nature of both housing and employment in the Black Hills, it may be strategic to pursue regional housing partnerships. Communities may pool resources, including both financial resources and land, toward housing projects that benefit both. Regional housing groups may also come together regularly to foster intentional collaboration.

11.2.8 Partner with employers on creative housing solutions.

Beyond working with other housing-focused organizations, the city and SEDC might consider partnering with Sturgis employers on creative housing solutions. In stakeholder interviews, local employers recognized the importance of available, affordable housing for attracting and retaining employees. Some also mentioned a desire for housing options within walking distance to work for employees.

Communities partner with employers on housing in a variety of ways. For example, employers can help market affordable housing projects to people who are currently employed in Sturgis. They might also partner on housing financing or development or provide access to land they own through sale or lease. In some cases, employers do not directly contribute to specific housing projects, but instead pool resources in a community fund that is used to support affordable housing development. Some communities have introduced deed restrictions designed to promote homeownership by local workers. For instance, through Vail, CO's InDEED program, which is managed by the local housing authority and funded through the town's general fund, the town purchases deed restrictions from homeowners and developers to permanently limit occupancy of a home to people who work in the county. These deed

restrictions do not directly limit future sales prices or rent levels, but instead limit the pool of potential occupants, which brings sales price and rent level more in line with local wages.⁵

11.2.9 Consider measures to balance the needs of short-term rentals and year-round residents.

As an amenity-rich tourist destination, Sturgis is experiencing pressure from investors and property owners to create short-term rentals. While short-term rentals and vacation homes bring tourists and their business into the community, they also remove homes from the supply for local, year-round residents. Therefore, it is important to consider measures that can balance the needs of short-term rentals as well as year-round residents.

Some communities have introduced regulations or restrictions to limit short-term rentals. For example, zoning can be used as a tool to restrict where short-term rentals operate. In Bozeman, MT, the city has created categories of short-term rentals with varied restrictions: those that are owner-occupied during the rental period (i.e., the homeowner rents a room or ADU), those that are not owner-occupied during the rental period but are still the owner's primary residence, and those that are not an owner's primary residence (investment properties). In Bozeman, the second category of short-term rentals (an owner's primary residence that is not occupied during rental periods) is prohibited in less dense residential zones. The third category of short-term rentals (those that are not the owner's primary residence) are not allowed in *any* residential areas (and as of December 2023, new short-term rentals in this category have been prohibited entirely). This graduated restriction allows local residents to use short-term rentals as a way to earn income and offset the rising cost of living, but it also deters non-resident investors by strictly limiting where they can operate short-term rentals.⁶

Other communities have limited short-term rentals by requiring permits in order to track the number of short-term rentals and then capping the total share of housing that can be short-term rentals. For example, Durango, CO capped short-term rentals at 2 to 3% of a neighborhood's total housing stock. Chelan County, WA capped short-term rentals at 6% of housing throughout the county, with an exception for urban areas which are capped at 9%. In communities that cap the share or number of short-term rentals, permitting is typically required; some communities use tradable permits.

Communities have also taken the approach of incentivizing selling and renting to local residents. As described in previous recommendations, deed restrictions can be used for this purpose. For instance, Vail, CO's INDEED program, described above, pays owners 15 to 20% of a property's fair market value as an incentive to enroll a property in the program, which in turn restricts the property's sale or lease to local residents.

11.2.10 Establish a community housing strategic plan, in coordination with economic development planning.

As an overarching effort to address housing needs, SEDC and the city might consider establishing a community housing strategic plan that is part of, or well-coordinated with,

⁵ For a case study of the INDEED program, see <https://www.huduser.gov/portal/casestudies/study-081121.html>

⁶ For more information about Bozeman's short-term rental rules, visit <https://www.bozeman.net/departments/community-development/planning/short-term-rentals>

economic development planning. Having an established housing strategic plan not only charts a course for future efforts; it can also help address public opposition to specific housing developments when those developments align with the already adopted plan. In order to promote housing development, it will be necessary to confront anti-growth sentiments and, potentially, stigma attached to affordable housing. Developing a strategic housing plan focused on increasing affordability means outlining general principles to guide housing investments. With those general principles outlined, as long as an individual project fits within the plan, it is less likely to be derailed.

Appendix

Introductions

1. Please tell me a little bit about your organization and your role there.

Community strengths

2. From your perspective, what's going well in your community when it comes to housing?
 - What needs are being met well? Which types of households or market segments are being served well?
 - Any examples of recent housing developments you see as very successful?
 - Which organizations are doing good work?

Community needs

3. From your perspective, what are the most significant housing challenges in your community right now?
 - Supply
 - Affordability
 - Physical condition and upkeep
4. What challenges do you anticipate over the next 5 to 10 years?
5. What areas of the community are most in need of housing repairs or improvements?
6. Which types of housing does the community need most?
7. Where should that housing be located?
8. Which areas of the community should not be developed or should not have additional housing development or rehabilitation?

City and SEDC's role

9. When it comes to housing, what do you think the city and SEDC's priorities should be? Why?

South Dakota Housing Needs Study Program
Stakeholder Interview Script - Sturgis
Developed by the Augustana Research Institute
NAME, ORG | DATE, TIME (Phone/Zoom)

10. How do you think the city and SEDC is doing when it comes to making housing accessible to all residents?

11. Are there certain housing strategies you think the city and SEDC should look into? Could you tell me more about them?

Opportunities

12. Thinking about the community as a whole--the city and SEDC as well as other organizations--what needs to be done better in order to meet community needs and address future challenges?

13. Do you have any other observations or suggestions about housing needs?

SDHDA Resident Survey - Sturgis

Sturgis Housing Study Resident Survey

Thank you for sharing your input on housing needs and opportunities in Sturgis. Your responses will help community leaders and elected officials develop a housing plan, identify projects that will meet the needs of our community, and provide information to pursue funds for housing projects from state, federal, and private sources.

The information you provide will be anonymous. Your name will not be attached to your answers, and only a summary of results will be reported. Individual responses will not be shared with anyone in Sturgis.

If you have questions about this survey, please contact:

Suzanne Smith
Augustana Research Institute
Augustana University
2001 S Summit Ave
Sioux Falls, SD

Phone: (605) 274-5010
Email: suzanne.smith@augie.edu

Where do you live? If you have more than one home, where is your primary residence?

- Sturgis
 - Meade County (outside of Sturgis)
 - Butte County
 - Lawrence County
 - Pennington County
 - Other: _____
-

Do you have a second home or other residence in the Sturgis area?

- Yes
 - No
-

The rest of this survey will ask about **your home in the Sturgis area**. Please answer each question thinking about your home in the Sturgis area, even if it is not your primary residence.

Do you own or rent your home?

- Own
 - Rent
 - Other
-

How long have you lived in your current home?

- Less than 1 year
- 1-2 years
- 3-5 years
- 6-10 years
- 11-20 years
- More than 20 years

How many times have you moved in the last 5 years?

- None
 - 1
 - 2
 - 3
 - 4
 - 5 or more
-

What type of home do you live in?

- Single family (one home on one lot)
 - Townhome
 - Duplex or twin home
 - Unit in a building with less than 5 units
 - Unit in a building with 5-9 units
 - Unit in a building with 10-19 units
 - Unit in a building with 20 or more units
 - Mobile home
 - Other: _____
-

How would you rate the current physical condition of your home?

- Excellent (solid roof, foundation, contributes positively to community's housing stock)
 - Good (structurally sound, may need minor repairs such as shingles, paint, or new doors)
 - Fair (substantial wear such as sagging roof, missing or rotted siding, rotting windows, sagging porch)
 - Poor (overall unsatisfactory with major problems such as a cracked or crumbling foundation, cracked walls, leaking roof, or broken windows or doors)
-

How satisfied are you with your current home when it comes to:

	Extremely dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Extremely satisfied
Location	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Size (number of bedrooms)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality and condition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Amenities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Affordability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Homeowners

If you own your home, continue with this section.

If you rent your home, skip this section and go to the "Renters" section on page 7.

What is the approximate assessed value of your home?

- Less than \$50,000
 - \$50,000 - \$74,999
 - \$75,000 - \$99,999
 - \$100,000 - \$149,999
 - \$150,000 - \$199,999
 - \$200,000 - \$299,999
 - \$300,000 - \$399,999
 - \$400,000 - \$499,999
 - \$500,000 - \$749,999
 - \$750,000 or more
-

Do you have a mortgage?

- Yes
 - No
 - Not sure
-

What are your total monthly housing expenses? Include mortgage, mortgage insurance, homeowners insurance, property taxes, and utilities.

- Less than \$300
 - \$300 - \$399
 - \$400 - \$599
 - \$600 - \$799
 - \$800 - \$999
 - \$1,000 - \$1,249
 - \$1,250 - \$1,499
 - \$1,500 - \$1,749
 - \$1,750 - \$1,999
 - \$2,000 - \$2,499
 - \$2,500 or more
-

Which statement best describes your housing cost (mortgage, property taxes, insurance, utilities, etc.)?

- My housing cost is less than 30% of our household's total income.
 - My housing cost is between 30% - 50% of our household's total income.
 - My housing cost is greater than 50% of our household's total income.
 - I do not pay for my housing.
 - I don't know.
-

How much have you spent on maintenance and improvements for your home over the last 5 years? (For example, painting, roofing, additions, remodels, appliance upgrades. Do not include repairs due to storm damage.)

- None
- \$1 - \$2,499
- \$2,500 - \$4,999
- \$5,000 - \$9,999
- \$10,000 - \$19,999
- \$20,000 - \$29,999
- \$30,000 - \$39,999
- \$40,000 - \$49,999
- \$50,000 - \$74,999
- \$75,000 - \$99,999
- \$100,000 or more

How likely are you to invest additional funds in maintenance and improvements for your home over the next 5 years?

- Extremely unlikely
- Somewhat unlikely
- Neither likely nor unlikely
- Somewhat likely
- Extremely likely

What types of maintenance or improvements are you most likely to make over the next 5 years? Check all that apply.

- Partial remodel or renovation
- Appliance upgrades
- Finish basement living space
- Additional garage or storage
- Code compliance upgrades
- Demolition
- Siding or exterior painting
- Roofing
- None
- Other: _____

Are you interested in moving to a new home in Sturgis?

- Yes, within the next year
- Yes, within the next 2 - 3 years
- Yes, but more than 3 years from now
- Maybe
- No

If yes, is your interest in moving because you want to upgrade or downsize?

- Upgrade
 - Downsize
 - Neither
 - Not sure
-

What are the greatest barriers you face in moving to a new home in Sturgis? Check all that apply.

- Lack of a down payment
 - Affordability of available housing
 - Lack of available housing
 - Lack of available lots or building sites
 - Inability to sell current home
 - Other: _____
-

Do you rent out your home?

- Yes, but only during the Rally
- Yes, year-round
- No, never
- Other: _____

Renters

If you own your home, skip this section and go to the “Housing Preferences” section on page 9.

If you rent your home, continue with this section.

What are your total monthly housing expenses?
Include rent and utilities.

- Less than \$300
- \$300 - \$399
- \$400 - \$599
- \$600 - \$799
- \$800 - \$999
- \$1,000 - \$1,249
- \$1,250 - \$1,499
- \$1,500 - \$1,749
- \$1,750 - \$1,999
- \$2,000 - \$2,499
- \$2,500 or more

Which statement best describes your housing cost (mortgage, property taxes, insurance, utilities, etc.)?

- My housing cost is less than 30% of our household's total income.
 - My housing cost is between 30% - 50% of our household's total income.
 - My housing cost is greater than 50% of our household's total income.
 - I do not pay for my housing.
 - I don't know.
-

How satisfied are you with your renting experience when it comes to:

	Extremely dissatisfied	Somewhat dissatisfied	Neither satisfied nor dissatisfied	Somewhat satisfied	Extremely satisfied
Leasing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication with property manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Professionalism of property manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Security deposit handling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Repair response	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are you interested in purchasing a home in Sturgis?

- Yes, within the next year
- Yes, within the next 2 - 3 years
- Yes, but more than 3 years from now
- Maybe
- No

What are the greatest barriers you face to purchasing a home in Sturgis? Check all that apply.

- Lack of a down payment
- Lack of available housing
- Lack of available lots or building sites
- Existing debt
- Poor credit
- Expected monthly payments would be too high
- Other: _____

Does your rental agreement require you to leave during the Rally?

- Yes
- No
- Not sure

Housing Preferences

If you were to move to a new home in Sturgis, what type of housing would you prefer (regardless of affordability)?

- Single family
- Townhome
- Condominium
- Duplex or twin home
- Rental house
- Rental apartment
- Senior housing
- Mobile home
- Other: _____

If you were to move to a new home in Sturgis, how many bedrooms would you prefer (regardless of affordability)?

- Efficiency/studio
 - 1 bedroom
 - 2 bedrooms
 - 3 bedrooms
 - 4 bedrooms
 - 5 or more bedrooms
-

Consider the following types of housing. In your opinion, what level of need is there in Sturgis for each type of housing?

	Need much less	Need a little less	Community has the right amount	Need a little more	Need much more
Affordable homes for first-time buyers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rental houses (single or duplex)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Multifamily rental units/apartment buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Income-based or subsidized housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Condominiums	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Single family homes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Senior housing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assisted living	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term rentals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accessible housing for people with physical disabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Housing with supportive services (e.g., mental health care, job training, case management)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please rank the housing-related challenges facing Sturgis. Rank the greatest challenge as 1 and the lowest challenge as 7.

- _____ Availability of housing options (different types of housing)
- _____ Cost of repair, maintenance, or ADA accessibility accommodations
- _____ Cost of housing or rent
- _____ Housing discrimination
- _____ Homelessness
- _____ Presence of vacant or dilapidated homes and properties
- _____ Neighborhood safety

How many children live in your household?

- 0
- 1
- 2
- 3
- 4
- 5 or more

About Your Household

How many adults live in your household (including yourself)?

- 1
- 2
- 3
- 4
- 5 or more

How old are you?

- Under 18
 - 18 - 24
 - 25 - 34
 - 35 - 44
 - 45 - 54
 - 55 - 64
 - 65 - 74
 - 75 or older
-

How do you describe your race and ethnicity?
Select all that apply.

- White
- Black or African American
- American Indian or Alaska Native
- Asian
- Native Hawaiian or Pacific Islander
- Hispanic or Latino
- Other: _____

If you are *not* currently employed, go to page 14. If you are currently employed, continue.

What industry do you work in?

- Agriculture, forestry, fishing and hunting, and mining:
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing, and utilities:
- Information
- Finance and insurance, and real estate and rental and leasing:
- Professional, scientific, and management, and administrative and waste management services:
- Educational services, and health care and social assistance:
- Arts, entertainment, and recreation, and accommodation and food services:
- Other services, except public administration
- Public administration

What is your current employment status?

- Employed full-time
- Employed part-time
- Not employed but seeking employment
- Not employed and not seeking employment
- Retired
- Student

If there are 2 or more adults in your household: Are any other adults in your household employed?

- Yes
- No, but seeking employment
- No, and not seeking employment

How long have you worked at your current place of employment?

- Less than 1 year
- 1 to 2 years
- 3 to 5 years
- 6 to 10 years
- More than 10 years

How long do you travel to get to work?

- Less than 10 minutes
- 10 to 14 minutes
- 15 to 19 minutes
- 20 to 29 minutes
- 30 to 44 minutes
- 45 to 59 minutes
- 60 minutes or more
- N/A - Work from home

Where is your employer located?

- Sturgis
- Meade County (outside of Sturgis)
- Butte County
- Lawrence County
- Pennington County
- Other: _____

Continue, regardless of your employment status.

What is the combined annual income of all of the people who live in your home? Please report gross income, including wages, bonuses, interest and dividends, social security or retirement, SSI, TANF, unemployment, alimony, etc.

- Less than \$10,000
- \$10,000 to \$14,999
- \$15,000 to \$24,999
- \$25,000 to \$34,999
- \$35,000 to \$49,999
- \$50,000 to \$74,999
- \$75,000 to \$99,999
- \$100,000 to \$149,999
- \$150,000 to \$199,999
- \$200,000 or more

Have you struggled with housing costs within the last 6 months?

- Yes
- No
- Not sure

Is there anyone living in your home who does not have a permanent place to live?

- Yes
- No
- Not sure

Deep Dive Questions

In your opinion, what should Sturgis be concerned with regarding future housing demand?

What types of housing (if any) are missing in Sturgis? Where should that missing housing be built?

Are there any housing types that would not work well in Sturgis? If so, why?

Which areas of Sturgis should **not** be developed or should not have additional housing development or rehabilitation?

Which areas of Sturgis are most in need of housing repairs or improvements?

Please share any other comments you have regarding housing in Sturgis.

Which specific areas or pieces of land (if any) would you like to see developed for housing?

End of survey.

Thank you for taking the time to complete this survey. Your input is appreciated!