

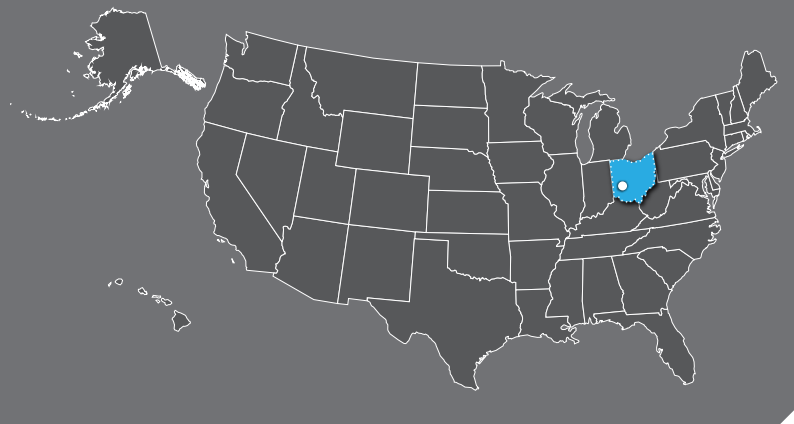
HUD PD&R Housing Market Profiles

Dayton-Kettering-Beavercreek, Ohio



Quick Facts About Dayton-Kettering-Beavercreek

- Current sales market conditions: balanced
- Current apartment market conditions: balanced
- Earlier in 2024, *Site Selection* magazine ranked Montgomery County, the primary county in the metropolitan area, as the ninth best county in America for economic development. The ranking was awarded on the basis of the number of economic projects, capital investment, and jobs created between January 2023 and March 2024.



Dayton, Ohio

By [Tomasz Kukawski](#) | As of December 1, 2024

Overview

The Dayton-Kettering-Beavercreek Metropolitan Statistical Area (hereafter, Dayton metropolitan area) includes Green, Miami, and Montgomery Counties and is in the Miami Valley Region in southwest Ohio, approximately 50 miles north of Cincinnati and 60 miles west of Columbus. Along the banks of the Great Miami River, the city of Dayton is the principal city in the metropolitan area and the sixth most populous city in Ohio. The local economy is still recovering from the COVID-19 pandemic downturn, with nonfarm payrolls slightly below the prepandemic level. With 77,100 jobs, the education and health services sector is the largest employment sector in the metropolitan area, followed by the government sector, with 61,900 jobs. Wright-Patterson Air Force Base (WPAFB) is the largest employer in the metropolitan area and the largest single-site employer in Ohio, with approximately 38,000 employees, including federal government civilian and military personnel and contractors. Home sales market conditions are balanced, with strong net in-migration supporting demand. However, increased homeownership costs combined with the low inventory of homes available for sale contributed to

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PD&R

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declining home sales. Apartment market conditions are also balanced but have tightened since a year ago because demand for new apartments has outweighed supply.

- As of December 1, 2024, the estimated population of the metropolitan area is 818,200, representing an average increase of 900, or 0.1 percent, annually since April 2020. By comparison, the population rose an average of 1,475, or 0.2 percent, a year from 2010 to 2020.
- Since 2020, an increase in deaths and a decline in births have resulted in net natural decline that averaged an estimated 1,050 people a year compared with an average

net natural increase of 1,025 people annually from 2010 to 2020 (U.S. Census Bureau decennial census counts, population estimates as of July 1; estimates by the analyst). Net in-migration to the metropolitan area averaged about 450 people a year from 2010 to 2020 and has increased substantially to an average of 1,950 people a year since 2020.

- Montgomery County is the most populous county in the metropolitan area, with an estimated population of 534,000. From 2010 to 2020, the population of Montgomery County remained virtually unchanged but has declined an average of 0.1 percent a year since 2020.

Economic Conditions

The economy of the Dayton metropolitan area continued to recover during the past year from the effects of the pandemic-related downturn in 2020. Since the end of 2020, nonfarm payroll growth in the metropolitan area has averaged 1.1 percent a year compared with job growth nationally averaging 2.8 percent annually. During the 3 months ending November 2024, the unemployment rate in the metropolitan area averaged 4.1 percent, up from 3.4 percent a year earlier. By comparison, the current unemployment rate nationally averaged 3.9 percent during the 3 months ending November 2024.

As of the 3 months ending November 2024—

- Nonfarm payrolls grew by 500 jobs, or 0.1 percent, from a year earlier to 390,700 jobs. Nonfarm payrolls in the

metropolitan area are currently slightly below the average of 392,600 jobs during the 3 months ending November 2019, before the pandemic.

- The education and health services sector led job gains, with an increase of 1,700 jobs, or 2.3 percent, from a year earlier to a new high of 77,100 jobs. Premier Health Partners and Kettering Health are the second and third largest employers in the area, with approximately 11,700 and 9,900 respective employees.
- The mining, logging, and construction and the leisure and hospitality sectors added 500 jobs each, or gains of 3.3 and 1.2 percent, to 15,500 and 40,600 jobs, respectively. An increase in residential construction and a \$320 million

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As of the 3 months ending November 2024, job growth occurred in 4 of the 11 nonfarm payroll sectors in the Dayton metropolitan area compared with a year ago.

	3 Months Ending		Year-Over-Year Change	
	November 2023 (Thousands)	November 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	390.2	390.7	0.5	0.1
Goods-Producing Sectors	56.1	56.6	0.5	0.9
Mining, Logging, & Construction	15.0	15.5	0.5	3.3
Manufacturing	41.1	41.1	0.0	0.0
Service-Providing Sectors	334.1	334.1	0.0	0.0
Wholesale & Retail Trade	53.3	53.2	-0.1	-0.2
Transportation & Utilities	14.8	14.6	-0.2	-1.4
Information	5.6	5.3	-0.3	-5.4
Financial Activities	16.8	16.4	-0.4	-2.4
Professional & Business Services	52.3	51.1	-1.2	-2.3
Education & Health Services	75.4	77.1	1.7	2.3
Leisure & Hospitality	40.1	40.6	0.5	1.2
Other Services	13.7	13.8	0.1	0.7
Government	62.1	61.9	-0.2	-0.3
Unemployment Rate	3.4%	4.1%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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investment at WPAFB—including construction of the Intelligence Production Complex III and renovations of the Air Force Material Command headquarters and on-base housing—largely supported job growth in the construction subsector during the past year.

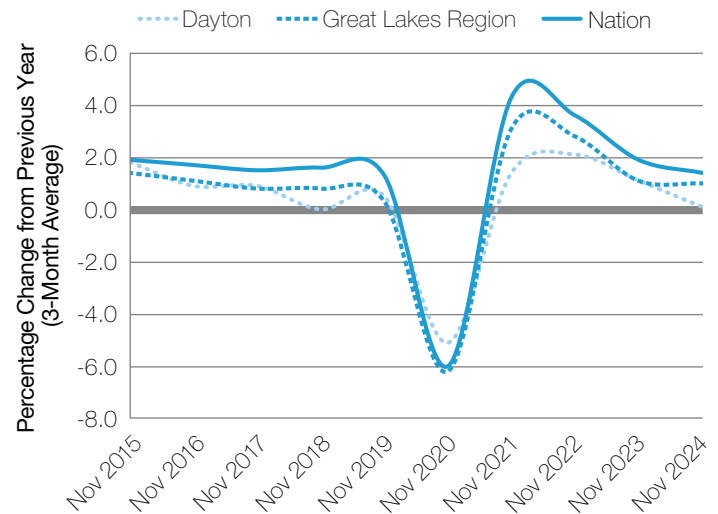
- Overall job gains were limited largely because of losses in the professional and business services sector, which declined by 1,200 jobs, or 2.3 percent, from a year earlier. More than three-fourths of the decline occurred in the administrative and support services industry, which includes temporary help services.

As of the 3 months ending November 2024, the government sector declined by 200 jobs, or 0.3 percent, from a year earlier. The federal government subsector accounts for 19,800 jobs, or 32 percent of all government jobs in the metropolitan area. Because the metropolitan area is home to WPAFB, the government sector is an important component of the local economy. The annual economic impact of the base on the Miami Valley Region is estimated at \$11.6 billion (Dayton Development Coalition). Located on base, the Air Force Institute of Technology and the Air Force Research Laboratory attract aerospace and aviation companies to the metropolitan area. Earlier in 2024, Joby Aviation, Inc., acquired space at the Dayton International Airport to develop and manufacture electric vertical takeoff and landing aircraft. The \$500 million investment is expected to create 2,000 manufacturing jobs, with production expected to start in 2025. In 2023, Sierra Nevada Corporation opened the first large aircraft maintenance, repair, and overhaul facility at the Dayton International Airport, creating 150 new jobs. The company is investing \$94 million to develop two additional hangars, leading to 200 new jobs by 2027.

Sales Market Conditions

The sales housing market in the Dayton metropolitan area is currently balanced, with an estimated vacancy rate of 1.5 percent, up slightly from 1.4 percent in 2020. Home sales in the metropolitan area have been declining for nearly 3 years because of the combination of the very low inventory of homes available for sale and reduced demand due to higher mortgage interest rates. The rate of decline in home sales during the past year was substantially lower than a year earlier, however. During the 12 months ending November 2024, new and existing home sales (including single-family homes, townhomes, and condominiums) totaled about 14,500, representing a 3-percent decrease from the 15,000 homes sold a year earlier, which followed a 20-percent decline during the 12 months ending November 2023 (Zonda). The inventory of homes available for sale in the metropolitan area remains low, representing

During the past year, nonfarm payrolls in the Dayton metropolitan area increased at a slower pace than in the Great Lakes region and the nation.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Dayton Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Wright-Patterson Air Force Base	Government	38,000
Premier Health Partners	Education & Health Services	11,700
Kettering Health	Education & Health Services	9,900

Notes: Excludes local school districts. Data include contractors employed at the base and military personnel, who generally are not included in nonfarm payroll survey data.

Source: Dayton Development Coalition

1.7 months of supply in November 2024, down from 2.0 months of supply in November 2023 but above the recent November low of 1.4 months in 2021 (Redfin, a national real estate broker). In October 2024, the percentage of home loans in the metropolitan area that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned status was 1.1 percent, representing a decline from 1.3 percent a year earlier and a recent high of 3.7 percent in August 2020. The current rate in the metropolitan area is similar to the 1.2-percent rate for Ohio and the 1.0-percent rate for the nation.

As of the 12 months ending November 2024 —

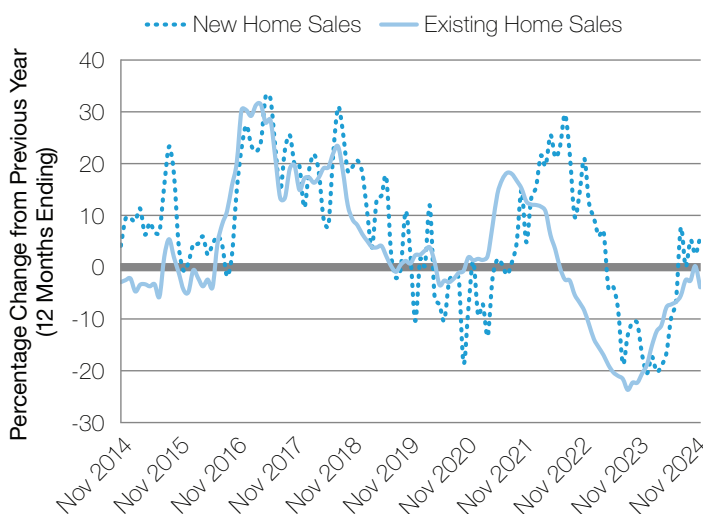
- New home sales totaled 950, representing an increase of 50 sales, or nearly 6 percent, from the same period a year

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earlier. By comparison, new home sales rose an average of 13 percent a year from 2021, when mortgage interest rates were low, through 2022, when new home sales in the metropolitan area peaked at 1,075.

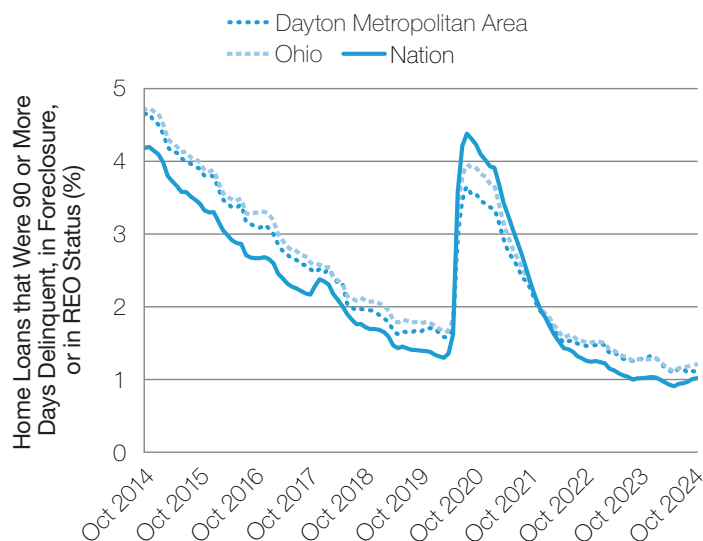
During the past year, the decline in existing home sales in the Dayton metropolitan area slowed substantially compared with a year earlier, and new home sales increased modestly.



Note: Sales are for single-family homes, townhomes, condominiums, or any combination.

Source: Zonda

The percentage of home loans 90 or more days delinquent, in foreclosure, or transitioned to REO status reached a new low during the past year in the Dayton metropolitan area but was higher than the national rate.



REO = real estate owned.

Source: CoreLogic, Inc.

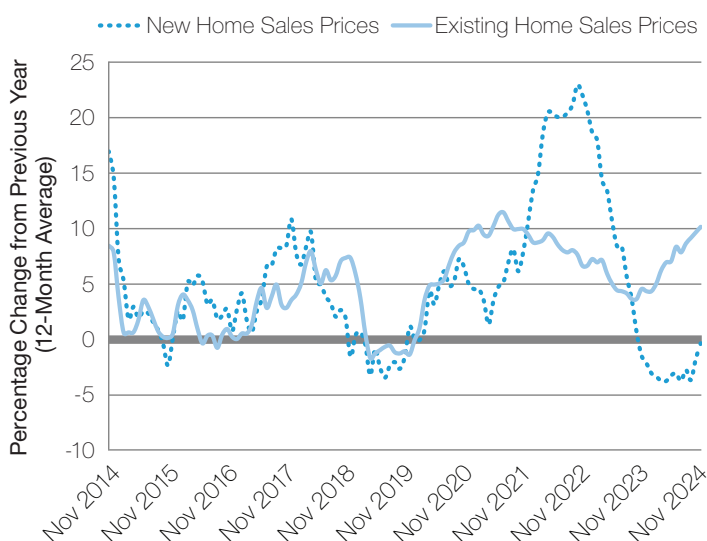
- Existing home sales totaled 13,550, down by 550 sales, or 4 percent, from the previous 12 months, which followed a 21-percent decline during the 12 months ending November 2023. From 2019 through 2020, existing home sales rose an average of about 2 percent a year before increasing 12 percent in 2021, when demand for homes rose sharply.
- The average sales price for a new home was \$408,200, relatively unchanged from a year earlier. By comparison, from 2020 through 2022, the average price for a new home in the metropolitan area rose an average of nearly 12 percent a year.
- The average price for existing homes reached a high of \$229,300, representing a 10-percent increase from the average price a year earlier. Prices for existing homes grew an average of only 2 percent a year from 2016 through 2019 before accelerating to average annual increases of 9 percent from 2020 through 2022.

New home construction in the metropolitan area, as measured by the number of single-family homes, townhomes, and condominiums permitted, rose during the past 12 months following 2 years of slowing home production from 2022 through 2023.

- During the 12 months ending November 2024, the number of homes permitted totaled 1,225, an increase of 140, or 13 percent, from a year earlier (preliminary data).

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During the 12 months ending November 2024, new home sales prices in the Dayton metropolitan area were relatively stable; at the same time, existing home sales price growth accelerated.



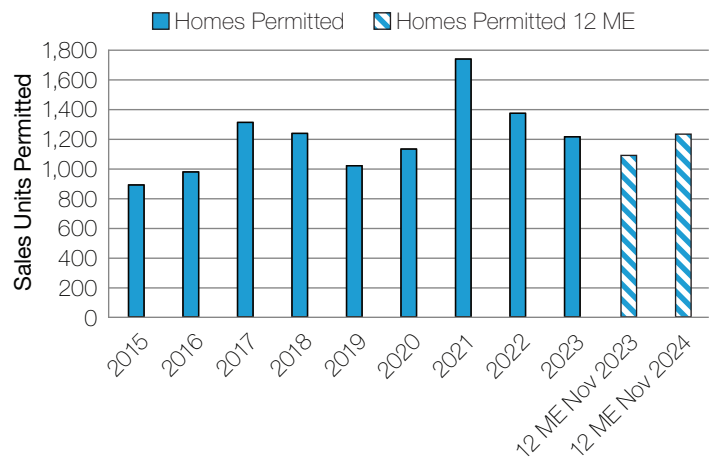
Note: Prices are for single-family homes, townhomes, condominiums, or any combination.

Source: Zonda

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- Since the recent low of 890 homes permitted during 2015, new home construction generally rose, with increases averaging 12 percent annually to the recent high of 1,750 homes permitted during 2021. Since then, construction activity has decreased for 2 consecutive years, averaging an annual 16-percent decline to 1,225 homes permitted during 2023.
- With 470 and 460 sales housing units permitted, respectively, Montgomery and Greene Counties accounted for 37 and 36 percent of all sales units permitted in the metropolitan area during the past 12 months. Montgomery and Greene Counties, respectively, contain 66 and 21 percent of the population in the metropolitan area.
- Wenger Village is a recent development with 55 homes in the city of Clayton, a suburb of Dayton. Prices in this community start at \$360,000 for a three-bedroom home.

Following declines during 2022 and 2023, construction of homes for sale in the Dayton metropolitan area increased during the 12 months ending November 2024.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

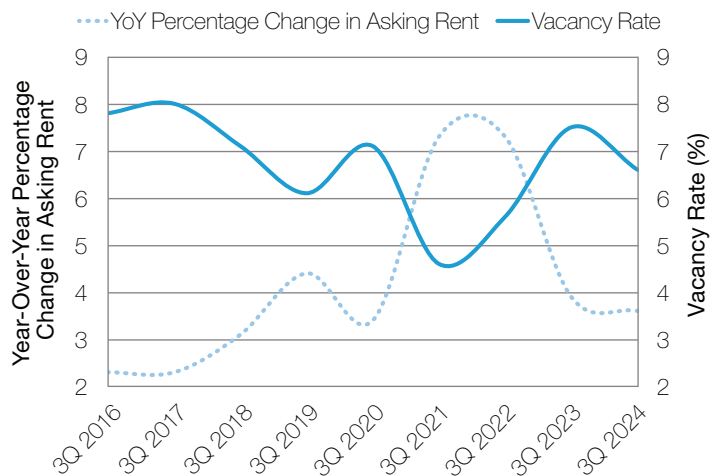
Apartment Market Conditions

The apartment market in the Dayton metropolitan area is balanced, with a 6.6-percent vacancy rate as of the third quarter of 2024, down from 7.5 percent a year earlier and slightly higher than the 6.1-percent vacancy rate as of the third quarter of 2019, before the pandemic (CoStar Group). The apartment vacancy rate declined during the past year because strong net in-migration to the metropolitan area supported demand, and new apartment completions slowed substantially. The absorption of apartment units through the third quarter of 2024 totaled approximately 900 units, up sharply from 260 units absorbed during the same period a year earlier. However, the delivery of apartment units totaled 480 through the third quarter of 2024, down significantly from 1,300 units delivered through the third quarter of 2023.

As of the third quarter of 2024—

- The average rent for an apartment was \$1,116, up by \$39, or nearly 4 percent, from the third quarter of 2023. By comparison, rent growth averaged 6 percent a year from the first quarters of 2021 to 2023.
- The average rents in the metropolitan area were \$816, \$947, \$1,201, and \$1,393 for studio, one-bedroom, two-bedroom, and three-bedroom units, respectively.
- The CoStar Group-defined Central/West market area had the highest vacancy rate at 15.1 percent, up from 12.4 percent a year earlier. This area consists of downtown Dayton and

As of the third quarter of 2024, the apartment vacancy rate declined from a year ago, and rent growth remained unchanged in the Dayton metropolitan area.



3Q = third quarter. YoY = year-over-year.

Source: CoStar Group

older urban neighborhoods north and west of downtown, where nearly 340 new apartment units, about 72 percent of the total for the metropolitan area, were added to the inventory during the 12 months ending September 2024.

- Of the eight CoStar-defined submarkets in the metropolitan area, the Beavercreek/Bellbrook market area had the highest

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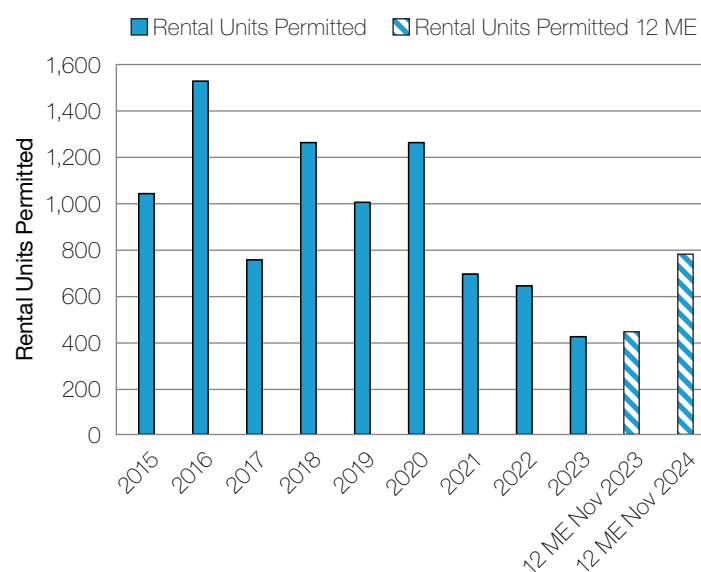
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average rent of \$1,484, up \$54, or nearly 4 percent, from the third quarter of 2023.

Construction of new rental units in the metropolitan area, as measured by the number of units permitted, rose during the past year because builders anticipated stronger future demand, supported by the rise in the net in-migration.

- During the 12 months ending November 2024, approximately 780 rental units were permitted, a 78-percent increase from the 440 units permitted during the same period a year ago (preliminary data, with adjustments by the analyst).
- The number of rental units permitted averaged 1,150 units per year from 2015 through 2020 before declining to an average of 670 rental units permitted annually during 2021 and 2022.
- An estimated 540 units are under construction in the metropolitan area. Approximately 95 percent of the units are in Montgomery County, with most of the construction occurring in the cities of Huber Heights and Dayton.
- Recently completed rental properties include the 192-unit Hayden Park Apartments in Huber Heights, which is 90 percent occupied. The property offers one- and two-bedroom units, with monthly rents ranging from \$1,345 for a one-bedroom unit to \$1,600 for a two-bedroom unit. The Delco, in Dayton, opened in 2024 with 160 units and is currently in lease up. Rents range from \$1,080 for studios to \$3,436 for three-bedroom units.

Rental housing construction in the Dayton metropolitan area increased sharply during the 12 months ending November 2024 compared with permitting during the same period a year earlier.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes regular resales and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Decline	Resident deaths are greater than resident births.
Net Natural Increase	Resident births are greater than resident deaths.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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