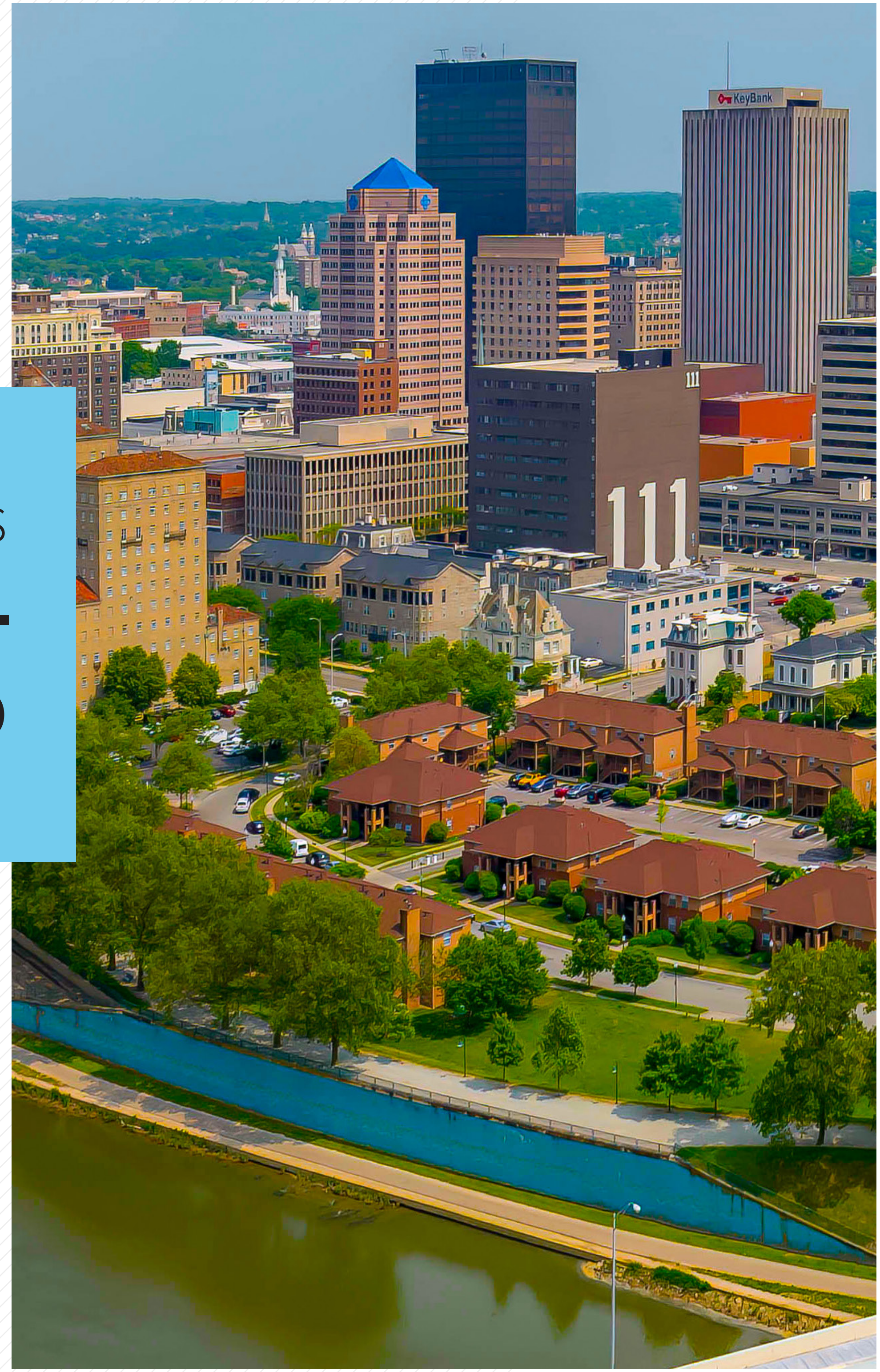
COMPREHENSIVE HOUSING MARKET ANALYSIS

Dayton-Kettering-Beavercreek, Ohio



U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of January 1, 2025

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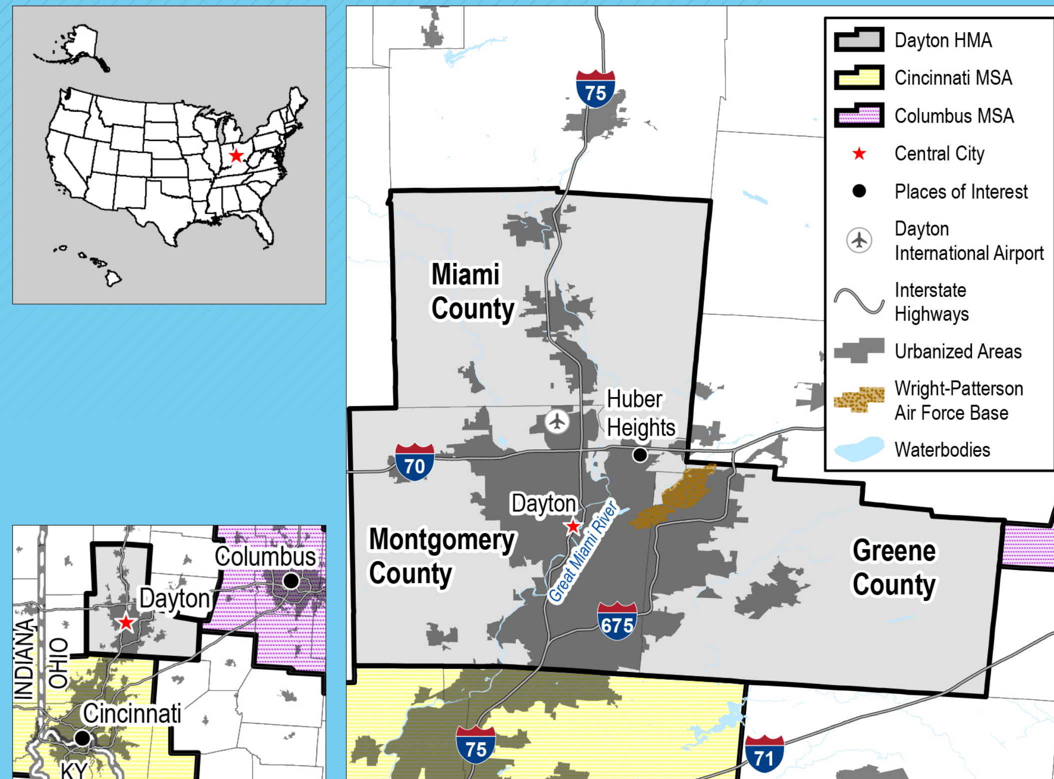
Executive Summary

Housing Market Area Description

The Dayton-Kettering-Beavercreek Housing Market Area (hereafter, Dayton HMA) is coterminous with the Dayton-Kettering-Beavercreek, OH Metropolitan Statistical Area. The HMA is in the Miami Valley region in southwest Ohio, approximately 50 miles north of Cincinnati and 60 miles west of Columbus, and includes Greene, Miami, and Montgomery Counties.

The current population of the HMA is estimated at 818,200.

Along the banks of the Great Miami River, the city of Dayton is the principal city in the HMA and the sixth most populous city in Ohio. The city is home to Wright-Patterson Air Force Base (WPAFB), which generated an estimated $11.6 billion annual economic impact on the Miami Valley region in 2023 (Dayton Development Coalition). The Air Force Institute of Technology and the Air Force Research Laboratory, located on base, partner with local universities for research, attracting aerospace and aviation companies to the HMA.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Stable: The local economy of the Dayton HMA added jobs for a fourth consecutive year during 2024, but total payroll jobs are slightly below 2019 levels, prior to the COVID-19 pandemic.

During 2024, nonfarm payrolls increased by 1,400 jobs, or 0.4 percent, from a year earlier to 389,300 jobs. Nonfarm payrolls rose in 6 of the 11 sectors compared with a year ago, led by the education and health services sector, which increased by 1,500 jobs, or 2.0 percent. The average unemployment rate in the HMA increased from 3.6 percent a year earlier to 4.4 percent during 2024 as labor market conditions eased modestly. During the 3-year forecast period, job growth is expected to strengthen, averaging 1.3 percent annually.

Sales Market

Balanced: During 2024, existing home sales prices rose 9 percent, and new home sales prices were relatively unchanged from a year earlier (Zonda, with adjustments by the analyst).

The home sales vacancy rate is currently estimated at 1.2 percent, down from 1.4 percent in April 2020. New and existing home sales increased 4 percent during 2024, and the average home price rose 8 percent to $240,200 (Zonda, with adjustments by the analyst). The inventory of homes for sale rose slightly to a 1.8-month supply in December 2024 compared with a 1.7-month supply a year earlier (Redfin, a national real estate brokerage). During the forecast period, demand is estimated for 5,000 additional sales units. The 910 sales units under construction are expected to meet a portion of demand during the first year of the forecast period.

Rental Market

Balanced: The estimated rental vacancy rate is 7.0 percent, down from 7.9 percent in April 2020, when conditions were also balanced.

Rental housing market conditions in the HMA are balanced, and apartment market conditions are also balanced. As of the fourth quarter of 2024, the apartment vacancy rate had declined 0.8 percentage point from a year earlier to 6.4 percent, and the average apartment rent increased 3 percent to $1,130 (CoStar Group). The apartment vacancy rate fell during the past year, partly because the supply of new apartments entering the market decreased while demand strengthened because of net in-migration. During the forecast period, demand is expected for 3,575 new rental units. The 540 units under construction and 260 units in the final planning stage are expected to satisfy a portion of the demand during the forecast period.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Dayton HMA	Total Demand	5,000	3,575
	Under Construction	910	540

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2025. The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Education and Health Services

Among the 10 largest employers in the Dayton HMA, 5 are in the government sector, and 4 are in the education and health services sector (Table 1).

Primary Local Economic Factors

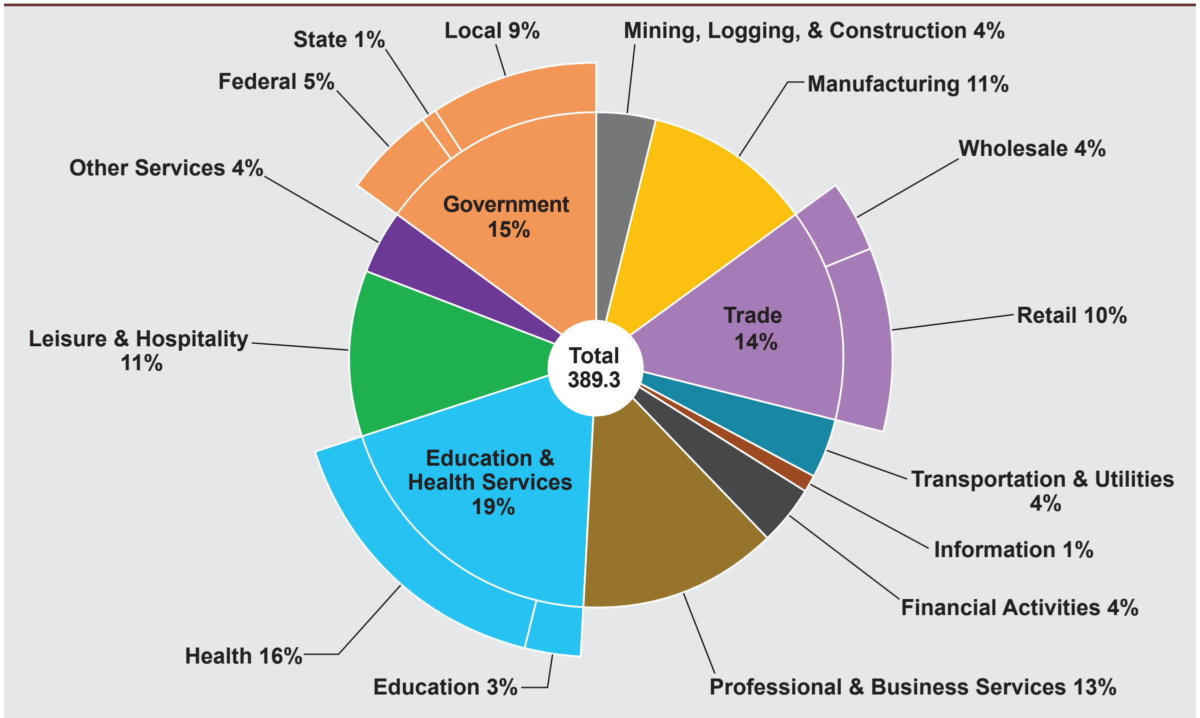
The government sector, the second largest sector in the HMA, influences the local economy significantly, accounting for 15 percent of all nonfarm payrolls (excluding military personnel), with 61,700 jobs (Figure 1). WPAFB is the largest employer in the HMA and the largest single-site employer in the state of Ohio, with 38,000 employees, including federal government civilian and military personnel, and contractors. WPAFB is a hub for research and development in aerospace and medicine, creating opportunities for related industries in the area. Moreover, an estimated 56,000 military dependents and retirees live within a 70-mile radius of the base (WPAFB). The government sector also includes public healthcare providers and institutions of higher education. The education and health services sector is the largest in the HMA, with 75,700 jobs. The sector accounts for 19 percent of all nonfarm payrolls, increasing by 7,900 jobs, or 12 percent, since 2011 (Figure 2). The HMA is home to several private universities and healthcare providers, including Premier Health Partners and Kettering

Table 1. Major Employers in the Dayton HMA

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 Physician Partners	Education & Health Services	9,900
Montgomery County	Government	4,300
Dayton Children's Hospital	Education & Health Services	4,200
Sinclair Community College	Government	3,100
University of Dayton	Education & Health Services	3,000
Dayton VA Medical Center	Government	2,900
Amazon.com, Inc.	Wholesale & Retail Trade	2,800
Wright State University	Government	2,100

Notes: Excludes local school districts. Data include military personnel, who generally are not included in nonfarm payroll survey data.
Source: Dayton Development Coalition

Figure 1. Share of Nonfarm Payroll Jobs in the Dayton HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through December 2024.
Source: U.S. Bureau of Labor Statistics

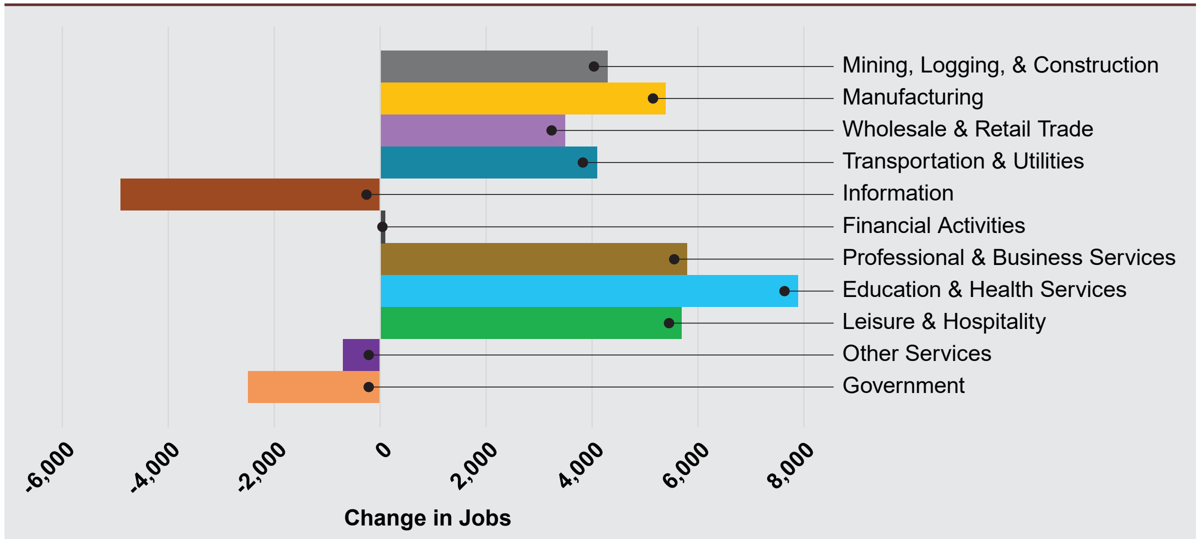
Health Physician Partners, the second and third largest employers in the HMA, with 11,700 and 9,900 employees, respectively.

Current Conditions—Nonfarm Payrolls

The economy of the HMA continues to recover from the effects of the COVID-19 pandemic-related downturn in 2020, but the pace of job gains slowed during the past year. Nonfarm payrolls during 2024 totaled 389,300 jobs, representing an increase of 1,400 jobs, or 0.4 percent, from 2023, when jobs grew by 5,200, or 1.4 percent, compared with a year earlier (Table 2). Job growth in the HMA during 2024 was slower than the national rate of 1.3 percent. The education and health services sector led job gains in the HMA in 2024, expanding by 1,500 jobs, or 2.0 percent, to 75,700 jobs. The level of payrolls in the sector is currently 1 percent above the previous high of 74,800 in 2019, before the pandemic.

The leisure and hospitality sector was the fastest growing sector in the HMA during 2024, increasing by 1,400 jobs, or 3.5 percent, to 40,900 jobs. Job levels in the sector are currently at a high because of expansions and hiring by hotel, restaurant, and entertainment venues in anticipation of the North Atlantic Treaty Organization Parliamentary Assembly conference, which will welcome delegations from more than 30 countries in the city of Dayton in May 2025. A historic office building in downtown Dayton

Figure 2. Sector Growth in the Dayton HMA, 2011 to Current



Note: Current data are based on the 12-month averages ending December 2024.
Source: U.S. Bureau of Labor Statistics

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Dayton HMA, by Sector

	12 Months Ending December 2023	12 Months Ending December 2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**387.9**	**389.3**	**1.4**	**0.4**
Goods-Producing Sectors	56.0	56.3	0.3	0.5
Mining, Logging, & Construction	14.7	14.9	0.2	1.4
Manufacturing	41.3	41.4	0.1	0.2
Service-Providing Sectors	331.9	333.0	1.1	0.3
Wholesale & Retail Trade	53.5	53.0	-0.5	-0.9
Transportation & Utilities	14.9	14.6	-0.3	-2.0
Information	5.7	5.4	-0.3	-5.3
Financial Activities	17.0	16.6	-0.4	-2.4
Professional & Business Services	52.4	51.2	-1.2	-2.3
Education & Health Services	74.2	75.7	1.5	2.0
Leisure & Hospitality	39.5	40.9	1.4	3.5
Other Services	13.6	13.9	0.3	2.2
Government	61.2	61.7	0.5	0.8

Notes: Based on 12-month averages through December 2023 and December 2024. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

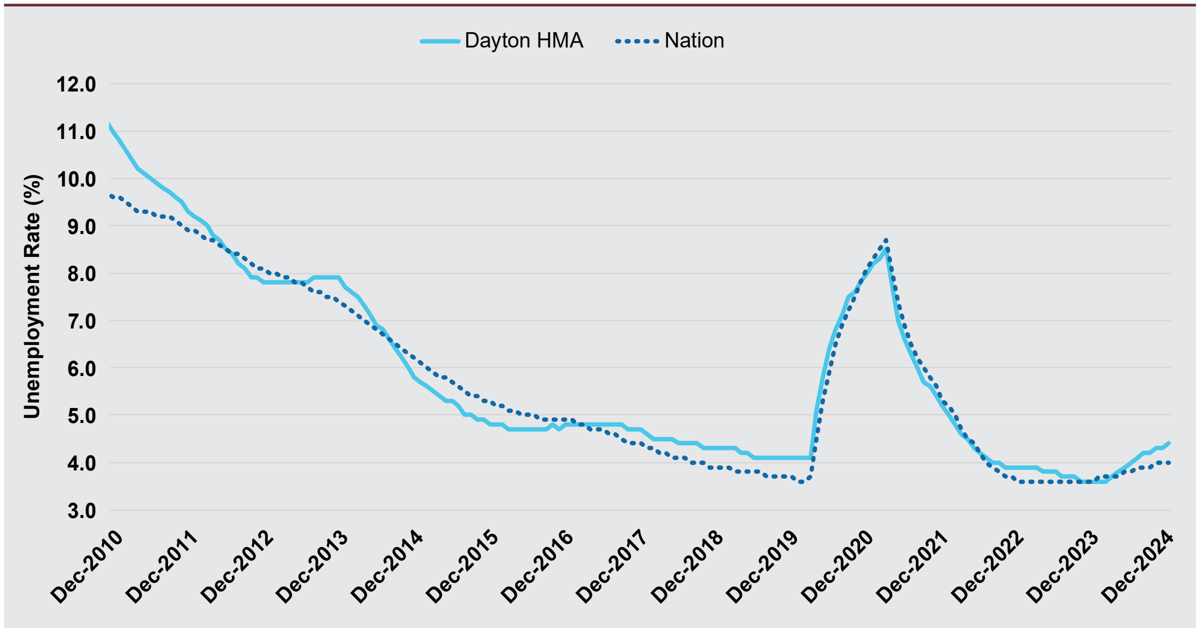
was renovated into the 118-room Hotel Ardent by Hilton, and staff were hired in preparation for its opening in February 2025. Notable growth occurred in the government sector, which added 500 jobs in 2024, a gain of 0.8 percent from a year earlier to 61,700 jobs. The local government and the federal government subsectors increased by 400 and 200 jobs, or 1.1 and 1.0 percent, respectively, whereas the state government subsector decreased by 100 jobs, or 1.9 percent. Jobs in the government sector are approximately 1 percent below the prepandemic level of 62,200 jobs in 2019.

During 2024, 5 of the 11 nonfarm payroll sectors in the HMA declined. The professional and business services sector led job losses, with a decrease of 1,200 jobs, or 2.3 percent, to 51,200 jobs. More than three-fourths of the decline occurred in the administrative and support services industry, which includes temporary help services. The wholesale and retail trade sector decreased by 500 jobs, or 0.9 percent. Job losses in the sector occurred wholly in the retail trade subsector, which decreased to 38,000 jobs, whereas jobs in the wholesale trade subsector were unchanged from a year earlier at 15,000. Store closures in 2024 by national chains, including Family Dollar, Big Lots, and Party City, contributed to job losses in the retail trade subsector.

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 4.4 percent during 2024, up from 3.6 percent a year earlier and higher than the 4.0-percent rate for the nation (Figure 3). By comparison, the unemployment rate reached 11.0 percent in 2010 in the aftermath of the Great Recession. The rate generally fell from 2010, declining to a low of 4.1 percent in 2019 before rising sharply a year later to an annual average of 8.0 percent because of the brief recession in 2020. Then, the unemployment rate declined for 3 consecutive years to a recent low in 2023 before rising during the past year as growth in the labor force outpaced gains in resident employment.

Figure 3. 12-Month Average Unemployment Rate in the Dayton HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

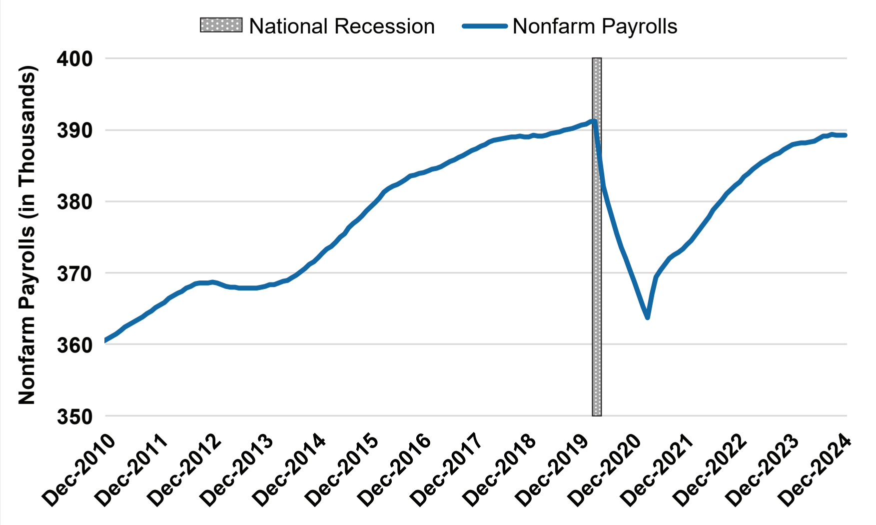
Economic Periods of Significance

2011 Through 2019—Economic Recovery

In 2011, the local economy began to grow following job losses during the 2000s, when nonfarm payrolls declined each year, primarily because of contraction in the local manufacturing sector throughout the decade and the Great Recession beginning in 2007. In contrast to the 2000s, jobs in the HMA increased nearly every year from 2011 through 2019. Job opportunities, stemming largely from the recovery in the manufacturing sector and steady expansion in the education and health services sector during the period, contributed to a shift from net out-migration to net in-migration and faster population growth. However, following an economic rebound early in the 2010s, growth began to slow in 2017. From 2011 through 2016, nonfarm payrolls increased by an average of 3,900 jobs, or 1.0 percent, annually and slowed to an average gain of 2,200 jobs, or 0.6 percent, a year from 2017 through 2019, when payrolls averaged 390,600 jobs (Figure 4). From 2011 through 2019, overall job growth in the HMA was slower than the average annual increase of 1.6 percent nationally. The manufacturing sector led growth in the HMA from 2011 through 2019, with an average increase of 900 jobs, or 2.2 percent, a year. In 2015, Fuyao Glass America opened an automotive glass manufacturing plant in the HMA, contributing 1,550 new jobs to the manufacturing sector. The professional and business services and the education and health services sectors rose by averages of 800 jobs each from 2011 through 2019, or 1.6 and 1.1 percent, a year, respectively. The three sectors combined accounted for more than three-fourths of the jobs added from 2011 through 2019.

The fastest rate of growth was in the mining, logging, and construction sector, up 2.9 percent, or 300 jobs, a year, followed by the transportation and utilities sector, up 2.4 percent, or 300 jobs, a year. Residential construction in the HMA increased during the period in response to improving housing market conditions and net in-migration. Increased reliance on e-commerce resulted in a rapid expansion of warehousing and distribution jobs near Dayton International Airport, where 2,000 acres have been developed since 2010 to create distribution centers.

Figure 4. 12-Month Average Nonfarm Payrolls in the Dayton HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

The government sector declined by an average of 200 jobs, or 0.4 percent, a year from 2011 through 2019. The local and the state government subsectors fell by averages of 200 and 100 jobs, or 0.5 and 1.7 percent, respectively, whereas the federal government subsector expanded by an average of 100 jobs, or 0.5 percent, a year. Job losses in the local government subsector occurred predominantly during the early 2010s because of budget cuts following the Great Recession, and growth in the federal government subsector occurred mainly because of increased employment at WPAFB starting in 2015.

2020 Through 2022—The COVID-19 Downturn and Recovery

Countermeasures to reduce the spread of COVID-19 led to significant job losses. During 2020, nonfarm payrolls fell by 21,800 jobs, or 5.6 percent, to 368,800 jobs, while jobs declined 5.8 percent nationally. The leisure and hospitality sector in the HMA declined sharply, with a loss of 6,800 jobs, or 17.1 percent, after travel was curtailed and restaurants and entertainment venues closed during the initial months of the pandemic. The education and health services sector declined by 3,500 jobs, or 4.7 percent, largely because elective medical procedures were postponed and private schools closed temporarily. Substantial losses occurred in the manufacturing sector, which decreased by 3,200 jobs, or 7.3 percent, to the lowest level since 2016. The transportation and utilities sector was the only sector to expand in 2020, with a gain of 200 jobs, or 1.5 percent, from a year earlier. A shift to online shopping and an increase in home deliveries of goods supported job growth in the sector.

Economic conditions improved during 2021 and 2022, but job growth in the HMA was slower than in the nation. Nonfarm payrolls rose to 382,700 jobs in 2022, reflecting an average increase of 6,900 jobs, or 1.9 percent, each year during 2021 and 2022, slower than the average growth rate of 3.6 percent a year nationally. Ten of the 11 payroll sectors grew, with the largest increases in the leisure and hospitality and the wholesale and retail trade sectors, which grew by averages of 2,500 and 1,300 jobs, or 7.3 and 2.6 percent, respectively.

Forecast

During the 3-year forecast period, the economy of the HMA is expected to continue to recover, with nonfarm payrolls rising an average of 1.3 percent annually. Job growth is expected in the education and health services, the leisure and hospitality, and the manufacturing sectors. Early in 2024, Joby Aviation, Inc. acquired space at the Dayton International Airport to develop and manufacture electric aircraft capable of vertical takeoff and landing. The $500 million investment is expected to create 2,000 manufacturing jobs, with production expected to start in 2025. In addition, Sierra Nevada Corporation is investing $94 million to develop two large aircraft maintenance hangars at the Dayton airport and create 200 new jobs by 2027.

Population and Households

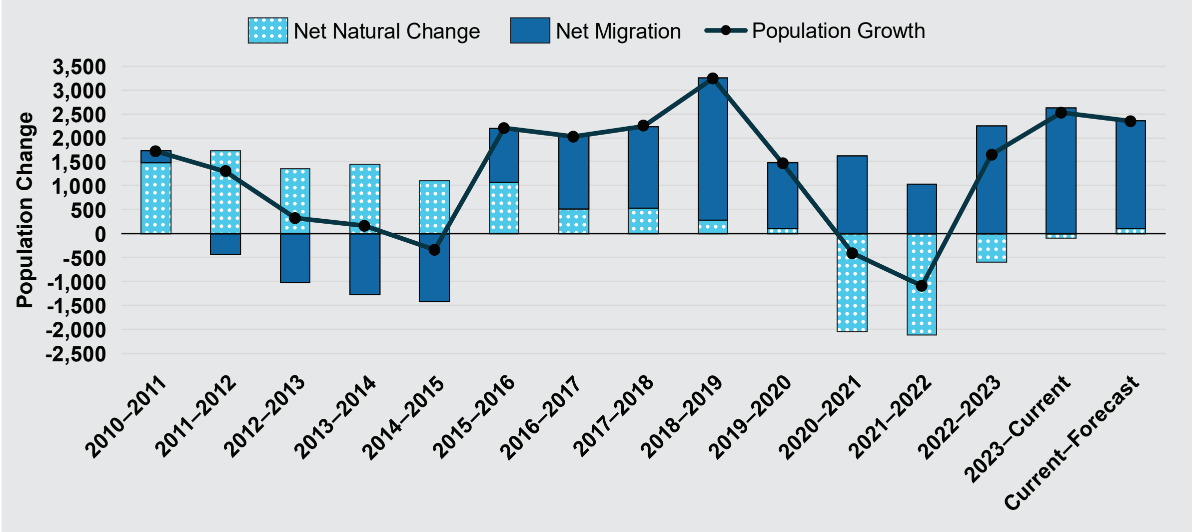
Current Population: 818,200

Despite increased net in-migration, population growth in the Dayton HMA has slowed since 2020 compared with the previous decade because of net natural decline exacerbated by COVID-19-related deaths.

Population Trends

The population of the HMA is estimated at 818,200 as of January 1, 2025, reflecting an annual increase of 870, or 0.1 percent, since 2020 compared with annual growth averaging 0.2 percent a year from 2010 to 2020 (U.S. Census Bureau decennial census counts; population estimates as of July 1, with estimates by the analyst). The population increased by an average of 950, or 0.1 percent, annually from 2010 to 2016. During the period, net natural increase averaged 1,400 people a year but was partly offset by net out-migration, which averaged 450 people annually because manufacturing job losses prompted some people to leave the HMA for job opportunities elsewhere (Figure 5). From 2016 to 2020, population growth in the HMA accelerated to 2,325 people, or 0.3 percent, a year. The increase occurred because of a shift to net in-migration, which averaged 1,975 people annually, although net natural increase slowed significantly to an average of 400 people a year. COVID-19-related deaths early in the 2020s led to a shift from net natural increase to net natural decline, contributing to a brief population decline that averaged 600, or 0.1 percent, a year from 2020 to 2022. During the period, net natural decline averaged 1,900 people a year, and net in-migration to the HMA slowed to an average of 1,300 people annually. Since 2022, the population has increased by an average of 2,200, or 0.3 percent, a year, with all the population growth due to net in-migration, which averaged 2,500 people a year, whereas net natural decline averaged 300 people annually.

Figure 5. Components of Population Change in the Dayton HMA, 2010 Through the Forecast Period



Notes: Data displayed are average annual totals. The forecast period is the current date (January 1, 2025) to January 1, 2028.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Population by Geography

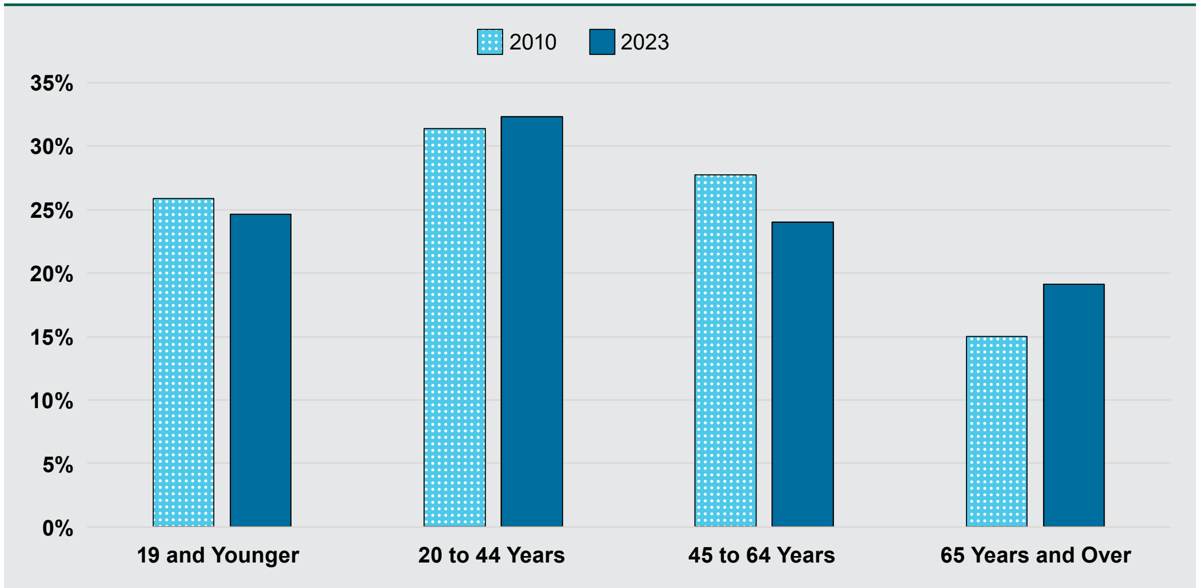
With an estimated population of 537,400 as of July 1, 2024, Montgomery County is the most populous county in the HMA, accounting for approximately two-thirds of the total population. The county population is relatively unchanged from 2010 despite continued net out-migration from the city of Dayton, the economic hub and most populous city in the HMA, with an estimated population of 134,900. The city began losing residents in the second one-half of the 20th century after reaching a peak of 262,300 residents as of the 1960 U.S. Census. The decline was primarily attributed to job losses in the manufacturing sector and an increased preference for suburban living.

The availability of low-cost, developable land and easy commutes to employment centers in the HMA and to nearby Columbus and Cincinnati metropolitan areas have contributed to population growth in Miami and Greene Counties, north and east of Montgomery County. Since 2020, the strongest growth, averaging 0.7 percent a year, has occurred in Miami County, which accounts for 14 percent of the total population of the HMA. The population of Greene County has risen an average of 0.6 percent annually since 2020, accounting for 21 percent of the HMA population. By comparison, population growth in Miami and Greene Counties was slightly slower from 2010 to 2020, increasing slightly by respective averages of 0.6 and 0.4 percent a year.

Age Cohort Trends

The HMA is attractive to older residents because of the relatively affordable housing, services that WPAFB provides to retired military personnel and their families, and healthcare services that the Dayton VA Medical Center provides to veterans. The share of the population in the HMA aged 65 and older exceeds the national average. In 2023, approximately 19 percent of all residents in the HMA were aged 65 and older, up from 15 percent in 2010 and higher than the rate for the nation, which increased from 13 percent in 2010 to 17 percent in 2023 (Figure 6; American Community Survey [ACS] 1-year data). The only other cohort to have increased since 2010 was residents aged 20 to 44, representing 32 percent of the HMA population, up from 31 percent in 2010. That cohort includes college students and many of the military personnel at WPAFB.

Figure 6. Population by Age Range in the Dayton HMA



Source: 2010 and 2023 American Community Survey 1-year data

Military and Student Households

Approximately 49,000 students attend colleges and universities in the HMA (Integrated Postsecondary Education Data System [IPEDS], with estimates by the analyst). Student enrollment has generally declined from 59,400 in 2010, partly because fewer students graduate high school in Ohio due to declines in the population younger than 18. Nearly 14,350 students are currently housed in dormitories or university-affiliated student apartments. The remaining 34,650 students live off campus, either with their parents or in an estimated 8,300 housing units. Of these students, approximately 95 percent are renters, and the remainder are homeowners (estimates by the analyst). WPAFB provides unaccompanied housing for 400 military personnel and 100 single-family homes on base for officers and their dependents. In addition, WPAFB has 2,100 privately owned homes on base for rent. Of the remaining 3,675 active-duty military personnel living off base, approximately 30 percent own homes, and 70 percent are renters (estimates by the analyst). Military and student households combined account for an estimated 1 and 8 percent of the 210,000 owner and 135,400 renter households, respectively. The students and military personnel living in group quarters, including dormitories and unaccompanied housing, are not counted in the household population.

Household Trends

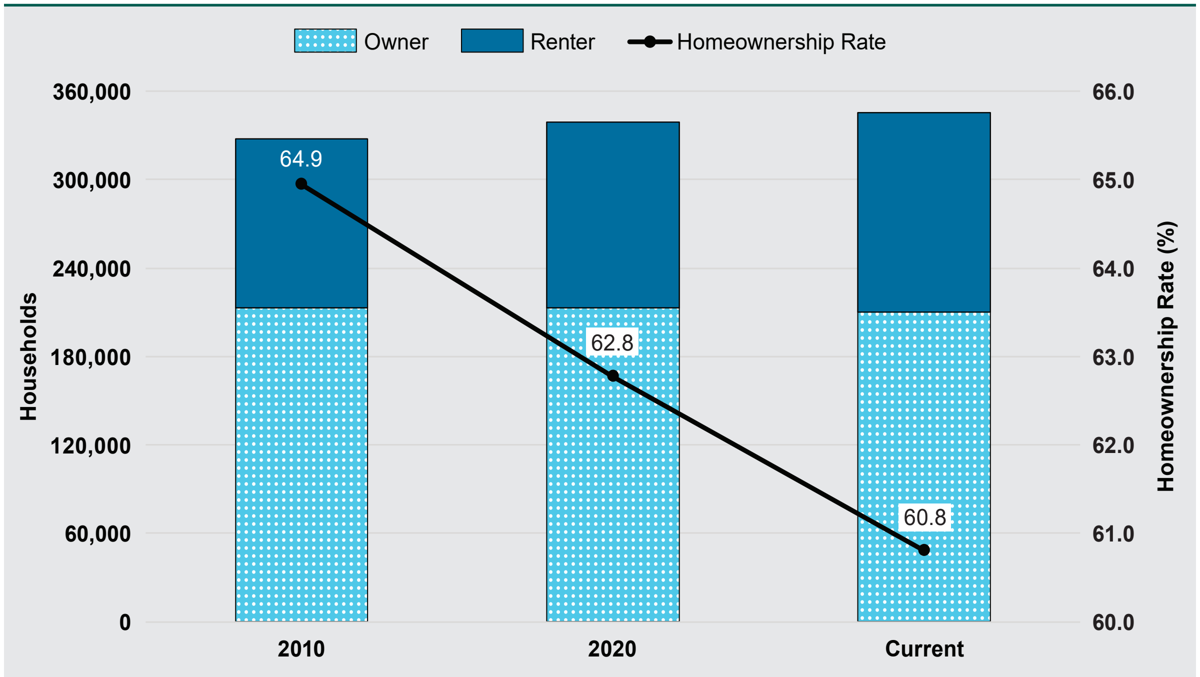
Despite the slower population growth in the HMA since 2020, the rate of household growth has been unchanged since 2020 compared with the period from 2010 to 2020. The current number of households is estimated at 345,400, reflecting an average annual increase of 1,250, or 0.4 percent, since 2020 (Table 3), matching the rate of growth during the 2010s. Slightly more people in the HMA live alone, partly because of the steadily rising senior population, and fewer households have children. Between 2019 and 2023, the share of one-person households increased from 33 to 34 percent, and the percentage of households with children under the age of 18 fell from 26 to 25 percent (2019 and 2023 ACS 1-year data). Since 2020, renters have accounted for all the household growth in the HMA compared with 97 percent during the previous decade. A decrease in owner households since 2010 has led to a steadily declining homeownership rate. The homeownership rate in the HMA is currently estimated at 60.8 percent, down from 62.8 percent in 2020 and 64.9 percent in 2010 (Figure 7).

Table 3. Dayton HMA Population and Household Quick Facts

		2020	Current	Forecast
Population Quick Facts	**Population**	814,049	818,200	825,300
	Average Annual Change	1,475	870	2,350
	Percentage Change	0.2	0.1	0.3
		2020	**Current**	**Forecast**
Household Quick Facts	**Households**	339,453	345,400	350,500
	Average Annual Change	1,175	1,250	1,700
	Percentage Change	0.4	0.4	0.5

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (January 1, 2025) to January 1, 2028.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 7. Households by Tenure and Homeownership Rate in the Dayton HMA



Note: The current date is January 1, 2025.
Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Population and Household Forecast

During the 3-year forecast period, the population of the HMA is expected to increase an average of 2,350, or 0.3 percent, annually, to 825,300 by January 1, 2028. Expanding job opportunities will support stronger net in-migration, which is expected to average 2,250 people a year. Net in-migration and a resumption of net natural increase, albeit at a moderate rate, will contribute to accelerated population growth. During the next 3 years, household growth is expected to strengthen, averaging a gain of 1,700, or 0.5 percent, annually to 350,500 by January 1, 2028. Because the growth is expected to continue to be mostly among renter households, the homeownership rate is expected to continue falling.

Home Sales Market

Market Conditions: Balanced

Following 2 years of steep declines, home sales in the Dayton HMA rose slightly during the past year because demand recovered despite high mortgage interest rates and strong home sales price growth.

Current Conditions

Sales housing market conditions in the HMA are balanced but tightening. The estimated sales vacancy rate is currently 1.2 percent (Table 4), slightly down from 1.4 percent in April 2020, when conditions were also balanced, but substantially down from 2.6 percent in April 2010, when conditions were soft. Sales housing market conditions were tight in 2021 and early 2022, largely because of strong demand boosted by low mortgage interest rates. However, home sales in the HMA declined sharply from late 2022 through 2023 because of increases in mortgage interest rates and low levels of for-sale inventory. Nationwide, the rate for a 30-year, fixed-rate mortgage averaged 6.7 percent during December 2024, slightly less than 6.8 percent a year earlier but well above the respective average rates of 2.7 and 3.1 percent during the same periods in 2020 and 2021 (Freddie Mac). Although the inventory of homes available for sale was low during the past year, home sales in the HMA rose, supported by strong demand despite the rising costs of buying a home. The HMA is attractive to households in nearby areas seeking lower home prices. During the past year, average home prices in the Columbus and Cincinnati metropolitan areas were 55 and 37 percent higher, respectively, than in the HMA. The number of homes available for sale in the HMA represented 1.8 months of supply as of December 2024, up slightly from 1.7 months in December 2023 (Redfin, a national real estate brokerage).

Table 4. Home Sales Quick Facts in the Dayton HMA

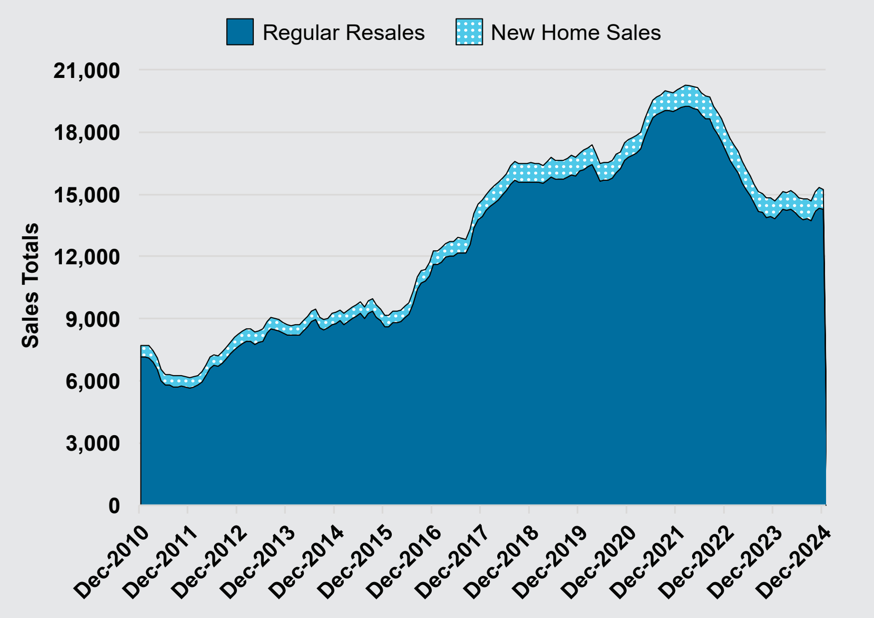
		Dayton HMA	Nation
Home Sales Quick Facts	Vacancy Rate	1.2%	NA
	Months of Inventory	1.8	3.1
	Total Home Sales	15,550	4,908,000
	1-Year Change	4%	-1%
	New Home Sales Price	$408,700	$506,000
	1-Year Change	0%	0%
	Existing Home Sales Price	$227,400	$471,800
	1-Year Change	9%	7%
	Mortgage Delinquency Rate	1.1%	1.1%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2024; and months of inventory and mortgage delinquency data are as of December 2024. The current date is January 1, 2025.
Sources: Vacancy rate—estimates by the analyst; months of inventory—Redfin, a national real estate brokerage; mortgage delinquency rate—Cotality; home sales and prices—Zonda, with adjustments by the analyst

Current Home Sales and Prices

During 2024, new and existing home sales—including single-family homes, townhomes, and condominiums—rose by 600, or 4 percent, from a year earlier to 15,550 homes sold. The increase followed a year-over-year decline of 3,450, or 19 percent, during 2023 (Zonda, with adjustments by the analyst; Figure 8).

Figure 8. 12-Month Home Sales Totals by Type of Sale in the Dayton HMA



Source: Zonda, with adjustments by the analyst

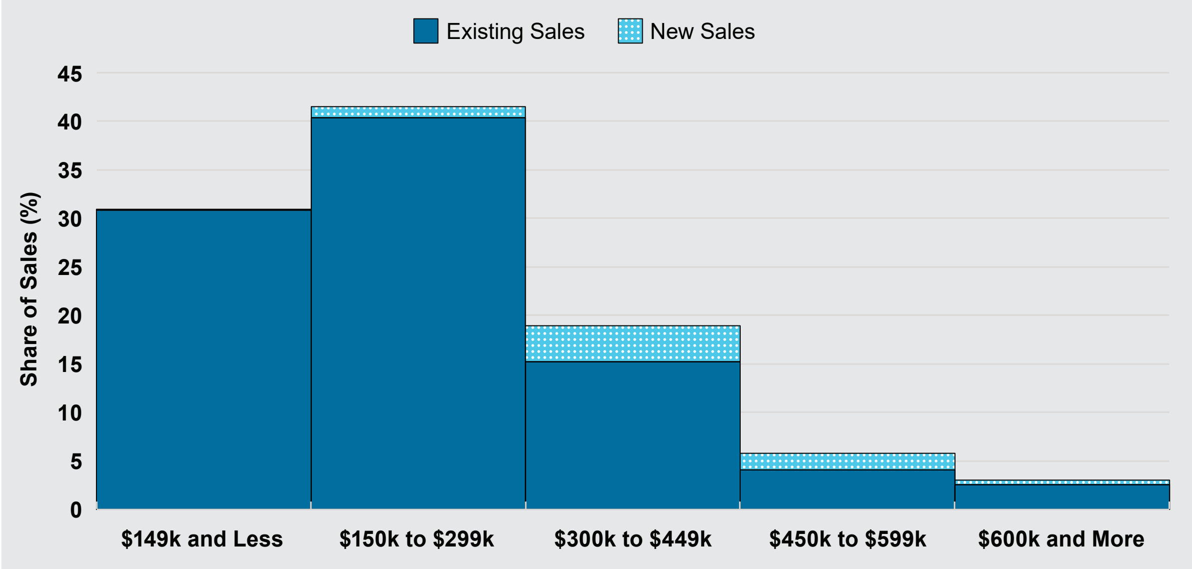
The number of homes sold in the HMA during the past year was 24 percent below the recent high of 20,450 home sales in 2021 and 14 percent below the 18,000 home sales in 2019, prior to the COVID-19 pandemic. During 2024, existing home sales increased nearly 4 percent to 14,600, and new home sales rose 10 percent to 950 homes sold.

The average price for new and existing homes in the HMA increased during 2024 by $17,700, or 8 percent, to a high of $240,200, following a 3-percent gain in 2023. Existing home prices rose 9 percent to $227,400, while the average price for new homes during 2024 was $408,700, relatively unchanged from 2023. During the past year, existing homes priced from $150,000 to $299,999 represented the largest share of sales, accounting for 43 percent of all existing homes sold, whereas new homes priced from $300,000 to $449,999 accounted for 52 percent of all new home sales (Figure 9).

Home Sale Trends

Following the housing crisis of the late 2000s, the home sales market in the HMA was soft during the early 2010s, until the local economy began to recover from the Great Recession. During 2011, home sales fell nearly 18 percent from a year earlier to a recent low of 8,825 homes sold. As economic conditions improved, home sales rose to an average of 11,150 annually from 2012 through 2015 before rising to an average of 16,850 a year from 2016 through

Figure 9. Share of Overall Home Sales by Price Range During the 12 Months Ending December 2024 in the Dayton HMA



Note: New and existing home sales include single-family homes, townhomes, and condominiums.
Source: Zonda

2020. A shift to net in-migration, which led to housing market conditions transitioning to balanced, supported the stronger demand. Market conditions tightened during 2021 because very low mortgage interest rates made purchasing a home more attainable for many households, boosting demand. Home sales increased 12 percent to a recent high during 2021, but rising mortgage interest rates during 2022, combined with strong home price growth, significantly reduced homeownership affordability. As a result, home sales fell 10 percent from a year earlier to 18,350 during 2022.

Home Sales Price Trends

As home sales plummeted in the HMA during 2011, the average home price declined 2 percent to a recent low of $128,700. Home prices generally rose from 2012 through 2019, averaging a 3-percent gain annually to $164,400 during 2019 because demand for homes had increased with improving economic conditions. A sudden rise in demand for sales housing following the COVID-19 outbreak resulted in strong home price growth. The average home price in the HMA increased more than 9 percent a year from 2020 through 2022.

Figure 10 shows average prices for new home sales and regular resales since December 2010.

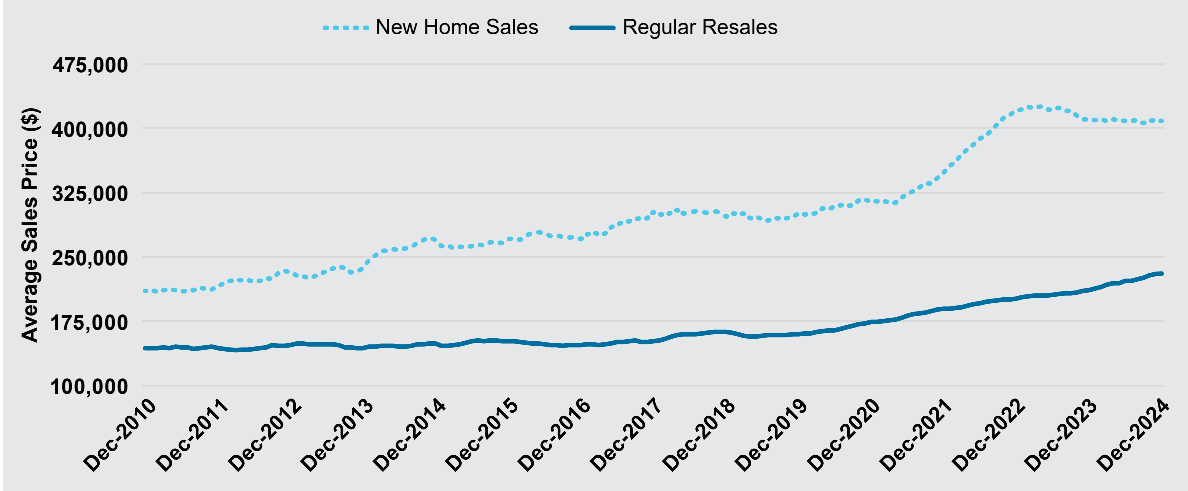
Seriously Delinquent Mortgages and Real Estate Owned Properties

The rate of seriously delinquent mortgages and REO properties in the HMA fell steadily from a high of 7.5 percent in January 2010 to 1.6 percent in April 2020 (Cotality; Figure 11). The rate increased to 3.6 percent in August 2020 after the onset of the pandemic because of rising unemployment and greater reliance on mortgage forbearance, but it has declined since. The share of seriously delinquent mortgages and REO properties in the HMA was at a new low of 1.1 percent in December 2024, down from 1.3 percent in December 2023. By comparison, the national percentage of seriously delinquent mortgages and REO properties was 1.1 percent in December 2024, unchanged from a year earlier and significantly below 8.6 percent in January 2010 in the aftermath of the Great Recession and the housing crisis.

Sales Construction

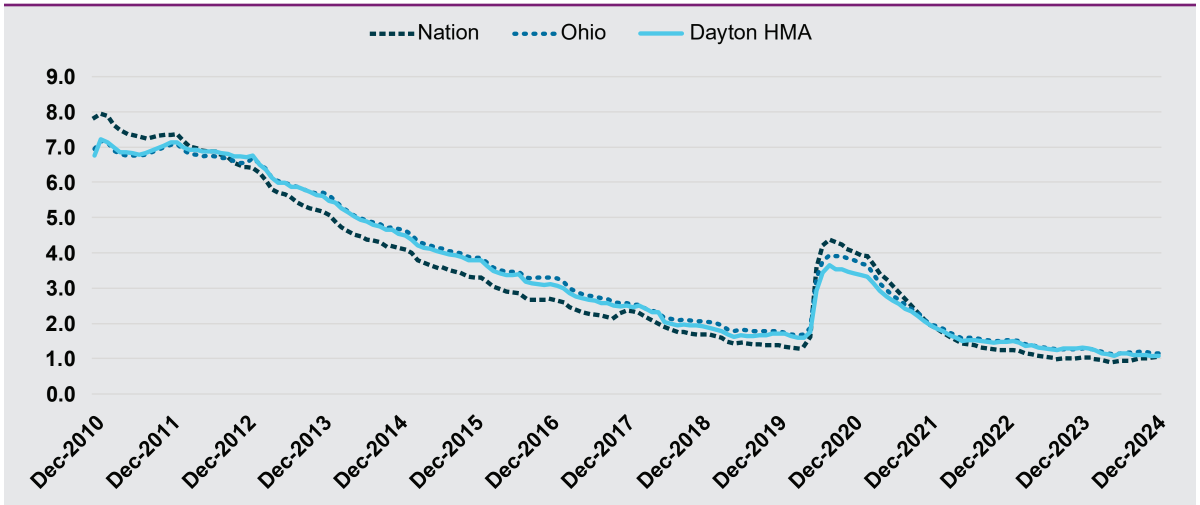
Home sales construction activity—as measured by the number of single-family homes, townhomes, and condominiums permitted (building permits)—rose during the past year following 2 years of declining home production. During 2024,

Figure 10. 12-Month Average Home Sales Price by Type of Sale in the Dayton HMA



Source: Zonda, with adjustments by the analyst

Figure 11. Seriously Delinquent Mortgages and REO Properties in the Dayton HMA, the State, and the Nation



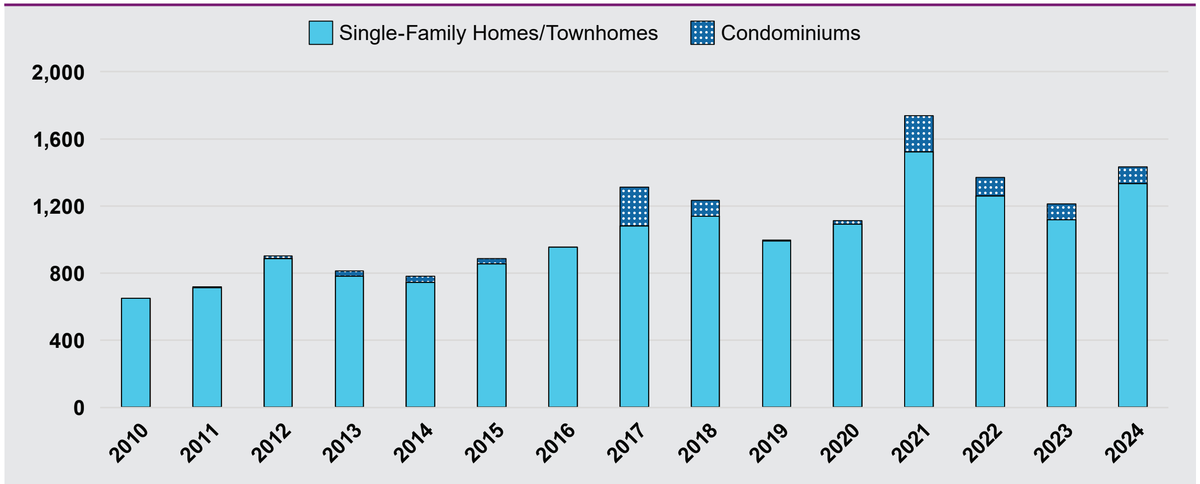
REO = real estate owned.
Source: Cotality

approximately 1,425 homes were permitted, representing a 16-percent increase from the 1,225 homes permitted a year earlier (preliminary data, with adjustments by the analyst; Figure 12). By comparison, permitting averaged only 680 homes annually during 2010 and 2011 but rose to an average of 870 homes a year from 2012 through 2016 as improving economic conditions led to increased demand. Construction of new homes accelerated further because of stronger population growth in the late 2010s and again when demand for homes increased after the outbreak of the pandemic. From 2017 through 2021, an average of 1,275 homes were permitted annually in the HMA, reaching a peak of nearly 1,750 homes permitted in 2021. Sales construction activity slowed 21 percent to 1,375 homes permitted in 2022 in response to lower demand caused by rapidly rising mortgage interest rates. The number of sales units permitted has exceeded new home sales every year since 2010, largely because new home sales are often underreported. Many new homes sold directly by homebuilders are not reported on multiple-listing services and are not included in new home sales totals. In addition, many custom-built homes are not counted in new home sales.

New Home Developments

Much of the new sales housing construction, particularly single-family homes, has been concentrated in suburban communities in Greene and Montgomery Counties. Approximately 2,375 single-family homes were permitted in Greene County from 2020 through 2024, accounting for 40 percent of all single-family homes permitted in the HMA. During the same period, approximately 2,300 single-family homes, or 39 percent of the total, were permitted in Montgomery County. Wenger Village is a recent development in Montgomery County, northwest of the city of Dayton, with 55 three- or four-bedroom, single-family homes planned at buildout. Eight home sites are currently available for sale, with home prices starting at $360,000. In addition, work is underway on the 162-home Edenbridge subdivision in central Greene County. The current phase will have 54 three- to five-bedroom, single-family homes at buildout, with prices starting in the low $300,000s.

Figure 12. Annual Sales Permitting Activity in the Dayton HMA



Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

Forecast

During the 3-year forecast period, demand is estimated for 5,000 new homes in the HMA (Table 5). The 910 units under construction are expected to meet a portion of the demand during the first year of the forecast period. New home sales demand is expected to be stable each year of the forecast period because of continued employment growth and steady net in-migration.

Table 5. Demand for New Sales Units in the Dayton HMA During the Forecast Period

	Sales Units
Demand	5,000 Units
Under Construction	910 Units

Note: The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

Since 2020, the fourth quarter apartment vacancy rates in the Dayton HMA have ranged from 5.0 to 7.2 percent.

Current Conditions and Recent Trends

The rental market in the HMA is balanced, with an overall rental vacancy rate estimated at 7.0 percent (Table 6), down from 7.9 percent in April 2020 and substantially below the 12.3-percent rate in April 2010, when market conditions were soft. A shift from net out-migration to net in-migration in the mid-2010s and an increased propensity to rent following the housing crisis contributed to the decrease in the overall rental vacancy rate after 2010. The decline in the rental vacancy rate since 2020 has been partly due to demand for rental units outpacing new apartment production and to tight conditions in the market for single-family homes for rent. As of 2023, 42 percent of renter households in the HMA lived in single-family homes, 20 percent lived in multifamily structures with two to four units, and 37 percent lived in multifamily structures with five or more units, typically apartments (ACS 1-year data).

Apartment Market Conditions

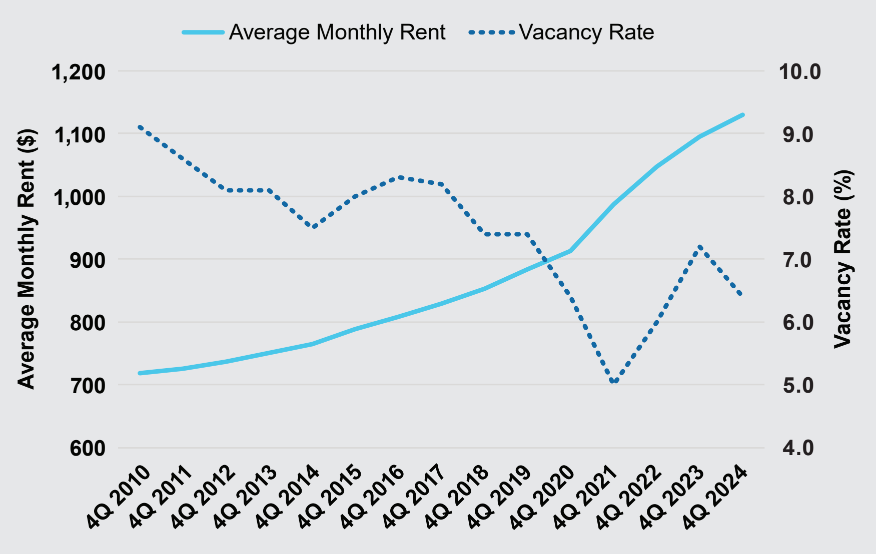
Apartment market conditions in the HMA are balanced but tightening. As of the fourth quarter of 2024, the apartment vacancy rate was 6.4 percent, down from 7.2 percent as of the fourth quarter of 2023 (CoStar Group; Figure 13). The apartment vacancy rate declined because the construction of new rental units decreased, and rising home prices made renting more attractive. The apartment vacancy rate steadily declined from 9.1 percent as of the fourth quarter of 2010, when the market was soft, to 7.5 percent as

Table 6. Rental and Apartment Market Quick Facts in the Dayton HMA

		2020 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	7.9	7.0
		2021 (%)	**2023 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	40	42
	Multifamily (2–4 Units)	21	20
	Multifamily (5+ Units)	38	37
	Other (Including Mobile Homes)	1	1
		4Q 2024	**YoY Change**
Apartment Market Quick Facts	**Apartment Vacancy Rate**	6.4	-0.8
	Average Rent	$1,130	3%
	Studio	$824	2%
	One-Bedroom	$953	4%
	Two-Bedroom	$1,206	3%
	Three-Bedroom	$1,464	4%

4Q = fourth quarter. YoY = year-over-year.
Notes: The current date is January 1, 2025. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

Figure 13. Apartment Rents and Vacancy Rates in the Dayton HMA



4Q = fourth quarter.
Source: CoStar Group

of the fourth quarter of 2014, when apartment market conditions were balanced. Apartment market conditions were balanced through the fourth quarter of 2019 but began to tighten after the start of the COVID-19 pandemic. Demand for apartments outpaced the growth in supply, partly because many people moved out of shared living arrangements in search of more space, and government financial assistance allowed more people to afford renting. The apartment vacancy rate fell to a recent low of 5.0 percent as of the fourth quarter of 2021 as apartment market conditions became slightly tight before rising to 6.0 percent a year later. The apartment vacancy rate increased from 2021 through 2023, partly because a large number of new rental units entered the market and faster rent growth in the HMA curbed demand.

Rent growth in the HMA was very weak in the early 2010s but increased gradually as improving economic conditions led to a more balanced apartment market. As of the fourth quarter of 2010, the average monthly rent in the HMA was $719. Rents rose modestly as the local economy recovered, averaging an annual 1-percent gain to $750 as of the fourth quarter of 2013. As apartment demand strengthened, rent growth in the HMA accelerated to an average of 3 percent a year from the fourth quarters of 2014 to 2020. Significantly stronger demand for rental units caused rents to increase 7 percent a year from the fourth quarters of 2021 to 2022 before slowing to 4 percent during 2023. The average monthly rent in the HMA was $1,130 as of the fourth quarter of 2024, representing a 3-percent gain from a year earlier. As of the fourth quarter of 2024, the average monthly rents for studios and one-bedroom apartments rose 2 and 4 percent from a year earlier to $837 and $953, respectively, and rents for two- and three-bedroom apartments rose 3 and 4 percent to $1,206 and $1,464, respectively.

Student Housing

University students in the HMA live predominately in the city of Dayton, home to the University of Dayton and near Wright State University, which have a combined enrollment of 21,200 students (IPEDS). Off-campus student households are estimated to account for approximately 6 percent of all renter households in the HMA. That proportion is expected to be relatively stable, partly because no dormitories are under construction or in planning, and no significant changes in enrollment are anticipated. The vacancy rate among rental properties targeted to the student population was estimated at 4.4 percent as of the fourth quarter of 2024, down from 5.0 percent a year earlier, and the average asking rent for a student apartment rose 3 percent from a year earlier to $1,004 (CoStar Group).

Market Conditions by Geography

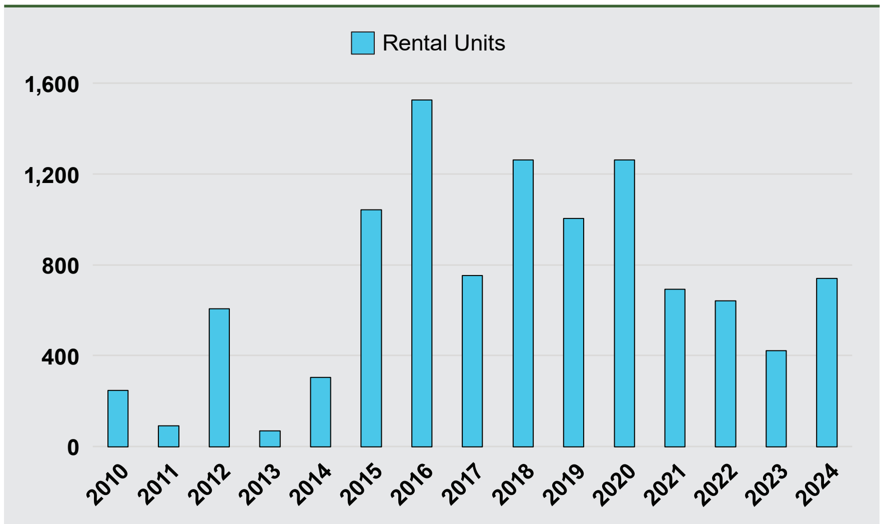
As of the fourth quarter of 2024, apartment vacancy rates declined in five of the eight CoStar Group-defined market areas in the HMA. The East Dayton and the Northeast Dayton market areas, where construction of new rental units has been very limited, had the lowest vacancy rates at 4.2 and 4.0 percent, respectively, down from 4.8 and 7.8 percent a year earlier. The Central/West market area and the Fairborn/AFB market area, which encompasses WPAFB, had the highest vacancy rates at 14.5 and 9.6 percent, respectively, up from 12.9 and 8.9 percent a year ago. Vacancy rates tend to be high in the Central/West market area, which includes downtown Dayton and older urban neighborhoods north and west of downtown affected by net out-migration of residents to the suburbs and with many obsolescent units. Apartment vacancies in the remaining market areas as of the fourth quarter of 2024 ranged from 4.6 percent in the Beavercreek/Bellbrook market area, down from 8.4 percent a year earlier, to 5.9 percent in the Miamisburg/Moraine market area, up from 5.4 percent a year earlier.

As of the fourth quarter of 2024, average apartment rents among the eight CoStar Group-defined market areas ranged from $860 in the East Dayton market area to $1,445 in the Beavercreek/Bellbrook market area, respective 5- and 3-percent increases compared with the fourth quarter of 2023. In the Miami County market area, the average apartment rent as of the fourth quarter of 2024 declined 2 percent from a year earlier to $1,202. In the remaining market areas in the HMA, rent increases during the same period ranged from 3 to 4 percent.

Rental Construction

Rental building activity, as measured by the number of rental units permitted, has fallen from its recent high in 2020 but increased during the past year as builders responded to tighter apartment market conditions. An average of 260 rental units were permitted in the HMA each year from 2010 through 2014 (Figure 14). During the period, the excess supply of vacant rental units that became available in the aftermath of the housing crisis met the increases in demand. From 2015 through 2020, builders responded to strengthening demand due to net in-migration and stronger economic conditions, and rental permitting increased sharply to an average of 1,150 units annually. Despite tighter apartment market conditions since 2020, construction of new rental units slowed during the following 2 years, partly because of materials and labor shortages following the outbreak of the pandemic. Permitting averaged 670 units a year from 2021 through 2022 and slowed further to a recent low of 420 rental units permitted in 2023. However, with homebuying becoming less affordable, demand for rental units has strengthened, and construction has increased, with permitting of new rental units totaling 740 during 2024, up 76 percent from a year earlier.

Figure 14. Annual Rental Permitting Activity in the Dayton HMA

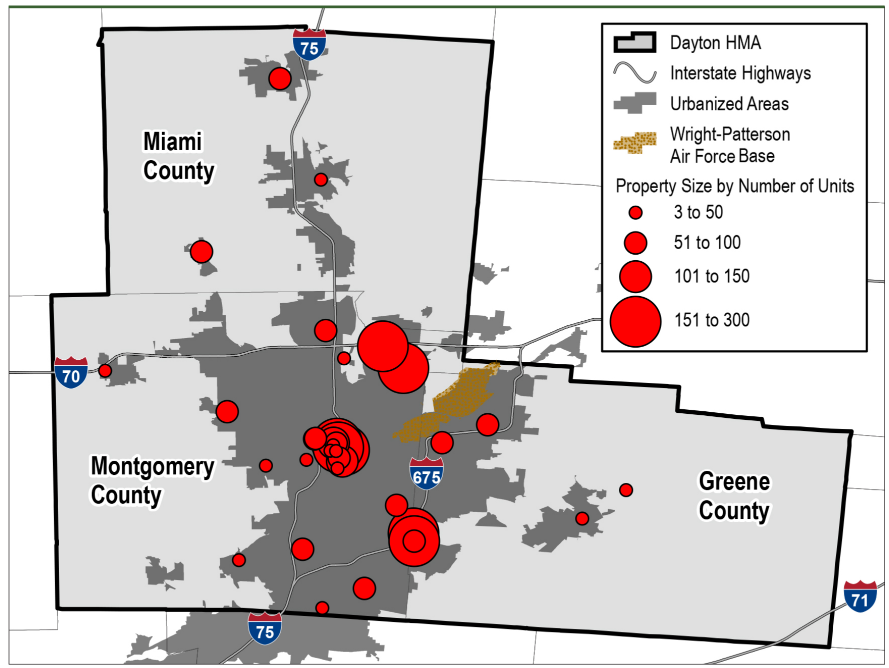


Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

Recent Developments

Approximately 83 percent of apartment units constructed in the HMA since 2020 have been in Montgomery County, with the highest concentration in the city of Dayton (Map 1). The 192-unit Hayden Park Apartments is a recently completed rental property in the city of Huber Heights, a suburb northeast of Dayton. The property is 90 percent occupied, with monthly rents ranging from $1,345 for a one-bedroom unit to $1,600 for a two-bedroom unit. The

Map 1. Completed Projects in the Dayton HMA Since 2020



Source: Dodge Data & Analytics LLC Construction Projects database, with adjustments by the analyst

Delco apartment community opened in the city of Dayton in 2024 with 160 units and is currently in lease up. Starting rents range from $1,080 for studios to $3,436 for three-bedroom units.

Forecast

Demand is expected for 3,575 rental units in the HMA during the 3-year forecast period (Table 7). Demand for new rental units is expected to be relatively constant during the forecast period. The 540 units under construction and the 260 units in the final planning stage are expected to satisfy a portion of the rental demand during the first year of the forecast period.

Table 7. Demand for New Rental Units in the Dayton HMA During the Forecast Period

Rental Units	
Demand	3,575 Units
Under Construction	540 Units

Note: The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

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.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Existing Home Sales	Includes regular resales and real estate owned sales.
Forecast Period	01/01/2025–01/01/2028—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Miami Valley region	The region centered on the Dayton metropolitan area that includes Darke, Greene, Miami, Montgomery, Preble, Shelby, and northern Warren Counties in Ohio.

Net Natural Decline	**Resident deaths are greater than resident births.**
Net Natural Increase	**Resident births are greater than resident deaths.**
Regular Resales	**Home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.**
Rental Market/ Rental Vacancy Rate	**Includes apartments and other rental units such as single-family, multifamily, and mobile homes.**
Seriously Delinquent Mortgages	**Mortgages 90 or more days delinquent or in foreclosure.**
Student Apartments	**Apartments designed and marketed to, but not limited to, student residence and typically close to a university campus where each resident has a separate lease, typically for a bedroom. Leasing cycles and lease terms may be focused on the academic year.**
Unaccompanied Housing	**Military housing intended to be occupied by members of the armed forces serving a tour of duty unaccompanied by dependents.**

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.**
2.	**Urbanized areas are defined using the U.S. Census Bureau’s 2020 Census Urban and Rural Classification and the Urban Area Criteria.**

C. Additional Notes	
1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits	
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