NAR Commercial Real Estate Metro Market Report | 2021.Q4
Dayton, OH
Core-Based Statistical Area Code: 19380

The Dayton, OH commercial real estate market is not as strong compared to the overall U.S. market.
NAR Commercial Real Estate Market Conditions Index* 26.1

Overall economic conditions are not as strong than nationally.
The apartment property market is not as strong than nationally.
The office property market is not as strong than nationally.
The industrial property market is not as strong than nationally.
The retail property market is not as strong than nationally.
The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

	Dayton, OH			U.S.			
Economic	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	
Total non-farm employment ('000)	382	376	374	150,098	147,650	143,602	
Y/Y chg.in nonfarm payroll employment ('000)	5	3	(23)	5,977	5,704	(9,244)	
Y/Y % chg. in nonfarm payroll employment	1.4%	0.9%	-5.7%	4.1%	4.0%	-6.0%	***Job creation is weaker than nationally***
Unemployment rate (%)	4.8%	5.4%	5.2%	4.2%	4.7%	6.7%	***Unemployment rate is higher than nationally***
Average weekly wages	$1,001	$996	$971	$1,080	$1,073	$1,038	
Wage growth, year-over-year	3.9%	7.1%	12.8%	4.8%	4.5%	6.7%	***Wages are rising at a slower pace than nationally***
(data are as of last month of the quarter)							
	2020	**2019**	**2018**	**2020**	**2019**	**2018**	
GDP growth (%)	-	-	-	-3.4%	2.3%	2.9%	
	2019	**2018**	**2017**	**2019**	**2018**	**2017**	
Median household income	#N/A	$54,942	$52,745	$87,470	$84,423	$81,284	
Demographic	**2020**	**2019**	**2018**	**2020**	**2019**	**2018**	
Net domestic migration ('000)	#N/A	#N/A	#N/A	0	0	0	
Population ('000)	#N/A	#N/A	#N/A	331,501	328,330	326,838	
Population growth (%)	#N/A	#N/A	#N/A	0.97%	0.46%	0.53%	

II. Multifamily

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	4.5%	4.4%	6.1%	4.6%	4.6%	6.6%	***The area has a lower vacancy rate than nationally***
Absorption of units over the quarter	(38)	164	344	78,063	189,629	94,740	
Absorption of units in past 12 months	879	1,261	983	714,672	731,349	376,273	
Absorption in past 12 months as % of inventory	1.8%	2.6%	2.1%	4.2%	4.3%	2.3%	***The area has lower absorption than nationally***
Market asking rent per unit	$933	$922	$860	$1,543	$1,532	$1,387	
Market asking rent per unit, y/y % chg	8.4%	7.5%	3.2%	11.3%	10.6%	0.5%	
Effective rent per unit	$928	$919	$855	$1,534	$1,523	$1,367	
Effective rent per unit, y/y % chg	8.6%	7.6%	3.0%	12.2%	11.6%	-0.1%	***Rents are rising more slowly than nationally***
Rent as a percent of 2-person annual wage income	10.7%	10.6%	10.1%	16.3%	16.3%	15.2%	***Renting is more affordable than nationally***
Supply indicators							
Inventory	48,208	48,246	47,330	17,112,020	17,034,566	16,401,950	
Net delivered units in past 12 months	50	50	484	369,993	387,542	434,591	
Net delivered units, as % of inventory	0.1%	0.1%	1.0%	2.2%	2.3%	2.6%	
Units under construction	365	365	475	681,402	692,701	687,551	
Units under construction, as % of inventory	0.8%	0.8%	1.0%	4.0%	4.1%	4.2%	***Construction is weaker than nationally***
Ratio of jobs created to net delivered units	104.0	64.0	(46.9)	16.2	14.7	(21.3)	***More jobs per delivered units than nationally***
(as of latest available month of the quarter)							
Sales transactions							
Total investment acquisitions (in million $)	$6	$55	$4	$86,764	$63,211	$47,522	***Sales transactions are not rising as fast than nationally***
Transaction sales price per unit	$53,221	$114,396	$32,338	$235,199	$231,697	$212,033	***Prices are rising faster nationally***
Market cap rate	6.9%	6.9%	7.1%	5.2%	5.2%	5.3%	***Cap rates are higher than nationally***

III. Office

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	9.6%	9.3%	7.1%	12.2%	9.3%	7.1%	***The area has a lower vacancy rate than nationally***
Absorption in sq.ft. over the quarter	(103,221)	51,528	(124,184)	14,567,728	5,676,582	(34,912,824)	
Absorption in sq.ft. over 12 months	(1,014,790)	(1,035,753)	29,905	(39,446,204)	(88,926,760)	(74,605,520)	
Absorption in past 12 months as % of inventory	-2.6%	-2.6%	0.1%	-0.5%	-1.2%	-1.0%	***The area has lower absorption than nationally***
Market rent per sq.ft.	$16.5	$16.5	$16.1	$34.4	$34.3	$34.3	
Market rent growth, y/y % chg.	2.3%	2.3%	-1.0%	0.1%	-0.3%	-1.5%	***Rents are rising faster than nationally***
Y/Y chg.in professional/business services jobs ('000)	0.0	(2.8)	(3.1)	1,134	1,092	(870)	***Stronger office job creation than nationally***
(as of latest available month of the quarter)							
Supply indicators							
Inventory in sq. ft.	39,374,896	39,478,116	40,389,684	7,237,517,312	7,222,925,312	7,276,806,144	
Net delivered over 12 months, in sq.ft.	43,405	50,500	43,267	59,502,409	57,367,205	45,533,641	
Net delivered units, as % of inventory	0.1%	0.1%	0.1%	0.8%	0.8%	0.6%	***More delivered space relative to inventory than nationally***
Under construction in sq.ft.	7,040	-	60,000	142,297,840	141,203,264	155,258,080	
Under construction, as % of inventory	0.0%	-	0.1%	2.0%	2.0%	2.1%	***Construction activity is slower than nationally***
Sales transactions							
Total investment acquisitions (in million $)	$5	$8	$9	$28,031	$29,974	$21,646	***Sales transactions are not rising as fast than nationally***
Transaction sale price per sq.ft.	$38	$49	$37	$305	$306	$301	***Prices are rising faster nationally***
Market cap rate	9.1%	9.1%	9.2%	7.0%	7.0%	7.0%	***Cap rates are higher than nationally***

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IV. Industrial

	Dayton, OH			U.S.			
Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	4.6%	5.3%	5.5%	4.2%	4.6%	5.5%	***The area has higher vacancy rate than nationally***
Absorption in sq.ft. over the quarter	1,720,826	215,549	(128,959)	134,147,704	163,473,664	85,677,192	
Absorption in sq.ft. over 12 months	2,409,922	560,137	892,603	502,819,872	454,349,376	223,162,272	
Absorption in past 12 months as % of inventory	2.3%	0.5%	0.9%	3.0%	2.7%	1.4%	***The area has lower absorption than nationally***
Market rent per sq.ft.	$4.8	$4.8	$4.6	$9.8	$9.5	$9.0	
Market rent growth, y/y % chg.	5.3%	5.6%	5.0%	8.6%	7.2%	4.6%	***Rent growth is slower than nationally***
Supply indicators							
Inventory in sq. ft.	104,753,264	103,032,440	102,343,344	16,815,425,536	16,680,851,456	16,312,040,448	
Net delivered over 12 months, in sq.ft.	1,495,646	473,640	1,186,064	283,714,234	297,459,785	307,128,078	
Net delivered units, as % of inventory	1.4%	0.5%	1.2%	1.7%	1.8%	1.9%	***Less deliveries relative to inventory than nationally***
Under construction in sq.ft.	1,109,068	1,916,146	1,495,646	508,025,152	466,780,896	340,499,936	
Under construction, as % of inventory	1.1%	1.9%	1.5%	3.0%	2.8%	2.1%	***Less delivered space relative to inventory than nationally***
Sales transactions							
Total investment acquisitions (in million $)	$59	$23	$17	$34,773	$30,151	$29,578	***Sales transactions are rising faster than nationally***
Transaction sale price per sq.ft.	$33	$33	$21	$144	$127	$110	***Prices are rising faster nationally***
Market cap rate	8.1%	8.1%	8.0%	6.3%	6.3%	6.4%	***Cap rates are higher than nationally***

V. Retail

Demand indicators	**2021 Q4**	**2021 Q3**	**2020 Q4**	**2021 Q4**	**2021 Q3**	**2020 Q4**	
Vacancy rate	4.1%	4.2%	4.7%	4.6%	4.8%	5.1%	***The area has a lower vacancy rate than nationally***
Absorption in sq.ft. over the quarter	68,597	231,722	(50,952)	28,236,304	29,377,518	689,343	
Absorption in sq.ft. over 12 months	284,003	164,454	(285,242)	76,321,048	48,774,088	(28,079,124)	
Absorption in past 12 months as % of inventory	0.5%	0.3%	-0.5%	0.7%	0.4%	-0.3%	***The area has lower absorption than nationally***
Market rent per sq.ft.	$13.4	$13.1	$12.6	$22.5	$22.3	$21.9	
Market rent growth, y/y % chg.	5.9%	4.9%	3.8%	2.8%	2.1%	0.8%	***Rents are rising faster than nationally***
Y/Y chg.in retail trade payroll employment ('000)	1.10	1.40	(1.00)	372.10	387.70	(473.90)	***The area has weaker retail trade job creation than nationally***
(as of latest available month of the quarter)							
Supply indicators							
Inventory in sq. ft.	58,614,084	58,545,488	58,330,080	11,209,097,216	11,180,823,552	11,132,858,368	
Net delivered over 12 months, in sq.ft.	-55,734	-48,586	43,022	21,047,385	28,105,270	41,736,234	***Relatively fewer units delivered than nationally***
Net delivered units, as % of inventory	-0.1%	-0.1%	0.1%	0.2%	0.3%	0.4%	***Less delivered space relative to inventory than nationally***
Under construction in sq.ft.	6,244	-	2,325	50,577,712	53,660,692	52,556,572	
Under construction, as % of inventory	0.0%	-	0.0%	0.5%	0.5%	0.5%	***Construction activity is slower than nationally***
Sales transactions							
Total investment acquisitions (in million $)	$27	$35	$28	$24,585	$21,801	$18,723	***Sales transactions are not rising as fast than nationally***
Transaction sale price per sq.ft.	$97	$120	$65	$237	$204	$192	***Prices are rising faster nationally***
Market cap rate	7.9%	7.9%	7.9%	7.0%	7.0%	7.0%	***Cap rates are higher than nationally***

VI. Hotel/Lodging

	2021 Q4 (Nov)	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	**2021 Q4 (Nov)**	**2021 Q3 (Sept)**	**2020 Q4 (Dec)**	
Leisure and hospitality payroll workers ('000)	34.6	34.3	32.9	15,362	15,397	12,896	
Y/Y change ('000)	0.3	1.0	(6.1)	2,533.0	1,841.0	(3,541.0)	***Job creation in the leisure industry is stronger than nationally***
% share to nonfarm payroll employment	9.1%	9.1%	8.8%	10.2%	10.4%	9.0%	***Lower fraction of workers in leisure industry than nationally***

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City) . The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of compararable properties in the geographic area.

Data may not be available for some markets or property types.

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