

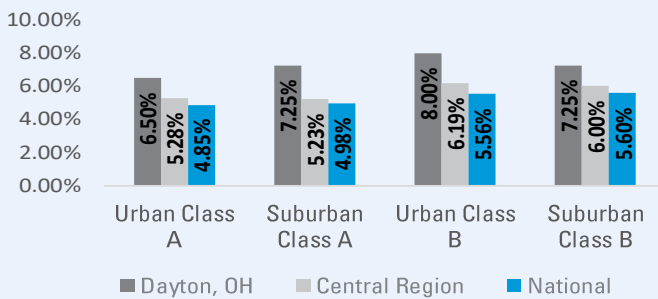
2023 DAYTON, OH MULTIFAMILY ANNUAL REPORT

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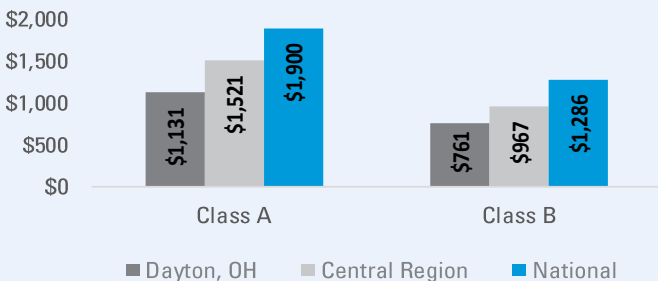
Market Rate Indicators (Y/Y)

Categories	Class A	Class B
Going In Cap Rate (%)	▼	▼
Asking Rent (\$/Unit)	▲	▲
Vacancy Rate (%)	▲	▼

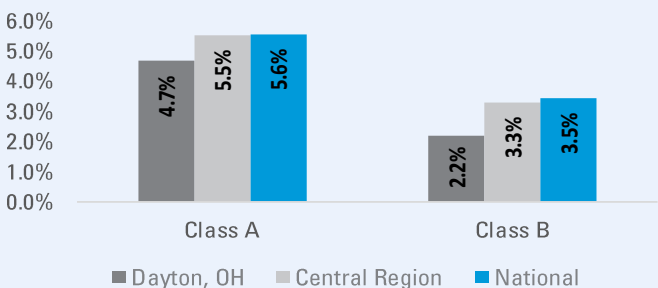
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



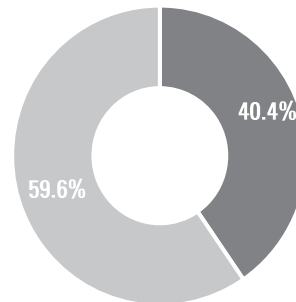
Vacancy Rates (%)



Dayton, OH Multifamily Market Overview

The Dayton multi-family real estate market has stabilized somewhat when comparing to 2021. In 2021 there were approximately 1,000 new units being built and the overall occupancy rate was at or near 95%. Currently the occupancy rate is hovering around 96% with some minor fluctuations. Rental rates have continued to increase during 2022 and this may continue as mortgage interest rates have risen to near 10-year high levels. This is making buying a home more costly and some buyers have elected to rent hoping the interest rates will begin to weaken in 2023. The largest sale in the Dayton market was the sale of Avalon Place Apartments located in Fairborn which is a 592-unit complex. This property sold for \$48.9 million or \$82,000/unit. The second largest sale was Deer Creek Apartments located in Xenia. This is a 312-unit project that sold for \$38.5 million or \$123,000 per unit. Both sales appear to have been LLC sales where the LLC is sold and not the real estate. This has become a very popular type of sale, especially in the multi-family sector of real estate in the Dayton market. Units under construction have increased slightly from 2021 when there were approximately 1,000 units under construction to an estimated 1,300 currently under construction. With the current political and economic uncertainty and considering the current inflation, which is impacting all facets of our lives, it appears that the Dayton multi-family real estate market will remain stable over the next 6-12 months.

Distribution of Total Inventory



37,009 Units
Multifamily Inventory

2.87% - 12 Mo. Proj.
Construction/Inventory

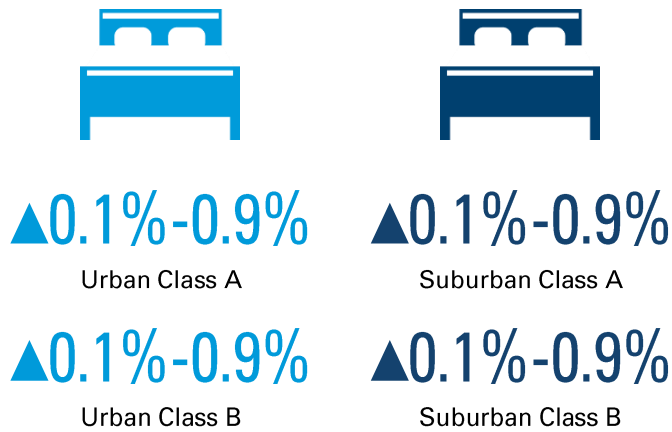
■ Class A ■ Class B

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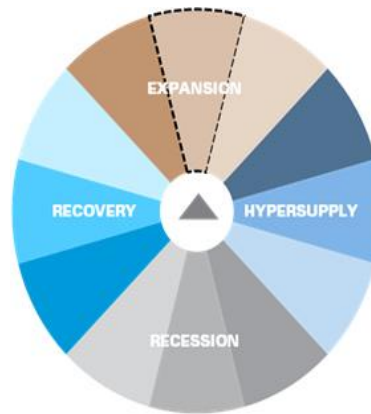
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Change In Value Next 12 Months



Market Cycle: Expansion Stage 2



- Decreasing Vacancy Rates
- Med/High Rental Rate Growth
- Moderate/High Employment Growth
- Moderate/High New Construction
- High Absorption

Forecasts

Dayton, OH 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Discount Rate	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Reversion Rate	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps	Increase 1-24 bps
Construction (Units)	1,062			
Market Rent Change	+5.00%	0%	+5.00%	0%
Expense Rate Change	+5.00%	+5.00%	+5.00%	+5.00%
Years to Balance	In Balance			

Dayton, OH 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	+11.36%			
Change in Value	Increase 5%-9.9%	Increase 5%-9.9%	Increase 5%-9.9%	Increase 5%-9.9%

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