Welcome to the Dayton Metro Real Estate Update!
October Edition 2024

This month, we're delving into the latest real estate trends, exploring shifts in market dynamics, inventory levels, and the evolving gap between active listings and sales. Our goal is to keep you informed on where the Dayton market is heading—whether you're a buyer, a seller, or simply interested in the local market trends.

First a Fun Fact:

Did you know that according to Zillow, homes with black or charcoal front doors sell for an average of $6,271 more than those with white front doors? Just a small touch of paint could add significant value!

### 1. Current Market Overview: Buyer or Seller Advantage?

Disparity Between Listings and Sales

Our key performance indicator—**Disparity %**—measures the gap between active listings and sales, indicating whether the market leans toward buyers or sellers. This month, Disparity % shows a growing inventory, suggesting a shift towards a **buyer's market** as inventory options expand.

Insights for October 2024:

1. **Sellers:** Competitive pricing is critical. With more homes on the market, overpricing could lead to your property sitting unsold. Now more than ever, its important to have a professional assisting to price homes to sell, because if you get caught behind the market you may find it difficult to regain the lost position without losing substantial time and money.
2. **Buyers:** The market is in your favor with increasing options, though demand remains steady. A discerning eye is essential as prices and options evolve. Similarly, now is a important time to have a professional mortgage counselor to help you to attain critical value during the volatile market.
3. **September's Market Shift:** A 4.48% swing toward buyers, along with a **24.84% drop in sales** from September 2023, underscores the recent change in market dynamics.

The current inventory expansion coupled with a rising number of expired listings (up 11.02% from last year) suggests an overall cooling trend. For sellers, caution is advised; for buyers, it's an opportunity—just in time for the "spooky season!"

Disparity% Between Active Listings and Sales Over Time - a normalized measure of the Market
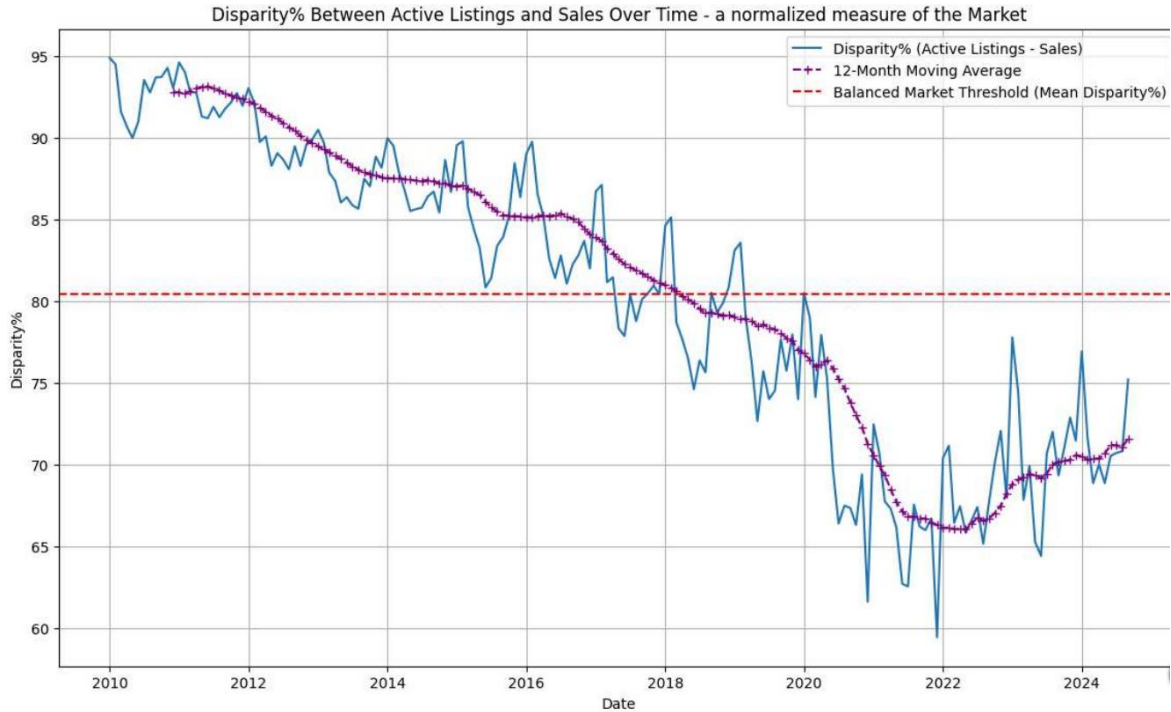
II. Data Highlights: January 2010 - October 2024

Our dataset captures a comprehensive view of market trends across various indicators:

- **Active Listings:** Monthly count of properties for sale.
- **Sales Volume:** Dollar volume of properties sold a direct reflection of buyer activity.
- **30-Year Fixed Mortgage Rates:** Average long-term rates that influence purchasing power.
- **CPI & Inflation Rates:** Key economic indicators affecting affordability.
- **Unemployment (Dayton Specific):** A new addition to assess local economic health.
- **New Listings & Expired Listings:** Metrics that add depth to our inventory analysis by capturing new market entries and unsold properties.

III. Recent Trends and Projections
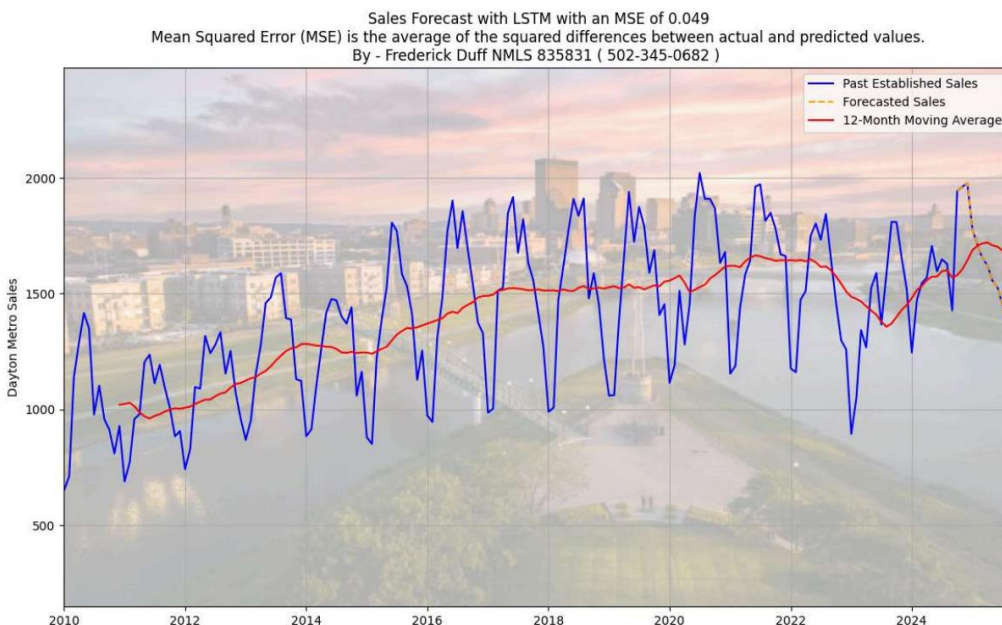
A. Active Listings

In August and September, the Dayton market experienced a slight increase in active listings compared to 2023, with fluctuations month-to-month. This year's average monthly inventory retention is around 790 units, marking a 14.6% increase year-to-date. According to SARIMA projections, active listings may decrease slightly, but overall, inventory growth suggests a market shift towards better opportunities for buyers.

B. Sales Volume & Projected Trends

Sales volumes in recent months show a unstable trend, with a 12.34% decrease from August and a 24.84 decrease from September of 2023. This suggests a significant change in energy and potentially a signal of weaker sales and demand due to macro-economic considerations . Combined with the projection of a potential cooling period next year, great care needs to be considered in planning. Buyers and Sellers in this market sit on the sideline at their own peril.

Below is a graph of historic sales combined with a 12-month rolling average line to more clearly exhibit the existing trends. We utilized a CNN-LSTM model , which combines two powerful deep learning architectures- a Convolutional Neural Network (CNN) and a Long Short-Term Memory (LSTM) to handle both the spatial and temporal data in a sequential framework.

The blue line represents the historic known data, while the dotted line at the end represents the forecasted values . Limits of any forecasting model will be sudden alterations of patterns which are commonly exhibited in shifting markets.


Sales Forecast with LSTM with an MSE of 0.049
Mean Squared Error (MSE) is the average of the squared differences between actual and predicted values.
By - Frederick Duff NMLS 835831 (502-345-0682)

## IV. Mortgage Rates and Economic Conditions

Interest Rate Update:
The recent 0.50% cut by the Federal Reserve in its discount rate doesn't directly impact mortgage rates (driven by the 10-year Treasury bond), but it reflects underlying market conditions that may indirectly reduce mortgage rates. The Fed's actions aim to stimulate economic activity, potentially bringing slight relief to mortgage rates in the coming months.

Take note of the interest rates and inflation charts. Overall interest rates seem to trail the inflation rates trends. Proper timing and vigilance is important during this time.

Original 30yrFRM Over Time

Original Inflation_Rate Over Time
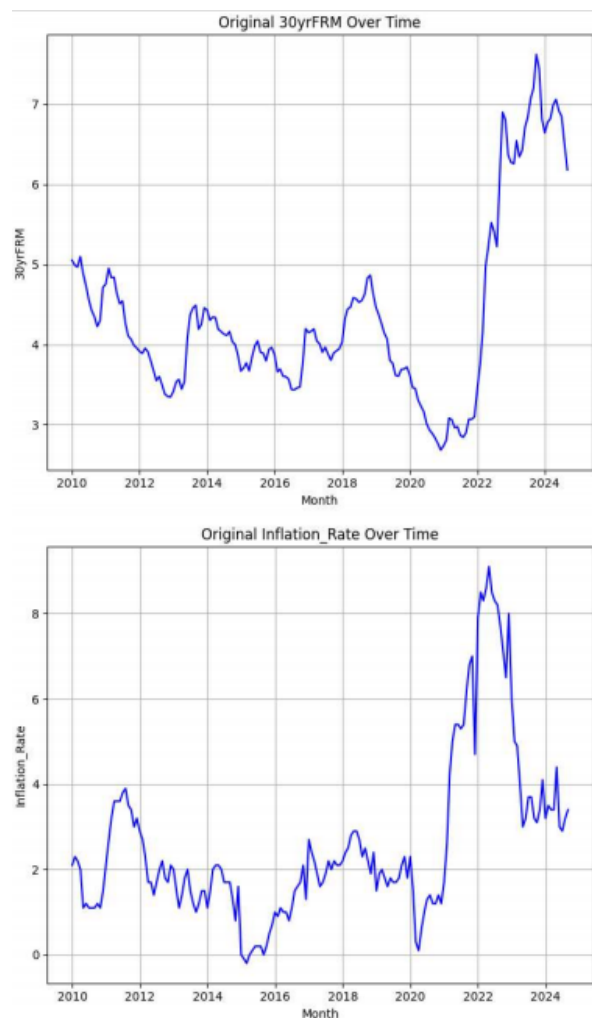
V. Visual Insights: Data-Driven Decision Making

The graph below shows the estimated forecast for the upcoming market for the next 12 months. From current trends, the forecast may not express the true volatility in the market. Right now , the models are suggesting the sales improve temporarily during the months of December, January and February when compared with the previous year. The overall forecast suggests that next year will have lower levels of sales . Please remember that policy can change these forecasts.

Ensemble Forecast of Mean Sales Difference Over Time- DAYTON, OH- Fred Duff-NMLS 835831 Ky and Oh.
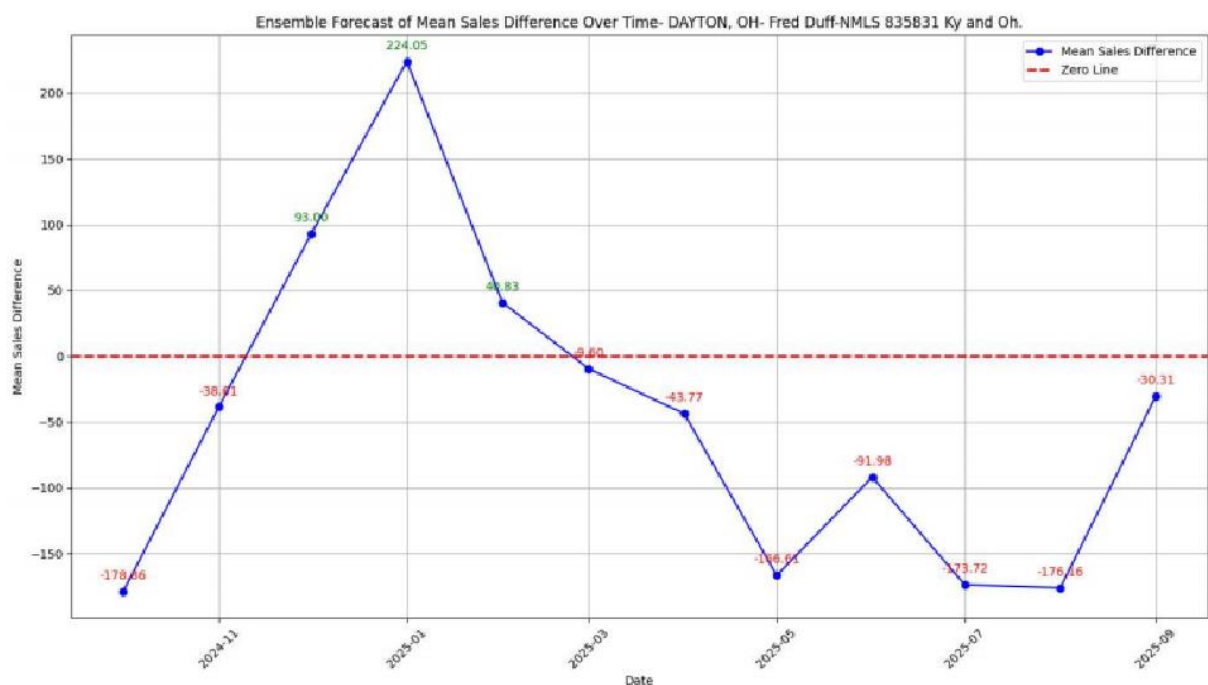
VI. Final Thoughts and Contact

As the Dayton market undergoes these transitions, it's essential to stay informed. **Buyers** should keep a close watch on interest rate trends, while **sellers** should be mindful of pricing strategies to avoid prolonged listings. We'll continue monitoring these trends to provide timely updates that support your decisions.

For questions or insights into specific data points, feel free to reach out.

	Active	Sales	Avg Sales Unit	CPI	New_Listings	Sales_Volume	Expired Listing	30 Yr Fixed	Inflation rate	unemployment	disparity
9/1/2023	5906	1809	$ 246,738.77	307	2472	$ 446,350,426.00	1664	7.07	3.7	3.6	4097
9/1/2024	5738	1449	$ 261,033.50	314.8	1855	$ 378,237,547.00	1870	7.2	3.2	5.2	4289
# Difference	-168	-360		7.796	-617	$ (68,112,879.00)	206	0.13	-0.5	1.6	192
percentage difference	-2.93%	-24.84%		2.48%	-33.26%	-18.01%	11.02%	1.81%	-15.63%	30.77%	4.48%

For feedback on this newsletter or further insights into specific data points, please feel free to reach out.

Sincerely,

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