

Greater Dayton Real Estate Investor Guide

Cashflow benchmarks • Neighborhoods to watch • Common mistakes to avoid • Updated 2025

AVG. HOME PRICE
~\$185K

AVG. GROSS RENT
\$1,050/mo

LANDLORD SATISFACTION
Ohio ✓

PRICE-TO-RENT RATIO
14.7x
Buyer's market (under 15 = buy)

MEDIAN DAYS ON MARKET
18
Move fast — inventory is tight

AVG. PROPERTY TAX RATE
1.8%
Montgomery County assessed value

VACANCY RATE (DAYTON MSA)
5.2%
Below national avg. of 6.6%

CASH FLOW BENCHMARKS

METRIC	TARGET	STATUS
Gross Rent Multiplier	≤ 10x	Achievable
Cap Rate (SFR)	6–9%	Strong
Cap Rate (Multi)	7–11%	Excellent
Cash-on-Cash Return	> 8%	Common here
1% Rule	1% mo. rent	Often met
Vacancy Allowance	5–8%	Budget for
CapEx Reserve	10% of rent	Non-negotiable
Property Mgmt Fee	8–10%	If outsourcing
Insurance (avg.)	\$800–1,400/yr	Per SFR

QUICK DEAL MATH

THE 1% RULE (QUICK FILTER)
 $\text{Monthly Rent} \div \text{Purchase Price} \geq 1\%$
 \$170K home → needs ≥ \$1,700/mo rent

NET OPERATING INCOME
 $\text{Gross Rents} - \text{Vacancy} - \text{OpEx} = \text{NOI}$
 \$14,400 - \$720 - \$5,200 = \$8,480/yr

DAYTON EDGE
 Low entry prices + stable rent demand from Wright-Patterson AFB (26,000+ personnel) create durable cash flow that coastal markets can't match.

NEIGHBORHOODS TO WATCH

Huber Heights High Demand WPAFB Feeder
 Stable blue-collar rental base, strong turnover rate, lots of 3BR/1BA SFRs in the \$120–160K range renting for \$1,050–1,500/mo. One of the most consistent performers in the MSA.

Trotwood High Yield Mgmt Intensive
 Entry prices under \$90K with rent at \$850–1,300/mo can yield 10%+ cap rates. Requires strong tenant screening and active management. Best for experienced investors.

Kettering Stable Low Vacancy
 Dayton's most reliable suburb. Stronger school district draws long-term tenants. Prices \$160–220K, rents \$1,100–1,550/mo. Lower yield but lower turnover costs.

Riverside / Fairborn WPAFB Belt Growing
 Direct proximity to base gates makes this a military rental magnet. BAH rates support \$1,200–1,600/mo rents. Strong appreciation trajectory since 2021.

Downtown / Oregon District Value-Add Emerging
 Mixed-use and small multifamily plays. Revitalization underway; early movers capturing appreciation upside. Riskier but potentially strongest 5-yr equity play in the market.

Beavercreek Premium Low Risk
 Highest-end rental stock in the MSA. Defense contractor tenants, \$1,400–2,000/mo rents. Thinner cash flow but elite tenant profile and lowest maintenance costs.

- ### 7 MISTAKES DAYTON INVESTORS MAKE
- Ignoring deferred maintenance on older stock**
 80% of Dayton homes were built pre-1980. Knob-and-tube wiring, cast iron drain lines, and original HVAC will eat your cash flow. Budget 12–15% of purchase price for a proper rehab reserve.
 - Using national rent comps instead of local**
 Zillow Rent Zestimate runs 10–18% high in this market. Use Rentometer, Facebook Marketplace, and local PM companies for real rent comps before you underwrite.
 - Skipping the neighborhood block-by-block check**
 In Dayton, one street can separate a B+ rental from a D-class problem property. Always drive the block at 7pm on a weekday before you buy.
 - Underestimating property taxes post-transfer**
 Ohio reassesses at sale. A \$90K purchase can trigger a new assessed value — and a tax bill 30–40% higher than the seller's. Pull the current numbers, not tax history.
 - Self-managing remotely without local boots**
 Out-of-state investors who self-manage Dayton properties without a local contact average 23 days longer to resolve maintenance issues — and lose tenants because of it.
 - Chasing the highest yield in the lowest-grade areas**
 A 14% cap rate on paper can become 4% real cash flow after evictions, vacancy, and rehab cycles. Match strategy to experience — start in B-class neighborhoods.
 - Not using an Ohio-specific lease**
 Ohio landlord-tenant law (ORC Ch. 5321) has specific disclosures, notice periods, and habitability standards. A generic online lease can void your remedies. Use an attorney-reviewed Ohio lease.

PROPERTY TYPES TO CONSIDER

TYPE	ENTRY	BEST FOR
SFR (3BR/1BA)	\$100-175K	Beginners, stable tenants
Small Multi (2-4u)	\$150-260K	Best cash flow per dollar
Mid-size Multi (5-12u)	\$280-550K	Commercial financing, scale
BRRRR Candidates	\$60-110K	Value-add; recycle capital
Short-Term Rentals	\$150K+	Fairborn / Centerville only

KEY LOCAL RESOURCES

Dayton Area Board of Realtors	DABR.com — MLS, market stats
City of Dayton Rental Registry	Required for all Dayton city limits rentals
Ohio Landlord- Tenant Law	ORC Chapter 5321 — know before you close
TB & FFB	Investor-friendly local lenders
ORIA (Ohio RE Investors)	Local REIA — networking, deals, education

INVESTOR DUE DILIGENCE CHECKLIST

- Run rent comps via Rentometer + 3 local PMs
- Order full inspection incl. sewer scope (\$350-500)
- Verify zoning & rental registry status with city
- Underwrite with 8% vacancy, 10% CapEx, 10% repairs
- Drive block at night; check crime map (CrimeMapping.com)
- Get landlord insurance quote BEFORE closing
- Confirm deal math still works at 20% above rehab estimate

Greater Dayton Investor Guide • Prepared for educational purposes • Data reflects 2024-2025 market conditions
Benchmarks are general guidelines. Always verify with current MLS data, licensed appraisers, and qualified tax/legal professionals before investing.

Ready to analyze a specific deal?
Schedule A Free Strategy Call
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