



Midlothian ISD

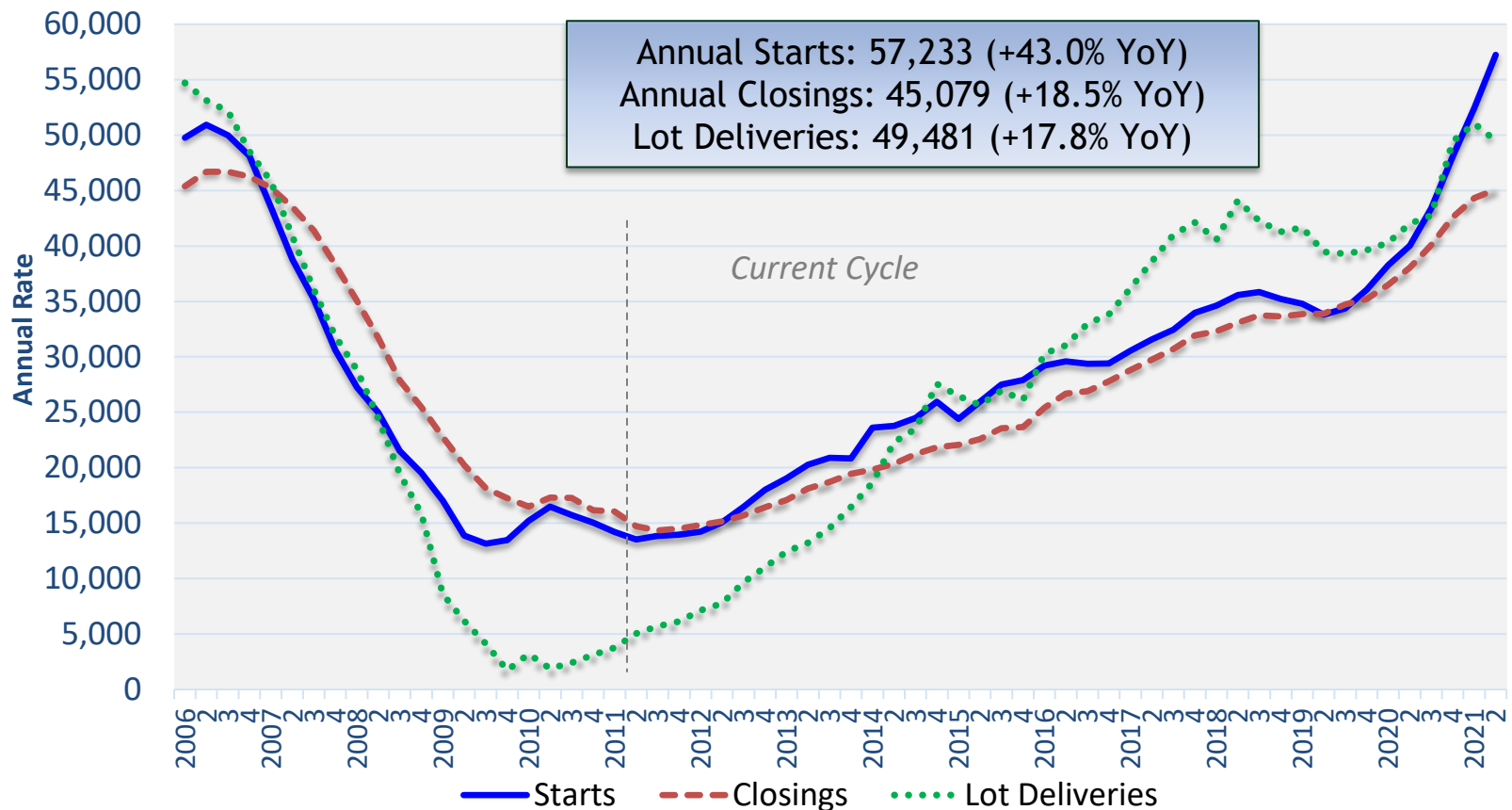
District
Demographics
Update

2Q 2021



School District Strategies
Solutions Through Demographics

DFW: NEW HOME STARTS, CLOSINGS & LOT DELIVERIES



- DFW homebuilders produced another record level of home starts in 2Q21 with just over 15,000 starts generated. For the year, builders have already produced over 30,000 starts, and the annual start pace has climbed to an all-time high of 57,233 starts.

DFW HOUSING MARKET—2021 FIRST HALF DEMAND SURGE

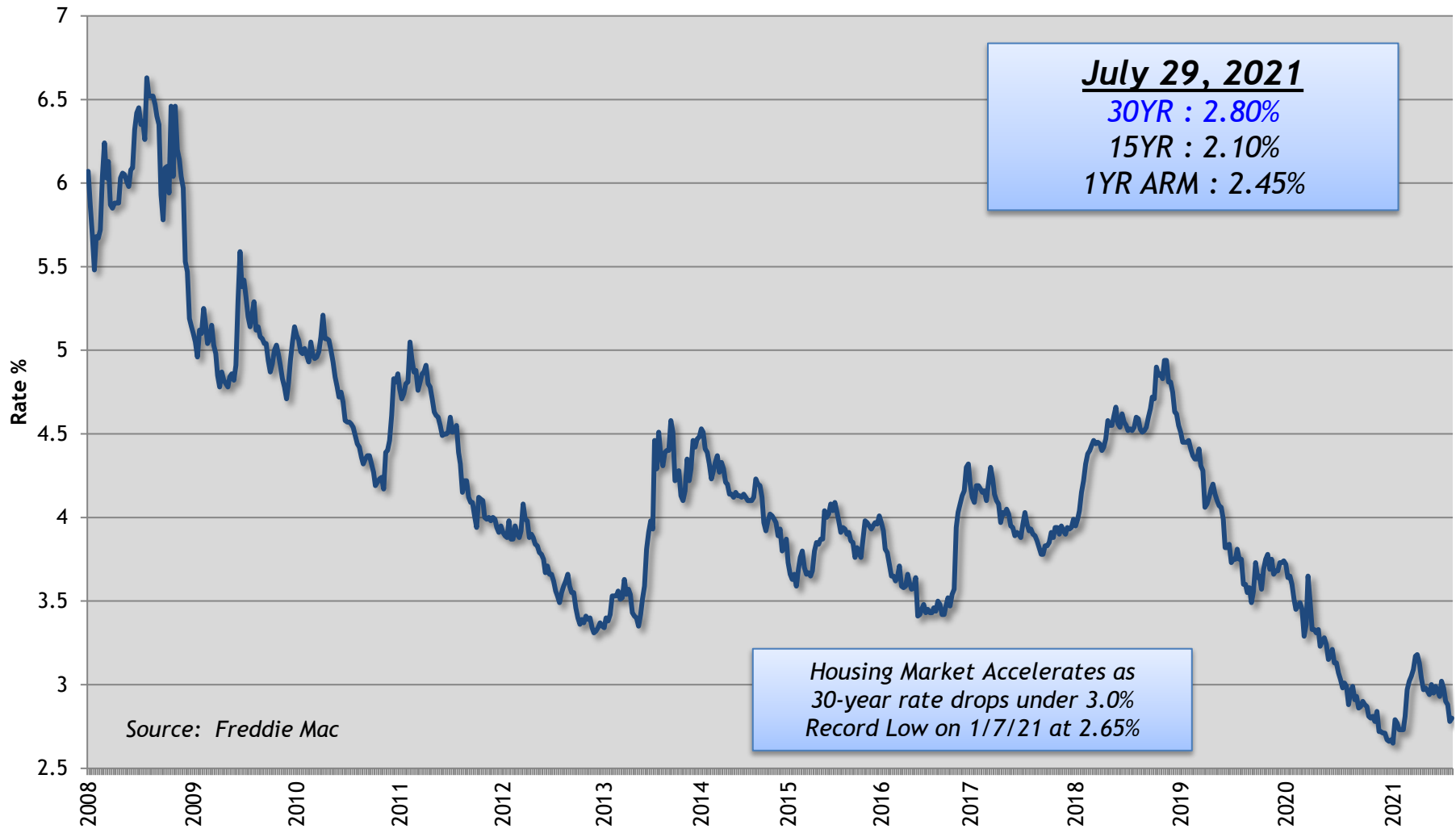
1Q21-2Q21 Focused on Dealing with Wave of Buyer Demand

- Record decline in mortgage rates creates flood of buyers
- Components of demand:
 - First-time Millennial buyers
 - Renters thwarted by affordability
 - Relocation buyers
 - Those unable to find existing home listings
- Demand far outpaces construction capacity
 - FV Inventory snapped up
 - Annual Starts surge 43% to record 57,233 pace

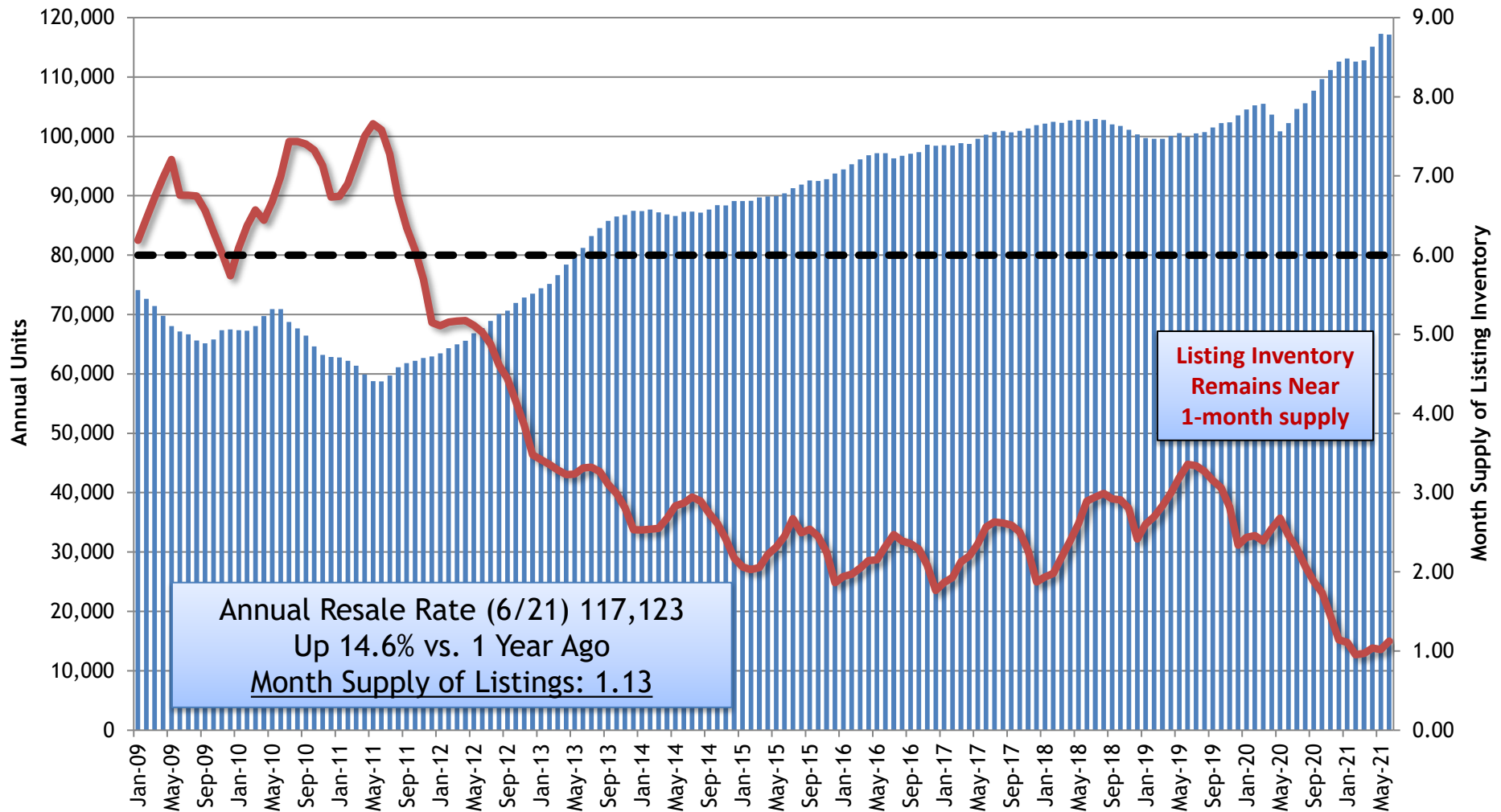
Repercussions from the Buyer Wave

- Lack of material/labor causes direct construction costs to surge by 20%+
- Builders aggressively raise new home prices to keep up with costs
 - \$50-60K increases in base prices commonplace
 - Some builders see squeezed margins
- Unable to process all of the new sales, many neighborhoods placed on allocation in late-Spring
- Many adopt a 'spec and release' approach to new home sales
 - Build-to-suit contracts push price increases back to purchaser
- Lot deliveries unable to keep up with starts, month supply falls
- Cycle Times elongated

30-YEAR MORTGAGE RATE



DFW EXISTING HOME SALES (DFW MSA)



Source: Texas A&M Real Estate Center
 Note that Texas A&M has redefined MLS Area to MSA instead of previous area compilations

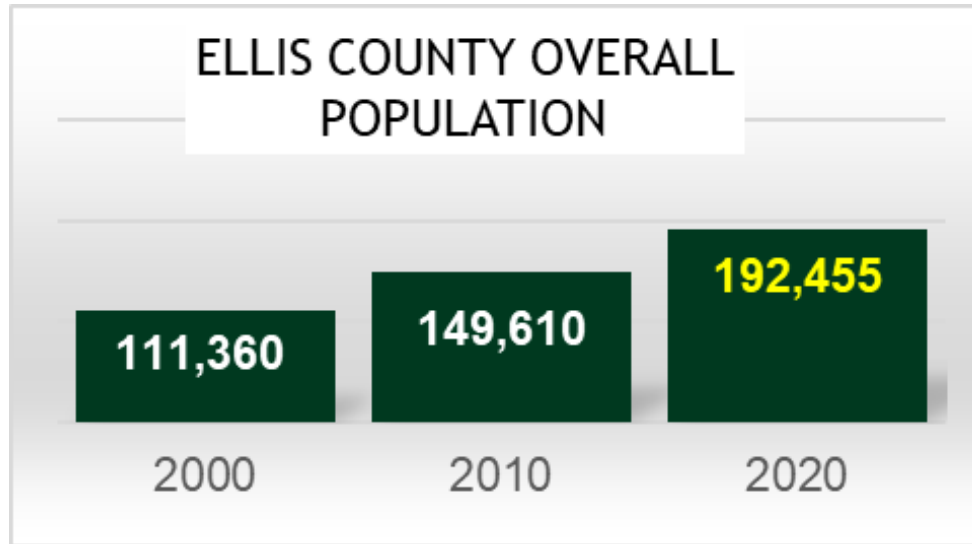
DFW RELOCATIONS

- Census Bureau releases initial 2020 MSA population data in May
- DFW's total population in 2020 was just under 7.64M (*DFW remains the 4th most populated MSA in the nation behind N.Y., L.A. and Chicago*)
- Data shows DFW had net migration (relocations) for 12-month period ended 7/1/20 of 74,920
 - Migration: 77.5% Domestic, 22.5% International
- Total population change for same period (migration plus births over deaths) was 119,748
- Net migration for 10-year period 2010 to 2020 was 763,593
- Builders report that relocation buyers continued to emerge throughout the pandemic
 - Many out-of-town buyers bringing large amounts of equity to table from sale of previous home
- Anecdotal evidence suggests as much as 40-50% of buyer demand at higher price points stemming from relo buyers today

Sources: CBRE, DMN, DBJ, DRC, US Census Bureau

ELLIS COUNTY - 2020 CENSUS RESULTS

- Census Bureau releases initial 2020 population data in May & August 2021
- Ellis County's total population was 192,455



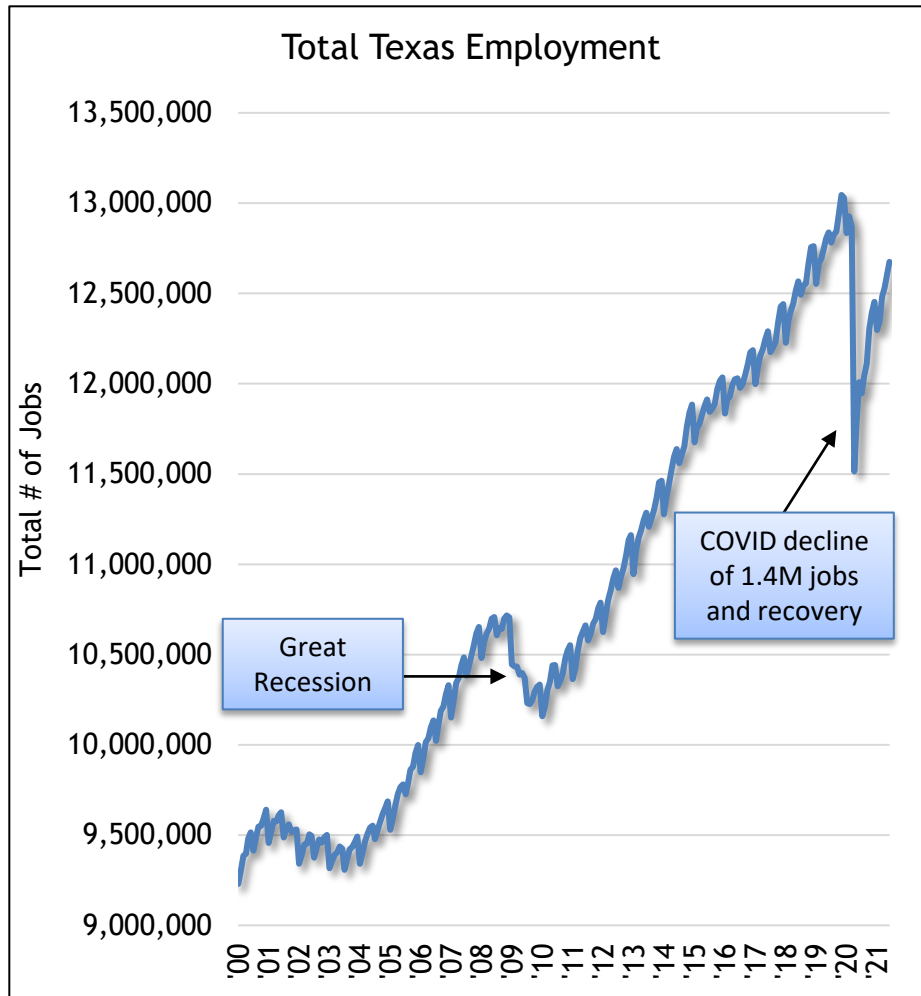
Ellis Co. Population Growth Since 2010:

- +42,845 people
- 28.6% increase

- Next data releases scheduled for December 2021 and March 2022

Sources: US Census Bureau

TEXAS ECONOMY



Employment Recovery

How Much To Go?

**Difference From Pre-Pandemic
Level of 2/20 and 6/21**

United States

– 4.451 million 2.95%

Texas

– 251,500 1.95%

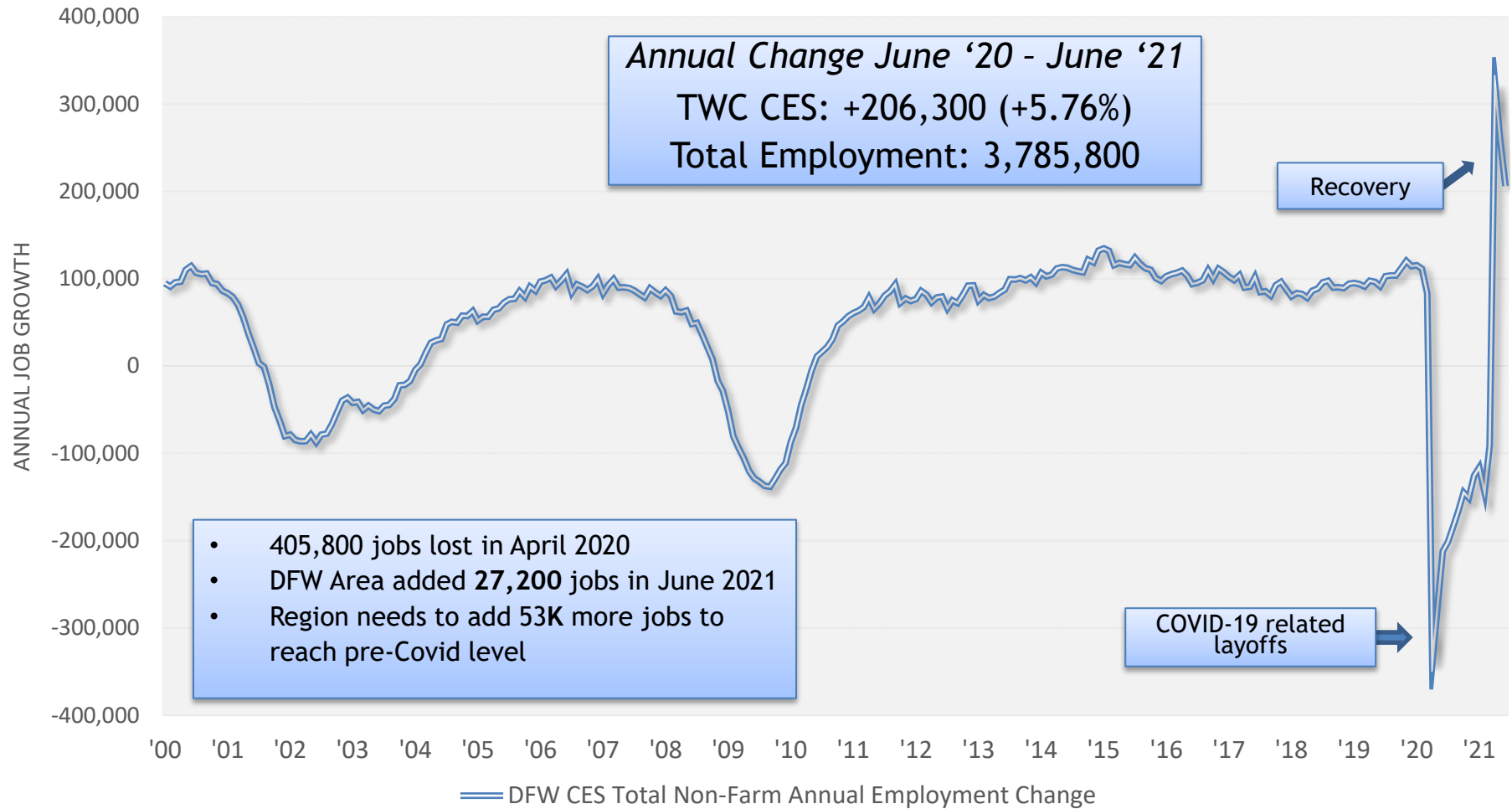
Major Texas Markets

Gap From Pre-Pandemic High

– DFW	53,000	1.4%
– Houston	147,900	4.6%
– Austin	5,400	0.5%
– San Antonio	10,800	1.0%

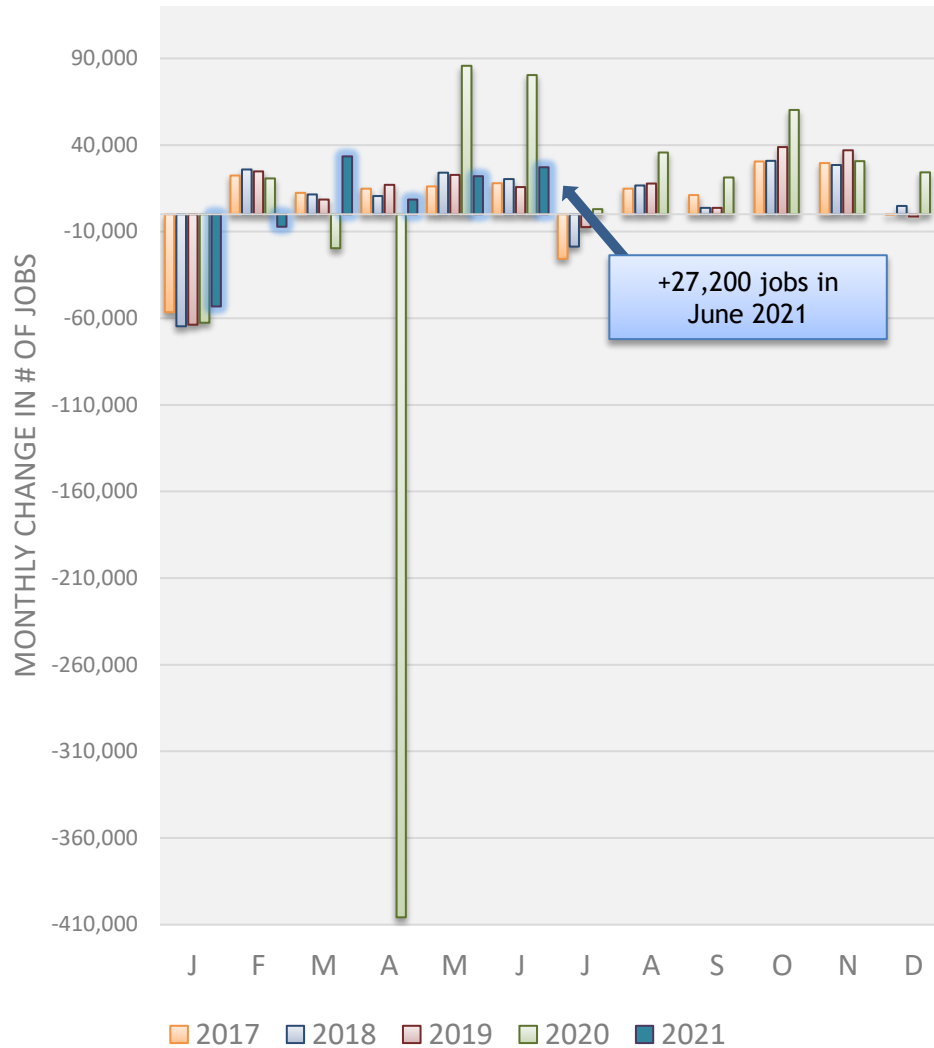
Source: TWC - CES (Not Seasonally Adjusted)

DFW ANNUAL EMPLOYMENT GROWTH



Sources: TWC - CES, Dallas Federal Reserve (Not Seasonally Adjusted)

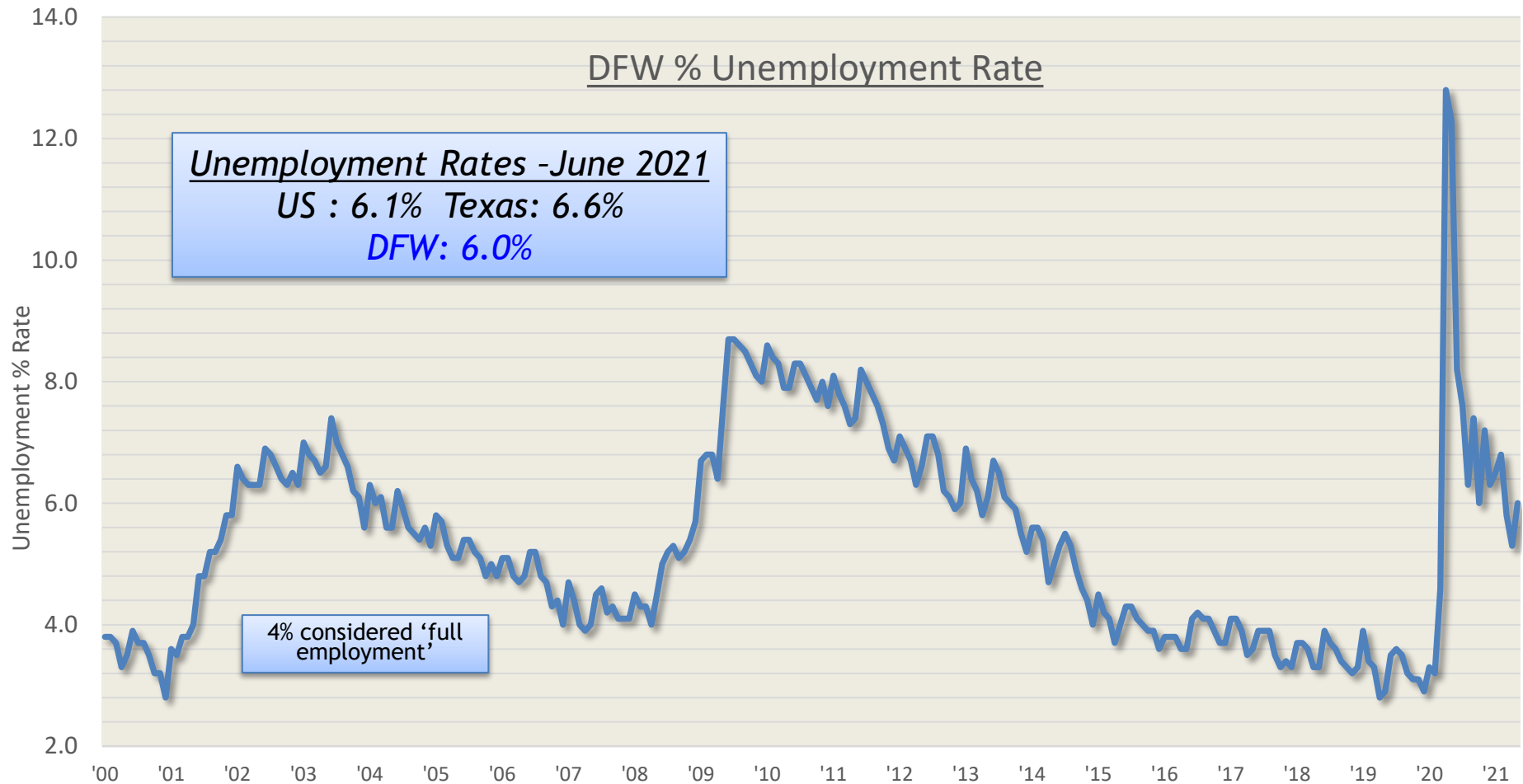
MONTHLY CHANGE IN DFW EMPLOYMENT



June 2021	Annual Change	% Change
Mining, Log, Construction	-2,400	-1.1%
Manufacturing	+3,900	1.4%
Trade, Transportation & Utilities	+43,900	5.6%
Information	+3,000	3.9%
Financial Activities	+7,900	2.4%
Professional & Business Services	+52,600	8.7%
Education & Health Services	+8,100	1.8%
Leisure & Hospitality	+57,900	18.2%
Other Services	+11,800	10.7%
Government	+19,600	4.6%

Source: TWC—CES Survey (NSA)

DFW UNEMPLOYMENT

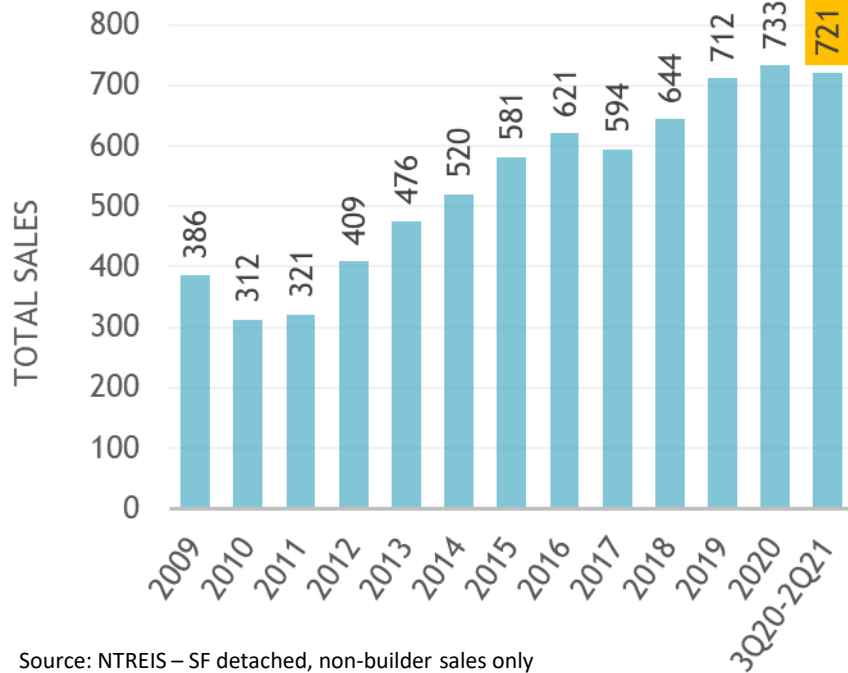


Not Seasonally Adjusted

Source: TWC - LAUS

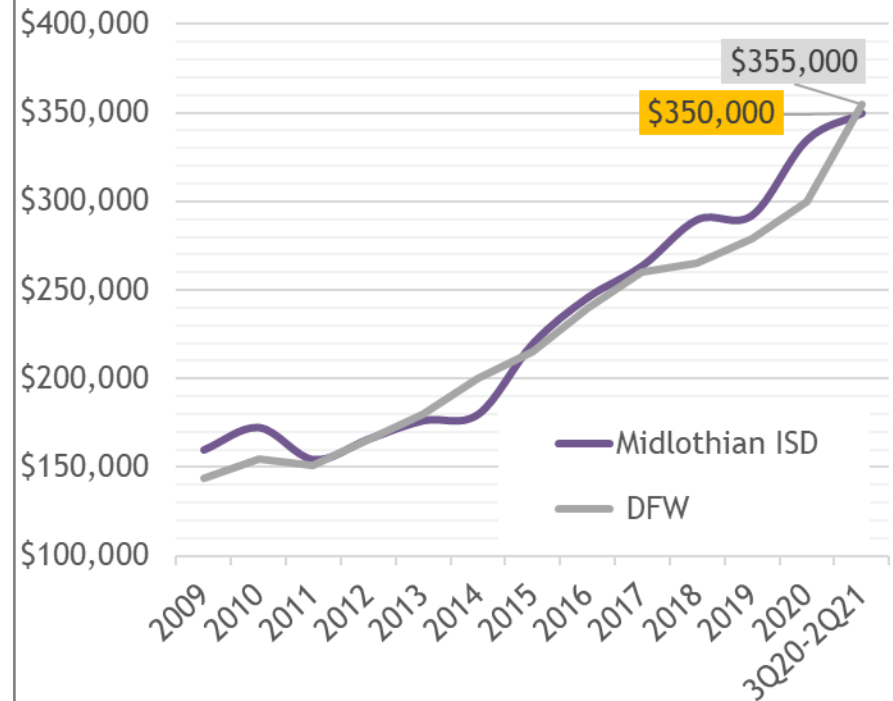
MIDLOTHIAN PREOWNED HOME SALES

Midlothian ISD - Annual Resales



Source: NTREIS – SF detached, non-builder sales only

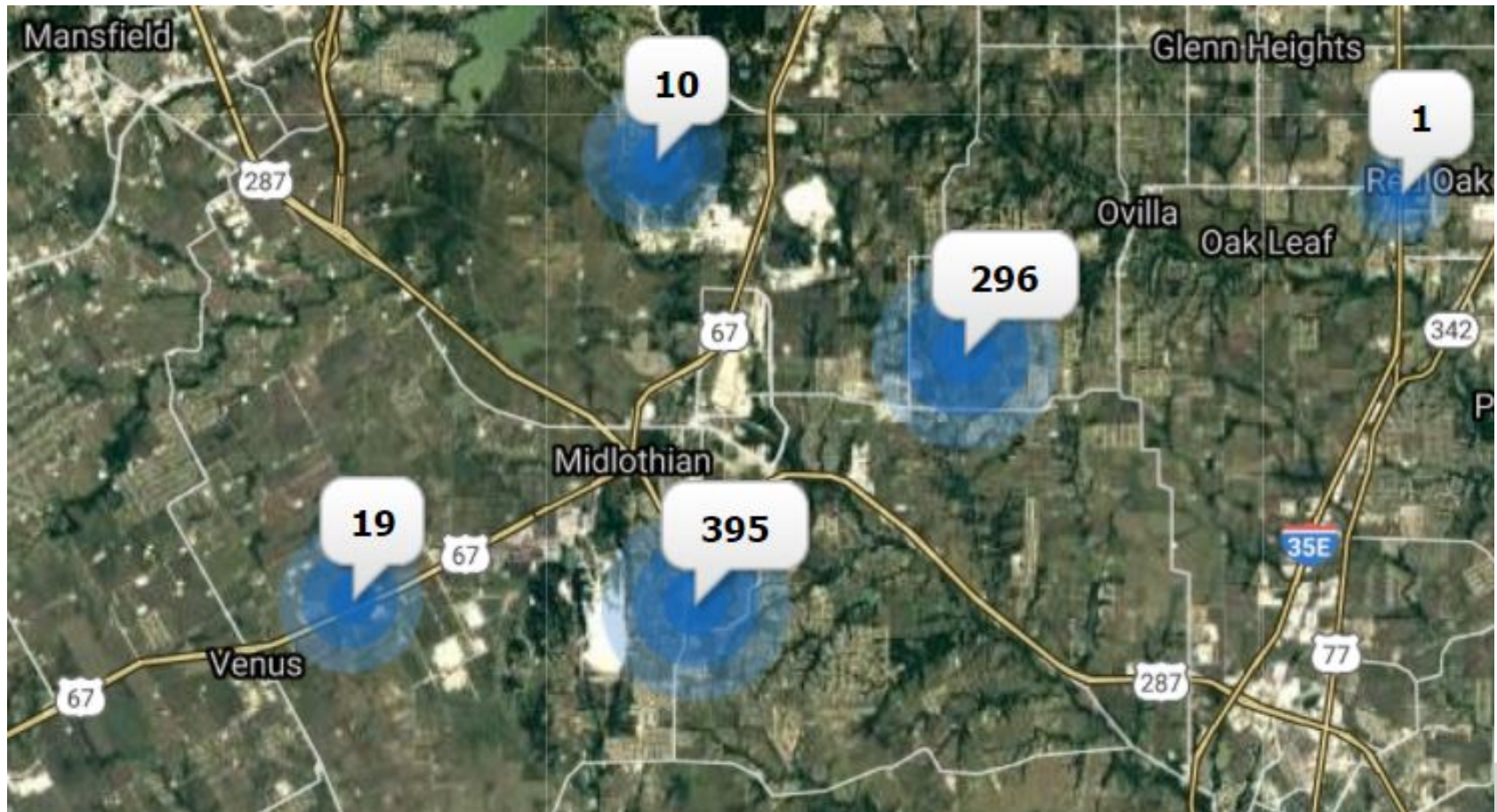
Median Resale Price Comparison



- From 2016-2018, MISD averaged 620 pre-owned home sales per year
- Since 2019, the annual rate has increased to an average of 722 sales
- 721 total resales in the district from 3Q20-2Q21
- MISD's median resale sold price over the past year was a record \$350,000 (11% vs. YoY)
- DFW's annual median resale price currently \$355,000



MIDLOTHIAN PREOWNED HOME SALES 3Q20-2Q21

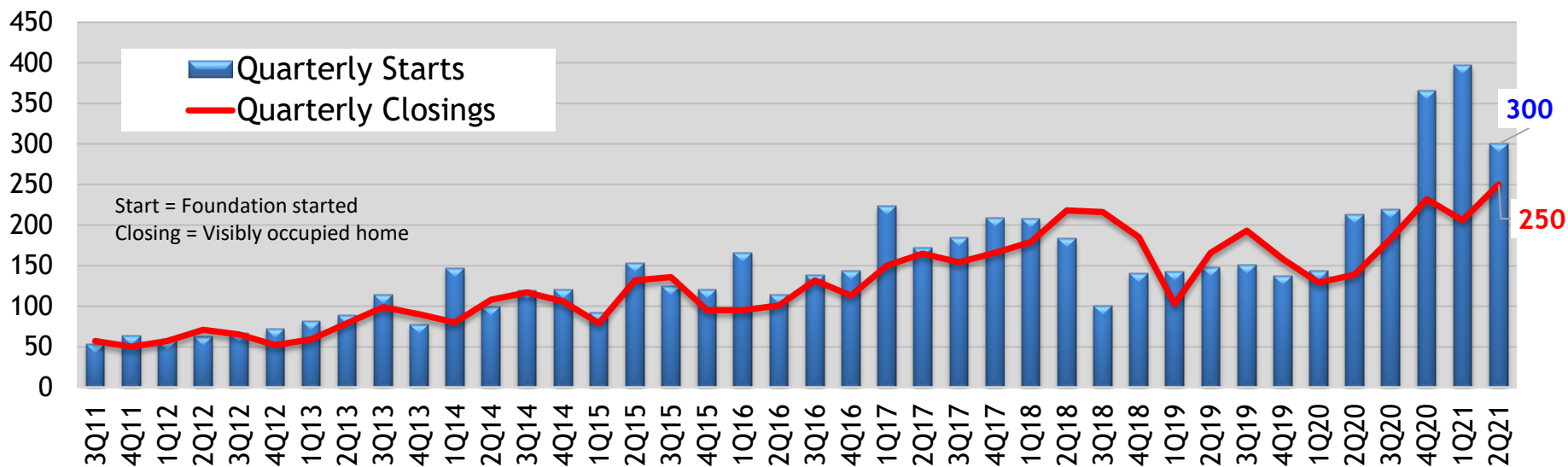


Source: NTREIS – SF detached, non-builder sales only



MIDLOTHIAN ISD

QUARTERLY NEW HOME CONSTRUCTION



Starts	2015	2016	2017	2018	2019	2020	2021
1Q	92	166	223	208	143	144	397
2Q	153	114	172	183	148	213	300
3Q	124	138	184	101	151	219	
4Q	120	144	209	140	137	366	
Total	489	562	788	632	844	1,085	697

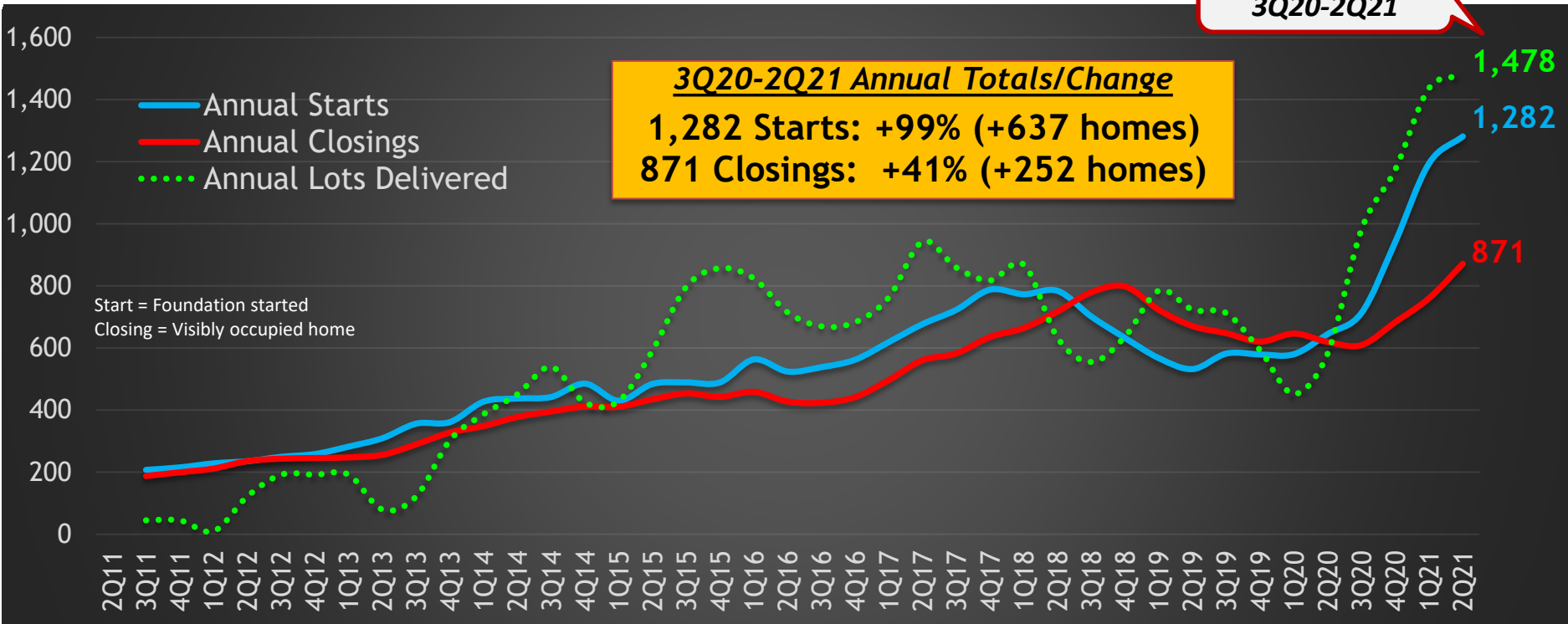
Closings	2015	2016	2017	2018	2019	2020	2021
1Q	79	95	150	179	103	129	206
2Q	132	101	165	218	166	139	250
3Q	136	132	154	216	193	183	
4Q	95	113	166	185	158	232	
Total	442	441	635	798	620	939	456

- Builders started 300 homes in MISD during the 2nd quarter of 2021; down from the record 1Q21 activity
- 250 closings occurred in 2Q21, a new quarterly record



MIDLOTHIAN ISD ANNUAL NEW HOME CONSTRUCTION AND LOT DELIVERIES

Record activity
3Q20-2Q21

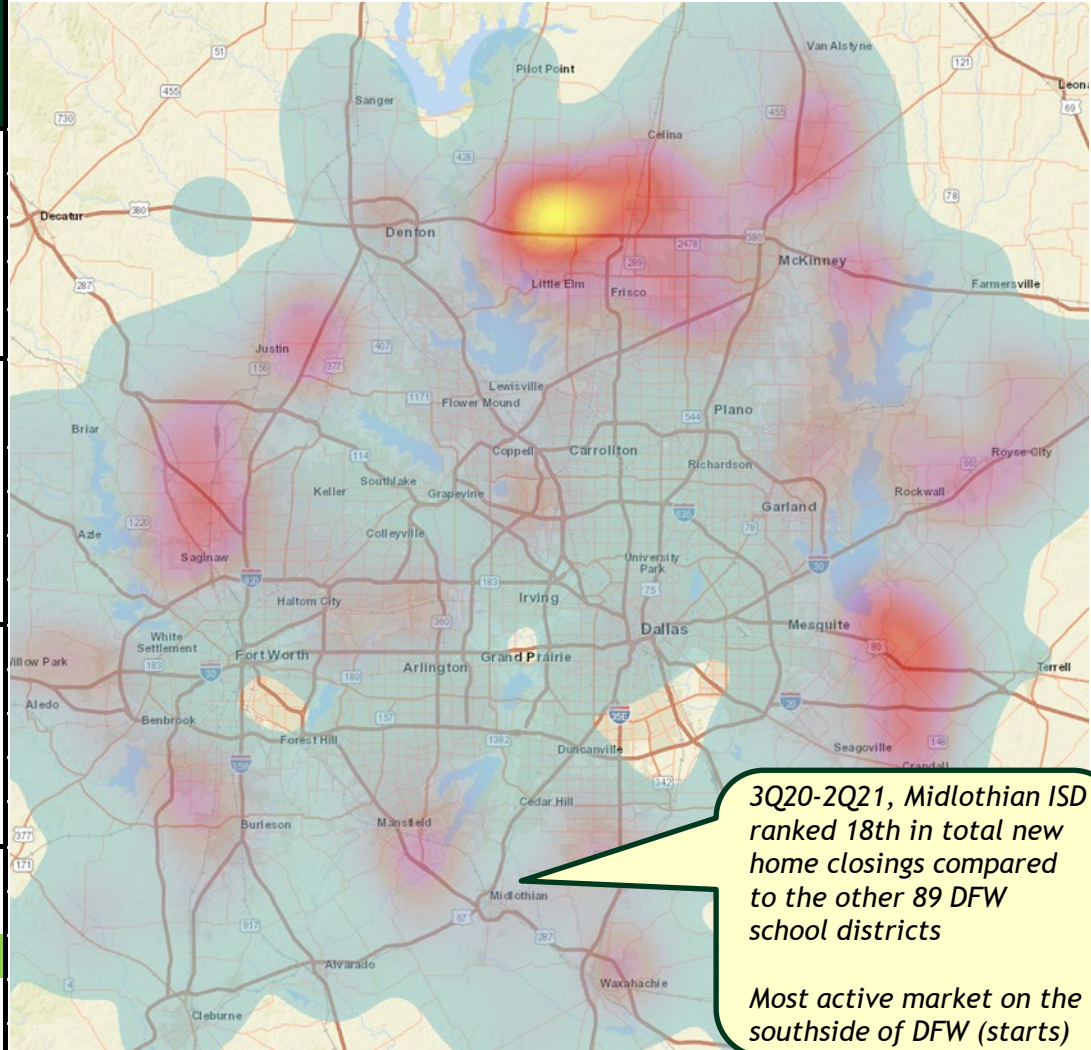


- 1,282 annual starts in MISD from 3Q20-2Q21, a 99% increase over the same period last year
 - Record high for annual starts in the district
- Annual closings increased to 871 homes, up 41% YoY and a new annual record
- Developers delivered 1,478 new single-family residential lots in MISD over the past year
 - Also a record high in a 12-month period



DFW SCHOOL DISTRICT NEW HOME ACTIVITY RANKED BY ANNUAL NEW HOME CLOSINGS 3Q20-2Q21

Rank	District	Annual Starts	Annual Closings	Median New Home Price
1	Northwest	3,986	3,089	\$381,620
2	Denton	3,806	2,871	\$376,694
3	Prosper	3,876	2,543	\$525,251
4	Forney	3,580	2,232	\$305,296
5	Frisco	2,396	2,091	\$638,281
6	Eagle Mountain-Saginaw	1,756	2,064	\$325,251
7	Princeton	1,816	1,357	\$297,887
8	Royse City	1,695	1,161	\$322,882
9	Dallas	1,090	1,144	\$311,580
10	Rockwall	1,280	1,100	\$426,523
11	Lewisville	1,240	1,084	\$452,763
12	Melissa	1,067	954	\$419,303
13	Crowley	1,243	940	\$281,236
14	Mansfield	1,158	931	\$281,236
15	Crandall	1,335	927	\$279,255
16	Anna	1,149	927	\$325,046
17	McKinney	1,441	873	\$430,406
18	Midlothian	1,282	871	\$404,215
19	Ft. Worth	934	870	\$332,527
20	Waxahachie	1,109	832	\$349,030



MIDLOTHIAN ISD TOP PRODUCING NEW HOME SUBDIVISIONS

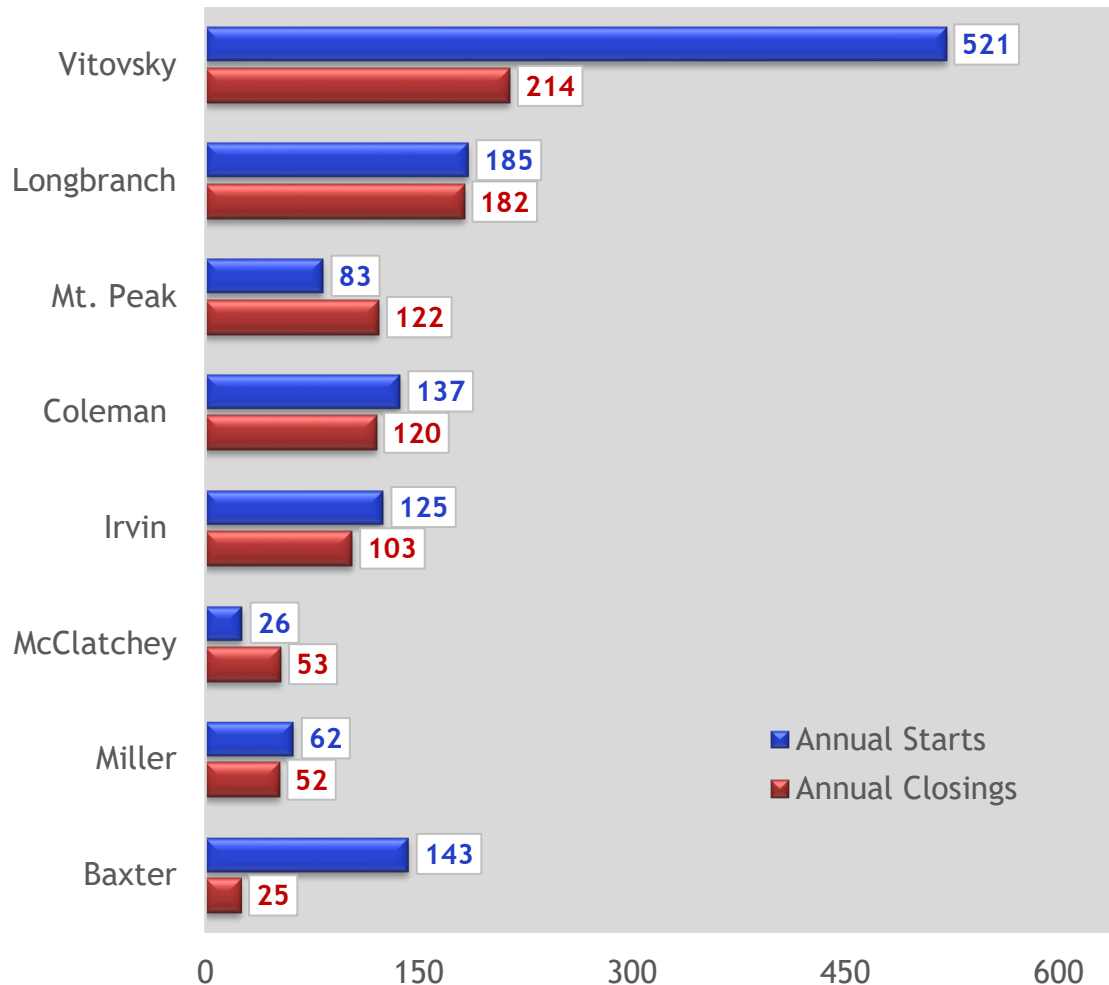
3Q20-2Q21 (ranked by annual closings)

Rank	Subdivision	Annual Starts	Annual Closings	Elementary Zone	Middle School Zone	High School Zone
1	Massey Meadows	62	97	Longbranch	Walnut Grove	Heritage
2	Coventry Crossing	67	96	Mt. Peak	Dieterich	Midlothian
3	Patriot Estates	80	95	Irvin	Dieterich	Midlothian
4	Prairie Ridge	223	88	Vitovsky	Frank Seale	Midlothian
5	Mill Valley	81	63	Vitovsky	Frank Seale	Midlothian
6	Greenway Trails	208	55	Vitovsky	Frank Seale	Midlothian
7	Legacy Estates	29	53	Longbranch	Walnut Grove	Heritage
8	Autumn Run	91	48	Coleman	Dieterich	Midlothian
9	Hawkins Meadows	5	41	Coleman	Dieterich	Midlothian
10	Four Trees	10	35	McClatchey	Walnut Grove	Heritage
11	The Grove	143	25	Baxter	Walnut Grove	Heritage
12	Thomas Trail Estates	14	23	Mt. Peak	Dieterich	Midlothian
13	La Paz Ranch Estates	6	22	Miller/Mt. Peak	Dieterich	Midlothian
14	Dove Creek	24	21	Coleman	Dieterich	Midlothian
15	Horizon Estates	25	20	Longbranch	Walnut Grove	Heritage
16	Villas of Somercrest	36	13	Miller	Dieterich	Midlothian
	Horseshoe Meadows	53	0	Longbranch	Walnut Grove	Heritage
	Heritage Hills Estates	33	0	Irvin	Dieterich	Midlothian
	Brandi Ridge	18	0	Mt. Peak	Dieterich	Midlothian

**Boundaries reflect approved attendance zones for 2022-23*



MIDLOTHIAN ISD NEW HOME CONSTRUCTION ACTIVITY BY ELEMENTARY ATTENDANCE ZONE



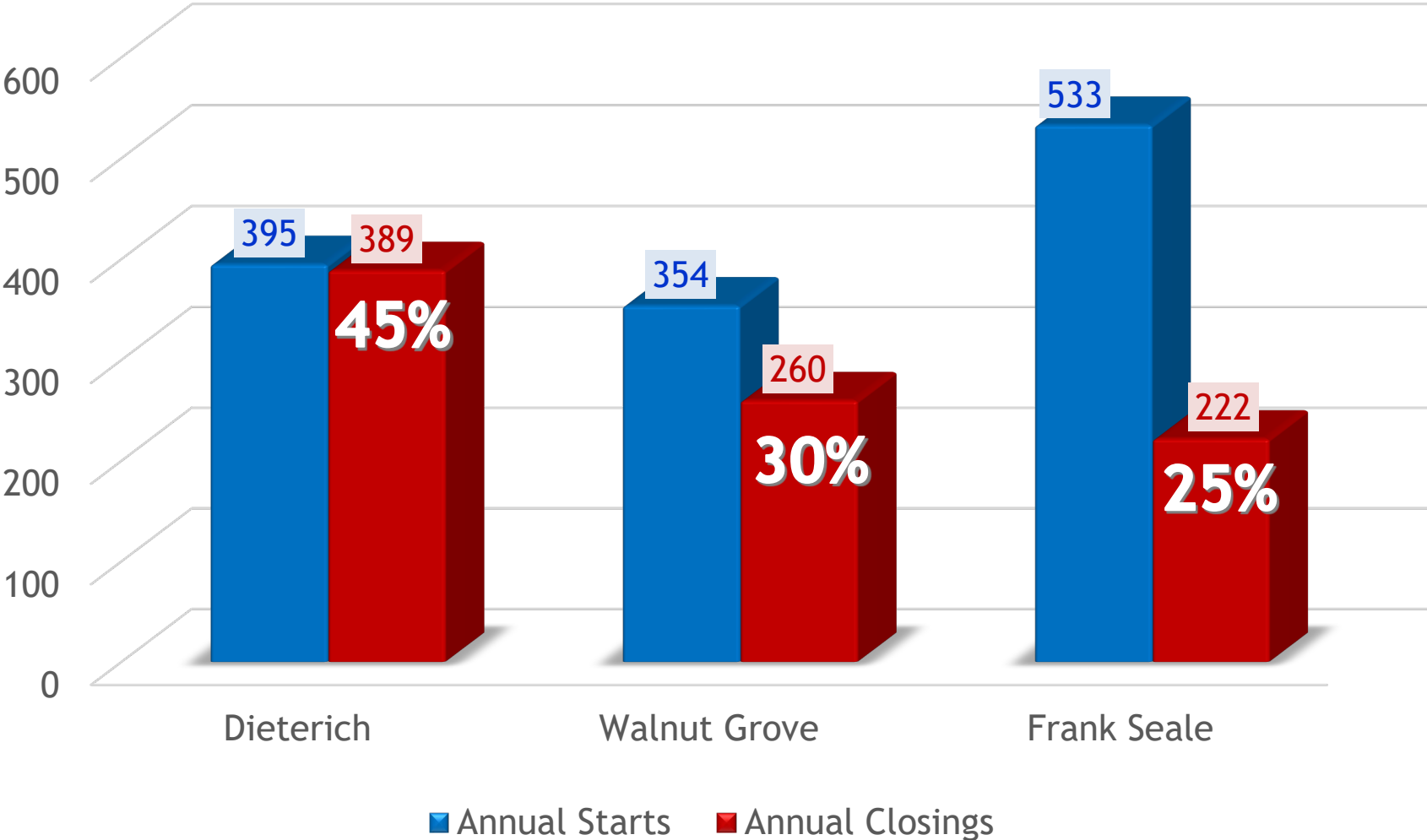
- The recent surge in demand for homes in northwest area subdivisions has driven the Vitovsky zone up to 521 starts and 214 closings
- Longbranch, Mt. Peak, Coleman, and Irvin zones each produced over 100 closings over the past 12 months

**Boundaries reflect approved attendance zones for 2022-23*



MIDLOTHIAN ISD NEW HOME CONSTRUCTION ACTIVITY BY MIDDLE SCHOOL ATTENDANCE ZONE

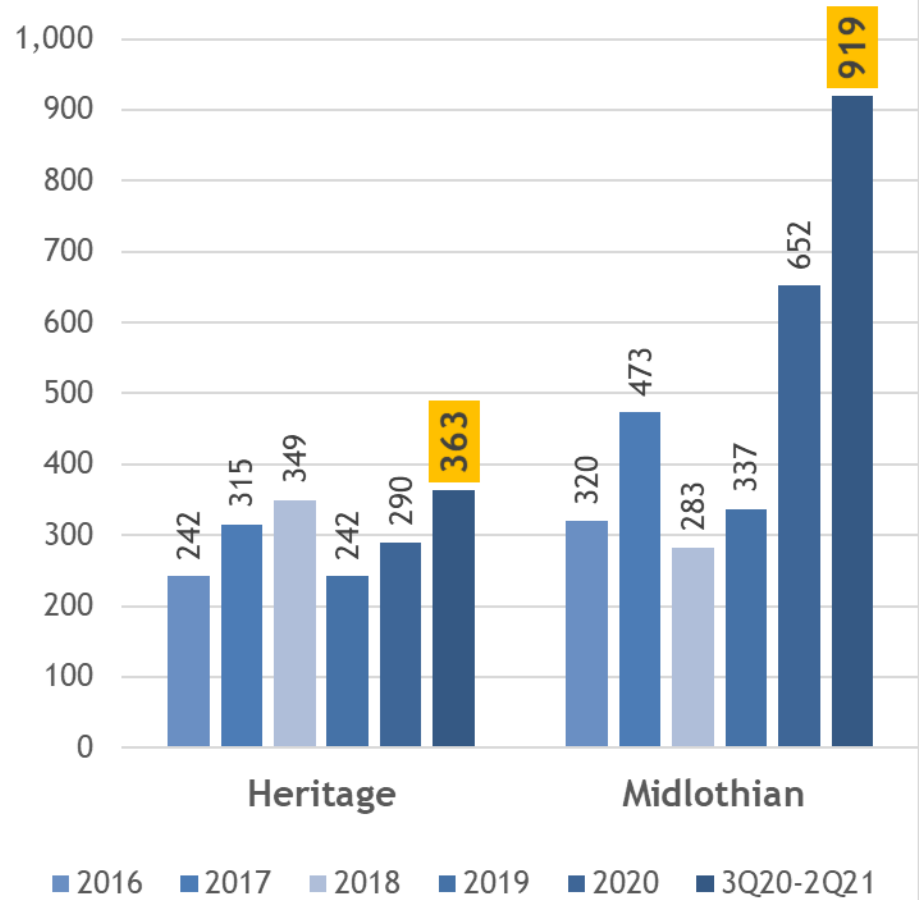
**Boundaries reflect approved attendance zones for 2022-23*



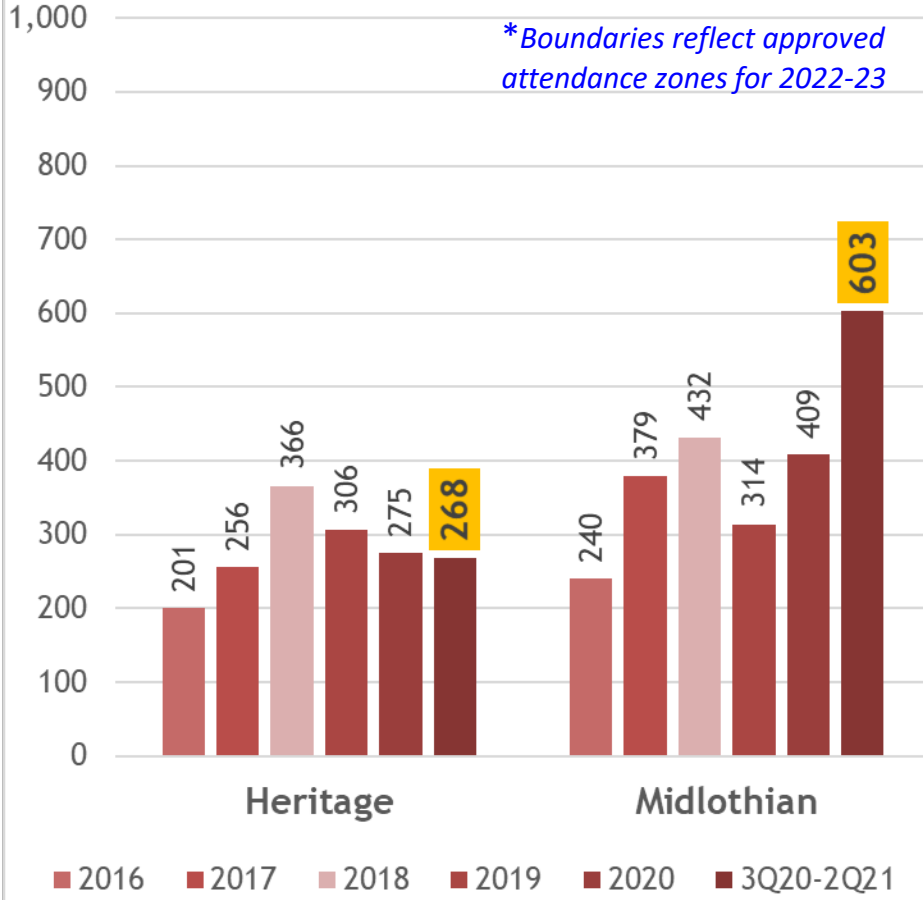


MIDLOTHIAN ISD NEW HOME CONSTRUCTION ACTIVITY BY HIGH SCHOOL ATTENDANCE ZONE

Annual Start Rate Per High School Zone



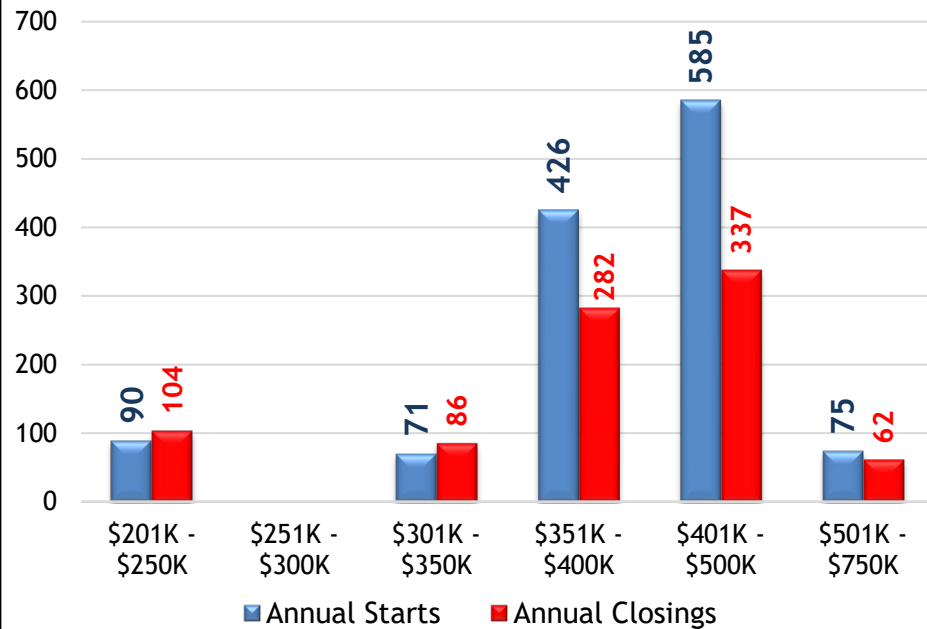
Annual Closing Rate Per High School Zone



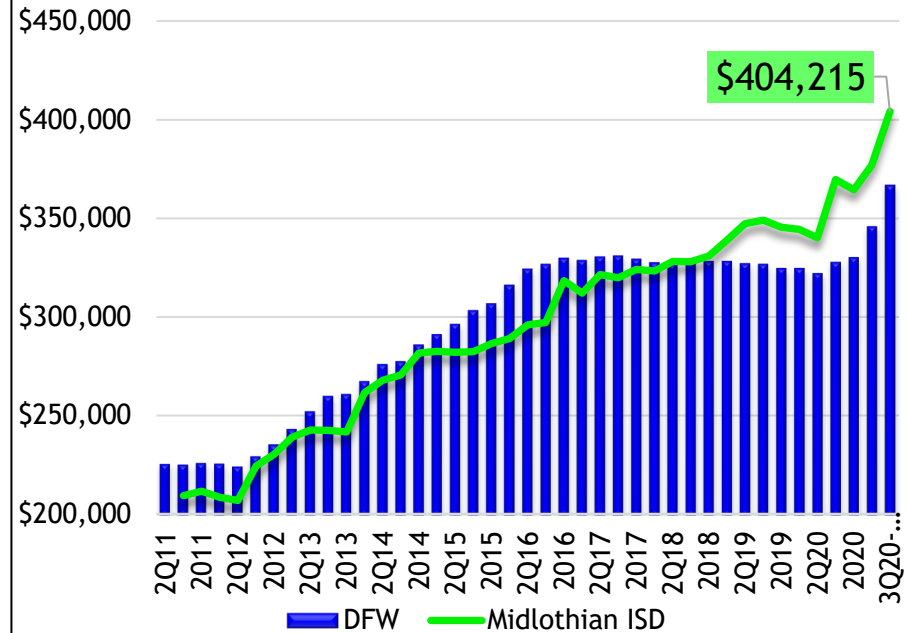


DISTRICT MEDIAN NEW HOME PRICE HISTORY

Annual Activity by Price Range: 3Q20-2Q21



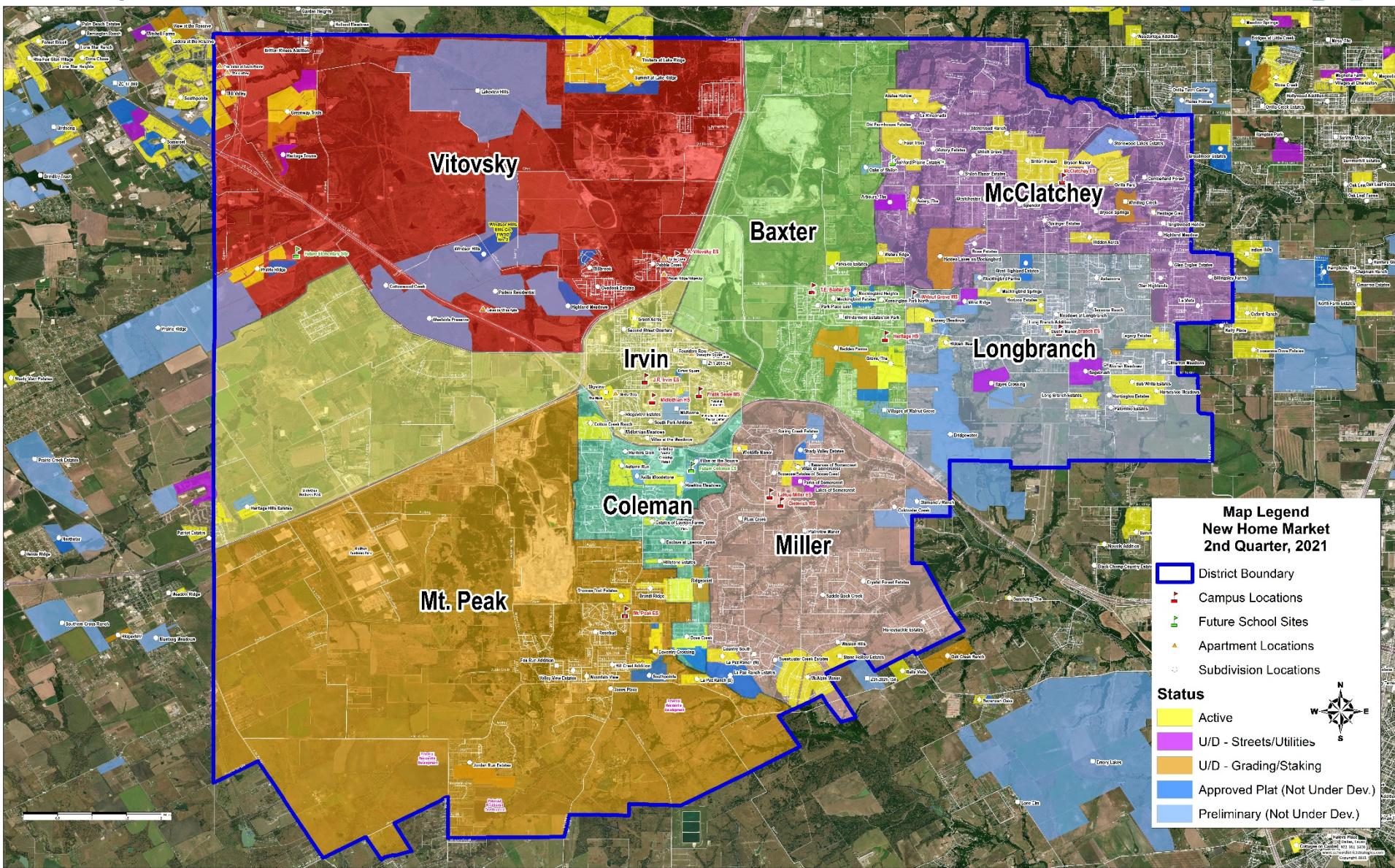
Historical Median New Home Price



Median New Home Prices by City

Midlothian	\$437,414
Grand Prairie-South	\$384,766
Venus	\$215,088
Mansfield	\$434,532
Waxahachie	\$447,698
Cedar Hill	\$390,200
Ovilla	\$325,500

- 85% of the district's new home starts located in subdivisions with average base pricing over \$300K
- District's median new home price now stands at a record \$404,215 (+18.8% YoY)
- DFW Median New Home Price = \$367,038 (+13.8% YoY)



*Boundaries reflect approved attendance zones for 2022-23



MIDLOTHIAN ISD RESIDENTIAL LOT INVENTORY

- **859 total homes currently in production (started not occupied)**
- **1,451 vacant developed lots remaining as of month-end June 2021**
- **1,613 lots under development at the end of 2Q21**

**Boundaries reflect approved attendance zones for 2022-23*

➤ **New or updated in 2Q21*

Subdivision	Phase / Section (s)	Lot Width (s)	Total Lots	Elementary Zone	Middle Zone	High School Zone	City
Cross Creek	8	150'	4	Longbranch	Frank Seale	Heritage	Ellis County Uninc.
Jordan Run Estates	4	150'	75	Mt. Peak	Dieterich	Midlothian	Ellis County Uninc.
Greenway Trails	4, 5	60', 65', 75'	260	Vitovsky	Frank Seale	Midlothian	Grand Prairie
Heritage Towne	1	50', 60'	104	Vitovsky	Frank Seale	Midlothian	Grand Prairie
Redden Farms*	cp	40', 50', 60', 70'	377	Baxter	Walnut Grove	Heritage	Midlothian
Ridgepoint	1	70', 95'	144	Coleman	Dieterich	Midlothian	Midlothian
Hayes Crossing*	1cp	85'	160	Longbranch	Walnut Grove	Heritage	Midlothian
Sagebrush	1	160'	67	Longbranch	Walnut Grove	Heritage	Midlothian
Wind Ridge	1	70'	83	Longbranch	Walnut Grove	Heritage	Midlothian
Hidden Lakes on Mockingbird	1	150'	83	McClatchey	Walnut Grove	Heritage	Midlothian
The Arbours	1	160'	46	McClatchey	Walnut Grove	Heritage	Midlothian
Winding Creek	1	n/a	43	McClatchey	Walnut Grove	Heritage	Midlothian
Lakes of Somercrest	1	60'	99	Miller	Dieterich	Midlothian	Midlothian
Parks of Somercrest	1	60'	56	Miller	Dieterich	Midlothian	Midlothian
Heritage Glen	1	20'	12	McClatchey	Walnut Grove	Heritage	Ovilla



MISD PROPOSED RESIDENTIAL PROJECTS

(not currently active or under development)

➤ *New or updated in 2Q21*

➤ ***Initial prelim plat denied by P&Z*

Subdivision	Proposed Lots	Elementary Zone
Mockingbird Heights	97	Baxter
Redden Farms	792	Baxter
Villages of Walnut Grove	187	Baxter
Oaks of Shiloh	10	Baxter
Villas on the Square**	90	Coleman
Avilla Woodstone**	200	Coleman
Z11-2015-48**	67	Irvin
Bridgewater	1,425	Longbranch
Mockingbird Farms	4	Longbranch
West Highland Estates*	33	Longbranch
Stonewood Lakes Estates	143	McClatchey
Diamond J Ranch	400	Miller
Shady Valley Estates	115	Miller
Spring Creek Estates	104	Miller
Reserves at Somercrest	16	Miller
Southpointe	35	Mt. Peak
Cottonwood Creek	325	Vitovsky
Highland Meadows	881	Vitovsky
Lakeview Hills	4,077	Vitovsky
Padera Residential	214	Vitovsky
Westside Preserve	787	Vitovsky
Windsor Hills	527	Vitovsky

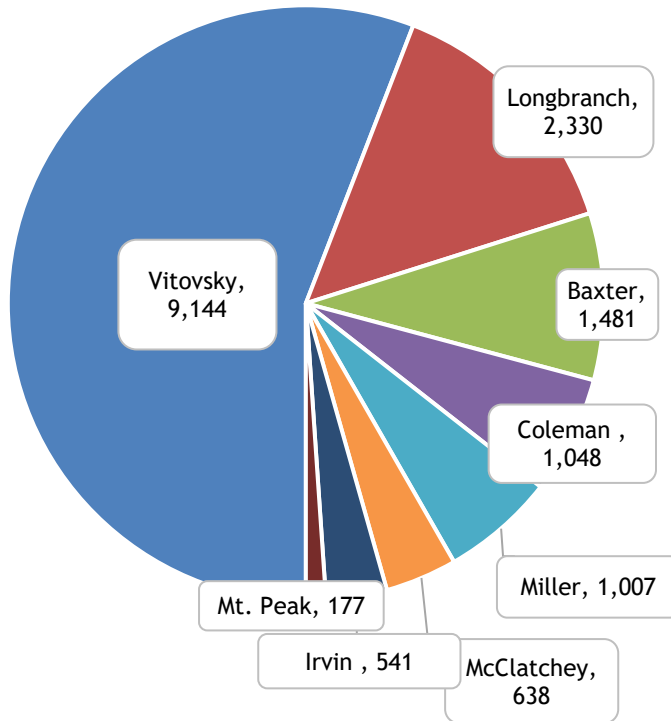
- 12,459 additional single-family lots are planned in MISD
- Combined there are nearly 16,400 lots in-process/planned as of month-end June 2021 in MISD (total of homes U/C, VDL, lots U/D, and future lots)

**Boundaries reflect approved attendance zones for 2022-23*

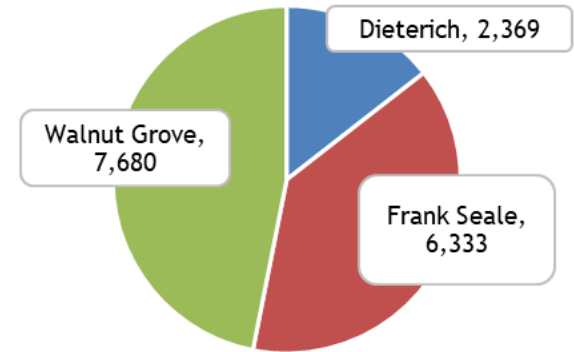


MIDLOTHIAN ISD NEW HOME LOT INVENTORY BY ATTENDANCE ZONE 2Q21

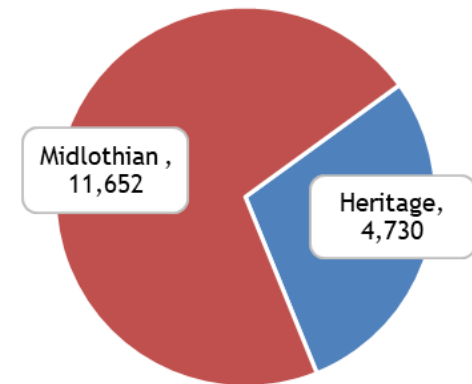
Total In-Process/Planned lots by
Elementary Zone



Total In-Process/Planned
Lots by Middle Zone



Total In-Process/Planned
Lots by High Zone





AERIAL PHOTOS

JULY 1, 2021



SOUTHPOINTE/MILL VALLEY



SH 287

Southpointe
8A

Midlothian ISD

Mill Valley

The Audrey Apts

SH 360 Toll

Mansfield ISD



GREENWAY TRAILS



SH 360 Toll



HERITAGE TOWNE



SH 360 Toll

US 287



PRAIRIE RIDGE

US 287



Future Elem
Site





BRYSON MANOR



McClatchey ES

Future Stonewood Lakes Estates
Vacant Land



WINDING CREEK



FM 664



THE ARBORS





HIDDEN LAKES ON MOCKINGBIRD





WIND RIDGE/MOCKINGBIRD SPRINGS





MASSEY MEADOWS



Heritage HS

Walnut Grove MS



HAYES CROSSING





THE GROVE



Walnut Grove Rd



REDDEN FARMS



FM 1387

Heritage HS



LAKES/PARKS/VILLAS OF SOMERCREST



Dieterich MS



AUTUMN RUN





HAWKINS MEADOWS



Future Phases

Future Coleman ES

S. 14th Street



BRANDI RIDGE (PH. 3)/RIDGEPOINT



Ridgepoint

Brandi Ridge Ph. 3



DOVE CREEK

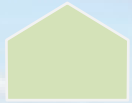


S. 14th Street

McAlpin Rd



School District Strategies

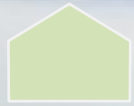


LA PAZ RANCH SOUTH



Proposed
Future Residential

FM 875



S. 14TH STREET CORRIDOR





STONE HOLLOW ESTATES



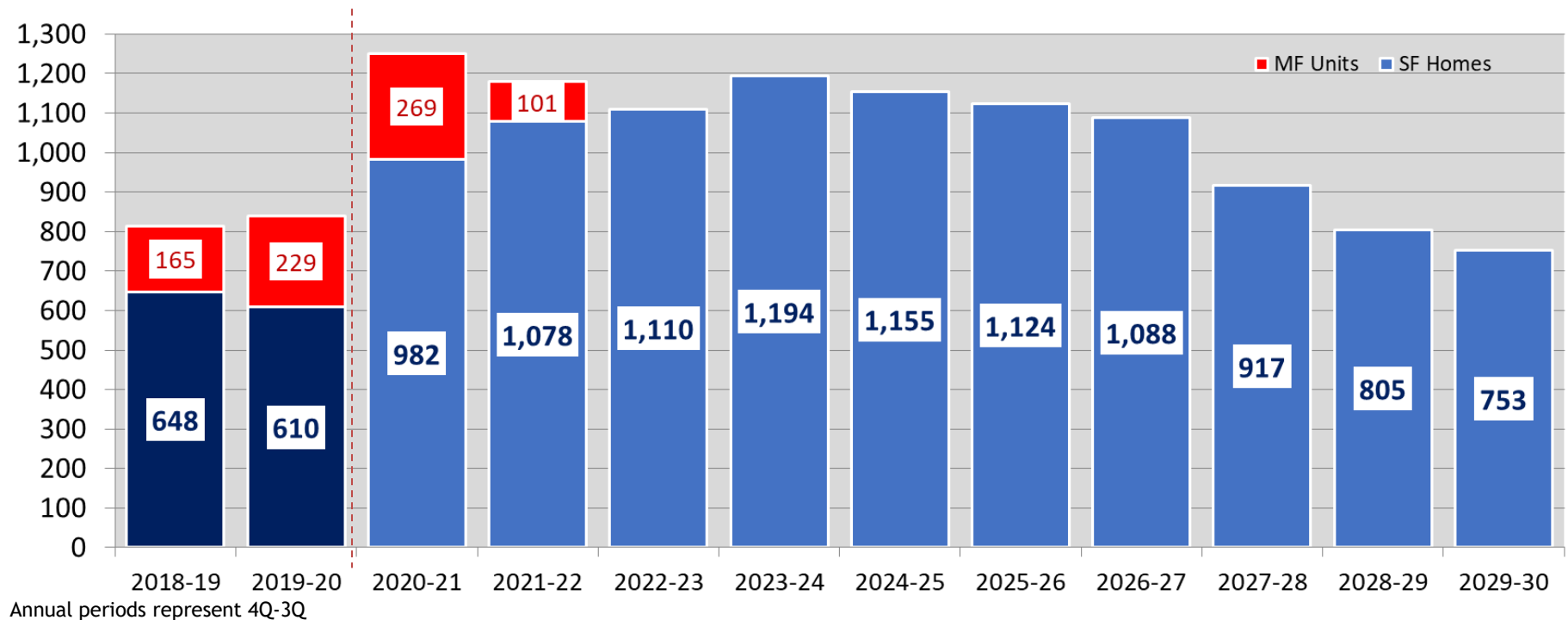
Midlothian ISD

Waxahachie ISD

McAlpin Rd



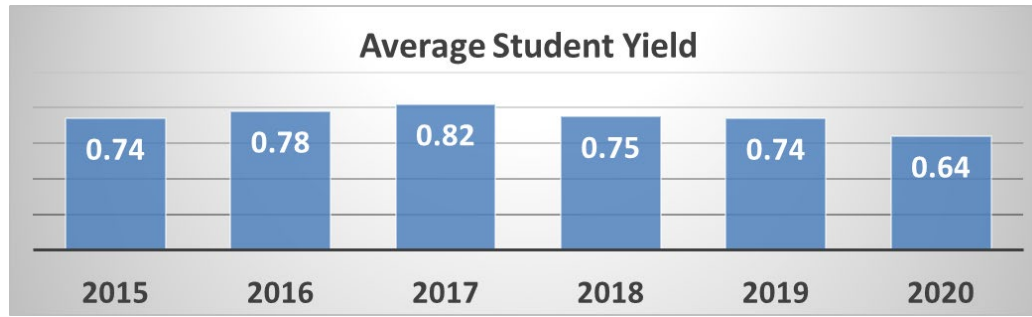
MIDLOTHIAN ISD NEW HOME CONSTRUCTION CLOSINGS FORECAST FALL 2021-2030



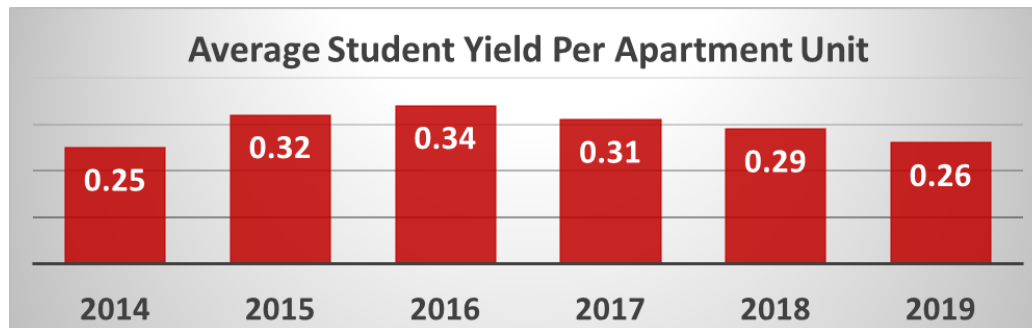
- New home construction in the district is accelerating; district is poised to see an average of an average of 1,100 closings over the next five years
- Under the revised Moderate Scenario, MISD builders could produce approximately 5,500 total new homes by Fall 2025
- Over the next 10 years, MISD is poised to see over 10,000 new homes built
- The Audrey at South Pointe apartments (211 units) are now open with about 40% of the units leased-out. Padera Lakeside Villas now leased out.



MIDLOTHIAN ISD STUDENT YIELDS ANALYSIS



- The average yield per new home in subdivisions with active new home construction is currently 0.64 per home

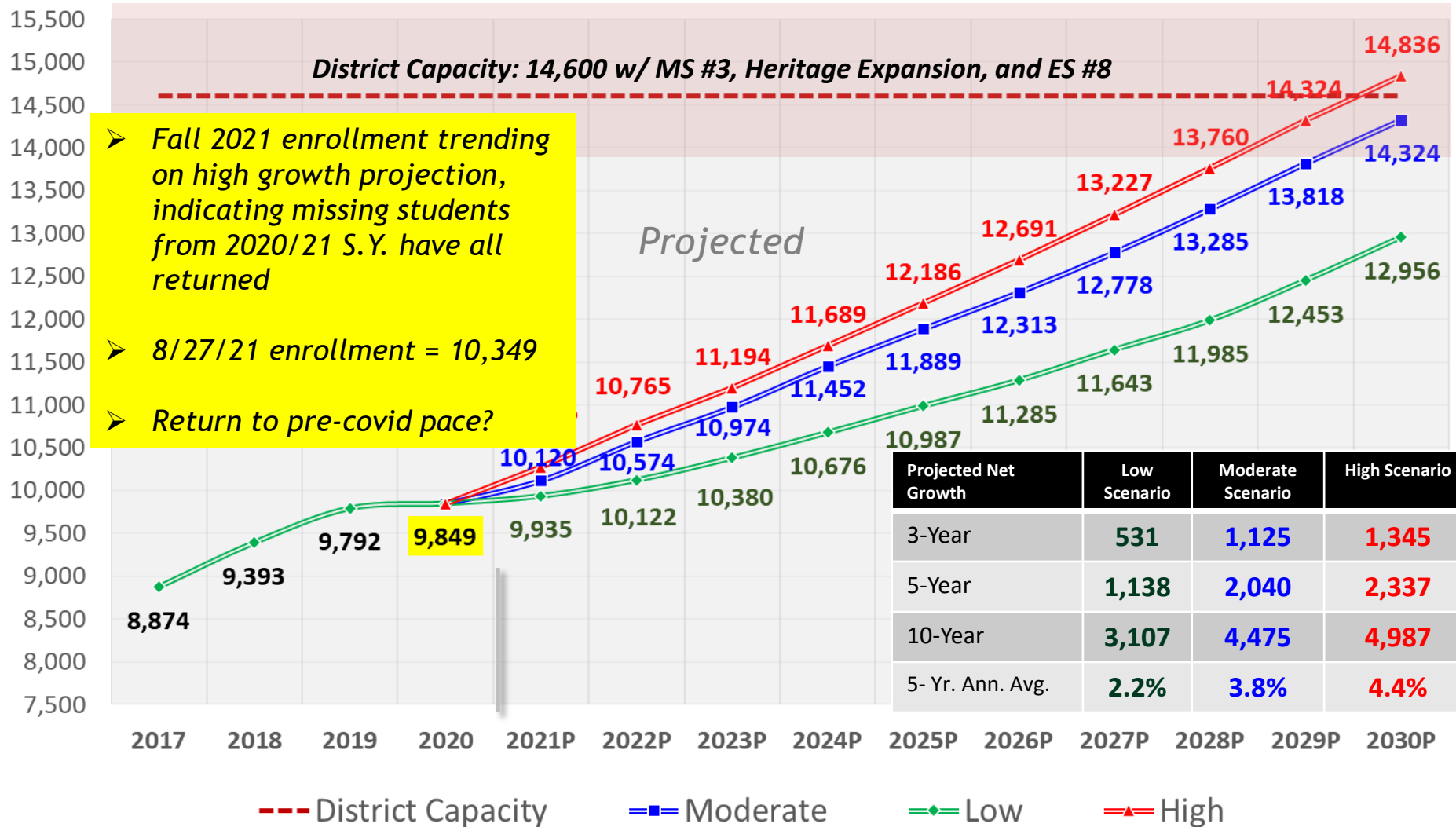


- In 2021, the district's average multi-family yield declines to 0.26 enrolled students per apartment unit

*Data Reflects Students
Enrolled in MISD*

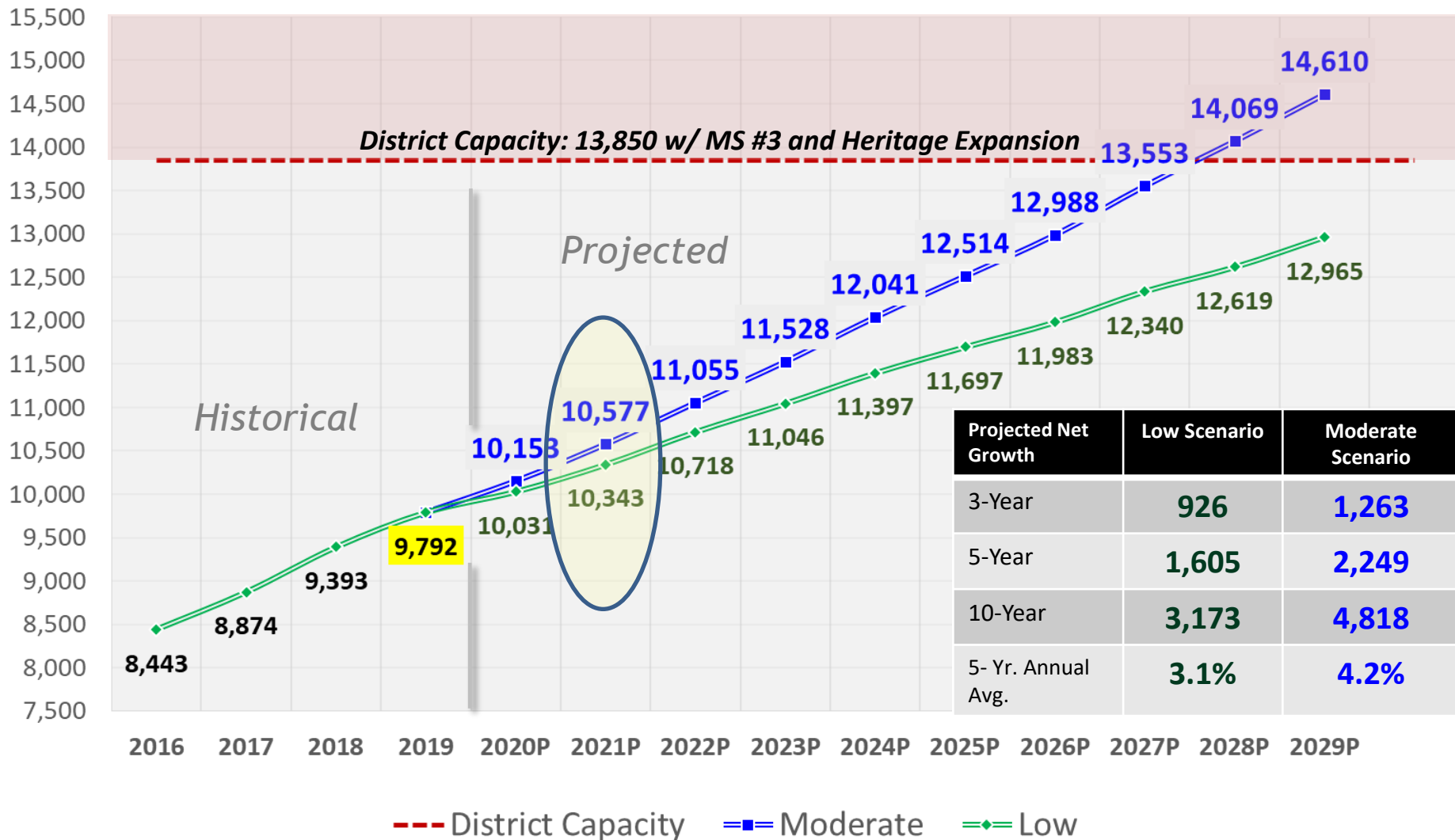


MIDLOTHIAN ISD 10-YEAR ENROLLMENT PROJECTIONS





MIDLOTHIAN ISD PRE-COVID DISTRICT PROJECTIONS (MARCH 2020)




Projected Net Growth	Low Scenario	Moderate Scenario
3-Year	926	1,263
5-Year	1,605	2,249
10-Year	3,173	4,818
5- Yr. Annual Avg.	3.1%	4.2%



MIDLOTHIAN ISD

FALL 2021 CAMPUS PROJECTIONS BY GRADE LEVEL (HIGH GROWTH SCENARIO)

Midlothian ISD Campus Grade Level Projections - High Scenario (1Q21)										DRAFT						
FALL 2021	EE/PK	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	TOTAL	8/27/2021
Baxter Elementary	23	85	84	104	78	83	95								550	560
Irvin Elementary	42	108	108	94	106	108	104								671	687
Longbranch Elementary	28	83	84	83	110	95	97								579	581
McClatchey Elementary	0	96	96	85	118	117	123								635	674
Miller Elementary	19	95	94	117	110	132	118								687	698
Mt. Peak Elementary	28	100	104	108	106	91	110								648	648
Vitovsky Elementary	40	88	93	105	126	104	102								659	681
Frank Seale Middle								225	252	249					726	710
Walnut Grove Middle								342	325	363					1,030	1,031
Dieterich Middle								261	251	285					797	810
Heritage High											327	332	280	241	1,181	1,164
Midlothian High											602	534	536	440	2,113	2,105
Totals	180	655	664	697	755	731	750	828	828	897	930	867	817	681	10,276	10,349

Midlothian ISD

2Q 2021 Demographics Summary

- MISD sees record new home construction in the 2nd quarter of 2021
- Builders started 300 new homes and a record 250 new homes were occupied
- As of June 2021, the annual starts rate for new homes in the district has climbed to a record high of 1,282 homes
- Annual closings are up 41% over the past year to a record 871 units
- District's median new home price now stands at a record \$404,215 (+19% YoY) [DFW = \$367K]
- The recent demand surge has mainly occurred in the Vitovsky ES attendance zone as subdivisions located in the northwest portion of the district continue to see increasing activity
- Developers delivered a record 1,478 new single-family (SF) lots in MISD from 3Q20-2Q21
- 859 total homes currently in production (started but not complete/occupied)
- 1,451 vacant SF lots were remaining at the end of June 2021
- 1,613 SF lots are currently under development in the district
- Developers are planning an additional 12,450+ future SF lots
- MISD could see over 5,500 new homes occupied over the next 5 years and 10,000+ homes by Fall 2030
- New home subdivisions in MISD are currently yielding 0.64 enrolled students per home
- Apartments in MISD are currently yielding 0.26 enrolled students per unit
- Combined there are nearly 16,400 lots in-process/planned in the district as of Summer 2021
- August 2021 enrollment (10,349 on 8/27/21) indicates that district growth could be returning to Pre-Covid 19 environment rates (3-5% annually)



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The following contingencies and limiting conditions are noted as fundamental assumptions that may affect the accuracy or validity of the analysis and conclusions set forth in this report. Specifically, the parties assume: that the Dallas/Fort Worth metropolitan area, the State of Texas, and the nation as a whole will not suffer any major economic shock during the time period of the forecast contained in this report; that general population levels will continue to increase at or above the rate forecast; that the public and third party sources of statistical data and estimates used in this analysis are accurate and complete in all material respects, and that such information is a reasonable resource for project planning purposes; the proposed real estate development projects described herein, when completed, will be designed, promoted, and managed in a manner that will have an impact on the local market that is reasonably consistent with other similar projects in the past; and that the recommendations set forth in this report will be acted upon within a reasonable period of time to preclude major changes in the factual conditions evaluated.

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