



# Midlothian ISD

District  
Demographics  
Update

2Q 2022



School District Strategies  
*Solutions Through Demographics*



# DFW: NEW HOME STARTS, CLOSINGS & LOT DELIVERIES

Market in Transition: DFW new home activity slowing down in Summer 2002 as mortgage rates rise

Annual Starts: 58,359 (+1.4% YoY)  
Annual Closings: 48,784 (+7.2% YoY)  
Lot Deliveries: 65,512 (+32.4% YoY)  
Current Start Pace is 14.4% above previous cycle peak





# 30-YEAR MORTGAGE RATE

August 4, 2022  
**30YR : 4.99%**  
15YR : 4.26%  
1YR ARM : 4.25%





# START & CLOSING IMBALANCE: HEADED TO NORMALIZATION IN 2022/23

## *Construction Capacity has Limited Closings*

- Annual starts over 58K while annual closings under 49K
- As a result, Under Construction inventory has surged to a record level of 42,754 units
- But with market slowdown due to higher rates, builders likely to ‘tap the brakes’ on starts in Second Half 2022

## *Builders Have Had Differing Market Approaches*

- Many builders, especially those at higher price points, have had only a limited amount of spec inventory
- But several of the value-oriented builders have taken a ‘spec’ approach to the market and are now focused on selling through their backlogs

## *With Market Slowdown, Cycle Times Starting to Improve*

- But costs, other than lumber, remain high





# DFW HOUSING MARKET—MARKET DRIVERS ARE HEALTHY

## *Good news for North Texas and the DFW area: Other than High Mortgage Rate, Demand Drivers are in Great Shape*

- Job formation at record high
- Population growth on the rise—fueled by relocations
- Millennial population continues to climb
- Existing home market still very short on available inventory—despite recent uptick in listings
- Rental rates continue to climb—renting a challenge for many households
- Household income is climbing—but a challenge to keep up with record housing inflation

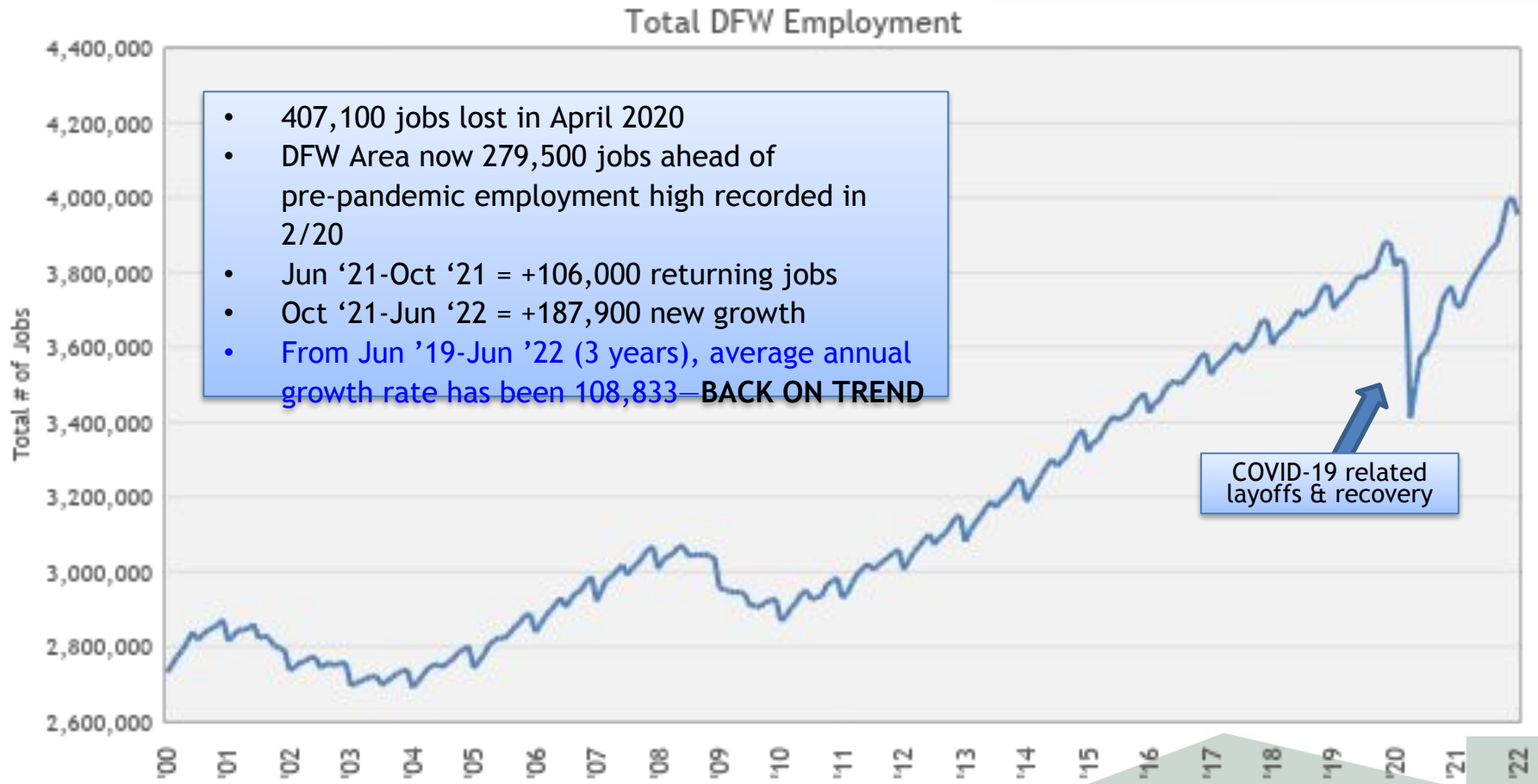


# DFW EMPLOYMENT GROWTH

**Annual Change June '21 - June '22**

TWC CES: +293,900 (+7.69%)

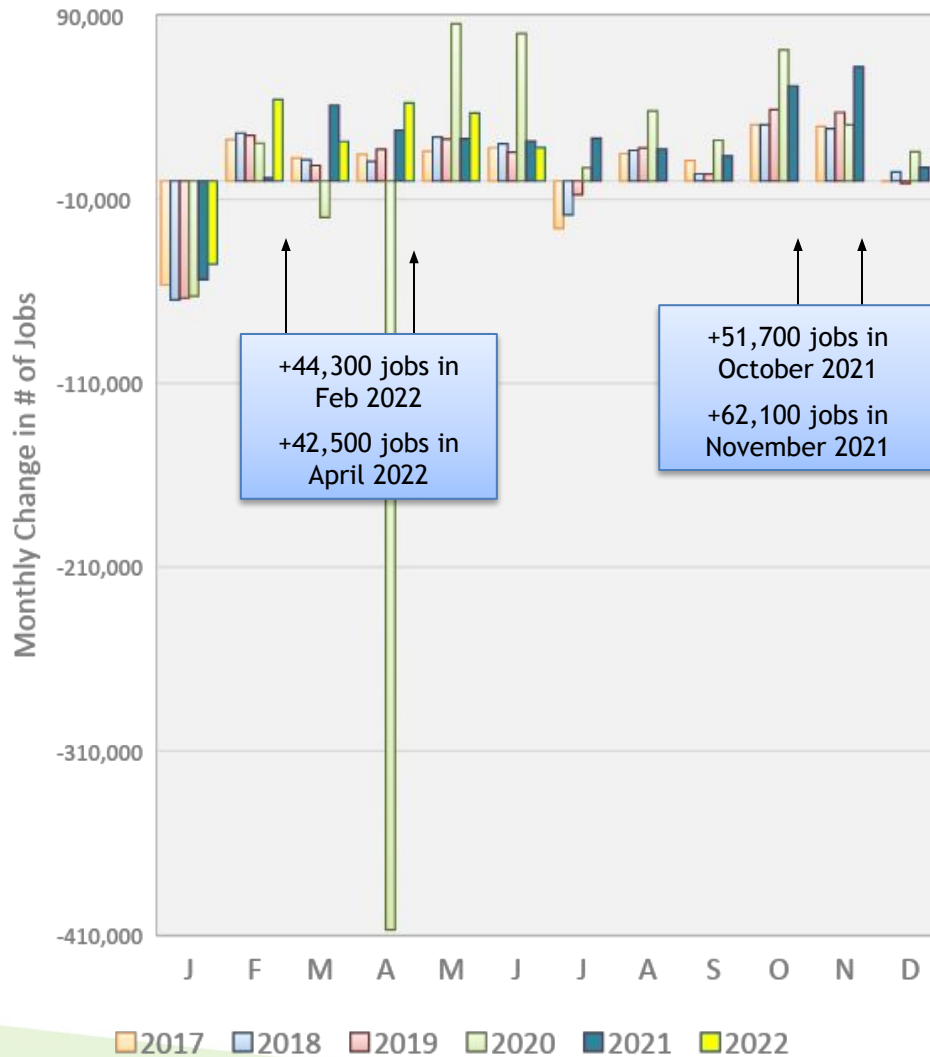
Total Employment: 4,118,200



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



# MONTHLY CHANGE IN DFW EMPLOYMENT

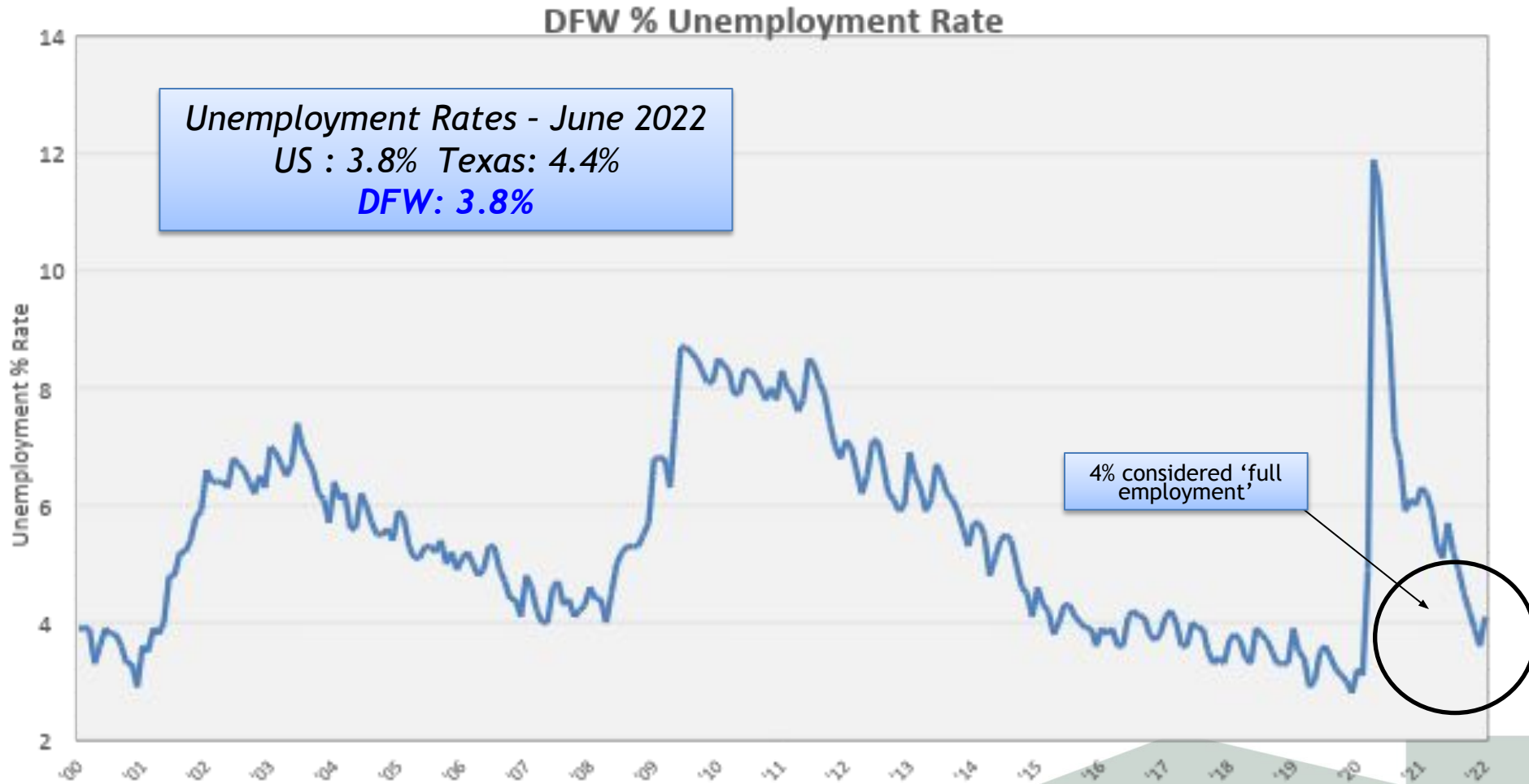


June 2022	Annual Change	% Change
Mining, Log, Construction	11,100	5.1%
Manufacturing	13,100	4.6%
Trade, Transportation & Utilities	57,500	6.9%
Information	5,400	6.6%
<b>Financial Activities</b>	<b>27,800</b>	<b>8.2%</b>
<b>Professional &amp; Business Services</b>	<b>79,400</b>	<b>11.7%</b>
Education & Health Services	29,100	6.4%
Leisure & Hospitality	55,700	14.9%
Other Services	12,700	10.4%
Government	2,100	0.5%

Source: TWC—CES Survey (NSA)



# DFW UNEMPLOYMENT



Not Seasonally Adjusted

Source: TWC - LAUS



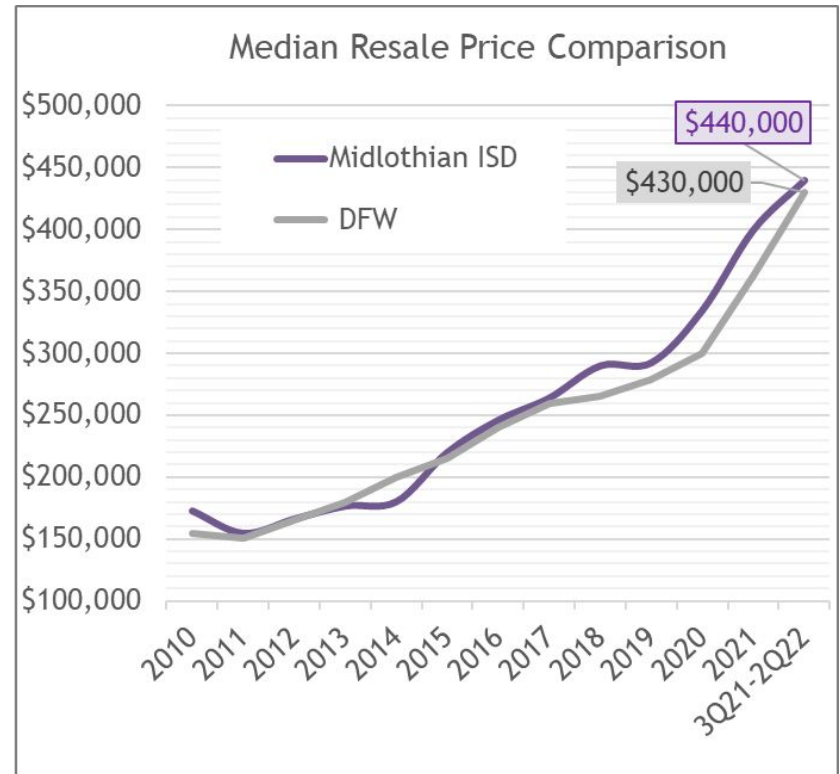
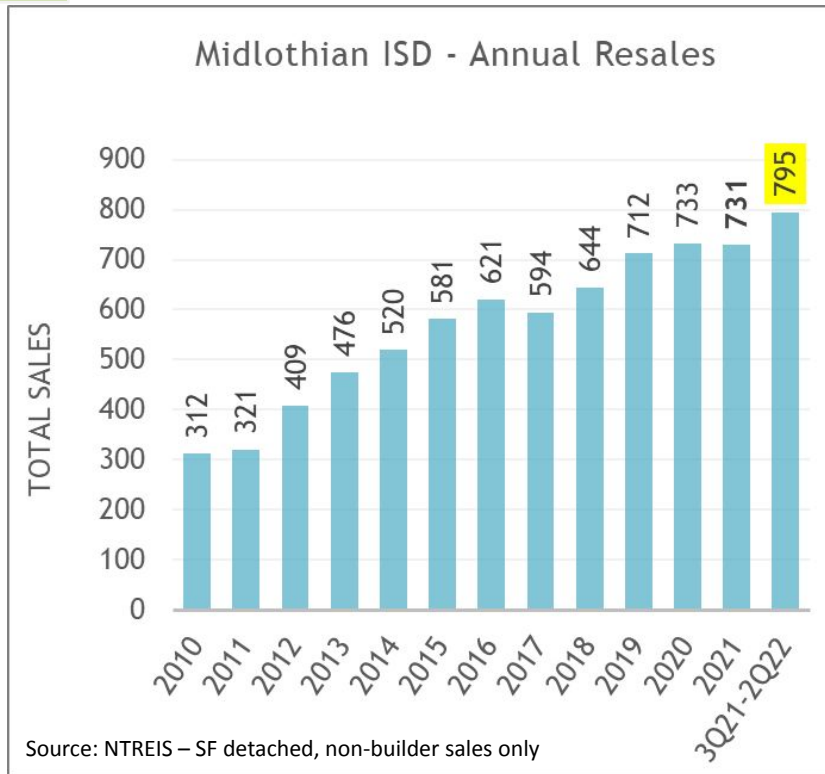
# DFW POPULATION GROWTH REMAINS VIBRANT

## *Recent Population Estimates*

- NCTCOG Estimates for 1-1-2022 that 16 County metro-area population climbs to 8,097,170
- 2021 YoY growth of 157,570 people +1.98%, similar to 2020 YoY (+156,660)
- DFW is now home to 24 Fortune 500 Companies (3<sup>rd</sup> to NYC at 65 and Chicago at 35) and has 44 Fortune 1000 Headquarters
- Rice University Kinder Institute for Urban Research projects that DFW will reach 10M+ population in the 2030's, and will surpass Chicago to become the 3<sup>rd</sup> largest SMSA in the US

*Source Dallas Regional Economic Dev Guide, NCTCOG*

# MIDLOTHIAN PREOWNED HOME SALES

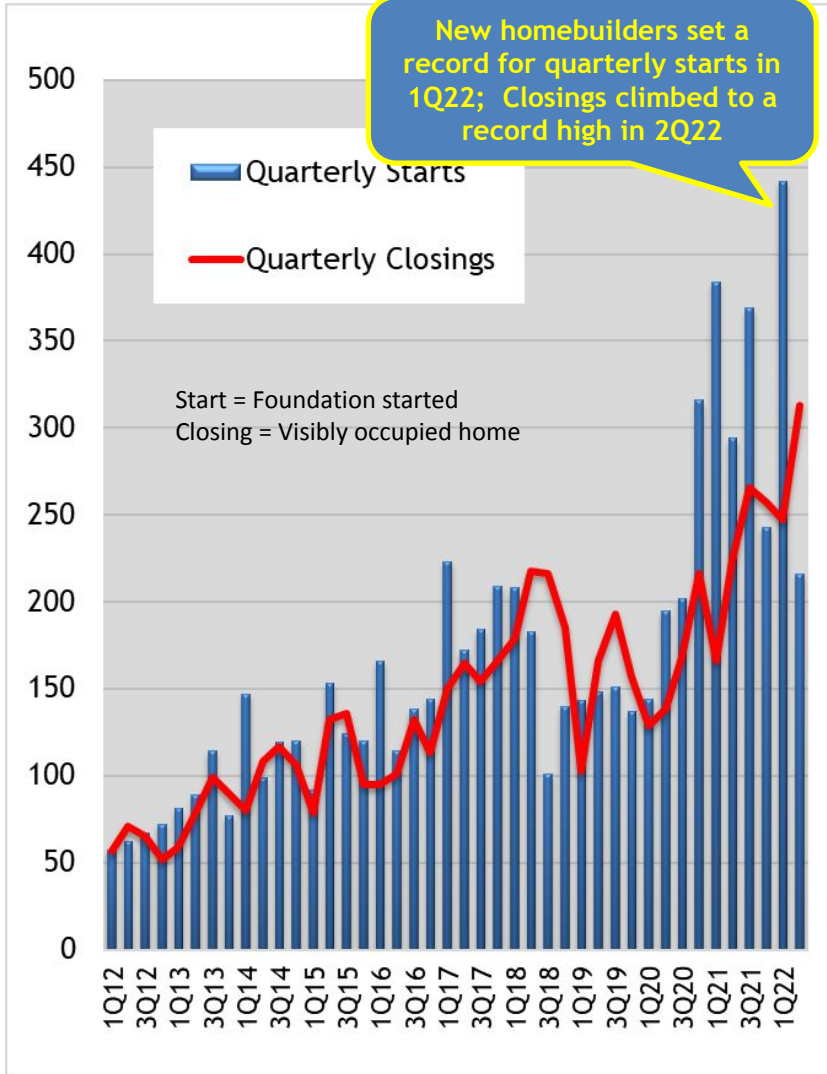


- 795 pre-owned homes sold from 3Q21-2Q22 in the district (+11.5% YoY)
  - *A new annual record*
- MISD's median resale sold price over the past 12 months was a record \$440,000 (+24.7% vs. YoY)
- DFW's annual median resale price currently a record \$430,000 (+20.8% YoY)



# MIDLOTHIAN ISD

## QUARTERLY NEW HOME CONSTRUCTION



Starts	2015	2016	2017	2018	2019	2020	2021	2022
1Q	92	166	223	208	143	144	384	442
2Q	153	114	172	183	148	195	294	216
3Q	124	138	184	101	151	202	369	
4Q	120	144	209	140	137	316	243	
Total	489	562	788	632	579	857	1,290	658

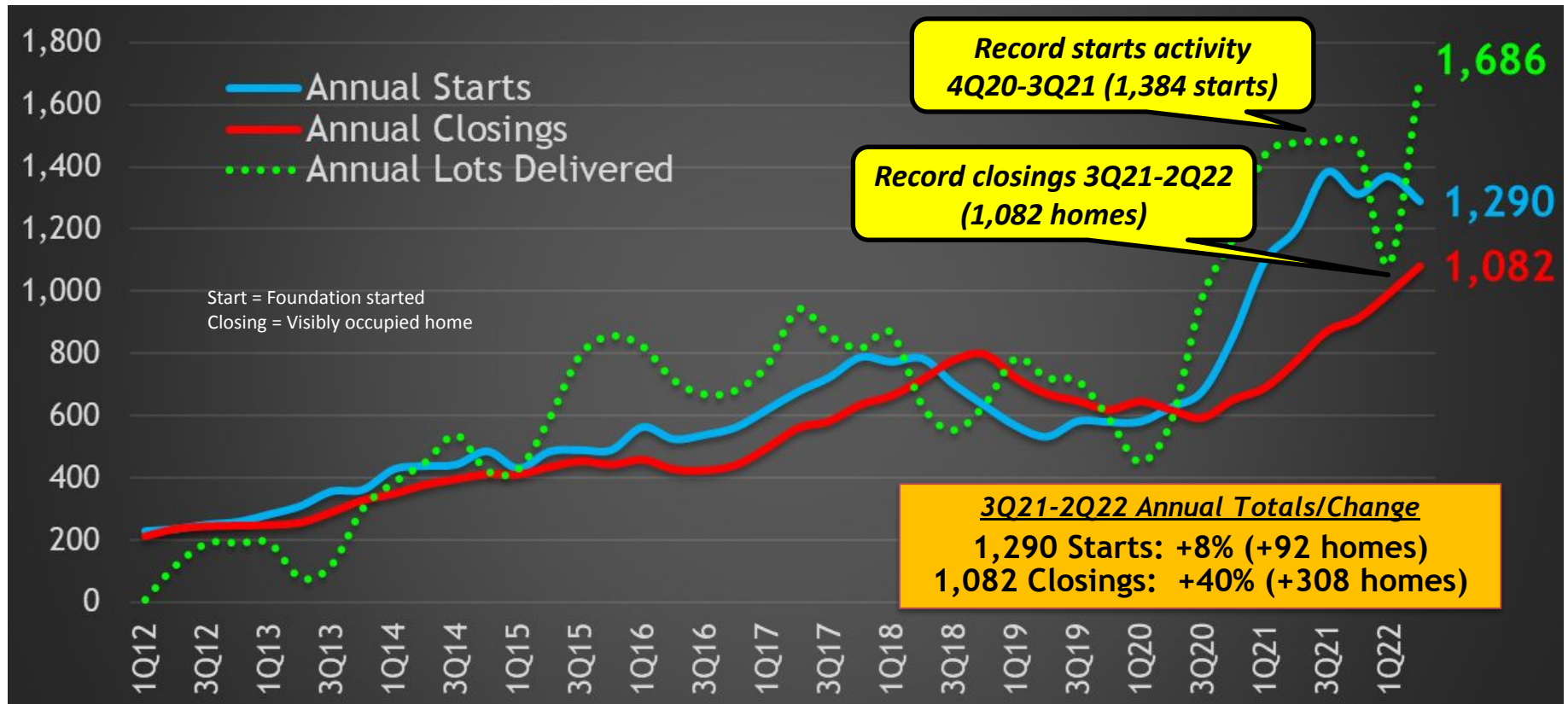
Closings	2015	2016	2017	2018	2019	2020	2021	2022
1Q	79	95	150	179	103	129	166	247
2Q	132	101	165	218	166	139	224	313
3Q	136	132	154	216	193	168	266	
4Q	95	113	166	185	157	216	257	
Total	442	441	635	798	619	652	913	560

- After a record 442 new homes were started in the 1<sup>st</sup> quarter of 2022, builders slow down in 2Q22 with only 216 starts
- New homebuilders produced a record quarter of closings in 2Q22; 313 new homes were completed and occupied





# MIDLOTHIAN ISD ANNUAL NEW HOME CONSTRUCTION AND LOT DELIVERIES

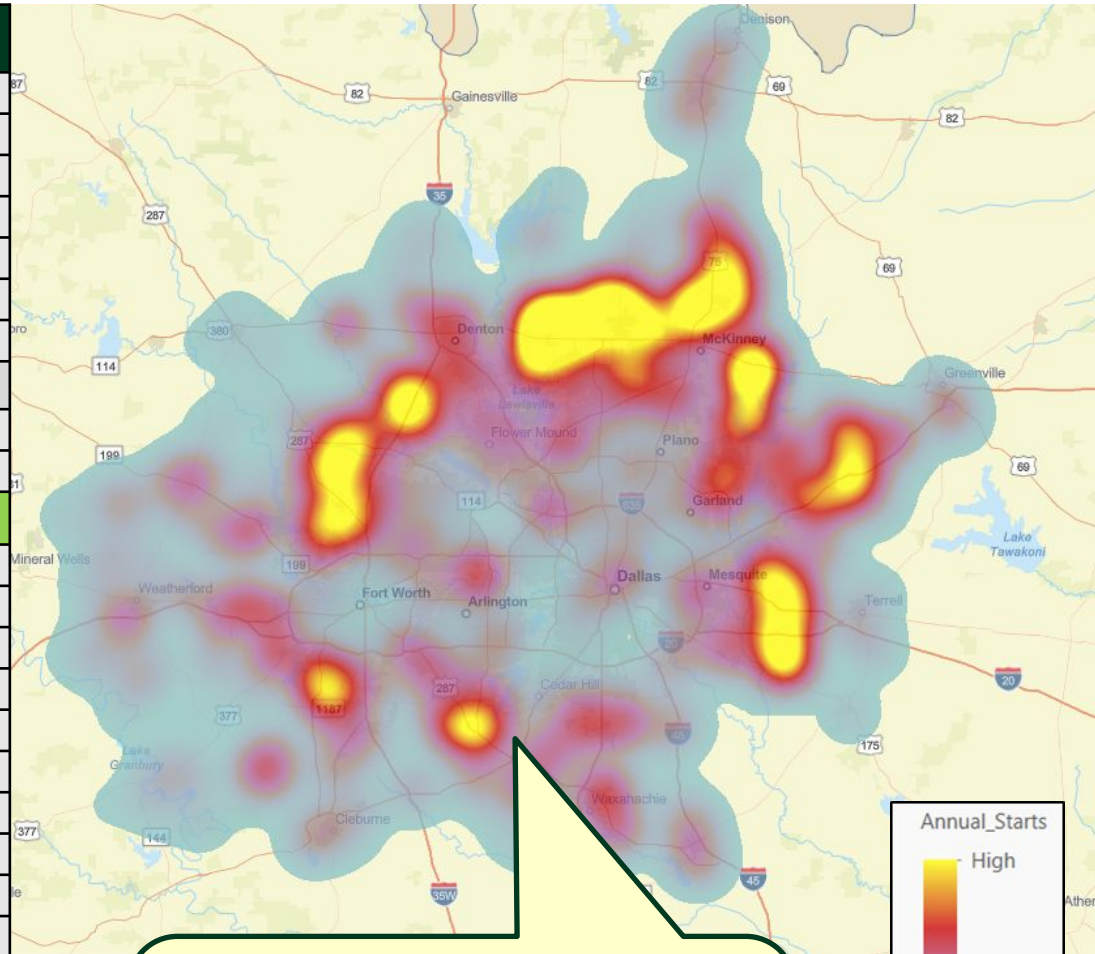


- New homebuilders started 1,290 homes in MISD over the past 12 months
- Annual closings surpassed the 1,000-unit threshold and ended the quarter at a record high of 1,082 homes (3Q21-2Q22, +40% YoY)
- Developers delivered a record 1,686 new SF residential lots in MISD over the past year



# DFW SCHOOL DISTRICT ACTIVITY: RANKINGS BY NEW HOME CLOSINGS 3Q21-2Q22

Rank	School District Name	Annual Starts	Annual Closings
1	Northwest	4,304	3,881
2	Prosper	3,412	3,389
3	Forney	2,450	3,295
4	Denton	3,452	3,166
5	Frisco	1,388	2,085
6	Princeton	2,499	1,753
7	Royse City	1,740	1,454
8	Crowley	1,566	1,171
9	Eagle Mountain-Saginaw	1,311	1,138
10	McKinney	1,794	1,098
11	<b>Midlothian</b>	<b>1,290</b>	<b>1,082</b>
12	Mansfield	1,465	1,008
13	Dallas	1,099	997
14	Waxahachie	926	988
15	Lewisville	1,263	965
16	Crandall	1,203	948
17	Celina	1,298	932
18	Community	1,127	930
19	Rockwall	1,406	928
20	Anna	1,127	867
21	Aubrey	1,479	867
22	Argyle	1,108	763
23	Garland	734	724
24	Melissa	1,084	720

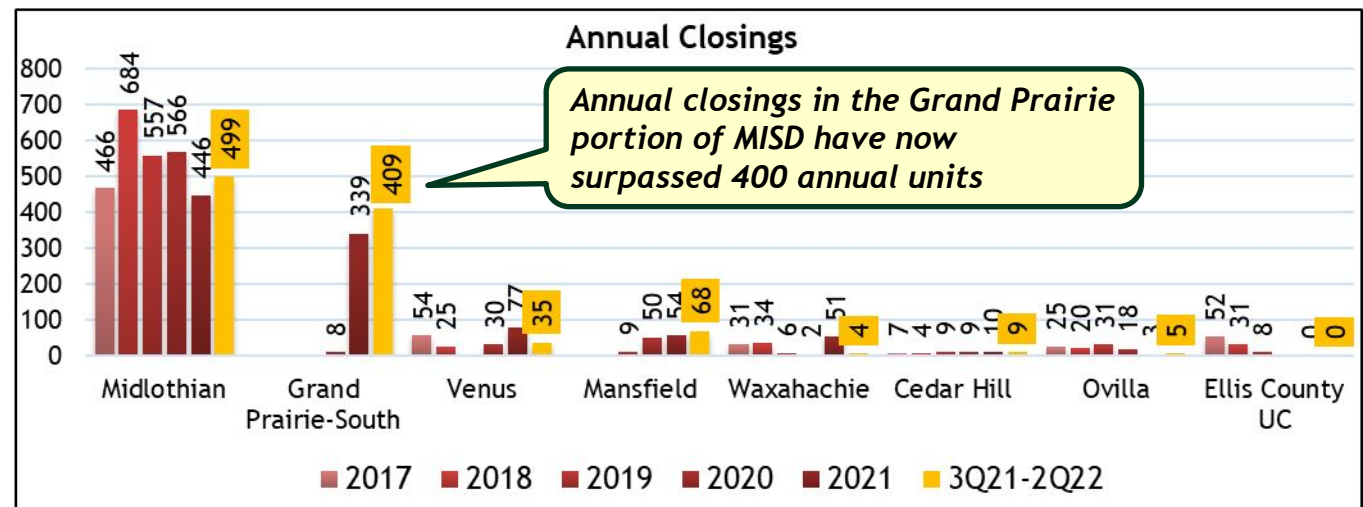
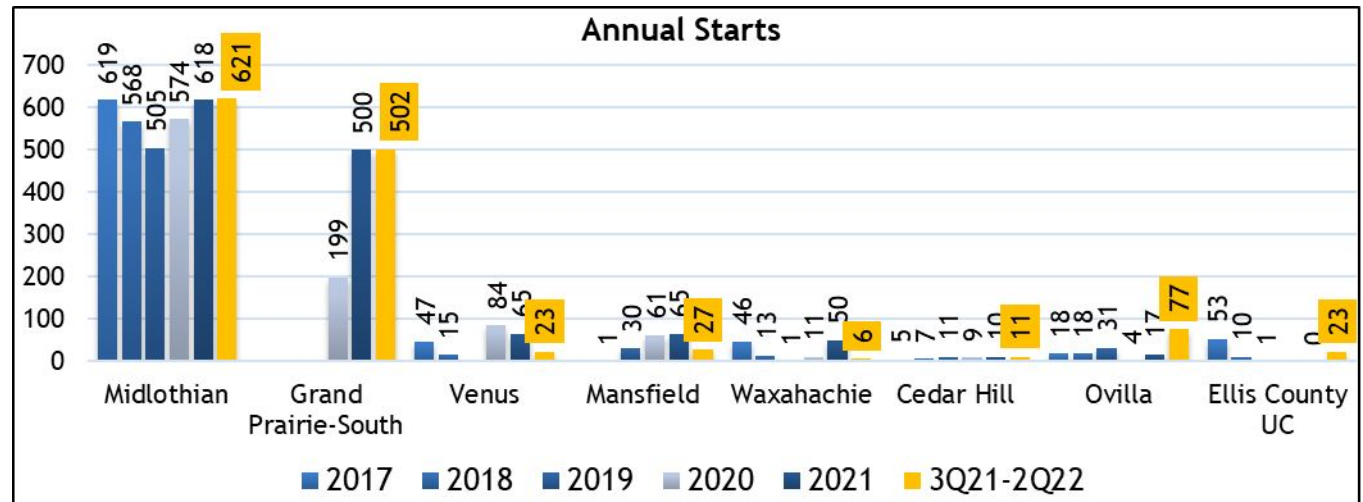


*Midlothian ISD currently ranks 11<sup>th</sup> in total annual new home closings compared to the other 90 DFW school districts; 2<sup>nd</sup> most active on southside of DFW*



# MISD NEW HOME ACTIVITY BY CITY SECTOR: 3Q21-2Q22

- City of Midlothian continues to see the most activity within the district
- Emerging Grand Prairie area produces 502 starts and 409 closings from 3Q21-2Q22



# MIDLOTHIAN ISD TOP PRODUCING NEW HOME SUBDIVISIONS

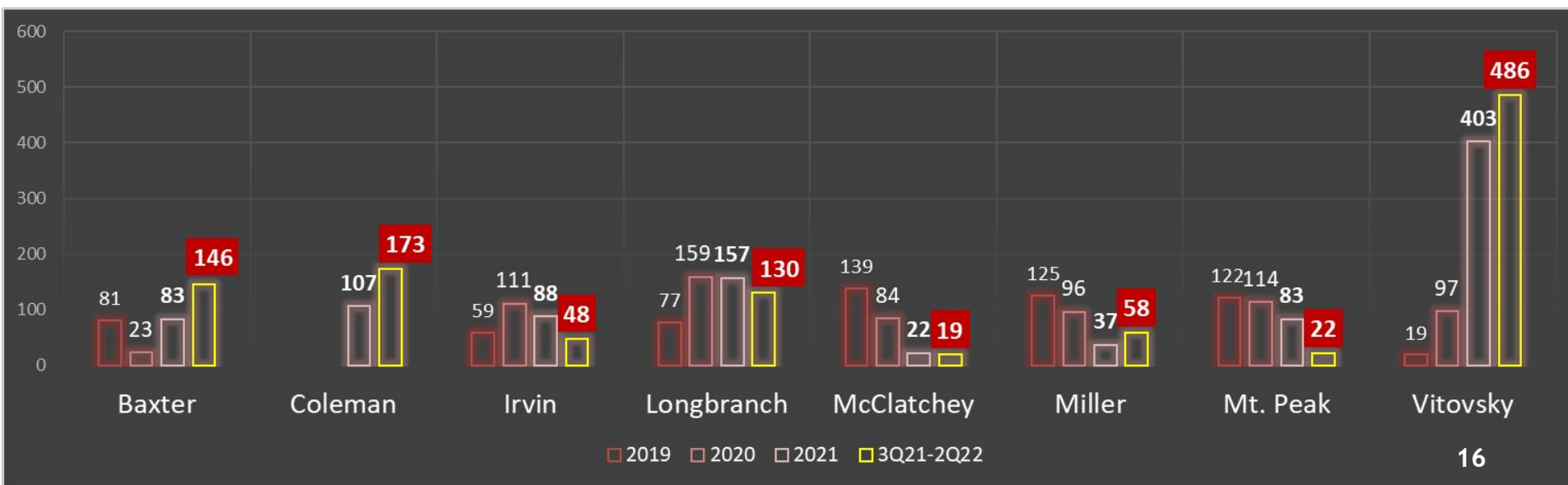
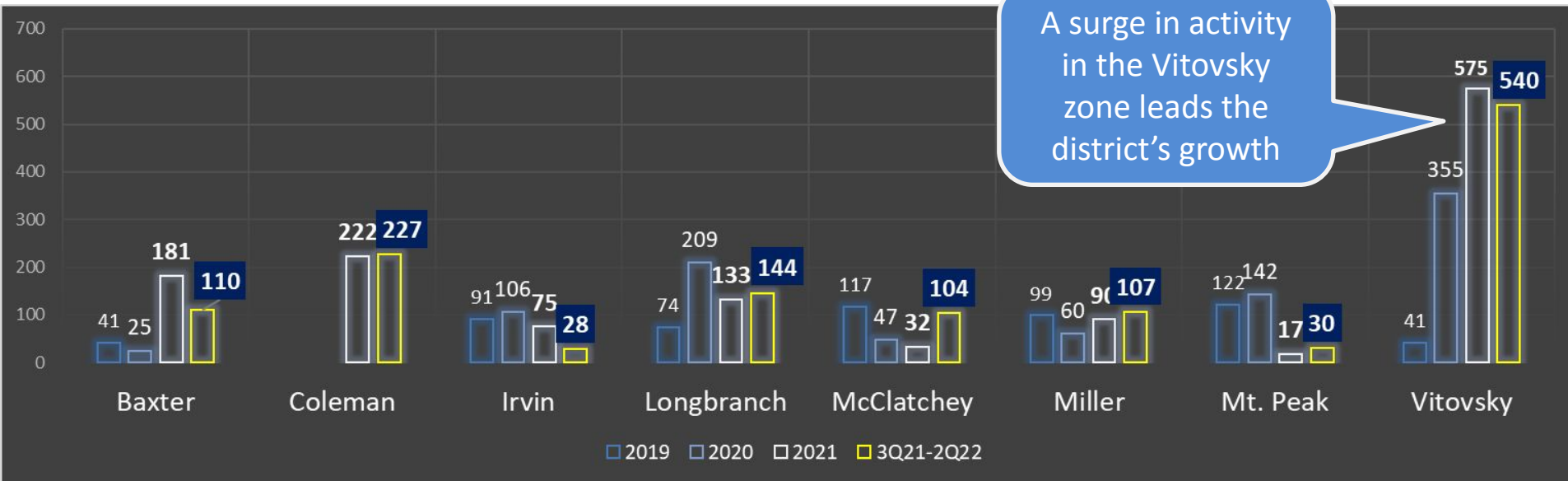
## 3Q21-2Q22 (ranked by annual closings)



Rank	Subdivision	Annual Starts	Annual Closings	Elementary Zone	Middle School Zone	High School Zone
1	Greenway Trails	380	251	Vitovsky	Frank Seale	Midlothian
2	The Grove	61	146	Baxter	Walnut Grove	Heritage
3	Prairie Ridge	99	145	Vitovsky	Frank Seale	Midlothian
4g	Autumn Run	16	66	Coleman	Dieterich	Midlothian
5	Mill Valley	11	61	Vitovsky	Frank Seale	Midlothian
6	Dove Creek	77	58	Coleman	Dieterich	Midlothian
7	Horseshoe Meadows	6	56	Longbranch	Walnut Grove	Heritage
8	Brandi Ridge	87	38	Mt. Peak/Coleman	Dieterich	Midlothian
9	Heritage Hills Estates	23	35	Irvin	Dieterich	Midlothian
10	Massey Meadows	32	31	Longbranch	Walnut Grove	Heritage
<b>Up and Coming</b>						
	Bryson Manor	68	1	McClatchey	Walnut Grove	Heritage
	Hawkins Meadows	62	16	Coleman	Dieterich	Midlothian
	Parkside North	49	0	Baxter	Frank Seale	Heritage
	Hayes Crossing	41	1	Longbranch	Walnut Grove	Heritage



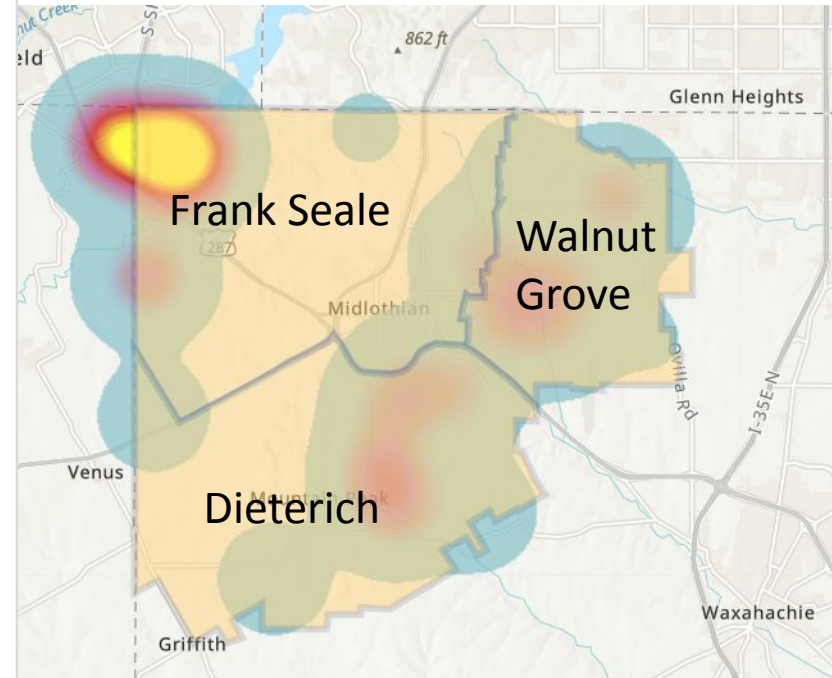
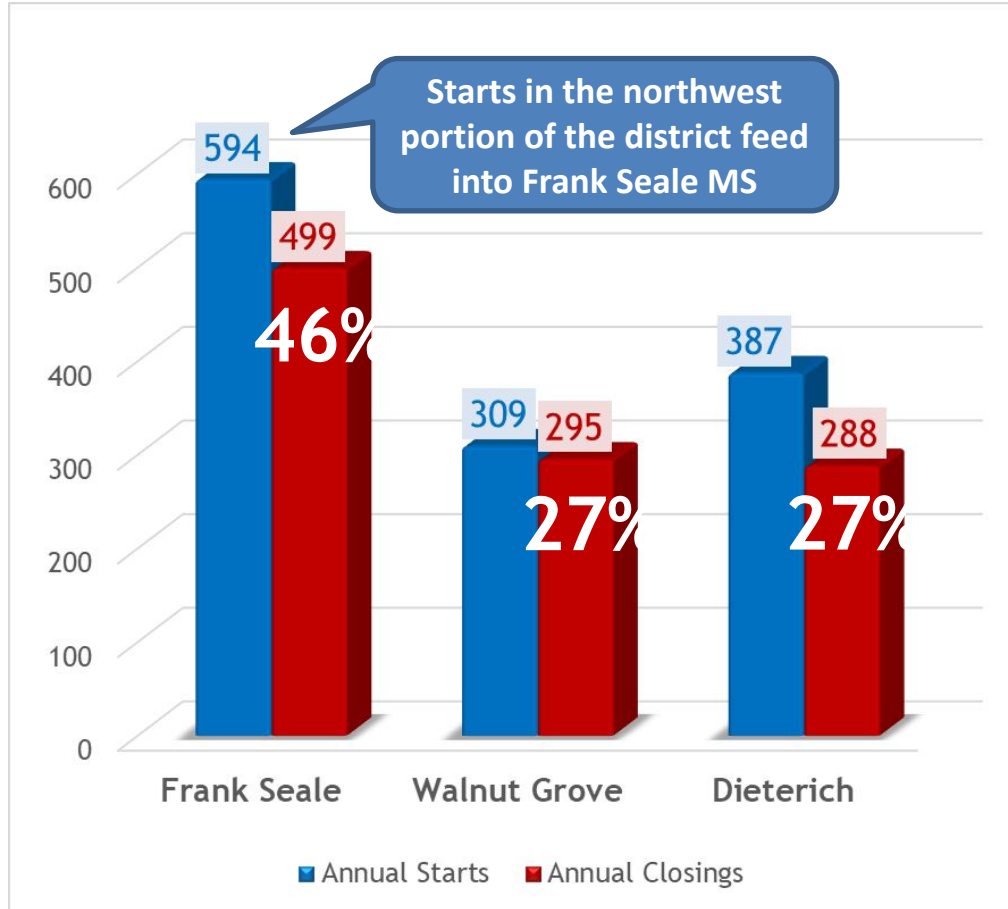
# MIDLOTHIAN ISD NEW HOME CONSTRUCTION ACTIVITY BY ELEMENTARY ATTENDANCE ZONE







# MIDLOTHIAN ISD NEW HOME CONSTRUCTION ACTIVITY BY MIDDLE SCHOOL ATTENDANCE ZONE: 3Q21-2Q22

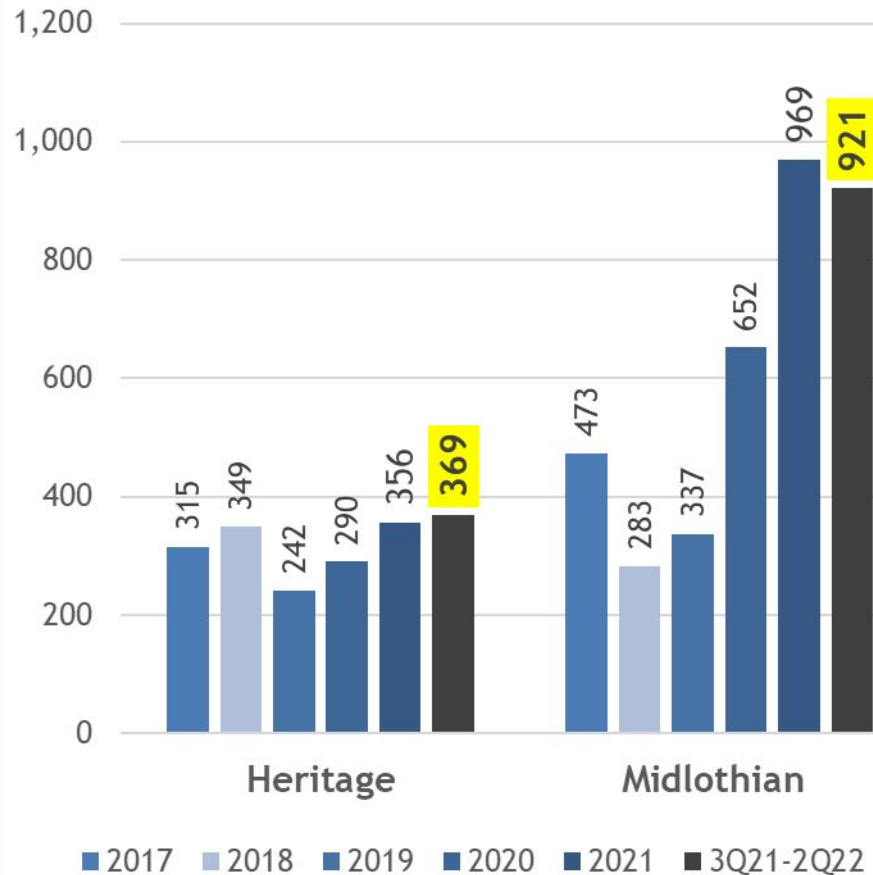


- Frank Seale zone continues to see the majority of the district's new home activity

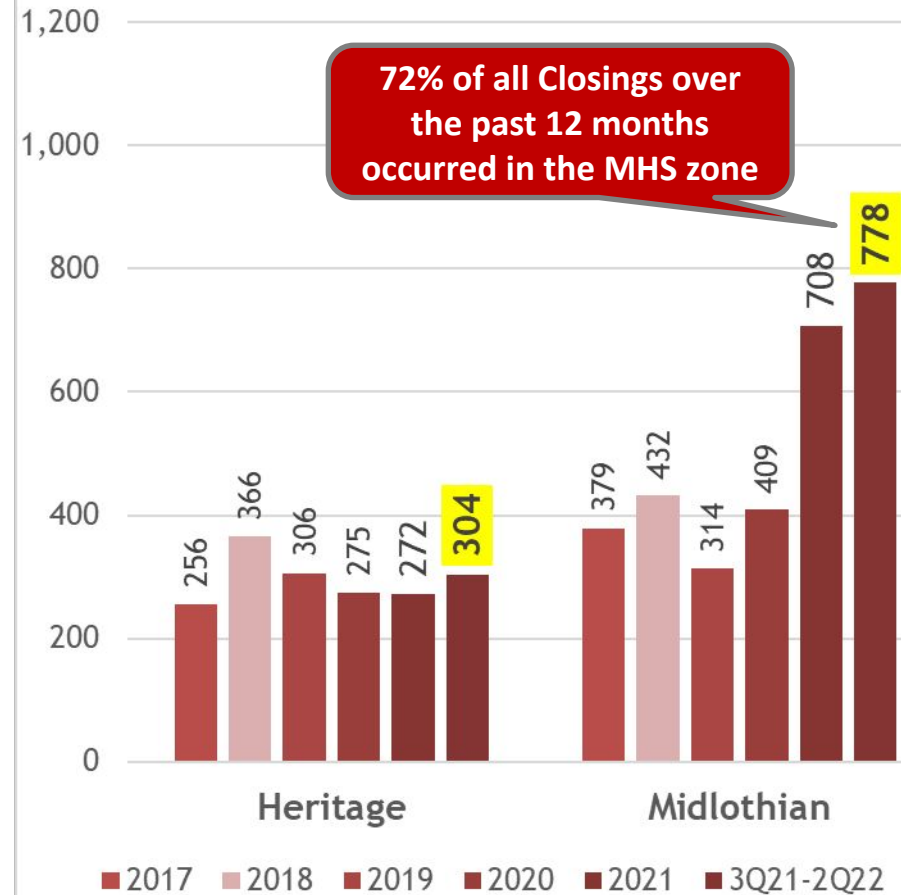


# MIDLOTHIAN ISD NEW HOME CONSTRUCTION ACTIVITY BY HIGH SCHOOL ATTENDANCE ZONE

Annual Start Rate Per High School Zone



Annual Closing Rate Per High School Zone

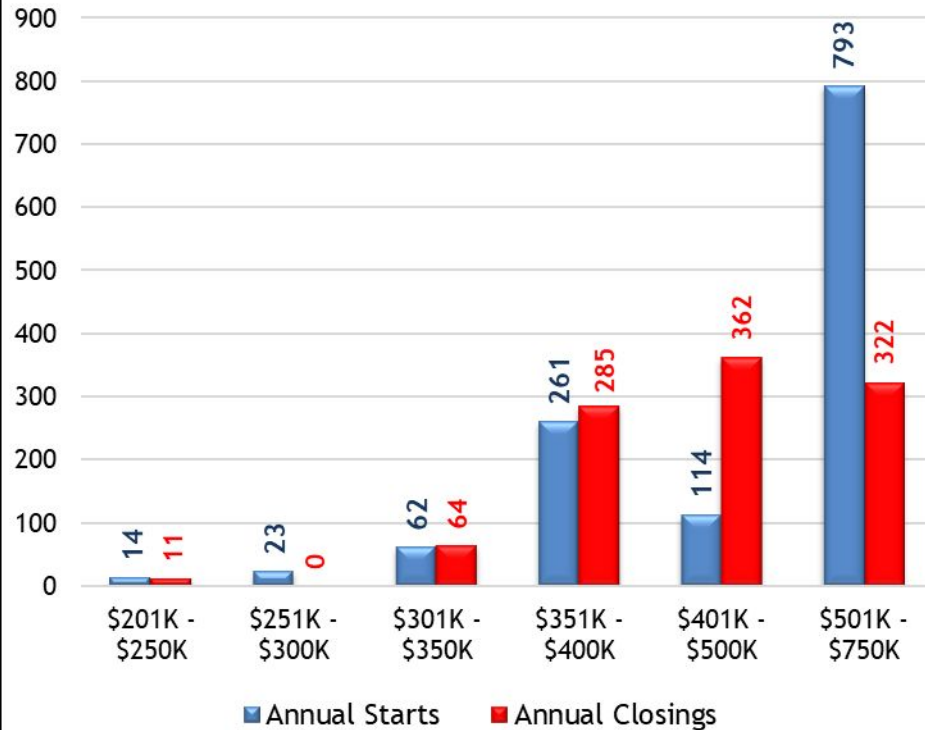




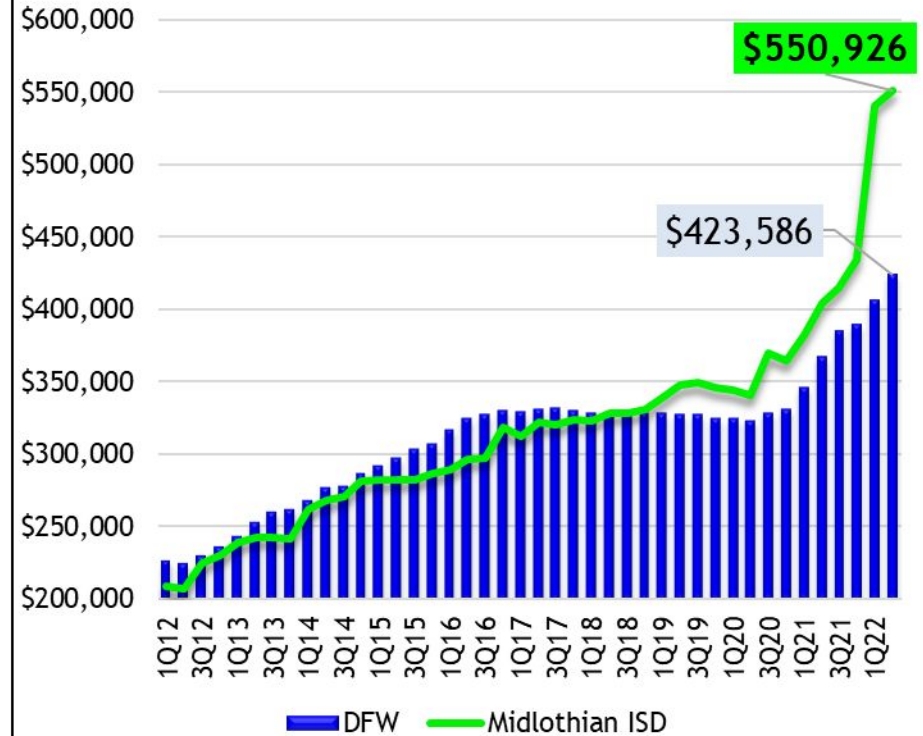


# DISTRICT MEDIAN NEW HOME PRICE HISTORY

Annual Activity by Price Range: 3Q21-2Q22



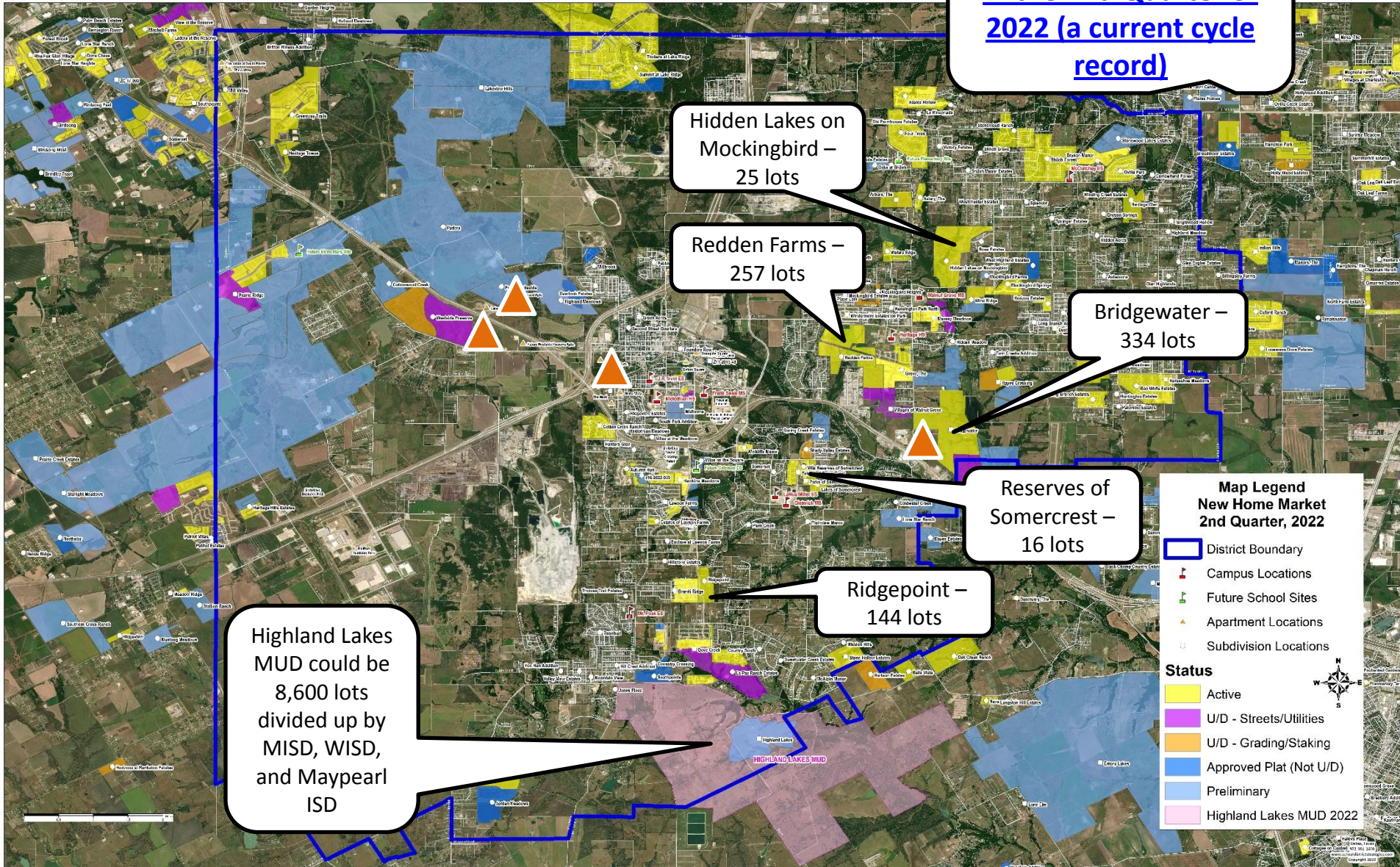
Historical Median New Home Price



- Start activity over \$500K surges during the first half of 2022 (62% of starts)
- District's median new home price now stands at a record \$550,926 (+33% YoY)
- DFW Median New Home Price as of June 2022 is a record \$423,586 (+15.4% YoY)



**776 New lots delivered  
in the 2nd Quarter of  
2022 (a current cycle  
record)**



▲ = planned apartments



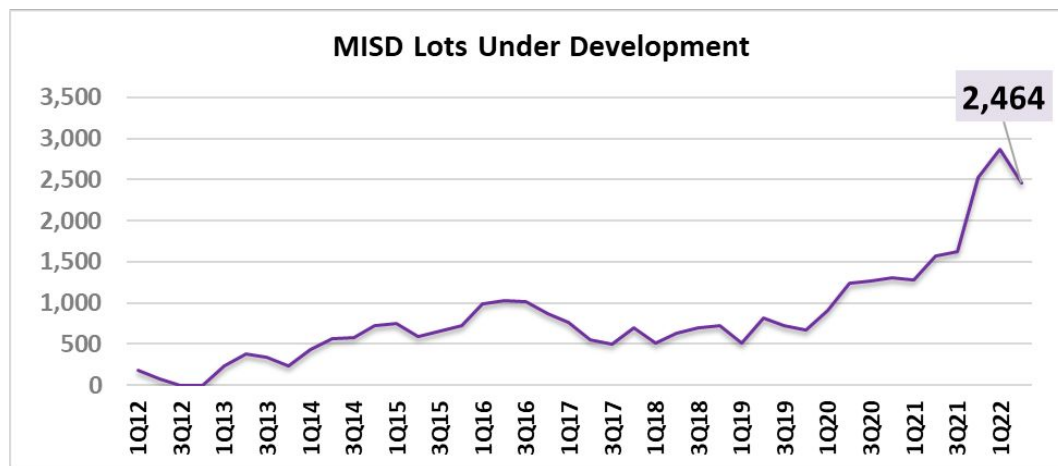
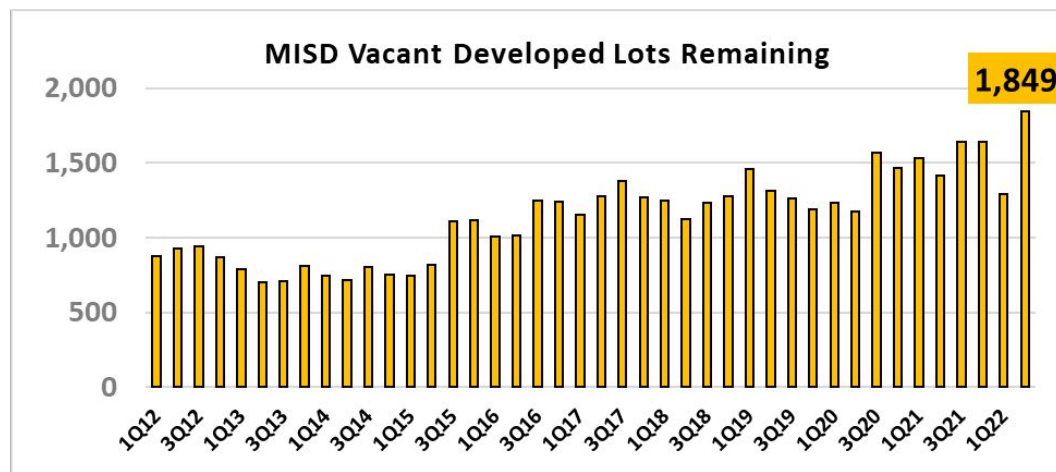


# MIDLOTHIAN ISD RESIDENTIAL LOT INVENTORY



- 1,063 total homes currently in production (started not occupied)
- 1,849 vacant developed lots remaining as of June 2022
- 2,464 lots under development at the end of 2Q22
- 20,295+ additional single-family lots are planned in MISD
- Approximately 1,100 future apartment units are planned

□ Combined there are over 25,000 lots in-process/planned as of 2Q22 in MISD (total of homes U/C, VDL, lots U/D, and future lots)





# Midlothian ISD

## Aerial Photos

### July 2022





# Greenway Trails





# Southpointe / Mill Valley





# Prairie Ridge





SH 287

# Westside Preserve





# Bryson Manor



An aerial photograph of a residential development. In the foreground, a row of six large, modern houses with dark roofs and light-colored siding is visible, each with its own driveway and lawn. Some houses have swimming pools. Behind the houses is a dense line of green trees. In the middle ground, there is a large, rectangular, light-colored paved area, possibly a parking lot or a sports field, with some trees scattered around it. In the background, more houses and trees are visible, along with a road that curves through the area.

# Winding Creek Estates





# Azalea Hollow





# Hidden Lakes on Mockingbird





**Baxter ES**

**Parkside North**





# Wind Ridge





# Hayes Crossing





Walnut Grove MS

**Massey Meadows**





# Redden Farms





# The Grove





Walnut Grove Rd

# Villages of Walnut Grove





# Bridgewater





# Bridgewater





# Sagebrush





# Shady Valley





**Alta Mesa Blvd**

# Lakes, Villas, Reserves of Somercrest





**Dieterich MS**

**Miller ES**

**Lakes, Villas, Reserves of  
Somercrest**





# Hawkins Meadows





S. 14<sup>th</sup> St.

# Brandi Ridge / Ridgepoint





# Dove Creek





# La Paz Ranch



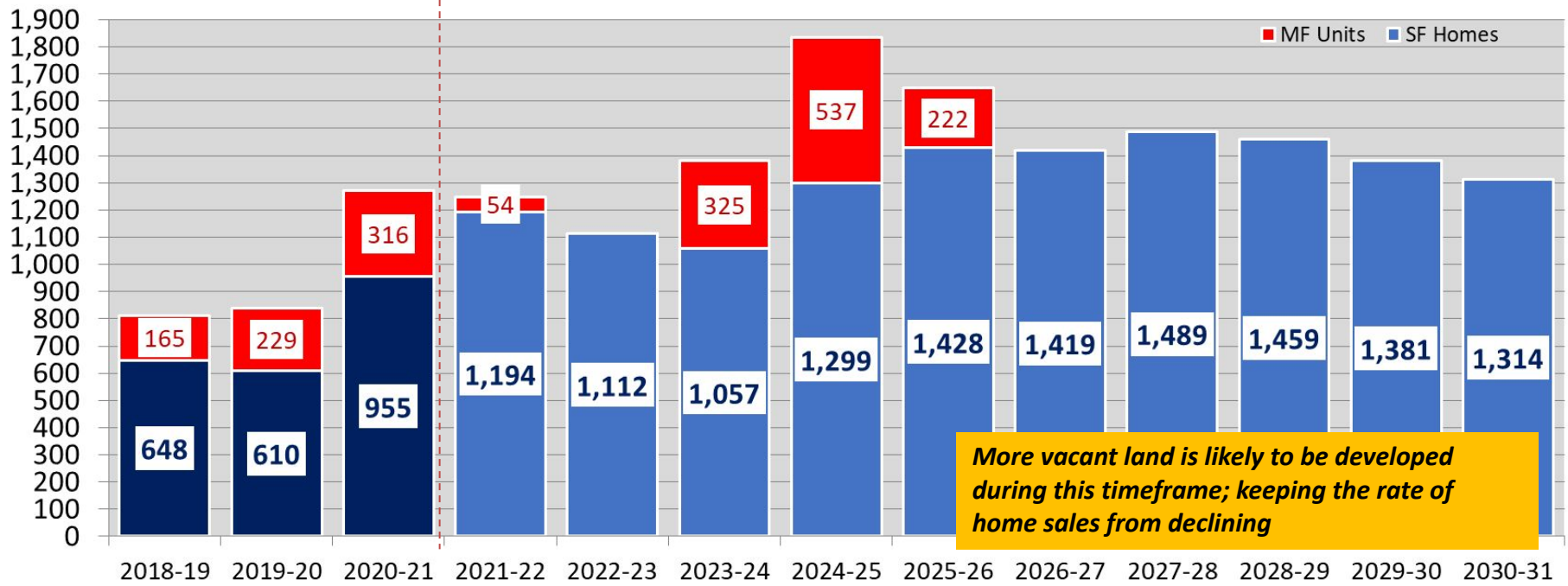


# Stone Hollow Estates





# MIDLOTHIAN ISD NEW HOME CONSTRUCTION MODERATE GROWTH CLOSINGS FORECAST FALL 2022-2031



Annual periods represent 4Q-3Q

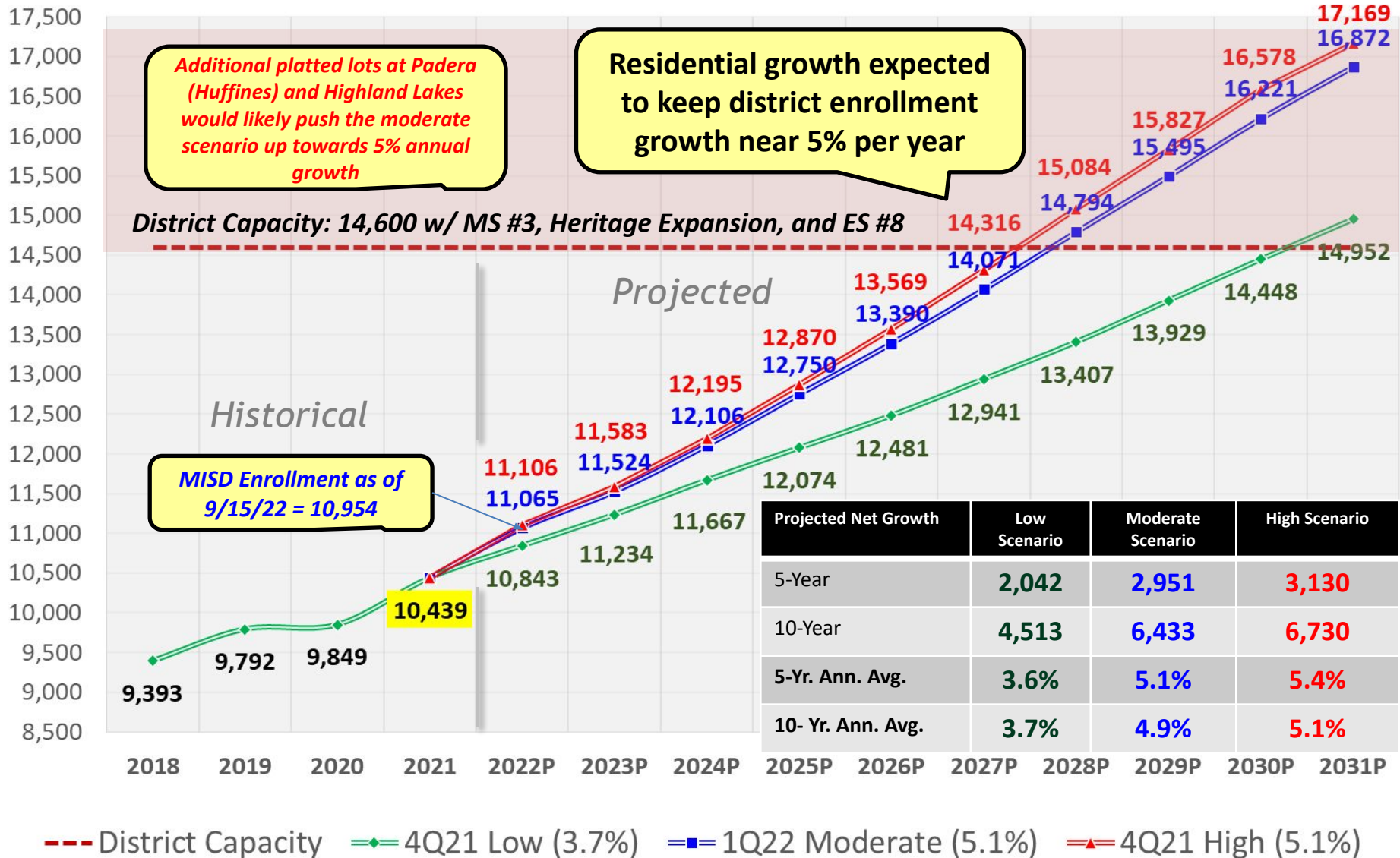
- The district is poised to see an average of 1,260 closings over the next five years
- Under the Moderate Scenario, MISD builders could produce approximately 6,300 total new occupied homes over the next five years
- Over the next 10 years, MISD is poised to see over 13,000 new homes completed
- Apartment developers working to add another 1,100+ units in MISD





# MIDLOTHIAN ISD

## 10-YEAR ENROLLMENT PROJECTIONS





# Midlothian ISD

## 2Q 2022 Demographics Summary

- Rapid enrollment growth continues to be driven by record new home construction in MISD
- Builders produced record activity in 2Q22 with 313 closings
- From 3Q21-2Q22, homebuilders started 1,290 new homes and a record 1,082 homes were occupied
- District's median new home price now stands at a record \$550,926 (+33% YoY) [DFW = \$424K]
- The recent housing surge is mainly the result of a 3<sup>rd</sup> growth area emerging in the northwest/Grand Prairie portion of the district (Vitovsky ES/Frank Seale MS/MHS attendance zones); starts in this area topped 500 units over the past year (and 409 closings)
- Developers delivered a record 1,686 new single-family (SF) lots in MISD from 3Q21-2Q22
- 1,063 total homes are currently in production (started but not complete/occupied)
- 1,849 vacant SF lots were remaining at month-end June 2022
- 2,464 SF lots are currently under development in the district
- Developers are planning over 20,000 additional future SF lots with more expected
- 1,100 future apartments are now planned
- MISD on pace for 6,300 new homes occupied by Fall 2027 and 13,000 homes by Fall 2032
- New home subdivisions in MISD are currently yielding 0.65 enrolled students per home
- Apartments in MISD are currently yielding 0.25 enrolled students per unit
- Residential growth is expected to keep annual enrollment growth near 5% per year
- Early September 2022 district enrollment shows 5% annual growth rate with 10,954 students
- If enrollment growth averages 5.0% over the next five years (Moderate Scenario), MISD would surpass 13,000 students by 2026/27
- Over the next 10 years, the district could add nearly 6,500 students if the annual growth rate averages 5% (Fall 2031 = 16,900)





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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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