



Midlothian ISD

District
Demographics
Update

2Q 2024



School District Strategies
Solutions Through Demographics

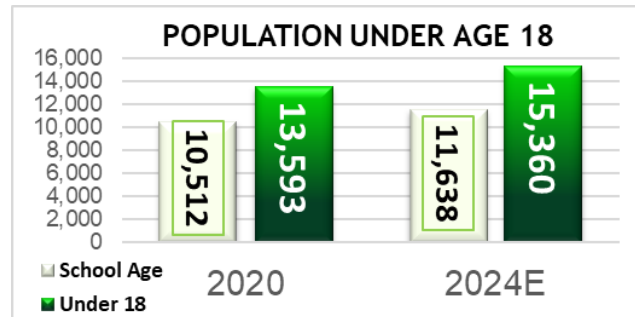
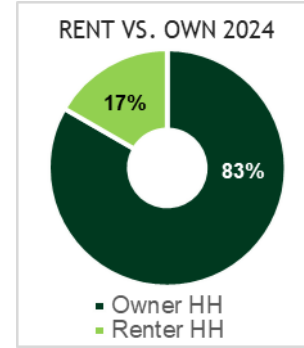
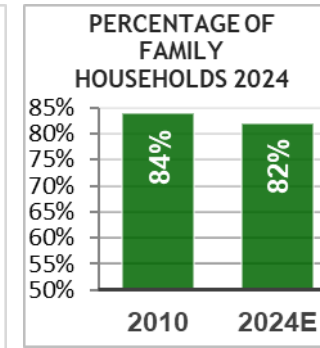
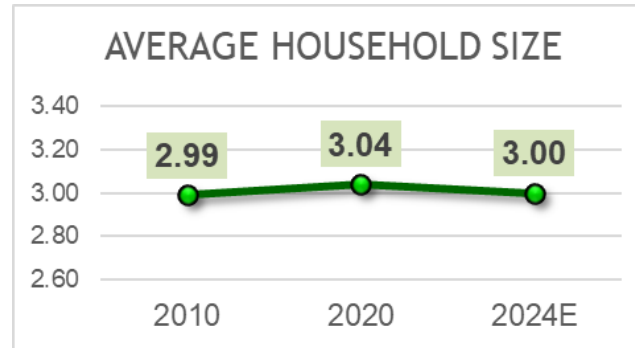
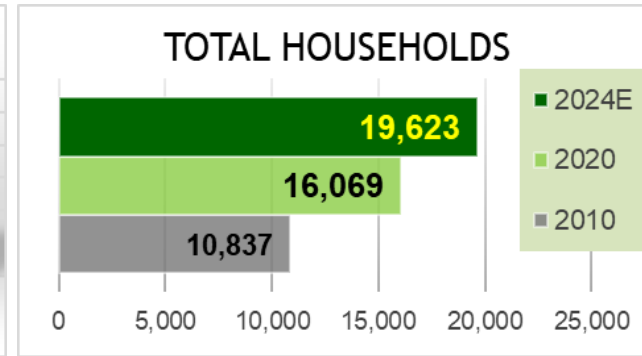
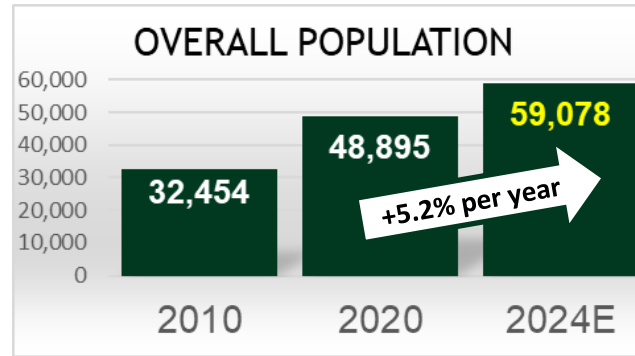
MIDLOTHIAN ISD: 2024 UPDATE

Midlothian ISD's overall population in 2024 is estimated to be 59,078 (+21% since 2020 Census)

In 2024, MISD is estimated to have 19,623 total households (+22% since 2020 Census)

The average household size in MISD remains level near 3.0

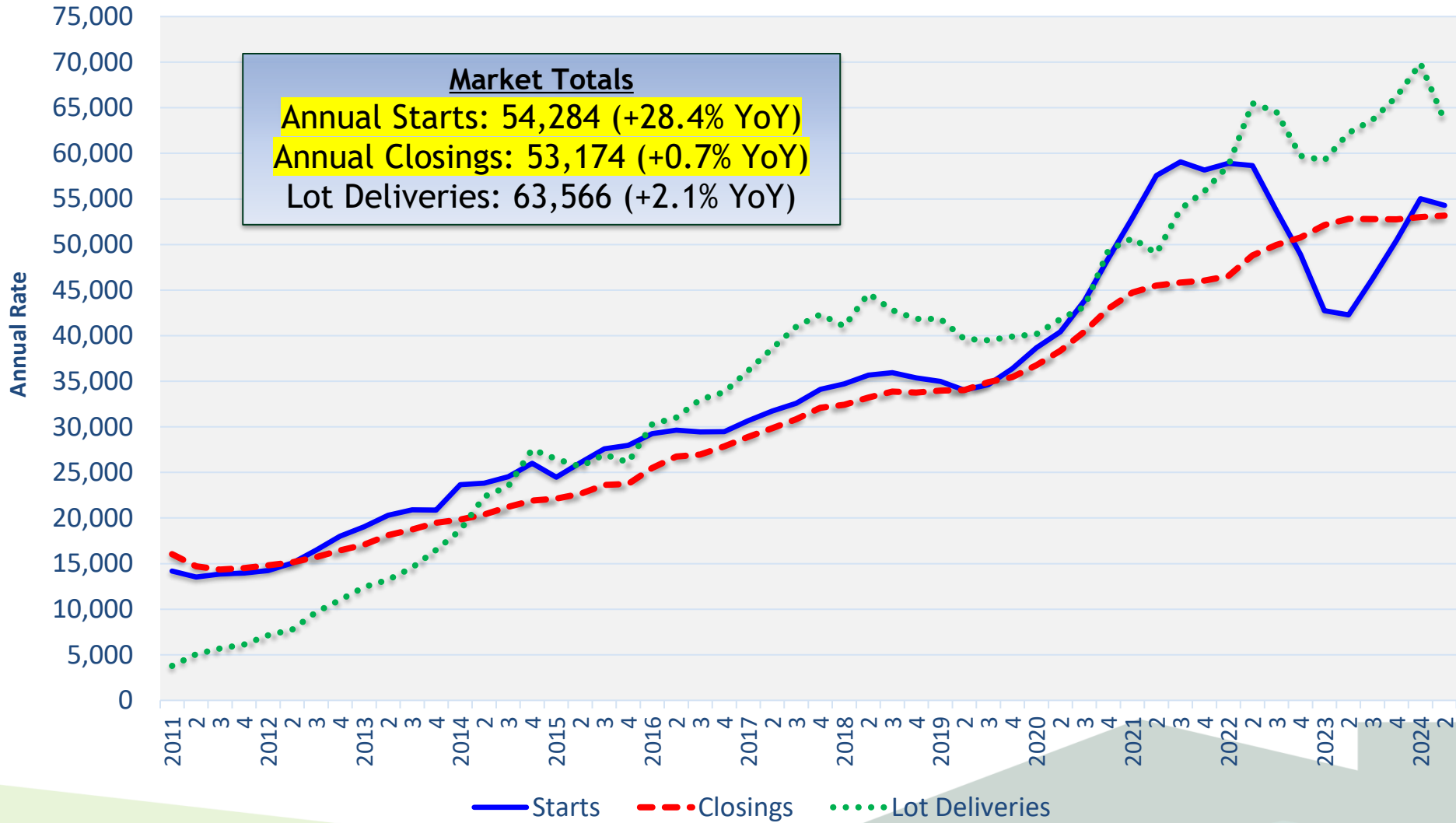
83% of the district's households own/have a mortgage on their home



Under Age 18:
2024 estimates have the district's younger population growing at an average pace of 3.3% per year since 2020

GROWTH DRIVERS:

DFW: NEW HOME STARTS, CLOSINGS & LOT DELIVERIES



GROWTH DRIVERS:

DFW HOUSING MARKET—TRAFFIC & SALES SUMMER 2024

Strong Start to Year Gives Way to Tougher May and June

- With mortgage rates under 6.7%, builders experience strong sales from Jan-April
- As mortgage rates top 7% in late-April and May, anecdotal reports emerge from many builders that sales weaken by 20-25%
- The 7% 30-year mortgage rate is clearly an inflection point in market activity for prospective buyers
- Discounting/incentives emerge as rates top 7%, especially on specs, as builders try to maintain sales goals.
- As rates move over 7%, negative impact on affordability noticeable - especially in southern and eastern markets
- Many builders move away from 100% spec strategies as FV inventory accumulates

Modest July Reprieve

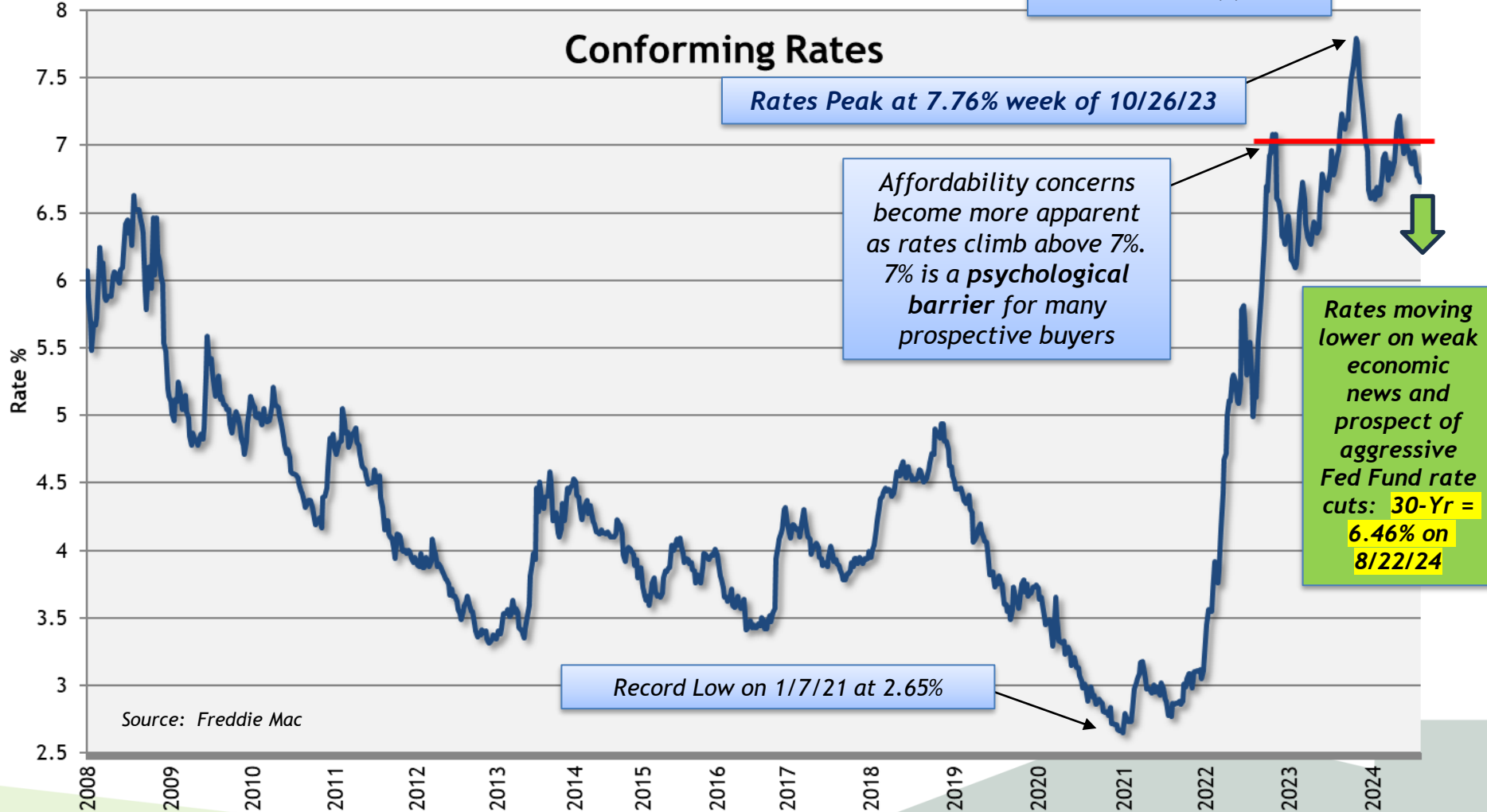
- As 30-yr mortgage rates drops back below 7%, several builders report a slight lift in sales and traffic
- Builders optimistic that potential Fed rate cut in September leads to continued decline in 30-year mortgage rate
- Rate buydowns remain a fundamental tool to drive sales

Other Market Drivers In Play

- Slowdown in DFW job formation is impacting new sales as well
- Consumer confidence remains circumspect pending outcome of economic and political changes, buyer is more value-driven today

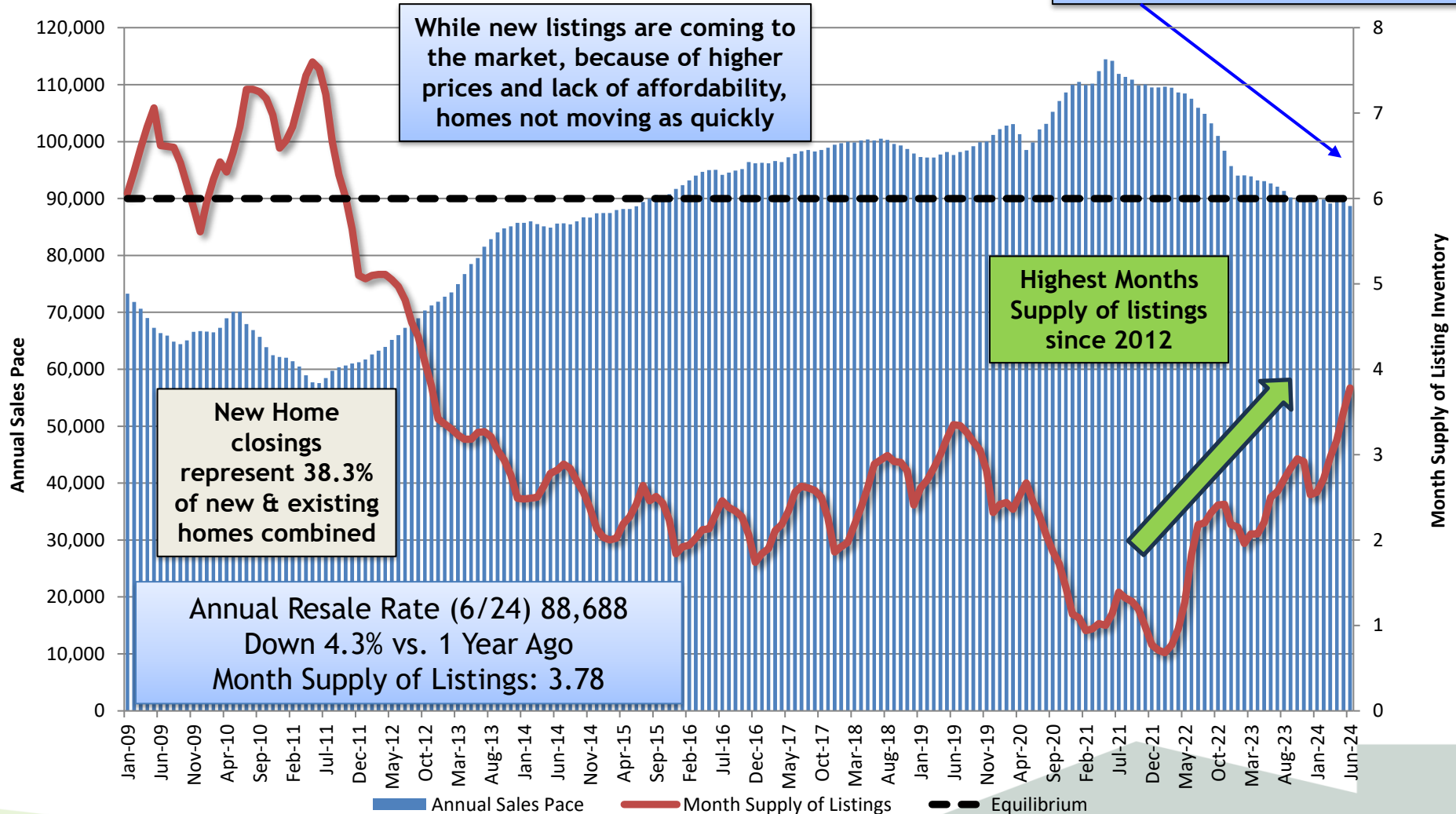
30-YEAR MORTGAGE RATE

August 1, 2024
30YR : 6.73%
15YR : 5.99%



DFW EXISTING HOME SALES (DFW MSA)

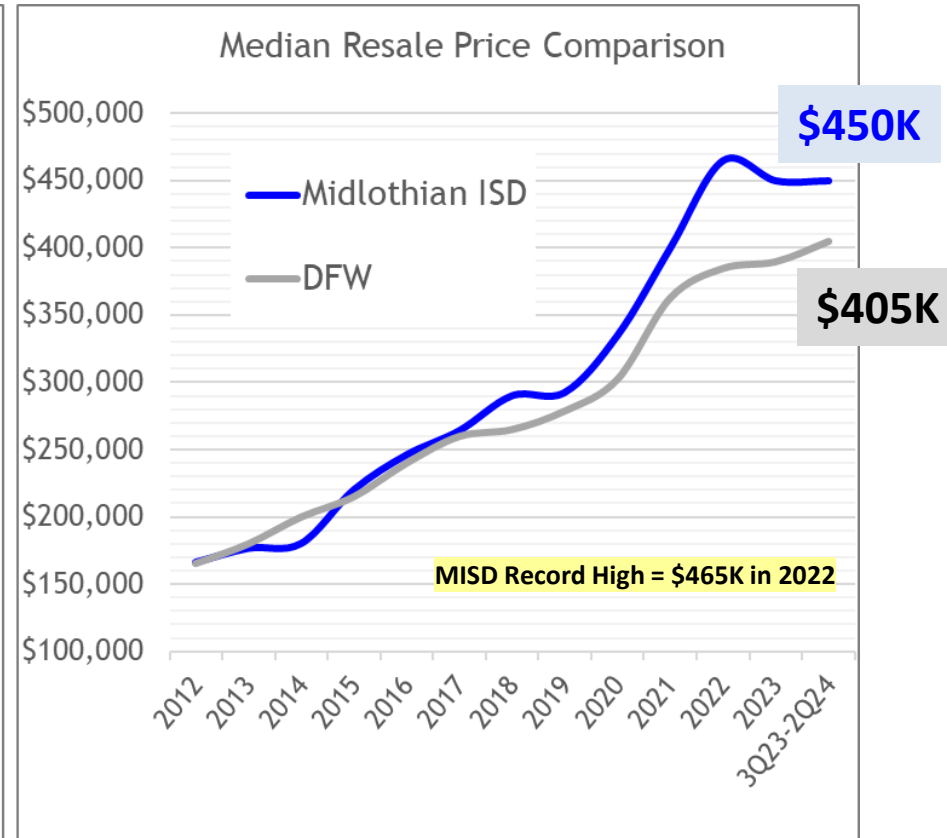
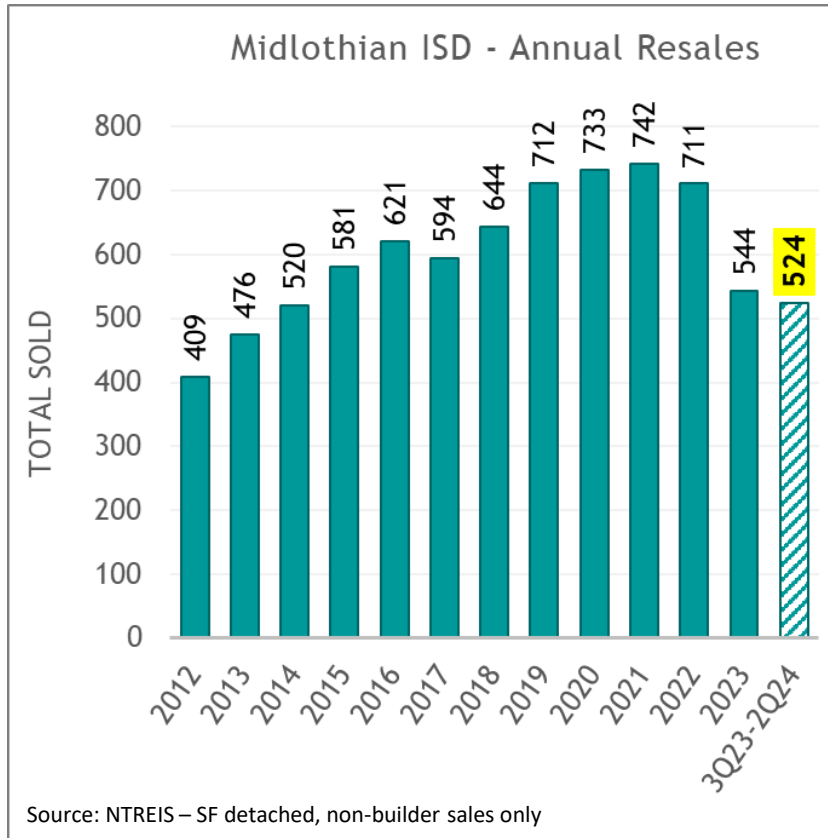
High interest rates continue to slow existing home sales



Source: Texas A&M Real Estate Center

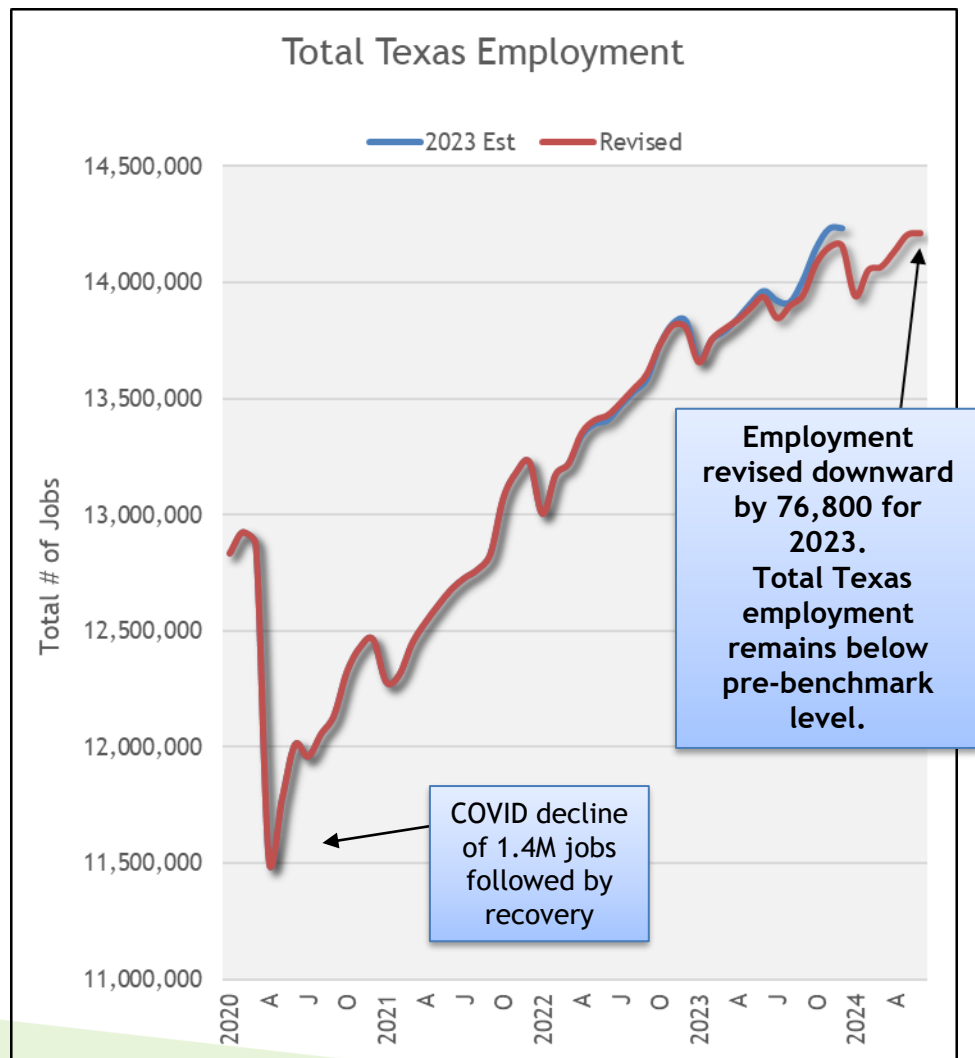


MIDLOTHIAN PREOWNED HOME SALES



- 524 pre-owned homes sold in the district from 3Q23-2Q24 (down 18.6% YoY)
- MISD's median resale sold price over the past 12 months was \$450,000 (-0.8% vs. YoY)
- DFW's annual median resale price at the end of 2Q24 was \$405K (-1.2% YoY)

GROWTH DRIVERS: TEXAS ECONOMY



Employment Growth Year-over-Year Growth Rate

June 2024

United States

— +2,550,000 +1.63%

Texas

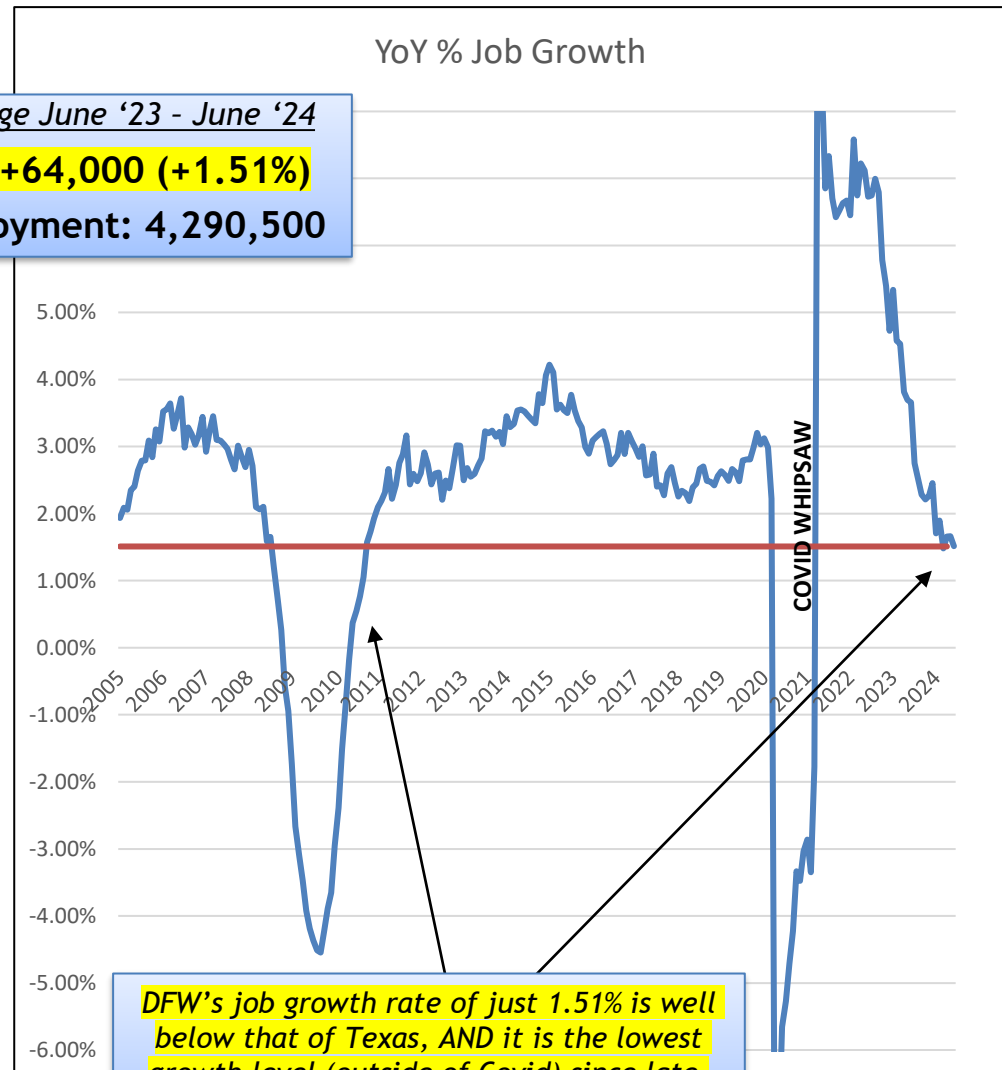
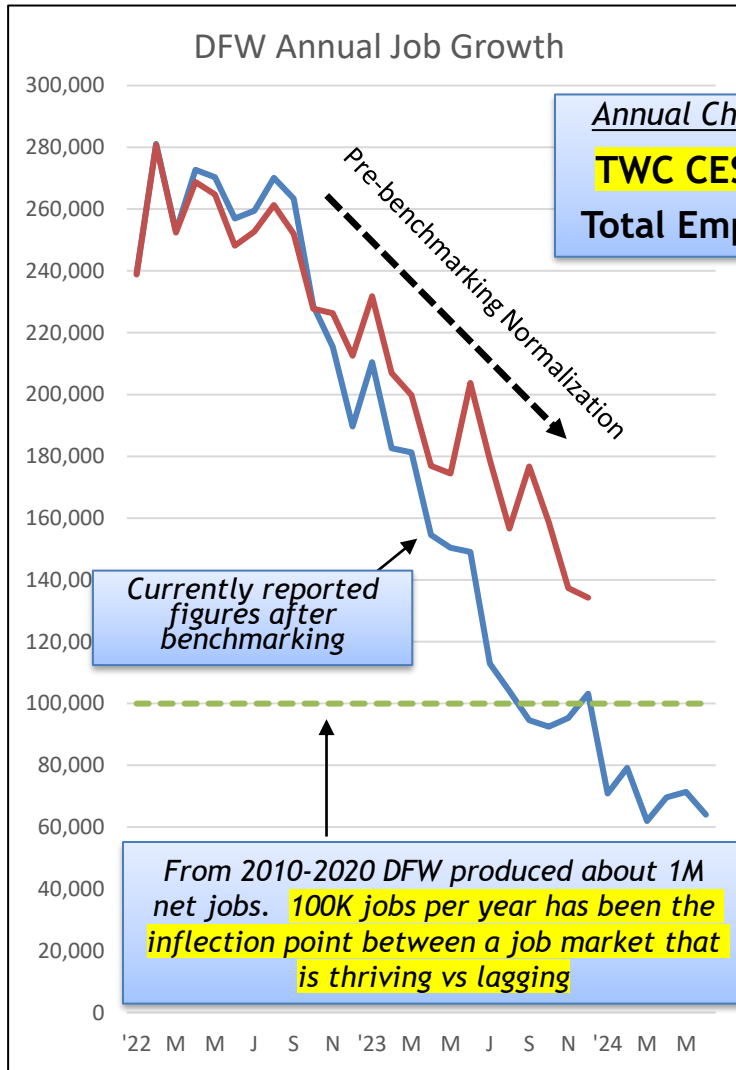
— +274,300 +1.97%

Major Texas Markets YoY Growth

—	DFW	+64,000	+3.18%
—	Houston	+78,000	+2.31%
—	San Antonio	+23,800	+2.04
—	Austin	+22,500	+1.68%

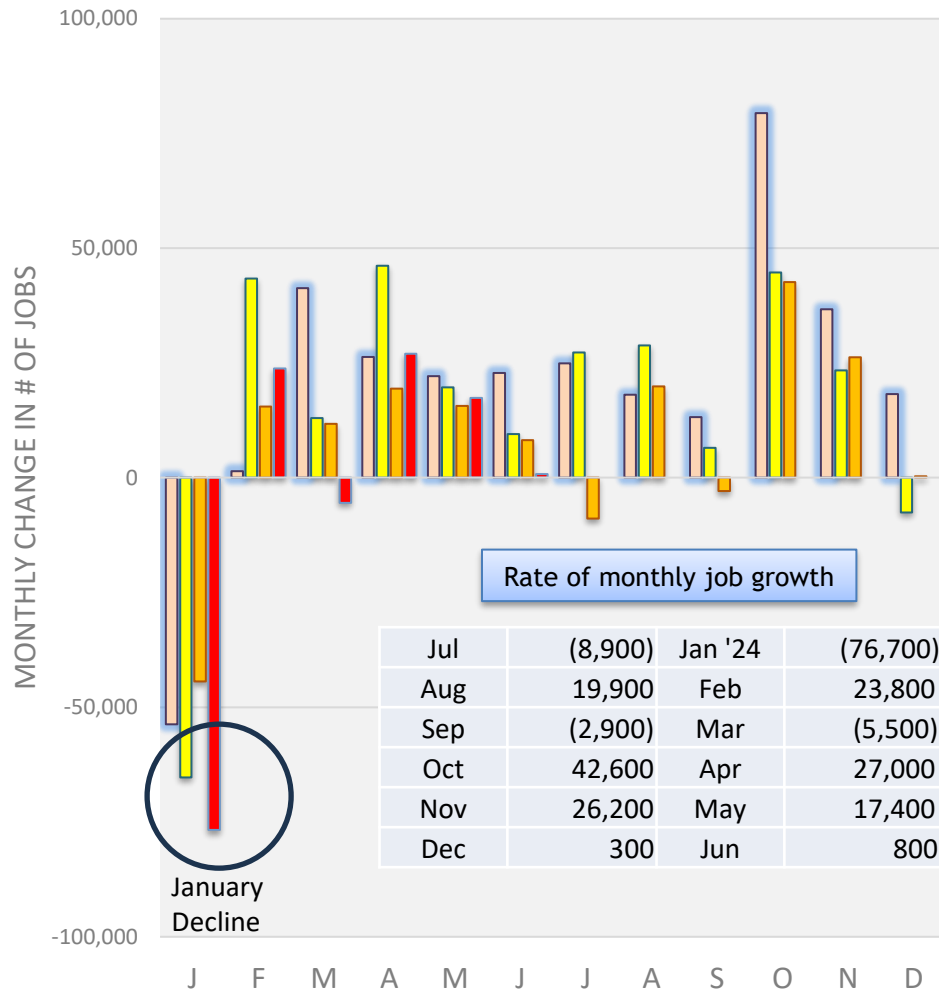
Source: TWC - CES (Not Seasonally Adjusted)

GROWTH DRIVERS: DFW EMPLOYMENT GROWTH



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

MONTHLY CHANGE IN DFW EMPLOYMENT



2021 2022 2023 2024

Source: TWC—CES Survey (NSA)

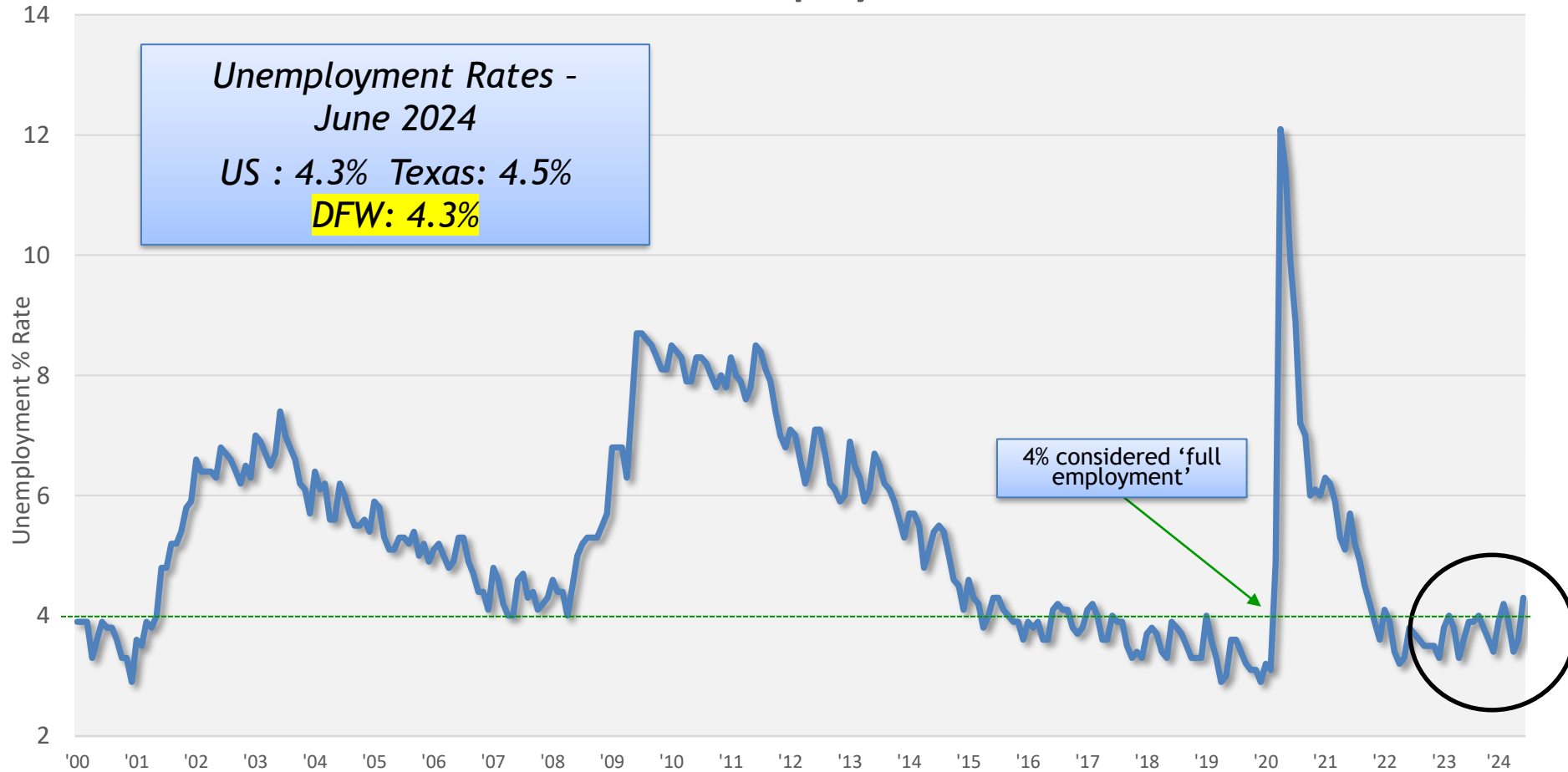
June 2024	Annual Change	% Change
Mining, Log, Construction	12,200	4.9%
Manufacturing	5,900	1.9%
Trade, Transportation & Utilities	6,000	0.7%
Information	-2,300	-2.5%
Financial Activities	3,500	0.9%
Professional & Business Services	1,400	0.2%
Education & Health Services	12,300	2.5%
Leisure & Hospitality	3,100	0.7%
Other Services	6,300	4.5%
Government	15,600	3.4%

Compare to December 2023 Pre-Benchmarked Figures

Financial Activities	16,300	4.4%
Professional & Business Services	29,500	3.8%

DFW UNEMPLOYMENT

DFW % Unemployment Rate



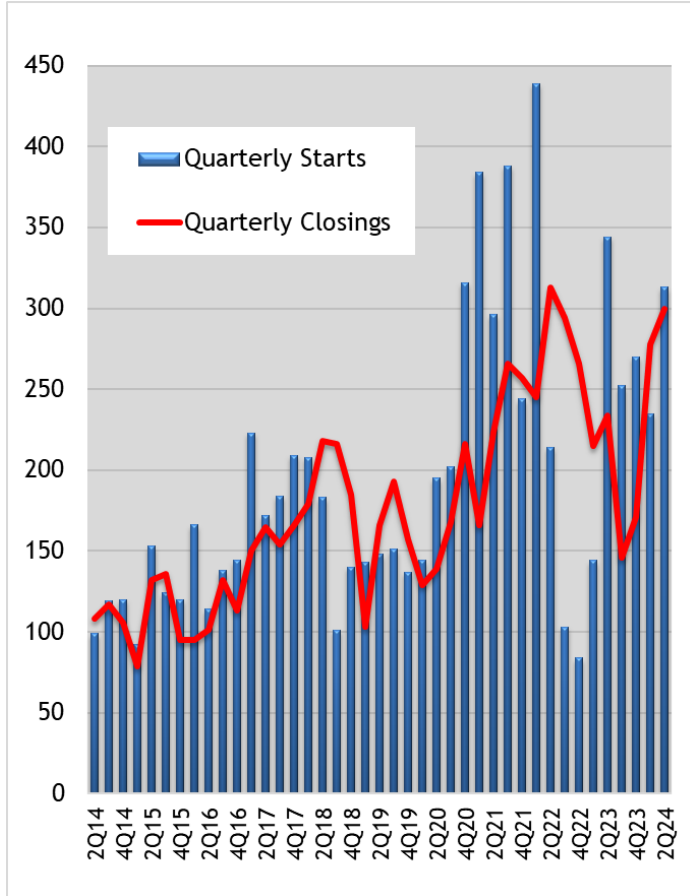
Not Seasonally Adjusted

Source: TWC - LAUS



MIDLOTHIAN ISD QUARTERLY NEW HOME CONSTRUCTION

Quarterly Records:
Starts = 439 in 1Q22
Closings = 313 in 2Q22



Starts	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1Q	92	166	223	208	143	144	384	439	144	235
2Q	153	114	172	183	148	195	296	214	344	313
3Q	124	138	184	101	151	202	388	103	252	
4Q	120	144	209	140	137	316	244	84	270	
Total	489	562	788	632	579	857	1,312	840	1,010	548

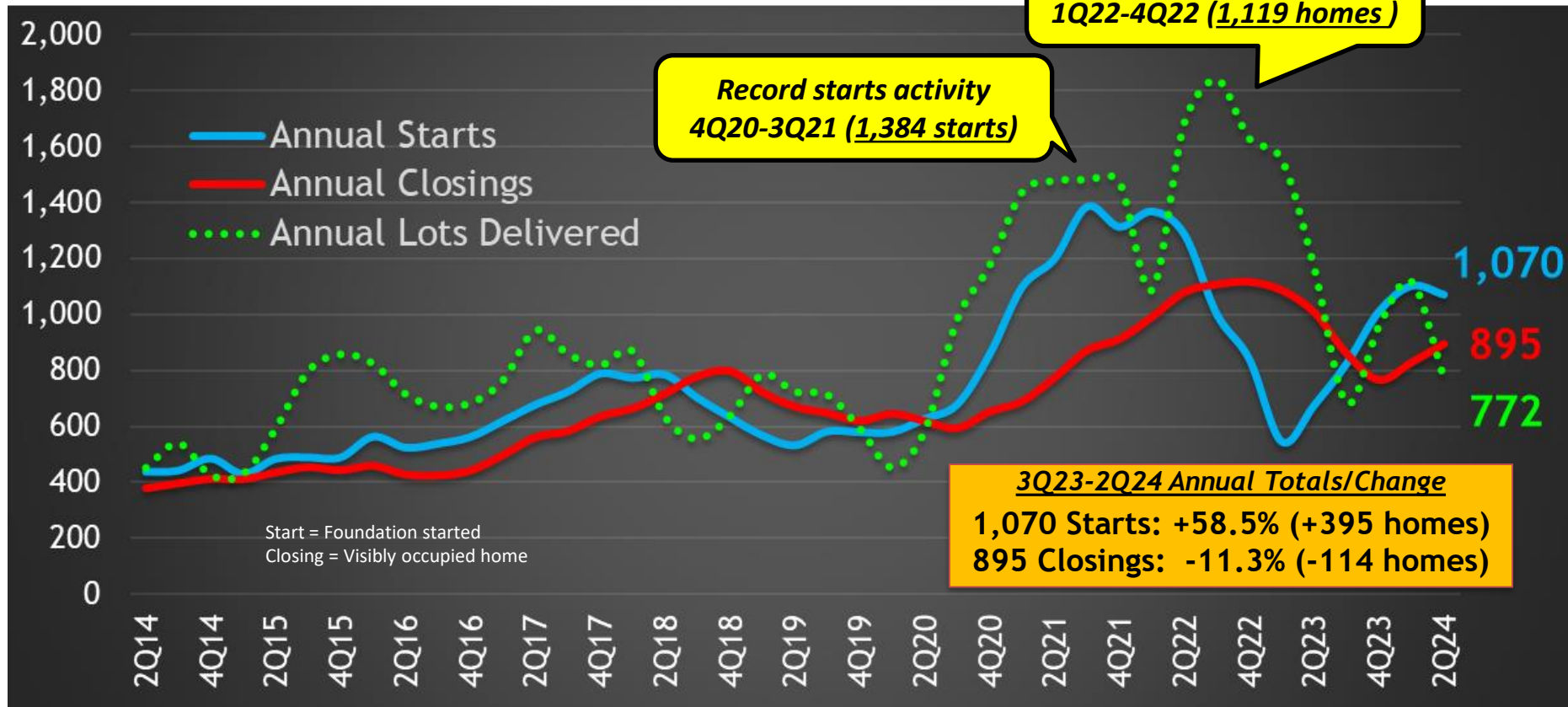
Closings	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1Q	79	95	150	179	103	129	166	245	215	278
2Q	132	101	165	218	166	139	224	313	234	300
3Q	136	132	154	216	193	168	266	294	146	
4Q	95	113	166	185	157	216	257	266	171	
Total	442	441	635	798	619	652	913	1,118	766	578

New homebuilders in
MISD started another
313 new homes in
2Q24

300 new homes were
occupied during the
2nd quarter, just shy of
the quarterly record
set two years ago in
2Q22



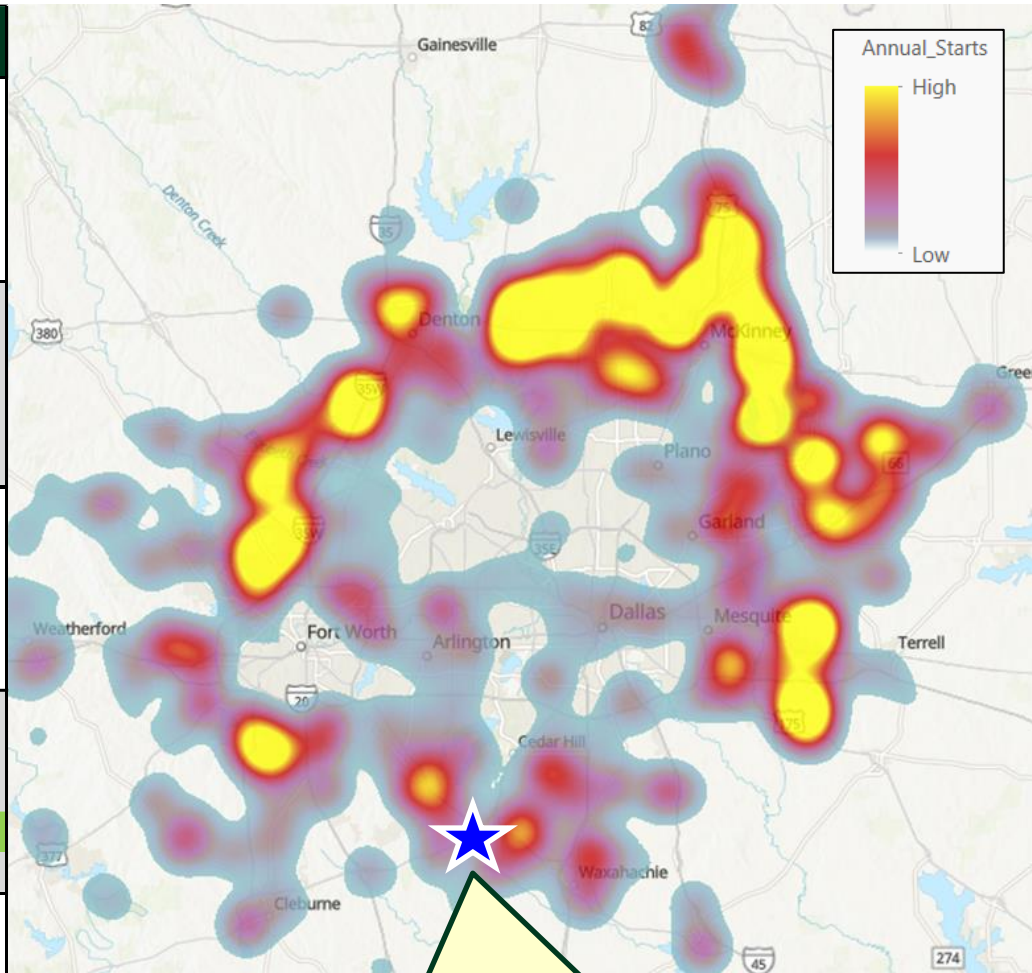
MIDLOTHIAN ISD ANNUAL NEW HOME CONSTRUCTION AND LOT DELIVERIES



- The annual pace of new home starts in MISD remains strong in 2024 with 1,070 new homes initiated over the past 12 months (+58.5% YoY)
- Closings remain down 11% YoY but have increased over the past 6 months; 895 new homes were occupied from 3Q23-2Q24
- Developers delivered 772 new single-family (SF) residential lots in MISD over the past year

NEW HOME CONSTRUCTION BY DFW SCHOOL DISTRICT 3Q23-2Q24

Rank	District	Annual Starts	Annual Closings
1	Northwest	3,420	3,760
2	Denton	3,200	3,081
3	Prosper	2,704	3,057
4	Princeton	3,013	2,780
5	McKinney	2,817	2,694
6	Eagle Mtn.-Saginaw	1,972	2,187
7	Forney	2,208	2,139
8	Crowley	1,444	1,779
9	Melissa	1,148	1,632
10	Royse City	1,299	1,414
11	Aubrey	1,274	1,336
12	Celina	1,443	1,298
13	Dallas	1,095	1,239
14	Anna	1,510	1,075
15	Frisco	1,357	1,027
16	Mansfield	1,026	992
17	Community	1,545	971
18	Crandall	1,612	926
19	Midlothian	1,070	895
20	Garland	1,086	875
21	Rockwall	1,066	844
22	Argyle	917	836
23	Lewisville	386	832
24	Ft. Worth	671	677
25	Waxahachie	776	672

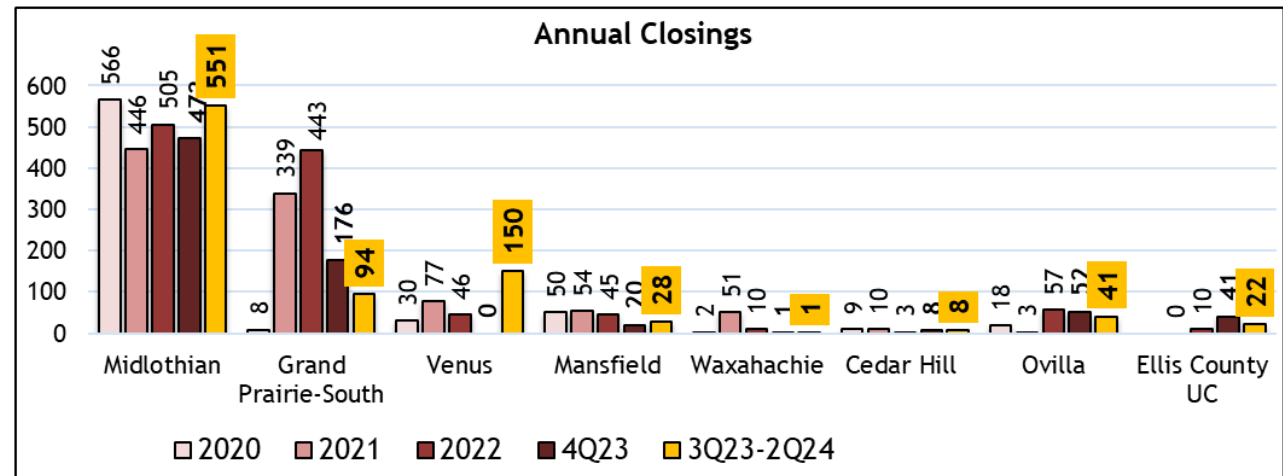
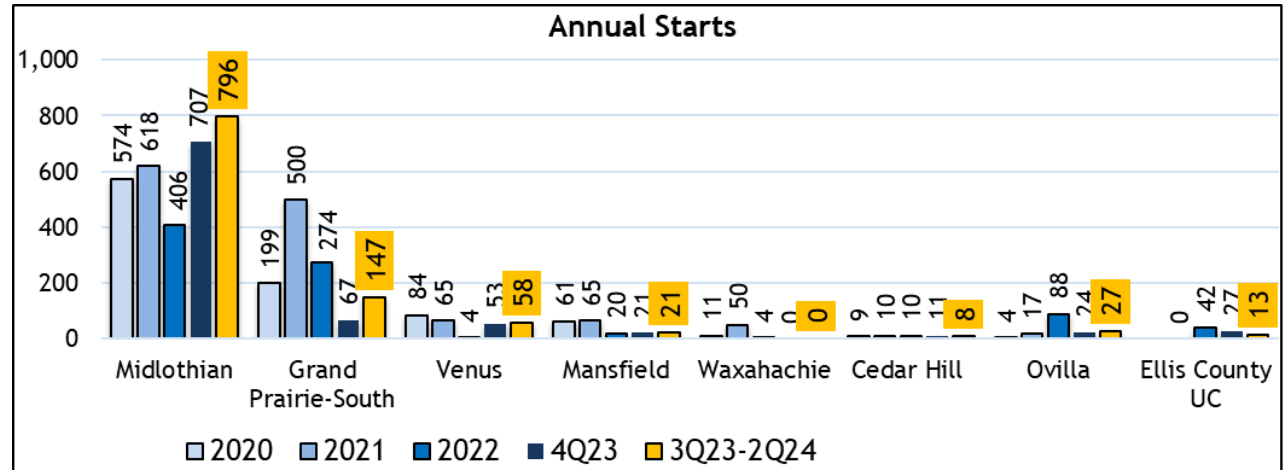


Midlothian ISD moves up to 19th in total annual new home closings compared to the other 100 DFW school districts



MISD NEW HOME ACTIVITY BY CITY SECTOR: 3Q23-2Q24

- New home construction in the City of Midlothian continues to increase; 796 starts from 3Q23-2Q24
- Closings in the City of Midlothian have climbed to 551 over the past year





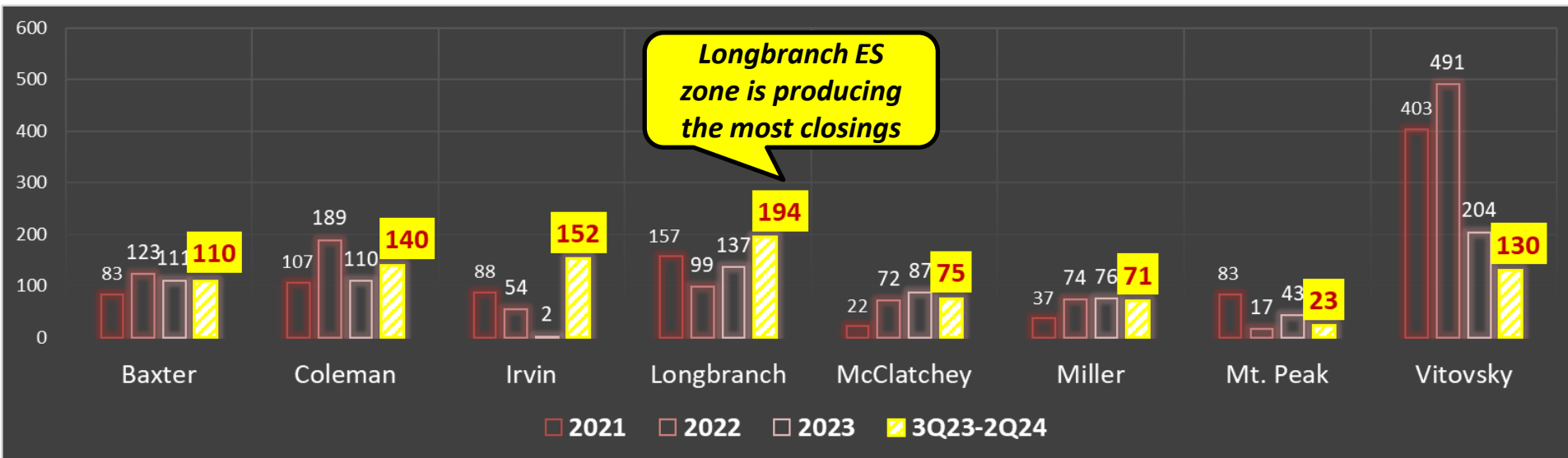
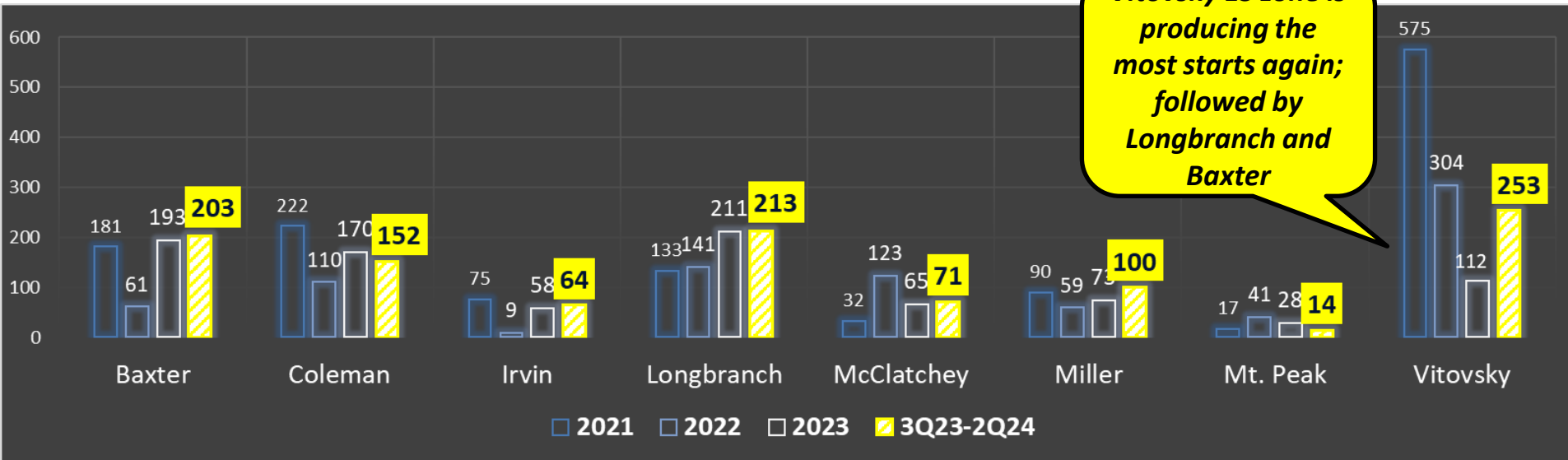
MIDLOTHIAN ISD TOP PRODUCING NEW HOME SUBDIVISIONS 3Q23-2Q24 (*ranked by annual closings*)



Rank	Subdivision	Annual Starts	Annual Closings	Elementary Zone	Middle School Zone	High School Zone
1	Heritage Hills Estates	58	150	Irvin	Dieterich	Midlothian
2	Dove Creek	106	89	Coleman	Dieterich	Midlothian
3	Bridgewater	111	76	Longbranch	Walnut Grove	Heritage
4	The Grove	46	61	Baxter	Walnut Grove	Heritage
5	Prairie Ridge	118	52	Vitovsky	Frank Seale	Midlothian
6	Wind Ridge	28	41	Longbrach	Walnut Grove	Heritage
7	Ridgepoint	41	40	Coleman	Dieterich	Midlothian
8	Hayes Crossing	52	37	Longbranch	Walnut Grove	Heritage
9	Greenway Trails	19	32	Vitovsky	Frank Seale	Midlothian
10	Lakes of Somercrest	27	28	Miller	Dieterich	Midlothian
<i>Up and Coming</i>						
	Redden Farms	102	12	Baxter	Walnut Grove	Heritage
	Westside Preserve	77	0	Vitovsky	Frank Seale	Midlothian
	Parks of Somercrest	27	15	Miller	Dieterich	Midlothian
	Villages of Walnut Grove	29	12	Baxter	Walnut Grove	Heritage
	Hidden Lakes on Mockingbird	26	13	McClatchey	Walnut Grove	Heritage

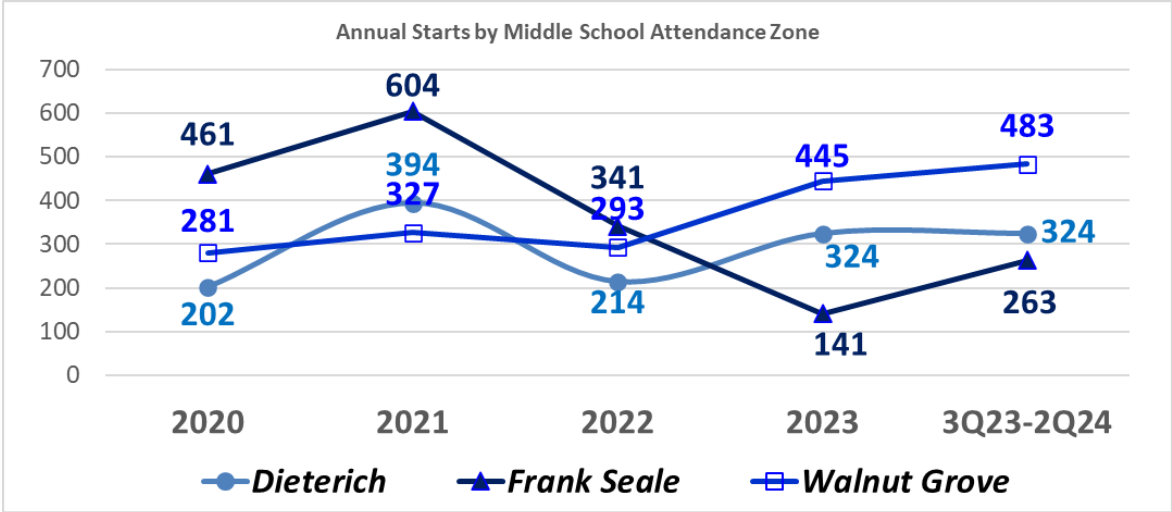


MIDLOTHIAN ISD NEW HOME CONSTRUCTION ACTIVITY BY ELEMENTARY ATTENDANCE ZONE



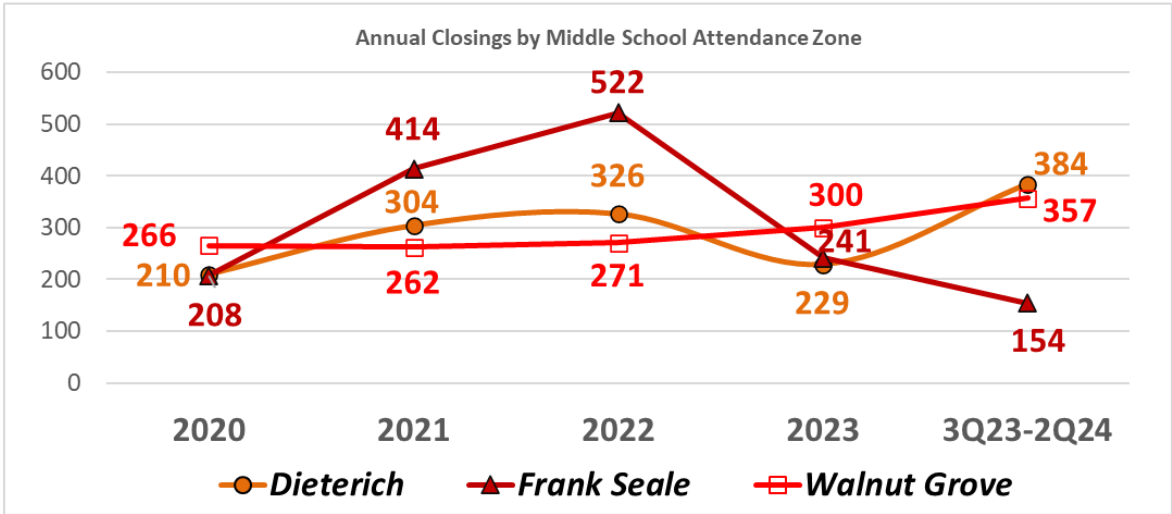


MIDLOTHIAN ISD NEW HOME CONSTRUCTION ACTIVITY BY MIDDLE SCHOOL ATTENDANCE ZONE: 3Q23-2Q24



➤ Walnut Grove attendance zone produces the most new home construction from 3Q23-2Q24 with 483 starts and 357 closings

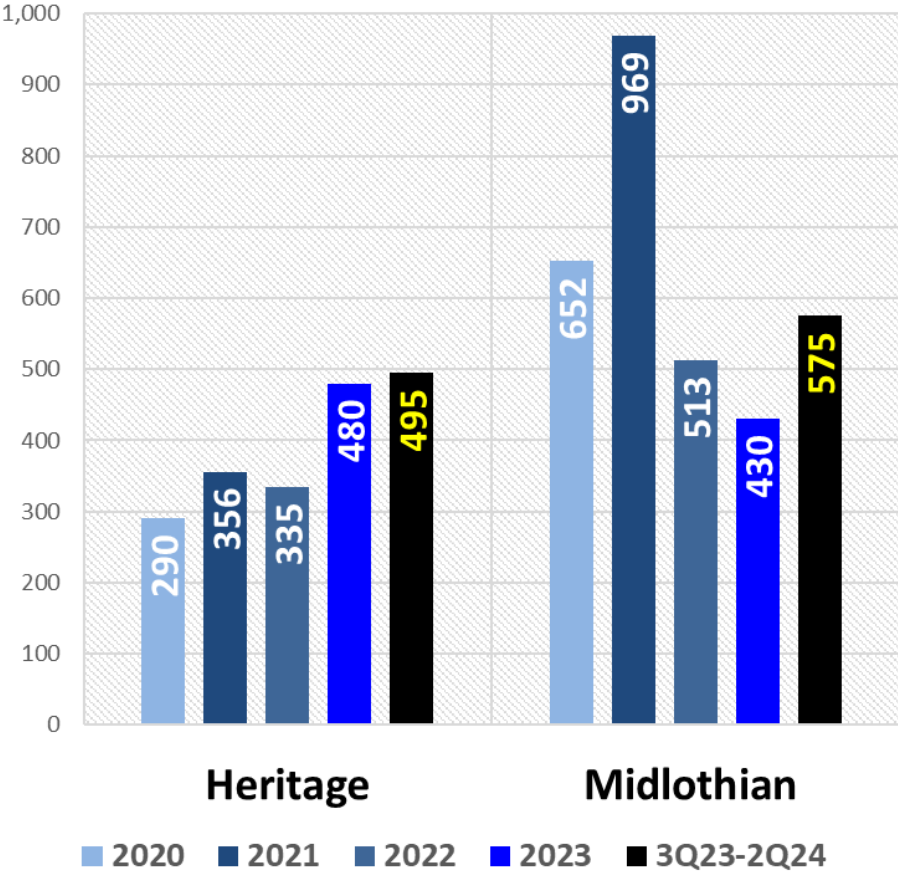
➤ Dieterich zone sees increasing activity over the past four quarters with 324 starts and 384 closings



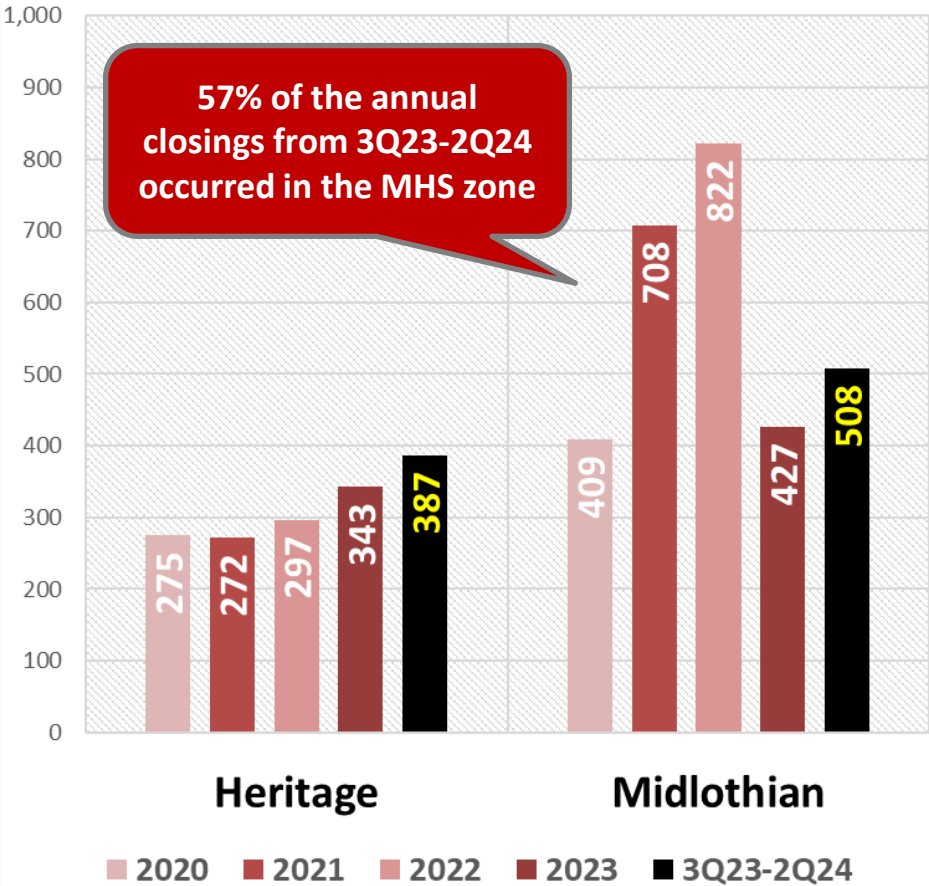


MIDLOTHIAN ISD NEW HOME CONSTRUCTION ACTIVITY BY HIGH SCHOOL ATTENDANCE ZONE

Annual Start Rate Per High School Zone



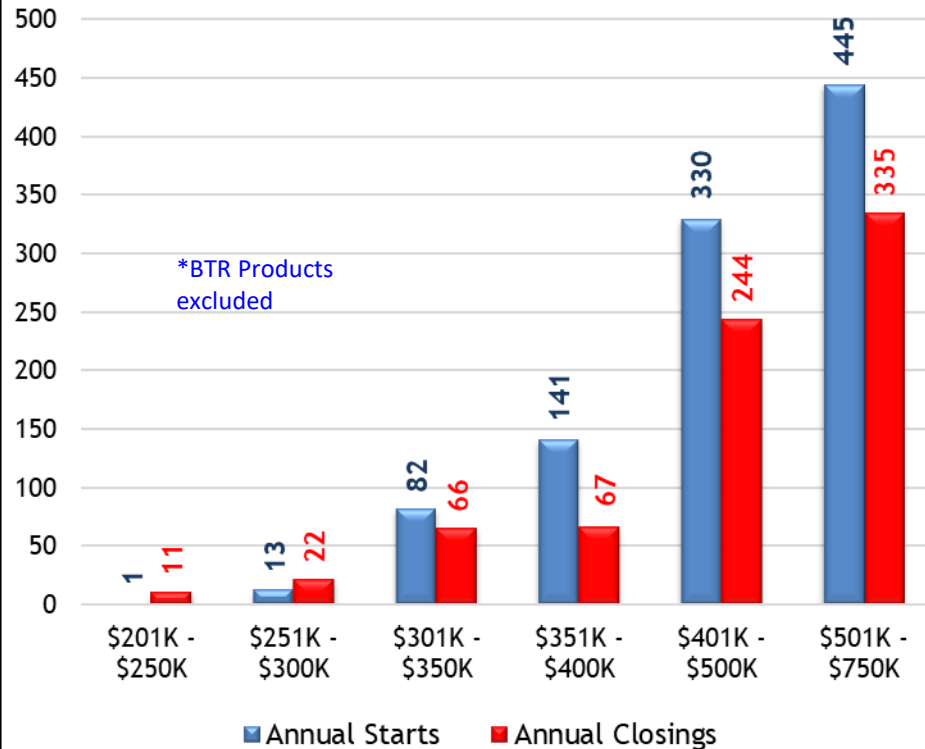
Annual Closing Rate Per High School Zone



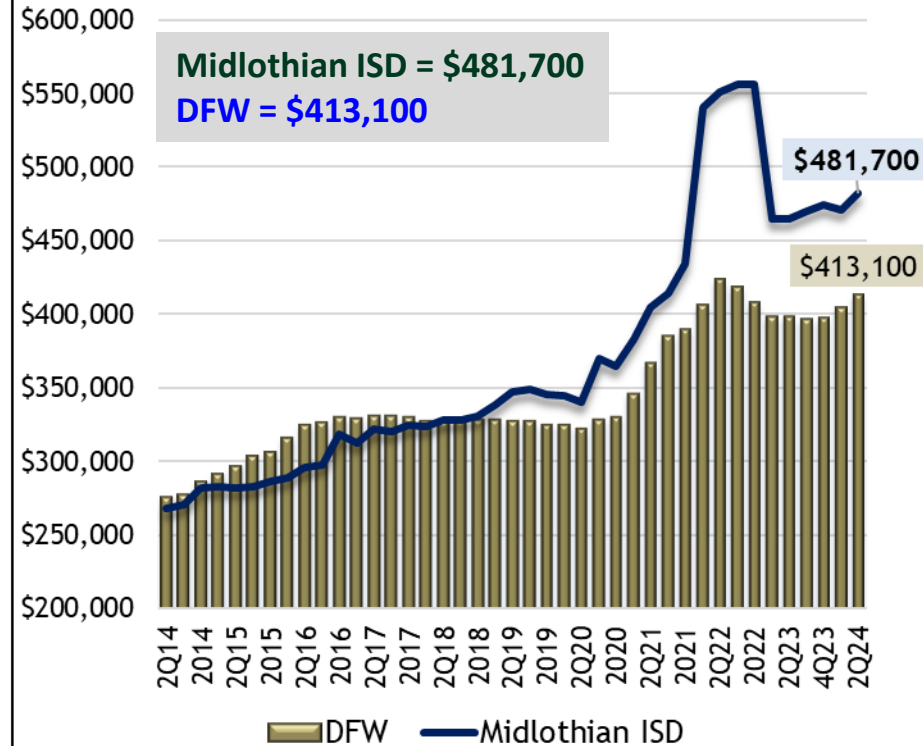


DISTRICT MEDIAN NEW HOME PRICE HISTORY

Annual Activity by Price Range: 3Q23-2Q24



Historical Median New Home Price

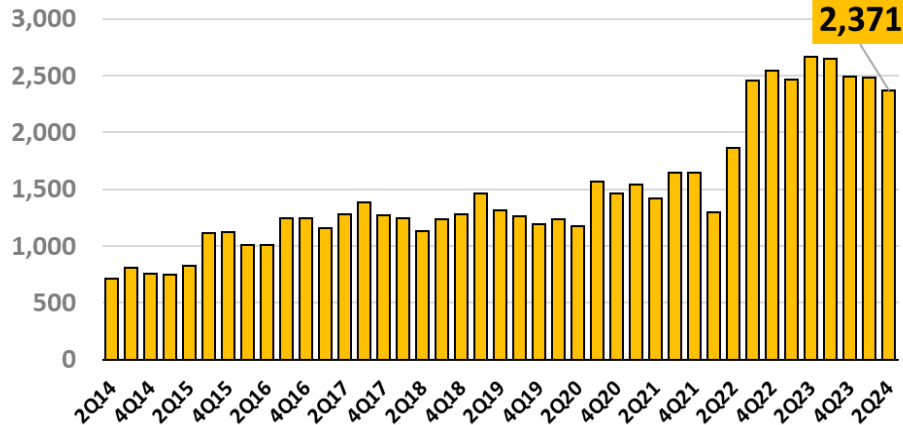


- Majority of MISD's new home activity occurs from \$401-750K
- District's median new home price in 2Q24 = \$482K (+4.2% YoY)
- DFW's median new home price in June 2024 is \$413,100 (+3.6% YoY)

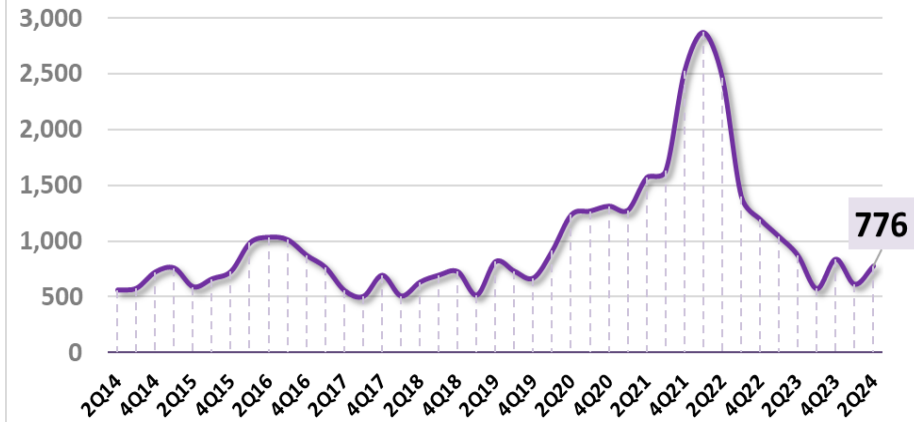


MIDLOTHIAN ISD RESIDENTIAL LOT INVENTORY 2Q24

MISD Vacant Developed Lots Remaining



MISD Lots Under Development



Current Inventory:
900 total SF homes in-process (not occupied)

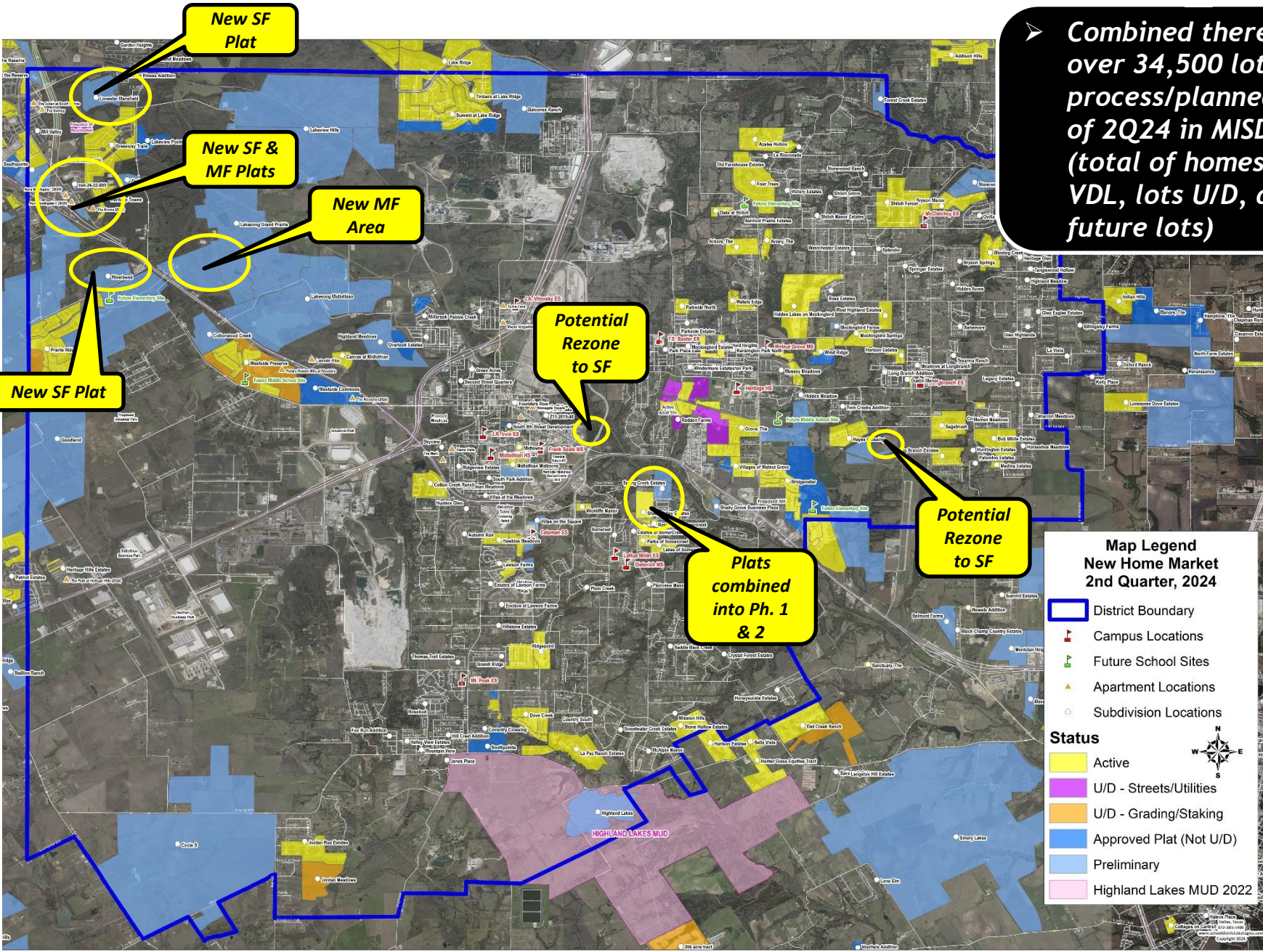
Vacant Developed Lots:
2,371 vacant developed lots as of June 2024

Lots Under Development:
776 lots are currently under development

Future Lots:
Over 30,500 future SF lots are planned in MISD as of 2Q24

In-Process/Planned Apartments:
About 1,800 units are in-process/planned as of June 2024 with an additional 1,947 proposed

➤ Combined there are over 34,500 lots in-process/planned as of 2Q24 in MISD (total of homes U/C, VDL, lots U/D, and future lots)



New or updated in 2Q24



Midlothian ISD

Aerial Photos

June 20, 2024

Proposed
Townhomes

Aura Southgate
Ph. 1 (2024)

Future Phase 2

The Emma Apts
– 253 units
(2025)

SH 360 Toll

Aura Southgate Ph. 1 Apartments



Heritage Towne

**Heritage Towne, Aura Southgate, and
The Emma Apartments**



SH 287

Future
Elem School
Site



SH 287

Westside Preserve



Future
Middle School
Site



SH 287

Westside Preserve

Canvas at Midlothian (BTR)



Lakeside Villas Apts.



SH 287



Frank Seale MS



Baxter ES

Mockingbird Rd.

Mockingbird Heights



Heritage HS

Age 55+
Section

FM 1387



Future MS Site



Walnut Grove Rd.

Heritage HS



Future ES Site



Walnut Grove Rd

Villages of Walnut Grove





Future ES Site





Walnut Grove Rd.

Azalea Hollow





W. Highland Rd.



W. Highland Rd.

Mockingbird Rd.



Hidden Lakes on Mockingbird



Hayes Crossing

Massey Meadows



Walnut Grove MS





MISD
Stadium

US 287

Mount Zion Rd





Dieterich MS & Miller ES



Ridgepoint

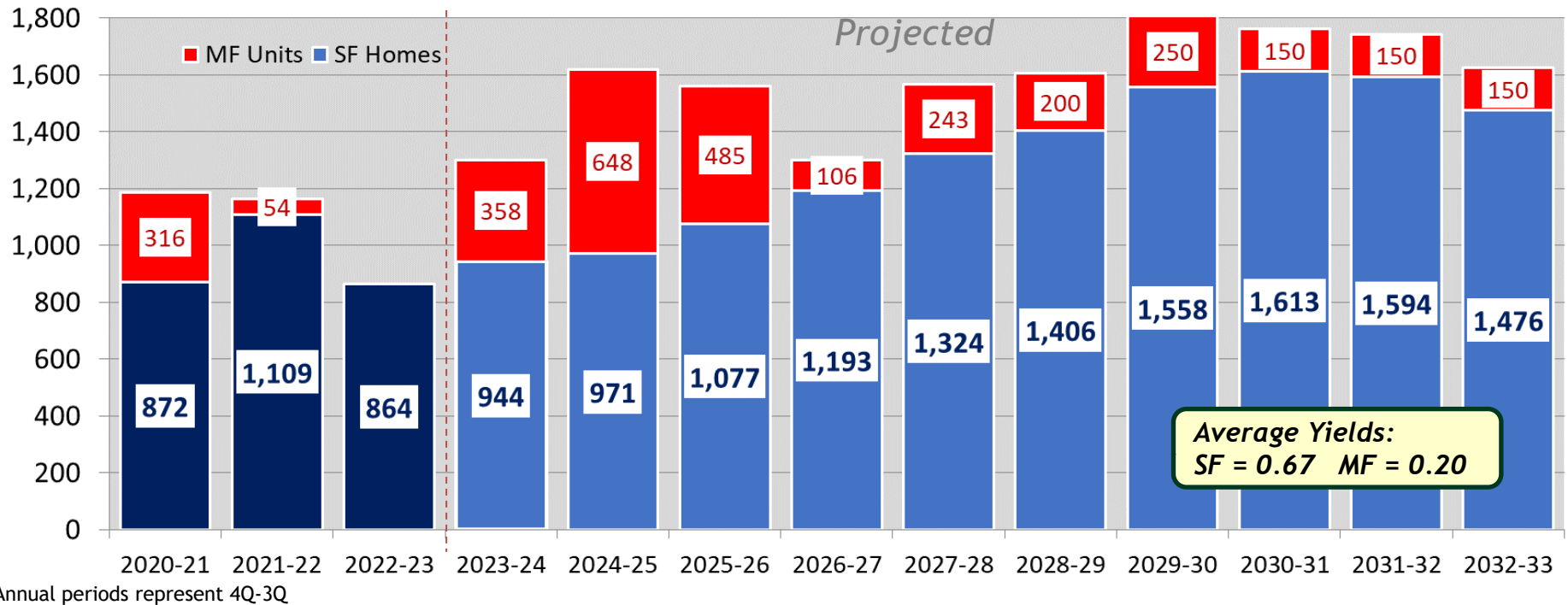


S. 14th St.





MIDLOTHIAN ISD NEW HOME CONSTRUCTION MODERATE GROWTH CLOSINGS FORECAST (2Q24)



- Pace of annual closings in MISD is poised to increase despite the high interest rate environment. The district is now projected to see about 990 closings per year over the next three years
- Under the Moderate Scenario, MISD builders could produce approximately 5,500 total new occupied homes from 2024-2028
- Over the next 10 years, MISD is poised to see over 13,000 new homes completed
- Apartment developers currently have 1,800+ units in-process/planned in MISD with more expected (potentially 1,947 units at Lakesong)



MIDLOTHIAN ISD

10-YEAR ENROLLMENT PROJECTIONS



Projected Net Growth	Low Scenario	Moderate Scenario	High Scenario
5-Year	786	1,909	2,122
10-Year	2,350	4,500	5,069
5-Yr. Ann. Avg.	1.4%	3.2%	3.6%
10- Yr. Ann. Avg.	1.9%	3.5%	3.8%

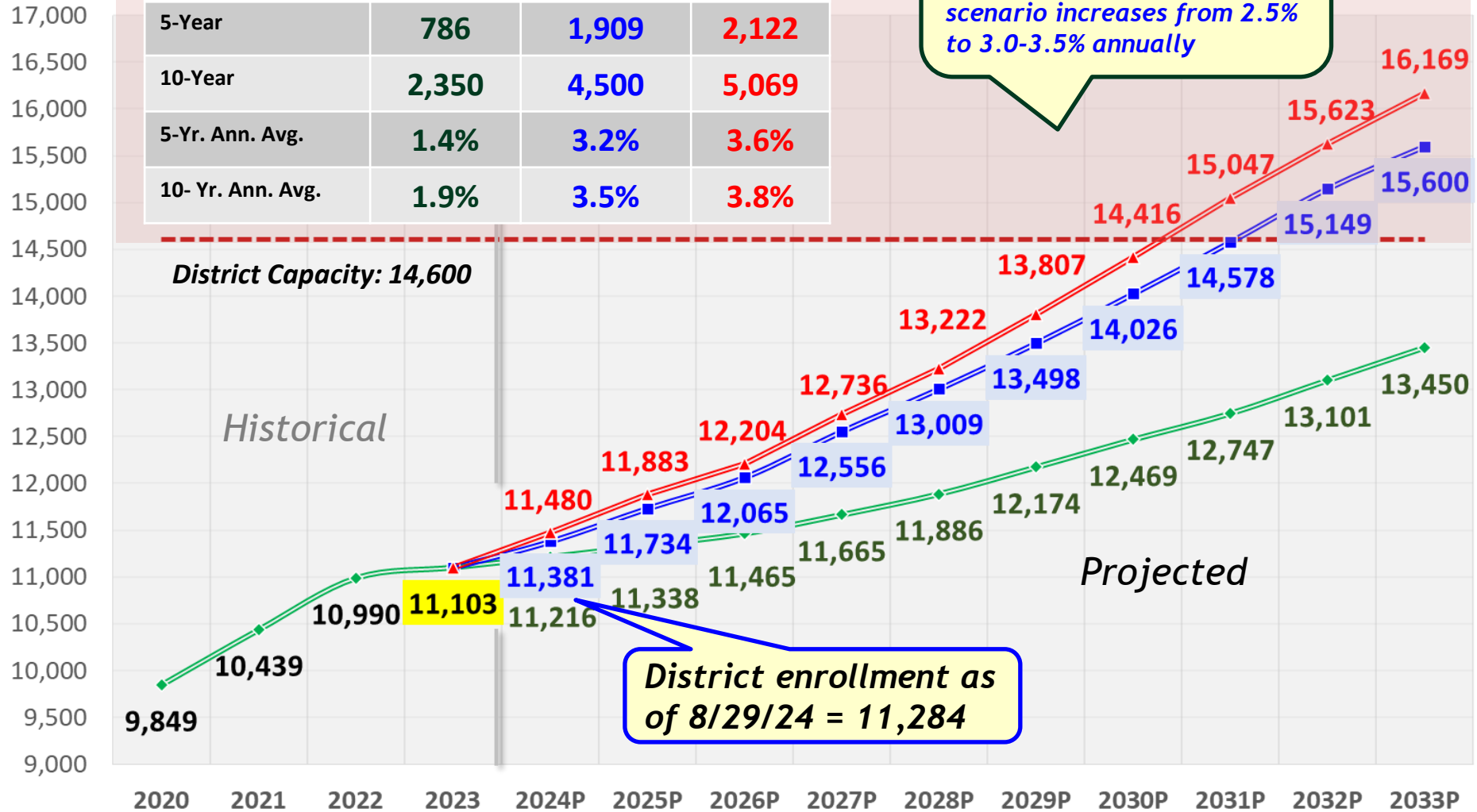
With the new proposed residential developments in 2024, moderate growth scenario increases from 2.5% to 3.0-3.5% annually

District Capacity: 14,600

Historical

Projected

District enrollment as of 8/29/24 = 11,284



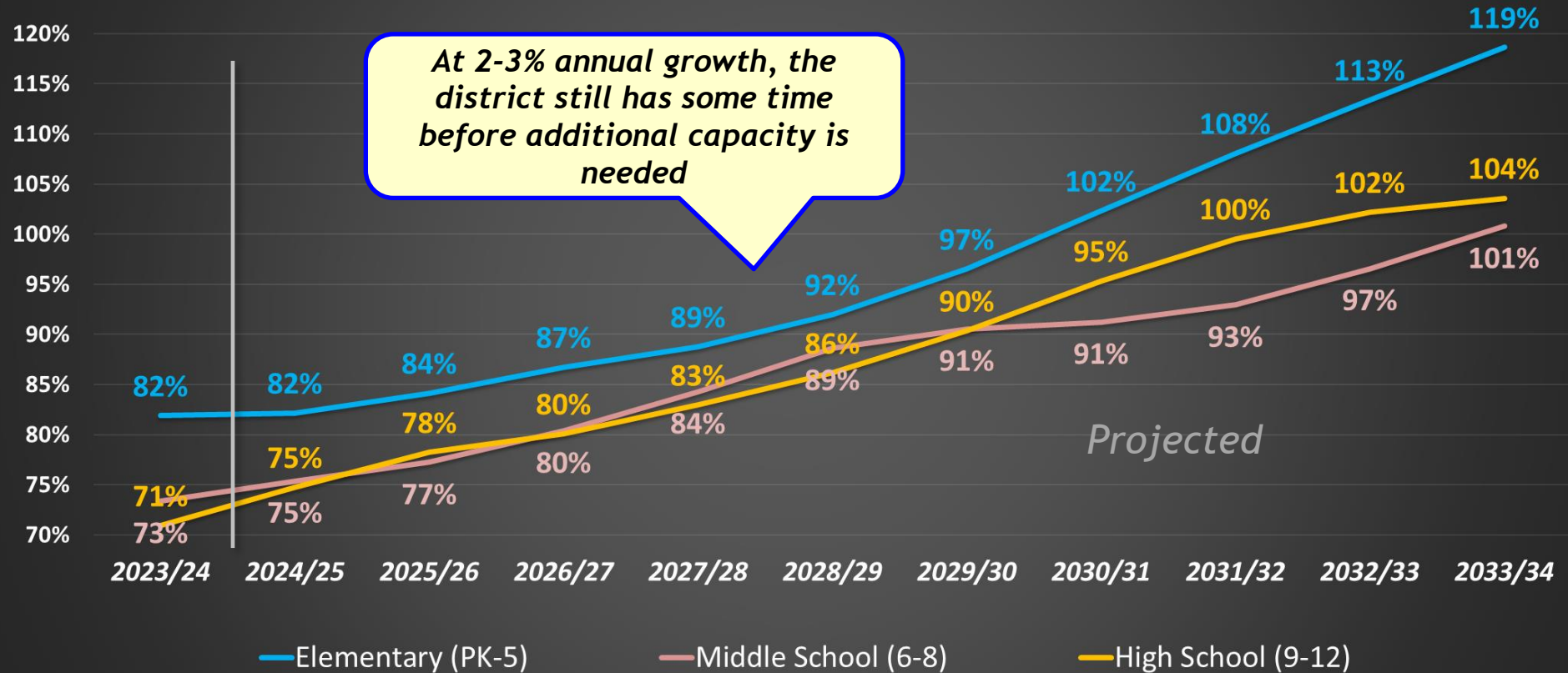
-- District Capacity ◆ Low (1.4%) ■ Moderate 1Q24 (3.2%) ▲ High 4Q23 (3.6%)



MIDLOTHIAN ISD ATTENDANCE LEVEL CAPACITY VS. GROWTH PROJECTIONS



Attendance Level Enrollment Projections vs. Capacity Utilization (Moderate Growth Scenario)

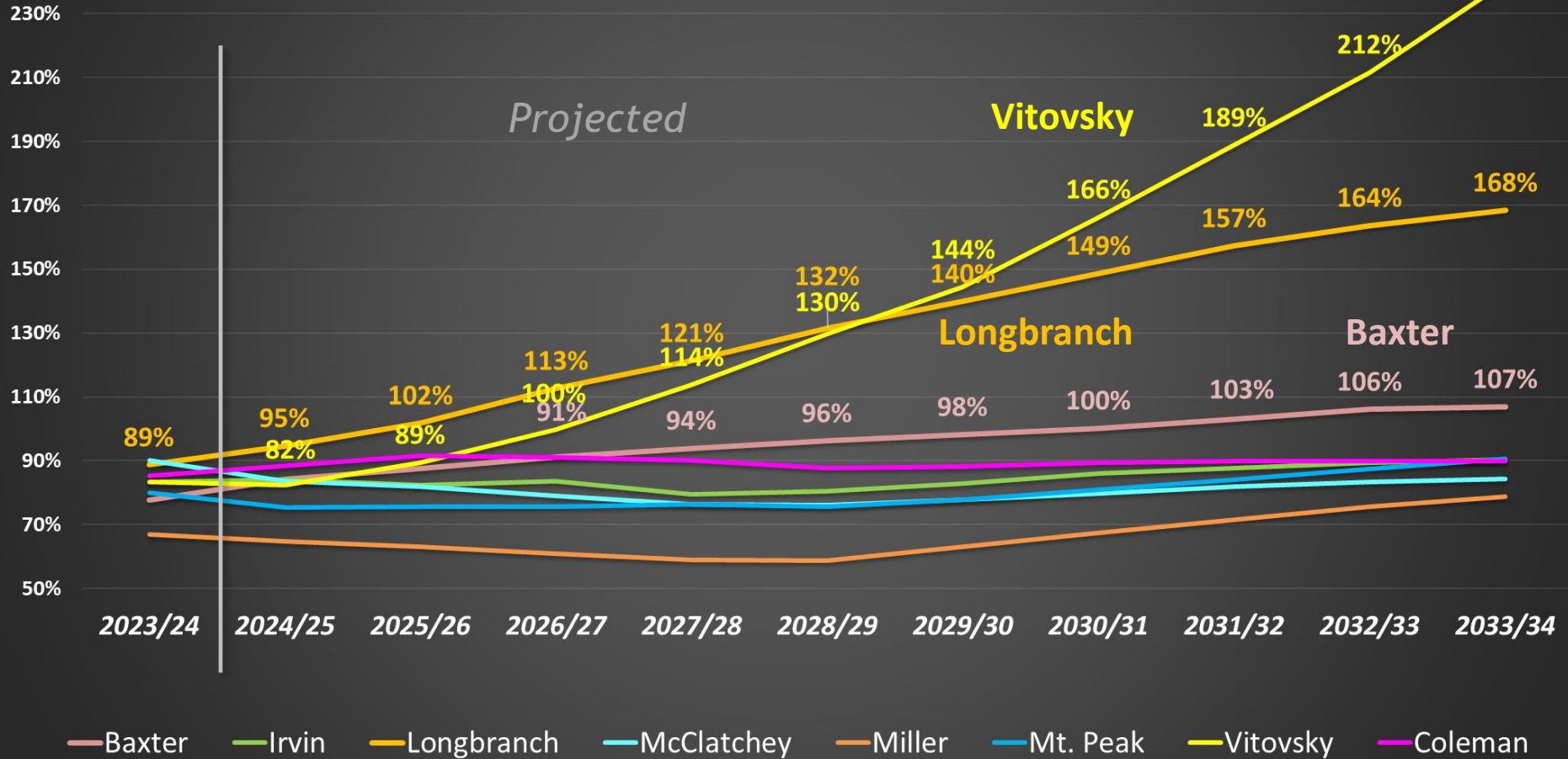




MIDLOTHIAN ISD ELEMENTARY CAMPUS CAPACITY VS. GROWTH PROJECTIONS



Elementary Campus Enrollment Projections vs. Practical Capacity Utilization
(Moderate Growth Scenario)



Midlothian ISD

2Q 2024 Demographics Summary

- In 2024, Midlothian ISD is estimated to have a total population of 59,078 with 19,623 total households
- Census data shows that the district's overall population has been growing at an average of 5% per year
- Area growth continues as demand for new homes in the district remains strong
- From 3Q23-2Q24, new homebuilders started 1,070 new homes and 895 homes were occupied
- 300 new homes were occupied in during 2Q 2024, the 2nd highest quarterly total recorded by SDS
- Annual starts are up 59% year-over-year, while closings are down 11% vs. the same period last year
- Northern and eastern school districts have outperformed districts on the southside of DFW, but Midlothian ISD remains the 3rd most active area on the southside of DFW (Crowley ISD #1, Mansfield ISD #2)
- The district's median new home price as of 2Q24 was \$482K (+4.2% YoY) [DFW = \$413K]
- New home construction in the City of Midlothian portion of the district continues to increase with 796 starts over the past 12 months
- Vitovsky, Longbranch, Baxter, and Coleman ES zones have seen new home construction
- Developers delivered 772 new single-family (SF) lots in MISD from 3Q23-2Q24
- 900 total homes were in production as of June 2024 (started but not complete/occupied)
- 2,371 vacant SF lots were remaining at the end of 2Q24
- 776 SF lots were under development in the district as of June 2024
- Developers are planning over 30,500 additional future SF lots with more expected
- 1,800+ future apartments are now in-process/planned in the district with more expected
- MISD is expected to average about 990 closings per year over the next three years
- Improving mortgage rates could push the annual pace back over 1,000 homes per year by 2025/26, resulting in approximately 5,500 total closings over the next five years
- New home subdivisions in MISD have yielded 0.67 enrolled students per home
- Apartments in MISD typically produce 0.20 enrolled students per unit
- Near-term residential development and market conditions are expected to keep enrollment growth muted, near 1.5-2.5% per year (District enrollment as of August 2024 = 11,284, +1.6%)
- Enrollment growth could climb back to 3.0-4.0% per year if market conditions improve



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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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