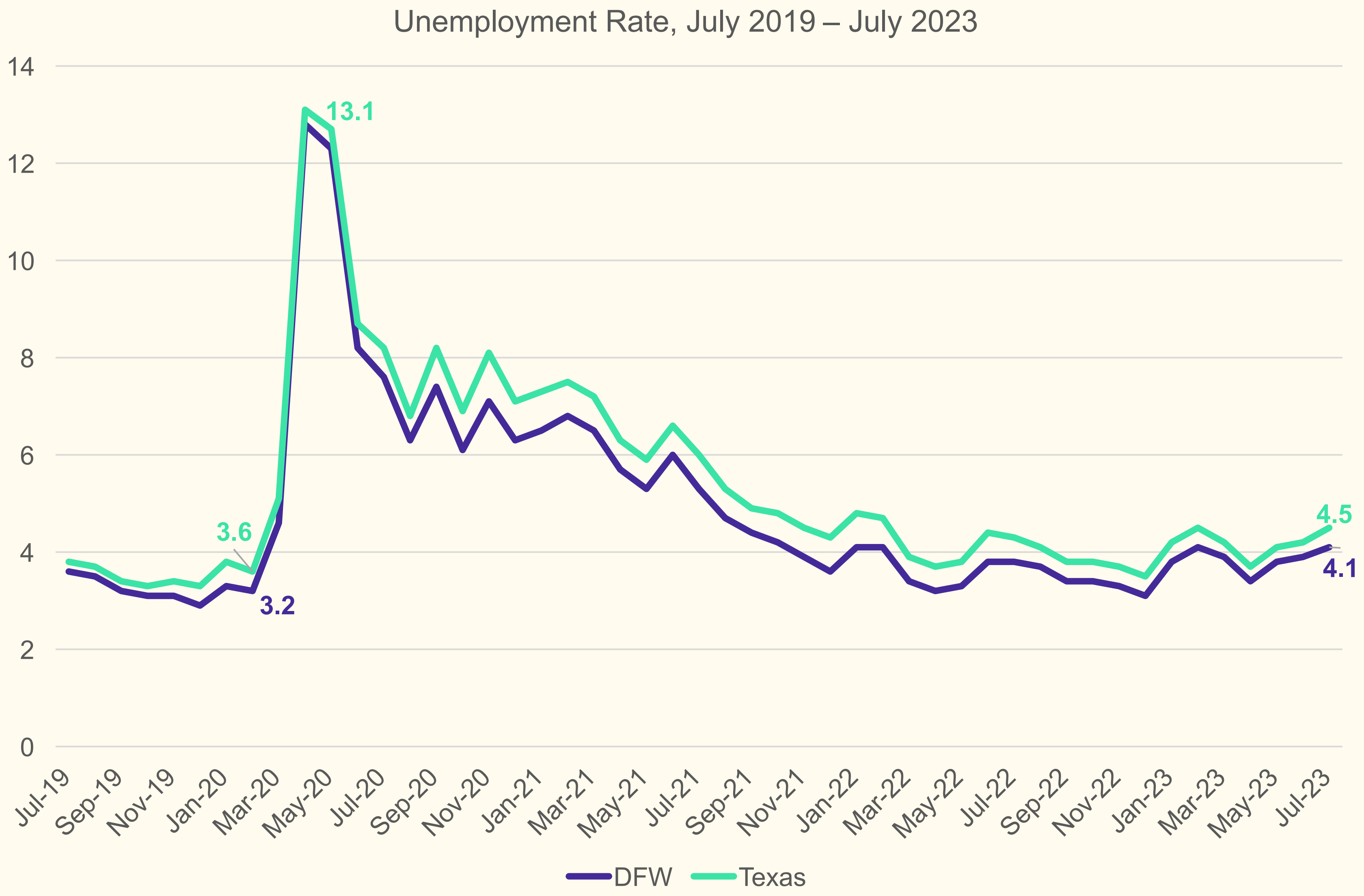
Zonda Education

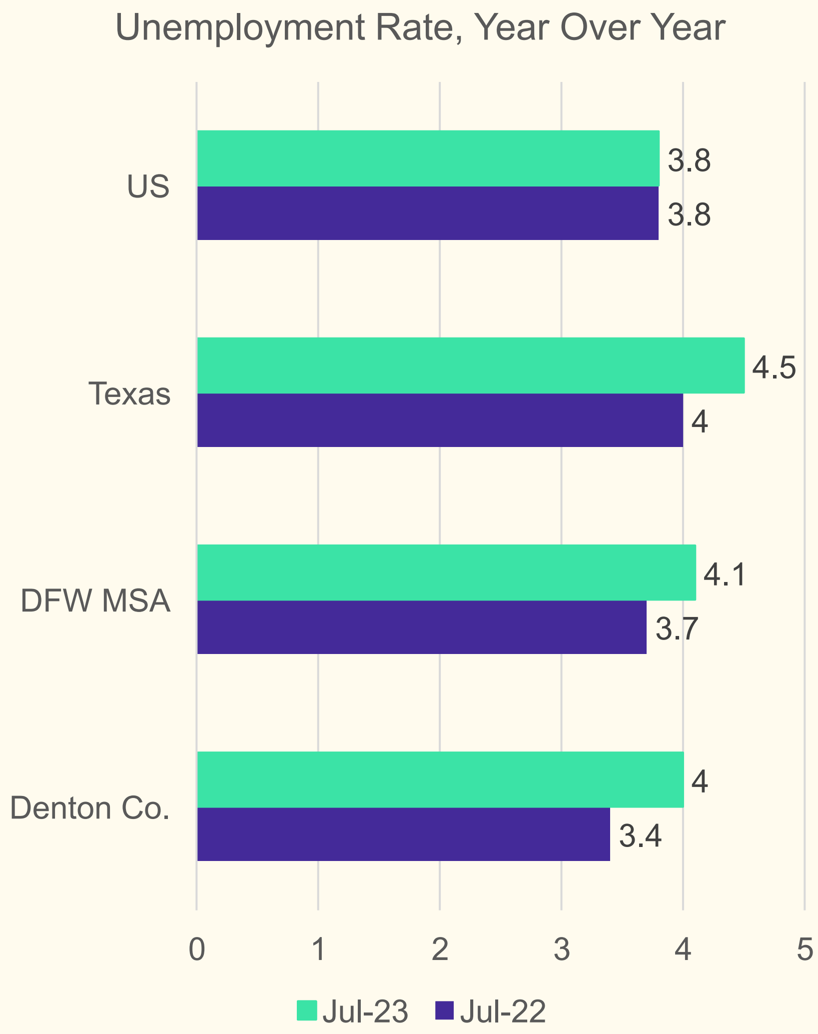
Denton Independent School District

2Q23

Demographic Report

Local Economic Conditions





Zonda Education

DFW Remains the Most Active New Home Market Nationally

Top Markets by Housing Starts (2Q 2023)

Rank	Market	Quarter Starts	YOY Difference	%
1	Dallas-Fort Worth-Arlington, TX	13,307	-210	-2%
2	Houston-The Woodlands-Sugar Land, TX	10,243	-1,476	-13%
3	Atlanta-Sandy Springs-Alpharetta, GA	5,119	-676	-12%
4	Austin-Round Rock-Georgetown, TX	4,904	-2,202	-31%
5	Phoenix-Mesa-Chandler, AZ	4,803	-2,137	-31%
6	San Antonio-New Braunfels, TX	4,287	-2,464	-36%
7	Orlando-Kissimmee-Sanford, FL	3,740	-632	-14%
8	Riverside-San Bernardino-Ontario, CA	3,730	28	1%
9	Charlotte-Concord-Gastonia, NC-SC	3,312	-468	-12%
10	Tampa-St. Petersburg-Clearwater, FL	3,284	360	12%
11	Raleigh-Cary, NC	3,233	-148	-4%
12	Washington-Arlington-Alexandria, DC-VA-MD-WV	3,080	-767	-20%
13	Las Vegas-Henderson-Paradise, NV	2,953	-673	-19%
14	Jacksonville, FL	2,584	-833	-24%
15	North Port-Sarasota-Bradenton, FL	2,498	-136	-5%
16	Nashville-Davidson--Murfreesboro--Franklin, TN	2,453	-284	-10%
17	Seattle-Tacoma-Bellevue, WA	2,141	567	36%
18	Portland-Vancouver-Hillsboro, OR-WA	2,118	736	53%
19	Denver-Aurora-Lakewood, CO	1,994	-881	-31%
20	Chicago-Naperville-Elgin, IL-IN-WI	1,972	-72	-4%
21	Lakeland-Winter Haven, FL	1,900	-286	-13%
22	Minneapolis-St. Paul-Bloomington, MN-WI	1,890	-738	-28%
23	Miami-Fort Lauderdale-Pompano Beach, FL	1,873	-342	-15%
24	Los Angeles-Long Beach-Anaheim, CA	1,806	-133	-7%
25	Sacramento-Roseville-Folsom, CA	1,671	-634	-28%

4

Texas Markets in the national Top 10 rankings

1st

DFW's national rank in terms of starts volume

21

Starts declined YOY in 21 of the top 25 markets

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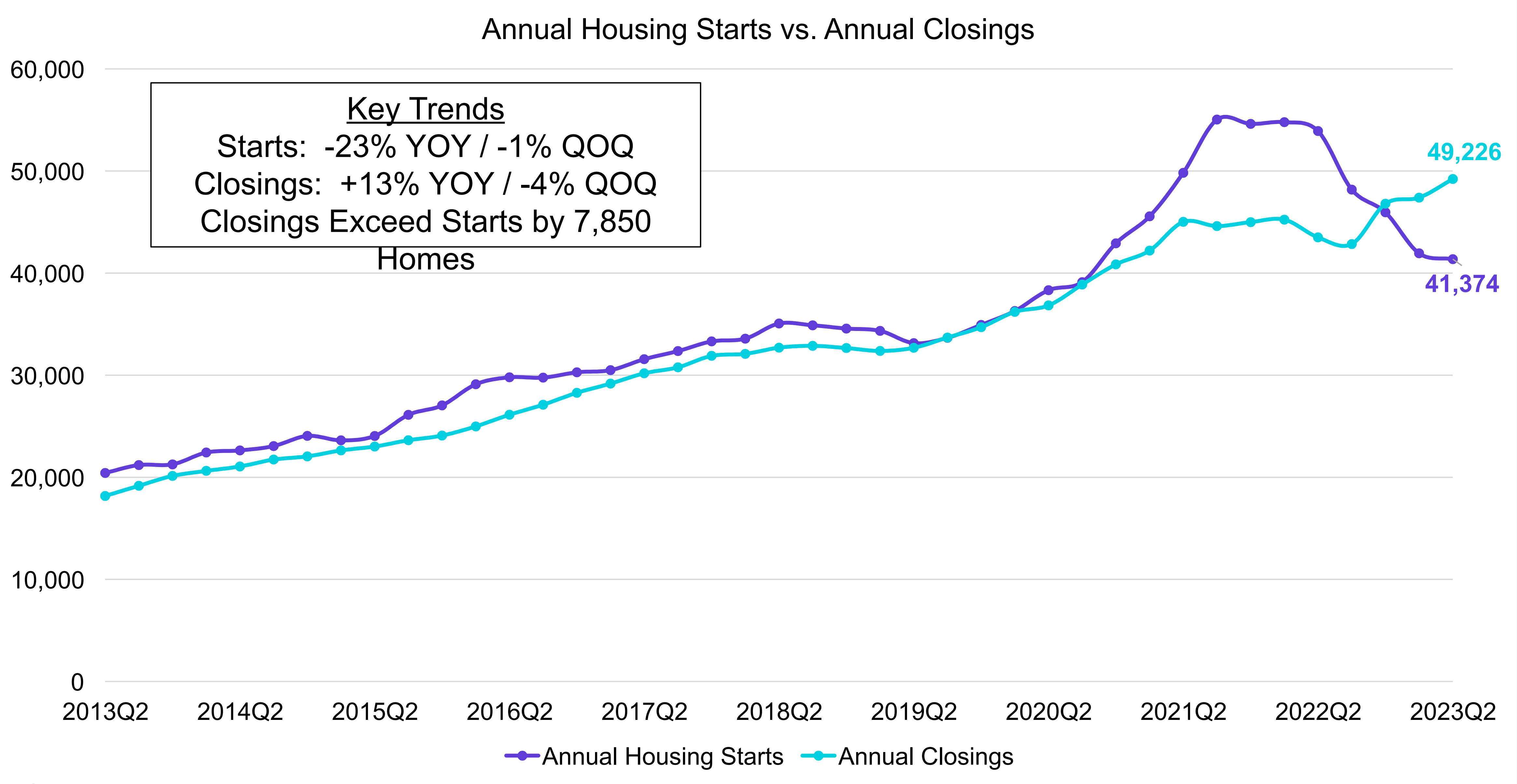
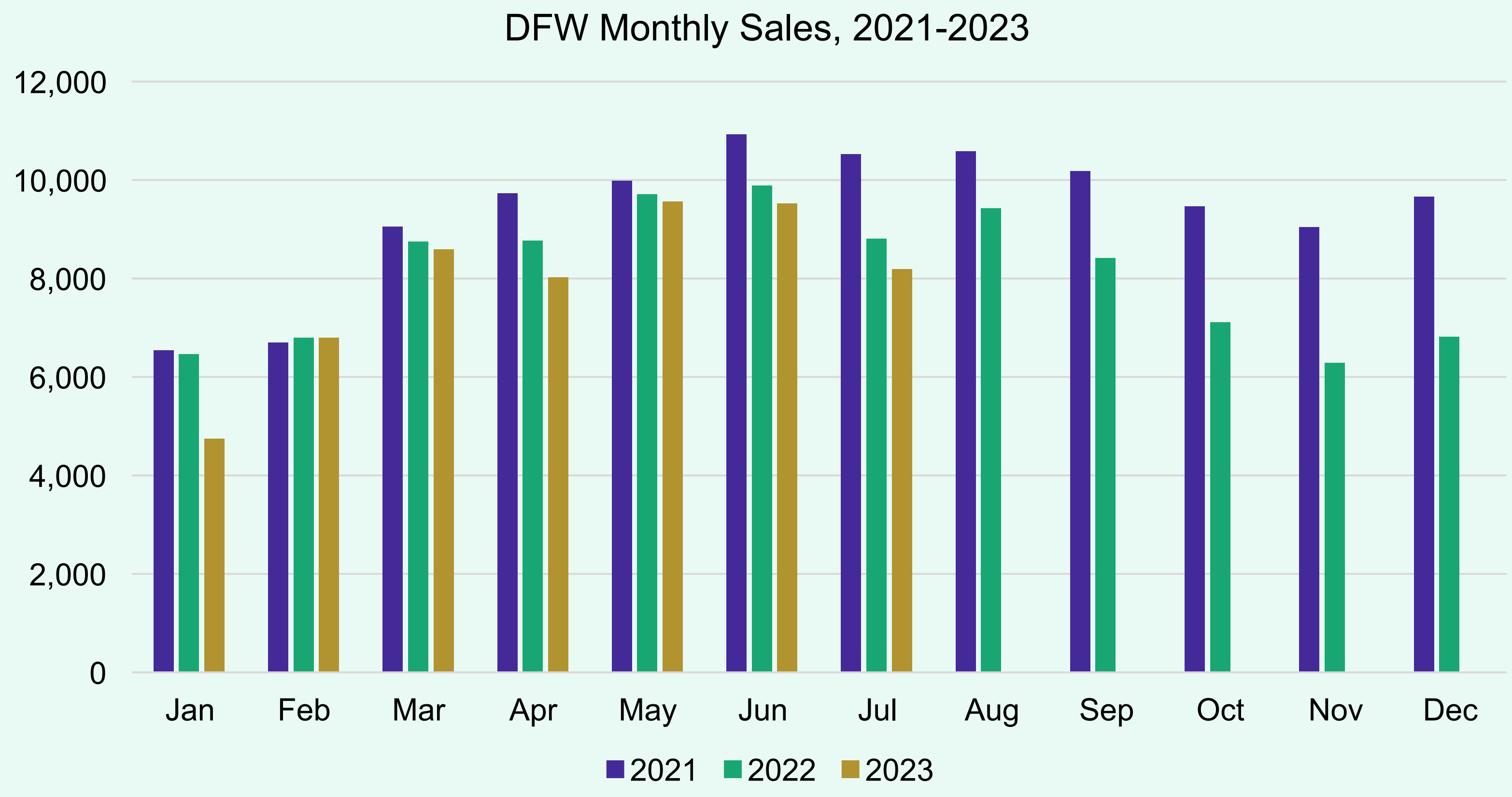
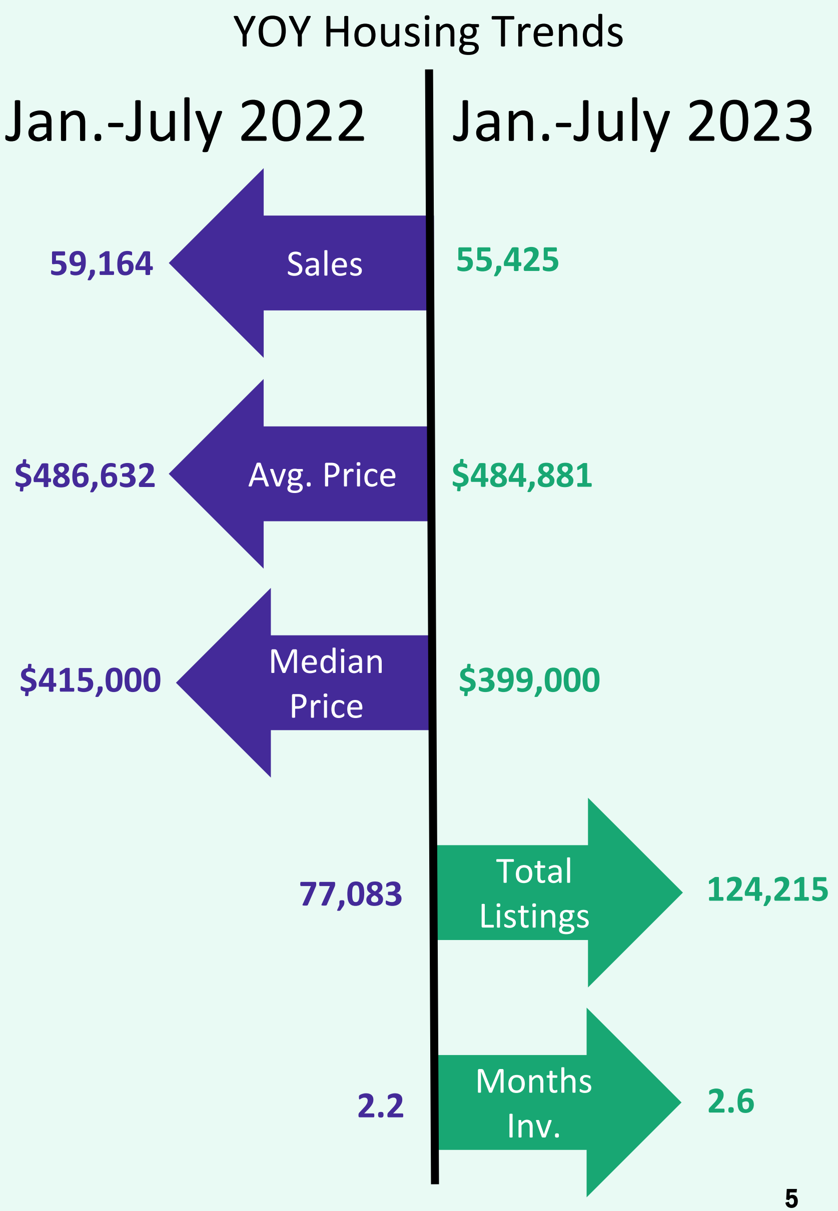
DFW New Home Starts & Closings



Source: Zonda

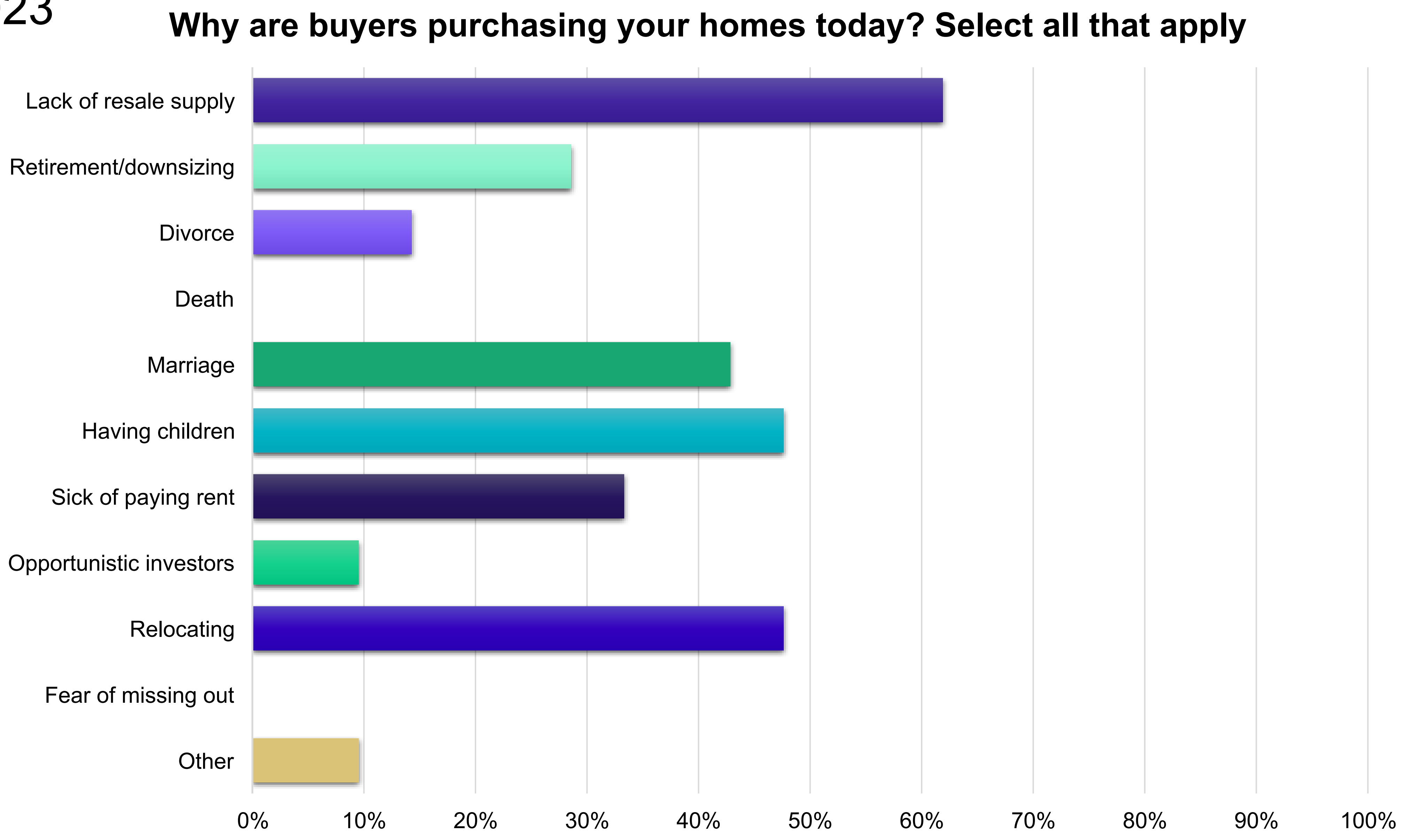
DFW Housing Market Trends





- Median home prices declined in the first half of 2023 in response to reduced demand incurred by mortgage rate hikes and historically high home prices in 2022
- Home inventory is increasing as sales slowed in response to interest rate increases and inflation costs throughout the state
- Through the first six months of 2023, total monthly home sales are down from the same period in 2022 in Austin (-15.2%), DFW (-6.6%), Houston (-20.5%) and San Antonio (-13.5%)

Texas Builder President's Survey- July 2023



DFW New Home Ranking Report

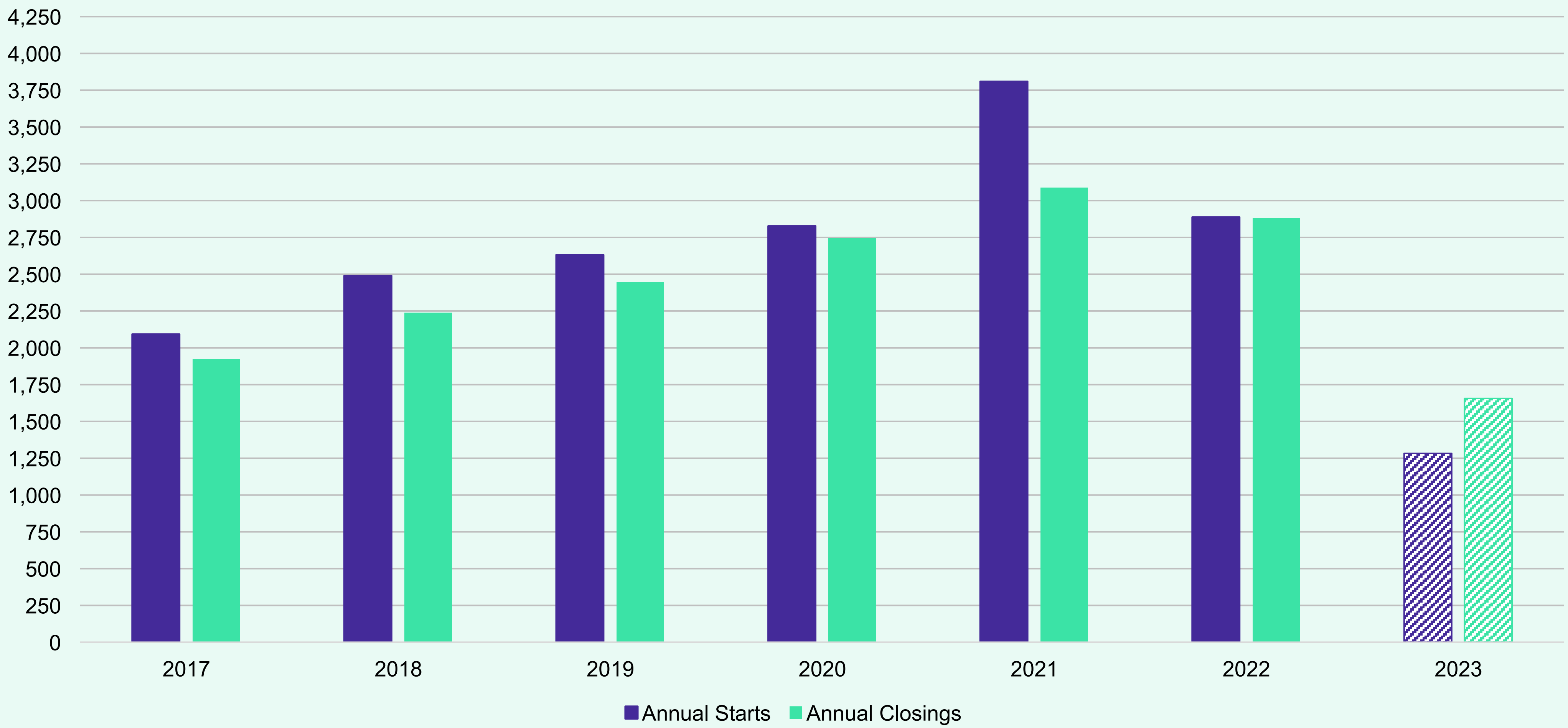
ISD Ranked by Annual Closings – 2Q23

Rank	District Name	Annual Starts	Annual Closings	Inventory	VDL	Future
1	NORTHWEST ISD	2,795	3,622	1,589	4,017	40,144
2	**DENTON ISD***	**2,326**	**2,856**	**1,711**	**3,796**	**24,766**
3	PROSPER ISD	2,443	2,701	2,043	2,919	18,633
4	PRINCETON ISD	1,738	2,180	1,177	3,350	7,827
5	ROYSE CITY ISD	1,229	1,851	750	1,894	7,771
6	EAGLE MT-SAGINAW ISD	1,822	1,527	1,104	2,346	15,570
7	FORNEY ISD	1,414	1,526	973	4,546	19,011
8	FRISCO ISD	888	1,490	692	2,038	8,761
9	MCKINNEY ISD	1,690	1,441	1,125	2,036	14,392
10	ROCKWALL ISD	1,059	1,434	811	2,865	9,923
11	CRANDALL ISD	916	1,375	419	1,349	17,860
12	AUBREY ISD	904	1,309	632	1,104	5,936
13	DALLAS ISD	1,477	1,308	1,852	1,494	6,309
14	MANSFIELD ISD	1,028	1,277	798	1,791	6,034
15	CROWLEY ISD	1,491	1,247	1,022	1,565	15,913
16	LEWISVILLE ISD	973	1,184	735	543	1,545
17	MELISSA ISD	1,391	1,098	889	1,025	3,173
18	CELINA ISD	730	1,091	660	1,736	36,298
19	COMMUNITY ISD	783	1,068	608	1,828	6,814
20	MIDLOTHIAN ISD	636	1,032	500	3,230	17,483

** Based on additional research by Zonda Education*
*** Totals **DO NOT** include age-restricted communities*

Zonda Education

District New Home Starts and Closings



Starts	2017	2018	2019	2020	2021	2022	2023
1Q	447	555	572	516	960	845	461
2Q	536	801	617	748	1,084	714	822
3Q	608	563	686	684	1,005	512	
4Q	502	571	757	880	761	817	
Total	2,093	2,490	2,632	2,828	3,810	2,888	1,283

Closings	2017	2018	2019	2020	2021	2022	2023
1Q	436	561	495	626	639	617	803
2Q	450	563	572	726	936	708	853
3Q	559	561	678	756	727	563	
4Q	479	555	701	640	786	993	
Total	1,924	2,240	2,446	2,748	3,088	2,881	1,656

Zonda Education

District Housing Overview by Elementary Zo

Elementary	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Under Construction	Inventory	Vacant Dev. Lots	Futures
ADKINS	17	3	23	5	15	15	47	323
ALEXANDER	8	3	60	4	3	3	45	338
BELL	59	23	45	9	30	30	11	0
BLANTON	1	0	25	7	1	1	2	0
BORMAN	407	198	258	159	169	191	397	15,657
CROSS OAKS	3	1	30	2	1	1	0	251
EP RAYZOR	0	0	0	0	0	0	0	0
EVERS	407	82	400	150	171	192	400	790
GINNINGS	0	0	1	0	0	0	8	0
HAWK	23	7	49	11	6	6	0	82
HODGE	81	42	39	32	42	48	113	1,662
HOUSTON	36	15	17	7	16	19	115	35
MCNAIR	28	17	165	30	6	8	10	156
N RAYZOR	0	0	0	0	0	0	5	37
NELSON	0	0	0	0	0	0	0	4
PALOMA CREEK	1	0	24	0	0	0	0	0
PECAN CREEK	0	0	0	0	0	0	29	25
PROVIDENCE	175	114	250	73	126	139	854	3,385
RIVERA	0	0	0	0	0	0	0	284
RYAN	95	23	155	39	60	67	296	31
SANDBROCK RANCH	382	132	480	96	306	323	542	695
SAVANNAH	12	2	29	2	8	12	2	16
SHULTZ	1	0	1	0	0	0	0	0
STEPHENS	39	14	21	5	295	301	182	311
UNION PARK	551	146	784	222	306	355	738	684
GRAND TOTAL*	**2,326**	**822**	**2,856**	**853**	**1,561**	**1,711**	**3,796**	**24,766**

*Does NOT include age-restricted communities

Highest activity in the category

Second highest activity in the category

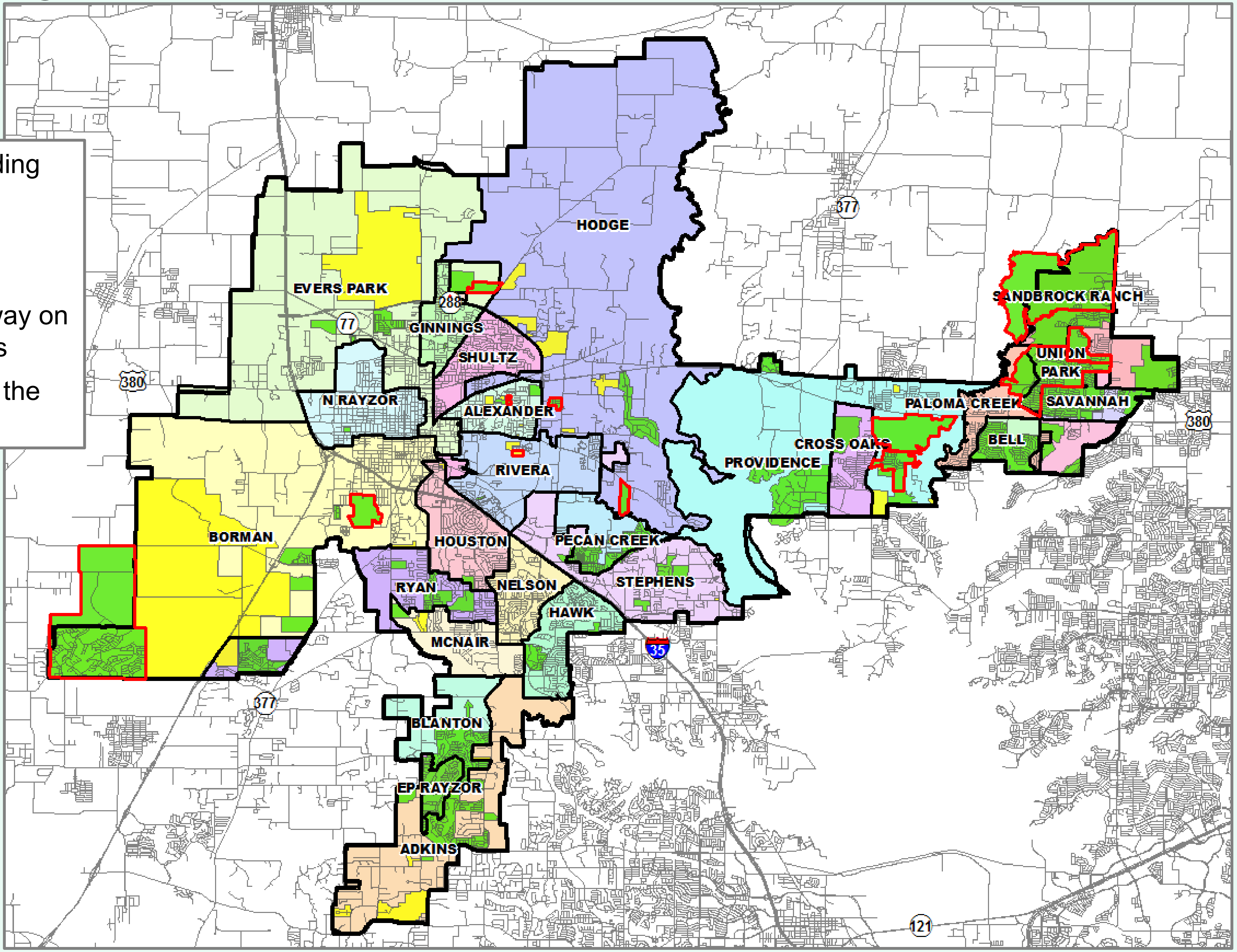
Third highest activity in the category

District Housing Overview

- The district has 61 actively building subdivisions
- Within DISD there are 32 future subdivisions
- Of these, groundwork is underway on 2,456 lots within 12 subdivisions
- 428 lots have been delivered in the 2nd quarter

Subdivisions

- ACTIVE
- FUTURE
- Groundwork Underway



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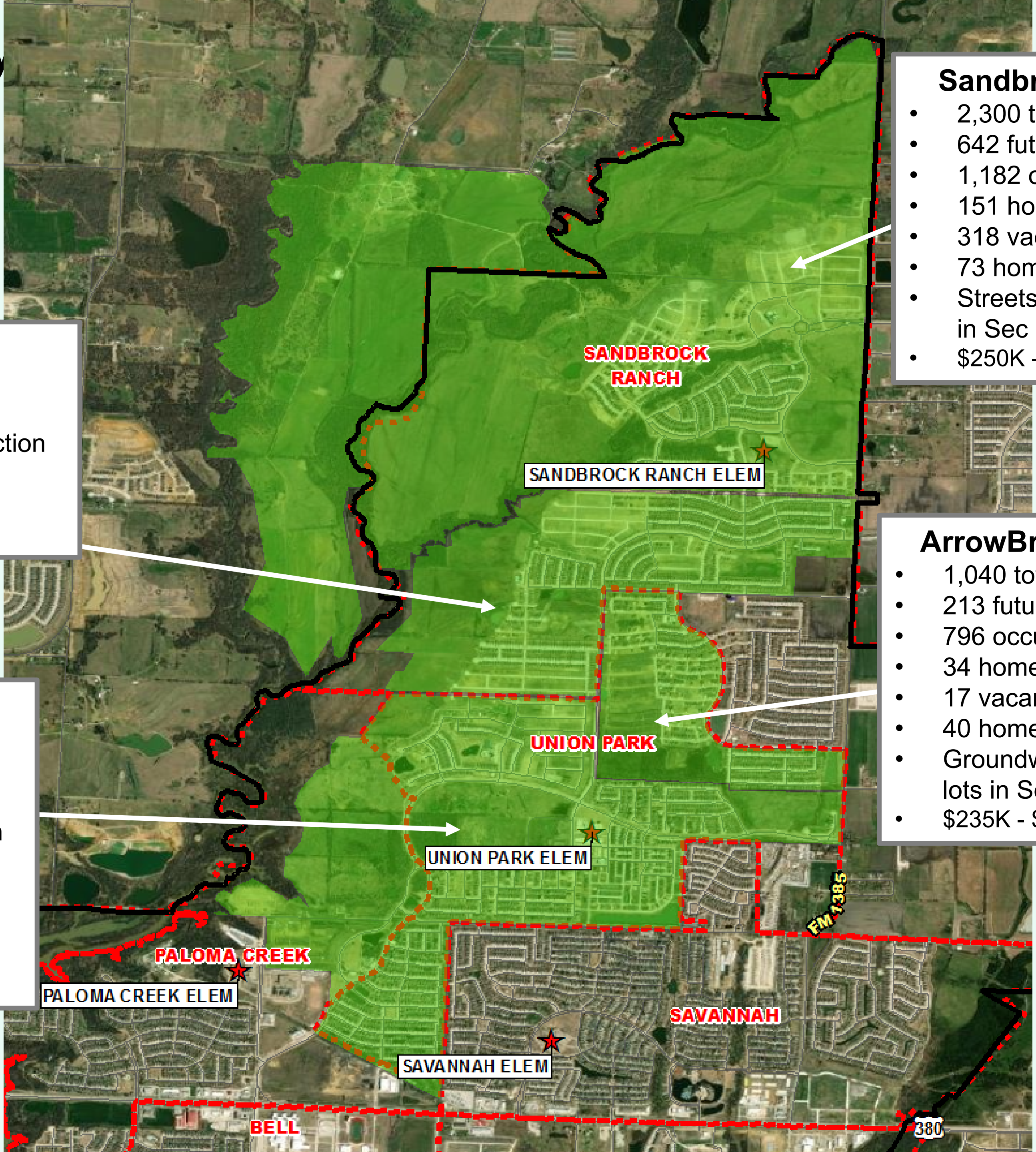
Residential Activity



Sandbrock Ranch (DISD)
- 2,300 total lots
- 642 future lots
- 1,182 occupied homes
- 151 homes under construction
- 318 vacant developed lots
- 73 homes started 2Q23
- Streets being paved for 253 lots in Sec 12 & 13
- $250K - $4450K

Winn Ridge
- 1,741 total lots
- 1,478 occupied homes
- 106 homes under construction
- 154 vacant developed lots
- 61 homes started 2Q23
- $195K - $330K

ArrowBrooke (Union Park)
- 1,040 total lots
- 213 future lots
- 796 occupied homes
- 34 homes under construction
- 17 vacant developed lots
- 40 homes closed 2Q23
- Groundwork underway on 213 lots in Sec 7; streets being paved
- $235K - $365K

Union Park
- 2,944 total lots
- 400 future lots
- 1,774 occupied homes
- 180 homes under construction
- 549 vacant developed lots
- 132 homes closed 2Q23
- 124 lots in Sec 9 delivered for homebuilding 2Q23
- $250K - $4450K

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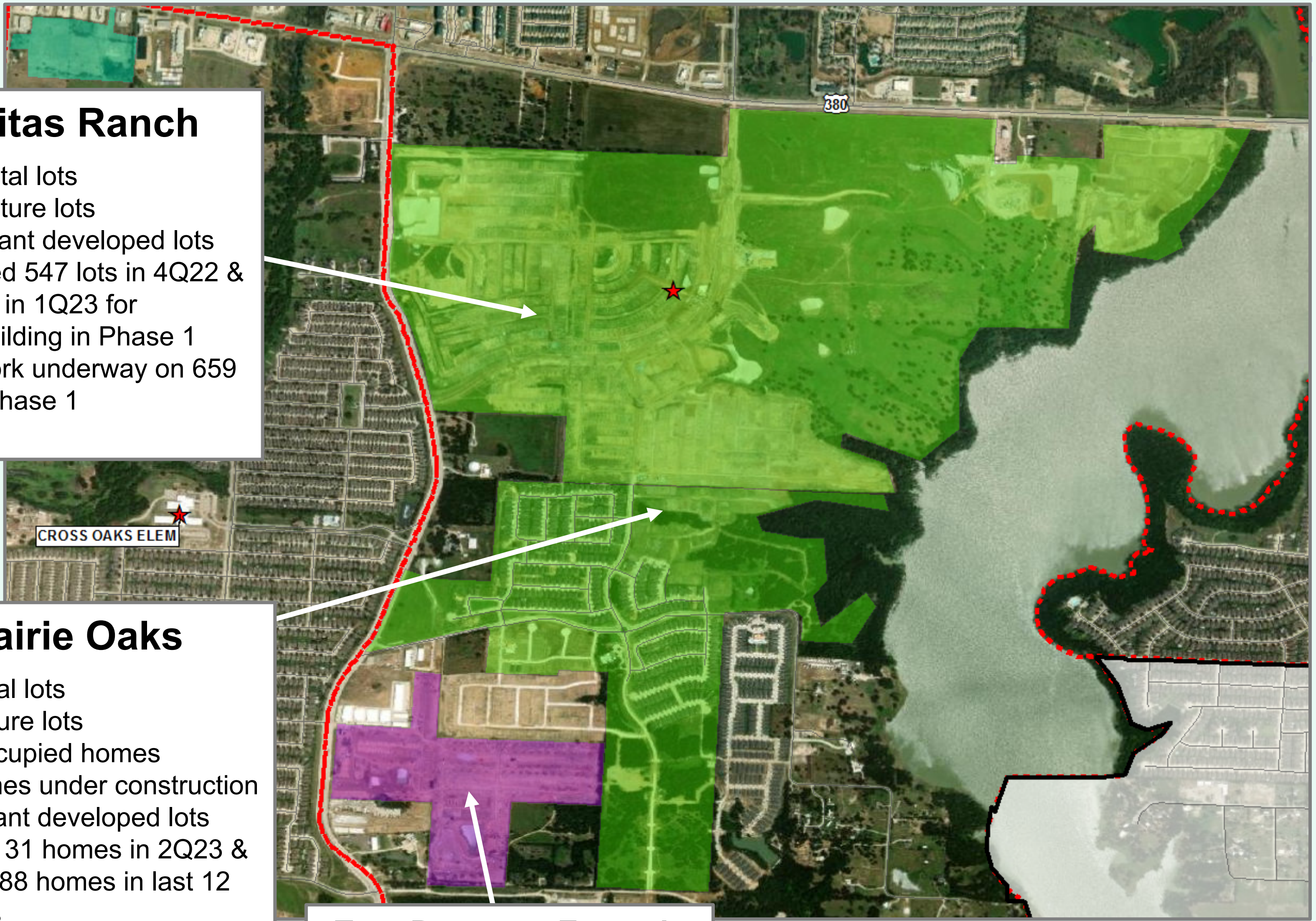
Residential Activity



Spiritas Ranch

- 2,156 total lots
- 1,565 future lots
- 591 vacant developed lots
- Delivered 547 lots in 4Q22 & 109 lots in 1Q23 for homebuilding in Phase 1
- Roadwork underway on 659 lots in Phase 1
- $500K+

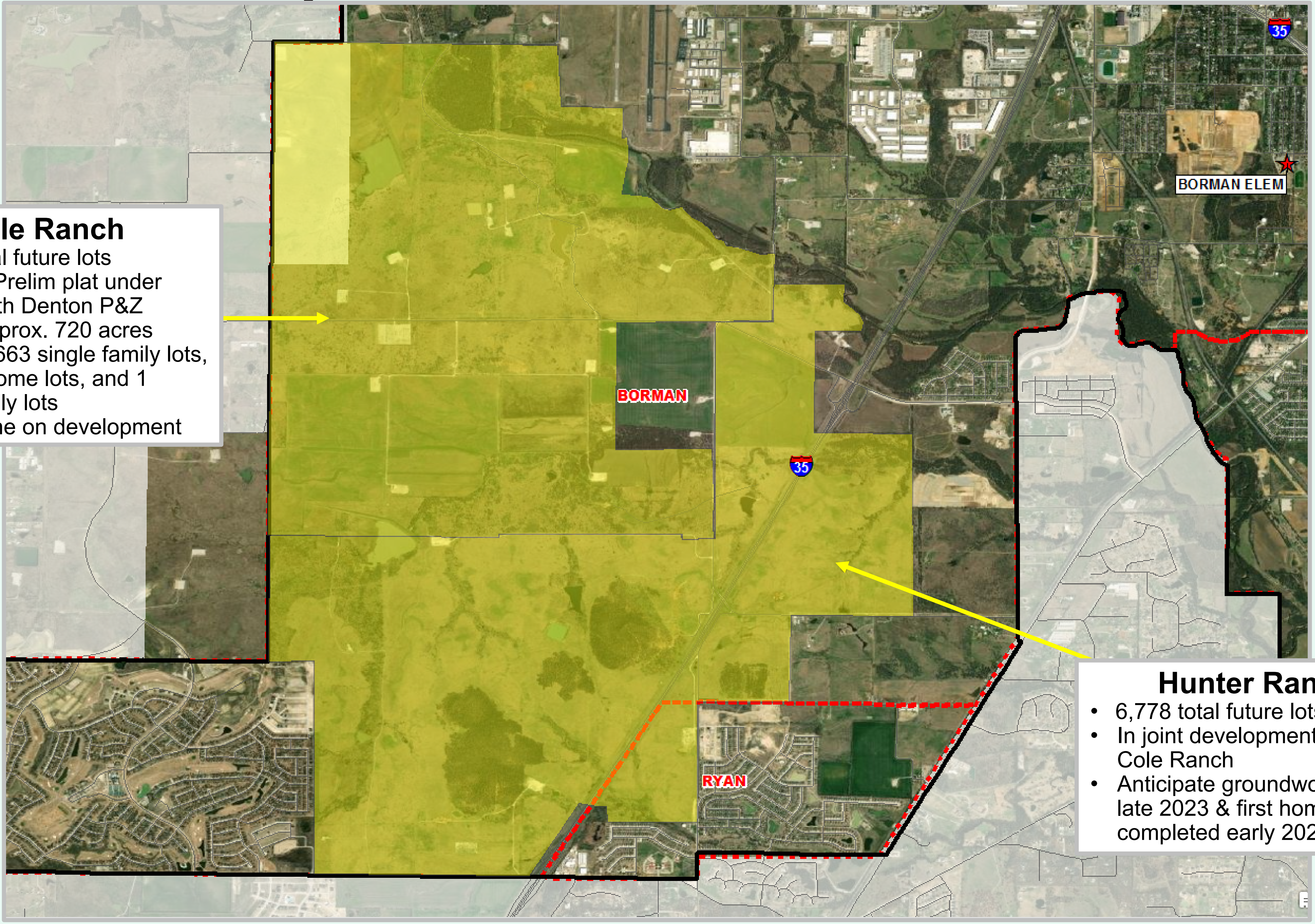
Prairie Oaks

- 985 total lots
- 536 future lots
- 391 occupied homes
- 17 homes under construction
- 31 vacant developed lots
- Closed 31 homes in 2Q23 & closed 88 homes in last 12 months
- Groundwork underway on 184 lots in Phase 2 & 3
- $295K - $360K

Toro Perezoso Estancia

- 415 manufactured homes under construction
- Estimated completion end of 2023 – early 2024

Residential Activity



Cole Ranch
- 7,858 total future lots
- Phase 1 Prelim plat under review with Denton P&Z
- Spans approx. 720 acres
- Includes 663 single family lots, 48 townhome lots, and 1 multi-family lots
- No timeline on development

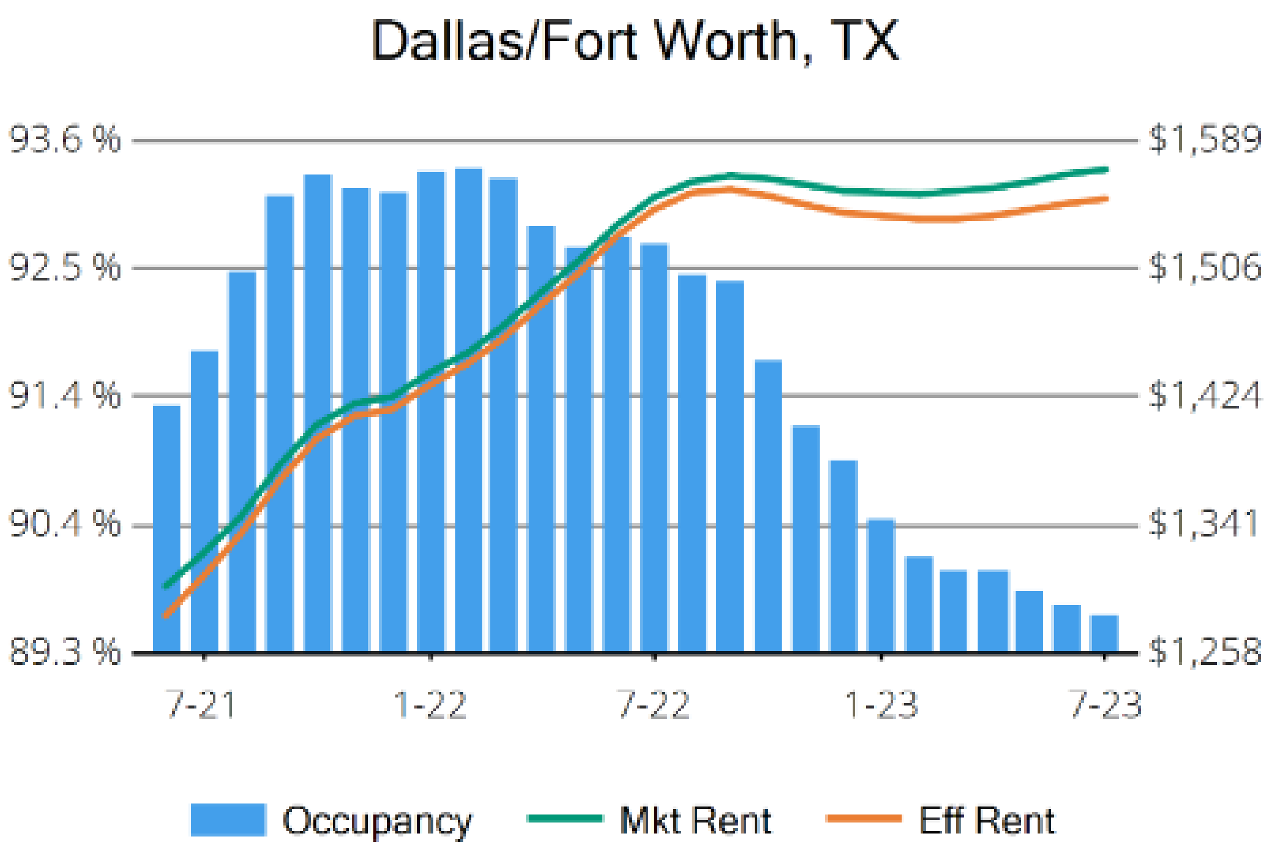
Hunter Ranch
- 6,778 total future lots
- In joint development plan with Cole Ranch
- Anticipate groundwork begin late 2023 & first homes completed early 2025

Zonda Education

Housing Market Trends: Multi-family Market- July 2023

*Stabilized and Lease-up Properties**

Conventional Properties	Jul 2023	Annual Change
Occupancy	89.6	-3.4%
Unit Change	28,209	
Units Absorbed (Annual)	569	
Average Size (SF)	874	+0.3%
Asking Rent	$1,570	+1.4%
Asking Rent per SF	$1.80	+1.1%
Effective Rent	$1,551	+0.7%
Effective Rent per SF	$1.77	+0.4%
% Offering Concessions	20%	+153.9%
Avg. Concession Package	5.1%	+6.0%



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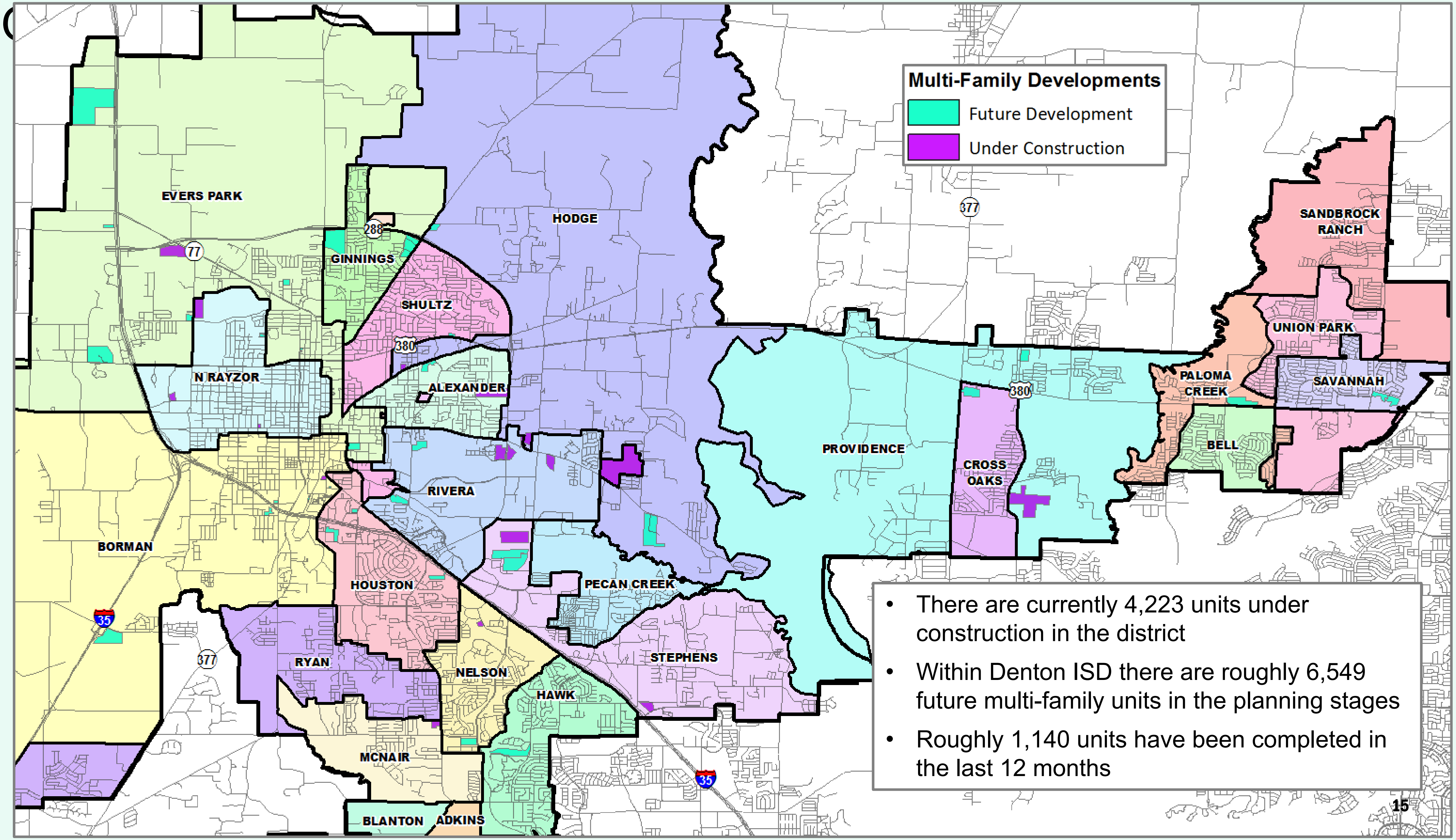
Multi-Family Housing



- There are currently 4,223 units under construction in the district
- Within Denton ISD there are roughly 6,549 future multi-family units in the planning stages
- Roughly 1,140 units have been completed in the last 12 months

Ten Year Forecast by Grade Level

GRADE LEVEL ENROLLMENT HISTORY AND PROJECTIONS

YEAR	EE	PK	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	Total	Total Growth	Percent
2019/20	90	1,099	2,157	2,279	2,155	2,222	2,179	2,323	2,333	2,409	2,403	2,543	2,385	2,220	2,111	30,908		
2020/21	92	978	2,062	2,115	2,213	2,092	2,198	2,120	2,273	2,318	2,397	2,455	2,402	2,324	2,222	30,261	-647	-2.1%
2021/22	113	1,197	2,343	2,289	2,259	2,376	2,230	2,322	2,223	2,378	2,439	2,599	2,512	2,423	2,252	31,955	1,694	5.6%
2022/23	140	1,228	2,281	2,482	2,376	2,293	2,439	2,332	2,313	2,306	2,425	2,506	2,597	2,480	2,345	32,543	588	1.8%
2023/24	111	1,298	2,315	2,369	2,480	2,390	2,346	2,456	2,332	2,367	2,353	2,542	2,542	2,485	2,403	32,789	246	0.3%

2023/24 Proj.	140	1,203	2,375	2,395	2,549	2,441	2,343	2,494	2,367	2,408	2,369	2,573	2,451	2,609	2,458	33,174
	-29	95	-60	-26	-69	-51	3	-38	-35	-41	-16	-31	91	-124	-55	-385
			-2.6%	-1.1%	-2.8%	-2.1%	0.1%	-1.5%	-1.5%	-1.7%	-0.7%	-1.2%	3.6%	-5.0%	-2.3%	-1.2%

- Total Enrollment within 2% of Projection
- All grade levels within 5% of Projection
- Over 1700 homes under construction at the end of June, enrollment will continue to increase

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