

*Denton
Independent
School
District*

Quarterly
Report
4Q16



*Learn from Yesterday...
Understand Today...
Plan for Tomorrow*



TEMPLETON
DEMOGRAPHICS



Economic Conditions – DFW Area (December 2016)

3.3%

112,800 new jobs
National rate 1.5%



Job Growth

29,892

3,350 more
starts than 2015



Annual
Home Starts

0.1%

U.S. 4.5%
Texas 4.6%
DFW MSA 3.7%
Denton 3.1%



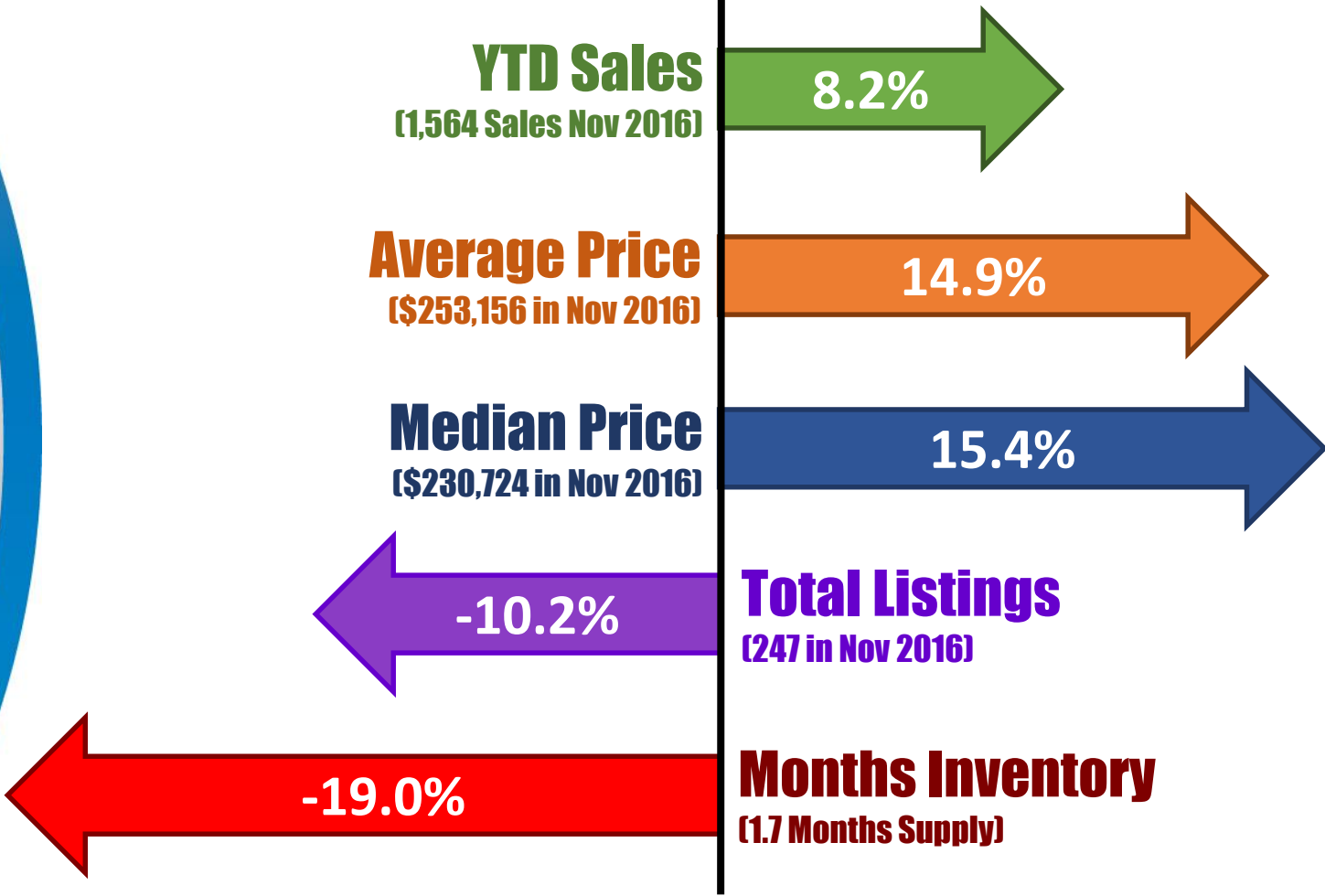
Unemployment
Rate





City of Denton Housing Market

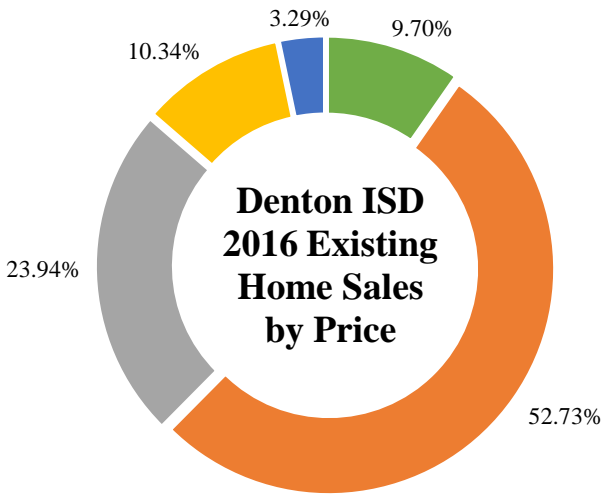
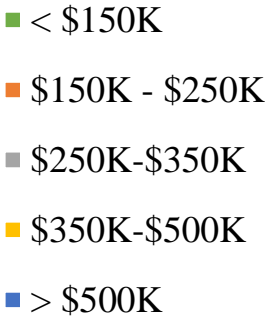
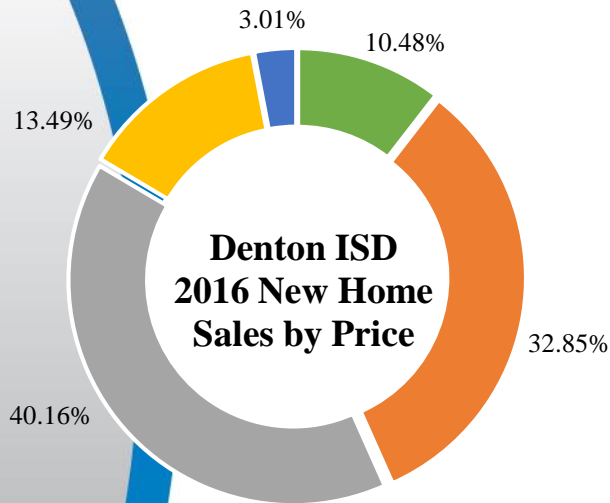
Year-Over-Year Comparisons





Denton ISD Home Sales

2016 Home Sales by Type



- The district had 5,940 home sales in 2016, and 34% were of new homes
- The median sale price in 2016 for a new home was \$261,324
- The median sale price in 2016 for an existing home was \$225,625





DFW New Home Ranking Report

ISD Ranked by Annual Closings – 4Q16

Rank	District Name	Annual Starts	Annual Closings	VDL	Future
1	Frisco ISD	2,639	2,542	3,569	7,931
2	Prosper ISD	2,569	2,050	4,675	27,142
3	Denton ISD	1,953*	2,028*	2,557*	26,516**
4	Lewisville ISD	1,313	1,387	1,468	4,494
5	Northwest ISD	1,670	1,282	2,207	21,091
6	Dallas ISD	1,574	1,223	2,233	6,029
7	Little Elm ISD	1,088	1,099	1,575	4,250
8	Eagle Mt.-Saginaw ISD	768	856	1,277	19,855
9	Rockwall ISD	984	850	1,887	8,116
10	Keller ISD	778	788	970	1,746
11	Crowley ISD	714	783	662	9,714
12	McKinney ISD	789	723	1,610	5,965
13	Mansfield ISD	763	708	898	6,612
14	Wylie ISD	798	707	1,042	4,500
15	Forney ISD	688	552	884	14,232
16	Allen ISD	570	515	1,052	1,597
17	Coppell ISD	461	483	588	329
18	Waxahachie ISD	447	477	801	9,817
19	Plano ISD	463	453	1,030	2,660
20	Midlothian ISD	553	445	1,295	19,947

*Based on additional Templeton Demographics housing research

**Includes age-restricted communities Robson Ranch and Fireside Addition





New Housing Activity

Denton ISD



Starts	2010	2011	2012	2013	2014	2015	2016
1Q	218	133	167	191	434	335	532
2Q	279	221	267	426	466	451	482
3Q	206	217	290	357	457	607	538
4Q	194	177	262	328	459	503	419
Total	897	748	986	1,302	1,816	1,896	1,971

Closings	2010	2011	2012	2013	2014	2015	2016
1Q	226	168	189	248	315	340	461
2Q	256	208	228	272	383	474	556
3Q	272	189	218	327	531	450	546
4Q	208	210	254	305	435	414	540
Total	962	775	889	1,152	1,664	1,678	2,103

- In 4Q16, Denton ISD closed 540 new homes, more than 120 units over the previous 4th quarter
- District new home inventory is low, with only 5 month's supply
- Denton ISD has 567 homes currently under construction



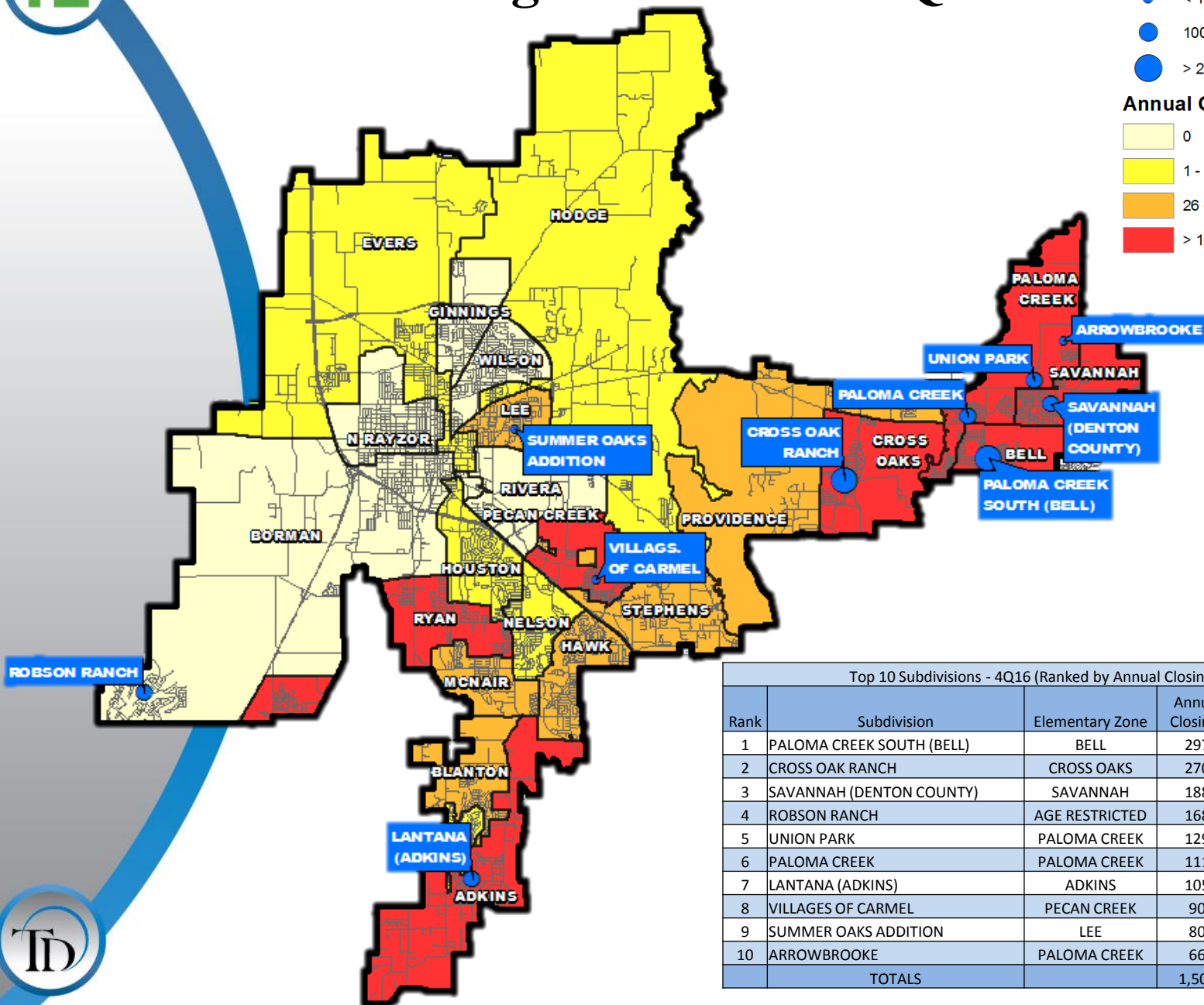
Annual Closing Distribution 4Q16

Subdivision Annual Closings

- < 100
- 100 - 200
- > 200

Annual Closings by Elem Zone

- 0
- 1 - 25
- 26 - 100
- > 100



Top 10 Subdivisions - 4Q16 (Ranked by Annual Closings)

Rank	Subdivision	Elementary Zone	Annual Closings	VDL	Future
1	PALOMA CREEK SOUTH (BELL)	BELL	297	348	223
2	CROSS OAK RANCH	CROSS OAKS	270	65	0
3	SAVANNAH (DENTON COUNTY)	SAVANNAH	188	284	167
4	ROBSON RANCH	AGE RESTRICTED	168	178	1,335
5	UNION PARK	PALOMA CREEK	129	152	2,771
6	PALOMA CREEK	PALOMA CREEK	111	27	17
7	LANTANA (ADKINS)	ADKINS	105	161	82
8	VILLAGES OF CARMEL	PECAN CREEK	90	22	284
9	SUMMER OAKS ADDITION	LEE	80	1	0
10	ARROWBROOKE	PALOMA CREEK	66	189	1,441
TOTALS			1,504	1,427	6,320



New Home Activity by Elementary Zone

Elementary	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Inventory	Vacant Dev. Lots	Future
ADKINS	76	21	106	22	37	166	399
BELL	372	91	310	104	152	466	1,006
BLANTON	39	2	69	15	14	177	194
BORMAN	0	0	0	0	0	0	8,946
CROSS OAKS	220	6	270	62	79	65	2,504
EP RAYZOR	10	1	11	3	5	19	0
EVERS	19	1	16	6	8	143	1,594
GINNINGS	0	0	0	0	0	0	1,366
HAWK	13	2	26	2	7	8	203
HODGE	2	0	2	1	1	5	625
HOUSTON	65	40	23	1	64	93	201
LEE	49	9	87	14	4	7	346
MCNAIR	14	0	35	0	0	0	0
N RAYZOR	0	0	0	0	0	0	150
NELSON	12	0	16	3	2	0	8
PALOMA CREEK	388	81	306	109	196	368	4,535
PECAN CREEK	138	33	147	41	50	74	413
PROVIDENCE	15	3	32	9	9	99	443
RIVERA	0	0	0	0	0	0	243
RYAN	136	47	143	46	61	308	1,071
SAVANNAH	239	49	210	66	132	333	239
STEPHENS	22	8	51	6	11	48	264
WILSON	0	0	0	0	0	0	330
Grand Totals*	1,829	394	1,860	510	832	2,379	25,080



Highest activity in the category



Second highest activity in the category

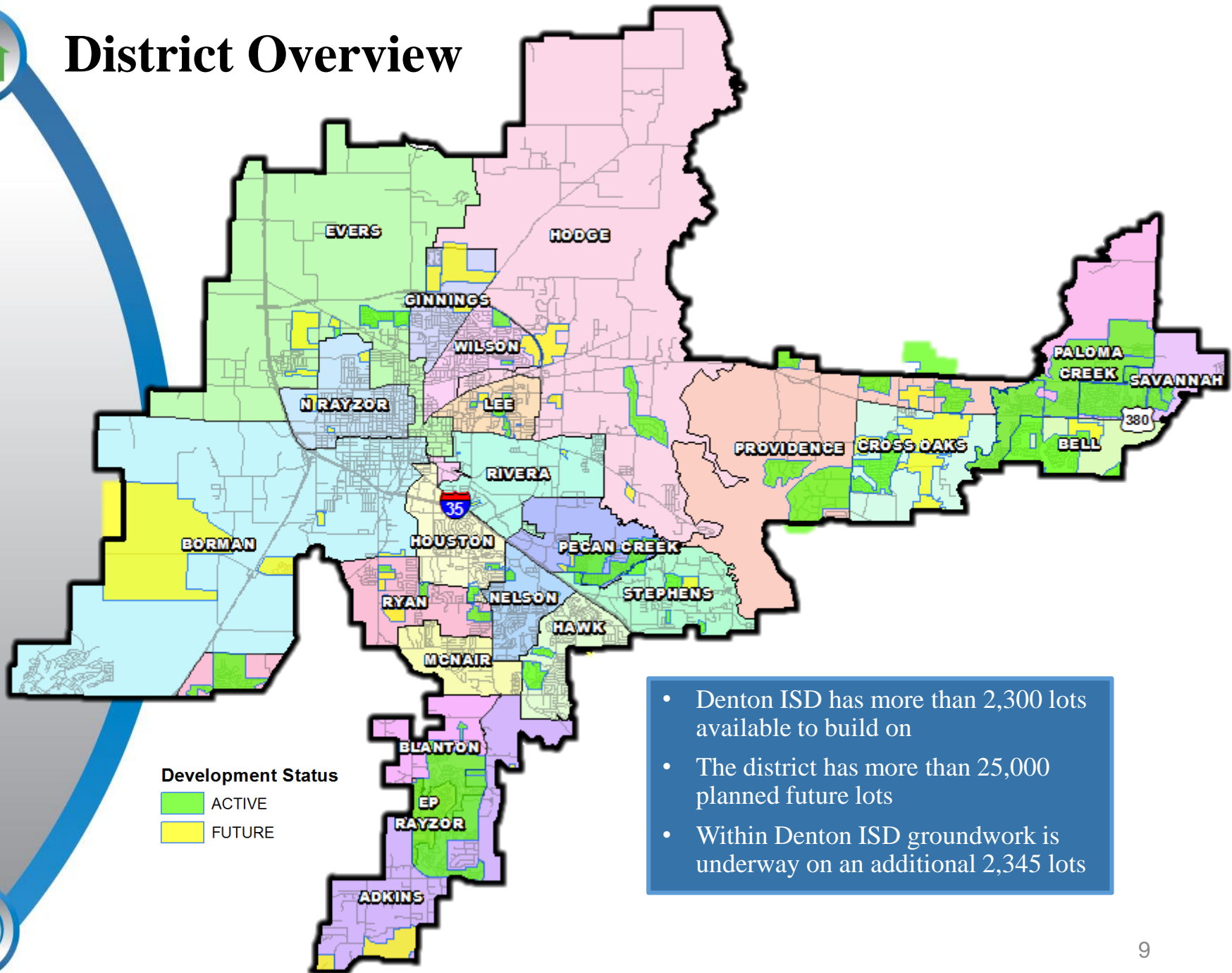


Third highest activity in the category

*Table does NOT include age restricted communities



District Overview



Development Status

ACTIVE

FUTURE

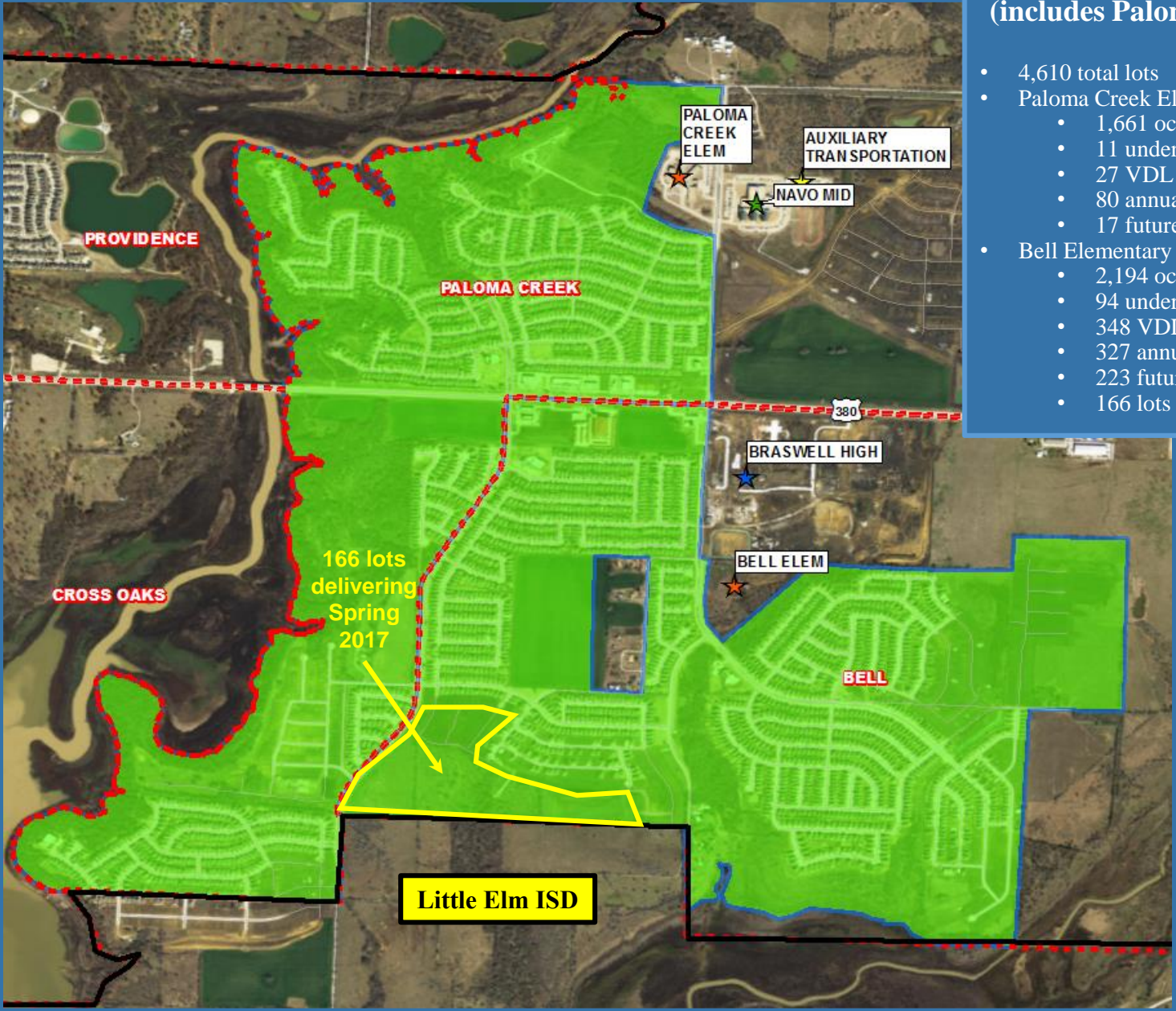


Active Subdivision

Paloma Creek– Town of Little Elm

Paloma Creek (includes Paloma Creek South)

- 4,610 total lots
- Paloma Creek Elementary
 - 1,661 occupied lots
 - 11 under construction
 - 27 VDL
 - 80 annual starts
 - 17 future lots
- Bell Elementary
 - 2,194 occupied lots
 - 94 under construction
 - 348 VDL
 - 327 annual starts
 - 223 future lots
 - 166 lots delivering Spring 2017





Future Development

Prairie Oaks

Prairie Oaks

- 840 future lots
- Preliminary plat approved for Phase 1
- Final plat approval anticipated March 2017
- Groundwork starting by April 2017 on Phase 1 with 340 lots
- Phase 1 delivering summer 2018 with first residents fall 2018
- Anticipate building ~120 homes a year
- Cross Oaks Elementary





Future Development

Beaver Creek

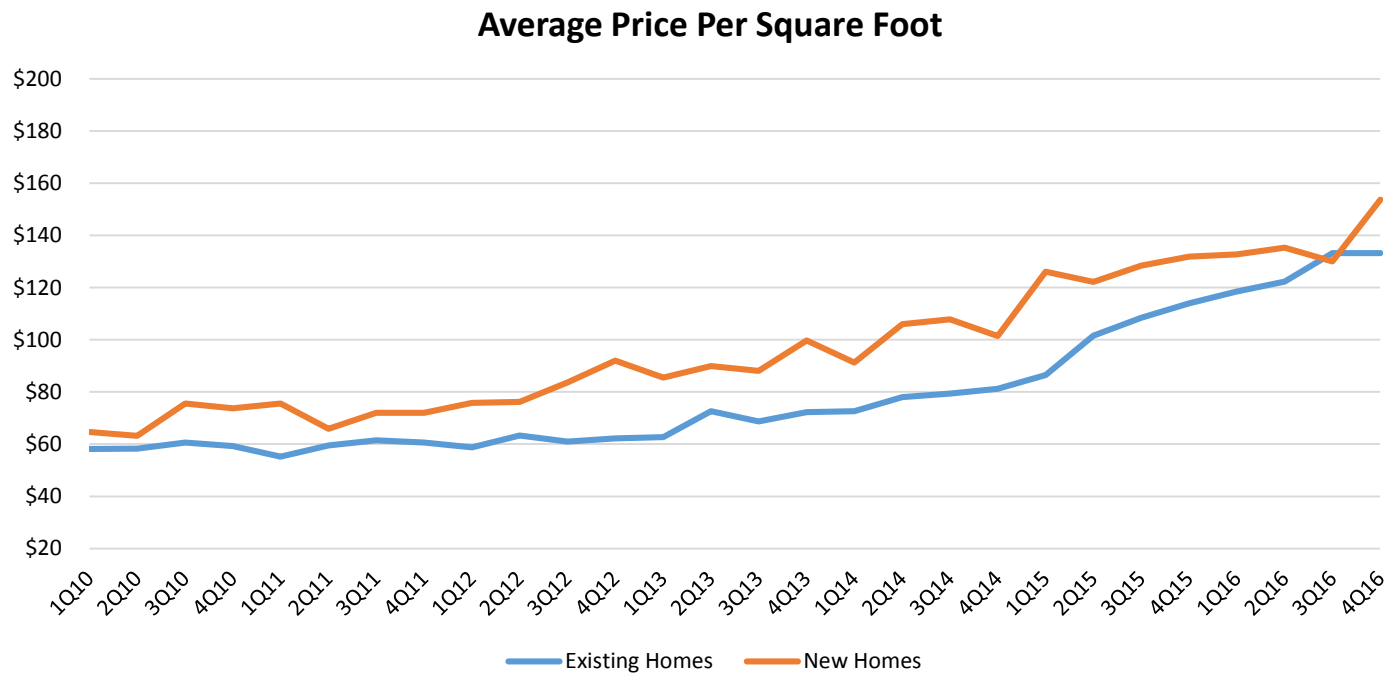
Beaver Creek

- 337 future lots
- Groundwork underway on all 337 lots
- Section 1A with 36 lots delivering summer 2017
- Section 1B with 95 lots delivering fall 2017
- First residents fall 2017
- LGI Homes
- Ginnings Elementary





District Average Price Per Square Foot



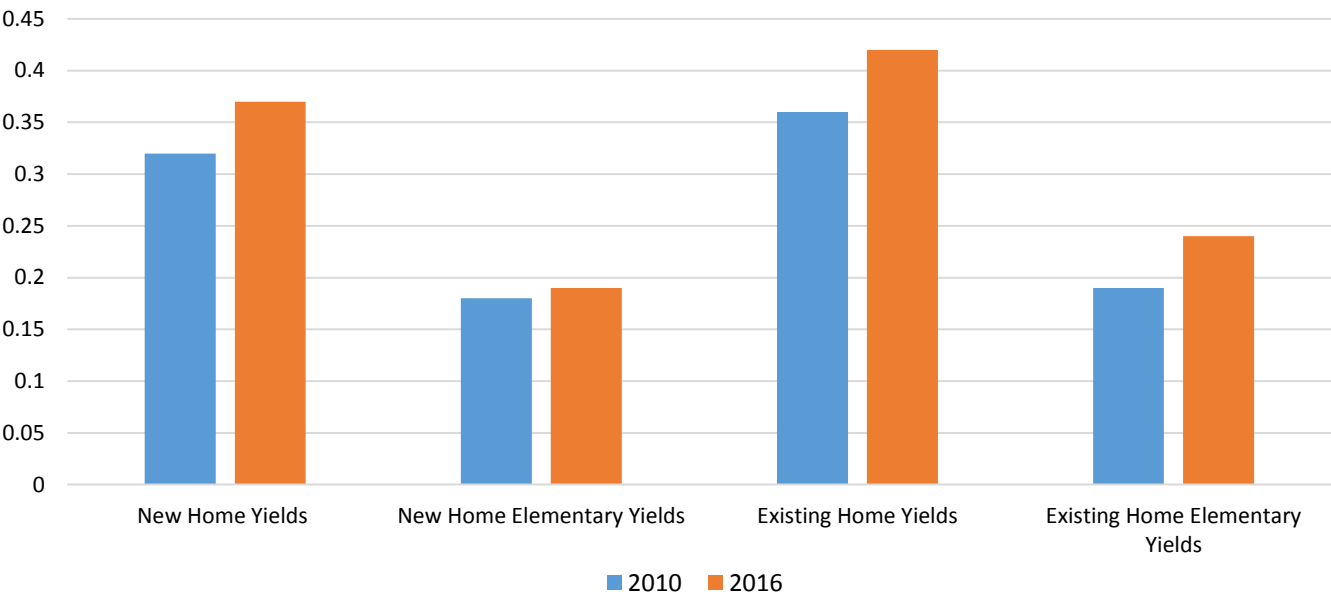
- The district average price per square foot for a new home in 2010 was \$65, but by 2016, the average new home was \$154 per square foot, an increase of 136%
- The district average price per square foot for an existing home in 2010 was \$58, but by 2016 the average existing home was \$133 per square foot, a 129% rise





District Yields by Transaction Type

New Home vs Existing Home Yield Analysis



- In 2010 a new home within DISD had an overall student yield of 0.32, today a new home yields 0.37 students
- In 2010 an existing home within DISD yielded roughly 0.36, but by 2016/17 an existing home yields 0.42 students





Ten Year Forecast

By Grade Level

Year (Oct.)	EE/PRE-K	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	Total	Total Growth	Percent
2012/13	1,001	2,121	2,162	2,052	2,065	2,108	2,059	1,929	1,887	1,768	1,819	1,769	1,610	1,425	25,775		
2013/14	967	2,074	2,164	2,163	2,069	2,104	2,085	2,041	1,919	1,904	1,925	1,708	1,640	1,549	26,312	537	2.1%
2014/15	1,063	2,068	2,099	2,178	2,166	2,082	2,133	2,075	2,052	1,973	2,042	1,873	1,665	1,551	27,020	708	2.7%
2015/16	1,143	1,954	2,143	2,088	2,190	2,152	2,115	2,154	2,128	2,094	2,091	1,985	1,756	1,566	27,559	539	2.0%
2016/17	1,108	2,051	2,042	2,199	2,175	2,237	2,207	2,159	2,207	2,185	2,280	2,115	2,002	1,695	28,662	1,103	4.0%
2017/18	1,108	2,114	2,133	2,110	2,296	2,263	2,329	2,236	2,212	2,257	2,351	2,217	2,043	1,915	29,584	922	3.2%
2018/19	1,108	2,196	2,203	2,216	2,197	2,410	2,350	2,346	2,266	2,295	2,418	2,277	2,143	1,941	30,366	782	2.6%
2019/20	1,108	2,268	2,268	2,296	2,302	2,284	2,519	2,379	2,359	2,326	2,486	2,341	2,195	2,048	31,179	813	2.7%
2020/21	1,108	2,349	2,354	2,388	2,391	2,414	2,395	2,557	2,413	2,412	2,517	2,424	2,260	2,089	32,071	892	2.9%
2021/22	1,108	2,398	2,441	2,464	2,502	2,498	2,508	2,439	2,604	2,465	2,587	2,450	2,341	2,153	32,958	887	2.8%
2022/23	1,108	2,437	2,499	2,551	2,573	2,613	2,613	2,555	2,467	2,667	2,662	2,518	2,364	2,231	33,858	900	2.7%
2023/24	1,108	2,515	2,529	2,610	2,656	2,693	2,729	2,649	2,611	2,505	2,851	2,590	2,430	2,253	34,729	871	2.6%
2024/25	1,108	2,564	2,615	2,635	2,732	2,777	2,809	2,768	2,704	2,668	2,707	2,776	2,499	2,316	35,678	949	2.7%
2025/26	1,108	2,608	2,660	2,727	2,754	2,856	2,905	2,846	2,816	2,764	2,895	2,633	2,676	2,379	36,627	949	2.7%
2026/27	1,108	2,644	2,694	2,769	2,850	2,880	2,988	2,946	2,895	2,882	2,975	2,817	2,541	2,546	37,535	908	2.5%

*Yellow box = largest grade per year

*Green box = second largest grade per year

- Denton ISD will enroll more than 30,000 students by 2018
- 5 year growth = 4,296 students
- 2021/22 enrollment = 32,958 students
- 10 year growth = 8,873 students
- 2026/27 enrollment = 37,535 students



Ten Year Forecast

By Elementary Campus

	Current	ENROLLMENT PROJECTIONS									
Campus Name	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Bell Elementary School	653	737	796	843	864	906	910	908	900	901	895
Blanton Elementary School	486	482	462	424	419	409	415	421	431	436	437
Borman Elementary School	465	485	527	601	709	810	915	1,030	1,143	1,264	1,382
Cross Oaks Elementary School	740	785	788	794	803	809	824	848	860	879	898
E P Rayzor Elementary School	420	397	378	370	357	353	359	364	376	389	402
Evers Park Elementary School	577	599	631	646	653	700	749	801	854	921	998
Ginnings Elementary School	593	587	603	619	643	661	687	711	739	766	791
Hodge Elementary School	659	654	651	664	666	689	696	706	719	736	754
Sam Houston Elementary School	590	623	636	635	653	653	655	677	687	699	702
Nelson Elementary School	630	636	628	634	638	645	621	617	610	601	595
Lee Elementary School	600	617	626	632	638	652	651	647	647	648	645
McNair Elementary School	583	570	563	560	567	575	583	590	599	607	611
Hawk Elementary School	699	652	623	601	580	588	587	590	593	585	570
Olive Stephens Elementary School	503	511	513	534	531	521	541	552	554	575	575
Paloma Creek Elementary School	486	591	717	850	1,001	1,153	1,280	1,303	1,336	1,351	1,354
Pecan Creek Elementary School	659	679	702	733	739	759	781	806	808	794	796
Providence Elementary School	406	406	422	437	441	467	484	514	545	553	559
Newton Rayzor Elementary School	648	638	633	627	623	616	611	614	612	612	614
Rivera Elementary School	615	639	654	663	681	712	711	717	716	730	732
Savannah Elementary School	712	722	712	735	707	685	682	692	693	693	697
Ryan Elementary School	624	661	707	720	747	789	836	885	942	975	1,001
Wilson Elementary School	589	580	593	587	581	585	608	616	622	627	627
Adkins Elementary School	377	397	410	431	453	477	503	526	549	571	593
Ann Windle School For Young Child	357	357	357	357	357	357	357	357	357	357	357
Gonzalez School For Young Child	347	347	347	347	347	347	347	347	347	347	347
ELEMENTARY TOTALS	14,018	14,352	14,679	15,044	15,398	15,918	16,393	16,839	17,239	17,617	17,932
Elementary Absolute Change	241	334	327	365	354	520	475	446	400	378	315
Elementary Percent Change	1.75%	2.38%	2.28%	2.49%	2.35%	3.38%	2.98%	2.72%	2.38%	2.19%	1.79%



Ten Year Forecast

By Middle School & High School Campus

	Current	ENROLLMENT PROJECTIONS									
Campus Name	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Calhoun Middle School	711	715	717	729	747	765	786	791	832	860	890
McMath Middle School	750	809	811	851	892	954	1,004	1,087	1,159	1,231	1,325
Navo Middle School	1,381	909	1,031	1,091	1,267	1,312	1,381	1,384	1,480	1,516	1,494
Crownover Middle School	946	925	929	931	917	868	841	820	833	842	859
Strickland Middle School	873	865	894	904	924	958	942	937	982	999	1,009
Harpool Middle School	981	984	932	950	918	876	844	823	815	840	865
Rodriguez Middle School	0	654	696	713	786	842	936	988	1,056	1,133	1,252
Bette Myers Middle School	899	834	887	885	921	923	945	925	973	995	1,019
MIDDLE SCHOOL TOTALS	6,541	6,695	6,897	7,054	7,372	7,498	7,679	7,755	8,130	8,416	8,713
Middle School Absolute Change	185	154	202	157	318	126	181	76	375	286	297
Middle School Percent Change	2.91%	2.35%	3.02%	2.28%	4.51%	1.71%	2.41%	0.99%	4.84%	3.52%	3.53%
Braswell High School	1,232	1,680	1,895	2,137	2,240	2,485	2,640	2,881	3,062	3,240	3,434
Denton High School	2,070	2,060	2,094	2,128	2,213	2,212	2,289	2,359	2,431	2,550	2,640
Fred Moore High School	54	54	54	54	54	54	54	54	54	54	54
John Guyer High School	2,563	2,631	2,695	2,715	2,755	2,751	2,704	2,668	2,602	2,577	2,555
Ryan High School	2,097	2,025	1,965	1,960	1,952	1,953	2,012	2,086	2,073	2,086	2,120
HIGH SCHOOL TOTALS	8,016	8,450	8,703	8,994	9,214	9,455	9,699	10,048	10,222	10,507	10,803
High School Absolute Change	717	434	253	291	220	241	244	349	174	285	296
High School Percent Change	9.82%	5.41%	2.99%	3.34%	2.45%	2.62%	2.58%	3.60%	1.73%	2.79%	2.82%
Juvenile Detention CTR	45	45	45	45	45	45	45	45	45	45	45
Lester Davis School	42	42	42	42	42	42	42	42	42	42	42
ALTERNATIVE SCHOOL TOTALS	87	87	87	87	87	87	87	87	87	87	87
DISTRICT TOTALS	28,662	29,584	30,366	31,179	32,071	32,958	33,858	34,729	35,678	36,627	37,535
District Absolute Change	1,103	922	782	813	892	887	900	871	949	949	908
District Percent Change	4.0%	3.2%	2.6%	2.7%	2.9%	2.8%	2.7%	2.6%	2.7%	2.7%	2.5%





Summary

- Denton's unemployment rate is currently below 3.5%.
- Roughly 34% of Denton ISD home sales in 2016 were new homes.
- The district has more than 26,000 planned future lots.
- Within Denton ISD the average price per square foot for a new home has risen 136% in the last 6 years.
- Rodriguez Middle School is expected to open this fall with 650 students.
- Denton ISD can expect an increase of approximately 4,300 students during the next 5 years.
- 2021/22 enrollment projection: 32,958 students.
- DISD is projected to enroll more than 37,500 students for the 2026/27 school year.