BOARD OF SCHOOL TRUSTEES

KELLER INDEPENDENT SCHOOL DISTRICT

12E. Report **Date: September 15, 2011**

SUBJECT: **UPDATE ON DEMOGRAPHICS AND ENROLLMENT PROJECTS**

FUNCTION: **Business**

DISTRICT KEY STRATEGIC PRIORITY:

- **Excellence in Student, Parent, and Community Relations**
- **Excellence in Operational Processes and Systems**

FISCAL NOTE: **None**

Background Information:

- Keller ISD has been a fast growth District for the past 10 years. Over 33,000 students are currently enrolled in the District.

- At build-out, the District anticipates housing between 35,000 to 40,000 students.

Administrative Considerations:

- A presentation will be given by the District's demographic consultant, Bob Templeton, regarding the current and future growth trends within KISD.

Communication Deployment:

- Board Meeting Minutes

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Respectfully submitted,

Hudson Huff
Director of Construction and Planning

Keller ISD
Quarterly Economic and Housing Analysis
2Q11

Texas bucks national unemployment trend

Need a job?

"From June 2009 to June 2011 the state [Texas] added 262,000 jobs, or half the USA's 524,000 payroll gains, according to the Federal Reserve Bank of Dallas and the Bureau of Labor Statistics."

"Economists point to an array of factors, including high energy prices that set off an oil-drilling frenzy, rising exports and a conservative banking industry that helped the state sidestep the housing crash"

Move to Texas…….

Economic Conditions

- Texas gained 198,400 jobs between May 2010 and May 2011. Continuing to lead the nation in job growth.
- The state's unemployment rate has been at or below the national rate for 53 consecutive months.
- Unemployment rates - Texas Labor Market Review (June)

  - U.S. 9.3%

  - Texas 8.8%

  - DFW 8.7%

  - Tarrant County 8.6%
- DFW leading the nation with 58,900 new jobs as of May 2011.
- Apartment occupancy rates rising.
- Cloud of economic uncertainty resulting from State deficit and debt ceiling.

National Economic Overview

Top 15 States – Ranked by Annual Job Growth as of May 2011

Rank	State	Annual Job Growth	% Change
1	Texas	198,400	1.9%
2	California	78,700	0.6%
3	Ohio	60,200	1.2%
4	Illinois	58,100	1.0%
5	Pennsylvania	44,400	0.8%
6	Michigan	40,300	1.0%
7	Massachusetts	24,600	0.8%
8	New York	23,600	0.3%
9	Oklahoma	20,800	1.3%
10	Oregon	19,900	1.2%
11	Washington	19,700	0.7%
12	Wisconsin	19,600	0.7%
13	Utah	17,700	1.5%
14	Nebraska	15,700	1.7%
15	Minnesota	15,300	0.6%

Source: Metrostudy - MetroUSA

National Economic Overview

Ranked by Annual Change in Employment – May 2011

Rank	MSA	Total Employment	Job Gains	% Change
1	Dallas-Fort Worth-Arlington TX	2,930,600	58,900	2.1%
2	Houston-Baytown-Sugar Land TX	2,586,800	45,000	1.8%
3	Seattle-Tacoma-Bellevue WA	1,668,500	26,200	1.6%
4	Milwaukee-Waukesha-West Allis WI	831,000	19,400	2.4%
5	Chicago-Naperville-Joliet IL-IN-WI	4,300,600	16,600	0.4%
6	Austin-Round Rock-San Marcos, TX	785,300	13,700	1.8%
7	Columbus OH	919,700	11,600	1.3%
8	San Diego-Carlsbad-San Marcos CA	1,240,900	11,200	0.9%
9	St. Louis MO-IL	1,314,800	10,000	0.8%
10	Portland-Vancouver-Hillsboro, OR-WA	979,600	9,500	1.0%
11	San Jose-Sunnyvale-Santa Clara CA	868,200	9,400	1.1%
12	Rochester NY	516,300	9,300	1.8%
13	Pittsburgh PA	1,142,900	9,200	0.8%
14	Raleigh-Cary NC	506,700	7,800	1.6%
15	Miami-Fort Lauderdale-Miami Beach FL	2,209,600	7,500	0.3%

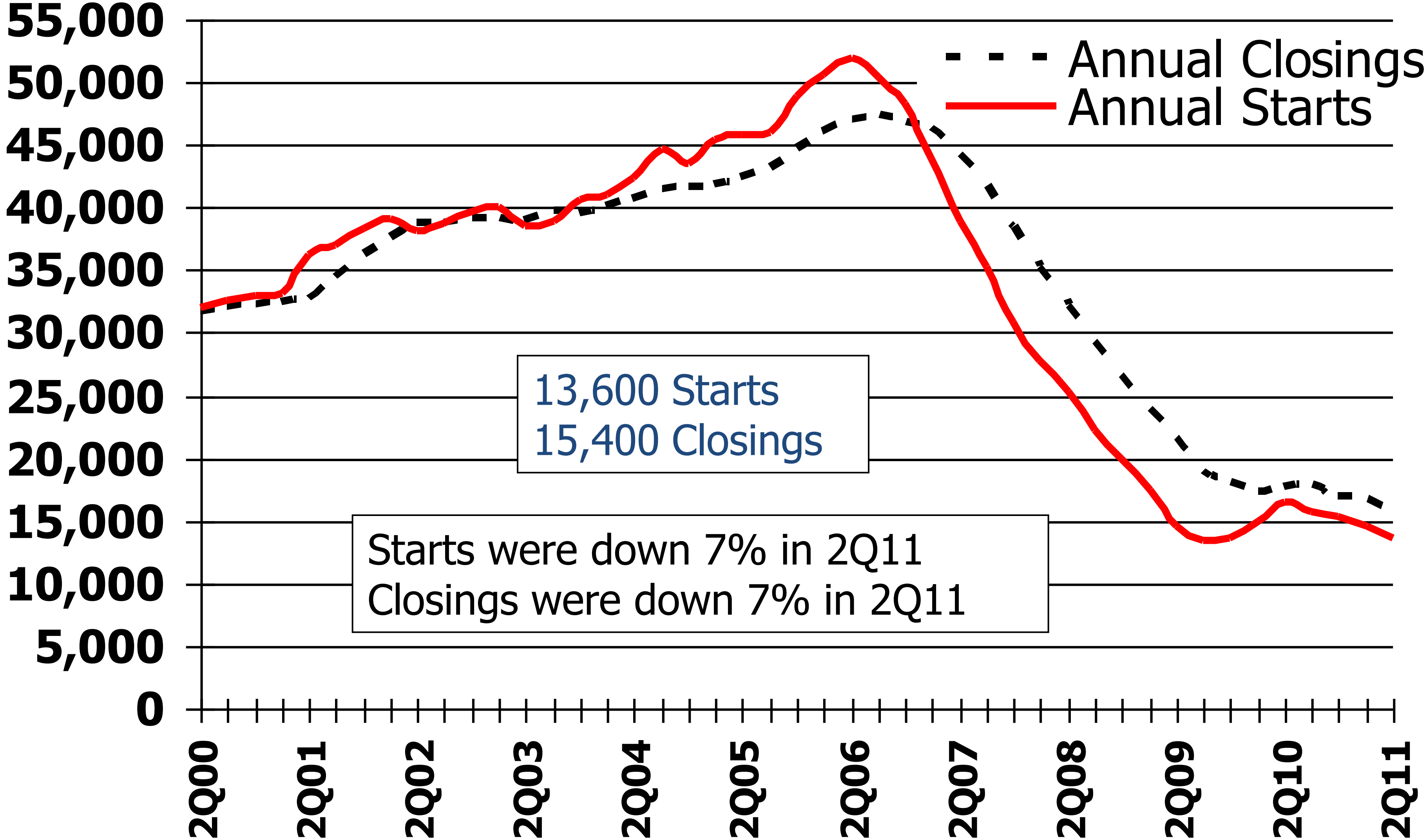
Source: Metrostudy - MetroUSA

Dallas/Fort Worth Market
Apartment Market Summary

- Dallas-Fort Worth led the nation in the second quarter, absorbing 8,390 units during the quarter and more than 18,000 units over the last year.
- Occupancy in DFW rose to 92.7%, up from 91.4% in the first quarter.
- Rents are expected to increase 4% to 5% over the next year.
- 7,316 units are currently under construction.

Dallas/Fort Worth Market

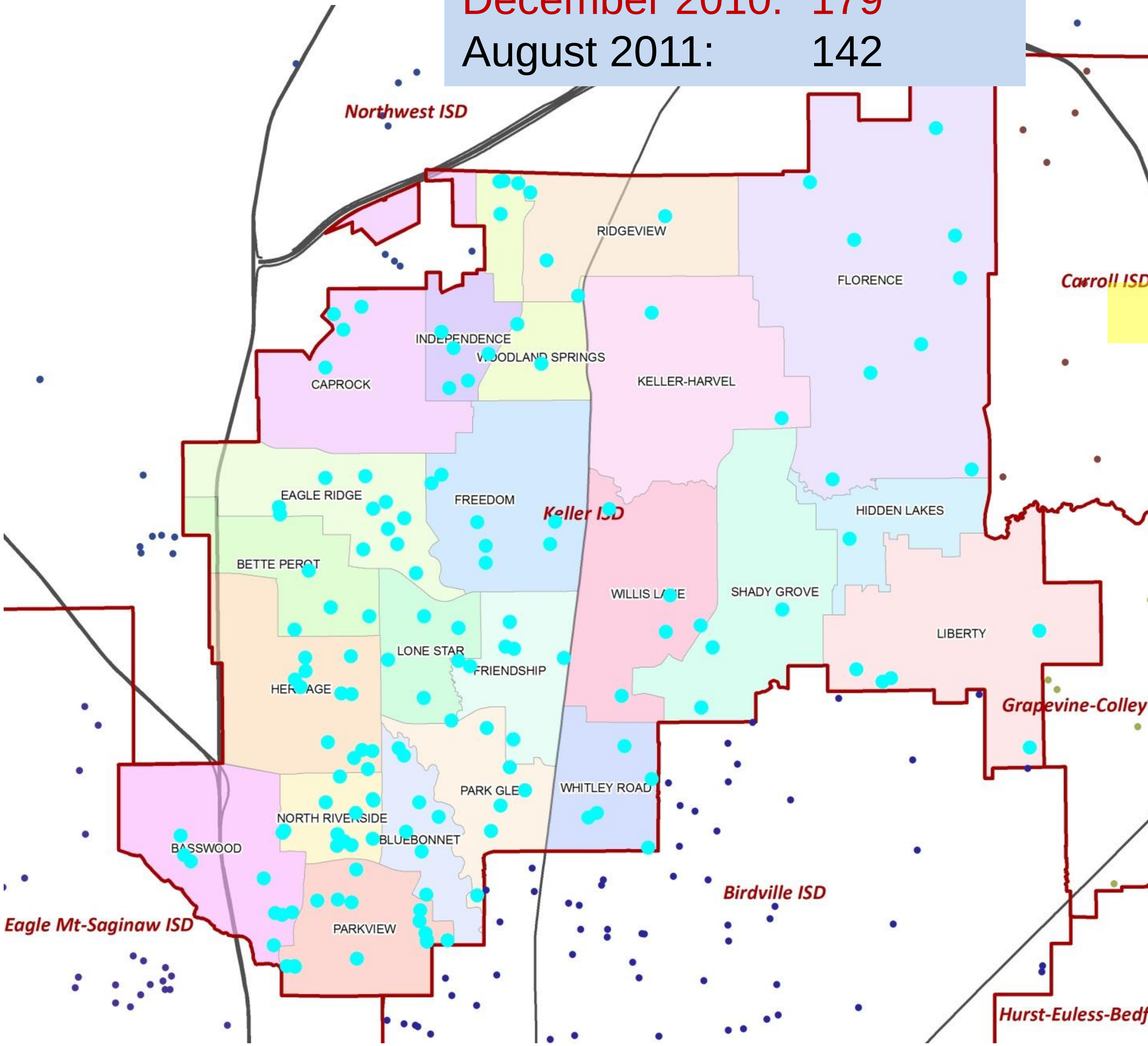
Annual Starts and Closings – All Product Types



Keller ISD Foreclosures

August 2011List

December 2010: 179
August 2011: 142



ISD	3Q10	4Q10	2Q11
Dallas ISD	689	716	507
Fort Worth ISD	312	383	277
Arlington ISD	264	299	257
Garland ISD	272	311	245
Mansfield ISD	189	213	191
Lewisville ISD	195	231	155
Plano ISD	196	151	154
Frisco ISD	168	203	153
Mesquite ISD	199	206	142
Keller ISD	162	179	142
Denton ISD	138	152	113
Crowley ISD	106	143	106
Richardson ISD	111	136	99
Birdville ISD	89	123	98
Carrollton-Farmers Branch ISD	99	113	96
Eagle Mt-Saginaw ISD	123	137	94
McKinney ISD	141	103	93
Grand Prairie ISD	138	144	86
Northwest ISD	73	114	78
Hurst-Euless-Bedford ISD	102	105	75
De Soto ISD	111	112	73
Irving ISD	115	117	72
Rockwall ISD	89	67	53
Little Elm ISD	51	64	47
Midlothian ISD	47	60	30
Grapevine-Colleyville ISD	40	48	30
Azle ISD	22	20	23
Royse City ISD	27	26	22
Carroll ISD	18	18	15
Aledo ISD	1	1	11

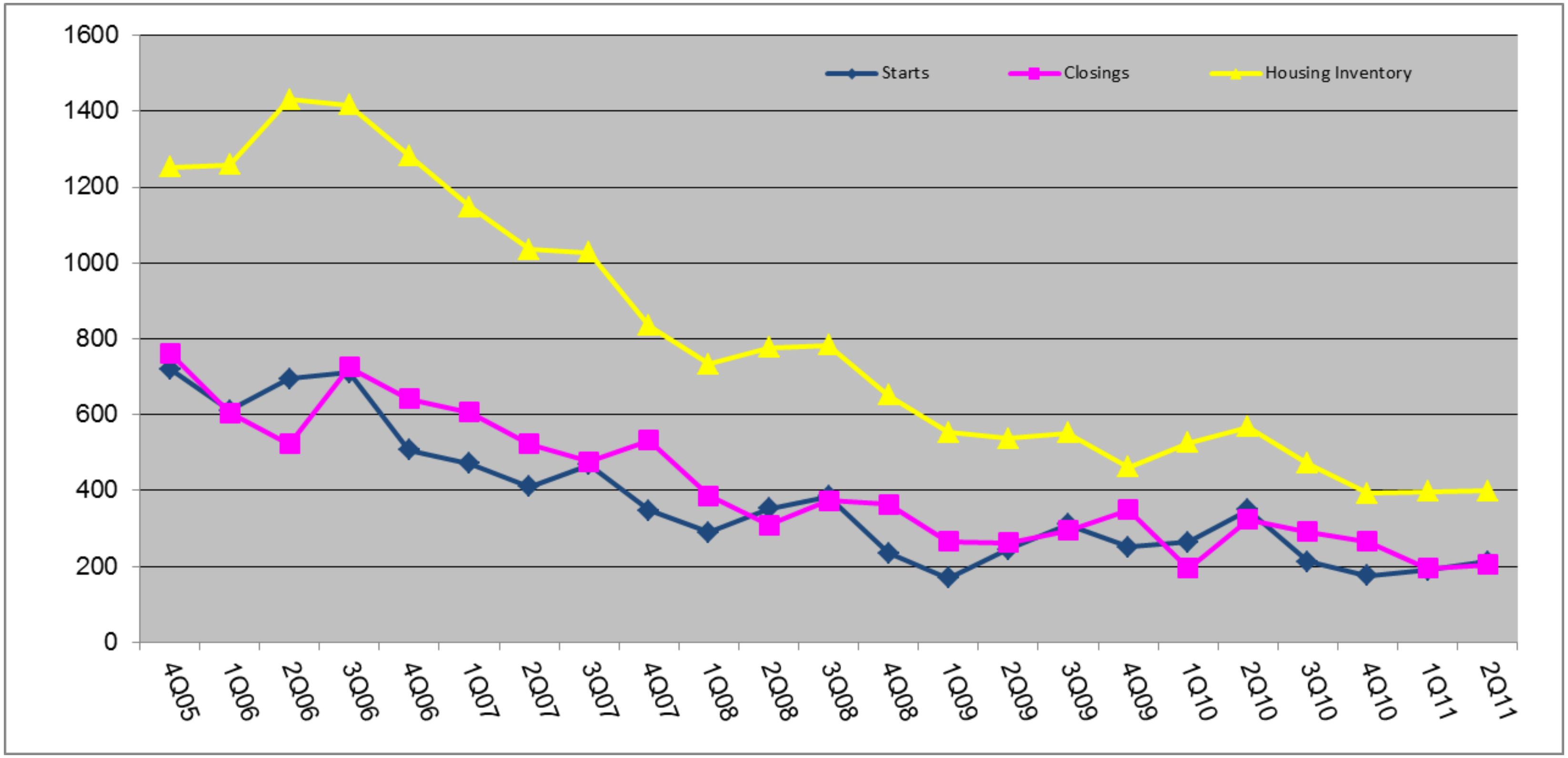
New Home Ranking Report

Inventory Analysis By School District

Dallas/Fort Worth

Ranked By Annual Starts

	School District	Annual Starts	Annual Closings	Current Housing Inventory	*Months of Supply*	Current VDL Inventory	*Months of Supply*	Future Inventory
	Frisco Isd	**1,612**	**1,678**	922	*6.6*	4,310	*32.1*	10,966
	Northwest Isd	**967**	**1,080**	513	*5.7*	2,709	*33.6*	26,060
3	*Keller Isd*	**793**	**946**	399	*5.1*	2,093	*31.7*	3,453
	Denton Isd	**757**	**860**	386	*5.4*	2,846	*45.1*	14,406
	Prosper Isd	**578**	**562**	305	*6.5*	1,781	*37.0*	13,036
	Mansfield Isd	**557**	**681**	284	*5.0*	1,806	*38.9*	6,003
	Lewisville Isd	**550**	**593**	287	*5.8*	2,095	*45.7*	1,449
	Eagle Mt-saginaw Isd	**499**	**585**	265	*5.4*	2,511	*60.4*	16,699
	Dallas Isd	**492**	**741**	1,338	*21.7*	2,692	*65.7*	6,916
	Mckinney Isd	**488**	**535**	241	*5.4*	1,910	*47.0*	3,137
	Allen Isd	**462**	**518**	221	*5.1*	966	*25.1*	1,484
	Little Elm Isd	**449**	**466**	166	*4.3*	1,303	*34.8*	6,434

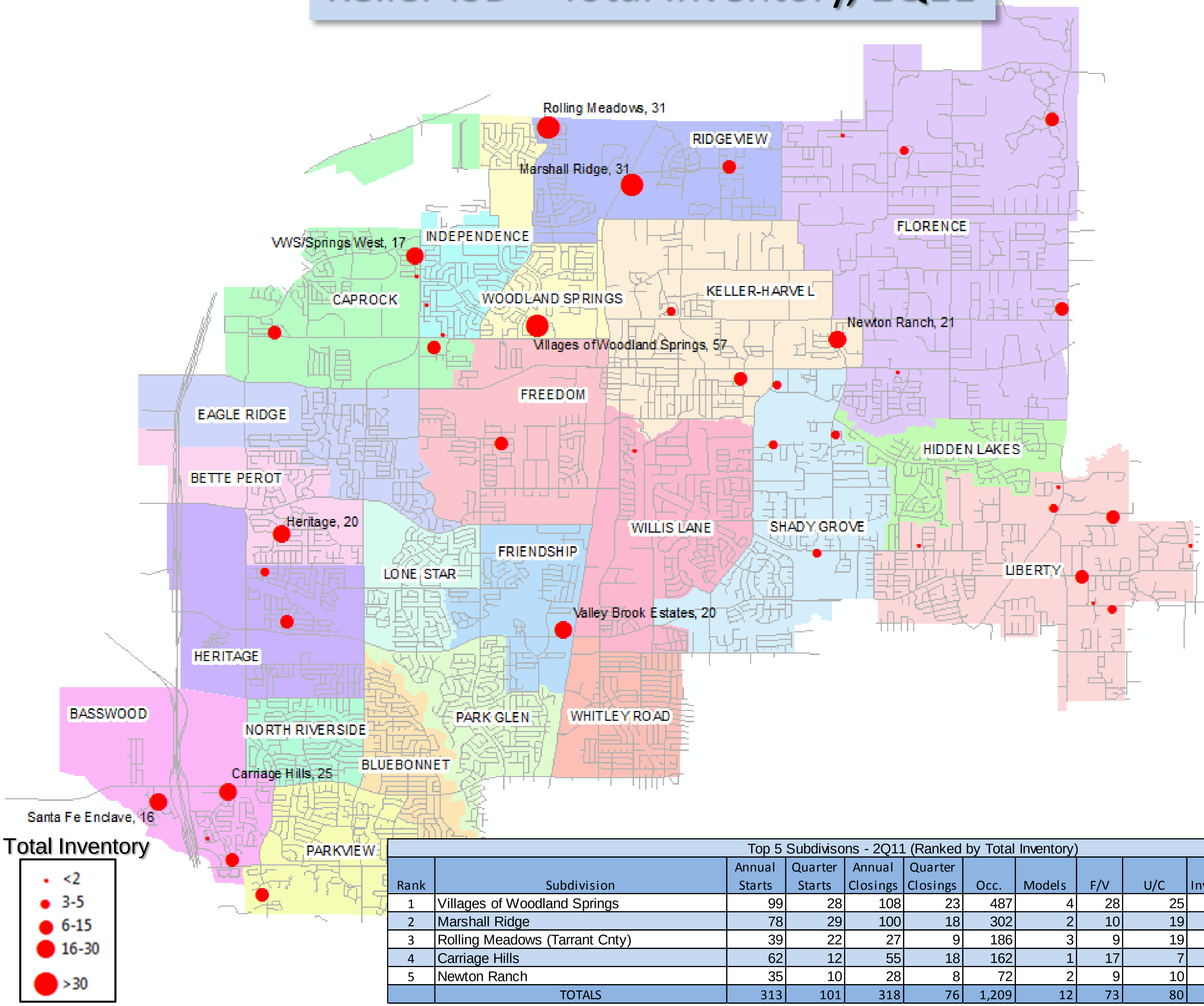


• Starts jumped slightly this quarter in KISD even as most areas within the metroplex declined.
• Closings increased to 204—should stay near 200 in 3rd quarter.

Starts	2,004	2,005	2,006	2,007	2,008	2,009	2,010	2,011
1Q	628	706	611	471	290	169	264	190
2Q	634	825	694	411	353	245	350	212
3Q	764	650	710	468	385	311	213	-
4Q	657	720	507	348	235	251	175	-
Total	2,683	2,901	2,522	1,698	1,263	976	1,002	402

Closing	2,004	2,005	2,006	2,007	2,008	2,009	2,010	2,011
1Q	613	588	604	606	386	266	195	195
2Q	696	711	522	523	309	262	323	204
3Q	704	870	725	476	374	294	292	-
4Q	739	762	641	532	363	349	266	-
Total	2,752	2,931	2,492	2,137	1,432	1,171	1,076	399

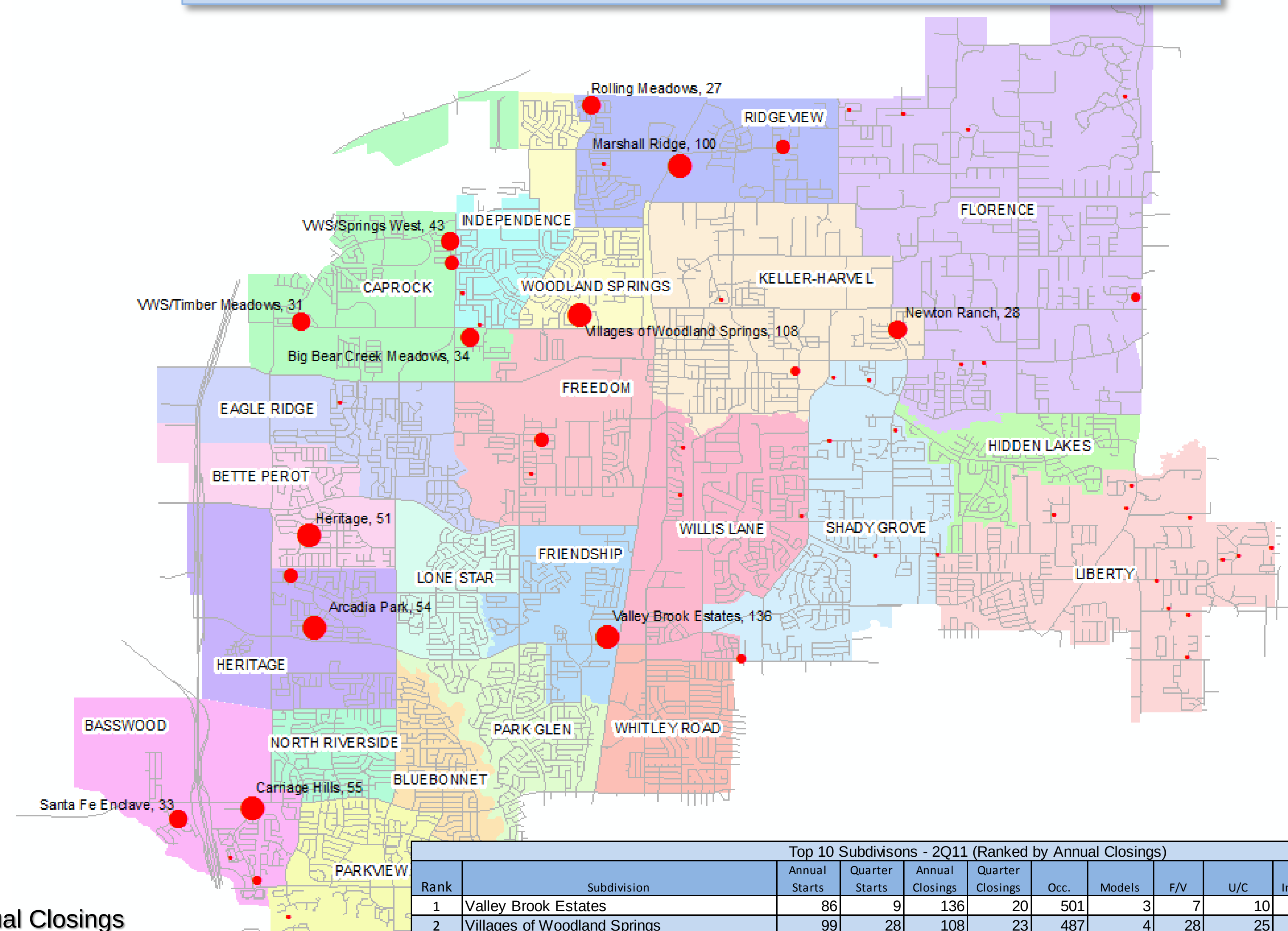
Keller ISD – Total Inventory, 2Q11



Top 5 Subdivisons - 2Q11 (Ranked by Total Inventory)

Rank	Subdivision	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Occ.	Models	F/V	U/C	Inventory	VDL	Future	Total
1	Villages of Woodland Springs	99	28	108	23	487	4	28	25	57	170	0	714
2	Marshall Ridge	78	29	100	18	302	2	10	19	31	196	438	967
3	Rolling Meadows (Tarrant Cnty)	39	22	27	9	186	3	9	19	31	125	0	342
4	Carriage Hills	62	12	55	18	162	1	17	7	25	30	0	217
5	Newton Ranch	35	10	28	8	72	2	9	10	21	48	70	211
	TOTALS	313	101	318	76	1,209	12	73	80	165	569	508	2,451

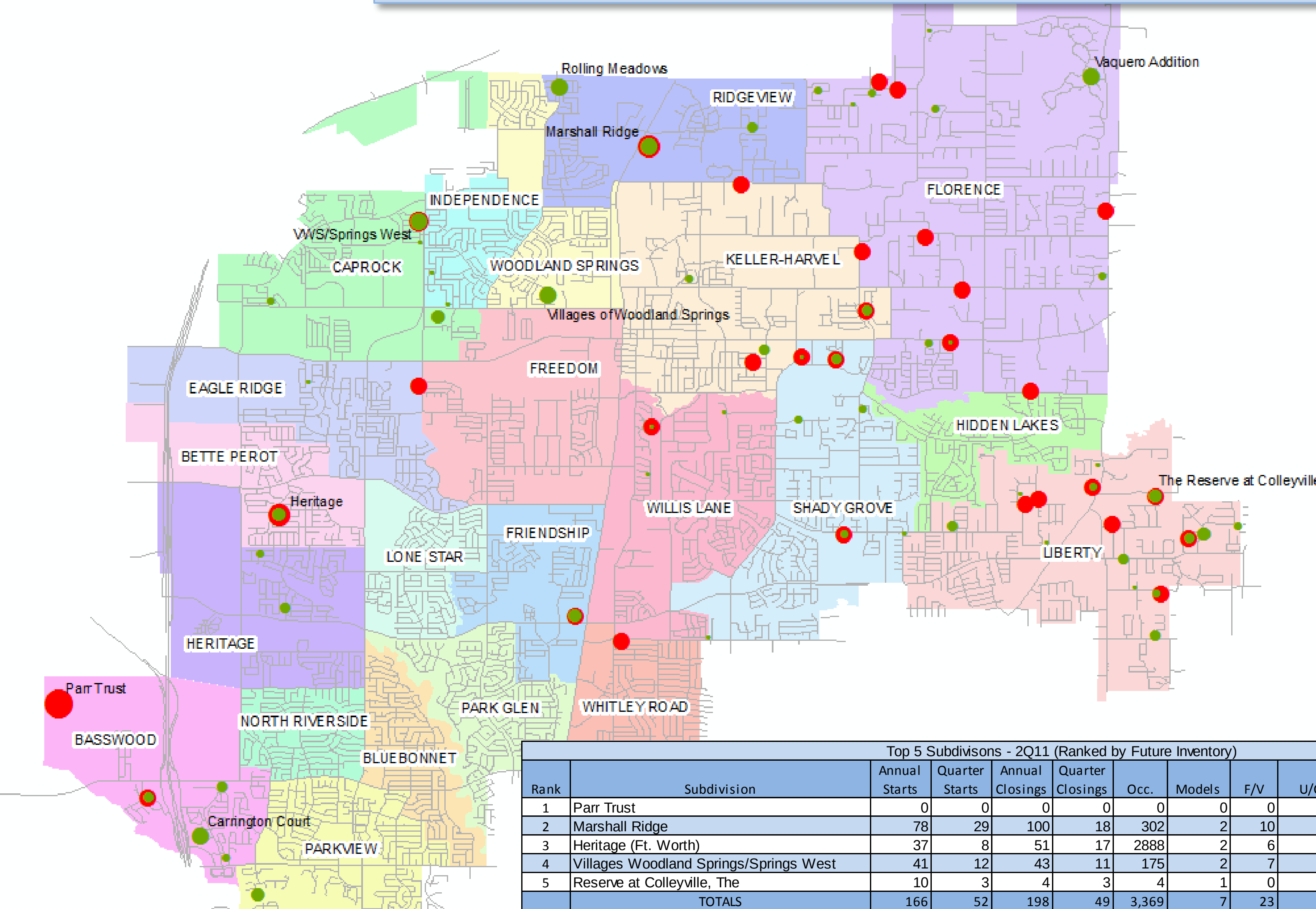
Keller ISD – Annual Closing Distribution, 2Q11

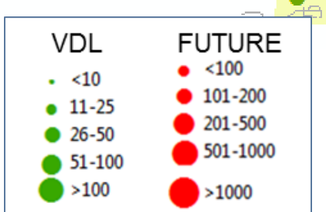


Top 10 Subdivisons - 2Q11 (Ranked by Annual Closings)

Rank	Subdivision	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Occ.	Models	F/V	U/C	Inventory	VDL	Future	Total
1	Valley Brook Estates	86	9	136	20	501	3	7	10	20	95	51	667
2	Villages of Woodland Springs	99	28	108	23	487	4	28	25	57	170	0	714
3	Marshall Ridge	78	29	100	18	302	2	10	19	31	196	438	967
4	Carriage Hills	62	12	55	18	162	1	17	7	25	30	0	217
5	Arcadia Park	47	6	54	13	848	2	7	6	15	36	0	899
6	Heritage (Ft. Worth)	37	8	51	17	2888	2	6	12	20	70	284	3262
7	Villages Woodland Springs/Springs West	41	12	43	11	175	2	7	8	17	111	104	407
8	Big Bear Creek Meadows	26	8	34	5	105	1	4	6	11	61	0	177
9	Santa Fe Enclave	20	10	33	6	196	2	6	8	16	39	60	311
10	Villages Woodland Springs/Timber Meadows	23	7	31	6	140	3	7	3	13	21	0	174
	TOTALS	519	129	645	137	5,804	22	99	104	225	829	937	7,795

Keller ISD – Vacant Developed Lots/ Future Lots, 2Q11





Top 5 Subdivisons - 2Q11 (Ranked by Future Inventory)

Rank	Subdivision	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Occ.	Models	F/V	U/C	Inventory	VDL	Future	Total
1	Parr Trust	0	0	0	0	0	0	0	0	0	0	1880	1880
2	Marshall Ridge	78	29	100	18	302	2	10	19	31	196	438	967
3	Heritage (Ft. Worth)	37	8	51	17	2888	2	6	12	20	70	284	3262
4	Villages Woodland Springs/Springs West	41	12	43	11	175	2	7	8	17	111	104	407
5	Reserve at Colleyville, The	10	3	4	3	4	1	0	5	6	67	94	171
	TOTALS	166	52	198	49	3,369	7	23	44	74	444	2,800	6,687

Top 5 Subdivisons - 2Q11 (Ranked by remaining Vacant Developed Lots)

Rank	Subdivision	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Occ.	Models	F/V	U/C	Inventory	VDL	Future	Total
1	Marshall Ridge	78	29	100	18	302	2	10	19	31	196	438	967
2	Villages of Woodland Springs	99	28	108	23	487	4	28	25	57	170	0	714
3	Vaquero Addition	11	1	10	1	158	0	1	10	11	141	0	310
4	Carrington Court	0	0	10	0	29	2	0	0	2	128	0	159
5	Rolling Meadows (Tarrant Cnty)	39	22	27	9	186	3	9	19	31	125	0	342
	TOTALS	227	80	255	51	1,162	11	48	73	132	760	438	2,492

Overall Housing Data by Elementary Attendance Zone

ELEM	Annual Starts	Quarter Starts	Annual Closings	Quarter Closings	Occupied	Models	Finished Vacant	Under Const.	INV	Vacant Dev. Lot	Future	Total
BASSWOOD Total	90	27	110	24	997	5	25	20	50	211	1940	3,198
BETTER PEROT Total	37	8	51	17	3,624	2	6	12	20	70	284	3,998
BLUEBONNET Total	0	0	0	0	2,480	0	0	0	0	0	0	2,480
CAPROCK Total	101	28	127	24	947	6	18	18	42	196	104	1,289
EAGLE RIDGE Total	3	0	3	3	1,726	0	0	0	0	1	17	1,744
FLORENCE Total	31	8	34	5	1,426	1	5	19	25	241	110	1,802
FREEDOM Total	21	4	25	8	1,177	0	4	4	8	0	0	1,185
FRIENDSHIP Total	86	9	136	20	1,911	3	7	10	20	95	51	2,077
HERITAGE Total	60	7	70	18	1,489	3	10	6	19	54	0	1,562
HIDDEN LAKES Total	0	0	0	0	924	0	0	0	0	0	0	924
INDEPENDENCE Total	8	2	7	3	1,336	0	1	2	3	12	0	1,351
KELLER-HARVEL Total	50	12	45	10	590	2	18	14	34	114	119	857
LIBERTY Total	34	13	32	11	2,700	3	7	14	24	387	265	3,376
LONE STAR Total	0	0	0	0	602	0	0	0	0	0	0	602
NORTH RIVERSIDE Total	0	0	0	0	4,358	0	0	0	0	0	0	4,358
PARK GLEN Total	0	0	0	0	1,881	0	0	0	0	0	0	1,881
PARKVIEW Total	13	4	6	0	808	2	6	4	12	56	0	876
RIDGEVIEW Total	128	55	153	31	1,383	7	20	41	68	368	438	2,257
SHADY GROVE Total	30	7	33	7	1,499	2	3	10	15	99	51	1,664
WHITLEY ROAD Total	0	0	0	0	0	0	0	0	0	0	54	54
WILLIS LANE Total	2	0	6	0	1,548	0	2	0	2	19	20	1,589
WOODLAND SPRINGS Total	99	28	108	23	2,169	4	28	25	57	170	0	2,396
Grand Total	**793**	**212**	**946**	**204**	**35,575**	**40**	**160**	**199**	**399**	**2,093**	**3,453**	**41,520**

- The Ridgeview Elementary attendance zone will be one of the most active areas of the district. During the past 12 months this new attendance area closed 153 homes.
- Basswood Elementary has the highest total of future lots with 1,940.

Ten Year Forecast

Draft Forecast Coming

Ten Year Forecast

Draft Forecast Coming

Summary

Positives

- Texas economy continues to out perform the nation.
- Diverse economy is driving the recovery (transportation, energy, and retail)
- DFW out-performing other cities with employment growth.
- Texas Annual Job Growth areas (June 2011 – June 2010):

  Professional and Business Services (49,700 jobs)

  Leisure and Hospitality (32,300 jobs)

  Mining (35,700 jobs)

Concerns

- **State deficit and the impact on employment!!**
- Federal debt ceiling!!
- Credit – ability to borrow – impacting housing – will continue to restrict new housing at the lower price points.

Keller ISD

- K ISD new housing for 2011 should see near 800 closings.
- 3Q11 starts need to be 200 to produce 800 new homes in 2011.
- Changes in home ownership patterns likely to increase yields from multi-family and rental property.