



# Westlake Residential and Student Enrollment Forecast

Town of Westlake/Westlake Academy

August 6, 2012

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### *Disclaimer*

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## I. Introduction

School District Strategies (SDS) was asked to prepare a forecast for the Town of Westlake's residential housing market and the impact the residential growth could potentially have on Westlake Academy enrollment. The research findings were to include the following items:

1. History of residential growth in Westlake
2. Review of Westlake residential zoning and entitlements by Planned Development boundaries
3. Review of comparable residential submarkets in DFW
4. Summary of population and household growth projections for Westlake area
5. Westlake new home forecast (based on research findings) [Low/Moderate/High]
6. Demographic trends of Westlake Academy students residing in Westlake
7. Impact of Westlake residential projections and student demographic trends on Westlake Academy's student enrollment

In addition, SDS has included some brief comments regarding overall Dallas-Ft. Worth (DFW) new home market activity, DFW population/household growth trends, and DFW new home market activity in the \$500K and Above price segment. New home construction and lot inventory information in this report are derived from data collected by SDS's affiliate company, Residential Strategies (RSI). RSI's proprietary new home census is conducted quarterly, and RSI staff physically inspects over 5,000 phases of active subdivisions. Statistics in this report refer to the second quarter, 2012 census. Annual figures refer to the period of third quarter, 2011 to second quarter, 2012 (3Q11 to 2Q12).

## II. Executive Summary

The Dallas-Ft. Worth (DFW) new home market activity is improving after hitting bottom in late 2009. A strong spring selling season in 2Q12 produced the most quarterly activity in four years. Annualized numbers have now been growing for four straight quarters. Over the next decade DFW's new home market is projected to expand 15% per year as the population in the market climbs from 6.3 to 8 million people.

As the overall new home activity slowly improves, all price segments are seeing increased activity. The \$300K-\$500K price segment has seen the highest gains on a percentage basis, up 24% compared to the same period last year. In addition, year-over-year activity in the \$500K and Above price segment is up 11%.

In submarkets across DFW, \$500K-\$750K markets typically produce 30-40 homes per year. Submarkets priced \$750K-\$1 million price see far less activity, typically 8-10 homes per year. Over \$1 million, the typical submarket produces 16-20 homes per year. Westlake's new home market is a \$1 million and Above market, and it has historically mirrored the market average for the price segment.

Although Westlake's new home market has been slow to recover since the downturn in 2008, activity has recently improved. Builders in Westlake started 16 homes and closed 9 over the past 12 months ending June 2012. Under the low growth scenario, Westlake would remain at the 16-20 homes per year level.

DFW's projected population and household growth and strong job market could drive the rate of new home construction in Westlake even higher. A moderate growth scenario assumes that the market will increase 15% per year over the next 5-10 years. The result would be a gradual increase to 30-50 new homes per year after 2018.

The pace of new home construction could be even faster if zoning requirements are changed to allow smaller lots and homes priced from \$500K to \$1 million. If this occurs, then a high scenario of 90-100 new homes per year is possible.

The 2010 Census counted 995 people and 302 households in Westlake. The majority are located on the southeast side of town. As Westlake experienced significant population growth from 2000 to 2010, the average household size changed from 2.46 to 3.28. The dramatic change reflects the large number of family households that moved into the district.

As more families moved in, the Under 18 population increased (up 700% vs. 2000 total). The sharp rise represents the addition of 313 people under the age of 18. In total, the census results showed that the typical household in Westlake contained 1.01 student-aged persons (Age 5-17).

Enrollment data for Westlake resident students shows that about half of the overall Westlake age 5-17 population was enrolled at Westlake Academy (0.51 per household) in 2010. This fall, the ratio is estimated to have increased to 0.65.

Under the town's current zoning, residential development would produce about 2,000 households at build-out. At 0.7 students per household, Westlake Academy's total number of students from Westlake residents would equal 1,395 students at build-out.

Current enrollment for Westlake residents is 204. Under the low housing growth scenario, it would take nearly 10 years for enrollment to increase by 100 students. If the moderate

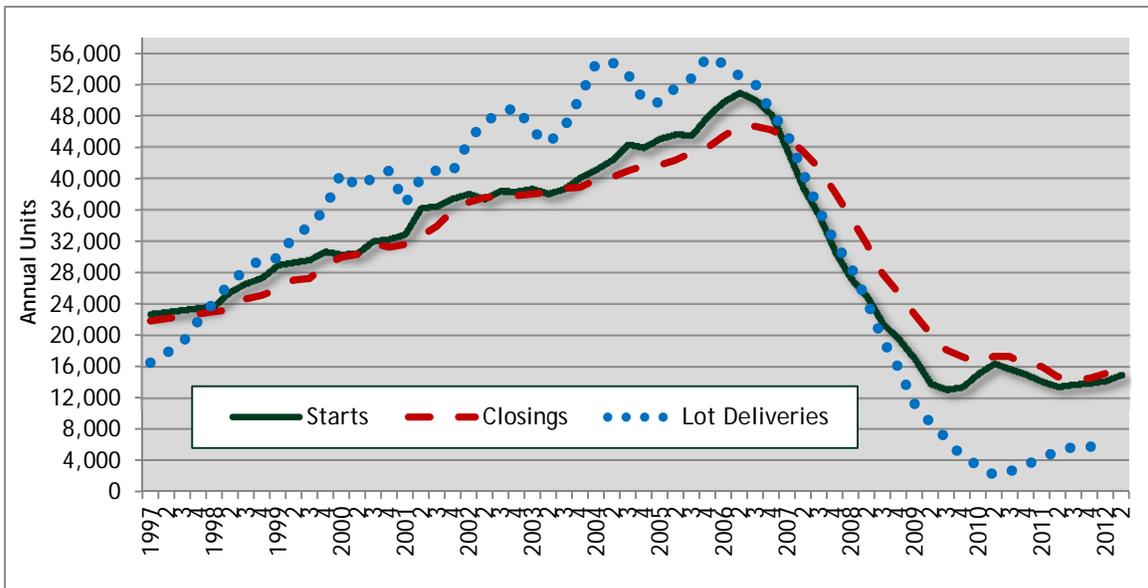
growth occurs, resident enrollment would increase by 100 students in 5-7 years, and enrollment would be near 375 students by Fall 2022. If the high scenario growth occurs, then resident enrollment would increase by 100 students in 3-5 years, and ten years from now enrollment from Westlake residents would surpass 700 students. Even if the high growth occurs, Westlake Academy's resident enrollment in Fall 2022 would still be only half of the projected build-out number. It would likely take another 10-12 years at the high pace to reach 1,395 students.

### III. Dallas-Ft. Worth New Home Activity and Forecast

Renewed builder optimism regarding the recovery of the housing market has been pervasive this spring based on solid sales reports from the Dallas-Fort Worth (DFW) new homebuilders. Many builders indicate that traffic and sales have ranged from being 'up modestly' to 'at record levels' but generally higher without exception. Clearly new home sales are off the market bottom.

Annual new home starts through 2Q12 totaled 15,042 units. Activity over the past 12 months is 11.5% higher than where the market stood a year ago at the end of 2Q11. In total, 1,553 more homes were started over the past year than were started from 3Q10 to 2Q11. Closings were also up 2.6% compared to the same period last year as the annual total increased by 381 units to 15,072.

Dallas-Fort Worth New Home Market Activity



The dramatic rise and fall of the last housing cycle is clearly evident on the chart above, but also notice that there was interim peak in 2010 that was fueled by the federal homebuyer tax credits. The tax credits produced artificial demand, and statistics from that period of artificial growth did not work their way through the starts and closings numbers until the end of 2Q11. Since then, the DFW market has experienced four straight quarters of organic growth.

After bottoming-out two years ago at less than 2,500, developers have increased new lot deliveries each quarter and the current annual rate has climbed to near 7,300.

During the survey process, a new start is counted when the foundation slab is poured. SDS observed in late March and early April, following the 1<sup>st</sup> quarter survey, an extensive number of homes with form boards set and the builder getting ready to start construction. The situation manifested itself into a surge in starts during the second quarter.

Quarterly totals for starts and closings were basically equal last quarter at 3,560 units. However, in the second quarter starts surged to nearly 4,600 and closings increased to just over 3,900. The growth in starts represents a 20% increase over the 2Q11 total. In other words, 768 more new homes were started in 2Q12 than in 2Q11, and keep-in-mind that the 2<sup>nd</sup> quarter is typically when the most starts occur.

The nearly 4,600 starts is the highest quarterly total in almost four years. It is also noteworthy, that this is the first time since 2008 that the market has produced more than 4,000 starts without stimulus like the tax credits. The DFW market is now on pace for about 16,000 starts in the 2012 calendar year.

In addition to the improving DFW new home construction conditions, the economic news in Texas remains quite bright. The Texas Leading Index, produced by the Federal Reserve Bank of Dallas, shows economic conditions very much on the mend in Texas, returning to levels not seen in the state since 2004-2005. With regard to job growth, Texas Workforce Commission (TWC) statistics show that during the most recent downturn that lasted from December 2007 to 2010, the area lost almost 197,000 jobs. Since then, DFW has added back almost 190,000 jobs.

As of June, 2012, the annual employment growth rate for DFW was 51,600 jobs, which is slightly below levels seen earlier in the year that were closer to 80,000 net jobs gained. Nonetheless, the growth represents a positive 1.75% growth and is stronger than the national level. In fact, the latest figures show that about 1 out of every 8 new jobs being created in the nation today takes place here in Texas.

Despite the continued positive signs in the market, there continues to be widespread challenges in terms of the available lot supply, demand for new homes in certain areas of the metroplex, and distressed transactions. The recovery is somewhat uneven, meaning that submarkets like Frisco, McKinney, Allen, and Northeast Tarrant County are attracting a significant amount of attention from builders and developers. However, many submarkets continue to be limited in terms of the interest among builders.

While SDS continues to believe that the DFW new home market is in the beginning stages of a recovery, there is no data to point to that suggests the recovery will be a fast one. Slow, steady growth is what is anticipated over the next ten years, and the market is still in the very early stages of a recovery.

SDS expects the annual new home start rate to increase approximately 15% annually over the next five years. The growth would translate into approximately 2,000-3,000 additional new homes per year. At this projected pace, the DFW new home market would return to the 25,000-30,000 units per year rate by 2017 or 2018 and remain at this level on into the next decade.

Current population and household growth projections support this 10-year forecast. According to the most recent estimates of population from the North Central Texas Council of Governments (NCTCOG), the total population of the Dallas-Ft. Worth metroplex surpassed 6.31 million at the beginning of 2012, an increase of nearly 50,700 people over the 12-month period of 1/1/11 through 1/1/12. This projection includes the nine county urban areas of Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall and Tarrant Counties.

NCTCOG population projections indicate that the annual growth rate will increase over the next ten years. In three years (2015), the Dallas-Ft. Worth population is projected to be near 6.95 million people and by 2020 the metroplex would be home to more than 7.6 million people. By 2025, the market's population is expected to reach 8.3 million.

These population projections suggest that the DFW market can expect an average growth rate of 124,500 persons per year over the next five years followed by another 133,000 new persons per year from 2015-2020. Given the DFW market's low cost of living, attractive business climate, and concentration of Fortune 500 corporate headquarters, this type of projected growth rate is not surprising.

The increasing population would translate into approximately 39,800 to 47,000 additional households per year. Considering that the average homeownership rate has historically been near 64%, the household growth projections indicate that 25,000 to 30,000 units of new demand per year is highly probable by the end of the decade.

## IV. DFW \$500K and Above Price Segment New Home Activity

Above \$500,000, builders started 265 more homes this year than they did a year ago. The growth, in terms of numeric change, is actually more than the increase seen at the \$300-500K level, which was up by 200 units (+24%). On a percentage basis, starts above \$500K are up 10.6% over the past year. The growth is significant because the nearly 1,100 homes started at this price point over the past year is the highest annual total since late 2008.

Top performing "A" quality submarkets are where you find the majority of this activity. 13% of all starts above \$500K in DFW occur in West Frisco followed by 9% in West Allen and 7% and Southlake. Other areas with strong activity in this category over the past year include Colleyville, Lucas, Prosper, Coppell, and Flower Mound.

The \$500K and Above price segment typically produces about 7% of all new homes in the DFW market. Within the segment, the majority of homes sold are priced in the \$500K-\$750K price range. Over the past year, 829 homes were started in this range, which represents 77% of all activity over \$500K. Leading submarkets in the \$500K-\$750K range are West Frisco (105 homes), West Allen (99), and Lucas (64). The Tarrant County/Denton County leading submarkets are Southlake (50), Colleyville (44), Flower Mound (26), and Keller (23).

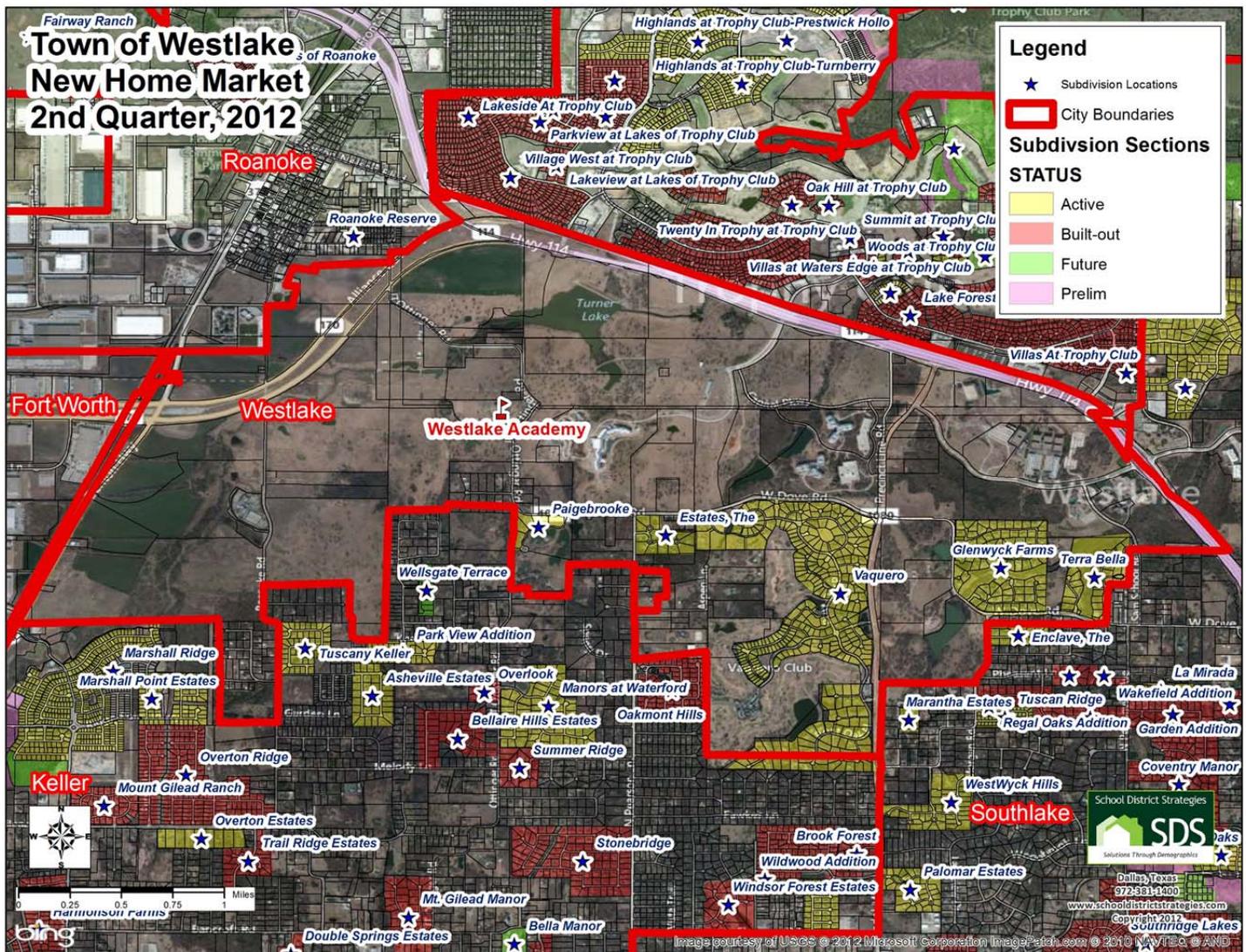
From \$750K-\$1 million, the DFW market produced 98 new homes over the last 12 months. The most active submarkets were West Frisco (28 homes), Colleyville (10), and Intown-Dallas Knox-Henderson Area (10), and Coppell (8). Southlake produced only five new homes in this price range.

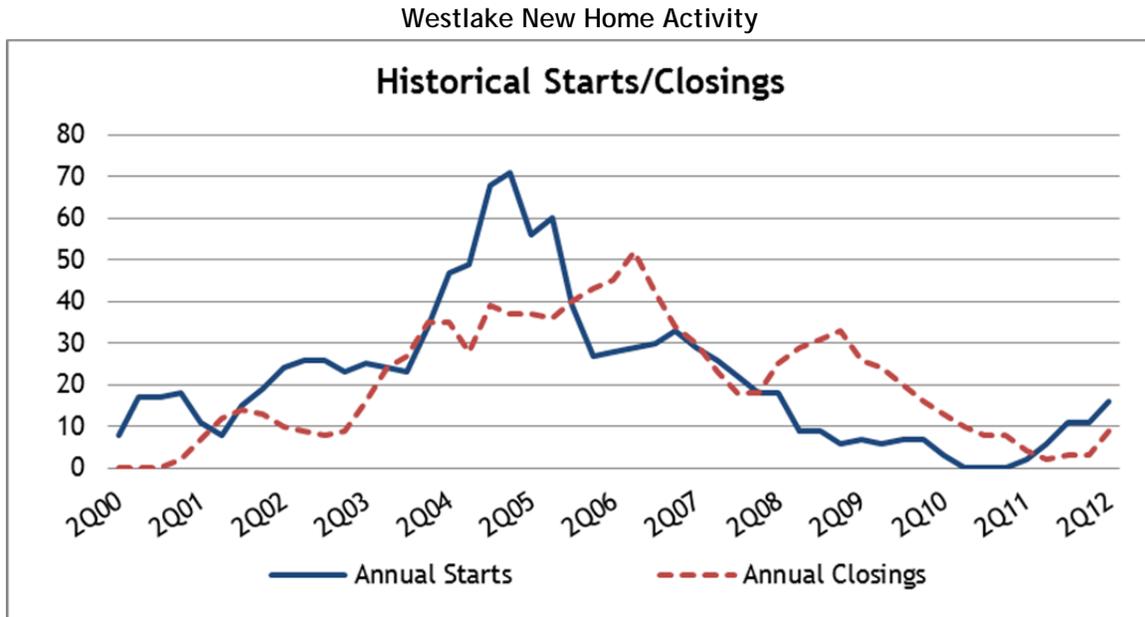
New homes priced over \$1 million made-up just under 1% of all homes started in DFW and 13.7% of homes priced over \$500K. Southlake was the most active submarket at this price point with 28 homes started. West Frisco followed with 19 homes, and West Ft. Worth (16), Prosper (16), and Keller (7) round out the top 5 most active submarkets over \$1 million.

Historical activity in the \$500K and Above segment shows that the typical submarket produces approximately 30-40 new homes per year priced from \$500K to \$750K, but as the statistics above show, some submarkets like West Frisco and West Allen have produced higher absorption rates near 100 units per year. Submarket activity from \$750K-\$1 million averages about 10 units per year, and there seems to be more demand over \$1 million than just below it. The typical \$1 million and above submarket has typically produced 20 homes per year.

## V. Town of Westlake Residential Activity and Forecast

The map below highlights the location of the neighborhoods in Westlake that are currently offering new home construction. As of June 2012, only two neighborhoods (Vaquero and Terra Bella) were actively producing new homes. A few lots remain in Paigebrook and The Estates, but these neighborhoods, are essentially built-out. Glenwyck Farms is also now built-out.





Annual new home starts in the Town of Westlake, as depicted by the blue line in the chart above, peaked near 70 homes in early 2005. Annual new home closings peaked in the 3<sup>rd</sup> quarter of 2006 at 52 units. After the nation-wide housing market downturn began in late 2007, new home construction activity in Westlake came to a halt, falling from the peak to no activity in 2010 and early 2011. Over the past 12 months, new home starts are off the market bottom and back up to 16 units. Closings, which are typically a lagging indicator, are still slow but improving after bottoming at 2-3 units per year. Nine new homes were occupied over the last 12 months compared to only four homes for the same period last year.

Historically, the Westlake new home market has been a \$1 million and Above market. Over the past 12 years, a few homes have been built in the \$750K to \$1 million price range, but most have been over \$1 million. Compared to other \$1 million and Above submarkets, Westlake was producing average new home activity prior to the housing downturn. While conditions in other submarkets like West Frisco, Southlake, Prosper, and West Ft. Worth are improving, the Westlake new home market has been slower to recover.

It is important to keep-in-mind that Westlake currently has only two active neighborhoods producing new homes (Vaquero and Terra Bella). Other comparable submarkets listed above have more active builders and neighborhoods than Westlake, and yet their annual absorption numbers remain near historical averages for this price segment at 15-20 homes per year.

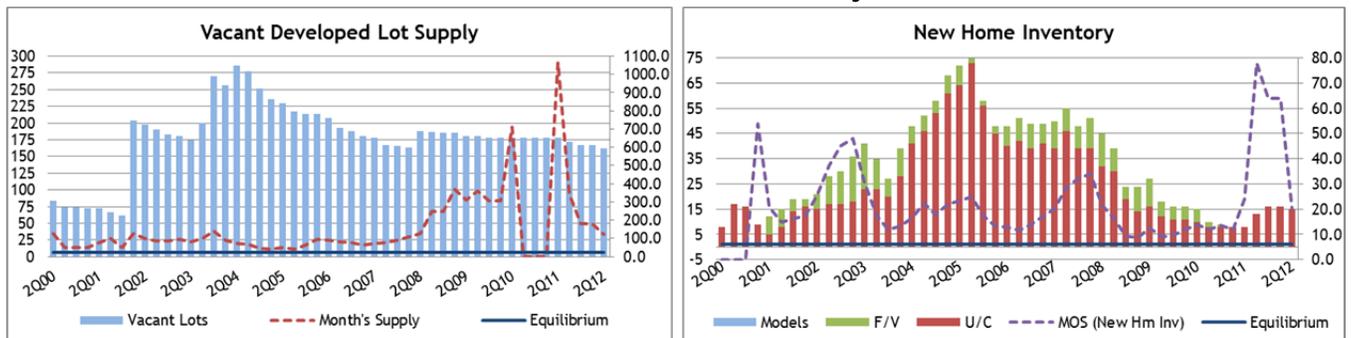
Although the new home market in Westlake has been slow to return to the levels experienced prior to the housing market downturn, the resale market has remained consistent over the past seven years. As shown in the table below, Westlake has averaged 18 existing home sales per year since 2005 at an average price near \$1.85 million. Year-to-date activity for 2012 (through July 31<sup>st</sup>) shows that total sales of existing homes are ahead of the historical average annual pace with 25 sales.

Westlake Existing Home Sales

Year	Total Resales	Average Price (in millions)
2005	20	\$1.572
2006	19	\$2.215
2007	17	\$2.169
2008	18	\$1.694
2009	20	\$1.647
2010	13	\$1.848
2011	19	\$1.819
2012 YTD	25	\$1.759

Source: North Texas Real Estate Information System

Westlake New Home Inventory



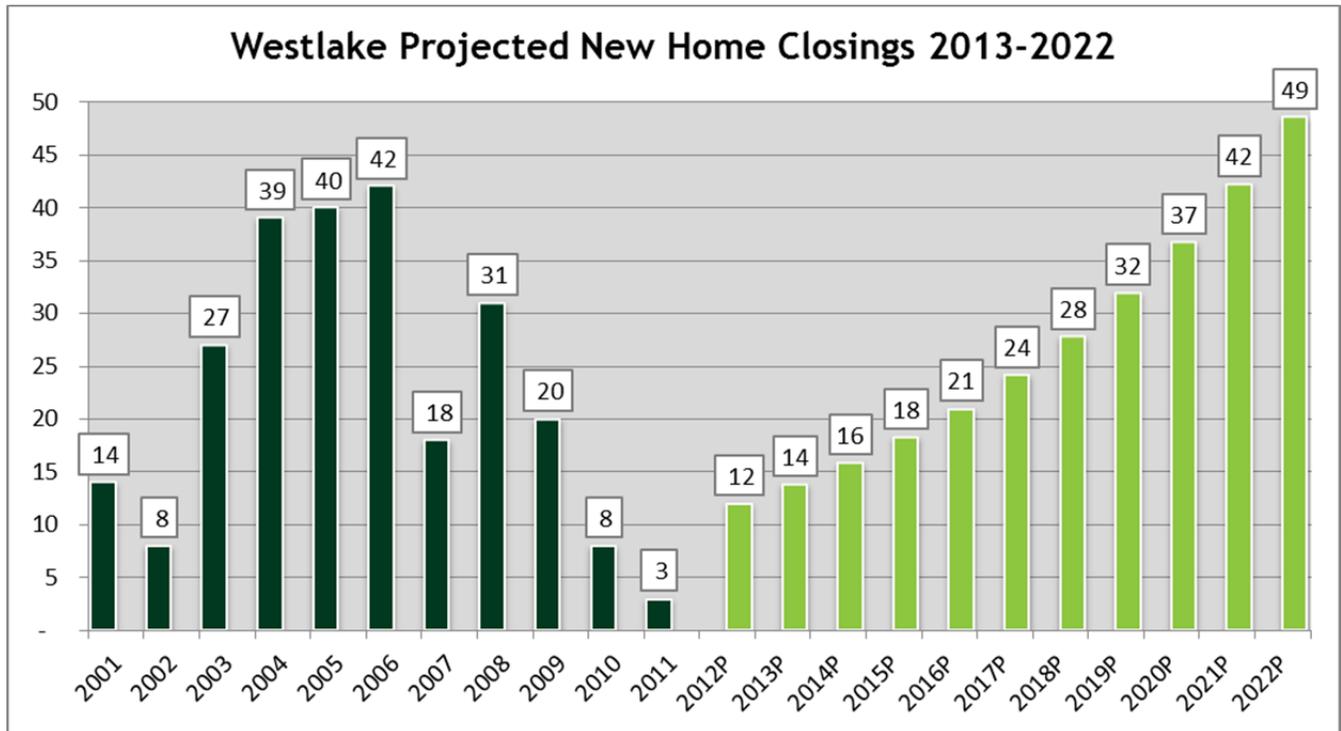
As of 2Q12, 15 new homes were under construction. As a result, inventory levels have improved. Total inventory remains well above the 6.0 to 6.5 month theoretical equilibrium.

The vacant developed lot (VDL) inventory in Westlake has remained consistent over the past 10 years. Developers have kept an average of 180 VDL's lots on the ground. Currently, there are 162 existing lots. The current VDL total represents a 121.5 month supply (based on the current starts rate), which is well-above market equilibrium (24 months). As of 2Q12, no future lots had been approved. At the current annual start rate of 16 homes per year, the existing lot inventory will last another 10 years. If the annual starts pace increases to the

historical norm of 20 units per year, then the lot supply will last only 8 years. In either case, it will take a significant increase in the pace of new home construction before any new lot development is likely to take place. The allowance of smaller lots and/or the ability of builders to offer new homes priced under \$1 million (preferably \$500K-\$750K) would change the current new home market significantly.

Going forward, SDS expects the Westlake market to produce 20-25 new starts homes per year if the current conditions do not change. Under this Low Scenario, new home closings (occupancies) in Westlake would continue to average 16-20 homes per year. If the Westlake submarket sees a 15% annual increase in starts, as the overall DFW market is projected to see, then the annual pace of closings in Westlake could increase to 30-50 homes per year. The chart below shows this Moderate growth scenario. Note that it would take the current market 5 to 10 years to reach this level of activity.

Moderate Scenario



If Westlake allows for smaller lots, and builders are therefore able to offer new homes priced in the \$500K-\$1 million range, then the Westlake market could produce another 40-50 units per year in addition to the activity over \$1 million. However, this High Scenario





### A. Census Results 2000 vs. 2010

Total Population/Pop. Growth	2000	2010	% Chg.	Avg. Annual Chg.	Total Numeric Chg.
Westlake	207	992	379.2%	37.9%	785

Total Households/HH Growth	2000	2010	% Chg.	Avg. Annual Chg.	Total Numeric Chg.
Westlake	84	302	259.5%	26.0%	218

Comparing the 2010 Census results to the 2000 Census counts shows dramatic changes. Over the 10-year period Westlake’s population increased by 785 people, which represents 379% increase. Total households increased by 218, a 260% increase. The annual average for new household formations equaled 22 per year. With an average homeownership rate of 94% in Westlake, the census findings mirror the average new home absorption rate of 20 homes per year.

Average Household Size	2000	2010	Total Numeric Chg.
Westlake	2.46	3.28	0.82

It is also noteworthy, that as the town added more people and households, the average household size increased significantly from 2.46 to 3.28. The driving force behind the change in household size was a 655% increase in the number of family households with their own children under age 18. Over the 10-year period, this household type increased from 20 to 151, and the growth represented 60% of the town’s overall household growth.

Family Households w/ Own Children Under	2000	2010	% Chg.	Avg. Annual Chg.	Total Numeric Chg.	Total HH Growth	% of Total HH Growth
Westlake	20	151	655.0%	65.5%	131	218	60.1%

In 2012, the North Central Texas Council of Governments (NCTCOG) estimated that Westlake’s population had increased to 1,010 as of January 1, 2012. The NCTCOG uses traffic survey zones to project future population. The most recent projections were released in 2011, and the forecast projects that Westlake’s population will grow to over 8,100 by 2035. The population growth averages out to approximately 260 people year. Using the 3.28 average persons per household, the growth would translate into 2,500 total households by 2035 or almost 100 new households per year.

At this rate the household growth projections would suggest that Westlake would be averaging 94 new homes per year. However, this forecast is extremely aggressive when compared to both census data and the new home market survey results that show 20 new households per year is more likely. The NTCGOG forecast has to be assuming that zoning changes will occur that will allow for lower priced homes, higher density neighborhoods, and even multi-family developments.

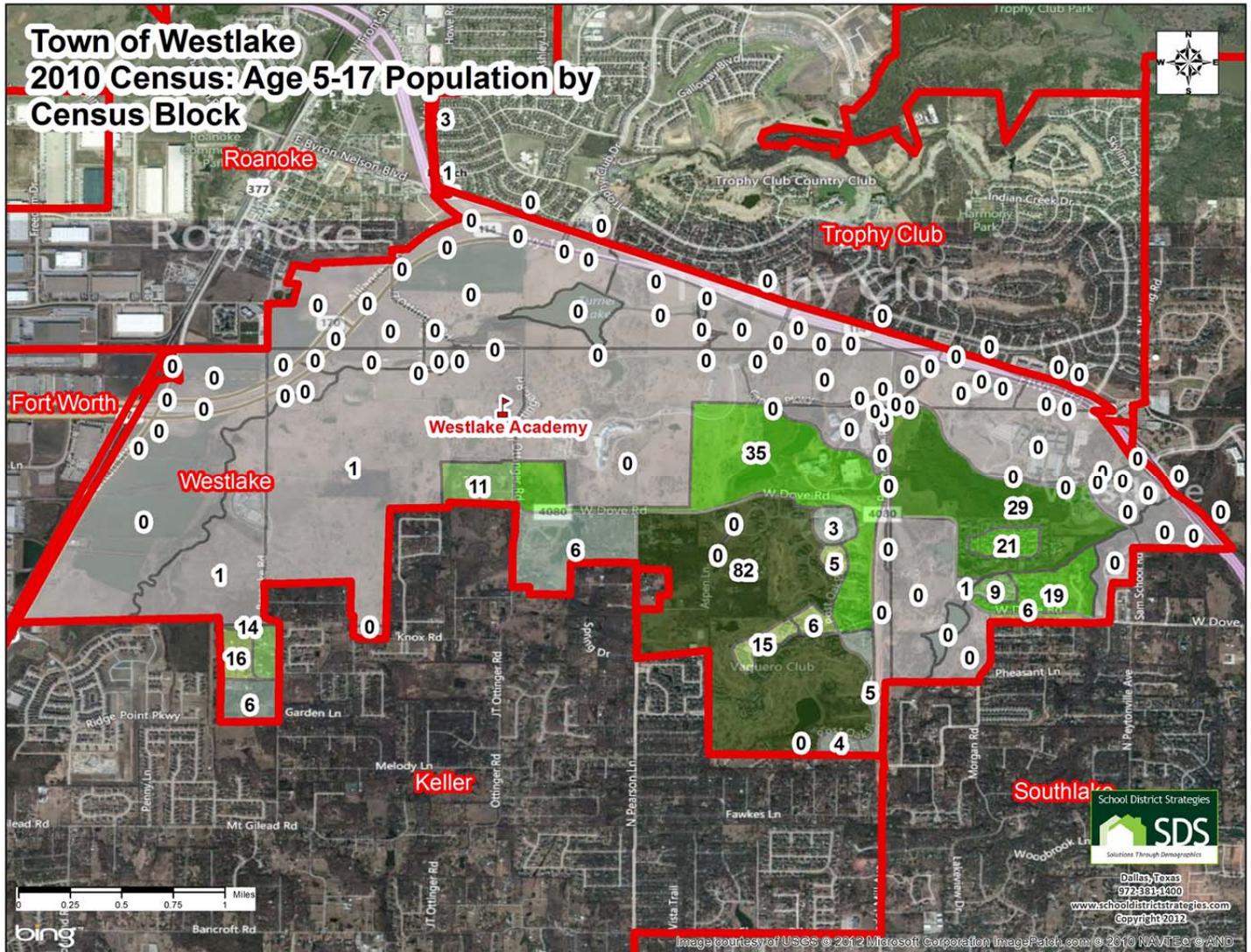
### B. Under Age 18 Population

The 2010 Census also found that Westlake’s population under the age of 18 increased dramatically over the past decade. In 2000, only 38 residents of Westlake were under age 18. Ten years later, the number had increased to 357. The under 18 population is 36% of the overall population, which is higher than the state average of 27%. The map above shows how the under 18 population was distributed by census block. The results shows that the highest concentration of persons under age 18 reside in or near Vaquero.

The table below shows how the under 18 population was distributed by age range. About 86% of the under 18 population were of school-age (Age 5-17). The census counted 306 residents in the Age 5 to 17 range.

Westlake Age Distribution Under Age 18

Age Range	2000	2010	Numeric		Avg. Ann. Growth
			Chg.	% Chg.	
0-4	6	51	45	750.0%	75.00%
5-9	12	111	99	825.0%	82.50%
10-14	16	136	120	750.0%	75.00%
15-17	10	59	49	490.0%	49.00%
<b>Total</b>	<b>44</b>	<b>357</b>	<b>313</b>	<b>711.4%</b>	<b>71.14%</b>
<b>Age 5-17</b>	<b>38</b>	<b>306</b>	<b>268</b>	<b>705.3%</b>	<b>70.53%</b>



Comparing the student-age numbers to the household numbers reveals that Westlake has an average of 1.01 Age 5-17 residents per household. The map below shows the number of student-age residents per household by census block.



## VII. Town of Westlake Build-out Scenario

SDS performed a review of Westlake residential zoning and entitlements by Planned Development (PD) boundary to determine the potential number of future households that could form under the current zoning. The 2010 Census provided a benchmark of 302 households as of summer 2010. Based on RSI housing survey data, the number of households is estimated to have increased to 315 as of June 2012. In addition, lot inventory data shows 162 vacant lots on the ground and 15 units waiting to be closed. Furthermore, SDS estimates that 358 acres of raw land currently exist with residential zoning outside of the Circle T development property. These tracts have the potential to produce another 319 homes at build-out.

A large portion of the remaining raw land in Westlake is zoned as part of the Circle T development. Circle T is defined on the Westlake zoning map as PD-3. This area is also divided into 9 smaller planning areas. SDS reviewed each planning areas zoning for potential residential development. Please note that numbers for PA-1, which is Vaquero, are included in the vacant lot numbers. PA-3 is zoned for office and resort and will not have any new homes. PA-4 and PA-8 are undefined at this time. SDS has assumed that they will not be residential. PA-5, 6, 7, and 9 all have residential zoning. Combined these areas could produce a total of 1,183 households. 248 of the households would be apartments in PA-9.

In total, SDS estimates that under the current zoning there is the potential for 1,994 total occupied homes (households) in Westlake at build-out. The growth will be spread-out over the next 20 plus years. It is noteworthy, that SDS's built-out calculation remains below the NTCOG's projection of 2,500 households and 8,100 people by 2035. The NTCOG's projections must assume that zoning in Circle T will change. Under the current zoning it does not appear that the NTCOG's forecast is possible. It is more likely that by 2035, Westlake will have closer to 2,000 households and 6,000 people.

The following table summarizes the research findings per area:

<b>BUILD-OUT PLANNING AREAS</b>	<b>Total Acres</b>	<b>Buildable Acres</b>	<b>Units Per Acre</b>	<b>Lots</b>
PD1 (All Office)	0	0		
PD2 (All Office)	0	0		
Circle T PA-1 (Vaquero)	452	0		
Circle T PA-3 (Office & Resort)	516	0		
Circle T PA-4	181.5	163		
Circle T PA-5 (275 Lot Max)	200			275
Circle T PA-6-7	2.3	2.1	7.26	15
Circle T PA-6-8	9.2	8.3	3.63	30
Circle T PA-7-1	43	38.7	3.78	146
Circle T PA-7-2	14	12.6	3.78	48
Circle T PA-7-3	56.5	50.9	2.90	147
Circle T PA-7-4	97.2	87.5	2.90	254
Circle T PA-7-5	15.2	13.7	1.45	20
Circle T PA-8	222.6	200.3		0
Circle T PA-9 (MF)	157.8			248
Out Parcel 1-R-1	72	65	1.0	65
Out Parcel 2-R-1	13.5	12	1.0	12
R-2 Tract 1	9.92	9	2.0	18
R-2 Tract 2	28.83	26	2.0	52
R-5 Area	38.33	34	5.0	172
Huge R-1 Tract	184.9	166	1.0	166
Small R-1 Tract	10.5	9	1.0	9
		<b>Potential New HH</b>		<b>1,502</b>

Circle T Area (PD3) - Sub Planning Area (PA) Zoning						
Area	Acres	Residential Uses	Density	Minimum Lot Size	Minimum Lot Width	Potential Households
PA-1	451.9	Single-Family Attached (Vaquero)	Single-family. The maximum density for the single-family sub-areas shall be determined by the minimum lot sizes set forth below	Single-family--Alternative A development without golf. The minimum lot size for the single-family sub-areas shall be as follows: (a) 15,000 square feet for tracts 1-1, 1-2, and 1-3; (b) 30,000 square feet for tract 1-4 (c) 150,000 square feet for tract 1-5.	Single-family. The minimum lot width for the single-family sub-areas shall be as follows: (a) 85 feet for lots less than 15,000 square feet; (b) 100 feet for lots equal to or greater than 15,000 square feet but less than 30,000 square feet; (c) 125 feet for lots equal to or greater than 30,000 square feet but less than 150,000 square feet; (d) 200 feet for lots equal to or greater than 15,000 square feet.	310 (see FSI Report)
PA-3	516.0	None (Office & Resort)		Single-family--Alternative B development with golf. The minimum lot size for the single-family sub-areas shall be as follows: (a) 12,000 square feet for tracts 1-1, 1-2, and 1-3; (b) 15,000 square feet for tract 1-4; (c) 20,000 square feet for tract 1-5; (d) 30,000 square feet for tracts 1-6 and 1-7 (e) 150,000 square feet for tract 1-8		0
PA-4	181.5	Undefined	Possible Residential & Office Residential uses. This PD may contain a maximum of 275 owner occupied, single-family dwelling units.			0
PA-5	200.0	Single-Family Detached, Single-Family Attached-Zero Lot Line, Single-Family Attached			The minimum lot widths for residential detached units located within a mixed use development area of the PD District shall be 50 feet. There are no minimum lot widths for attached uses within a mixed use development area. The minimum lot width for the single-family sub-areas shall be as follows: (a) 60 feet for lots in Tract 6-7 (b) 85 feet for lots in Tract 6-8	275
PA-6	193.3	Single-Family Detached	The maximum density for the single-family sub-areas shall be determined by the minimum lot sizes set forth below			45
PA-7	392.3	Single-Family Detached	The maximum density for single-family sub-areas shall be determined by the minimum lot size set forth below.	(a) 6,000 square feet for Tract 6-7 (b) 12,000 square feet for Tract 6-8 The minimum lot size for the single-family sub-areas shall be as follows: (a) 12,000 square feet for lots in Tracts 7-1 and 7-2 (b) 15,000 square feet for lots in Tracts 7-3 and 7-4 (c) 30,000 square feet for lots in Tract 7-5	The minimum lot width for the single-family sub-areas shall be as follows: (a) 85 feet for lots in Tracts 7-1 and 7-2 (b) 100 feet for lots in Tracts 7-3 and 7-4 (c) 125 feet for lots in Tract 7-5	615
PA-8	222.6	None				0
PA-9	157.8	Multifamily	The maximum number of multifamily units within the multifamily sub-area shall be 248.		The minimum lot width for the multifamily sub-area shall be 200 feet.	248
					<b>Total Potential Households from P3A-PA9</b>	<b>1,183</b>

### VIII. Westlake Academy Resident Enrollment

The following tables summarize the historical enrollment for Westlake Academy resident students along with the cohort survival rates by grade.

Annual Enrollment History for Westlake Resident Students (Primary Zone)																
Fiscal Year	K	G1	G2	G3	G4	G5	G6	G7	G8	G9	G10	G11	G12	Total	Net Chg.	% Growth
2003-04		13	5	5	5	6	5							39		
2004-05	9	7	16	10	7	9	10	6						74	35	89.7%
2005-06	29	15	18	23	17	11	12	10	6					141	67	90.5%
2006-07	19	32	20	19	20	19	13	11	12	7				172	31	22.0%
2007-08	19	23	25	25	19	16	18	11	12	15	8			191	19	11.0%
2008-09	10	7	20	15	17	12	13	13	6	3	9	3		128	-63	-33.0%
2009-10	25	11	10	20	19	18	16	15	10	9	2	8	2	165	37	28.9%
2010-11	10	18	11	9	17	21	14	12	14	10	8	2	7	153	-12	-7.3%
2011-12	15	13	19	12	10	17	19	15	12	11	11	8	2	164	11	7.2%
2012-13	23	15	14	19	17	14	25	17	18	12	12	10	8	204	40	24.4%

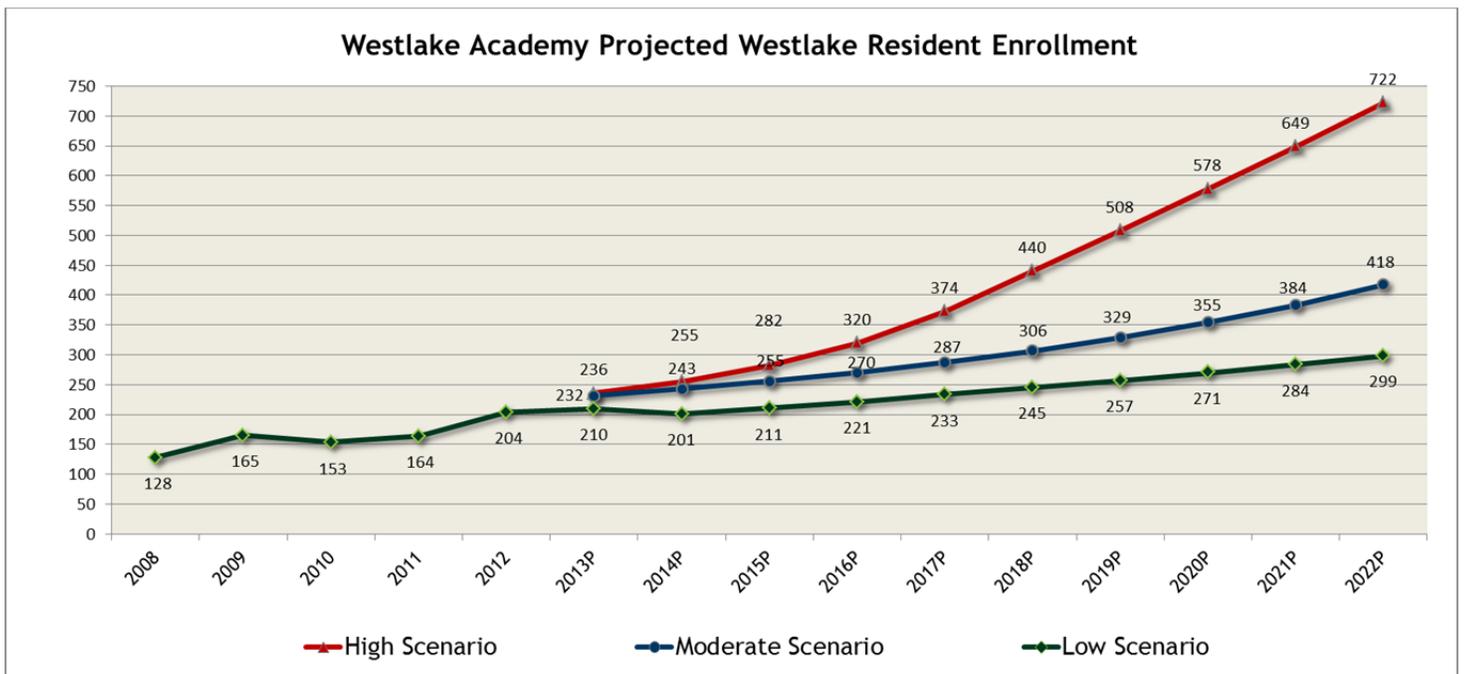
Source: Westlake Academy

Annual Cohort Survival Rates															
Fiscal Year	K	G1	G2	G3	G4	G5	G6	G7	G8	G9	G10	G11	G12	Avg	
2003-04															
2004-05			1.231	2.000	1.400	1.800	1.667	1.200						1.550	
2005-06		1.667	2.571	1.438	1.700	1.571	1.333	1.000	1.000					1.535	
2006-07		1.103	1.333	1.056	0.870	1.118	1.182	0.917	1.200	1.167				1.105	
2007-08		1.211	0.781	1.250	1.000	0.800	0.947	0.846	1.091	1.250	1.143			0.608	
2008-09		0.368	0.870	0.600	0.680	0.632	0.813	0.722	0.545	0.250	0.600	0.375		0.587	
2009-10		1.100	1.429	1.000	1.267	1.059	1.333	1.154	0.769	1.500	0.667	0.889	0.667	0.902	
2010-11		0.720	1.000	0.900	0.850	1.105	0.778	0.750	0.933	1.000	0.889	1.000	0.875	0.900	
2011-12		1.300	1.056	1.091	1.111	1.000	0.905	1.071	1.000	0.786	1.100	1.000	1.000	1.035	
2012-13		1.000	1.077	1.000	1.417	1.400	1.471	0.895	1.200	1.000	1.091	0.909	1.000	1.122	
<b>Averages</b>															
2-Yr Avg		1.150	1.066	1.045	1.264	1.200	1.188	0.983	1.100	0.893	1.095	0.955	1.000	1.078	
3-Yr Avg		1.007	1.044	0.997	1.126	1.168	1.051	0.905	1.044	0.929	1.027	0.970	0.958	1.019	
5-Yr Avg		0.898	1.086	0.918	1.065	1.039	1.060	0.918	0.890	0.907	0.869	0.835	0.885	0.909	
9-Yr Avg		1.059	1.261	1.148	1.144	1.165	1.159	0.951	0.967	0.993	0.915	0.835	0.885	1.038	

During the 2010/11 school year, Westlake Academy had a total 153 students that lived in Westlake. Comparing the enrollment data to the census results indicates that the average number of Westlake Academy students per Westlake household was 0.51. Therefore, about half of the school-age residents living in the town were enrolled at another school. For the 2012/13 school enrollment currently stands at 204, which means that the number of students per household has likely increased to 0.65.

## IX. Westlake Academy Enrollment Forecast

The chart below summarizes the three enrollment forecast scenarios for Westlake resident students. The projections are based on the housing forecast (new household formations) discussed in Section 5 and the typical number of Westlake resident students per household. If market conditions stay the same over the next decade (i.e. 16-20 new household formations (total closings) added per year and 0.6 new students per new household), then Westlake Academy’s resident enrollment is projected to follow the low scenario path (green line). If the pace of household growth increases 15% per year and households yield 0.70 students per new home then enrollment will follow the moderate growth scenario (blue line). If household formations increase to the 90-100 units per year level as projected by the NTCOG and the student yield remains at 0.70, then the projected enrollment growth will follow the high scenario (red line).



Total Projected Enrollment			
Fall	2014	2017	2022
Low	201	243	255
Moderate	233	287	374
High	299	418	722

Cumulative New Students Added			
Next	2 Years	5 Years	10 Years
Low	-3	29	95
Moderate	39	83	214
High	51	170	518

The tables above show the enrollment totals and cumulative growth through Fall 2022 for Westlake resident students.

The build-out scenario indicates that Westlake has the potential for 1,994 homes. Using the student yield of 0.7 per household would suggest that Westlake Academy's total potential enrollment for Westlake residents is 1,395 students.

Current enrollment for Westlake residents is 204. Under the low housing growth scenario, it would take nearly 10 years for enrollment to increase by 100 students. If the moderate growth occurs, it would take 5-7 years for resident enrollment to increase by 100 students. Enrollment would be near 375 total students by Fall 2022. If the high scenario growth occurs, then resident enrollment would increase by 100 students in 3-5 years. Under the high scenario, enrollment from Westlake residents would surpass 700 students 10 years from now. It is noteworthy, that even if the high growth scenario occurs, resident enrollment would still be only half of the projected build-out number by 2022. It would likely take another 10-12 years at the 100 homes per year pace to reach 1,395 students.

## Assumptions & Limiting Conditions

Although School District Strategies (SDS) has used commercially reasonable efforts to obtain information from sources in a manner that SDS believes to be reliable, we do not guarantee its accuracy and such information may be incomplete, condensed or interpolated. Information presented in this report represents our estimates as of the date of the publication and is subject to change without notice. This report is not intended as a recommendation or endorsement for any action taken by others. In no event will School District Strategies be liable for direct, indirect, incidental or consequential lost profits, lost savings, damages or other liabilities resulting from any information provided herein.

The following contingencies and limiting conditions are noted as fundamental assumptions, which may affect the validity of the analysis and conclusions reached in this report:

- All information contained in this report, while based upon information obtained from the client and other sources deemed to be reliable, is in no way warranted by School District Strategies or Residential Strategies, Inc.
- The DFW area, 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.
- Population will continue to increase at or above the rate forecast.
- The basic sources of statistical data and estimates used in this analysis are sufficiently accurate to be useful for planning purposes.
- The development, when completed, will be designed, promoted, and managed in a manner that will have an adequate impact on the local market.
- The recommendations set forth in this report will be acted upon within a reasonable period of time to preclude major changes in the conditions evaluated.

Radical changes in factors affecting the major assumptions noted above could alter the conclusions reached in this analysis or necessitate the re-evaluation of portions of this report.