



# “The Great Lockdown”

**May 2020**



TEMPLETON  
DEMOGRAPHICS

hanleywood | metrostudy



# A spring like no other!



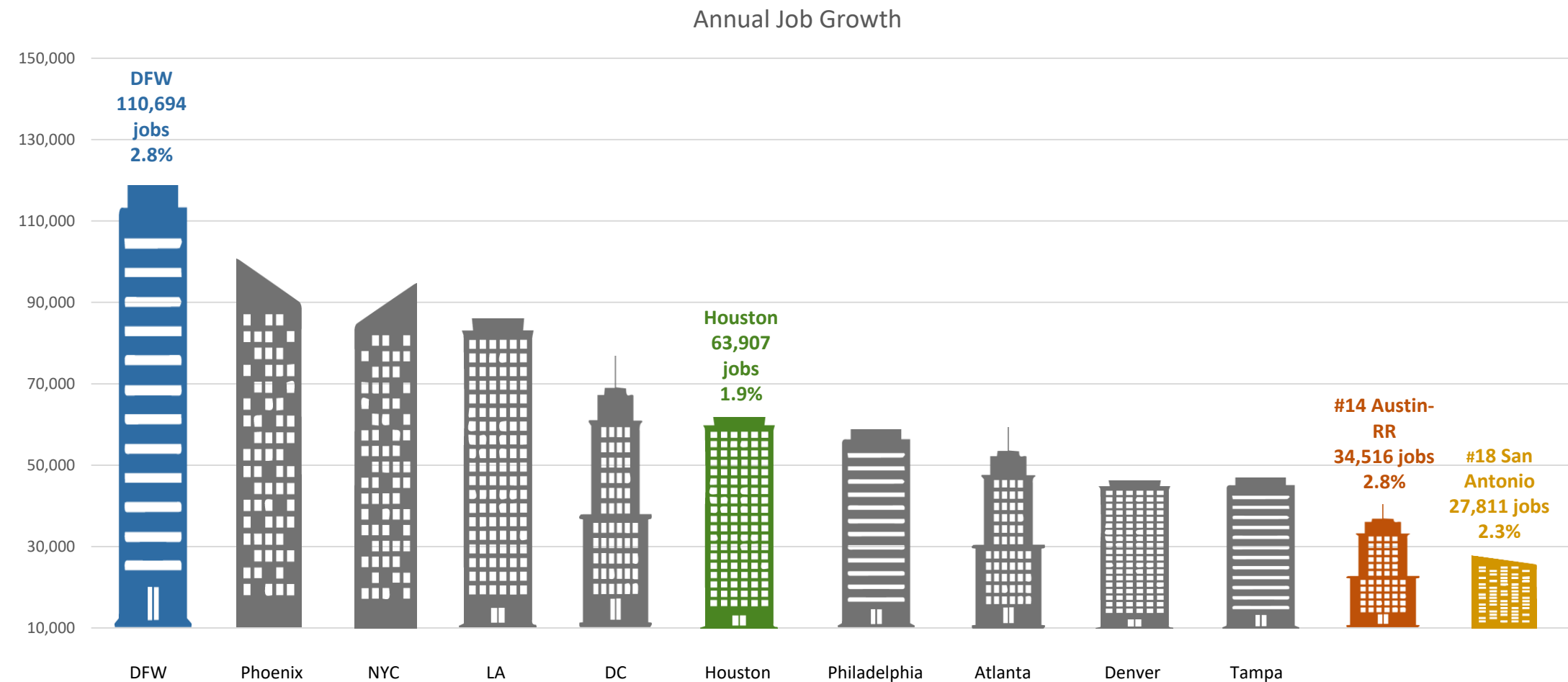
Lowest Regular Gas Prices in the Last 24 hours			
Regular Gas	Midgrade	Premium	Diesel Fuel
Price	Station	Area	Thanks
1.17 update	Shamrock 4219 Gaston Ave & N Peak St	map	Dallas - East <a href="#">baa58</a> 3 hours ago
1.25 update	Costco 1701 Dallas Pkwy near Park Blvd	map	Plano <a href="#">JeepertX</a> 13 minutes ago
1.25 update	Sam's Club 301 Coit Rd & Mapleshade Ln	map	Plano <a href="#">RingofStone</a> 37 minutes ago
1.26 update	Costco 3800 N Central Expy near Parker Rd	map	Plano <a href="#">refjimeee</a> 1 hour ago
1.26 update	Sam's Club 1200 E Spring Creek Pkwy & Ave K	map	Plano <a href="#">Born93</a> 11 minutes ago





# National Economic Overview

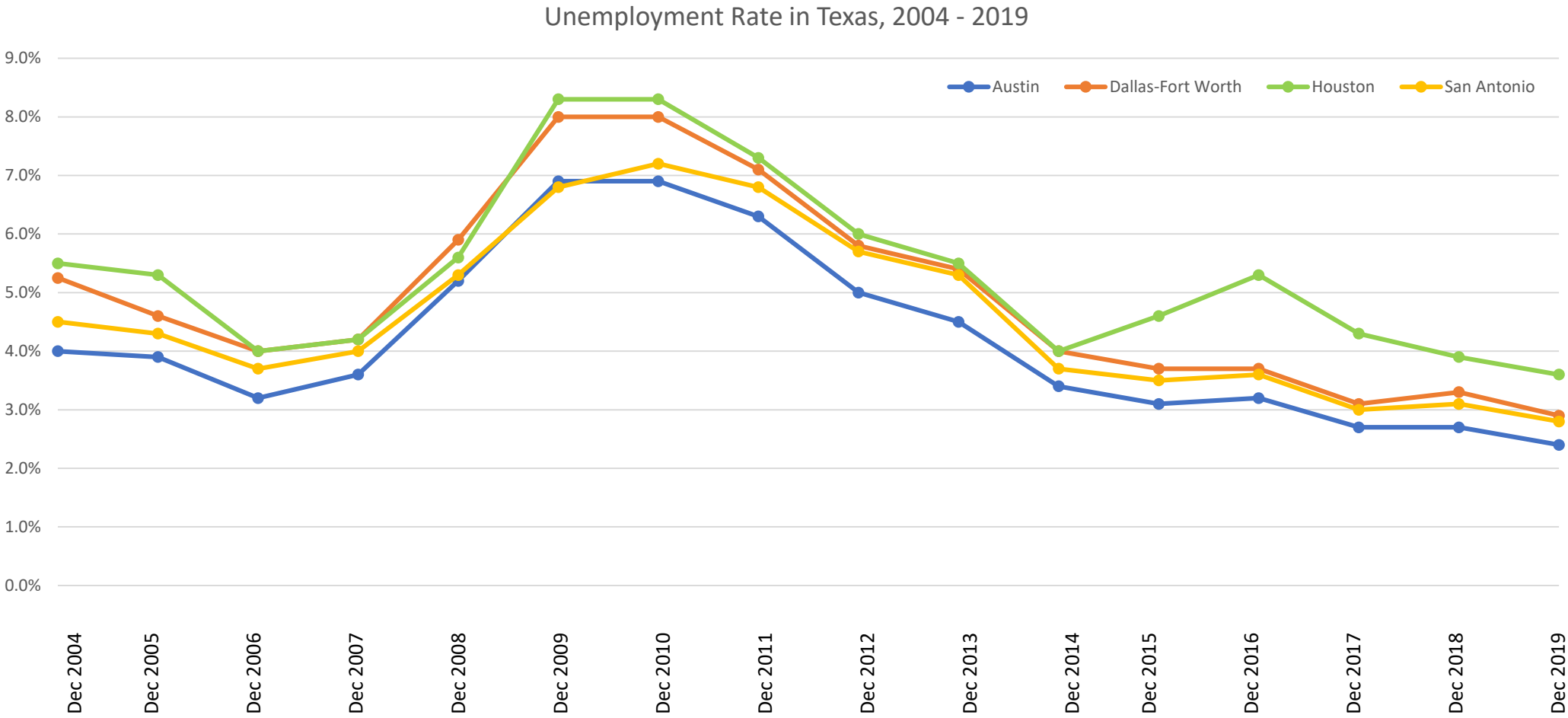
Top Job Growth Ranked by Change in Employment – February 2020





# Unemployment Rate

## Unemployment by MSA, 2004 - 2019



	Dec 2004	Dec 2010	Dec 2019
Austin	4.0%	6.9%	2.4%
Dallas-Fort Worth	5.3%	8.0%	2.9%
Houston	5.5%	8.3%	3.6%
San Antonio	4.5%	7.2%	2.8%



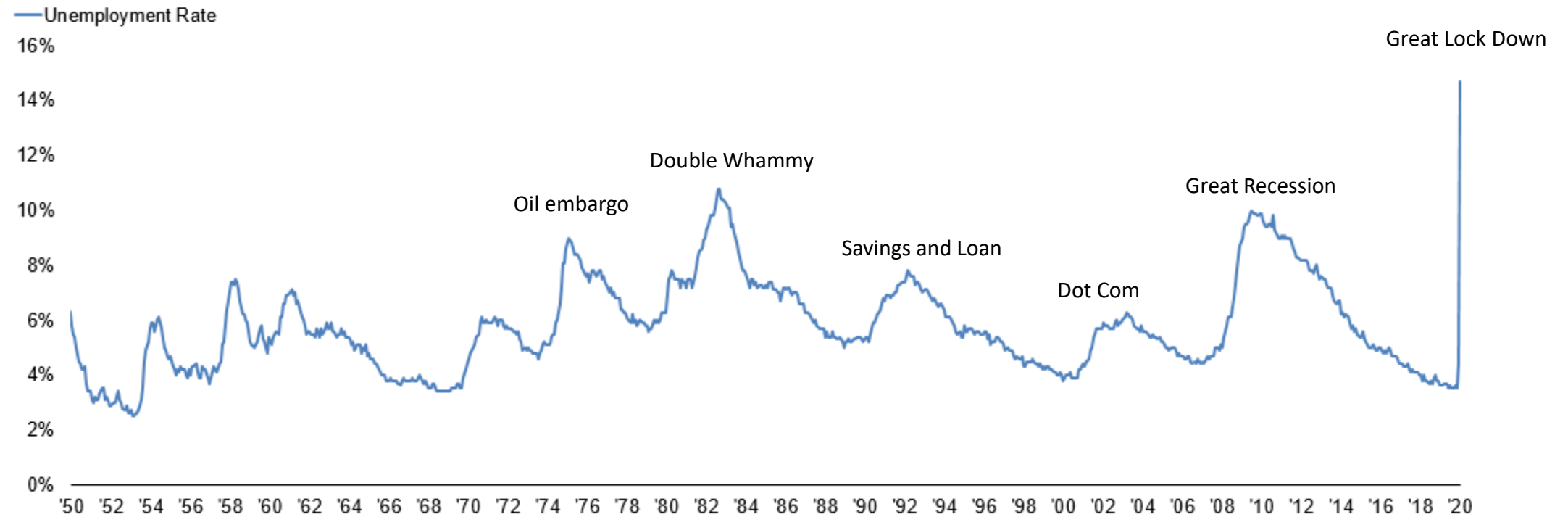
# National Homebuilding Overview

Top Metrostudy CBSAs – Ranked by Annual Starts (December 2019)

Rank	Market	Annual Starts	Annual Change	% Change
1	Dallas/Ft. Worth	34,718	1,117	3.30%
2	Houston	30,547	2,872	10.40%
3	Cenral Florida	26,632	1,674	6.70%
4	Phoenix/Tuscon	25,877	2,755	11.90%
5	Atlanta	24,416	-35	-0.10%
6	Denver/Colorado Springs	19,287	-820	-4.10%
7	Austin	18,905	2,448	14.90%
8	Southern California	16,794	-3,596	-17.60%
9	Northern California	14,580	-2,742	-15.80%
10	San Antonio	13,748	2,626	23.60%
11	Raleigh/Durham	13,080	881	7.20%
12	Salt Lake City	12,860	-182	-1.40%
13	Tampa	12,754	2,131	20.10%
14	Charlotte	12,543	249	2.00%
15	Philadelphia Region	11,846	956	8.80%
16	Seattle	10,888	784	7.80%
17	Central California	10,843	130	1.20%
18	Suburban Maryland	10,710	421	4.10%
19	Las Vegas	10,635	-60	-0.60%
20	South Florida	9,150	1,188	14.90%



## A Historic Day For The US Jobs Market

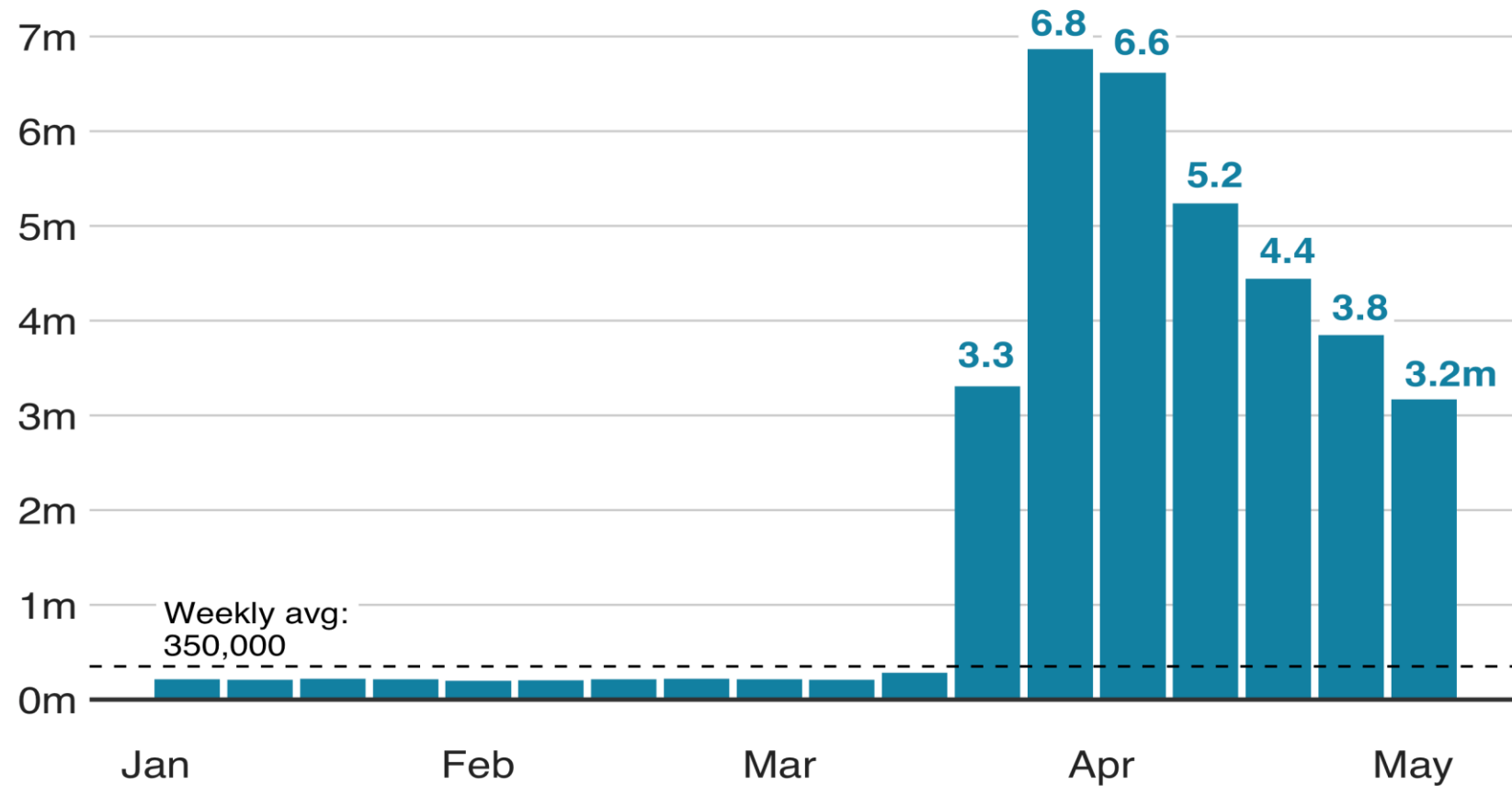


Source: LPL Research, Bureau of Labor Statistics, 04/30/2020



# More than 33m people in the US have filed for unemployment benefits in last six weeks

Weekly total of new unemployment claims in 2020



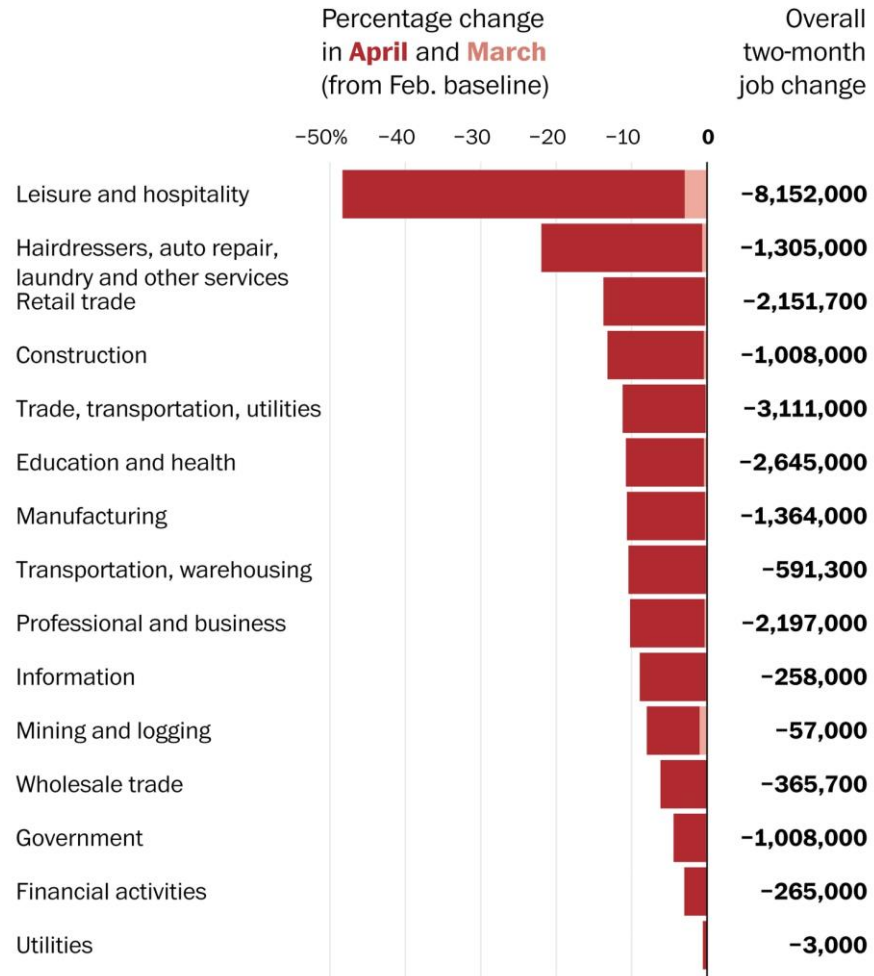
Source: US Bureau of Labor Statistics, 7 May 2020, 14:00 GMT

BBC



# Impacts of COVID-19 ...

## How the crisis hit the economy, sector by sector



Note: Seasonally adjusted  
Source: Labor Department

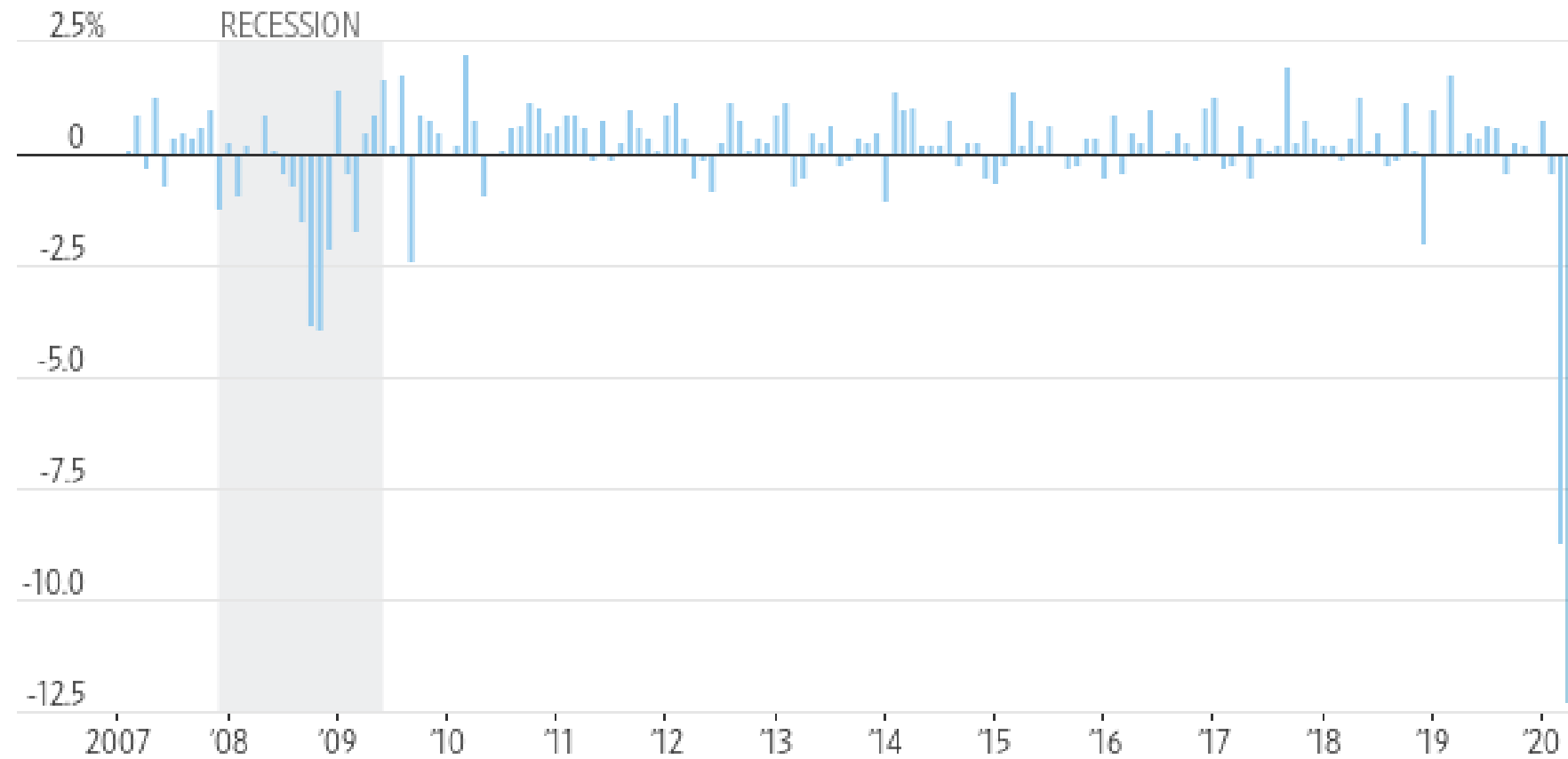
THE WASHINGTON POST

- Biggest hit on job loss as been “Leisure and hospitality includes restaurants, travel, hotels, entertainment
- Initially most job layoffs were thought to be temporary
- Pandemic is accelerating some trends in retail and work
- Pandemic is reversing some trends in travel
- Some trends remain complicated (Education)



## Sales Fall

Monthly percent change in retail sales, with April estimate

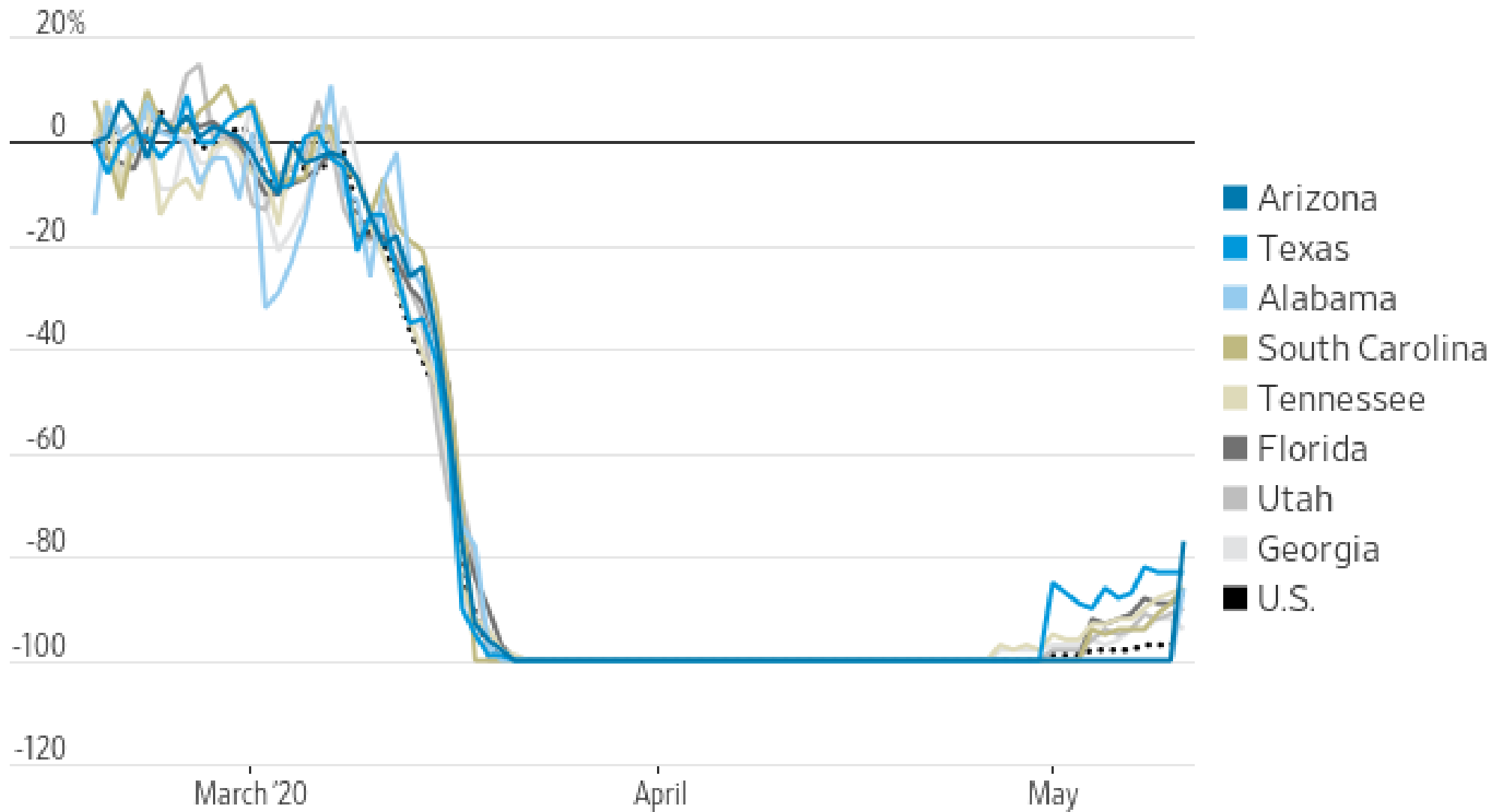


Note: Seasonally adjusted

Source: Commerce Department via St. Louis Fed, estimate for April from Wall Street Journal survey



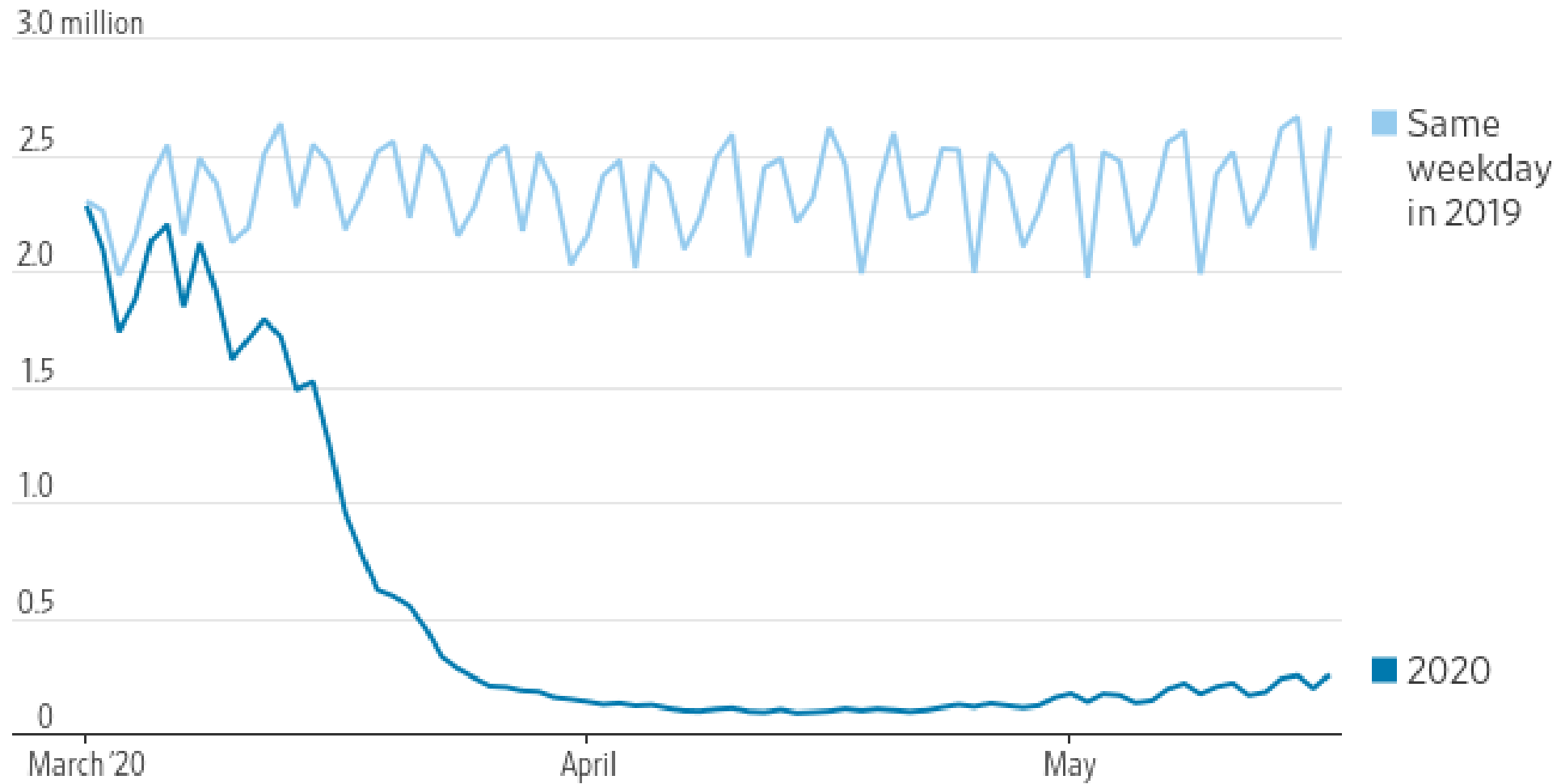
## Seated diners at restaurants on the OpenTable network, change from one year earlier



Source: OpenTable



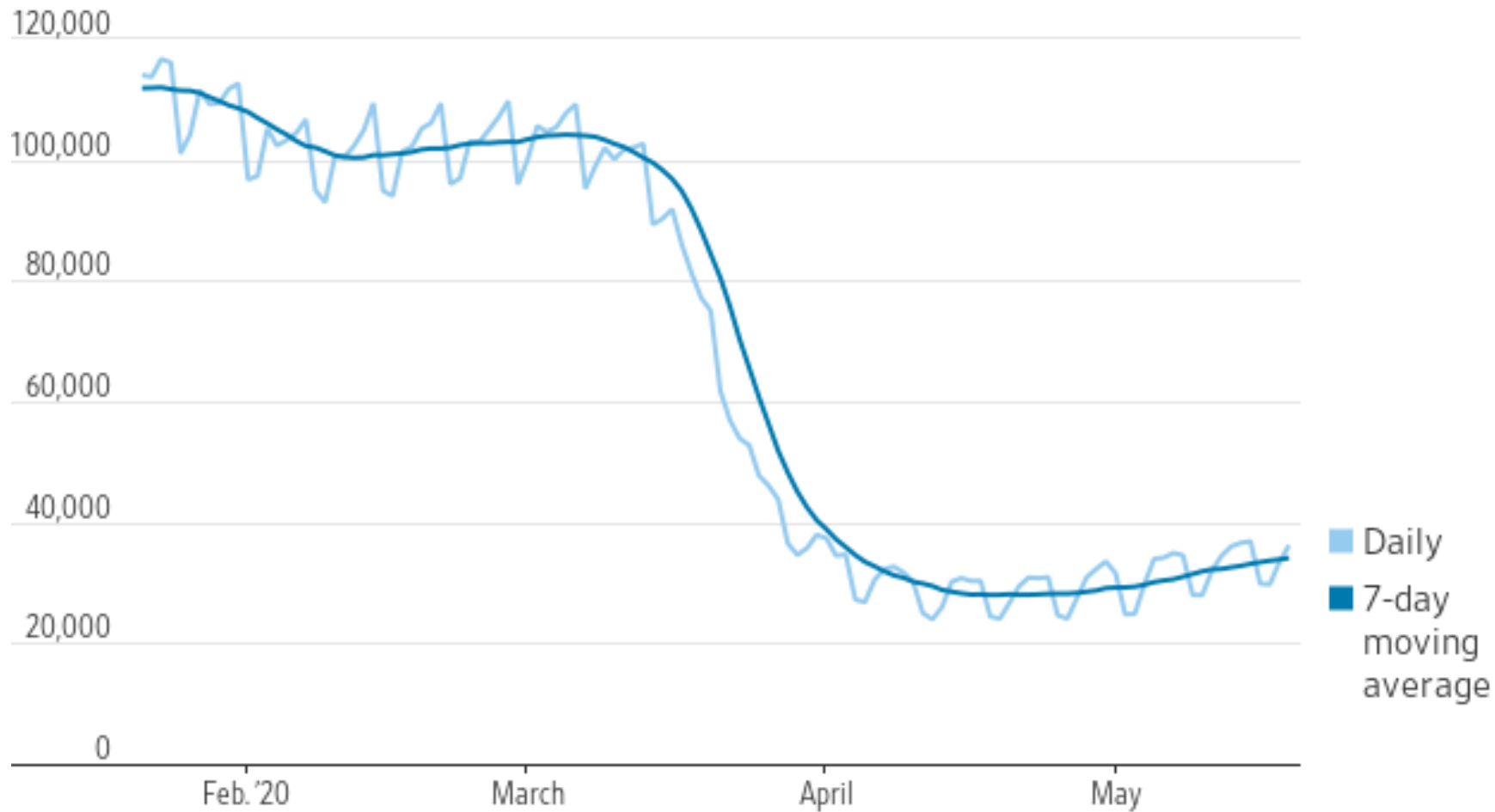
## Number of travelers who passed through TSA checkpoints



Source: TSA

# Impacts of COVID-19 ...

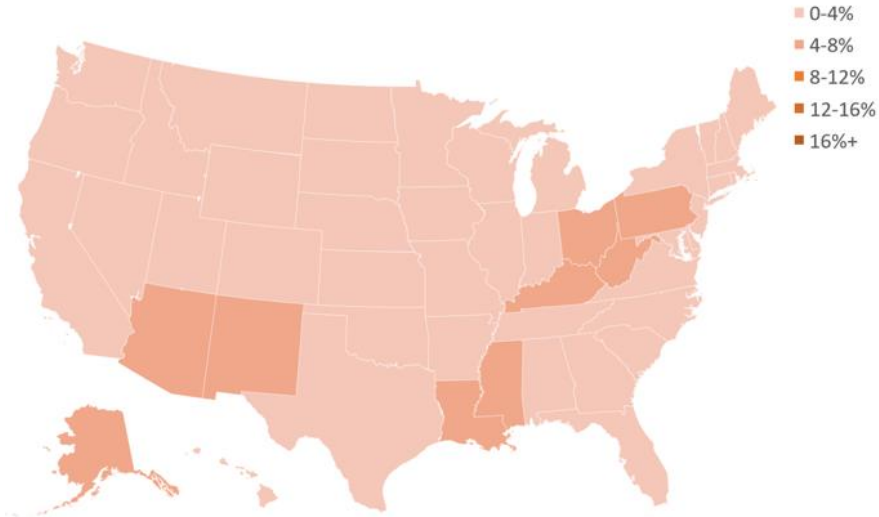
Worldwide commercial flights tracked by Flightradar24



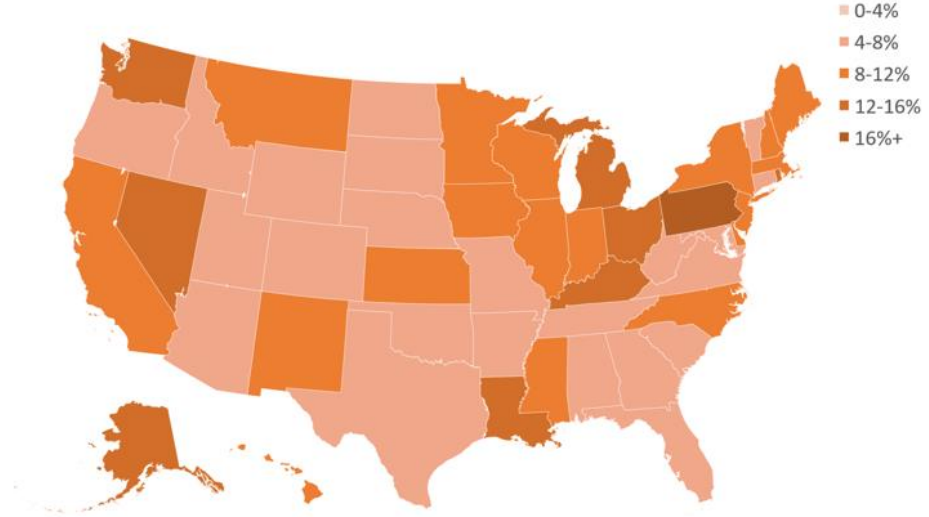
Source: Flightradar24



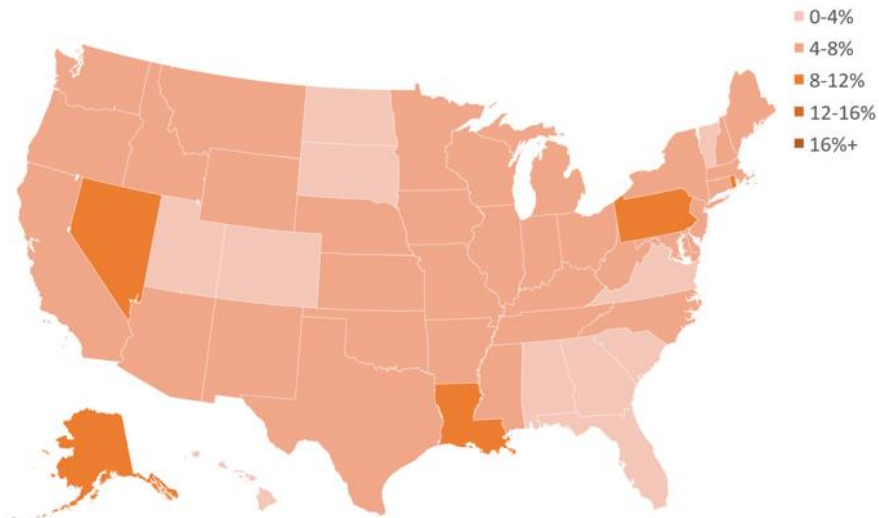
**Chart 1: State-Level Unemployment Rates in February 2020  
(Before COVID-19 a Major Concern)**



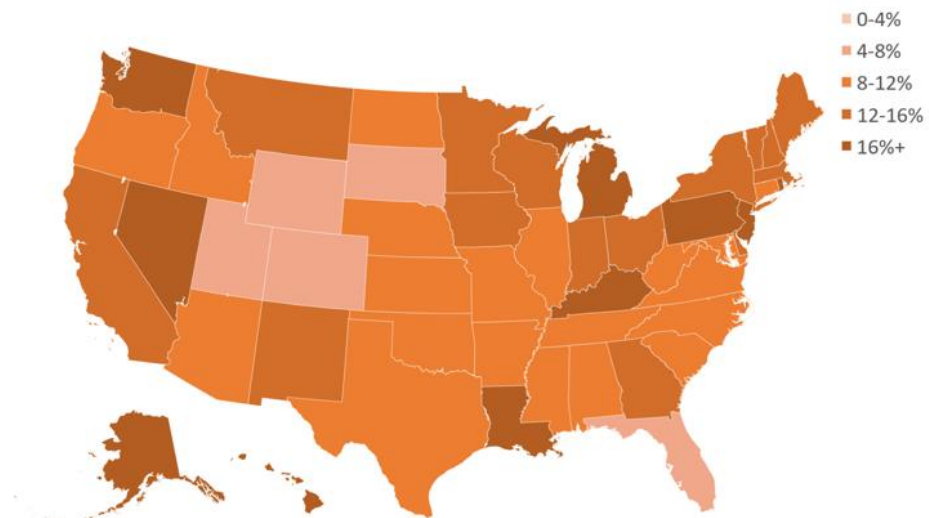
**Chart 3: State-Level Unemployment Rates Projected Using  
March 28, 2020 Weekly Initial Jobless Claims**



**Chart 2: State-Level Unemployment Rates Projected Using  
March 21, 2020 Initial Weekly Jobless Claims**



**Chart 4: State-Level Unemployment Rates Projected Using  
April 4, 2020 Weekly Initial Jobless Claims**

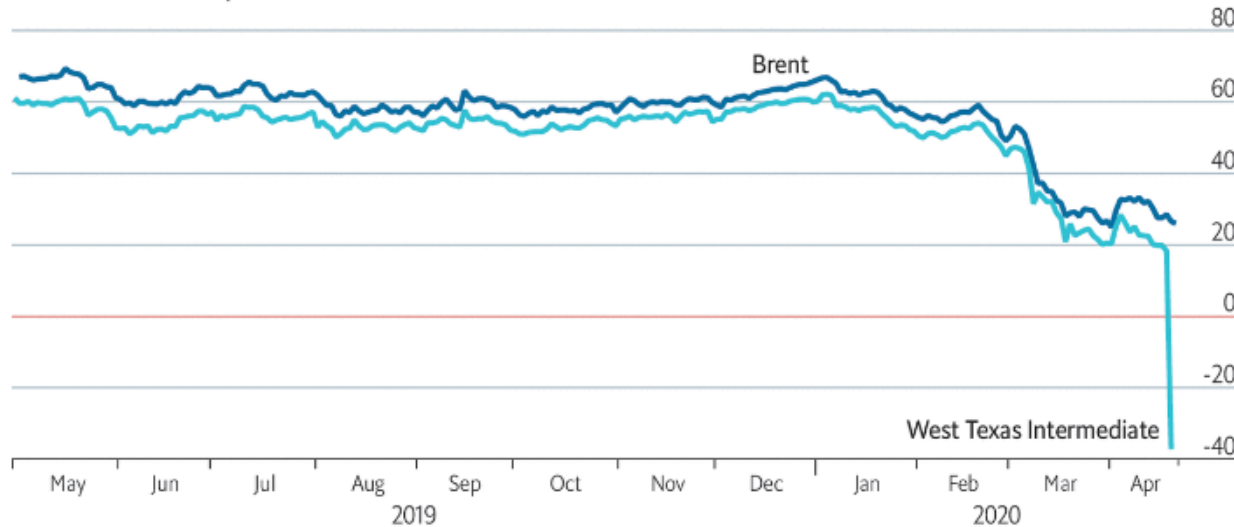




# Houston Energy Market

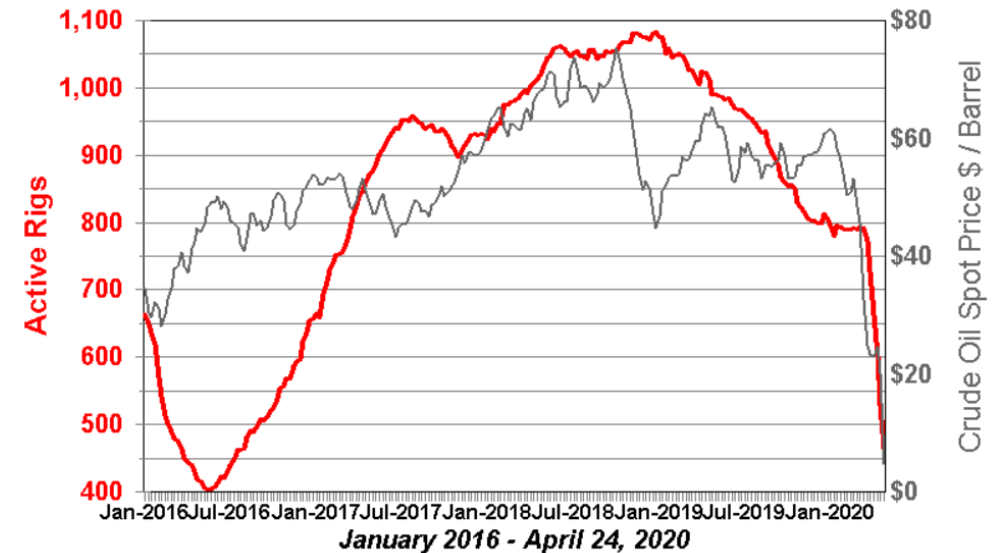
## West Texas Precipitate

Crude oil futures, \$ per barrel



Source: Datastream from Refinitiv  
The Economist

## U. S. Rotary Rig Count Total Active Rigs



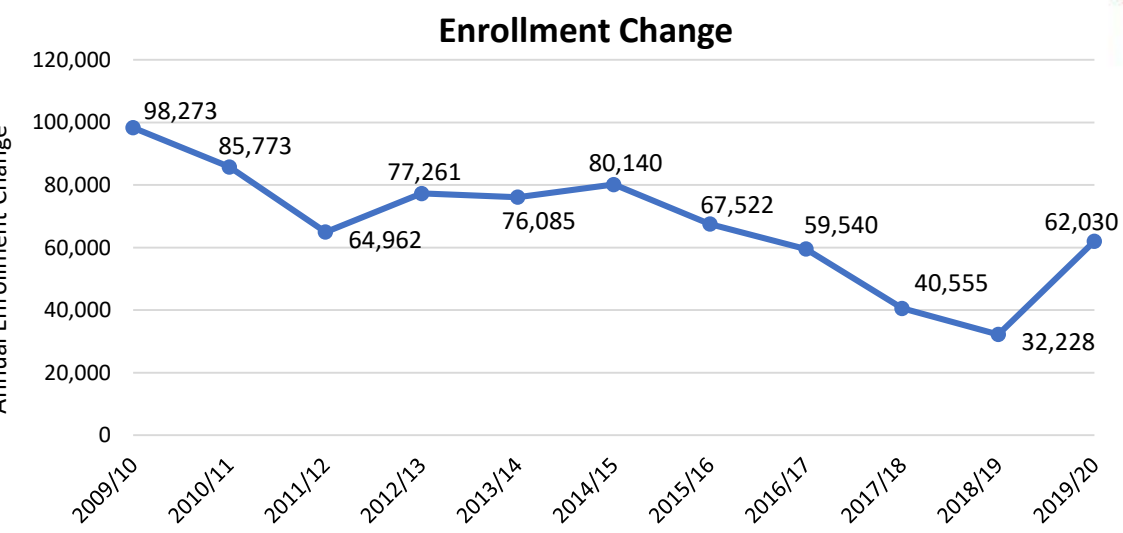
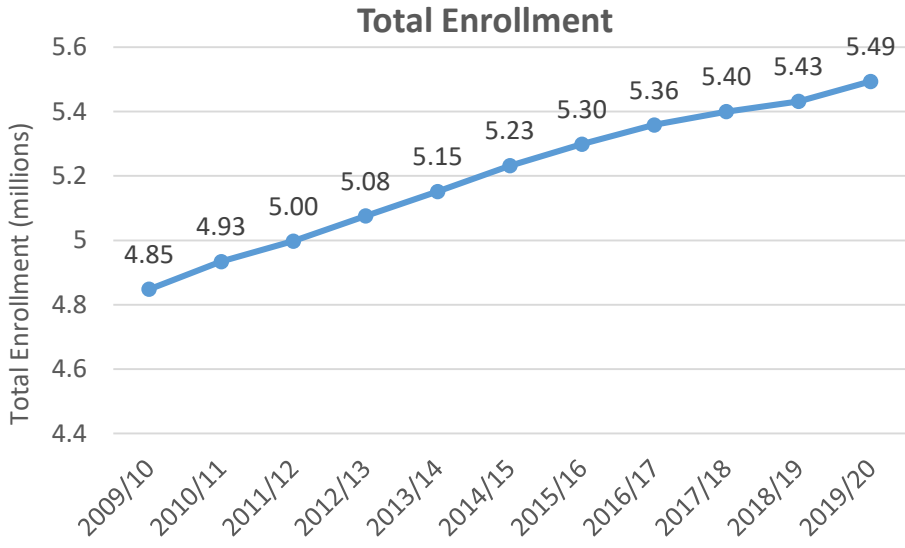
Sources: Baker-Hughes, Energy  
Information Administration (DOE),  
WTRG Economics

WTRG Economics ©2020  
www.wtrg.com  
(479) 293-4081

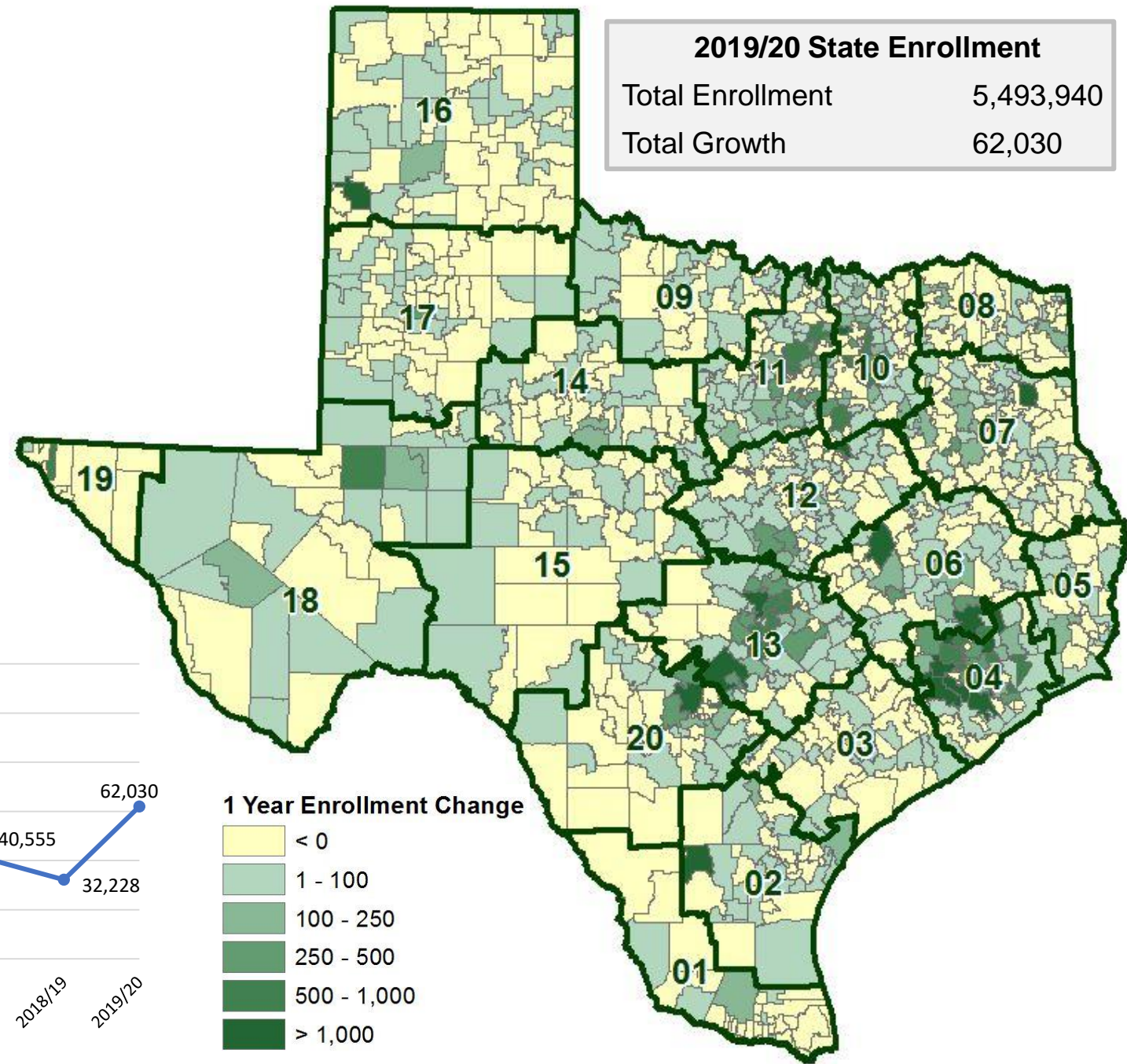
- In beginning of April OPEC agreed to temporarily cut oil production to 10 million barrels per day
- The price for WTI crude oil fell to historic lows, from \$60 per barrel in the fourth quarter to a historically low price below \$15 a barrel in April
- Goldman Sachs and the International Energy Agency forecasts annual demand could drop by 5 to 20 million barrels per day in 2020
- In a survey of oil executives by the Federal Reserve Bank of Dallas, 51% expected employment to decrease at their company in 2020
- Three of the largest rig operators in Texas are cutting budgets and salaries of executive employees



# State Enrollment Trends

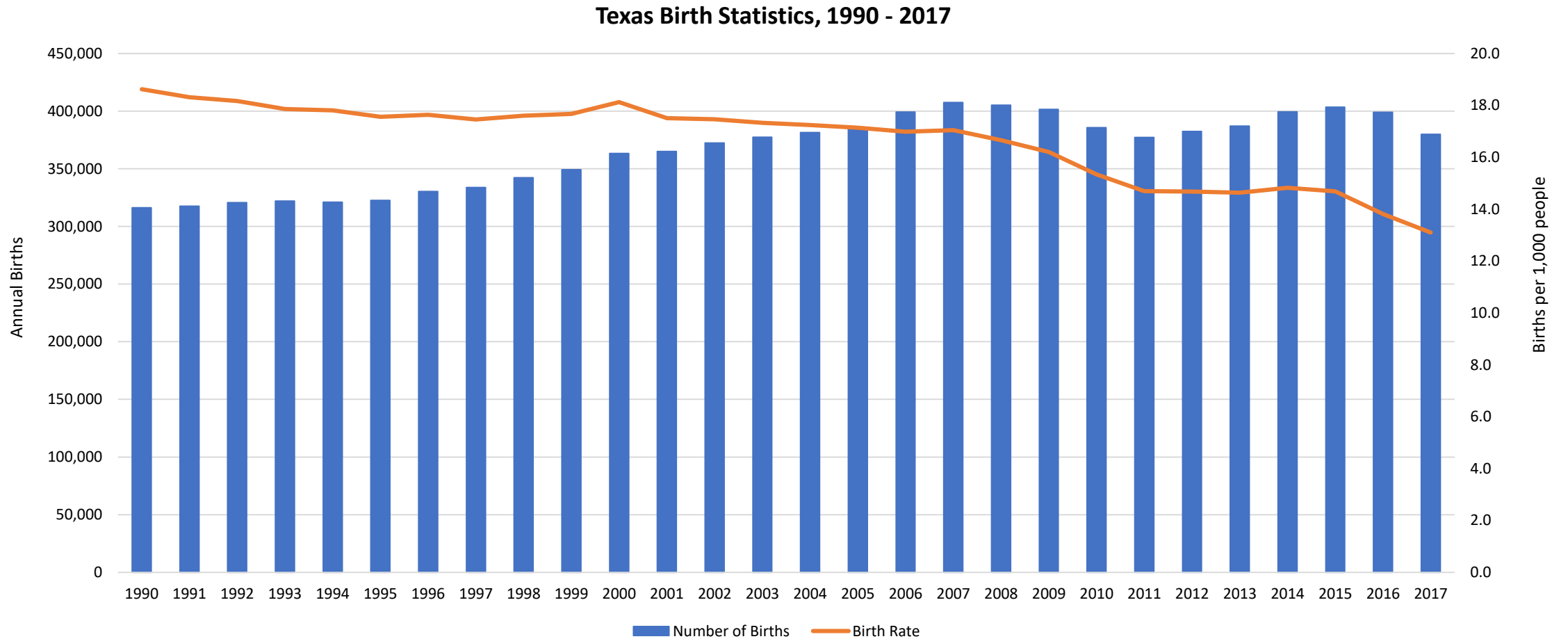


2019/20 State Enrollment	
Total Enrollment	5,493,940
Total Growth	62,030





# Texas Birth Statistics



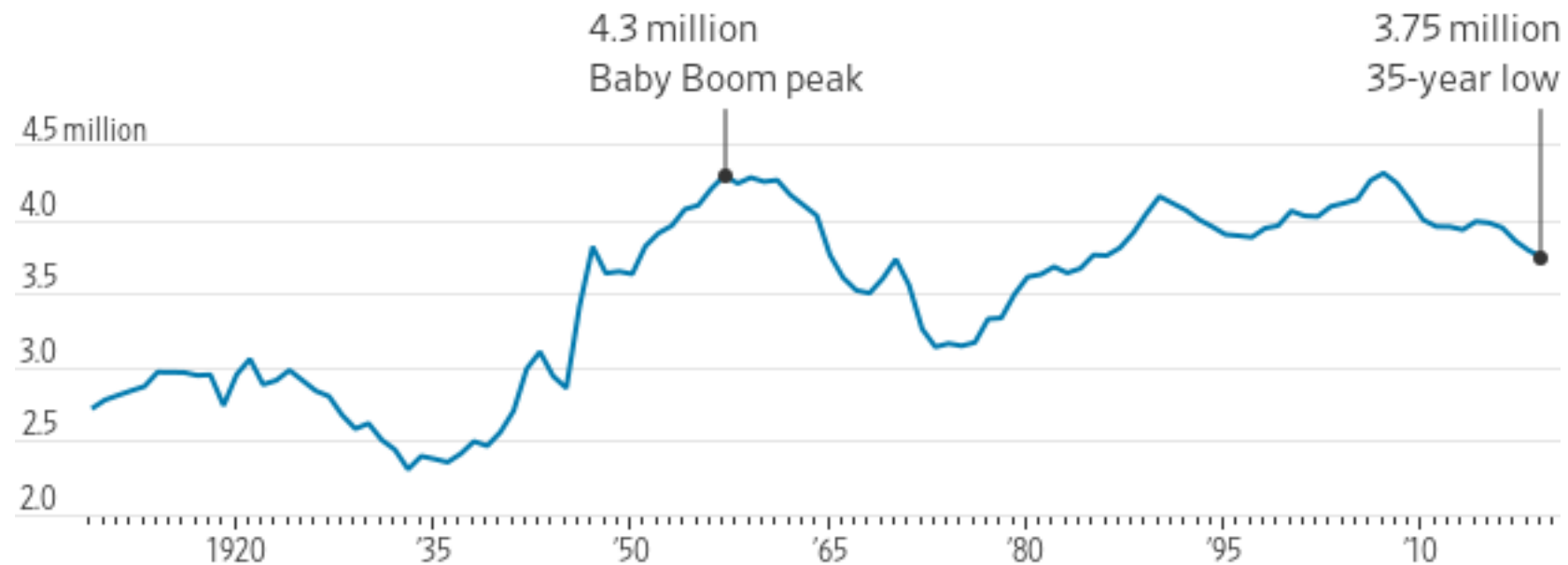
- In Texas, nearly 380,000 babies were born in 2017
- In 2014 the birth rate rose for the first time since 2005, as the economy grew and the unemployment rate dropped below 5%, but overall the birth rate has remained well below pre-recession level and has been declining for decades



## Baby Bust

After peaking in 2007, births in the U.S. have decreased for 11 of the last 12 years.

### Births by year



Note: Data from 1909 to 2018 is final; 2019 is provisional

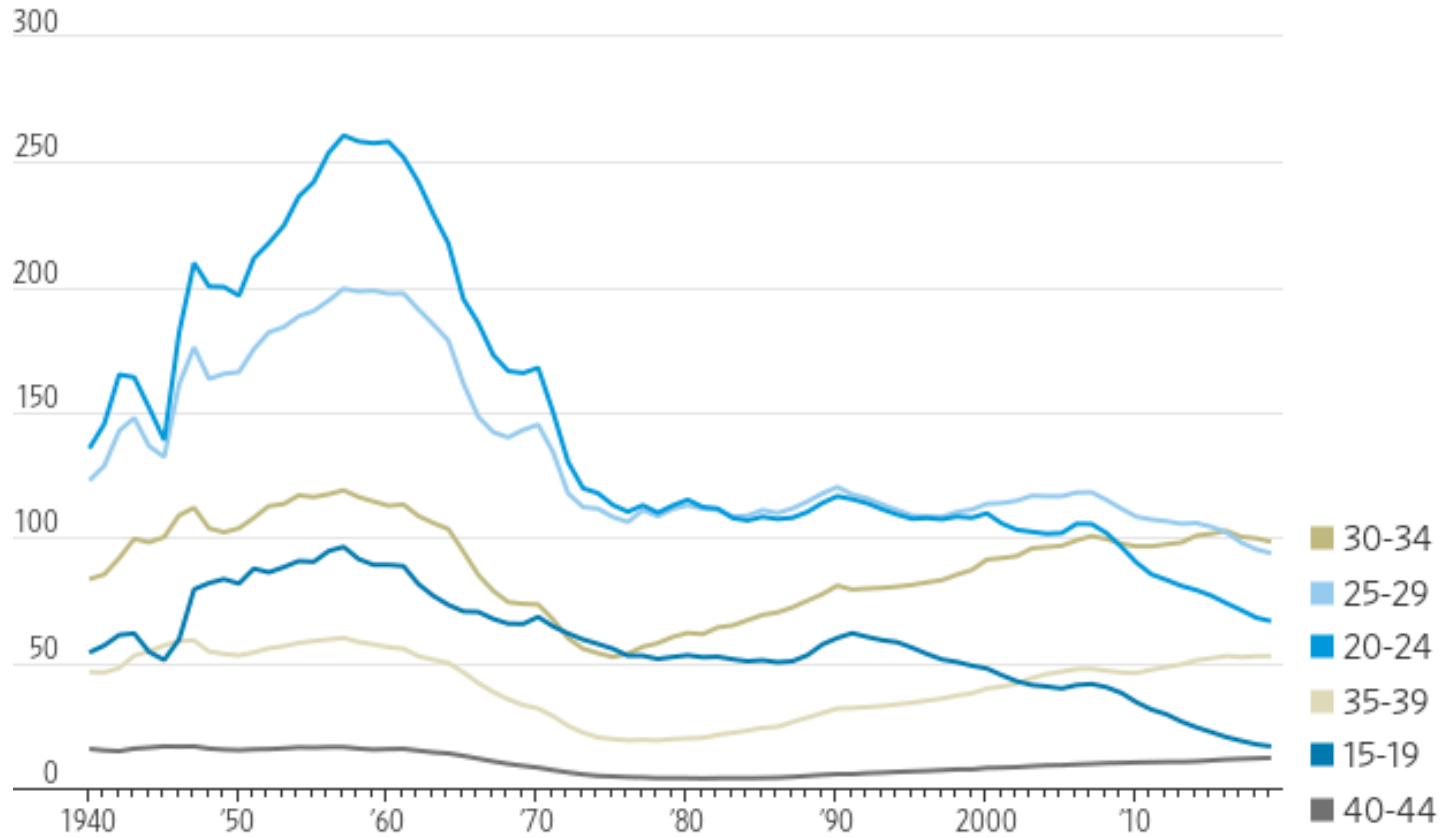
Source: Centers for Disease Control and Prevention



## Youth Drives Decline

Birthrates have been falling fastest for women ages 24 and younger.

### Births per 1,000 women in selected age groups

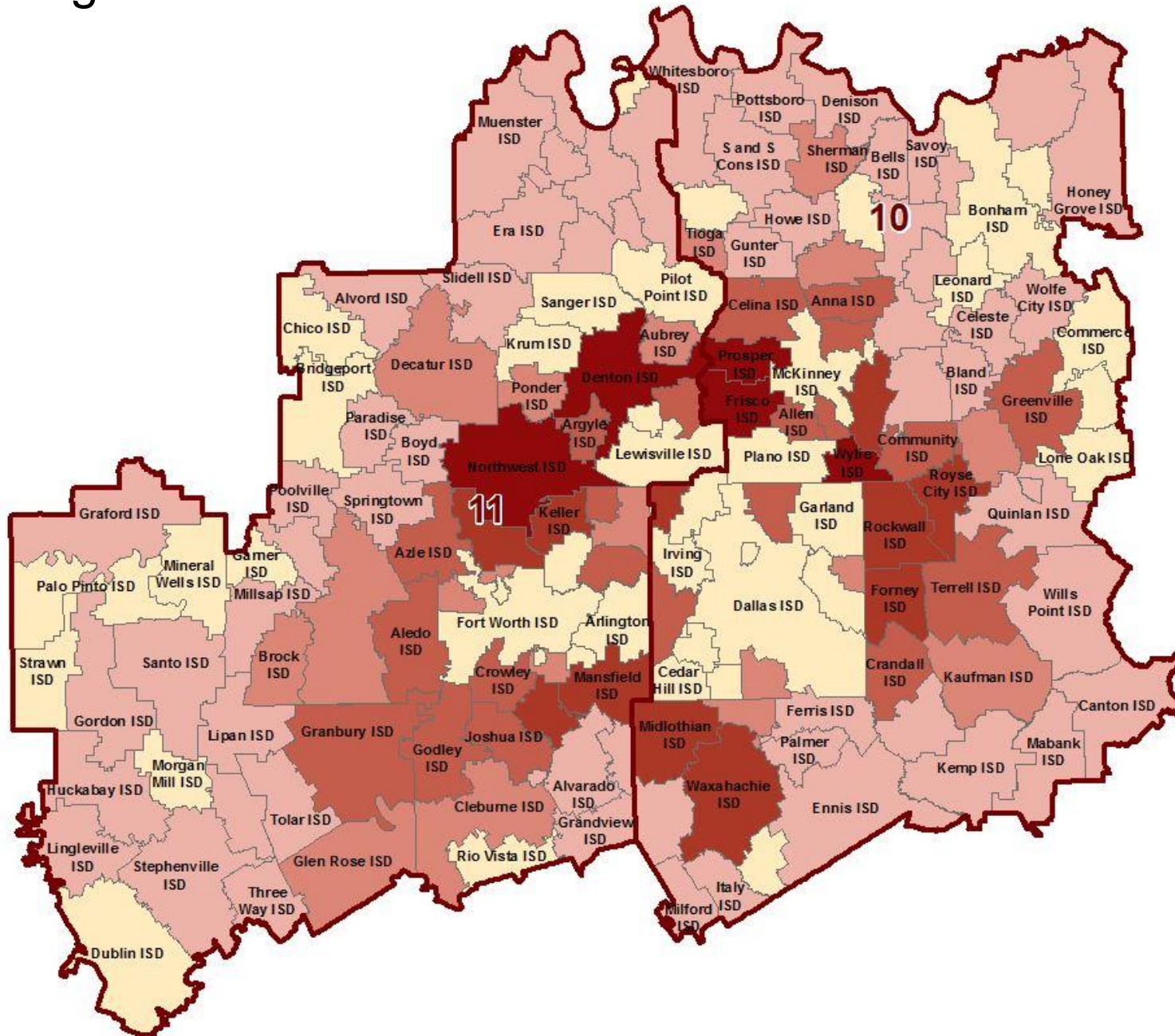


Note: Data 1940-2018 are final; 2019 is provisional.

Source: Centers for Disease Control and Prevention

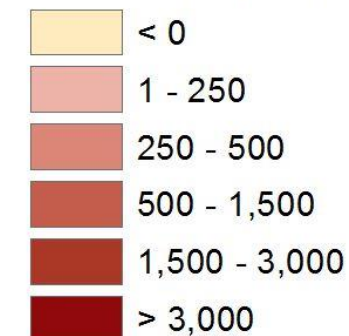


# Region 10 & 11 Enrollment Trends



- Region 10 and 11 enroll more than 1.3 million students in public schools
- These regions added more than 13,500 students in the last year and added more than 63,700 students in the last 5 years
- This is a 5 year growth rate of 5.6%
- The population of Region 10 and 11 was approx. 7.5 million in 2019
- More than 1.2 million residents were added since 2010 for a growth rate of 18.9%

## 5 Yr Enrollment Change





# DFW Enrollment Change

## Region 10

Rank	District	2014/15 Enrollment	2019/20 Enrollment	5-YEAR CHANGE (14/15-19/20)	5-YEAR PCT Growth
1	Frisco ISD	49,644	62,705	13,061	26.3%
2	Prosper ISD	7,074	16,857	9,783	138.3%
3	Wylie ISD (Collin)	14,039	17,230	3,191	22.7%
4	Forney ISD	8,995	11,977	2,982	33.2%
5	Rockwall ISD	14,992	17,007	2,015	13.4%
6	Midlothian ISD	7,899	9,783	1,884	23.9%
7	Coppell ISD	11,570	13,218	1,648	14.2%
8	Princeton ISD	3,790	5,434	1,644	43.4%
9	Royse City ISD	5,070	6,600	1,530	30.2%
10	Waxahachie ISD	7,968	9,481	1,513	19.0%
11	Melissa ISD	2,119	3,580	1,461	68.9%
12	Crandall ISD	3,297	4,592	1,295	39.3%
13	Allen ISD	20,664	21,880	1,216	5.9%
14	Richardson ISD	38,618	39,619	1,001	2.6%
15	Anna ISD	2,874	3,828	954	33.2%
16	Grand Prairie ISD	28,340	29,266	926	3.3%
17	Community ISD	1,830	2,560	730	39.9%
18	Celina ISD	2,201	2,831	630	28.6%
19	Greenville ISD	4,740	5,364	624	13.2%
20	Terrell ISD	4,221	4,804	583	13.8%

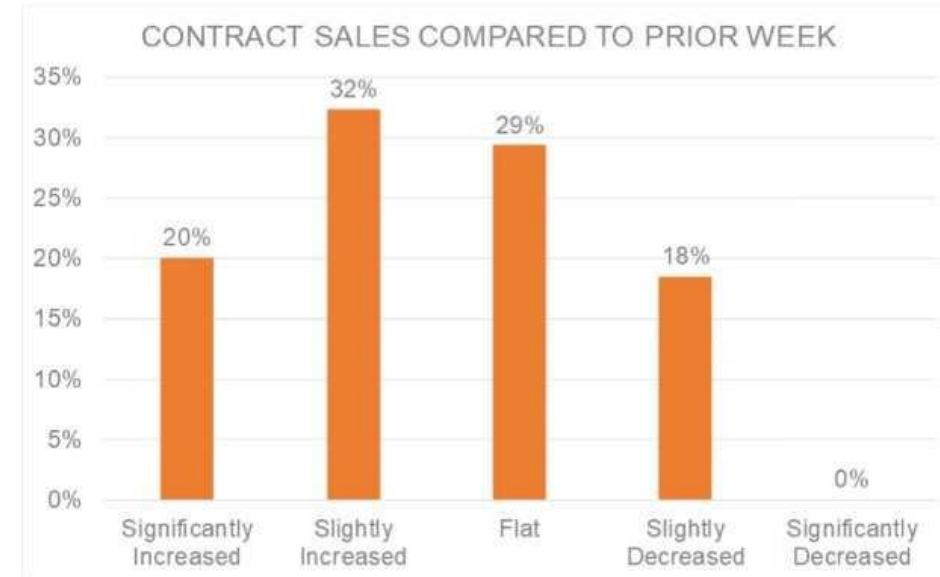
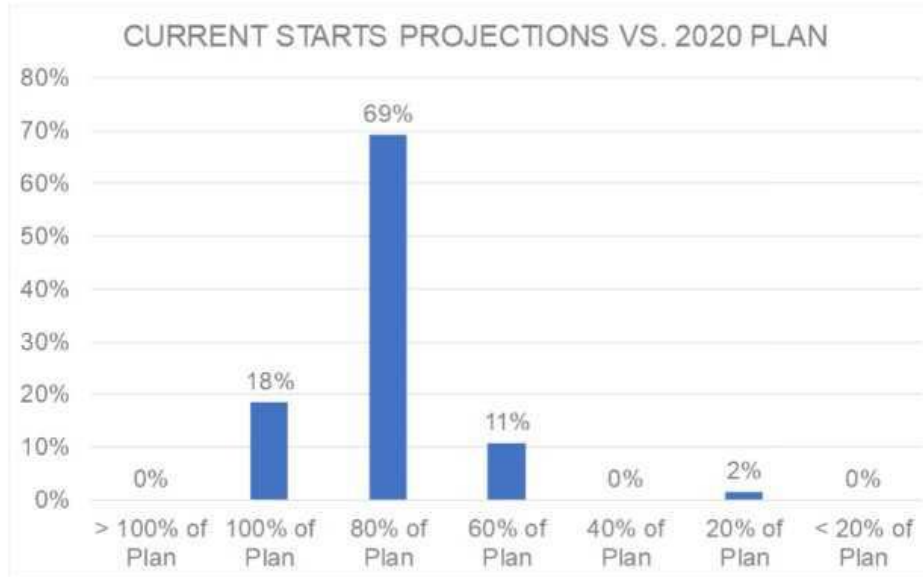
## Region 11

Rank	DISTRICT	2014/15 Enrollment	2019/20 Enrollment	5-YEAR CHANGE (14/15-19/20)	5-YEAR PCT Growth
1	Northwest ISD	19,831	25,040	5,209	26.3%
2	Denton ISD	27,020	30,919	3,899	14.4%
3	Eagle Mt-Saginaw ISD	18,659	21,024	2,365	12.7%
4	Mansfield ISD	33,410	35,669	2,259	6.8%
5	Burleson ISD	10,983	12,810	1,827	16.6%
6	Keller ISD	33,619	35,267	1,648	4.9%
7	Argyle ISD	2,063	3,483	1,420	68.8%
8	Aledo ISD	5,037	6,437	1,400	27.8%
9	Hurst-Euless-Bedford ISD	22,416	23,816	1,400	6.2%
10	Little Elm ISD	6,950	8,065	1,115	16.0%
11	Crowley ISD	14,985	15,996	1,011	6.7%
12	Azle ISD	6,156	6,815	659	10.7%
13	Carroll ISD	7,884	8,525	641	8.1%
14	Granbury ISD	6,869	7,474	605	8.8%
15	Joshua ISD	5,025	5,618	593	11.8%
16	Godley ISD	1,831	2,348	517	28.2%
17	Grapevine-Colleyville ISD	13,748	14,234	486	3.5%
18	Everman ISD	5,543	6,024	481	8.7%
19	Decatur ISD	3,003	3,464	461	15.4%
20	Brock ISD	1,175	1,606	431	36.7%



# Covid-19 and the Housing Market

## Texas Builders Survey: Starts & Contract Sales (April 27<sup>TH</sup>)



*While starts will be down in 2020, sales activity is adapting and stabilizing.*

- Home sales in Texas have improved by late April as cancellations flattened
- Online home sales traffic and virtual interaction increased during the end of April
- Existing home listings decreased 11% YOY while new home listings increased 2% YOY; this is caused by a reluctance to list and show an existing home and a decline in new home sales activity
- Most builders expect to build roughly 80% of plan in 2020
- Low new and existing home inventory coming into the decline means a slowdown will not result in an oversupplied market



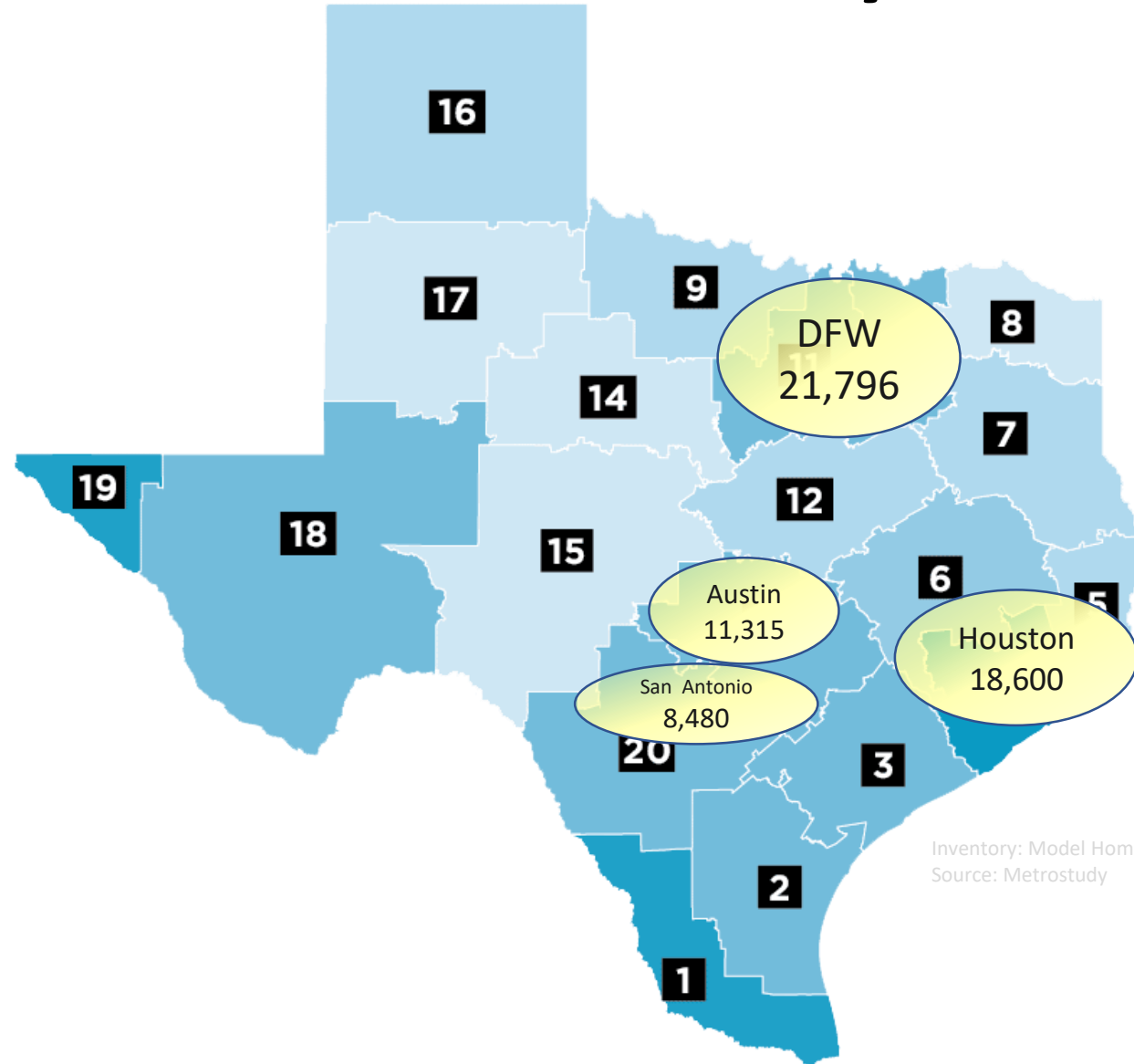
# Listing Data Is Off 42% YOY: What Does That Mean For The New Home Market?

## New Listings On Redfin





# New Home Inventory – 1Q20



Inventory: Model Homes, homes under construction, finished vacant homes  
Source: Metrostudy



## 1Q20 New Housing Inventory

Rank	District Name	Annual Starts	Annual Closings	VDL	Inventory	Future
1	Prosper ISD	2,369	2,801	4,065	1,376	20,205
2	Denton ISD	2,577	2,578	4,242	1,290	20,129
3	Frisco ISD	2,177	2,299	3,107	1,597	4,814
4	Northwest ISD**	2,339	2,299	3,333	1,241	22,918
5	Dallas ISD	1,751	1,793	1,980	1,979	6,035
6	Eagle Mt.-Saginaw ISD	1,812	1,776	1,814	939	18,974
7	Lewisville ISD	1,177	1,390	1,796	688	3,077
8	Forney ISD	1,502	1,295	2,800	749	28,172
9	Crowley ISD	1,350	1,201	1,040	567	16,652
10	Little Elm ISD	975	1,170	1,125	510	1,953
11	Mansfield ISD	926	985	1,300	482	7,276
12	McKinney ISD	986	972	2,110	570	8,503
13	Rockwall ISD	948	832	2,558	614	8,843
14	Royse City ISD	673	703	2,196	362	11,737
15	Wylie ISD	640	692	1,118	371	3,414
16	Plano ISD	490	689	675	322	1,286
17	Princeton ISD	714	676	1,269	284	7,801
18	Fort Worth ISD	526	672	1,317	379	5,680
19	Waxahachie ISD	895	667	882	514	20,225
20	Melissa ISD	715	658	960	381	4,985



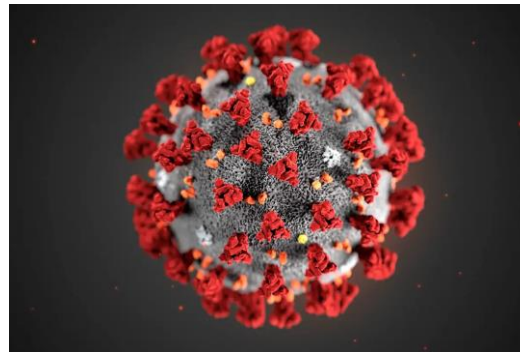
# We All Want To Know *How Long*



4% to 6% = 2%



4.4% to 10.0% = 5.6%



3.5% to 16.0% = 12.5%

- It wasn't caused by speculation
- It wasn't a deterioration in economic activity

It was a sudden shock (more than a natural disaster) and we should expect it'll take some time to reset.

**Everything is  
unprecedented**



# Key Takeaways



- School districts have risen to the occasion during this historic event – with an amazing pivot providing meals, virtual learning and student support.
- Fall 2020 will mark the biggest shift in enrollment patterns than any time in history.
- This shift will result from changes in mobility, virtual learning and new work patterns.
- New housing market could be a leading factor in the recovery.
- Education will get creative in preparing for next school year, organizing multiple options for fall opening.
- Pandemic is accelerating trends, reversing trends and causing some to be very complicated like “Education”.
- We are likely at the dawn of a new era for public education!

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