

Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

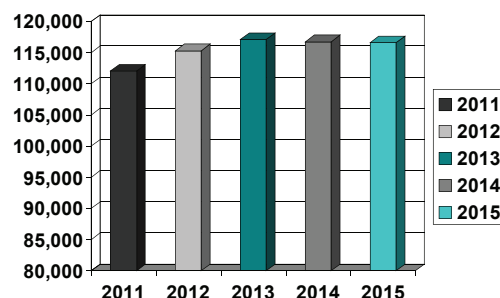
Second Quarter, 2015

Total Employment Up for Quarter

Total nonfarm employment for the Rochester MSA grew at a rate of 2.9 percent during the second quarter of 2015. The gain of 3,282 jobs brought the total employment figure up to 116,614 from the March level of 113,332. Both the Goods Producing and Service Providing sectors reported growth for the quarter.

Total employment in the last 12 months is down by 134 jobs. Goods producing reported a decline of 64 from a year ago and service providing was down by 70 jobs.

Total Employment Second Quarter



Rochester MSA Employment Past 5 Years

	<u>June 2011</u>	<u>June 2012</u>	<u>June 2013</u>	<u>June 2014</u>	<u>June 2015</u>
Total Employment					
Nonfarm	112,030	115,293	117,076	116,748	116,614
Goods Producing					
Construction, Mining, Logging	3,899	3,975	4,272	4,733	4,464
Manufacturing	11,278	11,839	11,392	10,925	11,130
Service Providing					
Wholesale Trade	2,775	2,876	2,905	2,666	2,630
Retail Trade	11,899	12,055	12,575	12,398	12,248
Transportation/Warehousing	2,602	2,547	2,652	2,818	2,985
Information	1,666	1,754	1,868	1,996	2,119
Financial Activities	2,844	2,713	2,846	2,779	2,777
Professional/Business Services	5,412	5,782	5,943	6,114	5,765
Educational/Health	43,518	45,094	45,649	45,290	45,226
Leisure/Hospitality	9,927	10,264	10,478	10,448	10,544

Source: Minnesota Department of Employment & Economic Development

Unemployment

The Rochester MSA unemployment rate decreased by .7 percent from first quarter ending the second quarter rate in June at 3.5 percent. The rates for April and May were 3.4 percent and 3.2 percent respectively. The Rochester average remains well below the state and U.S. averages of 3.9 and 5.5 percent respectively.

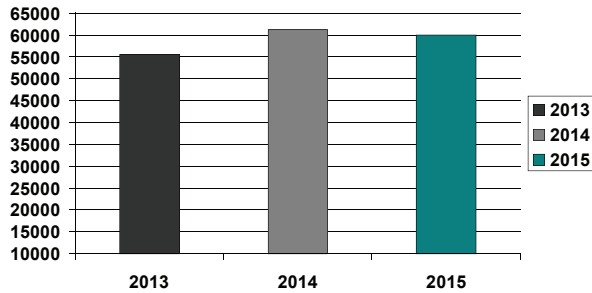
The June labor force figure of 118,189 represents a decrease of .5 percent from the March figure of 118,809.

Unemployment Rates Past 5 Years Second Quarter- Rochester MSA

<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
2011 5.8%	2011 6.8%	2011 9.3%
2012 4.8%	2012 5.9%	2012 8.4%
2013 4.5%	2013 5.2%	2013 7.8%
2014 4.0%	2014 4.6%	2014 6.3%
2015 3.5%	2015 3.9%	2015 5.5%

Source: Minnesota Department of Employment & Economic Development

Airport Passenger Traffic Second Quarter Comparisons



Quarterly Airport Traffic

The Rochester International Airport serviced 60,028 passengers during the second quarter of 2015. This represents a decrease of 2 percent over second quarter 2014 (61,253 passengers) and an increase of 8.2 percent over second quarter 2013 (55,505 passengers). Passenger totals for April, May and June were 20,350, 20,609 and 19,069 respectively.

Air cargo shipments were up 12.9 percent from second quarter 2014.

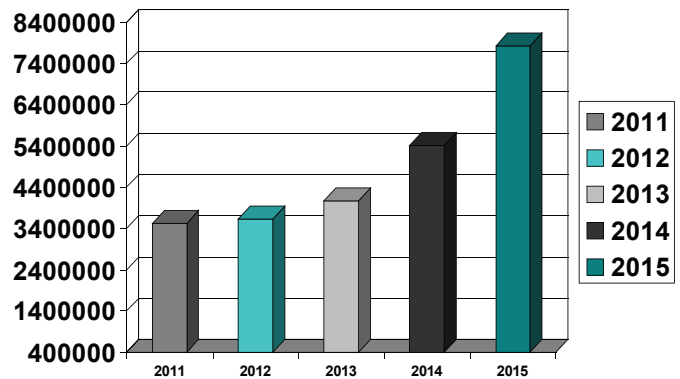
Source: Airport Manager

Hotel/Motel Sales Tax - City of Rochester

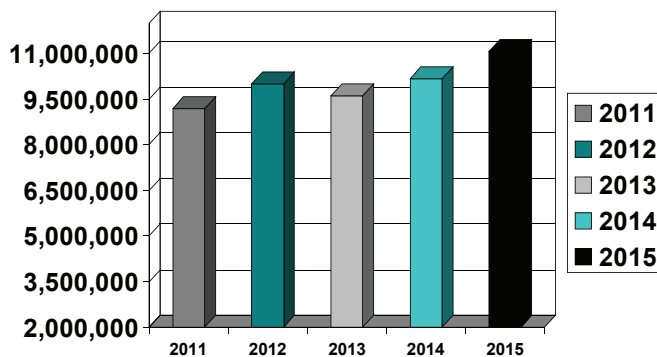
May 2010-April 2011	\$3,529,446.51
May 2011-April 2012	\$3,630,115.25
May 2012-April 2013	\$4,070,348.99
May 2013-April 2014	\$5,422,873.30
May 2014-April 2015	\$7,828,157.49

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax – Past 5 Years



Net Sales Tax – Past 5 Years

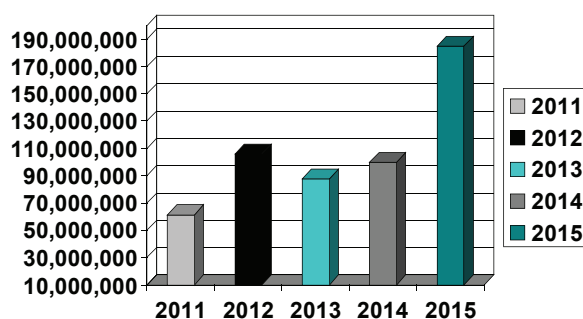


Net Sales Tax - City of Rochester

May 2010-April 2011	\$ 9,174,326.67
May 2011-April 2012	\$10,011,477.50
May 2012-April 2013	\$ 9,602,635.28
May 2013-April 2014	\$10,176,733.52
May 2014-April 2015	\$11,071,752.65

Source: City of Rochester Finance Department

Second Quarter Commercial & Residential Valuation Comparison



Commercial and Residential Building Permits Second Quarter Past 5 Years

	<u>Valuation</u>	<u>Total Permits</u>
2015	\$184,747,084	712
2014	\$ 99,689,516	760
2013	\$ 87,614,282	647
2012	\$105,698,057	705
2011	\$ 61,306,622	606

Source: Building Safety - City of Rochester

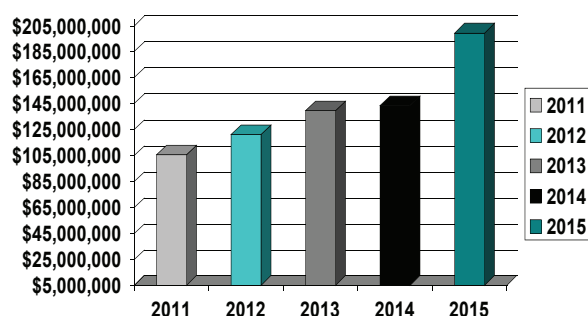
Second Quarter Building Activity

Commercial and residential building permits issued for second quarter 2015 totaled \$184,747,084. This represents increases of 85.3 percent over second quarter 2014, 110.9 percent over 2013, 75 percent over 2012, and 201.3 percent over 2011.

Permits over \$1 million for second quarter 2015 included: expansion & renovation of Mayo Civic Center, 12,058 square foot assisted living facility (MaDonna Garden House), natatorium and exercise addition (Shorewood Center), curtain wall replacement phase, partial phase footing, foundation and pilings for new 168,073 square foot 2-story senior center, boiler upgrade (IBM #301), electrical lighting distribution for expansion and renovations of Mayo Civic Center, new bed tower cv patient unit fit-up (St. Mary's 4th, 5th & 6th floors), dental office with 3 apartments (Altaeast LLC), kitchen renovation & upgrades to mechanical & electrical systems (Riverside Elementary School), addition for locker rooms, bathrooms & ticket entrance (RCTC - Regional Sports Stadium), St. Mary's MB Ground - 9th floor mechanical, electrical & plumbing, new bed tower cv patient unit fit-up and east expansion package.

Source: Rochester Building Safety Department

Second Quarter MLS Sales



Home Sales Second Quarter - Past 5 Years

	<u>Total Sales</u>	<u>Average Home Price</u>	<u>Units Sold</u>
2015	\$199,390,289	\$210,549	947
2014	\$143,226,934	\$198,375	722
2013	\$139,500,141	\$186,497	748
2012	\$120,913,392	\$178,625	663
2011	\$105,614,325	\$181,267	563

Source: SE Minnesota Association of Realtors

Second Quarter Home Sales Up

Second quarter sales of single family homes in Rochester were \$199,390,289. This represents increases of 39.2 percent over second quarter 2014, 42.9 percent over 2013, 64.9 percent over 2012, and 88.8 percent over 2011.

The average home in Rochester sold for \$210,549 during the second quarter of 2015, and the median sale price was \$182,500. There were 947 units sold during the second quarter and the average time on the market was 68 days.

Source: SE Minnesota Association of Realtors

RAEDI

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