

Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

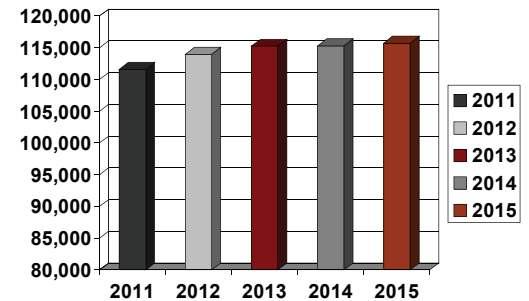
Third Quarter, 2015

Total Employment Up for Quarter

Nonagricultural wage and salary employment for the Rochester MSA grew over the last year at a rate of .4 percent. The gain of 413 jobs brought the total employment figure up to 115,720 from last year's September level of 115,307. Goods Producing showed a loss of 199 jobs while Service Providing reported an increase of 612 jobs in the last 12 months.

Annual job growth in the third quarter has continued to climb since 2010.

Total Employment Third Quarter



Rochester MSA Employment Past 5 Years

	<u>Sept. 2011</u>	<u>Sept. 2012</u>	<u>Sept. 2013</u>	<u>Sept. 2014</u>	<u>Sept. 2015</u>
Total Employment					
Nonfarm	111,606	113,980	115,233	115,307	115,720
Goods Producing					
Construction, Mining, Logging	3,984	4,012	4,440	4,560	4,424
Manufacturing	11,678	11,696	11,138	11,254	11,191
Service Providing					
Wholesale Trade	2,730	2,862	2,799	2,559	2,565
Retail Trade	11,723	11,715	12,345	12,101	12,382
Transportation/Warehousing	2,560	2,603	2,752	2,846	2,991
Information	1,676	1,742	1,920	1,994	2,120
Financial Activities	2,711	2,696	2,821	2,794	2,746
Professional/Business Services	5,550	5,805	5,991	5,932	5,790
Educational/Health	43,970	45,197	45,083	45,147	45,237
Leisure/Hospitality	9,691	9,997	10,238	10,167	10,311
Other Services	3,641	3,877	3,710	3,689	3,661
Government	11,692	11,778	11,996	12,264	12,302

Source: Minnesota Department of Employment & Economic Development

Unemployment

The Rochester MSA unemployment rate decreased by .4 percent from second quarter ending the third quarter rate in September at 2.7 percent. The rates for July and August were 3.3 percent and 2.9 percent respectively. The Rochester average remains below the state and U.S. averages of 3.3 and 2.9 percent respectively.

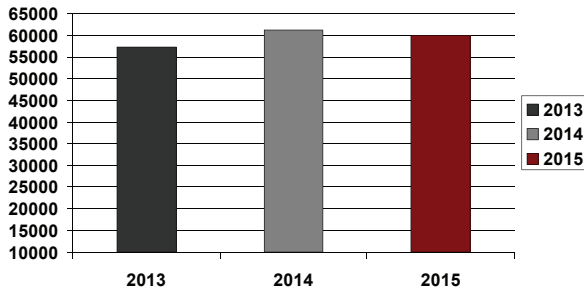
The September labor force figure of 116,040 represents an decrease of 3.9 percent from the September 2014 figure of 116,493.

Unemployment Rates Past 5 Years Third Quarter- Rochester MSA

<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
2011 4.9%	2011 5.8%	2011 8.8%
2012 4.4%	2012 5.3%	2012 7.6%
2013 3.9%	2013 4.6%	2013 7.0%
2014 3.1%	2014 3.6%	2014 5.7%
2015 2.7%	2015 3.2%	2015 4.9%

Source: Minnesota Department of Employment & Economic Development

Airport Passenger Traffic Third Quarter Comparisons



Quarterly Airport Traffic

The Rochester International Airport serviced 59,939 passengers during the third quarter of 2015. This represents a decrease of 2.0 percent over third quarter 2014 (61,155 passengers) and an increase of 4.6 percent over third quarter 2013 (57,328 passengers). Passenger totals for July, August and September were 20,153, 21,201 and 18,585 respectively.

Air cargo shipments were up 1.5 percent from third quarter 2014.

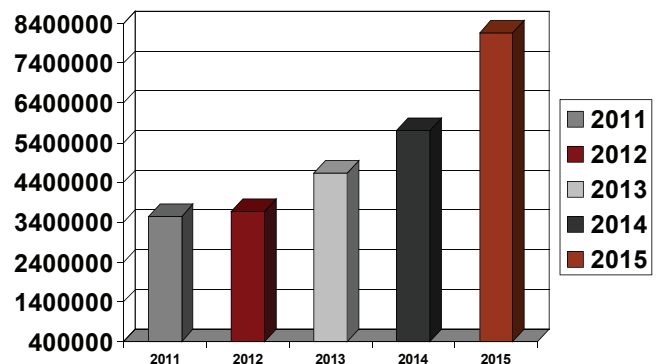
Source: Airport Manager

Hotel/Motel Sales Tax - City of Rochester

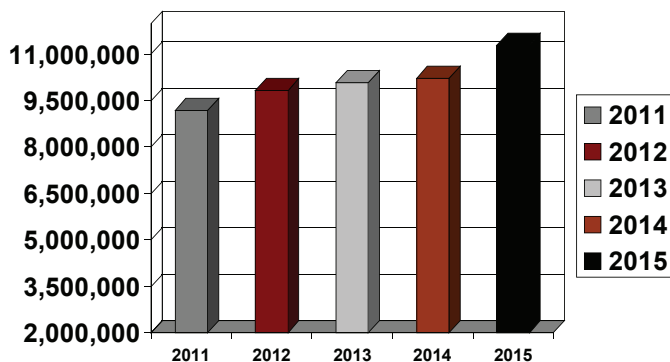
Aug 2010-July 2011	\$3,550,924.29
Aug 2011-July 2012	\$3,672,875.92
Aug 2012-July 2013	\$4,643,250.93
Aug 2013-July 2014	\$5,717,227.47
Aug 2014-July 2015	\$8,161,521.75

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax – Past 5 Years



Net Sales Tax – Past 5 Years

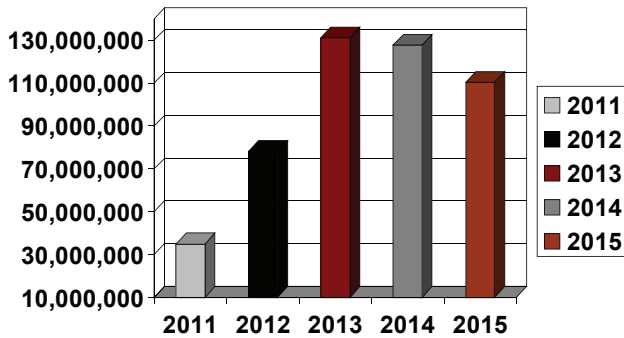


Net Sales Tax - City of Rochester

Aug 2010-July 2011	\$9,141,378.52
Aug 2011-July 2012	\$9,826,042.15
Aug 2012-July 2013	\$10,089,428.47
Aug 2013-July 2014	\$10,212,154.74
Aug 2014-July 2015	\$11,289,035.70

Source: City of Rochester Finance Department

Third Quarter Commercial & Residential Valuation Comparison



Commercial and Residential Building Permits Third Quarter Past 5 Years

	<u>Valuation</u>	<u>Total Permits</u>
2015	\$110,289,534	691
2014	\$127,766,600	680
2013	\$131,214,277	643
2012	\$78,195,035	567
2011	\$34,908,313	533

Source: Building Safety - City of Rochester

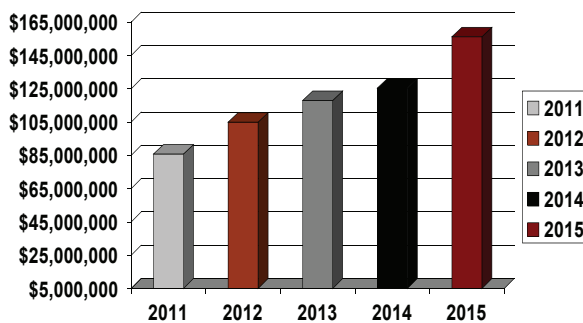
Third Quarter Building Activity

Commercial and residential building permits issued for third quarter 2015 totaled \$110,289,534. This represents decreases of 13.7 percent and 16 percent over 2014 and 2013 respectively, as well as increases of 41 percent and 216 percent over 2012 and 2011 respectively.

Permits over \$1 million for third quarter 2015 included: alterations to Well Living Lab in BioBusiness Center, alterations to Think Mutual Bank - Greenview, alterations to existing locker rooms at Rochester Athletic Club, new 16-unit apartment building (Springs on 28th Street), 11,450 square foot classroom and assembly additions (Holy Anargyroi Greek Orthodox Church), south side corridor addition at St. Mary's Hospital, new 28,000 square foot Goodwill store, and new 19,117 square foot c-tech and stem building for high school students (RCTC - Heintz Center).

Source: Rochester Building Safety Department

Third Quarter MLS Sales



Home Sales Third Quarter - Past 5 Years

	<u>Total Sales</u>	<u>Home Price</u>	<u>Units Sold</u>
2015	\$156,047,319	\$213,179	732
2014	\$125,213,541	\$203,930	614
2013	\$118,004,994	\$195,372	604
2012	\$104,936,402	\$181,550	578
2011	\$85,649,430	\$184,589	464

Source: SE Minnesota Association of Realtors

Third Quarter Home Sales Up

Third quarter sales of single family homes in Rochester were \$156,047,319. This represents increases of 25 percent over third quarter 2014, 32.2 percent over 2013, 48.8 percent over 2012, and 82.2 percent from 2011.

The average home in Rochester sold for \$213,179 during the third quarter of 2015, and the median sale price was \$179,900. There were 732 units sold during the third quarter. The average time on the market was 70 days.

Source: SE Minnesota Association of Realtors

RAEDI

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