

# Quarterly Economic Report

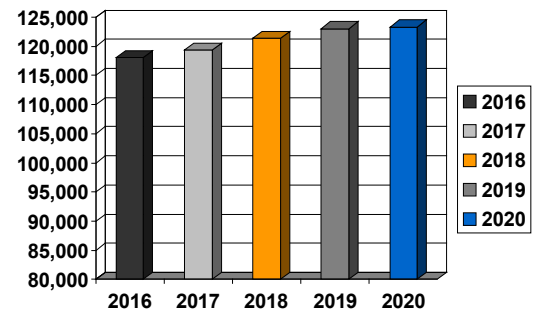
Rochester Area Economic Development, Inc. (RAEDI)

Fourth Quarter, 2019

## Total Employment Up At Year-End

Nonagricultural wage and salary employment for the Rochester MSA was up slightly by .2 percent. The gain of 289 jobs brought the total employment figure up to 123,299 from last year's December level of 123,010. Service providing reported a slight decrease of .2 percent while goods producing reported an increase of 3.5 percent for the year.

## Total Employment Fourth Quarter



## Rochester MSA Employment Past 5 Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Total Employment</b>					
Nonfarm	118,299	119,389	121,375	123,010	123,299
<b>Goods Producing</b>					
Construction, Mining, Logging	4,319	4,242	4,429	4,609	5,097
Manufacturing	10,616	10,223	10,351	10,784	10,831
<b>Service Providing</b>					
Wholesale Trade	2,808	2,682	2,748	2,869	2,894
Retail Trade	13,115	12,807	12,707	12,524	11,968
Transportation/Warehousing	2,913	2,963	2,784	2,872	2,822
Information	1,926	1,879	1,897	1,602	1,426
Financial Activities	2,677	2,696	2,808	2,822	2,742
Professional/Business Services	5,744	5,959	5,889	5,861	5,576
Educational/Health	46,819	48,837	49,970	51,291	51,435
Leisure/Hospitality	10,536	10,006	10,715	10,914	11,113
Other Services	3,782	4,046	3,879	3,839	3,909
Government	12,818	13,049	13,198	13,023	13,486

Source: Minnesota Department of Employment & Economic Development

## Unemployment

The Rochester MSA unemployment rate increased by .2 percent from one year ago ending at 3.0 percent for the 2019 year. The Rochester average remains below the state and U.S. averages of 3.5 and 3.4 percent respectively.

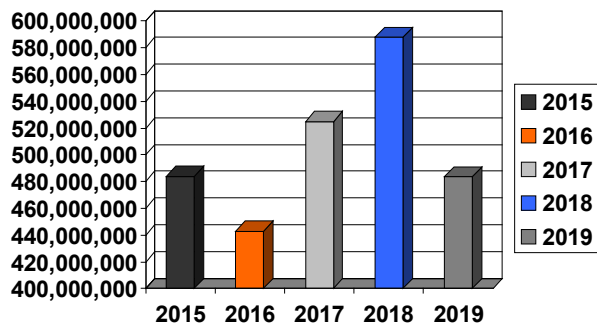
The December labor force figure of 125,420 represents an increase of 3.7 percent from the December 2018 figure of 120,953.

## Unemployment Rates Past 5 Years Fourth Quarter- Rochester MSA

<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
2015 3.0%	2015 3.7%	2015 4.8%
2016 3.3%	2016 4.0%	2016 4.5%
2017 2.8%	2017 3.2%	2017 3.9%
2018 2.8%	2018 3.3%	2018 3.7%
2019 3.0%	2019 3.5%	2019 3.4%

Source: Minnesota Department of Employment & Economic Development

### Annual Commercial & Residential Valuation Comparison



### Commercial and Residential Annual Building Permits Past 5 Years

	<u>Valuation</u>	<u>Total Permits</u>
2019	\$483,468,201	2,270
2018	\$587,794,238	2,305
2017	\$524,691,279	2,665
2016	\$442,846,498	2,429
2015	\$484,095,237	2,383

Source: Building Safety - City of Rochester

### Fourth Quarter Building Activity

Commercial and residential building permits issued for 2019 totaled \$483,468,201. Permit valuation totals were down 17.7 percent from 2018, 7.9 percent from 2017, and up 9.2 percent over 2016, and down again by .2 percent from 2015.

Permits over \$1 million during fourth quarter 2019 included: renovation of Mary Brigh 4 - footing, foundation and underground utilities for new hotel package, Mayo subway refresh of Wanek Family concourse, ice arena building addition and ice making equipment installation (Graham Arena Complex), human cellular therapy lab expansion (Hilton building), Dumbwaiter replacement (Eisenberg), new full service car wash (Tommy Express Wash), structural package for addition to existing building for underground parking & office space (North Services Center and Polic Station), mechanical system upgrade (RPU), renovation to existing office space and addition of office and ambulance garage (MCAS Rochester South Station), core & shell (Crave Restaurant), and Downtown subway refresh (Hilton Building).

Source: Rochester Building Safety Department

### Annual Housing Activity in Southeast Minnesota

	<u>Average Price</u>	<u>Median Price</u>	<u>Days on Market</u>	<u>New Listings</u>	<u>Pending Sales</u>	<u>Closed Sales</u>
2015	\$177,423	\$155,000	73	7,881	6,685	6,601
2016	\$188,365	\$164,900	64	7,591	6,733	6,733
2017	\$204,375	\$176,000	56	7,358	6,499	6,206
2018	\$218,350	\$191,835	52	7,488	6,201	6,217
2019	\$227,077	\$202,000	56	7,382	6,260	6,217

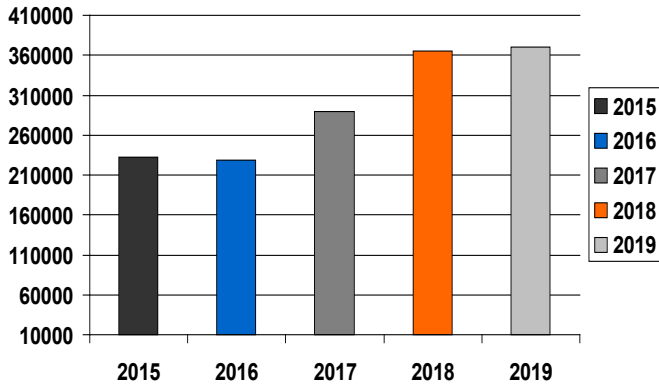
Source: SE MN REALTORS

### 2019 Housing Activity

Home listings in southeastern Minnesota decreased by 1.4% in 2019, and pending sales increased by 1% from the same period last year. Prices moved higher as the median sales price was up 5.3% to \$202,000, while the average sales price was up by 2.7%. The average house stayed on the market for 56 days in 2019.

Source: SE MN REALTORS

## Airport Passenger Traffic First Quarter Comparison



## Quarterly Airport Traffic

The Rochester International Airport serviced 370,851 passengers during 2019. This is an increase of 1.6 percent over 2018 (365,027), 28.2 percent over 2017 (289,214), 62 percent over 2016 (229,062), and 60 percent over 2015 (231,966).

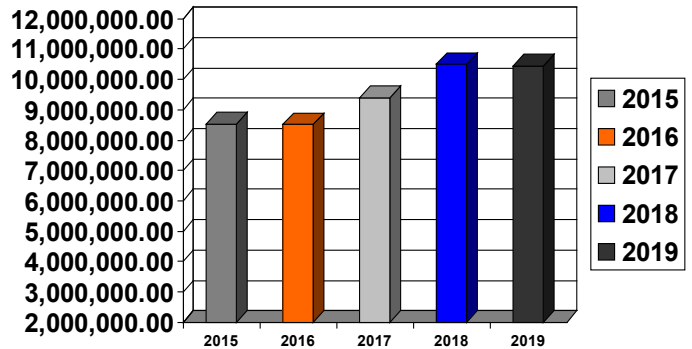
The increase in passenger totals is due to RST offering new flight options with United Airlines, and Delta Airlines increasing frequency on routes to Atlanta and Minneapolis. Eighty-six local businesses and organizations, including Mayo Clinic, have adopted policies to “Fly Local” which has also added to the increase.

*Source: Airport Manager*

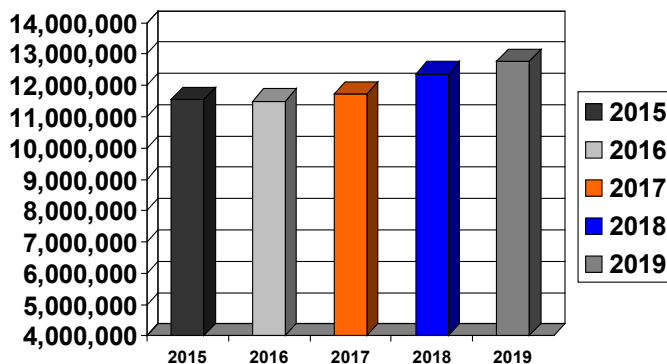
## Hotel/Motel Sales Tax City of Rochester

2015	\$ 8,526,725.96
2016	\$ 8,517,102.28
2017	\$ 9,391,247.91
2018	\$10,501,151.97
2019	\$10,439,911.33

*Source: City of Rochester Finance Department*



## Net Sales Tax – Past 5 Years



## Net Sales Tax - City of Rochester

2015	\$11,559,610.62
2016	\$11,500,132.84
2017	\$11,720,908.26
2018	\$12,370,629.98
2019	\$12,757,100.83

*Source: City of Rochester Finance Department*