

Rochester Area

COMMUNITY PROFILE 2021 Rochester, Minnesota MSA



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OVERVIEW

Located in the southeastern section of Minnesota, the Rochester MSA's strong diverse economy is built around health care, high technology, and agriculture. The Minnesota State Demographer's Office reported the 2019 population of the Rochester MSA at 224,357. Rochester's MSA includes Olmsted, Dodge, Fillmore, and Wabasha counties.

For over 140 years, the city of Rochester has remained the regional center for industry and commerce in southeastern Minnesota. The transportation infrastructure in the MSA includes Interstate and U.S. highways, rail freight, and international air passenger and cargo facilities. The city of Rochester is 32,096.2 acres and 50.15 square miles while Olmsted County is 654.8 square miles and 419,093.4 acres.

The Rochester MSA continually ranks high in polls relating to quality of life and worker productivity. Money magazine reported that the city of Rochester "radiates cosmopolitan style without big city ills." The smaller cities surrounding Rochester represent rural living at its best. Whether you are searching for a new corporate home, a place to expand your business, or a new place to live, the Rochester MSA offers the finest in business climate, labor force, real estate, utilities, transportation, education, and quality of life.

While many significant events have occurred during the last 20 years testing the resiliency of the local economy, the net result has been that the Rochester area economy remains strong and viable. The economy here continues to grow at a pace faster than that of the state and nation as a whole.



ROCHESTER MSA & MINNESOTA RANK HIGH!

Rochester MSA has #1 hospital in the world in 2020

...

Rochester MSA #1 Most livable mid-sized cities in 2020

...

Minnesota #1 in nation for 5-year business survival rate (business startups) in 2020

...

Minnesota #2 state in the nation to raise a family

...

Rochester MSA ranked #3 in 2021 as best cities to buy a house in 2021

...

Rochester MSA #3 as most innovative cities in 2018

...

Rochester MSA in top 10 cities attracting millenials in 2018

BASIC BUSINESS TAXES

CORPORATE INCOME TAX:
9.8 PERCENT

STATE SALES AND USE TAXES:
6.875 PERCENT of gross receipts of retail sales, use, storage, or consumption of tangible personal property. There is no sales tax on new capital equipment used for manufacturing, fabricating, or refining a product. Replacement capital used for manufacturing, fabricating, or refining a product incurs no sales tax. A refund method is used to relieve tax burden.

CITY OF ROCHESTER, MN
SALES TAX RATE: 8.125%
Rochester currently has a .75 percent local sales tax and Olmsted County has a special district sales tax of .5. There are also state-imposed liquor, lodging, and rental taxes.

*For a complete listing of fees, go to:
www.sos.state.mn.us*

STATE OF MINNESOTA BUSINESS FEE SCHEDULE

Business Entity	Registration Fee
Assumed Name Certificate	\$50
Business, Corporation, Domestic	\$155
Limited Liability Companies	\$155
Business Corporation (Foreign)	\$220
Foreign Limited Liability Companies	\$205
Cooperatives - Articles of Incorporation	\$80
Non-Profit Corporations	\$90

For further information, contact: Minnesota Secretary of State (651) 296-2803 www.sos.state.mn.us

BUSINESS DEVELOPMENT INCENTIVES

All cities within the Rochester MSA, including Olmsted County, have access to development incentives from state and local sources. The primary development tools used at local governments disposal include Tax Increment Financing (TIF) and Industrial Development Revenue Bonds.

RAEDI administers the Rochester Economic Development Fund and the Southeast Minnesota Capital Fund. These funds are available for qualifying businesses who are relocating, expanding, or starting in the Rochester MSA.

Rochester Economic Development Fund (EDF)

The EDF provides funds for business development and business growth projects that facilitate growth and diversification of the local economy. EDF investments of up to \$250,000 are intended for projects resulting in business investment, creation/retention of living wage jobs, and generation of property tax revenue thus facilitating growth of the local economy. The EDF will also leverage business financing provided by other private/public lenders. Contact RAEDI at 507.288.0208 for more information.

Southeast Minnesota Capital Fund

RAEDI administers the fund which is led by a group of angel investors whose goal is to help support the growing number of startup companies in the medical and technology fields and who have the potential to deliver significant returns. While not geographically limited, the primary investment focus of the fund will be the southeast Minnesota region.

Small Business Development Center Rochester (SBDC)

Confidential consulting (at no cost) to help businesses in SE Minnesota identify, understand and overcome the challenges of starting a business, running a successful business, and developing exit strategies. SBDC provides the professional expertise and guidance that every small business owner needs to flourish in today's competitive and ever-changing business world. They do not lend money to small businesses, however they work with the business owners and financial institutions to prepare documentation that lenders require for business loans.



Southern Minnesota Initiative Foundation's Business Loan Program

This program works in partnership with local lending institutions, economic development organizations and government agencies to help "fill the gap" between available and necessary financial resources. The program funds up to \$200,000 and targets economic development opportunities to 6 key areas including bioscience, renewable energy, food/agriculture, manufacturing, and healthcare. For more information, call 507.455.3215 or go to www.smifoundation.org.

Southeastern Minnesota 504 Development, Inc.

This certified SBA company provides assistance to expanding businesses through the SBA 504 Loan Program. The program provides up to 40% of project financing at a very competitive interest rate and term. The 504 Corporation, located in Rochester, can be reached at 507.288.6442.

Tax Increment Financing (TIF)

This is a method local governments use to pay for the costs of qualifying improvements necessary to create new development, redevelopment, or publicly assisted housing. The financing of the qualifying improvements is paid from the increased property taxes generated from the new development, redevelopment, or housing that would not occur "but for" such assistance. Tax increment is the difference between the existing property taxes on a parcel of land before development occurs and the increased property taxes created by the new development. The tax increment revenue is used by the local government for a term of years to assist the financing of qualifying projects.

Industrial Development Revenue Bonds

Cities and counties are authorized to issue industrial development bonds, commonly referred to as industrial revenue bonds or "IRBs", for the purpose of "paying all or part of the cost of purchasing, acquiring, constructing, improving, equipping, or remodeling facilities for commercial and manufacturing purposes." This financing tool is designed to provide a vehicle whereby local governments can assist private companies with economic development in their community.

Launch Minnesota

Launch Minnesota is an initiative spearheaded by Minnesota's Department of Employment and Economic Development

(DEED). The program exists to help grow Minnesota's startup ecosystem. Launch Minnesota has several offerings to grow the innovation ecosystem, including: 1. series of Innovation grants for research and development, business liquidity, even childcare/housing assistance - to make it easier to get your startup off the ground. 2. An angel tax credit to incentivize investments from venture capitalists in Minnesota startups. 3. Education grants that empower community builders to train startups on critical skills in building a technology startups. More details are available at: <https://mn.gov/launchmn/>

The Minnesota Investment Fund

This program assists expanding businesses in creating and retaining high quality jobs with an emphasis on manufacturing, technology, and professional service employment. Grants are awarded to local governments which, in turn, make loans for specific business projects or finance public infrastructure improvements.

Minnesota Job Creation Fund

This fund provides job creation awards of up to \$500,000 and capital investment rebates of up to \$500,000 for qualifying businesses. Businesses may apply through a local government where their new or expanding business will be located and must be primarily engaged in manufacturing, warehousing, distribution, IT, or other eligible activities.

Job Training Incentive Program

This program provides grants to new or expanding businesses located in Greater Minnesota for the purposes of training workers as quickly and efficiently as possible.

Overview

Grants of up to \$200,000 are awarded to eligible businesses to provide training for new jobs. The new jobs must pay wages at least equal to the median weekly wage for the county in which the jobs are located. The new jobs must also provide at least 32 hours of work per week for a minimum of nine months per year. Businesses are required to match the grant on a .5:1 basis.

For more information regarding incentives, companies looking to develop in the Rochester MSA should contact Rochester Area Economic Development, Inc. (RAEDI) at 507.288.0208.

LABOR FORCE & POPULATION

The labor force of the Rochester MSA is often misunderstood. At a first glance, the MSA draws qualified workers from 30 to 50 miles away. The estimated labor force willing to commute and work in the Rochester MSA is about 120,000 people. There are 45 two and four-year colleges within 90 miles of Rochester. Students from these institutions show a strong tendency of seeking employment after graduation within this region. The Rochester MSA, historically, has maintained a steady rate of population growth. As a result, the labor force has continued to grow as well. The Rochester MSA, not unlike many upper Midwest cities of similar size, has experienced record low unemployment

SECTOR EMPLOYMENT ROCHESTER MSA

	2016	2017	2018	2019	2020
Total Non Farm	119,146	120,873	122,682	124,127	118,513
Goods Producing	15,092	15,160	15,483	16,161	15,362
Manufacturing	10,638	10,568	10,763	11,056	10,369
Construction	4,455	4,592	4,720	5,105	4,993
Service Providing	103,151	107,766	107,200	105,713	104,054
Wholesale Trade	2,847	2,768	2,769	2,747	2,519
Retail Trade	12,566	12,371	12,268	11,882	11,485
Transportation	2,782	2,715	2,881	2,868	2,739
Information	1,915	1,890	1,694	1,495	1,361
Financial Activities	2,661	2,822	2,841	2,826	2,767
Prof/Business Serv	6,013	6,031	6,050	6,713	5,538
Educational/Health	48,073	49,412	50,777	51,961	51,619
Leisure/Hospitality	10,514	10,798	11,245	11,456	9,048
Other Services	3,978	3,930	3,780	3,871	3,462
Government	12,707	12,978	12,875	13,145	12,614

Source: Minnesota Dept. of Employment & Economic Development

2020 UNEMPLOYMENT - SE MN COUNTIES

	Labor Force	Employed	Unemployed	Unemployment Rate	County	MN	US
Dodge	11,647	11,165	482	4.1%		4.0%	6.5%
Fillmore	11,388	10,949	439	3.9%		4.0%	6.5%
Goodhue	26,605	25,513	1,092	4.1%		4.0%	6.5%
Houston	10,258	9,925	333	3.2%		4.0%	6.5%
Mower	20,641	19,820	821	4.0%		4.0%	6.5%
Olmsted	86,605	83,295	3,310	3.8%		4.0%	6.5%
Steele	21,341	20,503	838	3.9%		4.0%	6.5%
Wabasha	12,145	11,648	497	4.1%		4.0%	6.5%
Winona	28,616	27,618	998	3.5%		4.0%	6.5%

Source: Minnesota Dept. of Employment & Economic Development

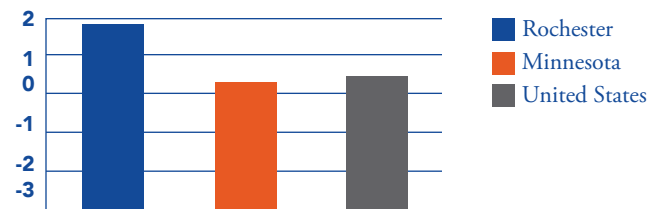
For salary survey information for southeastern Minnesota, go to <http://www.raedi.com/doing-business-here/workforce.php>

POPULATION ROCHESTER MSA

YEAR	POPULATION	MEDIAN AGE
1970	136,620	27.09
1980	148,540	29.15
1990	163,430	32.27
2000	185,170	35.86
2010	207,220	37.65
2020	223,150	38.77
2030	239,860	40.25
2040	255,470	40.26
2050	270,690	39.55

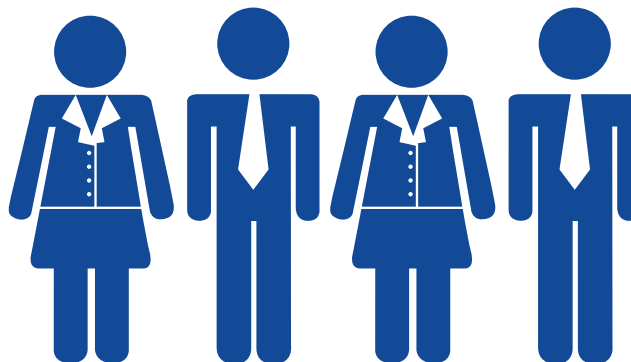
Source: Woods & Poole Economics 2020

LABOR FORCE GROWTH RATES Average Rate of Growth 2011-2020



From 2011-2020, the Rochester area's labor force grew 1.93 percent annually while the U.S. and Minnesota's rates grew at .35 percent and .43 percent annually.

Sources: Minnesota Dept. of Employment & Economic Development



MAJOR EMPLOYERS IN THE ROCHESTER MSA

Please note that this list is not all inclusive and represents a snapshot of business and industry in the Rochester area. Minnesota is not a right-to-work state. Although organized labor is prevalent in the state of Minnesota, Rochester traditionally has lower union employment than other areas of the state. Besides the usual labor organizations representing hotels, teachers,

nurses, construction, and government employees, very few employees are represented by organized labor. These numbers below reflect full and part-time employees.

Updated: May 2021

Est.	Firm	Employees	Type of Business
1914	Mayo Clinic	40,100	Medical/Hospital
1858	Rochester Public Schools	2,872	Education Services
1911	IBM	2,791	Electronics/Computer
1949	Olmsted Medical Center	1,372	Medical/Hospital Services
1855	Olmsted County	1,301	County Government
1868	City of Rochester	1,181	Local Government
1970	McNeilus Truck & Manuf.	1,170	Mobile concrete mixers, garbage trucks
1993	Charter Communications	672	Cable Television/High Speed Internet
1995	Cardinal of Minnesota	526	Res. Services/Dev. Disability
1915	RCTC	500	Post Secondary Education
1994	Benchmark Electronics	495	Contract Mfg/Design/Engineering
1984	Federal Medical Center	448	Corrections/Medical
1948	McNeilus Steel, Inc.	425	Steel Fabrication
1961	Crenlo	400	Fabricated Metal
1978	Halcon	400	Furniture Manufacturer
1990	Geotek	350	Pultruded fiberglass products
1922	Samaritan Bethany, Inc.	315	Health Care of the Aging
1970	Pace Dairy	285	Dairy Processing
1976	Hiawatha Homes	260	Residential Services/Dev. Disabilities
1961	Think Mutual Bank	245	Banking
1971	Rochester Meat Company	240	Meat Processor
1928	Kemps	225	Dairy Processing
2003	Home Instead Senior Care	212	Home Care Services
1877	Rochester Post Office	210	Postal/Delivery Service
1852	Rochester Catholic Schools	204	Education Services
1951	Hayfield Window & Door	200	Manufacturer of Windows and Doors
1949	Seneca Foods	197	Food Processing
1966	Zumbro Valley Mental Health	195	Human Services
1956	Ability Building Center	190	Rehabilitation Services
1934	Home Federal Savings Bank	175	Banking
1976	Harris Rochester Inc.	173	Mechanical Contractor
1972	Families First of Minnesota	170	Child Care Oversight
1912	Curtis 1000	150	Printing/Publishing
1965	Lawrence Transportation Co.	150	Refrigerated over-the-road trucking
1982	Superior Mechanical Systems	150	Air Conditioning, Refrigeration, Heating
1972	Kerry Bio-Science	145	Food ingredients, bio & pharma ingredients
1972	Strongwell Corporation	130	Pultruded fiberglass products
1964	Tuohy Furniture	130	Wood Office Furniture Manufacturer
1938	Pepsi-Cola Bottling Co.	103	Distribution Center

COUNTIES NEAR ROCHESTER MSA

Counties within 30 minutes of Rochester, Minnesota

County	Population
Olmsted	158,293
Dodge	20,934

Counties within 45-60 minutes of Rochester, Minnesota

County	Population
Dodge	20,934
Fillmore	21,067
Goodhue	46,340
Mower	40,062
Olmsted	158,293
Steele	36,649
Wabasha	21,627
Winona	50,484

Counties within 75 minutes of Rochester, Minnesota

County	Population
Dodge	20,934
Fillmore	21,067
Freeborn	30,281
Goodhue	46,340
Houston	18,600
Mower	40,062
Olmsted	158,293
Rice	66,972
Steele	36,649
Wabasha	21,627
Winona	50,484

Iowa Counties

Howard	9,158
Mitchell	10,586
Winneshiek	19,991

Wisconsin Counties

LaCrosse	118,016
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Counties within 90 minutes of Rochester, Minnesota

County	Population
Carver	105,089
Dakota	429,021
Dodge	20,934
Fillmore	21,067
Freeborn	30,281
Goodhue	46,340
Houston	18,600
Le Sueur	28,887
Mower	40,062
Olmsted	158,293
Rice	66,972
Scott	149,013
Steele	36,649
Wabasha	21,627
Waseca	18,612
Washington	262,440
Winona	50,484

Iowa Counties

Allamakee	13,687
Cerro Gordo	42,450
Chickasaw	11,933
Floyd	15,642
Howard	9,158
Mitchell	10,586
Winneshiek	19,991

Wisconsin Counties

Buffalo	13,031
LaCrosse	118,016
Pierce	42,754
Trempealeau	29,649

Total population within 30 minutes:	179,227
Total population within 45-60 minutes:	424,605
Total population within 75 minutes:	669,060
Total population within 90 minutes:	1,831,268

Sources: U.S. Census Bureau 2019 Population

NATURAL GAS & ELECTRICAL UTILITIES

Natural Gas Utilities

Throughout the Rochester MSA, natural gas service is provided by Minnesota Energy. Gas rates are available in the classifications of residential, commercial, small volume interruptible, large volume interruptible, and industrial firm. Small volume interruptible is defined as using less than 200 MCF per day. Large volume interruptible is defined as using more than 200 MCF per day. Very large volume and new development incentives are available. Minnesota Energy Contact: Paul O'Sullivan, 507.529.5117

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Electrical Utilities

The Rochester MSA is offered by the following electrical utilities.

Rochester Public Utilities (RPU)

Operates the city of Rochester's utility with power supplied by Southern Minnesota Municipal Power Agency (SMMPA) and its own generation plants. Other local communities within the Rochester MSA also have their own utility including the cities of Lanesboro, Preston, Spring Valley, and Kasson. <https://www.rpu.org/>

Xcel Energy

Provides electrical service for Byron and Pine Island, and People's Energy Cooperative provides electric service to nearly 19,000 members in six area counties including Dodge, Fillmore, Mower, Olmsted, Wabasha and Winona. <https://www.xcelenergy.com/>, <https://peoplesrec.com/>

MiEnergy Cooperative

Formed in 2017 from the merger of Hawkeye REC and Tri-County Electric Cooperative. Hawkeye REC was founded in 1936 and since then the membership has covered a range of home, farm, business and commercial consumers in Chickasaw, Howard and Winneshiek counties in Iowa. Before the merger with Tri-County Electric Cooperative, HREC had about 6,700 electrical services.

Tri-County Electric Cooperative

Founded in 1936 when power was not available to rural residents. Local citizens banded together to build lines going out to their homes and farms. For 80 years, TEC served three counties in Minnesota including Winona, Houston and Fillmore and parts of Olmsted and Mower counties and also served portions of Howard, Winneshiek and Allamakee

PHONE NUMBERS FOR ELECTRICAL UTILITIES

Rochester Public Utilities (RPU)

507.280.1500

Xcel Energy

800.895.1999

Peoples Energy Cooperative

507.367.7000

MiEnergy Cooperative

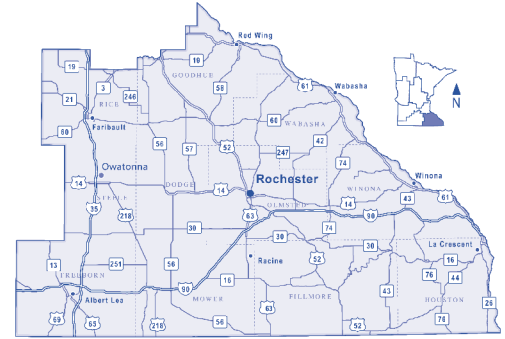
507.864.7783

TRANSPORTATION

The Rochester MSA serves as a regional transportation hub serving southeastern Minnesota, northern Iowa, and western Wisconsin with vital road, rail, and air service links to the entire nation and foreign destinations.

Roadway

Traversing the entire Rochester MSA is east/west bound Interstate 90. In addition, three major U.S. highways intercept in Rochester. U.S. Highway 52 heads north to the Twin Cities and south to eastern Iowa. U.S. Highway 63 leads north towards northern Wisconsin and south to central Iowa. U.S. Highway 14 crosses the state of Minnesota to the west and enters Wisconsin at LaCrosse. In addition, there are many 10-ton secondary roads throughout the MSA.



Railroad

Rochester is located on the east-west route of the Dakota Minnesota and Eastern (DM&E) railroad. Daily rail freight service is available in Rochester by the DM&E. The nearest Amtrak station is located in Winona, one hour (45 miles) east of Rochester. Several key development sites in Byron, Eyota, and Rochester are located on or near the main line or spurs.

The DM&E is willing to participate with economic development incentives for prospective businesses requiring rail service including spur development and car moving equipment.

Air Transportation

The Rochester International Airport is located seven miles south of Rochester in the heart of the Rochester MSA. The U.S. Customs Service maintains an office at the airport for both foreign passengers and cargo.

Three major airline carriers serve the Rochester International Airport. United Airlines and American Airlines flies all jet aircraft to and from Chicago daily, and Delta Air Lines flies all jet aircrafts to and from Minneapolis and Atlanta daily. Sun Country Airlines will offer direct flights to Phoenix, Arizona, and Fort Myers, Florida, beginning in February 2022. Connection points for any other point of departure throughout the United States and the world can be made from these hubs. The passenger total for 2019 was 370,851.

Federal Express currently has daily operations at the Rochester International Airport. RST has over 330,000 square feet of useable cargo ramp space. Future planned expansion areas include approximately 730,000 square feet of both building and ramp space for cargo operation.

Signature Flight Support, a full service Fixed Base Operator (FBO), provides services for corporate and general aviation aircraft.

The Rochester International Airport has a business center that includes a hotel, restaurant, event center, offices and additional space for future development.

Rochester International Airport

Daily Departures: 12	Strength #1: 300,000 DT	Strength #2: 300,000 DT	Fuel Available: 100 LL Jet A
Runways: 2	Surface #1: Concrete Grooved	Surface #2: Wire Combed	FAA Control Tower: 5 am -11 pm
Runway 13/31: Length: 9,033 Feet	Runway 02/20: Length: 7,300 Feet	Elevation: 1,317 MSL	Lighting: (MALSR; 2ILS Instruments VOR; Radar ASR; 4 PAPI; REIL on two runways; GPS overlay)
Width #1: 150 Feet	Width #2: 150 Feet	ARFF Rating: Index B	

EDUCATION

The Rochester area school districts have over 40,000 students enrolled in public and private elementary and secondary schools. Post-secondary opportunities are available at Rochester Community and Technical College (RCTC), University of Minnesota Rochester (UMR), Winona State University - Rochester, St. Mary's University, Rochester, and Augsburg University, Rochester.

To meet the increasing demand for highly trained health professionals, Mayo School of Health-Related Sciences has over 1,800 students enrolled annually in 145 MSHS programs. For additional information, go to www.mayo.edu/mshs/. Over 51% of the Rochester MSA population has an associate's degree or higher.

The state of Minnesota also provides funding for employers seeking to develop training programs specific to their business. Employers partner with Rochester Community and Technical College to develop the curriculum, and the training may be conducted at the school or workplace.

ROCHESTER MSA EDUCATION - 2019

Education

Less than 9th Grade	2.7%
9th to 12th Grade, No Diploma	3.2%
High School Graduate or GED	94.1%
Some College, No Degree	19.1%
Associate's Degree	12.4%
Bachelor's Degree	22.7%
Graduate or Professional Degree	16.0%

Source: U.S. Census Bureau



GROSS SALES & RETAIL SALES

The Rochester MSA supports a tremendous number of visitors each year. Each year, Mayo Clinic sees over 1.3M people from all 50 states and 137 countries worldwide. Support services, especially retail stores, lodging, and restaurants benefit from these visitors. Below are tables that demonstrate the strength of the Rochester MSA economy.

OLMSTED COUNTY GROSS SALES

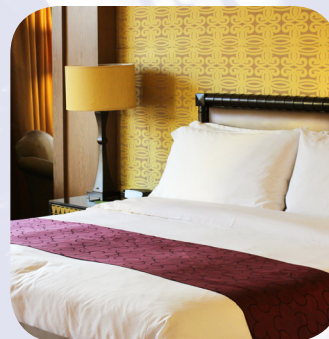
Industry	2015	2016	2017	2018	2019
Construction	\$496,882,839	\$481,687,520	\$525,441,705	\$554,743,505	\$591,224,744
Manufacturing	\$1,177,912,882	\$1,075,940,628	\$1,231,297,675	\$1,326,812,414	\$1,133,029,676
Wholesale	\$639,340,945	\$561,944,614	\$604,799,454	\$715,697,685	\$689,578,760
Retail	\$2,662,509,265	\$2,538,452,319	\$2,552,560,870	\$2,586,652,303	\$2,688,265,014
Lodging	\$138,196,658	\$143,187,403	\$147,473,684	\$163,688,750	\$149,168,317
Health Services	\$132,659,042	\$131,009,420	\$151,946,583	\$163,424,377	\$179,622,365
Total Sales	\$5,247,501,631	\$4,932,221,904	\$5,213,519,971	\$5,511,019,034	\$5,430,888,876

Source: Minnesota Department of Revenue, Sales and Use Tax Division

CITY OF ROCHESTER GROSS RETAIL SALES

Retail Industry	2015	2016	2017	2018	2019
Vehicles, Parts	\$555,669,589	\$452,589,126	\$453,401,159	\$441,246,245	\$531,620,703
Furniture Stores	\$82,869,935	\$81,028,654	\$85,727,775	\$72,264,776	\$64,952,120
Electronics	\$62,691,141	\$65,918,734	\$63,934,976	\$69,214,056	\$60,776,614
Building Material	\$182,699,863	\$180,471,903	\$198,086,732	\$199,196,429	\$189,243,509
Food Bev. Store	\$326,141,996	\$336,276,791	\$241,636,782	\$350,375,084	\$366,730,442
Health, Personal	\$84,438,475	\$95,086,434	\$87,821,127	\$82,411,240	\$83,419,801
Gasoline Stations	\$149,379,961	\$141,636,449	\$157,004,736	\$184,192,593	\$176,134,514
Clothing, Acc.	\$114,592,769	\$112,222,779	\$105,208,092	\$105,455,607	\$106,990,667
Leisure Goods	\$100,420,318	\$103,166,146	\$93,384,137	\$98,848,052	\$102,349,885
Gen. Merch.	\$624,036,988	\$589,774,362	\$616,412,428	\$638,143,808	\$628,727,647
Misc. Store Retailer	\$88,268,091	\$91,222,989	\$84,642,206	\$82,612,052	\$90,943,384
Nonstore Retailers	\$8,136,692	\$8,859,531	\$9,490,741	\$9,169,579	\$10,866,759

Source: Minnesota Department of Revenue, Sales and Use Tax Division





HOUSING

2020 Annual Report on the Southeast Minnesota Housing Market

The 2020 housing market was unexpectedly turbulent towards the end of the first quarter due to the pandemic that spread across the country. As the first wave of COVID-19 hit in the spring, housing market activity slowed substantially before staging a dramatic comeback just a couple months later.

Buyer activity was the leader again in 2020. With mortgage interest rates setting record lows multiple times throughout the year and a strong drive by many buyers to secure a better housing situation – in part due to the new realities brought on by COVID-19 – many segments of the market experienced a multiple-offer frenzy not seen in the last 15 years or more.

While markedly improved from their COVID-19 spring lows, seller activity continued to lag buyer demand, which had strengthened the ongoing seller's market for most housing segments as inventories remain at record lows.

For 2021, buyer demand is expected to remain elevated and tight inventory will continue to invite multiple offers and higher prices across much of the housing inventory. Mortgage rates are expected to remain low, helping buyers manage some of the increases in home prices and keep them motivated to lock in their housing costs for the long term. These factors will provide substantial tailwinds for the housing market in 2021.

Source: Southeast Minnesota REALTORS

MEDIAN SALES PRICE FOR HOMES IN ROCHESTER

2013	2014	2015	2016
\$165,000	\$169,900	\$180,000	\$195,800
2017	2018	2019	2020
\$220,000	\$232,950	\$244,0500	\$259,900

Source: Southeast Minnesota REALTORS

HOUSING UNIT CONSTRUCTION

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Single Family Homes	208	299	326	323	364	416	429	346	289	265
Multi Family Units	183	119	60	124	1,156	981	613	1,068	519	121

Source: Rochester Building & Safety

PERSONAL AND PER CAPITA INCOME

PER CAPITA INCOME 2010- 2019

	2010	2011	2012	2013	2014
Rochester	\$42,697	\$44,038	\$46,219	\$46,559	\$47,492
Minnesota	\$42,605	\$45,345	\$47,851	\$47,932	\$50,243
United States	\$40,545	\$42,735	\$44,598	\$44,851	\$47,058
	2015	2016	2017	2018	2019
Rochester	\$49,492	\$50,369	\$52,427	\$54,918	\$56,050
Minnesota	\$52,336	\$53,058	\$54,930	\$57,346	\$58,830
United States	\$49,003	\$49,995	\$52,096	\$54,581	\$56,474

Bureau of Economic Analysis

ENTREPRENEURIAL SERVICES

Mayo Clinic Business Accelerator

RAEDI provides space for entrepreneurs in the Rochester. RAEDI operates the Mayo Clinic Business Accelerator which provides infrastructure that enables entrepreneurship for the Rochester community.

Founded in 2013 and expanded in 2015 by RAEDI, the City of Rochester, Mayo Clinic Treasury Services, and Mayo Clinic Ventures, the Mayo Clinic Business Accelerator provides collaborative space for new companies, venture capital firms, and entrepreneurs. It also works with existing companies and service providers to support entrepreneurial ventures.

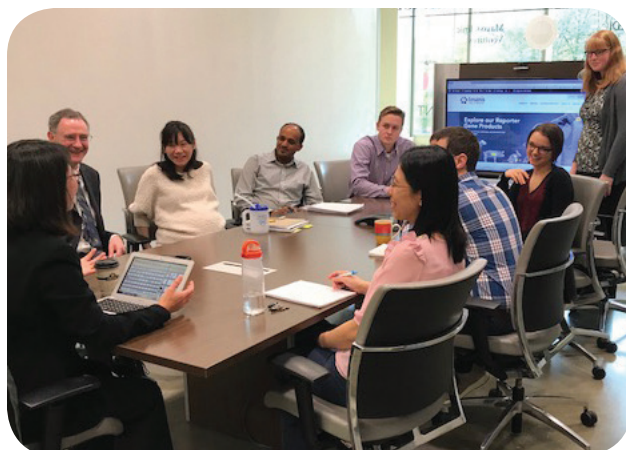
Located in close proximity to Mayo Clinic, our space encompasses over 3,000 square feet within the Skyway level of the Minnesota BioBusiness Center in Rochester. By bringing together like-minded entrepreneurs, investors, and advisors, we create a unique ecosystem for the Rochester community to share ideas, resources and expertise. This ecosystem, in turn, promotes local and regional economic development through new company creation and expansion. www.mcbusaccel.com



Collider @ MBC

Collider Coworking @ MBC is located at the Minnesota BioBusiness Center in downtown Rochester. In partnership with RAEDI and the Mayo Clinic Business Accelerator and the City of Rochester, Collider's space offers two open collaborative spaces, private offices, quiet rooms, and a large conference room. Collider @ MBC is located on the second-floor skyway level of the building with direct access to Mayo Clinic, dining, and lodging. collider.mn/collider-coworking

For more information on Mayo Clinic Business Accelerator, contact Sean Williams at 507.288.0208. For more information on Collider @ MBC, contact Jamie Sundsback at 507.722.0306.





The Rochester area is a great place to invest.

The economy here continues to grow
at a pace faster than that of the state
and nation.



Rochester Area Economic Development, Inc.

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