

# Quarterly Economic Report

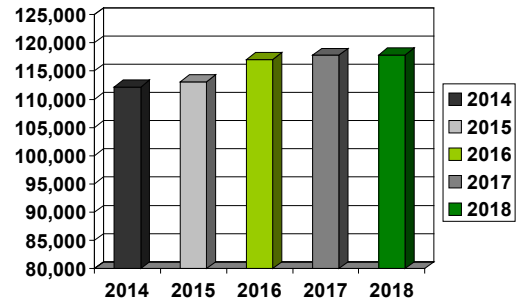
Rochester Area Economic Development, Inc. (RAEDI)

First Quarter, 2018

## Total Employment

Nonagricultural wage and salary employment for the Rochester MSA increased by .06 percent over the last year. The gain of 70 jobs brought the total employment figure to 117,841 from the March 2017 level of 117,771. Goods Producing showed a slight loss over the last 12 months and Service Providing reported a gain.

## Total Employment First Quarter



## Rochester MSA Employment Past 5 Years

	<u>March</u> <u>2014</u>	<u>March</u> <u>2015</u>	<u>March</u> <u>2016</u>	<u>March</u> <u>2017</u>	<u>March</u> <u>2018</u>
<b>Total Employment</b>	112,732	113,103	117,025	117,771	117,841
<b>Goods Producing</b>					
Construction, Mining, Logging	3,402	3,596	3,833	3,926	3,803
Manufacturing	10,808	10,678	10,467	10,277	10,334
<b>Service Providing</b>					
Wholesale Trade	2,500	2,705	2,797	2,593	2,634
Retail Trade	11,832	11,875	12,370	12,193	12,136
Transportation/Warehousing	2,826	2,827	2,814	2,789	2,875
Information	1,998	1,963	1,947	1,854	1,865
Financial Activities	2,746	2,634	2,622	2,734	2,734
Professional/Business Services	5,752	5,714	5,577	5,250	5,267
Educational/Health	44,732	45,234	47,661	48,930	48,074
Leisure/Hospitality	9,571	9,669	10,253	10,110	10,728
Other Services	3,590	3,774	3,923	3,973	4,004
Government	12,442	12,434	12,761	13,085	13,361

Source: Minnesota Department of Employment & Economic Development

## Unemployment

The Rochester MSA unemployment rate dropped by .3 percent from a year ago, ending first quarter at 3.4 percent. The rates for January and February were both 3.6 percent. The Rochester average remains below the state and U.S. averages of 3.8 and 4.1 percent respectively.

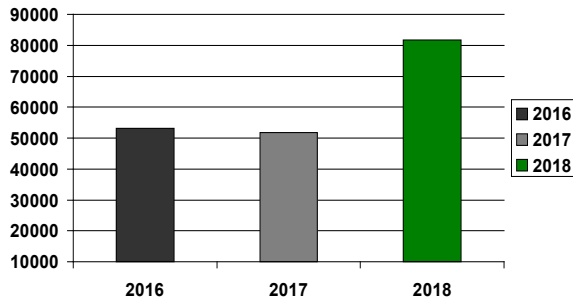
The March labor force figure of 122,123 represents an increase of 2% percent from the March 2016 figure of 119,717.

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

	<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
2014	4.7%	2014 5.4%	2014 6.8%
2015	4.1%	2015 4.5%	2015 5.6%
2016	3.9%	2016 4.6%	2016 5.1%
2017	3.7%	2017 4.4%	2017 4.6%
2018	3.4%	2018 3.8%	2018 4.1%

Source: Minnesota Department of Employment & Economic Development

## Airport Passenger Traffic First Quarter Comparisons



Source: Rochester Airport Company

## Quarterly Airport Traffic

The Rochester International Airport serviced 81,611 passengers during the first quarter of 2018. This represents an increase of 57.7 percent over first quarter 2017 (51,740 passengers) and 53.3 percent over first quarter 2016 (53,234 passengers). Passenger totals for January, February and March were 25,797, 26,436 and 29,378 respectively.

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. Area businesses and organizations, including Mayo Clinic, have adopted policies to “Fly Local” which has also added to the increase.

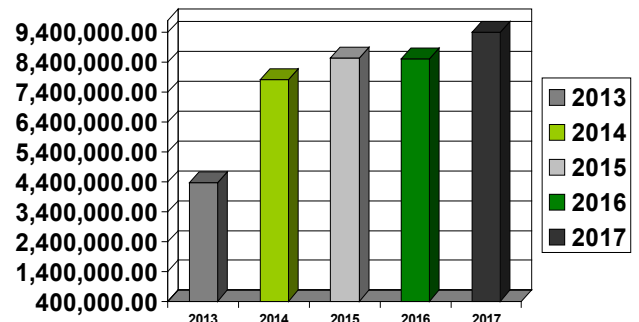
Air cargo shipments were up 1.6 percent from first quarter 2017.

## Hotel/Motel Sales Tax - City of Rochester

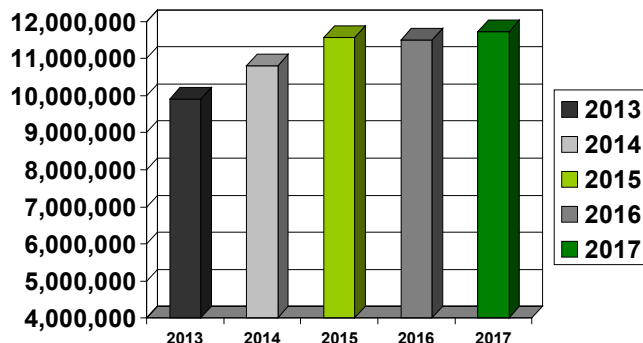
January-December 2013	\$4,360,232.58
January-December 2014	\$7,803,499.46
January-December 2015	\$8,526,725.96
January-December 2016	\$8,517,102.28
January-December 2017	\$9,391,247.91

Source: City of Rochester Finance Department

## Hotel/Motel Sales Tax – Past 5 Years



## Net Sales Tax – Past 5 Years

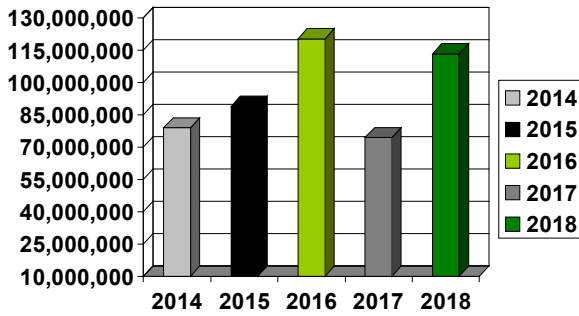


## Net Sales Tax - City of Rochester

January-December 2013	\$ 9,911,917.35
January-December 2014	\$10,799,977.98
January-December 2015	\$11,559,610.62
January-December 2016	\$11,500,132.84
January-December 2017	\$11,720,908.26

Source: City of Rochester Finance Department

### First Quarter Commercial & Residential Valuation Comparison



### Commercial and Residential Building Permits First Quarter Past 5 Years

	<u>Valuation</u>	<u>Total Permits</u>
2018	\$113,204,651	446
2017	\$ 74,348,432	313
2016	\$120,241,049	455
2015	\$ 88,896,262	439
2014	\$ 78,794,798	397

Source: Building Safety - City of Rochester

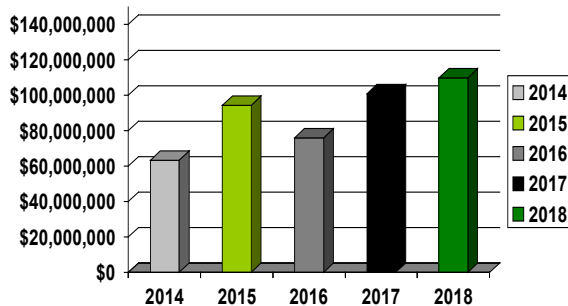
### First Quarter Building Activity

Commercial and residential building permits issued for first quarter 2018 totaled \$113,204,651. This represents increases of 52.3 percent over first quarter 2017, a decrease of 6.2 percent over 2016, and increases of 27.3 percent over 2015, and 43.7 percent over 2014.

Permits over \$1 million for first quarter 2018 included: interior alteration, replace refrigeration cases, coolers and freezers (Walmart North), phase 2 of building addition, completion of interior work shell and alteration within existing school (Hoover Elementary), partial structural set through level 1 (Discovery Square Phase 1), CIL/ AIL/PIL lab relocation (Superior Drive Support Center), MIC warehouse temperature control project, radiology incremental remodel-CT Scanner #1 (Mayo Clinic), building vertical expansion (Generose), and new credit union building (Altra Federal Credit Union).

Source: Rochester Building Safety Department

### First Quarter MLS Sales



### Home Sales First Quarter - Past 5 Years

	<u>Total Sales</u>	<u>Average Sold Price</u>	<u>Units Sold</u>
2018	\$109,788,289	\$255,321	430
2017	\$100,815,435	\$231,759	435
2016	\$76,057,613	\$208,377	365
2015	\$94,217,283	\$206,164	457
2014	\$63,420,012	\$179,152	354

Source: SE Minnesota Association of Realtors

### First Quarter Home Sales

First quarter sales of single family homes in Rochester were \$109,788,289. This represents an increase of 8.9 percent over first quarter 2017, 44.4 percent over 2016, 16.5 percent over 2015, and 73.1 percent over 2014.

The average home in Rochester sold for \$255,321 during the first quarter of 2018, and the median sale price was \$220,000. There were 430 units sold during the first quarter and the average time on the market was 68 days.

Source: SE Minnesota Association of Realtors

# RAEDI

---

Rochester Area Economic Development, Inc.  
220 S. Broadway, Suite 100  
Rochester, MN 55904