

# Quarterly Economic Report

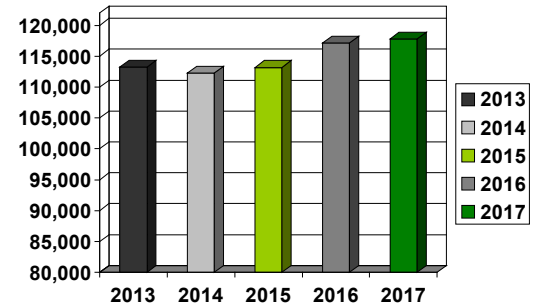
Rochester Area Economic Development, Inc. (RAEDI)

First Quarter, 2017

## Total Employment

Nonagricultural wage and salary employment for the Rochester MSA increased by .5 percent over the last year. The gain of 650 jobs brought the total employment figure to 117,742 from the March 2016 level of 117,092. Both Goods Producing and Service Providing reported gains in the last year.

## Total Employment First Quarter



## Rochester MSA Employment Past 5 Years

|                                | <u>March 2013</u> | <u>March 2014</u> | <u>March 2015</u> | <u>March 2016</u> | <u>March 2017</u> |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total Employment</b>        | 113,220           | 112,278           | 113,193           | 117,092           | 117,742           |
| <b>Goods Producing</b>         |                   |                   |                   |                   |                   |
| Construction, Mining, Logging  | 3,207             | 3,402             | 3,596             | 3,833             | 3,513             |
| Manufacturing                  | 11,112            | 10,808            | 10,678            | 10,467            | 10,485            |
| <b>Service Providing</b>       |                   |                   |                   |                   |                   |
| Wholesale Trade                | 2,739             | 2,500             | 2,705             | 2,797             | 2,669             |
| Retail Trade                   | 12,066            | 11,832            | 11,875            | 12,370            | 12,673            |
| Transportation/Warehousing     | 2,738             | 2,826             | 2,827             | 2,814             | 2,817             |
| Information                    | 1,744             | 1,998             | 1,963             | 1,947             | 1,882             |
| Financial Activities           | 2,792             | 2,746             | 2,634             | 2,622             | 2,734             |
| Professional/Business Services | 5,794             | 5,752             | 5,714             | 5,577             | 5,396             |
| Educational/Health             | 45,550            | 44,792            | 45,298            | 47,728            | 48,752            |
| Leisure/Hospitality            | 9,450             | 9,571             | 9,669             | 10,253            | 10,006            |
| Other Services                 | 3,842             | 3,590             | 3,774             | 3,923             | 4,024             |
| Government                     | 12,186            | 12,461            | 12,460            | 12,761            | 12,791            |

Source: Minnesota Department of Employment & Economic Development

## Unemployment

The Rochester MSA unemployment rate dropped by .2 percent from a year ago, ending first quarter at 3.7 percent. The rates for January and February were 5.0 and 4.7 percent. The Rochester average remains below the state and U.S. averages of 4.4 and 4.6 percent respectively.

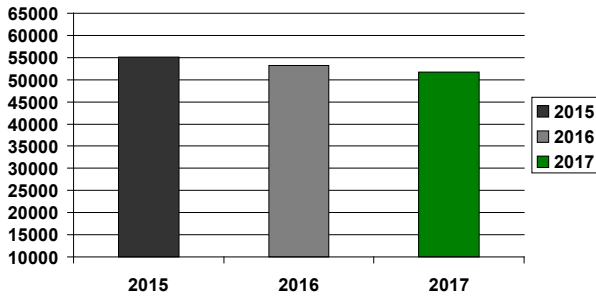
The March labor force figure of 119,056 represents an decrease of .5% percent from the March 2016 figure of 119,717.

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

|      | <u>Rochester</u> | <u>Minnesota</u> | <u>United States</u> |
|------|------------------|------------------|----------------------|
| 2013 | 4.7%             | 2013 5.7%        | 2013 7.6%            |
| 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%            |

Source: Minnesota Department of Employment & Economic Development

## Airport Passenger Traffic First Quarter Comparisons



## Quarterly Airport Traffic

The Rochester International Airport serviced 51,740 passengers during the first quarter of 2017. This represents a decrease of 2.8 percent over first quarter 2016 (53,234 passengers) and 6.1 percent over first quarter 2015 (55,110 passengers). Passenger totals for January, February and March were 16,228, 16,260 and 19,252 respectively.

Air cargo shipments were down 18.5 percent from first quarter 2016.

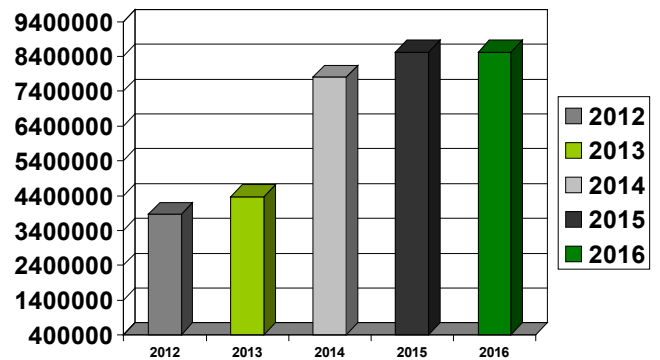
Source: Rochester Airport Company

## Hotel/Motel Sales Tax - City of Rochester

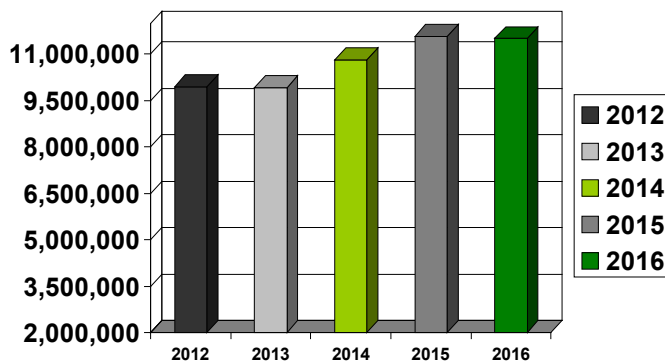
|                       |                |
|-----------------------|----------------|
| January-December 2012 | \$3,861,170.81 |
| January-December 2013 | \$4,360,232.58 |
| January-December 2014 | \$7,803,499.46 |
| January-December 2015 | \$8,526,725.96 |
| January-December 2016 | \$8,517,102.28 |

Source: City of Rochester Finance Department

## Hotel/Motel Sales Tax – Past 5 Years



## Net Sales Tax – Past 5 Years

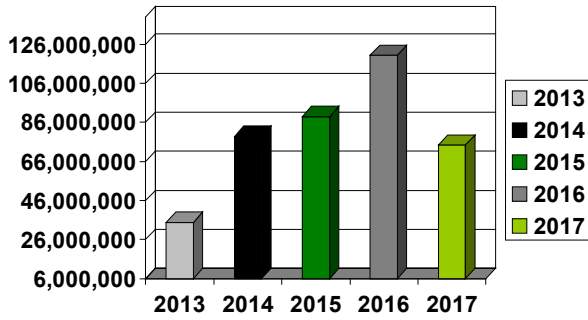


## Net Sales Tax - City of Rochester

|                       |                 |
|-----------------------|-----------------|
| January-December 2012 | \$ 9,943,196.65 |
| 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 |

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> |
|------|------------------|----------------------|
| 2017 | \$ 74,348,432    | 313                  |
| 2016 | \$120,241,049    | 455                  |
| 2015 | \$ 88,896,262    | 439                  |
| 2014 | \$ 78,794,798    | 397                  |
| 2013 | \$ 34,887,102    | 386                  |

Source: Building Safety - City of Rochester

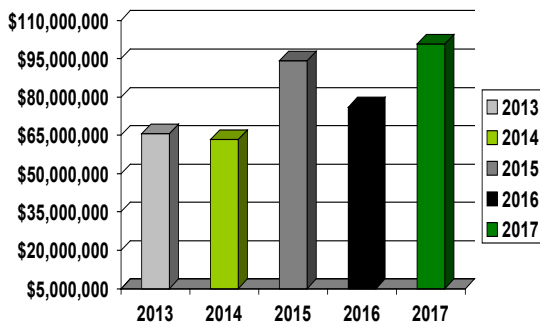
### First Quarter Building Activity

Commercial and residential building permits issued for first quarter 2017 totaled \$74,348,432. This represents decreases of 38.2 percent over first quarter 2016, 16.4 percent over 2015, 5.6 percent over 2014, and an increase of 113.1 percent over 2013.

Permits over \$1 million for first quarter 2017 included: St. Francis Elementary School, footings, foundation & waterproofing (Broadway on Center), alterations for office density executive areas level (IBM), alterations to relocate respiratory care unit, alterations to relocate endoscopy to level 6 (St. Mary's), alterations bid pack #2 - finishing areas A,B,C,D on level 7 (Methodist Hospital), new 74 bed 33,872 square foot treatment living facility (MN Teen Challenge Women's Facility), alterations for 7T MRI scanner (Charlton North lobby at Methodist Hospital), alterations of phase 1A & 1B offices (Associated Bank), new dental building 9,800 square feet (Community Dental Care), alterations to existing office building for Plummer Training Center (Mayo Clinic), and alterations for motion lab & HLP relocation (Mayo - Dan Abraham Living Center).

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> |
|------|--------------------|---------------------------|-------------------|
| 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               |
| 2013 | \$65,718,705       | \$179,559                 | 366               |

Source: SE Minnesota Association of Realtors

### First Quarter Home Sales

First quarter sales of single family homes in Rochester were \$100,815,435. This represents an increase of 32.6 percent over first quarter 2016, 7.0 percent over 2015, 59 percent over 2014, and 53.4 percent over 2013.

The average home in Rochester sold for \$231,759 during the first quarter of 2017, and the median sale price was \$194,900. There were 435 units sold during the first quarter and the average time on the market was 69 days.

Source: SE Minnesota Association of Realtors

# RAEDI

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