

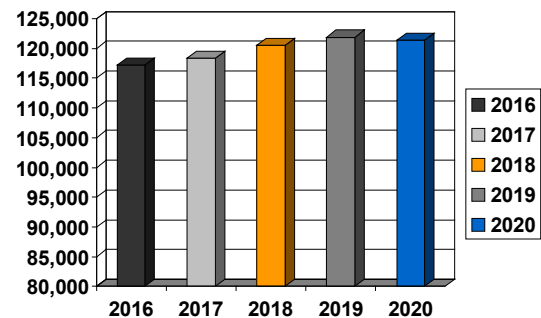
Quarterly Economic Report

Total Employment

Nonagricultural wage and salary employment for the Rochester MSA decreased by .4% over the last year. The loss of 541 jobs brought the total employment figure to 121,324 from the March 2019 level of 121,865. Goods Producing has shown a gain of 463 jobs over the last 12 months while Service Providing reported a loss of 1,004 jobs.

Covid-19 layoffs affected the last two weeks of the first quarter of 2020.

Total Employment First Quarter



Rochester MSA Employment Past 5 Years

	<u>March</u> <u>2016</u>	<u>March</u> <u>2017</u>	<u>March</u> <u>2018</u>	<u>March</u> <u>2019</u>	<u>March</u> <u>2020</u>
Total Employment	117,193	118,377	120,523	121,865	121,324
Goods Producing					
Construction, Mining, Logging	3,833	3,926	4,051	4,418	4,778
Manufacturing	10,467	10,277	10,365	10,900	11,003
Service Providing					
Wholesale Trade	2,797	2,593	2,807	2,842	2,883
Retail Trade	12,370	12,193	12,093	11,833	11,586
Transportation/Warehousing	2,814	2,789	2,773	2,765	2,687
Information	1,947	1,854	1,748	1,516	1,379
Financial Activities	2,622	2,791	2,791	2,752	2,733
Professional/Business Services	5,739	5,848	5,980	5,597	5,498
Educational/Health	47,667	48,938	50,437	51,447	50,462
Leisure/Hospitality	10,253	10,110	10,742	11,058	11,143
Other Services	3,923	3,973	3,719	3,794	3,875
Government	12,761	13,085	13,017	12,943	13,297

Source: Minnesota Department of Employment & Economic Development

Unemployment

The Rochester MSA unemployment rate fell by 0.2% from the same period last year and was 3.4% at the end of the first quarter. The rates for January and February were both 3.1%. The Rochester average remains below the state and U.S. averages of 3.9% and 4.5% respectively.

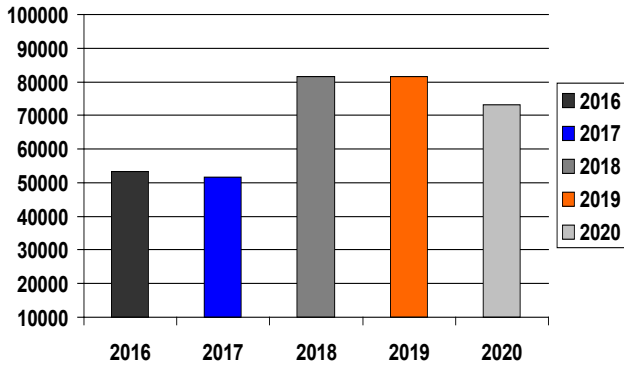
The labor force in March was 123,020, which was 1.8% lower than the March 2019 figure of 125,236.

Unemployment Rates Past 5 Years First Quarter- Rochester MSA

	<u>Rochester</u>		<u>Minnesota</u>		<u>United States</u>
2020	3.4%	2020	3.9%	2020	4.5%
2019	3.6%	2019	3.9%	2019	3.9%
2018	3.4%	2018	3.7%	2018	4.1%
2017	3.7%	2017	4.2%	2017	4.6%
2016	3.9%	2016	4.6%	2016	5.1%

Source: Minnesota Department of Employment & Economic Development

Airport Passenger Traffic First Quarter Comparison



Quarterly Airport Traffic

The Rochester International Airport serviced 73,035 passengers during the first quarter of 2020. This is a decrease of 10.4% over first quarter 2019 (81,530 passengers). The impact of Covid-19 in the last half of March 2020 impacted the number of travelers. Passenger totals for January, February and March were 28,828, 27,892 and 16,315 respectively.

The increase in passenger totals since 2018 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.

Compared with the first quarter of 2019, air cargo volume in the first quarter of 2020 decreased by 22.5%. Part of the decrease is due to Covid-19, and also the fact that Fed-Ex no longer processes Amazon packages.

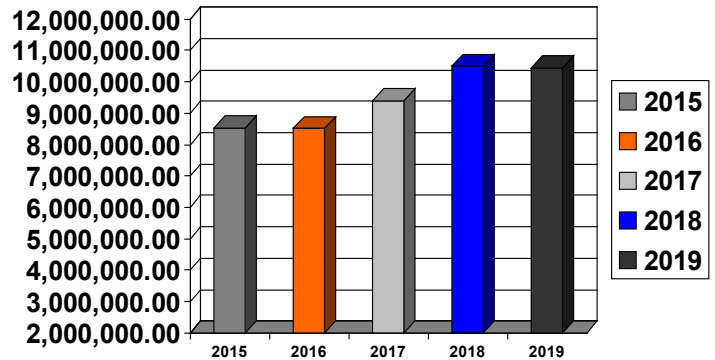
Source: Rochester Airport Company

Hotel/Motel Sales Tax - City of Rochester

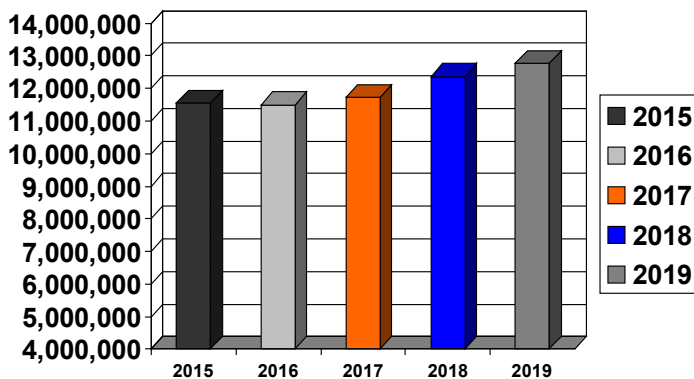
January-December 2015	\$8,526,725.96
January-December 2016	\$8,517,102.28
January-December 2017	\$9,391,247.91
January-December 2018	\$10,501,151.97
January-December 2019	\$10,439,911.33

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax – Past 5 Years



Net Sales Tax – Past 5 Years

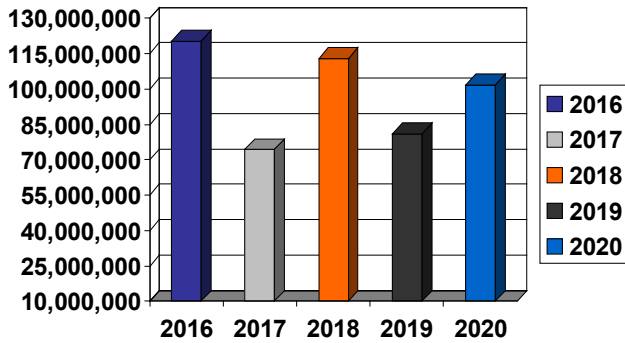


Net Sales Tax - City of Rochester

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

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>
2020	\$101,680,065	379
2019	\$ 80,965,987	381
2018	\$112,879,651	445
2017	\$ 74,348,432	455
2016	\$120,241,049	397

Source: Building Safety - City of Rochester

First Quarter Building Activity

Commercial and residential building permits issued for first quarter 2020 totaled \$101,680,065. This is an increase of 25.5% over 2019.

Permits over \$1 million for first quarter 2020 included: infrastructure centralized improvements at St. Mary's Joseph building, remodel of existing space at 41st Street professional building, interior fit-out for Crave Restaurant at Hotel Indigo, Mayo Guggenheim Research Unit led light replacement, plumbing and HVAC for Eleven 02 Hotel, archive warehouse expansion/tissue registry expansion (Mayo Clinic), patient prep room remodel at Gonda building, and IT consolidation at Valley High Business Center (Mayo Clinic).

Source: Rochester Building Safety Department

First Quarter 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>
2020	\$235,567	\$207,500	72	1,509	1,379	1,089
2019	\$208,574	\$190,000	69	1,407	1,175	945
2018	\$206,705	\$179,000	76	1,400	1,270	916
2017	\$192,288	\$164,900	85	1,555	1,314	995
2016	\$169,424	\$145,000	93	1,665	1,412	920

Source: SE Minnesota Association of Realtors

First Quarter Housing Activity

Home listings in southeastern Minnesota increased by 7.2% in the first quarter, and pending sales increased by 17.3% from the same period last year. Prices moved higher as the median sales price was up 9.2% to \$207,500, while the average sales price was up by 12.9%.

According to SE MN REALTORS, although the impact of COVID-19 varies across the country, we are likely to see the impact on housing activities now and in the coming months.

Source: SE MN REALTORS