

Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

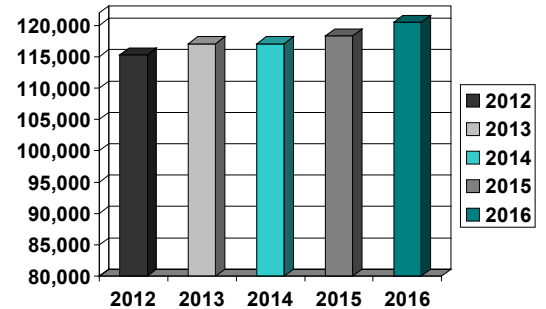
Second Quarter, 2016

Total Employment Up for Quarter

Total nonfarm employment for the Rochester MSA grew at a rate of 4.3 percent during the second quarter of 2016. The gain of 4,968 jobs brought the total employment figure up to 120,496 from the March level of 115,528. Both the Goods Producing and Service Providing sectors reported growth for the quarter.

Total employment in the last 12 months is up by 2,210 jobs. Goods producing reported a decline of 212 from a year ago and service providing was up by 2,424 jobs.

Total Employment Second Quarter



Rochester MSA Employment Past 5 Years

	<u>June 2012</u>	<u>June 2013</u>	<u>June 2014</u>	<u>June 2015</u>	<u>June 2016</u>
Total Employment					
Nonfarm	115,293	117,076	117,086	118,284	120,431
Goods Producing					
Construction, Mining, Logging	3,975	4,272	4,745	4,740	5,042
Manufacturing	11,839	11,392	10,925	11,245	10,731
Service Providing					
Wholesale Trade	2,876	2,905	2,681	2,881	3,009
Retail Trade	12,055	12,575	12,359	12,495	12,589
Transportation/Warehousing	2,547	2,652	2,795	2,847	2,789
Information	1,754	1,868	1,994	2,021	2,036
Financial Activities	2,713	2,846	2,792	2,692	2,693
Professional/Business Services	5,782	5,943	6,153	5,916	6,079
Educational/Health	45,094	45,649	45,270	46,064	48,091
Leisure/Hospitality	10,264	10,478	10,766	10,735	10,595
Other Services	3,827	3,813	3,709	3,827	3,763
Government	12,567	12,683	12,897	12,821	13,079

Source: Minnesota Department of Employment & Economic Development

Unemployment

The Rochester MSA unemployment rate decreased by .6 percent from first quarter ending the second quarter rate in June at 3.3 percent. The rates for April and May were 2.7 percent and 3.3 percent respectively. The Rochester average remains well below the state and U.S. averages of 4.0 and 5.1 percent respectively.

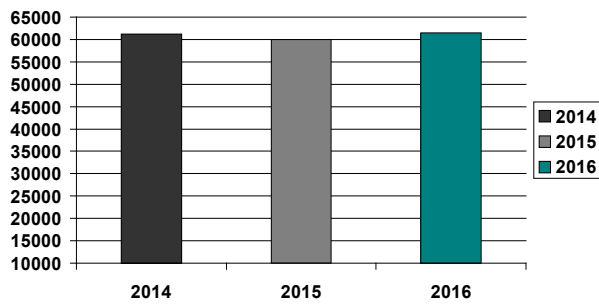
The June labor force figure of 120,627 represents a decrease of 79 persons from the March figure of 120,703.

Unemployment Rates Past 5 Years Second Quarter- Rochester MSA

	<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
2012	4.8%	2012 5.9%	2012 8.4%
2013	4.5%	2013 5.2%	2013 7.8%
2014	4.0%	2014 4.6%	2014 6.3%
2015	3.5%	2015 3.9%	2015 5.5%
2016	3.3%	2016 4.0%	2016 5.1%

Source: Minnesota Department of Employment & Economic Development

Airport Passenger Traffic Second Quarter Comparisons



Quarterly Airport Traffic

The Rochester International Airport serviced 61,534 passengers during the second quarter of 2016. This represents an increase of 2.5 percent over second quarter 2015 (60,028 passengers), and .5 percent over second quarter 2014 (61,253 passengers). Passenger totals for April, May and June were 19,587, 21,536 and 20,411 respectively.

Air cargo shipments were up 11.9 percent from second quarter 2015.

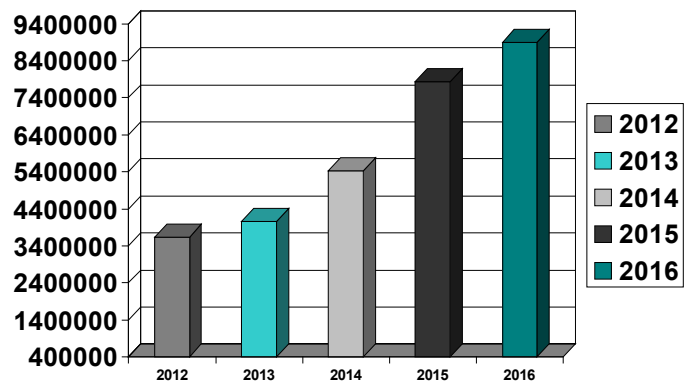
Source: Airport Manager

Hotel/Motel Sales Tax - City of Rochester

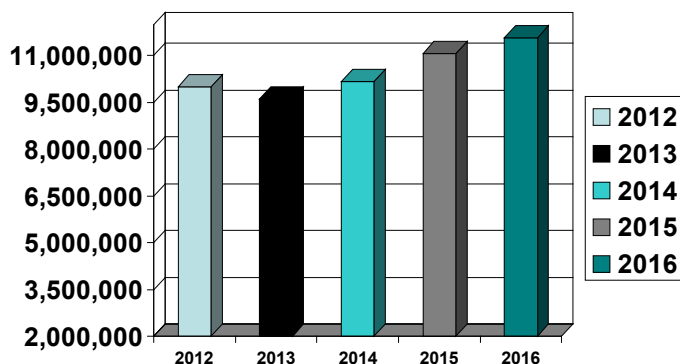
May 2011-April 2012	\$3,630,115.25
May 2012-April 2013	\$4,070,348.99
May 2013-April 2014	\$5,422,873.30
May 2014-April 2015	\$7,828,157.49
May 2015-April 2016	\$8,889,212.49

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax – Past 5 Years



Net Sales Tax – Past 5 Years

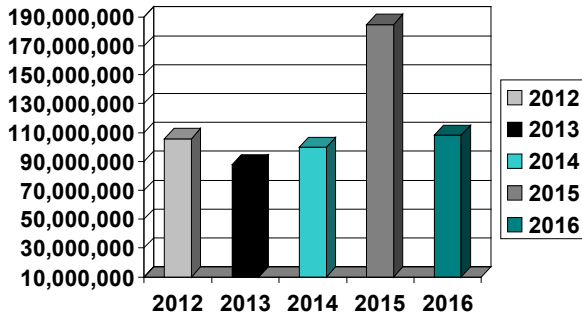


Net Sales Tax - City of Rochester

May 2011-April 2012	\$10,011,477.50
May 2012-April 2013	\$9,602,635.28
May 2013-April 2014	\$10,176,733.52
May 2014-April 2015	\$11,071,752.65
May 2015-April 2016	\$11,572,465.67

Source: City of Rochester Finance Department

Second Quarter Commercial & Residential Valuation Comparison



Commercial and Residential Building Permits Second Quarter Past 5 Years

	<u>Valuation</u>	<u>Total Permits</u>
2016	\$108,091,203	819
2015	\$184,747,084	712
2014	\$ 99,689,516	760
2013	\$ 87,614,282	647
2012	\$105,698,057	705

Source: Building Safety - City of Rochester

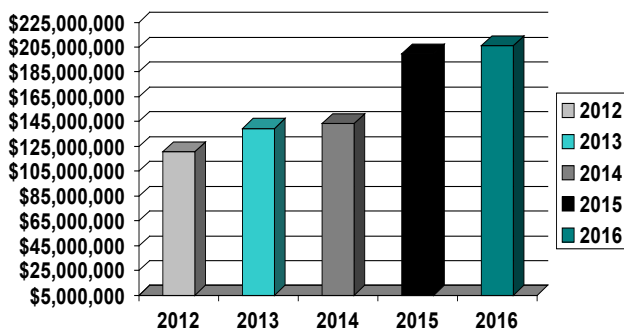
Second Quarter Building Activity

Commercial and residential building permits issued for second quarter 2016 totaled \$108,091,203. This represents decreases of 41.5 percent over second quarter 2015, and increases of 8.4 percent over 2014, 23.4 percent over 2013, and 2.3 percent over 2012.

Permits over \$1 million for second quarter 2016 included: new 70,187-square-foot 2-story assisted living (Homestead of Rochester, Phase 3), new 96,457-square-foot warehouse (Pepsi Company), new 7,000-square-foot 1-story bank (Think Mutual Bank), alterations for H&M tenant at Apache Mall, new 31,042-square-foot automotive sales & service facility (Clements Subaru) on 48th and Maine SE, new 45,811-square-foot 3-story 81-unit hotel (Sleep Inn-Mainstay Hotel), alterations to kitchen and air quality improvements (Rochester Public Schools - Churchill), reroof sections at Mayo High School, new 52,003-square-foot 29-unit, 4-story apartment building with underground parking (Lofts at Mayo Park).

Source: Rochester Building Safety Department

Second Quarter MLS Sales



Home Sales Second Quarter - Past 5 Years

	<u>Total Sales</u>	<u>Average Home Price</u>	<u>Units Sold</u>
2016	\$206,208,972	\$228,359	903
2015	\$199,390,289	\$210,549	947
2014	\$143,226,934	\$198,375	722
2013	\$139,500,141	\$186,497	748
2012	\$120,913,392	\$178,625	663

Source: SE Minnesota Association of Realtors

Second Quarter Home Sales Up

Second quarter sales of single family homes in Rochester were \$206,208,972. This represents increases of 3.4 percent over second quarter 2015, 44 percent over 2014, 48 percent over 2013, and 70.5 percent over 2012.

The average home in Rochester sold for \$228,359 during the second quarter of 2016, and the median sale price was \$192,500. There were 903 units sold during the second quarter and the average time on the market was 57 days.

Source: SE Minnesota Association of Realtors

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