

Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

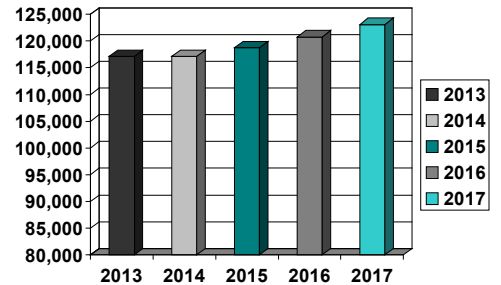
Second Quarter, 2017

Total Employment Up for Quarter

Total nonfarm employment for the Rochester MSA grew at a rate of 4.6 percent during the second quarter of 2017. The gain of 5,358 jobs brought the total employment figure up to 123,100 from the March level of 117,742. Both the goods producing and service providing sectors reported growth for the quarter.

Total employment in the last 12 months is up by 2,325 jobs. Goods producing reported an increase of 252 jobs from a year ago and service providing was up by 3,188 jobs.

Total Employment Second Quarter



Rochester MSA Employment Past 5 Years

	<u>June 2013</u>	<u>June 2014</u>	<u>June 2015</u>	<u>June 2016</u>	<u>June 2017</u>
Total Employment					
Nonfarm	117,076	117,086	118,737	120,775	123,100
Goods Producing					
Construction, Mining, Logging	4,272	4,745	4,730	4,881	5,154
Manufacturing	11,392	10,925	11,168	11,035	11,014
Service Providing					
Wholesale Trade	2,905	2,681	2,889	2,910	2,766
Retail Trade	12,575	12,359	12,506	12,717	12,661
Transportation/Warehousing	2,652	2,795	2,895	2,744	2,817
Information	1,868	1,994	2,049	1,936	1,898
Financial Activities	2,846	2,792	2,721	2,649	2,750
Professional/Business Services	5,943	6,153	5,922	5,761	6,005
Educational/Health	45,649	45,270	46,113	47,875	49,685
Leisure/Hospitality	10,478	10,766	11,070	11,245	11,109
Other Services	3,813	3,709	3,850	3,934	4,095
Government	12,683	12,897	12,801	13,088	13,146

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 3.1 percent. The rates for April and May were 3.1 percent and 2.9 percent respectively. The Rochester average remains well below the state and U.S. averages of 3.7 and 4.5 percent respectively.

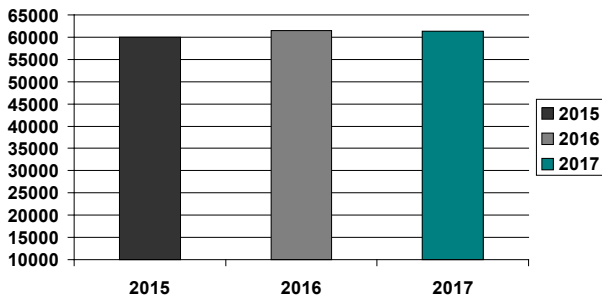
The June labor force figure of 121,657 represents a decrease of 2.1 percent from the March figure of 119,146.

Unemployment Rates Past 5 Years Second Quarter- Rochester MSA

	<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
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%
2017	3.1%	2017 3.7%	2017 4.5%

Source: Minnesota Department of Employment & Economic Development

Airport Passenger Traffic Second Quarter Comparisons



Quarterly Airport Traffic

The Rochester International Airport serviced 61,383 passengers during the second quarter of 2017. This represents a decrease of .25 percent over second quarter 2016 (61,534 passengers), and an increase of 2.3 percent over second quarter 2015 (60,028 passengers). Passenger totals for April, May and June were 18,031, 20,594 and 22,758 respectively.

Air cargo shipments were down 16.4 percent from second quarter 2016.

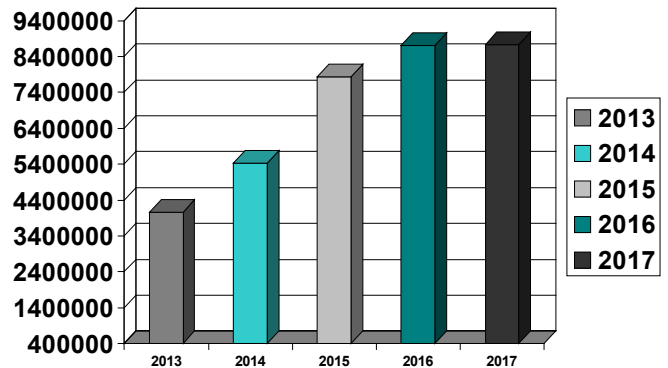
Source: Airport Manager

Hotel/Motel Sales Tax - City of Rochester

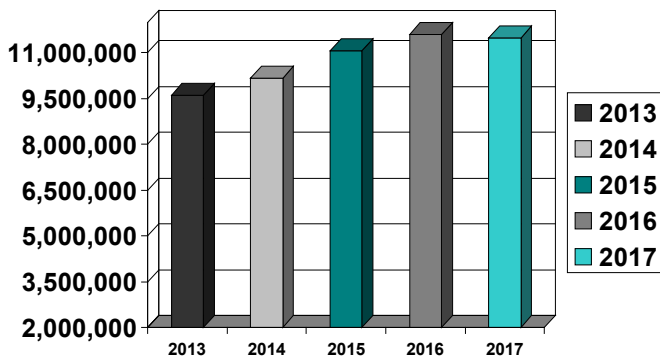
May 2012-April 2013	\$4,070,348.99
May 2013-April 2014	\$5,422,873.30
May 2014-April 2015	\$7,828,157.49
May 2015-April 2016	\$8,704,970.06
May 2016-April 2017	\$8,742,688.85

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax – Past 5 Years



Net Sales Tax – Past 5 Years

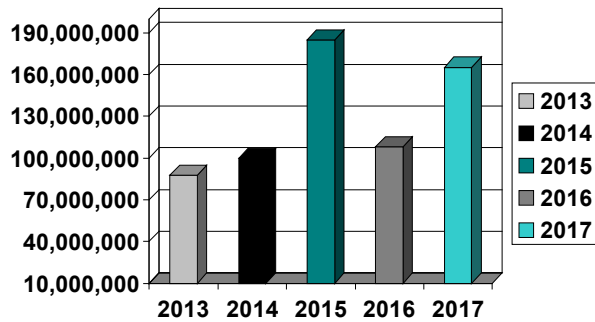


Net Sales Tax - City of Rochester

May 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	\$11,607,663.95
May 2016-April 2017	\$11,476,194.64

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>
2017	\$165,224,234	812
2016	\$108,091,203	819
2015	\$184,747,084	712
2014	\$99,689,516	760
2013	\$87,614,282	647

Source: Building Safety - City of Rochester

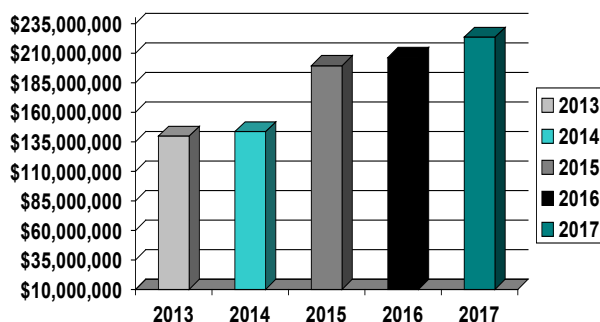
Second Quarter Building Activity

Commercial and residential building permits issued for second quarter 2017 totaled \$165,224,234. This represents an increase of 52.8 percent over second quarter 2016, a decrease of 10.6 percent over 2015, and increases of 65.7 percent over 2014, and 88.6 percent over 2013.

Permits over \$1 million for second quarter 2017 included: core building and shell (Hilton on Broadway), new 10,289 square foot Kwik Trip, 4 new rooftop units (Mayo Support Center), Mayo Clinic John E. Herman House - north and south residences and treatment commons, alterations to HVAC system upgrade and reroof Lincoln at Mann Elementary School, electrical work for new 5-story 107 unit apartment building (Miracle Mile Apartments), Fleet Farm add on, and new 46 unit apartment building (Maine Heights).

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>
2017	\$223,403,509	\$261,596	854
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

Source: SE Minnesota Association of Realtors

Second Quarter Home Sales Up

Second quarter sales of single family homes in Rochester were \$223,403,509. This represents increases of 8.3 percent over second quarter 2016, 12.4 percent over 2015, 56 percent over 2014, and 60.2 percent over 2013.

The average home in Rochester sold for \$261,596 during the second quarter of 2017, and the median sale price was \$220,000. There were 854 units sold during the second quarter and the average time on the market was 49 days.

Source: SE Minnesota Association of Realtors

RAEDI

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