

Quarterly Economic Report

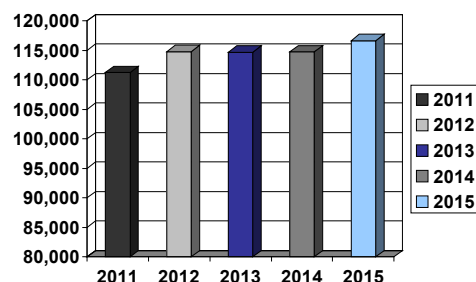
Rochester Area Economic Development, Inc. (RAEDI)

Fourth Quarter, 2016

Total Employment Up At Year-End

Nonagricultural wage and salary employment for the Rochester MSA grew over the last year at a rate of 2.6 percent. The gain of 3,031 jobs brought the total employment figure up to 119,657 from last year's December level of 116,626. Both service providing and goods producing reported increases for the year.

Total Employment Fourth Quarter



Rochester MSA Employment Past 5 Years

	<u>Dec. 2012</u>	<u>Dec. 2013</u>	<u>Dec. 2014</u>	<u>Dec. 2015</u>	<u>Dec. 2016</u>
Total Employment					
Nonfarm	114,801	114,664	114,726	116,626	119,657
Goods Producing					
Construction, Mining, Logging	3,590	3,841	4,065	4,200	4,331
Manufacturing	11,259	10,711	10,831	10,786	10,761
Service Providing					
Wholesale Trade	2,808	2,746	2,694	2,868	2,932
Retail Trade	12,580	12,732	12,419	12,668	13,082
Transportation/Warehousing	2,712	2,861	2,913	2,824	2,972
Information	1,725	1,935	1,985	1,993	2,006
Financial Activities	2,746	2,832	2,699	2,673	2,645
Professional/Business Services	5,721	5,813	5,682	5,555	5,796
Educational/Health	45,774	45,257	45,260	47,117	48,650
Leisure/Hospitality	9,611	9,763	9,890	9,379	9,809
Other Services	3,928	3,715	3,731	3,810	3,775
Government	12,347	12,458	12,655	12,753	12,898

Source: Minnesota Department of Employment & Economic Development

Unemployment

The Rochester MSA unemployment rate increased by .4 percent from one year ago ending at 3.3 percent for the 2016 year. The Rochester average remains well below the state and U.S. averages of 4.0 and 4.5 percent respectively.

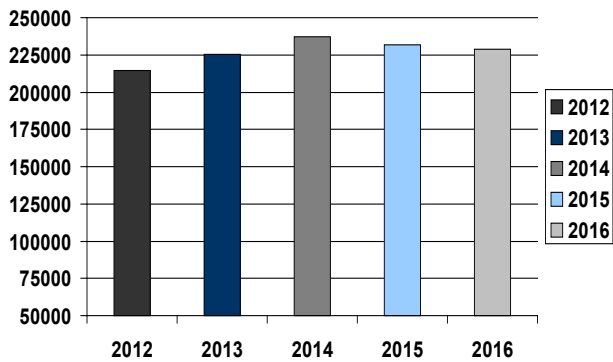
The December labor force figure of 118,324 represents a decrease of .3 percent from the December 2015 figure of 118,705.

Unemployment Rates Past 5 Years Fourth Quarter- Rochester MSA

	<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
2012	4.5%	2012 5.4%	2012 7.6%
2013	3.8%	2013 4.6%	2013 6.5%
2014	3.1%	2014 3.6%	2014 5.4%
2015	2.9%	2015 3.7%	2015 4.8%
2016	3.3%	2016 4.0%	2016 4.5%

Source: Minnesota Department of Employment & Economic Development

Airport Passenger Traffic Annual Comparison



Quarterly Airport Traffic

The Rochester International Airport serviced 229,062 passengers during 2016. This is a decrease of 1.3 percent over 2015 (237,341), and 3.5 percent over 2014 (231,966).

Air cargo shipments were down 5.8 percent from a year ago.

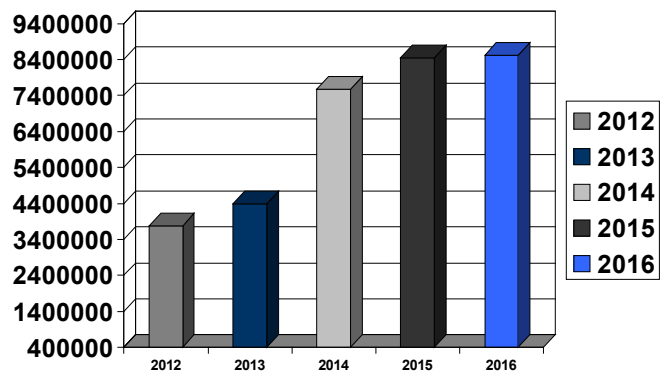
Source: Airport Manager

Hotel/Motel Sales Tax - City of Rochester

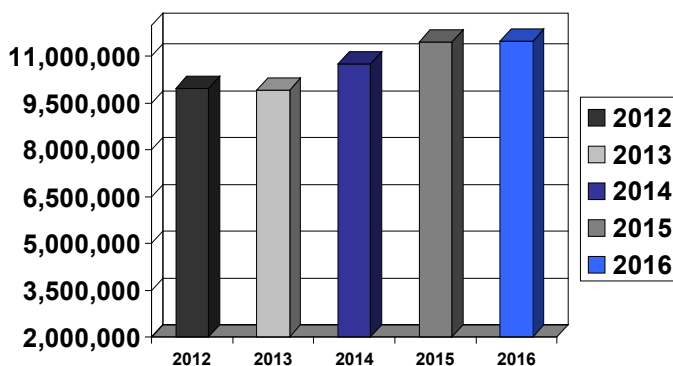
Dec 2011-Nov 2012	\$3,772,918.83
Dec 2012-Nov 2013	\$4,399,969.76
Dec 2013-Nov 2014	\$7,582,701.64
Dec 2014-Nov 2015	\$8,441,798.12
Dec 2015-Nov 2016	\$8,514,445.40

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax – Past 5 Years



Net Sales Tax – Past 5 Years

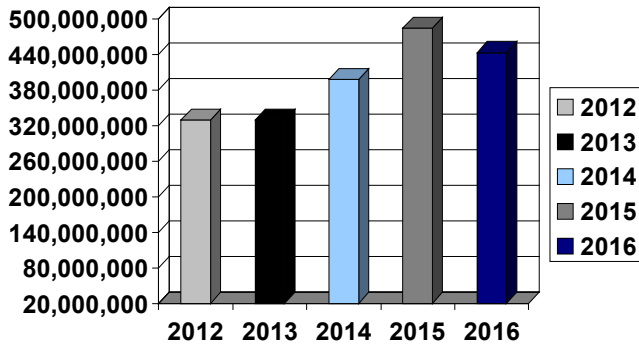


Net Sales Tax - City of Rochester

Dec 2011-Nov 2012	\$ 9,977,258.93
Dec 2012-Nov 2013	\$ 9,903,189.71
Dec 2013-Nov 2014	\$10,759,923.16
Dec 2014-Nov 2015	\$11,446,003.73
Dec 2015-Nov 2016	\$11,486,085.45

Source: City of Rochester Finance Department

Annual Commercial & Residential Valuation Comparison



Commercial and Residential Building Permits Past 5 Years

	<u>Valuation</u>	<u>Total Permits</u>
2016	\$442,846,498	2,429
2015	\$484,095,237	2,383
2014	\$397,772,603	2,358
2013	\$329,111,548	2,232
2012	\$329,039,136	2,141

Source: Building Safety - City of Rochester

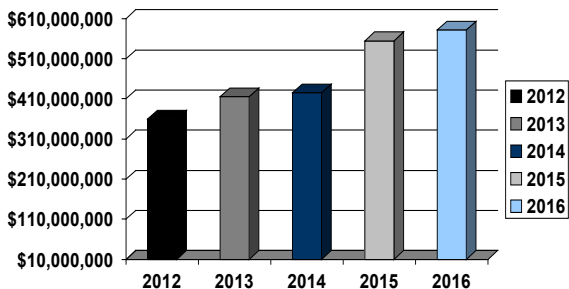
Fourth Quarter Building Activity

Commercial and residential building permits issued for 2016 totaled \$442,846,496. Permit valuation totals were down 8.5 percent from 2015, up 11.3 percent over 2014, and up 34.6 percent for both 2013 and 2012.

Permits over \$1 million during fourth quarter 2016 included: partial phase footing and foundation with pre-cast - treatment living facility (Minnesota Teen Challenge - Women's Facility), partial phase shell for storage building (Bowman Door Solution), mezzanine addition for chiller & boiler serving Kahler Grand & Marriott Hotel, electrical work for alterations for precision medicine biorepository in areas #200 & 300 (Mayo - 2915 Warehouse), partial phase shell only (site improvements, footings, exterior walls & roof) - 40,000 sq ft warehouse (Rochester Industrial Center), Alterations for hematopathology consolidation Mayo - Hilton 7), alterations for substation replacement (Mayo - Franklin 5), alterations for Core 800 Endovascular OR 802-803 fitup, Hydronic (Franklin Heating Station Decentralization Project), electrical - alterations to level 1 area A & B, for OR surgery (Methodist - Jacobson 1), and new 18,756 sq ft, and two-story daycare building (Discover Magical Moments Daycare).

Source: Rochester Building Safety Department

Annual MLS Sales Comparison



Home Sales Annual - Past 5 Years

	<u>Total Sales</u>	<u>Average Sold Price</u>	<u>Units Sold</u>
2016	\$582,040,768	\$224,639	2,591
2015	\$554,558,045	\$209,341	2,651
2014	\$425,200,005	\$197,951	2,148
2013	\$415,276,440	\$187,061	2,220
2012	\$366,902,970	\$175,191	2,042

Source: SE Minnesota Association of Realtors

2016 Home Sales

Annual sales of single family homes in Rochester were \$582,040,768 in 2016. This represents increases of 5.0 percent over 2015, 37 percent over 2014, 40 percent over 2013, and 58.6 percent over 2012.

The annual average home in Rochester sold for \$224,639 during 2016, and the median sale price was \$187,400. There were 2,591 units sold and the average time on the market was 62 days.

Source: SE Minnesota Association of Realtors

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