

Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

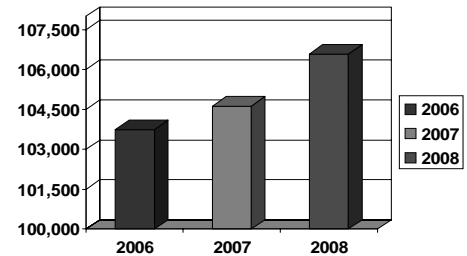
First Quarter, 2008

Total Employment

Total employment figures in the last 12 months have shown a moderate increase of 1,938 jobs since the first quarter of 2007 and an increase of 2,828 jobs since the first quarter of 2006. This long-term trend of employment growth in the first quarter has continued for the last 14 years.

As expected there was a seasonal decline in total employment of 1.0 percent for the quarter. The loss of 1,059 jobs brought the total employment figure down to 106,573 from the December level of 107,632. Totals for January, February and March were 106,421, 106,075 and 106,573 respectively.

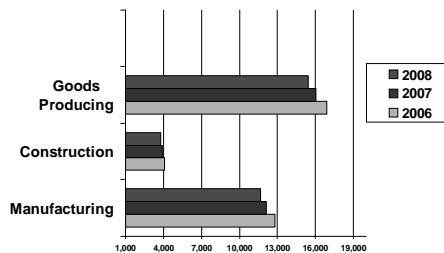
**Total Employment
First Quarter Comparison**



Goods Producing

Overall, the goods producing sector declined with a job loss of 571 or 3.6 percent in the past 12 months.

**Goods Producing Employment
First Quarter Comparisons**



A seasonal slowdown for first quarter in the goods producing area totaled a loss of 614 jobs or 3.8 percent.

Both manufacturing and construction posted seasonal decreases for the quarter of 195 and 419 respectively. Employment totals in goods producing for January, February and March were 16,780, 16,710 and 16,866.

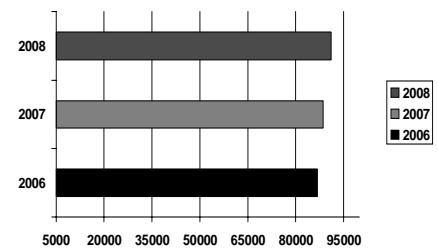
Service Providing

In the last 12 months, Service Providing payroll levels have increased by 2,509 jobs for a growth rate of 2.8 percent. Job creation was moderate with five of the ten sectors showing growth.

Education and Health Services reported the largest gain of 1,778 jobs in the last year.

For the quarter, the Service Providing sector reported a seasonal loss of 445 jobs or five tenths of one percent from fourth quarter 2007.

**First Quarter
Service Providing Comparison**



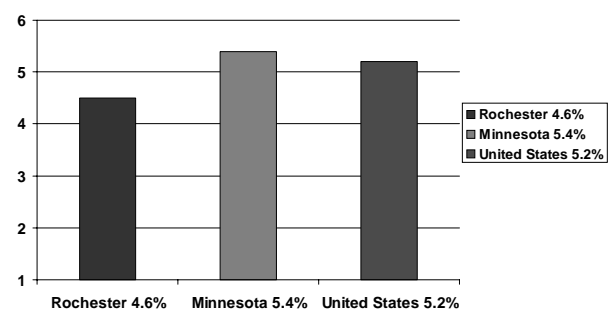
Unemployment Rate

The Rochester unemployment rate increased by five tenths of one percent since December ending the first quarter rate in March at 4.6 percent. The rates for January and February were 4.5 and 4.4 percent respectively. The Rochester average remains below the state and U.S. averages of 5.4 and 5.2 percent respectively. During the past 12 months, the average unemployment rate for Rochester was 3.9 percent.

The March labor force figure of 104,468 represents an increase of six tenths of one percent from the December figure of 103,802.

Source: Minnesota Workforce Center

**First Quarter Unemployment
Comparison Percentage**



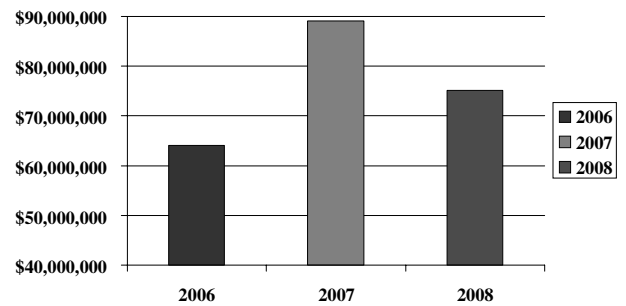
First Quarter

Building Activity

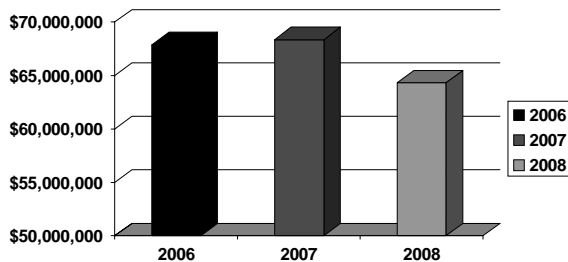
Commercial and residential building permits issued for first quarter 2008 totaled \$75,046,567. This represents a decrease of 15.7 percent from first quarter 2007 (\$89,036,726) and an increase of 17 percent over 2006 (\$64,132,284). Permits over \$1 million for first quarter 2008 included HOM Furniture Store (Miracle Mile Shopping Center), Mayo/Diagnostic 9th Floor/Relocation GI, MN Bio Business Center and Parking Ramp Expansion, Shoppes on Maine - Bldg B (Structural Shell Permit), Ag Star Financial, Comfort Inn, Shoppes on Maine (Best Buy), and 16 unit apartment building (Highway 52 N).

Source: Rochester Building Safety Department

First Quarter Commercial & Residential Building Valuation Comparison



First Quarter MLS Sales



First Quarter Home Sales

First quarter sales of single family homes in Rochester were \$64,321,004. This represents decreases of 5.3 and 5.9 percent over first quarters 2006 and 2007 respectively.

The average home remains on the market in the Rochester area for 132 days. Mortgage rates continue to remain relatively low.

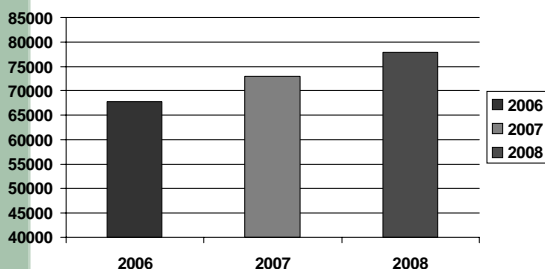
Source: SE Minnesota Association of Realtors

RAEDI

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This report is published quarterly and is available through our website at raedi.com or by calling the Rochester Area Economic Development, Inc. office at (507) 288-0208.

Airport Passenger Traffic First Quarter Comparison



Quarterly Airport Traffic

The Rochester Airport serviced 77,924 passengers during the first quarter of 2008. This represents increases of 7.2 percent over first quarter 2007 (72,924 passengers) and 14.9 percent over first quarter 2006 (67,810 passengers). Passenger totals for January, February and March were 23,750, 24,039, and 30,135 respectively.

Air cargo shipments were up 16 percent from first quarter 2007 and 5.5 percent from 2006. Source: Airport Manager

First Quarter