

Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

First Quarter, 2011

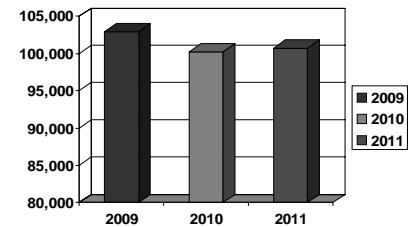
Total Employment

During first quarter, employment decreased by five-tenths of one percent from fourth quarter 2010. The quarterly loss of 1,260 jobs brought total employment to 100,753 from the December level of 102,013. A seasonal slowdown typically occurs during the first quarter.

For the last year, however, employment has increased by 488 jobs. This is a positive sign for the economy as annual growth rates haven't increased since 2007.

Totals for January, February and March were 100,875, 100,606, and 100,753 respectively.

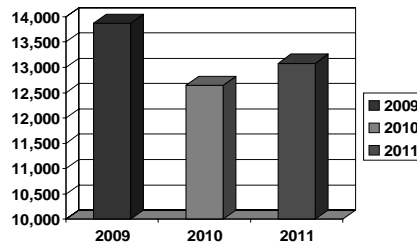
Total Employment
Annual Comparison First Quarter



Goods Producing

A slowdown during first quarter in goods producing totaled a loss of 430 jobs or 3.2 percent. This seasonal slowdown affected both construction and manufacturing, with decreases of 357 and 73 jobs respectively.

Goods Producing Employment
First Quarter



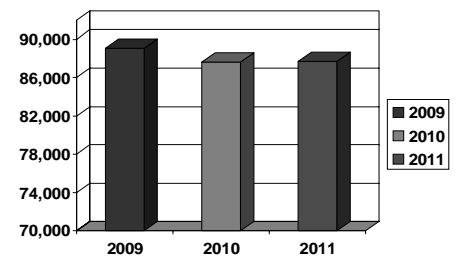
Overall, the goods producing sector gained 438 jobs in the last year, which is an increase of 3.5 percent. This is the first 12-month increase since 2006.

Employment totals in goods producing for January, February and March were 13,063, 12,985 and 13,080.

Service Providing

During the first quarter of 2011, service providing reported a loss of 830 jobs or nine-tenths of one percent. Retail trade reported the largest loss of 668 jobs while government added 285.

Service Providing Employment



Service providing payroll levels have slightly increased by 50 jobs over the last year. This is the first 12-month gain, in service providing, since 2008.

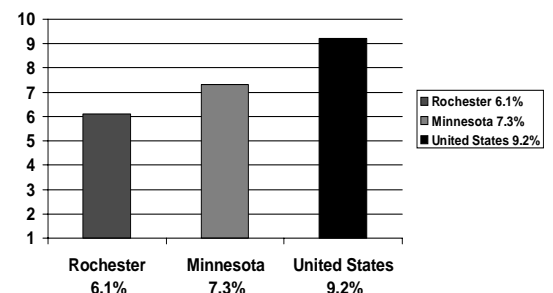
Typically, first quarter results show a seasonal slow down. However, economic indicators for both the goods producing and service providing sectors, show promise that the economy is starting to rebound from the recession based on the numbers over the last 12 months.

Unemployment Rate

The Rochester unemployment rate has increased by six-tenths of one percent since December ending the first quarter rate in March at 6.1 percent. The rates for January and February were 6.1 and 6.2 percent respectively. The Rochester average remains below the state and U.S. averages of 7.3 and 9.2 percent respectively. During the past 12 months, the average unemployment rate for Rochester was 5.6 percent.

The March labor force figure of 105,474 represents a decrease of 1.0 percent from the December figure of 106,538.

First Quarter Unemployment



Source: Minnesota Department of Employment & Economic Development

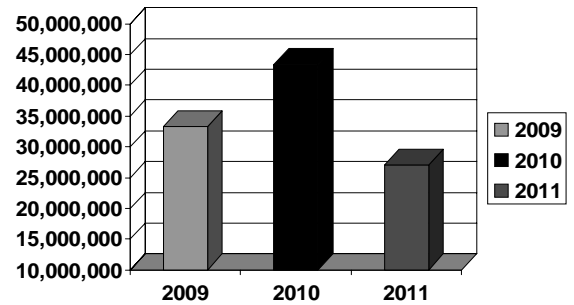
First Quarter

Building Activity Remains Slow During First Quarter

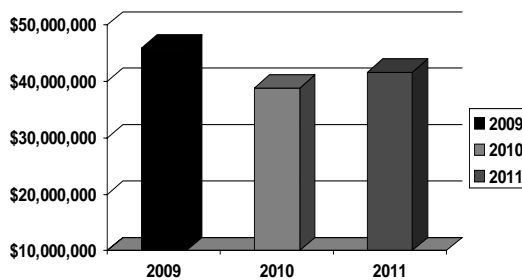
Commercial and residential building permits issued for first quarter 2011 totaled \$27,004,268. This represents a decrease of 37.7 percent from first quarter 2010 (\$43,351,435) and a decrease of 19 percent from 2009 (\$33,294,139). Permits over \$1 million for first quarter 2011 included the dialysis remodeling and integration lobby level at Mayo Clinic, El Station 52 renovation (Mayo Eisenberg project), and the 18th floor endocrinology remodel at Mayo Clinic.

Source: Rochester Building Safety Department

First Quarter Commercial & Residential Valuation Comparison



Third Quarter MLS Sales



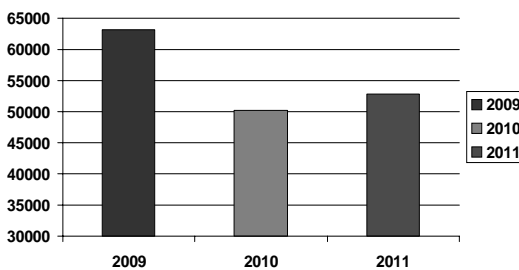
First Quarter Home Sales Rise Over Last Year

First quarter sales of single family homes in Rochester were \$41,672,295. This represents an increase of 7.4 percent (\$38,790,812) over first quarter 2010 and a decrease of 10 percent (\$45,901,492) over first quarter 2009.

The average home in Rochester sold for \$165,567 during the first quarter of 2011 and the median sale price was \$137,750. There were 242 units sold during the quarter and the average time on the market was 149 days.

Source: SE Minnesota Association of Realtors

Airport Passenger Traffic First Quarter Comparisons



Quarterly Airport Traffic Up From a Year Ago

The Rochester Airport serviced 52,843 passengers during the first quarter of 2011. This represents an increase of 5.2 percent over first quarter 2010 (50,327 passengers) and a decrease of 16.3 percent over first quarter 2009 (63,143 passengers). Passenger totals for January, February and March were 17,731, 16,035, and 19,077 respectively.

Air cargo shipments were up 6 percent from first quarter 2010.

Source: Airport Manager

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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.

First Quarter