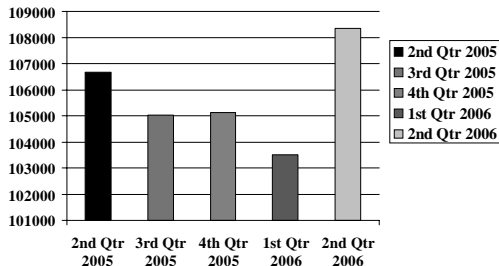


# Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

Second Quarter, 2006

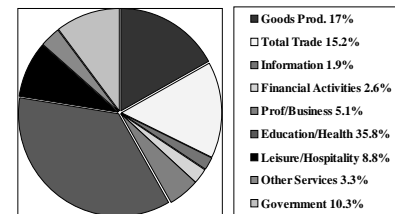
## Total Employment Quarter Comparisons



## Total Employment Increase

Nonagricultural wage and salary employment for the Rochester MSA grew at a rate of 4.7 percent during the second quarter of 2006. The gain of 4,835 jobs brought the total employment figure up to 108,333 from the March level of 103,498. Total employment figures also increased by 1,667 jobs from second quarter 2005. Employment totals for April, May and June were 104,657, 105,887 and 108,333.

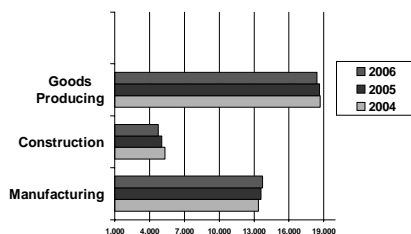
## Sector Employment as a Percent of Total Employment



## Goods Producing Shows Growth

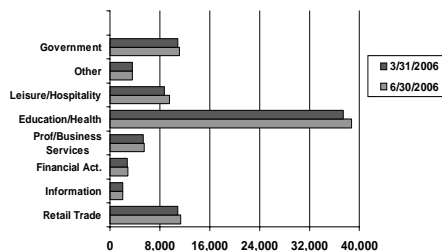
The Goods Producing sector experienced employment growth this quarter as 1,539 jobs were added for an increase of 9.1 percent over first quarter. Natural Resources/Construction/Mining showed a gain of 869 jobs while Manufacturing added 670 jobs. Goods Producing employment totals for April, May and June were 17,191, 17,755 and 18,431 respectively.

## Goods Producing Employment Annual Comparisons for 1st Quarter



Overall, the Goods Producing sector is down slightly with a loss of 196 jobs in the past 12 months.

## Service Providing Employment



## Record Employment

The Service Providing sector created 3,296 jobs this quarter for an increase of 3.8 percent over first quarter, pushing Service Providing employment to a record 89,902. Job creation was widespread with Education and Health Services showing the largest gain of 1,334 jobs for the quarter while Leisure & Hospitality added 806 jobs.

Over the last 12 months, Service Providing payroll levels have increased by 1,863 jobs for a growth rate of 2.1 percent.

## Unemployment Rate Decreases

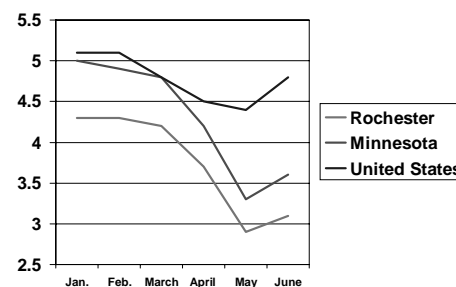
The Rochester unemployment rate decreased by more than one percent from first quarter, ending the second quarter rate in June at 3.1 percent. The rates for April and May were 2.9 percent and 3.7 percent respectively. The Rochester average, for the quarter, remains well below the state and U.S. averages of 3.6 and 4.8 percent. During the past 12 months, the average unemployment rate for Rochester was 3.4 percent.

The June labor force figure of 105,627 represents an increase of 2.1 percent from the March figure of 103,462.

Source: Minnesota Workforce Center

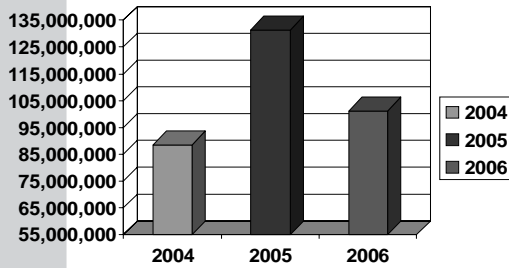
## Unemployment Rate

January – June 2006



Second Quarter

## Second Quarter Commercial & Residential Valuation



## Second Quarter Building Activity

Commercial and residential building permits issued for second quarter 2006 totaled \$101,175,495. This represents a decrease of 23 percent over second quarter 2005 (\$131,383,372) and an increase of 14.2 percent over second quarter 2004 (\$88,563,372). Year-to-date, building activity is down by 17.6 percent from the first half of 2005 and up 12 percent from the first half of 2004.

Permits over \$1 million for second quarter 2006 included Dan Abraham Healthy Living Center, St. Mary's/Clinical Lab - 8th floor, Mayo/Stabile Court Level Remodel, Assisi Heights/Sisters Residence (Phase 4), Emerald Greens LLC - Bldg #4 (12 unit), Home Design Studio, and Mayo/Stabile (11, 12 & 13 Floor Fit-up).

Source: Rochester Building Safety Department

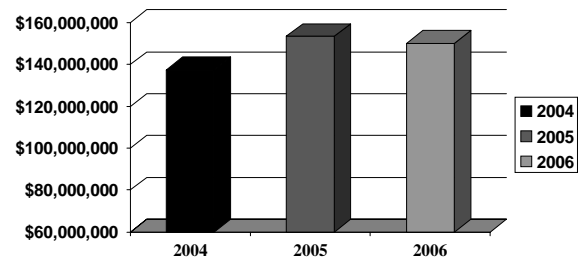
## Second Quarter Home Sales

Second quarter sales of single family homes in Rochester reached \$150,100,482. This represents a decrease of 2.1 percent over second quarter 2005 and an increase of 9.3 percent over second quarter 2004.

Home sales in the Rochester real estate market are in an adjustment period with fewer buyers and increased market time. Mortgage rates continue to remain relatively low.

Source: SE Minnesota Association of Realtors

## Second Quarter MLS Sales

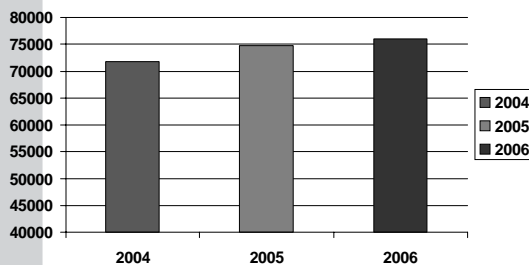


# RAEDI

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

## Airport Passenger Traffic Second Quarter Comparison



## Quarterly Airport Traffic

The Rochester Airport serviced 76,068 passengers during the second quarter of 2006. This represents an increase of 1.7 percent over second quarter 2005 (74,814 passengers) and 5.9 percent over second quarter 2004 (71,797 passengers). Passenger totals for April, May and June were 24,573, 25,473 and 26,022 respectively.

Air cargo shipments were up 13.3 percent from second quarter 2005 and down 14.7 percent from 2004. Source: Airport Manager