

# Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

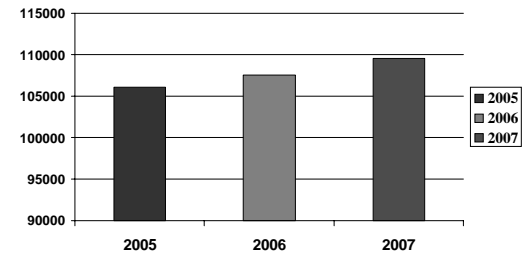
Third Quarter, 2007

## Total Employment

Total employment figures in the last 12 months have shown a healthy increase of 1,974 jobs from third quarter 2006 and 3,445 jobs since 2005. This long-term trend of employment growth in the third quarter has continued for the last 14 years.

As expected there was a seasonal turn down in total employment for the third quarter of 2007. The loss of 1,548 jobs brought the total employment figure down to 109,543 from the second quarter level of 111,091. Totals for July, August and September were 110,253, 110,244 and 109,543.

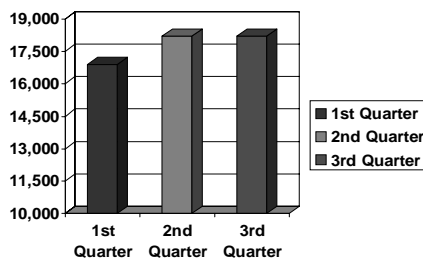
Third Quarter Total Employment Annual Comparison



## Goods Producing

The Goods Producing sector showed a slight decrease in employment for third quarter with a job loss of 18. Manufacturing reported a gain of 19 jobs while Natural Resources/Construction/Mining lost 37 jobs. Goods Producing employment totals for July, August and September were 18,503, 18,531 and 18,198 respectively.

Goods Producing Employment Quarterly Comparison

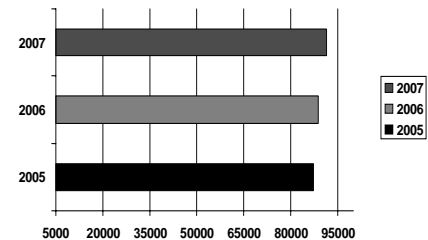


Overall, the Goods Producing sector is down slightly with a loss of 18 jobs in the past 12 months.

## Service Providing

Over the last 12 months, Service Providing payroll levels have increased by 2,637 jobs for a growth rate of 3.0 percent. Job creation was widespread with all eight service sectors showing growth in the last year. Educational and Health Services showed the largest gain year-to-date, adding 1,864 jobs.

Third Quarter Service Providing Annual Comparison



For the quarter, the Service Providing sector reported a seasonal loss of 1,530 jobs for a decrease of 1.6 percent over second quarter.

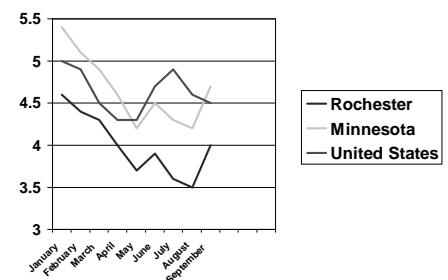
## Unemployment Rate

The unemployment rate increased by one tenth of one percent from second quarter for the Rochester MSA, ending the third quarter rate in September at 4.0 percent. The rates for July and August were 3.6 and 3.5 percent respectively. The Rochester MSA average continues to remain below the state and U.S. averages of 4.7 and 4.9 percent respectively. During the past 12 months, the average unemployment rate for Rochester was 3.8 percent.

The September labor force figure of 106,305 represents a decrease of three-tenths of one percent from the June figure of 106,612.

## Unemployment Rate

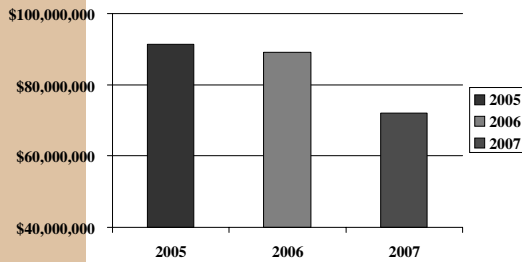
January – September 2007



Source: Minnesota Workforce Center

Third Quarter

### Third Quarter Commercial & Residential Building Valuation



### Third Quarter Building Activity

Commercial and residential building permits issued for third quarter 2007 totaled \$72,103,428. This represents a decrease of 19.2 percent over third quarter 2006 (\$89,216,638) and 21.1 percent over 2005 (\$91,391,973). Permits over \$1 million for third quarter 2007 included RCTC (Dome Foundation and Vehicle Entry Building), B'Nai Israel Synagogue, Centex Homes (8 plex), City of Rochester (Fire Station), Mayo/Methodist (Eisenberg Station 9-2 Remodel), Mayo/Methodist (Patient Corridor), Mayo Support Center (Expansion of SPPDG Lab), Mayo/Hilton (Anatomic Pathology Remodel), Mayo (Parking Garage), and West 14 Plaza (Whitebox). *Source: Rochester Building Safety Department*

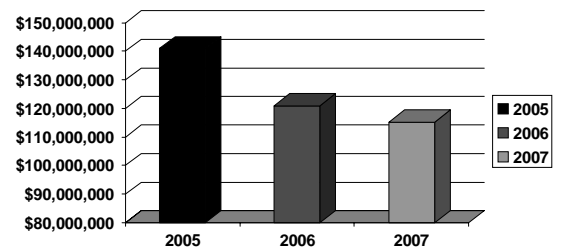
### Third Quarter Home Sales

Third quarter sales of single family homes in Rochester were \$115,261,760. This represents decreases of 4.7 percent over third quarter 2006 (\$120,956,137) and 18.3 percent over third quarter 2005 (\$141,091,148).

As the change in sales volume indicates, the Rochester real estate market continues to adjust to fewer buyers and increased market time. This is consistent with state and national trends. Mortgage rates continue to remain relatively low. The average time a house remains on the market in Rochester is 102 days.

*Source: SE Minnesota Association of Realtors*

### Third Quarter MLS Sales

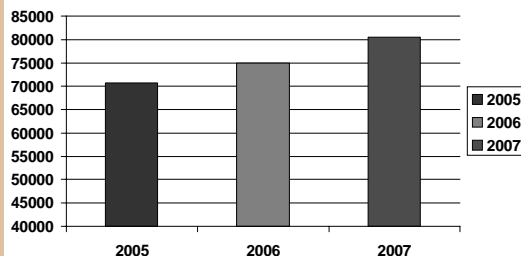


## RAEDI

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

*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 Third Quarter Comparison



### Quarterly Airport Traffic

The Rochester Airport serviced 80,499 passengers during the third quarter of 2007. This represents increases of 7.3 percent over third quarter 2006 (75,002 passengers) and 13.9 percent over third quarter 2005 (70,680 passengers). Passenger totals for July, August and September were 27,755, 27,656 and 25,088 respectively.

Air cargo shipments were up 4.4 percent from third quarter 2006 and 10.5 percent from 2005. *Source: Airport Manager*