

# Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

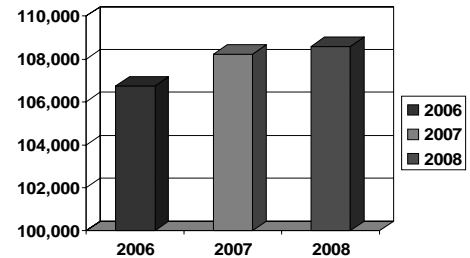
Third Quarter, 2008

## Total Employment

Total employment figures in the last 12 months have shown an increase of 349 jobs from third quarter 2007 and 1,844 jobs since 2006. This long-term trend of employment growth in the third quarter has continued for the last 15 years.

As expected there was a seasonal slow down in total employment for the third quarter of 2008. The loss of 1,582 jobs brought the total employment figure down to 108,584 from the second quarter level of 110,166. Totals for July, August and September were 109,270, 109,160 and 108,584.

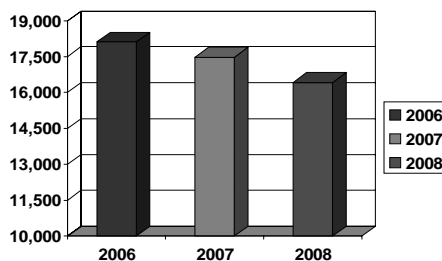
Total Employment  
Third Quarter Comparison



## Goods Producing

Goods Producing Employment  
Third Quarter Comparison

The Goods Producing sector showed a decrease in employment for third quarter with a job loss of 336. Both manufacturing and Natural Resources/



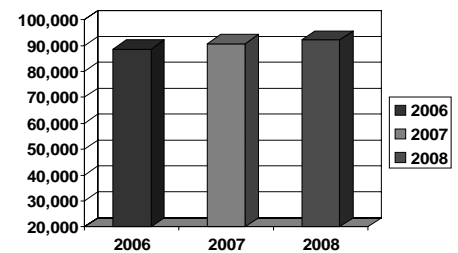
Construction/Mining lost 260 and 76 jobs respectively. Goods Producing employment totals for July, August and September were 16,807, 16,791 and 16,420 respectively.

Overall, the Goods Producing sector is down with a loss of 1,051 jobs in the past 12 months.

## Service Providing

Service Providing Employment  
Third Quarter Comparison

Over the last 12 months, Service Providing payroll levels have increased by 1,400 jobs for a growth rate of 1.5 percent. Educational and Health Services showed the largest gain year-to-date, adding 1,667 jobs while professional and business services and government lost 172 and 124 jobs respectively.



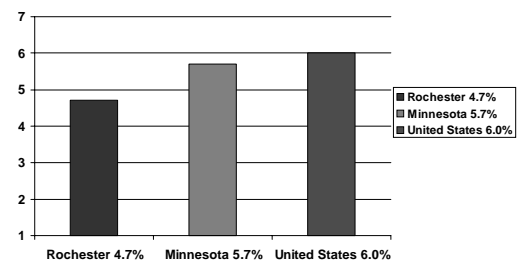
For the quarter, the Service Providing sector reported a seasonal loss of 1,246 jobs for a decrease of 1.3 percent over second quarter.

## Unemployment Rate

The unemployment rate increased by three-tenth of one percent from second quarter for the Rochester MSA, ending the third quarter rate in September at 4.7 percent. The rates for July and August were 4.5 and 4.7 percent respectively. The Rochester MSA average continues to remain below the state and U.S. averages of 5.7 and 6.0 percent respectively. During the past 12 months, the average unemployment rate for the Rochester area was 4.3 percent.

The September labor force figure of 105,094 represents a decrease of nine-tenths of one percent from the June figure of 106,088.

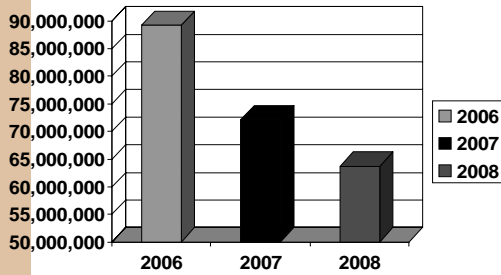
Third Quarter Unemployment  
Comparison Percentage



Source: Minnesota Workforce Center

Third Quarter

### Annual Commercial & Residential Valuation Comparison – Third Quarter



### Third Quarter Building Activity

Commercial and residential building permits issued for third quarter 2008 totaled \$63,702,624. This represents decreases of 11.7 percent over third quarter 2007 (\$72,103,428) and 28.6 percent over 2006 (\$89,216,638). Permits over \$1 million for third quarter 2008 included the George W. Gibbs Jr. elementary school, a new four-story apartment building with 67 units, and a remodel of Walmart North.

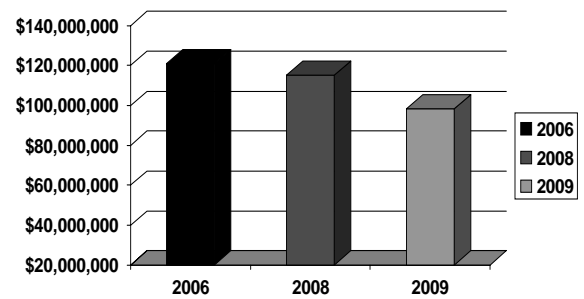
### Third Quarter Home Sales

Third quarter sales of single family homes in Rochester were \$98,400,280. This represents decreases of 15 percent over third quarter 2007 (\$115,261,760) and 19 percent over third quarter 2006 (\$120,956,137).

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 121 days. The average price of a home sold in Rochester during third quarter was \$191,068.

Source: SE Minnesota Association of Realtors

### Third Quarter MLS Sales

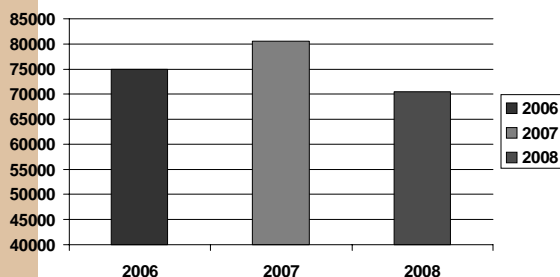


## RAEDI

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](http://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 70,509 passengers during the third quarter of 2008. This represents decreases of 12.4 percent over third quarter 2007 (80,499 passengers) and 6.0 percent over third quarter 2006 (75,002 passengers). Passenger totals for July, August and September were 24,509, 23,125 and 22,875 respectively.

Air cargo shipments were down 39.2 percent from third quarter 2007 and 36.6 percent from 2006. The drop in cargo shipments is due to DHL Express restructuring and now serving the Rochester area out of the Twin Cities airport. Source: Airport Manager