

# Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

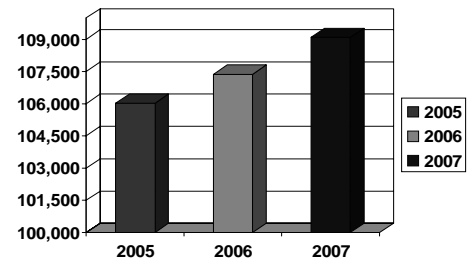
Fourth Quarter, 2007

## Total Employment

The Rochester MSA finished the year with a gain of 1,708 jobs, an increase of 1.6 percent over 2006 and 2.9 percent over 2005. Goods Producing lost 596 jobs in the last year while Service Providing added 2,304.

Nonagricultural wage and salary employment for the Rochester MSA posted a slight decrease of four-tenths of one percent during the fourth quarter of 2007. A loss of 454 jobs brought total employment down to 109,085 from the September level of 109,539. Employment totals for October, November and December were 109,348, 109,307 and 109,085 respectively.

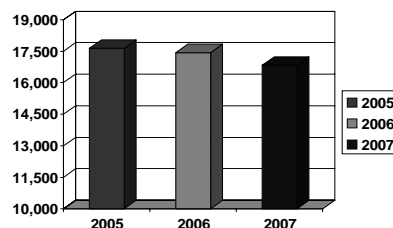
**Total Employment  
Fourth Quarter Comparison**



## Goods Producing

The Goods Producing sector experienced a decline in employment during the last 12 months with a decrease of 596 jobs or 3.4 percent. Manufacturing lost 374 jobs while Natural Resources/Construction/Mining decreased by 222 jobs.

**Goods Producing Employment  
Fourth Quarter Comparison**



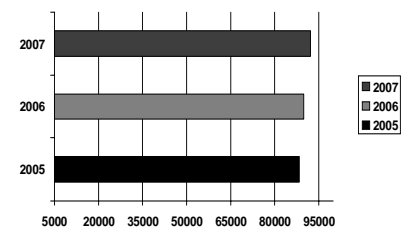
For the quarter, Goods Producing showed a seasonal slowdown with a loss of 1,444 jobs. Employment totals for October, November and December were 17,853, 17,340, and 16,821.

## Service Providing

The Service Providing sector created 990 jobs during fourth quarter for an increase of 1.1 percent. This pushed Service Providing employment to a record 92,264 jobs. Retail Trade, boosted by strong seasonal demand, led the advance with a gain of 417 jobs while Education/Health Services and Government added 409 and 381 respectively. Service Providing totals for October, November and December were 91,495, 91,967 and 92,264.

During the past 12 months, the Service Providing sector has increased by 2,304 jobs for a growth rate of 2.6 percent.

**Fourth Quarter Service Providing  
Comparison**



## Unemployment Rate

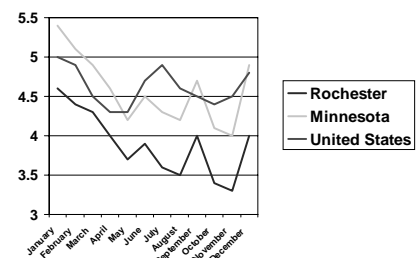
The Rochester unemployment rate was unchanged from third quarter and remained at 4.0 percent for the fourth quarter of 2007. The Rochester average remains well below the state and U.S. averages of 4.9 and 4.8 percent. During the past 12 months, the average unemployment rate for Rochester was 3.9 percent.

The December labor force figure of 105,518 represents a decrease of .7 percent from the September figure of 106,305.

Source: Minnesota Department of Employment and Economic Development

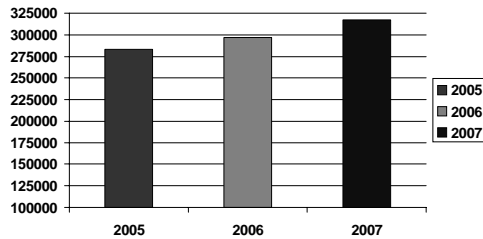
## Unemployment Rate

**January – December 2007**



Fourth Quarter

## Airport Passenger Traffic Annual Comparisons



## Quarterly Airport Traffic

The Rochester Airport serviced 317,092 passengers during the 2007 year. This represents an increase of 6.8 percent over 2006 (296,795 passengers) and 12 percent over 2005 (283,113 passengers).

For the quarter, air cargo shipments were up 2.1 percent from fourth quarter 2006.

Source: Airport Manager

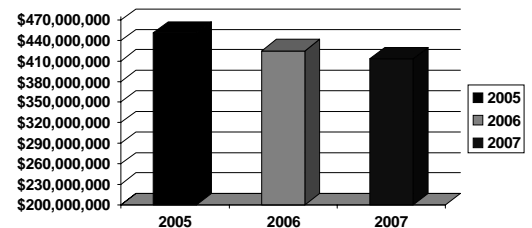
## Home Sales in Rochester

The Rochester real estate market's fourth quarter sales for single family homes totaled \$82,788,278. Sales for the 2007 year totaled \$413,401,099, down 2.8 percent from 2006 and 8.4 percent from 2005.

As the change in sales volume indicates, the Rochester real estate market continues to adjust to fewer buyers and increased market time. Mortgage rates continue to remain low. The average time a house stays on the market in Rochester is 112 days.

Source: Southeast Minnesota Assoc. of Realtors

## Annual MLS Sales Comparison



# 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.

## Fourth Quarter Building Activity

Commercial and residential building permits issued for fourth quarter 2007 totaled \$33,881,511. For the 2007 year, permit valuation totaled \$266,928,265, down 23.4 percent from 2006 (\$348,298,986) and 31 percent from 2005 (\$387,109,548).

Permits issued for fourth quarter included: *Mayo Hilton/Mycology-Mycobacteriology Remodel 8th Floor, New Office/Retail Building & Parking Ramp Expansion (footing & foundation), Madonna Living Community (Memory Care Addition), Olmsted Co. Waste to Energy Facility (footing & foundation), Chester's Restaurant, Centex Homes (2 story 8-plex with garage), and Petsmart Store.*

- Source: Rochester Building Safety Department

## Annual Commercial & Residential Valuation Comparison

