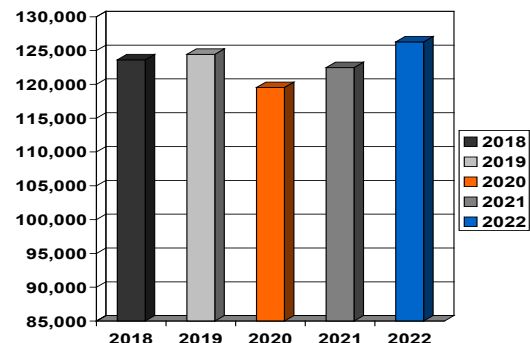


# Quarterly Economic Report

## Total Employment

Nonagricultural wage and salary employment for the Rochester MSA increased by 3.1% over the last year. The gain of 3,532 jobs brought the total employment figure to 126,291 from the September 2021 level of 122,479. Goods Producing has shown a gain of 562 jobs over the last 12 months while Service Providing reported a gain of 2,970 jobs.

Total Employment Third Quarter



## Rochester MSA Employment Past 5 Years - Third Quarter

	<u>Sept. 2018</u>	<u>Sept. 2019</u>	<u>Sept. 2020</u>	<u>Sept. 2021</u>	<u>Sept. 2022</u>
<b>Total Employment</b>	123,621	124,439	119,541	122,479	126,011
<b>Goods Producing</b>					
Construction, Mining, Logging	5,155	5,637	5,352	5,454	5,804
Manufacturing	11,150	11,175	10,160	9,623	9,879
<b>Service Providing</b>					
Wholesale Trade	2,868	2,864	2,698	2,701	2,650
Retail Trade	12,014	11,479	11,592	11,440	12,249
Transportation/Warehousing	2,839	2,753	2,404	2,290	2,628
Information	1,637	1,461	1,349	1,276	1,166
Financial Activities	2,817	2,820	2,738	2,708	2,756
Professional/Business Services	6,138	5,721	5,646	6,619	7,053
Educational/Health	50,928	51,841	52,134	53,293	54,416
Leisure/Hospitality	11,543	11,592	9,570	10,624	11,546
Other Services	3,739	3,893	3,555	3,719	3,900
Government	12,793	13,203	12,419	12,465	12,244

Source: Minnesota Department of Employment & Economic Development

## Unemployment

The Rochester MSA unemployment rate decreased by .8% from the same period last year and was 1.5% at the end of the third quarter. The Rochester average continues to remain below the state and U.S. averages of 1.8% and 3.3% respectively.

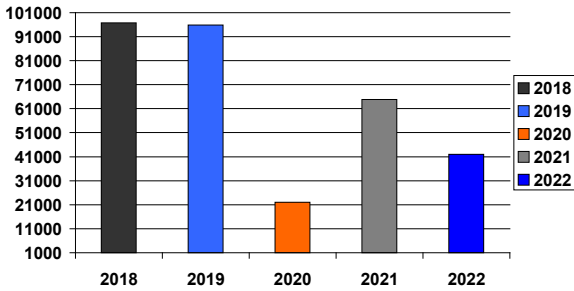
The labor force in September was 127,111, which was 1.8% higher than the September 2021 figure of 124,888.

## Unemployment Rates Past 5 Years Third Quarter- Rochester MSA

<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
2022 1.5%	2022 1.8%	2022 3.3%
2021 2.3%	2021 2.8%	2021 4.6%
2020 4.2%	2020 5.4%	2020 7.7%
2019 2.1%	2019 2.6%	2019 3.3%
2018 1.9%	2018 2.3%	2018 3.6%

Source: Minnesota Department of Employment & Economic Development

## Airport Passenger Traffic Third Quarter Comparison



## Airport Traffic

The Rochester International Airport serviced 41,988 passengers during the third quarter of 2022. This is a decrease of 35.2% over third quarter 2021 (64,781 passengers). Passenger totals for July, August, and September were 13,597, 14,174, and 14,217 respectively.

John Reed, Executive Director of RST, was named president of the Great Lakes Chapter of the American Association of Airport Executives (AAAE) for a one-year term, from 2022-2023.

The Great Lakes Chapter of the American Association of Airport Executives includes the states of Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, and the Canadian Provinces of Ontario and Manitoba. AAAE is the world's largest professional organization representing the individuals who work at public-use commercial and general aviation airports. Its 9,000 members represent some 875 airports and hundreds of companies and organizations that support the airport industry.

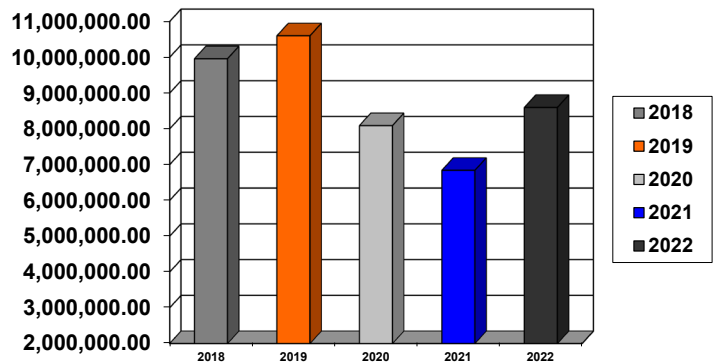
Source: Rochester Airport Company

## Hotel/Motel Sales Tax - City of Rochester

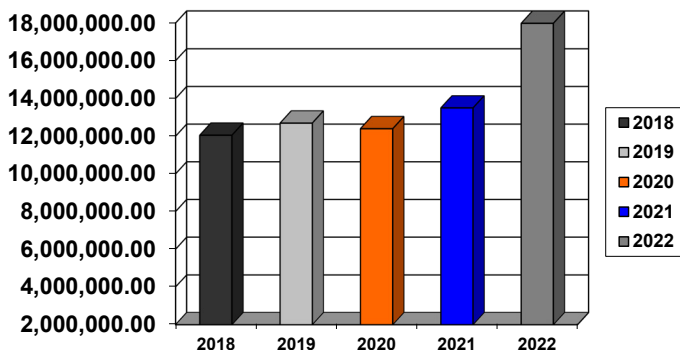
Aug 2021-July 2022	\$ 9,624,892.12
Aug 2020-July 2021	\$ 6,840,702.56
Aug 2019-July 2020	\$ 8,090,456.81
Aug 2018-July 2019	\$10,601,458.44
Aug 2017-July 2018	\$ 9,959,271.05

Source: City of Rochester Finance Department

## Hotel/Motel Sales Tax Past 5 Years



## Net Sales Tax Past 5 Years

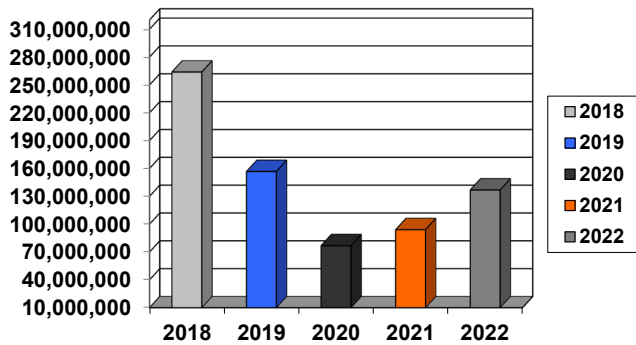


## Net Sales Tax - City of Rochester

Aug 2021 - July 2022	\$17,984,771.20
Aug 2020 - July 2021	\$13,497,701.70
Aug 2019 - July 2020	\$12,395,991.83
Aug 2018 - July 2019	\$12,691,876.75
Aug 2017 - July 2018	\$12,052,291.83

Source: City of Rochester Finance Department

## Commercial & Residential Building Permits Third Quarter



## Commercial and Residential Building Permits Third Quarter Past 5 Years

	<u>Valuation</u>	<u>Total Permits</u>
2022	\$136,878,287	603
2021	\$ 94,166,285	558
2020	\$ 76,869,921	576
2019	\$156,787,780	633
2018	\$263,946,865	663

Source: *Building Safety - City of Rochester*

## Third Quarter Building Activity

Commercial and residential building permits issued for third quarter 2022 totaled \$136,878,287. This is an increase of 45.4% over third quarter 2021.

Permits over \$1 million for third quarter 2022 included: Buena Vista Phase 1 & 2 apartments, construction of new banking facility for F & M Bank, new loading dock canopy, extended loading dock to improve load & compactor access (Mayo), clubhouse at the Lodge at Overland, five-star storage building, temperature controls at John Marshall, interior remodel of existing retail space (Mayo Clinic Store), 66 unit Northern Heights Apartments, interior build-out of amenity spaces on level 1 in Two Discover Square & courtyard space, Rich Hetland SI Education Master Plan Project 2 Classrooms and Support (Siebens 8th Floor), interior fit-up for Peace United Church due to fire damage, mechanical HVAC for research building (Mayo Clinic), 140 unit apartment building and mechanical system (41st Street Apartments).

## Third Quarter Housing Activity in Southeast Minnesota

	<u>Average Price</u>	<u>Median Price</u>	<u>Days on Market</u>	<u>New Listings</u>	<u>Pending Sales</u>	<u>Closed Sales</u>
2022	\$289,566	\$259,900	31	1,820	443	1,693
2021	\$286,499	\$245,500	24	2,116	554	1,888
2020	\$254,377	\$228,075	44	2,051	642	2,088
2019	\$225,712	\$204,985	51	2,250	521	1,892
2018	\$219,252	\$190,000	51	1,995	502	1,686

Source: *Southeast Minnesota REALTORS*

## 2021 Third Quarter Housing Activity

Home listings in southeastern Minnesota decreased by 14% from a year ago, and pending sales decreased by 20% from the same period last year. Prices moved higher as the median sales price was up 5.9% to \$259,900 while the average sales price was up by 1.1%.

As of September 2022, affordability challenges have priced many buyers out of the market this year, and buyers who do succeed in purchasing a home are finding that the costs of homeownership have increased significantly, with monthly mortgage payments more than 55% higher than a year ago, according to the National Association of REALTORS®. Inventory remains lower than normal, and as the market continue to shift, experts project homes will begin to spend more days on market and price growth will slow in the months ahead.