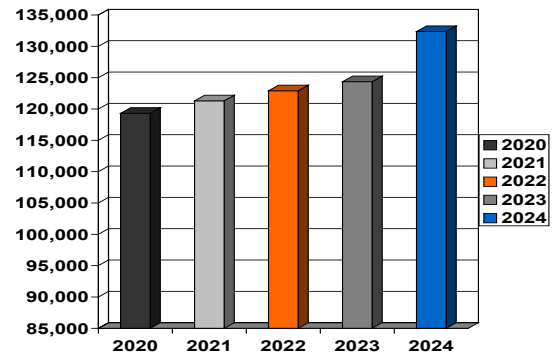


Quarterly Economic Report

Total Employment

Nonagricultural wage and salary employment for the Rochester MSA increased by 6.4% over the last year. The gain of 7,975 jobs brought the total employment figure to 132,334 from the September 2023 level of 124,359. Goods Producing has shown a loss of 222 jobs over the last 12 months while Service Providing reported a gain of 8,197 jobs.

Total Employment Third Quarter



Rochester MSA Employment Past 5 Years - Third Quarter

	<u>Sept. 2020</u>	<u>Sept. 2021</u>	<u>Sept. 2022</u>	<u>Sept. 2023</u>	<u>Sept. 2024</u>
Total Employment	119,314	121,306	122,912	124,359	132,334
Goods Producing					
Construction, Mining, Logging	5,247	5,376	5,596	5,456	5,302
Manufacturing	10,144	9,615	9,665	9,538	9,470
Service Providing					
Wholesale Trade	2,505	2,521	2,553	2,564	2,562
Retail Trade	11,544	11,320	11,798	11,694	11,807
Transportation/Warehousing	2,356	2,471	2,504	2,411	2,456
Information	1,229	1,123	1,088	1,107	717
Financial Activities	2,663	2,764	2,855	2,763	2,671
Professional/Business Services	6,157	6,260	6,695	6,639	6,559
Educational/Health	52,040	53,085	52,946	54,193	62,435
Leisure/Hospitality	9,512	10,678	10,871	11,329	10,983
Other Services	3,498	3,633	3,707	3,755	3,813
Government	12,419	12,460	12,634	12,910	13,454

Source: Minnesota Department of Employment & Economic Development

Unemployment

The Rochester MSA unemployment rate increased by .1% from the same period last year and was 2.2% at the end of the third quarter. The Rochester average continues to remain below the state and U.S. averages of 2.8% and 3.9% respectively.

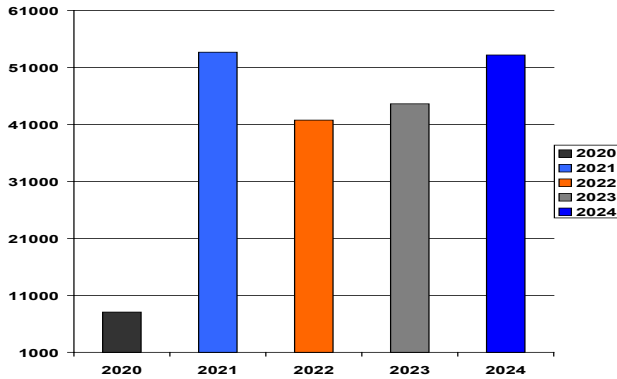
The labor force in September was 134,543 which was 5.6% higher than the September 2023 figure of 127,370.

Unemployment Rates Past 5 Years Third Quarter- Rochester MSA

<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
2024 2.2%	2024 2.8%	2024 3.9%
2023 2.1%	2023 2.6%	2023 3.6%
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%

Source: Minnesota Department of Employment & Economic Development

Airport Passenger Traffic Third Quarter Comparison



Rochester International Airport (RST)

The Rochester International Airport served 53,209 passengers during the third quarter of 2024. This is an increase of 19.2% over third quarter 2023 (44,636 passengers). Passenger totals for August, September, and October were 17,944, 17,663, and 17,602 respectively.

Cargo operations increased 8% over second quarter 2024 with 2,571,286 pounds of landed weight and is up 7% compared to third quarter last year.

RST was awarded federal funding for phase 4 of the runway project which is complete. The relocation of a BP finish grade petroleum pipeline and the building of a new roadway on 95th street SW were the major accomplishments of phase 4. The

airport recently announced the federal funding of phase 5, which will commence in the spring of 2025. This project will relocate 100 million yards of soils along the existing runways to allow for improved line of site and grade issues. The soil will be used to support the runway 3/21 extension in 2026.

The airport recently relaunched the FLYLOCAL campaign and are very interested in discussing the program with local businesses. Please reach out to Mary Gastner or John Reed.

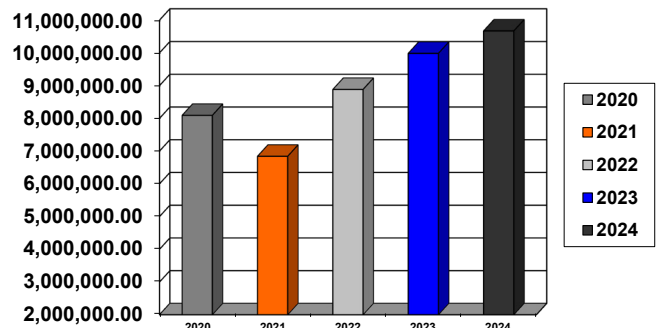
Source: Rochester International Airport

Hotel/Motel Sales Tax - City of Rochester

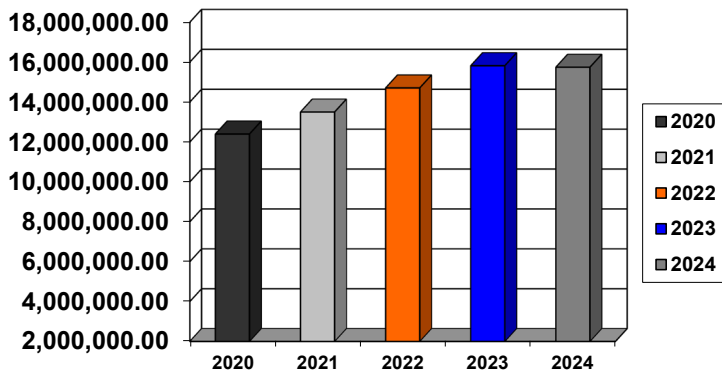
Aug 2023-July 2024	\$10,669,896.80
Aug 2022-July 2023	\$ 9,984,514.05
Aug 2021-July 2022	\$ 8,882,052.55
Aug 2020-July 2021	\$ 6,840,702.56
Aug 2019-July 2020	\$ 8,090,456.81

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax Past 5 Years



Net Sales Tax Past 5 Years

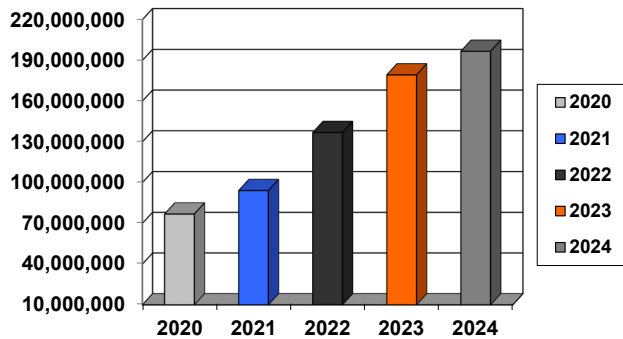


Net Sales Tax - City of Rochester

Aug 2023 - July 2024	\$15,704,498.44
Aug 2022 - July 2023	\$15,819,794.50
Aug 2021 - July 2022	\$14,703,838.20
Aug 2020 - July 2021	\$13,497,701.70
Aug 2019 - July 2020	\$12,395,991.83

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>
2024	\$196,726,006	693
2023	\$178,351,042	659
2022	\$136,878,287	603
2021	\$ 94,166,285	558
2020	\$ 76,869,921	576

Source: Building Safety - City of Rochester

Third Quarter Building Activity

Commercial and residential building permits issued for third quarter 2024 totaled \$196,726,006. This is an increase of 10.3% over third quarter 2023.

Permits over \$1 million for third quarter 2024 included: new building for Menards Self Storage, interior fitup of existing bldg 108 at the IRG owned campus - leased by Western Digital - project includes replacing electrical equipment, adding casework, replacing floor and relocate existing mechanical equipment. Showroom and lounge interior renovations & facade improvements of existing Chrysler Dodge Jeep Ram Dealership, store remodel and new online grocery pick up area (Walmart), subway refresh to west ramp and Graham ramp, Rochester Reclamation Plant disinfection basin upgrade project, relocate Gonda 1 Admin offices, select demolition & remodel of Marion Hall floors 3-5 & 7. build new incremental locker room & relocate & remodel break rooms & build lactation rooms at St. Mary's, Waste Water Treatment Plant upgrade, renovation in building 110 on the Rochester Technology Campus for Vyriad Labs, remodel of the MB Emergency Dept. entry, interior renovation of the 11th floor of the Siebens Building, interior renovation & conversion of existing raquetball & squash ball courts into free weights & turf area at Rochester Athletic Club, and 17,692 SF Premier Bank Building.

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>
2024	\$316,566	\$280,350	40	1,784	405	1,362
2023	\$295,798	\$256,750	35	1,728	414	1,436
2022	\$289,148	\$259,900	31	1,820	443	1,693
2021	\$286,302	\$245,500	24	2,116	554	1,888
2020	\$254,875	\$228,500	44	2,051	642	2,088

Source: Southeast Minnesota REALTORS

September 2024

Prices in Southeast Minnesota moved higher as the Median Sales Price was up 9.2 percent to \$280,350. Days on the Market increased 14.3 percent to 40 days. Months Supply of Inventory was up 8.0 percent to 2.7 months.

Amid slower home sales, inventory has continued to grow across the country. According to NAR, there were 1.35 million units for sale heading into September, a 0.7% increase from the previous month and a 22.7% jump from the same time last year. And while monthly existing-home sales were lower than expected this period, NAR Chief Economist Lawrence Yun believes that the rise in inventory, along with lower mortgage rates, should help sales improve in the months ahead. **Source: Southeast Minnesota REALTORS**