

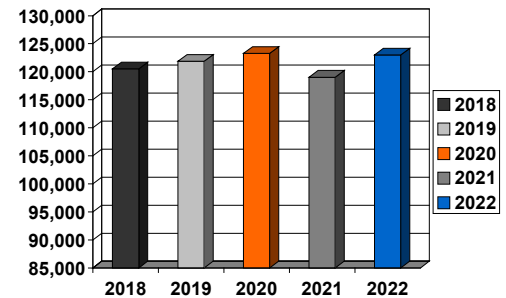
Quarterly Economic Report

Total Employment

Nonagricultural wage and salary employment for the Rochester MSA increased by 3.3% over the last year. The gain of 3,962 jobs brought the total employment figure to 123,001 from the March 2021 level of 119,039. Both Goods Producing and Service Providing reported gains of 267 and 3,695 respectively.

First quarter 2022 remained stable and was up 27 jobs from fourth quarter 2021.

Total Employment First Quarter



Rochester MSA Employment Past 5 Years

	<u>March 2018</u>	<u>March 2019</u>	<u>March 2020</u>	<u>March 2021</u>	<u>March 2022</u>
Total Employment	120,523	121,865	123,269	119,039	123,001
Goods Producing					
Construction, Mining, Logging	4,051	4,418	4,509	4,400	4,879
Manufacturing	10,365	10,900	10,741	9,789	9,577
Service Providing					
Wholesale Trade	2,807	2,842	2,766	2,656	2,699
Retail Trade	12,093	11,833	11,643	11,696	12,201
Transportation/Warehousing	2,773	2,765	2,781	2,444	2,503
Information	1,748	1,516	1,405	1,302	1,190
Financial Activities	2,791	2,752	2,821	2,798	2,796
Professional/Business Services	5,980	5,597	5,645	6,429	6,819
Educational/Health	50,437	51,447	52,961	52,489	53,353
Leisure/Hospitality	10,742	11,058	10,870	8,951	10,623
Other Services	3,719	3,794	3,828	3,463	3,839
Government	13,017	12,943	13,300	12,439	12,522

Source: Minnesota Department of Employment & Economic Development

Unemployment

The Rochester MSA unemployment rate was down by 1.5% from the same period last year and was 2.4% at the end of the first quarter 2022. The rates for January and February were 3.0% and 2.3% respectively. The Rochester average remains below the state and U.S. averages of 2.8% and 3.8% respectively.

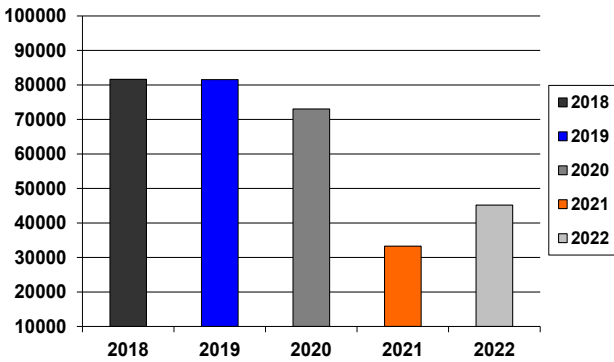
The labor force in March was 128,366, which was 4% higher than the March 2021 figure of 123,375.

Unemployment Rates Past 5 Years First Quarter- Rochester MSA

<u>Rochester</u>		<u>Minnesota</u>		<u>United States</u>	
2022	2.4%	2022	2.8%	2022	3.8%
2021	3.9%	2021	4.4%	2021	6.2%
2020	3.1%	2020	5.2%	2020	4.5%
2019	3.6%	2019	4.1%	2019	3.9%
2018	3.4%	2018	3.8%	2018	4.1%

Source: Minnesota Department of Employment & Economic Development

Airport Passenger Traffic First Quarter Comparison



Quarterly Airport Traffic

The Rochester International Airport served 45,179 passengers during the first quarter of 2022. This is a increase of 35.7% over first quarter 2021 (33,297 passengers). Passenger totals for January, February and March were 10,917, 15,228 and 19,034 respectively.

The Minnesota Council of Airports (MCOA) awarded Rochester International Airport (RST) their prestigious "Project of the Year" award during its annual Minnesota Airport Conference held April 6-8 at the Mayo Civic Center.

Selecting from a record number of airport nominations from across the state, MCOA recognized RST project consultant Mead & Hunt, Inc., and contractor Hoffman Construction

Company for Phase 1 construction on a multi-year, multi-phase runway improvement and reconstruction project of Runway 2/20. The award honors the significant time and investment to airport operations that result in improved airport efficiency, safety, or facility enhancement to further the growth and development of aviation in Minnesota.

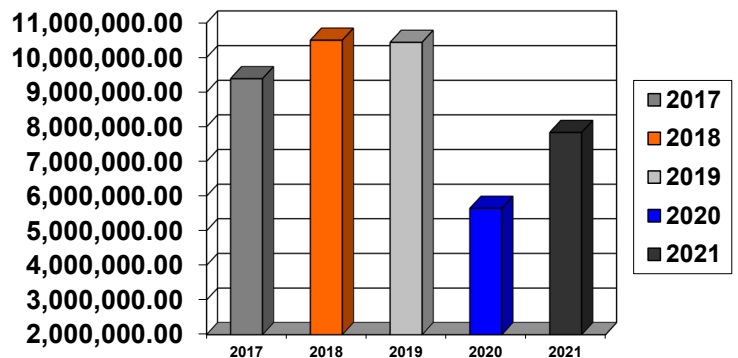
Source: Rochester Airport Company

Hotel/Motel Sales Tax - City of Rochester

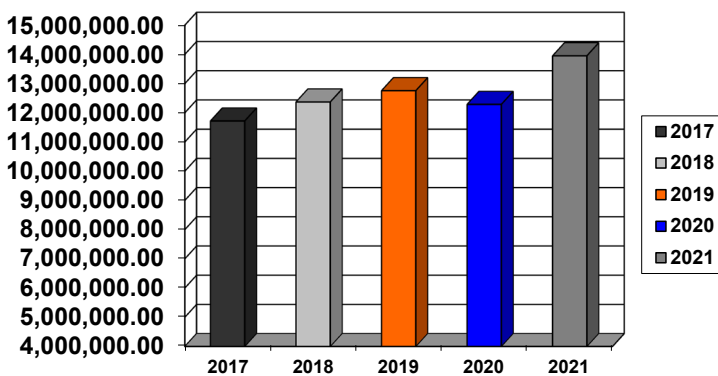
January-December 2017	\$9,391,247.91
January-December 2018	\$10,501,151.97
January-December 2019	\$10,439,911.33
January-December 2020	\$5,647,345.37
January-December 2021	\$7,837,773.49

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax Past 5 Years



Net Sales Tax Past 5 Years

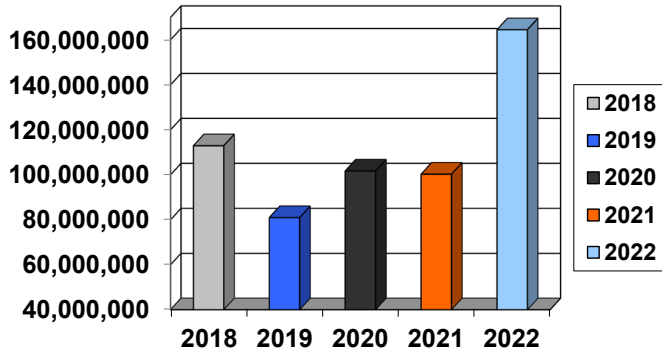


Net Sales Tax - City of Rochester

January-December 2017	\$11,720,908.26
January-December 2018	\$12,370,629.98
January-December 2019	\$12,757,100.83
January-December 2020	\$12,287,489.78
January-December 2021	\$13,950,484.11

Source: City of Rochester Finance Department

Commercial & Residential Building Permits First Quarter



Commercial and Residential Building Permits First Quarter

	<u>Valuation</u>	<u>Total Permits</u>
2022	\$164,489,669	395
2021	\$100,254,482	429
2020	\$101,680,065	379
2019	\$80,965,987	381
2018	\$112,879,651	445

Source: Building Safety - City of Rochester

First Quarter Building Activity

Commercial and residential building permits issued for first quarter 2022 totaled \$164,489,669. This is an increase of 64.1% over 2021.

Permits over \$1 million for first quarter 2022 included: new furniture store (Quality Woods), bldg shell for future daycare (Creekside Tierra Daycare), new utility tunnel from Kellen bldg to existing tunnel vault located at the intersection of 3rd St. SW & 4th Ave. SW (this also includes the future pedestrian tunnel from Kellen to Baldwin), footing, foundation for 6-story 110-unit hotel with 2 levels of underground parking (TownPlace Suites by Marriott), BP#3 which includes the entire bldg other than the fit-out of the top 3 floors (Kellen Research Bldg), construction of new 45,000 sq. ft. single level dealership (Luther Park Place), grading work for surface-level parking and garages for Technology Park Apartments II, new 127-unit 3-story multi-family apartment (Forte Senior Housing), Hilton expansion, Gonda Lobby River Room renovation, and alteration to surgical area (Mary Brigh at St. Mary's).

Source: Rochester Building Safety Department

First Quarter Housing Activity

New listings for Southeast Minnesota were up 5.4 percent to 624. Pending sales increased 1.9 percent to 543. Inventory shrank 3.2 percent to 460 units. Prices moved higher as the Median sales price was up 7.4 percent to \$260,000. Days on market increased 7.0 percent to 46 days. Months supply of inventory remained flat at 1.0.

First 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	\$289,767	\$260,000	46	1,285	1,231	950
2021	\$266,234	\$242,000	43	1,259	1,234	957
2020	\$238,826	\$214,000	69	1,363	1,190	961
2019	\$211,476	\$198,000	69	1,405	1,175	945
2018	\$207,570	\$185,000	63	1,522	1,350	1,003

Across the country, consumers are feeling the bite of inflation and surging mortgage interest rates, which recently hit 4.6% in March, according to FreddieMac, rising 1.4 percent since January and the highest rate in more than 3 years.

Monthly payments have increased significantly compared to this time last year, and as housing affordability declines, an increasing number of would-be home buyers are turning to the rental market, only to face similar challenges as rental prices skyrocket and vacancy rates remain at near-record low.

Source: SE MN REALTORS