

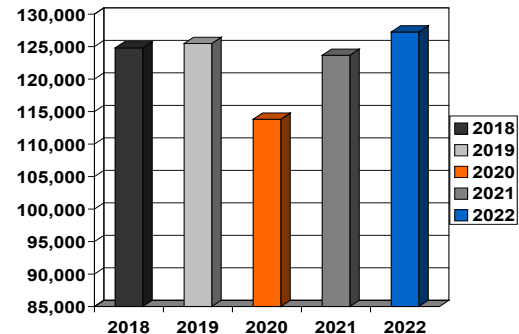
Quarterly Economic Report

Total Employment

Nonagricultural wage and salary employment for the Rochester MSA increased by 2.9% over the last year. The gain of 3,589 jobs brought the total employment figure to 127,251 from the June 2021 level of 123,662. Goods Producing showed a gain of 207 jobs over the last 12 months while Service Providing reported a gain of 3,027 jobs.

Read more about southeast Minnesota economic trends here: <https://bit.ly/semnjobs>

Total Employment Second Quarter



Rochester MSA Employment Past 5 Years - Second Quarter

	June 2018	June 2019	June 2020	June 2021	June 2022
Total Employment	124,830	125,480	113,827	123,662	127,251
Goods Producing					
Construction, Mining, Logging	5,126	5,504	5,472	5,611	5,902
Manufacturing	10,905	11,282	10,667	9,927	9,843
Service Providing					
Wholesale Trade	2,919	2,949	2,801	2,720	2,723
Retail Trade	12,415	11,906	11,445	12,077	12,164
Transportation/Warehousing	2,684	2,559	2,342	2,554	2,602
Information	1,746	1,504	1,327	1,285	1,195
Financial Activities	2,909	2,888	2,733	2,722	2,801
Professional/Business Services	6,259	5,754	5,347	6,549	7,103
Educational/Health	50,868	51,793	47,338	53,415	54,441
Leisure/Hospitality	11,881	11,916	8,461	10,253	11,553
Other Services	3,846	3,926	3,382	3,691	4,027
Government	13,272	13,499	12,512	12,858	12,897

Source: Minnesota Department of Employment & Economic Development

Unemployment

The Rochester MSA unemployment rate decreased by 1.2% from the same period last year and was 1.9% at the end of the second quarter 2022. The Rochester average continues to remain below the state and U.S. averages of 2.2% and 3.8% respectively.

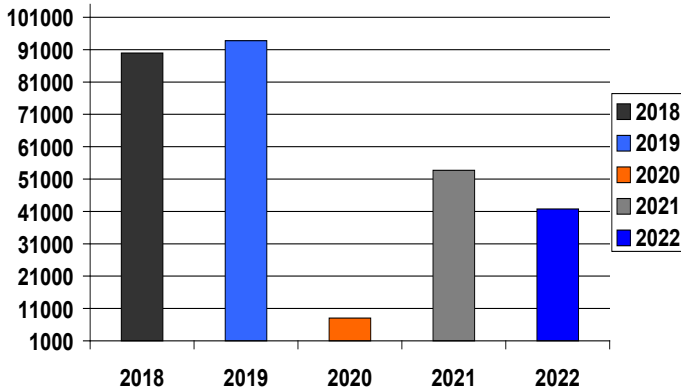
The labor force in June 2022 was 128,310 which was 2.6% higher than the June 2021 figure of 125,053.

Unemployment Rates Past 5 Years Second Quarter- Rochester MSA

	Rochester	Minnesota	United States
2022	1.9%	2.2%	3.8%
2021	3.1%	4.4%	6.1%
2020	8.1%	8.8%	11.2%
2019	3.0%	3.2%	3.8%
2018	2.6%	3.1%	4.2%

Source: Minnesota Department of Employment & Economic Development

Airport Passenger Traffic Second Quarter Comparison



Source: Rochester Airport Company

Airport Traffic

The Rochester International Airport (RST) served 41,775 passengers during the second quarter of 2022. Passenger totals for April, May and June were 15,353, 13,257 and 13,165, respectively.

Aircraft load factors remain high with overall strong demand despite less frequency of flights. Like most regional airports, RST capacity is constrained due to a nationwide pilot shortage. RST has seen 5,154,426 pounds of Cargo weight total which is 4% year over year increase. Regarding the U.S. Custom facility, 578 passengers entered the United States through June 2022 compared to 50 passengers in 2021.

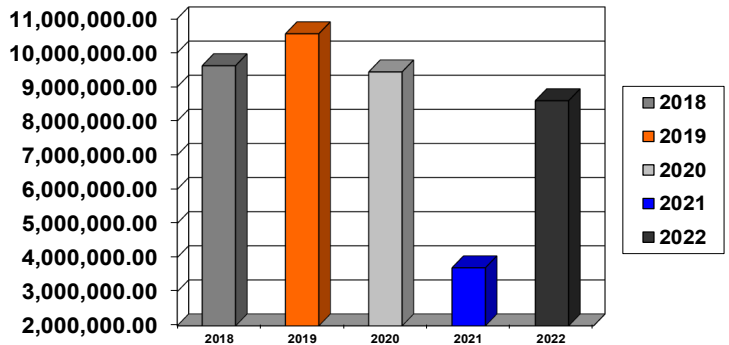
In June, RST announced the return of Sun Country Airlines seasonal service from Rochester to Phoenix, Arizona, and Fort Myers, Florida, beginning in December and running through April.

Hotel/Motel Sales Tax - City of Rochester

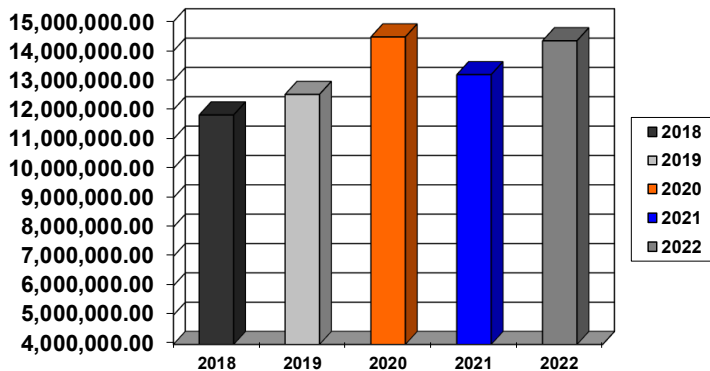
May 2021-April 2022	\$ 8,597,941.27
May 2020-April 2021	\$ 3,700,945.50
May 2019-April 2020	\$ 9,441,611.59
May 2018-April 2019	\$10,559,628.48
May 2017-April 2018	\$ 9,623,851.88

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax Past 5 Years



Net Sales Tax Past 5 Years

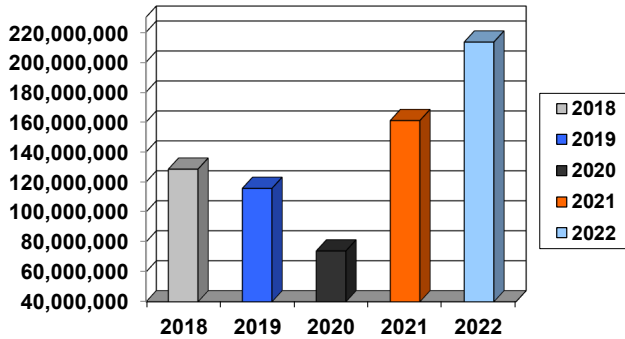


Net Sales Tax - City of Rochester

May 2021-April 2022	\$14,348,214.10
May 2020-April 2021	\$13,193,146.89
May 2019-April 2020	\$14,478,549.70
May 2018-April 2019	\$12,519,921.14
May 2017-April 2018	\$11,820,956.58

Source: City of Rochester Finance Department

Commercial & Residential Building Permits Second Quarter



Commercial and Residential Building Permits Second Quarter Past 5 Years

	<u>Valuation</u>	<u>Total Permits</u>
2022	\$213,334,357	802
2021	\$160,946,660	737
2020	\$73,932,243	478
2019	\$115,685,000	634
2018	\$128,517,764	721

Source: Building Safety - City of Rochester

Second Quarter Building Activity

Commercial and residential building permits issued for second quarter 2022 totaled \$213,335,357. This is an increase of 32.5% over 2021.

Permits over \$1 million for second quarter 2022 included: Echo exam core lab & support on Gonda 6, buildout of Red Cow Restaraunt & Bar, creation of central heading plant & chiller in gov't center mechanical room & annex bldg, renovations & additions to Rochester Mazda, redesign of 13 existing exam rooms on Mayo 17, new Mayo Clinic RMH loading dock bldg, Olmsted County Justice Systems remodel on 4th & 5th floors, architectural, mechanical & electrical upgrades to JM High School, grading work including relocation of loading dock for Pharmaceutical Specialties, new 22,248 sf 27-unit multifamily structure-Beniaiah on Broadway, complete electrical systems for 141-unit apartment bldg (Technology Park II), reroof for Mary Brigh West, 8,075 sf for the Global Security Operations Center - consolidation at the Mayo Support Center South first level, office/warehouse addition for Pharmecuetical Specialties, 7,648 sf slab-on-grade addition to the existing River Park Chapel Bldg, Assisi Heights HVAC system replacement tenant improvement of the existing Shopko South blding for At Home Store, Ronald McDonald House guest rooms remodel on levels 2 & 3, townhomes syle apartment complex with nine 2-bedroom units (Cottage Grove Bldg), new ground-up single level, 12,000 sf commercial building Med City Business Center, Mayo North Ambulance remodel, Utility tunnel extension of two buildings connecting power & communications into the Kellen Bldg. and refeeding the Opus Bldg.

-Building Safety City of Rochester

Second 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	\$331,725	\$295,000	22	2,103	545	1,755
2021	\$289,891	\$265,000	24	2,112	618	1,872
2020	\$251,750	\$228,250	52	1,977	769	1,614
2019	\$242,118	\$219,900	41	2,394	598	1,825
2018	\$226,880	\$206,000	41	2,211	578	1,789

Source: Southeast Minnesota REALTORS

Second Quarter Housing Activity

Home listings in southeastern Minnesota were down one-tenth of a percent from a year ago, while pending sales decreased by 11.2% from the same period last year. Prices moved higher as the median sales price was up 11.3% to \$295,000, while the average sales price was up by 14.5%.

As existing home sales continued to soften nationwide, housing supply improved, with inventory up for the second straight month in June 2022. In time, price growth is expected to moderate as supply grows.