

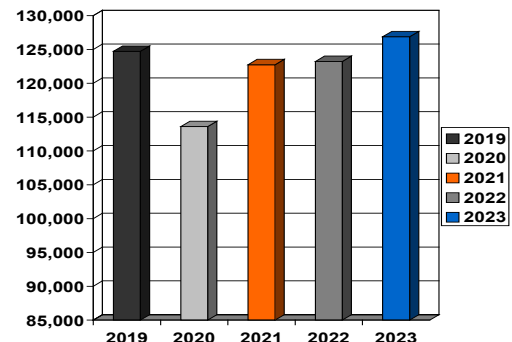
# Quarterly Economic Report

## Total Employment

Nonagricultural wage and salary employment for the Rochester MSA increased by 3.0% over the last year. The gain of 3,652 jobs brought the total employment figure to 126,884 from the June 2022 level of 123,623. Goods Producing showed a loss of 68 jobs over the last 12 months while Service Providing reported a gain of 3,720 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

	<u>June 2019</u>	<u>June 2020</u>	<u>June 2021</u>	<u>June 2022</u>	<u>June 2023</u>
<b>Total Employment</b>	124,730	113,602	122,753	123,232	126,884
<b>Goods Producing</b>					
Construction, Mining, Logging	5,395	5,380	5,570	5,598	5,583
Manufacturing	11,264	10,650	9,918	9,768	9,715
<b>Service Providing</b>					
Wholesale Trade	2,732	2,606	2,541	2,650	2,536
Retail Trade	11,869	11,406	12,000	11,954	12,868
Transportation/Warehousing	2,497	2,295	2,519	2,490	2,451
Information	1,463	1,291	1,201	1,063	1,084
Financial Activities	2,816	2,654	2,803	2,843	2,828
Professional/Business Services	5,765	5,803	6,223	6,661	6,492
Educational/Health	51,700	47,247	53,228	52,752	54,726
Leisure/Hospitality	11,867	8,431	10,253	10,797	11,207
Other Services	3,863	3,327	3,638	3,658	3,869
Government	13,499	12,512	12,859	12,998	13,525

Source: Minnesota Department of Employment & Economic Development

## Unemployment

The Rochester MSA unemployment rate increased by .5% from the same period last year and was 2.4% at the end of the second quarter 2023. The Rochester average continues to remain below the state and U.S. averages of 3.4% and 3.8% respectively.

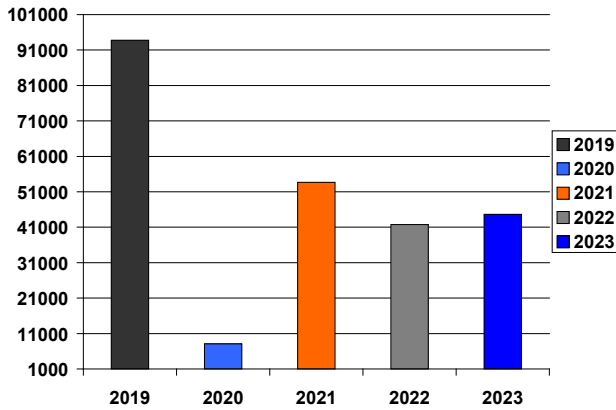
The labor force in June 2023 was 127,833 which was .7% higher than the June 2022 figure of 126,910.

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

	<u>Rochester</u>		<u>Minnesota</u>		<u>United States</u>
2023	2.4%	2023	3.4%	2023	3.8%
2022	1.9%	2022	2.2%	2022	3.8%
2021	3.1%	2021	4.4%	2021	6.1%
2020	8.1%	2020	8.8%	2020	11.2%
2019	3.0%	2019	3.2%	2019	3.8%

Source: Minnesota Department of Employment & Economic Development

# Airport Passenger Traffic Second Quarter Comparison



## Airport Traffic

Rochester International Airport served 44,636 passengers during the second quarter of 2023. This is an increase of 7 percent over the second quarter 2022 (41,775 passengers). Passenger totals for April, May, and June were 16,381, 14,525, and 13,730 respectively.

Delta Air Lines restored a third daily flight to and from Minneapolis-Saint Paul Airport (MSP). The service is scheduled to begin September 5, 2023. The third MSP-RST flight will decrease layover times and increase connecting flight options.

Sun Country nonstop service to Fort Myers and Phoenix has been suspended for the 2023-24 season. Landline's partnership with Sun Country will continue to offer passengers a connection from RST to Sun Country flights departing from Minneapolis Saint Paul Airport aboard a luxury motor-coach.

The airport is well underway with Phase III of the Runway 2/20 Safety Project installation of a CAT II Instrument Landing System needed to improve operational reliability for aircraft landing at RST under instrument flight rules. In preparation for Phase IV, RST finalized land acquisitions needed to extend the runway to the south. Runway 2/20 Safety Project is a multi-year, multi-phase project leveraging local, state, and federal funding. Recently passed reauthorization of state bonding funds allows extension of the project timeline through estimated completion in 2028.

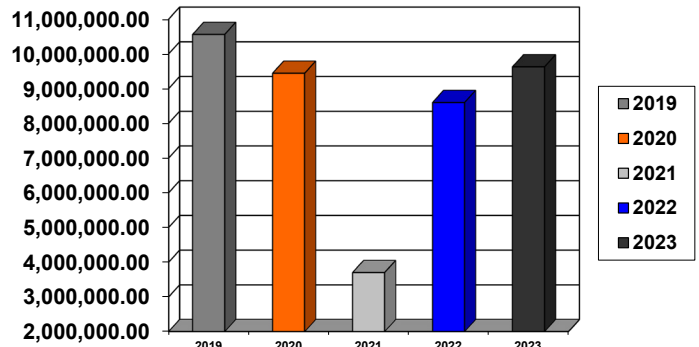
Source: Rochester Airport Company

## Hotel/Motel Sales Tax - City of Rochester

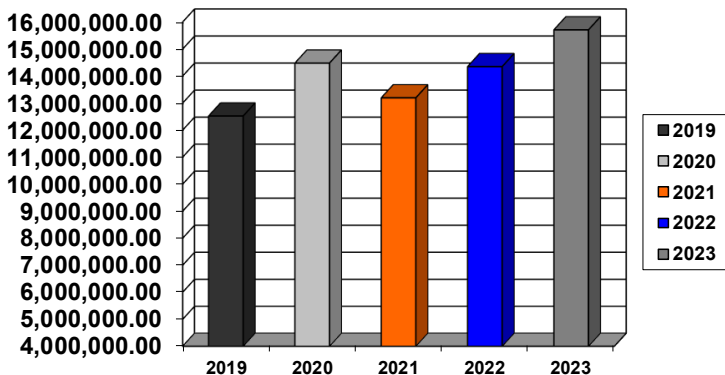
May 2022-April 2023	\$ 9,730,224.04
May 2021-April 2022	\$ 8,597,941.27
May 2020-April 2021	\$ 3,700,945.50
May 2019-April 2020	\$ 9,441,611.59
May 2018-April 2019	\$10,559,628.48

Source: City of Rochester Finance Department

## Hotel/Motel Sales Tax Past 5 Years



## Net Sales Tax Past 5 Years

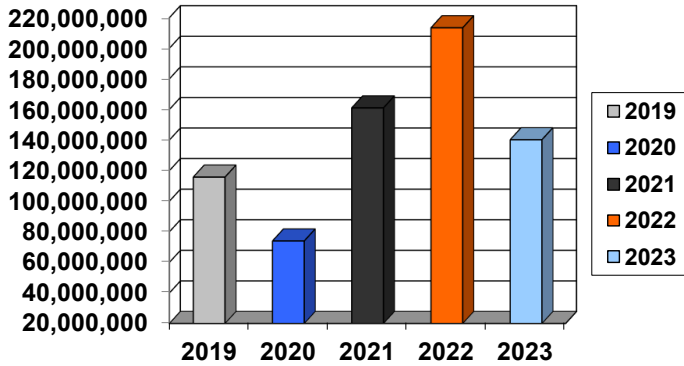


## Net Sales Tax - City of Rochester

May 2022-April 2023	\$15,709,773.40
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

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>
2023	\$140,123,062	678
2022	\$213,334,357	802
2021	\$160,946,660	737
2020	\$73,932,243	478
2019	\$115,685,000	634

Source: Building Safety - City of Rochester

## Second Quarter Building Activity

Commercial and residential building permits issued for second quarter 2023 totaled \$140,123,062. This is a decrease of 34% over 2022.

Permits over \$1 million for second quarter 2023 included: Renovation of the Francis Visitor Cafe at St. Mary's, 28,000 square foot office building with chapel, underground parking area, and unfinished apartment space, renovation of existing ballrooms to become a full service kitchen & dining center. Renovation of existing offices and front desk of former hotel to become housing desk and support services for student housing, 97-unit apartment bldg (SoRoc Phase II), new 192-unit multi-family apartment (the Pines Phase 3), pedestrian tunnel extension to already constructed and permitted tunnels tied back to Mayo Kellen Bldg., Theranostics treatment center relocation to Eisenberg subway level, fit-up at existing Northgate facility for Zumbro Valley Health Clinic, additional MAU to increase airflow to spray dryer building for Kerry Rochester, remodel of the vacated Eisenberg 7-4B pod to accommodate private rooms & bathrooms, revisions to the drop-off and pick-up drive lane area locate at Mary Brigh main entrance, replacing air handling units DS-4 and DS-6 serving Domitilla, new Rochester Airport ALSF building, new core and shell building for Cub Foods, Block 6 parking ramp, Plummer TV studio expansion, refresh neurosurgical ICU and install patient lift system within patient rooms, quick lube oil change facility - Take 5, remodel of ECH Baldwin 3 exam room and work areas, procedure room remodel 104 & 107 cardiac cath lab, addition to MN Rush with some interior remodel of existing building, and renovation in building 110 on Rochester Technology Campus for Vyriad, Inc.

Source: 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>
2023	\$322,883	\$284,400	33	1,820	508	1,526
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

Source: Southeast Minnesota REALTORS

## Second Quarter Housing Activity

Home listings in southeastern Minnesota during second quarter 2023 were down 13.5 percent and pending sales decreased by 5.6 percent from the same period last year. Prices decreased as the median sales price was down 3.6 percent to \$284,400 and the average sales price was down by 2.5 percent.