

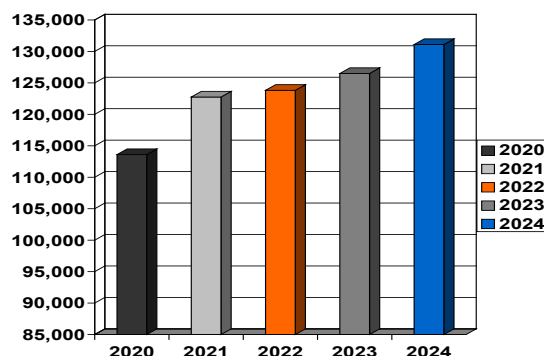
Quarterly Economic Report

Total Employment

Nonagricultural wage and salary employment for the Rochester MSA increased by 3.6% over the last year. The gain of 4,605 jobs brought the total employment figure to 131,097 from the June 2023 level of 126,492. Goods Producing showed a loss of 525 jobs over the last 12 months while Service Providing reported a gain of 5,130 jobs.

For the quarter, Goods Producing showed an increase of 1,032 jobs during second quarter 2024, and Service Providing increased by 4,232 for second quarter.

Total Employment Second Quarter



Rochester MSA Employment Past 5 Years - Second Quarter

	<u>June 2020</u>	<u>June 2021</u>	<u>June 2022</u>	<u>June 2023</u>	<u>June 2024</u>
Total Employment	113,602	122,753	123,818	126,492	131,097
Goods Producing					
Construction, Mining, Logging	5,380	5,570	5,594	5,699	5,368
Manufacturing	10,650	9,918	9,684	9,628	9,434
Service Providing					
Wholesale Trade	2,606	2,541	2,638	2,653	2,589
Retail Trade	11,406	12,000	12,144	12,110	11,981
Transportation/Warehousing	2,295	2,519	2,471	2,417	2,402
Information	1,291	1,201	1,077	1,140	1,061
Financial Activities	2,654	2,803	2,834	2,826	2,692
Professional/Business Services	5,803	6,223	6,608	6,893	6,602
Educational/Health	47,247	53,228	52,848	53,987	59,481
Leisure/Hospitality	8,431	10,253	11,207	11,828	11,478
Other Services	3,327	3,638	3,671	3,852	3,887
Government	12,512	12,859	13,042	13,459	14,122

Source: Minnesota Department of Employment & Economic Development

Unemployment

The Rochester MSA unemployment rate increased by .3% from the same period last year and was 3.0% at the end of the second quarter 2024. The Rochester average continues to remain below the state and U.S. averages of 3.8% and 4.3% respectively.

The labor force in June 2024 was 131,460 which was 1.8% higher than the June 2023 figure of 129,090.

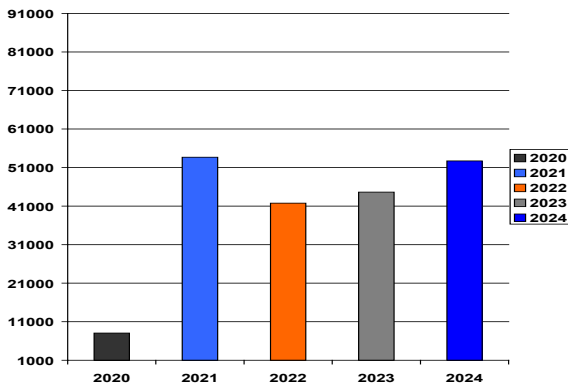
Unemployment Rates Past 5 Years Second Quarter- Rochester MSA

	<u>Rochester</u>	<u>Minnesota</u>	<u>United States</u>
2024	3.0%	2024 3.8%	2024 4.3%
2023	2.7%	2023 3.3%	2023 3.8%
2022	2.3%	2022 2.7%	2022 3.8%
2021	3.5%	2021 4.3%	2021 6.1%
2020	8.6%	2020 9.1%	2020 11.2%

Source: Minnesota Department of Employment & Economic Development

Airport Traffic

Airport Passenger Traffic Second Quarter Comparison



The Rochester International Airport served 52,735 passengers during the second quarter of 2024. This is an increase of 13% over first quarter 2024 (46,586 passengers), and an increase of 18.1% over second quarter 2023 (44,636). Passenger totals for April, May, and June were 17,484, 18,327, and 16,924 respectively.

Cargo operations increased 9.27% over first quarter 2024 with 2,352,510 pounds of landed weight and is down 1.7% compared to second quarter last year.

Phase IV of VII is underway on the multi-year Runway Safety Project 2/20. This phase includes relocation of a British Petroleum pipeline and rerouting 90th Street SW, both located south of the airport. Once the relocations are complete, the airport will extend the length of the runway 1,647 feet. Extending the runway will allow our airport to remain operational while the intersection of the two runways is reconstructed.

Uninterrupted air service is critical for air ambulance operations, cargo carriers transporting medical supplies, and patient travelers relying on RST.

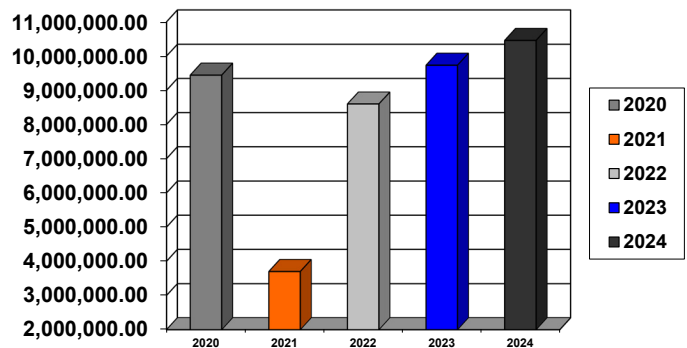
Source: Rochester International Airport

Hotel/Motel Sales Tax - City of Rochester

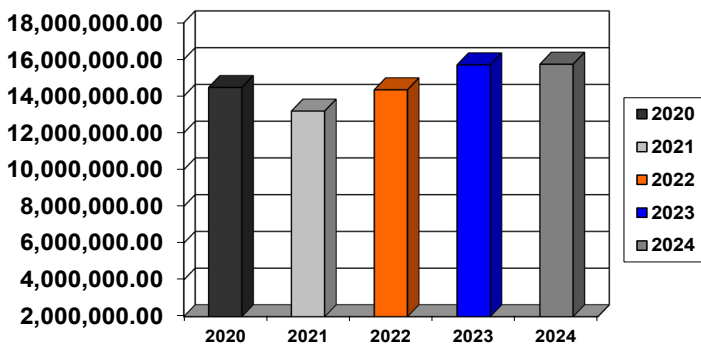
May 2023-April 2024	\$10,457,516.30
May 2022-April 2023	\$ 9,730,224.04
May 2021-April 2022	\$ 8,597,941.27
May 2020-April 2021	\$ 3,700,945.50
May 2019-April 2020	\$ 9,441,611.59

Source: City of Rochester Finance Department

Hotel/Motel Sales Tax Past 5 Years



Net Sales Tax Past 5 Years

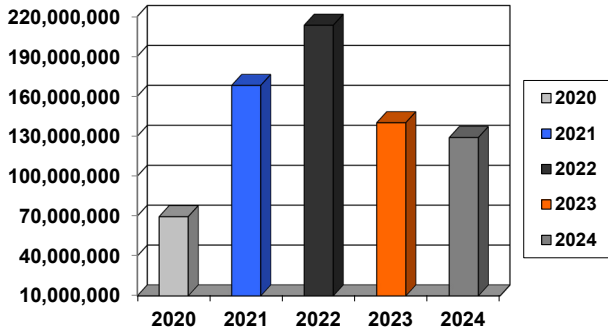


Net Sales Tax - City of Rochester

May 2023-April 2024	\$15,743,426.76
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

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>
2024	\$128,949,693	694
2023	\$140,123,062	678
2022	\$213,334,357	802
2021	\$168,118,580	737
2020	\$69,521,673	480

Source: Building Safety - City of Rochester

Second Quarter Building Activity

Commercial and residential building permits issued for second quarter 2024 totaled \$128,949,693. This is a decrease of 8% over 2023 (\$140,123,062).

Permits over \$1 million for second quarter 2024 included: Two new AHUs and exhaust fans to serve existing building at KERRY, Inc., Two Discovery Square second level tenant fit-up, new utility tunnel from the new Kellen Building to the existing tunnel vault located at the intersection of 3rd St SW and 4th Ave SW, Nucleus RadoPharma lab tenant Improvement on first floor of Two Discovery Square, north foyer and office addition including mechanical and electrical upgrades at Rochester Alliance Church, remodel of existing space within Building 103 on the Rochester Technology Campus to house offices, warehouse storage and product development, elevator modernization – Siebens Building, reroofing at Jefferson Elementary School, shell space for a future CT, additional toilet room, relocation of existing part stock room, additional prep rooms, dressing booth modifications, and addition of an IV bay, Soldiers Field Park Improvements - west area restroom and pavilion buildings, fit-up at OMC shell space adding extra exam rooms, adding an entrance, and remodeling a couple rooms, Interior fit-up of the dining area of Eisenberg main level - upgrades will include new finishes, furniture, casework, mechanical, and electrical, construction of a one-story, 25,000 sf Hyundai Car Dealership, including parking lot reconfiguration and repaving, stormwater management, and minor landscape improvements, temp controls for Mayo Clinic Proton Therapy expansion, site and building renovation at EWR Rochester Civic Square Apartments, and The Pines of Rochester Apartments and Townhomes – buildings #8, 10, 11, 12, 13, 16, 17, and 19.

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>
2024	\$339,898	\$302,000	32	1,809	454	1,455
2023	\$322,883	\$285,000	33	1,820	501	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

Source: Southeast Minnesota REALTORS

Second Quarter Housing Activity

Pending sales decreased 9.4 percent and inventory grew 11.1 percent to 902 units during the month of June. Prices moved higher as the median sales price was up 6.0 percent to \$302,000. Days on the market decreased 3.0 percent to 32 days. Months supply of inventory was up 10.5 percent to 2.1 months.

Nationally, total housing inventory grew 6.7% month-over-month to 1.28 million units heading into June, for a 3.7 months' supply at the current sales pace, according to NAR. However, the increase in supply has yet to temper home prices, which have continued to rise nationwide. At last measure, the median existing home price climbed to \$419,300, a 5.8% increase from the same period last year and a record high for the month of June.