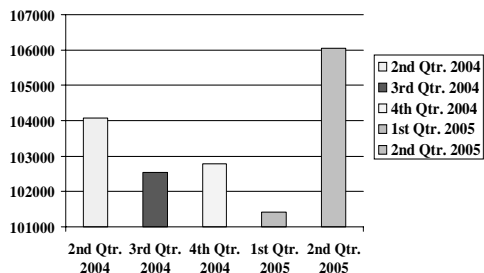


# Quarterly Economic Report

Rochester Area Economic Development, Inc. (RAEDI)

Second Quarter, 2005

## Total Employment Quarter Comparisons



## Total Employment Increase

Nonagricultural wage and salary employment for the Rochester MSA grew at a rate of 4.6 percent during the second quarter of 2005. The gain of 4,630 jobs brought the total employment figure up to 106,050 from the March level of 101,420. Total employment figures also increased by 1,974 jobs from second quarter 2004. Employment totals for April, May and June were 102,558, 103,848 and 106,050.

## Sector Employment as a Percent of Total Employment



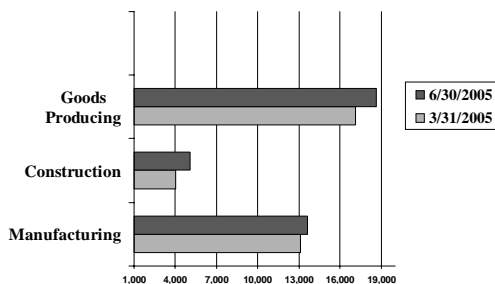
## Goods Producing Shows Growth

The Goods Producing sector experienced employment growth this quarter as 1,515 jobs were added for an increase of 8.8 percent over first quarter.

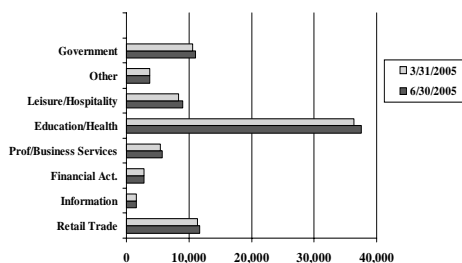
Natural Resources/Construction/Mining showed a gain of 998 jobs while Manufacturing added 517 jobs. Goods Producing employment totals for April, May and June were 17,568, 18,196 and 18,643 respectively.

Overall, the Goods Producing sector is down slightly with a loss of 24 jobs in the past 12 months.

## Goods Producing Employment



## Service Providing Employment



## Record Employment

The Service Providing sector created 3,115 jobs this quarter for an increase of 3.7 percent over first quarter, pushing Service Providing employment to a record 87,407.

Job creation was widespread with Education and Health Services showing the largest gain of 1,197 jobs for the quarter while Leisure & Hospitality added 653 jobs.

Over the last 12 months, Service Providing payroll levels have increased by 1,198 jobs for a growth rate of 2.3 percent.

## Unemployment Rate Decreases

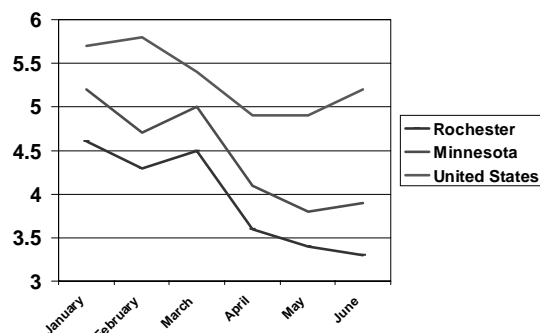
The Rochester unemployment rate decreased by more than one percent from first quarter, ending the second quarter rate in June at 3.3 percent. The rates for April and May were 3.6 percent and 3.4 percent respectively. The Rochester average remains well below the state and U.S. averages of 3.9 and 5.2 percent. During the past 12 months, the average unemployment rate for Rochester was 3.8 percent.

The June labor force figure of 106,475 represents an increase of 1.5 percent from the March figure of 104,927.

Source: Minnesota Workforce Center

## Unemployment Rate

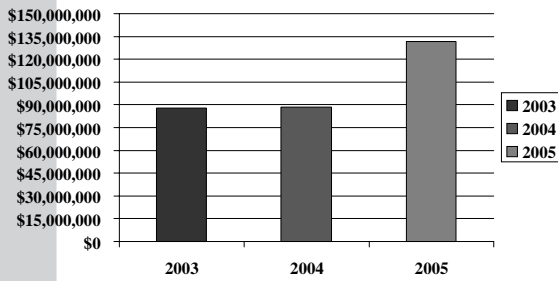
January – June 2005



Second Quarter

## Strong Second Quarter Building Activity

### Second Quarter Commercial & Residential Building Valuation



Commercial and residential building permits issued for second quarter 2005 totaled \$131,383,372. This represents an increase of 48 percent over second quarter 2004 (\$88,563,372) and an increase of 49.6 percent over 2003 (\$87,793,974). Permits over \$1 million for second quarter 2005 included Minnesota School of Business office building, John Marshall High School addition and alterations, Cost Plus/White Box, Pace Electronics/shell permit, Centex Homes 8-unit townhomes (2), St. Mary/Domitilla infrastructure, Substation phases 1 & 2, Premeir Bank, City of Rochester Reclamation Plant, Walmart/entry alteration & pharmacy, Kellogg Middle School/indoor air quality improvement, Mayo Foundation/prospect power plant and Mayo Foundation/stable building first floor alterations.

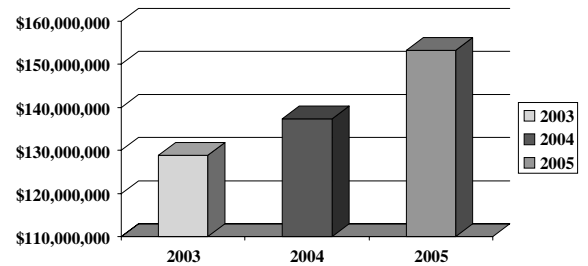
Source: Rochester Building Safety Department

## Strong Second Quarter Home Sales

The Rochester real estate market turned in a very strong second quarter performance as sales of single family homes reached a record \$153,272,453. This represents increases of 11.6 percent over second quarter 2004 and 19 percent over second quarter 2003.

Home sales in the Rochester real estate market continue to be fueled by the historically low mortgage rates and rising property values. Source: SE Minnesota Association of Realtors

### Second Quarter MLS Sales

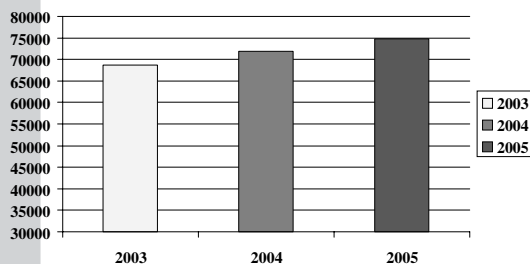


## RAEDI

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This report is published quarterly and is available through our website at [raedi.com](http://raedi.com) or by calling the Rochester Area Economic Development, Inc. office at (507) 288-0208.

### Airport Passenger Traffic Second Quarter Comparison



### Quarterly Airport Traffic

The Rochester Airport serviced 74,814 passengers during the second quarter of 2005. This represents an increase of 4.2 percent over second quarter 2004 (71,797 passengers) and 9.1 percent over second quarter 2003 (68,604 passengers). Passenger totals for April, May and June were 24,593, 25,350 and 24,871 respectively.

Air cargo shipments were down 25 percent from second quarter 2004 and 22 percent from 2003. Source: Airport Manager