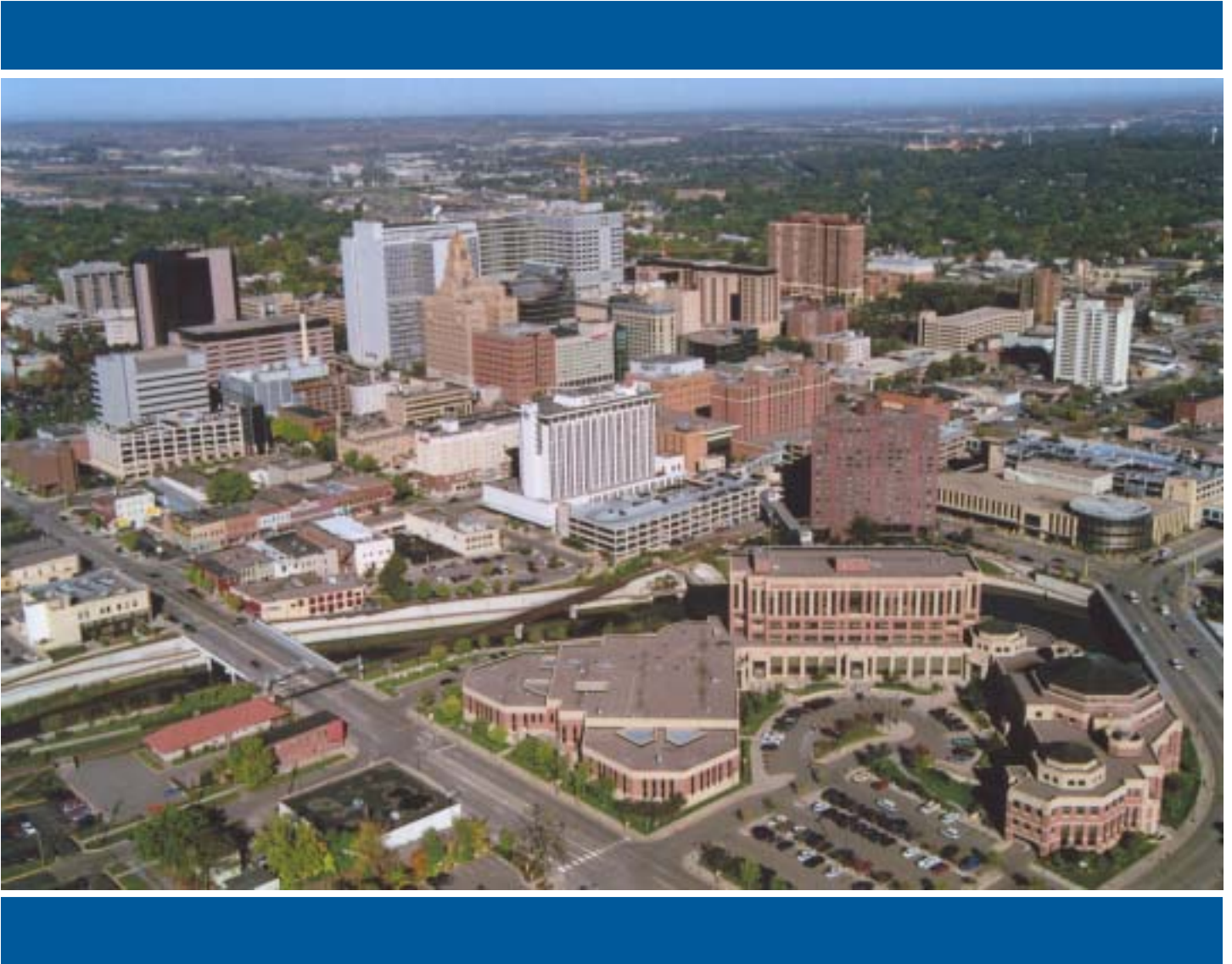


# ***Rochester, Minnesota MSA Data Book***



## **Historical and Projected Growth**

Last Update: August 2012

This report was prepared to provide the reader a historical and forecasted view of Rochester, Minnesota's growth.

## **2.75 MILLION VISITORS IMPACT ROCHESTER'S RETAIL MARKETPLACE**

Rochester, Minnesota, has a unique retail marketplace. Home to Mayo Clinic, this healthcare facility forms the core of Rochester's economy. Mayo is not your typical clinic. It is a medical destination where people come to Rochester from all over the country and abroad for medical attention. As a result, nearly 2.75 million people visit Rochester each year. This effectively increases the size of the Rochester retail marketplace. The effect of these visitors is apparent in consumer expenditure reports. Therefore, those looking at our retail marketplace should not ignore the impact visitors have on our market. To do so will result in underestimating the retail sales potential of our market place. For a nominal fee, Rochester Area Economic Development, Inc. can provide those interested with customized market reports. Please contact us for more information.

### **I. ROCHESTER, MINNESOTA-OVERVIEW**

The Rochester, Minnesota, MSA comprises all of Olmsted, Dodge and Wabasha Counties. The Minnesota State Demographer's Office estimated the population of the Rochester MSA at 187,329 in 2011. Rochester is one of the nation's fastest growing MSAs.

Located in southeastern Minnesota, the Rochester MSA's strong diverse economy is built around health care, high technology, and agriculture. Major employers include: IBM-Rochester, Mayo Clinic, Benchmark, Crenlo, McNeilus Companies and Seneca. The Mayo Clinic and IBM, combined, employ more than 33,500 people. The Milken Institute's study of America's High Tech Economy identified Rochester as having one of the highest concentration of high tech businesses among all 315 U.S. metro areas. Rochester's technology base continues to grow with the addition of over 20 new technology firms in the past 10 years.

For over 140 years, the city of Rochester has remained the regional center for industry and commerce in southeastern Minnesota. The transportation infrastructure in the MSA includes Interstate and U.S. highways, rail freight, and international air passenger and cargo facilities.

The Rochester MSA continually ranks high in polls relating to quality of life and worker productivity. *Businessweek.com* listed Olmsted County in the top five counties as best affordable places to live. The *Kiplinger Personal Finance Magazine* listed Rochester in the top "10 Best Cities for the Next Decade" and as "A Great Place to Raise a Family." The *Atlantic* cited Rochester, Minnesota, as number 1 among 20 metros with the fastest growing jobs.

The smaller cities surrounding Rochester represent rural living at its best. Whether you are searching for a new corporate home, a place to expand your business, or a new place to live, the Rochester MSA offers the finest in business climate, labor force, real estate, utilities, transportation, education, and quality of life.

The Minnesota BioBusiness Center opened in Rochester in April 2009. This facility is located downtown in close proximity to Mayo Clinic, the Minnesota Partnership for Biotechnology and Medical Genomics, and the University of Minnesota Rochester. It offers more than 150,000 square feet of office/lab space for companies who could benefit by being near Rochester bioscience assets.

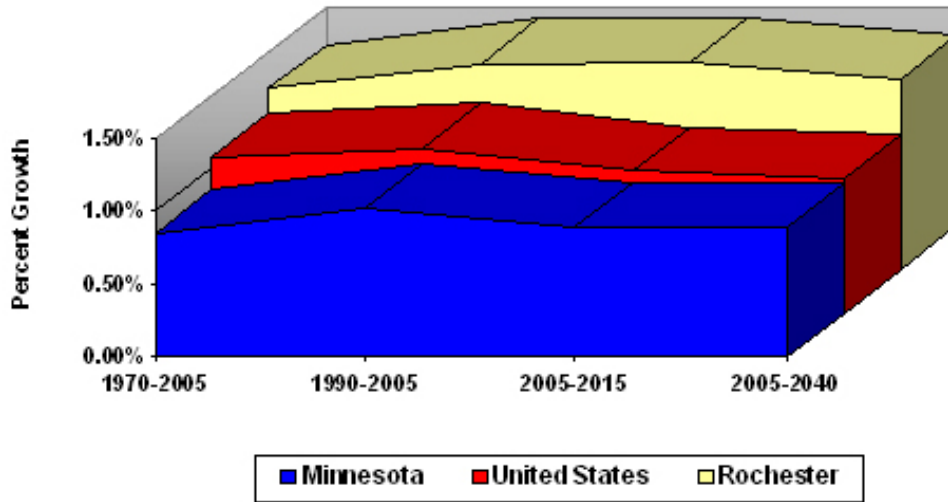
While many significant events have occurred during this time period testing the resiliency of the local economy, the net result has been that the Rochester economy remains strong and viable. The economy here continues to grow at a pace faster than that of the state and nation as a whole.

## Historical and Projected Population

<u>City</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2025</u>	<u>2040</u>
Rochester MSA	114,670	126,590	142,650	164,430	186,300	229,430	272,960
Minnesota	3,815,020	4,086,730	4,389,860	4,934,270	5,310,580	6,145,610	6,992,280
United States	203,982,310	227,225,620	249,622,810	282,171,960	309,349,690	357,547,520	406,416,630

Source: Woods & Poole Economics, 2012

## Historical and Projected Growth Rates



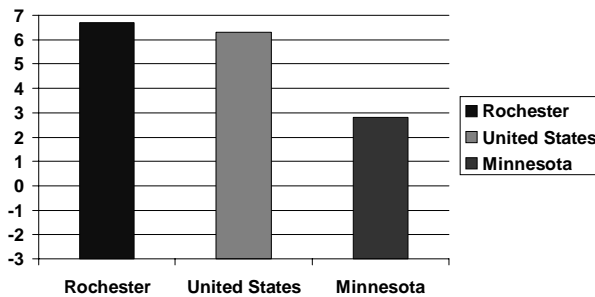
## Historical and Projected Population Growth Rates

<u>City</u>	<u>1970-2010</u>	<u>1990-2010</u>	<u>2010-2020</u>	<u>2010-2040</u>
Minnesota	.83%	.96%	.99%	.92%
United States	1.05%	1.08%	.98%	.91%
Rochester	1.22%	1.34%	1.43%	1.28%

Source: Woods & Poole Economics, 2012

## Labor Force Growth Rates

Average Rate of Growth 2001-2010



From 2001-2010, the Rochester area's labor force grew 6.3 percent while the U.S. and Minnesota's rates were 6.3 percent and 2.8 percent respectively.

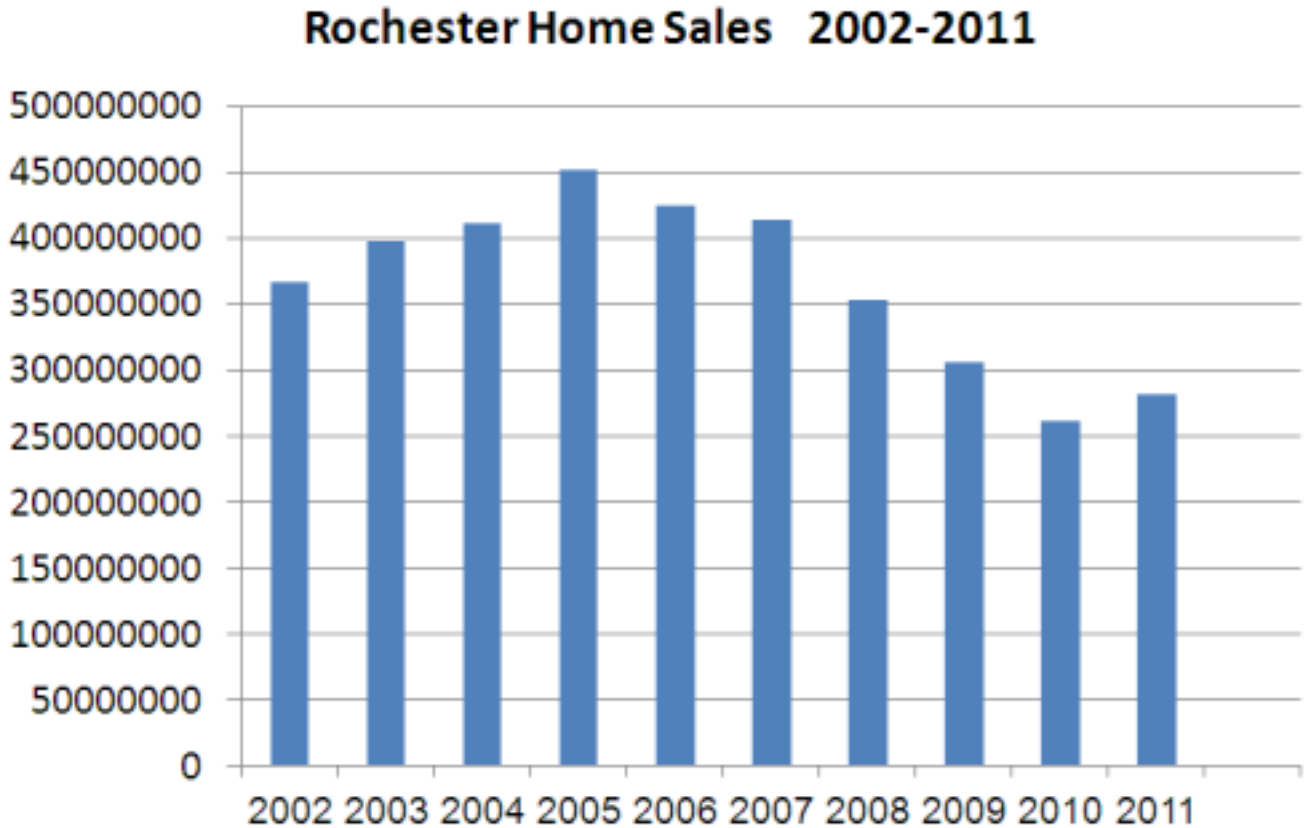
Sources:

Minnesota Dept. of Employment & Economic Development

Source: U.S. Dept. of Labor & Minnesota Department of Employment & Economic Development

### III. Real Estate Data and Trends

The real estate market in the Rochester area is historically strong but like all real estate markets, it's been impacted by the current economic conditions. (Chart below reflects the city of Rochester only).

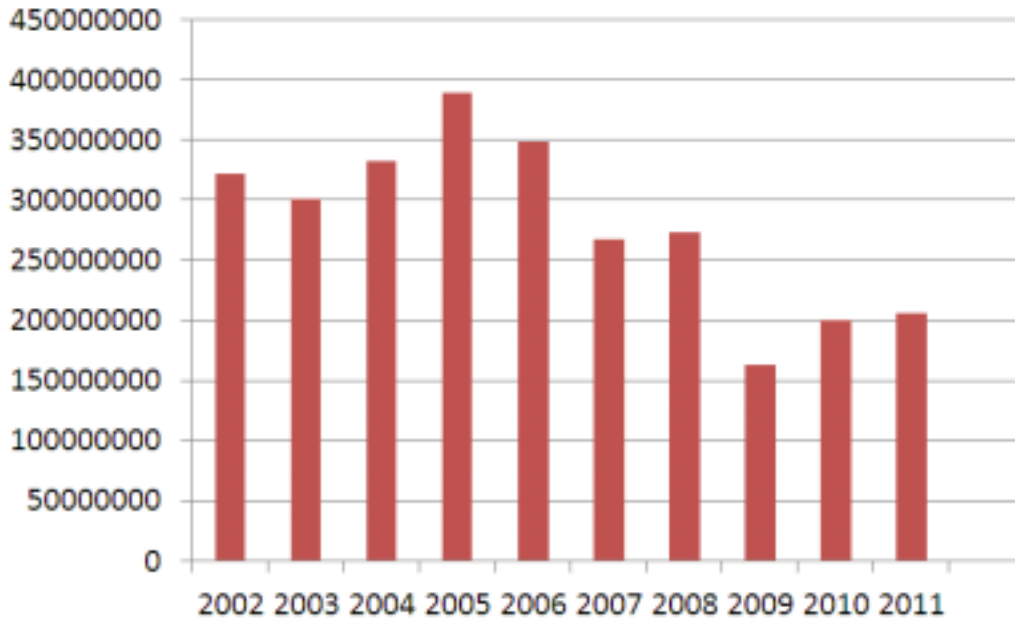


### Rochester MLS Home Sales

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$366,692,670	\$398,518,915	\$412,035,199	\$451,242,727	\$425,270,425
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$413,401,099	\$353,546,264	\$305,538,165	\$261,695,334	\$282,150,814

Source: Southeast Minnesota Association of Realtors

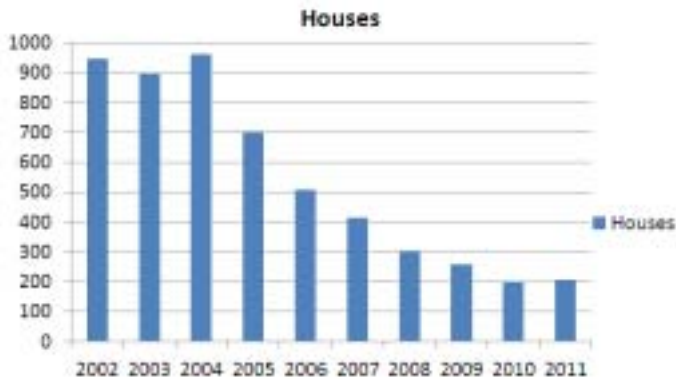
## Commercial & Residential Permits 2002-2011



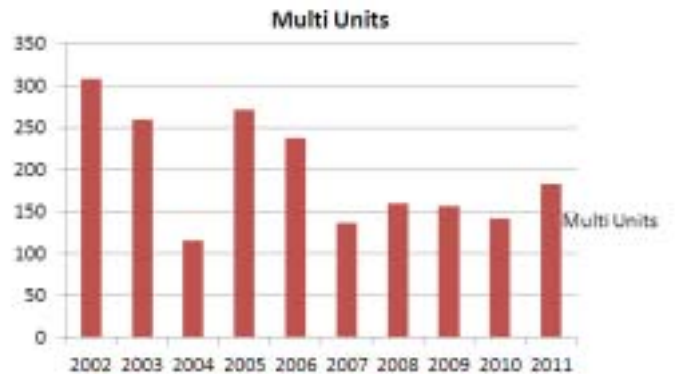
<b>2002</b>	\$322,260,328
<b>2003</b>	\$300,982,482
<b>2004</b>	\$332,798,185
<b>2005</b>	\$389,258,146
<b>2006</b>	\$348,298,986
<b>2007</b>	\$266,928,265
<b>2008</b>	\$272,812,191
<b>2009</b>	\$162,778,307
<b>2010</b>	\$199,855,733
<b>2011</b>	\$205,584,912

Source: Rochester Building & Safety

## Single Family Housing Construction



## Multi Family Housing Construction

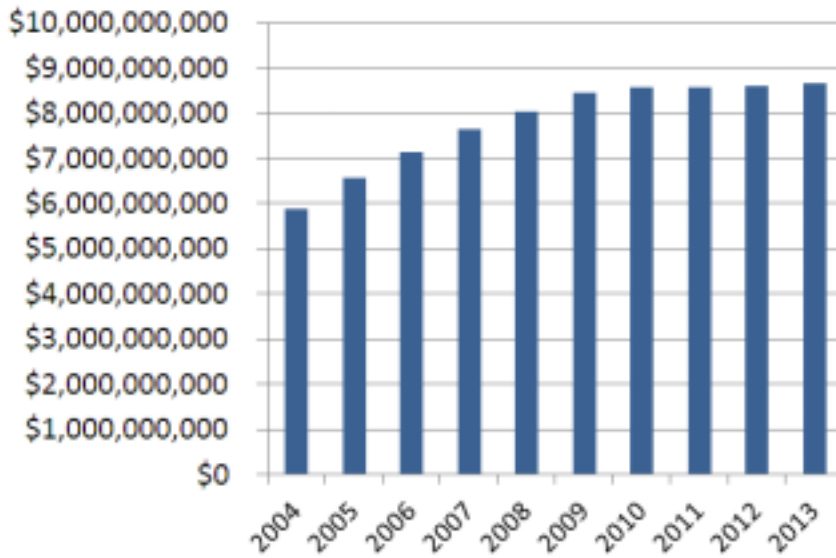


## Housing Unit Construction

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Single Family Homes	946	894	962	701	506	415	302	256	200	205
Multi Family Units	308	260	115	271	237	136	160	156	142	183

Source: Rochester Building & Safety

### 2004-2013 Rochester Assessed Market Property Values Commercial and Residential

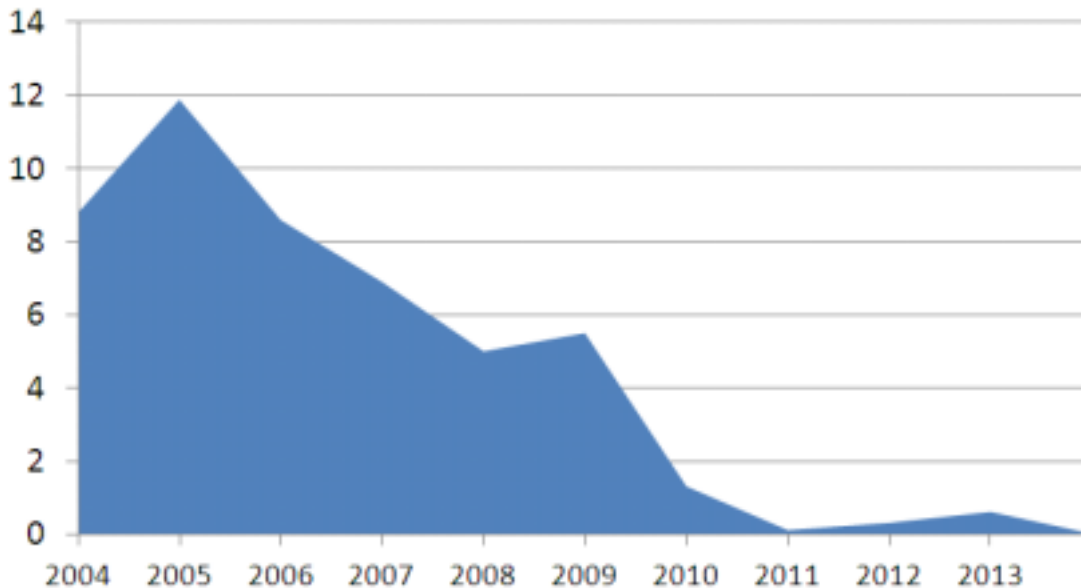


<b><u>Payable 2004</u></b>
\$5,877,675,200
<b><u>Payable 2005</u></b>
\$6,577,092,000
<b><u>Payable 2006</u></b>
\$7,141,076,300
<b><u>Payable 2007</u></b>
\$7,636,795,900
<b><u>Payable 2008</u></b>
\$8,020,809,900
<b><u>Payable 2009</u></b>
\$8,464,214,300
<b><u>Payable 2010</u></b>
\$8,577,284,200
<b><u>Payable 2011</u></b>
\$8,578,570,400
<b><u>Payable 2012</u></b>
\$8,600,985,600
<b><u>Payable 2013</u></b>
\$8,651,575,500

\*Market value assessed January 2 of one year and payable the next year.

Source: Olmsted County Assessor

### 2004-2013 Rochester Assessed Market Property Value Annual Growth Rates Commercial and Residential



#### Annual Growth Rates

<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
8.8%	11.9%	8.6%	6.9%	5.0%	5.5%	1.3%	.1%	.3%	.6%

Source: Olmsted County Assessor

#### IV. Personal and Per Capita Income Trends

Rochester’s average annual rate of growth in total personal income exceeded the national average rate of growth for the period 2001-2010.

#### Total Personal Income

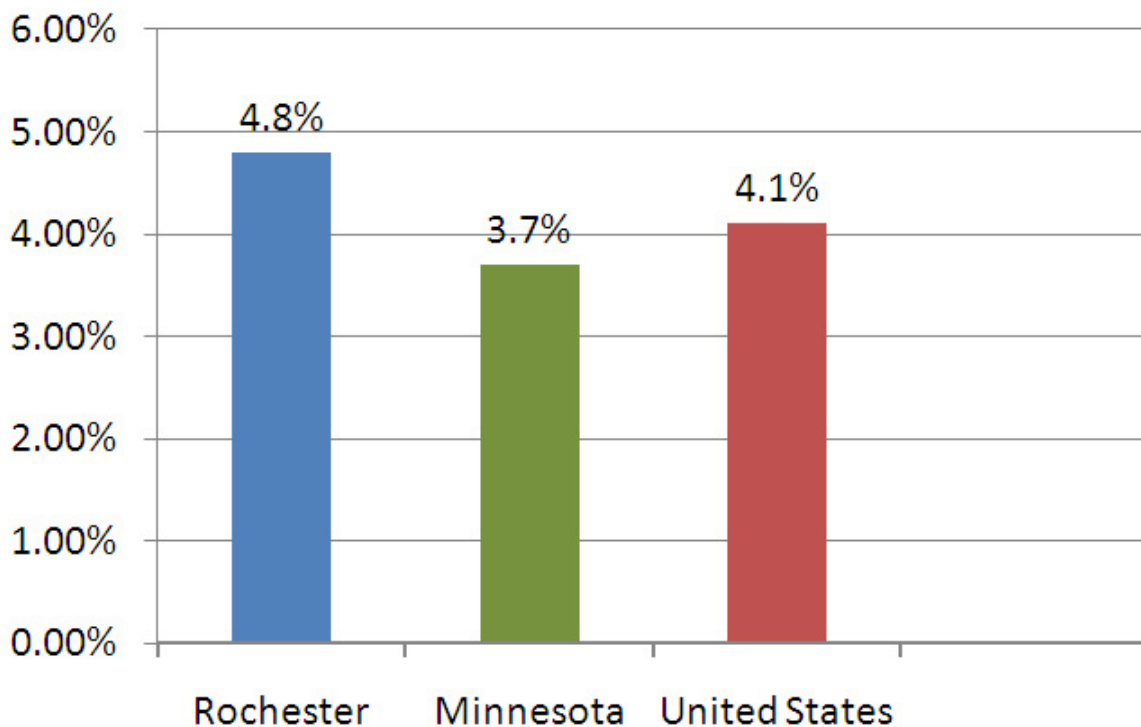
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Rochester	\$ 5,611,408	\$ 5,914,828	\$ 6,282,486	\$ 6,543,498	\$ 6,644,852
Minnesota	\$ 166,167,270	\$ 170,998,033	\$ 178,146,661	\$ 188,329,945	\$ 193,989,644
United States	\$ 8,878,830,000	\$ 9,054,782,000	\$9,369,072,000	\$9,928,790,000	\$10,476,669,000

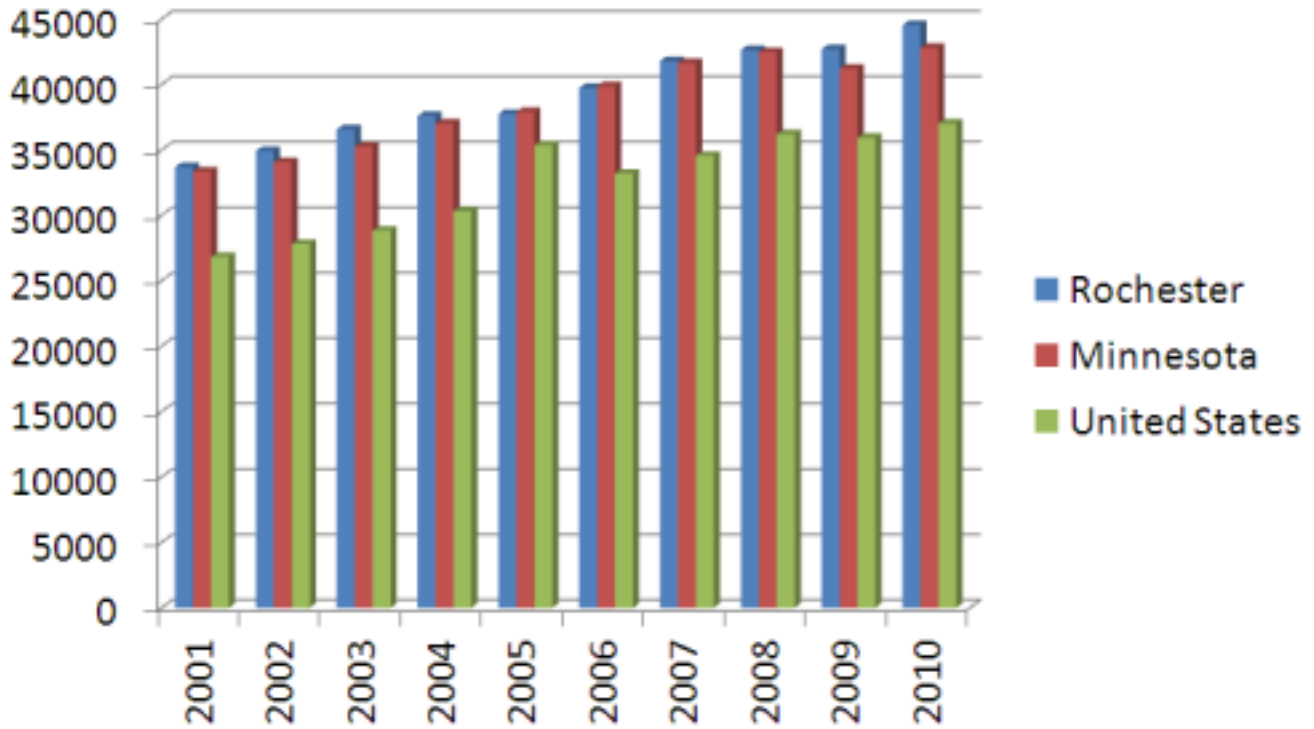
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Rochester	\$ 7,100,582	\$ 7,548,789	\$ 7,823,281	\$ 7,836,067	\$ 8,310,000
Minnesota	\$ 205,857,404	\$ 216,840,348	\$ 226,148,739	\$ 220,412,913	\$ 227,234,349
United States	\$11,256,516,000	\$11,900,562,000	\$12,380,225,000	\$12,168,161,000	\$12,530,101,184

*Bureau of Economic Analysis*

#### 2001-2010 Total Personal Income Growth



## Per Capita Income 2001-2010



### Per Capita Income

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Rochester</b>	\$33,678	\$34,914	\$36,566	\$37,582	\$37,744
<b>Minnesota</b>	\$33,348	\$34,071	\$35,252	\$37,017	\$37,892
<b>United States</b>	\$26,816	\$27,816	\$28,827	\$30,312	\$35,343

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Rochester</b>	\$39,730	\$41,778	\$42,617	\$42,685	\$44,522
<b>Minnesota</b>	\$39,867	\$41,642	\$42,466	\$41,204	\$42,798
<b>United States</b>	\$33,183	\$34,550	\$36,200	\$35,920	\$37,012

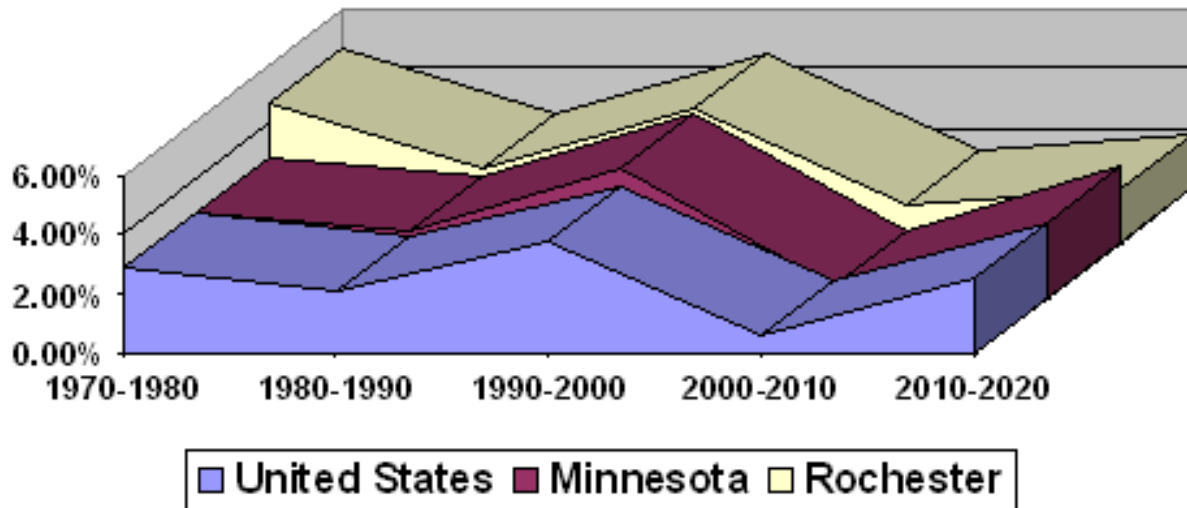
Source: Bureau of Economic Analysis



## V. Retail Sales History and Forecast

Retail sales annualized rate of growth in the Rochester marketplace has consistently outpaced the national rates of growth. This trend can be expected to continue through the year 2020.

### Retail Sales Historical and Projected Annualized Rate of Growth



#### Retail Sales Average Rate of Growth

	<u>1970-1980</u>	<u>1980-1990</u>	<u>1990-2000</u>	<u>2000-2010</u>	<u>2010-2020</u>
<b>Rochester</b>	4.70%	2.50%	4.50%	1.30%	1.80%
<b>Minnesota</b>	2.90%	2.20%	4.30%	.4%	2.60%
<b>United States</b>	2.90%	2.10%	3.80%	.6%	2.60%

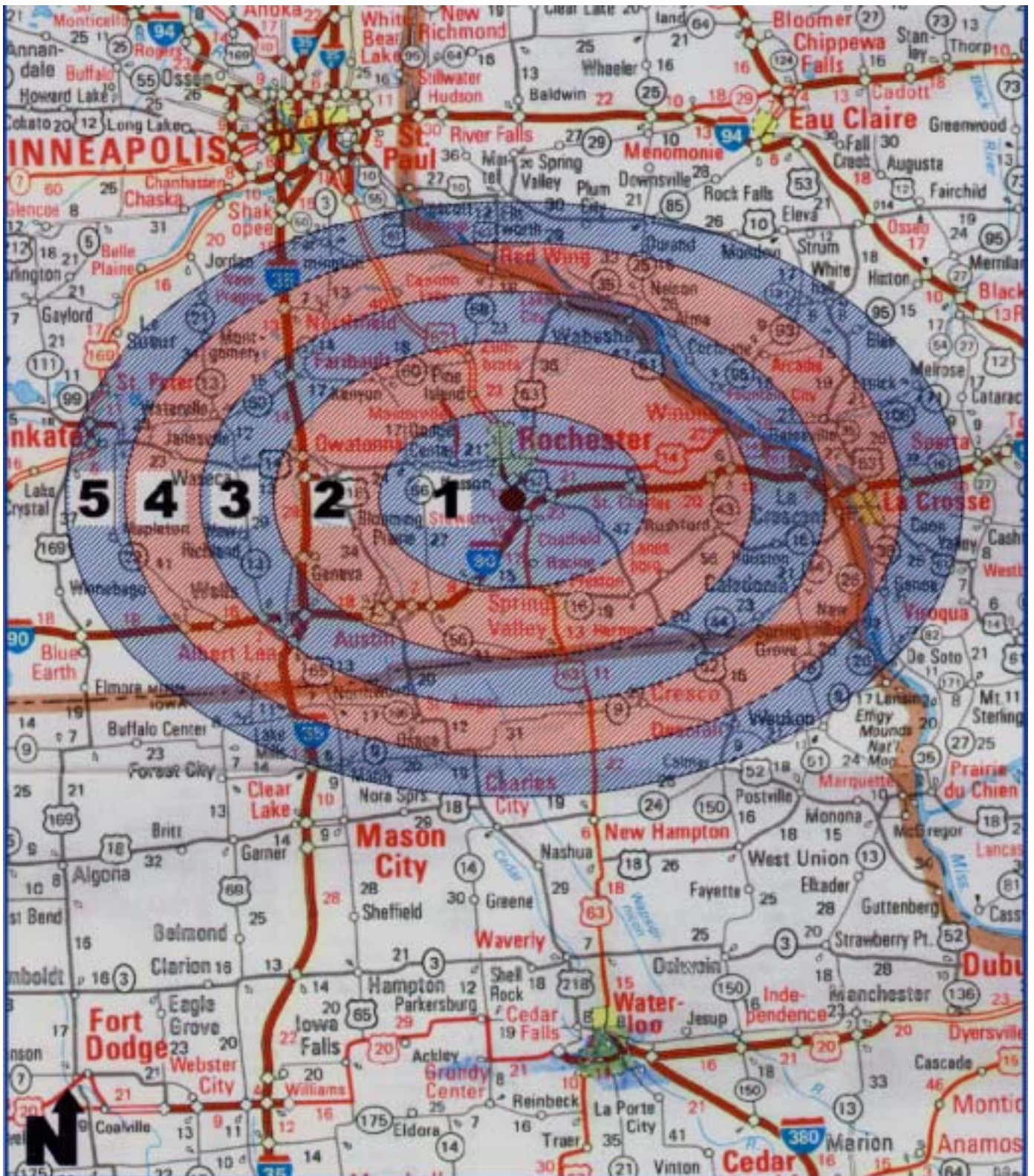
Source: Historical and Estimated Retail Sales data prepared by Woods and Poole Economics, Inc. 2012

#### Retail Sales

	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
<b>Rochester MSA (millions)</b>	941.73	1383.33	1729.08	2502.36	2831.64	3329.95
<b>Minnesota (millions)</b>	31374.17	40524.34	49420.72	70355.79	73124.96	92148.02
<b>United States (billions)</b>	1676.68	2169.89	2620.71	3616.91	3818.14	4810.49

Source: Historical and Estimated Retail Sales data prepared by Woods and Poole Economics, Inc. 2012

## VI. ROCHESTER MARKET AREA



**Circle 1**  
**COUNTIES WITHIN 30 MINUTES OF ROCHESTER**

<u>Minnesota</u>	<u>2011 Population</u>
Olmsted	145,769
Dodge	20,243

**Total Population within 30 minutes: 166,012**

**Circle 2**  
**COUNTIES WITHIN 45 MINUTES OF ROCHESTER**

<u>Minnesota</u>	<u>2011 Population</u>
Dodge	20,243
Fillmore	20,876
Mower	39,349
Olmsted	145,769
Wabasha	21,600

**Total Population within 45 minutes: 247,837**

**Circle 3**  
**COUNTIES WITHIN 60 MINUTES OF ROCHESTER**

<u>Minnesota</u>	<u>2011 Population</u>
Dodge	20,243
Fillmore	20,876
Goodhue	46,217
Mower	39,349
Olmsted	145,769
Steele	36,534
Wabasha	21,600
Winona	51,378

<u>Iowa</u>	<u>2011 Population</u>
Howard	9,565
Winneshiek	21,024

**Total population within 60 minutes: 412,555**

**Circle 4**  
**COUNTIES WITHIN 75 MINUTES OF ROCHESTER**

<u>Minnesota</u>	<u>2011 Population</u>
Dodge	20,243
Fillmore	20,876
Freeborn	31,172
Goodhue	46,217
Houston	18,916
Mower	39,349
Olmsted	145,769
Rice	64,409
Steele	36,534
Wabasha	21,600
Winona	51,378

<u>Iowa</u>	<u>2011 Population</u>
Howard	9,565
Mitchell	10,783
Winneshiek	21,024

<u>Wisconsin</u>	<u>2011 Population</u>
LaCrosse	115,572

**Total population within 75 minutes: 653,407**

**Circle 5**

**COUNTIES WITHIN 90 MINUTES OF ROCHESTER**

**Minnesota                      2011 Population**

Carver	92,638
Dakota	402,006
Dodge	20,243
Fillmore	20,876
Freeborn	31,172
Goodhue	46,217
Houston	18,906
Le Sueur	27,656
Mower	39,349
Olmsted	145,769
Rice	64,409
Scott	132,556
Steele	36,534
Wabasha	21,600
Waseca	19,273
Washington	241,280
Winona	51,378

**Iowa                                      2011 Population**

Allamakee	14,274
Cerro Gordo	43,938
Chickasaw	12,449
Floyd	16,070
Howard	9,565
Mitchell	10,783
Winneshiek	21,024

**Wisconsin                              2011 Population**

Buffalo	13,539
LaCrosse	115,572
Pierce	40,862
Trempealeau	29,001

**Total Population within 90 minutes: 1,738,939**

**Source:** [www.census.gov](http://www.census.gov)