Saint Paul Trends Report

A Summary of Economic, Demographic, and Development Trends in the City

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Our Inaugural Report

This is the inaugural issue of the Saint Paul Trends report. The purpose of this report is to summarize the ways that Saint Paul is changing in response to an evolving social and economic landscape. The data presented in this report was previously reported by a number of other organizations, such as the U.S. Census, The Department of Employment and Economic Development, and within the City of Saint Paul, among others. By consolidating this information in a singular report, we find that we can better capture and report on the activity that is occuring within our city.

This issue looks at three primary areas of change in the city. First, we look at the social and demographic characteristics of the city. Second, we profile the current state of employment among Saint Paul residents, look at changes in jobs and wages by industry in the city, and identify changes in employment in the public and private sectors. Finally, we look at trends in housing and development, from demolition and foreclosures to investment in residential and commercial construction

Saint Paul Trends will be published semi-annually, and the indicators featured will continue to expand and evolve to best capture the changes occurring within the city. We welcome your suggestions, comments, or questions. Please contact Jake Reilly at jake.reilly@stpaul.gov or at (651) 266-6618.

Highlights for This Issue

- Data from the 2010 US Census highlights the multi-cultural and ethnic diversity of Saint Paul. Nearly 45% of residents identify themselves as non-white or of hispanic descent. One of every six Saint Paul residents were born outside of the U.S., and nearly one in four residents speak a language other than English at home.

- The labor force continues to grow as the economy recovers from the Great Recession. The number of employed residents is increasing, as is the number of unemployed residents seeking work.

- Significant investment is being made in additions to and remodels of single-family homes. The greatest investments in dollar terms are being made in the southwest portion of the city, while investments as a percent of home value are more equally disbursed across the City.

- Foreclosures have declined significantly since the peak of the housing crisis, though they still occur at a higher rate than before the recession.

2010 POPULATION IN SAINT PAUL

Population by Age and Gender

The 2010 U.S. Deciennial Census identified 285,068 residents in the City of Saint Paul. Of those, 139,355 were male and 145,713 female. For every 100 males, there were 104.6 females.

Table 1 at right shows the total population of the City broken down by age range and gender.

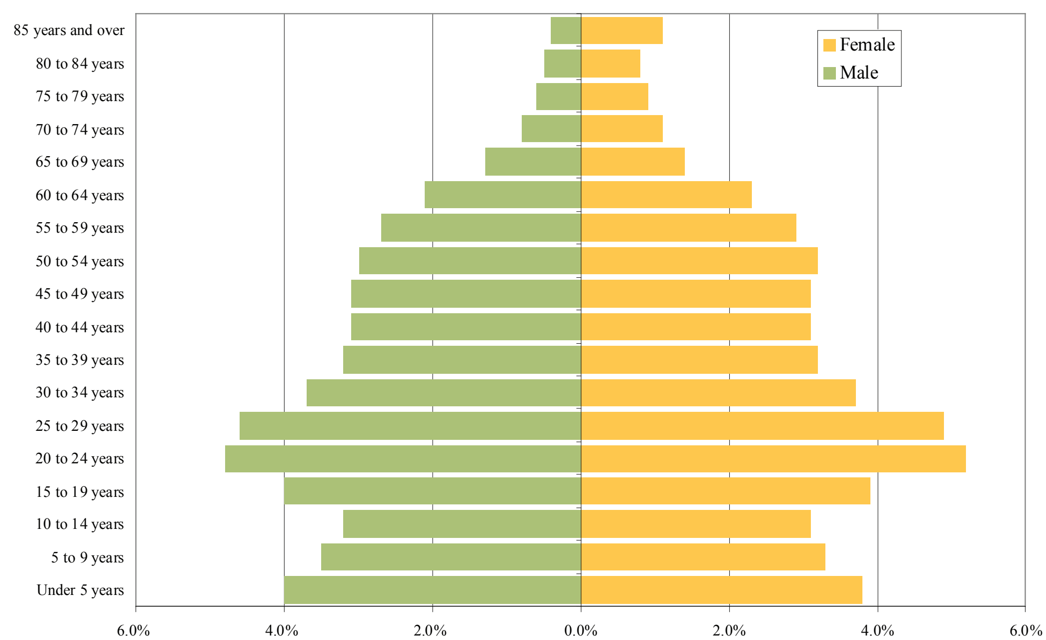
Figure 1 at right shows population by age and gender as a percent of the total population. The largest age groups as a percent of the total population are those 15-29 years old.

TABLE 1 - POPULATION BY AGE AND GENDER, SAINT PAUL, 2010

Age	Male	Female	Total
< 5 yrs	11,417	10,899	22,316
5-9 yrs	10,059	9,545	19,604
10-14 yrs	9,260	8,857	18,117
15-19 yrs	11,402	11,046	22,448
20-24 yrs	13,724	14,706	28,430
25-29 yrs	13,206	14,086	27,292
30-34 yrs	10,643	10,542	21,185
35-39 yrs	9,139	9,000	18,139
40-44 yrs	8,861	8,753	17,614
45-49 yrs	8,944	8,947	17,891
50-54 yrs	8,645	9,170	17,815
55-59 yrs	7,753	8,402	16,155
60-64 yrs	5,971	6,503	12,474
65-69 yrs	3,570	3,963	7,533
70-74 yrs	2,374	3,095	5,469
75-79 yrs	1,762	2,574	4,336
80-84 yrs	1,371	2,376	3,747
85+	1,254	3,249	4,503

Source: 2010 U.S. Census of Population and Housing - Table DP-01

FIGURE 1 - POPULATION BY AGE AND GENDER, SAINT PAUL, 2010



Source: 2010 U.S. Census of Population and Housing - Table DP-01

2010 POPULATION IN SAINT PAUL

Race and Ethnicity

Figure 2 and Table 2 at right show the racial and ethnic makeup of the City by population and as a percent of the total population.

Over 44% of the City's population identifies as non-white and/or hispanic. Nearly 56% of the population identifies themselves as white-only, 15% as African-American only, and 15% as Asian alone. Nearly 10% of the population is Hispanic, regardless of race.

FIGURE 2 - RACE AND ETHNICITY OF SAINT PAUL RESIDENTS

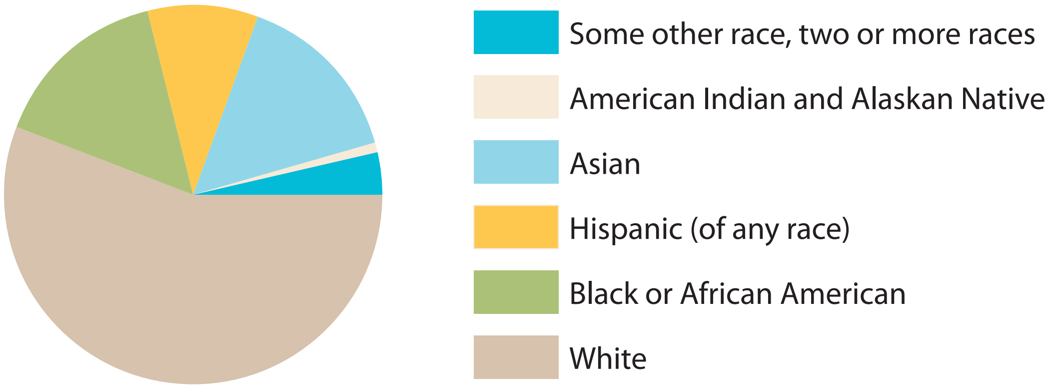


TABLE 2 - RACE AND ETHNICITY OF SAINT PAUL RESIDENTS

Race or Ethnicity	Population	Percent of Total
White	159,437	55.9%
Black or African American	43,620	15.3%
Hispanic (of any race)	27,311	9.6%
Asian	42,494	14.9%
American Indian and Alaskan Native	2,316	0.8%
Some other race, two or more races	9,890	3.5%

Source: 2010 U.S. Census of Population and Housing - Table DP-01

Language Spoken at Home

Figure 3 and Table 3 show the languages Saint Paul residents over 5 years old speak at home. Greater than one in four residents (around 70,000 people) in the City speak a language other than English in their household.

More than 73% of residents over 5 years old speak English at home, compared to 8% of residents who speak Spanish, and 12% of residents who speak an Asian language. More than 6% of residents speak another language at home (including African languages).

FIGURE 3 - LANGUAGE SPOKEN AT HOME (OF RESIDENTS 5 YEARS AND OLDER)

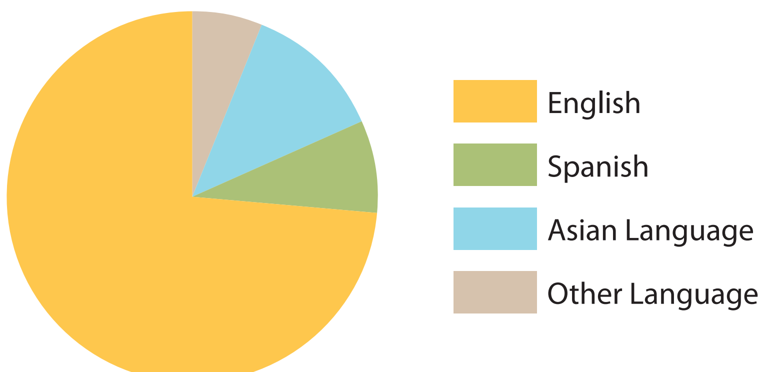


TABLE 3 - LANGUAGE SPOKEN AT HOME (OF RESIDENTS 5 YEARS AND OLDER)

Total	264,204	100.0%
English	193,815	73.4%
Spanish	21,204	8.0%
Asian Languages	32,627	12.3%
Other Languages	16,558	6.3%

Source: 2010 American Community Survey - Selected Social Characteristics - Table DP-02

2010 POPULATION IN SAINT PAUL

Place of Birth

The figures and tables at right break down the place of birth of Saint Paul's residents.

Fifty-seven percent of Saint Paul's residents were born in Minnesota. The remainder were born elsewhere in the United States (26%) or were foreign-born (17%).

Of the 48,000-plus residents born abroad, nearly half (23,500) were born in Asia and Oceania, one-fifth (9,600) were born in Africa, and a quarter (12,000) from Latin America. The remaining foreign-born residents were born elsewhere in North America or in Europe.

FIGURE 4 - PLACE OF BIRTH OF SAINT PAUL RESIDENTS

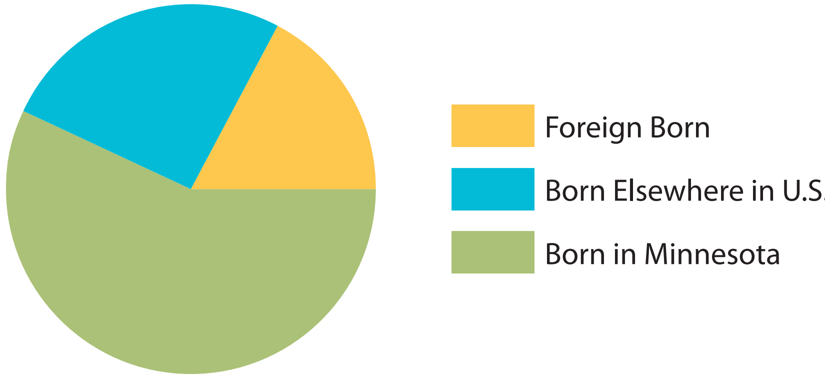


FIGURE 5 - PLACE OF BIRTH OF FOREIGN-BORN SAINT PAUL RESIDENTS

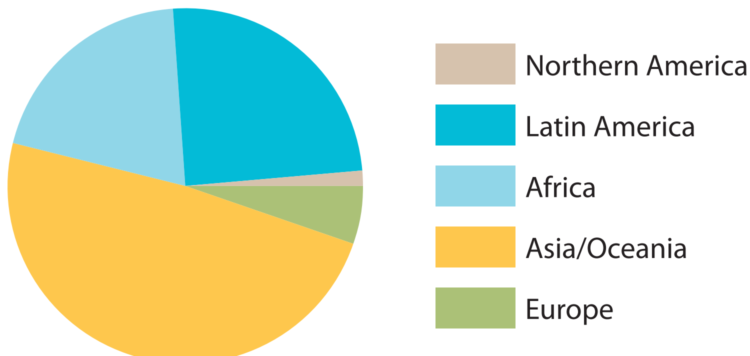


TABLE 4 - PLACE OF BIRTH OF SAINT PAUL RESIDENTS

Total	283,812	100.0%
Born in Minnesota	162,062	57.1%
Born Elsewhere in U.S.	73,414	25.9%
Foreign Born	48,336	17.0%

Total Foreign Born	48,336	100.0%
Europe	2,662	5.5%
Asia & Oceania	23,497	48.6%
Africa	9,567	19.8%
Latin America	12,025	24.9%
Northern America	585	1.2%

Source: 2008-2010 American Community Survey, Table DP-02, Selected Social Characteristics

2010 POPULATION IN SAINT PAUL

Mobility

The tables and figures at right highlight where Saint Paul residents lived in 2009 relative to 2010, based on results from the American Community Survey.

Nearly 4 in 5 residents lived in the same house in both 2009 and 2010. Of those that moved in that year, over 33,000 residents moved from elsewhere in Ramsey County, and nearly 15,000 more from elsewhere in Minnesota. Over 7,500 new residents came from some other U.S. state, and around 2,700 moved to Saint Paul from another country.

FIGURE 6 - PLACE OF RESIDENCE 1 YEAR AGO (FOR RESIDENTS 1 YEAR & OLDER)

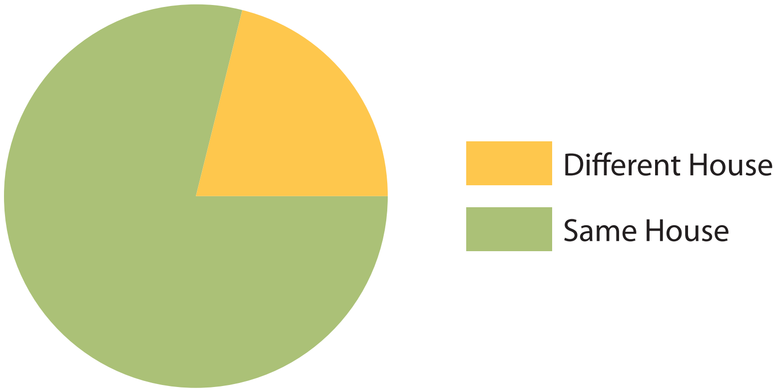


TABLE 5 - PLACE OF RESIDENCE 1 YEAR AGO (FOR RESIDENTS 1 YEAR & OLDER)

Residence One Year Ago		
Total	279,243	100.0%
Same House	220,579	79.0%
Different House	58,664	21.0%

Source: 2008-2010 American Community Survey, Table DP-02, Selected Social Characteristics

FIGURE 7 - PLACE OF RESIDENCE 1 YEAR AGO, NEW RESIDENTS

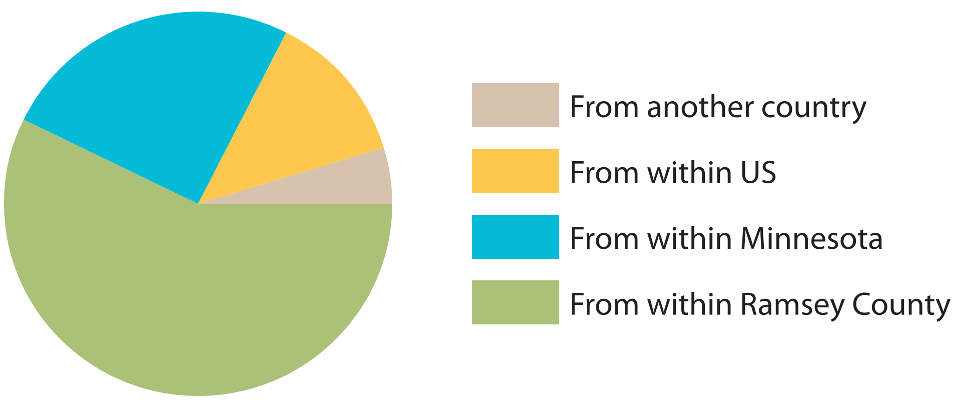


TABLE 6 - PLACE OF RESIDENCE 1 YEAR AGO, NEW RESIDENTS

Residence Different Than One Year Ago	58,664	100.0%
From within Ramsey County	33,608	57.3%
From within Minnesota	14,815	25.3%
From within US	7,524	12.8%
From another country	2,717	4.6%

Source: 2008-2010 American Community Survey, Table DP-02, Selected Social Characteristics

LABOR FORCE

Employment

Employment is measured as the number of residents of Saint Paul who are currently working or are seeking employment (regardless of where they are employed). This is different from the analysis of jobs on the following pages, which measures the number of people who work in the city (regardless of where they live).

Through the second quarter of 2012, Saint Paul's residents held 138,482 jobs. This is 2,227 more jobs than one year ago.

The seasonally adjusted averages show an increase of 557 jobs from 12-Q1, and 2,742 jobs from one year ago (a 2.0% increase).

Jobs in Saint Paul grew faster than the seven county metro area, which lost 12,000 jobs in 12-Q1, despite growth of 15,500 jobs (0.9%) since 11-Q2.

TABLE 7 - LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

	11-Q2	11-Q3	11-Q4	12-Q1	12-Q2
St Paul - Unadjusted					
Labor Force	146,573	148,791	147,336	145,533	147,556
Employment	136,255	137,330	138,580	136,168	138,482
Unemployment Rate	7.0%	7.7%	5.9%	6.4%	6.1%
St Paul - Seasonally Adjusted					
Labor Force	145,664	146,214	146,818	147,058	147,304
Employment	134,898	135,527	136,564	137,083	137,640
Unemployment Rate	7.4%	7.3%	7.0%	6.8%	6.6%
Metro - Unadjusted					
Labor Force	1,849,849	1,864,832	1,861,616	1,843,703	1,779,687
Employment	1,732,295	1,745,797	1,761,399	1,731,472	1,684,777
Unemployment Rate	6.4%	6.4%	5.4%	6.1%	5.3%
Metro - Seasonally Adjusted					
Labor Force	1,840,249	1,844,860	1,852,206	1,855,000	1,837,460
Employment	1,715,292	1,723,126	1,736,116	1,742,741	1,730,861
Unemployment Rate	6.8%	6.6%	6.3%	6.1%	5.8%

Source: Minnesota Department of Employment and Economic Development - Local Area Unemployment Statistics

LABOR FORCE

Labor Force

The labor force is the total of the residents of Saint Paul classified as employed or unemployed (meaning those actively seeking employment).

The seasonally adjusted quarterly average shows eight straight quarters in employment growth, making up for losses experienced in 2009 and early 2010.

While the total number of jobs lost during the recession has recovered, the continued growth of the labor force in the city is largely due to the growth in the number of unemployed residents seeking employment.

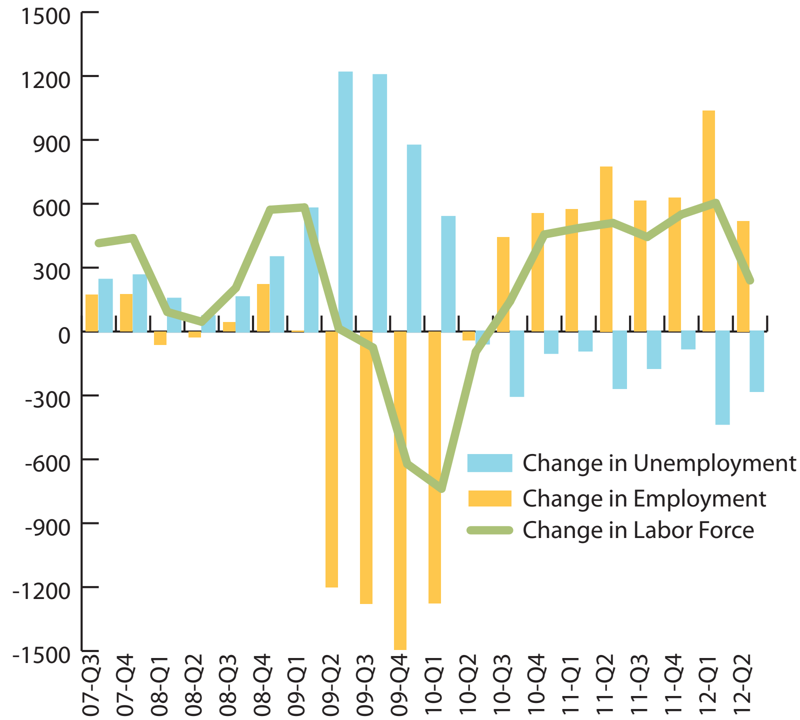
Unemployment Rate

The unemployment rate measures the number of unemployed residents as a percent of the labor force.

The unemployment rate in Saint Paul has declined significantly from its peak of 8.2% in 2009. The seasonally adjusted unemployment rate has declined 1.6 percentage points to 6.6% in the second quarter of 2012.

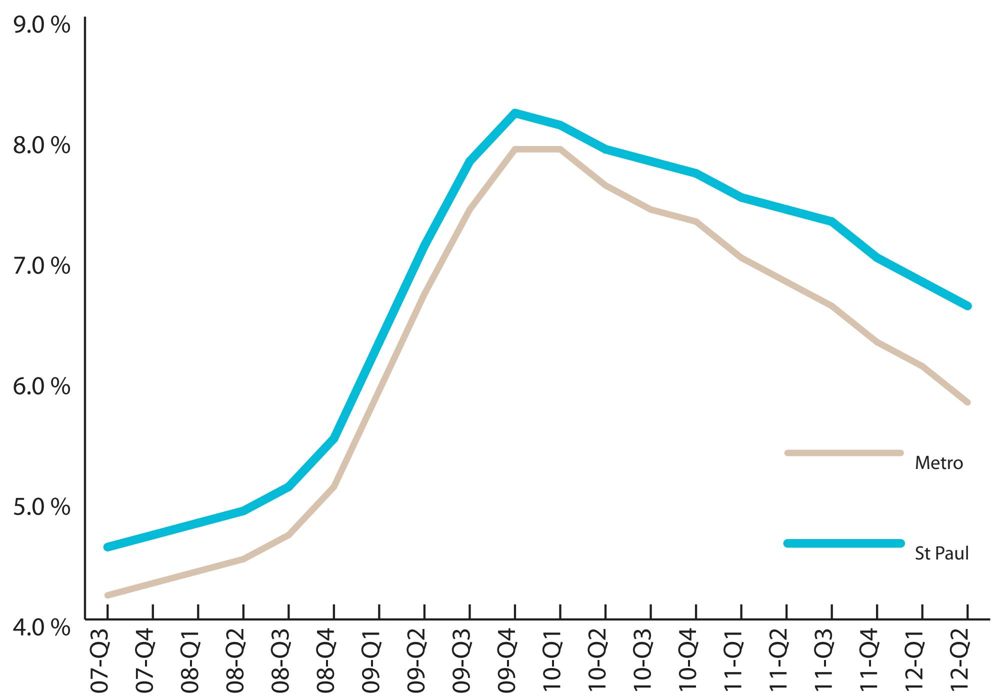
By comparison, the unemployment rate in the metro area has declined more rapidly from its peak of 7.9% in 2009. The unemployment rate in the entire metro has declined by 2.1 percentage points to a second quarter rate of 5.8%.

FIGURE 8 - CHANGES IN THE LABOR FORCE (FROM SEASONALLY ADJUSTED DATA)



Source: Minnesota Department of Employment and Economic Development - Local Area Unemployment Statistics

FIGURE 9 - UNEMPLOYMENT RATE, SEASONALLY ADJUSTED



Source: Minnesota Department of Employment and Economic Development - Local Area Unemployment Statistics

Public and Private Sector Labor Jobs

Table 8 and Figure 10 at right show the number of jobs in the City and changes in jobs broken down by public and private sector over the last four quarters.

Private sector jobs in the City have grown in three of the last four quarters, with a total of 317 jobs added between 11-Q1 and 12-Q1, a 0.2% increase.

Public sector employment has declined in the City during each of the last four quarters, with a net loss of nearly 1,500 jobs over four quarters. Local jobs (city and county employment), saw a decline of 332 jobs over one year (a 2.1% decline). State government reduced their staff by 1,091 workers (-6.3%), and federal employees working in Saint Paul declined by 63 over four quarters (-2.1%). Overall, government jobs in the city declined by nearly 1,500, or 4.1%, since 11-Q1.

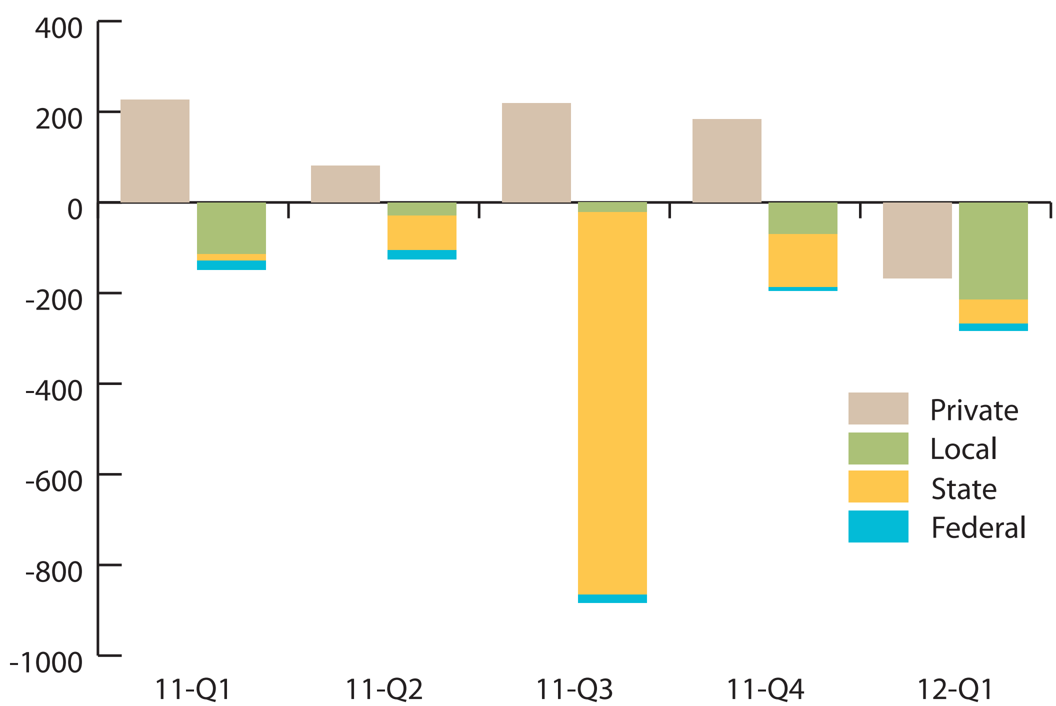
TABLE 8 - JOBS BY PUBLIC AND PRIVATE SECTOR, SEASONALLY ADJUSTED AVERAGE

	11-Q1	11-Q2	11-Q3	11-Q4	12-Q1
Total Jobs in Saint Paul	174,473	174,429	173,765	173,754	173,304
Private Jobs	138,423	138,504	138,723	138,907	138,740
Change from Prev Qtr		81	219	184	-167
Total Government Jobs	36,050	35,925	35,042	34,847	34,564
Change from Prev Qtr		-125	-883	-195	-283
Local Government Jobs	15,740	15,712	15,691	15,622	15,408
Change from Prev Qtr		-28	-21	-69	-214
State Government Jobs	17,297	17,220	16,376	16,259	16,206
Change from Prev Qtr		-77	-844	-117	-53
Federal Government Jobs	3,013	2,993	2,975	2,966	2,950
Change from Prev Qtr		-20	-18	-9	-16

	Change in Jobs, 11-Q1 to 12-Q1	
	Number	Percent
Private Jobs	317	0.2%
Total Government Jobs	-1486	-4.1%
Local Government Jobs	-332	-2.1%
State Government Jobs	-1091	-6.3%
Federal Government Jobs	-63	-2.1%

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages

FIGURE 10 - CHANGES IN PUBLIC AND PRIVATE SECTOR JOBS, FOUR-QUARTER AVERAGE



Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages

Sectors which gained the most net jobs

Health care and social assistance gained 958 jobs (2.5% growth), due in large part to growth within social assistance.

Manufacturing gained 812 jobs (+10%). Jobs were created in primary metal manufacturing and in miscellaneous manufacturing.

Administrative and waste services gained 362 jobs (+3.2%), almost entirely within the administrative and support services subsector.

Educational services added 274 jobs (+1.6%). Private sector educational support services more than doubled in growth, while jobs lost in public primary and secondary schools were offset by gains in private schools.

TABLE 9 - QUARTERLY EMPLOYMENT BY INDUSTRY

St Paul, Employment by Industry***	2010-Q4	2011-Q1	2011-Q2	2011-Q3	2011-Q4	% Chg Q4 2010-11
Total, All Industries	175,669	171,706	175,923	171,657	175,319	-0.2%
Construction	369	352	366	383	377	2.2%
Manufacturing	7,749	8,195	8,400	8,486	8,561	10.5%
Utilities	908	887	906	903	883	-2.8%
Wholesale Trade	4,950	4,810	4,859	4,889	4,892	-1.2%
Retail Trade	9,698	9,148	9,235	9,371	9,605	-1.0%
Transportation and Warehousing	3,693	3,640	3,655	3,651	3,728	0.9%
Information	255	258	256	253	246	-3.5%
Finance and Insurance	13,828	12,400	12,342	12,348	12,385	-10.4%
Real Estate and Rental and Leasing	2,669	2,652	2,663	2,713	2,644	-0.9%
Professional and Technical Services	6,767	6,819	6,855	6,762	6,832	1.0%
Management of Companies and Enterprises	4,342	4,269	4,349	4,340	4,310	-0.7%
Administrative and Waste Services	11,286	10,609	11,331	11,858	11,648	3.2%
Educational Services	17,341	17,204	17,460	15,600	17,615	1.6%
Health Care and Social Assistance	38,456	38,294	38,800	39,230	39,414	2.5%
Arts, Entertainment, and Recreation	4,148	4,239	4,282	4,088	4,179	0.7%
Accommodation and Food Services	10,974	10,714	11,288	11,255	11,055	0.7%
Other Services (except Public Admin.)	6,866	6,428	6,546	6,685	6,366	-7.3%
Public Administration	21,728	21,589	21,874	18,892	21,179	-2.5%

Source: Minnesota Department of Employment and Economic Development - QCEW

Sectors which lost the most jobs

Finance and insurance lost 1,443 jobs (10.4% loss) due primarily to reduction of jobs in credit remediation and related services.

Public Administration lost a total of 549 jobs (-2.5%). Most of these losses were in state government and in local, state, and federal government programs for administration of programs for environmental quality, human resources, and justice, social order, and safety activities. Local government saw employment gains in housing and community development programs only.

So-called **"Other services"** lost 500 jobs (-7.3%), a majority of which were lost among civic and non-profit institutions.

**** - Refer to Appendix A for a brief description of each industry by NAICS code, as defined by the U.S. Census. More detail can be found at http://www.census.gov/eos/www/naics/2007NAICS/2007_Definition_File.pdf.*

Comparing Changes in Employment by Sector

Figure 11 shows changes in employment in Saint Paul relative to changes in the 7-County Metro Area and the State.

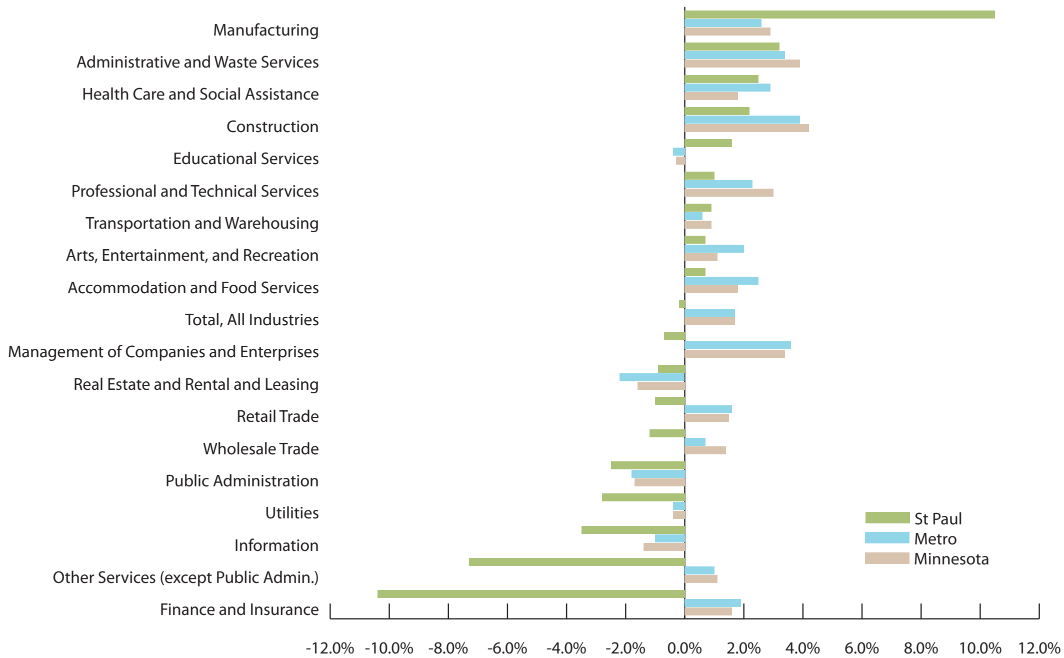
The City has experienced significantly greater growth in **manufacturing** compared to the Metro and the State, growing more than 10% in the number of employees over four quarters.

Sectors like **administrative and waste services, construction, and health care & social assistance** have seen notable gains, and are on par with Metro and State changes.

Management of companies, retail trade, and wholesale trade saw slight declines in employment in Saint Paul while experiencing growth outside of the City.

Utilities, information, "other services", and finance & insurance saw significant losses in employment in the city relative to changes in the Metro and State.

FIGURE 11 - PERCENT CHANGE IN EMPLOYMENT, BY INDUSTRY, 10-Q4 TO 11-Q4



Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages

Average Weekly Wages

The average weekly wage in Saint Paul as of the fourth quarter of 2011 was $2,195, which is $55 greater than in the third quarter, but $114 less than the same time one year ago. This equates to a 4.9% decline in average weekly wages over one year, which is less than the declines faced in the Metro Area (-6.4%) and the State (-6.2%).

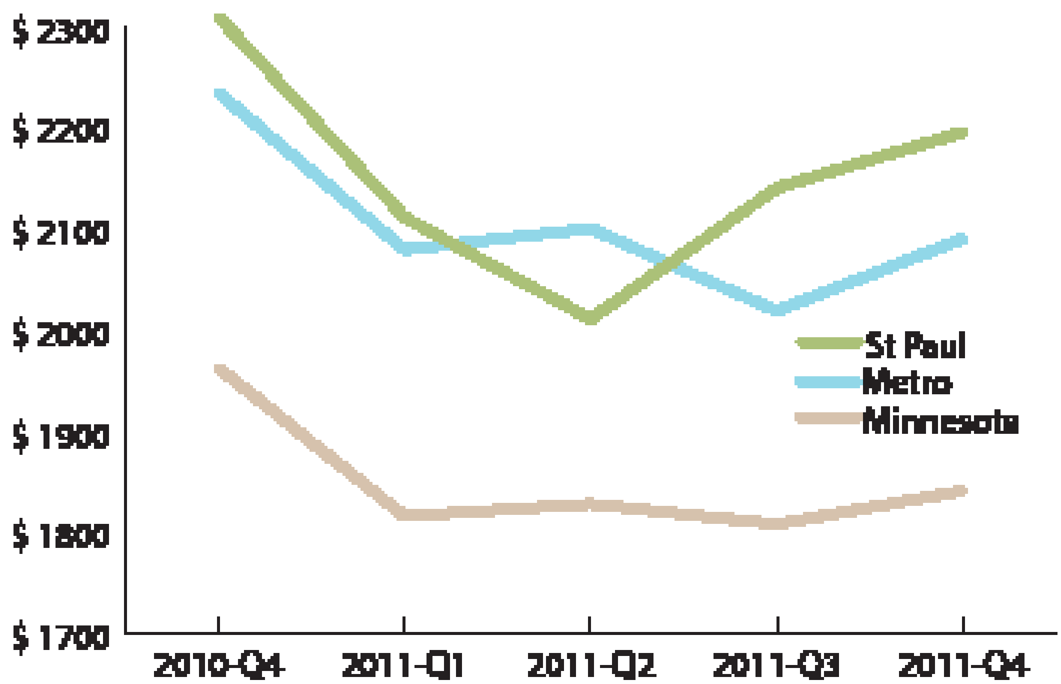
Saint Paul's average wage is comparable to that of the seven-county metro area over the last five quarters, and both City and Metro average weekly wages exceed the Statewide average.

TABLE 10 - AVERAGE WEEKLY WAGES BY QUARTER (NOT SEASONALLY ADJUSTED)

	Average Weekly Wages (2011 $)					Change Q4-10 to Q4-11	
	2010-Q4	2011-Q1	2011-Q2	2011-Q3	2011-Q4	$	%
St Paul	$2,309	$2,111	$2,010	$2,140	$2,195	-$114	-4.9%
Metro	$2,234	$2,079	$2,100	$2,018	$2,090	-$78	-6.4%
Minnesota	$1,962	$1,816	$1,828	$1,808	$1,841	-$63	-6.2%

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages

FIGURE 12 - AVERAGE WEEKLY WAGES, BY QUARTER (2011 $)



Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages

WAGES

Wage Changes by Industry

In general, average weekly wages declined slightly over a one-year period. Figure 13 lists industries in order by the greatest gain in average weekly wages in the City, and how these changes compare to the Metro area and Minnesota.

Only three sectors saw real wage growth in the city, and no industry in the metro area or the state saw real wage growth over four quarters.

So-called **"other services"** experienced 4.6% growth in wages in the City, while experiencing steep declines in the Metro and State.

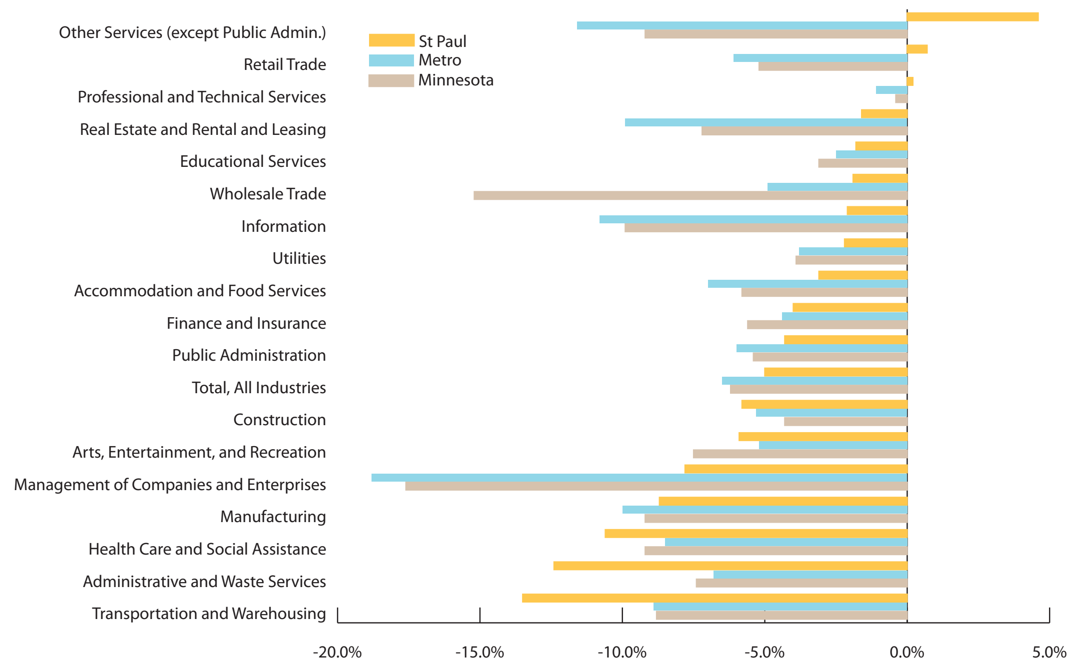
Wages for **retail trade** grew by 0.7% over four quarters, while Metro and State wages declined in this sector.

Wages for **professional and technical services** held steady across all areas over the one-year period.

Wages in Saint Paul declined more than the Metro and State in the industries of **health care and social assistance, administrative and waste services and transportation and warehousing**

Wages in the industries of **finance and insurance, public administration, management of companies and enterprises, and manufacturing** were more negatively impacted outside of the city than within it.

FIGURE 13 - PERCENT CHANGE IN WAGES, BY INDUSTRY, 10-Q4 TO 11-Q4



Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages

CHANGES IN WAGES AND JOBS

Comparing Changes in Wages and Jobs

As shown in Figure 14 at right, plotting the yearly percent changes in average weekly wages and jobs with the total change in jobs by sector reveals some interesting details about the local economy. The size of the circle represents jobs lost or gained per Table 11.

Wages grew in **retail trade** by a modest 0.7% over four quarters (in 2011 $). This industry lost 93 net jobs over this time period.

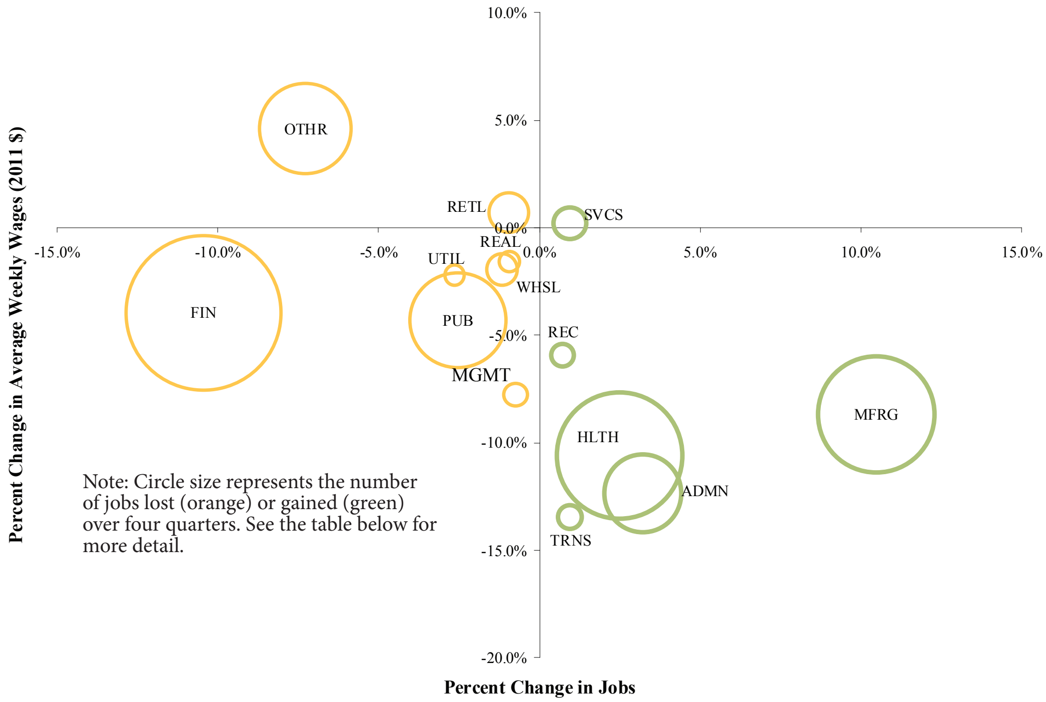
Manufacturing jobs grew by 812 jobs, or 10.5%, over four quarters, based on reported data. However, average wages reported for this industry declined by 8.7% over this time.

The **finance and insurance** industry saw significant declines in wages (-4.0%) and a loss of 1,444 reported jobs, or 5.1% of the total from 2010-Q4.

Jobs in **transportation and warehousing** held steady over four quarters, however, wages declined by 13.5% from 2010 to 2011, the most of all industries in this time period among reported data.

Health care and social assistance saw the greatest increase in jobs in Saint Paul, growing by 957 through 2011. However, average weekly wages declined significantly, by 10.6% over four quarters.

FIGURE 14 - SAINT PAUL CHANGE IN JOBS AND PERCENT CHANGE IN JOBS AND WAGES, BY INDUSTRY, 2010-Q4 TO 2011-Q4



Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages

TABLE 11 - PERCENT CHANGE IN WAGES, BY INDUSTRY, 2010-Q4 TO 2011-Q4

Industry		Change from 2010-Q4 to 2011-Q4		
		Employment, #	Employment, %	Wkly Wages, %
HLTH	Health Care and Social Assistance	957	2.5%	-10.6%
MFRG	Manufacturing	812	10.5%	-8.7%
ADMN	Administrative, Support, Waste Mgmt,Remediation Svcs	363	3.2%	-12.4%
SVCS	Professional, Scientific, and Technical Services	64	0.9%	0.2%
TRNS	Transportation and Warehousing	35	0.9%	-13.5%
REC	Arts, Entertainment, Recreation	30	0.7%	-5.9%
UTIL	Utilities	-24	-2.6%	-2.2%
REAL	Real Estate, Rental, Licensing	-25	-0.9%	0.7%
MGMT	Management of Companies and Enterprises	-32	-0.7%	-7.8%
WHSL	Wholesale Trade	-58	-1.2%	-1.9%
RETL	Retail Trade	-93	-1.0%	0.7%
OTHR	Other Services (except Public Administration)	-500	-7.3%	4.6%
PUB	Public Administration	-549	-2.5%	-4.3%
FIN	Finance and Insurance	-1,444	-10.4%	-4.0%

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages

NEW CONSTRUCTION

New buildings

In the fourth quarter of 2011, there were a total of 75 new buildings with recently completed, inspected, or active building permits over the previous four quarters. This is compared to 57 buildings in four quarters ending in 2010.

Most notable is the increase in new commercial buildings, increasing from 11 in 2010 to 30 in 2011. Institutional buildings saw a slight decline from 14 in 2010 to 10 buildings in 2011.

Few new multi-unit or mixed-use buildings were constructed in either 2010 or 2011.

Single family home construction has begun a rebound from the housing crash, increasing from 14 new homes in 2009 to 23 in 2011, a 64% increase.

TABLE 12 - ANNUAL BUILDING PERMITS EXCEEDING $50,000 (2011 $)

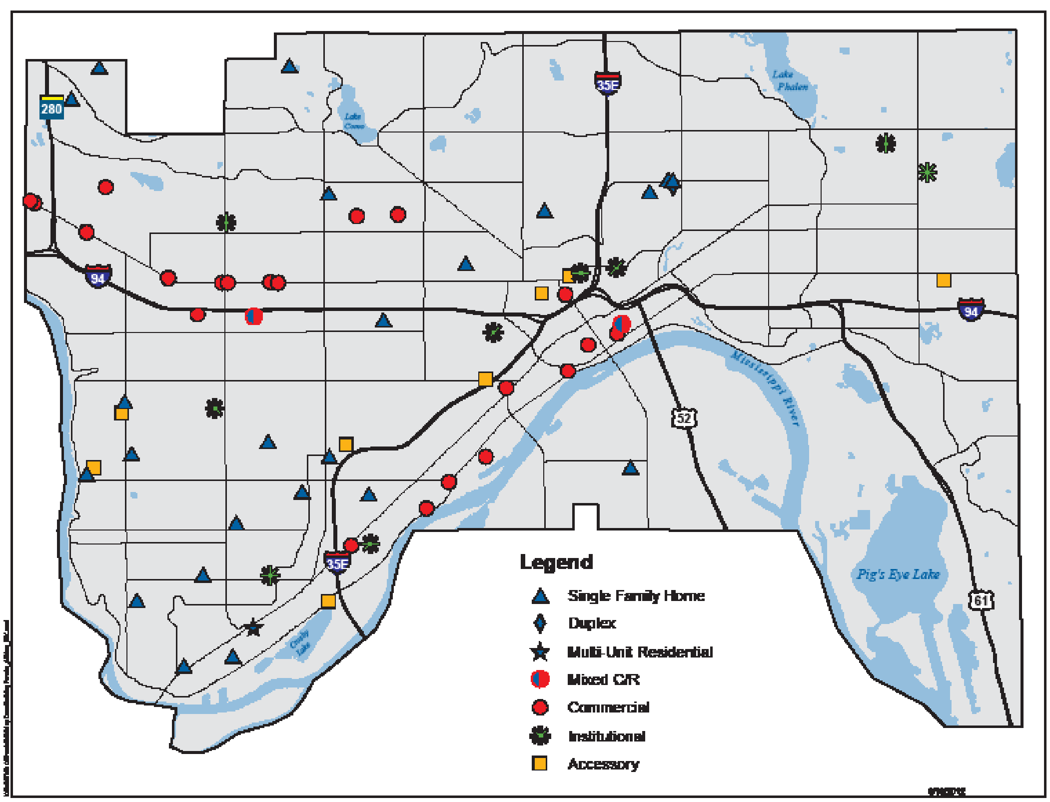
	2007	2008	2009	2010	2011
Residential	57	22	22	19	25
Single Family Home	44	14	14	17	23
Duplex	0	2	0	2	1
Multi-Unit	13	6	8	0	1
Non-Residential	30	28	14	25	40
Commerical	22	25	9	11	30
Institutional	8	3	5	14	10
Mixed Com/Res	0	0	0	2	2
Accessory Structure	8	5	9	11	8
Totals	95	55	45	57	75

Source: Saint Paul Department of Safety and Inspections

Includes building permits for "New" buildings with the status of "Active/Issued", "Inspected", or "Finaled", indicating active or completed construction activity.

"Accessory Structure" could include Antenna, Carport, Garage, Shed, Pool-In Ground, Pool-Above Ground, Tower, Tank, Gazebo, or Other Accessory Structure

FIGURE 15 - LOCATION OF BUILDING PERMITS FOR NEW BUILDINGS OVER $50,000 IN 2011



Source: Saint Paul Department of Safety and Inspections

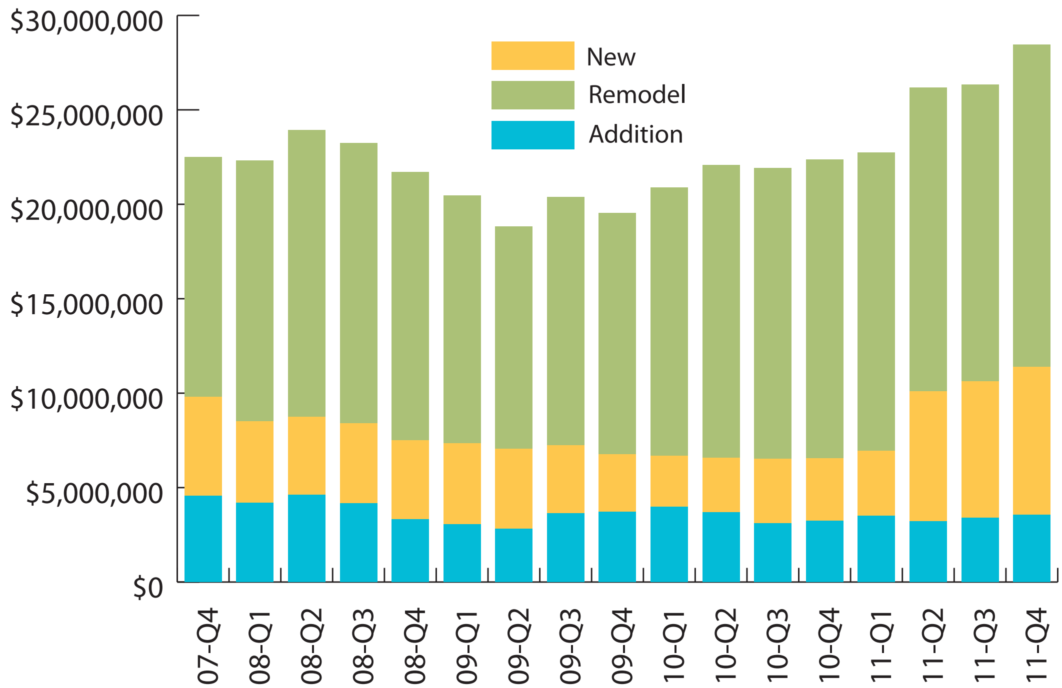
BUILDING PERMITS

Total Permit Value

The seasonally-adjusted value reported for building permits has increased steadily since 2009. In 09-Q2, the total combined reported permit values was $18.8 million, which increased to $28.5 million in the last quarter of 2011.

Similarly, annual totals for reported building permit values for new buildings, additions, and remodels declined to $78.1 million in 2009, and rebounded to $113.8 million in 2011. Most of the increase can be attributable to sharp increases in new construction ($31.4 million in 2011) and remodeling permits ($68.2 million in 2011), as shown in Table 13.

FIGURE 16 - COMBINED TOTAL VALUE OF SELECT BUILDING PERMITS TYPES, BY QUARTER (SEASONALLY-ADJUSTED 2011 $)



Source: Saint Paul Department of Safety and Inspections

TABLE 13 - COMBINED TOTAL VALUE OF BUILDING PERMITS, BY YEAR (SEASONALLY-ADJUSTED 2011 $)

Permit Type	2007	2008	2009	2010	2011	Grand Total
New	$21.0	$16.6	$12.2	$13.2	$31.4	$94.4
Addition	$18.3	$13.3	$14.9	$13.0	$14.2	$73.7
Remodel	$50.7	$56.9	$51.1	$63.2	$68.2	$290.1
Grand Total	$89.9	$86.9	$78.1	$89.5	$113.8	$458.3

Source: Saint Paul Department of Safety and Inspections

REMODELS AND ADDITIONS

Additions to Single Family Homes

The number and value of single family home additions has held steady since recovering from the worst of the Great Recession, with around $8.0 million being invested quarterly in additions to homes. This is far below the $11.0 million invested in early 2008, but above the $6.5 M in overall reported construction value during mid-2009.

The fluctuation in the number and value of permits issued may be attributable to both natural fluctuations in activity as well as reluctance to invest in an uncertain economy.

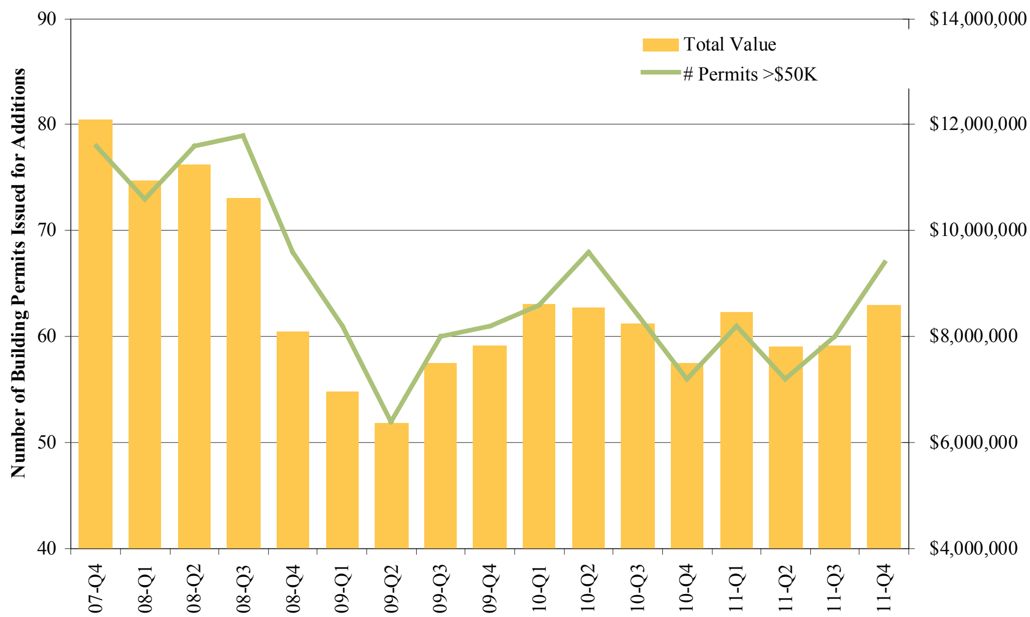
Remodel Projects on Single Family Homes

During mid-2009, remodeling permits increased dramatically in the City, from an average of around 100 to 150 through 2011.

The total value of these remodel projects increased from a total value of $2.3 million in early 2009, to around $3.4 million in the last quarter of 2011.

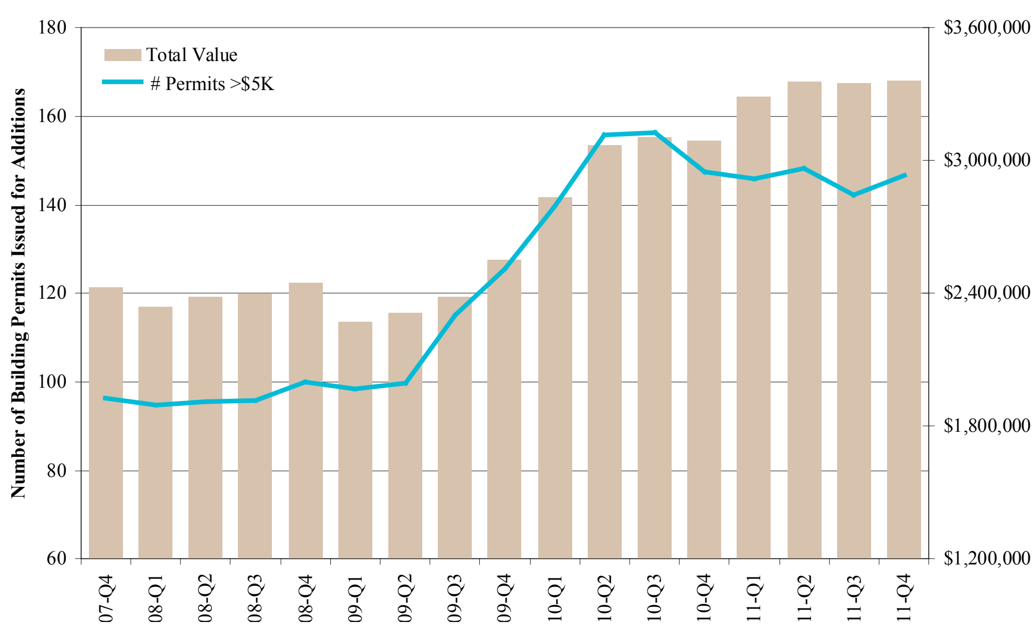
Permits issued for additions and remodels include activity undertaken through both private investment as well as government initiatives like Invest St. Paul, Neighborhood Stabilization Program, and Community Development Block Grants.

FIGURE 17 - TOTAL VALUE OF PERMITS FOR SINGLE FAMILY HOME ADDITIONS EXCEEDING $50,000, SEASONALLY ADJUSTED (2011 $)



Source: Saint Paul Department of Safety and Inspections

FIGURE 18 - TOTAL VALUE OF PERMITS FOR SINGLE FAMILY HOME REMODELS EXCEEDING $5,000, SEASONALLY ADJUSTED (2011 $)

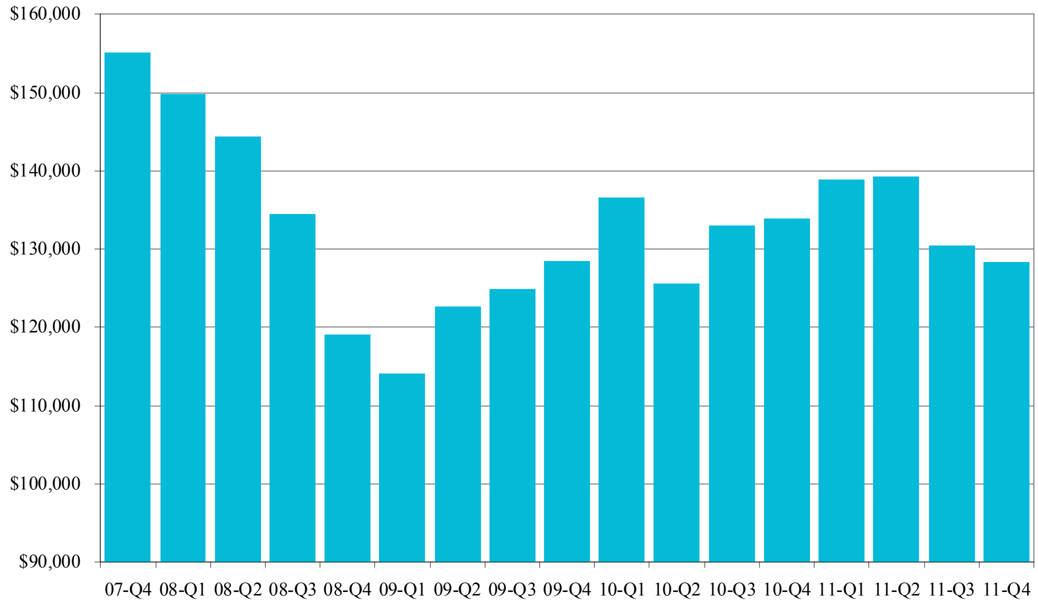


Source: Saint Paul Department of Safety and Inspections

Average Permit Value of Additions on Single Family Homes

Figure 19 shows the average value of additions to single family homes exceeding $50,000 in value. The average value dropped off steeply from a peak of $155,000 in early 2008, and have not yet fully recovered from the recession. Since 2009, however, the average value of additions has risen from a low of around $115,000 in early 2009 to about $130,000 in the last quarter of 2011.

FIGURE 19 - AVERAGE VALUE OF SINGLE FAMILY HOME ADDITIONS EXCEEDING $50,000, SEASONALLY ADJUSTED (2011 $)



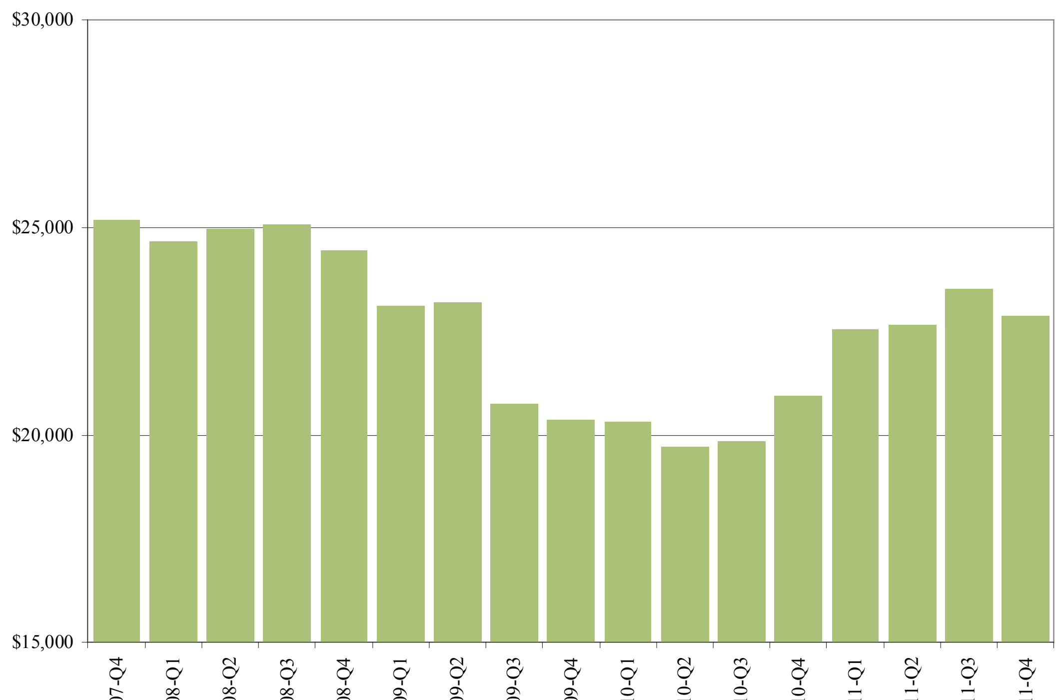
Source: Saint Paul Department of Safety and Inspections

Average Values of Remodels on Single Family Homes

The average reported value of remodeling projects did not see a significant decline until the third quarter of 2009, where the average value dropped from around $25,000 to under $20,000 in mid-2010. The average value of remodels has recovered in this time to around $23,000 at the end of 2011.

Permits issued for additions and remodels include activity undertaken through both private investment as well as government initiatives like Invest St. Paul, Neighborhood Stabilization Program, and Community Development Block Grants.

FIGURE 20 - AVERAGE VALUE OF SINGLE FAMILY HOME REMODELS EXCEEDING $5,000, SEASONALLY ADJUSTED (2011 $)



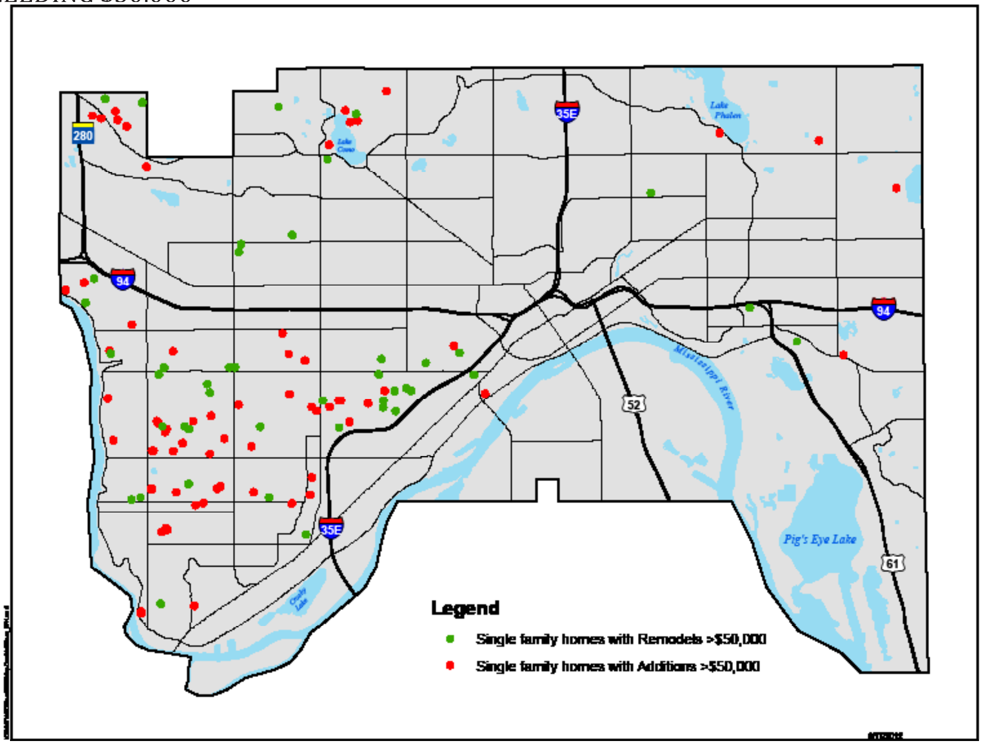
Source: Saint Paul Department of Safety and Inspections

REMODELS AND ADDITIONS

Single-Family Home Permits Exceeding $50,000

Projects exceeding $50,000 in value are shown in Figure 21. The vast najority of projects exceeding this amount are concentrated in the southwest quadrant of the city and around Como Avenue and Lake Como in the northwest quadrant. Since housing values are greater in these areas relative to the rest of the city, Figure 22 below identifies permits as a percent of the buildings value as another measure of building activity.

FIGURE 21 - 2011 LOCATIONS OF ADDITIONS AND REMODELS TO SINGLE FAMILY HOMES EXCEEDING $50.000

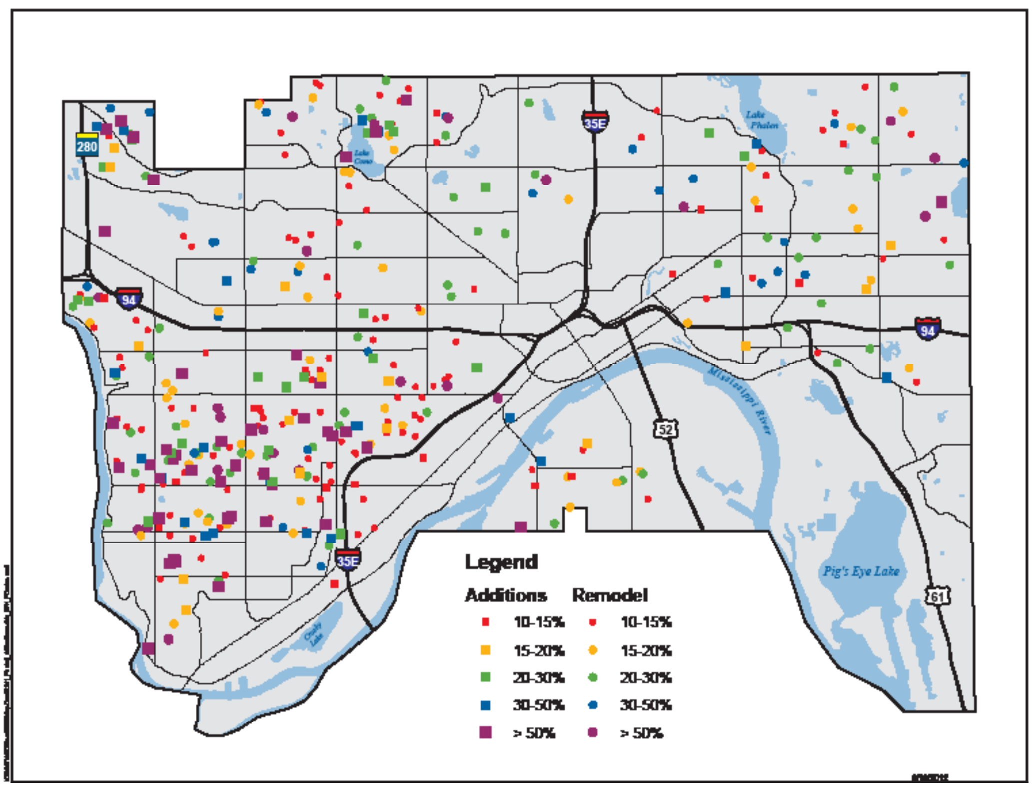


Source: Saint Paul Department of Safety and Inspections

Single-Family Home Permits Exceeding 10% of Building Value

Figure 22 at right shows the relative value of projects for single family homes relative to the value of the building, according to the Assessor's Office. While this figure reaffirms the concentration of significant building activity in the southwest quadrant of the city, the investment in the northern and eastern portions of the city is more evident.

FIGURE 22 - 2011 LOCATIONS OF ADDITIONS AND REMODELS TO SINGLE FAMILY HOMES EXCEEDING 10% OF BUILDING VALUE



Source: Ramsey County Assessors Office, Saint Paul Department of Safety and Inspections

MAJOR CONSTRUCTION PROJECTS

New Residential Construction

A number of major residential projects have been recently completed or are currently under construction in St. Paul, many of them in downtown or along University Avenue in anticipation of the completion of the Central Corridor LRT.

The Farmer's Market Lofts and the complex at 2242 7th Street are new construction, while the others are remodels of existing structures.

TABLE 14 - RECENT ACTIVE OR COMPLETED RESIDENTIAL CONSTRUCTION PROJECTS (OVER $1 MILLION)

Address - Description	Building Type	Activity	Value	# Units?
260 5TH ST E - Farmer's Market Flats in Downtown	Mixed Commercial/ Residential	New	$7,520,361	58
308 PRINCE ST - Downtown remodel of Northern Warehouse Artists' Cooperative	Mixed Commercial/ Residential	Remodel	$1,800,000	52
313 DALE ST N - Remodel of Redeemer Arms Apartments	Multi-unit Residential	Remodel	$4,600,000	149
2242 7TH ST W - New 44-unit apartment complex built by PPL Housing	Multi-unit Residential	New	$7,471,352	44
2410 UNIVERSITY AVE W - Chittenden & Eastman building apartment conversion	Multi-unit Resdiential	Remodel	$11,035,000	104

Source: Saint Paul Department of Safety and Inspections

Non-Residential Construction

Major construction activity for non-residential facilities in 2011 was focused on the expansion of educational and health care facilities, in addition to 112,000 square feet of office/warehouse space constructed in industrial areas of the city.

TABLE 15 - RECENT ACTIVE OR COMPLETED NON-RESIDENTIAL CONSTRUCTION PROJECTS (OVER $1 MILLION)

Address	Value (2011 $)	Description
946 Pierce Butler Rte	$3,600,000	Banbro, 52,000 sq ft office/warehouse
50 5th St E	$1,200,000	Downtown St Paul. Construction of new skyway.
325 Randolph Ave	$2,900,000	River Bend Business Park, New 60,000 sq ft office building.
240 University Ave E	$29,400,000	Regions Mental Health - 115,000 square feet addition.
285 Marshall Ave	$9,100,000	Saint Paul College - Construction of 615 stall parking ramp.
1455 Victoria Way	$3,500,000	Nova Classical Academy - Construction of new private K-12 school.
774 Snelling Ave	$28,700,000	Hamline University - Construction of 56,000 sq ft student Center & 73,000 sq ft parking structure
402 University Ave E	$5,300,000	East Metro Behavioral Health Crisis Center - 39,000 sq ft
130 Macalester St	$24,500,000	Macalester College - Janet Wallace Fine Arts Center - 99,000 square feet

DEMOLITIONS

Building Demolitions

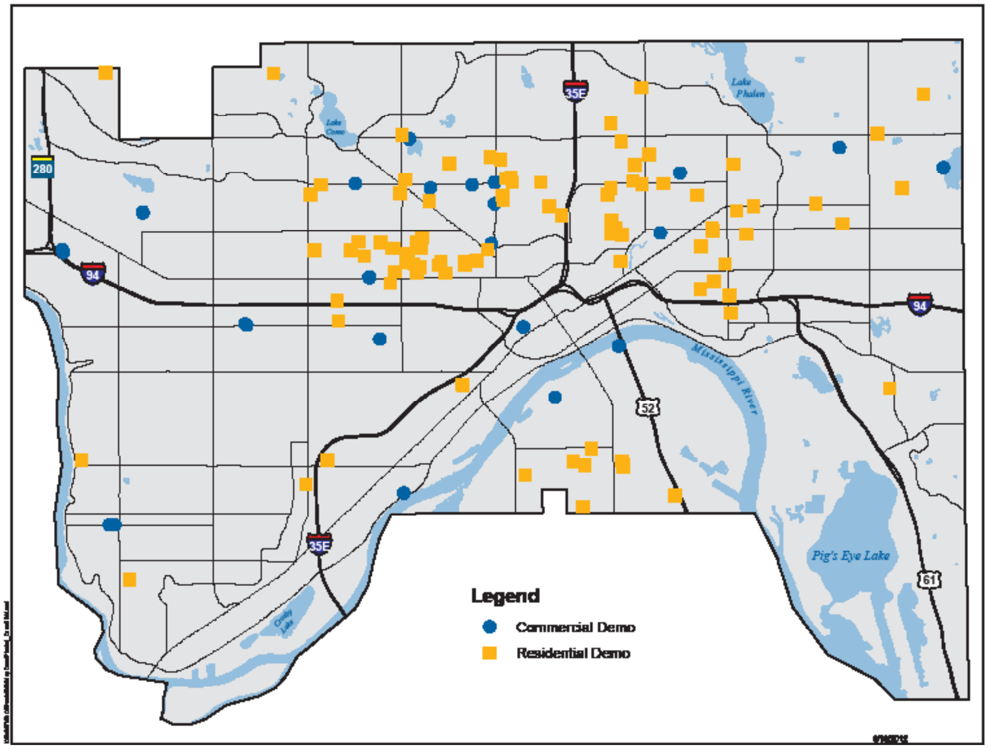
During 2011, there were 97 residential buildings demolished and 29 commercial buildings demolished. Figure 24 at right shows the locations of these demolitions across the City for 2011.

Table 16 highlights the number of demolitions across the City dating back to 2007. The rate of commercial demolitions has declined steadily over time, from 50 in 2007 to 29 in 2011.

Residential demolitions peaked in 2009, due to the rise in vacant and abandoned buildings resulting from the foreclosure crisis, as well as initiatives like Invest St. Paul and the federal Neighborhood Stabilization Program (NSP). Demolitions for residential properties have fluctuated over five years, and have averaged around 100 per year since 2007.

Note that permits issued for demolitions include permits issued for activity undertaken through government initiatives, such as Invest St. Paul, the Neighborhood Stabilization Program, and Community Development Block Grants.

FIGURE 22 - LOCATIONS OF BUILDING DEMOLITIONS IN 2011



Source: Saint Paul Department of Safety and Inspections

TABLE 16 - DEMOLITIONS PER YEAR - 2007 TO 2011

	2007	2008	2009	2010	2011
Commercial Demo	50	41	35	30	29
Residential Demo	86	112	135	82	97

FORECLOSURES

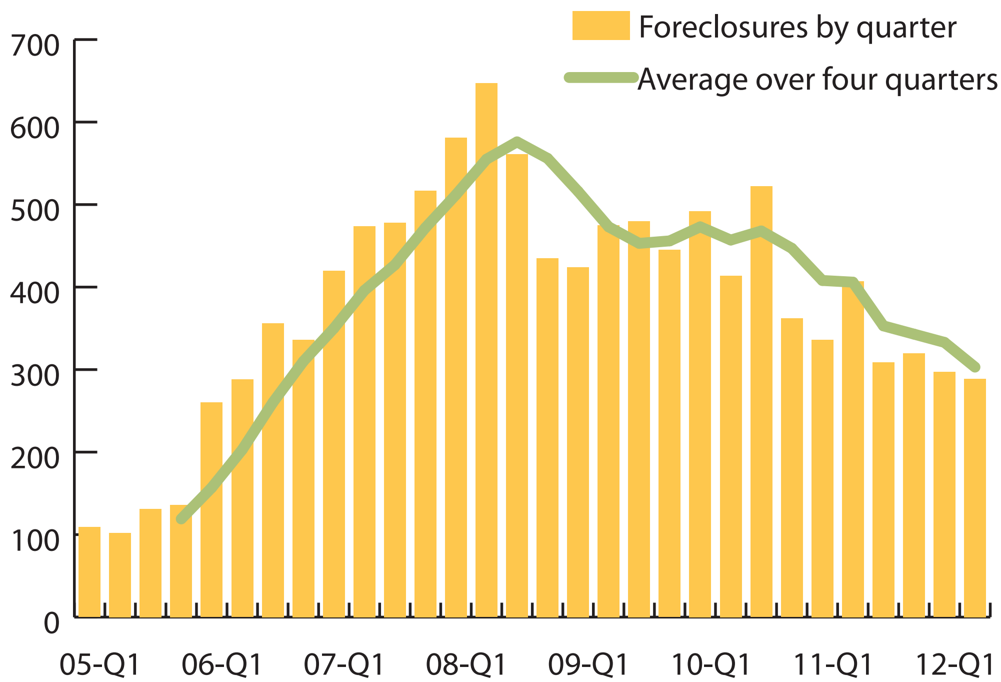
Foreclosure Rate

During the first half of 2012, there were a total of 586 foreclosures in Saint Paul. The number of second quarter foreclosures (289) is about 3% lower than first quarter (297), and 29% lower than the second quarter of 2011.

Adjusting for seasonal variation, the four quarter average shows a steady decrease in the foreclosure rate. The rate of foreclosures has declined from a seasonal average of around 475 in early 2010 to around 300 today.

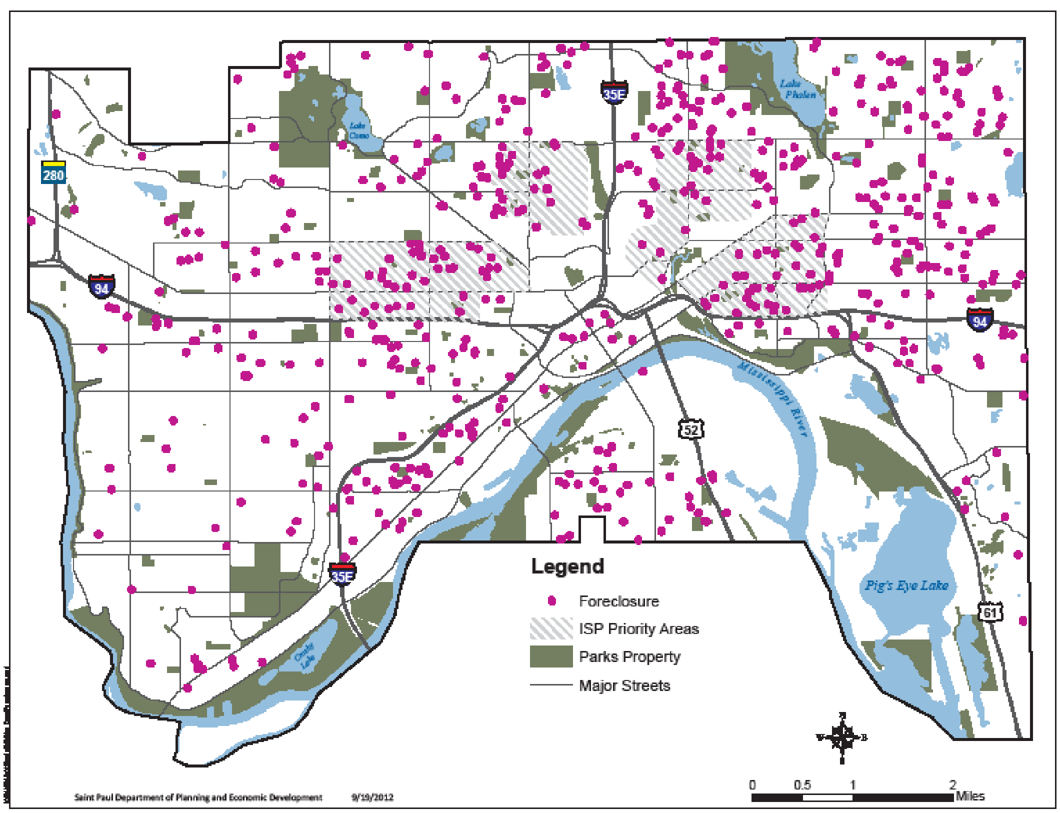
Through the first half of 2012, foreclosures in Saint Paul were experienced in virtually every part of the city, as shown in Figure 26 below.

FIGURE 23 - TOTAL FORECLOSED PROPERTIES 2009-2012



Source: Ramsey County Sheriff's Office

FIGURE 24 - LOCATIONS OF FORECLOSED PROPERTIES, FIRST HALF 2012



Source: Ramsey County Sheriff's Office, Ramsey County Assessor's Office

Definitions of Industry Sectors

Employment information used in this report, obtained from the State Department of Employment and Economic Development, employs the federal North American Industry Classification System (NAICS). This standard is used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. Definitions for each of these major sectors are described below. More detailed information about the classification of jobs by industry can be found at: http://www.census.gov/eos/www/naics/2007NAICS/2007_Definition_File. pdf

Accommodation and Food Services (Sector 72) comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

Administrative and Support and Waste Management and Remediation Services (Sector 56) comprises establishments performing routine support activities for the day-to-day operations of other organizations. These essential activities are often undertaken in-house by establishments in many sectors of the economy. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services

Arts, Entertainment, and Recreation (Sector 71) includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Construction (Sector 23) comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems).

Educational Services (Sector 61) comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and/or accommodation services to their students.

Finance and Insurance (Sector 52) comprises establishments primarily engaged in financial transactions (those involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.

Health Care and Social Assistance (Sector 62) comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The services provided by establishments in this sector are delivered by trained professionals.

Information (Sector 51) comprises establishments engaged producing and distributing information and cultural products, providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

Definitions of Industry Sectors (continued)

Management of Companies and Enterprises (Sector 55) comprises (1) establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or (2) establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision making role of the company or enterprise.

Manufacturing (Sectors 31-33) comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products

Other Services (except Public Administration) (Sector 81) comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photo-finishing services, temporary parking services, and dating services. Private households that engage in employing workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector. Excluded from this sector are establishments primarily engaged in retailing new equipment and also performing repairs and general maintenance on equipment.

Professional, Scientific, and Technical Services (Sector 54) comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training.

Public Administration (Sector 92) consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. These agencies also set policy, create laws, adjudicate civil and criminal legal cases, provide for public safety and for national defense.

Real Estate and Rental and Leasing (Sector 53) comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services.

Retail Trade (Sectors 44 & 45) comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

Transportation and Warehousing (Sectors 48 & 49) includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation.

Utilities (Sector 22) comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal

Wholesale Trade (Sector 42) comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing.