



STRATEGIC ECONOMIC DEVELOPMENT PLAN UPDATE (2023) CITY OF ROCHESTER, NH

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1. PLAN SUMMARY

INTRODUCTION AND PURPOSE

The City of Rochester, New Hampshire, through their Economic Development Commission (EDC), has retained RKG Associates, Inc. (RKG) to assist in preparing an update to their Strategic Economic Development Plan (SEDP Update). This current analysis offers a continuation of the established Plan, acknowledging its accomplishments and identifying remaining challenges, in consideration of the current and foreseeable economic and market opportunities that may present themselves to the City. This current analysis is intended to serve as a guideline of goals and actionable implementation items that the City of Rochester may undertake to ensure its continued economic growth and business diversity while fostering a high quality of life for the City's residents and business community.

Throughout this SEDP Update, RKG has presented a summary of trends and market indicators from the last census decade (2010 to 2020) as generally prepared by the U.S. Census Bureau.¹ RKG offers selected metrics from the decennial Census as a comparative baseline to the estimated (2023) and projected (2028) period. Also, employment projections (2023 to 2033) are offered in this analysis regarding shifts in employment, by industry sector, and their possible implication for estimating demand for new development.²

Supplementing the quantitative analysis is a qualitative analysis as part of the SEDP Update. This included in-field visits, inventories, and street walks as well as phone and/or in-person interviews with a broad variety of Rochester stakeholders. The qualitative analysis provides the appropriate context to the quantitative analysis.

This SEDP Update first presents an overview summary of key findings from this current analysis, with RKG's assessment of implications and a summary of their current or pending status, where applicable. After this, RKG offers a summary of City actions since the prior Plan Update. This is followed by a broad overview of recommendations for the city to move forward from this point as part of the current SEDP Update.

The remainder of this SEDP Update then presents the various chapters (demographic, economic, real estate conditions, and land use/tax base metrics) which provide the baseline inputs, assumptions, analysis, metrics, and findings that are the basis of the key findings.

¹ And as supplemented with information and data from the American Community Survey (ACS) where applicable.

² Throughout this report, and where appropriate, the resources and data references are either cited in the narrative and/or footnoted in the applicable tables.

KEY FINDINGS

This section presents the summary of key findings from this SEDP Update. The research and findings on which these are based are presented in greater detail throughout other sections of this report.

POPULATION

Over the 2010 to 2020 period, the population of Rochester increased by 11.0% or by 3,285 persons. While the absolute population change for Strafford County and the state exceed that for Rochester, the percentage increase in the city was well ahead of either. This also holds for the 2023 to 2028 period, with the city population projected to increase by 2.7% (or by 908 persons), as compared with 1.8% and 1.2%, respectively.

All three areas have experienced, and are projected to experience, an increase in the elderly population aged 64 or older. While nominal in absolute population, the city is projected to experience a decline in the population cohorts aged 35 to 64 years of age and those aged 20 to 34 years of age. Population losses in these cohorts are also projected for the county and the state.

Implications – The projected City growth in the elderly population suggests a possible increase in demand for smaller homes (a downsizing of the residential footprint), a possible increase in demand for assisted living housing and/or a desire for a more compact and inclusive lifestyle residential component. Further, an ageing population will also likely result in an increase in demand for supportive services for both the city and private sector entities.

Although nominal, the projected citywide decline (131 persons) among those aged 35 to 64 years represents some loss of people typically considered to be in their peak earning and spending years, as well as potential second home buyers. The projected citywide decline (110) of persons in the 20 to 34 cohort represents a decline in those persons starting careers, family-formation years, and first-time residences, as often as not as renters.

Both trends have implications for residential development opportunities (or preferences), retention of a workforce (also noting those retiring out of the workforce) and some change in localized consumer spending demand and capacity.

Photo 1 – 10 South Main Street



Status – Discussions with representatives of the EDC indicate that several development projects are underway (or planned) to address the need for additional housing throughout the City. These include 45± units of senior housing, 196± units of affordable housing, and 74± units of market rate housing. Additional projects are pending, but otherwise unspecified currently such as the former St. Elizabeth Seton School. Several of these projects are in the core downtown area and once completed will provide additional consumer spending demand to support (and perhaps foster new) downtown businesses.

EDUCATION

Approximately 34.6% of the city population (aged 25 and older) have a high-school degree, another 20.9% have some level of college education and 36.6% have attained a college degree. Combined this accounts for 92.1% of the city population, comparing favorably against the county (94.1%) and the state (93.6%).

Implications – Often employers consider the educational attainment of a local population as a proxy for an available, trained, skilled and well-educated workforce. As such, while the level of educational attainment is comparatively strong in the City of Rochester, its ability to retain such individuals (note the previously mentioned decline in the population aged 25 to 34 years) depends, in part, on local options for employment, but also on housing options within the city.

HOUSING

From 2010 to 2020, the city experienced a 6.1% increase in housing units and an 8.9% increase in households (occupied housing units). This is somewhat less than the Strafford County growth of 8.6% and 10.8%, respectively. However, it fared well to the state's growth of 4.8% and 5.5%, respectively. As projected for 2023 to 2028, the city will continue to realize growth in housing (499 units) and in the number of households (524), at rates greater than those for the county and the state.

Owner-occupied housing in the city is projected to increase from 67.5% (2010) to 68.5% (2028), a marginal increase overall but generally consistent with national averages for owner-occupancy. Overall, owner-occupied housing in the city totaled 8,359 households in 2010 and is projected at 10,157 households in 2028. Conversely, while there is a projected decline in renter-occupied households by 2028 (from 2020) for the city, it is not dissimilar to that countywide. Despite this projected decline, overall citywide renter-occupied housing increased from 4,019 households in 2010 to 4,670 households as projected for 2028.

Photo 2 – 22 South Main Street



Source: RKG

Implications – While the projected (2023 to 2028) decline in renter housing in the City of Rochester may reflect, in part, a decline in the population aged 20 to 34 years, it runs counter to the projected population increase (1,132 persons) of persons aged 64 and older, possibly seeking to downsize their residential footprints. As a result, despite the projected loss of renter-housing, opportunities may be present for additional renter housing targeted to this demographic.

Status – As noted previously, numerous residential developments are underway or are planned in the city, with many situated downtown (potentially 23.0% of the known units) and these reflect a mix of senior, affordable and market rate rentals. That stated, the EDC notes that there is still a need for workforce housing.³ Further discussions with representatives of the EDC noted that there are opportunities for additional infill development in the city and in the downtown, in particular, however construction costs are generally considered to be high without some public-private partnership or other financial tools or incentives.

Photo 3 – 55 North Main Street



Source: RKG Associates, Inc. (2023)

MEDIAN HOUSEHOLD INCOME AND HOME VALUES

The projected 2010 to 2028 increase in the number of households earning more than \$100,000 is nearly fourfold citywide, at 7,576 households in total for 2028. This rate of growth compares well against the projected threefold increase for the county and the state. For all three geographies, the median household income in 2028 is projected to exceed \$100,000, with the city approximately \$8,845 less than Strafford County. Similarly, the projected (2028) per capita income of each of the three areas exceeds \$50,000, with the City of Rochester lagging the county by \$3,930.

The estimated change in citywide median household income (2020 to 2023) is nearly \$71,465 and the change in per capita income is nearly \$6,375. For this period of 2020 to 2023, the change for both exceeded the estimated rate of inflation of nearly 16.0%.

Over the 2023 to 2028 time, the median value of an owner-occupied home in the city is projected to increase by nearly \$79,865, or from \$279,965 (2023) to \$359,830 (2028). The dollar increase for the county is \$63,610 and for the state \$41,490. As a result, by 2028 there will be greater parity in median owner values, among the three geographies, although Rochester will still lag the county and the state.

³ The generally accepted distinction is that **affordable housing** consists of rental units targeted to households earning 60.0% or less of the area median income (AMI) and is typically financed with government resources. **Workforce housing** consist of renters and owners earning between 60.0% and 120.0% of the AMI and is typically financed with a mix of public and private sector financing. According to the New Hampshire Housing Authority, for 2022, the AMI for Rochester is approximately \$116,400 and the 60.0% margin for a family of four is \$69,060.

Table 1 offers a comparison of the change in the median home value from the prior RKG analysis and this SEDP Update along with the estimated property tax changes. Of note is that the median home value increased by a much broader percent relative to the estimated tax burden.

Table 1 – Change in Median Home Value and Estimated Taxes

Change in Median Home Values and Taxes - City of Rochester	Prior Report	Current Report	# Δ
Median Home Value	\$174,686	\$213,100	22.0%
Municipal Tax	\$1,667	\$1,696	1.8%
County Tax	\$524	\$586	11.8%
Local Education Tax	\$2,316	\$2,813	21.4%
State Education Tax	\$430	\$292	-32.1%
Total Tax Burden	\$4,937	\$5,387	9.1%

Source: City of Rochester, NH and RKG (2023)

Implications – The continued shift to higher median owner values, median household income and per capita income in the City of Rochester bodes well for growth in consumer spending power and demand for a variety of goods and services. However, the citywide increase in median owner values also speaks to a potential disparity in affordability for residents who may be seeking first-time home ownership.

EMPLOYMENT AND COMMUTING

Employment – Over the 2023 to 2033 period, the projected employment growth for the City of Rochester is 480 persons (or a change of 3.3%), increasing from 14,740 positions to 15,210 positions. This contrasts with a countywide projected growth of 1,556 positions (or 2.8%). As a result, the projected City employment growth accounts for 30.8% of the countywide growth. Approximately one-half of the city employment, both in 2023 and in 2033, is concentrated in the retail, health, and manufacturing sectors of the economy.

In terms of non-residential development opportunities, the projected employment change in the city is estimated to translate to a demand for 22,310 SF (office/flex space), despite a projected decline in the information and financial services sectors. Citywide potential demand for warehousing/industrial space is 49,200 SF despite a projected employment decline in the transportation/warehousing industry sector. Citywide potential demand for medical use(s) is 36,900 SF.⁴ The countywide employment growth translates to a demand for 129,175 SF (office/flex space), 254,925 SF (warehousing/industrial space) and 129,150 SF of medical use(s).

Implications – While not all demand (as based on projected employment growth) necessarily translates to new-built space, opportunities for greater development and growth in the city of

⁴ Potential retail SF demand is discussed separately in this analysis.

Rochester will depend, in part, on its capacity to garner a larger share of the projected countywide employment growth and hence SF demand. For example, a location quotient (LQ)⁵ measures the relative strength of a local economy (City) to that of a broader economy (county). In Rochester, two industry sectors strongly outperform the county – the manufacturing sector and the retail sector.

Particularly with respect to the manufacturing, there is a broad disparity between the projected employment growth (2023 to 2033) citywide and countywide, notably at the refined 3-digit NAICS levels.⁶ As an approach to possibly enhancing development (SF) opportunities citywide for manufacturing, it is suggested that the city explore existing facilities elsewhere throughout Strafford County to better understand their potential needs, if any, for expansion.

Status – The City, through the EDC, continues to work in co-operation with similar entities throughout the communities in Strafford County and the broader region. While the city has adopted a “no poaching” policy, through their co-operative efforts, potential expansion sites/opportunities may be identified in the city for area businesses that are unable to meet their future needs at their present locations elsewhere. This is an action that should be continued, with a focus on smaller contractor yards/facilities.

RKG also notes that there is a wide gap in projected employment growth in the health care sector, citywide compared to countywide. Representatives of EDC indicated that Frisbie Memorial is downsizing its footprint citywide, which could result in some availability for future redevelopment for other industrial (use type) sectors. At the same time, Wentworth-Douglas Hospital (in Dover) is seeking expansion opportunities in Rochester for an approximate 10.0± acre site.

Commuting – Data from 2020 indicates that approximately 73.0% of the nearly 12,270 people employed in the City of Rochester do not live in the city. Put another way, about 27.0% of those employed in Rochester also reside in Rochester. Further, that of the citywide labor force of nearly 15,775 persons, approximately 79.0% commute out of the city for their place of employment, notably to Dover and Portsmouth. As a result, Rochester is a net exporter of employment by nearly 3,500 persons. As a matter of note, this represents an increase of nearly 800 workers from RKG’s prior analysis, indicating that the city continues to lose local employment to non-local businesses.

Implications - The possibility of additional commercial and/or industrial development in the city could serve to retain a larger share of the resident workforce and the consumer spending they represent during a year – estimated at \$1,500± on average and for selected retail goods and services. Similarly, an increase in affordable and diversified housing options, including workforce housing, may present opportunities for those working in the city, but residing out-of-City, to consider relocation possibilities.

REAL ESTATE MARKET INDICATORS

Selected market indicators and key findings for the residential, retail, and other commercial real estate sectors are summarized next.

⁵ A broader discussion of the LQ ratios for the city vs Strafford County is presented elsewhere in this analysis. The reader is directed to Figure 7 for a summary and graphic overview of the LQ comparisons.

⁶ Refer to Table 31 (City of Rochester) and Table 32 (Strafford County) in the Appendix.

RESIDENTIAL MARKET SECTOR

Recent (2020 and 2021) residential building permit activity indicated that permit activity increased by nearly 57.0% however, more notable is the increase of 65 permits for residential development of five or more units. These permits accounted for 11.3% of all permit activity in 2020 and 50.0% in 2021. From 2016 through July of 2023, the median sales price of a home in the city Rochester increased by \$155,100, or by 88.2%, for Strafford County the observed increase was 82.0% or approximately \$175,500 (greater than the city in absolute dollars).⁷ Both areas experienced an increase well ahead of estimated inflation of 29.0% (2016-2023).

The median gross rent in Rochester increased by 52.8% over the 2016 through 2023 period representing an increase of \$523/month. Strafford County realized a similar increase, of \$528/month, or an increase of 50.6%. According to information provided by the New Hampshire Housing Authority there are currently 154 units under development. This is in addition to the 34 units as a part of Apple Ridge (Phase I) delivered in FY 2020.

Implications – The changing demographics of the city suggest a continued need and opportunity for increased rental housing or smaller, empty-nester housing. In addition, although affordable housing continues to be developed throughout the city, discussions with area stakeholders noted a continued demand for both affordable and workforce housing.

Photo 4 – Apple Ridge Complex



Source: RKG Associates, Inc. (2023)

⁷ Discussions with the city Assessor indicated that the median selling price in Rochester is typically about 75.0% to 85.0% of the county median price, indicating Rochester is price competitive, but this may also reflect an older housing stock. For example, the 16-lot Liberty Common complex (Freedom Drive) with newer and under construction housing reflects an average asking price of \$562,700 (or \$308/SF).

RETAIL MARKET SECTOR

Table 2 offers a comparison of summary retail metrics from RKG’s prior analysis and this current SEDP Update. Despite an increase in the number of households in the city, the average spending demand per household has declined by \$3,900, resulting in a decline in aggregate demand of \$28.20 million. Citywide retail sales increased by \$2.03 million, and the city continues to be a net importer of retail sales. Nonetheless, for several retail merchandise lines, there continues to be sales leakage (or local residents *not* shopping at local establishments). This increased by 3.6% from the prior analysis, or by \$1.08 million.

Table 2 – Summary Comparison of Retail Metrics – City of Rochester, NH

Comparison of Summary Retail Metrics - City of Rochester	Prior RKG Report (2016 data)	Current RKG Report (2021 data)	\$ Δ	% Δ
Spending Demand per HH	\$25,923	\$22,023	(\$3,900)	-15.04%
Aggregate Demand (mill)	\$326.39	\$298.19	(\$28.20)	-8.64%
Aggregate Sales (mill)	\$506.40	\$508.43	\$2.03	0.40%
Net Importer (mill)	\$180.00	\$210.24	\$30.24	16.80%
Sales Leakage (mill)	\$30.43	\$31.51	\$1.08	3.55%
Estimated Households	12,591	13,540	949	7.54%

Source: US Census, ESRI/STDB and RKG (2023)

Estimated CPI inflation December 2016 - December 2021 = **15.48%**

Implications – RKG estimates that a conservative re-capture of 35.0% of the estimated retail sales leakage could translate to an estimated demand for an additional 34,120 SF of retail across selected merchandise lines. Additionally, the city is currently a net importer of \$6.70 million in restaurant sales indicating that this continues to be a strength in the local economy, or a destination draw,⁸ which could foster further restaurant businesses. Lastly, RKG estimates that every 100 new households in the city equates to supportable demand for nearly 5,550 SF of retail, in total. While all this demand may not bring about newly built retail development, it is an opportunity for existing merchants to increase their sales.

Status – As part of the current development activity downtown, three additional restaurants are included. Further, there are preliminary discussions regarding a furniture/furnishings business (at a Route 11 location). All of these will add to the retail economic vitality and diversity of the city, with the former (restaurants) addressing an existing strength and the latter addressing the estimated sales leakage in that retail sector.

⁸ As was also re-affirmed in conversations with a sampling of downtown business owners/operators.

OFFICE AND INDUSTRIAL MARKET SECTORS

RKG referenced metrics offered by CB Richard Ellis (CBRE) reflecting the Q1 2018 through Q2 2023 period. The following discussion presents a summary of those findings, as averaged over the entire period.

Office – The citywide office inventory has been relatively stable, averaging 825,960 SF with an average vacancy factor of 3.1%. Gross absorption over the period measured 202,920 SF with net absorption of 5,675 SF.⁹ As a result, the newly occupied office SF has not kept pace with the vacated SF. Gross rents for office space citywide averaged

\$13.24/SF. In comparison, the office inventory for Strafford County averaged 4.52 million SF and the City of Rochester accounts for 18.3% of the county inventory. Countywide vacancies are somewhat less than those for the city, averaging 2.1%. Gross rents for office space in Strafford County averaged \$15.33/SF or about \$2.10/SF more than for the City of Rochester.

Industrial – Industrial space in the city averaged 2.33 million SF with an average vacancy of 2.4%. Gross absorption over the period measured 296,255 SF with net absorption of 196,620 SF, indicating that newly occupied industrial SF has not kept pace with the vacated SF. Triple net (NNN) citywide rents averaged \$7.15/SF. For Strafford County, the industrial inventory averaged 7.97 million SF with the city accounting for 29.3% of the countywide total. Countywide industrial vacancies, averaging 4.7%, are greater than those for the city. Similarly, at an average NNN rent of \$7.95/SF, these rents are about \$0.80/SF greater than those for the City of Rochester.

Implications – As previously identified, through 2023 to 2033 employment projections, the ten-year demand for office/flex/medical space in the city is 58,390 SF which exceeds the average vacancy of 25,530 SF. Based on projected citywide demand and prevailing vacancy, there is demand capacity for newly built development citywide. Whether or not the existing vacancy is compatible with specific tenant or end-user demands is unknown. In terms of industrial space, the citywide ten-year demand is estimated at 62,470 SF with an average vacancy of 56,395 SF. Again, whether the existing industrial vacancy is compatible with specific tenant or end-user demands is unknown. As a result, it is reasonable to assume that there is a citywide demand capacity for newly built development.

Photo 5 – 73 - 77 North Main Street



Source: RKG Associates, Inc., (2023)

⁹ The distinction between **gross absorption** and **net absorption**, is that the latter is generally defined as the amount of space that a tenant physically moved into over a period of time, **less** the amount of space they vacated.

ACTIONS SINCE THE PRIOR PLAN UPDATE

FY 2019

- The city becomes owner of the Scenic and Sallinger buildings by tax deed and land swap.
- Purchased additional land in the Granite State Business Park. This included the purchase of approximately 47 acres for the expansion of the Park, noting:
 - 5.28-acres for roadway;
 - 29.85-acres to accommodate the new development by for Prep Partners;
 - 5.93-acres for the State of New Hampshire for a new Courthouse facility;
 - 6.23-acres which are currently available acreage.

FY 2020

- The city entered into an agreement with Chinburg properties on the redevelopment of the Scenic and Salinger buildings. The city took two (2) buildings downtown; one (1) by tax deed and the other a land swap. Chinburg has built a four-story, 50-unit apartment building (mix of studio, 1BR, 2BR and 2BR lofts) with two (2) first floor commercial spaces. The city sold the land to Chinburg and leased 45 parking spaces to them for 20 years
- The City Council approved 3 RSA 79E tax incentives. The intent of RSA-79 is to serve as a property tax relief program (incentive) to encourage investment in city or historic centers and to rehabilitate under-utilized buildings. A set of criteria must be met by the applicant and benefits, if the application is approved, include a period of relief (up to 13 years) from increased property taxes. The property's original assessed value (before rehabilitation) continues to (or may begin to) provide tax revenues. Upon expiration of the "relief term" the property is reassessed and then taxed at full market value.

The program is a way to incentivize investment that may not otherwise occur and/or to eliminate blighted buildings, often allowing redevelopment of former tax-exempt properties. The City Council has approved the following:

- RSA 79E application for 22 South Main Street, for an 11-year term. Plans call for commercial space on the ground floor with seven (7) residential units above.
- RSA 79E application for 10 South Main Street, for a 7-year term. Plans call for commercial use on the ground floor with four (4) residential uses above.
- RSA 79E application for 28 North Main Street, for a 7-year term. Plans call for the addition of three (3) ground floor residential units and installation of a sprinkler system.
- The first Wayfinding signs were installed. Phase 1 consisted of downtown parking lot signs and parking directionals. Phase 2 planning was started and subsequently completed to include:
 - Six (6) vehicular directional signs leading into the downtown;
 - Four (4) Welcome to Rochester signs that went up on major roads entering the City of Rochester;
 - and, changing out a directional sign to the Rec and Arena so it blended in with the new signage.

- The city offered a 6-month forbearance (which has subsequently expired) for all JOB loans. The JOB Loan program designed to provide employment opportunities through the creation and/or retention of permanent jobs within local businesses where at least 51.0% of the new jobs are to be filled by the low and/or moderate-income persons within the City of Rochester.
 - Four (4) of the seven (7) participating businesses to advantage of the forbearance and the remaining three (3) opted to continue their payments as normal.
 - White Birch Armory paid their balance in full as they relocated to the city of Dover.
 - Back Hill Brewery closed on a \$30,000 loan to be used for GAP financing to open a new brewery in the Gonic Mill.
- The city created a microloan program to assist businesses during COVID-19 (maximum loan amount of \$5,000 per).
 - Sixteen (16) businesses received a micro loan(s), totaling \$77,750. These loans were subsequently converted to grants with the City Council's support and approval.
- City staff worked closely with Lydall and the State of NH Business and Economic Affairs on the expansion of Lydall Performance Materials. The business was awarded a \$13.5 million contract with the Department of Defense to help increase production of melt-blown filtration media, which is used in N95 masks and other products requiring filtration applications. Lydall will be using the contract award to install two new production lines in the Rochester facility.
- The Apple Ridge apartments opened Phase 1 which consists of affordable rentals units. The project includes a mix of one- and two-bedroom units (34 in total, situated at 10 Cortland Street). This is a three-phase project situated at 10 Cortland Street. The first two-phases are complete, and Phase 3 is underway. In total, there will be three (3) buildings with 32-units per.
- The city built a new Public Works Department.

FY 2021

- The city entered into an agreement to purchase the Hoffman Building at 55 North Main Street.¹⁰ The Trustees of the Trust Fund decided to sell after approximately 25+ years of the building being vacant. The building was demolished and estimated completion is June 2024. The Economic Development staff are working on securing a development contact with an interested developer.
- A Kayak Launch installed off Hillsdale Drive. This project was funded by CDBG and completed by the Riverwalk Committee.
- The City Council approved an RSA 79E application for 10-14 North Main Street, for a 7-year term. Development plans call for two (2) commercial spaces and 50 apartments, with associated parking.

¹⁰ As RKG understands, this parcel is identified as #0121-0372, situated on an approximate 0.25-acre site with 6,192 SF (gross floor area) of improvement.

FY 2022

- 55 North Main Street (former Hoffman Building) is being designed by a Massachusetts-based developer team. The city purchased this property to have control over it and resell it to a developer. The developer also purchased the building next door and is building a 6-story building, first floor commercial and parking under in the rear with 55 units, mostly one- and two-bedroom units with some three-bedroom units.
- The City Council passed a revised version of the Granite Ridge Development District Ordinance that will now allow mixed-use and stand-alone residential development along Route 11.
- City staff worked with the developers of 45-53 North Main Street on their RSA 79E application. Also, with two (2) other developers seeking extensions on their current approvals.
- Wayfinding signs (Phase 3) were installed on the city hall campus, and at three (3) recreation locations in the city – the Kayak Launch, Squanamagonic and Pickering Ponds.
- The REDC worked to update the funding for the ED Reserve Fund. The committee is working on guidelines and approval. New businesses built in the Granite State Business Park include Prep Partners, LDI Solutions and Pella Windows of New England. Prep Partners and LDI Solutions purchased city-owned lots in the park while Pella purchased land through a private sale.

Photo 6 – Prep Partners Industrial



Source: RKG Associates, Inc. (2023)

FY 2023

- The District Courthouse budget was approved to provide \$17.5 million to construct a new Courthouse on Route 108. The result should be the city controlling the current courthouse in the center of downtown when the new courthouse is built. The city will sell the existing courthouse (downtown) to a developer. The city will take ownership of the building and will then be able to have control of who they sell to and what is subsequently developed.
- City staff are working (in conjunction with Rochester Main Street) on the extension/redevelopment of Water Street (with Fuss & O'Neill). The redevelopment envisions

pedestrian connectivity between Congress Street and North Main Street, improved parking, and other amenities such as benches, patio/performance space, landscaping, street art and historical markers.

- St. Elizabeth Seton Catholic School on the river (16 Bridge Street) is up for sale by the Diocese.¹¹
- City staff are working on the renovation of the Union Street Parking lot.
- Waterstone Properties (Phase 2) is getting ready to go to the planning board for approvals. This is Phase 2 of The Ridge Marketplace (Farmington Road), and plans call for the development of approximately 60,000+ SF of new retail/restaurant/entertainment space that includes an additional 214 apartments.

Photo 7 – St. Elizabeth Seton Catholic



Source: RKG Associates, Inc., (2023)

- The city-owned 38 Hanson Street¹² was demolished in preparation for sale and redevelopment by StoneArch Development (residential builders), with construction anticipated for 2024. The city is still waiting for additional input from the developer; however, the agreement is for a 20-unit project. Reportedly, the developer is intending to have an application ready for the Planning Board in 2024.

¹¹ As RKG understands, this parcel is identified as #0121-0030, situated on an approximate 2.00-acre site with 39,782 SF (gross floor area) of improvement.

¹² As RKG understands, this parcel is identified as #0120-0395, situated on an approximate 0.26-acre site with 6,300 SF (gross floor area) of improvement.

- An RFP (24-02) for the former Public Works property has been initiated. The proposed development consists of 84 units targeting residents of 50-60% AML.
- Ownership of the Lilac Mall (5 Milton Road) ownership has changed.¹³ Plans for a casino/charitable gaming facility are being considered for approval. Some existing tenants are expected to remain at the site. Approximately 35.0% of gaming revenues are ear-marked for local charitable and non-profit institutions. For 2022, gross revenues among the 14 existing statewide charitable gaming establishments increased by 24.0% (\$54 million) since 2021.

Photo 8 – Former Public Works property



Source: RKG Associates, Inc. (2023)

The enabling legislation (House Bill 1744 enacted in 2006) allows charities that are a legitimate 501(c)(3) organization in the state and registered with the Secretary of State’s office for at least one year are eligible to participate. Charities are permitted to “sponsor” the casinos on a rotating schedule for a seven (7) to ten (10) day cycle receiving 35.0% of the earnings from games of chance within that cycle, provided they have received a license from the NH Lottery Commission.

FY 2024 (to date)

- City staff are working with the Strafford Regional Planning Commission to do a downtown accessibility audit. City staff are designing a roundabout for Milton Road (former Stonewall Kitchen and Cabletron properties) where Sig Sauer just moved in. Reportedly, Sig Sauer has invested \$21.5 million (to date) in this project. The City of Rochester contributed \$270,000 for completion of interchange upgrades.¹⁴

In summary, since FY 2019 to date, the City of Rochester has aggressively and effectively undertaken numerous initiatives and projects to continue a trend of improving the citywide economic development portfolio, enhancing quality of life services and amenities, and fostering a climate for continued forward progress.

¹³ As RKG understands, this parcel is identified as #0222-0094, situated on an approximate 27.34-acre site with 201,160 SF (gross floor area) of improvement. Purchased by New England Gaming and Consulting LLC, for \$5.0 million (or \$25/SF), as reported 3 August 2023.

¹⁴ As reported in *Foster’s Daily Democrat*, dated January 7,2021.

Over the FY 2018 through FY 2022 time-period, the City of Rochester reported a total of 84 new, retained, or expanded businesses (refer to Table 3), averaging 16.8 per year. According to information from the New Hampshire Department of Employment Security, for 2021, there were approximately 640 Citywide businesses (excluding government related businesses), and these eighty-four businesses account for slightly more than 13.0% of this total.

Table 3 – City of Rochester Business Activity

City of Rochester - Business Development Activity	Downtown Specific		Other City (unspecified)		
	New	Expanded	New	Retained	Expanded
FY 2018	7	3	9		
FY 2019			11		6
FY 2020			18		1
FY 2021			9	5	3
FY 2022			12		
Totals	7	3	59	5	10

Source: City of Rochester, NH and RKG (2023)

RECOMMENDATIONS

The following represents an overview of broad scale recommendations for the city to undertake in continuing their efforts to enhance the economic vitality and quality of life throughout the city. These are further discussed in Chapter 5 of this report.

- Continue to invest in industrial developments opportunities throughout the city. This may likely require some land assemblages or acquisition as the inventory of available sites and acreage is diminishing. While the potential for larger scale industrial uses should not be ignored, this analysis indicates that over the 2023-to-2033 period there is significant employment growth in such sectors as specialty trade contractors which typically require smaller sites, such as contractor yards, for their business operations.
- Increase efforts for downtown development potential, particularly with respect to residential and mixed-use opportunities, thereby continuing recent trends. Such efforts should include inventorying suitable properties for re-positioning, such as infill opportunities of the existing building stock. These should be in conjunction with the ongoing improvements and investment in the downtown streetscape and its overall look. The city should explore additional workforce housing as part of the development mix. This could include, as a part of any public-private partnership, a specified percentage of the overall unit count be required as workforce housing.
- Rochester Main Street is in the process of offering a downtown façade grant program in 2024, with initial funding of \$10,000. The city may consider a match to this funding to increase the pool of available capital and potentially reach out to more businesses. Such a match should come with the stipulation that local businesses offer some financial match of their own. Further, the dollar amount of any one façade grant should be capped. Also of note, as a

501(c)(3) organization, Rochester Main Street would be eligible to share in the charitable gaming revenues resulting from the pending casino development at the Lilac Mall. The use of such revenues should be explored for furthering, and expanding, their efforts throughout the downtown.

- Through its Business Retention Program, over the past several years, the city's efforts to retain and expand existing businesses, as well as to attract new business to the community have achieved a level of success. The city should consider formalizing these outreach efforts on a regular and ongoing basis. This could include quarterly status updates, as a part of the recently revamped EDC website and offer an opportunity for business feedback through a questionnaire/survey. In terms of the downtown area, increased efforts should focus on outreach to specialty niche and destination retailers, further complementing the existing downtown mix and broadening its diversification.
- While the EDC website offers links to available information and resources on "how-to-start" a business. The city may consider the inclusion of a city-specific "how-to-start" a business discussing city initiatives and offering a step-by-step process of the city zoning, planning, and permitting process.
- It is suggested that the city reconsider enacting a Downtown TIF district. Given the recent, and pending, development activity throughout the downtown, it is reasonable to assume that increased valuations and property tax receipts will result. This may be considered in conjunction with the possibility of establishing a Downtown Overlay Zoning District which could further establish design guidelines and standards, as well as directing incentives and resources to achieve desired development opportunities, such as the workforce housing component.
- Consider a downtown catalytic city development project as may be represented by the pending lease availability of the former Ben Franklin property. Utilization of this property could offer a variety of development/tenanting opportunities from start-up or incubator space to pop-up businesses to artisan work and gallery spaces. This could complement the downtown mix and provide an additional destination location stimulating increased consumer activity and spending potential. The property also abuts the Cocheco River and could afford seasonal/outdoor uses as well providing a linkage to the city's trail system.
- While the eventual status and disposition of the Rochester Fairgrounds is still in flux, RKG encourages the city to continue to monitor the situation and consider preliminary future options for the property or portion thereon, perhaps drafting a preliminary master plan for the site.
- As noted previously, Rochester Main Street 501(c)(3) organization, and would be eligible to share in the charitable gaming revenues resulting from the pending casino development at the Lilac Mall. The city should explore the potential for the inclusion of other 501(c)(3) organizations throughout the city to also participate. As a part of this exploration the city could identify and inform such 501(c)(3) organization of this revenue sharing program and perhaps help structure investment opportunities benefitting both the organization proper as

well as the city (and its efforts) in general, as may be applicable under enabling legislation (House Bill 1744).

- The City Council approved RSA 79E tax incentive program has met with great success in encouraging downtown investment and should be continued. That stated, the city may explore the geographic reach of this program outside of the designated downtown boundaries, perhaps on a parcel specific case-by-case basis if permissible.

2. DEMOGRAPHIC and ECONOMIC CONDITIONS

INTRODUCTION AND PURPOSE

The purpose of this study is to offer a current update to the city’s Strategic Economic Development Plan, in light of changing market, demographic and economic conditions since the prior update.¹⁵ Similar to prior analyses and updates, the objective is to identify new and future economic opportunities in Rochester and to refine the steps the city can take to make the most of existing opportunities. Discussions with representatives of the EDC indicate that the city will likely be updating its Master Plan, which would include, at a minimum, elements from this current SEDP Update (if not in its entirety). In either event, this current SEDP Update will continue to serve as an integral tool for guiding and implementing positive economic development change across the city over the next several years.

As a point of locational reference, the City of Rochester is situated in Strafford County along the Spaulding Turnpike (Route 16) corridor within the New Hampshire and Maine Seacoast region. Rochester is easily accessible from the Spaulding Turnpike (a toll road at points) and provides access to/from its “sister” communities of Dover, Somersworth, and Portsmouth, each with some economic influence on one another. Rochester, independently, has a draw and economic influence on several communities to the north in the Lakes Region; to western communities such as Northwood and Deerfield; and, eastward to many communities in neighboring Maine.

DEMOGRAPHIC PROFILE

Selected trends and projections in population, educational attainment, housing/households, income are presented for the City of Rochester, Strafford County and New Hampshire.

POPULATION

The population of the City of Rochester increased by 11.0% from 2010 to 2020, representing an increase of 3,285 persons. The projected population growth (2023 to 2028) is much less robust at 908 persons or growth of 2.7% (Table 4). Nonetheless, the percentage population change for the city, in both time periods, exceeds that for Strafford County, at 6.1% and 1.8%. The City change also exceeds the statewide population change at 4.2% and 1.2%. In 2010, the population of the city accounted for 24.2% of the county population and is projected to account for 25.1% by 2028.

During the 2010 to 2020 time period, the population for Rochester exhibited growth across each of the broad age cohorts as presented in Table 4, notably including a 27.8% increase among those over the

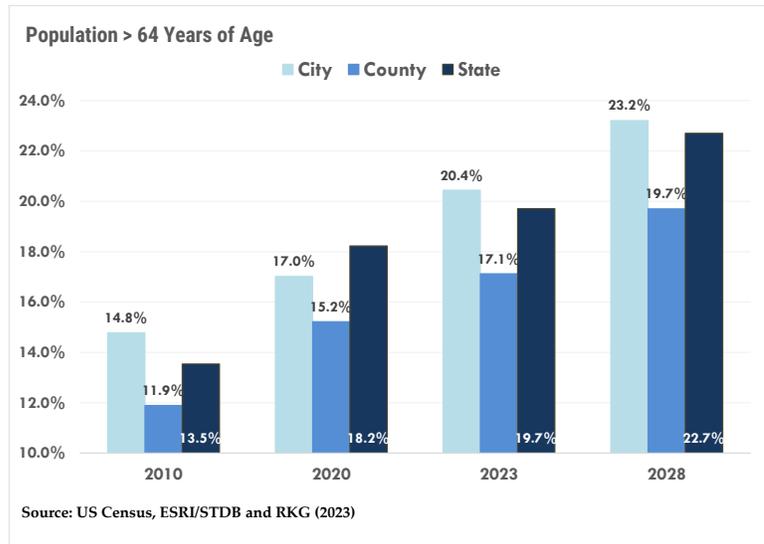
¹⁵ *Economic Development Strategic Plan Update – Rochester, NH*, as prepared for the City of Rochester, Rochester Economic Development Corporation, by RKG Associates (dated March 2018 revised).

age of 64 years. The projected growth among this cohort is somewhat less, at 16.6%, for the 2023 to 2028 period. However, for those aged 35 to 64 years, a nominal decline of 131 persons is projected, and for those aged 20 to 34 a decline of 110 persons is projected. This is noteworthy as those aged 35 to 64 years often represent the population base in peak earning and spending years, as well as those possibly seeking new housing.

Further, those in the 20 to 34 cohort often account for first employment opportunities, family formation years and first-time residential opportunities, often as renters. Nonetheless, the continued growth among the elderly likely presents some demand for those seeking to downsize their residential footprint and opting for more of a compact and inclusive lifestyle residence and/or catering to special needs.

In contrast, both Strafford County and the state exhibited some declining population(s) in the 2010 to 2020 time frame and are projected to continue to do so over the 2023 to

Figure 1 – Comparative Distribution of Elderly Population



2028 time period, excluding the elderly cohort for the county and the state (Figure 1). For all three areas, the median age of the population continues to rise, with a projected (2028) median age of 44.6 years for the city, somewhat greater than the county and the state.

Table 4 – Comparative Population Trends

Selected Summary Socio-Economics - Population	Decennial Census			
	2010	2020 (1)	# Δ	% Δ

Rochester, NH				
Total Population	29,752	33,037	3,285	11.0%
Population > 64	4,397	5,621	1,224	27.8%
Population 35 to 64	12,738	14,081	1,343	10.5%
Population 20 to 34	5,428	5,684	256	4.7%
Population < 20	7,189	7,651	462	6.4%
Median Age	40.8	42.6	1.8	4.4%

Strafford County				
Total Population	123,143	130,598	7,455	6.1%
Population > 64	14,645	19,873	5,228	35.7%
Population 35 to 64	49,564	49,003	(561)	-1.1%
Population 20 to 34	27,257	30,081	2,824	10.4%
Population < 20	31,677	31,641	(36)	-0.1%
Median Age	36.8	37.7	0.9	2.4%

New Hampshire				
Total Population	1,316,470	1,372,175	55,705	4.2%
Population > 64	178,268	250,136	71,868	40.3%
Population 35 to 64	583,382	564,411	(18,971)	-3.3%
Population 20 to 34	229,018	258,031	29,013	12.7%
Population < 20	325,802	299,597	(26,205)	-8.0%
Median Age	41.2	43.1	1.9	4.6%

Estimated 2023	Projected 2028	2023 to 2028 Δ	
		#	%

33,292	34,200	908	2.7%
6,806	7,938	1,132	16.6%
13,532	13,401	(131)	-1.0%
5,698	5,588	(110)	-1.9%
7,256	7,273	17	0.2%
43.5	44.6	1.1	2.5%

133,668	136,021	2,353	1.8%
22,894	26,798	3,904	17.1%
51,115	50,320	(795)	-1.6%
28,543	28,005	(538)	-1.9%
31,116	30,898	(218)	-0.7%
39.3	40.1	0.8	2.0%

1,401,426	1,418,360	16,934	1.2%
276,235	322,043	45,808	16.6%
570,734	557,681	(13,053)	-2.3%
250,455	242,490	(7,965)	-3.2%
304,002	296,146	(7,856)	-2.6%
43.6	44.3	0.7	1.6%

Source: US Census, ESRI/STDB and RKG (2023)

(1) - data reflects American Community Survey (ACS) for 2017-2021

EDUCATIONAL ATTAINMENT

As indicated in Table 5,¹⁶ the population aged 25 years and older accounted for approximately 66.0% to 72.0% of the total population for the city, county and state. The educational attainment (level of schooling) for each area was high with 90.0%+ having a high school degree (or GED), some level of college and a variety of college degrees.

This is important as many potential employers consider the educational attainment of a resident population as a measure of an available, educated, and skilled workforce. As

shown in Figure 2, the City of Rochester compares favorably to Strafford County and statewide with respect to those having attained an Associates' degree, and relatively so for those with a Bachelors' degree. The gap of educational attainment is a bit broader for those with a Masters' degree.

Figure 2 – Comparative College Level of Education

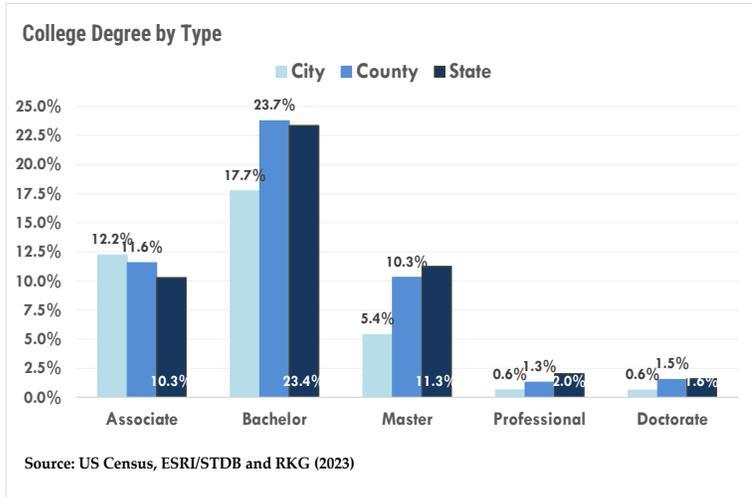


Table 5 – Comparative Educational Attainment for the Population aged 25+ Years

Selected Summary Socio-Economics - Educational Attainment	2017 - 2021 ACS Estimate	Educational Attainment					
		No Schooling	Grade Level (1)	Some High School	High School or GED	Some College	College Graduate (2)
Rochester, NH							
Total Population	33,037						
Population aged 25+ Years	22,865	263	553	991	7,909	4,779	8,370
% of Pop 25+ Years	69.2%	1.2%	2.4%	4.3%	34.6%	20.9%	36.6%
Strafford County							
Total Population	130,598						
Population aged 25+ Years	86,389	722	1,132	3,473	23,050	16,153	42,064
% of Pop 25+ Years	66.1%	0.8%	1.3%	4.0%	26.7%	18.7%	48.7%
New Hampshire							
Total Population	1,372,175						
Population aged 25+ Years	986,106	7,085	13,811	41,913	269,342	175,537	478,418
% of Pop 25+ Years	71.9%	0.7%	1.4%	4.3%	27.3%	17.8%	48.5%

Source: US Census, ESRI/STDB and RKG (2023)

(1) - includes nursery school through 8th grade

(2) - includes Associates, Bachelors, Masters, Professional degree and Doctorate

¹⁶ The data reflects the educational attainment of the population aged 25 and older as offered by the 2017-2021 ACS data. The ESRI/STDB data did not offer 2023 or 2028 projections of this information.

HOUSING AND HOUSEHOLDS

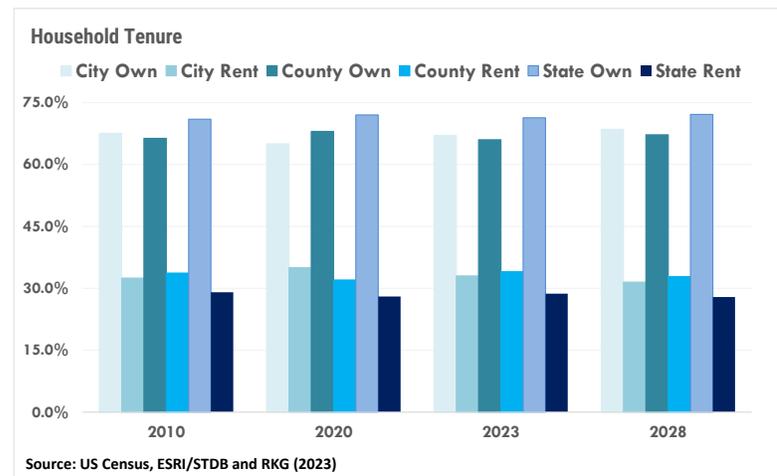
Over the 2010 to 2020 period (Table 6) there was an increase of 820 housing units in the city, or about 6.1%. Over the same period the number of households (occupied housing units) increased by 8.9% or 1,104 units. Moving forward for the 2023 to 2028 period, the changes are 3.3% and 3.7%, respectively. In 2010, the households in the City of Rochester accounted for 26.3% of countywide households, which is projected to increase to a 27.2% representation in 2028.

By comparison, the number of housing units in Strafford County increased by 8.6% and are projected to increase by 2.5%. For the state, the comparable rates are 4.8% and 1.6%, respectively. As a result, the projected rate of growth for the City of Rochester exceeds the county and the state. In terms of households, the projected City increase of 3.7% is above the rates for the county (2.8%) and statewide (2.0%). All three areas are also projected to experience a decline in the number of vacant units. Similarly, the average household size(s) are projected to decline marginally for each area.

In terms of household tenure, all three areas are predominantly comprised of owner-occupied housing (Figure 3), at or exceeding 65.0% for each of the time periods. Over the entire period, average owner-occupancy for the city is 67.0%, as compared to 66.9% (countywide) and 71.6% (statewide).

Conversely, renter-occupied housing is at or below 35.0% for each period. Over the entire period, average renter-occupancy for the city is 33.0%, as compared to 33.1% (countywide) and 28.4% (statewide). National averages are in the range of 65.0% owner-occupancy and 35.0% renter-occupancy.

Figure 3 – Comparative Household Tenure



While the projected decline (2023 to 2028) in renter-occupied housing in the City of Rochester is nominal, at 46 units, it may also run counter to the projected change in population by age cohort, specifically the projected 16.6% growth among those over the age of 64 years, as well as the rental units currently underway or planned throughout the city. As noted earlier, people in this cohort often seek to downsize their residential footprint and this may include increased desires for rental housing, especially if coupled with lifestyle amenities and/or assisted living/health care amenities.

Table 6 – Comparative Household and Housing Metrics

Selected Summary Socio-Economics - Housing and Households	Decennial Census				Estimated 2023	Projected 2028	2023 to 2028 Δ	
	2010	2020 (1)	# Δ	% Δ			#	%
Rochester, NH								
Total Housing Units	13,372	14,192	820	6.1%	15,090	15,589	499	3.3%
Total Households	12,378	13,482	1,104	8.9%	14,303	14,827	524	3.7%
Owner Occupied	8,359	8,764	405	4.8%	9,587	10,157	570	5.9%
Renter Occupied	4,019	4,719	700	17.4%	4,716	4,670	(46)	-1.0%
Vacant Units	994	710	(284)	-28.6%	787	762	(25)	-3.2%
Average Household Size	2.40	2.40	0.00	0.0%	2.30	2.28	(0.02)	-0.9%
Stafford County								
Total Housing Units	51,697	56,168	4,471	8.6%	57,300	58,756	1,456	2.5%
Total Households	47,100	52,236	5,136	10.9%	52,943	54,451	1,508	2.8%
Owner Occupied	31,242	35,521	4,279	13.7%	34,926	36,590	1,664	4.8%
Renter Occupied	15,858	16,716	858	5.4%	18,017	17,861	(156)	-0.9%
Vacant Units	4,597	3,932	(665)	-14.5%	4,357	4,305	(52)	-1.2%
Average Household Size	2.61	2.40	(0.21)	-8.0%	2.36	2.34	(0.02)	-0.8%
New Hampshire								
Total Housing Units	614,754	643,979	29,225	4.8%	651,972	662,578	10,606	1.6%
Total Households	518,973	547,382	28,409	5.5%	569,074	580,604	11,530	2.0%
Owner Occupied	368,316	394,115	25,799	7.0%	405,716	418,686	12,970	3.2%
Renter Occupied	150,657	153,267	2,610	1.7%	163,358	161,918	(1,440)	-0.9%
Vacant Units	95,781	96,597	816	0.9%	82,898	81,974	(924)	-1.1%
Average Household Size	2.54	2.50	(0.04)	-1.57%	2.39	2.37	(0.02)	-0.8%

Source: US Census, ESRI/STDB and RKG (2023)

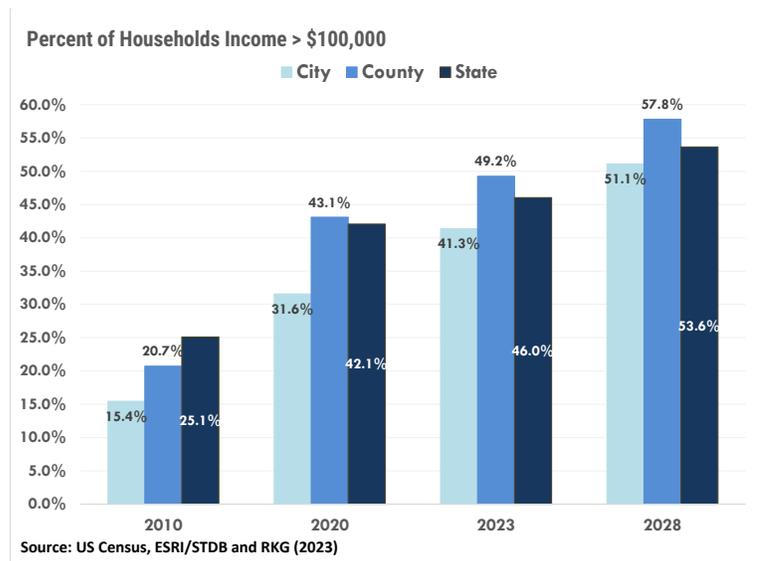
(1) - data reflects American Community Survey (ACS) for 2017-2021

HOUSEHOLD INCOME AND VALUE

As shown in Figure 4, over the 2010 through 2028 time period, the percentage of households with incomes exceeding \$100,000 increases sharply for the City of Rochester, Stafford County and New Hampshire. In 2010, there were 1,910 such households in the city and this is projected to increase to 7,576 households by 2028 – nearly a fourfold increase. This would likely represent a strong increase in the number of City households with greater disposable income.

Table 7 presents a more detailed comparison of household incomes

Figure 4 – Comparative Household Incomes > \$100,000



and values for the City of Rochester relative to the county and the state. In addition to the sharp increase in households with incomes exceeding \$100,000, the city experienced a decline in the number of households earning less than \$50,000 and this is projected to continue. While the 2010 to 2020 period witnessed an 8.2% increase in City households earning \$50,000 to \$100,000, this is projected at a 10.8% decline for 2023 to 2028. Both Strafford County and the state have experienced a decline in the number of households earning less than \$100,000 and this is projected to continue for both. Despite this growth, the median household income for the city was 87.0% that of the county in 2010 and is projected to be 92.0% in 2028.

Median owner values have increased, for all three areas and across all time periods. Notably at a rate exceeding inflation (19.1%) for Strafford County (2010 to 2020). The estimated inflation for the 2020 to 2023 period is nearly 16.0% and all three areas are projected to realize a change in median owner values above this rate. Still, the City of Rochester lags the county at an 80.0% representation in 2020 and a projected representation of 85.0% in 2028.

Table 7 – Comparative Household Income and Value Metrics

Selected Summary Socio-Economics - Household Income and Value	Decennial Census				Estimated 2023	Projected 2028	2023 to 2028 Δ	
	2010	2020 (1)	# Δ	% Δ			#	%
Rochester, NH								
Total Households	12,378	13,482	1,104	8.9%	14,303	14,827	524	3.7%
earning less than \$50K	6,381	4,804	(1,577)	-24.7%	4,328	3,627	(701)	-16.2%
earning \$50K to \$100K	4,087	4,424	337	8.2%	4,061	3,624	(437)	-10.8%
earning more than \$100K	1,910	4,254	2,344	122.7%	5,914	7,576	1,662	28.1%
Median Household Income	\$48,213	\$70,582	\$22,369	46.4%	\$81,234	\$101,112	\$19,878	24.5%
Median Owner Value	\$175,942	\$208,500	\$32,558	18.5%	\$279,964	\$359,828	\$79,864	28.5%
Per Capita Income	\$26,625	\$36,475	\$9,850	37.0%	\$42,849	\$50,433	\$7,584	17.7%
Strafford County								
Total Households	47,100	52,236	5,136	10.9%	52,943	54,451	1,508	2.8%
earning less than \$50K	21,249	14,168	(7,081)	-33.3%	13,373	10,788	(2,585)	-19.3%
earning \$50K to \$100K	16,093	15,560	(533)	-3.3%	13,505	12,189	(1,316)	-9.7%
earning more than \$100K	9,758	22,508	12,750	130.7%	26,065	31,474	5,409	20.8%
Median Household Income	\$55,695	\$76,560	\$20,865	37.5%	\$97,917	\$109,955	\$12,038	12.3%
Median Owner Value	\$219,058	\$315,400	\$96,342	144.0%	\$360,271	\$423,882	\$63,611	17.7%
Per Capita Income	\$28,059	\$42,530	\$14,471	51.6%	\$47,078	\$54,363	\$7,285	15.5%
New Hampshire								
Total Households	518,973	547,382	28,409	5.5%	569,074	580,604	11,530	2.0%
earning less than \$50K	209,435	157,173	(52,262)	-25.0%	151,061	128,646	(22,415)	-14.8%
earning \$50K to \$100K	179,346	159,970	(19,376)	-10.8%	156,094	140,567	(15,527)	-9.9%
earning more than \$100K	130,196	230,239	100,043	76.8%	261,918	311,390	49,472	18.9%
Median Household Income	\$61,607	\$83,449	\$21,842	35.5%	\$90,564	\$104,740	\$14,176	15.7%
Median Owner Value	\$243,028	\$288,700	\$45,672	18.8%	\$373,943	\$415,432	\$41,489	11.1%
Per Capita Income	\$31,422	\$45,365	\$13,943	44.4%	\$48,765	\$55,687	\$6,922	14.2%

Source: US Census, ESRI/STDB and RKG (2023)

(1) - data reflects American Community Survey (ACS) for 2017-2021

US Bureau of Labor Statistics, CPI Inflation Calculator

> Jan 2010 - Jan 2020 = 19.05%

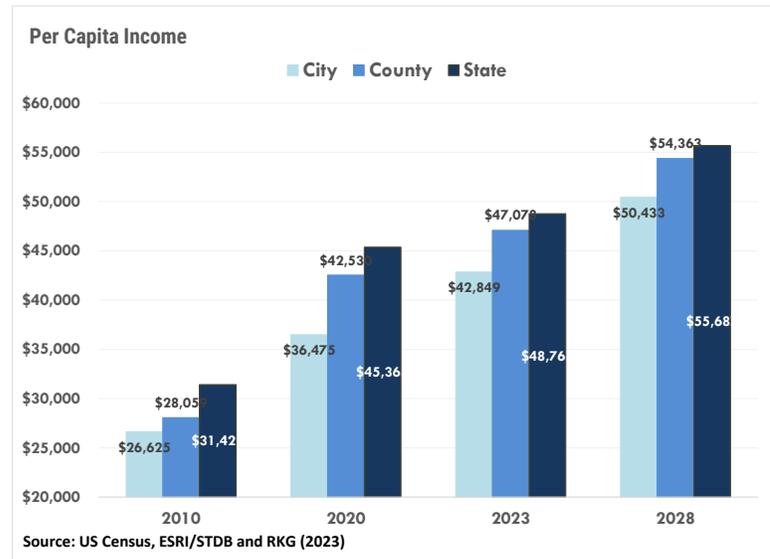
> Jan 2020 - Jan 2023 = 15.97%

All three areas have experienced and are projected to continue to experience an increase in per capita income (Figure 5). Differences in the per capita incomes in 2010 were within a narrow range at about \$5,000 City to state.

Over time, this gap has increased marginally to about \$5,250 City to state. The variances between Strafford County and the state are less. From Table 7, all three areas realized an increase in per capita income (2010 to 2020) above the estimated rate of inflation indicating that was real growth in income.

Only the City of Rochester per capita income for 2023, at nearly \$42,850, exceeded the estimated 16.0% rate of inflation. The overall growth from 2010 to 2028 for the city is 89.0%, compared with 94.0% for Strafford County and 77.0% for the State of New Hampshire.

Figure 5 – Comparative Per Capita Incomes



ECONOMIC CONDITIONS

This section presents a discussion of economic indicators including employment, wages, and businesses, by industry sector, comparing the City of Rochester Strafford County (where applicable).¹⁷ Similarly, unemployment trends for the city, county and state are presented. Commuting patterns, for 2020, for the City of Rochester are summarized, as is a summary overview of the retail demand and sales indicators for the City of Rochester among selected merchandise lines.

EMPLOYMENT INDICATORS

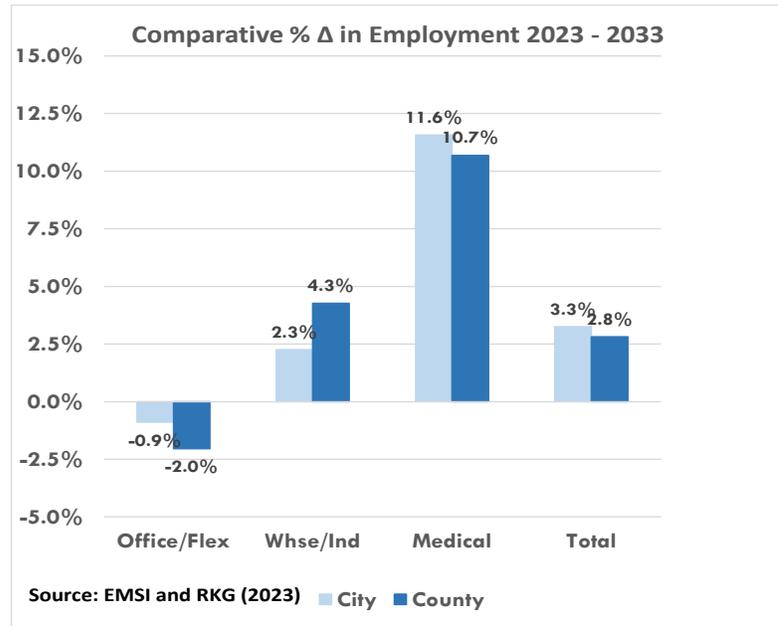
Total employment (Table 8) in the City of Rochester 14,740 in 2023 and is projected to increase by 3.3% by 2033 – an increase of 480 positions for a total of 15,210. In 2023, City employment accounts for 26.7% of employment countywide and is projected to account for 26.8% in 2033. Citywide employment, both in 2023 and in 2033, is concentrated in three (3) industry sectors including retail, health services and manufacturing. For both years employment in these sectors accounted for approximately 50.0% of the citywide employment base. Over the ten-year time, projected employment growth for these sectors is 3.2% (233 positions).

¹⁷ Throughout the main body of this report, much of the economic and employment data is presented at the 2-digit NAICS (industry code) level. The more detailed and refined employment metrics, specifically for the 2023 to 2033 projections, appear in the **Appendix** of this report in **Table 31** (City of Rochester) and **Table 32** (Strafford County).

Employment in those industry sectors typically utilizing office or flex type space, for the city, is projected to decline marginally by 0.9% over the ten-year period for a decline of 16 positions. For those industry sectors typically utilizing warehouse or industrial space the projected growth is 2.3% or 76 positions. Employment for medical office users is projected to increase by 11.6% or by 246 positions.

As also presented in Table 8, employment for Strafford County is projected to increase by 2.8% (somewhat less than the rate for the city) or by 1,556 positions from 55,191 in 2023 to 56,747 in 2033 (Figure 6). Countywide employment, both in 2023 and in 2033, is concentrated in three (3) industry sectors including retail, health services and government services (unlike the inclusion of manufacturing for the city). For both years, the employment in these industry sectors represents approximately 46.0% of the countywide employment. Over the ten-year time, projected employment growth for these sectors is 2.2% (575 positions).

Figure 6 – Comparative Employment Change 2023 - 2033



Employment in those industry sectors typically utilizing office or flex type space, for Strafford County, is projected to decline 2.0% (more than the projected City decline of 0.9%) over the ten-year period for a decline of 193 positions. For those industry sectors typically utilizing warehouse or industrial space the projected growth is 4.3% or 445 positions. Employment for medical office users is projected to increase by 10.7% or by 861 positions (Figure 6).

For the City of Rochester, as well as for Strafford County, the projected decline in employment among those industry sectors where office and/or flex space is typically the preferred space, the opportunities for newly built space (SF) may be diminished. While this is in part a function of declining employment and subsequent demand for space (as measured in this analysis), it may also further reflect some hesitancy on the part of developers to build such (speculative) space, unless tenants are in-hand or are owner-occupied. Often a diversification of development to include mixed-use, with ground floor commercial and upper-story residential, may improve how a project may “pencil out” relative to financial feasibility.

Table 8 – Employment by Industry Sector for 2023 and 2033 – City of Rochester and Stafford County

Employment Projections by NAICS Industry Sectors	City of Rochester, New Hampshire				Stafford County, New Hampshire			
	2023	2033	# Δ	% Δ	2023	2033	# Δ	% Δ
Agriculture / Mining	18	19	1	5.6%	311	330	19	6.1%
Utilities	98	102	4	4.1%	124	128	4	3.2%
Construction	808	848	44	5.4%	2,691	2,814	123	4.6%
Manufacturing	2,167	2,200	33	1.5%	5,424	5,516	92	1.7%
Wholesale Trade	149	183	34	22.8%	1,388	1,707	319	23.0%
Retail Trade	3,047	3,001	(46)	-1.5%	7,072	6,952	(120)	-1.7%
Transportation / Warehousing	240	209	(31)	-12.9%	907	818	(89)	-9.8%
Information	137	100	(37)	-27.0%	606	419	(187)	-30.9%
Finance / Insurance	383	288	(95)	-24.8%	2,353	1,690	(663)	-28.2%
Real Estate Services	128	136	8	6.3%	583	614	31	5.3%
Professional Services	405	463	58	14.3%	3,125	3,570	445	14.2%
Management Services	35	39	4	11.4%	200	220	20	10.0%
Administrative Services	708	754	46	6.5%	2,555	2,716	161	6.3%
Education	218	215	(3)	-1.4%	927	891	(36)	-3.9%
Health Services	2,125	2,371	246	11.6%	8,053	8,914	861	10.7%
Arts / Entertainment	119	137	18	15.1%	882	1,003	121	13.7%
Accommodations/ Food	1,694	1,800	106	6.3%	4,606	4,874	268	5.8%
Other Services (not govt)	515	565	50	9.7%	2,684	3,007	323	12.0%
Government	1,725	1,758	33	1.9%	10,637	10,471	(166)	-1.6%
Unspecified	12	19	7	58.3%	53	90	37	69.8%
Total(s)	14,740	15,210	470	3.2%	55,191	56,747	1,556	2.8%

Source: EMSI and RKG (2023)

(na) - Data not reported or otherwise suppressed

Employment in 2021 shows that nearly 40.0% of the City of Rochester employment is concentrated among ten employers (Table 9). Among these top employers, nearly 10.5% of the citywide employment is City related, as represented by the schools or the municipal government. Another 8.8% are in the retail sectors, specifically grocers (4) and a general merchandiser. The former may not necessarily be a sector where employment growth is desired. The latter represents a high representation among employees typically in lower wage paying jobs.¹⁸

Table 9 – Top Employers in the City of Rochester, NH

City of Rochester - Area Employers (1)	# of Employees	Industry Sector	% of Citywide
Frisbee Memorial Hospital	1,045	health	9.1%
City of Rochester - Schools	821	education	7.1%
Albany/SAFRAN	750	aerospace	6.5%
Market Basket	450	grocer	3.9%
City of Rochester -Municipal	387	government	3.4%
Wal-Mart Stores	300	retailer	2.6%
Hannaford Brothers	264	grocer	2.3%
New Phase Medical	220	health	1.9%
Eastern Propane & Oil	178	retailer	1.5%
Laars Technologies	165	services	1.4%
Total for the Above	4,580	na	39.7%
Citywide Total	11,529	na	na

Source: NH Employment Security and RKG (2023)

(1) 2021 data metrics

¹⁸ As shown in **Table 11**, the average wage (2023) for the City of Rochester, in the retail sector, is \$44,582 or about two-thirds of the total Citywide average.

LOCATION QUOTIENTS

Location quotients (LQ) compare employment by industry sector in two or more geographic areas. The LQ is a ratio of the percentage of an industry's employment in one geography as contrasted to that of a larger comparison geography, such as the City of Rochester to Strafford County. If this ratio falls between 0.80 and 1.20, then the proportion of jobs is very similar in both geographies. If this ratio is less than 0.80, then the identified industry sector is thought to be under-represented in the local economy. Conversely, a ratio greater than 1.20 can show a specialty within the local economy (an over-performer) as compared to the larger geography. The LQ can be useful in pointing out opportunities for certain industry sectors to gain a larger share of the employment base or to indicate when a community may be heavily reliant on one or two industry sectors. In some cases, a high location quotient may indicate a specialty area in the local economy.

Table 10 presents a comparison of the LQ for the City of Rochester relative to Strafford County, by industry sector. For comparison purposes RKG reviewed the report previously prepared for the City of Rochester to reflect the LQ for 2015 (noting some data was suppressed). The LQ for 2023 and projected for 2033 are as developed from employment projections in this current analysis. The majority of the LQ metrics for 2023 and projected for 2033 indicate that Rochester is generally on par or under-performing relative to the Strafford County economy (as also generally reflected in the 2015 LQ metrics). Notable exceptions include the manufacturing sector and the retail trade sector – both previously identified as major employment sectors for the City of Rochester. Since 2015, the manufacturing sector in the city has strengthened, and the retail sectors remain strong, although the overall LQ has lessened since 2015.

Table 10 - Comparative Change in LQ by Industry Sectors

Employment Projections by NAICS Industry Sectors	from 2015	LQ - City to County	
		2023	2033
Agriculture / Mining	na	0.22	0.21
Utilities	na	2.96	2.97
Construction	na	1.12	1.12
Manufacturing	1.21	1.50	1.49
Wholesale Trade	0.50	0.40	0.40
Retail Trade	1.65	1.61	1.61
Transportation / Warehousing	0.78	0.99	0.95
Information	na	0.85	0.89
Finance / Insurance	0.33	0.61	0.64
Real Estate Services	1.12	0.82	0.83
Professional Services	1.00	0.49	0.48
Management Services	na	0.66	0.66
Administrative Services	1.10	1.04	1.04
Education	na	0.88	0.90
Health Services	1.09	0.99	0.99
Arts / Entertainment	0.33	0.51	0.51
Accommodations/ Food	1.17	1.38	1.38
Other Services (not govt)	1.35	0.72	0.70
Government	na	0.61	0.63
Unspecified	na	0.85	0.79
Total(s)	na	na	na
		under	over

Source: EMSI and RKG (2023)

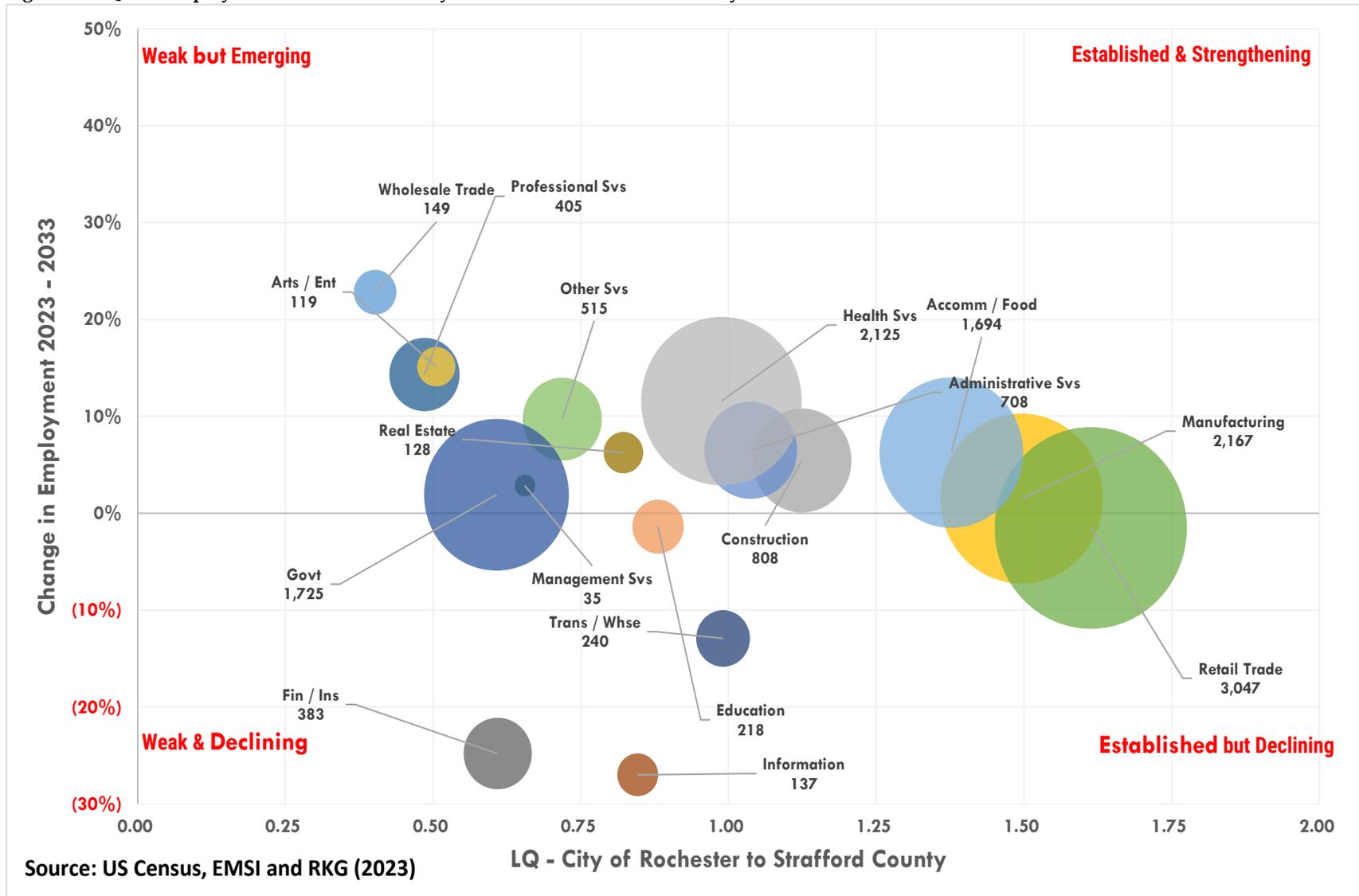
(na) - Data not reported or otherwise suppressed

Figure 7 shows the relationship between employment growth in an industry sector and its prevalence in the City of Rochester relative to Strafford County. Industry sectors to the left of the 1.00 LQ benchmark (horizontal x-axis) are more common for the city (again, on par or under-performing). Those above 0.0% (vertical y-axis) represent industry sectors with projected employment growth (2023 to 2033). The relative size of the industry sector bubble is in relation to its make-up of the local employment base. As noted, slightly more than one-half of the city employment is in the retail, health, and manufacturing sectors (note the bubble size of each).¹⁹

The x-axis offers the LQ for each industry bubble, while the y-axis offers the projected employment percent change over 2023 to 2033. In addition to these, the quadrant location is of importance, with most of the bubbles clustering around weak but emerging or weak and declining. The City’s capacity for additional new non-residential development may depend in part on its capacity to garner a larger share of the countywide employment growth for some industry sectors.

¹⁹ Figure 7 excludes agriculture/mining, utilities, and other unspecified industry sectors, generally small and as outliers.

Figure 7 – LQ and Employment Metrics for the City of Rochester vs Strafford County



AVERAGE ANNUAL WAGE AND ESTABLISHMENT COUNTS

As presented in Table 11, and across all industry sectors the average annual wage in Rochester, at \$65,616 is approximately 88.9% that of Strafford County at \$73,791, or a difference of \$8,175. However, there are several industry sectors in the city where the average annual wage in the city exceeds that countywide. These sectors include manufacturing (102.0%), administrative services (111.3%), education (104.8%) and other services (108.7%). None of the average annual wages in the city are significantly below (meaning 20.0% or more) those of Strafford County.

The estimated count of total citywide establishments (although some data is suppressed at the specific industry sector level) is 662 firms or approximately 21.1% of the 3,125 countywide firms. As noted previously, the citywide employment accounts for approximately 27.0% of the countywide employment which is further reflected in the average number of employees per firm across many industry sectors.

Table 11 – Comparative Annual Wages and Establishment Counts by Industry Sector

Employment Projections by NAICS Industry Sectors	Average 2023 Wages			City of Rochester Firms		Strafford County Firms	
	City	County	City as %	Count	Emp / Firm	Count	Emp / Firm
Agriculture / Mining	\$36,600	\$43,834	83.5%	na	na	16	19.4
Utilities	\$166,476	\$169,965	97.9%	na	na	4	31.0
Construction	\$69,379	\$69,841	99.3%	na	na	339	7.9
Manufacturing	\$83,959	\$82,336	102.0%	42	51.6	159	34.1
Wholesale Trade	\$101,094	\$110,151	91.8%	19	7.8	148	9.4
Retail Trade	\$44,582	\$49,556	90.0%	119	25.6	367	19.3
Transportation / Warehousing	\$57,370	\$64,400	89.1%	7	34.3	49	18.5
Information	\$72,033	\$82,460	87.4%	na	na	56	10.8
Finance / Insurance	\$108,891	\$123,503	88.2%	32	12.0	131	18.0
Real Estate Services	\$76,997	\$77,239	99.7%	30	4.3	103	5.7
Professional Services	\$101,930	\$119,652	85.2%	26	15.6	336	9.3
Management Services	\$85,870	\$86,111	99.7%	4	8.8	23	8.7
Administrative Services	\$65,730	\$59,046	111.3%	52	13.6	248	10.3
Education	\$58,546	\$55,881	104.8%	9	24.2	60	15.5
Health Services	\$71,936	\$79,921	90.0%	63	33.7	291	27.7
Arts / Entertainment	\$27,475	\$28,507	96.4%	7	17.0	49	18.0
Accommodations/ Food	\$27,224	\$28,252	96.4%	69	24.6	294	15.7
Other Services (not govt)	\$48,404	\$44,510	108.7%	72	7.2	287	9.4
Government	\$79,423	\$88,981	89.3%	24	71.9	139	76.5
Unspecified	\$38,410	\$38,410	100.0%	3	4.0	22	2.4
Total(s)	\$65,616	\$73,791	88.9%	662	22.3	3,125	17.7

Source: EMSI and RKG (2023)

City > County

City > County

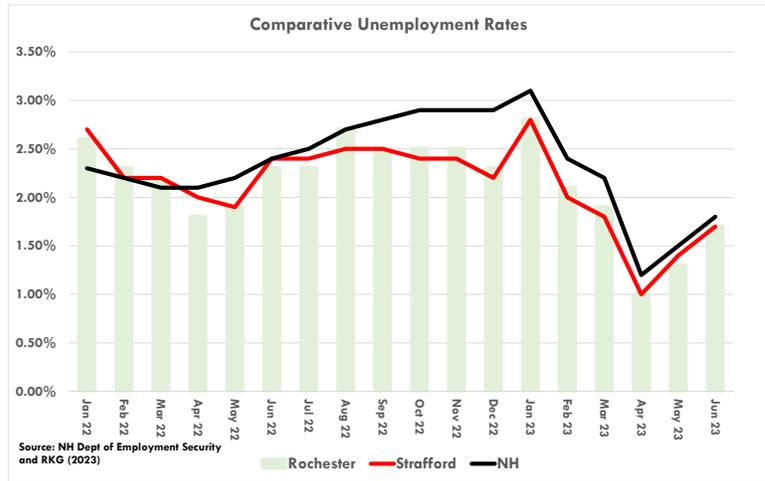
(na) - Data not reported or otherwise suppressed

However, it is worth noting that for the City of Rochester and for Strafford County, the average annual retail wages lag that for all industry sectors, representing approximately 67.0% of the total average wage. As noted previously, for both areas, employment in the retail sector accounts for significant citywide and countywide employment, overall. As a result, those employed in these sectors likely face affordability challenges when it comes to residential opportunities.

UNEMPLOYMENT

From January 2022 through June 2023, the unemployment rate for the City of Rochester remained stable and was less than 3.0% for each monthly period measured. This compares favorably with, and trends like, both Strafford County and New Hampshire as a whole (Figure 8). The recent trends in unemployment compare very favorably to the 10.0% or more statewide rates observed in early 2020, as impacted by the COVID-19 pandemic. The more current rates for all three (3) areas are below the 5.0% unemployment rate which the Federal Reserve generally acknowledges as full employment.

Figure 8 – Monthly Unemployment Rates – City of Rochester / Strafford County / New Hampshire (January 2022 - June 2023)



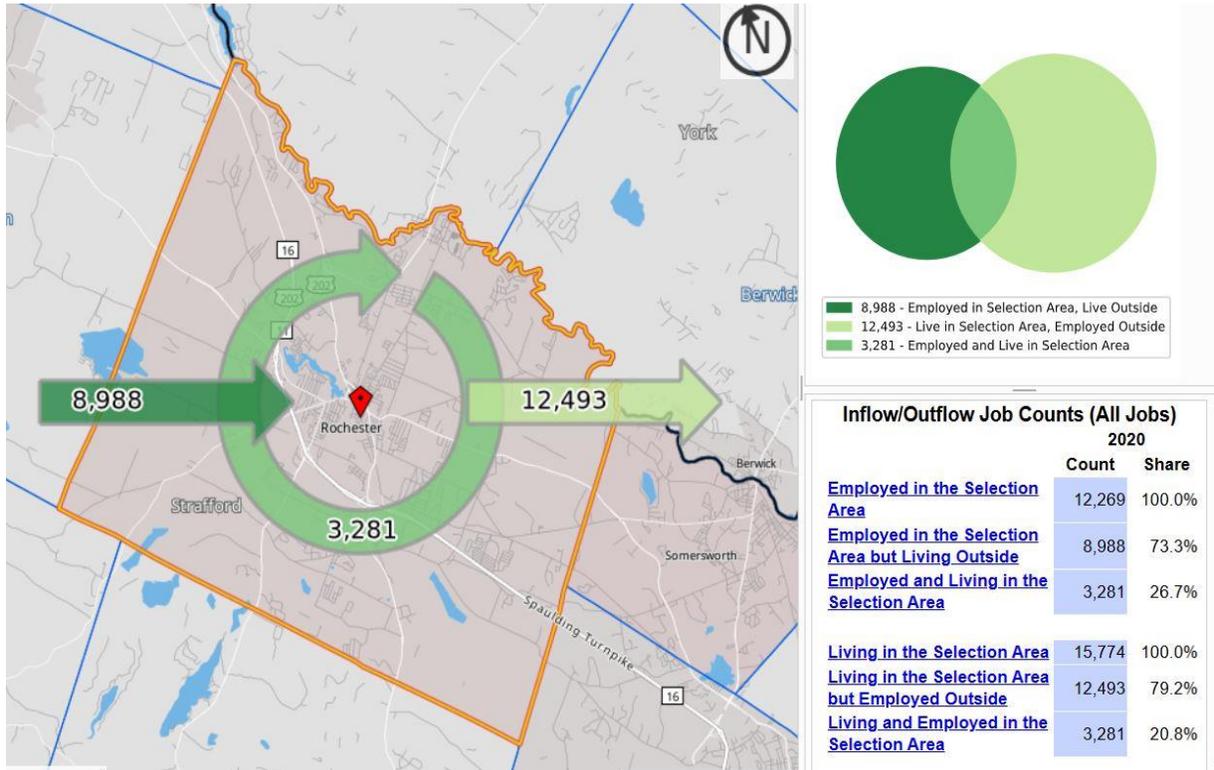
COMMUTING PATTERNS

In 2020, the employment in the City of Rochester (for all industry sectors and all workers) was estimated at 12,269 persons. Nearly 73.0% of this employment is comprised of non-Rochester residents. In 2020, the resident employment base for the city was 15,774 persons (Figure 9) with 79.0% commuting out of the City of Rochester to their place of employment.

As a result, the city is a net exporter of employment with 3,500 more workers commuting out of the city as opposed to commuting into the city. Table 12 presents selected commuter characteristics for the City of Rochester (2020), noting:

- Nearly 27.0% of those working in Rochester also reside in Rochester.
- Nearly 10.0% of the employment in Rochester comes from the nearby communities of Dover, NH and Somersworth, NH.
- This is further reflected in commute distances, as almost 49.0% of the employment has less than a 10-mile commute.
- Approximately 79.0% of workers residing in Rochester do not work in Rochester.
- Slightly more than 50.0% of the workers residing in Rochester commute 10 to 50 miles to their place of employment.

Figure 9 – Commuter Inflow/Outflow for the City of Rochester (2020)



Source: US Census and RKG Associates, Inc. (2023)

Table 12 – Selected Commuter Metrics for the City of Rochester, NH (2020)

Work in Rochester, NH and live in =	Count of Workers	Share of Total	Live in Rochester, NH and work in =	Count of Workers	Share of Total
Rochester, NH	3,281	26.7%	Rochester, NH	3,281	20.8%
Dover, NH	781	6.4%	Dover, NH	2,087	13.2%
Somersworth, NH	414	3.4%	Portsmouth, NH	1,912	12.1%
Farmington, NH	307	2.5%	Somersworth, NH	874	5.5%
Sanford, ME	191	1.6%	Manchester, NH	476	3.0%
Portsmouth, NH	164	1.3%	Concord, NH	436	2.8%
Manchester, NH	145	1.2%	Nashua, NH	258	1.6%
Concord, NH	140	1.1%	Durham, NH	252	1.6%
Nashua, NH	111	0.9%	Boston, MA	144	0.9%
Laconia, NH	89	0.7%	Exeter, NH	131	0.8%
Elsewhere	6,636	54.1%	Elsewhere	5,923	37.5%

Work in Rochester, NH	Count of Workers	Share of Total
less than 10 miles	5,960	48.6%
10 to 24 miles	3,288	26.8%
25 to 50 miles	2,187	17.8%
more than 50 miles	834	6.8%

Live in Rochester, NH	Count of Workers	Share of Total
less than 10 miles	6,524	41.4%
10 to 24 miles	5,027	31.9%
25 to 50 miles	3,106	19.7%
more than 50 miles	1,117	7.1%

Source: US Census, On-the-Map and RKG (2023)

The possibility of additional commercial and/or industrial development in the city could serve to retain a larger share of the resident workforce and the consumer spending they represent during a year – estimated at \$1,500± on average and for selected retail goods and services.

STRAFFORD COUNTY COMMUTING METRICS

The On-the-Map utility from the US Census Bureau offers detailed commuter metrics by industry sector. However, these are limited to areas with a total population of 60,000 or more persons. Table 13 offers commuter metrics by selected industry sector, for Strafford County (and component communities), with Strafford County as the place of residence, noting the following:

- The resident labor force for Strafford County totals 59,215 persons, with 49.7% of the residents employed in the manufacturing, retail, education, and health sectors.
- The resident labor force for Rochester totals 15,774 persons, with 50.8% of the residents employed in the manufacturing, retail, education, and health sectors.
- As a result, residents of the city employed in these four (4) sectors account for 13.5% of all countywide residents in the labor force (all sectors).

Table 14 offers commuter metrics by selected industry sector, for Strafford County, with Strafford County as the place of employment, noting the following:

- Employment in Strafford County totals 47,591 persons, with 56.4% of the employment in the manufacturing, retail, education, and health sectors.

- Employment in Rochester totals 12,269 persons, with 60.6% of the citywide employment in the manufacturing, retail, education, and health sectors.
- As a result, employment in the City of Rochester in these four sectors account for 15.6% of all countywide employment (all sectors).

Table 15 presents a community-by-community comparison of employment by selected industry sector, denoting whether the city is a net-importer of employment (inflow) or a net-exporter of employment (outflow), noting the following:

- Strafford County is a net exporter (outflow) of employment, with 11,624 county residents not working in the county.
 - The exception is the education sector reflecting an inflow of employment as likely heavily influenced by the University of New Hampshire.
- Dover is a net importer (1,931 persons in total), influenced by the finance sector, the health sector and the accommodations/food sector.
- Durham is a net importer (2,214 people in total), influenced by the education sector.
- Rochester is a net exporter of employment (3,505 persons in total).
 - Rochester industry sectors with a high outflow include wholesale trade (417 persons), finance (370 persons), professional services (728 persons) and the health sector (746 persons). These represent typical office use industry sectors.
 - Rochester is an overall net importer (inflow) for employment in the retail sector (650 persons).

It may be possible for the city to increase its local retail employment base, i.e., capturing some portion on the current inflow from other communities, by increasing the affordable housing options, considering the typical wages for employment in this sector. Similarly, it may be possible for the city to reduce its overall outflow in the finance, professional services, and health sectors through encouraging development (or a transfer/relocation) of such businesses throughout the city. As noted previously, such non-residential uses are often included as part of the ground floor component of mixed-use developments.

Table 13 – Commuter Metrics by Place of Residence (2020) – Strafford County, NH

Labor Force by Place of Residence (2020)	Count	% of Total	Employment for Selected Industry Sectors																	Total these Sectors	% of TOTAL
			Const	Mfg	Whole	Retail	Trans/Whs	Info	Finance	RE	Prof	Mgmt	Admin	Edu	Health	Arts	Accom/Food	Other	Govt		
Strafford County	59,215	100.0%	2,682	7,291	2,180	7,676	1,408	1,352	3,078	588	4,640	826	3,422	5,943	8,511	615	4,215	1,775	2,653	58,855	99.4%
Barrington	4,631	7.8%	224	498	171	535	110	99	272	38	361	74	255	524	668	39	298	173	254	4,593	99.2%
Dover	15,547	26.3%	538	1,607	607	1,827	345	411	963	167	1,508	240	991	1,591	2,337	177	1,128	426	599	15,462	99.5%
Durham	3,516	5.9%	113	204	132	425	87	78	165	42	348	66	206	644	475	34	218	98	167	3,502	99.6%
Farmington	3,223	5.4%	201	501	119	482	79	67	129	30	174	30	165	274	484	26	200	104	141	3,206	99.5%
Lee	1,979	3.3%	86	204	82	212	48	38	100	17	158	29	100	311	260	28	120	61	107	1,961	99.1%
Madbury	924	1.6%	42	102	34	104	23	22	49	7	72	13	57	133	123	9	55	23	48	916	99.1%
Middleton	889	1.5%	70	136	27	124	14	21	30	8	48	10	44	81	117	9	65	30	50	884	99.4%
Milton	2,114	3.6%	127	357	82	304	57	34	81	16	125	22	96	187	298	20	146	56	95	2,103	99.5%
New Durham	1,305	2.2%	75	207	29	192	29	25	60	10	77	19	74	121	182	12	80	37	66	1,295	99.2%
Rochester	15,774	26.6%	728	2,205	581	2,289	404	345	726	152	1,049	200	878	1,263	2,259	159	1,240	491	712	15,681	99.4%
Rollinsford	1,302	2.2%	68	156	43	157	23	24	70	23	85	16	67	138	204	13	87	39	73	1,286	98.8%
Somersworth	5,935	10.0%	255	900	197	772	135	146	319	63	460	86	383	430	842	74	472	177	195	5,906	99.5%
Strafford	2,076	3.5%	155	214	76	253	54	42	114	15	175	21	106	246	262	15	106	60	146	2,060	99.2%
Sector as % Strafford County	<i>na</i>	<i>na</i>	4.5%	12.3%	3.7%	13.0%	2.4%	2.3%	5.2%	1.0%	7.8%	1.4%	5.8%	10.0%	14.4%	1.0%	7.1%	3.0%	4.5%	<i>na</i>	<i>na</i>
Sector as % of Rochester, NH	<i>na</i>	<i>na</i>	4.6%	14.0%	3.7%	14.5%	2.6%	2.2%	4.6%	1.0%	6.7%	1.3%	5.6%	8.0%	14.3%	1.0%	7.9%	3.1%	4.5%	<i>na</i>	<i>na</i>
Rochester as % of County (sector)	26.6%	<i>na</i>	27.1%	30.2%	26.7%	29.8%	28.7%	25.5%	23.6%	25.9%	22.6%	24.2%	25.7%	21.3%	26.5%	25.9%	29.4%	27.7%	26.8%	<i>na</i>	<i>na</i>

Source: US Census Bureau, On-the-Map and RKG (2023)

na - not applicable

Table 14 – Commuter Metrics by Place of Employment (2020) – Strafford County, NH

Labor Force by Place of Work (2020)	Count	% of Total	Employment for Selected Industry Sectors																	Total these Sectors	% of TOTAL
			Const	Mfg	Whole	Retail	Trans/Whs	Info	Finance	RE	Prof	Mgmt	Admin	Edu	Health	Arts	Accom/Food	Other	Govt		
Strafford County	47,591	100.0%	1,649	5,408	1,294	6,884	938	717	2,729	362	2,904	160	2,349	7,310	7,241	427	3,400	1,389	2,224	47,385	99.6%
Barrington	2,034	4.3%	167	633	204	135	50	17	31	6	55	2	28	201	100	31	136	84	148	2,028	99.7%
Dover	17,478	36.7%	339	1,174	621	1,430	457	54	2,232	139	2,127	53	1,193	900	4,211	130	1,304	378	734	17,476	100.0%
Durham	5,730	12.0%	79	128	50	126	0	87	20	36	152	0	153	4,187	172	3	282	80	170	5,725	99.9%
Farmington	861	1.8%	80	65	2	96	0	18	10	0	25	0	45	272	37	1	56	73	66	846	98.3%
Lee	1,299	2.7%	87	11	23	447	84	22	15	3	39	12	111	72	117	20	107	53	58	1,281	98.6%
Madbury	254	0.5%	30	26	8	10	0	0	3	5	2	0	8	53	52	1	0	30	24	252	99.2%
Middleton	353	0.7%	40	0	0	140	2	0	0	0	3	0	0	50	0	0	75	0	43	353	100.0%
Milton	514	1.1%	208	2	31	52	0	0	4	23	0	4	4	8	5	51	10	52		454	88.3%
New Durham	188	0.4%	6	0	14	6	6	6	1	13	1	1	37	1	10	6	3	58		169	89.9%
Rochester	12,269	25.8%	534	1,977	164	2,939	265	168	356	78	321	33	631	1,012	1,513	41	1,108	460	621	12,221	99.6%
Rollinsford	497	1.0%	71	138	13	27	9	2	7	5	13	0	22	5	0	0	37	22	51	422	84.9%
Somersworth	5,710	12.0%	68	981	203	1,478	10	343	46	83	111	59	134	421	1,025	185	222	195	135	5,699	99.8%
Strafford	404	0.8%	61	4	11	3	0	3	2	20	0	19	96	5	0	16	1	64		305	75.5%
Sector as % Strafford County	<i>na</i>	<i>na</i>	3.5%	11.4%	2.7%	14.5%	2.0%	1.5%	5.7%	0.8%	6.1%	0.3%	4.9%	15.4%	15.2%	0.9%	7.1%	2.9%	4.7%	<i>na</i>	<i>na</i>
Sector as % of Rochester, NH	<i>na</i>	<i>na</i>	4.4%	16.1%	1.3%	24.0%	2.2%	1.4%	2.9%	0.6%	2.6%	0.3%	5.1%	8.2%	12.3%	0.3%	9.0%	3.7%	5.1%	<i>na</i>	<i>na</i>
Rochester as % of County (sect)	25.8%	<i>na</i>	32.4%	36.6%	12.7%	42.7%	28.3%	23.4%	13.0%	21.5%	11.1%	20.6%	26.9%	13.8%	20.9%	9.6%	32.6%	33.1%	27.9%	<i>na</i>	<i>na</i>

Source: US Census Bureau, On-the-Map and RKG (2023)

na - not applicable

Table 15 – Commuter Metrics (2020) – Strafford County, NH – Inflow and **Outflow** by Community

Patterns (2020) - Inflow / Outflow	Count	Employment for Selected Industry Sectors																	Total these Sectors	% of TOTAL
		Const	Mfg	Whole	Retail	Trans/Whs	Info	Finance	RE	Prof	Mgmt	Admin	Edu	Health	Arts	Accom/Food	Other	Govt		
Strafford County	(11,624)	(1,033)	(1,883)	(886)	(792)	(470)	(635)	(349)	(226)	(1,736)	(666)	(1,073)	1,367	(1,270)	(188)	(815)	(386)	(429)	(11,470)	98.7%
Barrington	(2,597)	(57)	135	33	(400)	(60)	(82)	(241)	(32)	(306)	(72)	(227)	(323)	(568)	(8)	(162)	(89)	(106)	(2,565)	98.8%
Dover	1,931	(199)	(433)	14	(397)	112	(357)	1,269	(28)	619	(187)	202	(691)	1,874	(47)	1,304	378	734	4,167	215.8%
Durham	2,214	(34)	(76)	(82)	(299)	(87)	9	(145)	(6)	(196)	(66)	(53)	3,543	(303)	(31)	64	(18)	3	2,223	100.4%
Farmington	(2,362)	(121)	(436)	(117)	(386)	(79)	(49)	(119)	(30)	(149)	(30)	(120)	(2)	(447)	(25)	(144)	(31)	66	(2,219)	93.9%
Lee	(680)	1	(193)	(59)	235	36	(16)	(85)	(14)	(119)	(17)	11	(239)	(143)	(8)	(13)	(8)	(49)	(680)	100.0%
Madbury	(670)	(12)	(76)	(26)	(94)	(23)	(22)	(46)	(2)	(70)	(13)	(49)	(80)	(71)	(8)	(55)	7	(24)	(664)	99.1%
Middleton	(536)	(30)	(136)	(27)	16	(12)	(21)	(30)	(8)	(45)	(10)	(44)	(31)	(117)	(9)	10	(30)	43	(481)	89.7%
Milton	(1,600)	81	(355)	(51)	(252)	(57)	(34)	(77)	7	(125)	(18)	(92)	(179)	(293)	31	(136)	(4)	(95)	(1,649)	103.1%
New Durham	(1,117)	(69)	(207)	(15)	(186)	(23)	(19)	(59)	3	(76)	(18)	(37)	(120)	(172)	(6)	(77)	21	(66)	(1,126)	100.8%
Rochester	(3,505)	(194)	(228)	(417)	650	(139)	(177)	(370)	(74)	(728)	(167)	(247)	(251)	(746)	(118)	(132)	(31)	(91)	(3,460)	98.7%
Rollinsford	(805)	3	(18)	(30)	(130)	(14)	(22)	(63)	(18)	(72)	(16)	(45)	(133)	(204)	(13)	(50)	(17)	(22)	(864)	107.3%
Somersworth	(225)	(187)	81	6	706	(125)	197	(273)	20	(349)	(27)	(249)	(9)	183	111	(250)	18	(60)	(207)	92.0%
Strafford	(1,672)	(94)	(210)	(65)	(250)	(54)	(39)	(112)	5	(175)	(2)	(10)	(241)	(262)	1	(105)	4	(146)	(1,755)	105.0%
Sector as % Strafford County	na	8.9%	16.2%	7.6%	6.8%	4.0%	5.5%	3.0%	1.9%	14.9%	5.7%	9.2%	-11.8%	10.9%	1.6%	7.0%	3.3%	3.7%	na	na
Sector as % of Rochester, NH	na	5.5%	6.5%	11.9%	-18.5%	4.0%	5.0%	10.6%	2.1%	20.8%	4.8%	7.0%	7.2%	21.3%	3.4%	3.8%	0.9%	2.6%	na	na
Rochester as % of County (sect)	30.2%	18.8%	12.1%	47.1%	-82.1%	29.6%	27.9%	106.0%	32.7%	41.9%	25.1%	23.0%	-18.4%	58.7%	62.8%	16.2%	8.0%	21.2%	na	na

Source: US Census Bureau, On-the-Map and RKG (2023)

na - not applicable

Table 16 presents commuting patterns for Strafford County, by community, and by selected age bracket(s). In summary, the county as a whole and nearly every community therein is an exporter (outflow) of employees across all age brackets. The only two communities with an importation (inflow) of employment, across all age brackets, are Durham (likely reflecting the University of New Hampshire) and Dover (likely reflecting a broadly diversified employment base across many industry sectors). In other words, regardless of age cohort, Strafford County is not retaining its resident labor force with employment opportunities in the county.

Table 16 – Commuter Metrics (2020) – Strafford County, NH – Inflow and Outflow by Age Cohort

Labor Force Commuting Patterns (2020) by Age Cohort	By Place of Residence				By Place of Work				Inflow or Outflow			
	29 >	30 - 54	55+	Total	29 >	30 - 54	55+	Total	29 >	30 - 54	55+	Total
Strafford County	13,371	30,159	15,685	59,215	10,370	23,899	13,322	47,591	(3,001)	(6,260)	(2,363)	(11,624)
Barrington	932	2,490	1,209	4,631	513	971	550	2,034	(419)	(1,519)	(659)	(2,597)
Dover	3,704	8,054	3,789	15,547	3,710	9,451	4,317	17,478	6	1,397	528	1,931
Durham	774	1,706	1,036	3,516	804	2,980	1,946	5,730	30	1,274	910	2,214
Farmington	709	1,625	889	3,223	172	416	273	861	(537)	(1,209)	(616)	(2,362)
Lee	375	1,078	526	1,979	477	530	292	1,299	102	(548)	(234)	(680)
Madbury	176	497	251	924	46	151	57	254	(130)	(346)	(194)	(670)
Middleton	197	423	269	889	112	132	109	353	(85)	(291)	(160)	(536)
Milton	427	1,065	622	2,114	110	241	163	514	(317)	(824)	(459)	(1,600)
New Durham	283	601	421	1,305	22	97	69	188	(261)	(504)	(352)	(1,117)
Rochester	3,747	7,837	4,190	15,774	2,983	5,753	3,533	12,269	(764)	(2,084)	(657)	(3,505)
Rollinsford	278	620	404	1,302	118	229	150	497	(160)	(391)	(254)	(805)
Somersworth	1,357	3,113	1,465	5,935	1,214	2,761	1,735	5,710	(143)	(352)	270	(225)
Strafford	412	1,050	614	2,076	89	187	128	404	(323)	(863)	(486)	(1,672)
Cohort as % Strafford County	22.6%	50.9%	26.5%	100.0%	21.8%	50.2%	28.0%	100.0%	25.8%	53.9%	20.3%	100.0%
Cohort as % of Rochester, NH	23.8%	49.7%	26.6%	100.0%	24.3%	46.9%	28.8%	100.0%	21.8%	59.5%	18.7%	100.0%
Rochester as % of County (cohort)	28.0%	26.0%	26.7%	26.6%	28.8%	24.1%	26.5%	25.8%	25.5%	33.3%	27.8%	30.2%

Source: US Census Bureau, On-the-Map and RKG (2023)

na - not applicable

Table 17 offers commuting patterns for Strafford County, by community, and by average weekly wage. In summary, countywide and by community, regardless of average weekly wage there is an outflow of employment, with the general exception of Dover and Durham. In other words, the resident labor force of Strafford County is generally leaving the county for their place of employment, irrespective of weekly wage. Notable for Strafford County and for the City of Rochester is that approximately 65.0% (each) of those earning \$3,333 or more per week are doing so out-of-the-county.

Table 17 – Commuter Metrics (2020) – Strafford County, NH – Inflow and Outflow by Weekly Wage

Labor Force Commuting Patterns (2020) by Weekly Wage	By Place of Residence				By Place of Work				Inflow or Outflow			
	\$1,250>	\$1,250 - \$3,333	\$3,333+	Total	\$1,250>	\$1,250 - \$3,333	\$3,333+	Total	\$1,250>	\$1,250 - \$3,333	\$3,333+	Total
Strafford County	12,880	14,894	31,441	59,215	11,231	12,500	23,860	47,591	(1,649)	(2,394)	(7,581)	(11,624)
Barrington	908	995	2,728	4,631	443	558	1,033	2,034	(465)	(437)	(1,695)	(2,597)
Dover	3,208	3,570	8,769	15,547	3,489	3,937	10,052	17,478	281	367	1,283	1,931
Durham	769	678	2,069	3,516	1,149	1,199	3,382	5,730	380	521	1,313	2,214
Farmington	716	963	1,544	3,223	154	316	391	861	(562)	(647)	(1,153)	(2,362)
Lee	424	403	1,152	1,979	512	310	477	1,299	88	(93)	(675)	(680)
Madbury	199	201	524	924	65	85	104	254	(134)	(116)	(420)	(670)
Middleton	178	247	464	889	128	86	139	353	(50)	(161)	(325)	(536)
Milton	466	523	1,125	2,114	119	186	209	514	(347)	(337)	(916)	(1,600)
New Durham	259	357	689	1,305	45	60	83	188	(214)	(297)	(606)	(1,117)
Rochester	3,724	4,518	7,532	15,774	3,346	3,653	5,270	12,269	(378)	(865)	(2,262)	(3,505)
Rollinsford	264	286	752	1,302	160	174	163	497	(104)	(112)	(589)	(805)
Somersworth	1,402	1,632	2,901	5,935	1,507	1,809	2,394	5,710	105	177	(507)	(225)
Strafford	363	521	1,192	2,076	114	127	163	404	(249)	(394)	(1,029)	(1,672)
Wage Level as % Strafford County	21.8%	25.2%	53.1%	100.0%	23.6%	26.3%	50.1%	100.0%	14.2%	20.6%	65.2%	100.0%
Wage Level as % of Rochester, NH	23.6%	28.6%	47.7%	100.0%	27.3%	29.8%	43.0%	100.0%	10.8%	24.7%	64.5%	100.0%
Rochester as % of County (wage)	28.9%	30.3%	24.0%	26.6%	29.8%	29.2%	22.1%	25.8%	22.9%	36.1%	29.8%	30.2%

Source: US Census Bureau, On-the-Map and RKG (2023)

na - not applicable

RETAIL SALES

The estimated household spending demand for a broad variety of retail goods is estimated at nearly \$298.2 million for the City of Rochester (Table 18) or approximately \$22,025 annually per household. This estimated demand ranges from \$4,925/household for food and beverage (grocery related) to \$874/household for furniture and furnishings.

Total retail sales for the selected merchandise categories exceed demand by \$508.4 million, indicating that across the board the City of Rochester is a net importer of retail sales activity by \$210.2 million. Or put another way, for many retail categories, the establishments in the City of Rochester are attracting (importing) customer spending from households outside of the city. Notable importing retail categories include grocery related (\$92.7 million); general merchandise (\$62.3 million); health related or Rx (\$28.5 million); building supplies or hardware (\$24.7 million); and, for dining and drinking (\$5.6 million).

Despite the city being a net importer of retail sales, there are several categories where the city is an exporter of sales. This indicates that consumers are spending (shopping) outside of the city for many of their purchases. This is typically referred to as sales leakage and is common to nearly all market areas to some extent.

The retail merchandise lines in Table 18, the (Export)/Import column, highlighted in red, present the merchandise lines where sales leakage exists. For these merchandise lines the estimated sales leakage is approximately \$31.5 million in total, representing 10.6% of the total household demand or approximately \$2,327/household. The exportation of retail sales is notable for furniture and furnishings (\$8.3 million) and apparel and accessories (\$7.5 million).

Based on average sales per SF for the retail merchandise lines, RKG estimates that a 35.0% re-capture of the sales leakage could support an additional 34,120 SF of development. At a minimum, any re-capture of sales leakage could benefit existing merchants in the city. Such re-capture may result from expanding their inventories, re-shuffling their product lines/mix, a change in advertising, marketing, or other store operations. Also as based on average sales per SF, RKG estimates that for all retail merchandise lines there is nearly 1.2 million SF of inventory (222 establishments) in the city.²⁰ This translates to an estimated 35.6 SF per capita of retail in the City of Rochester which is well above the national average of 24.5 SF per capita.

In summary, a potential re-capture of sales leakage could positively impact the opportunities for additional store development in the city and/or improve the average sales of existing merchants. Moreover, among those retail lines where the city is a net importer of retail sales, indicating that the city is a destination draw for such activity, opportunities may exist for new store development to further strengthen these categories, such as dining and drinking places where sales exceed demand by nearly 14.0%.

²⁰ RKG cautions that this inventory could be somewhat understated as the ESRI database does not typically include estimates of sales for some freestanding retailers or "smaller" and independent retailers as may typically be part of a downtown commercial fabric.

Table 18 – Retail Indicators for the City of Rochester, NH

Merchandise Category	NAICS Code	City of Rochester, New Hampshire							
		Demand/HH	Total Demand	Total Sales	(Export) /Import	Estimated SF based on Avg. Sales / SF	Estimated Store Count	Estimated Average Sales / Store	Potential SF w/ 35% Re-Capture
		\$22,023	\$298,190,135	\$508,425,448	\$210,235,313	1,148,997	222	\$2,290,205	34,119
Furniture & Home Furnishings Stores	442	\$874	\$11,840,264	\$3,565,541	(\$8,274,723)	16,230	7	\$509,363	11,477
Furniture Stores	4421	\$481	\$6,517,307	\$1,144,628	(\$5,372,679)	3,815	3	\$381,543	6,268
Home Furnishings Stores	4422	\$393	\$5,322,957	\$2,420,913	(\$2,902,044)	12,415	4	\$605,228	5,209
Electronics & Appliance Stores	443	\$899	\$12,169,450	\$21,971,776	\$9,802,326	62,777	12	\$1,830,981	0
Bldg Materials, Garden Equip. & Supply Stores	444	\$2,063	\$27,936,547	\$52,677,521	\$24,740,974	136,711	17	\$3,098,678	0
Bldg Material & Supplies Dealers	4441	\$1,903	\$25,770,228	\$50,459,374	\$24,689,146	126,148	13	\$3,881,490	0
Lawn & Garden Equip & Supply Stores	4442	\$160	\$2,166,319	\$2,218,147	\$51,828	10,563	4	\$554,537	0
Food & Beverage Stores	445	\$4,925	\$66,682,577	\$159,391,122	\$92,708,545	288,984	16	\$9,961,945	1,196
Grocery Stores	4451	\$4,471	\$60,534,905	\$155,950,725	\$95,415,820	283,547	12	\$12,995,894	0
Specialty Food Stores	4452	\$218	\$2,947,683	\$2,114,118	(\$833,565)	4,186	3	\$704,706	578
Beer, Wine & Liquor Stores	4453	\$236	\$3,199,989	\$1,326,279	(\$1,873,710)	1,251	1	\$1,326,279	619
Health & Personal Care Stores	446,4461	\$1,761	\$23,843,212	\$52,376,984	\$28,533,772	80,580	14	\$3,741,213	0
Clothing & Clothing Accessories Stores	448	\$1,719	\$23,273,619	\$15,817,275	(\$7,456,344)	46,313	13	\$1,216,713	18,854
Clothing Stores	4481	\$1,176	\$15,921,066	\$1,864,240	(\$14,056,826)	6,779	4	\$466,060	17,891
Shoe Stores	4482	\$232	\$3,139,549	\$12,630,636	\$9,491,087	38,275	7	\$1,804,377	0
Jewelry, Luggage & Leather Goods Stores	4483	\$311	\$4,213,004	\$1,322,399	(\$2,890,605)	1,259	2	\$661,200	964
Sporting Goods, Hobby, Book & Music Stores	451	\$1,197	\$16,202,318	\$14,726,510	(\$1,475,808)	65,233	18	\$818,139	2,163
Sporting Goods/Hobby/Musical Instr Stores	4511	\$1,047	\$14,171,884	\$14,519,409	\$347,525	64,531	17	\$854,083	0
Book, Periodical & Music Stores	4512	\$150	\$2,030,434	\$207,101	(\$1,823,333)	702	1	\$207,101	2,163
General Merchandise Stores	452	\$4,287	\$58,046,701	\$120,303,880	\$62,257,179	257,866	17	\$7,076,699	0
Department Stores Excluding Leased Depts.	4521	\$3,295	\$44,609,378	\$93,119,411	\$48,510,033	184,395	6	\$15,519,902	0
Other General Merchandise Stores	4529	\$992	\$13,437,323	\$27,184,469	\$13,747,146	73,472	11	\$2,471,315	0
Miscellaneous Store Retailers	453	\$1,287	\$17,425,937	\$21,227,217	\$3,801,280	87,406	36	\$589,645	1,006
Florists	4531	\$56	\$757,837	\$1,131,116	\$373,279	3,770	3	\$377,039	0
Office Supplies, Stationery & Gift Stores	4532	\$266	\$3,600,163	\$2,967,751	(\$632,412)	13,490	6	\$494,625	1,006
Used Merchandise Stores	4533	\$150	\$2,030,016	\$3,109,512	\$1,079,496	11,734	12	\$259,126	0
Other Miscellaneous Store Retailers	4539	\$815	\$11,037,921	\$14,018,838	\$2,980,917	58,412	15	\$934,589	0
Food Services & Drinking Places	722	\$3,011	\$40,769,510	\$46,367,622	\$5,598,112	106,896	72	\$643,995	1,225
Restaurants	7221	\$2,864	\$38,782,423	\$45,477,337	\$6,694,914	104,546	68	\$668,784	0
Special Food Services	7223	\$97	\$1,319,959	\$199,819	(\$1,120,140)	624	2	\$99,910	1,225
Drinking Places - Alcoholic Beverages	7224	\$49	\$667,128	\$690,466	\$23,338	1,726	2	\$345,233	0

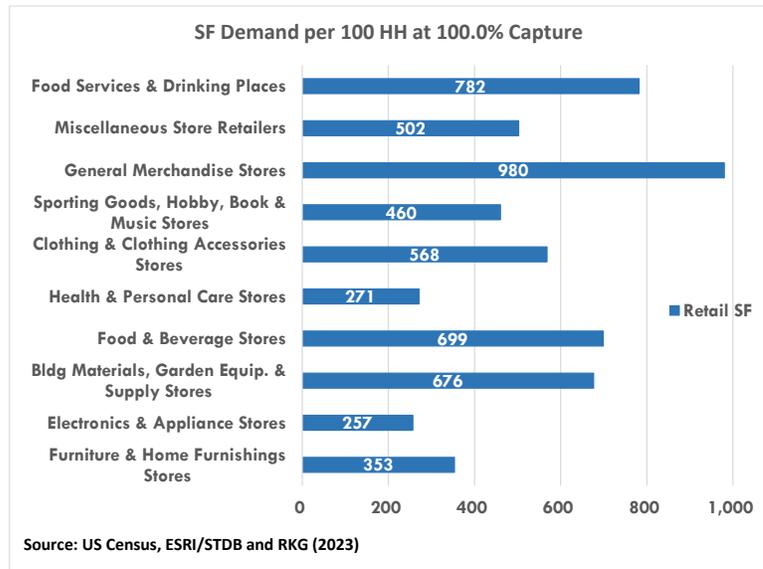
Source: US Census, ESRI/STDB and RKG (2023)

DEMAND FROM NEW HOUSEHOLDS

RKG next considered the estimated demand for retail square footage, by merchandise line, which could result from every new 100 households (Figure 10). The estimated aggregate demand per 100 households is a little over \$2.2 million. If 100.0% of this demand is captured within the City of Rochester, this then translates into the potential demand for 5,550 SF of new retail space.

As noted previously, any new demand resulting from new households could at best equal new retail development opportunities, or at a minimum result in increased consumer spending at existing City merchants.

Figure 10 – Estimated SF Demand per 100 HH at 100% Capture



TAPESTRY SEGMENTATION

ESRI/STDB, a leading national vendor of geospatial and socio-economic data and proprietary demographic modeling, has developed a lifestyle classification referred to as *Tapestry Segmentation(s)*. These classifications consider demographic, socio-economic, spending, and other lifestyle choices across households. ESRI/STDB has delineated several broad lifestyle segments²¹ which offer a means of identifying and targeting market audiences or potential customers. These top five (5) tier segmentations are offered in Table 19.

Table 19 – Top Tier Tapestry Segmentations

Selected Summary Socio-Economics -Tapestry Segmentations - Top 5 Tier	Percent of Households (2023)		
	City of Rochester	Strafford County	New Hampshire
Parks and Recreation	32.7%	13.3%	8.7%
Great Outdoors	21.1%	8.1%	10.5%
Southern Satellites	9.1%	na	na
Front Porches	8.5%	8.6%	na
Old and Newcomers	5.6%	na	na
In Style	na	8.3%	na
Green Acres	na	10.7%	9.8%
Savvy Suburbanites	na	na	9.4%
Workaday Drive	na	na	6.6%
TOP 5 Tier Percent	77.0%	49.0%	45.0%
TOP 5 Tier Households	11,013	25,942	256,083

Source: US Census, ESRI/STDB and RKG (2023)

(na) - not a Top 5 Tier

²¹ These delineations refer to the concept of “birds of a feather flock together” meaning that households of similar demographics, economics, and lifestyles cluster together.

The population base for the City of Rochester is much more homogenous when contrasted to Strafford County or the state. In general, while population diversification is a healthy and dynamic quality of any community, the homogeneity of the City of Rochester may also offer a strong, concentrated customer target base for selected retail goods, services, and store types.

CITY OF ROCHESTER

Summary highlights and characteristics of the City of Rochester top 5 tier households, as defined by ESRI/STDB, include:

- **Parks and Recreation** – average household size of 2.51 persons, median age of 40.9 years, median household income of \$60,000± (many families are two-income). More than half of the population is typically college educated and well represented across a diverse set of employment. Budget conscious consumers who enjoy dining out at family-style restaurants. When dining at home, preferences are toward convenience utilizing frozen or pre-packaged main course meals. Typically enjoy and frequent local parks and recreational activities.
- **Great Outdoors** – average household size of 2.44 persons, median age of 47.4 years, median household income of \$56,400±. Nearly 60.0% have some level of college education however labor force participation is somewhat low at 60.0%. Budget conscious consumers but also do-it-yourself oriented. Many households have multiple vehicles and enjoy participating in outdoor activities.
- **Southern Satellites** – average household size of 2.67 persons, median age of 40.3 years, median household income of \$47,800±. A mix of primarily high school graduates with some level of college education. These consumers are typically more concerned about the cost of goods and services as contrasted to name or brand loyalty – frequently shopping for convenience and at big-box retailers. Enjoy home improvement and remodeling projects and dining out preferences typically reflect low-cost family restaurants and drive-ins.
- **Front Porches** – average household size of 2.57 persons, median age of 34.9 years, median household income of \$43,700±. Often single-parent families, concentration in blue-collar labor sectors but high labor force participation. Very price conscious shoppers, high renter-occupancy rates and a strong on-line presence for entertainment, gaming, and social media experiences.
- **Old and Newcomers** – average household size of 2.12 persons, median age of 39.4 years, median household income of \$44,900±. Often single-person household or younger married with no children present. Perhaps 55.0% renter-occupancy. Price conscious shoppers but prone to impulse purchase. A strong sense of community often volunteering time for charities and fund-raising efforts. Dining preferences tend to convenience goods, frozen and fast-food options.

3. REAL ESTATE CONDITIONS

INTRODUCTION AND PURPOSE

This section discusses trends in the residential and non-residential real estate markets for the City of Rochester, including a comparison of real estate indicators with the county and the state. Additionally, an examination of the commercial sector (office and industrial) is undertaken, and an analysis of future employment growth and resulting demand for additional SF of non-residential space by selected industry sector is presented.

RESIDENTIAL

Trends in residential building permit activity, sales, and gross rents are presented next for the City of Rochester and contrasted, where applicable, to Strafford County.

BUILDING PERMIT ACTIVITY

Recent (2020 and 2021) residential building permit activity is provided in Table 20 for Rochester, Strafford County and statewide.²² Between the two years, total residential permit activity increased by nearly 57.0% however, more notable is the increase of 65 permits for residential development of five or more units. These latter permits accounted for 11.3% of all permit activity in 2020 and 50.0% in 2021.

Table 20 – Residential Building Permit Activity

Comparison of Residential Building Permit Activity	Total Permits	Single-Family Permits	Two-Family Permits	Permits for 5+ Units	Percent of Total - 5+ Units
2020					
City of Rochester	97	55	4	11	11.3%
Strafford County	393	209	61	74	18.8%
New Hampshire	4,448	2,631	542	966	21.7%
Rochester as % of Strafford Co.	24.7%	26.3%	6.6%	14.9%	na
2021					
City of Rochester	152	54	14	76	50.0%
Strafford County	435	209	45	136	31.3%
New Hampshire	4,937	2,603	673	1,380	28.0%
Rochester as % of Strafford Co.	34.9%	25.8%	31.1%	55.9%	na

Source: NH Department of Business & Economic Affairs and RKG (2023)

²² Multi-year trend data, as presented in RKG’s prior analysis, is no longer available through the New Hampshire Office of Energy and Planning (OEP), but for selected communities, Rochester not being among them.

NEW HAMPSHIRE HOUSING AUTHORITY

According to information provided by the New Hampshire Housing Finance Authority, there are currently 154 units affordable housing units under development, with a construction value of nearly \$30.8 million or roughly \$199,960 per unit (**Error! Reference source not found.**).

This is in addition to the 34 units as a part of Apple Ridge (Phase I) delivered in FY 2020 and the four (4) units delivered in FY 2022 as part of the Academy Street Family Housing project. Overall, these 192 units represent approximately 1.3% of the estimated citywide housing of 15,090 units for 2023.²³ The above units are in addition to the 232-units currently managed by the Rochester Housing Authority (RHA).²⁴

Table 21 – New Hampshire Housing Authority – City of Rochester, NH

City of Rochester - Multifamily Projects 2022/2023 (1)	Count of Units	Estimated Construction Costs	Cost per Unit
Apple Ridge Phase II	34	\$6,638,735	\$195,257
Apple Ridge Phase III	34	\$7,203,960	\$211,881
Champlin Place	65	\$11,931,462	\$183,561
Gaffney Home	21	\$5,019,585	\$239,028
Total or Average	154	\$30,793,742	\$199,959

Source: New Hampshire Housing Authority and RKG (2023)

(1) - as funded through the New Hampshire Housing Authority

SELECTED SALES ACTIVITY

From 2016 through July of 2023, the median sales price of a home in the city Rochester increased by \$155,100, or by 88.2% (Table 21). For Strafford County the observed increase was 82.0% or approximately \$175,500 (greater than the city in absolute dollars). Both areas experienced an increase well ahead of the estimated inflation of 29.0%.²⁵ The median sales price in Rochester fluctuated between 78.6% (2017) and 87.5% (2021) of that for Strafford County. The year-over-year variations in median sales price also fluctuated for the city and the county.

Photo 9 – Fownes Mill Condominiums



Source: RKG Associates, Inc. (2023)

²³ As indicated in **Table 6** of this report.

²⁴ Wellsweep Acres, Wyandotte Falls, Gonick-Felker Street, Magic Avenue and Cold Springs Manor.

²⁵ The US Census Bureau CPI inflation calculator indicates that from January of 2016 through July of 2023 inflation was approximately 29.03%.

Table 21 – Comparative Residential Sales – Median Sales Price

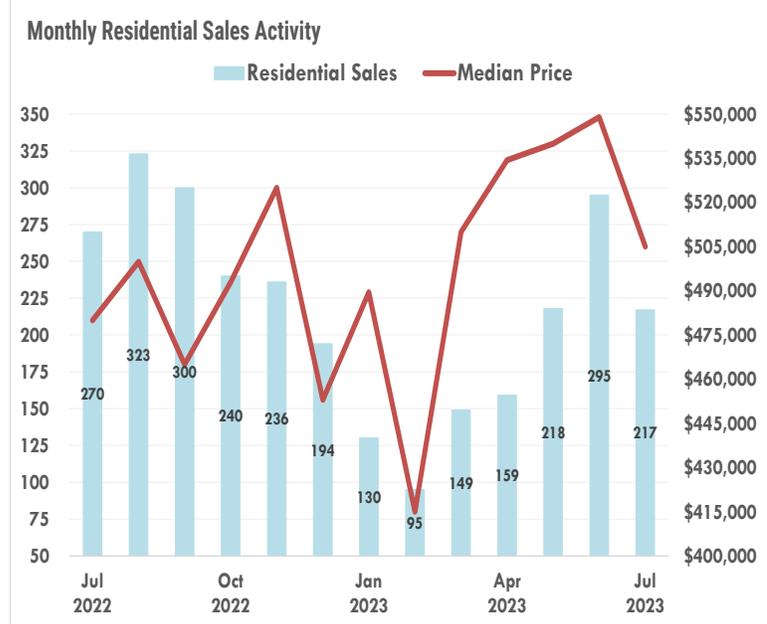
Trends in Median Sales Price (all units)	Rochester		Strafford County		City as % of County - Median \$
	Median Price	% Δ over Prior Year	Median Price	% Δ over Prior Year	
2016	\$175,900	na	\$211,500	na	83.2%
2017	\$180,000	2.3%	\$229,000	8.3%	78.6%
2018	\$200,000	11.1%	\$244,900	6.9%	81.7%
2019	\$214,000	7.0%	\$255,000	4.1%	83.9%
2020	\$234,900	9.8%	\$284,500	11.6%	82.6%
2021	\$280,000	19.2%	\$320,000	12.5%	87.5%
2022	\$310,000	10.7%	\$365,000	14.1%	84.9%
2023	\$331,000	6.8%	\$385,000	5.5%	86.0%
\$ Δ 2016 - 2023	\$155,100	na	\$173,500	na	89.4%
% Δ 2016 - 2023	88.2%	na	82.0%	na	na

Source: NHHFA Residential Purchase Price Database and RKG (2023)

note - 2023 is January through July

MLS (Multiple Listing Service) data provided by the New Hampshire Housing Finance Authority (NHHFA) is presented in Figure 11. This shows the trend in residential sales and median sales price for the Portsmouth/Rochester area over the July 2022 through July 2023 period. On a month-over-month basis both sales and median prices fluctuated, but for the entire period averaged 27 homes per month with a median sales price of \$496,827. Sales peaked at 323 units in August of 2022 and bottomed out at 95 units in February of 2023. The median sales price peaked at \$549,000 (June of 2023) and bottomed out at \$415,000 (February of 2023). The average days-on-market (DOM) also varied over the period, generally averaging one month (plus or minus).

Figure 11 – Residential Sales – Portsmouth/Rochester Area



Source: NHHFA and RKG Associates, Inc. (2023)

Discussions with representatives of the City of Rochester Assessor’s office indicated that the city will be in the process of re-evaluating properties over the next several months to set the taxes rates for December of 2024.

GROSS RENT INDICATORS

The median gross rent in Rochester increased by 52.8% over the 2016 through 2023 period (Table 22) representing an increase of \$523/month. Strafford County realized a similar increase, of \$528/month, or an increase of 50.6%.²⁶ Assuming that monthly rent is approximately 30.0% of a household budget, the required household incomes would need to be in the range of \$60,520 and \$62,840, for the city and the county, respectively for renter households.²⁷

The median gross rent for the city has typically been somewhat less when compared to Strafford County, ranging from 85.0% (2022) to as much as 98.7% (2018). Both the city and the county exhibited a slight decline in median gross rent for 2020 as compared to 2019, possibly reflective of the economic disruptions wrought by the pandemic. However, this is the exception as for every other year-over-year comparison, the median gross rent increased both for Rochester and Strafford County.

Table 22 – Comparative Rents – Monthly Gross Rent

Trends in Median Gross Rent (all units)	Rochester		Strafford County		City as % of County - Gross Rent
	Median Rent	% Δ over Prior Year	Median Rent	% Δ over Prior Year	
2016	\$990	na	\$1,043	na	94.9%
2017	\$1,032	4.2%	\$1,108	6.2%	93.1%
2018	\$1,131	9.6%	\$1,146	3.4%	98.7%
2019	\$1,200	6.1%	\$1,259	9.9%	95.3%
2020	\$1,156	-3.7%	\$1,210	-3.9%	95.5%
2021	\$1,244	7.6%	\$1,356	12.1%	91.7%
2022	\$1,290	3.7%	\$1,518	11.9%	85.0%
2023	\$1,513	17.3%	\$1,571	3.5%	96.3%
\$ Δ 2016 - 2023	\$523	na	\$528	na	99.1%
% Δ 2016 - 2023	52.8%	na	50.6%	na	na

Source: NHHFA Residential Rental Cost Survey and RKG (2023)

Discussions with the City of Rochester Assessor’s office indicated that the redevelopment of the downtown Scenic and Salinger property, with 50-rental units, was pre-leased prior to completion (Table 23).

²⁶ Both well above the estimated CPI inflation of 29.0% over the same time period.

²⁷ As indicated in Table 7, the 2023 median household income for the city and the county are \$81,234 and \$97,917, respectively.

Table 23 – Asking Rents for Scenic/Salinger Property

Asking Rent Metrics for the Downtown Scenic/Salinger Property	Low SF unit	High SF unit	Low Asking Monthly Rent	High Asking Monthly Rent	Low Average Rent/SF	High Average Rent/SF
Studio Units	435	602	\$995	\$1,400	\$2.29	\$1.41
1-Bedroom Units	566	865	\$1,265	\$1,795	\$2.23	\$1.42
2-Bedroom Units	713	791	\$1,475	\$1,585	\$2.07	\$1.07
2-Bedroom Loft Units	695	825	\$1,975	\$2,525	\$2.84	\$1.28

Source: Chinburg Properties and RKG (2023)

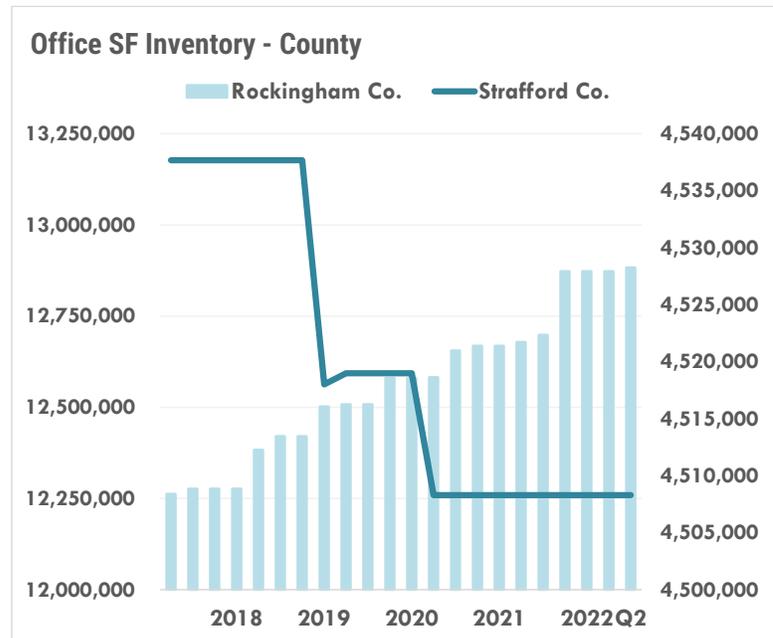
OFFICE

RKG referenced trendline information as provided by CB Richard Ellis (CBRE), an industry leader in monitoring real estate market sectors, for Rockingham County and for Strafford County, and then for the City of Rochester and the city of Dover. The period reviewed is quarterly data, from Q1 of 2018 through Q2 of 2023.

COUNTY METRICS

As presented in Figure 12, the inventory of office space in Rockingham County increased from approximately 12.62 million SF (Q1 2018) to slightly more than 12.8 million SF (Q2 2023). This represents an increase of 5.06% or 620,417 SF. By comparison, the office inventory for Strafford County declined from nearly 4.54 million SF to 4.51 million SF, representing a loss of 29,395 SF (or 0.65%). During this period, the average annual inventory for Rockingham County was nearly 12.57 million SF or approximately 2.8 times greater than that for Strafford County at 4.52 million SF.

Figure 12 – Trendline for Office Inventory



Source: CBRE and RKG Associates, Inc. (2023)

For Rockingham County (Figure 13) office vacancy went from 529,798 SF to 846,042 SF representing an increase of nearly 316,244 SF

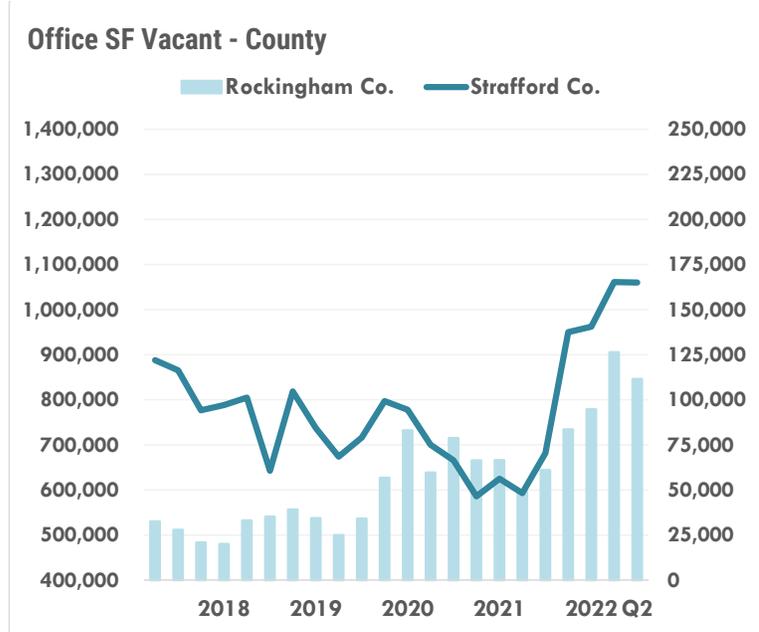
(almost 60.0%). The growth in observed vacant SF was coincidental with the economic impacts observed from the Covid-19 pandemic. The increase in vacancies in these latter quarters has resulted in an average vacancy of 625,261 SF for Rockingham County office space. Over the entire period the vacancy rate averaged approximately 4.98%.

In contrast, the overall average vacancy rate for Strafford County office space was approximately 2.10% or less than one-half that for Rockingham County. Vacant office SF in Strafford County went from approximately 122,000 SF to 165,100 SF, an increase of nearly 43,200 SF or a change of 35.0%. The annual office vacancy for Strafford County was 95,135 SF, well below that reported for Rockingham County. Office vacancies in Strafford County held steady to slightly declining until late 2021 but have increased noticeably since that time.

The overall volatility in the office market sector, for both counties, is exhibited in Figure 14, reflecting quarterly net absorption over through the Q1 2018 through Q2 2023 time period. For both counties there were quarters of positive net absorption as well as a net negative absorption. The low for Rockingham County was a net negative SF of nearly 126,900 SF (Q1 2023) to a high of 101,200 SF (Q4 2019). For the entire period, the net absorption was measured as a positive 241,400 SF.

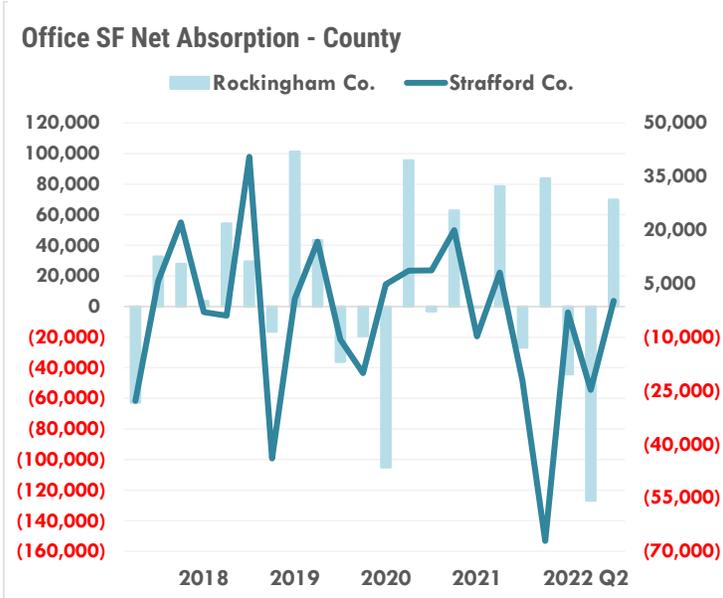
In Strafford County the total net absorption was a negative 100,470 SF, ranging from a low net negative of nearly 67,100 SF (Q3 2022) to a high of a net positive absorption of 40,510 SF (Q2 2019).

Figure 13 – Trendline for Office Vacancy



Source: CBRE and RKG Associates, Inc. (2023)

Figure 14 – Trendline for Net Absorption



Source: CBRE and RKG Associates, Inc. (2023)

RKG notes that the information in Figure 14 represents *net absorption*, generally defined as the amount of space that a tenant physically moved into over a period of time *less* the amount of space they vacated.

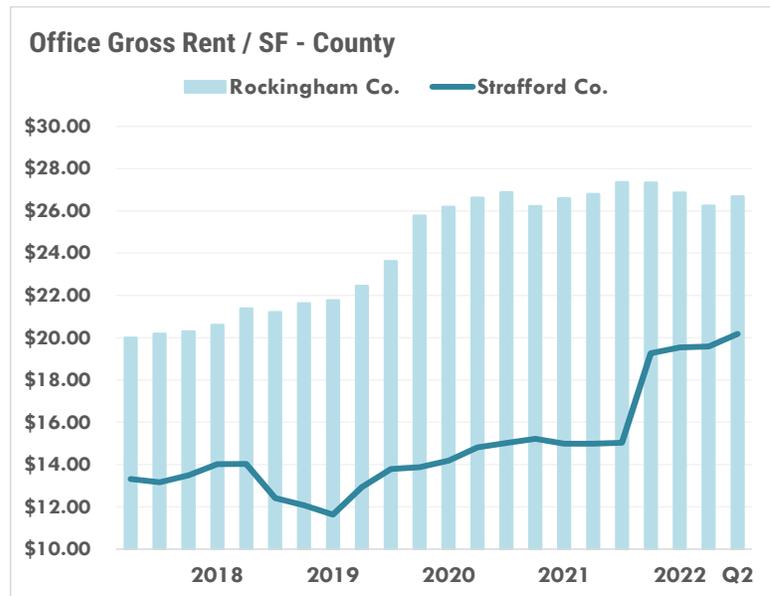
Rockingham County – gross absorption of office space for the county was measured at nearly 2.86 million SF, while net absorption was measured at 241,395 SF or 8.44% of gross absorption.

Strafford County – gross absorption of office space for the county was measured at nearly 428,340 SF, while net absorption was measured at a loss of 100,470 SF, indicating that more SF was vacated than occupied as new.

Gross rents ²⁸ for Rockingham County increased from \$20.00/SF to \$26.69/SF, or by nearly 33.5% of \$6.69/SF (Figure 15). The growth for Strafford County was 51.62%, increasing by a similar \$6.87/SF from \$13.31/SF to \$20.18/SF. Effectively, gross rents per SF averaged 1.6 times greater for Rockingham County when contrasted to Strafford County.

In summary, the office sector in Rockingham County has seen greater growth (SF) when compared to Strafford County, which has remained stable. While both counties have seen some increase in vacancies, the overall rate for the period was greater for Rockingham County (4.98%) than for Strafford County (2.10%). The Rockingham County inventory exhibited a net positive quarterly absorption while the net was negative for Strafford County. However, gross rents per SF in Strafford County are about \$10.00/SF less expensive, on average, and \$6.00/SF in the most recent quarter.

Figure 15 – Trendline in Gross Rent per SF



Source: CBRE and RKG Associates, Inc. (2023)

²⁸ Gross rent is the full amount paid for the rental before other expenses are subtracted, such as utility or maintenance costs.

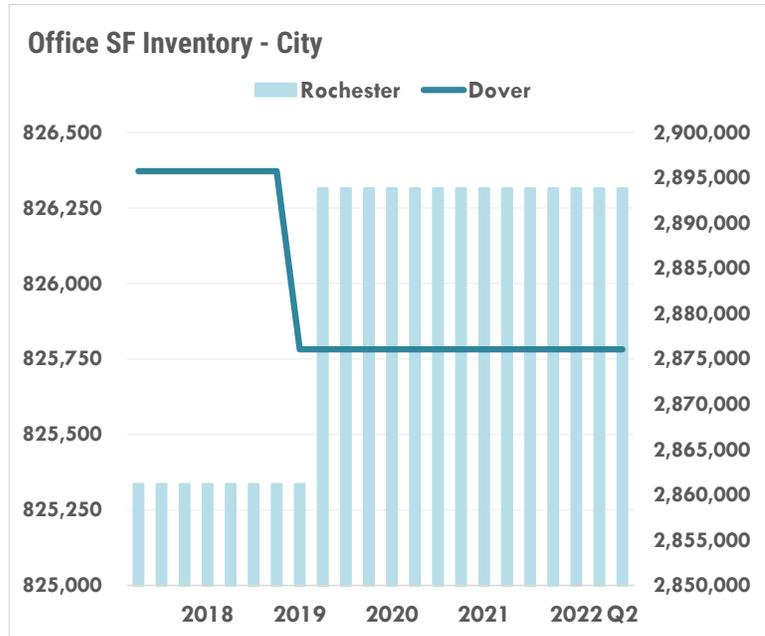
CITY METRICS

Over the Q1 2018 through Q2 2023 time period, the City of Rochester added 980 SF to its office inventory, as compared to a loss of 19,675 SF in the City of Dover (Figure 16). These changes represent a growth of 0.12% and a loss of 0.68%, respectively.

Prior to Q1 2019, the office inventory for Rochester had been flat. After the introduction of new inventory in Q1 2019, the inventory has also been flat. Over the entire period, the average annual office space for the City of Dover was nearly 2.88 million SF as contrasted to 825,960 SF for the City of Rochester, indicating that the office inventory for Dover was 3.5 times that for Rochester.

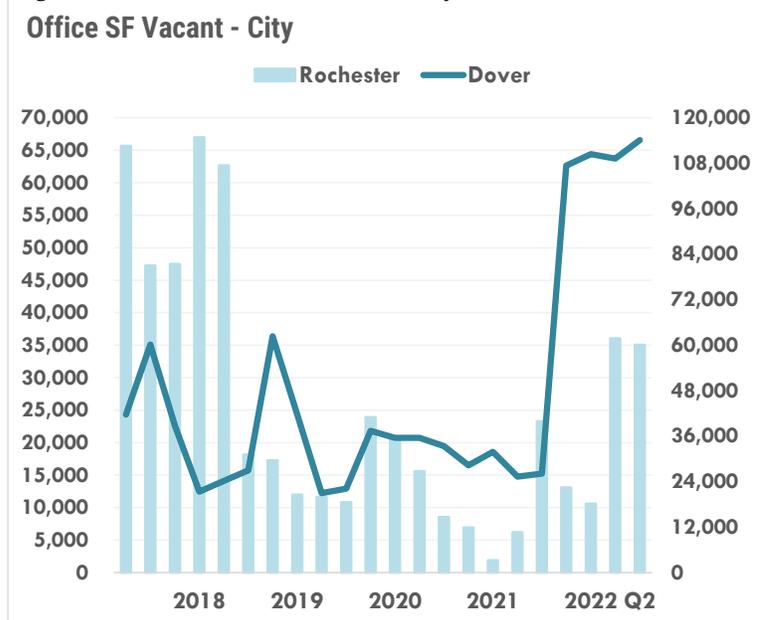
As indicated in Figure 17, there was a decline in office vacancy in the City of Rochester from 65,649 SF to 35,043 SF, or approximately a one-half reduction in vacant SF. Conversely, office vacancies in the City of Dover increased from 41,865 SF to 114,136 SF or an increase of approximately 72,450 SF. Despite these changes, the overall average office vacancy in Rochester, at 3.09%, is nearly double that of the city of Dover, at 1.66%. For both communities, the vacancy rate had generally been on the decline until most recently.

Figure 16 – Trendline for Office Inventory



Source: CBRE and RKG Associates, Inc. (2023)

Figure 17 – Trendline for Office Vacancy



Source: CBRE and RKG Associates, Inc. (2023)

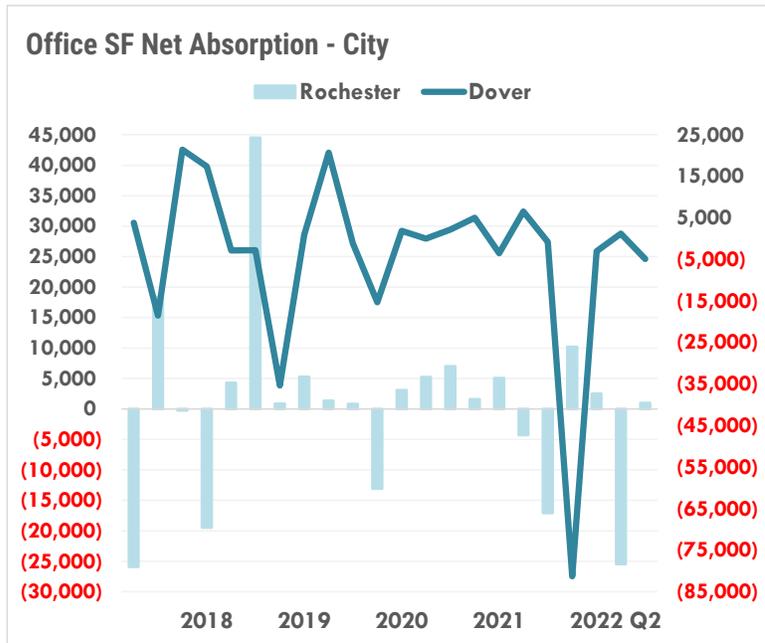
Similar to their parent counties, there has been a high level of volatility in the quarterly office net absorption rates for the City of Rochester and the City of Dover (Figure 18). As noted previously, there is a distinction between gross absorption and net absorption, with the latter generally defined as the amount of space that a tenant physically moved into over a period of time, less the amount of space they vacated.

City of Rochester – gross absorption of office space for the city was measured at nearly 202,920 SF, while net absorption was measured at 5,676 SF or 2.8% of gross absorption.

City of Dover – gross absorption of office space for the city was measured at nearly 134,725 SF (less than Rochester), net absorption was measured as a loss of 88,300 SF, indicating that occupied office space was not keeping pace with vacated office space.

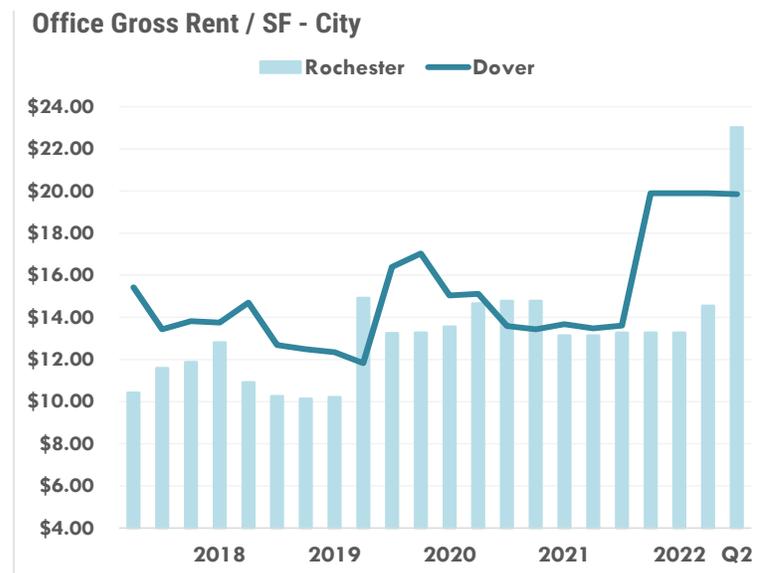
Gross rent per SF for the Rochester increased by \$12.60/SF, from \$10.43/SF to \$23.03/SF (Figure 19). For the city of Dover, gross rent per SF went from \$15.43/SF to \$19.85/SF, an increase of \$4.42/SF. While on average, the difference in gross rent per SF was nominal between the two communities, at a variance of less than \$2.00/SF, in the recent quarters the gap has closed.

Figure 18 – Trendline for Net Absorption



Source: CBRE and RKG Associates, Inc. (2023)

Figure 19 – Trendline in Gross Rent per SF



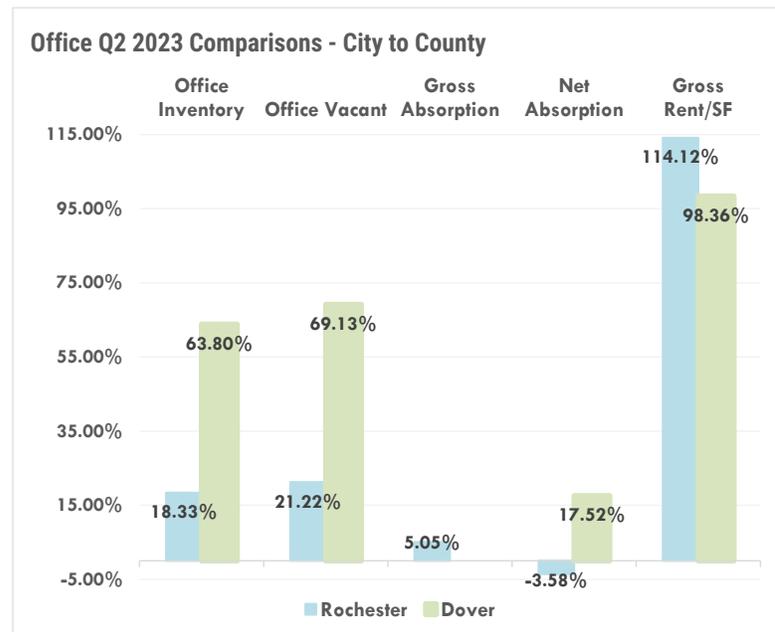
Source: CBRE and RKG Associates, Inc. (2023)

In summary, there has been a nominal increase in office SF for Rochester and a similar nominal decline for Dover. The vacancy rate for Rochester has declined and it has increased for Dover, although on average the vacancy rate is still less for the latter. The City of Dover has experienced an overall decline in net absorption of office SF and the City of Rochester a modest increase. Until recently, the average gross rent per SF in the City of Rochester averaged about \$2.00/SF less than for the city of Dover, but this has narrowed.

CITY/COUNTY COMPARISON

Figure 20 offers a comparison of the current quarter office metrics for the City of Rochester and the City of Dover relative to Strafford County. Of the nearly 4.51 million SF of office inventory, countywide, 18.33% is in Rochester and another 63.8% in Dover. The current countywide vacancy, at about 165,110 SF consists of 21.22% in Rochester and another 69.13% in the city of Dover. There has been nominal gross and net positive absorption in the City of Rochester, while Dover exhibits net negative absorption in the current quarter – both account for only marginal increments of the county gross absorption of 19,812F. However, Dover accounts for 17.52% of the county’s current net negative absorption. Lastly, compared to the countywide gross rent per SF, Dover is on par while the City of Rochester exceeds Strafford County.

Figure 20 – Current (Q2 2023) City to County Comparison



Source: CBRE and RKG Associates, Inc. (2023)

In summary, although based only on current quarter metrics, the City of Rochester compares favorably to Strafford County and to the city of Dover.

INDUSTRIAL

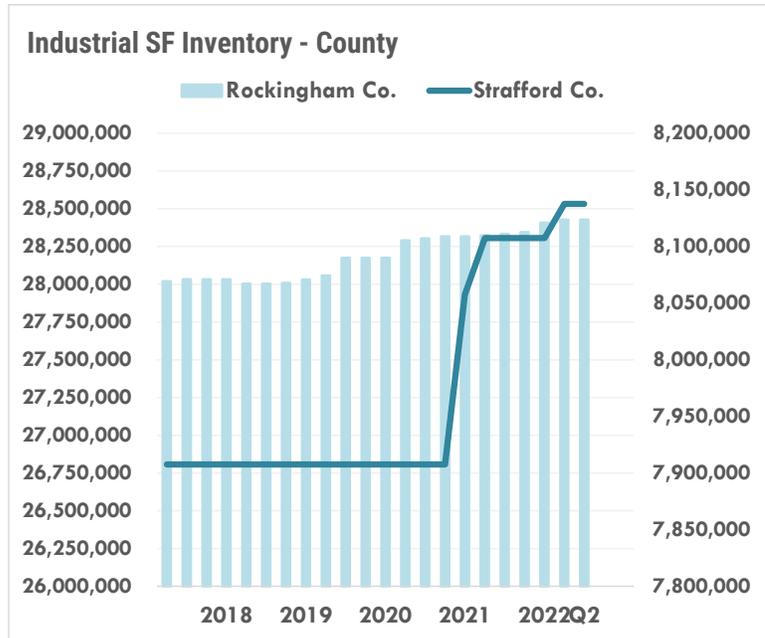
RKG also referenced CBRE for selected trendline metrics for the industrial sector for each county and city, which are presented next.

COUNTY METRICS

The industrial inventory (SF) for Rockingham County increased by 1.45% over the time period (Figure 21), for an increase of 406,771 SF from approximately 28.02 million to 28.43M. The 230,000 SF inventory growth for Strafford County represented a higher growth rate, at 2.91% relative to Rockingham County. The overall change for Strafford County was from 7.90 million SF to 8.14 million SF.

Over the entire period, the average annual inventory in Rockingham County, at 28.20 million SF, was 3.5 times that of Strafford County at 7.97 million SF. The inventory of industrial SF for Strafford County was relatively flat through Q3 2021 and then increased sharply thereafter.

Figure 21 – Trendline for Industrial Inventory



Source: CBRE and RKG Associates, Inc. (2023)

Over the entire time period, the annual average vacancy for industrial space in Rockingham County was 795,500 SF or slightly more than double that for Strafford County at 373,000 SF (Figure 22). Vacant industrial space in Rockingham County increased by 28.2% (or 204,413 SF) from 735,920 SF to 943,413 SF. The increase in vacant industrial in Strafford County was less pronounced at 18.0%, rising by 81,950 SF from 455,130 SF to 537,075 SF.

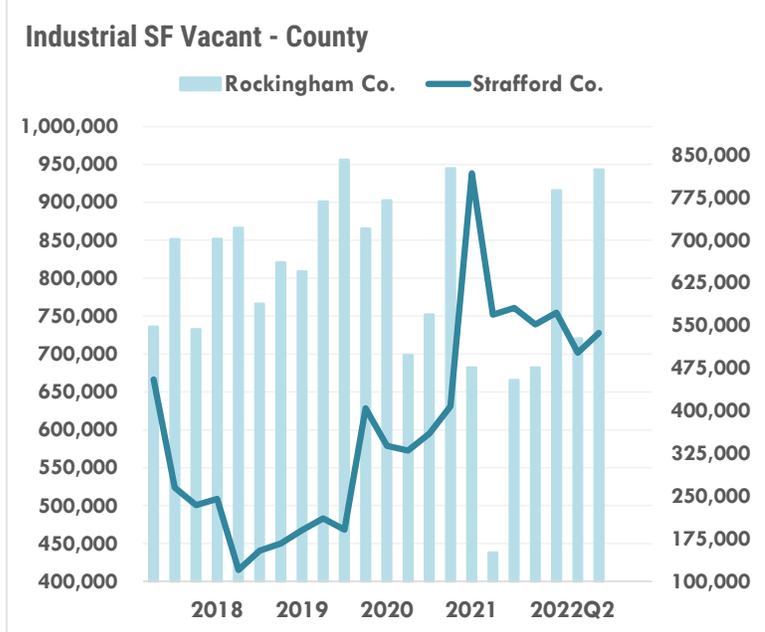
Vacancies averaged 2.82% over the entire period in Rockingham County, ranging from a low of 1.55% (Q1 2022) to a high of 3.39% (Q2 2020). The range for Strafford County was from a low of 1.52% (Q1 2019) to a high of 10.15% (Q4 2021) and averaged 4.68% over the entire period.

Between Q3 2021 and Q4 2021 there was an addition of 150,000 SF to the Strafford County inventory. This was coupled with a quarterly net negative absorption of nearly 259,760 SF in Strafford County.

From Q1 2018 through Q2 2023, the total net industrial absorption in Rockingham County was 1.23 million SF as compared with 126,568 SF in Strafford County, with high quarterly volatility in both counties (Figure 23). The net absorption in Rockingham County

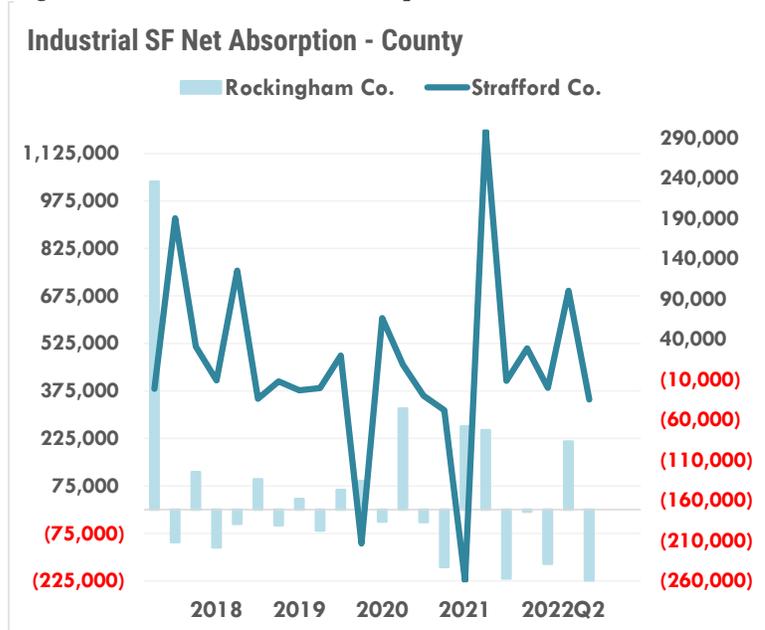
exceeds the new inventory in the market (by a ratio of 3:1), suggesting that not only was new space absorbed but that existing vacant inventory was re-occupied or re-purposed. The ratio for Strafford County was less robust at 0.5:1, as total absorption was 126,568 SF and new inventory was 230,000 SF.

Figure 22 – Trendline in Industrial Vacancy



Source: CBRE and RKG Associates, Inc. (2023)

Figure 23 – Trendline for Net Absorption



Source: CBRE and RKG Associates, Inc. (2023)

Rockingham County – gross absorption of industrial space was nearly 5.55 million SF, and net absorption was measured at 1.23 million SF, indicating that vacated space outpaced occupied by a ratio of 4.5:1 (Figure 24).

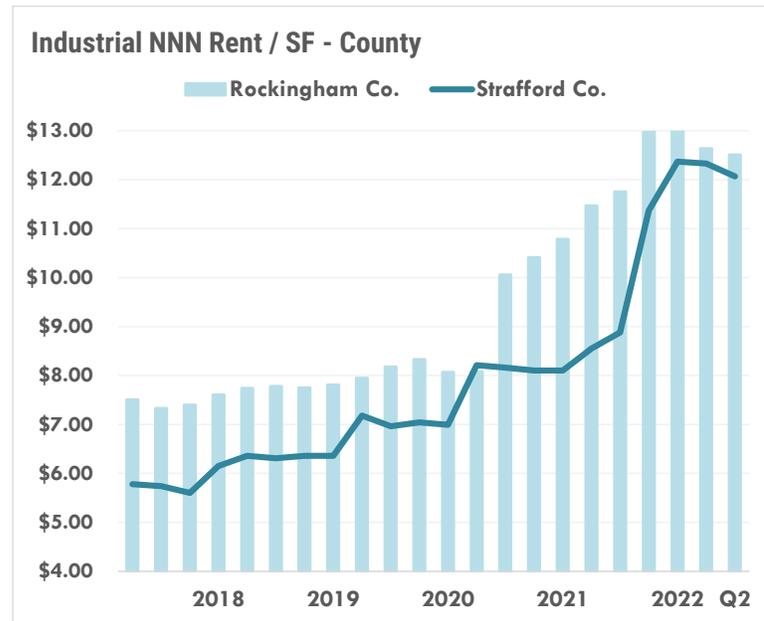
Strafford County – gross absorption of industrial space was nearly 1.53 million SF, and net absorption was 126,568 SF, indicating that the vacated space far exceeded newly occupied industrial space.

Triple net (NNN) lease rates²⁹ in Rockingham County increased from \$7.51/SF to \$12.51/SF, an increase of \$5.00/SF or nearly 66.6% (Figure 24).

The rate for Strafford County increased by nearly 108.9% (or by \$6.29/SF) from \$5.78/SF to \$12.07/SF or somewhat less than that for Rockingham County (Q2 2023 comparisons).

In summary, the industrial inventory of Rockingham Counts exceeds that for Strafford County by a 3.5:1 ratio, although the latter exhibited a greater percent growth over the period. While the overall average vacancy rates for both counties are below 5.0%, the Strafford County rate is about twice that for Rockingham County. Both counties realized positive net absorption of industrial space and average NNN lease rates are currently (Q2 2023) in the \$12.00/SF range with Strafford County about \$0.50/SF less expensive.

Figure 24 – Trendline in NNN Rent per SF



Source: CBRE and RKG Associates, Inc. (2023)

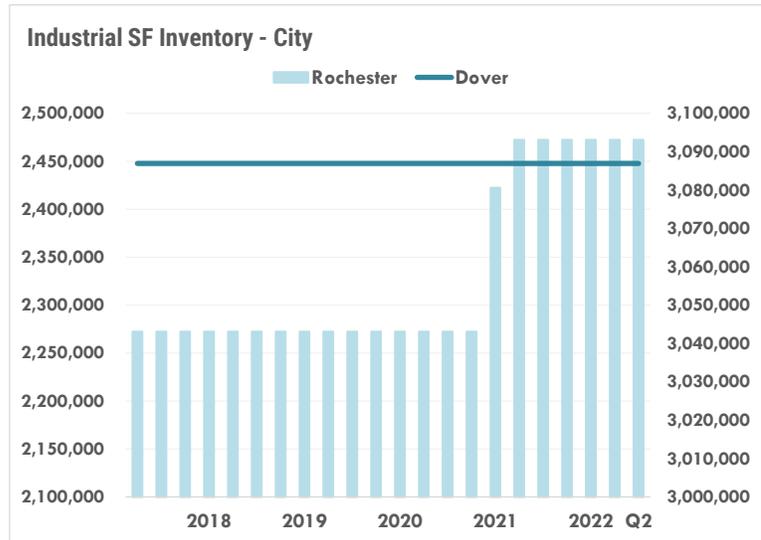
²⁹ A triple net lease is typically one whereby the tenant agrees to pay their pro-rata share of all expenses associated with property maintenance, taxes, and insurance, in addition to a predetermined base rental rate.

CITY METRICS

Over the time period the City of Rochester has added 200,000 SDF to the inventory of industrial space, while the City of Dover has remained flat (Figure 25). The increase for the city represents an 8.80% increase with a little more than 2.47 million SF in Q2 2023. On average there is 2.33 million SF of industrial space in Rochester compared with 3.09 million SF in Dover, the latter 1.3 times greater than the former.

Although volatile over the entire period, the vacant industrial SF for Rochester was 54,000 in Q1 2018 and 57,081 SF in Q2 2023, an approximate 5.71% increase or 3,081 SF (Figure 26). By comparison, vacancies in Dover declined sharply from 172,713 SF to less than 4,000 SF. Over the entire period, the average vacancy in the City of Rochester, at nearly 56,400 SF, was somewhat above that for the City of Dover at 49,300 SF. For the entire period industrial vacancies in Rochester exceeded 5.0% in Q3 2020 and exceeded 5.5 % in Dover in Q1 2018.

Figure 25 - Trendline for Industrial Inventory



Source: CBRE and RKG Associates, Inc. (2023)

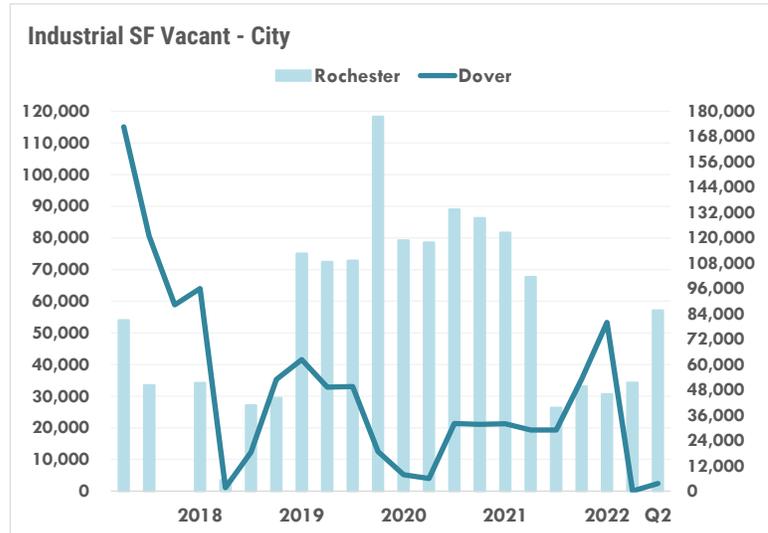
As shown in Figure 27, the net quarterly absorption of industrial SF varied greatly for Rochester and for Dover. The peak for Rochester was 154,620 SF (Q4 2021) and for Dover 94,375 SF (Q1 2019).

City of Rochester – gross absorption of industrial space for the city was measured at 396,254 SF, while net absorption was measured at 196,619 SF indicating that approximately 49.6% of the vacated space became newly tenanted space.

City of Dover – gross absorption of industrial space for the city was measured at 434,746 SF (or about 50,000 SF more than for than Rochester), net absorption was measured at 174,433 SF (about 20,000 SF less than for Rochester), indicating that newly occupied industrial space accounted for 40.1% of the vacated space. The average NNN rent per SF increased sharply in Rochester from \$5.36/SF to \$8.27/SF, representing a change of \$2.91/SF or 54.3% (Figure 28). NNN rents per SF declined in the City of Dover from \$11.88/SF to \$9.18/SF, or by 22.7% (\$2.70/SF).

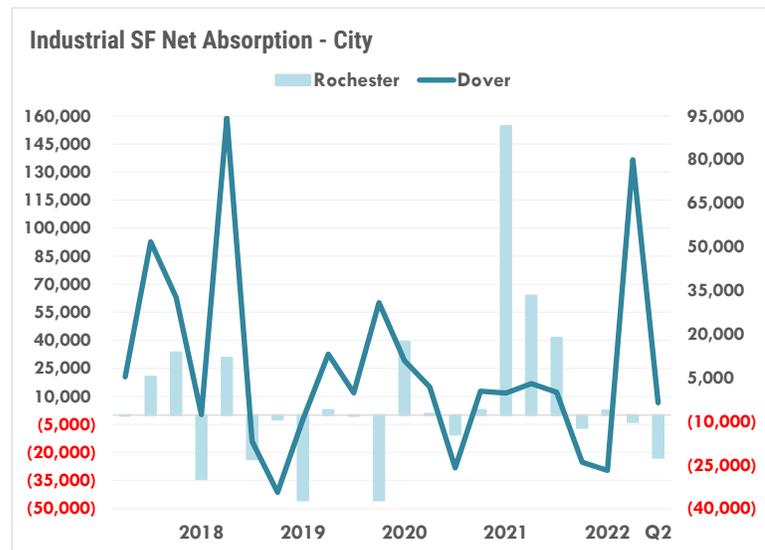
Despite these trend variations, the current quarter NNN rent per SF for the City of Rochester remains \$0.90/SF less than for the city Of Dover.

Figure 26 – Trendline in Industrial Vacancy



Source: CBRE and RKG Associates, Inc. (2023)

Figure 27 – Trendline for Net Absorption



Source: CBRE and RKG (2023)

Source: CBRE and RKG Associates, Inc. (2023)

In summary, over the period Rochester added 200,000 SF to its industrial inventory while Dover remained flat. Although, the overall inventory in Rochester is about 76.0% that of Dover. Vacancies in Rochester declined and increased in Dover, but the average overall vacancy rate in Rochester is 2.42% as contrasted to 1.60% for Dover. Both communities had net positive absorption of more than 150,000 SF of industrial SF. Triple net rents in Rochester are about \$0.90 less per SF compared to the city of Dover.

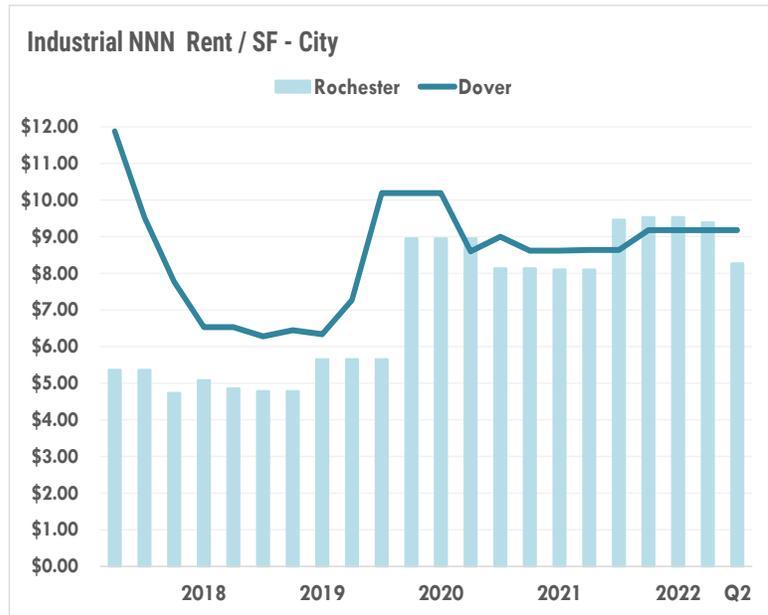
CITY TO COUNTY

Of the current quarter inventory of nearly 8.14 million SF of industrial space, countywide, 30.4% is in Rochester and 37.9% is in Dover (Figure 29). The current countywide industrial vacancy of 537,074 SF includes 10.63% in the City of Rochester and a negligible amount in Dover.

Quarterly gross absorption is nominal for the City of Rochester and nominal for the city of Dover. Both cities realized a current quarter net negative absorption of industrial SF. In relation to all of Strafford County, NNN rents per SF for each community are less than that countywide (at \$12.07/SF).

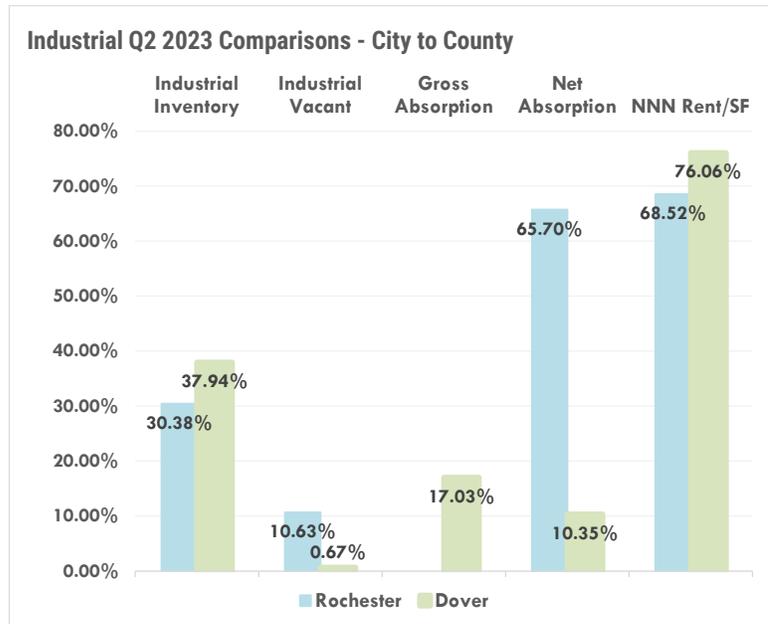
In summary, there is generally greater parity (at least in the current quarter) between Rochester and Dover with respect to the industrial market. Of note is that rents in Rochester are about \$0.90 less per SF in Rochester relative to Dover.

Figure 28 – Trendline in NNN Rent per SF



Source: CBRE and RKG Associates, Inc. (2023)

Figure 29 – Current (Q2 2023) City to County Comparison



Source: CBRE and RKG Associates, Inc. (2023)

PROJECTED EMPLOYMENT AND SPACE NEEDS

RKG estimated the projected demand for additional development, or more appropriately, square footage (SF) needs across the City of Rochester Strafford County. The projected 2023 to 2033 employment change has been noted in Table 8 with a projected net growth in employment of 480 positions citywide and 1,556 positions countywide.

These employment projections (2033) were converted into estimates of space or SF needs utilizing industry standards for the average SF per employee by specific industry sector. The estimated SF demands reflect the change in employment from 2023 to 2033 and are offered in Table 24.

RKG cautions that the projected demand for additional SF does not necessarily equate to a demand for newly built SF. Typically, much of the demand may be accommodated by existing vacancies in the market area or by a better utilization of existing space. For those industry sectors with projected employment growth, additional SF demand citywide is projected at a ten-year total of 168,510 SF and countywide at a ten-year total of 735,500 SF.

Table 24 – Estimated SF Demand as a result of Projected Employment Growth 2023 – 2033

Employment Projections by NAICS Industry Sectors	Average SF per FTE Employee	10-Year SF Demand (emp Δ)		City as % of County
		Rochester	County	
Agriculture / Mining	na	na	na	na
Utilities	na	na	na	na
Construction	150	6,600	18,450	35.8%
Manufacturing	750	24,750	69,000	35.9%
Wholesale Trade	525	17,850	167,475	10.7%
Retail Trade	200	(9,200)	(24,000)	38.3%
Transportation / Warehousing	495	(15,345)	(44,055)	34.8%
Information	175	(6,475)	(32,725)	19.8%
Finance / Insurance	275	(26,125)	(182,325)	14.3%
Real Estate Services	200	1,600	6,200	25.8%
Professional Services	195	11,310	86,775	13.0%
Management Services	200	200	4,000	5.0%
Administrative Services	200	9,200	32,200	28.6%
Education	na	na	na	na
Health Services	150	36,900	129,150	28.6%
Arts / Entertainment	150	2,700	18,150	14.9%
Accommodations/ Food	400	42,400	107,200	39.6%
Other Services (not govt)	300	15,000	96,900	15.5%
Government	na	na	na	na
Unspecified	na	na	na	na
Total(s)	na	168,510	735,500	22.9%

Source: EMSI and RKG (2023)

Totals reflect growth sectors only

(na) - Data not reported or otherwise suppressed

- **Office and/or Flex Use** – the projected demand for additional office and/or flex space is 129,175 SF countywide and 22,310 SF citywide (17.3% of the county).
- **Warehouse and/or Industrial Use** – the projected demand for additional warehouse and/or industrial space is 254,925 SF countywide and 49,200 SF citywide (19.3% of the county).
- **Medical Use** – the projected demand for additional medical space is 129,150 SF countywide and 36,900 SF citywide (28.6% of the county).

It is also worth noting that the projected demand for additional accommodations/food-related businesses is 107,200 SF countywide and 42,400 SF citywide (nearly 40.0% of the county). While a detailed hospitality market study is beyond the scope of this analysis, RKG notes that employment growth indicators could suggest supportable demand for a hotel property in the county or in the City of Rochester proper. The latter would seem more plausible, as any new hotel property in the City of Rochester could capitalize, and complement, the downtown and other urban amenities. A cursory review of Rochester hospitality properties as listed on the internet indicated nine (9) properties, including bed and breakfast, with three (3) properties in the downtown Rochester area proper.

PROJECTED EMPLOYMENT CHANGE AND SF DEMAND – STRAFFORD COUNTY

The following Table 25 offers a comparison of the projected employment change (2015 to 2025) from RKG's prior analysis and the projected employment change (2023 to 2023) from the current Plan Update. Similarly, the resulting estimates of 10-year demand, by industry sector, are also presented.

- From the previous report, the projected 2025 total countywide employment was 40,529 persons and for 2033 the projected employment is 54,272 persons, an increase of 13,743 or 33.9%. A decline in projected employment is notable for the finance, information, retail trade, information, and transportation/warehousing sector (3,438 positions in total). As a result, the estimated SF demand for these sectors has also declined, indicating a shift in these sectors.
- The overall demand (SF) for industry growth sectors *only* reflects a modest decline in ten-year demand from 774,130 SF to 735,500 SF, a change of 5.0% or a loss of 38,630 SF. However, some sectors exhibiting a growth in projected employment, for 2033 relative to 2025, may not result in an increase in SF demand relative to 2025. These include administrative services, construction, and health services as examples.

Table 25 – Strafford County Comparison 2015 to 2025 vs 2023 to 2033 – Employment Change and SF Demand

Employment Projections by NAICS Industry Sectors	10-Year SF Demand (emp Δ)		# Δ	% Δ	Employment		# Δ	% Δ
	2015-2025	2023-2033			2025	2033		
Agriculture / Mining	na	na	na	na	na	313	na	na
Utilities	na	na	na	na	na	131	na	na
Construction	33,270	18,450	(14,820)	-44.5%	1,460	2,787	1,327	90.9%
Manufacturing	(71,360)	69,000	140,360	-196.7%	5,184	5,477	293	5.7%
Wholesale Trade	67,220	167,475	100,255	149.1%	1,177	1,738	561	47.7%
Retail Trade	68,610	(24,000)	(92,610)	-135.0%	6,868	6,812	(56)	-0.8%
Transportation / Warehousing	42,720	(44,055)	(86,775)	-203.1%	880	790	(90)	-10.2%
Information	8,900	(32,725)	(41,625)	-467.7%	1,044	432	(612)	-58.6%
Finance / Insurance	82,640	(182,325)	(264,965)	-320.6%	4,186	1,506	(2,680)	-64.0%
Real Estate Services	3,430	6,200	2,770	80.8%	352	605	253	71.8%
Professional Services	55,040	86,775	31,735	57.7%	1,705	3,469	1,764	103.4%
Management Services	na	4,000	na	na	na	203	na	na
Administrative Services	102,840	32,200	(70,640)	-68.7%	2,666	2,750	84	3.2%
Education	na	na	na	na	na	644	na	na
Health Services	219,860	129,150	(90,710)	-41.3%	8,358	8,769	411	4.9%
Arts / Entertainment	4,430	18,150	13,720	309.7%	604	997	393	65.0%
Accommodations/ Food	73,450	107,200	33,750	45.9%	4,473	5,201	728	16.3%
Other Services (not govt)	11,720	96,900	85,180	726.8%	1,593	2,545	952	59.8%
Government	na	na	na	na	na	9,012	na	na
Unspecified	na	na	na	na	na	88	na	na
Total(s)	774,130	735,500	(38,630)	-5.0%	40,529	54,272	13,743	33.9%

Source: EMSI and RKG (2023)

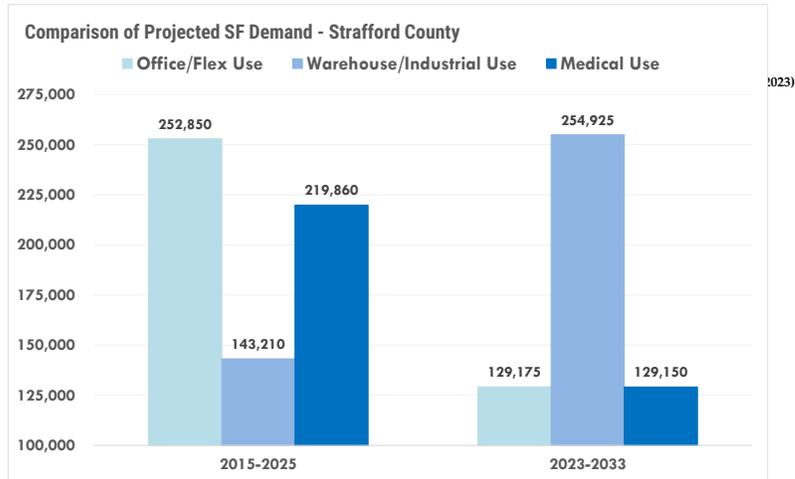
Totals reflect growth sectors only for SF demand

(na) - Data not reported or otherwise suppressed

Figure 30 presents a comparison of the projected ten-year demand (SF) for various use types for Strafford County. The 2015 to 2025 period reflects RKG’s previous analysis, and the 2023-2033 time is reflective of this SEDP Update. While the 2023 to 2033 period indicates demand for development for all aggregate use types, only the warehouse/industrial sector exhibits an overall increase in SF from the earlier analysis.

The changes in estimated demand are a result of the differing employment projections, by industry sector and use type, for 2025 and 2033. The 2025 projected employment in the office use sectors was 9,953 positions which declined by 12.0% for 2033 to 8,761 (1,192 positions). The 2025 projected employment for medical use space was 8,358 positions which increased by 4.9% for 2033 to 8,769 positions (411 positions) Notably, the projected increase in warehouse/industrial employment of 24.0% from 8,701 positions in 2025 to 10,792 (2,091 positions) for 2033.

Figure 30 – Comparison of 10-Year SF Demand by Use Type



Source: EMSI and RKG Associates, Inc. (2023)

AVAILABLE PROPERTIES

As of August 2023, RKG developed a sample of available properties, for sale and for lease, in the City of Rochester (Table 26). This sample is not intended to be exhaustive, but it does offer a reasonable snapshot of current market conditions:

For Sale Properties – the sampled for sale properties indicate approximately 198,600 SF available, ranging in size from 3,015 SF to nearly 179,200 SF. Asking prices range from 8.27/SF to as much as \$1,070.86/SF (a former bank use) and average almost \$62.90/SF.

For Sale Land – slightly more than 54-acres, across four sampled properties, are for sale in Rochester. The asking price per acre varies with the location and acreage of the available land, but averages \$189,308/acre overall.

For Lease Properties – the sampled inventory indicates 45,735 SF of commercial space available to lease. The space runs from 1,800 SF to as much as 14,162 SF (averaging 6,534 SF). Asking lease rates vary from \$6.00/SF to as much as \$25.00/SF and average \$11.40/SF.

Table 26 – Sample of Available Properties in Rochester, NH (August 2023)

Sample of Available Properties - Rochester, NH	SF / Acres	Asking Price	Price per SF or Acre	Type
FOR SALE				
95 South Main Street	25,170	\$2,950,000	\$117.20	Office
73 Pickering Road	179,218	\$6,250,000	\$34.87	Office
350 Route 1018	13,890	\$114,900	\$8.27	Flex
90 North Main Street	2,450	\$2,623,617	\$1,070.86	Bank
289A Milton Road	3,015	\$550,000	\$182.42	Restaurant
Total or Average	198,573	\$12,488,517	\$62.89	
FOR SALE LAND				
73 Pickering Road	4.11	\$6,250,000	\$1,519,100	Land
30 Milton Road	12.00	\$795,000	\$66,250	Land
Farmington Road	30.00	\$2,000,000	\$66,667	Land
39 Wadleigh Road	8.40	\$1,275,000	\$151,786	Land
Total or Average	54.51	\$10,320,000	\$189,308	
FOR LEASE				
60 Wakefield Street	12,938		\$11.00	Retail
10 North Main Street	1,390		\$13.00	Retail
306 North Main Street	5,000		\$15.00	Retail
120 Washington Street	1,845		\$25.00	Office
35 Industrial Way	14,162		\$9.50	Office
35 Industrial Way	1,800		\$6.00	Office
1 North Main Street	8,600		\$11.00	Office
Total or Average	45,735		\$11.40	

Source: LoopNet, CitiFeet.com and RKG (2023)

4. LAND USE and TAX BASE

INTRODUCTION AND PURPOSE

The following reviews selected land use and tax base characteristics in the City of Rochester and for the downtown area, as highlighted.

BASELINE METRICS

RKG received a copy of the City of Rochester Assessor's data for review and thematic analysis (Table 27 and Figure 31). Overall, there are 12,890 parcels of land citywide totaling 28,083 acres and averaging 2.18 acres/parcel. The citywide land value, at \$841.2 million, represents 27.0% of the citywide total assessed value of nearly \$3.1 billion. Both represent a substantial increase over the prior analysis (2017) of \$584.6 million and \$2.5 billion, respectively – or by nearly 44.0% and 22.0%, respectively – with the latter falling just shy of the estimated inflation of approximately 25.0% over the same period.

- Residential uses (1 to 3 units) account for 39.2% of the citywide land area (acreage) and slightly more than 64.0% of the total citywide value. At an average size of 1.03-acres, these residential properties are less than one-half the of the citywide average, but the average land value per acre, of nearly \$43,300/acre well exceeds the citywide of average of approximately at \$30,000/acre.
- Restaurant and retail uses represent 4.8% of the citywide value (down from 5.6% in 2017). Office and bank (other commercial uses) represent 1.1% of the citywide value (down from the 1.7% representation in 2017).
- Recent increases in industrial development in the City of Rochester have resulted in an approximate \$1.0 million increase in total citywide valuations for this use.

As presented in Figure 31, the City's industrial land is generally clustered and on the peripherals of the City. However, there are numerous industrial uses in "smaller pockets" of the city and abutting residential and other non-industrial uses. Land uses which are classified as vacant land and/or agriculture/open space are scattered throughout the City. Whether these parcels are suitable for future development is unknown from this analysis, but RKG encourages the city to further investigate and inventory these parcels for such opportunities.

Table 27 – City of Rochester, NH Selected Land Uses and Tax Base Metrics

City of Rochester - Land Use Analysis	Parcel Count	Acres	% of City	Average Acreage	Land/Yard Assess (1)	Average per Acre	Total Assess (1)	% of City	Unit Count
Residential (1-3 units)	10,687	10,998	39.2%	1.03	\$475,882.85	\$43,271	\$1,978,201.35	64.1%	11,524
Multi-Family	291	779	2.8%	2.68	\$19,515.59	\$25,053	\$169,722.89	5.5%	1,417
Mixed Use (2)	85	1,678	6.0%	19.74	\$109,190.06	\$65,083	\$141,219.76	4.6%	289
Restaurant / Retail	116	367	1.3%	3.16	\$37,932.64	\$103,347	\$148,587.04	4.8%	269
Auto Related	65	254	0.9%	3.91	\$16,604.59	\$65,347	\$44,123.69	1.4%	63
Office / Bank	64	163	0.6%	2.55	\$7,811.66	\$47,883	\$33,749.46	1.1%	107
Industrial	133	2,562	9.1%	19.27	\$35,833.57	\$13,985	\$98,975.07	3.2%	74
Manufacturing / Whse	49	464	1.7%	9.47	\$21,535.06	\$46,425	\$83,072.36	2.7%	na
Utilities	31	397	1.4%	12.79	\$4,814.98	\$12,140	\$6,419.18	0.2%	na
Other	10	1,200	4.3%	120.04	\$3,849.42	\$3,207	\$3,849.42	0.1%	na
Land	43	501	1.8%	11.66	\$5,634.11	\$11,237	\$5,634.11	0.2%	na
Institutional / Exempt	497	3,978	14.2%	8.00	\$71,910.20	\$18,075	\$326,882.90	10.6%	388
Subtotal of these Uses	11,938	20,779	74.1%	1.74	\$774,681.17	\$37,281	\$2,941,462.17	95.3%	14,131
City Total	12,890	28,053	na	2.18	\$841,243.10	\$29,987	\$3,087,078.50	na	15,090

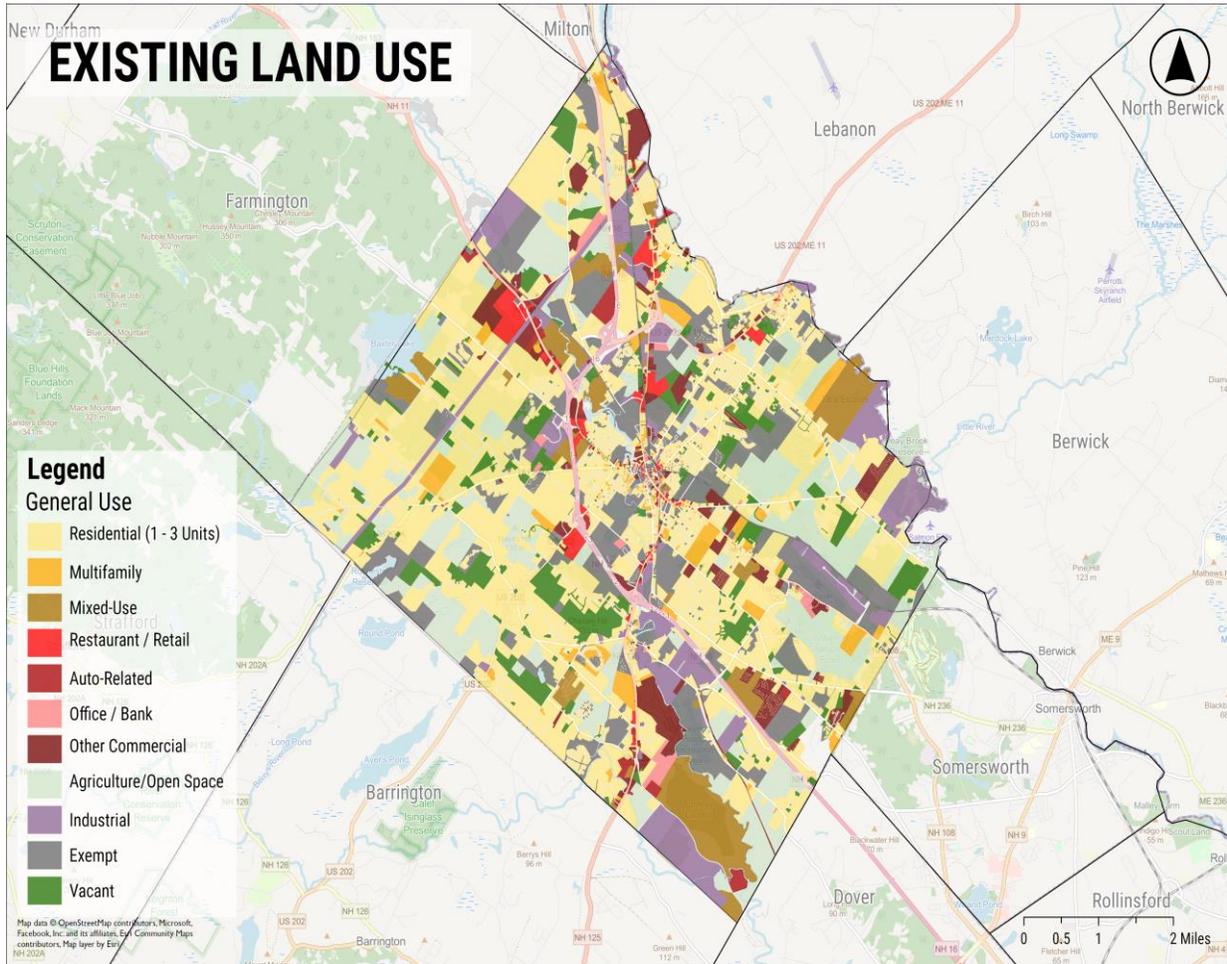
Source: City of Rochester, NH and RKG (2023)

na - not reported or not applicable

(1) - in \$1,000's

(2) - the City has re-classified many of the mixed-use parcels from the prior analysis (2017), noting that in some instances the commercial component of the mixed-use is not present post-COVID

Figure 31 – Land Use Analysis for the City of Rochester



Regarding the potential opportunities for future development, RKG shows in Table 28 that slightly more than 1,500-acres of land classifies as developable (which is similar to the prior 2017 analysis), primarily residential at 907-acres but also inclusive of nearly 360-acres of industrial land. For industrial land this represents an increase of more than 150-acres from the prior 2017 analysis.

Table 28 – Summary Inventory of Vacant Land Parcels

City of Rochester Vacant Land	Acreage		Total Value (1)	
	Acres	% of Total	Value	% of Total
Developable	1,512.1	77.2%	\$23,844.15	92.2%
Industrial	359.3	18.3%	\$4,452.73	17.2%
Commercial	245.3	12.5%	\$8,860.20	34.3%
Residential	907.5	46.3%	\$10,531.23	40.7%
Potentially Developable	259.3	13.2%	\$1,554.38	6.0%
Industrial	135.3	6.9%	\$1,139.98	4.4%
Commercial	0.0	0.0%	\$0.00	0.0%
Residential	124.0	6.3%	\$414.40	1.6%
Undevelopable	187.3	9.6%	\$459.30	1.8%
Industrial	6.7	0.3%	\$41.40	0.2%
Commercial	24.6	1.3%	\$202.40	0.8%
Residential	156.0	8.0%	\$215.50	0.8%
Total	1,958.7	100.0%	\$25,857.83	100.0%

Source: City of Rochester, NH and RKG (2023)

DOWNTOWN LAND USE AND TAX BASE

Approximately 343 parcels in downtown Rochester (Table 29 / Figure 33) comprise 245-acres of land, accounting for less than one percent of the citywide total acreage, while the selected downtown land uses account for 87.5% of the downtown acreage. The total valuation of downtown properties, at \$133.6 million, represents approximately 5.0% of the citywide valuation. However, this is heavily influenced by the approximate \$46.9 million assessed value of downtown institutional properties (up from \$45.3 million in 2017).

Table 29 – Downtown Rochester, NH Selected Land Uses and Tax Base Metrics

City of Rochester - Land Use Analysis - Downtown	Parcel Count	Acres	% of Downtown	Average Acreage	Land/Yard Assess (1)	Average per Acre	Total Assess (1)	% of Downtown	Unit Count
Residential (1-3 units)	108	20	8.3%	0.19	\$5,368.50	\$263,549	\$19,934.60	14.9%	170
Multi-Family	38	10	4.1%	0.26	\$1,567.50	\$157,064	\$12,175.40	9.1%	168
Mixed Use (2)	28	11	4.4%	0.39	\$2,432.20	\$225,329	\$11,070.80	8.3%	216
Restaurant / Retail	38	14	5.7%	0.37	\$3,608.10	\$257,666	\$11,860.50	8.9%	100
Auto Related	6	4	1.7%	0.71	\$725.00	\$170,588	\$1,729.40	1.3%	7
Office / Bank	31	12	4.9%	0.38	\$2,843.40	\$238,340	\$11,587.80	8.7%	56
Industrial (all)	5	7	2.7%	1.32	\$520.50	\$79,103	\$2,099.90	1.6%	3
Institutional / Exempt	51	142	58.0%	2.79	\$10,630.10	\$74,702	\$46,862.10	35.1%	na
Subtotal of these Uses	305	220	89.7%	0.72	\$27,695.30	\$125,769	\$117,320.50	87.8%	720
All of Downtown	343	246	na	0.72	\$30,780.40	\$125,354	\$133,639.70	na	995
City Total	12,890	28,053	na	2.18	\$841,243.10	\$29,987	\$3,087,078.50	na	15,090

Source: City of Rochester, NH mad RKG (2023)

na - not reported or not applicable

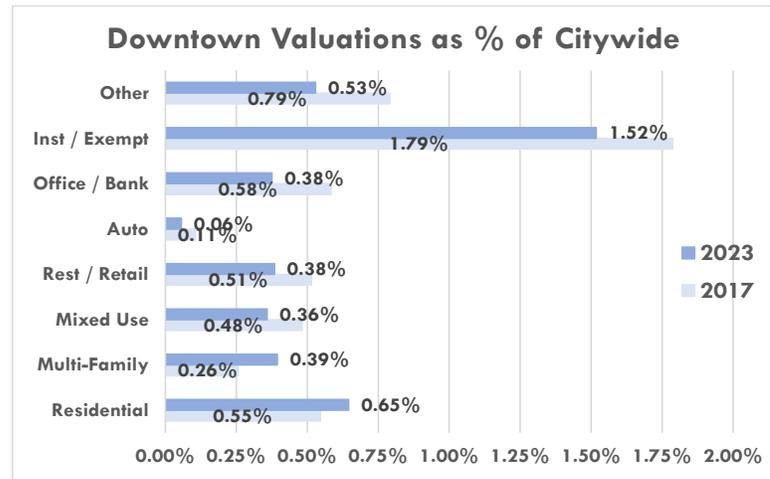
(1) - in \$1,000's

(2) - the City has re-classified many of the mixed-use parcels from the prior analysis (2017), noting that in some instances the commercial component of the mixed-use is not present post-COVID

As depicted in Figure 32, residential and multi-family residential uses have increased in the downtown relative to their citywide valuations in 2017. However, while total downtown valuations increased by slightly more than 4.0% since 2017, from \$128.5 million of \$133.6 million, they declined from a 5.07% representation (relative to the City) in 2017 to 4.26% in 2023. However, this is likely to improve pending the 2024 property revaluations

Figure 32 – Downtown Valuations as % of Citywide

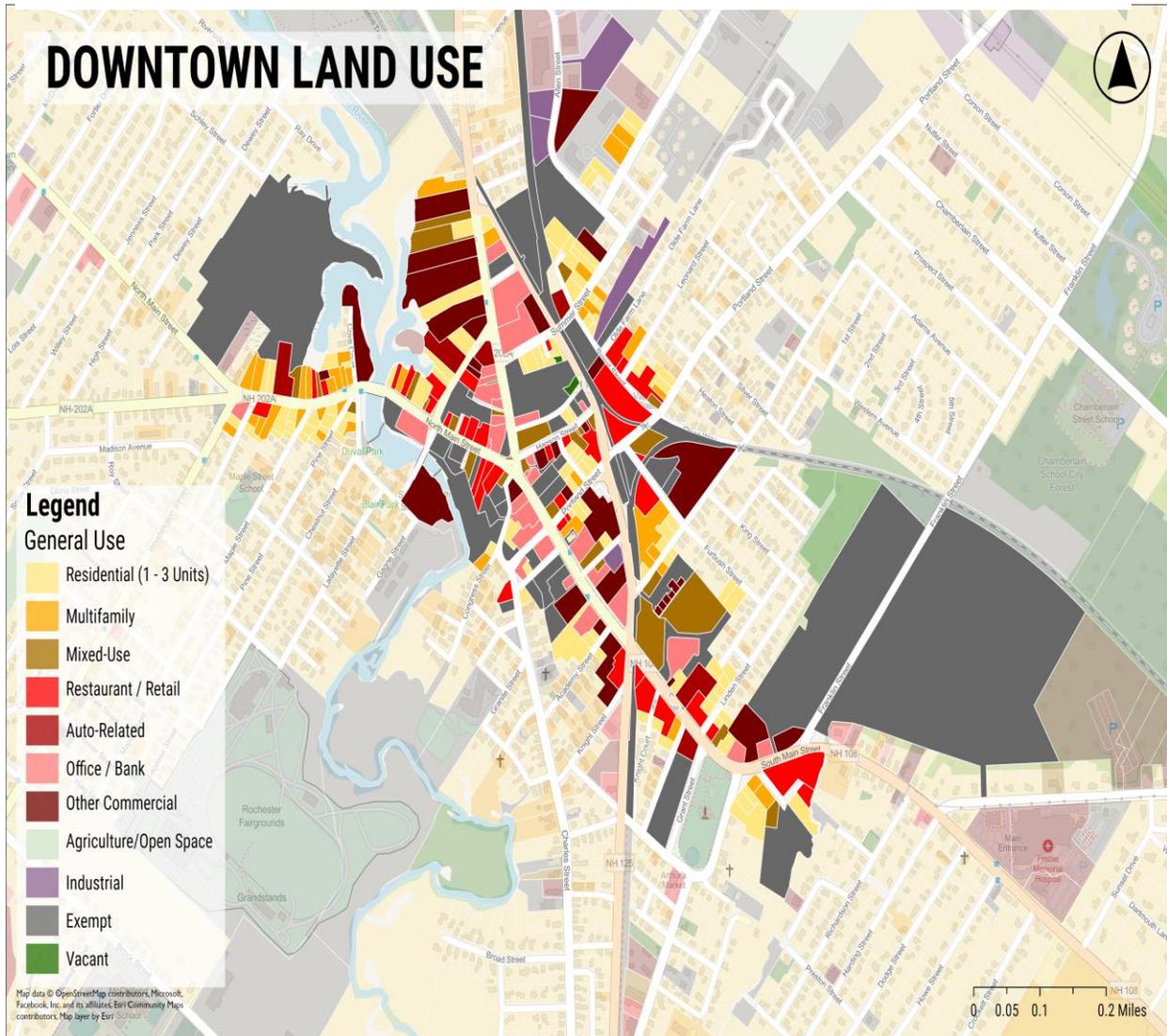
Source: City of Rochester and RKG (2023)



Source: City of Rochester, NH and RKG Associates, Inc. (2023)

Implications – Opportunities may exist for increased development within the downtown, notably for high-density residential (perhaps as part of a mixed-use project) to not only further the valuations in the downtown, but to also increase their representation relative to the city as a whole. As indicated previously, the EDC has noted several potential infill development opportunities downtown.

Figure 33 – Land Use Analysis for the Downtown of the City of Rochester



DOWNTOWN OBSERVATIONS AND OUTREACH

RKG completed an informal street walk survey³⁰ of the core downtown of Rochester, noting that ground floor occupancy, for commercial uses continues, to improve. Some generalized observations note that there is a concentration of personal and professional uses, coupled with multiple dining and drinking establishments, as well niche retail such as comics, collectibles. The presence of what would typically be considered as shopper’s goods retail, however, is light. These types of businesses often drive daily foot traffic and can offer a multi-destination shopping experience.

³⁰ November 7, 2023.

However, from a sampling of downtown merchants interviewed, it was noted that the dining and drinking establishments are bringing customers downtown. A desire for additional restaurants was expressed, perhaps three (3) to four (4) to continue to strengthen the customer draw.

To further enhance the downtown consumer appeal, RKG noted that there were limited pedestrian amenities (notably in the Main Street corridor). The addition of benches, planters and other such pedestrian amenities could enhance the downtown experience for consumers and positively impact the “feel” of downtown Rochester otherwise.

As a part of this process, RKG spoke with (or otherwise contacted) a sampling of realtors, brokers, and others active in the real estate market. The following offers a summary overview of these conversations:

- **42 South Main Street** – property representatives indicate that there is 1,000 SF of ground floor retail space available, with an asking lease rate of \$15/SF.³¹ There has been some interest in the space, often from restaurateurs, however the space cannot accommodate such a use. Interest has waned since August of 2023, and the winter months typically do not experience an increase in activity. Most interest has been from local sources, with little out-of-state interest. Nonetheless, the downtown commercial market has continued to improve, and the presence of residential use downtown has been a part of that, as seen in the repositioned Hoffman building’s potential development plans for the Harrigan Block.
- **Admiral Properties** – represents several downtown properties (either owned or managed) and notes that the market continues to improve as two (2) years ago they had seven (7) vacancies, which has declined to three (3) currently. Average asking lease rates are in the range of \$15/SF. In part, the Chinburg redevelopment of Scenic and Salinger was credited with kick-starting this renewed interest and is further enhanced by the Hoffman building project. With respect to downtown residential, vacancies were reported as very low and with a quick turnover when vacancies occur.
- **Keller Williams** – representatives indicate that from their experience and perspective downtown Rochester has improved since the 2011/2013 time-period and continues to improve, specifically noting some of the recent and pending downtown residential projects. However, the commercial side of the equation may be lagging, noting some prominent downtown vacancies and general difficulty in leasing space to tenants with staying power. The influx and density of restaurants is a positive, while the attractiveness of the downtown for more typical shopper retail remains a challenge, noting the build-up of retail elsewhere throughout the community and the continuing emergence of ecommerce shopping options.³²

³¹ RKG notes that this typical lease rate of \$15/SF represents an increase from the prior update when Main Street lease rates were reported to average \$7.50 to \$12/SF. However, as presented in **Table 26**, the sampled inventory of properties available for lease indicated an overall average asking lease rate of \$11.40 per SF – as influenced by the two (2) properties on Industrial Way.

³² As an example, RKG notes that recent data (August 2023) indicated that in the pre-COVID period, approximately 36.0% of American consumers engaged in online grocery shopping and in the near term post-COVID period this increased to 55.0%.

ABSENTEE OWNERSHIP

Prior conversations with City of Rochester stakeholders indicated that a challenge in affecting greater downtown development, or a repositioning of the existing building stock and uses, is a result of absentee ownership. Table 30 indicates that there has been a decline in out-of-state ownership of downtown parcels since 2017 and an increase of in-state ownership of downtown parcels. More notable is the increase in valuations for out-of-state ownership parcels and for parcels owned by other New Hampshire (non-Rochester) residents.

Table 30 – Characteristics of Ownership for Downtown Rochester, NH Properties

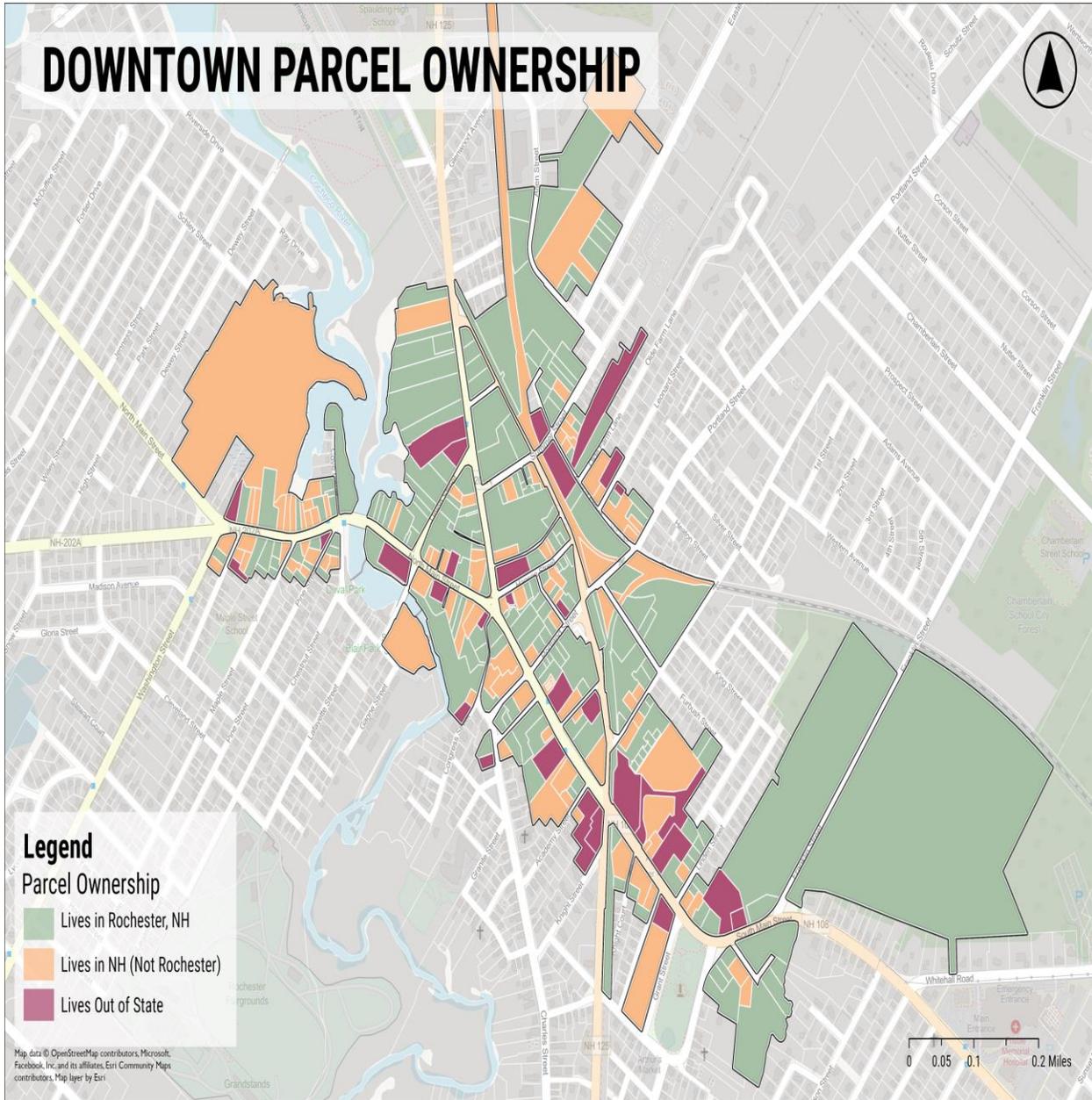
Downtown Ownership by Place of Residence	Parcel Count			Acreage			Total Assessed Value (1)		
	2023	2017	Δ	2023	2017	Δ	2023	2017	Δ
Lives in Rochester	206	195	5.6%	152.4	149.0	2.3%	\$74,666.70	\$76,392.70	-2.3%
Lives elsewhere in NH	106	98	8.2%	76.2	65.9	15.6%	\$45,417.20	\$37,776.70	20.2%
Lives Out-of-State	30	37	-18.9%	17.0	18.6	-8.7%	\$13,555.80	\$13,361.50	1.5%

Source: City of Rochester, NH mad RKG (2023)

(1) - in \$1,000's

Implications – RKG suggests that the downtown parcels, particularly along primary arterials throughout the City, contribute to the first impression of the city and the “face” of the downtown. As such, a continued increase in valuations (read as investment), for all owners, is important to maintain.

Figure 34 – Downtown City of Rochester Ownership by Owner Place of Residence



5. VISION, GOALS, and IMPLEMENTATION ACTIONS

INTRODUCTION AND PURPOSE

In general, the goals of a coherent and realistic SEDP are simple, namely, to increase employment opportunities and incomes for Rochester residents, to further diversify and enhance the City's tax base, and to positively add to the City's overall economic vitality and quality of life for its residents, its businesses, and visitors. By working to achieve many of the goals set out in the 2005 plan, the city has made great strides in several of these critical areas. Many of these accomplishments have come about in the last several years (since the prior Plan Update) and are highlighted elsewhere in this report.

By continuing to partner with the private sector and encouraging investment, Rochester has grown in both size and fiscal strength. For example, since the prior Plan Update, the total valuation of the downtown tax base has increased by 4.1% or by nearly \$5.3 million. More impressive is the citywide increase of 21.8% or approximately \$552.7 million in valuation.

The city needs to continue what it is doing and focus on achieving balanced growth that benefits all its citizens. While several prior goals have been accomplished or projects have been undertaken and developed, the city should continue in these endeavors. However, considering these accomplishments and the changing economic conditions since the prior plan update, the city is encouraged to refocus and re-prioritize some efforts moving forward. RKG recommends that an increased focus be placed on downtown development. Despite an increase of 4.1% in downtown valuation since the prior Plan Update, the downtown contributory value to the city has diminished from a 5.1% representation to a 4.3% representation.³³ Although it is anticipated that this will improve pending the 2024 property revaluations.

VISION STATEMENT

The 2005 Plan stated the following as the primary guiding vision for economic development:

Rochester is a thriving and vibrant micropolitan City, with an entrepreneurial and innovative spirit. We are a business-friendly community, eager to foster growth and economic diversity, and provide new opportunities. We aspire to be a destination for development due to our high Quality of Life, including easy access to excellent health care, outstanding educational opportunities, available skilled workforce and environmental appreciation and respect. We strive to have a diverse economy with stable taxes, with an accessible and responsible local government providing high quality services and professional support.

³³ RKG notes that this is subject to revision given the current re-positioning of the Hoffman buildings and its pending valuation once completed and stabilized.

At the time of the prior Plan Update, discussions with representatives of the City of Rochester indicated that while the 2005 Vision statement still “rings true”, the findings of the prior Plan Update suggested a modest expansion to include the following:

Rochester also realizes that integral to maintaining its high Quality of Life is offering a broad mix of residential opportunities, owner, and renter, at price points attractive to existing and new residents, to sustain and stimulate consumer spending potential and local economic activity. Further, this ongoing economic potential represents development opportunities throughout the city including its Downtown core.

Considering the findings of this current SEDP Update, while cognizant of the City’s efforts and successes to-date, RKG recommends a further modification as follows:

While Rochester deservedly takes pride in billing itself as a city that feels like a Town, this is open to a possible refinement of the Downtown that feels like a Village. The continued investment and development in the Downtown, with respect to residential and non-residential elements, from both the private and public sectors, may be further enhanced through a set of specific public-sector investment and initiatives. These could include the introduction of streetscape and pedestrian amenities, implementing a Downtown Overlay Zoning District to provide guidelines for development standards for design and signage, as well as financial incentives for maximizing public-private partnerships to the extent possible.

GOALS OF THE PLAN

The 2005 Strategic Economic Development Plan laid out several broad goals. These goals were retained and updated in the prior Plan Update and in this current SEDP Update to better reflect current and near-term economic, demographic, and fiscal circumstances.

Provide direct support and professional services to commercial, retail, and industrial development that exists today or is seeking to locate in Rochester.

- Since the prior Plan Update, the City of Rochester has successfully captured a large share of the regional supply of retail establishments, noting that the Ridge Marketplace is estimated to reportedly attract 5.3± million shoppers annually. The City has successfully added (or expanded) ten businesses downtown and an additional 74 businesses citywide, as well as new industrial tenants at the Granite Ridge Business Park.
- *As a result*, citywide efforts and initiatives have successfully resulted in an increase and diversity of the community’s economic vitality. While these efforts should continue overall, a more targeted focus towards downtown properties offering the greatest development potential with respect to residential unit count or non-residential SF, as part of new or infill mixed-use projects, is recommended.

Be responsive to business and industry needs and foster expansion of the City’s established commercial and industrial base.

- Since the prior Plan Update, the city has been and should continue to be responsive to these needs and constituencies.

- Previous recommendations regarding the establishment of business panels have had limited success. While this ongoing dialogue with business leaders is considered important, expanded use and marketing of the recently improved EDC website should be considered as a primary tool for dissemination of projects, plans, initiatives, and other similar information.

Continue to make available marketable industrial and commercial sites within the city through strategic capital improvements, municipal programs, cooperation with owners and representatives, and other actions which may positively impact the City’s future economic growth.

- Since the prior Plan Update, the city has developed several incentives and initiatives to work with the existing business base and prospective developers to strategically acquire sites and/or leverage private investment throughout the City.
- While the city should continue to capitalize on the potential for additional industrial development and activity, renewed focus on the downtown is an important priority. As noted previously, the first image of a City is often reflected in its downtown appearance and vitality.
- In addition to physical development projects underway, the city is moving forward on image and amenity enhancements such as the extension/redevelopment of Water Street. This project may serve as a template for future roll-out and implementation to the Main Street corridor in the downtown – adopting the concept of the downtown that feels like a village.

Foster discussion and enhance the sense of community relating to development and growth issues.

- Since the prior Plan Update, representatives of the EDC indicated that the concept of convening industry task force(s) to foster business discussions has achieved limited success, unless a very specific project opportunity was the topic interest. Even then, public attendance/participation waned as time progressed. Generally, implemented, and successful efforts were attained, in part, through strong leadership of City staff and departments.
- Utilization of the EDC website may best serve as the resource for keeping the public informed of the City’s ongoing efforts. If there is not a section within the EDC website for open public response and commentary, perhaps it could be considered for inclusion.

Continuously assess the City of Rochester’s strengths and weaknesses as a location for industrial and business expansion.

- Since the prior Plan Update, this has been an ongoing activity and endeavor, which should be continued and cognizant of City staff and EDC time availability and resources.
- As indicated in this analysis, the employment projections (2023 to 2033) across a wide variety of industry sectors are less robust for the city as compared to Strafford County. As a result, opportunities for significant expansion of industrial development may originate from out-of-county or out-of-state entities. While the city has indicated that Rochester sells itself and that businesses seek them out, the challenge remains that the city inventory of currently available industrial land is finite.

To this end, this analysis has identified several industry sectors, at the more refined 3-digit NAICS level, which could present opportunities for smaller scale industrial development.

Notably these include specialty trade contractors which may represent opportunities for additional contactor yards and/or buildings and workshops which may be associated with them.

Provide economic opportunities for Rochester residents, not just in the short term but also well into the future, through continued education, supporting technology and a range of quality housing opportunities.

- Since the prior Plan Update, this is an ongoing endeavor and is considered intrinsic to what makes Rochester a desirable community, which is exemplified by recent accomplishments, development projects underway and/or planned.

Strengthen the City’s fiscal stability through sustainable growth of the tax base and prosperity of its citizens.

- Since the prior Plan Update, as indicated throughout this report, the city has realized a near 22.0% increase in citywide taxable valuation. The existing and planned developments, in conjunction with the pending 2024 revaluation should likely result in continued strengthening metrics. As also indicated in this current SEDP Update, measures for income, home values and wages have often increased at rates exceeding the estimated inflation, indicating real income growth.

IMPLEMENTATION ACTIONS

The following presents a general update overview since the prior Plan Update and offers recommendations/considerations for ongoing implementation actions for the city to continue and strengthen the development opportunities and diversity of its economic base.³⁴

1. Implementation of the City’s Route 11 Corridor Plan has largely been completed and has resulted in continued commercial development in the retail and light industrial sectors in the City’s periphery.
 - **Recommendation** – As part of the existing *Downtown Rochester 2030 Downtown Master Plan*, the city may consider including a parcel specific inventory of infill opportunities and underutilized/vacant properties to assist the private-sector development community in identifying and assessing sites for potential investment. In addition to such an inventory an inclusion of incentives, potential public-sector investment/involvement and desired development should be considered, as may be outlined in a Downtown Overlay Zoning district. This would include the City’s ongoing efforts and vision for the downtown streetscape and amenities of the future downtown. In this manner, a more cohesive and single-source reference may be made available.

³⁴ Throughout this section of Implementation Actions, RKG considers *near-term* as one (1) to two (2) years, *mid-term* as two (2) to four (4) years and *long-term* thereafter.

In addition to establishing design guidelines and standards, while such a designation may offer additional incentives and bonuses for private-sector investment, it may also offer requirements to develop workforce housing, either in total or a set percentage of the proposed residential units.

Time Frame: Near-term and ongoing
Leadership: EDC, City staff, City Manager and Rochester Main Street

2. While the City of Rochester has successfully expanded the availability of land within the Granite State Business Park and attracted new tenants/businesses. The remaining available land consists of 6.3± acres and RKG’s field-observations indicate two properties within the Granite State Business Park were vacant and available.

- **Recommendation** – In an effort to increase the available land inventory, as in the prior Plan Update, the city may consider rezoning agricultural land, as serviced or easily serviceable by the appropriate infrastructure, to meet future needs as the base of industrially zoned land. While this may not result in establishing large tracts of land, as identified in this analysis, it may present opportunities for smaller acreage to meet the needs of the projected growth in employment among specialty trade contractors.

Time Frame: Mid-term and ongoing
Leadership: EDC and City Manager

3. The City of Rochester is a Main Street community, which has been instrumental in stabilizing and expanding first floor retail occupancy and encouraging investments in downtown properties through its economic vitality committee, however, they have had less success in repurposing upper floor vacancies in the downtown. Main Street, through its events/promotions committee has also been instrumental in structuring and sponsoring events to increase consumer activity throughout the downtown. Plans for 2024 include the rollout of a façade grant program, initially funded at \$10,000. In conversations with representatives of Rochester Main Street, RKG understands that their Board of Directors have signed off on this program and are awaiting approvals and sign-off by the Historic Commission

- **Recommendation** – Rochester Main Street is a 501(c)(3) organization and as such may be eligible to share in any potential revenues as would be associated with 35.0% charitable contributions resulted from the pending charitable gaming casino at the Lilac Mall. RKG recommends that the city work in conjunction with Rochester Main Street to further explore this possibility and to identify potential additional projects throughout the downtown.

Time Frame: Immediate and ongoing
Leadership: EDC and Rochester Main Street

4. Since the prior Plan Update, the city has been successful in its Business Retention Program and Expansion Program, realizing new and retained and expanded business development. However, discussions with EDC representatives indicated the actual outreach efforts have been periodic.

- **Recommendation** – Consider a more formalized outreach program. Such efforts may include a quarterly outreach and contact facilitated by the inclusion of a business survey and questionnaire as part of the EDC website profile. While RKG recognizes that this is, in part, a function of City staff resources, the effort should be considered over a year’s period, if possible, to monitor its utilization and effectiveness. Further, to the extent possible, periodic in-person street walks and business interviews are recommended.

In terms of new businesses, particularly downtown, outreach to potential specialty niche and destination retailers is suggested to further complement the existing downtown mix and broaden its diversification.

Time Frame: Mid-term and ongoing
Leadership: EDC, City staff, Rochester Main Street, and the Greater Rochester Chamber of Commerce

5. In the prior Plan Update, discussions with area stakeholders identified code enforcement (from planning, permitting, and receiving a certificate of occupancy) as either onerous and/or difficult to understand. Since that time, the city has taken steps to ease this perceived burden with the addition of code enforcement and building inspector personnel. The EDC website contains a section on *Starting or Expanding a Business*.

- **Recommendation** – That stated, the EDC website directs prospective business to the State of NH Department of Resources and Economic Development, the NH Small Business Development Center as well a local resource. However, the city may consider a City-specific resource or outreach to potential small business, as part of the EDC website, and as previously suggested, the inclusion of a “how-to-primer,” specific to Rochester, is encouraged.

Time Frame: Long-term and ongoing
Leadership: Planning Board, EDC, and Code Enforcement

6. The City has realized a good level of accomplishment in leveraging funds and resources for the retention and re-investment in City properties. This has largely occurred through the NH RSA 79-E community revitalization tax relief incentive program.

- **Recommendation** – While it is both reasonable and desirable to assume the continuation of the NH RSA 79-E program, the city may consider the possibility of expanding the currently defined geographic boundaries beyond the downtown, if possible and appropriate. RKG assumes that potential projects (properties) outside of the designated boundary would be at the municipality’s discretion, as consistent with the city Master Plan and development regulations, and likely reviewed on a case-by-case basis.

Time Frame: Long term and ongoing
Leadership: EDC and City Manager

7. The City has experienced a level of success with Tax Increment Financing (TIF) in various designated locations throughout the city including the Granite Ridge Development District and the Granite State Business Park.

- **Recommendation** – In light of the underway and proposed development projects in the downtown, with the resultant effect of expanding the tax base and the desired effect of stimulating additional development, it may worth re-considering the designation of a Downtown TIF district. This could be in conjunction with the Downtown Overlay Zoning District.

Time Frame: Ongoing
Leadership: EDC, City Manager, Mayor, and City Council

8. Continue to explore opportunities for a catalytic City development initiative in the downtown. The former Ben Franklin property, abutting the Cocheco River, in the downtown³⁵ may become available for lease.

- **Recommendation** – Lease acquisition of this property could afford the city a location for start-up or incubator space for new business ventures, pop-up kitchen space, and artisan work and gallery space, as examples.

The property may also afford a trail linkage to the Cocheco River. Additionally, depending on the rear lot dimensions it may afford space for a pocket park or seasonal outdoor dining if utilized as a pop-up kitchen. These options should be further explored.³⁶

Time Frame: Near-term
Leadership: EDC, Rochester Main Street, and the Greater Rochester Chamber of Commerce

9. While the eventual status and disposition of the Rochester Fairgrounds is still in flux, RKG encourages the city to continue to monitor the situation and consider preliminary future options for the property or portion thereof.

10. While the pending development of the charitable gaming casino at the Lilac Mall may offer a windfall to area non-profits, recognized as a 501(c)(3), to further their mission and outreach of services, it may also offer a financial resource for other entities, such as the Rochester Main Street.

- **Recommendation** – Consider identifying other 501(c)(3) organizations throughout the city which may participate in this revenue sharing and whether their potential receipts, or a portion thereof, may be targeted to community development opportunities.

CONCEPTS FOR CONSIDERATION

As part of this analysis. RKG also reviewed other possibilities for the City’s development considerations. The examples that follow represent a sample of trends happening across the spectrum of land uses, in other communities where RKG has worked or is otherwise is aware of, and as such, may or may not be applicable for Rochester, however the city should be aware of these as their economic development efforts move forward.

³⁵ Identified as 60-62 Wakefield Street with 1.5± acres and an approximate 13,000 SF building improvement.

³⁶ Also, please refer to the end of this section for additional considerations.

- **Ghost Kitchens** – these are also known as virtual kitchens, which essentially are food preparation facilities set up for the preparation of delivery-only meals. They typically operate out of a shared physical kitchen space and are presented to the customer under a brand that is not necessarily associated with a particular restaurant. There is no physical dining space. The food is ordered online and can be delivered through existing third-party companies (GrubHub, UberEats, DoorDash). This business model can be beneficial for both established restaurants looking to expand delivery service and reach customers in new neighborhoods without additional stress to their kitchen as well as entrepreneurs looking to start a new concept with fewer up-front startup costs and a faster time to market. There are significantly lower overhead costs associated with this model, allowing individuals and restaurants to experiment with less risk involved with failure.
- **Food Halls** – while this is not an entirely new concept, it is becoming increasingly popular in repositioning struggling commercial buildings. Evolving from shopping mall food courts, the food hall is typically a collection of local artisan restaurants, butcher shops, and other food-oriented boutiques under one roof. It is an appealing concept to commercial landlords as it offers a lower cost operating model as well as an attraction to help the building or commercial area differentiate itself from its competition. For example, although food halls may be a standalone concept, they could also be part of mixed-use development, thereby differentiating themselves from the typical ground floor office and upper story residential model.
- **Experiential Retail** – as consumers are trending a greater percentage of their shopping experience and dollars to e-commerce, experiential retail affords the possibility for consumers to move moving away from strictly shopping for products to seeking a more engaging customized experience. Experiential retailers provide customers with some level of engagement, fun and unique in-person experiences. These experiences, in turn, may drive to strengthen brand name and awareness and thereby sales. Such personalized (store specific) and unique experiences may include food and beverage offerings, live product demonstrations (or cooking classes), pop ups, or virtual reality (VR) engagements.
- **Coworking Space** – despite the shortcomings of the WeWork model, the potential for coworking space may still be appropriate for communities with a limited inventory of traditional office space often requiring a long-term lease commitment and/or asking lease rates that may be beyond a tenant’s capacity. This could include, as examples, non-profits and business startups with limited financial resources. The sharing of space presents an opportunity for shorter-term leases and the lease rates could be shared by several entities. This concept may also be attractive to landlords seeking to tenant their vacancies and which have met with limited success under the traditional leasing models.
- **Artisan Creative and Gallery Space** – centralized and shared artisan space, which allows for both the creative process and offers gallery space for the sale of the “finished product” is increasing in many communities, often those with an older and vacant building stock, such as warehouses and former mill properties. Lease rates and other operating costs could be spread across multiple tenants and on a short-term basis. The potential to interact with an artisan at work, and to purchase on-site may also drive foot-traffic, not only to the specific gallery space, but to neighboring retail and restaurant venues as well.

Coupled with such space (or as a standalone), RKG recommends the city consider a vacant storefront creative design program. Under such a program, local artisans would be afforded the opportunity to display their work in vacant storefronts, providing the co-operation of landlords.

- **Seasonal Steet-Side Dining** – outdoor dining space has always had it appeal and was practically a necessity during the COVID-19 pandemic. For example, Salem, MA had portioned off much of its street and sidewalk frontage, abutting restaurants, for such a use. While the opportunity for outdoor dining with a restaurant use of the former Ben Franklin property has been noted, it may also be a consideration for the downtown area as a whole.

6. APPENDIX

EMPLOYMENT PROJECTIONS 2023-2033

While throughout the main body of this report, the employment projections (2023 to 2033) are presented and discussed at the 2-digit NAICS sector, this section offers a more detailed analysis at the 3-digit NAICS sector. In this manner, specific changes in the broader 2-digit NAICS sector may be further explored for potential employment growth sectors in the City of Rochester and Strafford County economies, which may in turn offer more specific development opportunities with respect SF, by sector and use type.

Summaries of the City of Rochester are presented first (and detailed in Table 31). This is then followed by a summary for Strafford County (and as detailed in Table 32).

CITY OF ROCHESTER

For the City of Rochester, and with respect to projected employment growth among those sectors with typical use type demands, the following applies:

OFFICE/FLEX USE SPACE

- **Information Services Sector** – an overall projected decline of 37 positions from 2023 to 2033. As a result, potential demand for additional SF of development in this sector, as measured by employment change, would most likely result from internal expansions or the City’s ability to garner some portion of the projected countywide employment.
- **Financial Services Sector** – an overall projected decline of 95 positions from 2023 to 2033. As a result, potential demand for additional SF of development in this sector, as measured by employment change, would most likely result from internal expansions or the City’s ability to garner some portion of the projected countywide employment.
- **Real Estate Services Sector** – the total projected growth of 8 positions is represented specifically by realtors (NAICS 531), suggesting some opportunity for additional office development, perhaps in the downtown proper and/or as part of the ground floor use for any new mixed-use development.
- **Professional Services Sector** – this sector (NAICS 541) accounts for an estimated employment growth of 58 positions. This also suggests some opportunities for additional office development, perhaps in the downtown proper and/or as part of the ground floor use for any new mixed-use development. This sector includes legal services, accountants, architecture, and advertising as examples.

- **Management Services Sector** – this sector (NAICS 551) represents a negligible increase in the city and as a result, opportunities for additional SF would most likely result from the City’s ability to garner some portion of the projected countywide employment change.
- **Administrative Services Sector** – with this sector, the sub-sector of support services (NAICS 561) represents a projected employment increase of 57 positions. These include such positions as employment services, travel agencies and general business support activities.

WAREHOUSING/INDUSTRIAL USE SPACE

- **Construction Sector** – projected employment growth is led by the construction of buildings (NAICS 236) and by specialty trade contractors (NAICS 238). Employment growth in this latter sector accounts for 31 positions and may represent opportunities for additional contractor yards and/or buildings and workshops which may be associated with them.
- **Manufacturing Sector** – overall Citywide projected employment is led by the sub-sector of transportation equipment (NAICS 336) which represents automotive, trucking, and other similar manufacturing, with the inclusion of parts and accessories. This may present opportunities for smaller and independent shops and services catering to these needs. Overall manufacturing SF demand may tie into expansions in place, the City’s capacity to garner a larger share of the countywide projected growth, as could be associated with expanded business and industrial park inventories, as well as attracting out-of-county or out-of-state entities.
- **Wholesale Trade Sector** – includes a projected growth of 19 positions in durable goods (NAICS 423) and 18 positions in electronics agents/brokers (NAICS 425). Like construction, this may present opportunities for contractor yards and associated workshops.
- **Transportation and Warehousing Sector** – this sector (NAICS 48-49) represents a negligible increase in the city and as a result, opportunities for additional SF would most likely result from the City’s ability to capture countywide growth or establish out-of-county and/or out-of-state growth.

MEDICAL USE SPACE

These industry sectors, inclusive of direct hospital employment, typically utilizing medical use space are all projected to increase in employment citywide over the 2023 to 2033 period, specifically:

- **Ambulatory Health Care Services (NAICS 621)** – projected employment growth of 93 positions, including physicians, dentists, optometrists, and family planning agencies, as examples.
- **Nursing and Residential Care Facilities (NAICS 623)** – projected employment growth of 86 positions, including continuum of care providers, assisted living and other residential health care amenities and services. This is likely a reflection of the aging of the population and presents opportunities for specialized residential development as also tied in with specialized services.

- **Social Assistance (NAICS 624)** – projected employment growth of 28 positions, including child and youth services, services for the elderly and day care facilities, as examples.

Table 31 – Employment Projections – City of Rochester for 2023 to 2033 – at the 3-Digit NAICS Level

Employment Metrics for the City of Rochester, NH		Decennial Change				Estimated Change				Projected Change				2010 - 2033	
NAICS	Description	2010 Jobs	2020 Jobs	# Δ	% Δ	2020 Jobs	2023 Jobs	# Δ	% Δ	2023 Jobs	2033 Jobs	# Δ	% Δ	# Δ	% Δ
11	Agriculture	0	0	0	na	0	0	na	na	0	na	na	na	na	na
111	Crop Production	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
112	Animal Production and Aquaculture	0	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
113	Forestry and Logging	0	0	0	na	0	0	na	na	0	<10	na	na	na	na
114	Fishing, Hunting and Trapping	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
115	Support Activities for Agriculture and Forestry	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
21	Mining	0	13	13	na	13	0	(13)	-100.0%	0	0	0	na	0	na
211	Oil and Gas Extraction	0	0	0	na	0	0	0	na	0	0	0	na	0	na
212	Mining (except Oil and Gas)	<10	13	na	na	13	<10	na	na	<10	<10	na	na	na	na
213	Support Activities for Mining	0	0	na	na	0	0	na	na	0	<10	na	na	na	na
22	Utilities	67	46	(21)	-31.3%	46	98	52	113.0%	98	102	4	4.1%	35	52.2%
23	Construction	671	736	65	9.7%	736	808	72	9.8%	808	848	40	5.0%	177	26.4%
236	Construction of Buildings	152	151	(1)	-0.7%	151	180	29	19.2%	180	191	11	6.1%	39	25.7%
237	Heavy and Civil Engineering	18	26	8	44.4%	26	26	0	0.0%	26	24	(2)	-7.7%	6	33.3%
238	Specialty Trade Contractors	501	559	58	11.6%	559	602	43	7.7%	602	633	31	5.1%	132	26.3%
31-33	Manufacturing	1,443	1,966	523	36.2%	1,966	2,144	178	9.1%	2,144	2,178	34	1.6%	735	50.9%
311	Food Manufacturing	14	17	3	21.4%	17	21	4	23.5%	21	23	2	9.5%	9	64.3%
312	Beverage and Tobacco	0	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
313	Textile Mills	327	632	305	93.3%	632	722	na	na	722	703	(19)	-2.6%	376	115.0%
314	Textile Product Mills	<10	11	na	na	11	14	3	27.3%	14	12	(2)	-14.3%	na	na
315	Apparel	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
316	Leather	<10	0	na	na	0	0	na	na	0	0	0	na	na	na
321	Wood Product	17	29	12	70.6%	29	29	0	0.0%	29	25	(4)	-13.8%	8	47.1%
322	Paper	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
323	Printing and Support Activities	150	125	(25)	-16.7%	125	132	7	5.6%	132	125	(7)	-5.3%	(25)	-16.7%
324	Petroleum and Coal	0	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
325	Chemical	<10	<10	na	na	<10	16	na	na	16	26	10	62.5%	na	na
326	Plastics and Rubber	203	291	88	43.3%	291	220	(71)	-24.4%	220	186	(34)	-15.5%	(17)	-8.4%
327	Nonmetallic Mineral Product	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
331	Primary Metal	12	78	66	550.0%	78	102	24	30.8%	102	101	(1)	-1.0%	89	741.7%
332	Fabricated Metal	206	136	(70)	-34.0%	136	183	47	34.6%	183	209	26	14.2%	3	1.5%
333	Machinery	159	120	(39)	-24.5%	120	96	(24)	-20.0%	96	66	(30)	-31.3%	(93)	-58.5%
334	Computer and Electronic	44	48	4	9.1%	48	50	2	4.2%	50	56	6	12.0%	12	27.3%
335	Electrical Equipment, Appliance, and Component	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
336	Transportation Equipment	54	195	141	261.1%	195	232	37	19.0%	232	261	29	12.5%	207	383.3%
337	Furniture and Related Product	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
339	Miscellaneous	257	284	27	10.5%	284	327	43	15.1%	327	385	58	17.7%	128	49.8%
42	Wholesale Trade	182	119	(63)	-34.6%	119	149	30	25.2%	149	183	34	22.8%	1	0.5%
423	Durable Goods	64	32	(32)	-50.0%	32	64	32	100.0%	64	83	19	29.7%	19	29.7%
424	Nondurable Goods	78	72	(6)	-7.7%	72	63	(9)	-12.5%	63	60	(3)	-4.8%	(18)	-23.1%
425	Electronic Markets and Agents and Brokers	40	15	(25)	-62.5%	15	22	7	46.7%	22	40	18	81.8%	0	0.0%
44-45	Retail Trade	2,650	3,087	437	16.5%	3,087	3,047	(40)	-1.3%	3,047	3,001	(46)	-1.5%	351	13.2%
441	Motor Vehicle and Parts	218	270	52	23.9%	270	282	12	4.4%	282	290	8	2.8%	72	33.0%
444	Building Material and Garden	309	449	140	45.3%	449	437	(12)	-2.7%	437	439	2	0.5%	130	42.1%
445	Food and Beverage Stores	821	1,003	182	22.2%	1,003	878	(125)	-12.5%	878	813	(65)	-7.4%	(8)	-1.0%
449	Furniture, Home Furnishings, Electronics, and Appliance	92	65	(27)	-29.3%	65	62	(3)	-4.6%	62	48	(14)	-22.6%	(44)	-47.8%
455	General Merchandise	614	700	86	14.0%	700	735	35	5.0%	735	765	30	4.1%	151	24.6%
456	Health and Personal Care	173	157	(16)	-9.2%	157	157	0	0.0%	157	146	(11)	-7.0%	(27)	-15.6%
457	Gasoline Stations and Fuel	146	198	52	35.6%	198	193	(5)	-2.5%	193	183	(10)	-5.2%	37	25.3%
458	Clothing and Related	90	48	(42)	-46.7%	48	55	7	14.6%	55	44	(11)	-20.0%	(46)	-51.1%
459	Sporting Goods/Hobby/Book and Other	187	197	10	5.3%	197	248	51	25.9%	248	273	25	10.1%	86	46.0%

Source: EMSI / Lightcast and RKG (2023)

na - data not reported, insufficient data or otherwise suppressed

note - employment metrics of <10, not included in industry sector summations, but are included in the Total

Employment Metrics for the City of Rochester, NH		Decennial Change				Estimated Change				Projected Change				2010 - 2033	
NAICS	Description	2010 Jobs	2020 Jobs	# Δ	% Δ	2020 Jobs	2023 Jobs	# Δ	% Δ	2023 Jobs	2033 Jobs	# Δ	% Δ	# Δ	% Δ
48-49	Transportation & Warehousing	114	241	127	111.4%	241	229	(12)	-5.0%	229	198	(31)	-13.5%	84	73.7%
481	Air Transportation	0	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
482	Rail Transportation	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
483	Water Transportation	0	0	0	na	0	0	0	na	0	0	0	na	0	na
484	Truck Transportation	44	103	59	134.1%	103	86	(17)	-16.5%	86	65	(21)	-24.4%	21	47.7%
485	Transit and Ground Passenger	55	80	25	45.5%	80	85	5	6.3%	85	83	(2)	-2.4%	28	50.9%
486	Pipeline Transportation	0	0	0	na	0	0	0	na	0	0	0	na	0	na
487	Scenic and Sightseeing Transportation	<10	0	na	na	0	0	na	na	0	0	na	na	na	na
488	Support Activities for Transportation	<10	<10	na	na	<10	12	na	na	12	14	2	16.7%	na	na
491	Postal Service	<10	0	na	na	0	0	0	na	0	0	0	na	na	na
492	Couriers and Messengers	15	40	25	166.7%	40	25	(15)	-37.5%	25	14	(11)	-44.0%	(1)	-6.7%
493	Warehousing and Storage	<10	18	na	na	18	21	3	16.7%	21	22	1	4.8%	na	na
51	Information Services	101	148	47	46.5%	148	118	(30)	-20.3%	118	88	(30)	-25.4%	(13)	-12.9%
512	Motion Picture and Sound Recording	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
513	Publishing Industries	37	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
516	Broadcasting and Content Providers	64	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
517	Telecommunications	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
518	Data Processing, Hosting and Related Services	<10	148	na	na	148	118	(30)	-20.3%	118	88	(30)	-25.4%	na	na
519	Web Search Portals and Other Information Services	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
52	Financial Services	463	457	(6)	-1.3%	457	382	(75)	-16.4%	382	288	(94)	-24.6%	(175)	-37.8%
521	Monetary Authorities-Central Bank	0	0	0	na	0	0	0	na	0	0	0	na	0	na
522	Credit Intermediation and Related Activities	128	160	32	25.0%	160	178	18	11.3%	178	167	(11)	-6.2%	39	30.5%
523	Securities, Commodities and Related Activities	15	14	(1)	-6.7%	14	12	(2)	-14.3%	12	12	0	0.0%	(3)	-20.0%
524	Insurance Carriers and Related Activities	320	283	(37)	-11.6%	283	192	(91)	-32.2%	192	109	(83)	-43.2%	(211)	-65.9%
525	Funds, Trusts, and Other Financial Vehicles	0	0	0	na	0	<10	na	na	<10	<10	na	na	na	na
53	Real Estate Services	139	119	(20)	-14.4%	119	128	9	7.6%	128	136	8	6.3%	(3)	-2.2%
531	Real Estate	80	93	13	16.3%	93	101	8	8.6%	101	109	8	7.9%	29	36.3%
532	Rental and Leasing Services	48	26	(22)	-45.8%	26	27	1	3.8%	27	27	0	0.0%	(21)	-43.8%
533	Lessors of Nonfinancial Intangible Assets (ex - Copyright)	11	0	(11)	na	0	0	0	na	0	0	0	na	(11)	-100.0%
541	Professional, Scientific, and Technical Services	429	407	(22)	-5.1%	407	405	(2)	-0.5%	405	463	58	14.3%	34	7.9%
551	Management of Companies and Enterprises	66	22	(44)	-66.7%	22	35	13	59.1%	35	39	4	11.4%	(27)	-40.9%
56	Administrative & Waste Support Services	827	699	(128)	-15.5%	699	708	9	1.3%	708	755	47	6.6%	(72)	-8.7%
561	Administrative and Support Services	698	611	(87)	-12.5%	611	640	29	4.7%	640	697	57	8.9%	(1)	-0.1%
562	Waste Management and Remediation Services	129	88	(41)	-31.8%	88	68	(20)	-22.7%	68	58	(10)	-14.7%	(71)	-55.0%
611	Educational Services	209	227	18	8.6%	227	218	(9)	-4.0%	218	215	(3)	-1.4%	6	2.9%
62	Health Services	2,078	1,968	(110)	-5.3%	1,968	2,125	157	8.0%	2,125	2,370	245	11.5%	292	14.1%
621	Ambulatory Health Care Services	524	514	(10)	-1.9%	514	600	86	16.7%	600	693	93	15.5%	169	32.3%
622	Hospitals	991	1,020	29	2.9%	1,020	956	(64)	-6.3%	956	994	38	4.0%	3	0.3%
623	Nursing and Residential Care Facilities	166	65	(101)	-60.8%	65	169	104	160.0%	169	255	86	50.9%	89	53.6%
624	Social Assistance	397	369	(28)	-7.1%	369	400	31	8.4%	400	428	28	7.0%	31	7.8%
71	Arts & Entertainment	85	92	7	8.2%	92	114	22	23.9%	114	132	18	15.8%	47	55.3%
711	Performing Arts, Sports and Related Industries	35	41	6	17.1%	41	47	6	14.6%	47	56	na	na	21	60.0%
712	Museums, Historical Sites, and Other	<10	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
713	Amusement and Related	50	51	1	2.0%	51	67	16	31.4%	67	76	9	13.4%	26	52.0%
72	Accommodations & Food Services	1,087	1,392	305	28.1%	1,392	1,694	302	21.7%	1,694	1,800	106	6.3%	713	65.6%
721	Accommodation	43	78	35	81.4%	78	90	12	15.4%	90	94	4	4.4%	51	118.6%
722	Food Services and Drinking Places	1,044	1,314	270	25.9%	1,314	1,604	290	22.1%	1,604	1,706	102	6.4%	662	63.4%
81	Other Services	542	483	(59)	-10.9%	483	515	32	6.6%	515	565	50	9.7%	23	4.2%
811	Repair and Maintenance	209	177	(32)	-15.3%	177	179	2	1.1%	179	173	(6)	-3.4%	(36)	-17.2%
812	Personal and Laundry Services	199	196	(3)	-1.5%	196	225	29	14.8%	225	257	32	14.2%	58	29.1%
813	Religious, Civic and Similar Organizations	93	82	(11)	-11.8%	82	79	(3)	-3.7%	79	95	16	20.3%	2	2.2%
814	Private Households	41	28	(13)	-31.7%	28	32	4	14.3%	32	40	8	25.0%	(1)	-2.4%
90	Government	2,126	1,751	(375)	-17.6%	1,751	1,726	(25)	-1.4%	1,726	1,759	33	1.9%	(367)	-17.3%
901	Federal Government	366	339	(27)	-7.4%	339	341	2	0.6%	341	382	41	12.0%	16	4.4%
902	State Government	129	88	(41)	-31.8%	88	81	(7)	-8.0%	81	84	3	3.7%	(45)	-34.9%
903	Local Government	1,631	1,324	(307)	-18.8%	1,324	1,304	(20)	-1.5%	1,304	1,293	(11)	-0.8%	(338)	-20.7%
999	Unclassified Industry	0	<10	na	na	<10	12	na	na	12	19	7	58.3%	19	na
	TOTAL	13,386	14,070	684	5.1%	14,070	14,740	670	4.8%	14,740	15,210	470	3.2%	1,824	13.6%

Source: EMSI / Lightcast and RKG (2023)

na - data not reported, insufficient data or otherwise suppressed

note - employment metrics of <10, not included in industry sector summations, but are included in the Total

STRAFFORD COUNTY

For Strafford County, and with respect to projected employment growth among those sectors with typical use type demands, the following applies:

OFFICE/FLEX USE SPACE

- **Information Services Sector** – the sub-sector for web search portals and information services (NAICS 519) is projected to realize a growth of 14 positions, which if captured by the City of Rochester could present an opportunity for some small office space, ideally as part of a ground floor use for a mixed-used development project.
- **Financial Services Sector** – the sub-sector for credit intermediation and related services (NAICS 522) is projected to realize a growth of 63 positions, which if captured by the City of Rochester could present an opportunity for some small office space, ideally as part of a ground floor use for a mixed-use development project.
- **Real Estate Services Sector** – this sector includes projected employment growth of 16 positions for realtors (NAIC 531) and for rental and leasing services (NAICS 532) at 15 positions. These represent a greater projected countywide employment growth when compared against that citywide. As a result, there may be excess countywide growth which could be garnered by the City of Rochester.
- **Professional Services Sector** – this sector (NAICS 541) accounts for an estimated employment growth of 58 positions citywide relative to 445 positions countywide. In other words, the projected citywide growth is 13.0% of the countywide growth. This wide disparity represents the potential for additional office space in the City of Rochester. This sector includes legal services, accountants, architecture, and advertising as examples.
- **Management Services Sector** – this sector (NAICS 551) represents a negligible increase in the City of Rochester, but also represents a growth of 20 positions countywide, suggesting opportunities for the city were it to garner a share of countywide employment growth.
- **Administrative Services Sector** – with this sector, the sub-sector of support services (NAICS 561) represents a projected employment increase of 57 positions citywide but a growth of 180 positions countywide. This suggests there may be opportunities for the city if it were to capture a share of the county’s employment growth.

WAREHOUSING/INDUSTRIAL USE SPACE

- **Construction Sector** – projected employment growth is led by specialty trade contractors (NAICS 238) at 97 positions contrasted to 31 positions citywide. This variance may further suggest City opportunities for development of contractor yards and the associated improvements thereon.
- **Manufacturing Sector** – the net projected growth in employment for this broad industry sector is 34 positions citywide as led by transportation equipment (NAICS 336). However, while the net projected countywide growth is greater at 99 positions, the county exhibits a

broader diversification of employment growth across several of the 3-digit NAICS industry sectors. These include 81 positions for fabricated metal (NAICS 332) and 72 positions for plastics and rubber (NAICS 326). As an approach to possibly enhancing development (SF) opportunities citywide for manufacturing, it is suggested that the city explore existing facilities elsewhere throughout Strafford County to better understand their potential needs, if any, for expansion.

- **Wholesale Trade Sector** – includes a projected growth of 82 positions in durable goods (NAICS 423), 74 positions in non-durable goods (NAICS 424) and 164 positions in electronics agents/brokers (NAICS 425). Across all these sectors the projected countywide growth well exceeds the projected citywide growth, again, suggesting an opportunity for the city to increase its representation of countywide metrics.
- **Transportation and Warehousing Sector** – while this sector (NAICS 48-49) represents a negligible increase in the City, countywide the projected employment growth is more than 300 positions, although unreported with any specificity to the 3-digit NAICS sectors. As with the broader manufacturing sector, it is suggested that the city explore existing facilities elsewhere throughout Strafford County to better understand their potential needs, if any, for expansion.

MEDICAL USE SPACE

These industry sectors, inclusive of direct hospital employment, typically utilizing medical use space are all growth sectors countywide over the 2023 to 2033 period, specifically:

- **Ambulatory Health Care Services (NAICS 621)** – projected employment growth of 321 positions (compared with 93 positions citywide), including physicians, dentists, optometrists, and family planning agencies, as examples.
- **Nursing and Residential Care Facilities (NAICS 623)** – projected employment growth of 419 positions (compared with 86 positions citywide), including continuum of care providers, assisted living and other residential health care amenities and services.
- **Social Assistance (NAICS 624)** – projected employment growth of 68 positions (compared with 28 positions citywide), including child and youth services, services for the elderly and day care facilities, as examples.

In summary, specifically for the health care sector, the projected employment growth countywide well exceeds the projected growth citywide. The City may consider discussions with representatives of the existing Frisbie Memorial facilities in the city regarding expansion and space needs of their main facilities. The City may also consider outreach to the Wentworth-Douglas Hospital facilities in neighboring Dover.

Table 32 – Employment Projections – Strafford County for 2023 to 2033 – at the 3-Digit NAICS Level

Employment Metrics for Strafford County, NH		Decennial Change				Estimated Change				Projected Change				2010 - 2023	
NAICS	Description	2010 Jobs	2020 Jobs	# Δ	% Δ	2020 Jobs	2023 Jobs	# Δ	% Δ	2023 Jobs	2033 Jobs	# Δ	% Δ	# Δ	% Δ
11	Agriculture	340	280	(60)	-17.6%	280	284	4	1.4%	284	298	14	4.9%	(42)	-12.4%
111	Crop Production	186	172	(14)	-7.5%	172	173	1	0.6%	173	176	3	1.7%	(10)	-5.4%
112	Animal Production and Aquaculture	55	34	(21)	-38.2%	34	27	(7)	-20.6%	27	21	(6)	-22.2%	(34)	-61.8%
113	Forestry and Logging	29	27	(2)	-6.9%	27	28	1	3.7%	28	32	4	14.3%	3	10.3%
114	Fishing, Hunting and Trapping	24	28	4	16.7%	28	27	(1)	-3.6%	27	32	5	18.5%	8	33.3%
115	Support Activities for Agriculture and Forestry	46	47	1	2.2%	47	56	9	19.1%	56	69	13	23.2%	23	50.0%
21	Mining	26	17	(9)	-34.6%	17	11	(6)	-35.3%	11	0	(11)	-100.0%	(26)	-100.0%
211	Oil and Gas Extraction	0	0	na	na	0	0	na	na	0	0	na	na	na	na
212	Mining (except Oil and Gas)	26	17	(9)	-34.6%	17	11	(6)	-35.3%	11	<10	na	na	na	na
213	Support Activities for Mining	0	0	na	na	0	<10	na	na	<10	<10	na	na	na	na
22	Utilities	72	62	(10)	-13.9%	62	124	62	100.0%	124	128	4	3.2%	56	77.8%
23	Construction	2,329	2,453	124	5.3%	2,453	2,691	238	9.7%	2,691	2,814	123	4.6%	485	20.8%
236	Construction of Buildings	528	575	47	8.9%	575	645	70	12.2%	645	679	34	5.3%	151	28.6%
237	Heavy and Civil Engineering	136	125	(11)	-8.1%	125	130	5	4.0%	130	122	(8)	-6.2%	(14)	-10.3%
238	Specialty Trade Contractors	1,665	1,753	88	5.3%	1,753	1,916	163	9.3%	1,916	2,013	97	5.1%	348	20.9%
31-33	Manufacturing	4,878	4,969	91	1.9%	4,969	5,147	178	3.6%	5,147	5,516	369	7.2%	638	13.1%
311	Food Manufacturing	83	70	(13)	-15.7%	70	98	28	40.0%	98	119	21	21.4%	36	43.4%
312	Beverage and Tobacco	<10	13	na	na	13	26	13	100.0%	26	35	9	34.6%	na	na
313	Textile Mills	353	649	296	83.9%	649	748	99	15.3%	748	732	(16)	-2.1%	379	107.4%
314	Textile Product Mills	14	13	(1)	-7.1%	13	19	6	46.2%	19	17	(2)	-10.5%	3	21.4%
315	Apparel	15	53	38	253.3%	53	74	21	39.6%	74	92	18	24.3%	77	513.3%
316	Leather	<10	0	na	na	0	0	na	na	0	<10	na	na	na	na
321	Wood Product	58	73	15	25.9%	73	82	9	12.3%	82	83	1	1.2%	25	43.1%
322	Paper	35	38	3	8.6%	38	25	(13)	-34.2%	25	16	(9)	-36.0%	(19)	-54.3%
323	Printing and Support Activities	268	229	(39)	-14.6%	229	270	41	17.9%	270	275	5	1.9%	7	2.6%
324	Petroleum and Coal	<10	<10	na	na	<10	<10	na	na	<10	10	na	na	na	na
325	Chemical	22	11	(11)	-50.0%	11	27	16	145.5%	27	39	12	44.4%	17	77.3%
326	Plastics and Rubber	566	778	212	37.5%	778	837	59	7.6%	837	909	72	8.6%	343	60.6%
327	Nonmetallic Mineral Product	79	47	(32)	-40.5%	47	59	12	25.5%	59	70	11	18.6%	(9)	-11.4%
331	Primary Metal	60	123	63	105.0%	123	170	47	38.2%	170	182	12	7.1%	122	203.3%
332	Fabricated Metal	612	450	(162)	-26.5%	450	495	45	10.0%	495	576	81	16.4%	(36)	-5.9%
333	Machinery	977	449	(528)	-54.0%	449	517	68	15.1%	517	412	(105)	-20.3%	(565)	-57.8%
334	Computer and Electronic	656	555	(101)	-15.4%	555	385	(170)	-30.6%	385	282	(103)	-26.8%	(374)	-57.0%
335	Electrical Equipment, Appliance, and Component	38	47	9	23.7%	47	38	(9)	-19.1%	38	38	0	0.0%	0	0.0%
336	Transportation Equipment	332	810	478	144.0%	810	904	94	11.6%	904	921	17	1.9%	589	177.4%
337	Furniture and Related Product	26	58	32	123.1%	58	45	(13)	-22.4%	45	41	(4)	-8.9%	15	57.7%
339	Miscellaneous	684	503	(181)	-26.5%	503	598	95	18.9%	598	667	69	11.5%	(17)	-2.5%
42	Wholesale Trade	1,063	1,071	8	0.8%	1,071	1,388	317	29.6%	1,388	1,708	320	23.1%	645	60.7%
423	Durable Goods	404	516	112	27.7%	516	686	170	32.9%	686	768	82	12.0%	364	90.1%
424	Nondurable Goods	472	413	(59)	-12.5%	413	462	49	11.9%	462	536	74	16.0%	64	13.6%
425	Electronic Markets and Agents and Brokers	187	142	(45)	-24.1%	142	240	98	69.0%	240	404	164	68.3%	217	116.0%
44-45	Retail Trade	6,678	7,065	387	5.8%	7,065	7,072	7	0.1%	7,072	6,953	(119)	-1.7%	275	4.1%
441	Motor Vehicle and Parts	832	960	128	15.4%	960	1,010	50	5.2%	1,010	1,051	41	4.1%	219	26.3%
444	Building Material and Garden	690	850	160	23.2%	850	819	(31)	-3.6%	819	797	(22)	-2.7%	107	15.5%
445	Food and Beverage Stores	1,779	2,109	330	18.5%	2,109	1,853	(256)	-12.1%	1,853	1,705	(148)	-8.0%	(74)	-4.2%
449	Furniture, Home Furnishings, Electronics, and Appliance	234	166	(68)	-29.1%	166	151	(15)	-9.0%	151	119	(32)	-21.2%	(115)	-49.1%
455	General Merchandise	1,103	1,165	62	5.6%	1,165	1,237	72	6.2%	1,237	1,293	56	4.5%	190	17.2%
456	Health and Personal Care	369	302	(67)	-18.2%	302	317	15	5.0%	317	301	(16)	-5.0%	(68)	-18.4%
457	Gasoline Stations and Fuel	698	730	32	4.6%	730	726	(4)	-0.5%	726	694	(32)	-4.4%	(4)	-0.6%
458	Clothing and Related	309	143	(166)	-53.7%	143	163	20	14.0%	163	133	(30)	-18.4%	(176)	-57.0%
459	Sporting Goods/Hobby/Book and Other	664	640	(24)	-3.6%	640	796	156	24.4%	796	860	64	8.0%	196	29.5%

Source: EMSI / Lightcast and RKG (2023)

na - data not reported, insufficient data or otherwise suppressed

note - employment metrics of <10, not included in industry sector summations, but are included in the Total

Employment Metrics for Strafford County, NH		Decennial Change				Estimated Change				Projected Change				2010 - 2023	
NAICS	Description	2010 Jobs	2020 Jobs	# Δ	% Δ	2020 Jobs	2023 Jobs	# Δ	% Δ	2023 Jobs	2033 Jobs	# Δ	% Δ	# Δ	% Δ
48-49	Transportation & Warehousing	677	933	256	37.8%	933	495	(438)	-46.9%	495	813	318	64.2%	136	20.1%
481	Air Transportation	0	<10	na	na	<10	17	na	na	17	22	5	29.4%	22	na
482	Rail Transportation	21	22	1	4.8%	22	20	(2)	-9.1%	20	19	(1)	-5.0%	(2)	-9.5%
483	Water Transportation	0	<10	na	na	<10	<10	na	na	<10	<10	na	na	na	na
484	Truck Transportation	178	227	49	27.5%	227	233	6	2.6%	233	225	(8)	-3.4%	47	26.4%
485	Transit and Ground Passenger	149	179	30	20.1%	179	202	23	12.8%	202	211	9	4.5%	62	41.6%
486	Pipeline Transportation	0	0	na	na	0	0	na	na	0	0	na	na	na	na
487	Scenic and Sightseeing Transportation	14	0	(14)	-100.0%	0	0	na	na	0	0	na	na	na	na
488	Support Activities for Transportation	24	21	(3)	-12.5%	21	23	2	9.5%	23	25	2	8.7%	1	4.2%
491	Postal Service	<10	0	na	na	0	0	0	na	0	0	na	na	na	na
492	Couriers and Messengers	314	293	(21)	-6.7%	293	174	(119)	-40.6%	174	76	(98)	-56.3%	(238)	-75.8%
493	Warehousing and Storage	155	191	36	23.2%	191	235	44	23.0%	235	235	0	0.0%	80	51.6%
51	Information Services	945	713	(232)	-24.6%	713	605	(108)	-15.1%	605	419	(186)	-30.7%	(526)	-55.7%
512	Motion Picture and Sound Recording	30	28	(2)	-6.7%	28	30	2	7.1%	30	29	(1)	-3.3%	(1)	-3.3%
513	Publishing Industries	276	80	(196)	-71.0%	80	69	(11)	-13.8%	69	47	(22)	-31.9%	(229)	-83.0%
516	Broadcasting and Content Providers	145	72	(73)	-50.3%	72	56	(16)	-22.2%	56	29	(27)	-48.2%	(116)	-80.0%
517	Telecommunications	483	191	(292)	-60.5%	191	172	(19)	-9.9%	172	50	(122)	-70.9%	(433)	-89.6%
518	Data Processing, Hosting and Related Services	<10	329	na	na	329	246	(83)	-25.2%	246	218	(28)	-11.4%	na	na
519	Web Search Portals and Other Information Services	11	13	2	18.2%	13	32	19	146.2%	32	46	14	43.8%	35	318.2%
52	Financial Services	3,721	2,837	(884)	-23.8%	2,837	2,352	(485)	-17.1%	2,352	1,686	(666)	-28.3%	(2,035)	-54.7%
521	Monetary Authorities-Central Bank	0	0	na	na	0	0	na	na	0	0	na	na	0	na
522	Credit Intermediation and Related Activities	591	610	19	3.2%	610	679	69	11.3%	679	742	63	9.3%	151	25.5%
523	Securities, Commodities and Related Activities	86	86	0	0.0%	86	80	(6)	-7.0%	80	80	0	0.0%	(6)	-7.0%
524	Insurance Carriers and Related Activities	3,044	2,141	(903)	-29.7%	2,141	1,593	(548)	-25.6%	1,593	864	(729)	-45.8%	(2,180)	-71.6%
525	Funds, Trusts, and Other Financial Vehicles	0	0	na	na	0	<10	na	na	<10	<10	na	na	na	na
53	Real Estate Services	584	535	(49)	-8.4%	535	582	47	8.8%	582	613	31	5.3%	29	5.0%
531	Real Estate	467	462	(5)	-1.1%	462	491	29	6.3%	491	507	16	3.3%	40	8.6%
532	Rental and Leasing Services	102	73	(29)	-28.4%	73	91	18	24.7%	91	106	15	16.5%	4	3.9%
533	Lessors of Nonfinancial Intangible Assets (ex - Copyrighted Works)	15	0	(15)	-100.0%	0	0	na	na	0	0	na	na	na	na
541	Professional, Scientific, and Technical Services	1,908	3,149	1,241	65.0%	3,149	3,125	(24)	-0.8%	3,125	3,570	445	14.2%	1,662	87.1%
551	Management of Companies and Enterprises	223	126	(97)	-43.5%	126	200	74	58.7%	200	220	20	10.0%	(3)	-1.3%
56	Administrative & Waste Support Services	2,294	2,497	203	8.8%	2,497	2,555	58	2.3%	2,555	2,716	161	6.3%	422	18.4%
561	Administrative and Support Services	2,025	2,232	207	10.2%	2,232	2,383	151	6.8%	2,383	2,563	180	7.6%	538	26.6%
562	Waste Management and Remediation Services	269	265	(4)	-1.5%	265	172	(93)	-35.1%	172	153	(19)	-11.0%	(116)	-43.1%
611	Educational Services	1,138	983	(155)	-13.6%	983	927	(56)	-5.7%	927	891	(36)	-3.9%	(247)	-21.7%
62	Health Services	6,867	7,529	662	9.6%	7,529	8,054	525	7.0%	8,054	8,914	860	10.7%	2,047	29.8%
621	Ambulatory Health Care Services	2,522	2,955	433	17.2%	2,955	3,171	216	7.3%	3,171	3,492	321	10.1%	970	38.5%
622	Hospitals	2,122	2,487	365	17.2%	2,487	2,257	(230)	-9.2%	2,257	2,309	52	2.3%	187	8.8%
623	Nursing and Residential Care Facilities	1,075	911	(164)	-15.3%	911	1,345	434	47.6%	1,345	1,764	419	31.2%	689	64.1%
624	Social Assistance	1,148	1,176	28	2.4%	1,176	1,281	105	8.9%	1,281	1,349	68	5.3%	201	17.5%
71	Arts & Entertainment	723	670	(53)	-7.3%	670	882	212	31.6%	882	1,003	121	13.7%	280	38.7%
711	Performing Arts, Sports and Related Industries	184	150	(34)	-18.5%	150	193	43	28.7%	193	230	37	19.2%	46	25.0%
712	Museums, Historical Sites, and Other	18	31	13	72.2%	31	35	4	12.9%	35	37	2	5.7%	19	105.6%
713	Amusement and Related	521	489	(32)	-6.1%	489	654	165	33.7%	654	736	82	12.5%	215	41.3%
72	Accommodations & Food Services	3,467	3,804	337	9.7%	3,804	4,606	802	21.1%	4,606	4,874	268	5.8%	1,407	40.6%
721	Accommodation	242	323	81	33.5%	323	397	74	22.9%	397	421	24	6.0%	179	74.0%
722	Food Services and Drinking Places	3,225	3,481	256	7.9%	3,481	4,209	728	20.9%	4,209	4,453	244	5.8%	1,228	38.1%
81	Other Services	2,486	2,438	(48)	-1.9%	2,438	2,684	246	10.1%	2,684	3,007	323	12.0%	521	21.0%
811	Repair and Maintenance	752	748	(4)	-0.5%	748	792	44	5.9%	792	820	28	3.5%	68	9.0%
812	Personal and Laundry Services	835	953	118	14.1%	953	1,082	129	13.5%	1,082	1,196	114	10.5%	361	43.2%
813	Religious, Civic and Similar Organizations	623	549	(74)	-11.9%	549	587	38	6.9%	587	702	115	19.6%	79	12.7%
814	Private Households	276	188	(88)	-31.9%	188	223	35	18.6%	223	289	66	29.6%	13	4.7%
90	Government	11,897	10,861	(1,036)	-8.7%	10,861	10,637	(224)	-2.1%	10,637	10,471	(166)	-1.6%	(1,426)	-12.0%
901	Federal Government	761	738	(23)	-3.0%	738	735	(3)	-0.4%	735	811	76	10.3%	50	6.6%
902	State Government	6,077	5,466	(611)	-10.1%	5,466	5,211	(255)	-4.7%	5,211	4,944	(267)	-5.1%	(1,133)	-18.6%
903	Local Government	5,059	4,657	(402)	-7.9%	4,657	4,691	34	0.7%	4,691	4,716	25	0.5%	(343)	-6.8%
999	Unclassified Industry	<10	22	na	na	22	53	31	140.9%	53	90	37	69.8%	na	na
	TOTAL	52,513	53,055	542	1.0%	53,055	55,191	2,136	4.0%	55,191	56,747	1,556	2.8%	4,234	8.1%

Source: EMSI / Lightcast and RKG (2023)

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note - employment metrics of <10, not included in industry sector summations, but are included in the Total

ECONOMIC RESOURCES AND TOOLS

The City of Rochester has designated several economic revitalization zones (ERZs) established throughout the city (following maps). The ERZ is a tax credit program whereby short-term business tax credits are available for development projects that meet specific criteria and are located within designated areas. Additionally, the city also has designated TIF (tax increment financing) districts, whereby the incremental property taxes occurring as the result of new growth/development within a designated area (or district) may be retained and used to fund the necessary public and/or infrastructure improvements required to encourage the new development in the first place.³⁷

The reader is directed to the EDC website (www.rochesternh.gov/economic-development) for a further discussion of both, as well as for maps depicting the boundaries. Similarly, the following local and statewide incentives are discussed in greater detail.

LOCAL BUSINESS INCENTIVES

- **Rochester JOB Loan Program** – low-interest loan program for expanding small businesses generating jobs in Rochester (www.chooserochester.com)
- **Rochester 79E Downtown Revitalization Tax Incentive** – property tax incentive program for building owners making significant improvements to downtown buildings.
- **Opportunity Zones** – refer to (www.nheconomy.com/grow/opportunity-zones)
- **Streamlined review and approvals** – new businesses moving into existing space may be eligible for a Special Downtown Review or Minor Site Review instead of a full Planning Board review (www.RochesterNH.net/planning-development)
- **US SBA Loans** – loan programs designed to work in conjunction with commercial banks to offer fixed-rate financing for small to medium businesses that provide employment opportunities (www.sba.gov)
- **Marketing Opportunities** – Rochester Main Street features multiple opportunities for cooperative marketing, events, and workshops (www.RochesterMainStreet.org)
- **Networking and B2B** – greater Rochester Chamber of Commerce holds monthly networking events, business information breakfasts and local events, including ribbon cutting, relocation packages and shopper discounts (www.RochesterNH.org)
- **NH Small Business Development Center** – offers free, one-on-one, confidential business coaching and low-cost training programs (www.nhsbdc.org)
- **Rochester Economic Development Office** – provides no-cost services such as site selection, business start-up or expansion services, and business resources. Also, assistance in project support with City approvals and permitting process (www.rochesternh.gov/economic-development)

³⁷ For additional information, refer to State of NH RSA 162-K

- **Women Owned Business Resources** – helps women entrepreneurs launch new businesses and compete in the marketplace and connects them with training and funding opportunities, as specifically designated for women owned businesses. Also provides low-cost counseling and training for women interested in starting, growing, or otherwise expanding their small business. Center for Women and Enterprise (cweonline.org)
- **Veteran Owned Business Resources** – provide resources for veterans interested in starting or growing a small business; offer support for veterans as they enter the world of business ownership, help them look for funding programs, training and federal contracting opportunities. Veterans Business Outreach Center (VBOC) (www.sba.gov)

STATE OF NEW HAMPSHIRE

- **NH Economic Revitalization Zone Tax Credits** – short-term tax credit against the business profits and enterprise taxes. To qualify, the business location must be in an underutilized industrial park, or structures previously used for industrial purposes or brownfield site(s) (www.nheconomy.com or info@nheconomy.com)
- **NH R&D Tax Credits** – a credit against manufacturing business taxes paid to the state of New Hampshire (www.nh.gov/revenue/faq/dra_165.htm)
- **Procurement Technical Assistance Program** – PTAP provides specialized assistance to individuals and businesses seeking contracting opportunities with Department of Defense (DoD), other federal agencies, or state/local governments (www.nheconomy.com/sell-to-government)
- **NH International Trade Resource Center** – ITRC administers programs for international trade promotion and foreign market development for New Hampshire companies (www.nheconomy.com/international-trade)
- **NH Manufacturing Extension Partnership** – MEP offers low-cost consulting services, including lean and agile supply chain management, product development, technology transfer and commercialization (www.nhmep.org)
- **NH Business Finance Authority – Live Free and Start** – a job creation joint initiative of the Governor’s Office, the Business Finance Authority and Department of Resources and Economic Development (www.nhbfa.com/livefreeandstart)
- **Business Energy Conservation Revolving Loan Fund** – provides direct loans to businesses to improve energy efficiency in NH workplaces. Minimum loan of \$100,000 with flexible underwriting standards, loan terms (www.nhbfa.com/businessenergyloan)
- **Federal Historic Preservation Tax Incentives / State of NH – Division of Historical Resources** – administered by National Park Services, US department of the Interior and NH historic preservation office, the tax incentive(s) program encourages development while preserving historic building(s) for a new use (www.nps.gov/tps/tax-incentives and www.nh.gov/nhdhr, respectively)