



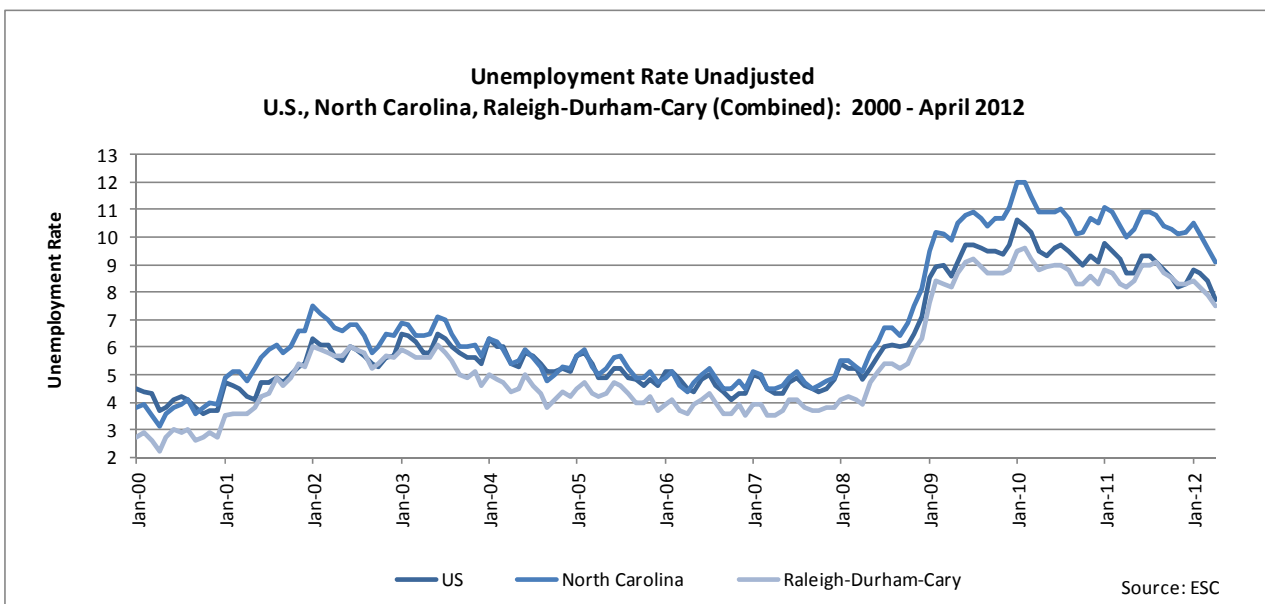
Market Watch, June 15, 2012

Triangle Area Employment Picture

While the latest U.S. employment figures portray a still struggling national economy, this is contrary to experiences in the Triangle Area. The Research Triangle, or Triangle Area, represents the region formed by Raleigh-Cary, Durham and Chapel Hill. This area, home to research-heavy North Carolina State University, Duke, and The University of North Carolina respectively, draws key grants and money from both institutional and private capital sources. This has allowed the region to weather the recent recession a little better and to emerge faster from the downturn than the state overall. According to the Bureau of Labor Statistics, North Carolina added approximately 30,000 non-farm jobs in April 2012 compared to the previous year, although declining by 1,300 jobs from March 2012. However, both the Raleigh-Cary MSA and the Durham-Chapel Hill MSA experienced increases from March to April of this year. The Raleigh-Cary metro area's non-farm employment increased by 600 jobs for the month and an added 8,100 jobs compared to the previous year. The Durham-Chapel Hill metro experienced a rise in non-farm employment of 700 jobs month-over-month and 3,900 jobs compared to April 2011.

During 2011, employment growth shifted in the nation overall from public sector to private industry for the first time since the recession began. Recent private-sector growth has been driven by increases in technology, energy, and even manufacturing jobs. North Carolina's Triangle Area has been a benefactor of this shift, particularly given its abundance of technology and energy companies. In *Forbes* latest ranking of the Best Big Cities for Jobs, the Raleigh-Cary MSA ranked #7 in the nation (out of the largest 65 MSAs). This represents a rise of seven places compared to a ranking of 14th the previous year. The Raleigh-Cary MSA has consistently been in the top 15 of the Best Big Cities for Jobs rankings by *Forbes* during the past seven years.

According to the Employment Security Commission (ESC) - now known as DES (Division of Employment Security) - the unemployment rate for the Raleigh-Cary and Durham-Chapel Hill MSAs have declined steadily in 2012. In April, the Raleigh-Cary unemployment rate was 7.4%, down from 7.8% in March and 8.2% in April of last year. Similarly, the Durham-Chapel Hill's rate was 7.1% in April, compared to 7.4% in the previous month and 7.6% a year ago. Both of these areas have lower unemployment rates compared to the national rate of 7.7%, and well below North Carolina's 9.1% rate. In addition, as shown in the chart below, the current unemployment rates for this region represent levels not seen since late 2008 and early 2009.



As for job listings, according to SimplyHired.com, the job openings in the Raleigh-Durham area increased only 0.6% from January to February 2012, although a remarkable 17.3% rise compared to a year ago. Among top 50 MSAs, the Raleigh-Durham area has one of the best ratios of unemployed persons to job openings listed with a 2-to-1 ratio (2 unemployed persons for every job opening). This compares to a 3-to-1 ratio in the country overall. The top five hiring companies as listed on SimplyHired.com during February 2012 were WakeMed Health and Hospitals, Duke University, Pizza Hut, Fidelity Investments, and Harris Teeter, demonstrating the diversity of industries in the region.

Employers in the Raleigh-Cary MSA expect to continue hiring at a swift pace in 2012, as reported by Manpower (no survey conducted for the Durham area). In their Second Quarter 2012 survey, 19% of companies were planning on hiring, while only 5% had plans to eliminate jobs. This net 14% of firms looking to expand payrolls is much better than at the beginning of this year, when the rate was a negative 2% (more companies planned to reduce jobs than hire). The current net 14% rate is greater than the state and the nation overall, with net rates of 12% and 10%, respectively. Many of these companies looking to increase payrolls are in the transportation and utilities, information, financial activities, and professional and business services sectors, and the growth in these sectors should continue to trickle down into other regional industries over the near term. According to IHS Global Insight, by the end of 2012, the Raleigh-Cary area is expected to have recovered nearly 80% of the jobs lost in the recession, nearly back to pre-recession peak levels. The Durham area is slightly behind, with a nearly 60% recovery expected by the end of the year. Both areas are recovering faster than the nation overall, which is projected to regain 48% of jobs lost by year-end.

Key drivers to housing include household formation, immigration, lifestage changes, and population growth in general, however nothing feeds housing demand with ready, willing and able buyers more so than 'jobs'. Job creation is key, and although job growth in the Triangle area will not chart on a graph as a hockey stick up tick, it is however steadily moving up and this in turn supports one of the healthiest housing markets in the country.

For more information, contact –

Meyers Research LLC

A Kennedy Wilson Company

18401 Von Karman Ave., Suite 350

Irvine, California 92612

P: 949-640-0050

F: 949-640-0055

www.meyersllc.com

Jeffrey Meyers, Principal

M: 714-319-3888

Richard Jackson, Managing Director

M: 919-621-2384

Steve Smiley, Principal, Northern California

M: 510-612-5718

Michelle Wolkoys, Principal, Southern California

M: 714-357-6005