

The Chairman's Report

A Message from Lawrence F. Flick, IV, Chairman and Chief Executive Officer
Prudential Fox & Roach, REALTORS® and The Trident Group



FALL 2013

THE BENEFITS OF CHANGE

Change is a certainty. And I am also certain of this: recent changes in our real estate market and with our company present us all with amazing opportunities for success.

TAKE ADVANTAGE OF BIG CHANGES IN THE REAL ESTATE MARKET

It's surprising how quickly the market changed!

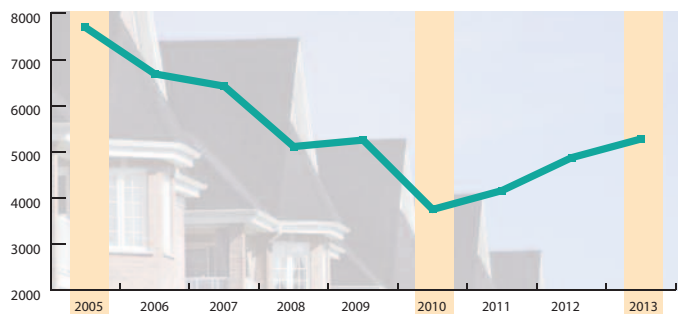
It seems like just yesterday that there were too many houses for sale and not enough buyers. Now we're in the midst of the busiest real estate market in years. The bottom of the market is clearly behind us, and it is a *great* time to buy or sell a house.

But conditions won't be this good for long. Though sales are ahead of last year, it appears this brisk pace is slowing. And, as the economy continues to improve, home prices and interest rates will continue to rise, and overall buying power will decrease. The bottom line is this: if you've been considering a move, now is better than later. You can afford more in this current climate than when things shift. Consider the following:

1. *More houses are selling*

Improved consumer confidence and historically low interest rates have unleashed a pent-up demand for housing. July pended sales increased 16% over July 2012, and the number of July closed sales reached its highest point since 2007.

Number of Homes Sold — PFR/T Market Area

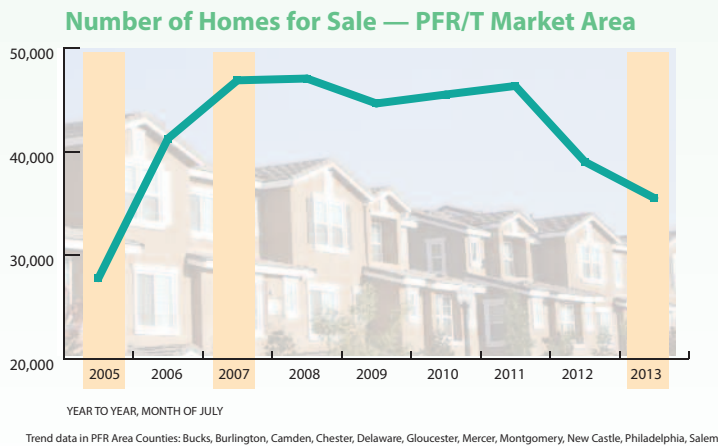


Trend data in PFR Area Counties: Bucks, Burlington, Camden, Chester, Delaware, Gloucester, Mercer, Montgomery, New Castle, Philadelphia, Salem

*Simply put, these changes in market conditions...
have thrown that long-awaited window
wide open for buyers and sellers.*

2. There are fewer houses to buy

As buyers search for their perfect home, many are surprised to discover that there are fewer houses to choose from than they thought there would be. That's because the number of houses for sale has decreased significantly and is at its lowest point since 2006. I'm not alone in believing that the market would be even busier if inventory were not so limited. This is a compelling reason for prospective buyers to keep moving forward with their search.



3. Prices are beginning to rise

The Case Shiller Composite 20 Housing Price Index recently reported a 12% increase in home prices in July. This sounds great, but remember that no part of our market area is included in this report. Since our region did not experience dramatic loss of value, our prices are rising at a more reasonable rate. A good indicator is the Federal Home Finance Agency Home Price Index:

Change in House Prices

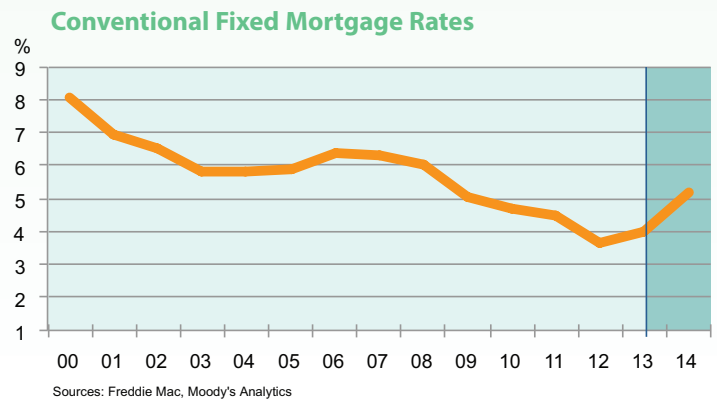
Allentown, PA	+ 3.31 %
Camden, NJ	+ 2.01%
Ocean City, NJ	+ 2.56 %
Philadelphia, PA	+ 4.24 %
Trenton, NJ	+ 0.46 %
Wilmington, DE	+ 5.03 %
United States	+ 7.22 %

July 2013 over July 2012 Source: Federal Home Finance Agency

Most economists predict an annual increase of about 2% for the next several years, so if you need to sell in order to buy, it doesn't pay to hold off until your home appreciates. Any gain you may make will be wiped out by rising interest rates and higher home prices.

4. Mortgage interest rates are inching up

Mortgage interest rates, while still at historic lows, are starting to rise. Some consumers shy away from applying for financing because they've heard that mortgages are hard to get. But there's plenty of money available for buyers with good credit and documented income. If you're uncertain about your eligibility, check with your Trident Mortgage consultant.



What does this all mean? Simply put, these changes in market conditions — which began last year and have made 2013 a terrific year in real estate thus far — have thrown that long-awaited window wide open for buyers and sellers. But who knows when it will begin to close?

If your life circumstances dictate a change in your current housing situation, now is a great time to sell and move up or to buy your first home. Contact your Prudential Fox & Roach sales associate to reap the benefits of today's market!



Our clients can expect to continue seeing the very same superior commitment to them and their dreams as they have always enjoyed.

BIG CHANGES FOR OUR COMPANY

Who we do business with makes all the difference in our everyday lives. This is especially true when making a major investment like buying or selling a home. Since 1886 our company has been helping people make these important decisions. We've been able to do this because we've adapted to a changing world while always adhering to the values clients respect the most — honesty, integrity, and commitment. It's important to me personally and as Chairman to make sure that our company is here for you in the future, and for your children and grandchildren, so that we can help make their homeownership dreams come true as well.

The familiar blue Prudential signs that dotted our communities for the last 13 years while we served clients as Prudential Fox & Roach will now change to cabernet, along with our new name of Berkshire Hathaway HomeServices Fox & Roach, Realtors. When Prudential Financial, Inc. made the decision around two years ago to return its focus to its core businesses — insurance and financial services — it sold its real estate relocation company and real estate franchise. Now Warren Buffett's legendary Berkshire Hathaway has introduced an exciting new brand and we look forward to being associated with the world's most respected company name. We knew Berkshire Hathaway shares Fox & Roach/Trident's values of integrity, trust, success, and philanthropy to the community, and that this affiliation would benefit our clients now and in the future.

To ensure our company's future we are also now part of HomeServices of America, a Berkshire Hathaway affiliate. HomeServices of America is the second-largest real estate and home services company in the country.

During the past fifteen years, HSoA has acquired 30 major real estate companies with first-rate reputations, offering one-stop shopping and strong leadership teams committed to staying and running the company. Our clients can expect to continue seeing the very same superior commitment to them and their dreams as they have always enjoyed.

This may be big news, but it's *not* a big change. Joining Fox & Roach/Trident, Berkshire Hathaway and HomeServices of America allows our leadership team to be better positioned for future opportunities, along with the security of deep pockets to thrive through inevitable future downturns. Our local team will continue the tradition of excellence our communities have come to know and trust. Under the new logo and new name, your Fox & Roach sales associate and Trident service providers are standing by to assist you — as always —

whenever you need real estate and financing advice.

Change is inevitable but how we change matters. You have my assurance that our company is making an incredibly positive change, one that will allow us to continue serving our communities in the best possible way.



Lawrence F. Flick, IV
Chairman and Chief Executive Officer
Prudential Fox & Roach, REALTORS® and The Trident Group

coming fall 2013

TWO LEGENDARY COMPANIES

...a new era in real estate



**BERKSHIRE
HATHAWAY**
HomeServices

**Fox & Roach,
REALTORS®**

Prudential Fox & Roach, REALTORS® and The Trident Group

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