

Realogy Corporation

Second Quarter 2011 Financial Results Webcast Transcript

August 3, 2011

[SLIDE 1]

OPERATOR: Good morning and welcome to the Realogy Corporation second quarter 2011 earnings conference call via Webcast. Today's call is being recorded, and a written transcript will be made available in the Investor Information section of the Company's Web site later today. A webcast replay will also be made available on the Company's Web site. At this time, I would like to turn the conference over to Realogy Senior Vice President and Chief Accounting Officer, Dea Benson. Please go ahead, Dea.

[SLIDE 2]

BENSON:

Thank you, Tomesha. Good morning and welcome to Realogy's second quarter 2011 earnings conference call. On the call with me today are Realogy's President & CEO, Richard Smith; and Chief Financial Officer, Tony Hull.

[SLIDE 3]

I would like to call your attention to three items.

First, you should have access to a copy of our financial results press release and our Form 10-Q for the quarter ended June 30, 2011, which we have filed with the Securities and Exchange Commission. Both documents are available on the investor information section of our website, as well as a copy of today's webcast slides. As you see, the Form 10-Q is a joint filing by Realogy Corporation and its indirect parent company, Domus Holdings Corp. The joint filing is now required due to the effectiveness of the joint registration statement on Form S-1, which covers the resale of Realogy's convertible notes and the shares of Class A Common Stock of Domus Holdings issuable upon conversion of the convertible notes.

Second, the Company will be making statements about its future results and other forward-looking statements during this call. Statements about future results made during the call constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current economic environment. Forward-looking statements and projections are inherently subject to significant economic, competitive and other uncertainties and contingencies, many of which are beyond the control of management. The Company cautions that these statements are not guarantees of future performance. Actual results may differ materially from those expressed or implied in the forward-looking statements. For those who listen to the rebroadcast of this presentation, we remind you that the remarks made herein are as of today, August 3, and have not been updated subsequent to the initial earnings call.

Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements and projections are set forth under the headings "Forward-Looking Statements", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Prospectus dated June 16, 2011, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 and in our other periodic reports.

Realogy Corporation

Second Quarter 2011 Financial Results Webcast Transcript

August 3, 2011

Third, we will be referring to certain non-GAAP financial measures during the call. Today's press release contains definitions of these terms, a reconciliation of these terms to their most comparable GAAP measure, and a discussion of why we believe these non-GAAP financial measures are useful to our investors.

In terms of industry data we use the National Association of Realtors (N-A-R) and Fannie Mae as benchmarks of the direction of the residential housing market. We believe changes in Realogy's homesale statistics will continue to vary from those reported by NAR and Fannie Mae because they use survey data as the basis of their historical reports and forecasting models whereas we use data based on actual reported results. In addition to the differences in calculation methodologies, there are geographical differences and concentrations in the markets in which we operate versus the national market. NAR historical data is subject to periodic review and revision. NAR is currently engaged in a review of its sampling and methodology processes with respect to existing homesale data. NAR expects to issue preliminary data based on this review in August that will result in a downward revision to sales volume but will not affect median prices and has stated that there will be no notable change to NAR's previous characterizations of the market in terms of sales trends or monthly percentage changes. These revisions will not have any impact on Realogy's reported financial results or key business driver information. While we believe this industry data is derived from the most widely recognized sources for reporting U.S. residential housing market statistical data, we do not endorse or suggest reliance on this data alone.

Let me briefly review the headlines from our release issued today regarding Realogy's second quarter 2011 results.

SLIDE 4]

Specifically for the quarter ended June 30, 2011, we reported:

- Revenue of \$1.2 billion,
- EBITDA before restructuring and other items of \$178 million; and
- Net loss attributable to Realogy of \$22 million – which includes \$161 million of interest expense and \$47 million of depreciation and amortization.

Now I will turn the call over to Realogy's President and CEO, Richard Smith.

SMITH:

Thank you, Dea. Good morning and thank you for joining our Webcast.

As we discussed on our last call in May, we anticipated that the first quarter weakness in the housing market would continue into the second quarter of this year. At that time, we told you that we expected units to be down year-over-year in the second quarter and our average sales price to increase compared to the second quarter of 2010. That is exactly what happened, and for the reasons we outlined.

The comparative weakness in Q2 2011 was primarily related to the unfavorable year-over-year comparisons to the second quarter of 2010, which, of course, was strongly

Realty Corporation Second Quarter 2011 Financial Results Webcast Transcript August 3, 2011

bolstered by the 2010 Homebuyer Tax Credit. Macroeconomic conditions such as continued high unemployment rates and low consumer confidence also contributed to a suppressed demand for housing this past quarter.

Keeping in mind the unique conditions affecting the year-over-year comparisons, Realty finished the second quarter with net revenue of \$1.2 billion, and our EBITDA before restructuring and other items was \$178 million. Despite difficult market conditions and challenging time-period comparisons, the Company ended the quarter with better than expected results.

[SLIDE 5]

Similar to the first quarter, the relative strength in Realty's second quarter results were largely attributable to Cartus and the Title Resource Group (TRG) -- our relocation and title and settlement services segments. Cartus' EBITDA before restructuring and other items increased 14% primarily attributable to its global relocation volume. At TRG, strong lender channel and underwriter growth resulted in an 18% improvement in EBITDA before restructuring and other items.

Both NRT, our company-owned brokerage business, and the Realty Franchise Group (RFG), experienced EBITDA declines compared to the second quarter of 2010 during which the tax credit bolstered second quarter results.

Specifically at NRT, unit sales decreased by 13% in the second quarter while its average home sale price increased 5% year-over-year. At RFG, units were down 13% while its average home sale price in the second quarter increased by 2% year-over-year. As discussed previously, the year-over-year decline in home sale sides was due to the impact of the Homebuyer Tax credit in the second quarter of 2010, which we believe pulled forward activity from the third quarter of 2010.

To us, the key takeaway is that despite these challenging comparisons with respect to overall sales volume, both NRT and RFG outperformed the reported national existing home sale results from the National Association of Realtors (NAR) during the second quarter of 2011.

NAR reported that homesale units were down 13% nationally in the second quarter and average sales price was flat in the same period. Thus, NAR's combined net sales volume decreased by 13% year-over-year. By comparison, NRT had a net decline of only 8% on the same basis, and RFG was down 11% year-over-year. As you can see, the biggest contrast between our results and NAR's national averages occurred in price. NAR was flat while NRT and RFG had price increases of 5% and 2%, respectively.

We believe the disconnect between NAR's flat average price and our 2% to 5% increase in price is attributable to mix of business. According to NAR, distressed sales increased to 33% of the existing home sale market in the second quarter of 2011. We do not believe that our brokerage operations or our franchisees transact nearly that percentage of distressed sales. That and NRT's higher than market average sales price produce pricing that outperforms the broader markets.

Realogy Corporation

Second Quarter 2011 Financial Results Webcast Transcript

August 3, 2011

Through the first half of 2011, we believe that the year performed much as we expected – with very difficult time-period homesale unit comparisons to the first half of last year. Industry forecasters expect more favorable comparisons in the second half of 2011. However, with estimated GDP growth at an anemic 1.3% in Q2, clearly the economy is much weaker than most economists anticipated. Let's take a look now at some of the operational highlights of our businesses in the second quarter.

[SLIDE 6]

In terms of domestic franchise sales, the Realogy Franchise Group added new franchisees and sales associates with \$121 million in franchisee gross commission income (or GCI) through the first half of 2011, which is flat year-over-year. Franchise sales growth comprises new franchise agreements as well as growth acquired by existing franchisees with our assistance. Overall through the second quarter, RFG's existing franchisee GCI retention rate remained at 96%.

On the global front, Sotheby's International Realty continued its expansion with the recent signing of a direct franchise agreement in the U.S. Virgin Islands and further enhanced its presence in the Baltic States. In addition, CENTURY 21 signed a master franchise agreement in Germany during the second quarter.

And ERA Franchise Systems recently celebrated its 30th anniversary with its master franchisee in Japan. In 1981, ERA was the first U.S. franchised real estate company to open offices outside of the continental United States.

Turning to NRT, our company-owned brokerage, management continues to focus on and deliver solid organic growth. During the last 12 months, the company recruited new sales associates who collectively generated more than \$55 million in annualized gross commission income. In keeping with its historical norms, NRT has retained over 93% of the production from its first- and second-quartile sales associates, the top-producing segments of its sales force.

[SLIDE 7]

At Cartus, relocation initiations increased 1% in the second quarter of 2011 from the prior year, while its broker referrals were down 7% year-over-year, generally in line with national trends.

In the second quarter, Cartus successfully won the business of 45 new clients representing an estimated \$3 million in annualized revenue and expanded domestic and international services with more than 120 of its existing clients.

In our settlement services segment, Title Resource Group's refinance title and closing units were up 4% in the second quarter. That was offset by the 13% decline in purchase title and closing units, which we expected. As we have previously stated, TRG's purchase title units generally track NRT unit sales, and both TRG's unit sales and purchase volume followed the downward national trend for the quarter. TRG's overall sales volume was improved by a 4% increase in its average price per closing unit.

Realogy Corporation Second Quarter 2011 Financial Results Webcast Transcript August 3, 2011

TRG's underwriter grew net premiums during the second quarter by 37% over the previous year, in part attributable to market expansion and gains in the number of title agents. TRG's underwriting claims loss experience for the quarter was less than 1%, substantially outperforming the industry average loss ratio of about 6%.

Now, let's take a look at the current operating environment ...

[SLIDE 8]

For the third quarter of 2011, both NAR and Fannie Mae are forecasting increases in the Seasonally Adjusted Annual Rate (SAAR) of home sale units with additional double-digit SAAR gains in the fourth quarter. Respectively, their latest estimates project that unit sales will be up 18% to 23% in Q3, and up 7% to 11% in Q4 2011. Again, the main reason for the size of these projected increases has to do with the comparative time periods. In the third quarter of last year, we believe the pace of existing home sale units fell steeply because sales were pulled forward into Q2 to take advantage of the 2010 Homebuyer Tax Credit. Therefore, it's not that this year's third quarter SAAR forecast is exceptionally high, but at an annualized pace of 4.9 to 5.1 million unit sales, it is well above the 4.2 million SAAR recorded in the third quarter of 2010. To be clear, although we expect the third quarter of 2011 to show year-over-year improvement, we do not believe it will be as significant of an improvement as we had anticipated earlier in the year. We believe is largely the result of a weaker than expected economic recovery.

It should be noted that since our May webcast both NAR and Fannie Mae have been adjusting their full-year 2011 unit forecasts downward, and based on what we saw in June and July, we believe that further downward revisions are likely. NAR's full-year forecast for 2011 unit sales in its August outlook indicated a 2% year-over-year increase versus 2010, down from an 8% increase noted in the March outlook. Likewise, Fannie Mae's latest July forecast calls for a 4% annual increase in existing home sales in 2011, down from an estimated 6% increase in its March outlook.

NAR released its June actuals on July 20th and indicated that the third quarter will be at a 4.9 million annual unit run rate. Also in its July 20 release, NAR mentioned an increase in cancellation rates. Cancellation rates at our company-owned operations for May, June and July remained in the low to mid-teens, which is normal for NRT. We did not see any unusual cancellation activity in this period. It is our belief that in June and July, buyer activity has been negatively impacted by weaker than anticipated macroeconomics and the seemingly constant flow of housing-related regulatory and legislative rhetoric from Washington, D.C. In fact, NAR's June SAAR of 4.8 million units combined with our July unit sales indicates strongly to us that debt limit negotiations in Washington and continued macroeconomic uncertainty have adversely affected the housing market in the near term.

For a variety of macroeconomic reasons, not the least of which are continuing high unemployment and low consumer confidence, we believe that the industry will end the year at 4.9 million to 5 million units. NAR's current (August) full-year 2011 forecast is for 5.0 million unit sales while Fannie Mae's current (July) forecast stands at 5.1 million units. That said, if the economy doesn't start to improve in terms of job growth and improved levels of consumer confidence, total home sales could end up flat to last year.

Realty Corporation

Second Quarter 2011 Financial Results Webcast Transcript

August 3, 2011

Looking at median sales price, the NAR and Fannie Mae forecasts have remained consistent during the past three months, with anticipated decreases of 2% and 4%, respectively, for full-year 2011. Again, the expected high proportion of distressed sales in the mix of overall home sales is depressing national median price forecasts.

Looking ahead to 2012, NAR is forecasting existing homesale unit increases of 6% and median price increases of 2%, while the Fannie Mae outlook has units up 8% and price decreases of 1% compared to 2011.

So while the industry forecasts for the second half of 2011 and full-year 2012 are currently on an upward trend, we must take into consideration the unusual market risks. We continue to monitor a myriad of economic, legislative and regulatory risk factors, any or all of which could impede a housing recovery.

As a result of the debt limit crisis, there has been very little movement on other key governmental issues affecting the housing market, but they are still very much on our radar:

- Mortgage loan limits for Fannie Mae, Freddie Mac and the FHA are currently scheduled to be reduced on Oct. 1. The conforming loan limit will drop to 115% of local median home prices, subject to a cap of 150% of the conforming loan limit. As the limit goes to \$625,000, down from \$729,750, we will see a decrease in the availability and affordability of mortgage credit for certain homebuyers in 42 states. NAR is lobbying Congress heavily to extend the current loan limits. This is an unnecessary stumbling block for a housing recovery, and unless Congress takes action before the end of September, it is expected to have a negative impact on home sales.
- Just two days ago, the deadline closed for public comment on the definition of the Qualified Residential Mortgage (QRM) under the Dodd-Frank Act. Like many, we submitted thoughtful and well researched comments. As we have stated before, we believe the current QRM definition that includes a down-payment requirement of 20% would create unduly tight credit standards and potentially place homeownership out of reach for millions of potential buyers. This was not the intent of Congress when the Dodd-Frank Act was passed, and we remain hopeful that the regulators will make a course correction before implementing the rules so as not to further dampen the housing market. No fewer than six different regulatory bodies are involved in the review of this rule, and accordingly, this is a slow-moving process.

Those are among the larger, near-term risks to the housing market, so I will close with several positives – which are often lost in the sea of negative housing reports.

- Homes are more affordable today than five years ago. Nationally, the peak to trough price correction has been about 30% and the NAR Home Affordability Index continues to hover near the highest levels in 40 years. Mortgage rates remain near historical lows.
- Despite the short-term uncertainty, there are longer-term demographic trends that point to a pent-up demand for housing.

Realogy Corporation

Second Quarter 2011 Financial Results Webcast Transcript

August 3, 2011

- The Harvard Joint Center for Housing Studies reported that the Baby Boom generation will increase the number of households over age 65 by 8.7 million by 2020 – a 35% increase from 2010. The growing share of older households will provide important ballast for the housing market, with the Harvard report estimating that nearly 4 million of those Boomer households could downsize over the coming decade, adding further to demand for smaller homes.
- There is reason to believe that the echo-boomer generation will be large enough to boost the number of young adult households in 2010 to 2020 and, in turn, increase the demand for single-family homes. It is forecasted that the number of households under age 35 will likely grow to nearly 26.5 million in the next decade – all prospective homeowners.
- Last, but certainly not least, owning a home remains a deeply powerful aspiration in the United States that cuts across all demographic lines. According to a *New York Times/CBS News* poll in June, nearly nine in 10 Americans said that homeownership is an important part of the American Dream. As we have said many times, Americans do not aspire to be renters.

In closing, I would reiterate that, despite the near-term challenges, our long-term outlook remains optimistic.

With that, I'll turn the call over to Tony.

HULL: Thank you, Richard.

[SLIDE 9]

In discussing the financial results I will be referring to the webcast slides. Let me begin with some comments and financial highlights for Realogy in the second quarter 2011.

- As reflected in our filing, Q2 2011 revenue totaled \$1.2 billion, a decrease of 6% year-over-year;
- EBITDA before restructuring and other items was \$178 million, a decrease of 24% vs. 2010 Q2 results;
- The decrease in year-over-year second quarter EBITDA was anticipated due to the impact of the Homebuyer Tax Credit in second quarter of 2010;
- Based on our trailing 12-month Adjusted EBITDA, Realogy's senior secured leverage ratio was 4.38 to 1 at June 30th.

Looking at **SLIDE 10**, the breakdown by category of the second quarter \$1.2 billion net revenue was as follows:

- Gross commission income totaled \$873 million at NRT, a decrease of 7% from 2010,
- Service revenues principally from Cartus and Title Resource Group increased to \$192 million up 4% from Q2 2010
- The Realogy Franchise Group's third-party domestic franchise fees decreased \$11 million to \$70 million for the quarter.

On **SLIDE 11**, we compare expenses during second quarter 2011 versus 2010:

Realty Corporation

Second Quarter 2011 Financial Results Webcast Transcript

August 3, 2011

- Total commission and other related costs of \$577 million decreased 6% year over year, in line with gross commission income decreases.
- Operating expenses of \$317 million increased \$7 million or 2% year over year.
- Marketing costs increased by \$4 million or 8%.
- General & administrative costs were down \$1 million compared to 2010.

Next I would like to discuss our key revenue drivers from **SLIDE 12**.

As Richard mentioned, in the second quarter of 2011, RFG home sale sides decreased 13%, while average home sale price increased 2% compared to 2010 to \$202,000. The year-over-year decline in home sale sides was primarily due to the impact of the Homebuyer Tax Credit in the second quarter of 2010. However, RFG's average sales price increased 2% largely due to the absence of lower price, first-time homebuyers that were prevalent in the mix in 2010. Also, an 18% increase in home sale sides from our Sotheby's International Realty franchisees and an average sales price increase of 5% of those homes positively impacted RFG's overall results.

At NRT, home sale sides decreased 13% in the second quarter compared to 2010 and average home sale price increased by 5% to \$445,500, well above the national average of \$222,000. Again, the absence of lower price, first-time homebuyers that made up a larger proportionate share of overall sales in 2010 due to the tax credit contributed to upward movement on price in 2011. Said another way, the volume of sales of homes at NRT over \$750,000 increased to 48% of total sales volume in 2011 from 43% in the second quarter of 2010.

Moving from a national view, here is a look at select regional performance data for the second quarter of 2011:

NRT's Northern California operations again performed the best comparatively in the second quarter of 2011 with home sale sides increases of 4% and average sales price increases of 3% compared to second quarter 2010. Our resale business in New York City experienced home sale sides decreases of 7% but price increases of 4%. NRT's operations in Florida reported a 1% decrease in closed sides, and a 17% increase in average sales price, which was bolstered by sales in the greater Palm Beach market. Weaker areas include the Midwest –which was a huge beneficiary of last year's tax credit -- where NRT reported 20% declines in unit sales and 2% decline on average sales price. NRT's Southern California operations reported a 16% decrease in home sale sides and an 8% increase in average home price.

Looking at what we are seeing for the third quarter, at NRT the number of open contracts in June, an indicator of what will close in the third quarter, increased 14%. Every NRT region experienced double digit increases in open homesale sides except for Southern California and the Washington, D.C., area. For July, closed homesale sides combined for RFG and NRT increased approximately 7%, while average price decreased 2% versus 2010 – a net 5% gain on volume. In July, we saw some weakening in overall sales, as the move-up market appears to be constrained due to lack of equity available to purchase their next home and high-end sales slowed. Activity

Realty Corporation

Second Quarter 2011 Financial Results Webcast Transcript

August 3, 2011

at the first-time buyers' level is improving but this is putting downward pressure on average sales price compared to the first half of 2011.

Average broker commission rates in the second quarter of 2011 were flat at NRT at 2.49% while RFG average broker commission rate increased 1 basis point to 2.55% from Q2 2010. Also, RFG's net effective royalty rate declined 21 basis points to 4.83% as its larger affiliates are achieving higher volume levels of total net royalties, and Sotheby's International Realty had an increase in volume, which is at a lower net effective rate.

Cartus relocation initiations in the second quarter increased 1% and referrals decreased 7% for the period. These results speak to the stability of Cartus' book of business and its long-term relationships with its corporate, government and affinity clients. The downturn in broker referrals during the quarter is a direct result of the downward national trend in existing homesale units.

At TRG, second quarter 2011 refinance unit volume increased 4%. The company's purchase title and closing units decreased 13% in the second quarter compared to 2010, which was consistent with the NRT unit declines. Average price per closing unit increased by 4% from 2010.

Now let's review revenue and EBITDA before restructuring and other items by business unit for the quarter ended June 30, 2011 shown on **SLIDE 13**.

Total revenue at RFG was \$160 million in second quarter 2011 compared to \$173 million in 2010. The 8% revenue decrease was due to the drop in home sale sides, lower NRT royalties and the lower net effective royalty rate, partially offset by the 2% increase in average home sales price.

EBITDA before restructuring and other items at RFG was \$97 million in the second quarter 2011 compared with \$123 million in 2010. The \$26 million EBITDA decline was due to the \$13 million revenue decrease along with higher bad debt expense and note reserves and increased legal fees. Both bad debt reserves and legal fees had accrual reversals in 2010, and 2011 expenses on these items reverted to more normalized levels.

NRT EBITDA before restructuring and other items in second quarter 2011 was \$50 million. This was \$36 million below 2010, driven by a \$72 million decrease in revenue due to lower home sale sides partially offset by higher average home sale price. The revenue declines, combined with lower earnings from our PHHHL mortgage joint venture and additional expenses due to late 2010 acquisitions, were partially offset by lower commission and operating expenses.

At Cartus, EBITDA before restructuring and other items was \$32 million in 2011, up from \$28 million in 2010. Revenue increases of \$4 million were largely driven by increased international transaction volume and were the major reason for the EBITDA gains.

At TRG, revenue increased 5% as a result of higher underwriting and refinance revenue, partially offset by lower resale volume. EBITDA before restructuring and other items

Realogy Corporation

Second Quarter 2011 Financial Results Webcast Transcript

August 3, 2011

increased \$2 million as a result of revenue gains, although variable operating costs increased due to greater underwriting volume.

Turning to the balance sheet on **SLIDE 14**, we ended the quarter with a cash balance of \$154 million which includes \$117 million of readily available cash and \$37 million of statutory cash required for our title business. We had a \$180 million balance on our revolving credit facility at June 30, 2011. We expect approximately two-thirds of the revolver balance to be repaid by the end of September.

Trade and relocation receivables increased \$77 million due to normal seasonal fluctuations.

On **SLIDE 15**, we continued to reduce our "Due to Former Parent" balance from \$104 million at the end of 2010 to \$80 million at the end of June 2011. Accordingly, the synthetic letter of credit supporting this liability has been reduced to \$100 million.

The 'Revolving credit facility and current portion of long-term debt' line increased from \$194 million at December 31 to \$294 million at June 30th. The \$100 million increase was due to the \$180 million of revolver borrowings at June 30th less \$55 million of letter of credit backed borrowings repaid in the first quarter and a \$28 million reduction in near-term loan amortization due to the refinancing completed in the first quarter.

The Company finances certain relocation receivables through Apple Ridge Funding LLC, a securitization program with a five-year term that expires in April 2012. In May, the Company elected to reduce the capacity of Apple Ridge from \$500 million to \$400 million. We are currently in the process of renewing Apple Ridge, which we anticipate will be completed well in advance of April 2012.

Accrued expenses and other liabilities of \$519 million have not changed much since year end but as a reminder includes accrued interest, payroll, volume incentives, commissions, restructuring accruals and deferred income.

Our senior secured leverage ratio calculation has a maximum allowable ratio of 4.75 to 1. At June 30, 2011, the numerator – total Senior Secured Net Debt as defined in our credit agreement – totaled \$2.5 billion. That divided by Adjusted EBITDA as defined in our credit agreement of \$578 million for the 12 months ended June 30th, resulted in a senior secured net debt to Adjusted EBITDA ratio of 4.38 to 1, maintaining compliance with our credit agreement.

[SLIDE 16]

Let me provide you with expectations for certain cash flow items for the full year 2011:

- Corporate cash interest is expected to be approximately \$585 to \$595 million for the year;
- Capital expenditures are expected to be approximately \$45 million for the full year;
- Working capital inclusive of cash restructuring costs is forecasted to be a use of cash between \$20 and \$30 million; and

Realogy Corporation

Second Quarter 2011 Financial Results Webcast Transcript

August 3, 2011

- Net funding of legacy issues is expected to total approximately \$15 million for the full year.

The reduced second quarter housing market performance was anticipated due to the activity spike created in 2010 primarily due to last year's homebuyer tax credit. For the same reasons the second quarter driver comparisons were unfavorable, the third quarter comparisons are expected to show improvement. Our closed sales data is indicating year-over-year improvement in homesale sides and flat average sales price for the third quarter. Although an improvement in volume is expected, it is not as significant an improvement as we anticipated earlier in the year. If you isolate the June results and what we are seeing in July, it appears that the housing market has been adversely affected by the uncertainty around debt limit negotiations in Washington that only recently concluded as well as the continued high unemployment and low consumer confidence. Our outlook for the remainder of 2011 is not as optimistic as earlier in the year because of the sputtering economy, Washington gridlock, and regulatory and legislative risks that seem to be potentially delaying or dampening meaningful improvement in the housing market.

With that, I'll turn it over to Dea for some concluding remarks.

[SLIDE 17]

BENSON: Thank you, Richard and Tony. A few quick points of information before we conclude today's call:

- First, a transcript of this Webcast will be available on the Investor Information section of the Realogy.com Web site later today.
- Second, we anticipate announcing our Third Quarter 2011 results in November, with the exact date still to be determined.

We thank you for taking the time to join us on the call, and we look forward to speaking with you in November. Thank you.