Realogy Holdings Corp.
Form 424B3
April 12, 2013
Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-187816

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Maximum aggregate offering price	Amount of registration fee
Common Stock, par value $0.01 per share	40,250,000	$1,771,000,000(1)	$241,564.40(2)

(1) Assumes exercise in full of the underwriters option to purchase additional shares.
(2) Calculated in accordance with Rule 457(r) promulgated under the Securities Act of 1933, as amended.

Table of Contents

PROSPECTUS SUPPLEMENT

TO PROSPECTUS DATED APRIL 9, 2013

35,000,000 Shares

Realogy Holdings Corp.

Common Stock

$44.00 Per Share

This is a public offering of 35,000,000 shares of common stock of Realogy Holdings Corp. The selling stockholders identified in this prospectus supplement are offering all of the shares offered hereby. We will not receive any of the proceeds from the sale of the shares of common stock by the selling stockholders. We will pay the expenses, other than underwriting discounts and commissions, associated with the sale of shares by the selling stockholders.

Our common stock is listed for trading on The New York Stock Exchange under the symbol RLGY. The last reported sale price of our common stock on The New York Stock Exchange on April 8, 2013 was $45.84 per share.

Investing in our common stock involves risks. See Risk Factors on page S-22 of this prospectus supplement. You should also consider the risk factors described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Per Share	Total
Public offering price	$ 44.00	$ 1,540,000,000
Underwriting discounts and commissions	$ 1.21	$ 42,350,000
Proceeds to the selling stockholders	$ 42.79	$ 1,497,650,000

The selling stockholders have granted the underwriters an option to purchase, on the same terms and conditions as set forth above, an additional 5,250,000 shares of common stock within 30 days from the date of this prospectus supplement. We will not receive any of the proceeds from the sale of shares of common stock by the selling stockholders if the underwriters exercise their option to purchase additional shares of common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on or about April 16, 2013.

Goldman, Sachs & Co. J.P. Morgan

Barclays Citigroup Credit Suisse

Credit Agricole CIB **Wells Fargo Securities** **CRT Capital** **Apollo Global Securities**

April 11, 2013.

Table of Contents

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

ABOUT THIS PROSPECTUS SUPPLEMENT	S-ii
FORWARD-LOOKING STATEMENTS	S-iii
TRADEMARKS AND SERVICE MARKS	S-vi
MARKET AND INDUSTRY DATA AND FORECASTS	S-vi
PROSPECTUS SUPPLEMENT SUMMARY	S-1
RISK FACTORS	S-22
USE OF PROCEEDS	S-46
CAPITALIZATION	S-47
PRICE RANGE OF OUR COMMON STOCK	S-49
DIVIDEND POLICY	S-50
SELLING STOCKHOLDERS	S-51
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK	S-53
UNDERWRITING	S-56
CONFLICTS OF INTEREST	S-62
LEGAL MATTERS	S-62
EXPERTS	S-62
WHERE YOU CAN FIND MORE INFORMATION	S-63
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	S-63

PROSPECTUS

ABOUT THIS PROSPECTUS	1
WHERE YOU CAN FIND MORE INFORMATION	2
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	2
FORWARD-LOOKING STATEMENTS	3
THE COMPANY	6
RISK FACTORS	7
USE OF PROCEEDS	7
DESCRIPTION OF CAPITAL STOCK	7
SELLING STOCKHOLDERS	14
PLAN OF DISTRIBUTION	15
LEGAL MATTERS	19
EXPERTS	19

You should rely only on the information contained and incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus prepared by or on behalf of us. We and the selling stockholders have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The selling stockholders are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any related free writing prospectus prepared by or on behalf of us is accurate only as of the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which contains specific information about the selling stockholders and the terms on which the selling stockholders are offering and selling our shares of common stock. The second part is the accompanying prospectus, dated April 9, 2013, which contains and incorporates by reference important business and financial information about us and other information about this offering. This prospectus supplement and the accompanying prospectus are part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission (the SEC), as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended (the Securities Act).

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference herein as described herein and therein, and any free writing prospectus that we prepare and distribute. We, the underwriters and the selling stockholders have not authorized anyone to provide you with information different from that contained in or incorporated by reference into this prospectus, the accompanying prospectus supplement or any such free writing prospectus.

This prospectus supplement and the accompanying prospectus do not contain all of the information included in the registration statement as permitted by the rules and regulations of the SEC. For further information, we refer you to the registration statement on Form S-3, including its exhibits, of which this prospectus supplement forms a part. We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and therefore file reports and other information with the SEC. Statements contained in this prospectus supplement and the accompanying prospectus about the provisions or contents of any agreement or other document are only summaries. If SEC rules require that any agreement or document be filed as an exhibit to the registration statement, of which this prospectus supplement forms a part, you should refer to that agreement or document for its complete contents.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. Any statement made in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

Except as otherwise indicated or unless the context otherwise requires, the terms we, us, our, our company, Realogy, Realogy Holdings a Company refer to Realogy Holdings Corp., a Delaware corporation, and its consolidated subsidiaries, including Realogy Intermediate Holdings LLC, a Delaware limited liability company (Realogy Intermediate), and Realogy Group LLC, a Delaware limited liability company (Realogy Group). Neither Realogy Holdings, the indirect parent of Realogy Group, nor Realogy Intermediate, the direct parent company of Realogy Group, conducts any operations other than with respect to its respective direct or indirect ownership of Realogy Group.

Table of Contents

FORWARD-LOOKING STATEMENTS

Forward-looking statements included in this prospectus supplement, the accompanying prospectus, information incorporated by reference herein and therein and any related free writing prospectus are based on various facts and derived utilizing numerous important assumptions are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives, as well as projections of macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact economic trends, and any such variations may be material. Statements preceded by, followed by or that otherwise include the words believes, expects, anticipates, intends, projects, estimates, plans, and similar expressions or future or conditional verbs such as will, should, would, may and cou generally forward looking in nature and not historical facts. You should understand that the following important factors could affect our future results and cause actual results to differ materially from those expressed in the forward-looking statements:

- risks related to general business, economic, employment and political conditions and the U.S. residential real estate markets, either regionally or nationally, including but not limited to:
  - a lack of improvement in the number of homesales, stagnant or declining home prices and/or a deterioration in other economic factors that particularly impact the residential real estate market and the business segments in which we operate;
  - a lack of improvement in consumer confidence;
  - the impact of recessions, slow economic growth, disruptions in the banking system and high levels of unemployment in the U.S. and abroad;
  - increasing mortgage rates and down payment requirements and/or constraints on the availability of mortgage financing, including but not limited to the potential impact of various provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) and regulations that may be promulgated thereunder relating to mortgage financing as well as other factors that tighten underwriting standards;
  - legislative, tax or regulatory changes that would adversely impact the residential real estate market, including potential reforms of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), and potential tax code reform, which could reduce the amount that taxpayers would be allowed to deduct for home mortgage interest;
  - negative trends and/or a negative perception of the market trends in value for residential real estate;
  - renewed high levels of foreclosure activity including but not limited to the release of homes already held for sale by financial institutions;
  - insufficient or excessive regional home inventory levels;

- the inability or unwillingness of homeowners to enter into homesale transactions due to negative equity in their existing homes; and
- lower homeownership rates or failure of homeownership rates to return to more typical levels;

our geographic and high-end market concentration, particularly with respect to our company owned brokerage operations;

our inability to enter into franchise agreements with new franchisees or to realize royalty revenue growth from them;

our inability to renew existing franchise agreements or maintain franchisee satisfaction with our brands;

existing franchisees may incur operating losses if sales volume decreases which may impede their ability to grow or continue operations. Additionally, debt incurred by our franchisees during the downturn may hinder long-term growth and their ability to pay back indebtedness;

disputes or issues with entities that license us their trade names for use in our business that could impede our franchising of those brands;

actions by our franchisees that could harm our business or reputation, non-performance of our franchisees, controversies with our franchisees or actions against us by third parties with which our franchisees have business relationships;

competition in our existing and future lines of business;

our failure to comply with laws, regulations and regulatory interpretations and any changes in laws, regulations and regulatory interpretations;

seasonal fluctuations in the residential real estate brokerage business which could adversely affect our business, financial condition and liquidity;

the loss of any of our senior management or key managers or employees or other significant labor or employment issues;

adverse effects of natural disasters or environmental catastrophes;

risks related to our international operations;

risks associated with our substantial indebtedness and interest obligations, including risks related to having to dedicate a substantial portion of our cash flows from operations to service our debt, risks related to our ability to refinance our indebtedness and to incur additional indebtedness, risks associated with our ability to comply with our senior secured leverage ratio covenant under our senior secured credit facility, interest rate risk, and risks related to an event of default under our outstanding indebtedness;

changes in corporate relocation practices resulting in fewer employee relocations;

an increase in the claims rate of our title underwriter;

our inability to securitize certain assets of our relocation business, which would require us to find an alternative source of liquidity that may not be available, or if available, may not be on favorable terms;

- limitations on flexibility in operating our business due to restrictions contained in our debt agreements;
- any remaining resolutions or outcomes with respect to the contingent liabilities of Cendant (as defined below) under the Separation and Distribution Agreement (as defined below) and the Tax Sharing Agreement (as defined below), including any adverse impact on our future cash flows;
- any adverse resolution of litigation, governmental proceedings or arbitration awards; and
- new types of taxes or increases in state, local or federal taxes that could diminish profitability or liquidity.

Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect, our actual results may vary in material respects from those projected in these forward-looking statements. You should consider these important factors, as well as the risk factors set forth in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference herein and therein, in evaluating any statement made in this prospectus supplement.

Any forward-looking statement made by us in this prospectus supplement, the accompanying prospectus or in any documents incorporated by reference herein speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Table of Contents

TRADEMARKS AND SERVICE MARKS

We own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our business. Some of the more important trademarks that we own or have rights to use that appear in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, include the CENTURY 21®, COLDWELL BANKER®, ERA®, THE CORCORAN GROUP®, COLDWELL BANKER COMMERCIAL®, SOTHEBY S INTERNATIONAL REALTY® and BETTER HOMES AND GARDENS® REAL ESTATE marks, which are registered in the United States and/or registered or pending registration in other jurisdictions, as appropriate, to the needs of our relevant business. Each trademark, trade name or service mark of any other company appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, is owned by such company.

MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus supplement includes and incorporates by reference data, forecasts and information obtained from independent trade associations, industry publications and surveys and other information available to us. Some data is also based on our good faith estimates, which are derived from management s knowledge of the industry and independent sources. As noted in this prospectus supplement, the National Association of Realtors (NAR), Fannie Mae and Freddie Mac were the primary sources for third-party industry data and forecasts. While data provided by NAR and Fannie Mae are two indicators of the direction of the residential housing market, we believe that homesale statistics will continue to vary between us, on the one hand, and NAR and Fannie Mae, on the other, because they use survey data in 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. For instance, comparability is impaired due to NAR s utilization of seasonally adjusted annualized rates whereas we report actual period over period changes and their use of median price for their forecasts compared to our average price. Additionally, NAR data is subject to periodic review and revision. While we believe that the industry data presented herein 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.

Forecasts regarding rates of home ownership, median sales price, volume of homesales and other metrics included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, to describe the housing industry are inherently uncertain or speculative in nature and actual results for any period may materially differ. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but such information may not be accurate or complete. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our market position are based on market data currently available to us. While we are not aware of any misstatements regarding industry data provided herein, our estimates involve risks and uncertainties and are subject to change based upon various factors, including those discussed under the headings Risk Factors and Forward-Looking Statements and other factors discussed in the documents incorporated by reference herein. Similarly, we believe our internal research is reliable, even though such research has not been verified by any independent sources.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. You should read in their entirety this prospectus supplement, the accompanying prospectus and any related free writing prospectus, together with all documents incorporated by reference herein and therein, carefully before making an investment decision to purchase our common stock. You should also carefully consider the matters discussed, and incorporated by reference herein and therein, in the sections entitled Risk Factors. All amounts in this prospectus supplement are expressed in U.S. dollars and the financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP).

Our Company

We are the preeminent and most integrated provider of residential real estate services in the U.S. We are the world s largest franchisor of residential real estate brokerages with some of the most recognized brands in the real estate industry, the largest owner of U.S. residential real estate brokerage offices, the largest U.S. and a leading global provider of outsourced employee relocation services and a significant provider of title and settlement services. Our owned and franchised brokerage businesses are more than two and a half times larger than their nearest competitor and, in 2012, we were involved in approximately 26% of domestic existing homesale transaction volume that involved a real estate brokerage firm. Our revenue is derived on a fee-for-service basis, and given our breadth of complementary service offerings, we are able to generate fees from multiple aspects of a residential real estate transaction. Our operating platform is supported by our portfolio of industry leading franchise brokerage brands, including Century 21®, Coldwell Banker®, Coldwell Banker Commercial, ERA®, Sotheby s International Realty® and Better Homes and Gardens® Real Estate and we also own and operate the Corcoran Group® and CitiHabitats brands. Our multiple brands and operations allow us to derive revenue from many different segments of the residential real estate market, in many different geographies and at varying price points.

We believe that we are experiencing a recovery in the residential real estate market. During the year ended December 31, 2012, on a company-wide basis, our volume of completed homesales (i.e., average homesale price times the number of homesale transactions) increased 18% compared to the year ended December 31, 2011. The most recent NAR forecast estimates that the volume of existing homesales (i.e., median homesale price times number of homesale transactions) will increase 14% for the full year 2013 compared to 2012 and increase a further 10% in 2014 compared to 2013.

We believe that our business is well positioned to benefit from a continued recovery in the residential real estate market as a result of our scale, market leadership, breadth of complementary service offerings and operations, and the substantial brand equity of our portfolio of brokerage brands. Furthermore, during the recent downturn in the residential real estate market, we implemented a number of actions which we believe have fundamentally improved our operations and enhanced our ability to generate significant growth in our Adjusted EBITDA and free cash flow. For the period from 2006 through 2011, due to the decline in the residential real estate market, our revenues and related commission expense decreased $2.4 billion and $1.4 billion, respectively. Since 2006, we have reduced our operating cost base, which we define as our operating, marketing and general and administrative expenses, which are line items on the face of our statement of operations, by approximately $500 million, of which approximately $200 million occurred from 2009 to 2011, primarily through reductions in salaries and related employee expense, occupancy costs and marketing expenses. This has been accomplished by streamlining business units, consolidating offices and increasing the use of online listings distribution, while improving the infrastructure necessary to preserve our best-in-class service and enhancing our ability to capitalize on a recovery in the residential real estate market. While both our revenues and commission expense would be expected to increase in connection with a continued recovery in the residential real estate market, we believe the reduction in our operating cost base will be largely sustainable, as these cost reductions relate

primarily to the decrease in our employee headcount from approximately 15,000 employees at January 1, 2006 to approximately 10,800 employees at December 31, 2012 and the consolidation or closing of approximately 370 brokerage offices (and the related savings from no longer operating such offices) during the same period. These two expense items are not expected to increase as we believe our current office footprint and employee level can efficiently operate at present levels even if we were to experience a significant increase in residential real estate activity. We have continued to invest in our businesses to further strengthen our long-term growth prospects in a recovering housing market, including growing our franchise network through adding brokers to our existing franchise brands, adding a new franchise brokerage brand, Better Homes and Gardens® Real Estate, recruiting sales associates and completing several strategic acquisitions.

In October 2012, we issued 46 million shares of common stock and raised net proceeds of approximately $1,176 million in the initial public offering (the IPO) of our common stock. In conjunction with the closing of the IPO, holders of all of the approximately $2.1 billion aggregate principal amount of our then outstanding Convertible Notes (as defined below) converted all of their Convertible Notes into approximately 81 million shares of common stock, and certain of such holders received approximately 9.7 million additional shares of common stock pursuant to letter agreements entered into in connection therewith. At April 5, 2013, the Company had 145.4 million shares of common stock outstanding. The consummation of the IPO and related transactions and the application of the proceeds therefrom resulted in the reduction of our outstanding indebtedness by approximately $2.9 billion and a significant reduction of our annualized interest expense.

In April 2013, we intend to use the remaining net proceeds from the IPO, cash on hand and borrowings under our revolving credit facility, to redeem (i) all of the approximately $130 million aggregate outstanding principal amount of our 12.00% Senior Notes (as defined below) and (ii) all of the approximately $200 million aggregate outstanding principal amount of our Senior Subordinated Notes (as defined below). Our reduced interest expense, combined with our modest capital expenditure requirements and the substantial reduction of future cash taxes from the anticipated utilization of approximately $2.3 billion of net operating loss carry forwards as of December 31, 2012, positions us to generate significant free cash flow if the residential real estate market recovery continues. Although we do not have any significant debt maturities until 2017, we intend to use a substantial portion of future free cash flow generation to further reduce our outstanding indebtedness, including, but not limited to, the redemption of our 11.50% Senior Notes (as defined below) when we may optionally do so under the terms of the indenture under which they were issued.

Segment Overview

We report our operations in four segments, each of which receives fees based upon services performed for our customers: Real Estate Franchise Services (RFG), Company Owned Real Estate Brokerage Services (NRT), Relocation Services (Cartus) and Title and Settlement Services (TRG). See Management s Discussion and Analysis of Financial Condition and Results of Operations and the financial statements, including the notes thereto, incorporated by reference in this prospectus supplement for further information on our reportable segments.

Real Estate Franchise Services

We are the largest franchisor of residential real estate brokerages in the world through our portfolio of well known brokerage brands, including Century 21®, Coldwell Banker®, Coldwell Banker Commercial, ERA®, Sotheby s International Realty®, and Better Homes and Gardens® Real Estate. We derive substantially all of our real estate franchising revenues from royalty fees received under long-term (typically ten year) franchise agreements with our franchisees. The royalty fee is based on a percentage of the franchisees sales commission earned from real estate transactions, which we refer to as gross commission income. Our franchisees pay us fees for the right to operate under one of our trademarks and to enjoy the benefits of the systems and business-enhancing tools provided by our real estate franchise operations. These fees provide us with recurring franchise

revenue streams at high operating margins. In addition to highly competitive brands that provide unique offerings to our franchisees, we support our franchisees with dedicated national marketing and servicing programs, technology, agent recruiting, training and education to facilitate our franchisees in growing their business and increasing their revenue and profitability. We believe that one of our strengths is the strong relationships that we have with our franchisees, as evidenced by our 97% retention rate through December 31, 2012. Our retention rate represents the annual gross commission income as of December 31st of the previous year generated by our franchisees that remain in the franchise systems on an annual basis, measured against the annual gross commission income of all franchisees as of December 31st of the previous year. At December 31, 2012, our real estate franchise systems had approximately 13,600 offices worldwide in 102 countries and territories, including approximately 6,100 brokerage offices in the U.S. and approximately 238,900 independent sales associates worldwide (which included approximately 41,300 independent sales agents working with our company owned brokerage offices) including approximately 166,000 sales associates operating under our franchise and proprietary brands in the U.S., with an average tenure among U.S. franchisees of approximately 19 years as of December 31, 2012.

Company Owned Real Estate Brokerage Services

We own and operate the largest residential real estate brokerage business in the U.S. under the Coldwell Banker®, Sotheby s International Realty®, ERA®, Corcoran Group® and CitiHabitats brand names. We offer full-service residential brokerage services through approximately 710 company owned brokerage offices in more than 35 of the largest metropolitan areas of the U.S. As a result of our attractive geographic positioning, the average sales price of an NRT transaction is approximately twice the national average. NRT, as the broker for a home buyer or seller, derives revenues primarily from gross commission income received at the closing of real estate transactions. In addition, we participate in the mortgage process through our 49.9% ownership of PHH Home Loans LLC (PHH Home Loans), our home mortgage venture with PHH Broker Partner Corporation (PHH). Our home mortgage joint venture with PHH is the exclusive recommended provider of mortgages for our real estate brokerage and relocation service customers (unless exclusivity is waived by PHH). We also assist landlords and tenants through property management services.

Relocation Services

We are a leading global provider of outsourced employee relocation services. We are the largest provider of such services in the U.S. and also operate in key international relocation destinations. We offer a broad range of world-class employee relocation services designed to manage all aspects of an employee s move to facilitate a smooth transition in what otherwise may be a complex and difficult process for the employee and employer. Our relocation services business serves corporations, including over 64% of the Fortune 50 companies, as well as affinity organizations such as insurance companies and credit unions that provide our services to their members. In 2012, we assisted in over 158,000 relocations in more than 150 countries for approximately 1,500 active clients and as of December 31, 2012, our top 25 relocation clients had an average tenure of 17 years with us.

Title and Settlement Services

We assist with the closing of real estate transactions by providing full-service title and settlement (i.e., closing and escrow) services to customers, real estate companies, including our company owned real estate brokerage and relocation services businesses, as well as a targeted channel of large financial institution clients, including PHH. In 2012, TRG was involved in the closing of approximately 194,000 transactions of which approximately 54,000 related to NRT. In addition to our own title and settlement services, we also coordinate a nationwide network of attorneys, title agents and notaries to service financial institution clients on a national basis. We also serve as an underwriter of title insurance policies in connection with residential and commercial real estate transactions. Our average claims rate for 2012 in title underwriting of 1.3% is well below the industry average of 7% for the same period.

Table of Contents

Participation in Multiple Aspects of the Residential Real Estate Market

We participate in services associated with many aspects of the residential real estate market. Our four complementary businesses and mortgage joint venture work together to form our value circle, allowing us to generate revenue at various points in a residential real estate transaction, as illustrated in the diagram below, including listing of homes, assisting buyers in home searches, corporate relocation services, settlement and title services, and franchising of our brands. The businesses each benefit from our deep understanding of the industry, strong relationships with real estate brokers, sale associates and other real estate professionals and expertise across the transactional process. Unlike other industry participants who offer only one or two services, we can offer homeowners, our franchisees and our corporate and affinity clients ready access to numerous associated services that facilitate and simplify the home purchase and sale process. These services provide further revenue opportunities for our owned businesses and those of our franchisees. Specifically, our brokerage offices and those of our franchisees participate in purchases and sales of homes involving relocations of corporate transferees and affinity members using Cartus relocation services and we offer customers (purchasers and sellers) of both our owned and franchised brokerage businesses convenient title and settlement services. These services produce incremental revenues for our businesses and franchisees. In addition, we participate in the mortgage process through our 49.9% ownership of PHH Home Loans. All four of our businesses and our mortgage joint venture can derive revenue from the same real estate transaction.

Table of Contents

Industry Trends

Industry definition. We primarily operate in the U.S. residential real estate industry, which is an approximately $1.16 trillion industry based on 2012 transaction volume (i.e. average homesale price times the number of new and existing homesale transactions), as compared to $2.1 trillion in 2006, and derive the substantial majority of our revenues from serving the needs of buyers and sellers of existing homes rather than those of new homes. Residential real estate brokerage companies typically realize revenues in the form of a commission that is based on a percentage of the price of each home sold and/or a flat fee. As a result, the real estate industry generally benefits from rising home prices and increased volume of homesales (and conversely is adversely impacted by falling prices and decreased volume of homesales). We believe that existing home transactions and the services associated with these transactions, such as mortgage origination, title services and relocation services, represent the most attractive segment of the residential real estate industry for the following reasons:

- the existing homesales segment represents a significantly larger addressable market than new homesales. Of the approximately 5.0 million homesales in the U.S. in 2012, NAR estimates that approximately 4.7 million were existing homesales, representing approximately 93% of the overall sales as measured in units;
- existing homesales afford us the opportunity to represent either the buyer or the seller and in some cases both the buyer and the seller; and
- we are able to generate revenues from ancillary services provided to our customers.

We also believe that the traditional broker-assisted business model compares favorably to alternative channels of the residential brokerage industry, such as discount brokers and for sale by owner (FSBO) for the following reasons:

- a real estate transaction has certain characteristics that we believe are best suited for full-service brokerages, including large monetary value, low transaction frequency, wide cost differential among choices, high buyers subjectivity regarding styles, tastes and preferences, and the consumer s need for a high level of personalized advice, specific marketing and technology services and support given the complexity of the transaction; and
- we believe that enhanced service and value offered by a traditional agent or broker is such that using a traditional agent or broker will continue to be the primary method of buying and selling a home in the long term. According to NAR, 88% of homes were sold using an agent or broker in 2012 compared to 79% in 2001.

We are confident that consumers will continue to choose to use the broker-assisted model for residential real estate transactions because (i) the average transaction size is very high and generally the largest transaction one does in a lifetime; (ii) transactions occur infrequently; (iii) there is a high variance in price, depending on neighborhood, floor plan, architecture, fixtures, and outdoor space; (iv) there is a compelling need for personal service as home preferences are unique to each buyer; and (v) a high level of support is required given the complexity associated with the process. Underscoring the value of the traditional brokerage model, after declining modestly during the height of the residential real estate market to 2.47% per transaction side, the average broker commission rate earned by our franchisees and our owned operations has held steady at approximately 2.52% over the past three years.

Cyclical nature of industry. The existing homesale real estate industry is cyclical in nature and has historically shown strong growth. Based on information published by NAR, existing homesale units increased at a compound annual growth rate, or CAGR, of 1.8% from 1972 through 2012, with unit increases 25 times on an annual basis, versus 15 annual decreases. During that same period, median existing homesale prices increased at a CAGR of 4.8% (not adjusted for inflation) from 1972 through 2012, a period that included four economic recessions. According to NAR, the existing homesale transaction volume (median homesale price times existing homesale transactions) was approximately $825 billion in 2012 and grew at a CAGR of 6.8% from 1972 through 2012.

Commencing in the second half of 2005 and continuing through 2011, the existing homesale real estate industry was in a significant and lengthy downturn. Based upon data published by NAR from 2005 to 2011, the number of annual U.S. existing homesale units declined by 40% and the median existing homesale price declined by 24%. Despite economic headwinds that particularly impacted the housing market, according to NAR, the number of existing homesale transactions from 2008 to 2011 were in the 4.1 to 4.3 million range on an annual basis. During 2012, the industry evidenced the beginning of a recovery and the recovery has continued in 2013. According to NAR, existing homesale transactions and median existing homesale price increased 10% and 6%, respectively, in 2012 compared to 2011. The beginning of the housing recovery in 2012 was particularly evident with respect to year-over-year unit growth. The most recent NAR forecast estimates that the volume of existing homesales (i.e. median homesale price times number of homesale transactions) will increase 14% for the full year 2013 compared to 2012 and increase a further 10% in 2014 compared to 2013. We believe that the 2012 and 2013 year-to-date improvement in the residential real estate market may be reflective of a continuing market recovery driven by lower interest rates, fewer foreclosures, high affordability of home ownership, and demand that has built up during a period of economic uncertainty. The inventory supply is returning to a more typical level (and in certain areas of the country, a lack of inventory at lower price points) and acting as a stabilizing force on home prices. In addition, as rental prices have recently continued to rise, the cost of owning a home is now lower than the rental of a comparable property in the vast majority of U.S. metropolitan areas.

As of their most recent releases, Fannie Mae and NAR are forecasting an 10% and a 7% increase in existing homesale transactions for 2013 compared to 2012, respectively. With respect to homesale prices, NAR s most recent release is forecasting median homesale prices for 2013 to increase 7% compared to 2012. Fannie Mae s most recent forecast shows a 4% increase in median homesale price for 2013 compared to 2012. For 2014, NAR is forecasting a 6% increase in homesales to 5.3 million units compared to 2013. NAR also is forecasting a 4% increase in median existing homesale prices in 2014 compared to 2013.

Although there have been concerns about significant shadow inventory (i.e., properties where the homeowner is seriously delinquent in meeting its mortgage obligations or where the property is in some stage of foreclosure or already a real estate owned property (REO)), we do not believe that this will have a significant impact on our business, as the concentration of the shadow inventory is limited to a few regions of the country and the potential increase in unit sales activity should offset in whole or in part the adverse impact on home prices in these regions. Furthermore, according to NAR, the percentage of distressed properties has declined from 34% of sales in February 2012 to 25% of sales in February 2013, and institutions holding distressed mortgages have increasingly shifted activity away from REOs and focused on short sales, which are less disruptive to the market.

Favorable long-term demographics. We believe that long-term demand for housing and the growth of our industry is primarily driven by affordability, the economic health of the U.S. economy, positive demographic trends such as population growth, increases in the number of U.S. households, low interest rates, increases in renters that qualify as homebuyers and locally based factors. We believe that the residential real estate market will benefit over the long term from expected positive fundamentals, including the following factors:

- based on U.S. Census data and NAR, from 1991 through 2012, the average number of existing homesale transactions as a percentage of U.S. households was approximately 4.5%, compared to an average of approximately 3.8% from 2007 through 2012. During the same period, the number of U.S. households grew from 94 million in 1991 to 121 million in 2012, increasing at a 1% CAGR. We believe that as the U.S. economy stabilizes, the number of existing homesale transactions as a percentage of U.S. households will progress to the 4.5% mean level and the number of annual existing homesale transactions will increase;

- according to the 2011 State of the Nation s Housing Report compiled by the Joint Center for Housing Studies at Harvard University, the number of U.S. households is projected to grow by an average of 1.2 million annually from 2010 to 2020. Assuming this annual household formation and given the lack of new home building activity over the past several years, we would expect both home sale price and volume to exhibit strong growth over the long term;

aging echo boomers (i.e., children born to baby boomers) are expected to drive much of the next U.S. household growth;

we believe that as baby boomers age, a portion are likely to purchase smaller homes or purchase retirement homes thereby increasing homesale activity; and

according to NAR, the number of renters that qualify to buy a median priced home increased from 9 million in 2005 to 20 million in 2012.

Our Strengths

We believe that our scale, market leadership, breadth of complementary servicing offerings and operations, and the substantial brand equity of our portfolio of brokerage brands, coupled with our efficient shared back office operations are distinguishing factors in our industry and provide us with various competitive advantages. These strengths include the following:

The market leader in residential real estate services. We believe that we are the preeminent provider of residential real estate services with a strong market presence in each of our business units. For instance:

in 2012, we were involved, either through our franchise operations or company owned brokerage offices, in approximately 26% of all existing domestic homesale transaction volume that involved a real estate brokerage firm;

our franchise real estate brokerage business is more than two and a half times larger than our nearest competitor when measured by the number of independent sales associates;

our owned real estate brokerage business generates approximately three and a half times the sales volume of our nearest domestic competitor;

our relocation services business is nearly double that of our nearest competitor when measured by the volume of relocated employees in 2012; and

our title and settlement services business continues to strengthen through continued participation in NRT transactions, expansion of services provided to third party mortgage originators and growth in title underwriting.

World class portfolio of real estate brands serving all market segments. We are the only major residential real estate services provider to successfully manage multiple, locally competing real estate brands on both a national and international basis. Our brands are among the most well known and established real estate brokerage brands in the world. The strong image and familiarity of our brands attract potential real estate buyers and sellers to seek out brokers affiliated with our brands. We believe that brand recognition is important in the real estate business because home buyers and sellers are generally infrequent users of brokerage services and typically rely on reputation and market prominence as well as word-of-mouth recommendations. In addition, we believe that brand recognition contributes significantly to the retention of independent sales associates, as evidenced by the retention of the production of approximately 94% of our first and second quartile of sales associates at NRT through December 31, 2012, as well as the retention of our franchisees, as evidenced by our franchisee retention rate of 97% of gross commission income in our franchise system through December 31, 2012. Our broad array of brands and operations allows us to derive revenue from many different segments of the residential real estate market, in many different geographies and at varying price points. For example, our Sotheby s brand serves the high-end market and its global brand recognition is fueling its strong international growth, while our Century 21® brand serves all market segments in the U.S. and internationally as one of the most recognizable names in real estate.

Attractive business model with recurring revenue base. We believe that our established role as an intermediary in the home sale process and our integrated fee-for-services platform creates a strong business model with recurring revenue streams. Our real estate franchise operations have a recurring franchisee revenue base, generate high profit margins and require relatively modest capital investment. We also realize

significant

economies of scale by servicing multiple brands with a single shared service organization that provides, among other services, accounting, collection and technology platforms that benefit all our brands. We believe that our business model positions us well to take advantage of the continually-evolving housing needs of individuals across the demographic spectrum, providing a certain level of recurring revenue.

Revenue enhancing value circle among our complementary businesses. We believe that our four complementary businesses and mortgage joint venture uniquely position us to generate revenue growth opportunities from the multiple components of a residential real estate transaction, with each service generating the potential for revenues in ancillary services offered by other business units. We believe that our strong, long-term relationships with our franchisees, the broad range of our real estate and relocation services and our ability to capture incremental business opportunities through cross-selling many of our related products and services provide us with significant market place advantages and incremental revenue generation opportunities.

Well-positioned for a residential real estate market recovery. Since 2005, we have instituted a number of actions that we believe more favorably position our business, relative to prior residential real estate market cycles, to take advantage of a continued residential real estate market recovery. Although the unfavorable conditions in the real estate market have resulted in significant operating losses over the last several years, we have reduced our operating cost base by approximately $500 million since 2006, of which approximately $200 million of the reduction occurred from 2009 to 2011. We believe that we will be able to maintain a significant majority of those savings as the residential housing market continues its recovery. Furthermore, we have continued to invest in our business to drive future growth opportunities. For example, in 2008 we launched the Better Homes and Gardens® Real Estate brokerage brand to expand market penetration opportunities. At RFG, we have continued to enlarge our franchise network footprint by adding a significant number of new franchisees and at NRT we have continued to add to our sales associate base by recruiting productive new sales associates and strategically acquiring brokerage firms. In addition, we expanded the Cartus global footprint through the acquisition of Primacy Relocation LLC (Primacy) in 2010. Our historically strong performance at higher residential real estate activity levels, combined with the investments we have made in our business and the cost-saving actions we have taken, position us to take advantage of a continued residential real estate market recovery.

Attractive cash flow generation characteristics. Following the completion of the IPO and related transactions, we reduced our outstanding indebtedness by approximately $2.9 billion and expect to further reduce our indebtedness through the anticipated redemption in April 2013 of approximately $130 million aggregate outstanding principal amount of our 12.00% Senior Notes and approximately $200 million aggregate outstanding principal amount of our Senior Subordinated Notes. The significant reduction of our interest expense associated with the elimination of such indebtedness, combined with our modest capital expenditure requirements and the substantial reduction of future cash taxes from the anticipated utilization of approximately $2.3 billion of net operating loss carry forwards as of December 31, 2012, positions us to generate significant free cash flow. The cash tax benefit from our net operating losses (NOLs) is dependent upon our ability to generate sufficient taxable income. Accordingly, we may be unable to earn enough taxable income in order to fully utilize our current NOLs.

Industry leading management team. Our executive officers have extensive experience in the real estate industry, which we believe is an essential component to our future growth. Our senior executive management team combines a deep knowledge of the real estate markets and an understanding of industry trends. We believe that our depth of experience in these areas has enabled us to effectively manage through the economic downturn despite our significant operating losses during such time, adapt to technological advances, operate more effectively, and remain a preeminent provider of real estate and relocation services in the U.S.

Table of Contents

Our Strategies

We intend to pursue the following key elements of our business strategy in order to continue to grow and strengthen the Company:

Capitalize on a residential real estate market recovery. Since 2005, we have undertaken significant efforts to streamline our businesses, expand our operational footprint and invest in our business which we believe positions us well to capitalize on a continued residential real estate market recovery. Notwithstanding the fact that we incurred net losses for the years ended December 31, 2012 and December 31, 2011 primarily due to our high interest expense obligations combined with the downturn in the residential real estate market, we believe that our business model will allow us to achieve incremental EBITDA driven by macroeconomic improvements to the overall residential real estate market and/or due to actions taken by management to improve our market position through organic gains or strategic acquisitions. For example, in 2012, EBITDA at NRT and RFG combined would have increased by approximately $12 million (assuming all other variables remain constant) with every 1% increase in either our homesale sides or average selling price. In addition, EBITDA at Cartus and TRG will also benefit from the recovering residential real estate market and overall economy.

Continue to utilize our technology platform to add value and differentiate our services. We believe that we effectively use innovative technology to attract more customers, enhance sales associates productivity and improve our profitability. We intend to continue to identify, acquire, develop, and market new technologies and tools that are designed to further solidify our market position, expand our customer base, convert Internet leads into revenue generating opportunities, be more responsive to our customers needs and help our independent sales associates to become more efficient and successful. We continue to expand our technological platform to effectively leverage technologies across our franchised and proprietary brands and differentiate our business from new entrants in the real estate market. This technological platform allows us to continue to strengthen ties and maximize connectivity with our independent sales associates, franchisees, corporate customers and home buyers.

Ongoing focus on growth opportunities. We continue to focus on the growth of our businesses, and believe that each of our segments is well-positioned to take advantage of unique growth opportunities.

Real Estate Franchise Services. We intend to grow our real estate franchise business by selling new franchises and helping current franchisees recruit productive sales associates and grow their businesses. We believe we have significant incremental franchise sales opportunities with real estate brokers that are unaffiliated with a real estate brand, currently estimated to represent 62% of brokers, as well as real estate brokers that are affiliated with competing brands. We believe our franchise sales force can effectively market our franchise systems to these brokerages by leveraging our brand names, technologies, sales, marketing and educational support systems, and prospective participation in the Cartus Broker Network, which is a network of real estate brokers consisting of our company owned brokerage operations, select franchisees and independent real estate brokers who have been approved to become members. We also intend to continue to expand our international presence through the sale of international master franchises (with the right to subfranchise), which has been our primary method of international expansion at RFG in 101 countries and territories, and, with some of our brands, direct franchise sales.

Company Owned Real Estate Brokerage Services. We intend to continue to recruit, acquire and develop effective independent sales associates who can successfully engage and promote transactions from new and existing clients, which we believe will increase NRT s profit margins due in part to our ability to incorporate new sales associates into our existing infrastructure. We also intend to continue to optimize our office footprint by opportunistically consolidating offices, rationalizing office size and reducing lease expense where appropriate in order to enhance overall profitability.

Relocation Services. We intend to continue to expand our relocation services business domestically and globally through a combination of adding new clients, providing additional services to existing clients and providing new product offerings. In 2012, we signed 117 new clients and expanded services

Table of Contents

provided to approximately 300 existing clients, and our pipeline of client prospects for 2013 is robust. We also intend to grow our affinity services business, which provide our services to organizations such as insurance companies and credit unions that have established members.

Title and Settlement Services. We intend to grow our title and settlement services business by recruiting title and escrow sales associates in existing markets and by completing acquisitions to expand our geographic footprint or complement existing operations. We also intend to continue to increase our capture rate of title business from our NRT homesale sides. During 2012, approximately 40% of the customers of our company owned brokerage offices where we offer title coverage also utilized our title and settlement services. In addition, we expect to continue to grow and diversify our lender channel and our title underwriting businesses by expanding and adding clients and increasing our agent base, respectively.

Utilize Cash Flow from Operations to further reduce indebtedness. Although we do not have any significant corporate debt maturities until 2017, with the positive cash flow we expect to generate from improved profitability as a result of the continuation of the residential real estate market recovery, our low capital expenditure requirements, low cash income taxes as a result of the anticipated utilization of our significant net operating loss position of $2.3 billion as of December 31, 2012 and our reduced annual interest expense following the IPO and related transactions, we intend to use a substantial portion of the cash flow generated from our business and the remaining net proceeds from the IPO to further reduce our outstanding indebtedness in the future. The cash tax benefit from our NOLs is dependent upon our ability to generate sufficient taxable income. Accordingly, we may be unable to earn enough taxable income in order to fully utilize our current NOLs.

Recent Developments

The following preliminary, unaudited financial information reflects our expectations with respect to our results of operations for the quarter ended March 31, 2013, based on currently available information. We have not yet finalized our financial statements as of and for the quarter ended March 31, 2013, and our independent registered public accounting firm has not audited, reviewed, compiled or performed any procedures with respect to the preliminary financial information presented below and accordingly does not express an opinion or any form of assurance with respect thereto. Actual results for the period may differ materially from the preliminary estimates presented below.

Preliminary Results for the Quarter Ended March 31, 2013

Net revenue for the three months ended March 31, 2013, is expected to be in the range of $950 million to $960 million, representing an increase of 9% to 10% compared to the three months ended March 31, 2012. Adjusted EBITDA for the three months ended March 31, 2013, is expected to be in the range of $70 million to $74 million, representing a 32% to 40% increase compared to the three months ended March 31, 2012. Net loss attributable to Realogy Holdings for the three months ended March 31, 2013 is expected to be in the range of $69 million to $78 million. Net loss attributable to Realogy Holdings for the period includes approximately $89 million of interest expense, a reduction of approximately $81 million, or 48%, compared to the three months ended March 31, 2012, and approximately $42 million of depreciation and amortization. Annual cash interest for 2013 is expected to be in the range of $315 to $320 million, which gives effect to the amendment and restatement of our senior secured credit facility and our anticipated redemption of our 12.00% Senior Notes and Senior Subordinated Notes in April 2013 as described above. For more information, see Capitalization.

The improved results were largely due to an increase in the volume of completed homesales at RFG and NRT. On a company-wide basis, our volume of completed homesales increased 14% year-over-year. Specifically, RFG had a 9% increase in average homesale price and a 6% increase in homesale transaction sides

Table of Contents

year-over-year, while NRT had a 6% increase in average homesale price and a 5% increase in homesale transaction sides during the first quarter of 2013 as compared to the prior year s first quarter. The first quarter of 2013 contained one less business day than the first quarter of 2012, which adversely impacted the results by approximately 2% compared to the prior year period.

We believe average homesale prices continue to react to low inventory levels as demand is exceeding available supply, although we believe such inventory levels are modestly increasing. Based on our open contracts in February and March that we expect to close in the second quarter of 2013, we currently estimate that the volume of completed homesales will increase in the low- to mid-teens in the second quarter of 2013 at RFG and NRT combined.

A reconciliation of the net loss attributable to Realogy Holdings to Adjusted EBITDA for the three months ended March 31, 2012 and the anticipated range of net loss attributable to Realogy Holdings to Adjusted EBITDA for the three months ended March 31, 2013 is set forth in the following table:

	Three Months Ended March 31, 2013		Three Months Ended March 31, 2012
	Low	High	
Net loss attributable to Realogy Holdings	$ (78)	$ (69)	$ (192)
Income tax expense	10	5	7
Loss before income taxes	(68)	(64)	(185)
Interest expense, net	89	89	170
Depreciation and amortization	42	42	45
EBITDA	$ 63	$ 67	$ 30
Legacy costs, merger costs and restructuring costs	1	1	
Loss on early extinguishment of debt	3	3	6
Pro forma effect of business optimization initiatives	3	3	9
Non-recurring fair value adjustments for purchase accounting			1
Non-cash charges	(2)	(2)	
Pro forma effect of acquisitions and new franchises	1	1	1
Apollo management fees			4
Incremental securitization interest costs	1	1	2
Adjusted EBITDA	$ 70	$ 74	$ 53

See note (3) in Summary Historical Consolidated Financial Data below for the definitions of EBITDA and Adjusted EBITDA and a discussion of the limitations of such non-GAAP measures and the adjustments.

Table of Contents

A reconciliation of the anticipated range of the net loss attributable to Realogy Holdings to Adjusted EBITDA for the twelve months ended March 31, 2013 is set forth in the following table:

	Twelve Months Ended March 31, 2013	
	Low	**High**
Net loss attributable to Realogy Holdings	$ (429)	$ (420)
Income tax expense	42	37
Loss before income taxes	(387)	(383)
Interest expense, net	447	447
Depreciation and amortization	170	170
EBITDA	$ 230	$ 234
Legacy costs, merger costs and restructuring costs	5	5
IPO related costs for the Convertible Notes	361	361
Loss on early extinguishment of debt	21	21
Pro forma effect of cost savings	7	7
Pro forma effect of business optimization initiatives	25	25
Non-cash charges	(5)	(5)
Non-recurring fair value adjustments for purchase accounting	2	2
Pro forma effect of acquisitions and new franchisees	6	6
Apollo management fees	35	35
Incremental securitization interest costs	6	6
Adjusted EBITDA	$ 693	$ 697

See note (3) in Summary Historical Consolidated Financial Data below for the definitions of EBITDA and Adjusted EBITDA and a discussion of the limitations of such non-GAAP measures and the adjustments.

Principal Stockholders

Our principal stockholders are investment funds affiliated with or managed by Apollo Management VI, L.P. or one of its affiliates (the Apollo Funds). The Apollo Funds are affiliates of Apollo Global Management, LLC (together with its subsidiaries, Apollo). The Apollo Funds are offering shares of common stock in this offering, which were issued to the Apollo Funds in connection with our acquisition in 2007 by the Apollo Funds, upon the conversion of the Convertible Notes previously held by certain of them in conjunction with the IPO and pursuant to the letter agreements entered into in connection therewith. See Certain Relationships and Related Transactions, and Director Independence in Part III, Item 13 of our Annual Report on Form 10-K for the year ended December 31, 2012, incorporated by reference herein for a discussion of our transactions and agreements with Apollo, certain of which relate to our governance. As of April 5, 2013, the Apollo Funds indirectly beneficially owned approximately 45% of our common stock. After giving effect to this offering, the Apollo Funds would continue to beneficially own approximately 21% of our common stock (or approximately 17% if the underwriters exercise their option to purchase additional shares in full). See Selling Stockholders. Founded in 1990, Apollo is one of the world s largest alternative investment managers, with total assets under management of approximately $113 billion as of December 31, 2012, and a team of over 250 seasoned investment professionals located in ten offices around the world.

Table of Contents

Our headquarters are located at One Campus Drive, Parsippany, New Jersey 07054. We have entered into a lease for new corporate headquarters at 175 Park Avenue, Madison, New Jersey 07940, and expect to take occupancy of the new headquarters in April 2013. Our general telephone number is (973) 407-2000. We were incorporated on December 14, 2006 in the State of Delaware. We maintain an Internet website at http://www.realogy.com. Our website address is provided as an inactive textual reference. The contents of our website or accessible through our website are not incorporated by reference herein or otherwise a part of this prospectus supplement.

As used in this prospectus supplement, the term Unsecured Notes refers, collectively, to our 11.50% Senior Notes due 2017 (the 11.50% Senior Notes), 12.00% Senior Notes due 2017 (the 12.00% Senior Notes), 12.375% Senior Subordinated Notes due 2015 (the 12.375% Senior Subordinated Notes) and 13.375% Senior Subordinated Notes due 2018 (together with the 12.375% Senior Subordinated Notes, the Senior Subordinated Notes). The term Convertible Notes refers collectively to our previously outstanding 11.00% Series A Convertible Notes due 2018, the 11.00% Series B Convertible Notes due 2018 and the 11.00% Series C Convertible Notes due 2018. The term 7.875% First and a Half Lien Notes refers to our 7.875% Senior Secured Notes due 2019. The term 9.000% First and a Half Lien Notes refers to our 9.000% Senior Secured Notes due 2020. The term First and a Half Lien Notes refers, collectively, to our 7.875% First and a Half Lien Notes and 9.000% First and a Half Lien Notes. The term First Lien Notes refers to our 7.625% Senior Secured First Lien Notes due 2020.

Table of Contents

THE OFFERING

Issuer	Realogy Holdings Corp.
Common stock offered by the selling stockholders	35,000,000 shares.
Common stock outstanding after this offering	145,370,433 shares.
Underwriters option to purchase additional shares	The selling stockholders have granted the underwriters an option to purchase up to an additional 5,250,000 shares of common stock within 30 days from the date of this prospectus supplement.
Use of proceeds	The selling stockholders will receive all net proceeds from the sale of our common stock in this offering. We will not receive any of the proceeds from the sale of the shares of our common stock by the selling stockholders. See Use of Proceeds.
Dividend Policy	We do not currently anticipate paying dividends on our common stock. Any declaration and payment of future dividends to holders of our common stock may be limited by restrictive covenants in our debt agreements, and will be at the sole discretion of our board of directors (the Board of Directors) and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends and other considerations that our Board of Directors deems relevant. See Dividend Policy.
New York Stock Exchange symbol	RLGY.
Risk factors	Investing in our common stock involves risks. See the sections titled Risk Factors, in this prospectus supplement, the accompanying prospectus, any free writing prospectus prepared by or on behalf of us and the documents incorporated by reference herein or therein, for a discussion of certain risks you should consider before investing in our common stock.
Conflicts of interest	Affiliates of Apollo Global Securities, LLC own more than 10% of our outstanding common stock. Because Apollo Global Securities, LLC is an underwriter for this offering, it is deemed to have a conflict of interest within the meaning of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121(f)(5)(B). In addition, affiliates of Apollo Global Securities, LLC will be deemed to receive more than 5% of net offering proceeds and will have a conflict of interest pursuant to Rule 5121 (f)(5)(C)(ii). Accordingly, this offering is being made in compliance with the requirements of FINRA Rule 5121. Since Apollo Global Securities LLC is not primarily responsible for managing this offering, pursuant to FINRA Rule 5121, the appointment of a qualified independent underwriter is not necessary. Apollo Global Securities, LLC will not confirm sales to discretionary accounts without the prior written approval of the customer.

Table of Contents

Unless the context requires otherwise, the number of shares of our common stock to be outstanding after this offering is based on 145,370,433 shares outstanding as of April 5, 2013. The number of shares of common stock outstanding after this offering excludes:

- 2,224,076 shares of common stock reserved for future issuance under the Realogy Holdings 2007 Stock Incentive Plan, including, as of December 31, 2012, an aggregate of 207,700 shares of common stock issuable upon the exercise of currently exercisable options at a weighted average exercise price of $47.00 and 1,396,089 shares of common stock issuable upon the exercise of outstanding options which have not yet vested, at a weighted average exercise price of $22.36, and shares issuable pursuant to the Realogy Group Phantom Value Plan (the Phantom Value Plan), in connection with this offering; and

- 6,510,000 shares of common stock reserved for future issuance under the 2012 Long-Term Incentive Plan, which includes an aggregate of 1,662,573 shares issuable upon the exercise of outstanding options, which have not yet vested, at a weighted average exercise price of $27.05.

Except as otherwise indicated, the information in this prospectus supplement assumes no exercise of the underwriters option to purchase additional shares.

Table of Contents

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table presents our summary historical consolidated financial data and operating statistics. The consolidated statement of operations data and cash flow data for the years ended December 31, 2012, 2011 and 2010 and the consolidated balance sheet data as of December 31, 2012 and 2011 have been derived from our audited consolidated financial statements incorporated by reference in this prospectus supplement. The consolidated balance sheet data as of December 31, 2010 have been derived from our audited consolidated financial statements not incorporated by reference in this prospectus supplement.

The summary historical consolidated financial data and operating statistics presented below should be read in conjunction with the sections in this prospectus supplement titled Use of Proceeds and Capitalization and our consolidated financial statements, the accompanying notes and the other financial information incorporated by reference in this prospectus supplement.

(In millions, except per share data)	As of and For the Year Ended December 31,		
	2012	**2011**	**2010**
Statement of Operations Data:			
Net revenue	$ 4,672	$ 4,093	$ 4,090
Total expenses [(1)]	5,235	4,526	4,084
Income (loss) before income taxes, equity in earnings and noncontrolling interests	(563)	(433)	6
Income tax expense	39	32	133
Equity in earnings of unconsolidated entities	(62)	(26)	(30)
Net loss	(540)	(439)	(97)
Less: Net income attributable to noncontrolling interests	(3)	(2)	(2)
Net loss attributable to Realogy Holdings [(2)]	$ (543)	$ (441)	$ (99)
Basic loss per share	$ (14.41)	$ (55.01)	$ (12.35)
Diluted loss per share	(14.41)	(55.01)	(12.35)
Other Data:			
Interest expense, net [(2)]	$ 528	$ 666	$ 604
Depreciation and amortization	173	186	197
Loss on the early extinguishment of debt	24	36	
Net cash used in operating activities	(103)	(192)	(118)
Net cash used in investing activities	(66)	(49)	(70)
Net cash provided by financing activities	401	192	124
Adjusted EBITDA [(3)]	$ 674	$ 571	$ 633
Senior secured leverage ratio for the trailing twelve month period [(3)]	3.30x	4.44x	4.59x
Balance Sheet Data:			
Cash and cash equivalents [(4)]	$ 376	$ 143	$ 192
Securitization assets [(5)]	309	366	393
Total assets	7,445	7,350	7,569
Securitization obligations	261	327	331
Long-term debt, including short-term portion	4,366	7,150	6,892
Equity (deficit)	1,519	(1,499)	(1,063)

(1) Total expenses for the year ended December 31, 2012 includes IPO related costs of $361 million, composed of a non-recurring cash fee of approximately $105 million paid to certain significant holders of the Convertible Notes (attributable to the semi-annual interest payment thereon) and a non-cash expense of $256 million relating to shares of common stock issued to holders of the Convertible Notes pursuant to letter agreements entered into in connection with the IPO.

Table of Contents

(2) If the IPO and related transactions had been completed on January 1, 2012, our interest expense, net, and net loss attributable to Realogy Holdings for the year ended December 31, 2012 of $528 million and $543 million, respectively, would each have been reduced by $233 million. If the $105 million cash fee amount described in note (1) had been included in interest expense and not reflected as an IPO-related cost due to the letter agreements entered into with Convertible Note holders, our 2012 annualized cash interest savings would have been $338 million.

(3) We define EBITDA as net income (loss) before depreciation and amortization, interest expense, net (other than relocation services interest for securitization assets and securitization obligations) and income taxes. We believe EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation, the age and book depreciation of facilities (affecting relative depreciation expense) and the amortization of intangibles, which may vary for different companies for reasons unrelated to operating performance. We further believe that EBITDA is frequently used by investors, securities analysts and other interested parties in their evaluation of companies, many of which present an EBITDA measure when reporting their results.

Adjusted EBITDA calculated for a 12-month period corresponds to the definition of EBITDA, calculated on a pro forma basis, used in our senior secured credit facility to calculate the senior secured leverage ratio. Adjusted EBITDA includes adjustments to EBITDA for merger costs, restructuring costs and former parent legacy costs (benefit), net, IPO related costs for the Convertible Notes, loss on the early extinguishment of debt, pro forma cost savings for restructuring initiatives, pro forma effect of business optimization initiatives, non-cash charges, non-recurring fair value adjustments for purchase accounting, pro forma effect of acquisitions and new franchisees, Apollo management fees and incremental securitization interest costs, in each case calculated as of the beginning of the 12-month period. Adjusted EBITDA calculated for a three-month period adjusts for the same items as for a 12-month period, except that the pro forma effect of cost savings, business optimizations and acquisitions and new franchisees are calculated as of the beginning of the three-month period instead of the 12-month period. EBITDA and Adjusted EBITDA are supplemental measures of performance that are not required by, or presented in accordance with GAAP and may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute to any GAAP measures and should be assessed alongside other performance measures, including operating income, net income and our other GAAP results. For further discussion of EBITDA and Adjusted EBITDA, see the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations Non-GAAP Financial Measures in our Annual Report on Form 10-K for the year ended December 31, 2012, incorporated herein by reference.

Table of Contents

Set forth in the table below is a reconciliation of net loss attributable to Realogy Holdings to Adjusted EBITDA as calculated in accordance with the senior secured credit facility and presented in certificates delivered to the lenders under the senior secured credit facility for the years ended December 31, 2012, 2011 and 2010:

	For the Year Ended		
	December 31, 2012	December 31, 2011	December 31, 2010
Net loss attributable to Realogy Holdings [a]	$ (543)	$ (441)	$ (99)
Income tax expense	39	32	133
Income (loss) before income taxes	(504)	(409)	34
Interest expense, net [a]	528	666	604
Depreciation and amortization	173	186	197
EBITDA	197	443	835
Merger costs, restructuring costs and former parent legacy costs (benefit), net [b]	4	(3)	(301)
IPO related costs for the Convertible Notes [a]	361		
Loss on the early extinguishment of debt	24	36	
Pro forma cost savings for restructuring initiatives [c]	7	11	20
Pro forma effect of business optimization initiatives [d]	31	52	49
Non-cash charges [e]	(3)	4	(4)
Non-recurring fair value adjustments for purchase accounting [f]	3	4	4
Pro forma effect of acquisitions and new franchisees [g]	5	7	13
Apollo management fees [h]	39	15	15
Incremental securitization interest costs [i]	6	2	2
Adjusted EBITDA	$ 674	$ 571	$ 633
Total senior secured net debt [j]	2,224	2,536	2,905
Senior secured leverage ratio	3.30x	4.44x	4.59x

(a) See notes (1) and (2) above.

(b) Consists of:

	For the Year Ended		
	December 31, 2012	December 31, 2011	December 31, 2010
Restructuring costs	$ 12	$ 11	$ 21
Merger costs		1	1
Former parent legacy benefits	(8)	(15)	(323)
	$ 4	$ (3)	$ (301)

(c) Represents actual costs incurred that are not expected to recur in subsequent periods due to restructuring activities initiated during the period. The adjustment shown represents the impact the savings would have had on the period from the first day of the period through the time they were put in place, had those actions been effected as of such date.

	For the Year Ended		
	December 31, 2012	December 31, 2011	December 31, 2010
Expected reduction in operating costs based on a three or 12-month run-rate	$ 14	$ 21	$ 34
Estimated savings realized from the time they were put in place	7	10	14
	$ 7	$ 11	$ 20

Table of Contents

(d) Represents the 12-month pro forma effect of business optimization initiatives that have been completed to reduce costs.

	For the Year Ended		
	December 31, 2012	December 31, 2011	December 31, 2010
Relocation Services integration costs and acquisition related non-cash adjustments	$ 3	$ 1	$ 12
Vendor renegotiations	3	6	6
Employee retention accruals	26	41	23
Other initiatives	2	4	8
Adjustment for at risk homesale reserves	(3)		
	$ 31	$ 52	$ 49

The employee retention accruals reflect the employee retention plans that were implemented in lieu of our customary bonus plans, due to the ongoing and prolonged downturn in the housing market in order to ensure the retention of executive officers and other key personnel, principally within our corporate services unit and the corporate offices of our four business units.

(e) Represents the elimination of non-cash expenses, including:

	For the Year Ended		
	December 31, 2012	December 31, 2011	December 31, 2010
Stock-based compensation expense	$ 5	$ 7	$ 6
Change in allowance for doubtful accounts and notes reserves	(10)	(7)	(8)
Other items	2	4	(2)
	$ (3)	$ 4	$ (4)

(f) Reflects the adjustment for the negative impact of fair value adjustments for purchase accounting at the operating business segments primarily related to deferred rent.

(g) Represents the estimated impact of acquisitions and new franchisees as if they had been acquired or signed at the beginning of the period. Franchisee sales activity is comprised of new franchise agreements as well as growth acquired by existing franchisees with our assistance. We have made a number of assumptions in calculating such estimate and there can be no assurance that we would have generated the projected levels of EBITDA had we owned the acquired entities or entered into the franchise contracts at the beginning of the period.

(h) Represents the fees paid to Apollo for termination of the management agreement.

(i) Reflects the incremental borrowing costs incurred as a result of the securitization facilities refinancing.

(j) Represents total borrowings under the senior secured credit facility of (x) $2,525 million plus $12 million of capital lease obligations less $313 million of readily available cash as of December 31, 2012, (y) $2,626 million plus $11 million of capital lease obligations less $101 million of readily available cash as of December 31, 2011 and (z) $3,059 million plus $12 million of capital lease obligations less $166 million of readily available cash as of December 31, 2010. Pursuant to the terms of the senior secured credit facility, senior secured net debt does not include First and a Half Lien Notes, other indebtedness that is secured by a lien that is *pari passu* or junior to the First and a Half Lien Notes, including our $650 million of second lien term loans under the incremental loan feature of the senior secured credit facility (the Second Lien Loans), securitization obligations or the Unsecured Notes.

(3) Readily available cash as of December 31, 2012 was $313 million. Readily available cash includes cash and cash equivalents less statutory cash required for our title business.

Table of Contents

(4) Represents the portion of relocation receivables and advances, relocation properties held for sale and other related assets that collateralize our securitization obligations. See Note 8 to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2012, incorporated herein by reference, for further information about our securitization obligations.

Key Business Drivers

The following table presents our drivers for the years ended December 31, 2012, 2011 and 2010:

	Year Ended December 31,		
	2012	**2011**	**2010**
Operating Statistics:			
Real Estate Franchise Services [1]			
Closed homesale sides [2]	988,624	909,610	922,341
Average homesale price [3]	$ 213,575	$ 198,268	$ 198,076
Average homesale broker commission rate [4]	2.54%	2.55%	2.54%
Net effective royalty rate [5]	4.63%	4.84%	5.00%
Royalty per side [6]	$ 262	$ 256	$ 262
Company Owned Real Estate Brokerage Services [7]			
Closed homesale sides [2]	289,409	254,522	255,287
Average homesale price [3]	$ 444,638	$ 426,402	$ 435,500
Average homesale broker commission rate [4]	2.49%	2.50%	2.48%
Gross commission income per side [8]	$ 11,826	$ 11,461	$ 11,571
Relocation Services			
Initiations [9]	158,162	153,269	148,304
Referrals [10]	79,327	72,169	69,605
Title and Settlement Services			
Purchase title and closing units [11]	105,156	93,245	94,290
Refinance title and closing units [12]	89,220	62,850	62,225
Average fee per closing unit [13]	$ 1,362	$ 1,409	$ 1,386

(1) These amounts include all franchisees except for our Company Owned Real Estate Brokerage Services segment.
(2) A closed home sale side represents either the buy side or the sell side of a homesale transaction.
(3) Represents the average selling price of closed homesale transactions.
(4) Represents the average commission rate earned on either the buy side or sell side of a homesale transaction.
(5) Represents the average percentage of our franchisees commission revenue (excluding NRT) paid to the Real Estate Franchise Services segment as a royalty. The net effective royalty rate does not include the effect of non-standard incentives granted to some franchisees. Royalty fees are charged to all franchisees pursuant to the terms of the relevant franchise agreements and are included in each of the real estate brands franchise disclosure documents. Non-standard incentives are occasionally used by the sales force as consideration for new or renewing franchisees. Due to the limited number of franchisees that receive these non-standard incentives, we believe excluding such incentives from the net effective royalty rate provides a more meaningful average for typical franchisees. We anticipate that as the housing market recovery continues and our franchise revenues increase, the impact of these non-standard incentives on the net effective royalty rate will decrease accordingly. The inclusion of these non-standard incentives would reduce the net effective royalty rate by approximately 16 basis points for the year ended December 31, 2012.
(6) Represents net domestic royalties earned from our franchisees (excluding NRT) divided by the total number of our franchisees closed homesale sides.

(7) Our real estate brokerage business has a significant concentration of offices and transactions in geographic regions where home prices are at the higher end of the U.S. real estate market, particularly the east and west coasts. The real estate franchise business has franchised offices that are more widely dispersed across the United States than our real estate brokerage operations. Accordingly, operating results and homesale statistics may differ between our brokerage and franchise businesses based upon geographic presence and the corresponding homesale activity in each geographic region.

(8) Represents gross commission income divided by closed homesale sides. Gross commission income includes commissions earned in homesale transactions and certain other activities, primarily leasing and property management transactions.

(9) Represents the total number of transferees served by the relocation services business. Revenue is recognized when services are performed. The amounts presented for the year ended December 31, 2010 include 26,087 initiations as a result of the acquisition of Primacy in January 2010.

(10) Represents the number of completed referral transactions from which we earned revenue from real estate brokers. The amounts presented for the year ended December 31, 2010 include 4,997 referrals as a result of the acquisition of Primacy in January 2010.

(11) Represents the number of title and closing units processed as a result of a home purchases.

(12) Represents the number of title and closing units processed as a result of homeowners refinancing their home loans.

(13) Represents the average fee we earn on purchase title and refinancing title units.

Table of Contents

RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in, and incorporated by reference into, this prospectus supplement and the accompanying prospectus. The risk factors generally have been separated into three groups: (1) risks related to our business; (2) risks related to our indebtedness; and (3) risks related to an investment in our common stock. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting us and our common stock. However, the risks and uncertainties are not limited to those set forth in the risk factors described below or incorporated by reference herein. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. As a result, the trading price of our common stock could decline and you may lose all or part of your investment. You should carefully consider the following risk factors and all other information contained in, and incorporated by reference into, this prospectus supplement and the accompanying prospectus before making any investment decision.

Risks Related to Our Business

The residential real estate market is cyclical and we are negatively impacted by downturns in this market and general economic conditions.

The residential real estate market tends to be cyclical and typically is affected by changes in general economic conditions which are beyond our control. Based upon data published by NAR, from 2005 to 2011, annual U.S. existing homesale units declined by 40% and the median homesale price declined by 24%. During 2012, the U.S. residential real estate market evidenced the beginning of a housing recovery. However, we cannot predict the duration or strength of the recovery or if and when the market and related economic forces will return the U.S. residential real estate industry to a period of sustained growth. If the residential real estate market or the economy as a whole does not improve, our business, financial condition and liquidity may be materially adversely affected, including our ability to access capital and grow our business.

Any of the following could halt or limit a recovery in the housing market and have a material adverse effect on our business by causing a lack of sustained growth or a decline in the number of homesales and/or prices which, in turn, could adversely affect our revenues and profitability:

- continued high unemployment;
- a period of slow economic growth or recessionary conditions;
- weak credit markets;
- a low level of consumer confidence in the economy and/or the residential real estate market;
- instability of financial institutions;
- economic instability stemming from ongoing high levels of U.S. government debt;
- legislative, tax or regulatory changes that would adversely impact the residential real estate market, including but not limited to: potential reform relating to Fannie Mae, Freddie Mac and other government sponsored entities (GSEs) that provide liquidity to the U.S. housing and mortgage markets; federal and/or state income tax changes, such as the loss or caps on the deductions including potential limits on, or elimination of, the deductibility of certain mortgage interest expense; and other tax reform affecting real estate and/or real estate transactions;

increasing mortgage rates and down payment requirements and/or constraints on the availability of mortgage financing, including but not limited to the potential impact of various provisions of the Dodd-Frank Act or other legislation and regulations that may be promulgated thereunder relating to mortgage financing, including restrictions imposed on mortgage originators as well as retention levels required to be maintained by sponsors to securitize certain mortgages;

- insufficient or excessive regional home inventory levels;
- renewed high levels of foreclosure activity including but not limited to the release of homes already held for sale by financial institutions;
- adverse changes in local or regional economic conditions;
- the inability or unwillingness of homeowners to enter into homesale transactions due to negative equity in their existing homes;
- a decrease in the affordability of homes;
- decreasing home ownership rates, declining demand for real estate and changing social attitudes toward home ownership; and/or
- acts of God, such as hurricanes, earthquakes and other natural disasters that disrupt local or regional real estate markets.

Seasonal fluctuations in the residential real estate brokerage and relocation businesses could adversely affect our business.

The residential real estate brokerage and relocation businesses are subject to seasonal fluctuations. Historically, operating results and revenues for all of our businesses have been strongest in the second and third quarters of the calendar year. A significant portion of the expenses we incur in our real estate brokerage operations are related to marketing activities and commissions and are, therefore, variable. However, many of our other expenses, such as interest payments, facilities costs and certain personnel related costs, are fixed and cannot be reduced during a seasonal slowdown. Consequently, our debt balances are generally at their highest levels at or around the end of the first and fourth quarters of every year. If the housing market does not experience a sustained recovery, we may be required to seek additional sources of working capital for our future liquidity needs. There can be no assurance that we would be able to obtain additional financing on acceptable terms or at all.

A decline or lack of sustained growth in the number of homesales and/or prices would adversely affect our revenues and profitability.

A decline or lack of sustained growth in existing homesales, insufficient or fluctuating levels of homesale inventory, stagnation or a decline in home prices or a decline in commission rates charged by brokers would adversely affect our results of operations by reducing the royalties we receive from our franchisees and company owned brokerages, reducing the commissions our company owned brokerage operations earn, reducing the demand for our title and settlement services and reducing the referral fees earned by our relocation services business. For example, for 2012, a 100 basis point (or 1%) decline in either our homesale sides or the average selling price of closed homesale transactions, with all else being equal, would have decreased EBITDA by $12 million for our Real Estate Franchise Services and our Company Owned Real Estate Brokerage Services segments on a combined basis.

Adverse developments in general business, economic and political conditions could have a material adverse effect on our financial condition and our results of operations.

Our business and operations and those of our franchisees are sensitive to general business and economic conditions in the U.S. and worldwide. These conditions include short-term and long-term interest rates, inflation, fluctuations in debt and equity capital markets, levels of unemployment, consumer confidence and the general condition of the U.S. and the world economy.

The residential real estate market also depends upon the strength of financial institutions, which are sensitive to changes in the general macroeconomic environment. Lack of available credit or lack of confidence in the financial sector could materially and adversely affect our business, financial condition and results of operations.

Table of Contents

A host of factors beyond our control could cause fluctuations in these conditions, including the political environment and acts or threats of war or terrorism which could have a material adverse effect on our financial condition and our results of operations.

Tightened mortgage underwriting standards could continue to reduce homebuyers ability to access the credit markets on reasonable terms.

During the past several years, many lenders have significantly tightened their underwriting standards, and many subprime and other alternative mortgage products have become less available in the marketplace. If these trends continue and mortgage loans continue to be difficult to obtain, including in the jumbo mortgage markets important to our higher value and luxury brands, the ability and willingness of prospective buyers to finance home purchases or to sell their existing homes will be adversely affected, which will adversely affect our operating results.

Potential reform of Freddie Mac and Fannie Mae or a reduction in U.S. government support for the housing market could have a material impact on our operations.

Numerous pieces of legislation seeking various types of changes for GSEs have been introduced in Congress to reform the U.S. housing finance market, including, among other things, changes designed to reduce government support for housing finance and the winding down of Freddie Mac and Fannie Mae over a period of years. In August 2012, the U.S. Treasury announced modifications to its preferred stock investments in these entities that are aimed at winding these entities down through an orderly process. Legislation, if enacted, or further regulation which curtails Freddie Mac and/or Fannie Mae s activities and/or results in the wind down of these entities could increase mortgage costs and could result in more stringent underwriting guidelines imposed by lenders or cause other disruptions in the mortgage industry, any of which could have a materially adverse effect on the housing market in general and our operations in particular. Given the current uncertainty with respect to the extent, if any, of such reform, it is difficult to predict either the long-term or short-term impact of government action that may be taken.

At present, the U.S. government also is attempting, through various avenues, to increase loan modifications for home owners with negative equity. There can be no assurance that these measures or any other governmental action will support a sustained recovery in the housing market.

The Dodd-Frank Act and other financial reform legislation may, among other things, result in new rules and regulations that may adversely affect the housing industry.

On July 21, 2010, the Dodd-Frank Act was signed into law for the express purpose of regulating the financial services industry. The Dodd-Frank Act establishes new standards and practices for mortgage originators, including:

- determining a prospective borrower s ability to repay their mortgage;
- removing incentives for higher cost mortgages;
- prohibiting prepayment penalties for non-qualified mortgages;
- prohibiting mandatory arbitration clauses;
- requiring additional disclosures to potential borrowers; and
- restricting the fees that mortgage originators may collect.

These standards and practices, and the recent regulations promulgated under the Dodd-Frank Act, include limitations, which are scheduled to become effective in 2014, on the amount that a mortgage originator may receive in fees with respect to a qualified mortgage, including fees received by affiliates of the mortgage

S-24

originator. To qualify as a qualified mortgage, the total fees charged by a mortgage originator may not exceed 3% of the principal of the mortgage. To the extent a loan is not a qualified mortgage, the loan originator may be required to retain a portion of the economic interest in the credit risk associated with the mortgages they originate. Such limitation could adversely affect the fees received by TRG, as provider of title and settlement services, in transactions originated by our joint venture, PHH Home Loans.

While we are continuing to evaluate all aspects of the Dodd-Frank Act, such legislation and regulations promulgated pursuant to such legislation as well as other legislation that may be enacted to reform the U.S. housing finance market could:

- materially and adversely affect the mortgage and housing industries;
- result in heightened federal regulation and oversight of the mortgage and housing industries;
- increase down payment requirements,
- increase mortgage costs and, as a result, limit mortgage availability,
- curtail affiliated business transactions; and/or
- result in increased costs and potential litigation for housing market participants.

Certain provisions of the Dodd-Frank Act may impact the operation and practices of Fannie Mae and Freddie Mac and other GSEs and require sponsors of securitizations to retain a portion of the economic interest in the credit risk associated with the assets securitized by them. Substantial reduction in, or the elimination of, GSE demand for mortgage loans could have a material adverse effect on the mortgage industry and the housing industry in general and these provisions may reduce the availability of mortgages to certain individuals.

Monetary policies of the federal government and its agencies may have a material impact on our operations.

Our business is significantly affected by the monetary policies of the federal government and its agencies. We are particularly affected by the policies of the Federal Reserve Board, which regulates the supply of money and credit in the U.S. The Federal Reserve Board s policies affect the real estate market through their effect on interest rates as well as the pricing on our interest-earning assets and the cost of our interest-bearing liabilities.

We are negatively impacted by any rising interest rate environment. As mortgage rates rise, the number of homesale transactions may decrease as potential home sellers choose to stay with their lower mortgage rather than sell their home and a pay a higher mortgage with the purchase of another home, and potential home buyers choose to rent rather than pay higher mortgage rates. An increase in mortgage rates could also reduce the number of homesale refinancing transactions. Changes in the Federal Reserve Board s policies, the interest rate environment and mortgage market are beyond our control, are difficult to predict and could have a material adverse effect on our business, results of operations and financial condition.

Interest rates are at historic lows and when those rates increase they may have varying degrees of impact on our business depending on the rate or pace of the rising rates.

Our company owned brokerage operations are subject to geographic and high-end real estate market risks, which could continue to adversely affect our revenues and profitability.

Our subsidiary, NRT, owns real estate brokerage offices located in and around large metropolitan areas in the U.S. Local and regional economic conditions in these locations could differ materially from prevailing conditions in other parts of the country. NRT has more offices and realizes more of its revenues in California, Florida and the New York metropolitan area than any other regions in the country. For the year ended

December 31, 2011, NRT realized approximately 64% of its revenues from Calif