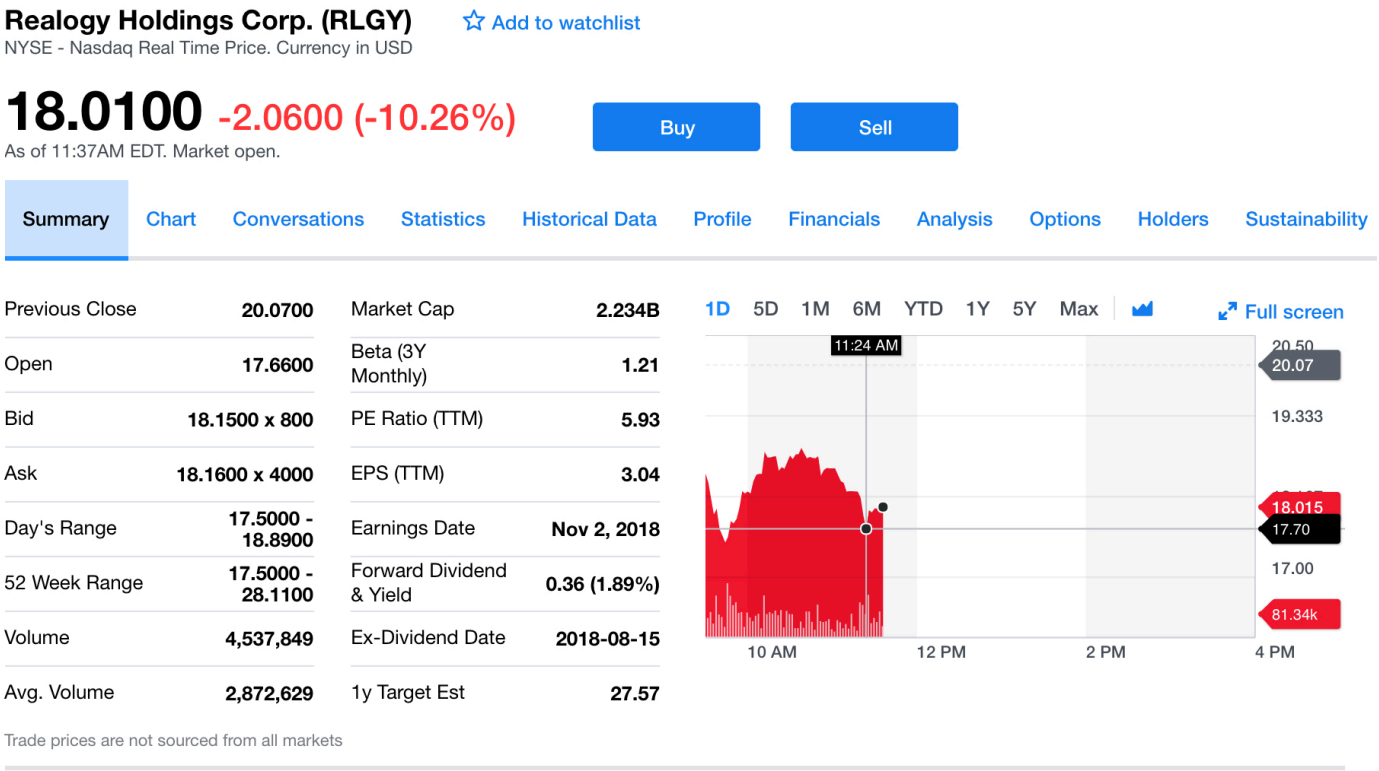
Realogy stock slips after earnings miss

The stock price of Realogy Holdings Corporation, the real estate franchisor behind Century 21, Coldwell Banker, Corcoran and a number of other major industry brokerages, tumbled Friday morning after the company announced lower than expected earnings per share and transaction volume and lowered its fourth quarter guidance.

Shortly after markets opened, Realogy's stock fell to as low as $17.50 per share, over an 11 percent drop below where it closed yesterday at $20.07 per share. At press time, had rebounded slightly to $18.01 per share.



The company's earnings per share value was $0.84, below the Zacks Consensus Estimate of $0.91 per share (adjusted for non-recurring items), a miss of 7.69 percent. However, it was still up from earnings of $0.71 in the third quarter of 2017.

Overall, the company's stock has nearly been cut in half in value, year-over-year. On November 2, 2017, it opened at $32.53 per share, but had fallen to $27.14 per share by November 3, 2017.

Transaction volume – while up 1 percent – was still 2 percentage points below the low end of the guidance range provided in August, due to the slowdown.

Surprising rental market trends to watch in 2019

Read the new State of the Property Management Industry Report READ MORE

“In [the third quarter] we saw affordability issues and rising mortgage rates create an environment were some consumers stayed on the sideline in many markets, especially in September,” Ryan Schneider, the CEO and president of Realogy said in the company’s Friday earnings call.

Look ahead to the fourth quarter of 2018, Realogy reported that its expecting flat transaction growth and operating earnings before interest, taxes, depreciation and amortization of $660-$670 million, subject to macro uncertainty and current market conditions, below its projection of more than $705 million.

“We are clearly in a volatile period for the housing market and there are many different views as to what will happen going forward and why,” Schneider said.

Email Patrick Kearns

Source: click here