

For Immediate Release

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Signs for 2006 Point to Another Healthy Year in Real Estate

For homebuyers and sellers, it's not too late to get in on the action.

Overland Park, Kan. (Feb. 6, 2006) – The 2005 real estate report card is in. It was another huge year for Reece & Nichols, Kansas City's leading real estate company. Reece & Nichols helped nearly 27,000 families in Kansas City buy or sell their home. And it looks like 2006 will be a repeat success.

Mortgage rates are low. Home prices up, a powerful combination when you want to move. So why are consumers staring at the ceiling at 3 a.m.? They're worried they've missed the boat, that the real estate bubble will burst and they're too late.

They don't have to worry. "Yes, we're coming off of five straight record-breaking years in residential real estate," said Jerry Reece, CEO. "However, all the elements are in place for another healthy year." January is usually the slowest month for realtors. However, brokers are reporting it's their best month ever.

The buzz on the street is that homes are largely over-valued, and we're in for a big correction. Many cities in the United States are over-valued. For instance, Naples, Fla., is overvalued as much as 84 percent. However, the Kansas City market is considered healthy. It's only slightly over-valued at 4 percent, according to a Housing Market Analysis by National City Corp.

Kansas City's healthy market valuation means that a big correction is not ahead. Truth is, there is not a national real estate market. Prices are tied to the location in the city. The real estate bubble may burst nearer the coasts, but not here.

Pricing bubbles occur when the link between supply and demand unravels. There is no such fraying evident in the real estate market. The baby boomers are either in their peak earning years, or they are beginning to retire and change homes. The demand is strong.

"The facts speak for themselves," said Linda Vaughan, president of Reece & Nichols. "When you've got strong interest rates, steady employment figures and overall positive economic news, you've got a healthy real estate market." Kansas City Title executives anticipate interest rates to remain steady this year, in the upper six's.

Forecasts point to 2006 being the second highest year on record. David Lereah, chief economist for the National Association of Realtors said, "An uptrend in

mortgage interest rates may cause some slowing of the sales pace.” He added, “Housing will continue to support the overall economy. In fact, rising interest rates should help balance the market and ease price gains.”

“While no one can predict exactly what’s in store for the real estate market,” said Jerry Reece, “it’s fair to say that we’re in for another strong year.”

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Reece & Nichols (www.reeceandnichols.com) Founded in January 2001, with the merger of two Kansas City real estate companies with long histories of leadership and exemplary customer service (J.D. Reece Realtors and J.C. Nichols Residential Real Estate), Reece & Nichols is an affiliate of HomeServices of America, the second largest real estate company and premier family of real estate sales associates and brokerages in the nation.

In addition to 30 company-owned branch offices, Reece & Nichols Realtors also serves outlying areas through its 34 Alliance offices located from Topeka, Kansas to Lake Ozark, Missouri.

Reece & Nichols Realtors emphasis on technology is enhancing communication between agents and clients while streamlining the process of buying and selling homes. Web site features such as Quick Search, SellMyHome (for Sellers), MyHome (for Buyers) and TrackMyHome (for Buyers and Sellers) provide up-to-date information 24 hours a day.

Reece & Nichols is dedicated to providing convenient full-service for its clients by offering on-site Home Mortgage Consultants (through affiliate Plaza Mortgage), title services (through affiliate Kansas City Title) and a full line of insurance products (through HomeServices Insurance).

To view housing market analysis source, go to:

http://money.cnn.com/2005/12/29/real_estate/buying_selling/handicapping_housing_markets/index.htm

To view “Home Sales Forecast Nov 2005” go to National Association of Realtors Web site:

www.realtor.org/PublicAffairsWeb.nsf/Pages/HomeSalesForecastNov05?OpenDocument

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