

# Prices

Continued from page D1

port available. Average days on

the market also increased, from 83 in August 2007 to 103 last month.

"I think that we have a very healthy economy in Huntsville," said Tommy Adams, owner and broker of Rise Real Estate.

## Home selling prices up 5.8%

### Median rises to \$185,000; sales down from July

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Homes sales in Madison County continued to see double-digit declines last month, but selling prices rose.

In August, 454 homes were sold, a 15.8 percent drop from July and a 17.9 percent drop from August 2007, according to the Huntsville Area Association of Realtors monthly report released last week. The median selling price for the month was \$185,000, a 5.8 percent increase over the previous month and year-ago period.

Selling prices typically rise during the summer, said Oscar Gonzales, director of the Huntsville Area Association of Realtors. But the rise is also indicative of Huntsville's economy, he said.

"Any time you see that opposite movement (in a market), that means it's a desirable place to live and buy a house, despite the economic conditions," Gonzales said.

The Huntsville market continues to fare better than other parts of the country, where sales and prices have dropped by double-digits. Nationwide, sales have dropped about 13 percent, and the median sales price has dropped more than 7 percent, according to the National Association of Realtors' July report, the most recent re-

"A year or two ago, they had looser guidelines and people were buying homes who should not have been.

"Incomes here are good, and there's a lot of selection. It is harder to get someone to qualify, but people with high credit scores are getting good interest rates."

More than 40 percent of the homes sold - 198 - were priced \$200,000 or higher, and were existing single-family homes. That could reflect a decline in the number of smaller, lower-priced homes being bought by investors to "flip," or renovate to sell.

"If a house is in bad shape, and really cheap, and someone has the money to fix it up, it may sell," Adams said. "But if it's in OK shape and costs more, it may be hard to sell it."

Gonzales agreed and said taking speculators out of the equation brings the market back to a more real-world picture.

"This is really what it should be - people who need a home buying, not speculative buyers."

### Construction down, again

The number of building permits issued in Huntsville and Madison County continues to decline.

In August, 179 single-family building permits were issued, a 36 percent drop from a year earlier, and 18 percent lower than July permits, according to the Alabama Center for Real Estate Research at the University of Alabama.

"The local numbers show that we are still in a growth market," said John Allen, president of the Madison County Builders Association. "When you put this year's numbers next to last year's, it's important to remember that last year gave us record numbers. Our market remains healthy."