



Frequently Asked Questions: Home Estimate Data

Q: Where does the data for the home estimates come from and how frequently is it updated?

A: We utilize county data record. This information is updated continuously and depending on some areas it may be monthly. The home estimate value is based off of recorded sales around the home with similar property features.

Q: Please tell me the accuracy of the data and reliability of the home value/estimate that the consumer receives when entering the key code

A: The estimate accuracy varies based on the market. In most major markets barring the non-disclosure states sales data is good and up to date. We recommend that the agent test the valuation to see the results that are returned. The estimates are not presented as a specific value but rather a range. Also, it is important to realize that the recipient has the ability to check and uncheck the comps used in the calculation in real time as well as make adjustments to property condition and market conditions. Typically 5% above and below the predicted value. This is done for a number of reasons. First, the goal is to have the homeowner contact the agent for a professional CMA. Second, the computer knows nothing about the condition of the home. Third, values are based on the goal of the estimate. For instance the price of a property being listed for sale is often different from the assessed value.

In some neighborhoods estimates are difficult due to adjoining neighborhoods with lower or higher valued homes. A number of options are available to "fine tune" the estimate. A couple of them are presented here:

- a. The agent can provide their own comparable sales that can be used in lieu of ours or to augment ours. This allows the agent to pick and choose what is shown. This is useful when the agent is targeting very specific homes such as homes by a particular architect that a computer could never choose.
- b. A floor and ceiling can be specified for each mailing list to pull only comps within a particular value range.
- c. A percentage padding value can be applied to artificially raise or lower the value estimate
- d. The comparable maximum radius value can be changed to either expand or contract the amount of distance allowed between the subject property and the comparables.

Q: Can you please tell me if the home value/estimate calculates solds as well as off market properties? Please expand on the calculation of how you arrive at this figure.

A: The comps are based on recorded sales. The agent can provide their own comps if desired. The comps are chosen based on the similarity to the property which weights different attributes like distance to subject, similarity of size and characteristics. Once similar comparables are found, the main component of value is derived from price per square foot bands which are adjusted to the subject property. This is not an appraisal but only an estimate. It will not be 100% accurate. The intention is to get the homeowner to contact the agent who has the professional skills to perform a comparative market analysis.

Q: What is the maximum distance the estimate tool will pull from?

A: The default settings are to pull from up to a mile. However, the system will pull the closest properties to the subject property first and keep going until it gets enough comparable sales. It is possible to configure the estimate tool to limit or extend the radius on a mailing list basis. For instance in rural areas, it might make sense to allow the maximum radius to be five miles.

Q: I understand that Zillow offers a 25% swing, how do you compare?

A: By default there is a 10% swing. 5% above and 5% below. The agent can make adjustments to fine tune the estimate as described before.

Q: Which states are non-disclosure?

A: The non-disclosure states are Alaska, Idaho, Kansas, Louisiana, Mississippi, Missouri, Montana, New Mexico, North Dakota, Texas (changing to disclosure soon), Utah, and Wyoming.

Q: How is an estimate provided in non-disclosure states?

A: We do not have complete data in most non-disclosure states and cannot perform a quality estimate. We sometimes can determine the sale value via the assessed value or from loan information. This varies on a state and area basis, so contact us if you are in a non-disclosure state. Comparable sales can also be provided directly to us which we can use to generate your estimates as well.