



Comparing one property against another is one of the simplest methods for making adjustments and determining the contributory value of specific items. It's not a perfect method and may not always be possible. For example, let's consider adjustments for updates.

The ideal comparison is a property that has been purchased, renovated, and resold. You're not restricted to properties identical to yours, current sales, or even your neighborhood. You can explore similar areas to find suitable sales. Ensure that the only change is the condition that nothing else has been modified.

The goal is to ascertain the effect on value, not the exact value of your property. The more pairs of properties you can find for comparison, the better your analysis will be.

Example

Property	Fixer upper	Fixed	Difference	
A	200000	220000	20000	10%
B	190000	220000	30000	16%
Average increase				13%

Another possibility is comparing one property against another.

Property	sf	bed	bath	age	Site size	updates	Sale price
A	1200	3	2	40	6500 sf	No	200000
B	1200	3	2	42	6900 sf	yes	230000
Value difference							15%

This method is reliable when there is only one difference between the two properties. Ensure that all other factors that influence value are similar between the properties being compared.

You can attempt to find both scenarios in order to compare results and arrive at a more accurate estimate.

When planning to update a property for sale, remember that cost does not necessarily equate to value.

- Research online platforms such as Zillow and Realtor.com for recently sold and active listings (do not rely on Zestimates).
- Pay attention to the number of days each property was on the market to evaluate market reaction.
- Observe trending styles and features to discern which ones hold more value in the current market.

Listing Price

If you're uncertain about price when listing a property, you can employ this method for adjustments. Remember to start with the most recent and proximate sales and then expand your search to similar areas, even if they're across town. You can identify similar areas by considering which locations your buyers might perceive as substitutes.

Be objective.