

How to Run a Comparative Market Analysis (CMA) on Your Home Using Zillow.com

Appraisers typically select properties that closely resemble the subject property in terms of size, style, and features to ensure an accurate valuation of a home. For example, when appraising a two-story home, they would generally look for other two-story homes in the same area for comparison, rather than one-story homes, as the number of stories can significantly impact value.

If you're selling your home as a For Sale By Owner (FSBO), it's crucial to accurately assess its value. One effective way to determine this is by conducting a Comparative Market Analysis (CMA). Zillow.com offers valuable tools to help you perform this analysis. Below are step-by-step instructions on how to run a CMA on your home using Zillow:

Step 1. Before embarking in your search for your comparative market analysis, make a list of features throughout the home such as the types of counter tops, flooring, if the basement is finished, types and age of the appliances. What is the architectural style of the home. When was the property last updated? This will give you the most accurate guide on what to look for when searching for comparable properties. For instance, an appraiser would never use a Spanish ranch style home as a comparable property if you're trying to sell a rustic mountain style home. Likewise, an appraiser would not use one story homes as a comparable if you're trying to sell a 1 story ranch style home.

Step 2: Visit Zillow.com

Zillow's website: www.zillow.com.

Step 3: Navigate to the "Sell" Section

On the Zillow homepage, locate and click on the "Sell" tab in the top menu bar.

Step 4: Enter Your Property Information

Once on the selling page, you'll find a search bar where you can enter your property's address. Input your address accurately and click on the search icon.

Step 5: Access Your Property's Page

After searching for your property, click on the specific listing that matches your address. This will take you to your property's page.

Step 6: Explore Comparable Sales

Select the Map View: Once you're on the search page, switch to the map view. This can usually be done by clicking on a button or icon that looks like a map or by selecting a "Map" view option.

Locate the "Draw Border" Feature: Look for an option or tool labeled "Draw Border" or something similar. It allows you to manually outline an area on the map.

Draw Your Parameter: Click on the "Draw Border" tool, and then click on the map to create points that define the perimeter of your desired search area.

Search Within the Parameter: Once you're satisfied with the border you've drawn, you can initiate a search within that specific area. Using the list of features you created in **Step 1**, search for similar properties within the search parameter.

Start with "Active" listing first. Try to find a minimum of 3 to 4 similar active properties. Once you've found your active properties search for similar sold properties. Again, try to find a minimum of at least 3 to 4 recently sold properties.

For both categories you may need to widen your search parameters and / or look for properties that have sold up to 1 year ago or longer.

Step 7: Calculate Your Home's Value

Based on the information gathered from the comparable properties you are now ready to estimate the value of your home.

Here's a step-by-step guide on how to find the median estimated value:

For the list of active homes gather the current list prices then add them together and divide that number by the number of comparable active properties on your list. Here is an example:

Let's say we have the following list prices:

Property A: \$550,000

Property B: \$560,000

Property C: \$530,000

Property D: \$570,000

Adding these together: $\$550,000 + \$560,000 + \$530,000 + \$570,000 = \$2,210,000$.

Now, divide by the number of properties (4) to find the median: $\$2,210,000 / 4 = \$552,500$.

So, the median list price for comparable active properties is \$552,500.

For sold prices, let's say we have the following:

Property E: Sold for \$540,000

Property F: Sold for \$555,000

Property G: Sold for \$525,000

Property H: Sold for \$560,000

Adding these together: $\$540,000 + \$555,000 + \$525,000 + \$560,000 = \$2,180,000$.

Now, divide by the number of properties (4) to find the median: $\$2,180,000 / 4 = \$545,000$.

So, the median sold price for comparable sold properties is \$545,000.

Based on this adjusted analysis:

Median List Price: \$552,500

Median Sold Price: \$545,000

Using this scenario, a suggested price range would be between \$530,000 to \$560,000 to align with market conditions and potentially attract buyers who are seeking slightly discounted properties.

If you start at the higher end of the price range, consider making incremental price reductions based on showing activity and feedback.

Disclaimer:

As an independent licensed broker, I offer this guide to assist homeowners who are considering selling their property as "For Sale By Owner" (FSBO) in understanding the process of conducting a Comparative Market Analysis (CMA). It's important to note that while I strive to provide accurate and helpful information, I am not a certified appraiser.

The information provided in this guide is intended for general educational purposes only and should not be considered as a substitute for professional appraisal services. A CMA conducted by a licensed appraiser may involve additional factors and methodologies not covered in this guide.

Homeowners are encouraged to consult with a licensed appraiser for a comprehensive evaluation of their property's market value. Each property and market is unique, and a thorough analysis by a qualified expert is essential for making informed decisions about pricing and selling a home.

By using this guide, homeowners acknowledge and agree that I, as an independent licensed broker, bear no liability for any inaccuracies, omissions, or outcomes resulting from the use of the information provided herein.