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How to Accurately Predict the Appraisal Value of Your Home



By Hometap
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If you're refinancing your home, or looking at home equity loans, home equity lines of credit (HELOC), or home equity investments, your lender will likely require a home appraisal. But there are other reasons you'd want an appraisal, too, such as wanting to know a fair asking price when selling, or proving you have enough equity in your home to eliminate [private mortgage insurance](#). But can you find your home value on your own?

Before you rush to schedule a home appraisal, also called a home value appraisal, consider the cost: upwards of \$400 for single-family homes, according to [Angi](#). That's why many homeowners turn to sites—such as Zillow or Redfin, among other [automated valuation models](#) (AVMs)—to predict their current home value appraisal estimate. However, while AVMs may give you a rough idea of your home's

In fact, a recent experiment from [BiggerPockets](#) illustrates just how unreliable Zillow's "Zestimates" can be compared to actual house appraisals:

	Appraisal	Zestimate	Difference	Percent Difference
Property 1	\$205,000	\$224,542	\$19,542	9.53%
Property 2	\$105,000	\$118,241	\$13,241	12.61%
Property 3	\$53,000	\$65,591	\$12,591	23.76%
Property 4	\$75,000	\$77,143	\$2,143	2.86%
Property 5	\$125,000	\$110,762	\$14,238	11.39%
Property 6	\$110,000	\$117,672	\$7,672	6.97%
Property 7	\$120,000	\$136,800	\$16,800	14.00%
Property 8	\$95,000	\$95,166	\$166	0.17%
Property 9	\$72,000	\$71,674	-\$326	0.45%
Property 10	\$119,000	\$156,877	\$37,877	31.83%
Property 11	\$65,000	\$61,863	-\$3,137	4.83%
Property 12	\$58,000	\$66,885	\$8,885	15.32%
Average	\$100,167	\$108,601	\$11,385	11.37%

while you can compare multiple sites to get a better sense of an average, or use a [higher-grade AVM](#), you can also crunch the numbers yourself to determine the appraisal value of your home. Follow these three steps to decide whether to order a professional appraisal now or wait until the [timing is right](#).

How to Find Your Home Value in 3 Steps

1. Find Nearby Comps

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[Comps](#), short for comparables, are homes that are similar to yours in location, size, acreage, floor plan, bed and bathroom counts, and more, that have recently sold. Definitions of "recent" vary, particularly in areas without much market activity, but try to find homes sold no more than 60 days ago. Selling prices of comps have a major impact on your home's value. [Investopedia](#) recommends looking at homes that are within 300 square feet of your home's square footage.

In terms of location, [NerdWallet](#) recommends the closer, the better. It's not about the same zip code, but rather the same school district, neighborhood, and even street. If possible, visit the homes in person. Photos online may not tell the whole story, such as if the property is on a noisy street, if it's in need of

Look at sites like [Realtor.com](#) to find homes similar to yours. Look for "just sold" properties, as homes still on the market will show asking prices; the home may sell for more or less. You can also ask a real estate agent for a [comparative market analysis](#) to see nearby selling prices of homes. These reports are often low cost or free, but the agent may anticipate working with you if you decide to sell.

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Homeowner's Guide to Home Value & Appraisals

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2. Find the Cost-per-square-foot

foot house that sold for \$400,000 is \$160 per square foot.

Look at several properties, at least three if possible, and get the cost per square foot of all homes.

3. Determine Your Range

Add up the cost per square foot of all the homes you looked at and divide by the number of homes to get the average cost per square foot. Take this number and multiply it by your home's square footage.

Properties	Sell Price	Square footage	Price per square foot
Comp 1	\$350,000	1,800	\$194
Comp 2	\$295,500	2,000	\$148
Comp 3	\$326,000	1,780	\$183
My home	?	2,200	?

You're not quite done yet. With this information, give yourself a range of 10 percent in either direction, as home values can quickly change based on nearby comps and the supply and demand of the housing market.

$$10\% = .10 \times 385,000 = 38,500$$

$$385,000 + 38,500 = 423,500$$

$$385,000 - 38,500 = 346,500$$

$$\text{Your estimated home value appraisal range} = \$346,500 - \$423,500.$$

How to Increase Your Home's Value

There are many ways to increase the value of your home, but not all of them are expensive.

your upgrades don't have to break the bank; consider smaller renovations like a fresh coat of paint or increasing your home's curb appeal with a power wash and updated landscaping.

Our free [Equity Increaser Guide](#) is designed to help homeowners not only maintain, but grow their home value over time.

Certain [home renovations](#) may require more funding than you have on hand. With a home equity investment from a partner like Hometap, you can get the cash you need now to make home renovations in exchange for a share of the future value of your home.

See if you prequalify for a Hometap investment in less than 30 seconds.

[Get an Estimate](#)

YOU SHOULD KNOW...

We do our best to make sure that the information in this post is as accurate as possible as of the date it was published. Individual situations differ, so consult your own finance, tax or legal professional to determine what makes sense for you.

Hometap is made up of a collaborative team of underwriters, investment managers, financial analysts, and—most importantly—homeowners—in the home financing field that understand the challenges that come with owning a home.

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