Zillow: Picking the Best Comparables

Comparables are recently-sold properties in a neighborhood that are similar to a subject home in size, age of home, location and other amenities. Real estate agents use comparables to determine selling price and appraisers use them to determine home value. To find comps, enter the property's address in Zillow's search and filter for "recently sold."

Here are 5 tips for choosing the best comps for a home.

1. Location, location, location

First, make sure your home facts are updated. Then, select comps -- homes comparable to yours -- as close to your address as possible. However, there are some exceptions to this rule. For example, a comp within a block or two of yours might not be a good comp because it sits higher on the hill, and has phenomenal views, or it's closer to a main arterial or freeway. Likewise, a house similar to yours could be a mile away, but still is part of the same market area since neighborhoods are not always carved out in neat, rectangular-shaped boundaries. This is a good comp, even though it's farther away.

Also, ideally, homes in developments should be compared against comps from the same development since these homes were all built together at a specific time, by the same builder/developer.

2. How many comps?

You can choose up to 10 comps or as few as 2-3 to get a new estimate for your home.

3. Select recent sales

Ideally, the most recently sold homes will have the strongest bearing on what your home will bring, but in slower markets, you might not have that luxury. Rule of thumb: Getting recently sold homes from the previous 3-4 months is ideal, but if not, then look back 6-8 months. In some cases, transactions that occurred two years ago are still considered comparable.

4. Price per square foot

Price per square foot is a time-honored method of real estate valuation. However, it doesn't account for a choice location, a move-in-ready home or personal criteria. You should also factor in how the property was measured and whether the square footage includes the garage or other detached buildings on the property.

5. Fuzzy stuff

You have your data, you've compared the numbers, but here come the individual characteristics. These things are more difficult to quantify, but could boost or detract from a home's value. In order to be comparing apples to apples, you need to consider these "soft" features when pulling together your comp list. For example, consider:

- Curb appeal -- The house sits on the "nice" side of the street; it's neatly landscaped and has sidewalks.
- Condition of exterior -- Visually make notes of the condition of the roof, paint, chimney, driveway, fences, etc.
- Nearby amenities -- Walking distance to cafes, shops and restaurants
- Neighborhood -- Is the house well-kept but all others around it falling apart?
- Traffic/noise -- Is it located on a busy street or near a noisy freeway?
- Schools -- Is it in a good school district? Whether you have kids or not, owning a home in a top school district adds tremendous value to a home.

The work you do here will go a long way in determining the fair market value of a home.