

SCRIPT

Talking Points

Scripts for Explaining the Zestimate to Clients

PREMIER AGENT®
The power of Zillow and trulia

Like it or not, your leads and clients are probably quoting Zestimate® home values to you.

They question its accuracy, want to know how it's calculated and whether they can change it. Take the opportunity to demonstrate your knowledge of local real estate and showcase your expertise about the Zestimate. The first step is to gain a thorough understanding of the Zestimate—what it is and what it's not. The more you know about it, the easier it is to dissect and explain to your clients.

Our Zestimate scripts cover the following topics:

- How is the Zestimate calculated?
- What is the Zestimate forecast?
- I need to change my Zestimate.
- It takes so long to update a Zestimate once I claim my home.
- I'm only going to sell based on the Zestimate.
- Please remove the Zestimate while I'm selling my home—it's too low.
- I think the Zestimate for my home is too high.
- I think the Zestimate for my home is too low.
- I'm the seller: I don't care about Zestimates.
- I'm only going to buy based on the Zestimate.
- I think the Zestimate for the home I like is too high.
- I think the Zestimate for the home I like is too low; is it a steal or a money pit?
- I'm the buyer: I don't care about Zestimates.



How is the Zestimate calculated?

I'm glad you asked! It's important to understand that a Zestimate home value is neither random nor unchangeable. I also want to make sure you understand that the Zestimate is not an appraisal. The main ingredient in a Zestimate is data and it's broken down into three categories:

- A home's physical attributes that Zillow gets from both public and user-submitted data
- Tax assessments and other tax assessor information
- Past sale records for the home itself and nearby or comparable homes

To calculate the Zestimate, Zillow's data experts run that data through a series of computer processes—an algorithm. The data is continuously analyzed and compared with real home sale prices, so the Zestimate model will change and improve over time, and Zestimates will become more and more accurate.



What is the Zestimate forecast?

Thanks for asking—it tells me you have an eye on the future. The Zestimate forecast is Zillow's prediction of a home's Zestimate one year from now—based on current home and market information—and can give you a better understanding of how local housing trends can affect a home's future value.

The forecast is calculated by combining the data that makes up the Zestimate with a variety of local economic and housing data that might impact future home values in a region, including:

- The supply of homes for sale
- Percentage of delinquent loans
- Population growth
- Income growth
- Local unemployment rates

When speaking with sellers

If you're considering selling your home, I'd like to review its Zestimate forecast with you and show you where the market might be in 12 months. The information can help you make an informed decision about your selling timeline.

When speaking with buyers

If there's a particular home that catches your eye, I can go over its Zestimate forecast with you and show you where the market might be in 12 months. The information can help you make an informed decision about your purchasing timeline.



Seller scripts

I need to change my Zestimate.

You can definitely influence your Zestimate by claiming your home on Zillow. When you update your home facts—including correcting any errors, adding information about significant updates you made to the home, posting your estimated value and any comments—and the changes are significant, you will see the immediate impact

on your Zestimate. I'm happy to schedule a time to tour your home and review the features we can use to claim your home and then update your home facts, which I can also show you how to do.

It takes so long to update a Zestimate once I claim my home.

Thanks for updating your home facts! Your updates will be immediately factored into your home's Zestimate and if they are significant enough, you'll see the impact on the Zestimate right away. The Zestimate is automatically computed three times per week based on millions of public and user-submitted data points. In some cases, the altered data will affect the estimates slowly over approximately two months. The good news is that because you corrected or added specific details, those details are going to give us a more accurate starting point to determine your home's true value.

I'd like to give you a heads-up, though: If your updates aren't significant enough to impact the home's value, your Zestimate might not change. I'm happy to schedule a time to tour your home and review the features we can use to update your home facts, which I can also show you how to do.

I'm only going to sell based on the Zestimate.

I can understand why you might think doing that will be faster and easier. Think about this: A person might use WebMD to look up their symptoms, but they still consult their doctor if they want a truly accurate diagnosis. It's the same with using only a Zestimate to price a home: It's a good idea to get a professional opinion to give you the most accurate figure.

I'm here to help you get the best possible price for your home, and while the Zestimate helps us make informed decisions, it's just one step on the path to discovering your home's true value. The Zestimate is based in part on data that you, the homeowner, have submitted, so let's at least make sure what's there is accurate and up to date. I'm happy to schedule a time to tour your home and review the features we can use to update your home facts, which I can also show you how to do. If those changes influence the Zestimate at all, we can revisit the best listing price for your home.

Please remove the Zestimate while I'm selling my home—it's too low.

I can't remove Zestimates for you and Zillow doesn't delete them, but I'd like to tell you why that's not a bad thing. Zestimates don't drive the market, they only track it. The good news is that the data shows that half of all sales are generally above the

Zestimate. Also, most buyers realize it's just a starting point. To provide more data on your Zestimate, you can post your estimated value and comments in the Owner's Estimate section. Doing that might make a difference.

I think the Zestimate for my home is too high.

Let's talk about that, because I want to make sure you understand that the Zestimate is not an appraisal. The Zestimate is based on millions of data points, including comparative home prices, and it's just a starting point. The median error rate for this neighborhood is <X> percent, which means that half the Zestimates in this area are within <X> percent of the selling price and half the Zestimates are off by more than <X> percent. So if we adjust for that, we get a home value of <$Y> for the high end and <$Z> for the low end. Do these figures make your Zestimate seem more realistic now?

If the seller's answer is "no."

Okay, I have comparative sold and active properties here, and you can see that their Zestimates are reasonably on par with yours. Most buyers realize a Zestimate is just a starting point, and we don't want them to eliminate your home as a candidate because they didn't have all the information. I'm happy to schedule a time to tour your home and review features that we can use to update your home facts, which I can also show you how to do.

I think the Zestimate for my home is too low.

Let's talk about why you think so. The Zestimate model gets most home information from public data, but these records can sometimes be limited, outdated or flat out wrong. Also, there might not have been many recent transactions in this neighborhood or it might be that there are a lot of homes with unaccounted-for custom features—all of which influences the accuracy of a Zestimate as well. The best way we can get a more accurate Zestimate is to claim your home and then update your home facts. I'm happy to schedule a time to tour your home and review the features we can use to update your home facts, which I can also show you how to do.

I'm the seller: I don't care about Zestimates.

The Zestimate is a starting point for helping to determine a home's value under current market conditions and help you make informed decisions. I will use the Zestimate along with a number of other tools, such as a comparative market analysis, a home inspection and an appraisal to determine the ideal listing price for selling your home.



Buyer scripts

I'm only going to buy based on the Zestimate.

I can understand why you might think doing that will be faster and easier. Think about this: A person might use WebMD to look up their symptoms, but they still consult their doctor if they want a truly accurate diagnosis. It's the same with using only a Zestimate to price a home: It's a good idea to get a professional opinion to give you the most accurate figure.

I'm here to help you get the best possible price on the home you're interested in purchasing, and while the Zestimate helps us make informed decisions, it's just one step on the path to discovering the home's true value. The Zestimate is based on public and user-submitted data, and I don't see that the owner has added any further details, so I think we're better served by touring the home first to see what's behind this initial Zestimate. Let's schedule a time to visit it; when is a good time for you?

I think the Zestimate for the home I like is too high.

I understand at first glance the Zestimate might seem high for what we currently know about this home. If the owner has claimed the home and made some updates that might influence the Zestimate, perhaps they just haven't made it to the website yet. We don't know enough right now, so it's in our best interests to take a closer look. When can we schedule a time to tour this home?

I think the Zestimate for the home I like is too low; is it a steal or a money pit?

I understand why you might think that, based on what we currently know about this home. The Zestimate is based on millions of data points, including comparative home prices, and it's just a starting point. Perhaps the owner has made some updates that we don't know about or that haven't made it to the website yet. Let's schedule a time to visit it; when is a good time for you?

I'm the buyer: I don't care about Zestimates.

The Zestimate is a starting point for helping to determine a home's value under current market conditions and help you make informed decisions. You and I will look at Zestimates for homes in the neighborhoods you're interested in, look at the comparative market analyses that I've put together, and then we can come up with accurate home values so that you can make your decisions armed with all the information.

Understanding the Zestimate Home Value

Here are some additional resources to help you learn more about the Zestimate:

- The Zestimate Home Value
- Data Coverage and Zestimate Accuracy Table
- How Does Zillow Create Their Zestimates?
- Zestimate Forecast Methodology
- The Zestimate Home Value Explained
- 5 Tips for Talking About the Zestimate
- Find Out With Zillow's Zestimate Forecast
- But Zillow Says My Home is Worth

Summary

When clients ask you to explain how, where and when a Zestimate home value fits into their buying or selling process, set yourself apart as the local real estate expert who helps them make sense of it all. Knowing what to say to help buyers and sellers put the Zestimate into context empowers them to make informed decisions. The Zestimate is a talking point to start a conversation and a chance to demonstrate the primary benefit of clients hiring you: your expertise in interpreting data and guiding them through one of the biggest transactions of their lives.

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