CHAPTER 01

The $65,000 Difference

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TWO ESTIMATES FOR THE SAME PROPERTY

I remember one property I picked up in Murrieta, California very well. I wanted to know what I could sell it for once the rehab was finished. If I went by one of the houses I was using as a reference, mine could be worth $550,000. If I went by another, it could be worth $615,000. That was $65,000 of difference on the same decision. Which of the two made sense to compare my house with?

The first thing I wanted to know was what year each house was built. That detail didn't appear in the comparison in front of me. How much land each one had also mattered. And there was one detail that weighed heavily for me: one house was completely renovated and the other was being sold by its owner as is. I was calculating the value of mine after fixing it up. I had to take that into account before trusting either number.

I started with Zillow. I wanted to see what other houses had sold within half a mile of the property, but on Zillow I couldn't find all the ones I needed to review. I called a friend who is a real estate agent and asked for help checking the MLS, the listing system agents use. I also checked Realtor.com and Redfin. After going from one site to another, I still had to decide which house was most like the one I was going to sell.

Getting a resale price I felt confident about could take me one to two hours. And that was for a single property. That's when the idea came to me. Why not bring that work together in one place? I wanted to enter an address and see, side by side, the year built, the lot size and the condition of the nearby houses. That way I could understand why one comparable was more useful to me than another. From that work I did at Flip UR House came the idea of creating ARV Robot.



Both figures are estimates of what the Murrieta property would be worth after the rehab. To choose the most useful reference, Carlos needed to compare the year built, the lot size and the condition of each house.