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What's My House Worth? And Now?

By [MICHELLE SLATALLA](#)

THE value of my house fluctuates more often — and for even more mysterious reasons — than my weight these days.

But is it going up? Or down? Either my house lost \$94,248 in value over the last two months, or else it gained \$32,799 in the last 30 days.

I can't tell, because I get conflicting information from online sites — like [Eppraisal.com](#), [Realestateabc.com](#) and [Homegain.com](#) — where I find myself obsessively comparing numbers every day or so.

O.K., every hour or so (or about as often as I used to get on the scale when I was in high school).

But if I didn't keep up with the real estate sites, then I wouldn't know that earlier this summer a center-hall colonial a block away from me sold for \$2,439,500 despite its outdated kitchen (thank you, [Cyberhomes.com](#)). Or that most of my neighbors are juggling payments on big adjustable-rate mortgages just like mine (thank you [Propertyshark.com](#)). Or that the bathroom I recently remodeled may have increased my property value by \$33,490 (thank you, [Zillow.com](#)).

With a growing number of Internet sites trolling public databases for financial facts, it has become increasingly easy in the last two years for information addicts like me to perform party tricks by announcing to our friends all kinds of delicious snippets that once were considered intimate, known mainly to brokers or people with enough time to drive to the courthouse to flip through musty files.

But it's no longer just cocktail chatter. With a nationwide real estate crisis in full bloom thanks to subprime mortgage woes, falling prices and rising loan rates, homeowners are increasingly turning to Internet sites to try to glean bits of information that may shed light on when to refinance, or whether to sell.

And why not? I really, really need every tiny bit of information I can get about managing my biggest investment.

Don't I?

"Oh, no! Oh, my goodness, I have to tell you to stop right now," said Baba Shiv, an associate professor of marketing at [Stanford University](#). "You are being completely irrational. This information can end up having a negative effect on your life."

This was not the response I had hoped to hear from someone who specializes in studying how everyday investors make decisions about how to manage their money.

"But everybody is doing it," I whined.

And in my defense, I would like to point out that's true. In June, for instance, more than 39 million people visited the 20 most popular real estate Web sites, a 22.4 percent increase in visitors over the same period in the previous year, according to Nielsen/NetRatings Inc. Not only that, but a lot of those people are becoming addicted. At Zillow.com, for instance, 44 percent of the site's users visited five or more times in June, and 25 percent of them 10 or more times, according to a spokeswoman for the site.

Beyond catering to the voyeuristic appeal of knowing what your neighbor paid per square foot, the sites say they offer a valuable service by making information more accessible to average folks.

Professor Shiv agreed that this information could be useful in specific circumstances, if for instance a homeowner or buyer was on the verge of actually making a deal. But for the armchair addict, who has no immediate plans to buy or sell, he said, "The Internet makes it easy to get too much information, from too many conflicting sources, and all it's going to do is to give you ecstasy on some days and pain on others."

So although my repetitive visits to real estate sites made me feel more in control — as if maybe I was smart after all to ignore my accountant five years ago and mortgage myself to the hilt back when rates were low — in reality they may have the opposite effect.

"It's very similar to what people do when they follow the stock market," Professor Shiv said. "They look at what's up and what's down and then, based on how they feel from learning that information, they decide to buy or sell at just the wrong time."

He pointed out that I wasn't even sure I had made \$32,799 since I could just as easily have lost

\$94,248. Which Web site could I trust? In fact, none of the seven I was consulting daily could agree on a ballpark value for my house. The difference between the highest and lowest estimate was \$699,974.

That's because each site uses a different method to compute values.

At Zillow.com, for instance, "it's a pretty complex algorithm," said Amy Bohutinsky, a spokeswoman. "We look at about 100 different pieces of data, including how many bedrooms, how many bathrooms, the square footage of a house, prior sales and all sorts of local things" like, in California, how Proposition 13, which caps property taxes, affects the value of a house.

How do online results compare to a real, live appraiser's assessment? I asked Bruce Raful, a licensed appraiser in San Rafael, Calif., who appraised my house in nearby Mill Valley the last time I refinanced the mortgage, for his opinion.

After looking at the most recent comparable sales, Mr. Raful said my house was worth \$100,000 more than the highest online estimate.

"Those online sites rely on local sale prices, and in neighborhoods where all the housing is uniform, can be accurate," Mr. Raful said. "But in a community like Mill Valley, where you can have a house worth four times as much as the one next door without affecting either house's value, online sites aren't as likely to pick the right comps."

I was starting to feel as if I had been consulting a bunch of online astrologers.

But once in a while my horoscope is right. And even when it isn't, it's still fun to read. Among my favorite real estate Web sites, I like each for a different, special reason. Cyberhomes.com, for example, lists the most recent comparable sales in my neighborhood. Homegain.com put me in touch with Realtors the last time I moved. And [Yahoo](#) Real Estate's value finder tool spits out side-by-side estimates from three different sites — Zillow.com, Eppraisal.com and [Reply.com](#) — simultaneously.

So where's the harm? There's none, if you are someone who takes it all with a grain of salt. But my first impulse, after learning that in addition to making a possible \$32,799 I also had earned \$100,000 just by phoning Mr. Raful, was to spend some of that money. Preferably on shoes.

This urge, I learned, is another common problem among people who are addicted to monitoring their house values.

"It's called a 'wealth effect,' " said Clemens Sialm, a finance professor at the [University of Texas](#)

in Austin who studies homeowners' financial decisions. "It works the other way, too. If you think your house price goes down, you cancel all your dinners out."

Unfortunately for shoe addicts who are not planning to sell anytime soon, the so-called wealth could easily evaporate before it's time to cash in.

"I suspect checking on your home value once a year would be plenty," Professor Sialm said.

"I'll try," I said.

And I will, after purchasing espadrilles.

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