



## **FIN 473 – Principles of Real Estate**

### **Group AI Assignment 1**

### **Residential Property Valuation**

This AI assignment must be done as a group, and all group members (unless there are unusual circumstances) will receive the same grade. The assignment must be uploaded to the D2L folder by the due date listed on the course schedule. Use the following title: “FIN 473 AI Ass. 1, Group X”. Upload ONLY ONE assignment per group. All prompts (including the names of the AI models used) and (unedited) completions should be included in an appendix.

#### **AI Assignment 1: Residential Property Valuation**

##### **Assignment Overview**

In this assignment, you will explore and evaluate various AI-powered tools designed to determine the market value of residential properties. You will assess their methodologies, data sources, accuracy, and potential applications in the real estate industry.

##### **Instructions**

1. Research and identify three AI-powered tools that focus on residential property valuation. Examples include Zillow Zestimate, Redfin Estimate, and Realtor.com's Home Value Tool.
2. For each tool, provide a brief overview of its functionality, the data sources it relies on, and the AI methodologies employed (e.g., machine learning algorithms, neural networks).

3. Evaluate the accuracy of each tool by comparing its estimates to actual sale prices for a sample of residential properties in your local market. Document your findings, including any discrepancies between the AI-generated estimates and the actual sale prices.
4. Discuss the potential benefits and limitations of using AI for residential property valuation. Consider factors such as efficiency, scalability, data quality, and the ability to account for unique property characteristics or market nuances.
5. Reflect on the implications of AI-driven property valuation for various stakeholders in the real estate industry, including buyers, sellers, real estate agents, appraisers, and lenders.
6. Conclude with your assessment of the current state of AI in residential property valuation and its potential future developments. Provide recommendations on how these tools could be improved or integrated into the real estate valuation process.

## Resources

- Zillow Zestimate <https://www.zillow.com/zestimate>
- Redfin Estimate <https://www.redfin.com/redfin-estimate>
- Realtor.com Home Value Tool <https://www.realtor.com/myhome>
- Bank of America <https://homevaluerealestatecenter.bankofamerica.com>