Waymark Real Estate Publishes Research on AI Home Value Estimate Accuracy

Research identifies two recurring situations where automated home value estimates are more likely to diverge from market value.

Automated home value estimates are a common first step for Texas sellers, but new research finds two specific situations where they're more likely to miss.

SAN ANTONIO, TX, UNITED STATES, July 31, 2026 /EINPresswire.com/ -- New research identifies two recurring situations where automated home value estimates are more likely to diverge from a property's market value.

Waymark Real Estate today announced the publication of new research examining how accurately artificial intelligence can estimate a home's value before it is listed for sale. The research finds that automated home value estimates perform well for most properties, and identifies two specific, recurring situations in which these estimates are more likely to diverge from a home's actual market value.

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>
> *Michael Marelli, Broker and Founder, Waymark Real Estate*

Automated home value estimates have become a common starting point for many homeowners preparing to sell, making it increasingly important to understand both their strengths and their limitations.

Research Highlights

- Examined two documented Texas home sale case studies.
- Compared automated home value estimates with actual market outcomes.
- Identified two recurring situations where automated estimates diverged from market value.
- Developed a practical framework sellers can use before pricing a home.

The research set out to answer a narrower question than whether these tools work: in the cases where an estimate is materially wrong, is that outcome unpredictable, or can the underlying situations be identified in advance. The study was conducted by Michael Marelli, a licensed Texas real estate broker (TREC #639078), using two documented transactions handled directly by his brokerage.

Michael Marelli, licensed Texas real estate broker and founder of Waymark Real Estate, authored the research examining AI home value estimate accuracy.

Key Findings

The research documents two categories of limitation:

- The first occurs when a property has value-driving characteristics, such as privacy, views, or lot condition relative to nearby homes, that are not represented in the structured property data an automated model relies on.
- The second occurs when an automated model draws comparable properties from a neighboring area with a distinct value driver, such as a historic district or a different construction tier, that does not reflect the subject property's own competitive market.

The research also outlines a set of practical questions sellers can ask about their own property, covering both categories of limitation, before relying on an automated estimate to set a listing price.

Supporting Evidence

The findings are supported by published accuracy data from Zillow, which reports a median error rate of 1.9 percent for homes currently listed for sale, evidence consistent with the research's conclusion that automated estimates perform well for most properties. The research also draws on published industry research describing how automated valuation models (AVMs) select comparable properties.

The paper also addresses the limits of its own evidence. Texas is a non-disclosure state, meaning home sale prices are not part of the public record as they are in many other states. The research states that this limits the ability to conduct a large-scale, data-driven study of automated valuation accuracy specific to Texas, and notes directly that its two case studies represent observed instances of each limitation rather than a measurement of how often either occurs across the broader housing market.

"The question isn't whether AI can price a home. For most homes, it can," said Michael Marelli, broker and founder of Waymark Real Estate. "The real question is whether your home is one of the exceptions. That's what this research set out to answer. Understanding why an estimate might be off helps homeowners make more informed pricing decisions, whether or not they ever work with a broker."

The complete research paper, including its methodology, both documented case studies, references, and stated limitations, is available at waymarkre.com/learn/can-ai-price-your-home-texas, on Waymark Learn, the educational and research library of Waymark Real Estate.

About Waymark Real Estate

Waymark Real Estate is an AI-guided home selling platform operated by Marelli Properties (TREC #639078), a licensed Texas real estate brokerage. The company combines AI-assisted workflows with licensed broker oversight throughout the home selling process. Waymark serves sellers across San Antonio, Austin, Houston, and Dallas.

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