

KING COUNTY HOUSING ANALYSIS

What should you look for when
selling or buying a home.

MOTIVATION AND OBJECTIVE

For this project we wanted to take data from King County, Seattle, Washington and assist realtors and assessors with predicting sale prices for homes:

We took a look at

1.

**Home Grade
and Zipcode**

2.

**Home Condition
Rating**

3.

**Latitude and
Longitude**

A little background information...

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The area of Pike Place Market...



Question 1: How are the housing prices distributed throughout King County? Where is going to cost you the most and where is affordable?

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If they want to live near or in the BIG city, expect to pay

The most expensive houses are the closest to the larger cities as well as on near Lake Washington

● King County Area

- Seattle is home to a large tech industry, with Microsoft and Amazon headquartered in its metropolitan area.
- Lake Washington
 - Second largest Lake in Washington

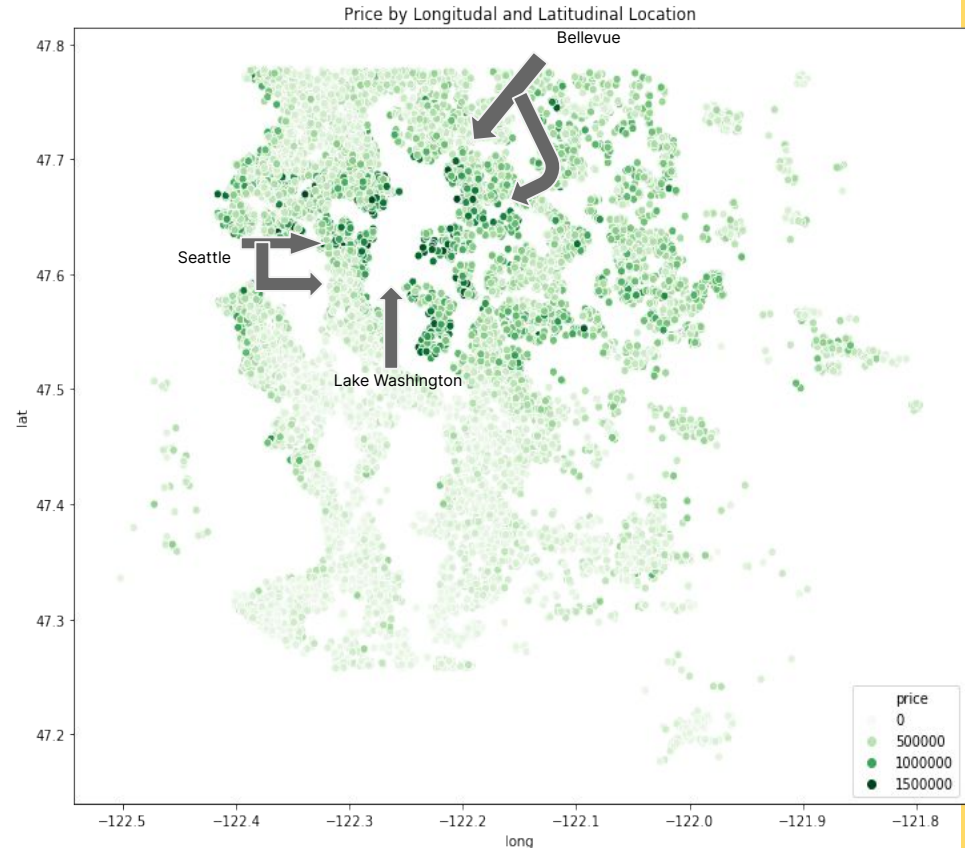
What will result in an expensive and less expensive house as far as location?

Expensive:

- Living in close proximity to Seattle
- Living in Bellevue, Washington (Dark Green cluster east of Lake Washington)

Less Expensive

- The farther you go away from Lake Washington in any direction should lessen the price of the house.



Does House Condition Affect Price?

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Condition vs. Year Built

Condition Ratings for King County

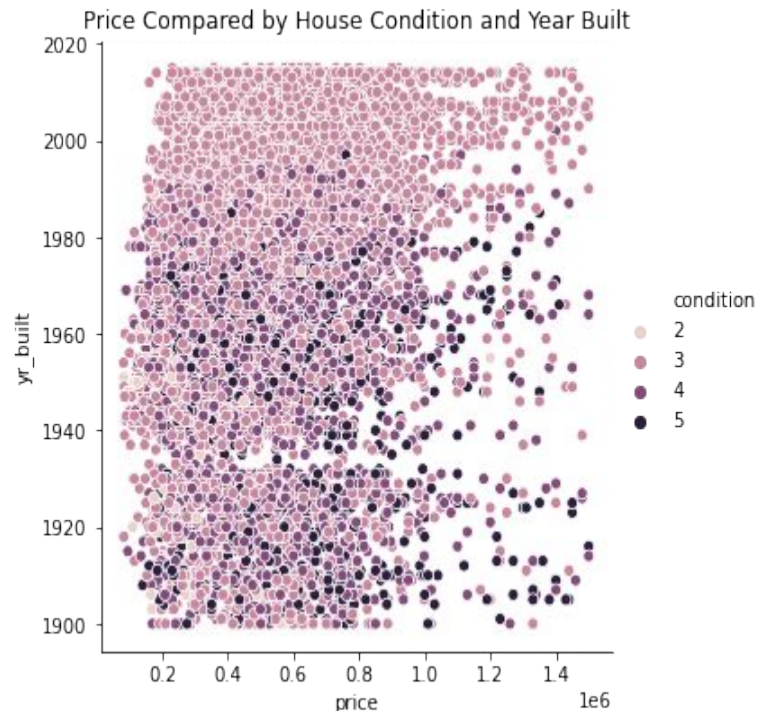
1 = Poor- Worn out. Repair and overhaul needed on painted surfaces, roofing, plumbing, heating and numerous functional inadequacies.

2 = Fair- Badly worn. Much repair needed. Many items need refinishing or overhauling, deferred maintenance obvious, inadequate building utility and systems all shortening the life expectancy and increasing the effective age.

3 = Average- Some evidence of deferred maintenance and normal obsolescence with age in that a few minor repairs are needed, along with some refinishing.

4 = Good- No obvious maintenance required but neither is everything new. Appearance and utility are above the standard and the overall effective age will be lower than the typical property.

5= Very Good- All items well maintained, many having been overhauled and repaired as they have shown signs of wear, increasing the life expectancy and lowering the effective age with little deterioration or obsolescence evident with a high degree of utility.



Does House Condition Affect Price?

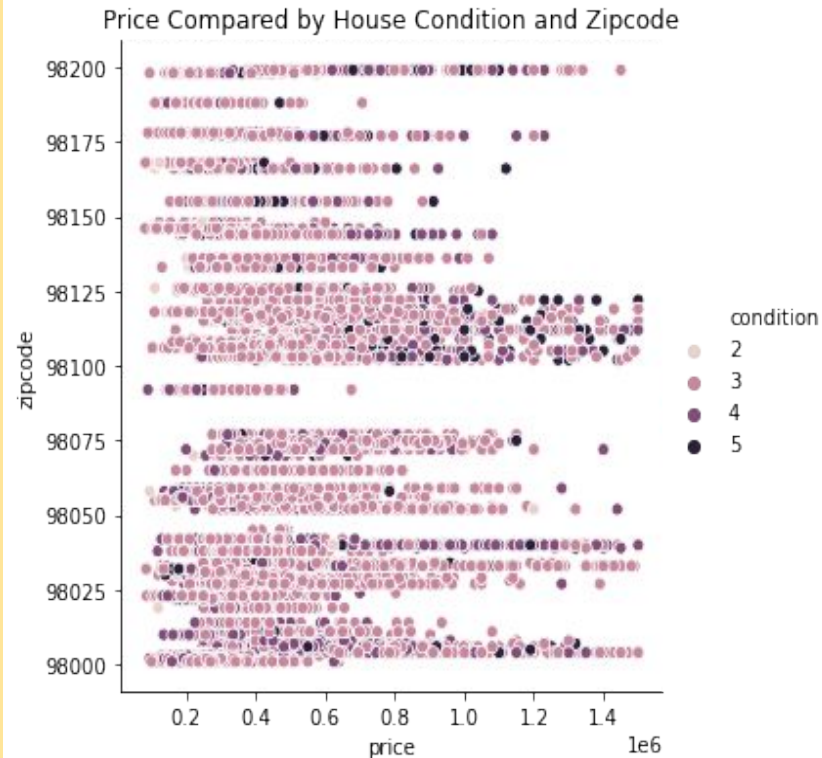
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Condition vs. Price



Downtown Seattle, Pikes Place Market

Zipcodes
98125
98101



Does the grade of the home affect the sale price?

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We looked at homes with a grade of at least 8 through grade 12 in the area of

08

Just above average

Usually better materials in both the exterior and interior finishes

09

Good

Better architectural design, with extra exterior and interior design and quality

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Great

Homes of this quality generally have high quality features. Finish work is better, and more design quality is seen in the floor plans and larger square footage.

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Excellent

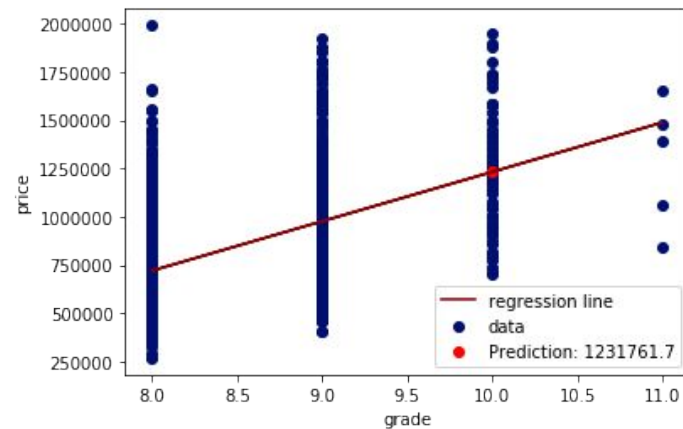
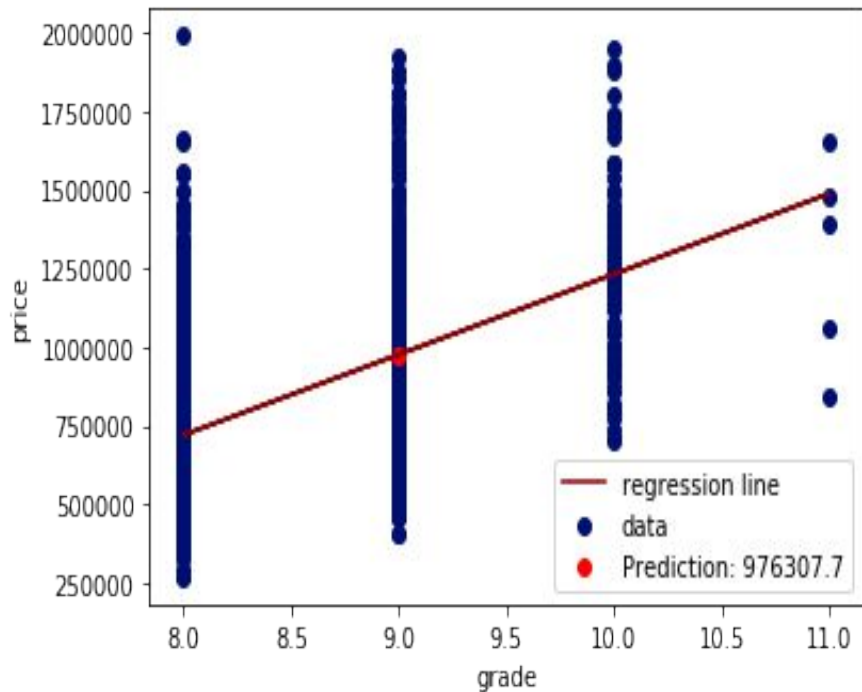
Custom design and higher quality finish work, with added amenities of solid woods, bathroom fixtures and more luxurious options.

Prediction For Grade Pricing

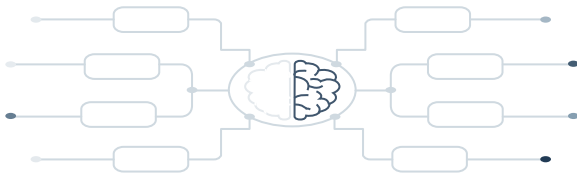
For each grade:

\$255,454

potentially 3-5%



Model Information



We used a simple model based off the location of the homes, the grade of the homes and looked at how these drove the price.

These features showed a very strong relationship with price while still being independent from each other.

Grade

Location

Price

Limitations :

Can only be used with King County.



Recommendations

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Location

Sell a home in the Downtown Seattle area because the housing marketing is very strong with high home condition ratings and holding of value.



Where to buy depending on budget

Depending on the budget of the buyer if they are looking for a more luxurious house then they should look towards the Seattle area and Lake Washington. But if they are looking for less expensive than they should look at the houses which are a far distance from Seattle and the lake.



Home Improvements

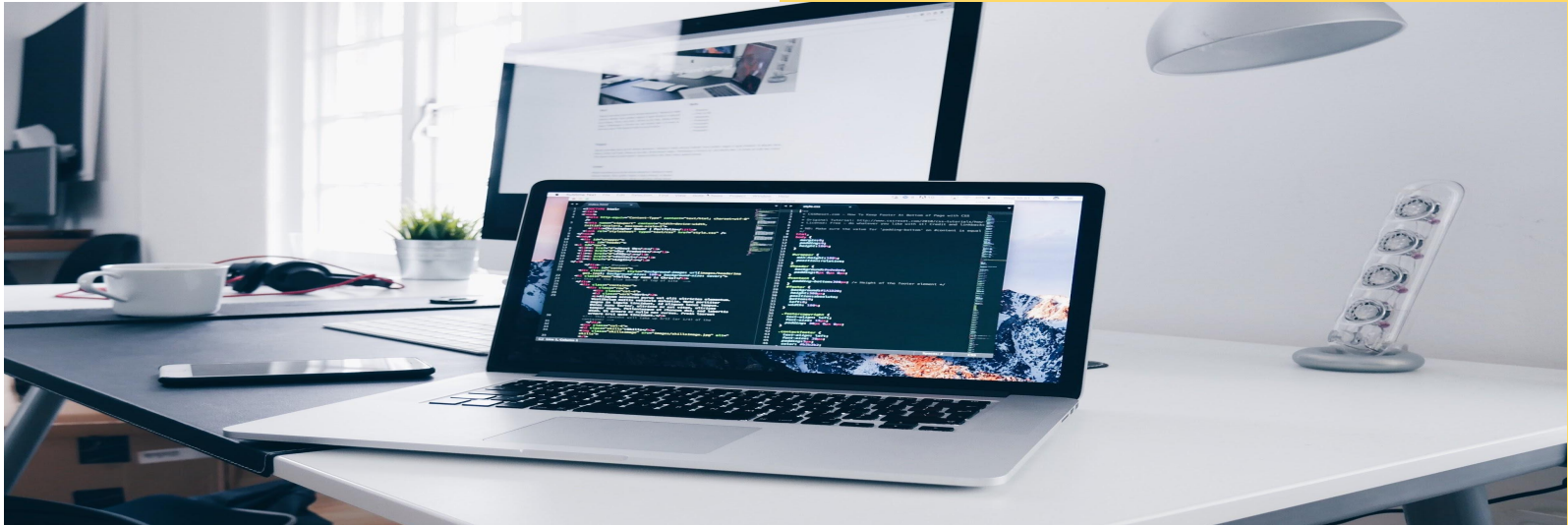
Conduct a high quality renovation in your home before selling to ensure the highest home grade which will increase property value.

If you are looking to buy in the area, then make sure that you check the grade of the house to ensure higher quality for your money.

FUTURE WORK

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- Affordable Housing Shortage in Seattle
- Average income of residents
- Examine the effect Microsoft and Amazon moving to Seattle had on housing prices
- Demographic data



THANKS

Do you have any questions?

