Maple Homes Real Estate King County

Maximizing Profit Through Expanding Maple Homes Real Estate to King County, Washington

Summary

- Maple Homes Real Estate
  - Specializes in the sale of commercial homes.

- BigTable Inc.
  - Data Science firm of Greg Osborne, hired by Maple Homes.

- To maximize the home sale price, look for homes with:
  - **High Grade Rating**
  - **HIgh Bathroom Count**
  - **Located on the Waterfront**

- More recommendations are possible.

Outline

Overview

- Maple Homes Real Estate is expanding to King County, Washington

- Prioritize high sales price

- BigTable Inc. Data Science Consulting

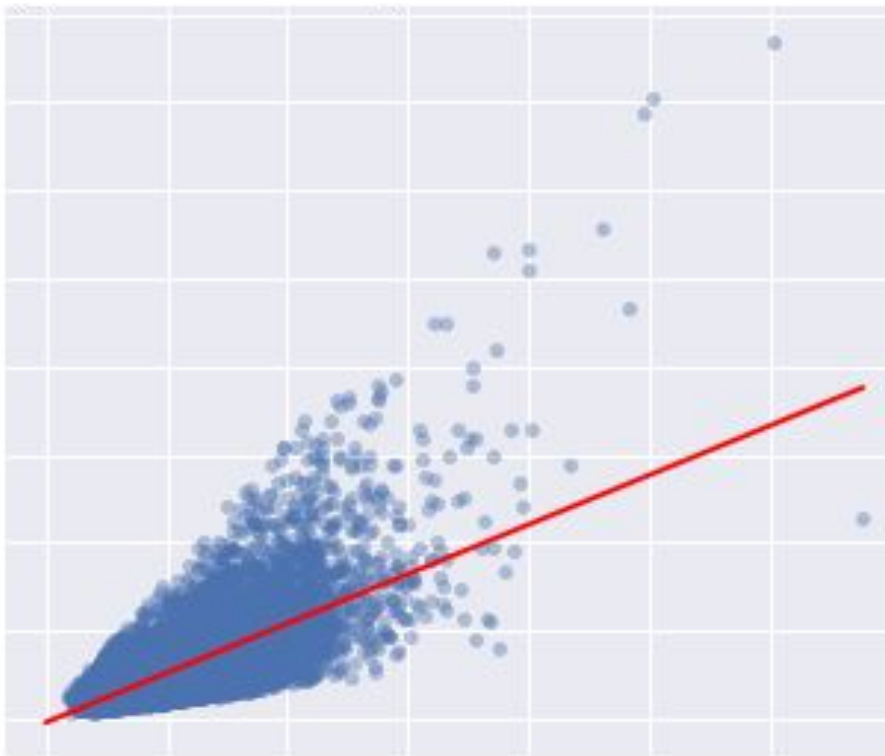- Three recommendations to achieve high sale prices

Business Problem

- High sale price, high the commission & profit

- Highest priced homes

- What communicates a home will sell for a high price?

Modeling

- Mathematical modeling accounts for multiple variables

- These variables predict sales price:

  - Grade Rating
  - Build Year
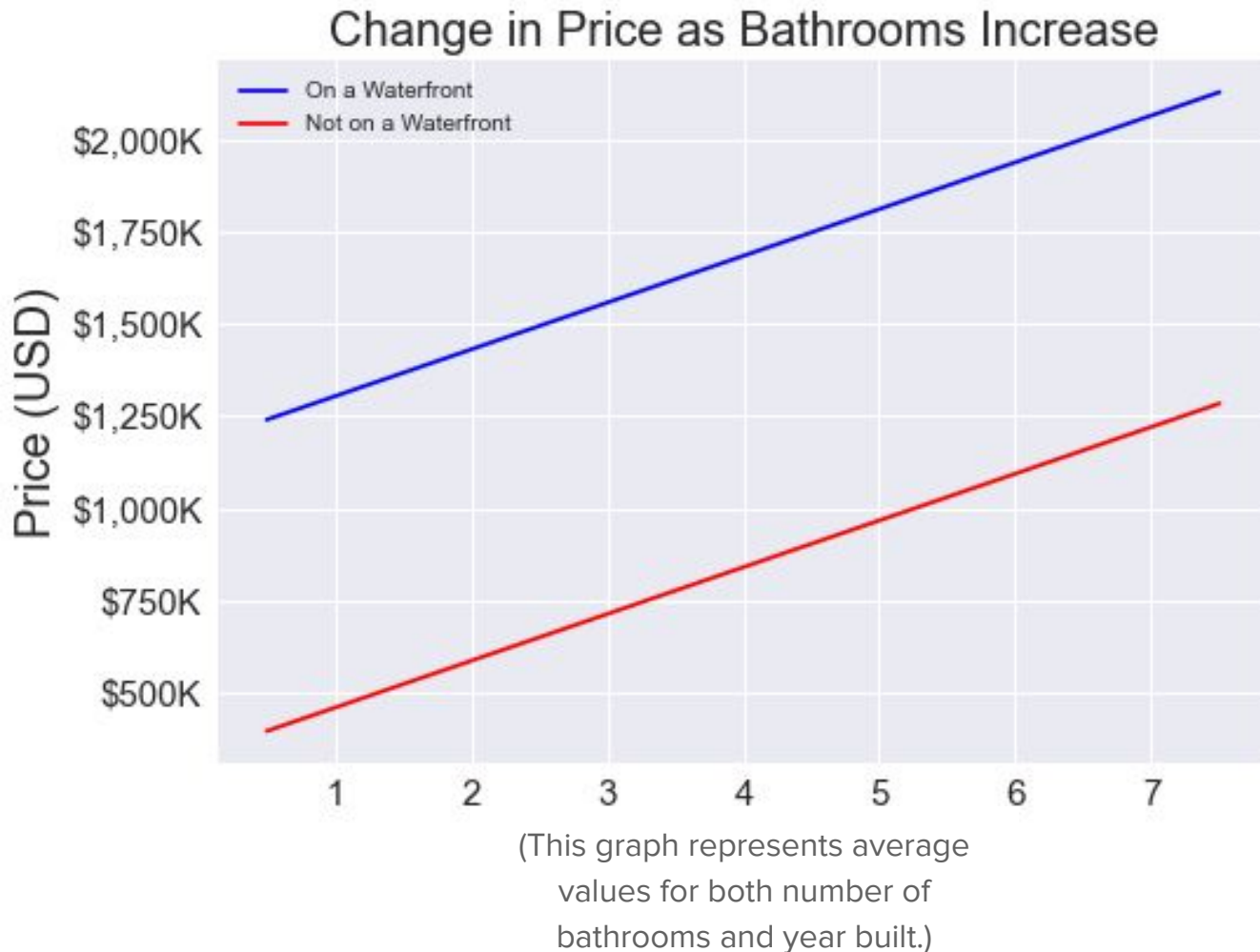 - Waterfront
  - Number of Bathrooms

Regression Results

- Sales price increased by $196K / Grade
- Grade rating average in King County: 8
- Waterfront adds $844K to the sales price.

Change in Price as Grade Rating Increases

— On a Waterfront
— Not on a Waterfront

Price (USD)

$2,500K
$2,000K
$1,500K
$1,000K
$500K
$0K
$-500K

4   6   8   10   12

(This graph represents average values for both number of bathrooms and year built.)

Regression Results
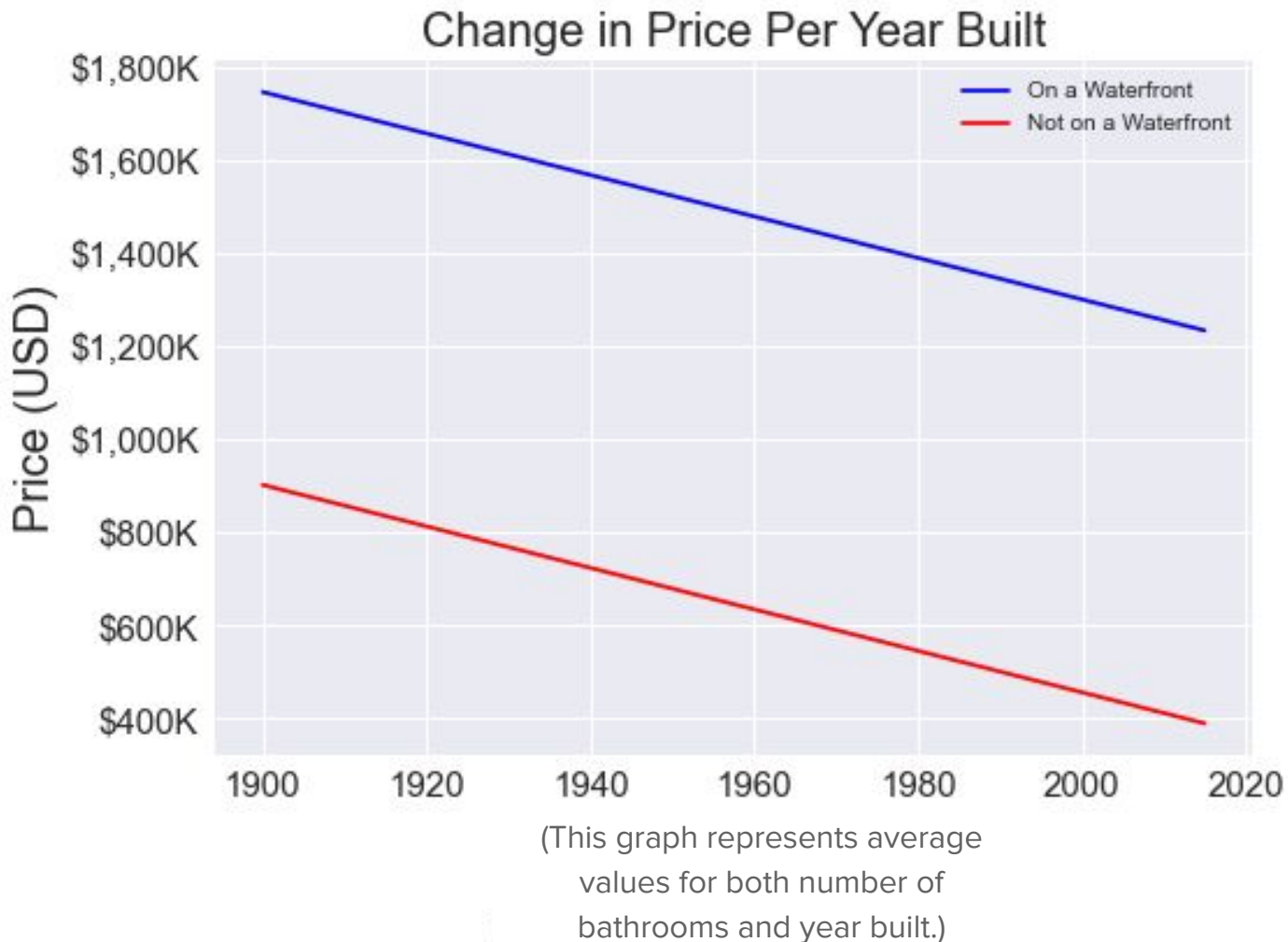
- Sales price increased by $148K / Bathroom
- Number of bathrooms average in King County: 2

Change in Price as Bathrooms Increase

Legend:
- On a Waterfront
- Not on a Waterfront

Y-axis: Price (USD) — $500K, $750K, $1,000K, $1,250K, $1,500K, $1,750K, $2,000K

X-axis: 1, 2, 3, 4, 5, 6, 7

(This graph represents average values for both number of bathrooms and year built.)

Regression Results

- Sales price decreased by ($148K) / Year
- Average build year in King County: 1971
- Waterfront adds $844K to the sales price.

Change in Price Per Year Built

On a Waterfront
Not on a Waterfront

(This graph represents average values for both number of bathrooms and year built.)

Regression Results

- Sales price increased by $844K if the home was on a waterfront.
- There are 143 homes on a waterfront in the dataset, 0.7% of all homes.
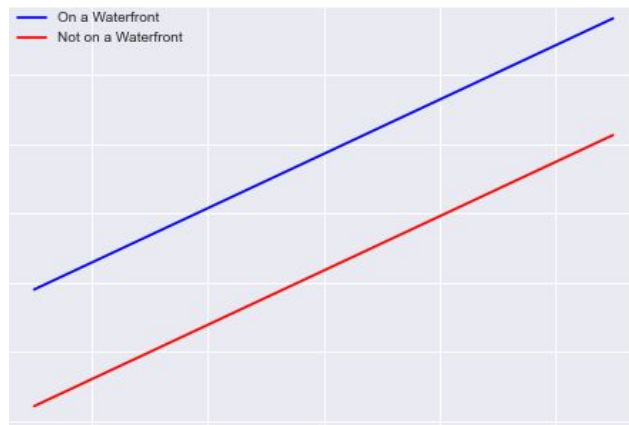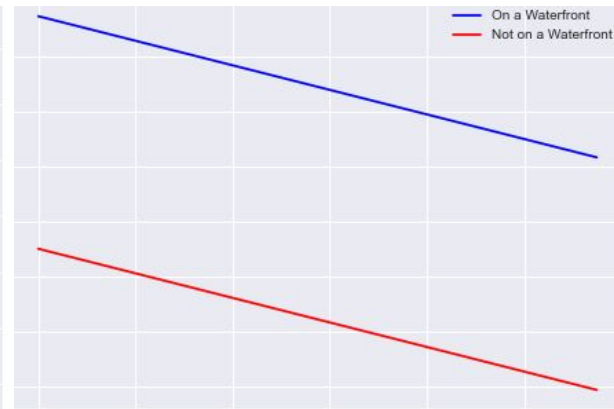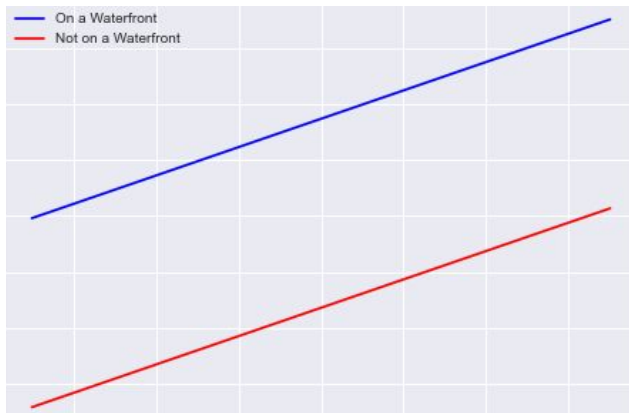
Recommendation 1: Grade

- High grade is the best indicator of a high sale price.
- Salesmen should target homes with high grade ratings

Recommendation 2: Bathrooms Count

- More bathrooms translates to a higher sales price.
- Salesmen should target homes with more than two bathrooms

Recommendation 3: Waterfronts

- Waterfront homes sell for $844K more

- With only 146 waterfront homes in King County,
  Salesmen should make representation a long term goal

Next Steps: More Research

- Why are new homes cheaper?

- Location?

- More research is needed to explain this

Thank You!

Email: gregory.r.osborne@gmail.com
GitHub: @FunkyTable

Grade Rating Information

- Copied from the [King County Assessor Website](#) :
    - Represents the construction quality of improvements. Grades run from grade 1 to 13. Generally defined as:
    - 1-3 Falls short of minimum building standards. Normally cabin or inferior structure.
    - 4 Generally older, low quality construction. Does not meet code.
    - 5 Low construction costs and workmanship. Small, simple design.
    - 6 Lowest grade currently meeting building code. Low quality materials and simple designs.
    - 7 Average grade of construction and design. Commonly seen in plats and older sub-divisions.
    - 8 Just above average in construction and design. Usually better materials in both the exterior and interior finish work.
    - 9 Better architectural design with extra interior and exterior design and quality.
    - 10 Homes of this quality generally have high quality features. Finish work is better and more design quality is seen in the floor plans. Generally have a larger square footage.
    - 11 Custom design and higher quality finish work with added amenities of solid woods, bathroom fixtures and more luxurious options.
    - 12 Custom design and excellent builders. All materials are of the highest quality and all conveniences are present.
    - 13 Generally custom designed and built. Mansion level. Large amount of highest quality cabinet work, wood trim, marble, entry ways etc.