Pricing midrange homes in King County, WA

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Questions

What factors affect home prices?

Image by Joe Mabel, CC BY-SA 3.0. Via Wikimedia Commons.

Questions

What factors affect home prices?

How can you turn your family home into a smart investment?

Data

18,999 homes in King County

House price by location
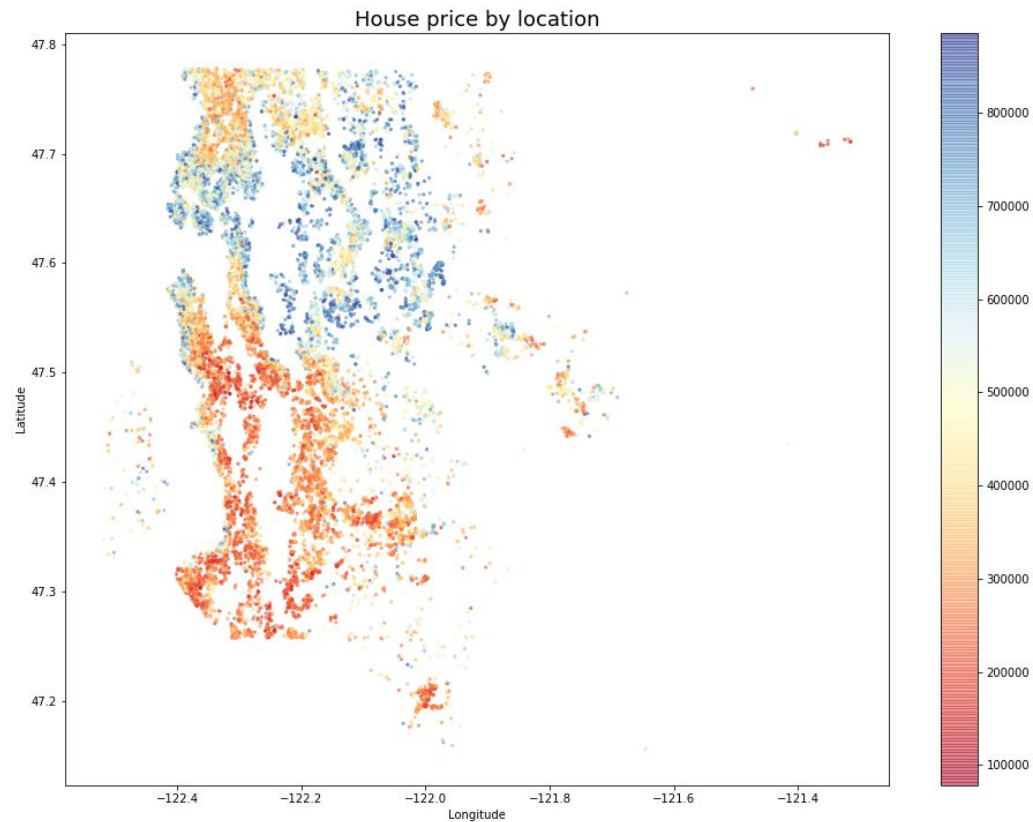
Points are colored by price.

Data

18,999 homes in King County

2-5 bedrooms

House price by location

Points are colored by price.

Data

18,999 homes in King County

2-5 bedrooms

Median sale price of $425,000

House price by location
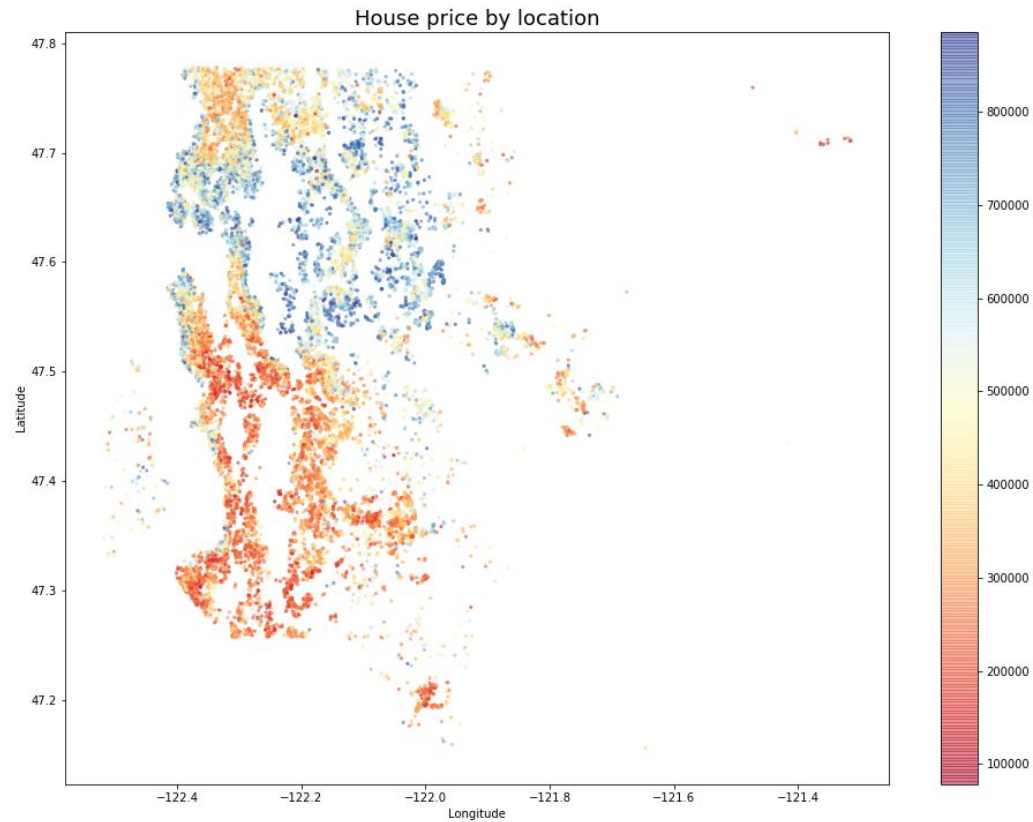
Points are colored by price.

Data

18,999 homes in King County

2-5 bedrooms

Median sale price of $425,000

Sale records from 2014-2015

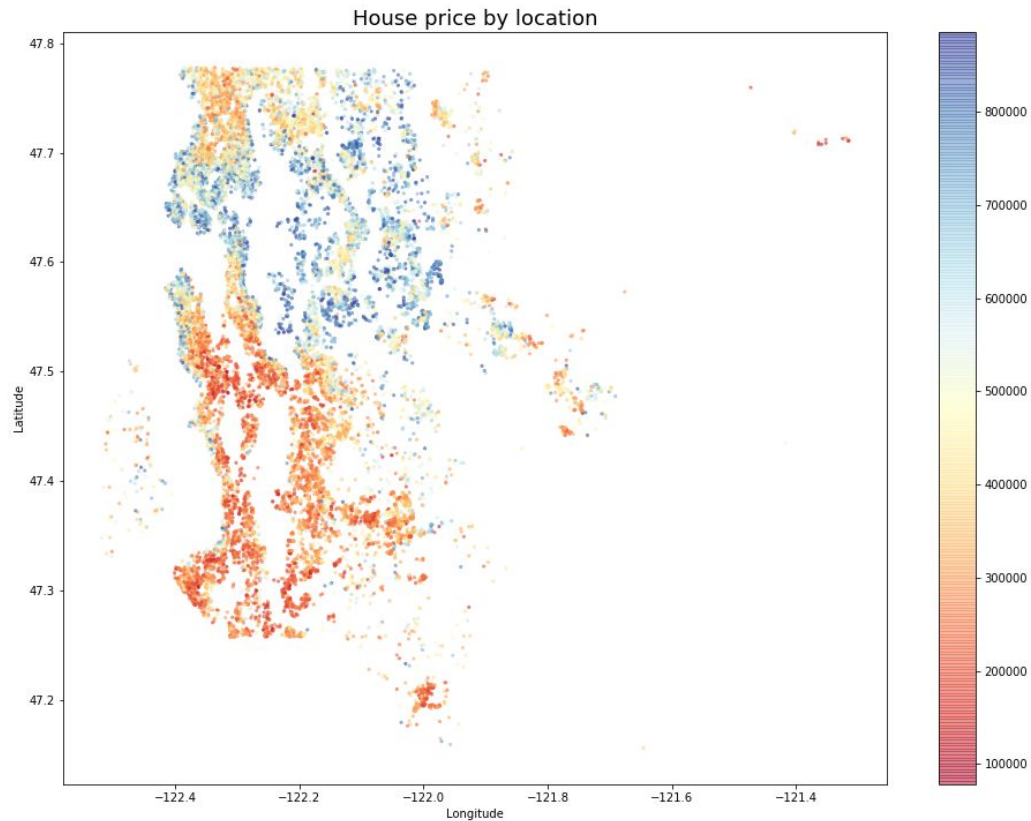Points are colored by price.

Method

Multiple linear regression

A technique that lets us consider the effects of **multiple factors** on home price at the same time.

Image by David Sawyer, CC BY-SA 3.0. Via Flickr.

Results

Model explains **82%** of the variation in price based on a variety of factors.
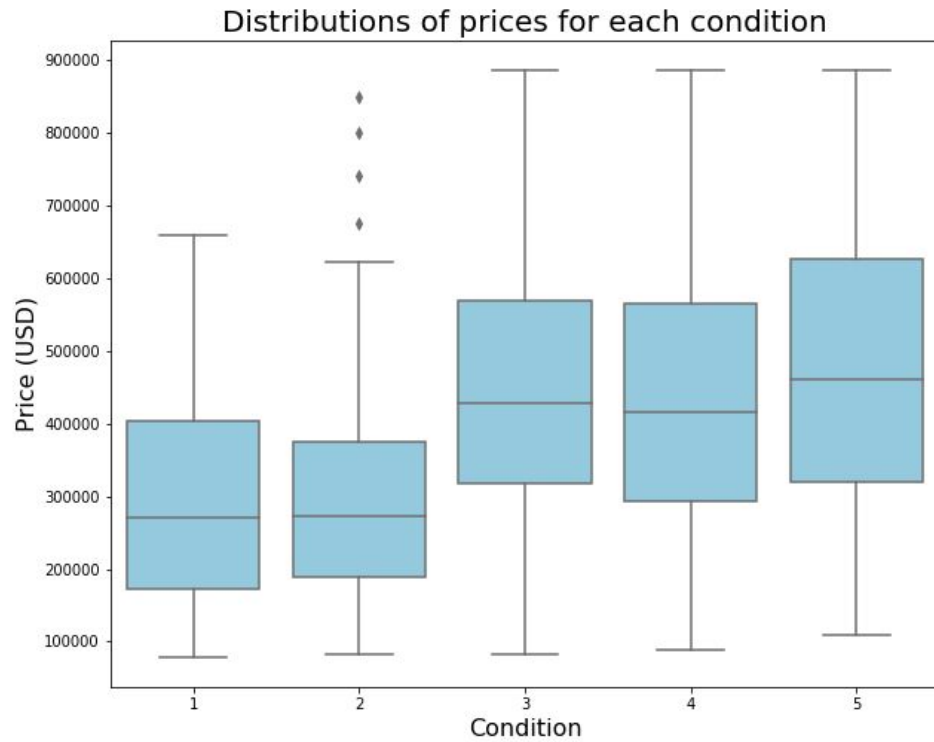
Insights for homeowners

+$8,300

Potential increase in sale price after adding 100 sq. ft. or an additional bathroom to your home.

+$21,000

Potential increase in sale price after improving the condition* of your home by one level.

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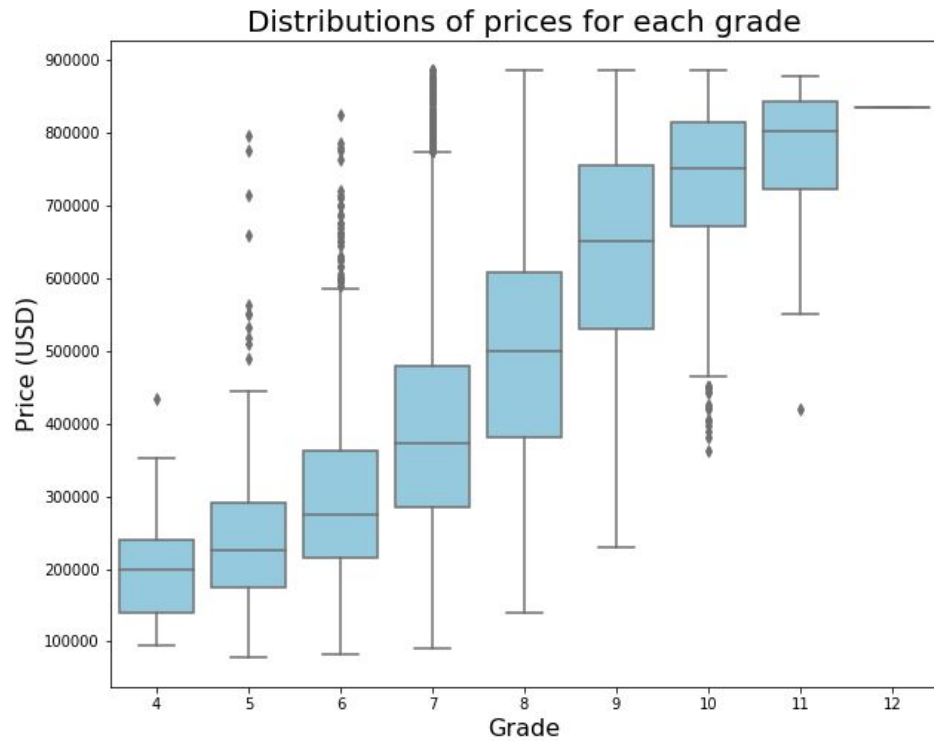Distributions of prices for each condition

Middle of each blue box = median price for that condition level.

+$42,000

Potential increase in sale price after improving the grade* of your home by one level.

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* King County's grading system rates houses from 3 to 13 on the basis of design features.

Distributions of prices for each grade

Middle of each blue box = median price for that grade.

Future directions for analysis

- Incorporate additional data about neighborhoods

- Use more sophisticated techniques to better account for interactions among factors affecting price

Thank you!

GitHub: github.com/jrkreiger/pricing-midrange-homes

Twitter: @j_re

LinkedIn: linkedin.com/in/jrkreiger