

King County, WA Real Estate Data Analysis for Residential Realty Agents

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Outline:

- Business Problem
- Data Understanding
- Recommendations
- Sources



Business Problem:

How can you best assist your client in setting or offering a home price?

Contributing Features:

- Location
- Comps
- Condition
- Luxury features



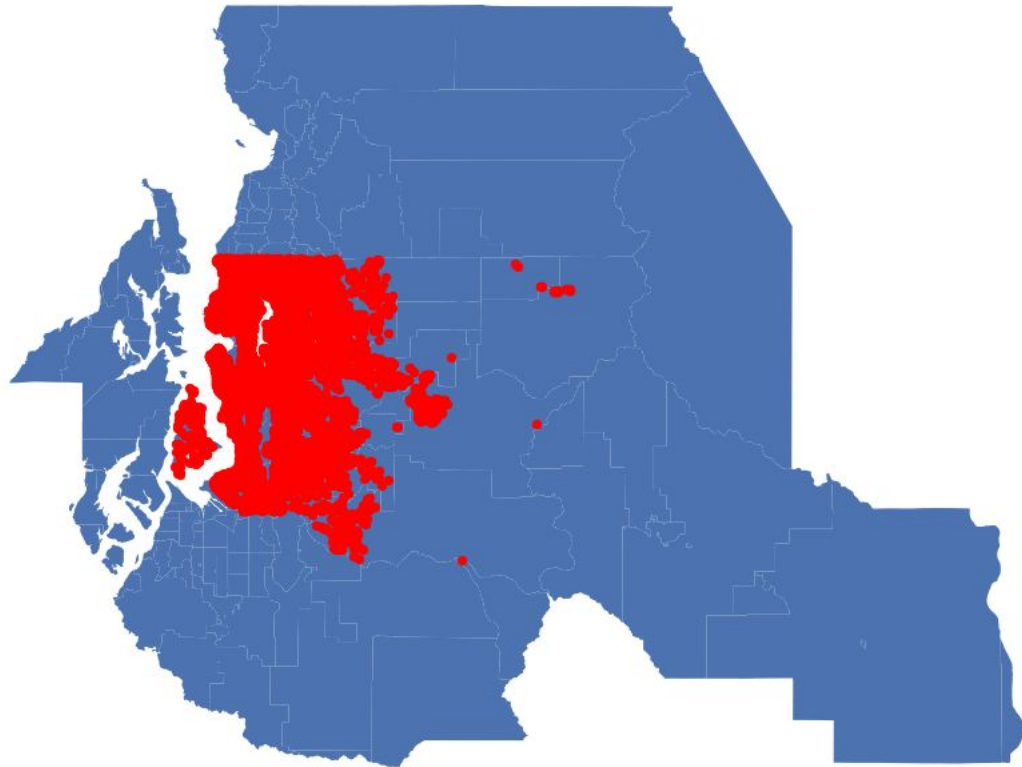
King County Records: *21, 597 Houses Sold 2014-2015*

Source:

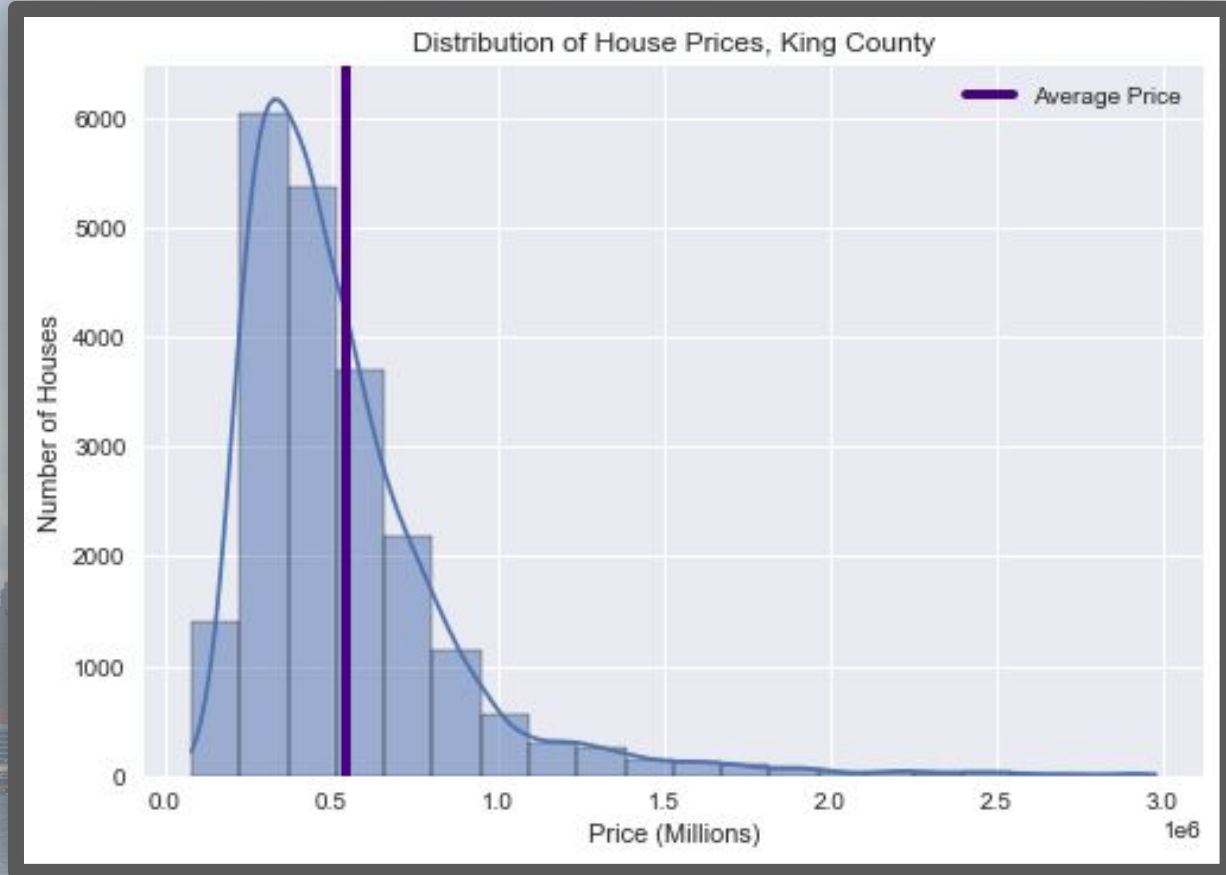
**King County Dept.
of Assessments**

***A COVID Caveat:
See Appendix: Considering COVID
for more information.***

Distribution of Houses - King County Housing Data



Distribution of Home Prices



***Average
Price:
\$540,000***

All Homes

Condition 3+
Grade 6+

- Sqft
- Sqft nearest 15 neighbors
- Condition
- Grade
- Location by zip
- Location by city proximity

R-squared : .828

Luxury Homes

Condition 3+
Grade 10+

- Sqft
- Sqft nearest 15 neighbors
- Condition
- Grade
- Waterfront
- Location by zip
- Location by city proximity

R-squared : .766

Non-Luxury Homes

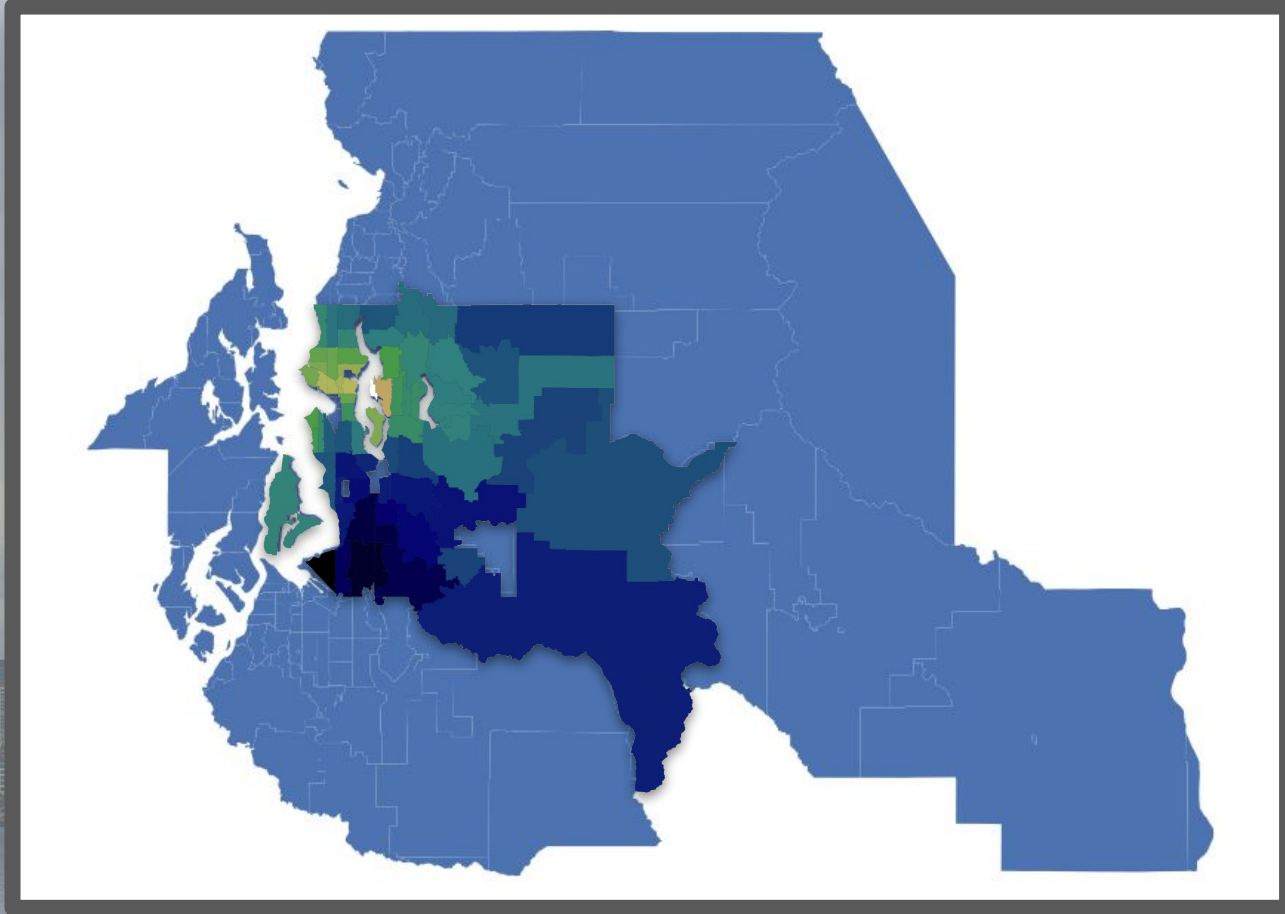
Condition 3+
Grade 6 - 9

- Sqft
- Sqft nearest 15 neighbors
- Condition
- Grade
- Lot size
- Location by zip

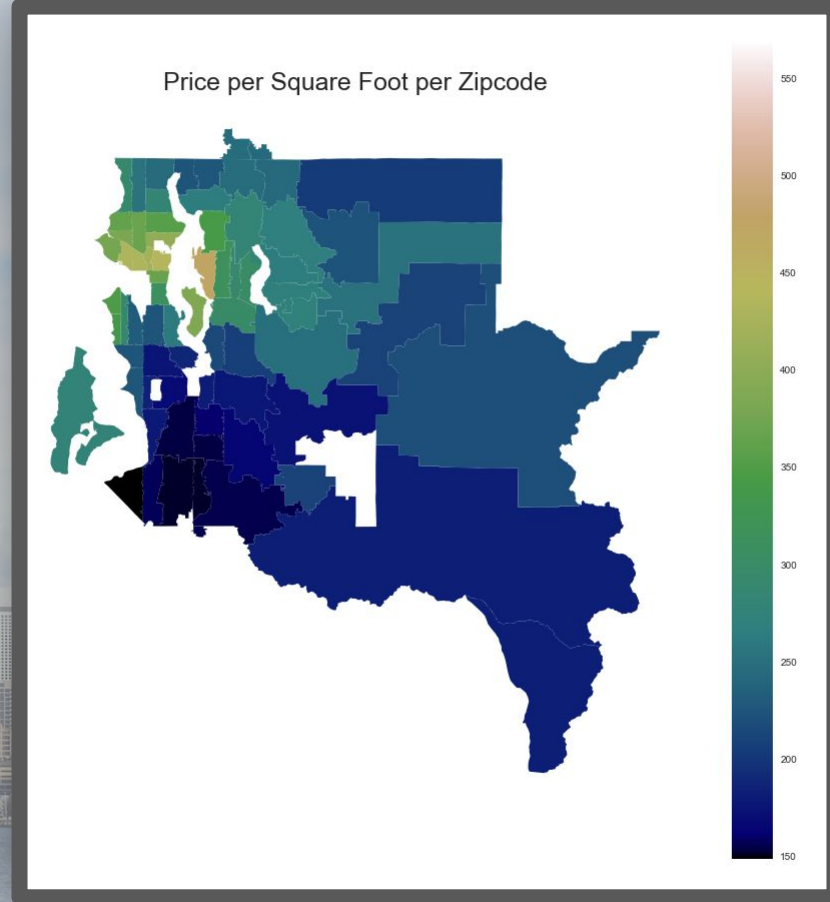
R-squared : .805

****Note:*** All three models fulfill the assumptions of Linear Regression*

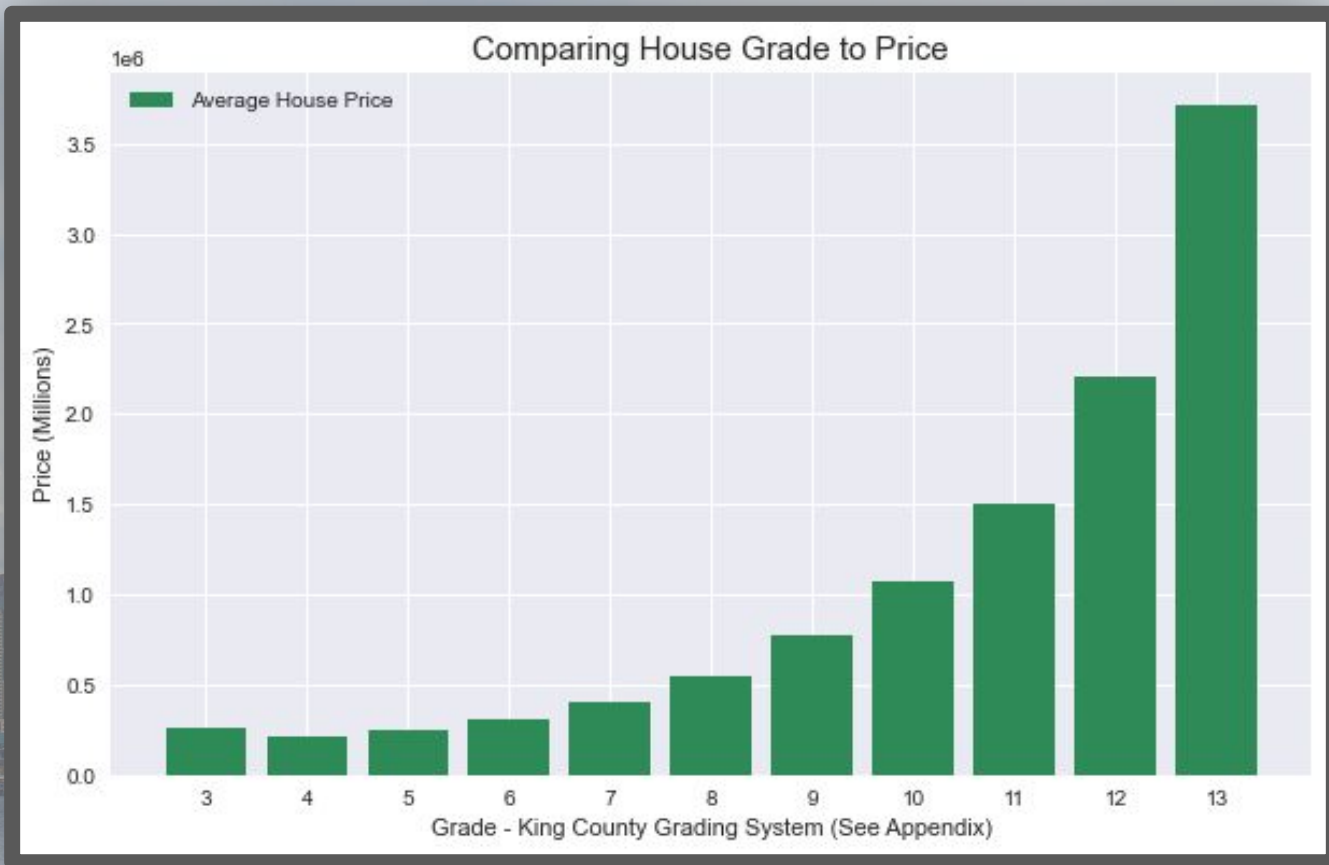
Mean Home Price by Location *(Zoomed Out)*



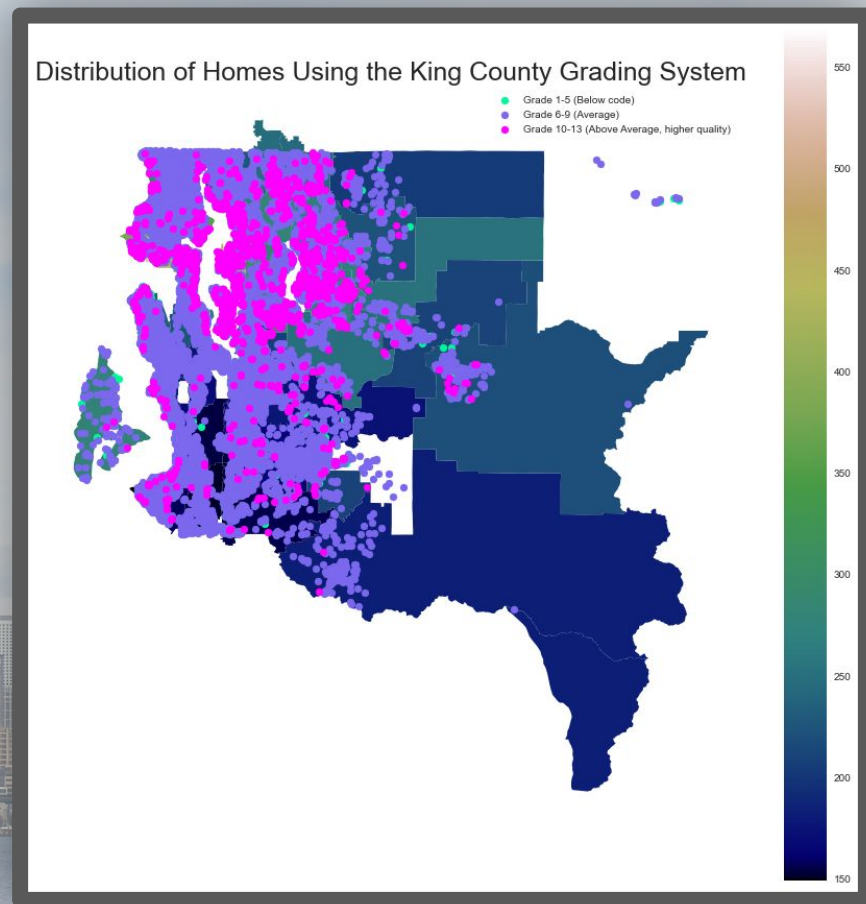
Mean Home Price by Location



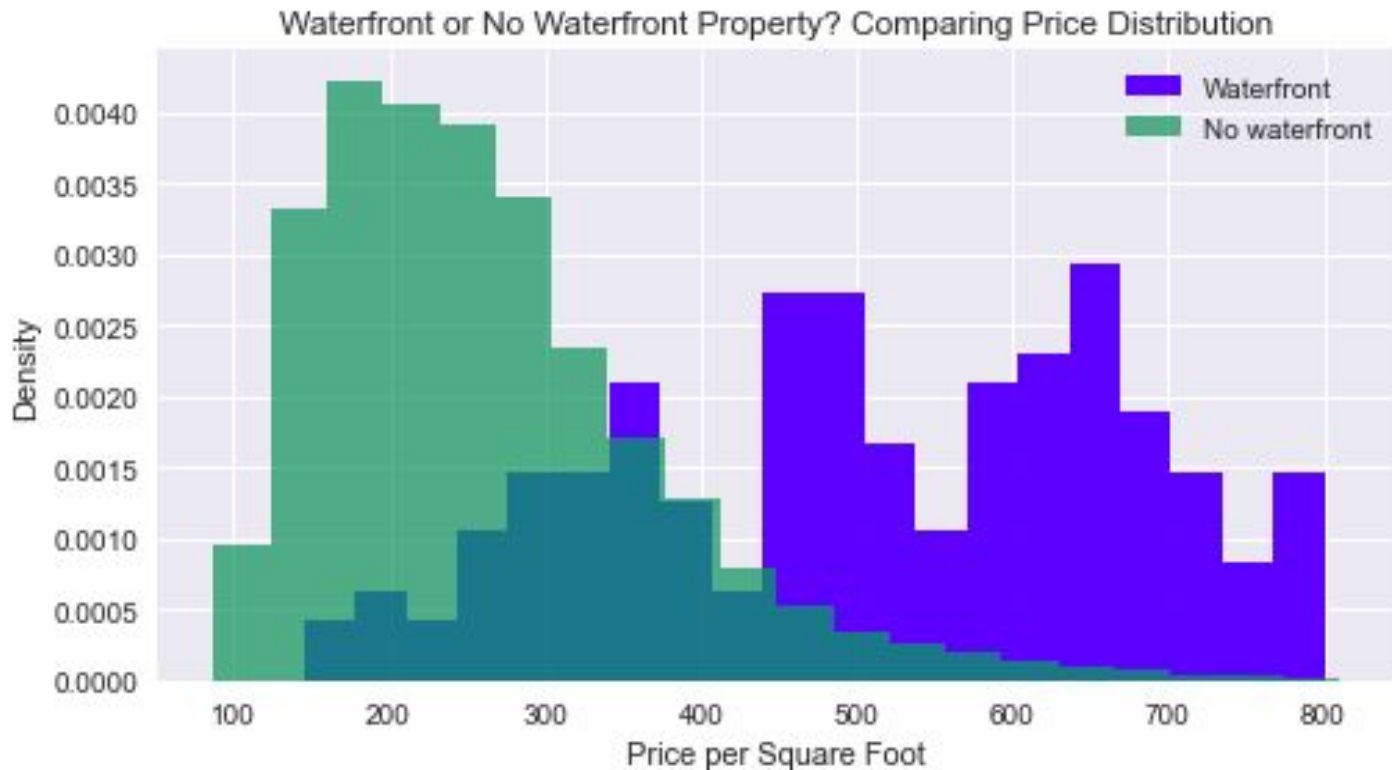
Home Value Increases with Grade



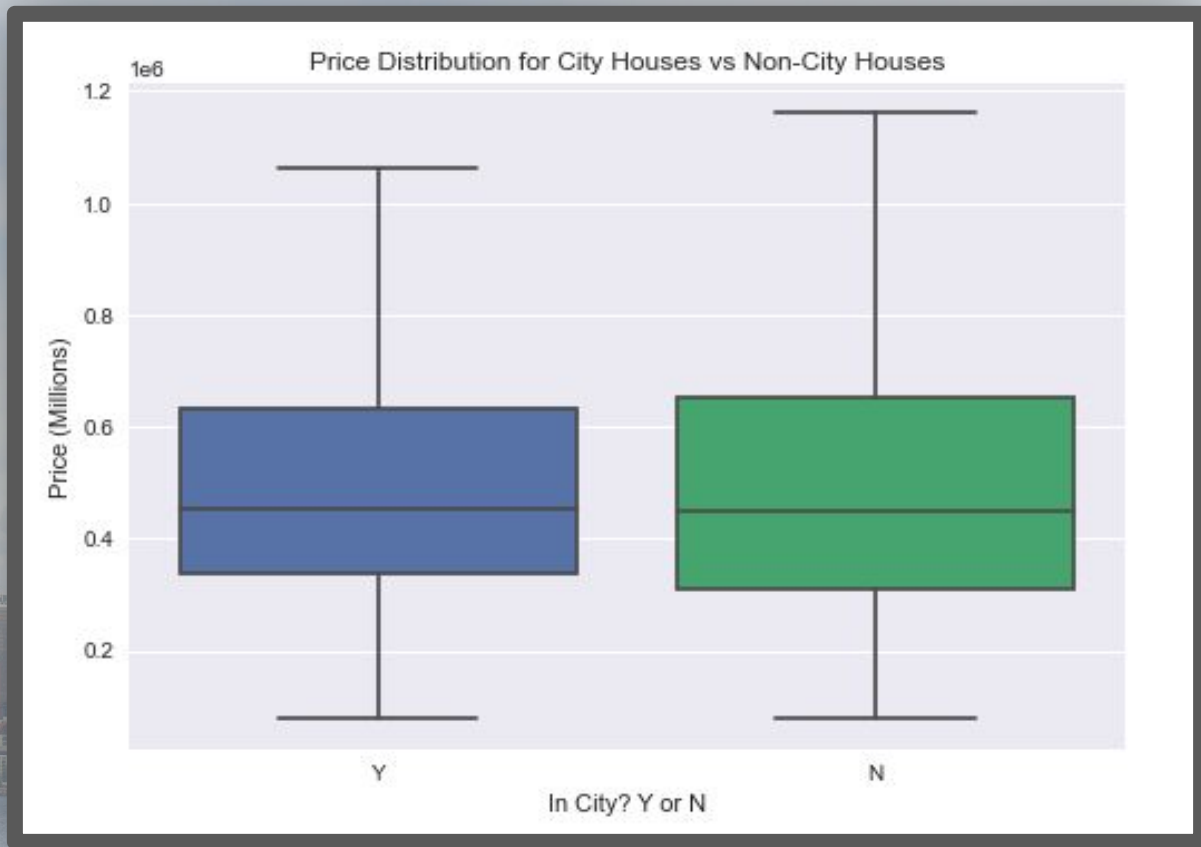
Mean Home Price by Location



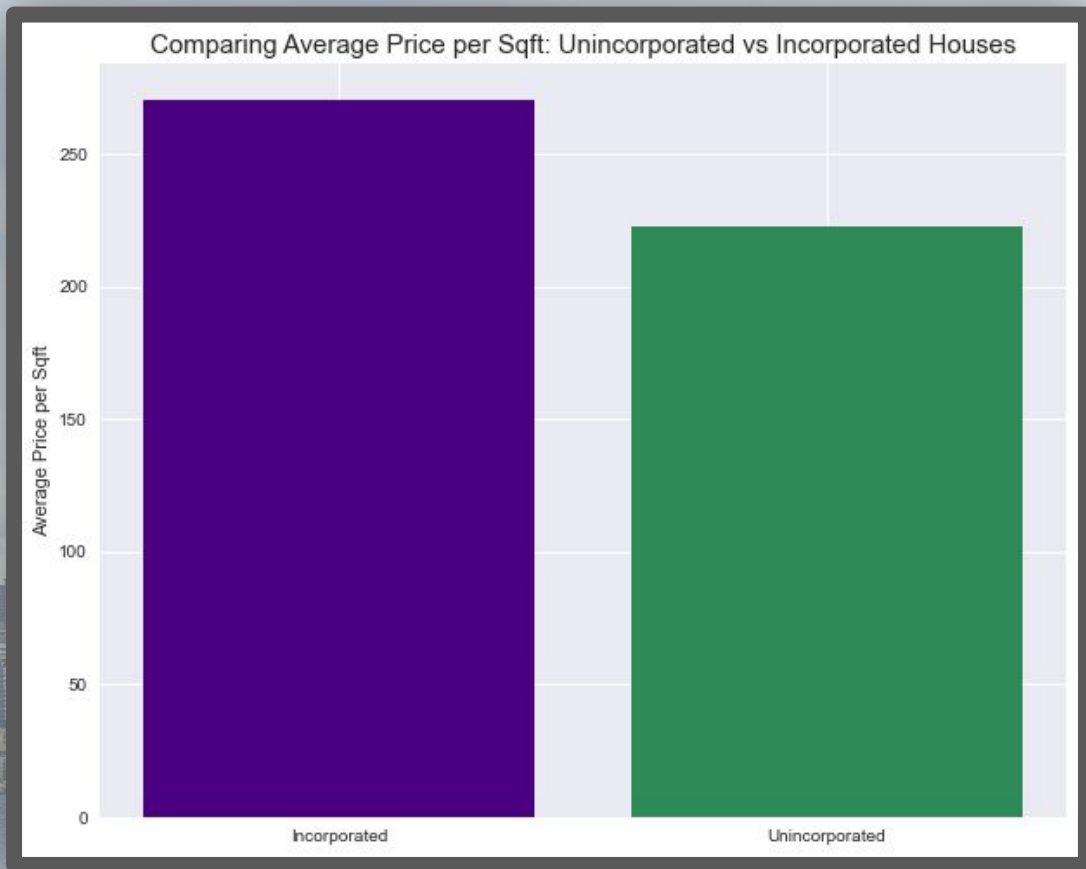
Waterfront Property Price Distribution



Location Price Distribution



Incorporated vs Unincorporated Homes



*See Appendix for Map of
Incorporated Areas*

Recommendations

- Client Needs
- Property Tradeoffs - Space, Location, Price
- Client-Specific Models



Thank You!



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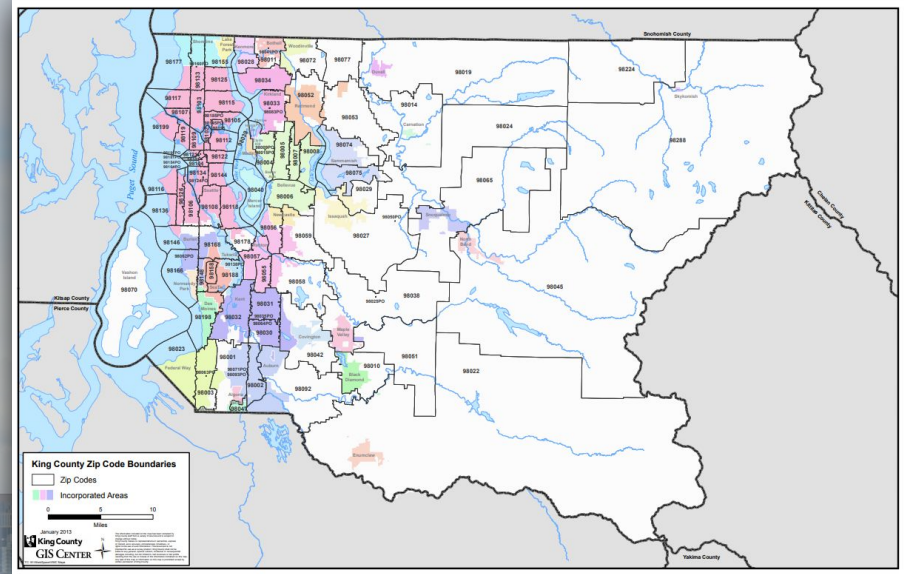


github.com/Luv2bna_nook44

Appendix

Sources:

- Dataset:
 - <https://info.kingcounty.gov/assessor/DataDownload/default.aspx>
- Incorporated vs Unincorporated Homes:
 - <https://www.starnewsonline.com/article/NC/2015/1017/news/605047421/WM>
- Mapping data:
 - <https://www.kingcounty.gov/services/gis/GISData.aspx>
- King County, WA Government Info:
 - <https://www.kingcounty.gov/>



Appendix, cont.

King County Grading System

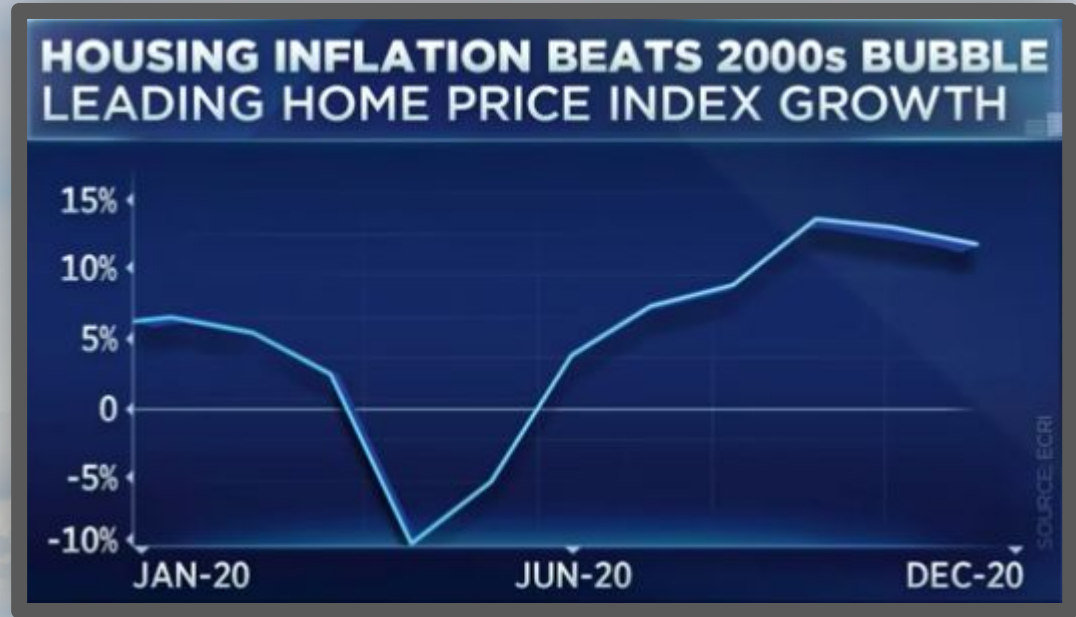
- 1-3: Falls short of minimum building standards. Normally cabin or inferior structure.
- 4: Generally older, low quality construction. Does not meet code.
- 5: Low construction costs and workmanship. Small, simple design.
- 6: Lowest grade currently meeting building code. Low quality materials and simple 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.

Appendix, cont.: *Considering COVID*

PLEASE NOTE:

The housing data (and associated inferential model) used in this presentation *does not* reflect current economic trends **(2020-2021)** which may have an additional effect on house prices.

The following slides contain some visual analysis of current real estate trends.

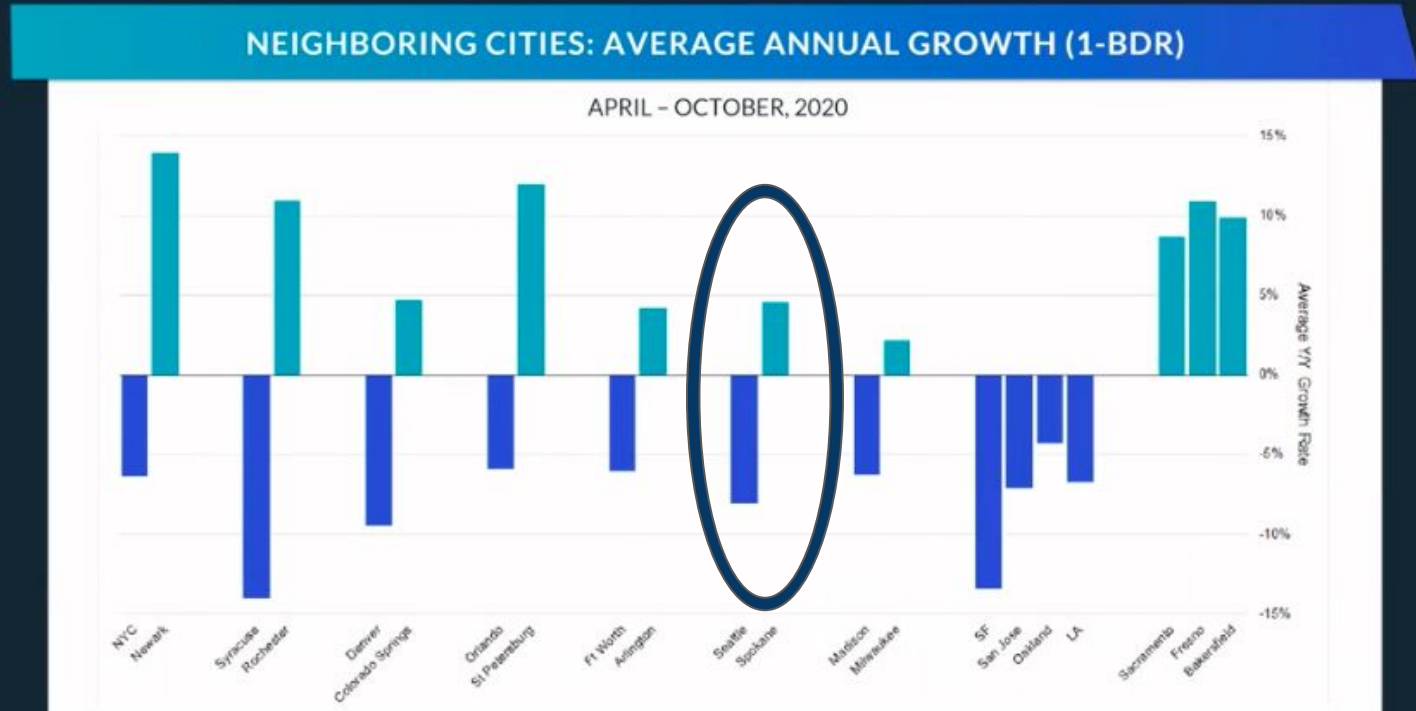


Source: <https://www.youtube.com/watch?v=UAYHnyLFAT4>

Appendix, cont.: *Considering COVID*

Takeaways:

1. People are moving out of cities.
2. Seattle saw population decrease, but an increase in its neighboring city, Spokane)
3. Increase in demand for suburban homes. (lack of city amenities, less people have to commute to the office)

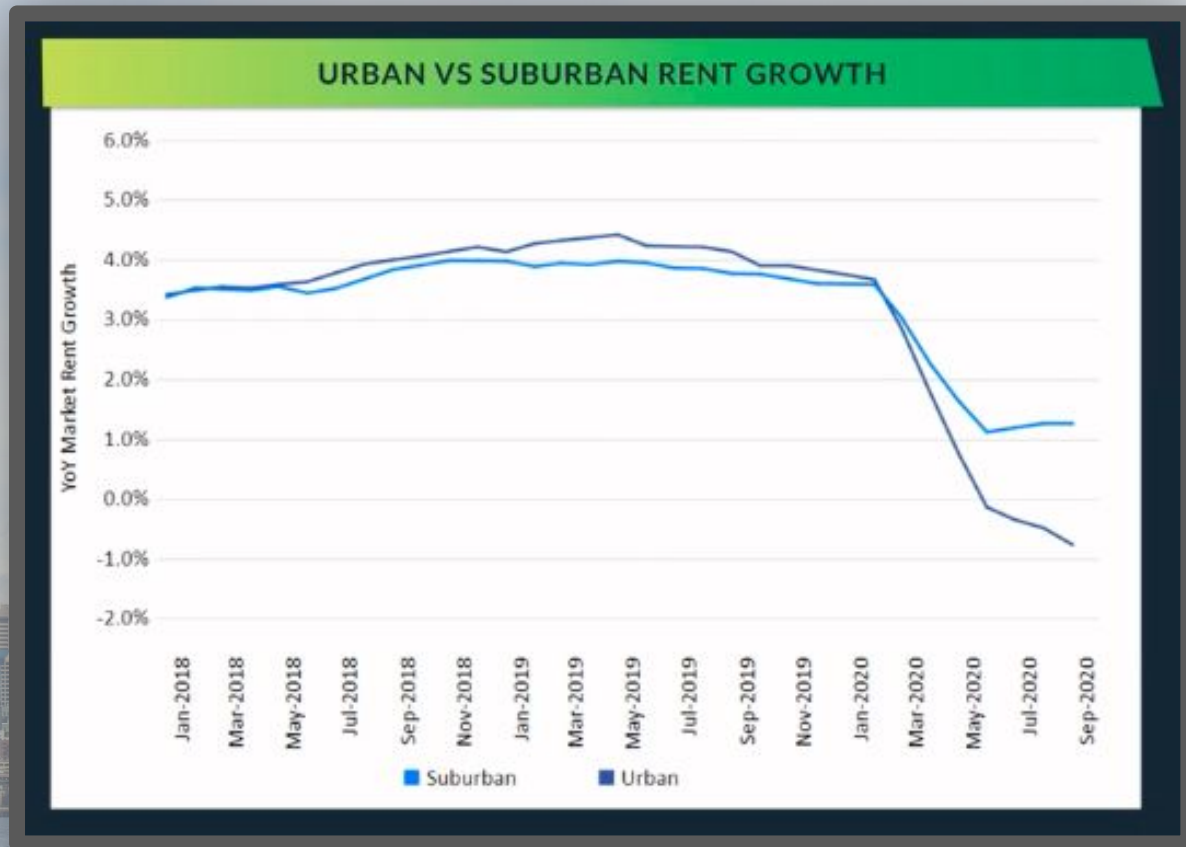


Source: <https://multifamilyu.com/free-real-estate-training/real-estate-trends-toolkit/>

Appendix, cont.: *Considering COVID*

Takeaways:

1. Rent growth is **negative** in the city.
2. More evidence for substantial increase in demand for suburban homes.

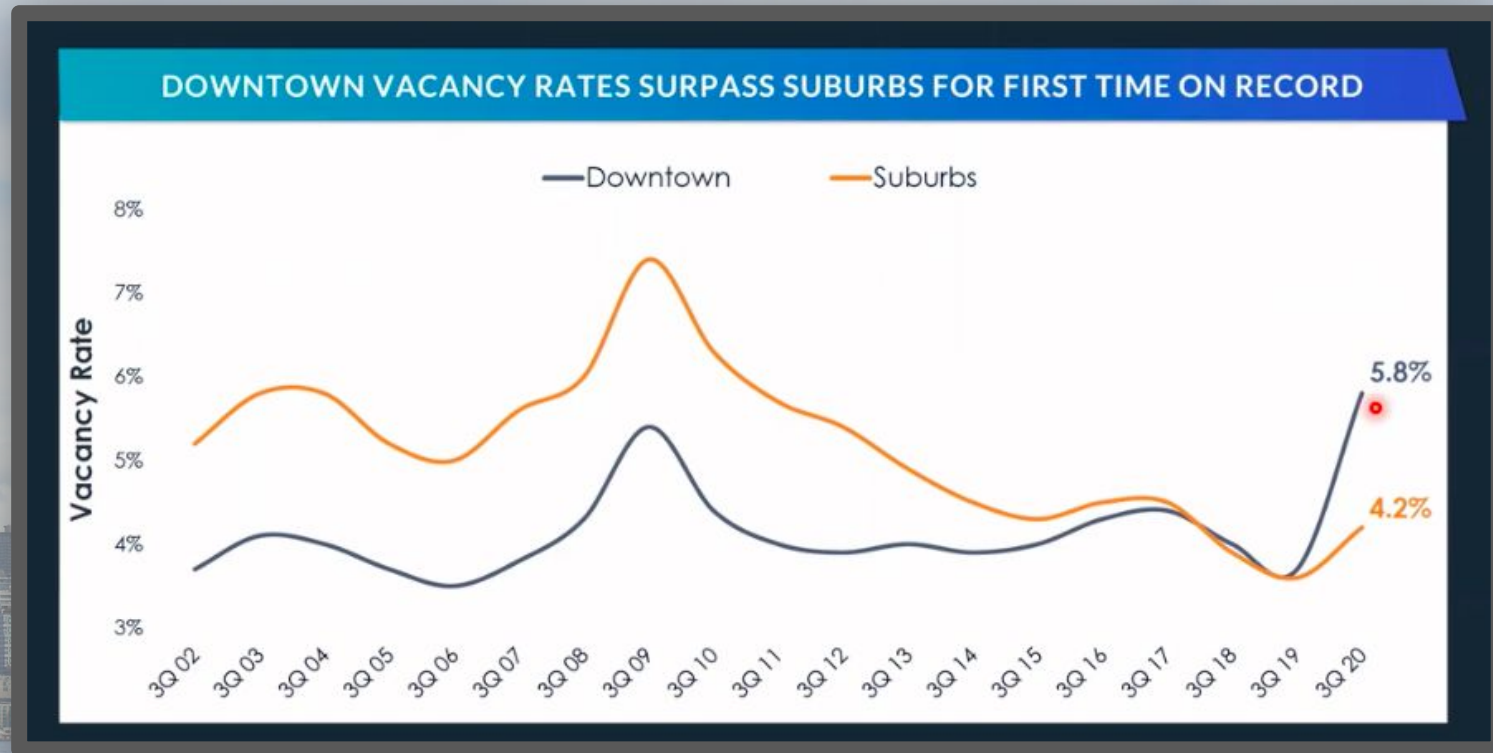


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Appendix, cont.: *Considering COVID*

Takeaways:

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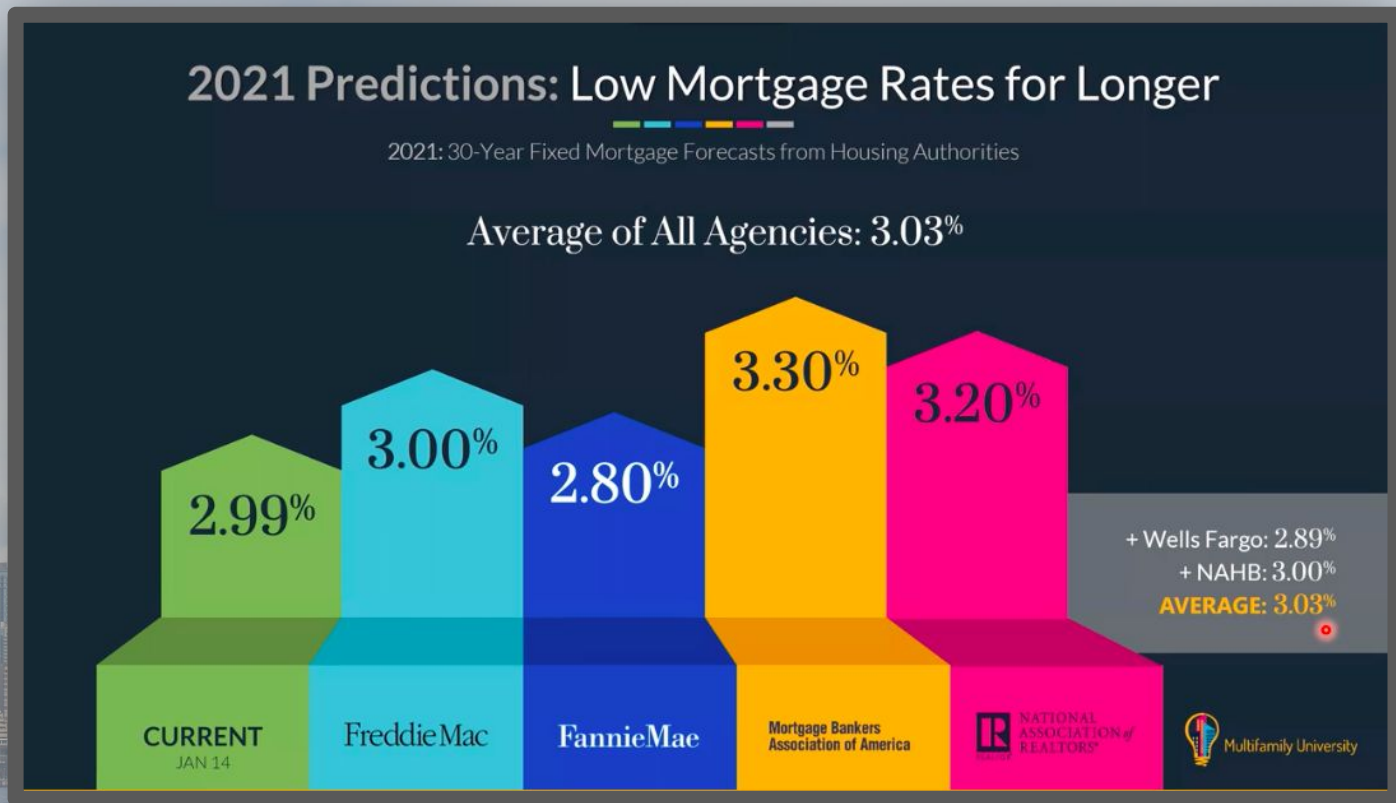


Source: <https://multifamilyu.com/free-real-estate-training/real-estate-trends-toolkit/>

Appendix, cont.: *Considering COVID*

Takeaways:

1. Mortgage rates are extremely low, and are predicted to stay low.
2. More people will be eligible for loans with these low rates.
3. More people will be eager to buy homes with these low rates.

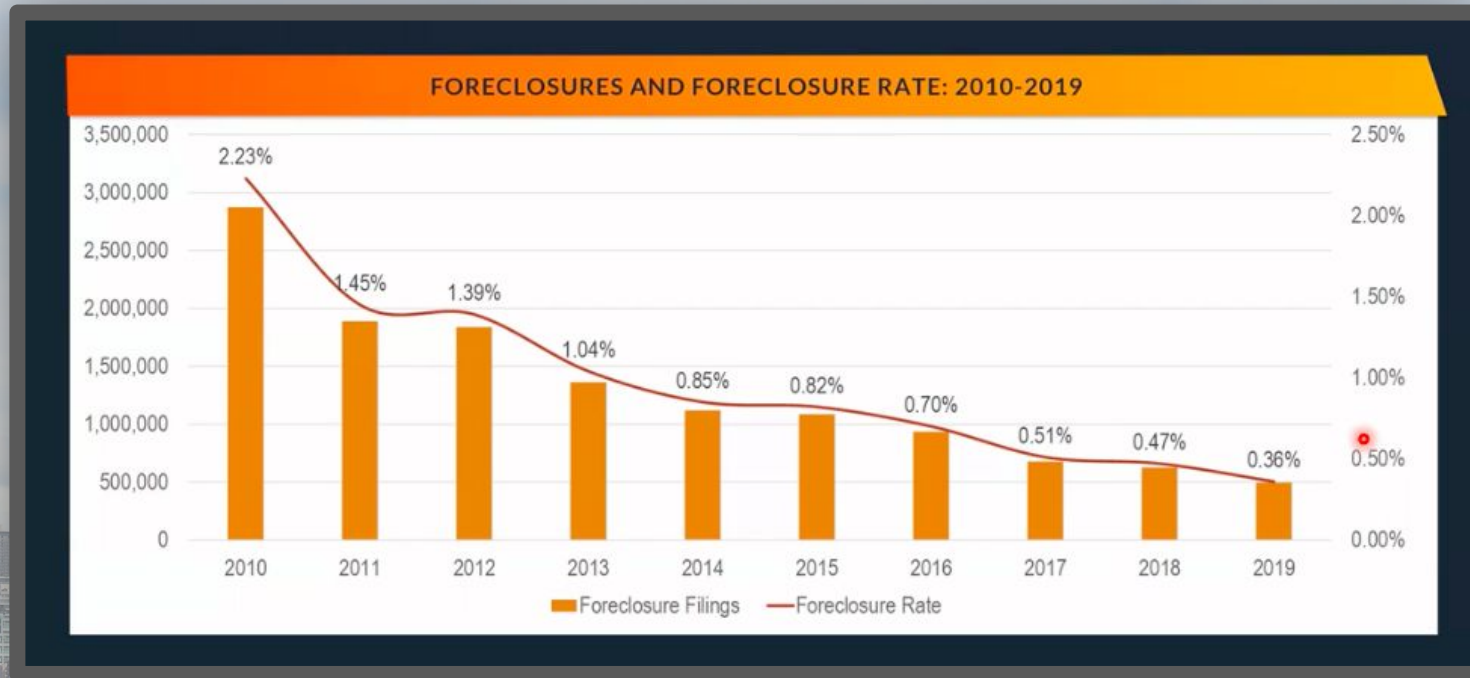


Source: <https://multifamilyu.com/free-real-estate-training/real-estate-trends-toolkit/>

Appendix, cont.: *Considering COVID*

Takeaways:

1. Decrease in foreclosure rate contributes to a low supply.
2. The aforementioned increase in demand for detached (suburban) single family homes will keep the market competitive, and prices growing.



Source: <https://multifamilyu.com/free-real-estate-training/real-estate-trends-toolkit/>

Appendix, cont.: *Considering COVID*

Predictions for 2021:

1. Single Family Residence prices are expected to **rise 5.7%.**
2. Sales growth will increase from 5% in 2020 to 10% in 2021.
3. By the end of the year, the homeownership rate will rise above 69% *for the first time since 2005.*
4. In other words, *it's a seller's market!*



Source:

<https://www.forbes.com/sites/brendarichardson/2020/12/16/experts-predict-what-the-housing-market-will-be-like-in-2021/?sh=2c8908ad36dc>