

INVESTING IN THE KING COUNTY HOUSING MARKET

Foundations of a clever investment decision

STRUCTURE

- The data: brief information on King County Housing Prices
- The hypotheses: basis of a clever investment decision
- Deeper insights & price dependencies
- Our recommendations for your investment

THE DATA: KING COUNTY HOUSING PRICES DATASET

- Data of prices of houses in King County, Washington from sales between May 2014 and May 2015
- Further information:
 - 18 house features
 - Date of sale
 - Id of Sale

THE DATA: KING COUNTY HOUSING PRICES DATASET

- Described features: number of bed- & bathrooms, space for living, location, condition, construction year, status of renovation, ...
- Our stakeholder: Interested in buying and selling houses with large profit margins. Factors like social responsibility and sustainable urban development therefore are irrelevant.

HYPOTHESES: BASIS OF CLEVER INVESTMENT DECISIONS

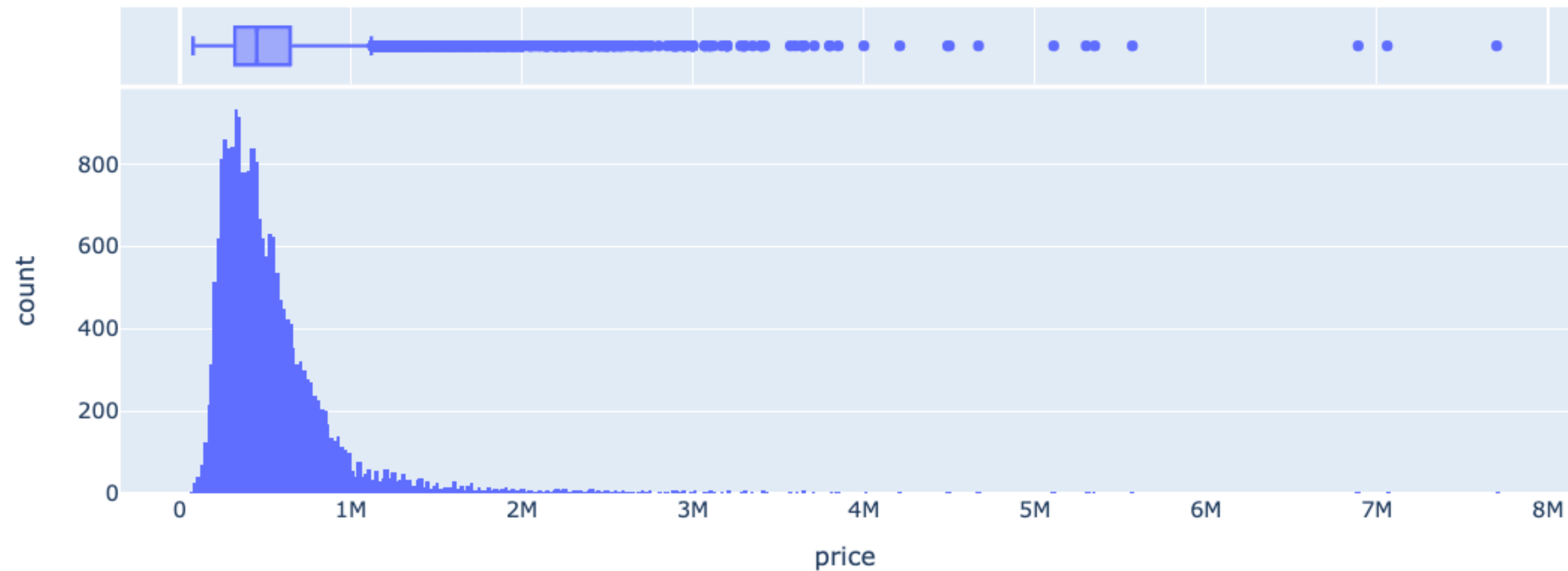
- I. The nearer a district is located to the city center the higher housing prices get.
- II. House prices increased from 2014 to 2015.
- III. When there is more space for living than house prices increase.

DEEPER INSIGHTS & PRICE DEPENDENCIES

Let's take a look at the overall price distribution in King County:

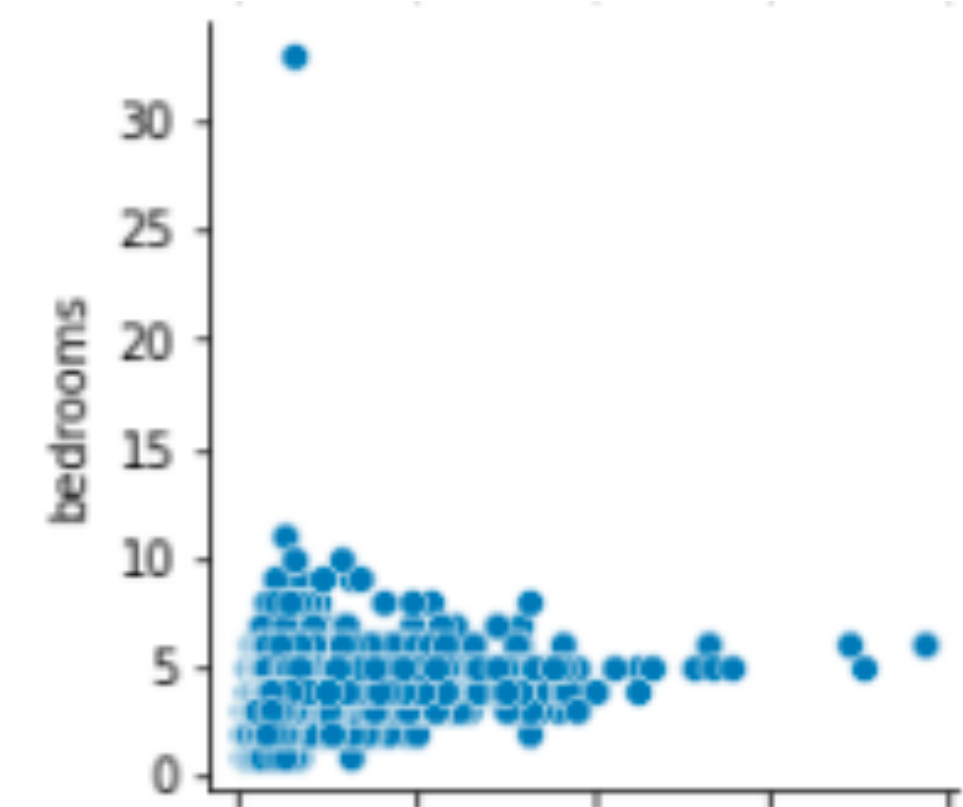
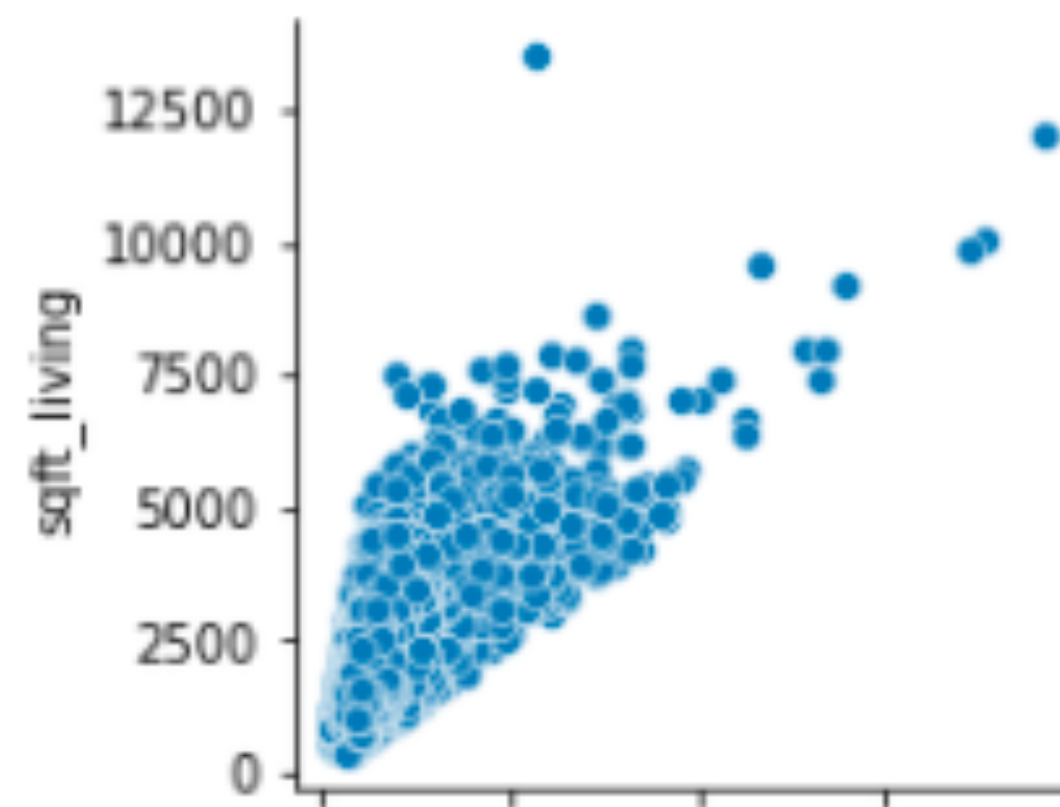
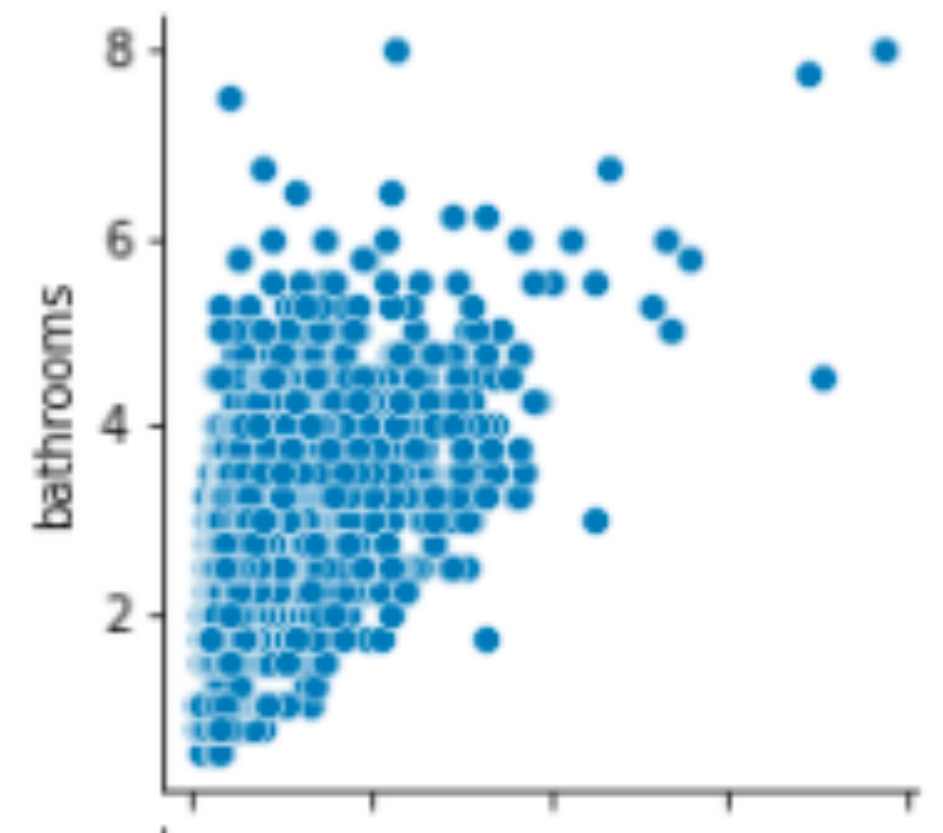
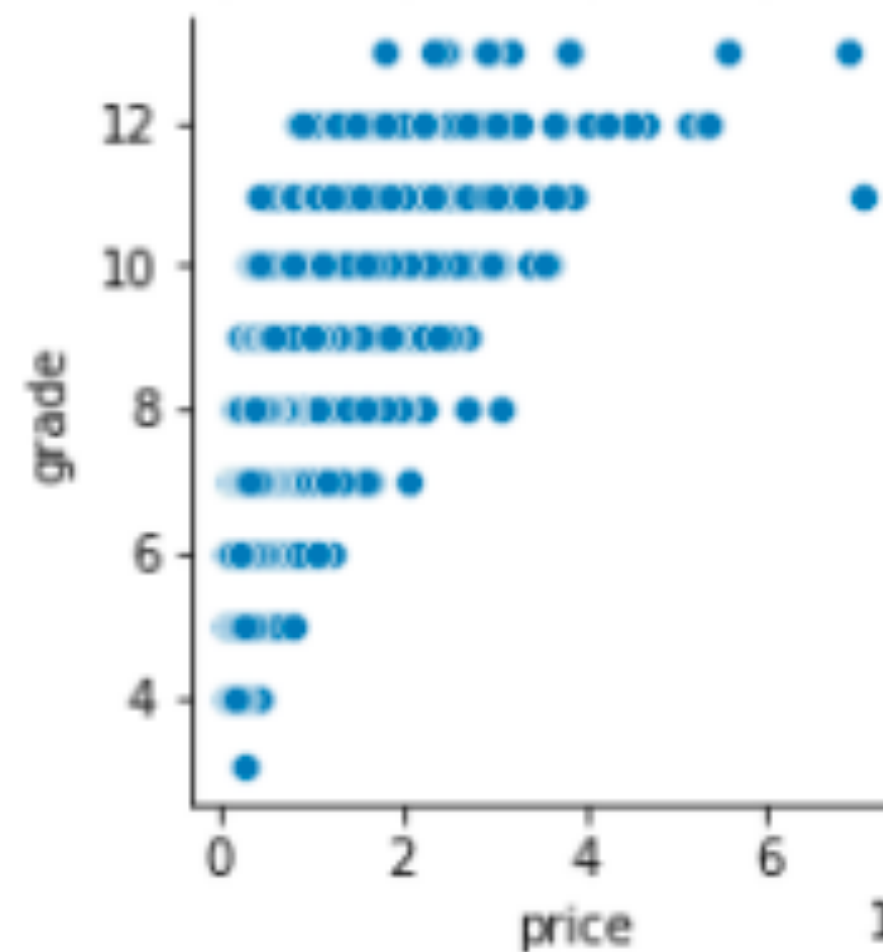
25% of the houses were sold for less than 322.000\$.

50% for less than 450.000\$. The minimum price was 78.000\$.



DEEPER INSIGHTS & PRICE DEPENDENCIES

- There are several dependencies that have an impact on price development:
 - Number of bedrooms, number of bathrooms, space for living, the overall rating of the condition of the house

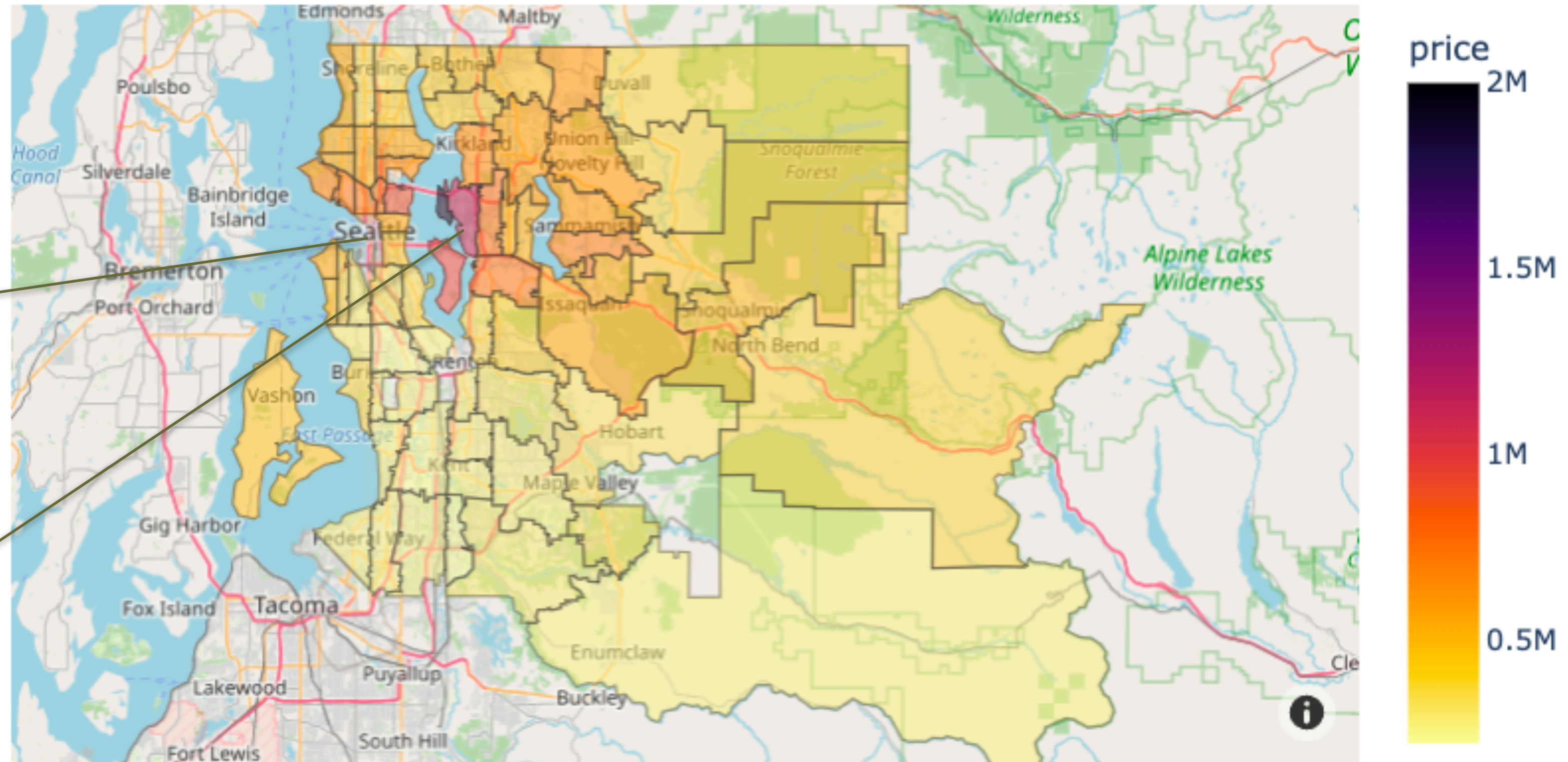


DEEPER INSIGHTS & PRICE DEPENDENCIES

Districts of King County, color scheme represents the median house prices.

Possibilities to eat out, shop & enjoy life are located on the western side of the Lake Washington/ Seattle.

,Mercer Island', ,Medina' & ,Clyde Hill' are the areas with the highest house prices (color: purple/ rose).

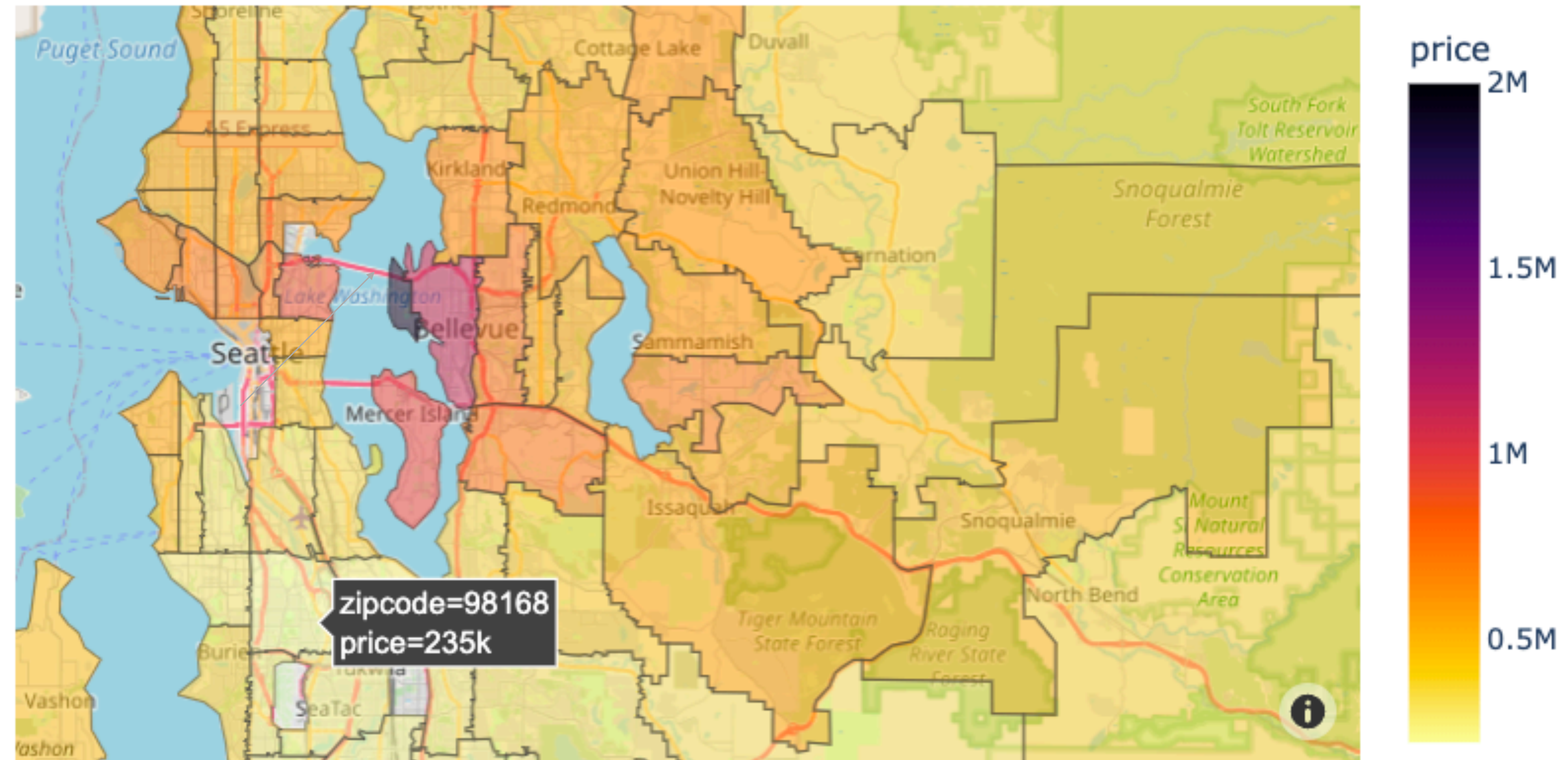


DEEPER INSIGHTS & PRICE DEPENDENCIES

Map zoomed in:

Several districts with median housing prices less than 300.000\$ are located near Seattle.

As we are interested in high profit margins: let's take a closer look at the cheapest districts with potential.

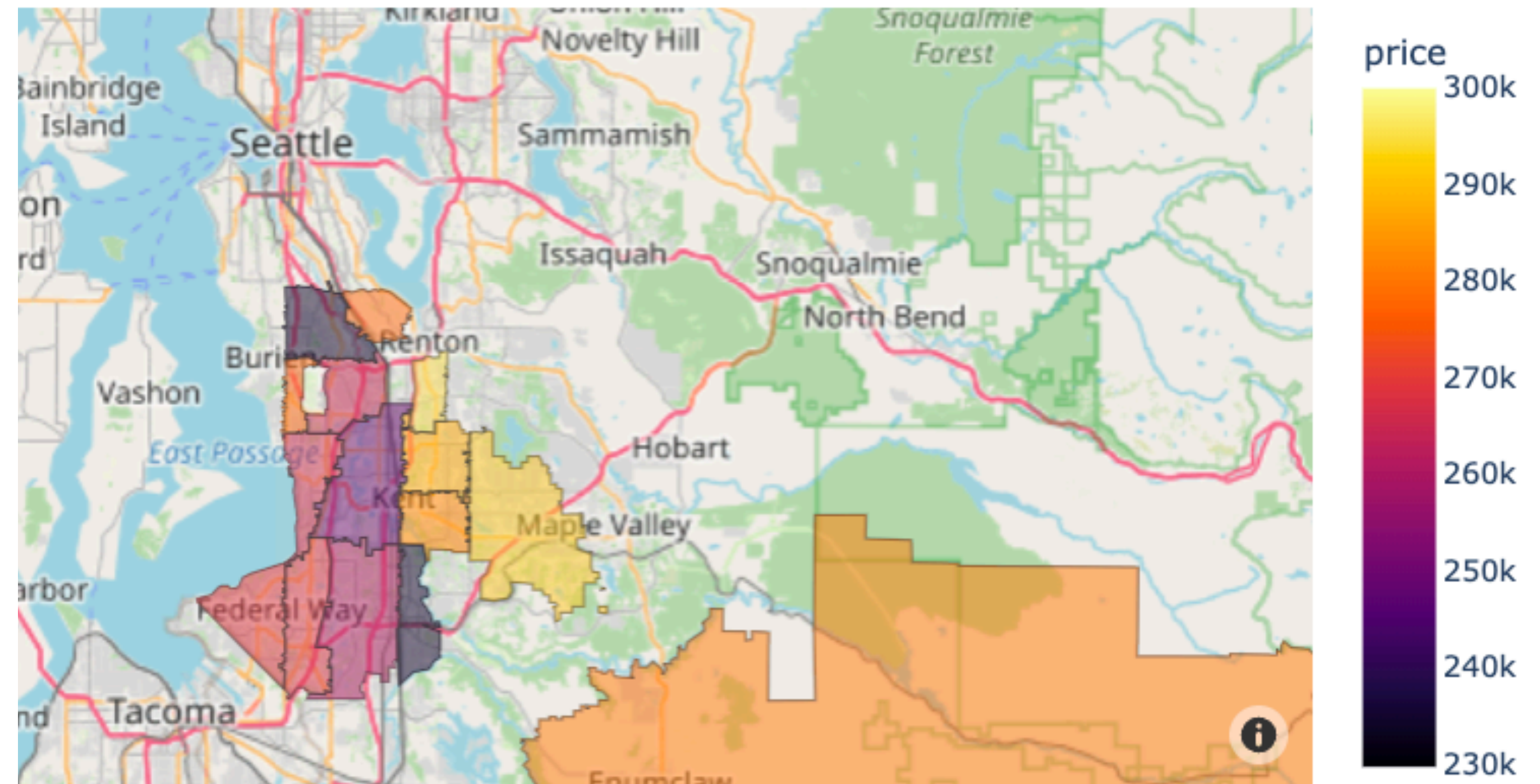


DEEPER INSIGHTS & PRICE DEPENDENCIES

Districts of King County with a median house price less than 300.000\$.

The area around **Tukwila & SeaTac** seems **interesting** as there are factors for high life quality:

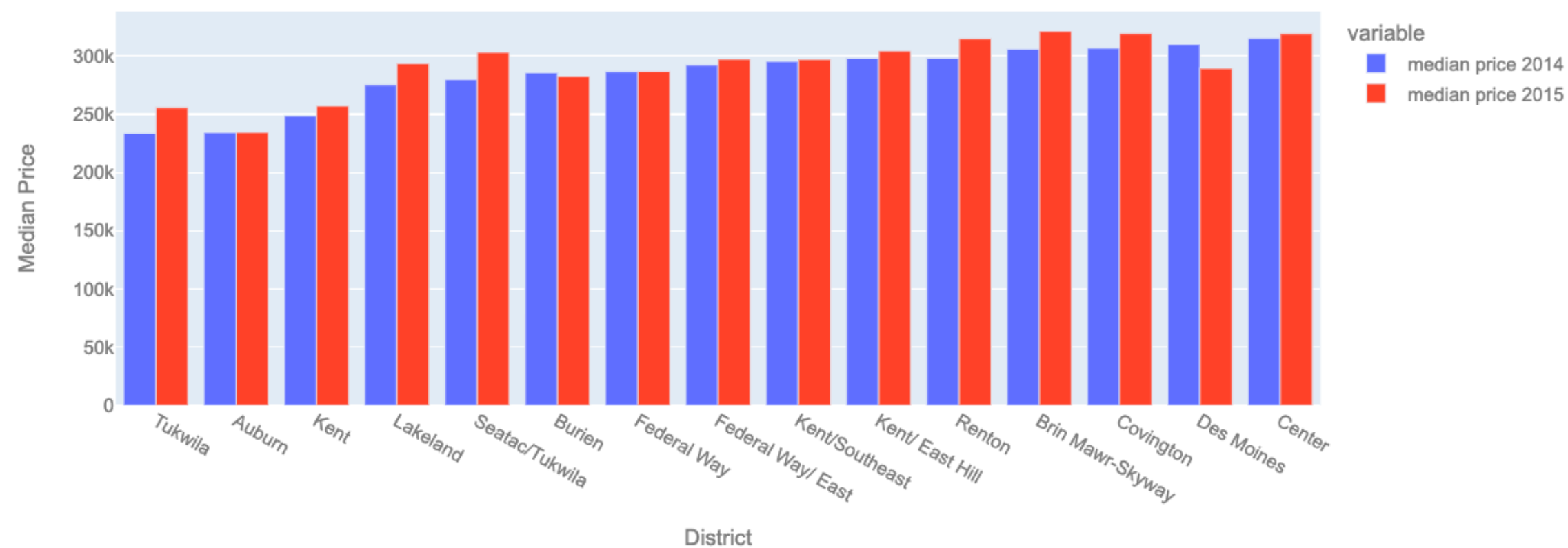
- I. located near Seattle/ city with possibilities for enjoying life
- II. located near the water



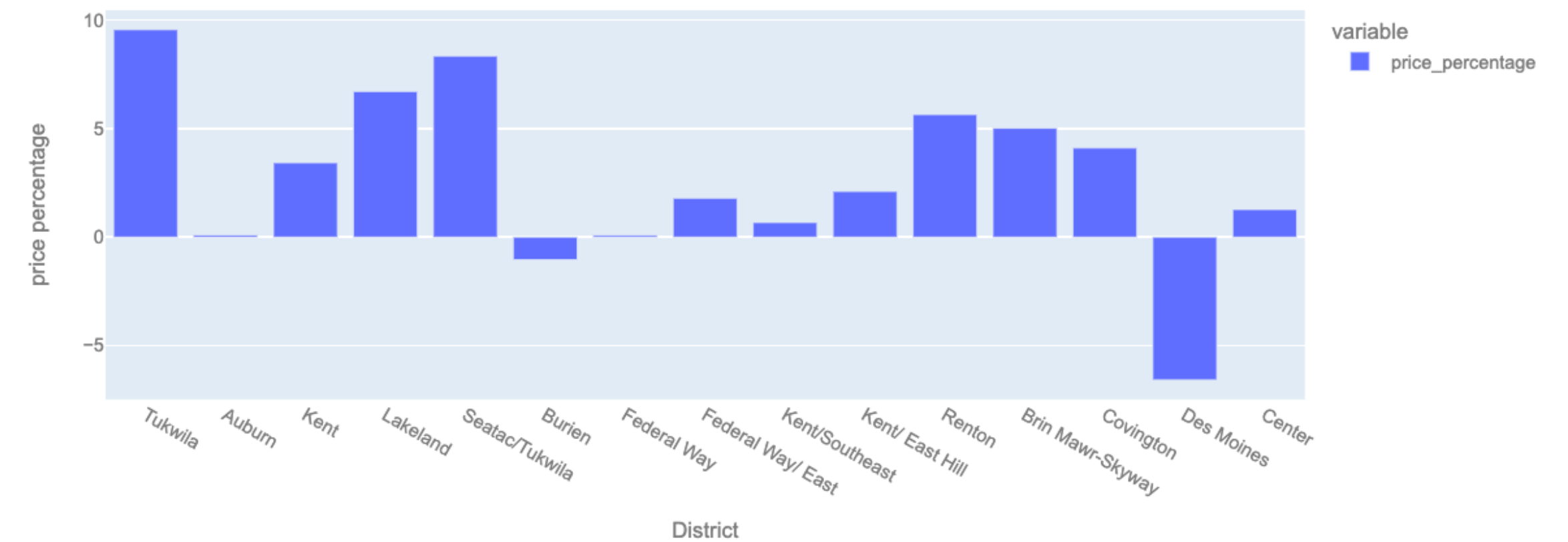
OUR RECOMMENDATIONS FOR YOUR INVESTMENT

- We want to achieve high profit margins: Let's take a look at the price development in those 15 districts:

Price Development 2014 - 2015



price increase (percentage)



Tukwila, Tukwila/ SeaTac and Lakeland match two important criteria for a clever investment decision:

- I. The median price for houses is less than 300.000\$.
- II. **Prices increased for more than 5% in one year. Tukwila increased for almost 10%.**

OUR RECOMMENDATIONS FOR YOUR INVESTMENT

- I. High profit margins could be achieved when buying and selling houses in Tukwila, Seacat or Lakeland.
- II. When choosing investment objects we should concentrate on objects with waterfront view / located near the city center due to higher reselling prices.
- III. A brief examination of the socio-economic structure of these districts could be helpful to predict further price development and profit margins.