



# Key Determinants of House Prices Based on King County Dataset

Linear Regression of King County House Sales Dataset



# Business Problem

- Real estate sector is a competitive sector
- For an Housing Agency to thrive in the industry it ought to have the facts right about the sector
- Therefore, they need to understand the factors which affect the sector most
- This is because they will use the information to develop the houses for sale and also advise their clients appropriately when consulted





# Data Understanding

- The dataset used in the analysis is from King County
- It has several features which are being analysed to assess to what extent they affect houses prices in that area
- The analysis method used is simple linear regression method



# Best Housing Features

- The best feature which increased house prices most is house grades
- The best grades are preferred compared to low grades




# Grade:

types of materials used

## Classifications:

- 3 - Poor
- 4 - Low
- 5 - Fair
- 6 - Low Average
- 7 - Average
- 8 - Good
- 9 - Better
- 10 - Very Good
- 11 - Excellent
- 12 - Luxury
- 13 - Mansion



## Other features which significantly increased house prices

- Waterfront view
- Square footage area
- People preferred houses with waterfront view
- Also a significant number of them preferred houses with big square footage



# Recommendations

- The Agency company should consider developing or advise their clients to construct homes with good ambience having waterfront view.
- The agency company should aim at constructing houses with bigger square footage as they have higher demand and value.
- The agency company should focus on developing houses with the best grades such as: Very good grade, Excellent Grade, Luxury and Mansion Houses.





End

Thank you