



Zillow Renovations

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Overview

Items discussed in this presentation:

- Zillow and this project's Business Goal
- The data used to based the model on
- The model used to interpret findings
- Interpreting results of the model
- Recommendations



Business Goal

- Provide Zillow with relevant renovation advice they can pass onto homeowners
- Tie metrics to these renovations



King County



King County is where I gathered my findings:

- Located in Washington
- Metropolitan area with a larger than average population - 2,269,675^[1]
- Houses in the data range from year 1900 to 2015
- 2016 median household income above average - \$78,800^[2]

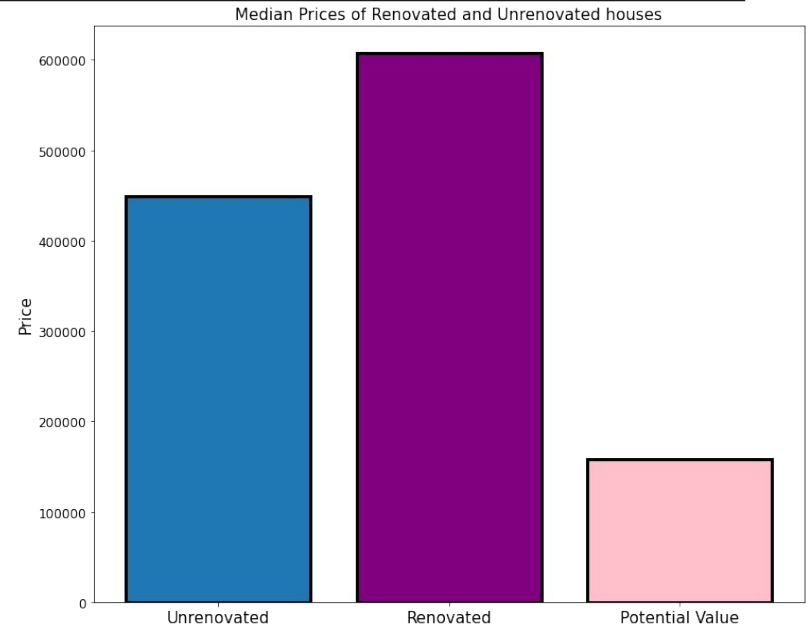
[1] Based on 2020 Census

[2] Based on King County department of regional planning

Renovations Increase Value

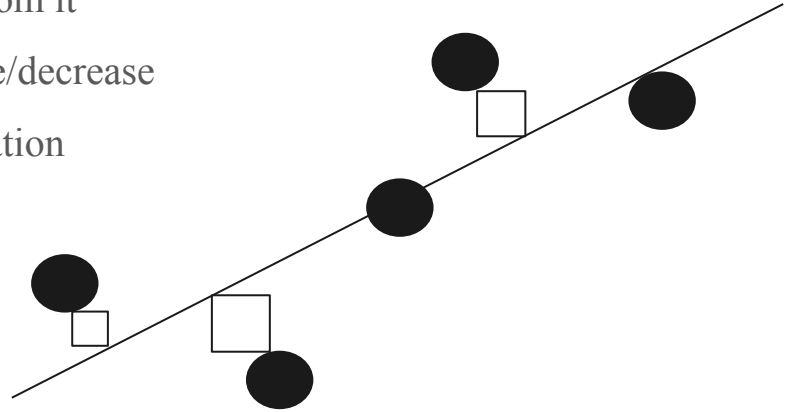
- Average Unrenovated Home Value - \$449,000
- Average Renovated Home Value - \$ 607,502
- Average Potential Growth - \$158,502

Zillow will capitalize on this gap



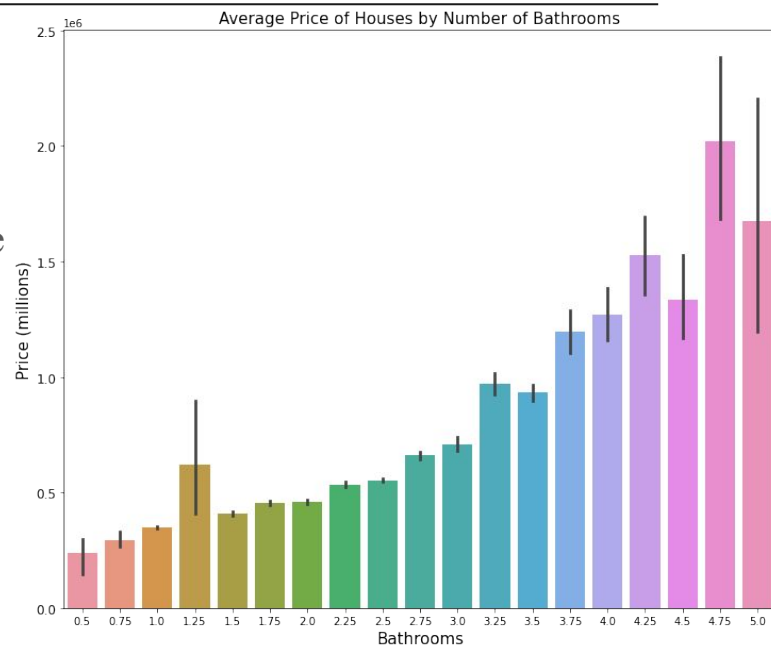
Model's Approach

- Method used: Ordinary Least Squares
 - Taking data and projecting/infering from it
- Price increases/decreases as features increase/decrease
- Model accounts for 77.3% of any given situation
 - Works from many variables



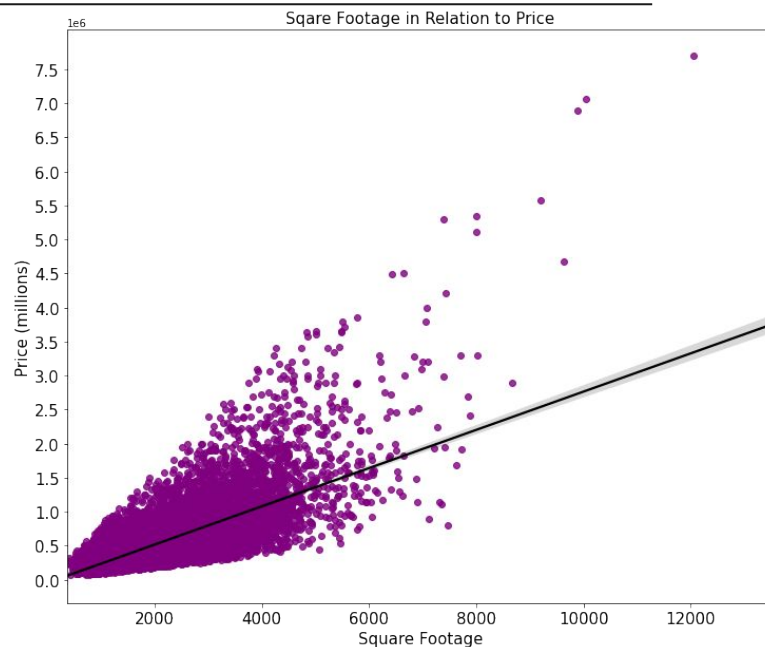
Bathrooms

- Bathrooms are influential to home price
- Constant increase in price
- Model found 5.5% increase in price per unit increase
 - 2 bath to 3 baths could equal 7%



Square Footage

- More usable square footage = more home value
- Model found 15% increase in price per unit increase
- Add a room upwards and increasing home value
 - 400 sq ft could equal 6.5%





Next Steps

- Implement a renovation projection tool
 - Users enter home features and price, and receive estimates
- Explain how Zillow Renovation can increase homeowner's properties
 - “Zillow Renovation helped increase my home's value by 15%”
- Engaged customers will look to Zillow



Thank You

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