
House Price Regression Analysis

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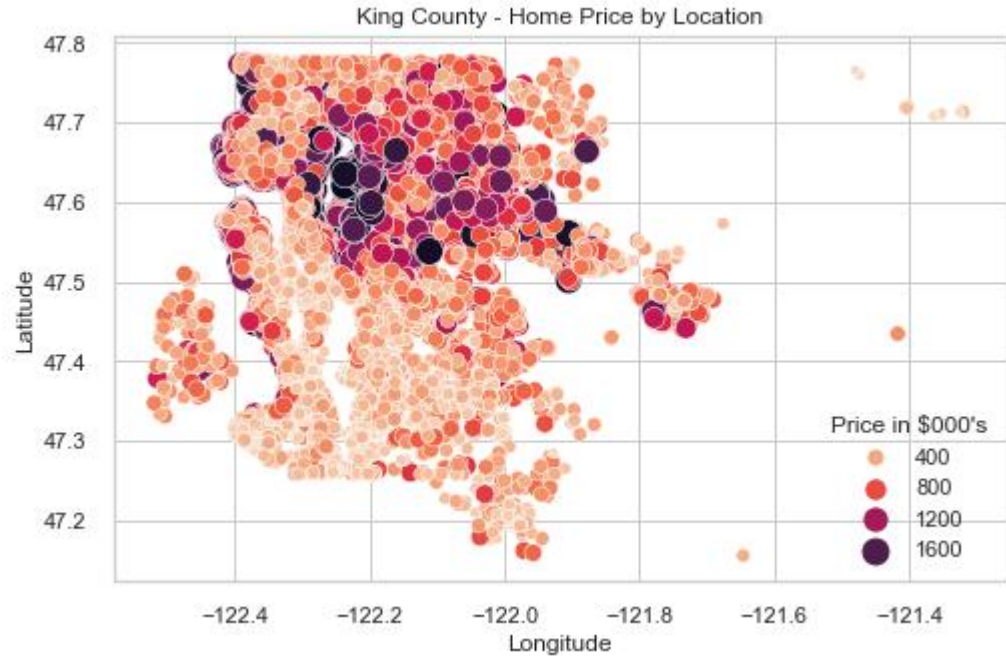
Business Problem

Client: ABC Realty

- What determines the price of a home?

ABC Realty's Clients

- Home sellers
- Young
- Price sensitive



Business Value

Home Sellers

- How can home sellers increase the value of their homes?

Changeable Features

- Additions
- Improvements
- Visibility



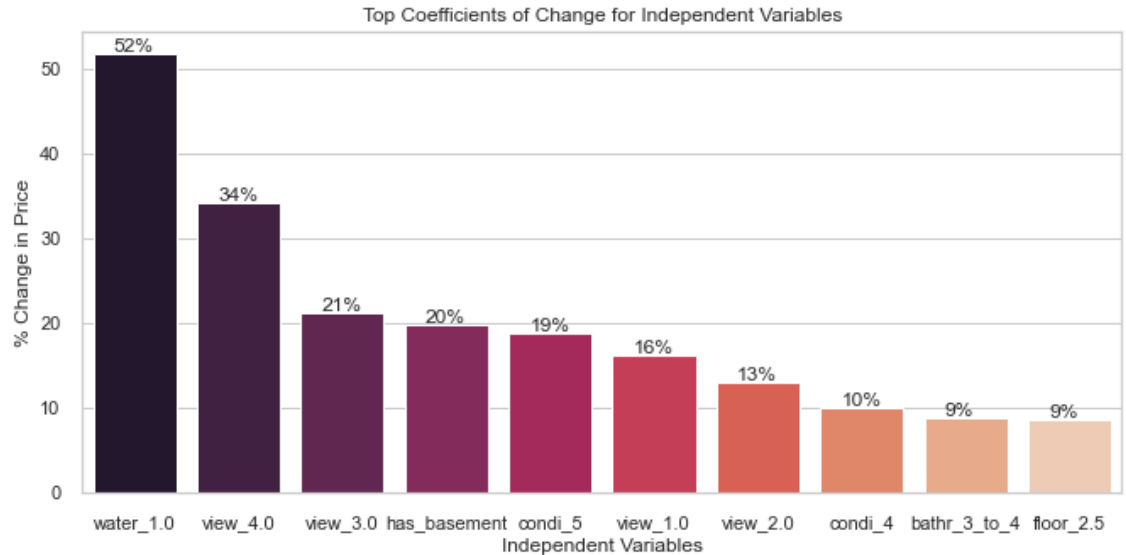
Methodology

Data

- King County, WA
- May 2014 - May 2015
- Square footage, # of bedrooms, # of bathrooms, etc.

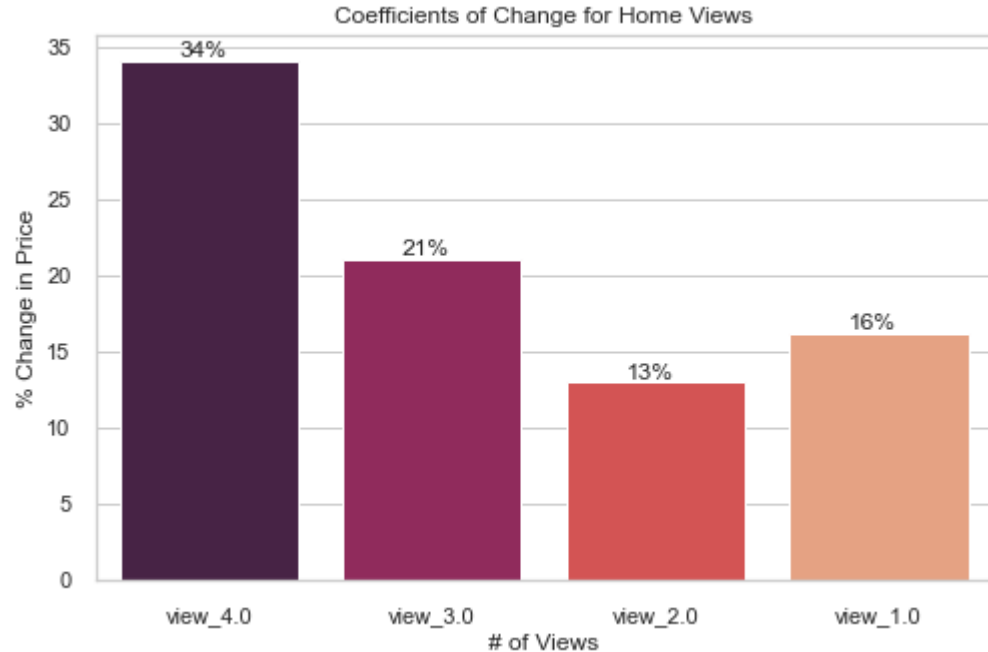
Linear Regression Model

- 26 features
- 74% Accuracy



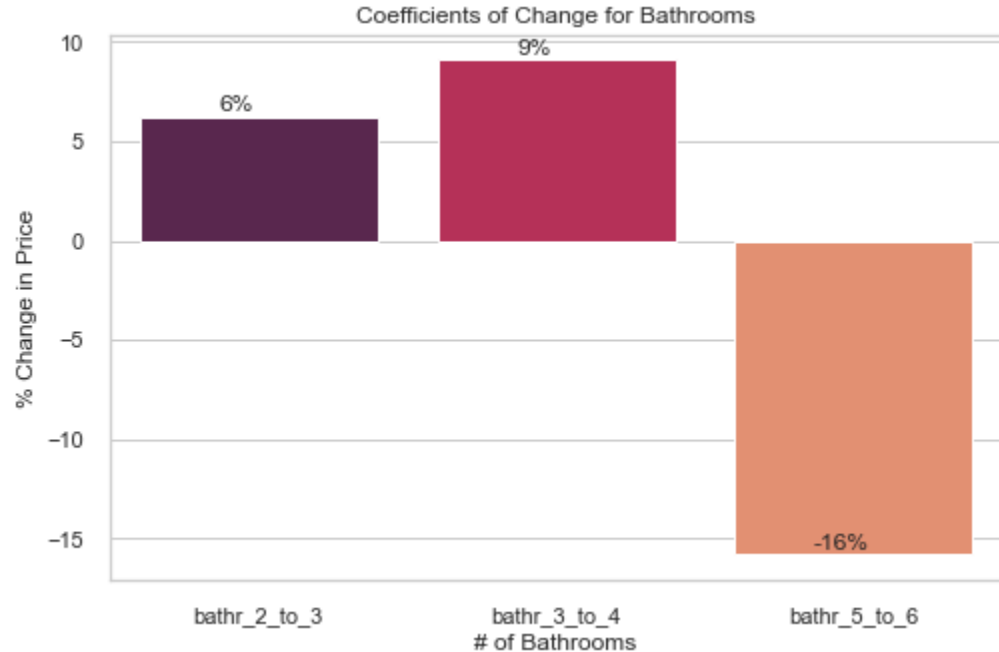
Recommendation 1: Views

- How many times a house was viewed
- 34% increase for 4 views
- 21% increase for 3 views
- More open houses



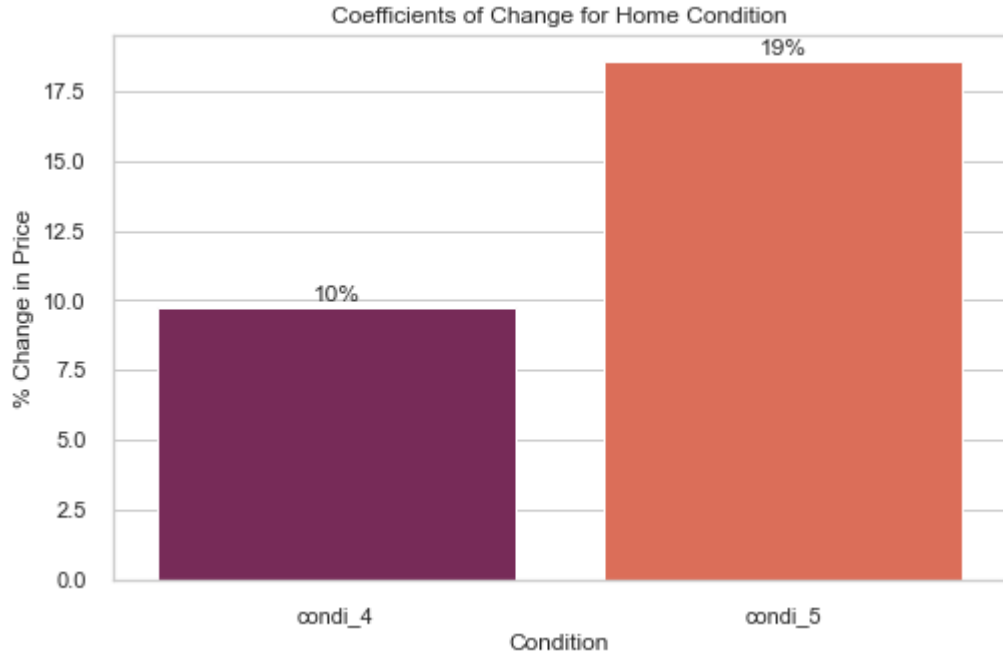
Recommendation 2: Bathrooms

- 6% increase for 2+ to 3 bathrooms
- 9% increase for 3+ to 4 bathrooms
- 16% decrease for 5+ to 6 bathrooms
- Obtain estimate before performing bathroom addition



Recommendation 3: Condition

- Condition 4 – 10% increase
- Condition 5 – 19% increase
- Condition 2 and 3 – no significant effect
- Improve fixtures, appliances, fresh paint, etc.



Recommendation Summary



Views

01

Hold open houses to increase views;
minimal expenses

Bathrooms

02

Compare cost to add bathrooms to
current market value; potentially do
addition before selling

Condition

03

Replace fixtures, appliances, etc. to
increase the condition rating to a 4 or 5

Future Work



Buyer Viewpoint

Analyze from the
viewpoint of the home
buyer



Bedrooms

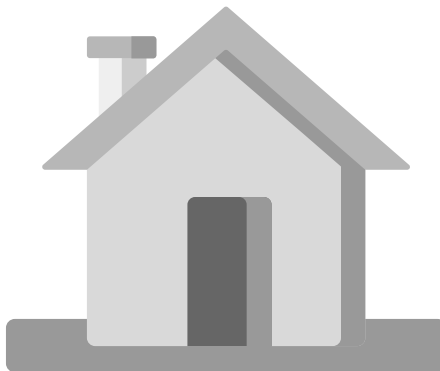
Further analyze # of
bedroom relationship

Thank you

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