

# DETERMINANTS OF HOUSE PRICING IN THE REAL ESTATE INDUSTRY

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# INTRODUCTION

This project is aimed at analyzing house sales in a northwestern country

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The main objective is to determine the factors that influenced the pricing of the houses sold in the year 2014 and 2015 in the King County Housing Project.

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# OBJECTIVES

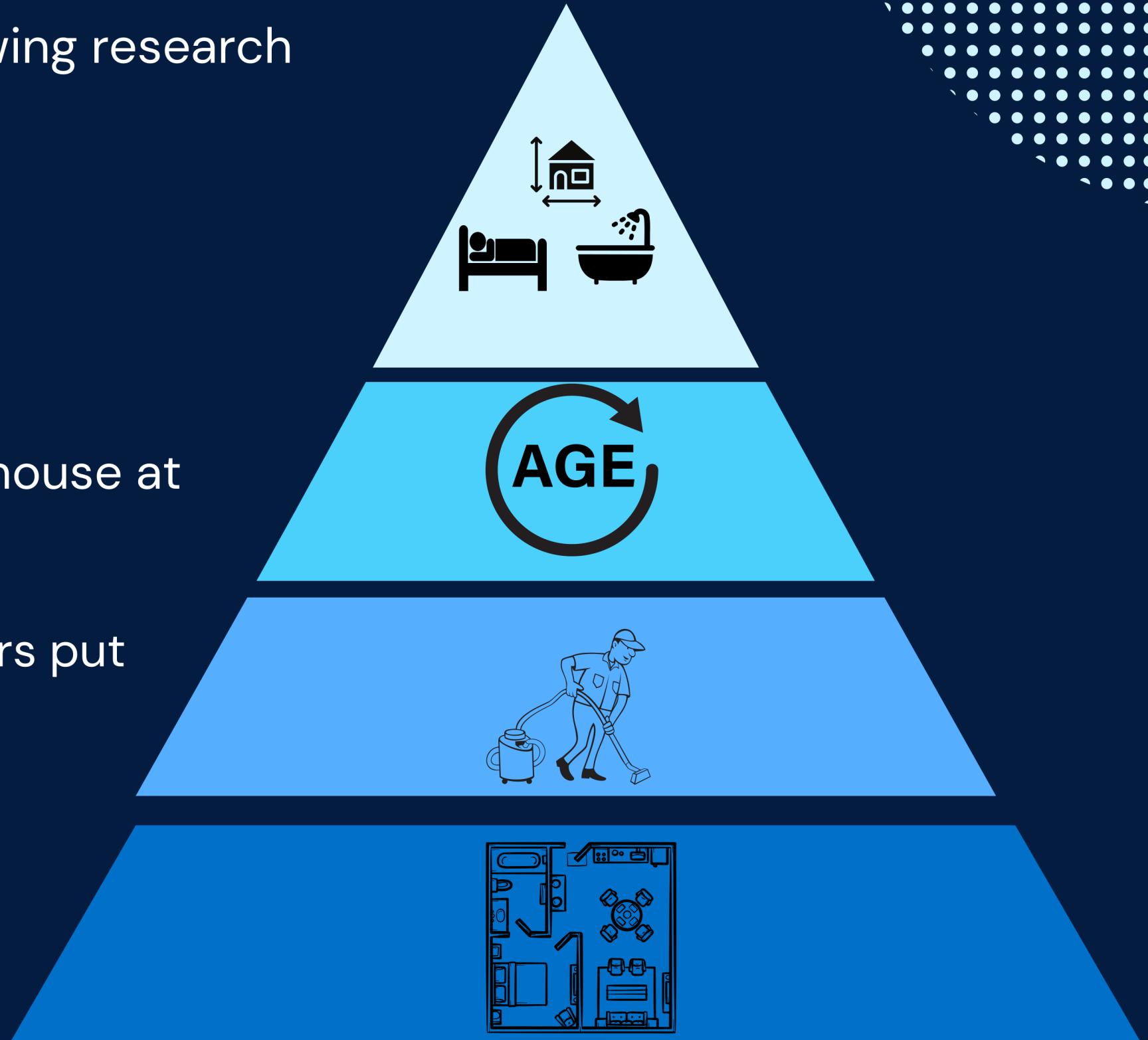
A black and white photograph of a magnifying glass with a dark frame and handle. The lens is focused on a piece of paper with the word "objective" printed in large, bold, black capital letters. Below it, the word "decf!ve" is partially visible, suggesting a misspelling or a continuation of the word. The background is a textured, light-colored surface.

objective  
decf!ve

# RESEARCH OBJECTIVES

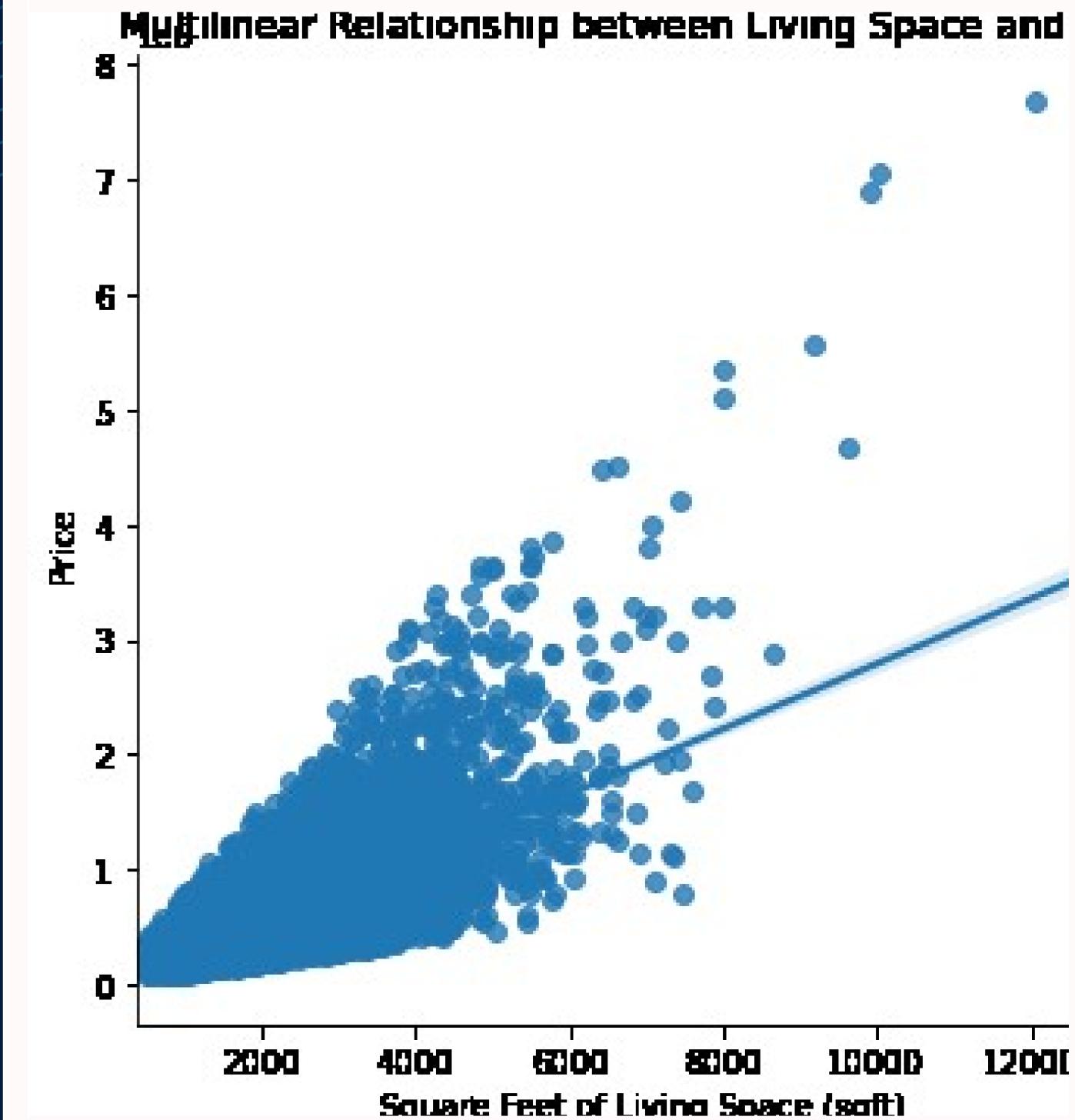
This project sought to answer the following research questions:

- O1** Determine whether the size of the house has impact on its price.
- O2** Investigate whether the Age of the house at the point of selling affects the price
- O3** Determine whether real estate owners put emphasis on the maintenance of the houses.
- O4** Does the number of floors affect pricing.



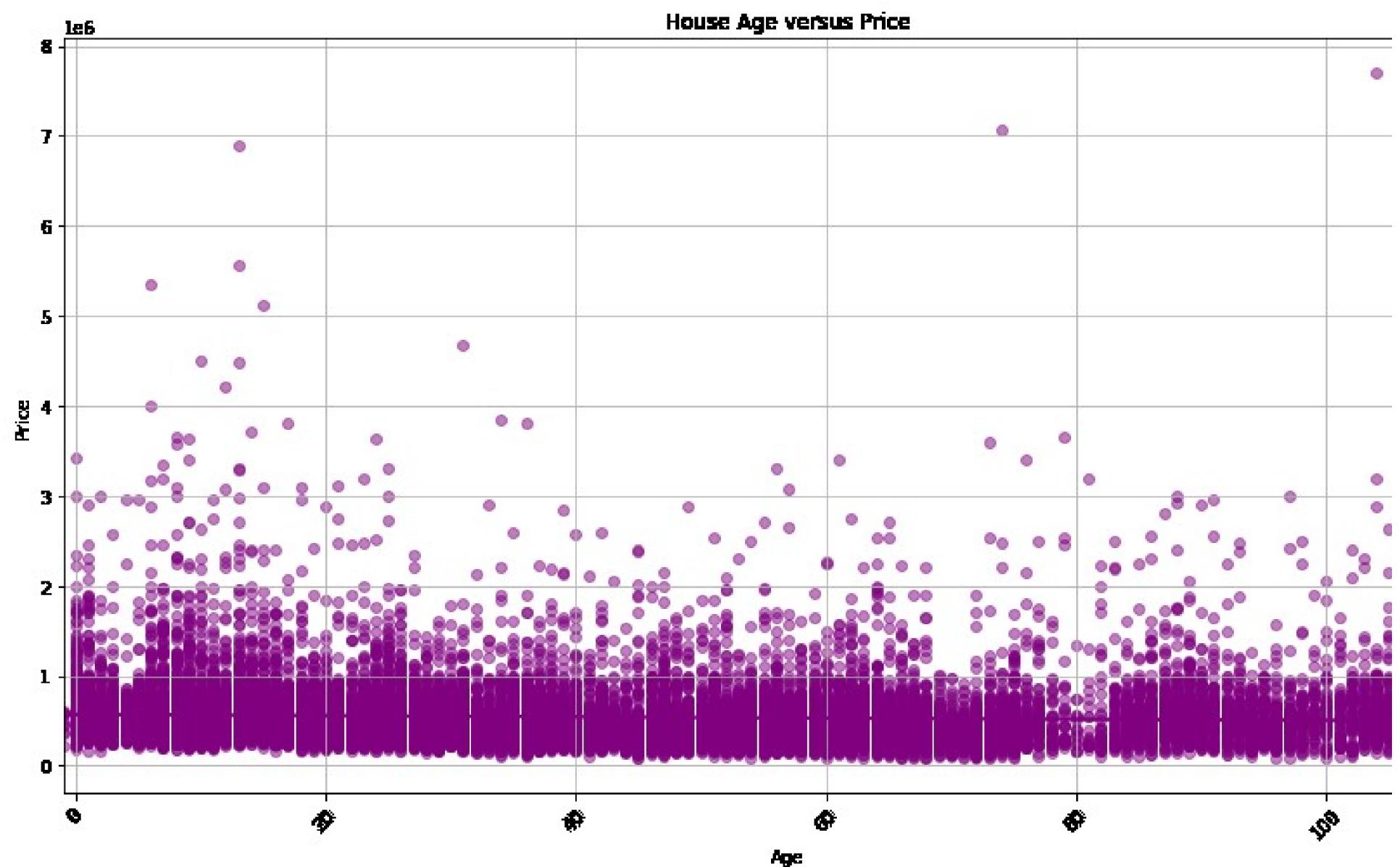
# Objective 1

- The size of the house has impact on the price because sqft\_living has a positive relationship with the house price



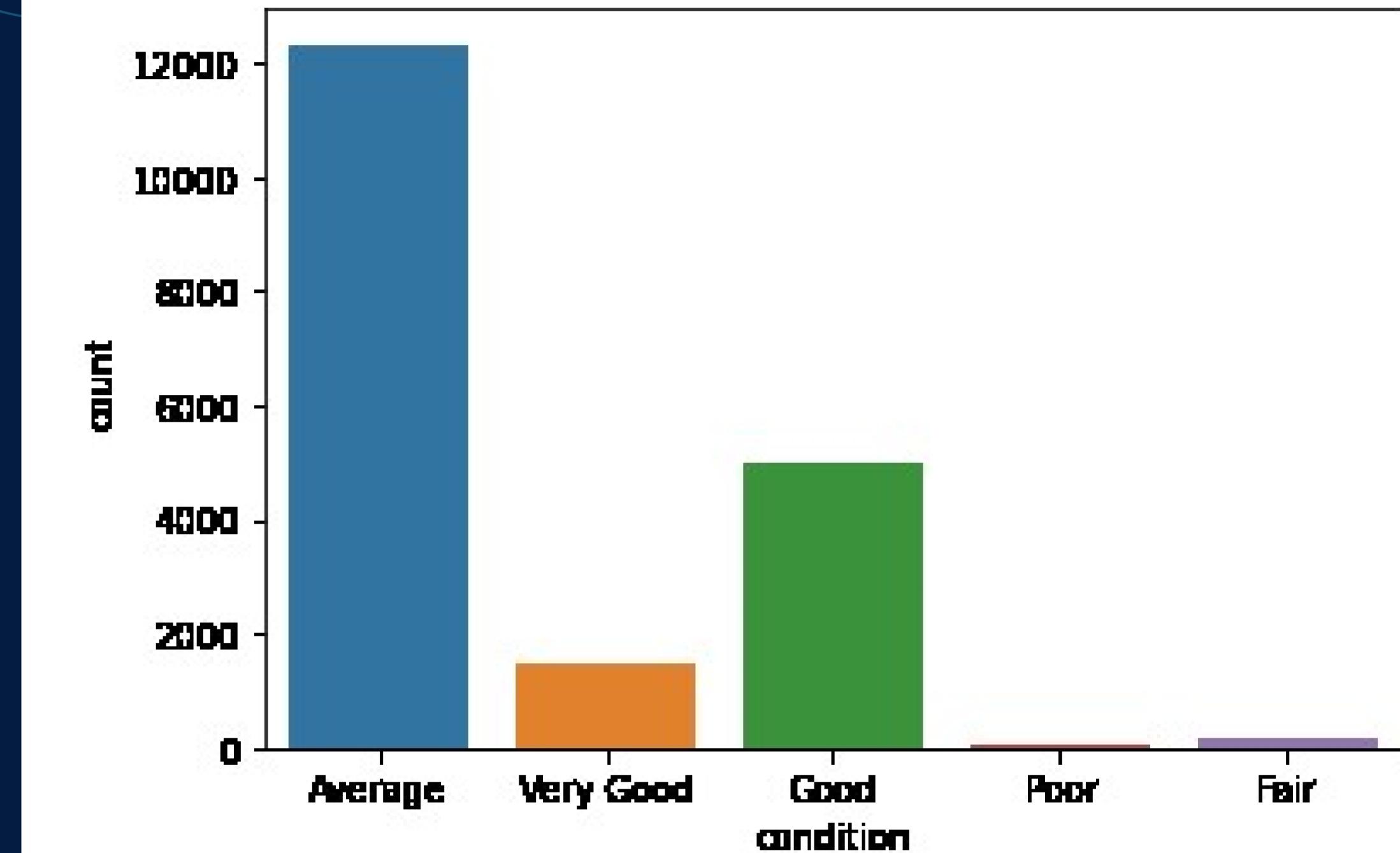
# Objective 2

The analysis of house age versus price shows that house prices decrease with an increase in age apart from some few old houses that had high prices .



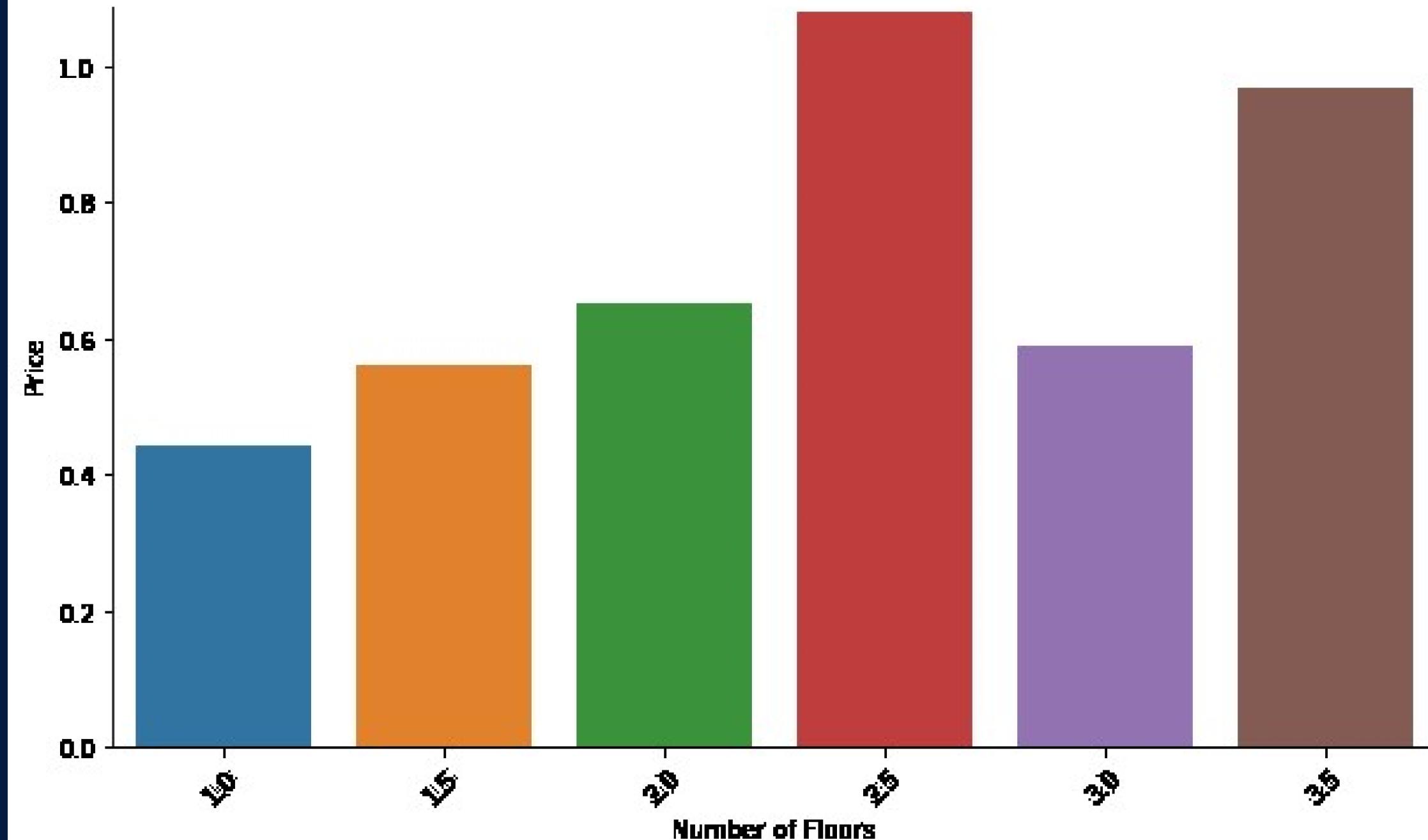
# Objective 3

- From the analysis we can tell that most of the houses in this project are average in condition, few are in very good condition, some are in good condition and very few feature in poor and fair conditions.
- This means that the county was doing a good job.



# Objective 4

- The number of floors in this dataset seems to be increasing the price of the houses upto a 2 floors which then starts declining at 3 floors and peaks again at 3.5 floors.
- The highest priced houses have 2.5 floors



# RECOMMENDATIONS

For the houses built years ago, During renovation, the sqft\_living area can be considered to be large and this will increase chances of sales.

## RECOMMENDATION 2

The number of bedrooms is affecting the pricing of the houses, therefore, while renovating houses with less than 3 bedrooms, it should have standards of those with more than 3 bedrooms in terms of conditions and grade. Also, for the houses with basement, this can be converted in a creative way to have spacious rooms and especially for the houses with 1 and 2 bedrooms.

## **RECOMMENDATION 3**

**The location of the houses was noted not to affect the pricing significantly, this should not limit the setting of the prices if the most significant things :Living room space and number of bedrooms is considered.**

## **RECOMMENDATION 4**

**Basements can be enhanced and  
be remodelled to create more space either for the bedrooms or  
the sqft\_living.**

# CONCLUSION

If the homeowners implement the shared recommendations, They will be in a position to set the selling prices of the houses without underquoting or over quoting but be within market price and make high sales.