Group Prime
Phase 2 Project:
King County Real Estate

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Outline

- Business Problem
- Data and Methods
- Conclusions
- Next Steps

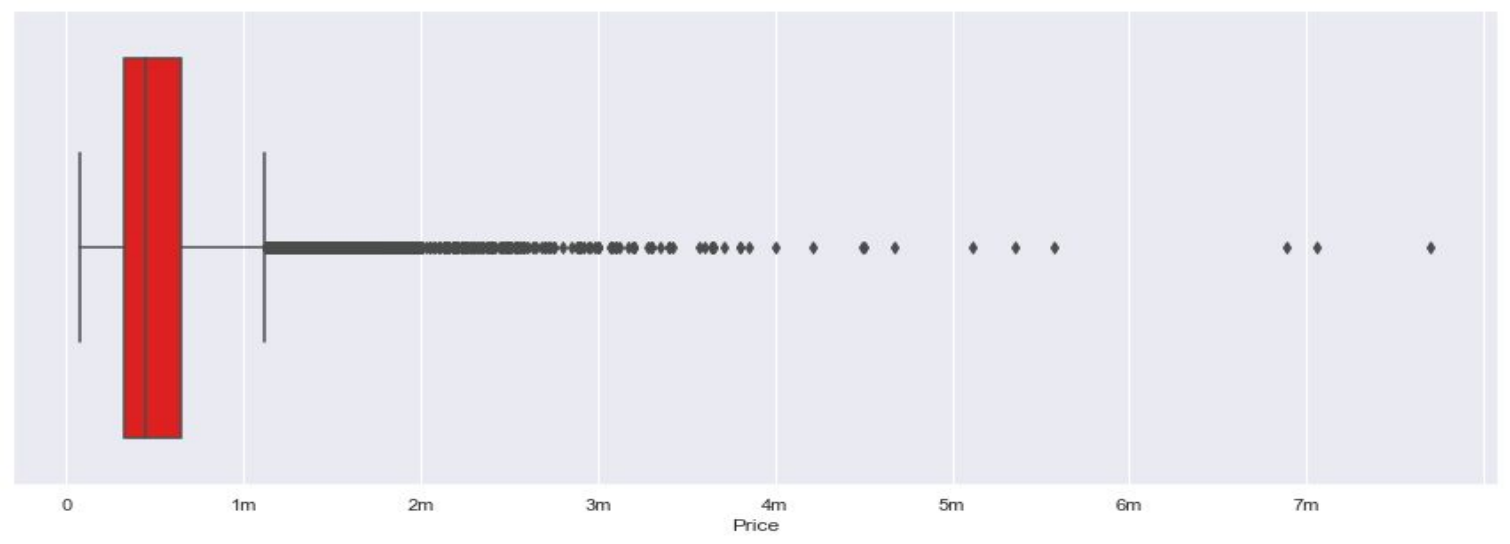
Business Problem

Develop a linear model to predict the price of homes in King County, WA for a real estate agency looking to sell homes.

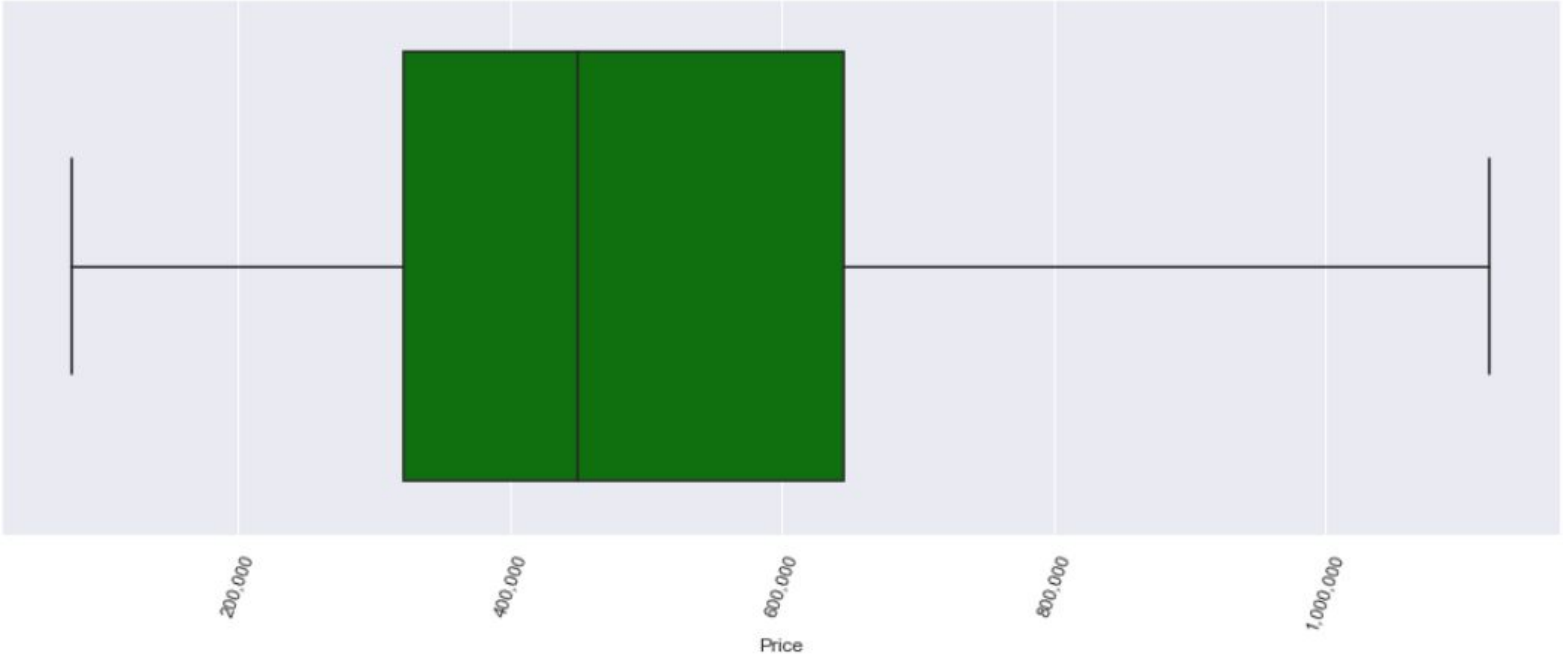
Data and Methods

- Real estate info from King County, WA (2014-15)
- Used data to test multiple linear models to give best prediction

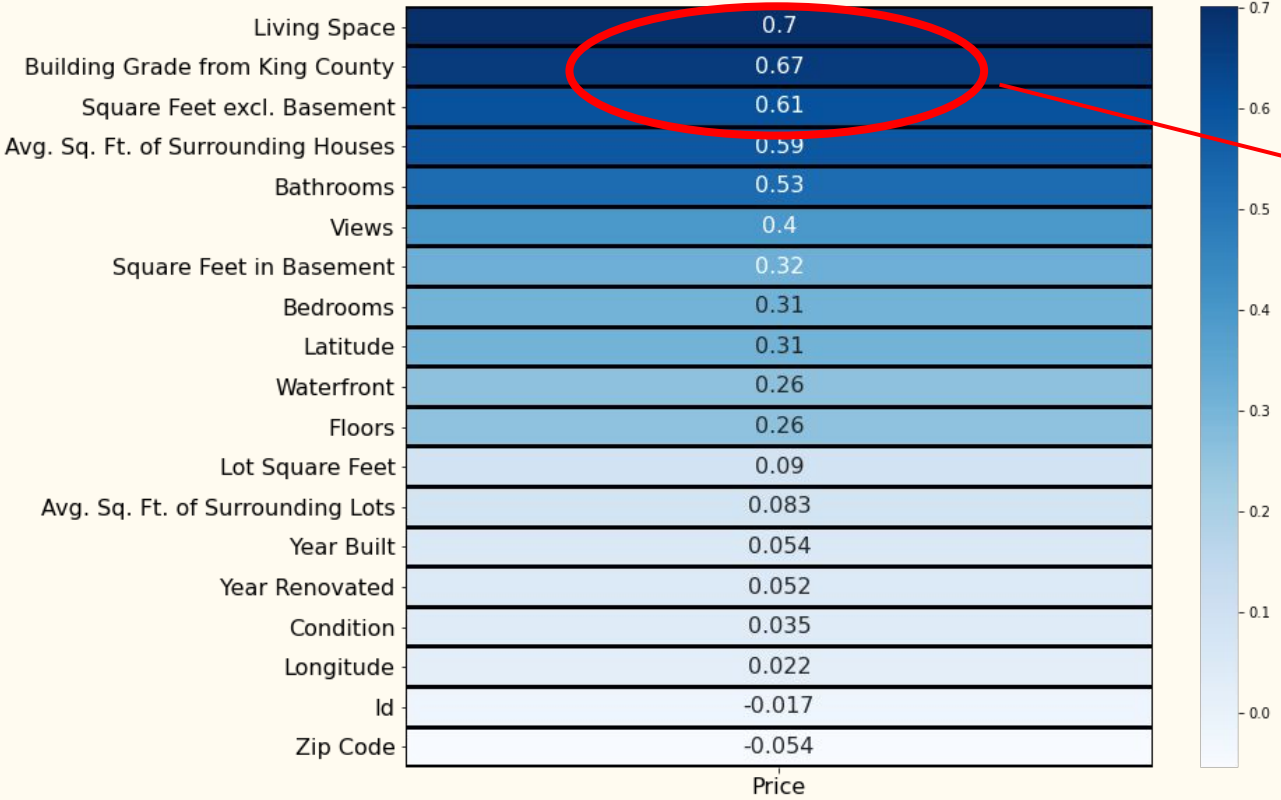
Examining Price Data



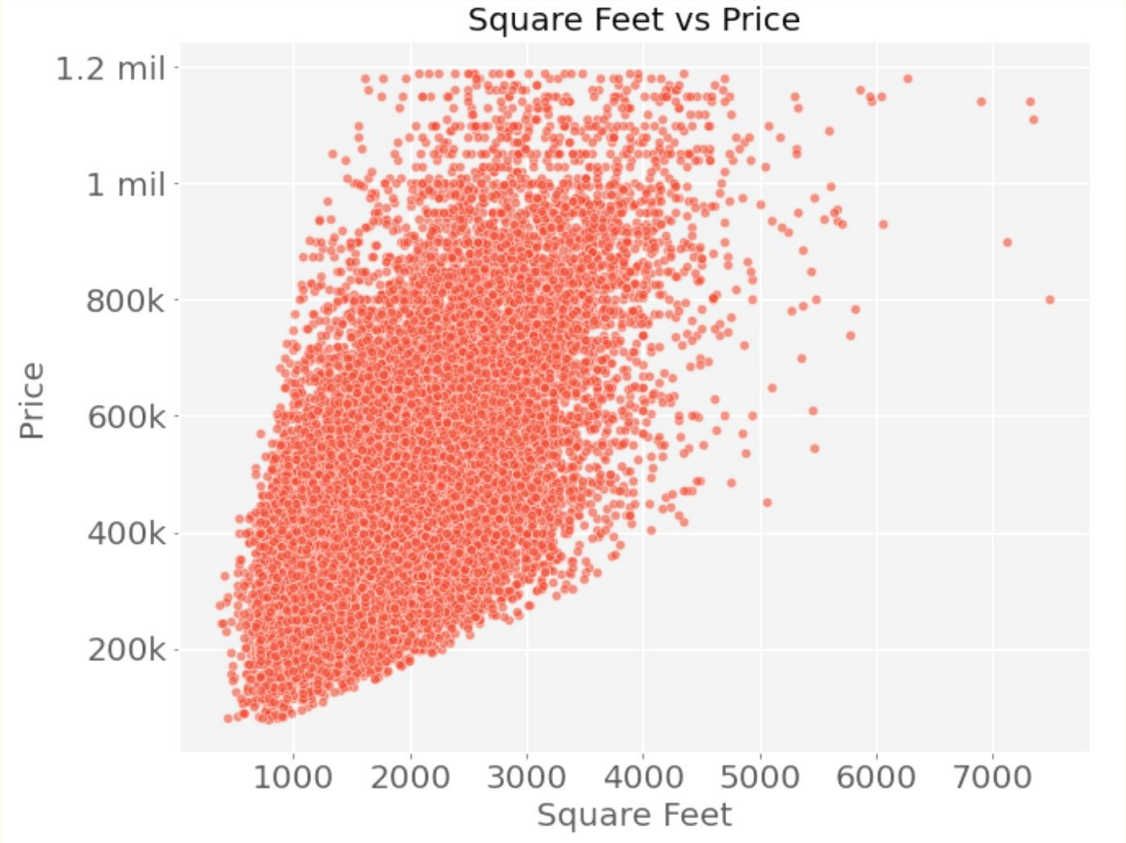
No Outliers



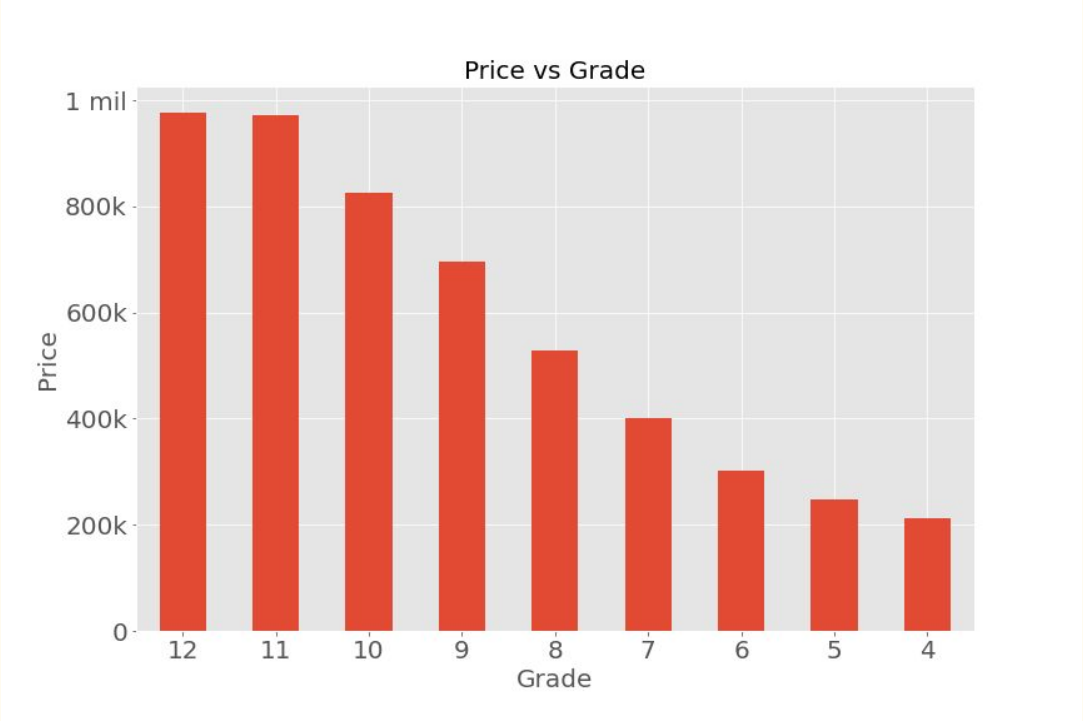
Correlation Between Predictors and Price



Best predictors for pricing houses

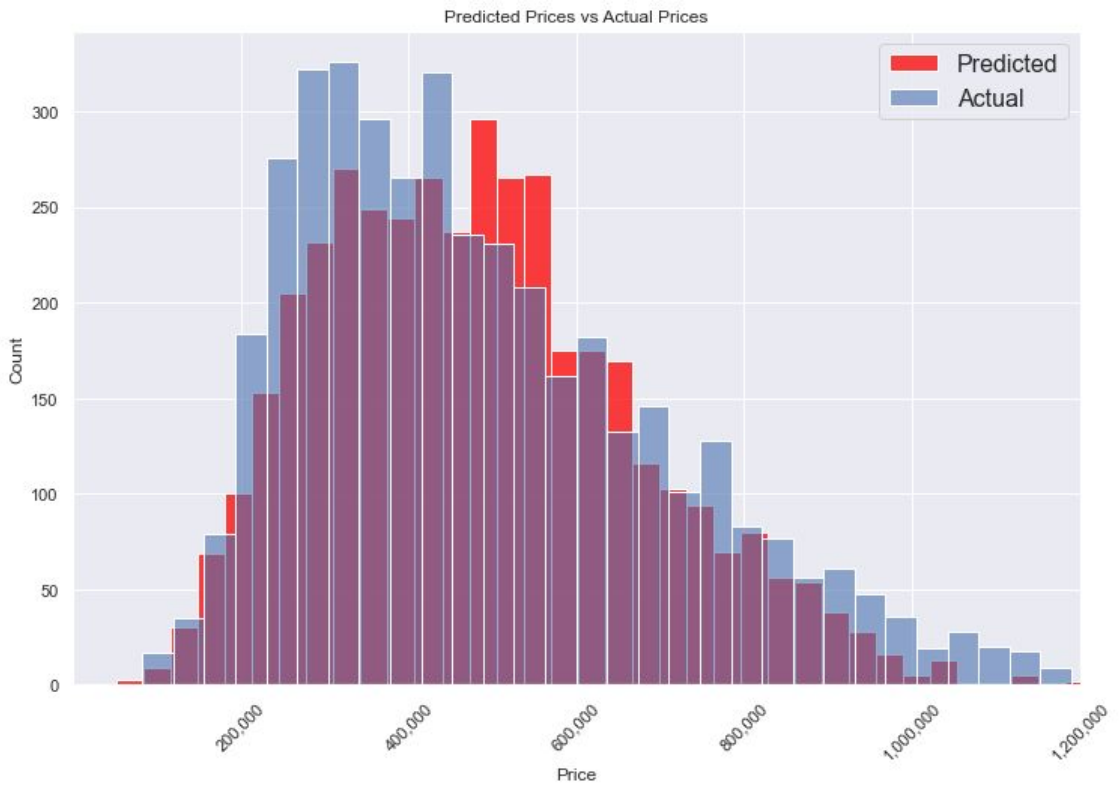


Trend is bigger houses usually cost more



Higher Grade= Higher Price

Predictions vs Actuals



Our predictors explain 80% of the change in home prices.

Conclusions

- Predictors we found important for setting a price:
  - Square footage of houses (changes $104/sqft)
  - King County's grade of house (4-13)
  - Zip code
  - Waterfront property (increase of $28k if it's a waterfront property)

Next Steps

- Test with new data
- Look at number of nearby houses on the market
- Proximity to schools, resorts, etc.
- Walking score
- Other property details

Thank you!

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