Real estate investment opportunities in King county

ATOMAN RESEARCH SOLUTIONS

Atoman Research Services

Maximizing the potential return on an investment in real estate.

Our clients include property developers, builders, real estate investors, and investment banks
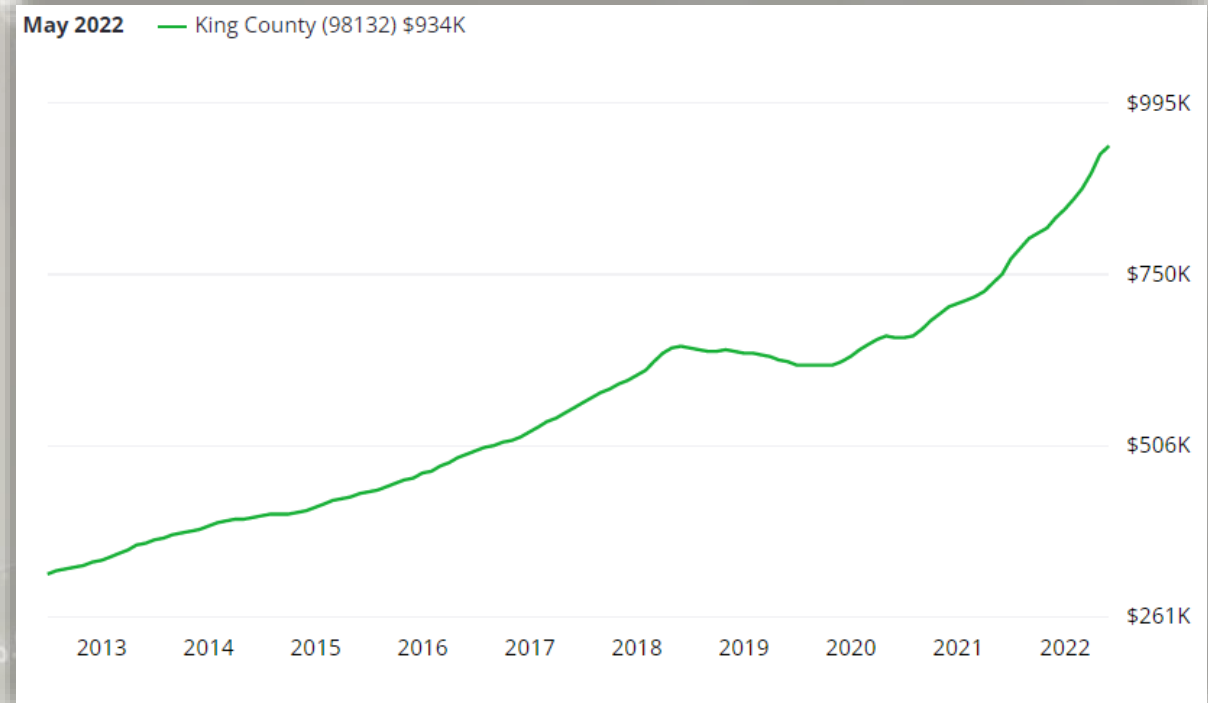
Providing data driven advice

King County metrics

Zillow Home Values Data

✓ Zillow Home Value Index $934k

✓ Consistent growth

✓ Up 24.5% over the past year

Scarce inventory

✓ Seattle 0.64 months

✓ King County 0.82 months

May 2022 — King County (98132) $934K

$995K
$750K
$506K
$261K

2013 2014 2015 2016 2017 2018 2019 2020 2021 2022
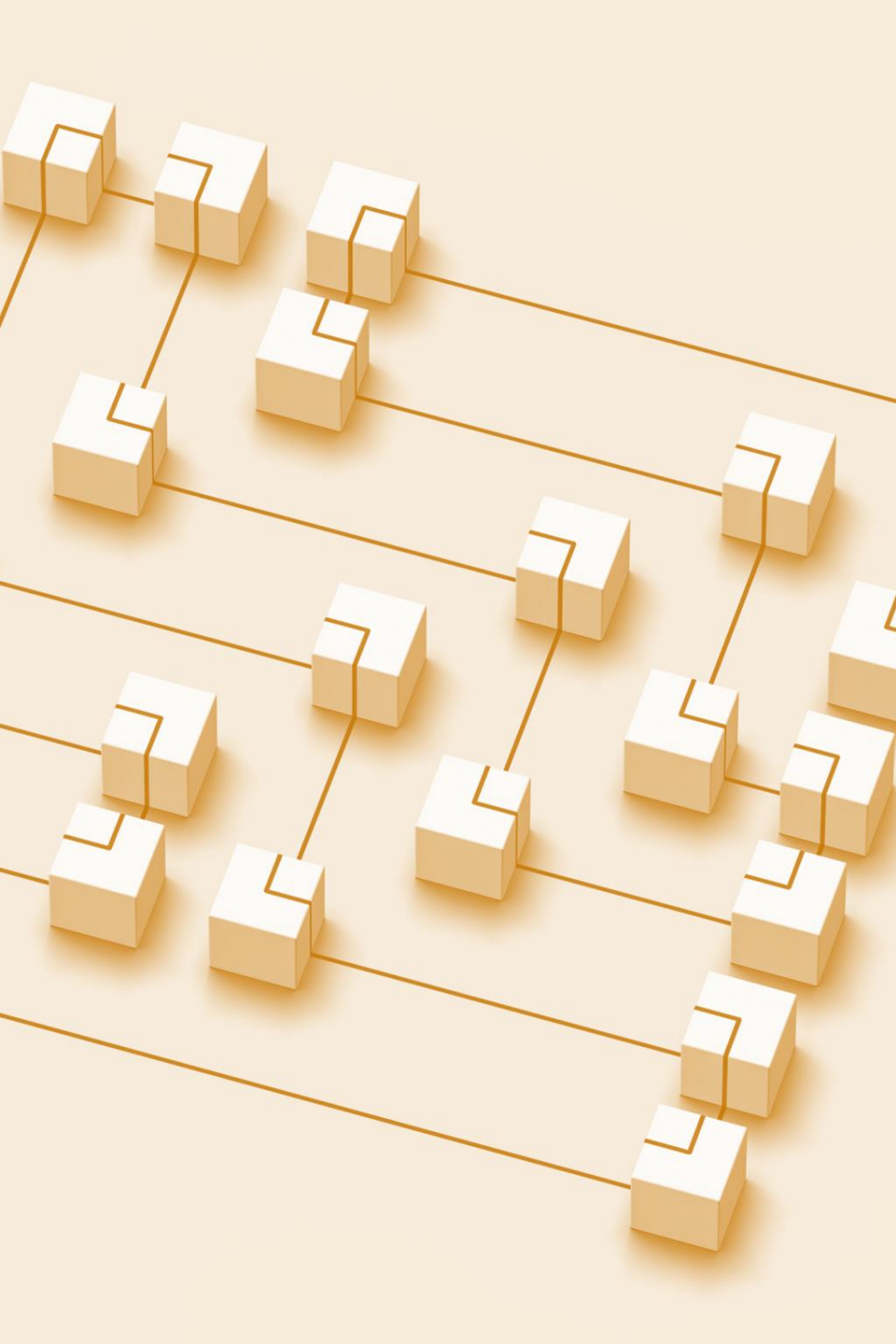
Tools and Data

Dataset: 25,000 properties sales records collected over the last year

Tools:

- ✓ Simple baseline regression model
- ✓ Feature engineering
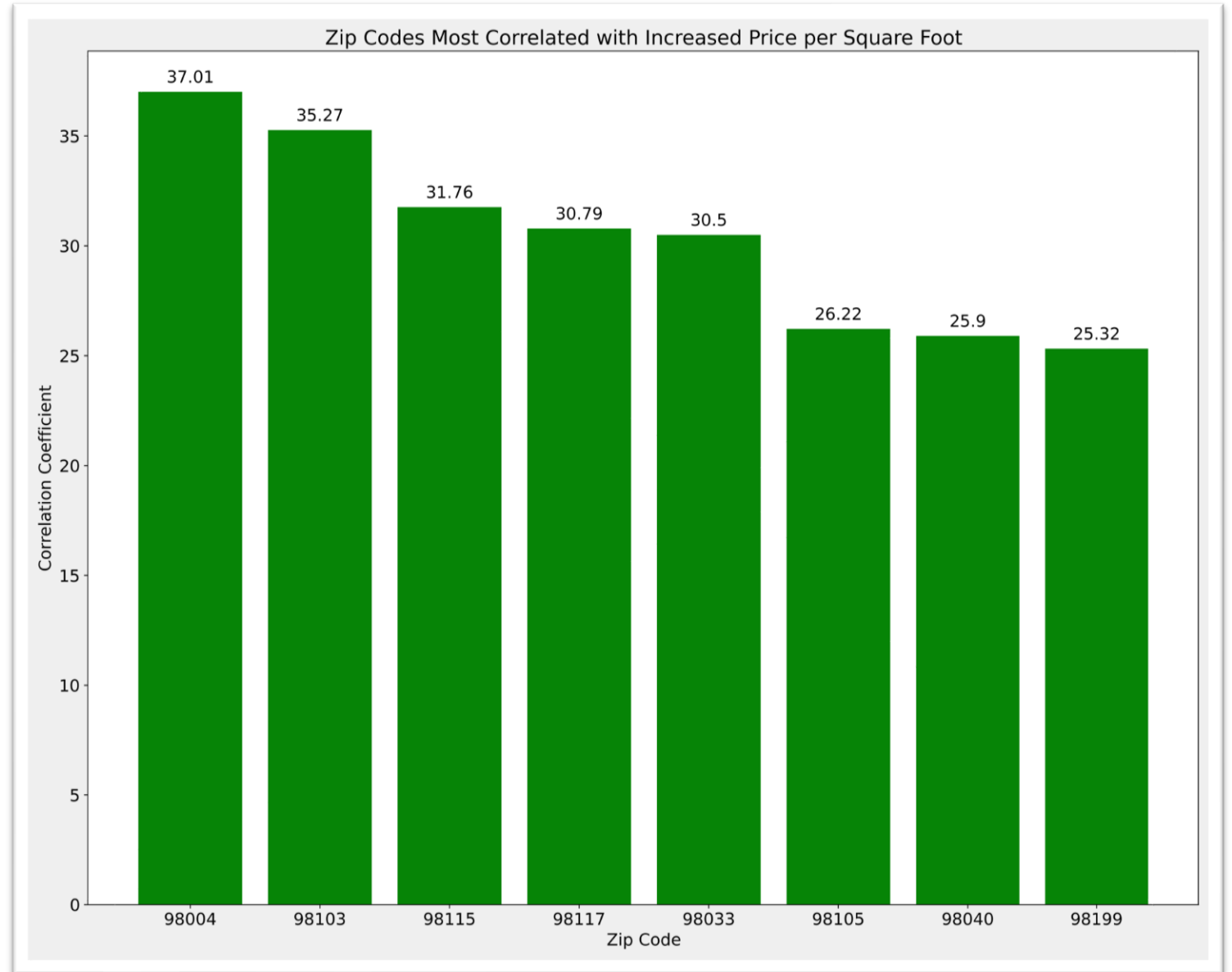- ✓ Increasingly complex multiple regression models

Process

- ✓ Optimize price per square foot

- ✓ Start with a simple baseline model

- ✓ Use a multiple linear regression model for inferential analysis

- ✓ Engineer features that improve the R^2 performance and remove insignificant features
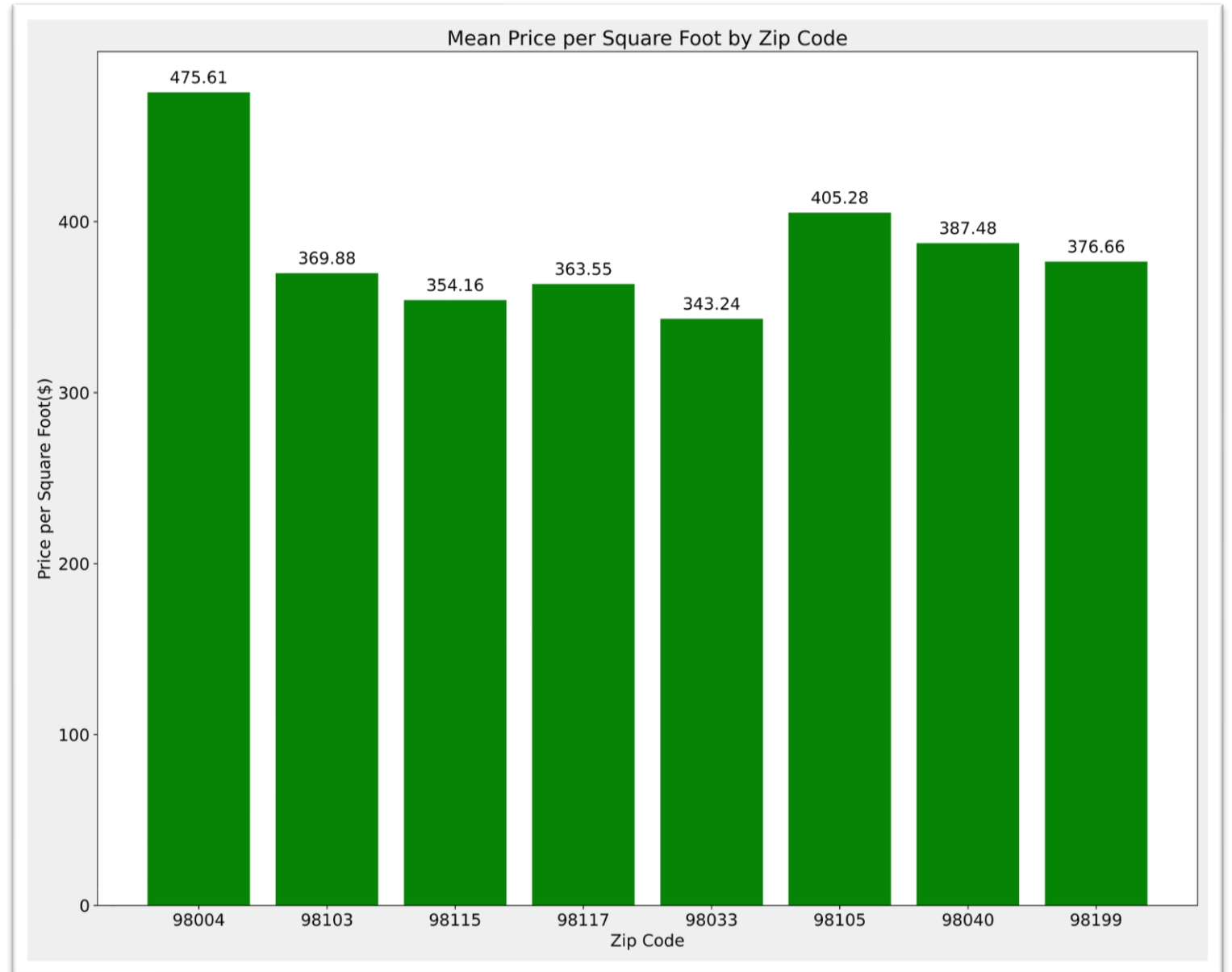
Impactful features

✓ Zip codes

98004, 98103, 98115, 98117, 98033, 98105, 98040

Seattle, Bellevue, Clyde Hill, Beaux Arts Village, Hunts Point

✓ Building materials grade (-24.12 coefficient)

✓ Waterfronts (19.63 coefficient)

Zip code correlation coefficients

Mean price per square foot in top zip codes

Mean Price per Square Foot by Zip Code

Price per Square Foot($) vs Zip Code

475.61 — 98004
369.88 — 98103
354.16 — 98115
363.55 — 98117
343.24 — 98033
405.28 — 98105
387.48 — 98040
376.66 — 98199

Conclusion and next steps

Strong predictors of price per square foot

- ✓ Zip codes
- ✓ Building grade
- ✓ Waterfront

Next steps

- ✓ Add more features
- ✓ Address variable interaction

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