Washington Data Consultants

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Business Problem

Figure out the optimal location to expand the Fogo de Chao franchise within the King County area.

Data Overview

- We used housing data from the King County area to better understand where to locate the new Fogo de Chao location.

-Fogo de Chao already has a location in Bellevue, so a good fit for a second location would be within Seattle.

-We wanted to settle on putting the restaurant in an area with high average valued houses to give Fogo de Chao the best chance at success.
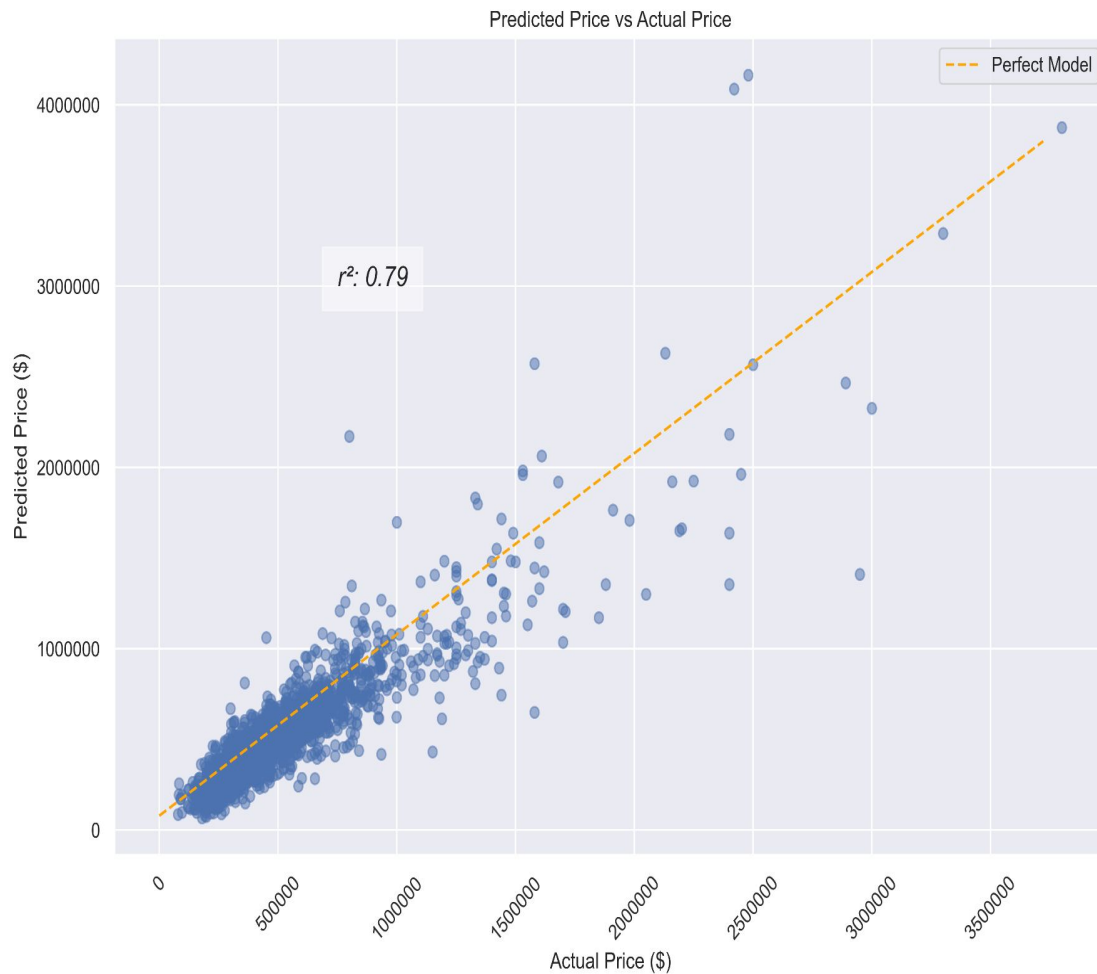
Measures of High End

- ❖ Quality:
  - ➢ Condition of the house
  - ➢ House grade
- ❖ Size:
  - ➢ Square footage of house
  - ➢ Square footage for neighboring houses
- ❖ Location:
  - ➢ Latitude
  - ➢ Longitude
  - ➢ Zip Codes

High End Housing Pricing Data

❖ Our model predicts approximately 80% of the variance in home price
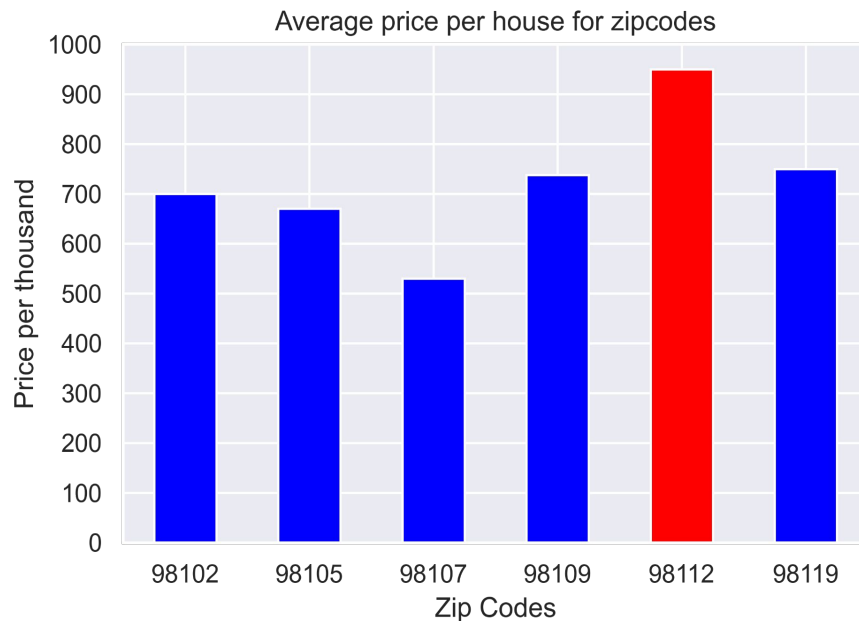
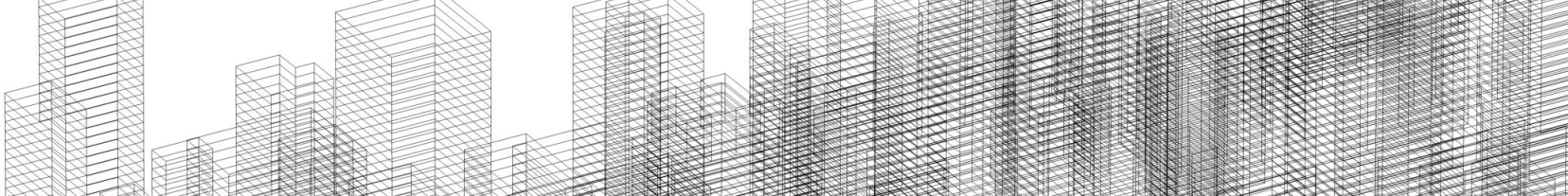❖ Model includes location, quality, and size data

The Best Location

❖ We found 6 zip codes with positive relationships with price, of those 6 the 3 with the highest relationship were:

➢ Stevens, Madison Valley- 98112

➢ East Queen Anne -98109

➢ West Queen Anne -98119

Zip Code average price

❖ Stevens, Madison Valley (98112) has an average price of $950,000 per home.

❖ $200,000 more than 2nd highest.
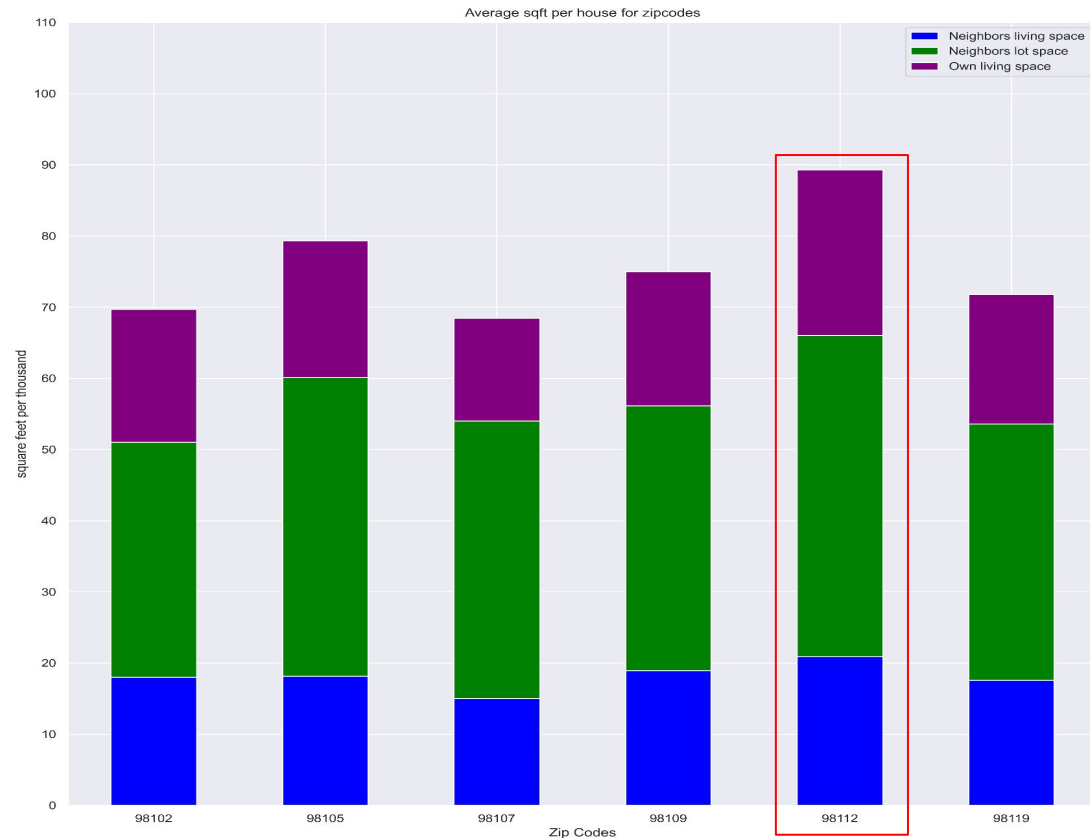

Average price per house for zipcodes

Quality

❖ We found a linear relationship that as grades and condition have higher ratings the price of the house rises with it.

❖ Stevens, Madison Valley (98112) has the most houses in the area with 237 houses.

❖ Of those 237 only 53 have an average grade or lower, and only 2 houses with a below average condition.

Square Footage

Average sqft per house for zipcodes

- ❖ Stevens, Madison Valley(98112) has the most sq footage per house
- ❖ Price goes up by $211 for every 1 sq ft of neighbors living space
- ❖ Price goes up by $243 for every 1 sq ft of each individuals living space

Conclusion and Next Steps

❖ Neighborhoods for Potential Location:
  ➢ East Queen Anne (98109)
  ➢ Stevens/Madison Valley (98112)
  ➢ West Queen Anne (98119)
❖ Best candidate:
  ➢ Stevens/Madison Valley (98112)

Next Steps:

❖ Remove latitude or longitude
❖ Remove zip codes that are not feasible for new restaurant
❖ Feature engineering to improve correlation/reduce error

Thank You

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