Compass Real Estate Group

House Valuation Predictive Model
for King County, WA

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Business Questions

Compass Real Estate Group Management Team

- What are the most influential features on house sale price?

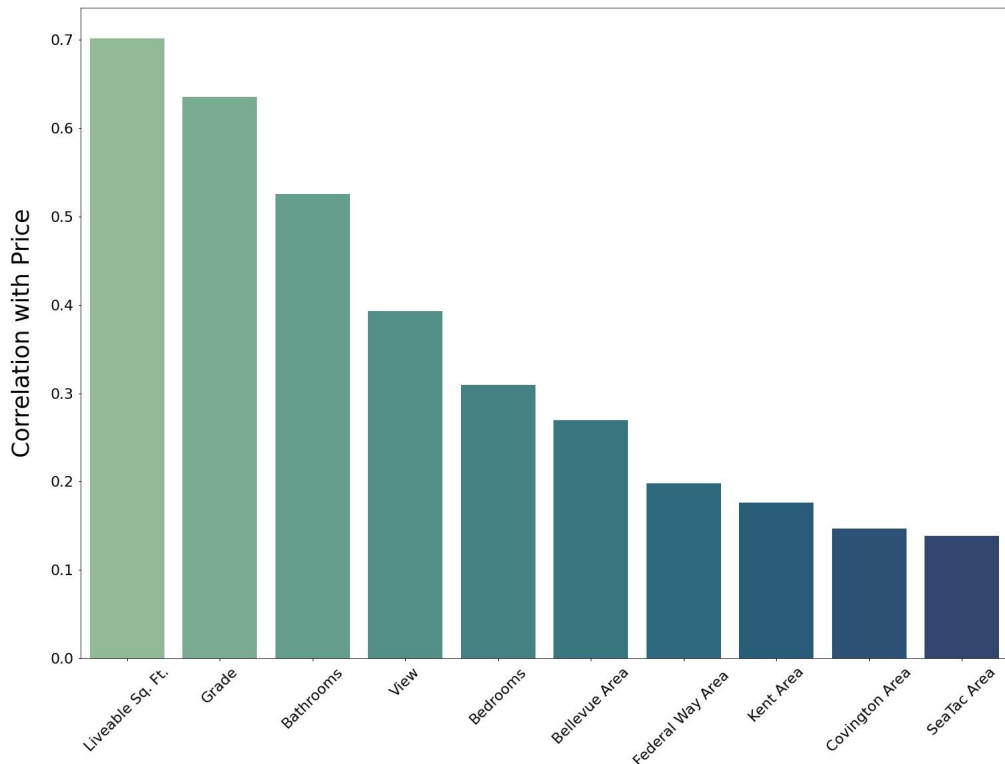- Where in King County should Compass allocate resources?

Data Overview

King County, Washington House Sale Data 2014-2015

- Did not use 2021-2022 due to COVID

- 20252 house sales, 20 Features

- The Average House in King County:
    - Price: $477,000
    - Beds/Baths: 3/2
    - Livable Sq. Ft: 2000
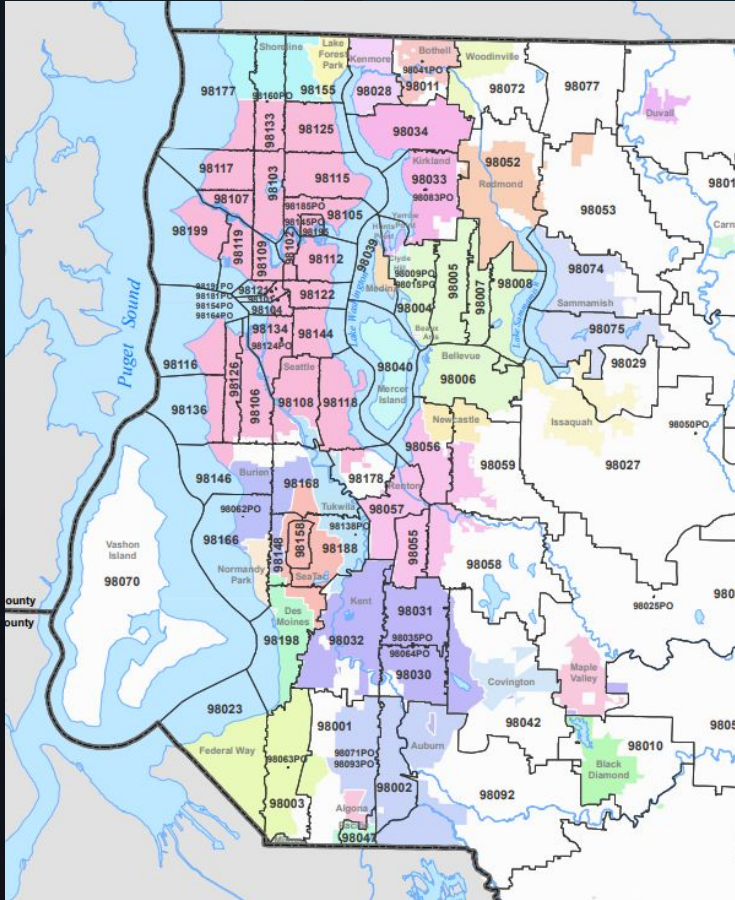
What affects price?

- Size Matters
  - Sq. Ft
  - Baths
  - Beds

- Luxury Factor
  - Grade
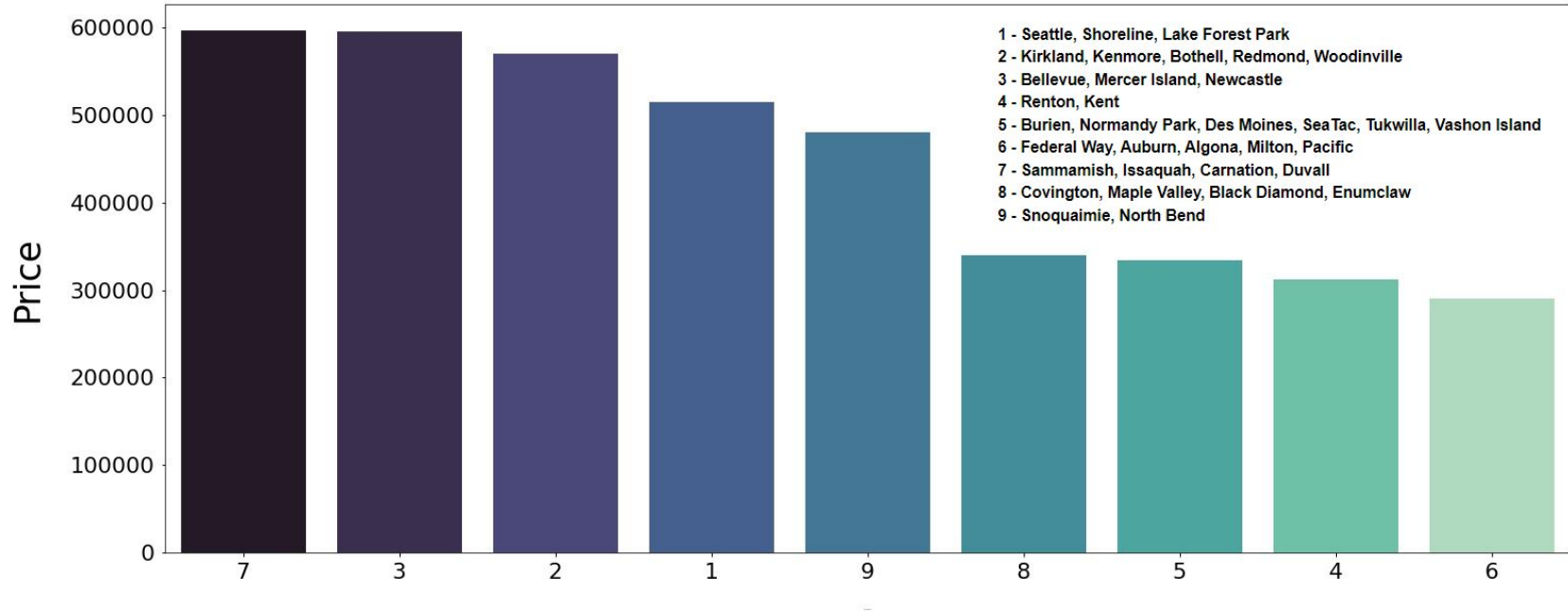 - View

- Location
  - Zipcode Groups
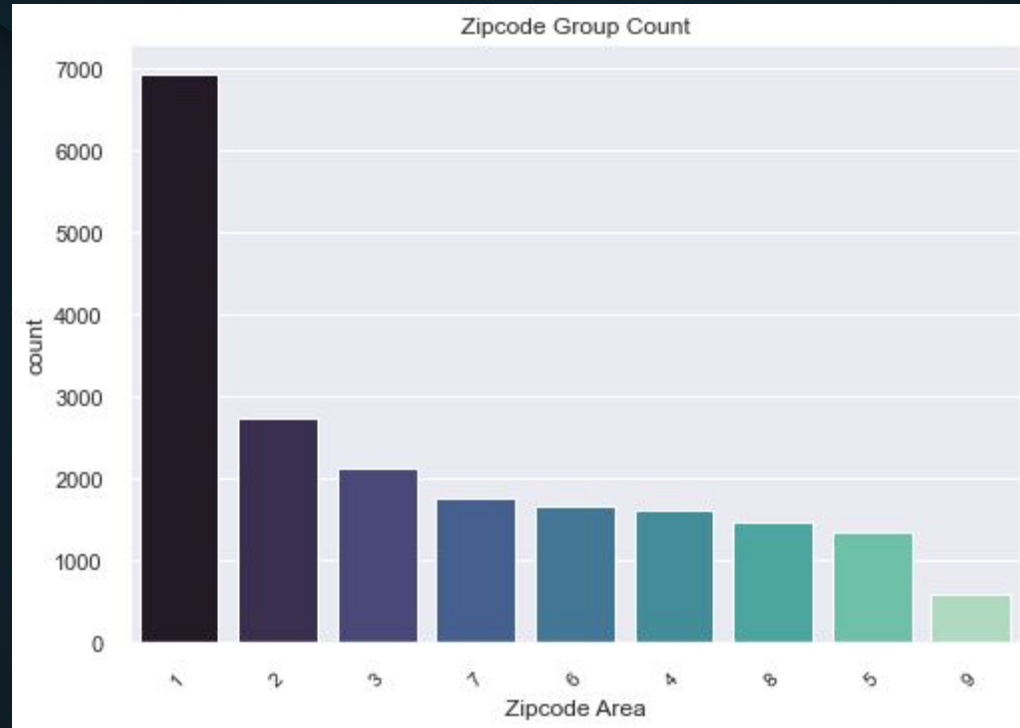
Grouping by Zipcode

1. Seattle, Shoreline, Lake Forest Park
2. Kirkland, Kenmore, Bothell, Redmond, Woodinville
3. Bellevue, Mercer Island, Newcastle
4. Renton, Kent
5. Burien, Normandy Park, Des Moines, SeaTac, Tukwilla, Vashon Island
6. Federal Way, Auburn, Algona, Milton, Pacific
7. Sammamish, Issaquah, Carnation, Duvall
8. Covington, Maple Valley, Black Diamond, Enumclaw
9. Snoqualmie, North Bend

Most expensive Zipcodes?
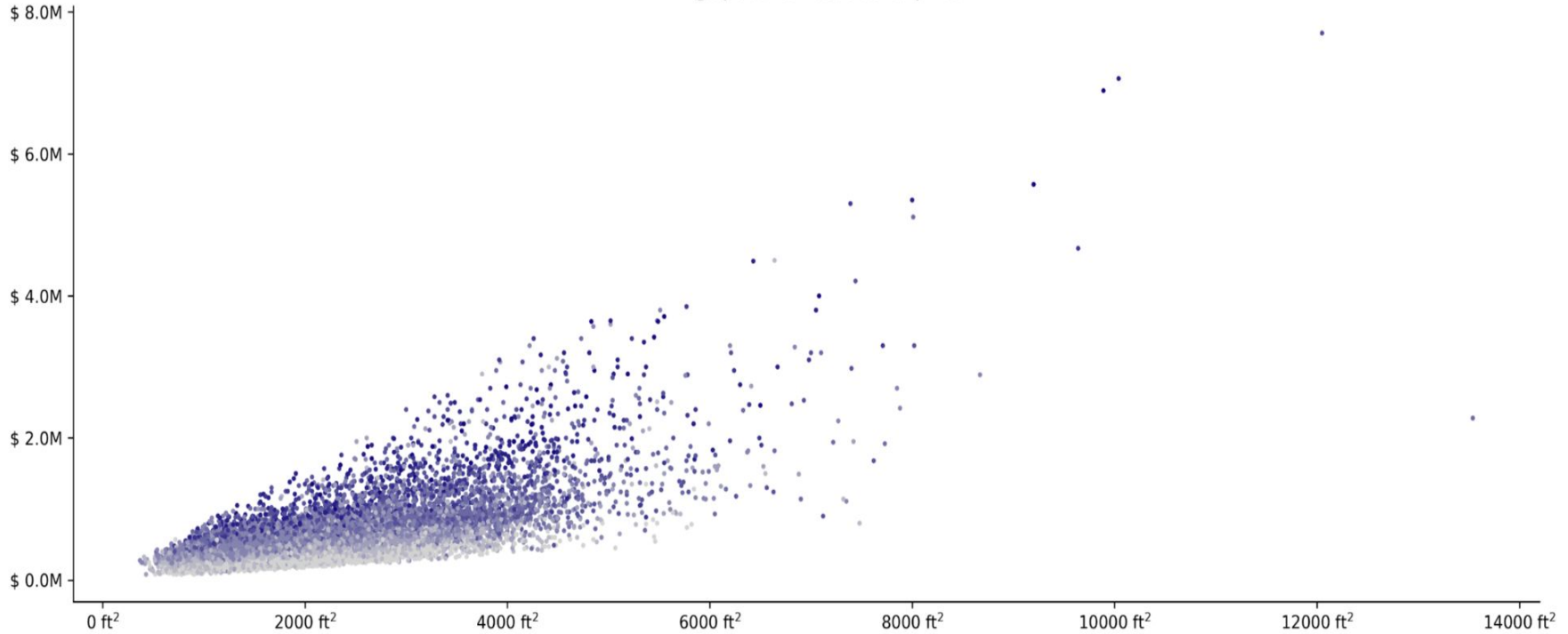

Mean House Price by Zipcode Grouping

1 - Seattle, Shoreline, Lake Forest Park
2 - Kirkland, Kenmore, Bothell, Redmond, Woodinville
3 - Bellevue, Mercer Island, Newcastle
4 - Renton, Kent
5 - Burien, Normandy Park, Des Moines, SeaTac, Tukwilla, Vashon Island
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Number of homes sold per zipcode from 2014-2015

Seattle, Shoreline, and Lake Forest Park sell the greatest number of houses.
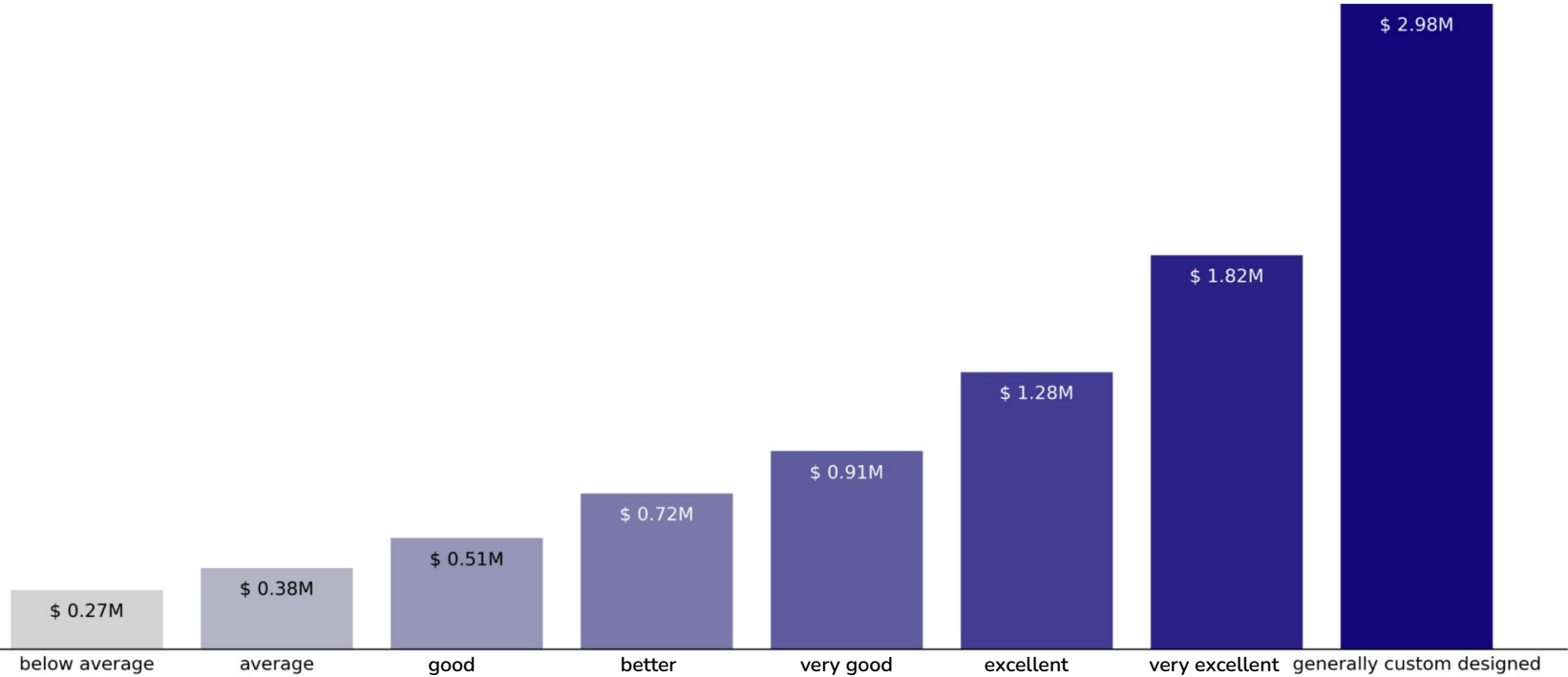
Living Space and Price
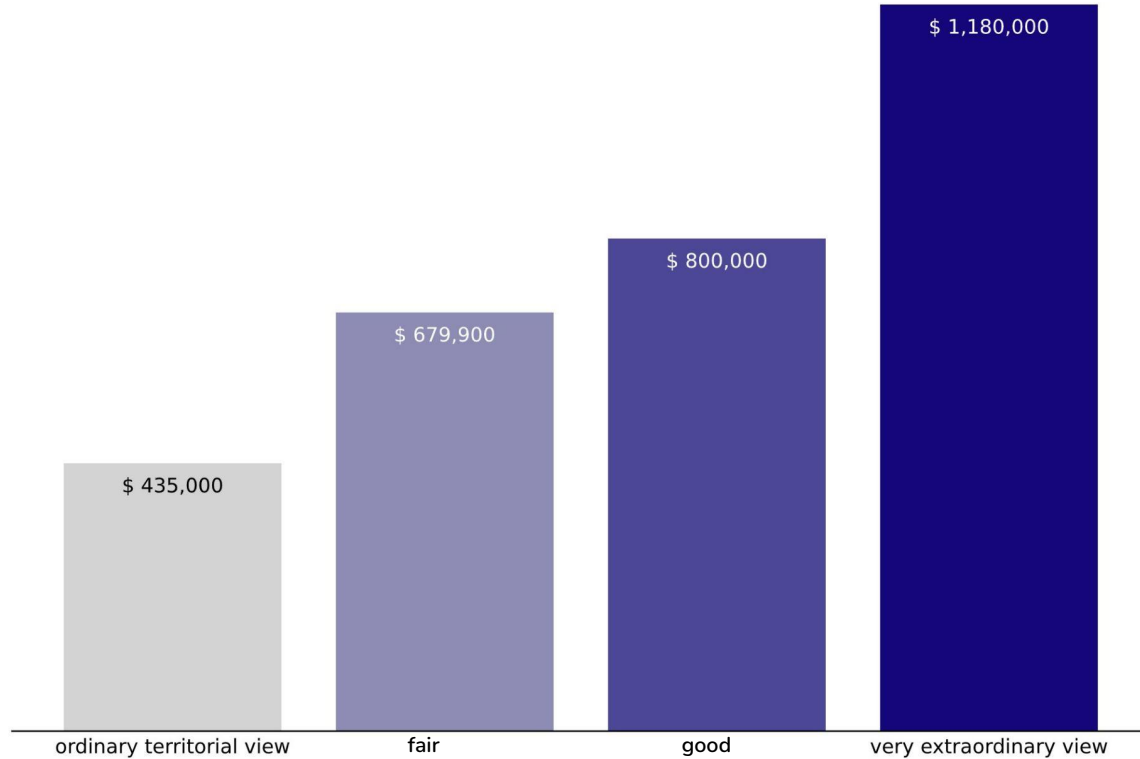

Living space vs house sales price

Grade and Price

House sale price medians grouped by grade

Grade	Price
below average	$ 0.27M
average	$ 0.38M
good	$ 0.51M
better	$ 0.72M
very good	$ 0.91M
excellent	$ 1.28M
very excellent	$ 1.82M
generally custom designed	$ 2.98M

View and Price

House sale price medians grouped by view

$ 1,180,000

$ 800,000

$ 679,900

$ 435,000

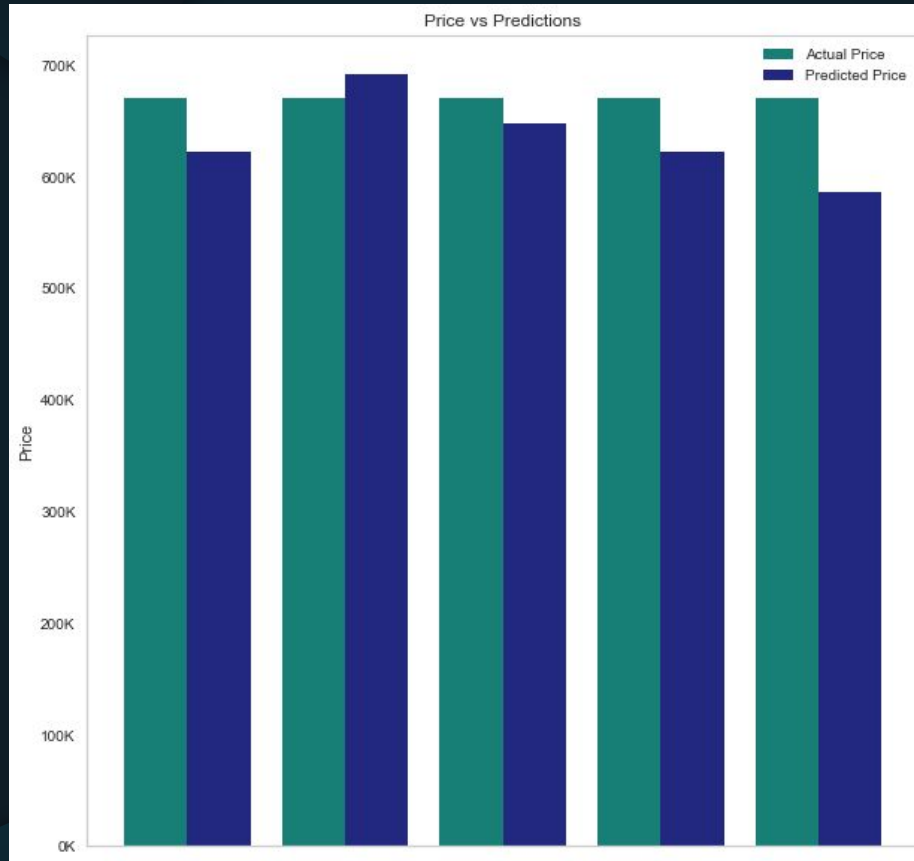ordinary territorial view   fair   good   very extraordinary view

Model

We can predict the price of a home with 82% accuracy

Error of about $50,000 for any given prediction

Model Prediction

21

Conclusion

Key Features: Liveable Sq. Ft, View, Grade, Zipcode

Model Accuracy: Explains 81.6 % of the data , Predicts Home Price with an average error of about 10%

Zipcodes to focus on:

Zone 1 (Seattle, Shoreline, Lake Forest Park)

Zone 7 (Sammamish, Issaquah, Carnation, Duvall)

Zone 3 (Bellevue, Medina, Mercer Island, Newcastle)

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Questions?