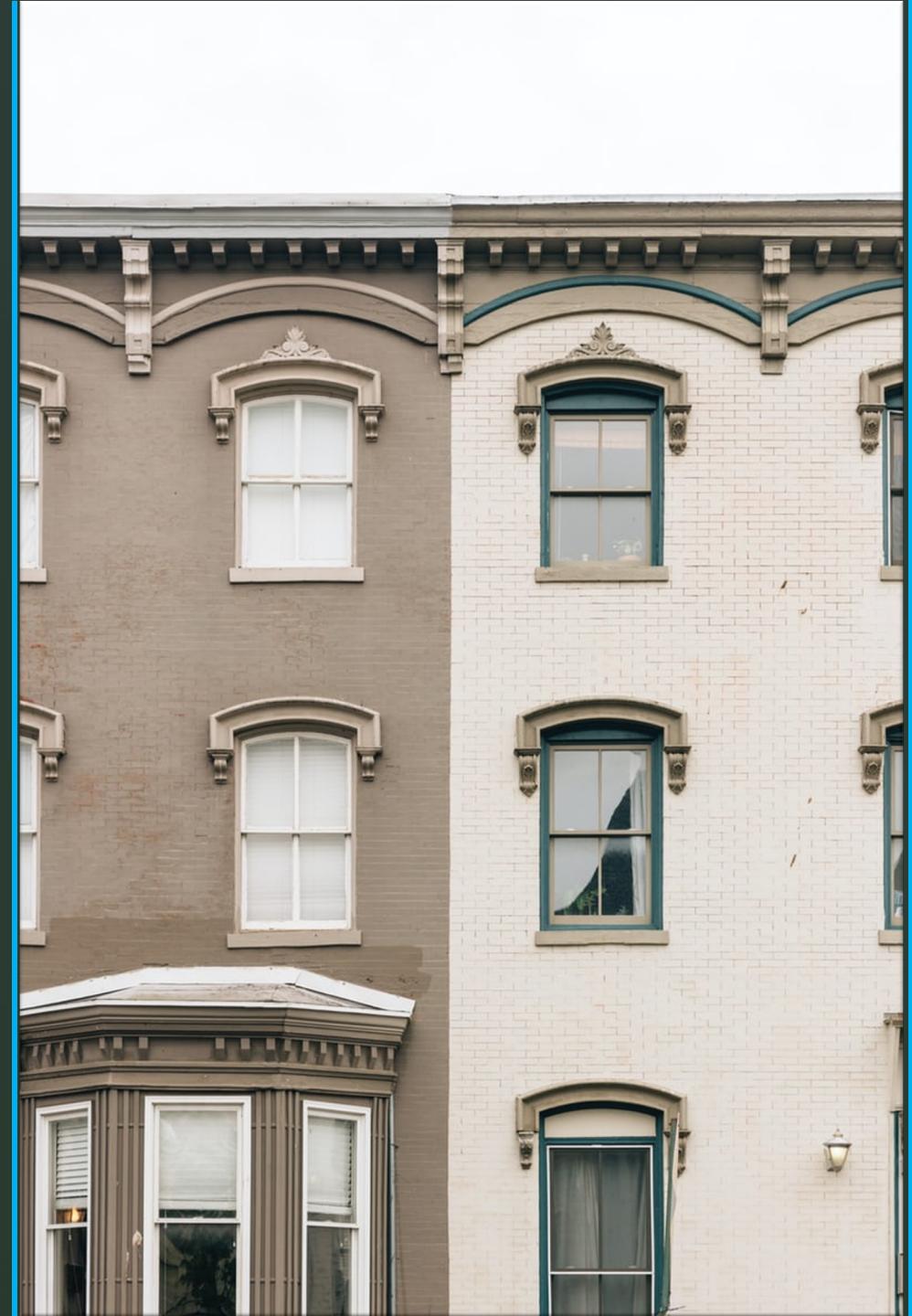


# Flip-It DC

## Under-valued historic properties quick look

Alison Garrett, Find-It Analyst  
1 October 2021

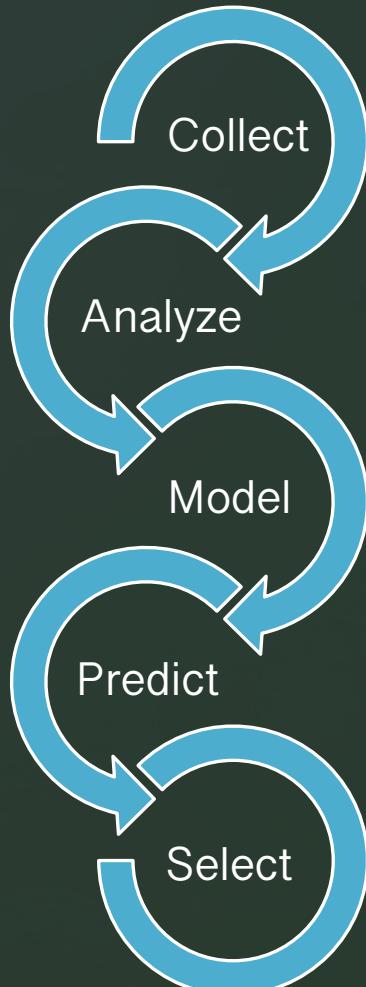




## Introduction

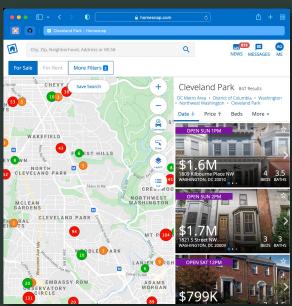
- Retro Renovations remodels historic homes into luxury properties
- Corporate scouting showed untapped Washington, DC potential
- Flip-It DC, a subsidiary, established to rapidly buy, renovate, and sell well positioned real estate for a sizable return on investment
- Find-It Team is providing an initial quick look of the DC market

# Approach

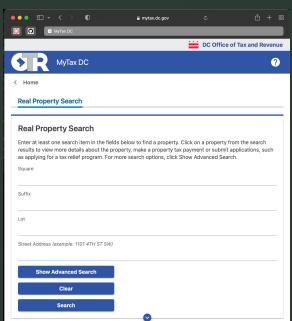


- [HomeSnap](#) features, price, and sales status
- 6 months of data focused on DC historical areas
- Single family and row houses [Sold](#) under \$3.6M
- Missing data using [DC Real Property Search](#)
- Sales Price [LM](#) Linear Regression Model
- Polynomial and Lasso regression with LARS feature fitting
- Single family and row houses [For Sale](#), [Contingent](#), and [Under Contract](#)
- Target Sales Price predicted using Sales Price Model
- Target Sales Price compared with [Asking Price](#) and [Property Assessment](#) to identify target properties for Flip-It DC review

# Terminology



HomeSnap



DC Property Assessment



Target Sales Price  
(predicted based  
on previous sales)



Asking  
Price  
&  
Property  
Assessment



Potential Profit

The screenshot shows the HomeSnap website interface. At the top, there's a search bar with placeholder text "City, Zip, Neighborhood, Address or MLS#". Below it are buttons for "For Sale", "For Rent", and "More Filters". To the right are links for "My Agent", "Register", and "Sign In". A map of the area is displayed with various neighborhoods like Chevy Chase, WAKEFIELD, and LEYTOWN marked. A specific property listing is highlighted: **1560 33rd Street NW, WASHINGTON, DC 20007**. The listing shows a price of **\$1.1M**, a sold date of **SOLD SEP 27**, and a contract date of **CONTRACT SEP 27**. The property features a large image of a white rowhouse with black shutters and a brick facade. Below the main image are smaller thumbnail images of the exterior and interior. A sidebar titled "Features" provides detailed listing information:

- LISTING DETAILS**
  - Property Type: Residential
  - Structure Type: Interior Row/Townhouse
  - Architectural Style: Federal
  - Accessibility Features: Doors - Swing In
  - New Construction: No
  - Story List: Main, Upper 1
  - Year Built Source: Estimated
  - Year Built: 1860
  - Automatically Close On Close Date: No
- INTERIOR FEATURES**
  - Fireplaces Count: 1
  - Foundation Details: Brick/Mortar
  - Levels Count: 3
  - Basement: Yes
  - Basement Type: Partial
  - Total SqFt: 1950
  - Living Area SqFt: 1772
  - Price Per SqFt: 761.54
  - Above Grade Finished SqFt: 1300
  - Below Grade Finished SqFt: 472
  - Below Grade Unfinished SqFt: 178
  - Total Below Grade SqFt: 650
  - Total SqFt Source: Assessor
  - Living Area SqFt Source: Assessor
  - Above Grade Finished Area Units: Square Feet

At the bottom of the listing, it says "SOLD" and provides the address "1560 33rd Street NW, Washington, DC 20007". It also includes an estimated mortgage amount of "\$4,210" and a total price of "\$1,075,000".

# HomeSnap

1020 Properties

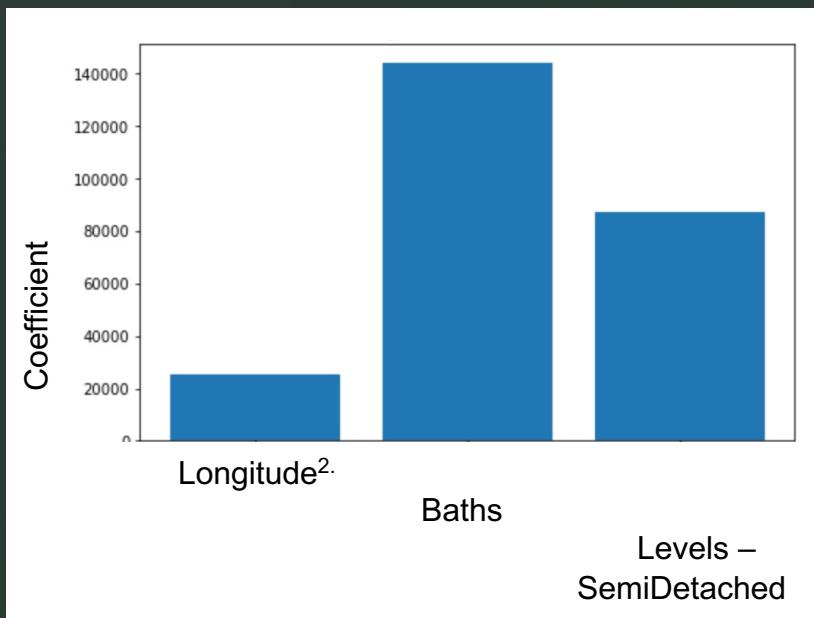
- 492 Sold
- 251 Contract
- 277 For Sale

74 Features

- Construction
- Interior
- Exterior
- Location
- Utilities
- Tax Assessment
- School District

# Assessment

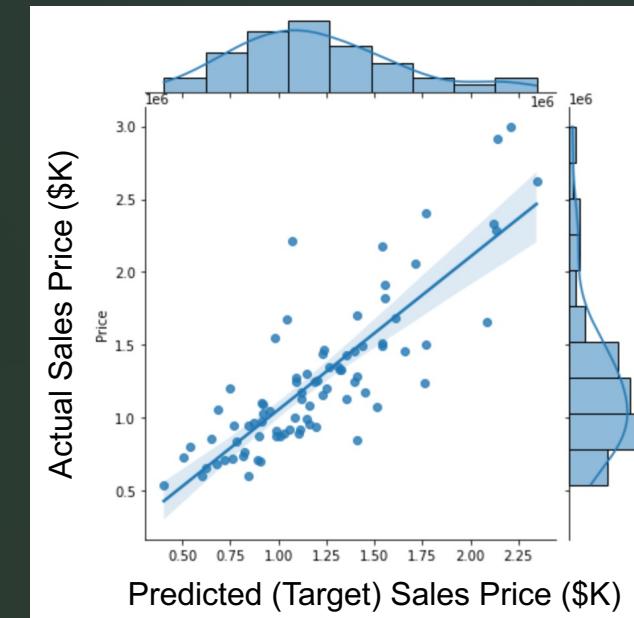
Target Sales Price Model



- **Intercept** -1.45e7
- **Minor Contributors**

SqFt-SemiDetached	Levels-SqFt
SqFt-Interior Row	ZipCode
SqFt-Baths	SqFt

Test Data Fit Model



- **MAE** \$209,243K
- **R<sup>2</sup>** 0.68

# Recommendations

			
<p><a href="#"><u>1614 44th Street NW</u></a></p> <ul style="list-style-type: none"> <li>• 5 BEDS</li> <li>• 3 BATHS</li> <li>• 0.05 ACRES</li> <li>• 2,419 SQ FT</li> <li>• BUILT 1929</li> <li>• Modest Renovation</li> </ul> <p>\$1,395,000 Current Price \$990,670 Assessment  \$1,501,115 Target Price <b>\$106K - \$510K Potential</b></p>	<p><a href="#"><u>1317 Fairmont Street NW</u></a></p> <ul style="list-style-type: none"> <li>• 8 BEDS</li> <li>• 4.5+ BATHS</li> <li>• 0.06 ACRES</li> <li>• 4,660 SQ FT</li> <li>• BUILT 1910</li> <li>• Rental Conversion</li> </ul> <p>\$2,000,000 Current Price \$1,275,140 Assessment  \$2,108,575 Target Price <b>\$108K – \$833K Potential</b></p>	<p><a href="#"><u>415 Florida Avenue NW</u></a></p> <ul style="list-style-type: none"> <li>• 3 BEDS</li> <li>• 3 BATHS</li> <li>• 0.03 ACRES</li> <li>• 1,530 SQ FT</li> <li>• BUILT 1890</li> <li>• Significant Renovation</li> </ul> <p>\$980,000 Current Price \$703,240 Assessment  \$933,632 Target Price <b>\$230K Potential</b></p>	<p><a href="#"><u>59 Bryant Street NW</u></a></p> <ul style="list-style-type: none"> <li>• 3 BEDS</li> <li>• 4 BATHS</li> <li>• 0.06 ACRES</li> <li>• 3,482 SQ FT</li> <li>• BUILT 1906</li> <li>• Significant Renovation</li> </ul> <p>\$1,300,000 Current Price \$1,057,610 Assessment  \$1,476,489 Target Price <b>\$176K - \$419K Potential</b></p>



## Future Work

- As we learn the DC market and increase the number of properties in the Sold category, the model will improve
- Additional feature engineering may improve the overall model fit
  - Categorize the Zip Codes
  - Add a categorized Legal Subdivision feature