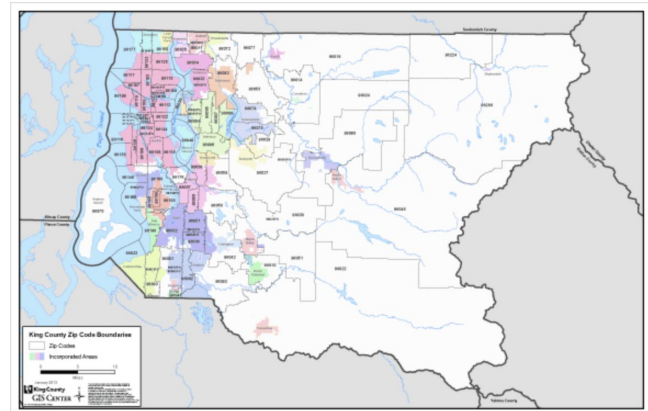

King County Real Estate Analysis for House Flippers

Overview

The following presentation will showcase a pricing prediction model for homes listed in King County, WA and assess the ways this analysis can be used for those seeking to buy, flip, and sell properties.



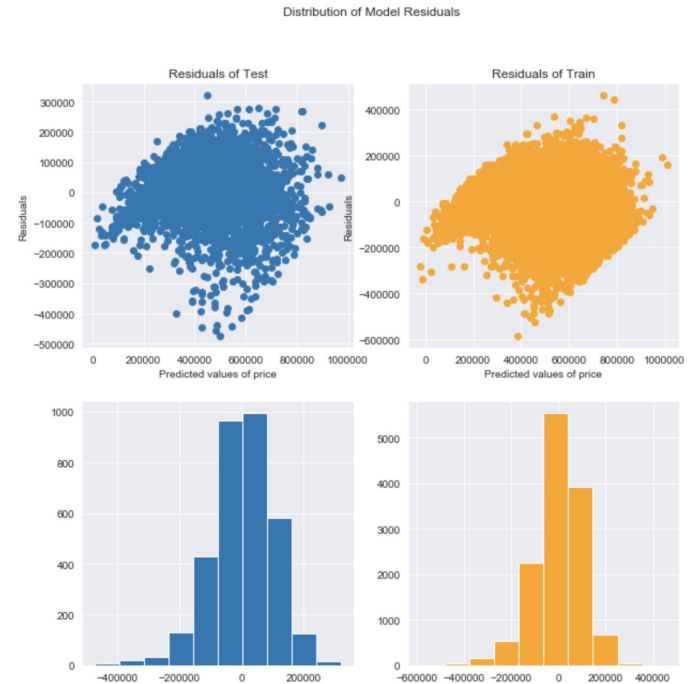


Demographics

- Population: 2.253 million
- 20% population <18 & 13.2% population >65
- 65% White & 20% Asian
- 57% owner-occupied
- Median home value: \$493,000
- 93% hold high school diploma & 51% hold bachelor's degrees
- Median income: \$89,418

Methodology

- 16,482 data points
- Employed standard practice multiple regression analysis.





Limitations

The real estate market in King County is quite variable and in order to make our model applicable it was necessary to focus on a specific market. The following specifications define the market our model can be used for.

Listings which have:

- <3,500 sqft
- <6 bedrooms
- <6 bathrooms
- <15,000 sqft lot size
- < \$1,000,000



Features

- Bedrooms
- Bathrooms
- Living Area sqft
- Lot Sqft
- Lot and Living sqft of 15 nearest neighbors
- View
- Condition
- Grade
- Location (via lat/long)
- Year of Renovation
- Waterfront
- Build year
- Month sold

The Results



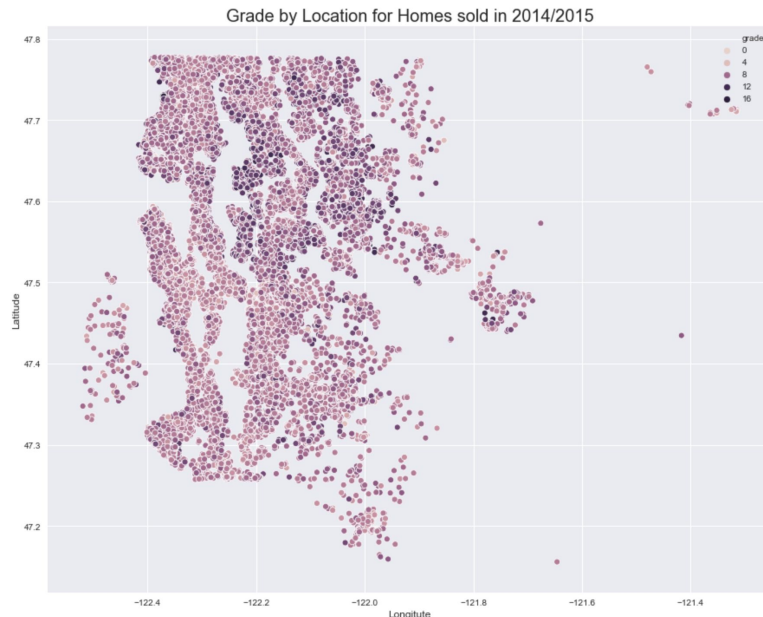
Overview

- + \$15,384 per bathroom
- + \$84.26 per square foot
- + \$31,980 for increase in viewership rating
- + \$24,960 per increase in condition rating
- + \$68,390 per increase in grade rating
- + \$49.40 per square foot in average fifteen nearest neighbors
- + \$156,200 with waterview
- + \$11,480 if sold in march
- + \$28,360 if sold in April

1. Location Location Location

The features associated with Location (waterfront, lot square footage, square footage of nearest 15 houses, and geospatial positioning) had a larger impact on the sale price of the home.

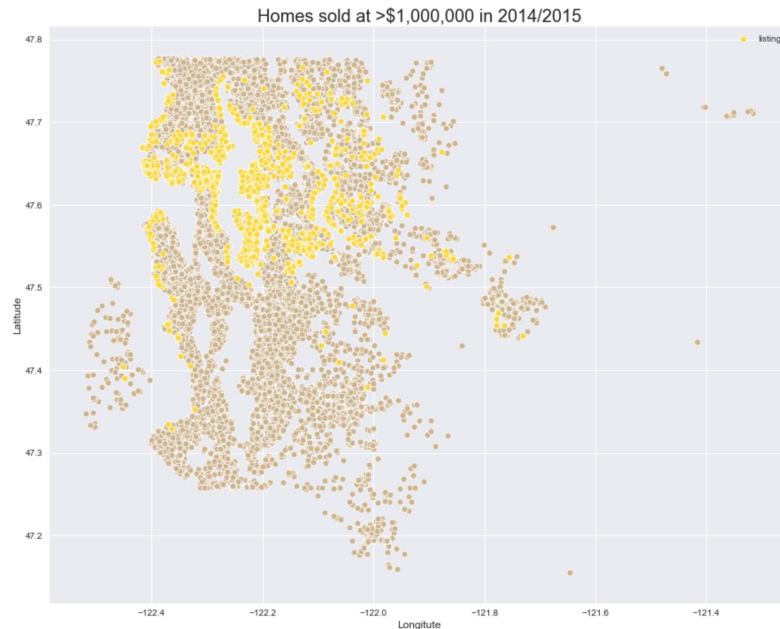
The renovation features like bedrooms, bathrooms, and condition are important but prioritize location over your renovation when considering a budget.



2. GET ON THE WATER

If it's within your budget to find a waterfront property, DO IT.

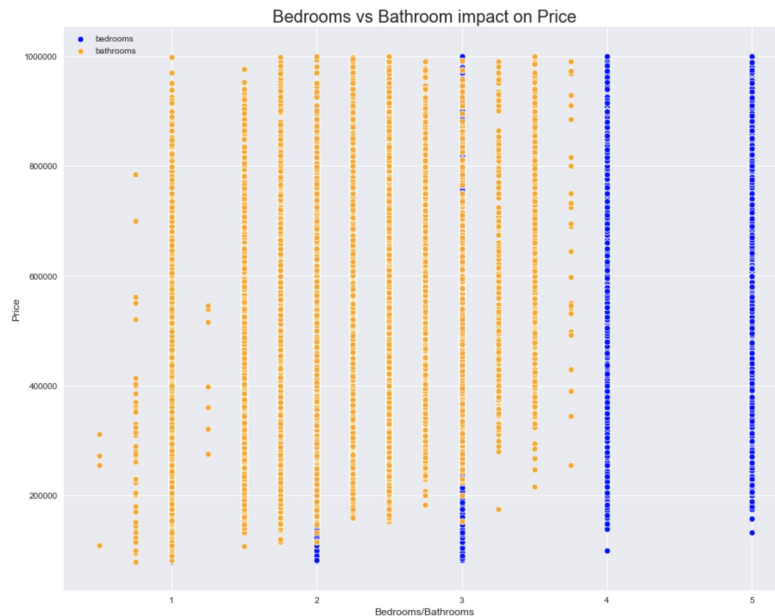
Having a waterfront view could increase the sale price of your house by 156,200 dollars.



3. Renovation

Our model predicts that adding square footage to the home does predict a higher price (~\$84 per square foot) but in what manner?

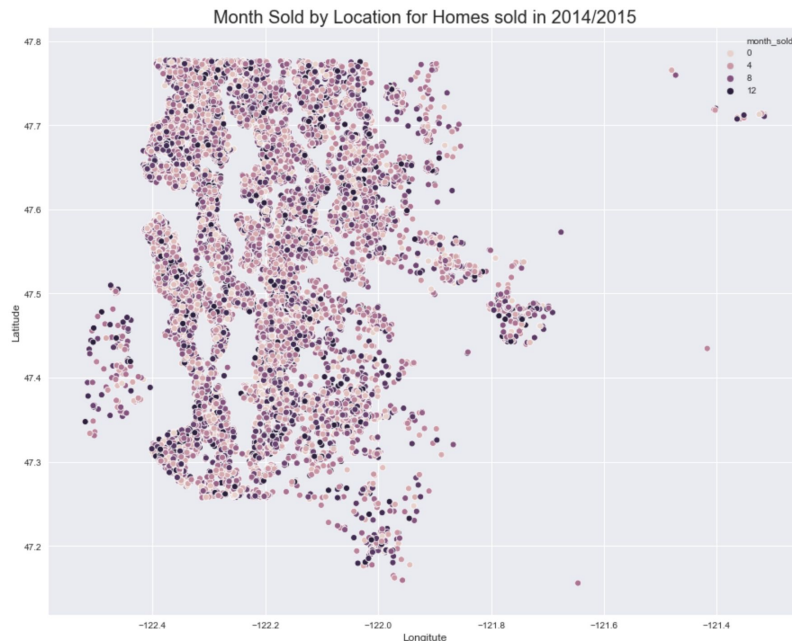
The model demonstrates that if you're choosing between a bedroom or a bathroom, **pick a bathroom**. It more consistently predicted a larger impact on price!



4. Buying & Selling

When you've put in all the elbow grease and it's time to sell, our model predicts two factors which have a big impact.

1. Hire a staging company and a real estate agent because **the more views the house gets, the better.**
2. If you sell in **March or April** you can expect to add **11,000 or 28,000 dollars** (respectively) to your final total.





Recommendations Summary

1. **** GET ON THE WATER ****. If it's within your budget to buy a property on the water and then fix it up, you'll get the best bang for your buck.
2. Pursue increasing both the grade value by the cities standards and increasing the overall condition of the house. Landscaping and paint are a great way to do this on a budget.
3. Square footage is always important as you would imagine, but if you're going to add on a room, make it a bathroom.
4. When it's time to sell, the more views the better. Hire a real estate agent to get the word out for you, the more visibility the better. Also, when it's time to sell, sell in either March or April.



Further Analysis

1. Customization of model for individual needs
2. Add other features:
 - a. Kitchen
 - b. Backyard (yes/no, size, features)
 - c. Garage (yes/no, sqft)
 - d. School districts

Thank you!
&
Happy Flipping!

