



# KING COUNTY MARKET EXPANSION

Presented by:

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# Agenda

- Business Problem
- Data Sources
- Modeling
- Regression Results
- Recommendations



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# Business Problem

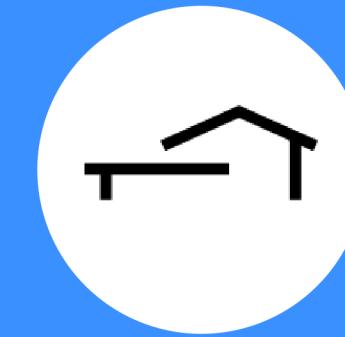
What variables affect  
Kings County residential  
home prices?





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# Data Sources



## KING COUNTY

- HOUSE SALES FROM 6/21 - 6/22
- 30K HOMES
- SALE PRICE: \$27K- \$30M



## FRED ECON DATA

- MONTHLY MORTGAGE RATES
- 6/21 - 6/22

# Modeling: Feature variables

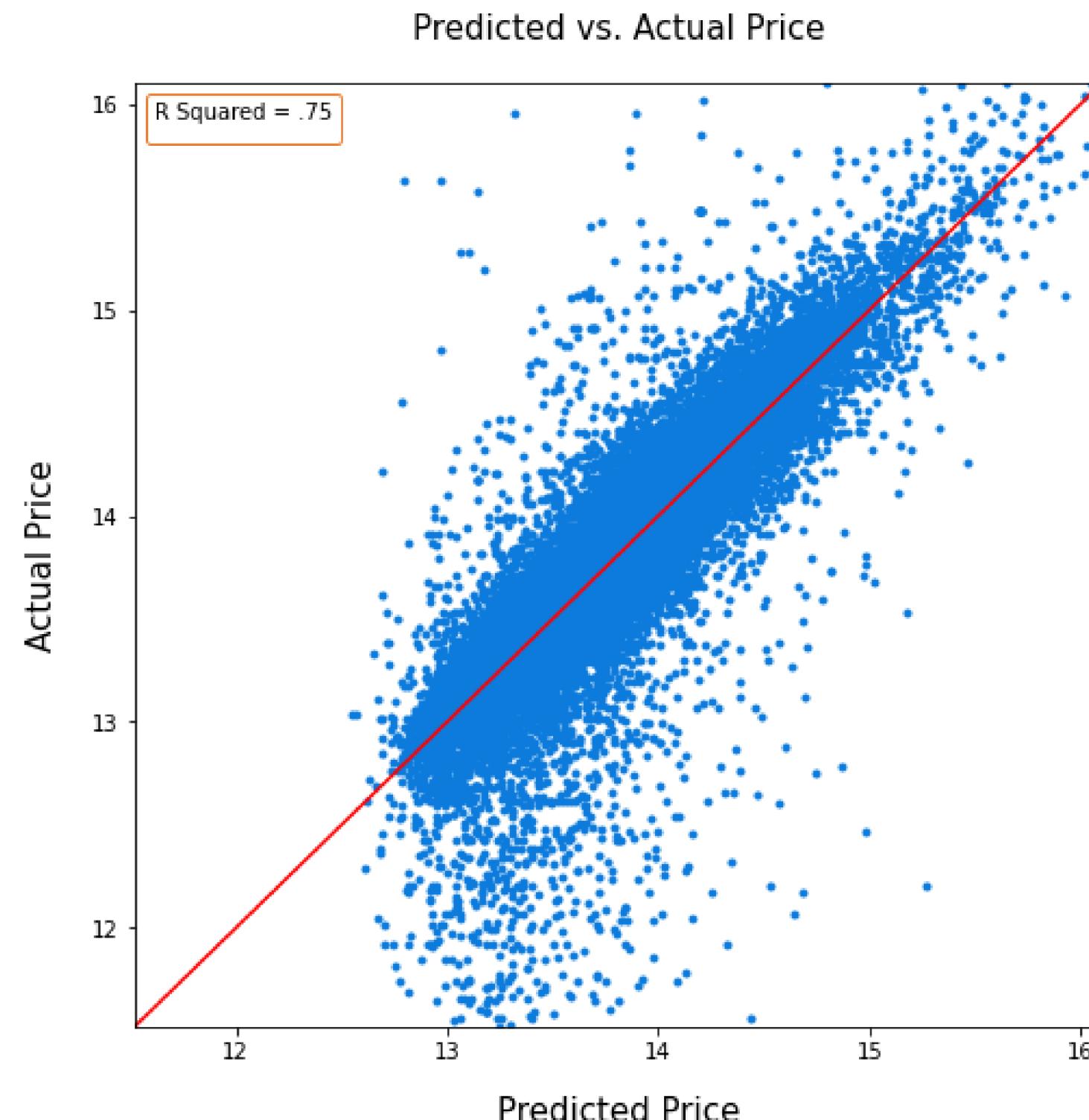
- **Physical variables**
  - Size
  - Construction quality
  - Bedrooms
- **Environmental variables**
  - Zip code
  - Mortgage rate
  - Waterfront



# Modeling: R-squared

## Panda Real Estate Model

- R- Squared = .75
- The model explains **75%** of the variance in prices

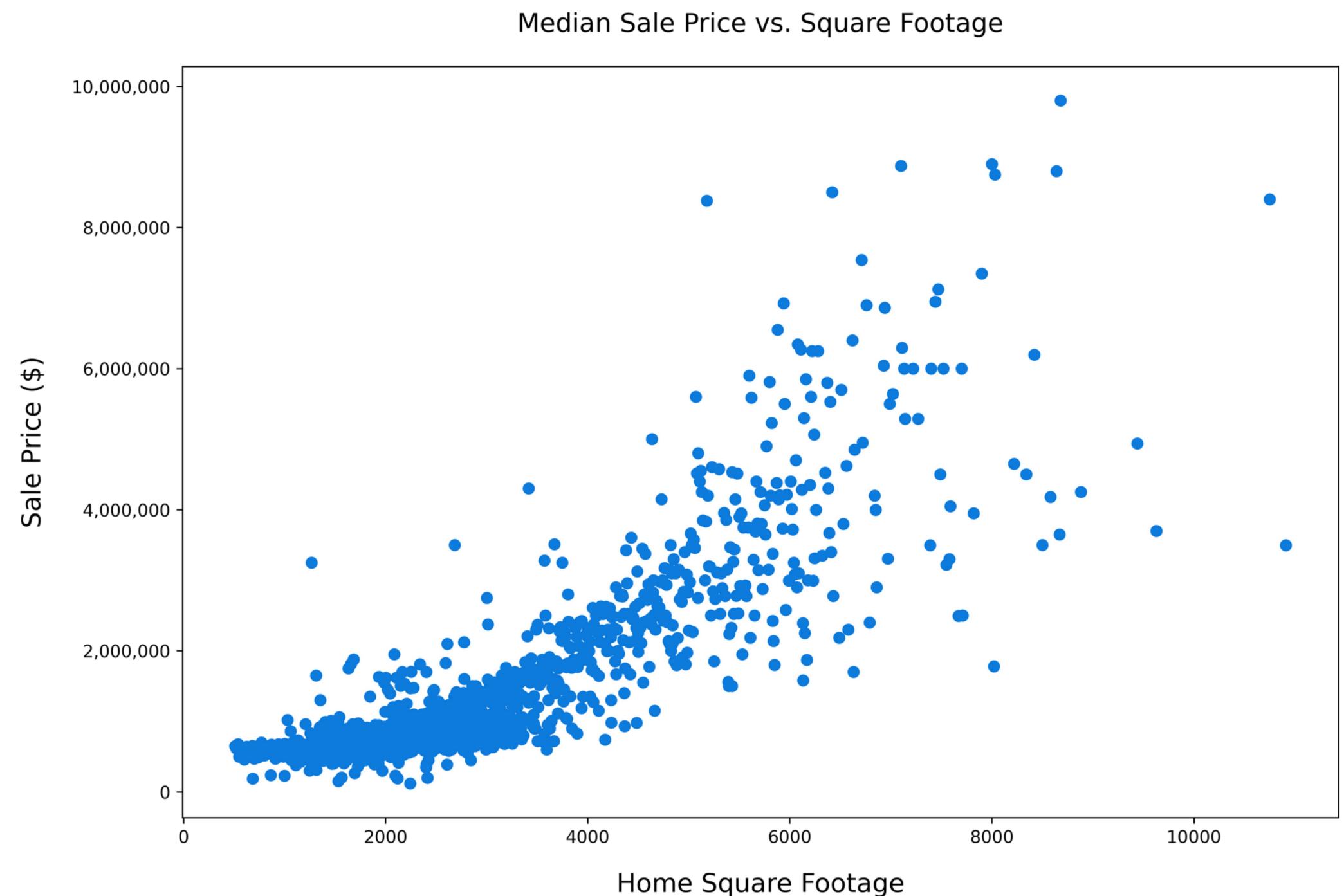




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# Home Size

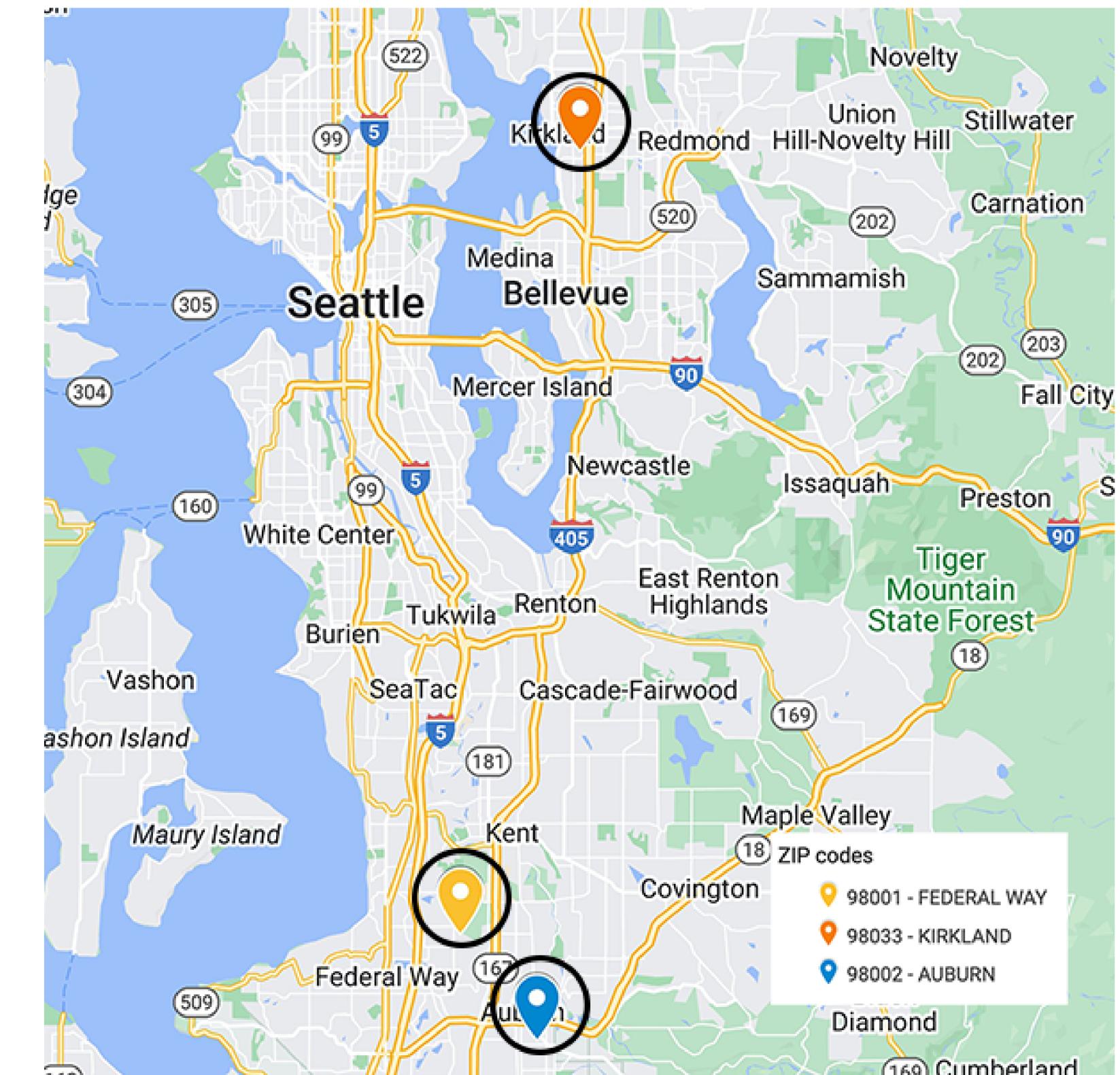
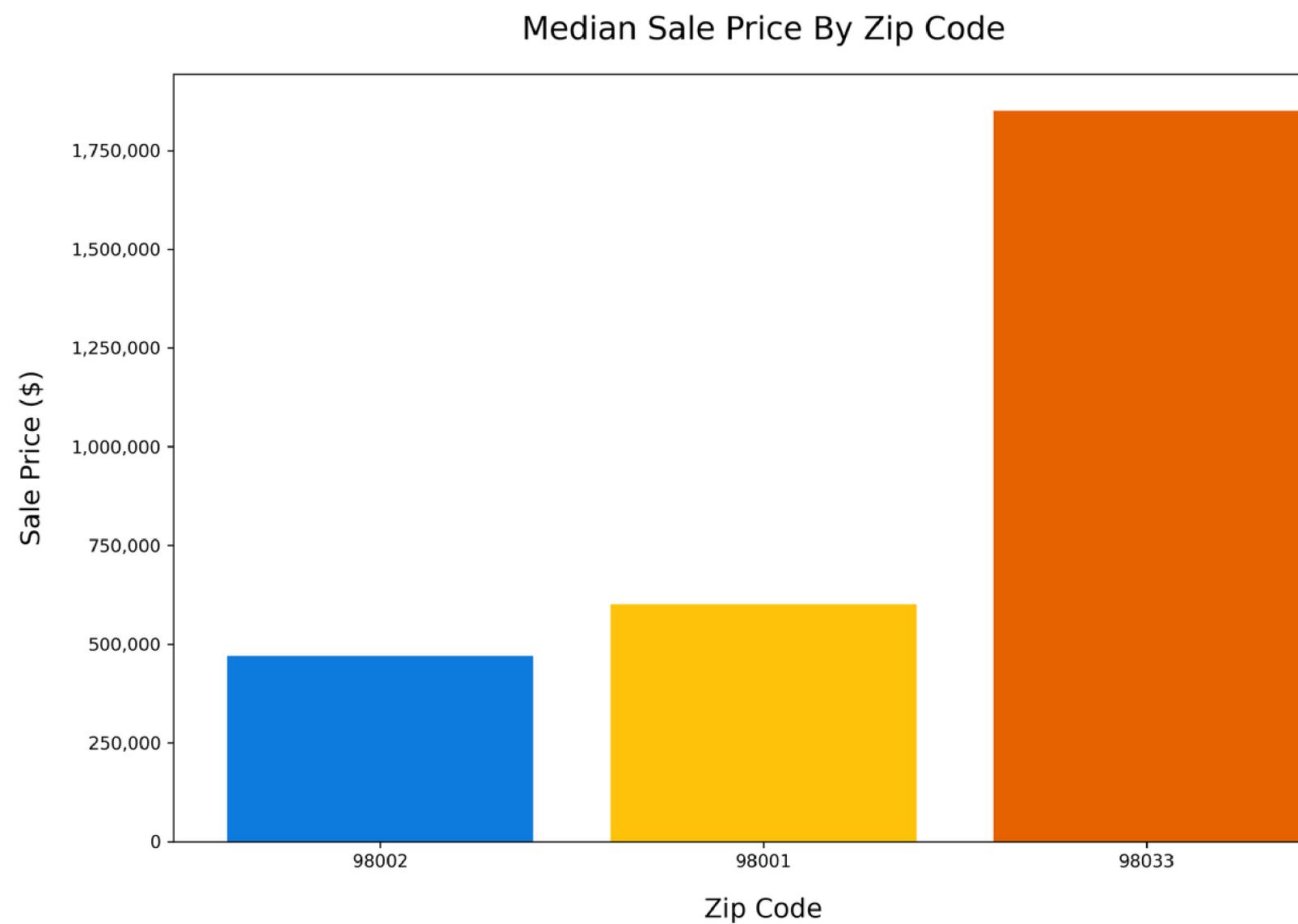
Home price increases by  
**22.7% for every 964 sq. ft.**  
increase





# Location

- Price increases by **14.6%** when moving north/closer to downtown Seattle

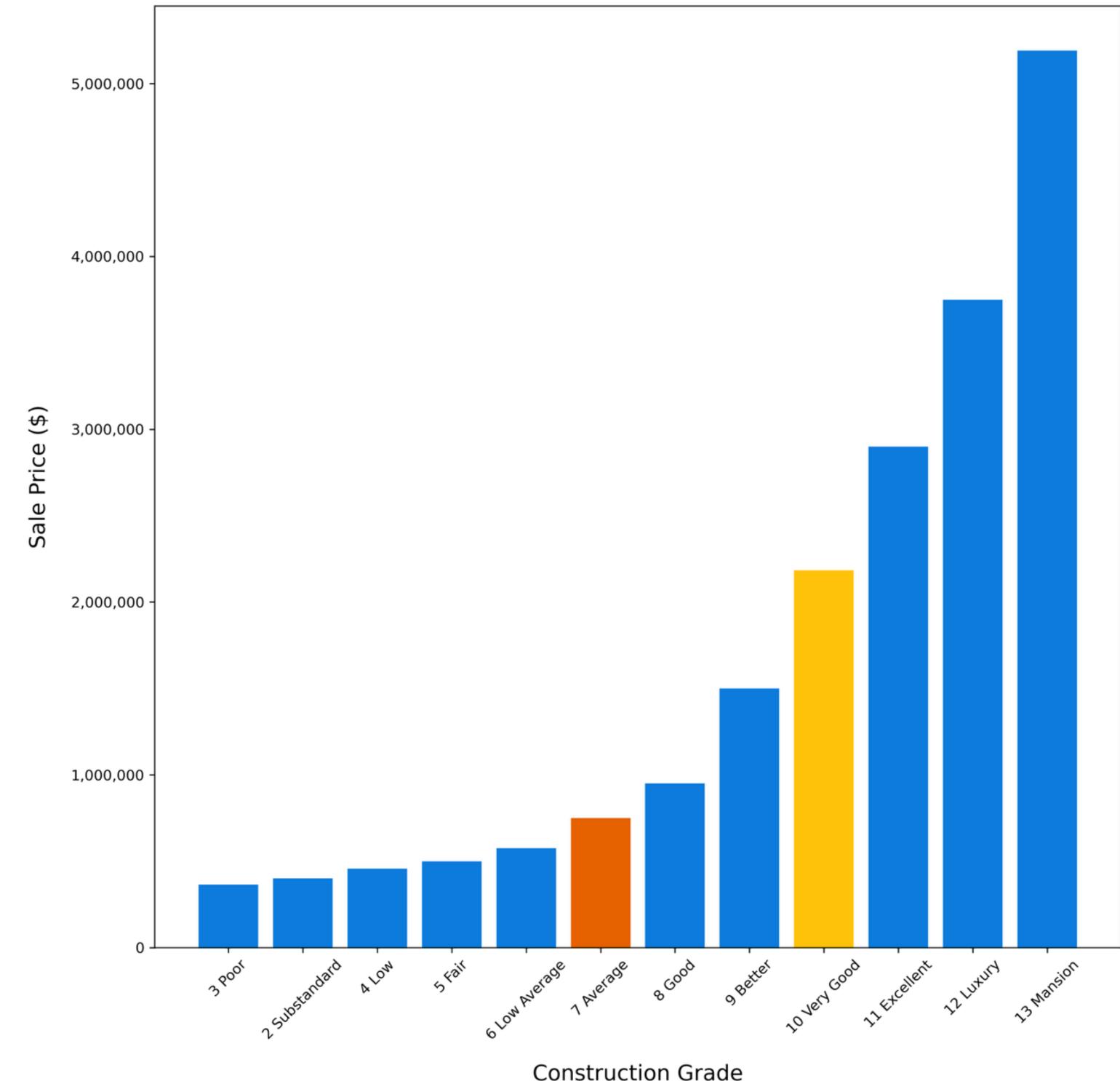




# Construction Grade

Home price decreases **13.3%** when grade goes down from 10 to 7

Median Sale Price vs. Construction Grade



# Recommendations

**Variables to consider while investing in new properties:**

- Larger home size
- Location closer to Seattle
- Lower construction quality

Next steps - additional research:

- School district ratings
- Businesses



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# Questions



# TEAM

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