Module II: King County Housing Data

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June 2020

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PROBLEM STATEMENT

We are investors in the **King County, Seattle** neighborhood and we are just about ready to make our 1st real estate investment....

GOAL

Analyze what variables we can control to maximize the **future sales price** of our investment

BUSINESS VALUE

1

TIMING

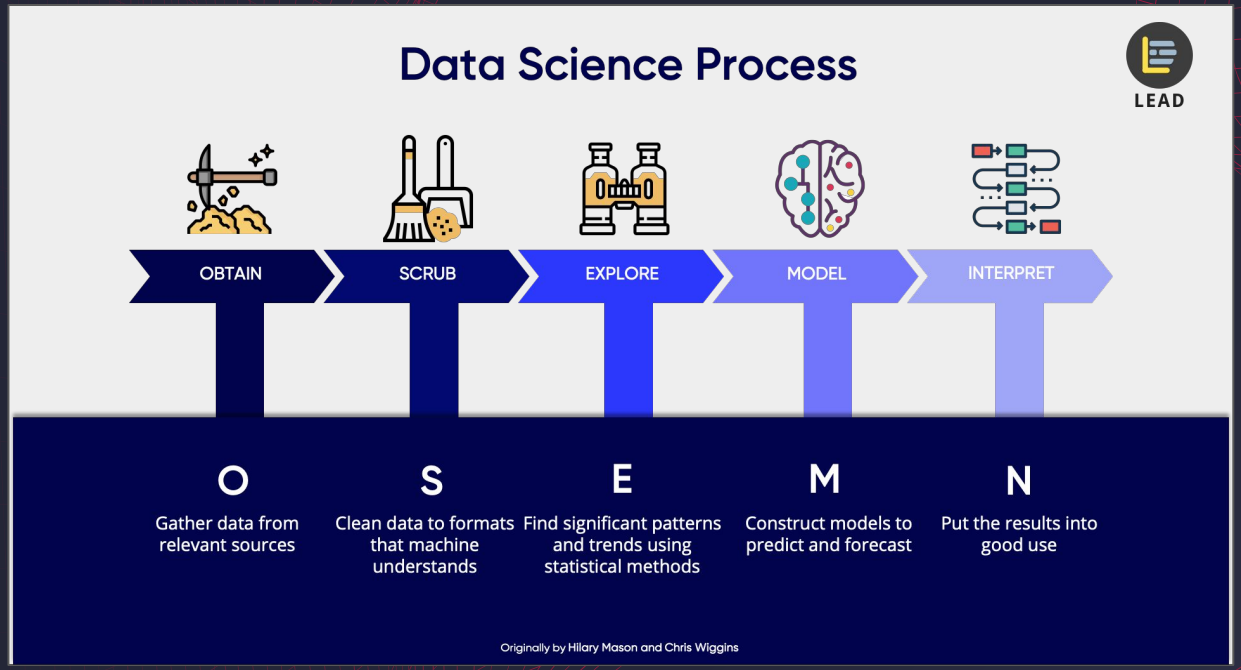
2

INTERIOR SPACES

3

OTHER VARIABLES

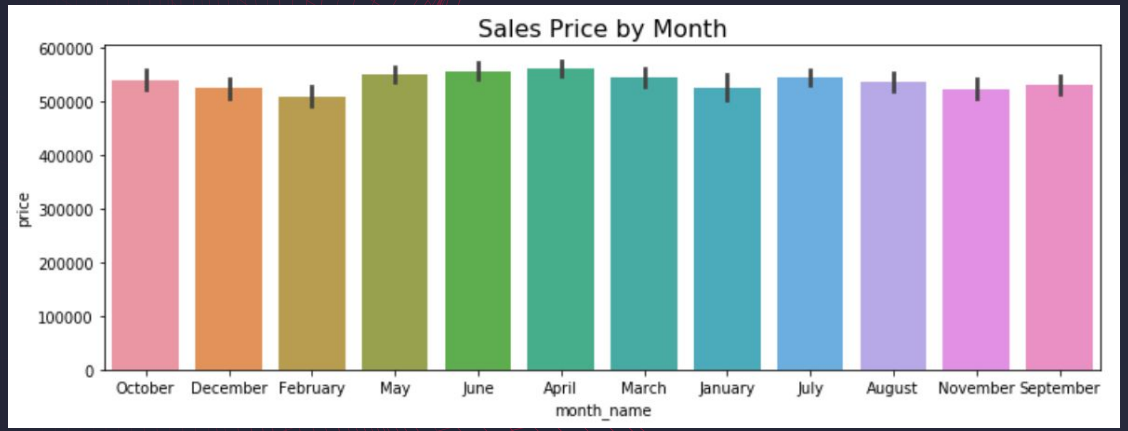
METHODOLOGY



OSEMN Framework

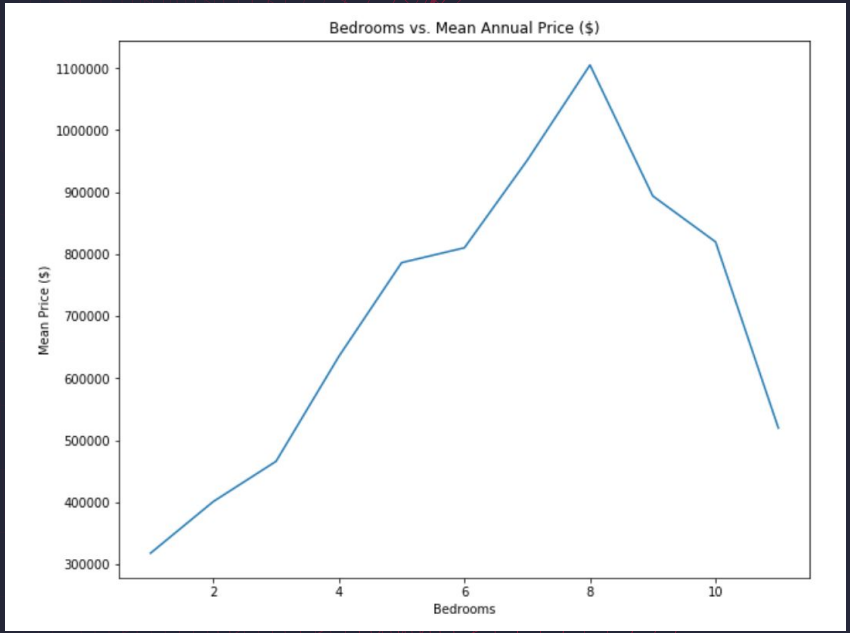
1. **O -** King County Housing Data
2. **S -** standardize, manage missing data, drop values, etc
3. **E -** parse and cut the data to identify significant trends
4. **M -** build a model for prediction
5. **N -** apply the results

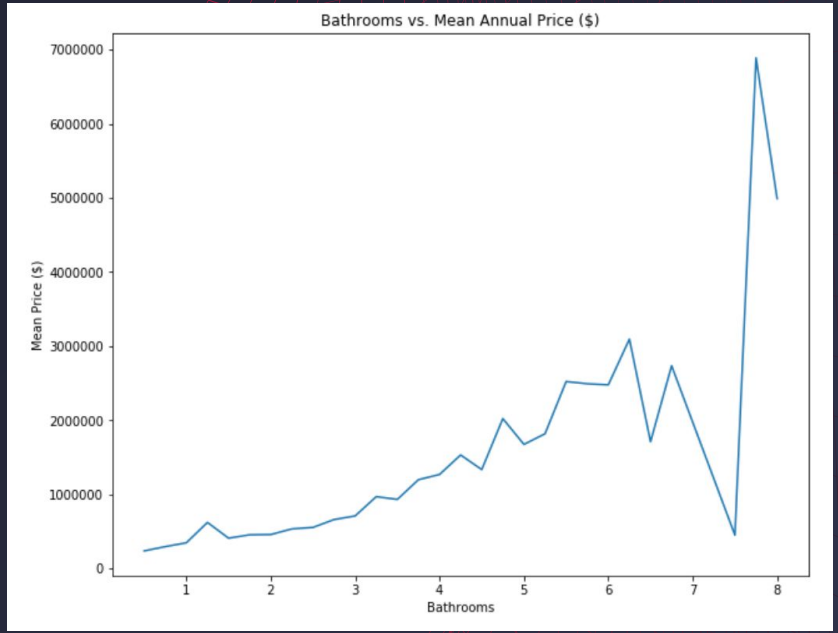
FINDINGS I



- Houses sell for the most between **April-June** (high demand)
- Houses sell for the least between **December-February** (low demand)
- **The most homes sell in May** (high inventory)
- **The least homes sell in January** (low inventory)

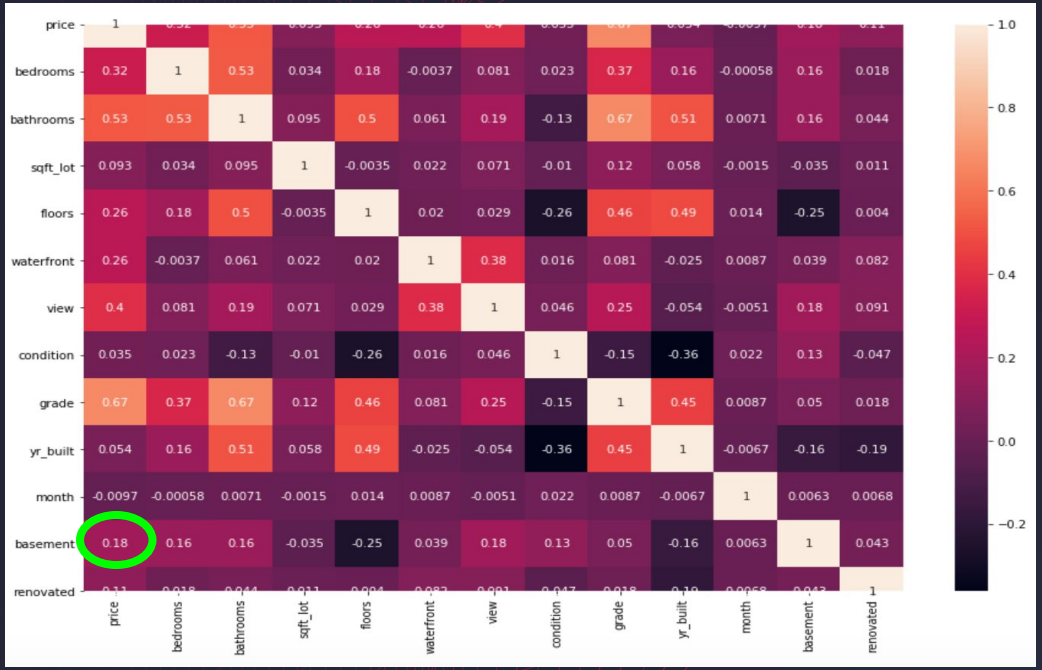
FINDINGS 2

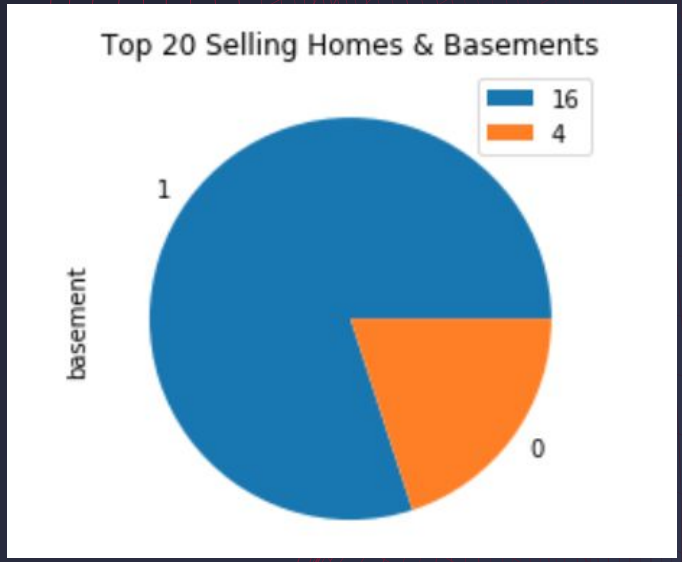




- **More bedrooms = higher price** with some important exceptions
- **More bathrooms = higher price** with few exceptions

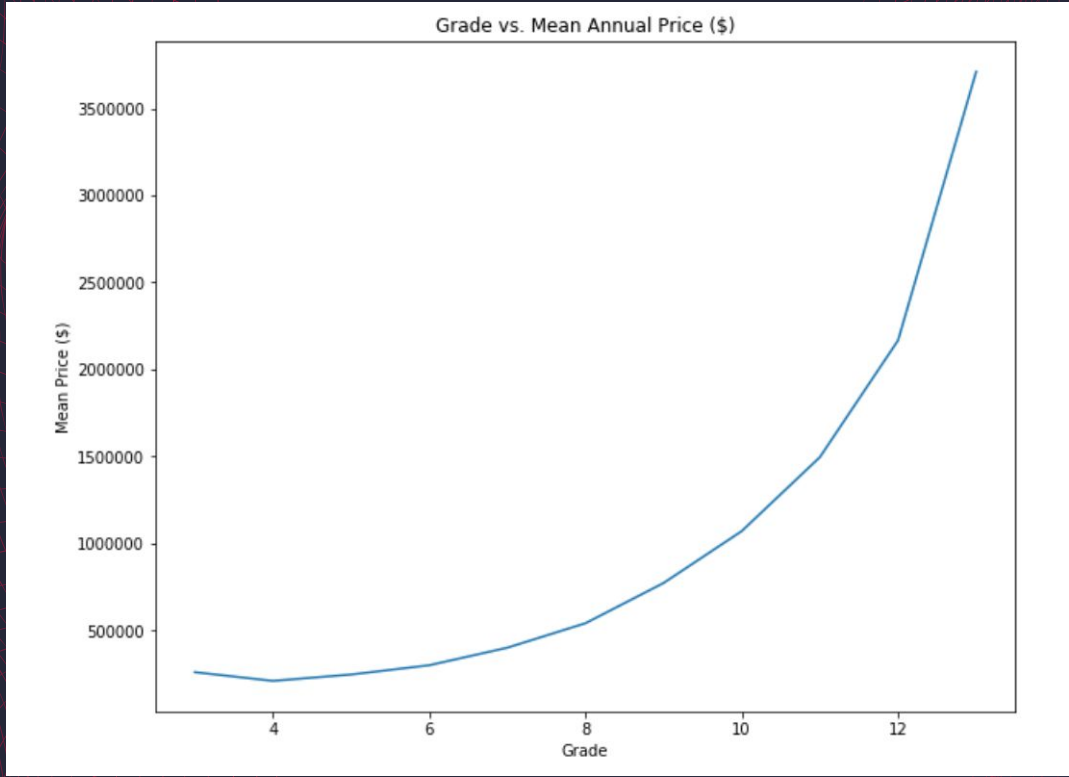
FINDINGS 3





- There is a **minimal 0.18 correlation** between the presence of a basement and price
- **80%** of the top 20 highest selling homes have a basement

FINDINGS 3



- **Higher grade = higher price** with a strong linear relationship *(i.e. the highest selling house also received the highest grade of '13', 100% of the 100 highest selling homes received grades of '12' or above)*

SUMMARY & FUTURE WORK

TIMING

Buy in the winter, sell in the spring

VIEW & QUALITY

Waterfront homes and high grade/condition homes sell for the most

FUTURE WORK

Look into what makes up Grade & Condition