

ARCHITECTS OFTEN COMPLAIN THAT ONLY 2% OF HOMES ARE DESIGNED BY ARCHITECTS.

THEY ALSO AREN'T KNOWN FOR BEING GOOD WITH NUMBERS

USING AMES, IOWA AS A CASE STUDY: WHAT IS THE VALUE OF GOOD ARCHITECTURAL DESIGN?



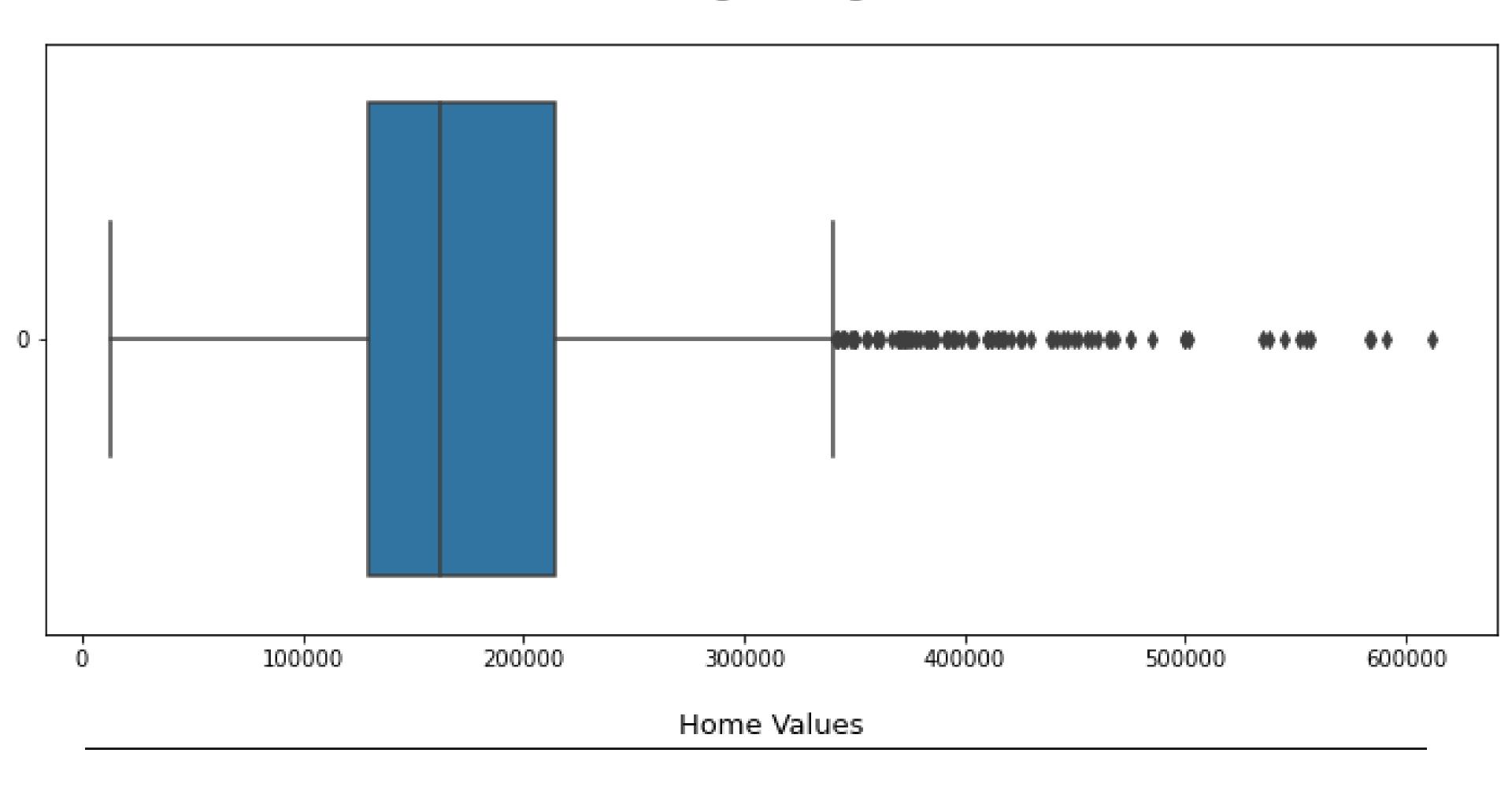
AVERAGE CONSTRUCTION COSTS IN AMES, IOWA ARE \$119.08 PER SQUARE FOOT. *

CONSTRUCTIONS COSTS RANGE FROM \$95.84 ON THE LOW END TO \$142.31 ON THE UPPER END

THE MEDIAN SQUARE FOOTAGE FOR A HOME IS 1450 SQ. FT.

1450 SQ. FT. * \$119.08 PER SQ. FT. GIVES AN AVERAGE CONSTRUCTION COST OF \$172,666

Box Plot: Showing Average Home Prices



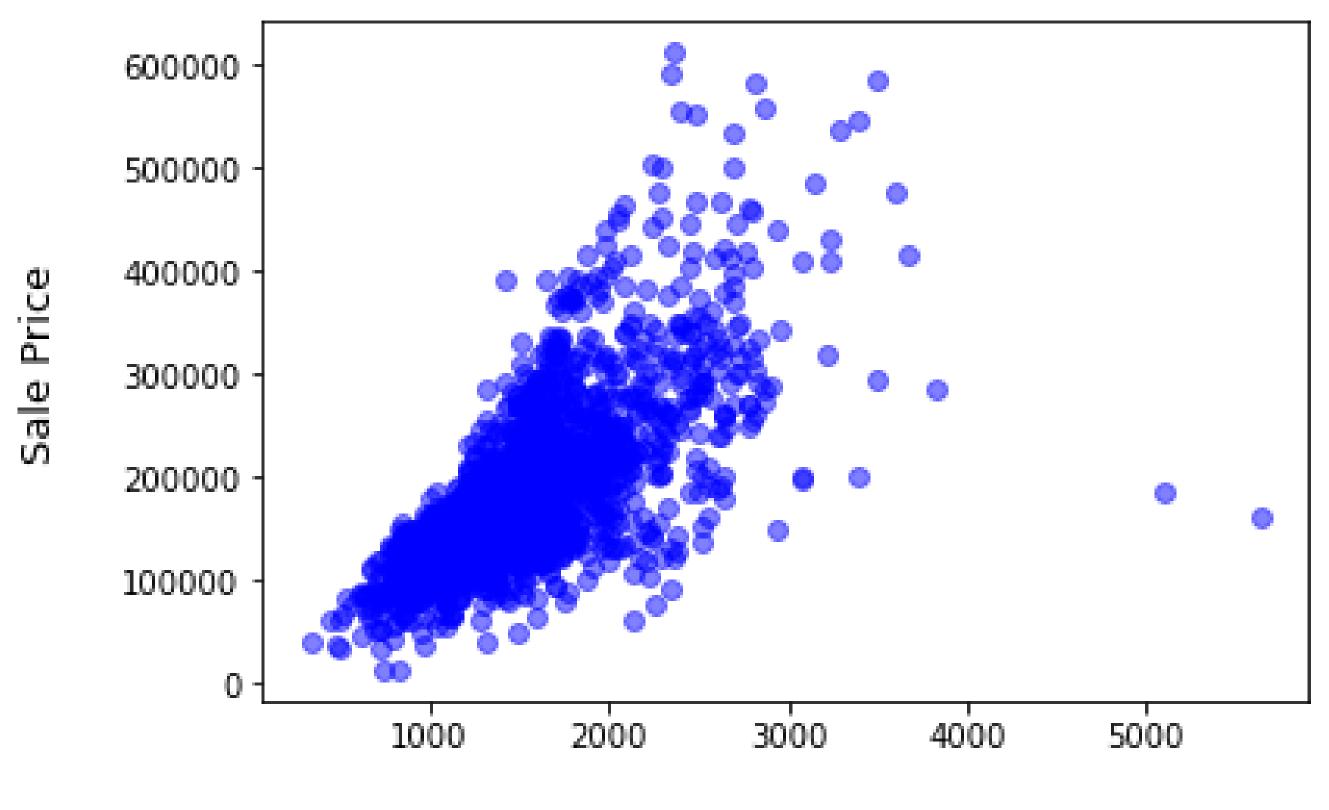
THE MEDIAN HOME PRICE IN AMES, IOWA IS \$162,500.

THE MAXIMUM HOME PRICE IN AMES, IOWA IS \$611,657.

THE AVERAGE RANGE IN HOME PRICES IN AMES, IOWA IS \$129,800 - \$214,000.

A CLIENT IS ALREADY IN THE UPPER RANGE OF AVERAGE SALES PRICES. A DESIGNER HAS TO BE PRECISE WHEN DESIGNING.

Looking for outliers

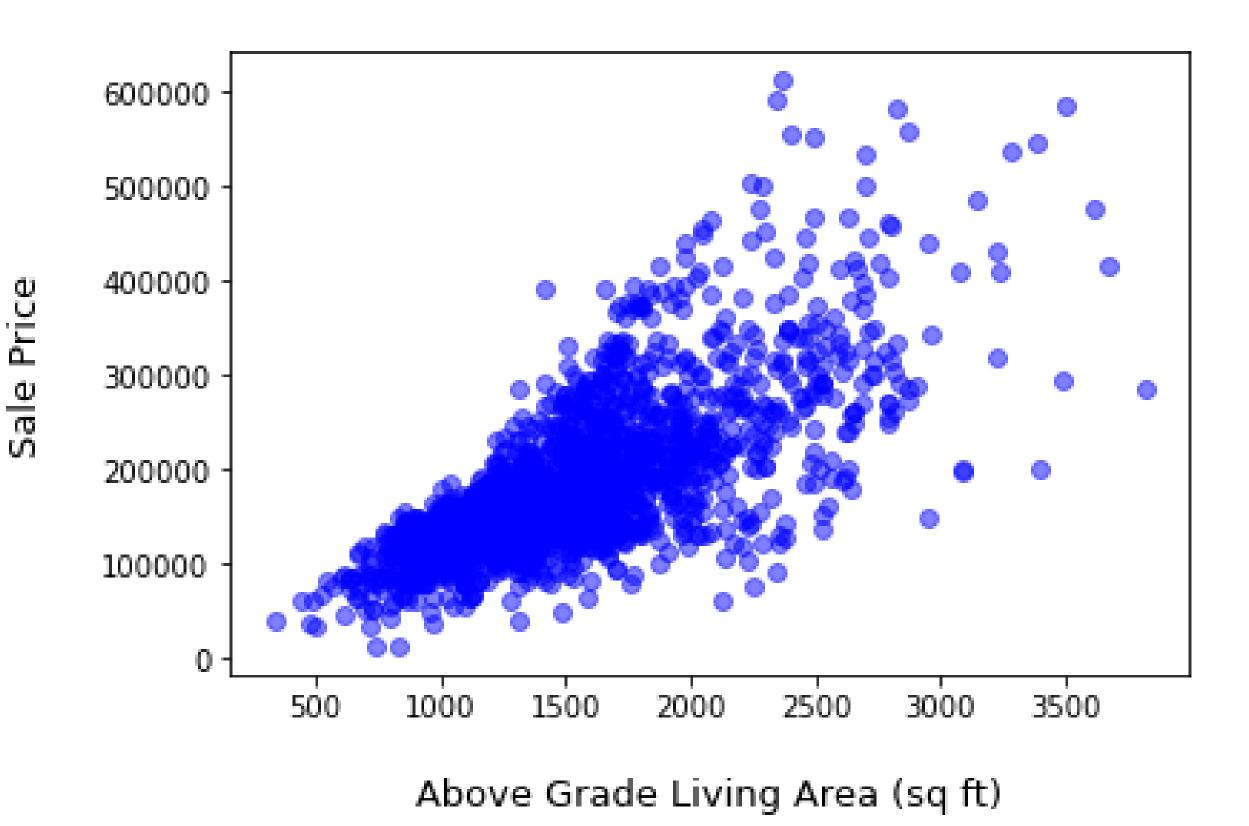


Above Grade Living Area (sq ft)

THERE ARE A COUPLE OF HOMES WITH OVER 5000 SQ FT THAT SOLD FOR UNDER \$200,000.

AFTER
REMOVING
FROM THE
SET:

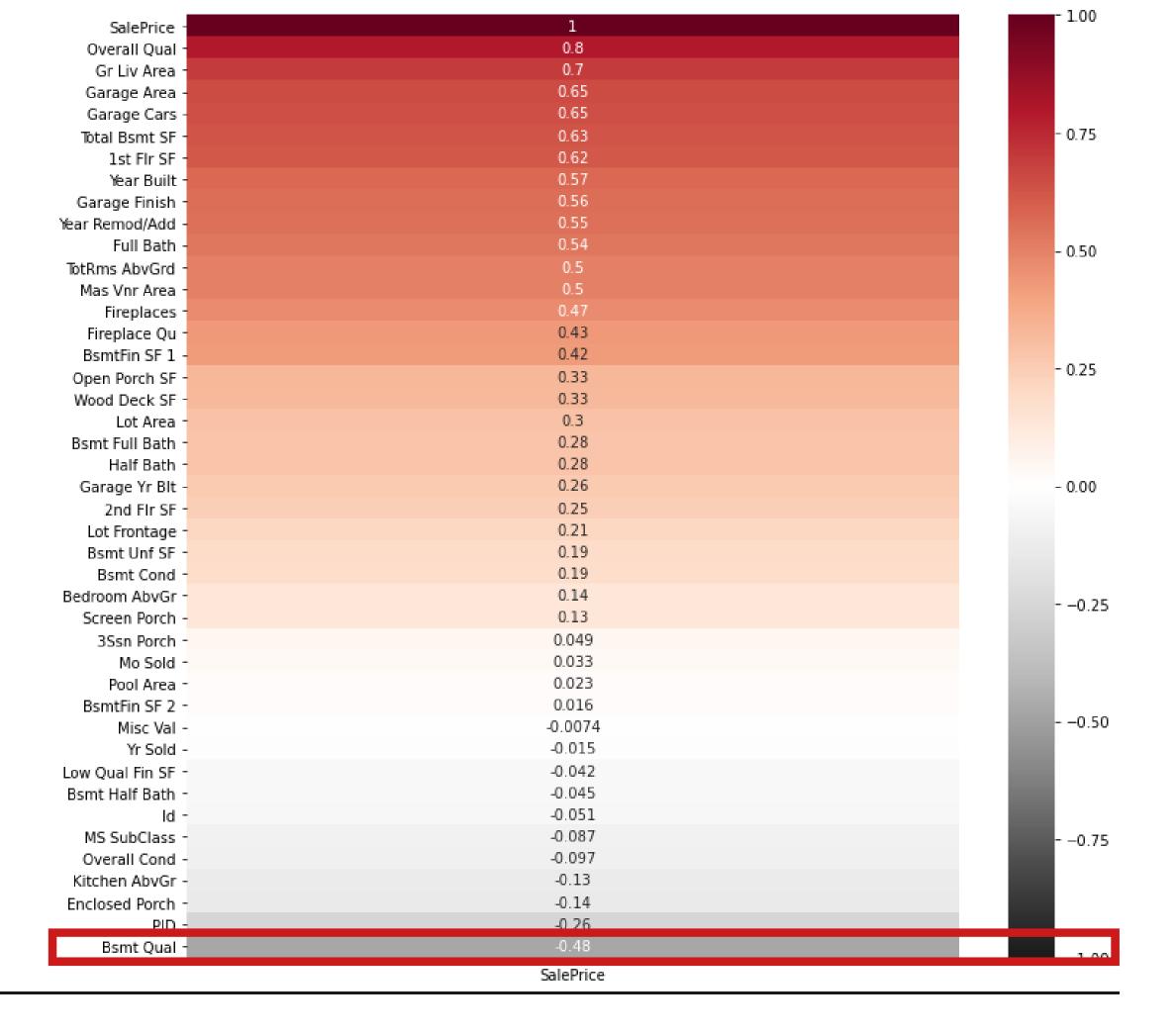
Looking for outliers



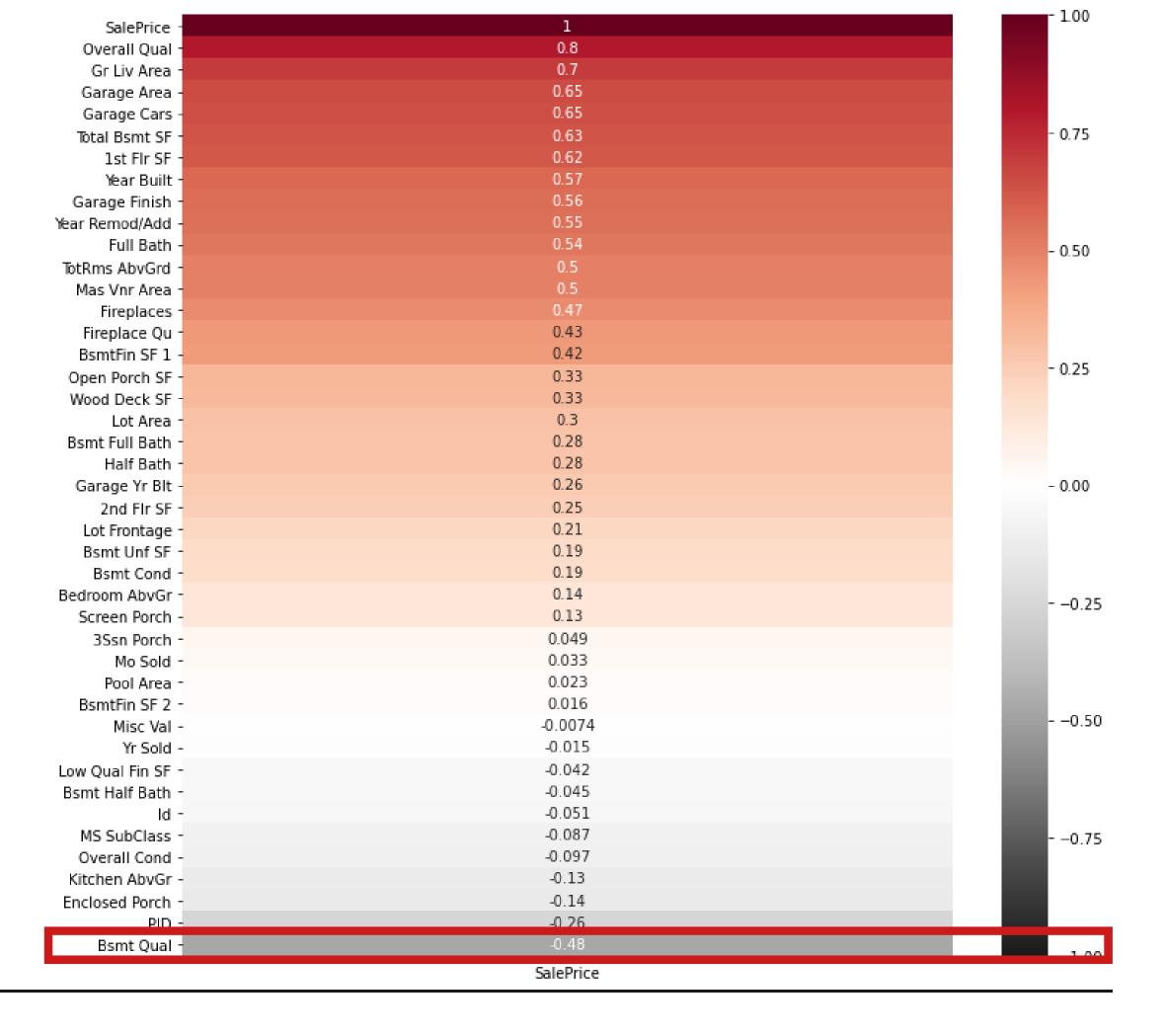
OVERALL QUALITY, LIVING AREA **ABOVE** GROUND, GARAGE AREA, **BASEMENT** AREA ALL HAVE A HIGH CORRELATION TO PRICE

SalePrice -	1		- 1.00
Overall Qual -	0.8		
Gr Liv Area -	0.7		
Garage Area -	0.65		
Garage Cars -			
Total Bsmt SF -			0.75
1st Flr SF -			
Year Built -			
Garage Finish -	0.56		
Year Remod/Add -	0.55		
Full Bath -	0.54		- 0.50
TotRms AbvGrd -	0.5		0.30
Mas Vnr Area -	0.5		
Fireplaces -	0.47		
Fireplace Qu -			
BsmtFin SF 1 -			
Open Porch SF -	0.33		- 0.25
Wood Deck SF -			
Lot Area -	0.3		
Bsmt Full Bath -	0.28		
Half Bath -			
Garage Yr Blt -	0.26		- 0.00
2nd Flr SF -			
Lot Frontage -			
Bsmt Unf SF -			
Bsmt Cond -	0.19		
Bedroom AbvGr -	0.14		- n a E
Screen Porch -	0.13		0.25
3Ssn Porch -	0.049		
Mo Sold -	0.033		
Pool Area -	0.023		
BsmtFin SF 2 -	0.016		
Misc Val -	-0.0074		0.50
Yr Sold -	-0.015		
Low Qual Fin SF -	-0.042		
Bsmt Half Bath -	-0.045		
ld -	-0.051		
MS SubClass -	-0.087		0.75
Overall Cond -	-0.097		
Kitchen AbvGr -	-0.13		
Enclosed Porch -	-0.14		
PID -	-0.26		
Bsmt Qual -	-0.48		1.00
	SalePrice	•	 1.00
	CARCE FICA		

BASEMENT QUALITY HIGH NEGATIVE CORRELATION TO PRICE

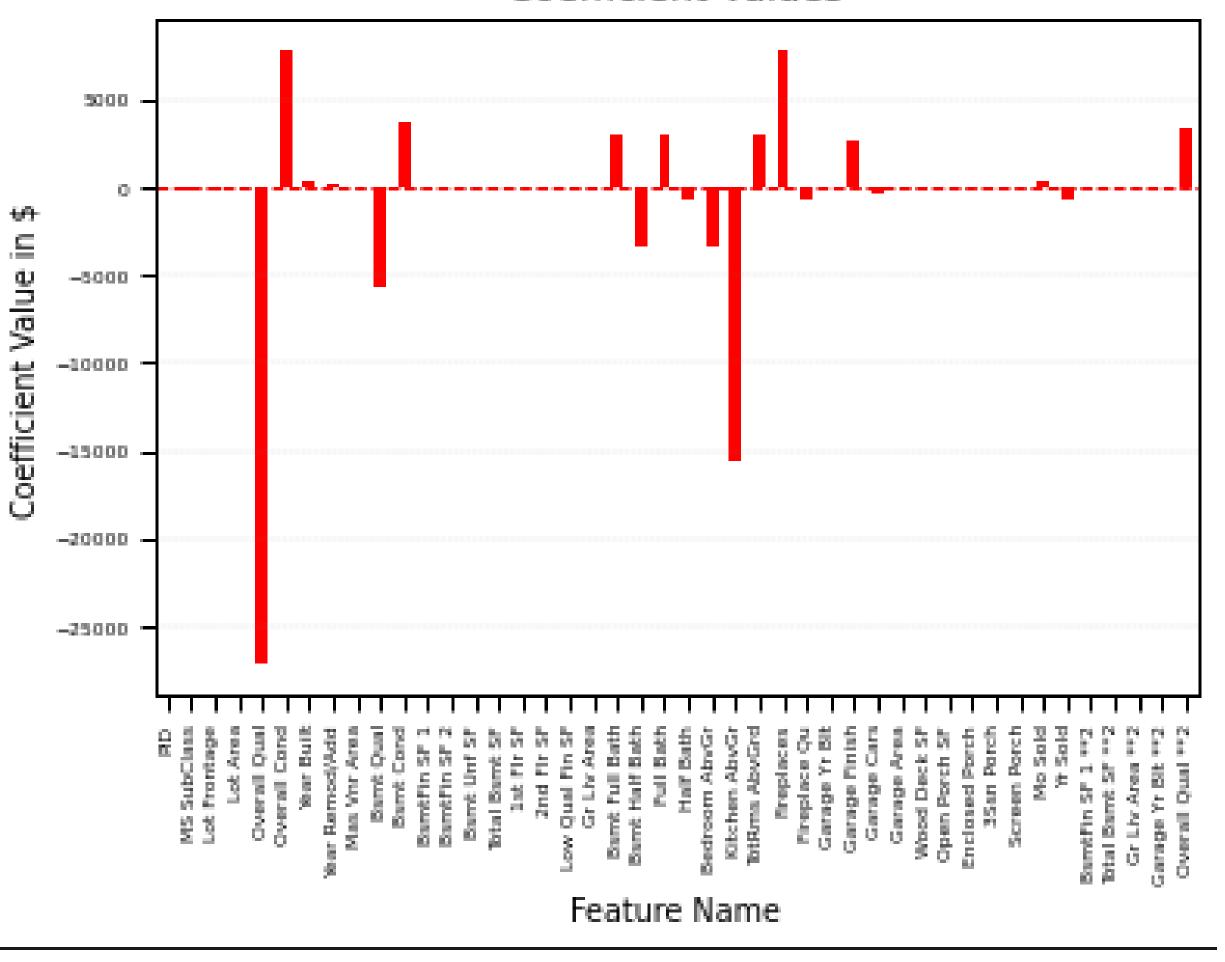


BASEMENT QUALITY HIGH NEGATIVE CORRELATION TO PRICE



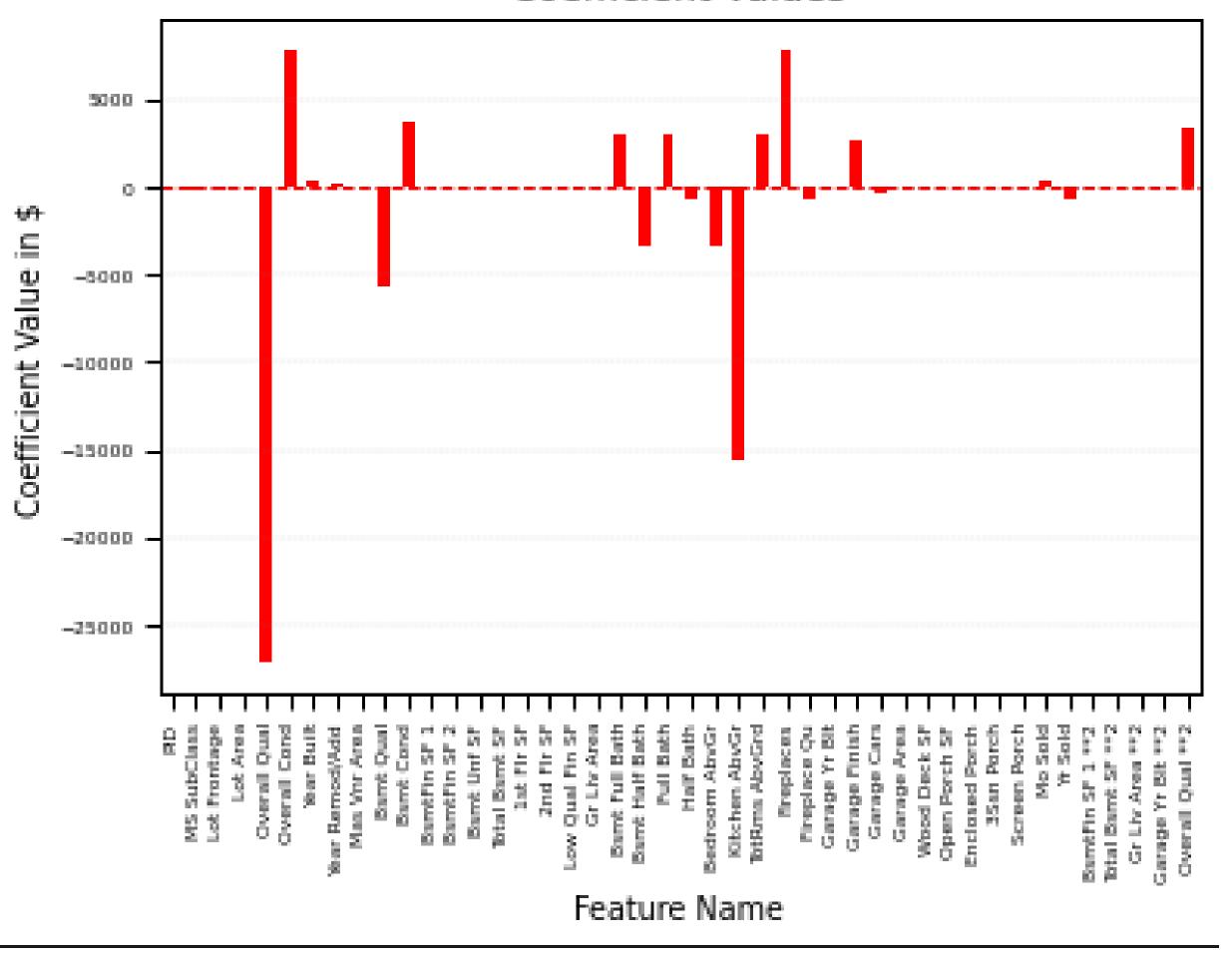
Coefficient Values

ONE STEP CHANGE IN OVERALL QUALITY RANKING RESULTS IN A \$27,000 **CHANGE IN** PRICE*



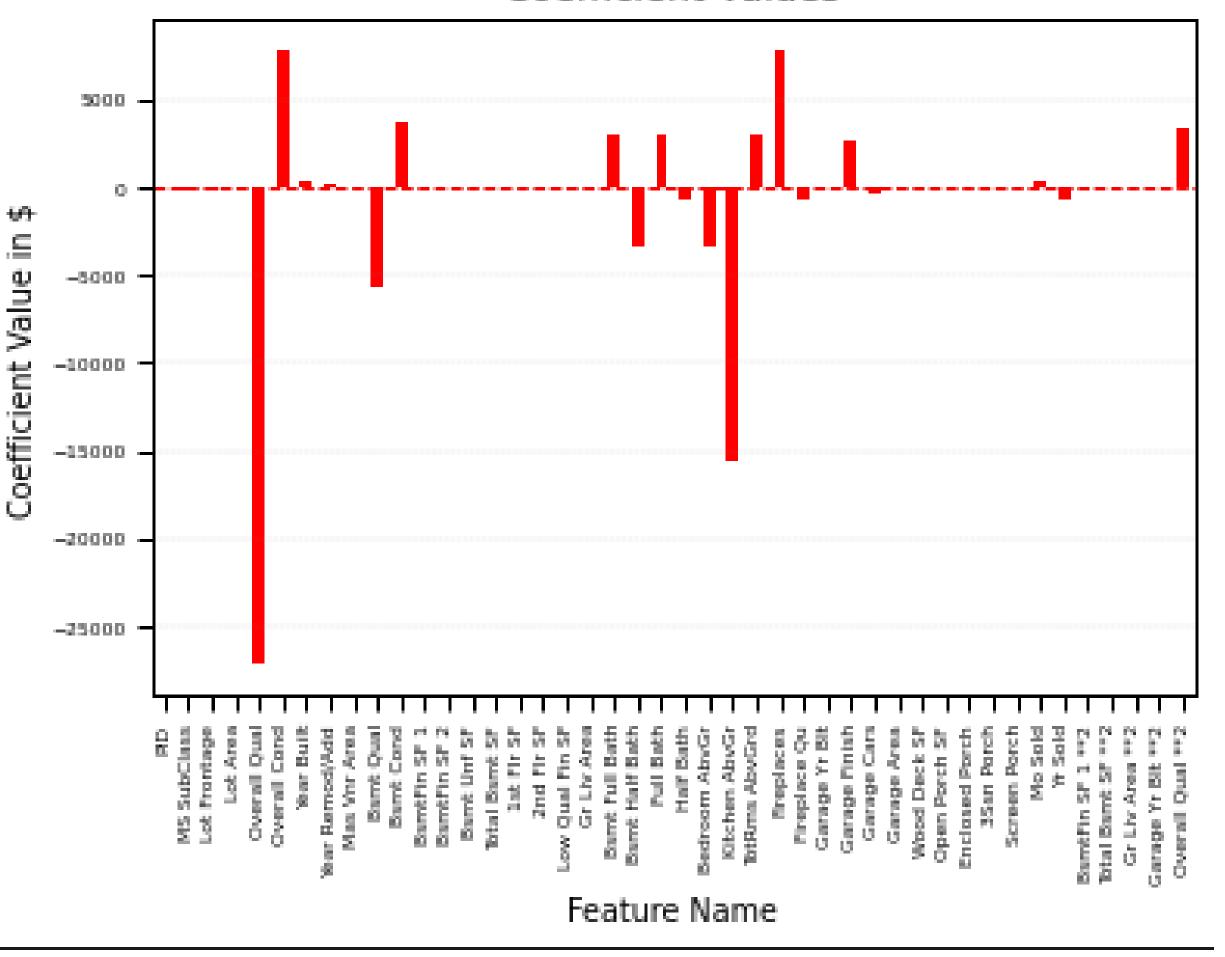
Coefficient Values

HAVING A KITCHEN LOCATED **ABOVE GROUND ADDS ABOUT** \$15,500 IN HOME **VALUE**



Coefficient Values

HAVING A
FIREPLACE
ADDS
ABOUT
\$8,000 IN
HOME
VALUE



A CLIENT IS ALREADY IN THE UPPER RANGE OF AVERAGE SALES PRICES FROM THE START. A DESIGNER HAS TO BE PRECISE WHEN DESIGNING.

LOCATING THE KITCHEN ABOVE GROUND AND ADDING A FIREPLACE ARE TWO SIMPLE LAYOUT RECOMMENDATIONS AN ARCHITECT CAN MAKE THAT ADD VALUE TO THE HOME.

IF A CLIENT IS PUSHING BACK ON UPGRADES:

THE UPPER RANGE OF CONSTRUCTION ADDS ABOUT \$34,000 TO CONSTRUCTION COSTS.*

TAKING THE HOUSE FROM AN AVERAGE QUALITY TO EXCELLENT INCREASES VALUE BY ABOUT \$54,000.

THAT'S A \$20,000 POTENTIAL PROFIT FOR YOUR CLIENT.