Prediction of Home Sales in King County
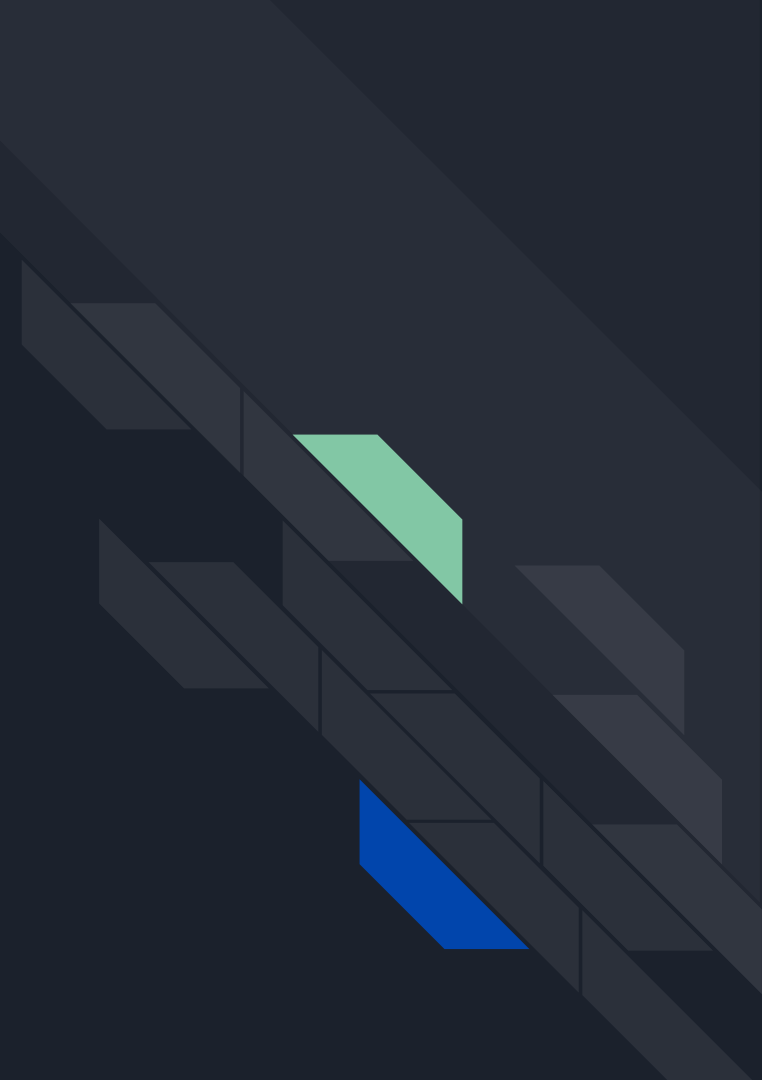
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What can be done to ensure that profits from residential real estate are maximized?

Overview

- Analyzed 20,000 King County home sales between May 2014 and May 2015

- Compared and contrasted 18 features of each sale to determine best predictors

- 79% of a home's selling price can be explained by five features:
  - ZIP code
  - Waterfront View
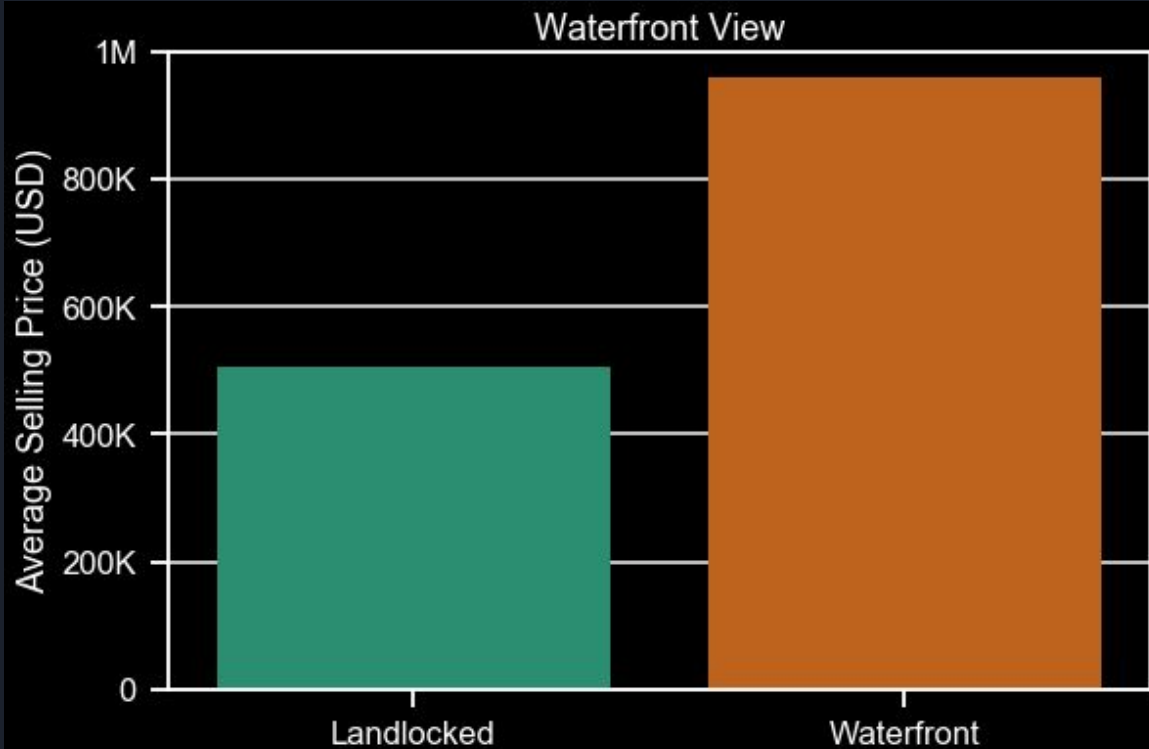 - Housing Grade
  - Size of Home
  - Number of Home Views

Where is the most money being made?

- Focusing investment efforts in high-value ZIP codes will cost more up front, but will lead to higher sales
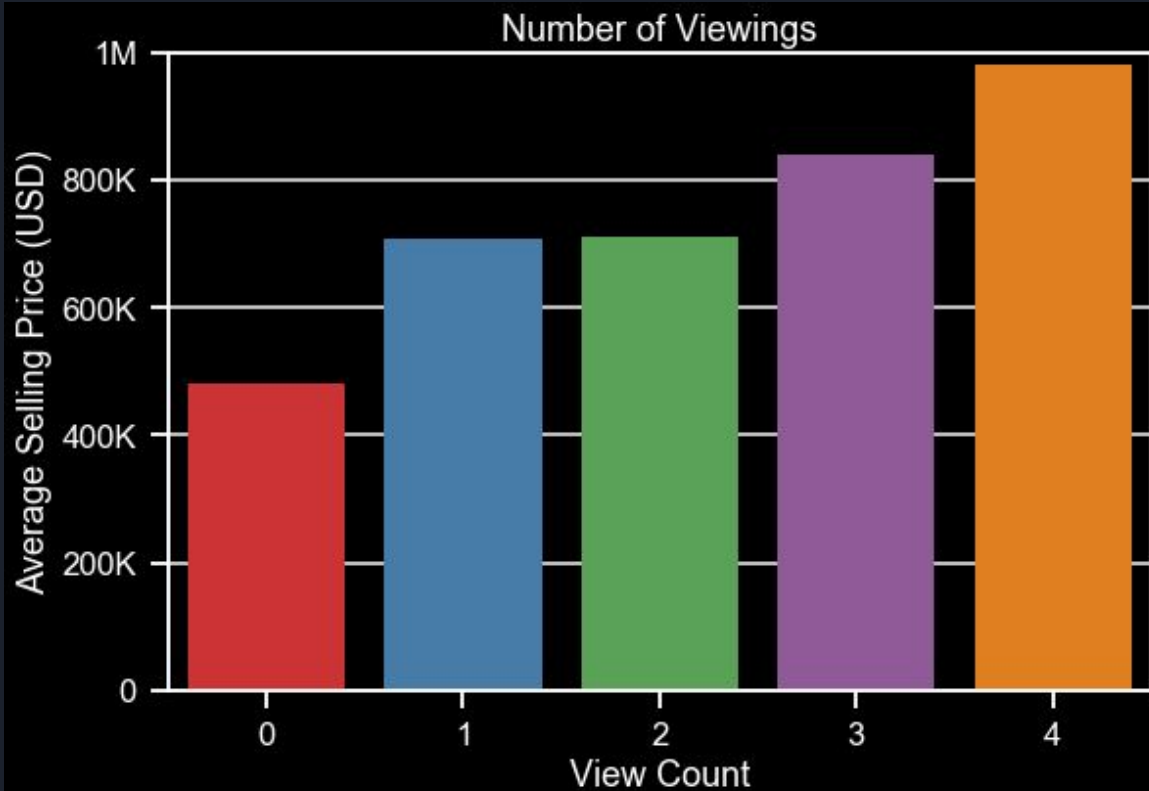
Sales

16,239,790   430M
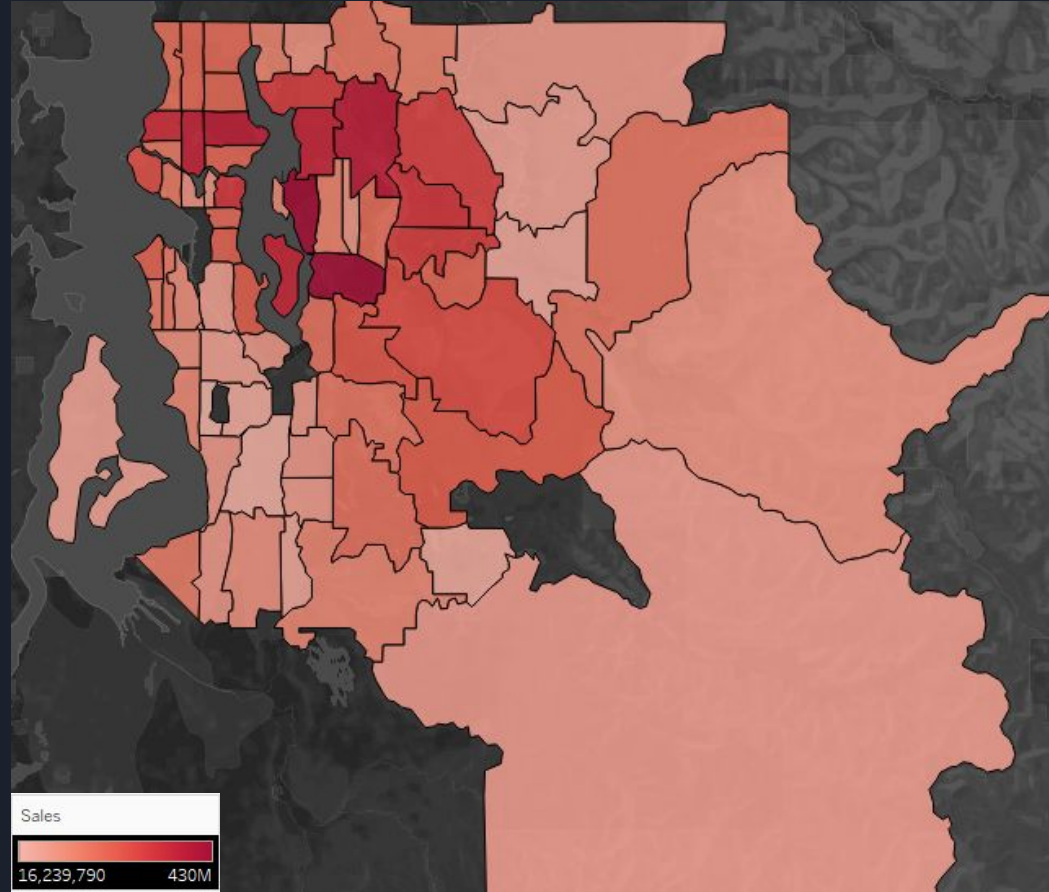
Waterfront vs. Landlocked
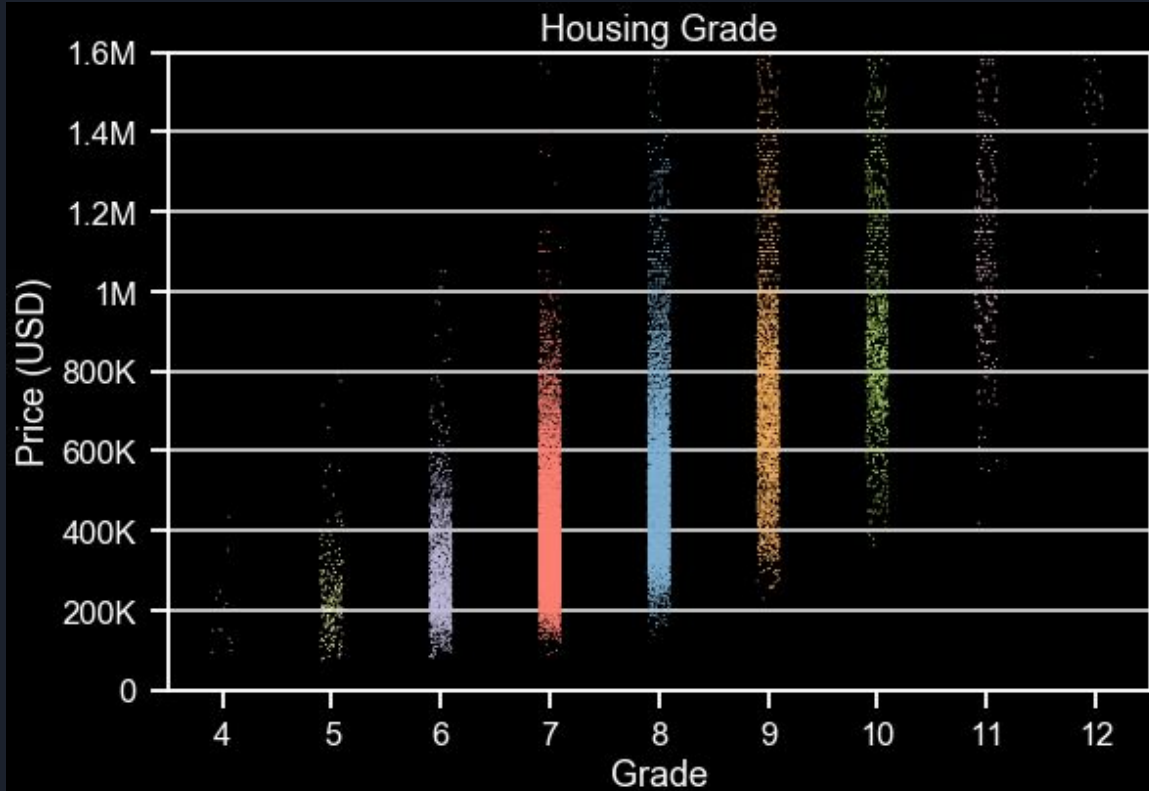
- Invest in homes that have a waterfront view

Marketing Your Property

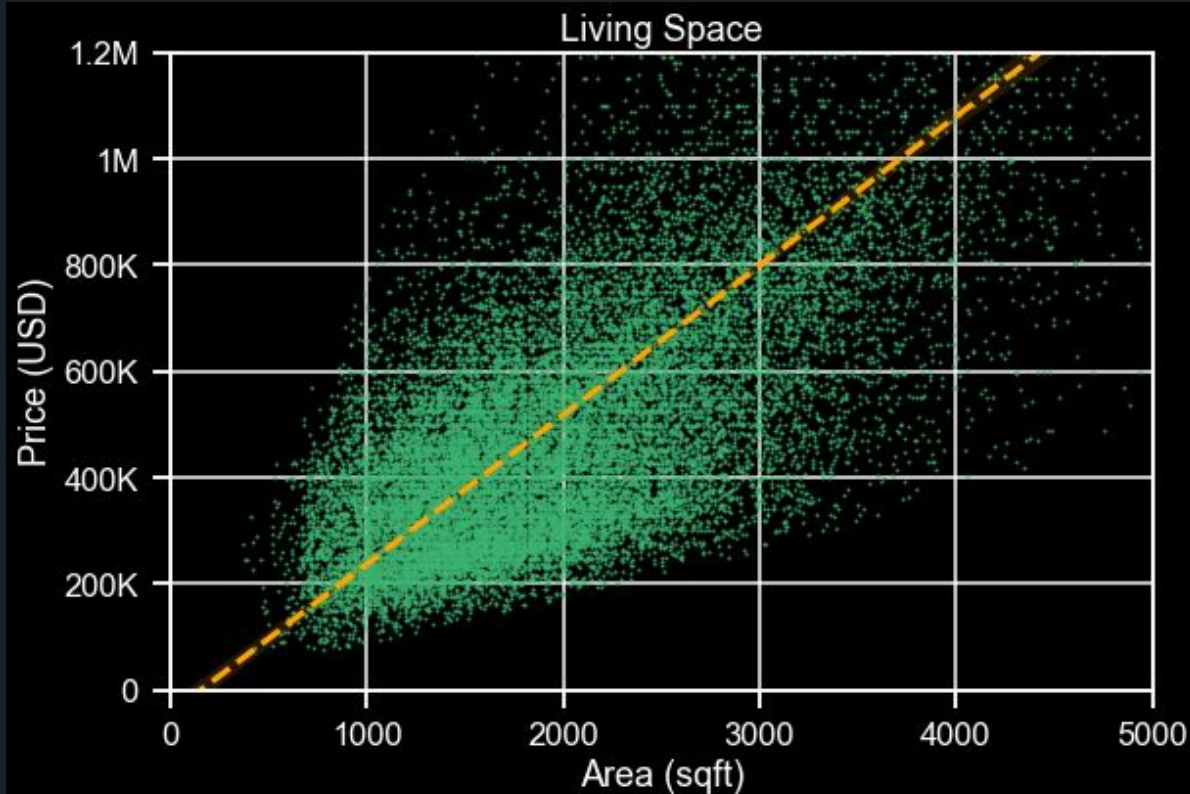- Generate interest in the home before selling

King County Grading System

- Use high-quality construction materials when renovating

Square Footage

- When renovating, try to increase the square footage of the home

Summary

- Before you buy:
  - Focus investment efforts in ZIP codes with high sales volume
  - Invest in waterfront property

- After you buy:
  - Use high-quality construction materials
  - Increase the square footage of the home
  - Employ effective marketing to generate active interest in the property

Further Research

- Use latitude/longitude to further pinpoint high-value markets

- Discover which additions are most profitable (e.g. extra bedroom vs extra bathroom)

Thank you!