

Housing Market Structural Analysis

Buyer Positioning – Jacob Phillips

King County Housing Market

Objective: Evaluate whether Jacob represents a typical luxury buyer or an extreme premium sub-segment.

Client Requirements – Jacob Phillips

- Unlimited budget
- Minimum 4 bathrooms
- Large lot
- No waterfront requirement

These constraints define a structurally selective buyer.

Analytical Approach

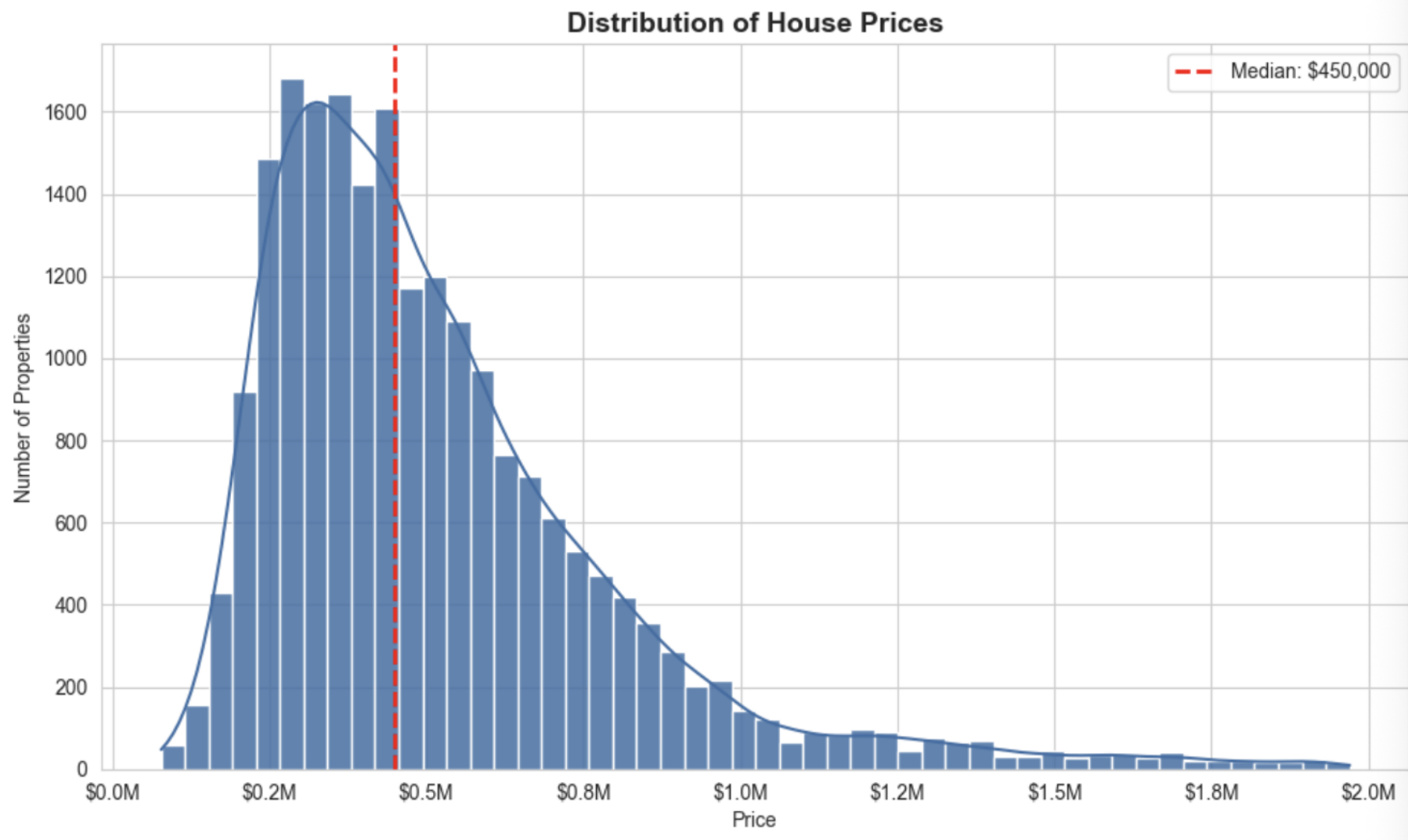
1. Analyze overall market structure
2. Define and analyze luxury segment
3. Position Jacob within both segments

Initial Hypotheses:

- Luxury properties differ structurally from the overall market.
- Structural features such as living area and construction grade are strong drivers of premium pricing.
- Luxury properties are geographically concentrated in specific zip codes.
- Applying Jacob's filters will significantly reduce available supply.

King County Market Is Broad and Right-Skewed

- Median \approx \$450K
- Heavy upper tail
- Wide dispersion



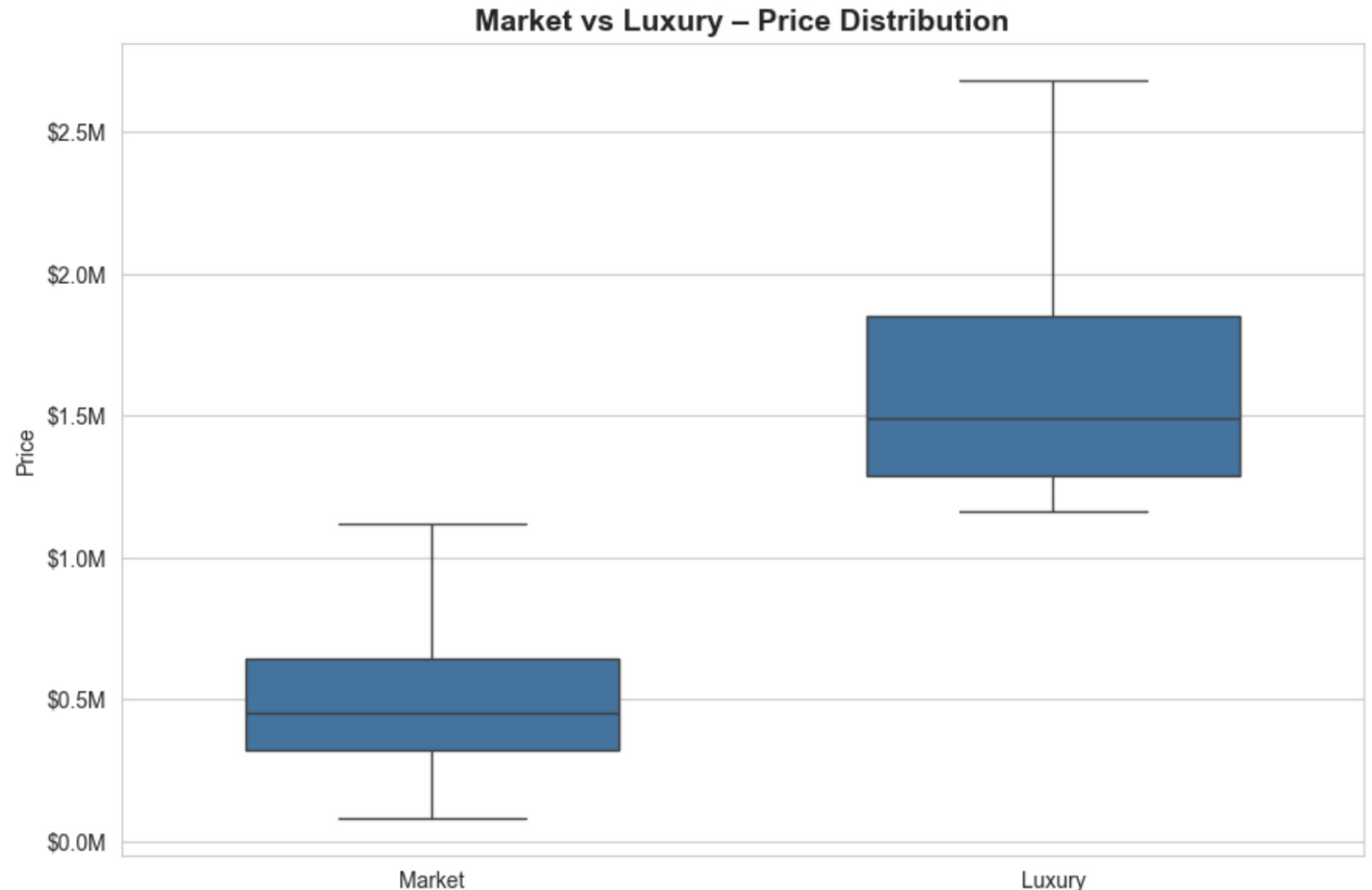
Luxury Segment Definition

- Luxury = top 5% (95th percentile)
- Price threshold \approx \$1.16M
- Represents \sim 5% of total market
- Median luxury price \approx \$1.4M

Luxury Homes Are Structurally Larger and Higher Quality Than the Overall Market

- Median price \approx **\$1.4M** (vs \$450K market median)
- Significantly larger living area
- Higher construction grade
- More bathrooms on average

Luxury represents a structurally distinct upper-tier market segment.



Jacob's Requirements Reduce the Market to ~1% of Listings

Total listings in dataset: **21,597**

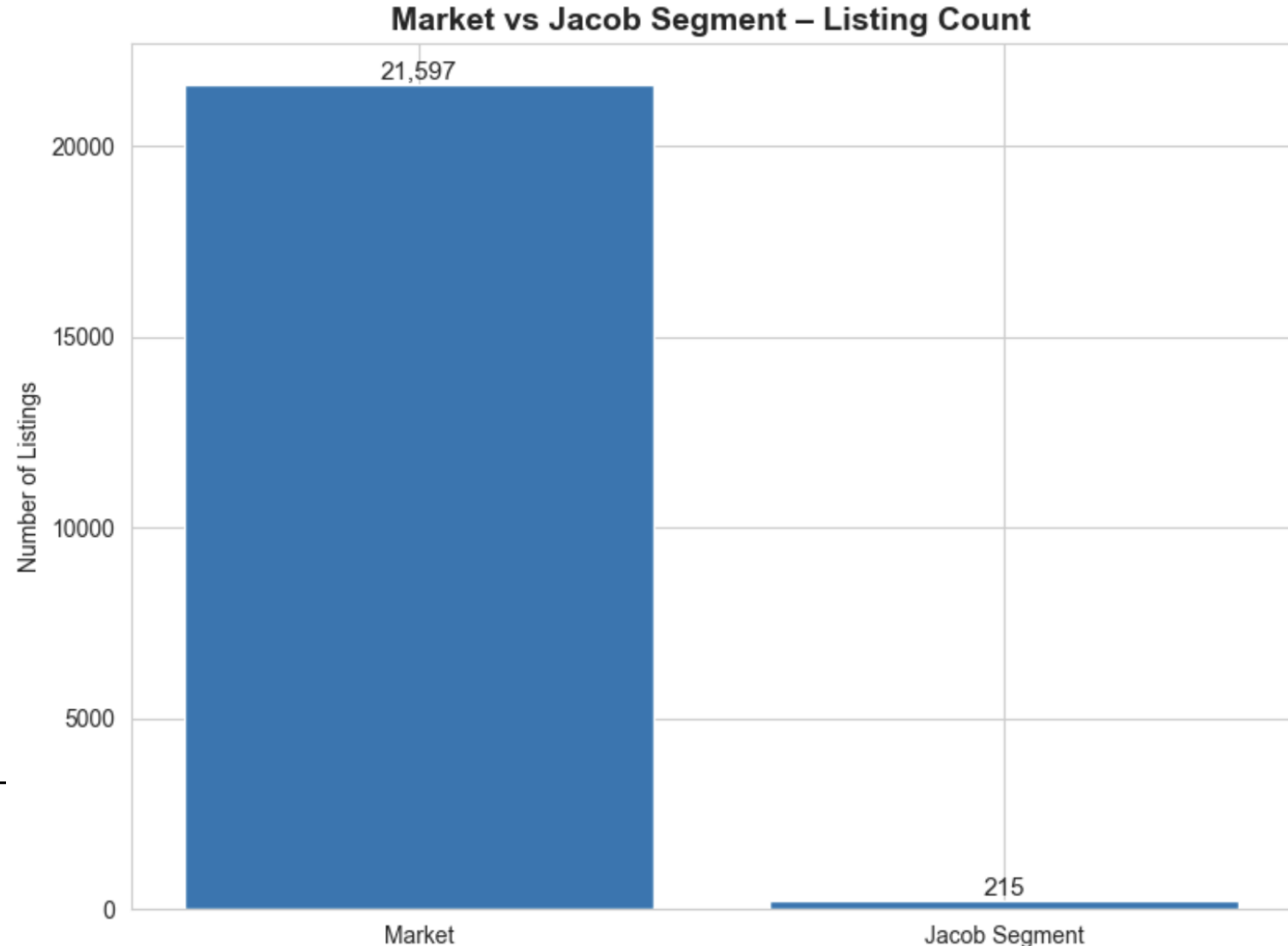
After structural filters:

- ≥ 4 bathrooms
- No waterfront
- Large lot (top quartile)

Remaining listings: **215**

Market share: **~0.99%**

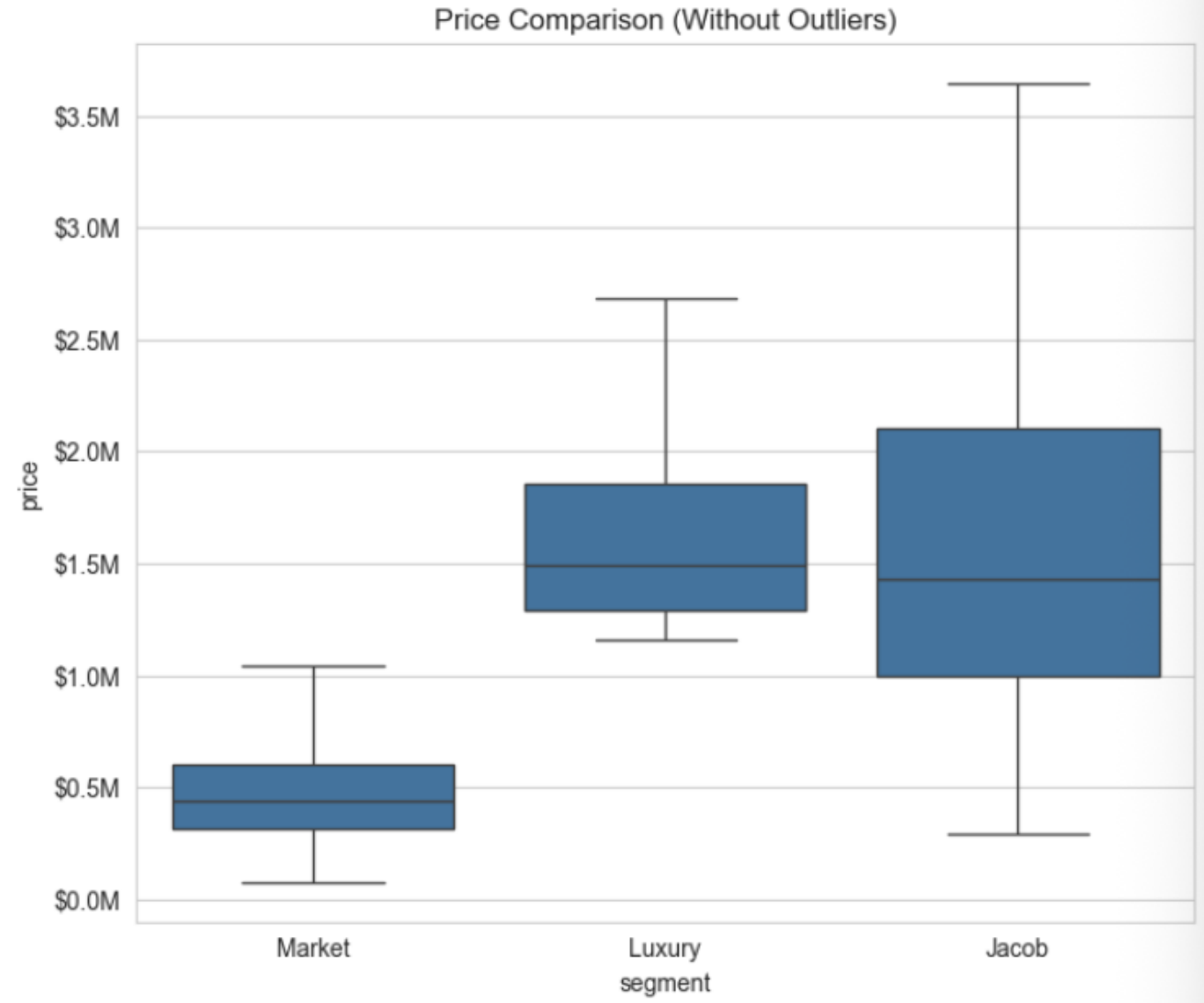
Jacob does not operate in the general market — he targets an extreme structural niche.



Jacob Is Positioned Within the Premium Tail of the Market

- Market median < **\$500K**
- Luxury median \approx **\$1.4M**
- Jacob median \approx **\$1.2M–1.3M**
- $\sim 64\%$ of Jacob-matching homes fall within luxury segment

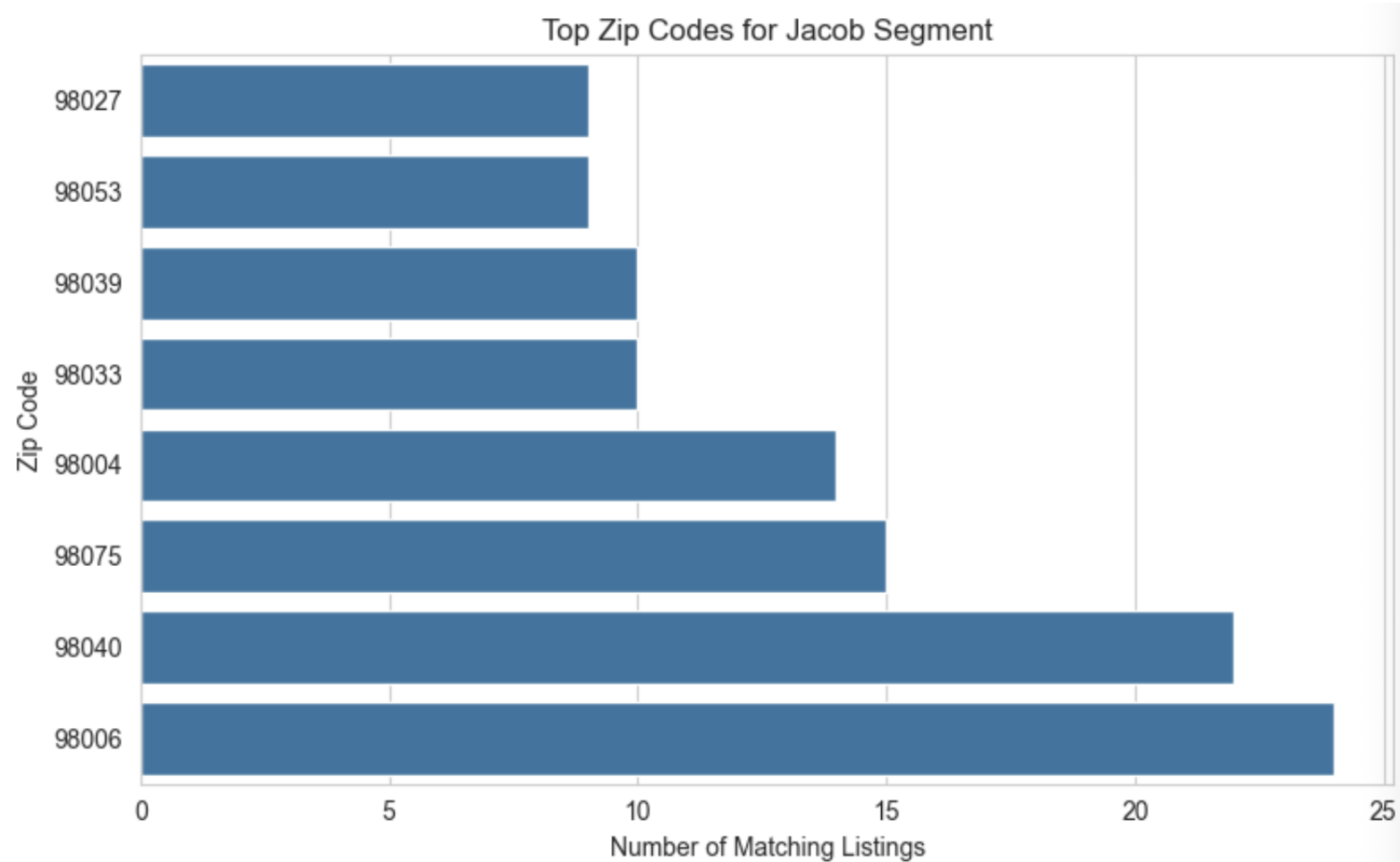
Jacob aligns closely with luxury pricing, though slightly below the ultra-premium median.



Premium Properties Are Spatially Concentrated in Select Zip Codes

- Highest concentration in **98006, 98040, 98004**
- Strong overlap with top luxury clusters
- These areas combine high median pricing and large lot sizes
- Supply remains limited even in premium zones

Jacob's target properties are clustered within established luxury neighborhoods.



Jacob Represents a Highly Selective Premium Sub-Segment

Key Structural Findings

- Market is broad and right-skewed
- Luxury = top 5% of pricing (\geq \$1.16M)
- Jacob's filters narrow selection to ~1% of listings
- Interior space and bathroom count are strong pricing drivers

Spatial Insight

- Premium supply clustered in 98004, 98040, 98112
- Jacob's matches overlap with luxury clusters
- Limited inventory even within premium zones

Client Recommendations

- Focus search in **98004, 98040, 98112**
- Prioritize interior size over marginal grade improvements
- Maintain budget flexibility due to limited supply
- Expect competition in premium zip codes

Jacob does not represent a typical luxury buyer — he targets a structurally premium niche within the luxury segment.