



Predicting House Price in King County, WA

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Presentation Outline

- Purpose of Analysis
- Data & Methods
- Results
- Conclusions
- Future Steps



Purpose of Analysis

Stakeholder: Home Flippers in King County looking to purchase a house and flip it for profit.

Point of interest: Sale price of a house

Question of interest: What are the most important variables to consider when looking for houses to flip in King County?



Data & Methods

Historic real estate data from King County for 2014 and 2015.
Average home sale price: \$540,168

Multiple Regression

First Model	Best Model
14 variables	23 variables
~19,000 observations	~15,000 observations
Explains 75% of the variance	Explains 78% of variance



Results

Operable	Non-Operable
<ul style="list-style-type: none">-Square footage of the entire house-Building quality as measured by building grade (1 to 13)- Number of bathrooms	<ul style="list-style-type: none">- Waterfront- House Age- House living space for the nearest 15 neighbors

Results



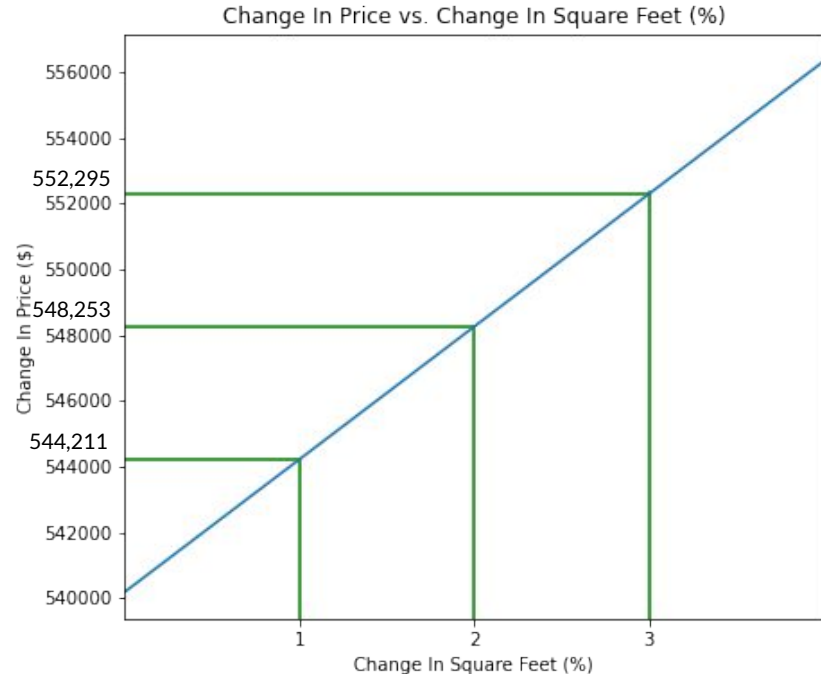
Results

For a house with an average price, one additional bathroom will increase sale price by ~\$25,000.



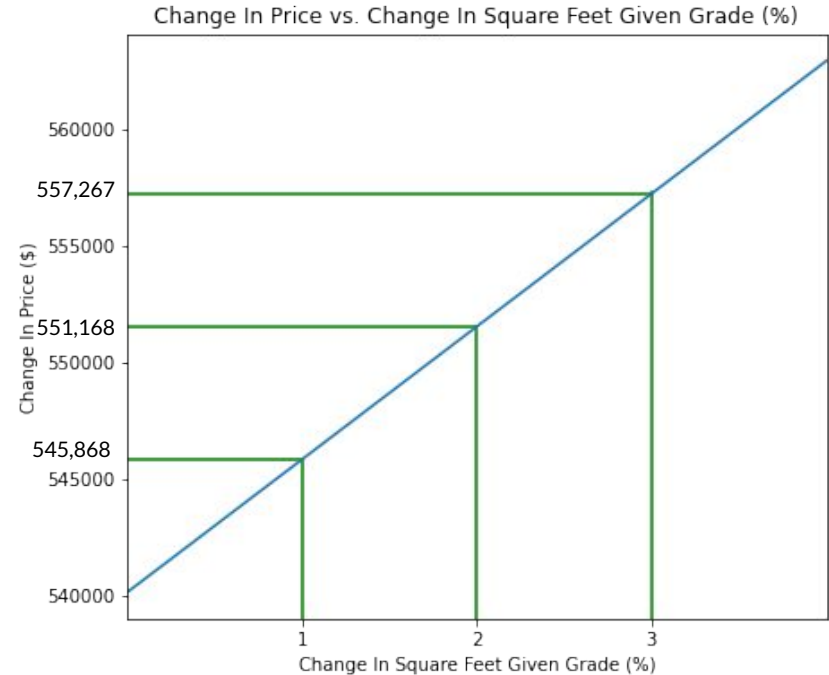
Results

For a house that is \$540,168, if you increase the square footage of the entire living space by 1%, it will increase sale price by ~\$4,000.



Results

For a house with an average grade and at an average price (\$540,168) if you increase the square footage of the entire living space by 1%, it will increase the sale price by ~\$5,700.

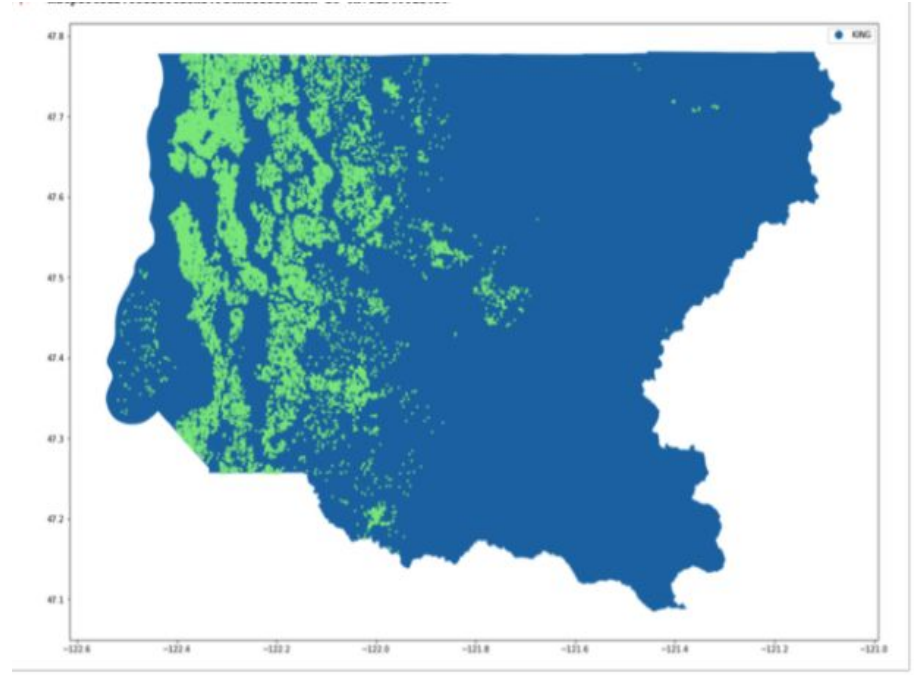


Recommendations

Start by choosing a location

Increase the number of bathrooms

Increase the size of the house





Future Steps

- Calculate ratios of relevant interaction terms to put numbers into greater perspective. For example, bedroom to bathroom ratio or house size to lot size ratio.
- Find real estate data that includes other relevant information impacting sale price. For example, kitchens and the presence of a pool.
- Renovation cost in King County by house size for budget analysis



Thank you!

Questions, Comments, Feedbacks

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