

# Phase 2 Project


King County Housing Dataset

# Overview

A family owned real estate company is looking for:

- Differentiation from competition
- Build Trust
- Consult clients with real world data

Common Questions:

- “How much do houses usually sell for in King County?”
  - “I want to sell my home, but I am not sure what to focus on when getting it ready for market. What features of my home, can I address to increase the overall value?”
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# Data & Methods

Houses Built during **1990** and after

**6,463** Observations

Houses located in King County, **WA**

**Outliers removed** based on IQR

Features with  **$< 0.05$  p-value**



# Summary

*"How much do houses usually sell for in King County?"*

**\$475k**      Median Home value in King County

*"What features of my home, can I address to increase the overall value?"*

**\$101**      Value added per square foot (living area)

**\$21k**      Value added per quarter bath

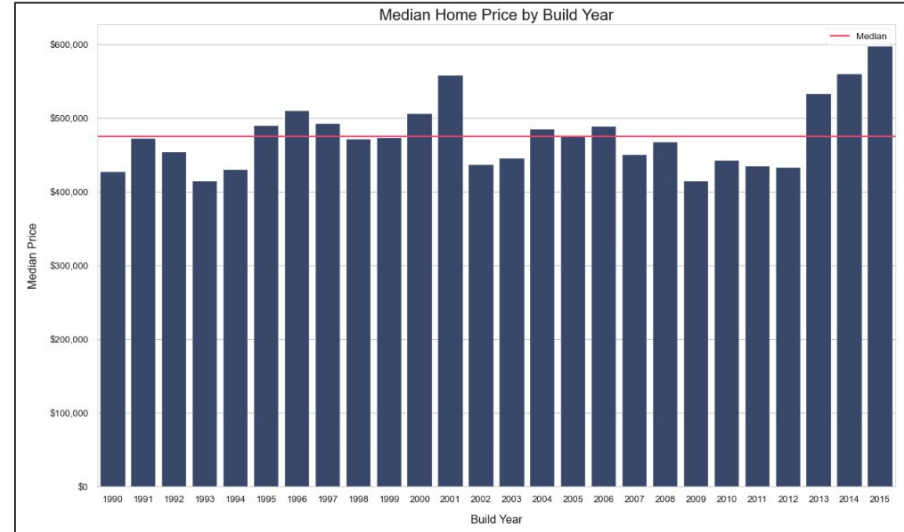


# Current Market Results

Median home value is **\$475k**

Median grade of these homes is a **7 on scale of 13**

In the current time period, most houses were built in the **early 2000s**

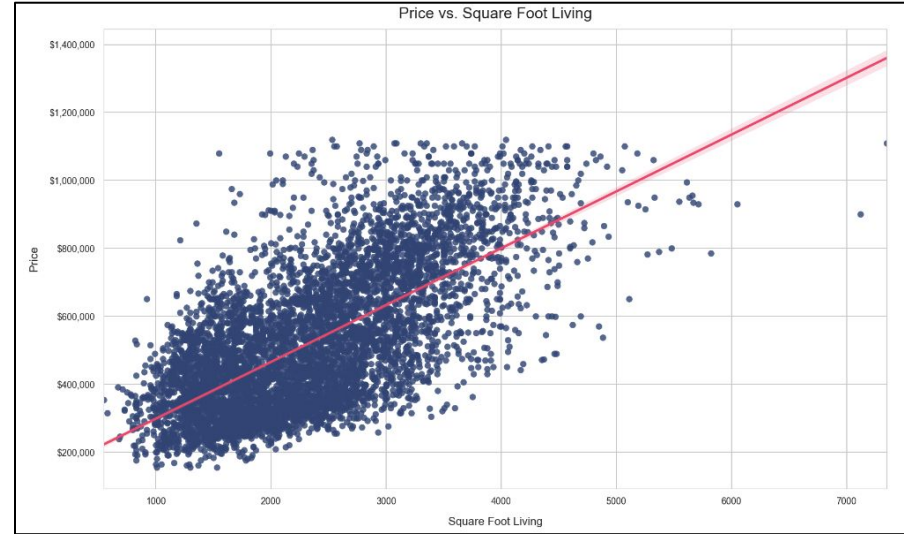


# Impactable Feature #1 - Square Footage (Living)

The median size of homes in King County is **2,240** sq ft (living)

Increase the value of their home by **\$101** per square foot (living)

**Living** space is **defined** as being heated or cooled/ having some temperature control (i.e. not an attic)

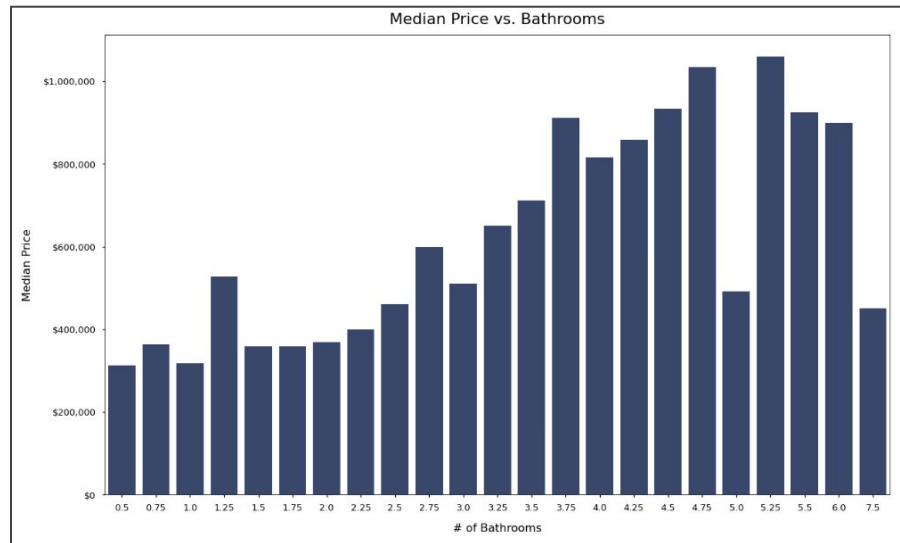


# Impactable Feature #2 - # of Bathrooms

Median bathroom size is **2.5**

Increase the value of their home by **\$21k** (or roughly 5% of the total value) per  $\frac{1}{4}$  bathroom added to a home

Once you get to **4.75** baths, value starts to even out



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# Next Steps

1. Address limitations/ concerns - add additional pricing data, adjust for inflation, etc.
2. Look at additional zip codes to understand values more specifically (or not)
3. Evaluate additional variables/ features such as environmental, or other factors that may have an impact on a home's value
4. Refresh the analysis regularly with new data to understand how the market is evolving over time



# Limitations

- What was difficult to discern is when the price was actually recorded for the home. We don't know if that is the value today, or the value when the home was built, or perhaps the max value of the home through any sale over time.
- Another limitation with this dataset is that it is based only on homes that have been built from 1990 to 2015. If the customer has an older home, and trying to sell today, this information may not be as specific, and should only be used as a guide on what to improve.
- With that being said, data older than 1990 was unable to explain variances better than the dataset that was selected. So some of the coefficients were actually higher than what was explained in my dataset, thus giving us only potentially upside when considering older homes.



# Thank you!

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