

EDA soloproject

Erin Robinson - house flipper with heart



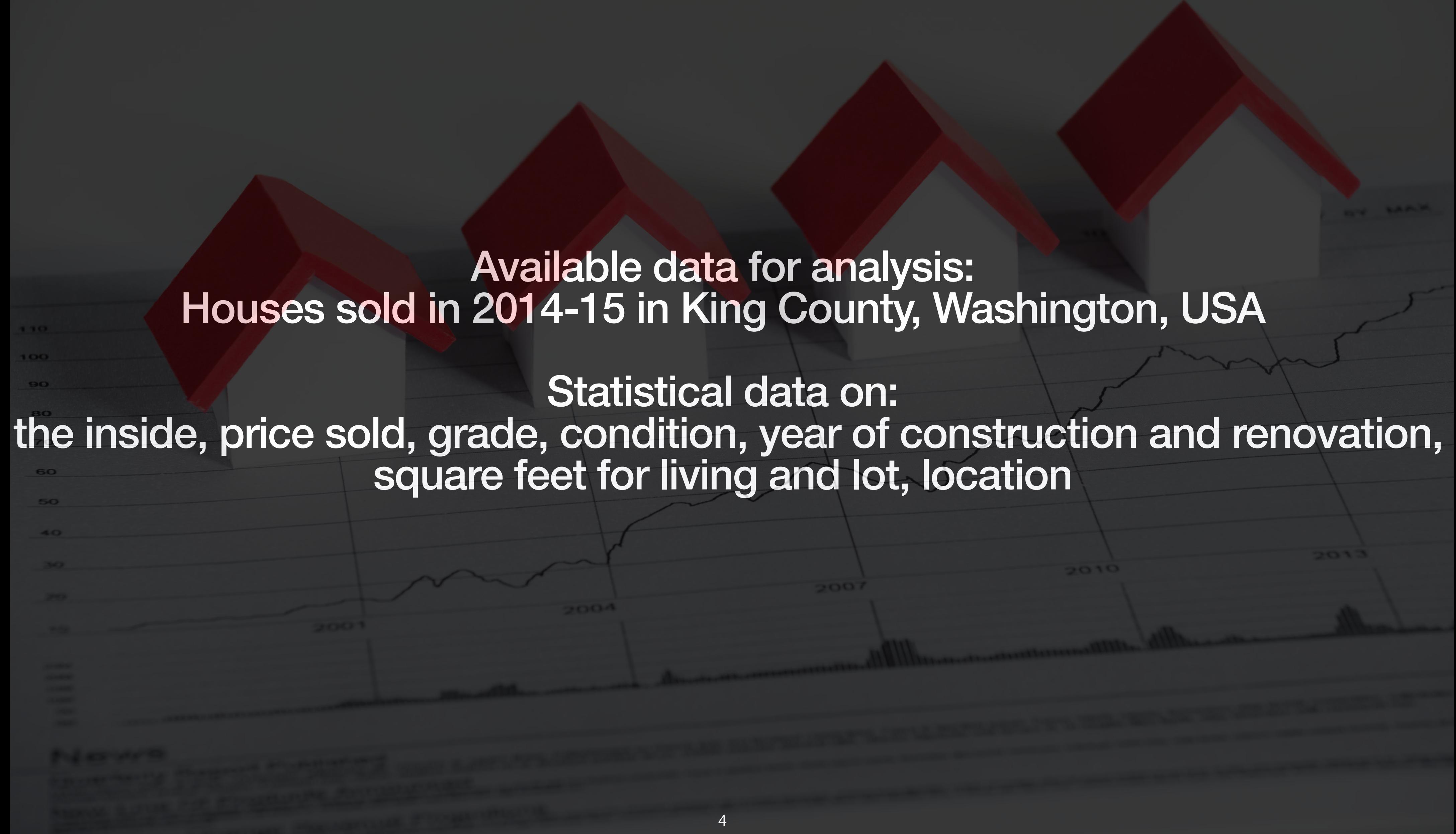
Erin Robinson - the philanthropic house flipper?

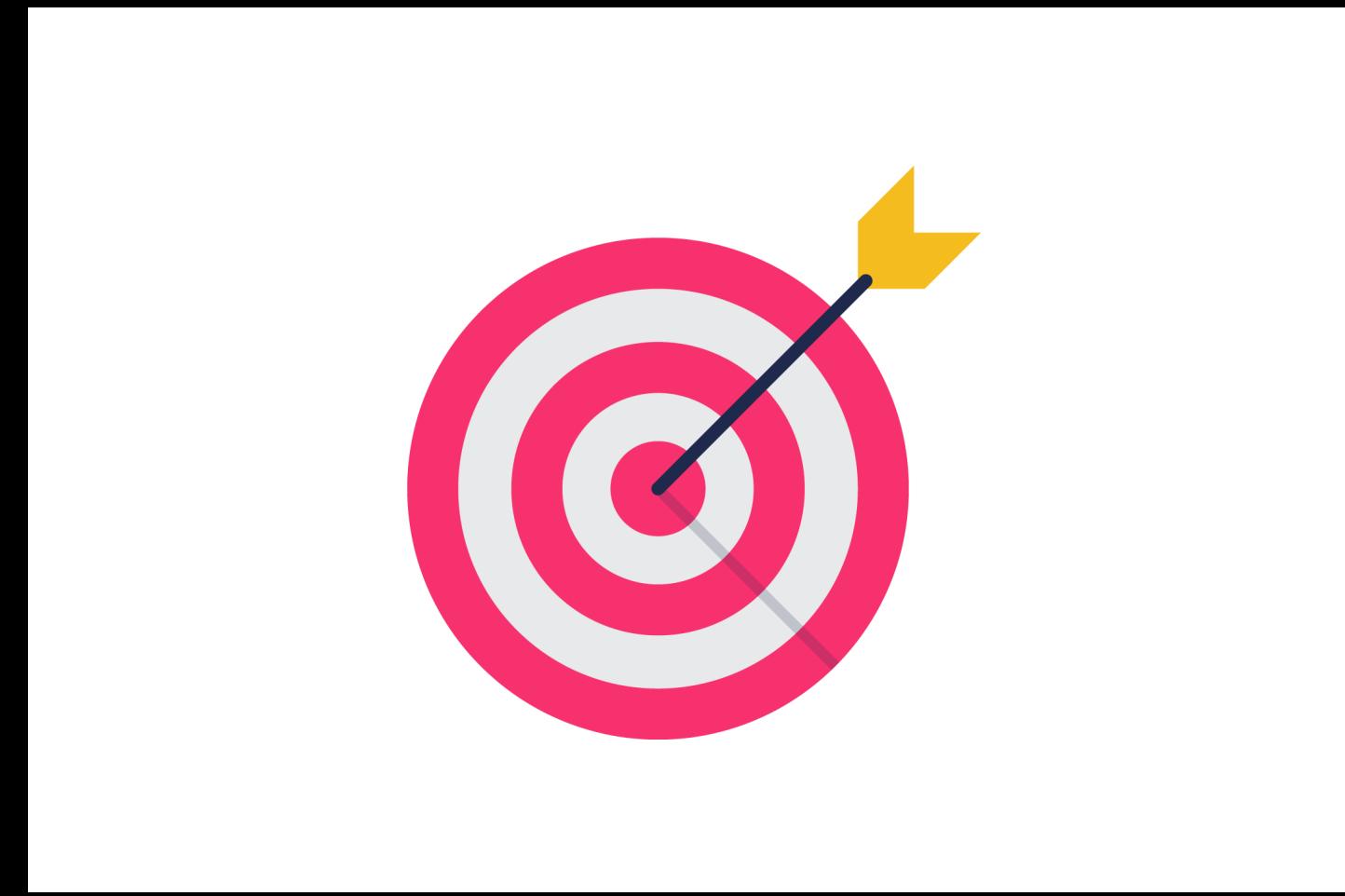
- wants to invest into poor neighborhoods
 - buys and resells with small profit
 - is socially responsible





- Buying and selling houses is often called “House Flipping”
- during the flipping the house is often renovated to increase resell value
- Erin does most renovation herself, the resell only needs to cover for material and living costs
- Erin is looking for objects in poor neighborhoods for two reasons:
 - affordable for her budget (not big)
 - providing poor communities better housing options with modernised interior (plumbing, kitchen)





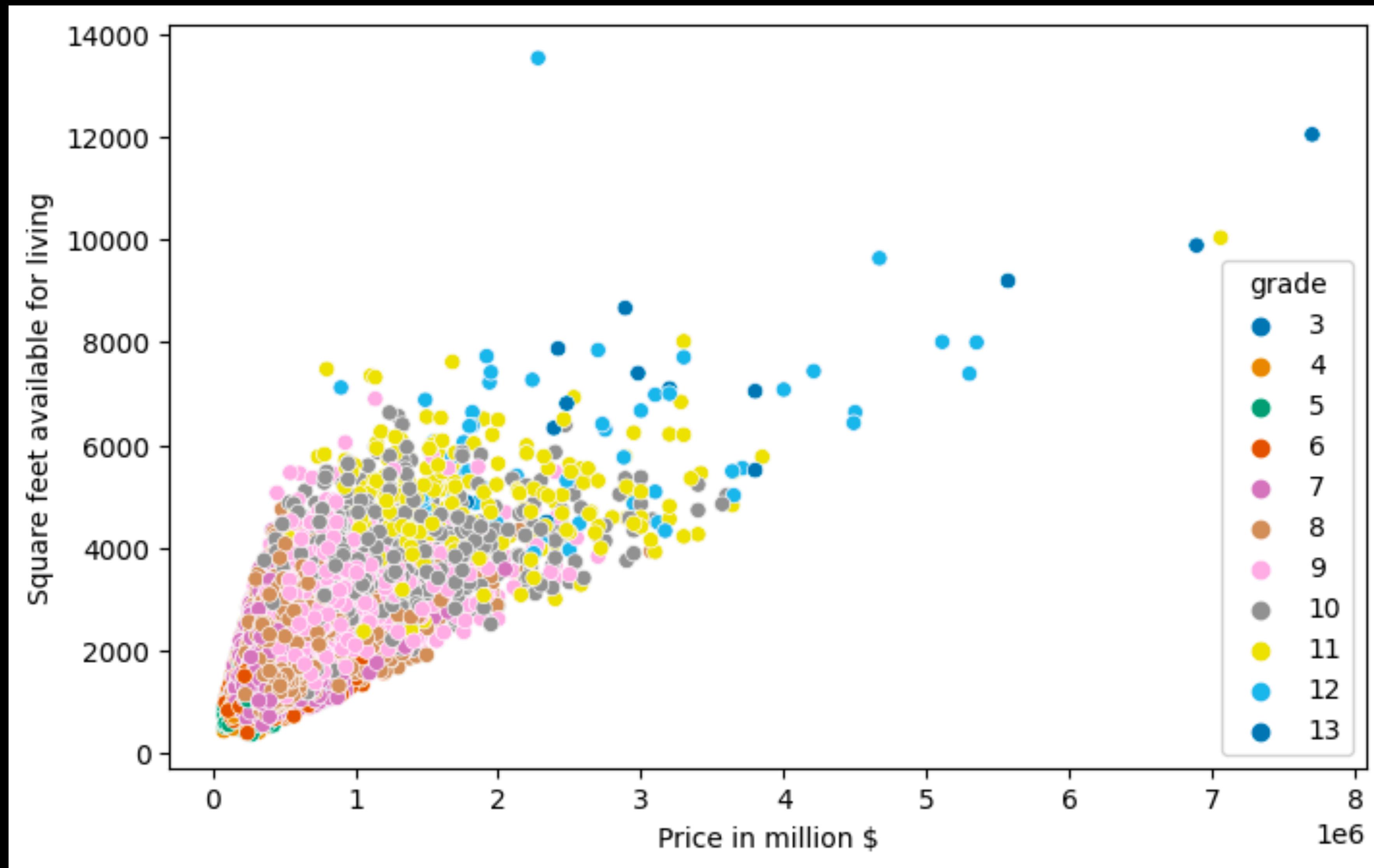
Goals:

- Identify poor neighbourhoods
- How can the life of people there be improved?
(-> renovate the buildings)

Hypothesis 0:

The more living space a house has, the stronger the price will grow

H0



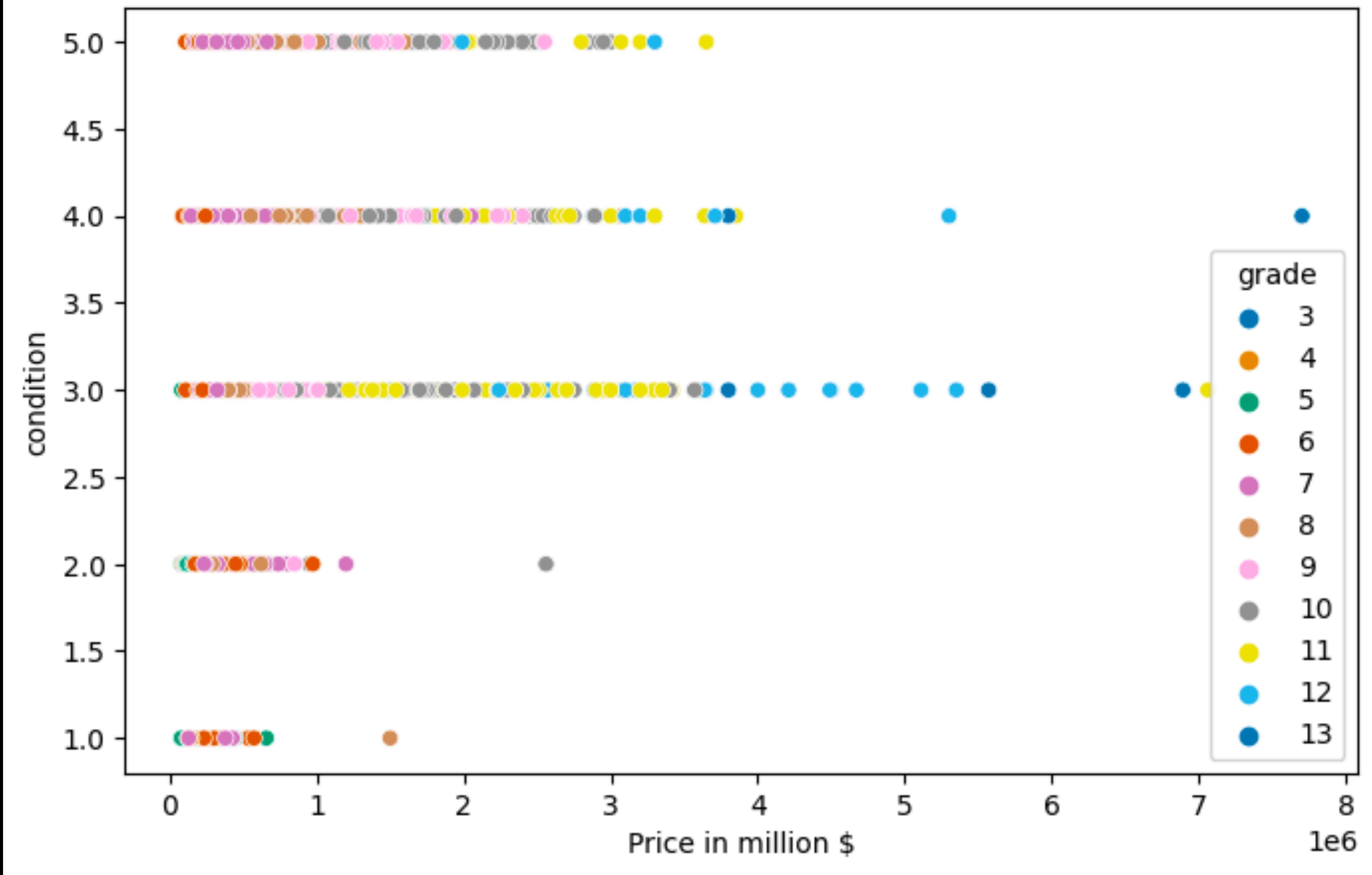
- there is a bottom line and top line for the proportion between price & space available

- both price and space seem to have influence on the grade

Hypothesis 1 (H1) :

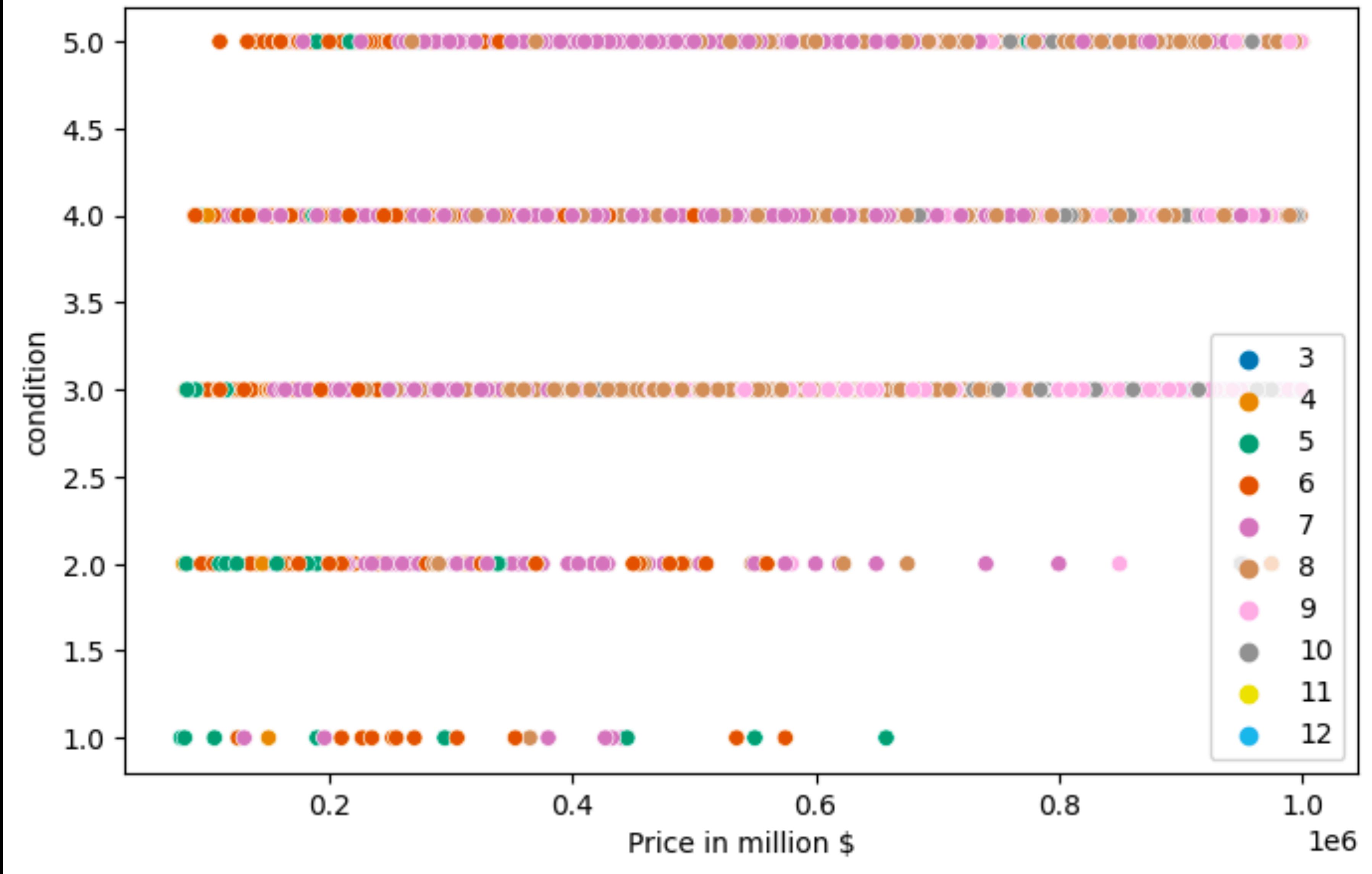
**Poor neighbourhoods got low prices, with low grades
and poor condition**

H1



- distribution is heavily skewed to the right
- budget is small, so lets discard everything above \$ 1M

H1



- higher grades concentrate in higher price range still
- our focus objects (low grade+condition) seem to concentrate in lower price range

H1 - take aways

Conclusions seems to actually be synch with our goal, buy cheap houses, renovate them to improve grade and price.

Hypothesis 2:

Renovated houses have higher prices and grades
than not renovated

(Renovation can be considered upgrading condition)

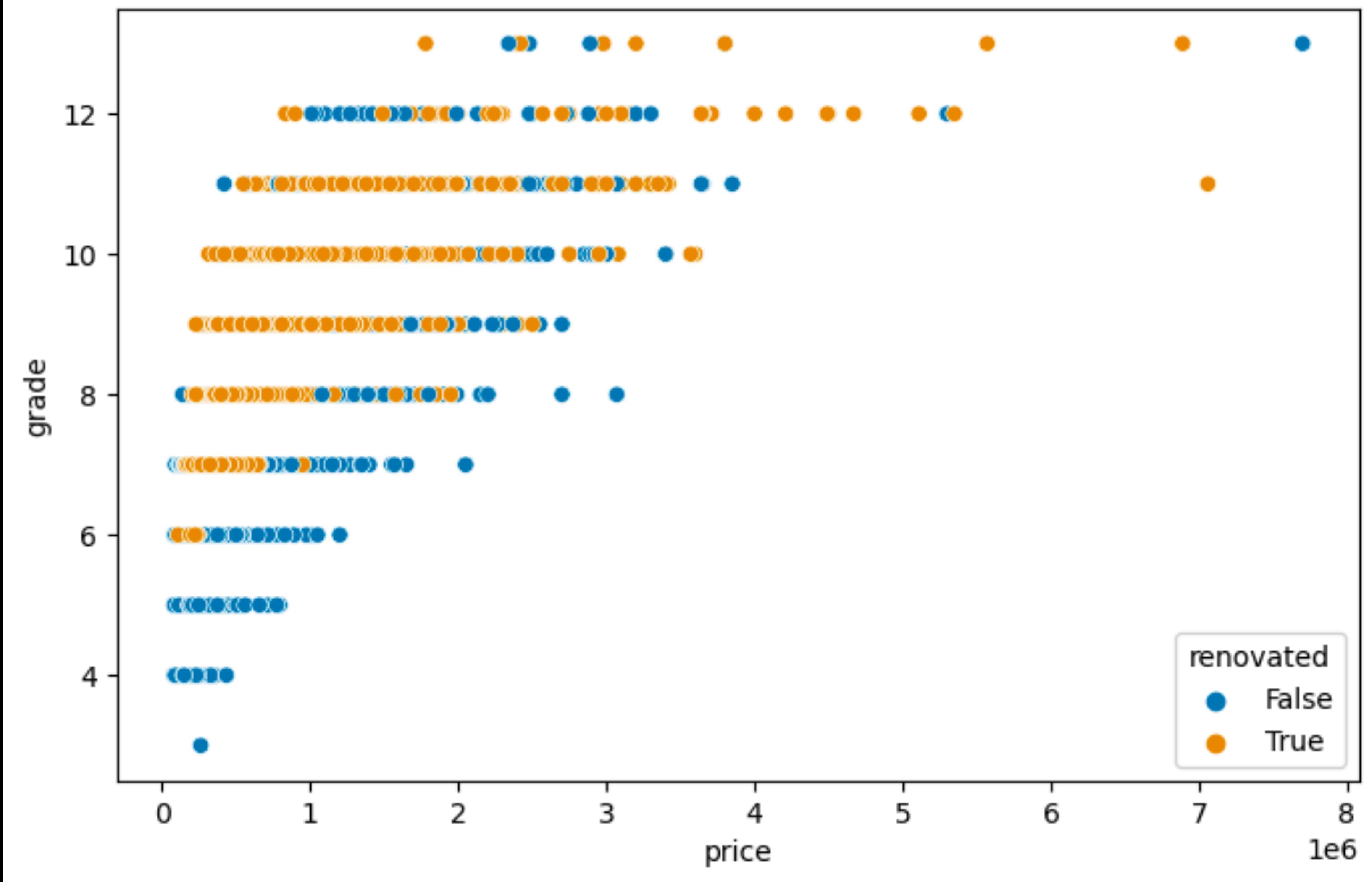
H2 - Considerations

What's a renovated house?

According to the American Real Estate Society a house should be renovated every 15-20 years.

-> We consider houses constructed or renovated within the last 20 years to be a “renovated house”

H₂



- renovated houses look like they both got higher prices and grades

H2 - mean values

	Not renovated	Renovated	Increase
average house price (mean)	\$ 503954.52	\$ 633493.94	\$129539.42 = 25.7 %
average house grade (mean)	7.3958681941 04775	8.3299224294 43803	0.93 grade = 12.6%

A renovation does significantly increase the value of a house!

Hypothesis 3:

There is a correlation between price per square feet
and zip code

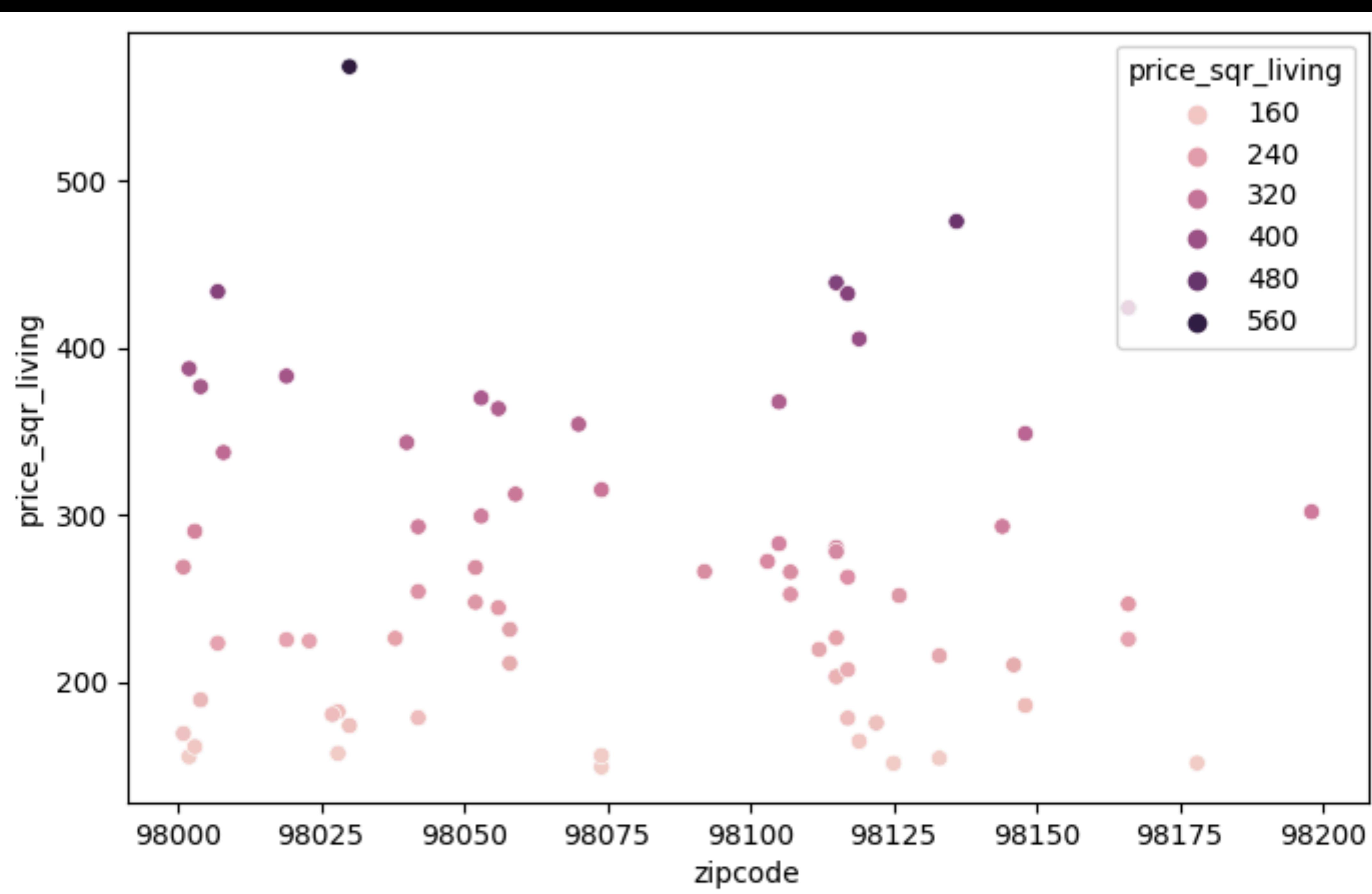
Hypothesis 3 - thoughts

In a poor neighbourhood the properties will probably have a similar prices.

-> are there zip codes aka areas that generally got low prices?

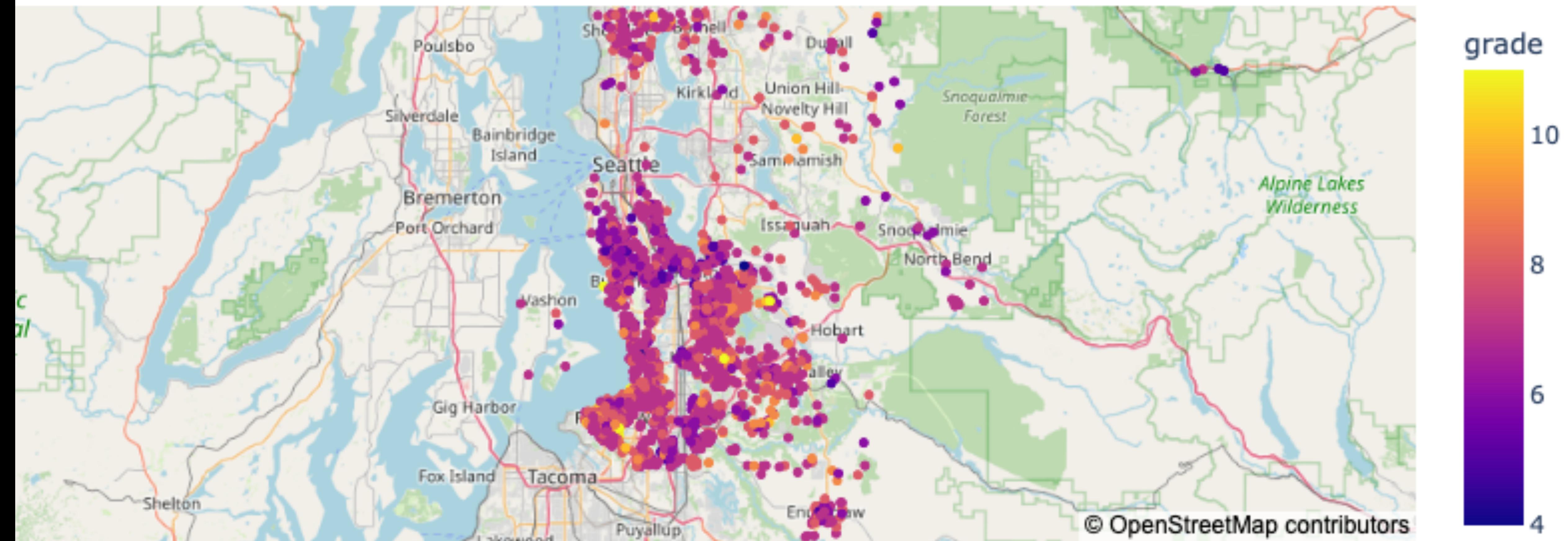
- Calculate the price per sqft for living space > ratio makes different sizes comparable
- group our data by the zip codes and get the mean for each zip code

	zipcode	price_sqr_livi
13	98023	148.922
1	98002	151.174
0	98001	151.348
20	98032	154.220
18	98030	155.156
...
53	98119	432.352
47	98109	433.559
48	98112	438.878
3	98004	475.610
24	98039	568.242



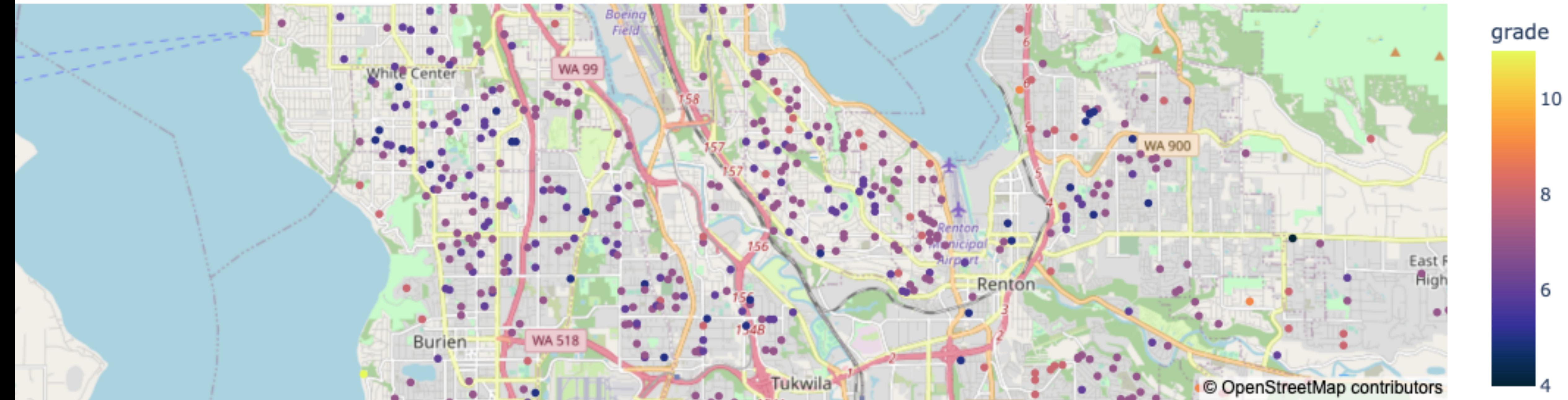
Several zip codes with low average sqft
price
- > stakeholder focus on these!

Houses in the lower range of price/sqft



- unrenovated houses in the lowest 10% of price per sqft
- grade is displayed by colour

Houses in the lower range of price/sqft



White Center, Burien, Tukwila & Renton
seem to be good to start looking for
suitable acquisitions

Thank you for your attention!

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