



# Real Estate Investing Model:

King County, Washington

Henry Van Gorp



# OUTLINE

- Business Problem
- Data
- Methods
- Results
- Conclusions



# BUSINESS PROBLEM

- A real estate investment firm is looking to expand their business to the Northwest.
- They need to know what houses sell well, specifically in King County, Washington.
- To be able to begin investing, they need to know which attributes they should be looking for in a home in this specific county.



# DATA

- The data entails property sales in King County, Washington. Accompanying sale price of home are the property characteristics. The data covers sales from 2014 through 2015.
- Attributes of the home provided consist of bedrooms, bathrooms, square feet, floors, etc..
- Python and jupyter notebook were used to work with the data provided.
- No data was removed in the cleaning process.

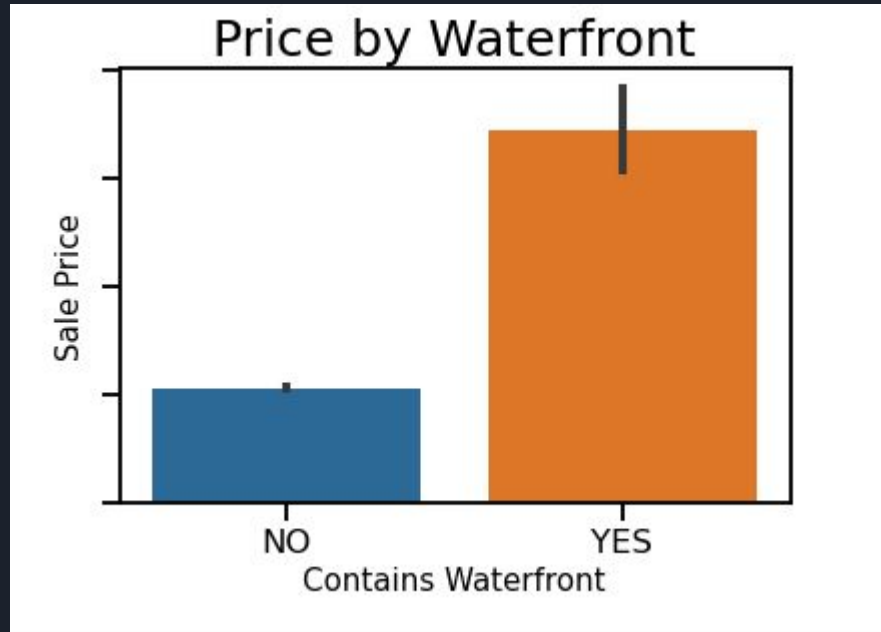


# METHODS & MODELING

- **Model Type:** Linear Regression
- **Baseline Model:** only used features which were highly correlated with the dependent variable price.

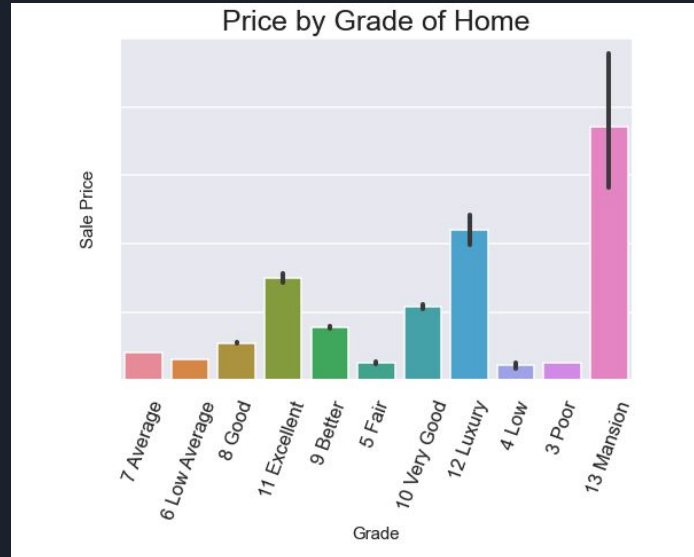
# WATERFRONT

Waterfront will increase the sale price by 39%



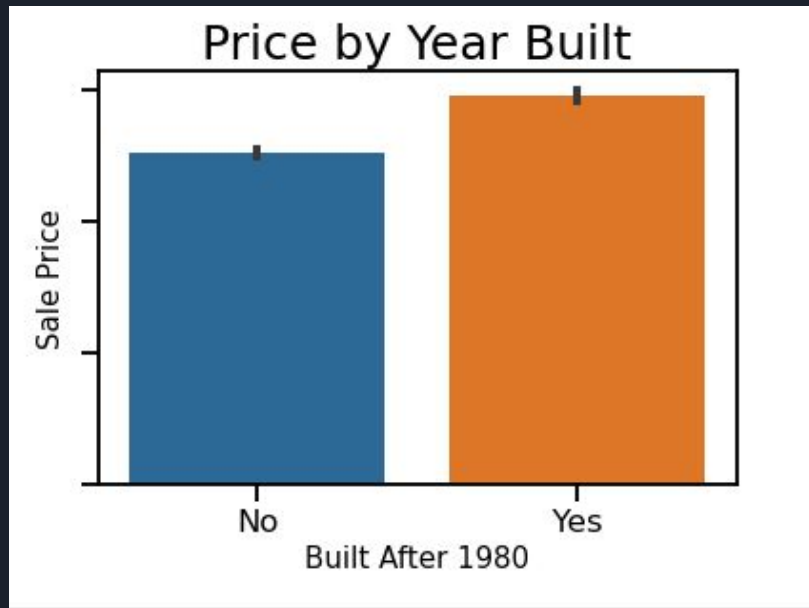
# HOME GRADE

Homes with a grade of 11 or higher will increase the sale price of them home to that of lesser grades in the range 14% to 33%



# YEAR BUILT

Homes which were built after 1980 will increase the sale price of the home by 21%







# NEXT STEPS

The stakeholder should move forward looking to invest in homes which:

- Were built after 1980
- Are located on the water
- Have a grade of 11 or higher

This will in turn help when they resell the homes in the future. If the stakeholder is looking to add more features in their search in the future, the suggestion would be:

- Homes with multiple floors which increases the sale price by 12%
- Homes which have a view which increases sale price by 15%



THANK YOU