

# Potential Developers

How to Construct Value

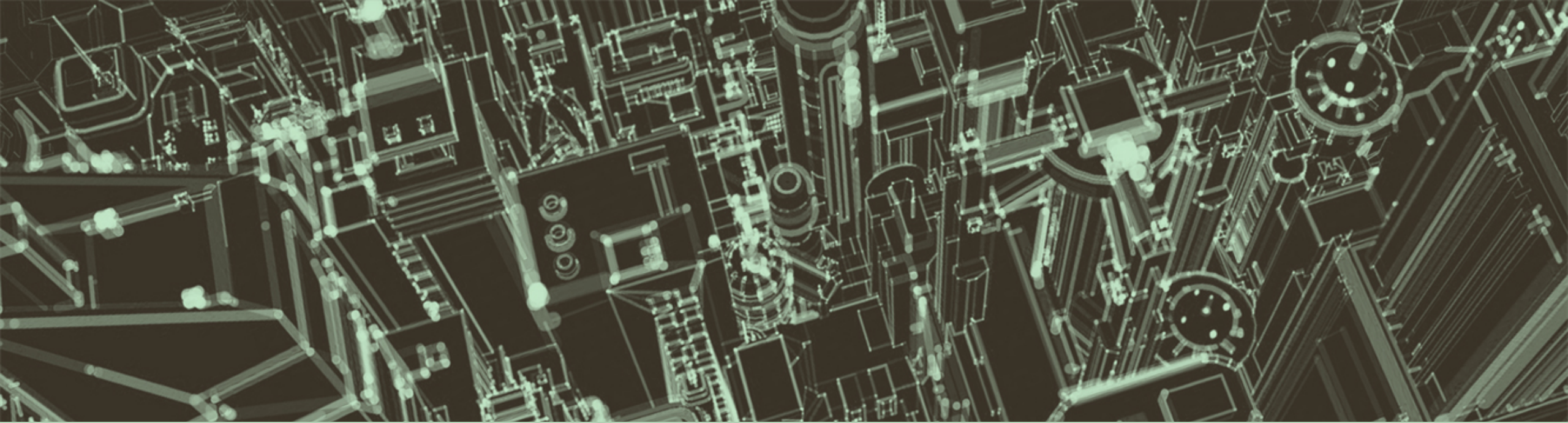




# Many features to a building







What are the features that  
create value on a building?



# Approach

This study looked at what characteristics of a house increase its sales price in Ames, Iowa.

Look at 70 characteristics



Grouped by characteristic type



Reviewed for relationship to price



Determined top 10 characteristics

# Step 1 - Look at 70 characteristics

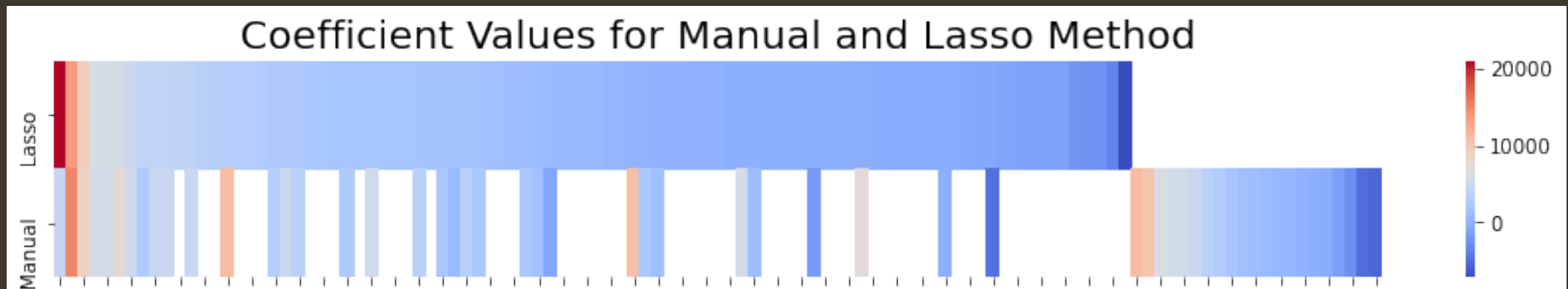


## Step 2 - Grouped by characteristic type

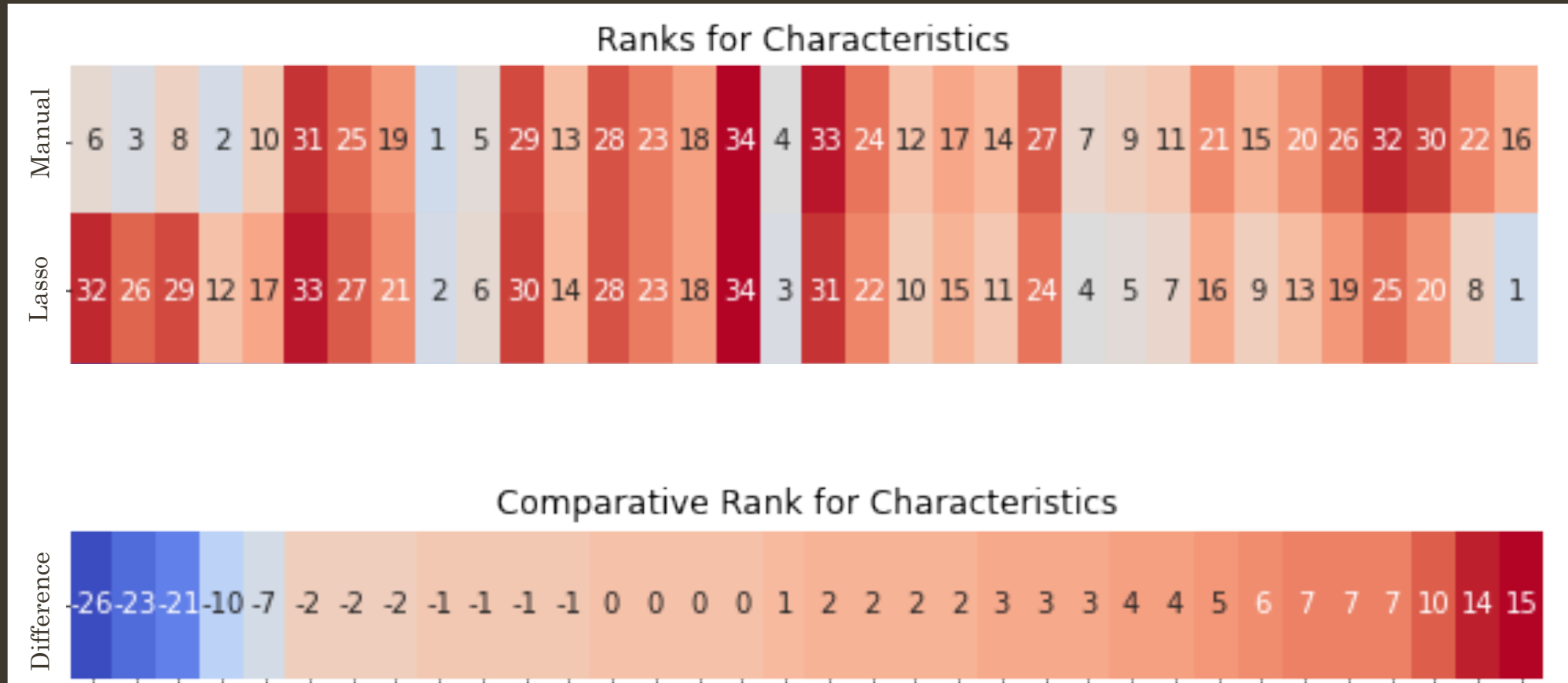
- Continuous characteristics (e.g. Garage Area)
- Discrete characteristics (e.g. Year Built)
- Categorical characteristics (e.g. Neighborhood)
  - Updated categories so each possibility in a category was now a possible characteristic
- Ordinal characteristics (e.g. Overall Quality)
  - Updated data to reflect the ranks
- Resulted in 210 characteristics evaluated

## Step 3 - Reviewed for relationship to price

- 2 Ways
- Used a lasso technique on all possible variables to select the most relevant
  - 90 characteristics
- Reviewed each of the grouped characteristic types and found correlations above .2
  - 55 characteristics



## Step 4 - Determined top 10 characteristics

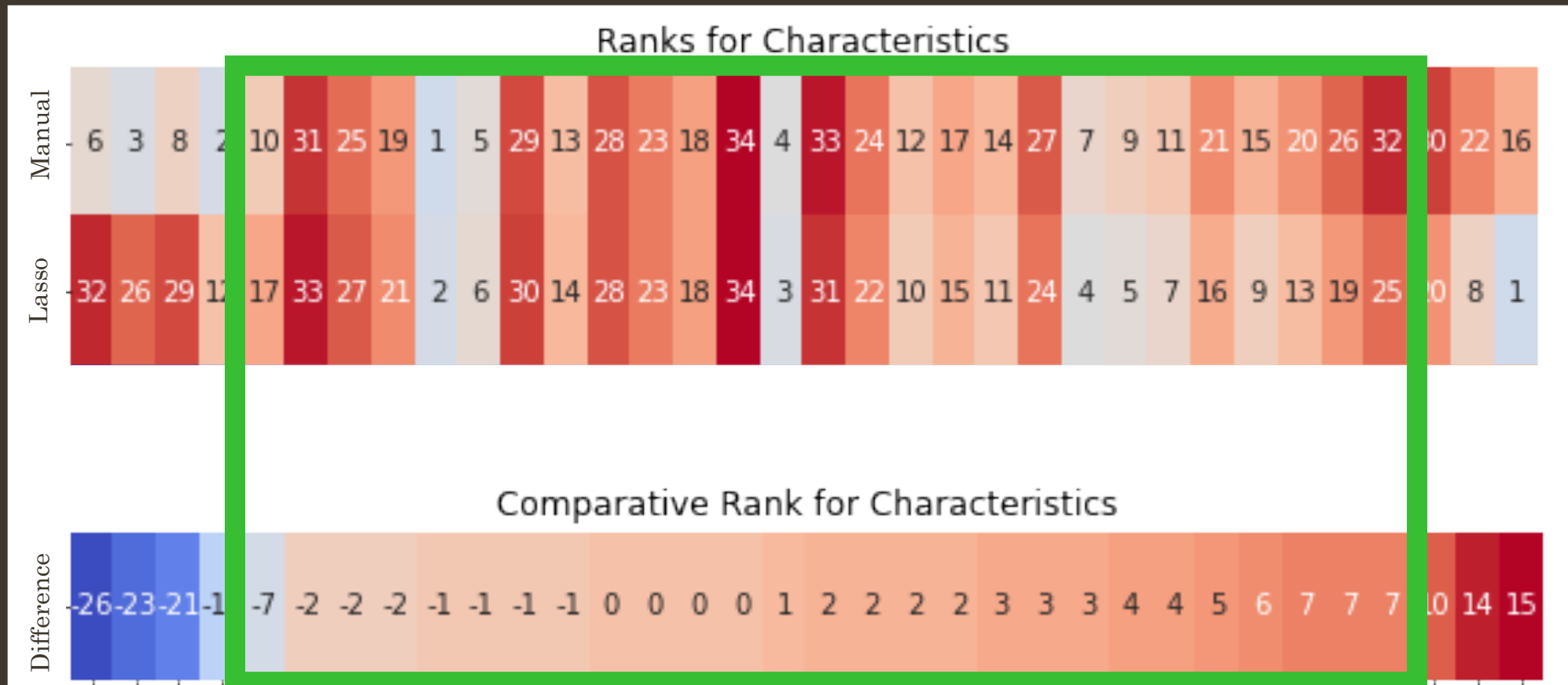




## Step 4 - Determined top 10 characteristics

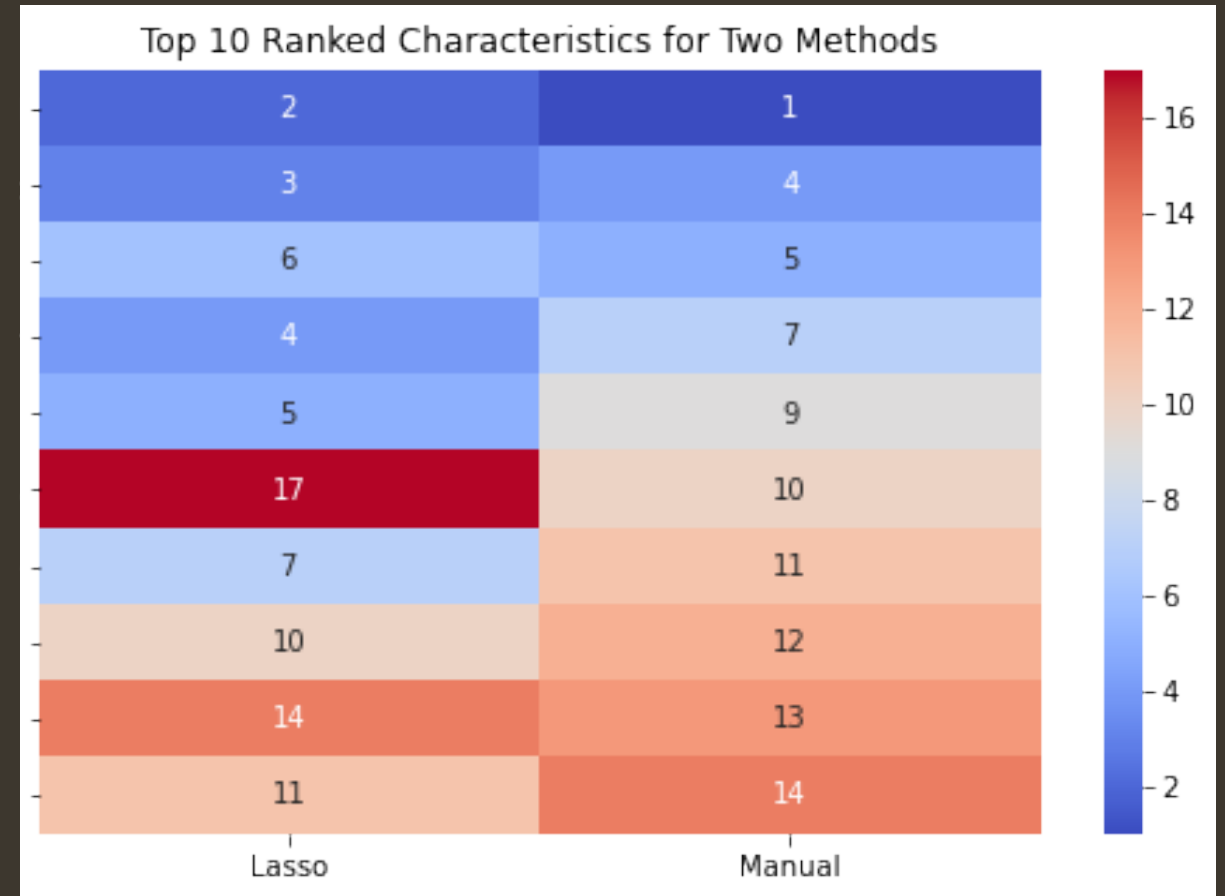


## Step 4 - Determined top 10 characteristics



# What should you care about?

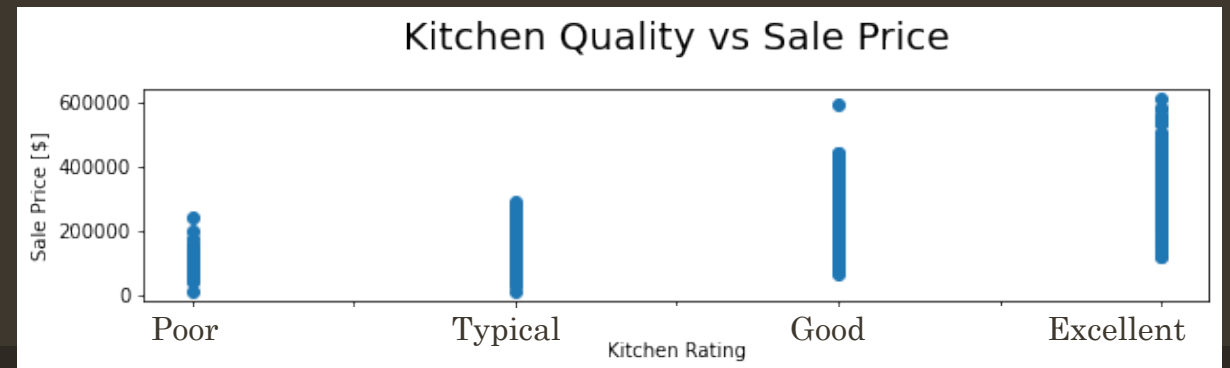
- Overall Quality
- Northridge Heights Neighborhood
- Kitchen Quality
- Stone Brook Neighborhood
- Exterior Quality
- Hip Roof Style
- Basement Exposure (walkout/garden level walls)
- Northridge Neighborhood
- Lot Area
- Masonry Veneer Area





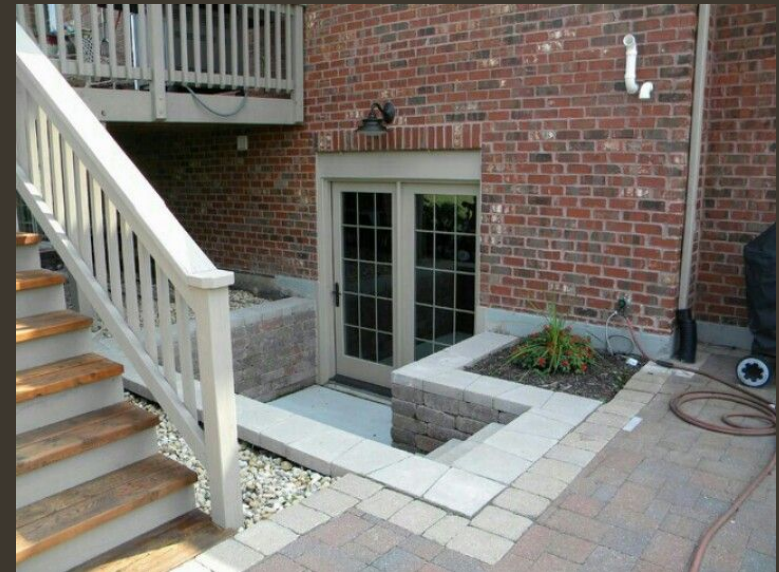
# Where to focus

- Overall Quality
- Northridge Heights Neighborhood
- Kitchen Quality
- Stone Brook Neighborhood
- Exterior Quality
- Hip Roof Style
- Basement Exposure (walkout/garden level walls)
- Northridge Neighborhood
- Lot Area
- Masonry Veneer Area



# New Build

- Overall Quality
- Northridge Heights Neighborhood
- Kitchen Quality
- Stone Brook Neighborhood
- Exterior Quality
- Hip Roof Style
- Basement Exposure (walkout/garden level walls)
- Northridge Neighborhood
- Lot Area
- Masonry Veneer Area



<https://www.theplancollection.com/house-plans/home-plan-25134>

<https://www.pinterest.com/pin/546272629771501347/>