

## **Business Problem**

A real estate firm wants to help their clients (Homeowners) sell their homes at a great price.

They want to know what drives the value of a home and how they can advise the homeowner to make the necessary upgrades in order to get better value for their homes.







## **Data Understanding**



The data provided was from the King County Sales Dataset.

The data contained 21597 rows and 20 columns.

Each row included different information on different aspects of a home.

The target of the data was price and the goal was to see how each aspect of a home impacted the sale price of the home.



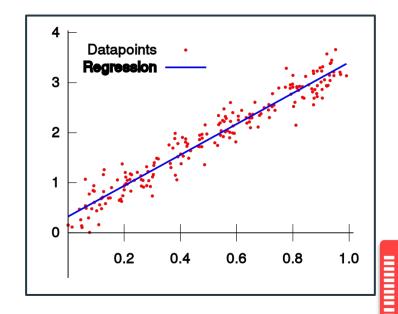
## Modeling

## **Model information**

 $R^2 = 0.586$ 

**P-Values** = All less than 5%

**Kurtosis** = 2.908



## **Results**



## **Key Results**

Per grade: 17.7% increase

Per bedroom: 1.1% decrease

Per bathroom: 1.6% decrease



## Recommendations

• Grade is one of the most important factors that can be controlled by the homeowner for price.

#### For the interior of homes:

Plumbing, Flooring, Climate control, Electrical

#### For the exterior of homes:

Exterior walls and Roofing

### Significance:

If we were to focus on adding bedrooms and bathrooms instead of upgrades that focus on grade, it could possibly have a negative effect on pricing with a roughly 0.1% and % 0.2% per bed or bath decrease in the value of the home.



## **Next Steps**

Further analyses could yield additional insights to improve value:

Better grade evaluation

Renovation allocations vs Expected value

Landscaping impact



# **Thank**

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