



# **King County, WA Housing Market - Analysis & Recommendations for Homeowners**

Kristin Cooper | Apr 19, 2021

# Background

King County, Washington, which includes the Seattle metro area, is a prime location for residential real estate investment.

**Homeowners and house flippers should leverage this report to understand how they can improve the resale value of their property through renovations.**



King County, Washington, USA

# Data

## Source:

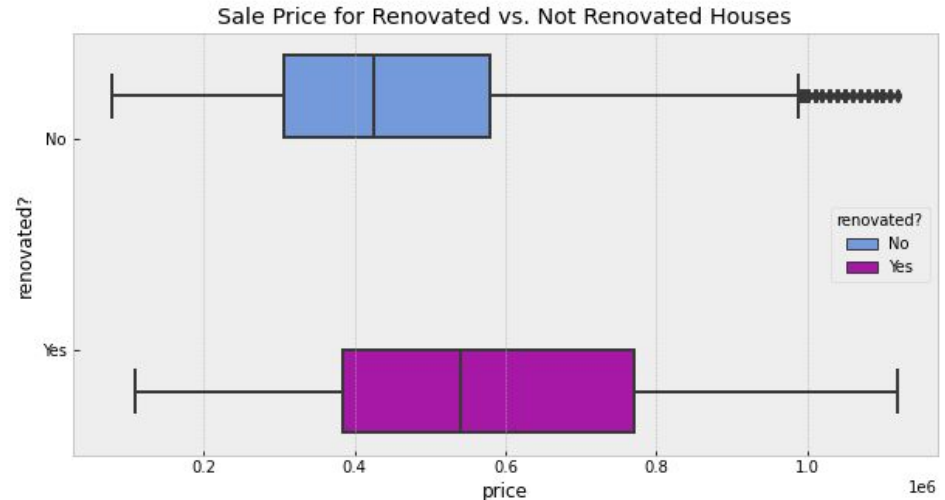
Source data includes 21,597 residential houses publicly sold between May 2014 and May 2015.

## Key Observation:

Some descriptive analysis confirmed that, in general, houses that have been renovated do indeed tend to have a higher sale price.

## Data Cleansing:

Data was processed prior to modeling to address some missing data elements, remove outliers, and explore the meaning and distribution of each element included in the raw source.





# Model

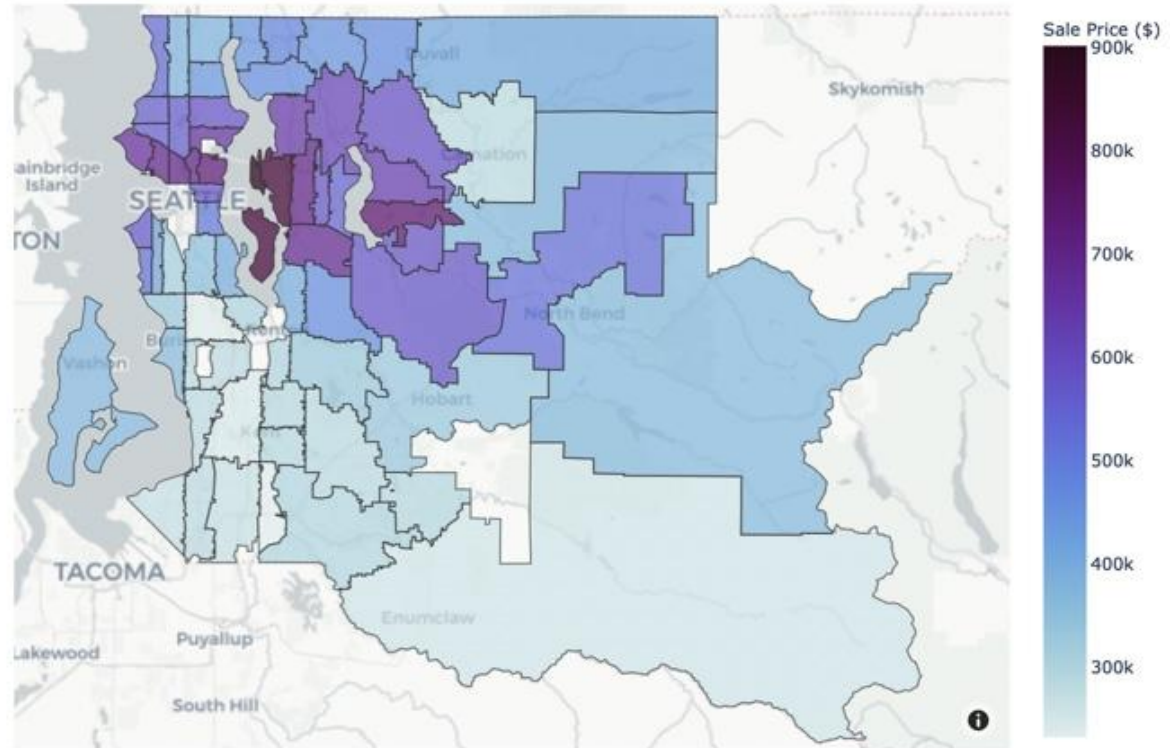
The following features together were found to explain ~84% of the variation in house sale price:

- Ratio of bathrooms to bedrooms
- Living space (sqft)
- Lot size (sqft)
- View
- Grade
- Condition
- Size of neighboring houses
- Age of house
- Years since renovation
- Waterfront
- Zip code

The following pages will dive into greater detail on some of the key factors: Zip code, living space, bathroom/bedroom count, grade, and years since renovation (as of sale).

# Zip Code

**Zip Code** - which can't be changed with a renovation - is a significant predictor of sale price. Homes in zip codes nearest Seattle and Bellevue have higher average and median home prices as compared to south King County.



# Living Space

The square footage of your home's living space has a positive linear correlation with sale price...



...as does the square footage of your neighbors' living spaces!

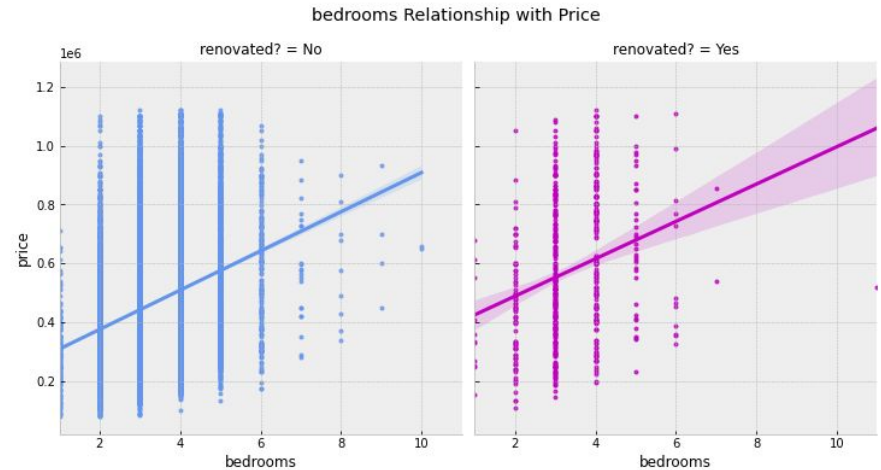


# Bedroom & Bathroom Count

The number of **bathrooms** has a much stronger correlation with price...



...than does the number of **bedrooms**.



# Grade

**Grade** - measured on a 1-13 scale - is a strong predictor of sale price.



## Grade Scale:

- 1-5 Falls short of minimum building standards. 1-3 is typically a cabin, 4-5 are typically small, simply designed, low-cost houses.
- 6-7 Just meets building code. Low quality materials and simple designs. Commonly seen in older subdivisions.
- 8-9 Just above average in construction and design. Usually better materials in both the exterior and interior finish work.
- 10-11 High quality design, features, finishes. Generally have a larger square footage
- 12-13 Custom design. All materials are of the highest quality and all conveniences are present. Large amount of quality cabinet work, wood trim, marble, entry ways etc.





# Recommendations

Based on the model, homeowners should consider four key recommendations when considering renovation plans:

→ **Expand living space**

*Consider finishing an unfinished basement if you have one, or adding on to your house.*

→ **Add a full or half bathroom**

*Bring up your bathroom-to-bedroom ratio.*

→ **Invest in high-quality materials**

*Raise your home's grade rating by bringing in marble or quartz countertops, new cabinets, crown molding, wood flooring, luxury finishes, etc.*

# Thank You!

**Email:** [kcoop610@gmail.com](mailto:kcoop610@gmail.com)

**GitHub:** <https://github.com/kcoop610/dsc-phase-2-project>

**LinkedIn:** <https://www.linkedin.com/in/kristincooper16>