

Tips for developers on how to price homes in Ames, Iowa

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Appraiser Qualifications Board



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End it off...

Who am I?

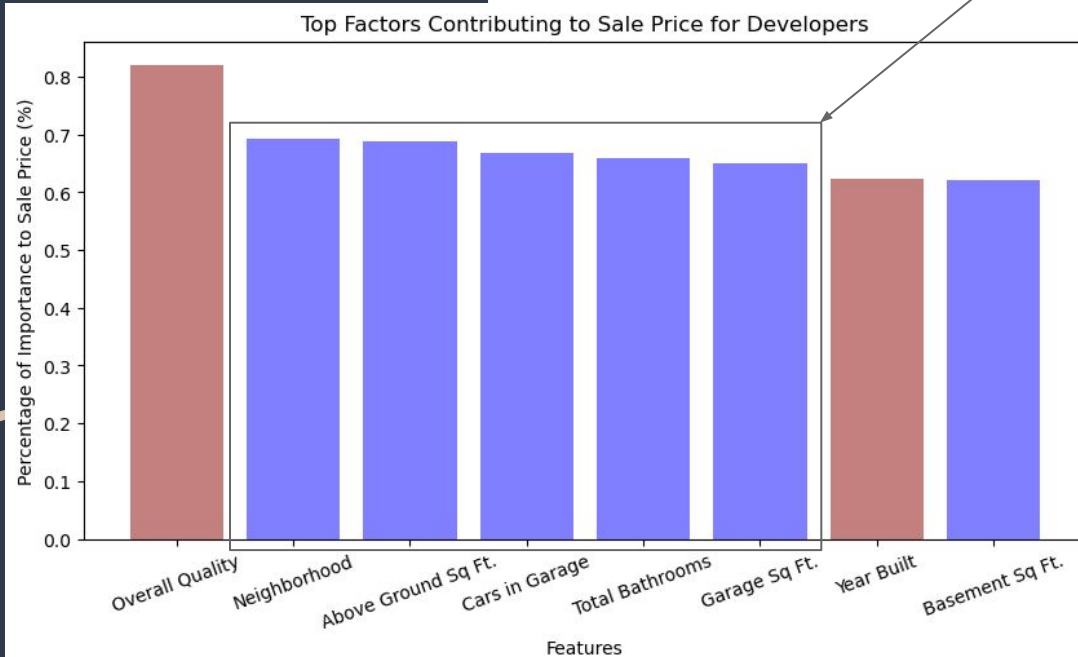
- I am pitching this slideshow to real estate developers who plan on building **new** properties in the state of Iowa.
- Data Scientist contracted by the Appraiser Qualifications Board
- I am in charge of providing developers with tips on how to price their homes
- What could be improved in order to push the economy forward

Why should **you** pay attention to this presentation?

- Profitability
 - Spare Expense
 - Accurate Pricing
- Knowledge on the current market condition in Ames, Iowa
- Knowledge on specific materials when building houses

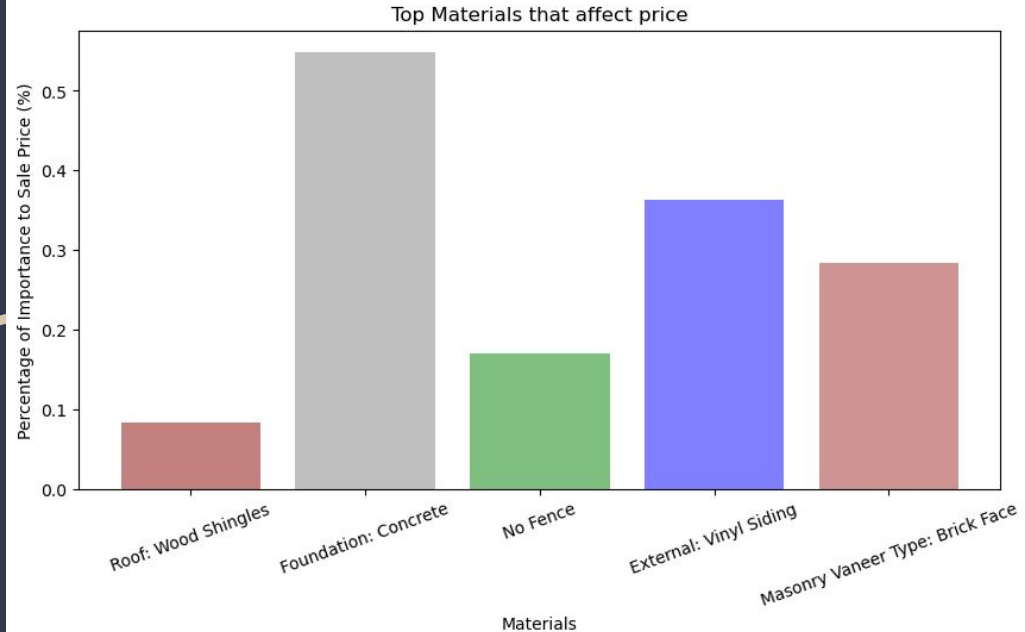
Top 5 features that should be considered when building a property

1. Neighborhood (Location, Location, Location)
2. Above ground Square Ft.
3. How many cars can the garage hold?
4. Total Bathrooms
5. Square Ft in garage.



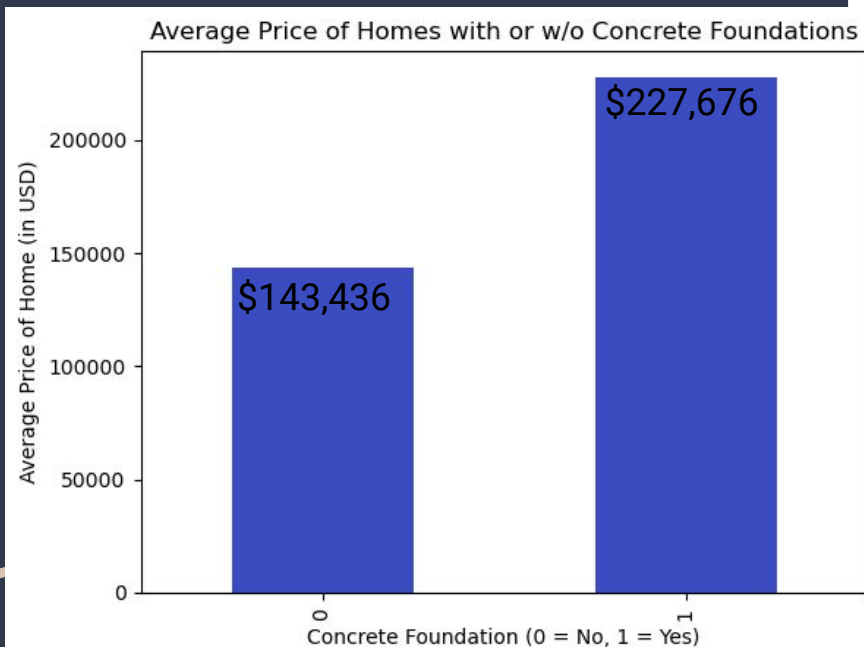
Top 5 Materials that affect *price* when building a house

1. **Concrete Foundations**
2. **External Vinyl Siding**
3. **Masonry Veneer Brickface**
4. **No fence**
5. **Wood Shingle roofs**



Are they worth it?

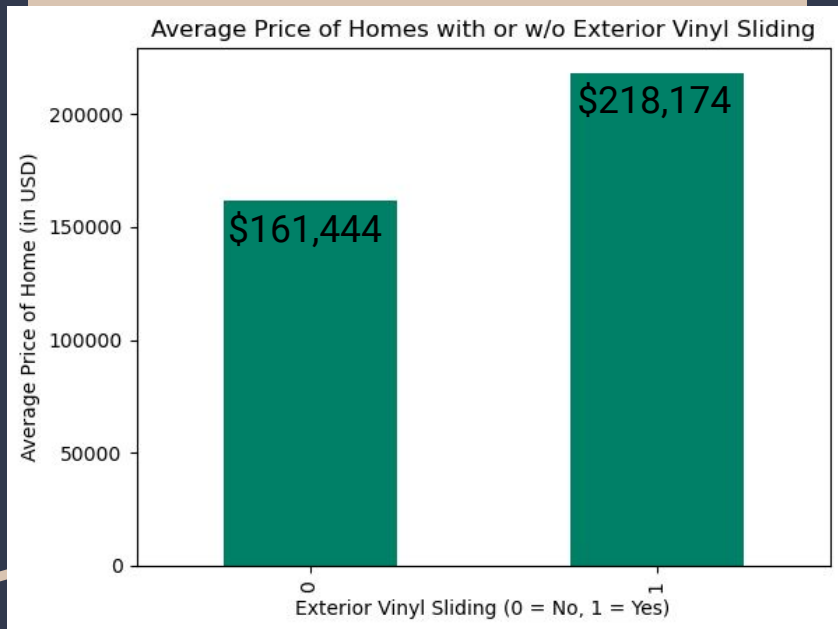
Concrete.



- Average home square feet in Ames, Iowa is **1,638 sqft**
- Difference in price of homes with concrete foundations are **\$84,240**
- ~ 36% increase in price
- Cost of concrete foundation for an average home in Iowa (excluding labor): ~ **\$10,000**
- **Est. Profitability**(excluding labor):
~ \$74,240

Price of concrete in Iowa ~ \$6 per square feet. Source:
<https://concrete.promatcher.com/cost/iowa.aspx>

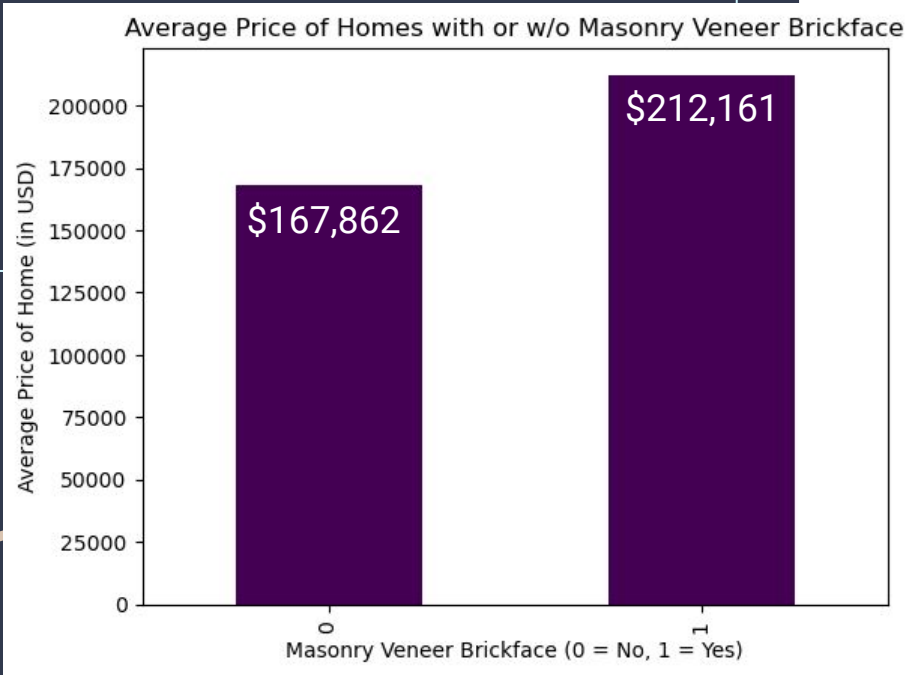
External Vinyl Sliding



- **Average home square feet in Ames, Iowa is 1,638 sqft**
- Difference in price of homes **with** External Vinyl Sliding are **\$56,730**
- ~ 26% increase in price
- Cost of External Vinyl Sliding for an average home in Iowa (excluding labor): ~ **\$15,000**
- **Est. Profitability (excluding labor):**
~ \$41,730

The cost of vinyl siding installation ranges from \$2.50 to \$10.75 per square foot. Source: [hover.to](https://www.hover.to)

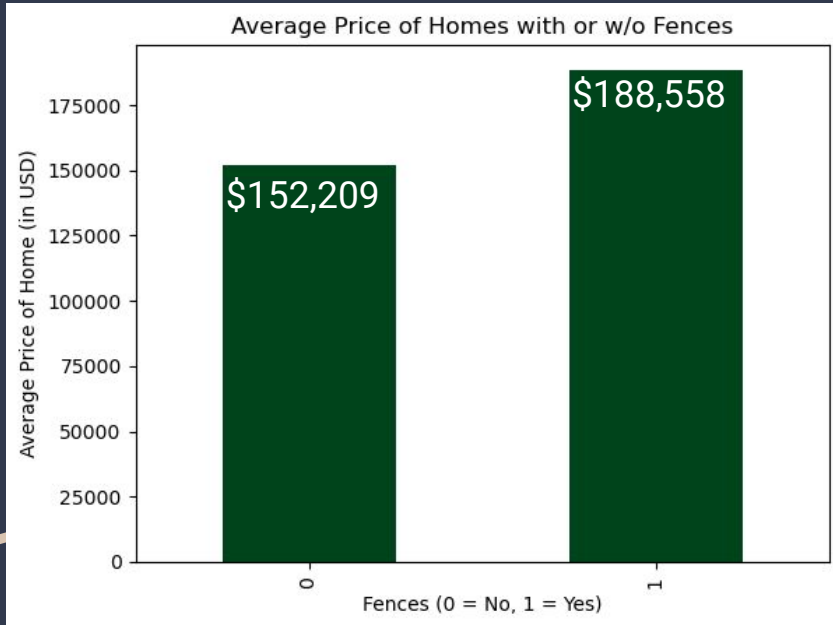
Masonry Veneer Brickface



- **Average Masonry Veneer square feet in Ames, Iowa is 100 sqft**
- Difference in price of homes **with** Masonry Veneer Brickface are **\$44,299**
- ~ 21% increase in price
- Cost of External Vinyl Siding for an average home in Iowa (excluding labor): ~ **\$3,000**
- **Est. Profitability (excluding labor):**
~ \$41,299

Brick siding generally costs an average of \$5 to \$15 per square foot. Source: <https://modernize.com/siding/types/brick>

Fences, are they worth it?



- Average lot square feet in Ames, Iowa is ~10,000 sqft

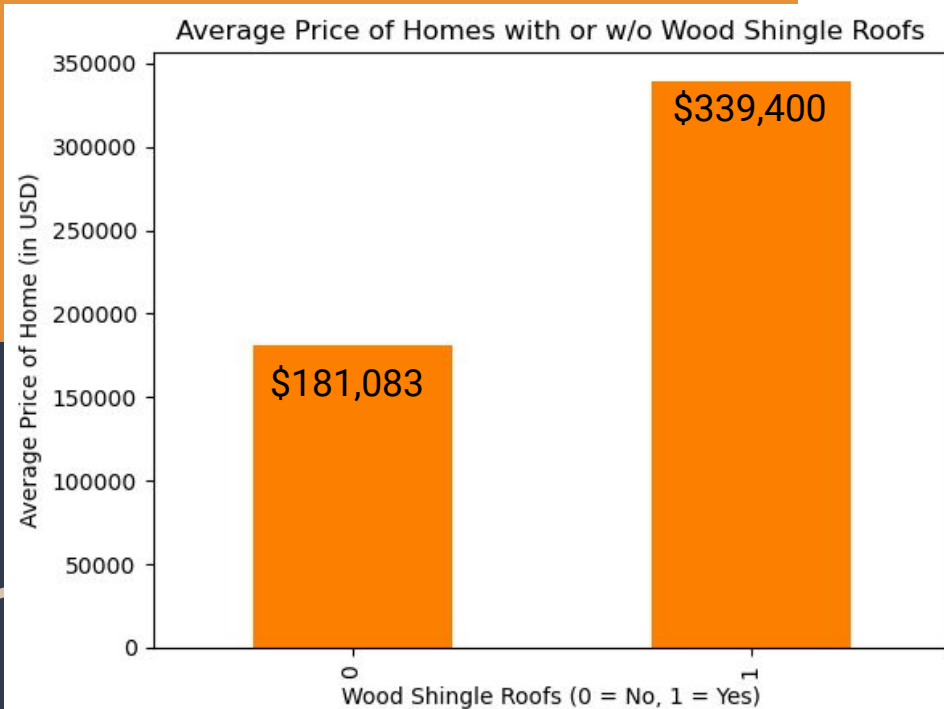
Perimeter ~ 400 ft

- Difference in price of homes with Fences are **\$36,349**
- ~ 19% increase in price
- Cost of External Vinyl Sliding for an average home in Iowa (excluding labor): ~ **\$6,000**
- **Est. Profitability (excluding labor):**

~ \$30,349

Cost of Wood Fence Installation in Iowa: \$14.50 per linear foot (4 ft fence)
Source: <https://fences.promatcher.com/cost/iowa.aspx>

Wood Shingle Roofs



- **Average home square feet in Ames, Iowa is 1,638 sqft**
- Difference in price of homes **with** Wood Shingle Roofs are **\$158,317**
- ~ 46.7% increase in price
- Cost of Wood Shingle Roofs for an average home in Iowa (excluding labor): ~ **\$13,000**
- **Est. Profitability (excluding labor):**

~ \$145,317

Note: labor for this task is probably really high, and average roof square ft is probably much higher

Cost of Cedar Wood Shingles on your roof is between \$4.10 and \$7.50 per square foot as of 2023 Source: modernize.com

Conclusion

- Before buying property, **pick a good neighborhood**
- Homes with Wood Shingle Roofs have the **least** effect on sale price. However there is something that these homes have, that others do not.
- The **best** investments for your property are a **concrete foundation, and external vinyl sliding.**
- The **worst** investments for your property are **fences and masonry veneer brickface.**
- Questions?