



Predicting Home Prices in King County, Washington

King County Real Estate Company ("KC")
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Background and Methodology

Background



- KC would like to understand the criteria and features their clients look for when purchasing homes in King County, Washington



- KC is looking to focus on higher end homes to increase their commission potential

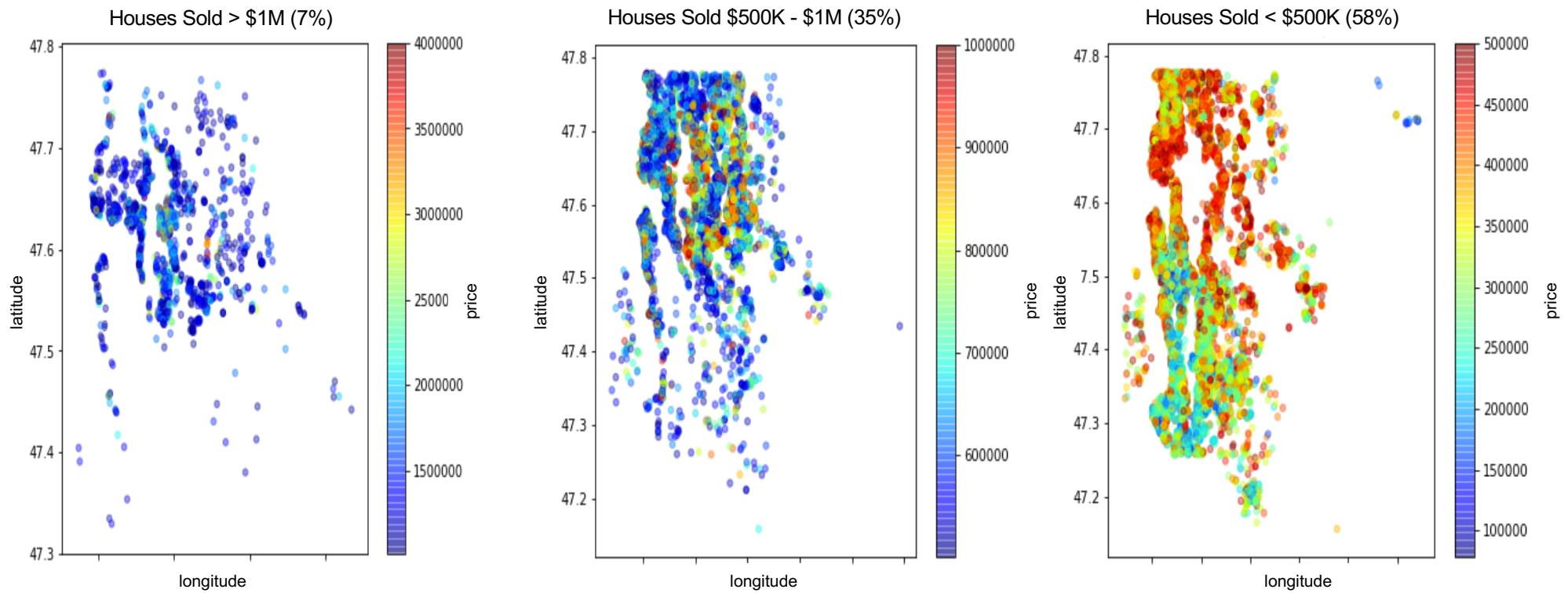
Methodology

- Aronson Consulting obtained and reviewed **King County House Sales Data between May 2014 and May 2015** from KC
- After **“cleaning the data”** to remove any missing items and outliers, Aronson Consulting **explored the following home features**:
 - **Location**: Waterfront properties; Zip code and city; Home latitude and longitude
 - **Home Size**: Number of bedrooms, bathrooms, and floors; Square footage of living space (basement/above ground) and lot space; Square footage of living space and lot space for the home’s nearest 15 neighbors
 - **Home Quality**: Condition; Grade; Year home built; Year home renovated
 - **Home Views**
 - **Date Home Sold**
- Using **predictive modeling tools**, Aronson Consulting was able to **determine which features listed above best predict home prices** in King County, Washington to help KC’s sales staff focus on the homes that will **increase their commission potential**

Price and Home Features

Price and Home Features

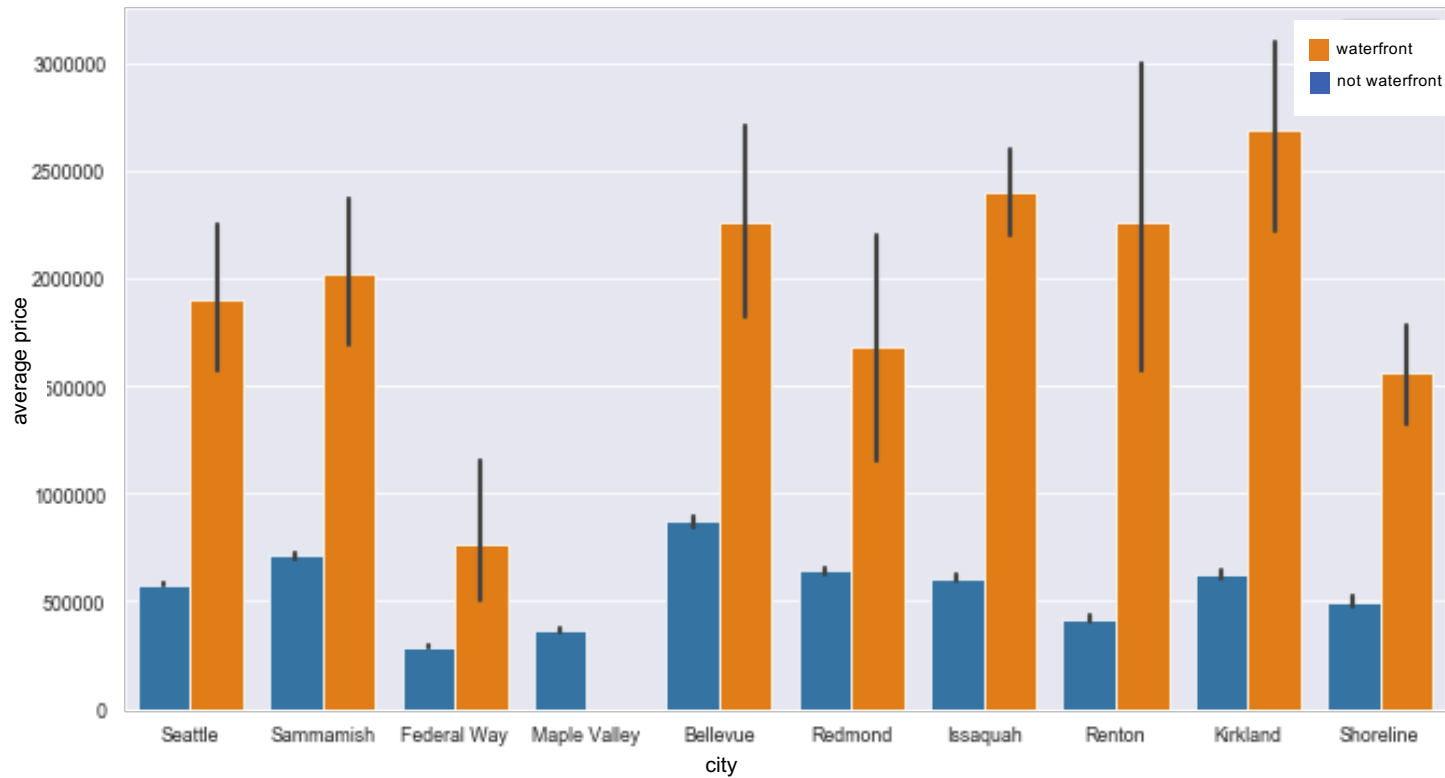
Location



Price and Home Features

Location (*continued*)

Top 10 Cities For King County Home Sales From May 2014 To May 2015

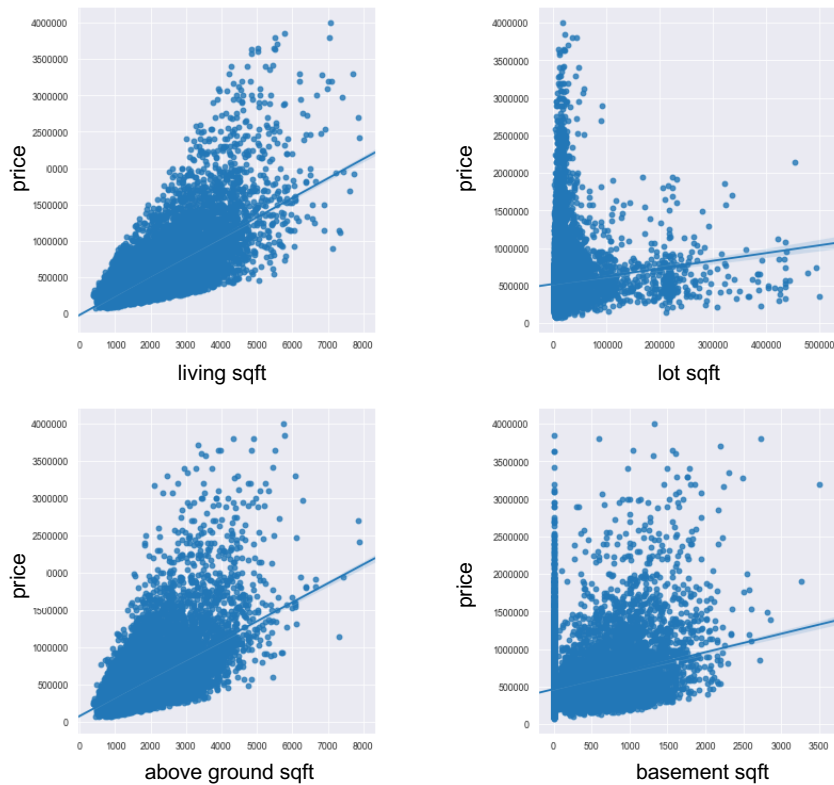


Recommendations: Focus on homes with a waterfront view particularly in the towns of Kirkland, Issaquah, Bellevue and Renton.

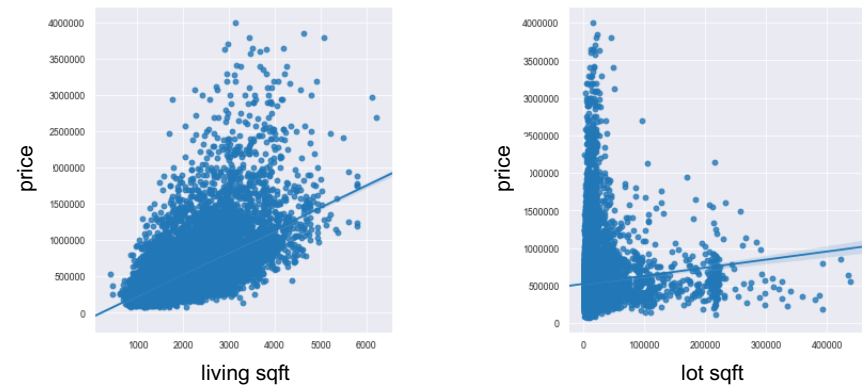
Price and Home Features

Home Size

Home Square Footage



Home Square Footage for Nearest 15 Neighbors

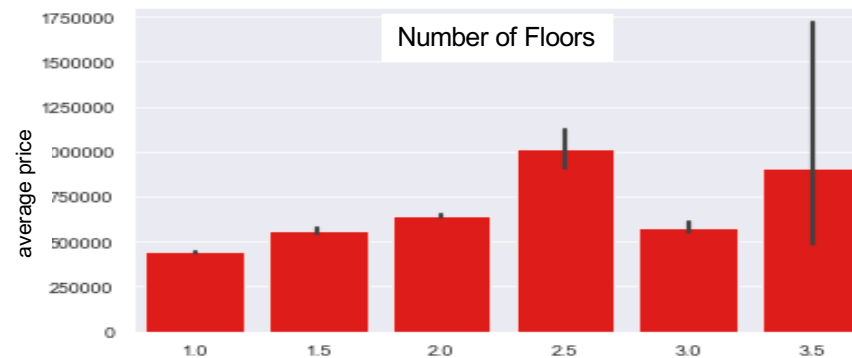
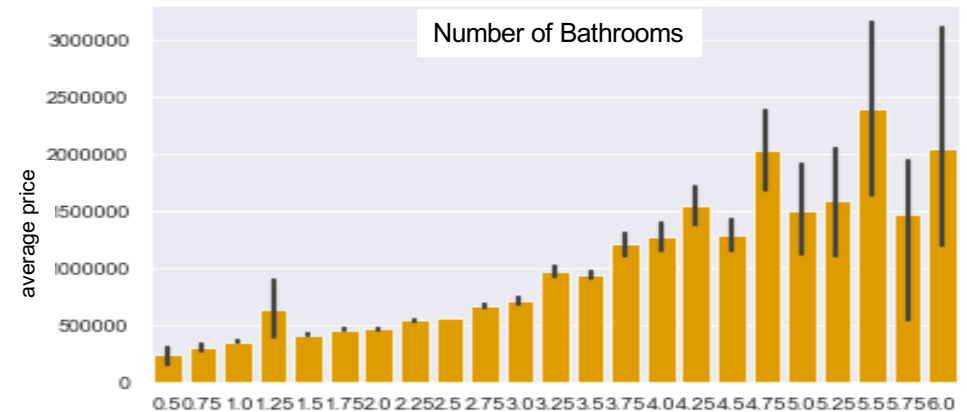
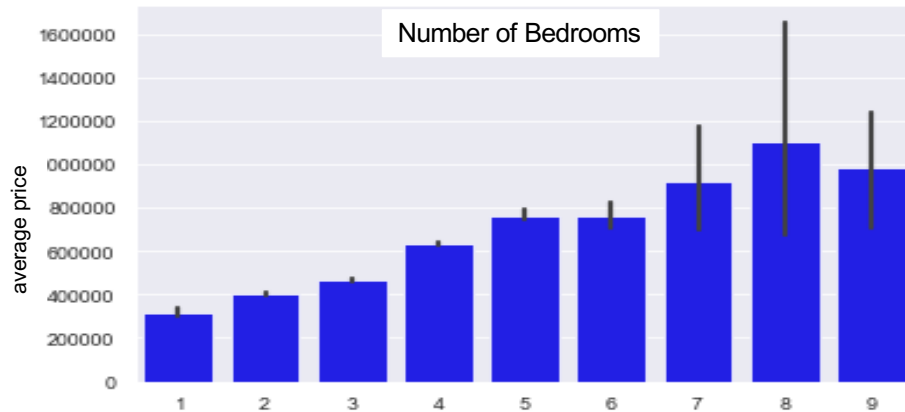


There is not much variation when considering the 15 nearest neighbors

Recommendations: Focus on homes with larger living square footage throughout the entire house, including the basement if one exists. Please note, the existence of a basement does not predict a higher price. The lot size is not a large predictor of price.

Price and Home Features

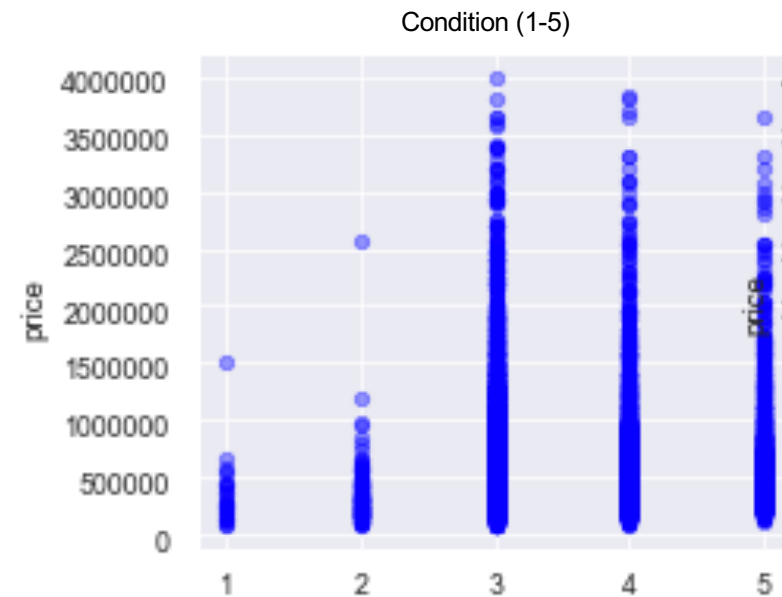
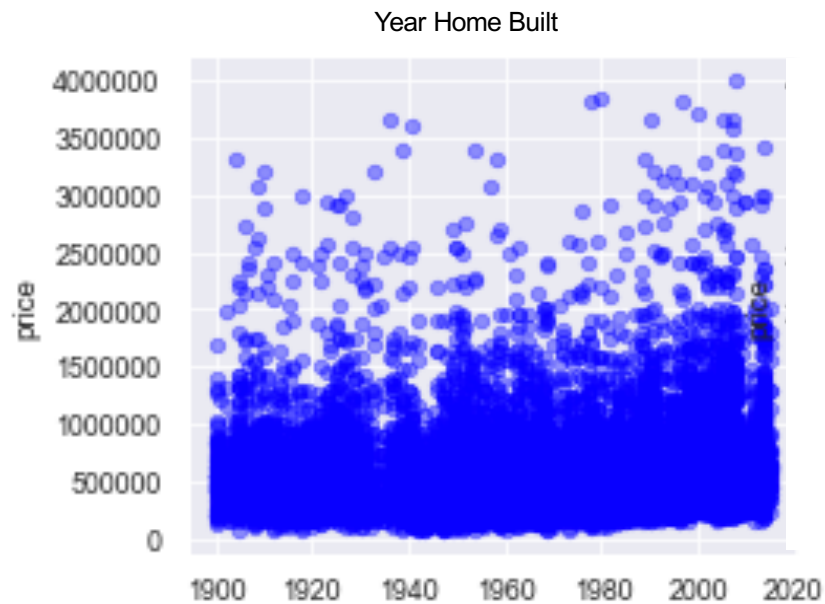
Home Size (*continued*)



Recommendations: Focus on homes with more bedrooms and bathrooms and 2.5 floors. Please note, the amount of floors within the home is not a large predictor of price.

Price and Home Features

Home Quality

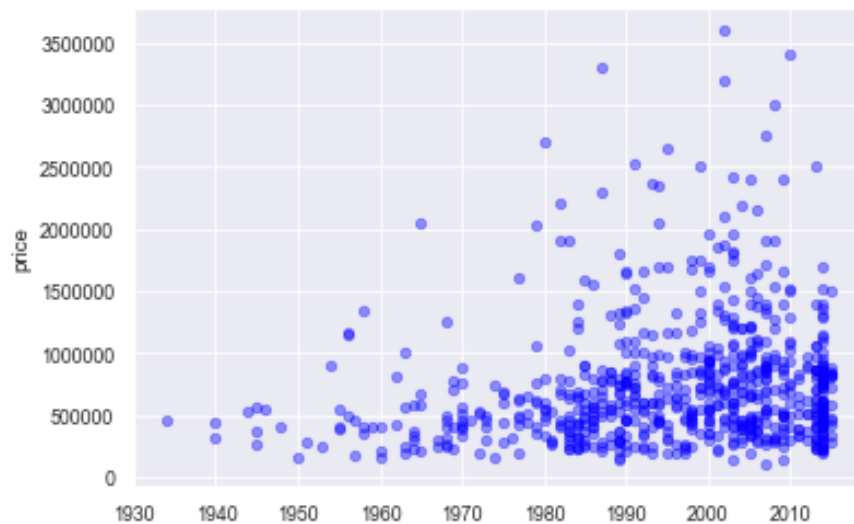


Recommendations: Focus on homes with an overall condition grade of 3-5. Please note, the year the home was built is not a large predictor of price.

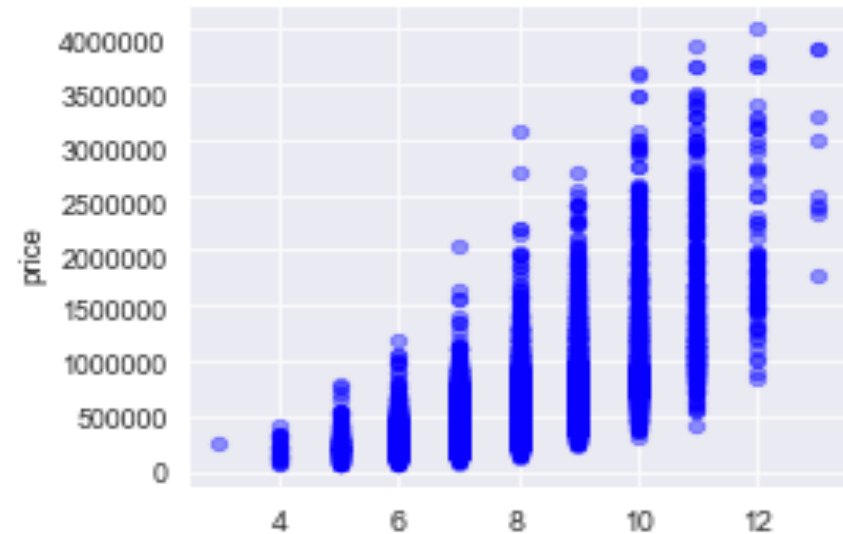
Price and Home Features

Home Quality (*continued*)

Year Home Renovated



Overall Home Grade* (3-13)

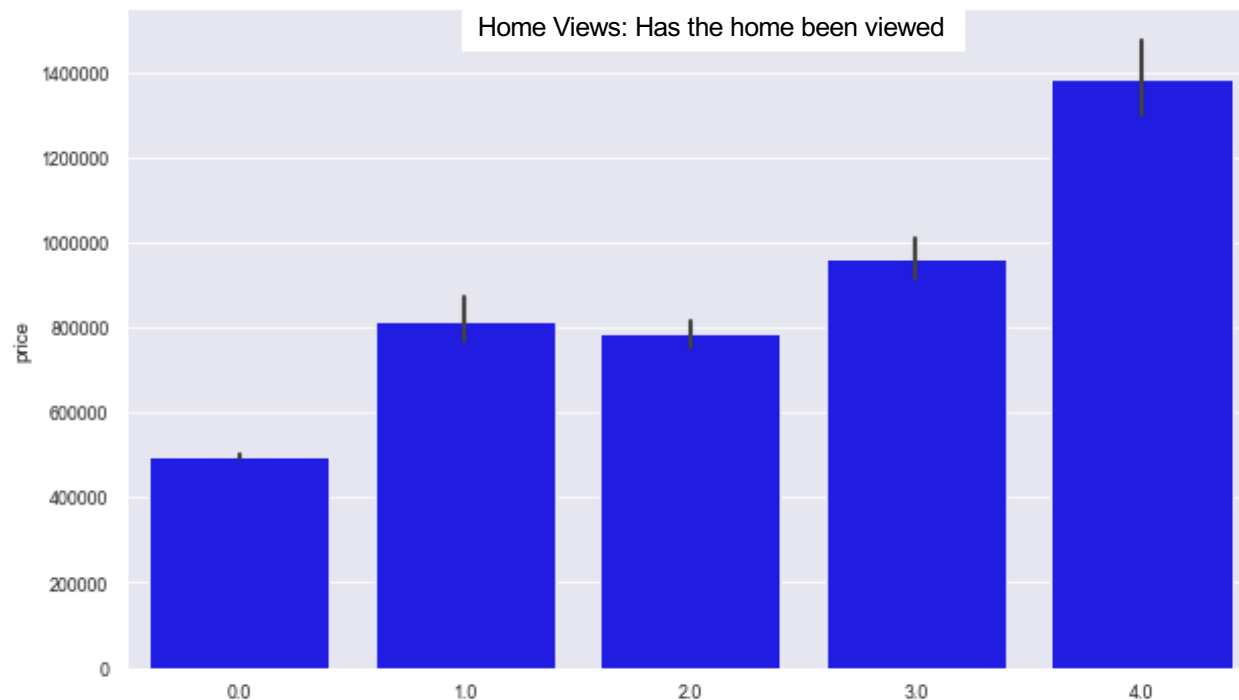


*Based on the King County Grading System

Recommendations: Focus on homes renovated after 1980, if renovated. However, please note is not a large predictor of price for a home to have been renovated. Additionally, focus on homes that have a higher King County Home Grade.

Price and Home Features

Home Views*

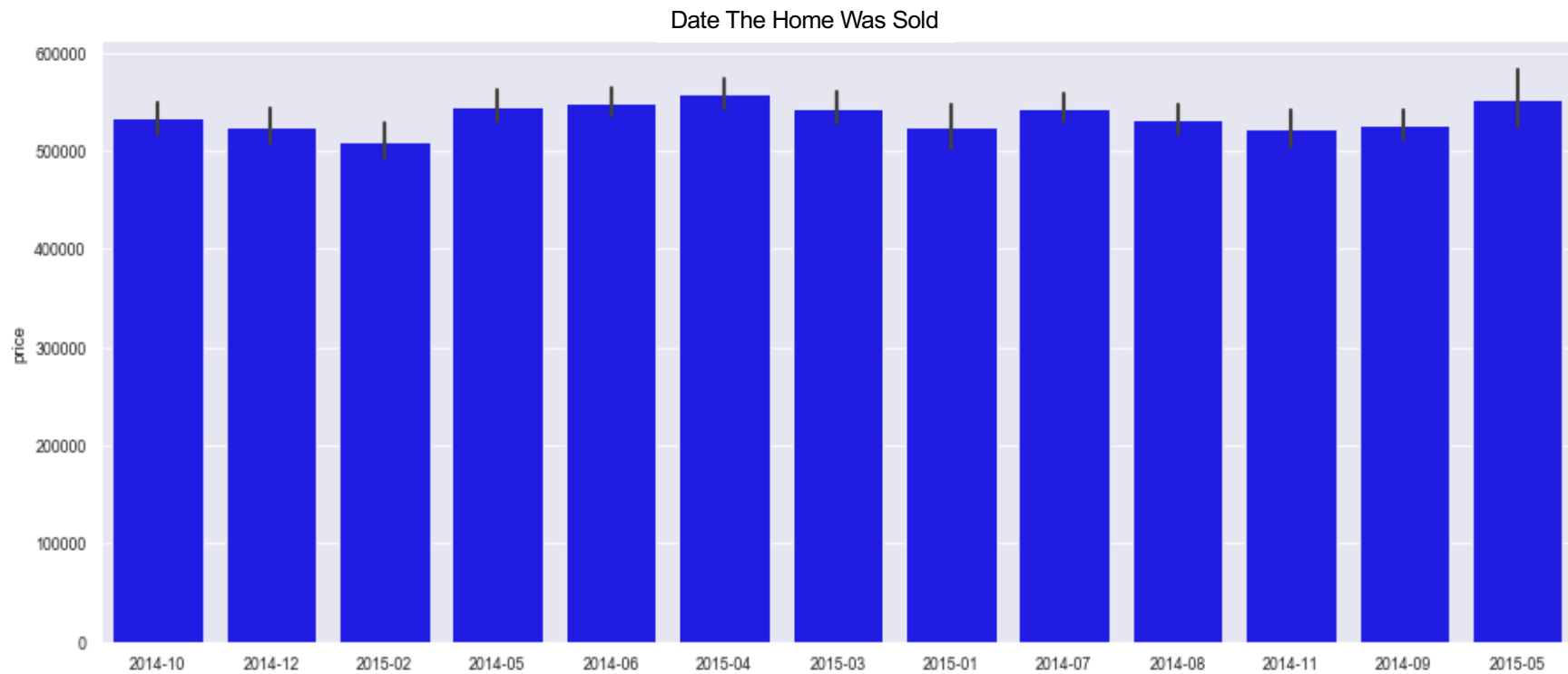


*Please note: the description of view describes the feature as "has been viewed". It is unclear if this means the house has been viewed only 0-4 times total, as this seems low, or if this stands for something else. We would need additional detail from KC to truly understand this feature and help advance our recommendations.

Recommendations: Focus on homes that have a view of 4.0.

Price and Home Features

Date Home Sold



Recommendations: Please note, the date a home was sold does not greatly influence the price.

Next Steps

Next Steps

- KC to provide additional detail to Aronson Consulting on the “View” feature
- KC to share recommendations and findings with sales staff
- KC to provide Aronson Consulting with additional features they would like to understand further as predictors of price after meeting with their sales staff
- Aronson Consulting to update findings after 6 months to determine if there have been any changes in the King County, Washington home sales market

Questions?

Thank You!