

Housing Options in King County

Customer: Eric Robinson

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Eric Robinson

Role: Socially Responsible Real Estate Investor

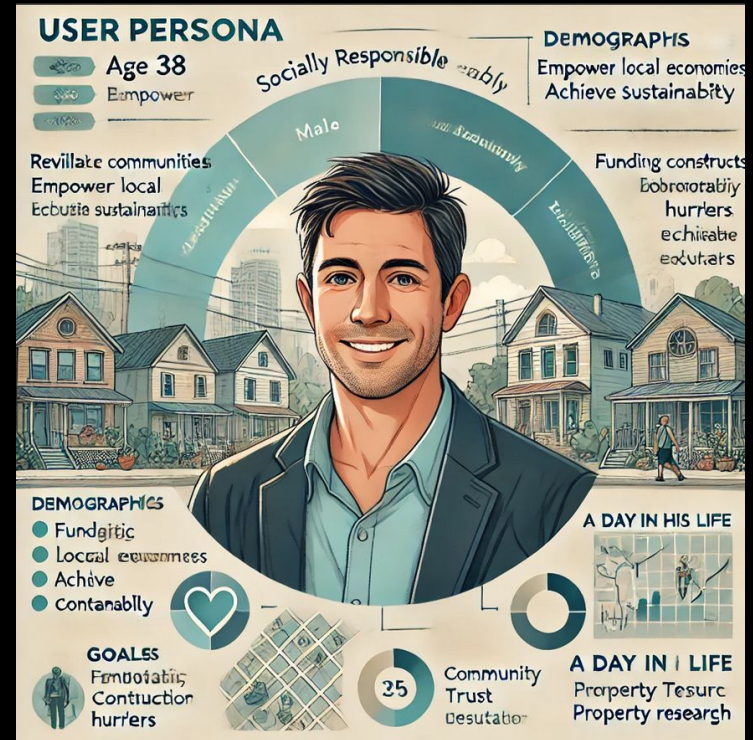
Overview: Erin invests in underserved neighborhoods, acquiring and rehabilitating neglected properties if needed to provide affordable housing and community spaces. He prioritizes covering costs with a small profit, ensuring long-term benefits for residents without causing displacement.

Goals: Revitalize communities, empower local economies, and promote equitable development.

Challenges: Balancing affordability with sustainability, navigating bureaucratic hurdles, and building trust with local residents.

Personality: Empathetic, pragmatic, resilient, and visionary, with a deep commitment to social impact over profit.

"Profit is important, but purpose is everything."



Goal: Identify Optimal Investment Opportunities

Identify undervalued properties in poor neighborhoods with high potential for resale value growth post-renovation.

General Considerations

1. Main living area (MLA)
2. Identify undervalued properties in poor neighborhoods with high potential for resale value growth post-renovation. → This presentation only covers the first part of the goal.
3. Target Seattle ([source](#))
 1. South Park
 2. International District
 3. Northgate
 4. Sand Point
 5. Pioneer Square
 6. Georgetown
 7. North Delridge
 8. Roxhill
 9. Rainier Beach
 10. South Delridge

Assumptions and Hypothesis

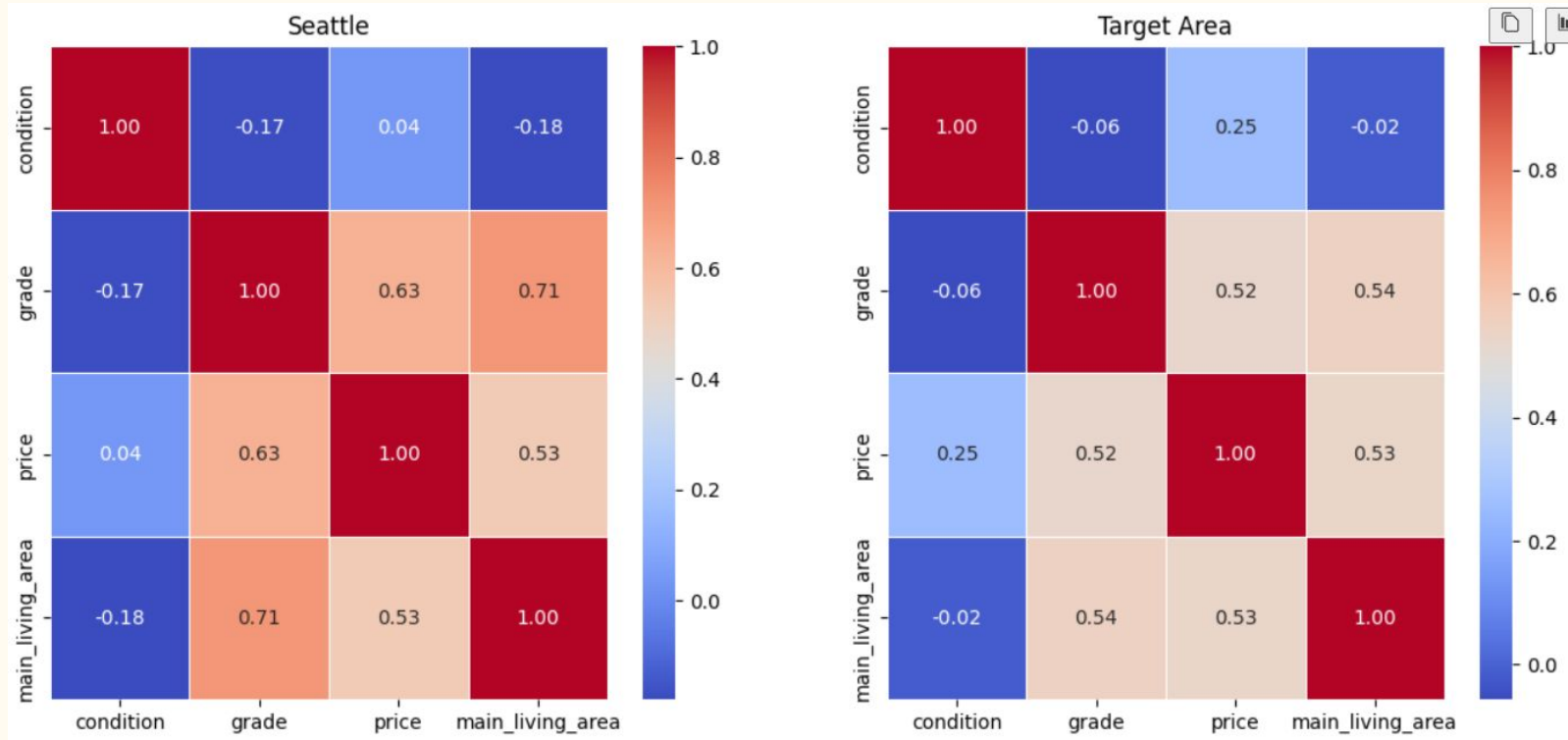
Assumption: The value of a property is defined by its condition, grade and main living area.

- H1 - The higher the condition, the higher the price
- H2 - The higher the grade, the higher the price
- H3 - The higher the main living area, the higher the price

Assumption: The value of a property increases after renovation

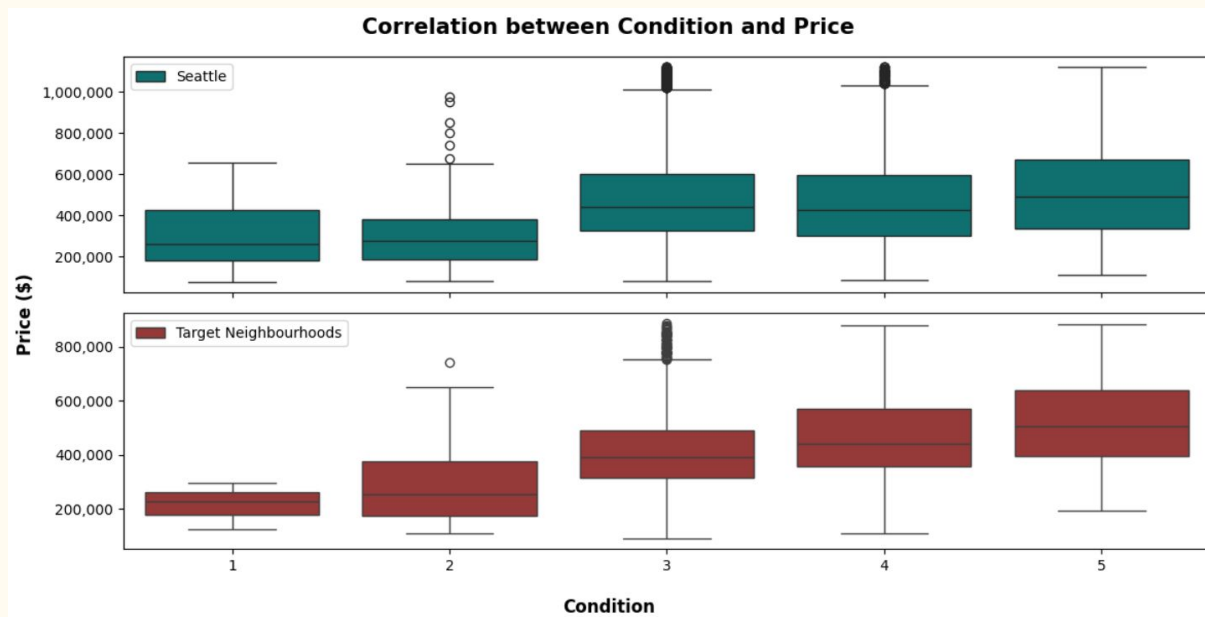
- H4 - Renovated houses are more valuable than those that are not renovated
- H5 - The later the renovation the higher the price

A: The value of a property is defined by its **condition**, **grade** and **main living area**.



Assumption: The value of a property is defined by its condition, grade and MLA

H1 - The higher the condition, the higher the price

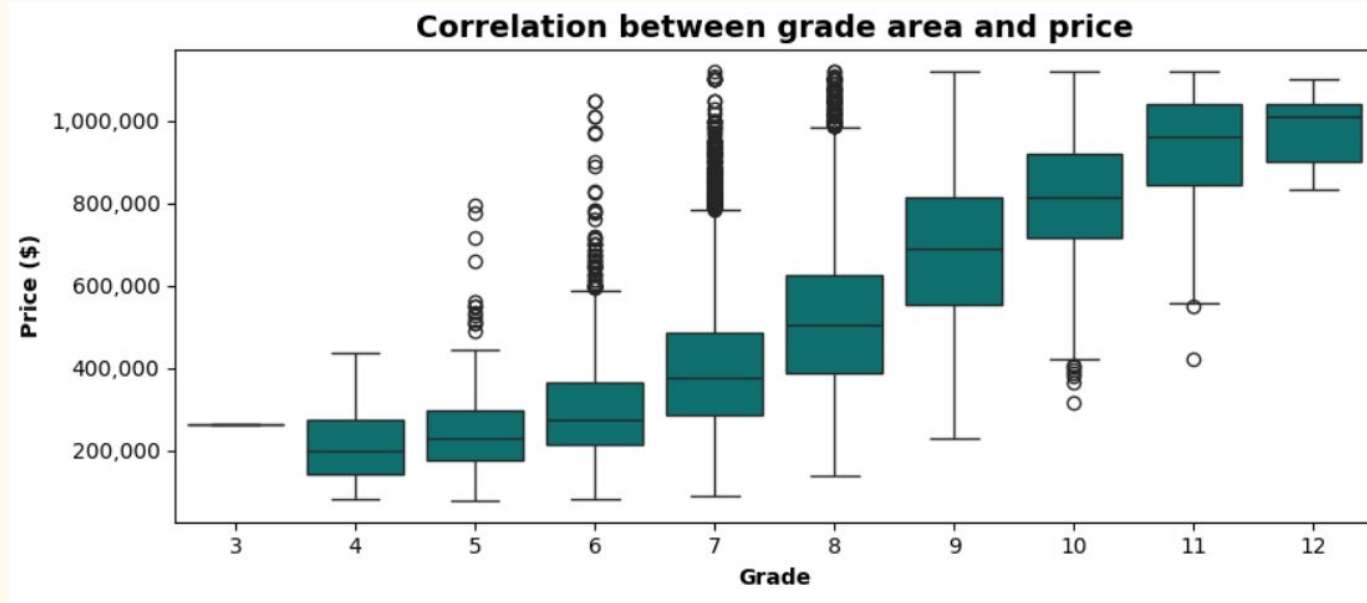


The original **hypothesis** is proved **wrong** but we can see that there is a higher correlation between the condition and the price within the target area.

Recommendation: use the condition for decision making only in certain cases but not as main factor for deciding.

Assumption: The value of a property is defined by its condition, grade and MLA

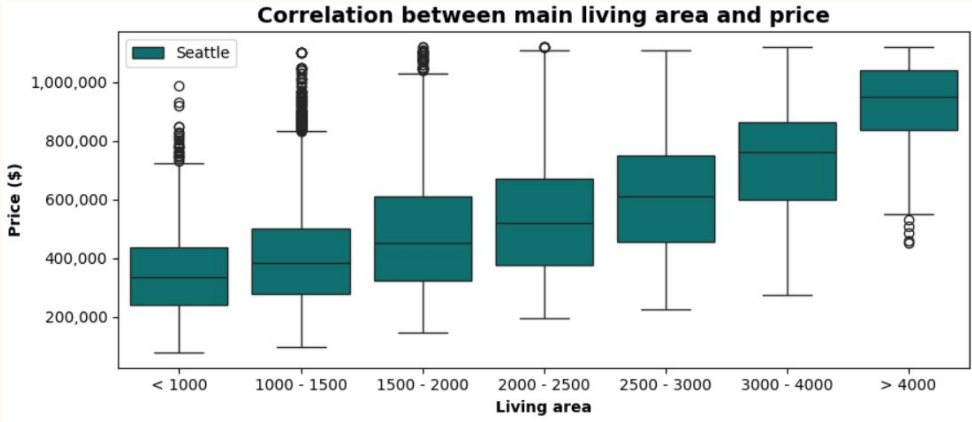
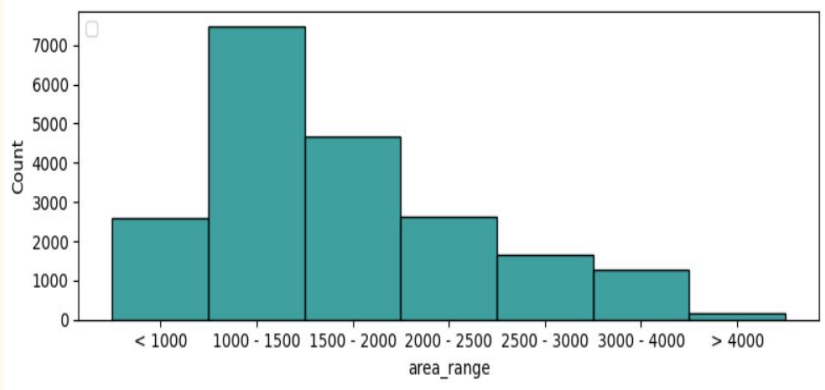
H2 - The higher the grade, the higher the price



The original **hypothesis** is proved **right**. The higher the grade, the higher the value. We have also checked this within the target area and the value stays.

Assumption: The value of a property is defined by its condition, grade and MLA

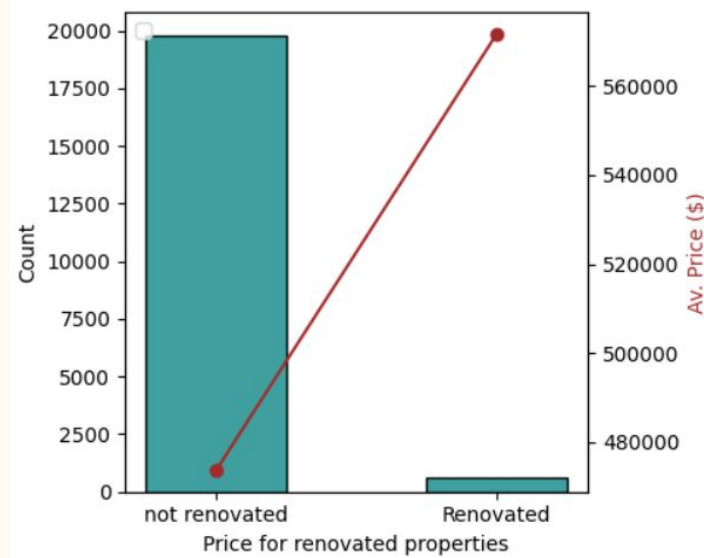
H3 - The higher the MLA the higher the price



The original **hypothesis** is proved **right**. The higher the living area, the higher the value.

Assumption: The value of a property increases after renovation

H4 - Renovated houses are more valuable than those that are not renovated

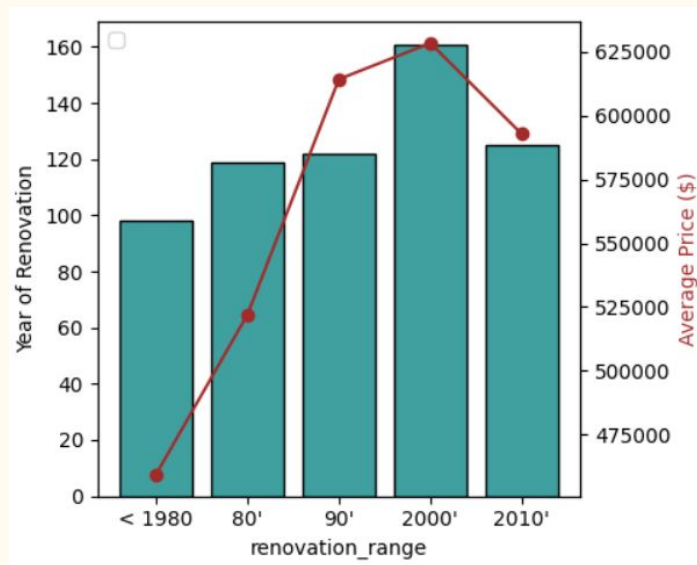


* not renovated includes properties where we lack info of renovation, but the amount of those is considered irrelevant for this case and won't alter the result

The original **hypothesis** is proved **right**. Renovated houses are more valuable than those that are not renovated

Assumption: The value of a property increases after renovation

H5 - The later the renovation the higher the price

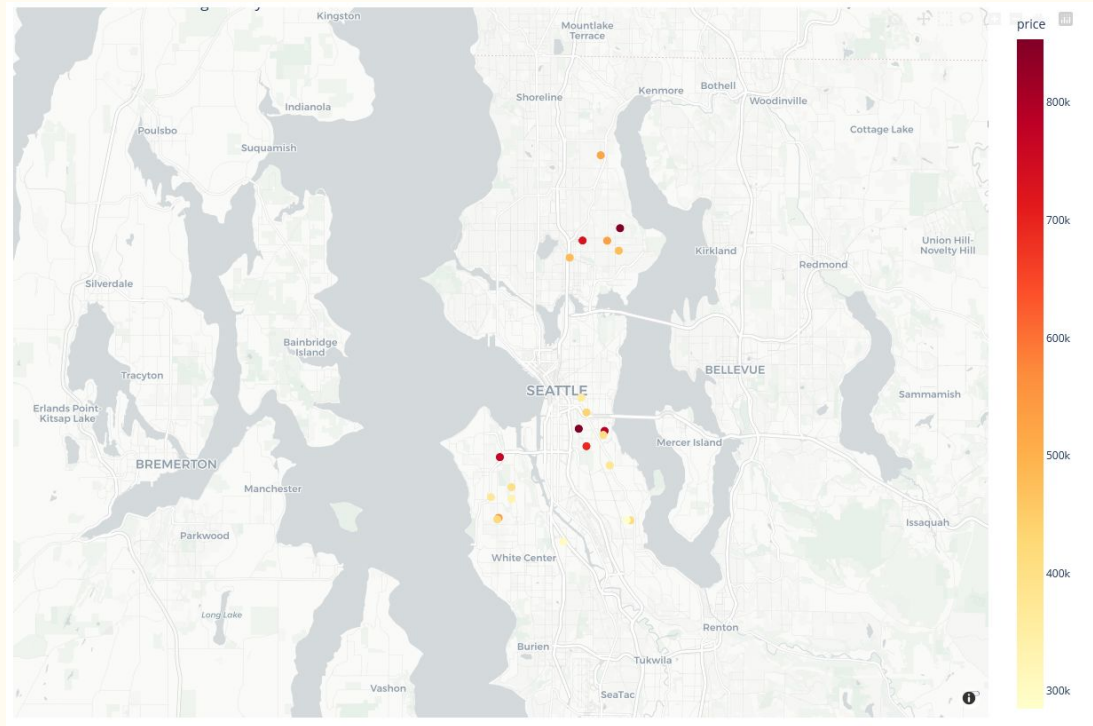


The original **hypothesis** is proved **wrong**. We cannot conclude that the later the renovation, the higher the price. This is only true for renovations before the 2000, but afterwards this tendency becomes blurry or even opposite (which sounds contradictory and I should reevaluate).

Recommendation: Look for already renovated properties independent of the year, but giving priority to those renovated after 2010, as prices seem to be lower (specially in target area)

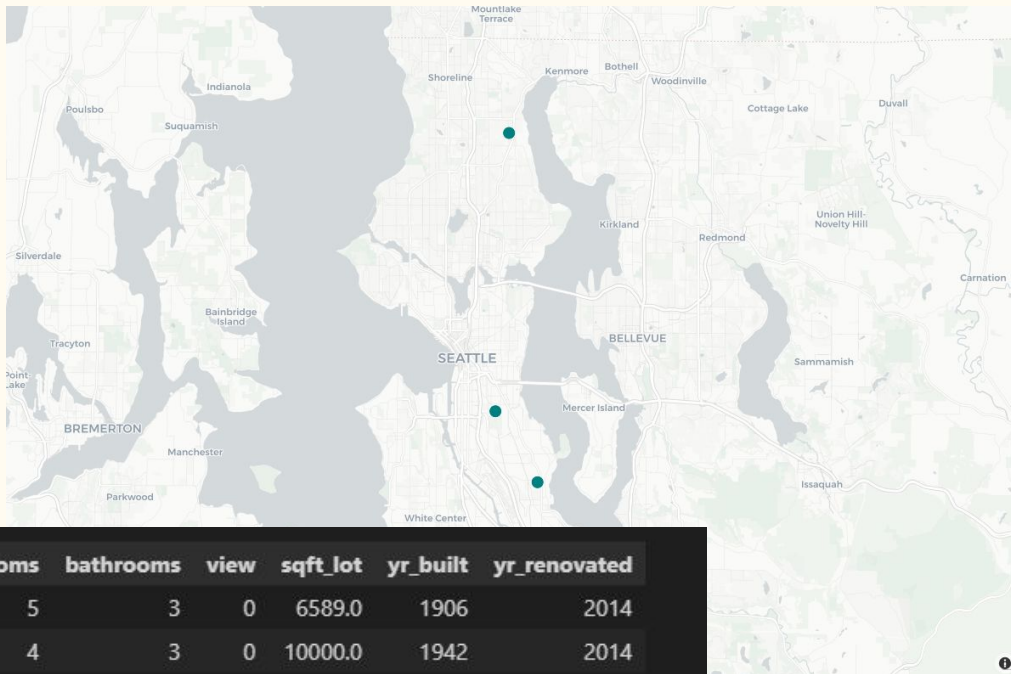
Option 1: Choose a high value property in the target area that you do not need to renovate

Here is the
preselection we made
for you (click here
see interactive map)



Option 1: Choose a high value property in the target area that you do not need to renovate

Our top 3



house_id	price	condition	grade	main_living_area	bedrooms	bathrooms	view	sqft_lot	yr_built	yr_renovated
2589300180	408000.0	3	7	2320.0	5	3	0	6589.0	1906	2014
1453600202	520000.0	3	8	2040.0	4	3	0	10000.0	1942	2014
8161600135	688000.0	3	8	1970.0	4	3	3	4000.0	1913	2014

Option 2: Choose a lower value property (lower grade)
that you need to renovate

Option 2: Choose a lower value property (lower grade)
that you need to renovate

Hire our premium services for knowing
more about this :)

Thank you
