

# The Flight from Rural Communities: How Wildfires are Impacting Real Estate in Northern California Cities



**Team Members -**  
Nathan Ashbaugh,  
Gary Grisham,  
Prashant Kapadia,  
& Matthew Quilay

# Data Sets

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## Zillow:

Single Family Homes by City

## California . Gov

Rural Areas by County

## Kaggle:

California Fire Incidents

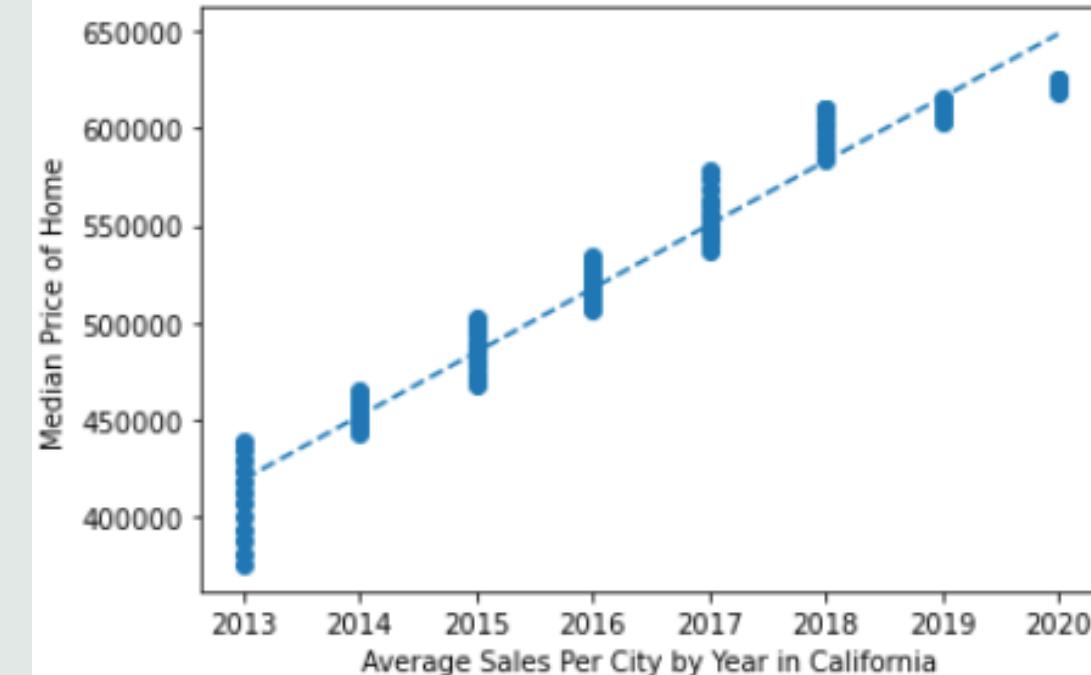
## Google Maps:

Latitude and Longitude for Zillow information

# Median Home Prices vs Acres Burned

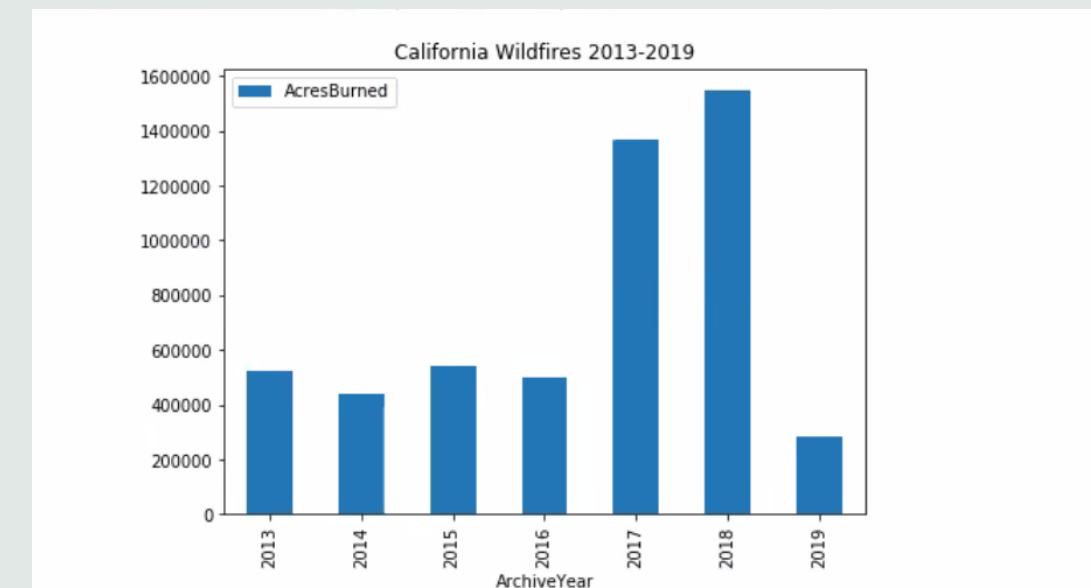
Have real estate values of cities near wildfire hotspots been significantly impacted by local rural communities? Are Californians leaving small towns in favor of cities due to wildfires?

Our model showed California prices were predicted to increase. While they do increase, they start to concentrate under \$650K representing a ceiling in the greater market beginning in 2018.

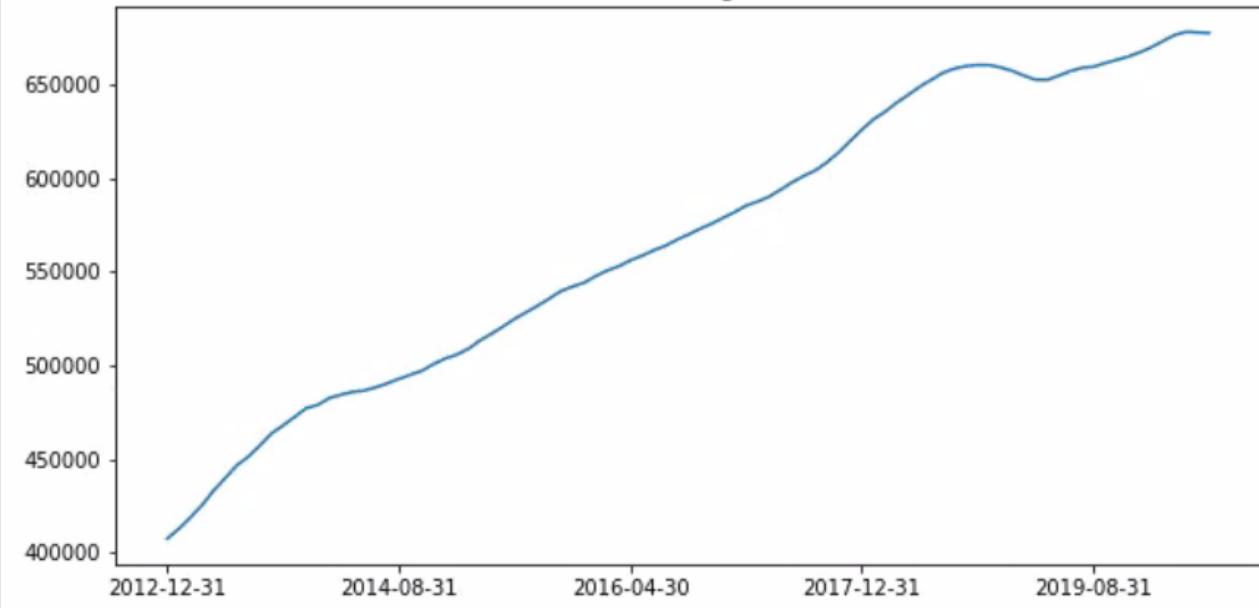


The linear regression predicts prices to increase in 2020

The correlation coefficient between median prices and average sales is 0.98



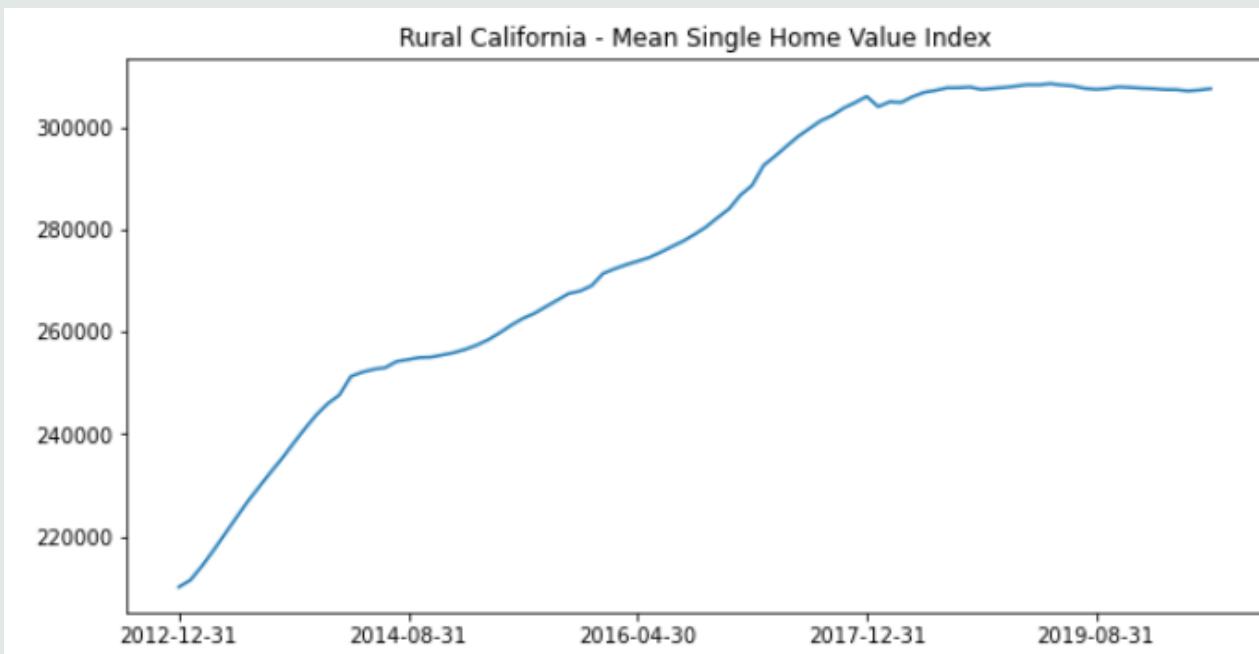
Metro California - Mean Single Home Value Index



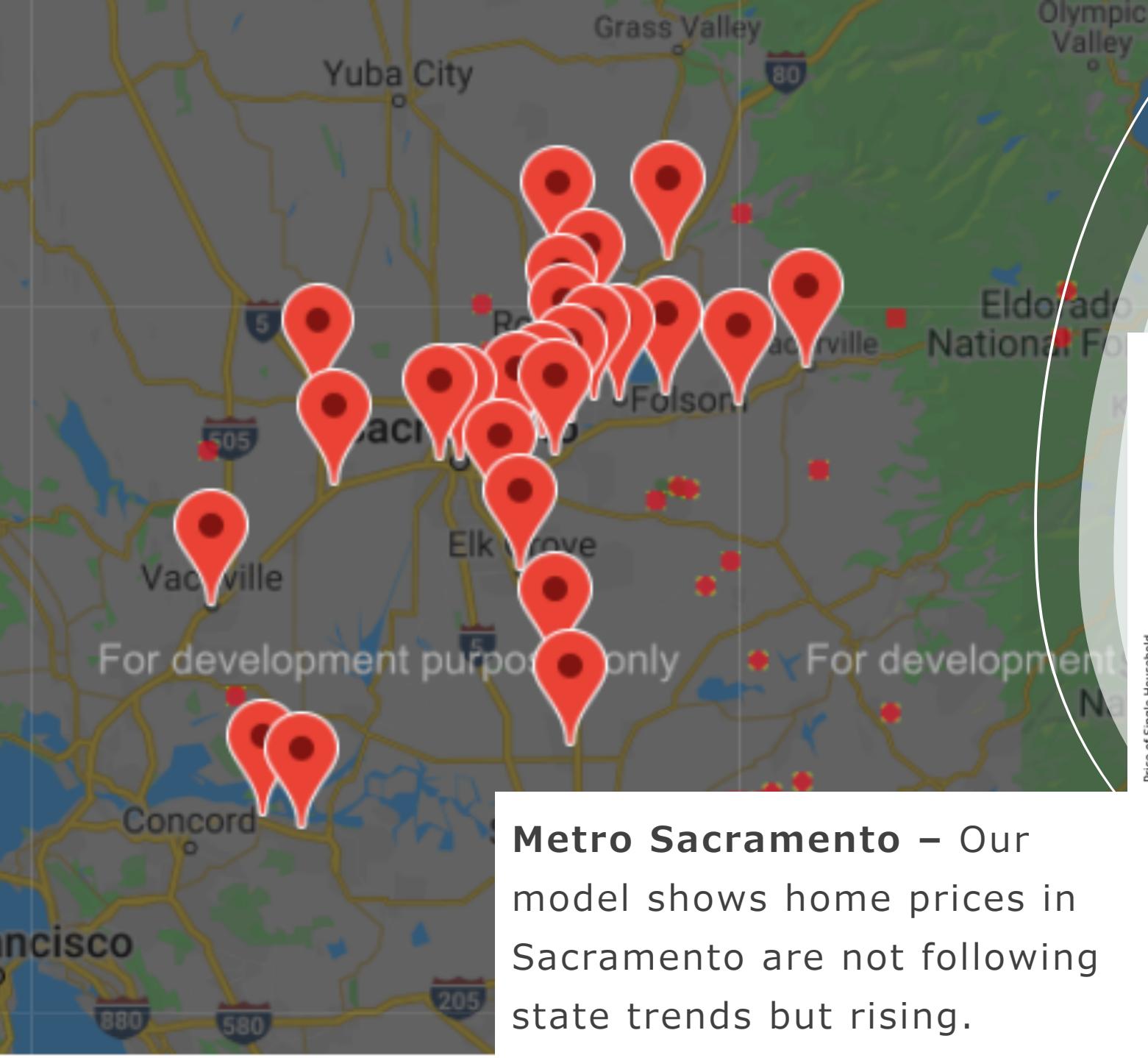
## Metro vs Rural

**Metro** – Metro prices out pace the greater California market showing an upward trend.

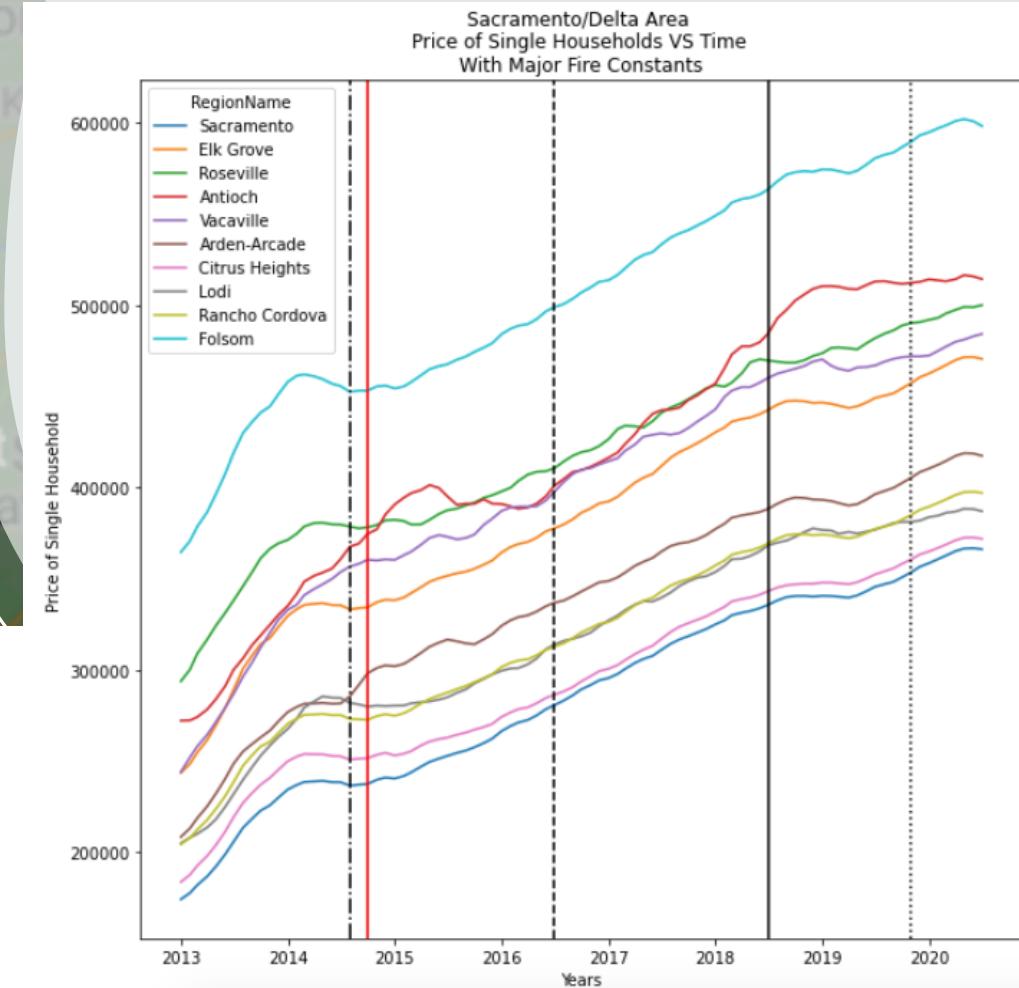
Rural California - Mean Single Home Value Index



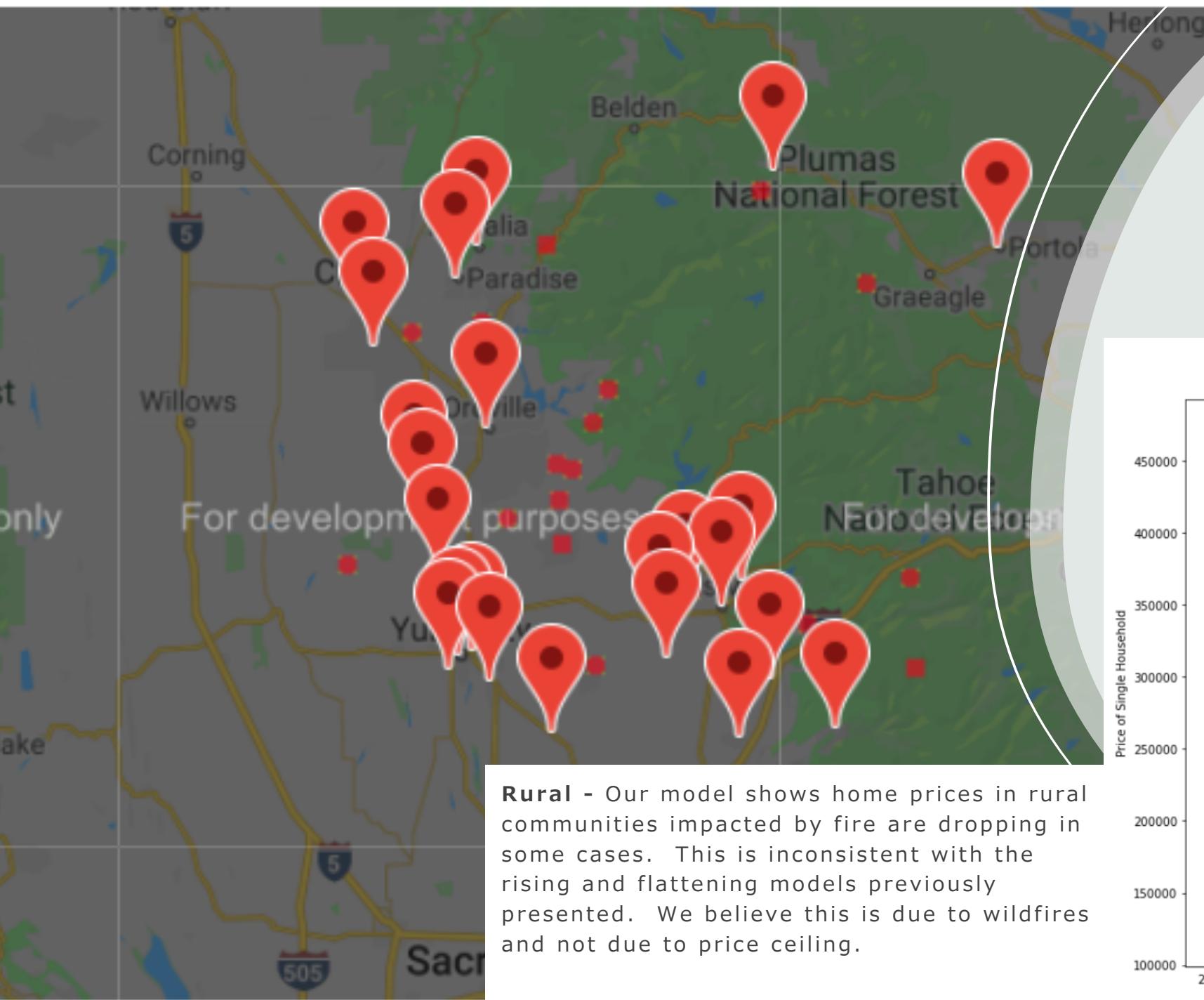
**Rural** – Rural models start to show a ceiling at \$300K as soon as 2017.



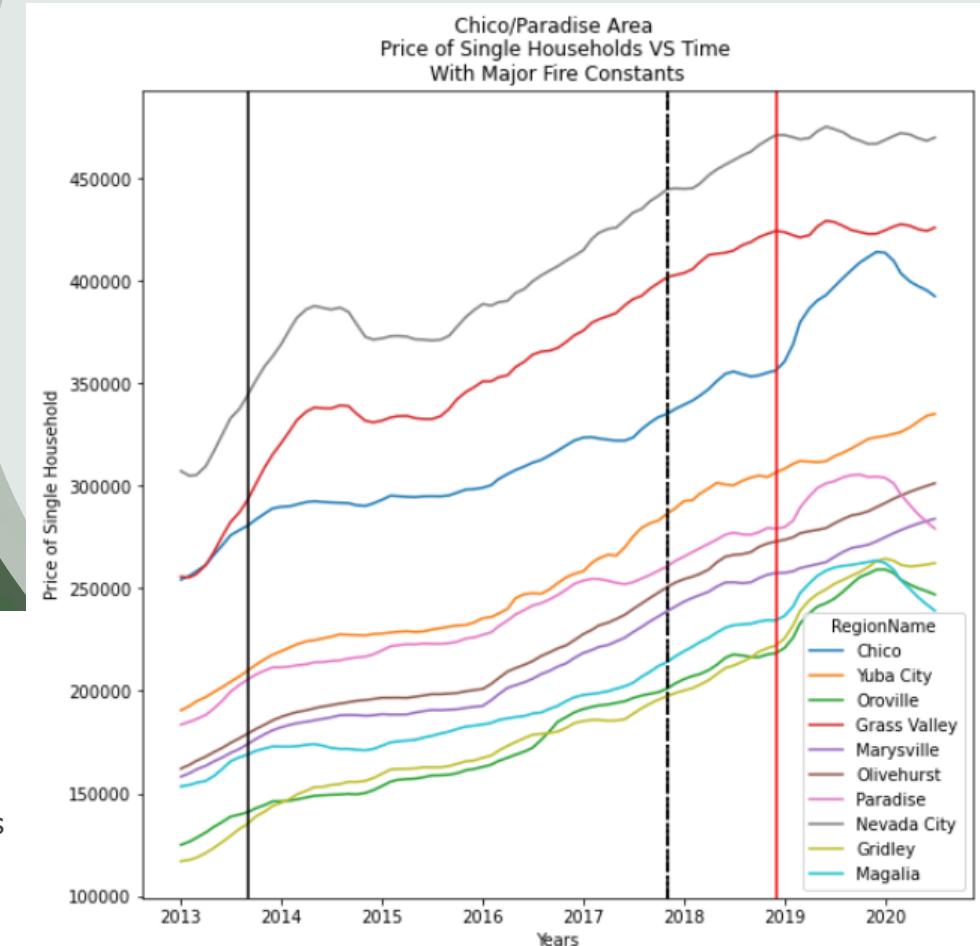
Fires in Northern California - Sacramento Area:	
Sand Fire -	2014-07-31
King Fire -	2014-09-30
Trailhead Fire -	2016-06-30
Waverly Fire -	2018-06-30
Caples Fire	2019-10-31

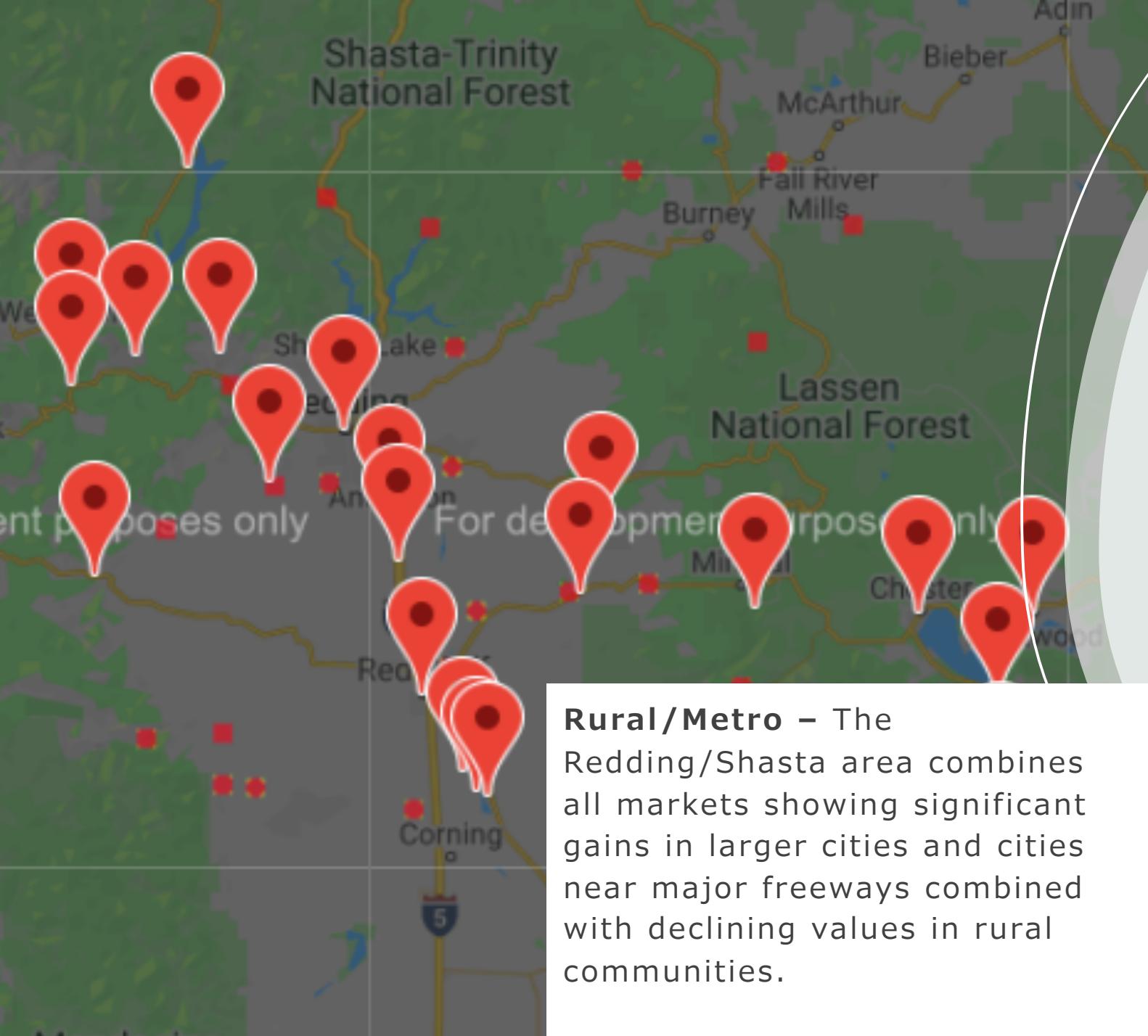


**Metro Sacramento** – Our model shows home prices in Sacramento are not following state trends but rising.

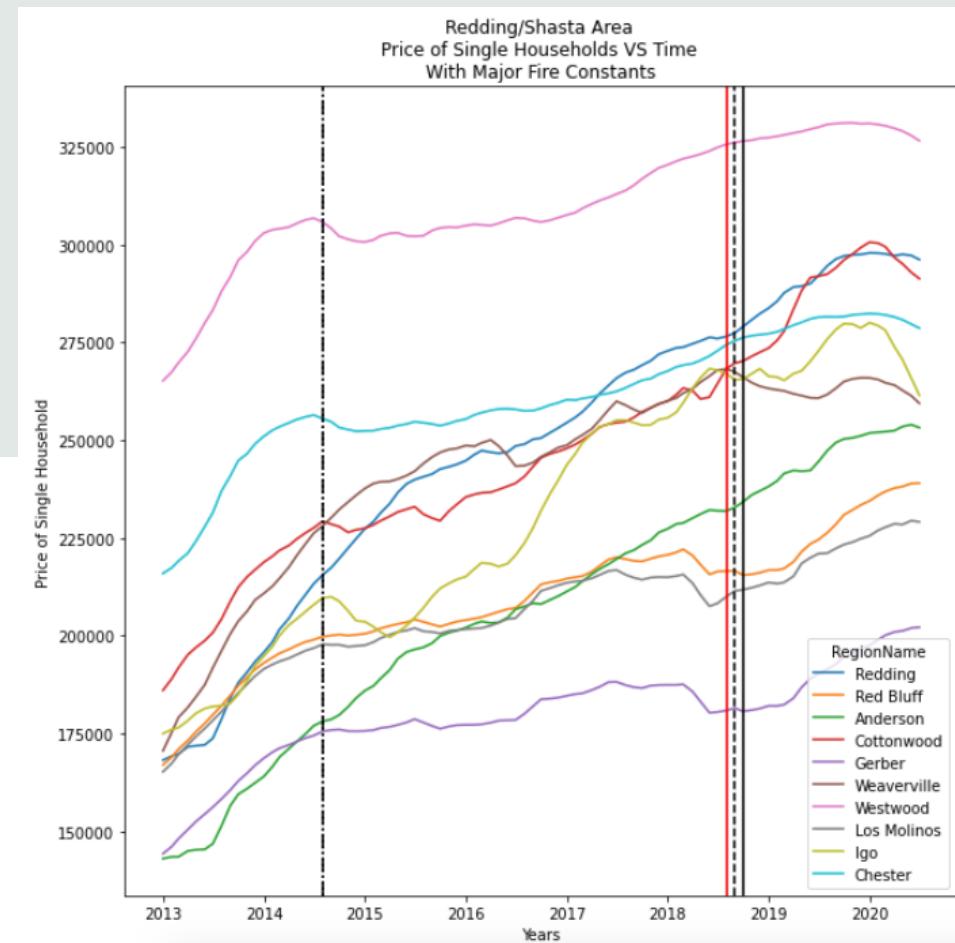


Fires in Northern California – Chico Paradise Area:	
American Fire	2013-08031
Cascade Fire	2017-10-31
Cherokee Fire	2017-10-31
LaPorte Fire	2017-10-31
Camp Fire	2018-11-30





Fires in Northern California – Redding/Shasta Area:	
Bald Fire	2014-07-31
Eiler Fire	2014-07-31
Carr Fire	2018-07-31
Hirz Fire	2018-08-31
Delta Fire	2018-09-30



# Findings:

Rural California housing markets are declining. There is a possible connection between wildfires. Our analysis indicates there is possible connection to wildfires impacting nearby cities along major freeways causing an accelerating trend in those markets which does not match the flattening market of overall California Real Estate.

Caution should be used when investing in real estate in small towns and property above the \$650K ceiling.