

Module 1 – Presentation

King's County Housing Prices

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Can we predict what a house will cost?

- Predictions of the future are impossible
- But it is possible to use our understanding of the past to model what we think the future might contain
- And the key is data!



How can we use data to predict housing prices in Kings County, WA?

- By analyzing the prices of recent home sales in Kings County, along with the different factors of the home, we can determine which factors matter and how much they mattered.
- As a result, we can look at home that is about to go on the market, see what factors it shares with past homes, and come to a reasoned conclusion as to what the price should be

Process Assurance



- First, we collect the data from a reliable source that stores this information
- Then, clean the data up by removing errors and incomplete information
- Next, we review the data to get a good understanding of the information that it is presenting to us



Process Assurance (continued)

- After that, we use tools at our disposal to model the data to help us determine the factors that matter
- Finally, we interpret our results and apply it to housing prices!



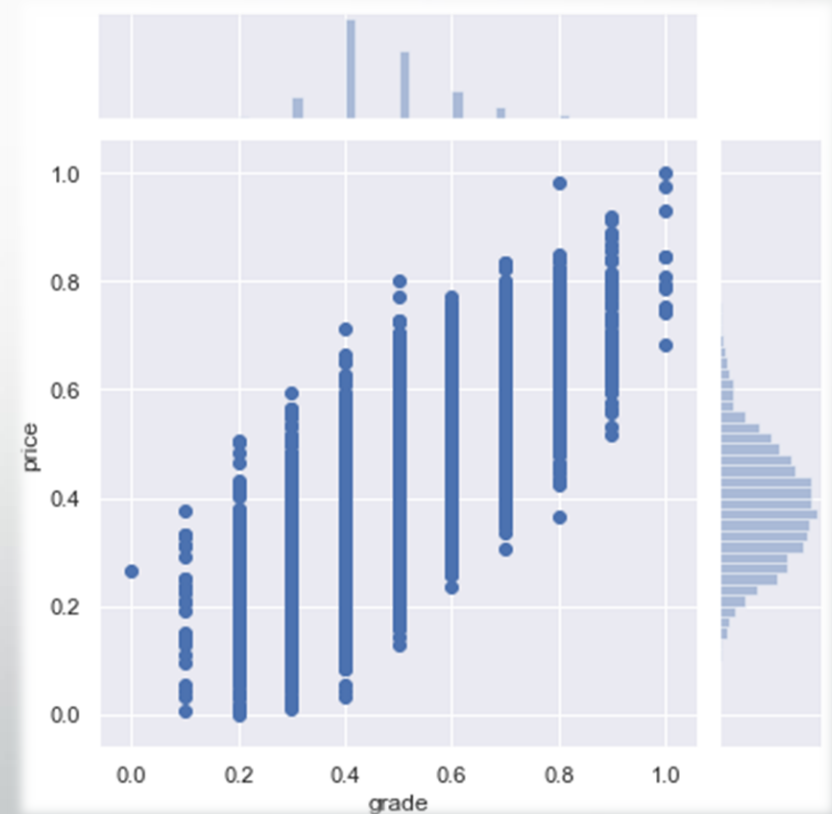
Results

- Our model can explain over 75% of the price of a house!

Results: factors that matter

Grade

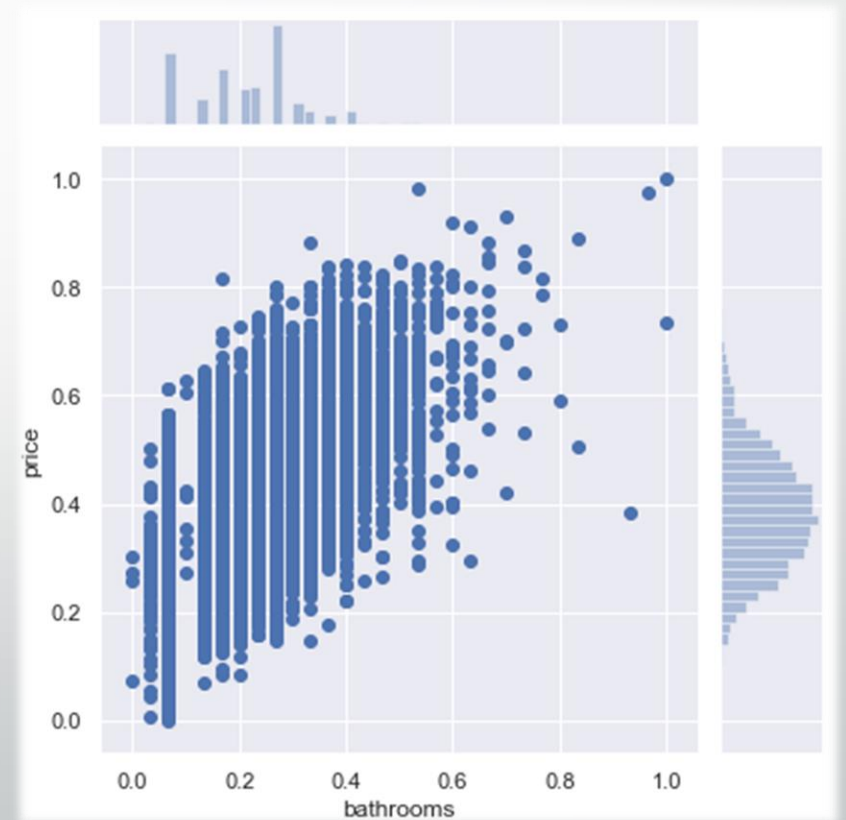
- the overall grade given to the housing unit (based on the Kings County grading system) has a major impact on price. An increase in the grade increases price by about 43%.
- In fact, it seems obvious from the graph that as the grade increases, so does the price



Results: factors that matter

Bathrooms

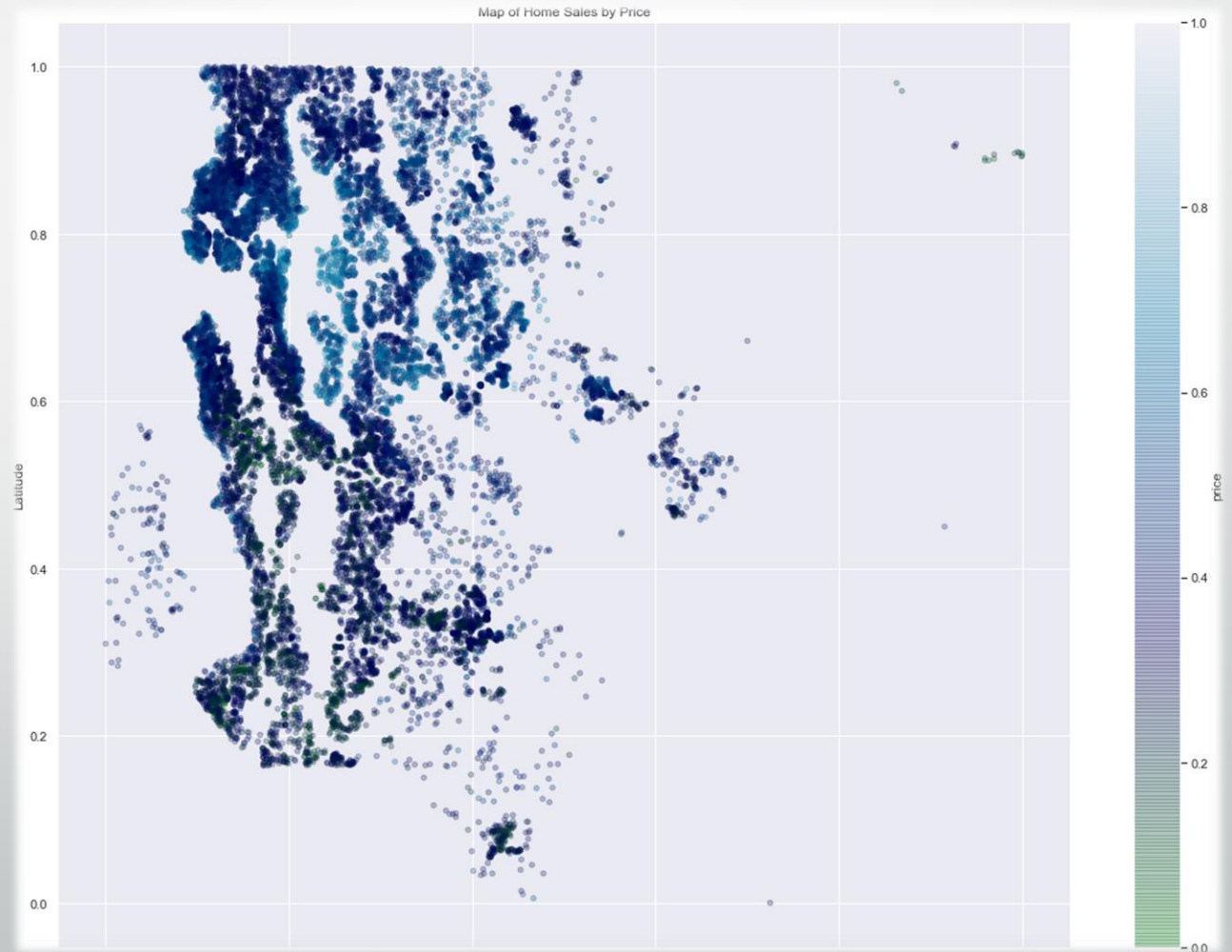
- The number of bathrooms affects the price of the house.
- For each extra bathroom in the house, the price increases by approximately 13%
- It is also clear from the graph that, as the number of bathrooms increases, so does the price (though the association is not as strong as with grade)



Results: factors that matter

Location!
Location!
Location!

- Obviously, certain neighborhoods (zipcodes) are more sought after than others.





Thank You!

- I appreciate your time and attention!
- Any questions?