KING COUNTY APPRAISAL ANALYSIS

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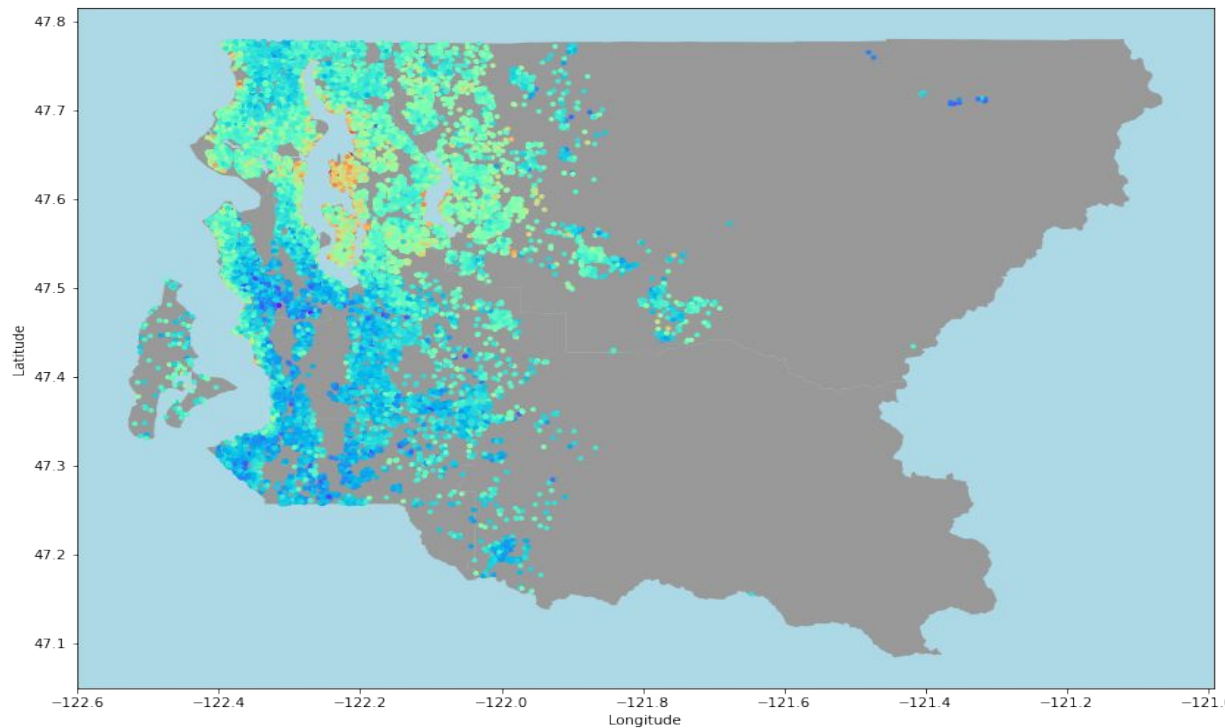Arthur Kim, Douglas Lu, Nate Walter, and Shane Mangold

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BUSINESS PROBLEM

Helping ACME Bank Create a Covid-Proof Appraisal

King County Price Heatmap

RECOMMENDATIONS - BEST 2 INDICATORS

LOCATION

SQUARE FOOTAGE OF LIVING SPACE

JUSTIFICATION FOR BEST 2 PREDICTORS

The model utilizes all 20 variables of the dataset

All else equal, the location data and square footage data had the greatest absolute impact per 1 unit increase

RESULTS

Best model's margin of error: $123,000

NOTABLE CONSTRAINTS

The model's margin of error is too large right now and we would not recommend deployment of the model on lower-priced homes yet

The model does not currently differentiate between small and medium-priced homes versus higher-priced homes

The model is tuned for King County dataset. Any predictions in other counties would require further re-tuning

NEXT STEPS

1. Run tests with additional data, whether still in King County for different years, or other counties nearby

2. Account for recent 2021 period and look into the impact from the COVID-19 pandemic

3. Identify any outlier homes that stand out compared to the average house

CONCLUSION

Our Best Model Predicts Pricing With Margin of Error of $123,000

Safely perform appraisals for your clients and prospects

Application of the model could potentially be applied to specific market segments to increase model performance

THANK YOU

Questions & Answers