KING COUNTY HOUSE PRICE ANALYSIS

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OVERVIEW AND BUSINESS UNDERSTANDING

The purpose of this project is to inform you the Real Estate Stakeholders what affects the values of homes in King County House Sale using a linear regression model.

King County House Price Data(2014-2015)

- 21,613 House Sales with 21 features

- Average House price:$540,000

- Average lot size: 21,000 Square feet

- Average Bedrooms: 3 -7

- Location: King County WA

- Model used : Linear Regression

BEDROOM

BATHROOM

WATERFRONT

SQUARE FEET LIVING

LONGITUDE AND LATITUDE

EXPLORATORY DATA ANALYSIS
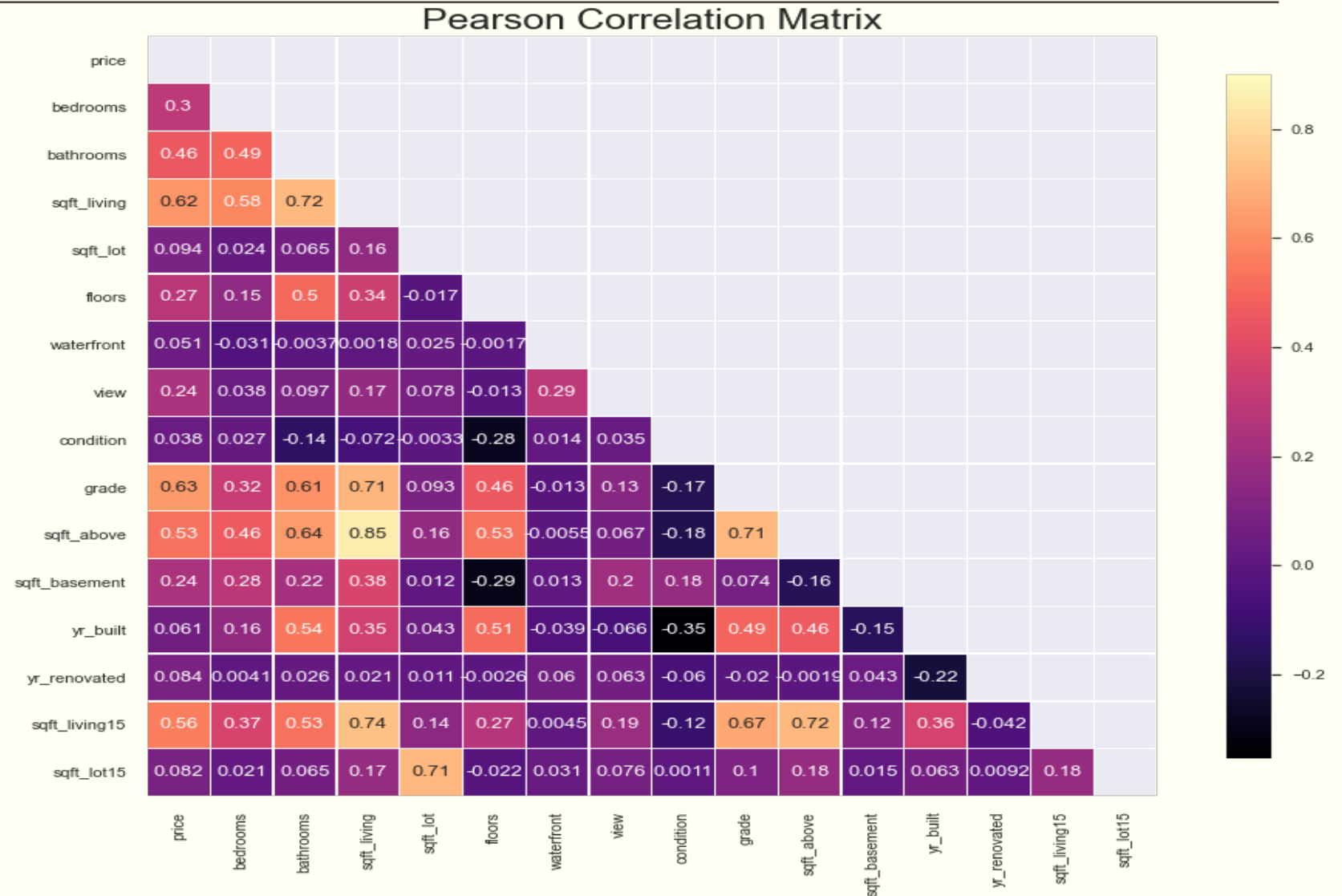
Factors to look at

- Does the latitude have any impact on house prices?

- Does the grade have any impact on house prices?

- Does the number of bathroom have any impact on house prices?

The most significant influence on house prices

- ✓ Waterfront

- ✓ Grade

- ✓ Square feet above

Pearson Correlation Matrix

Result

Looking at 3 coefficients, specifically, we can conclude from the final model that:

The latitude coefficient was $491,200 which means certain homes around some areas can have higher prices   than other areas.

A one increase in the number of bathrooms increase the sales price by $82,160

A one unit increase in building grading system increases the sale price by $87,690

- Our model predicts house price in King County WA with an accuracy of 0.697 , this show how well the model can explain changes in the prices of the homes

- The R^2 changed from 0.6776 to 0.697 in the final model .

Recommendation

The model's most significant features on with an impact on house price are as follows:

The latitude

The number of bathrooms

The King county grading system

NEXT STEP

Future work would need more insight into how zip code influenced house prices; are the number of houses in specific zip codes have higher sales prices?

THANK YOU

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