# King County House Sales

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### **Housing Sales**

- Predicting house prices from prior house sales
- Provided the King County
  House Sales Dataset
- Data from 2014-2015
- Over 19,000 house sales

#### **Data Snapshot**

- Bedrooms: 1 8
- Bathroom: .5 4.75
- Square Footage of Lot:
  - o 520 sqft 49,936 sqft
- Built Year: 1900-2015

#### **Features**

- id unique identified for a house
- dateDate house was sold
- pricePrice is prediction target
- bedroomsNumber of Bedrooms/House
- bathroomsNumber of bathrooms/bedrooms
- sqft\_livingsquare footage of the home
- sqft lotsquare footage of the lot
- floorsTotal floors (levels) in house
- waterfront House which has a view to a waterfront
- · view Has been viewed
- condition How good the condition is (Overall)
- grade overall grade given to the housing unit, based on King County grading system
- sqft\_above square footage of house apart from basement
- sqft\_basement square footage of the basement
- yr\_built Built Year
- yr\_renovated Year when house was renovated
- zipcode zip
- lat Latitude coordinate
- long Longitude coordinate
- sqft\_living15 The square footage of interior housing living space for the nearest 15 neighbors
- sqft\_lot15 The square footage of the land lots of the nearest 15 neighbors

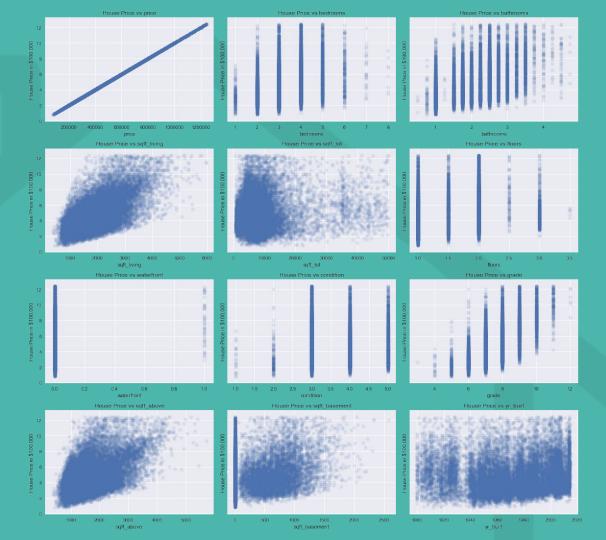
#### **Feature Correlation**

price	1	0.63	0.64	0.53	0.57	0.46	0.068	0.27	0.27	1.0
sqft_living	0.63	1	0.71	0.85	0.75	0.72	-0.0004	0.34	0.18	0.8
grade	0.64	0.71	1	0.71	0.68	0.62	-0.0059	0.46	0.15	
sqft_above	0.53	0.85	0.71	1	0.73	0.64	-0.012	0.53	0.072	0.6
sqft_living15	0.57	0.75	0.68	0.73	1	0.54	0.008	0.27	0.2	
bathrooms	0.46	0.72	0.62	0.64	0.54	1	-0.0046	0.51	0.1	0.4
waterfront	0.068	-0.0004	-0.0059	-0.012	0.008	-0.0046	1	-0.0033	0.29	14:30
floors	0.27	0.34	0.46	0.53	0.27	0.51	-0.0033	1	-0.0098	0.2
view	0.27	0.18	0.15	0.072	0.2	0.1	0.29	-0.0098	1	0.0
, ,	price	sqft_living	grade	sqff_above	sqft_living15	bathrooms	waterfront	floors	WeW	

## Continuous vs Categorical

- Continouous:
  - Price, Sqft features
- Categorical:
  - Bedrooms, bathrooms, floors, conditions, grade, and waterfront

#### Linearity



#### **Initial Modeling**

Train Mean Squared Error: 18734722588.94 Test Mean Squared Error: 18450854084.6

R Squared: 0.612

Mean Absolute Error: 104553.88

Root Mean Squared Error: 135833.92

Average Predicted Price: 480476.9

Average Actual Price: 480593.35

Difference: -116.45

#### **OLS Regression Results**

Dep. Variable:	price	R-squared:	0.613
Model:	OLS	Adj. R-squared:	0.612
Method:	Least Squares	Least Squares F-statistic:	
Date:	Wed, 04 Nov 2020	Prob (F-statistic):	0.00
Time:	12:58:45	Log-Likelihood:	-2.6278e+05
No. Observations:	19842	AIC:	5.257e+05
Df Residuals:	19790	BIC:	5.261e+05
Df Model:	51		
Covariance Type:	nonrobust		

Train Mean Squared Error: 18734760468.99 Test Mean Squared Error: 18451757113.48

R Squared: 0.612

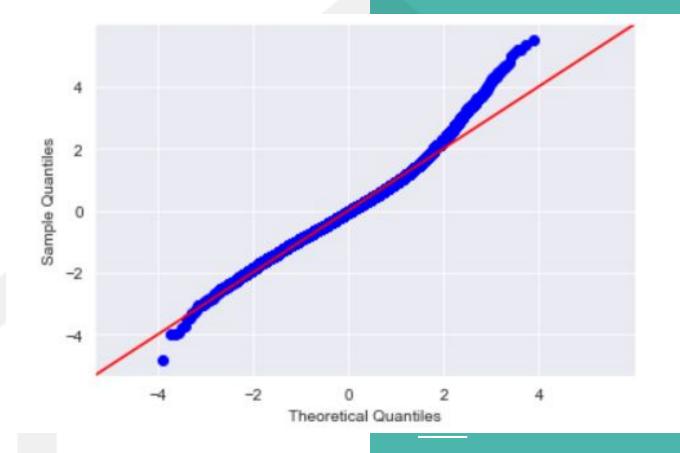
Mean Absolute Error: 104551.05

Root Mean Squared Error 135837.24 Average Predicted Price: 480481.55 Average Actual Price: 480593.35

Difference: -111.8

OLS Regression Results

0.613	R-squared:	price	Dep. Variable:
0.612	Adj. R-squared:	OLS	Model:
626.0	F-statistic:	Least Squares	Method:
0.00	Prob (F-statistic):	Wed, 04 Nov 2020	Date:
-2.6278e+05	Log-Likelihood:	14:03:05	Time:
5.257e+05	AIC:	19842	No. Observations:
5.261e+05	BIC:	19791	Df Residuals:
		50	Df Model:
		nonrobust	Covariance Type:



#### **Next Steps**

- Look deeper into the location
- How location affects price
- Zipcodes
  - But also the longitude and latitude that was provided

#### Thank you!





