

The (Conditional) Cost of Quality

A review of Ames, Iowa House Pricing Data 2010

by Rajan Davis

Newer sells more often
(but not always for more)

Sum of Sales Price by Year Built

Total of Sales Price (in millions)

26M -

24M -

22M -

20M -

18M -

16M -

14M -

12M -

10M -

8M -

6M -

4M -

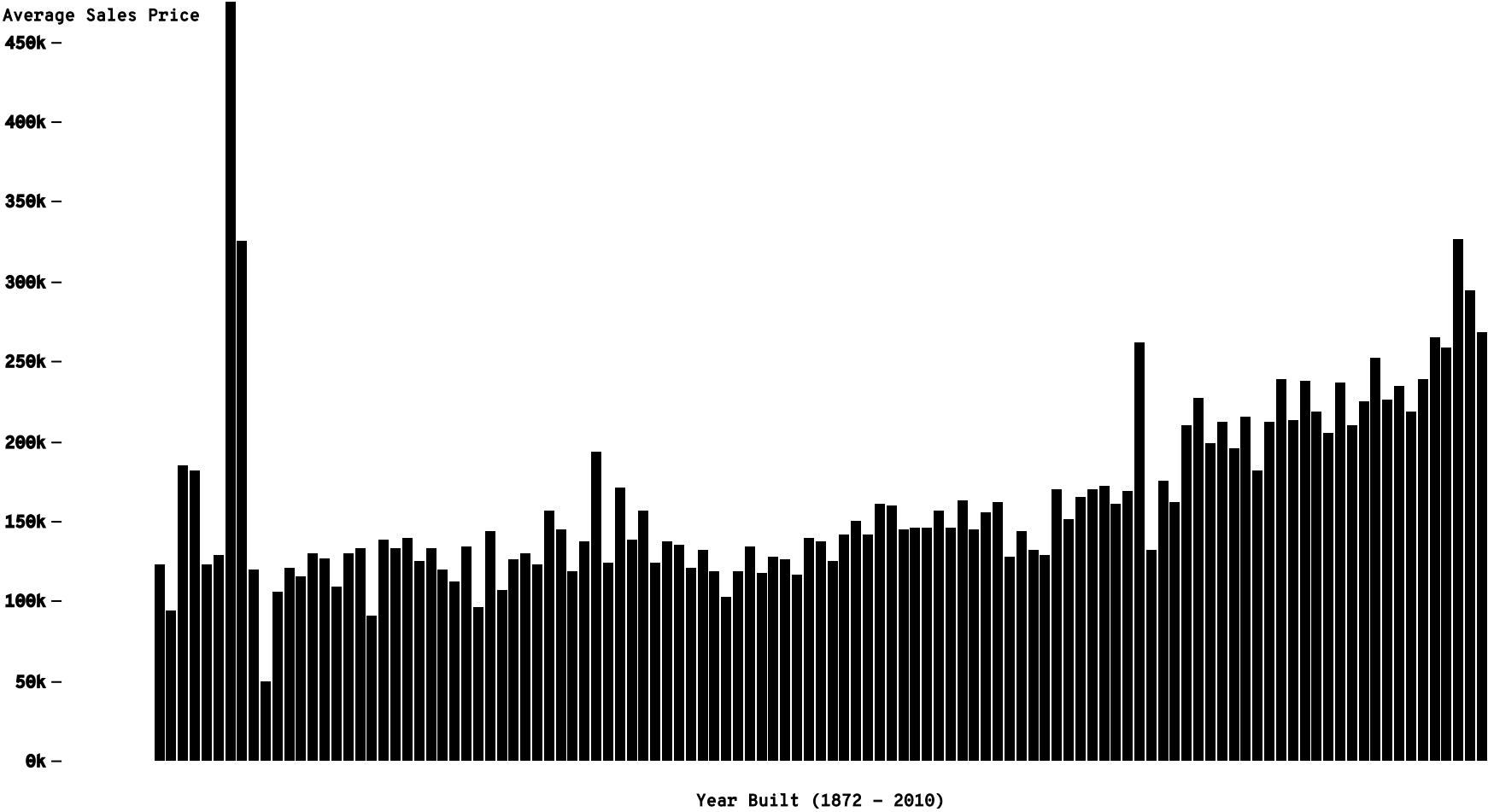
2M -

0M -

Year Built (1872 - 2010)

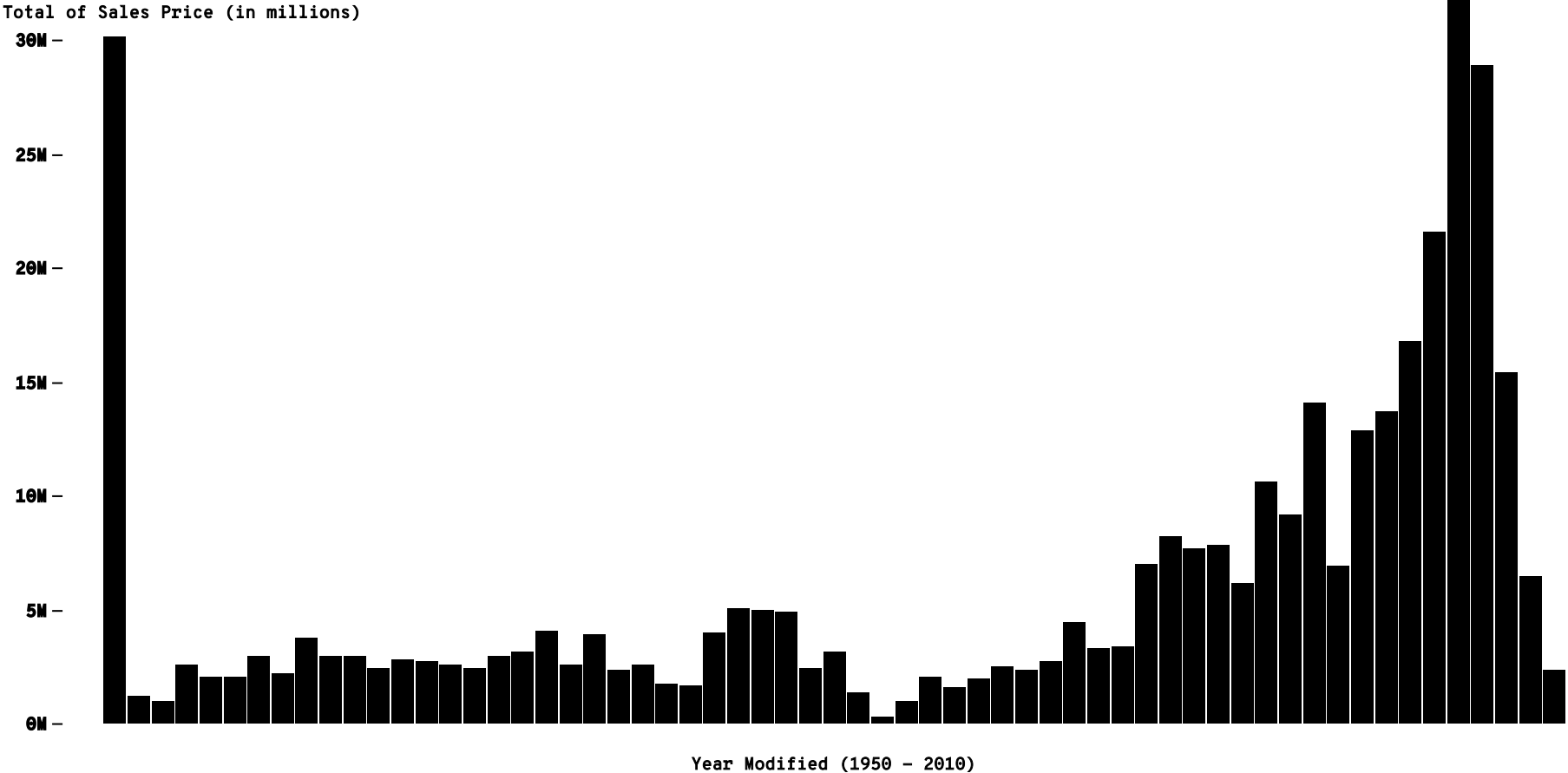


Average Sales Price by Year Built

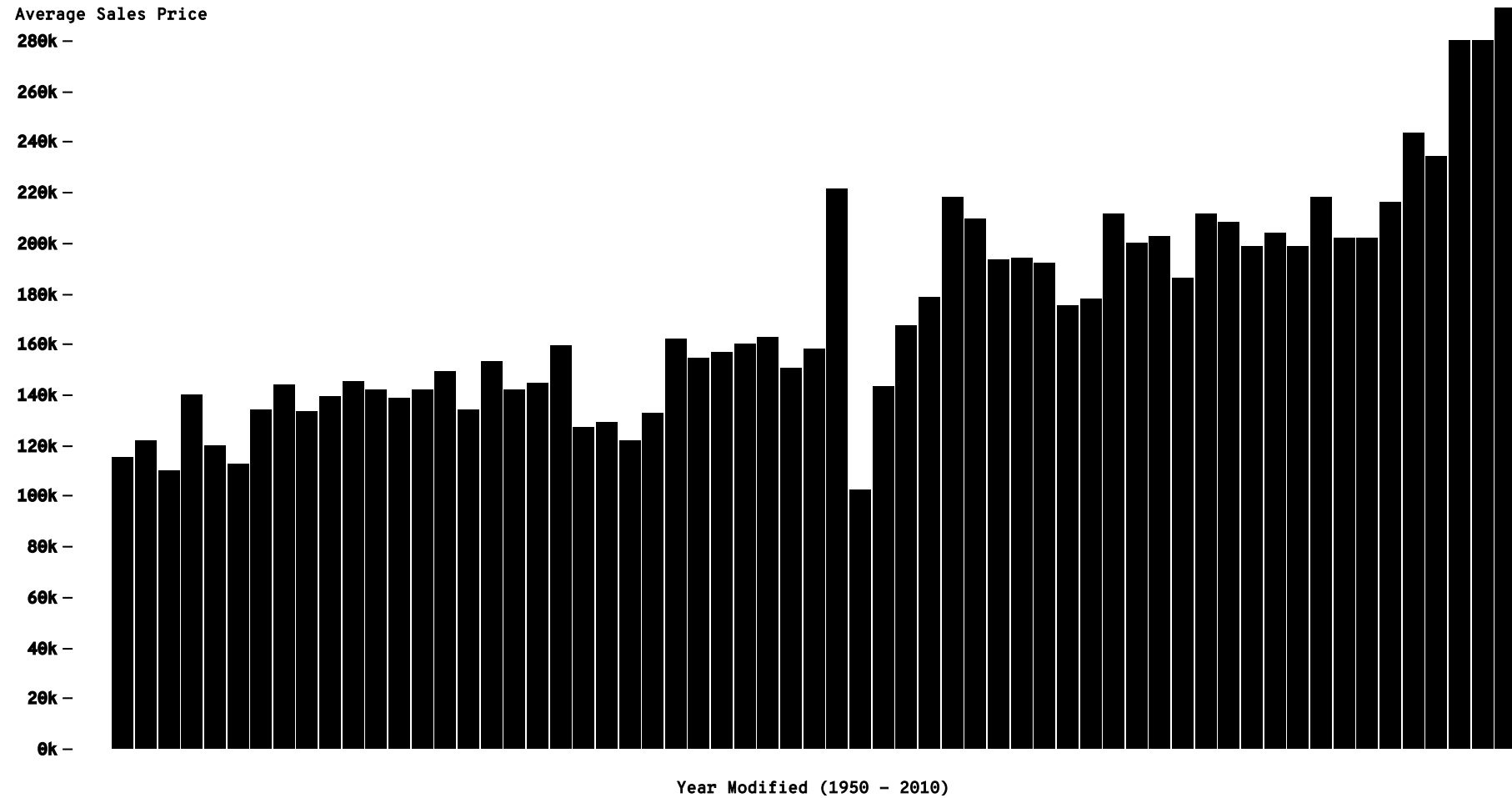


Modifications help raise prices
(especially in 1950)

Sum of Sales Price by Year Modded/Added



Average Sales Price by Year Modded/Added



House sales are slow
(but the price is locked in)

Sum of Sales Price by Year Sold

Total of Sales Price (in millions)

90M -

80M -

70M -

60M -

50M -

40M -

30M -

20M -

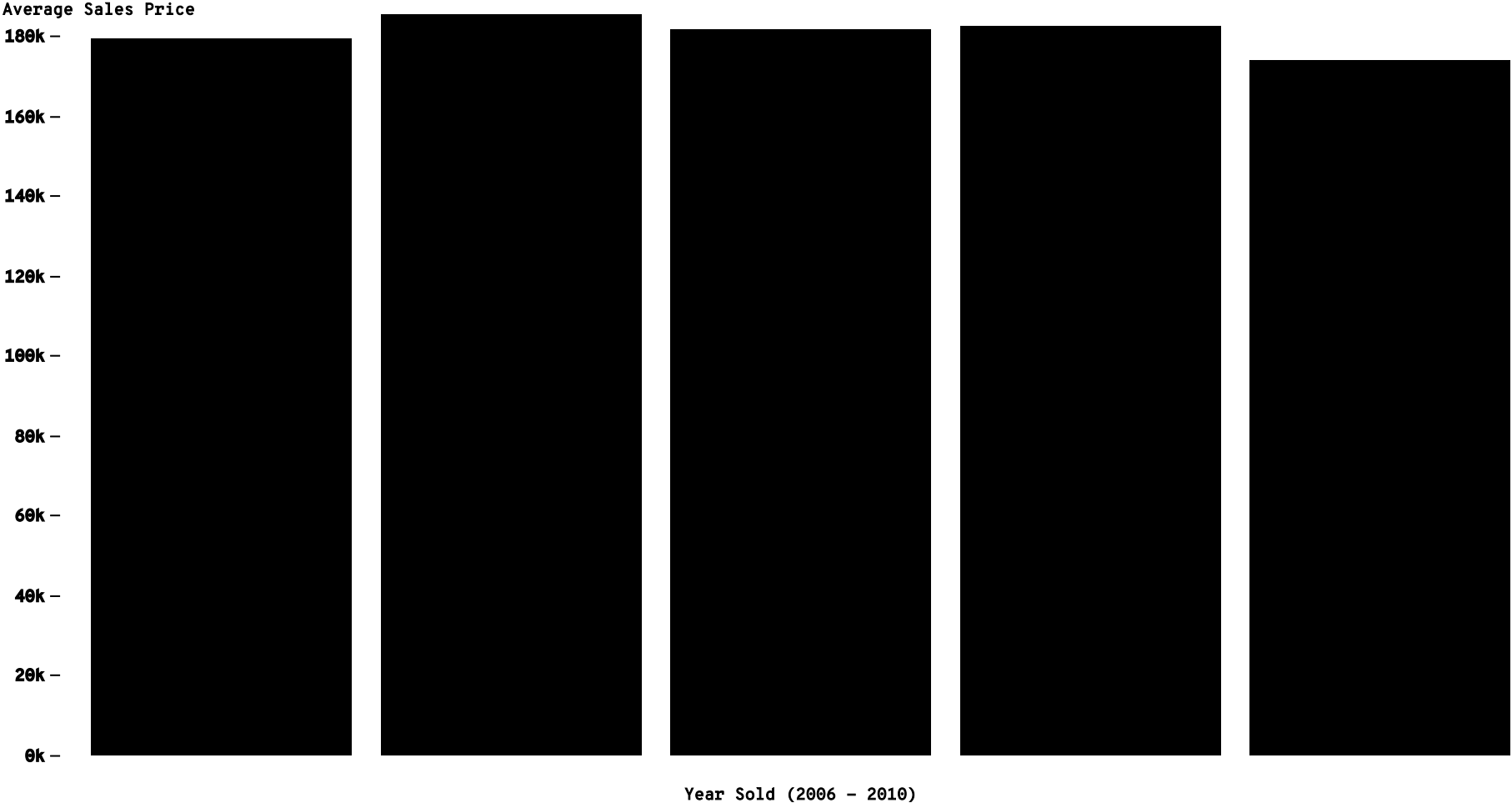
10M -

0M -



Year Sold (2006 - 2010)

Average Sales Price by Year Sold

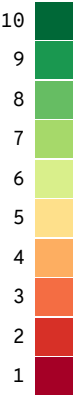


Newer is better
(that's why it's "quality")

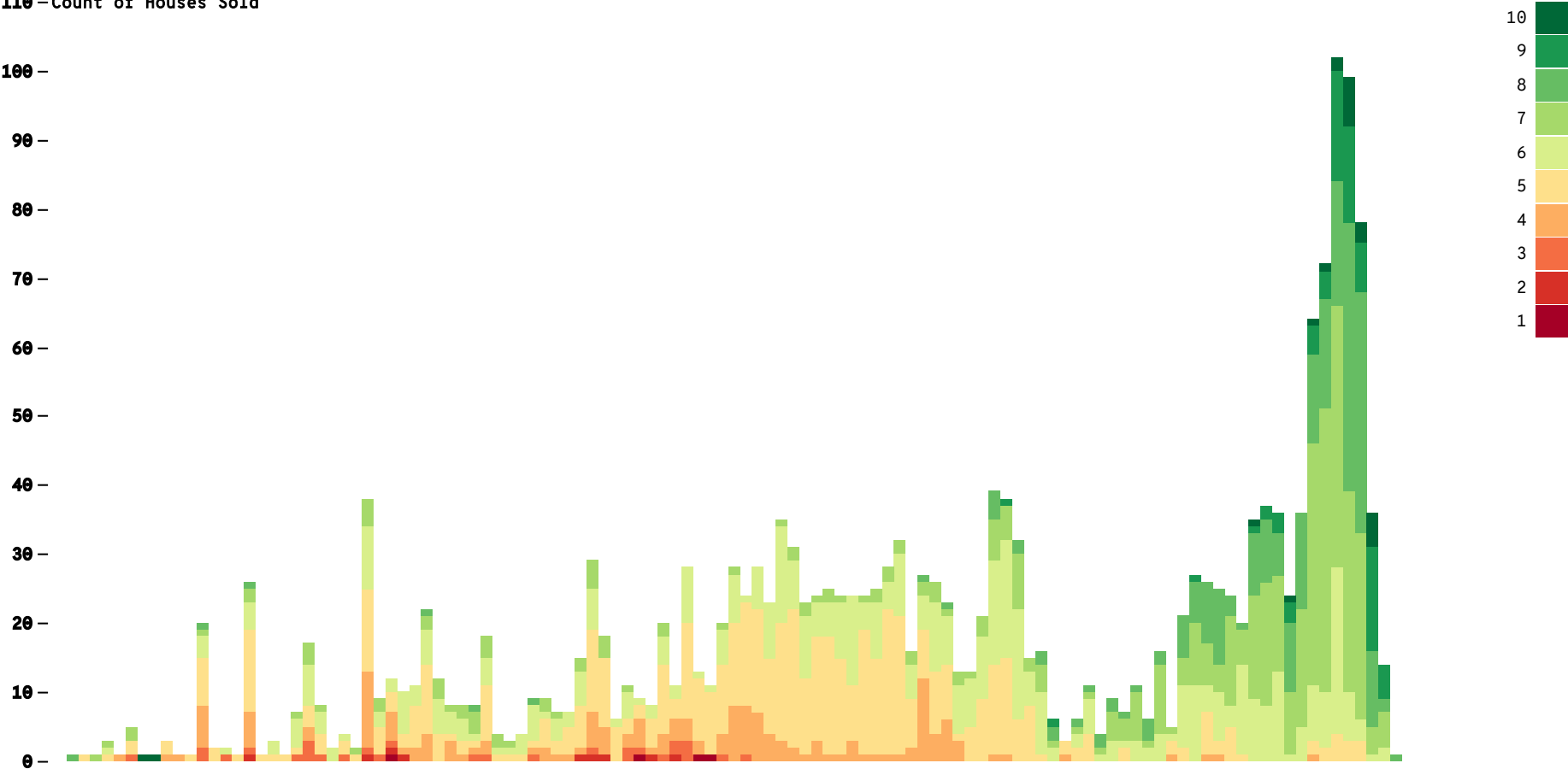
Distribution of Overall Quality by Year Built

110—Count of Houses Sold

100—
90—
80—
70—
60—
50—
40—
30—
20—
10—
0—



Year Built (1872 - 2010)



Sum of Sales Price by Overall Quality and Year Built

28M—Sum of Sales Prices (in millions) by Quality

26M—

24M—

22M—

20M—

18M—

16M—

14M—

12M—

10M—

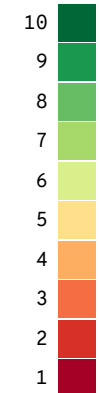
8M—

6M—

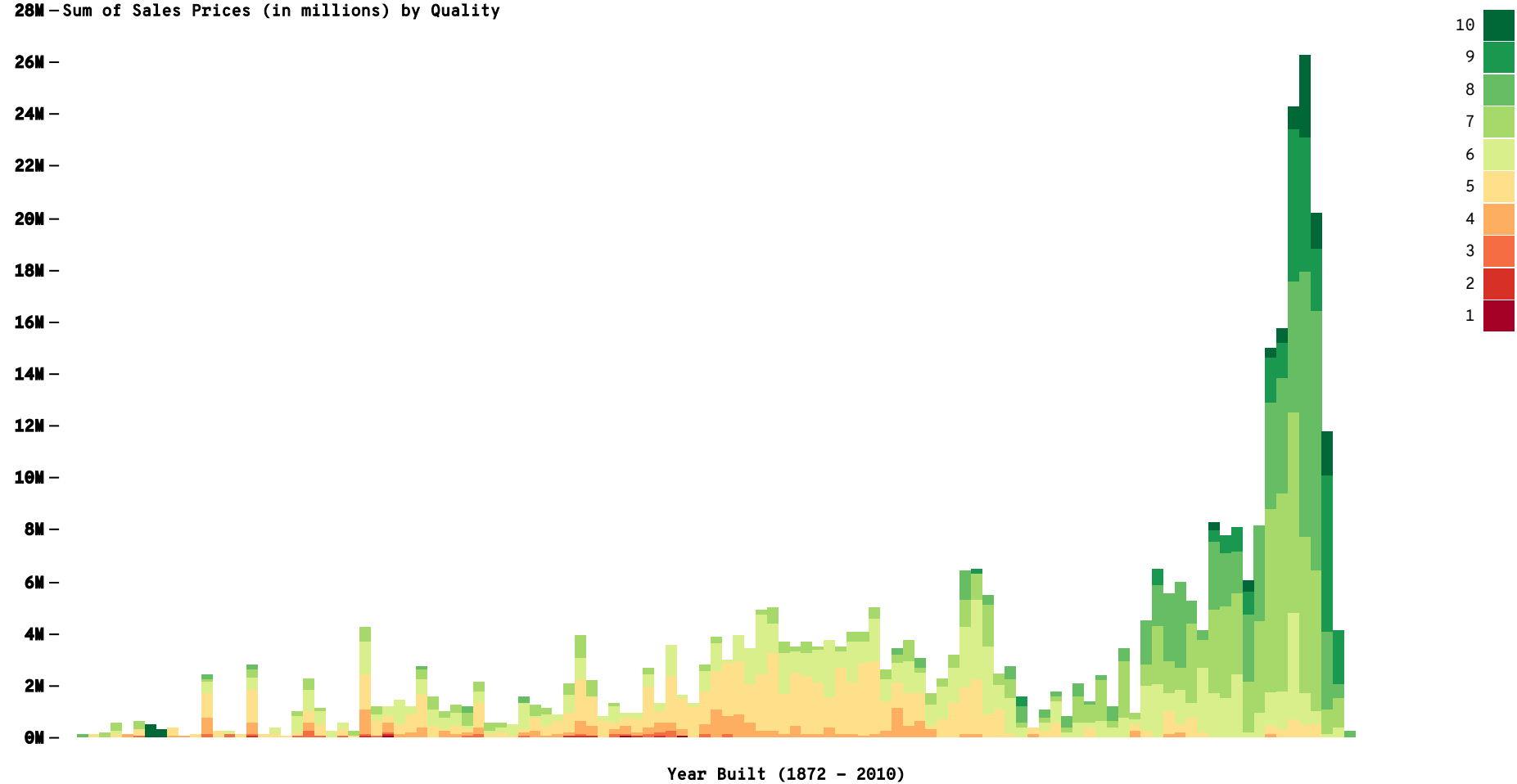
4M—

2M—

0M—

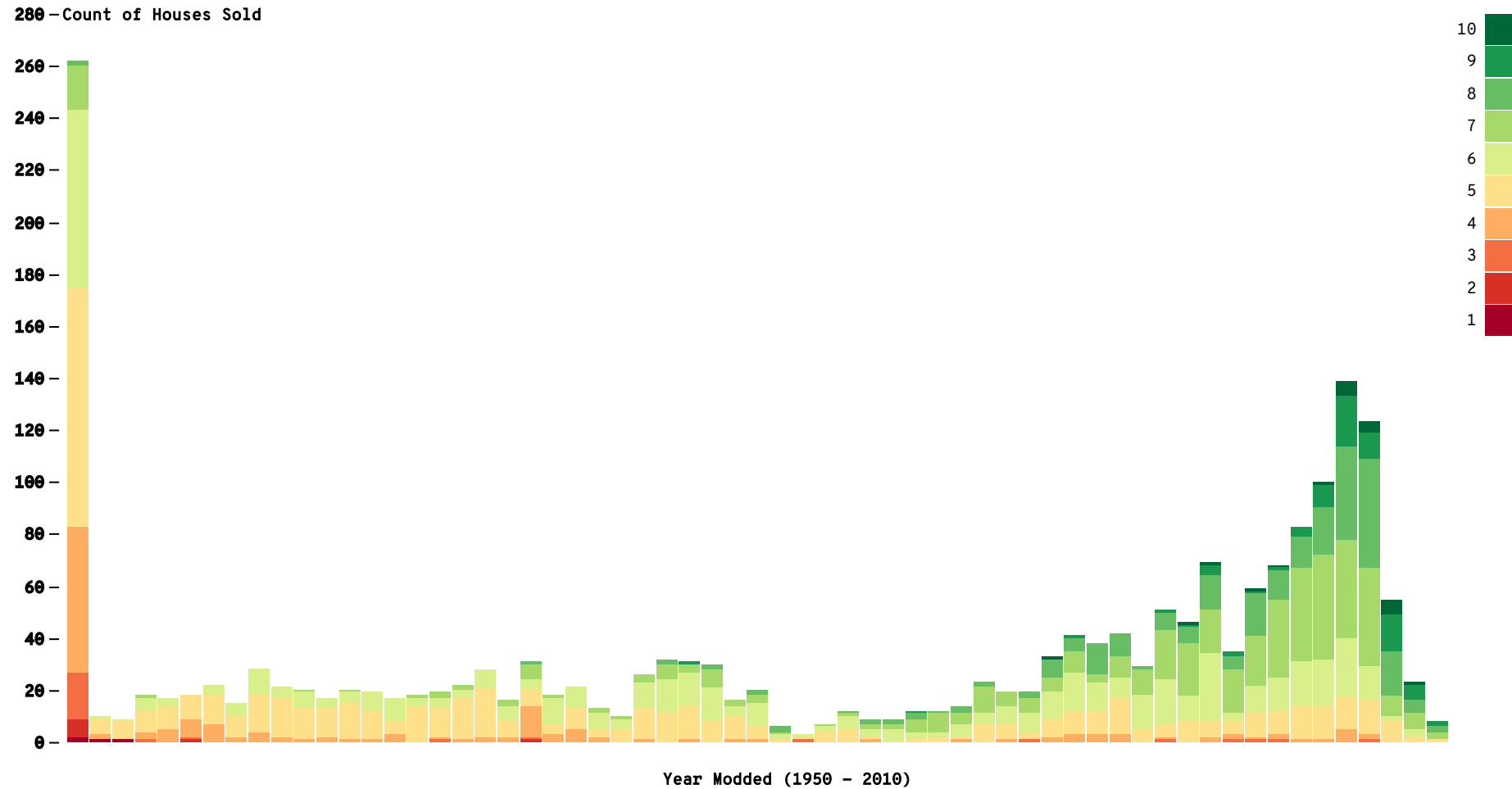


Year Built (1872 - 2010)



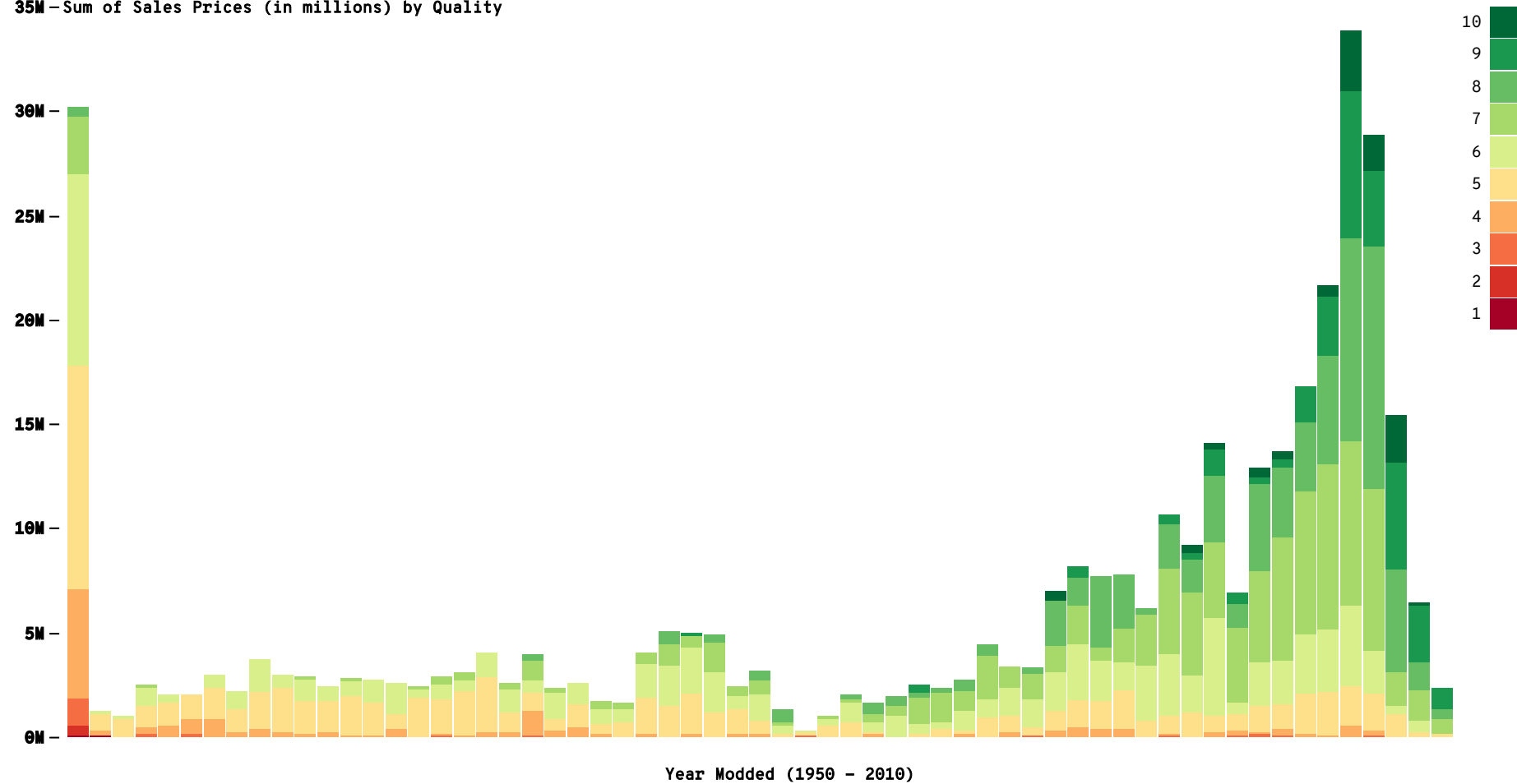
Mods make sales
(especially those in 1950)

Distribution of Overall Quality by Year Modded/Added



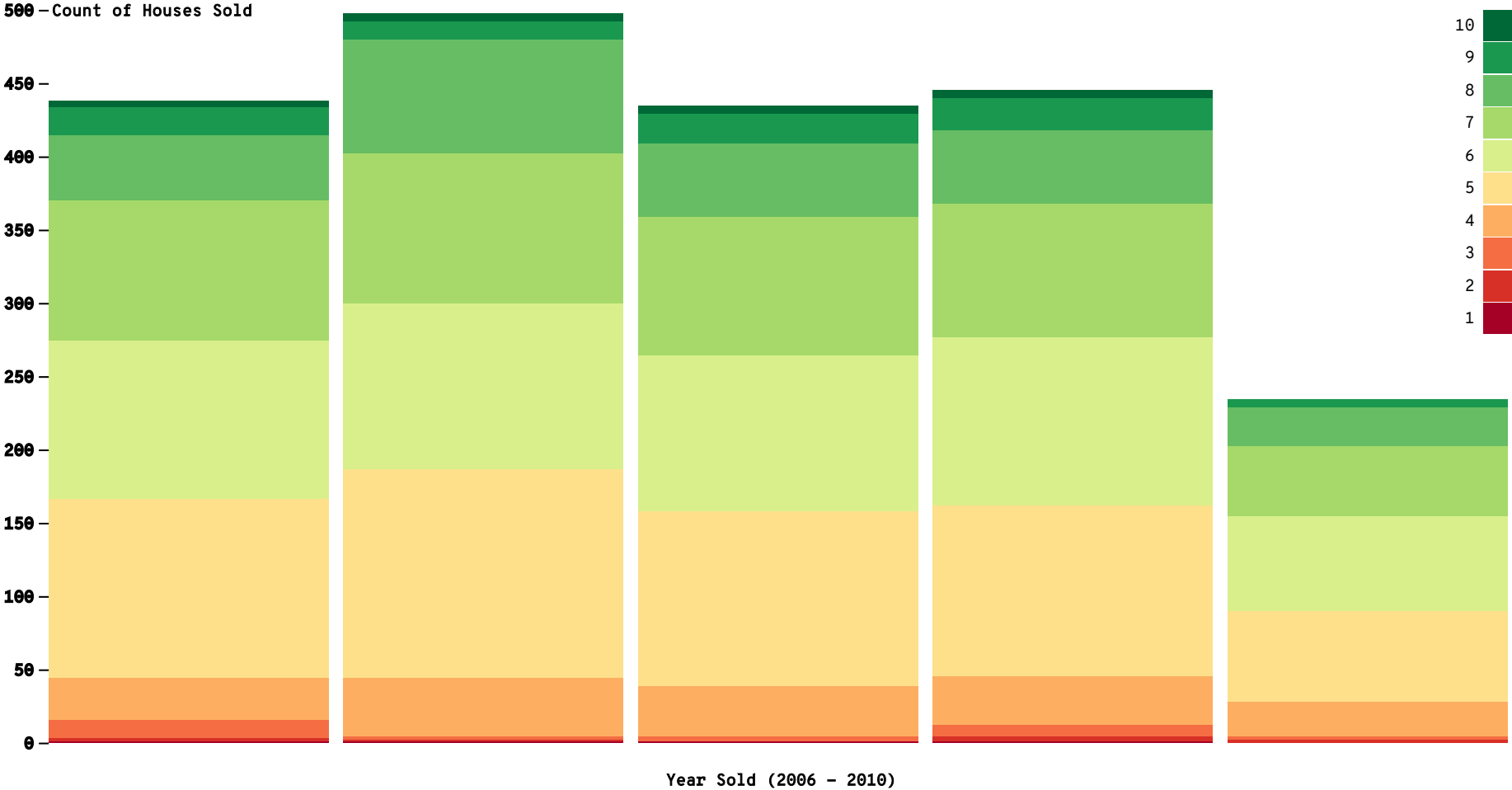
Sum of Sales Price by Overall Quality and Year Modded/Added

35M—Sum of Sales Prices (in millions) by Quality



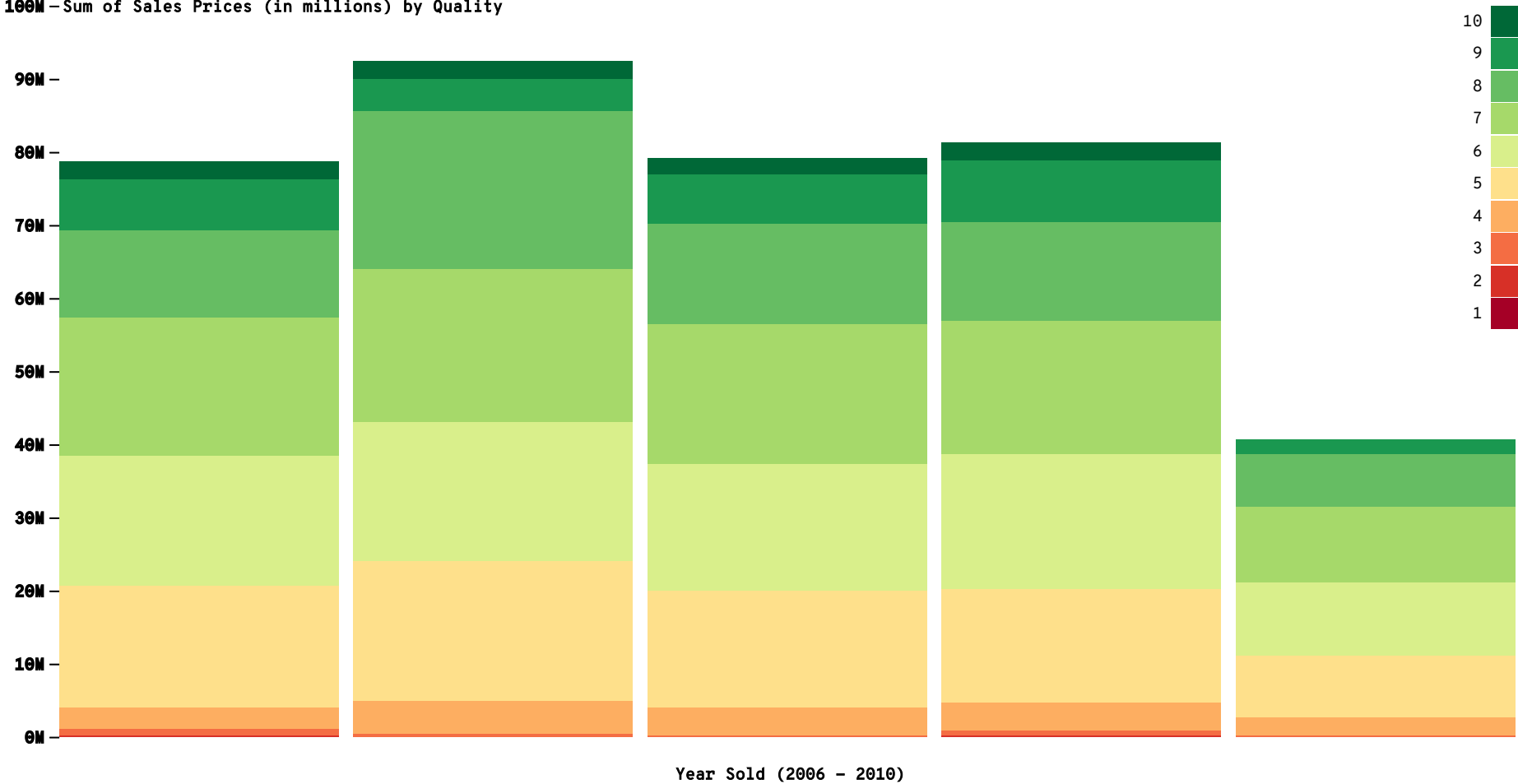
The qualities of sold houses are equally
distributed
(but sales are on the decline)

Distribution of Overall Quality by Year Sold



Sum of Sales Price by Overall Quality and Year Sold

100M - Sum of Sales Prices (in millions) by Quality



The condition of the houses sold are not
that great
(but they still sell)

Distribution of Overall Condition by Year Built

110—Count of Houses Sold

100—

90—

80—

70—

60—

50—

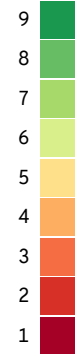
40—

30—

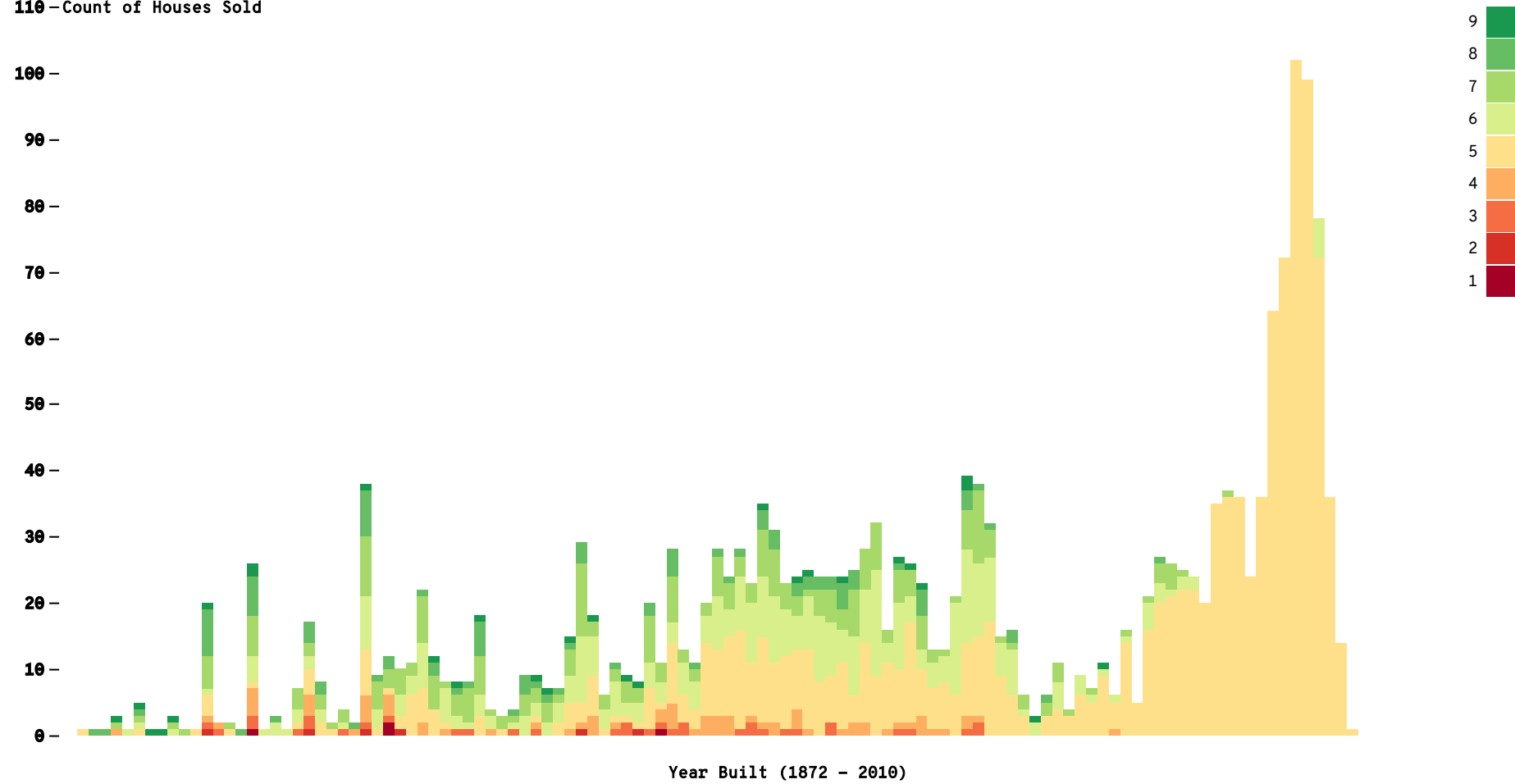
20—

10—

0—



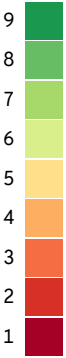
Year Built (1872 - 2010)



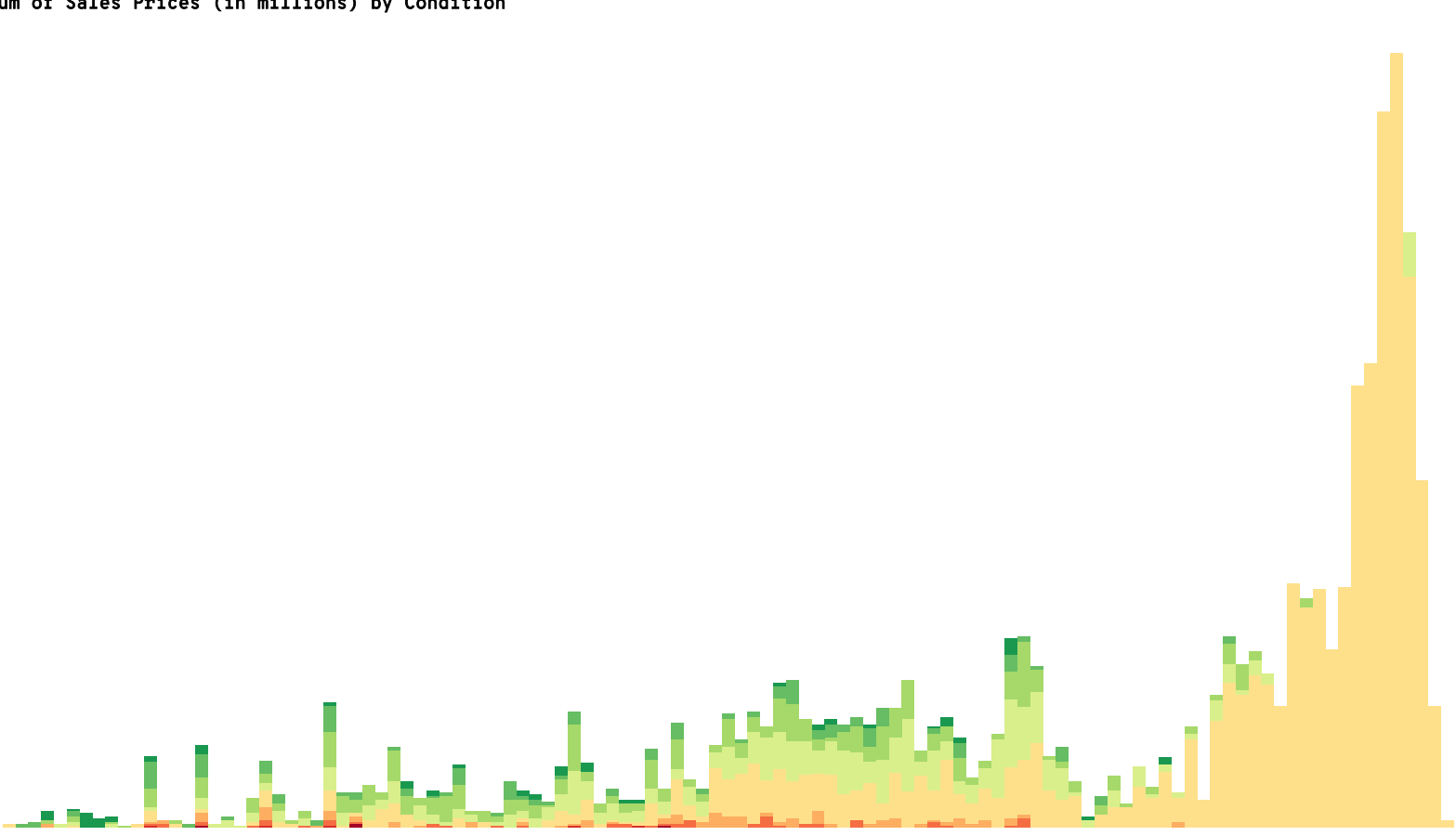
Sum of Sales Price by Overall Condition and Year Built

28M—Sum of Sales Prices (in millions) by Condition

26M —
24M —
22M —
20M —
18M —
16M —
14M —
12M —
10M —
8M —
6M —
4M —
2M —
0M —



Year Built (1872 - 2010)



Questions?