Investing in homes the smart way

Getting the best bang for your buck in King County, Washington

TOC

Task

1 Find neighbourhoods to invest in, with the focus on helping low income families.

2 This means:
- Family homes.
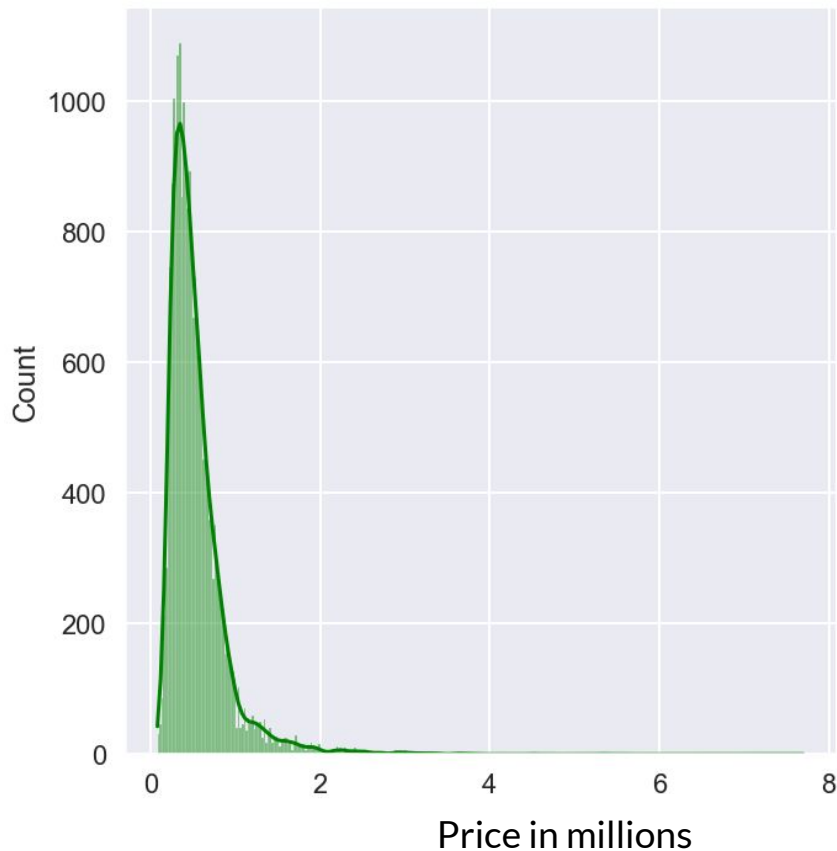- Near public transit.
- Least money for quality.

Data Overview

Over 20 000 house sale records in King County

Spanning one year (May 2014 - 2015)

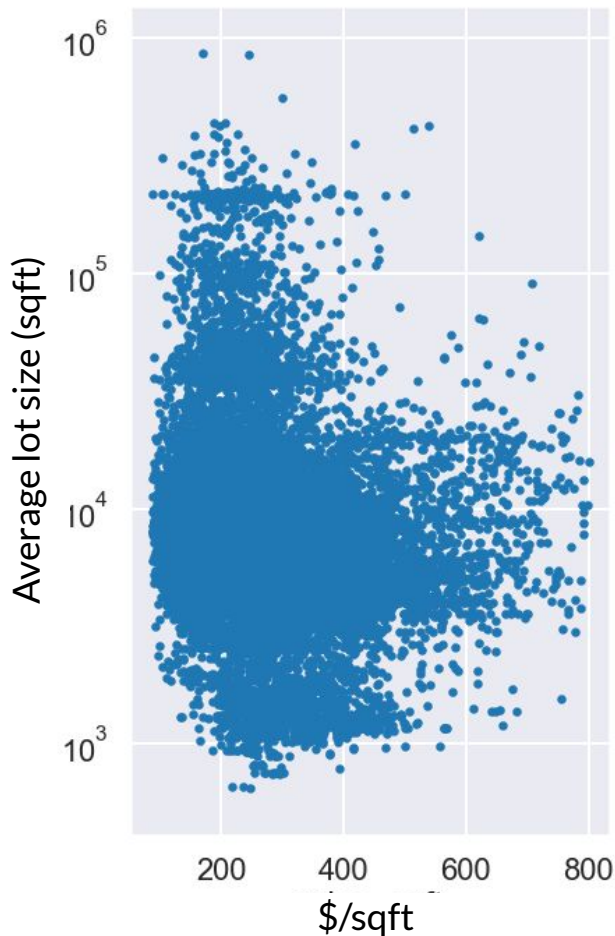Includes: price, number of bedrooms, lot size, living space, location, among others.

The data was cleaned to remove irregular data, and reduced to focus on houses that fit your criteria.

Price in millions
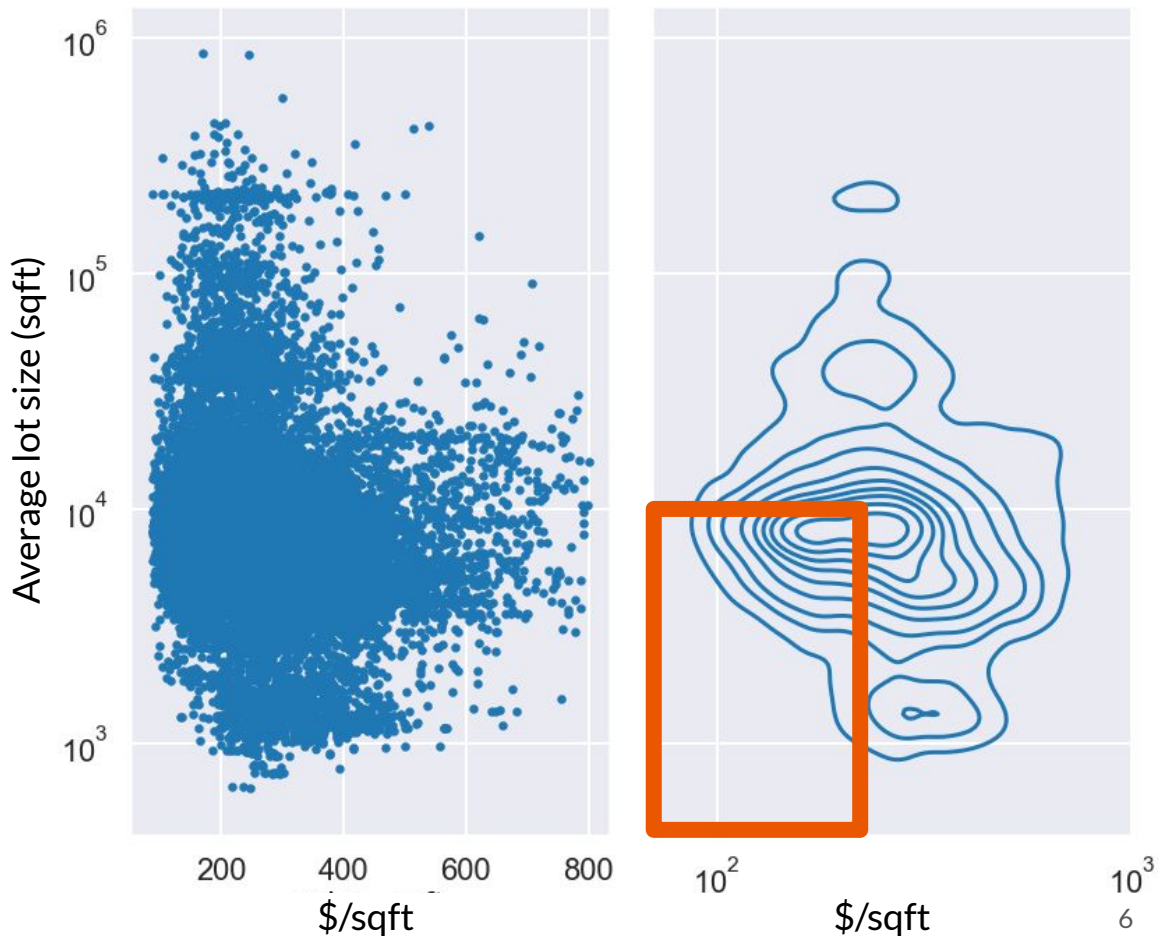
Data Overview

Isolating houses of interest:

- Minimize house price/sqft
    - Less than $200/sqft
- Prices below $5 million
- Lot sizes less than 10 000 sqft

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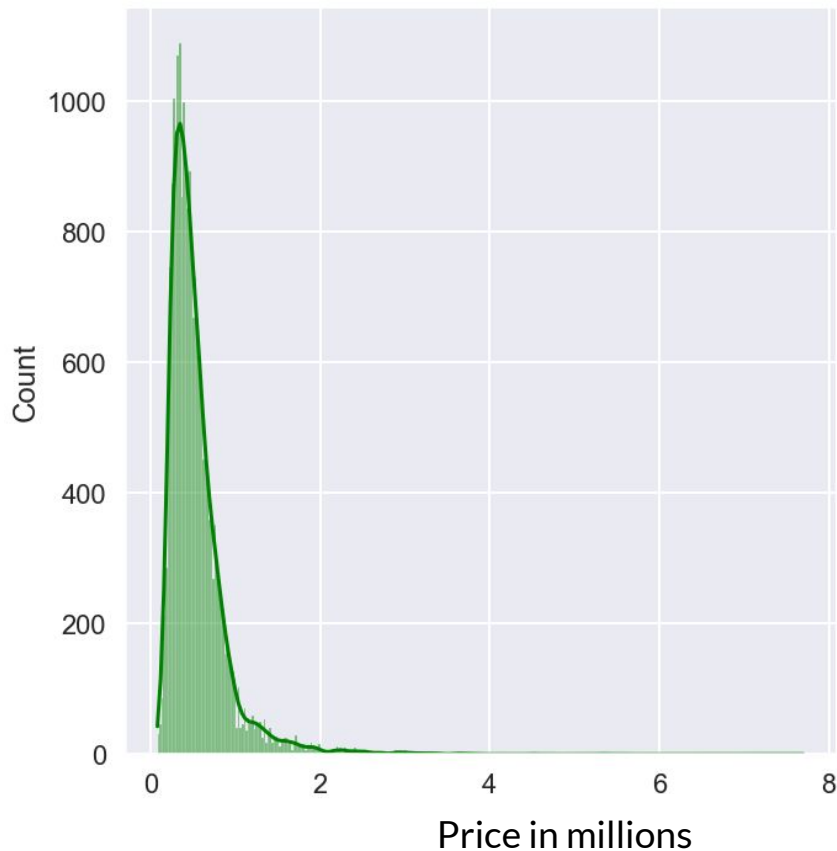- Prices below $5 million
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Hypotheses

More recent data is more relevant, as prices are changing rapidly.

For a low price/sqft, the most relevant criteria will be location (vs. sqft, number rooms, renovated, etc.).

The best deals will be concentrated in particular neighbourhoods, where the client should focus their search.
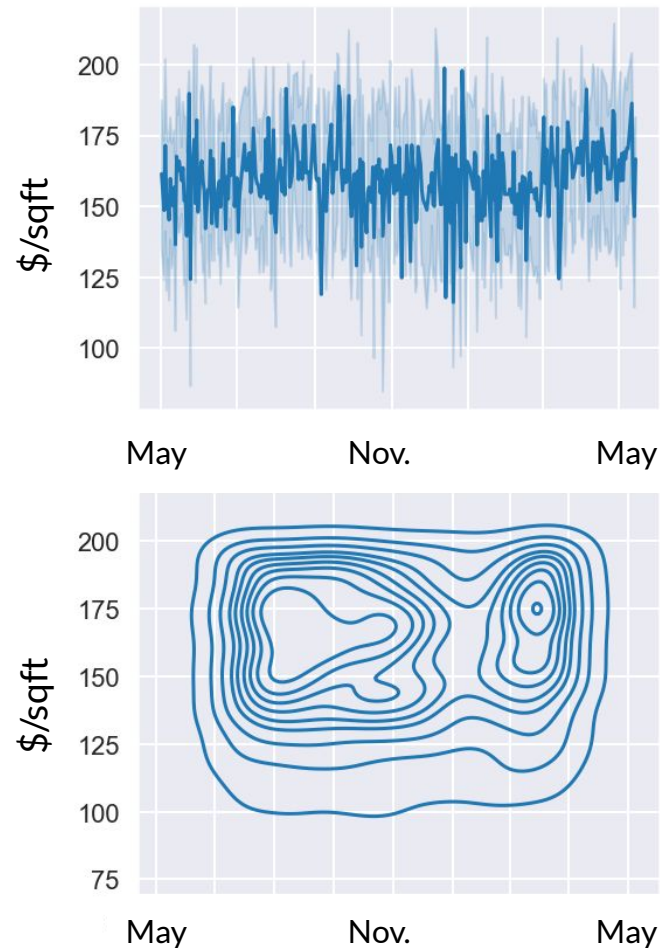

Price in millions

Takeaway #1

Housing prices did not change over the study year.

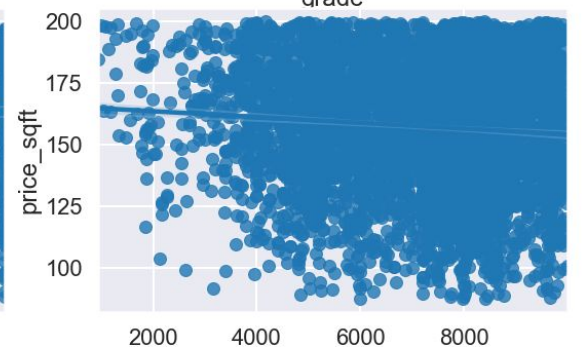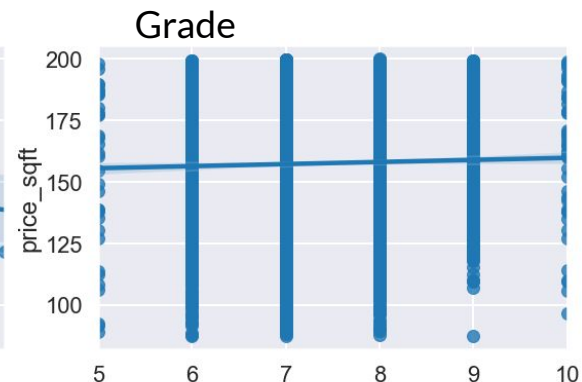No apparent seasonality or trend, except for low sales in winter.
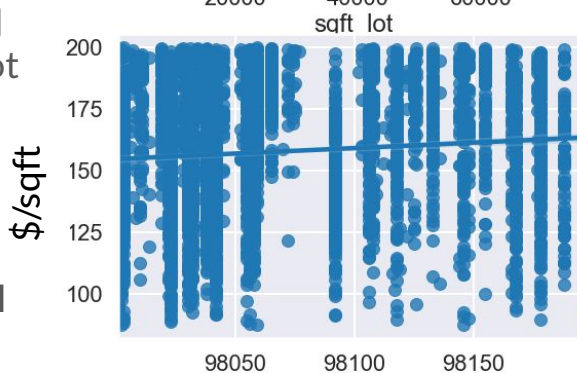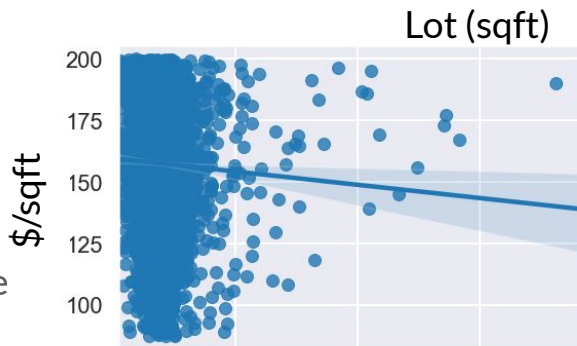
Potential for lower offers in winter.

Takeaway #2

No strong correlation, but still, some insights:

- avoid big lots, big living spaces, and neighbourhoods with low average lot sizes

-the highest quality houses require least 120 $/sqft

- **focus on lowest and highest postal codes**

Lot (sqft)

Grade

Zipcode

Neighbourhood lots (sqft)

Takeaway #2
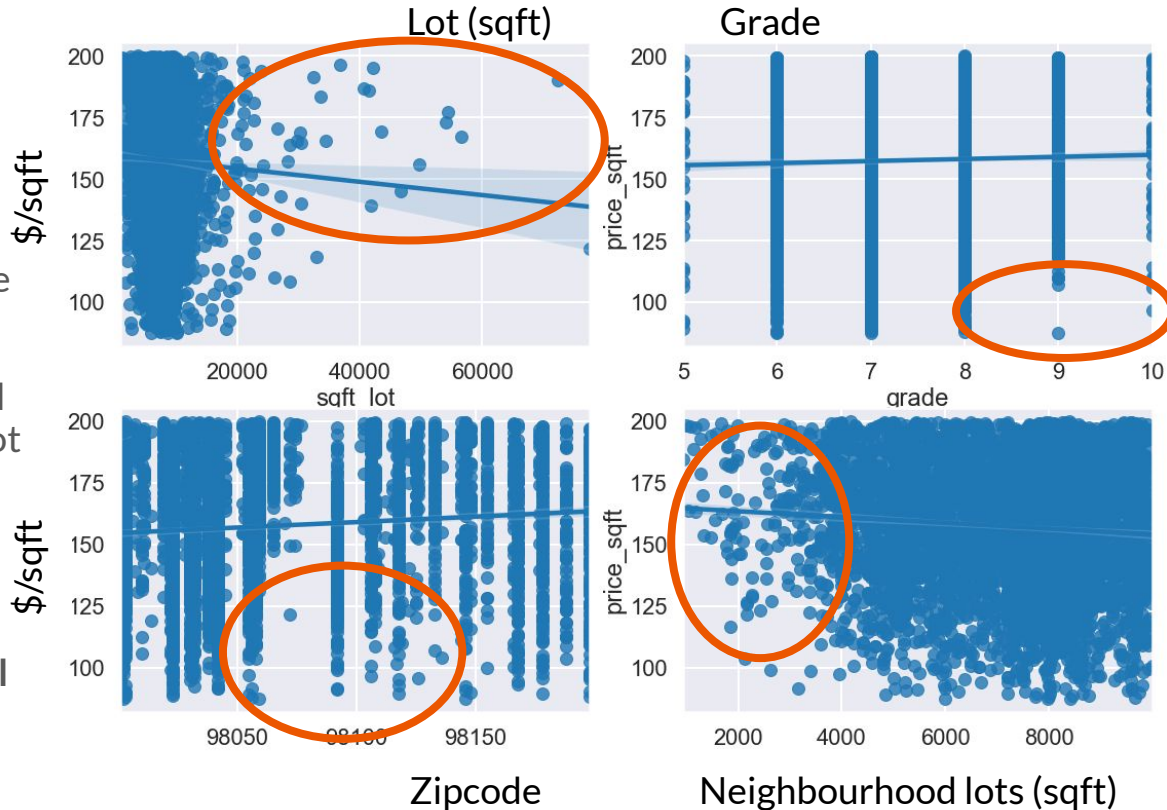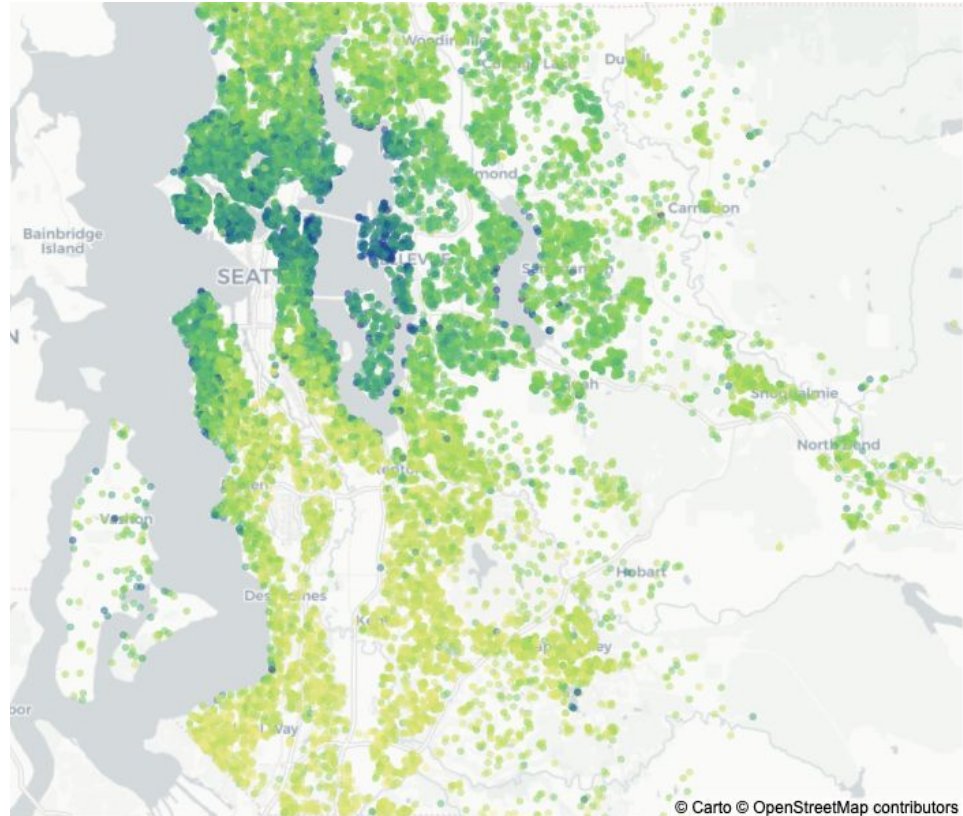
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Grade

Zipcode

Neighbourhood lots (sqft)

Takeaway #3

The best housing prices are generally located south of Seattle.

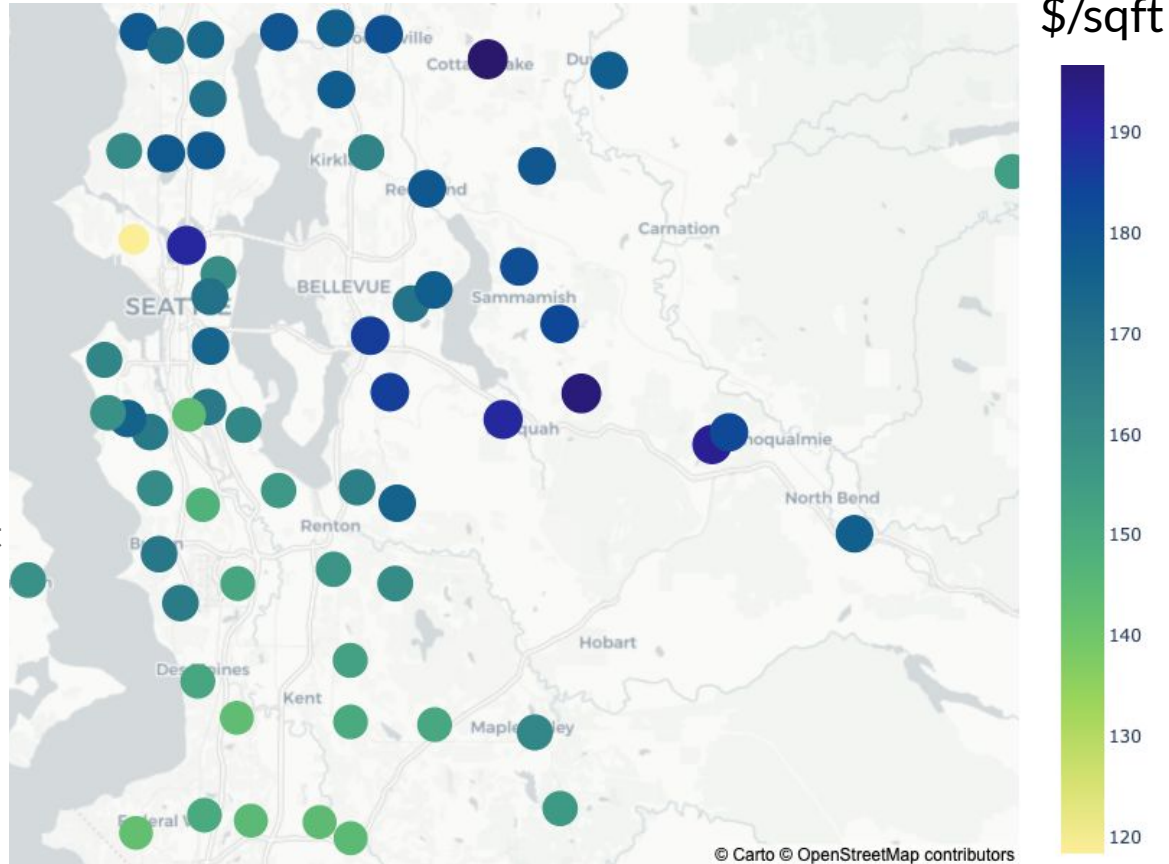
$/sqft

700
600
500
400
300
200
100

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Takeaway #3

Now group by zipcode.

Remember, data reduced to:
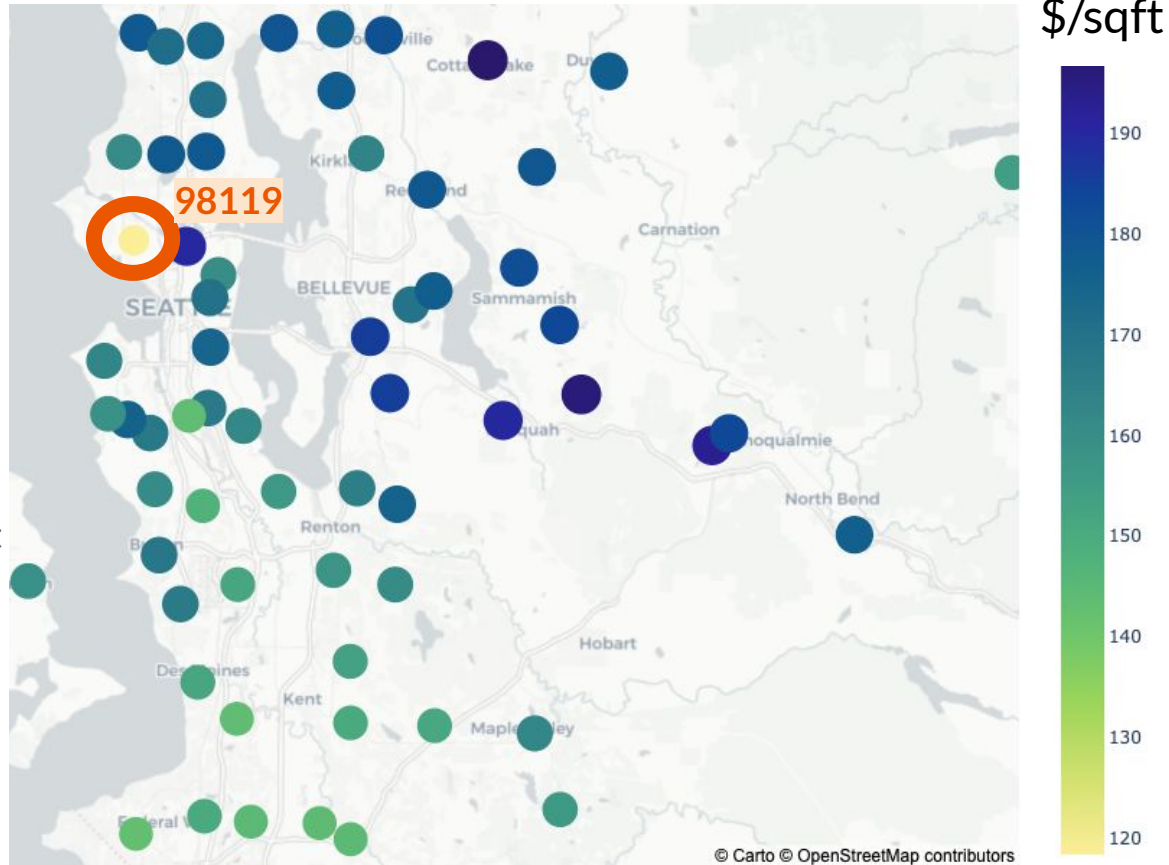
- Less than $200/sqft
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$/sqft

Takeaway #3

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$/sqft

98119

Recommendation

Focus on houses with zipcode 98119

Focus on houses with $120-200/sqft

Aim to make offers in winter months

Thank you.