

The Most Valuable Home Improvements

By Seth Schober

Agenda

- Objective
- Data Sources & Approach
- Model Results
- Quantifying
- Limitations and Next Steps

Objective: What are the most Valuable Home Improvements?

- In/validate some of the most common "improvement recommendations"
- Determine which housing features lead to the highest home value

Approach

- Collect and clean data
- Limit scope: residential, single-family, sold in 2019
- Identify relevant features and create model
- Calibrate model
- Quantify results

Data Source

- King County, WA public records for real estate sales and associated attributes (square footage, porch size, etc.)

Limitations

- Geographical scope
- Temporal scope
- Linear regression requirements not all met, meaning the model's statistical significance of findings may be off

1st Finding: Finished Basements

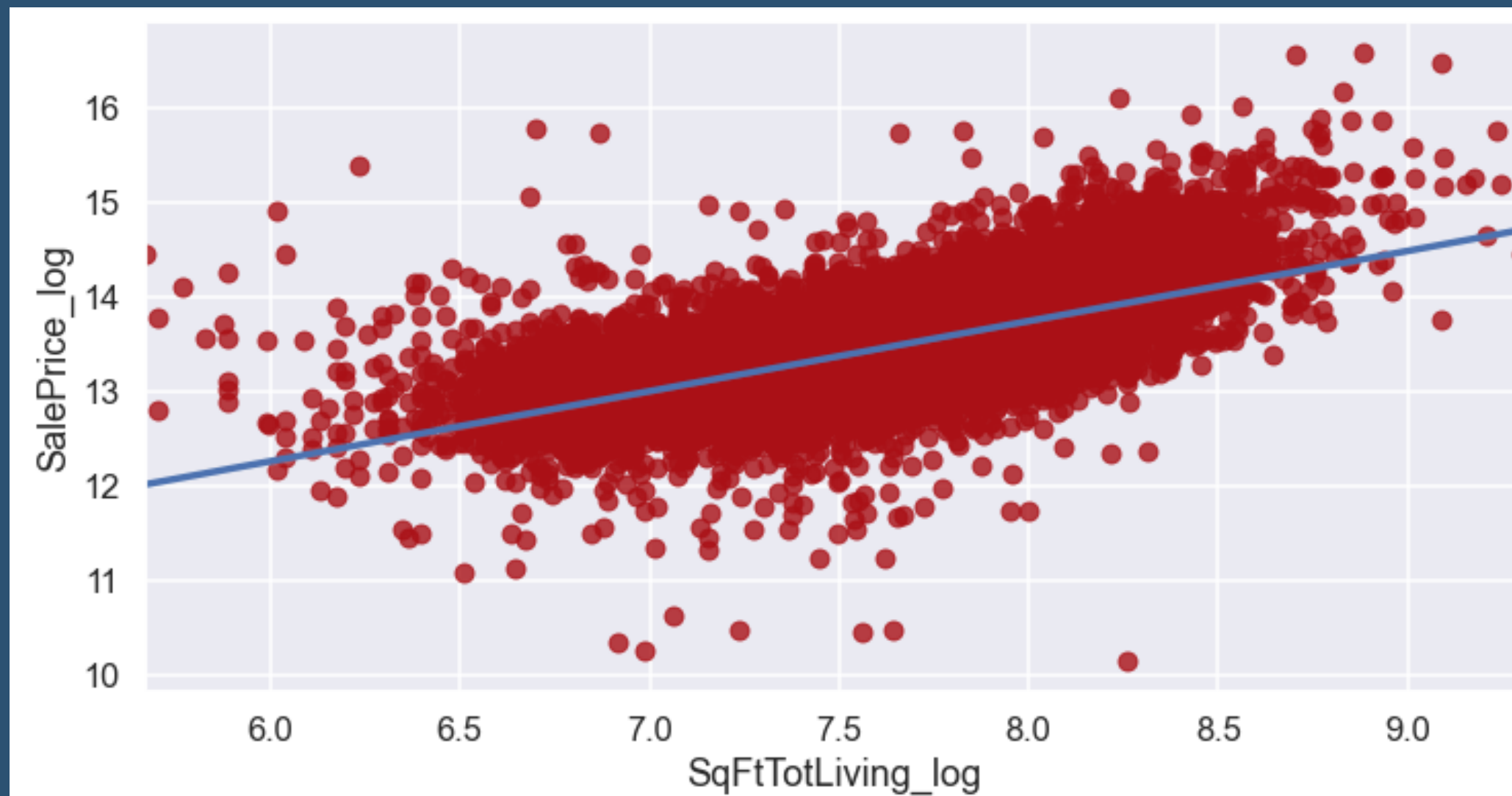
7% higher home value

27% of basements are finished

The update is likely worth the time and energy.

2nd Finding: Size Matters

- Of course home size impacts the price
- But more interested is the magnitude:
For every 10% increase in size, the home value increases 7%



3rd Finding: Heating Matters

<2%

of homes use Radiant heating,
yet it is the most highly valued

CAVEAT

This data is highly localized.

Given climactic variation, this finding depends on
geography more than others may.

4th Finding: Enclose Your Porch

- Homes with Enclosed porches sell for 11% more than those without porches
- Adding an Open porch can increase value by 4%

Conclusion

- Home improvements have a direct, tangible impact on home value
- If looking to increase home value, adding an enclosed porch or finishing an unfinished basement could make a substantial impact
- Next step: expand geographic and temporal scope of analysis

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