Home Improvements to Consider For Maximizing Home Value

In Beautiful Ames, Iowa!



Data Can be Useful!

Realizing correlations can help us determine what homebuyers value when purchasing a new home.

What are the best home improvements you can make to improve your house value prior to selling?

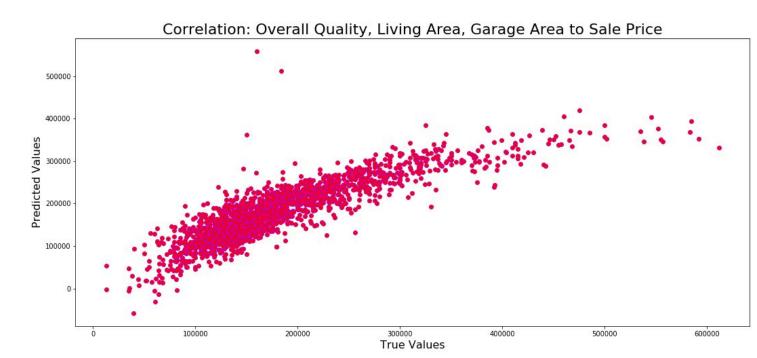
Sale Price Correlations

Sa	le Price Correlations	
PID -	-0.26	
Enclosed Porch -	-0.14	
Kitchen AbvGr -	-0.13	
Overall Cond -	-0.097	-1.00
MS SubClass -	-0.087	
ld -	-0.051	
Bsmt Half Bath -	-0.045	
Low Qual Fin SF -	-0.042	
Yr Sold -	-0.015	
Misc Val -	-0.0074	- 0.75
BsmtFin SF 2 -	0.016	0.75
Pool Area -	0.023	
Mo Sold -	0.033	
3Ssn Porch -	0.049	
Screen Porch -	0.13	
Bedroom AbvGr -	0.14	
Bsmt Unf SF -	0.19	- 0.50
2nd Flr SF -	0.25	
Half Bath -	0.28	
Bsmt Full Bath -	0.28	
Lot Area -	0.3	
Wood Deck SF -	0.33	
Open Porch SF -	0.33	- 0.25
Lot Frontage -	0.34	
BsmtFin SF 1 -	0.42	
Fireplaces -	0.47	
TotRms AbvGrd -	0.5	
Mas Vnr Area -	0.51	
Garage Yr Blt -	0.53	- 0.00
Full Bath -	0.54	
Year Remod/Add -	0.55	
Year Built -	0.57	
1st FIr SF -	0.62	
Total Bsmt SF -	0.63	
Garage Cars -		30,000
Garage Area -		0.25
Gr Liv Area -	1000000	
Overall Qual -	100	
SalePrice -		
	SalePrice	

Unscaled

Top 3 variables

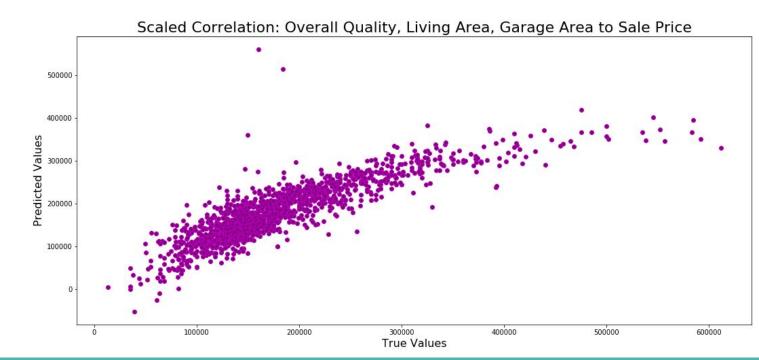
Train: .75



Scaled

Top 3 variables

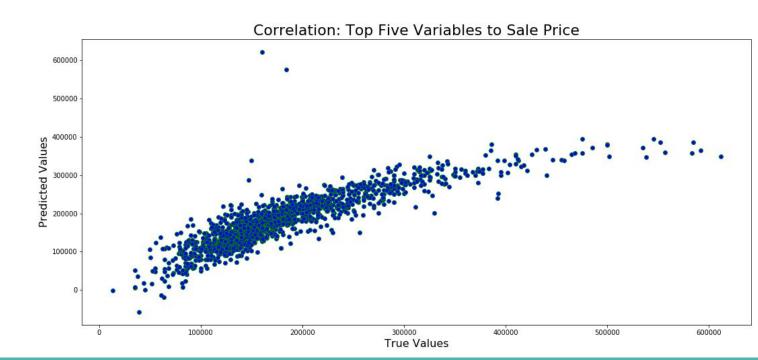
Train: .74



Scaled

Top 5 variables

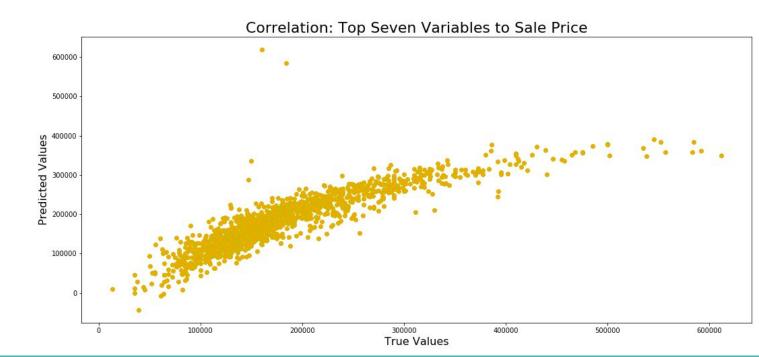
Train: .76



Scaled

Top 7 variables

Train: .76



Ridge and LASSO Transformations

Three variables: train: .75 / test: .78

Five variables: train: .76 / test: .82

Seven variables: train: .77 / test .83

Scaling and transforming the data resulted in scores that were very similar

What do these correlations mean?

Most Important: Overall Quality of the House

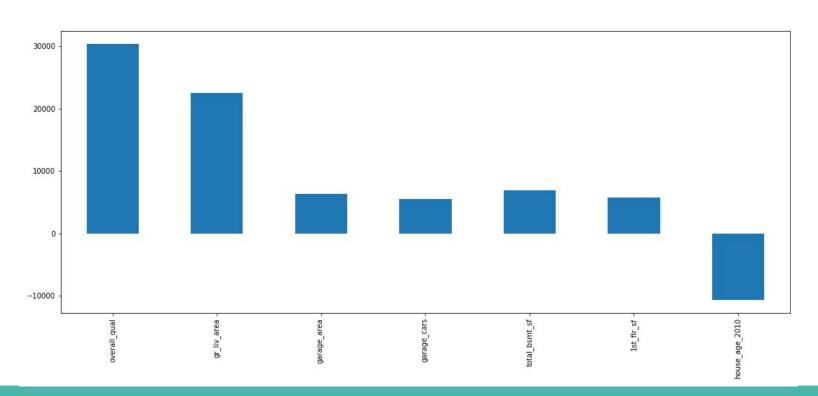
Above Ground Living Area

Garage Area, Cars

Total Basement SF

First Floor SF

What You Can do to Maximize House Value



What You Can do to Maximize House Value

Improve quality!

Potentially kitchen, doors, windows, etc.

Open up the living area on the first floor

Use good fixtures throughout