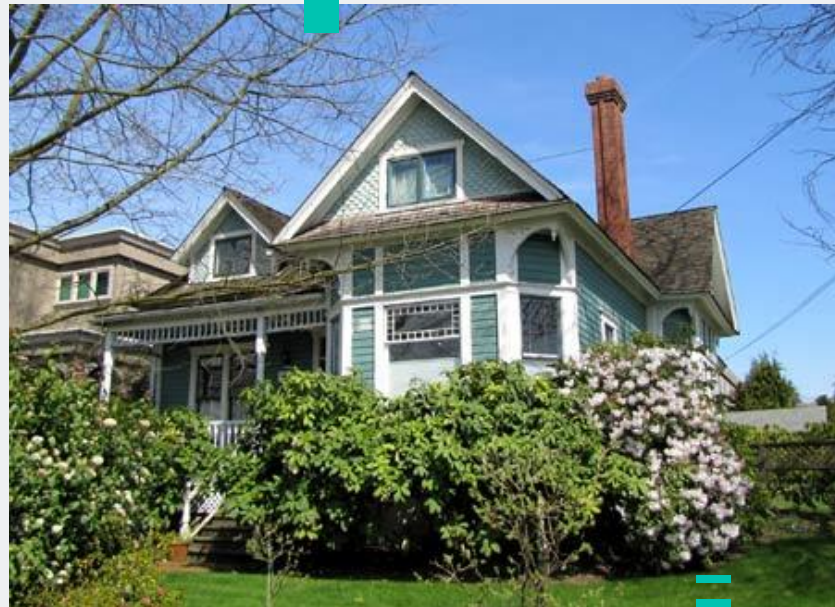


# A real estate investment proposal for historical houses in King County

Su Wong  
Premier Real Estate Group



# Why choose Premier Real Estate?

- We specialize in historical houses in good neighborhoods within Washington State
- We apply state of the art Exploratory Data Analysis (EDA) approaches to real estate solutions
- We are willing to utilize traditional and cutting edge methods to find your dream home or the perfect investment opportunity



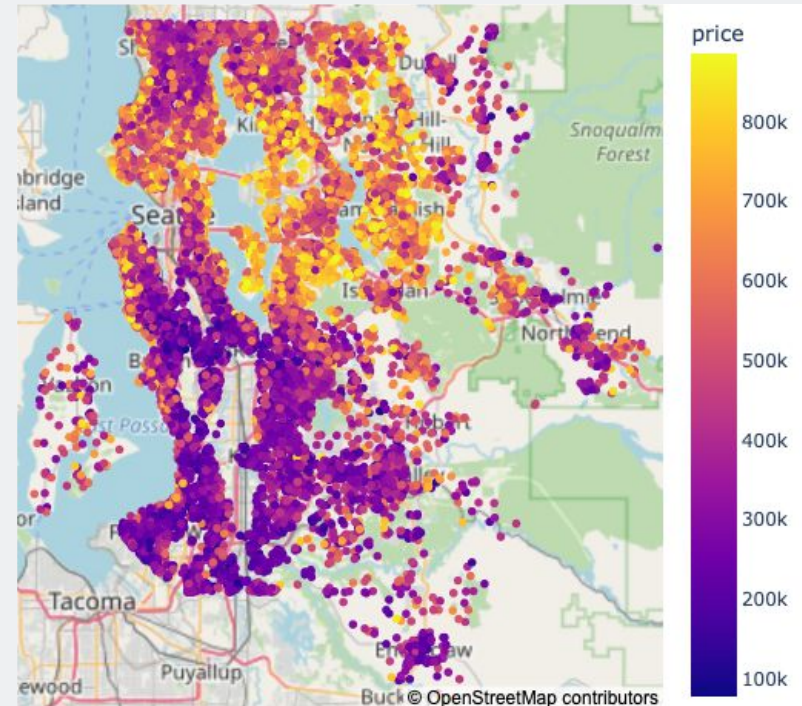
# Client profile

## Mr Brooks:

- invests in historical houses (houses older than 50 years)
- is interested in property in the best neighborhoods in King County, WA
- is interested in high profits
- would like to stay below the median house price
- would like to buy and sell within a year
- would like advice on whether he should renovate his houses

# Factors influencing house prices

- The better the condition, the higher the price
- The better the grade, the higher the price
- Having a house size similar to your neighbors (more uniformity) means a better neighborhood and therefore higher price



90th percentile of all house prices

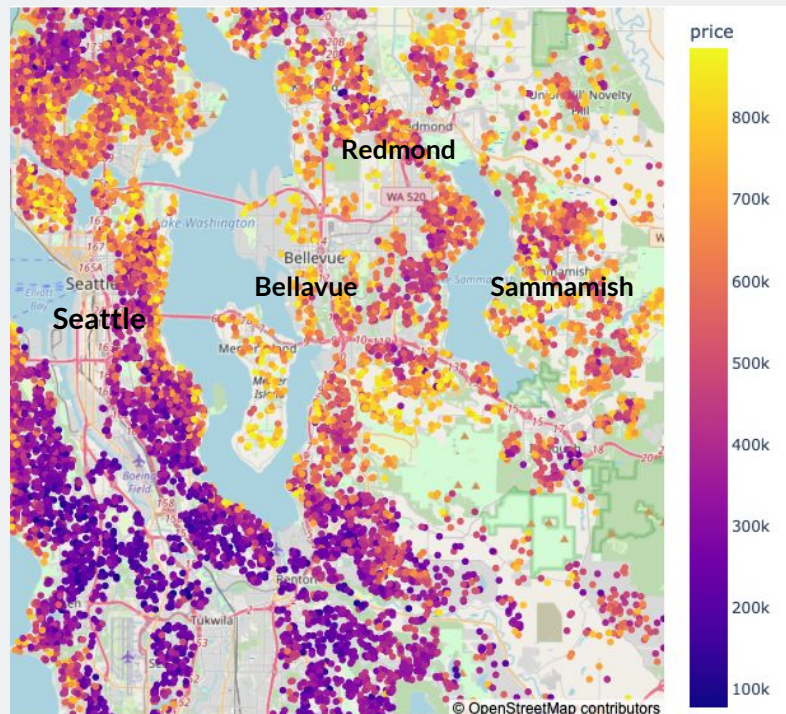
# Neighborhood

According to the niche.com, the best places to live\* in King County are:

- Sammamish
- Redmond
- Bellevue
- Seattle

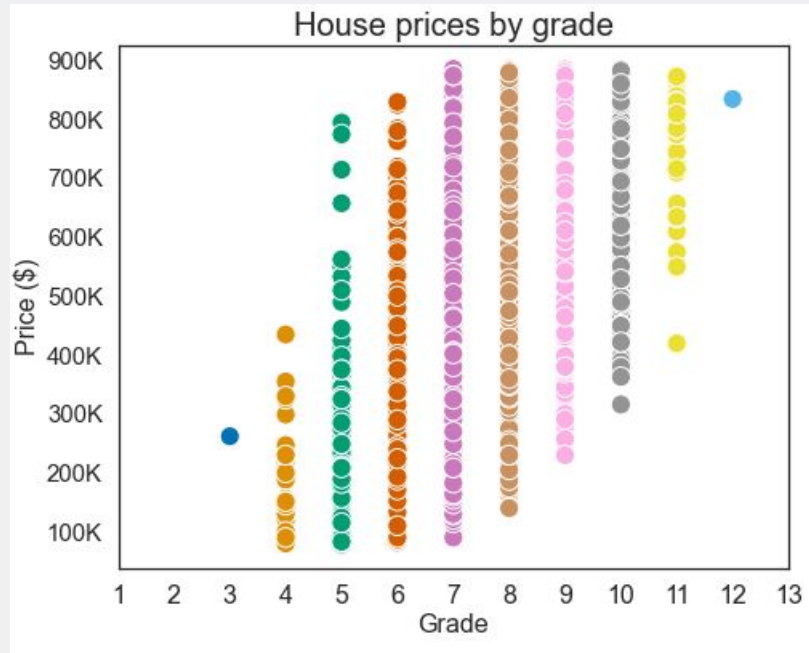
<https://www.niche.com/places-to-live/search/best-places-to-live/c/king-county-wa/>

\*This rating takes into account several key factors, including the quality of local schools, crime rates, housing trends, employment statistics, and access to amenities in an attempt to measure the overall quality of an area.



**90th percentile of all house prices**

# Price difference by condition and grade

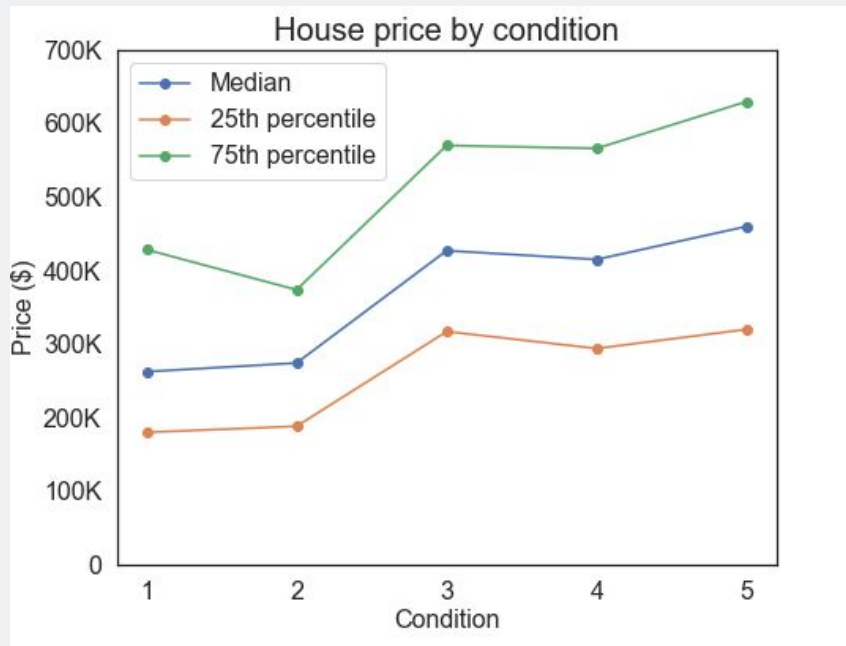


**Condition:** How good the condition of the house is (overall)

**Grade:** Overall grade given to the housing unit, based on the King County grading system

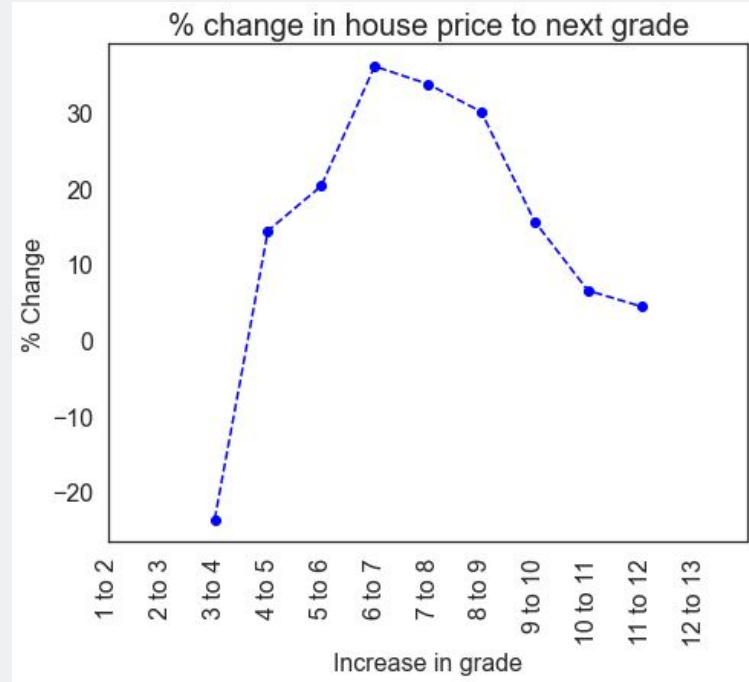
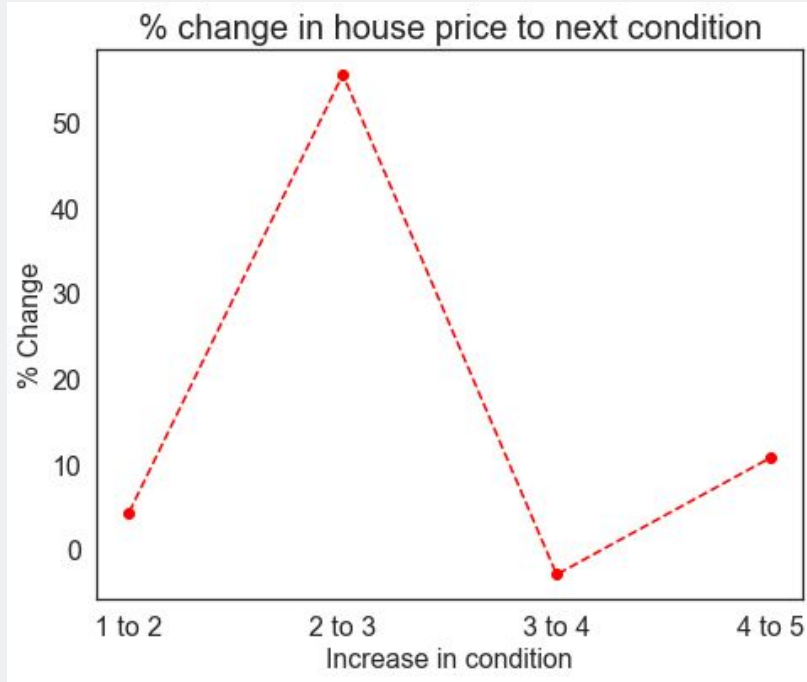


# Median house price by condition and grade



Narrow our focus on houses with condition 2, with the goal of upgrading them to condition 3

# Change in house price through upgrades



Average increase of 56% of the median price through upgrading from condition 2 to 3  
AND grade 6 to 7 or 7 to 8



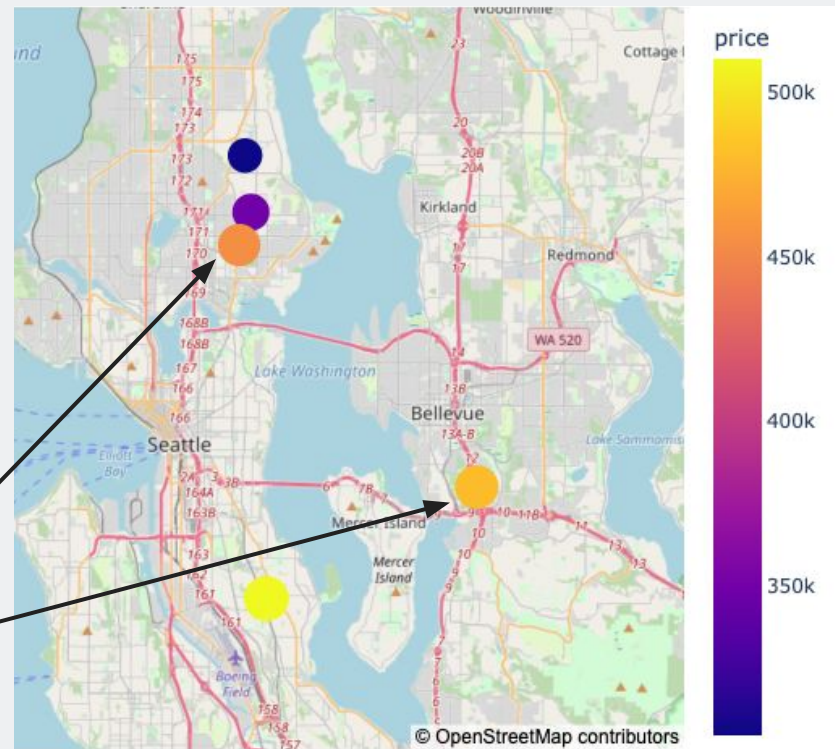
# Search parameters for our model

- Houses built before 1972
- Zip codes from the top 4 best area to live
- Similar house size to the 15 closest neighbours ( $< 100$  sq ft difference)
- House condition of 2
- House grade of 6 or 7

# Top 5 candidate houses by price

- One house was immediately ruled out because it is too close to an airport
- Using Google Maps Street View, two final candidates were selected based on the appearance of the neighborhood

Price	Year built	Zip code	Grade
\$455000	1925	98115	7
\$480000	1950	98005	6



# First candidate house

**Year built:** 1925

**Price:** \$455000

**Zip code:** 98115  
(Seattle)

**Bedrooms:** 2

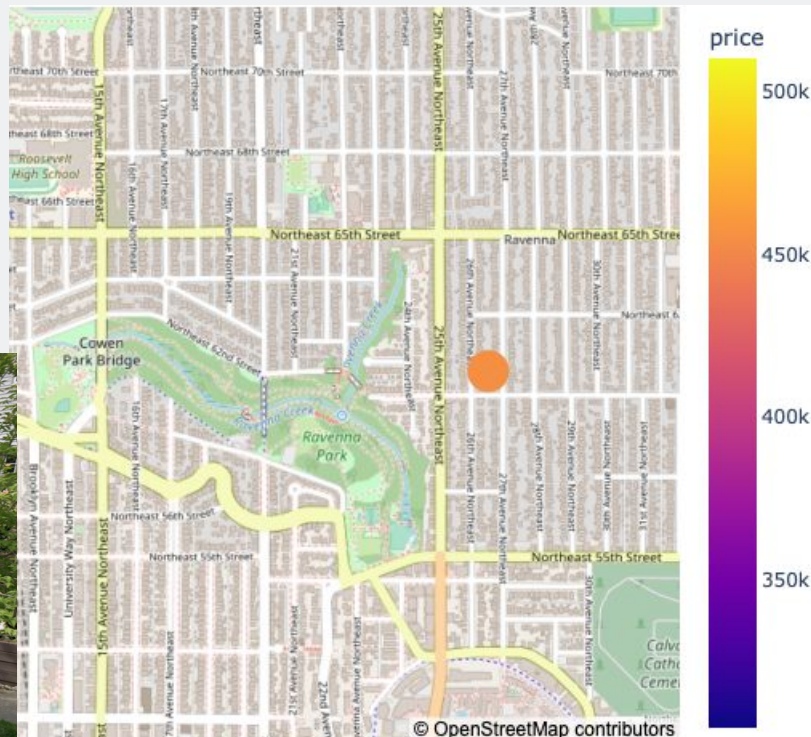
**Bathrooms:** 1

**House size:** 1430 sqft

**Lot size:** 5000 sqft

**Floors:** 1.5

**Grade:** 7

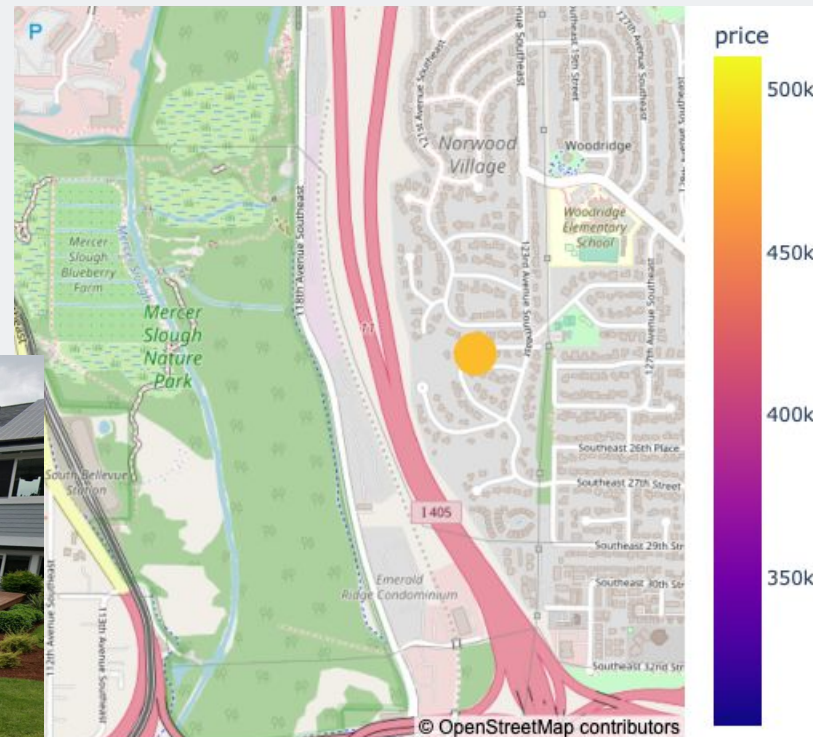




# Second candidate house

**Year built:** 1950  
**Price:** \$480000  
**Zip code:** 98005  
(Bellavue)

**Bedrooms:** 4  
**Bathrooms:** 2  
**House size:** 2180 sqft  
**Lot size:** 10575 sqft  
**Floors:** 1  
**Grade:** 6



# Takeaways

- Top areas to live in correspond to highest house prices
- Median house prices generally increase with condition and grade
- The biggest increase in profit can be achieved in upgrading houses from condition 2 to 3 and from grade 6 to 7
- Difference between house size and average house size of 15 nearest neighbors only had a weak correlation to price (0.18)

## Should you renovate the house?

- Yes, but only minimum renovations lasting less than a year to upgrade it to condition level up and the next grade level up

# Thanks!

Please direct questions to:

slwong@web.de

<https://github.com/suleenwong>

SOURCES: kingcounty.gov, niche.com

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