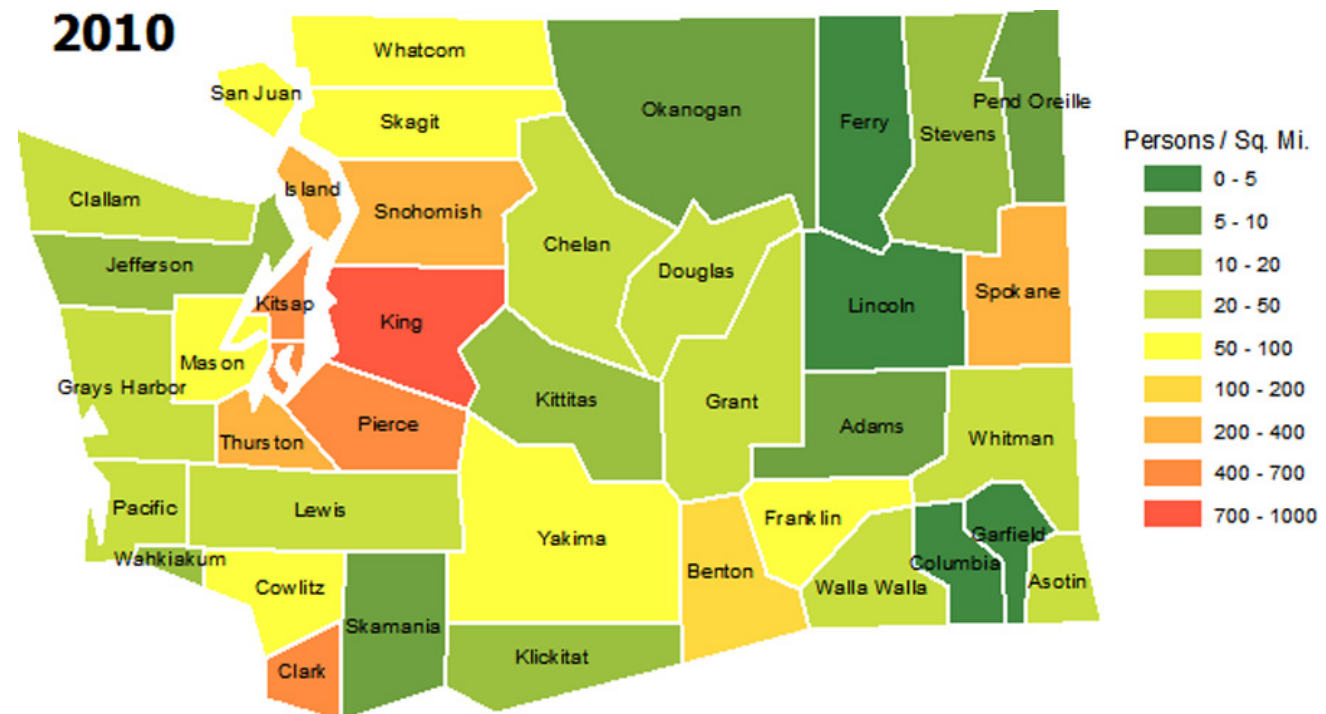# FACTORS INFLUENCING HOME VALUES NEAR SEATTLE, WA (2014 – 2015)

Valentina C. Fontiveros, 2019

KING COUNTY, WA

2010

➤ Most densely-populated county in Washington State.

➤ The Seattle area is the headquarters of major tech companies like Microsoft and Amazon.

FAQS FROM PROSPECTIVE SELLERS

➤ Which features increase prices the most?

➤ Do prices fluctuate with the seasons? Year to year?

➤ Is it worth renovating my home before I sell?

➤ Is it worth investing in marketing the home?

METHODOLOGY

1. Obtain Data
   - ➤ *Prices*
   - ➤ *Location*
   - ➤ *Physical Characteristics*
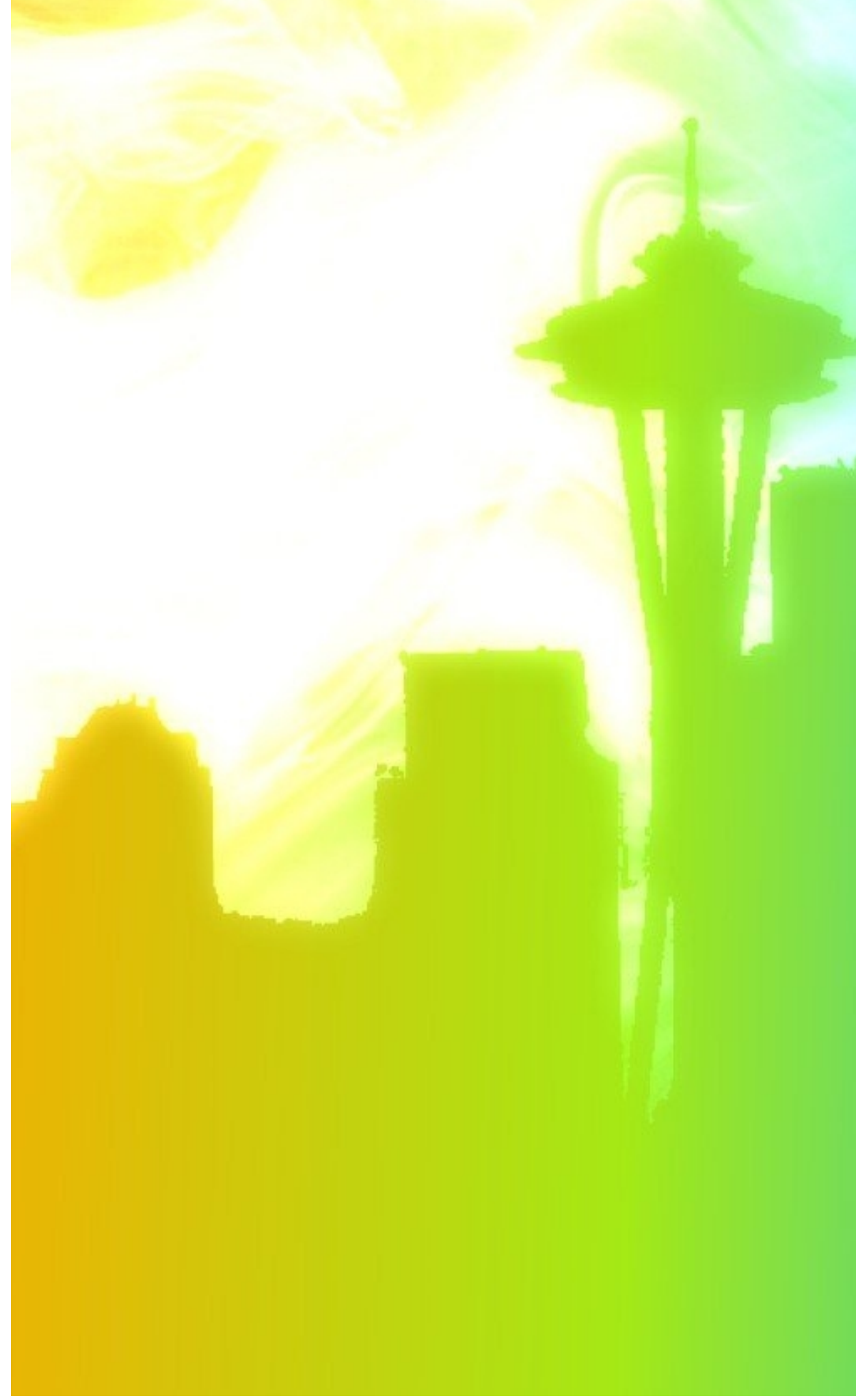   - ➤ *Historical Details*
2. Clean and Reformat Data
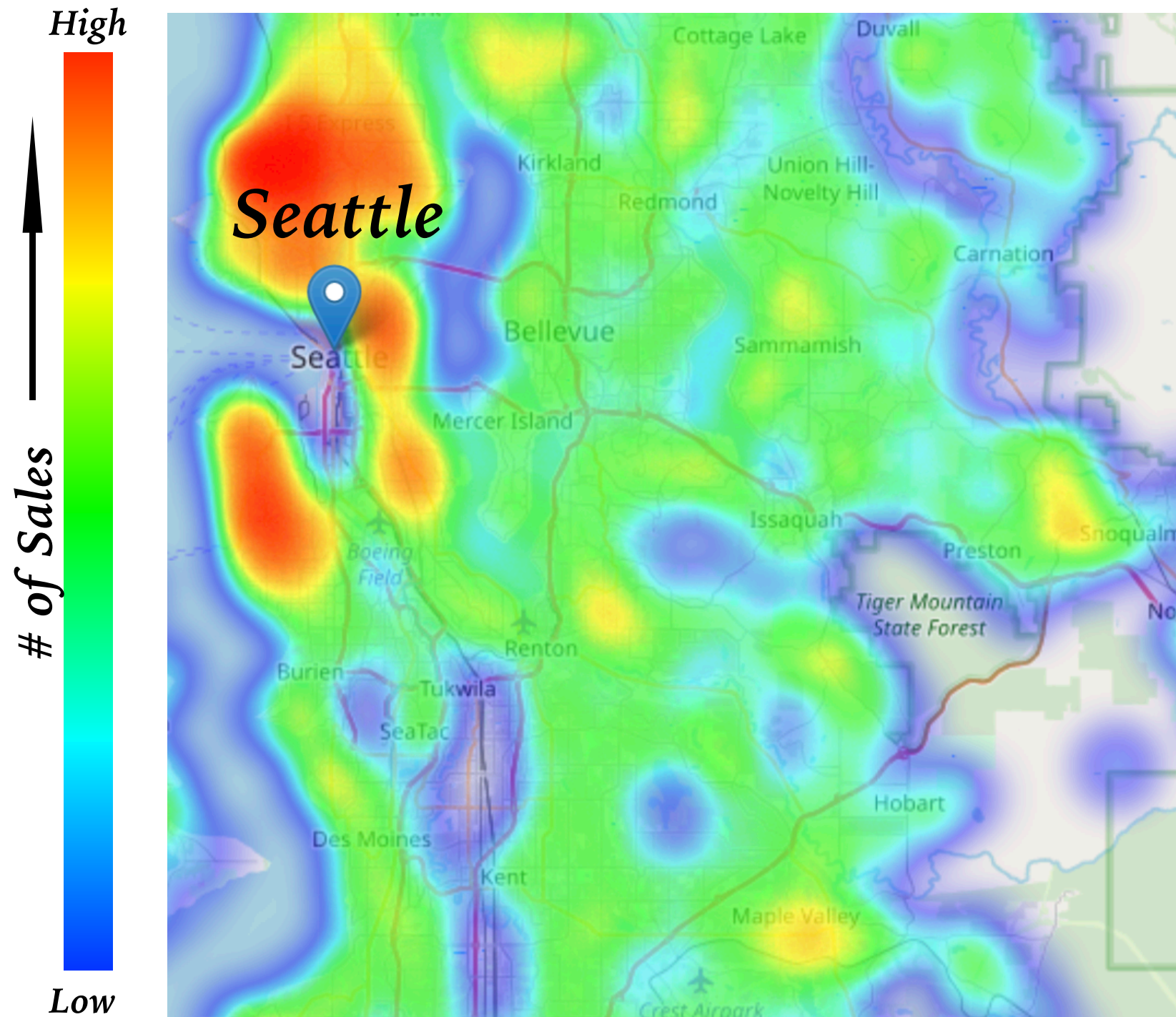3. Find Initial Correlations
4. Scale Data
5. Choose Features
6. Create a Predictive Model
7. Validate Results

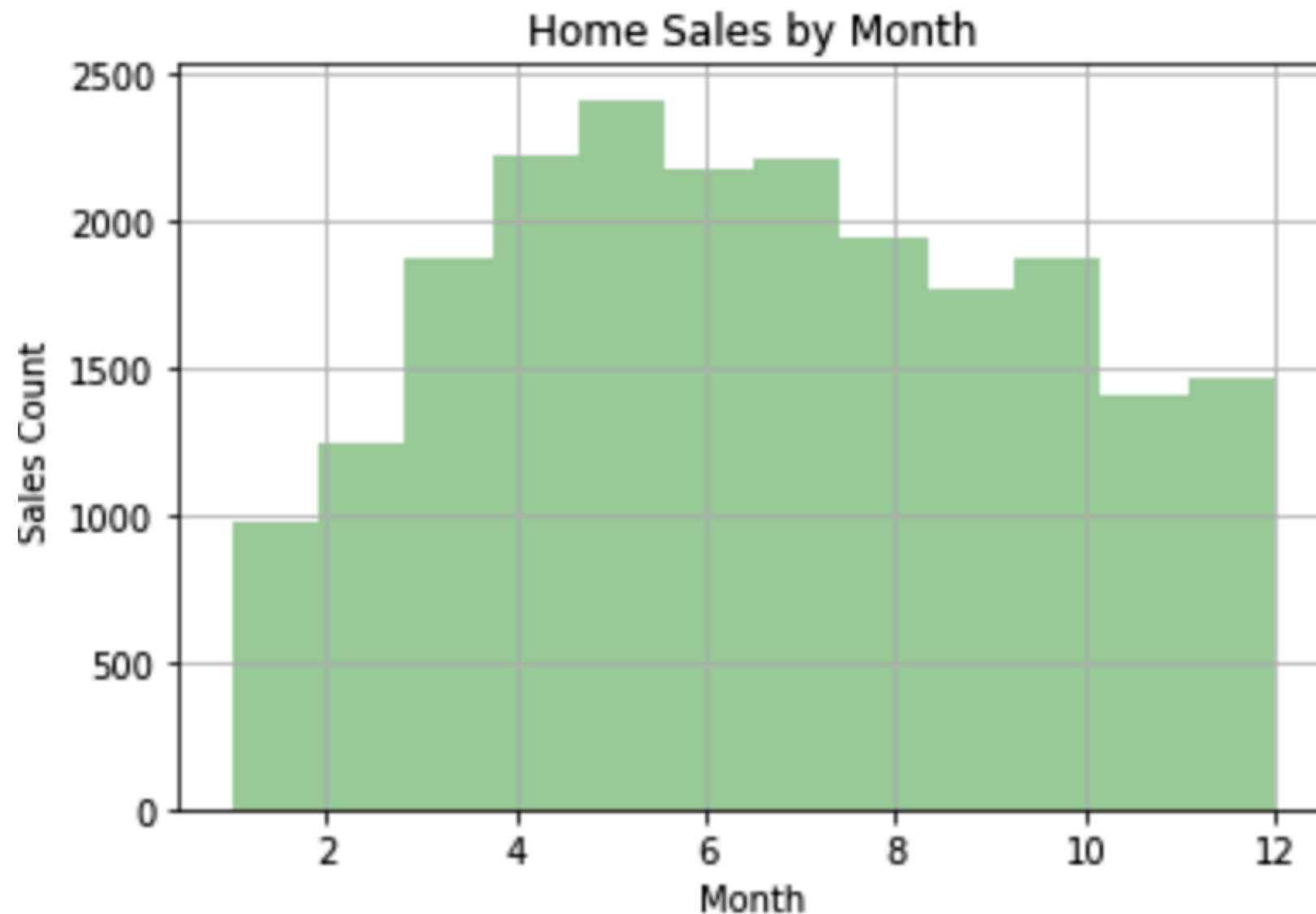# HOME SALES DISTRIBUTION (2014 – 2015)

High

# of Sales

Low

Seattle

➤ 20,000 homes sold

➤ Seattle metro is
very competitive

TOP 5 VALUE DRIVERS

- ➤ Premium zipcodes:
    - ➤ Medina, Bellevue
- ➤ Waterfront view
- ➤ Square footage of living space
- ➤ Distance to Seattle
- ➤ Built Recently (2010s)
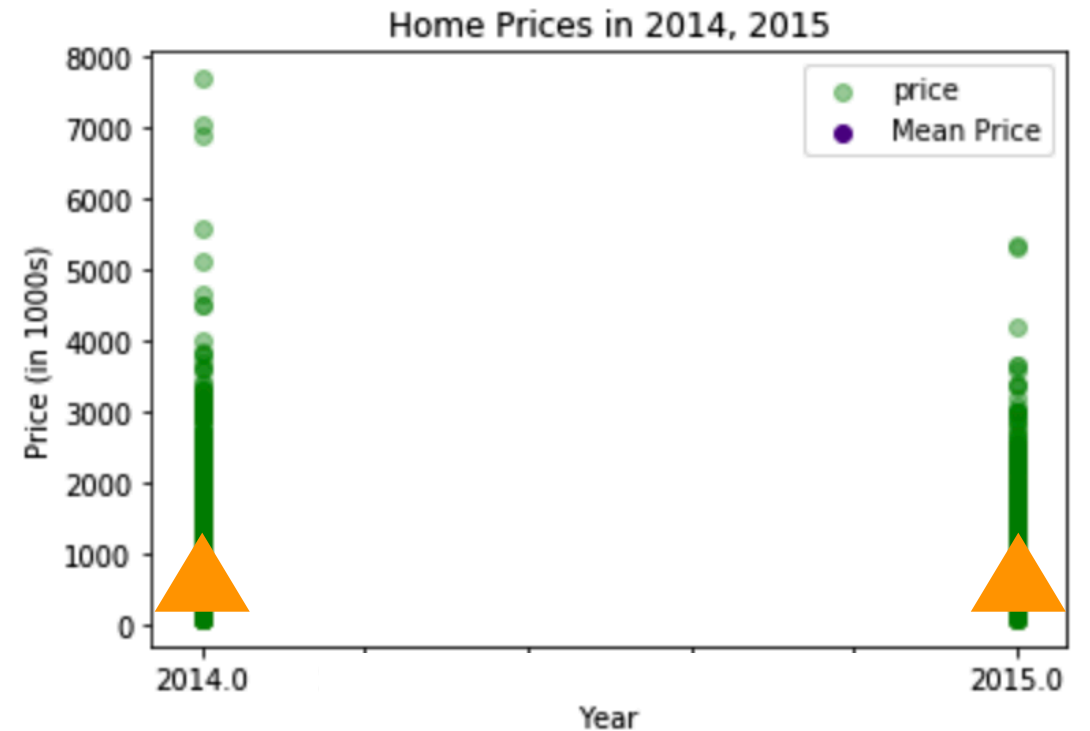- ➤ Recent Renovations (<15 yr)

SEASONAL VARIATIONS: SALES

Sales accelerate starting in March, peak in May, &

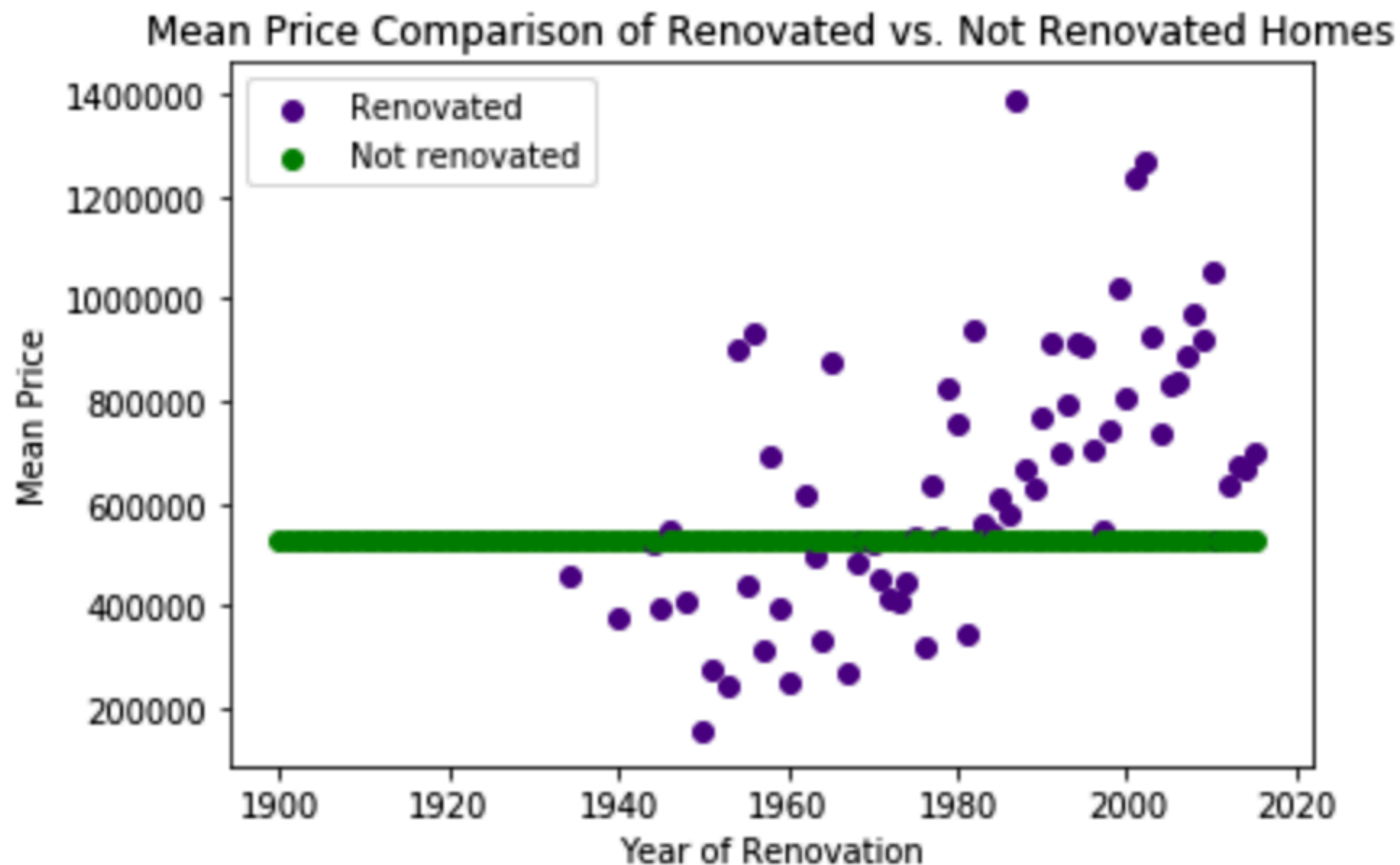slow down in November - February

SEASONAL VARIATIONS: PRICES

▲ *Average price of a home in King County: ~$ 540,000*

Mean home prices do not fluctuate significantly month-to-month,
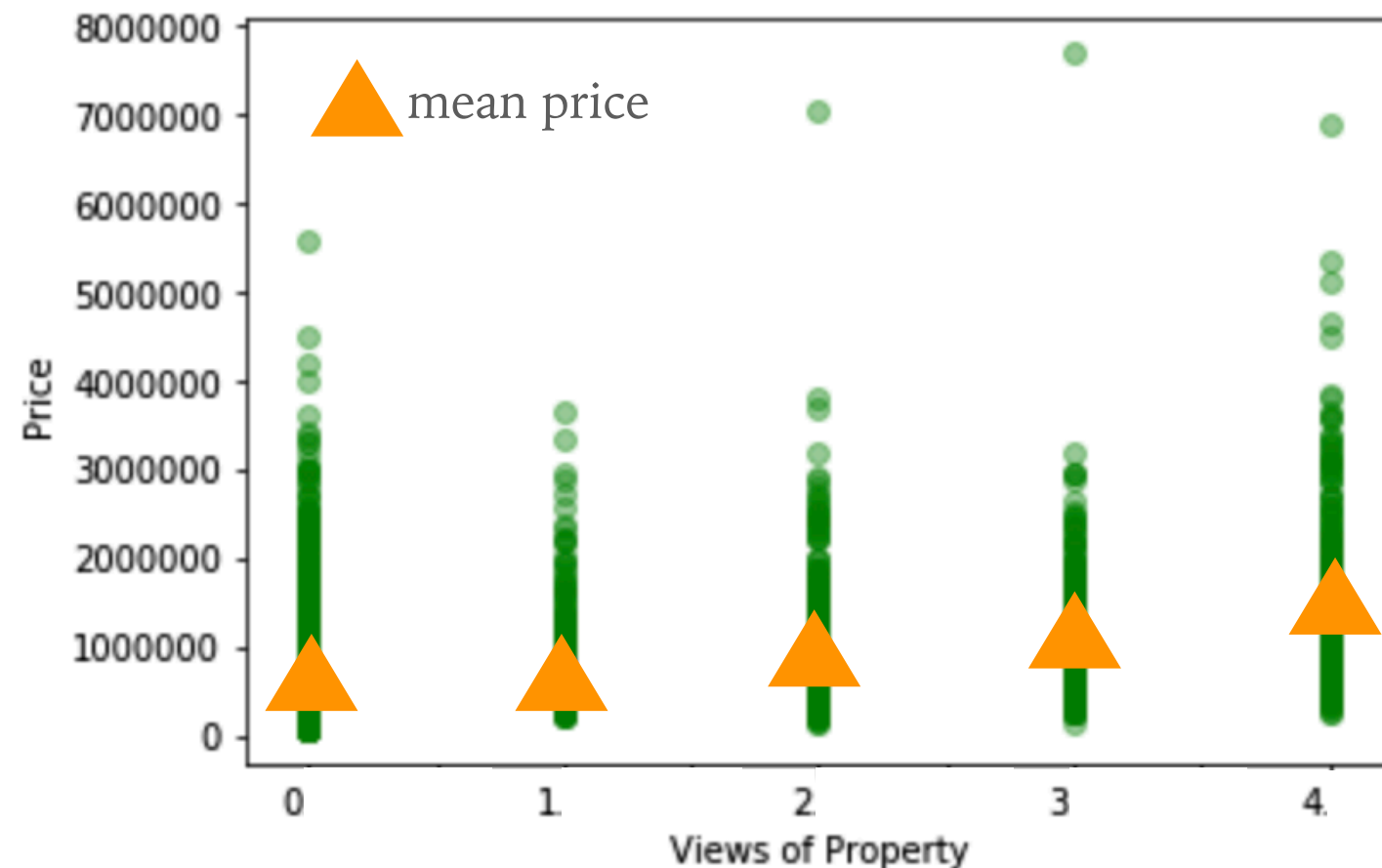
Or year after year according to this dataset.

EFFECT OF RENOVATIONS

Homes with renovations after circa 1980,

see a boost in price.

Mean Price Comparison of Renovated vs. Not Renovated Homes

➤ More views are associated with higher mean price

➤ Views may not be the only factor influencing price: location, time in market, or other factors may be involved.

➤ Waterfront properties usually get viewed more often, which could explain the higher mean prices observed in the trend.

CONCLUSIONS

Controlling factors

> ➤ Premium zipcodes:
>
>> ➤ Medina, Bellevue
>
> ➤ Waterfront view
>
> ➤ Square footage of living space
>
> ➤ Distance to Seattle
>
> ➤ Built Recently Recent Renovations

Late February is a good time to enter the market.

Recent renovations boost price.

Average prices do not fluctuate seasonally.

The trend linking views to higher home prices may be explained by the waterfront properties being viewed more often. If your home has a waterfront view, make sure you stress that in any listings.

BACKUP: AVERAGE HOME

- ➤ 3 bedrooms
- ➤ 2 bathrooms
- ➤ ~2000 sqft.
- ➤ 1.5 floors
- ➤ Does not have waterfront view
- ➤ Average condition
- ➤ Grade of 7 / 13
- ➤ Small basement
- ➤ Built in 1970s
- ➤ Is not renovated