# REAL ESTATE INVESTMENT PROPOSAL

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#### **OVERVIEW**







Business Goal

Data

Model

Finding undervalued zip-codes

King County house sales

**Multilinear Regression** 

#### **BUSINESS PROBLEM**

- Shareholders:
  Seattle Real Estate Investment Holdings.
- How can we see price dislocation in the housing sector?



#### **OUR DATA**

<u>Data</u>: house sales in King County, Washington from June 2021 - June 2022 (29242)

**Features**: Livable Square Feet, Bedrooms, Bathrooms, Quality of view, Construction Material Grade, Zip-codes

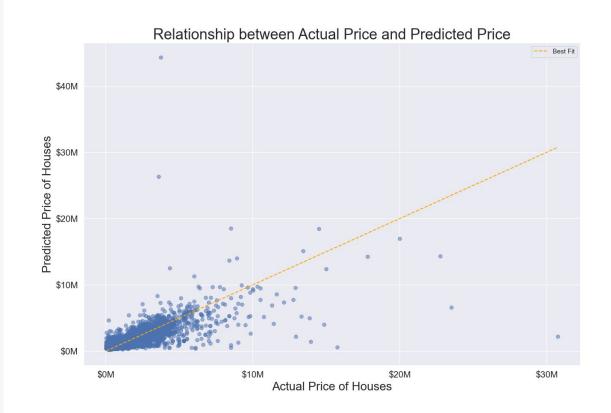
#### **OUR MODEL**

#### Multiple Linear Regression

 $R^2 = 0.691$ 

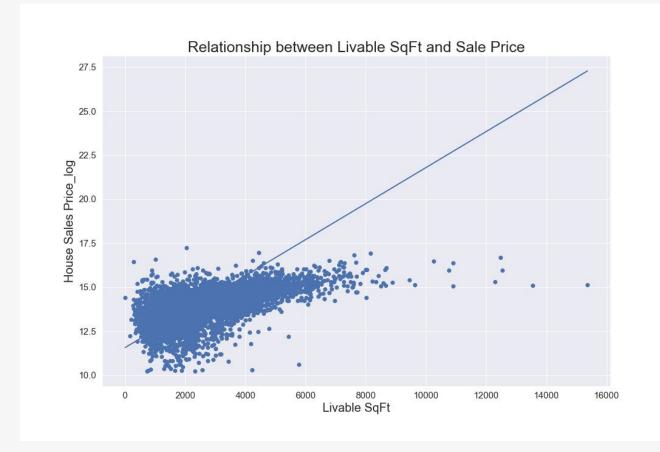
#### Top variables:

- Livable Square Feet
- Construction Material Grade
- Zip-codes



### **Livable Square Feet**

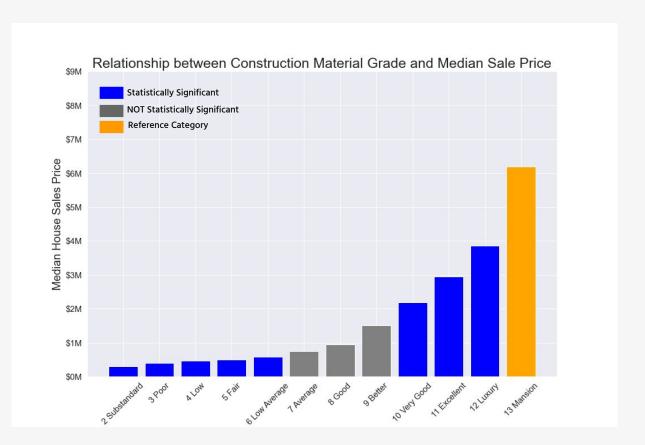
One unit increase in livable sqft → price increase of 0.04%



#### **Construction Material Grade**

Price decrease of 56.14% in price from grade 2 compared to 13.

Price decrease of 17.76% in price from grade 12 compared to 13.

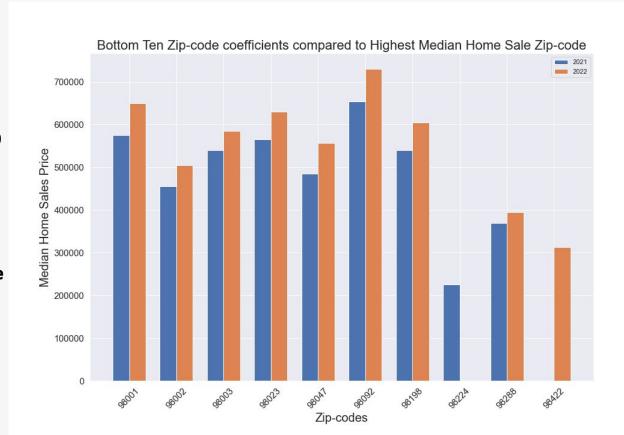


#### Zip-Codes

98039 - Has a median sales price of \$4,200,000

98001 - 77.16% decrease in price compared to 98039.

98422 - 90.90% decrease in price compared to 98039.



#### **Next steps**

**O**1

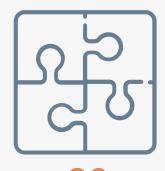


Further Investigation

Deeper analysis

## Further Sampling

More data gathering



O3
Interest Rate
Comparison

Comparing the pricing

## **THANKS!**

Do you have any questions?

Project GitHub - <a href="https://github.com/vladiseki/Housing\_Prices\_P2\_Project">https://github.com/vladiseki/Housing\_Prices\_P2\_Project</a>

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