

Construction and Renovation Guidance

Finding Housing Characteristics that
Impact Sale Price in Ames, Iowa

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The Problem

❖ *Our Primary Goal: To build and renovate properties in order to maximize the potential sale price.*

❖ What are the leading indicators of Sale Price?

❖ What limits Sale Price the most?

Specific Recommendations to maximize our sale price

The Dataset

- ❖ Ames, Iowa Sales from 2006-2010
- ❖ 2930 observations
- ❖ 82 features and characteristics

Positively Correlated Features

1. Overall Quality
2. Above Ground Living Square Footage
3. Garage Area/Cars
4. Total Basement Square Footage
5. First Floor Square Footage
6. Year Built/Remodeled

Negatively Correlated Features

1. Mediocre Exterior Quality

2. Mediocre Kitchen Quality

3. Lack of Fireplace

4. Mediocre Basement Quality

5. Unfinished/Detached Garage

6. Lack of Masonry Veneer

Lack of a Fireplace



No Fireplace



Avg. \$142,001

One Fireplace



Avg. \$215,478

***\$73,477 increase in
average Sale Price (all else equal)***

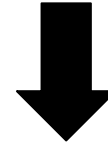
Masonry Veneer



Example of Masonry Veneer (Google Images)

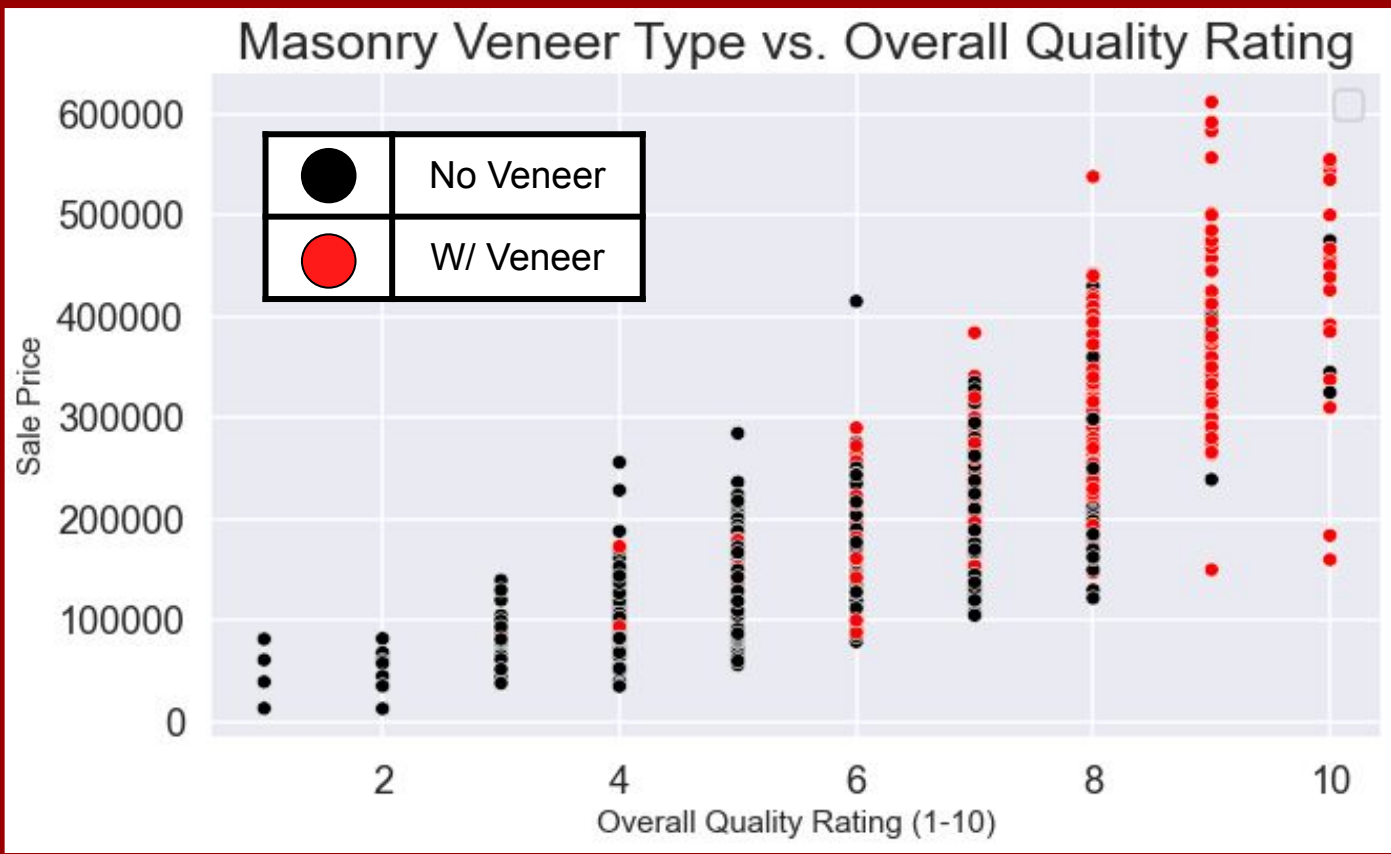
**No Masonry Veneer:
Avg. Sale: \$153,679**

Vs. \$181,469 Avg. Sale



Value drops by 15.3%!

Masonry Veneer



Garage Qualities

Positive Garage Features:

- ❖ Garage Area
- ❖ Size of garage in terms of car capacity

Negative Garage Features:

- ❖ Unfinished
- ❖ Detached from house

Guidance Summary

- ☐ **Minimum of 1 fireplace**
- ☐ **Masonry Veneer on outside of the house**
- ☐ **Finished Garage, attached to home**

Thank you for your time!

Questions?