

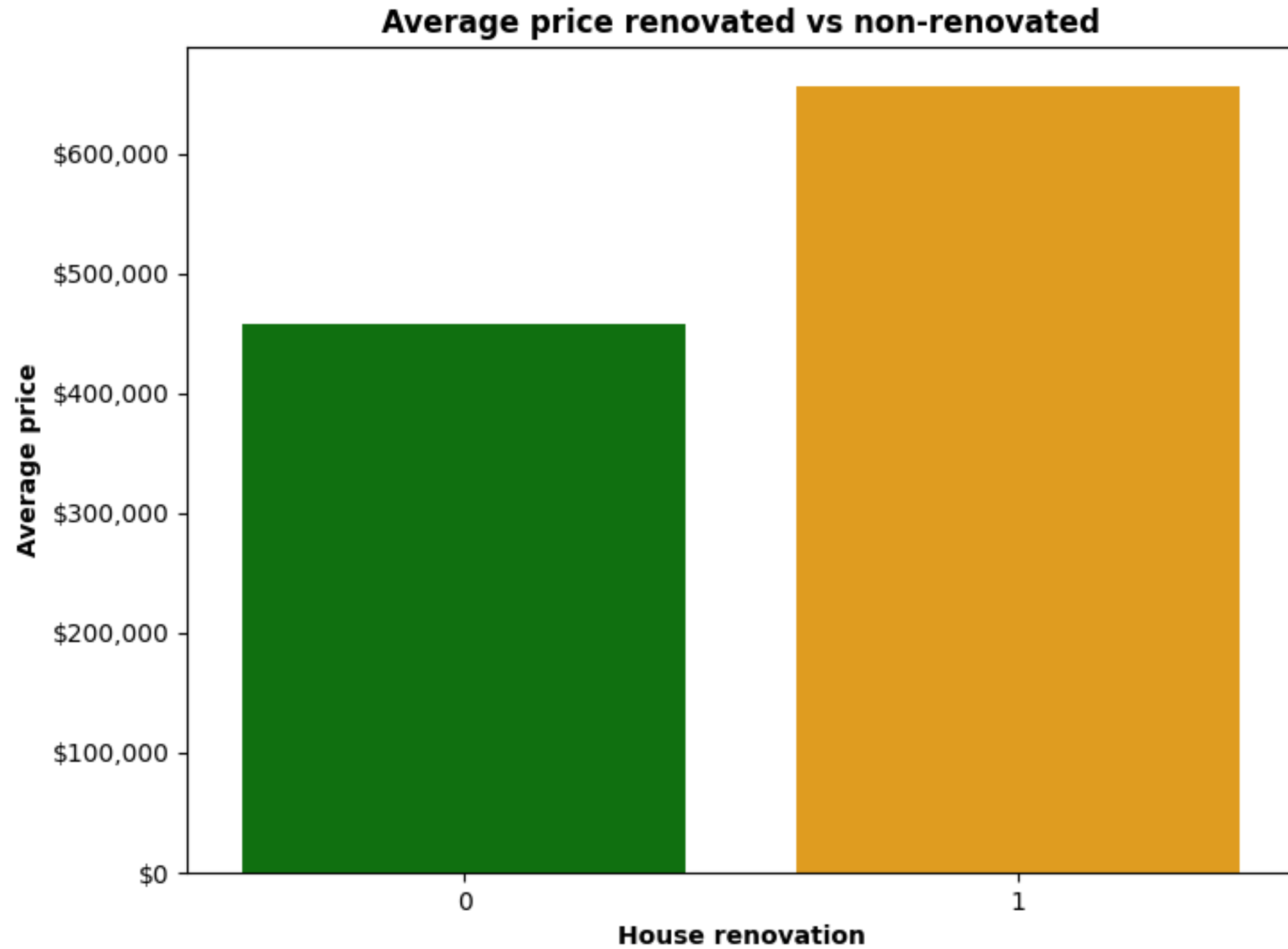
Background

- My client Bonnie Williams is a seller, he has several houses, some in bad neighbourhoods, willing to evict people, timing? big returns, open for renovations
- **ASSUMPTION:**
 - My client has a collection of 3 bedroom apartment in his portfolio.

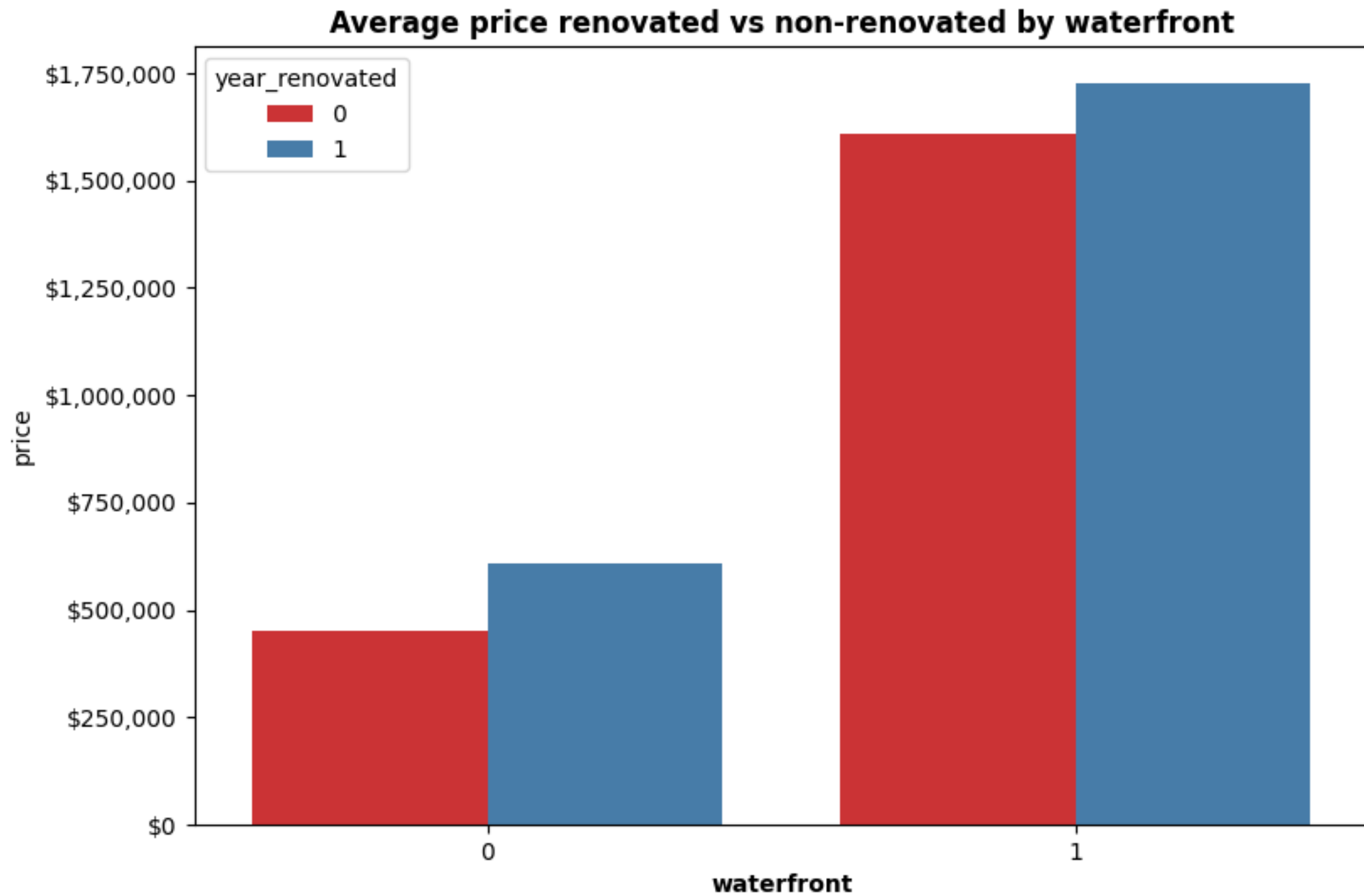
Problem/Question

- My client would like to sell some of the apartment in his holding. Important factor in his decision, expectation of a big return.
- Should he renovate before selling
- When is the best time to sell
 - Null hypothesis: renovation, no impact on Sp
 - Alternate: renovation increases SP

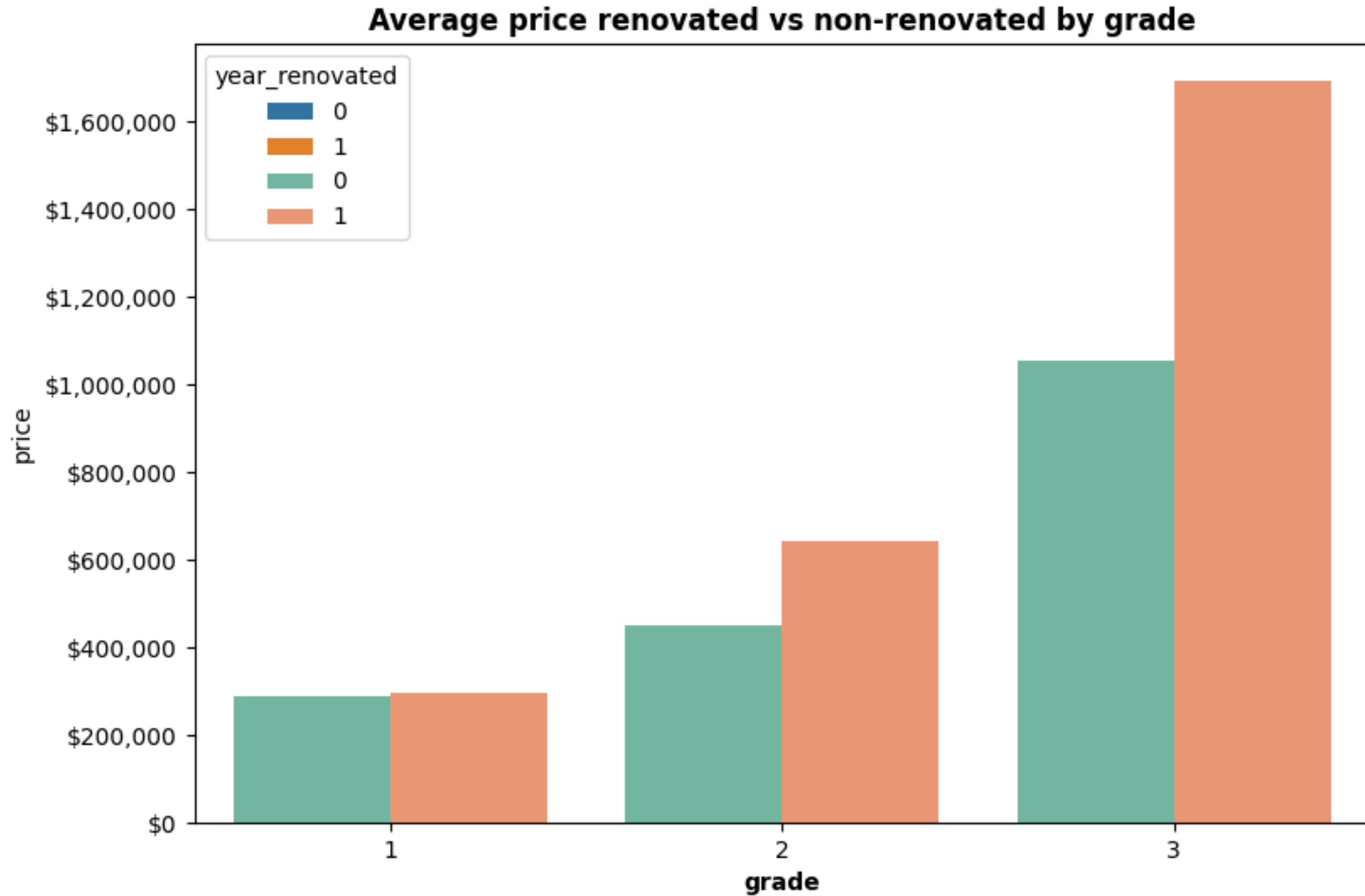
Analysis 1: Renovated vs Non-renovated apartments



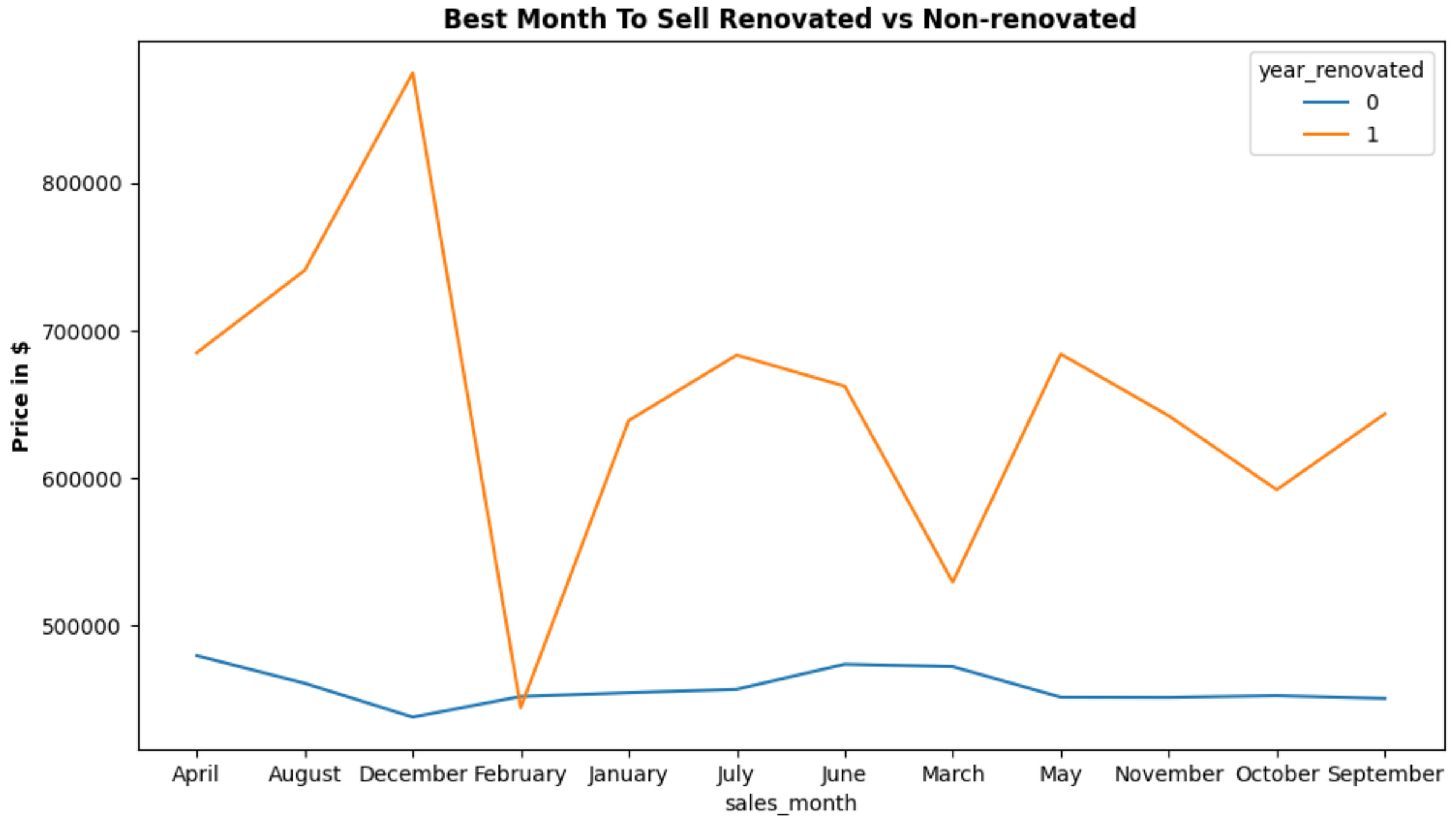
Analysis 2: Waterfront vs Non waterfront



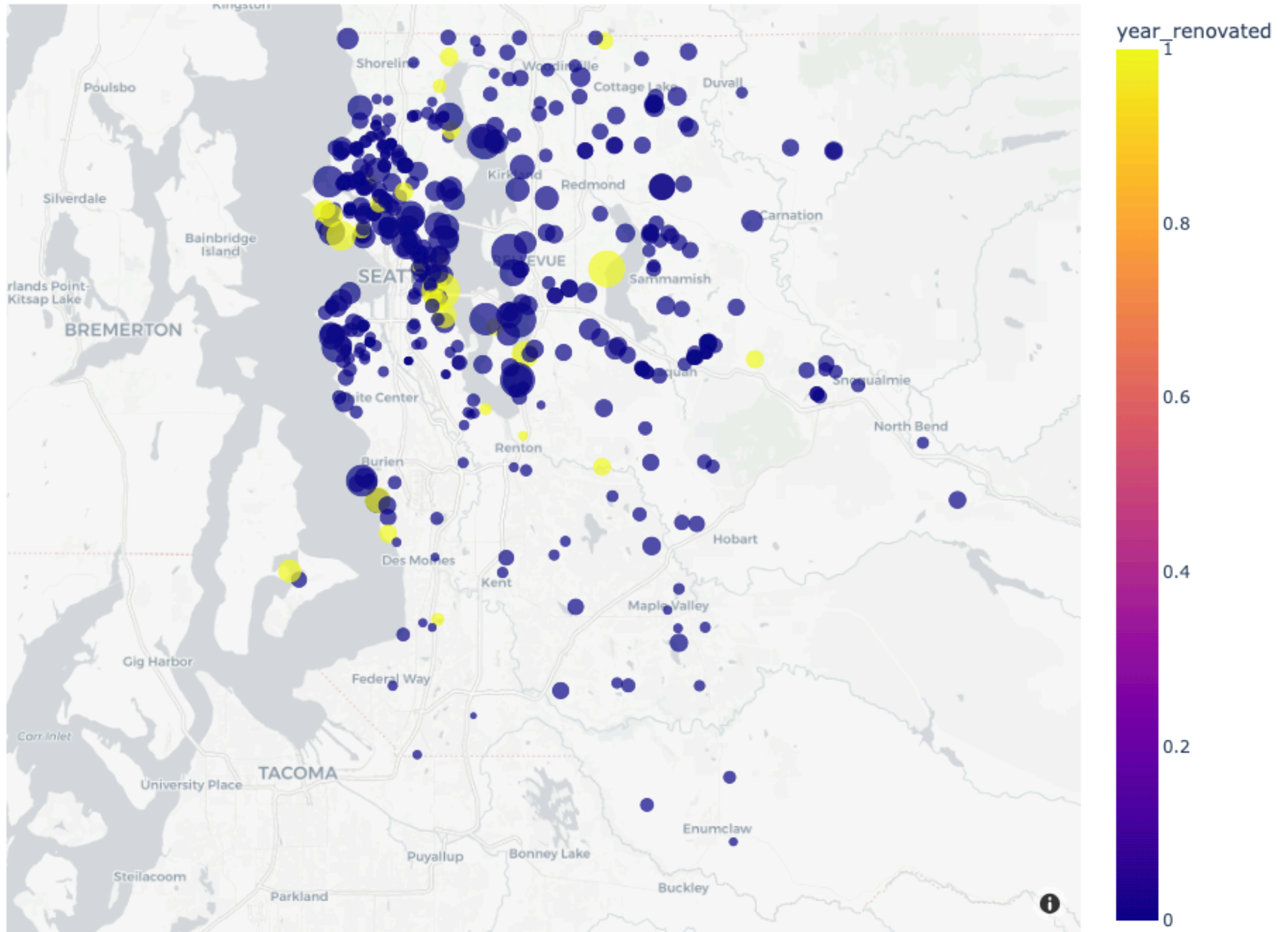
Analysis 3: Comparison by grades



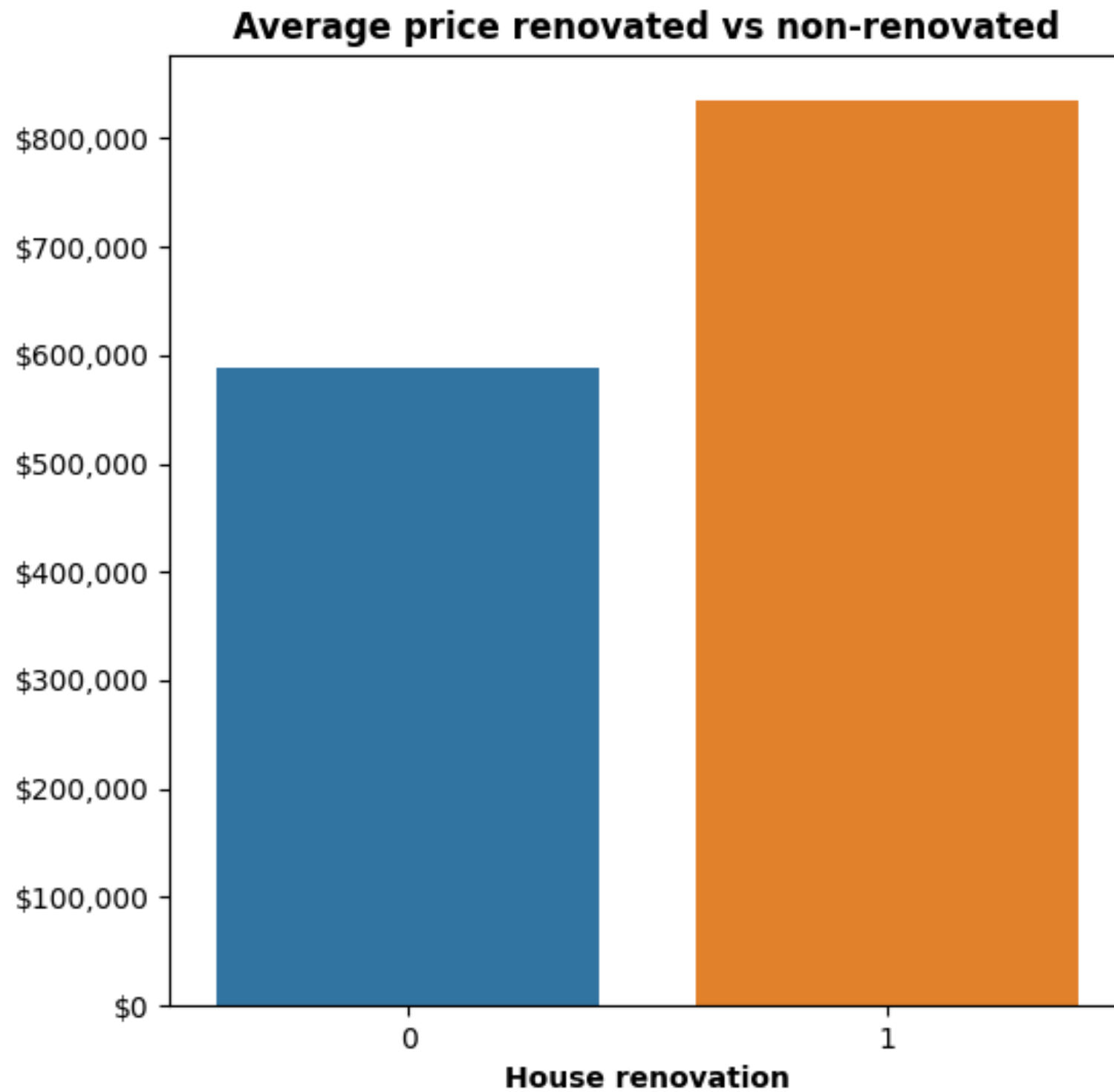
Analysis 4: Best time to sell, Renovated vs Non



Geographical representation



Robustness check



Summary

- Our finding shows, we have to reject our null hypothesis which says renovation would have no impact on selling price and accept the alternate hypothesis.
- There is a positive relationship between renovation and selling price.
- Renovated apartments are likely to sell at a higher price on average when compared to non renovated apartments
- Accounting for factors including waterfront and grade, result largely holds true
- This finding holds for other houses not in clients portfolio(2,4,5)
- Positive association noticed does not imply causality

Recommendations:

Devoid of information on the cost incurred during renovations, the following recommendation are hereby made.

- For apartments that fall under grade 3, renovating before sale would be the better outcome
- For apartments in grade 2, if cost of renovation below X, proceed with renovation
- For apartments in grade 1, do not renovate.
- After renovating, the apartment should be sold in December, best period to maximise earning potential