The Battle of Neighborhoods

Real estate in the Italian economic hub, Milan

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Introduction

Problem

The results of this research should be able to provide the following information:

- what parts of the city have affordable houses compatibly with their budget
- what areas have a high density of commercial or residential spaces
- what areas are best served by public transport

Target Audience:

- House buyers in search of a house to live in
- House buyers willing to invest in real estate
- International house buyers or investors in search of a glamorous accomodation

Data

- Average house price per square meter (https://www.borsinoimmobiliare.it). Data for 164 neighborhood was collected.

- Subway lines and stations spatial coordinates (https://dati.comune.milano.it). GeoJSON files available for free online.

- Foursquare API for distribution of venues across the city. Data of 3920 venues was collected.

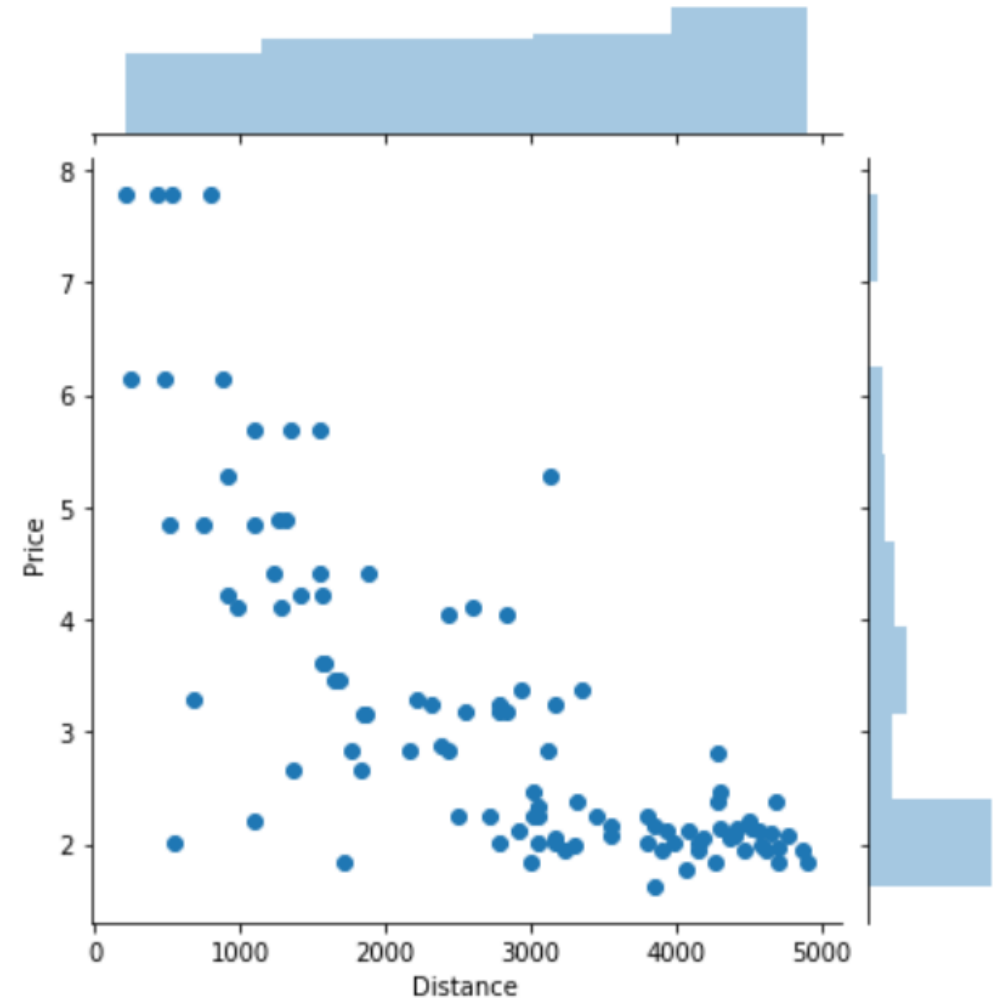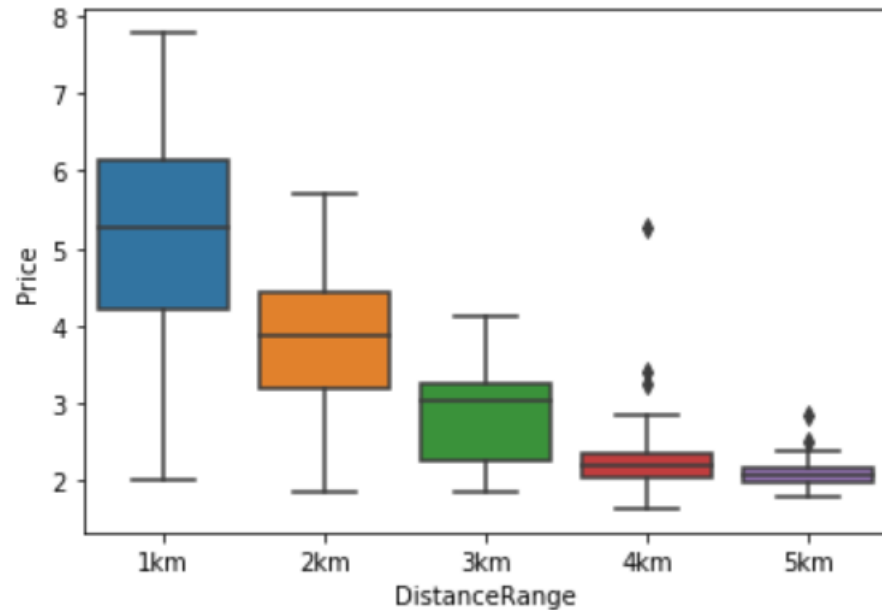# Methodology – Exploratory Data Analysis

Price ranges: the vast majority of houses are in the lowest price range
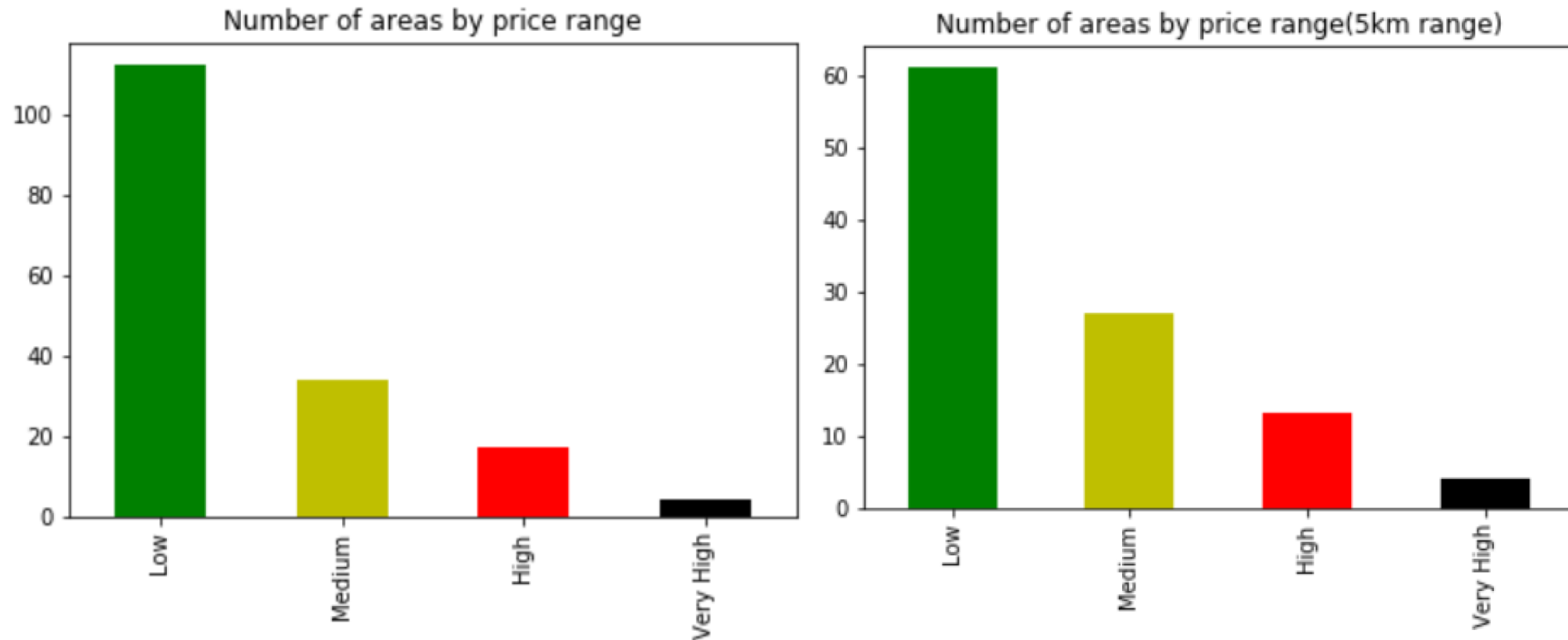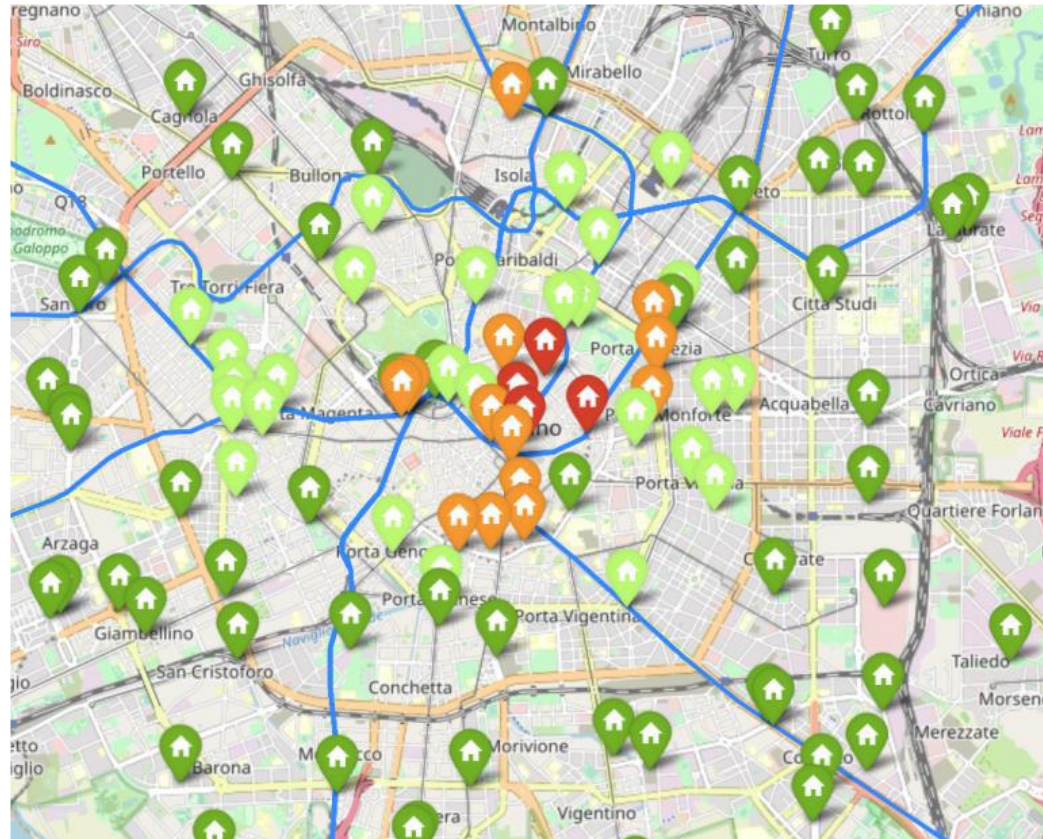
Methodology – Exploratory Data Analysis

Distance from the city center:

strong correlation between prices and proximity to the city center. Most expensive areas within 1km from city center.
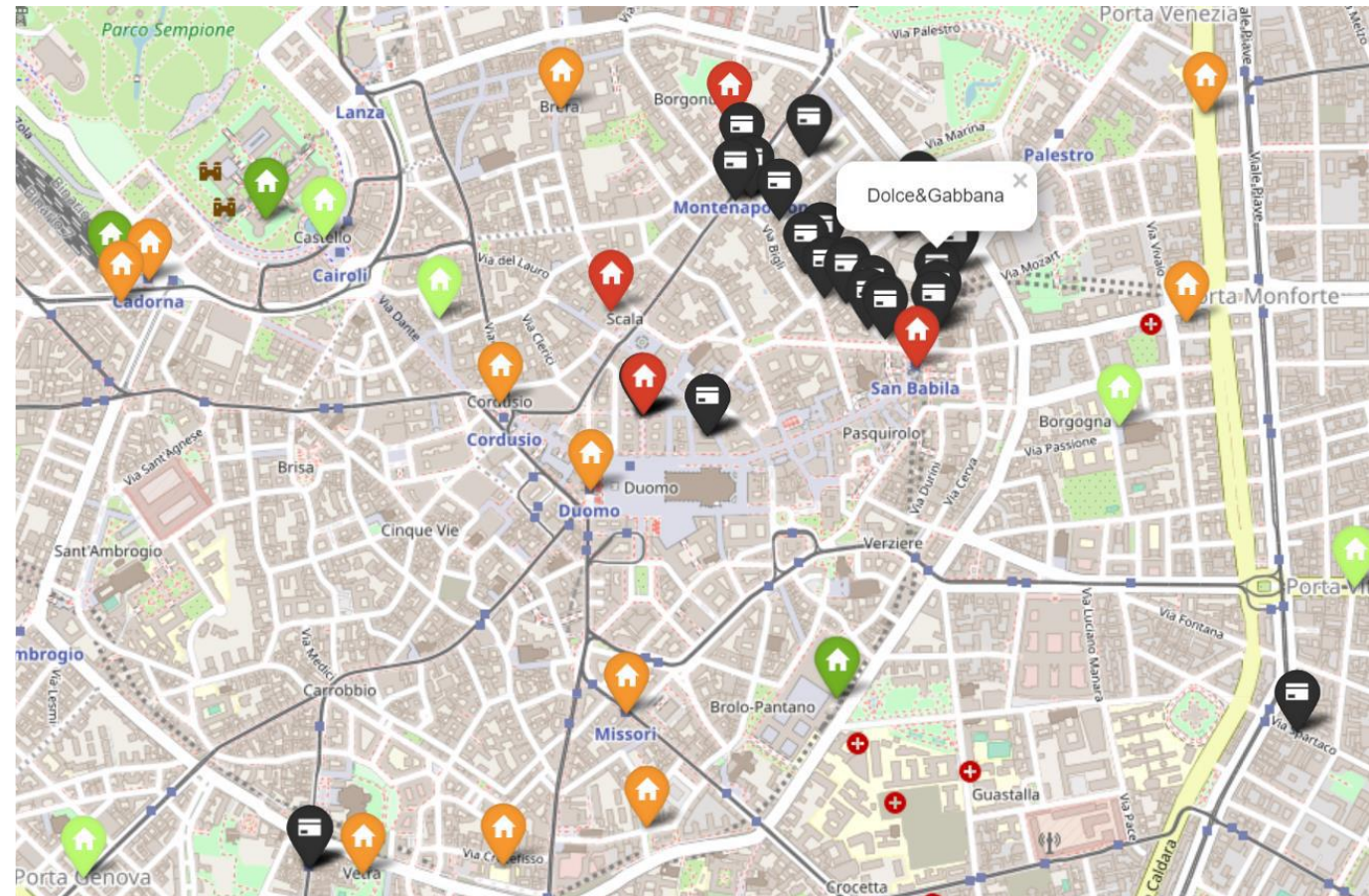
Methodology – Exploratory Data Analysis

Maps: maps confirm that the most expensive neighborhoods are also the most central
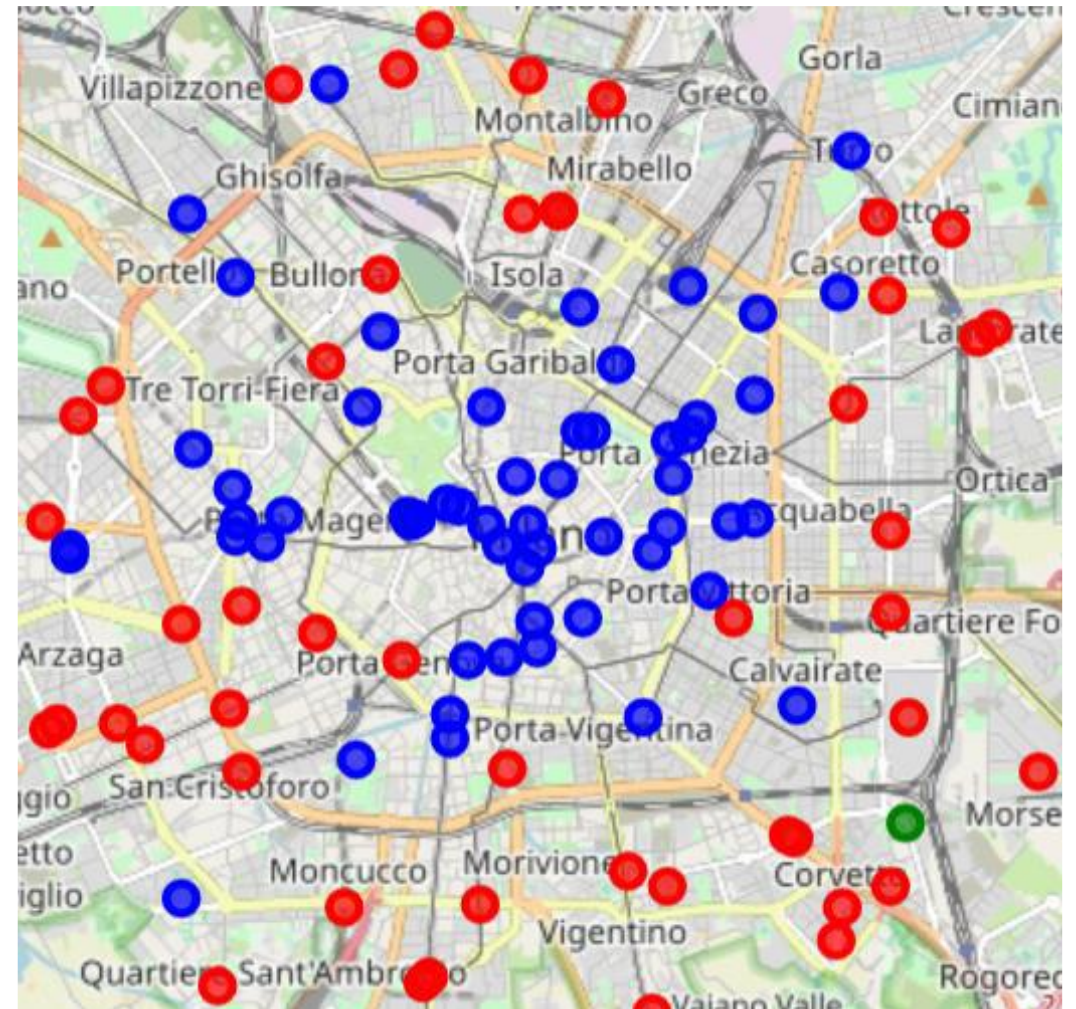
Methodology – Exploratory Data Analysis

The fashion district:

Proximity to the fashion district has the biggest influence on house prices.

Methodology – Exploratory Data Analysis

k-means Clustering

K-means clustering confirms most expensive neighbourhoods are those with high density of services and shops.
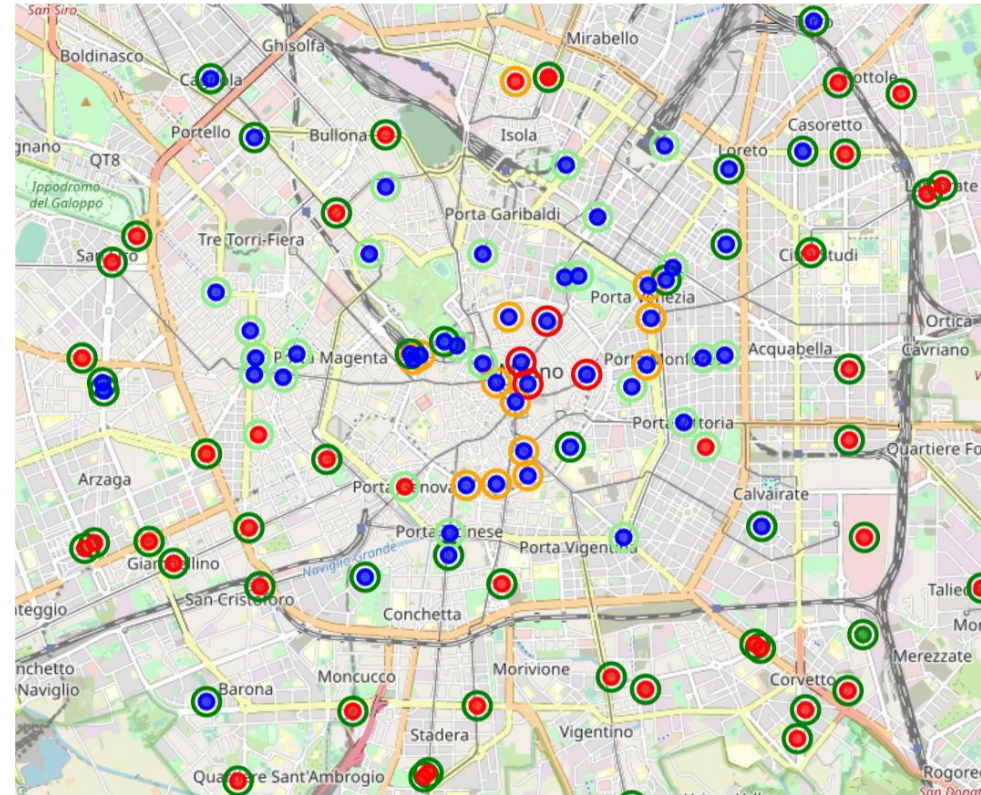
Results

Factors which majorly influence prices

- Availability of services

- Distance from city center

- Proximity to the fashion district

Recommendations

Factors to take into account for more insightful results

- Collection of individual sale listings

- Analysis focused on specific type of venues depending on buyer requirements

- Venue database more or less oriented towards the restoration sector