

**Capstone Project by Alex Pr** 

# INTRODUCTION

### **Background**

Moscow is one of the largest metropolises with a population of more than 15 million people, covers an area around 2561.5 km² with an average density of inheritance of 4924.96 people / km². It is really diverse city with great difference among its districts.

#### **Problem statement**

In such place business competition is really high. To start a new business you should have information about city venues, population and expenses for real estate. You face to multiple variables choice and Data Science can offer a solution. Owners of social facilities are expected to prefer boroughs with a high population density. Investors will prefer areas with low housing costs and low competitiveness. By means of Exploratory Data Analysis and k-means Clustering we visualize potential areas and venue type, that can be successful.

#### Interest

Investors to new social facilities and owners of existing ones to open a new one.

In my research, I will try to determine the optimal places for the location of Auto Workshops in Moscow boroughs, taking into account the number of people, the cost of real estate and the density of other facilities.



### **City data**

- Name, type of the each Moscow Borough
- Population, housing area, average housing price for each Moscow Borough
- Geographical coordinates and shape of the each Moscow Borough

| Borough_Name          | District_Name | Borough_Type           | ATO_Borough_Co | IMO_District_C | Borough_Area | rough_Populatio | Populatic | rough_Housing_Ar | using_Are | Latitude | Longitude | orough_Housing_Pric |
|-----------------------|---------------|------------------------|----------------|----------------|--------------|-----------------|-----------|------------------|-----------|----------|-----------|---------------------|
| Академический         | ЮЗАО          | Муниципальный<br>округ | 45293554       | 45397000       | 5.83         | 109387          | 18762     | 2467.00          | 22.70     | 55.69    | 37.58     | 199999.00           |
| Алексеевский          | СВАО          | Муниципальный<br>округ | 45280552       | 45349000       | 5.29         | 80534           | 15223     | 1607.90          | 20.50     | 55.81    | 37.65     | 199474.00           |
| Алтуфьевский          | CBAO          | Муниципальный<br>округ | 45280554       | 45350000       | 3.25         | 57596           | 17721     | 839.30           | 15.50     | 55.88    | 37.58     | 138021.00           |
| Арбат                 | цао           | Муниципальный<br>округ | 45286552       | 45374000       | 2.11         | 36125           | 17120     | 731.00           | 26.00     | 55.75    | 37.59     | 438568.00           |
| Аэропорт              | CAO           | Муниципальный<br>округ | 45277553       | 45333000       | 4.58         | 79486           | 17355     | 1939.70          | 25.90     | 55.80    | 37.53     | 234544.00           |
| Бабушкинский          | CBAO          | Муниципальный<br>округ | 45280556       | 45351000       | 5.07         | 88537           | 17462     | 1586.30          | 18.50     | 55.87    | 37.66     | 164324.00           |
| Басманный             | цао           | Муниципальный<br>округ | 45286555       | 45375000       | 8.37         | 110694          | 13225     | 1991.80          | 18.40     | 55.78    | 37.69     | 302021.00           |
| Беговой               | CAO           | Муниципальный<br>округ | 45277556       | 45334000       | 5.56         | 42781           | 7694      | 791.10           | 18.80     | 55.78    | 37.57     | 261402.00           |
| Бескудниковский       | CAO           | Муниципальный<br>округ | 45277559       | 45335000       | 3.30         | 79603           | 24122     | 1391.70          | 18.40     | 55.86    | 37.56     | 158398.00           |
| Бибирево              | CBAO          | Муниципальный<br>округ | 45280558       | 45352000       | 6.45         | 160163          | 24831     | 2521.80          | 15.80     | 55.88    | 37.60     | 140533.00           |
| Бирюлёво<br>Восточное | ЮАО           | Муниципальный<br>округ | 45296553       | 45911000       | 14.77        | 155863          | 10552     | 2122.20          | 14.70     | 55.59    | 37.66     | 124645.00           |
| Бирюлёво<br>Западное  | ЮАО           | Муниципальный<br>округ | 45296555       | 45912000       | 8.51         | 88672           | 10419     | 1183.20          | 13.20     | 55.59    | 37.64     | 109421.00           |
| Богородское           | BAO           | Муниципальный<br>округ | 45263552       | 45301000       | 10.24        | 109324          | 10676     | 1744.10          | 16.90     | 55.82    | 37.71     | 178577.00           |
| Братеево              | ЮАО           | Муниципальный<br>округ | 45296557       | 45913000       | 7.63         | 110021          | 14419     | 1585.40          | 15.50     | 55.64    | 37.76     | 136300.00           |
| Бутырский             | CBAO          | Муниципальный<br>округ | 45280561       | 45353000       | 5.04         | 71458           | 14178     | 1236.20          | 18.30     | 55.81    | 37.59     | 182641.00           |
| Вешняки               | BAO           | Муниципальный<br>округ | 45263555       | 45302000       | 10.72        | 122285          | 11407     | 1976.80          | 16.20     | 55.73    | 37.82     | 147352.00           |
| Внуково               | ЗАО           | Муниципальный<br>округ | 45268552       | 45317000       | 17.42        | 25471           | 1462      | 416.60           | 17.80     | 55.61    | 37.30     | 113399.00           |
| Войковский            | CAO           | Муниципальный<br>округ | 45277565       | 45336000       | 6.61         | 70729           | 10700     | 1531.00          | 23.10     | 55.82    | 37.49     | 207242.00           |
| Восточное<br>Дегунино | CAO           | Муниципальный<br>округ | 45277568       | 45337000       | 3.77         | 98923           | 26239     | 1592.50          | 16.70     | 55.88    | 37.56     | 146300.00           |

Fig.1 represents DF city data ready for analysis.

## **DATA SET**

#### Venues data

By using API of Foursquare was obtained data about venues type and location. It takes special procedure and many iteration to obtain it about the all city districts.

Cell\_id Venue\_ld Borough\_Name Venue\_Name Venue\_Latitude Venue\_Longitude Venue\_Category\_Name Очаково-"Aminevskoe hotel" 55.7020821... 511629f5e4b051a081439bf5 55.703032 37.454590 Hotel Матвеевское restaurant 55.8350558... 5023841de4b0e6fe1a411c7d Ростокино "Cosmos 2" Hotel 55.836780 37.665548 Hote1 Покровское 55.8277624... 505f30d2e4b0d9a2f19a319d "Karaoke&Bar G-Voice" 55.827876 37.409241 Karaoke Bar Стрешнево Очаково-55.6864545... 4efb158da17cdc15b40b98fc 55.686766 37.414477 Furniture / Home Store Матвеевское "Mime" Film Company 55.7213688... 5905a5870123587260ffe1d5 Южнопортовый 55.722946 37.679820 Film Studio (Мим Кинокомпания) 55.7488985... 5083dcc4e4b0ba1a3249d19f Вешняки "Red House" Клуб-Сауна 55.746088 37.838734 Sauna / Steam Room 55.7454108... 50eadc9de4b02662c430d51c Новокосино 37.877648 55.744217 Department Store "Александр "Аргумент - кафе" 55.7366957... 4eb12a04b63434fc86fa3310 Дорогомилово 55.738145 37.532077 Restaurant 55.7143244... 53a02544498e62c556da1f3f Хамовники "Банкет Холл" Лужники 55.715131 37.547142 Russian Restaurant 55.8692166... 5299878d11d2d1319ecea89f "Бегемотики" 55.870727 37,440701 Kids Store "Беговая дорожка" в 55.7623045... 50162ce6e4b01bcdb30b45e0 Крылатское 55.762294 37.416648 Athletics & Sports Крылатском "Борисовский' 55.6249294... 4d877bec99b78cfaf7f5f91f 55.624427 37.709809 билиардная 55.7949991... 503ccbf9e4b0708fceeb8ad1 Строгино 55.795756 37.405038 Dance Studio "Веселуха" "Волчий лес" / "Wolf 55.8866119... 50420be2e4b0b5223de4c8a5 Дмитровский 55.885273 37.528364 55.6367977... 4f2c1f33e4b0ecad92a8352c Коньково 55.639274 37.544578 Convenience Store "Гермес' 55.6645507... 4f6a1b18e4b0ed0504f11293 Марьино 37.773821 "Городская аптека" 55.662385 Pharmacy 55.8777268... 50fbfea6e4b09f8ff7c27c93 Куркино "Золотые Дуги" 55.880515 37.396922 American Restaurant "Измайловский СДС" 4d43cae40349224b7365f34e 55.793075 37.823913 Flower Shop Измайлово Филиал ГУП "Мосзеленх... 55.7110205... 56b5e6ed498e16a72e900561 Даниловский 55.709422 37.657847 Paper / Office Supplies Store 55.8952978... 5558da32498ed73c64236d90 Лианозово 55.896766 37.580660 "Левый Берег" торговый 55.8951981... 4ead5cf729c2a9bb97952c9e Дмитровский 55.895344 37.503386 Shopping Mall 55.6521319... 4ea54de79adff6343ad6ff45 "Леди & Бродяга" 55.651273 37.470040 Pet Store 55.6833684... 51f7c3b0498e305d9ef6b5b2 Некрасовка "Магнит 55.683751 37.928274 Supermarket 55.8798507... 541c4831498e76f1b432ffee Ярославский 37.729744 "Маснит' 55.878228 Supermarket 55.6628188... 51bea6bf498ea7d17efe1403 Люблино "Мекона" Сервис 55.661802 37.807258 Auto Workshop

Fig.2 represents DF venues data ready for analysis.

### **Exploratory Data Analysis**

Fig.3 shows basic statistics for all features.

We have following key features in Moscow Boroughs dataset:

- District name of the Moscow District in which Borough is belong to
- Area area of the Moscow Borough in square kilometers
- Population\_Density population density of the Moscow Borough
- Housing\_Area & Housing\_Price of the Moscow Borough

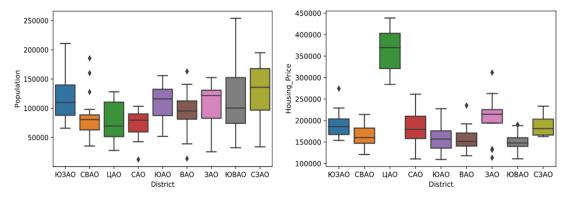
| For features analyzing were used: |                                  |                                  | Area     | Population_Density | Housing_Area | Population   | Housing_Price |               |
|-----------------------------------|----------------------------------|----------------------------------|----------|--------------------|--------------|--------------|---------------|---------------|
|                                   | •                                | descriptive statistical analysis |          | 120.000000         | 120.000000   | 120.000000   | 120.000000    | 120.000000    |
| •                                 | descriptive statistical analysis | mean                             | 8.706417 | 13426.608333       | 1775.684167  | 99847.608333 | 190037.316667 |               |
|                                   | •                                | categorical variables analysis   | std      | 4.927028           | 5956.551611  | 815.978445   | 44024.992123  | 66182.885601  |
| J                                 |                                  | min                              | 2.110000 | 559.000000         | 69.900000    | 12194.000000 | 109421.000000 |               |
|                                   | • C                              | correlation analysis             | 25%      | 5.395000           | 9745.750000  | 1244.450000  | 71821.750000  | 147339.000000 |
|                                   |                                  |                                  | 50%      | 7.680000           | 13266.000000 | 1709.450000  | 93892.000000  | 168172.500000 |
|                                   |                                  |                                  | 75%      | 10.282500          | 17151.000000 | 2206.600000  | 126545.750000 | 210978.000000 |

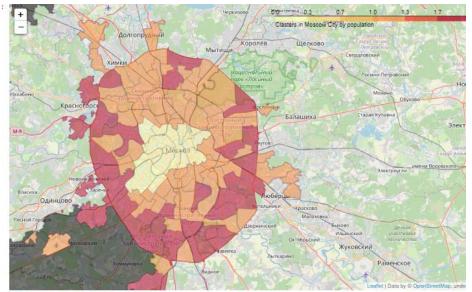
4523,000000 253943,000000 438568,000000

## **Categorical variables analysis**

Relationship between categorical feature 'District' and key criteria is shown using boxplots visualization.

We can see that the distributions of Population between Boroughs in the different Districts have an overlap, most populated Boroughs are placed in 'ЮЗАО', 'ЮАО', 'СЗАО' and 'ЗАО' Districts. It is shown on a map.





### **Correlation analysis**

- Correlation between 'Area', 'Population\_Density' and 'Population' is statistically significant, although the linear relationship isn't extremely strong.
- Correlation between 'Housing\_Are' and 'Population' is statistically highly significant, and the linear relationship is extremely strong.
- Correlation between 'Area', 'Population\_Density', 'Housing\_Area' and 'Housing\_Price' is not statistically significant, although the linear relationship isn't strong.
- Correlation between 'Area' to 'Population\_Density' is statistically hugely significant, and the linear relationship is extremely strong.
- So we can exclude 'Population\_Density' from our considerations.

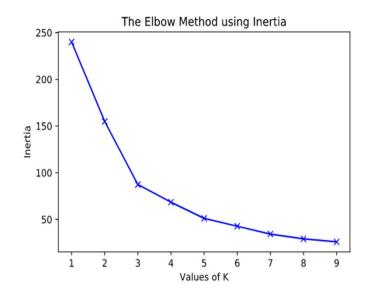
|                    | Area      | Population_Density | Housing_Area | Population | Housing_Price |
|--------------------|-----------|--------------------|--------------|------------|---------------|
| Area               | 1.000000  | -0.585991          | 0.344188     | 0.380587   | -0.154996     |
| Population_Density | -0.585991 | 1.000000           | 0.289456     | 0.338621   | -0.101348     |
| Housing_Area       | 0.344188  | 0.289456           | 1.000000     | 0.887856   | -0.016971     |
| Population         | 0.380587  | 0.338621           | 0.887856     | 1.000000   | -0.195774     |
| Housing_Price      | -0.154996 | -0.101348          | -0.016971    | -0.195774  | 1.000000      |

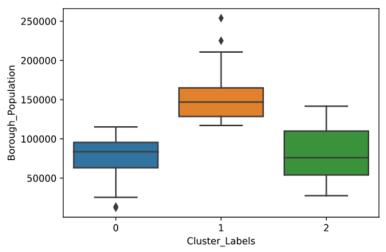
Fig.7 shows correlation between features.

## **Clustering**

It is segmentation with K-Means clustering to detect Boroughs that have highest population and smallest housing price.

 For determining right number of clusters elbow method is used. Picture shows elbow method using Inertia with elbows at 3 and 5 centroid. It is used 3 centroid in my research.





### Clustering

There are 3 clusters:

- "1" Cluster characterized by low mean population (78538 people per Borough), relatively high mean housing price (173695 rubles/m²) and low population density (10328 people/km²)
- "2" Cluster characterized by highest mean population (153187 people per Borough), smallest mean housing price (160741 rubles/m²) and highest population density (13312 people/km²)
- "0" Cluster characterized by low mean population (79805 people per Borough), highest mean housing price (333794 rubles/m²) and low population density (10533 people/km²)

# Print clusters
Moscow\_Clustering\_df.head()

|   | Cluster_Labels | Population_Mean | Housing_Price_Mean | Population_Sum | Population_% | Borough_Count | Area_Sum | Area_%    | Population_Density |
|---|----------------|-----------------|--------------------|----------------|--------------|---------------|----------|-----------|--------------------|
| 0 | 0              | 79805.666667    | 333794.866667      | 1197085        | 9.990934     | 15            | 113.65   | 10.877992 | 10533.084030       |
| 1 | 1              | 78538.901408    | 173695.070423      | 5576262        | 46.539773    | 71            | 539.87   | 51.673574 | 10328.897698       |
| 2 | 2              | 153187.235294   | 160741.323529      | 5208366        | 43.469294    | 34            | 391.25   | 37.448434 | 13312.117572       |



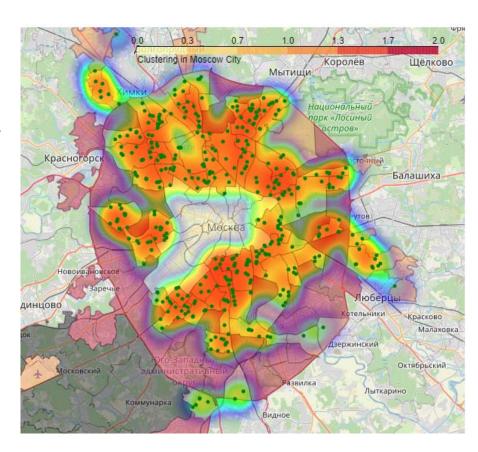
The result of my research consists of:

- List of the optimal Boroughs for the location of
- List of the optimal Boroughs for the location of facilities centers, according to the main criterias

   high population of the borough
   low cost of real estate in the borough

   List of the other competitive facilities in the each Borough from the optimal list
   Interactive choropleth map and heatmap with other competitive facilities in the each Borough.

In our case there are 422 venues of "Auto Workshop" of all 20864 venues in Moscow City. There are 419 venues of all Auto Workshop in one Cluster. That means there is a reason for it!





This project helps an Investor to make an optimal DataDriven choice for the interesting location and type of venue to be demanded in this location. It can be used to make competitive venue analysis.

|   | .gribour rioous_ve | _                           |                             |                             |                             |                             |                             |                                   |                             |                             |                                   |
|---|--------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------------|
|   | Borough_Name       | 1st Most<br>Common<br>Venue | 2nd Most<br>Common<br>Venue | 3rd Most<br>Common<br>Venue | 4th Most<br>Common<br>Venue | 5th Most<br>Common<br>Venue | 6th Most<br>Common<br>Venue | 7th Most<br>Common<br>Venue       | 8th Most<br>Common<br>Venue | 9th Most<br>Common<br>Venue | 10th Most<br>Common<br>Venue      |
| 0 | Академический      | Pharmacy                    | Coffee Shop                 | Park                        | Auto<br>Workshop            | Bakery                      | Health Food<br>Store        | Wine Shop                         | Shoe Store                  | Dance<br>Studio             | Supermarket                       |
| 1 | Алексеевский       | Auto<br>Workshop            | Park                        | Supermarket                 | Pizza Place                 | Hotel                       | Food & Drink<br>Shop        | Coffee Shop                       | Pet Store                   | Convenience<br>Store        | Pharmacy                          |
| 2 | Алтуфьевский       | Supermarket                 | Auto<br>Workshop            | Light Rail<br>Station       | Bus Station                 | Health Food<br>Store        | Pizza Place                 | Eastern<br>European<br>Restaurant | Shoe Store                  | Pedestrian<br>Plaza         | Park                              |
| 3 | Арбат              | Coffee Shop                 | Bakery                      | Hostel                      | Hotel                       | Museum                      | Concert Hall                | Plaza                             | Gym /<br>Fitness<br>Center  | Caucasian<br>Restaurant     | Bar                               |
| 4 | Аэропорт           | Coffee Shop                 | Café                        | Cosmetics<br>Shop           | Pharmacy                    | Park                        | Wine Shop                   | Bakery                            | Salon /<br>Barbershop       | Food & Drink<br>Shop        | Italian<br>Restaurant             |
| 5 | Бабушкинский       | Park                        | Pharmacy                    | Gym                         | Supermarket                 | Bus Stop                    | Gym /<br>Fitness<br>Center  | Baby Store                        | Food & Drink<br>Shop        | Fast Food<br>Restaurant     | Café                              |
| 6 | Басманный          | Coffee Shop                 | Café                        | Caucasian<br>Restaurant     | Dance<br>Studio             | Bar                         | Bookstore                   | Gym / Fitness<br>Center           | Art Gallery                 | Beer Bar                    | Clothing Store                    |
| 7 | Беговой            | Coffee Shop                 | Dance Studio                | Gym /<br>Fitness<br>Center  | Café                        | Restaurant                  | Bar                         | Hotel                             | Nightclub                   | Sandwich<br>Place           | Pizza Place                       |
| 8 | Бескудниковский    | Bus Stop                    | Bus Line                    | Pizza Place                 | Supermarket                 | Bookstore                   | Pharmacy                    | Gym                               | Japanese<br>Restaurant      | Shop &<br>Service           | Eastern<br>European<br>Restaurant |
| 9 | Бибирево           | Supermarket                 | Park                        | Bus Stop                    | Pharmacy                    | Gym                         | Sushi<br>Restaurant         | Health Food                       | Gym /<br>Fitness            | Soccer Field                | Fast Food                         |