

The image features a white background on the left and a red background on the right, separated by a diagonal line. The red background is decorated with a grid of lighter red circles.

# Where to Invest in Philly?

# Problem Statement

Philadelphia is a diverse city.

Where should we be looking for opportunity?



# Business Value

Reduce risk

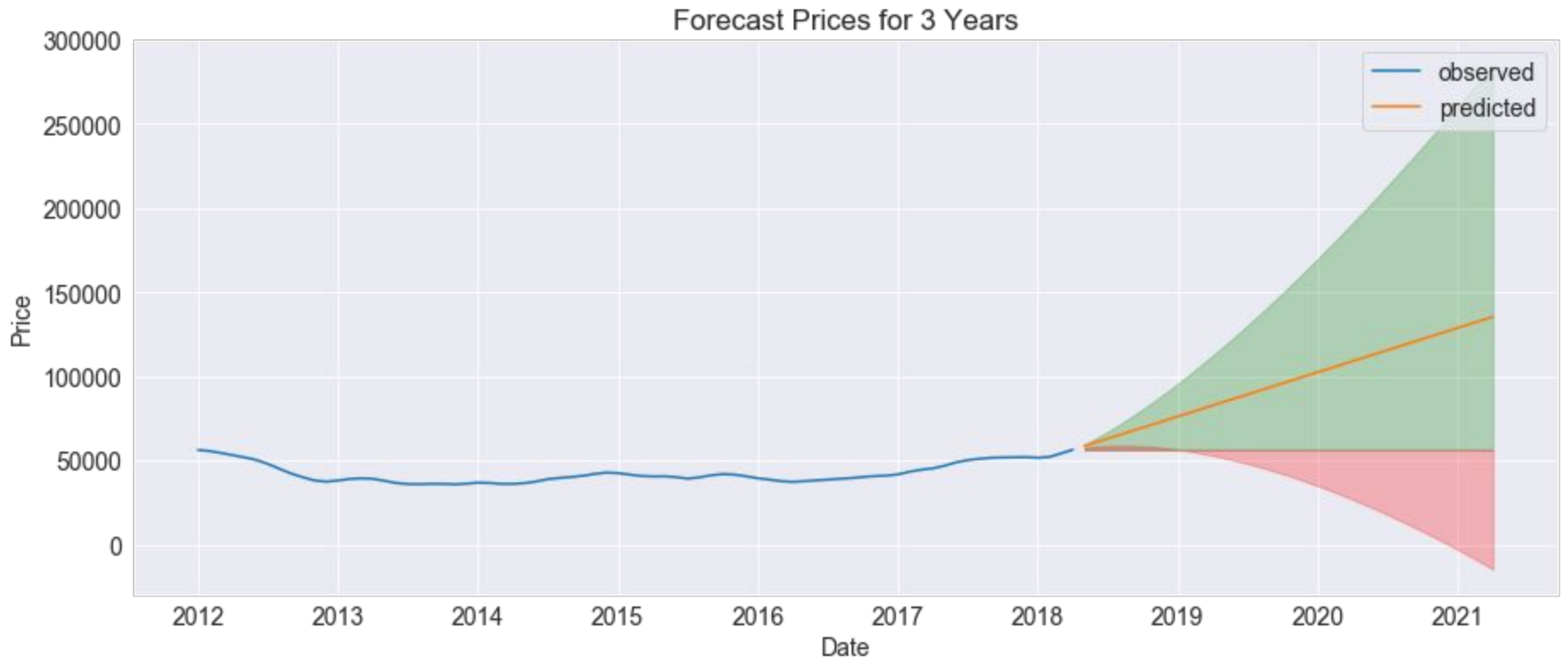
Plan out investments

Make our money grow

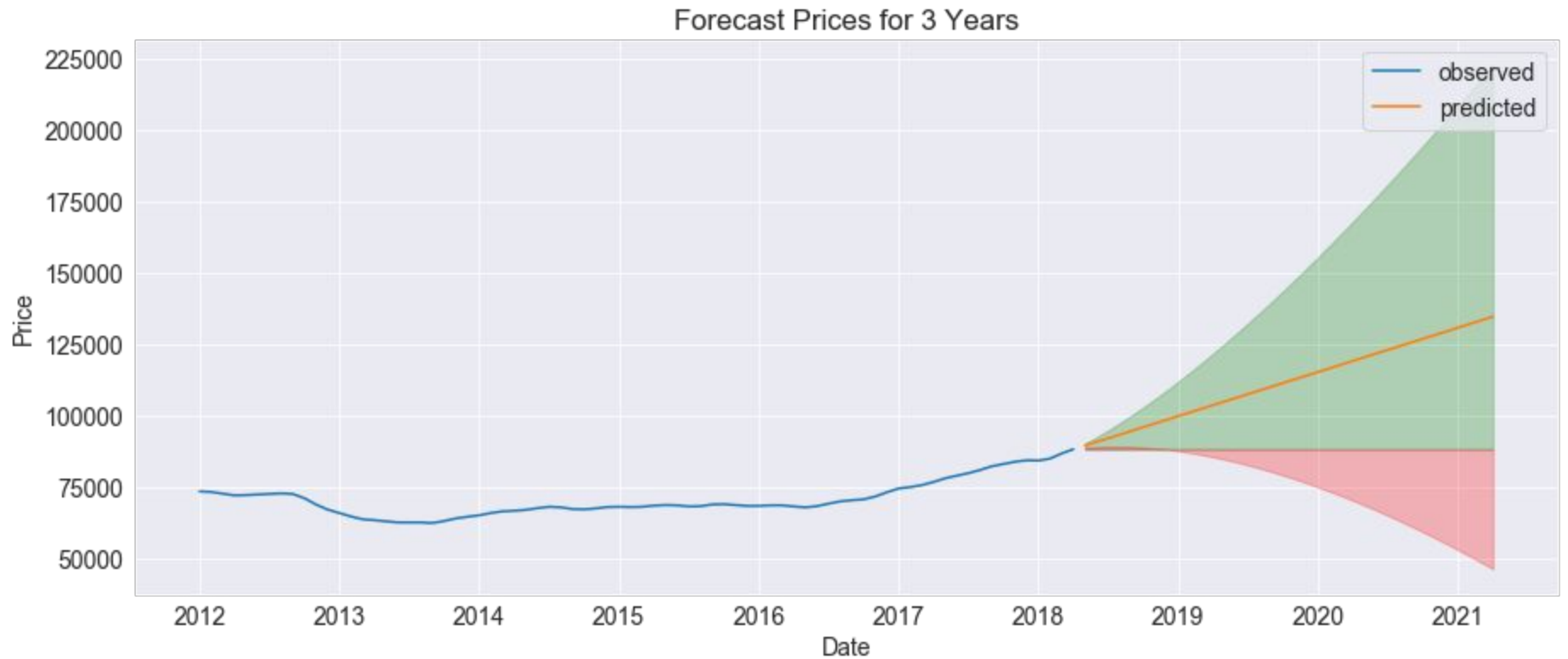


# Method

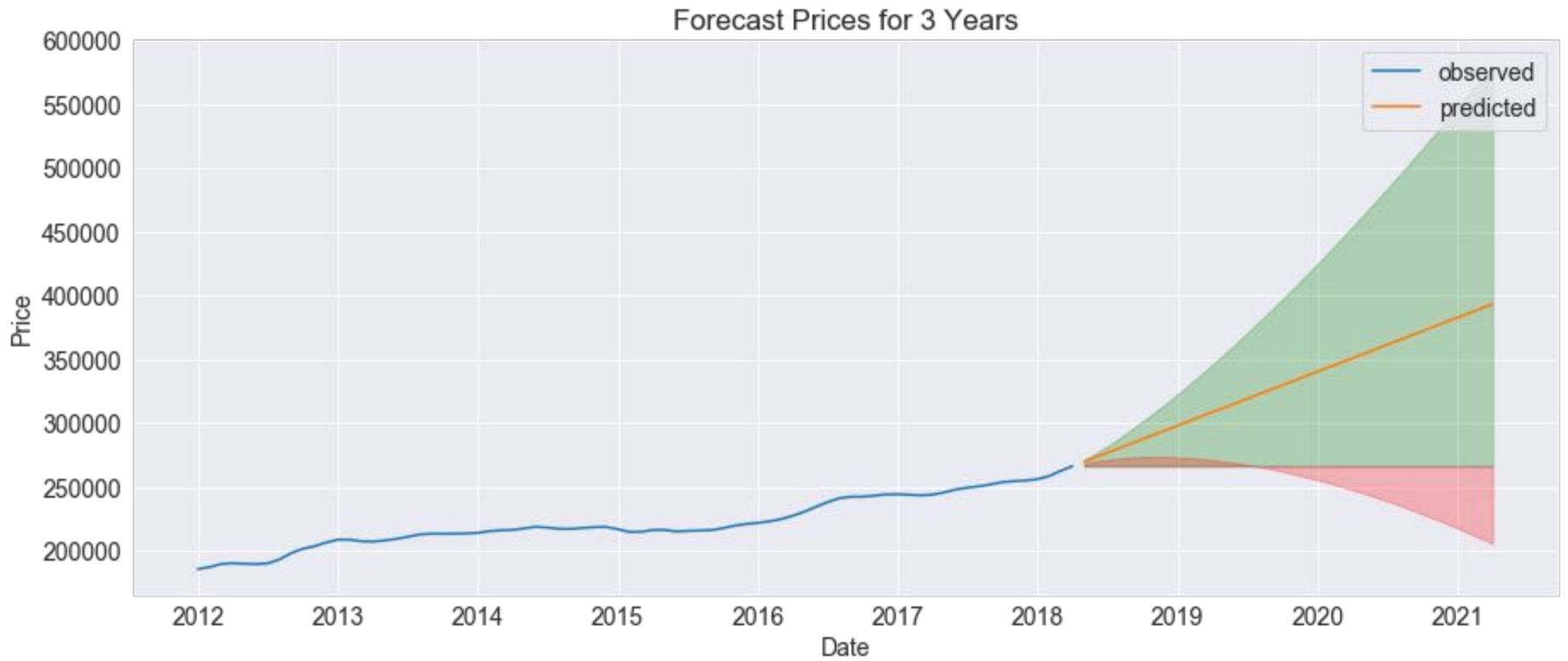




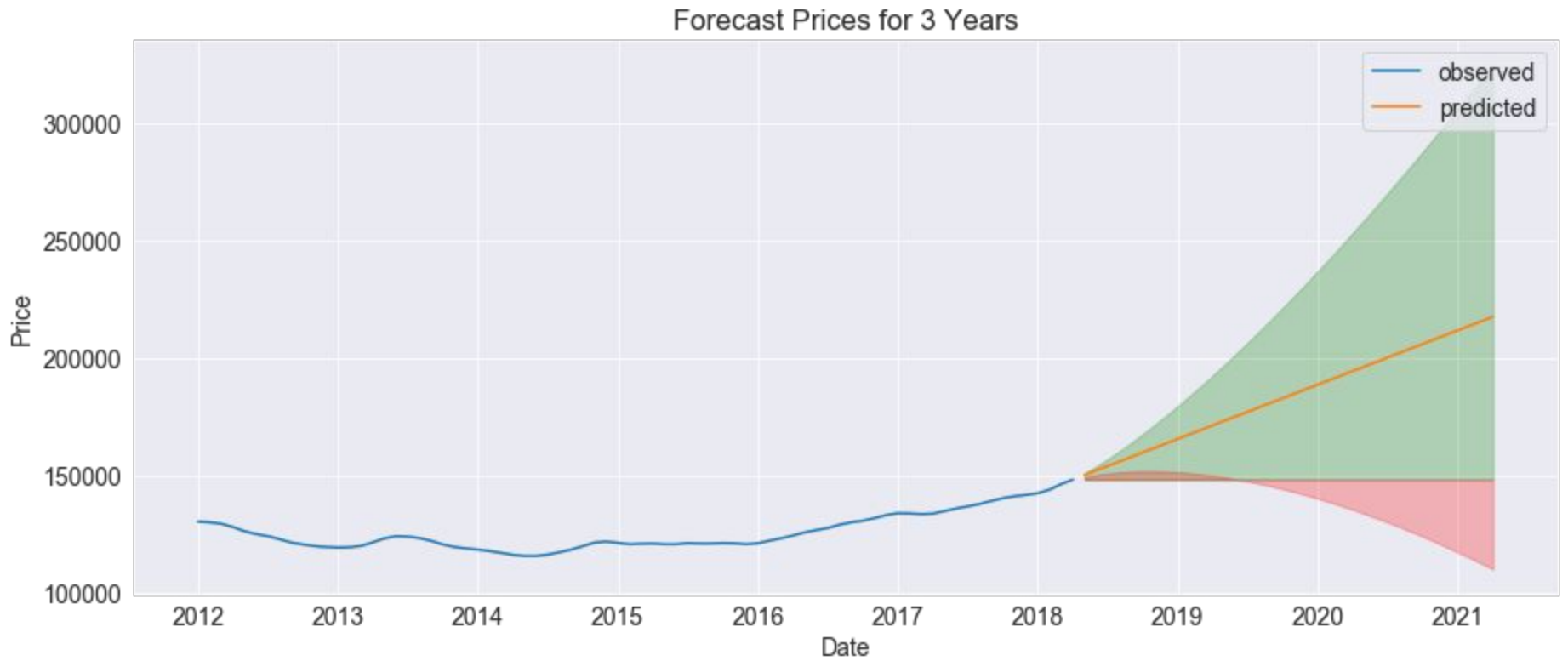
**Zip Code 19142**



**Zip Code 19124**



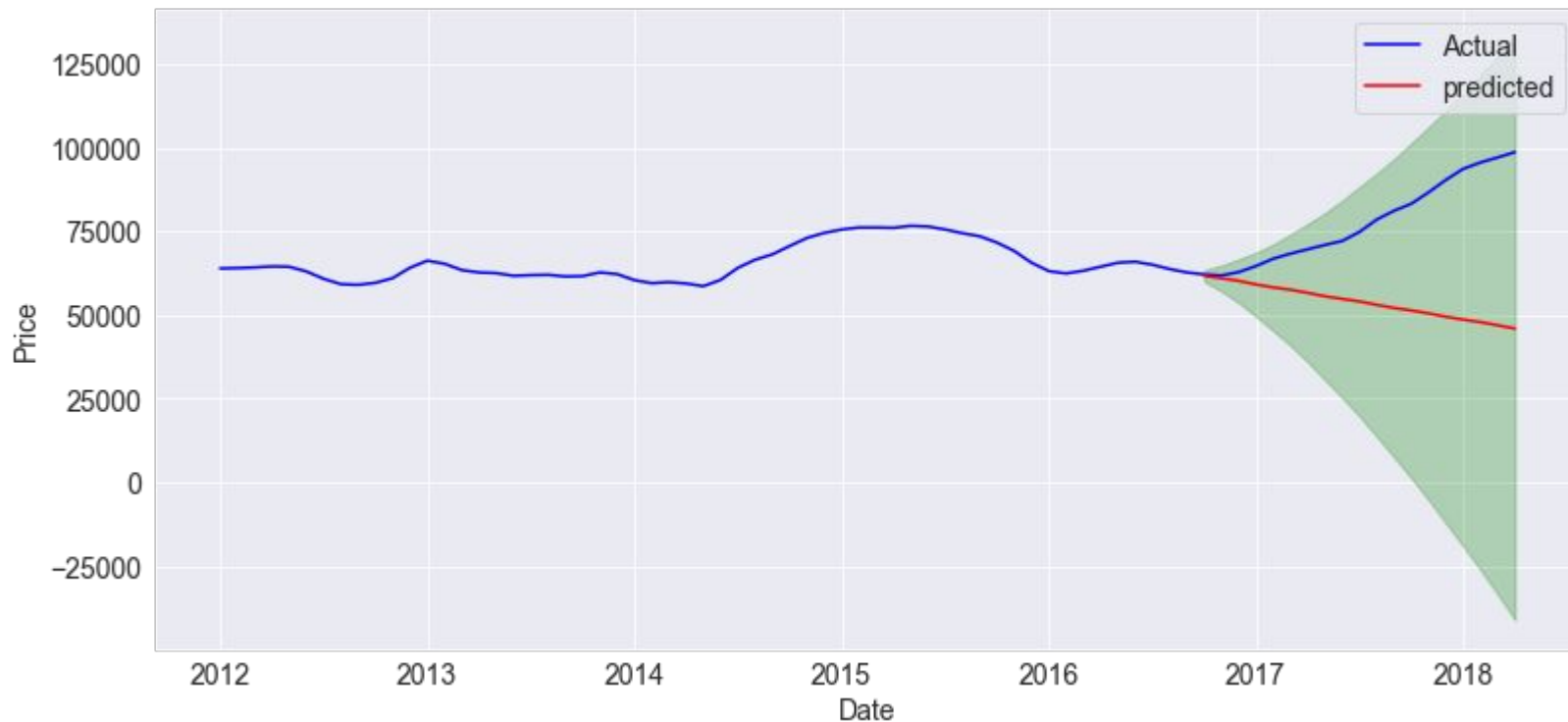
**Zip Code 19119**



**Zip Code 19136**



Actual Test Data vs. Predicted Returns



Zip Code 19131

# Recommendations:

- ❖ Invest in:
  - 19142
  - 19124
  - 19119
  - 19136
- ❖ Avoid:
  - 19131
- ❖ Rerun models in 6 months



# Looking Ahead

Use more sensitive modeling procedures

Incorporate socio-economic information



**Thank  
You!**

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# Appendix:

## ROIs:

- Zip code 19142: 46%, 93%, 139%
- Zip code 19124: 18%, 35%, 53%
- Zip code 19119: 16%, 32%, 48%
- Zip code 19136: 16%, 31%, 47%
- Zip code 19131: 18%, 36%, 54%

## Risk:

- Zip code 19142: 6%, 18%, 24%
- Zip code 19124: 7%, 18%, 24%
- Zip code 19119: -%, 9%, 16%
- Zip code 19136: -%, 11%, 18%
- Zip code 19131: 29%, 34%, 57 %

## RMSE on test data:

- Zip code 19142: 5599.65
- Zip code 19124: 6113.03
- Zip code 19119: 3826.64
- Zip code 19136: 2552.82
- Zip code 19131: 29383.75

# Appendix:

Average home prices in Philly:

Median: \$203,000

Mean: \$256,557

