

EDA-Project

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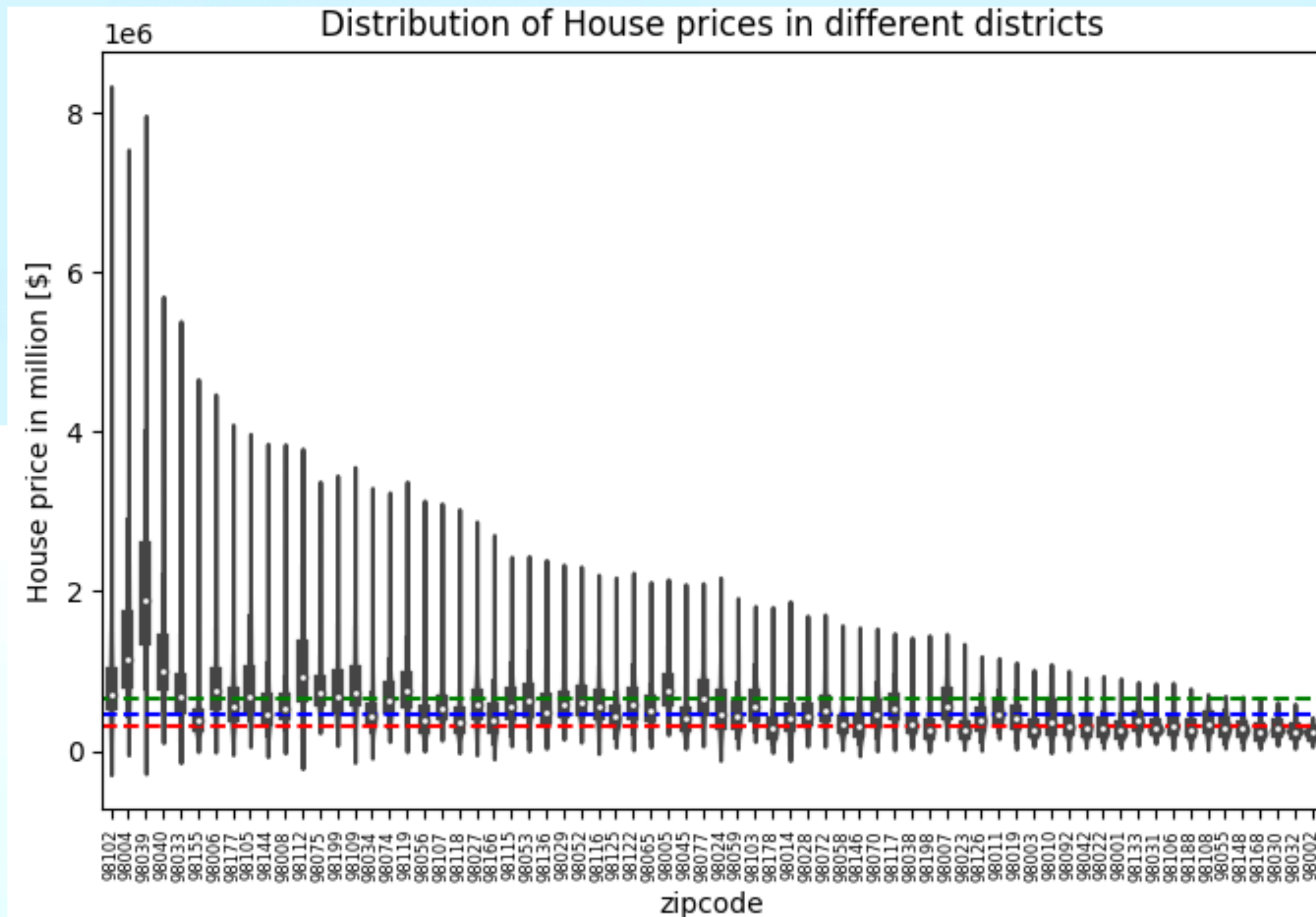
Bonnie Williams

-Seller-

- Has several houses
- Some in bad neighbourhoods
- Willing to evict people
- Big returns
- Open for renovations
- **Strategy: Buy cheap houses , renovate and sell for profit**



Which houses are cheap?



- High deviation from expensive houses
- Quantiles much closer to the lower prices
- Bottom 25% quantile = affordable houses

Which houses are worth an investment?

Older houses with a retro charm!

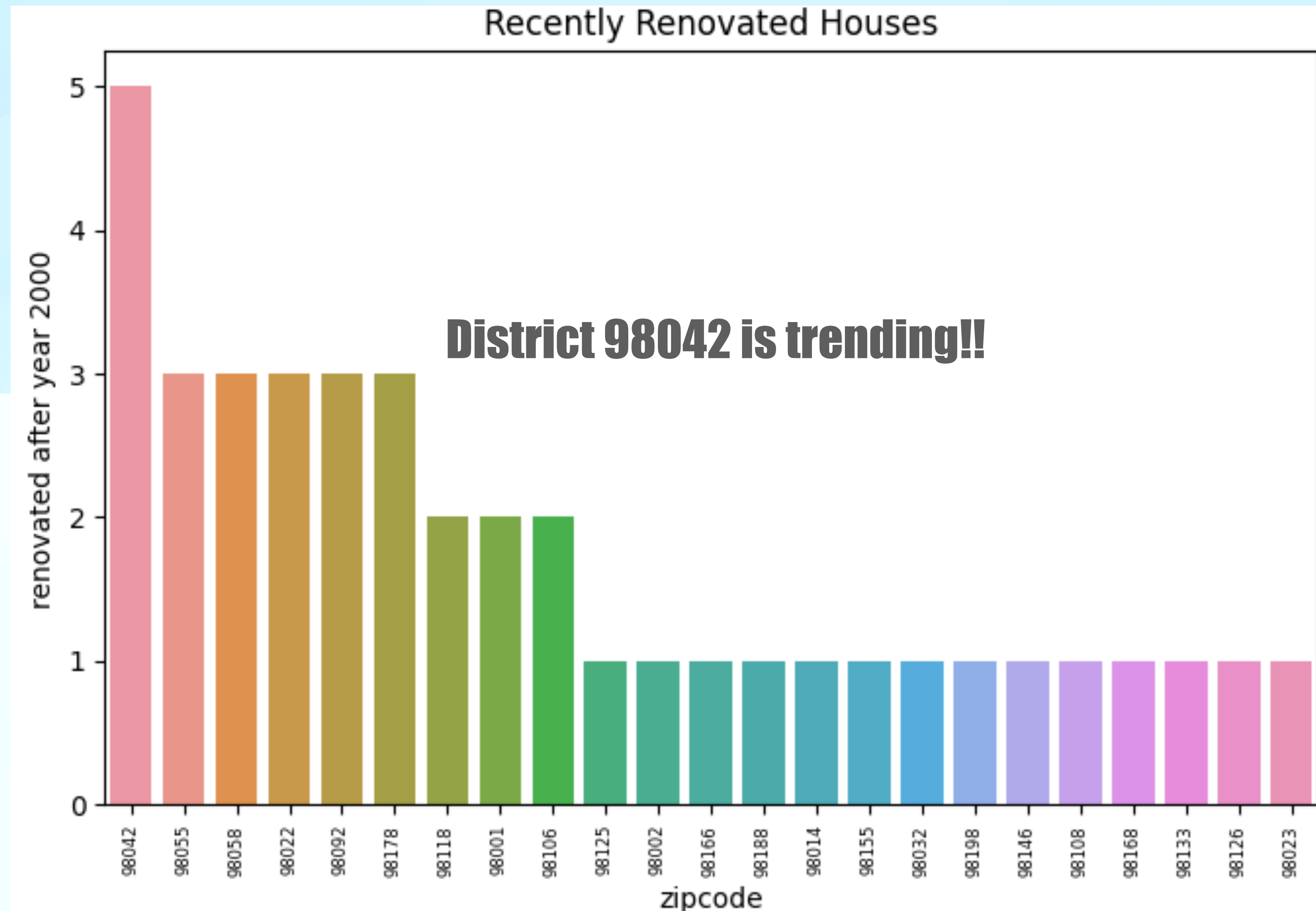
- Haven't been renovated yet
- Built before the year 1920
- Condition still quite good
- High grade of potential value
- Available in Summer to start renovation right away

Retro Houses

Listing No	condition	grade	built in	zipcode	date	price \$
853000261	5	7	1905	98022	2014-06-19	197,500
1781500435	5	7	1911	98126	2014-08-20	260,000
3336001470	5	7	1903	98118	2014-06-19	311,000
3339900640	5	7	1913	98002	2014-06-20	200,000
3751606606	5	7	1908	98001	2014-07-17	262,500

Which houses are worth an investment?

Trendy houses in upcoming neighbourhoods!



Which houses are worth an investment?

Trendy houses in upcoming neighbourhoods!

- Houses in 98042
- Haven't been renovated yet
- Good condition
- High grade potential value
- Available in Summer to start renovation right away

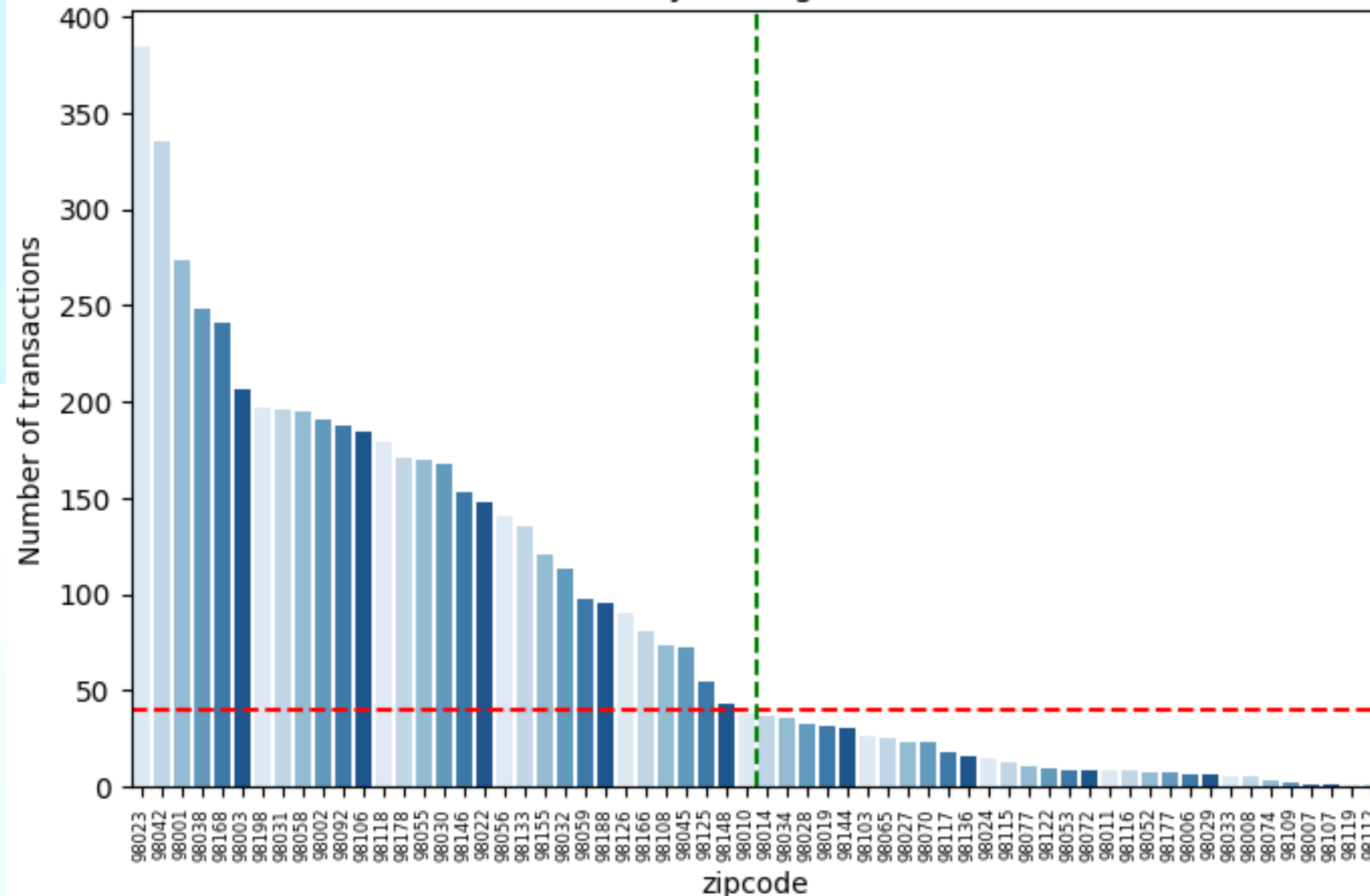
Trendy Houses

Listing No	condition	grade	built in	Renovated?	zipcode	date	price \$
1796360340	4	8	1987	Never	98042	2014-07-22	269,950
3211580210	4	9	1988	Never	98042	2015-04-11	299,900
1864900230	4	8	1977	Never	98042	2014-06-26	315,000
1156000250	4	8	1978	Never	98042	2014-06-02	320,000

Which houses are worth an investment?

High risk, high rewards houses!

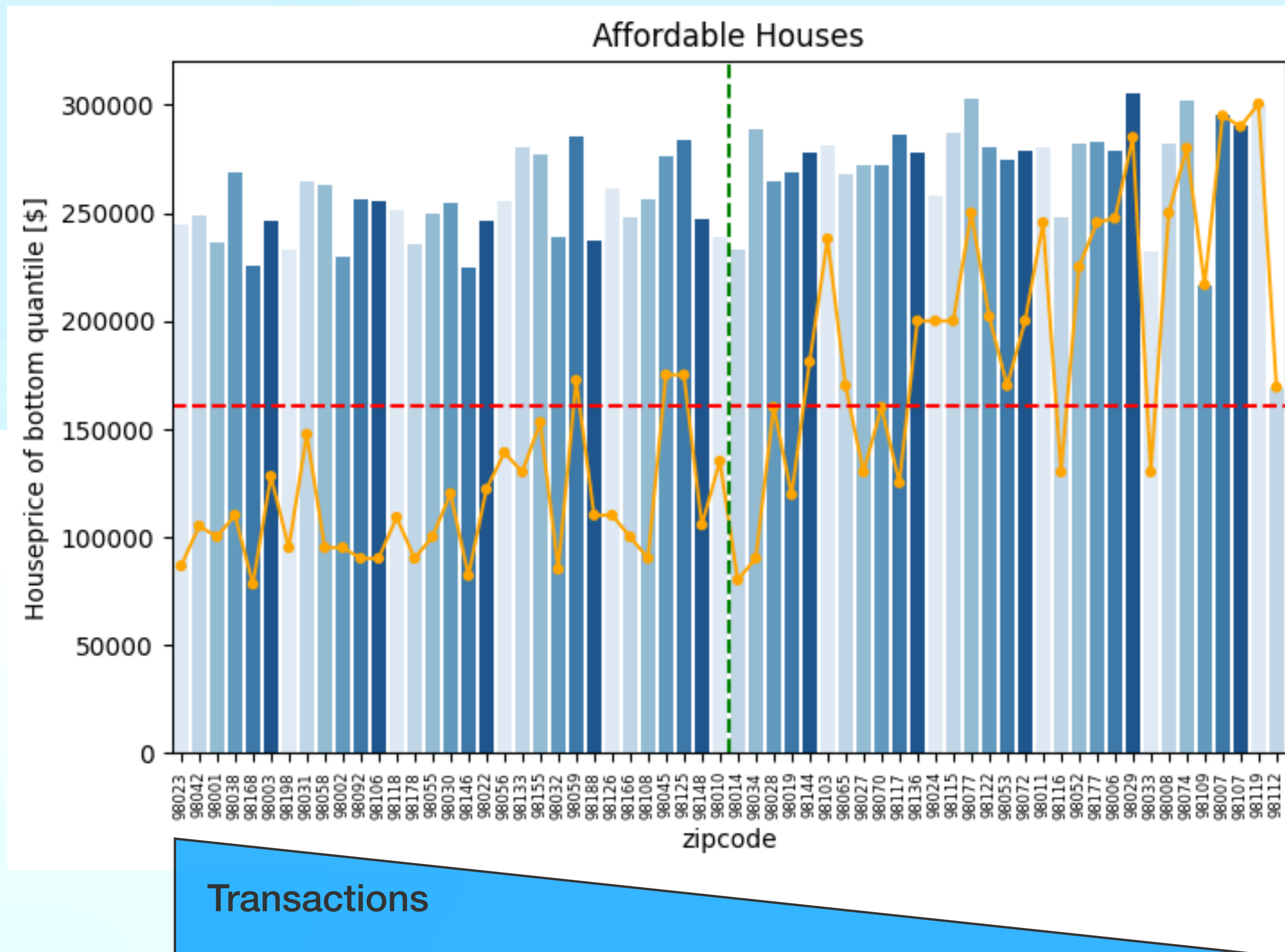
Desirability of neighbourhoods



- Half of the districts have below 40 transactions
- Districts might be less desirable
- Less competition!

Which houses are worth an investment?

High risk, high rewards houses!



- Minimum Price is higher in low desirable districts
- Target the exceptions!
- Buy, renovate and raise minimum price

Which houses are worth an investment?

High risk, high rewards houses!

- Target the districts with low transactions
- And low minimum prices
- Fair condition
- But still promising value
- Available in Summer to start renovation right away

Risky Houses

Listing No	condition	grade	Built in	Renovated?	zipcode	date	price \$
1049010620	3	7	1973	Never	98034	2014-05-13	90,000
5061300030	3	7	1922	2003	98014	2014-05-08	134,000

Thank you for your attention!

