IBM Capstone Project: The Battle of Neighbourhoods

**Analysis of London Neighbourhoods for Real Estate Investment**

* **Introduction/Business problem**

A prominent UK holding company has decided to invest part of its capital into the real estate business. More specifically, the company is looking for buying multiple houses/apartment buildings in London.

Thus, the problem consists now in identifying which areas of the city are more suitable and advantageous for this kind of investment, which means understanding which areas have the optimal and more profitable characteristics for long-term or holiday house renting and, possibly, selling at a higher cost to potential buyers in the future.

* **Data Section**

Three determinants have been underlined by the analyst as particularly influential in the choice of the locations where to acquire real estates:

-Level of criminality: a lower level of criminality could be determinant in the decision by a potential tenant/buyer to permanently live in a certain area or by a holidaymaker to be based there during his journey in London. Therefore, it might constitute also a determinant for the willingness by those people to pay a higher price to live in a location where they can feel safe.

-Quantity and quality of nearby venues: the number and average rate of shops, restaurants and other services around a certain area could definitely make the difference in the choice by potential tenants, buyers and holidaymakers.

For the first determinant, I will retrieve information from the *MPS Borough Level Crime* dataset provided by the Metropolitan Police Service for the period between 1/07/2018 and 30/06/2020. The Database is available at this web page:

<https://data.london.gov.uk/dataset/recorded_crime_summary>

With regard to the venues and related information about them I will resort to the Fourthsquare Location Data. The objective is to explore the main facilities and services around the boroughs with lower crime rate. Subsequently, I will perform a quality check by analysing their average rate.

Ultimately, the project should provide to the client the top 3 London Boroughs for profitable real estate investment.