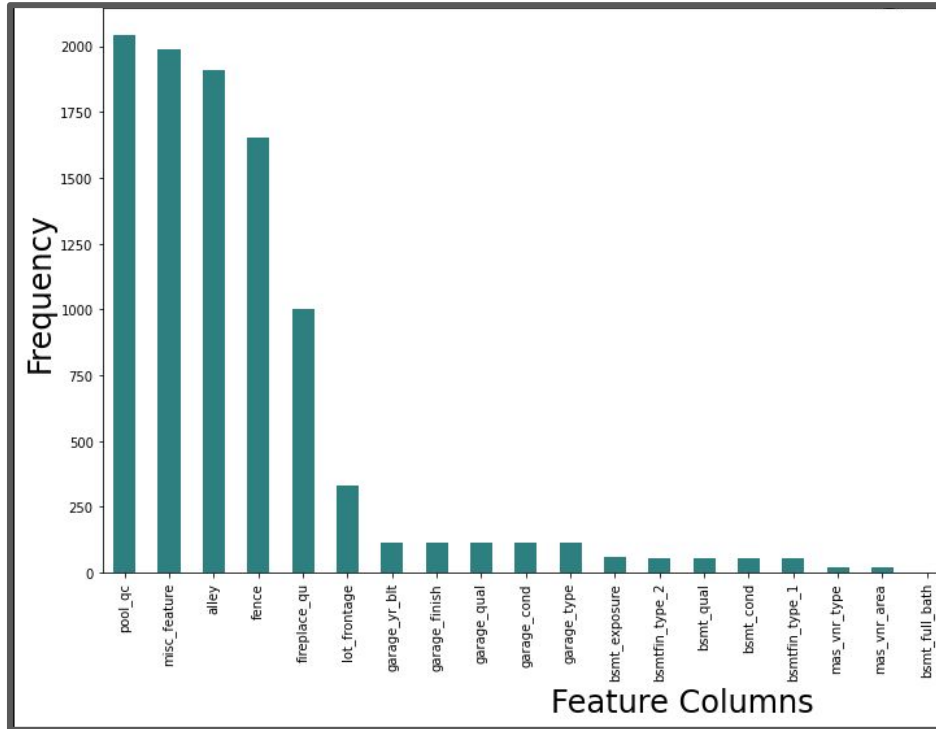


Predicting House Prices in Ames, Iowa And What Drives Home Prices

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Data Scientist at GA



What characteristics play a major role on home prices in Ames, Iowa?



- Features that reliably increase home value
- Features with little data.
- Quality features.



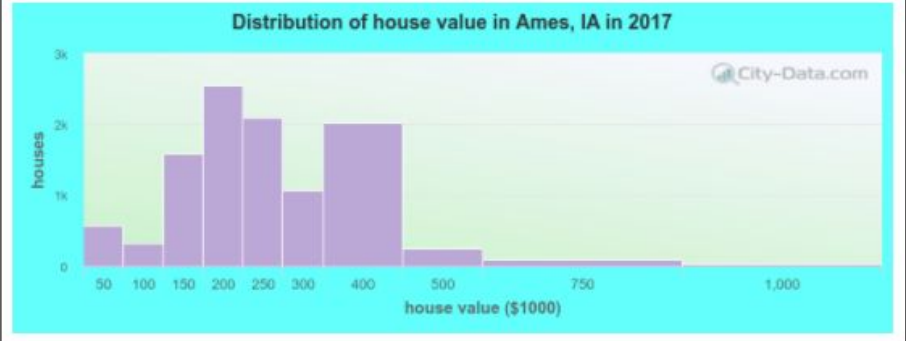
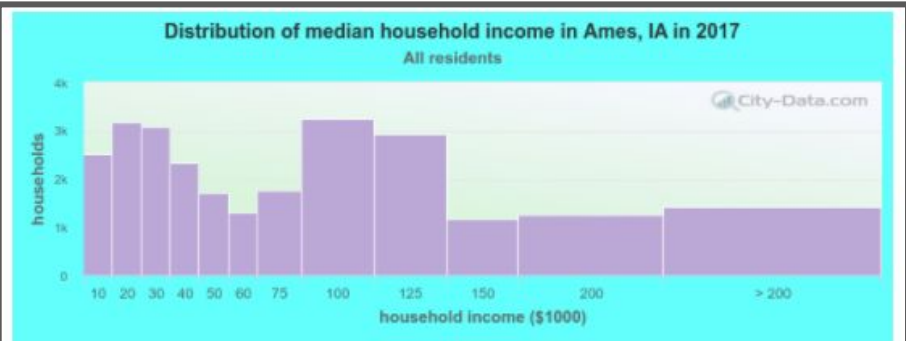
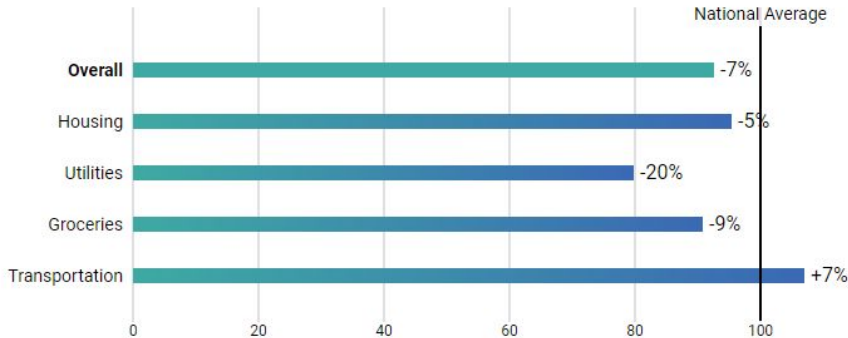
Distribution of House Sale Prices: Target Variable



Cost of living in Ames:

- 8% higher than the Iowa average
- 3% lower than the national average.
- 7% lower than the national average.

Cost of Living in Ames, Iowa by Expense Category



homelight.com/ames-ia-housing-market

CityData.com/city/Ames-ia

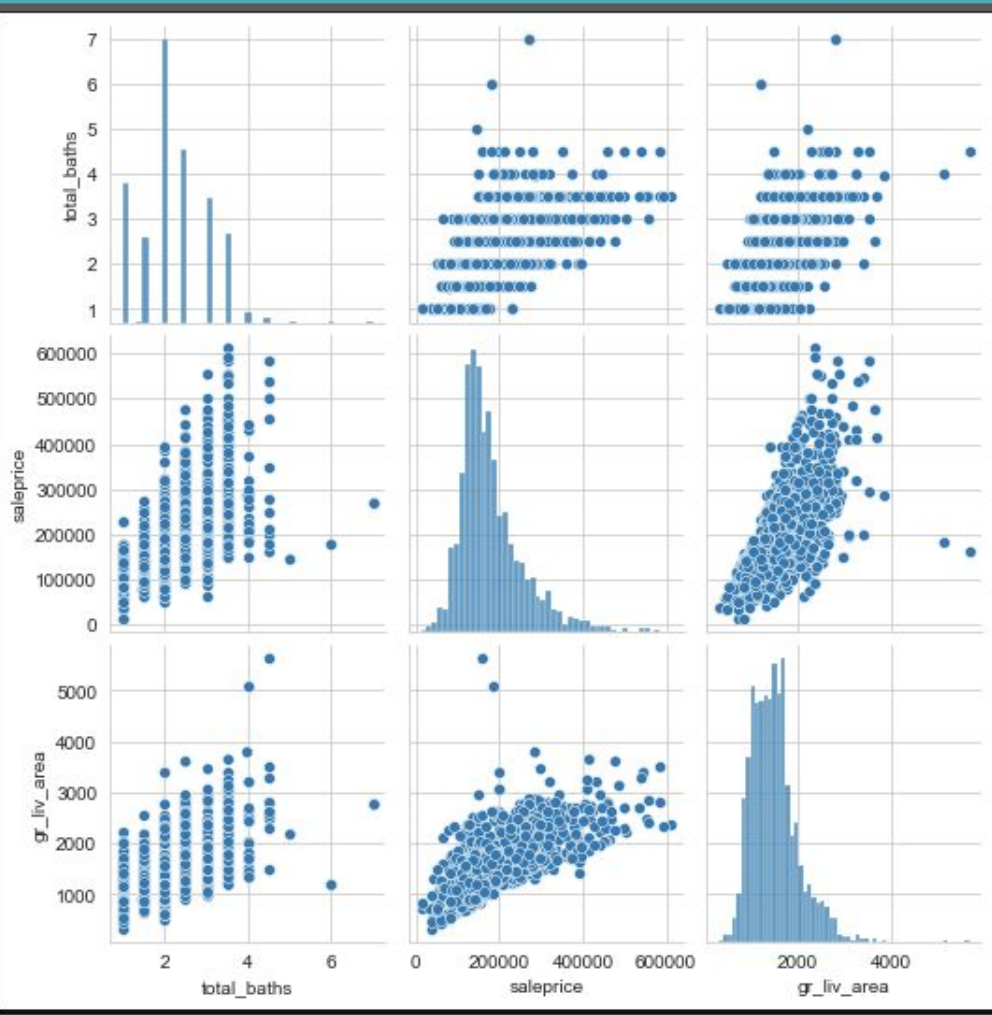
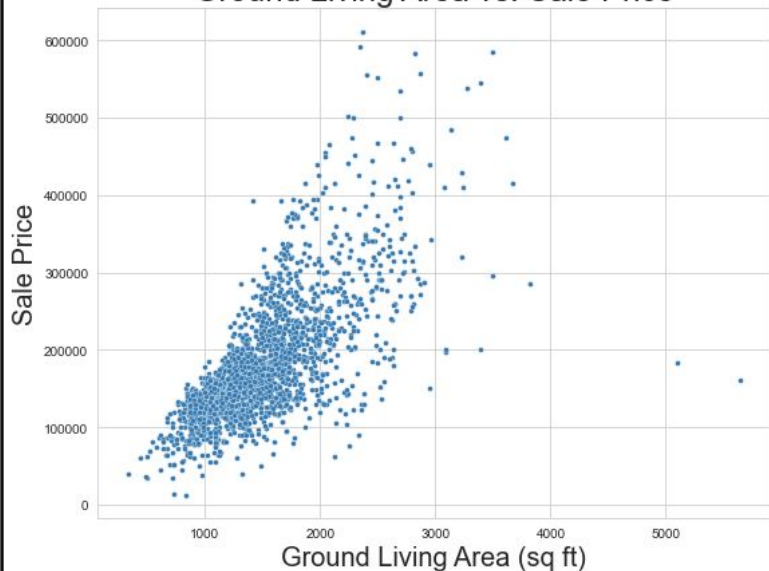


Living Area Square Footage has a strong positive relationship with the sale price.



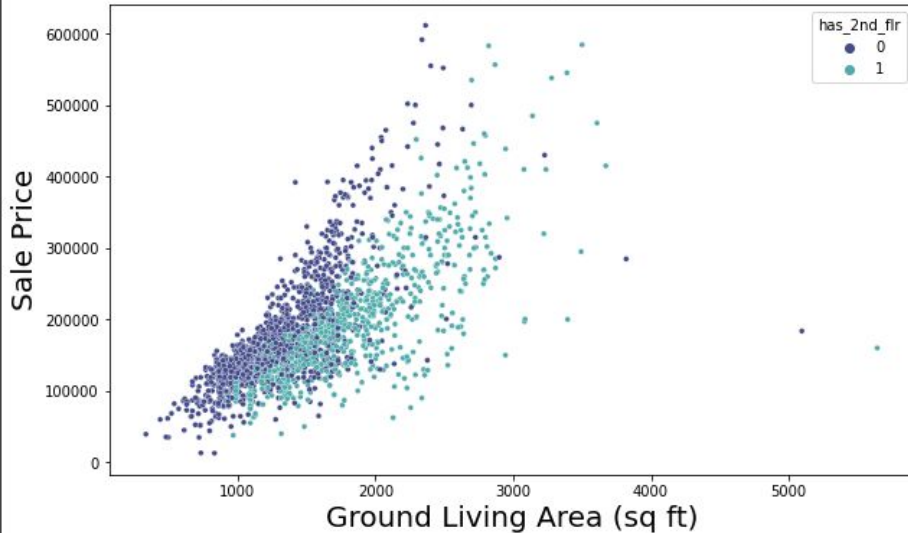
Generally, the more bathrooms, the bigger square footage and price.

Ground Living Area vs. Sale Price

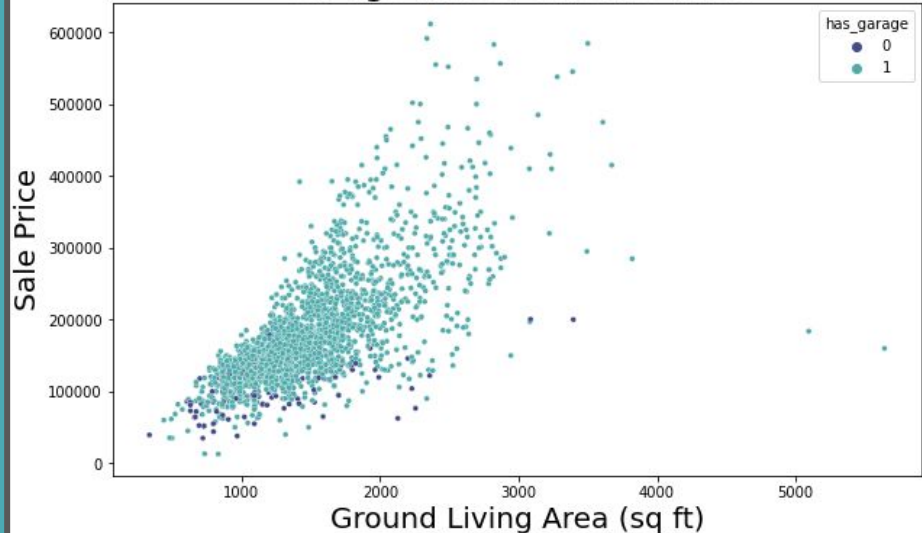


Additional Floors Correlate with Overall Living Space

Second Floor Effect on Sale Price

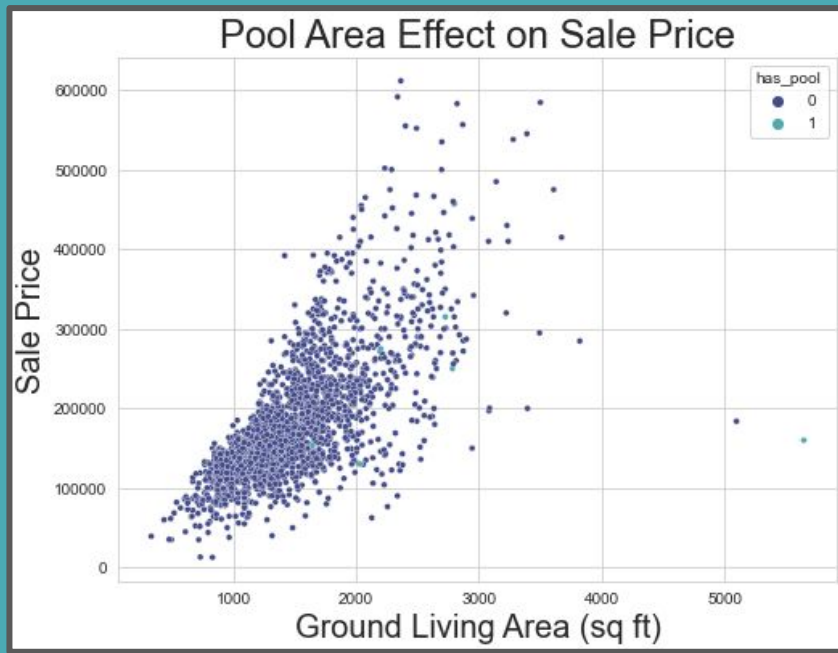


Garage Effect on Sale Price



People in Iowa are willing to pay a premium for a larger living space and only one floor.

Nearly all homes in Ames, IA have a basement.



“Luxury Features”

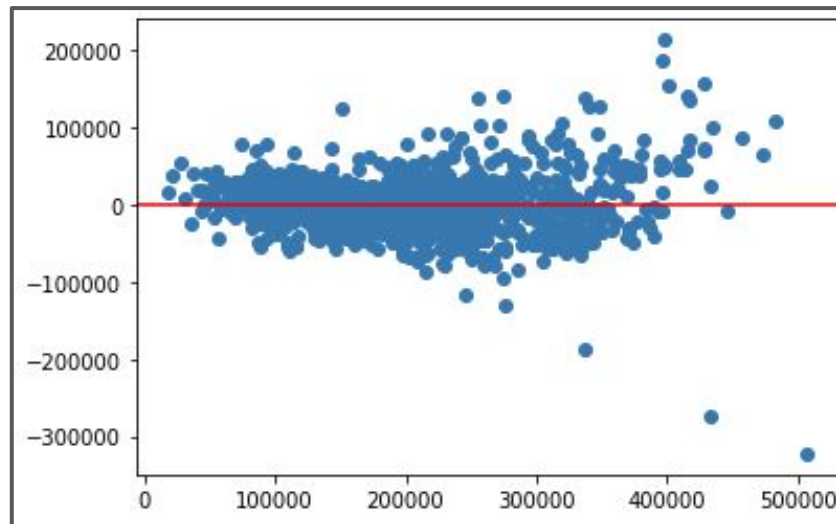
- Features that have a binary effect on house prices.
 - Fireplaces give a house a grandeur quality
 - There are not many houses in Ames with a pool

Individuals are willing to pay a premium sale price for newer single family homes.



Takeaways and Recommendations

- Some features had too little data to be used in our predictions.
 - Basement, pool,
- Best predictors are features that not only have a positive linear relationship with our target but also include a lot of information.
 - General Living Space, Age of the house, House Type, number of bathrooms, overall quality
- Model with the best score
 - Linear Regression



Linear Regression Residual scatter plot.