

## **Business Analytics**

### **Final Project**

**May 2022**

#### **Net Income Overview**

From the pivot table's "Grand Total" row, we can see approximate net income (credits minus debits) for each property. Chesterfield House 1 shows a small positive value of roughly \$38; Henrico House 1 shows a negative value of about -\$3,740, Henrico House 2 posts a positive \$1,989, Northside House 1 has a strong positive figure of around \$12,770, Richmond House 1 is also performing well at about \$11,251, and Richmond House 2 sits in the positive range at \$1,019.

#### **Potential Keepers**

Northside House 1 and Richmond House 1 exhibit the highest net positive figures, indicating they are likely generating solid rental income or incurring fewer expenses. These properties are strong candidates to hold onto. Henrico House 2 and Richmond House 2, while more modestly profitable, still fall into the positive range, suggesting they could remain worthwhile investments—particularly if they're located in areas poised for appreciation. Chesterfield House 1 barely breaks even, so whether to keep it may depend on your long-term outlook and any potential renovations or local market improvements that might drive in more income.

#### **Likely Seller**

Henrico House 1 stands out with a notably negative net balance of about -\$3,740. If this underperformance is consistent and not expected to turn around soon, it may be the strongest candidate to sell. Alternatively, you could consider strategies like refinancing, renovations, or rental adjustments to see if the property can be made profitable.

## **Additional Considerations**

While net cash flow is vital, bear in mind other factors such as future market appreciation and overall portfolio strategy. A short-term negative return can sometimes be outweighed by significant long-term equity gains if the neighborhood is rapidly improving. Furthermore, if you are based in the United States, you might explore a 1031 exchange to defer capital gains taxes when selling underperforming properties and reinvesting in more promising ones. Ultimately, balancing immediate cash flow with long-term appreciation goals will guide whether you keep or sell each house.